

*Pioneer Franchisee | New 15-Year Absolute NNN
Sale-Leaseback
5600 McClellan Blvd,
Anniston, AL 36206*

Marcus & Millichap

REPRESENTATIVE PHOTO



OFFERING
MEMORANDUM

Krystal®

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SECTION 1

Executive Summary

OFFERING SUMMARY

INVESTMENT HIGHLIGHTS

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OFFERING SUMMARY



Listing Price
\$625,000



Cap Rate
5.60%

FINANCIAL

Listing Price	\$625,000
NOI	\$35,000
Cap Rate	5.60%
Price/SF	\$938.44

OPERATIONAL

Rentable SF	666 SF
Lot Size	0.48 Acres
Year Built/Renovated	1993



KRYSTAL SALE-LEASEBACK

5600 McClellan Blvd, Anniston, AL 36206

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present this exclusive listing of a freestanding Krystal Restaurant located at 5600 McClellan Blvd in Anniston, AL. The site constructed in 1993 consists of 666 rentable square feet of building space and sits on an approximately 0.48 acre parcel of land. Krystal is subject to a brand new, 15-year Absolute NNN lease, the starting base rent shall be \$35,000 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 30 years. The subject property has displayed strong performance throughout its history in Anniston, as a result WAC Enterprises will execute a new 15-Year Absolute NNN Lease at Close of Escrow.

INVESTMENT HIGHLIGHTS

- New 15-Year Absolute NNN Lease To Be Executed at Close of Escrow
- 15-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.

General Information
Founded: 1932
Website: https://krystal.com/
Headquarters: Dunwoody, GA
Number of Locations: 305+

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.

ABOUT THE FRANCHISEE-OPERATOR BACKGROUND

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.

KRYSTAL SALE-LEASEBACK

5600 McClellan Blvd, Anniston, AL 36206

ABOUT THE KRYSTAL COMPANY | A NEW CHAPTER

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SECTION 2

Property Information

AERIAL MAP

PROPERTY PHOTOS

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ZAXBY'S

BIG LOTS!

HIBBETT SPORTS®

O'Reilly
AUTO PARTS

HARBOR
FREIGHT

MAIN STREET
ANNISTON

Public
Storage

AutoZone

LOWE'S



Advance
Auto Parts

SUBWAY

Walmart

McDonald's

TSC TRACTOR
SUPPLY CO

DOLLAR TREE

ALABAMA
U.S.
431

AADT 16,060+

AADT 27,530+



Arby's

Jack's

SONIC

McClellan Blvd

KRYSTAL SALE-LEASEBACK

PROPERTY PHOTOS //



SECTION 3

Financial Analysis

PRICING DETAILS

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KRYSTAL SALE-LEASEBACK

PRICING DETAILS //

THE OFFERING	
Property	Krystal Sale-Leaseback
Property Address	5600 McClellan Blvd, Anniston, AL 36206
Price	\$625,000
Capitalization Rate	5.60%
Price/SF	\$938.44

PROPERTY DESCRIPTION	
Year Built / Renovated	1993
Gross Leasable Area	666 SF
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	0.48 Acres

LEASE SUMMARY	
Property Subtype	Net Leased Restaurant
Tenant	WAC Enterprises
Rent Increases	1.00% Annual Escalations
Guarantor	Franchisee Guarantee
Lease Type	Absolute Net
Lease Commencement	At Close of Escrow
Initial Lease Term	15 Years After Close of Escrow
Renewable Options	Three, Five-Year Options
Landlord Responsibility	None
Tenant Responsibility	Taxes, Insurance and Maintenance
Right of First Refusal/Offer	Yes

ANNUALIZED OPERATING INFORMATION	
INCOME	
Net Operating Income	\$35,000
Year 1	\$35,000
Year 2	\$35,000
Year 3	\$35,000
Year 4	\$35,000
Year 5	\$35,000
Year 6	\$35,350
Year 7	\$35,704
Year 8	\$36,061
Year 9	\$36,421
Year 10	\$36,785
Year 11	\$37,153
Year 12	\$37,525
Year 13	\$37,900
Year 14	\$38,279
Year 15	\$38,662

