

# OFFERING MEMORANDUM

WENDY'S | 2544 DECATUR PIKE, ATHENS, TN

**NEWLY REMODELED  
STORE**



Representative Image



For more information or to submit an offer Contact:

**TED DOWDING**

Managing Broker/ CEO

📞 | 858-999-7431

✉ | [Ted@TDCommercialGroup.com](mailto:Ted@TDCommercialGroup.com)

📍 | Fort Lauderdale, FL

# EXECUTIVE SUMMARY

WENDY'S | 2544 DECATUR PIKE, ATHENS, TN

TD Commercial Group is please to exclusively present this Single Tenant, Absolute NNN Lease investment opportunity in Athens, TN. The offering is inclusive of the original 20-year lease with 15 years remaining before the renewal options. This lease features RARE 7.5% increases every five years and is backed by one of the largest restaurant operators in the World, JAE Restaurant Group. JAE has 215 Wendy's locations and is a top 5 franchisee in terms of size. Wendy's is the 3rd largest quick-service hamburger company with nearly 6,500 locations across 29 countries worldwide.

In 2018, the property was newly remodeled to reflect Wendy's most current prototype. On average after being remodeled Wendy's store sales increase 10%-15%. This location boasts top tier store sales with modest 8.5% rent-to-sales ratio.

Long-Term lease with rare rent increases every five years of 7.5%!  
Three 5-year renewal options with 7.5% rent increases.

## INVESTMENT & PROPERTY HIGHLIGHTS

- 15+ Years remaining | Absolute NNN Lease | Zero Landlord Responsibilities
- Corporate Guarrantee by JAE Restaurant Group
- Top tier store sales | Strong consistant sales | Proven location with 26+ years with strong operating history
- Surrounded by Four National Hotel Chains and directly off of I-75 with 180,000 Vehicles Per Day
- Attractive 7.5% rent increases every 5 years | 3 x 5 Year Renewal Options each with 7.5% rent increases
- Single-Tenant Wendy's backed with a corporate guarrantee by JAE Restaurant Group
- JAE has 215 Wendy's locations and is a top 5 franchisee in terms of size
- Wendy's is the 3rd largest quick-service hamburger company with nearly 6,500 locations across 29 countries worldwide



**LET'S TRANSACT!**

# OFFERING OVERVIEW

WENDY'S | 2544 DECATUR PIKE, ATHENS, TN

## Single-Tenant Net Lease Wendy's

This asset features a brand new 20-year absolute triple-net lease (Zero Landlord Responsibilities) with 7.5% increases every five years, that was executed in August 2015 and runs through August 2050 including the renewal options. This Property underwent image activation, completed in 2018, to reflect Wendy's most current prototype. The Image activation (new store prototype) typically boosts store sales 10%-15%. Top tier store sales with modest 8.5% rent-to-sales ratio. The Lease is guaranteed by JAE Restaurant Group. JAE has 215 Wendy's locations and is a top 5 franchisee in terms of size. Wendy's is the 3rd largest quick-service hamburger company with nearly 6,500 locations across 29 countries worldwide.



### TAX FREE STATE

No state income tax in Tennessee



### DEPRECIABLE ASSET

Sale includes both the land and building



### EXCELLENT VISIBILITY AND ACCESSIBILITY

Three access points along State Route 95/Oak Ridge Turnpike and Wallace Road



### HIGH TRAFFIC LOCATION

Over 28,000 cars per day along State Route 95/Oak Ridge Turnpike at the subject property



### STRONG RETAIL TENANT SYNERGY

Nearby tenants include Walmart Supercenter, Food City, JCPenney, Belk, Cinemark Theatres, Advance Auto Parts, Applebee's, CVS, Dollar General, Long John Silver's, McDonald's, O'Reilly Auto Parts, Pizza Hut, Staples, Starbucks, Taco Bell, and Walgreens



