



ACTUAL SITE

OFFERING MEMORANDUM

PRESERVE
WEST
CAPITAL



Chick-fil-A
Staunton, VA

This property is listed in conjunction with Virginia-licensed real estate broker Phillip J. Stewart, Jr.

www.preservewestcapital.com



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Disclaimer

Michael Maffia ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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Property Highlights

- Brand New 20-Year Absolute NNN Corporate Lease to Chick-fil-A
 - New 2018 Construction
 - Scheduled 10% Rental Increases Every Five Years and at Option
 - Unique Fee Simple Chick-fil-A Property Including Improvements – Benefit of Depreciation
- Excellent Access and Visibility Adjacent to I-81 Junction
 - 100,000 Combined AADT
- Highly Functional Real Estate with Double Drive-Thru Component
- Chick-fil-A Consistently Outperforms Competitors in QSR Space
 - Average Per-Unit Sales Exceed \$4 Million
 - Food Users are Protected Against the Impact of E-Commerce on Retail
- Adjacent to Walmart Supercenter-Anchored Shopping Center
 - Major Nearby Tenants Include Aldi, Kroger, Tractor Supply Company, & Others
- Robust Demographics in Surrounding Area
 - Annual Growth Rate of 1.62% Since 2010
 - Average Household Income of \$66,363 within Three Miles of the Site
- Shenandoah Valley is Regional Agricultural and Manufacturing Hub
 - Substantial Economic Development Activity in Greater Staunton Region in Recent Years
 - Total Export Value of \$2.9 Billion Annually



Location

The property is located at 101 George Cochran Parkway in Staunton, Virginia.

Lot Size

Approximately 1.67 acres, or 72,745 square feet.

Improvements

Construction was completed in 2018 of a 4,971 square foot restaurant building for **Chick-fil-A** with a double drive-thru component.

Lease

Leased to **Chick-fil-A, Inc.** for 20 years at an initial annual rent of \$199,859 from July 2018 to July 2038. There are twelve (12) five-year options to renew the lease. Rent is to increase by 10% every five years throughout the primary term and at the start of each option period. The lease is net with tenant responsible for all taxes, insurance, and maintenance.

Parking

There are 67 parking spaces available on site.

Financing

The property will be delivered free and clear of permanent financing.

PRICE

\$4,996,000

4.00% Return

Net Annual Income

Year	Annual Rent	Return
Years 1-5	\$199,859	4.00%
Years 6-10	\$219,845	4.40%
Years 11-15	\$241,830	4.84%
Years 16-20	\$266,013	5.32%
Years 21-25 (Option 1)	\$292,614	5.85%
Years 26-30 (Option 2)	\$321,875	6.44%
Years 31-35 (Option 3)	\$354,063	7.09%
Years 36-40 (Option 4)	\$389,469	7.80%
Years 41-45 (Option 5)	\$428,416	8.58%
Years 46-50 (Option 6)	\$471,258	9.43%
Years 51-55 (Option 7)	\$518,383	10.38%
Years 56-60 (Option 8)	\$570,222	11.41%
Years 61-65 (Option 9)	\$627,244	12.55%
Years 66-70 (Option 10)	\$689,968	13.81%
Years 71-75 (Option 11)	\$758,965	15.19%
Years 76-80 (Option 12)	\$834,862	16.71%



Chick-fil-A's average per-restaurant sales exceed \$4 million.



Chick-fil-A Inc., is a fast food restaurant chain headquartered in College Park, GA, that specializes in chicken sandwiches. The company has more than 2,225 locations nationwide, the majority of which are franchised, and is credited with the invention of the boneless chicken sandwich. The company initially focused on locations in shopping mall food courts, but shifted its focus in the mid-80's to freestanding franchises. Though primarily concentrated in the southern United States, the chain has expanded in recent years with franchise locations in 42 states and Canada.

Chick-fil-A's average sales per restaurant consistently outpace competitors: in 2017, the company's average sales per unit exceeded \$4 million, easily surpassing competitors such as KFC, Popeye's, and McDonald's, with average per unit sales of \$1.2 million, \$1.4 million, and \$2.7 million respectively. The brand has benefited from consistent growth, opening 140 new units in 2017, representing a unit-count increase of approximately 6.7%. In addition, the chain consistently ranks first in fast-food customer service surveys.

