

Ruby Tuesday

New Corporate 20-Year Lease
Absolute NNN
Strong Store Sales



In Association with Scott ReidParaSell, Inc | A Licensed Alabama Broker #000127148 - 0

OFFERING MEMORANDUM
ALEXANDER CITY, ALABAMA



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS

Ruby Tuesday

OFFERING MEMORANDUM

ALEXANDER CITY, ALABAMA

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OFFERING SUMMARY

RUBY TUESDAY



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LOCATION

Ruby Tuesday
4097 U.S. Highway 280
Alexander City, AL 35010



OFFERING SUMMARY

Price:	\$1,685,000
Current Net Operating Income (NOI):	\$122,181
Current Capitalization Rate:	7.25%
Price per Square Foot:	\$328
Net Rentable Area:	5,136
Year Built:	2007
Lot Size (Acres):	1.27

LEASE TERMS (1)

Lease Commencement:	12/18/2017
Lease Expiration:	6/30/2040
Lease Type:	Absolute NNN
Roof & Structure:	Tenant Responsibility
Monthly Rent:	\$10,182 (\$1.98/sf)
Annual Rent:	\$122,181 (\$23.79/sf)
Rental Increases:	1.5% Annual Increases
Renewal Options:	Four 5-Year with 1.5% Annual Increases
Ownership:	Fee Simple (Land and Building)

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.



INVESTMENT HIGHLIGHTS

RUBY TUESDAY



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- **New 20-Year Absolute NNN Corporately Guaranteed Ruby Tuesday**
 - Newly executed 20-year corporate guaranteed lease
 - Absolute NNN investment with zero landlord responsibilities
 - 1.5% annual rental increases – excellent hedge against inflation
 - Strong store sales with a healthy 8% rent-to-sales ratio
 - \$721 million in sales in 2018 and ranked #67 in the Top 500 Restaurant Chains in 2019
 - Owned by NRD Capital who boasts over 75 years of operating history and \$1.5 billion in annual revenue
- **Prominent Highway Location:** Situated along U.S. Highway 280, the major highway traveling through Alexander City with over 27,000 CPD
- **Large Pylon Sign:** Equipped with a large pylon sign, increasing visibility to the site
- **Major Retail Corridor:** Nearby tenants include Walmart Supercenter, Winn Dixie, Walgreens, Dollar Tree, Tractor Supply, Harbor Freight, Wells Fargo, Regions Bank, McDonald's, O'Reilly Auto Parts, Taco Bell, and Burger King



INVESTMENT HIGHLIGHTS

RUBY TUESDAY



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- **Optimal Demographics for Ruby Tuesday:** Over 17,000 residents in the 5-mile trade area with an average household income of more than \$68,000 in the immediate 1-mile trade area
- **3 Miles to Lake Martin (44,000 Acres, 800 Miles of Shoreline, \$4.7B Economic Impact):** Lake Martin is a treasured lake in AL, the largest lake by volume in AL, and one of the largest man-made lakes in the U.S.; Lake Martin has a \$4.7B Economic Impact; 400,000+ annual visitors (est.)
- **1.2 Miles from Russell Medical Center:** The site is 1.2 miles from Russell Medical Center, the area's largest hospital with 81 beds and 52 physicians on active staff
- **1.1 Miles from Central Alabama Community College:** The site is 1.1 miles from Central Alabama Community College (1,575 enrolled students), providing a direct consumer base to draw from
- **Close Proximity to Montgomery and Birmingham AL:** Alexander City is within the Montgomery-Selma-Alexander City CSA and is 50 miles outside Montgomery, AL, 71 miles from Birmingham, AL, and 123 miles from Atlanta, GA

