

# 20-Year NNN Sale-Leaseback

EXCLUSIVE NET-LEASE OFFERING



## OFFERING MEMORANDUM



1529 W Floyd Baker Blvd, Gaffney, SC 29341

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## Table of Contents

Investment Highlights	4
Financial Analysis	5
Concept/Tenant Overview	6
Surrounding Area	7
Location Overview	8
Local Map	9
Regional Map	10
Demographics	11
Market Overview	12



**SONIC**  
*America's  
Drive-In®*





# Investment Highlights



PRICE: \$1,340,109 | CAP: 5.25% | RENT: \$70,356

## About the Investment

- ✓ 20-Year Absolute Triple-Net (NNN) Sale-leaseback
- ✓ Franchisee Guarantee from AFG SR OP II, LLC (18 Units)
- ✓ 1.50% Annual Rental Increases Starting Year Six (6)
- ✓ Four (4), Five (5)-Year Tenant Renewal Option Periods

## About the Location

- ✓ Dense Retail Corridor | Surrounded By Walmart, Aldi, Belk, Lowe's, Dollar Tree, Sally's Big Lots, Bank of America and Many Others
- ✓ Located Less Than Two Miles from the Cherokee County History & Arts Museum | Relatively New Addition to the Area | Culturally Rich Attraction Enjoyed by Locals and Tourists Alike
- ✓ Located Near Several Public Schools and Colleges which Enroll Over 13,000 Students
- ✓ Freestanding Property with Great Frontage Along W Floyd Baker Boulevard
- ✓ Proximal to Interstate 85 | A Major Southeastern Highway that Runs from Petersburg, VA to Montgomery, AL

## About the Brand

- ✓ Sonic Drive-In Opened Their First Restaurant in 1953 and Now Maintains More Than 3,600 Drive-In Restaurants
- ✓ Sonic Continues to Thrive | Maintenance of Strong Real Sales Growth, Industry-Leading Customer Frequency, and High Returns for Stockholders
- ✓ Rated Top QSR Restaurant Chain in 14 States Amidst Covid-19 Pandemic







# Financial Analysis



PRICE: \$1,340,109 | CAP: 5.25% | RENT: \$70,356

## PROPERTY DESCRIPTION

Property	Sonic
Property Address	1529 W Floyd Baker Blvd
City, State, ZIP	Gaffney, SC 29341
Estimated Building Size	1,493
Estimated Lot Size	+/- 0.60 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$1,340,109
CAP Rate	5.25%
Annual Rent	\$70,356

## LEASE SUMMARY

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	AFG SR Gaffney, LLC / AFG SR OP II, LLC (18 Units)
Original Lease Term	20 Years
Lease Commencement	Close of Escrow
Lease Expiration	20 Years From COE
Lease Term Remaining	20 Years
Lease Type	Absolute Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.50% Annually Starting Year Six (6)
Options to Renew	Four (4) Periods of Five (5) Years Each

## RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$70,356	\$5,863	-
Year 2	\$70,356	\$5,863	-
Year 3	\$70,356	\$5,863	-
Year 4	\$70,356	\$5,863	-
Year 5	\$70,356	\$5,863	-
Year 6	\$71,411	\$5,951	1.50%
Year 7	\$72,483	\$6,040	1.50%
Year 8	\$73,570	\$6,131	1.50%
Year 9	\$74,673	\$6,223	1.50%
Year 10	\$75,793	\$6,316	1.50%
Year 11	\$76,930	\$6,411	1.50%
Year 12	\$78,084	\$6,507	1.50%
Year 13	\$79,256	\$6,605	1.50%
Year 14	\$80,444	\$6,704	1.50%
Year 15	\$81,651	\$6,804	1.50%
Year 16	\$82,876	\$6,906	1.50%
Year 17	\$84,119	\$7,010	1.50%
Year 18	\$85,381	\$7,115	1.50%
Year 19	\$86,661	\$7,222	1.50%
Year 20	\$87,961	\$7,330	1.50%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Sonic located at 1529 W Floyd Baker Blvd, in Gaffney, SC . The site will consist of roughly 1,493 rentable square feet of building space on estimated 0.60-acre parcel of land. The Sonic is subject to a 20-year absolute triple-net (NNN) sale-leaseback, which will commence upon close of escrow. The initial annual rent will be \$70,356 and is scheduled to increase by one-and-a-half percent (1.50%) annually starting year six (6) throughout the base term and in each of the four (4), five (5)-year renewal options.



