



**CHICK-FIL-A**  
LEXINGTON, NORTH CAROLINA

YURAS  
AICALE  
FORSYTH  
CROWLE

Leased Investment Team

## OFFERING MEMORANDUM

**\$4,500,000 | 3.87% CAP RATE**

- » New Long-Term Absolute NNN Lease with 10% Rental Increases Every Five Years
- » Unique Chick-fil-A Offering - Landlord Can Depreciate Building
- » High-Visibility Location in Well-Populated and Growing North Carolina Submarket
- » Strategic Location on Parkway Plaza Along Interstate 85 (58,000 AADT)
- » Central Location Near Large Schools, Employers, and Community Hubs
- » Outparcel to a Lexington Parkway Plaza Anchored by Belk, Tractor Supply, and Ollie's
- » Includes a Drive-Thru for Added Customer Convenience
- » Recently Constructed Starbucks Serves as Adjoining Property



**ACTUAL SITE**

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## DEMOGRAPHIC PROFILE

Cushman & Wakefield ("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.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

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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Leased Investment Team

[www.YAFteam.com](http://www.YAFteam.com)

# INVESTMENT SUMMARY

<b>ADDRESS</b>	75 Plaza Parkway, Lexington, North Carolina 27292		
<b>PRICE</b>	<b>\$4,500,000</b>		
<b>CAP RATE</b>	<b>3.87%</b>		
<b>NOI</b>	\$174,124		
<b>TERM</b>	15 years with 10+ years remaining		
<b>RENT COMMENCEMENT</b>	October 26, 2017		
<b>LEASE EXPIRATION</b>	October 31, 2032		
<b>RENTAL INCREASES</b>	10% rental increases every five (5) years)		
	<b>YEAR</b>	<b>RENT</b>	<b>RETURN</b>
	1-5	\$158,294	N/A
	6-10	\$174,124	3.87%
	11-15	\$191,536	4.26%
	16-20 (option 1)	\$210,689	4.68%
	21-25 (option 2)	\$231,758	5.15%
	26-30 (option 3)	\$254,934	5.67%
	31-35 (option 4)	\$280,428	6.23%
	36-40 (option 5)	\$308,470	6.86%
	41-45 (option 6)	\$339,317	7.54%
	46-50 (option 7)	\$373,249	8.30%
	51-55 (option 8)	\$410,574	9.13%
	56-60 (option 9)	\$451,632	10.04%
	61-65 (option 10)	\$496,795	11.04%
	66-70 (option 11)	\$546,474	12.15%
	71-75 (option 12)	\$601,122	13.36%
	76-80 (option 13)	\$661,234	14.70%
<b>YEAR BUILT</b>	2017		
<b>BUILDING SF</b>	4,988 SF		
<b>PARCEL SIZE</b>	0.910 acres (39,640 SF)		
<b>LEASE TYPE</b>	Absolute NNN lease, with tenant responsible for all taxes, insurance, and maintenance, including roof, structure and parking lot		

## LONG-TERM ABSOLUTE NNN LEASE WITH SCHEDULED RENTAL INCREASES AND DRIVE-THRU

- » Chick-fil-A is the largest chicken chain and the third largest American fast food restaurant chain
- » Unique Chick-fil-A offering where landlord can depreciate the building
- » Includes drive-thru for added customer convenience
- » 10% fixed rental increases every five years, providing a hedge against inflation
- » No landlord management, making this an ideal opportunity for an out-of-area investor

## HIGH-VISIBILITY LOCATION IN DENSELY POPULATED AND GROWING NORTH CAROLINA SUBMARKET

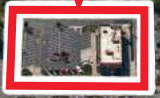
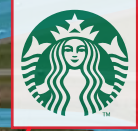
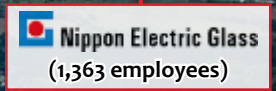
- » Strategic high-visibility location on Parkway Plaza along Interstate 85 (58,000 AADT)
- » Excellent location in a major North Carolina commuter corridor
- » Beneficial proximity to several high-density, single family developments
- » Only Chick-fil-A location within 15 miles of the site
- » 88,689 residents living within a 10-mile radius of the location
- » Average annual household income of \$62,909 within 10 miles of the site with a projected increase of 13 percent by 2026, poising Chick-fil-A and Lexington for concurrent growth

