



# TACO BELL

ATHENS, TENNESSEE

YURAS  
AICALE  
FORSYTH  
CROWLE

Leased Investment Team

## OFFERING MEMORANDUM



FILE PHOTO

### \$2,227,000 | 4.85% CAP RATE

- » 25-Year Absolute NNN Lease with 1% Annual Rental Increases
  - » No Landlord Management
  - » Operated by One of Taco Bell's Largest Franchisees (280+ Units)
- » High-Traffic Location in Retail Corridor
  - » Immediate Access to Interstate 75
- » Close Proximity to Major Employers and Large Schools
  - » Within Walking Distance of County's Largest Employer (1,650 Employees)
  - » Near McMinn County High School (1,538 Students)
- » Strong Customer Base in Area
- » New 2018 Construction Featuring Dedicated Drive-Thru



Cushman and Wakefield Inc. LIC. # 00616335

This property is listed in conjunction with Tennessee-licensed real estate broker Cushman & Wakefield, Inc.

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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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# INVESTMENT SUMMARY

<b>ADDRESS</b>	2535 Decatur Pike, Athens, Tennessee	
<b>PRICE</b>	<b>\$2,227,000</b>	
<b>CAP RATE</b>	<b>4.85% return (6.39% average cap rate)</b>	
<b>NOI</b>	\$108,000	
<b>TERM</b>	25 years	
<b>RENT COMMENCEMENT</b>	October 4, 2018	
<b>LEASE EXPIRATION</b>	December 17, 2042	
<b>RENTAL INCREASES</b>	1% annual rental increases	
	<b>YEAR</b>	<b>RENT</b>
	1-25	1% annual rental increases
	26-30 (Option 1)	1% annual rental increases
	31-35 (Option 2)	1% annual rental increases
	36-40 (Option 3)	1% annual rental increases
	41-45 (Option 4)	1% annual rental increases
	46-50 (Option 5)	1% annual rental increases
	51-55 (Option 6)	1% annual rental increases
<b>YEAR BUILT</b>	2018	
<b>BUILDING SF</b>	2,790 SF	
<b>PARCEL SIZE</b>	0.8 acres (34,848 SF)	
<b>LEASE TYPE</b>	Absolute NNN, with tenant responsible for all taxes, insurance, and maintenance, including roof, structure, and parking lot	

## LONG-TERM ABSOLUTE NNN LEASE

- » 25-year NNN lease with absolutely no landlord management, providing an ideal investment for an out-of-area investor
- » Operated by one of Taco Bell's largest franchisees, with over 280 units
- » Rare annual rental increases, providing an excellent hedge against inflation

## IMMEDIATE FREEWAY ACCESS IN RETAIL CORRIDOR

- » Immediate access to Interstate, a major transportation corridor connecting Athens to the Chattanooga and Knoxville metropolitan areas
- » 39,412 vehicles per day near the property on Interstate 75
- » Excellent visibility and access to 21,680 vehicles per day directly in front of the property on Decatur Pike
- » Prominently located in the retail cluster surrounding Interstate 75

## PRIME CENTRAL LOCATION

- » Less than a mile from Denso's Athens manufacturing plant
- » Denso is the largest employer in McMinn County, with 1,650 employees
- » Near McMinn County High School (1,538 students) and the Tennessee College of Applied Technology – Athens (789 students)
- » Approximately three miles from downtown Athens, the 169-bed Starr Regional Medical Center – Athens, and Tennessee Wesleyan University, which has a total enrollment of 1,015 students
- » Strong customer base provided by nearby hotels, residential neighborhoods, and industrial parks

## NEW 2018 CONSTRUCTION

- » 2018 construction featuring a dedicated drive-thru, providing additional customer convenience and boosting sales revenue
- » Features latest store designs and concepts
- » New building, limiting near-term deferred maintenance or capital costs



FILE PHOTO





Decatur Pike (21,680 AADT)





**DYNASTY SPAS**  
(246 employees)

**Speedy Cafe**

**Crocker Barrel**  
Old Country Store

**75** / Interstate 75 (39,412 AADT)

**BURGER KING**

**SUBWAY**

**DUNKIN' DONUTS**

**Hardee's**  
CHAR-BROILED THURSDAYS

**Ruby Tuesday**

**WAFLE HOUSE**

**EXXON**

**Days Inn**

**Super 8**

**SHONEY'S**

**Russell Stover**

**TACO BELL**



**Wendy's**

**Applebee's**  
GRILL & BAR

**Krystal**

Decatur Pike (21,680 AADT)





CREEKSIDE HUNTING PRESERVE

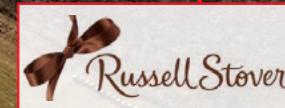


Interstate 75 (39,412 AADT)

ATHENS REGIONAL PARK



Decatur Pike (21,680 AADT)





Tennessee Wesleyan  
UNIVERSITY  
(1,015 students and 184 employees)

DOWNTOWN ATHENS  
(3 miles)

Starr Regional  
MEDICAL CENTER  
(169 beds and 610 employees)



McMinn County  
High School  
(1,538 students)

TENNESSEE COLLEGES  
OF APPLIED TECHNOLOGY  
(789 students)

burkes  
OUTLET.

