



KFC Sale-Leaseback

Hurricane, West Virginia



OFFERING MEMORANDUM

4158 West Virginia Route 34
Hurricane, WV 25526

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Investment Highlights

PRICE: \$898,625 | CAP: 6.25% | RENT: \$56,164



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, Big Lots, Home Depot, CVS Pharmacy, and Kroger
- ✓ Located Directly Off of U.S. Interstate 64 – 41,500 Vehicles Per Day
- ✓ Average Household Income Exceeds \$91,000 in a Five-Mile Radius
- ✓ Hurricane – 26 Miles West of Charleston, WV

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 4158 West Virginia Route 34 in Hurricane, West Virginia. The property made up of a 4,080 square feet building and is situated on approximately 0.61 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 \$56,164 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: \$898,625 | CAP: 6.25% | RENT: \$56,164



Property Description

Property	KFC
Property Address	4158 West Virginia Route 34
City, State, ZIP	Hurricane, West Virginia 25526
Building Size	4,080
Lot Size	+/- 0.61 Acres
Type of Ownership	Fee Simple

The Offering

Annual Rent	\$56,164
CAP Rate	6.25%
Purchase Price	\$898,625
Price / SF	\$220
Rent / SF	\$13.77

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	\$56,164	\$4,680	-
Year 6	\$56,866	\$4,739	1.25%
Year 7	\$57,577	\$4,798	1.25%
Year 8	\$58,297	\$4,858	1.25%
Year 9	\$59,025	\$4,919	1.25%
Year 10	\$59,763	\$4,980	1.25%
Year 11	\$60,510	\$5,043	1.25%
Year 12	\$61,267	\$5,106	1.25%
Year 13	\$62,032	\$5,169	1.25%
Year 14	\$62,808	\$5,234	1.25%
Year 15	\$63,593	\$5,299	1.25%
Year 16	\$64,388	\$5,366	1.25%
Year 17	\$65,193	\$5,433	1.25%
Year 18	\$66,008	\$5,501	1.25%
Year 19	\$66,833	\$5,569	1.25%
Year 20	\$67,668	\$5,639	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.

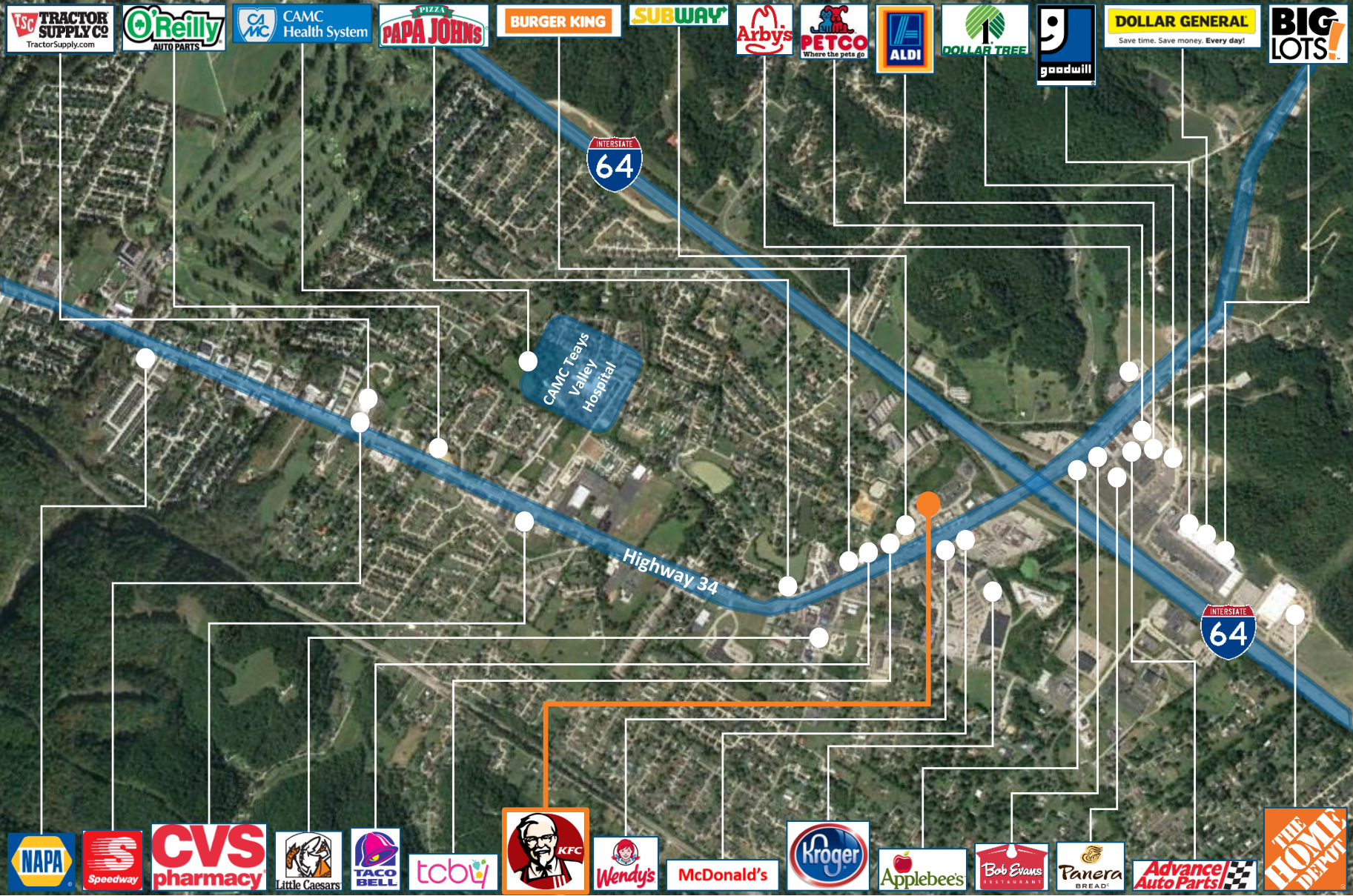
It is estimated that, on average, more than 185 million people see a KFC commercial at least once a week—that's more than half the U.S. population. The KFC system serves more than 12 million customers each day in more than 115 countries and territories around the world. KFC operates more than 17,000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

