



**1401 E STONE DR**  
**Kingsport, TN 37660**



**Retail**  
**Investment Opportunity**  
Offering Memorandum

**MATTHEWS™**

# EXCLUSIVELY LISTED BY



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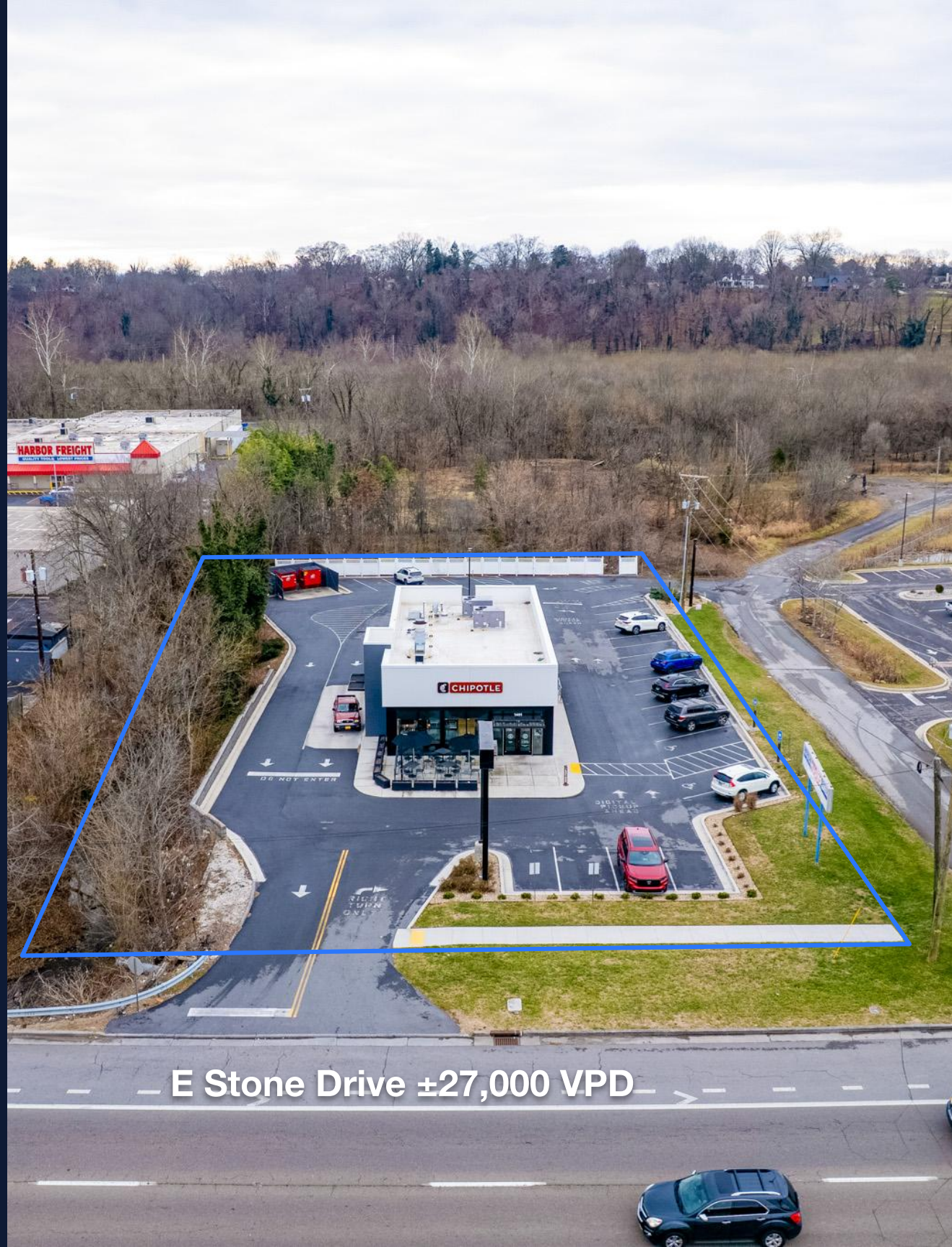
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E Stone Drive ±27,000 VPD

