

# PAPA JOHN'S

## 20-Year NNN Sale-Leaseback

EXCLUSIVE NET-LEASE OFFERING



# OFFERING

# MEMORANDUM



287 South Chestatee Street, Dahlonega, GA 30533

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# Investment Highlights

PRICE: \$1,913,043 | CAP: 5.75% | RENT: \$110,000



## About the Investment

- ✓ Long-Term, 20-Year Absolute Triple Net (NNN) Sale-Leaseback
- ✓ Lease Commencement Upon Close of Escrow
- ✓ Two Percent (2.00%) Rental Increases Annually
- ✓ Two (2), Five (5)-Year Tenant Renewal Options, Bringing the Potential Lease Term to 30 Years
- ✓ Full Franchisee Guarantee from Fresh Dough, LLC

## About the Location

- ✓ Positioned in Strong Retail Artery | Walmart, Walgreen's, Dunkin Donuts, McDonald's, Wendy's, Subway, Taco Bell, Domino's, Dairy Queen, Chick-Fil-A, and various others
- ✓ Strong Demographics | Population Exceeds 20,000 Individuals Within a Five-Mile Radius
- ✓ University Presence | Across the Street from University of North Georgia
- ✓ Strong Traffic Counts | Over 14,000 Vehicles Daily Along South Chestatee Street

## About the Tenant

- ✓ Fresh Dough LLC is a newly-founded company that has acquired 11 Papa John's locations in Georgia and aims to grow the business into a premier Papa John's Franchisee
- ✓ Fresh Dough is led by two experienced restaurant executives and backed by restaurant-focused institutional capital
- ✓ The director of operations will lead Fresh Dough's restaurant operations after having spent 30 years in the restaurant sector working with national brands such as Pizza Hut, Marco's Pizza, and Papa John's



Representative Photo



Representative Photo



# Financial Analysis

PRICE: \$1,913,043 | CAP: 5.75% | RENT: \$110,000



## PROPERTY DESCRIPTION

Property	Papa John's
Property Address	287 S Chestatee Street
City, State, ZIP	Dahlonega, GA 30533
Estimated Building Size	1,517
Estimated Lot Size	0.45
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$1,913,043
CAP Rate	5.75%
Annual Rent	\$110,000

## LEASE SUMMARY

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	Fresh Dough, LLC (11-Units)
Original Lease Term	20 Years
Lease Commencement	Close of Escrow
Lease Expiration	20 Years From COE
Lease Term Remaining	20 Years
Lease Type	Absolute Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	2.00% Annually
Options to Renew	Two (2) Periods of Five (5) Years Each

## RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$110,000	\$9,167	-
Year 2	\$112,200	\$9,350	2.00%
Year 3	\$114,444	\$9,537	2.00%
Year 4	\$116,733	\$9,728	2.00%
Year 5	\$119,068	\$9,922	2.00%
Year 6	\$121,449	\$10,121	2.00%
Year 7	\$123,878	\$10,323	2.00%
Year 8	\$126,355	\$10,530	2.00%
Year 9	\$128,883	\$10,740	2.00%
Year 10	\$131,460	\$10,955	2.00%
Year 11	\$134,089	\$11,174	2.00%
Year 12	\$136,771	\$11,398	2.00%
Year 13	\$139,507	\$11,626	2.00%
Year 14	\$142,297	\$11,858	2.00%
Year 15	\$145,143	\$12,095	2.00%
Year 16	\$148,046	\$12,337	2.00%
Year 17	\$151,006	\$12,584	2.00%
Year 18	\$154,027	\$12,836	2.00%
Year 19	\$157,107	\$13,092	2.00%
Year 20	\$160,249	\$13,354	2.00%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Papa John's located at 287 S Chestatee St in Dahlonega, GA. The site consists of roughly 1,517 rentable square feet of building space on estimated 0.45-acre parcel of land. The Papa John's is subject to a 20-year absolute triple-net (NNN) sale-leaseback, which will commence upon close of escrow. The initial annual rent will be \$110,000 and is scheduled to increase by two percent (2.00%) annually starting year two (2) throughout the base term and in each of the two (2), five (5)-year renewal options.



# Concept / Tenant Overview



## About Papa John's

Papa John's franchises over 4,700 establishments around the world, including around 3,500 in the United States and over 1,200 spread amongst 37 other countries and territories. In September 2012, the 4,000th Papa John's Pizza restaurant opened, in New Hyde Park, New York. The company celebrated the event by giving away 4,000 free pizzas to customers throughout New York City.

