

# HARDEE'S

2609 GAULT AVE N | FORT PAYNE, AL 35976

OFFERING MEMORANDUM

MATTHEWS<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES



Representative Photo

# EXCLUSIVELY LISTED BY



**CONNOR OLANDT**

**Senior Associate**

Connor.Olandt@matthews.com

DIR (949) 432-4504

MOB (818) 618-4522

LIC # 01985082 (CA)

**BROKER OF RECORD**

**Kyle Matthews**

LIC # 110253 (AL)



Representative Photo

# EXECUTIVE SUMMARY

## INVESTMENT HIGHLIGHTS

- Above Market Return — 10.33% Cap Rate with 6.5 years remaining on the initial term
- Strong Guarantee — Paradigm Investment Group is a 110-unit Hardee's Franchisee
- Absolute NNN Lease — zero landlord responsibilities
- Quickly Growing Cash Flow — Lease encompasses 2.00% annual rent increases
- Fort Payne, AL is situated along Interstate 59 — connecting Birmingham, AL and Chattanooga, TN
- Large Employers in the surrounding area – Siemens Energy, Heil Environmental, Walmart Supercenter, G H Metal Solutions, and The Children's Place Distribution Center, among many others
- Ideal Demographics for a Quick Service Restaurant — \$54,640 average household income in a 5-mile radius



Representative Photo

# FINANCIAL OVERVIEW

## HARDEE'S

2609 Gault Ave N  
Fort Payne, AL 35976

List Price .....\$900,000  
CAP Rate - Current.....10.33%  
Gross Leasable Area .....±3,849 SF  
Lot Size .....±0.88 Acres  
Year Built.....1994

### Annualized Operating Data

	Monthly Rent	Annual Rent	Increases	Cap Rate
Current - 9/30/2019	\$7,593.91	\$91,126.97	2.00%	-
10/1/2019 - 9/30/2020	\$7,745.79	\$92,949.51	2.00%	10.33%
10/1/2020 - 9/30/2021	\$7,900.70	\$94,808.50	2.00%	10.53%
10/1/2021 - 9/30/2022	\$8,058.72	\$96,704.67	2.00%	10.74%
10/1/2022 - 9/30/2023	\$8,219.89	\$98,638.76	2.00%	10.96%
10/1/2023 - 9/30/2024	\$8,384.29	\$100,611.54	2.00%	11.18%
10/1/2024 - 9/30/2025	\$8,551.98	\$102,623.77	2.00%	11.40%
10/1/2025 - 10/30/2025	\$8,723.02	\$104,676.24	2.00%	11.63%

### Tenant Summary

Tenant Trade Name	Hardee's
Type of Ownership	Fee Simple
Lease Guarantor	Franchisee - 110 units
Lease Type	Absolute NNN
Roof and Structure	Tenant Responsibility
Original Lease Term	19 years
Rent Commencement Date	9/29/2006
Lease Expiration Date	10/30/2025
Term Remaining on Lease	±6.5 years
Increases	2.00% annually
Options	Four, 5-year options

## TENANT OVERVIEW



Representative Photo

# HARDEE'S



Property Name	Hardee's
Parent Company Trade Name	CKE Restaurants
Ownership	Private
No. of Locations	± 3,000
No. of Employees	± 16,680
Headquartered	Franklin, TN
Website	<a href="http://www.hardees.com">www.hardees.com</a>
Year Founded	1961

## TENANT OVERVIEW

As a subsidiary of fast food giant CKE Restaurants, Hardee's Food Systems is a leading fast-food chain operator with more than 3,000 locations in some 30 states, primarily in the Midwest and Southeast. The chain offers a variety of premium-priced Angus beef hamburgers under such names as Thickburger, Six Dollar Burger, and the Monster Thickburger. Hardee's also serves up chicken sandwiches, salads, fries, and beverages, as well as dessert items. About 475 of the restaurants are operated by the company, while the rest are franchised.

