

# FURMAN

CAPITAL ADVISORS



REPRESENTATIVE PHOTO

Starbucks



New Construction

WOODRUFF, SC

CONFIDENTIAL OFFERING MEMORANDUM

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REPRESENTATIVE PHOTO

# INVESTMENT OVERVIEW

## Executive Summary



### PROPERTY SUMMARY

Address	N Main Street Woodruff, SC 29388
Ownership	Fee Simple
Year Built	2022
Building Size	±2,500 SF
Parcel Size	±1.15 Acres
Road Frontage	±125 Feet
Parking	23 Spaces
Traffic Count	±13,200 VPD
Financing	Delivered Free & Clear

### FINANCIAL SUMMARY

NOI	\$99,500
Cap Rate	4.75%
List Price	\$2,095,000
Lease Type	NNN
Remaining Lease Term	10 Years
Remaining Options	4 - (5) Year Options
Rent Increases	10% Every 5 Years

### NOI & CAP RATE GROWTH

	Yrs 6	Yrs 11	Yrs 16
NOI	\$109,450	\$120,395	\$132,435
Cap Rate Growth	5.22%	5.75%	6.32%

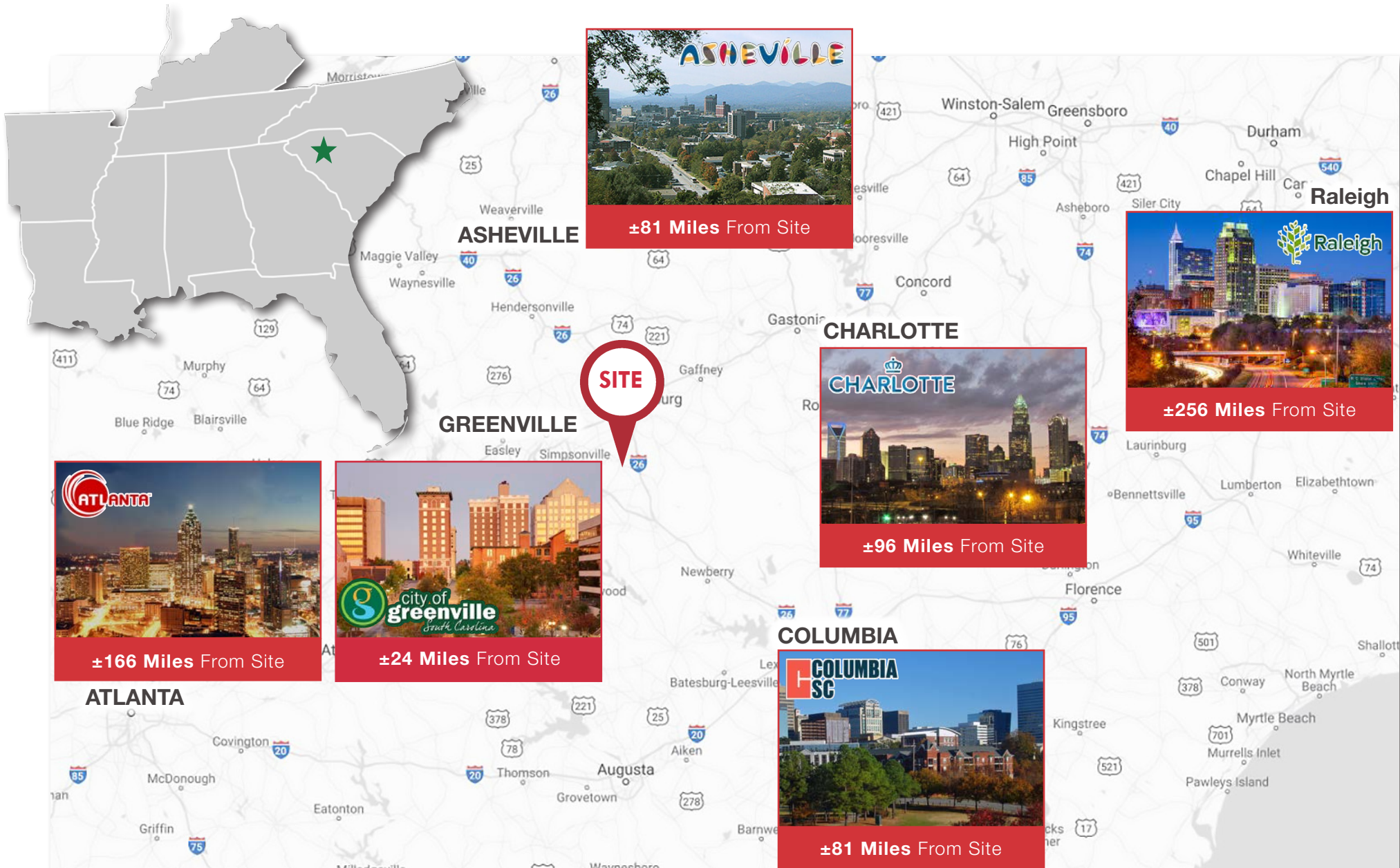
### INVESTMENT HIGHLIGHTS

- **Desirable Lease Term & Rent Increases:** New 10 year NNN lease with 10% rent increases every 5 years
- **Minimal Landlord Responsibilities:** NNN lease with landlord only responsible for roof and structure; all warranties are transferable.
- **New Construction:** 2022 build-to-suit for Starbucks; all warranties are transferable
- **High Quality Construction:** Newest prototype with indoor café, patio seating, and drive-thru
- **Corporate Lease:** Fully guaranteed by Starbucks Corporation with over 33,800 locations in 80 countries with revenues in excess of \$29 billion
- **Investment Grade Tenant:** Starbucks holds an S&P BBB+ credit rating
- **Booming Greater Market:** The Greenville Spartanburg MSA is one of the fastest growing and most desirable investment markets in the U.S.



