



# KFC Sale-Leaseback

*Lubbock, Texas*



# OFFERING MEMORANDUM

7823 Slide Road  
Lubbock, Texas 79424

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# Table of Contents

Investment Highlights	4
Investment Overview	5
Financial Analysis	6
Tenant Overview	7
Surrounding Area	8
Location Overview	9
Property Photos	10-11
Surrounding Area Photos	12
Maps	13-14
Demographics / Market Overview	15-16







# Investment Highlights

PRICE: \$796,581 | CAP: 5.85% | RENT: \$46,600



## 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
- ✓ 45-Unit Franchisee Guarantee from Ampex Brands, LLC.

## About the Location

- ✓ In Close Proximity to Many Major National Retailers Including: McDonald's, Taco Bell, ACE Hardware, Starbucks, Home Depot, Office Depot, CVS Pharmacy, Walgreens
- ✓ Strategically Located Directly on Slide Road – Attractive Traffic Counts of 37,500 Vehicles Per Day
- ✓ Over 186,000 Individuals Within a Five Mile Radius
- ✓ Lubbock – 11<sup>th</sup> Most Populous City in Texas – County Seat of Lubbock County

## 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 7823 Slide Road in Lubbock, Texas. The property made up of a 3,040 square feet building and is situated on approximately 0.45 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, LLC, which is comprised of 45 units. The current rent is \$46,600 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: \$796,581 | CAP: 5.85% | RENT: \$46,600



## Property Description

Property	KFC
Property Address	7823 Slide Road
City, State, ZIP	Lubbock, Texas 79424
Building Size	3,040
Lot Size	+/- 0.45 Acres
Type of Ownership	Fee Simple

## The Offering

Annual Rent	\$46,600
CAP Rate	5.85%
Purchase Price	\$796,581
Price / SF	\$262
Rent / SF	\$15.33

## Lease Summary

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	Franchisee (45 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	\$46,600	\$3,883	-
Year 6	\$47,183	\$3,932	1.25%
Year 7	\$47,772	\$3,981	1.25%
Year 8	\$48,369	\$4,031	1.25%
Year 9	\$48,974	\$4,081	1.25%
Year 10	\$49,586	\$4,132	1.25%
Year 11	\$50,206	\$4,184	1.25%
Year 12	\$50,834	\$4,236	1.25%
Year 13	\$51,469	\$4,289	1.25%
Year 14	\$52,112	\$4,343	1.25%
Year 15	\$52,764	\$4,397	1.25%
Year 16	\$53,423	\$4,452	1.25%
Year 17	\$54,091	\$4,508	1.25%
Year 18	\$54,767	\$4,564	1.25%
Year 19	\$55,452	\$4,621	1.25%
Year 20	\$56,145	\$4,679	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.