## CENTRAL LOCATION NEAR LARGE SCHOOLS, EMPLOYERS, AND COMMUNITY HUBS

- » Outparcel to a Lexington Parkway Plaza anchored by Belk, Tractor Supply Company, Planet Fitness, Ollie's, and Dollar Tree
- » Minutes from Downtown Lexington
- » Located 4.4 miles from Wake Forest Baptist Health – Lexington Medical Center (94 beds)
- » Surrounded by several national retailers, including Walmart Supercenter, Lowe's Home Improvement, Walgreens, PetSmart, Applebee's, McDonald's, Waffle House, Wendy's, and many more, promoting crossover shopping to the site
- » Fly High Lexington/Davidson County Airport is less than 10 minutes away, and Davidson County Community College is 15 minutes away



HIGH ROCK LAKE



Plaza Parkway

Interstate 85  
(58,000 AADT)

Cotton Grove Road  
(24,500 AADT)



Interstate 285  
(39,000 AADT)



South  
Lexington School  
(324 students)



Lexington  
Golf Club



Fairview Drive  
(11,000 AADT)



Cotton Grove Road  
(24,500 AADT)

Plaza Parkway

Interstate 85  
(58,000 AADT)



Sapona Golf Swim  
and Tennis Club

**Wake Forest™**  
Baptist Medical Center  
(94 beds, 800 employees)

**Interstate 285**  
(39,000 AADT)

Lexington  
Home Brands  
Manufacturing



South  
Lexington School  
(324 students)



**Fairview Drive**  
(11,000 AADT)



**Cotton Grove Road**  
(24,500 AADT)



**Interstate 85**  
(58,000 AADT)

**Plaza Parkway**



Tyro Elementary School  
(393 students)

United Furniture

FLY HIGH LEXINGTON/  
DAVIDSON COUNTY AIRPORT

Lexington Home  
Brands Manufacturing

Interstate 285  
(39,000 AADT)



Cotton Grove Road  
(24,500 AADT)

Fairview Drive  
(11,000 AADT)



Interstate 85  
(58,000 AADT)

Plaza Parkway



# TENANT SUMMARY



Atlanta-based Chick-fil-A, Inc. is a family owned and privately held restaurant company founded in 1967 by S. Truett Cathy. Chick-fil-A is known for its original chicken sandwich, and serves freshly prepared food in more than 2,600 restaurants in 47 states, Washington, D.C., and Canada.

Chick-fil-A, Inc. reported record revenue and earnings in 2020, despite the COVID-19 pandemic. The Atlanta-based quick-serve operator, ranked by Franchise Times Magazine as the 9th largest franchise company in the United States, and reported record free-standing franchised restaurant sales as it added drive-thru lanes, dispatched outdoor order-takers with tablets, and expanded both curbside pickup and third-party delivery. Total system-wide sales generated from franchised and company-operated restaurants were \$13.7 billion in 2020 compared to \$12.2 billion in 2019, an increase of 12.7%.

A leader in customer service satisfaction, Chick-fil-A was named top fast food restaurant in Newsweek's 2019 America's Best Customer Service report and received several honors in QSR's 2019 Reader's Choice Awards, including "The Most Respected Quick-Service Brand" and "Best Brand for Overall Experience". Additionally, Glassdoor named Chick-fil-A one of the top 100 best places to work in 2020.

For more information, please visit [www.chick-fil-a.com](http://www.chick-fil-a.com).

