

***** RARE DUAL BRANDED CONCEPT *****



ACTUAL SITE

KFC & TACO BELL

502 EAST MICHIGAN AVENUE
SALINE, MICHIGAN 48176

OFFERING
MEMORANDUM

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In Association with Michigan Designated Broker:
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CIA
commercial
investment
advisors

INVESTMENT OVERVIEW

KFC & TACO BELL
SALINE, MICHIGAN

NAME	KFC & TACO BELL
LOCATION	502 East Michigan Avenue Saline, Michigan 48176
MAJOR CROSS STREETS	On E Michigan Avenue, East of Old Creek Dr
TENANT	FQSR, LLC dba. KBP FOODS
PURCHASE PRICE	\$2,243,000
CAP RATE	5.75%
ANNUAL RENT	\$129,000
GROSS LEASEABLE AREA	2,945 SF
RENTAL ESCALATIONS	7% every 5 Years
LEASE TYPE	Absolute NNN
OWNERSHIP	(Building & Land) Fee Simple
YEAR BUILT REMODELED	1986 2019
LOT SIZE	±1.77 Acres
LEASE EXPIRATION	July 31, 2039
OPTIONS	Two 5-Year Renewal Options

POINTS OF INTEREST

RETAIL | SHOPPING

Nearby retailers include Busch's Fresh Food Market, Dollar Tree, Dollar General, Ace Hardware, Tractor Supply Co., Goodwill, The Salvation Army Family Store & Donation Center, CVS Pharmacy. The City of Saline has major retailers such as Walmart Supercenter, O'Reilly Auto Parts

PUBLIC EDUCATION

The City of Saline has 6 public schools (4 elementary, 1 middle & 1 high school) within the 2-mile vicinity with total enrollment of 5,135

HEALTH CARE

4 miles from St. Joseph Mercy Saline (an urgent care facility providing outpatient services); 11 miles from St. Joseph Mercy Ann Arbor (a 537-bed teaching hospital, providing oncology, cardiovascular and neurosciences treatments)

INVESTMENT HIGHLIGHTS

LEASE: Brand New 20-Year Absolute NNN Lease with Attractive 7% Rental Escalations every 5 Years – **RARE Dual Branded Concept!**

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 8.02% Rent-to-Sales Ratio! – Recently Remodeled in 2019, Showing Tenant's Commitment to this Location!

TRAFFIC COUNTS | OVERSIZED LOT: Situated on a Large ±1.77-Acre Lot with Great Highway Visibility on E Michigan Ave (US Rte 12) where Traffic Counts Exceed 28,790 CPD!

AFFLUENT 2019 DEMOGRAPHICS: Total Population (5-MI): 30,573 | Avg HH Income (3-MI): \$136,132 | Population Growth 2010-2019 (1-MI): 20.25%



FINANCIAL ANALYSIS

KFC & TACO BELL
SALINE, MICHIGAN

SUMMARY

TENANT	FQSR, LLC dba. KBP Foods	LOT SIZE	±1.77 Acres
PURCHASE PRICE	\$2,243,000	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	2,945 SF		
YEAR BUILT REMODELED	1986 2019		

