

Kentucky Fried Chicken

OFFERING MEMORANDUM

5682 S. Transit Rd. | Lockport, NY | 14094





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Kentucky Fried Chicken





www.nlpnewport.com

TABLE OF CONTENTS

- Investment Highlights
- Tenant Overview
- Property Overview
- Area Overview
- Demographics

CBRE



Investment Highlights



INVESTMENT SUMMARY

Offering Price	\$1,809,800
CAP RATE.....	6.00%
Lease Type	NNN
Total Building Area	2,599 SF
Total Land Area	0.860 Acres
Website	www.nlpgnewport.com



INVESTMENT HIGHLIGHTS

- This is a true triple net (NNN) lease, with zero Landlord responsibility. The Tenant is responsible for maintaining, repairing, and replacing all aspects of the building and property, as well as payment of all required insurances, taxes, and utilities.
- KFC operates under a twenty (20) year lease that has over sixteen (16) years of guaranteed term remaining, plus four (4), five (5) year options.
- The lease provides for 10% rent bumps every five (5) years, with the next increase occurring in 2017.
- The lease is guaranteed by BBG North, LLC (20 unit operator) and also contains a personal guarantee from the principals of BBG North, LLC
- BBG North, LLC has been around for almost 30 years focusing on Taco Bell and KFC Restaurants
- The five (5) mile demographic ring is home to nearly 46,000 residents, reflecting population growth of 7.60% over the past ten (10) years. This same area is projected to grow an additional 1.47% by 2020.
- KFC is located on S. Transit Road, also known as New York State Route 78, which is a major north-south truck road. This road runs through the center of Erie County & Niagara County and reports traffic counts of approximately 30,000 cars per day.



INVESTMENT HIGHLIGHTS (CONTINUED)

- **Buffalo Niagara International Airport** is a mere **21 miles** from the subject property. It is the busiest airport in Upstate New York, and **flew over 1.2 Million passengers in 2014**.
- **Niagara Falls International Airport** is less than **30 minutes** from the KFC, and offers tourists a great advantage due to its location just off a major highway, and close proximity to the Canada/USA border.
- **Close proximity to Niagara Falls**, which is only **32 minutes, or 23 miles, from the subject property**. The hundreds of millions of dollars spent by tourists help sustain local business and generates tax revenue.
- **The University at Buffalo** is the largest campus in the State University of New York system and New York's leading public center for graduate and professional education. With a student body population of over 28,000, the University is **only 16 minutes away** from the subject property.
- KFC is a mere **2 minutes** from **Lockport High School**, and remains a popular spot for students to visit after school on a daily basis.
- Retail on South Transit Road in the immediate area includes: **Walmart Supercenter, Home Depot, Petsmart, Dollar Tree, Applebee's, Denny's, Burger King, ALDI, and Radio Shack, among others**.



KFC

KFC



\$5.00

BOX



\$5
FILL UPS
THE TASTY MEALS





Tenant Overview

About KFC

Based in Louisville, Kentucky, KFC Corporation (NYSE: KFC) is the world's most popular chicken restaurant chain, specializing in Original Recipe®, Extra Crispy®, Kentucky Grilled Chicken™ and Original Recipe Strips with home-style sides, Honey BBQ Wings, and freshly made chicken sandwiches. Every day, more than 13 million customers are served at KFC restaurants in 115 countries and territories around the world. KFC operates more than 5,200 restaurants in the United States and more than 18,000 units around the world.

KFC is world famous for its Original Recipe® fried chicken made with the same secret blend of 11 herbs and spices Colonel Harland Sanders perfected more than a half-century ago. Customers around the globe also enjoy more than 300 other products -- from Kentucky Grilled Chicken in the United States to a salmon sandwich in Japan. KFC is part of Yum! Brands, Inc., the world's largest restaurant company in terms of system restaurants, with more than 41,000 locations around the world.

