



OFFERING MEMORANDUM

KFC

1280 Hillside Ave SW | Pine City, MN





Exclusively Listed By

Peter Kikis
Associate

Peter.Kikis@matthews.com
DIR (214) 692-2115
MOB (646) 491-0368
LIC # 707125 (TX)

Datlon Barnes
Senior Associate

Dalton.Barnes@matthews.com
DIR (214) 692-2930
MOB (925) 234-1772
LIC # 01984625 (CA)

Braden Crockett
Vice President & Director

Braden.Crockett@matthews.com
DIR (214) 692-2040
MOB (714) 345-6206
LIC # 01946071 (CA)

Mark Hulsey
BROKER OF RECORD
LIC # 40169559 (MN)

Investment Highlights

- **Multiple Acquisition Opportunities**



- **Option 1:** Acquire just the Real Estate – Tenant will sign a long term ground lease upon Close of Escrow – contact agent for details
- **Option 2:** Acquire just the Business – Start your new business venture as a KFC franchisee with an existing operation. Sale includes Goodwill, Equipment and all business assets.
- **Option 3:** Acquire both Business and Real Estate – Attractively priced below replacement cost of just the building alone!



- **Deal Flexibility** – The acquisition of the asset can be approached in a variety of ways which will attract a larger than normal buyer pool. The flexibility of this deal will suit your unique investment goals.
- **Recent Renovations** – New roof installed 2016 and two top units installed in 2016 and 2017 respectively
- **Attractive Sales Growth** – This store has experienced an 8% increase in same store sales year-over-year since 2015 and is on track to experience similar growth in 2019!
- **Established Location** – Franchisee has operated at this location since 1989



- **Outparcel to Walmart Supercenter** – Walmart has been here since 2006 and serves as a regional anchor to the surrounding areas
- **Strategically Located** – Subject property sits just off Hillside Ave, which is the main artery leading into Pine City
- Location sees over 9,200 VPD and Interstate 35 supports 22,000 VPD



Property Name

KFC



Address

1280 Hillside Ave SW



Location

Pine City, MN



Zip Code

55063



List Price

\$800,000



Square Footage

± 2,802



Year Built

1989

Property
Overview

KFC

Founded more than 65 years ago and based in Louisville, Kentucky, KFC Corporation is the franchisor of the world's most popular chicken restaurant chain, KFC. There are over 20,500 KFC outlets in more than 125 countries and territories worldwide, serving in excess of 12 million customers per day. KFC is a part of Yum! Brands, Inc. ("Yum!"), the parent company for iconic restaurant brands - KFC, Taco Bell and Pizza Hut – with nearly 44,000 restaurants in more than 135 countries and territories worldwide. Yum! is publicly traded on the New York Stock Exchange (Ticker: YUM) with a market capitalization in excess of \$26 billion as of September 1, 2017.

STRATEGY

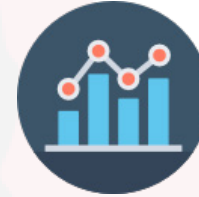
Franchising has allowed YUM! Brands to expand its worldwide presence through a far-reaching network of local operators, eliminating much of the expense involved in building such a large restaurant chain. In exchange for royalties and franchise fees, each franchisee is allowed to use the company's branding and other intellectual property. YUM! Brands maintain food quality consistency throughout its chain by centralizing where the restaurants buy food items.

OPERATIONS

Franchisees, affiliates, and licensed operators run about 95% of the company's restaurants.

GEOGRAPHIC REACH

With more than 19,500 units in more than 115 countries and territories, KFC is the world's second largest restaurant chain.