# PROPERTY OVERVIEW

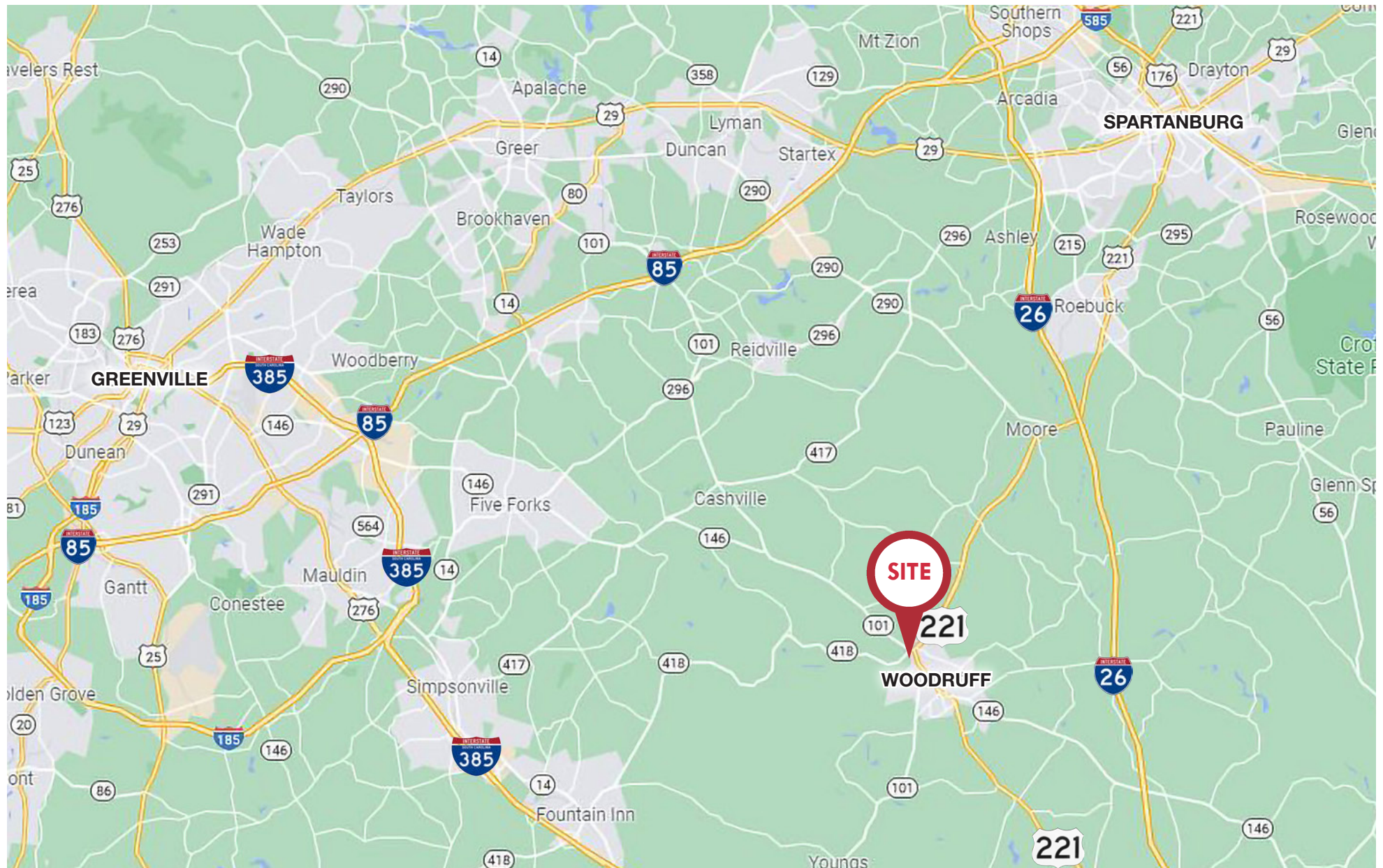
Regional Map





# PROPERTY OVERVIEW

Market Map





# PROPERTY OVERVIEW

Submarket Map



