

KFC

328 HARTFORD TURNPIKE | VERNON, CONNECTICUT 06066



ACTUAL SITE



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CIA BROKERAGE COMPANY

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In Association with Connecticut Designated Broker:

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OFFERING MEMORANDUM

INVESTMENT OVERVIEW

KFC
VERNON, CONNECTICUT

NAME	KFC
LOCATION	328 Hartford Turnpike Vernon, Connecticut 06066
MAJOR CROSS STREETS	SWC of Hartford Turnpike & Dobson Rd
TENANT LEASE GUARANTOR	D.E. FOODS, LLC
PURCHASE PRICE	\$1,809,000
CAP RATE	5.50%
ANNUAL RENT	\$99,500
GROSS LEASEABLE AREA	2,970 SF
RENTAL ESCALATIONS	Lesser of 10% or 1.25x CPI Every 5 Years
LEASE TYPE	Absolute NNN
OWNERSHIP	(Building & Land) Fee Simple
YEAR BUILT REMODELED	1983 2018
LOT SIZE	±0.0738 Acre
LEASE EXPIRATION	December 31, 2033
OPTIONS	Four 5-Year Renewal Options

POINTS OF INTEREST

RETAIL | SHOPPING | ENTERTAINMENT

Nearby retailers include Price Chopper, Stop & Shop, T.J. Maxx, HomeGoods, Staples, Kmart, Dollar Tree, Harbor Freight Tools, Sally Beauty, Pet Valu, AutoZone, CVS Pharmacy

Manchester (the neighboring town) has national retailers such as Walmart Supercenter, Target, Kohl's Manchester, The Home Depot, Lowe's Home Improvement, Macy's, Dick's Sporting Goods, Sears, Hobby Lobby, Ashley HomeStore, Best Buy, DSW, Marshalls, Michaels, JOANN Fabrics, Big Lots, Dollar Tree, Trader Joe's, Five Below, ULTA Beauty, Eddie Bauer, Williams-Sonoma, Banana Republic, Pottery Barn, Gap, Old Navy,

INVESTMENT HIGHLIGHTS

LEASE: 14+ Years Remaining on Initial 15-Year Absolute NNN Lease with Attractive Rental Escalations Every 5 Years - Lesser of 10% or 1.25x CPI

TENANT: D.E. Foods, LLC is an Experienced KFC Franchisee that Owns & Operates 52 Locations in Connecticut & Florida

SEASONED LOCATION/RECENT REMODEL: Successfully Open & Operating for Decades with an Attractive 8.99% Rent to Sales Ratio – Recently Remodeled in 2018, Showing Tenant's Commitment to the Location!

RETAIL CORRIDOR/TRAFFIC COUNTS: Positioned Conveniently Off I-84 (93,700 CPD) with Great Drive-By Visibility where Traffic Counts Exceed 27,200 CPD

DEMOGRAPHICS: Total Population (5-MI): 110,895 | **Avg HH Income (1-MI): \$97,201**



FINANCIAL ANALYSIS

SUMMARY

TENANT LEASE GUARANTOR	D.E. Foods, LLC	LOT SIZE	±0.738 Acre
PURCHASE PRICE	\$1,809,000	EXPENSE REIMBURSEMENT	This is an Absolute NNN lease . Tenant is responsible for all expenses.
CAP RATE	5.50%	FINANCING	All Cash or Buyer to obtain new financing at Close of Escrow.
GROSS LEASABLE AREA	2,970 SF		
YEAR BUILT REMODELED	1983 2018		

RENT ROLL

TENANT INFO		LEASE TERMS	RENT SUMMARY		
TENANT NAME	SQ FT	TERM	INCREASE*	RENT	ANNUAL INVESTOR RETURN
D.E. Foods, LLC	2,970	Years 1-5: 12/21/18 to 12/31/23	Current	\$99,500	5.50%
		Years 6-10: 01/01/24 to 12/31/28	10%	\$109,450	6.05%
		Years 11-15: 01/01/29 to 12/31/33	10%	\$120,395	6.66%
					6.07% AVG ANNUAL RETURN
RENEWAL OPTIONS		1 st Option: 01/01/34 to 12/31/38	10%	\$132,435	
		2 nd Option: 01/01/39 to 12/31/43	10%	\$145,678	
		3 rd Option: 01/01/44 to 12/31/48	10%	\$160,246	
		4 th Option: 01/01/49 to 12/31/53	10%	\$176,270	

* Assumes 10% Rental Escalations Every 5 Years

TENANT OVERVIEW

KFC
VERNON, CONNECTICUT



KFC is the world's most popular chicken restaurant chain, specializing in their famous Original Recipe® fried chicken. It all started with one cook who created a finger lickin' good recipe more than 75 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 today they still follow his formula for success, with real cooks breading and freshly preparing our delicious chicken by hand in **more than 22,000 restaurants in more than 135 countries**.

