

OFFERING MEMORANDUM

STARBUCKS STRIP CENTER

TULLAHOMA, TENNESSEE





N JACKSON ST 22,710 CPD



JCPenney
BIG LOTS! PET SMART
JOANN
burkes OUTLET
Publix
HIBBETT SPORTS

 EAST MIDDLE
372 STUDENTS

 EAST LINCOLN ELEMENTARY
506 STUDENTS

 TULLAHOMA HIGH
1,037 STUDENTS

 JACK T FARRAR
380 STUDENTS

FOOD LION
Aaron's
DOLLAR GENERAL
Speedway
Auto Zone
O'Reilly
Wendy's
MARATHON
Hardee's
QUIK'S
Burger King

Pizza Hut
McDonald's
Arby's
Wendy's

Krystal

QUALITY INN

CVS pharmacy

Advance Auto Parts

Aspen Dental

at&t

MATTRESS FIRM

CLICK FOR GOOGLE MAP
SUBJECT PROPERTY

Ascend
Federal Credit Union

N JACKSON ST 22,710 CPD



ADDRESS:
1605 N Jackson St, Tullahoma, TN 37388

Price	\$2,647,000
Cap Rate	6.20%
NOI	\$164,100
Gross Leasable Area	5,800 SF
Year Built	2018
Lot Size	0.927 +/- Acres



Rent Roll

TENANT	GLA	% OF GLA	ANNUAL RENT	RENT/SF	RENT COMMENCE	LEASE EXPIRATION	OPTIONS	CHANGES ON	CHANGES TO
Starbucks	2,350 SF	41%	\$70,500	\$30.00	07/19/2018	07/31/2028	Four, 5-Year	Year 6 Option 1 Option 2 Option 3 Option 4	\$77,550 \$85,305 \$93,836 \$103,212 \$113,529
Kay Jewelers	2,000 SF	34%	\$53,000	\$26.50	06/22/2018	12/31/2028	Two, 5-Year	Year 6 Option 1 Option 2	\$58,300 \$64,140 \$70,540
Jimmy John's	1,450 SF	25%	\$40,600	\$28.00	06/19/2018	06/30/2028	Two, 5-Year	Year 6 Option 1 Option 2	\$44,660 \$49,126 \$54,042
TOTAL	5,800 SF	100%	\$164,100						

Investment Highlights

- 100% Occupied by Starbucks, Kay Jewelers, and Jimmy John's
- 10-Year Leases with Increases Every 5 Years
- New 2018 Construction with a Drive-Thru
- Minimal Landlord Responsibilities, 20-Year Roof Warranty
- Starbucks Performing Well-Above Average, No Early Termination Clause
- Centrally Located Between Nashville and Chattanooga
- Serving Over 96,000 Residents in Franklin and Coffee Counties
- Highly Visible to 22,710 Cars/Day Along Major Commercial Corridor
- Directly Across from Publix (Opened 2018), Big Lots, PetSmart, Harbor Freight, JCPenney, Hibbett Sports, and Others
- Surrounded by National Retailers Including Walmart, Lowe's, Kroger, Aldi, and Food Lion
- Strong Daytime Population, Down the Street from Tennova Healthcare and Several K-12 Schools
- Close Proximity to Arnold Air Force Base with Over 2,400 Employees, Home to the Largest Flight Simulation Complex in the World (AEDC)
- Less than 1 Mile to Tullahoma Regional Airport with 30,000 Flights Annually

Demographics

POPULATION	3-MILES	5-MILES	7-MILES
2010 Population	18,552	22,783	27,273
2018 Population	18,862	23,584	27,768
2023 Population	19,514	24,081	28,930
HOUSEHOLDS			
2010 Households	7,662	9,372	11,126
2018 Households	7,865	9,611	11,416
2023 Households	8,078	9,928	11,838
INCOME			
2018 Average Household Income	\$63,655	\$64,646	\$65,388
EMPLOYEES			
2018 Number of Employees In Area	11,788	12,798	13,959