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# PROPERTY OVERVIEW

**Chipotle**

1401 E Stone Dr Kingsport, TN 37660



# INVESTMENT HIGHLIGHTS

## Property Highlights

- **New Construction** – construction was completed in 2023.
- **Nearby to Eastman’s Global HQ & Leading U.S. Manufacturing Facility** – Eastman Chemical’s +900 acre headquarter facility is the region’s leading employer & is one of North America’s largest manufacturing sites.
- **Premier Location & Major Retailers** – Located in the heart of Kingsport, TN, this site is surrounded by national retailers such as Five Below, Target, Kroger, Ross Dress for Less, Lowe’s Home Improvement, Home Depot, Chick-Fil-A, and many other national retailers.
- **First Store Developed in Market** – this is the 1st Chipotle to enter the Kingsport market & is positioned for success.
- **Landlord Friendly Lease** – tenant is responsible for taxes, insurance, & common area maintenance (CAM).
- **Transferable Roof Warranty** – landlord is responsible for the roof & structure. In 2023, ownership obtained a 20-year transferable roof warranty to eliminate any potential capital expenditures in the future.
- **Long Term Lease** – Thirteen Years (13) remaining in the initial term of the lease.
- **Nationally Recognized Tenant & Corporate Guarantee** – this lease is guaranteed by Chipotle Mexican Grill, Inc., a nationally recognized & publicly traded (NYSE: CMG) company with 3,800+ locations.
- **10% Rental Increases** – Buyer will capitalize on increased returns every 5 years during the initial term of the lease & in each renewal period.
- **High Growth Market** – Kingsport is part of the larger “Tri-Cities” region of Northeast Tennessee. This area has seen record population growth for the second consecutive year, quadrupling its growth rate prior to 2020.
- **Adjacent to Notable Tennessee High School** – Located seconds from Dobyns-Bennett High School in Kingsport, the 5th largest high school in Tennessee.



**+** Indian Path Community Hospital  
±239 Beds

**East Stone Commons**

**HOBBY** Office  
**LOBBY DEPOT**

**five BEL'W**

**FAZOLI'S** Olive Garden **PET SMART**

**ROSS** DRESS FOR LESS®

**Stone East Plaza**

**GRAND** HOME FURNISHINGS **DOLLAR GENERAL**

**Krispy Kreme** DOUGHNUTS **POPEYES**

**Applebee's** GRILL + BAR **ups** **Auto Zone**

**AspenDental** **Cheddar's** SCRATCH KITCHEN™

**PET SUPPLIES PLUS**



**Panera** BREAD®

**COOK-OUT**

**McDonald's** **BURGER KING**

**Arby's** **CAPTAIN D'S**

**TACO BELL** **WING STOP**

**Waffle House**

**LONGHORN** STEAKHOUSE

**FIVE GUYS** BURGERS and FRIES

**metro** by T Mobile

**O'Reilly** AUTO PARTS

**SEVEN BREW** DRIVE THRU COFFEE

**cricket** wireless

**SHOP CO. 1ST** **UNITED GROCERY OUTLET**

**DOLLAR TREE**

**HARBOR FREIGHT**  
Quality Tools at Ridiculously Low Prices

**TW** E Stone Dr ±27,000 VPD

**Hardee's**

**CHIPOTLE** MEXICAN GRILL

**Subject Property**

**EASTMAN**

**900-Acre Manufacturing Plant**  
±3.3 Miles Away & ±15,000 Employees  
Regions Leading Employer & One of North America's Largest Manufacturing Sites

