



# KFC Sale-Leaseback

*South Charleston, West Virginia*



OFFERING  
MEMORANDUM

Marcus & Millichap

4018 MacCorkle Ave SW  
South Charleston, West Virginia 25309

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# Investment Highlights

PRICE: \$1,018,529 | CAP: 6.25% | RENT: \$63,658



## 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, Burger King, Target, Sam's Club, The Home Depot, Walmart, and Lowe's
- ✓ Directly Off of U.S. Interstate 64 – Over 79,000 Vehicles Per Day
- ✓ Thomas Memorial Hospital – Less Than a ¼ Mile Away
- ✓ 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 4018 MacCorkle Avenue SW in South Charleston, West Virginia. The property made up of a 2,452 square feet building and is situated on approximately 0.46 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 \$63,658 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: \$1,018,529 | CAP: 6.25% | RENT: \$63,658

## Property Description

Property	KFC
Property Address	4018 MacCorkle Avenue SW
City, State, ZIP	South Charleston, West Virginia 25309
Building Size	2,452
Lot Size	+/- 0.46 Acres
Type of Ownership	Fee Simple

## The Offering

Annual Rent	\$63,658
CAP Rate	6.25%
Purchase Price	\$1,018,529
Price / SF	\$415
Rent / SF	\$25.96

## 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	\$63,658	\$5,305	-
Year 6	\$64,454	\$5,371	1.25%
Year 7	\$65,259	\$5,438	1.25%
Year 8	\$66,075	\$5,506	1.25%
Year 9	\$66,901	\$5,575	1.25%
Year 10	\$67,737	\$5,645	1.25%
Year 11	\$68,584	\$5,715	1.25%
Year 12	\$69,441	\$5,787	1.25%
Year 13	\$70,309	\$5,859	1.25%
Year 14	\$71,188	\$5,932	1.25%
Year 15	\$72,078	\$6,007	1.25%
Year 16	\$72,979	\$6,082	1.25%
Year 17	\$73,891	\$6,158	1.25%
Year 18	\$74,815	\$6,235	1.25%
Year 19	\$75,750	\$6,313	1.25%
Year 20	\$76,697	\$6,391	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.