Papa John's pizza family has grown to more than 5,000 restaurants today. They are proud of their success, but even more proud of how they achieved that success. Papa John's continues to grow by focusing on quality and taking care of their people. Being awarded Business of the Year by Business First in 2013, being the brand most associated with the NFL, and being recognized among the Best Franchise opportunities in 2013 by QSR Magazine, are great, but what really matters is being recognized by their customers for doing what they promise to do—deliver a better pizza experience.

As of December 2016, PMQ Pizza Magazine said that the company was the third-largest take-out and pizza delivery restaurant chain in the United States. Company headquarters are in Jeffersontown, Kentucky, a community within the merged government of Louisville.

## Award Winning Pizza

Papa John's has been voted "Best Pizza" in more than 100 United States markets during the last several years, including in Los Angeles, Washington, D.C., Atlanta, Dallas, Indianapolis, Orlando, Knoxville and Phoenix.

In 2017, Papa John's ranked number one in customer satisfaction among QSR-pizza brands American Customer Satisfaction Index (ACSI) for the 16th time in the last 18 years, and Nation's Restaurant News selected our Buffalo Chicken Pizza a "best limited offer" based on menu innovation and consumer appeal.

Papa John's commitment to quality has never wavered—nor has the recipe for success—Better Ingredients + Better People = Better Pizza.

## General Information

Founded	1984
Website	<a href="http://www.papajohns.com">www.papajohns.com</a>
Number of Locations	5,400







# Surrounding Area

Property Address: 287 South Chestatee Street – Dahlonega, GA 30533



Walgreens



Kilwins  
Bakery and More



Dairy  
Queen



McDonald's

DOLLAR GENERAL



BB&T



Advance/  
Auto Parts



UNIVERSITY OF  
NORTH GEORGIA  
(18,200 STUDENTS)

GEORGIA 9 N



ADTC-14470

ADTC-14032

SOUTH CHESTATEE STREET





# Property Photos

Property Address: 287 South Chestatee Street – Dahlonega, GA 30533







# Surrounding Area Photos

Property Address: 287 South Chestatee Street – Dahlonega, GA 30533







# Location Overview

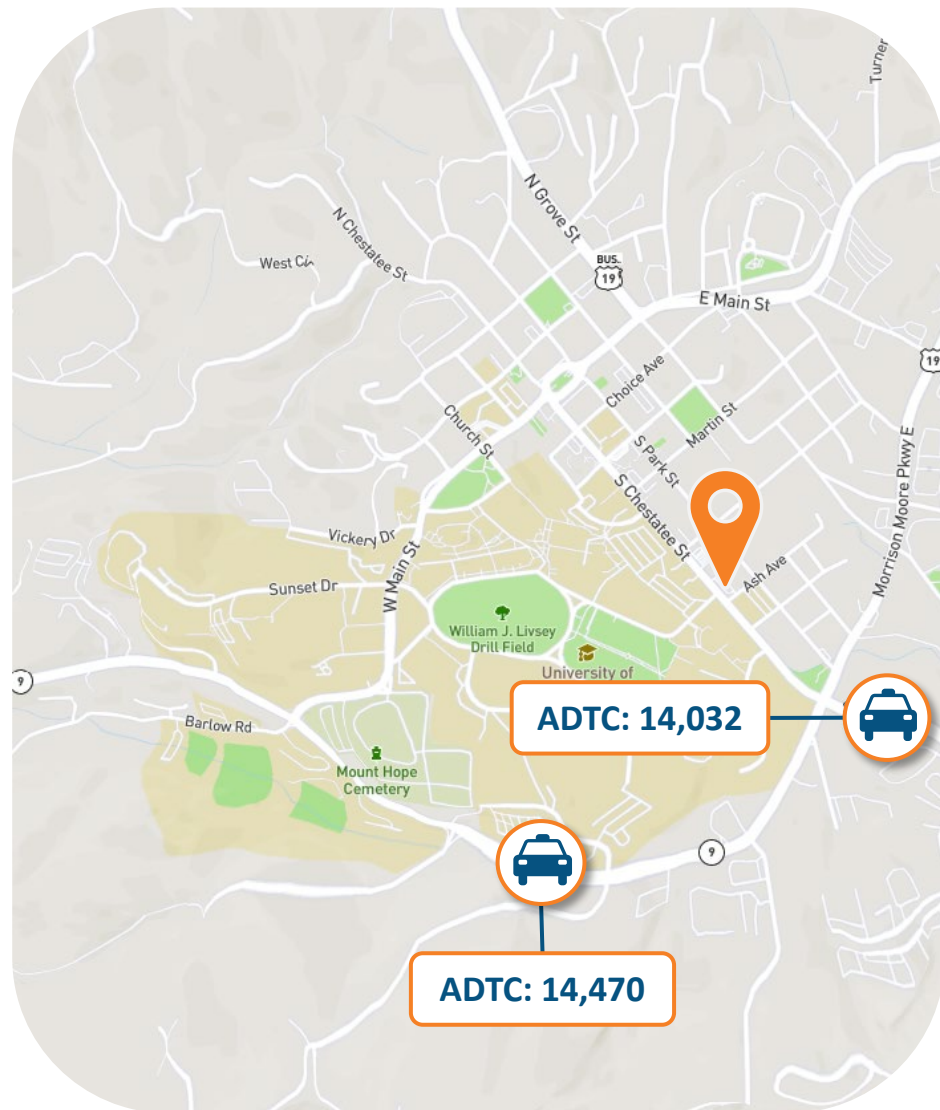
Property Address: 287 South Chestatee Street – Dahlonega, GA 30533



