



sleep  number

1024 ALCOA MARKET ST | MARYVILLE, TN 37801



INTERACTIVE OFFERING MEMORANDUM

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

OFFERING MEMORANDUM

SLEEP NUMBER

1024 Alcoa Market St | Maryville, TN 37801

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±3,000 SF
GLA



2023
Year Built



±46,900
Vehicles Per Day



NN
Lease Type

PROPERTY OVERVIEW

- **BRAND-NEW 10-YEAR LEASE** – New construction, Sleep Number rent commenced at the end of 2023.
- **PART OF LARGER DEVELOPMENT** – Hunters Crossing area has seen multifamily & retail developments:
 - 192-unit apartment building, ±17,000 SF of new retail space with new Chipotle, Tire Discounters, Dunkin', First Watch, and many other national retailers.
- **PREMIER LOCATION** – Signalized intersection off Alcoa Hwy which sees ±46,900 VPD. Adjacent to Hunters Crossing Centre with Walmart Supercenter, Lowe's Home Improvement, Target, and many other national retailers, as well as a new Amazon facility.
- **CORPORATE GUARANTEE** – Sleep Number produced over \$1.89 billion in revenue for the 2023 fiscal year.
- **AFFLUENT KNOXVILLE SUBURB** – Located just south of the University of Tennessee, Maryville is home to almost 80,000 residents with an average household income of \$97,000.
- **STRONG DEMOGRAPHICS** – Alcoa Hwy is being widened to allow for an easier flow of traffic due to the increase in population. Alcoa/Maryville has seen a population growth of 2.25% annually.
- **ATTRACTIVE RENTAL INCREASES** – 10% rental increases every 5-years.
- **COLLEGE TOWN** – Close proximity to the University of Tennessee, the largest university in the state. Also home to Maryville College, a local school with over 1,000 students.
- **LIMITED LANDLORD RESPONSIBILITIES** – Tenant pays for CAM, taxes, insurance, maintains almost all aspects of the property. LL is responsible for Roof & Structure..



FINANCIAL SUMMARY



\$2,078,740
LIST PRICE



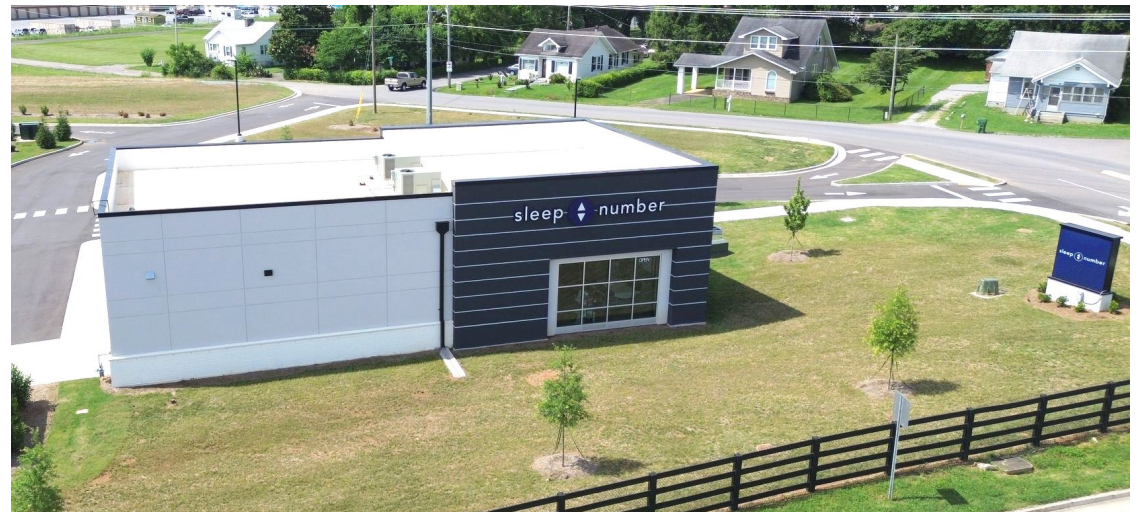
6.35%
CAP RATE

TENANT SUMMARY

Tenant Trade Name	Sleep Number
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NN
Landlords Responsibilities	Roof & Structure
Original Lease Term	10 Years
Rent Commencement Date	10/26/2023
Lease Expiration Date	10/31/2033
Term Remaining on Lease	±9.5 Years
Increases	10% Every 5 Years
Options	Two, 5-Year Options
Delivery	2023

