

**Ruby
Tuesday**



OFFERING MEMORANDUM

**Ruby
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Confidentiality and Disclaimer

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1208 Harris Drive West, Johnson City, TN 37604

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Investment Highlights

PRICE: \$1,692,308 | CAP: 6.50% | RENT: \$110,000

**Ruby
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About the Investment

- ✓ Brand New 20-Year Absolute Triple-Net (NNN) Lease | Zero Landlord Responsibilities
- ✓ Strong Inflation Hedge | Lesser of Change in CPI or 10% Increase Every Five Years
- ✓ Corporate Guarantee | Ruby Tuesday, Inc.
- ✓ Four (4), Five (5)-Year Tenant Renewal Option Periods
- ✓ Site Constructed in 2003

About the Location

- ✓ Major National Tenants In The Surrounding Area Include: Walgreens, CVS Pharmacy, Kroger, Hampton Suites & Inn, Wendy's, McDonald's, Pizza Hut and Zaxby's
- ✓ Exceptional Traffic Counts | North State of Franklin Road, West Market Street and Interstate-25 | 29,580, 27,090 and 44,070 Vehicles Per Day Respectively
- ✓ East Tennessee State University | Nation's 6th Largest System of Public Education | Total Enrollment Exceeding 14,500 Students | Located Just Steps Away
- ✓ Johnson City Medical Center | Level I Trauma, 445-Bed, General Medical and Surgical Facility | Located Within a One-Mile Radius

About the Tenant / Brand

- ✓ Corporate Guarantee | Ruby Tuesday, Inc.
- ✓ Ruby Tuesday | 700 Locations Across 40 States
- ✓ Ruby Tuesday has been in Operation For More than 40 Years

**Ruby
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Financial Analysis

PRICE: \$1,692,308 | CAP: 6.50% | RENT: \$110,000

**Ruby
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Property Description

Property	Ruby Tuesday
Property Address	1208 Harris Drive West
City, State, ZIP	Johnson City, TN 37604
Building Size	5,600
Lot Size	+/- 1.59 Acres
Type of Ownership	Fee Simple

The Offering

Net Operating Income (NOI)	\$110,000
CAP Rate	6.50%
Purchase Price	\$1,692,308

Lease Summary

Property Name	Ruby Tuesday
Property Type	Net-Leased Restaurant
Guarantor	Ruby Tuesday, Inc.
Original Lease Term	20 Years
Rent Commencement	December 1, 2017
Lease Expiration	November 30, 2037
Lease Term Remaining	19 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	Lesser of Change in CPI or 10% Every Five Years
Options to Renew	Four, Five-Year Option Periods
Rental Increases in Options	Lesser of Change in CPI or 10% Every Five Years

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Current Year	\$110,000	\$9,167	-
Year 3	\$110,000	\$9,167	-
Year 4	\$110,000	\$9,167	-
Year 5	\$110,000	\$9,167	-
Year 6	\$121,000	\$10,083	10.00%
Year 7	\$121,000	\$10,083	-
Year 8	\$121,000	\$10,083	-
Year 9	\$121,000	\$10,083	-
Year 10	\$121,000	\$10,083	-
Year 11	\$133,100	\$11,092	10.00%
Year 12	\$133,100	\$11,092	-
Year 13	\$133,100	\$11,092	-
Year 14	\$133,100	\$11,092	-
Year 15	\$133,100	\$11,092	-
Year 16	\$146,410	\$12,201	10.00%
Year 17	\$146,410	\$12,201	-
Year 18	\$146,410	\$12,201	-
Year 19	\$146,410	\$12,201	-
Year 20	\$146,410	\$12,201	-

INVESTMENT SUMMARY

Marcus and Millichap is pleased to present the listing for a Ruby Tuesday located at 1208 Harris Drive in Johnson City, Tennessee. The property is made up of 5,600 square feet of building space and sits on approximately 1.59 acres of land. The property is subject to a 20-year triple-net (NNN) lease with zero landlord responsibilities. The current annual rent is \$110,000 and is scheduled to increase by the lesser of the change in CPI or 10% every five years. The increases will continue through the four, five-year tenant renewal options.



