

*Pioneer Franchisee | New 25-Year Absolute NNN  
Sale-Leaseback*

*2354 N Main St*

*LaFayette, Georgia 30728*

Marcus & Millichap

REPRESENTATIVE PHOTO



**OFFERING**  
**MEMORANDUM**

**Krystal®**



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*Krystal Sale-Leaseback | Pioneer Franchisee  
LaFayette, GA  
ACT ID ZAC0310417*

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# INVESTMENT HIGHLIGHTS

**PRICE: \$2,150,000 | CAP: 5.50% | RENT: \$119,270**

- *New 25-Year Absolute NNN Lease To Be Executed at Close of Escrow*
- *25-Year Absolute (NNN) Lease - Zero Landlord Responsibilities*
- *1.0% Annual Rent Escalations Starting in Year 6*
- *Tenant Renewal Options: Three (3), Five-Year Options*
- *Located on a Major Thoroughfare*

## ABOUT THE BRAND

- *Krystal is the Southeast's longest-standing QSR chain*
- *A Simple, One-of-a-Kind Menu Anchored by the Original, Craveable "Krystal Burger"*
- *Krystal is the Southeast's longest-standing QSR chain that has been in business for over 89 years.*
- *Krystal has over 305 stores in 10 states with over 6,500+ employees and does over \$306 Million in sales volume.*
- *Krystal was recently acquired by Fortress Investment Group & Golden Child Holdings in May of 2020*
- *Fortress manages assets on behalf of approximately 1,800 institutional clients and private investors worldwide totaling approximately \$52.7 billion.*
- *Golden Child is an active investor and manager in the restaurant sector that has extensive turnaround experience.*



# Investment Summary

*Marcus & Millichap is pleased to present this exclusive listing of a freestanding Krystal Restaurant located at 2354 N Main St, in LaFayette, GA. The site constructed in 2000 consists of 1,906 rentable square feet of building space and sits on an approximately 1.11 acre parcel of land. Krystal is subject to a brand new, 25-year Absolute NNN lease, the starting base rent shall be \$119,270 with 1.0% annual escalations starting in year six. There will be three five-year tenant renewal options with 1.0% annual rental increases in each of the Five-year option periods, extending the total possible lease term to 40 years. The subject property has displayed strong performance throughout its history in LaFayette, as a result WAC Enterprises will execute a new 25-Year Absolute NNN Lease at Close of Escrow.*

## A History Of Great Taste

*Things have changed a lot in the last 87 years or so, but at Krystal, not so much. Even during the Great Depression, founders Rody Davenport Jr. and Glenn Sherrill believed that a good meal at a great price—served with a smile at a clean restaurant—would attract customers and keep them coming back. Krystal has proven them right ever since. Sure, we stick to the classics, but over the years, we've never been afraid to innovate, adding a breakfast menu, chicken sandwiches, hot dogs, milkshakes (and more) to our enduring selection of delicious, iconic, little square burgers.*

*Today, as we expand into new markets with new restaurant designs and our unique and tasty menu items, we still deliver a one-of-a-kind taste and experience—one we like to think would make Rody and Glenn proud.*

### General Information

Founded: 1932

Website: <https://krystal.com/>

Headquarters: Dunwoody, GA

Number of Locations: 305+





# About the Tenant-WAC Enterprises

The Hale Group story is truly one of family, growth, wisdom, support, and evolution. Wayne and Carolyn Hale established their company as WAC Enterprises in 1989 when they became the first franchisees of The Krystal Company and opened the first franchise restaurant in Crossville, Tennessee, in 1990. Growing to three units by 1998, the Hales soon acquired another franchisee and thereby connected with operator John Jones, who would become a vital part of the company's success and growth as COO.

Over subsequent years, WAC Enterprises built or acquired several more stores in their demographic footprint of rural East Tennessee, Northeast Alabama, and Northwest Georgia. The company was nine units strong by 2011 when joined by Jimmy Swansbrough, who assisted Mr. Jones in what became an unparalleled growth strategy. Nine units became thirteen, then seventeen, twenty-four, thirty-four, thirty-eight—until by 2020, the Hales found themselves atop a forty-four unit enterprise spanning six states, along with a maintenance company founded in 2015 to service and supply commercial restaurants across the Southeast.

