



THE NET LEASE GROUP

# For Sale Flowers Foods

5513 Gov. George C. Peery Hwy., Raven, VA



Representative Photo

**Purchase Price:** \$965,054

**NOI:** \$71,414

**CAP Rate:** 7.40%

**Property Type:** Industrial Distribution/Retail

**Year Built:** 2017

**Size (SF):** 5,200

**Tenant:** Flowers Baking Co. of Bardstown, LLC

**Lease Term:** 15 Years (14 Years Remaining)

**Lease Expiration:** May 31, 2032

**Lease Type:** NN

**Landlord Responsibilities:** Roof, Exterior Structure, Capital Improvements, Exterior Property Maintenance

## INVESTMENT HIGHLIGHTS

**STRONG TENANT** The property is 100% leased to Flowers Baking Co. of Bardstown, LLC. (Bardstown), a wholly owned subsidiary of Flowers Foods, Inc. Bardstown owns and operates the company's largest bakery and has become the prototype for all future Flowers Foods bakeries. The company has an extensive route system supplying 26 distribution locations with 187 routes and serves customers in Kentucky, Indiana, Ohio, Tennessee, West Virginia, Illinois, and Arkansas.

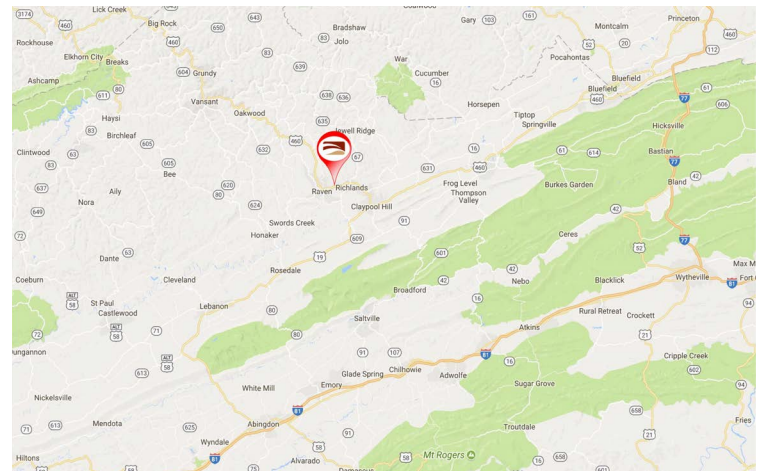
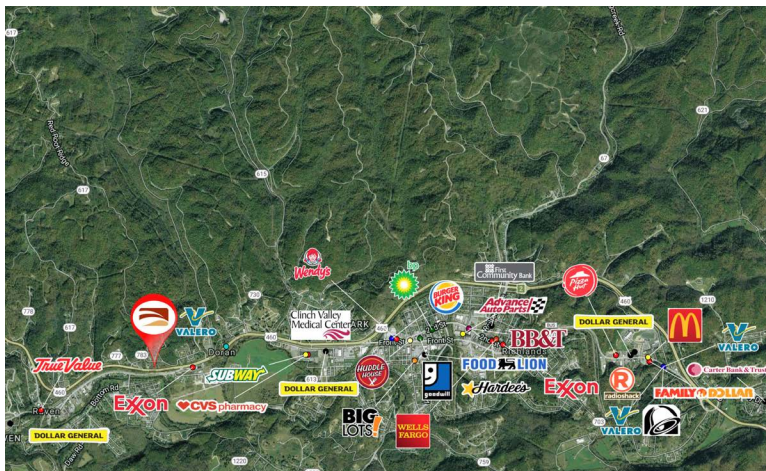
**DISTRIBUTION/RETAIL PROPERTY** Flowers operates a thrift store in the front of this distribution facility.

**NATIONWIDE COVERAGE** Flowers Foods, Inc. (NYSE: FLO), a publicly traded company, is the second-largest producer and marketer of packaged bakery foods, serving over 85% of the United States population. Flowers operates 49 efficient bakeries in 18 states, producing top brands including Nature's Own, Wonder, Dave's Killer Bread, Tastykake, and Mrs. Freshley's.