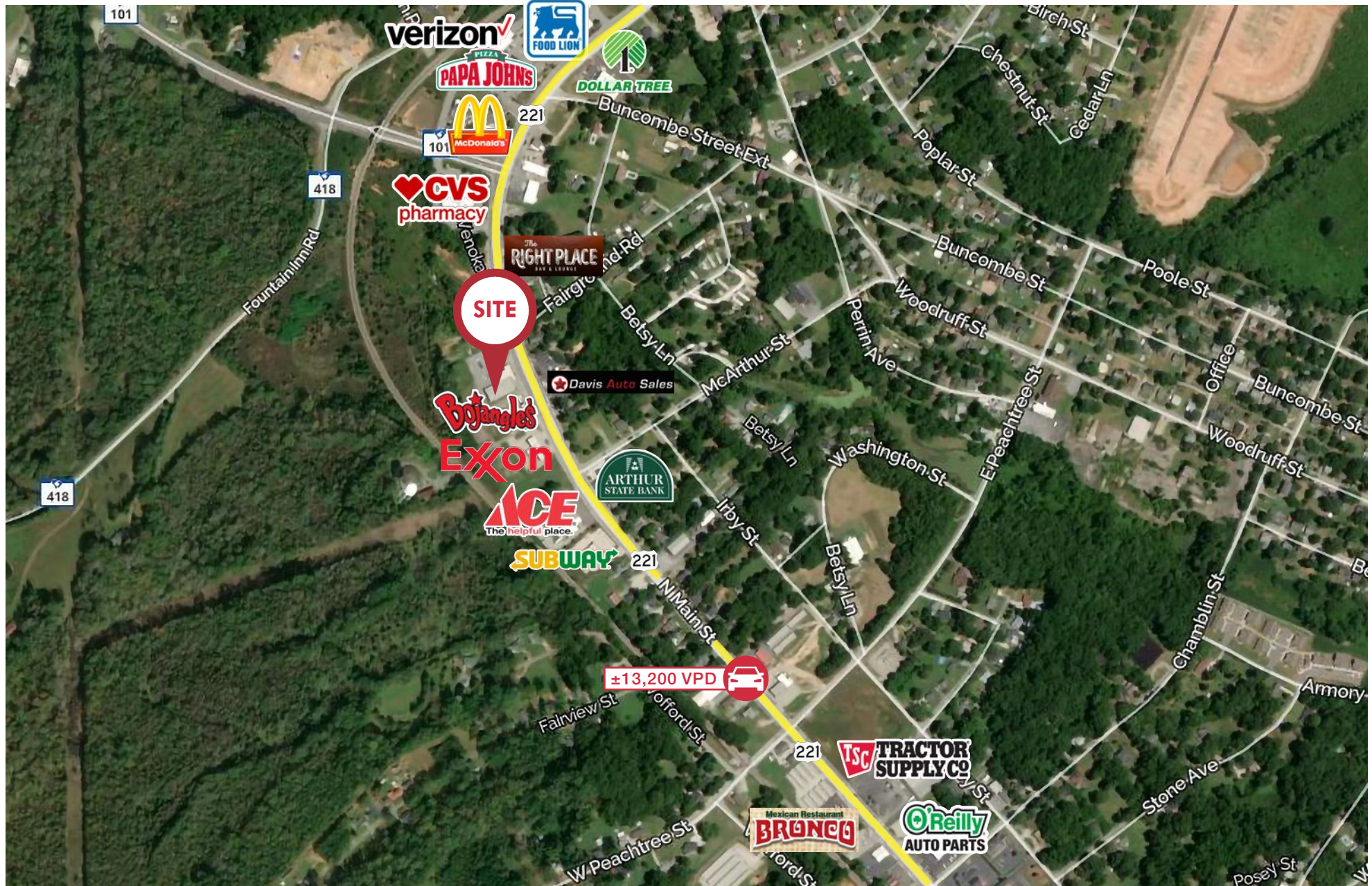
The Woodruff Submarket is set to see a dramatic increasing in housing by 2023 with 2,000 new homes expected to be built over the next two years.