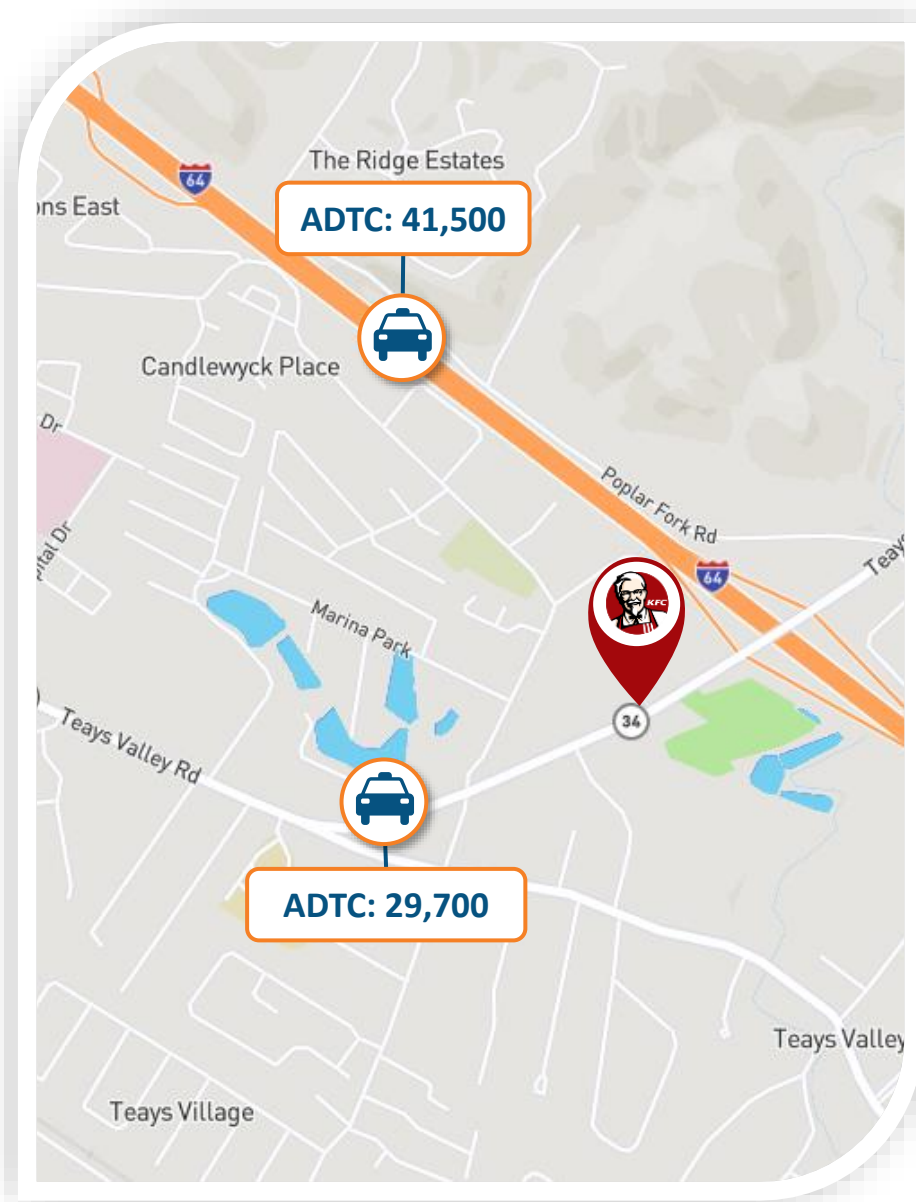


This KFC property is located at 4158 Highway 34 in Hurricane, West Virginia. Hurricane is small city situated between the Kanawha and Ohio River. Hurricane is home to the Harrah Organ, a large pipe organ playable only by master musicians, which attracts notable organists from around the world for a recurring concert series.

The subject KFC is ideally-positioned directly off Interstate 64, benefitting from its situation in a dense retail corridor surrounded by a multitude of nationally recognized tenants and a full-service hospital. Major national retailers in the area include: McDonald's, Wendy's, Taco Bell, Burger King, Big Lots, The Home Depot, CVS Pharmacy, and Kroger, as well as many other local restaurants, and small businesses. Just over a mile from the subject property is CAMC Teays Valley Hospital, a 70-bed hospital used by over 100 doctors and 400 nurses and faculty.

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.

Hurricane is a city in Putnam County located approximately 20 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. 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, Marshal 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.