23,584

Population within
a 5-Mile Radius



\$64,646

Average Household Income
within a 5-Mile Radius



12,798

Number of Employees
within a 5-Mile Radius

Tenant Overviews



OWNERSHIP: Public
TENANT: Corporate
WEBSITE: www.starbucks.com

Starbucks Corporation operates as a roaster, marketer, and retailer of specialty coffee worldwide. There are over 24,000 Starbucks stores in 70 countries and continues to grow every day. Its stores offer coffee and tea beverages, packaged roasted whole bean and ground coffees, single-serve and ready-to-drink coffee and tea products, juices, and bottled water. The company's stores also provide fresh food and snack offerings; and various food products, such as pastries, and breakfast sandwiches and lunch items, as well as serve ware, beverage-making equipment, and accessories.



\$21.32
Billion
SALES VOLUME

STOCK SYMBOL
NASDAQ:
SBUX

A-
STANDARD & POOR'S
CREDIT RATING



13 Million
REWARDS LOYALTY
PROGRAM MEMBERS



OWNERSHIP: Public
TENANT: Corporate
WEBSITE: www.kay.com

Founded in 1916 and headquartered in Akron, Ohio, Kay Jewelers is an American jewelry company that specializes in "all things sparkling," from diamond wedding and engagement rings to fine, fashionable jewelry and watches. Most stores offer free jewelry cleaning and inspections.

A subsidiary of Sterling Jewelers, the largest specialty jewelry company in the United States, United Kingdom and Canada, Kay Jewelers has more than 1,500 stores in 47 states.



18,000
EMPLOYEES



OWNERSHIP: Private
TENANT: Franchisee
WEBSITE: www.jimmyjohns.com

Jimmy John's is one of the largest sandwich chains in the US with over 2,800 locations. Founded in 1983 and headquartered in Champaign, IL, Jimmy John's offers high-quality sandwiches with rapid preparation. For the past two years, Jimmy John's has been listed #1 on Entrepreneurs Franchise 500 list. The company has also been ranked #1 Franchise by Forbes and according to NRN Top 100, it is one of the fastest growing chains in the country.

Hamm Squared LLC is a single-unit franchisee and is owned and operated by local Tullahoma residents, Christi and Ken Hamm.



Lease Summaries



TENANT	Starbucks	Kay Jewelers (Sterling Inc.)	Jimmy John's (Franchisee - Hamm Squared, LLC)
GUARANTOR	Corporate	Corporate	Personal Guaranty
OWNERSHIP	Public - NASDAQ: SBUX	Public - NYSE: SIG	Private
GLA	2,350 SF	2,000 SF	1,450 SF
RENT COMMENCEMENT	7/19/2018	6/22/2018	6/19/2018
LEASE EXPIRATION	7/31/2028	12/31/2028	6/30/2028
CURRENT ANNUAL RENT	\$70,500	\$53,000	\$40,600
OPTIONS	Four, 5-Year	Two, 5-Year	Two, 5-Year
STORE SALES	Not Reported	Reported	Reported
LANDLORD RESPONSIBILITIES	Roof & Structure	Roof & Structure	Roof & Structure
CAM	Tenant pays pro rata share + a 15% admin fee. Annual increases in CAM shall not exceed 7%.	Tenant pays pro rata share + a 15% admin fee. Annual increases in CAM shall not exceed 5%.	Tenant pays pro rata share + a 15% admin fee. Annual increases in CAM shall not exceed 5%.
TAXES	Tenant pays pro rata share.	Tenant pays pro rata share.	Tenant pays pro rata share.
INSURANCE	Tenant pays pro rata share.	Tenant pays pro rata share.	Tenant pays pro rata share.
TERMINATION OPTION	None	In the event Tenant's gross sales fail to exceed \$1,300,000 in at least one consecutive 12-month period during the first 7 years of the initial term, then Tenant shall have a one-time right, exercisable within 60 Days following the end of the 7th lease year to terminate the lease.	None
ASSIGNMENT & SUBLETTING	Tenant may not assign or sublet the lease without Landlord's prior written consent but shall remain liable for any lease obligations.	Tenant may assign or sublet the lease to another party with a net worth of at least \$25,000,000 without the consent of Landlord but shall remain liable for any lease obligations.	Tenant may assign or sublet the lease to another party with a net worth of at least \$100,000,000 without the consent of Landlord but shall remain liable for any lease obligations. Tenant may also assign or sublet the lease to a Jimmy Johns franchisor or qualified franchisee but shall remain liable for any obligations under the lease.
ESTOPPEL	Tenant has 30 Days to process.	Tenant has 20 Days to process.	Tenant has 20 Days to process.