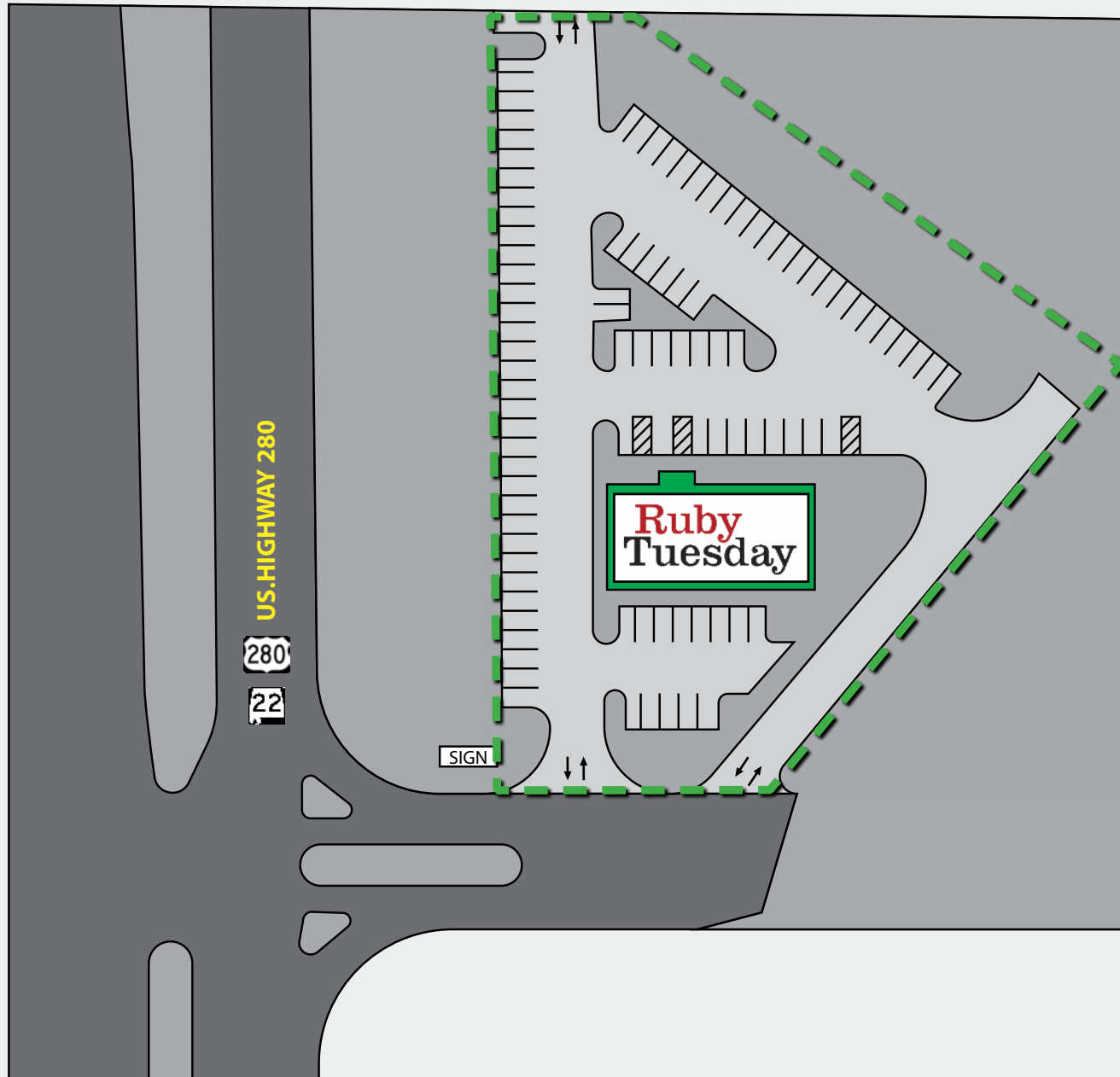


SITE PLAN / PARCEL MAP

RUBY TUESDAY



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Surrounding
TENANTS
NOT A PART





