

FOR SALE

CHICK-FIL-A

GROUND LEASE

1205 E. Stone Drive
Kingsport, TN



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TCI Group—Jerry
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Chick-fil-A Ground Lease

PROPERTY OVERVIEW

PRICE

\$1,849,263

4.75% Return

LOCATION:

The Property is located at 1205 E. Stone Drive in Kingsport, Tennessee.

LOT SIZE:

Approximately 1.02 acres

IMPROVEMENTS:

Construction was complete in 1998 of a 3,971 square foot restaurant building for **Chick-fil-A** with drive-thru.

LEASE:

Leased to **Chick-fil-A**, currently in the third of seven five year ground lease renewals. The current rent is \$7320.00/month or \$87,840.00/year. Rents increase by 10% at every 5-year renewal and there are four 5-year renewals remaining.

PARKING:

There are 57 parking spaces available on site

TRAFFIC COUNT:

36,614 estimated daily traffic count (2017)

SUMMARY:

Outstanding performing **Chick Fil A** restaurant. The third of seven five year ground lease renewals is currently in effect starting November 1, 2018 and runs to October 31, 2023.



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PROPERTY PHOTOS



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TENANT PROFILE

Chick-fil-A's average per-restaurant sales exceed \$4 million.

Chick-fil-A Inc., is a fast food restaurant chain headquartered in College Park, GA, that specializes in chicken sandwiches. The company has more than 2,225 locations nationwide, the majority of which are franchised, and is credited with the invention of the boneless chicken sandwich. The company initially focused on locations in shopping mall food courts, but shifted its focus in the mid-80's to freestanding franchises.

Though primarily concentrated in the southern United States, the chain has expanded in recent years with franchise locations in 42 states and Canada.

Chick-fil-A's average sales per restaurant consistently outpace competitors: in 2017, the company's average sales per unit exceeded \$4 million, easily surpassing competitors such as KFC, Popeye's, and McDonald's, with average per unit sales of \$1.2 million, \$1.4 million, and \$2.7 million respectively.

The brand has benefited from consistent growth, opening 140 new units in 2017, representing a unit-count increase of approximately 6.7%. In addition, the chain consistently ranks first in fast-food customer service surveys.

Chick-fil-A uses a business model significantly different from other restaurant franchises, most notably retaining ownership of each restaurant. Chick-fil-A typically selects the location, builds the restaurant, and retains ownership of the store.



Chick-fil-A Ground Lease

AERIAL MAP



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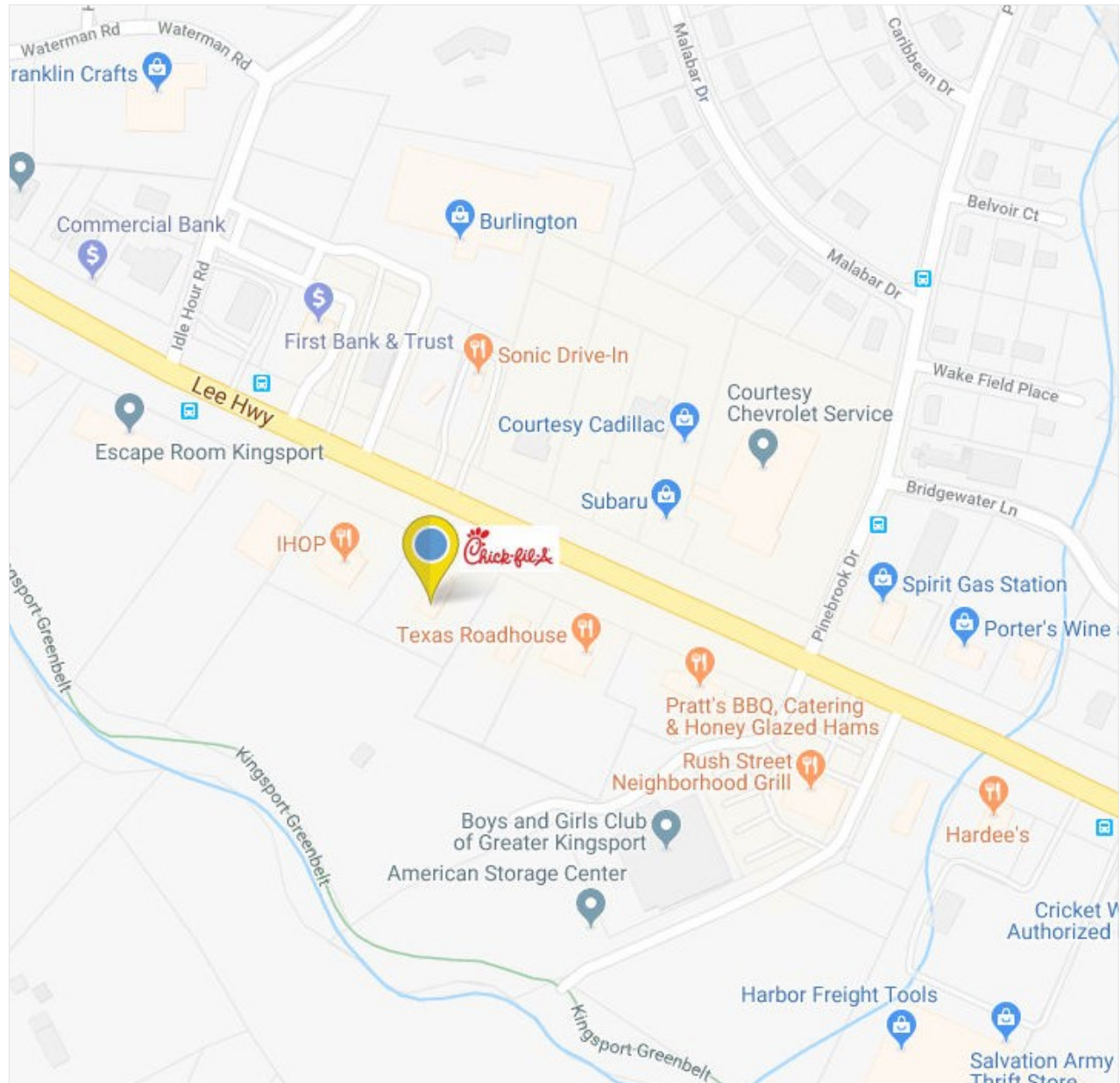
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Chick-fil-A Ground Lease

