

# KFC SALE-LEASEBACK

EXCLUSIVE NET-LEASE OFFERING



# OFFERING MEMORANDUM



1007 Scalp Avenue  
Johnstown, PA 15904

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# Investment Highlights

PRICE: \$2,192,265 | CAP: 5.65% | RENT: \$123,863



## About the Investment

- ✓ Brand New 20-Year Absolute Triple Net (NNN) Lease to be Signed at Closing
- ✓ 1.25% Annual Rental Increases Starting in Year 6
- ✓ Four (4), Five (5)-Year Tenant Renewal Options, Bringing the Potential Lease Term to 40 Years
- ✓ Fee Simple Ownership

## About the Location

- ✓ Dense Retail Corridor | McDonald's, CVS, Wendy's, Walmart Supercenter, TJ Maxx, Best Buy, Petco, Ross Dress for Less, Five Below, Dollar Tree, and Many More
  - ✓ The Johnstown Galleria Shopping Mall | Less Than Two Miles Away | Anchored by Boscov's and JCPenney
- ✓ Strong Demographics | Population Exceeds 55,000 Individuals Within a Five-Mile Radius
- ✓ Strong Traffic Counts | Over 16,486 Vehicles Per Day on Scalp Avenue | 28,637 Vehicles Per Day on U.S. Route 219
- ✓ Academic Presence | University of Pittsburgh at Johnstown | 2,200 Total Students on Campus | Less Than Two-Miles Away
- ✓ Medical Presence | Conemaugh Memorial Medical Center | Largest Healthcare Provider in West Central Pennsylvania | State-of-the-Art 537-Bed Medical Center | Less Than Four-Miles Away
- ✓ John Murtha Johnstown-Cambria County Airport | Non-Primary Commercial Service Airport | Roughly Three-Miles Away

## About the Tenant / Brand

- ✓ KFC operates more than 17,000 restaurants in the United States and internationally.
- ✓ KFC's parent company is Yum! Brands, Inc., the world's largest restaurant company in terms of system restaurants, with more than 40,000 locations in more than 130 countries and territories and employing more than one million associates
- ✓ Headquartered in Richardson, TX, Ampex Brands is the 17<sup>th</sup> largest franchisee in the United States according to Franchise Times Top 200
- ✓ Ampex Operates Around 400 Units of KFC, Taco Bell, Tim Horton's, Long John Silver's and 7-Elevens
- ✓ In July 2021, Ampex Brands Acquired Au Bon Pain's 171 Locations





# Financial Analysis

PRICE: \$2,192,265 | CAP: 5.65% | RENT: \$123,863



## PROPERTY DESCRIPTION

Concept	KFC
Street Address	1007 Scalp Avenue
City, State ZIP	Johnstown, PA 15904
Year Built / Renovated	2019
Building Size Estimated (SF)	+/- 2,500 SF
Lot Size Estimated (Acres)	+/- 0.49 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Price	\$2,192,265
CAP Rate	5.65%
Net Operating Income	\$123,863

## LEASE SUMMARY

Property Type	Retail
Property Subtype	Restaurant - Quick Service
Credit Type	Franchisee
Tenant	Ampex Brands
Guarantor	Morgan's Food Inc. (50-Units)
Original Lease Term	20 Years
Lease Commencement	Close of Escrow
Lease Expiration	20 Years from Close of Escrow
Lease Term Remaining	20 Years
Lease Type	Absolute Triple Net (NNN)
Landlord Responsibilities	None
Rental Increases	1.25% Annually Starting Year 6
Renewal Options Remaining	4, 5-Year Options

## RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$123,863	\$10,322	-
Year 2	\$123,863	\$10,322	-
Year 3	\$123,863	\$10,322	-
Year 4	\$123,863	\$10,322	-
Year 5	\$123,863	\$10,322	-
Year 6	\$125,411	\$10,451	1.25%
Year 7	\$126,979	\$10,582	1.25%
Year 8	\$128,566	\$10,714	1.25%
Year 9	\$130,173	\$10,848	1.25%
Year 10	\$131,800	\$10,983	1.25%
Year 11	\$133,448	\$11,121	1.25%
Year 12	\$135,116	\$11,260	1.25%
Year 13	\$136,805	\$11,400	1.25%
Year 14	\$138,515	\$11,543	1.25%
Year 15	\$140,246	\$11,687	1.25%
Year 16	\$142,000	\$11,833	1.25%
Year 17	\$143,775	\$11,981	1.25%
Year 18	\$145,572	\$12,131	1.25%
Year 19	\$147,391	\$12,283	1.25%
Year 20	\$149,234	\$12,436	1.25%

## INVESTMENT SUMMARY

NNN Pro Group is pleased to present the exclusive listing for an KFC located at 1007 Scalp Avenue in Johnstown, PA. The site consists of roughly 2,500 rentable square feet of building space on estimated 0.49-acre parcel of land. This KFC is subject to a 20-year absolute triple-net (NNN) lease, which commences at the close of escrow. The current annual rent is \$123,863 and is scheduled to increase by 1.25% annually starting in year 6 throughout the base term and in each of the 4, 5-year renewal options.





# Concept Overview



## About KFC

KFC Corporation, based in Louisville, Kentucky, is one of the few brands in America that can boast a rich, decades-long history of success and innovation. It all started with one cook who created a soon-to-be world-famous recipe more than 70 years ago, a list of secret herbs and spices scratched out on the back of the door to his kitchen. That cook was Colonel Harland Sanders, of course, and now KFC is the world's most popular chicken restaurant chain, specializing in that same Original Recipe® along with Extra Crispy™ chicken, home-style sides and buttermilk biscuits. There are over 20,500 KFC outlets in more than 125 countries and territories around the world. There's still a cook in a kitchen in every last one of them, freshly preparing delicious, complete family meals at affordable prices.

It is estimated that, on average, more than 185 million people see a KFC commercial at least once a week—that's more than half the U.S. population. The KFC system serves more than 12 million customers each day in more than 115 countries and territories around the world. KFC operates more than 17,000 restaurants in the United States and internationally. KFC's parent company is Yum! Brands, Inc., the world's largest restaurant company in terms of system restaurants, with more than 40,000 locations in more than 130 countries and territories and employing more than one million associates. Yum! is ranked number 201 on the Fortune 500 list, with revenues exceeding \$13 billion in 2012.

## About Ampex Brands

Ampex Brands was formed in 2005 to acquire 18 Long John Silver's restaurants, and has since grown tremendously, landing as the 17th largest franchisee in the US according to The 2022 Franchise Times Top 200. Currently, Ampex owns and operates around 400 units of KFC, Taco Bell, Tim Hortons, Long John Silver's and 7-Elevens in Arkansas, Louisiana, Texas, Oklahoma, Ohio, Pennsylvania, West Virginia, Illinois, New York and Missouri, and employs over 6,000 team members. In July of 2021, Ampex acquired Au Bon Pain's franchisor business for 171 locations as well as the rights for another 131 locations.