Tenant Overview: Ruby Tuesday

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Ruby Tuesday

For more than 40 years, Ruby Tuesday has been one of America's favorite brands. Driven by uncompromising freshness and quality, gracious hospitality and a growing number of restaurants, the concept is unbeatable in the casual dining industry. The brand was created with the vision that food and drinks would be fresh and handcrafted. Everything would be made only with high-quality ingredients. Every dish would be served by friendly, passionate people. And the restaurant would be casual, comfortable and the go-to spot for adults, children and families alike.

Entrees, ranging in price from \$6.49 to \$16.99, include ribs, chicken, steak, seafood, pasta, burgers, and sandwiches, and the menu also features soups, a salad bar, and desserts. Ruby Tuesday also offers food for carry-out via the company's "curb-side to-go" initiative. Ruby Tuesday is back by the industry's top accolades. They were voted "Top Healthy Choice" in casual dining, beating brands like Chili's, Applebee's and more.

Ruby Tuesday, Inc. is a leading company in the bar-and-grill category of the U.S. casual dining restaurant industry. From its original location in Knoxville, Tennessee, the Ruby Tuesday chain has grown to more than 700 units in about 40 states primarily in the Southeast, Northeast, Mid-Atlantic, and Midwest. Nearly 500 of the outlets are company owned with the remainder being franchised.



General Information

Headquarters	Maryville, TN
Website	https://www.rubytuesday.com/
Founder	Samuel E. Beall III
Locations	736
Genre	Casual Dining