Yum! Brands, Inc., based in Louisville, KY., is the world's largest restaurant company in terms of system units with more than 36,000 restaurants in over 117 countries and territories and more than 1 million associates. Yum! was ranked #214 on the Fortune 500 List and generated more than \$13 billion in revenue in 2014. Their brands - KFC, Pizza Hut and Taco Bell – are the global leaders of the chicken, pizza and Mexican-style food categories.

The Yum! system includes four operating segments: U.S., International (Yum! Restaurants International), China and India Divisions. They are proud of the unique culture they have built, one that's filled with energy, opportunity, and fun. They believe in their people, trust in their positive intentions, encourage ideas from everyone, and have actively developed a workforce that is diverse in style and background. Yum! is a place where anyone can, and does, make a difference.

Kentucky Fried Chicken



KFC CORPORATE OVERVIEW

Type:	Public
Industry:	Restaurant
Locations:	18,000
Employees:	450,000
Revenue:	\$13,279,000,000

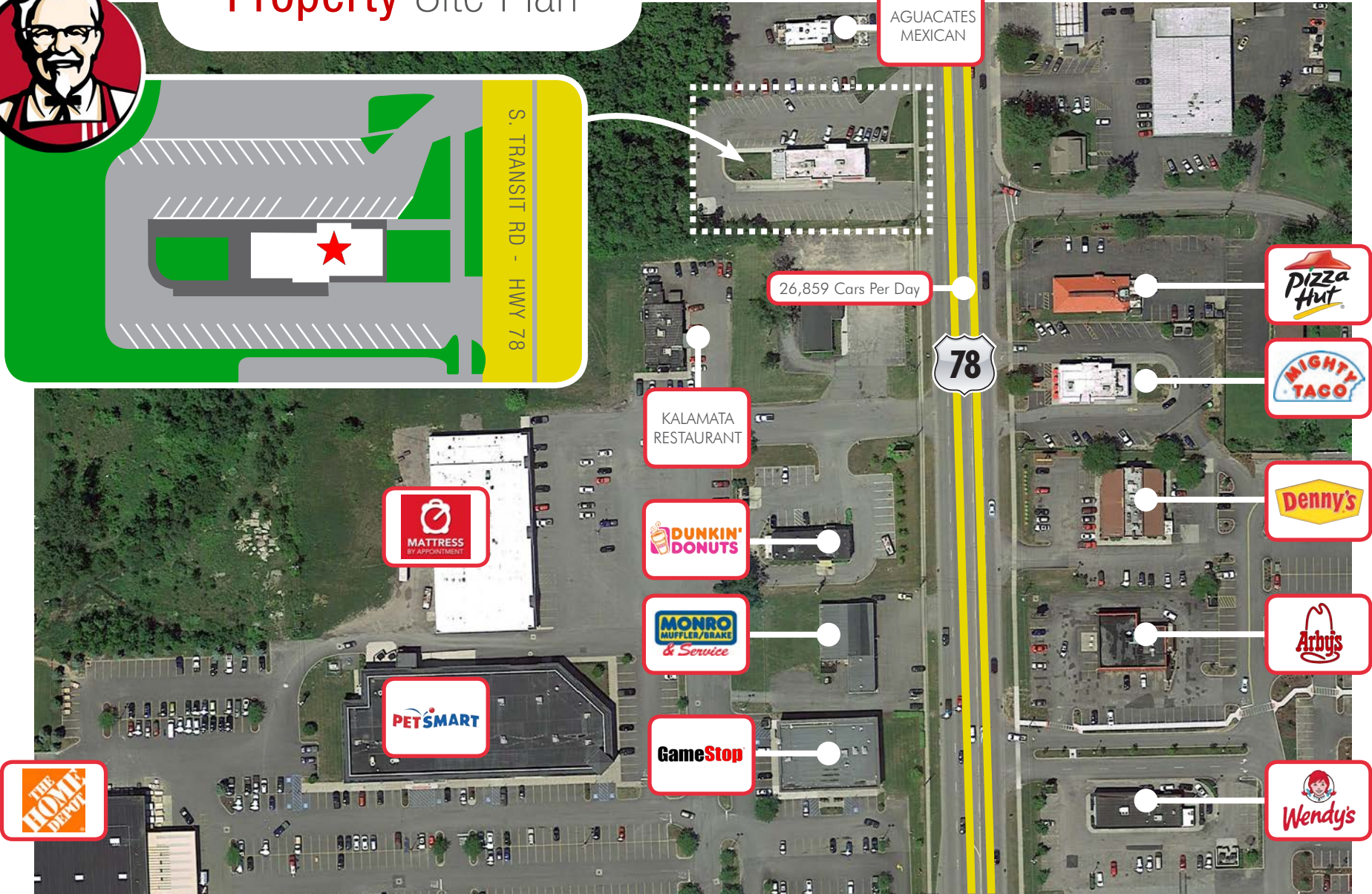
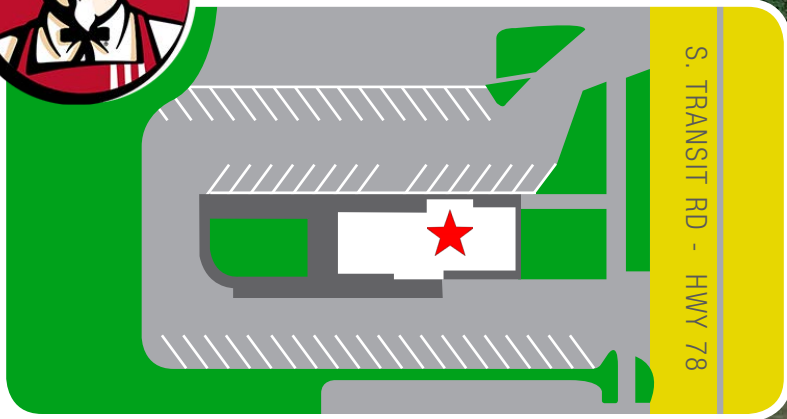


