

MATTHEWSTM

REAL ESTATE INVESTMENT SERVICES



412 E CHESTNUT STREET | JUNCTION CITY, KS
OFFERING MEMORANDUM



412 E CHESTNUT ST
JUNCTION CITY, KS 66441

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EXECUTIVE SUMMARY



INVESTMENT HIGHLIGHTS

- **Absolute NNN Lease** – There are zero landlord responsibilities or expenses, providing for a completely hands-off, passive investment.
- **Excellent Retail Location** – The Pizza Hut is situated in the main retail corridor, next to Walmart Supercenter, and directly off Interstate-70.
- **Proximity to Fort Riley** – Fort Riley is a United States Army installation covering 100,000+ acres between Junction City and Manhattan, KS. Fort Riley has a daytime population of 25,000 people and has been in operation since 1853.
- **Large parcel and Drive-Thru** – The Pizza Hut property has solid ingress/egress from both sides of Chestnut St. The parcel provides more than 70 parking spaces, and the building is equipped with a drive-thru.
- **Low Price Point and Attractive Return** – The low list price offers investors low exposure, and the cap rate is higher than the average quick-service-restaurant listing on market, offering investors a better-than-market return.





SECTION 2

FINANCIAL OVERVIEW

Aaron's

CANDLEWOOD
SUITES

ALDI

BW
Best
Western

Freddy's
FROZEN CUSTARD &
STEAKBURGERS

Cracker
Barrel
OLD COUNTRY STORE

gerber
COLLISION & GLASS

Arby's

Comfort
INN

Pizza
Hut

QDOBA
MEXICAN EATS

CHESTNUT ST

Starbucks

QUALITY
INN & SUITES

TACO
BELL

DOLLAR GENERAL

Meritrust
CREDIT UNION

LA FIESTA
MEXICAN RESTAURANT

USAA

DOLLAR TREE

Shell

COURTYARD
Marriott

SALLY
BEAUTY

verizon

INTERSTATE
70

± 29,000 VPD

cricket
wireless

Walmart
Supercenter

PRICE:
\$1,050,000

CAP RATE:
5.71%

RENT:
\$60,000

PROPERTY DESCRIPTION

| | |
|---------------------|--|
| | |
| Address | 412 E Chestnut Street Junction City, KS |
| List Price | \$1,050,000 |
| Cap Rate | 5.71% |
| Annual Rent | \$60,000.00 |
| Gross Leasable Area | ±4,200 SF |
| Lot Size | ±1.21 Acres |

TENANT SUMMARY

| | |
|------------------------|-----------------------|
| Tenant | Pizza Hut |
| Lease Guarantor | MJC Huts, Inc. |
| Rent Commencement Date | 8/1/2012 |
| Lease Expiration Date | 12/13/2025 |
| Original Lease Term | 15 years |
| Lease Term Remaining | ±3.5 years |
| Rent Increases | 3% each option period |
| Option Periods | Three, 5-year options |
| Lease Type | Absolute NNN |
| Parking Lot / CAM | Tenant Responsibility |
| Property Tax | Tenant Responsibility |
| Insurance | Tenant Responsibility |
| Roof/Structure | Tenant Responsibility |

ANNUALIZED OPERATING DATA

| Years | Monthly Rent | Annual Rent | Rent Increases |
|------------------------------------|--------------|-------------|----------------|
| Current - 12/13/2025 | \$5,000.00 | \$60,000.00 | 3.00% |
| Option 1 (12/14/2025 - 12/13/2030) | \$5,150.00 | \$61,800.00 | 3.00% |
| Option 2 (12/14/2030 - 12/13/2035) | \$5,304.50 | \$63,654.00 | 3.00% |
| Option 3 (12/14/2040 - 12/13/2040) | \$5,463.64 | \$65,563.62 | 3.00% |

*Franchise agreement expires 12/31/2033





SECTION 3

TENANT OVERVIEW



THE OFFERING

| PROPERTY NAME | |
|------------------|---|
| Property Address | Pizza Hut 412 E Chestnut Street Junction City, KS 66441 |
| SITE DESCRIPTION | |
| GLA | ±4,200 SF |
| Lot Size | ±1.21 Acres |

| | | |
|----------------|-------------|----------------|
| » COMPANY NAME | » LOCATIONS | » HEADQUARTERS |
| PIZZA HUT | ±18,703 | PLANO, TX |
| » EMPLOYEES | » INDUSTRY | » REVENUE |
| ±300,000 | RESTAURANT | ±\$6.7 B |

