

KFC ABSOLUTE NNN GROUND LEASE



VENTURE INVESTMENT SALES
OFFERING MEMORANDUM

 **VENTURE**
INVESTMENT SALES

KFC ABSOLUTE NNN GROUND LEASE

5900 S. COOPER ST., ARLINGTON, TX 76017



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EXECUTIVE SUMMARY

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INVESTMENT OVERVIEW

// KFC ABSOLUTE NNN GROUND LEASE

THIS FREESTANDING 3,000 SQUARE FOOT KENTUCKY FRIED CHICKEN RESTAURANT BUILDING IS SITUATED ON 27,660 SQUARE FEET OF LAND AND HAS JUST UNDER FIVE YEARS REMAINING ON THE CURRENT LEASE PERIOD WITH THREE OPTIONS REMAINING ON THE LEASE. THE BUILDING WAS CONSTRUCTED IN 1999 AND RENOVATED IN 2015 AT THE TENANT'S EXPENSE AND IS OPERATED BY ONE OF THE LARGEST KFC FRANCHISEES IN THE COUNTRY WITH OVER 390 STORES. THE SITE IS LOCATED ON THE NWC OF S. COOPER STREET AND W. SUBLETT ROAD IN THE DENSELY ESTABLISHED TRADE AREA OF SOUTH ARLINGTON, TEXAS AND IS ANCHORED BY A 53,000 SQUARE FOOT ALBERTSONS GROCERY STORE AND STEIN MART. THE PROPERTY IS LOCATED 1.7 MILES SOUTH OF THE INTERSECTION OF I-20 AND S. COOPER STREET, WHICH HOLDS ARLINGTON'S LARGEST CONCENTRATION OF RETAIL WITH OVER SIX MILLION SQUARE FEET OF NATIONAL AND LOCAL TENANTS. THIS KFC IS CENTRALLY LOCATED WITHIN THE DALLAS-FORT WORTH TRADE AREA APPROXIMATELY 13 MILES EAST FROM DOWNTOWN FORT WORTH AND APPROXIMATELY 20 MILES WEST FROM DOWNTOWN DALLAS. ARLINGTON, TX IS THE SEVENTH MOST POPULATED CITY IN TEXAS WITH A POPULATION OF 398,112 PEOPLE.

THE DALLAS-FORT WORTH METROPLEX IS THE LARGEST METROPOLITAN AREA IN TEXAS, THE LARGEST IN THE SOUTH, AND FOURTH-LARGEST IN THE U.S. WITH A POPULATION OF 7,539,711, ACCORDING TO THE NEW 2019 U.S. CENSUS POPULATION ESTIMATE. OVERALL, DFW IS THE 11TH LARGEST METRO ECONOMY IN THE WORLD AND HAS A GROSS METRO PRODUCT EXCEEDING \$535 BILLION ACCORDING TO THE BUREAU OF ECONOMIC ANALYSIS. AS A RESULT, THE METROPLEX BENEFITS FROM THE 24 FORTUNE 500 COMPANY HEADQUARTERS AND THE 43 FORTUNE 1000 HEADQUARTERS LOCATED THROUGHOUT DFW. ARLINGTON'S ROBUST ECONOMY CAN PRIMARILY BE ATTRIBUTED TO ITS ECONOMIC DIVERSITY WITH INDUSTRIES RANGING FROM EDUCATION, MANUFACTURING, RETAIL, ENTERTAINMENT, AND HEALTH CARE. THE CITY IS HOME TO THE UNIVERSITY OF TEXAS AT ARLINGTON (42,496 STUDENTS), GENERAL MOTORS, THE PARKS MALL AT ARLINGTON, THE DALLAS COWBOYS, THE TEXAS RANGERS, SIX FLAGS OVER TEXAS AMUSEMENT PARK, AND TEXAS HEALTH RESOURCES.

