

KFC and Taco Bell

95 East Business Highway 151, Platteville, Wisconsin 53818



OFFERING MEMORANDUM

EXCLUSIVE NET-LEASE OFFERING

Marcus & Millichap

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95 East Business Highway 151 – Platteville, Wisconsin 53818

PRICE: \$2,136,660 | 6.00%CAP | NOI: \$128,200**PROPERTY DESCRIPTION**

Property	KFC and Taco Bell
Property Address	95 East Business Highway 151
City, State, ZIP	Platteville, Wisconsin 53818
Building Size (SF)	2,654
Lot Size (Acres)	+/- 0.87

THE OFFERING

Net Operating Income	\$128,200
CAP Rate	6.00%
Purchase Price	\$2,136,660*

LEASE SUMMARY

Property Name	KFC and Taco Bell
Property Type	Net Leased Fast Casual Dining
Tenant / Guarantor	ZAK LLC Franchisee
Lease Term	20 Years
Rent Commencement	November 15, 2016
Lease Expiration	November 30, 2036
Lease Term Remaining	19.4 Years
Lease Type	Absolute Triple-Net (NNN) Lease
Roof & Structure	Tenant Responsible
Rental Increases	1.5% Annually
Options to Renew	Two (2), Ten (10) Year
Rental Increases in Options	1.5% Annually

*Price based on 2017 Rent Increase

HIGHLIGHTS

- Long-Term 20-Year Absolute Triple-Net (NNN) Lease
- Attractive 1.5 Percent Annual Rental Increases
- A 29-Unit Franchisee Guarantee | Strong and Established Franchisee with more than 15 Years Experience
- Two, Ten-Year Tenant Renewal Options



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INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a KFC and Taco Bell located in Platteville, Wisconsin. The property consists of approximately 2,654 square feet of building space and is situated on approximately .87 acres of land. The property is subject to a 20-year Triple-Net (NNN) lease with 19.4 years remaining. The base rent is \$126,305 with a 1.5% annual rental increases. The increases will continue through the two, ten-year tenant renewal options.

TENANT SUMMARY

Taco Bell Corporation is an Irvine, California-based quick service restaurant chain that specializes in Mexican-style fast food. Taco Bell is the nation's leading Mexican-inspired restaurant chain and is a subsidiary of YUM! Brands, which is the largest restaurant company in the world. YUM! Brands is publicly traded on the New York Stock Exchange and operates Taco Bell, Kentucky Fried Chicken, Pizza Hut, and WingStreet restaurants worldwide.

KFC Corporation, based in Louisville, Kentucky, is one of the few brands in America that can boast a rich, decades-long history of success and innovation. It all started with one cook who created a soon-to-be world-famous recipe more than 70 years ago, a list of secret herbs and spices scratched out on the back of the door to his kitchen. That cook was Colonel Harland Sanders, of course, and now KFC is the world's most popular chicken restaurant chain, specializing in that same Original Recipe® along with Extra Crispy™ chicken, home-style sides and buttermilk biscuits. There are more than 18,000 KFC outlets in 115 countries and territories around the world. And you know what? There's still a cook in a kitchen in every last one of them, freshly preparing delicious, complete family meals at affordable prices.



ANNUALIZED OPERATING DATA

Current Annual Rent	\$126,305
Base Term Rental Escalations	1.5% Annually

RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent
Year 1	\$126,305	\$10,525
Year 2	\$128,200	\$10,683
Year 3	\$130,123	\$10,844
Year 4	\$132,074	\$11,006
Year 5	\$134,056	\$11,171
Year 6	\$136,066	\$11,339
Year 7	\$138,107	\$11,509
Year 8	\$140,179	\$11,682
Year 9	\$142,282	\$11,857
Year 10	\$144,416	\$12,035
Year 11	\$146,582	\$12,215
Year 12	\$148,781	\$12,398
Year 13	\$151,013	\$12,584
Year 14	\$153,278	\$12,773
Year 15	\$155,577	\$12,965
Year 16	\$157,911	\$13,159
Year 17	\$160,279	\$13,357
Year 18	\$162,683	\$13,557
Year 19	\$165,124	\$13,760
Year 20	\$167,601	\$13,967

CAP Rate	6.00%
Purchase Price	\$2,136,660*

*Price Based on 2017 Rent Increase



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Company Profile

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Taco-Bell serves a variety of Tex-Mex foods to more than 2 billion customers each year in more than 6,500 locations worldwide. More than 80 percent of its locations are franchised and 2015 system wide sales surpassed \$9 billion dollars.

