



2547 E MORRIS BLVD | MORRISTOWN, TN
OFFERING MEMORANDUM



LISTED BY

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EXECUTIVE OVERVIEW

Long Term Net Leased Investment Property:

- Very Rare Thirty (30) Year Base Lease (Base Lease Expires: 12/31/2051)
- Extremely High Performing Store Sales - Top Wendy's site in the state of Tennessee
 - 2021 Gross Sales at \$2,973,895 (5.45% Rent to Sales Ratio)
- Recently Renovated Building (Actual Photos of Site within OM)
- Absolute NNN Investment with Zero Landlord Responsibilities – Great for Out of State Investors

Great Retail Quick Service Restaurant Location:

- Located Across the Street from the Main Entrance to the College Square Mall
- Excellent Visibility and Consistent Traffic Counts at 29,155 VPD
- College Town Market - Close Proximity to Walters State Community College
- 10-Mile Population at nearly 83,000
- Ideal Size Parcel at ±40,946 SF (±0.94 AC)

Top Tier Brand and Reputable Operator:

- Wendy's is one of the top Fast Food chains in the World with around 6,500 locations
- Tri-Cities Restaurant Group, LLC is a successful Franchisee which operates 18 units within the Tri-Cities Market – Unit Level and Guarantor Financials are available with Signed Confidentiality Agreement
- Jamey Horton, CEO of Tri-Cities Restaurant Group, LLC, is recognized by Wendy's Corporate as being in the Top 5% of all Franchisee's Performance Wise

FINANCIAL OVERVIEW



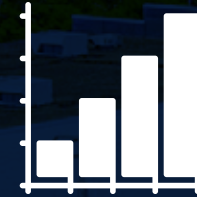
\$4,052,500

LIST PRICE



\$162,100

NOI



4.00%

CAP RATE

BUILDING INFO

Address	2547 E Morris Blvd Morristown, TN
Year Built/Renovated	1997/2020
GLA of Building	± 2,745 SF
Lot Size	±0.94 Acres (±40,946 SF)

DEBT QUOTE

Loan quote provided by Matthews™ based on market conditions at this time. Actual rates and terms will vary based on market conditions at closing.

PATRICK FLANAGAN

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LTV: 65.00%

INTEREST RATE RANGE: 4.00% - 4.35%

AMORTIZATION: 25

TERM: 10 YEARS



TENANT SUMMARY

Trade Name	Wendy's
Ownership Type	Fee Simple
Lease Guarantor	Franchisee
Lease Type	NNN
Tenant	Tri-Cities Restaurant Group, LLC
Original Lease Term	30 Years
Lease Commencement Date	1/13/2020
Lease Expiration Date	12/31/2051
Increases	7.5% Every 5 Years
Options	Four, 5-Year Options

ANNUALIZED OPERATING DATA

Lease Term	Monthly Rent	Annual Rent	Cap Rate
Current - 12/31/2026	\$13,508.33	\$162,100.00	4.00%
1/1/2027 - 12/31/2031	\$14,521.46	\$174,257.50	4.30%
1/1/2032 - 12/31/2036	\$15,610.57	\$187,326.81	4.62%
1/1/2037 - 12/31/2041	\$16,781.36	\$201,376.32	4.97%
1/1/2042 - 12/31/2046	\$18,039.96	\$216,479.55	5.34%
1/1/2047 - 12/31/2051	\$19,392.96	\$232,715.51	5.74%
First Extension Term	\$20,847.43	\$250,169.18	6.17%
Second Extension Term	\$22,410.99	\$268,931.87	6.64%
Third Extension Term	\$24,091.81	\$289,101.76	7.13%
Fourth Extension Term	\$25,898.70	\$310,784.39	7.67%





belk

rue 21
BAM! BOOKS-A-MILLION
maurices
Bath & Body Works
claire's
F.Y.E.

amc
THEATRES

planet
fitness

AT&T

five BELOW

KOHL'S

DICK'S
SPORTING GOODS

GameStop

LONGHORN
STEAKHOUSE

McDonald's

Olive
Garden
ITALIAN KITCHEN

ULTA
BEAUTY

GNC
LIVE WELL

TJ-maxx

34

± 18,700 VPD

verizon

Wendy's

MATTRESS
FIRM

TACO
BELL

Shell

MORRISTOWN TN LIMOS



FIRST
HORIZON

Hardee's

RETRO MUSIC STORE



TACO
BELL

MATTRESS
FIRM

HARDWOOD SPECIALTIES

BIG
LOTS!

ingles

6

Coca-Cola

MORRISTOWN TN LIMOS

Wendy's

OfficeMax

OfficeMax

Olive
Garden
ITALIAN KITCHEN

COMMERCIAL BANK

34

± 18,700 VPD

TENANT OVERVIEW

WENDY'S



» **Company Name**
WENDY'S



» **Ownership**
PUBLIC



» **Year Founded**
1969



» **Industry**
RESTAURANT



» **Headquarters**
DUBLIN, OH



» **Website**
WWW.WENDYS.COM

The Wendy's Company operates the Wendy's fast food chain. The company is the #2 hamburger chain in the US. The Wendy's chain consists of nearly 6,500 restaurants in the US and more than 25 other countries. Besides burgers and fries, the restaurants serve chicken sandwiches, wraps, and a variety of salads. Instead of milkshakes, Wendy's serves its famously thick Frosty. Most of the company's locations are franchised, and it generates most of its sales in the US.

