



## Crossroad Commons - The Terraces - Pine Ridge Office Park

Crossroad Commons - 9051 Executive Park Drive, Knoxville, TN 37923

The Terraces - 120 Market Place Boulevard, Knoxville TN 37922

Pine Ridge Office Park - 700-710 S. Illinois Ave., Oak Ridge, TN 37830

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## Office Portfolio

### Crossroad Commons

9051 Executive Park Drive, Knoxville, TN 37923

### The Terraces

120 Market Place Boulevard, Knoxville, TN 37922

### Pine Ridge Office Park

700-710 S. Illinois Ave., Oak Ridge, TN 37830

### Property Features

- Crossroad Commons – 32,302 SF Office Space
- The Terraces – 70,093 SF Office Space
- Pine Ridge Office Park – 60,000 SF Office Space

### Property Details

|                     |              |
|---------------------|--------------|
| Total SF            | 162,395      |
| 2016 EOY NOI:       | \$986,503.18 |
| Projected 2017 NOI: | \$955,908.36 |

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NAI Koella | RM Moore, as exclusive agent and advisor to the Owner, is pleased to offer the opportunity to acquire an exceptional office portfolio. This portfolio includes three multi-tenant office buildings, constructed between 1985 and 1987, and enjoys a prime location in the Cedar Bluff market of Knoxville, TN and a main thoroughfare into Oak Ridge, TN on S. Illinois Avenue. The Oak Ridge property site is less than 5 miles from Methodist Medical Center, and less than five miles from the Y-12 National Security Complex. The Knoxville properties are located in the center of the West Knoxville office market. These properties provide convenient access to the West Knoxville suburbs and McGhee Tyson Airport, via the Pellissippi Parkway. This unique offering provides investors with great office locations and space that will accommodate both large and small tenants.



All three properties are offered to the market “AS IS”.

### Investment Opportunity – In-Place Income Stream

- Multi-Tenant Office Buildings in prominent locations
- Locations within the Knoxville & Oak Ridge, TN Markets
- Easy Access to Pellissippi Parkway and I-40
- Located near banking, restaurants, hotels and shopping
- Provides opportunity for large and small tenant mix

## Overview and Building Features

|                     |   |
|---------------------|---|
| Owners              | BGK TN Office Associates, LP  |
| Address             | 9051 Executive Park Dr., Knoxville, TN 37923  |
| Year Built          | 1980  |
| Parcel ID           | 119 03316   |
| Description         | Concrete, masonry walls, structural steel columns, bar joists and metal roof decks with cast-in place concrete floors.  |
| Gross Building Area | 33,860 SF   |
| Rentable Area       | 32,302 SF   |
| Site Area           | 2.53 acres  |
| Parking             | Surface. Existing parking field includes 119 spaces.  |
| Utility & Design    | (2) 2-Story buildings<br>(2) Single Story buildings   |
| Exterior Finishes   | Aluminum store fronts and brick masonry   |
| Floors              | Single story  |
| Roof                | Corrugated steel decking on open web, steel bar joists, rigid insulation sloped to interior drains. Ballasted, carlisle EPDM, single-ply membrane roofing system. |

## Overview and Building Features

|                    |  |
|--------------------|--|
| Mechanical Systems | Electric heating and electric cooling, split systems of various sizes.   |
| Fire Protection    | Hard wired smoke detectors, portable fire extinguishers, lighted exit signs, emergency light switch battery packs. |
| Utilities          | Electric: Knoxville Utility Board<br>Gas: Knoxville Utility Board<br>Water: Knoxville Utility Board                |
| Phone/Data         | AT&T/ Comcast  |
| Security System    | Individual systems by tenant if desired  |

## Overview and Building Features

|                     |  |
|---------------------|--|
| Owners              | BGK TN Office Associates, LP   |
| Address             | 120 Market Place Boulevard, Knoxville, TN 37922  |
| Year Built          | 1985-1987  |
| Parcel ID           | 132 02605  |
| Description         | Two single story and six partial two story buildings   |
| Gross Building Area | 72,366 SF  |
| Rentable Area       | 70,093 SF  |
| Site Area           | 6.43 acres   |
| Parking             | Surface. Existing parking field includes 294 spaces  |
| Utility & Design    | 1-2 Story buildings  |
| Exterior Finishes   | Metal studs with brick veneer and limited sections of stucco on the exterior side .<br>Gypsum wallboard on the interior faces. |
| Floors              | 1-2  |

## Overview and Building Features

|      |  |
|------|--|
| Roof | Sloped roofs consisting of prefabricated wood trusses on 24 inch centers, plywood decking with intermediate metal support clips and a standing seam metal roof system, |
|------|--|

|                    |  |
|--------------------|--|
| Mechanical Systems | Electric heat and cool pump units of various sizes |
|--------------------|--|

|                 |  |
|-----------------|--|
| Fire Protection | Hard wired smoke detectors, portable fire extinguishers, lighted exit signs and emergency battery packs. Manual pull stations and audible visual alarms in buildings A, D and E. |
|-----------------|--|

|           |   |
|-----------|---|
| Utilities | Electric: City of Oak Ridge<br>Gas: Oak Ridge Utility Board<br>Water: City of Oak Ridge |
|-----------|---|

|            |               |
|------------|---------------|
| Phone/Data | AT&T/ Comcast |
|------------|---------------|

|                 |   |
|-----------------|---|
| Security System | Each space/tenant individual security system based on tenant needs. |
|-----------------|---|

