



Ooltewah, TN  
Marcus & Millichap



OFFERING MEMORANDUM

Marcus & Millichap

9314 Lee Highway  
Ooltewah, TN 37363

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

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# Investment Highlights



PRICE: \$1,260,000 | CAP RATE: 5.00% | NOI: \$63,000

## About the Investment

- ✓ AutoZone Signed a 15-Year Triple-Net Ground Lease in 2015 | Over 10 Years Remaining
- ✓ The Property was Recently Developed in 2015
- ✓ The Lease is Subject to a 10% Rental Escalation in 5 Years and in Each of the Five, Five Year Options
- ✓ AutoZone has an Investment Grade S&P Credit Rating of BBB

## About the Location

- ✓ Strategic Real Estate Positioning | Located Within 6 Miles From the Chattanooga Volkswagen Assembly Plant | Over 2,000 Workers In a State of The Art 1,900,000 Square Foot Industrial Plant
- ✓ Extremely Robust Demographics | 168,200 People Reside Within a Ten-Mile Radius | Average Income Exceeds \$94,200 Within a Five-Mile Radius
- ✓ Highly Dense Retail Corridor | Walmart, Chick-fil-A, Walgreens, McDonald's, Starbucks, Burger King, Aldi, BB&T Bank, Taco Bell, Arby's, BP, 7-Eleven, Dunkin' Donuts, Waffle House, Pizza Hut, Sonic, and So Many More
- ✓ Extremely Strong Traffic Counts | Lee Highway & Interstate-75 | Traffic Counts Exceeding 14,000 & 91,400 Per Day, Respectively
- ✓ Proximity to Hospitality Accommodations | Holiday Inn Express & Suites, Hampton Inn, SpringHill Suites, Courtyard, Super 8, Windgate, Fairfield Inn & Suites, Residence Inn, Embassy Suites, Best Western, And Many More

## About the Tenant/Brand

- ✓ AutoZone is the Leading Retailer and Distributor of Automotive Replacement Parts and Accessories in the U.S.
- ✓ AutoZone has over 6,000 Locations Throughout the United States, Mexico, and Brazil
- ✓ The Company has Been in Operation for Over 40 Years and is Headquartered in Memphis, TN





# Financial Analysis



PRICE: \$1,260,000 | CAP RATE: 5.00% | NOI: \$63,000

## Property Description

Property	AutoZone
Property Address	9314 Lee Highway,
City, State, ZIP	Ooltewah, TN 37363
Year Built	2015
Building Size	7,147 Square Feet
Lot Size	0.86 Acres
Type of Ownership	Ground Lease

## The Offering

Annual Rent	\$63,000
CAP Rate	5.00%
Purchase Price	\$1,260,000
Price / SF	\$176.30
Rent / SF	\$8.81

## Lease Summary

Property Type	Net Leased Auto Store
Tenant	Corporate Store
Lease Commencement	September 1, 2015
Lease Expiration	October 31, 2030
Lease Term Remaining	10.5 Years
Lease Type	Triple-Net (NNN) Ground Lease
Roof/Structure/Parking	Tenant Responsible
Rental Increases	10% Increase in 2025 and Every Five Years Thereafter
Options to Renew	Five (5), Five (5)-Year Options

## Rent Schedule

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Current	\$63,000.00	\$5,250.00	-
Years 11 – 15	\$69,300.00	\$5,775.00	10%
Option 1	\$76,230.00	\$6,352.50	10%
Option 2	\$83,853.00	\$6,987.75	10%
Option 3	\$92,238.30	\$7,686.53	10%
Option 4	\$101,462.13	\$8,455.18	10%
Option 5	\$111,608.34	\$9,300.70	10%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the AutoZone located at 9314 Lee Highway in Ooltewah, TN. The property consists of roughly 7,147 rentable square feet of building space on a 0.86 acre parcel of land.

The AutoZone is subject to a 15-Year Triple-Net (NNN) ground lease that commenced on September 1, 2015 and expires on October 31, 2030. The current rent is \$63,000 and will increase by 10.00% every 5 years starting in year 11 of the lease. In addition to the primary term, there are five (5), five (5)-year tenant renewal options.



