

**OFFERING MEMORANDUM**  
EXCLUSIVENET-LEASEOFFERING

**KFC**

3890 State Route 281, Cortland, NY 13045



**OFFERING MEMORANDUM**

EXCLUSIVENET-LEASEOFFERING

Marcus & Millichap

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ACTIVITY ID: **Y0331977**

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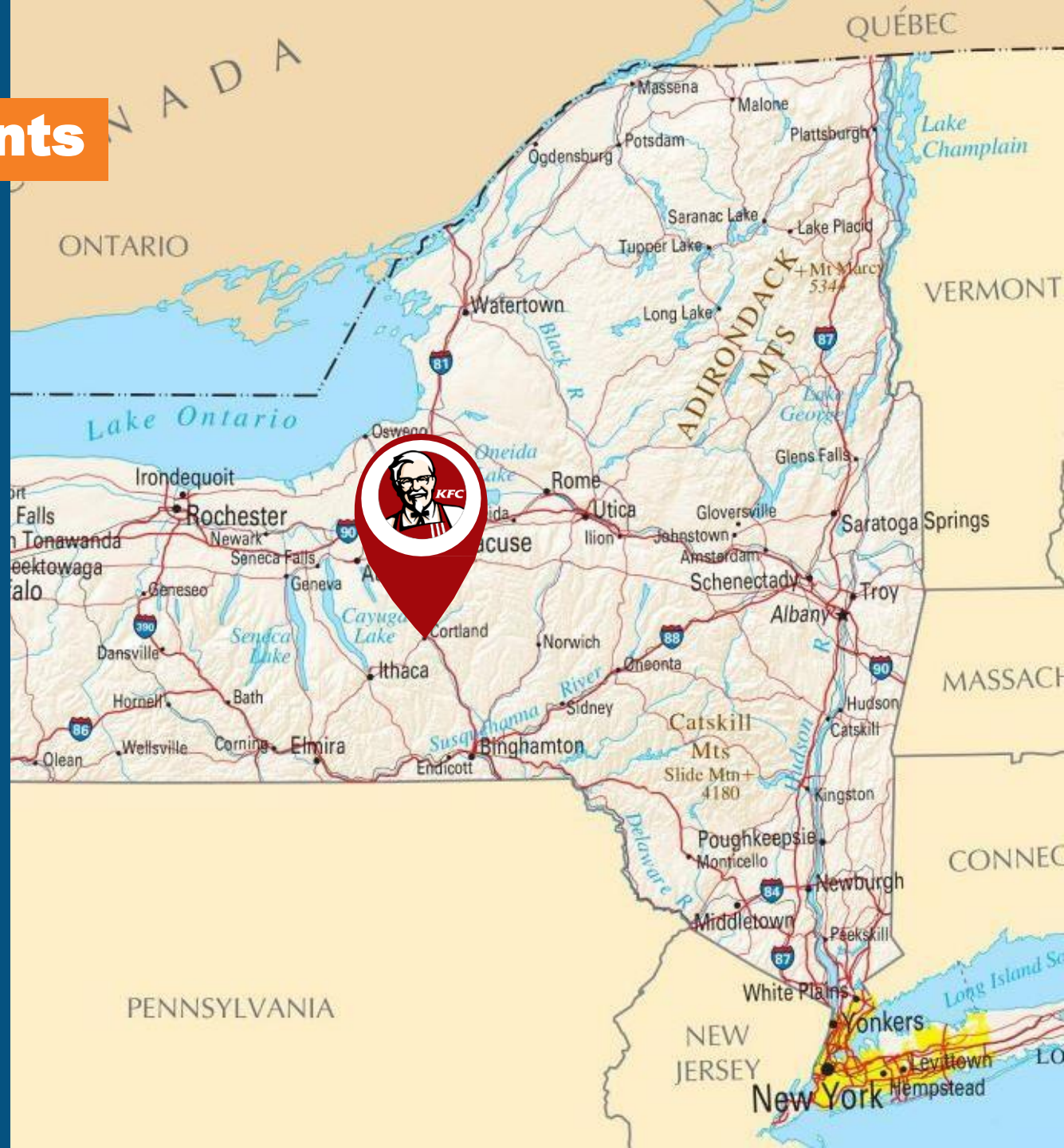
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## Property Overview

