

Net Lease Retail Investment Opportunity

 **JLL** SEE A BRIGHTER WAY



SINGLE-TENANT KFC & TACO BELL | KANSAS CITY, KS

4400 SHAWNEE DRIVE, KANSAS CITY, KANSAS

GLOBAL RESTAURANT BANNERS | 800-UNIT OPERATOR | STRONG STORE SALES | 10.6 YEARS OF TERM | PRIME INTERSTATE-635 ADJACENCY

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BROKER OF RECORD

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CONFIDENTIAL OFFERING MEMORANDUM





INVESTMENT OVERVIEW

THE OFFERING



Jones Lang LaSalle Americas, Inc. (“JLL”) is pleased to offer the opportunity to acquire the fee-simple interest in a freestanding, single-tenant KFC & Taco Bell restaurant located at 4400 Shawnee Drive in Kansas City, Kansas (“Property” or “Asset”). KFC & Taco Bell banners are owned by Yum! Brands, Inc. (NYSE: “YUM”), one of the world’s largest restaurant companies with 55,000+ restaurants in more than 155 countries and territories.

The Property features an established franchisee that operates 800+ units across KFC and Taco Bell banners. The Tenant is operating on an initial 23-year absolute triple net lease with 10.0% rent escalations every five years, zero landlord responsibilities and two, five-year renewal options.

The Tenant has a proven commitment to the site with more than 12 years of operating history. The store benefits considerably from its adjacency to Interstate-635, boasting over \$2.0M annually in net store sales (FY 2022).

Located just eight miles southwest of downtown Kansas City, the Property is positioned in a dense residential and commercial trade area with access to over 199,000 residents in a five-mile radius. This retail submarket is high performing with 96.3% occupancy and 12.4% rent growth since 2019. The retail corridor is anchored by Merriam Town Center / Merriam Village, a Class A shopping center comprising nearly 1 MSF that attracts over 5.5 million visitors annually.

The Property is positioned on a hard corner (Shawnee Drive & 44th Terrace) and is ideally adjacent to Interstate-635, benefitting from over 77,000 VPD. Notably, the area contains an affluent resident-base that earns \$95,000 in average household income in a five-mile radius.

This unique opportunity allows investors the ability to acquire one of the world’s leading restaurant banners that is in an infill, fundamentally strong, and affluent Kansas City market. The Asset offers secure, long-term cash flow from highly successful operator with global brand name recognition.



