



KFC/Taco Bell
Sale-Leaseback
Bartlett, Illinois



OFFERING
MEMORANDUM

960 South Route 59
Bartlett, Illinois 60103

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Investment Highlights

PRICE: \$1,454,545 | CAP: 5.50% | RENT: \$80,000



About the Investment

- ✓ Brand New 15-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 Morgan Foods Inc.

About the Location

- ✓ Major National Tenants In Surrounding Area Include: Home Depot, Walgreens, Dollar Tree, McDonald's, Wendy's, Subway, GNC, Dunkin' Donuts, Sonic, BP, AutoZone
- ✓ Average Household Income Exceeds \$137,000
- ✓ Positioned Thirty Miles West of Chicago
- ✓ Strategically Situated Off of South Route 59 – Average Daily Traffic Counts of Approximately 46,200 Vehicles
- ✓ Bartlett Elementary School and Bartlett High School are Both Located Within Two Miles of the Subject Property - Combined Enrollment: 3,214 Students

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 present the exclusive listing for a KFC/Taco Bell located at 960 South Route 59 in Bartlett, Illinois. The property consists of 3,480 square feet of building space and sits on 0.75 acres of land.

This KFC/Taco Bell is subject brand new 15-year triple-net (NNN) sale-leaseback. The base rent is \$90,000 and is subject to 1.25% annual rental increases starting in year six of the lease term. The increases will continue through the four, five-year tenant renewal options.

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Financial Analysis

PRICE: \$1,454,545 | CAP: 5.50% | RENT: \$80,000



Property Description

Property	KFC
Property Address	960 South Route 59
City, State, ZIP	Bartlett, Illinois 60103
Year Built / Renovated	2002/2019
Building Size	3,480
Lot Size	+/- 0.75 Acres
Type of Ownership	Fee Simple

The Offering

Annual Rent	\$80,000
CAP Rate	5.50%
Purchase Price	\$1,454,545
Price / SF	\$418
Rent / SF	\$22.99

Lease Summary

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	Franchisee (45 Units)
Ownership Type	Private
Original Lease Term	15.0 Years
Lease Commencement	Upon Close of Escrow
Lease Expiration	15 Years from Close of Escrow
Lease Term Remaining	15.0
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	\$80,000	\$6,667	-
Year 6	\$81,000	\$6,750	1.25%
Year 7	\$82,013	\$6,834	1.25%
Year 8	\$83,038	\$6,920	1.25%
Year 9	\$84,076	\$7,006	1.25%
Year 10	\$85,127	\$7,094	1.25%
Year 11	\$86,191	\$7,183	1.25%
Year 12	\$87,268	\$7,272	1.25%
Year 13	\$88,359	\$7,363	1.25%
Year 14	\$89,463	\$7,455	1.25%
Year 15	\$90,582	\$7,548	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.



Tenant Overview



About Taco Bell

Taco Bell Corp., a subsidiary of Yum! Brands, Inc. (NYSE: YUM), is the nation's leading Mexican-inspired quick service restaurant brand. From breakfast to late night, Taco Bell serves made-to-order and customizable tacos and burritos, among other craveable choices, and is the first QSR restaurant to offer American Vegetarian Association (AVA)-certified menu items. Taco Bell and its more than 350 franchise organizations proudly serve over 42 million customers each week through nearly 6,500 restaurants across the nation, as well as through its mobile, desktop and delivery ordering services.

Taco Bell's mobile app which, has been downloaded over 4.9 Million times, makes it easy to place a custom order and pay before the customer arrives. Some locations are also testing touchscreen-ordering kiosks. Taco Bell plans to have 8,000 restaurants in the US by the year 2023. Overseas, Taco Bell has over 400 restaurants excluding the Yum! China Division, with plans to add 2,000 more restaurants internationally within the next decade.

In 2017, Taco Bell's same-store sales increased 4% which was better than the overall quick-service sector. Taco Bell typically scores well in consumer surveys on its ability to innovate and give customers value.

Yum! Brands, Inc., based in Louisville, Kentucky, has over 45,000 restaurants in more than 135 countries and territories and is one of the Aon Hewitt Top Companies for Leaders in North America. In 2017, Yum! Brands was named to the Dow Jones Sustainability North America Index and ranked among the top 100 Best Corporate Citizens by Corporate Responsibility Magazine.



