



KFC & TACO BELL

1658 Tappahannock Blvd
TAPPAHANNOCK | VA



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INVESTMENT HIGHLIGHTS

- » **Brand-new, 15-year, Absolute NNN Lease with 7.50% rent increases every 5 years** throughout the initial term and option periods
- » Lease is **guaranteed by the largest KFC/Taco Bell operator in the country** – KBP Foods (FQSR LLC; **770+ units nationwide**)
- » Subject Property is strategically located on a **signalized corner** along the main retail corridor of the city and is **outparceled to the Walmart Supercenter** serving the city
 - » The retail corridor includes major national tenants within $\frac{3}{4}$ of a mile from subject property, including – **Walmart, Lowe's, Food Lion, Peebles, Rite Aid**, Family Dollar, **Sheetz, Sherwin Williams**, Dollar Tree, RaceWay, AutoZone, Advance Auto Parts, Dollar General, Verizon, Aaron's, Goodwill, Day's Inn, Essex Bank, Holiday Inn, ABC, Applebee's, Wendy's, McDonald's, Rent-A-Car, Burger King, Subway, Domino's, Pizza Hut, Valero
- » Located in front of Hobbs Hole Golf Course, the only golf course in the city
- » **Directly off Highway 17** (aka Tappahannock Blvd) which **boasts $\pm 24,650$ VPD**
- » About $\frac{3}{4}$ of a mile from **Riverside Tappahannock Hospital** which generated over \$160,000,000 in revenue in 2018 with about 6,327 total patient days
- » About **1.5 miles from Essex High School** - ± 450 student enrolled
- » About 3.5 miles from Tappahannock-Essex County Airport, which opened in 2007



Financial Overview



Investment Summary

» OFFERING PRICE	\$2,409,946
» NOI (YEAR 1)	\$133,511
» CAP RATE (YEAR 1)	5.54%
» TOTAL BUILDING AREA	±2,461 SF
» TOTAL LAND AREA	±36,198 SF (0.83 Acres)
» YEAR BUILT	1991

Annualized Operating Data

Lease Commence	Monthly Rent	Annual Rent	Cap Rate
Years 1-5	\$11,125.92	\$133,511	5.54%
Years 6-10	\$11,960.36	\$143,524	5.96%
Years 11-15	\$12,857.39	\$154,289	6.40%
Option 1	\$13,821.69	\$165,860	6.88%
Option 2	\$14,858.32	\$178,300	7.40%

Tenant Summary

Tenant Trade Name	FQSR, LLC Inc.
Type of Ownership	Fee Simple
Lease Guarantor	Franchisee (KBP Foods - 770+ Units)
Lease Type	NNN
Roof and Structure	Tenant Responsible
Original Lease Term	15 Years
Rent Commencement	9/1/19
Lease Expiration Date	8/31/34
Term Remaining	±15 Years
Increases	7.50% Every Five Years
Options	Two (2), Five (5) Year Options



Property Overview



The Offering

PROPERTY NAME		KFC
Property Address	1658 Tappahannock Blvd Tappahannock, VA 22560	
SITE DESCRIPTION		
Number of Stories	One	
Year Built	1991	
GLA	± 2,461 SF	
Lot Size	±36,198 SF (0.83 Acres)	
Type of Ownership	Fee Simple	

Tenant Overview

Founded more than 65 years ago and based in Louisville, Kentucky, KFC Corporation is the franchisor of the world's most popular chicken restaurant chain, KFC. There are over 20,500 KFC outlets in more than 125 countries and territories worldwide, serving in excess of 12 million customers per day. KFC is a part of Yum! Brands, Inc. ("Yum!"), the parent company for iconic restaurant brands - KFC, Taco Bell and Pizza Hut – with nearly 44,000 restaurants in more than 135 countries and territories worldwide. Yum! is publicly traded on the New York Stock Exchange (Ticker: YUM) with a market capitalization in excess of \$26 billion as of September 1, 2017.

STRATEGY

Franchising has allowed YUM! Brands to expand its worldwide presence through a far-reaching network of local operators, eliminating much of the expense involved in building such a large restaurant chain. In exchange for royalties and franchise fees, each franchisee is allowed to use the company's branding and other intellectual property. YUM! Brands maintain food quality consistency throughout its chain by centralizing where the restaurants buy food items.