**Dobyns-Bennett High School**  
5th Largest High School in Tennessee  
±2,351 Students

**TEXAS RANCHHOUSE** **THE HOME DEPOT**

**Chick-fil-A** **SONIC** **IHop**



Subject Property

Kingsport

Bristol

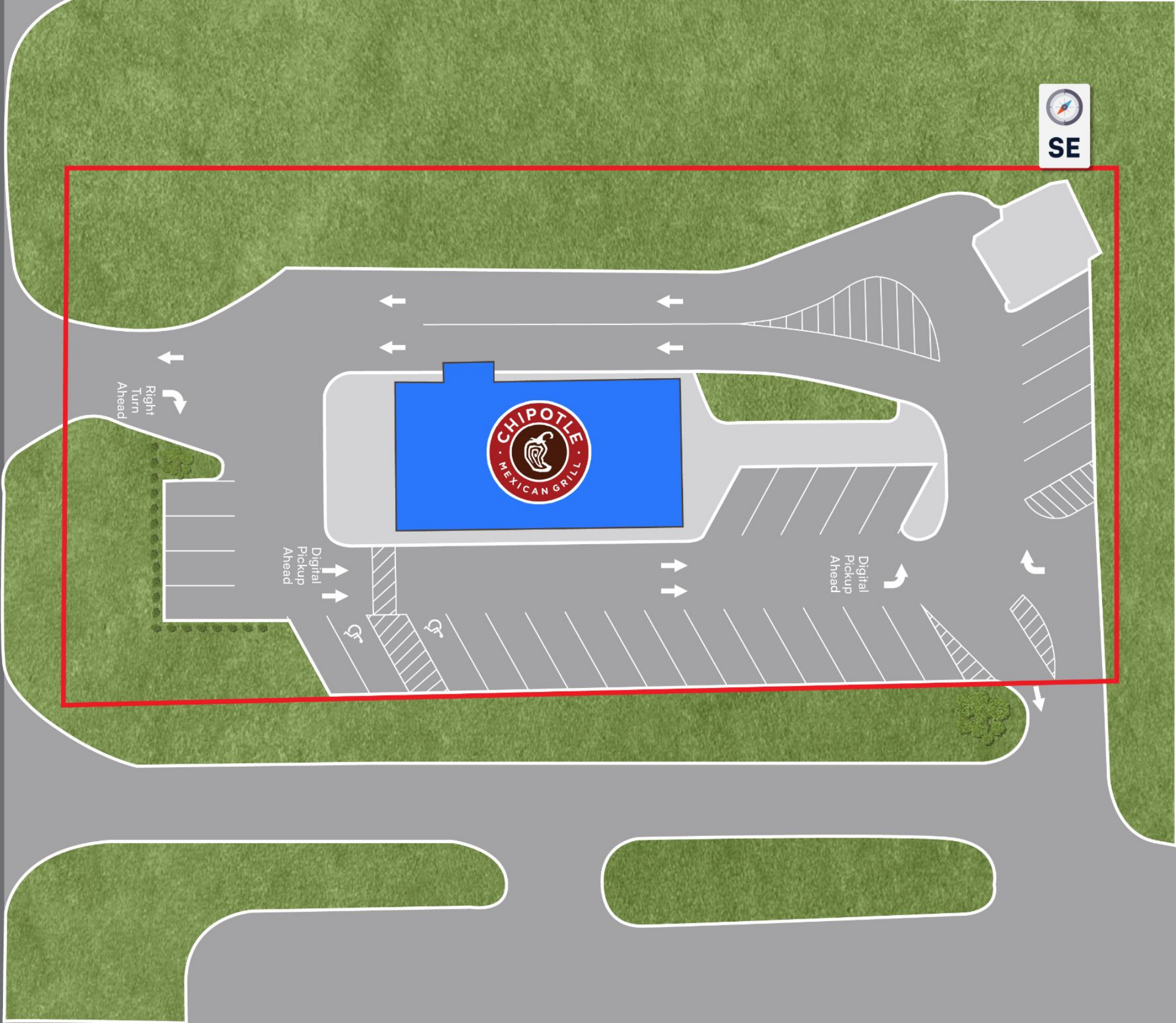
Tri-Cities  
Region

Johnson  
City

Google Earth



Lee Hwy ± 27,000 VPD



Right Turn Ahead

Digital Pickup Ahead

Digital Pickup Ahead



**1401 E Stone Dr**  
Kingsport, TN 37660

**±0.85 AC**

Lot Size

**2023**

Year Built

**±27,000**

Vehicles Per Day

**NN+**

Lease Type



# PROPERTY PHOTOS



# FINANCIAL OVERVIEW

**Chipotle**

1401 E Stone Dr Kingsport, TN 37660



# FINANCIAL SUMMARY

**\$2,719,298**

List Price

**5.70%**

Cap Rate

**\$155,000**

NOI

**±0.85 AC**

Lot Size

## Property Details

Tenant	Chipotle
Lease Guarantor	Chipotle Mexican Grill, Inc. (Corporate)
Lease Type	NN+
Taxes	Tenant Responsible
Insurance	Tenant Responsible
Common Area Maintenance (CAM)	Tenant Responsible
Parking Lot	Tenant Responsible
Roof & Structure	Landlord Responsible
Transferrable Roof Warranty	Yes
Right of First Refusal (ROFR)	None
Term Remaining	±13 Years
Original Lease Term	15 Years
Rent Commencement	12/19/2023
Rent Expiration	12/31/2038
Increase	10% Every 5 Years
Options	Four, 5-Year Options

## Annualized Operating Data

Term	Monthly Rent	Annual Rent	Cap Rate
Current - Year 5	\$12,916.67	\$155,000.00	5.70%
Years 6 - 10	\$14,208.33	\$170,500.00	6.27%
Years 11 - 15	\$15,629.17	\$187,550.00	6.90%
Option 1	\$17,192.08	\$206,305.00	7.58%
Option 2	\$18,911.29	\$226,935.50	8.35%
Option 3	\$20,802.42	\$249,629.05	9.18%
Option 4	\$22,882.66	\$274,591.96	10.10%

# TENANT SUMMARY

Year Founded  
1993

Headquarters  
Newport Beach, CA

Ownership Status  
Publicly Traded

Employees  
±130,504

Locations  
3,800+

Credit Rating  
BBB (S&P)

Annual Revenue  
\$11.5 Billion



## Tenant Overview

Chipotle Mexican Grill, Inc. is a leading fast-casual restaurant operator, renowned for its customizable burritos, bowls, tacos, and Mission-style offerings prepared fresh in an efficient assembly-line format. Founded in 1993 by Steve Eells in Denver, Colorado, it pioneered the fast-casual segment and has since grown into a publicly traded powerhouse (NYSE: CMG) with a strong brand built on its “Food With Integrity” ethos, emphasizing high-quality, responsibly sourced ingredients.