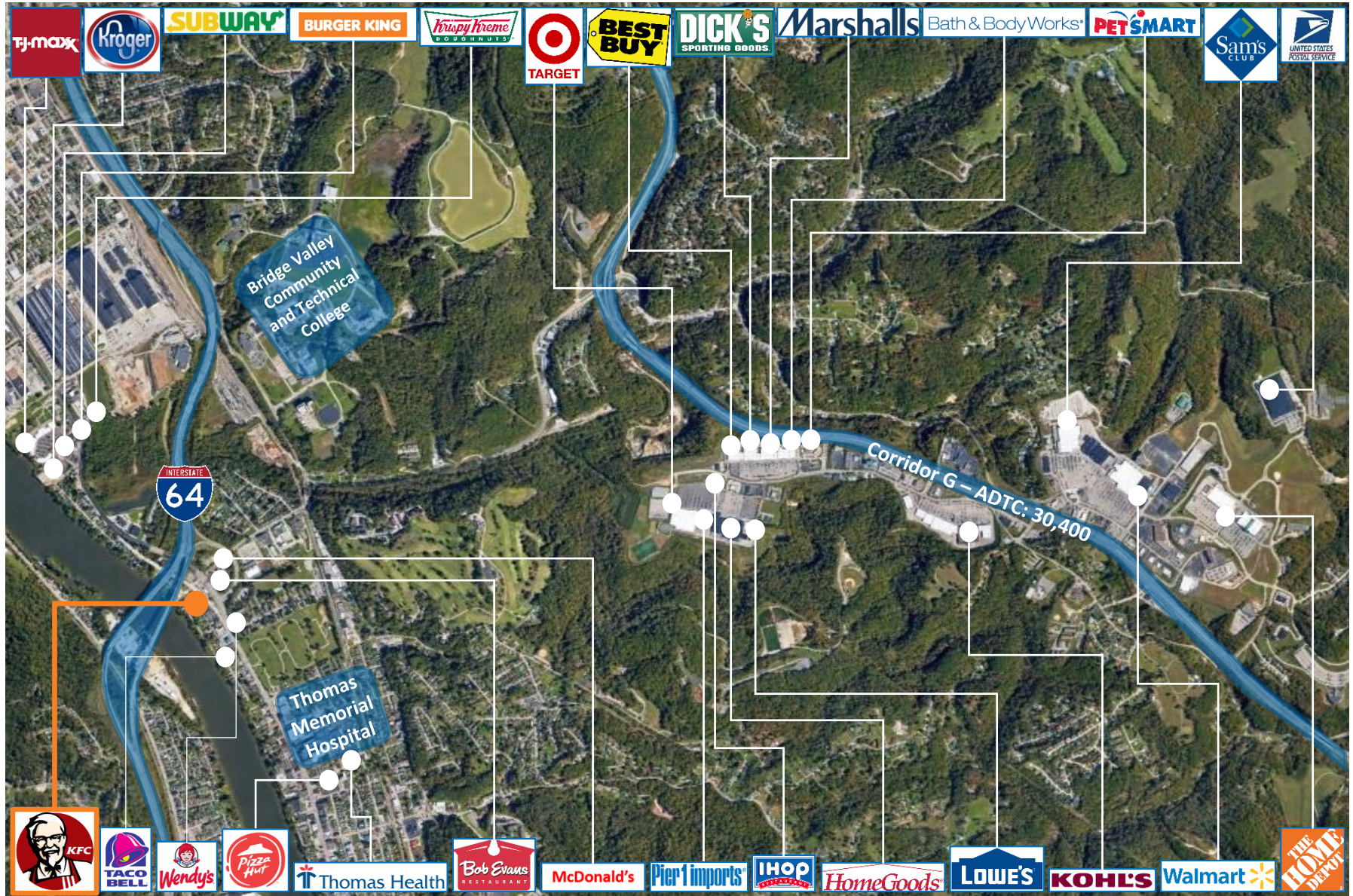
It is estimated that, on average, more than 185 million people see a KFC commercial at least once a week—that's more than half the U.S. population. The KFC system serves more than 12 million customers each day in more than 115 countries and territories around the world. KFC operates more than 17,000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