### STRONG DEMOGRAPHICS

Average household incomes over \$65,000 within 5-miles of the subject property



### KNOXVILLE MSA LOCATION

Oak Ridge is approximately 30 minutes from Downtown Knoxville



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# INVESTMENT SUMMARY

WENDY'S | 2544 DECATUR PIKE, ATHENS, TN

## Location

2544 Decatur Pike

Athens, TN 37303

## Pricing Summary

|                                       |                       |
|---------------------------------------|-----------------------|
| Price:                                | \$2,850,000           |
| Net Operating Income (NOI) Per Year:  | \$155,875             |
| Net Operating Income (NOI) Per Month: | \$12,990              |
| CAP Rate:                             | 5.47%                 |
| Net Rentable Area:                    | 3,120 square feet     |
| Year Built:                           | 1994 (2018 Remodeled) |
| Lot Size:                             | 43,560 square feet    |

## Financing Summary

### All Cash or Cash to New Financing

Deliverable Free & Clear | This Asset get very Favorable Financing Given Strength of the location, Long Term Absolute NNN Lease and Strong Successful Operator.



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BEFORE IMAGE ACTIVATION



AFTER IMAGE ACTIVATION (PROTOTYPE)



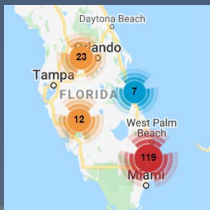


# FRANCHISEE PROFILE

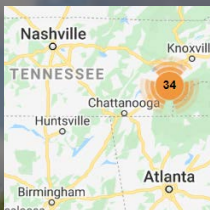
WENDY'S | 2544 DECATUR PIKE, ATHENS, TN

JAE Restaurant Group. is one of the largest franchisees of Wendy's Old Fashion Hamburger's quick service restaurants. Headquartered in Pompano Beach, Florida, JAE Restaurant Group operates 229 Wendy's restaurants throughout Florida (153), Tennessee (33), New Mexico (32), and Texas (11). JAE is currently is a top five franchisee in terms of size in the United States and has distinguished itself as one of the most successful franchisees in the Wendy's system.

## FLORIDA - 153



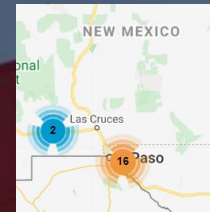
## TN - 33



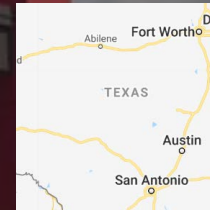
## OPERATORS LOCATIONS



## NEW MEXICO - 32



## TEXAS - 11



**JAE**  
RESTAURANT  
GROUP

JAE RESTAURANT GROUP

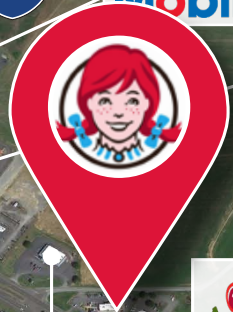
Operators Website - [www.jaerestaurantgroup.com/](http://www.jaerestaurantgroup.com/)



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180,820+ VPD



4 NATIONAL HOTEL CHAINS



OPERATOR'S LOCATIONS



Athens Regional Park

30

DECATUR PIKE (18,000+ VPD)



391 Miles to Memphis  
57 Miles to Nashville  
169 Miles to Knoxville



11



CONGRESS PKWYS (14,000+ VPD)



2020 DEMOGRAPHICS

Population:

|                   |        |
|-------------------|--------|
| Three Mile Radius | 11,714 |
| Five Mile Radius  | 21,517 |
| Ten Mile Radius   | 43,714 |