# Concept Overview



## SONIC DRIVE-IN OVERVIEW

Sonic Corporation operates and finances the largest chain of drive-in restaurants in the United States. The first Sonic Drive-In restaurant was opened in 1953, and as of September 2020, there are approximately 3,600 Sonic's nationwide. The typical Sonic Drive-In has 16 to 24 parking space, each having its own payment terminal, intercom speaker system and menu board. Sonic offers a highly diverse menu. The menu is built around the finest quality items available, offering conveniently priced items as well as healthy alternatives. Signature food items include specialty drinks (such as cherry limeades and slushes), ice cream desserts, made-to-order chicken sandwiches and hamburgers, a variety of hot dogs including six-inch premium beef hot dogs and foot long quarter-pound coneys, hand-made onion rings and tater tots.



## Highly Popular Amidst Covid-19 Pandemic Map of Top QSR Chain in Each State

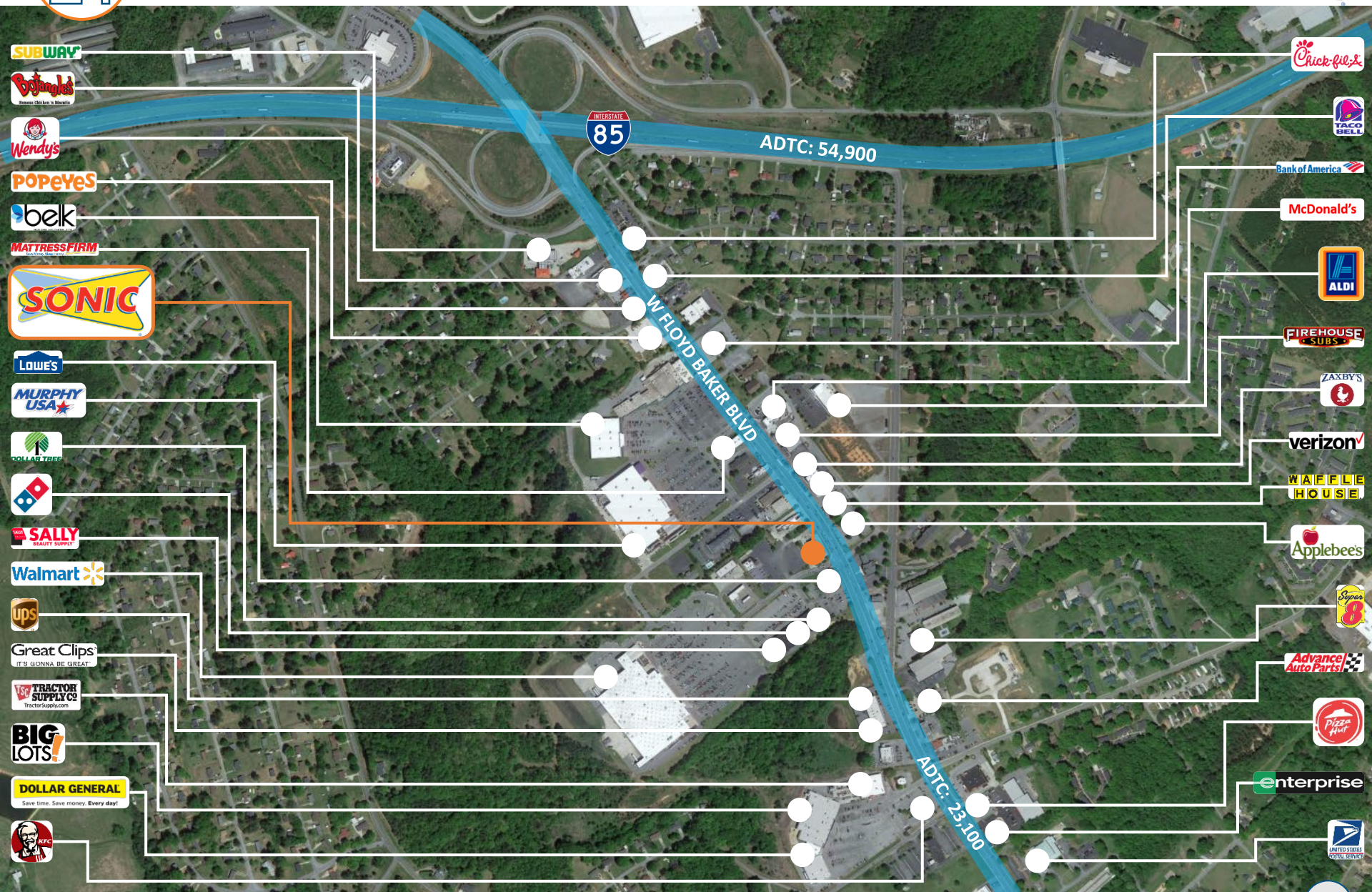


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# Surrounding Area







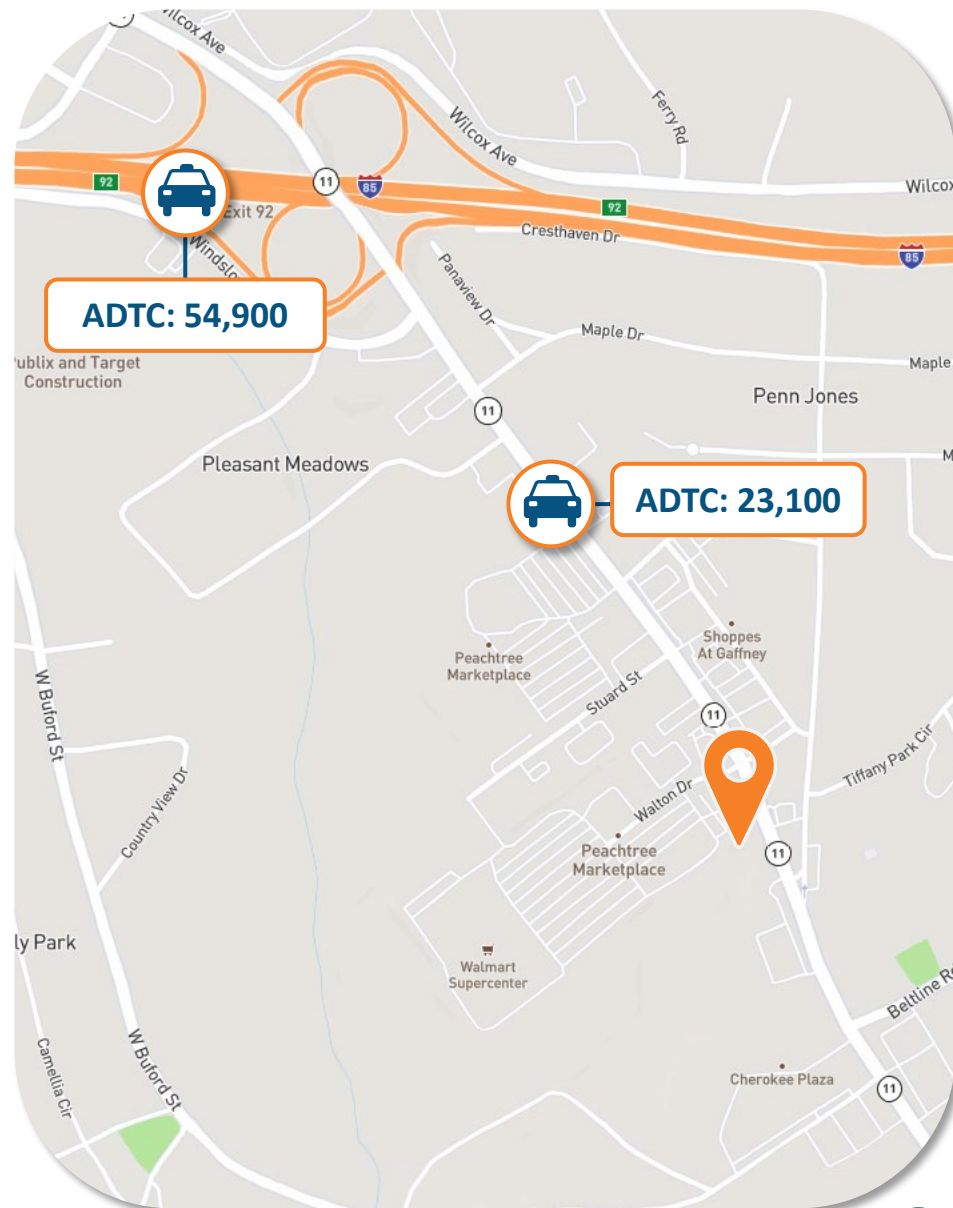