Surrounding Area





Location Overview

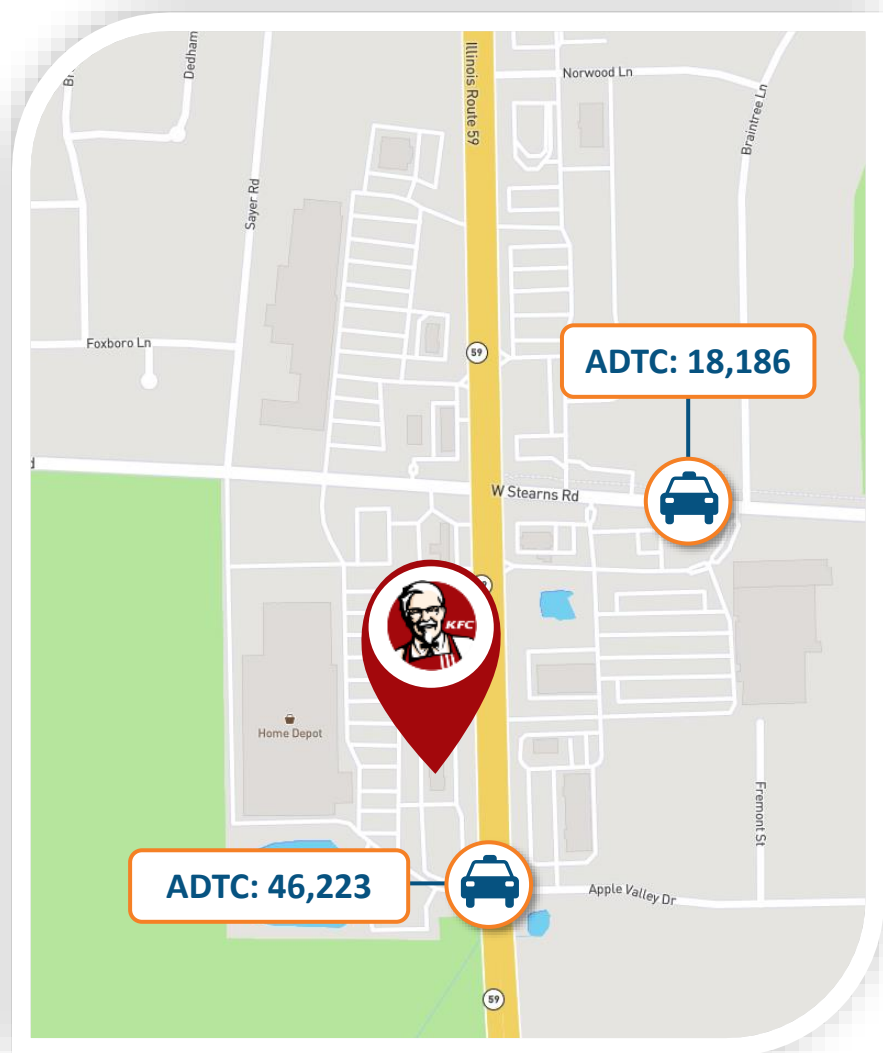


This Taco Bell/KFC property is located at 960 South Route 59 in Bartlett, Illinois. Bartlett is a city located in Cook and DuPage counties. Bartlett is located roughly thirty miles west of Chicago, the most populous city in the state of Illinois.

The subject property is well-positioned, benefiting from its proximity to other major national and local retailers. Major national retailers in the area include: Home Depot, Walgreens, Dollar Tree, McDonald's, Wendy's, Subway, Sonic, Dunkin Donuts, Baskin Robbins, Radio Shack, AutoZone, Chase Bank, BP, as well as many others. Bartlett Elementary School and Bartlett High School are both located within two miles of the Taco Bell/KFC property. The schools have a combined enrollment of 3,214 students. Elgin Mental Health Center, a 500-bed hospital, is located within five miles of the subject property.

Bartlett has approximately 89,290 individuals residing within a three-mile radius of the subject property and more than 188,430 individuals within a five-mile radius. The subject property benefits from its position on South Route 59, which has an average daily traffic count of 46,223 vehicles. The subject property is also situated near West Stearns Road, which has an average daily traffic count of 21,100 vehicles.

Chicago is the third largest city in the United States as well as the county seat of Cook County. Located where the Chicago River meets Lake Michigan, Chicago is known as the "Windy City" due to the weather caused by the nearby bodies of water. Chicago is the second largest business district and the most balanced economy in the nation. Multiple Dow 30 companies are based in the Chicago Metropolitan Area, such as Boeing, Kraft, and McDonald's. Every year, over 50 million people visit the city. With three-time World Series winners the Chicago Cubs, the six-time Stanley Cup winning Chicago Blackhawks, and six-time NBA championship winning Chicago Bulls, the city has a tradition of excellence in all sports. Chicago is also home to several universities such as Northwestern University, University of Chicago, the Art Institute of Chicago, DePaul University, and several others with a combined total enrollment of over 60,000 students.