# Surrounding Area







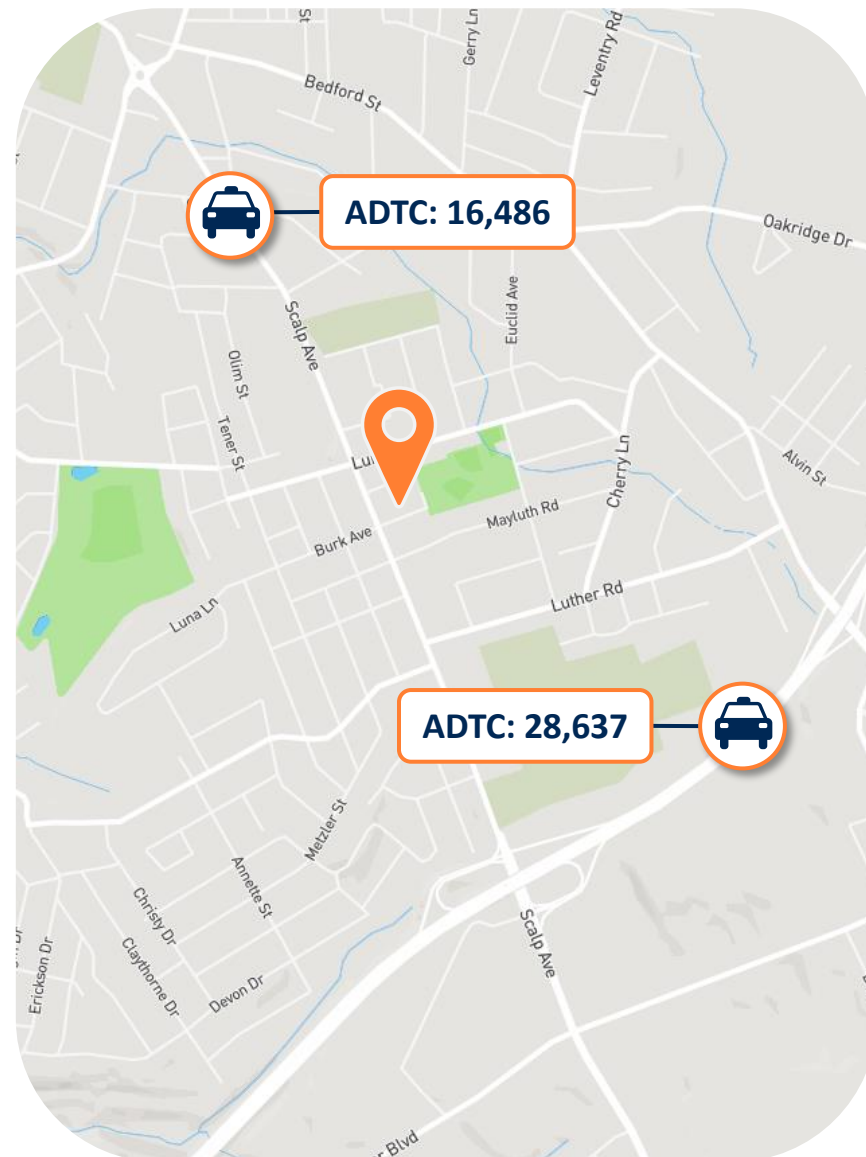
# Location Overview



The subject investment property is a KFC situated on 1007 Scalp Avenue in Johnstown, PA. Scalp Avenue experiences an average daily traffic count of approximately 16,486 vehicles and provides access to and intersects U.S. Route 219 which brings an additional 28,637 vehicles into the immediate area daily. There are more than 55,000 individuals residing within a five-mile radius of the property.

This KFC property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, academic institutions and shopping centers. Major national tenants in the area include: McDonald's, Wendy's, Dollar General, Arby's, and many more. The Richland Town Center is approximately one-mile away and features tenants such as Walmart Supercenter, TJ Maxx, Best Buy, Ross Dress for Less, and many more. Similarly, the Johnstown Galleria Shopping Mall is less than two-miles away and features nearly 40 stores and services. The property also benefits from its proximity to a major hospital. Conemaugh Memorial Medical Center has 527 inpatient, behavioral health, rehabilitation, and transitional care beds. The University of Pittsburgh at Johnstown is less than two-miles away and has over 2,200 students on campus.