RENT ROLL

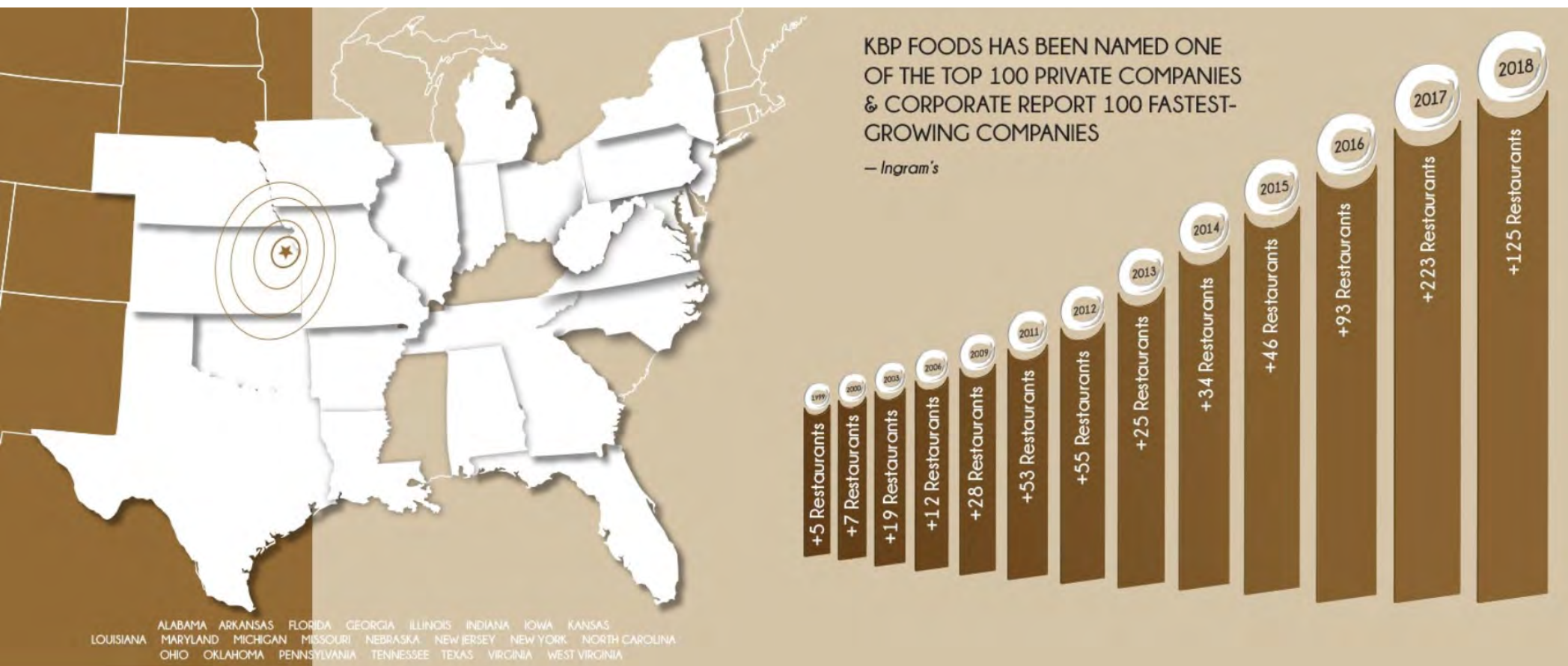
TENANT INFO		LEASE TERMS	RENT SUMMARY		
TENANT NAME	SQ FT	TERM	INCREASE	RENT	ANNUAL INVESTOR RETURN
FQSR, LLC dba. KBP Foods	2,945	Years 1-5: 07/08/19 to 07/31/24	Current	\$129,000	5.75%
		Years 6-10: 08/01/24 to 07/31/29	7%	\$138,030	6.15%
		Years 11-15: 08/01/29 to 07/31/34	7%	\$147,692	6.58%
		Years 16-20: 08/01/34 to 07/31/39	7%	\$158,031	7.05%
RENEWAL OPTIONS		1 st Option: 08/01/39 to 07/31/44	7%	\$169,093	
		2 nd Option: 08/01/44 to 07/31/49	7%	\$180,929	

TENANT OVERVIEW

KFC & TACO BELL
SALINE, MICHIGAN



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/>



SURVEY



E MICHIGAN AVE 28,795 CPD



LOT SIZE
±1.77 Acres

GLA
2,945 SF

KFC & TACO BELL | SALINE, MICHIGAN

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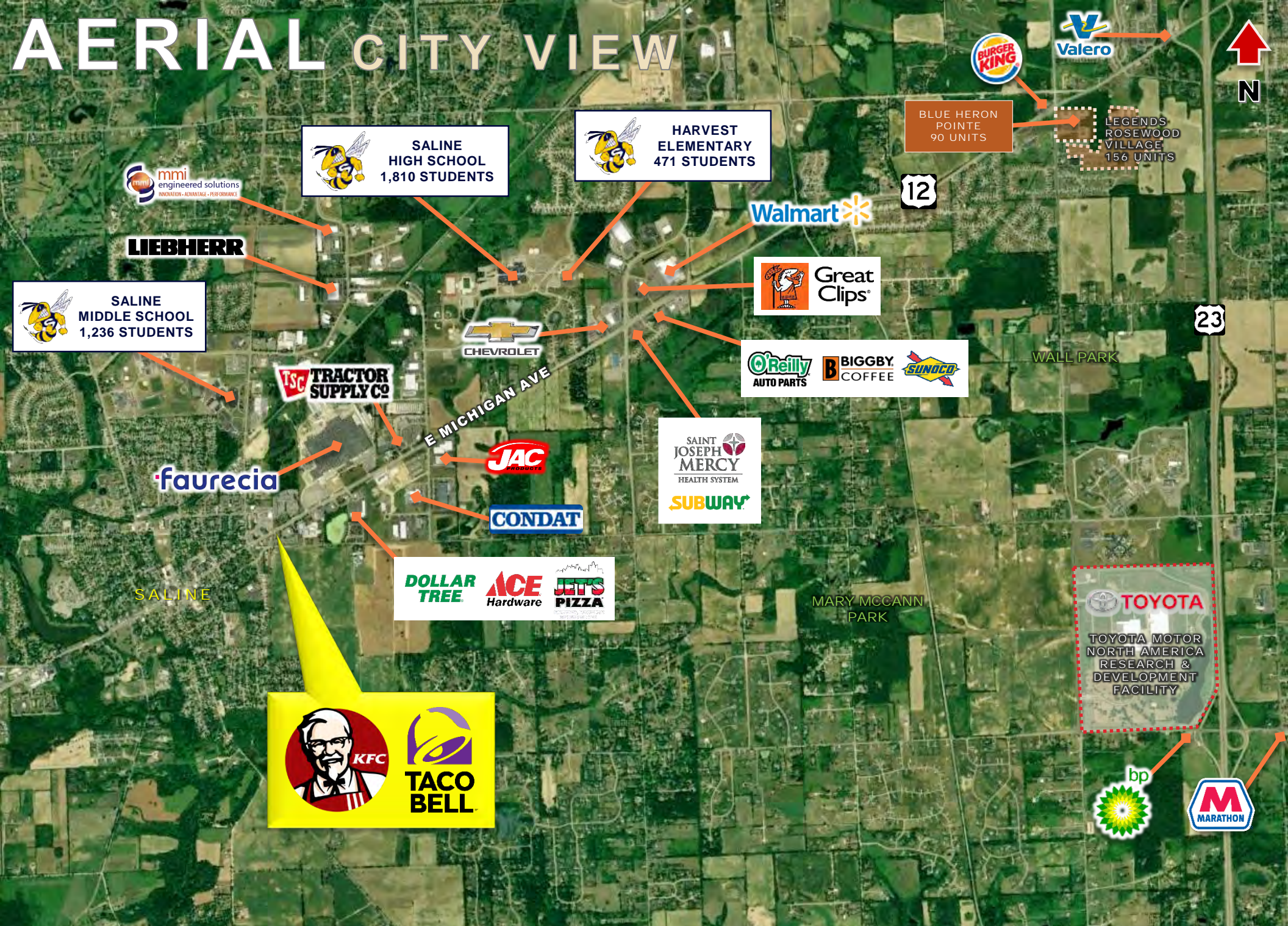
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AERIAL