From the heart of the U.S. to the farthest reaches of Africa, Latin America and Asia – they are passionate about bringing the fantastic taste of their Original Recipe to as many people on the planet as possible. With the help of incredible franchise partners around the world, they have become one of the fastest growing retail brands, both in emerging and developed markets alike.

<https://www.kfc.com/>

THE TENANT | LEASE GUARANTOR

D.E. Foods, LLC is an experienced KFC franchisee that owns & operates **52 locations in Connecticut & Florida**.

THE PARENT COMPANY

TYPE	PUBLIC
TRADED AS	NYSE: YUM
INDUSTRY	RESTAURANTS – FAST FOOD
S&P CREDIT RATING	BB (STABLE) Dec 10 2015
MOODY'S RATING	Ba3 May 17 2017
MARKET CAP	\$29.48 BILLION
# OF LOCATIONS	45,000+ RESTAURANTS IN 140+ COUNTRIES

<http://www.yum.com/>

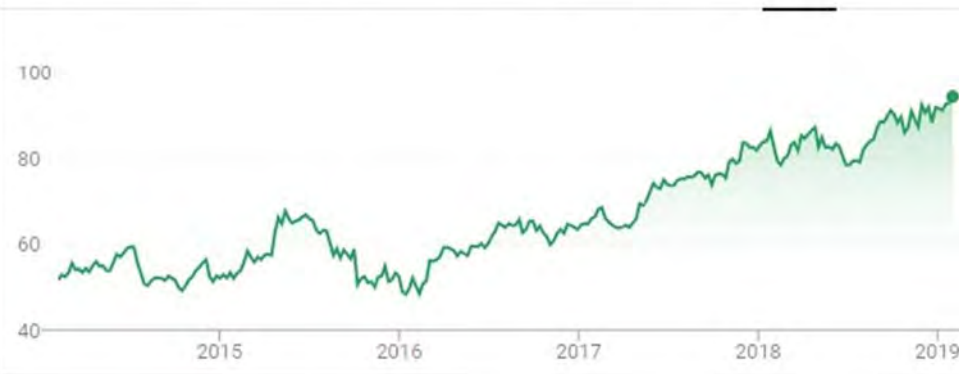
Yum! Brands, Inc., based in Louisville, Kentucky, has **over 45,000 restaurants in more than 140 countries and territories** and is one of the Aon Hewitt Top Companies for Leaders in North America. In 2018, Yum! Brands was recognized as part of the inaugural Bloomberg Gender-Equality Index and ranked among the top 100 Best Corporate Citizens by Corporate Responsibility Magazine.