LOWE'S  
Home Improvement Warehouse

Athens Plaza Shopping Center  
belk  
MODERN SOUTHERN STYLE  
SUBWAY  
H&R BLOCK  
goodwill

Congress Crossing  
HOBBY LOBBY  
Bath & Body Works  
GameStop  
verizon

Walmart  
Supercenter

STAPLES

Thomas & Betts  
(287 employees)

ATHENS REGIONAL PARK

Applebee's  
GRILL & BAR

Wendy's

Krystal

TACO BELL

Russell Stover

Decatur Pike (21,680 AADT)

Super  
8

Days Inn



**DENSO**

Crafting the Core

(1,650 employees)

**MIDLAB**  
Everything Clean

(70 employees)



**Interstate 75 (39,412 AADT)**

**EXXON**

**SHONEY'S**

**Russell Stover**

**Wendy's**

**Applebee's**  
GRILL & BAR

**Decatur Pike (21,680 AADT)**

**Days Inn**

**DUNKIN' DONUTS**

**Hardee's**  
CHICKEN & BURGERS

**Super 8**

**Ruby Tuesday**

**WAFLE HOUSE**

**TACO BELL**

**Krystal**



# SITE PLAN

DECATUR PIKE

Days Inn.

Super  
8

MONUMENT SIGN

TACO BELL

DRIVE-THRU

Krystal

DRIVE-THRU

PYLON SIGN



# TENANT SUMMARY



Taco Bell Corp.—a subsidiary of the world’s largest restaurant company, Yum! Brands, Inc. (NYSE: “YUM”)—is the nation’s leading Mexican-inspired quick service restaurant (QSR) brand. From breakfast to late night, Taco Bell serves made-to-order and customizable tacos, burritos, and other craveable choices. Taco Bell proudly serves over two billion customers each year in 6,370 restaurants across the nation, as well as through its mobile, desktop, and delivery ordering services. Overseas, Taco Bell has over 360 restaurants, with plans to add 2,000 more restaurants internationally within the next decade. In 2016, Taco Bell was named as one of Fast Company’s Top 10 Most Innovative Companies in the World.

A Fortune 500 corporation, Yum! Brands, Inc. operates the licensed brands Taco Bell, KFC, and Pizza Hut worldwide, with over 43,000 restaurants in more than 135 countries and territories.

The franchisee for the subject property is a subsidiary of Tacala, LLC, one of the largest Taco Bell franchisees, operating over 280 restaurants across the Southeast United States and Texas. Tacala is owned by Altamont Capital Partners, a private equity firm with over \$2 billion of capital under management.

For more information, please visit [www.tacobell.com](http://www.tacobell.com) and [www.tacala.com](http://www.tacala.com).

<b>OWNERSHIP</b>	<b>Yum! Brands, Inc.</b>	<b>LOCATIONS</b>	<b>6,738</b>
<b>REVENUE</b>	<b>\$2.03B</b>	<b>HEADQUARTERS</b>	<b>Irvine, CA</b>

# LEASE ABSTRACT

<b>TENANT</b>	Tacala Tennessee Corp.	
<b>ADDRESS</b>	<a href="#">2535 Decatur Pike, Athens, Tennessee</a>	
<b>RENT COMMENCEMENT</b>	October 4, 2018	
<b>LEASE EXPIRATION</b>	December 17, 2042	
<b>RENEWAL OPTIONS</b>	Six (6) five (5) year options	
<b>RENTAL INCREASES</b>	<b>YEAR</b> 1-25 26-30 (Option 1) 31-35 (Option 2) 36-40 (Option 3) 41-45 (Option 4) 46-50 (Option 5) 51-55 (Option 6)	<b>RENT</b> 1% annual rental increases 1% annual rental increases 1% annual rental increases 1% annual rental increases 1% annual rental increases 1% annual rental increases 1% annual rental increases
<b>REAL ESTATE TAXES</b>	Tenant is responsible for all taxes.	
<b>INSURANCE</b>	Tenant is responsible for all insurance.	
<b>REPAIR &amp; MAINTENANCE</b>	Tenant is responsible for all maintenance and repair, including roof, structure, and parking lot.	
<b>MAINTENANCE BY LANDLORD</b>	None	
<b>RIGHT OF FIRST REFUSAL</b>	None	