THIS KENTUCKY FRIED CHICKEN SITE AT S. COOPER STREET AND W. SUBLETT ROAD LIES IN THE PATH OF RESIDENTIAL GROWTH AT A STRONG DAILY NEEDS INTERSECTION. THE SITE BENEFITS FROM A DENSE POPULATION OF OVER 115,000 PEOPLE WITH AVERAGE HOUSEHOLD INCOMES IN EXCESS OF \$99,000 IN A THREE-MILE RADIUS. THIS KFC HAS 20 YEARS OF OPERATIONAL HISTORY WITH ONE OF THE LARGEST FRANCHISEES IN THE NATION WHO HAS MADE A SUBSTANTIAL REINVESTMENT INTO THE PROPERTY WITHIN RECENT YEARS. THE PROPERTY HAS STRONG STREET EXPOSURE AND BENEFITS FROM A COMBINED TRAFFIC COUNT OF OVER 70,000 VEHICLES PER DAY AT THE INTERSECTION. PROXIMITY TO THE SUPER-REGIONAL RETAIL CORRIDOR COMBINED WITH THE DAILY NEEDS DRAW OF A GROCERY-ANCHORED SHOPPING CENTER ENSURES THE LONG-TERM SUCCESS OF THIS ASSET.

INVESTMENT HIGHLIGHTS

- ABSOLUTE NNN GROUND LEASE
- LIMITED LANDLORD RESPONSIBILITIES
- ONE OF THE LARGEST FRANCHISEES IN THE COUNTRY WITH OVER 390 LOCATIONS
- LONG OPERATING HISTORY
- TENANT COMPLETED A MAJOR REMODEL IN 2015
- TRAFFIC COUNTS EXCEED 53,000 ON S. COOPER STREET IN FRONT OF THE SITE
- OVER 115,000 PEOPLE IN A THREE-MILE RADIUS
- AVERAGE HOUSEHOLD INCOMES EXCEED \$99,000 IN A THREE-MILE RADIUS
- TENANT EXERCISED A FIVE-YEAR RENEWAL EFFECTIVE 11/1/2019
- THREE (3) FIVE YEAR (5) OPTIONS AT STATED 10% INCREASES



PROPERTY PROFILE

PURCHASE PRICE

\$ 1,522,664

IN-PLACE NOI

\$ 95,166

CAP RATE

6.25 %

TOTAL SF

± 3,000 SF

YEAR BUILT / REMODELED

1999 / 2015

LAND SIZE

± 0.635 AC

SNAPSHOT DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
POPULATION (EST. 2019)	19,502	115,251	308,472
AVERAGE HOUSEHOLD INCOME	\$92,756	\$99,374	\$93,062
TOTAL EMPLOYEES	2,860	34,723	83,059

TRAFFIC COUNTS

S. COOPER STREET	53,402 VPD (2018)
W. SUBLETT ROAD	16,771 VPD (2018)
TOTAL	70,173 VPD (2018)

LEASE ABSTRACT



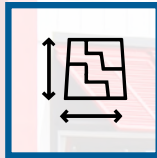
LEASE COMMENCEMENT / EXPIRATION

NOVEMBER 1, 1999 / OCTOBER 31, 2024



CURRENT TERM

11/1/2019 - 10/31/2024 \$ 95,166 / YR [FIRST OPTION]