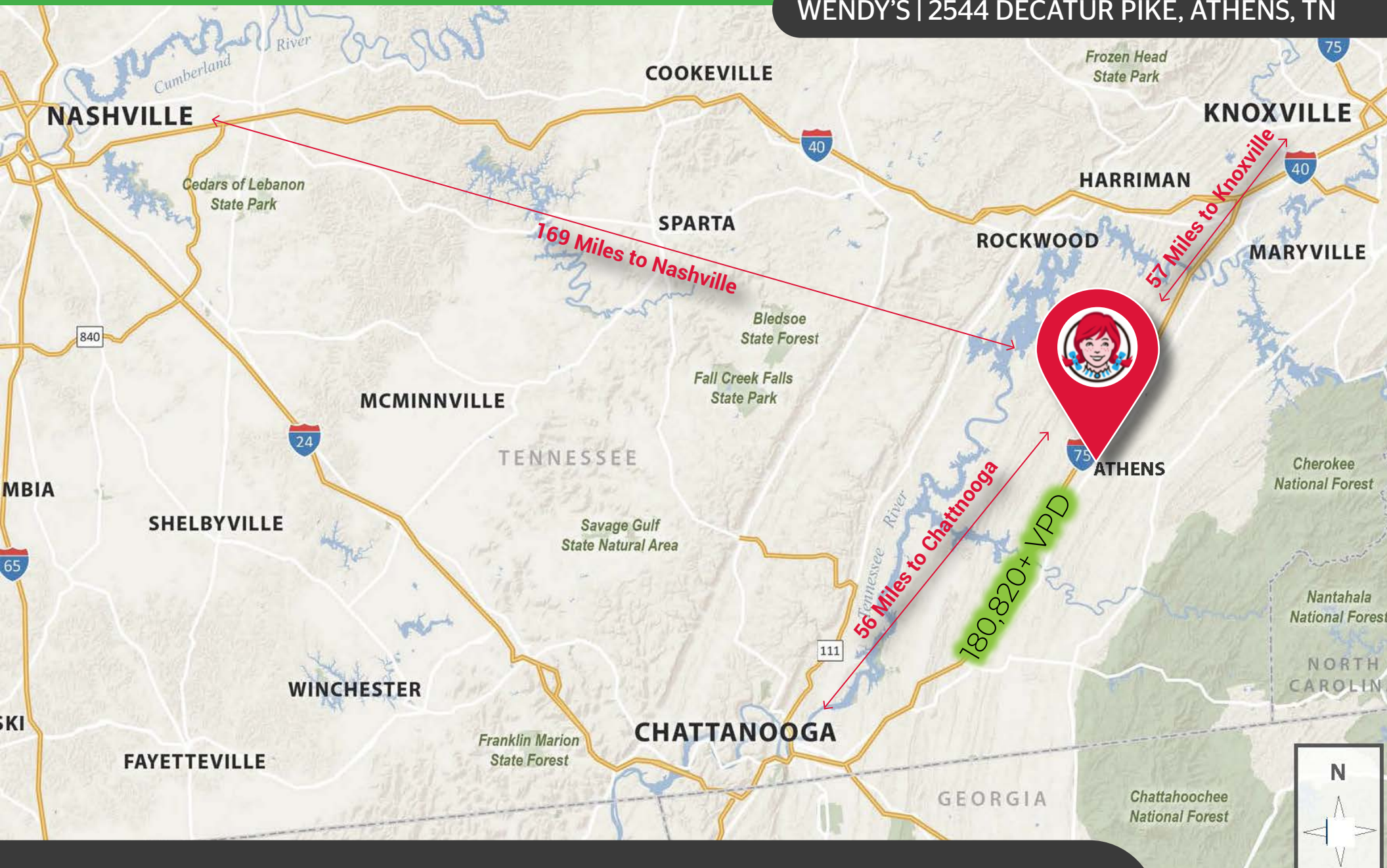
Household Income:

|                   |          |
|-------------------|----------|
| Three Mile Radius | \$48,159 |
| Five Mile Radius  | \$52,586 |
| Ten Mile Radius   | \$54,983 |



# REGIONAL MAP

WENDY'S | 2544 DECATUR PIKE, ATHENS, TN





# TENANT OVERVIEW

WENDY'S | 2544 DECATUR PIKE, ATHENS, TN

**6500 Locations (2018)**

**2018 Sales: \$1.59 Billion**

**S & P Credit: B Investment Grade**

**Company Type: Public**

**Common Stock Value: \$4.43 Billion**

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|                          |                |
|--------------------------|----------------|
| Company Website          | www.wendys.com |
| Stock Symbol             | NASDAQ: WEN    |
| Market Capitalization    | \$4.43 Billion |
| Standard & Poor's Rating | BB             |
| Number of Total Stores   | 6,537          |
| Year Founded             | 1969           |
| Headquarters             | Dublin, Ohio   |



The Wendy's Company (NASDAQ: WEN) is the world's third largest quick-service hamburger company. The Wendy's system includes more than 6,500 franchise and Company restaurants in the U.S. and 29 other countries and U.S. territories worldwide.