Tenant Overview

Operating as a subsidiary of Yum! Brands, Inc., Taco Bell Corp. owns, operates, and franchises a chain of Mexican-inspired quick service restaurants in the United States. The company's restaurants offer made to order and customizable tacos, burritos, quesadillas, gorditas, nachos, chalupas, beverages, desserts and sides, and other specialty items. As the leading Mexican-inspired quick service restaurant brand, Taco Bell and its more than 350 franchise organizations proudly serve over 42 million customers each week through nearly 7,000 restaurants across the nation, as well as through its mobile, desktop and delivery ordering services. Overseas, Taco Bell has over 250 restaurants, with plans to add 2,000 more restaurants internationally within the next decade. In 2016, Taco Bell was named as one of Fast Company's Top 10 Most Innovative Companies in the World. Taco Bell plans to have 8,000 restaurants by the year 2023, which is anticipated to add an estimated 100,000 jobs nationwide.



PARENT COMPANY TRADE NAME
YUM! BRANDS, INC. (NYSE: YUM)



CREDIT RATING (S&P)
BB



OF LOCATIONS
± 6,500



OF EMPLOYEES
± 175,000



HEADQUARTERED
IRVINE, CALIFORNIA



WEBSITE
WWW.TACOBELL.COM



YEAR FOUNDED
1954



KBP FOODS

At KBP Foods, their mission is to maintain a passion for excellence. They are committed to creating the ultimate in customer satisfaction by developing their people through superior implementation of training and systems. They are a socially responsible, integrity driven company.



KBP Foods has been named one of the 10 Fastest-Growing Restaurant Chains and one of the Top 100 Fastest-Growing Businesses in North America.

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.

Currently, KBP Foods operates 700+ KFC and YUM! Brands restaurants across 25 states throughout the United States and has Regional Vice Presidents in every major geographical region. The Corporate Office and Restaurant Support Center are located in Overland Park, KS.

