



ACTUAL SITE

KFC

1102 SOUTH 5TH STREET
LEESVILLE, LOUISIANA 71446

OFFERING
MEMORANDUM

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INVESTMENT OVERVIEW

KFC
LEESVILLE, LOUISIANA

NAME	KFC
LOCATION	1102 South 5 th Street Leesville, Louisiana 71446
MAJOR CROSS STREETS	On 5 th St, South of Nolan Trace
TENANT	FQSR, LLC dba. KBP FOODS
PURCHASE PRICE	\$1,582,000
CAP RATE	5.50%
ANNUAL RENT	\$87,000
GROSS LEASEABLE AREA	2,100 SF
RENTAL ESCALATIONS	7% every 5 Years
LEASE TYPE	Absolute NNN
OWNERSHIP	(Building & Land) Fee Simple
YEAR BUILT	2018
LOT SIZE	±0.385 Acre
LEASE EXPIRATION	September 30, 2039
OPTIONS	Two 5-Year Renewal Options

POINTS OF INTEREST

RETAIL | SHOPPING | ENTERTAINMENT: Nearby retailers include Walmart Supercenter, Lowe's Home Improvement, Tractor Supply Co., Market Basket, Dollar Tree, Family Dollar, Dollar General, Stage, Hibbett Sports, Goodwill, Advance Auto Parts, AutoZone, O'Reilly Auto Parts, Walgreens, CVS Pharmacy, Metro by T-Mobile, AT&T, Sherwin Williams, Regal Theatres

HIGHER EDUCATION: 4 miles from Northwestern State University – Leesville/Fort Polk Campus (students can earn complete degrees with total enrollment of 248)

HEALTH CARE: Less than 1 mile from Byrd Regional Hospital (60 beds)

MILITARY INSTALLATION: 7 miles from the subject property, Fort Polk is a U.S. Army installation, encompassing approximately 198,000 acres, home to the Joint Readiness Training Center, the 3rd Brigade Combat Team, 10th Mountain Division, 115th Combat Support Hospital with an economic impact of an estimated \$1.6 billion.

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)

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 6.35% Rent to Sales Ratio! (If Annualized)

TRAFFIC COUNTS: Great Visibility on S 5th St (Main North/South Thoroughfare) where Traffic Counts Exceed 28,570 CPD!

2019 DEMOGRAPHICS (5-MI): Total Population: 17,308 | Average HH Income: \$55,732 | **Population Growth 2010-2019 (1-MI): 19.94%**



FINANCIAL ANALYSIS

SUMMARY

TENANT	FQSR, LLC dba. KBP Foods	LOT SIZE	±0.385 Acre
PURCHASE PRICE	\$1,582,000	EXPENSE REIMBURSEMENT	This is an Absolute NNN lease . Tenant is responsible for all expenses.
CAP RATE	5.50%	FINANCING	All Cash or Buyer to obtain new financing at Close of Escrow.
GROSS LEASABLE AREA	2,100 SF		
YEAR BUILT	2018		

RENT ROLL

TENANT INFO		LEASE TERMS	RENT SUMMARY		
TENANT NAME	SQ FT	TERM	INCREASE	RENT	ANNUAL INVESTOR RETURN
FQSR, LLC dba. KBP Foods	2,100	Years 1-5: 10/01/19 to 09/30/24	Current	\$87,000	5.50%
		Years 6-10: 10/01/24 to 09/30/29	7%	\$93,090	5.88%
		Years 11-15: 10/01/29 to 09/30/34	7%	\$99,606	6.30%
		Years 16-20: 10/01/34 to 09/30/39	7%	\$106,579	6.74%
RENEWAL OPTIONS		1 st Option: 10/01/39 to 09/30/44	7%	\$114,039	
		2 nd Option: 10/01/44 to 09/30/49	7%	\$122,022	