STREET MAP



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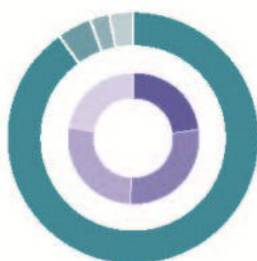
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COMMUNITY OVERVIEW

COMMUNITY PROFILE

DEMOGRAPHICS



AGE

19 and under	23%
20-44	28%
45-64	27%
65 and over	22%

ETHNICITY

White	94.9%
Black	4.8%
Hispanic	2.7%
Other	3%

53,374

Total population
(2017 U.S. Census estimate)

TRANSPORTATION

WALKABILITY

Walkscore: 26

Extensive sidewalks & transit options

PUBLIC TRANSPORTATION

Kingsport Area Transit Service

kingsporttransit.org

19 Minutes

Mean travel time to work

14 Miles

Closest major airport

Tri-Cities Regional Airport

triflight.com

REAL ESTATE

\$134,800

Median value of owner-occupied units

26,185

Total housing units

\$1,033

Median selected monthly
owner costs with a mortgage



■ Owners ■ Renters

There are 23,322 occupied housing units in Kingsport. Approximately 14,455 are owner-occupied and 8,867 are occupied by renters.

Source: livability.com/tn/Kingsport

COMMUNITY OVERVIEW

ECONOMIC PROFILE

WORKFORCE



EDUCATION LEVEL

High school only	34%
Some college or associate degree	28%
Bachelor's degree	16%
Graduate or professional degree	10%
Other	12%

21,150

Total number employed

3.2%

Unemployment rate (5/2018)

BUSINESSES

4,441

Total number of firms

TAXES

0%	Local sales tax
2.75%	County sales tax
7%	State sales tax
9.75%	Total sales tax

TOP EMPLOYERS



Eastman
BAE Systems
Domtar, Aeronautical Accessories Inc., Kingsport Publishing

RETAIL, TOURISM & DINING

\$1.3B

Annual retail sales

\$200M

Annual hotel and food sales

COST OF LIVING

12.8%

Lower than the national average



TRANSPORTATION ASSETS

Tri-Cities Regional Airport
triflight.com

Source: livability.com/tn/Kingsport

COMPANY SUMMARY

TCI Group is the first and largest commercial real estate group in the Tri-Cities region of Northeast Tennessee and Southwest Virginia. Our team of expert, knowledgeable brokers is experienced and skilled in every facet of commercial and industrial real estate, drawing on a vast network of affiliations to provide comprehensive real estate services. Specializing exclusively in commercial properties allows us to focus our efforts where it serves our clients best -- office, retail, commercial, financial, medical and industrial properties.

Industry Leader - First and Largest Commercial Real Estate Firm in the Tri-Cities, Established in 1996

Professional Team - Our team includes experts in corporate real estate, banking and finance, medical and industrial facilities management, site selection, professional office and manufacturing specialists

Innovation - Providing creative solutions to often complex issues involving Commercial Real Estate

Three Offices - Kingsport, Johnson City and Bristol: Serving the Northeast Tennessee and Southwest Virginia areas

#1 in Listings - We represent the largest inventory of commercial properties in the region



Glenn Perkins

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For over 30 years, Glenn has been active in real estate investing and development. A Marine Corp veteran, Glenn's extensive career includes 23 years of State law enforcement service, 17 years of business experience and serving this country with combat service in Vietnam during 1966-67. Retiring from state service in 1993, he began a career in the private sector as owner and CEO of New England Investigation Services. Relocating to Tennessee in 2010, he is licensed in both Tennessee and Virginia.



Jerry Petzoldt

CEO & Principal Broker

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Jerry Petzoldt is the Co-Founder of the TCI Group and CEO & Principal Broker of TCI Group-Jerry Petzoldt Agency, LLC. Mr. Petzoldt has been in the real estate business since 1971. The National Association of Realtors has honored him with the status of Realtor Emeritus in recognition of forty cumulative years in the real estate profession. He has an associate degree in architecture and a Broker's license in Tennessee, Virginia, and Florida.