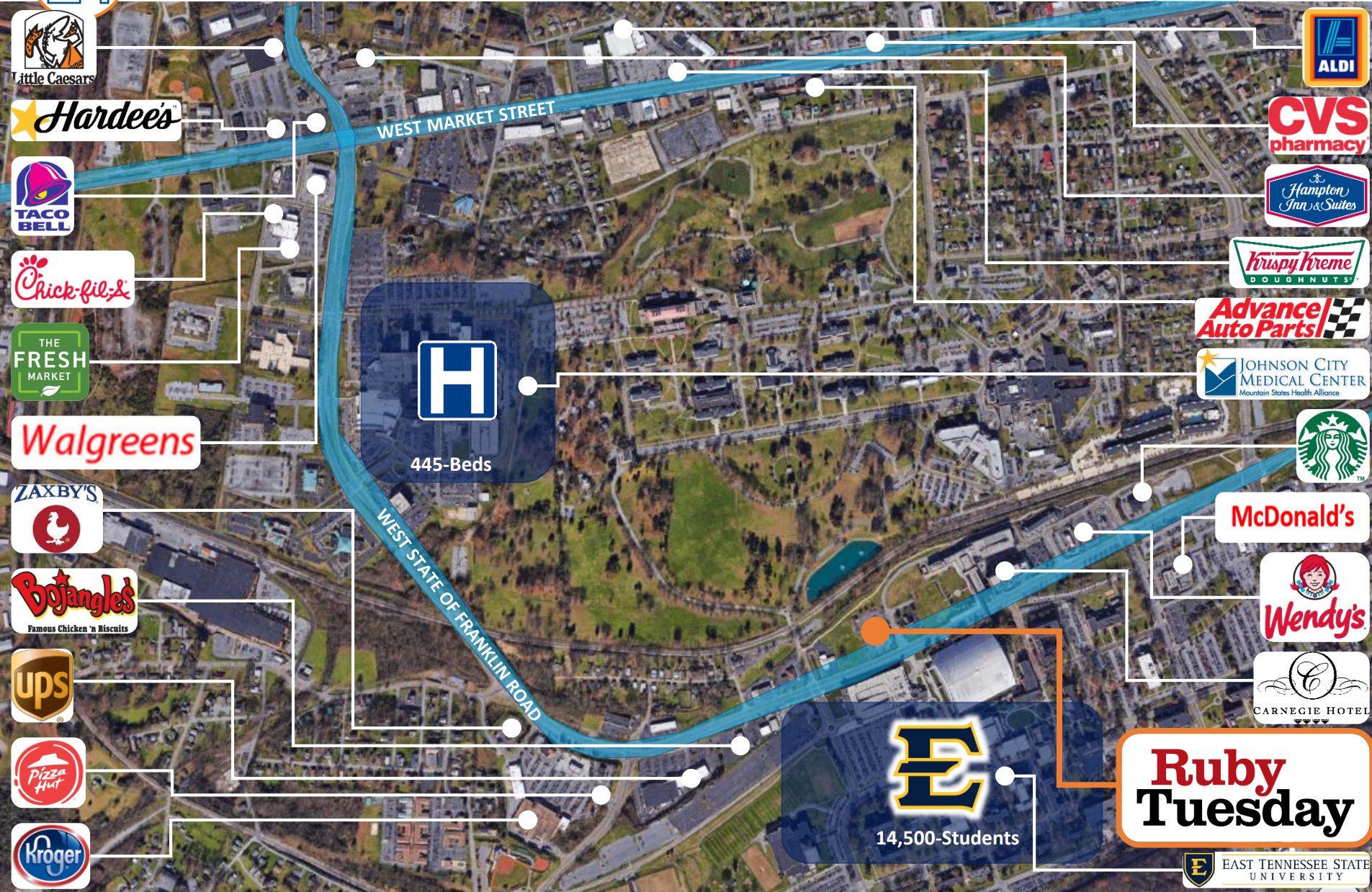




Surrounding Area

Property Address: 1208 Harris Drive West, Johnson City, TN 37604

Ruby Tuesday





Location Overview

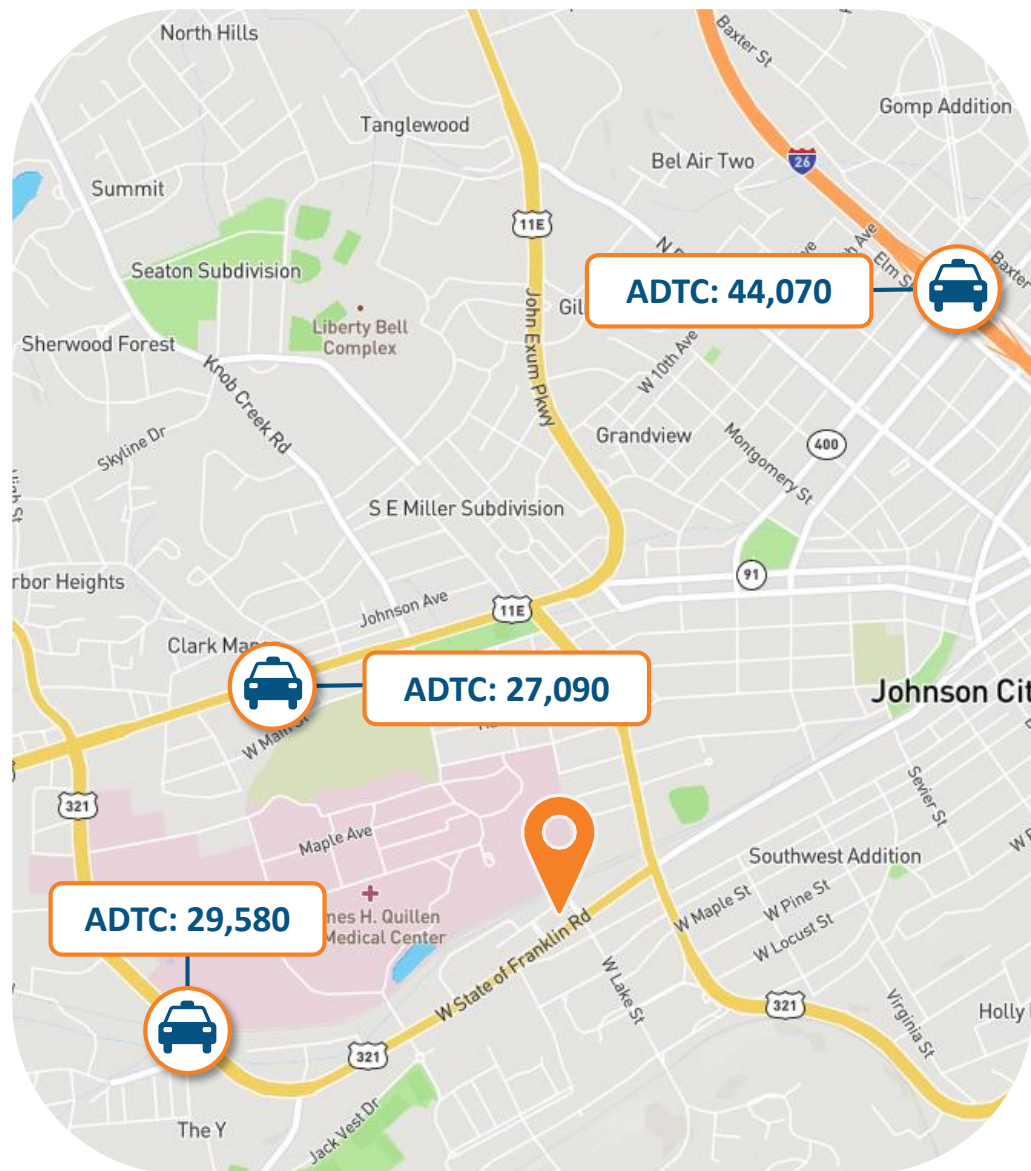
Property Address: 1208 Harris Drive West, Johnson City, TN 37604