KFC & TACO BELL | SALINE, MICHIGAN

AERIAL CITY VIEW



**SALINE
HIGH SCHOOL**
1,810 STUDENTS

**HARVEST
ELEMENTARY**
471 STUDENTS

BLUE HERON
POINTE
90 UNITS

LEGENDS
ROSEWOOD
VILLAGE
156 UNITS

 **mmi**
engineered solutions
INNOVATION • ADVANTAGE • PERFORMANCE

**SALINE
MIDDLE SCHOOL**
1,236 STUDENTS

LIEBHERR

Walmart

12

 **Great
Clips®**

23

 **TRACTOR
SUPPLY CO**

 **CHEVROLET**

 **O'Reilly
AUTO PARTS**  **BIGGBY
COFFEE**  **SUNOCO**

WALL PARK

faurecia

 **JAC
PRODUCTS**

 **SAINT
JOSEPH
MERCY**
HEALTH SYSTEM
SUBWAY

CONDAT

SALINE

 **DOLLAR
TREE**  **ACE
Hardware**  **JET'S
PIZZA**

MARY MCCANN
PARK

 **TOYOTA**
TOYOTA MOTOR
NORTH AMERICA
RESEARCH &
DEVELOPMENT
FACILITY

 **KFC**  **TACO
BELL**

 **bp**

 **M
MARATHON**

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LOCATION OVERVIEW

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SALINE, MICHIGAN



Saline is a city in Washtenaw County, Michigan. As of the 2010 census, the city population was 8,810. The city is southwest of Ann Arbor and northwest of Milan, where U.S. 12 (Michigan Avenue) intersects the Saline River, a tributary of the River Raisin. The city is bounded on the southwest by Saline Township; on the southeast by York Charter Township; on the northeast by Pittsfield Charter Township; and on the northwest by Lodi Township.

The City of Saline boasts a 240-acre park system and is located near the extensive Metroparks system of parks with trails, swimming and canoeing. Saline also offers many recreational activities at the Saline Recreation Complex—a \$4.7 million state of the art facility located adjacent to the industrial parks—including swimming, racquetball, weight training and classrooms.

Saline Area Schools is a school district headquartered in Liberty School in Saline. The district serves Saline, Pittsfield Charter Township and a portions of York Charter Township, Lodi Township and Saline Township. Saline High School is in Pittsfield Charter Township. Approved as part of Community Project 2000 and completed in August 2004, Saline High School is the largest in Michigan, at approximately 480,000 SF. The high school has a student enrollment of approximately 1,803.

Kyocera Unimerco Tooling Inc. manufactures some of the best cutting tools in the world. As a leading supplier in the automotive, aerospace, fluid power, wind generation and food processing industries, Unimerco builds intelligent tooling solutions to help its customers manufacture much more efficiently and reduces cost of their operations. As one of the four manufacturing locations in the Unimerco Group, they are glad to call Saline the headquarters for the North American Business Unit.

Automotive Components Holdings was an automotive parts manufacturing plant that specialized in plastics, trim pieces, instrument panels, door panels, consoles and other various internal plastic parts. **Faurecia**, a French automotive parts supplier, began operations at the ACH plant in 2012. In 2018 it was the 9th largest international automotive parts manufacturer in the world and #1 for vehicle interiors and emission control technology. One in three automobiles is equipped by Faurecia. It designs and manufactures seats, exhaust systems, interior systems and decorative aspects in a vehicle. They are one of the larger employers in the area with 1,664 workers.

2019 DEMOGRAPHICS			
	1-MI	3-MI	5-MI
TOTAL POPULATION	6,057	18,438	30,573
DAYTIME POPULATION	6,413	19,948	33,087
AVERAGE HOUSEHOLD INCOME	\$91,281	\$136,132	\$133,987

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FOR MORE INFORMATION:

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