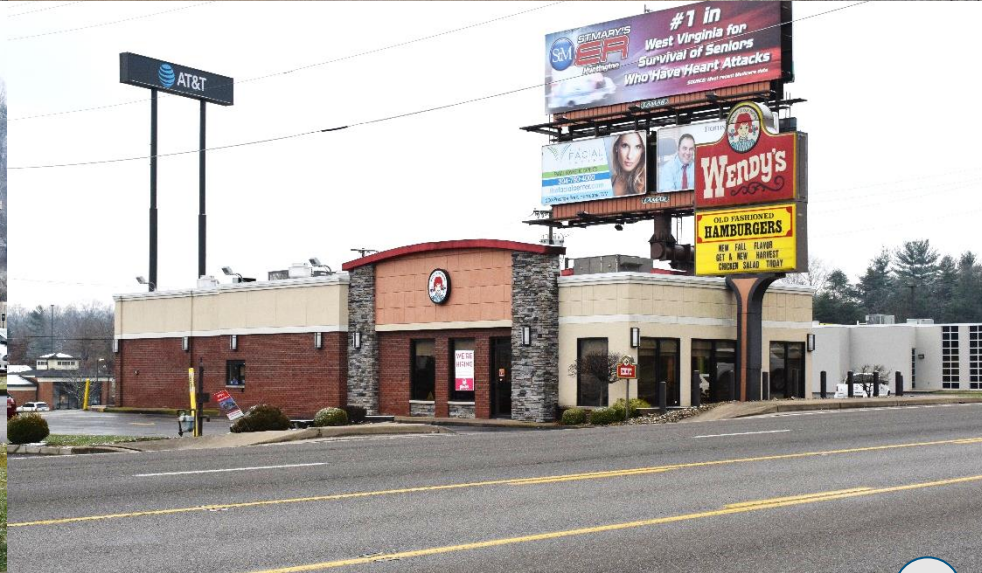


Property Photo



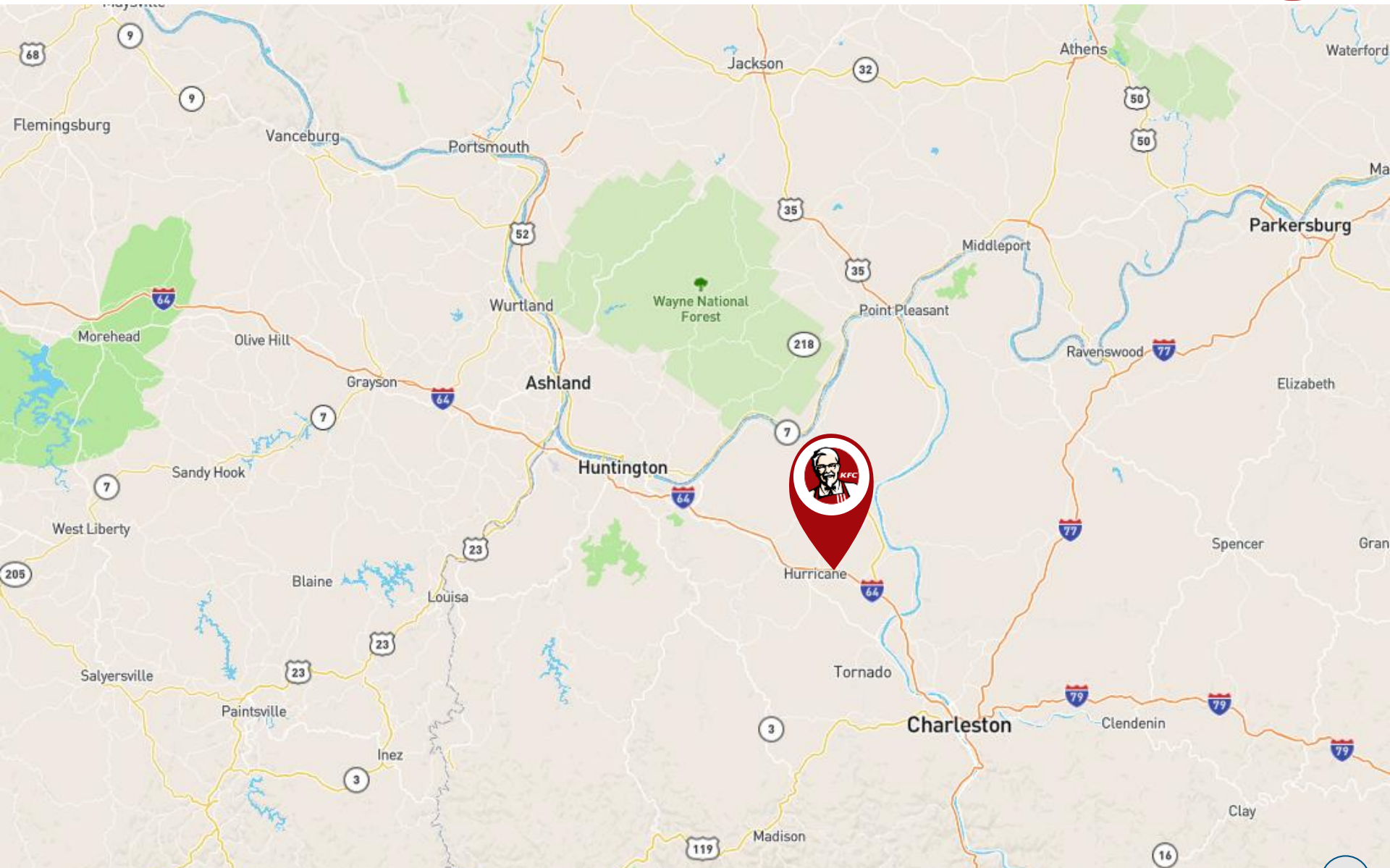


Surrounding Area Photos



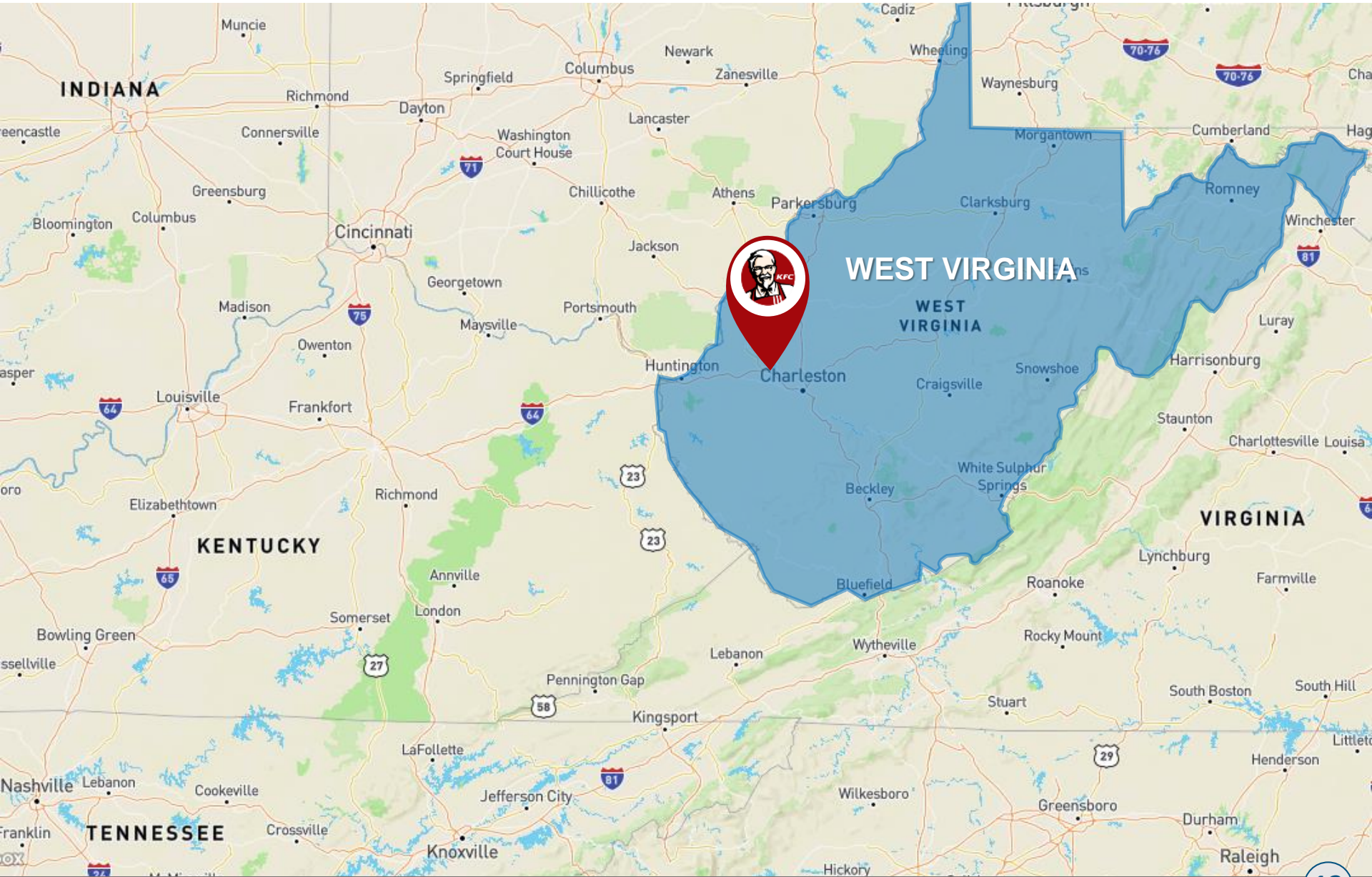


Local Map



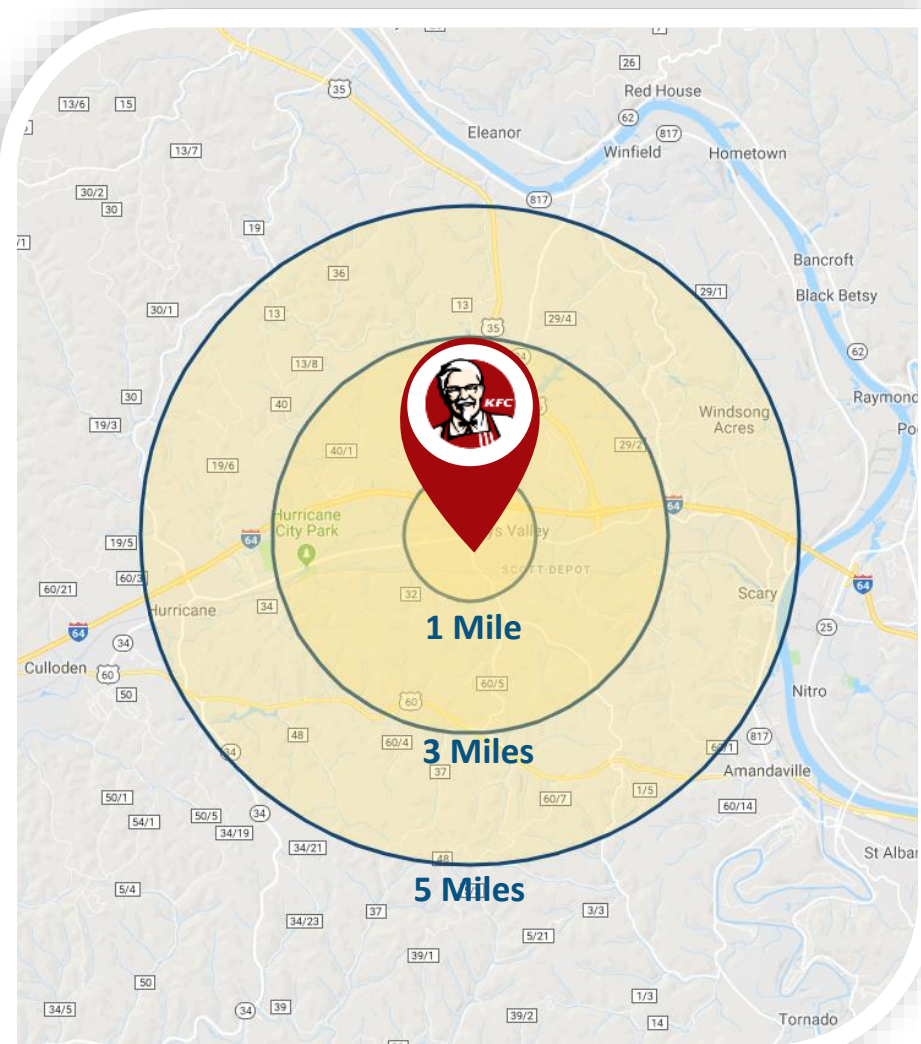


Regional Map





Demographics



1 Mile 3 Miles 5 Miles

Population:

2023 Projection	5,627	18,851	28,815
2018 Estimate	5,503	18,456	28,373
2010 Census	4,950	16,708	26,526
Growth 2018-2023	2.25%	2.14%	1.56%
Growth 2010-2018	11.17%	10.46%	6.96%
2018 Population Hispanic Origin	70	240	366