# Location Overview



This Sonic Drive-In property is located at 1529 West Floyd Baker Boulevard, Gaffney, South Carolina. Gaffney is the county seat of Cherokee County. This Sonic Drive-In property is located on West Floyd Baker Boulevard, which experiences an average daily traffic count of 23,100 vehicles. I-85 crosses West Floyd Boulevard and brings an additional 54,900 vehicles per day to the area.

The subject property benefits from its strategic location along a dense retail corridor. Sonic is conveniently located near several major retail tenants in the surrounding area include Walmart, Aldi, Belk, Lowes, Dollar Tree, Sally's Big Lots, Bank of America and many others. Gaffney is home to a number of educational institutions including, Limestone University, John E Ewing Middle School, Gaffney Middle School, Limestone-Central Elementary School, and Spartanburg Community College. Combined, these facilities have an enrollment count that is just shy of 13,000 students. Nearby access to Interstate 85 also provides for easy transportation to major cities like Spartanburg, Greenville and Charlotte, NC to name a few. Interstate 85 is a major south-eastern highway that runs from Petersburg, VA to Montgomery, AL.

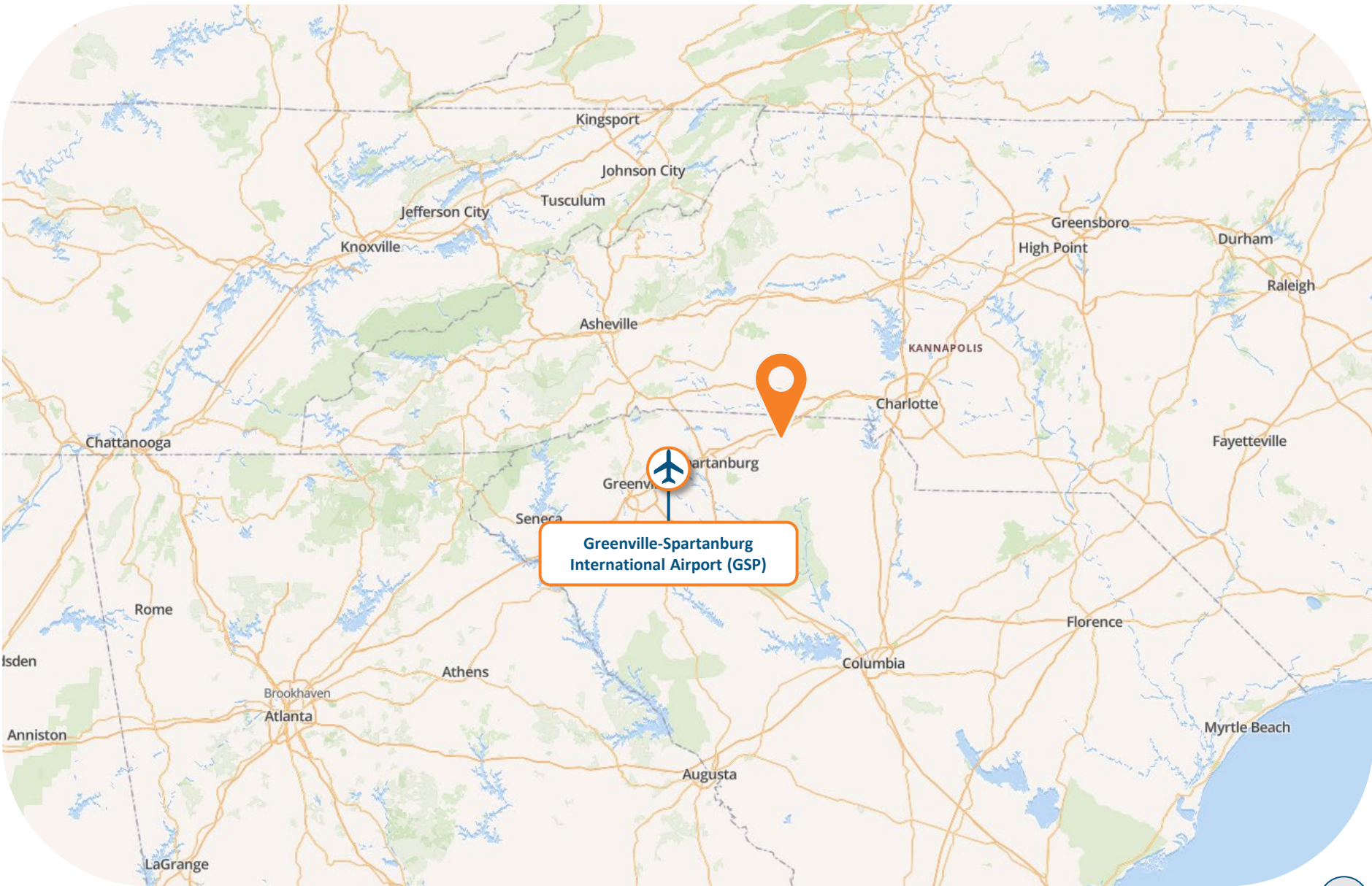
Gaffney is known as the "Peach Capital of South Carolina". It is the principal city of the Gaffney, South Carolina, Micropolitan Statistical Area which includes all of Cherokee County and which is further included in the greater Greenville-Spartanburg-Anderson, South Carolina metro. Gaffney has many attractions including its history, downtown, and shopping centers. One shopping center, Gaffney Outlet Marketplace, is located at One Factory Shops Boulevard, which is north of I-85 exit 90. There you will find an exciting collection of 75 outlet stores offering designer creations and name brand items at substantial savings. Gaffney's small-town character and central location make it a great place to visit but an even better place to reside. Located right off the I-85 corridor, Gaffney is within an hour from Charlotte and Greenville, two hours from the beach and four hours from seven major cities.