Ownership

Public



No. of Locations

±4,100



No. of Employees

±25,436



Headquartered

Louisville, Kentucky

Surrounding Tenants





±22,000 ADT

Campbell
Auto



Best
Rentals

Subject Property



Hillside Ave SW ±9,000 ADT

Pine City, MN

Pine City is the largest city in Pine County. The community has built the city from the ground up and have become a favorite destination for locals and tourists. Pine City offers many different scenic areas along the Snake River and in the St. Croix River Valley. There are great hiking trails that allow people to discover the natural side of Minnesota. Another large draw is the North West Company Post. The post was used for fur trade by the French during the 19th century. The city has also become a popular area for people to take a day trip because of their unique downtown area. Downtown is known for their specialty shops, restaurants, and casino. There are many different mom and pop shops that bring in unique styles and art.

The Pine City community has worked hard to make sure their city is the best place to live and visit. Residents put on events throughout the year to celebrate national and local holidays. In 2009, Pine City received the Outstanding Community award for the large volunteer effort within their community. They are also recognized as a Minnesota Star City for their leadership in working with local businesses to continue economic growth. Pine City is always looking for bigger and better ways to make their community a thriving one.

Pine City 5-Mile Demographics



2018 Population
Estimate

7,077



2018 Household
Estimate

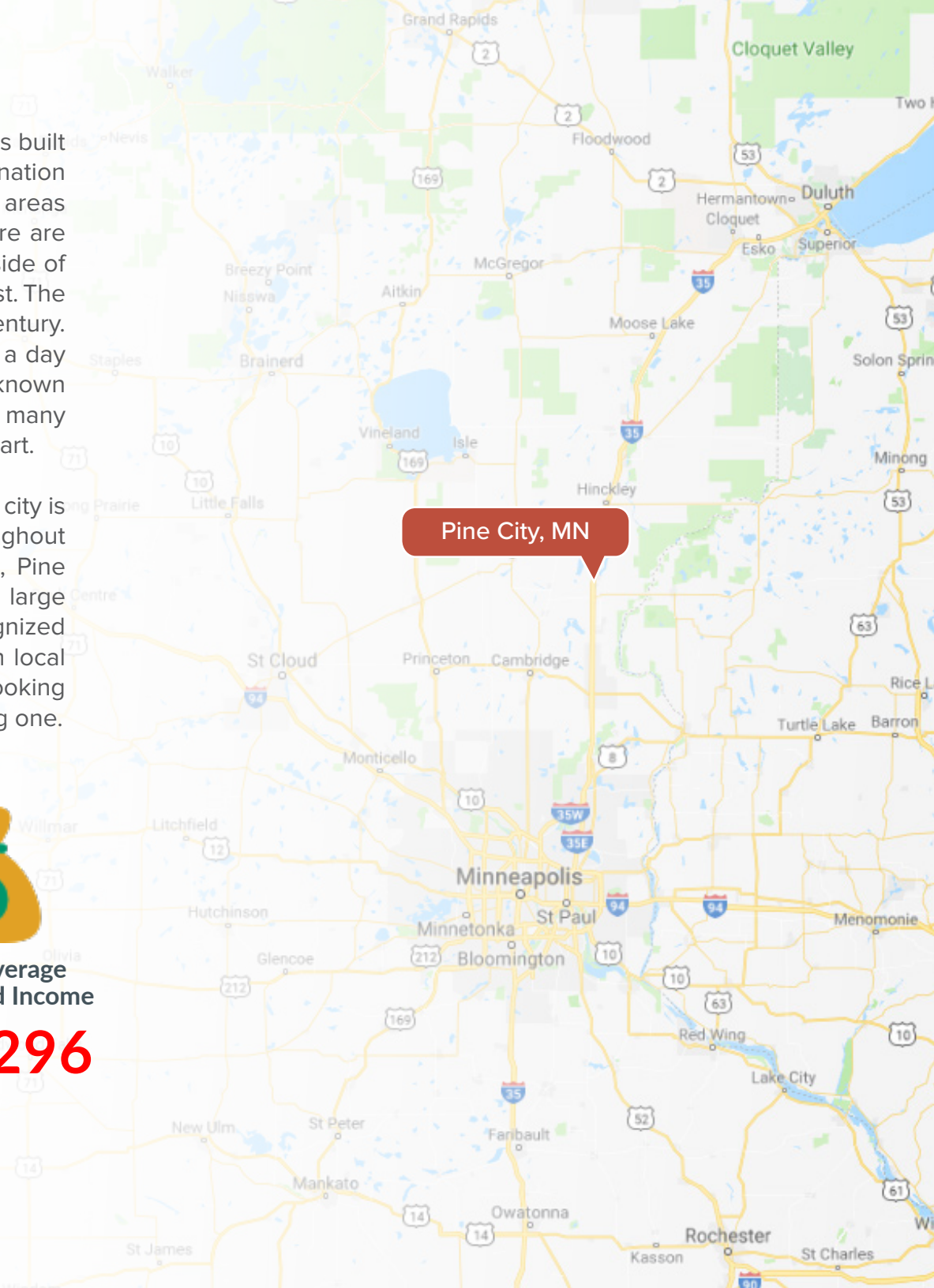
2,893



2018 Average
Household Income

\$62,296

Area
Overview



Minneapolis, MN

Minneapolis is the larger of the Twin Cities and is the 16th-largest metropolitan area in the nation. The cities lie on both banks of the Mississippi River and are connected to Saint Paul. The area acts as a primary business center between Seattle and Chicago. It is also known for its strong music and performing arts influence. It has been home to many influential artists and musicians, as well as, the award-winning Guthrie Theater and First Avenue nightclub. The area has something for everyone. Whether you are looking for nightlife, nature, music, or sports, you can find it in Minneapolis.





