



Drive-Thru Service  
HOME OF THE  
GOOD BURGER  
MEAL  
LIMITED TIME



## OFFERING MEMORANDUM



1719 US-19E #37  
ELIZABETHTON, TN 37643

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Marcus & Millichap



# EXECUTIVE SUMMARY

## INVESTMENT OVERVIEW

Marcus & Millichap is proud to offer an exclusive listing for the Arby's located at 1719 Highway 19E in Elizabethton, Tennessee. The site consists of 2,738 total square feet of building which sits on 0.88 acres parcel of land. The site will be subject to a 20-year sale-leaseback with AES Restaurants who operates over 170 restaurants in 16 different states. The lease will call for 10% rental escalations each five year period during the base term and throughout the four, five-year renewal option periods.

The property is ideally located along Highway 19E in a strong retail corridor surrounded by national and local tenants. The property is an out-parcel to a shopping center which is home to the Elizabethton DMV, ACE Hardware and Farmer's Home Furniture. Other national retailers in the Elizabethton

driving traffic to the Arby's include Walmart Supercenter, Lowe's Home Improvement, Tractor Supply, Ingles Markets and Dollar General.

Elizabethton, founded in 1799 and incorporated in 1905, is the county seat of Carter County, Tennessee. It is also the site of the first independent American settlement west of both the Eastern Continental Divide and the original thirteen British colonies in America. The Doe River flows underneath the historic Elizabethton Covered Bridge, built in 1882. The Elizabethton Historic District contains a variety of properties ranging in age from the late 1700's through the 1930's including most of Elizabethton's downtown. Elizabethton is located approximately 115 miles northeast of Knoxville and 142 miles northwest of Charlotte, North Carolina.





## EXECUTIVE HIGHLIGHTS



**20-Year Sale-Leaseback Signed at Closing – Franchisee (AES Restaurants) Operates 170+ Unit Arby's in 16 States**



**AES Restaurants Owner & Founder John Wade is the Chairman of The Arby's Franchise Association – Store Benefits from Strong Store Sales – Significantly Above the National Arby's Average**



**Nearby Retailers Include Burger King, Scooter's Coffee, McDonald's, Dollar General, Advance Auto Parts, Runnings and Walmart Supercenter**