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The subject property is strategically positioned in a dense retail corridor benefiting from its proximity to major national and local tenants. Major national and local tenants in the area include: Walgreens, CVS Pharmacy, Hampton Inn & Suites, Kroger, Wendy's, McDonald's, Pizza Hut, Zaxby's, as well as many others. Located just steps away is East Tennessee State University (ETSU), a 4-year public institution that currently enrolls over 14,500 students. ETSU is the nation's sixth largest system of public education with over 140 academic programs to choose from. In addition, located just one mile away is Johnson City Medical Center, a Level I Trauma, 445-bed, general medical and surgical facility.

Johnson City has approximately 44,784 individuals residing within a three-mile radius of the property and more than 73,124 individuals within a five-mile radius. The Ruby Tuesday property is located on Harris Drive West, just off of North State of Franklin Road. North State of Franklin Road experiences average daily traffic counts exceeding 29,580 vehicles. Nearby is West Market Street and Interstate-26, which brings an additional 27,090 and 44,070 vehicles to the immediate area daily.

As a regional hub for a four-state area, Johnson City is home to a large variety of retail business, from well-known national chains to local boutiques and galleries. Interstate 26 connects Johnson City to Kingsport to the north and Asheville to the south. Interstate 81 carries drivers to Knoxville to the west and Bristol to the northeast. Key industries such as healthcare, retail trade, and educational services fuel Johnson City's growth. Notable drivers include East Tennessee State University and the medical "Med-Tech" corridor, anchored by the Johnson City Medical Center, Franklin Woods Community Hospital, ETSU's Gatton College of Pharmacy, and ETSU's Quillen College of Medicine. AT&T, American Water Heater Company, and Citi Commercial Solutions are other major employers. A significant cultural center, Johnson City is known for hosting a number of annual festivals, including The Little Chicago Blues Festival, The Umoja Unity Festival, and The Blue Plum Festival.