Economy

The Minneapolis economy relies on several industries including commerce, finance, rail and trucking services, and healthcare. It is the second largest economic center in the Midwest, after Chicago. Other smaller components that help contribute to the city's economy are publishing, milling, food processing, graphic arts, education, and more. Many new businesses are moving into the area and see potential for growth.

Currently, Minneapolis is headquarters for five Fortune 500 corporations: Target, U.S. Bancorp, Xcel Energy, Ameriprise Financial, and Thrivent Financials. Some of the largest employers in the downtown area include Target, Wells Fargo, Capella Education Company, and more. Several foreign companies have been moving into Minneapolis such as Accenture, Canadian Pacific, and Voya Financial.

The city was named the "Top Tech City" in the US because of their advancement in transportation solutions, medical trials, energy conservation, and university research. The area has been developing rapidly and is always looking on how they can enhance an area or field for the better.

394,424

POPULATION

\$50,767

MEDIAN HOUSEHOLD INCOME

31.7

MEDIAN AGE

Music

Minneapolis holds a special place for all genres of music. Prince was born in Minneapolis and credits the city for the influence it had on his music and career. The city has many different schools and programs that focus on music. The Minnesota Orchestra was once named “the greatest orchestra in the world” by The New Yorker. They have received several Grammy nominations and are amazing performers. The area is known as an epicenter of folk, funk, and alternative rock music. When walking the streets, different types of music echo throughout.



