

WENDY'S

3201 PEOPLES STREET, JOHNSON CITY, TENNESSEE



OFFERING MEMORANDUM

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Marcus & Millichap

Property Description



PROPERTY DESCRIPTION

The Wendy's Company is the world's third largest quick-service hamburger company with over 6,700 restaurants in the U.S. and 29 other countries worldwide. At this Johnson City location, customers are within 5 miles of the big-city amenities of Downtown Johnson City and Shopping Centers such as Johnson City Crossing, Hamilton Place Town Center, The Mall at Johnson City, and Johnson City Plaza Shopping Center.

Combining the best of the world-class travel destination of Johnson City with the ever-growing, rapidly-expanding Wendy's Company, this Wendy's location is positioned for success. There are over 24 years remaining on the current lease term, and rental increases on multiple renewal option periods through 2070, with population and households projected to increase between two and five percent within five miles over the next five years.

INVESTMENT HIGHLIGHTS

- » **Central Location in Johnson City MSA**
- » Over 24 Years Remaining on Absolute Triple-Net (NNN) Lease
- » **7.5% Percent Rental Increases Every Five Years Throughout the Lease Term and in Option Periods**
- » Located Along Peoples St, Immediately Connected to N State of Franklin Rd and I-26 / U.S. Rte 23 / James H Quillen Pkwy (184,086 Combined Cars per Day)
- » **10 Minutes from East Tennessee State University (15,250 Students Annually)**
- » 158,787 Residents within Ten-Mile Radius
- » **Close Proximity to Major Retail Centers: Johnson City Crossing and The Mall at Johnson City**
- » Highly Accessible Location Directly off Interstate 26 / U.S. Route 23
- » **Average Household Income Exceeds \$105,000 in Immediate Area**

Tenant Overview



WWW.WENDYS.COM

Website



6,700+
Locations



NASDAQ: WEN
Stock Symbol



1969
Founded



DUBLIN, OHIO
Headquarters

The Wendy's Company (NASDAQ: WEN) is the world's third largest quick-service hamburger company. The Wendy's system includes over 6,700 restaurants in the U.S. and 29 other countries and U.S. territories worldwide. The Wendy's Company is the parent company of subsidiary holding company Wendy's Restaurants, LLC (Wendy's Restaurants). Wendy's Restaurants is the parent company of Wendy's International, LLC (Wendy's), which is the owner and franchisor of the Wendy's restaurant system in the United States.

In 2021, Wendy's made progress in improving their environmental footprint, supporting communities, and investing in innovative solutions that enhance food safety and visibility into their supply chain. The Wendy's chain offers made-to-order burgers and fries as well as such alternative menu items as baked potatoes, chili, and salads. The chain is known for its square hamburgers, sea salt fries and the Frosty.



Walmart

BARNES & NOBLE
chico's

sam's club

chijis

Cheddar's
SCRATCH KITCHEN

THE VITAMIN SHOPPE

Panera
BREAD

CHUCK E. CHEESE

Guitar Center

HOBBY LOBBY
at home
The Home Décor Superstore

26,758 CPD
N STATE OF FRANKLIN RD

49,723 CPD
U.S. 23/JAMES H. QUILLEN PKWY

Chick-fil-A

IHop

BARBERITOS
We Make It Fresh. You Make It Yours.
DAVID'S
BRIDAL
menchie's
frozen yogurt

BEST BUY

7,605 CPD
PEOPLES ST

Wendy's

THE HOME DEPOT





FRANKLIN WOODS
COMMUNITY HOSPITAL
Mountain States Health Alliance

five BELOW **ROSS**
PET SMART DRESS FOR LESS
BED BATH & BEYOND **OLD NAVY**
SHOE CARNIVAL

LOWE'S
KOHL'S

THE HOME DEPOT

Michaels

BEST BUY

Wendy's

7,605 CPD
PEOPLES ST

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IHOP





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Executive Summary

3201 Peoples Street, Johnson City, TN 37604

FINANCIAL SUMMARY

Price	\$2,662,000
Cap Rate	5.25%
Building Size	3,120 SF
Net Cash Flow	\$139,750
Year Built	2010 / 2020
Lot Size	1.85 Acres

LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Lease
Tenant	Tri-Cities Restaurant Group, LLC
Guarantor	Franchisee
Lease Commencement Date	November 1, 2019
Lease Expiration Date	December 31, 2050
Rental Increases	7.5% Every 5 Years Including Options
Renewal Options	4, 5 Year Options
Right of First Refusal	None

