



TIRE DISCOUNTERS

CHATTANOOGA, TENNESSEE

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM

\$3,148,000 | 5.75% CAP RATE

- » 20-Year Absolute NNN Lease with Scheduled Rental Increases
 - » No Landlord Management
 - » 5% Rental Increases Every Five Years
- » High-Traffic Location in Retail Corridor
 - » Excellent Access and Visibility to 33,860 AADT on Signal Mountain Road
 - » Immediate Access to U.S. Highway 27 (55,385 AADT)
 - » Adjacent to Walmart-Anchored Retail Center
- » Central Location Near Downtown Chattanooga
- » Strong Customer Base in Area
- » New Q4 2018 Construction

FILE PHOTO



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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DEMOGRAPHIC PROFILE

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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**YURAS
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Leased Investment Team

www.YAFteam.com

INVESTMENT SUMMARY

ADDRESS	138 Raider Lane, Chattanooga, Tennessee		
PRICE	\$3,148,000		
CAP RATE	5.75% return		
NOI	\$181,001		
TERM	20 years		
RENT COMMENCEMENT	November 20, 2018		
LEASE EXPIRATION	November 19, 2038		
RENTAL INCREASES	5% rental increases every five years		
	YEAR	RENT	RETURN
	1-5	\$181,001	5.75%
	6-10	\$190,051	6.04%
	11-15	\$199,554	6.34%
	16-20	\$209,531	6.66%
	21-25 (Option 1)	\$220,008	6.99%
	26-30 (Option 2)	\$231,008	7.34%
	31-35 (Option 3)	\$242,559	7.71%
	36-40 (Option 4)	\$254,687	8.09%
YEAR BUILT	2018		
BUILDING SF	7,900 SF		
PARCEL SIZE	1.54 acres (66,995 SF)		
LEASE TYPE	Absolute NNN, with tenant responsible for all taxes, insurance, and maintenance, including roof, structure, and parking lot		



FILE PHOTO

LONG-TERM ABSOLUTE NNN LEASE

- » 20-year NNN lease with absolutely no landlord management, providing an ideal investment for an out-of-area investor
- » 5% rental increases every five years, providing an excellent hedge against inflation

IMMEDIATE FREEWAY ACCESS IN RETAIL CORRIDOR

- » Immediate access to U.S. Highway 27 (55,385 AADT), a main artery from downtown Chattanooga to the residential areas of Signal Mountain, Red Bank, Middle Valley, and more
- » Excellent visibility and access to 33,860 vehicles per day on Signal Mountain Road
- » Within walking distance of Signal Mountain Village, a large shopping center anchored by Walmart and featuring well-known brands like Great Clips, Dollar Tree, and Cato

PRIME CENTRAL LOCATION WITH STRONG CUSTOMER BASE

- » Centrally located just over three miles from downtown Chattanooga
- » Directly adjacent to Baylor School (1,040 students)
- » Across from Komatsu (420 employees)
- » Close proximity to several of the Chattanooga region's most popular attractions, including the Tennessee Aquarium (780,000+ visitors per year), Tennessee River, and Signal Mountain
- » Near the University of Tennessee at Chattanooga (11,533 students and 1,279 employees) and Erlanger Baroness Hospital (657 beds)
- » Strong customer base provided by nearby schools, residential neighborhoods, and industrial employers

NEW Q4 2018 CONSTRUCTION

- » Features latest store designs and concepts
- » New building, limiting near-term deferred maintenance or capital costs

WAFFLE
HOUSE®

verizon



erlanger

Baroness Hospital

(657 beds)

27

U.S. Highway 27 (55,385 AADT)

KOMATSU

(420 employees)

Signal Mountain Road
(33,860 AADT)



THE UNIVERSITY OF
TENNESSEE
CHATTANOOGA

(11,533 students and
1,279 employees)

RACEWAY



TireDiscounters

WHOLE
FOODS
MARKET



Publix

Walgreens

FAMILY DOLLAR

my family, my family dollar

FLEET FEET

Sports



DOWNTOWN CHATTANOOGA

(3.2 miles)



TENNESSEE
AQUARIUM

TENNESSEE RIVER

1893 Baylor School

(1,040 students)





27 / U.S. Highway 27 (55,385 AADT)

FOOD CITY FIREHOUSE SUBS
DOLLAR GENERAL SUPERCUTS
Hardee's SUBWAY Walgreens

Save a lot food stores O'Reilly AUTO PARTS
FAMILY DOLLAR my family, my family dollar