Wendy's brand transformation is re-energizing all touch points with consumers. From bold restaurant design to innovative food that consumers want, to improved customer service, this exciting evolution of the brand reinforces the mission to position Wendy's as A Cut Above. All elements of Wendy's brand transformation are coming together in a powerful way in the sleek, contemporary Image Activation restaurants. Not only do these restaurants deliver a striking street appearance, they are designed to greatly enhance the customer experience. Prominent features include fireplaces; a variety of inviting seating options, including lounge chairs and booths; Wi-Fi and flat-screen TVs; digital menuboards and more. Coupled with friendly, courteous service, Wendy's creates a welcoming ambiance that truly stands out.

TRI-CITIES RESTAURANT GROUP, LLC

Tri-Cities Restaurant Group, LLC is a successful Wendy's Franchisee Operator with 18 locations primarily located in Eastern Tennessee and SW Virginia markets. Their current President and CEO is Jamey Horton. Mr. Horton entered the lead role of the business operations in 2016 and has grown store sales and net profit year over year, all while managing a strategy to renovate half of his store base without negatively impacting EBITDA and Profit.

Tri Cities Restaurant Group, LLC – Corporate financials across all 18 restaurants:

- Gross sales up 20.17% YOY (Budget was outperformed by 16.28%)
- Total Revenue up 17.17% YOY (Budget was outperformed by 16.97%)
- EBITDA up 18.55% YOY (Budget was outperformed by 17.68%)
- Net Profit up 21.38% YOY (Budget was outperformed by 19.88%)

MORRISTOWN LOCATION

- Gross sales up 20.12% YOY (Budget was outperformed by 24.35%)
- Total Revenue up 17.38% YOY (Budget was outperformed by 21.23%)
- EBITDA up 18.09% YOY (Budget was outperformed by 16.85%)
- Net Profit up 18.92% YOY (Budget was outperformed by 16.43%)



MORRISTOWN, TN

Morristown is a city in and the county seat of Hamblen County, Tennessee. Morristown also extends into Jefferson County on the west and southern ends. It is the principal city of the Morristown Metropolitan Statistical Area, which encompasses all of Grainger, Hamblen, and Jefferson counties. The Morristown metropolitan area is also part of the Knoxville-Morristown-Sevierville Combined Statistical Area.

Being centrally located in the East Tennessee region, Morristown serves at the hub for a labor market area pulling most of its labor force from a surrounding seven-county area of 337,000 people. Morristown is considered to be one of the largest manufacturing and industrial hubs in the state of Tennessee. There are several industrial parks located in the eastern, western and southern parts of the city, and over 100 manufacturers have based their facilities in Morristown, ranging from food processing, aerospace technology, machine and parts production, plastics engineering, and many other industries.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2026 Projection	3,480	30,646	44,545
2021 Estimate	3,385	29,686	43,177
Growth 2021-2026	2.82%	3.23%	3.17%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2026 Projection	1,482	11,944	17,350
2021 Estimate	1,454	11,686	16,986
Growth 2021-2026	1.95%	2.21%	2.14%
INCOME	1-MILE	3-MILE	5-MILE
2021 Avg HH Income	\$50,268	\$53,940	\$57,141

KNOXVILLE, TN

Knoxville retains the charm of a small southern town while providing the amenities of a big city. It is home to the main campus of the University of Tennessee, which has been classified by the Carnegie Commission as a university with “very high research activity.” The 400-acre university campus is located along the waterfront just to the southwest of the downtown area, adding a notable college-town element. A short walk from the university campus, downtown Knoxville has emerged as a thriving hub for socializing. Knoxville’s rich arts community is supplemented with a number of quality museums and many festivals held throughout the year.

Outside of downtown, there are a variety of suburbs, offering a good family lifestyle and proximity to the heart of the city. With the added benefit that Tennessee does not collect income tax, Knoxville offers an affordable cost of living. This, combined with an abundance of recreational activities, has made the area one of the fastest-growing regions for retirees as well as workers. Knoxville has been ranked as a top 10 city for college graduates for its diverse business climate and growing downtown. In addition to the University of Tennessee, seventeen other training programs and colleges provide a ready supply of trained workers.

DOWNTOWN KNOXVILLE

Downtown Knoxville is the hub of business and government activity. Main Street features a number of historic structures and a modern-day hotel. Gay Street consists of several historic buildings, restaurants, banks, and shops. Next to Market Square, Gay Street features the Tennessee and Bijou Theaters, both of which offer well-known musical acts, stage productions, and the Knoxville Symphony. Historic Market Square features popular restaurants, shops, and music venues. Volunteer Landing serves as a boat dock and also has a marina, high-quality restaurants, a historic park, and a riverboat cruise. The World’s Fair Park contains the famous Sunsphere, various water fountains, floral gardens, a war memorial, and more. Downtown Knoxville is also a popular venue for many festivals held throughout the year.





UNIVERSITY OF TENNESSEE

Founded in 1794, the University of Tennessee is big on tradition and is proud of the humble beginnings as the first public university chartered west of the Appalachian Divide. UT Knoxville — which includes the UT Space Institute — serves the state by educating its citizens, enhancing its culture, and making a difference in people's lives through research and service. The University of Tennessee embodies excellence in teaching, research, scholarship, creative activity, outreach, and engagement through its 29,000 students.

QUICK FACTS

UT Knoxville is:

- 29,460 Students (23,290 undergraduate and 6,170 graduate and professional)
- \$1.7 Billion Annual Impact on the Tennessee economy
- Tennessee's flagship university and premier public research institution
- Part of the UT System, along with UT Chattanooga, UT Martin, the UT Institute of Agriculture, and the UT Health Science Center
- Classified as producing very high research activity by the Carnegie Classification of Institutions of Higher Education (Doctoral Universities R1 category)
- Co-manager of Oak Ridge National Laboratory with Battelle Memorial Institute as UT-Battelle
- A Carnegie Community Engaged university

CONFIDENTIALITY & DISCLAIMER STATEMENT

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2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

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REAL ESTATE INVESTMENT SERVICES



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