# Tenant Overview



## About AUTOZONE



AutoZone is the leading retailer and a leading distributor of automotive replacement parts and accessories in the U.S. We sell auto and light truck parts, chemicals and accessories through AutoZone stores in 49 U.S. states plus the District of Columbia, Puerto Rico, Mexico and Brazil. We also sell automotive diagnostic and repair software through ALLDATA, diagnostic and repair information through alldatadiy.com, and auto and light truck parts and accessories through AutoZone.com.

Today, AutoZone serves customers in 48 states, Mexico and Puerto Rico and employs more than 65,000 employees, referred to as AutoZoners. One of the constant, core foundations to our success has been our strong culture of customer satisfaction.

## Credit Rating

# BBB

AutoZone's history started with the vision of one man: J.R. "Pitt" Hyde III. After receiving his bachelor's degree in economics from the University of North Carolina, he joined Malone & Hyde, Inc., a wholesale food company founded by his grandfather. Pitt initiated and developed Malone & Hyde's specialty retailing division, beginning with drug stores and expanding to include sporting goods stores and supermarkets.

Pitt saw a need for a retail automotive parts store to help people with the upkeep of their vehicles, so he created Auto Shack. He believed that the characteristics found in supermarkets - clean, well-organized store, accessible products and great customer service - could be applied to the automotive parts business. In 1979, his vision became a reality.

On July 4, 1979, Auto Shack opened its first store in Forrest City, Arkansas. Doc Crain was the first Auto Shack store manager and sales that day totaled about \$300. In 1986, Auto Shack was spun off as a freestanding company of which Pitt served as Chairman and CEO.

Today, Auto Shack is AutoZone - a Fortune 500 company and the leading auto parts retailer in the United States with more than \$12 billion in annual sales.

AutoZone continues to fuel growth by exploring new businesses and entering new markets. In 1996, AutoZone launched a commercial program offering credit and delivery to professional technicians. Later, with the purchase of ALLDATA, AutoZone acquired the nation's leading provider of electronic automotive diagnostic and repair software. In 1998, AutoZone expanded its presence outside the U.S. borders to Mexico, opening our first AutoZone de Mexico store in December 1998.

## Our HISTORY And TIMELINE





# Location Overview



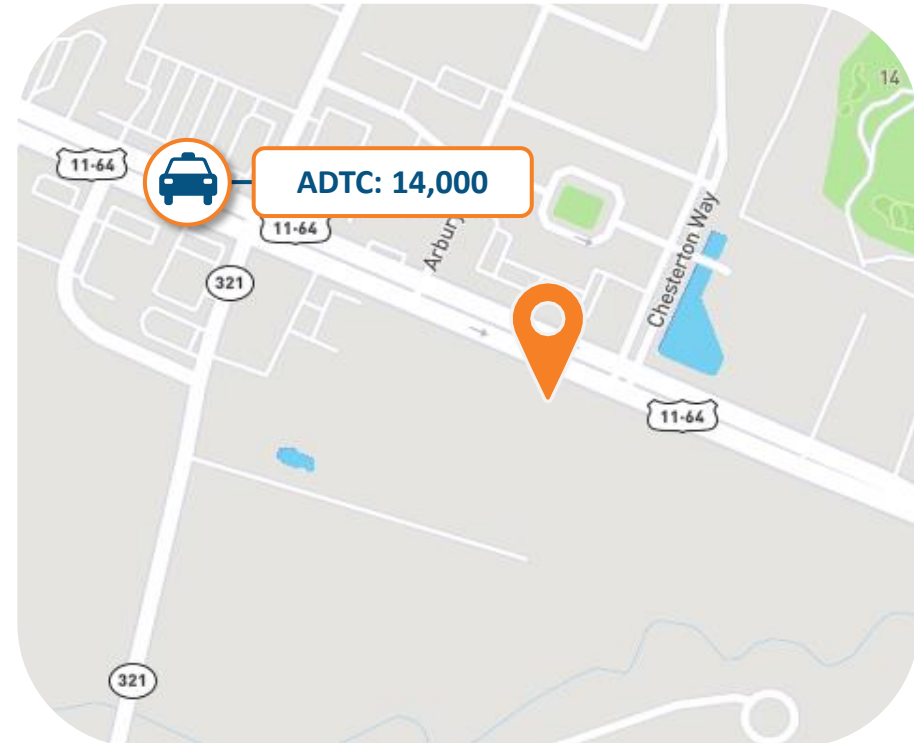
This Chase Bank is located at 9314 Lee Highway and just under six miles from the Chattanooga Volkswagen Production and Assembly Plant. The Volkswagen Plant is approximately 1,900,000 square feet sitting on just over a 1,400 acre parcel of land. Formally known as “Enterprise South Industrial Park”, over 2,000 employees work full time, in addition to other engineers and site staff. Located east of the Tennessee River, Ooltewah was rated one of the best MSAs to live in throughout Tennessee, with over 168,200 people residing within a 10-mile radius of the investment property to be specific.

