

# SINGLE TENANT

ABSOLUTE NNN  
INVESTMENT  
OPPORTUNITY



TUPELO  
MISSISSIPPI







## EXCLUSIVELY MARKETING BY

### **MATTHEW MOUSAVI | MANAGING PRINCIPAL SRS NATIONAL NET LEASE GROUP**

610 Newport Center Drive, Suite 1500 | Newport Beach, CA 92660

DL: 949.698.1116 | M: 714.404.8849

Matthew.Mousavi@srsre.com | CA License No. 01732226

### **PATRICK R. LUTHER, CCIM | MANAGING PRINCIPAL SRS NATIONAL NET LEASE GROUP**

610 Newport Center Drive, Suite 1500 | Newport Beach, CA 92660

DL: 949.698.1115 | M: 480.221.4221

Patrick.Luther@srsre.com | CA License No. 01912215

### **MORGAN CREECH | FIRST VICE PRESIDENT SRS NATIONAL NET LEASE GROUP**

9850 Von Allmen Court | Louisville, KY 40241

DL: 502.442.7074 | M: 270.748.0132

Morgan.Creech@srsre.com | KY License No. 243177

### **SARAH SHANKS | FIRST VICE PRESIDENT SRS NATIONAL NET LEASE GROUP**

9850 Von Allmen Court | Louisville, KY 40241

DL: 502.442.7079 | M: 502.417.6773

Sarah.Shanks@srsre.com | KY License No. 243176

Designated Broker: Martin Smith – SRS Real Estate, LLC |

MS License No. 21705 - SRS License No. 22099



NATIONAL NET LEASE GROUP



ACTUAL SITE





# TABLE OF CONTENTS

4

## INVESTMENT SUMMARY

OFFERING SUMMARY | INVESTMENT HIGHLIGHTS

8

## PROPERTY OVERVIEW

AERIALS | SITE PLAN | LOCATION MAP

12

## AREA OVERVIEW

DEMOGRAPHICS

14

## FINANCIALS

RENT ROLL | BRAND PROFILE



# INVESTMENT SUMMARY

SRS National Net Lease Group is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in an absolute NNN leased, personal guaranteed, drive-thru equipped, Kentucky Fried Chicken, investment property located in Tupelo, MS. The tenant, North Mississippi Foods, LLC will execute a brand new 20-year sale leaseback at the close of escrow with 4 (5-year) option periods to extend. The lease will feature 8% rental increases every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation. The lease is franchisee guaranteed for the entire lease term, and is personally guaranteed by the operator for 5 years. The lease is absolute NNN with zero landlord responsibilities.

The KFCI is strategically situated along Main Street (25,000 VPD), a major thoroughfare traveling through Tupelo. The asset has easy access and excellent visibility due to its large pylon sign. The building is also equipped with a drive-thru, providing ease and convenience for consumers. The asset is ideally positioned near a (24-Hour) Walmart Supercenter, increasing crossover traffic to the site. Other nearby national/credit tenants include Big Lots, Harbor Freight Tools, Walgreens, Kroger, Anytime Fitness, O'Reilly Auto Parts, and more, further increasing consumer draw to the subject trade area. The 5-mile trade area is supported by a population of over 51,000 residents with an average household income of \$64,377.





# OFFERING SUMMARY

## OFFERING

PRICING:	\$1,711,000
NET OPERATING INCOME:	\$100,935
CAP RATE:	5.90%
GUARANTY:	Franchisee & Personal
TENANT:	North Mississippi Foods, LLC
LEASE TYPE:	Absolute NNN
LANDLORD RESPONSIBILITIES:	None

## PROPERTY SPECIFICATIONS

RENTABLE AREA:	2,472 SF
LAND AREA:	0.71 Acres
PROPERTY ADDRESS:	2602 Main Street, Tupelo, MS 38801
YEAR BUILT:	1993
PARCEL NUMBER:	077N-35-006-01
OWNERSHIP:	Fee Simple (Land and Building)