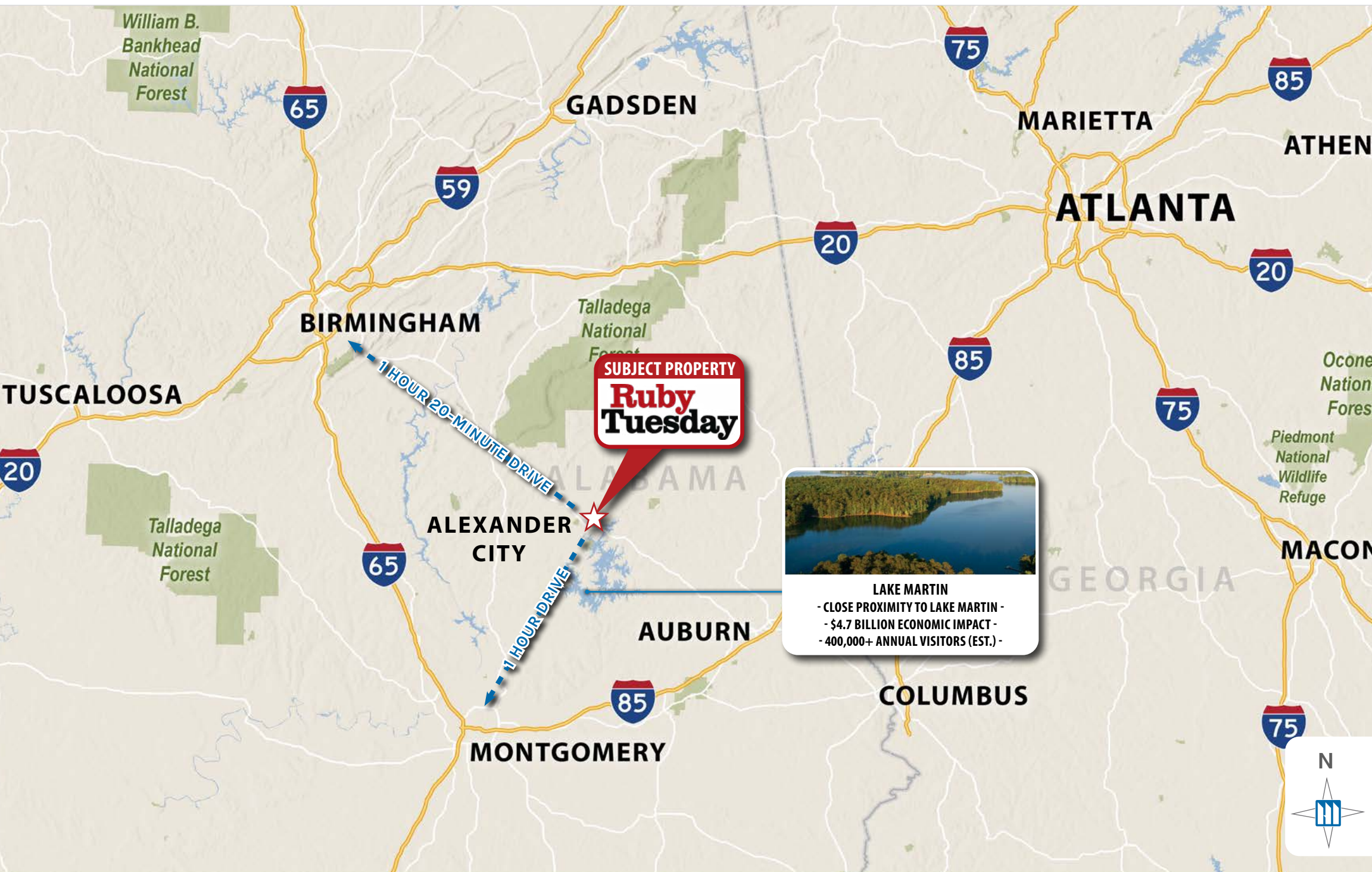
LAKE MARTIN

- ◆ One of the largest man-made lakes in the United States
- ◆ 880 miles of shoreline
- ◆ A popular recreation area for swimming, boating, fishing, water skiing, camping, and golfing
- ◆ Hosts many events throughout the year, including fishing tournaments, a fireworks show on the Fourth of July, and the Alexander City Jazz Festival
- ◆ \$4.7 billion economic impact
- ◆ 400,000+ annual visitors (est.)











REPRESENTATIVE PHOTOS

Ruby Tuesday

Ruby Tuesday is an American classic and international favorite casual dining establishment. The company is an American multinational food service retailer and owns, operates, and franchises Ruby Tuesday restaurants. This casual dining restaurant chain offers customers handcrafted American cuisine including burgers, chicken, pasta, ribs, steak, sandwiches, soup, and a salad bar.

NRD Capital Management opted to take the company private in 2018 through a \$146 million buyout. Revenue in 2019 was estimated to be \$1.1 billion. The company aims to invest in companies offering superior services and to improve unit-level profitability for franchisee partners who buy into the fund. The company's portfolio has 14 brands, including Ruby Tuesday, The Captain's Boil, Altitude Trampoline Park, Frisch's, Fuzzy's Taco Shop, and Mike's Kitchen.

The company was founded in 1972 by Samuel E. Beale III in Knoxville, Tennessee, near the campus of the University of Tennessee. In 1998, the company relocated their headquarters in Maryville, Tennessee. Nearly 28,000 employees serve guests at 300 restaurants in 38 states (most of which are concentrated on the eastern coast of the U.S.) and 11 countries and territories around the world.

