

SINGLE TENANT

ABSOLUTE NNN
INVESTMENT
OPPORTUNITY



CLEVELAND
MISSISSIPPI





EXCLUSIVELY MARKETING BY

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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 and franchisee guaranteed, drive-thru equipped, Kentucky Fried Chicken, investment property located in Cleveland, MS. The tenant, North Mississippi Foods, LLC (6-unit entity), 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 personally guaranteed by the operator for 5 years and is absolute NNN with zero landlord responsibilities.

KFC is situated along S. Davis Avenue, the main north/south thoroughfare traveling through Cleveland with 18,000 vehicles passing by daily. The site has a large pylon sign, increasing visibility to drivers passing by, and is equipped with a drive-thru lane, providing ease and convenience for customers. Nearby national/credit tenants include a 24-hour Walmart Supercenter, Kroger, Burkes Outlet, Goody's, McDonald's, and more, increasing consumer traffic to the trade area. In addition, the asset is just 1.3 miles from Delta State University (over 3,700 students), providing a direct consumer base to draw from. The 5-mile trade area is supported by more than 27,000 residents with an average household income of nearly \$53,000.



OFFERING SUMMARY

OFFERING

PRICING:	\$1,670,000
NET OPERATING INCOME:	\$98,549
CAP RATE:	5.90%
GUARANTY:	Personal (5-Year) & Franchisee (6-Unit Entity)
TENANT:	North Mississippi Foods, LLC
LEASE TYPE:	Absolute NNN
LANDLORD RESPONSIBILITIES:	None

PROPERTY SPECIFICATIONS

RENTABLE AREA:	3,337 SF
LAND AREA:	0.55 Acres
PROPERTY ADDRESS:	205 S. Davis Avenue, Cleveland, MS 38732
YEAR BUILT:	TBD
PARCEL NUMBER:	33-21-900-00-04601
OWNERSHIP:	Fee Simple (Land and Building)



INVESTMENT HIGHLIGHTS

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

- The tenant (6-unit entity) 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

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 | LARGE PYLON SIGN

- Situated along S. Davis Avenue, the main north/south thoroughfare traveling through Cleveland with 18,000 vehicles passing by daily
- The site is equipped with drive-thru, providing ease and convenience for customers
- On average, stores with drive-thrus have higher sales than those without
- Excellent visibility due to its large pylon sign

NEARBY NATIONAL/CREDIT TENANTS | NEAR DELTA STATE UNIVERSITY

- Nearby national/credit tenants include 24-hour Walmart Supercenter, Kroger, Burkes Outlet, Goody's, McDonald's, and more
- Increases consumer draw to the trade area and promotes crossover shopping to the subject property
- Just 1.3 miles from Delta State University (over 3,700 students), providing a direct consumer base to draw from

HEALTHY DEMOGRAPHICS IN 5-MILE TRADE AREA

- More than 27,000 residents and 18,000 employees support the trade area
- Nearly \$53,000 average household income



PROPERTY OVERVIEW



PARCEL MAP



ACCESS

S. Davis Avenue / U.S. Highway 278 & 61:..... 2 Access Points
Beach Street..... 1 Access Point



TRAFFIC COUNTS

S. Davis Avenue / U.S. Highway 278 & 61:..... 18,000 Cars Per Day
E. Sunflower Road / State Highway 8:..... 9,500 Cars Per Day



IMPROVEMENTS

There is approximately 3,337 SF of existing building area.



PARKING

There are approximately 31 parking spaces on the owned parcel.
The parking ratio is approximately 9.29 stalls per 1,000 SF of leasable area.



YEAR BUILT

TBD



PARCEL

Parcel Number: 33-21-900-00-04601 Acres: 0.55 Square Feet: 23,816 SF



ZONING

B-3



18,000
CARS PER DAY



Mallette
Furniture

Roosevelt St.



S. Davis Avenue / U.S. Highway 278 & 61

SUBWAY



Cleveland Central
High School

Walgreens

EXXON

U-HAUL

State Highway 8

9,500
CARS PER DAY



Firestone
COMPLETE AUTO CARE

FLOWER 'N THINGS

GOODYEAR

BURGER KING



ANYTIME FITNESS

enterprise

O'Reilly AUTO PARTS

Cleveland STATE BANK

Allstate
You're in good hands.

SHERWIN WILLIAMS

burkes OUTLET
more brands, big savings

FACTORY CONNECTION

CHECK ADVANCE

CHEVROLET GMC BUICK



Planters Bank



REGIONS

Roosevelt St.



SUBWAY



FAMILY DOLLAR

Cleveland Central
Middle School

DM Smith
Elementary School

Nailor Elementary
School

S. Davis Avenue / U.S. Highway 278 & 61

18,000
CARS PER DAY



SUBWAY

BEACH ST.