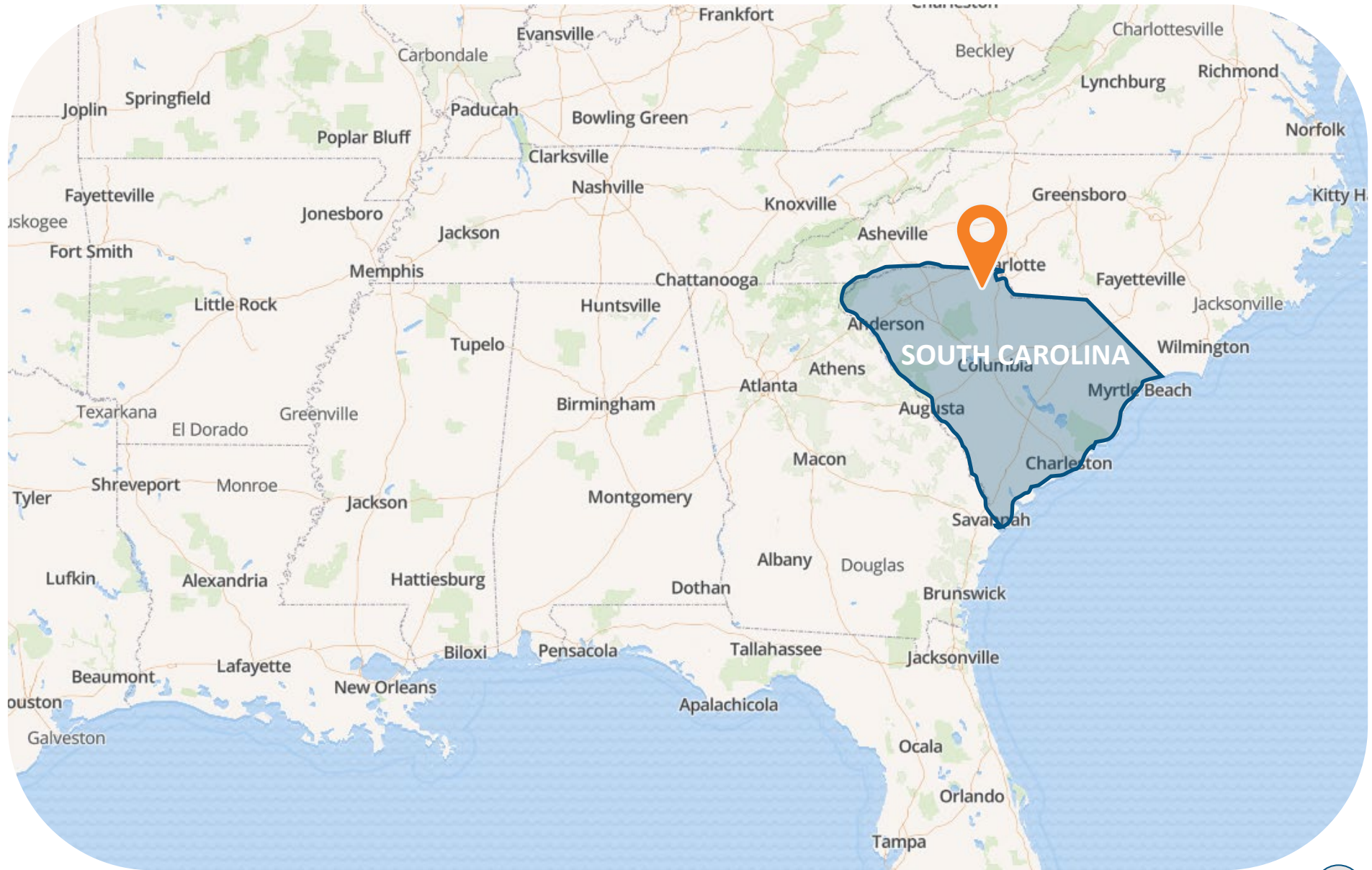


# Local Map





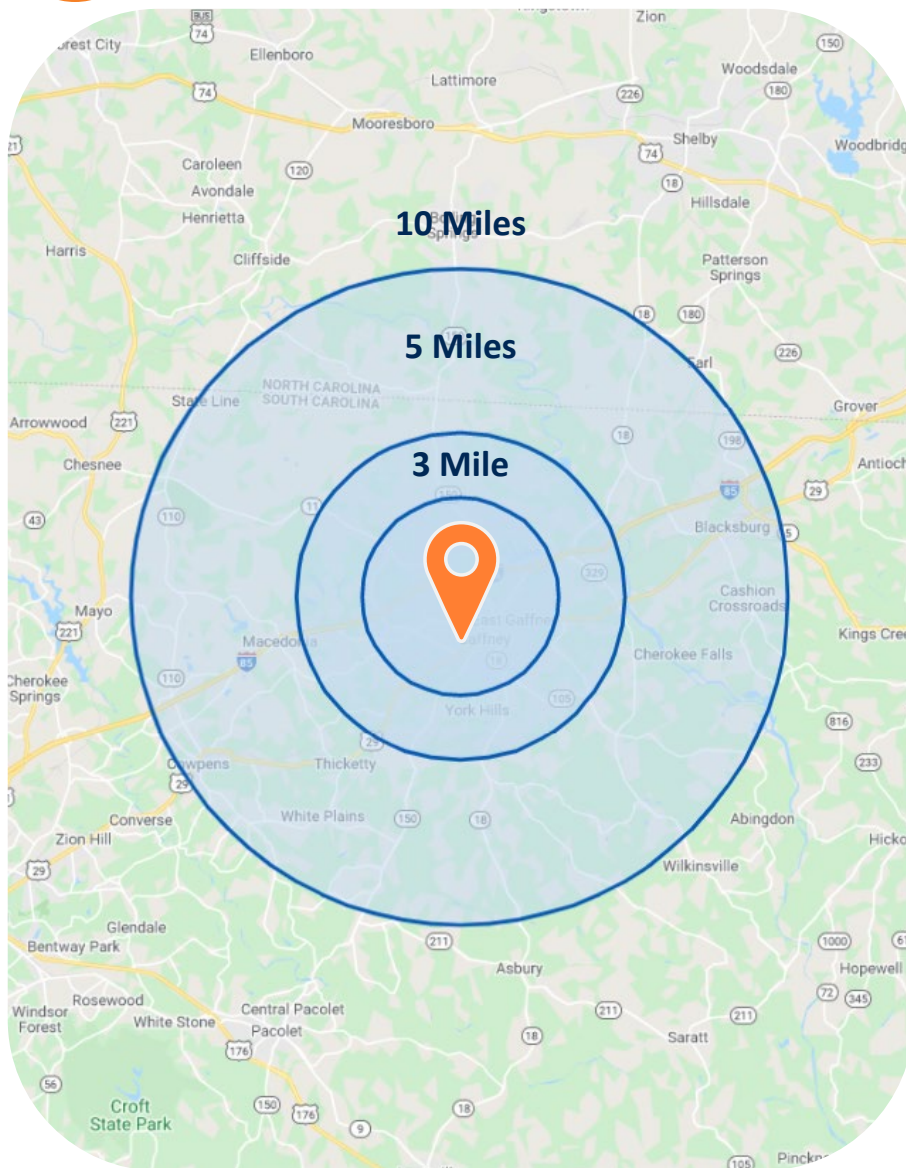
# Regional Map







# Demographics



## POPULATION TRENDS

	3 Miles	5 Miles	10 Miles
2010 Population	19,412	28,326	56,483
2021 Population	20,938	30,448	58,765
2026 Population Projection	21,432	31,148	60,010
Annual Growth 2010-2021	0.70%	0.70%	0.40%
Annual Growth 2021-2026	0.50%	0.50%	0.40%

## POPULATION BY RACE (2021)

	3 Miles	5 Miles	10 Miles
White	12,108	19,462	44,501
Black	8,111	10,017	12,568
American Indian/Alaskan Native	85	109	224
Asian	174	243	370
Hawaiian & Pacific Islander	67	73	81
Two or More Races	394	544	1,020
Hispanic Origin	1,157	1,856	2,742

## HOUSEHOLD TRENDS

	3 Miles	5 Miles	10 Miles
2010 Households	7,705	11,076	21,885
2021 Households	8,150	11,732	22,584
2026 Household Projection	8,321	11,982	23,047
Growth 2010-2021	0.50%	0.50%	0.40%
Growth 2021-2026	0.40%	0.40%	0.40%

## Avg Household Income

3 Miles	5 Miles	10 Miles
\$48,720	\$52,564	\$56,048

## Median Household Income

3 Miles	5 Miles	10 Miles
\$33,085	\$35,454	\$40,804

## HOUSEHOLDS BY HOUSEHOLD INCOME (2021)

	3 Miles	5 Miles	10 Miles
< \$25,000	3,137	4,198	7,315
\$25,000 - 50,000	2,397	3,331	6,065
