



ACTUAL SITE

**KFC**  
4071 UNION ROAD  
MEHLVILLE (ST. LOUIS MSA), MISSOURI 63129

OFFERING  
MEMORANDUM

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# INVESTMENT OVERVIEW

KFC  
MEHLVILLE, MISSOURI  
(ST. LOUIS MSA)

NAME	KFC
LOCATION	4071 Union Road Mehlville, Missouri 63129
MAJOR CROSS STREETS	Union Rd, Just Off S Lindbergh Blvd
TENANT	FQSR, LLC dba. KBP FOODS
PURCHASE PRICE	\$1,448,000
CAP RATE	5.25%
ANNUAL RENT	\$76,000
GROSS LEASEABLE AREA	3,352 SF
RENTAL ESCALATIONS	7% every 5 Years
LEASE TYPE	Absolute NNN
OWNERSHIP	(Building & Land) Fee Simple
YEAR BUILT   REMODELED	1977   2017
LOT SIZE	±0.69 Acre
LEASE EXPIRATION	February 29, 2040
OPTIONS	Two 5-Year Renewal Options

## POINTS OF INTEREST

**RETAIL | SHOPPING:** Across the street from **South County Center** (Anchored by **Dillard's**, **Macy's** & **JCPenney** with 130 Retail Shops) ; nearby retailers include **Target**, **Costco Wholesale**, **Sam's Club**, **Home Depot**, **Hobby Lobby**, **Best Buy**, **Dick's Sporting Goods**, **ALDI**, **Schnucks**, **Marshalls**, **Tuesday Morning**, **Big Lots**, **Old Navy**, **ULTA Beauty**, **JOANN Fabrics**, **Michaels**, **PetSmart**, **Dollar Tree**, **Dollar General** **Ashley HomeStore**, **Slumberland Furniture**, **Club Fitness**

**HIGHER EDUCATION:** 13.5 miles from **Saint Louis University** (a private Roman Catholic research university offering 17 graduate & undergraduate programs with 12,853 students)

**HEALTH CARE:** 4 miles from **Mercy Hospital South** (the third largest hospital in the St. Louis metropolitan area with 767 beds)

## 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)

**SEASONED LOCATION | RECENT REMODEL:** Successfully Open & Operating for Decades with an Attractive 7.30% Rent to Sales Ratio – Recently Remodeled to KFC's Newest "American Showman" Prototype in 2017 – Showing Tenant's Commitment to the Location!

**DENSE RETAIL CORRIDOR/TRAFFIC COUNTS:** Across the Street from South County Center (Anchored by Dillard's, Macy's & JCPenney with 130 Retail Shops) with Excellent Visibility on Union Road, Just Off S Lindbergh Blvd where Traffic Counts Exceed 35,410 CPD!

**2019 DEMOGRAPHICS (5-MI):** Total Population: 196,669 | Average Household Income: \$81,094





# FINANCIAL ANALYSIS

## SUMMARY

TENANT	FQSR, LLC dba. KBP Foods	LOT SIZE	±0.69 Acre
PURCHASE PRICE	\$1,448,000	EXPENSE REIMBURSEMENT	This is an <b>Absolute NNN lease</b> . 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	3,352 SF		
YEAR BUILT   REMODELED	1977   2017		

## RENT ROLL

TENANT INFO		LEASE TERMS	RENT SUMMARY		
TENANT NAME	SQ FT	TERM	INCREASE	RENT	ANNUAL INVESTOR RETURN
FQSR, LLC dba. KBP Foods	3,352	Years 1-5: <b>02/24/20</b> to 02/28/25	Current	\$76,000	5.25%
		Years 6-10: 03/01/25 to 02/28/30	7%	\$81,320	5.62%
		Years 11-15: 03/01/30 to 02/28/35	7%	\$87,012	6.01%
		Years 16-20: 03/01/35 to <b>02/29/40</b>	7%	\$93,103	6.43%
RENEWAL OPTIONS		1 <sup>st</sup> Option: 03/01/40 to 02/28/45	7%	\$99,620	
		2 <sup>nd</sup> Option: 03/01/45 to 02/28/50	7%	\$106,594	