Chipotle demonstrates both financial strength and sustained consumer demand across its expanding footprint. Its disciplined expansion, digital innovation, and brand loyalty make it an attractive net-lease tenant with compelling growth potential and resilient fundamentals.

## Why Invest in Chipotle Mexican Grill?

- Sustained revenue growth and profitability, with trailing-12-month revenue exceeding \$11.5 billion and strong margins under stable leadership.
- Investment-grade S&P BBB rating reflects solid financial health and disciplined leverage profile.
- Aggressive yet measured expansion: up to 345 new restaurants planned in 2025, including first-ever Mexico entry in partnership with Alsea, while growing presence in Canada, Europe, and the Middle East.
- Growth via Acquisitions and Organic Expansion: A proven track record of integrating acquisitions (like EGW Utilities) to broaden service offerings and expand geographic and market reach.
- Under CEO Brian Niccol, the company relocated headquarters, doubled revenue, improved margins, and significantly increased shareholder value.

# MARKET OVERVIEW

**Chipotle**

1401 E Stone Dr Kingsport, TN 37660



# KINGSPORT, TN

## Market Demographics



**57,100**  
Total Population

**\$82,378**  
Average HH Income

**24,674**  
# of Households

**62.2%**  
Homeownership Rate

**23,726**  
Employed Population

**31%**  
% Bachelor's Degree

**42.8**  
Median Age

**\$203,000**  
Median Property Value

## Local Market Overview

Kingsport, Tennessee is a steadily expanding economic center within the Tri-Cities region, supported by a balanced mix of manufacturing, healthcare, education, and logistics. The city benefits from long-term corporate presence, including advanced manufacturing operations and regional medical facilities that draw a consistent workforce. Its transportation network—anchored by access to I-26, the I-81 corridor, and regional air service—provides strong connectivity for business operations and daily commuting. These factors have contributed to a stable population base and reliable market activity.

Ongoing public and private investment continues to strengthen Kingsport's commercial landscape. The city has prioritized redevelopment, infrastructure upgrades, and strategic planning to support long-term economic performance. Employers are supported by workforce training programs tied to regional colleges and technical institutions, adding depth to the labor pool. With steady job creation, a growing service sector, and disciplined community planning, Kingsport maintains strong fundamentals that position it as a durable and appealing market for commercial investment.

## Property Demographics

Population	1-Mile	3-Mile	5-Mile
Five-Year Projection	6,362	36,805	72,162
Current Year Estimate	6,410	36,522	71,744
2020 Census	6,236	35,335	69,676
Growth Current Year-Five-Year	-0.74%	0.77%	0.58%
Growth 2020-Current Year	2.78%	3.36%	2.97%
Households	1-Mile	3-Mile	5-Mile
Five-Year Projection	2,925	16,612	31,843
Current Year Estimate	2,948	16,481	31,658
2020 Census	2,856	15,703	30,350
Growth Current Year-Five-Year	-0.81%	0.80%	0.58%
Growth 2020-Current Year	3.22%	4.95%	4.31%
Income	1-Mile	3-Mile	5-Mile
Average Household Income	\$66,857	\$81,863	\$83,302



## Economy

Kingsport, Tennessee's economy is anchored by a strong industrial foundation that has supported long-term stability while allowing for gradual diversification. The city is widely recognized as the home of Eastman Chemical Company's global headquarters and original manufacturing operations, which remain a cornerstone employer and innovation driver. Additional economic strength comes from large-scale manufacturing and government-related facilities, including recycled paper production and defense-related operations.

Together, these employers contribute to a resilient employment base and sustained demand for housing, retail, and services. Kingsport benefits from a cost of living below national averages, supporting workforce retention and household affordability, while local and regional development initiatives continue to promote industrial modernization and business expansion throughout the Tri-Cities area.

## Attractions

Kingsport's attractions highlight a balance of outdoor recreation, family-friendly amenities, and local heritage. Bays Mountain Park & Planetarium stands out as one of the region's premier natural assets, offering thousands of acres of preserved land, hiking and biking trails, wildlife exhibits, and educational programming.

The city also features community-centered destinations such as the Kingsport Carousel, public greenways, and recreational facilities that host year-round events and activities. Cultural venues, sports facilities, and shopping districts further enhance Kingsport's appeal, creating a well-rounded environment that blends scenic Appalachian surroundings with accessible entertainment and leisure opportunities.

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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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