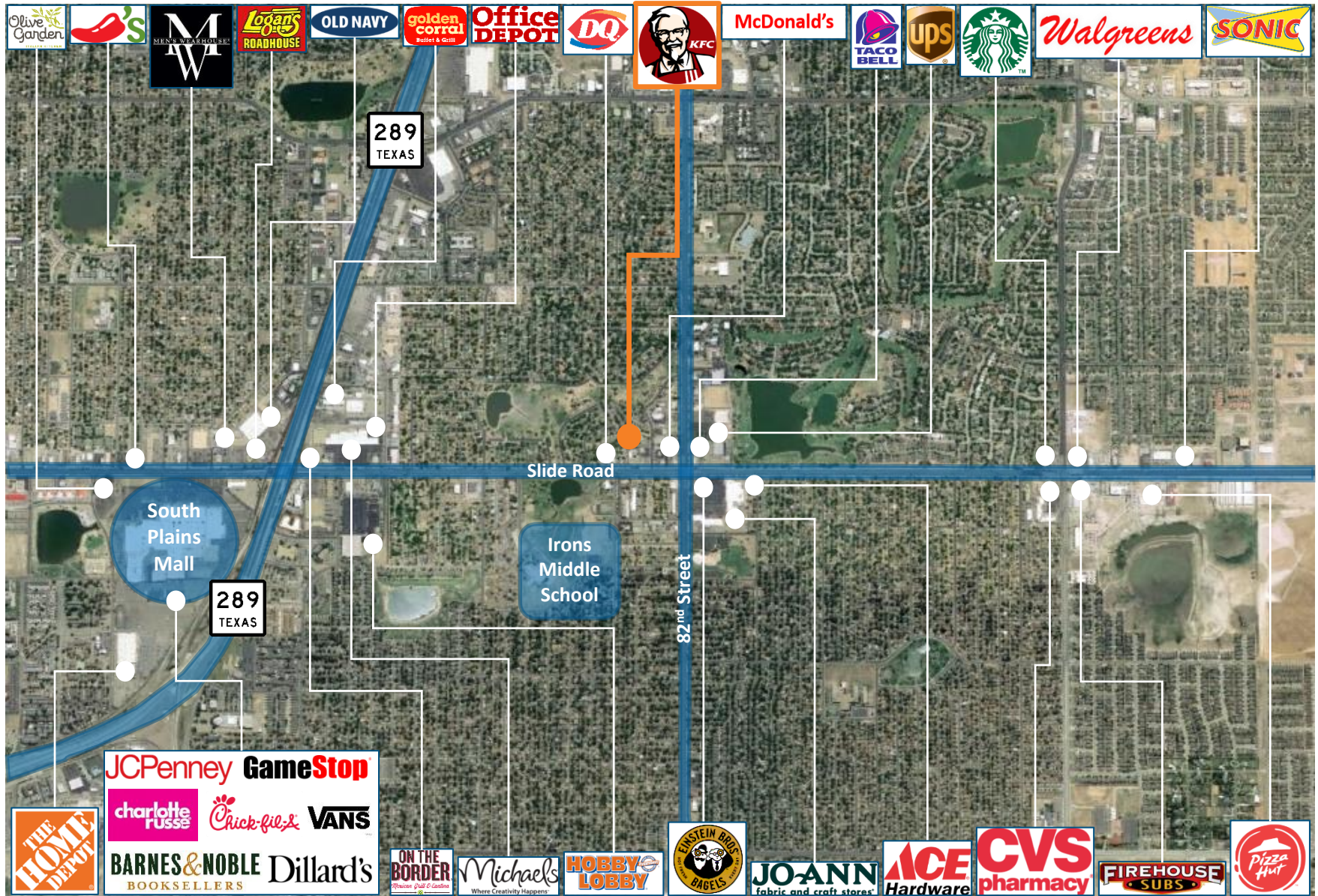
## About Ampex Brands

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







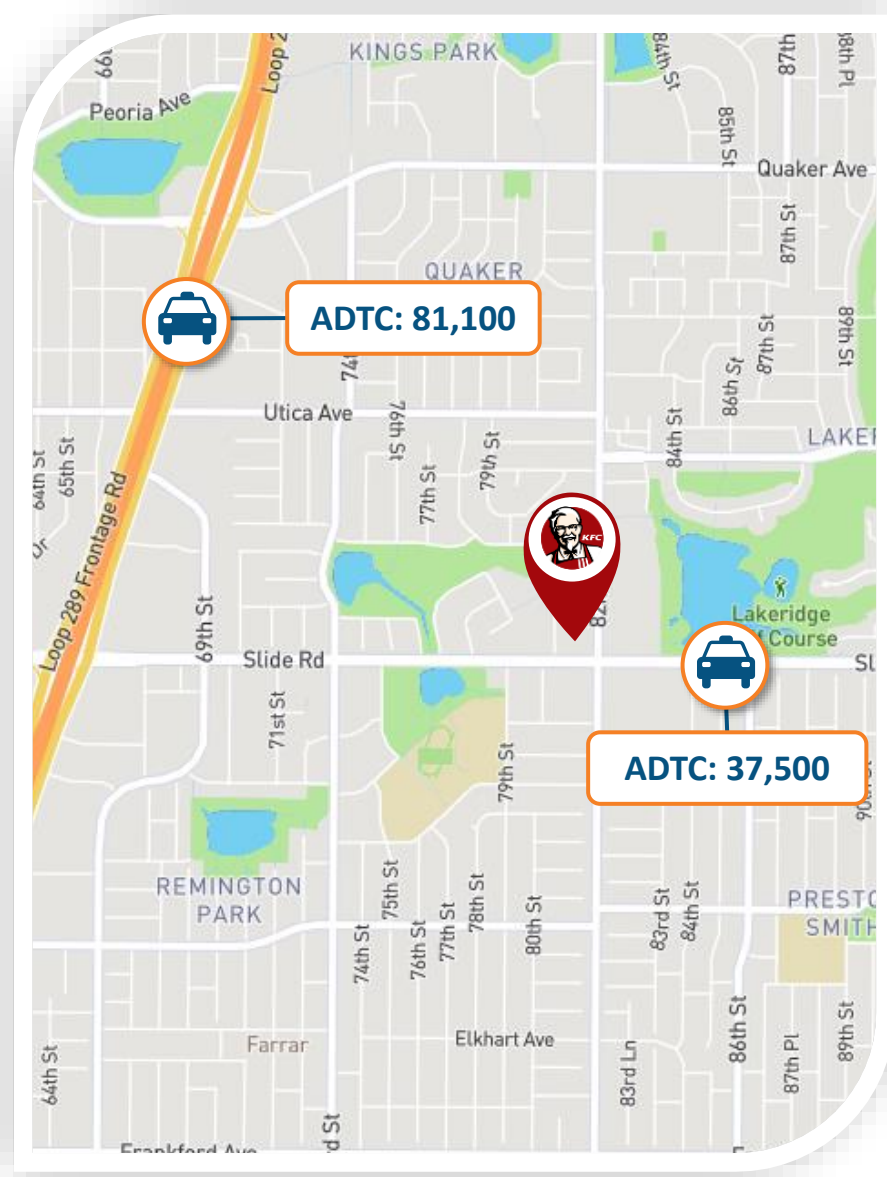
# Location Overview



This KFC property is located at 7823 Slide Road in Lubbock, Texas. The property is in a densely populated area surrounded by several local parks, a country club and golf course, as well as local Elementary and Middle School. There are approximately 32,300 people within a three-mile radius of this property and 67,100 within a five-mile radius. This is also a very busy area in which KFC will benefit from excellent traffic counts on Slide Road and Highway 289, a major thoroughfare less than a mile from the subject property. These two roads have an average daily traffic count of 37,500 and 81,100 vehicles, respectively.

The subject KFC is ideally-positioned in a dense retail corridor surrounded by various local and nationally recognized tenants. Major national retailers in the area include: McDonald's, Taco Bell, ACE Hardware, Starbucks, The Home Depot, Office Depot, CVS Pharmacy, Walgreens, as well as many other local restaurants, small businesses and 130-tenant South Plains Mall. Local schools in the area include Irons Middle School and Whiteside Elementary School, both of which are located within a quarter-mile of the subject property. Additionally, Texas Tech University is less than five miles from the subject property and enrolls over 26,600 undergraduate students.

Lubbock is the 83rd most populous city in the nation and the 11th most populous city in Texas. The area is the largest contiguous cotton-growing region in the world and is heavily dependent on water drawn from the Ogallala Aquifer for irrigation. Lubbock was selected as the 12th best place to start a small business by CNNMoney.com, as the city's traditional business atmosphere, low rent for commercial space, central location, and cooperative government were all cited as reasons for the ranking. While Lubbock serves as an economic hub in Texas, the city also offers a variety of cultural events such as the annual Independence Day festival and the National Cowboy Symposium and Celebration. Lubbock also has a rich musical history and current day scene. It is home to the West Texas Walk of Fame, as well as classic venues like the Cactus Theater and The Blue Light Live. Lubbock is home to the 17 varsity teams of the Texas Tech University Red Raiders, which compete in the Big 12 Conference. The most popular team is the football team, which has won 11 conference titles and neem to 31 bowl games since the programs founding in 1925.