Krystal ZAXBY'S Baskin Robbins DUNKIN' DONUTS

Signal Mountain Village
Walmart Supercenter CATO LIVE WELL
DOLLAR TREE Look Smart. Buy Smart. GameStop
Great Clips for hair McALISTER'S DELI Little Caesars

KOMATSU
(420 employees)

Signal Mountain Road (33,860 AADT)

Red Bank
Middle and High
Schools
(1,446 students)

Red Bank
Elementary School
(695 students)

FOOD CITY
The UPS Store

DOLLAR GENERAL

Pizza Hut

BURGER KING

1893 Baylor School
(1,040 students)

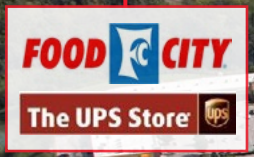
TD
TireDiscounters

FLUFFY WE
CARWASH

RACEWAY



27 / U.S. Highway 27
(55,385 AADT)



Signal Mountain Road
(33,860 AADT)





SIGNAL MOUNTAIN

TENNESSEE RIVER

Signal Mountain Village

**Baylor School**
(1,040 students)

**Buzzi Unicem**
(140 employees)





**TD**
TireDiscounters







Signal Mountain Road
(33,860 AADT)

**KOMATSU**
(420 employees)

SITE PLAN

Scenic City Cars

SIGNAL
MOUNTAIN ROAD

RAIDER LANE

RACEWAY

TD
TireDiscounters
7,900 SF



TENANT SUMMARY



Tire Discounters is a family-owned and operated tires and automotive services retailer, headquartered in Cincinnati. Established in 1976, Tire Discounters has grown to become the nation's seventh largest independent tire retailer, with over 110 locations in Ohio, Kentucky, Indiana, Tennessee, Georgia, and Alabama. As one of the fastest growing companies in the industry, Tire Discounters has doubled its size in the past ten year, and the company continues to expand into new markets.

Creating a better in-store experience for Tire Discounter's customers has always been a top priority, and the chain ranks high in customer satisfaction. Tire Discounters was voted a "Best of Cincinnati" winner by CityBeat magazine readers for the tenth straight year in 2018. The company has also been named a top auto repair store by Louisville's A-List, the Chattanooga Times Free Press, and the Lexington Herald-Leader.

For more information, please visit www.tirediscounters.com.

HEADQUARTERS	Cincinnati, OH	# OF LOCATIONS	110+
OWNERSHIP	Private	# OF EMPLOYEES	1,200+

LEASE ABSTRACT

TENANT	Tire Discounters, Inc.		
ADDRESS	138 Raider Lane, Chattanooga, Tennessee		
RENT COMMENCEMENT	November 20, 2018		
LEASE EXPIRATION	November 19, 2038		
RENEWAL OPTIONS	Four (4) five (5) year options		
RENTAL INCREASES	YEAR 1-5 6-10 11-15 16-20 21-25 (Option 1) 26-30 (Option 2) 31-35 (Option 3) 36-40 (Option 4)	RENT \$181,001 \$190,051 \$199,554 \$209,531 \$220,008 \$231,008 \$242,559 \$254,687	RETURN 5.75% 6.04% 6.34% 6.66% 6.99% 7.34% 7.71% 8.09%
REAL ESTATE TAXES	Tenant is responsible for all taxes.		
INSURANCE	Tenant is responsible for all insurance.		
REPAIR & MAINTENANCE	Tenant is responsible for all maintenance and repair, including roof, structure, and parking lot.		
MAINTENANCE BY LANDLORD	None		
RIGHT OF FIRST REFUSAL	None		

PROPERTY OVERVIEW

LOCATION

The property is located just off of the signalized intersection of Raider Lane and Signal Mountain Road, with excellent visibility and access to 33,860 vehicles per day. Signal Mountain Road provides convenient access to U.S. Highway 27, located less than half a mile away, which has a traffic count of 55,385 vehicles per day near the property. U.S. Highway 27 serves as a main artery from downtown Chattanooga to the residential areas of Signal Mountain, Red Bank, and Middle Valley. Several notable retailers are located near the property. The property is within walking distance of Signal Mountain Village, a large shopping center anchored by Walmart and featuring well-known brands like Great Clips, Dollar Tree, Cato, and more. Other major retailers in the nearby area include Dollar General, Food City, Dunkin' Donuts, Verizon, Burger King, and Valvoline, amongst others.