# PROPERTY OVERVIEW

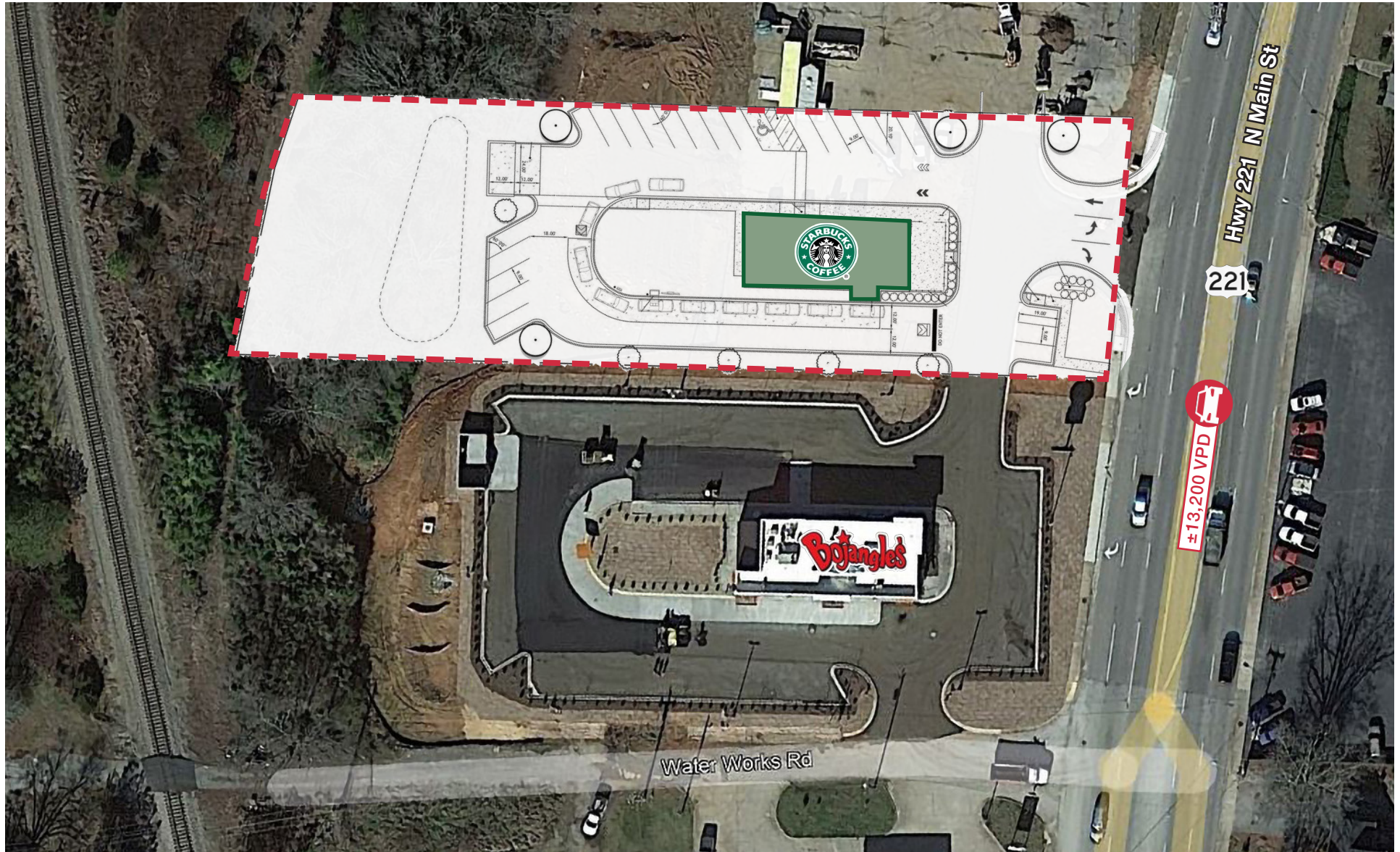
Aerial Map





# PROPERTY OVERVIEW

Site Plan





# PROPERTY OVERVIEW

Renderings





# PROPERTY OVERVIEW

## Lease Summary



### LEASE SUMMARY

Tenant	Starbucks Corporation
Tenant Classification	Corporate
Lease Type	NNN
Original Lease Term	10 Years <sup>1</sup>
Est Open For Business Date	Q4 2022
Lease Expiration Date	2032
Term Remaining on Lease	10 Years <sup>1</sup>
Options	(4) 5-Year
Increases	10% Every 5 Years
Repairs & Maintenance	Tenant Responsible
Property Taxes	Tenant Responsible
Property Insurance	Tenant Responsible
Roof & Structure	Landlord Responsible <sup>2</sup>
Option to Terminate	Yes <sup>3</sup>

1. Tenant shall begin to pay Base Rent on the earlier of 1) 90 days after the Tenant opens for business or; 2) 150 days after the later of the Commencement Date or Tenant's Government Approval
2. Brand new transferable 20-year roof warranty
3. Tenant has a one-time right to terminate in the 87th month with 120 day notice; Tenant must pay a termination fee of unamortized TI's and LC

### RENT SCHEDULE

Initial Term	Monthly	Annual
Year 1 - 5	\$8,292	\$99,500
Year 6 - 10	\$9,121	\$109,450
<b>Option 1</b>	\$10,033	\$120,395
<b>Option 2</b>	\$11,036	\$132,435
<b>Option 3</b>	\$12,140	\$145,678
<b>Option 4</b>	\$13,354	\$160,246



Starbucks offers more than 30 blends of single-origin premium coffees as well as handcrafted teas, blended beverages, pastries, sandwiches and a variety of other fresh foods.



