



KFC/Long John Silver's
Sale-Leaseback
Corpus Christi, Texas



Marcus & Millichap

OFFERING MEMORANDUM

11153 Leopard Street
Corpus Christi, Texas 78410

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properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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Investment Highlights

PRICE: \$1,754,621 | CAP: 5.75% | RENT: \$100,891



About the Investment

- ✓ Brand New 20-Year Triple-Net (NNN) Sale-Leaseback
- ✓ 1.25% Annual Rental Increases Starting in Year 6
- ✓ Four (4), Five (5)-Year Tenant Renewal Options
- ✓ 45-Unit Franchisee Guarantee from Ampex Brands, LLC.

About the Location

- ✓ Positioned in a Dense Retail Corridor – Major National Tenants Include: McDonald's, Taco Bell, H-E-B, Walgreens, Domino's, Goodwill, Dollar General, Stripes, O'Reilly Auto Parts
- ✓ Strategically Located Directly on Leopard Street Off of US Interstate 37 – Attractive Traffic Counts of 16,400 and 55,000 Vehicles Per Day Respectively
- ✓ Average Household Income Exceeds \$92,000 In a Five-Mile Radius
- ✓ Corpus Christi – 8th Most Populous City in Texas

About the Tenant/Brand

- ✓ Ampex Brands owns and operates around 500 units of KFC, Taco Bell, Tim Hortons, Long John Silver's and A&W in Arkansas, Louisiana, Texas, Oklahoma, Ohio, Pennsylvania, West Virginia, Illinois, New York and Missouri, and employs over 6,000 team members.
- ✓ KFC operates more than 17,000 restaurants in the United States and internationally. KFC's parent company is Yum! Brands, Inc., the world's largest restaurant company in terms of system restaurants, with more than 40,000 locations in more than 130 countries and territories and employing more than one million associates



INVESTMENT SUMMARY



Marcus & Millichap is pleased to exclusively market for sale the subject single-tenant net-leased KFC/Long John Silver's Sale-Leaseback located at 11153 Leopard Street in Corpus Christi, Texas. The property made up of a 3,004 square feet building and is situated on approximately 0.91 acres of land. This investment opportunity is subject to an absolute triple-net (NNN) lease which will commence upon the close of escrow. Ampex Brands operates this KFC location, as well as over 500 other restaurant units. The lease is guaranteed by Ampex Brands, LLC, which is comprised of 45 units. The current rent is \$100,891 and is subject to 1.25% annual rental increases starting in year six. Additionally, there are four, five-year tenant renewal options.

KFC operates more than 17,000 restaurants in the United States and internationally. KFC's parent company is Yum! Brands, Inc., the world's largest restaurant company in terms of system restaurants, with more than 40,000 locations in more than 130 countries and territories and employing more than one million associates.





Financial Analysis

PRICE: \$1,754,621 | CAP: 5.75% | RENT: \$100,891



Property Description

Property	KFC/Long John Silver's
Property Address	11153 Leopard Street
City, State, ZIP	Corpus Christi, Texas
Building Size	3,004
Lot Size	+/- 0.91 Acres
Type of Ownership	Fee Simple

The Offering

Annual Rent	\$100,891
CAP Rate	5.75%
Purchase Price	\$1,754,621
Price / SF	\$584
Rent / SF	\$33.59

Lease Summary

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	Franchisee (45 Units)
Ownership Type	Private
Original Lease Term	20.0 Years
Lease Commencement	Upon Close of Escrow
Lease Expiration	20 Years from Close of Escrow
Lease Term Remaining	20.0
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.25% Starting in Year 6
Next Rent Increase	2024
Options to Renew	Four (4), Five (5)-Year Options

Rent Schedule

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Years 1-5	\$100,891	\$8,408	-
Year 6	\$102,152	\$8,513	1.25%
Year 7	\$103,429	\$8,619	1.25%
Year 8	\$104,722	\$8,727	1.25%
Year 9	\$106,031	\$8,836	1.25%
Year 10	\$107,356	\$8,946	1.25%
Year 11	\$108,698	\$9,058	1.25%
Year 12	\$110,057	\$9,171	1.25%
Year 13	\$111,433	\$9,286	1.25%
Year 14	\$112,826	\$9,402	1.25%
Year 15	\$114,236	\$9,520	1.25%
Year 16	\$115,664	\$9,639	1.25%
Year 17	\$117,110	\$9,759	1.25%
Year 18	\$118,574	\$9,881	1.25%
Year 19	\$120,056	\$10,005	1.25%
Year 20	\$121,556	\$10,130	1.25%



Tenant Overview



About KFC

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. There's still a cook in a kitchen in every last one of them, freshly preparing delicious, complete family meals at affordable prices.

