



- BOOMING TRADE AREA
- ABSOLUTE NNN
- 15 YEARS REMAINING



In Association with Jeff Ashby of JDS Real Estate Services, Inc. | A Licensed Texas Broker #9004326

**OFFERING MEMORANDUM**  
MCKINNEY, TEXAS



**HANLEY INVESTMENT GROUP**  
REAL ESTATE ADVISORS





## OFFERING MEMORANDUM

### MCKINNEY, TEXAS

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#### EXCLUSIVELY LISTED BY:

**Jeremy McChesney**

Executive Vice President  
jmcchesney@higrea.com  
844.585.7671

**Ed Hanley**

President  
ehanley@higrea.com  
844.585.7677



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# OFFERING SUMMARY

KFC | TACO BELL



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## LOCATION

**KFC | Taco Bell**

**2920 W. El Dorado Parkway**

**McKinney, TX 75070**

## OFFERING SUMMARY

<b>Price:</b>	\$2,124,000
<b>Current Net Operating Income (NOI):</b>	\$120,000
<b>Current Capitalization Rate:</b>	5.65%
<b>Net Rentable Area:</b>	3,122
<b>Year Built:</b>	1999
<b>Lot Size (Acres):</b>	0.96

## FINANCING SUMMARY

**All Cash or Cash to New Financing**

**(Contact Hanley Investment Group for Further Details)**





# INVESTMENT HIGHLIGHTS

KFC | TACO BELL



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- **Single Tenant Net Leased KFC**

- Recently extended 15-year lease speaking to the success of the tenant and location
- Absolute NNN lease structure with no Landlord maintenance responsibilities offering passive investment and ease of ownership
- 7.5% rental increases throughout the primary term and options offering a hedge against inflation
- Two 5-year options to renew offering 25 years of total lease term

- **Rapidly Expanding Trade Area:** The 5-mile trade area grew by an unprecedented 137% from 2000-2010 and is expected to grow by an additional 12% by 2023 adding to the strength of investment





# INVESTMENT HIGHLIGHTS

KFC | TACO BELL



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- **Dense Affluent Infill Location:** Over 18,000 people with average household incomes exceeding \$139,000 are located within 1-mile of the subject property
- **Well Positioned:** Off Highway 75 along Eldorado Parkway a major east/west thoroughfare with average daily traffic volumes exceeding 29,000 vehicles per day
- **Recently Remodeled / Pride of Ownership Asset:** Remodeled to KFC/Taco Bell's latest pro-type using high quality construction materials like stacked stone, concrete block, and a concrete parking
- **Large, Well Parked Drive-Thru Location:** Offering just under one full acre (.96 acres), features a large drive-thru stack, and offers abundant parking
- **Tax Free State:** Texas has no State income tax





## LEASE SUMMARY (1)

<b>Tenant:</b>	KFC (Ampex Brands, LLC)	<b>Rental Increases:</b>	7.5% Every 5 Years
<b>Lease Commencement:</b>	September 1, 2019	<b>Renewal Options:</b>	Two 5-Year Options with 7.5% Increases
<b>Lease Expiration:</b>	August 31, 2034	<b>Property Taxes:</b>	Tenant Responsibility
<b>Lease Type:</b>	NNN	<b>Insurance:</b>	Tenant Responsibility
<b>Net Operating Income:</b>	\$120,000	<b>Common Area Maintenance:</b>	Tenant Responsibility
<b>Net Rentable Area:</b>	3,122	<b>Repairs &amp; Maintenance:</b>	Tenant Responsibility
<b>Monthly Rent Per Square Foot:</b>	\$3.20	<b>Roof &amp; Structure:</b>	Tenant Responsibility

## NOTES

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.

