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OFFERING MEMORANDUM

PRESERVE
WEST
CAPITAL 

Chick-fil-A
Jacksonville, AL

This property is listed in conjunction with Alabama-licensed real estate broker Tom Newton.

www.preservewestcapital.com



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Disclaimer

Preserve West Capital ("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.

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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



- New 20-Year Absolute NNN Corporate Lease to Chick-fil-A
 - Scheduled 10% Rental Increases Every Five Years and at Options
 - Unique Fee Simple Chick-fil-A Property Including Improvements – Benefit of Depreciation
- Brand New 2019 Construction
- Highly Functional Footprint 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
- Excellent Access and Visibility within Jacksonville's Primary Retail Corridor – 22,590 AADT
- Approximately 1.2 Miles from Jacksonville State University
 - Student Body of 8,500+
 - Economic Impact of \$364.9 Million for East Central Alabama
- Anniston-Oxford-Jacksonville Metropolitan Statistical Area
 - 2nd Most Populous MSA in Northern Alabama
- Expansion Site
 - Successful Existing Jacksonville Location on Jacksonville State University Campus Lacks Drive-Thru
 - New Location will Provide Increased Capacity to Meet Demand
- Neighbors Shopping Centers and Major Retail Tenants
 - Nearby Anchor Tenants Include Walmart Supercenter, Walgreens, CVS, Hibbett Sports & More



PRICE

\$4,491,000

4.00% Return

Location

The property is located at 502 Pelham Road South in Jacksonville, Alabama.

Lot Size

Approximately 2.63 acres, or 114,563 square feet.

Improvements

Construction was completed in August 2019 of a 4,869 square foot restaurant building with a double drive-thru component for **Chick-fil-A**.

Lease

Leased to **Chick-fil-A, Inc.** for 20 years from August 2019 through August 2039, at an initial annual rent of \$179,627. 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 60 parking spaces available on site.

Financing

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

Right of First Refusal

Tenant shall have the right to purchase the property on the same terms and conditions as any bona fide third party offer received by the landlord.

Net Annual Income

Year	Annual Rent*	Return
Years 1-5	\$179,627	4.00%
Years 6-10	\$197,589	4.40%
Years 11-15	\$217,348	4.84%
Years 16-20	\$239,083	5.32%
Years 21-25 (Option 1)	\$262,991	5.86%
Years 26-30 (Option 2)	\$289,290	6.44%
Years 31-35 (Option 3)	\$318,219	7.09%
Years 36-40 (Option 4)	\$350,041	7.79%
Years 41-45 (Option 5)	\$385,045	8.57%
Years 46-50 (Option 6)	\$423,550	9.43%
Years 51-55 (Option 7)	\$465,905	10.37%
Years 56-60 (Option 8)	\$512,495	11.41%
Years 61-65 (Option 9)	\$563,745	12.55%
Years 66-70 (Option 10)	\$620,119	13.81%
Years 71-75 (Option 11)	\$682,131	15.19%
Years 76-80 (Option 12)	\$750,344	16.71%

*Rent is estimated and subject to adjustment based on final construction costs.



Chick-fil-A's average per-restaurant sales exceed \$4.6 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 2,363 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 2018, the company's average sales per unit exceeded \$4.6 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 \$2.8 million respectively. The brand has benefited from consistent growth, opening approximately 140 new units in 2018. In addition, the chain consistently ranks first in fast-food customer service surveys.