# TENANT OVERVIEW

Starbucks Coffee



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

Founded	1971
Headquartered	Seattle, WA
Number of Locations	±33,800 retail stores in 83 countries
Annual Revenue (2021)	\$29 Billion
Fortune 500 Rank (2021)	125
Credit Rating	S&P BBB+
Stock Symbol	NASDAQ: SBUX

- Starbucks is a national investment grade tenant (NASDAQ: SBUX; S&P: BBB+) with over 33,800 stores globally.
- Operating income increased to \$1.3 billion in Q4 FY21, up from \$506.0 million in Q4 FY20.
- Average store sales are approximately 50% greater in Starbucks locations that have a drive-thru, which has created a goal for Starbucks to have drive-thrus in half of its stores by end of year 2020.
- 538 new stores were opened in the fourth quarter of fiscal 2021, yielding 4% year-over-year unit growth, ending the period with a record 33,833 stores globally, of which 51% and 49% were company operated and licensed, respectively.



REPRESENTATIVE PHOTO

## STARBUCKS | QUICK FACTS

#5

**WORLD'S MOST ADMIRED  
COMPANY**

*Fortune (2021)*

#1

**WORLD'S MOST VALUABLE  
RESTAURANT BRANDS**

*QSR Magazine (2021)*

#30

**MOST INNOVATIVE  
COMPANY**

*Forbes (2021)*



# MARKET OVERVIEW

## Market Analysis



CITYOFWOODRUFF.COM

The City of Woodruff blends the small-town charm of a historic mill village with the growing presence of multi-use trails, walkable sidewalks, delightful shops, restaurants, antique stores, and salons. Festivals and events are hosted by the City each year to attract visitors to town and spread the word that Woodruff is a great place to live, work, and relax. Locally owned businesses along Woodruff's Main Street are ready to serve your needs whether you are looking for a great place to have lunch, a relaxing spa or salon, a place to shop, and more.

The City is located just south of Spartanburg, South Carolina, within 15 minutes of I-26 and I-85, BMW, the Tyger River Industrial Complex, and Greenville Spartanburg Airport, and 30 minutes to downtown Greenville, South Carolina.

The City of Woodruff is focused on enhancing the vitality of the community by capitalizing on the growth surrounding the area and creating a vibrant environment for residents and visitors to enjoy. In order to prepare for future growth along the Highway 101 corridor, the City has received funds from the USDA to contribute to infrastructure upgrades. Other recent projects include a new water treatment facility (2013) and the downtown McKinney Park revitalization (2016).

McKinney Park is located in close walking distance to Main Street for you to enjoy one of our summer concerts in the amphitheater, watch softball games at Ham Werner Field, play basketball, or have a picnic while your children enjoy the splashpad and playground.

The Woodruff Greenway Trail opened on November 8, 2014, and is approximately .85 miles. The project is a joint effort made possible by Spartanburg County Parks and Recreation, Woodruff School District 4, and the City of Woodruff. The paved trail creates an opportunity for you to take a walk, go for a run, or ride a bike. The City of Woodruff is looking to extend the greenway trail in the future that would connect to McKinney Park.





# MARKET OVERVIEW

## Market Analysis



### WOODRUFF'S HOUSING MARKET IS **BOOMING**. NOW, THE CITY HAS EYES ON **GROWING ITS DOWNTOWN**

With the increase of residential growth, it's no surprise Woodruff was named the **No. 1 up-and-coming housing market in South Carolina** by a national Insurify survey.

But what really draws people to Woodruff? City manager Lee Bailey credits the city's quaint downtown, Spartanburg School District 4, and Woodruff's overall **"small-town feel."**

OneSpartanburg, Inc. Chief Economic Development Officer Katherine O'Neill believes the city's expected population growth will help transform Woodruff from a bedroom community to a **destination city**.