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3890 NY-281, Cortland, New York 13045

**PRICE: \$2,493,333 | 6.60%CAP | RENT: \$164,560****PROPERTY DESCRIPTION**

Property	KFC
Property Address	3890 NY-281
City, State, ZIP	Cortland, New York 13045
Building Size (SF)	3,333
Lot Size (Acres)	1.50
Year Built	2009

**THE OFFERING**

Net Operating Income (NOI)	\$164,560
CAP Rate	6.60%
Purchase Price	\$2,493,333

**LEASE SUMMARY**

Property Name	KFC
Property Type	Net-Leased Restaurant
Ownership	Fee Simple
Tenant	FQSR, LLC (dba KBP Foods, LLC)
Lease Term	20 Years
Rent Commencement	12/16/2009
Lease Expiration	1/1/2030
Lease Term Remaining	+/-11 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsibility
Rental Increases	10% Every Five Years
Options to Renew	Four, Five Year Option Periods

**HIGHLIGHTS**

- Tenant is FQSR, LLC (dba KBP Foods, LLC) | KBP is the Largest KFC Operator in the United States With 567 Locations in 20 States, 2017 Revenues Exceed \$500 Million
- Excellent Location | SUNY Cortland Entrance Located ¼ Mile From The KFC With Total Enrollment of 7,110 Students | Closest Fast Food Restaurant to SUNY Cortland Campus
- Long Term Triple-Net (NNN) Lease With Approximately 11 Years Remaining | Four, Five-Year Tenant Renewal Options
- Strong Inflation Hedge | Attractive 10 Percent Rental Increases Every Five Years | Rent Increases to \$264,560 on 1/1/2020
- Strong Traffic Counts | State Route 281 and State Route 222 | Average Daily Traffic Counts of 17,200 and 20,474 Vehicles Respectively



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# INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a KFC property located in Cortland, New York. The property consists of approximately 3,333 square feet of building space and is situated on approximately 1.50 acres of land.

The property is subject to a 20-year Triple-Net (NNN) lease with 11 years remaining. There are 10 percent rental increases every five years, with the next rental increase due on 1/1/2020 to \$164,560. There are four, five-year renewal options in addition to the initial term.

# TENANT SUMMARY

KBP Foods operates 567 restaurants in 20 states, making them the largest KFC Operator in the United States. Corporate Revenues in 2017 were over \$500M. KBP Foods has been named one of the top 100 Private Companies & Corporate Report 100 Fastest Growing Companies by Ingram's in June 2015. In May of 2016, KBP Foods acquired 91 additional KFC and Taco Bell locations in several states as one of the largest YUM! Brands operators. In 2017, KBP acquired an additional 78 KFC locations in Texas, Illinois, and Kansas.



## ANNUALIZED OPERATING DATA

Current Annual Rent	\$149,600
Base Term Rental Escalations	10% Every Five Years

RENT SCHEDULE		
Lease Year	Annual Rent	Monthly Rent
Year 10	\$149,600	\$12,466
Year 11	\$164,560	\$13,713
Year 12	\$164,560	\$13,713
Year 13	\$164,560	\$13,713
Year 14	\$164,560	\$13,713
Year 15	\$164,560	\$13,713
Year 16	\$181,016	\$15,084
Year 17	\$181,016	\$15,084
Year 18	\$181,016	\$15,084
Year 19	\$181,016	\$15,084
Year 20	\$181,016	\$15,084
NOI	\$164,560	
CAP Rate	6.60%	
Purchase Price	\$2,493,333	

\*\*Rent Increases to \$164,560 on 1/1/2020



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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 over 20,500 KFC outlets in more than 125 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.



KBP Foods operates 567 restaurants in 20 states, making them the largest KFC Operator in the United States, with 2017 revenues exceeding \$500 Million. KBP Foods has been named one of the top 100 Private Companies & Corporate Report 100 Fastest Growing Companies by Ingram's in June 2015. In May of 2016, KBP Foods acquired 91 additional KFC and Taco Bell locations in several states as one of the largest YUM! Brands operators. In 2017, KBP acquired an additional 78 KFC locations in Texas, Illinois, and Kansas.