## GEOGRAPHIC OUTREACH

Since the opening of the first restaurant in Greenville, North Carolina in 1960, Hardee's has established a strong presence throughout the Midwest and Southeast. Most locations are in the United States, distributed among some 30 states.

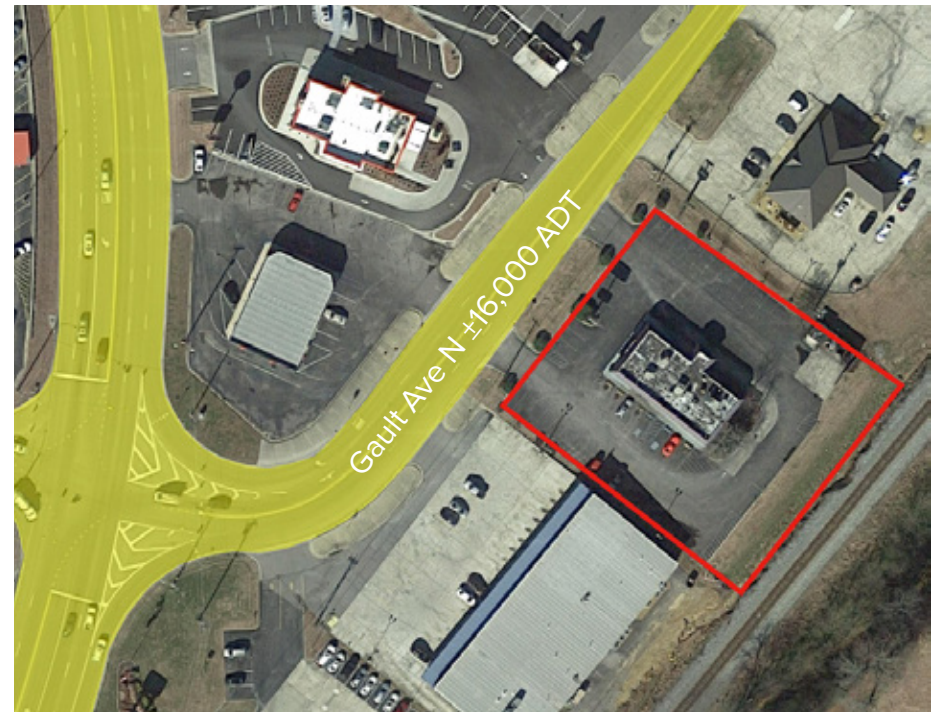
## STRATEGY

The company's Hardee's chain has started to incorporate its own dual branding strategy, pairing some of its locations with Red Burrito outlets. Plans to continue expansion in international markets are underway and involve the use of franchise development agreements. CKE is targeting growth in Brazil, Canada, China, and Russia. In 2014 Carl's Jr. announced plans to expand in Ontario, Canada's "Golden Horseshoe," a territory that includes Toronto, Mississauga, Oakville, Burlington, Hamilton, Brantford and London. Hardee's chains market themselves as gourmet burger outlets with slightly higher menu prices. In lieu of rapid expansion, CKE has focused on managing costs and investing in additional marketing efforts to drive traffic to its restaurants. Its chains target primarily a young, male demographic with oversized burgers made with premium Angus beef.

## THE OFFERING

Property Name	Hardee's
Property Address	2609 Gault Ave N Fort Payne, AL 35976
Site Description	
Number of Stories	One
Year Built	1994
Gross Leasable Area (GLA)	±3,849 SF
Lot Size	±0.88 Acres (38,612 SF)
Topography	Generally Level

## PARCEL MAP



## SURROUNDING TENANTS



## AREA OVERVIEW

### AREA DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2018 Estimate	1,997	9,376	15,878
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2018 Estimate	693	3,410	5,884
INCOME	1-MILE	3-MILE	5-MILE
2018 Average Household Income	\$52,072	\$50,591	\$54,640

### FORT PAYNE, ALABAMA

The largest city along the Alabama portion of Lookout Mountain Parkway and the seat of DeKalb County, Fort Payne is a picturesque city sitting at the foothills of the Appalachian Mountains. Located on Interstate-59, which connects Birmingham to Chattanooga, Fort Payne has easy access to many major cities. Norfolk Southern Railway, one of the nation's premier transportation companies, and the Historic U.S. Highway 11 both run through the heart of the city.