**Absolute NNN Lease with 10% Rental Escalations Every 5 Years Throughout the Lease**



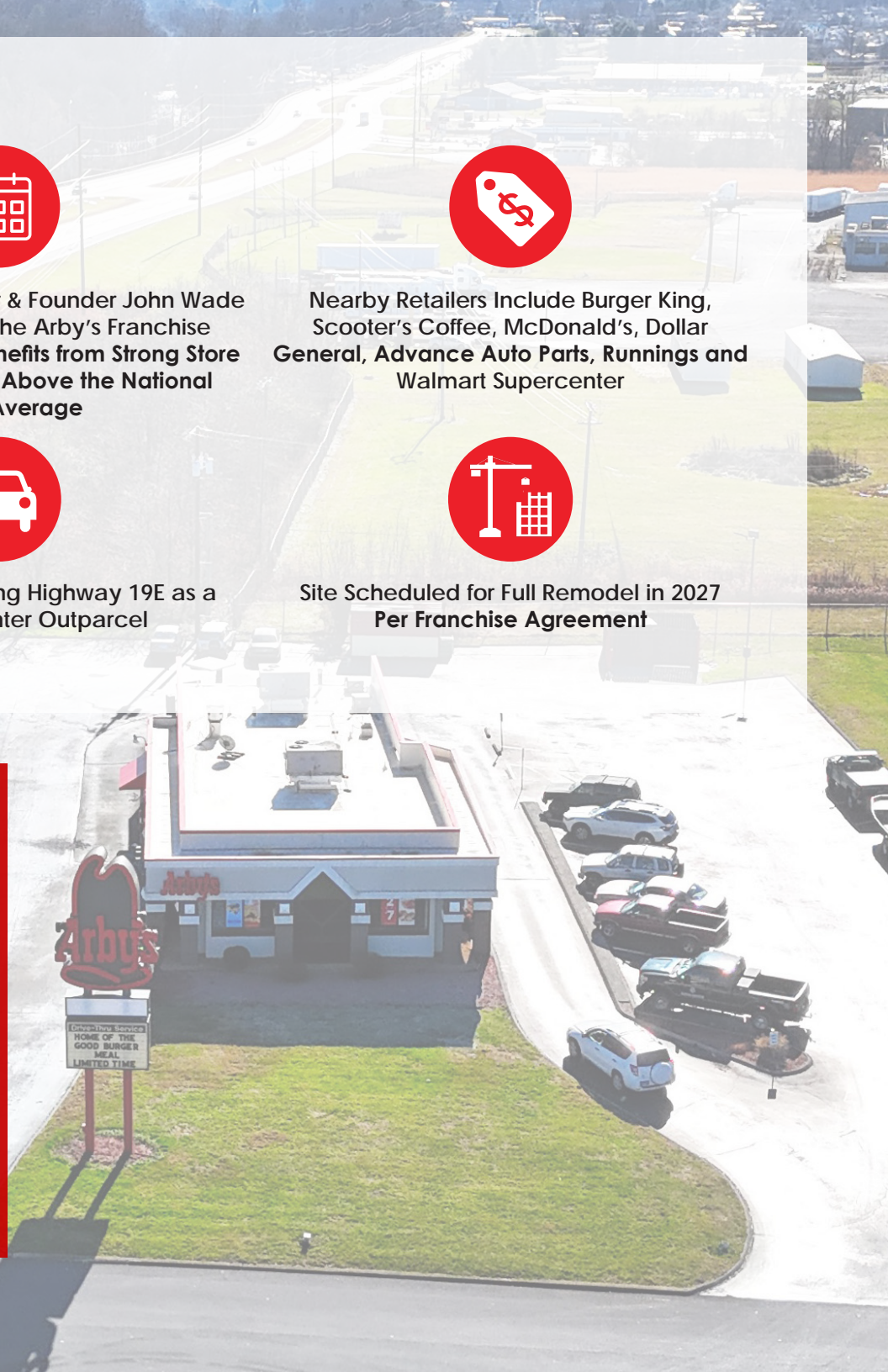
**Ideally Located Along Highway 19E as a Shopping Center Outparcel**



**Site Scheduled for Full Remodel in 2027 Per Franchise Agreement**

## THE OFFERING

Property Tenant	Arby's
Property Address	1719 US-19E #37 Elizabethton, TN 37643
Price	\$2,806,000
Cap Rate	5.45%
Year Built	1986
Lot Size	0.88 Acres
Gross Leasable Area	2,738 SF
Type of Ownership	Fee Simple



**BETSYTOWNE  
SHOPPING CENTER**



# FINANCIAL INFORMATION

## THE OFFERING

Price	\$2,806,000
Capitalization Rate	5.45%

## LEASE SUMMARY

Tenant	Arby's
Rent Increases	10% Every 5 Years
Guarantor	Franchisee Guarantee
Lease Type	Absolute Net
Initial Lease Term	20 Years
Renewal Options	Four 5-Year
Lease Term Remaining	20 Years from Closing
Landlord Responsibility	Zero Responsibility
Tenant Responsibility	All Repairs and Maintenance

## RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Years 1-5	\$152,907	\$12,742	\$55.85	5.45%
Years 6-10	\$168,198	\$14,017	\$61.43	5.99%
Years 11-15	\$185,017	\$15,418	\$67.57	6.59%
Years 16-20	\$203,519	\$16,960	\$74.33	7.25%
Option 1	\$223,871	\$18,656	\$81.76	7.98%
Option 2	\$246,258	\$20,522	\$89.94	8.78%
Option 3	\$270,884	\$22,574	\$98.93	9.65%
Option 4	\$297,972	\$24,831	\$108.83	10.62%

## INCOME AND EXPENSES

Net Operating Income	\$152,907
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DOLLAR GENERAL

