



REPRESENTATIVE PHOTO

**KFC**  
921 CLINTON STREET  
ARKADELPHIA, ARKANSAS 71923

OFFERING  
MEMORANDUM

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In Association with Arkansas Licensed Broker:  
Robert E. Begley, Jr. | Lockwood Realty, LLC | AR License # PB00068219



# INVESTMENT OVERVIEW

KFC  
ARKADELPHIA, ARKANSAS

NAME	KFC
LOCATION	921 Clinton Street Arkadelphia, Arkansas 71923
MAJOR CROSS STREETS	On Clinton St, West of S 6 <sup>th</sup> St
TENANT	FQSR, LLC dba. KBP FOODS
PURCHASE PRICE	\$1,130,000
CAP RATE	5.75%
ANNUAL RENT	\$65,000
GROSS LEASEABLE AREA	2,874 SF
RENTAL ESCALATIONS	7% every 5 Years
LEASE TYPE	Absolute NNN
OWNERSHIP	(Building & Land) Fee Simple
LOT SIZE	±0.586 Acre
LEASE EXPIRATION	July 31, 2039
OPTIONS	Two 5-Year Renewal Options

## POINTS OF INTEREST

**RETAIL | SHOPPING:** The City of Arkadelphia has major retailers such as Walmart Supercenter, Brookshire's, Atwoods, Ivan Smith Furniture, Dollar Tree, Family Dollar, Aaron's, Rent-A-Center, Stage, Verizon Authorized Retailer, AT&T Store, Cricket Wireless, Hibbett Sports, NAPA Auto Parts, O'Reilly Auto Parts, AutoZone, Walgreens, Sherwin Williams, GameStop, McDonalds, Burger King, Wendy's, Sonic Drive-In, Arby's, Subway, Chicken Express, Dunkin' Donuts, Baskin Robbins, etc.

**HIGHER EDUCATION:** Less than 1 mile from Henderson State University (a public liberal arts university offering more than 65 undergraduate & graduate programs with a total enrollment of over 2,830); 1 mile from Ouachita Baptist University (a private liberal arts college offering 60 academic programs in 7 academic schools with a total enrollment of over 1,660)

**HEALTH CARE:** 2.5 miles from Baptist Health Medical Center-Arkadelphia (a 25-bed general medical and surgical facility)

## 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 **720+ 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 | PENDING REMODEL

Successfully Open & Operating for Decades with an Attractive 7.00% Rent to Sales Ratio! Slated for Remodel by YE 2020 – Showing Tenant's Commitment to this Location!

### DEMOGRAPHICS (5-MI)

Total Population: 11,141 | Average Household Income: \$46,966





# FINANCIAL ANALYSIS

## SUMMARY

TENANT	FQSR, LLC dba. KBP Foods	LOT SIZE	±0.586 Acre
PURCHASE PRICE	\$1,130,000	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	2,874 SF		