Now known as The Hale Group, this company is the most decorated and respected franchisee of The Krystal Company, having become the cultural backbone of quality and dedication to the Krystal brand for over thirty years. Epitomizing a genuine understanding of growth, success, and consistency, The Hale Group has become the benchmark for establishing a company brand within a historic franchise.

As a result of the recent growth of The Krystal Company, the influence of Golden Child Holdings, and the evolution of leadership within the organization, Wayne, John, and Jimmy—along with their team—are looking to build for the first time in several years, providing a testament to the loyalty present throughout the Southeast to the traditional Krystal brand.

## Krystal Signs First Franchisee

The first franchised Krystal unit will open in Crossville, Tennessee, early in September. Carolyn and Wayne Hale will be the owners of a brand-new Krystal Kwik, which will be built on the pad of Genesis Square shopping center in Crossville.

"I'm glad the Hales are going to be long-term partners for us," said Phil McNeely, vice president of franchising. "We feel the people we award our franchise to are very special. We want to make sure we have a quality program and good people in it. It takes a while to get there, but we're on the move now."

The Hales went through a lengthy selection process, including an application, interview, and a 1½ day "test drive" working in the restaurant, to see if it was really something they wanted to do. After a final interview with the franchise committee, they were awarded the franchise.



Wayne and Carolyn Hale, Krystal's first franchisees, with Phil McNeely, vice president of franchising, and Susan Helton, Rody Sherrill, and Amanda Wills of Real Estate.

"It's a big step for Krystal, and for the Hales," Phil said. "We're going to be holding each other's hands to be sure we're both successful in this." When they're open for business, the Hales will receive ongoing operations support from Krystal, and their restaurant will be shopped by a mystery shopper.

"The Crossville site was chosen because it meets the profile of the kind of city Krystal can be successful in," Phil said. Crossville is a county seat, with a population of more than 30,000, and a number of shops, restaurants and other retail activity.

# Property Summary

## THE OFFERING

Property	Krystal   Sale-Leaseback
Property Address	2354 N Main St, LaFayette, Georgia 30728
Price	\$2,150,000
Capitalization Rate	5.50%
Price/SF	\$1,128.02

## PROPERTY DESCRIPTION

Year Built / Renovated	2000
Gross Leasable Area	1,906 SF
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	1.11 Acres

## LEASE SUMMARY

Property Subtype	Net Leased Restaurant
Tenant	WAC Enterprises
Rent Increases	1% Annual Escalations Starting in Year 6
Guarantor	Franchisee Guarantee
Lease Type	Absolute Net
Lease Commencement	At Close of Escrow
Initial Lease Term	25 Years
Renewable Options	Three Five-Year Options
Landlord Responsibility	None
Tenant Responsibility	Taxes, Insurance and Maintenance
Right of First Refusal/Offer	No

## ANNUALIZED OPERATING INFORMATION

### INCOME

Net Operating Income	\$119,270
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Year 1	\$119,270
Year 2	\$119,270
Year 3	\$119,270
Year 4	\$119,270
Year 5	\$119,270
Year 6	\$120,462
Year 7	\$121,666
Year 8	\$122,882
Year 9	\$124,110
Year 10	\$125,351
Year 11	\$126,604
Year 12	\$127,870
Year 13	\$129,148
Year 14	\$130,439
Year 15	\$131,743
Year 16	\$133,060
Year 17	\$134,390
Year 18	\$135,733
Year 19	\$137,090
Year 20	\$138,460
Year 21	\$139,844
Year 22	\$141,242
Year 23	\$142,654
Year 24	\$144,080
Year 25	\$145,520





