



Starbucks/Firehouse Subs Brand New Construction

Newberry, SC

CONFIDENTIAL OFFERING MEMORANDUM

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EXCLUSIVELY LISTED BY



Peter Couchell

Managing Director/Shareholder

couchell@furmanacap.com

864 678 5923



Rob Schmidt

Vice President

rschmidt@furmanacap.com

864 678 5995



INVESTMENT OVERVIEW

Executive Summary

PROPERTY SUMMARY

Address	1228 Wilson Rd Newberry, SC 29108
Total GLA	±4,040 SF
Total Land Size	±0.59 Acres
Year Built	2019
Parking	20 Spaces
Shared Additional Parking	11 Spaces

FINANCIAL SUMMARY

NOI	\$114,136
Cap Rate	6.50%
List Price	\$1,755,932

INVESTMENT HIGHLIGHTS

- Best location, visibility, & access in the market
- Brand new construction with 10-year leases
- Favorable rent growth with 10% increases every 5 years
- Nearby traffic generators include Newberry College, Piedmont Tech, Newberry High School, Newberry Hospital, Lowes & Walmart
- Starbucks is a strong corporate investment grade tenant (S&P: BBB+)
- Firehouse Subs is operated & guaranteed by the companies largest franchisee with 31 locations

STARBUCKS LEASE SUMMARY

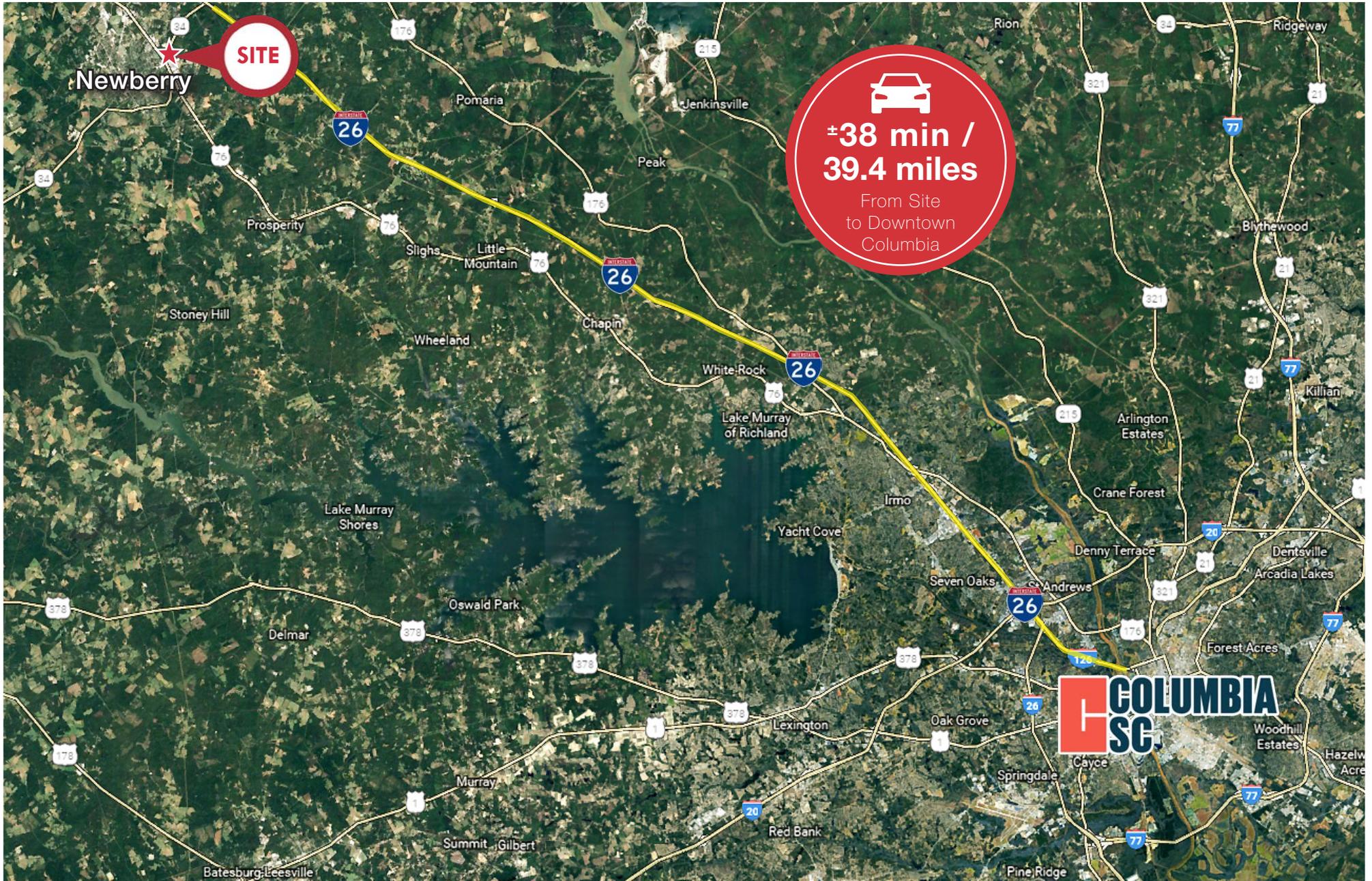
Tenant	Starbucks Corporate
Lease Type	NNN
Taxes/CAM/Insurance	Tenant Responsibility
Roof/Structure	Landlord Responsibility
Original Lease Term	10-Years
Lease Commencement	Q3 2019
Rent Increases	10% Increase in year 6
Renewal Options	4 - 5 year