[READ THE FULL ARTICLE](#)

### U.S. DEPARTMENT OF COMMERCE INVESTS \$2.3 MILLION TO BUILD CRITICAL INFRASTRUCTURE IN SUPPORT OF A **NEW HEALTHCARE FACILITY** IN WOODRUFF, SOUTH CAROLINA

U.S. Secretary of Commerce announced that the Department's Economic Development Administration (EDA) is awarding a \$2.3 million grant to the city of Woodruff, South Carolina, to construct sewer infrastructure **in support of a new regional healthcare facility**. This EDA project, to be matched with \$570,980 in local funds, is expected to create 18 jobs and generate \$3.5 million in private investment.

Secretary of Commerce Gina M. Raimondo said "This EDA investment will facilitate the expansion of the region's commercial, healthcare, and industrial sectors to **create new economic opportunities and good-paying jobs.**"



[READ THE FULL ARTICLE](#)



### **OVER 200 NEW HOMES** ARE CURRENTLY BEING DEVELOPED WITHIN CITY LIMITS

Over the next three years, the city of Woodruff anticipates **up to 900 homes will be constructed** within the city limits.

The influx of residential growth is due to new companies in the region expanding or relocating to the area, Woodruff City Manager Lee Bailey said.



[READ THE FULL ARTICLE](#)



# MARKET OVERVIEW

## Market Analysis



## LOCATION

- Located at the intersection of Interstates 85 and 26, Spartanburg is within driving distance of three international airports and less than a half-day's drive from Asheville, Atlanta, Charlotte, Charleston, Greenville and Nashville.
- Spartanburg is the second-largest city in the greater Greenville–Spartanburg–Anderson Combined Statistical Area, and the 4th largest county in SC by population.
- The population of Spartanburg County: 327,997 (2020 Census), and the city of Spartanburg: 38,732 (2020 Census).



## HIGHER EDUCATION

- Spartanburg is a major center for higher education, with seven colleges and universities that have a collective enrollment of nearly 15,000 students.
- These institutions are a major economic driver for the City and a number of partnerships between the schools and businesses are creating significant strategic advantages in workforce training, research, and economic development.
- Schools include: Converse College, Edward Via College of Osteopathic Medicine, Sherman College of Chiropractic, Spartanburg Community College, Spartanburg Methodist College, University of South Carolina Upstate, and Wofford College.



## COMMERCE

- Spartanburg has a growing industrial sector of more than 13,000 companies including many international Fortune 500 companies such as BMW Manufacturing Company, LLC, Milliken, Michelin, adidas, Dräxlmaier, Toray Carbon Fibers, Röchling, Magna, Auriga Polymers, Advance America, and Denny's.
- Spartanburg Regional Healthcare System has emerged as one of the most dynamic healthcare systems in the region, with more than 5,000 employees and plans for a multi-million dollar capital expansion on the drawing board.
- There are over 25,106 jobs within a 1.5 mile radius of Downtown Spartanburg.
- Some of the top employers in Spartanburg County include: BMW Manufacturing Corporation, Draexlmaier Automotive, Michelin North America, Spartanburg Regional Healthcare System, Adidas, and Magna International



## ACCOLADES

- 9th on Matador Network's 2019 list of the 25 coolest towns in America (cities with populations under 100,000)
- 15th on The Milken Institute's 25 best-performing large cities in the US
- 4th Leading Metro Location in 2019—Economic Strength: by Area Development
- 8th Small Metro Nationwide for millennial population growth (OneSpartanburg)



# MARKET OVERVIEW

## Market Analysis



## LOCATION

- The city of Greenville is the 4<sup>th</sup> among 15 of the fastest-growing large cities in the U.S. according to population estimates by the U.S. Census Bureau.
- Centrally located along the I-85 corridor directly between two of the largest cities in the Southeast - Atlanta, Georgia and Charlotte, North Carolina.
- Located 100 miles from the capital city of Columbia and only 200 miles from the Port of Charleston SC.



