

## **SLIM CHICKENS**

300 WEST 23RD STREET PANAMA CITY, FLORIDA 32405

OFFERING MEMORANDUM

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## COMMERCIAL INVESTMENT ADVISORS, INC. CIA BROKERAGE COMPANY

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In Association with Florida Licensed Broker:

CIA commercial investment a d v i s o r s

# INVESTMENT OVERVIEW

NAME

#### SLIM CHICKENS

**LOCATION** 

300 West 23rd Street Panama City, Florida 32405

MAJOR CROSS STREETS

On W 23rd St, West of Jenks Ave

**TENANT** 

NORTH FLORIDA RESTAURANT GROUP, INC.

**PURCHASE PRICE** 

\$3,316,000

**CAP RATE** 

6.00%

**ANNUAL RENT** 

\$198,951

**GROSS LEASEABLE AREA** 

2.685 SF

**RENTAL ESCALATIONS** 

7.50% Every 5 Years

**LEASE TYPE** 

Absolute NNN

**OWNERSHIP** 

(Building & Land) Fee Simple

YEAR BUILT

June 2020 (Under Construction)

LOT SIZE

±0.901 Acre

LEASE EXPIRATION

June 30, 2040 (Est.)

**OPTIONS** 

Two 5-Year Renewal Options

### POINTS OF INTEREST

RETAIL | ENTERTAINMENT: Nearby retailers include Walmart Supercenter, Target, Kohl's, Publix Super Market, Sam's Club, Hobby Lobby, Bed Bath & Beyond, Lowe's Home Improvement, Home Depot, Ashley HomeStore, Dollar Tree, Dollar General, T.J. Maxx, Harbor Freight Tools, Office Depot, Best Buy, Books A Million, CVS, Piggly Wiggly, etc.

HIGHER EDUCATION: Less than 4 miles from Florida State University - Panama City (one of the nation's elite research university offering various bachelor's & master's degrees & certificate programs with total enrollment of 4,000); 4 miles from Gulf Coast State College (a public college offering more than 140 programs, including bachelor & associate degrees & certificates with 6,271 students)

HEALTH CARE: One block from Gulf Coast Regional Medical Center (a 216-bed acute care hospital with its team of more than 450 providers & 1,000 employees)

### INVESTMENT HIGHLIGHTS

LEASE: Brand New 20-Year Absolute NNN Lease with Attractive 7.50% Rental Escalations every 5 Years

TENANT | LEASE GUARANTORS: North Florida Restaurant Group, Inc. Operates a Total of 5 Restaurants (4 Sonic Drive-Ins & 1 Slim Chickens Restaurant) - Five Personal Guarantees Back the Performance of the Lease with a Combined Net Worth In Excess of \$18.8 Million!

BRAND NEW CONSTRUCTION: New, High-Quality Build-to-Suit Construction of Slim Chicken's Latest Prototype!

DENSE RETAIL CORRIDOR | TRAFFIC COUNTS: Well Positioned in Dominant Retail Corridor with Excellent Drive-By Visibility on Main East/West Thoroughfare in Panama City where Traffic Counts Exceed 36,200 CPD!

2019 DEMOGRAPHICS: Total Population (5-MI): 83,276 | Average Household Income (1-MI): \$65,708



# FINANCIAL ANALYSIS

## SUMMARY

TENANT

PURCHASE PRICE

GROSS LEASABLE AREA

YEAR BUILT

CAP RATE

North Florida Restaurant Group, Inc.

\$3,316,000

6.00%

2,685 SF

2020 (Under Construction)

LOT SIZE

EXPENSE REIMBURSEMENT

FINANCING

±0.901 Acre

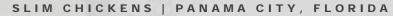
This is an **Absolute NNN lease**. Tenant is responsible for all expenses.

All Cash or Buyer to obtain new financing at Close of Escrow.

### REN

TENANT INFO		LEASE TERMS	RENT SUMMARY			
TENANT NAME	SQ FT	TERM*	INCREASE	RENT	ANNUAL INVESTOR RETURN	
Mile High Chicken, LLC	2,685	Years 1-5: <b>06/22/20</b> to 06/30/25	Current	\$198,951	6.00%	
		Years 6-10: 07/01/25 to 06/30/30	7.50%	\$213,872	6.45%	
7 3		Years 11-15: 07/01/30 to 06/30/35	7.50%	\$229,913	6.93%	
		Years 16-20: 07/01/35 to <b>06/30/40</b>	7.50%	\$247,156	7.45%	
				1	6.71% AVG ANNUAL RETURN	
RENEWAL OPTIONS		1st Option: 07/01/40 to 06/30/45	7.50%	\$265,693		
		2 <sup>nd</sup> Option: 07/01/45 to 06/30/50	7.50%	\$285,620		

\* These are estimated dates.