**STRONG RETAIL
SUBMARKET**

**KANSAS CITY, KS
SUBMARKET FACTS**

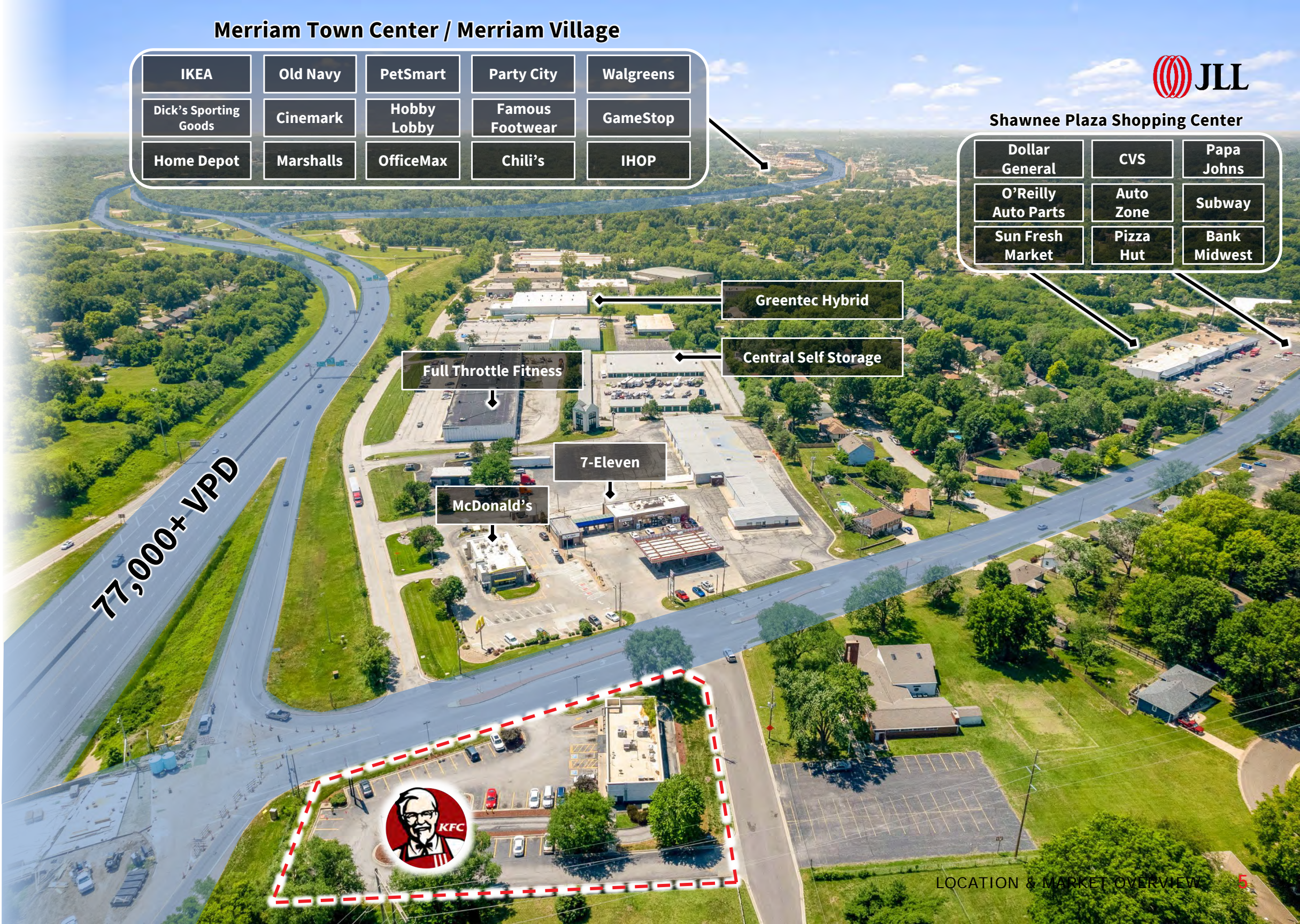
77,000 VPD
TRAFFIC
COUNT

8.8 MSF
TOTAL
RETAIL SPACE

96.3%
TOTAL
OCCUPANCY

12.4%
RENT GROWTH
SINCE 2019

121K SF
POSITIVE NET
ABSORPTION SINCE 2021



Merriam Town Center / Merriam Village

IKEA	Old Navy	PetSmart	Party City	Walgreens
Dick's Sporting Goods	Cinemark	Hobby Lobby	Famous Footwear	GameStop
Home Depot	Marshalls	OfficeMax	Chili's	IHOP



Shawnee Plaza Shopping Center

Dollar General	CVS	Papa Johns
O'Reilly Auto Parts	Auto Zone	Subway
Sun Fresh Market	Pizza Hut	Bank Midwest