SECTION 5

Market Overview

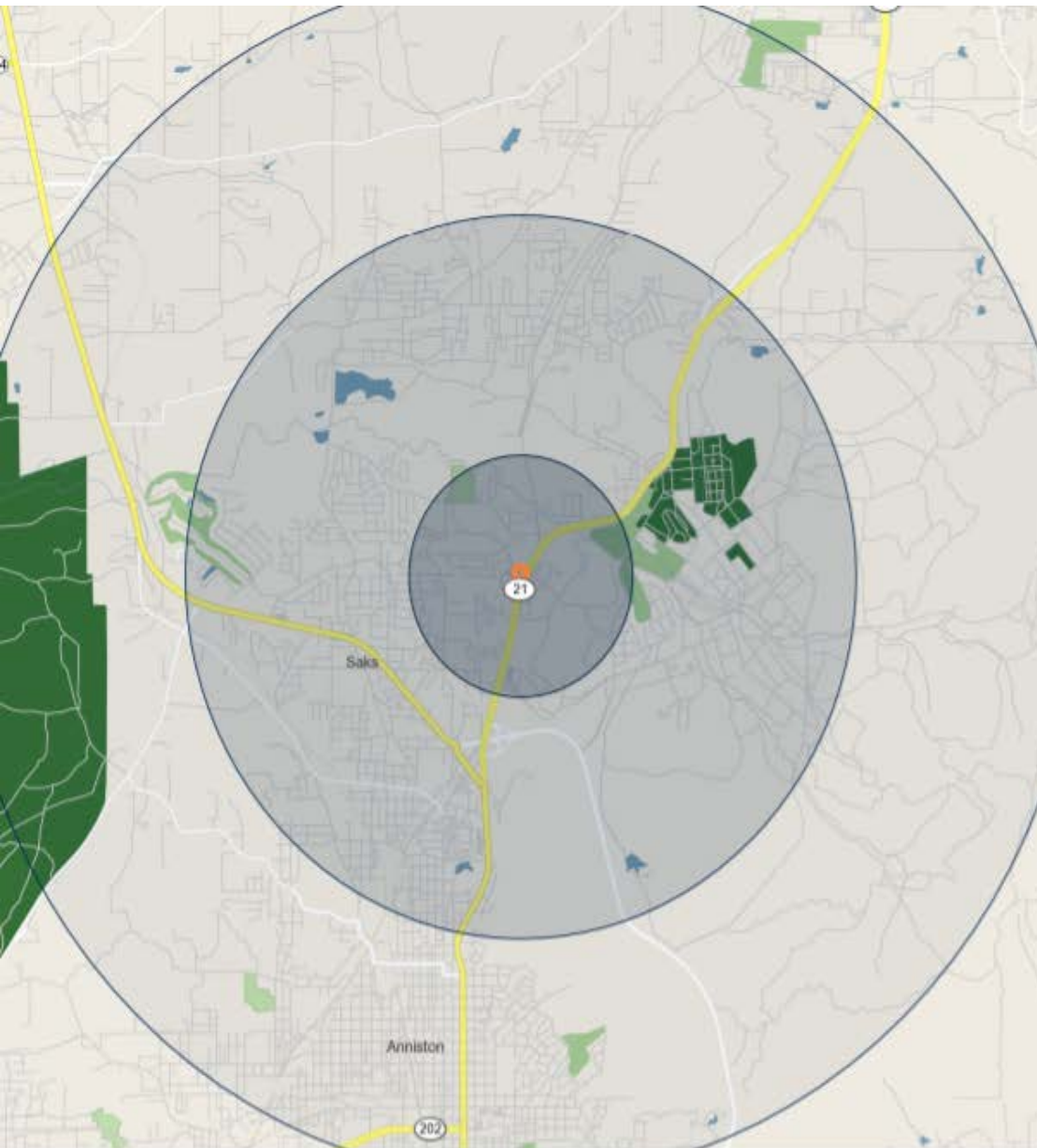
DEMOGRAPHICS

MARKET OVERVIEW

Marcus & Millichap

KRYSTAL SALE-LEASEBACK

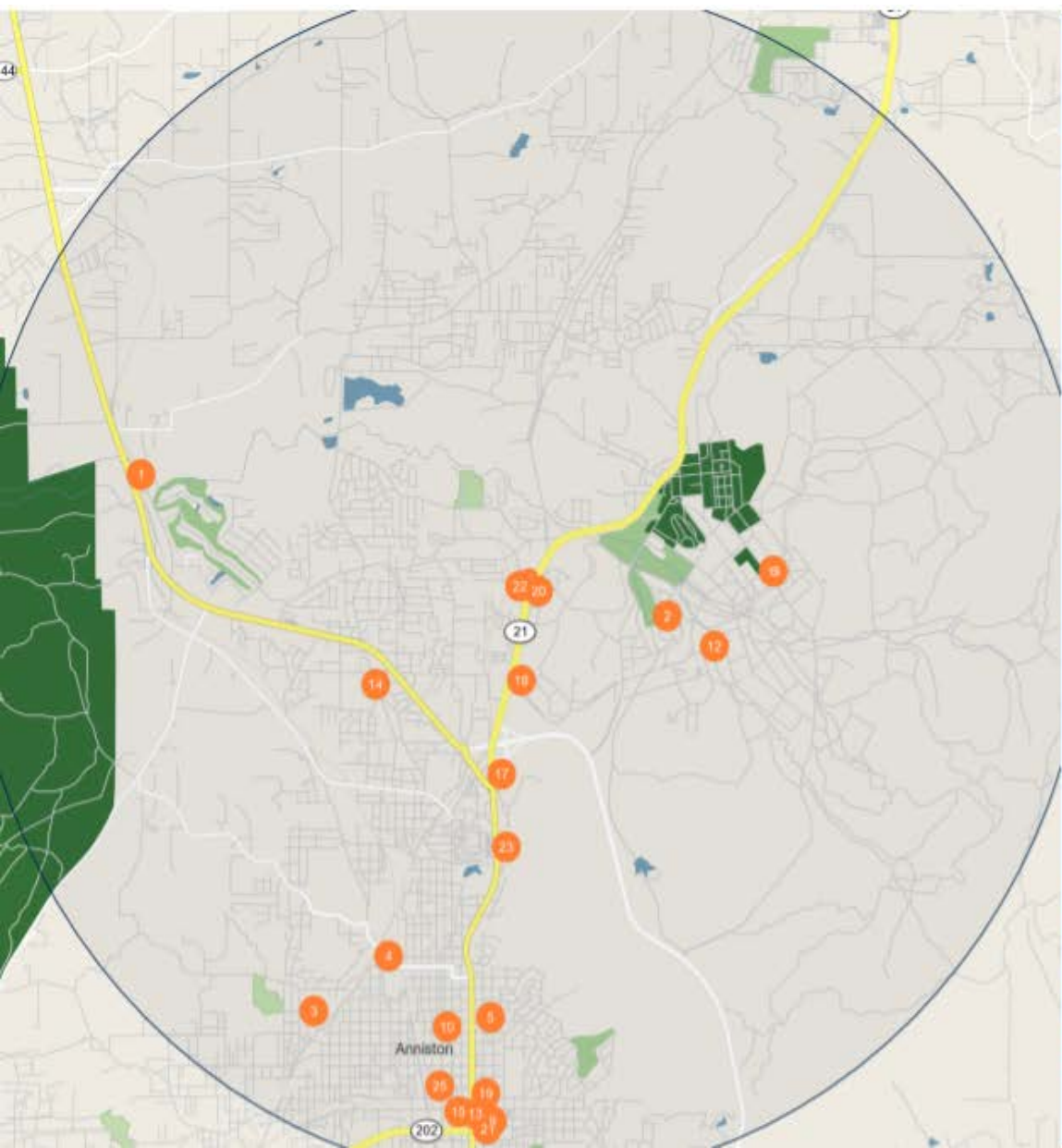
// Demographics



	1 Mile	3 Miles	5 Miles
POPULATION			
2026 Projection	2,838	17,035	34,592
2021 Estimate	2,741	17,105	34,795
2010 Census	2,796	17,971	36,417
2000 Census	2,529	18,021	37,268
HOUSEHOLD INCOME			
Average	\$55,331	\$57,554	\$56,448
Median	\$39,970	\$45,372	\$40,898
Per Capita	\$25,018	\$23,521	\$22,946
HOUSEHOLDS			
2026 Projection	1,272	6,990	14,053
2021 Estimate	1,230	6,971	14,052
2010 Census	1,241	7,278	14,659
2000 Census	1,154	7,292	15,166
HOUSING			
Median Home Value	\$103,398	\$105,502	\$101,232
EMPLOYMENT			
2021 Daytime Population	3,483	14,581	33,859
2021 Unemployment	6.66%	6.20%	7.12%
Average Time Traveled (Minutes)	23	26	25
EDUCATIONAL ATTAINMENT			
High School Graduate (12)	36.98%	33.78%	33.71%
Some College (13-15)	23.14%	25.94%	25.08%
Associate Degree Only	8.76%	9.00%	8.31%
Bachelor's Degree Only	11.23%	8.51%	8.33%
Graduate Degree	7.45%	5.76%	6.03%

