



ACTUAL SITE

**KFC**

**2702 CENTER AVENUE  
ESSEXVILLE, MICHIGAN 48732**

**OFFERING  
MEMORANDUM**

Represented by:  
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**CIA**  
commercial  
investment  
advisors



# INVESTMENT OVERVIEW

KFC  
ESSEXVILLE, MICHIGAN

NAME	KFC
LOCATION	2702 Center Avenue Essexville, Michigan 48732
MAJOR CROSS STREETS	On Center Ave, West of N Scheurmann Rd
TENANT	FQSR, LLC dba. KBP FOODS
PURCHASE PRICE	\$1,826,000
CAP RATE	5.75%
ANNUAL RENT	\$105,000
GROSS LEASEABLE AREA	2,779 SF
RENTAL ESCALATIONS	7% every 5 Years
LEASE TYPE	Absolute NNN
OWNERSHIP	(Building & Land) Fee Simple
REMODELED	2017
LOT SIZE	±0.94 Acre
LEASE EXPIRATION	April 30, 2039
OPTIONS	Two 5-Year Renewal Options

## POINTS OF INTEREST

**RETAIL | SHOPPING | ENTERTAINMENT:** Nearby retailers include Dollar Tree, Family Dollar, Kroger, Joann Fabrics, Walgreens, Rite Aid, O'Reilly Auto Parts; Retailers from nearby Bay City include Menards, Meijer, The Home Depot, Walmart Supercenter, JCPenney, Marshalls, Dunham's Sports, PetSmart, Ollie's Bargain Outlet, Big R, Goodwill, ALDI, Art Van Furniture, ABC Warehouse

**HIGHER EDUCATION:** 9.5 miles from Delta College (a community college offering 178 certificate & degree programs with total enrollment of 10,030); 10 miles from Saginaw Valley State University (a public university offering over 100 academic programs at the undergraduate & graduate levels with total enrollment of 8,662)

**HEALTH CARE:** 1.5 miles from McLaren Bay Region Hospital (a 399-bed acute tertiary care hospital providing specialty, primary & preventative services)

## INVESTMENT HIGHLIGHTS

**LEASE:** Brand New 20-Year Absolute NNN Lease with Attractive 7% Rental Escalations every 5 Years

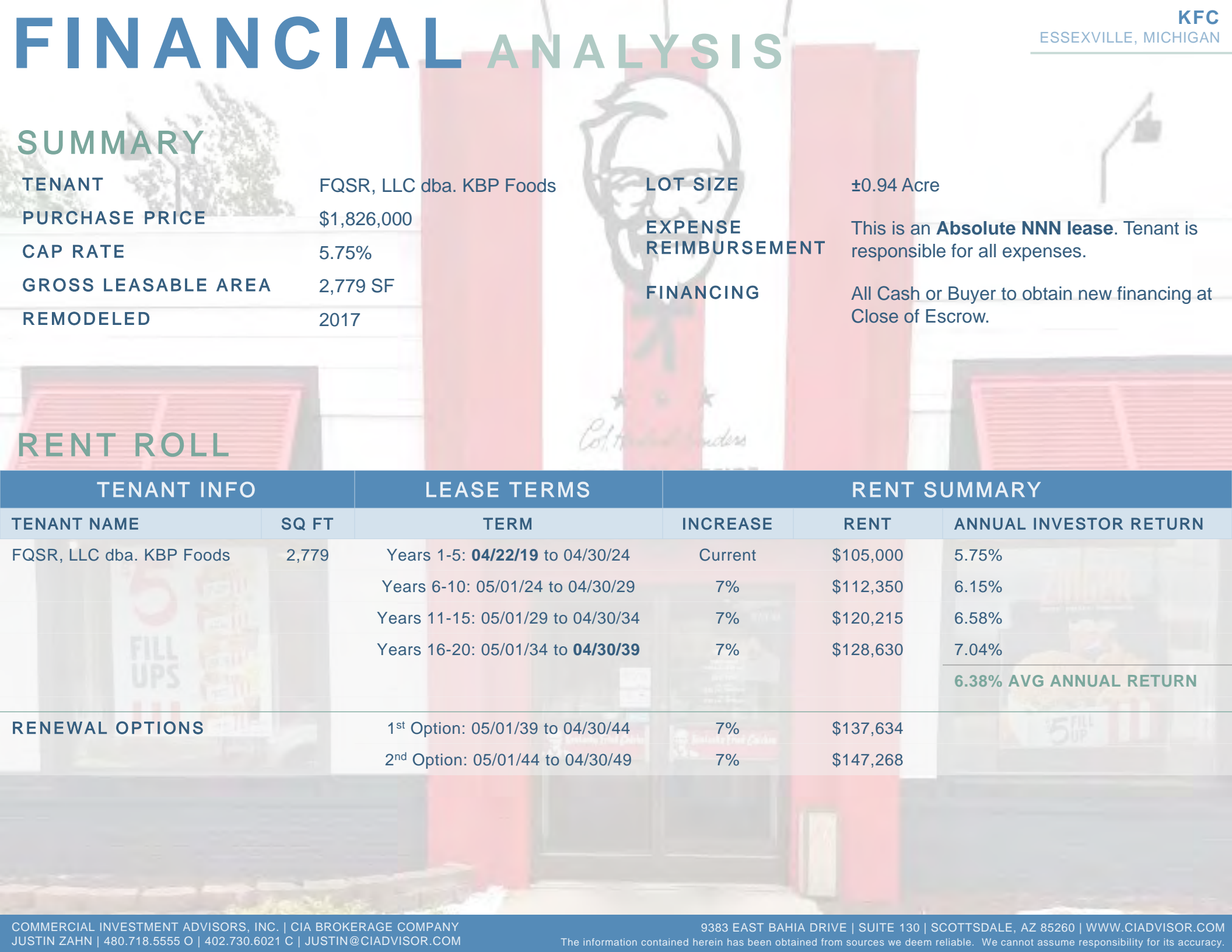
**TENANT:** KBP Foods (the largest KFC franchisee in the U.S.) Operates **700+ Locations in 23 States** (17% of Locations in U.S. System) and will Generate Sales in Excess of \$800 Million in 2019 (FQSR, LLC is the Tenant on the Lease, Encompasses All Restaurant Locations)