The Papa John's property is situated on South Chestatee Street, which traffics an average of 14,032 vehicles daily. South Chestatee Street intersects with Georgia State Route 9 North just under 1,000 feet from the subject property, which brings an additional 14,470 vehicles into the immediate area on average daily. There are more than 20,657 individuals residing within a five-mile radius of the property and more than 47,250 individuals within a ten-mile radius.

The subject property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, as well as large shopping centers, all within close proximity of this property. Major national tenants in the area include Walmart, Walgreen's, Dunkin Donuts, McDonald's, Wendy's, Subway, Taco Bell, Domino's, Dairy Queen, Chick-Fil-A, and various others. Beyond these, there is a strong presence of local shops and restaurants just Northwest of the property. This Papa John's also benefits from being across the street from the University of Northern Georgia, which enrolls 18,200 students annually.

Dahlonega is the county seat of Lumpkin County, Georgia. The city is located at the northern end of Georgia State Route 400, which connects Dahlonega to Atlanta, some 60 miles southwest. The city also benefits from being just over 18 miles northwest of Gainesville. The town is known for its historic town square, where many local festivals take place. The town is also under five miles from Lake Lanier, a popular destination that attracts over 10 million people every year. Further, Lumpkin County is home to several vineyards and wineries. These amenities make Dahlonega a relatively bustling tourist attraction in the state of Georgia.