## TRANSFORMING THE WENDY'S BRAND

The Wendy's Company (NASDAQ: WEN) is the world's third largest quick-service hamburger company. The Wendy's system includes approximately 6,500 franchise and Company restaurants in the U.S. and 29 other countries and U.S. territories worldwide.

Dave Thomas opened the first Wendy's restaurant in 1969 in Columbus, Ohio. He opened the door to a new gold standard in quality food - developing an innovative method to prepare fresh, made-to-order hamburgers while using select, premium ingredients. The chain is known for its square hamburgers and the Frosty, a form of soft serve ice cream mixed with frozen starches. Wendy's is known for many firsts, including offering the first modern-day, drive-thru window in 1970 at its 2nd location and being the first fast-food chain to introduce the salad bar in 1979.

On July 4, 2011, Wendy's Restaurants completed the sale of 100% of the common stock of Arby's to ARG IH Corporation, a wholly owned subsidiary of ARG Holding Corporation, for \$130.0 million in cash and 18.5% of the common stock, through which Wendy's Restaurants indirectly retained an 18.5% interest in Arby's. In September 2013, Wendy's reported a 3.2 percent sales increase compared to 2.7 percent the year prior resulting in consolidated revenues of \$640.8 million compared to the \$636.3 million in 2012. The success of the Wendy's Company continues to focus on their brand transformation with bold restaurant designs, new packaging and innovative menu introductions such as their Pretzel Bacon Cheeseburger.

