



KFC Sale-Leaseback

Charleston, West Virginia



OFFERING MEMORANDUM

Marcus & Millichap

3415 Staunton Ave
Charleston, West Virginia 25304

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

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Investment Highlights

PRICE: \$1,615,534 | CAP: 6.15% | RENT: \$99,355



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
- ✓ 13-Unit Franchisee Guarantee from Ampex Brands of West Virginia, LLC

About the Location

- ✓ Major National Retailers in the Surrounding Area Include: McDonald's, Wendy's, Taco Bell, Rite Aid, CVS, Bojangles, Cracker Barrel, Burger King, Little Caesars, and Lowe's
- ✓ One Mile from the University of Charleston
- ✓ CAMC Memorial Hospital – Less Than a ¼ Mile Away – Home to One of the Highest Volume Heart Programs in the United States
- ✓ Charleston – Most Populous City in, and the Capital of West Virginia

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 Sale-Leaseback located at 3415 Staunton Avenue in Charleston, West Virginia. The property made up of a 2,600 square feet building and is situated on approximately 0.55 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 of West Virginia, LLC, which is comprised of 13 units. The current rent is \$99,355 and is subject to 1.25% annual rental increases starting in year six. Additionally, there are four, five-year tenant renewal options.

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Financial Analysis

PRICE: \$1,615,534 | CAP: 6.15% | RENT: \$99,355



Property Description

Property	KFC
Property Address	3415 Staunton Avenue
City, State, ZIP	Charleston, West Virginia 25304
Building Size	2,600
Lot Size	+/- 0.55 Acres
Type of Ownership	Fee Simple

The Offering

Annual Rent	\$99,355
CAP Rate	6.15%
Purchase Price	\$1,615,534
Price / SF	\$621
Rent / SF	\$38.21

Lease Summary

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	Franchisee (13 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	\$99,355	\$8,280	-
Year 6	\$100,597	\$8,383	1.25%
Year 7	\$101,854	\$8,488	1.25%
Year 8	\$103,128	\$8,594	1.25%
Year 9	\$104,417	\$8,701	1.25%
Year 10	\$105,722	\$8,810	1.25%
Year 11	\$107,043	\$8,920	1.25%
Year 12	\$108,381	\$9,032	1.25%
Year 13	\$109,736	\$9,145	1.25%
Year 14	\$111,108	\$9,259	1.25%
Year 15	\$112,497	\$9,375	1.25%
Year 16	\$113,903	\$9,492	1.25%
Year 17	\$115,327	\$9,611	1.25%
Year 18	\$116,768	\$9,731	1.25%
Year 19	\$118,228	\$9,852	1.25%
Year 20	\$119,706	\$9,975	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.