The property benefits from a strong customer base in the surrounding area. The property is directly adjacent to Baylor School, a private prep and boarding school that has 1,040 students. Other nearby schools include Red Bank Elementary School (695 students) and the University of Tennessee at Chattanooga (11,533 students). The property is also directly across from Komatsu, which has 420 employees, and is near other large employers; in total, over 99,000 daytime employees work within a five-mile radius of the property. The property is conveniently located just over three miles from downtown Chattanooga. Several of the Chattanooga region's most popular attractions are located nearby, including the Tennessee Aquarium, which is rated among the best aquariums in America and draws more than 780,000 visitors each year. Other recreational areas that are close to the property include the Tennessee River and Signal Mountain.

ACCESS

Access from Raider Lane

TRAFFIC COUNTS

Signal Mountain Road:	33,860 AADT
U.S. Highway 27:	55,385 AADT

PARKING

29 parking stalls, including two (2) handicap stalls

YEAR BUILT

2018

NEAREST AIRPORT

Chattanooga Metropolitan Airport (CHA)



29
PARKING
STALLS



34K
TRAFFIC
COUNT (AADT)



**NEAREST
AIRPORT**
CHATTANOOGA
METROPOLITAN
AIRPORT

AREA OVERVIEW

Chattanooga is the fourth largest city in Tennessee, with an estimated population of 179,139 as of 2017. The seat of Hamilton County, Chattanooga is located on the Tennessee River in southeastern Tennessee, abutting the Georgia border. Chattanooga's economy includes a diversified and growing mix of manufacturing and service industries, largely due to its convenient central location; Chattanooga lies approximately 120 miles to the northwest of Atlanta, 120 miles to the southwest of Knoxville, about 135 miles to the southeast of Nashville, about 120 miles to the northeast of Huntsville, and about 148 miles to the northeast of Birmingham. Chattanooga is intersected by three major interstate highways, I-24, I-75, and I-59, providing access to more than 136 million people within a day's drive. As a result, Chattanooga has attracted billions of dollars in industrial investments across a range of manufacturing sectors, and has become the headquarters for companies such as BlueCross BlueShield of Tennessee, Unum, McKee Foods Corporation, Astec Industries, Inc., U.S. Xpress Enterprises, Inc., Kenco Group, EPB, Walden Security, and many more.

Chattanooga is nicknamed the "Scenic City" due to its national reputation as a haven for numerous outdoor activities. Tourism and hospitality has been a growing part of Chattanooga's economy, with 2014 being the first year for Hamilton County to surpass \$1 billion in revenue. In addition to Chattanooga's abundant outdoor attractions, Chattanooga hosts numerous festivals, is home to several sports teams, and is home to Hamilton Place, Tennessee's second largest shopping mall, with 1,170,712 square feet of retail area and over 200 stores and services.

- » Chattanooga is the location of the only Volkswagen manufacturing facility in the U.S. and serves as Volkswagen's North American manufacturing headquarters.
- » Chattanooga built the first gigabit internet network in the U.S., a 100% fiber optic network that links every home and business in a 600 square mile area, which sparked the startup of dozen local tech companies, signaling Chattanooga's emergence as a new tech hub.
- » Chattanooga is home to three major hospital systems with national rankings ranging from heart care to stroke treatment.
- » Colleges in Chattanooga include the University of Tennessee at Chattanooga and Chattanooga State Community College, plus seven private universities and colleges and many private technical training schools.
- » Chattanooga is nationally ranked among the best places to live by publications like Outside Magazine and National Geographic Explorer and is among the Top 40 "Best for Business Cities" according to MarketWatch.