The subject property is well-positioned in an extremely dense commercial corridor, benefitting from its proximity to major national retailers, massive shopping centers, dozens of hotels, and various points of interest. Major national retailers in the area include: Walmart, Chick-fil-A, Walgreens, McDonald’s, Starbucks, Burger King, Aldi, BB&T Bank, Taco Bell, Arby’s, BP, 7-Eleven, Dunkin’ Donuts, Waffle House, Pizza Hut, Sonic, and so many more. Hospitality accommodations within immediate proximity to this investment property include | Holiday Inn Express & Suites, Hampton Inn, SpringHill Suites, Courtyard, Super 8, Windgate, Fairfield Inn & Suites, Residence Inn, Embassy Suites, Best Western, and many more. The Chattanooga Volkswagen Production and Assembly Plant. The plant opened in 2008 and is just over 5 miles south, down I-75, from the investment AutoZone property. The 1,900,000 square foot, Enterprise South Industrial Park, employs over 2,000 and has continued to be a lucrative driver in the economy of the retail corridor shared by that of the subject investment property since.

Ooltewah is a fast-growing northern suburb of Chattanooga, about 25 minutes from downtown Chattanooga, and located in Hamilton County, Tennessee. Chattanooga is a city located along the Tennessee River near the southeastern corner of Tennessee. With an estimated population of 179,139 in 2017, it is the fourth-largest city in Tennessee and one of the two principal cities of East Tennessee, along with Knoxville. Served by multiple railroads and Interstate highways, Chattanooga is a transit hub. Chattanooga lies 120 miles northwest of Atlanta, Georgia; 120 miles southwest of Knoxville, Tennessee; 135 miles southeast of Nashville, Tennessee; 120 miles northeast of Huntsville, Alabama; and 148 miles northeast of Birmingham, Alabama. The city, with a downtown elevation of approximately 680 feet, lies at the transition between the ridge-and-valley portion of the Appalachian Mountains and the Cumberland Plateau. Surrounded by mountains and ridges, the official nickname for Chattanooga is the Scenic City, reinforced by the city's reputation for outdoor activities. Its trolleylike Incline Railway scales steep Lookout Mountain before reaching Ruby Falls waterfall and Rock City, featuring sweeping views, sandstone formations and gardens. Point Park, also atop Lookout, marks the site of a Civil War battle now honored at the Battles for Chattanooga Museum.