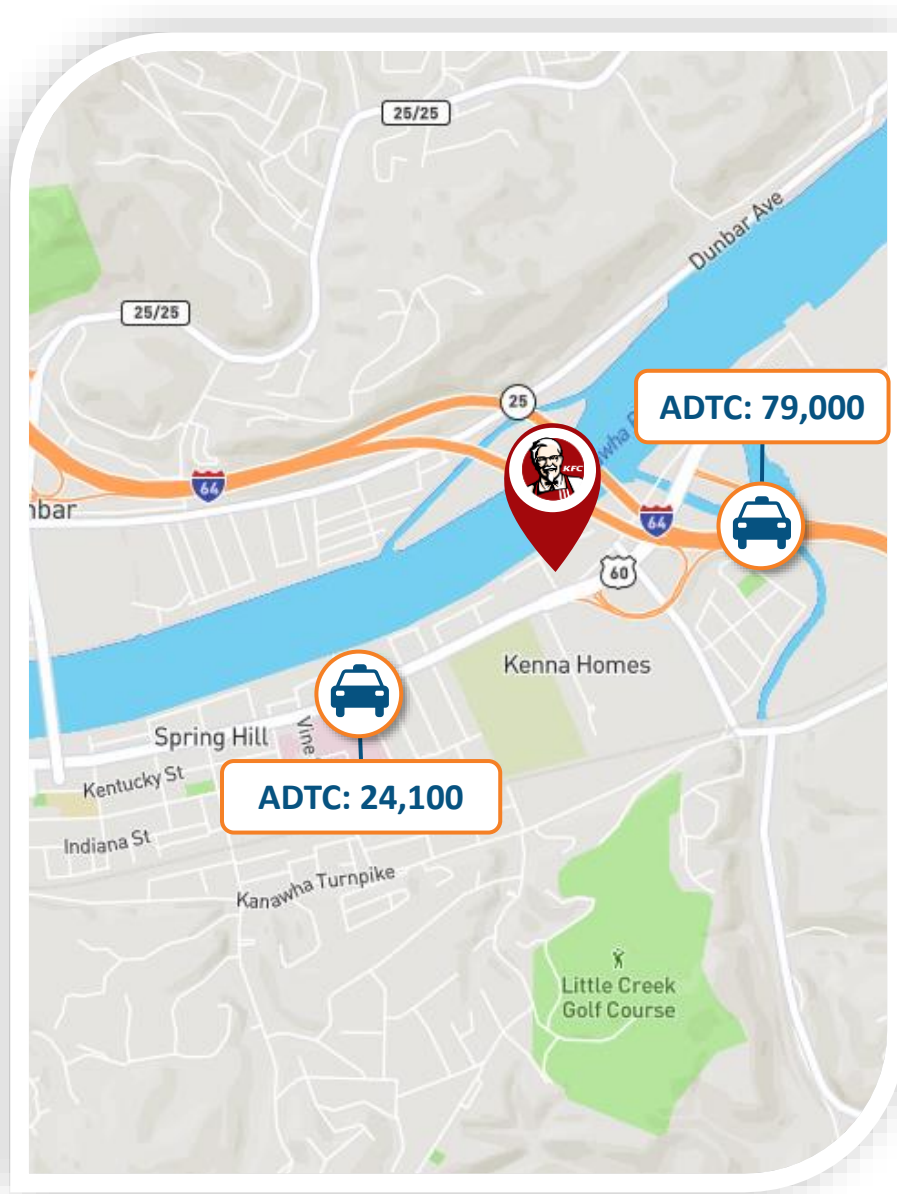


This KFC property is located at 4018 MacCorkle Ave SW in South Charleston, West Virginia. Charleston is the state capital and most populous city in West Virginia. The city is located along the Kanawha River in the heart of West Virginia.

The subject KFC is ideally-positioned with Interstate 64 frontage, benefitting from a very busy area with high traffic volume near a full service hospital, local community college, and several nationally recognized tenants. Major national retailers in the area include: McDonald's, Wendy's, Taco Bell, Burger King, Target, Sam's Club, The Home Depot, Walmart, and Lowe's, as well as many other local bars, restaurants, and small businesses. Less than a quarter-mile from the subject property is Thomas Memorial Hospital, a full service hospital offering a wide range of inpatient and outpatient services as well as a 24-hour emergency room. Additionally, Bridgevalley Community and Technical College is less than a half mile from the subject property and enrolls over one thousand undergraduate students.

There are approximately 32,300 people within a three-mile radius of this property and 67,100 within a five-mile radius. The property is situated on MacCorkle Ave SE directly off Interstate 64. These two roads have an average daily traffic count of 24,100 and 79,000 vehicles, respectively.

South Charleston is a city in Kanawha County located just six miles from the most populous city and state capital, Charleston, 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