# Property Photo







# Property Photo







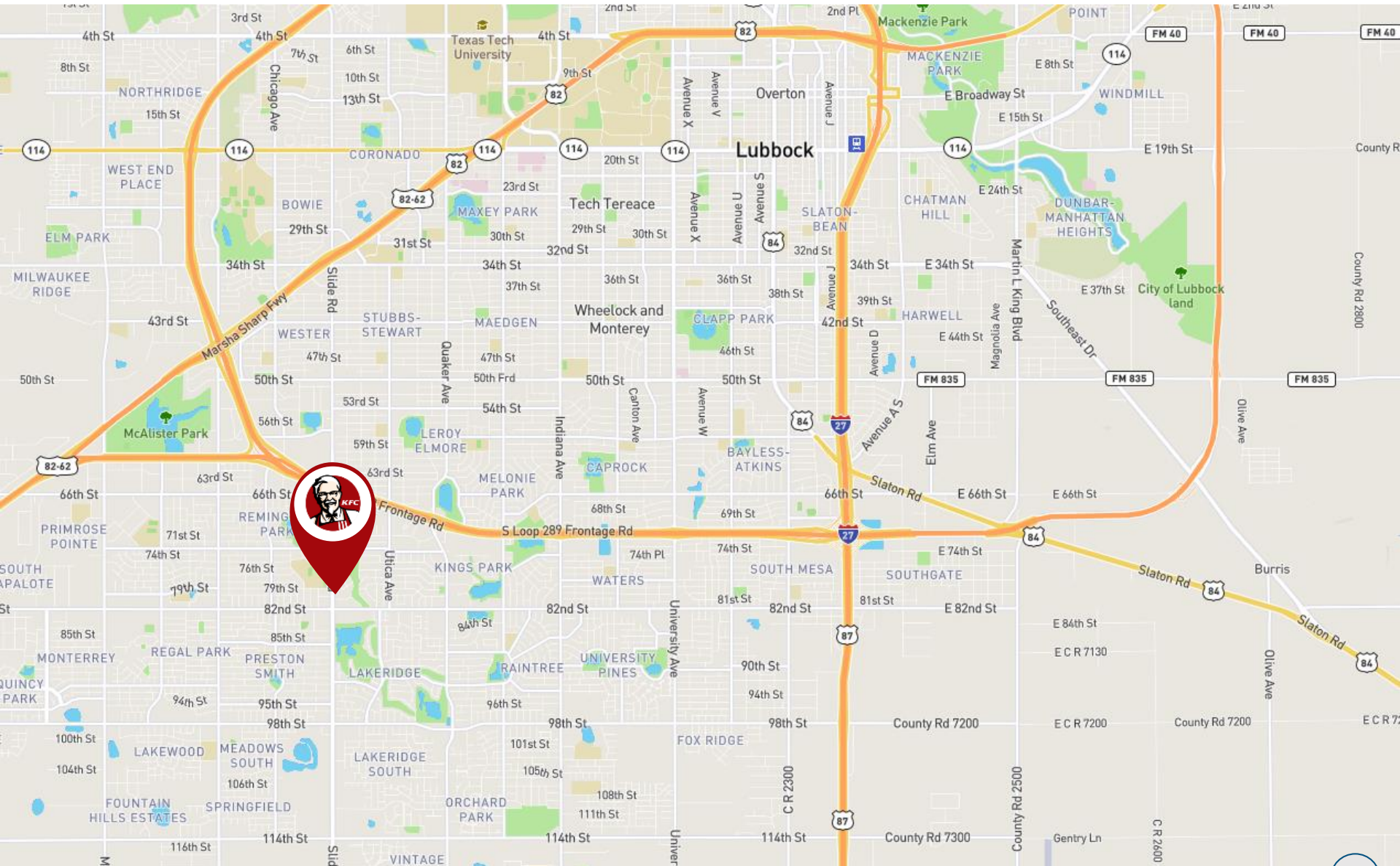
# Surrounding Area Photos





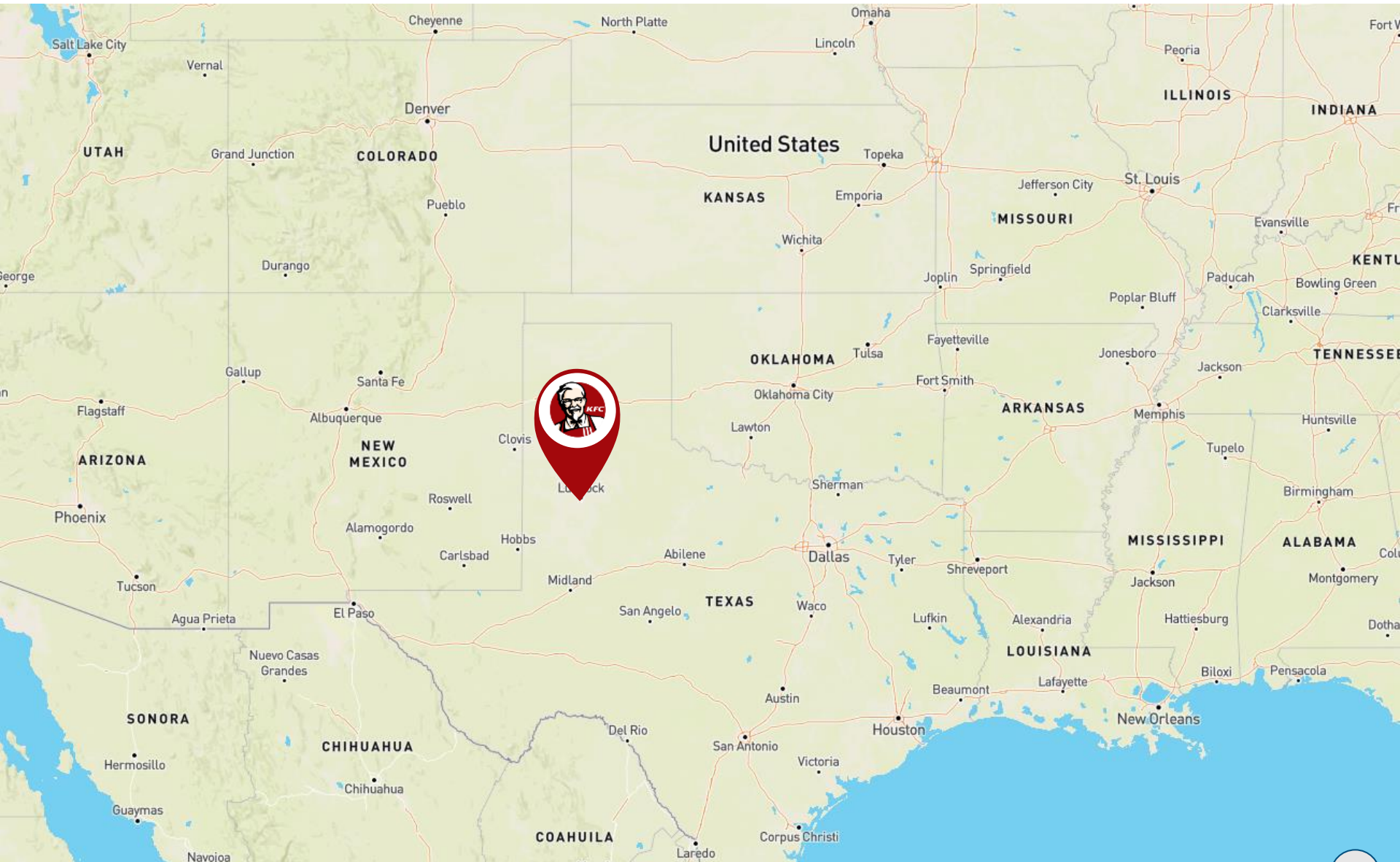


# Local Map





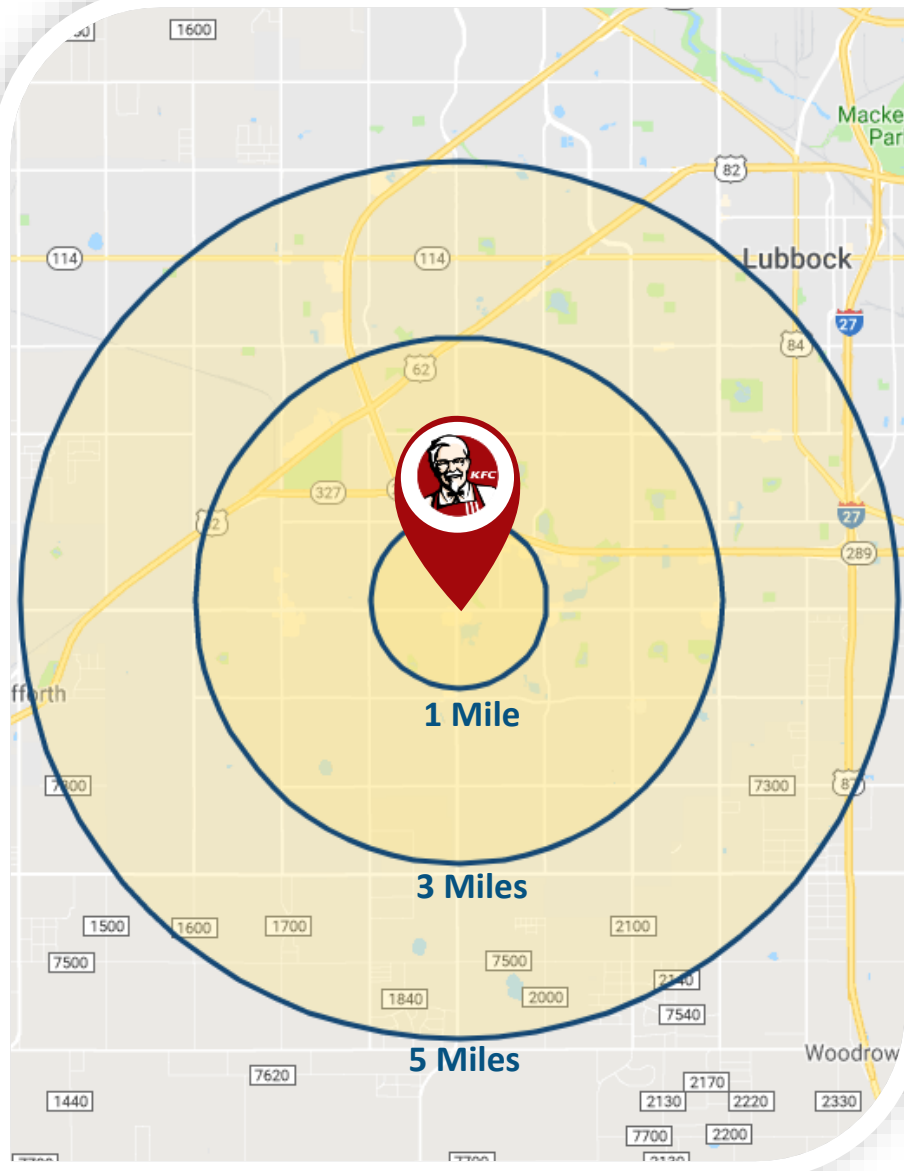
# Regional Map







# Demographics



## 1 Mile 3 Miles 5 Miles

### POPULATION

2022 Projection	14,735	98,426	195,984
2017 Estimate	14,135	92,915	186,224
2010 Census	13,446	82,886	170,059
2000 Census	14,732	70,834	145,715

### INCOME

Average	\$99,052	\$84,887	\$74,312
Median	\$69,793	\$60,435	\$51,521
Per Capita	\$43,608	\$35,585	\$30,058

### HOUSEHOLDS

2022 Projection	6,509	41,340	78,858
2017 Estimate	6,209	38,909	74,490
2010 Census	5,808	34,495	67,498
2000 Census	6,164	29,380	59,072

### HOUSING

2017	\$162,838	\$151,413	\$136,052
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### EMPLOYMENT

2017 Daytime Population	15,591	83,447	190,005
2017 Unemployment	2.36%	2.44%	3.05%