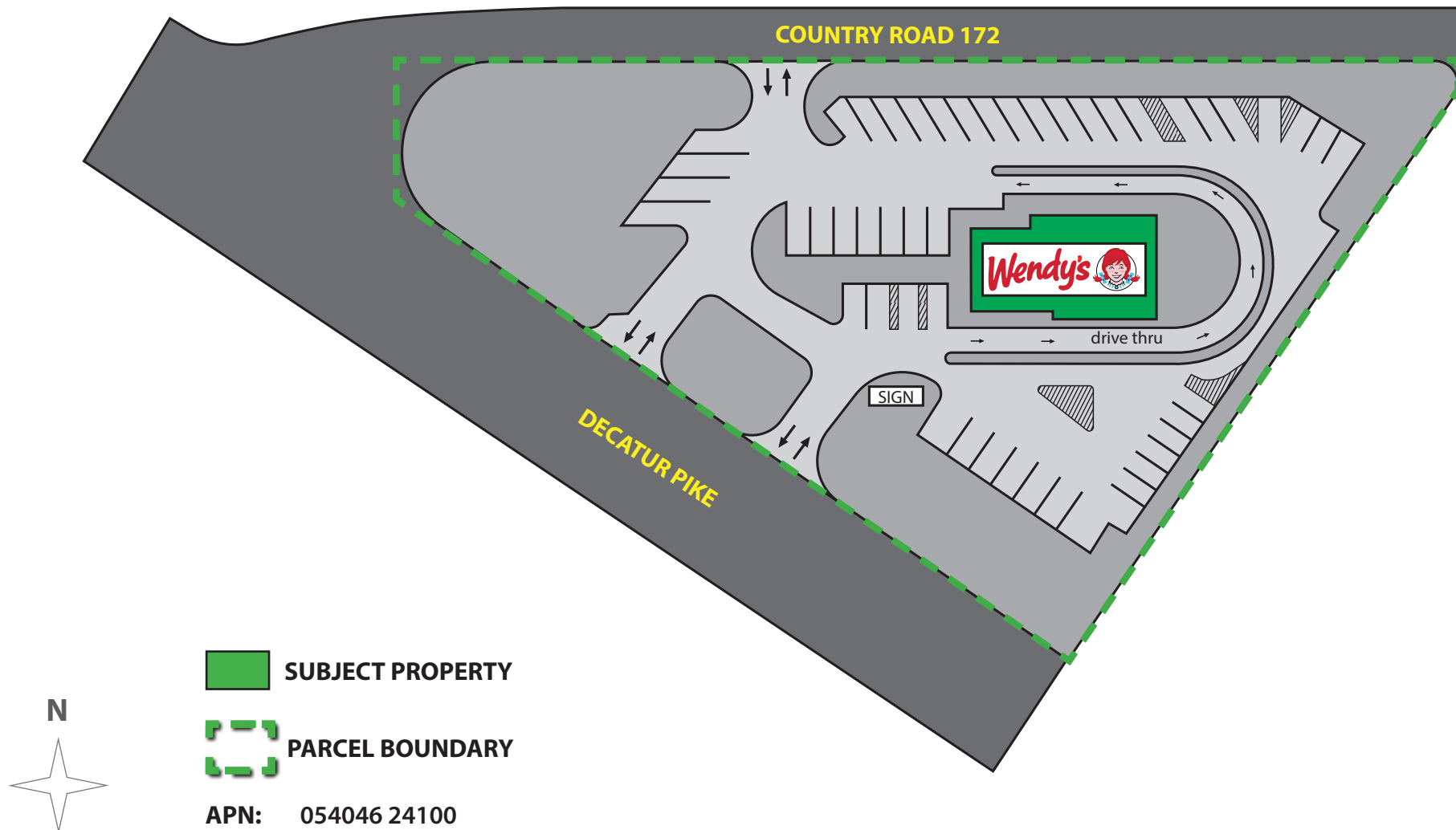


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# SITE PLAN

WENDY'S | 2544 DECATUR PIKE, ATHENS, TN





# LOCATION OVERVIEW

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Athens is a city in Southeast region of Tennessee and the county seat of McMinn County. It is conveniently located along Interstate 75 mid-way between the cities of Knoxville and Chattanooga. Within less than a one hour drive, you can enjoy the regional amenities of either metro area. Nestled in the foothills of the Great Smoky Mountains, Athens offers a southern hospitality that grew during the years in which it was a small agricultural center. Over the years, Athens has grown industrially but has been able to maintain the reputation of the "The Friendly City." The town of Athens, Tennessee, was created in 1822, on land obtained from William Lowry and Joseph Calloway. Originally the town boundaries consisted of 35 acres bordering on the Eastnalle Creek, which was used as a source of water power to operate the various mills that eventually located along the creek. Important in the location of the town was a healthy water supply, which was provided by a large spring near the center of town.

The Athens area has a bountiful supply of recreational spots. Trout fishermen can enjoy a tranquil day of fishing on the Tellico River, one of the most scenic trout streams in America. Hiking, camping and fishing are also available at Bald River Falls or in the Cherokee National/Forest. There are also several swimming and tennis facilities located in McMinn County as well as four golf courses: Ridgewood Golf Club, Springbrook Golf & Country Club, White Oaks Golf Course and Willow Springs Golf Course. Not only are there many recreational activities in which to take a part, but they are located in some of the most scenic areas of the Southeast.

McMinn County is located along Interstate 75, a major transportation corridor in both the Chattanooga and Knoxville regions in Southeast Tennessee. McMinn County offers a great location, a workforce eager to tackle the demands of advanced manufacturing, low cost taxes in a debtfree county, abundant industrial properties, a favorable quality of life, and support services that are hard to match. The McMinn County Economic Development Authority works to attract new investment and jobs in McMinn County and provides life-long support to our existing industries.