# PROPERTY OVERVIEW

## LOCATION

The property is strategically located on Decatur Pike, with excellent visibility and access to 21,680 vehicles per day directly in front of the property. The property benefits from immediate access to Interstate 75 (39,412 AADT), a major transportation corridor connecting Athens to the Chattanooga and Knoxville metropolitan areas. The property is prominently located in the retail cluster surrounding Interstate 75, and notable tenants in the immediate area include Wendy's, Hampton Inn, Applebee's, Mobil, Dunkin' Donuts, and Holiday Inn. Decatur Pike also connects the property to Athens' primary retail corridor, located approximately one mile away along U.S. Highway 11. Major national tenants in this area include Walmart Supercenter, Hobby Lobby, Dunham's Sports, Dollar Tree, Big Lots, Burkes Outlet, Lowe's, and many more.

The property is conveniently located less than a mile from Denso's Athens manufacturing plant. Denso is the largest employer in McMinn County, with 1,650 employees. The property is also close to several other major employers, including Dynasty Spas (246 employees), Creative Foam (113 employees), and Midlab (70 employees). The property is approximately three miles from downtown Athens, the 169-bed Starr Regional Medical Center – Athens, and Tennessee Wesleyan University, which has a total enrollment of 1,015 students. Additionally, the property is less than two miles from McMinn County High School (1,538 students) and the Tennessee College of Applied Technology – Athens (789 students).

## ACCESS

Access from Decatur Pike

## TRAFFIC COUNTS

Decatur Pike: 21,680 AADT  
Interstate 75: 39,412 AADT

## PARKING

39 parking stalls, including two (2) handicap stalls

## YEAR BUILT

2018

## NEAREST AIRPORTS

McGhee Tyson Airport (TYS) and Chattanooga Metropolitan Airport (CHA)



**39**  
PARKING  
STALLS



**2018**  
YEAR BUILT



**22K**  
TRAFFIC  
COUNT (AADT)



**NEAREST  
AIRPORT**  
MCGHEE TYSON  
AIRPORT AND  
CHATTANOOGA  
METROPOLITAN  
AIRPORT



# AREA OVERVIEW

Athens is a city in and the county seat of McMinn County, Tennessee. It is the principal city of the Athens Micropolitan Statistical Area, which is part of the larger Chattanooga–Cleveland–Dalton, TN–GA–AL Combined Statistical Area (CSA). McMinn County is located in eastern Tennessee along Interstate 75 midway between the cities of Chattanooga and Knoxville. Within less than a one-hour drive, the regional amenities of either metro area may be enjoyed. The county is also within a short drive of the Oak Ridge National Laboratories, the University of Tennessee, the Great Smoky Mountains National Park, and the Cherokee National Forest. Transport and delivery of freight is convenient, with McMinn County being located within a day's drive of 75% of the nation's population. As a result, Athens and McMinn County are a natural fit for manufacturing and distribution companies.

- » Athens is located almost equidistantly between the major cities of Knoxville and Chattanooga.
- » Athens is centered around the junction of U.S. Highway 11, which connects the city to Sweetwater to the north and Cleveland to the south, and State Highway 30, which connects Athens to Etowah and U.S. Highway 411 to the southeast and Decatur to the west. Interstate 75 passes through the western side of Athens.
- » United Grocery Outlet, a regional discount supermarket chain, has its corporate headquarters and distribution center in Athens.
- » Established in 1964, the Tennessee College of Applied Technology in Athens serves McMinn, Meigs, Monroe, Bradley, and Polk counties. The college is one of 27 technology centers strategically located across the state.
- » McMinn County has developed a cluster of automotive suppliers because of its logistic convenience to auto assembly plants throughout the Southeast region. Volkswagen's Group of American assembly plant is located 32 miles from the southern border of McMinn County.
- » McMinn County is served by two rail lines, CSX and Norfolk Southern, running the width of the county. One of the largest available and certified industrial rail sites in the eastern Tennessee, North Etowah Industrial Park, is located along the CSX line in the county.
- » The Chattanooga–Cleveland–Dalton, TN–GA–AL CSA covers a total of thirteen counties—seven in southeast Tennessee, five in northwest Georgia, and one in northeast Alabama. As of 2017, the CSA had an estimated population of nearly one million people.