Property Overview

5682 S. Transit Rd. | Lockport, NY | 14094



Property Site Plan



26,859 Cars Per Day

AGUCATES MEXICAN

KALAMATA RESTAURANT

DUNKIN' DONUTS

MONRO MUFFLER/ BRAKE & Service

GameStop

Pizza Hut

MAIGHTY TACO

Denny's

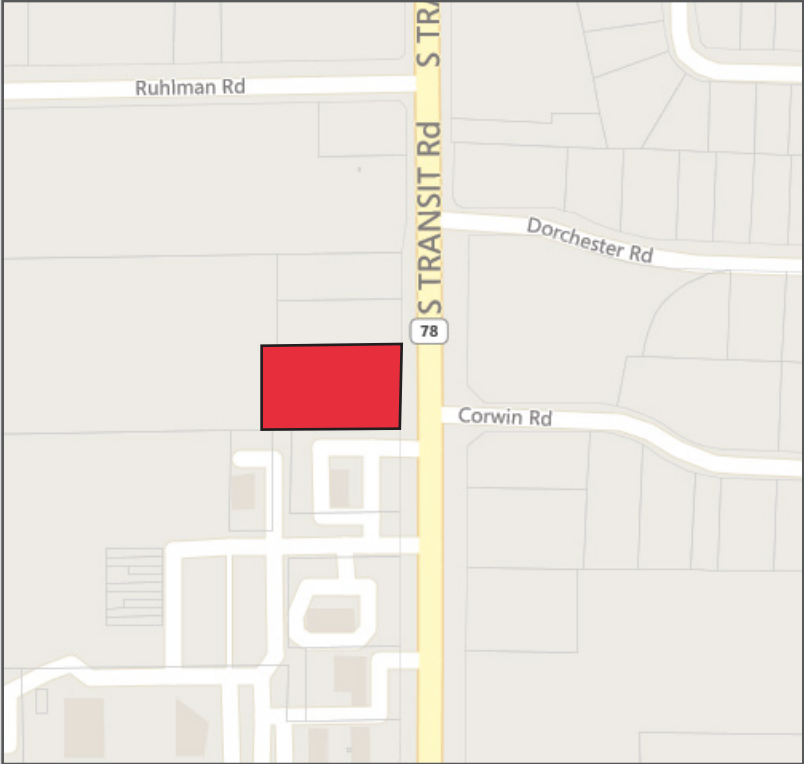
Arby's

Wendy's



Property Overview





PROPERTY SUMMARY

Rentable Square Feet	2,599 SF
Year Built	2011
Lot Size	0.860 Acres
Type of Ownership	Fee Simple
Parcel Number	292600-123-013-0001-008-000