## INFRASTRUCTURE

- Greenville-Spartanburg International Airport is the 2<sup>nd</sup> busiest airport in the state with 1.1 million passengers in 2020.
- 3 Interstate highways offer easy access to the North, South, Midwest, and all major markets on the Eastern Seaboard.
- Home to the Inland Port Greer connecting the Upstate to the Port of Charleston.



## HIGHER EDUCATION

- Clemson University, Furman University, Bob Jones University, North Greenville University and Limestone College-Greenville among others are all located in or around Greenville.



## COMMERCE

- Home to national and international corporations such as Fluor Corporation, Hubbell Lighting, BMW and Michelin North America.
- Other major businesses include Bausch and Lomb, the Perrigo Company of SC, Prisma Health System, Ernst and Young, IBM, Charter Communications, Dunlop Slazenger Group, Liberty Corporation Bank of America, GE Power & Water, Day & Zimmerman, Scan Source, Lockheed Martin Aircraft, Windstream, SYNEX Corporation and TD Bank.



## ACCOLADES

- One of the South's Best 'Cities on the Rise' (*Southern Living*) March 2021
- #10 Coolest Cities with the Lowest Cost of Living in the U.S. (*Purewow*) February 2021
- #6 Best Small Cities in the US (*Condé Nast Traveler*) October 2020
- America's Best Small Cities (*BestCities.org*) March 2020
- The 50 Best U.S. Cities for Starting a Business in 2020 (*Inc.com*) December 2019
- US Travel: 25 Best Places to Visit in 2020 (*Forbes*) December 2019
- 10 Cities to Watch in 2020 (*Worth*) November 2019
- #36 Best Places to Live (*Money Magazine*) October 2019
- #22 Best Places to Live in the USA (*U.S News & World Report*) May 2019
- #10 2019 Top 100 Best Places to Live (*Livability*) March 2019
- #7 The South's Best Cities 2019 (*Southern Living*) March 2019
- Top 19 Must-See Destinations in 2019 (*Expedia*) January 2019
- America's 100 Best Places to Retire (*Where to Retire*) December 2018
- #35 Top Cities in the US with the Biggest Influx of People, The Most Work Opportunities, and the Hottest Business Growth (*Business Insider*) August 2018



# MARKET OVERVIEW

## Demographics



### 1 MILE RADIUS

Summary	2010	2021	2026
Population	2,084	2,289	2,393
Daytime Population		2,118	
Households	755	829	868
Families	479	511	530
Average Household Size	2.69	2.70	2.70
Owner Occupied Housing Units	438	497	528
Renter Occupied Housing Units	317	332	340
Median Age	37.6	39.3	41.4
Average Household Income		\$45,538	\$49,911

### 3 MILE RADIUS

Summary	2010	2021	2026
Population	7,233	7,970	8,346
Daytime Population		7,161	
Households	2,786	3,078	3,228
Families	1,898	2,042	2,125
Average Household Size	2.53	2.53	2.53
Owner Occupied Housing Units	1,877	2,115	2,233
Renter Occupied Housing Units	909	963	995
Median Age	39.6	42.0	43.4
Average Household Income		\$55,929	\$62,207

### 5 MILE RADIUS

Summary	2010	2021	2026
Population	11,215	12,326	12,889
Daytime Population		10,156	
Households	4,291	4,733	4,956
Families	3,027	3,258	3,387
Average Household Size	2.57	2.56	2.56
Owner Occupied Housing Units	3,119	3,472	3,658
Renter Occupied Housing Units	1,172	1,261	1,298
Median Age	40.1	42.7	44.1
Average Household Income		\$60,744	\$68,072



This Offering Memorandum contains select information pertaining to the business and affairs of the property located at N. Main Street, Woodruff, SC 29388 ("Property"). It has been prepared by Furman Capital Advisors ("Agent"). This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in the Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Owner or Agent. The material is based in part upon information supplied by the Owner and in part upon financial information obtained from sources it deems reliable. The Owner, nor their officers, employees, or agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Owner.

Owner and Agent expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed by all parties and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to the Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Agent or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or cause of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the creation of this Offering Memorandum.





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