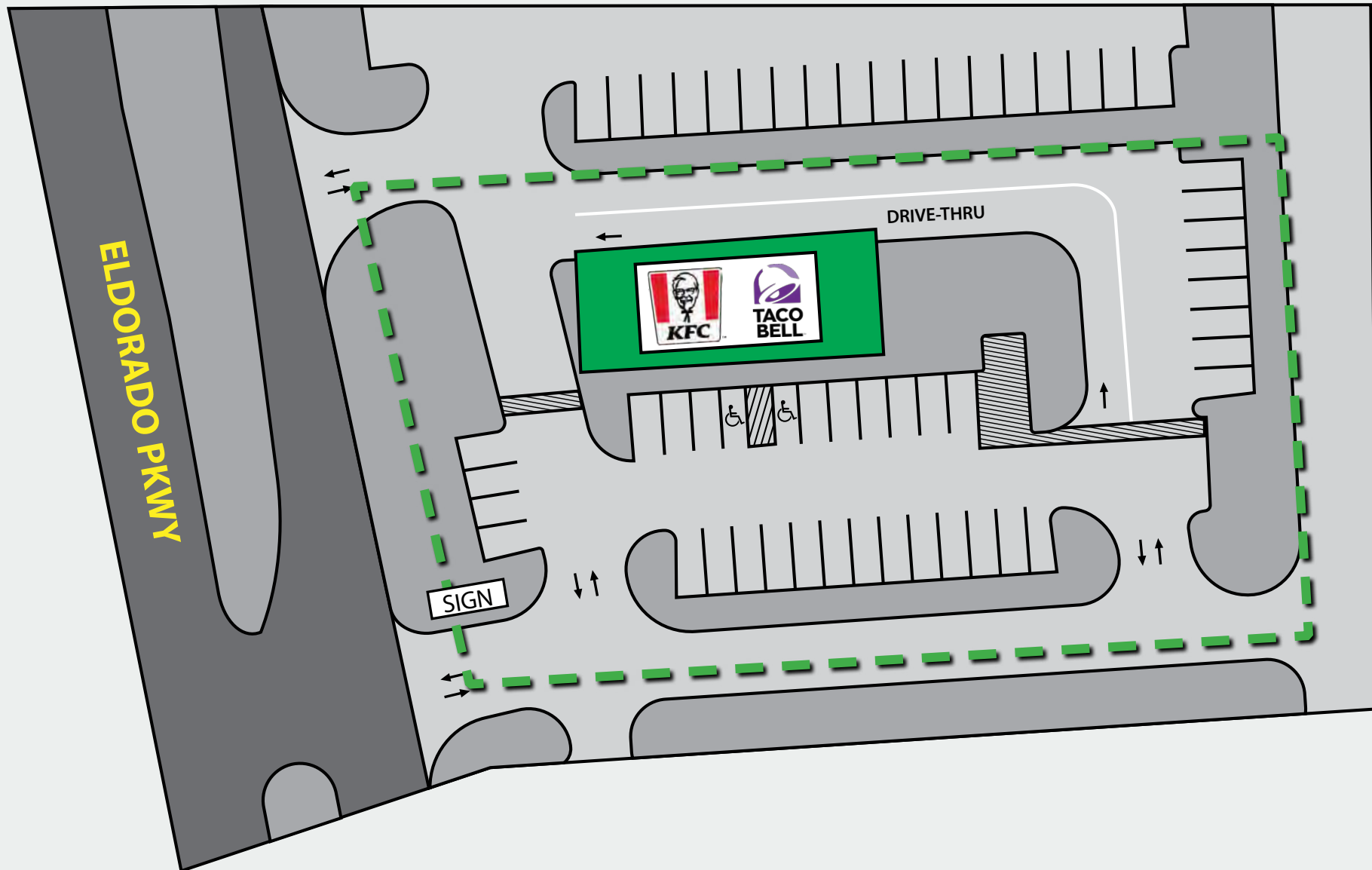


# SITE PLAN / PARCEL MAP

KFC | TACO BELL



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SUBJECT PROPERTY



PROPERTY PARCEL

APN: R2056134





# AERIAL OVERVIEW

KFC | TACO BELL



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ELDORADO  
Golf Course

ELDORADO PLAZA  
belk BED BATH & BEYOND TRADER JOE'S  
Pier1 LANE BRYANT Justice chico's

Firestone  
COMPLETE AUTO CARE  
Once upon a child SONIC  
America's Drive-In

SUBJECT PROPERTY  
KFC TACO BELL

CVS pharmacy

EL DORADO PARKWAY 29,931 CPD

CHASE

BancorpSouth

HALF PRICE BOOKS

TOYOTA

Holiday Inn Express & Suites

351 UNITS  
EL LAGO APARTMENTS

Hallmark  
Great Clips  
Tom Thumb  
baskin robbins  
STARBUCKS

Papa Murphy's

453 UNITS  
ORION MCKINNEY APARTMENTS

VW

NISSAN BUICK  
GMC

182 UNITS  
POST OAK APARTMENTS

#5

"FASTEST LOCAL ECONOMIC  
GROWTH IN THE U.S."