## RENT ROLL

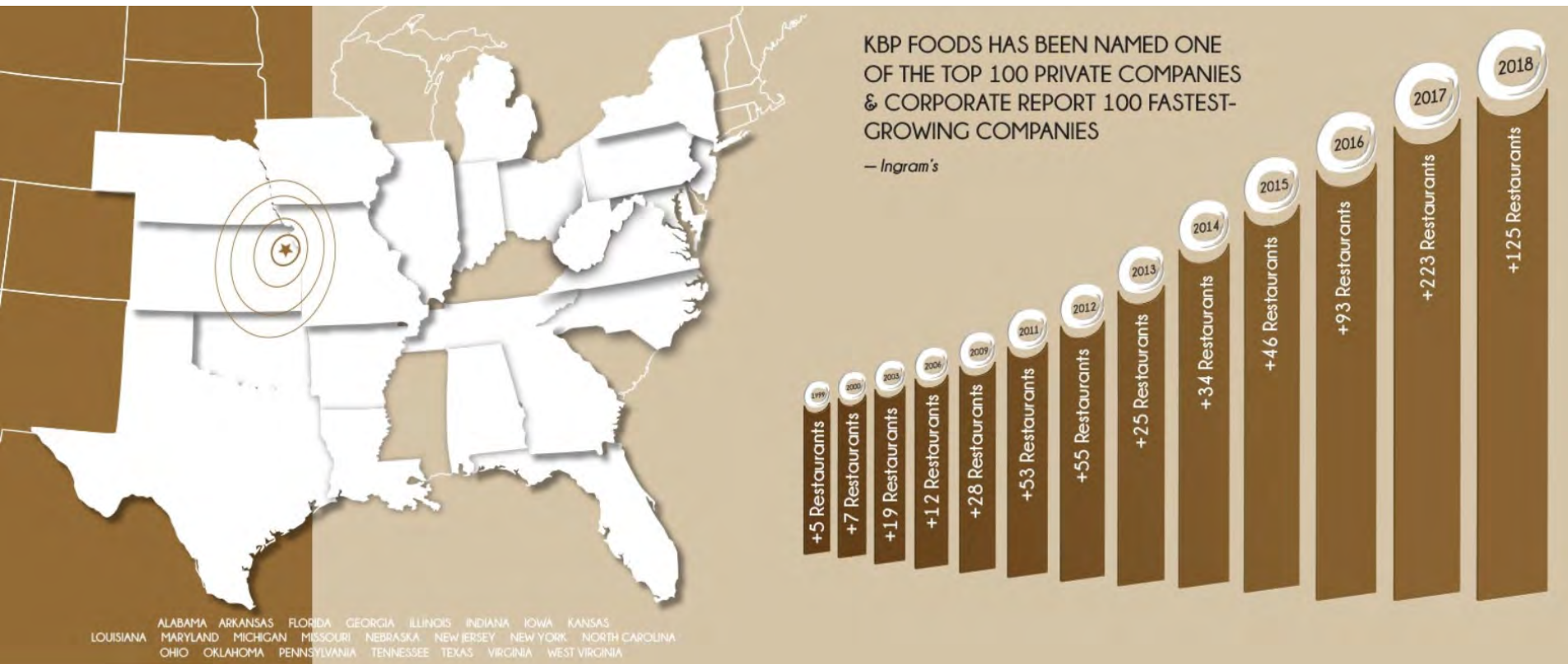
TENANT INFO		LEASE TERMS	RENT SUMMARY		
TENANT NAME	SQ FT	TERM	INCREASE	RENT	ANNUAL INVESTOR RETURN
FQSR, LLC dba. KBP Foods	2,874	Years 1-5: <b>08/01/19</b> to 07/31/24	Current	\$65,000	5.75%
		Years 6-10: 08/01/24 to 07/31/29	7%	\$69,550	6.15%
		Years 11-15: 08/01/29 to 07/31/34	7%	\$74,419	6.59%
		Years 16-20: 08/01/34 to <b>07/31/39</b>	7%	\$79,628	7.05%
RENEWAL OPTIONS		1 <sup>st</sup> Option: 08/01/39 to 07/31/44	7%	\$85,202	
		2 <sup>nd</sup> Option: 08/01/44 to 07/31/49	7%	\$91,166	