Johnstown is the largest city in Cambria County, Pennsylvania. Located 57 miles east of Pittsburgh, it is the principal city of the Johnstown metropolitan area, which includes Cambria County and had 133,472 residents in 2020. It is also part of the Johnstown-Somerset combined statistical area, which includes both Cambria and Somerset Counties. The city is home to five national historic districts: the Downtown Johnstown Historic District, Cambria City Historic District, Minersville Historic District, Moxham Historic District, and Old Conemaugh Borough Historic District. Johnstown remains a regional medical, educational, cultural, and communications center. As in many other locales, health care provides a significant percentage of the employment opportunities in the city. The region is right in the middle of the "Health Belt", an area stretching from the Midwest to New England and down the East Coast that has had massive growth in the health care industry.







# Property Photos

Subject Property





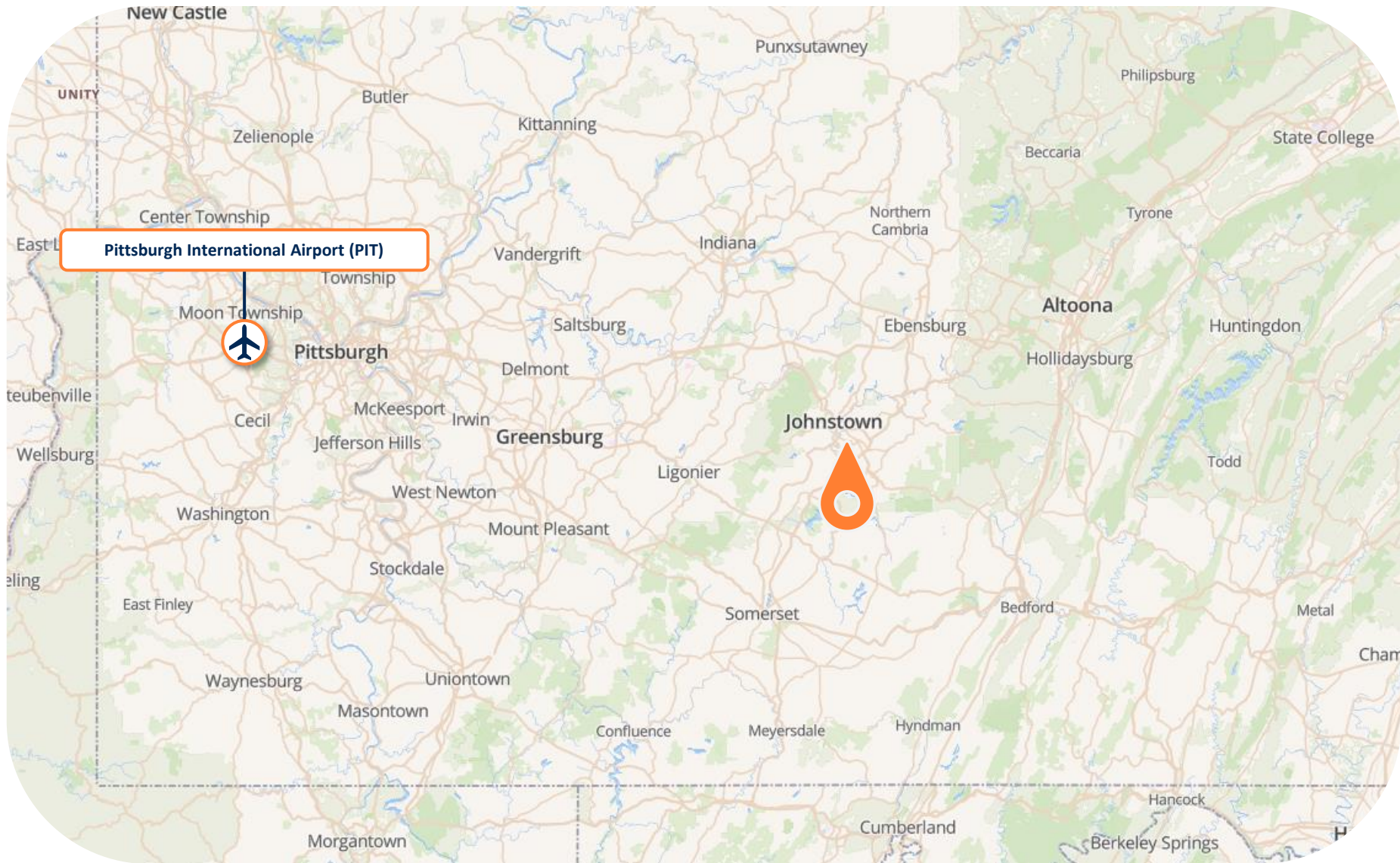
# Surrounding Area Photos





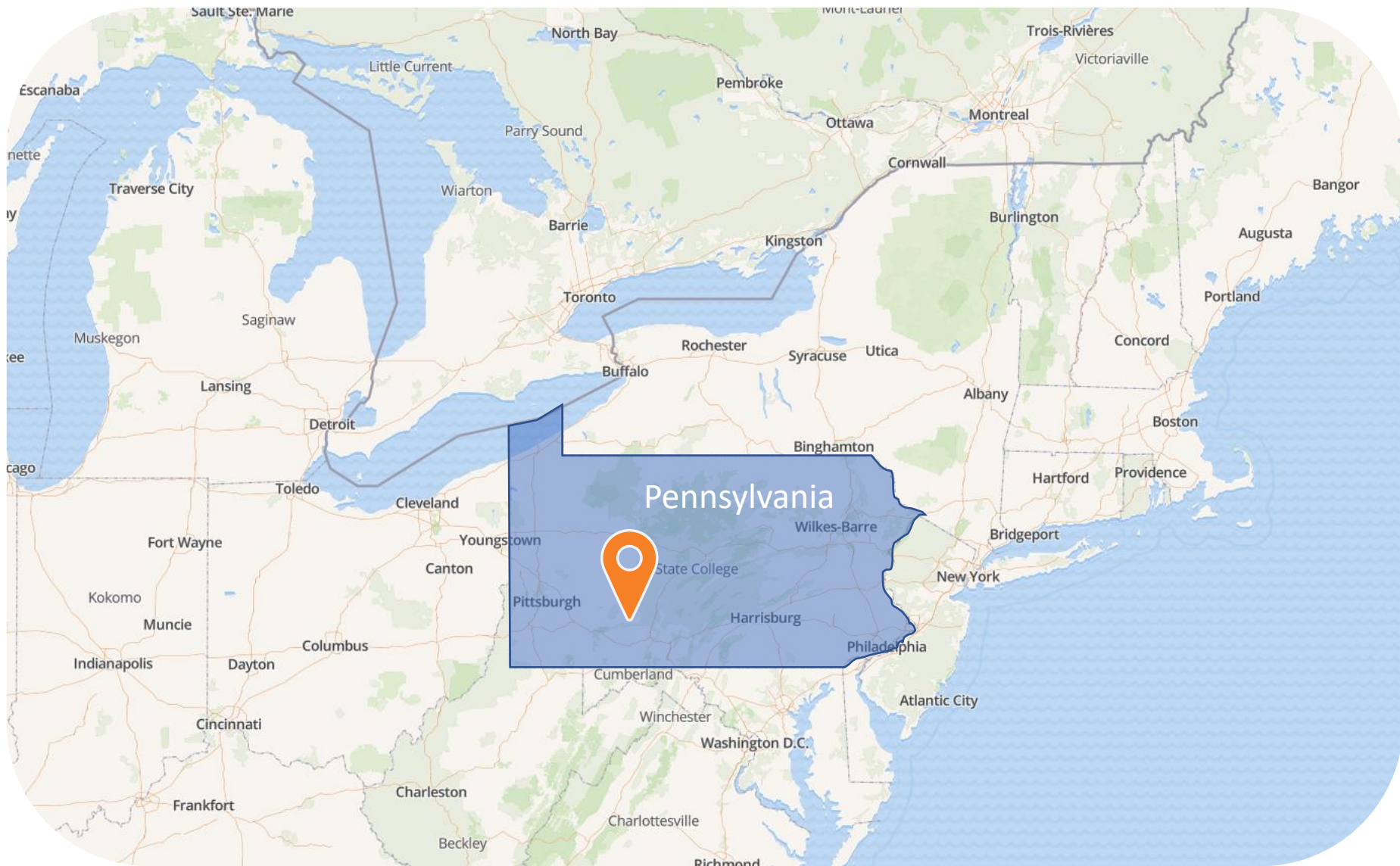


# Local Map





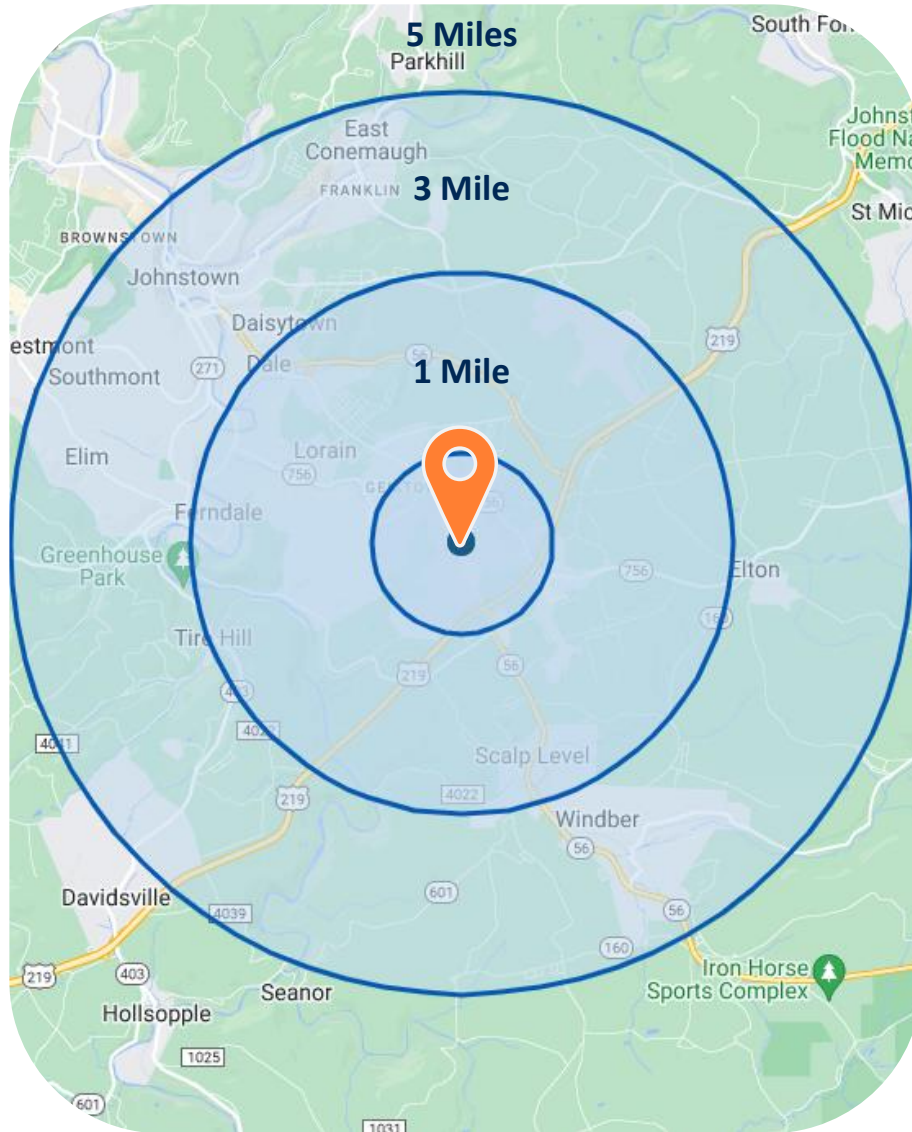