A PLUS  
STORAGE

ACE  
Hardware

Little Caesars

Arby's

Arby's  
Celebrating 50 Years  
HOME OF THE GOOD BURGER  
MEAL  
LIMITED TIME

OWNE  
CENTER



# TRADE MAP



**Goodwill**  
Industries of the Chesapeake, Inc.

**Advance**  
Auto Parts

**LOWE'S**

**DOLLAR GENERAL**

**taco john's**

**Walmart**

19E

Elizabethton

**Dairy Queen**

**McDonald's**

**TACO BELL**

**Ford**

**enterprise**  
rent-a-car

**Bojangles**

**DOLLAR TREE**

**Applebee's**  
GRILL + BAR

**CVS**  
pharmacy

**WAFFLE HOUSE**

**CVS**  
pharmacy

**Little Caesars**

**ACE**  
Hardware

**Arby's**

**DOLLAR GENERAL**

**Edison Auto Sales**

**Stateline Drive-In Theatre**

19E



# TENANT OVERVIEW

## BRAND PROFILE:

INSPIRING SMILES THROUGH DELIGHTFUL EXPERIENCES™

The Arby's brand purpose is Inspiring Smiles Through Delightful Experiences™.

Arby's delivers on its purpose by celebrating the art of Meatcraft® with a variety of high-quality proteins and innovative, crave-able sides, such as Curly Fries and Jamocha shakes. Arby's Fast Crafted® restaurant services feature a unique blend of quick-serve speed combined with the quality and made-for-you care of fast casual. Arby's Restaurant Group, Inc. is the franchisor of the Arby's Brand and is part of the Inspire Brands family of restaurants headquartered in Atlanta, Ga. Arby's, founded in 1964, is the second-largest sandwich restaurant brand in the world with more than 3,500 restaurants in nine countries.

## FRANCHISEE PROFILE:

### AES RESTAURANTS

John started his career in the restaurant business at the age of 16 when he went to work at "Grandy's" restaurant in Jefferson City, Missouri. By the age of 18, he was promoted to Assistant Manager and began to realize that fast food was more than just a job, it could be a profitable career. After moving to Kansas City with Grandy's, he was promoted to General Manager of the Kansas City, Kansas store. John was later promoted to Training Manager in Topeka, Kansas before leaving Grandy's and joining the RTM Arby's team.

In April of 1991, John began his career with RTM Arby's at Unit 1387 in Topeka, Kansas. After only 18 months with RTM he was promoted to Area Supervisor of four Arby's units in Lafayette and Crawfordsville, Indiana. After opening two new units in Lebanon and Lafayette, Indiana, John was transferred to Indianapolis, Indiana where he continued his service as an Area Supervisor.

In May of 1996, John was promoted to Director of Operations over the southern half of Indianapolis. He and his team ended their first year as the number one district in all of RTM. John was awarded the first, of his

two, Director of Operations of the Year awards.

In May of 1998, John was promoted to Vice President of Operations for the Mid America Region. Over the next few years his area of control expanded from the Indianapolis market to include Ft. Wayne and Evansville, Indiana in addition to, Louisville and Lexington, Kentucky earning him the promotion of Region Vice President in May of 2000.

After successfully growing the Mid America Region of RTM, John was promoted to Region President in May of 2003. As Region President he served as a member of RTM's Executive Committee and served on the Operations Executive Committee.