PYLON SIGN

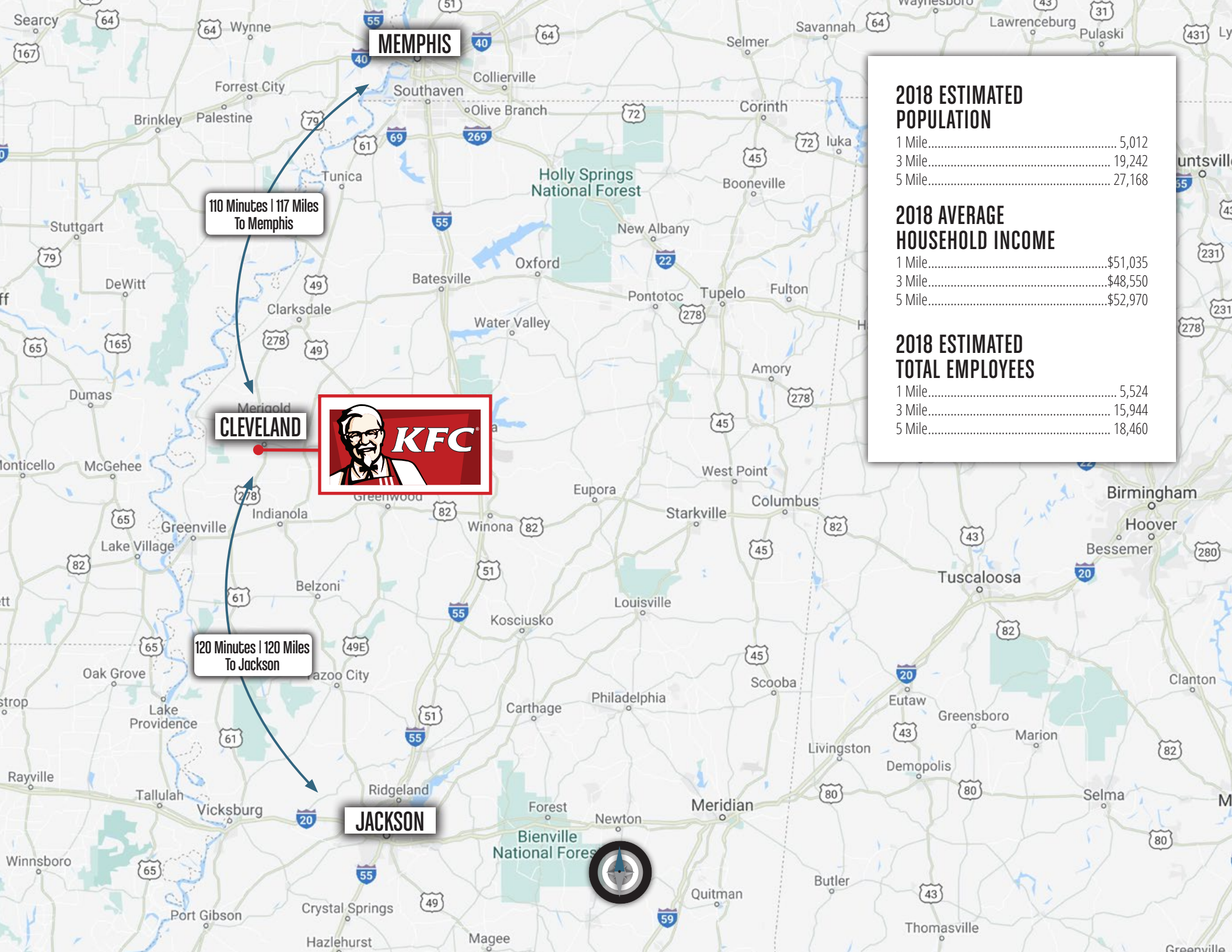


S. DAVIS AVE. - 18,000 VPD

61

278





MEMPHIS

110 Minutes | 117 Miles
To Memphis

CLEVELAND



120 Minutes | 120 Miles
To Jackson

JACKSON

**2018 ESTIMATED
POPULATION**

1 Mile.....	5,012
3 Mile.....	19,242
5 Mile.....	27,168

**2018 AVERAGE
HOUSEHOLD INCOME**

1 Mile.....	\$51,035
3 Mile.....	\$48,550
5 Mile.....	\$52,970

**2018 ESTIMATED
TOTAL EMPLOYEES**

1 Mile.....	5,524
3 Mile.....	15,944
5 Mile.....	18,460

AREA DEMOGRAPHICS



Cleveland, Mississippi

Cleveland is a city in Bolivar County, Mississippi, United States. The population was 11,871 as of July 1, 2018.

Cleveland has a large commercial economy, with numerous restaurants, stores, and services along U.S. 61. Cleveland is one of the two county seats of Bolivar County (the other being Rosedale).