**BRAND NEW CONSTRUCTION** The newly constructed 5,200 SF Flowers Foods distribution/retail facility with 8 dock doors located on US Highway 460 in Tazewell County, VA, was completed in May 2017.

**ROOF WARRANTY** 20 Year roof warranty transferable to new owner.

## PROPERTY AERIALS



## TENANT INFO

In 2009, Flowers Foods of Bardstown opened a new \$57 million State-of-the-art bread and bun bakery in Bardstown, Kentucky that has become the new benchmark for building sustainability and product manufacturing. Due to its success in lowering production costs, the plant will likely create new criteria for improving Flowers' 39 other plants and for developing additional parameters for designing facilities.

Flowers Foods of Bardstown is the northernmost facility within the Flowers network and has an extensive distribution network. In the summer of 2017, Bardstown's route system started supplying retail and food service customers in Kentucky,

southern and central Indiana, southern Ohio, central Tennessee and a few markets in West Virginia and southern Illinois. Previously, these markets had been served by the Morristown, TN, bakery's distribution network. In addition to covering such metropolitan areas as Louisville, KY; Cincinnati, OH; Nashville, TN; and Indianapolis, IN, the Bardstown bakery also ships products to the company's bakeries in Morristown and Batesville, AR, where products are then distributed throughout their territories. Bardstown ships to depots and operates no routes directly from the plant. This effort currently supplies 26 distribution locations serving 187 routes.



## FLOWERS FOODS, INC.

In fiscal year 2016, Flowers Foods, Inc. had sales of \$3.9 billion, including the #1 organic bread and #1 loaf bread brands in the total U.S (Dave's Killer Bread and Nature's Own respectively). Since its inception in 1919, every Flowers baking company

has been structured as a wholly-owned subsidiary of Flowers Foods, Inc., and is consolidated in Flowers Foods Inc.'s financial statements. Anecdotally, in almost 100 years, no Flower Foods, Inc. subsidiary has filed for bankruptcy or missed a rent payment.

Website: [www.flowersfoods.com](http://www.flowersfoods.com)

## OPERATING PROFORMA

OPERATING INCOME	PER SQ FT	TOTALS
Flowers Baking Co. of Bardstown, LLC*	\$14.54	\$75,600
<b>Total Minimum Rent</b>		<b>\$75,600</b>
<b>EXPENSE REIMBURSEMENTS</b>		
Real Estate Taxes (2017)	\$0.22	\$1,169
Insurance (Actual COI)	\$0.69	\$3,612
<b>Total Expense Reimbursement</b>	<b>\$0.96</b>	<b>\$4,781</b>
<b>GROSS POTENTIAL INCOME</b>	<b>\$15.46</b>	<b>\$80,381</b>
Estimated Vacancy/Credit Loss	0%	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$15.46</b>	<b>\$80,381</b>

\*No Parent Guarantee

LEASED AREA	5,200 SQ FT	
<b>ESTIMATED OPERATING EXPENSES</b>	<b>PER SQ FT</b>	<b>TOTALS</b>
Tenant Utilities—Paid Directly by Tenant	---	---
Real Estate Taxes	\$(0.22)	\$(1,169)
Insurance	\$(0.69)	\$(3,612)
Exterior Property Maintenance	\$(0.23)	\$(1,200)
Snow Removal	\$(0.19)	\$(1,000)
Management Fee (1.5% of EGI)	\$(0.23)	\$(1,206)
Capital Exp. Reserves (\$0.15/SqFt)	\$(0.15)	\$(780)
<b>TOTAL OPERATING EXPENSES (EST.)</b>	<b>\$1.72</b>	<b>\$8,967</b>
<b>ESTIMATED NET OPERATING INCOME</b>	<b>\$17.18</b>	<b>\$71,414</b>

## EXCLUSIVELY MARKETING BY

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