# Regional Map







# Demographics



## POPULATION TRENDS

2010 Population  
2023 Population  
2028 Population Projection  
Annual Growth 2023-2028

## HOUSEHOLD TRENDS

2010 Households  
2023 Households  
2028 Household Projection  
Annual Growth 2023-2028

**Avg Household Income**

**Median Household Income**

## HOUSEHOLDS BY HOUSEHOLD INCOME (2022)

< \$25,000  
\$25,000 - 50,000  
\$50,000 - 75,000  
\$75,000 - 100,000  
\$100,000 - 125,000  
\$125,000 - 150,000  
\$150,000 - 200,000  
\$200,000+

### 1 Mile

### 3 Miles

### 5 Miles

6,651	28,010	59,794
6,368	26,122	55,146
6,449	26,296	55,293
0.30%	0.10%	0.10%

2,990	11,917	26,179
2,875	11,257	24,271
2,908	11,339	24,326
0.20%	0.10%	0.00%

\$77,322	\$65,425	\$64,102
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\$59,794	\$45,371	\$43,622
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603	3,179	6,916
644	2,892	6,445
544	1,916	3,730
419	1,257	2,616
241	686	1,771
130	465	1,109
134	395	800
161	467	882



# Market Overview



## *Pittsburgh, Pennsylvania*



**Pittsburgh,** rests at the foothills of the Allegheny Mountains in the southeastern corner of Pennsylvania, outside the congested East Coast corridor. The region's economy, which was once dominated by