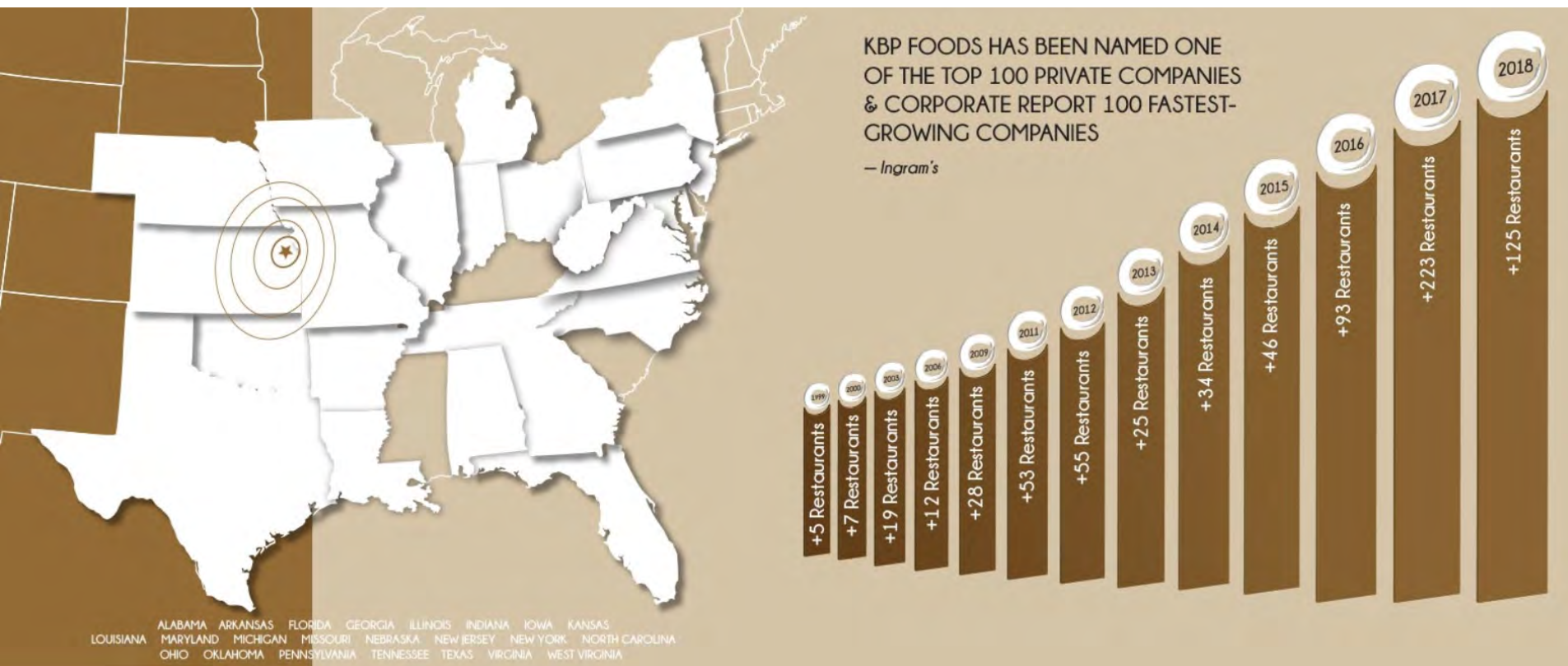
KFC | LEESVILLE, LOUISIANA

TENANT OVERVIEW

KFC
LEESVILLE, LOUISIANA



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



KFC | LEESVILLE, LOUISIANA

AERIAL ZOOMED OUT



KFC | LEESVILLE, LOUISIANA

AERIAL CITY VIEW



WEST LEESVILLE
ELEMENTARY
436 STUDENTS

VERNON
PARISH
FAIRGROUNDS



VERNON
MIDDLE SCHOOL
407 STUDENTS

LOWE'S

Walmart



TSC TRACTOR
SUPPLY CO

SONIC

SureStay
HOTEL
by BEST WESTERN

Market Basket

Hampton
by HILTON

H Holiday Inn
Express

DOLLAR
GENERAL

SHERWIN
WILLIAMS

DOLLAR
GENERAL



EAST LEESVILLE
ELEMENTARY
463 STUDENTS

LEESVILLE



HIBBETT
SPORTS
ANYTIME
FITNESS

DOLLAR
TREE
Aaron's



LEESVILLE JR.
HIGH SCHOOL
392 STUDENTS



LEESVILLE
HIGH SCHOOL
747 STUDENTS

SAWGRASS
BOTTOM
OUTDOOR POWER SPORTS

KFC | LEESVILLE, LOUISIANA

AERIAL METRO VIEW



**PICKERING
ELEMENTARY**
784 STUDENTS

**PICKERING
HIGH SCHOOL**
542 STUDENTS

**SHOP
RITE**

**DOLLAR
GENERAL**



PAPA JOHN'S

LA QUINTA
BY WYNDHAM

**DOLLAR
GENERAL**



**FORT POLK
SOUTH**

Walmart

LOWE'S

**Byrd
REGIONAL HOSPITAL**
60 BEDS

**NEW
LLANO**

LEESVILLE

**LEESVILLE
HIGH SCHOOL**
747 STUDENTS



**FORT POLK
NORTH**

**FORT POLK
WILDLIFE
MANAGEMENT
AREA**

SLAGLE

Raytheon



FORT POLK

A UNITED STATES ARMY INSTALLATION LOCATED IN VERNON PARISH, APPROX. TEN MILES EAST OF LEESVILLE. FORT POLK IS HOME TO THE JOINT READINESS TRAINING CENTER (JRTC), THE 3RD BRIGADE COMBAT TEAM, 10TH MOUNTAIN DIVISION, 115TH COMBAT SUPPORT HOSPITAL, U.S. ARMY GARRISON AND BAYNE-JONES ARMY COMMUNITY HOSPITAL WITH AN ESTIMATED ECONOMIC IMPACT OF \$1.6 BILLION IN 2018.