FIREHOUSE LEASE SUMMARY

Tenant	TLC Enterprises, LLC
Lease Type	NNN
Taxes/CAM/Insurance	Tenant Responsibility
Roof/Structure	Landlord Responsibility
Original Lease Term	10-Years
Lease Commencement	Q3 2019
Rent Increases	10% Increase in year 6
Renewal Options	2 - 5 year

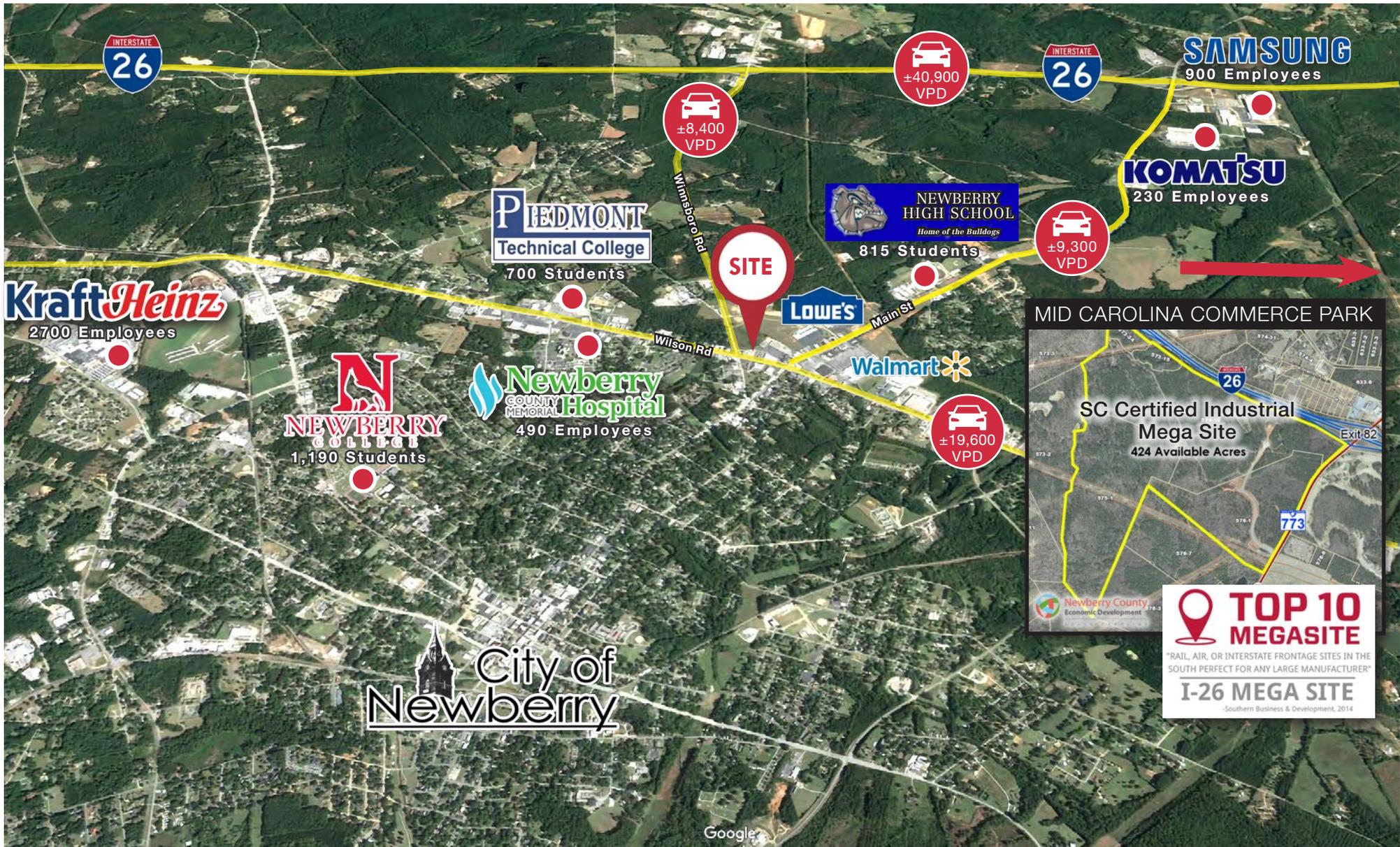
PROPERTY OVERVIEW

Regional Map



PROPERTY OVERVIEW

Local Map



PROPERTY OVERVIEW

Economic Drivers

NEWBERRY COUNTY TOP EMPLOYERS

Company	Employees
Kraft Heinz	2,700
Samsung Electronics	650
Newberry Co Memorial Hospital	450
Georgia-Pacific Corp.	275
Valmont Composite Structures	250
Komatsu America	230
Kiswire Inc.	200
ISE Newberry	183
Pioneer Frozen Foods	160
West Fraser Timber Co.	150

*Newberry County Economic Development



Turkeys are South Carolina's second-largest farm product, far bigger than peaches, cotton or tobacco. **Most of the turkey sold under the Oscar Mayer name passes through a factory in Newberry.** This factory processes millions of turkeys a year though its parent company Kraft Heinz and it's **the largest of three Oscar Mayer turkey plants in the nation.** The prominence of turkeys in the Palmetto State economy owes to the forces of

logistics plied by one of the world's largest food producers. The emergence of South Carolina's turkey supply chain is akin to the growth of auto parts manufacturing that followed BMW's factory in Spartanburg and the aerospace work that followed Boeing's arrival in North Charleston. Companies like BMW and Boeing are sought after because it takes a sophisticated supply chain to build cars and planes. Growing turkeys isn't so different. **> READ MORE**



Samsung's new \$380 million home appliance manufacturing facility in Newberry County, SC. **> READ MORE**

NEWBERRY COUNTY HIGHER EDUCATION



#13 Best Regional Colleges in the South
#3 Best Value Regional Colleges in the South
1,190 Students
> newberry.edu



PTC is a public community college with its main campus in Greenwood, SC. It serves seven counties in the Lakelands region of South Carolina including Newberry County.
700 Students at the Newberry Campus
> ptc.edu/about/locations/newberry

