

OFFERING MEMORANDUM

POPEYES & MCALISTER'S STRIP CENTER

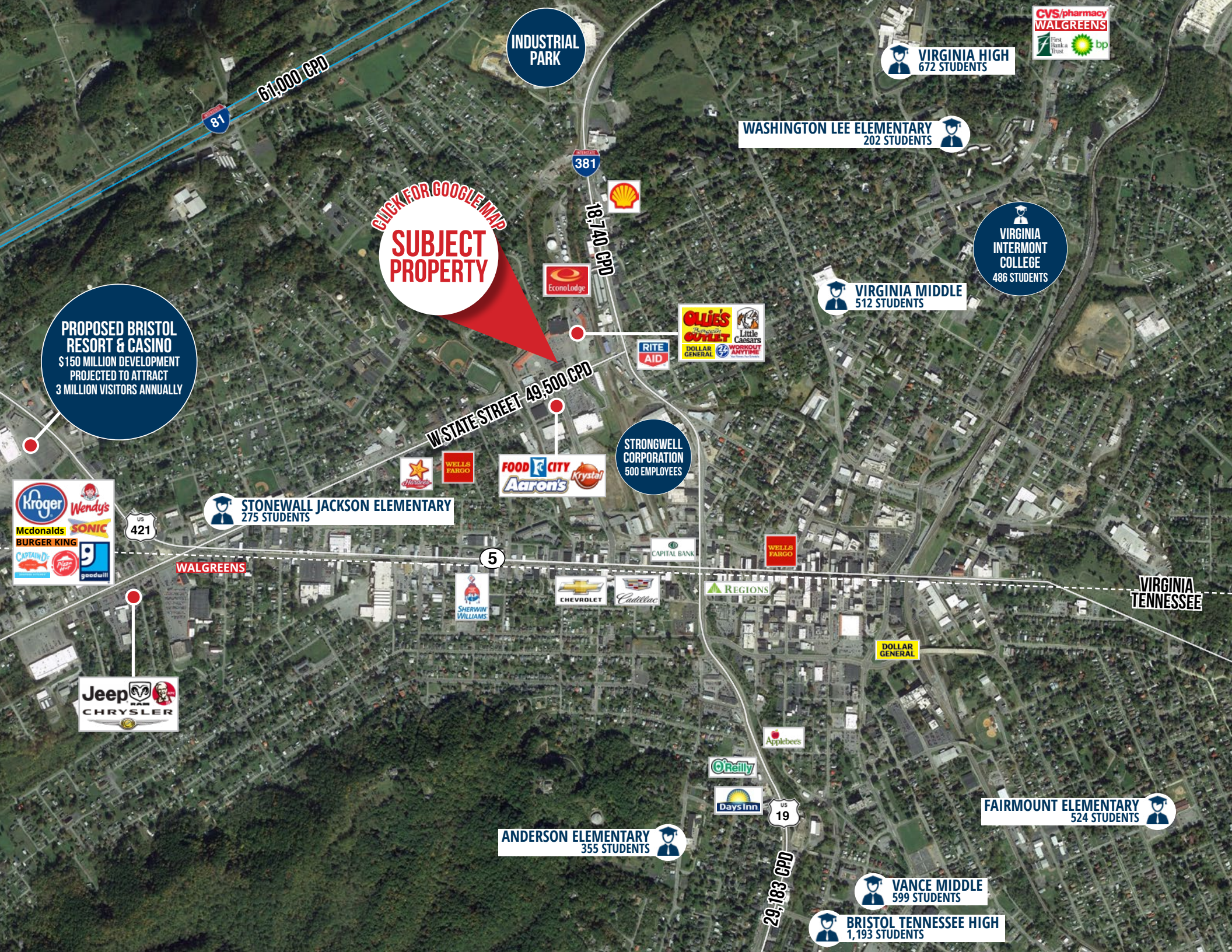
BRISTOL, VIRGINIA

(KINGSPORT/JOHNSON CITY MSA)



