



2400 GRASS VALLEY HWY | AUBURN, CA 95603

OFFERING MEMORANDUM

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OFFERING MEMORANDUM

EXECUTIVE OVERVIEW

| INVESTMENT HIGHLIGHTS

- **Absolute NNN Lease** – ZERO Landlord responsibilities – Ideal for 1031 Exchange
- **Incredible Visibility** – Property is located on Grass Valley Hwy, which benefits from approximately ±40,500 VPD
- **Modest Rent Level** – This restaurant benefits from a low rent of \$31.29 PSF. This price per square foot is in accordance with the rent increase scheduled to take place on 8/1/2021 (marketed rent).
- **Out Parcel to Major Regional Shopping Center** – Auburn Village Shopping center is a dominant grocery and drug anchored center. Built in 1990, the center totals 133,944 square feet and is anchored by a high-performing Bel Air Market (a Raley's concept) and CVS Pharmacy. Other major tenants include Goodwill, Dollar Tree, and Sunrise Foods
- **Affluent Sacramento Suburb** – The average Household income in a 1-mile radius of the subject property is \$95,279
- **COVID Resistant Concept** – Drive-Thru concepts have remained open during California's COVID-19 lockdowns and the tenant has not missed or deferred any rent payments this year
- **Long Operating History** – KFC has successfully operated at this location since 2006
- **World's Second Largest Restaurant Chain** – KFC has approximately 23,000 locations globally and is ranked second in total sales only trailing McDonald's
- Recent Business Acquisition by Seasoned Franchisee of Multiple Concepts
 - The current tenant, Venquest Investments and Properties LLC, acquired the subject properties business operations along with multiple other KFC locations in July of 2020
 - Venquest Group operates multiple brands including KFC, Burger King, Papa Johns, Fire&Brew, and Patra

CITY OF AUBURN

CITY DEPARTMENTS & RESOURCES



23

± 40,600 VPD



FINANCIAL OVERVIEW



\$1,709,539
LIST PRICE



5.45%
CAP RATE



\$93,169
NOI

BUILDING INFO

Address	2400 Grass Valley Hwy Auburn, CA 95603
Square Footage (GLA)	±2,978 SF
Lot Size (AC)	±0.57 AC
Year Built	1990
Drive Thru	Yes
Number of Stories	1

TENANT SUMMARY

Tenant Trade Name	KFC
Type of Ownership	Fee Simple
Tenant	Venquest Investments and Properties LLC
Lease Type	Absolute NNN
Roof and Structure	Tenant Responsible
Original Lease Term	20 Years
Lease Commencement Date	7/14/06
Lease Expiration Date	6/31/2026
Term Remaining	±5.8 Years
Rent Increases	10% Every 5 years
Options	Four (4) Five (5) Year
ROFR	Yes

ANNUALIZED OPERATING DATA

PERIOD	MONTHLY RENT	ANNUAL RENT	RENT PSF	CAP RATE
8/1/2016 - 7/31/2021	\$7,058.00	\$84,696.00	\$28.44	4.95%
8/1/2021 - 6/31/2026*	\$7,764.16	\$93,169.92	\$31.29	5.45%
Option 1	\$8,540.58	\$102,486.96	\$34.41	6.00%
Option 2	\$9,394.65	\$112,735.80	\$37.86	6.59%
Option 3	\$10,334.10	\$124,009.20	\$41.64	7.25%
Option 4	\$11,367.51	\$136,410.12	\$45.81	7.98%

*Pricing is based on rent increase scheduled to take place on 8/1/2021

** Seller to credit the difference in escrow



Please contact a Barrington Capital agent for financing options:

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TENANT OVERVIEW



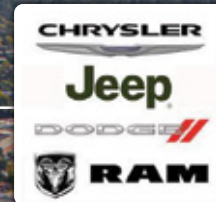
| KFC

» Company Name	» Year Founded	» Headquarters
KFC	1952	LOUISVILLE, KY
» Ownership	» Parent Company	» Website
PUBLIC	YUM! BRANDS	WWW.KFC.COM

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.



23

± 40,600 VPD







AREA OVERVIEW



AUBURN, CA

Auburn is a city in and the county seat of Placer County, California. Auburn is known for its California Gold Rush history, and is registered as a California Historical Landmark.

Auburn is part of the Sacramento metropolitan area and is home to the Auburn State Recreation Area, the site of a number of sporting endurance events. Events include the Western States Endurance Run; the Western States Trail Ride, also known as Tevis Cup Equestrian Ride; American River 50 Mile Endurance Run; American River 50 Mile Equestrian Ride; Way Too Cool 50 Kilometer Endurance Run; Auburn International Half Iron Triathlon; Auburn Century 100 Mile Bike Ride; Coolest 24 Hour Mountain Bike Race; Rio Del Lago 100 Mile Endurance Run; Sierra Nevada 50 Mile Endurance Run; and the Coolest Run: Ride & Tie.

DEMOGRAPHICS

POPULATION	1 Mile	3 Mile	5 Mile
2025 Projection	8,019	31,252	47,389
2020 Estimate	7,498	29,290	44,465
2010 Census	6,714	26,679	40,825
Growth 2020-2025	1.4%	1.3%	1.3%
Growth 2010-2020	1.2%	1.0%	0.9%
HOUSEHOLD	1 Mile	3 Mile	5 Mile
2025 Projection	3,083	12,659	19,040
2020 Estimate	2,881	11,867	17,871
2010 Census	2,570	10,822	16,447
Growth 2020 - 2025	1.4%	1.3%	1.3%
Growth 2010 - 2020	0.8%	0.6%	0.6%
INCOME	1 Mile	3 Mile	5 Mile
2020 Est. Average Household Income	\$83,274	\$85,006	\$96,307



SACRAMENTO, CA

As the capital of the world's 6th largest economy, Sacramento is undergoing a transition, with technological and cultural developments breathing new life into the city. Sacramento is seeing a growth in population, especially young professionals who are drawn to the reasonable cost of living, abundant sunshine and ethnic diversity. Sacramento beckons many visitors as well, due to its strategic location at the heart of the Central Valley, the metro area is at the forefront of the farm-to-fork movement. Resident have access to an abundance of fresh, locally sourced foods from nearby farms, wineries and breweries.

ECONOMY

Sacramento has experienced economic growth in the last ten years. Unemployment has fallen below 6 percent and job growth is very evident in industries like technology, construction and healthcare. Healthcare is a major industry and Sutter Memorial Hospital and UC Davis Medical center employ a large number of residents. The government continues to be the region's largest employer and continues to remain stable. Sacramento's economy has been fueled by recent job growth in leisure and hospitality, which saw a 12 percent increase in 2016 compared to 2015. This growth in tourism is largely due to Sacramento's ability to host large events and conventions. Recently these large events have been professional sporting events, like the yearly cycling competition, the Amgen Tour of California and the California International Marathon.

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **KFC** located at **2400 Grass Valley Hwy | Auburn, CA 95603** (“Property”). The 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 and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, 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.

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.

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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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