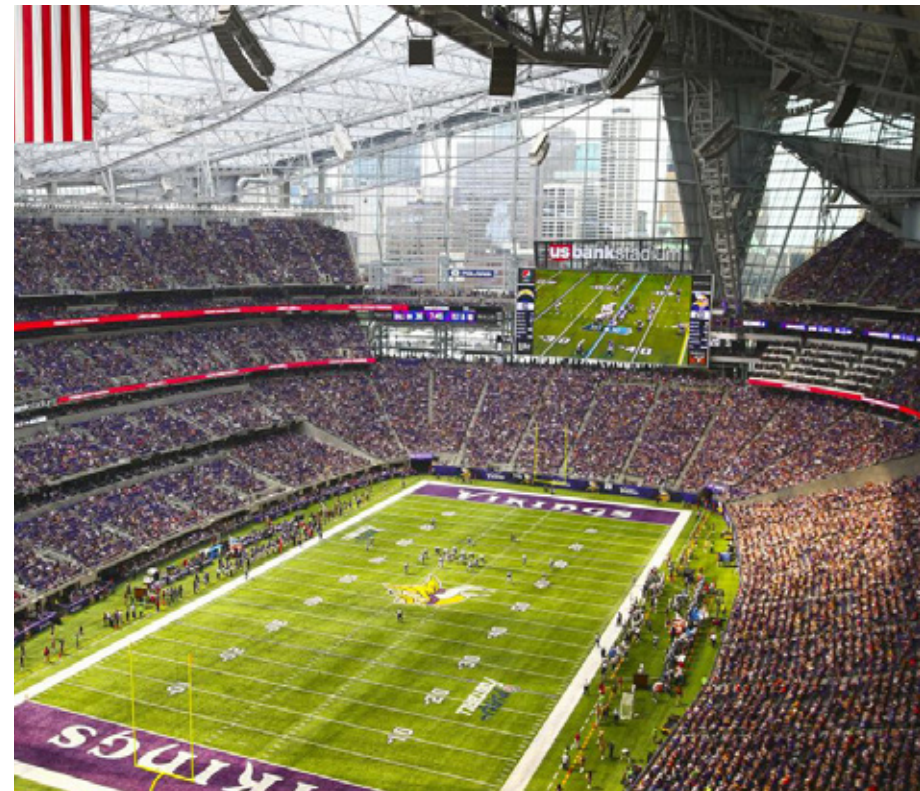
Culture

Minneapolis has had a large influence on the arts as well. The city holds several museums such as the Walker Art Center, the Minneapolis Institute of Art, and The Weisman Art Museum that portrays many different types of visual art. The large museums also work within specific institutes and universities that teaches students high-levels of art.

Sports

Minneapolis is home to five professional sports teams. The most successful team is the Minnesota Lynx. They are part of the Women’s National Basketball Association and are a dominating force within the league. They have made it to the WNBA finals multiple times and have won the finals four times. The Minnesota Timberwolves are in the National Basketball Association and have called Minnesota home since 1989. The Minnesota Vikings (NFL) and the Minnesota Twins (MLB) have played in Minnesota since 1961.

The Minnesota Vikings have a strong fan base and have gone to the Super Bowl several times. The Minnesota Twins are a force to be reckoned with in major league baseball. They have won 10 division titles, 3 American League Pennants, the World Series twice. The Minnesota United FC is a Major League Soccer team that will be incorporated in 2017.





Minneapolis-Saint Paul MSA

The Minneapolis-Saint Paul metropolitan statistical area is built around the Mississippi, Minnesota, and St. Croix rivers. The area is often known as the Twin Cities. The MSA holds 16 counties, 218 cities, and is the 16th largest metropolitan region in the U.S. Although they are often considered jointed cities, each city has defined borders. Minneapolis is known as a modern city with skyscrapers, while Saint Paul is more family oriented with neighborhoods. The area has a rich culture that is seen throughout the area. Whether you are looking for a great night out or a good place to raise a family, the Minneapolis-Saint Paul MSA has everything.

CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **KFC** located at **1280 Hillside Ave SW ,Pine City, MN 55063** (“**Property**”). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

Exclusively Listed By

Peter Kikis

Associate

Peter.Kikis@matthews.com

DIR (214) 692-2115

MOB (646) 491-0368

LIC # 707125 (TX)

Datlon Barnes

Senior Associate

Dalton.Barnes@matthews.com

DIR (214) 692-2930

MOB (925) 234-1772

LIC # 01984625 (CA)

Braden Crockett

Vice President & Director

Braden.Crockett@matthews.com

DIR (214) 692-2040

MOB (714) 345-6206

LIC # 01946071 (CA)

Mark Hulsey

BROKER OF RECORD

LIC # 40169559 (MN)

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

KFC

1280 Hillside Ave SW | Pine City, MN