# INVESTMENT HIGHLIGHTS

## BRAND NEW 20-YEAR SALE LEASEBACK | PERSONAL & FRANCHISEE GUARANTY | RENTAL INCREASES

- The tenant will execute a brand new 20-year sale leaseback at the close of escrow with 4 (5-year) options to extend
- 8% rental increases every 5 years throughout the initial term and at the beginning of each option period
- The lease is personally guaranteed by the operator for 5 years and franchisee guaranteed by North Mississippi Foods, LLC

## ABSOLUTE NNN | FEE SIMPLE OWNERSHIP | ZERO LANDLORD RESPONSIBILITIES

- Tenant pays for CAM, taxes, insurance and maintains all aspects of the premises
- No landlord responsibilities
- Ideal, management-free investment for an out-of-state, passive investor

## MAJOR THOROUGHFARE | DRIVE-THRU EQUIPPED | EXCELLENT VISIBILITY

- KFC is strategically situated along Main Street (25,000 VPD), a major thoroughfare traveling through Tupelo
- The site is equipped with a drive-thru, providing ease and convenience for customers
- On average, stores with drive-thrus have higher sales than those without
- Excellent visibility due to large pylon sign

## NEAR TO 24-HOUR WALMART SUPERCENTER | NEARBY NATIONAL/CREDIT TENANTS

- The asset is ideally positioned half a mile west of a (24-Hour) Walmart Supercenter
- Other nearby national/credit tenants include Big Lots, Harbor Freight Tools, Walgreens, Kroger, Anytime Fitness, O'Reilly Auto Parts, and more
- Increases consumer draw to the trade area and promotes crossover shopping

## DEMOGRAPHICS IN 5-MILE AREA

- More than 42,100 residents and over 51,500 employees support the trade area
- \$64,377 average household income





# PROPERTY OVERVIEW



PARCEL MAP



ACCESS

Main Street: ..... 2 Access Points



TRAFFIC COUNTS

Main Street: ..... 25,000 Cars Per Day  
S. Thomas Street: ..... 12,000 Cars Per Day



IMPROVEMENTS

There is approximately 2,472 SF of existing building area.



PARKING

There are approximately 22 parking spaces on the owned parcel.  
The parking ratio is approximately 8.90 stalls per 1,000 SF of leasable area.