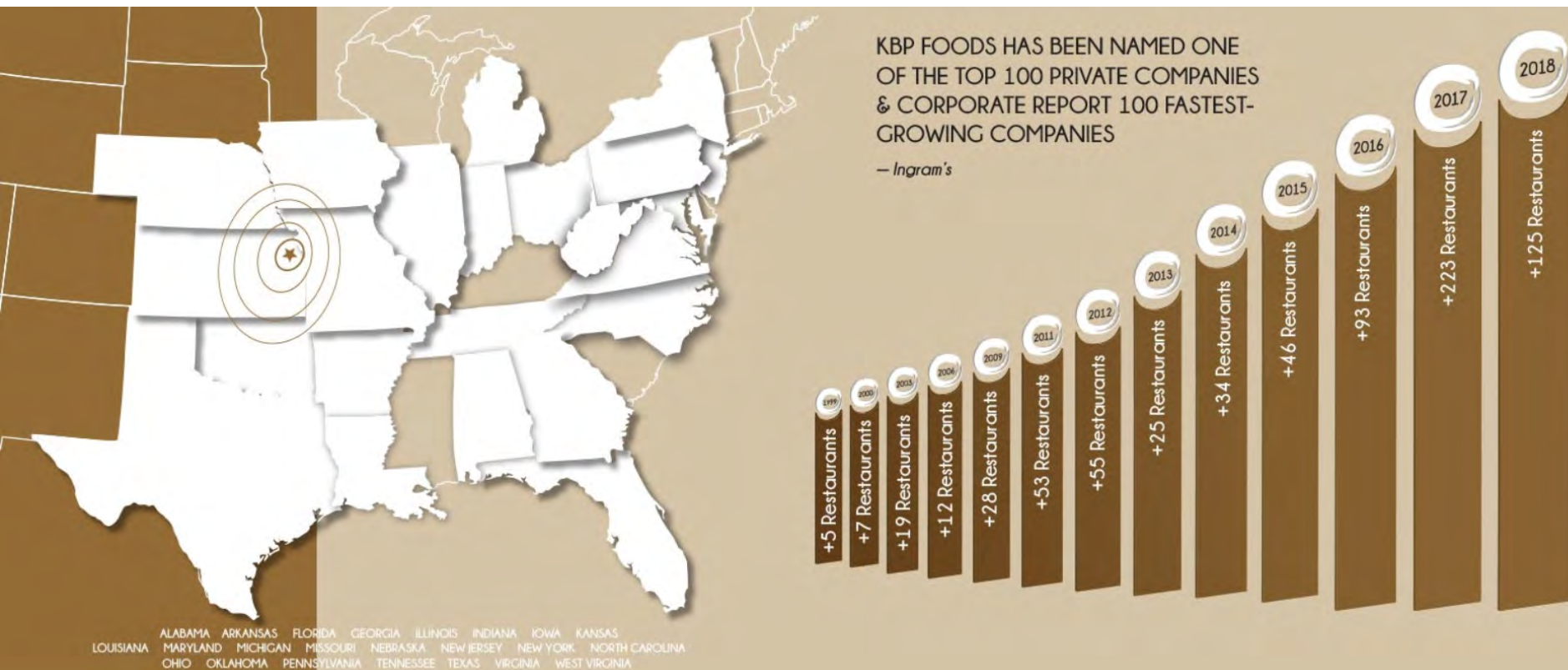


# TENANT OVERVIEW

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MEHLVILLE, MISSOURI  
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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.**





# SURVEY



LOT SIZE  
±0.69 Acre

GLA  
3,352 SF

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The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.



**FACING EAST**

**S LINDBERGH BLVD 25,016 CPD**

**UNION RD 10,399 CPD**

**Surrounding Retail:** Chrysler, Jeep, Dodge, RAM, Sears, Penn Station, Starbucks, Pier 1, Ford, OfficeMax, Chick-fil-A, IHop, CVS, McAlister's Deli, Aspen Dental, OfficeMax, Cricket, GameStop, NTE, Chuck E. Cheese's, the Vitamin Shoppe, Mattress Direct, Sprint.

**South County Center:** A 1 million SF shopping mall anchored by Dillard's, Macy's & JCPenney w/ 130 retail shops.

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**FACING EAST**

**S LINDBERGH BLVD 25,016 CPD**

**UNION RD 10,399 CPD**

**Surrounding Retail & Services:** Chrysler, Jeep, Dodge, RAM, Sears, Penn Station, Starbucks, Pier 1, Ford, OfficeMax, Chick-fil-A, IHop, CVS, McAlister's Deli, Aspen Dental, the Vitamin Shoppe, Mattress Direct, Sprint, KFC, Chuck E. Cheese's, NTE, GameStop, Cricket, Red Wing Shoes, Panera Bread.