It is estimated that, on average, more than 185 million people see a KFC commercial at least once a week—that's more than half the U.S. population. The KFC system serves more than 12 million customers each day in more than 115 countries and territories around the world. KFC operates more than 17,000 restaurants in the United States and internationally. KFC's parent company is Yum! Brands, Inc., the world's largest restaurant company in terms of system restaurants, with more than 40,000 locations in more than 130 countries and territories and employing more than one million associates. Yum! is ranked number 201 on the Fortune 500 list, with revenues exceeding \$13 billion in 2012.

About Ampex Brands

Ampex Brands was formed in 2005 to acquire 18 Long John Silver's restaurants, and has since grown tremendously, landing as the 21st largest franchisee in the US according to The 2015 Mega 99 Rankings. Currently, Ampex owns and operates around 500 units of KFC, Taco Bell, Tim Hortons, Long John Silver's and A&W in Arkansas, Louisiana, Texas, Oklahoma, Ohio, Pennsylvania, West Virginia, Illinois, New York and Missouri, and employs over 6,000 team members.



Surrounding Area





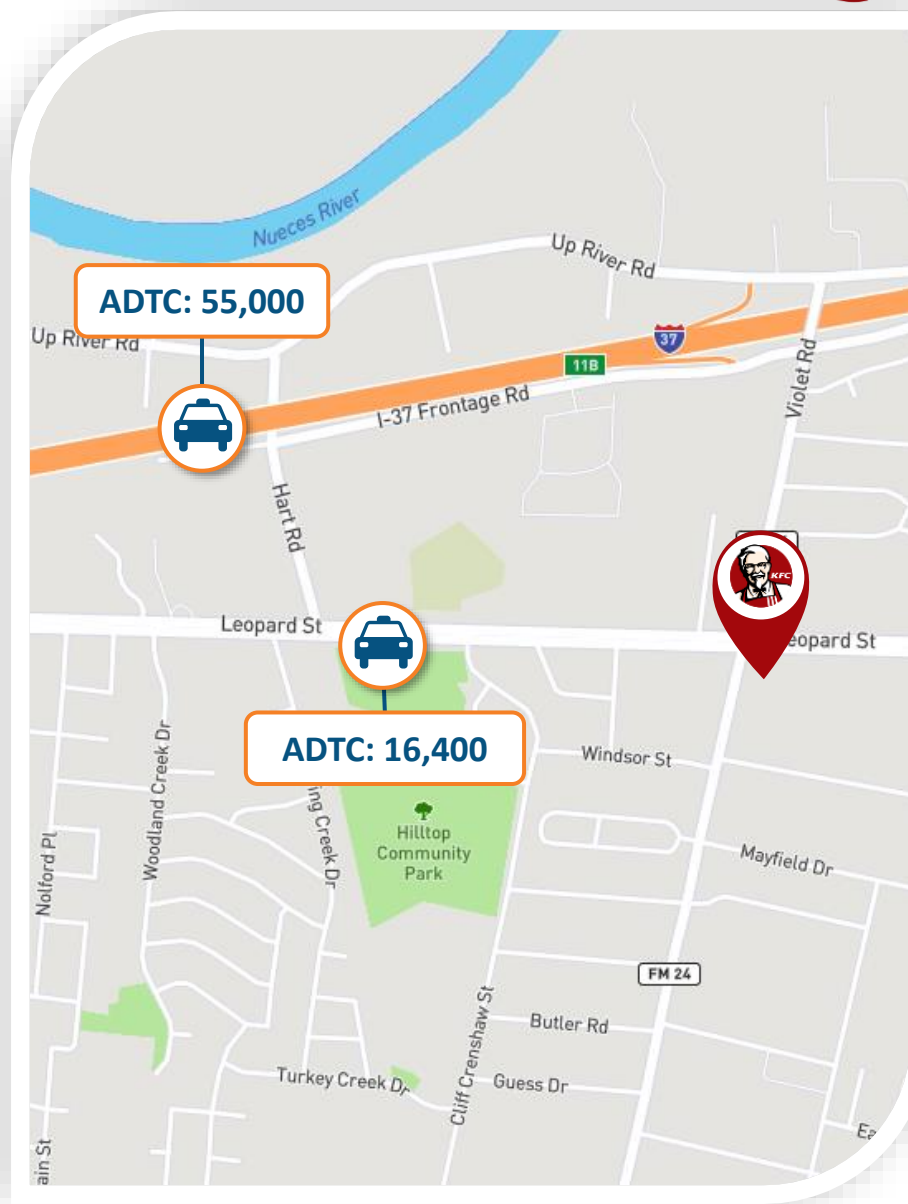
Location Overview



This KFC/Long John Silver's property is located at 11153 Leopard Street in Corpus Christi, Texas. The property is situated at a busy four-way intersection surrounded by various major retail tenants. Leopard Street and Interstate 37 boast average daily traffic counts of 16,400 and 55,000 vehicles, respectively. There are approximately 23,200 people within a three-mile radius of this property and 32,100 within a five-mile radius.