2018 Population by Race:

White	5,229	17,591	27,088
Black	123	345	497
Am. Indian & Alaskan	11	33	65
Asian	74	263	364
Hawaiian & Pacific Island	4	8	11
Other	62	215	349

U.S. Armed Forces:

15	52	69
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Households:

2023 Projection	2,155	7,320	11,280
2018 Estimate	2,106	7,163	11,107
2010 Census	1,893	6,477	10,387
Growth 2018 - 2023	2.33%	2.19%	1.56%
Growth 2010 - 2018	11.25%	10.59%	6.93%
Owner Occupied	1,677	5,962	9,041
Renter Occupied	430	1,202	2,065

2018 Avg Household Income

\$93,844	\$94,595	\$91,613
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2018 Med Household Income

\$77,931	\$76,659	\$71,083
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2018 Households by Household Inc:

<\$25,000	319	929	1,655
\$25,000 - \$50,000	380	1,350	2,190
\$50,000 - \$75,000	318	1,232	1,990
\$75,000 - \$100,000	307	1,047	1,597
\$100,000 - \$125,000	285	903	1,205
\$125,000 - \$150,000	171	566	765
\$150,000 - \$200,000	190	648	889
\$200,000+	136	486	815



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.

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, Marshal 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.

Major Employers

Employer	Estimated # of Employees
Patriot Coal Corporation	4,100
Mardi Gras Casino and Resort	850
Walmart	650
Institute Plant	500
Rite Aid	477
US Foods Inc	422
Camc Teays Valley Hospital Inc	410
Kroger	402
West Virginia State University	366
Tri-State Concessions Inc	350
Air Force US Dept of	311
McDonalds	301

Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