## HIGHLIGHTS

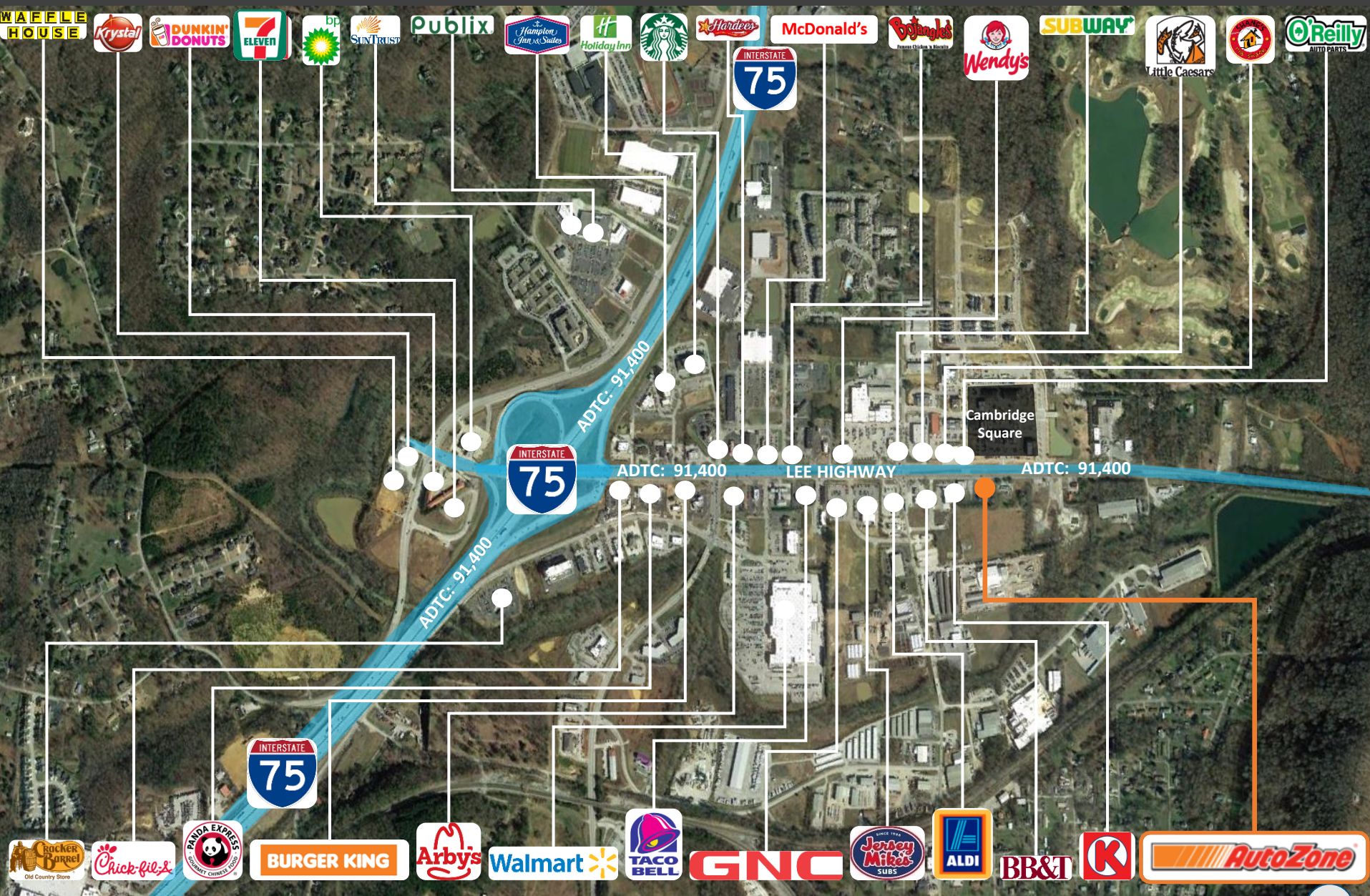
- ✓ Strategic Real Estate Positioning | Located Within 6 Miles From the Chattanooga Volkswagen Assembly Plant | Over 2,000 Workers In a State of The Art 1,900,000 Square Foot Industrial Plant
- ✓ Highly Dense Retail Corridor | Walmart, Chick-fil-A, Walgreens, McDonald’s, Starbucks, Burger King, Aldi, BB&T Bank, Taco Bell, Arby’s, BP, 7-Eleven, Dunkin’ Donuts, Pizza Hut, Sonic, and So Many More
- ✓ Extremely Strong Traffic Counts | Lee Highway & Interstate-75 | Traffic Counts Exceeding 14,000 & 91,400 Per Day, Respectively
- ✓ Strong Academic Presence | Ooltewah High School | Located Just Under 4 Miles From the Subject Property | Student Population Exceeding 1,600 Students