# TENANT OVERVIEW

KFC  
ARKADELPHIA, ARKANSAS



KBP Foods operates **720+ 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



**HENDERSON**  
STATE UNIVERSITY  
2,832 STUDENTS

**OUACHITA**  
BAPTIST UNIVERSITY  
1,660 STUDENTS

**J. ED PEAKE**  
ELEMENTARY  
299 STUDENTS

**CENTRAL**  
PRIMARY SCHOOL  
332 STUDENTS

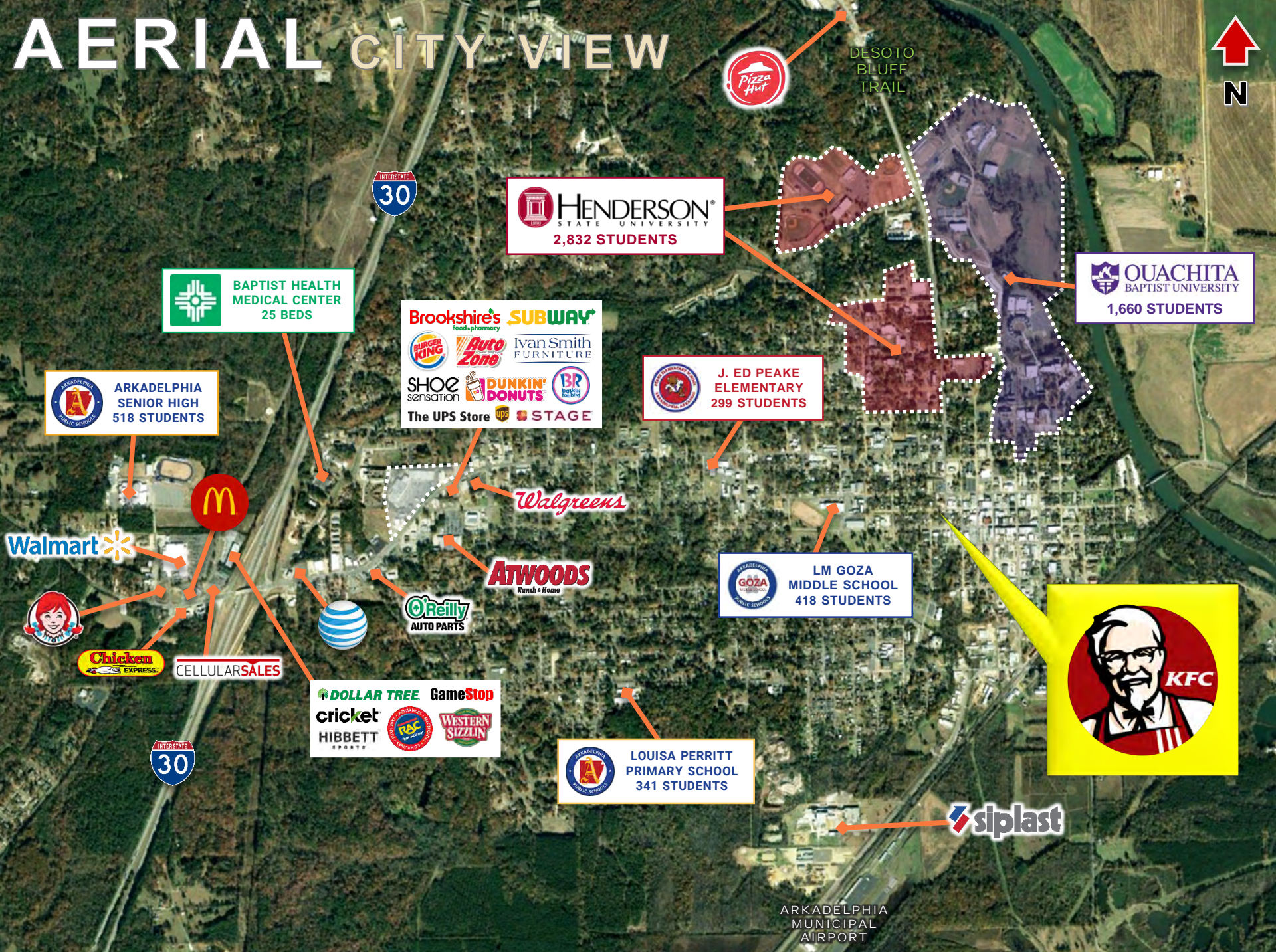
**LM GOZA**  
MIDDLE SCHOOL  
418 STUDENTS



KFC | ARKADELPHIA, ARKANSAS



# AERIAL CITY VIEW



KFC | ARKADELPHIA, ARKANSAS



# LOCATION OVERVIEW




**Arkadelphia** is a city in Clark County, Arkansas. The city is situated on the west bank of the Ouachita River at the foothills of the Ouachita Mountains, with a total area of 7.1 square miles. Arkadelphia is located along Interstate 30, a connector between coast-to-coast Interstates 40 and 20. The city is on the Union Pacific rail system and the Amtrak line. Major factors in Arkadelphia's economy are Education and Manufacturing. The manufacturing sector consists of **Alumacraft Boat Co.**, **Danfoss Scroll Technologies**, **Georgia Pacific** and **Siplast**.

**Siplast** is a manufacturer of roofing and waterproofing solutions founded in 1979. They are a top employer in Arkadelphia. The company's roof system accessories include metal roof perimeter systems, adhesives and primers, asphalts, fasteners and sealants. It offers its products through sales representatives in the United States, Canada and internationally.

**Henderson State University** is a public liberal arts university founded in 1890. They have a student enrollment of 2,832. The school offers business, arts and sciences programs as well as a teacher's college, honors college and graduate school. **Ouachita Baptist University** is a private liberal arts college with the Ouachita River forming the eastern campus boundary. They have an enrollment of 1,660 students. Both the athletics programs are NCAA Division II.

The Arkadelphia School District is a public school district that serves over 2,500 students in their three elementary schools, middle and high school. The school district supports families with education facilities and educators from early childhood through secondary education. The Arkadelphia Promise is a program to increase the college-going rate of students by providing scholarships and guidance.

	2019 DEMOGRAPHICS		
	1-MI	3-MI	5-MI
TOTAL POPULATION	6,548	10,472	11,141
POPULATION GROWTH 2010-2019	8.41%	0.99%	0.35%
DAYTIME POPULATION	5,086	8,476	9,094
HOUSEHOLD GROWTH 2010-2019	8.92%	-1.89%	-2.51%
AVERAGE HOUSEHOLD INCOME	\$38,367	\$46,011	\$46,966

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