



ACTUAL SITE

KFC

**7008 NORTH SAGINAW RD
MT. MORRIS TOWNSHIP, MICHIGAN 48458**

**OFFERING
MEMORANDUM**

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INVESTMENT OVERVIEW

KFC
MT. MORRIS TOWNSHIP, MICHIGAN

NAME	KFC
LOCATION	7008 North Saginaw Road Mt. Morris Township, Michigan 48458
MAJOR CROSS STREETS	NEC of N Saginaw Rd & E Stanley Rd
TENANT	FQSR, LLC dba. KBP FOODS
PURCHASE PRICE	\$1,826,000
CAP RATE	5.75%
ANNUAL RENT	\$105,000
GROSS LEASEABLE AREA	2,150 SF
RENTAL ESCALATIONS	7% every 5 Years
LEASE TYPE	Absolute NNN
OWNERSHIP	(Building & Land) Fee Simple
YEAR BUILT	December 2018
LOT SIZE	±0.535 Acre
LEASE EXPIRATION	May 31, 2039
OPTIONS	Two 5-Year Renewal Options

POINTS OF INTEREST

RETAIL | SHOPPING: The City of Mt. Morris has retailers such as Kroger, Save-A-Lot, Family Dollar, Dollar General, Dollar Tree, Rite Aid; Neighboring City of Flint has retailers such as Walmart Supercenter, Sam's Club, The Home Depot, Target, Kohl's, Burlington, Hobby Lobby, Michaels, Best Buy, JCPenney, Macy's, Barnes & Noble, Old Navy, PetSmart, ALDI, Walgreens, etc.

HIGHER EDUCATION: 6 miles from University of Michigan-Flint (a public university offering over 100 undergraduate, and about 35 master's, doctoral and certificate programs with total enrollment of 7,532); 8 miles from Mott Community College (a public community college offering over 60 associate degrees & 40 pre-associate certificates with total enrollment of 6,298); 8 miles from Kettering University (a private cooperative education & experiential learning-based university offering bachelor's & master's degrees in STEM & business fields with total enrollment of 2,311)

HEALTH CARE: 6 miles from Hurley Medical Center (a 443-bed public non-profit hospital); 8.5 miles from McLaren Flint Hospital (a 378-bed tertiary teaching, non-profit hospital)

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)

BRAND NEW CONSTRUCTION: New, High-Quality Build-to-Suit Construction of KFC's Newest "American Showman" Prototype in 2018

STRONG SALES PERFORMANCE: Sales are Currently Tracking to Hit an Attractive 7.16% Rent to Sales Ratio!

TRAFFIC COUNTS: Situated on a Hard Corner with Great Drive-By Visibility where Traffic Counts Exceed 29,740 CPD!

DEMOGRAPHICS (5-MI): Total Population: 86,850 | Average Household HH Income: \$40,614



FINANCIAL ANALYSIS

SUMMARY

TENANT	FQSR, LLC dba. KBP Foods	LOT SIZE	±0.535 Acre
PURCHASE PRICE	\$1,826,000	EXPENSE REIMBURSEMENT	This is an Absolute NNN lease . 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	2,150 SF		
YEAR BUILT	December 2018		