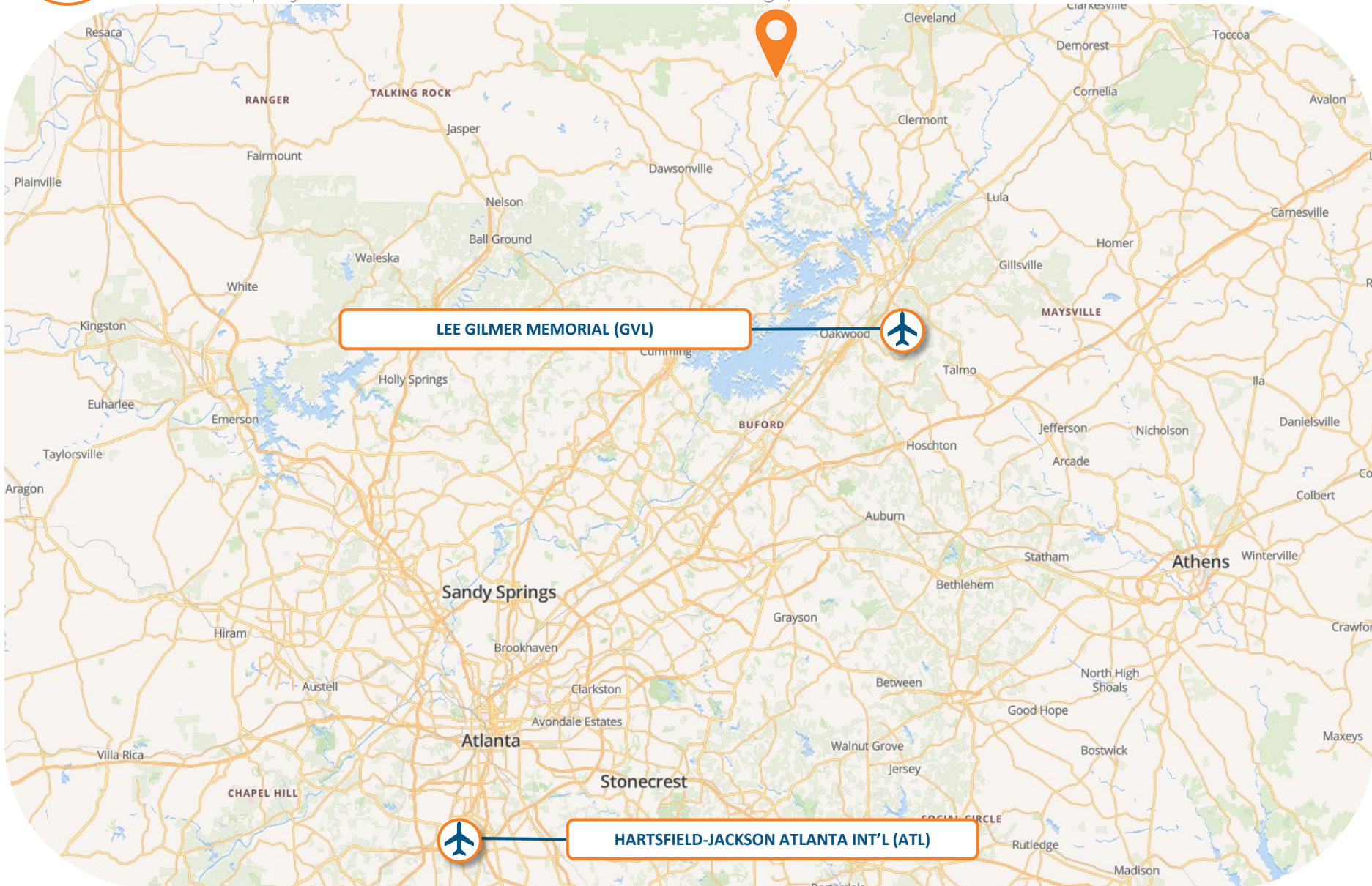






# Local Map

Property Address: 287 South Chestatee Street – Dahlonega, GA 30533