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**SUNY Cortland College**

- Located One Fourth of a Mile From the Subject Property
- Over 7,100 Students Enrolled
- Cortland's Main Campus Covers 191 Acres
- 17 of the 30 Buildings are On-Campus Housing For More Than 3,200 Students

**SUNY Cortland College**





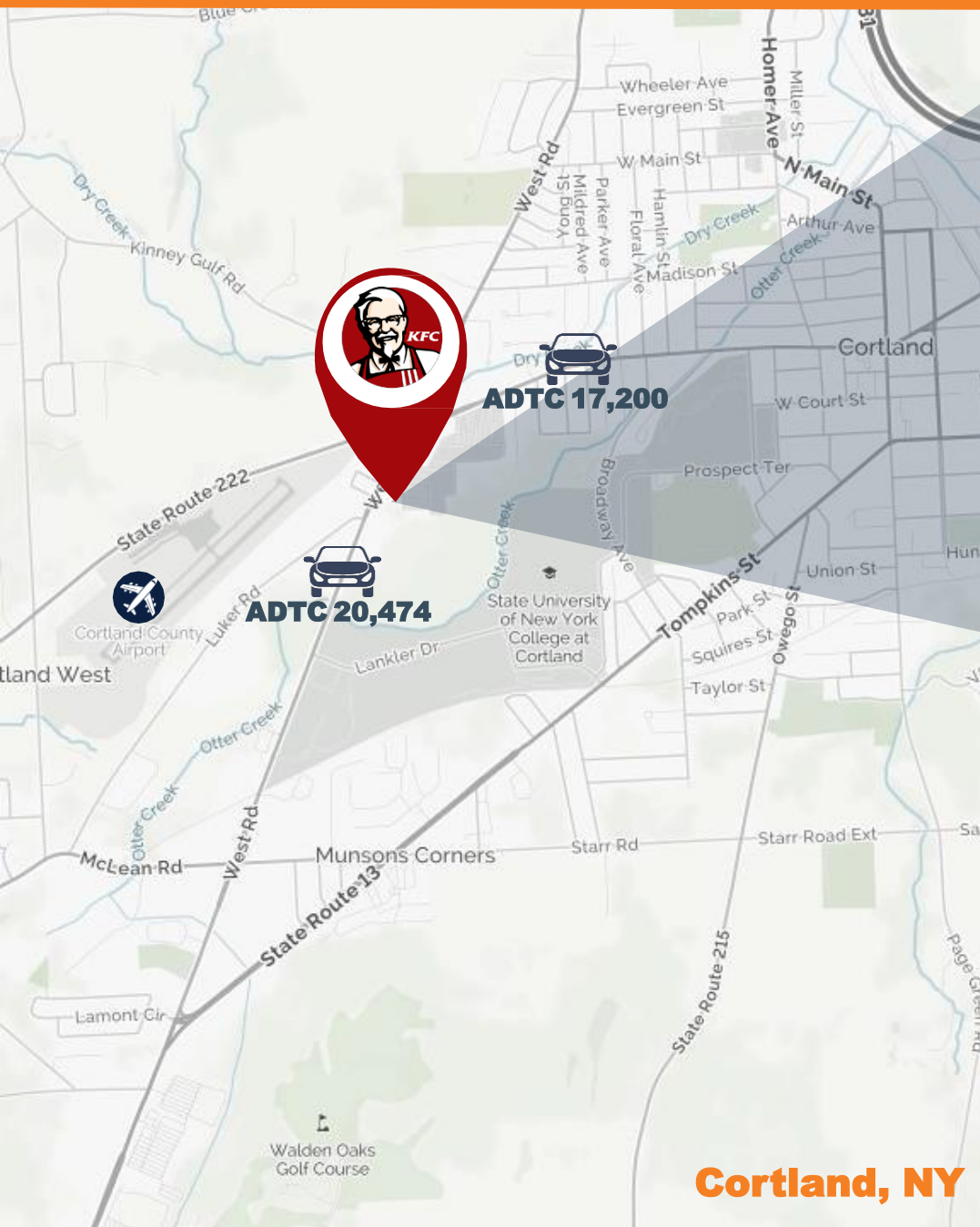
## HIGHLIGHTS

- Freestanding Property | Benefits from Excellent Frontage Along State Route 281
- SUNY Cortland Located ¼ Mile From The KFC | Total Enrollment of 7,110 Students
- Located in a Dense Retail Corridor | Neighboring National Tenants Include Walgreens, Rite Aid, Tops, Family Dollar, Dollar Tree, Save-A-Lot, Burger King, and Subway
- Strong Traffic Counts | State Route 281 and State Route 222 | Average Daily Traffic Counts of 17,200 and 20,474 Vehicles Respectively
- Cortland Regional Medical Center | Located Two Miles From The KFC | 194-Bed

## MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES *
McEvoy Boces Vocational Center	900
Wendys	789
Pall Corporation	750
Pall Trinity Micro	750
Palls Advncd Sprtons Systems	750
Cortland Regional Med Ctr Inc	649
Pall Well Technology Div	600
Marietta	500
Marietta Corporation	350
JM Murray Center Inc	345
Intertek Etl Semko	320

\* Based on a 5-mile radius



**Cortland, NY**



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This KFC property is located at 3890 State Route 281 in Cortland, New York. Cortland is a city in Cortland County.

**Surrounding Retail and Points of Interest**

The KFC benefits from its strategic location in a dense retail corridor. Major surrounding tenants include: Walgreens, Rite Aid, Tops, Family Dollar, Dollar Tree, Save-A-Lot, Burger King, Subway, and many more. Cortland Regional Medical Center is located less than two miles from the KFC. This Hospital is a 194 bed facility. The State University of New York, Cortland stadium complex is within a mile of the KFC. The university has a total enrollment of roughly 7,000 students.

**Traffic Counts and Demographics**

There are approximately 26,293 individuals residing within a three-mile radius of the KFC and more than 32,610 individuals within a five-mile radius. The KFC is located on State Route 281 (West Road) which intersects with State Route 222. State Route 181 and State Route 222 have average daily traffic counts of 20,424 and 17,200 vehicles respectively.