ANNUALIZED OPERATING DATA

	MONTHLY RENT	ANNUAL RENT	RENT PSF	CAP RATE
Current	\$11,000	\$132,000	\$44.00	6.35%
Years 5 - 10	\$12,100	\$145,200	\$48.40	6.99%
Option 1	\$13,310	\$159,720	\$53.24	7.68%
Option 2	\$14,641	\$175,692	\$58.56	8.45%






TENANT PROFILE

Sleep Number Corporation, founded in 1987 and headquartered in Minneapolis, Minnesota, is a prominent American manufacturer and retailer of innovative sleep products. The company is best known for its Sleep Number beds, which feature adjustable air mattresses that allow users to customize the firmness and support of their bed via a personal Sleep Number setting. This technology aims to improve sleep quality by catering to individual comfort preferences and needs. Sleep Number also offers a range of other sleep-related products, including bedding, pillows, and bed bases, all designed to enhance the overall sleep experience.

The company's business model emphasizes direct-to-consumer sales through its chain of retail stores, which number over 600 across the United States, as well as online. Sleep Number's personalized approach to sleep solutions is supported by its SleepIQ technology, which provides users with sleep insights and health metrics. This technology integration reflects Sleep Number's commitment to innovation and its focus on leveraging data to help customers achieve better sleep. The company also places significant importance on customer service, with specialized Sleep Professionals available to assist consumers in finding their ideal sleep solutions.

An aerial photograph of a Sleep Number retail store. The store is a single-story building with a white roof and grey siding. The "sleep number" logo is visible on the side of the building. A large parking lot with several cars is in front of the store. In the background, there is a highway and a line of trees.

HEADQUARTERS
Minneapolis, MN

YEAR FOUNDED
1987


OF LOCATIONS
675+



± 47,000 VPD





 **THE RIDGE AT HAMILTON CROSSING**
353 UNITS

Walmart 

**SUN
TAN
CITY**

129



+ 47,000 VPD

LOWE'S

Chick-fil-A

HOOTERS

W Weigel's

ZAXBY'S


DOLLAR TREE

Aaron's

HUNTERS CROSSING

 **GREEN
MEADOW**
LIQUOR, WINE & BEER EXPERTS

 **VINTAGE HUNTERS CROSSING APARTMENTS**
192 UNITS

TireDiscounters

**SUBJECT
PROPERTY**



129

UT EXTENSION
INSTITUTE OF AGRICULTURE
THE UNIVERSITY OF TENNESSEE

 **ALCOA ELEMENTARY**
527 STUDENTS

 **O'Reilly**
AUTO PARTS

 **MARATHON**


McGHEE TYSON AIRPORT
KNOXVILLE

 **ALCOA HIGH**
705 STUDENTS

FOOD CITY

 **GREEN MEADOW COUNTRY CLUB**


Smith & Wesson


Walmart
Supercenter


Anderson Trust Co.
Floor & Roof Treatments


ARCONIC

HAMILTON CROSSING CENTRE
 
PET SMART SHOE ROSS
CARNIVAL DRESS FOR LESS 

 **THE RIDGE AT HAMILTON CROSSING APARTMENTS**
353 UNITS

sleep  **number.**

 **Olive Garden**
ITALIAN KITCHEN

 
Wendy's TACO BELL

 **ASSURED STORAGE**

321

  
POPEYE'S IHOP THE HOME DEPOT

± 22,900 VPD

321


 
HomeGoods target

FOOTHILLS MALL
 
publix **FINISH LINE**
 
  

 **WILLIAM BLOUNT HIGH**
1,614 STUDENTS


HARBOR FREIGHT
QUALITY TOOLS LOWEST PRICES

 
QUIK'S OUTLET **planet fitness**
GOOD STUFF CHEAP

 
HOBBY LOBBY kroger

129

AREA OVERVIEW

Maryville, Tennessee, is a charming city located in Blount County in the eastern part of the state. Nestled in the foothills of the Great Smoky Mountains, Maryville offers picturesque scenery and a small-town atmosphere with a population of around 30,000 residents. The city is known for its high quality of life, excellent schools, and vibrant community spirit. Maryville is also conveniently situated approximately 20 miles south of Knoxville, providing residents with easy access to the amenities and cultural attractions of a larger city. Additionally, its proximity to the University of Tennessee in Knoxville offers educational and athletic opportunities, contributing to the city's appeal.