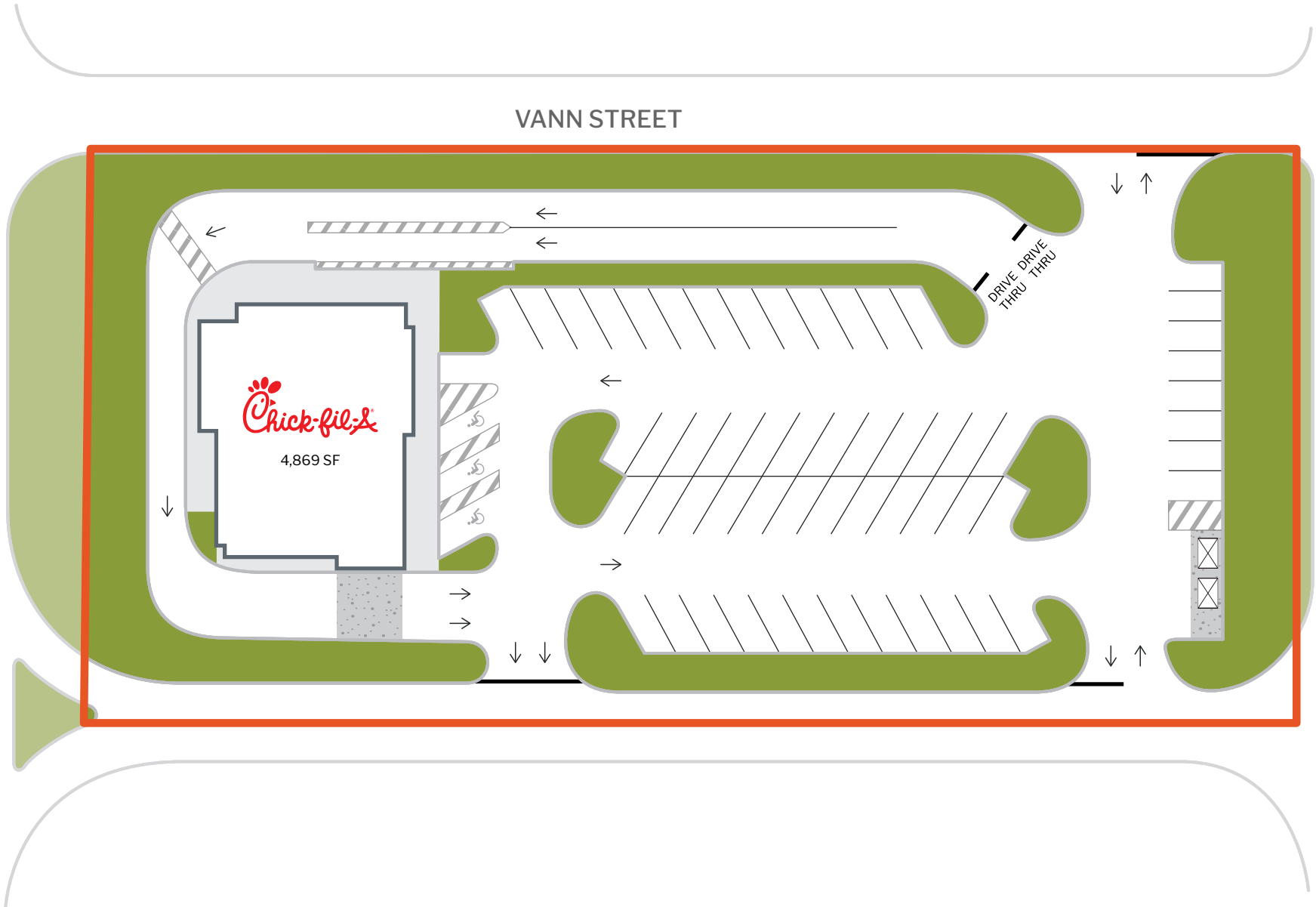
Chick-fil-A uses a business model significantly different from other restaurant franchises, most notably retaining ownership of each restaurant. Chick-fil-A typically selects the location, builds the restaurant, and retains ownership of the store. Chick-fil-A gets a larger share of revenue from its franchises 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

21 PELHAM ROAD SOUTH

VANN STREET

CHURCH AVENUE



AERIAL

CLOSE UP VIEW



AERIAL

NORTH VIEW



JACKSONVILLE STATE UNIVERSITY

~8,500 Students & 1,100 Employees



Downtown
Jacksonville



Vann St SE

Pelham Rd S (22,590 AADT)

AERIAL

SOUTH VIEW

PRICELESS
get your groceries for less!