TOP HONORS

- **#20 "Composite Loyalty Index"** - FSR Magazine (2020)
- **#481 "Best Employers for Diversity"** - Forbes (2019)

Company Type:	Private
Locations:	300
Website:	www.rubytuesday.com



Alexander City, Alabama

- Located in central Alabama in Tallapoosa County on the shores of the 44,000-acre Lake Martin
- 14,375 city population; 40,613 county population
- Referred to as "Alex City" by locals and known for its abundant outdoor activities including boating, skiing, hiking, and fishing

ECONOMY

- Traditionally dominated by the textile industry, but has become more diversified after the sale of Russell Athletic in 2006
- Today the economy is driven by manufacturing (30.3%), healthcare and social assistance (16.5%), and retail trade (9.1%)
- Textiles, automobile parts, and building products are among the products manufactured in the area
 - **SL Alabama** - A large manufacturer of headlights, rear combination lights, and side mirrors for companies such as Hyundai and Kia; 650 local employees
- **Russell Medical Center** - An 81-private bed general care hospital, offering 25 medical specialties; ranked among "Top 100 Hospitals" in several reports
- 19,900 comprise the county's labor force
- The cost of living is 25% lower than the U.S. average

POINTS OF INTEREST

- **Camp ASCCA-Easter Seals** - A camp developed for children with serious illnesses; 10,000+ annual visitors
- **Children's Harbor** - A unique campus located on Lake Martin offering children with various diagnoses a place to play in a safe environment with their families; the facility includes a wheel-chair accessible playground, swimming pool, activity room, miniature golf course, amphitheater, water sport activities, and campfire site

TRANSPORTATION

- U.S. 280 provides quick access to Montgomery (50 miles), Birmingham (71 miles), and Atlanta (135 miles)

EDUCATION

- Alexander City School District operates 3 elementary schools, 1 middle school, and 1 high school; plans for a new high school are in the works
- **Central Alabama Community College** - A 2-year academic and technical degree program offering certificates, preparation for 4-year degrees, and workforce training; scholarships are provided by the community to high school students receiving above a "C"

City of Alexander City *Highlights*



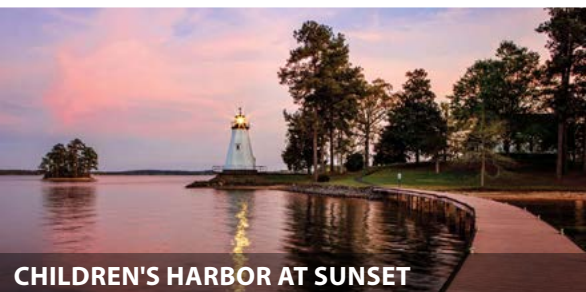
**MANUFACTURING IS THE
TOP ECONOMIC SECTOR**



**14,375 CITY POPULATION;
40,613 COUNTY POPULATION**



**ABUNDANT OUTDOOR
RECREATION**



CHILDREN'S HARBOR AT SUNSET



CAMP ASCCA



LAKE MARTIN



Montgomery-Selma-Alexander City, Alabama CSA

- Comprised of Montgomery, Autauga, Lowndes, Elmore, Tallapoosa, Coosa, and Dallas counties in central Alabama
 - Contains Montgomery, the state capital and 2nd largest city in the state
- 461,515 population in the combined statistical area (CSA)

ECONOMY

- #109 "Cost of Doing Business" - Forbes (2019) (Montgomery)
- Diverse economy with the largest sectors being healthcare and social assistance (12.3%), retail trade (12.2%), public administration (11.9%), manufacturing (10.8%), and accommodation and food services (9.5%)
 - **Baptist Health** - A multi-hospital health system that employs 2,473 people and earned \$305 million in 2019 revenue
 - **Hyundai Motor Manufacturing Alabama** - One of the most advanced assembly plants in North America and Hyundai's 1st assembly and manufacturing plant in the U.S.; \$1.7 billion automotive plant employing 3,400 people in the area
- **Maxwell Air Force Base** - A U.S. Air Force installation located in Montgomery that is home to 12,500 active duty, reserve, civilian, and contractor personnel; interacts with officials across a 3-county, 12-city region with an economic impact of \$2.6 billion annually
- The tourism industry is on the rise within Montgomery, accounting for 14,000 direct and indirect jobs
- \$18.6 billion 2018 Gross Metro Product in the Montgomery area
- The cost of living in areas of the combined statistical area are up to 25% below the U.S. average

TRANSPORTATION

- **Montgomery Regional Airport (MGM)** - A civil-military airport owned by the Montgomery Airport Authority used for military aviation and general aviation from Delta Airlines and American Airlines
- Montgomery Area Transit System provides bus service on 34 buses covering 14 routes with ridership over 600,000 annually
- 2 interstates (65 and 85) and 5 U.S. highways (31, 80, 82, 231, and 331) provide easy access to the rest of the country