The subject KFC/Long John Silver's is ideally-positioned in a dense retail corridor less than a half-mile from the Interstate 37 offramp. Major national retailers in the area include: McDonald's, Taco Bell, H-E-B, Walgreens, Domino's, Goodwill, Dollar General, Stripes, O'Reilly Auto Parts, as well as many others. Additionally, Oil Belt Park, home of the Oil Belt Little League, is also within a half-mile of the subject KFC/Long John Silver's. Oil Belt Park features ten baseball fields and a protected woodland area. Furthermore, Tuloso-Midway High School and Calallen East Elementary School, which have a combined enrollment exceeding 1,500 students, are both within two miles of the subject property.

Corpus Christi is a coastal city in South Texas, and is the county seat of Nueces county. The city's political boundaries encompass Nueces Bay and Corpus Christi Bay. The city includes the Port of Corpus Christi, which is the fifth largest in the United States. Corpus Christi is the eighth largest city in Texas. The majority of the population of Corpus Christi is employed in the services, wholesale and retail trades, and government sectors. The Port of Corpus Christi, which is the fifth-largest in the United States, and is the deepest inshore port on the Gulf of Mexico, handles mostly oil and agricultural products. Much of the local economy is driven by tourism and the oil and petrochemicals industry. Texas A&M – Corpus Christi is located in the city and has 11,240 students. Corpus Christi International Airport is located 5 miles west of the central business district. The airport serves more than 353,000 passengers annually.