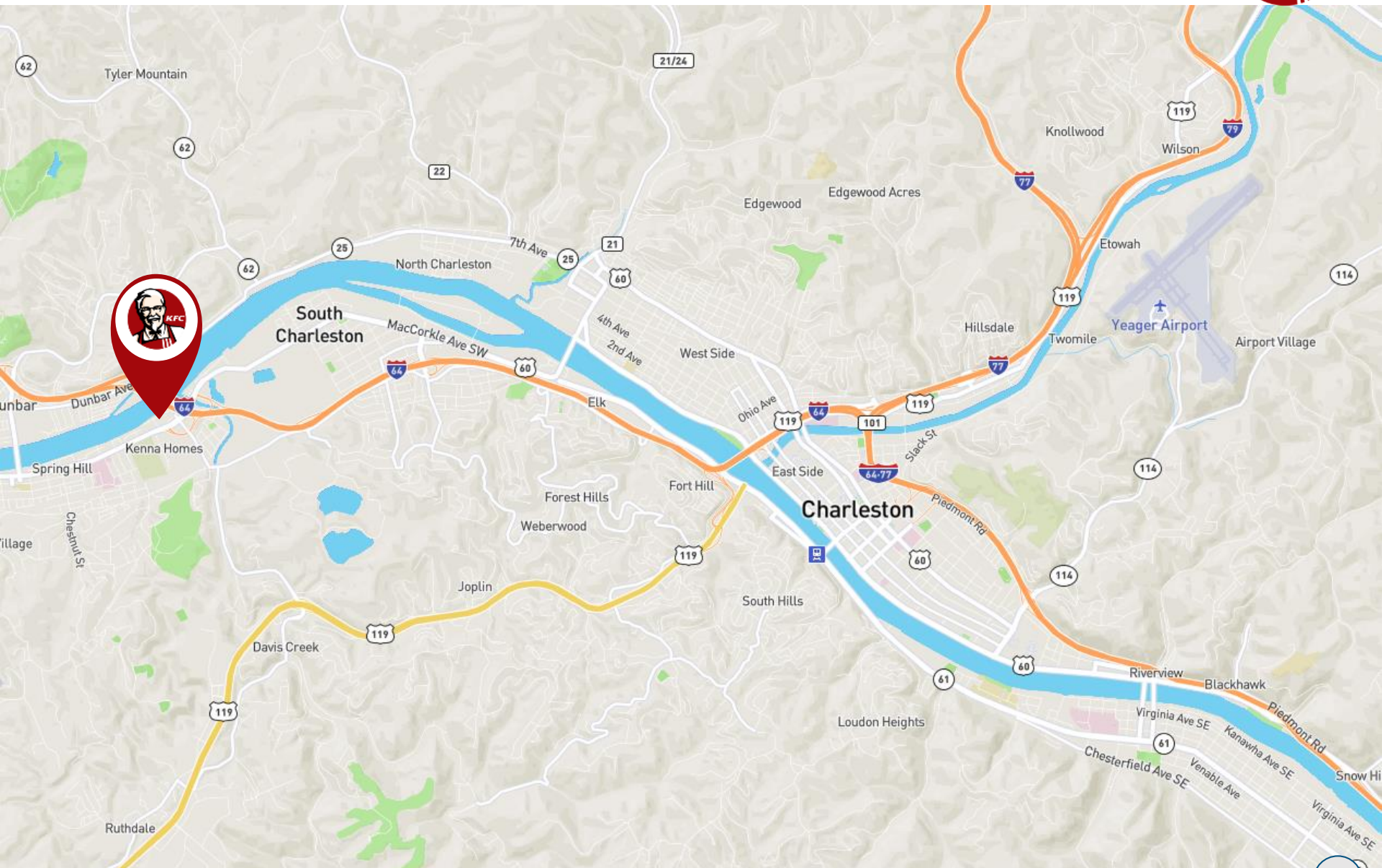
# Property Photo





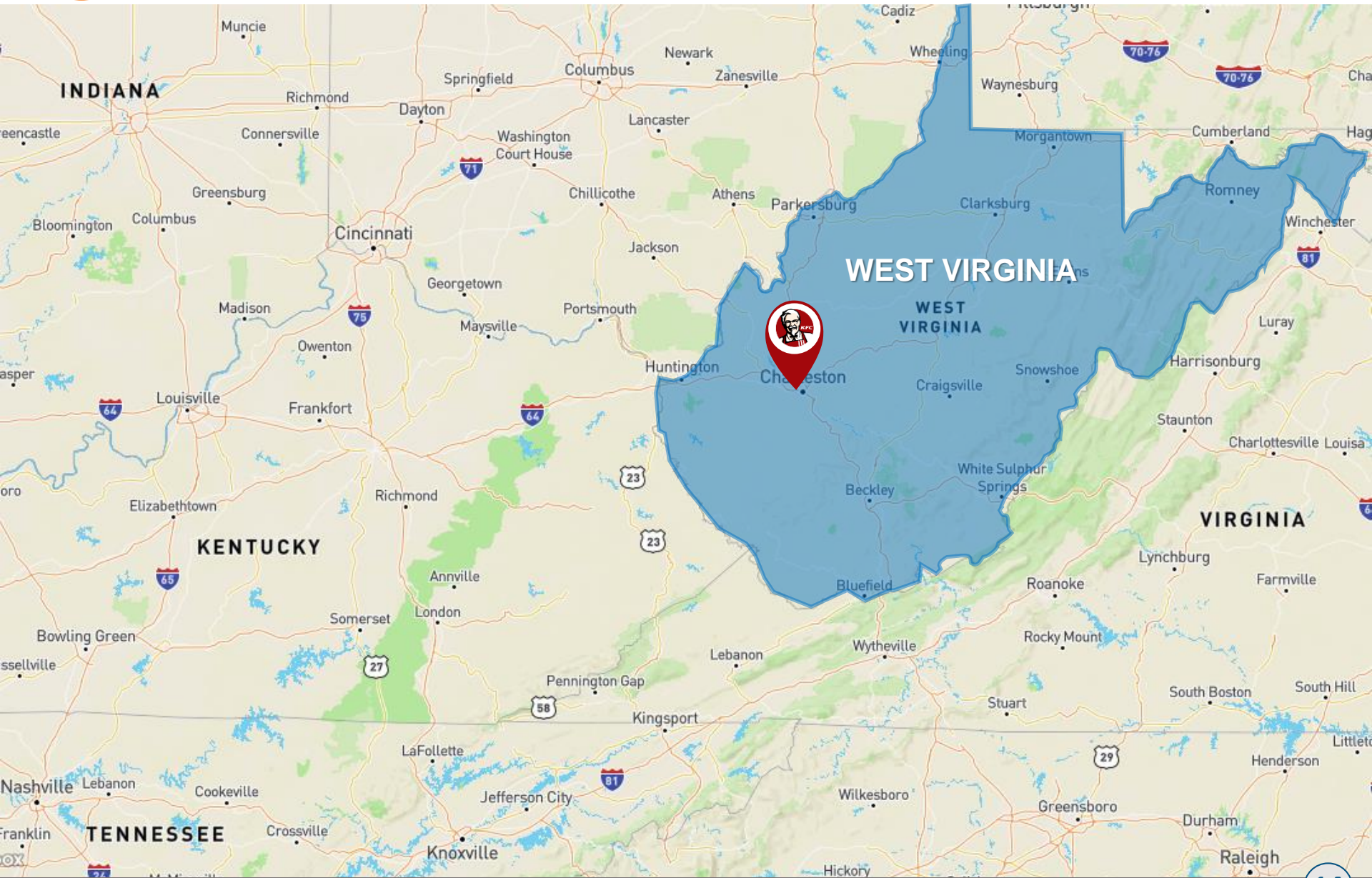
# Surrounding Area Photos





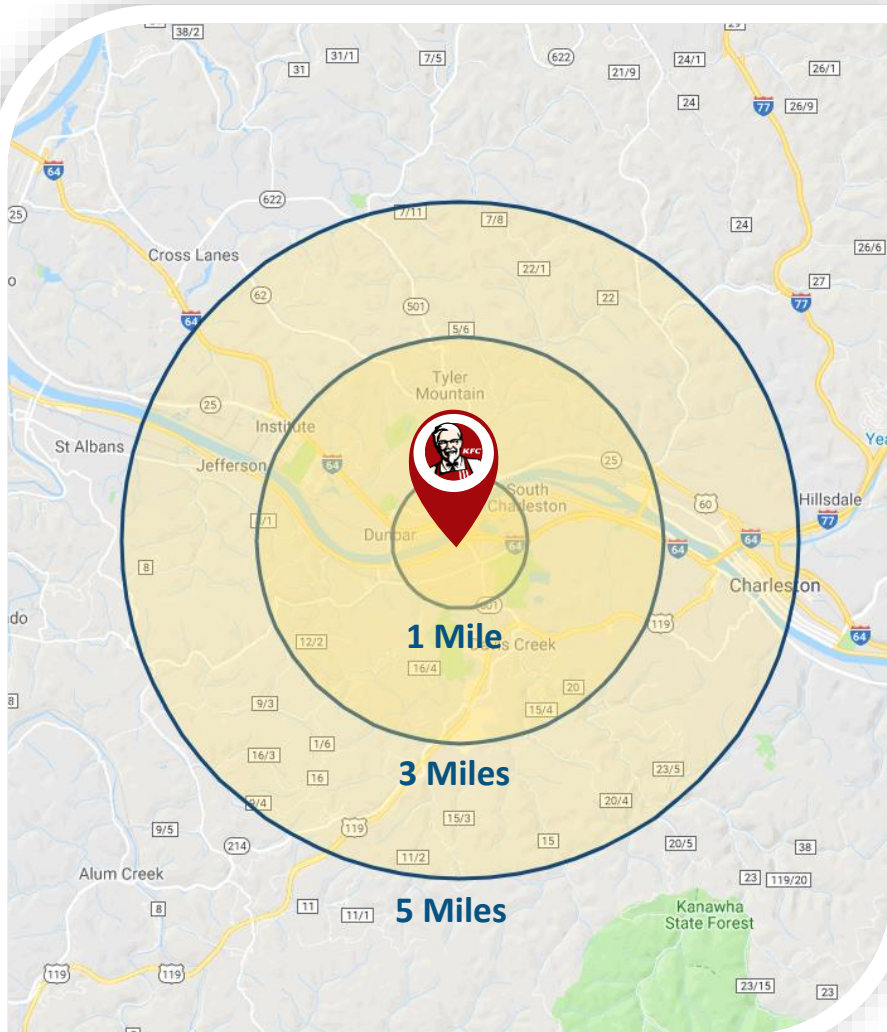


# Regional Map





# Demographics



## 1 Mile 3 Miles 5 Miles

### Population:

2023 Projection	4,900	31,777	63,532
2018 Estimate	5,028	32,574	65,148
2010 Census	5,268	33,991	68,089
Growth 2018-2023	(2.55%)	(2.45%)	(2.48%)
Growth 2010-2018	(4.56%)	(4.17%)	(4.32%)
2018 Population Hispanic Origin	60	391	839

### 2018 Population by Race:

White	4,306	26,684	53,035