KRYSTAL SALE-LEASEBACK

// Demographics



Major Employers		Employees
1	Burfords Tree LLC-Mikes Tree Service	900
2	Department of Military Alabama-National Guard Training Site	500
3	McWane Inc-Union Foundry Company	350
4	McWane Inc-M & H Valve Company	350
5	Anniston Hma LLC-Stringfellow Memorial Hospital	350
6	Interntal Auto Cmpnnts Group	323
7	Interntal Auto Cmpnnts Group	303
8	United States Dept of Army-Morale Support Welfare	300
9	Noland Health Services Inc-Noland Hospital Anniston	250
10	County of Calhoun	225
11	Interntal Auto Cmpnnts Group	210
12	Leidos Inc	205
13	Alabama Power Company	200
14	Seafood World Inc-Seafood World	196
15	Regions Financial Corporation-Regions Financial Corp/	194
16	International Automotive Compo-IAC Anniston	180
17	Consolidated Publishing Co Inc-Anniston Star The	161
18	Lowes Home Centers LLC-Lowes	150
19	Nbcuniversal LLC-NBC	150
20	Stem International Inc	135
21	Calhon-Cleburne Mental Hlth Bd-Calhoun Clbrne Mental Hlth Ctr	130
22	Walmart Inc-Walmart	125
23	United States Dept of Army-Army Reserve Center	121
24	United States Dept of Army	121
25	City of Anniston-Police Department	120

KRYSTAL SALE-LEASEBACK

// Market Overview

ABOUT ANNISTON, AL

Situated in a tree-lined valley of the Appalachian foothills, Anniston has many recreational opportunities, including bicycling, fishing, camping and golfing. Anniston is also home to the Anniston Museum of Natural History, the Berman Museum of World History, and St. Michael and All Angels Episcopal Church.

The city of Anniston in Calhoun County, Alabama has been involved in some of the country's most historic events. All of this can be explored in the streets, parks and museums of Anniston and its surrounding areas.

There are plenty of outdoor activities to enjoy too, from hiking and mountain biking to wine tasting and tubing, so if you are touring Alabama, don't just pass through Anniston, take a break and stay a while.



The Anniston Museum of Natural History offers the chance to explore the wilderness of North America, the mysteries of mummies dating over two thousand years old, the African wild, and more across seven interesting exhibit galls. Visitors can get face-to-face with some majestic, and sometimes deadly, animals. The museum also includes one of the oldest exhibits featuring birds in their habitats in the United States. Outside the Anniston Museum of Natural History are nature trails, and the Changing Exhibit Gallery shows how different artists interpret nature. Anniston is an unremarkable town now known for the Anniston Army Depot and the Talladega Superspeedway, both nearby. The army depot is the mainstay of the economy and nearby Talladega Mountain provides recreation opportunities. At one time, the area was a planned company town, and later a health resort, and there is still some historic interest in town

SECTION 5

About The Team

ANDREW JAWORSKI

LOU TIBOLLA

TAREK CHBEIR

About The Team



Lou Tibolla

Associate

Lou Tibolla is a Florida state licensed investment associate with over 30 years of experience in real estate. Born and raised in New Jersey, Lou prides himself on creating long-lasting client relationships using his extensive market knowledge. Focused exclusively on retail & net leased in the firm's Orlando office, Lou dedicates his time to ensuring essential information is provided to produce the optimal outcome for his client and their portfolio.

As a seasoned real estate professional, Lou's success was built on years of unrelenting work on the behalf of his clients with a focus on providing quality services to not only build but maintain those relationships. His tenacity and passion for real estate is directly translated into his work and will continue to do so as his career progresses.



Andrew Jaworski

Senior Associate

Hailing from New York State, Andrew Jaworski remains one of the most aggressive brokers in the Orlando Office, focusing strictly on retail and net-leased properties. The majority of his time is dedicated towards assisting franchisees and corporations creatively structure sale-leaseback transactions as a means of helping them expand their footprint. Andrew began his career with Marcus & Millichap as an intern during his final year at Rollins College while pursuing his Master's in Healthcare Administration.

Throughout this time, Andrew began studying the net-leased marketplace and growth trends throughout the South-Eastern United States, specifically quick-service restaurants (QSR's), pharmacies, automotive retail, and banks. Upon graduation, he expanded his research to other major counties throughout Florida. He has since expanded his reach, spanning back to his roots in New York where he travels frequently, building relationships with NNN buyers, sellers, and developers.



Tarek Chbeir

Associate

Tarek Chbeir is a Single and Multi-tenant Retail Investment specialist in the firm's Orlando office. Focusing strictly on Single and Multi-tenant retail properties, Tarek exclusively represents property owners throughout the Florida region, providing clients with professional, responsive, and attentive advisory services through active research, investment sales, and updates through Marcus and Millichap Capital corporation.

Tarek has years of experience in the real estate industry, and prides himself in providing each and every client with a consistent quality service through Marcus and Millichap. Surpassing expectations and achieving the desired result is our primary motivation.

Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

Krystal®

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