Home to the legendary country band ALABAMA, who produced 21 gold, platinum, and multi-platinum albums and had 41 No. 1 singles, Fort Payne houses the band's official Fan Club and Museum. The band pays tribute to their hometown in one of their most popular songs "My Home's in Alabama," mentioning being "somewhere high on Lookout Mountain" in the lyrics.

Fort Payne is recognized on the list of "Best Places to Live in Alabama." Known for its family-friendliness, the Fort Payne City School System is ranked as the #6 safest school district in Alabama and is also recognized on the list of "Places with the Best Public Schools" in the state. With crime rates well below the national average, Fort Payne is a safe and welcoming city.

## FORT PAYNE ECONOMY

With an unemployment rate below the state average, Fort Payne has a strong economy bolstered by production. The cost of living and the cost of doing business are both very low in Fort Payne, making it an attractive location for businesses of all kinds. The city also boasts some of the lowest electric and natural gas rates in the country.

The largest industry in Fort Payne is manufacturing, with a majority of residents employed in production occupations. The city has been designated as the “Sock Capital of the World” due to the large number of hosiery manufacturing plants. Renfro Corporation and Bur-Tex Hosiery are two of the city’s largest employers. Additionally, Koch Foods, Inc., Ferguson Enterprises, Heil Environmental, PlayCore, Siemens, The Children’s Place, Vulcraft, and GH Metal Solutions, among many others, have manufacturing facilities or distribution centers in Fort Payne.

Multiple Fortune 500 companies have a presence in Fort Payne, including NUCOR, United Parcel Service, Pilgrim’s Pride, Lowe’s, Walgreens, and Walmart.



## ATTRACTIONS

Located at the foothills of the Appalachian Mountains on Lookout Mountain Parkway, Fort Payne is surrounded by beautiful state and national parks. The most popular attractions include Little River Canyon National Preserve, DeSoto State Park, Buck’s Pocket State Park, and High Falls Park. Many residents and visitors can be found hiking, rappelling, rock climbing, and kayaking throughout these parks. The city of Fort Payne also hosts many events and festivals for residents and visitors to enjoy, including the annual Boom Days Heritage Celebration art and music festival.

Little River Canyon National Preserve has been nicknamed the “Grand Canyon of the East,” and is one of the most extensive, picturesque canyon systems east of the Mississippi River. The river is unique because it flows for most of its length atop Lookout Mountain. Little River Falls provides visitors a beautiful view of a 45-foot waterfall.

DeSoto State Park was named one of America’s Top 10 State Parks by Camping Life Magazine. The park covers 3,502 acres of forest, rivers, waterfalls, and mountain terrain.

## CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **Hardee's** located at **2609 Gault Ave N. Fort Payne, AL 35976** ("**Property**"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this 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 Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes 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 Seller.

Owner and Matthews Real Estate Investment Services 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 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 this 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 Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes 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 date this Offering Memorandum.

## EXCLUSIVELY LISTED BY



**CONNOR OLANDT**

**Senior Associate**

Connor.Olandt@matthews.com

DIR (949) 432-4504

MOB (818) 618-4522

LIC # 01985082 (CA)

**BROKER OF RECORD**

**Kyle Matthews**

LIC # 110253 (AL)

# HARDEE'S

2609 GAULT AVE N | FORT PAYNE, AL

OFFERING MEMORANDUM



Representative Photo

**MATTHEWS**  
REAL ESTATE INVESTMENT SERVICES