# Surrounding Area

Property Address: 9314 Lee Highway, Ooltewah, TN 37363







# Property Photo

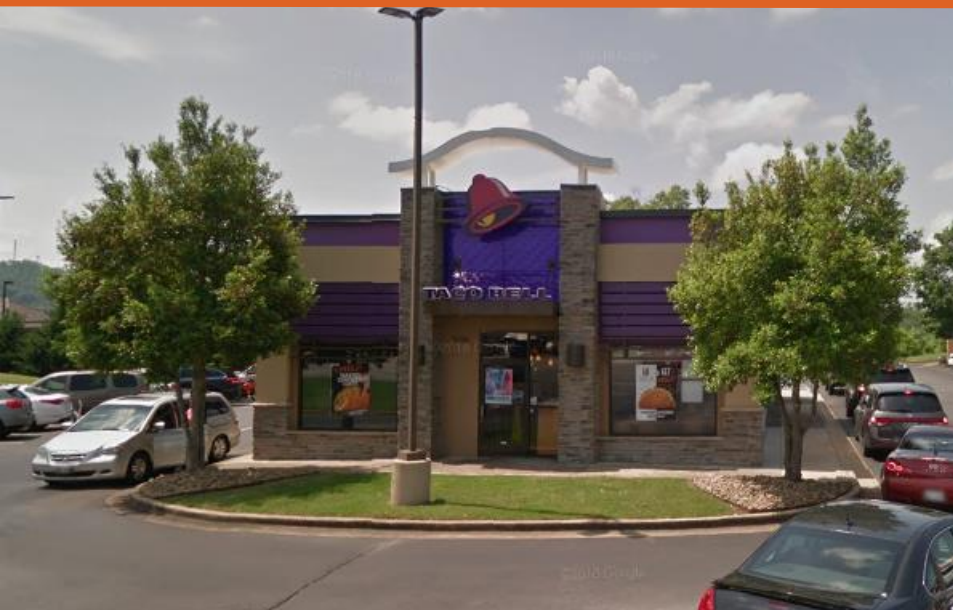
Property Address: 9314 Lee Highway, Ooltewah, TN 37363