YEAR BUILT

1993



PARCEL

Parcel Number: 077N-35-006-01 Acres: 0.71 Square Feet: 31,058



ZONING

Mixed Use Commercial Corridor









N. Thomas St.

S. Thomas St.

MERLE NORMAN  
cosmetics  
SUBWAY

S.M.O.A.  
North Mississippi  
Orthodontic Associates

Trustmark

WING STOP

SHELTER  
INSURANCE



M  
MARATHON

SONIC  
America's Drive-In

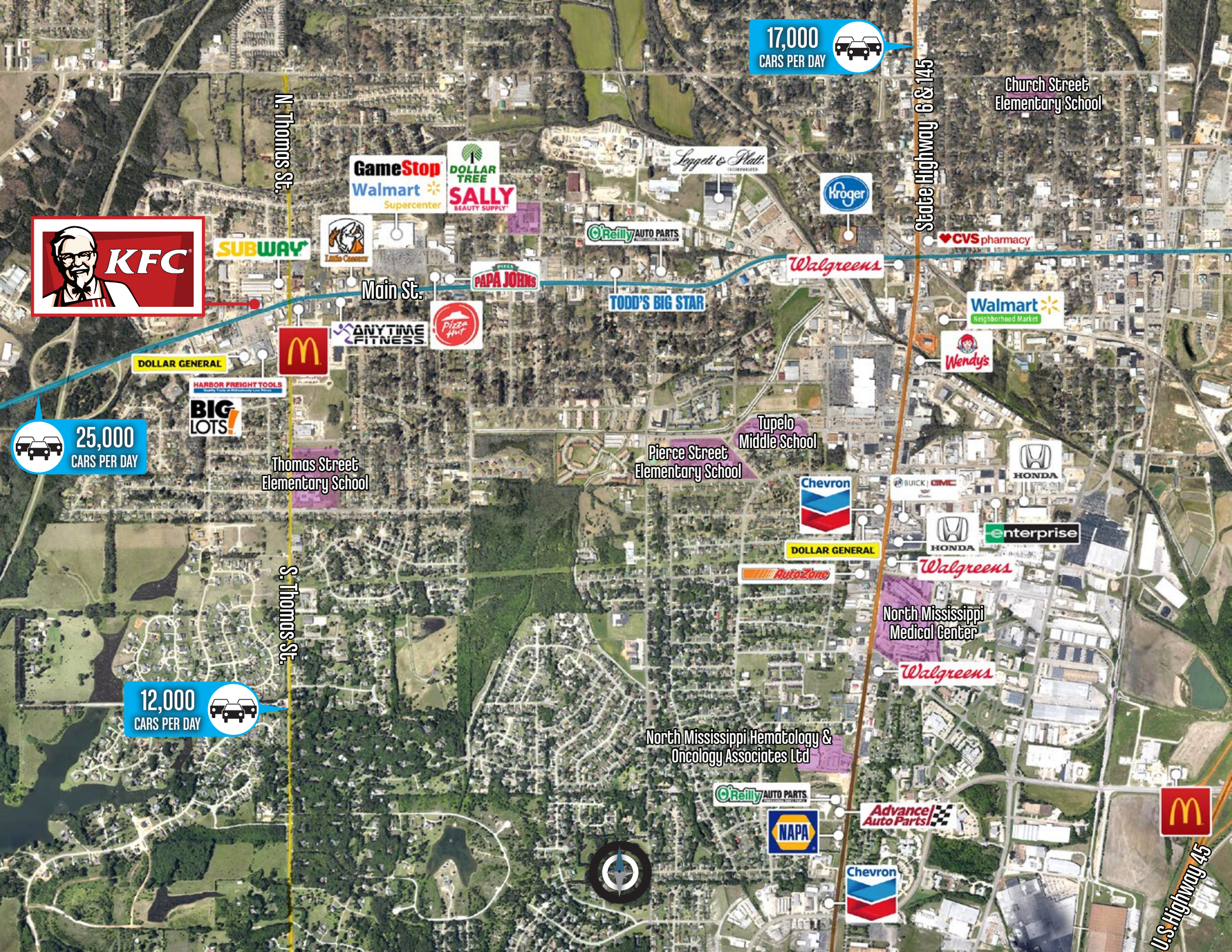
Main St.

 25,000  
CARS PER DAY

12,000  
CARS PER DAY 







SUBWAY

GameStop  
Walmart  
Supercenter

DOLLAR TREE  
SALLY  
BEAUTY SUPPLY

Leggett & Platt

Kroger

State Highway 6 & 145

Church Street  
Elementary School

CVS pharmacy

Walgreens

O'Reilly AUTO PARTS

PAPA JOHN'S

TODD'S BIG STAR

Main St.

Pizza Hut

ANYTIME FITNESS

McDonald's

DOLLAR GENERAL

HARBOR FREIGHT TOOLS

BIG LOTS!