**SEASONED LOCATION/RECENT REMODEL:** Successfully Open & Operating for Decades with an Attractive 7.57% Rent to Sales Ratio! Recently Remodeled to the "American Showman" Prototype in 2017 – Showing Tenant's Commitment to the Location!

**TRAFFIC COUNTS:** Great Visibility on Main East/West Thoroughfare where Traffic Counts Exceed 31,180 CPD!

**DEMOGRAPHICS:** Total Population (5-MI): 66,136 | Avg HH Income (1-MI): \$63,705





# FINANCIAL ANALYSIS

## SUMMARY

TENANT	FQSR, LLC dba. KBP Foods	LOT SIZE	±0.94 Acre
PURCHASE PRICE	\$1,826,000	EXPENSE REIMBURSEMENT	This is an <b>Absolute NNN lease</b> . Tenant is responsible for all expenses.
CAP RATE	5.75%	FINANCING	All Cash or Buyer to obtain new financing at Close of Escrow.
GROSS LEASABLE AREA	2,779 SF		
REMODELED	2017		

## RENT ROLL

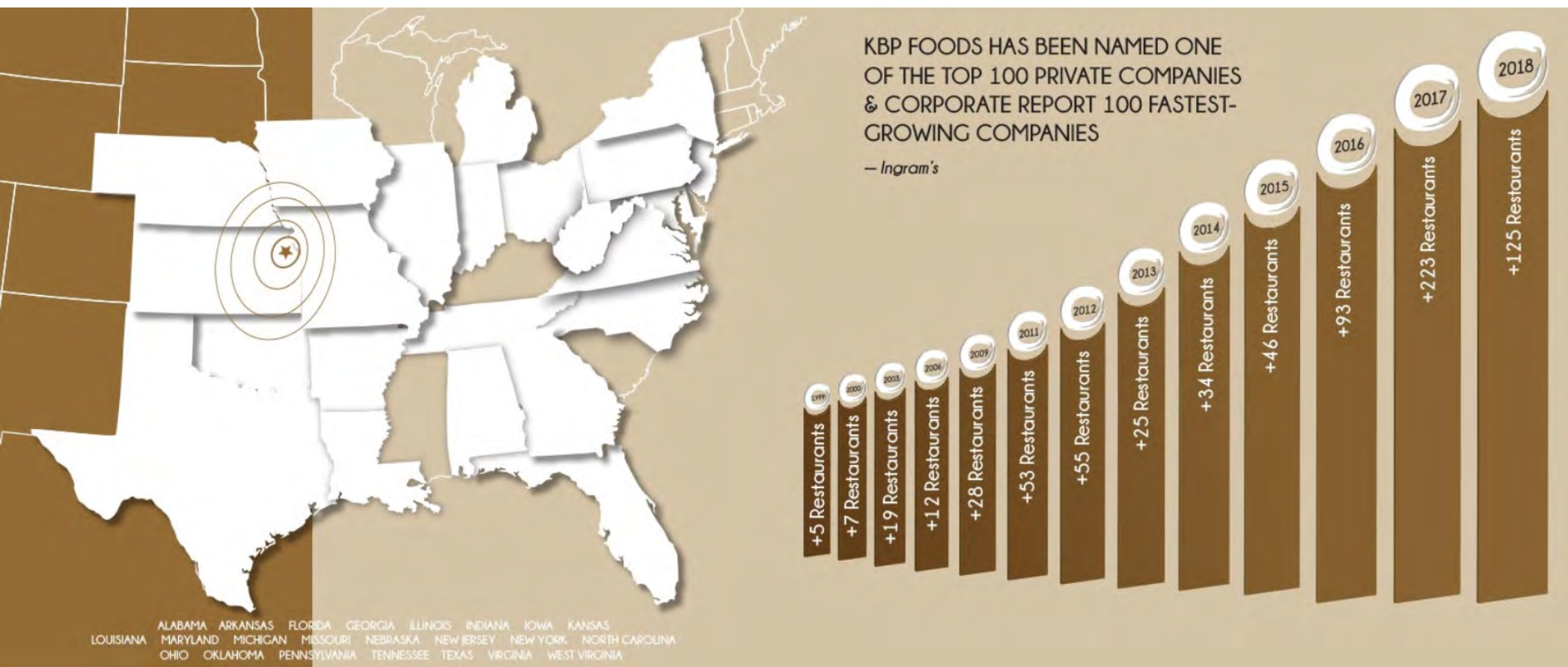
TENANT INFO		LEASE TERMS	RENT SUMMARY		
TENANT NAME	SQ FT	TERM	INCREASE	RENT	ANNUAL INVESTOR RETURN
FQSR, LLC dba. KBP Foods	2,779	Years 1-5: <b>04/22/19</b> to 04/30/24	Current	\$105,000	5.75%
		Years 6-10: 05/01/24 to 04/30/29	7%	\$112,350	6.15%
		Years 11-15: 05/01/29 to 04/30/34	7%	\$120,215	6.58%
		Years 16-20: 05/01/34 to <b>04/30/39</b>	7%	\$128,630	7.04%
RENEWAL OPTIONS		1 <sup>st</sup> Option: 05/01/39 to 04/30/44	7%	\$137,634	
		2 <sup>nd</sup> Option: 05/01/44 to 04/30/49	7%	\$147,268	



# TENANT OVERVIEW



KBP Foods operates **700+ restaurants in 23 states** and has Regional Vice Presidents in every major geographical region. The Corporate Office and Restaurant Support Center are located in Overland Park, Kansas.



The success KBP Foods has had with growth through acquisition is directly correlated to diligent selection criteria, prudent and responsible capital structure and industry leading operational talent. Ultimately giving their people significant opportunity to grow themselves personally, professionally and financially.

You can find out more about the Tenant by visiting their website: <http://www.kbp-foods.com/>



# ACTUAL PHOTOS

## INTERIOR

KFC  
ESSEXVILLE, MICHIGAN





# SURVEY



LOT SIZE  
±0.94 Acre

GLA  
2,779 SF

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# AERIAL