Greentec Hybrid

Central Self Storage

Full Throttle Fitness

7-Eleven

McDonald's





INVESTMENT HIGHLIGHTS



**STRONG AND GROWING
STORE SALES OF
±\$2.0M ANNUALLY**



10.6

**YEARS OF LEASE
TERM REMAINING**



**PREMIER DESTINATION
FOR ALL MAJOR
NATIONAL RETAILERS**

ABS. NNN

**ZERO LANDLORD
RESPONSIBILITIES**

800+

**TOTAL UNITS
OPERATED BY THE
FRANCHISEE**

+199K

**RESIDENTS WITHIN A 5-
MILE RADIUS**

96.3%

**RETAIL SUBMARKET
OCCUPANCY**



**HARD CORNER &
SIGNALIZED INTERSECTION
WITH 77,000+ VPD**

INVESTMENT HIGHLIGHTS

4400 Shawnee Drive, Kansas City, KS

3,036 SF
Rentable
Area

0.92 AC
Lot
Size

1999 / 2011
Year
Built

10.6 Years
Lease Term
Remaining

Two, 5-Year
Renewal
Options

10.0%
Rent Increases
Every 5 Years

\$174,825
Net Operating
Income

Zero
Landlord
Responsibilities



\$2,960,000
Price

5.90%
Cap Rate



PROPERTY & LEASE OVERVIEW

PROPERTY & LEASE OVERVIEW



Property Overview	
Address	4400 Shawnee Drive
City, State, Zip Code	Kansas City, KS
Year Built / Renovated	1999 / 2011
Building SF	3,036
Parcel Size (Acres)	0.92
Ownership Type	Fee-Simple
Lease Overview	
Tenant	FQSR, LLC (Franchisee)
Restaurant Banners	KFC & Taco Bell
Initial Term	23.0 years
Lease Term Remaining	10.6 years
Lease Type	Absolute NNN
Annual Base Rent	\$174,825
Base Rent PSF	\$57.58
Base Rent Increase	10.0% every 5 years
Options Remaining	2 x 5-years
Landlord Responsibilities	None
Financial Reporting	Annually



RENT SCHEDULE						
Lease Year	Month Start	Month End	Annual Rent	Monthly Rent	Rent PSF	% Increase
1 - 3	4/1/11	3/31/14	\$100,701	\$8,392	\$33.17	-
4 - 8	4/1/14	3/31/19	\$144,484	\$12,040	\$47.59	43.5%
9 - 13	4/1/19	3/31/24	\$158,932	\$13,244	\$52.35	10.0%
14 - 18	4/1/24	3/31/29	\$174,825	\$14,569	\$57.58	10.0%
19 - 23	4/1/29	3/31/34	\$192,308	\$16,026	\$63.34	10.0%
Renewal Periods						
34 - 38	4/1/34	3/31/39	\$211,539	\$17,628	\$69.68	10.0%
39 - 43	4/1/39	3/31/44	\$232,692	\$19,391	\$76.64	10.0%

1. Analysis start date of September 1st, 2023



LOCATION & MARKET OVERVIEW

MARKET OVERVIEW – KANSAS CITY MSA



KANSAS CITY EVOLVING AS A MIDWEST ECONOMIC HUB

Comprising 2.2 million residents, Kansas City MSA is the 7th most populous and among the fastest growing in the Midwest. Consistently ranked as one of the most affordable housing markets nationally, Kansas City’s diverse economy, strong demographics and central location continues to attract affluent residents and large corporate users. The metro continues to be a top destination for corporate headquarters and numerous Fortune 1000 companies call Kansas City home.

With global connections, highly competitive cost of doing business, and low cost of living, Kansas City offers a talented workforce, significant investment in infrastructure, and seamless connectivity to support a robust and growing labor force. Its healthy economy has led to significant population growth as the downtown residential population in Kansas City quadrupled from 2007 to 2017.

As one of the country’s leading markets for millennial and technology growth, Kansas City has seen significant influx in its skilled workforce over the past few years. In 2020, Kansas City added the 3rd highest percentage growth of tech jobs in the U.S., trailing only San Francisco and Austin. Kansas City features a tremendous talent pipeline from 19 four-year universities with enrollment exceeding 95,000 students. The metro consistently attracts young talent from top-rated school systems including University of Missouri, University of Kansas, and Kansas State University. With 46% of residents holding a college degree or higher, Kansas City far exceeds the national average by over 10%.

2.5M	\$130B	2.6%	\$103K
TOTAL KANSAS CITY POPULATION	GROSS DOMESTIC PRODUCT	LOCAL UNEMPLOYMENT RATE	AVERAGE HOUSEHOLD INCOME

- #1 World’s Best Destination for a Wellness Workcation
Icelandair, 2022
- #4 Best Place for First-Time Home Buyers
Bankrate, 2022
- #6 “Rising Star” for Tech Jobs
Brookings, 2022
- #8 Hottest U.S. Job Market
The Wall Street Journal, 2022
- #10 Top City for Launching a Business
Real Estate Witch, 2022

