

MCDONALD'S 20 YR GROUND LEASE - PUBLIX OUTPARCEL

2288 TRENTON ROAD, CLARKSVILLE, TENNESSEE 37040



OFFERING MEMORANDUM

Marcus & Millichap



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Executive Summary

2288 Trenton Road, Clarksville, TN 37040

FINANCIAL SUMMARY

Price	\$2,455,000
Cap Rate	3.75%
Building Size,	4,540 SF
Net Cash Flow	3.75% \$92,000
Year Built	2023
Lot Size	1.03 Acres

LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Ground Lease
Tenant	McDonald's USA, LLC / Corporate
Original Lease Term	20 Years
Lease Commencement Date	July 22, 2023
Lease Expiration Date	August 20, 2043
Rental Increases	5% Every 5 Years
Renewal Options	8, 5 Year Options
Right of First Refusal	15 Days

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
1 - 5	\$92,000.00	3.75%
6 - 10	\$96,600.00	3.93%
11 - 15	\$101,430.00	4.13%
16 - 20	\$106,501.50	4.34%
Options	Annual Rent	Cap Rate
Option 1 (21 - 25)	\$111,826.58	4.56%
Option 2 (26 - 30)	\$117,417.90	4.78%
Option 3 (31 - 35)	\$123,288.80	5.02%
Option 4 (36 - 40)	\$129,453.24	5.27%
Option 5 (41 - 45)	\$135,925.90	5.54%
Option 6 (46 - 50)	\$142,722.20	5.81%
Option 7 (51 - 55)	\$149,858.31	6.10%
Option 8 (56 - 60)	\$157,351.22	6.41%

Base Rent	\$92,000
Net Operating Income	\$92,000
Total Return	3.75% \$92,000



33,300 CPD
HWY 374

McDonald's

FUTURE
RETAIL

FUTURE
DEVELOPMENT

FUTURE
RETAIL



Property Description



INVESTMENT HIGHLIGHTS

- » **20 Years Remaining on Absolute Triple-Net (NNN) Corporate Ground Lease with McDonald's (NYSE: MCD)**
- » 5% Rental Increases Every 5 Years with Multiple Renewal Options
- » **116,584 Residents within a Five-Mile Radius**
- » Rapidly Growing Trade Area - Population Projected to Increase Nearly 17% in the Immediate Area by 2028
- » **The State of Tennessee is a Tax Free State**
- » Located Across from Wyatt Johnson Car Dealership (Kia, Volkswagen, and Subaru)
- » **Average Household Income Exceeds \$78,800 within a Five-Mile Radius**
- » Outparcel to a Top Performing Publix Super Market
- » **Located off of Hwy 374 with Visibility to 33,300+ CPD**
- » Close Proximity to Fort Campbell – One of the Largest US Army Bases with Nearly 235K Personnel



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2028 Projection	9,200	45,452	133,268
2023 Estimate	8,027	38,876	116,584
Growth 2023 - 2028	14.62%	16.91%	14.31%

Households

2028 Projections	3,644	17,410	50,996
2023 Estimate	3,163	14,782	44,217
Growth 2023 - 2028	15.21%	17.78%	15.33%

Income

2023 Est. Average Household Income	\$69,604	\$79,908	\$75,815
2023 Est. Median Household Income	\$59,532	\$64,326	\$59,803

Tenant Overview



McDonald's



CHICAGO, IL
Headquarters



1954
Founded



NYSE: MCD
Stock Symbol



40,000+
Locations



WWW.MCDONALDS.COM
Website

McDonald's Corporation (NYSE: MCD) is an American fast food chain, well-known for its hamburgers. From humble beginnings as a small restaurant, McDonald's has grown to become one of the world's leading food service brands with nearly 40,000 restaurants in more than 100 countries.

The success of McDonald's business model lies in the power of its franchisees, suppliers and employees working together toward a common goal. While a global brand, the vast majority of McDonald's restaurants – more than 95% worldwide – are owned and operated by independent local business owners.

For the second quarter ended June 30, 2023, global comparable sales increased 11.7%, with double digit growth across each segment. Digital Systemwide sales in McDonald's top six markets were over \$8 billion. In 2020, McDonald's launched their *Accelerating the Arches* growth strategy, which has enabled the brand to increase market share and Systemwide sales.

Property Photos



Location Overview



The county seat of Montgomery County, Tennessee, Clarksville is the fifth-largest city in the state with 166,722 residents as of the 2020 US Census. Clarksville is the principal city of the Clarksville, TN-KY metropolitan statistical area, which consists of Montgomery and Stewart counties in Tennessee, and Christian and Trigg counties in Kentucky. Between 2020 and 2021, Montgomery County experienced rapid population growth of 6.4%. The county's unemployment rate for 2021 was 4.5%, below the national level of 5.4%.

Clarksville is located approximately 40 minutes northwest of Nashville along I-24 and borders the state of Kentucky. A city rich in history, Clarksville boasts historic attractions, shopping, dining, and outdoor recreation. The city is home

to Austin Peay State University and is adjacent to Fort Campbell, a United States Army post. Austin Peay University is a public university in Clarksville with roughly 11,000 students enrolled. The university employs approximately 1,100 people.

Clarksville, and the surrounding Montgomery County, is recognized as a premier destination to live, work, and start a business. Opendoor named Clarksville the *#1 Most Desirable Zip Code in America for Relocation in 2021*. Also in 2021, EMSI named Clarksville the *#6 in the Nation for Talent Attraction*. In 2020, Clarksville was recognized as the *Best Place to Retire* by InvestmentU, and ranked *#9 out of 339 Metropolitan Statistical Areas for Economic Strength* by Area Development. Money Magazine rated Clarksville as the *#1 Best Place to live* in 2019.

[exclusively listed by]

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