



ACTUAL SITE

KFC

**503 EAST EDINBURG AVENUE
ELSA, TEXAS 78543**

**OFFERING
MEMORANDUM**

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In Association with Texas Licensed Broker:
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CIA
commercial
investment
advisors

INVESTMENT OVERVIEW

KFC
ELSA, TEXAS

NAME	KFC
LOCATION	503 East Edinburg Avenue Elsa, Texas 78543
MAJOR CROSS STREETS	On E Edinburg Ave, East of Broadway St
TENANT	FQSR, LLC dba. KBP FOODS
PURCHASE PRICE	\$1,638,000
CAP RATE	5.25%
ANNUAL RENT	\$86,000
GROSS LEASEABLE AREA	±2,150 SF
RENTAL ESCALATIONS	7% every 5 Years
LEASE TYPE	Absolute NNN
OWNERSHIP	(Building & Land) Fee Simple
YEAR BUILT	2019
LOT SIZE	±0.62 Acre
LEASE EXPIRATION	December 31, 2039
OPTIONS	Two 5-Year Renewal Options

POINTS OF INTEREST

RETAIL | SHOPPING

Nearby retailers include Walmart Supercenter, H-E-B Grocery, Dollar General, Dollar Tree, True Value, AutoZone, O'Reilly Auto Parts, Advance Auto Parts, NAPA Auto Parts, CVS Pharmacy, T-Mobile, etc.

HIGHER EDUCATION

Less than 12 miles from University of Texas Rio Grande Valley – Edinburg Campus (a public research university with multiple campuses throughout the Rio Grande Valley region offering over 120 programs at the bachelor's, master's, and doctoral levels with total enrollment of 29,113 in all locations)

HEALTH CARE

Less than 15 miles from Edinburg Regional Medical Center (an acute care hospital with a 4-story patient tower, licensed to operate 127 beds on floors designated for medical, telemetry and surgery)

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 **739+ Locations in 23 States** (18% of Locations in U.S. System) and will Generate Sales in Excess of \$825 Million in 2020 (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 2019

STRONG SALES PERFORMANCE: Sales are Currently Tracking to Hit an Attractive 5.84% Rent to Sales Ratio! (If Annualized)

TRAFFIC COUNTS: Great Drive-By Visibility on E Edinburg Ave (Across the Street from H-E-B Grocery Anchored Center) where Traffic Counts Exceed 13,440 CPD!

2019 DEMOGRAPHICS (5-MI): Total Population: 35,989 | Average Household Income: \$42,742 | **Population Growth 2010-2019 (1-MI): 15.26%**



FINANCIAL ANALYSIS

KFC
ELSA, TEXAS

SUMMARY

TENANT	FQSR, LLC dba. KBP Foods	LOT SIZE	±0.62 Acre
PURCHASE PRICE	\$1,638,000	EXPENSE REIMBURSEMENT	This is an Absolute NNN lease . Tenant is responsible for all expenses.
CAP RATE	5.25%	FINANCING	All Cash or Buyer to obtain new financing at Close of Escrow.
GROSS LEASABLE AREA	2,150 SF		
YEAR BUILT	2019		