ANNUALIZED OPERATING DATA

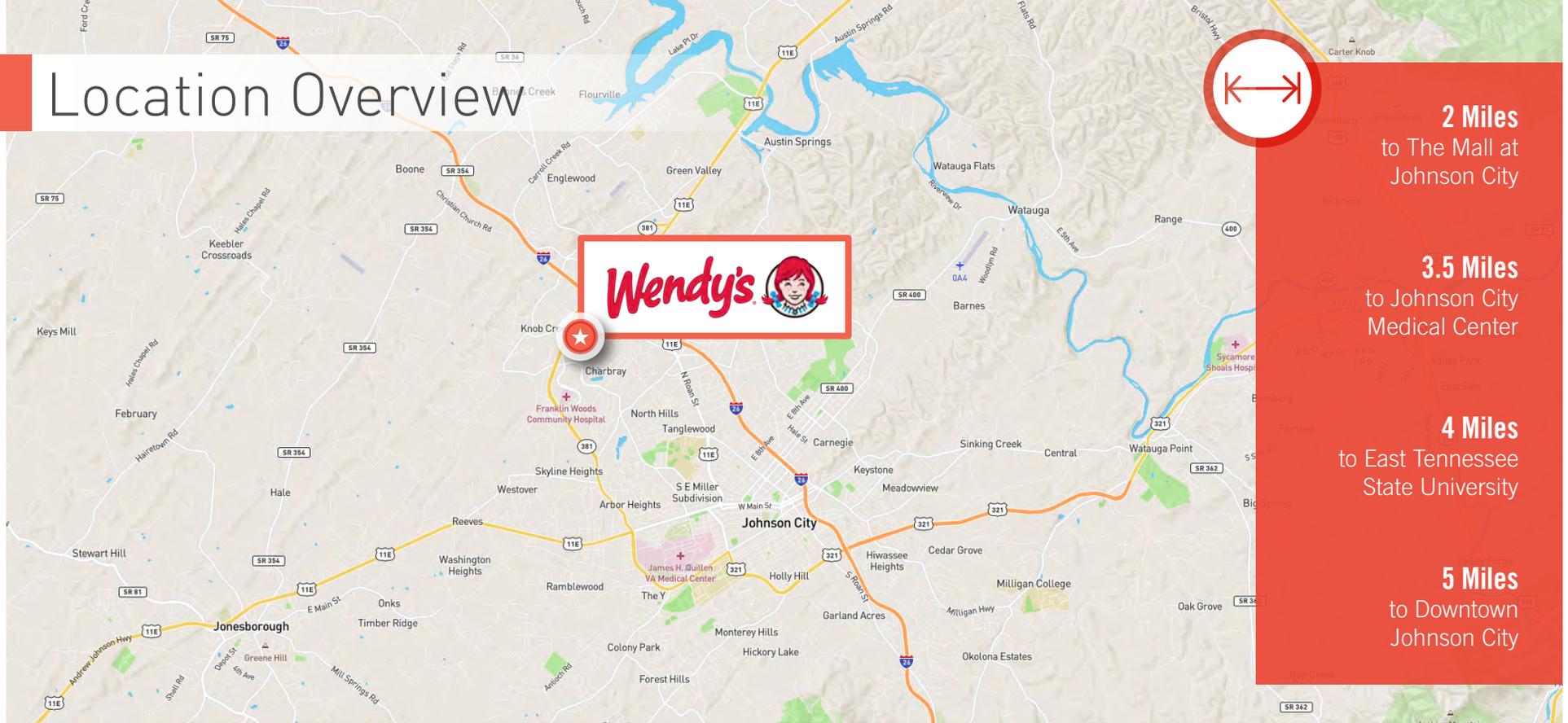
Lease Years	Annual Rent	Cap Rate
Current – 12/31/2025	\$130,000	
1/1/2026 – 12/31/2030	\$139,750	5.25%
1/1/2031 – 12/31/2035	\$150,231	5.64%
1/1/2036 – 12/31/2040	\$161,499	6.07%
1/1/2041 – 12/31/2045	\$173,611	6.52%
1/1/2046 – 12/31/2050	\$186,632	7.01%

Renewal Options	Annual Rent	Cap Rate
Option 1	\$200,629	7.54%
Option 2	\$215,676	8.10%
Option 3	\$231,852	8.71%
Option 4	\$249,241	9.36%

Base Rent	\$139,750
Net Operating Income	\$139,750
Total Return	5.25% \$139,750



Location Overview



Located in the foothills of the Appalachian Mountains, Johnson City, Tennessee combines big-city amenities, small-town Southern charm, and world-class outdoor recreation. Johnson City is in Washington, Carter, and Sullivan counties of Tennessee, mostly in Washington County. As of the 2020 United States census, the population was 71,046, making it the eighth largest city in Tennessee.

Johnson City is the principal city of the Johnson City Metropolitan Statistical Area, which covers Carter, Unicoi, and Washington counties and had a combined population of 207,285 in 2020 and a gross metropolitan product of US\$9.1 billion in 2019. The MSA is also a component of the Johnson City–Kingsport–Bristol, Tennessee–Virginia Combined Statistical Area – commonly known as the

“Tri-Cities” region. This CSA is the fifth-largest in Tennessee with an estimated 514,899 residents.

Johnson City is an economic hub largely fueled by East Tennessee State University and the medical “Med-Tech” corridor, anchored by the Johnson City Medical Center and Niswonger Children’s Hospital (of Ballad Health), Franklin Woods Community Hospital (also of Ballad Health), ETSU’s Gatton College of Pharmacy and ETSU’s Quillen College of Medicine. Additionally, Johnson City is the birthplace of the popular citrus soda, Mountain Dew. In July 2012, PepsiCo announced a new malt-flavored version of the drink named Mountain Dew Johnson City Gold in honor of the city.

Property Demographics



 **DEMOGRAPHICS** 1-mile 3-miles 5-miles

Population

2027 Projection	3,889	34,161	78,847
2022 Estimate	3,784	33,210	76,792
Growth 2022 – 2027	2.76%	2.86%	2.68%

Households

2027 Projection	1,786	15,611	34,408
2022 Estimate	1,701	15,021	33,192
Growth 2022 – 2027	5.00%	3.93%	3.66%

Income

2022 Est. Average Household Income	\$105,813	\$86,416	\$76,846
2022 Est. Median Household Income	\$74,328	\$56,756	\$48,462
2022 Est. Per Capita Income	\$47,603	\$39,459	\$33,935



Property Photos



[exclusively listed by]

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