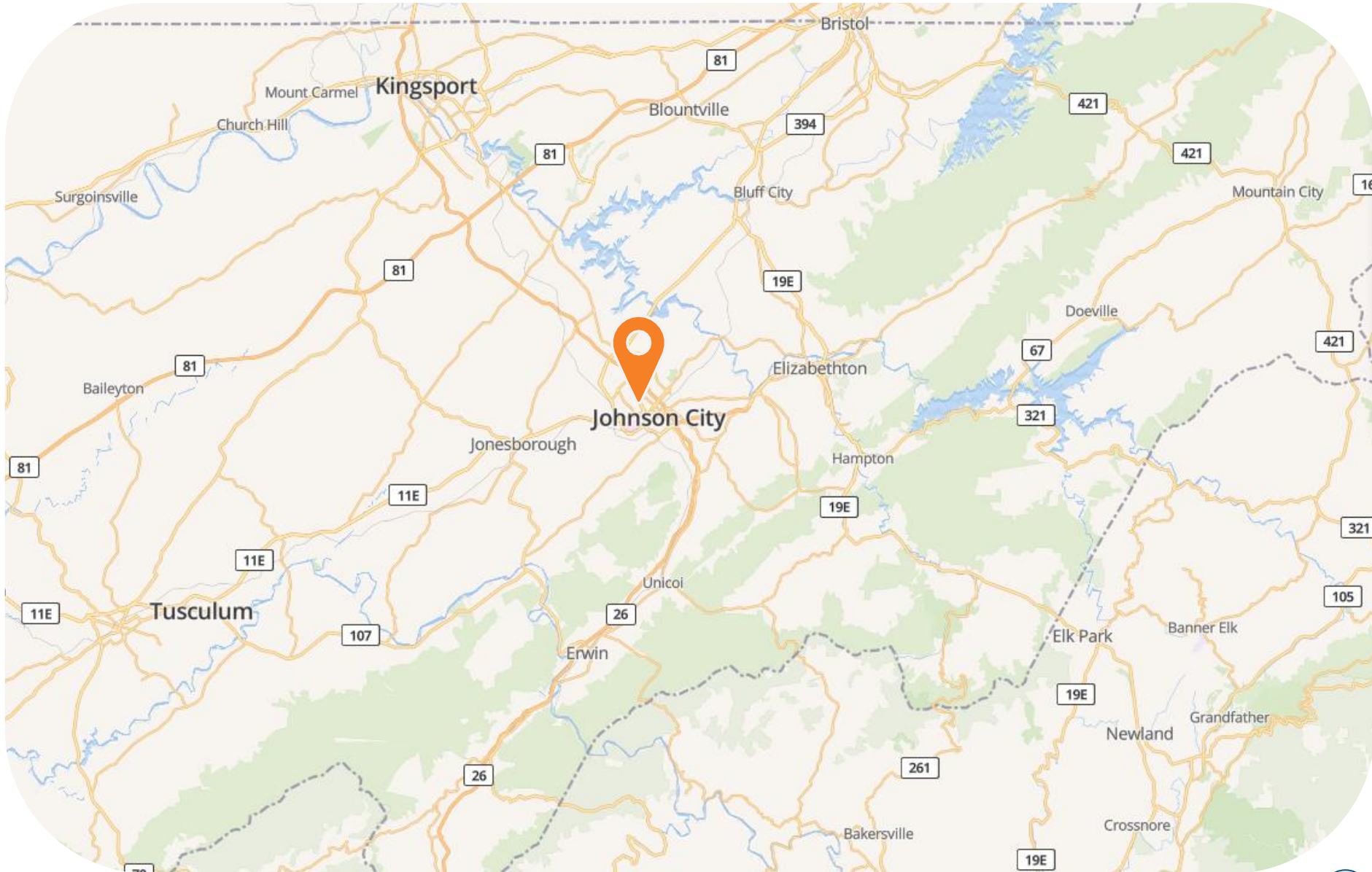




Local Map

**Ruby
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Property Address: 2602 1208 Harris Drive West, Johnson City, TN 37604