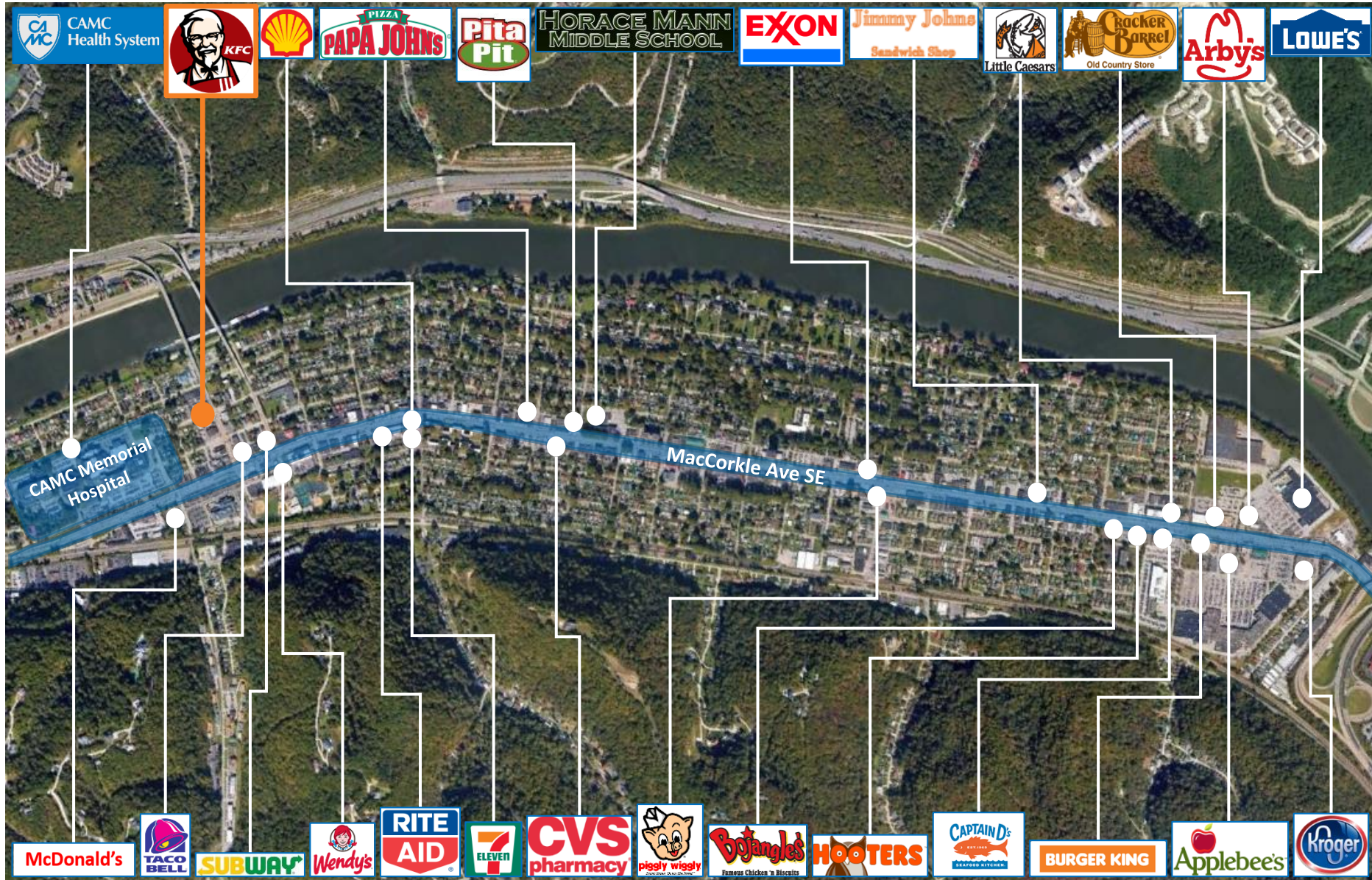
It is estimated that, on average, more than 185 million people see a KFC commercial at least once a week—that's more than half the U.S. population. The KFC system serves more than 12 million customers each day in more than 115 countries and territories around the world. KFC operates more than 17,000 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

