



**SLEEP OUTFITTERS - WALMART OUTPARCEL**

**GADSDEN, ALABAMA**

Marcus & Millichap  
OFFERING MEMORANDUM



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# SLEEP OUTFITTERS - WALMART OUTPARCEL

GADSDEN, AL

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# PROPERTY ANALYSIS

**SLEEP OUTFITTERS - WALMART OUTPARCEL**

Marcus & Millichap

## INVESTMENT OVERVIEW

Marcus & Millichap is please to present a Sleep Outfitters located at 400 E Meighan Boulevard in Gadsden, AL. The property consists of 4,000 square feet of building space and sits on 0.5 acres of land. The store opened in August 2018, however the lease allows for six months of free rent with the initial 10 year term commencing February 1, 2019. There are ten percent rental increases every five years during the base term and renewal options. The tenant and guarantor is Innovative Mattress Solutions (iMS), a 175+ mattress store retailer operating as Mattress Warehouse, Sleep Outfitters and Mattress King throughout six states (West Virginia, Ohio, Kentucky, Tennessee, Alabama and Indiana). iMS has plans for 25 new store openings in the coming 18 months, which will take place in new and existing markets.

The property is situated within a dense retail corridor along E Meighan Blvd with over 35,500 cars per day and drawing from a regional trade area stretching across six counties and 35 miles with over 470,000 residents. The site is positioned in close proximity to the Goodyear Tire and Rubber Manufacturing Plant, Gadsden's largest employer, and as an outparcel to a 24-Hour Walmart Supercenter. The property is also one mile from Gadsden Regional Medical Center, the third largest employer in the city with over 1,200 employees. Other national tenants in the area include Hobby Lobby, Ross Dress for Less, Old Navy, TJ Maxx, Petco, Burkes Outlet, Walgreens and Aldi.



## INVESTMENT HIGHLIGHTS

- ▶ Brand New 2018 Construction with 10 Year NNN Lease
- ▶ Outparcel to 24-Hour Walmart Supercenter
- ▶ Excellent Access and Visibility to 40,000+ Cars/Day at the Signalized Intersection
- ▶ 10 Percent Rental Increase in Years 6-10 of the Base Term Taking CAP Rate to 7.42%
- ▶ Lease Guaranty with Innovative Mattress Solutions – Over 175 Locations in 6 States with 25 New Openings in the Coming 18 Months
- ▶ Two, Five-Year Renewal Options with 10% Rental Increases
- ▶ Trade Area Encompasses Six Counties Across 35 Miles with 470,000+ Residents
- ▶ Next Closest Regional Retail Hub is 60 Miles Away (Birmingham, AL)
- ▶ Located in the Primary Retail Corridor with Retailers Including Walmart Supercenter, TJ Maxx, Hobby Lobby, Ross Dress for Less, Petco, Aldi and Walgreens

# EXECUTIVE SUMMARY

## SLEEP OUTFITTERS - WALMART OUTPARCEL

400 E Meighan Boulevard  
Gadsden, AL 35903



### RENT SCHEDULE

Base Term	Annual Rent	Monthly Rent	CAP Rate
2/1/2019 - 1/31/2024	\$96,000.00	\$8,000.00	6.75%
2/1/2024 - 1/31/2029	\$105,600.00	\$8,800.00	7.42%

Option Terms	Annual Rent	Monthly Rent	CAP Rate
Option 1 (5 Years)	\$116,160.00	\$9,680.00	8.16%
Option 2 (5 Years)	\$127,776.00	\$10,648.00	8.98%

### OFFERING SUMMARY

Offering Price	\$1,423,000
CAP Rate	6.75%
Initial Annual Rent or Year 1 NOI	\$96,000
Gross Leasable Area (GLA)	4,000
Price/SF (GLA)	\$355.75
Year Built	2018
Lot Size (Acres)	.5 Acres

### LEASE SUMMARY

Legal Tenant	Sleep Outfitters of Alabama, LLC
Lease Type	Triple Net
Ownership Interest	Private Company
Lease Guarantor	Innovative Mattress Solutions, LLC
Original Lease Term	10 Years
Lease Commencement Date	7/1/2017
Rent Commencement Date	2/1/2019***
Lease Expiration Date	1/31/2029
Remaining Lease Term	10 Years
Renewal Options	Two, 5-Year
Rent Increases	10% Every 5 Years
Right of First Refusal	None