\$

\$116,000 AVERAGE  
HOUSEHOLD INCOME

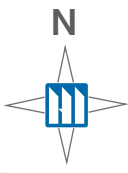
## DEMOGRAPHICS

	Population	AHHI
1-Mile Radius	18,259	\$139,347
3-Mile Radius	94,337	\$120,396
5-Mile Radius	232,335	\$126,273

75

SPUR  
399

121  
TEXAS



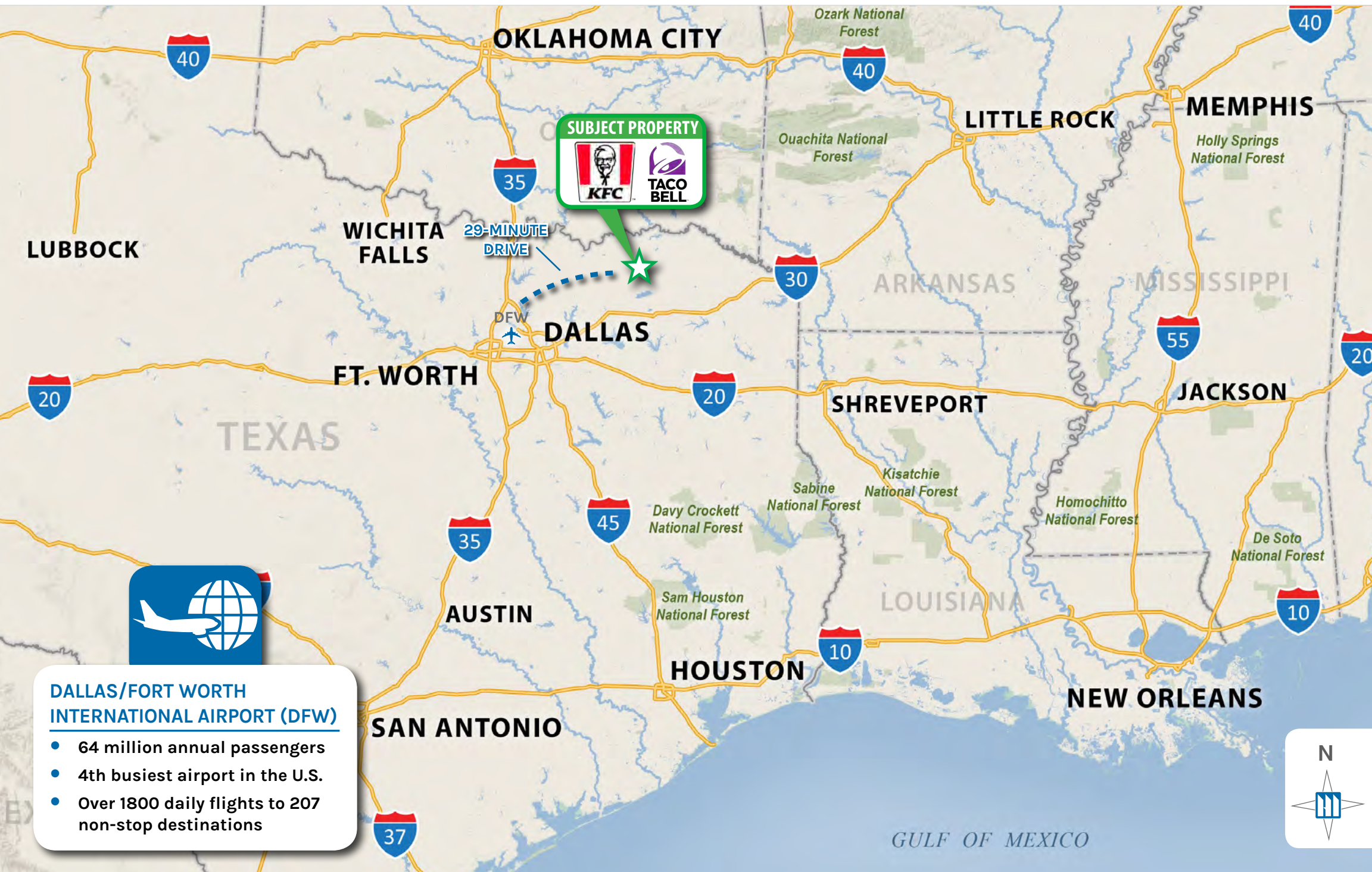


# REGIONAL MAP

KFC | TACO BELL



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# TENANT PROFILE

## KFC | TACO BELL



Taco Bell and KFC are subsidiaries of Yum! Brands, one of the world's largest restaurant companies with more than 48,000 restaurants in more than 145 countries and \$49.2 billion in systemwide sales in 2018. Based in Louisville, KY, the company's three iconic brands, Pizza Hut, KFC, and Taco Bell, are global leaders in the pizza, chicken, and Mexican-style food categories. In 2018, the restaurant corporation opened 3,021 new units and grew sales by 5%, led by 6% growth at KFC, 6% at Taco Bell, and 1% at Pizza Hut. Yum! Brands is ranked #218 on the Fortune 500 list, #949 on Forbes' Global 2000 list, and was named to the Dow Jones Sustainability North America Index and ranked among the top 100 "Best Corporate Citizens" by Corporate Responsibility Magazine in 2018.