Property Photo





Property Photo



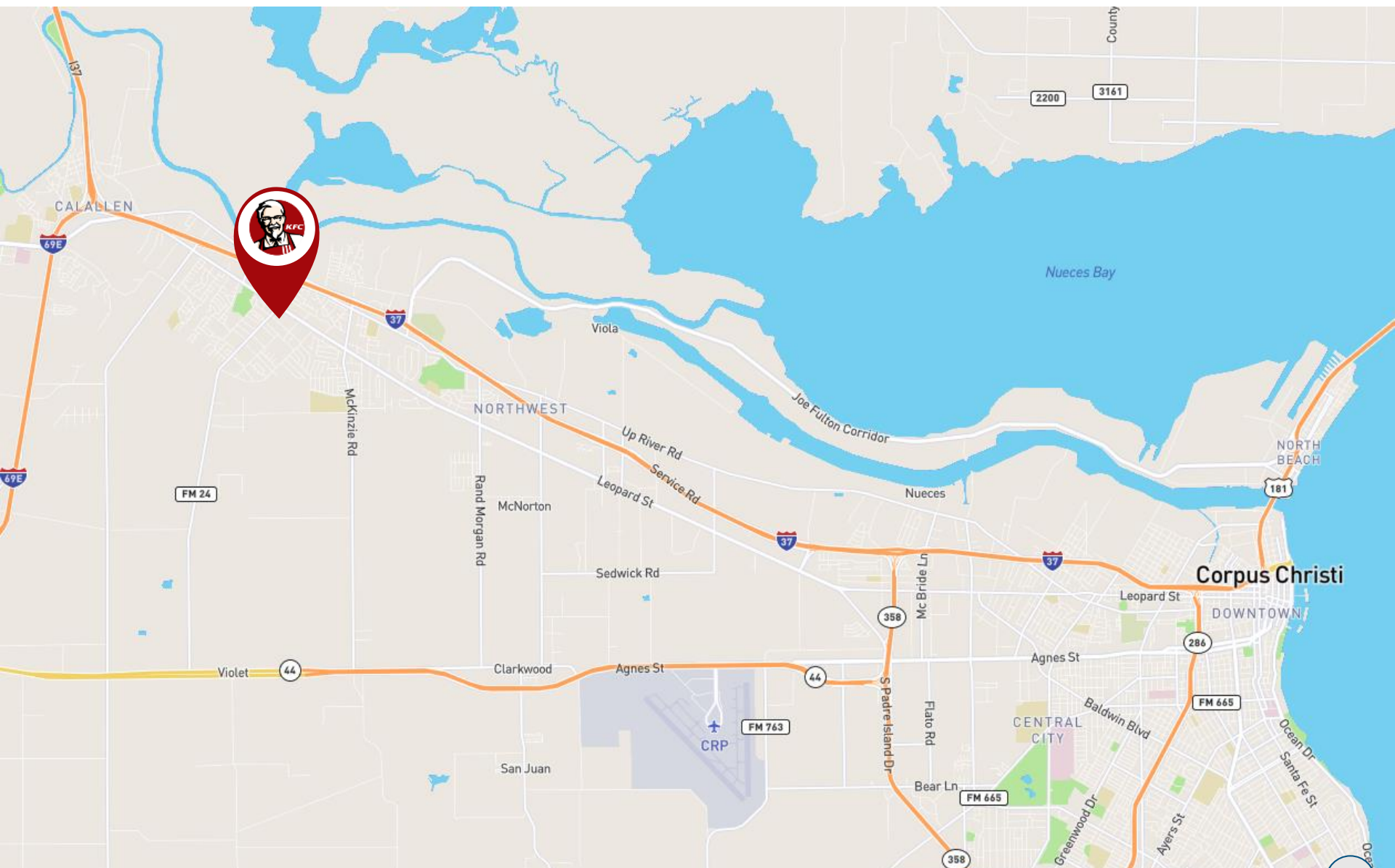


Surrounding Area Photos



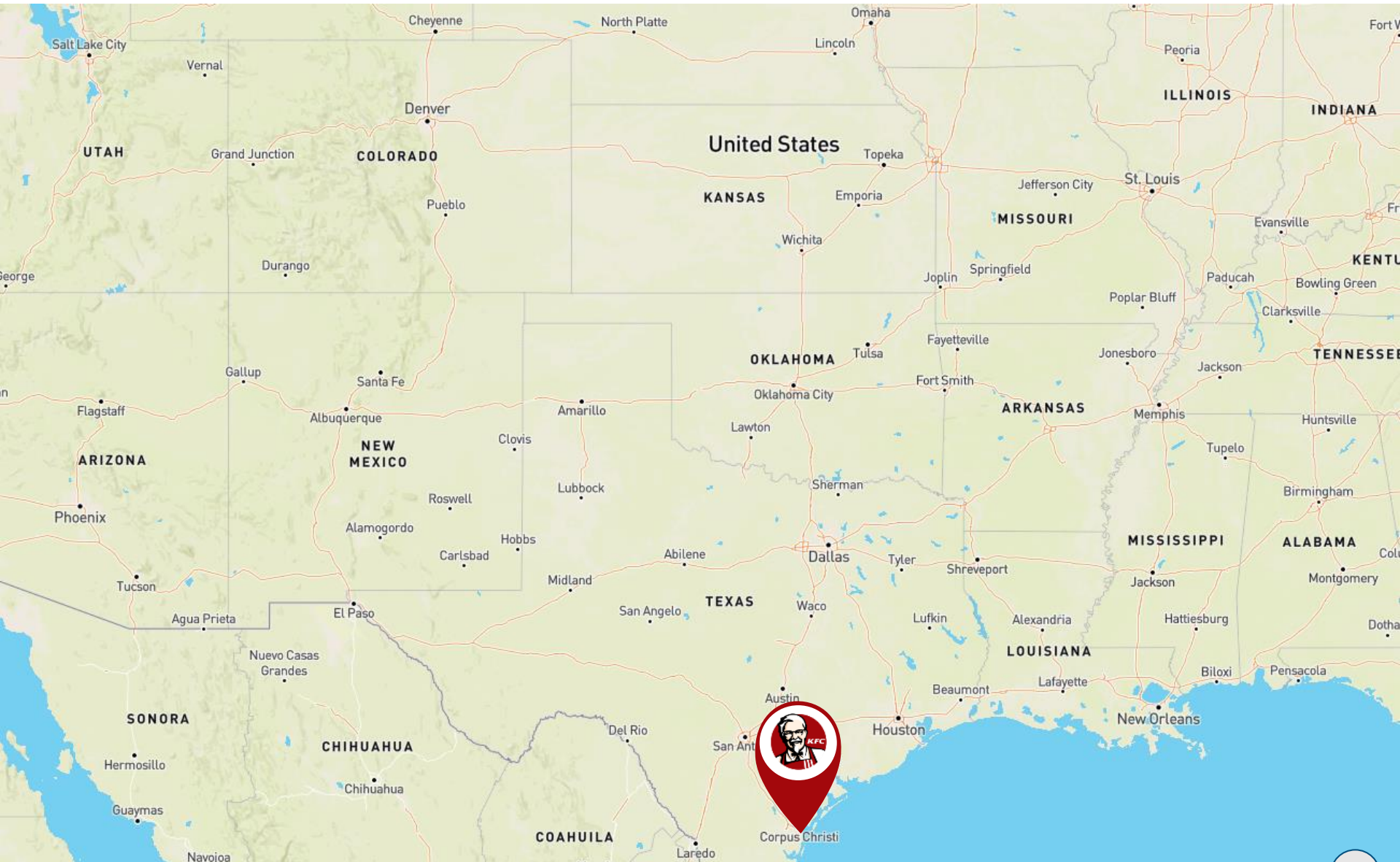


Local Map



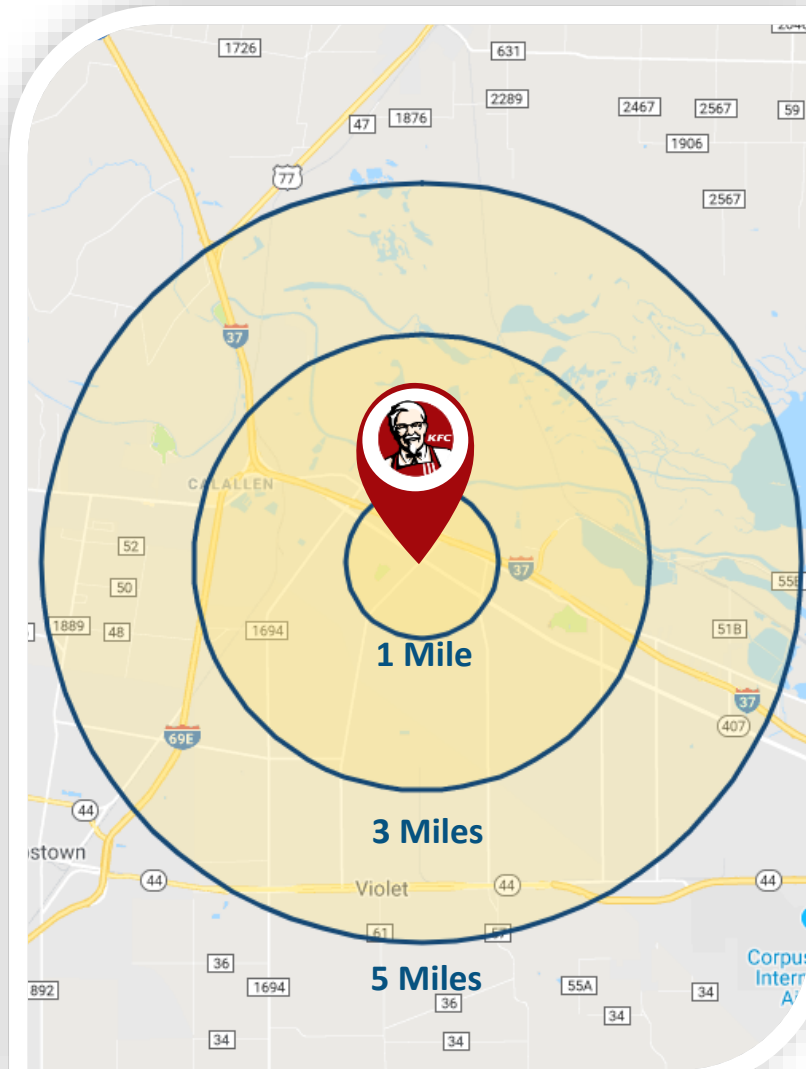


Regional Map





Demographics



1 Mile 3 Miles 5 Miles

Population:

2023 Projection	12,112	24,271	33,267
2018 Estimate	11,824	23,629	32,264
2010 Census	11,581	22,781	30,409
Growth 2018-2023	2.44%	2.72%	3.11%
Growth 2010-2018	2.10%	3.72%	6.10%
2018 Population Hispanic Origin	6,983	14,053	18,510

2018 Population by Race:

White	11,131	22,347	30,621
Black	290	548	660
Am. Indian & Alaskan	135	211	248
Asian	89	162	267
Hawaiian & Pacific Island	16	25	32
Other	163	336	437

U.S. Armed Forces:

Households:

2023 Projection	4,303	8,421	11,502
2018 Estimate	4,205	8,206	11,164
2010 Census	4,160	7,989	10,618
Growth 2018 - 2023	2.33%	2.62%	3.03%
Growth 2010 - 2018	1.08%	2.72%	5.14%