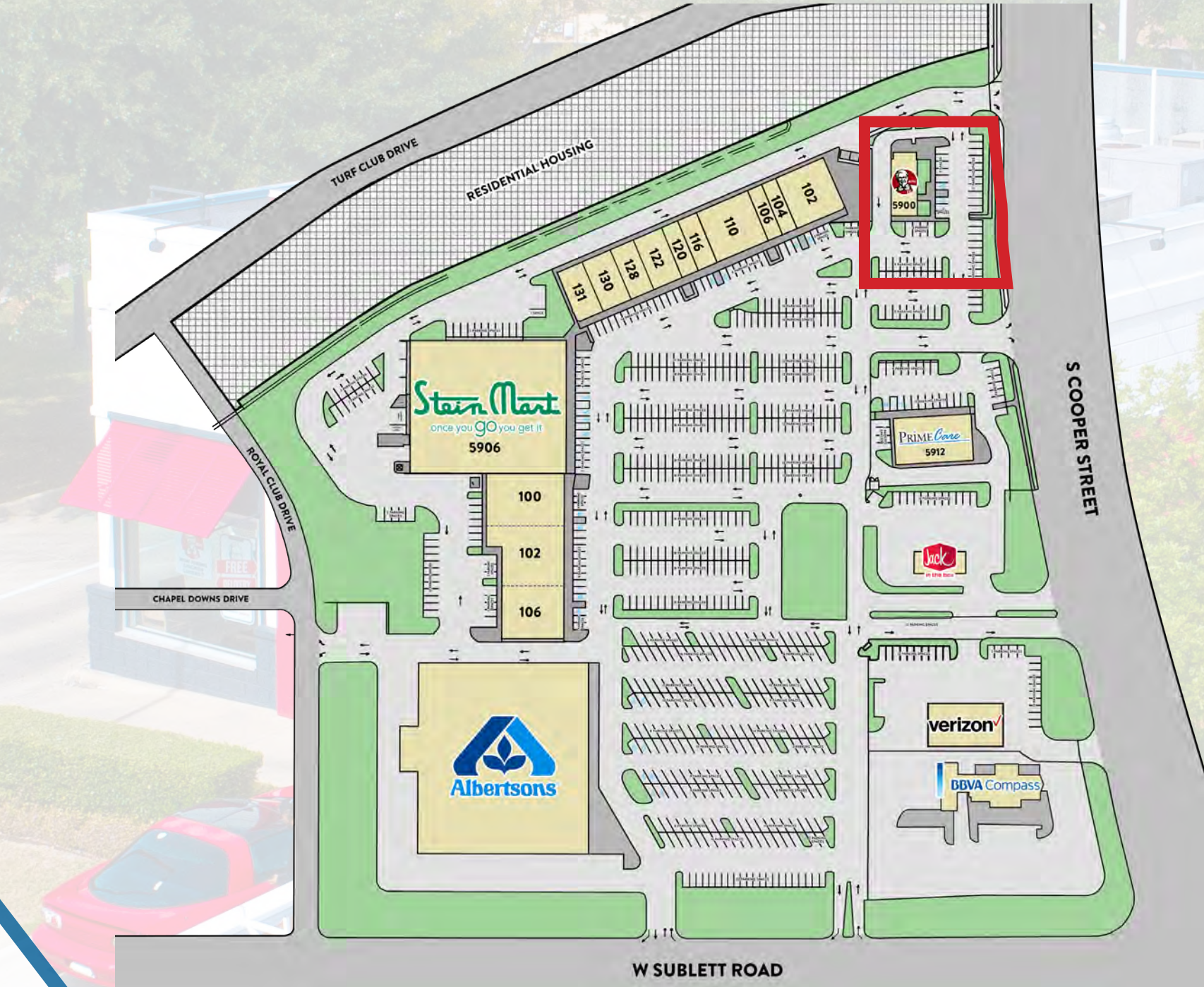


OPTIONS

REMAINING 5-YEAR OPTIONS

11/1/2024 - 10/31/2029	\$ 104,683 / YR
11/1/2029 - 10/31/2034	\$ 115,152 / YR
11/1/2034 - 10/31/2039	\$ 126,667 / YR

SITE PLAN



TENANT OVERVIEW

KFC CORPORATION, BASED IN LOUISVILLE, KENTUCKY, IS ONE OF THE FEW BRANDS IN AMERICA THAT CAN BOAST A RICH, DECADES-LONG HISTORY OF SUCCESS AND INNOVATION. IT ALL STARTED WITH ONE COOK WHO CREATED A SOON-TO-BE WORLD-FAMOUS RECIPE MORE THAN 70 YEARS AGO. ACCORDING TO QSR MAGAZINE, THE COMPANY OPENED 372 NEW RESTAURANTS IN 46 COUNTRIES DURING Q1 2019, BRINGING ITS GLOBAL FOOTPRINT TO 22,886 LOCATIONS IN MORE THAN 135 COUNTRIES (4,062 IN THE U.S.) WITH 6 PERCENT NET NEW UNIT GROWTH. DURING THE SAME QUARTER, KFC REPORTED SYSTEM-WIDE SAME-STORE SALES GROWTH OF 5 PERCENT, YEAR-OVER-YEAR, BUILDING OFF 2018'S 2 PERCENT RISE.

KFC IS A PART OF YUM! BRANDS, INC. ("YUM!"), THE PARENT COMPANY FOR ICONIC RESTAURANT BRANDS - KFC, TACO BELL AND PIZZA HUT – WITH OVER 48,000 RESTAURANTS IN MORE THAN 145 COUNTRIES AND TERRITORIES WORLDWIDE. YUM! IS PUBLICLY TRADED ON THE NEW YORK STOCK EXCHANGE (TICKER: YUM) WITH A MARKET CAPITALIZATION IN EXCESS OF \$33 BILLION AS OF OCTOBER 23, 2019.