# Surrounding Property Photos



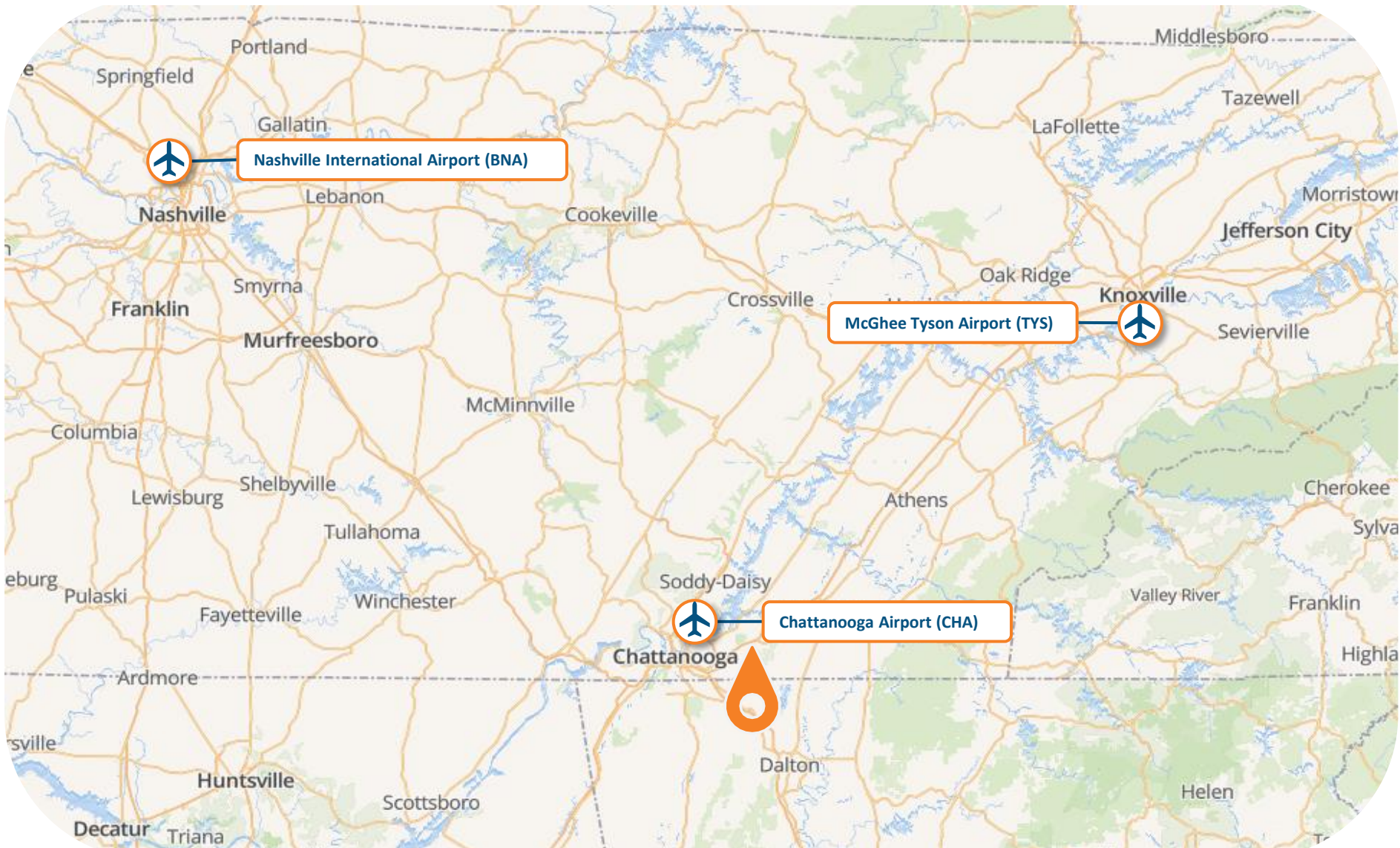




# Regional Map



Property Address: 9314 Lee Highway, Ooltewah, TN 37363



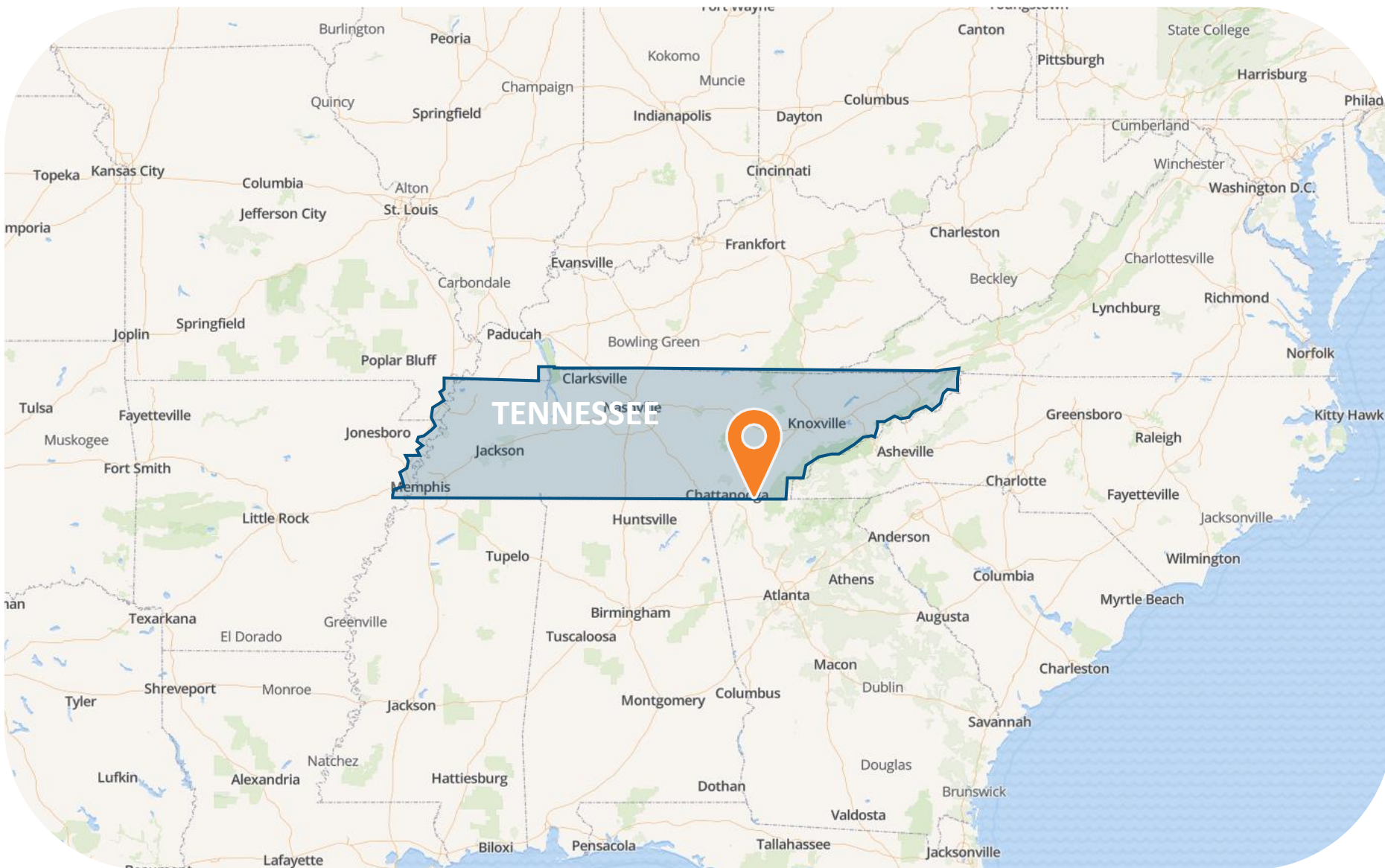




# State Map



Property Address: 9314 Lee Highway, Ooltewah, TN 37363

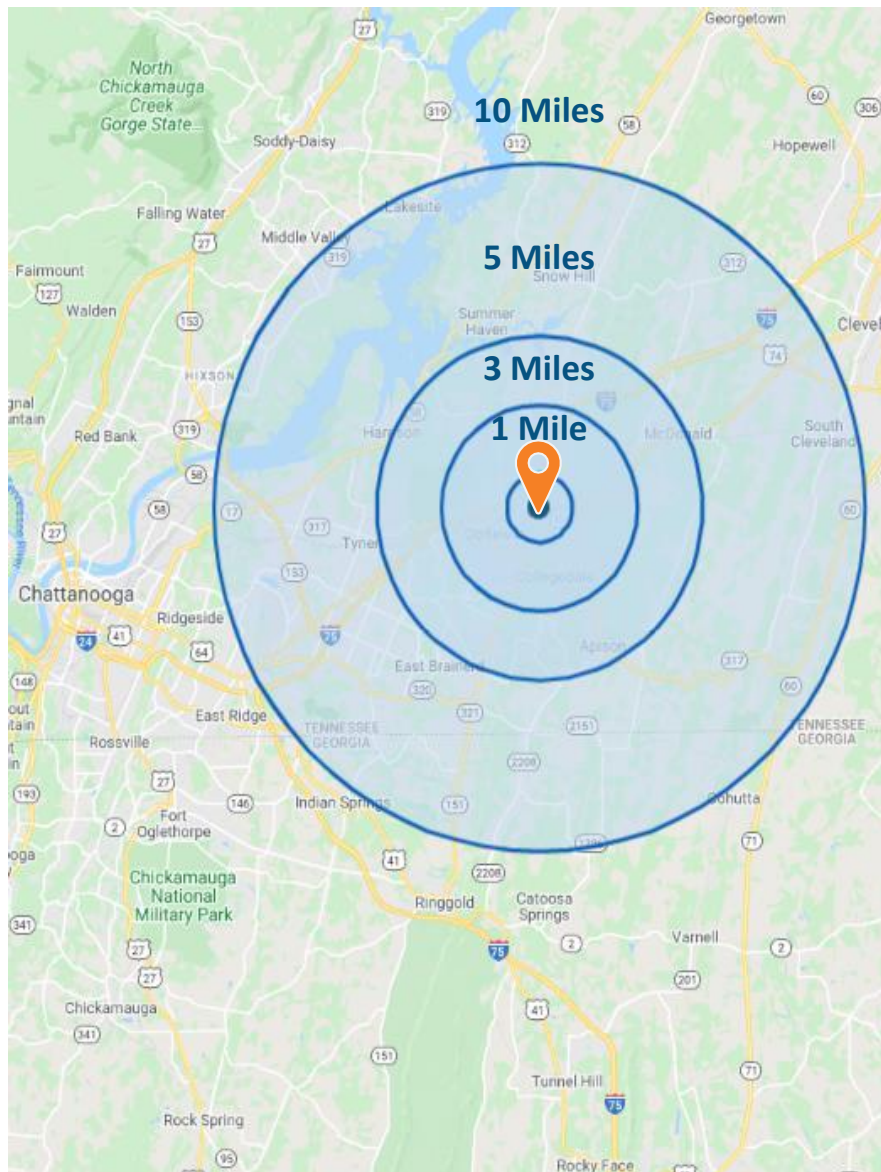




# Demographics



Property Address: 9314 Lee Highway, Ooltewah, TN 37363



	3 Miles	5 Miles	10 Miles
<b>POPULATION</b>			
2023 Projection	21,087	54,480	179,023
2018 Estimate	19,308	50,414	168,184
2010 Census	15,955	43,705	152,419
2000 Census	11,801	32,811	130,436
<b>INCOME</b>			
Average	\$89,932	\$94,263	\$82,981
Median	\$66,652	\$69,237	\$59,595
Per Capita	\$32,041	\$34,263	\$33,061
<b>HOUSEHOLDS</b>			
2023 Projection	7,563	19,737	71,674
2018 Estimate	6,799	17,956	66,552
2010 Census	5,515	15,326	60,018
2000 Census	4,017	11,514	50,272
<b>HOUSING</b>			
2018	\$213,228	\$205,730	\$190,621
<b>EMPLOYMENT</b>			
2018 Daytime Population	19,119	45,232	162,308
2018 Unemployment	4.10%	3.77%	3.31%
2018 Median Time Traveled	24 Mins	25 Mins	24 Mins
<b>RACE &amp; ETHNICITY</b>			
White	83.44%	82.33%	78.03%
Native American	0.16%	0.11%	0.05%
African American	6.89%	9.79%	14.63%
Asian/Pacific Islander	3.30%	2.84%	2.99%