Property Photos



SUBJECT PROPERTY

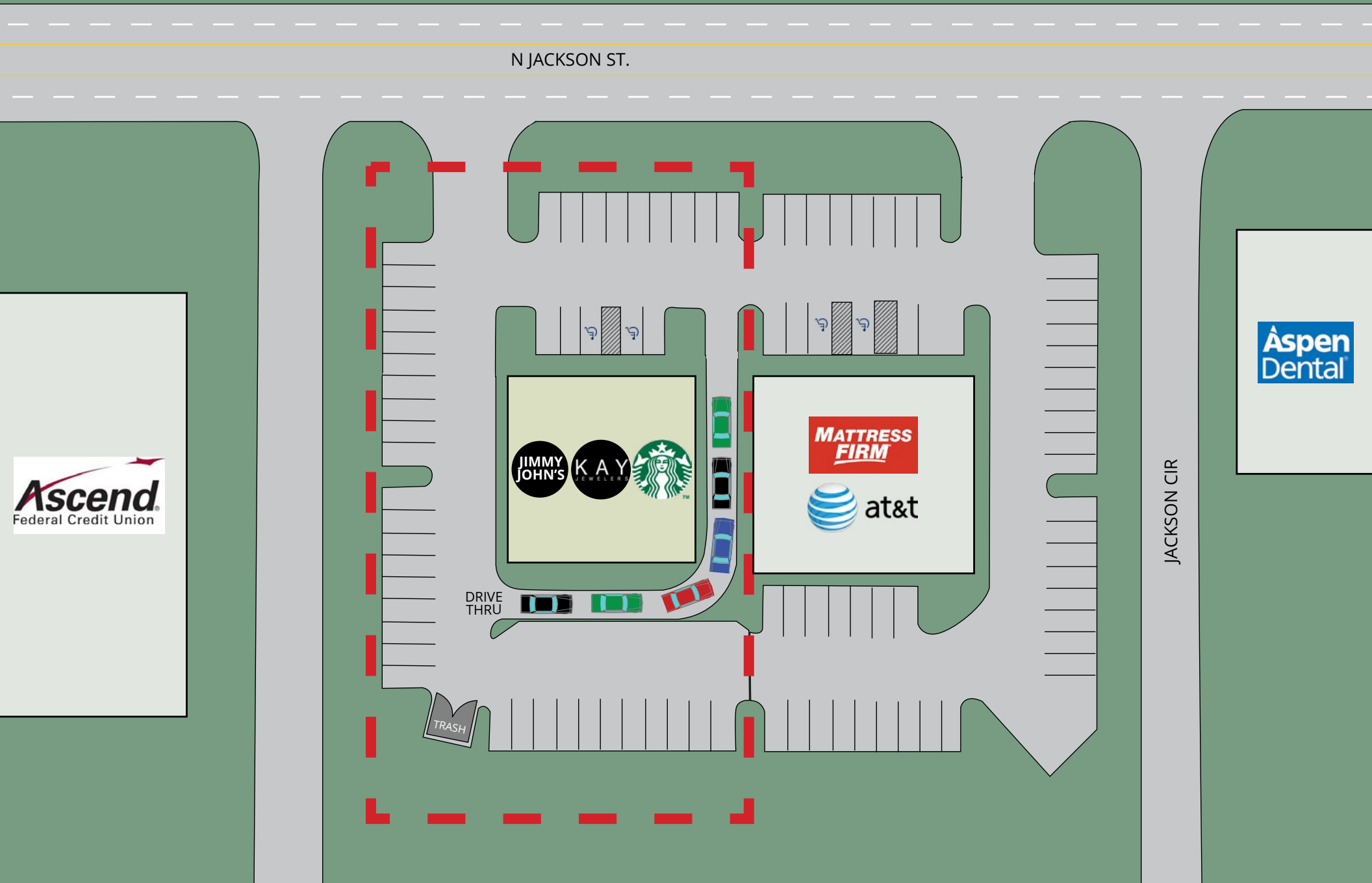
STARBUCKS STRIP CENTER

0.927^{+/-} ACRES
LOT SIZE



5,800
NET RENTABLE SF

Site Plan



 **EAST LINCOLN ELEMENTARY**
506 STUDENTS

INDUSTRIAL

 **EAST MIDDLE**
372 STUDENTS

 **JACK T FARRAR**
380 STUDENTS

 **TULLAHOMA HIGH**
1,037 STUDENTS

JCPenney
BIG LOT'S
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Publix
HIBBETT SPORTS