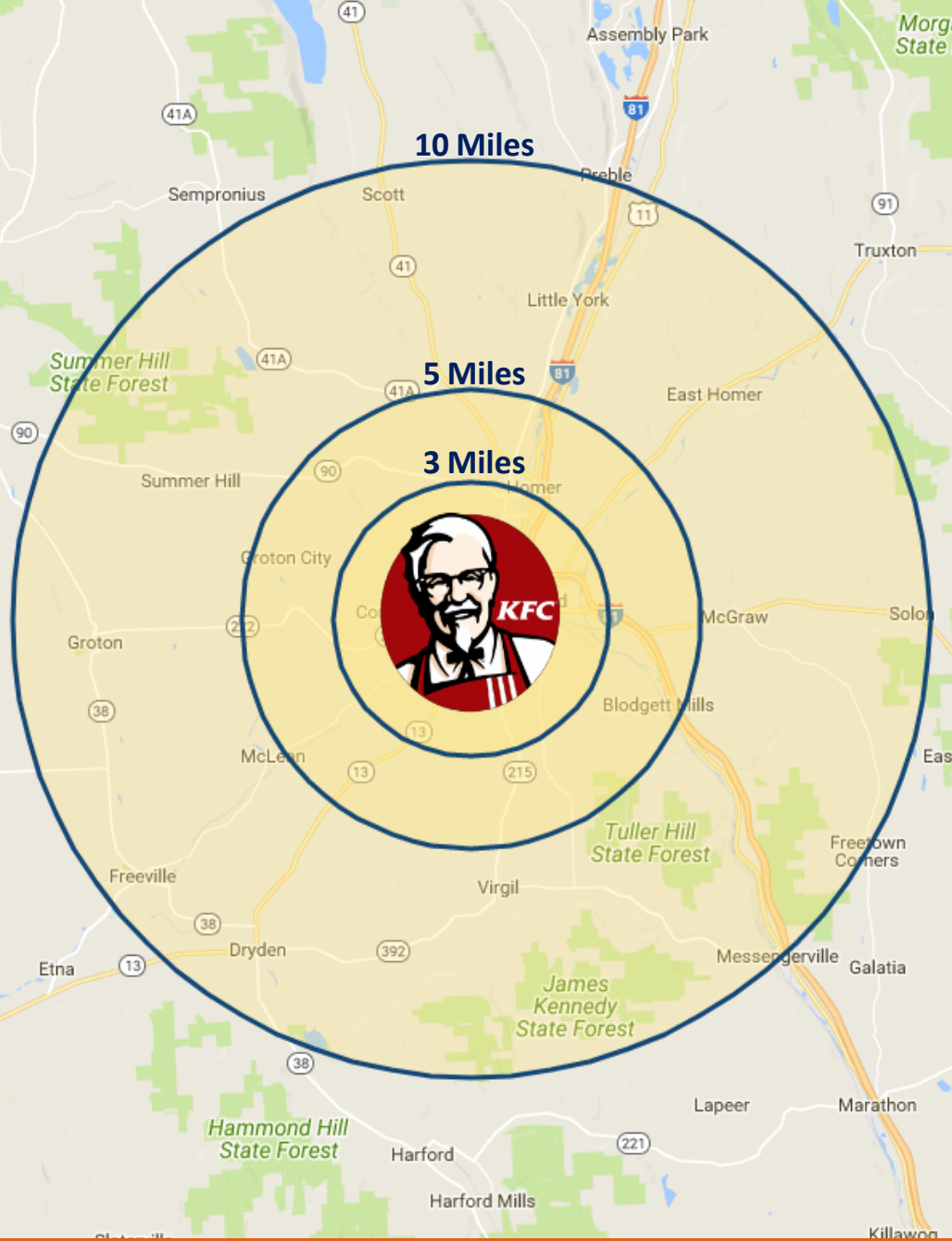
**Cortland, New York**

One of five counties in the Central New York region, Cortland County also has proximity to the Finger Lakes and Southern Tier regions. Cortland is 40 miles south of Syracuse 18 miles northeast of Ithaca. The most common jobs held by residents of Cortland are in administration, sales, education, and training. Major employers include McEvoy Boces Vocational Center, Pall Trinity/Danaher, Cortland Regional Medical Center, Marrietta Corporation, and Intertek. Cortland is noted for the production of CNC milling machines, medical instruments, textiles, electrical components, plastic consumer goods, components for NASA and a variety of other goods and services. International exporting is an integral part of many of the corporations in the area. The proximity to major highways, a diverse workforce and the influx of technological research and other resources from nearby universities and colleges contribute to the economic strength and potential of the region. The city of Cortland is a college town, host to the State University of New York at Cortland, one of the top four-year institutions in New York’s State University system. Tompkins-Cortland Community