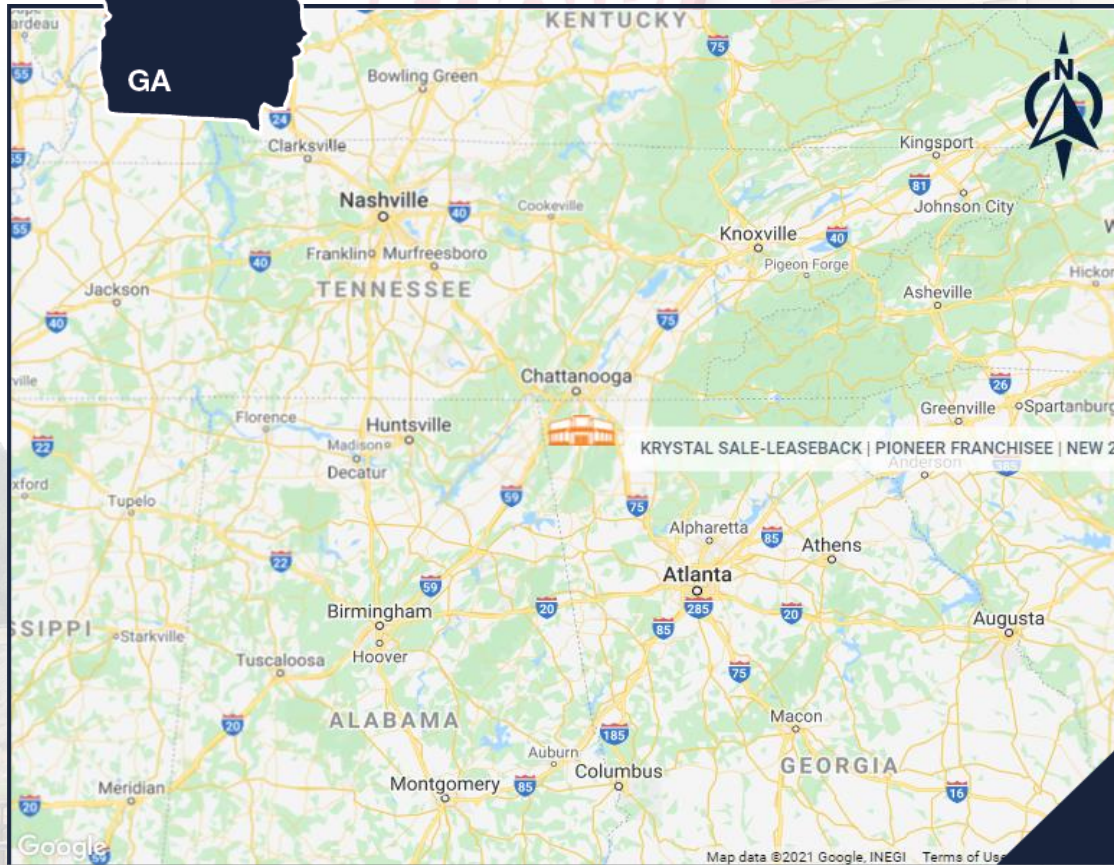
# Property Photos





# Regional Map

2354 N Main St, LaFayette, GA 30728



- Strong Demographics
- Proximity to Major Retailers
- Excellent Access and Visibility
- Strategic Location on Major Arterial Hwy
- Within Walking Distance of Area Hotels
- Strong Residential, Industrial and Trade