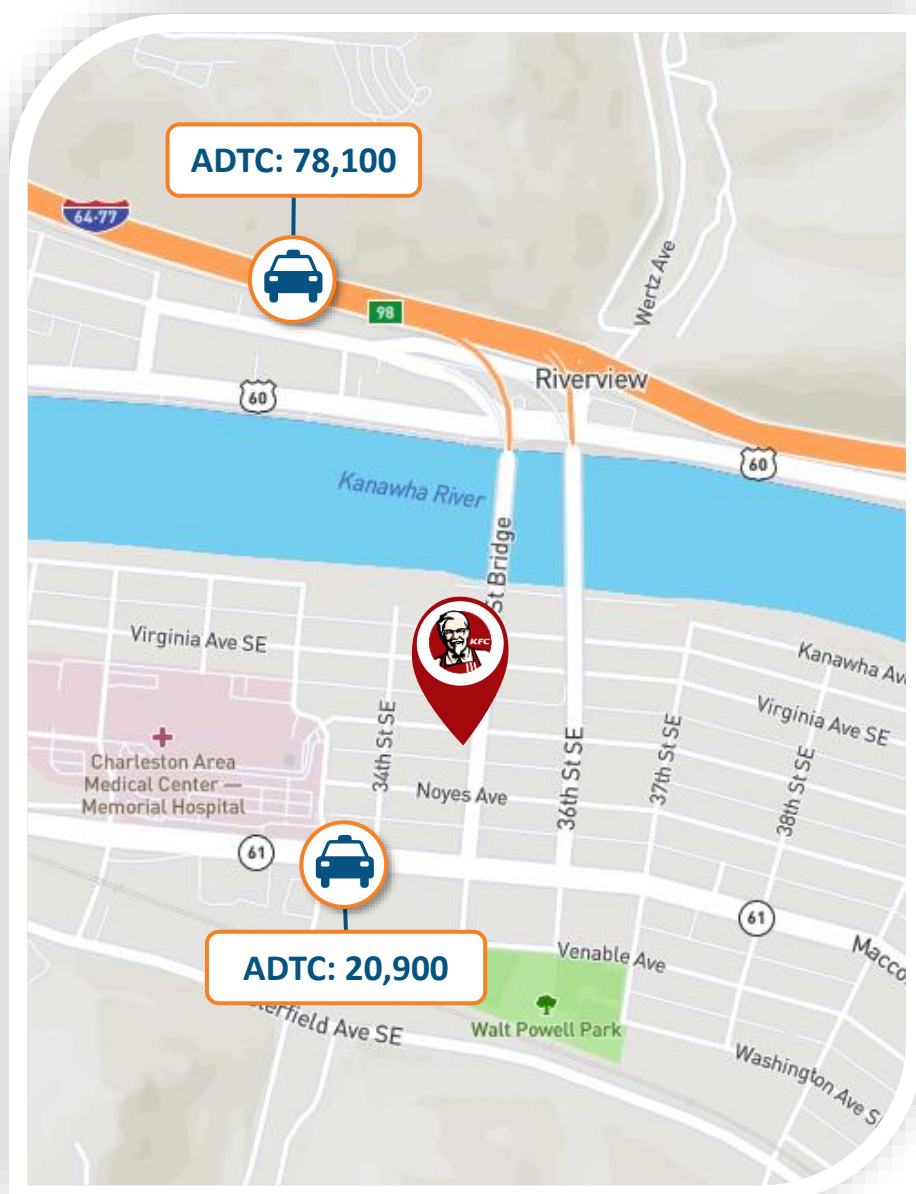


This KFC property is located at 3415 Staunton Ave in Charleston, West Virginia. Charleston is the state capital and most populous city in West Virginia. The city is located along the Kanawha River in the heart of West Virginia.

The subject KFC is ideally-positioned in the heart of Charleston, benefitting from its proximity to major national retailers, academic institutions, and a full-service hospital. Major national retailers in the area include: McDonald's, Wendy's, Taco Bell, Rite Aid, CVS, Bojangles, Cracker Barrel, Burger King, Little Caesars, and Lowe's, as well as many other local bars, restaurants, and small businesses. Less than a quarter-mile from the subject property is CAMC Memorial Hospital, a full service hospital with one of the highest volume heart programs in the United States; each year CAMC physicians perform more than 1600 open-heart bypass surgeries. Additionally, West Virginia University's Charleston Division and University of Charleston are both within one miles of the subject property. These two schools have a total combined enrollment exceeding 2,500 students.

There are approximately 26,411 people within a three-mile radius of this property and 58,700 within a five-mile radius. The property is situated between MacCorkle Ave SE and Interstate 64. These two roads have an average daily traffic count of 20,900 and 78,100 vehicles, respectively.

Charleston is the capital and largest city in West Virginia. The entire city of Charleston has a population of 50,000+, while its metropolitan area has a population of over 300,000 people. Charleston is located where the Elk River and Kanawha River meet. The subject Lone Star is located on MacCorkle Ave, which runs parallel to the Kanawha River (roughly half a mile west of the subject). Charleston is the center of government, commerce, and industry for Kanawha County, of which it is the county seat. Though Charleston's economic roots began with salt, coal, and natural gas, today trade, utilities, medicine, and education are the backbone of its economy. Academic Institutions include University of Charleston, West Virginia University, Marshall University, and West Virginia State University. Noteworthy companies headquartered in the area include Appalachian Power, Mountaineer Gas Company, Charleston Newspapers, Gestamp Automocion, United Bank of West Virginia and West Virginia-American Water Company.





