



# confidentiality & disclaimer

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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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ACTIVITY ID: Y0331977

Marcus & Millichap



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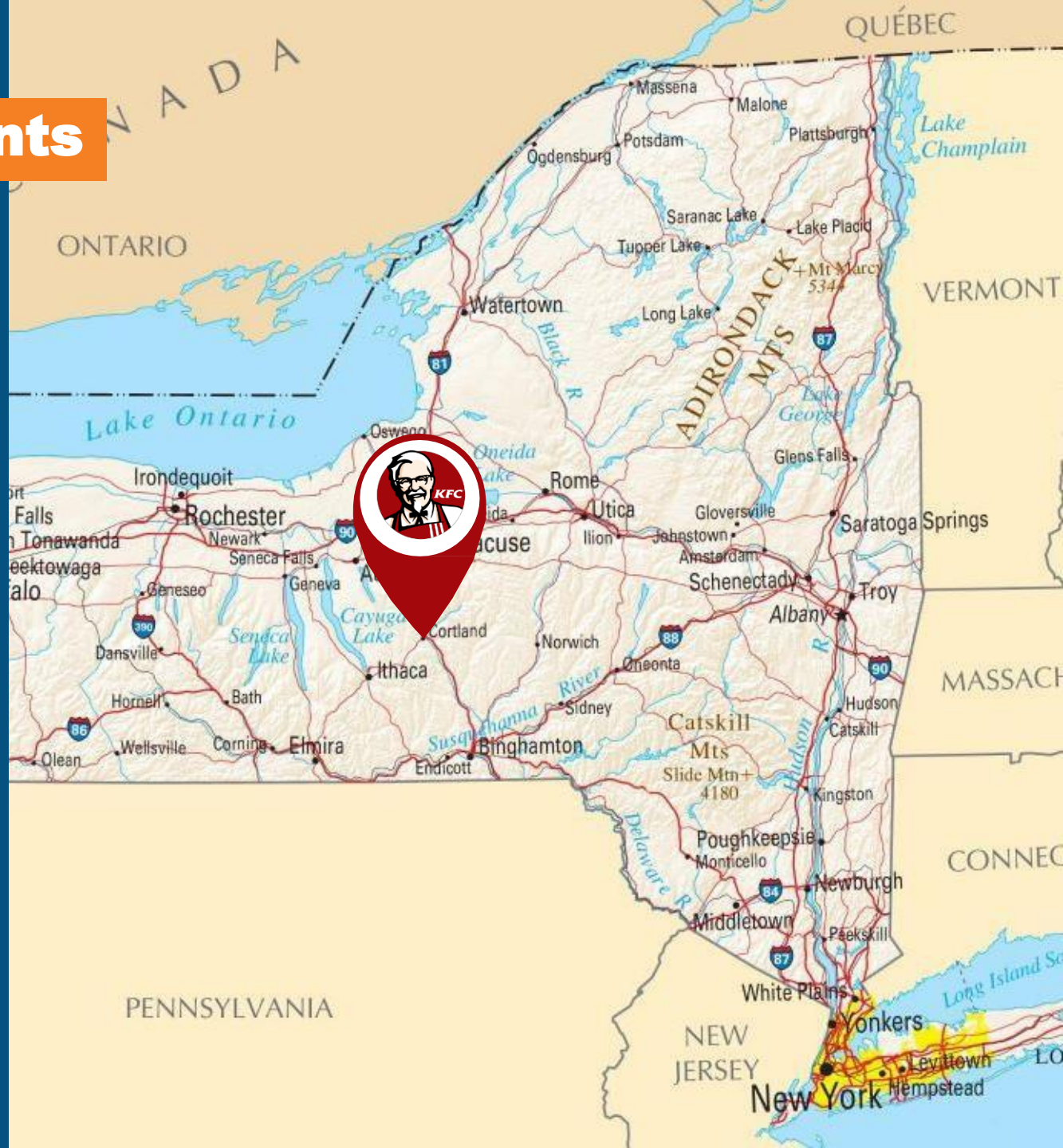
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3890 NY-281, Cortland, New York 13045

**PRICE: \$2,493,333 | 6.00%CAP | RENT: \$149,600****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) | \$149,600   |
| CAP Rate                   | 6.00%       |
| 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 11 Years Remaining | Four, Five-Year Tenant Renewal Options
- Outstanding Store Sales | Well Above Average For KFC
- Strong Inflation Hedge | Attractive 10 Percent Rental Increases Every Five Years
- 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. The base rent is \$149,600 with 10 percent rental increases every five years. 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.