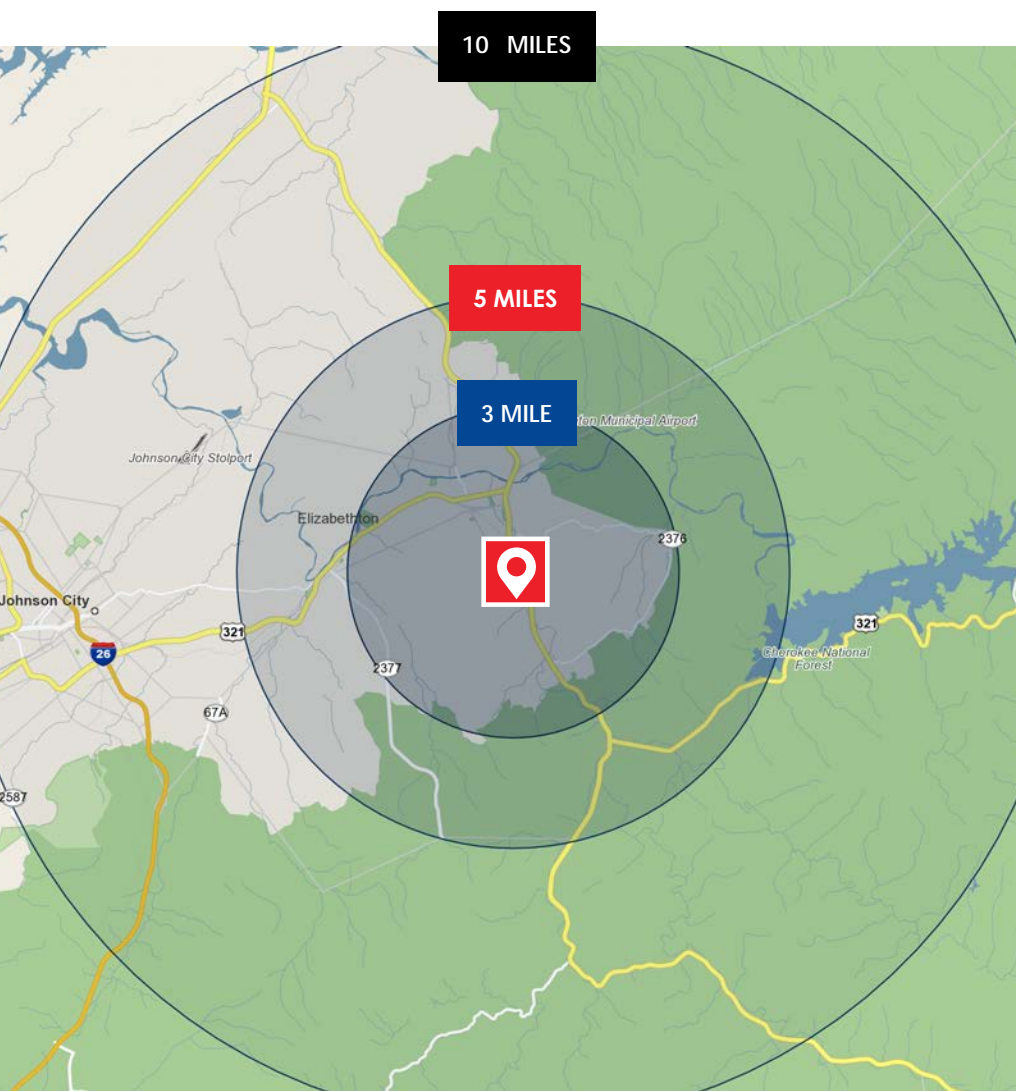
In September of 2004, John left RTM to become an Arby's franchisee with the purchase of six Arby's units in Lafayette, Lebanon, and Frankfort, Indiana. It is with the acquisition of those six Arby's units that AES Restaurant Group, LLC was formed.

John is currently the Arby's Franchisee Association Chairman. He has three children and is engaged to be married in June 2022.

AES founded the **AES FOUNDATION** in 2019. The Foundation's purpose is the distribution of grants to support programs that strengthen, enhance, and enrich the lives of people in the communities we call home. The AES Foundation is chartered to disperse all funds collected to our local communities. Our employees select and nominate organizations important to them as our charity partners.



# DEMOGRAPHICS



POPULATION	3 MILE	5 MILES	10 MILES
2027 Projection	19,714	33,278	101,259
2022 Estimate	19,716	33,168	100,279
2010 Census	20,094	33,548	98,167
2000 Census	20,032	33,156	94,319

HOUSEHOLDS	3 MILE	5 MILES	10 MILES
2027 Projection	8,499	14,182	43,512
2022 Estimate	8,450	14,050	42,731
2010 Census	8,527	14,069	41,378
2000 Census	8,424	13,764	39,614

INCOME	3 MILE	5 MILES	10 MILES
Average HH Income	\$50,109	\$51,558	\$56,535
Median HH Income	\$36,479	\$38,554	\$39,567
Per Capita Income	\$21,843	\$22,220	\$24,693

EMPLOYMENT	3 MILE	5 MILES	10 MILES
2022 Population	18,998	14,182	112,702
2022 Unemployment	4.66%	4.28%	4.08%
Avg Time Traveled	24	24	24



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By accepting this Offering Memorandum you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

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