Surrounding Tenants



Surrounding Tenants



Surrounding Tenants



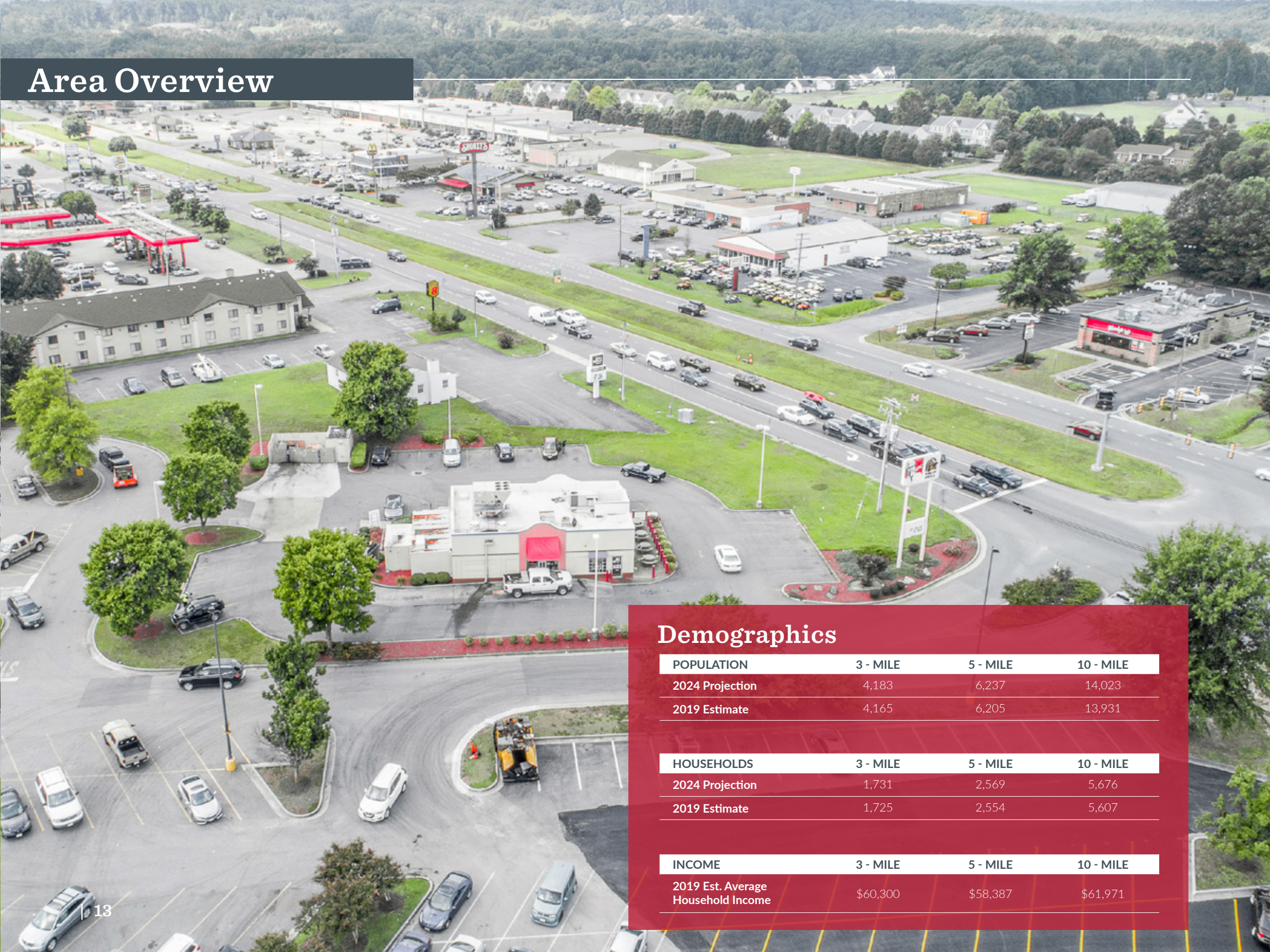
HOBBS HOLE GOLF COURSE

RAPPAHANNOCK RIVER

TAPPAHANNOCK BLVD.
± 24,650 VPD







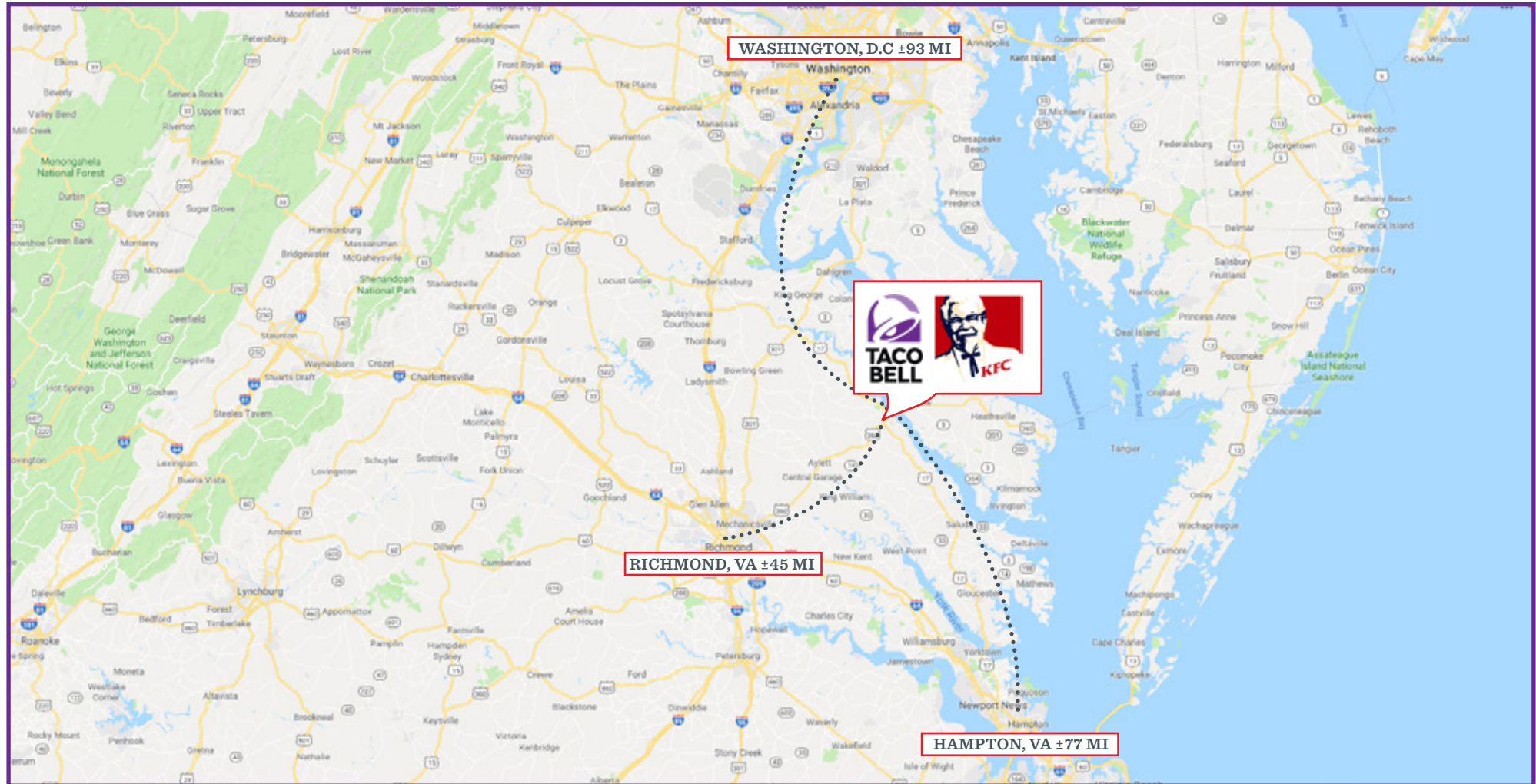
Area Overview

Demographics

POPULATION	3 - MILE	5 - MILE	10 - MILE
2024 Projection	4,183	6,237	14,023
2019 Estimate	4,165	6,205	13,931

HOUSEHOLDS	3 - MILE	5 - MILE	10 - MILE
2024 Projection	1,731	2,569	5,676
2019 Estimate	1,725	2,554	5,607

INCOME	3 - MILE	5 - MILE	10 - MILE
2019 Est. Average Household Income	\$60,300	\$58,387	\$61,971



TAPPAHANNOCK, VA



Tappahannock is older than Richmond, Fredericksburg and even Williamsburg. Tappahannock is the oldest town in Essex County, Virginia. Located on the Rappahannock River, Tappahannock is the county seat of Essex County. According to the United States Census Bureau, the town has a total area of 2.7 square miles of which, 2.6 square miles of it is land and 0.1 square miles of it is water.

RICHMOND, VA

Richmond is the capital of the Commonwealth of Virginia, in the United States. It is the center of the Richmond Metropolitan Statistical Area (MSA) and the Greater Richmond Region. Since 1871, Richmond has been an independent city. The city is located at the fall line of the James River, 44 miles west of Williamsburg, 66 miles east of Charlottesville, and 98 miles south of Washington, D.C. Surrounded by Henrico and Chesterfield counties, the city is located at the intersections of Interstate 95 and Interstate 64, and encircled by Interstate 295 and Virginia State Route 288. Major suburbs include Midlothian to the southwest, Glen Allen to the north and west, Short Pump to the west and Mechanicsville to the northeast.

Richmond's economy is primarily driven by law, finance, and government, with federal, state and local governmental agencies, as well as notable legal and banking firms, located in the downtown area. The city is home to both the United States Court of Appeals for the Fourth Circuit, one of the 13 Reserve Banks, as well as offices for international companies such as Genworth Financial, Capital One, Philip Morris USA, and numerous other banks and brokerages. Richmond is also home to four of the largest law firms in the United States; Hunton & Williams, McGuireWoods, Williams Mullen, and LeClairRyan.

The city also offers many activities in the arts and culture sectors. Several of the city's large general museums are located near the Boulevard. On Boulevard proper are the Virginia Historical Society and the Virginia Museum of Fine Arts, lending their name to what is sometimes called the Museum District. As the primary former Capital of the Confederate States of America, Richmond is home to many museums and battlefields of the American Civil War. Near the riverfront is the Richmond National Battlefield Park Visitors Center and the American Civil War Center at Historic Tredegar.





Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **KFC** located at **1658 Tappahannock Blvd, Tappahannock, VA 22560** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



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