The corporation's Taco Bell brand is the nation's leading Mexican-inspired quick service restaurant. The chain ranked #5 on the "QSR 50" by Quick Service Restaurant Magazine in 2018 and was the #1 restaurant in the Mexican food category. 2018 was the brand's seventh consecutive year of positive same-store sales growth. Taco Bell has over 7,072 locations in 27 countries and generated over \$10.7 billion in systemwide sales in 2018.

KFC, also known as Kentucky Fried Chicken, is the world's most popular chicken restaurant chain. In August 2019, KFC announced it will debut its plant-based chicken – Beyond Fried Chicken – becoming the first quick-service restaurant to meet widespread demand for plant-based protein. The fast food giant has over 21,000+ units in 130 countries.

**Ampex Brands:** Formed in 2005, by Tabbassum Mumtaz, Ajay Dhillon, and Ray Wilia when the company acquired 18 Long John Silver's restaurants in Texas, Arkansas, and Louisiana. In 2006 the company added 8 locations in Texas and Oklahoma. In 2008, they acquired 44 LJS/A&W restaurants in the North Texas and Tulsa/Oklahoma City markets which made the company one of the largest LJS franchisees in the country. In 2010, the company acquired 54 KFC multi-brand restaurants in the metro Dallas market. In 2011, 35 KFC multi-brand restaurants were acquired in the metro Chicago market. Ampex currently operates 128 Pizza Hut units, 218 KFCs, 38 Taco Bells, 68 Long John Silver's, and 49 Tim Hortons stretching across 15 states.

<b>Company Type:</b>	Public (NYSE: YUM; S&P: BB)
<b>Locations:</b>	Taco Bell (7,072), KFC (21,000+)
<b>Website:</b>	<a href="http://www.yum.com">www.yum.com</a>   <a href="http://www.tacobell.com">www.tacobell.com</a>   <a href="http://www.kfc.com">www.kfc.com</a>



## McKinney, Texas

- City located 30 miles north of downtown Dallas and 25 minutes from the Dallas-Fort Worth International Airport
  - Part of the Dallas-Fort Worth-Arlington MSA, the 4th largest metropolitan area in the U.S.
- 6th "Fastest-Growing City in the U.S." - U.S. Census (2018)
  - 177,431+ population; 12.5% projected growth from 2018-2023

### ECONOMY

- #5 "Fastest Local Economic Growth in the U.S." - WalletHub (2018)
- #6 "Best Places to Buy a House in the U.S." - WalletHub (2019)
- #9 "Best Places for First-Time Home Buyers" - WalletHub (2019)
- \$116,000 average household income (versus \$50,627 U.S.)
- More than 100 unique shops, restaurants, and 1,400 historic buildings dating back to the mid-1800s
- **McKinney National Airport** - Full-service general aviation airport
  - \$212 million annual economic impact to the city
  - New 40,000 square foot hangar opened May 2019; \$7 million terminal under construction
- **Collin College** - 2-year college; 55,637 students
  - \$528.5 million annual economic impact to the region
- Largest employers are Raytheon Space and Airborne Systems, Collin College, MISD, Torchmark, and Encore Wire
- **Honeycreek** - \$300 million, 2,500-acre master-planned community with 6,000 residential homes, 7,000 multifamily units, and 4.7 million square feet of commercial, retail, and office space; under construction
- **McKinney Logistics Center** - Four-building, 65-acre industrial park; under construction
- **Hub 121** - 340,000 square foot urban apartment community; 286 units; under construction
- **McKinney National Business Park** - 114-acre development with over 1 million square feet of industrial space; under construction
- **Medical City McKinney** - \$52 million behavioral health and rehabilitation services pavilion; under construction
- **Raytheon** - Expanding in the city with a new 200,000 square foot plant; 500 high-tech jobs added; under construction
- **SRS Distribution** - 100,000 square foot office campus; 150 jobs added; under construction

### DEVELOPMENT

- City is 69% developed with numerous large-scale projects planned, proposed, or under construction



## City of McKinney Highlights

**177K**

ESTIMATED POPULATION

**\$116K**

AVERAGE HOUSEHOLD INCOME

**#6**

FASTEST-GROWING CITY IN THE U.S.