MAJOR EMPLOYERS IN CHATTANOOGA

OF EMPLOYEES

ERLANGER HEALTH SYSTEM	6,202
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BLUECROSS BLUESHIELD OF TENNESSEE	6,083
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HAMILTON COUNTY DEPARTMENT OF EDUCATION	4,558
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TENNESSEE VALLEY AUTHORITY	3,402
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MCKEE FOODS CORPORATION	3,000
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CHI MEMORIAL	2,869
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UNUM	2,800
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VOLKSWAGEN CHATTANOOGA	2,444
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CITY OF CHATTANOOGA	2,282
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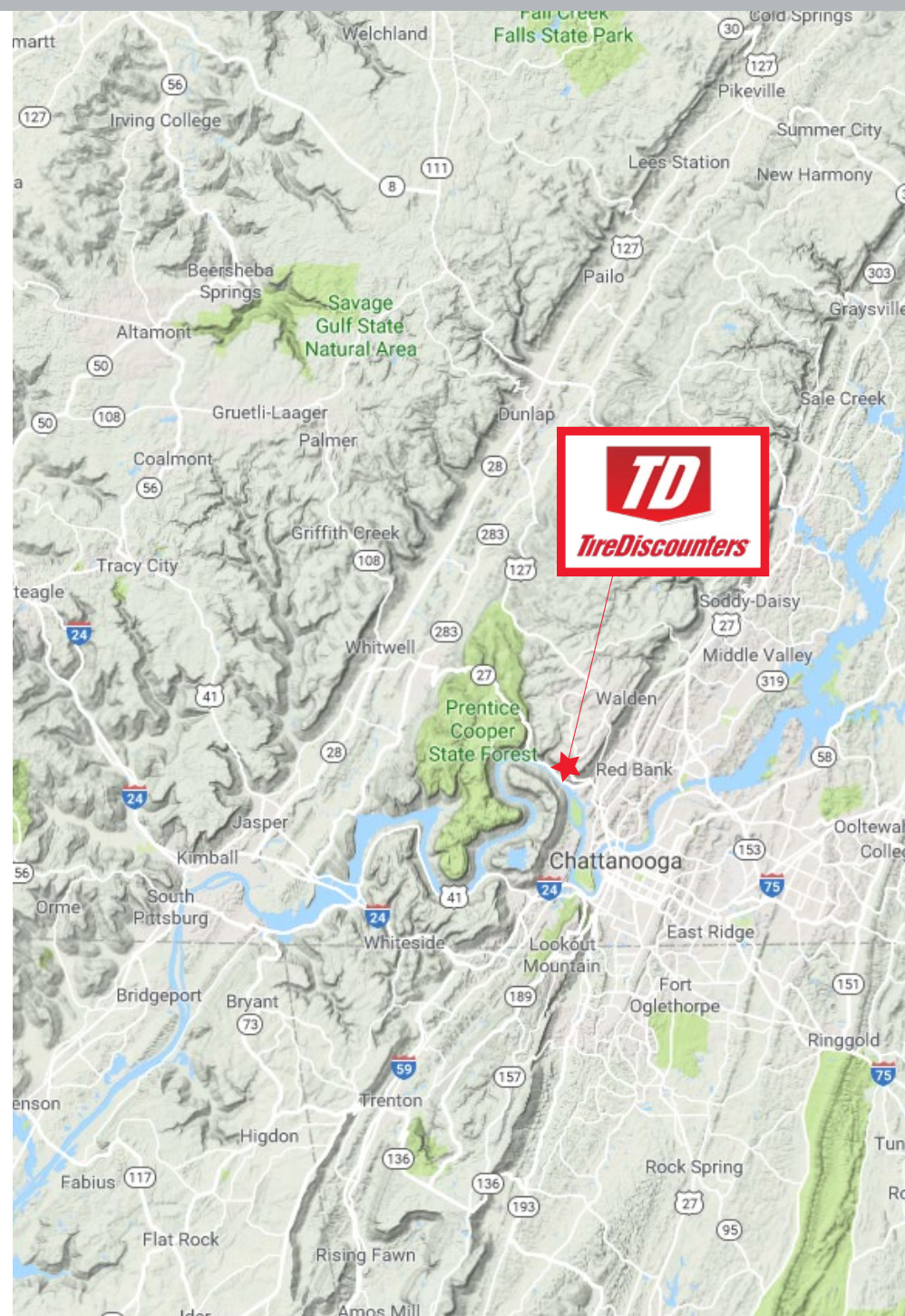
AMAZON	1,955
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DEMOGRAPHIC PROFILE

2018 SUMMARY	1 Mile	3 Miles	5 Miles
Population	3,575	32,370	76,815
Households	1,683	15,079	32,862
Families	726	7,294	17,007
Average Household Size	2.02	2.07	2.19
Owner Occupied Housing Units	616	7,732	17,095
Renter Occupied Housing Units	1,067	7,347	15,767
Median Age	36.9	38.5	38.4
Average Household Income	\$58,999	\$76,420	\$67,284

2023 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	3,966	34,798	82,510
Households	1,863	16,181	35,402
Families	795	7,735	17,985
Average Household Size	2.04	2.08	2.19
Owner Occupied Housing Units	681	8,157	17,775
Renter Occupied Housing Units	1,182	8,024	17,627
Median Age	37.3	39.4	39.6
Average Household Income	\$69,344	\$86,124	\$75,113



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