RENT ROLL

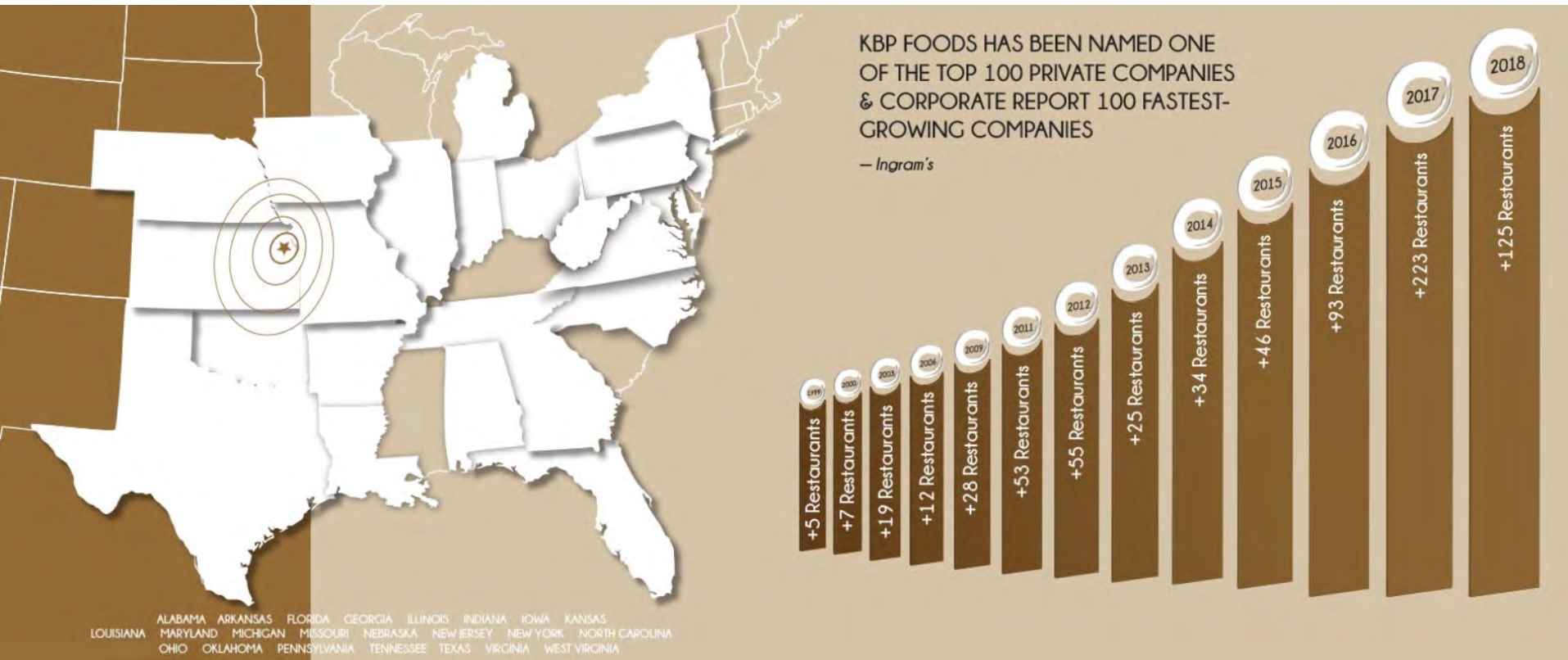
TENANT INFO		LEASE TERMS		RENT SUMMARY		
TENANT NAME	SQ FT	TERM		INCREASE	RENT	ANNUAL INVESTOR RETURN
FQSR, LLC dba. KBP Foods	2,150	Years 1-5: 01/01/20 to 12/31/24		Current	\$86,000	5.25%
		Years 6-10: 01/01/25 to 12/31/29		7%	\$92,020	5.62%
		Years 11-15: 01/01/30 to 12/31/34		7%	\$98,461	6.01%
		Years 16-20: 01/01/35 to 12/31/39		7%	\$105,354	6.43%
RENEWAL OPTIONS		1 st Option: 01/01/40 to 12/31/44		7%	\$112,728	
		2 nd Option: 01/01/45 to 12/31/49		7%	\$120,619	

TENANT OVERVIEW

KFC
ELSA, TEXAS



KBP Foods* operates **739+ 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/>