WILKINSON ST 22-710 CPD

 **SUBJECT PROPERTY**
CLICK FOR GOOGLE MAP

 **TENNOVA HEALTHCARE**
135-BED FACILITY

INDUSTRIAL

TULLAHOMA REGIONAL AIRPORT

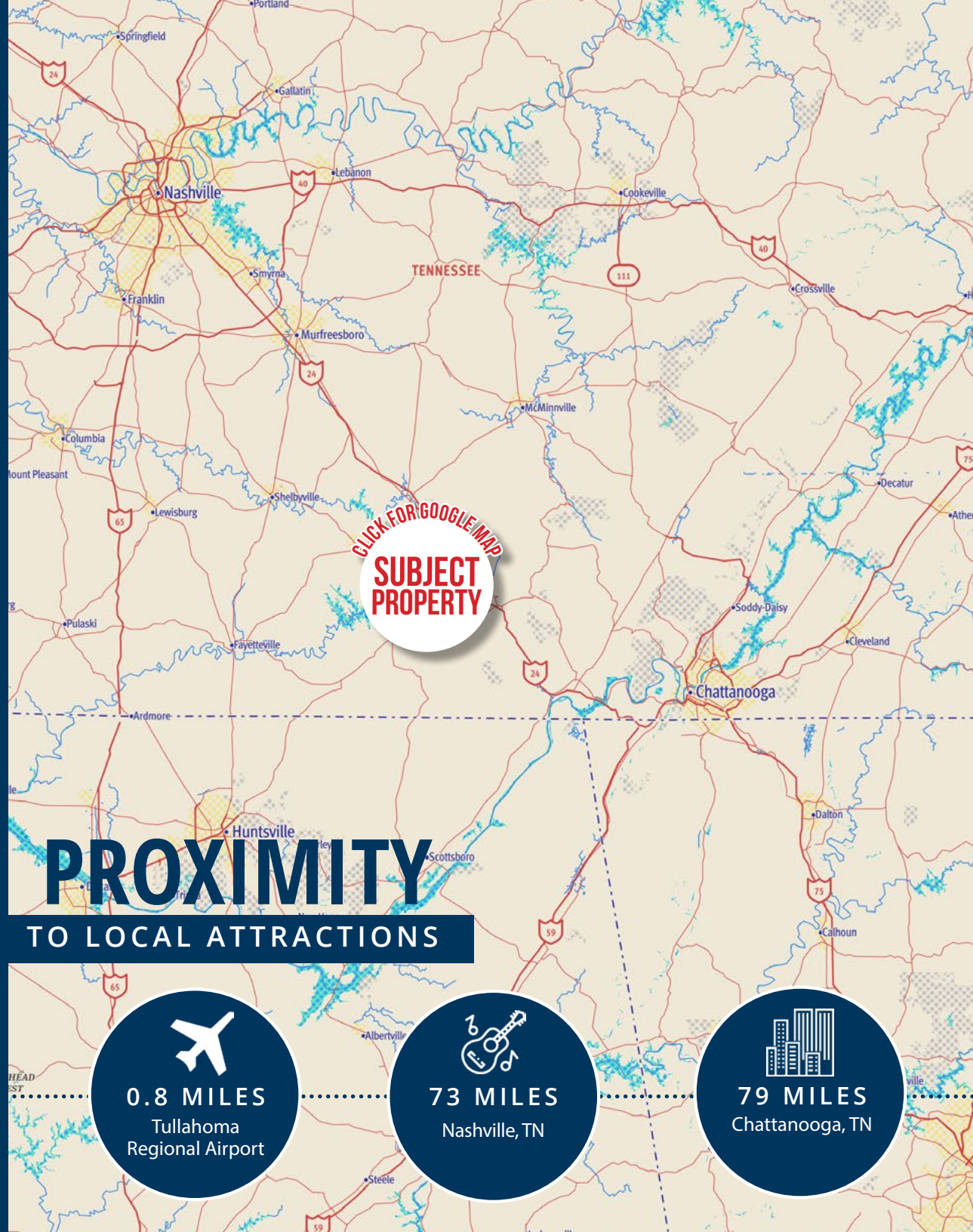
 Walmart Supercenter
 Kroger
 Applebee's
 Red Lobster
 SUBWAY
 DOLLAR GENERAL
 SONIC
 Starbucks
 verizon
 LOWE'S
 REGAL CINEMAS
 MURPHY USA
 BAYMONT INN & SUITES
 Holiday Inn
 ALDI
 CHEVROLET
 Waffle House
 Hampton Inn
 Zaxby's
 TACO BELL
 Dunham's
 DOLLAR TREE
 BURGER KING
 KFC
 Office Max
 Krystal
 CVS pharmacy
 Aspen Dental
 Advance Auto Parts
 McDonald's
 Pizza Hut
 Arby's
 Wendy's
 Speedway
 O'Reilly
 SONIC
 MARRATHON
 Aaron's
 FOOD LION
 Harveys
 OLIE'S
 Auto Zone
 DOLLAR GENERAL

Tullahoma, TN

Tullahoma is a city in Coffee and Franklin counties in the south-central part of the U.S. state of Tennessee. It is the principal city of the Tullahoma micropolitan area, which consists of Coffee, Franklin, and Moore counties and is the largest micropolitan area in Tennessee.

Tullahoma is a business-friendly community with regulatory and support mechanisms geared toward nurturing growth of existing business and development opportunities for newcomers. The city is the retail hub for several counties and has outstanding demographics, including a micropolitan designation. With a population of over 25% of the residents holding a Bachelor's degree or higher, Tullahoma offers a well-educated and skilled workforce. National Aerospace Solutions employs over 2,000 people. Other large notable employers include Jacobs, an engineering firm with a national presence; JSP, MicroCraft, Tullahoma Industries, Cubic Corporation, and Schmiede Corporation.

A thriving community for start-ups, Tullahoma has many family owned businesses, including several still in continuous operation since the early 1900's. A patriotic community, Tullahoma honors its veterans and celebrates its many contributions to the nation's defense system through Arnold Air Force Base. Additionally, the airport is home to over 142 based aircraft and has 30,000 flight operations each year, making it one of the busiest small airports in the state of Tennessee. The airport has hosted three world class air shows including the United States Air Force Thunderbirds in conjunction with the Arnold Air Force Base.



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SAMBAZIS
RETAIL GROUP

STARBUCKS STRIP CENTER

TULLAHOMA, TENNESSEE