Chick-fil-A uses a business model significantly different from other restaurant franchises, most notably retaining ownership of each restaurant. Chick-fil-A typically selects the location, builds the restaurant, and retains ownership of the store. Chick-fil-A gets a larger share of revenue from its franchises than other chains, but the formula works well for operators because the up-front cost of becoming a franchisee is lower compared to other competing chains. Chick-fil-A franchisees make an average of \$190,000 per year.

SITE PLAN

GEORGE COCHRAN PKWY NE



GEORGE COCHRAN PKWY SE

AERIAL

CLOSE UP VIEW



Downtown Staunton (~3 mi)



Richmond Ave (39,000 AADT)



(~0.3 mi)

AERIAL

NORTHWEST VIEW



DOWNTOWN
STAUNTON

MARY BALDWIN
UNIVERSITY



250

Richmond Ave (39,000 AADT)

INTERSTATE
81 (61,000 AADT)



AERIAL

SOUTHWEST VIEW

STAUNTON MALL



(61,000 AADT)
INTERSTATE
81



250 Richmond Ave (39,000 AADT)



ABOUT THE AREA

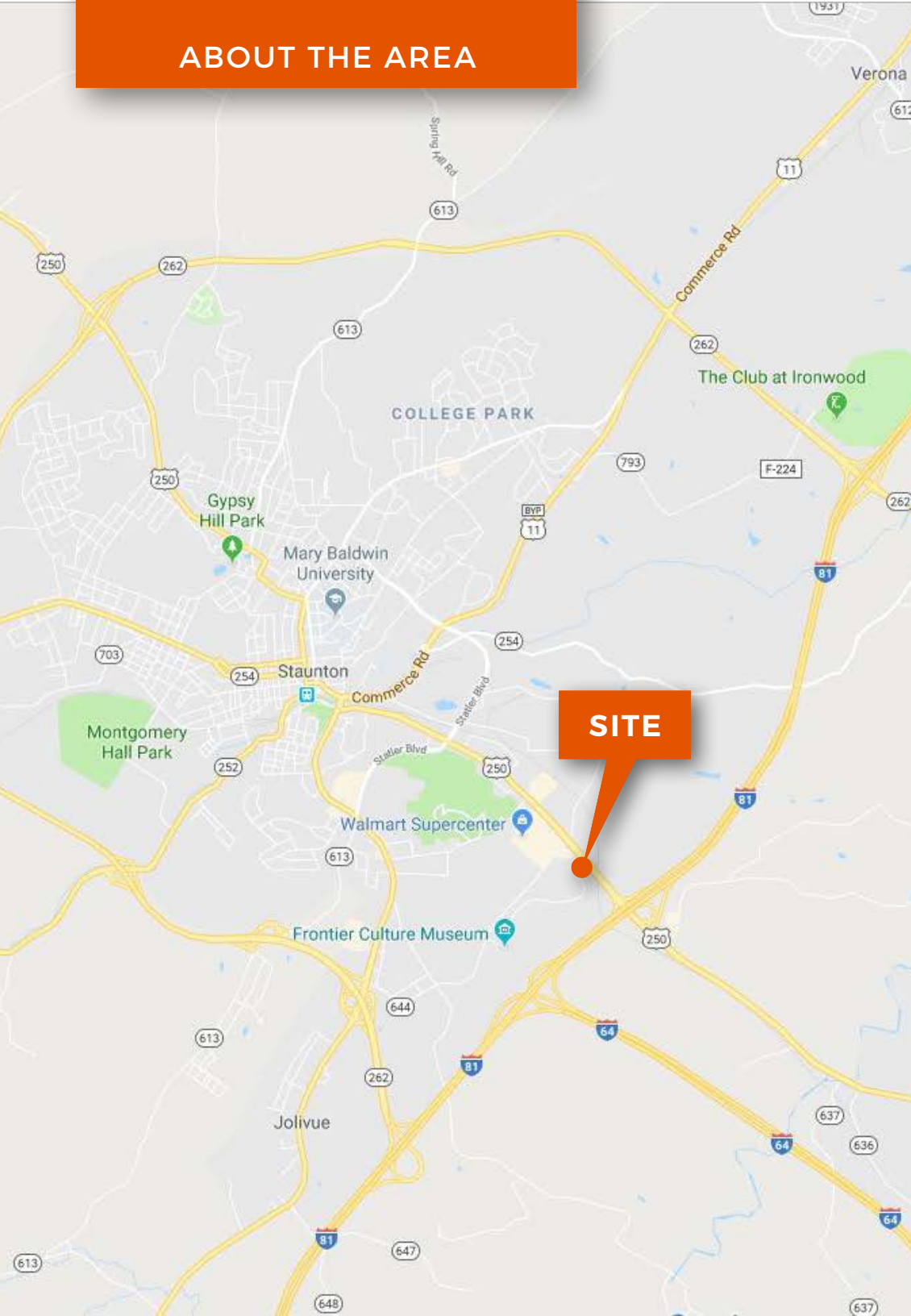


General Overview

Staunton, Virginia (population 24,528) is a principal city of the Staunton-Waynesboro Metropolitan Statistical Area, with a population of approximately 122,000. The city is situated in the Shenandoah Valley region, an agricultural and transportation hub. Major companies located in the region include Sumimoto Drive Technologies, Dascom Americas, Shamrock Farms, Nexus, Blue Ridge Machine Works, Hershey Chocolate, McKee Foods, NIBCO, Ply-Gem Siding Group, Rexnord, Target Corporation, and more. The total export value of products produced in the Shenandoah Valley region exceeds \$2.9 billion annually.

The region has seen significant economic development in recent years, with targeted growth in advanced manufacturing, food processing, life sciences, and agriculture. Blue Ridge Machine Works, which manufactures custom-machined components, prototypes, and other products for a variety of industries, is investing \$1.35 million in a new facility to expand their current operations at Mill Place Commerce Park, located approximately 6 miles from the site. In addition, in August of 2018, Sumimoto Machinery Corporation of America announced plans to invest several million dollars in additional equipment and expand its workforce at its recently completed facilities at Mill Ridge Commerce Park. AccuTec Blades expanded its operations in Verona in 2015, investing \$5.4 million in its manufacturing facilities and expanding its workforce in the county to more than 200 employees. In 2014, Provides Inc., an HVAC component manufacturer based in Italy, established its first manufacturing facility in the United States creating 45 new manufacturing jobs and investing approximately \$6.1 million in its facilities in the region.