DOWNTOWN MONTGOMERY



HYUNDAI MOTOR MANUFACTURING PLANT



MAXWELL AIR FORCE BASE



**COST OF LIVING IS UP TO
25% BELOW U.S. AVERAGE**



**4.5 MILLION VEHICLES
PRODUCED BY HYUNDAI**



**MONTGOMERY IS
THE STATE CAPITAL**

\$2.6B

**ECONOMIC IMPACT FROM
AIR FORCE BASE**



DEVELOPMENTS

- **Hyundai Motor Manufacturing Expansion** - 230,000 square feet of space added to the stamping, welding, and parts processing areas of the manufacturing complex in order to add a new vehicle to the product lineup; expected to cost \$410 million and add 200 direct jobs and up to 1,000 indirect jobs throughout the region
- **Whitewater Park** - A 25-acre central park that will feature rafting and kayaking along a man-made whitewater course that twists through restaurants, shops, a beer garden, an outdoor concert venue and a hotel and conference center; the wider, 120-acre site will feature a climbing tower, zip lines, mountain biking, rope courses and more
 - Expected to cost \$50 million
- **Marriott Autograph Collection Hotel** - A luxury, boutique hotel to include 100 rooms and suites, a restaurant, and corporate meeting space; only the 3rd such hotel in the entire state
- **Staybridge Suites** - A 100-room extended-stay hotel offering 1- and 2-bedroom suites with full kitchens, meeting space, a fitness center, a business center, and convenience store; opened in late 2019 and cost \$12.5 million

TOURISM

- "52 Places to Go in the World in 2018" - New York Times (2018) (Montgomery)
- 430,000 new visitors spent \$1.03 billion in Montgomery in 2019, up 15.5% over previous years
- In 2019, 30,000 more hotel rooms were sold than in 2018; 7,000 total hotel rooms in the city
- **Equal Justice Initiative (EJI)** - Museums and memorials tracing the history of slavery and its aftermath as well as a shrine to victims of lynching; visited by over 750,000 people since opening in the spring of 2018
- **Alabama Shakespeare Festival** - One of the largest Shakespeare theatres in the world housed in the Carolyn Blount Theatre

EDUCATION

- 14 colleges and universities are located within 60 miles of Montgomery
 - **Alabama State University** - Located in Montgomery with 5,475 total enrollment; \$100.9 million endowment
 - **Auburn University** - 2nd largest university in Alabama with 30,460 total enrollment; \$793 million endowment



1,200

**DIRECT AND INDIRECT JOBS
FROM HYUNDAI EXPANSION**



**15.5% INCREASE IN
TOURISM SPENDING**



**TOP 52 WORLD DESTINATION
NEW YORK TIMES (2018)**

750K

**VISITORS SINCE 2018 TO
EJI MUSEUM AND MEMORIAL**



	<u>1-Mile</u>	<u>3-Mile</u>	<u>5-Mile</u>
Population			
2024 Projection	996	12,025	17,161
2019 Estimate	1,006	11,871	17,008
2010 Census	1,028	11,774	16,977
2000 Census	826	11,457	16,939
Growth 2000-2010	24.46%	2.77%	0.22%
Households			
2024 Projection	409	4,824	6,832
2019 Estimate	414	4,753	6,746
2010 Census	429	4,742	6,767
2000 Census	363	4,652	6,667
Growth 2000-2010	18.18%	1.93%	1.50%
2019 Est. Population by Single-Classification Race			
White Alone	675	6,846	10,167
Black or African American Alone	201	4,231	5,815
American Indian and Alaska Native Alone	11	43	54
Asian Alone	39	152	173
Some Other Race Alone	63	452	571
Two or More Races	16	145	221
2019 Est. Population by Ethnicity (Hispanic or Latino)			
Hispanic or Latino	83	595	768
Not Hispanic or Latino	923	11,276	16,240
2019 Est. Average Household Income	\$68,484	\$52,210	\$53,487

CONFIDENTIALITY AGREEMENT

RUBY TUESDAY



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\$6.6 BILLION
retail sales nationwide



SHARED DATABASE
collaborative proprietary database



GLOBEST. INFLUENCERS
in retail & net lease sales



COSTAR POWER BROKER
top sales brokers & firm in OC



NATIONWIDE REACH
retail & investors across the U.S.