Thomas Street  
Elementary School

Tupelo  
Middle School

Pierce Street  
Elementary School

Chevron

BUICK GMC

HONDA

enterprise

HONDA

DOLLAR GENERAL

AutoZone

Walgreens

North Mississippi  
Medical Center

Walgreens

North Mississippi Hematology &  
Oncology Associates Ltd

O'Reilly AUTO PARTS

NAPA

Advance  
Auto Parts

Chevron

McDonald's

U.S. Highway 45

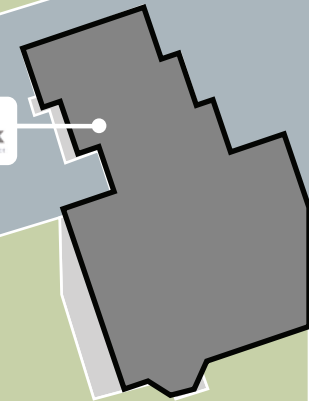


25,000  
CARS PER DAY

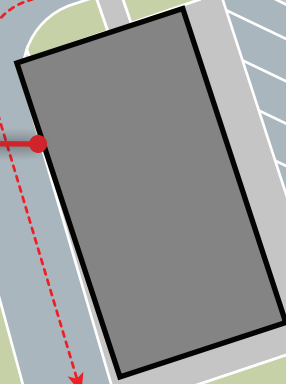
12,000  
CARS PER DAY







SHELTER INSURANCE -  
JAMES MOORE

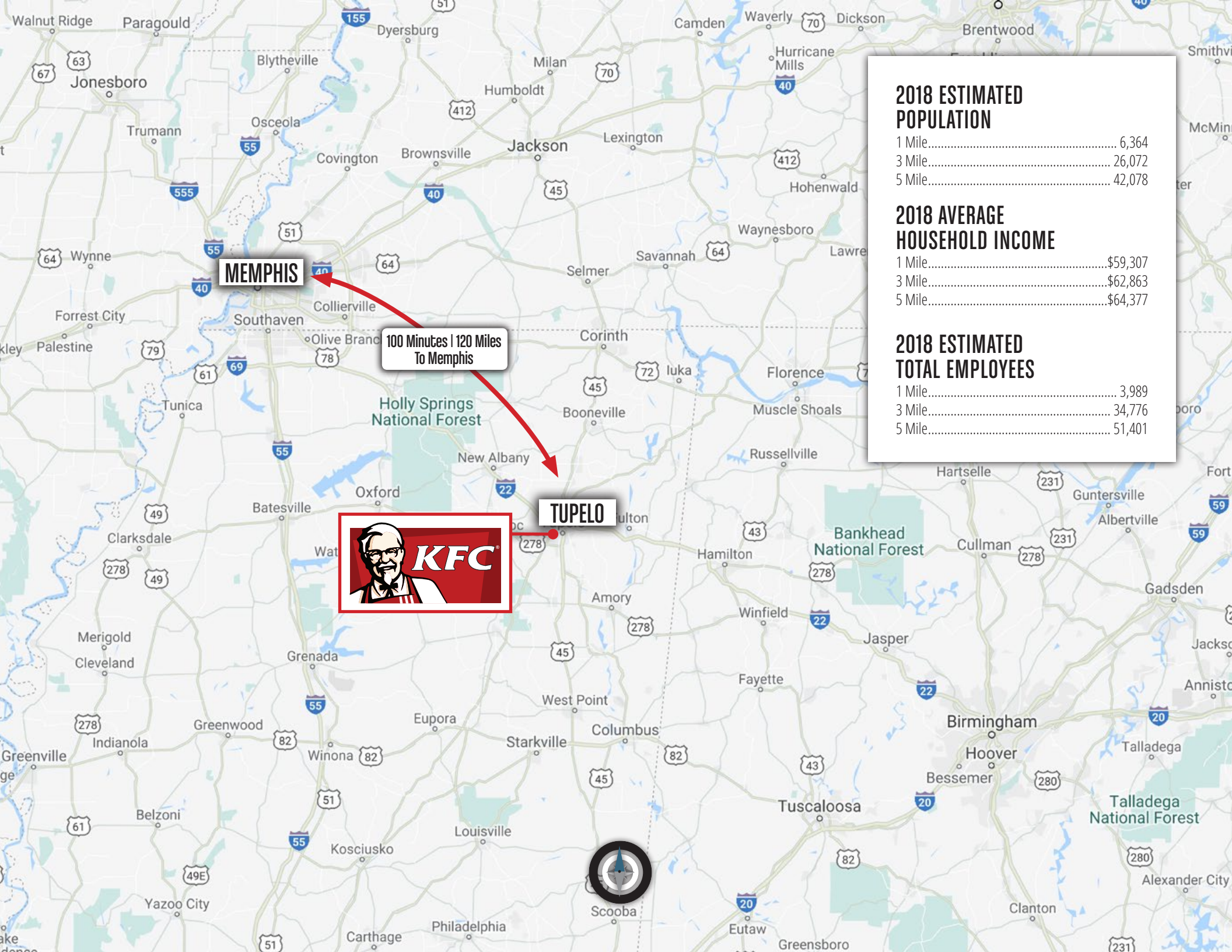


PLAQUE SIGN

MAIN ST. - 25,000 VPD







## 2018 ESTIMATED POPULATION

1 Mile.....	6,364
3 Mile.....	26,072
5 Mile.....	42,078

## 2018 AVERAGE HOUSEHOLD INCOME

1 Mile.....	\$59,307
3 Mile.....	\$62,863
5 Mile.....	\$64,377

## 2018 ESTIMATED TOTAL EMPLOYEES

1 Mile.....	3,989
3 Mile.....	34,776
5 Mile.....	51,401



# AREA OVERVIEW



## Tupelo, Mississippi

Tupelo is a city in, and county seat of, Lee County, Mississippi, United States. The City of Tupelo is the 8th largest city in Mississippi with a population of 35,711 as of July 1, 2018.

Tupelo was incorporated in 1867, although the area had earlier been settled as "Gum Pond" along the Mobile and Ohio Railroad. On February 7, 1934, Tupelo became the first city to receive power from the Tennessee Valley Authority thus giving it the nickname "The First TVA City." Much of the city was devastated by a major tornado in 1936 that still ranks as one of the deadliest tornadoes in American history. Following electrification, Tupelo boomed as a regional manufacturing and distribution center and was once considered a hub of the American furniture manufacturing industry. Although many of Tupelo's manufacturing industries have declined since the 1990s, the city has continued to grow due to strong healthcare, retail, and financial service industries.

Tupelo has a deep connection to Mississippi's music history, being associated with artists as diverse as Elvis Presley, Rae Sremmurd, and Diplo. The city is home to multiple art and cultural institutions, including the Elvis Presley Birthplace and the 10,000-seat BancorpSouth Arena, the largest multipurpose indoor arena in Mississippi. Tupelo is the only city in the Southern United States to be named an All-America City five times, most recently in 2015.