THIS KFC IS OWNED AND OPERATED BY LONG-TIME FRANCHISEE TABBASSUM MUMTAZ. UNDER HIS COMPANY AMPEX BRANDS, MUMTAZ OWNS AND OPERATES 190 KFC'S, AND 111 PIZZA HUT RESTAURANTS. OTHER BRANDS IN THE "MEGA" FRANCHISEE'S PORTFOLIO INCLUDE TIM HORTON'S, LONG JOHN SILVER'S, PIZZA HUT, TACO BELL, AND MULTIPLE MULTI-BRANDED STORES. IN 2019, FRANCHISING.COM RANKED AMPEX BRANDS #17 IN THEIR LIST OF THE COUNTRY'S TOP 99 LARGEST MULTI-UNIT FRANCHISEE ORGANIZATIONS BASED ON ITS TOTAL UNIT COUNT OF 391 RESTAURANTS IN THE COMPANY'S PORTFOLIO.



TENANT OVERVIEW

HEADQUARTERED IN
LOUISVILLE, KY

FOUNDED IN
1930
ACQUIRED BY
PEPSICO IN
1986

DECADES LONG HISTORY OF
SUCCESS WITH MORE THAN
70 YEARS
YEARS IN OPERATION

74

LOCATIONS IN
THE DALLAS-FORT
WORTH AREA

207

KFC LOCATIONS
IN TEXAS

4200

KFC LOCATIONS IN
THE UNITES STATES

PROPERTY OVERVIEW

// LOCATION MAP

// AERIALS

// PHOTOS

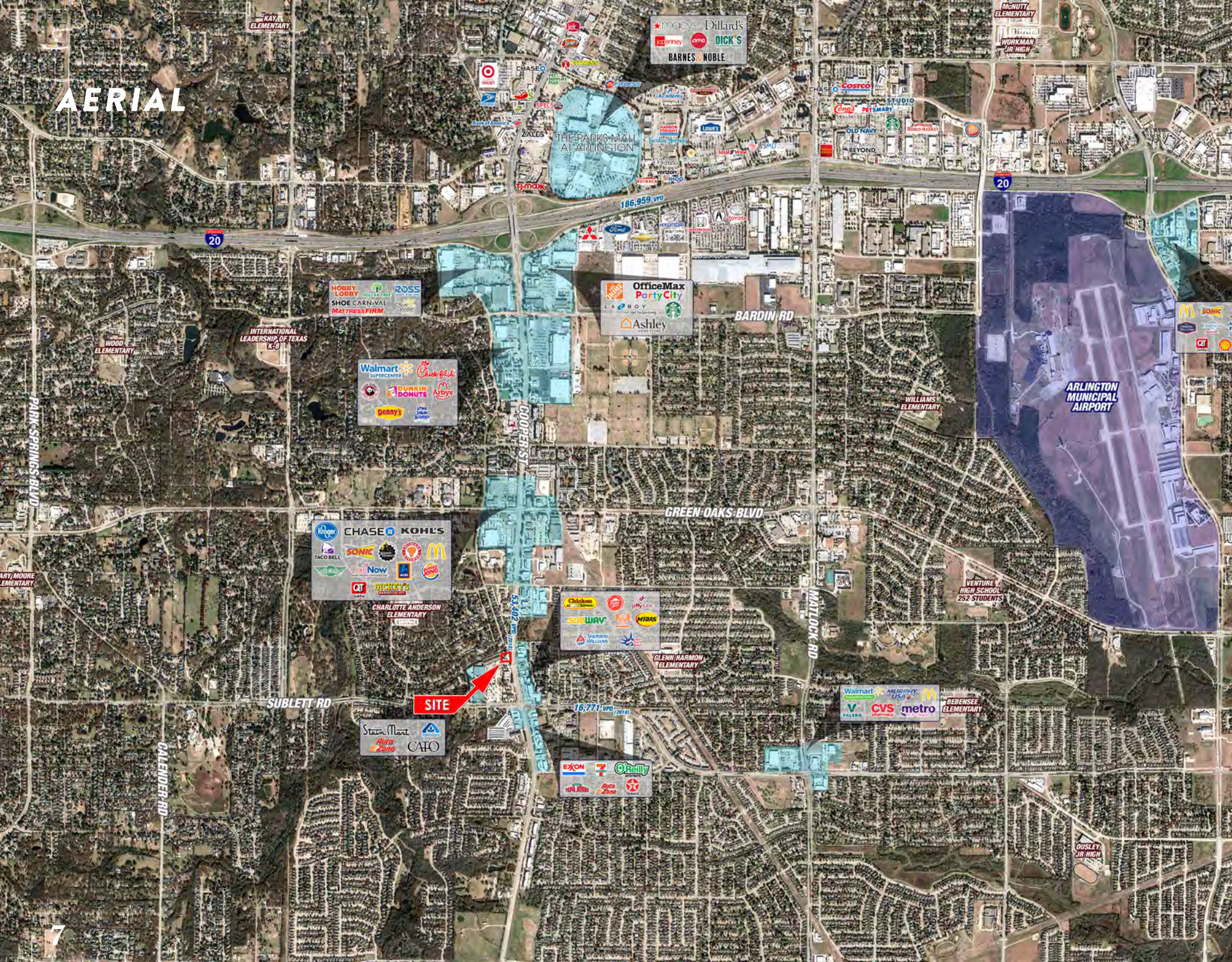
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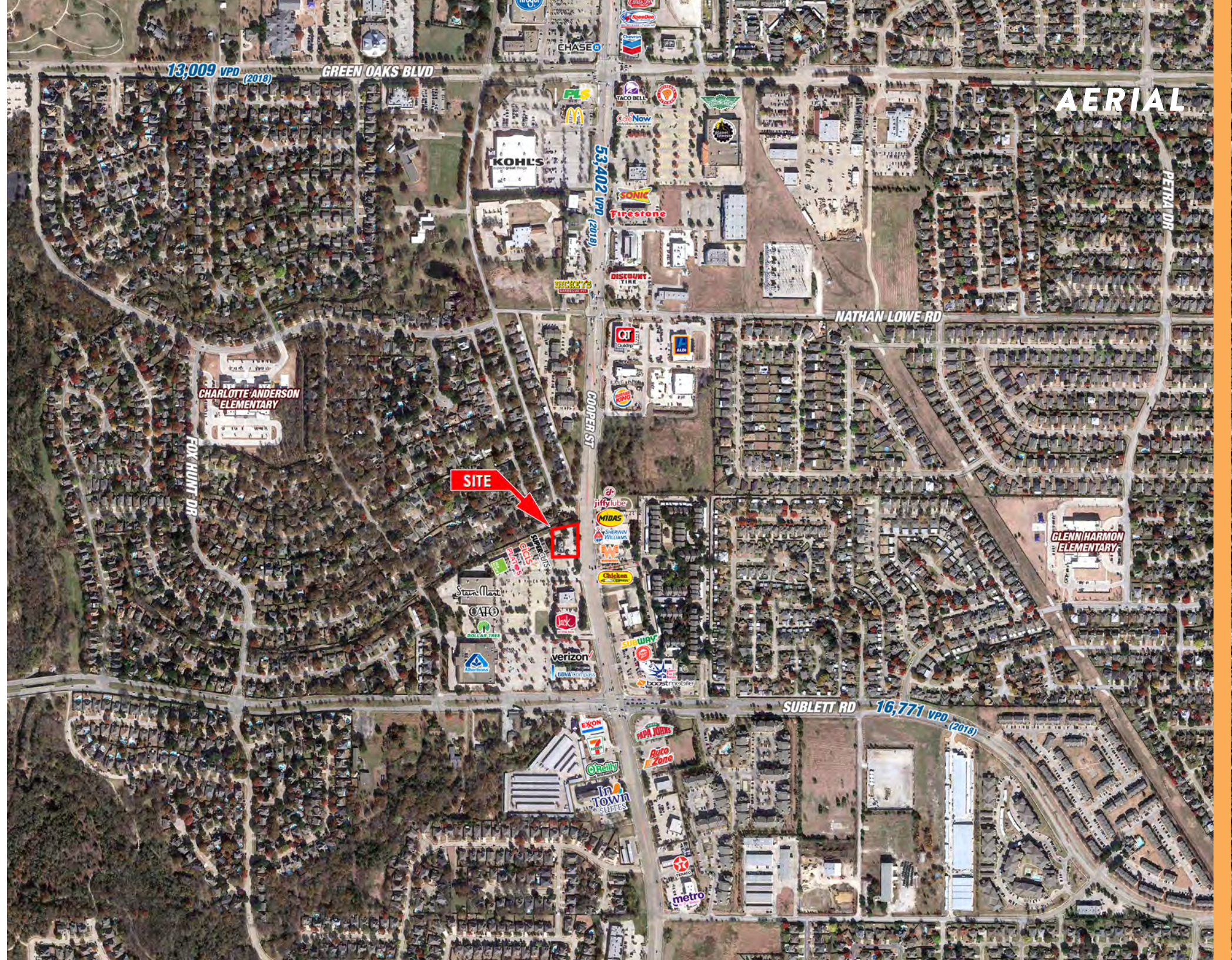
LOCATION MAP