# Market Overview



City: Chattanooga | County: Hamilton | State: Tennessee

*Chattanooga, Tennessee*



## Chattanooga

Chattanooga is a city located along the Tennessee River near the southeastern corner of the U.S. state of Tennessee. With an estimated population of 179,139 in 2017, it is the fourth-largest city in Tennessee and one of the two principal cities of East Tennessee, along with Knoxville. Served by multiple railroads and Interstate highways, Chattanooga is a transit hub. Chattanooga lies 120 miles (190 km) northwest of Atlanta, Georgia, 120 miles (190 km) southwest of Knoxville, Tennessee, 135 miles (217 km) southeast of Nashville, Tennessee, 120 miles (190 km) northeast of Huntsville, Alabama, and 148 miles (238 km) northeast of Birmingham, Alabama. Efforts to improve the city include the "21st Century Waterfront Plan" – a \$120 million redevelopment of the Chattanooga waterfront area, which was completed in 2005. The Tennessee Aquarium, which opened in 1992, has become a major waterfront attraction that has helped to spur neighborhood development. Since the opening of the Aquarium, Downtown Chattanooga has experienced over \$5 billion dollars of private investment. Nearly \$1 billion of those private dollars have been invested in Downtown Chattanooga since 2014. Chattanooga's economy includes a diversified and growing mix of manufacturing and service industries. Notable Chattanooga businesses include Access America Transport, BlueCross BlueShield of Tennessee, CBL & Associates, The Chattanooga Bakery, Chattem, the world's first Coca-Cola bottling plant, Coker Tire, U.S. Xpress Inc., Covenant Transport, Double Cola, CraftWorks Restaurants & Breweries, Luken Communications, Miller & Martin, the National Model Railroad Association, Reliance Partners, Republic Parking System, Rock/Creek, Tricycle Inc., and Unum. The city also hosts large branch offices of Cigna, AT&T, T-Mobile USA, and UBS. In downtown Chattanooga are the Creative Discovery Museum, a hands-on children's museum dedicated to science, art, and music; an IMAX 3D Theatre, The Chattanooga Zoo at Warner Park and the newly expanded Hunter Museum of American Art. The Tennessee Riverwalk, an approximately 13-mile-long trail running alongside the river, is another attraction for both tourists and residents alike.



Marcus & Millichap

# EXCLUSIVE NET LEASE OFFERING



**TN Broker of Record:**

Jody McKibben  
Marcus & Millichap  
6 Cadillac Drive, Suite 100  
Brentwood, TN 37027  
Tel: (615) 997-2900  
License #: 307629