## MAJOR EMPLOYERS IN MCMINN COUNTY

## # OF EMPLOYEES

DENSO	1,650
STARR REGIONAL MEDICAL CENTER	610
RESOLUTE FOREST PRODUCTS	570
WAUPACA	560
MANUFACTURER'S INDUSTRIAL GROUP	517
JOHNSON CONTROLS	424
HEIL TRAILER	419
MAYFIELD DAIRY FARMS	330
THOMAS & BETTS	287
DYNASTY SPAS	246

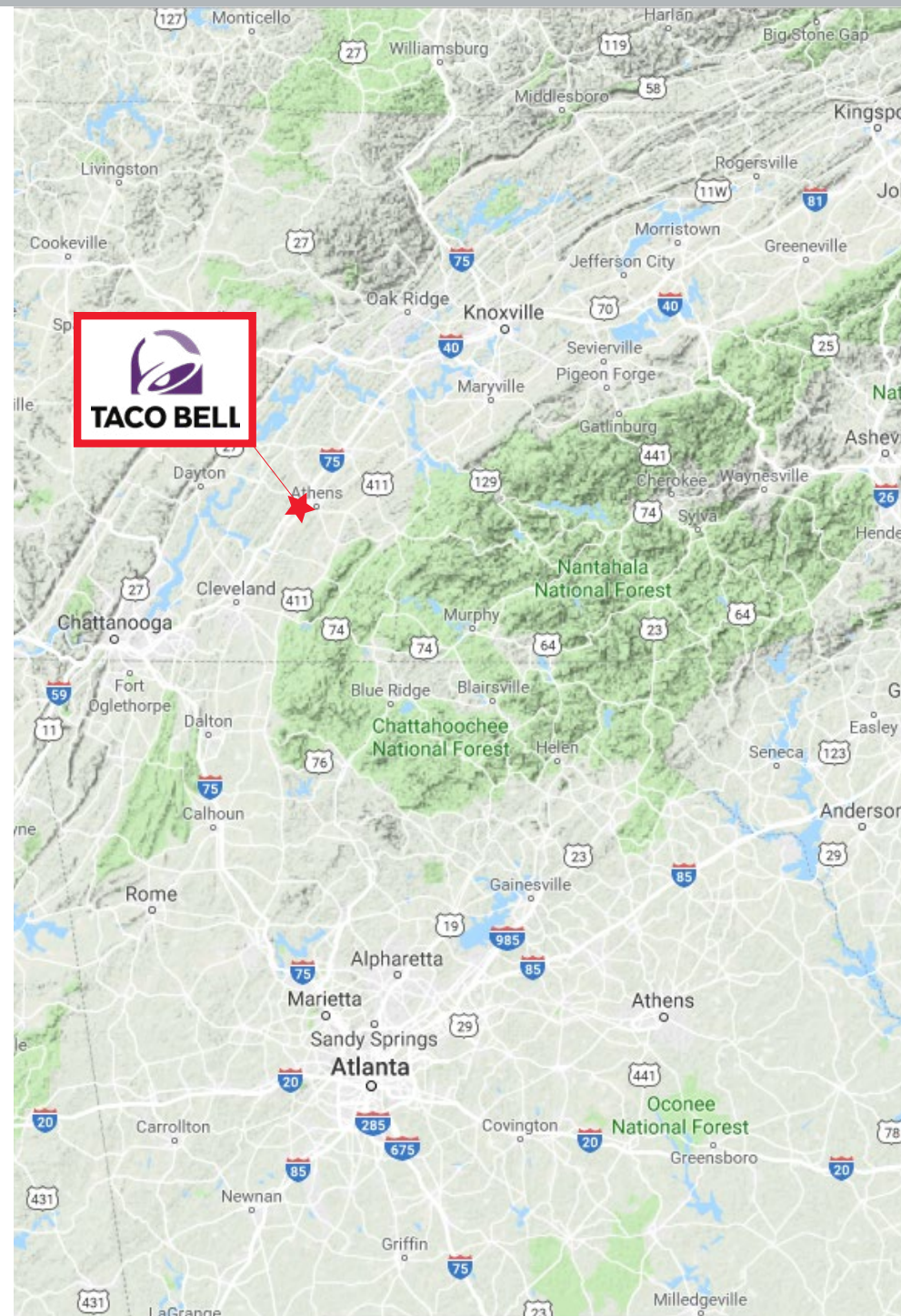




## DEMOGRAPHIC PROFILE

2018 SUMMARY	5 Miles	10 Miles	15 Miles
Population	21,577	43,579	78,856
Households	8,766	17,395	31,369
Families	5,713	12,016	21,771
Average Household Size	2.40	2.45	2.47
Owner Occupied Housing Units	5,423	12,238	22,731
Renter Occupied Housing Units	3,343	5,157	8,638
Median Age	42.0	43.5	43.8
Average Household Income	\$52,301	\$54,797	\$54,389

2023 ESTIMATE	5 Miles	10 Miles	15 Miles
Population	21,883	44,322	80,413
Households	8,886	17,692	31,985
Families	5,755	12,149	22,062
Average Household Size	2.40	2.45	2.47
Owner Occupied Housing Units	5,575	12,562	23,392
Renter Occupied Housing Units	3,312	5,130	8,594
Median Age	43.3	44.9	45.3
Average Household Income	\$60,370	\$63,159	\$62,209





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CROWLE**

Leased Investment Team



## LEAD BROKERS

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