Economically, Maryville benefits from a diverse and stable economic base. The city is home to several major employers, including the headquarters of Clayton Homes, a leading manufacturer of manufactured and modular homes, and DENSO Manufacturing, a significant automotive parts supplier. The presence of these companies provides a solid employment foundation and supports the local economy. Maryville also has a thriving retail and service sector, catering to both residents and visitors. The city's strategic location near Knoxville and the University of Tennessee further enhances its economic prospects, attracting businesses and fostering growth through access to a larger labor pool and university resources. Overall, Maryville's robust economy, combined with its scenic beauty and community-oriented lifestyle, makes it an attractive place to live and work.



2,000,000

NUMBER OF ANNUAL VISITORS



12 MILES

PROXIMITY TO KNOXVILLE



DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
Five-Year Projection	5,299	46,717	83,509
Current Year Estimate	4,999	44,479	79,560
2020 Census	4,903	43,515	77,862
Growth Current Year-Five-Year	6.02%	5.03%	4.96%
Growth 2020-Current Year	1.96%	2.21%	2.18%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
Five-Year Projection	2,427	19,375	34,413
Current Year Estimate	2,297	18,466	32,811
2020 Census	2,174	17,485	31,220
Growth Current Year-Five-Year	5.65%	4.92%	4.88%
Growth 2020-Current Year	5.67%	5.61%	5.09%
INCOME	1-MILE	3-MILE	5-MILE
Average Household Income	\$65,762	\$89,165	\$97,666

KNOXVILLE, TN

Knoxville, Tennessee, is a vibrant city nestled in the foothills of the Great Smoky Mountains and located along the Tennessee River. As the third-largest city in the state, Knoxville is known for its rich history, diverse culture, and bustling economy. The city is home to the University of Tennessee, which significantly influences the local culture and economy, providing a youthful energy and driving innovation and research. Knoxville boasts a thriving downtown area with an array of shops, restaurants, and entertainment venues, as well as numerous festivals and events throughout the year. The city also offers abundant recreational opportunities, including parks, greenways, and access to nearby natural attractions. With its blend of urban amenities and natural beauty, Knoxville provides a dynamic and appealing environment for residents and visitors alike.

ECONOMIC DEVELOPMENT

Knoxville, Tennessee, has experienced robust economic development, fueled by its strategic location, diverse industries, and the presence of the University of Tennessee. The city's economy benefits from a mix of sectors, including education, healthcare, manufacturing, and technology. The University of Tennessee serves as a major economic driver, fostering innovation, research, and a skilled workforce. Additionally, Knoxville's revitalized downtown area has attracted new businesses, retail, and tourism, contributing to economic growth. The city's commitment to infrastructure improvements, business-friendly policies, and a supportive entrepreneurial ecosystem further enhance its economic landscape, making Knoxville a dynamic hub for investment and development.



AMONG AMERICA'S
BEST LARGE EMPLOYERS
(FORBES 2024)



25 CHEAPEST PLACES TO LIVE
(KIPLINGER 2024)

EMPLOYERS	EMPLOYEES
U.S. Department of Energy	17,079
Covenant Health	11,060
Knox County Schools	9,515
The University of Tennessee, Knoxville	8,959
Wal-Mart Stores, Inc.	6,863
University of Tennessee Medical Center	5,137
The Dollywood Company	4,500
Clayton Homes	4,262
DENSO Manufacturing Tennessee, Inc	4,200
K-VA-T Food	3,398



DOWNTOWN KNOXVILLE

Downtown Knoxville is the hub of business and government activity. Main Street features several historic structures and a modern-day hotel. Gay Street consists of several historic buildings, restaurants, banks, and shops. Historic Market Square features popular restaurants, shops, and music venues. Volunteer Landing serves as a boat dock and 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.

KNOXVILLE ZOO

Situated in East Knoxville, Zoo Knoxville is a one-of-a-kind zoological experience. It offers animal encounters, behind-the-scenes tours, safari rides, a carousel, a train, and a zipline experience. The zoo prides itself on educational presentations and being the first zoo in the world to hatch critically endangered northern spider tortoises and breed the second generation of captive-born Arakan forest turtles and common spider turtles.



EDUCATION

Positioned in the downtown area along the Tennessee River, the University of Tennessee sits on 910 acres of land and is comprised of 294 buildings. Currently, 24,254 undergraduate students and 6,305 graduate and professional students are enrolled at UTK. The university is made up of 11 colleges and offers over 900 programs of study. The Tennessee Volunteers compete in the Southeastern Conference's Eastern Division, except for the women's rowing team which competes in the Big 12 Conference. The Tennessee Volunteers have won 23 national championships and 197 total SEC championship team titles. UTK has an overall annual economic impact of \$1.7 billion on the Tennessee economy.

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **1024 Alcoa Market St, Maryville, TN, 37801** (“Property”). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
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.

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