# OF LOCATIONS	2,600+	OWNERSHIP	Private
REVENUE	\$13.7B	HEADQUARTERS	Atlanta, GA

# LEASE ABSTRACT

TENANT	Chick-fil-A, Inc.		
ADDRESS	<a href="#">75 Plaza Parkway, Lexington, North Carolina 27292</a>		
RENT COMMENCEMENT	October 26, 2017		
LEASE EXPIRATION	October 31, 2032		
RENEWAL OPTIONS	Thirteen (13) five (5) year options		
RENTAL INCREASES	YEAR	RENT	RETURN
	1-5	\$158,294	N/A
	6-10	\$174,124	3.87%
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	16-20 (option 1)	\$210,689	4.68%
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	71-75 (option 12)	\$601,122	13.36%
	76-80 (option 13)	\$661,234	14.70%
REAL ESTATE TAXES	Tenant shall pay for all real estate taxes.		
INSURANCE	Tenant is responsible for all insurance costs.		
REPAIR & MAINTENANCE	Tenant is responsible for all maintenance, including roof, structure, and parking lot.		
MAINTENANCE BY LANDLORD	None		
RIGHT OF FIRST REFUSAL	None		

# PROPERTY OVERVIEW

## LOCATION

The subject property is strategically located on Parkway Plaza along Interstate 85, which experiences an average of 58,000 vehicles per day near the site. This site is the only Chick-fil-A location within a 15-mile radius, greatly increasing local traffic to the area. The property benefits from its central location in a populous and growing area. 88,689 residents live within a 10-mile radius, providing a stable customer base for the site. The property maintains an excellent location in a major North Carolina commuter corridor, with proximity to several high-density, single and multi-family developments. The average household income is \$62,909 within 10 miles of the site, with a projected increase of 13 percent by 2026, poising Chick-fil-A and Lexington for concurrent growth.

The location benefits from its proximity to large schools, employers, and community hubs. The site is an outparcel to Lexington Parkway Plaza, a shopping center anchored by Belk, Tractor Supply, Planet Fitness, Ollie's, and Dollar Tree. The property is surrounded by several national retailers, including Walmart Supercenter, Lowe's Home Improvement, Walgreens, PetSmart, Applebee's, McDonald's, Waffle House, Wendy's, and many more promoting crossover shopping to the location. The site is located 4.4 miles from Wake Forest Baptist Health – Lexington Medical Center (94 beds) and minutes from Downtown Lexington with quick access to Interstate 85. The site is well-positioned to grow along with the surrounding area.

## ACCESS

Access from Plaza Parkway

## TRAFFIC COUNTS

Interstate 85:	58,000 AADT
Cotton Grove Road:	24,500 AADT
Fairview Drive:	11,000 AADT
Interstate 285:	39,000 AADT

## PARKING

45 parking stalls, including two (2) handicap stalls and cross parking with adjoining shopping center

## YEAR BUILT

2017

## NEAREST AIRPORT

Davidson County Airport (EXX | 4.9 miles)



ACTUAL SITE



45

PARKING  
STALLS + CROSS  
PARKING WITH  
ADJOINING  
SHOPPING  
CENTER



2017

YEAR BUILT



58K

TRAFFIC  
COUNT (AADT)



NEAREST  
AIRPORT

DAVIDSON COUNTY  
AIRPORT

# AREA OVERVIEW

Lexington is a city and the county seat of Davidson County in central North Carolina. The city is located 20 miles south of Winston-Salem with a population of 19,632 according to the official 2020 Census. Major highways include Interstate 85, Interstate 85 Business, U.S. Route 29, U.S. Route 70, U.S. Route 52 (soon to be I-285), and U.S. Route 64. Lexington is part of the Piedmont Triad region of the state and is known as “The Barbeque Capital of the World”. Lexington, Thomasville, and the rural areas surrounding them are slowly developing as residential bedroom communities for nearby cities such as Winston-Salem, Greensboro, High Point, and, to a lesser extent, Charlotte and its northeastern suburbs. The City of Lexington has recently emerged as one of the major centers comprising the Piedmont Triad region. It functions on multiple levels, serving as a quaint urban housing market for Winston-Salem and Greensboro, while also standing independently with a strong tourism industry and a growing manufacturing base. Major employers include new manufacturers, warehousing and distribution, retail and service businesses, schools, government, and hospital and medical facilities. Recent quality of life initiatives and overall growth are demonstrated by a recent surge in new market-rate apartments, as well as new multifamily and single family housing units.