LEE GILMER MEMORIAL (GVL)

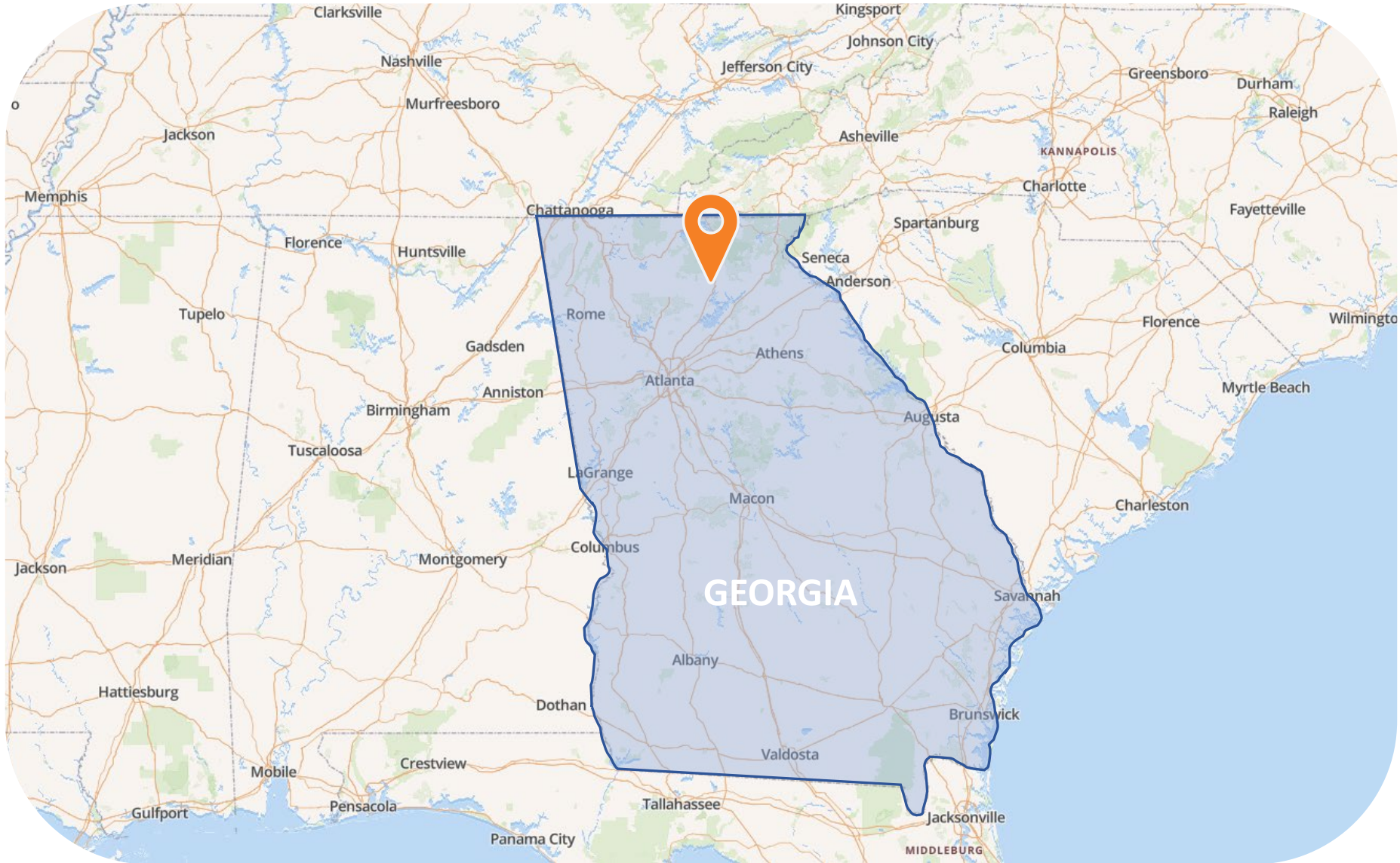
HARTSFIELD-JACKSON ATLANTA INT'L (ATL)