Taco Bell is on the cutting edge of QSR and is the industry gold standard for social engagement, product development, brand positioning and advertising. The brand's Live Más positioning is an example of how strong brand identity can drive success across the spectrum. Given the brand's strong economics and broad franchisee appeal, Taco Bell continues to accelerate new-unit openings both domestically and internationally. They had a record number of U.S. openings in 2015 and expect to build upon this in 2016.



Highlights

- A network of more than 350 franchisees, more than 35% of which have more than 25 years experience.
- Implementing a new layout titled the Delight Line which significantly improved customer satisfaction and efficiency.
- Celebrated the 50th Anniversary in 2014.

LIVE MÁS



Company Profile

KFC Corporation, based in Louisville, Kentucky, is one of the few brands in America that can boast a rich, decades-long history of success and innovation. It all started with one cook who created a soon-to-be world-famous recipe more than 70 years ago, a list of secret herbs and spices scratched out on the back of the door to his kitchen. That cook was Colonel Harland Sanders, of course, and now KFC is the world's most popular chicken restaurant chain, specializing in that same Original Recipe® along with Extra Crispy™ chicken, home-style sides and buttermilk biscuits. There are more than 18,000 KFC outlets in 115 countries and territories around the world. And you know what? There's still a cook in a kitchen in every last one of them, freshly preparing delicious, complete family meals at affordable prices.



IT'S MADE THE HARD WAY

Hand breaded, freshly prepared and Finger Lickin' Good®! Our chicken isn't made the fast way or the easy way.

Each fresh batch of the world's best chicken starts with our cooks inspecting each individual piece.



Then, our fresh chicken is carefully rolled 7 times in our secret blend of 11 herbs & spices before being rocked 7 times and then pressure cooked at a low temperature to preserve all the great taste we're known for around the world.

We could find an easier way to make chicken, but then we couldn't put our name on it.



KFC with "Always Original" has returned to the basics with clear value at memorable price points and innovation close to the core. Just look at Nashville Hot, which started in the U.S. and is now rolling out in international markets. We did not change the form of our product – only the flavor profile, and our customers love it. Going forward KFC will continue this focus on the basics, coupled with a big push on the digital front and delivery.