*** Tenant on lease is FQSR, LLC and encompasses all KFC restaurant locations.**




STORY OF KBP FOODS

AERIAL



 **CARLOS F TRUAN
JUNIOR HIGH SCHOOL**
717 STUDENTS

 **EDCOUCH-ELSA
HIGH SCHOOL**
1,430 STUDENTS

 **JORGE R GUTIERREZ
EARLY CHILDHOOD CTR**
819 STUDENTS



Jackson Hewitt
TAX SERVICE

WHATABURGER

CVS

Auto Zone

O'Reilly
AUTO PARTS

Jack
in the box

STARS
Drive-In

U-HAUL

Pizza Hut

ELSA

E EDINBURG AVE 13,449 CPD

metro
by T-Mobile




Church's
CHICKEN

Advance
Auto Parts


**UNITED STATES
POSTAL SERVICE**

DOLLAR GENERAL

 **LYNDON B JOHNSON
ELEMENTARY**
516 STUDENTS


H-E-B

T-Mobile **Domino's
Pizza**

 **RUBEN C RODRIGUEZ
ELEMENTARY**
429 STUDENTS

Walmart

**MURPHY
USA**

 **IDEA ELSA
(GRADES PRE-K TO 3
AND 6 TO 8)**
516 STUDENTS

NAPA

**DOLLAR
TREE**

**CASA
MESSINA**
76 UNITS

KFC | ELSA, TEXAS

AERIAL CITY VIEW



KFC | ELSA, TEXAS

AERIAL METROPOLITAN VIEW



The University of Texas
Rio Grande Valley

A PUBLIC RESEARCH UNIVERSITY WITH MULTIPLE CAMPUSES THROUGHOUT THE RIO GRANDE VALLEY REGION OFFERING OVER 120 PROGRAMS AT THE MASTER'S, BACHELOR'S, AND DOCTORAL LEVELS WITH TOTAL ENROLLMENT OF 29,113 IN ALL LOCATIONS



ELSA

EDINBURG



A 4-STORY PATIENT TOWER, ACUTE CARE HOSPITAL, LICENSED TO OPERATE 127 BEDS ON FLOORS DESIGNATED FOR MEDICAL, TELEMETRY AND SURGERY

MCALLEN

KFC | ELSA, TEXAS

LOCATION OVERVIEW

KFC
ELSA, TEXAS




Elsa is a city in Hidalgo County, Texas. The population was 7,107 at the 2018 census. It is part of the McAllen-Edinburg-Mission and Reynosa-McAllen metropolitan areas. It is 9 miles north of Weslaco and 11 miles east of Edinburg on State Highway 107 and FM 88. It is bordered to the east by the city of Edcouch and to the west by the unincorporated community of La Blanca.

The University of Texas Rio Grande Valley (UTRGV) (less than 12 miles from the subject property) is a public research university with multiple campuses in the Rio Grande Valley. It is part of the University of Texas System. The university has a new medical school. UTRGV is one of the largest universities in the U.S. to have a majority Hispanic student population; 89.2%. The university's property totals 550 acres and has 105 buildings. UTRGV offers 64 bachelor's, 49 master's and 4 doctoral programs with total enrollment of 29,113 (Fall 2019). The University of Texas Rio Grande Valley is the fourth-best university in Texas, according to the BestColleges.com.

Edinburg Regional Medical Center (less than 15 miles from the subject property) is an acute care hospital that is constantly evolving to meet a growing regions need for quality healthcare by combining advanced technologies with concern for patient care and comfort. The four-story patient tower is licensed to operate 127 beds on floors designated for medical, telemetry and surgery. The hospital is fully equipped and technologically advanced, yet small enough to give you the individual attention you need. The hospital campus includes a Support Services Center and medical offices in Edinburg Regional Medical Plaza I.

Edinburg ISD is one of the largest employers in the area, providing jobs to over 3,600 people. The Edinburg CISD provides strong academic, fine arts, and athletic programs to over 34,500 students at 31 elementary schools, 6 middle schools and 4 high schools. They serve a school community rich in culture and tradition where a high-quality education is emphasized for all.

	2019 DEMOGRAPHICS		
	1-MI	3-MI	5-MI
TOTAL POPULATION	5,958	19,330	35,989
POPULATION GROWTH 2010-2019	15.26%	6.19%	1.85%
DAYTIME POPULATION	4,111	13,340	24,799
HOUSEHOLD GROWTH 2010-2019	14.95%	7.01%	2.26%
AVERAGE HOUSEHOLD INCOME	\$40,228	\$40,586	\$42,742

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