SRG

SAMBAZIS
RETAIL GROUP





ADDRESS:
1325 & 1363 Euclid Avenue, Bristol, VA 24201

Price	\$ 4,134,000
Cap Rate	6.75%
NOI	\$285,600
Gross Leasable Area	10,708 SF
Year Built	2018
Lot Size	1.30 +/- Acres

INCOME/EXPENSES	
Base Rent	\$285,600
Management Fee (3% of Base Rent)	(\$8,568)
Admin Fee Reimbursement	\$1,980
NET OPERATING INCOME	\$279,012



Rent Roll

TENANT	GLA	% OF GLA	ANNUAL RENT	RENT/SF	RENT COMMENCE	LEASE EXPIRATION	OPTIONS	CHANGES ON	CHANGES TO
Subway	2,000 SF	19%	\$36,000	\$18.00	11/7/2018	11/7/2028	Two, 5-Year	Option 1 Option 2	\$39,600 \$43,560
Barberitos	2,500 SF	23%	\$85,000	\$34.00	3/1/2019	3/31/2029	Two, 5-Year	Option 1 Option 2	\$71,500 \$78,650
Popeyes	2,600 SF	24%	\$72,800	\$28.00	12/2/2018	1/31/2029	Two, 5-Year	Year 6-10 Option 1 Option 2	\$75,400 \$78,000 \$80,600
McAlisters Deli	3,600 SF	34%	\$91,800	\$25.50	11/8/2018	12/31/2028	Three, 5-Year	Year 7-10 Option 1 Option 2 Option 3	\$95,400 \$100,980 \$111,096 \$122,220
TOTAL	10,708 SF	100%	\$285,600						

Investment Highlights

- 100% Occupied by Four Tenants with 10-Year Leases
- Strong Unit-Level Sales, All Tenants have Low Rent-to-Sales Ratios
- New 2018 Construction with a Drive-Thru, Minimal Landlord Responsibilities
- 65,750 Residents in Growing Trade Area, Serving Southwest Virginia and Eastern Tennessee
- Nearby Residents in Tennessee Travel to Bristol, VA because the Sales Tax is Nearly 50% Less
- Highly Visible to 49,500 Cars/Day, Hard Corner Location at Signalized Intersection
- Just South of I-81 with 61,000 Cars/Day, Direct Access to Downtown Knoxville
- Directly Across from New Food City Grocery Anchored Shopping Center
- Strong Daytime Population, Over 54,548 Employees within 5 Miles
- Close Proximity to \$150 Million Proposed Bristol Resort & Casino, Projected to Attract 3 Million Visitors Annually
- Only a 10-Minute Drive to Bristol Regional Medical Center, a 348-Bed State-of-the-Art Hospital Campus with 1,885+ Employees
- Surrounded by Several K-12 Schools with 4,332 Students and Two Universities with 3,406 Students
- West of Mt. Rogers with Approximately 5 Million Visitors Annually
- 7 Miles to Bristol Motor Speedway with NASCAR Racing and NHRA Drag Racing Events

Demographics

POPULATION	3-MILES	5-MILES	7-MILES
2010 Population	33,185	52,898	66,209
2018 Population	32,748	52,427	65,750
2023 Population	32,663	53,051	66,695
HOUSEHOLDS			
2010 Households	14,358	22,760	28,199
2018 Households	14,188	22,548	27,998
2023 Households	14,265	23,007	28,655
INCOME			
2018 Average Household Income	\$50,355	\$56,111	\$57,062
EMPLOYEES			
2018 Number of Employees In Area	19,740	28,358	54,548