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# AERIAL CITY VIEW



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# LOCATION OVERVIEW




**Essexville** is a city on the Saginaw River in Bay County, Michigan. Essexville is part of the Bay City metropolitan area. It is often associated with its larger western neighboring city, Bay City. Essexville is best described today as a bedroom community. It is primarily a residential community whose residents commute to job opportunities within the Saginaw-Bay City-Midland region. The Woodside Avenue Business District has a collection of convenience and specialty businesses. The Saginaw River waterfront within the City of Essexville is utilized for bulk storage of petroleum products, cement, stone and agricultural products. Essexville is the closest port to the Saginaw Bay.

McLaren Bay Region, located in Bay City, is a 399-bed acute tertiary care hospital providing specialty, primary and preventive services. These include cardiovascular, neuroscience, orthopedics, oncology, women's health, rehabilitation, home health and hospice care. McLaren Bay Region is proud to be a Primary Stroke Center and a Neuroscience Center of Excellence. The hospital is the cities largest employer with approximately 1,800 employees.

The Essexville-Hampton Public Schools is a public school district in Bay County with three elementary schools, one junior high, and one high school. The district has approximately 2,000 students enrolled, with 90 teachers and 94 staff employees.

Dow Corning was an American multinational corporation headquartered in Midland, Michigan. Originally established as a joint venture between the Dow Chemical Company and Corning Incorporated, it is now owned by DowDuPont and specializes in silicone and silicon-based technology. It is the largest silicone product producer in the world. They are the areas second largest employer in the area, with over 1,300 employees.

	2018 DEMOGRAPHICS		
	1-MI	3-MI	5-MI
TOTAL POPULATION	7,728	42,249	66,136
DAYTIME POPULATION	6,625	35,077	54,715
AVERAGE HOUSEHOLD INCOME	\$63,705	\$51,134	\$55,064



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