2017 Median Time Traveled	17	17	17

### RACE & ETHNICITY

White	88.52%	83.55%	79.28%
Native American	0.00%	0.08%	0.12%
African American	2.00%	3.73%	5.43%
Asian/Pacific Islander	2.91%	2.73%	2.31%



# Market Overview



**Lubbock** is the 83rd most populous city in the nation and the 11th most populous city in Texas. The area is the largest contiguous cotton-growing region in the world and is heavily dependent on water drawn from the Ogallala Aquifer for irrigation. Lubbock was selected as the 12th best place to start a small business by CNNMoney.com, as the city's traditional business atmosphere, low rent for commercial space, central location, and cooperative government were all cited as reasons for the ranking. While Lubbock serves as an economic hub in Texas, the city also offers a variety of cultural events such as the annual Independence Day festival and the National Cowboy Symposium and Celebration. Lubbock also has a rich musical history and current day scene. It is home to the West Texas Walk of Fame, as well as classic venues like the Cactus Theater and The Blue Light Live. Lubbock is home to the 17 varsity teams of the Texas Tech University Red Raiders, which compete in the Big 12 Conference. The most popular team is the football team, which has won 11 conference titles and neem to 31 bowl games since the programs founding in 1925.

## Major Employers

Employer	Estimated # of Employees
Sisters of St Joseph Orange	5,009
Covenant Health System	4,027
Ttuhsc	3,723
University Medical Center	2,075
Alamosa Holdings Inc	1,300
Walmart	1,203
Covenant Childrens Hospital	1,200
Chuys Opco Inc	637
Maintenance Dept	500
YWCA Child Care	450
McDonalds	386
Healthsmart Management LLC	350



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# EXCLUSIVE NET LEASE OFFERING