AERIAL



AERIAL



PHOTOS



PHOTOS



PHOTOS



KFC ABSOLUTE NNN
GROUND LEASE
ARLINGTON, TEXAS

TRADE AREA OVERVIEW

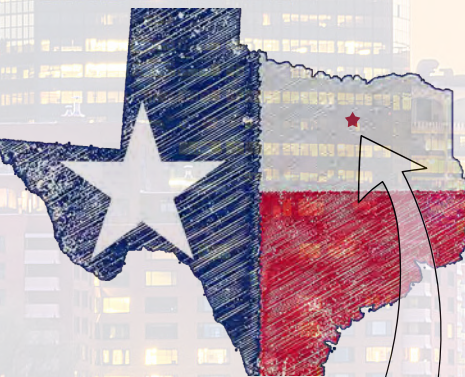
// DFW AREA OVERVIEW
// DEMOGRAPHIC OVERVIEW

ACCESSIBILITY



DFW IS THE BUSIEST AIRPORT IN TEXAS, THE **FOURTH** BUSIEST AIRPORT IN THE U.S., AND THE **15TH** BUSIEST AIRPORT IN THE WORLD SERVING OVER **69 MILLION** PASSENGERS IN 2018.

190 DOMESTIC DESTINATIONS
63 INTERNATIONAL DESTINATIONS
200+ NON-STOP DESTINATIONS
23 PASSENGER AIRLINES
22 CARGO AIRLINES
164 GATES
5 TERMINALS



DFW METRO AREA IS HOME TO **7,539,711** PEOPLE MAKING IT THE **LARGEST** METRO AREA IN TEXAS AND THE **4TH LARGEST** IN THE US

OVER 200 PEOPLE MOVE TO DALLAS-FORT WORTH METRO AREA EVERY DAY.

U.S. OR NORTH AMERICAN HEADQUARTERS FOR LEADING GLOBAL COMPANIES INCLUDING **7-ELEVEN, ERICSSON, BLACKBERRY LTD., TOYOTA, ESSILOR USA, AT&T, AMERICAN AIRLINES, SOUTHWEST AIRLINES, TEXAS INSTRUMENTS & MANY MORE.**

DALLAS HAS THE **4TH LARGEST** GMP IN THE U.S.. AND APPROX. **11TH LARGEST** GROSS DOMESTIC PRODUCT IN THE WORLD.