HIBBETT SPORTS
GAME TESTED. ATHLETE APPROVED.™



H&R BLOCK

Aaron's



Walmart
Supercenter



CVS
pharmacy



verizon



Jacksonville Plaza
Shopping Center

DOLLAR GENERAL

Chick-fil-A



Pelham Rd S (22,590 ADT)

Vann St SE

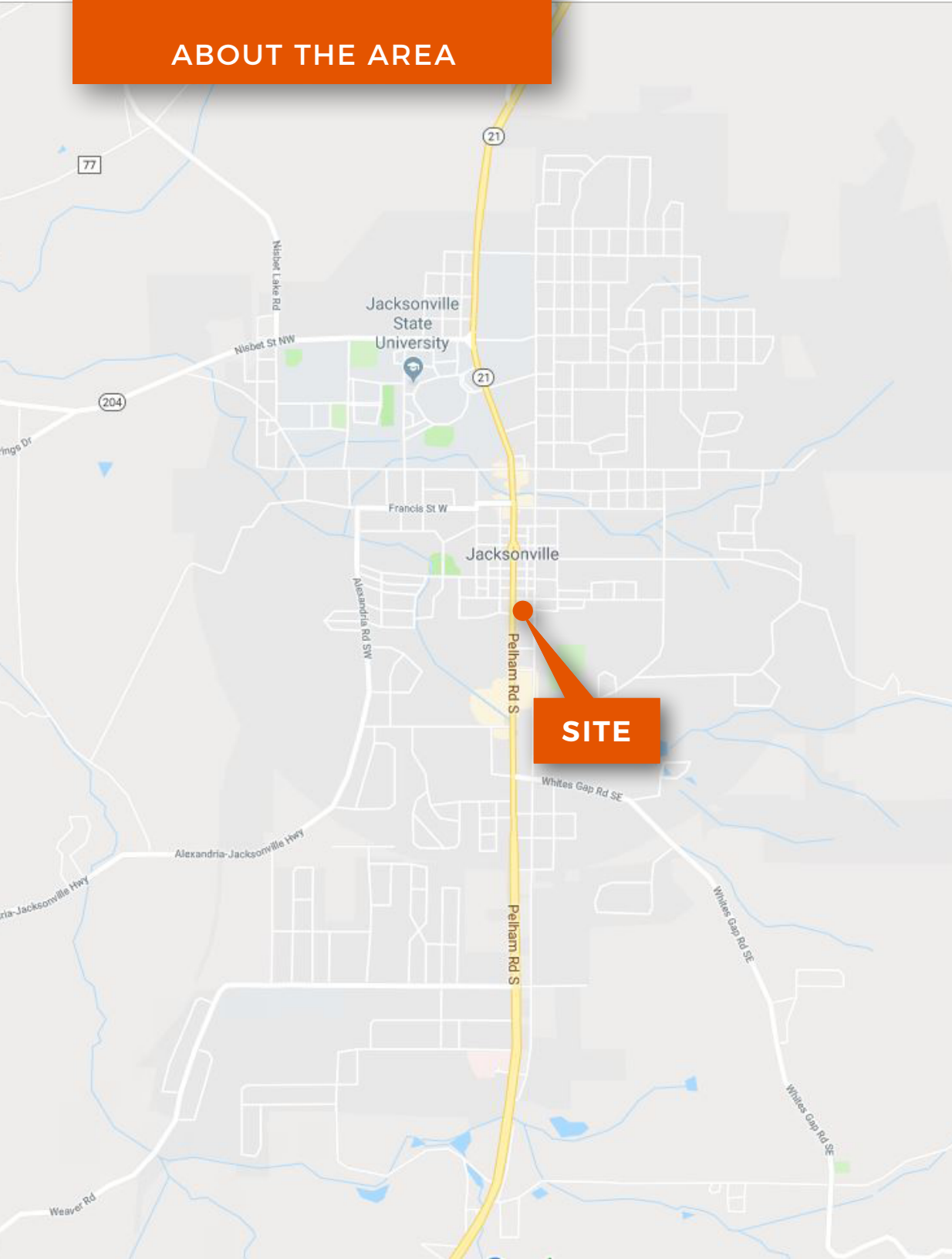
COOK OUT

ABOUT THE AREA

SITE

Jacksonville (population 12,731) is a city in Calhoun County located in the foothills of the Appalachian Mountains, halfway between Atlanta and Birmingham. The city is home to Jacksonville State University, which serves as an economic, educational, and employment hub for the region, with an economic impact of approximately \$365 million. Jacksonville is part of the Anniston-Oxford-Jacksonville Metropolitan Statistical Area, with a total population of 114,728; the MSA is the second most populous in Northern Alabama. The region benefits from an established economic base in military and defense contracting, manufacturing, and logistics, and benefits from robust rail, ground, air, and water transportation infrastructure. Major companies with operations in the region include Honda Manufacturing Alabama, New Flyer, Tyler Union Waterworks, Honeywell, General Dynamics, BAE Systems, B.R. Williams Trucking & Logistics, Legacy Cabinets, Aerospace Coatings, International Automotive Components, M&H Valve, YKK/Tapecraft, and more.

ABOUT THE AREA



Site Information

The subject property is prominently situated with excellent access and visibility along Jacksonville's primary retail corridor at the intersection of Vann Street and Pelham Road South (22,590 AADT). The site benefits from robust demographics with a population of 22,535 and average household income of \$64,298 within a five mile radius of the site.