LEASE SUMMARY

Trading As	Kentucky Fried Chicken
Tenant/Guarantor	BBG NORTH, LLC / Individual Guarantee
Lease Type	Triple Net (NNN)
Roof & Structure	Tenant Responsibility
HVAC	Tenant Responsibility
Insurances	Tenant Responsibility
Utilities	Tenant Responsibility
Property Taxes	Tenant Responsibility
Lease Term	20 Years
Annual Base Rent (Current)	\$108,588
Annual Rent / SF	\$41.78
Lease Commencement	January 16, 2012
Lease Expiration	January 31, 2032
Term Remaining on Lease	16.45 Years
Renewal Options	3-5 Year Options



Area Overview


5682 S. Transit Rd. | Lockport, NY | 14094

 **TORONTO, CANADA**
111 Miles | 2 Hours

LAKE ONTARIO 




WITHIN 1 MILE
THE HOME DEPOT
WALMART
T.J. MAXX
PEP BOYS AUTO
LOCKPORT HIGH SCHOOL
COMFORT INN
HEINRICH CHEVROLET
ANYTIME FITNESS (NORTH)
PLANET FITNESS (SOUTH)


GREATER ROCHESTER INTERNATIONAL AIRPORT 

ROCHESTER
60 Miles | 1 Hr. 40 Min. 