Property Photo





Property Photo



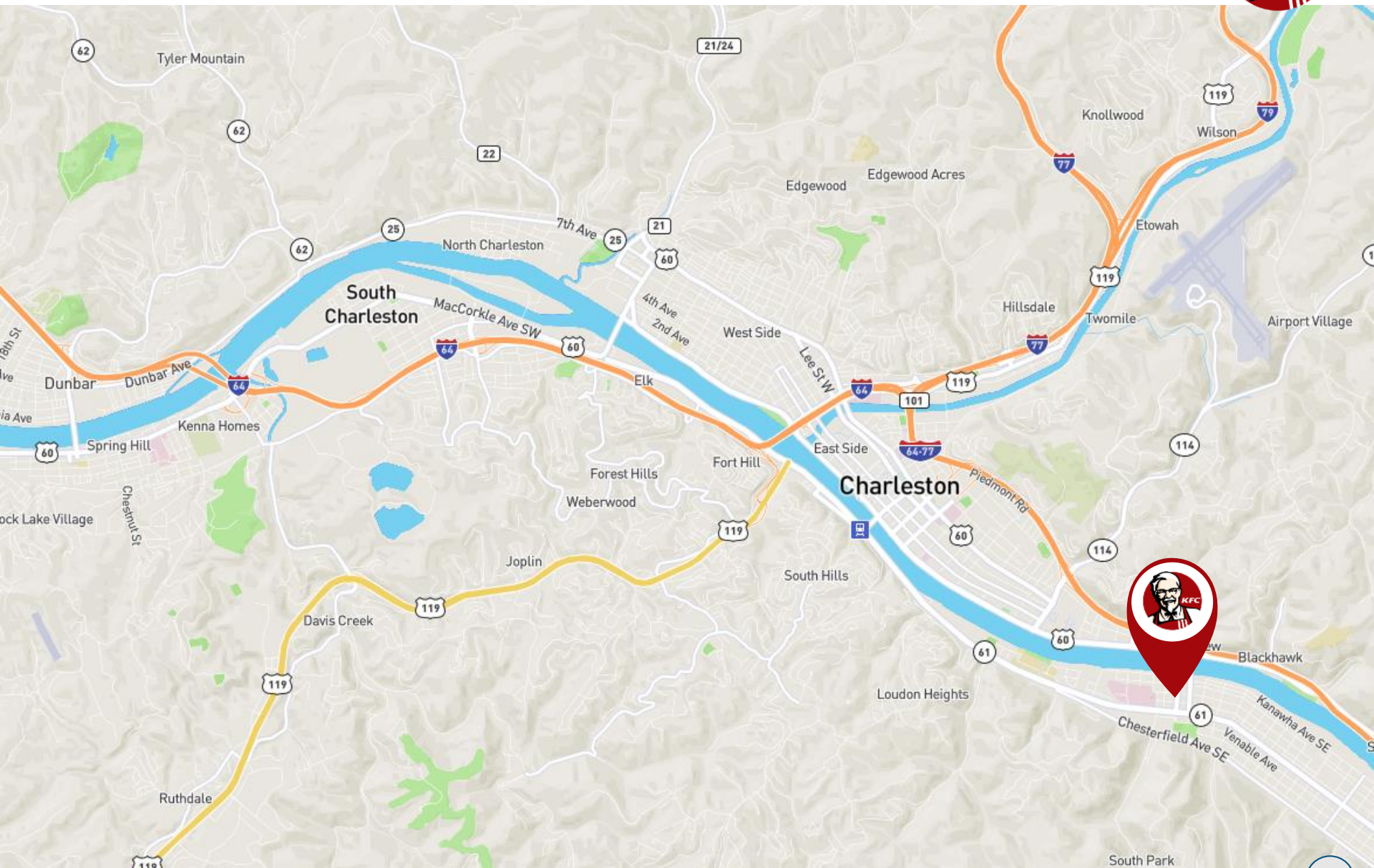


Surrounding Area Photos



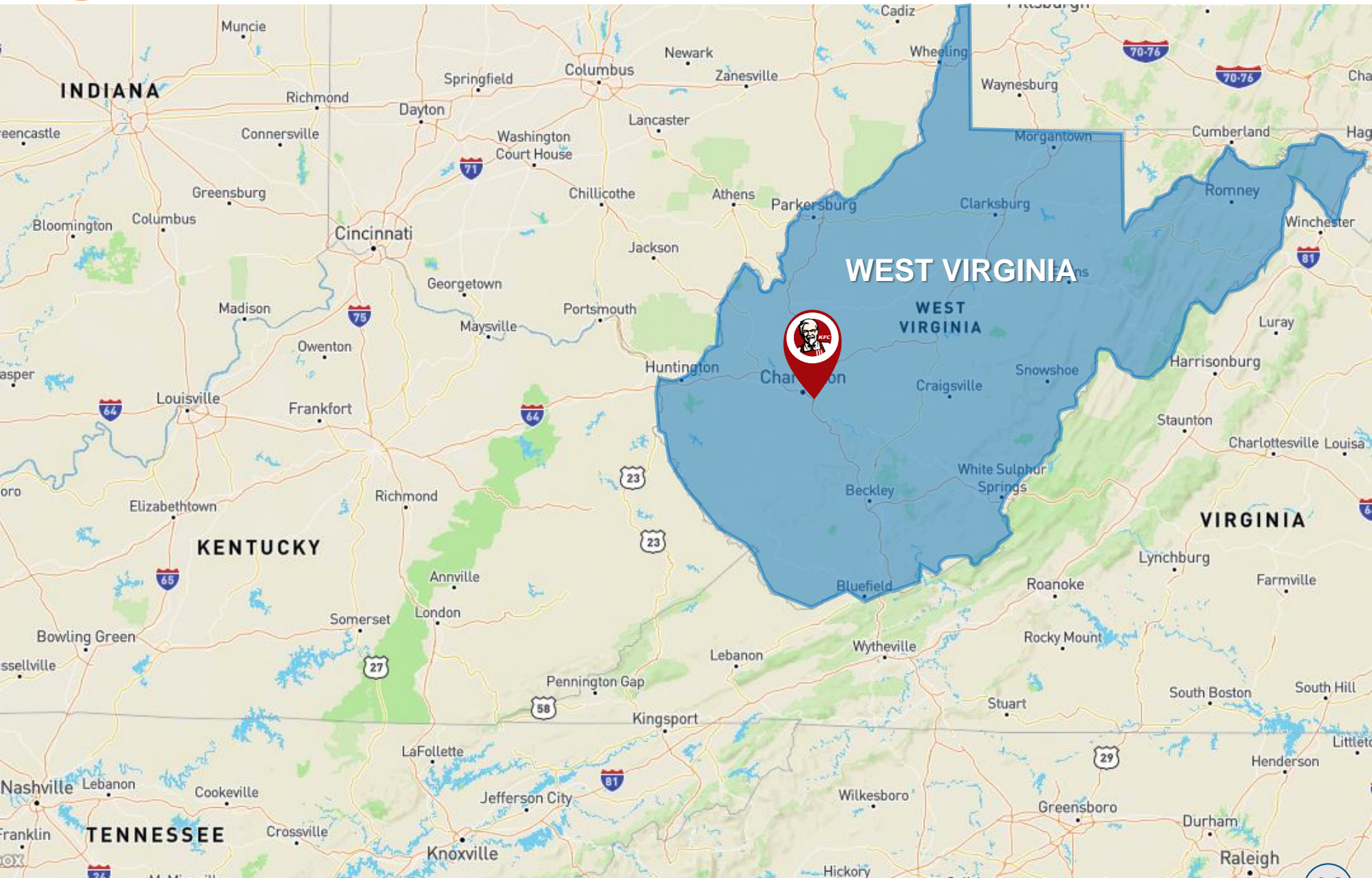


Local Map



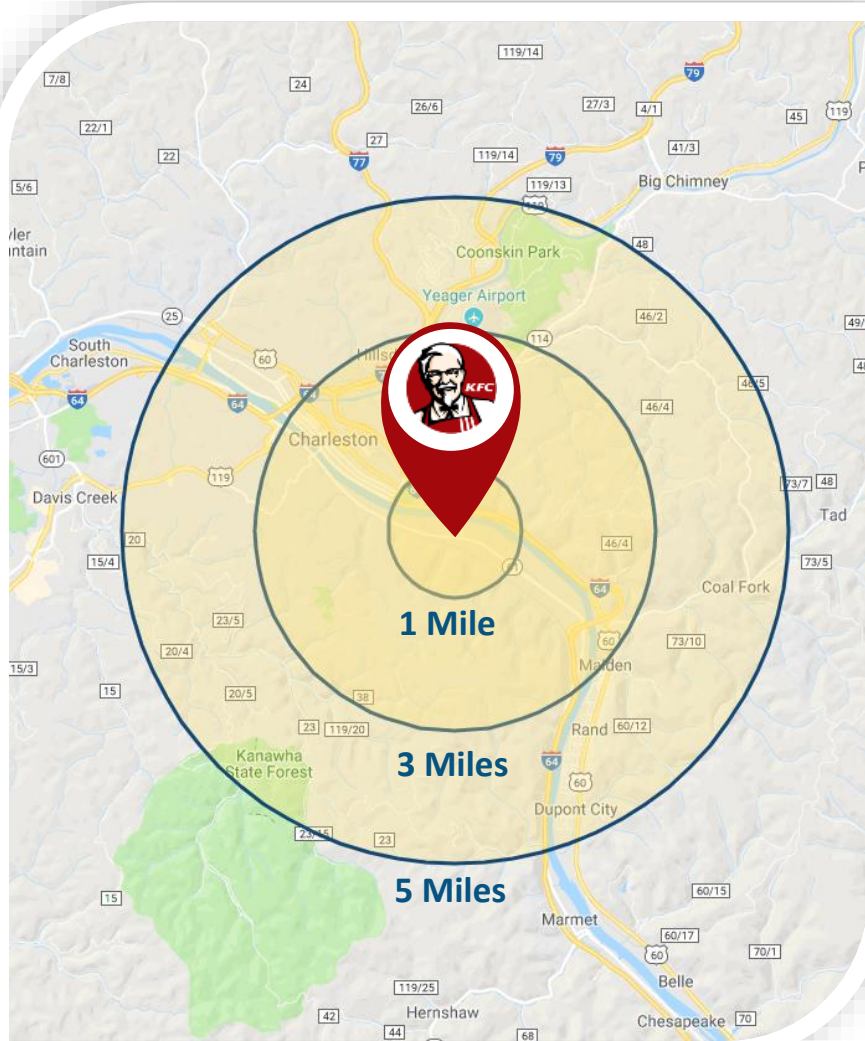


Regional Map





Demographics



1 Mile 3 Miles 5 Miles

Population:

2023 Projection	5,189	26,622	59,639
2018 Estimate	5,295	27,047	60,814
2010 Census	5,403	27,027	61,854
Growth 2018-2023	(2.00%)	(1.57%)	(1.93%)
Growth 2010-2018	(2.00%)	0.07%	(1.68%)
2018 Population Hispanic Origin	93	503	921

2018 Population by Race:

White	4,342	21,930	49,426
Black	678	3,501	7,967
Am. Indian & Alaskan	6	67	152
Asian	162	750	1,319
Hawaiian & Pacific Island	6	22	35
Other	101	778	1,915

U.S. Armed Forces:

3	7	14
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Households:

2023 Projection	2,292	12,496	27,046