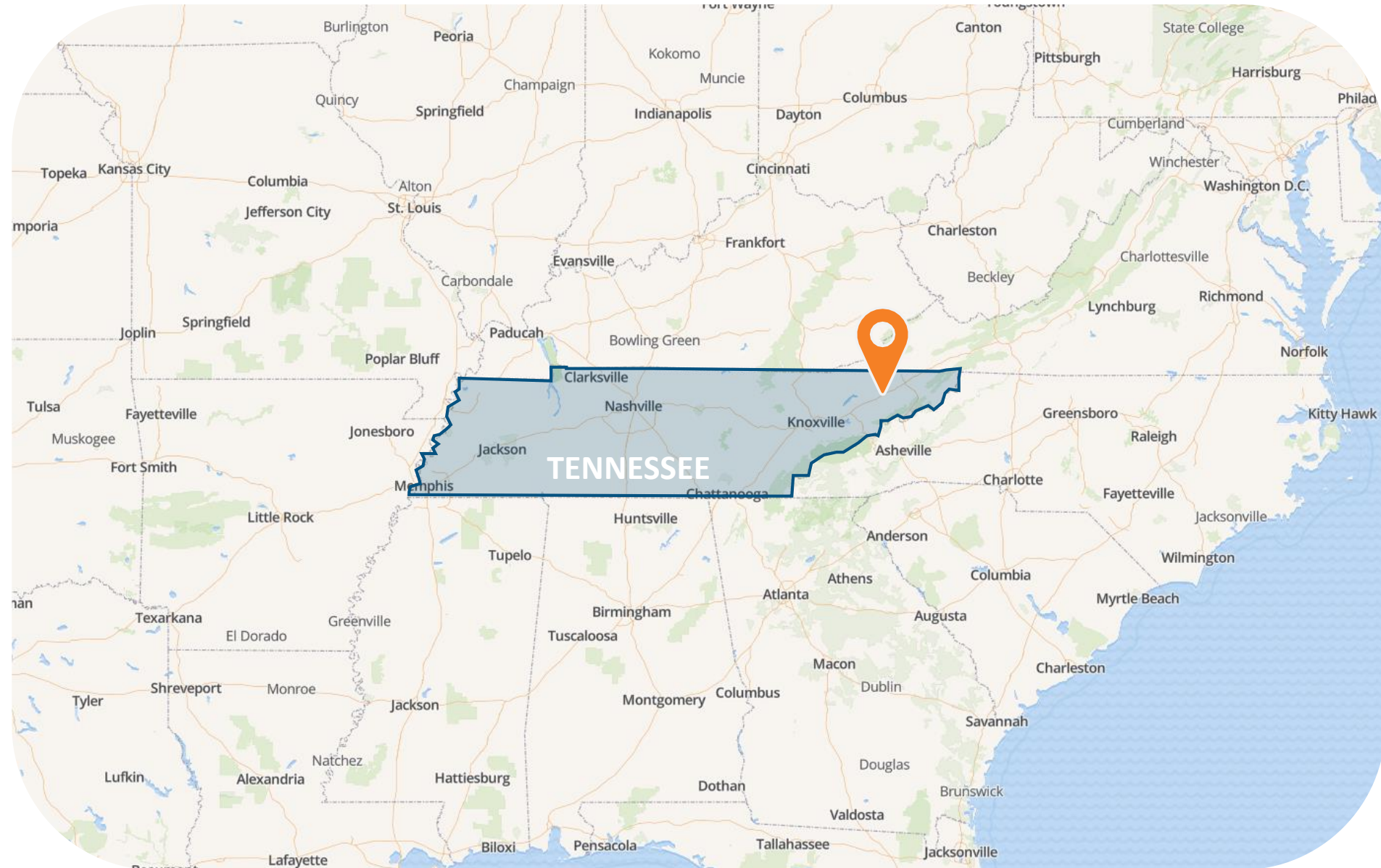




Regional Map

Property Address: 1208 Harris Drive West, Johnson City, TN 37604

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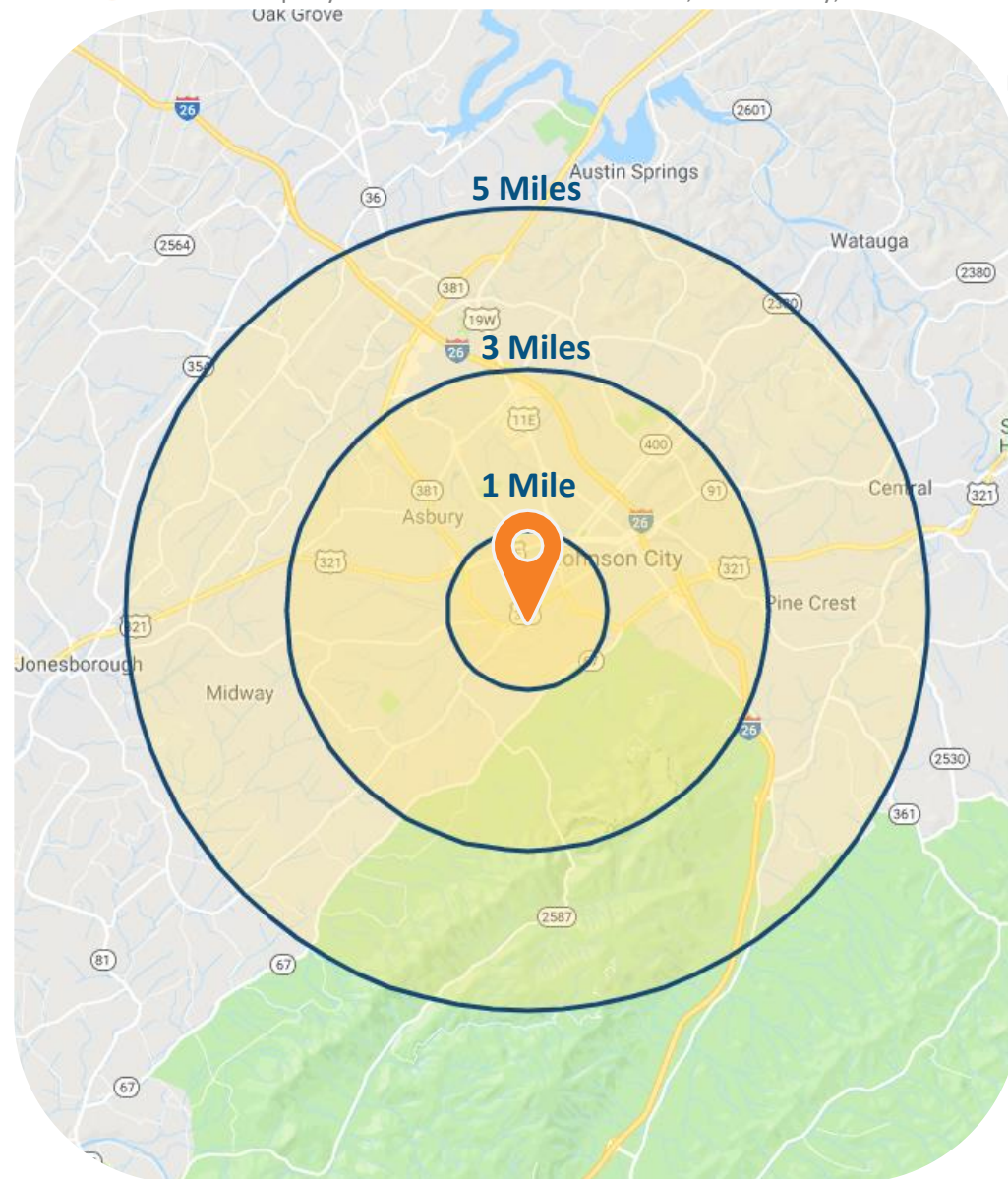