Owner Occupied	2,548	5,505	7,827
Renter Occupied	1,657	2,701	3,336

2018 Avg Household Income

2018 Med Household Income

2018 Households by Household Inc:

<\$25,000	703	1,287	1,526
\$25,000 - \$50,000	895	1,609	2,080
\$50,000 - \$75,000	798	1,512	1,977
\$75,000 - \$100,000	644	1,367	1,808
\$100,000 - \$125,000	428	898	1,289
\$125,000 - \$150,000	355	779	1,030
\$150,000 - \$200,000	185	368	634
\$200,000+	195	385	818



Market Overview



Corpus Christi is a coastal city in South Texas, and is the county seat of Nueces county. The city's political boundaries encompass Nueces Bay and Corpus Christi Bay. The city includes the Port of Corpus Christi, which is the fifth largest in the United States. Corpus Christi is the eighth largest city in Texas. The majority of the population of Corpus Christi is employed in the services, wholesale and retail trades, and government sectors. The Port of Corpus Christi, which is the fifth-largest in the United States, and is the deepest inshore port on the Gulf of Mexico, handles mostly oil and agricultural products. Much of the local economy is driven by tourism and the oil and petrochemicals industry. Texas A&M – Corpus Christi is located in the city and has 11,240 students. Corpus Christi International Airport is located 5 miles west of the central business district. The airport serves more than 353,000 passengers annually.

Major Employers

Employer	Estimated # of Employees
Kane Beef	700
Repcon Inc	500
Engineers & Architects	455
H-E-B Food Store 184	275
Alice Primary Services Inc	240
Cat-Spec Ltd	200
Walmart	200
City of Corpus Christi	183
Rabalais I & E Constructors	175
Circle 8 Crane Services LLC	172
Calallen High School	168
Popeyes Chicken & Biscuits	138

Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