 **KENTUCKY FRIED CHICKEN**

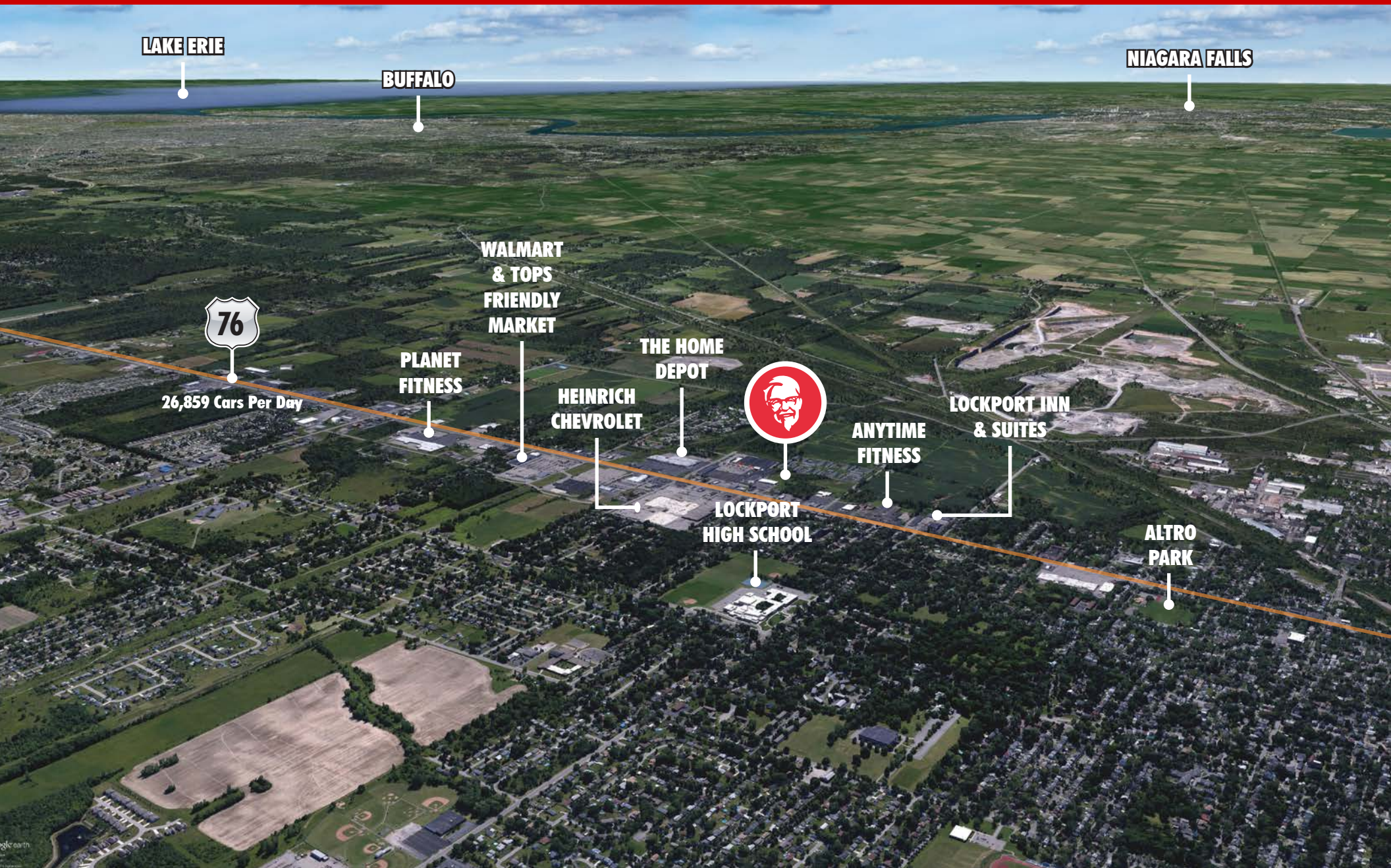
NIAGARA FALLS
20 Miles | 35 Minutes 

BUFFALO NIAGARA INTERNATIONAL AIRPORT 

 **BUFFALO**
22 Miles | 45 Minutes

LAKE ERIE 

Area Overview





AREA OVERVIEW (LOCKPORT)

HISTORY:

- Located in the western region of New York, lies the city of Lockport. It is the fastest growing town in upstate New York. Initially starting as a small settlement that took the name of Runyonstown in 1837, Lockport had a humble start and grew mainly due to the construction of the Erie Canal. The Chief Engineer of the Canal decided to construct the Canal's headquarters at a specific location that went on to grow in numbers and stature, and was later renamed Lockport. Incorporated in 1853, the town quickly expanded and established a stable economy, which many early settlers assisted in making a stronghold against slavery.
- Today, Lockport is a thriving community of 24,839 residents. As a continuously growing community, Lockport's residents and leaders have made it a city wide initiative to continue progressing forward while still preserving its storied past. The City has a nationally recognized historic downtown district that sits along the I&M Canal, and in February 2009, Lockport was proudly named the new home of the Lincoln Landing. This park was one of only a few national sites that were officially recognized by the Abraham Lincoln Bicentennial Commission for President Lincoln's Bicentennial Celebration.

TOURISM:

The Buffalo Niagara International Airport

- Aviation enthusiasts convinced City of Buffalo officials that an airport was an indispensable element for any city intent on industrial and commercial growth. It is the busiest airport in Upstate New York, and flew over 1.2 Million passengers in 2014.
 - The Buffalo Niagara International Airport is only 21 miles, or 29 minutes, from the subject property.

Niagara Falls International Airport

- The close proximity of this airport to the Canada/USA border, its location just off a major highway, and its central location to the Canada and USA population base, offer great advantages to tourists.
 - Niagara Falls International Airport is only 15 miles, or 24 minutes from the subject property.