the steel industry, has diversified with the help of the area's many colleges and universities. The city of Pittsburgh is located where the Allegheny and Monongahela rivers join to form the Ohio River. Pittsburgh is the most populous city in the metro and the second-largest in Pennsylvania.

Education is a major economic driver in the region. The largest single employer in education is the University of Pittsburgh, with 10,700 employees. Six Fortune 500 companies call the Pittsburgh area home. These include downtown's PNC Financial Services, PPG Industries, U.S. Steel, The Kraft Heinz Company, WESCO International, and the Findlay Township, Pennsylvania based Dick's Sporting Goods. In 2006, Expansion Magazine ranked Pittsburgh among the top 10 metropolitan areas in the nation for climates favorable to business expansion.

The region is home to Allegheny Technologies, American Eagle Outfitters, CONSOL Energy, Kennametal, Mylan Bayer USA, and Alcoa Corporation headquarters. Other major employers include BNY Mellon, GlaxoSmithKline, Thermo Fisher Scientific, and Lanxess. The Northeast U.S. regional headquarters for Chevron Corporation, Nova Chemicals, Deloitte Touche Tohmatsu, FedEx Ground, Ariba, and the RAND Corporation call the area home. 84 Lumber, Giant Eagle, Highmark, Rue 21, General Nutrition Center (GNC), CNX Gas (CXG), and Genco Supply Chain Solutions are major non-public companies headquartered in the region. Area retail is anchored by over 35 shopping malls and a healthy downtown retail sector, as well as boutique shops along Walnut Street, in Squirrel Hill, Lawrenceville and Station Square.

Pittsburgh is a relatively affordable place to live compared with many other major East Coast metros. In addition, the market has one of the lowest crime rates in the country. There are more than 500 organizations serving southwestern Pennsylvania, such as the Pittsburgh Cultural Trust, which has revitalized downtown. Regional amenities also include three professional sports teams: the Steelers (NFL), Pirates (MLB) and Penguins (NHL). The Pittsburgh Penguins and the University of Pittsburgh Medical Center (UPMC) built a \$72 million sports medical center and practice rinks. UPMC is one of the busiest transplant centers in the world. In addition, Children's Hospital of Pittsburgh is one of the highest-ranked children's hospitals in the nation.



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