Property Photo





Property Photo





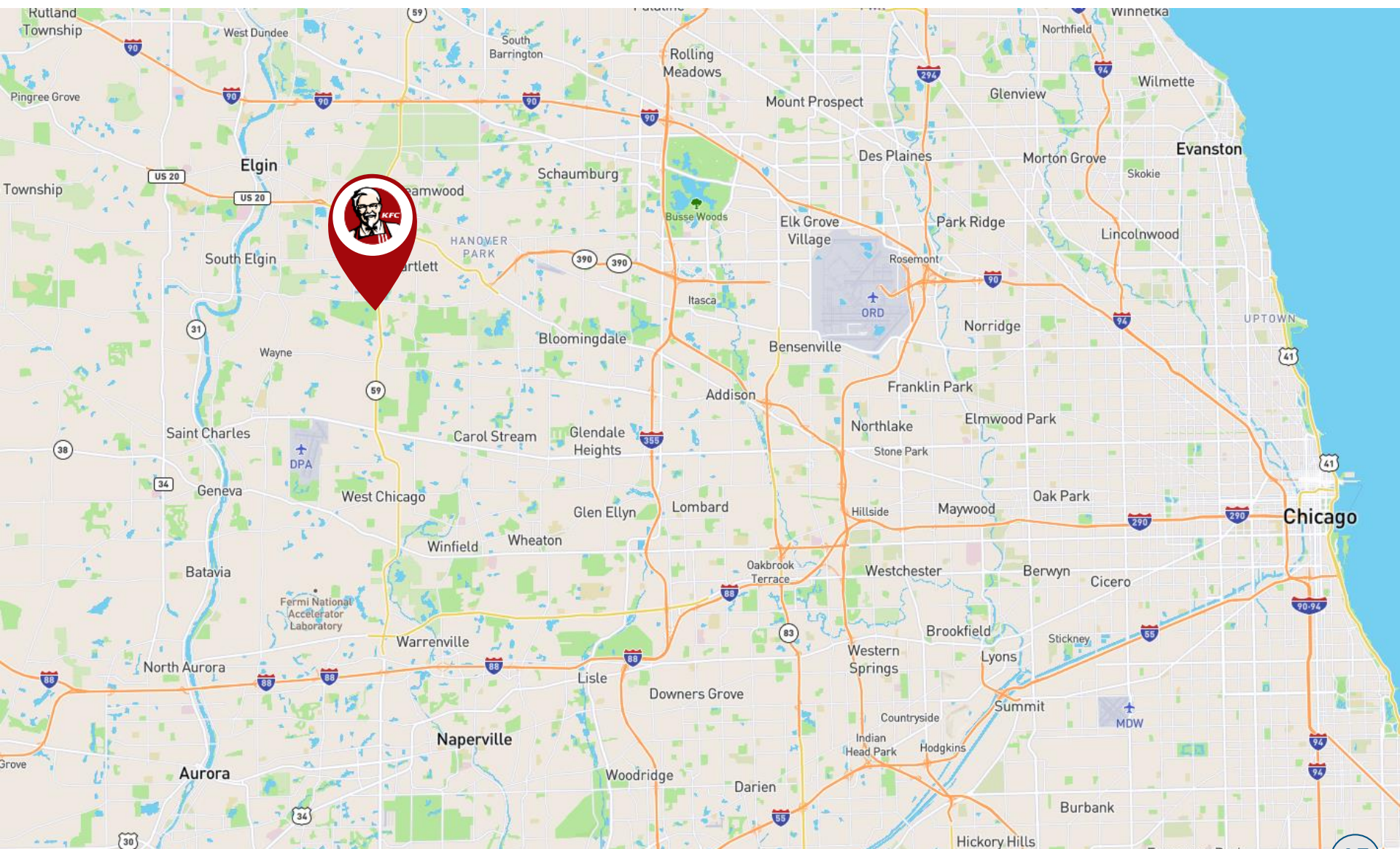
Property Photo





Outpad to Home Depot





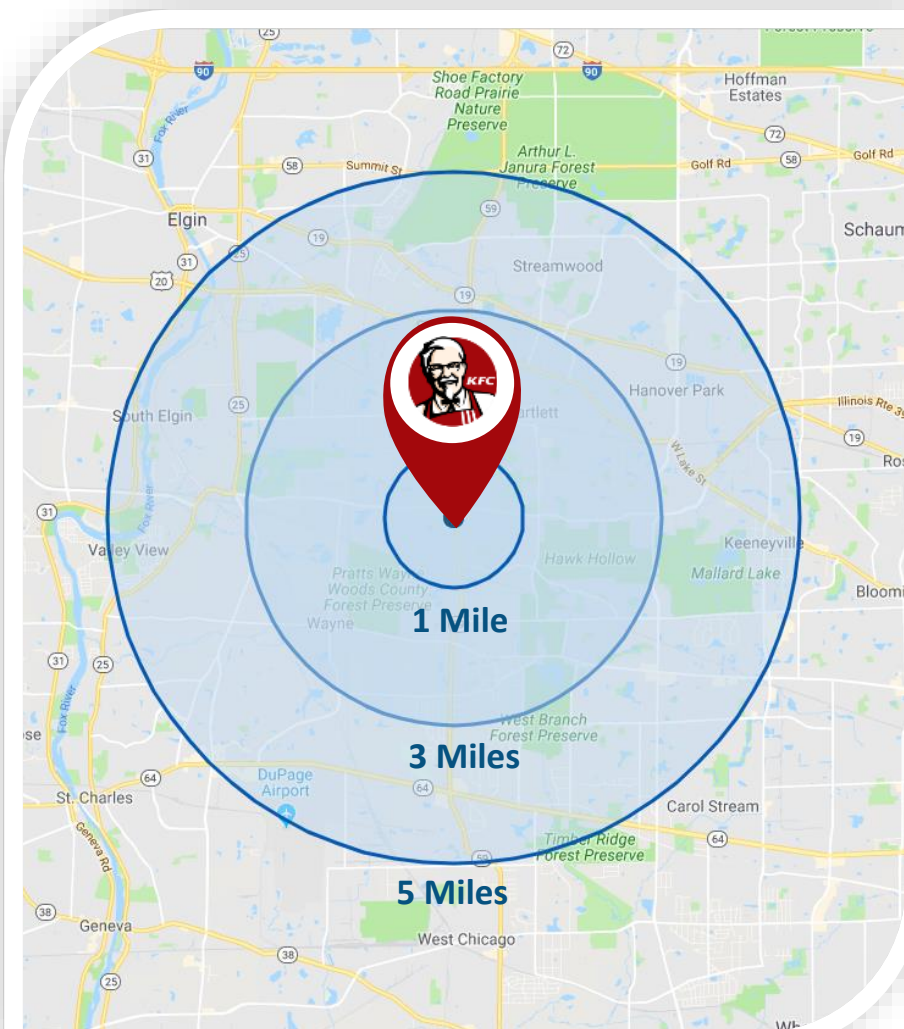


Regional Map





Demographics



Population:

2024 Projection	6,247	59,086	187,003
2019 Estimate	6,223	59,290	188,430
2010 Census	5,922	58,383	191,195
Growth 2019-2024	0.39%	(0.34%)	(0.76%)
Growth 2010-2019	5.08%	1.55%	(1.45%)
2019 Population Hispanic Origin	416	11,506	49,734

2019 Population by Race:

White	5,407	46,339	145,815
Black	89	1,887	7,562
Am. Indian & Alaskan	17	476	1,984
Asian	633	9,480	29,078
Hawaiian & Pacific Island	4	43	154
Other	74	1,065	3,838

U.S. Armed Forces:

Households:

2024 Projection	2,049	19,638	60,702
2019 Estimate	2,040	19,721	61,249
2010 Census	1,938	19,479	62,555
Growth 2019 - 2024	0.44%	(0.42%)	(0.89%)
Growth 2010 - 2019	5.26%	1.24%	(2.09%)
Owner Occupied	1,964	16,826	51,521
Renter Occupied	77	2,894	9,728

2019 Avg Household Income

\$137,954 **\$111,648** **\$102,766**

2019 Med Household Income

\$120,463 **\$94,446** **\$86,304**

2019 Households by Household Inc:

<\$25,000	95	1,903	6,023
\$25,000 - \$50,000	198	2,894	9,641
\$50,000 - \$75,000	169	2,804	10,231
\$75,000 - \$100,000	246	2,906	10,457
\$100,000 - \$125,000	383	2,864	8,661
\$125,000 - \$150,000	265	1,966	5,239
\$150,000 - \$200,000	384	2,372	6,056
\$200,000+	303	2,014	4,939

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EXCLUSIVE NET LEASE OFFERING