**South County Center:** A 1 million SF shopping mall anchored by Dillard's, Macy's & JCPenney w/ 130 retail shops.

An aerial photograph of a commercial area in Mehlville, Missouri. A yellow dashed rectangle highlights a vacant lot with a building footprint, which is the subject of the KFC investment. Surrounding this lot are various retail and service businesses, including a large shopping mall (South County Center) with Dillard's, Macy's, and JCPenney. Other nearby businesses include CVS, IHOP, Chick-fil-A, OfficeMax, Ford, Starbucks, Pier 1, McAlister's Deli, Aspen Dental, Mattress Direct, and several car dealerships (Jeep, Dodge, Ram, Chrysler). A large blue banner across the top of the image reads 'FACING EAST'. A blue banner along the left side of the image indicates 'S LINDBERGH BLVD 25,016 CPD'. A blue banner along the bottom of the image indicates 'UNION RD 10,399 CPD'. A yellow callout box with the KFC logo points to the highlighted lot. The bottom of the image contains contact information for Justin Zahn and Justin Carlson, and a disclaimer from Commercial Investment Advisors, Inc. (CIA Brokerage Co.).



**FACING EAST**

**S LINDBERGH BLVD 25,016 CPD**

**UNION RD 10,399 CPD**

**Surrounding Retail:** Chrysler, Jeep, Dodge, RAM, Sears, Penn Station, Starbucks, Pier 1, Ford, OfficeMax, Chick-fil-A, IHop, CVS, McAlister's Deli, Aspen Dental, OfficeMax, Cricket, GameStop, NTE, Chuck E. Cheese's, the Vitamin Shoppe, Mattress Direct, Sprint.

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# FACING WEST



KFC | MEHLVILLE (ST. LOUIS MSA), MISSOURI



# FACING NORTH



Schnucks

Michaels



Nestlé PURINA.



Denny's

Bob Evans



I-55 127,348 CPD

MATTRESS FIRM

Holiday Inn  
AN IHG HOTEL

Marshalls

Tuesday Morning



Midwest BankCentre

S LINDBERGH BLVD 25,016 CPD

THE HONEY BAKED Ham

Hot Shots

JOANN



Sprint

World Finance

UNION RD  
10,399 CPD

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# FACING SOUTH



CHUCK E.  
CHEESE'S



Walgreens

DOLLAR  
TREE



BIG  
LOTS!

PET  
SMART

Public  
Storage

Great  
Clips

SOUTH COUNTY CENTER  
A 1 MILLION SF SHOPPING MALL  
ANCHORED BY DILLARDS,  
MACY'S & JCPENNEY W/ 130  
RETAIL SHOPS

DICK'S  
SPORTING GOODS

I-255 98,414 CPD



BUFFALO  
WILD  
WINGS

DOBBS  
TIRE & AUTO CENTERS

Edward Jones

UNION RD 10,399 CPD



Sprint

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# AERIAL



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# AERIAL METRO VIEW



KFC | MEHLVILLE (ST. LOUIS MSA), MISSOURI



# LOCATION OVERVIEW

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**Mehlville** is a census-designated place in south St. Louis County, Missouri. The city is in Greater St. Louis; a bi-state metropolitan area that surrounds and includes the independent city of St. Louis. It is bounded by the city of St. Louis and the Mississippi River to the east, the Missouri River to the north and the Meramec River to the south.

The school district for Mehlville is the **Mehlville School District**, which consists of one early childhood preschool program, ten elementary schools, four middle schools and two high schools; Mehlville High School and Oakville High School. The Mehlville School District has approximately 12,000 students currently enrolled. Located in south St. Louis County, the Mehlville School District encompasses all or part of the unincorporated communities of Mehlville, Oakville, Concord and Lemay.

Known since the early days as the “Gateway City” because of its access to transportation routes in all directions, St. Louis continues to be an important center of commerce and culture for the Mississippi River Basin. For years, the downtown area had few highlights outside of the landmark Gateway Arch and the restored Union Station. The St. Louis area is known for its parks, and the flagship is Forest Park; the 1,300-acre site of the 1904 World’s Fair, now the location of several high-quality museums. The diverse economy is led by such companies as Anheuser-Busch, McDonnell-Douglas (now a part of Boeing), Monsanto, and other manufacturing, distribution and service firms.

## TOP 5 EMPLOYERS IN ST. LOUIS (as of April 2019):

- 1) BJC Healthcare – 23,330 employees w/ \$5.30 billion 2018 revenue
- 2) Mercy – 14,845 employees w/ \$6.25 billion 2018 revenue
- 3) Washington University – 14,845 employees w/ \$3.54 billion revenue
- 4) Boeing Defense, Space & Security – 14,566 employees w/ \$101.13 billion revenue
- 5) SSM Health – 10,000 employees w/ \$7.55 billion revenue



## 2019 DEMOGRAPHICS

	1-MI	3-MI	5-MI
TOTAL POPULATION	11,527	91,200	196,669
DAYTIME POPULATION	11,017	89,549	192,414
AVERAGE HOUSEHOLD INCOME	\$70,200	\$78,455	\$81,094



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