Notable Corporate Headquarters in the Metro

MARKET OVERVIEW – KANSAS CITY MSA



CENTRALLY LOCATED WITH SEAMLESS CONNECTIVITY

Kansas City’s bi-state metropolitan area is centrally located with a well-connected roadway network comprising I-70, I-35, I-49, and I-29. The metro continues to invest heavily in its expansive infrastructure network to support a growing economy attributed to its top ranked rail center, unique inland port, and expanding international airport. The physical infrastructure is complemented by emerging technology initiatives and leader in Smart City technology with 54 square blocks of public wi-fi, interactive kiosks along downtown streetcar route, and smart streetlights and traffic signals that help the city operate with high efficiency.



Infrastructure Fast Facts

8	#2	#1	12	#1
Number of major interstates and interstate linkages	Least-congested MSA in the U.S.	Largest rail center in the U.S. by freight volume	Major passenger airlines serving Kansas City	Fiber network infrastructure in the U.S.



2.2 Million
Kansas City MSA population



\$130 Billion
Kansas City GDP



Top 3 County in U.S.
Johnson County best places to live



11% Growth
Kansas City's accelerated population growth since 2010



LOCAL DEMOGRAPHIC SNAPSHOT			
	1-Mile	3-Miles	5-Miles
2022 POPULATION	8,400	63,000	199,000
# OF HOUSEHOLDS	3,000	27,000	85,000
AVG. HH INCOME	\$85,000	\$83,000	\$95,000
# OF BUSINESSES	255	2,700	9,010



TENANT OVERVIEW



YUM! BRANDS COMPANY OVERVIEW

Yum! Brands, Inc. (NYSE: “YUM”), based in Louisville, Kentucky, is one of the world’s largest restaurant companies with 55,000+ restaurants in more than 155 countries and territories. The Company operates across its restaurant brands – KFC, Pizza Hut and Taco Bell – global leaders of the chicken, pizza and Mexican-style food categories. The Company’s family of brands also includes The Habit Burger Grill, a fast-casual restaurant concept specializing in made-to-order chargrilled burgers, sandwiches and more.

YUM! Brands’ size and scale are unmatched in the industry as its revenues and EBITDA in 2022 swelled to over \$6.8 billion and \$2.3 billion, respectively. The company boasts a strong credit rating of BB+ (S&P) with a stable financial outlook from the credit agencies.

KFC was found in 1952 by the famous Colonel Harland Sanders, a pioneer of the quick service restaurant concept that became famous for his “finger licking” original secret recipe. KFC is the world’s most popular chicken restaurant with more than 800,000 employees and 27,000 locations across 145+ countries. KFC is YUM! Brands’ top performing restaurant banner that boasts \$2.83 billion in 2022 revenue (13.8% revenue increase since 2019).

Taco Bell opened its first restaurant in 1962 located in Downey, California. Since then, Taco Bell has grown to be a culture-centric, lifestyle brand that provides affordable Mexican-inspired food to more than 40 million customers each week in the U.S. Domestically, Taco Bell comprises 350+ franchise organizations that operate over 7,200 restaurants. Internationally, the brand is growing with 1,000+ restaurants across more than 30 countries across the globe.



RESTAURANTS

55,000+



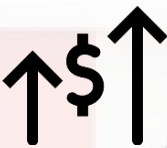
FOUNDED

1952



OWNERSHIP

(NASDAQ: YUM)



ANNUAL REVENUE

\$6.84B

COMPANY HIGHLIGHTS

Tenant / dba:	Delect Foods, Inc / KFC
Industry:	Quick Service Restaurant
Year Founded:	1952
Headquarters	Louisville, KY
# of Active Locations:	55,000
# of Employees:	±1,000,000
Ownership:	YUM! Brands, Inc. (NYSE: YUM)
Credit Rating (S&P):	BB+ (stable outlook)
YUM! Brands 2022 Revenue:	\$6.84 Billion
YUM! Brands 2022 EBITDA:	\$2.33 Billion
YUM! Brands Market Cap (June 2023):	\$37.38 Billion
Total Assets (June 2023):	\$5.75 Billion
Company Website:	YUM! Brands

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