52,427

Population within
a 5-Mile Radius



\$56,111

Average Household Income
within a 5-Mile Radius



28,358

Number of Employees
within a 5-Mile Radius

Lease Summaries



TENANT	Subway (Subway Real Estate, LLC)	Barberitos (Bona Fide Burrito, Inc.)
GUARANTOR	Corporate Guaranty	Personal Guaranty
OWNERSHIP	Private	Private - Franchisee
NUMBER OF LOCATIONS	40,000+	4
WEBSITE	www.subway.com	www.barberitos.com
COMPANY INFORMATION	Subway is the world's largest submarine sandwich chain, with more locations than any other chain in the Quick Service Industry.	Barberitos specialties include burritos, quesadillas, tacos, nachos, homemade salsas and guacamole. Bona Fide Burrito, Inc. currently operates four locations in the Tri-Cities area with the intentions of additional locations in the future.
GLA	2,000 SF	2,500 SF
RENT COMMENCEMENT	11/7/18	3/1/19
LEASE EXPIRATION	11/7/28	3/31/29
CURRENT ANNUAL RENT	\$36,000	\$85,000
OPTIONS	Two, 5-Year	Two, 5-Year
SALES REPORTS	Reported	Reported
LANDLORD RESPONSIBILITIES	Roof & Structure	Roof & Structure
CAM	Tenant shall pay its pro rata share + a 15% admin fee. Annual increases in CAM shall not exceed more than 5%.	Tenant shall pay its pro rata share + a 10% admin fee. Annual increases in CAM shall not exceed 5% excluding security, utilities and snow and ice removal.
TAXES	Tenant shall pay its pro rata share.	Tenant shall pay its pro rata share.
INSURANCE	Tenant shall pay its pro rata share.	Tenant shall pay its pro rata share.
ASSIGNMENT & SUBLETTING	Tenant may assign or sublet the lease to any licensee/franchisee of Doctor's Associates LLC (Subway) , but shall remain liable for all obligations under the lease.	Tenant may assign the lease with Landlord's consent to an assignee with financials greater or equal to assignor.
TERMINATION OPTION	Tenant has a one-time option to terminate the lease at the end of Year 5 if net sales for Year 5 only have not reached \$500,000.	None
ESTOPPEL	Tenant has 15 Days to process.	Tenant has 20 Days to process.

Lease Summaries



TENANT	Popeyes (Cambridge Franchise Real Estate, LLC)	McAlister's (Peak Restaurants, LLC)
GUARANTOR	Corporate Guaranty – Carrols Restaurant Group, Inc.	Personal Guaranty
OWNERSHIP	Public – NASDAQ: TAST	Private - Franchisee
NUMBER OF LOCATIONS	1,065	13
WEBSITE	www.carrols.com	www.peakrestaurants.com
COMPANY INFORMATION	<p>Popeyes is one of the world's largest quick service restaurant chicken concepts.</p> <p>Carrols Restaurant Group, Inc. is the largest Burger King franchisee in the U.S. and has operated Burger King restaurants since 1976. Following the Cambridge merger in May 2019, Carrols operates 1,010 Burger King and 55 Popeyes restaurants in 23 states.</p>	<p>McAlister's Deli is a chain of fast casual restaurants, including deli sandwiches and their famous sweet tea.</p> <p>Peak Restaurants LLC is a franchise of 13 McAlister's Deli restaurants located in East Tennessee and Southwest Virginia.</p>
GLA	2,600 SF	3,600 SF
RENT COMMENCEMENT	12/2/18	11/8/18
LEASE EXPIRATION	1/31/29	12/21/28
CURRENT ANNUAL RENT	\$72,800	\$91,800
OPTIONS	Two, 5-Year	Three, 5-Year
SALES REPORTS	Reported	Reported
LANDLORD RESPONSIBILITIES	Roof & Structure	Roof & Structure
CAM	Tenant shall pay its pro rata share + a 10% admin fee.	Tenant shall pay its pro rata share.
TAXES	Tenant shall pay its pro rata share.	Tenant shall pay its pro rata share.
INSURANCE	Tenant shall pay its pro rata share.	Tenant shall pay its pro rata share.
ASSIGNMENT & SUBLETTING	Tenant may assign the lease with Landlord's consent to an approved Popeyes franchisee so long as new franchisee is as financially sound as the current franchisee.	Tenant may not assign or sublet the lease without Landlord's consent.
TERMINATION OPTION	None	Tenant has the option to terminate the lease if annual sales are less than \$1,400,000 at the end of Year 7.
ESTOPPEL	Tenant has 20 Days to process.	Tenant has 20 Days to process.