\$50,000 - 75,000	1,112	1,708	3,722
\$75,000 - 100,000	565	953	2,305
\$100,000 - 125,000	362	615	1,345
\$125,000 - 150,000	221	311	661
\$150,000 - 200,000	210	373	673



# Market Overview



*Greenville, SC*



**Greenville** is a city in and the seat of Greenville County, South Carolina. Upstate South Carolina's largest municipality and is a great place to start or expand a business. Greenville is located approximately halfway between Atlanta and Charlotte, North Carolina, along Interstate 85, and its metropolitan area also includes Interstates 185 and 385. Greenville was the fourth fastest-growing city in the United States between 2015 and 2016, according to the U.S. Census Bureau. Nestled up against the foothills of the Blue Ridge Mountains in the heart of South Carolina's Upcountry, you'll find Greenville situated just about halfway between Charlotte, North Carolina and Atlanta, Georgia. Greenville's friendly, thriving downtown pulses with things to do year-round. From one-of-a-kind shops, boutiques and art galleries to museums, tours and outdoor activities, Greenville is a welcoming retreat for visitors of every age and explorers of every type. Greenville is the cultural and entertainment center for the upstate, including an award-winning downtown, a major performing arts center, a 17,000-seat arena, a 340,000-square-foot convention and exhibition center, nationally recognized museum collections, and 39 parks, playgrounds and recreation centers. Greenville's economy was formerly based largely on textile manufacturing, and the city was long known as "The Textile Capital of the World". In the last few decades, favorable wages and tax benefits have lured foreign companies to invest heavily in the area. The city is the North American headquarters for Michelin, AVX Corporation, NCEES, Ameco, Southern Tide, Confluence Outdoor, Concentrix, JTEKT, Cleva North America, Hubbell Lighting subsidiary of Hubbell Incorporated, Greenville News, Greenville Health System, and Scansource. In 2003, the International Center for Automotive Research was created, establishing CUICAR as the new model for automotive research. The Center for Emerging Technologies in mobility and energy was opened in 2011, hosting a number of companies in leading edge R&D and the headquarters for Sage Automotive.



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