The Tupelo micropolitan area contains Lee, Itawamba, and Pontotoc counties and had a population of 140,081 in 2017.

While in Tupelo, one can visit the Gum Tree Museum of Art, Tupelo National Battlefield, Chickasaw Village Site, Oren Dunn City Museum, Tupelo Automobile Museum, and Elvis Presley Center and Museum. The Tombigbee State Park and Buffalo Park draw hordes of tourists every year. One can also enjoy the recreational facilities offered by the Tupelo Mall Shopping Center, Downtown Mall Shopping Center, Denton Plaza Shopping Center, and Magnolia Plaza Shopping Center.

Higher educational facilities can be availed through Itawamba Community College, Mississippi University for Women, and Northeast Mississippi Community College. Tupelo Regional Airport is close by.

Lee is a county in Mississippi. As of July 1, 2018,, the population was 1,089,422. The county seat is Tupelo. Lee County is included in the Tupelo Micropolitan Statistical Area.





# AREA DEMOGRAPHICS



## DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
2018 Estimated Population	6,364	26,072	42,078
2023 Projected Population	6,345	26,216	42,543
2010 Census Population	6,447	25,964	40,867
2018 Estimated Households	2,467	10,348	16,397
2023 Projected Households	2,449	10,363	16,524
2010 Census Households	2,528	10,415	16,021
2018 Estimated White	54.82%	56.36%	55.55%
2018 Estimated Black or African American	40.34%	39.22%	40.18%
2018 Estimated Asian or Pacific Islander	1.62%	1.45%	1.39%
2018 Estimated American Indian or Native Alaskan	0.22%	0.17%	0.16%
2018 Estimated Other Races	2.11%	2.02%	1.92%
2018 Estimated Hispanic	4.26%	3.73%	3.41%
2018 Estimated Average Household Income	\$59,307	\$62,863	\$64,377
2018 Estimated Median Household Income	\$45,289	\$44,422	\$44,524
2018 Estimated Per Capita Income	\$23,776	\$25,471	\$25,275
2018 Estimated Total Businesses	372	2,178	3,071
2018 Estimated Total Employees	3,989	34,776	51,401