PROPERTY OVERVIEW

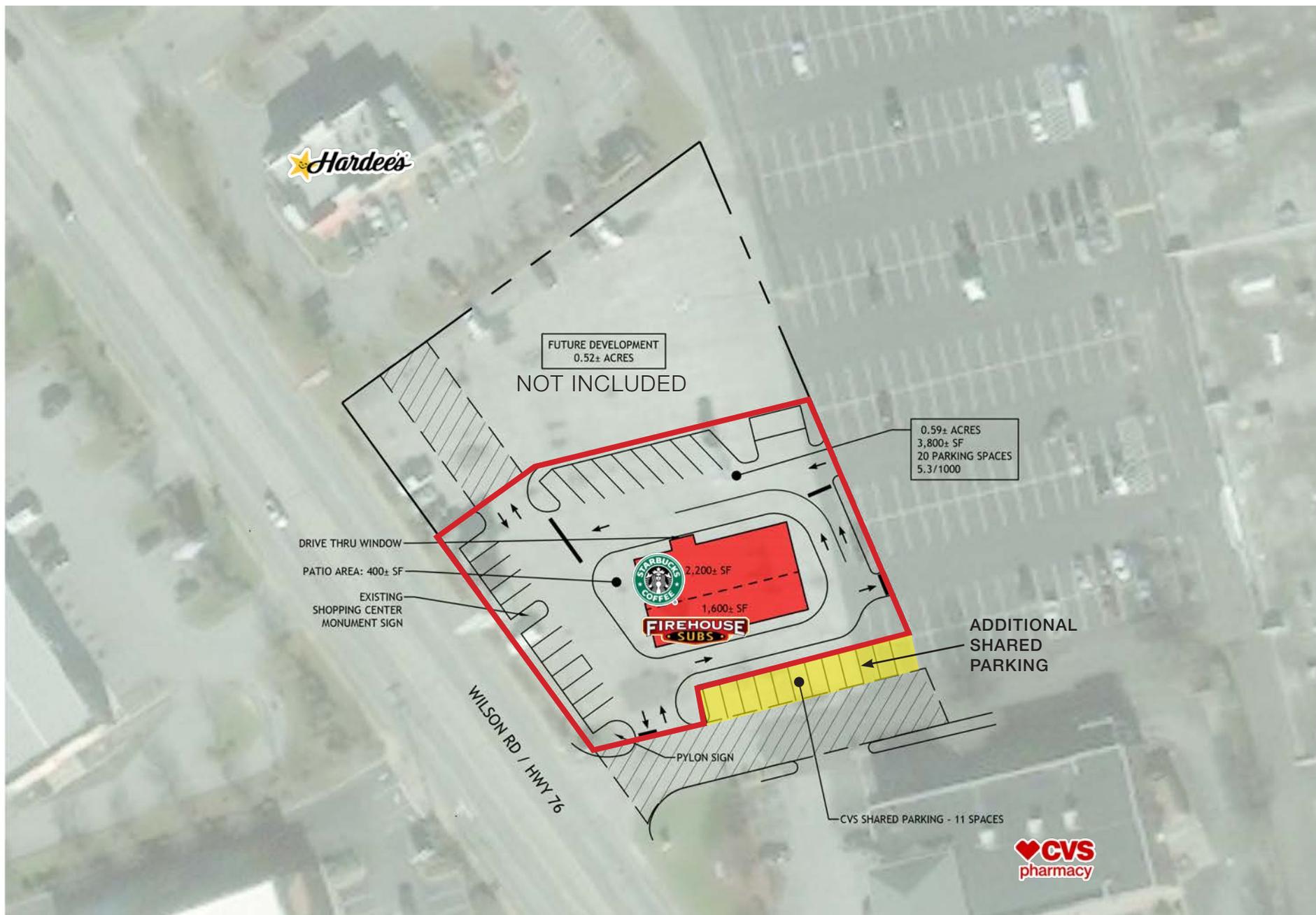
Retailer Map



*Site lines are approximate

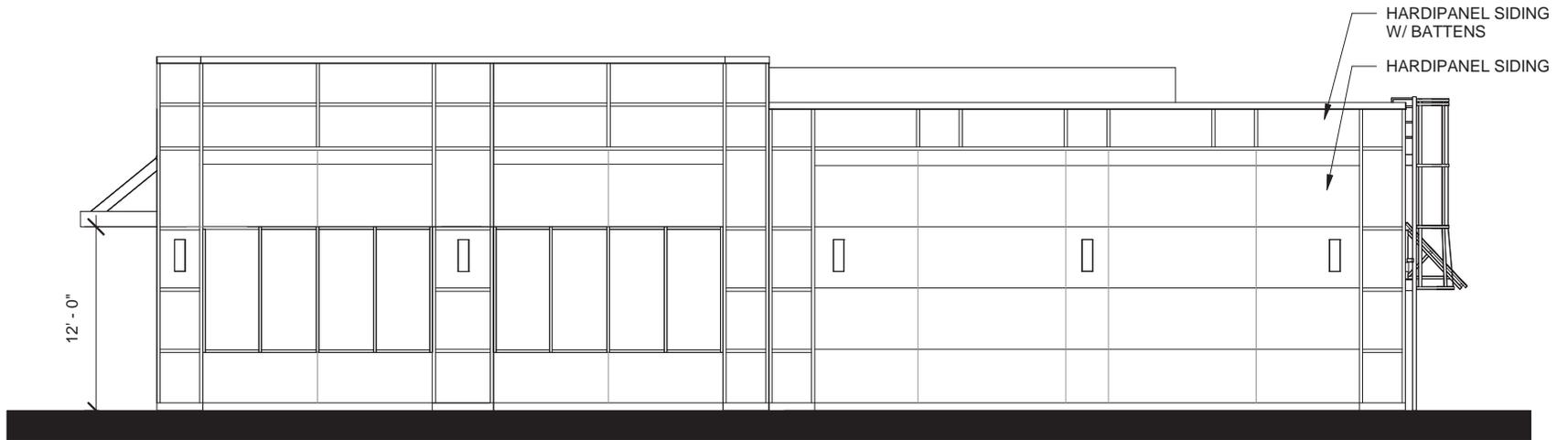
PROPERTY OVERVIEW