\*\*\*Store opened 8/1/2018 with rent commencing 6 months after opening

### DEMOGRAPHIC SUMMARY

	1-Mile	3-Miles	5-Miles
2017 Population	3,313	26,785	48,043
2022 Population Projection	3,338	25,904	47,160
2017 Households	1,404	11,009	19,982
2022 Households Projection	1,421	10,740	19,811
Average Household Income	\$37,227	\$41,728	\$49,734
Median Household Income	\$27,777	\$28,443	\$35,449



T.J. maxx

burkes  
OUTLET

Walmart

SHOE  
CARNIVAL

ULTA  
BEAUTY

KIRKLAND'S

five BELOW

PETCO  
Where the pets go.

SHOE DEPT.

OLD NAVY

Sleep  
Outfitters  
mattress gallery

ROSS  
DRESS FOR LESS

HOBBY  
LOBBY

McJ  
southwest grill

Jimmy  
John's

SHONEY'S

SONIC  
America's Drive-In

Arby's

POPEYE'S

Wendy's

Burger  
King

E Meighan Blvd. — 35,530 VPD

TITLEMAX

MURPHY  
USA

Rally's  
EAT & GO

CHEVROLET



In 1983, **Kim Knopf** responded to a newspaper ad for a salesperson in a bedding shop. The interviewer's enthusiasm for the prospects of the business sparked her determination to run a shop of her own rather than someone else's. At the tender age of 23, Kim Knopf plunged headlong into the world of free enterprise. Just one year removed from her college days at the University of Kentucky, the young businesswoman set out to live the American dream and opened her first retail location.

Over the next several decades, she grew her company to over **175 retail locations**. She had two children along the way. She maintains a family-friendly atmosphere and views her employees as her second family, taking pride in helping them develop different skill sets and giving them opportunities to grow and succeed.

"From one store to over 175, our company continues to grow... thanks to our drive to be the customer's only choice for the latest in sleep technology from America's top brands."

*Kimberly B. Knopf*

- President & CEO

## Bedding is our business and no one does it **Better!**



**Mattress Warehouse, Sleep Outfitters and Mattress King** offer a new way to shop for a better night's sleep! We've taken **over 30 years** of experience in the **bedding industry** and our customers' suggestions to create a whole new experience!

Mattress Warehouse, Sleep Outfitters and Mattress King are part of a successful chain of bedding stores operating in **West Virginia, Ohio, Kentucky, Tennessee, Indiana and Alabama**. The retail chains are managed by **Innovative Mattress Solutions, LLC** based out of Winfield, WV. **So what is the formula for over 30 years of success?** Comfortable, spacious showrooms that display America's favorite mattress brands and all at the guaranteed lowest price!



INNOVATIVE MATTRESS SOLUTIONS



## Over 175 Store Buying Power and **growing.**





## TENANT OVERVIEW & PROPERTY DETAILS



Sleep Outfitters is a part of Innovative Mattress Solutions. It is the vision of one woman, Louisville, KY. native, Kim Brown Knopf. Less than a year after graduating from the University of Kentucky, insurance agent and Louisville native, Kim Brown Knopf answered an ad looking for people to sell mattresses. Her interest piqued, she began investigating the bedding business. Decisive and entrepreneurial, the 23-year-old chose Charleston, W.Va. as the place to open her own business. She moved there in August 1983 and opened her first store, Mattress Warehouse, in October in nearby South Charleston. Although they have grown from a one-woman, one-store operation to over 175 stores with over 400 employees, they have always sought family-oriented staff that love helping others and working as a team. Today, Kim Knopf's little mattress company, Innovative Mattress Solutions (IMS), is 150-stores strong and operates in six states (West Virginia, Ohio, Kentucky, Tennessee, Alabama and Indiana) as Mattress Warehouse, Sleep Outfitters and Mattress King. Kim's founding philosophy of providing the best products at the lowest prices continues to drive the company's success

TENANT OVERVIEW	
Ownership	Private
Headquartered	Lexington, KY
Number of Locations	175+

### THE OFFERING

Tenant	Sleep Outfitters
Property Address	400 E Meighan Boulevard Gadsden, AL 35903