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## 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 8        | \$149,600   | \$12,466     |
| Year 9        | \$149,600   | \$12,466     |
| 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     |

|                |             |
|----------------|-------------|
| CAP Rate       | 6.00%       |
| Purchase Price | \$2,493,333 |





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**





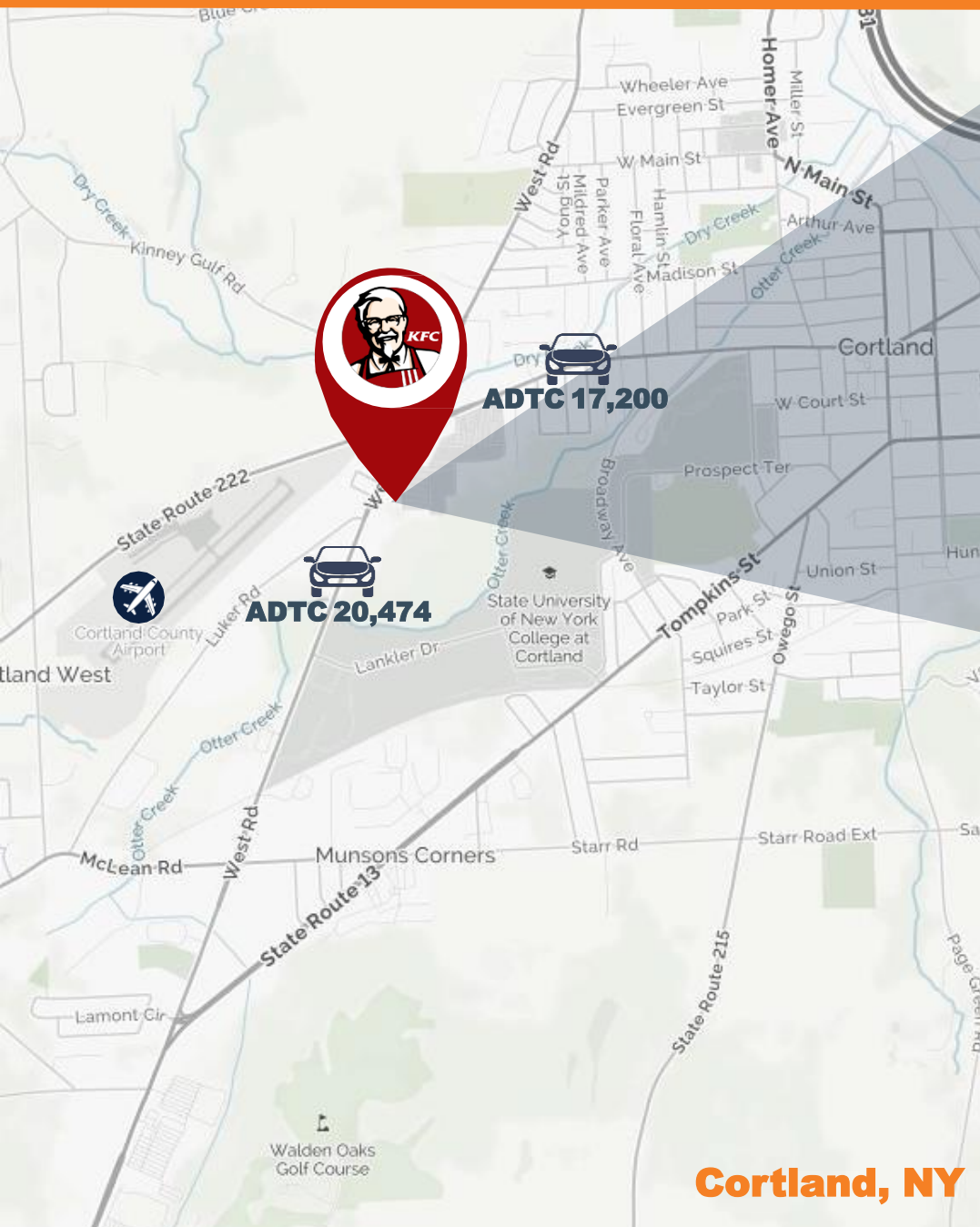
## HIGHLIGHTS

- 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



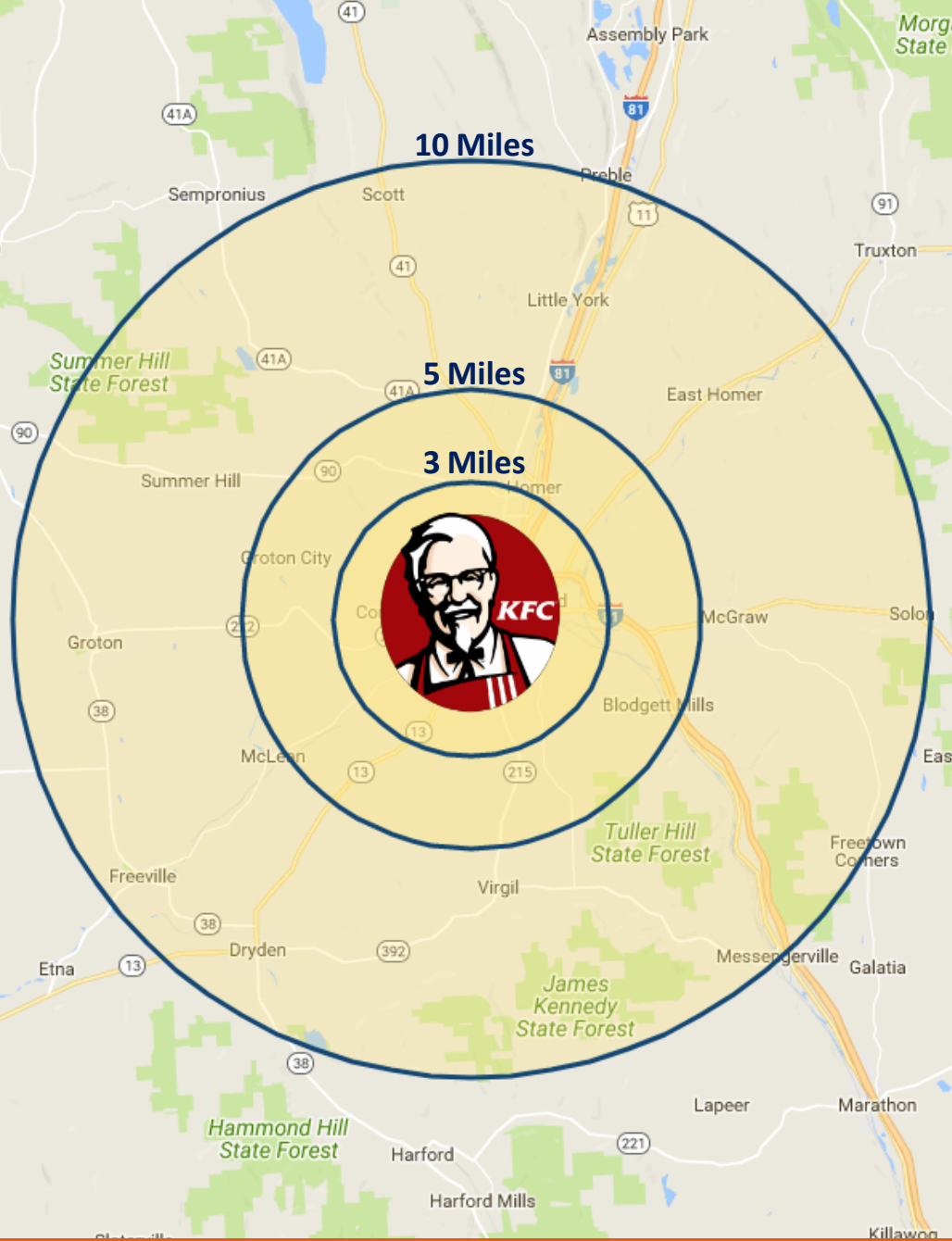
**Cortland, NY**



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|                             | 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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