Pizza Hut, Inc. operates a chain of pizza restaurants in the United States and internationally. Pizza Hut offers pizzas, pastas, wings, and drinks, as well as sides and desserts, such as stuffed pizza rollers, breadsticks, cheese sticks, baked desserts, and cinnamon sticks. The company also offers catering services. In addition, Pizza Hut franchises its restaurants. Further, it provides online ordering. The Company was founded in 1979 and is based in Plano, Texas. Pizza Hut, Inc. operates as a subsidiary of Yum! Brands, Inc. Pizza Hut is split into several different restaurant formats; the original family-style dine-in locations; storefront delivery and carryout locations; and hybrid locations that offer carry-out, delivery, and dine-in options. Many full-size Pizza Hut locations offer a lunch buffet, with “all-you-can-eat” pizza, salad, breadsticks, and pasta. Additionally, Pizza Hut has a number of other business concepts that are different from the store type; Pizza Hut “Bistro” locations are “Red Roofs” which offer an expanded menu and slightly more upscale options.



SECTION 4

AREA OVERVIEW

JUNCTION CITY, KS

Junction City serves as the county seat of Geary County in northeastern Kansas with a population of over 21,500 people. One of the older and most notable communities in Kansas, Junction City offers the perfect combination of small-town atmosphere, rural charm, and big city culture. Junction City is recognized for its service and hospitality and proud to be known as Fort Riley’s “Hometown.”

Situated at the junction of the Republican and Smoky Hill Rivers, Junction City offers a diverse range of recreational opportunities, historic sites, dining, and shopping. Overall, Junction City’s proximity to Kansas City and its cultural amenities while providing a reasonable cost of living and small-town atmosphere makes it the perfect place to live, work, and play.

DEMOGRAPHICS

| POPULATION | 1-MILE | 3-MILE | 5-MILE |
|--------------------------|----------|----------|----------|
| Five Year Projection | 3,717 | 20,338 | 30,062 |
| Current Year Estimate | 4,439 | 24,501 | 35,773 |
| HOUSEHOLDS | 1-MILE | 3-MILE | 5-MILE |
| Five Year Projection | 1,818 | 9,383 | 12,322 |
| Current Year Estimate | 1,868 | 9,703 | 12,701 |
| 2010 Census | 1,859 | 9,681 | 12,124 |
| Growth 2010-Current Year | 0.49 % | 0.23 % | 4.76 % |
| INCOME | 1-MILE | 3-MILE | 5-MILE |
| Average Household Income | \$52,556 | \$58,773 | \$61,676 |



ECONOMY

Junction City's prime location in the center of the nation, business-friendly climate, and exceptional access to higher education translate into important advantages for business. The primary sectors dominating the economy are manufacturing, distribution, robotics, agricultural and bio-based products, unmanned aviation systems, and defense-based businesses. Some of the major employers in the area are Foot Locker Inc., Greary County, Kaw Valley Engineering, Ventria Bioscience, Walmart, and Eagle Railcar services. Additionally, Junction City is proud to have the region's well-educated workforce, which is a tremendous asset for area companies.

ATTRACTIONS

Milford Nature Center

A local wildlife park in Kansas, Milford Nature Center is a family-friendly facility that is home to many animals including birds, fishes, reptiles, amphibians, and more. It also has exhibits about the taxidermied specimens on their animals. Access to other activities within the center include a hiking trail, picnic shelter, playground, and a butterfly house.

Geary State Fishing Lake and Wildlife Area

Geary State Fishing Lake and Wildlife Area features a 97-acre iridescent lake that is surrounded by a 180-acre vast land, which serves as a public hunting area. The lake is home to various types of fish such as walleye, flathead catfish, black bass, bluegill, and more, which makes it an extremely popular fishing spot. Moreover, the area has picnic areas, barbecue grills, a camping site, and a boat ramp that are perfect for family outings.



TRANSPORTATION

- Access from five major highways
- Five exits off I-70, the country's main cross-country artery
- Served by Union Pacific Railroad
- Five daily American Airlines flights to Chicago and Dallas/Fort Worth

HIGHER EDUCATION

Kansas State University

Just 20 minutes away sits Kansas State University, a world-class research institution. The university offers more than 250 undergraduate programs. As a Tier 1 research university, Kansas State has granted over 300 patents and is home to more than 90 research centers and institutes. Additionally, the university has more than 500 student organizations and Greek life, which facilitates getting involved on campus



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Pizza Hut** located at **412 E Chestnut St, Junction City, KS 66441**. 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.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

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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