# KNOXVILLE

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Knoxville is the county seat of Knox County and the third largest city in Tennessee. Only 40 miles east from Harriman, it has an estimated 2012 population of 848,350. Knoxville is situated in the Great Appalachian Valley with two principal interstate highways serving the 104.2 square miles. Interstate 40 connects Knoxville to Asheville to the east and Nashville to the west and Interstate 75 connects it to Chattanooga to the south and Lexington to the north. The two interstates merge just west of Knoxville, near Dixie Lee Junction, and diverge as they approach the Downtown area with I-40 continuing through the Downtown area and I-75 turning north. Knoxville's busiest road is a stretch of U.S. Route 129 known as Alcoa Highway, which connects the Downtown area with McGhee Tyson Airport.

The City's economy began in the 1850s as a major wholesaling and manufacturing center and has since diversified in other fields including Real Estate, Finance, Manufacturing, Retail, Technology and Research. The Tennessee Valley Authority, headquartered in Knoxville, is the nation's largest public power provider and is a federally owned corporation with a reported \$11.2 billion in revenue in 2012, employing over 12,000 region-wide. Knoxville's largest publicly traded company is movie theater chain Regal Entertainment Group while Pilot Flying J is its the largest privately held company. It is home to the nation's fourth largest wholesale grocer, The H.T. Hackney Company, and one of its largest digital-centric advertising firms, Tombras Group.

Knoxville has a rich arts community and that hosts several year-round festivals including the 17-day Dogwood Arts Festival, Rossini Festival, June's Kuumba Festival, Autumn on the Square and Boomsday (the largest Labor Day fireworks display in the nation). Contributions to old-time, bluegrass and country music are numerous from Flatt & Scruggs and Homer & Jethro to the Everly Brothers. The Knoxville Symphony Orchestra, established in 1935, is the oldest continuing orchestra in the South.

Knoxville is home to several colleges and universities including The University of Tennessee (UT), Pellissippi State Community College, Johnson University, South College and Knoxville College. UT's main campus has approximately 29,833 students and 1,300 faculty. Knoxville is also home to several branch institution campuses which include King College, Lincoln Memorial University, Roane State Community College, National College, ITT Technical Institute, Strayer University, Tennessee Wesleyan College and Tusculum College.

## Top 10 Employers in KNOXVILLE

U.S. Department of Energy - Oak Ridge Operations (13,000) The University of Tennessee, Knoxville (8,161) | Knox County Public School System (8,104) | Covenant Health (9,000+) Tennova Health Care (8,141+) | University of Tennessee Medical Center (3,225) City of Knoxville (2,820) | County of Knox (2,500) | Clayton Homes (2,500) | State of Tennessee, Regional Offices (2,401)