### PARCELS

Number of Tax Parcels	One
Parcel Number(s)	15-02-03-4-000-137.000

### CONSTRUCTION

Roof Repairs	Tenant
Structure & Roof Replacement	Landlord (20-Year Roof Warranty)
Parking Lot	Tenant
HVAC (Base Term)	Tenant
HVAC (Options)	Tenant up to \$1,200 per year
Common Area Maintenance	Tenant
Utilities	Tenant
Real Estate Taxes	Tenant
Insurance	Tenant

### MECHANICAL

Fire Protection	To Code
Utilities	All Local Providers

### ZONING

PUD	Commercial
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TEMPUR-PEDIC

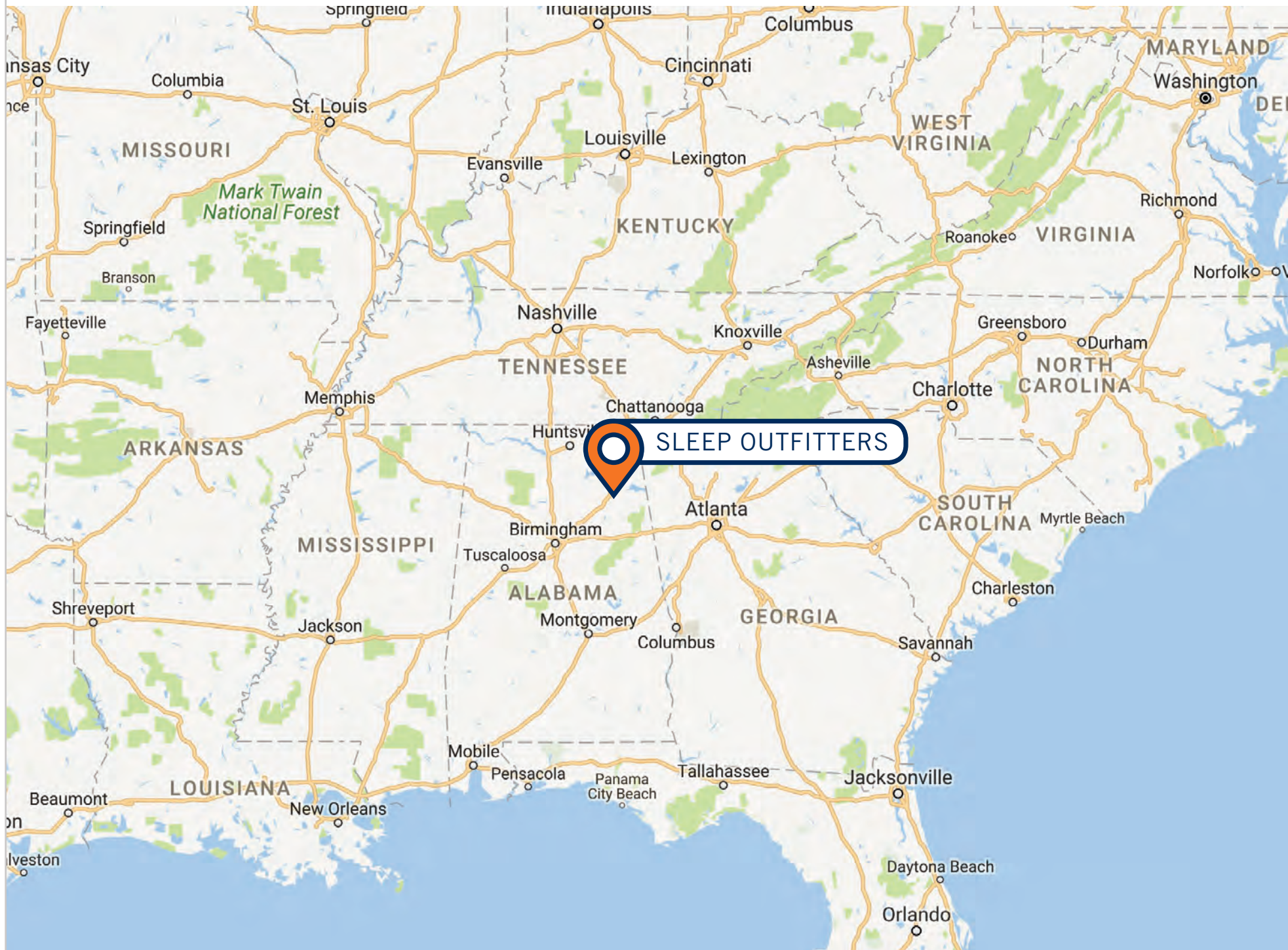
Sleep  
Outfitters

APPROVED  
CASH  
PAYDAY &  
TITLE LOANS  
CHECK CASHING

Sleep  
Outfitters



# REGIONAL MAP



**SLEEP OUTFITTERS**

# PARCEL MAP





# RETAILER AERIAL

SLEEP OUTFITTERS - WALMART OUTPARCEL // PROPERTY ANALYSIS





# MARKET OVERVIEW

**SLEEP OUTFITTERS - WALMART OUTPARCEL**

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## DEMOGRAPHICS HIGHLIGHTS



48,043

POPULATION WITHIN 5 MILES



\$49,734

AVERAGE HOUSEHOLD INCOME  
IN 5-MILE RADIUS



PROJECTED HOUSEHOLD GROWTH  
OVER NEXT 5 YEARS IN A 1-MILE RADIUS

UNIT TYPE	1 MILE	3 MILES	5 MILES
<b>2017 Estimate</b>			
Total Population	3,313	26,785	48,043
<b>2022 Projection</b>			
Total Population	3,338	25,904	47,160
<b>2010 Census</b>			
Total Population	3,398	27,260	48,731

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
<b>2017 Estimate</b>			
Total Households	1,404	11,009	19,982
<b>2022 Projection</b>			
Total Households	1,421	10,740	19,811
<b>2010 Census</b>			
Total Households	1,440	11,189	20,187
<b>Owner Occupied</b>			
Total Households	597	6,025	12,595