ABOUT THE AREA



Site Information

The subject property is prominently situated with excellent visibility and frontage along Richmond Avenue/US-250 (39,000 AADT) near its junction with I-81 (61,000 AADT), a major regional arterial linking Staunton to Lexington, Roanoke, and other nearby cities. The site benefits from robust demographics with a total daytime population of 48,856 within five miles of the site. Population within one mile of the site has grown at an annual rate of 1.62% since 2010, and is projected to grow at an annual rate of 1.45% through 2023. Average household income within three miles of the site is \$66,363.

The site benefits from a prominent, accessible location in proximity to numerous retail centers and major retail tenants. The property is adjacent to a Walmart Supercenter-anchored retail center, with additional major retail tenants including Lowe's. Other shopping centers neighboring the site include Statler Square, with tenants including Kroger, Petco, Staples, and more; Orchard Hill Square, featuring Food Lion, Tractor Supply Company, TJ Maxx, and Ashley Homestore; Staunton Mall, with tenants including Belk, Hibbett Sports, Dollar Tree, and more; Staunton Plaza, anchored by Martin's Food; and more. Other retail tenants neighboring the site include ALDI, CVS, Dollar General, Starbucks, Dunkin' Donuts, Cracker Barrel, Rite Aid, and more. In addition, the site neighbors numerous major employers, including Mary Baldwin University, Central Coca-Cola Bottling, and others.



101 George M Cochran Pkwy | Staunton, VA 24401



2018 POPULATION

121,149



AVERAGE HOME VALUE

\$264,636



AVG. HOUSEHOLD INCOME

\$68,080

Population Summary	5 Mile	10 Miles	15 Miles
2010 Total Population	36,319	79,702	115,186
2018 Total Population	38,538	86,237	121,149
2023 Total Population	40,116	91,075	125,671
2018-2023 Annual Rate	0.81%	0.78%	0.74%
Average Household Income			
2018	\$65,952	\$68,080	\$66,728
2023	\$77,910	\$80,156	\$78,918
Average Home Value			
2018	\$243,964	\$261,040	\$264,636
2023	\$274,911	\$297,346	\$307,054

Top Employers in Staunton

of Employees

Western State Hospital	500-999
Staunton City School Board	500-999
Mary Baldwin University	250-499
City of Staunton	250-499
WalMart	250-499
Federated Auto Parts	250-499
Brightview Senior Living LLC	100-249
VDOT	100-249
Cadence Inc.	100-249
Virginia School for the Deaf and Blind	100-249



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