Black	475	4,169	8,559
Am. Indian & Alaskan	16	82	155
Asian	105	560	1,147
Hawaiian & Pacific Island	3	13	26
Other	122	1,065	2,226

### U.S. Armed Forces:

**0 0 6**

### Households:

2023 Projection	2,472	14,299	28,405
2018 Estimate	2,534	14,659	29,127
2010 Census	2,646	15,290	30,404
Growth 2018 - 2023	(2.45%)	(2.46%)	(2.48%)
Growth 2010 - 2018	(4.23%)	(4.13%)	(4.20%)
Owner Occupied	1,429	9,617	18,594
Renter Occupied	1,106	5,042	10,533

### 2018 Avg Household Income

**\$46,079 \$62,110 \$65,076**

### 2018 Med Household Income

**\$34,507 \$44,731 \$44,988**

### 2018 Households by Household Inc:

<\$25,000	1,034	4,339	9,043
\$25,000 - \$50,000	694	3,504	6,478
\$50,000 - \$75,000	409	2,717	5,218
\$75,000 - \$100,000	180	1,552	3,085
\$100,000 - \$125,000	97	1,153	2,061
\$125,000 - \$150,000	52	508	1,006
\$150,000 - \$200,000	20	380	823
\$200,000+	47	506	1,412



# 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	2,522
WVU School of Nursing	2,250
Division of Health Promotion	1,400
Thomas Hj Memorial Hospital	1,200
Verizon	1,186
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