Survey

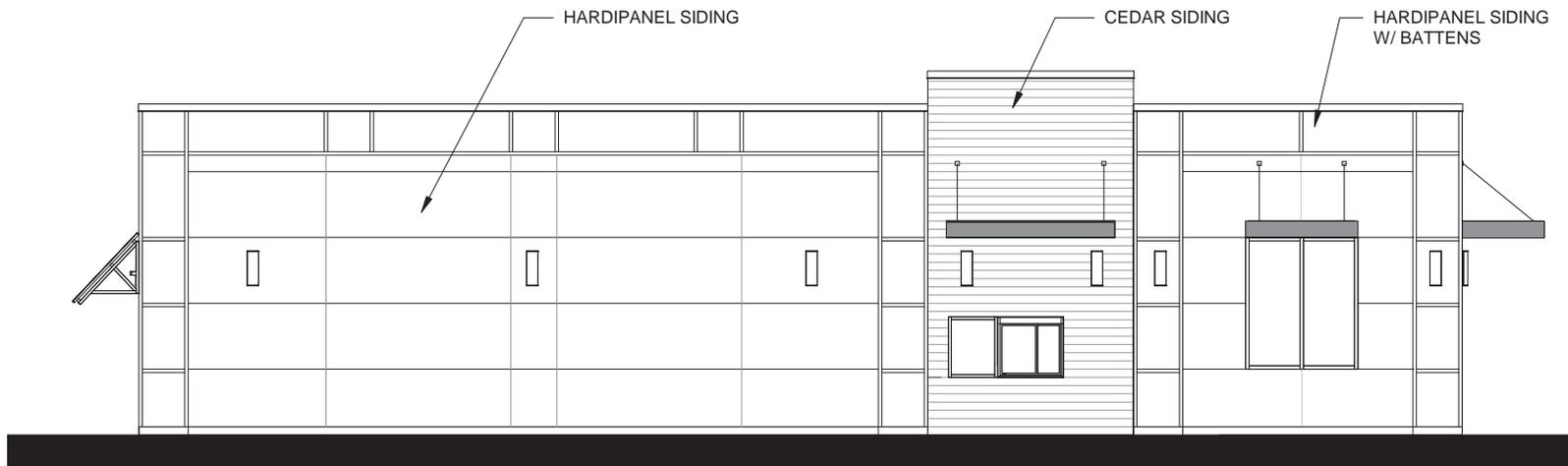


PROPERTY OVERVIEW

Property Photos



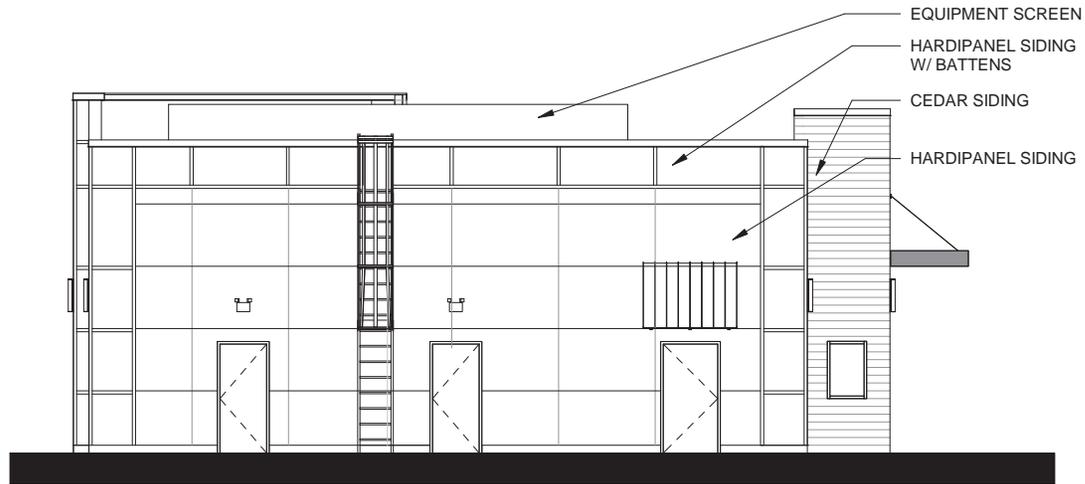
1 SIDE ELEVATION
SD2 1/8" = 1'-0"