	<u>1-Mile</u>	<u>3-Mile</u>	<u>5-Mile</u>
<b>Population</b>			
2023 Projection	19,637	105,184	260,684
2018 Estimate	18,259	94,337	232,335
2010 Census	15,005	71,480	174,353
2000 Census	9,451	36,706	73,532
Growth 2000-2010	58.77%	94.74%	137.11%
Growth 2010-2018	21.69%	31.98%	33.26%
Growth 2018-2023	7.55%	11.50%	12.20%
<b>Households</b>			
2023 Projection	7,266	38,971	91,505
2018 Estimate	6,605	34,291	80,321
2010 Census	5,332	25,455	59,183
2000 Census	3,077	12,807	24,556
Growth 2000-2010	73.29%	98.76%	141.01%
Growth 2010-2018	23.87%	34.71%	35.72%
Growth 2018-2023	10.01%	13.65%	13.92%
<b>2018 Est. Population by Single-Classification Race</b>			
White Alone	14,279	67,375	161,635
Black or African American Alone	1,784	10,198	25,069
American Indian and Alaska Native Alone	99	538	1,371
Asian Alone	1,010	7,755	23,326
Native Hawaiian and Other Pacific Islander Alone	16	57	163
Some Other Race Alone	471	5,019	12,476
Two or More Races	494	2,580	6,224
<b>2018 Est. Population by Ethnicity (Hispanic or Latino)</b>			
Hispanic or Latino	1,804	14,462	36,384
Not Hispanic or Latino	16,455	79,875	195,951
<b>2018 Est. Average Household Income</b>	<b>\$139,347</b>	<b>\$120,396</b>	<b>\$126,273</b>



# CONFIDENTIALITY AGREEMENT

KFC | TACO BELL



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The information contained herein does not purport to provide a complete or fully accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective buyers may need or desire. All financial projections are based on assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Broker and, therefore, are subject to material variation. This Marketing Package does not constitute an indication that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the information herein. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective buyers.

Neither Owner nor Broker nor any of their respective officers, Agents or principals has made or will make any representations or warranties, express or implied, as to the accuracy or completeness of this Marketing Package or any of its contents, and no legal commitment or obligation shall arise by reason of the Marketing Package or its contents. Analysis and verification of the information contained in the Marketing Package is solely the responsibility of the prospective buyer, with the Property to be sold on an as is, where-is basis without any representations as to the physical, financial or environmental condition of the Property.

Owner and Broker expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or terminate discussions with any entity at any time with or without notice. Owner has no legal commitment or obligations to any entity reviewing this Marketing Package or making an offer to purchase the Property unless and until such sale of the Property is approved by Owner in its sole discretion, a written agreement for purchase of the Property has been fully delivered, and approved by Owner, its legal counsel and any conditions to the Owner's obligations thereunder have been satisfied or waived.

This Marketing Package and its contents, except such information which is a matter of public record or is provided in sources available to the public (such contents as so limited herein called the Contents), are of a confidential nature. By accepting this Marketing Package, you unconditionally agree that you will hold and treat the Marketing Package and the Contents in the strictest confidence, that you will not photocopy or duplicate the Marketing Package or any part thereof, that you will not disclose the Marketing Package or any of the Contents to any other entity (except in the case of a principal, who shall be permitted to disclose to your employees, contractors, investors and outside advisors retained by you, or to third-party institutional lenders for financing sought by you, if necessary, in your opinion, to assist in your determination of whether or not to make a proposal) without the prior authorization of the Owner or Broker, and that you will not use the Marketing Package or any of the Contents in any fashion or manner detrimental to the interest of the Owner or Broker.

## EXCLUSIVELY LISTED BY:

### Jeremy McChesney

Executive Vice President  
jmcchesney@higrea.com  
844.585.7671

### Ed Hanley

President  
ehanley@higrea.com  
844.585.7677

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**\$6+ BILLION**  
retail sales nationwide



**SHARED DATABASE**  
collaborative proprietary database



**TOP BROKERAGE GLOBALLY**  
in investment sales



**COSTAR POWER BROKER**  
top sales brokers & firm in OC



**NATIONWIDE REACH**  
retail & investors across the U.S.





## Information About Brokerage Services

*Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.*

11-2-2015



### TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

### A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

### A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

### TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

JDS Real Estate Services, Inc.	9004326	jstein@jdsreservices.com	(213) 446-5366
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Jeffrey M. Ashby	550021	jstein@jdsreservices.com	(213) 446-5366
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date