Davidson County is situated at the center of North Carolina’s manufacturing Region. The low business cost, proactive regulatory environment, education, and training resources plus a dependable workforce make Davidson County the most reliable location for businesses to succeed. Davidson County has a population of 162,878 according to the 2020 census. Davidson County is included in the Winston-Salem, NC Metropolitan Statistical Area, which is also included in the Greensboro-Winston-Salem-High Point, NC combined statistical area. Parts of Davidson County are located within the Yadkin Valley wine region. Davidson County Airport is a public-use airport in Davidson County and serves Lexington, Thomasville, High Point, and the Piedmont Triad region. It is owned by the Davidson County Airport Authority and is located three nautical miles southwest of the central business district of Lexington. Atrium Health Wake Forest Baptist is a pre-eminent academic health system based in Winston-Salem, North Carolina, and part of Atrium Health Enterprise. Atrium Health Wake Forest Baptist’s two main components are an integrated clinical system — anchored by Atrium Health Wake Forest Baptist Medical Center, an 885-bed tertiary-care hospital in Winston-Salem — that includes Brenner Children’s Hospital, five community hospitals, more than 300 primary and specialty care locations, and more than 2,700 physicians; and Wake Forest School of Medicine, the academic core of Atrium Health Enterprise and a recognized leader in experiential medical education and groundbreaking research that includes Wake Forest Innovations, a commercialization enterprise focused on advancing health care through new medical technologies and biomedical discovery.

- » Wake Forest Baptist Health is a regional health care system anchored by the 885-bed tertiary care hospital and campus in Winston-Salem. This campus is home to the adult and pediatric Level I Trauma Centers and Burn Center, the 144-bed Brenner Children’s Hospital, and a 167-bed Comprehensive Cancer Center serving patients in northwest North Carolina and southwest Virginia.
- » The annual Lexington Barbecue Festival, Richard Childress Vineyards, Racing Museum, and the Bob Timberlake Gallery, is a major economic driver. A study commissioned by Visit North Carolina states visitors spent approximately \$176.22 million in Davidson County in 2018 compared to \$167.39 in 2017, a 5.28 percent increase. The economic impact of visitor spending in 2019 was \$185.4 million, a 5.3 % increase from 2018.
- » The city of Lexington and Davidson County have assembled enough land to create four million square feet of ready-to-build marketable manufacturing capacity, revving up its ability to attract new industry.
- » EGGER’s newest facility in Lexington, N.C., is the company’s first manufacturing plant in North America and 20th worldwide. Egger Wood Products is building its North American headquarters in the nearby I-85 Corporate Center bringing 770 new jobs with \$700 million in investment and a 4.2 million-square-foot facility over a 15-year period.

## LARGEST EMPLOYERS IN LEXINGTON, NC

## # OF EMPLOYEES

DAVIDSON COUNTY SCHOOLS	1000+
COUNTY OF DAVIDSON	1000+
ATRIUM CORPORATION	500-999
OLD DOMIONION FREIGHT LINE	500-999
WAL-MART ASSOCIATES INC.	500-999
FOOD LION	500-999
WAKE FOREST UNIVERSITY BAPTIST MEDICAL	500-999
BRADLEY PERSONNEL INC.	500-999
DAVIDSON COUNTY COMMUNITY COLLEGE	500-999
NOVANT HEALTH THOMASVILLE MEDICAL	500-999



# DEMOGRAPHIC PROFILE

2021 SUMMARY	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>1,605</b>	<b>17,157</b>	<b>36,605</b>
Households	633	6,539	14,413
Families	430	4,227	9,433
Average Household Size	2.52	2.51	2.47
Owner Occupied Housing Units	329	3,415	8,444
Renter Occupied Housing Units	304	3,123	5,969
Median Age	42.9	40.6	41.7
<b>Average Household Income</b>	<b>\$49,050</b>	<b>\$48,361</b>	<b>\$54,587</b>
2026 ESTIMATE	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>1,605</b>	<b>17,157</b>	<b>36,605</b>
Households	633	6,539	14,413
Families	430	4,227	9,433
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