KFC | LEESVILLE, LOUISIANA

LOCATION OVERVIEW



Leesville is a city in, and the parish seat of, Vernon Parish, Louisiana. The city has a total area of 5.49 square miles. It is part of the Fort Polk South Micropolitan Statistical Area and is additionally served by the Leesville Airport. Located in an otherwise rural area, Leesville sees a high volume of traffic as parish residents travel here on a weekly or daily basis to take advantage of medical, shopping, dining, and employment opportunities. The city is home to the Fort Polk U.S. Army installation and the Joint Readiness Training Center, which boasts a major economic impact on the region and, at any given time, has a significant population of its own of active duty soldiers, dependents, civilian employees, and military retirees and their families.

Vernon Parish School Board is a school district headquartered in Leesville. The district serves all of Vernon Parish. It operates 10 schools in the city and 18 public schools total with an enrollment over 10,000 students.

Byrd Regional Hospital in Leesville has been serving the needs of West Central Louisiana for over 55 years. This modern, state-of-the-art hospital has a full range of services; a 60-bed facility with emergency, diagnostics, cardiac care, inpatient and outpatient care, medical and surgical care, and women's services. The hospital has 35 doctors and a full team of healthcare professionals.

Fort Polk is a United States Army installation located in Vernon Parish, approximately ten miles east of Leesville. The post encompasses approximately 198,000 acres—100,000 acres are owned by the Department of the Army—98,125 acres by the U.S. Forest Service, mostly in the Kisatchie National Forest. Fort Polk is the only Combat Training Center that also trains and deploys combat units. Fort Polk is also the second largest employer in the state with a \$1.6 billion economic impact on Louisiana.



2019 DEMOGRAPHICS

	1-MI	3-MI	5-MI
TOTAL POPULATION	2,996	10,504	17,308
DAYTIME POPULATION	2,196	7,501	11,795
AVERAGE HOUSEHOLD INCOME	\$47,508	\$53,047	\$55,732

Fort Polk among top 5 largest economic impacts in state – responsible for \$1.6 billion of military spending

A 2018 Louisiana Economic Development study found that military spending in the state accounts for \$7.7 billion in annual economic output. **Fort Polk was responsible for an estimated \$1.6 billion of that total.**

The data was presented by Mike Reese, president of Fort Polk Progress, who spoke at the July meeting of the West Calcasieu Chamber of Commerce.

"Fort Polk, Barksdale Air Force Base and Naval Support Activity in New Orleans make up three of the top five largest economic impacts in the state of Louisiana, as well as the largest employers in the state," he said.

Reese said Fort Polk Progress is a regional organization that coordinates the efforts of local communities, the state and congressional delegates to support soldiers and their families stationed in Louisiana.

The organization conducts an impact study every two years to assess Fort Polk's contributions to the state's economy, he said.

"What we did not do, prior to 2015, was to treat Fort Polk and our other Department of Defense assets in the state like the business and industry they are," Reese said.

Fort Polk accounts for more than 14,000 state jobs and \$760 million in payroll. DoD-related output provides a total of more than 77,000 jobs and \$280 million in state and local taxes. Also, one out of every 25 jobs in the state are military — 53,000 direct jobs at military facilities and 24,000 indirect and induced jobs.

However, these major contributors to the state's economy are vulnerable to federal budget cuts.

Reese said the Budget Control Act and Sequestration will result in a cut of nearly \$100 billion to the Defense budget in January 2020.

Currently, the Democrats in both the House and Senate are requesting increases in defense and non-defense spending, and Senate Republicans are urging the White House to accept additional non-defense spending to avoid the one-year CR and Sequestration. Other factors in play include an increase in the debt ceiling and border wall funding.

If the budget reduction occurs, Reese said the first thing to be cut is training and the size of the U.S. Army. And that will have an immediate impact on the economy of the state.

Reese said Fort Polk offers "the most realistic, relevant training that the Army has anywhere in the world."

"It makes that worst day in combat defending our country somewhere around the world better than the worst day they received out at Fort Polk."

According to Reese about 8,000 soldiers come from all across the United States and encampments in Hawaii, Korea and around Europe monthly to train at the Joint Readiness Training Center.

Joint troops from other countries train there as well and around 4,000 citizens offer support as role players in combat scenarios. Reese said there are mock villages and subterranean training and the Air Force is involved in close air support combat.

There are also external concerns that must be addressed to keep Fort Polk and the JRTC running smoothly, he said. Fort Polk has facilities throughout Vernon Parish, making the use of state highways a necessity.

"A lot of those state highways are substandard — two lanes, no shoulders, no fog line, narrow bridges supported by wooden timbers," Reese said.

He said those flaws hinder efforts to recruit new mission growth.

"The federal government, prior to now, could not spend money outside the installation on a state highway and the state government can't come on the installation and spend money on federally-owned property," he continued.

To get the infrastructure up to standard, two years ago the FPP worked with other states and Louisiana's congressional delegation to create the Defense Community Infrastructure Program.

"It was a grant pool of funds at the federal level that made it possible for defense communities to apply for grants to repair state roads that had some type of military impetus — in this case connecting our military training grounds," said Reese.

About \$30 million has now been appropriated for the DCIP nationwide. Currently there are four grant requests pending for Fort Polk, totaling around \$40 million for overpass and underpass construction, and the stabilization, widening and shoulder improvements along state highways.

"We're very confident we'll be able to secure at least six to eight million," said Reese.

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