Niagara Falls

Overall tourism impact in Niagara County: **\$526 Million spent by visitors**

- Overnight stays increase tourist spending at regional businesses.
- The hundreds of millions of dollars spent by tourists help sustain local business and generates tax revenue.
- Tourism is the second largest employer in Niagara County employing 13,900 people, making up 19.8% of the total workforce.
- Niagara Falls is **only 32 minutes, or 23 miles, from the subject property.**

Erie Canal

- The Erie Canal is one of the most famous and historically significant canals in the United States. Aside from the widely recognized historical significance of the canal as a transportation facility itself, a lesser known fact is that is also historically significant for the bridges that have spanned the canal over the years.
- **The Lockport Locks and Erie Canal Cruises** boat rides are offered on the Erie Canal, with one proceeding upward through the modern locks for a short cruise, returning to pass downstream under two lift bridges and then returning to the docks.
- **The Lockport Erie Canal Museum** is located in an old lock control structure between the modern Locks 34 & 35. The remaining original "Flight of Five" Locks spillway contains historic photographs, maps, engineering drawings and antique machinery.
- **The Erie Canal Discovery Center** is housed in an old church about 100 yards to the west of the locks. The center is a new state-of-the-art interpretive center for the Erie Canal, and particularly the role that Lockport, NY played in the history of the Erie Canal.
- **The Lockport Railroad Bridge is the widest bridge (399' wide x 129' length) in North America**, and spans the canal to the southwest of the locks. The Lockport Cave and Underground Boat Ride tour can be taken near the locks.

EDUCATION:

University of Buffalo

- The University at Buffalo is the largest campus in the State University of New York system and New York’s leading public center for graduate and professional education.
- With a student body count of over 28,000, the university is ranked #103 in the 2015 edition of Best Colleges and National Universities
- University of Buffalo is only 16 minutes, or 12 miles, from the subject property.

Niagara University

- A private institution with a student body count of over 4,200.
- Niagara University is ranked #50 in the 2015 edition of U.S. News & World Report Best Colleges.
- Niagara University is only 12 minutes, or 4.5 miles, from the subject property.

Other colleges in the area include Genesee Community College, Bryant & Stratton College, Empire State College, and Niagara County Community College.

SURROUNDING ACTIVITY:

- With an unemployment rate of 6.1% and future job growth predicted to be 33% over the next 10 years, Lockport is on the rise economically and is projected to continue with this upward motion. As a retail community, there is an opportunity gap of \$163.2 million with the majority of segments in high demand.
- Lockport is currently home to roughly 2.7 million square feet of retail space and 13 major centers. The largest of these centers is the **296,582 SF Tops Plaza** which is home to Tops Market, Factory Card and Party Outlet, TJ Maxx, and Shoe Depot.
- Other noteworthy centers include **Transit Road Plaza** with tenants such as Dollar Tree, Office Max, and Save A Lot, and Home Depot Plaza with Home Depot, PetSmart, GNC, and Panera Bread.
- **Lockport High School** is a mere 15 minutes from the KFC and remains a popular spot for kids to dine after school.
- Retail on South Transit Road in the immediate area includes: **Walmart Supercenter, Home Depot, Petsmart, Office Max, Save-A-Lot, McDonald’s, Dunkin Donuts, Denny’s, Wendy’s, Panera Bread, Applebee’s, Pizza Hut, Arby’s, Bon-Ton, Burger King, Radio Shack, ALDI, Dollar Tree, Kay Jewelers, Wendy’s, Taco Bell and HSBC, among others.**