College is less than 10 miles down the road. The Cortland County Business Development Corporation oversees growth initiatives in the area, including the Gateway beautification project, which aims to spur growth near the major entrances to the city.

**LOCATION OVERVIEW**



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	3 Miles	5 Miles	10 Miles
<b>POPULATION</b>			
2021 Projection	26,293	32,610	52,988
2016 Estimate	26,284	32,522	52,363
2010 Census	26,343	32,640	52,070
2000 Census	25,422	31,575	50,044
<b>INCOME</b>			
Average	\$56,627	\$60,236	\$63,562
Median	\$42,492	\$45,411	\$49,105
Per Capita	\$22,627	\$23,751	\$24,901
<b>HOUSEHOLDS</b>			
2021 Projection	9,665	12,064	20,009
2016 Estimate	9,639	11,997	19,677
2010 Census	9,840	12,235	19,739
2000 Census	9,645	11,935	18,814
<b>HOUSING</b>			
2016	\$99,839	\$104,571	\$111,452
<b>EMPLOYMENT</b>			
2016 Daytime Population	35,842	40,648	56,265
2016 Unemployment	7.89%	6.94%	5.82%
2016 Median Time Traveled	19 Mins	20 Mins	22 Mins
<b>RACE &amp; ETHNICITY</b>			
White	91.64%	92.42%	93.23%
Native American	0.03%	0.03%	0.03%
African American	2.96%	2.51%	2.28%
Asian/Pacific Islander	1.51%	1.43%	1.14%



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