Bristol Motor Speedway
1 MILLION VISITORS ANNUALLY

Kroger Wendy's
Mcdonalds SONIC
BURGER KING
CAPTAIN D'S
Popeye's
goodwill
TOYOTA pharmacy CVS Shell

PROPOSED BRISTOL RESORT & CASINO
\$150 MILLION DEVELOPMENT
PROJECTED TO ATTRACT
3 MILLION VISITORS ANNUALLY

Bristol Regional Medical Center
348-BED STATE-OF-THE-ART
HOSPITAL CAMPUS WITH
1,885+ EMPLOYEES

INDUSTRIAL

Jeep Ram
WALGREENS
CHRYSLER

STONEWALL JACKSON ELEMENTARY
275 STUDENTS

THE PINNACLE
DICK'S SPORTING GOODS Bass Pro Shops Days Inn
belk Michaels Hampton Inn
ULTA Bed Bath & Beyond Fairfield Inn & Suites Marriott
Pier 1 Imports Party City

CLICK FOR GOOGLE MAP
SUBJECT PROPERTY

FOOD CITY

Aaron's

W STATE STREET 49,500 CPD

DOLLAR GENERAL

TACO JOHN'S

OLLIE'S OUTLET
DOLLAR GENERAL
Little Caesars
WORKOUT ANYTIME

ULTIMATE SHINE CAR WASH


KING UNIVERSITY
2,920 STUDENTS

FAIRMOUNT ELEMENTARY
524 STUDENTS 









VANCE MIDDLE
599 STUDENTS


BRISTOL TENNESSEE HIGH
1,193 STUDENTS


HAYNESFIELD ELEMENTARY
483 STUDENTS

STRONGWELL CORPORATION
500 EMPLOYEES





BOB MORRISON BLVD

W STATE STREET 49,500 CPD













SUBJECT PROPERTY
[CLICK FOR GOOGLE MAP](#)







VIRGINIA INTERMONT COLLEGE
486 STUDENTS


VIRGINIA MIDDLE
512 STUDENTS


KING UNIVERSITY
2,920 STUDENTS


FAIRMOUNT ELEMENTARY
524 STUDENTS


VANCE MIDDLE
599 STUDENTS


BRISTOL TENNESSEE HIGH
1,193 STUDENTS

DOWNTOWN BRISTOL

STRONGWELL CORPORATION
500 EMPLOYEES











18,740 CPD





CLICK FOR GOOGLE MAP
SUBJECT PROPERTY











W STATE STREET 49,500 CPD





Property Photos



Site Plan



LEE HWY 49,500 CPD

SUBJECT PROPERTY

POPEYES & MCALISTER'S STRIP CENTER

1.30 ^{+/-} ACRES
LOT SIZE

10,708
NET RENTABLE SF



Plan set for resort casino, sports betting, children's area at Bristol Mall

A promise of 5,200 jobs in 7 years

**By: News Channel 11 Staff
September 07, 2018**

BRISTOL, VA (WJHL) - Friday, business and community leaders are betting on Bristol with major plans for a resort and casino at Bristol Mall in Bristol, VA.

The vision for the property: 90,000 square feet of casino, 90,000 square feet dedicated to children's activities, and 25,000 square feet for sports betting. In addition, business leaders plan to build a 600 to 1000 room hotel on site.

There are also plans for 50 stores and restaurants to be leased out on the property.

The economic opportunity is expected to bring thousands of jobs to the Bristol, VA and the region.