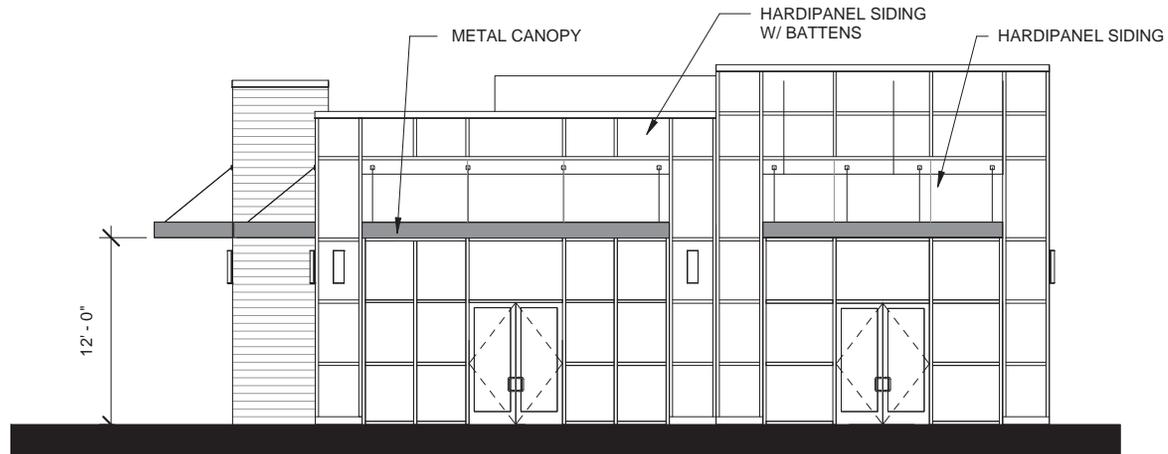
2 DRIVE THRU SIDE ELEVATION
SD2 1/8" = 1'-0"

PROPERTY OVERVIEW

Property Photos



1 REAR ELEVATION
SD3 1/8" = 1'-0"



2 FRONT ELEVATION
SD3 1/8" = 1'-0"

TENANT OVERVIEW

Tenant Summary



Founded	1971, Pike Place Market, Seattle, WA
Headquartered	Seattle, WA
S&P Rating	BBB+
Number of Locations	±28,218 retail stores in 76 countries
Number of Employees	±277,000
Stock Symbol	SBUX (NYSE)

Starbucks is an American global coffee company that is currently the largest coffee shop in the world with over 28,000 retail stores in 76 countries.

FactSet expects Starbucks to report earnings per share of 60 cents, up from 55 cents last year. Analysts tracked by FactSet expect revenue of \$6.27 billion, up from \$5.70 billion last year. Starbucks has beaten the FactSet revenue consensus for the past three quarters. Starbucks shares have also rallied 11.8% for the last three months, and are up 6.8% over the past year.

The company's brand portfolio includes Starbucks Coffee, Seattle's Best Coffee, Teavana, Tazo, Evolution Fresh, La Boulange, Ethos Water and Torrefazione Italia Coffee.



One of the “World’s Most Admired Companies”
Fortune – 2009-2017

One of the “World’s Most Ethical Companies”
Ethisphere – 2007-2017

100% Rating on the Corporate Equality Index
Human Rights Campaign Foundation – 2015-2017

One of the “Top 10 Millennial Brands”
Adweek – 2017

One of the “World’s Most Valuable Brands”
Forbes – 2013-2017

Named a “Top Growing Global Brand”
Interbrand – 2017

One of the “Top 10 Military Spouse-Friendly Employers”
Victory Media – 2017

TENANT OVERVIEW

Tenant Summary



Founded	1994 in Jacksonville, FL
Headquartered	Jacksonville, FL
Number of Locations	±1,160 restaurants in 46 states, Puerto Rico, Canada and non-traditional locations
Parent Company	Firehouse of America, LLC
Franchisee	TLC Enterprises, LLC

Celebrating 25 years of business in 2019, Firehouse Subs® is a fast casual restaurant chain with a passion for hearty and flavorful food, heartfelt service and public safety. Founded in 1994 by brothers and former firefighters Chris Sorensen and Robin Sorensen, Firehouse Subs is a brand built on decades of fire and police service, hot subs, steamed and piled high with the highest quality meats and cheeses and its commitment to saving lives through the establishment of the non-profit Firehouse Subs Public Safety Foundation®.

TLC Enterprises, LLC is the largest Firehouse Sub franchisee with 31 locations throughout the Carolinas, of which 13 are in the Columbia/Newberry, SC market.