There are several parks at Cleveland where one can spend their leisure hours, including the East Side Park; Fire mans Park, Bear Pen Park and Shady Grove Park. The Delta State Golf Course is an ideal destination for golfers. Cleveland also organizes Oktoberfest and the Crosstie Arts Festival every year.

Delta State University is located in the city. Mississippi Delta Community College and Mississippi Valley State University also offer higher educational facilities. Little Rock National is the nearest major airport.

Bolivar County is a county located on the western border of the U.S. state of Mississippi. As of July 1, 2017, the population was 31,945. Its county seats are Rosedale and Cleveland. The county is named in honor of Simon Bolívar, early 19th-century leader of the liberation of several South American colonies from Spain.

The Cleveland, MS Micropolitan Statistical Area includes all of Bolivar County. It is located in the Mississippi Delta, or Yazoo Basin, of Mississippi. This area was first developed for cotton plantations. Large industrial-scale agricultural operations have reduced the number of farm workers needed, and the population is half of its peak in 1930. Today soybeans are also a commodity crop. The county had 14 documented lynchings in the period from 1877 to 1950.

The county is within the boundaries of two community college districts: Coahoma Community College and Mississippi Delta Community College. Their main campuses respectfully are in unincorporated Coahoma County and Moorhead in Sunflower County.



AREA DEMOGRAPHICS



DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
2018 Estimated Population	6,598	16,504	18,520
2023 Projected Population	6,270	15,884	17,868
2010 Census Population	7,039	16,956	18,895
2018 Estimated Households	2,602	6,299	7,044
2023 Projected Households	2,497	6,112	6,854
2010 Census Households	2,754	6,458	7,167
2018 Estimated White	23.94%	45.80%	46.39%
2018 Estimated Black or African American	73.99%	50.62%	49.90%
2018 Estimated Asian or Pacific Islander	0.48%	1.42%	1.35%
2018 Estimated American Indian or Native Alaskan	0.08%	0.09%	0.10%
2018 Estimated Other Races	0.53%	1.12%	1.40%
2018 Estimated Hispanic	1.42%	2.34%	2.67%
2018 Estimated Average Household Income	\$42,399	\$52,757	\$53,373
2018 Estimated Median Household Income	\$26,493	\$34,430	\$34,740
2018 Estimated Per Capita Income	\$16,782	\$21,235	\$21,409
2018 Estimated Total Businesses	546	822	864
2018 Estimated Total Employees	8,056	11,361	12,166



RENT ROLL

TENANT NAME	SQUARE FEET	LEASE TERM		RENTAL RATES							
		LEASE START	LEASE END	BEGIN	INCR.	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
North Mississippi Foods, LLC (dba KFC) (Personal Guaranty) (Franchisee Guaranty)	3,337	COE	Year 20	Year 1	-	\$8,212	\$2.46	\$98,549	\$29.53	Absolute NNN	4 (5-Year)
				Year 6	8%	\$8,869	\$2.66	\$106,433	\$31.89		8% Incr. at beg.
				Year 11	8%	\$9,579	\$2.87	\$114,948	\$34.45		of each option
				Year 16	8%	\$10,345	\$3.10	\$124,143	\$37.20		

FINANCIAL INFORMATION

Price:.....\$1,670,000
 Net Operating Income:\$98,549
 Cap Rate:.....5.90%
 Lease Type:.....Absolute NNN

PROPERTY SPECIFICATIONS

Year Built:.....TBD
 Rentable Area:.....3,337 SF
 Land Area:.....0.55 Acres
 Address:.....205 S. Davis Avenue, Cleveland, MS 38732

For financing options and loan quotes, please contact our SRS Debt & Equity team at 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
2018 Employees:	34,000
2018 Revenue:	\$5.69 Billion
2018 Net income:	\$1.54 Billion
2018 Assets:	\$4.13 Billion
Credit Rating:	S&P: BB





OPERATOR PROFILE



FOWLER FOODS, INC.

Fowler Foods, Inc. started out as a single KFC store in 1965. Today it operates 73 KFC's, 1 Taco Bell, and 15 dual concept KFC/Taco Bell locations across 7 seven states. The company plans to build another 9 locations to their portfolio by the end of 2021.

Of their current portfolio, 86 locations are in the newest American Showman design, which modernizes KFC stores with a cleaner and bolder look that emphasizes its signature red and white stripes. The majority of these locations were remodeled by the operator in 2017. Since KFC U.S. rolled out the remodeling program or 're-colonization' in 2015, the brand has experienced same-store sales growth.

7
STATES

89
LOCATIONS

1,800
EMPLOYEES

73
LOCATIONS



15
DUAL CONCEPT
LOCATIONS



1
LOCATION





SRS

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.