Demographics

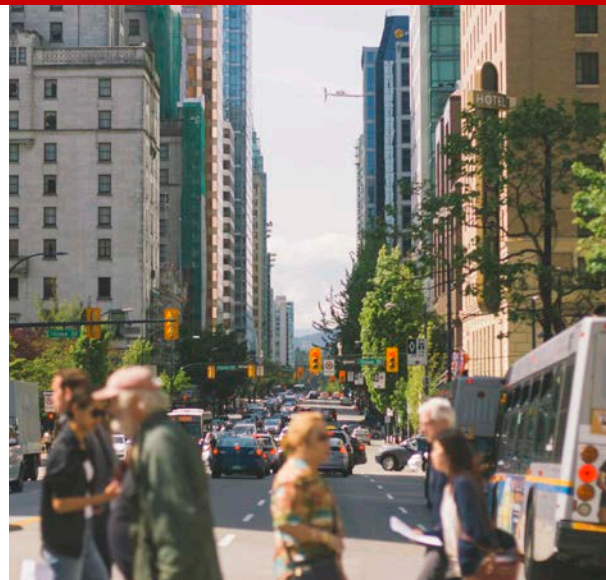
POPULATION	3 Mile	5 Mile	10 Mile
Estimated Population (2015)	33,862	45,105	127,328
Census Population (2010)	34,516	45,764	126,175
Projected Population (2020)	33,582	44,904	129,203
HISTORICAL ANNUAL GROWTH			
2000-2010	-3.1%	-0.6%	7.6%
2010-2015	-1.90%	-1.44%	0.91%
PROJECTED ANNUAL GROWTH			
2015-2020	-0.82%	-0.45%	1.47%
HOUSEHOLDS	3 Mile	5 Mile	10 Mile
Estimated Households (2015)	14,731	19,043	49,735
Census Households (2010)	14,834	19,187	50,720
Projected Households (2020)	14,666	18,965	48,934
HISTORICAL ANNUAL GROWTH			
2000-2010	0.5%	2.8%	12.0%
2010-2015	0.44%	0.41%	1.64%
PROJECTED ANNUAL GROWTH			
2015-2020	0.70%	0.76%	1.98%
HOUSEHOLD INCOME	3 Mile	5 Mile	10 Mile
2015 Average	\$59,607	\$65,459	\$84,380
2015 Median	\$47,546	\$52,067	\$66,079

2015 POPULATION BY RACE	3 Mile	5 Mile	10 Mile
White Population	87.50%	89.38%	89.94%
Black Population	6.55%	5.51%	4.00%
Asian Population	0.84%	0.81%	2.90%
Pacific Islander Population	0.03%	0.04%	0.04%
American Indian and Alaska Native	0.43%	0.40%	0.38%
Other Race Population	0.94%	0.79%	0.55%
Two or More Races Population	3.71%	3.06%	2.20%

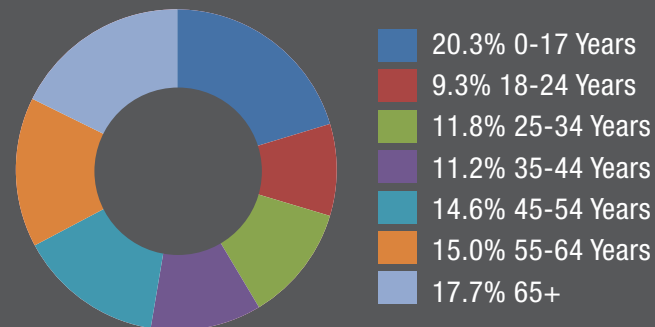
2015 EST. HISPANIC OR LATINO POPULATION BY ORIGIN	3 Mile	5 Mile	10 Mile
Not Hispanic or Latino	96.1%	96.6%	97.6%
Hispanic or Latino	3.9%	3.4%	2.4%
Cuban	2.05%	2.25%	3.22%
Mexican	23.64%	23.60%	22.68%
Puerto Rican	58.18%	57.44%	48.28%
Other	16.14%	16.72%	25.83%

2015 AGE BY GENDER	3 Mile	5 Mile	10 Mile
MEDIAN AGE			
Male / Female	38.01 / 41.15	39.02 / 41.85	40.52 / 43.54
AVERAGE AGE			
Male / Female	38.53 / 41.17	38.99 / 41.22	39.49 / 41.6

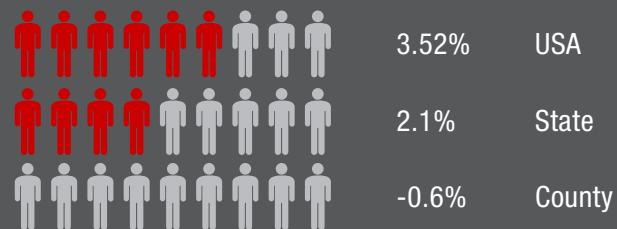
Demographics



Subject Area Estimated Population by Age



Population Growth - Next 5 Years



Median Household Income





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This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

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The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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