It's expected that the resort casino would employ 2,000 people during the first year of operations and is expected to grow to more than 5,200 in seven years.

"This is personal for me. I have lived and worked here my entire life," said Jim McGlothlin, Chairman and CEO, The United Company and the owner of Olde Farm. "Everyone in the region, and across the state, knows the major challenges we face, many of which are unique to Southwest Virginia. From the loss of jobs, and limited career opportunities, to the opioid epidemic, these challenges have been well documented. This project is our chance at a 'moon-shot'. We want to give local residents a bright and secure future for many generations to come. Good-paying jobs are the key to giving folks a reason to stay in the region and also to move here. At the end of the day, that's why I'm doing this, to help folks in this place I call home, Southwest Virginia."

Some of the amenities planned for the resort casino are indoor and outdoor pools, restaurants, suites, fitness center,

live entertainment, spa, salon, shops, boutiques, goods from artisans and craftsmen, wedding and event venues, family arcade, go-kart racing, a kid's waterpark, business center, miniature golf, museum of local history, golf and baseball simulators, convention and conference center and even virtual games.

"Jim and I have been blessed with successful business careers here in Southwest Virginia," said Clyde Stacy, President, Par Ventures, LLC. "We are putting that success behind this major project to benefit the entire region, building the Bristol Resort and Casino here at the Bristol Mall. What that means in real terms is that we are not asking for any government support for this project. Our plan is to build it all with private dollars. This is our chance to provide lasting, meaningful support to a community that has supported us for so many years."

Business leaders say all funding will be provided by local investors. They said there will be no city, county, or state funding and no incentives required.

Bristol, VA city council is expected to consider a resolution of support for the Bristol Mall project on Tuesday, September 11.

It's estimated that the yearly tax revenue to Bristol, VA will be \$26.8 million after seven years.

Business Highlights

- **JOBES:** From 2,000 during the first year of operations to 3,000 or more by the fifth year, and over 5,200 by year seven with a projected annual average salary of \$46,000.
- **BRISTOL YEARLY TAX REVENUE:** \$26.8 million estimated after year seven.
- **LOCAL/STATE ECONOMIC IMPACT:** Growing from \$567 million in year one to over \$1.5 billion by year seven for local Southwest Virginia and \$1.9 billion total for Virginia.
- **ANNUAL GUESTS:** 1 million initially, to more than 3 million within five years, with 80% expected to be from out of state.



PHOTO: <https://www.wate.com/news/tennessee/plan-set-for-resort-casino-sports-betting-children-s-area-at-bristol-mall/1425713935>

Bristol, VA

Strategically situated in the southeastern United States, Bristol Tennessee-Virginia is a twin city located directly on the Tennessee-Virginia state line. Bristol is part of the metropolitan statistical area of Bristol, Johnson City, and Kingsport, commonly called the Tri-Cities.

Bristol is built on sound: engines revving, fiddles singing and the silence of the outdoors. The downtown buzzes with live music and the outdoors quietly await just beyond. Nestled in the Appalachian Mountains and surrounded by scenic South Holston Lake and the Holston River sits Bristol – The Birthplace of Country Music and home of the “World’s Fastest Half Mile” – Bristol Motor Speedway.

The opening of the new Smithsonian Institution-Affiliate Birthplace of Country Music Museum is one of three major tourist attractions. Along with the BCM Museum in downtown Bristol, there are two new large retail developments, The Falls (anchored by Cabela’s, Calhoun’s and Smoky Mountain Brewery) and The Pinnacle (anchored by Bass Pro Shops and Belk). Promotion of these new offerings to potential visitors is vital to the success of these projects, as well as increasing the tax spending tourists will bring to our community.



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SAMBAZIS
RETAIL GROUP

POPEYES & MCALISTER'S STRIP CENTER

BRISTOL, VIRGINIA
(KINGSPORT/JOHNSON CITY MSA)