#1 in the fast casual restaurant industry on the list of America's Best Customer Service Brands
Newsweek - 2019

#1 among Fast Casual brands in "Food Quality" and "Taste and Flavor"
Technomic's Consumer Brand Metrics rankings

#2 in "America's Favorite Fast Casual Chain"
Technomic Ignite

#60 Entrepreneur Franchise 500 Fastest-Growing Franchises
Entrepreneur Magazine - 2019

#1 Fast Casual Brand in "Food Quality" and "Taste & Flavor" categories - Q3 2017-Q3 2018
Technomic Consumer Brand Rankings

No. 1 brand in the restaurant industry that "Supports Local Community Activities"

FINANCIAL OVERVIEW

Rent Roll

RENT ROLL

Tenant	Square Feet	Lease Start Date	Lease End Date	BASE RENT			OPEX			Options
				\$/SF	Monthly	Annual	Taxes	Insurance	CAM	
Starbucks	2,200	TBD	10 Years	\$32.05	\$5,875	\$70,500	Net	Net	Net	(4) 5 Year
Firehouse Subs	1,840	TBD	10 Years	\$25.00	\$3,833	\$46,000	Net	Net	Net	(2) 5 Year
TOTAL PROPERTY	4,040			\$28.84	\$9,708	\$116,500				

TENANT NOTES

Starbucks	10% Admin Fee can be passed thru as part of CAM. Subject to a 5% non-cumulative annual cap on CAM Right of early termination on or after the 60th month with 120 day notice with termination fee of 6 months rent and unamortized TI & LC
Firehouse Subs	Management Fee can be passed thru as part of CAM. Subject to 5% annual cap on CAM increases after year 1

ASSUMPTIONS

Analysis Start Date	At RCD (Estimated Oct 1, 2019)	Management Fee	3% of Gross Revenue
Scheduled Rent Increases	10% Every 5 Years, Including Options	Reserve Allowance	\$0.10/SF

OPERATING INCOME

	INITIAL TERM		OPTION 1	OPTION 2
	YEARS 1-5	YEARS 6-10	YEARS 11-15	YEARS 16-20
Starbucks	\$70,500	\$77,550	\$85,305	\$93,836
Firehouse Subs	\$46,000	\$50,600	\$55,660	\$61,226
Tenant Reimbursements	\$1,640	\$1,776	\$1,927	\$2,131
Effective Gross Income	\$118,140	\$129,926	\$142,892	\$157,193
OPERATING EXPENSES				
	YEARS 1-5	YEARS 6-10	YEARS 11-15	YEARS 16-20
Taxes	Net	Net	Net	Net
Insurance	Net	Net	Net	Net
CAM	Net	Net	Net	Net
Management Fee	\$3,600	\$3,900	\$4,230	\$4,680
Reserve Allowance	\$404	\$404	\$404	\$404
Total Operating Expenses	\$4,004	\$4,304	\$4,634	\$5,084
Net Operating Income	\$114,136	\$125,622	\$138,258	\$152,109
Asking Cap Rate Cap Rate Growth	6.50%	7.15%	7.87%	8.66%
Asking Price	\$1,755,932			

MARKET OVERVIEW

Market Analysis

Newberry, South Carolina



LOCATION

- Newberry is a city in Newberry County, South Carolina, in the Piedmont region 43 miles northwest of Columbia
- Newberry's downtown boasts an array of unique shops and restaurants, the state-of-the-art Newberry Opera House, the historic Newberry Firehouse Conference Center and event venue, and one of the Southeast's finest private colleges.



INFRASTRUCTURE

- The City of Newberry is located just off of Interstate 26 midway between the state capital of Columbia and Greenville, a cultural and economic hub of the state.
- Town of Chapin: 18 miles
- Town of Saluda: 21 miles
- City of Clinton: 21 miles



HIGHER EDUCATION

- Newberry College a private liberal-arts college affiliated with the Evangelical Lutheran Church in America.
- Newberry College has been ranked **#12 Best Regional College** in the South and **#3 Best Value** Regional College in the South - 2019 US News & World Report Best Colleges rankings.
- Newberry College undergraduate enrollment is 1,190 (2018)



COMMERCE

- The City of Newberry has a thriving local economy with a solid base of agriculture and manufacturing.
- The Newberry County Economic Development Office works with existing and prospective business and industry to facilitate investment and economic growth in the county.
- Domestic and international companies are attracted by the skilled workforce, outstanding transportation network, and the quality of the community.



QUALITY OF LIFE

- Newberry has earned recognition in both Crampton's The **100 Best Small Towns in America** and in Sweitzer & Fields' The **50 Best Small Southern Towns**.
- Newberry was also recently named one of Travel Channel's **50 Most Charming Small Towns in America**.
- A pleasant climate, beautiful natural surroundings, ease of transportation, affordable homes, good schools, and a growing local economy are just a few of the reasons why so many people are finding Newberry, SC a wonderful place to call home.