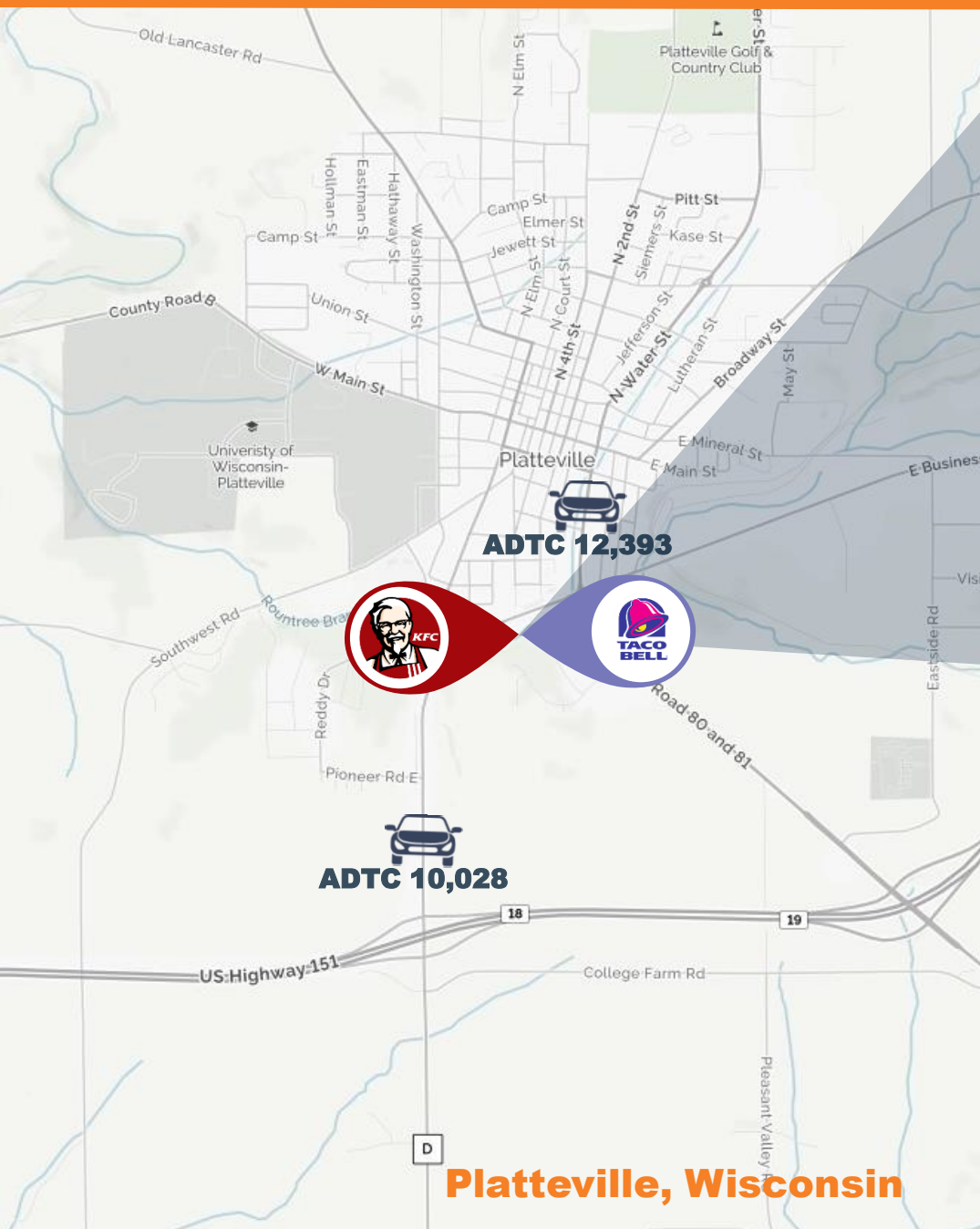
HIGHLIGHTS

- Dense Retail Corridor | Major National Tenants Include: Walmart, Kmart, Aldi, Menard's, Dollar General, Dollar Tree
- University of Wisconsin – Platteville | Less Than One Mile From Property | Over 9,000 Students Enrolled
- Hospitality Tenants in Area | Country Inn and Suites and Super 8
- Strong Traffic Counts in the Area: East Business Highway 151 and Wisconsin Highway 81 | 10,028 and 12,393 Average Vehicles Daily

MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES *
University Wscnsin Platteville	3,250
TDS	2,600
University Wisconsin System	1,852
University Wscnsin-Platteville	900
School of AG Fac & Acad Staff	800
Chancellors Office	600
Amanda Trewins Office	405
Counselling Education	405
Criminal Justice Department	405
Department of Economics	405

* Based on a 5-mile radius





This KFC property is located at 95 East Business Highway 151 in Platteville, Wisconsin. Platteville is the largest city in Grant County in southwestern Wisconsin. It is the principal city in the Platteville Micropolitan Statistical area. Platteville is home to the University of Wisconsin – Platteville campus. This campus has over 9,000 students enrolled and is also a major employer in the area.

Surrounding Retail and Points of Interest

The subject property is well-positioned in a dense retail corridor, benefitting from its proximity to major national and local retailers. Major national retailers in the area include: Walmart, Kmart, Aldi, Menard's, Dollar General, Dollar Tree, Taco Bell, McDonald's, Subway, Pizza Hut, Domino's and many others. The University of Wisconsin Platteville campus is located less than one mile away from the subject property. There are also several hospitality tenants in the area such as Country Inn and Suites and Super 8.

Traffic Counts and Demographics

There are approximately 13,270 people within a three-mile radius of this property and 14,762 within a five-mile radius. The property is situated on East Business Highway 151, which has an average daily traffic count of 10,028 vehicles. The property is also located near Wisconsin Highway 81 which has average daily traffic counts of 12,393 vehicles.

Madison, Wisconsin

Platteville is less than 50 miles from Madison, Wisconsin. Madison is the capital of the state and is also the county seat of Dane County. One of the biggest employers is also University of Wisconsin-Madison, the largest campus of the university in the state. Other popular industries include consumer services, health, biotechnology and advertising sectors. The University of Wisconsin Hospital and Clinics is also a popular and renowned institution that employs many. The hospital focuses on transplants, oncology, and endocrinology. Other large companies headquartered in the city include Spectrum Brands, Alliant Energy, MGE Energy, and National Guardian Life.