Demographics

Property Address: 1208 Harris Drive West, Johnson City, TN 37604
Oak Grove

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POPULATION

	1 Mile	3 Miles	5 Miles
2022 Projection	9,543	46,015	75,846
2017 Estimate	9,436	44,784	73,124
2010 Census	9,564	44,209	71,766
2000 Census	8,672	40,804	65,747

INCOME

Average	\$74,506	\$68,317	\$64,139
Median	\$51,482	\$45,648	\$42,920
Per Capita	\$34,923	\$31,200	\$28,228

HOUSEHOLDS

2022 Projection	1,930	17,232	34,329
2017 Estimate	1,737	16,346	32,392
2010 Census	1,682	15,687	31,179
2000 Census	1,362	14,373	27,976

HOUSING

2017	\$191,503	\$179,848	\$165,128
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EMPLOYMENT

2017 Daytime Population	11,346	61,093	108,697
2017 Unemployment	3.13%	5.88%	5.77%
2017 Median Time Traveled	18	18	19

RACE & ETHNICITY

White	89.93%	85.89%	86.52%
Native American	0.07%	0.04%	0.04%
African American	3.57%	7.19%	6.61%
Asian/Pacific Islander	3.31%	2.25%	2.03%



Market Overview

City: Johnson City | Counties: Washington, Carter & Sullivan County | State: Tennessee

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Johnson City, Tennessee

Johnson City is a city located in Northeast Tennessee. Johnson City is the fifth-largest metropolitan area in the state of Tennessee, with a combined statistical area population of 508,260 residents. Johnson City is the economic hub of Northeast Tennessee, largely fueled by East Tennessee State University and the medical “Med-Tech” corridor. East Tennessee State University is home to the Quillen College of Medicine and a college of Pharmacy. The Johnson City Medical Center is a 455-bed hospital that is the main provider of healthcare within the 15-county Northeast Tennessee and Southwest Virginia Service Area. Johnson City provides many avenues for cultural experiences, whether it be the Hands On! Museum, the Tipton-Haynes State Historic Site, and the many music or heritage festivals. The city hosts the “First Friday” which is a monthly, arts and music festival held in the downtown shopping district of Johnson City.

Major Employers

Employer	Estimated # of Employees
Mountain States Health Alliance	3,327
East Tennessee State Univ	1,936
James H Quillen Vamc	1,400
Building Division Public Works	900
City of Johnson City	813
Walmart	780
Child Protective Services	580
Act	550
Professional Personnel Svc Inc	538
Woodridge	458
Sears	430

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Marcus & Millichap

EXCLUSIVE NET-LEASE OFFERING



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