MARKET OVERVIEW

Market Analysis

Columbia, South Carolina



LOCATION

- Columbia is located approximately 13 miles northwest of the center of South Carolina, and is the primary city of the Midlands region of the state.
- It lies at the convergence of the Saluda River and the Broad River, which merge at Columbia to form the Congaree River.
- Columbia is the state capital and largest city in South Carolina, with a population of 129,272.
- The city is located in Richland County, with a portion of the city extending into neighboring Lexington County.
- I-26, I-77 & I-20 congregate around the city of Columbia, providing easy access in and out of the city with direct routes to Charlotte, NC and the Port of Charleston.

HIGHER EDUCATION

- **University of South Carolina:** Public, 4-year (±25,000 undergrad students). UofSC's main campus covers over 359 acres in downtown Columbia not far from the South Carolina State House. Its undergraduate and graduate International Business programs have ranked among the top three programs in the nation for over a decade.
- **Benedict College:** Private, 4-year (±2,500 undergrad students)
- **South Carolina State,** Orangeburg: Public, 4-year (±2,400 undergrad students)
- **Columbia College:** Private, 4-year (±1,400 undergrad students)

COMMUNITY

- Colonial Life Arena is Columbia's premier arena and entertainment facility. It is the largest arena in the state of South Carolina, and the tenth largest on-campus basketball facility in the nation, serving as the home of the men's and women's USC Gamecocks basketball teams and is located on the University of South Carolina campus.
- Williams-Brice Stadium is the home of the USC Gamecocks' football team and is the 24th largest college football stadium in the nation and is located just south of downtown Columbia.

ACCOLADES

- **Top 50 Best Places to Live** — U.S. News & World Report
- **Ranked Top 10 in Nation:** Riverbanks Zoo — TripAdvisor
- **#3 Top U.S. College Towns** — Livability.com
- **Best Museum in South Carolina:** Columbia Museum of Art — The State
- **Top 50 for Business & Careers** — Forbes
- **Top 20 Best Places to Retire** — CNNMoney
- **Most Affordable Places to Live** — U.S. News & World Report

MARKET OVERVIEW

Demographics

POPULATION TRENDS

5-Mile



2018 (5-Mile)

HOUSEHOLD TRENDS

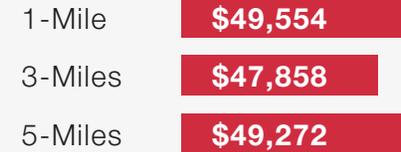
5-Mile



2018 (5-Mile)

AVERAGE HOUSEHOLD INCOME

2018



2018 (5-Mile)

DAYTIME POPULATION

2018



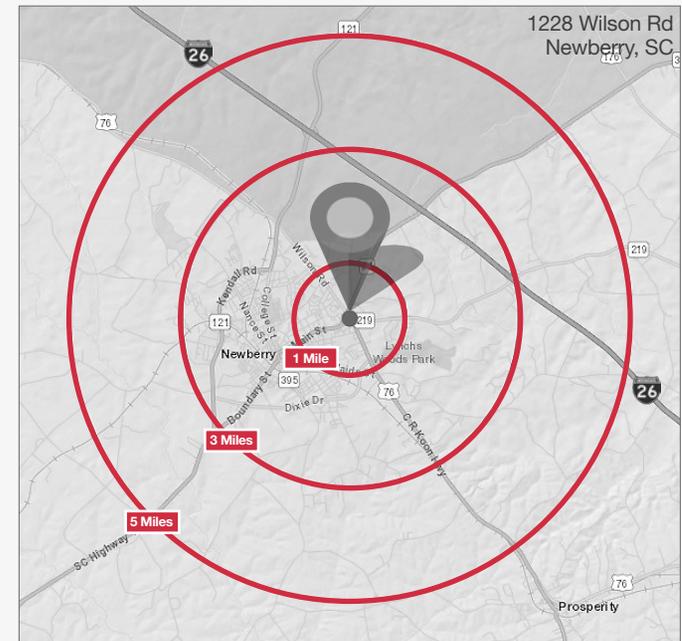
2018 (5-Mile)

MEDIAN AGE

5-Mile



2018 (5-Mile)



2018 Esri

DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property located at 1228 Wilson Road, Newberry, SC 29108 (“Property”). It has been prepared by Furman Capital Advisors (“Agent”). This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in the Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Owner or Agent. The material is based in part upon information supplied by the Owner and in part upon financial information obtained from sources it deems reliable. The Owner, nor their officers, employees, or agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Owner.

Owner and Agent expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed by all parties and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to the Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Agent or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or cause of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the creation of this Offering Memorandum.

FURMAN

CAPITAL ADVISORS

101 E. Washington Street, Suite 400 | Greenville, SC 29601



864.235.6855



FurmanCapital.com