# TENANTOVERVIEW

Slim Chickens is a fast-casual restaurant chain which specializes in chicken tenders & wings. "Our Always Fresh" philosophy means that they strive to bring their guests quality chicken by serving them 100% all-natural, premium chicken.

Slim Chickens leans on a simple list of high-quality ingredients using house recipes crafted by founders Tom Gordon and Greg Smart. They marinade their chicken using fresh buttermilk and trained their team members to hand-bread every tender using a decade-old process to marinade and lock in moisture. Every meal is cooked right when ordered to ensure mouth-watering flavor in every bite.

There are countless ways to customize a meal. Shake or dip their always fresh chicken tenders and wings in more than 10 house sauces. Slim Chickens diverse menu extends beyond the classics, to their own spin on sandwiches, salads and wraps—from the southern fried Cayenne Chicken Ranch Sandwich, to sweet-savory Chicken & Waffles and decadent seasonal Jar Desserts.

The first location opened in 2003, inside a former sushi restaurant in Fayetteville, Arkansas. In 2005, the second location opened in the nearby city of Rogers. The chain's expansion accelerated in 2008 with five more openings in Arkansas and Oklahoma. In 2013, the first franchise location was opened; the next year, six regional franchise deals were made. In a partnership with Persian Gulf conglomerate Alghanim Industries, the first international Slim Chickens opened in Salmiya, Kuwait in May 2017. There has been 3 branches in the UK since May 2017 and in February 2020, its first branch in Kent, England opened in Bluewater Shopping Centre.

Currently, there are 102 Slim Chickens locations in the United States, Kuwait and United Kingdom.

https://slimchickens.com/

### **ABOUT THE TENANT**

North Florida Restaurant Group, LLC operates a total of 5 restaurant locations (4 Sonic Drive-Ins & 1 Slim Chickens) with another Slim Chickens location slated to open in November of this year. There are 5 Personal Guarantees that back the performance of the lease with a combined net worth in excess of \$18.8 million!

One of the Operating Partners was the 2018 Sonic Operator of the Year!



# CONSTRUCTION PHOTOS (AS OF 05/28/2020)









SLIM CHICKENS | PANAMA CITY, FLORIDA



**JUSTIN ZAHN** 











# LOCATION OVERVIEW



Panama City is a city in, and the county seat of Bay County, Florida. Located in the Florida "panhandle," on St. Andrews Bay; approximately 170 miles east of Mobile, Alabama, 95 miles east of Pensacola, Florida and 100 miles southwest of Tallahassee, Florida. St. Andrews Bay surrounds much of Panama City and provides a protected harbor for facilities at the growing Port of Panama City complex.

**Florida State University** is one of the nation's elite research universities and **FSU Panama City** amplifies the university's efforts to preserve, expand and disseminate knowledge in the sciences, technology, arts, humanities and professions. The campus serves more than 4,000 students supported by 17 bachelor's and 8 graduate degree programs on campus and online.

**Gulf Coast Regional Medical Center** is a 216-bed acute care hospital with a team of more than 450 providers and 1,000 employees. The hospital has national accreditations for Chest Pain Center, Peripheral Vascular Disease, Stroke and Wound Care. **Ascension Sacred Heart's hospital** in Bay County, Florida, is a 75-bed facility that provides a broad range of services, including emergency services, heart surgery and interventional cardiology procedures, general surgery and the area's only Trauma Center. The hospital provides emergency services located at the main hospital and at a freestanding emergency center on Panama City Beach.

Two military bases make the federal government the largest employer. Tyndall Air Force Base is east of the city. The HHT 1-153 CAV is stationed there. It is part of Florida Army National Guard's 53rd Infantry Brigade. The base has a resident population of over 3,557 and employs over 680 people. The city is also home to the U.S. Navy's Naval Support Activity Panama City which is home to various research and training projects. They employ approximately 2,800 civilian and military personnel. The city is also 60-90 minutes south of Fort Rucker, Alabama, home to the US Army's Aviation Center of Excellence.

2019 DEMOGRAPHICS							
	1-MI	3-MI	5-MI				
TOTAL POPULATION	5,040	49,496	83,276				
POPULATION GROWTH 2010-2019	-3.61%	7.01%	3.76%				
DAYTIME POPULATION	4,020	40,808	69,004				
HOUSEHOLD GROWTH 2010-2019	-4.90%	6.94%	3.40%				
AVERAGE HOUSEHOLD INCOME	\$65,708	\$56,260	\$62,307				

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