# RENT ROLL

TENANT NAME	SQUARE FEET	LEASE TERM		RENTAL RATES							
		LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
Mississippi Foods, LLC (Franchisee & Personal Guaranty)	2,472	COE	20 Years	Year 1	-	\$8,411	\$3.40	\$100,935	\$40.83	Absolute NNN	6 (5-Year)
				Year 6	8%	\$9,084	\$3.67	\$109,010	\$44.10		8% Incr. at beg.
				Year 11	8%	\$9,811	\$3.97	\$117,731	\$47.63		of each option
				Year 16	8%	\$10,596	\$4.29	\$127,149	\$51.44		

## FINANCIAL INFORMATION

Price: .....\$1,711,000  
 Net Operating Income: .....\$100,935  
 Cap Rate: .....5.90%  
 Lease Type: .....Absolute NNN

## PROPERTY SPECIFICATIONS

Year Built: .....1993  
 Rentable Area: .....2,472 SF  
 Land Area: .....0.71 Acres  
 Address: .....2602 Main Street, Tupelo, MS 38801

For financing options and loan quotes, please contact our SRS Debt & Equity team at [debtequity-npb@srsre.com](mailto:debtequity-npb@srsre.com).





# BRAND PROFILE

## KFC CORPORATION

KFC Corporation, also known as Kentucky Fried Chicken, operates a chain of chicken restaurants in the United States and internationally. The company provides sandwiches, sides, desserts, drinks, sauces, fill ups, buttermilk biscuits, and other products; big box meals, popcorn nuggets, and kid's meals; and chicken products, including chicken hot wings, chicken sandwiches, and fried chicken products. There are over 22,000 KFC outlets in more than 135 countries and territories around the world. The company also franchises its restaurants. KFC Corporation was founded in 1952 and is based in Louisville, Kentucky. KFC Corporation operates as a subsidiary of Yum! Brands.

Company Type: ..... Subsidiary  
Parent: ..... Yum! Brands  
2017 Employees: ..... 60,000  
2017 Revenue: ..... \$5.88 Billion  
2017 Net income: ..... \$1.34 Billion  
2017 Assets: ..... \$5.31 Billion  
Credit Rating: ..... S&P: BB







## NATIONAL NET LEASE GROUP

### SRS GLOBAL STATS



**1000+**  
PROPERTIES CURRENTLY  
REPRESENTED



**600+**  
CLIENTS REPRESENTED  
IN 2016



**\$2.6B\***  
TRANSACTION VALUE



**20+**  
OFFICES



**250+**  
BROKERS,  
PROFESSIONALS,  
AND STAFF



**#1**  
LARGEST REAL ESTATE FIRM  
EXCLUSIVELY DEDICATED TO  
RETAIL SERVICES IN NORTH AMERICA

\*STATISTICS ARE FOR 2017.

This Offering Memorandum has been prepared by SRS National Net Lease Group (SRS) and has been approved for distribution by the owner. Although effort has been made to provide accurate information, neither the owner nor SRS can warrant or represent accuracy or completeness of the materials presented herein or in any other written or oral communications transmitted or made available to the purchaser. Many documents have been referred to in summary form and these summaries do not purport to represent or constitute a legal analysis of the contents of the applicable documents. Neither owner nor SRS represents that this offering summary is all inclusive or contains all of the information a purchaser may require. All of the financial projections and/or conclusions presented herein are provided strictly for reference purposes and have been developed based upon assumptions and conditions in effect at the time the evaluations were undertaken. They do not purport to reflect changes in the economic performance of the property or the business activities of the owner since the date of preparation of this Offering Memorandum. The projected economic performance of the property, competitive submarket conditions, and selected economic and demographic statistics may have changed subsequent to the preparation of the package. Qualified purchasers are urged to inspect the property and undertake their own independent evaluation of the property, the market and the surrounding competitive environment.