2018 Estimate	2,344	12,709	27,593
2010 Census	2,410	12,748	28,102
Growth 2018 - 2023	(2.22%)	(1.68%)	(1.98%)
Growth 2010 - 2018	(2.74%)	(0.31%)	(1.81%)
Owner Occupied	1,320	6,930	16,953
Renter Occupied	1,024	5,779	10,640

2018 Avg Household Income

\$87,587	\$79,218	\$72,991
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2018 Med Household Income

\$55,555	\$50,489	\$48,721
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2018 Households by Household Inc:

<\$25,000	578	3,973	8,332
\$25,000 - \$50,000	514	2,333	5,680
\$50,000 - \$75,000	399	2,105	4,872
\$75,000 - \$100,000	209	1,166	2,787
\$100,000 - \$125,000	146	782	1,905
\$125,000 - \$150,000	114	579	952
\$150,000 - \$200,000	113	549	1,015
\$200,000+	271	1,222	2,050



Market Overview



Charleston is the capital and largest city in West Virginia. The entire city of Charleston has a population of 50,000+, while its metropolitan area has a population of over 300,000 people. Charleston is located where the Elk River and Kanawha River meet. The subject Lone Star is located on Maccorkle Ave, which runs parallel to the Kanawha River (roughly half a mile west of the subject).

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Major Employers

Employer	Estimated # of Employees
West Virginia Div Highways	4,500
Kanawha County Board Education	3,770
Charleston Area Med Ctr Inc	3,230
Camc Health System Inc	2,521
Wvu School of Nursing	2,250
Division of Health Promotion	1,400
Thomas Hj Memorial Hospital	1,200
Verizon	1,081
Magnum Coal Sales LLC	1,004
Highway Engineer	1,000
Supreme Court of West Virginia	1,000
Usaf Charleston Angb	1,000

Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