Market Summary > Yum! Brands, Inc.
NYSE: YUM

94.39 USD -0.050 (0.053%) ↓

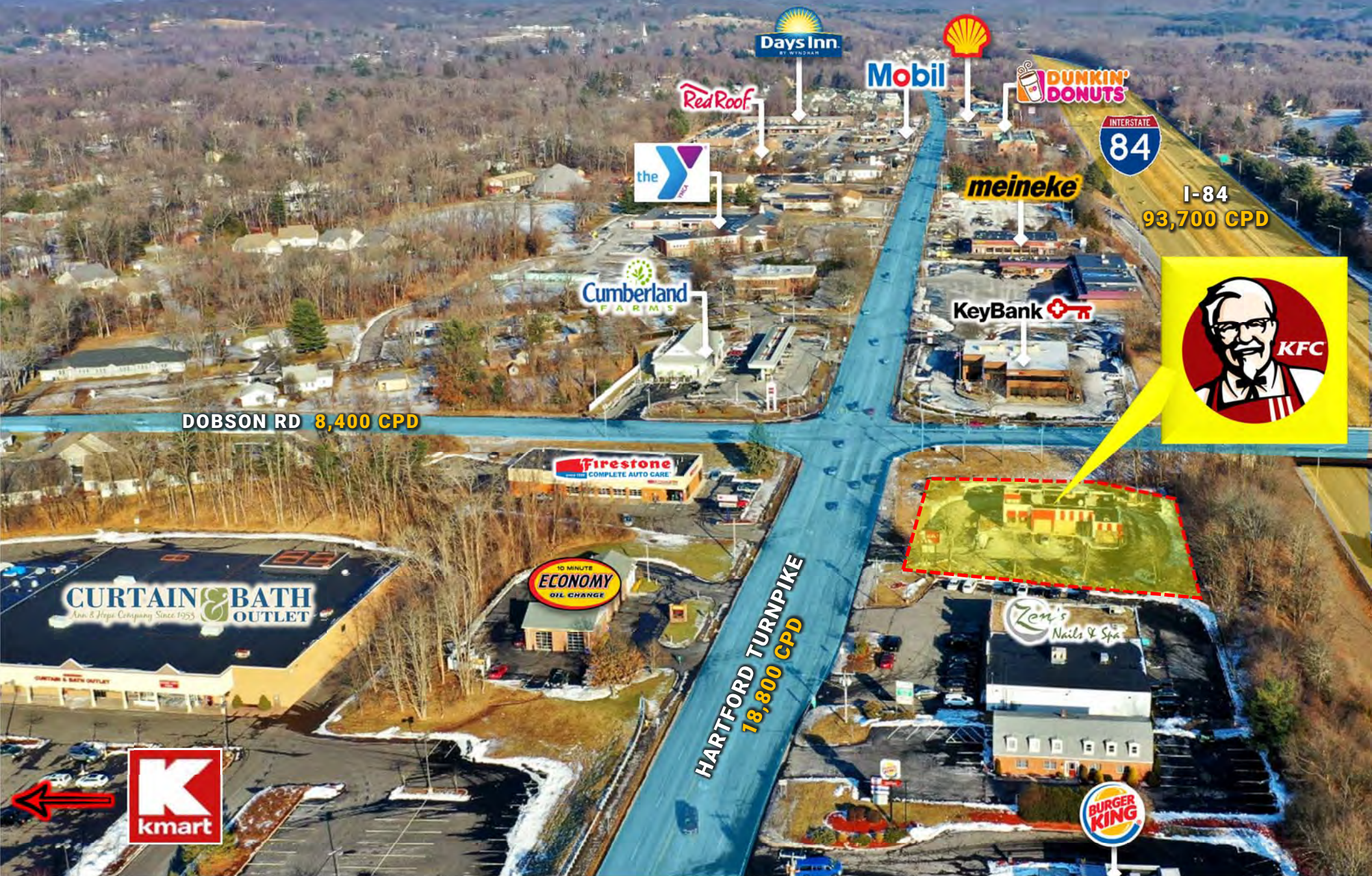
Feb 6, 11:51 AM EST - Disclaimer

1 day 5 days 1 month 6 months YTD 1 year 5 years Max





FACING EAST



KFC | VERNON, CONNECTICUT

FACING NORTHWEST



AERIAL




KFC | VERNON, CONNECTICUT

AERIAL ZOOMED OUT



KFC | VERNON, CONNECTICUT

AERIAL CITY VIEW

**TIMOTHY EDWARDS
MIDDLE SCHOOL**
975 STUDENTS

**THE PROMENADE SHOPS AT
EVERGREEN WALK**


A 374,979 SF PREMIER, OUTDOOR LIFESTYLE
CENTER W/ RETAILERS SUCH AS BANANA
REPUBLIC, GAP, OLD NAVY, L.L. BEAN, PIER 1,
POTTERY BARN, WILLIAMS-SONOMA, ETC.

THE SHOPPES AT BUCKLAND HILLS

A 615,000 SF OPEN-AIR SHOPPING MALL
ANCHORED BY JCPENNEY, DICK'S SPORTING
GOODS, MACY'S & SEARS W/ 120 RETAIL SHOPS



**ILLING
MIDDLE SCHOOL**
807 STUDENTS




**BUCKLEY
ELEMENTARY**
365 STUDENTS

KFC | VERNON, CONNECTICUT

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VERNON, CONNECTICUT



As a suburban community, Vernon is the place of residence for many commuters. It is also the source of employment for many of its residents and those in surrounding towns. Strong sectors include retail, health & social assistance, food and government. Major employers represent these industry sectors and banking. Top grand list contributors represent real estate, retail, utilities and commercial. Expansions and new businesses in these sectors are expected to continue.

	2018 DEMOGRAPHICS			
	1-MI	3-MI	5-MI	
	TOTAL POPULATION	4,390	46,012	110,895
	DAYTIME POPULATION	4,369	48,569	117,984
	AVERAGE HOUSEHOLD INCOME	\$97,201	\$95,678	\$91,691

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