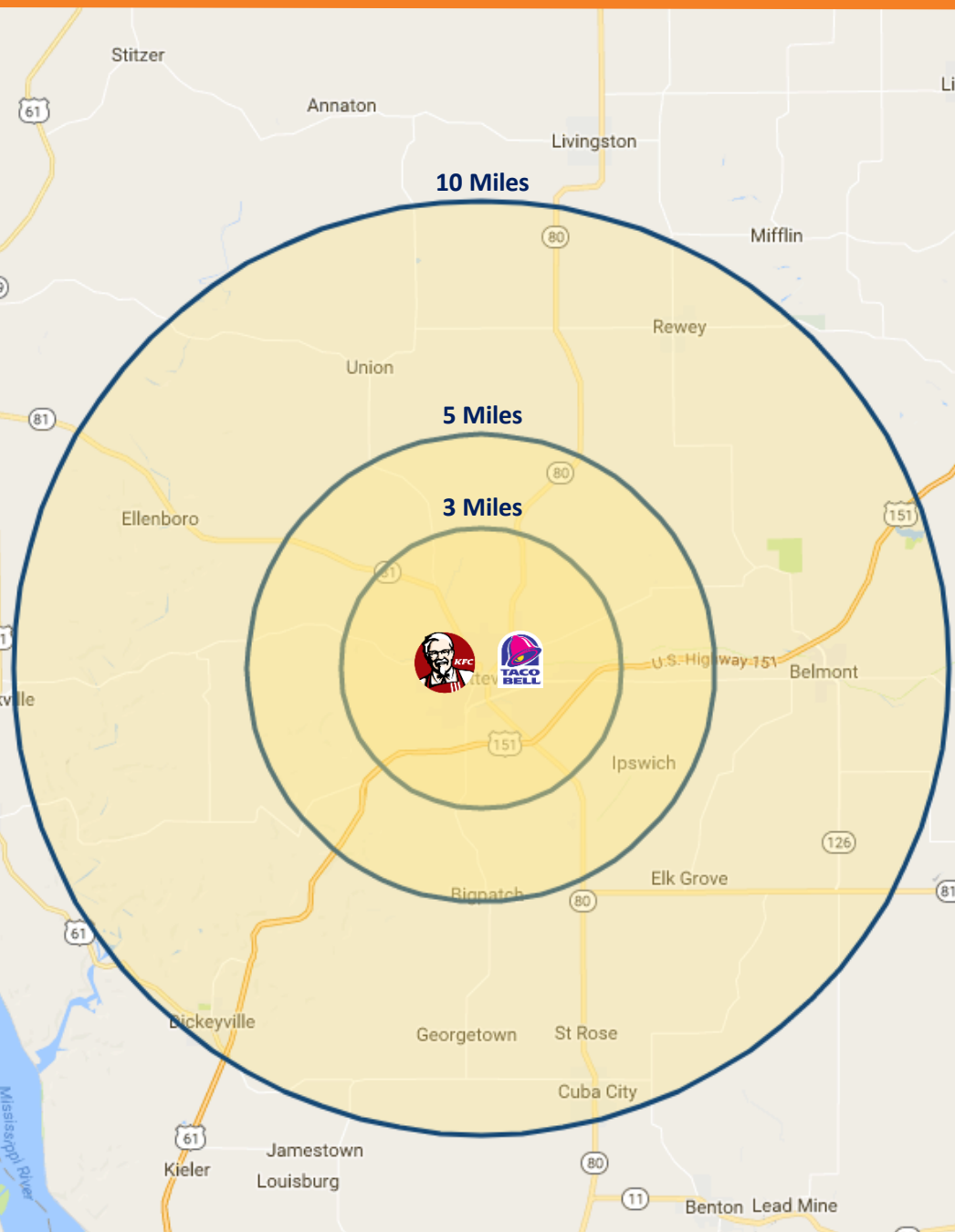




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POPULATION

	3 Miles	5 Miles	10 Miles
2021 Projection	13,705	15,235	23,890
2016 Estimate	13,270	14,762	23,256
2010 Census	12,190	13,684	22,120
2000 Census	10,788	12,193	20,386

INCOME

Average	\$54,146	\$55,754	\$57,983
Median	\$42,332	\$43,770	\$46,715
Per Capita	\$19,960	\$20,534	\$21,572

HOUSEHOLDS

2021 Projection	4,225	4,784	8,053
2016 Estimate	4,072	4,615	7,810
2010 Census	4,011	4,565	7,793
2000 Census	3,601	4,113	7,146

HOUSING

2016	\$140,492	\$142,618	\$136,583
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EMPLOYMENT

2016 Daytime Population	20,759	21,718	28,836
2016 Unemployment	7.75%	7.44%	6.07%
2016 Median Time Traveled	19	19	20

RACE & ETHNICITY

White	93.96%	94.15%	95.46%
Native American	0.00%	0.00%	0.01%
African American	2.09%	1.95%	1.34%
Asian/Pacific Islander	2.08%	2.04%	1.47%

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