# DEMOGRAPHICS

WENDY'S | 2544 DECATUR PIKE, ATHENS, TN

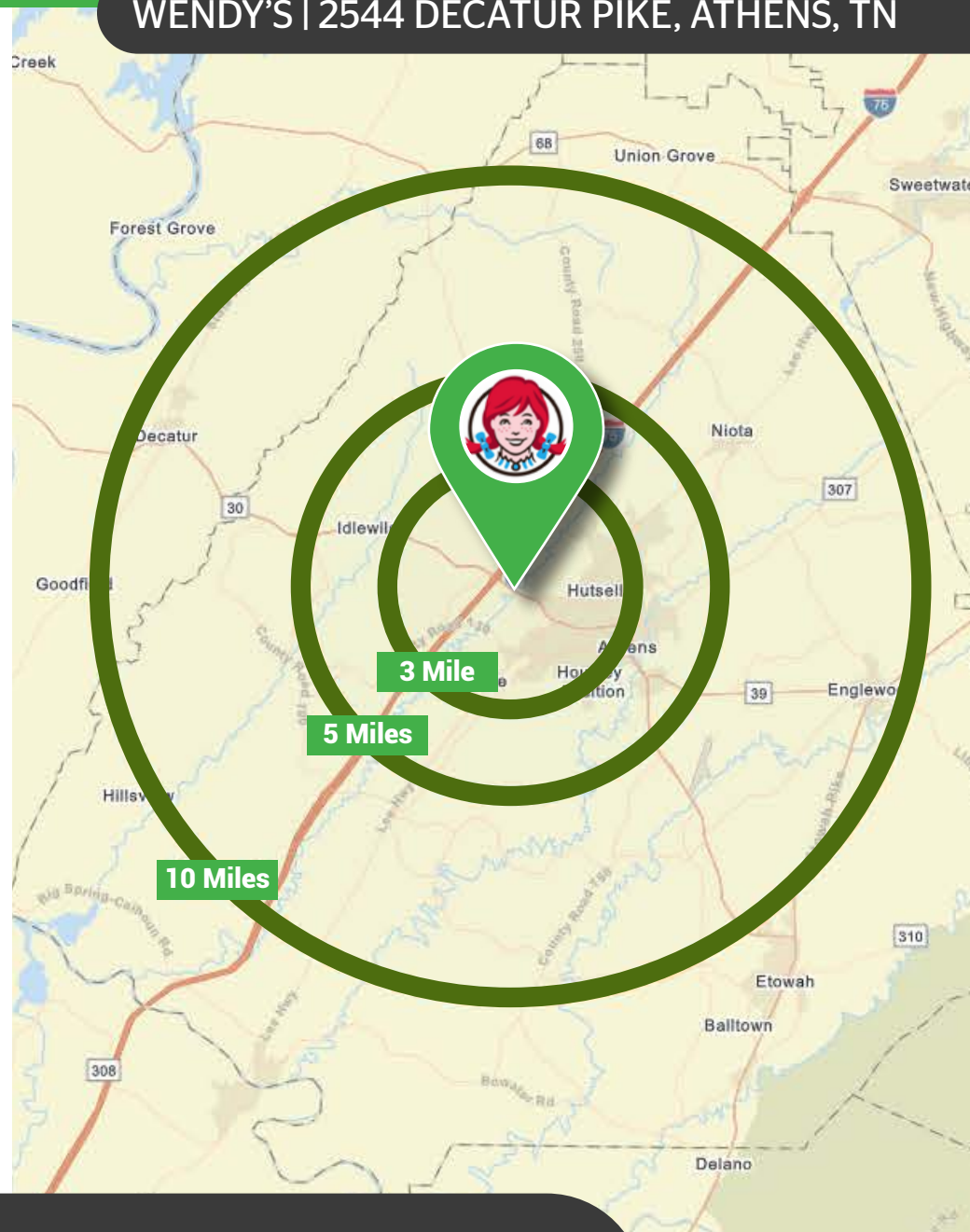
|  | 3- Miles | 5- Miles | 10- Miles |
|--|----------|----------|-----------|
|--|----------|----------|-----------|

## 2020 Summary

|                               |          |          |          |
|-------------------------------|----------|----------|----------|
| Population                    | 11,755   | 21,496   | 43,804   |
| Households                    | 4,845    | 8,659    | 17,348   |
| Families                      | 2,996    | 5,633    | 11,973   |
| Average Household Size        | 2.37     | 2.42     | 2.47     |
| Owner Occupied Housing Units  | 2,726    | 5,562    | 12,603   |
| Renter Occupied Housing Units | 2,119    | 3,096    | 4,745    |
| Median Age                    | 41.4     | 41.9     | 43.7     |
| Median Household Income       | \$33,843 | \$39,188 | \$43,561 |
| Average Household Income      | \$51,108 | \$55,380 | \$59,135 |

## 2025 Summary

|                               |          |          |          |
|-------------------------------|----------|----------|----------|
| Population                    | 11,808   | 21,730   | 44,469   |
| Households                    | 4,849    | 8,725    | 17,575   |
| Families                      | 2,973    | 5,633    | 12,045   |
| Average Household Size        | 2.38     | 2.42     | 2.48     |
| Owner Occupied Housing Units  | 2,739    | 5,614    | 12,791   |
| Renter Occupied Housing Units | 2,111    | 3,111    | 4,784    |
| Median Age                    | 42.5     | 43.1     | 45.1     |
| Median Household Income       | \$36,660 | \$42,664 | \$47,824 |
| Average Household Income      | \$55,740 | \$61,108 | \$65,402 |



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**OTHER LOCATION:**  
1219 Oak Ridge Turnpike  
Oak Ridge, TN  
Sold at 4.79% CAP in October 2019