# Regional Map

Property Address: 287 South Chestatee Street – Dahlonega, GA 30533







# Demographics

Property Address: 287 South Chestatee Street – Dahlonega, GA 30533



## 3 Mile 5 Miles 10 Miles

### POPULATION TRENDS

2010 Population	8,142	17,728	41,176
2021 Population	9,851	20,657	47,250
2026 Population Projection	10,498	21,941	50,492
Annual Growth 2010-2021	1.90%	1.50%	1.30%
Annual Growth 2021-2026	1.30%	1.20%	1.40%

### POPULATION BY RACE (2021)

White	9,159	19,423	44,839
Black	304	465	802
American Indian/Alaskan Native	58	142	355
Asian	116	198	371
Hawaiian & Pacific Islander	18	36	66
Two or More Races	196	392	816
Hispanic Origin	715	1,233	2,729

### HOUSEHOLD TRENDS

2010 Households	2,887	6,327	15,148
2021 Households	3,242	6,993	16,962
2026 Household Projection	3,470	7,467	18,193
Annual Growth 2010-2021	0.90%	0.80%	0.90%
Annual Growth 2021-2026	1.40%	1.40%	1.50%

### AVERAGE HOUSEHOLD INCOME (2021)

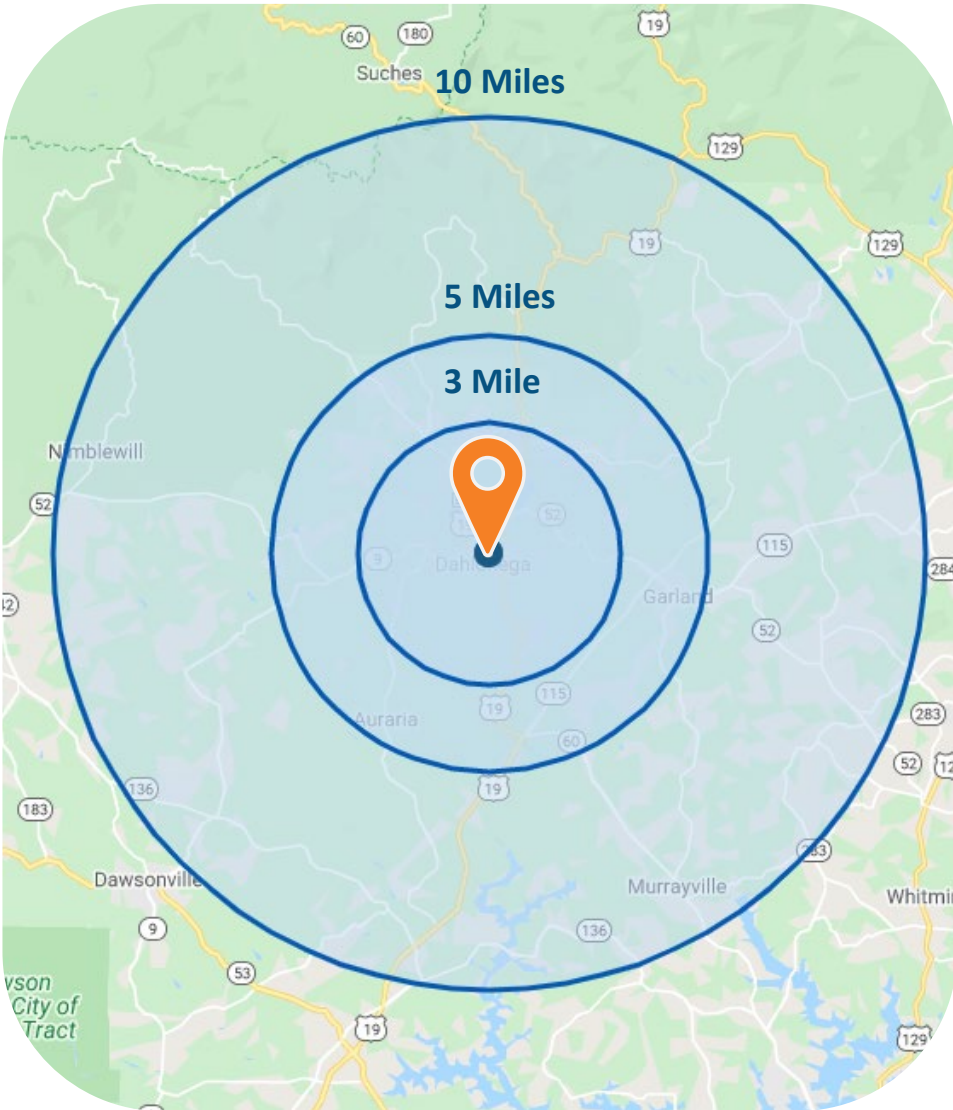
\$63,047 \$67,919 \$76,603

### MEDIAN HOUSEHOLD INCOME (2021)

\$47,708 \$54,767 \$59,701

### HOUSEHOLDS BY HOUSEHOLD INCOME (2021)

< \$25,000	1,024	1,827	3,545
\$25,000 - 50,000	651	1,476	3,796
\$50,000 - 75,000	607	1,418	3,275
\$75,000 - 100,000	372	887	2,220
\$100,000 - 125,000	179	478	1,471
\$125,000 - 150,000	231	476	1,103
\$150,000 - 200,000	91	208	697
\$200,000+	85	225	855







# Market Overview

Property Address: 287 South Chestatee Street – Dahlonega, GA 30533



**Gainesville** is a city in the U.S. state of Georgia, and the county seat of Hall County, Georgia. Gainesville is located at the foothills of the Blue Ridge Mountains and just over five miles from Lake Lanier. Gainesville is the 19<sup>th</sup> largest city in the state of Georgia, with a population of just over 43,000. The city's population has grown by approximately 28% in the last decade, almost four times the national average of 7.4%.

The poultry farming industry in Gainesville began to develop after World War II, when Jesse Jewell, a Gainesville feed salesman, began his business. As of 2021, poultry farming remains a significant economic driver in Gainesville, representing six of its top ten employers (7,600 employees), and remains the best well-known business in the area, with statewide revenue exceeding \$3 billion. Gainesville has been dubbed the "Poultry Capital of the World" for its massive amount of poultry processing facilities.

Brenau University is in Gainesville, and houses some of the city's most prominent organizations, outside of poultry producers. Gainesville's largest employer is the Northeast Georgia Health System, which employs over 5,000 of Gainesville's citizens. The company's headquarters are located at the Northeast Georgia Health Center at Brenau University. The Health Center is the nucleus of biomedical research in Northeast Georgia and is responsible for bringing the biomedical industry to Gainesville. Other top employers in Gainesville are more industrial. A few examples are: ZF Group, a German car parts manufacturer, and Kubota, a Japanese manufacturer of construction equipment, engines, and agricultural machinery.

Arts and Theater also play a large role in Gainesville's culture. The Gainesville Theater Alliance is a coalition of students from both Brenau University and University of North Georgia, as well as professional actors. The alliance has not only been acclaimed in Northern Georgia but has received country-wide attention as well. Also in the realm of Arts and Theater, the Gainesville Arts Council owns a two-story train depot in the town that showcases some of the most acclaimed works of all artists in Georgia and serves as a popular tourist attraction.



Marcus & Millichap

## EXCLUSIVE NET LEASE OFFERING



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