ONE / THIRD OF ALL TEXANS LIVE IN DFW

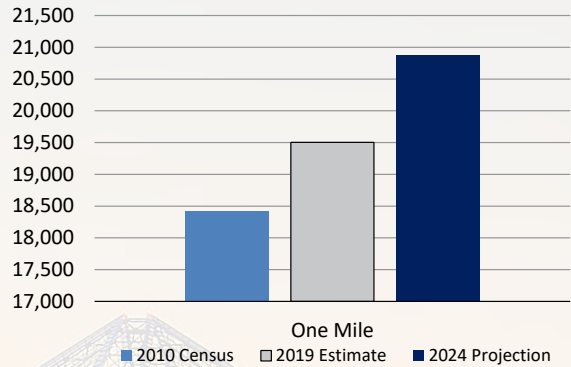
BUSINESS & ECONOMIC GROWTH

24 FORTUNE 500 COMPANY HEADQUARTERS
43 FORTUNE 1000 COMPANY HEADQUARTERS
#1 FOR NEW JOB OPPORTUNITIES

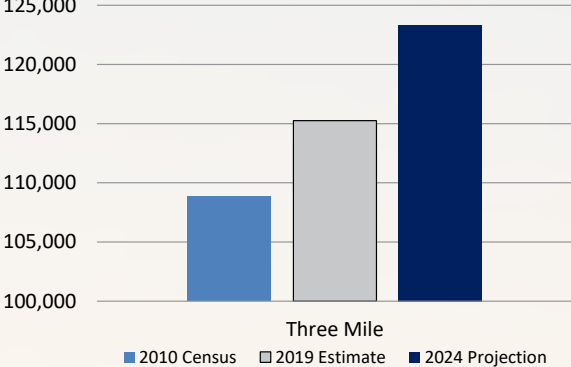
DALLAS-FORT WORTH HAS THE **HIGHEST CONCENTRATION** OF CORPORATE HEADQUARTERS WITH MORE THAN **10,000 BUSINESSES** CALLING DFW HOME
4TH LARGEST WORKFORCE IN THE U.S. ADDING **122,000** JOBS FROM MAY 2017 TO MAY 2018.



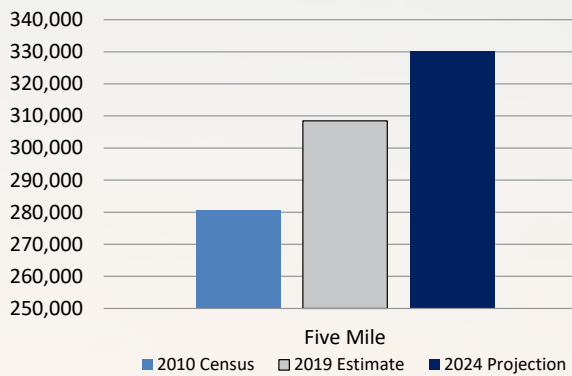
One Mile Population



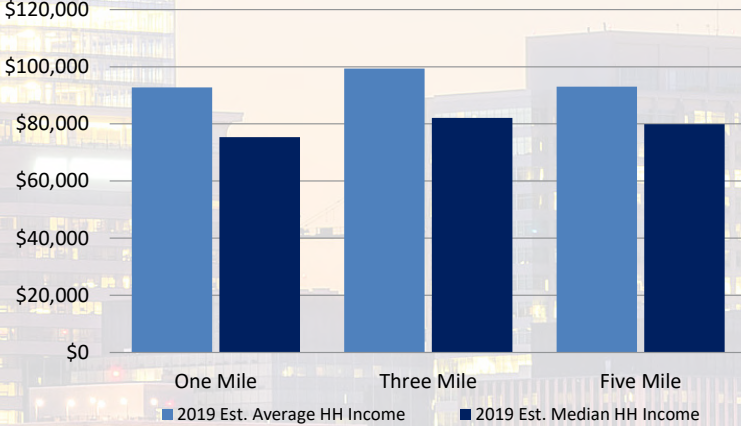
Three Mile Population



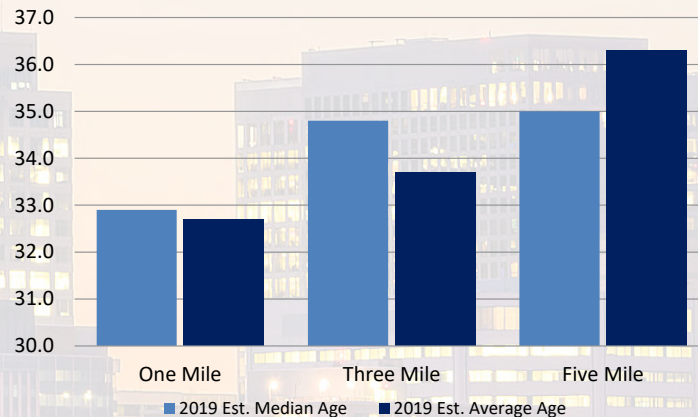
Five Mile Population



Income



Population Age



POPULATION DATA

	One Mile	Three Mile	Five Mile
2010 Census	18,414	108,844	280,614
2019 Estimate	19,502	115,251	308,472
2024 Projection	20,879	123,321	330,338

INCOME DATA

	One Mile	Three Mile	Five Mile
2019 Est. Average HH Income	\$92,756	\$99,374	\$93,062
2019 Est. Median HH Income	\$75,367	\$82,101	\$79,916

MEDIAN AGE

	One Mile	Three Mile	Five Mile
2019 Est. Median Age	32.9	34.8	35.0
2019 Est. Average Age	32.7	33.7	36.3

TRAFFIC COUNTS

S. Cooper Street	53,402 VPD (2018)
W. Sublett Road	16,771 VPD (2018)
Total	70,173 VPD (2018)

LET'S TALK

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DISCLAIMER

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