# Krystal®



Airport



Hospital



Downtown



Major Highway



Shopping Center



# Aerial Map





# Demographics

Created on July 2021

POPULATION	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Population	873	7,664	17,355
■ 2020 Estimate			
Total Population	858	7,593	17,151
■ 2010 Census			
Total Population	835	7,414	16,651
■ 2000 Census			
Total Population	608	5,982	14,136
■ Current Daytime Population			
2020 Estimate	997	7,819	15,362
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Households	376	3,013	6,510
■ 2020 Estimate			
Total Households	369	2,968	6,399
Average (Mean) Household Size	2.54	2.46	2.51
■ 2010 Census			
Total Households	357	2,880	6,186
■ 2000 Census			
Total Households	271	2,415	5,382
■ Occupied Units			
2025 Projection	376	3,013	6,510
2020 Estimate	410	3,370	7,259
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2020 Estimate			
\$150,000 or More	8.32%	4.83%	5.01%
\$100,000 - \$149,000	9.69%	9.64%	9.47%
\$75,000 - \$99,999	9.26%	10.01%	8.97%
\$50,000 - \$74,999	20.08%	16.88%	19.03%
\$35,000 - \$49,999	13.94%	14.38%	15.59%
Under \$35,000	38.71%	44.26%	41.93%
Average Household Income	\$70,665	\$58,045	\$58,176
Median Household Income	\$46,851	\$40,682	\$43,097
Per Capita Income	\$30,601	\$23,467	\$22,446

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$67,359	\$63,290	\$63,720
■ Consumer Expenditure Top 10 Categories			
Housing	\$18,216	\$17,033	\$17,113
Transportation	\$11,120	\$10,414	\$10,461
Shelter	\$9,994	\$9,337	\$9,358
Food	\$7,663	\$7,152	\$7,218
Personal Insurance and Pensions	\$6,035	\$5,493	\$5,592
Health Care	\$4,870	\$4,611	\$4,631
Utilities	\$3,886	\$3,701	\$3,742
Entertainment	\$2,538	\$2,345	\$2,374
Household Furnishings and Equipment	\$1,917	\$1,776	\$1,802
Apparel	\$1,695	\$1,571	\$1,603
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2020 Estimate Total Population	858	7,593	17,151
Under 20	22.90%	23.86%	23.06%
20 to 34 Years	17.57%	19.06%	18.90%
35 to 39 Years	6.18%	6.11%	6.33%
40 to 49 Years	14.01%	13.00%	13.63%
50 to 64 Years	21.29%	19.77%	20.29%
Age 65+	18.06%	18.20%	17.78%
Median Age	42.52	40.75	41.28
■ Population 25+ by Education Level			
2020 Estimate Population Age 25+	616	5,341	12,193
Elementary (0-8)	3.63%	4.71%	4.57%
Some High School (9-11)	11.53%	14.01%	14.29%
High School Graduate (12)	39.91%	36.49%	37.82%
Some College (13-15)	23.04%	22.03%	22.03%
Associate Degree Only	6.58%	7.20%	6.96%
Bachelors Degree Only	9.17%	9.73%	9.02%
Graduate Degree	4.80%	4.11%	3.62%



# About LaFayette, GA

Often called the "Queen City of the Highlands," LaFayette is the county seat of Walker County and boasts a rich history. Built in 1836, the Marsh House, where Confederate General Braxton Bragg planned the Battle of Chickamauga, is a historic landmark that hosts local events and activities on a yearly basis.

Known for the annual Honeybee Festival, The City of LaFayette brings attention to the importance of preserving the honeybee population and also sees it as a parallel in preserving the life of its community. In 2017, the Honeybee Festival was born and proved to be a huge success for the area. Residents and visitors are treated to a full day of live music, special events, countless vendors, honeybee education as well as food and fun for the whole family. The event is free and includes local talent as well as top headlining performers from the music industry.



Journey deep inside historic Lookout Mountain to see the tallest and deepest underground waterfall open to the public in the United States! Descend 260 feet by glass-front elevator to explore ancient formations along the cavern trail to see the thundering falls.



If you enjoy a serene, mountain experience when you play golf, the City of LaFayette Golf Course is the place for you. It's a little bit of "old school meets new school" as the course has two varying sides. The original 9-holes—which make up the first side—were built in the 1930s and are relatively short, but require accuracy both off the tee and in the approach shot into small greens. It's a course representative of how the game was played in the early 1900s. The "new school" side is much longer—like most modern courses—with open grass bunkers, elevated greens, mounds and out-of-bounds that place a premium on club selection and strategy.

Known in the past as a manufacturing town, the future of LaFayette is set to break away from that label and looks towards preserving and capitalizing on its natural wonders as well as move the city towards a more progressive, 21st Century city that still maintains its family-friendly charm.



Marcus & Millichap

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***Krystal®***