<b>Renter Occupied</b>			
Total Households	807	4,984	7,387

HOUSEHOLDS BY INCOME	1 MILE	3 MILES	5 MILES
<b>2017 Estimate</b>			
Income \$ 0 - \$9,999	11.4%	12.2%	9.8%
Income \$ 10,000 - \$14,999	6.9%	10.8%	9.0%
Income \$ 15,000 - \$24,999	25.5%	22.3%	18.7%
Income \$ 25,000 - \$34,999	16.3%	11.8%	12.1%
Income \$ 35,000 - \$49,999	18.0%	15.2%	15.3%
Income \$ 50,000 - \$74,999	14.5%	14.5%	16.5%
Income \$ 75,000 - \$99,999	4.1%	6.2%	8.7%
Income \$100,000 - \$124,999	1.8%	3.6%	4.9%
Income \$125,000 - \$149,999	0.7%	1.5%	2.1%
Income \$150,000 +	1.0%	1.9%	3.0%
<b>Average Household Income</b>	\$37,227	\$41,728	\$49,734
<b>Median Household Income</b>	\$27,777	\$28,443	\$35,449

HOUSEHOLDS BY INCOME	1 MILE	3 MILES	5 MILES
<b>Population By Age</b>			
2017 Estimate Total Population	3,313	26,785	48,043
Age 20 - 24	8.3%	7.4%	6.7%
Age 25 - 34	15.8%	13.2%	12.5%
Age 35 - 44	12.9%	12.0%	12.1%
Age 45 - 54	12.6%	12.6%	13.0%
Age 55 - 64	11.4%	13.0%	13.5%
Age 65 - 74	6.3%	8.5%	9.6%
Age 75 - 84	3.3%	5.5%	5.8%
Age 85 +	1.8%	2.5%	2.4%
Median Age	33.8	38.4	40.5

Population 25+ by Education Level	1 MILE	3 MILES	5 MILES
2017 Estimate Population Age 25+	2,120	17,978	33,071
Grade K - 8	3.4%	6.1%	5.2%
Grade 9 - 12	14.9%	13.8%	12.4%
High School Graduate	37.8%	33.1%	31.9%
Associates Degree	4.8%	6.6%	7.1%
Bachelor's Degree	6.3%	7.8%	9.6%
Graduate Degree	2.7%	4.5%	5.9%
Some College, No Degree	29.3%	25.3%	25.8%

Population by Gender	1 MILE	3 MILES	5 MILES
2017 Estimate Total Population	3,313	26,785	48,043
Female Population	1,747	14,101	25,152
Male Population	1,566	12,684	22,892







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