The property is strategically located in close proximity to shopping centers, major retail tenants, schools, and employers. The site is located adjacent to Pelham Plaza Shopping Center, with tenants including Hibbett Sports, Dollar General, Price Less IGA, and Aaron's; other major retail tenant in the surrounding area include Walmart Supercenter, Walgreens, CVS, McDonald's, BBVA Compass Bank, Dollar Tree, and more. Jacksonville Public Square is located just a few blocks north of the property and is the city's center for public gatherings and entertainment.

In addition, the property is located just 1.2 miles from Jacksonville State University, with more than 8,500 students enrolled and 1,100 employees. The university offers 95 programs and concentrations on its 495-acre campus, as well as 40 online programs, and competes in 17 sports as part of the Ohio Valley Conference. Other schools near the site include Jacksonville High School and Jacksonville Christian Academy, with approximately 900 students combined. Major employers neighboring the site include Federal Mogul Corporation, Parker Instrumentation, the Alabama National Guard, The SCI Group, Jacksonville City Hall, and more.



502 Pelham Rd S | Jacksonville, AL 36265



2018 POPULATION

54,409



AVG. HOUSEHOLD INCOME

\$65,682



STUDENT POPULATION

~8,500

Population Summary	1 Mile	5 Miles	10 Miles
2010 Total Population	6,206	22,239	54,636
2019 Total Population	6,254	22,535	54,409
2024 Total Population	6,222	22,399	53,769
Average Household Income			
2019	\$55,573	\$64,298	\$65,682
2024	\$62,366	\$72,413	\$74,590
Average Home Value			
2019	\$181,488	\$174,664	\$164,504
2024	\$197,327	\$195,624	\$187,542

Top Employers in Calhoun County # of Employees

Anniston Army Depot	4,150
Honda Manufacturing Alabama	4,100
Regional Medical Center	1,585
Calhoun County Schools	1,400
Jacksonville State University	1,100
New Flyer Bus	780
Department of Homeland Security/ Department of Defense	542
Oxford City School System	500
Alabama Power Co.	475



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