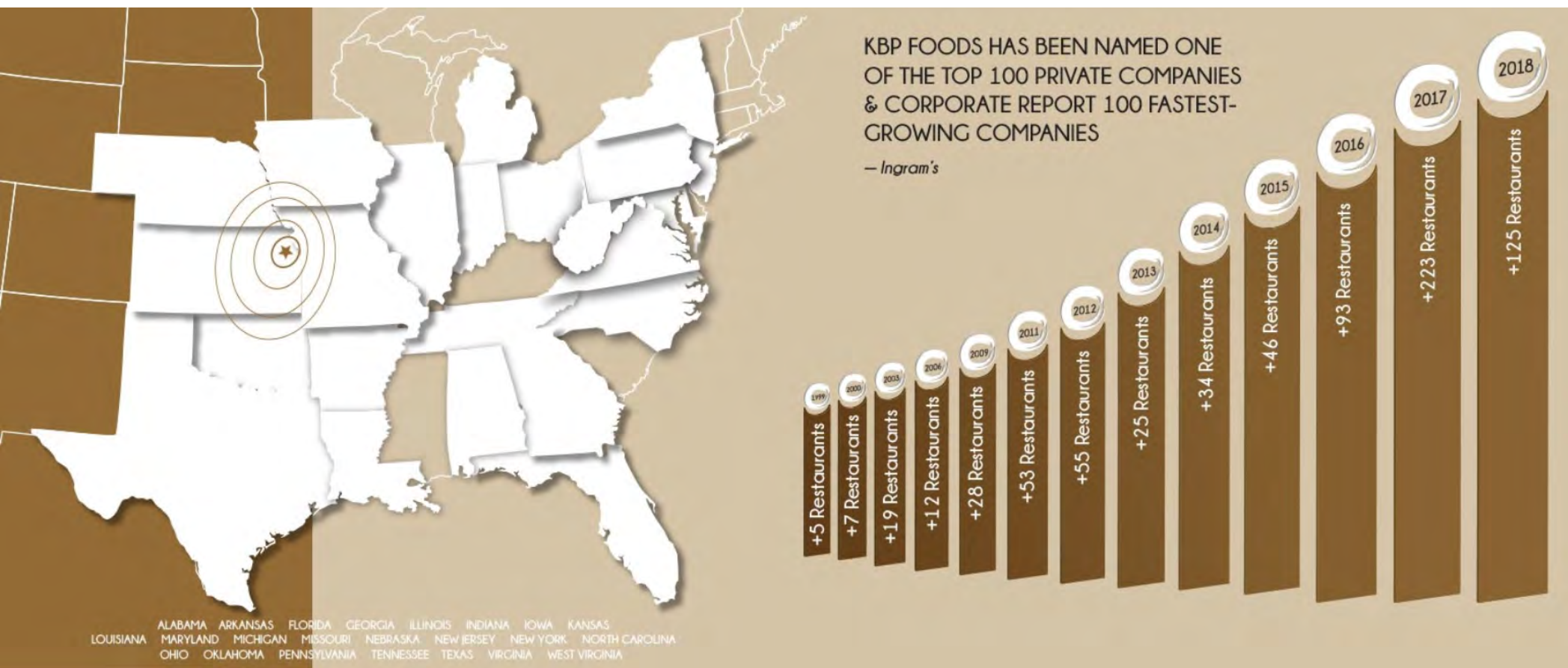
RENT ROLL

TENANT INFO		LEASE TERMS	RENT SUMMARY		
TENANT NAME	SQ FT	TERM	INCREASE	RENT	ANNUAL INVESTOR RETURN
FQSR, LLC dba. KBP Foods	2,150	Years 1-5: 06/01/19 to 05/31/24	Current	\$105,000	5.75%
		Years 6-10: 06/01/24 to 05/31/29	7%	\$112,350	6.15%
		Years 11-15: 06/01/29 to 05/31/34	7%	\$120,215	6.58%
		Years 16-20: 06/01/34 to 05/31/39	7%	\$128,630	7.04%
RENEWAL OPTIONS		1 st Option: 06/01/39 to 05/31/44	7%	\$137,634	
		2 nd Option: 06/01/44 to 05/31/49	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/>



AERIAL



KFC | MT. MORRIS TOWNSHIP, MICHIGAN

AERIAL ZOOMED OUT



KFC | MT. MORRIS TOWNSHIP, MICHIGAN

AERIAL CITY VIEW

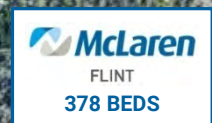


FLINT



BEECHER

MT MORRIS
TOWNSHIP



KFC | MT. MORRIS TOWNSHIP, MICHIGAN

LOCATION OVERVIEW




Mount Morris is a city in Genesee County in the U.S. state of Michigan. The city is within the Mount Morris Township survey area, but is politically independent. It was named after Mount Morris, New York, because many of the early settlers had come from there.

The University of Michigan–Flint is a public, comprehensive urban university in Flint, Michigan. It is one of the two University of Michigan satellite campuses. The campus has over 7,530 students and over 1,000 faculty and staff. The University of Michigan–Flint is rated as one of the best master's-level public universities in the Midwest. Flint offers over 100 undergraduate, and approximately 35 master's, doctoral and certificate programs.

Mott Community College is a public community college offering over 60 associate degrees & 40 pre-associate certificates with total enrollment of 6,298.

McLaren Flint is a nonprofit, 378-bed tertiary teaching hospital, located in Flint, Michigan. They employ over 2,900 people, with more than 600 medical staff members. McLaren is affiliated with the Michigan State University College of Human Medicine's Medical Residency Programs, including Family Medicine, Internal Medicine, General Surgery, Orthopedic Surgery and Radiology. McLaren also maintains a Hematology/Oncology Fellowship Program in partnership with Michigan State University, and is sponsoring a Surgical Oncology Fellowship Program.

Hurley Medical Center is a teaching hospital serving Genesee, Lapeer and Shiawassee counties. Situated in Flint, Michigan, it is a 443-bed public non-profit hospital with over 3,000 employees.

	2019 DEMOGRAPHICS		
	1-MI	3-MI	5-MI
TOTAL POPULATION	5,015	34,867	86,850
POPULATION GROWTH 2010-2019	-0.06%	6.07%	3.11%
DAYTIME POPULATION	3,175	22,419	58,016
HOUSEHOLD GROWTH 2010-2019	-0.25%	6.51%	3.14%
AVERAGE HOUSEHOLD INCOME	\$36,331	\$38,577	\$40,614

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