## Overview and Building Features

|                     |  |
|---------------------|--|
| Owners              | BGK TN Office Associates LP  |
| Address             | 700-710 S. Illinois Ave., Oak Ridge, TN 37830  |
| Year Built          | 1985   |
| Parcel ID           | 1066 A 001.00  |
| Description         | Three single story and three one and two story split buildings   |
| Gross Building Area | 60,000 SF  |
| Rentable Area       | 60,000 SF  |
| Site Area           | 7.79 acres   |
| Parking             | Surface. Existing parking field includes 302 spaces and land is available to add 44 spaces.                                    |
| Utility & Design    | (3) 1 & 2-Story buildings<br>(3) 1-Story buildings   |
| Exterior Finishes   | Aluminum store fronts and brick masonry with corrugated metal siding and metal studs with batt insulation and gypsum wallboard |
| Floors              | 1-2  |



## Overview and Building Features

|                    |  |
|--------------------|--|
| Roof               | Standing seam galvanized steel sloped roofs-continuous gutters connected to surface mounted downspouts   |
| Mechanical Systems | Electric heat and cool pump units of various sizes   |
| Fire Protection    | Hard wired smoke detectors, portable fire extinguishers, lighted exit signs and emergency battery packs. The (3) 2-story buildings are equipped with automatic wet pipe fire protection sprinkler system |
| Utilities          | Electric: City of Oak Ridge<br>Gas: Oak Ridge Utility Board<br>Water: City of Oak Ridge  |
| Phone/Data         | AT&T   |

# Crossroad Commons The Terraces Pine Ridge Office Park

NOI for year-end 2016:

Crossroad Commons - \$145,032.73

The Terraces - \$516,424.40

Pine Ridge Office Park - \$325,046.05

Project NOI for 2017:

Crossroad Commons - \$161,538.28

The Terraces – \$500,319.03

Pine Ridge Office Park - \$294,051.05

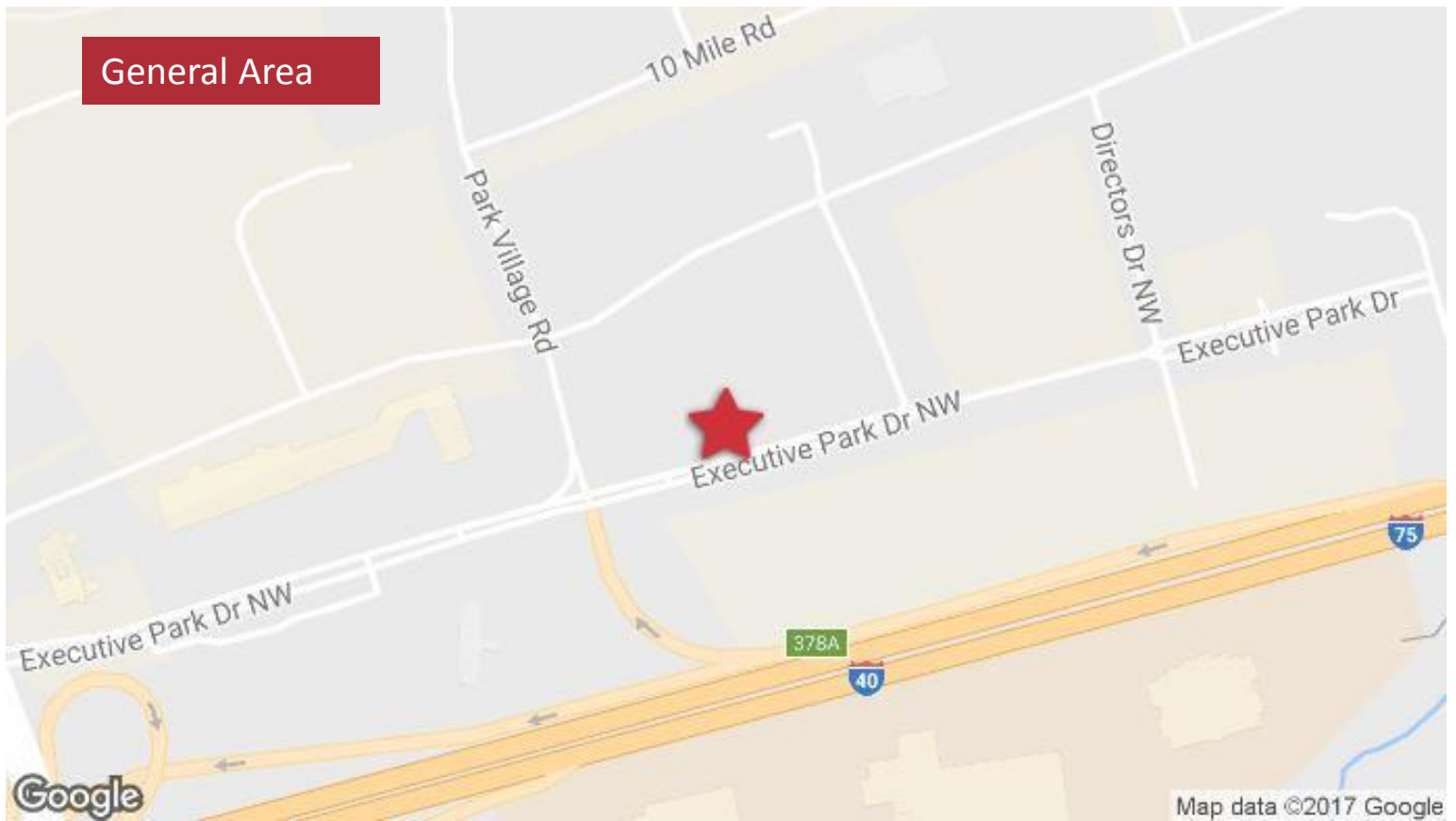
**The Seller expects all interested parties to do their own underwriting and to rely on their own projection for the NOI and pricing.**

Upon receiving a fully executed Confidentiality Agreement from the interested party and any consultants or brokers representing the interested party, the following information is available to help the Buyer analyze this investment and provide their offer:

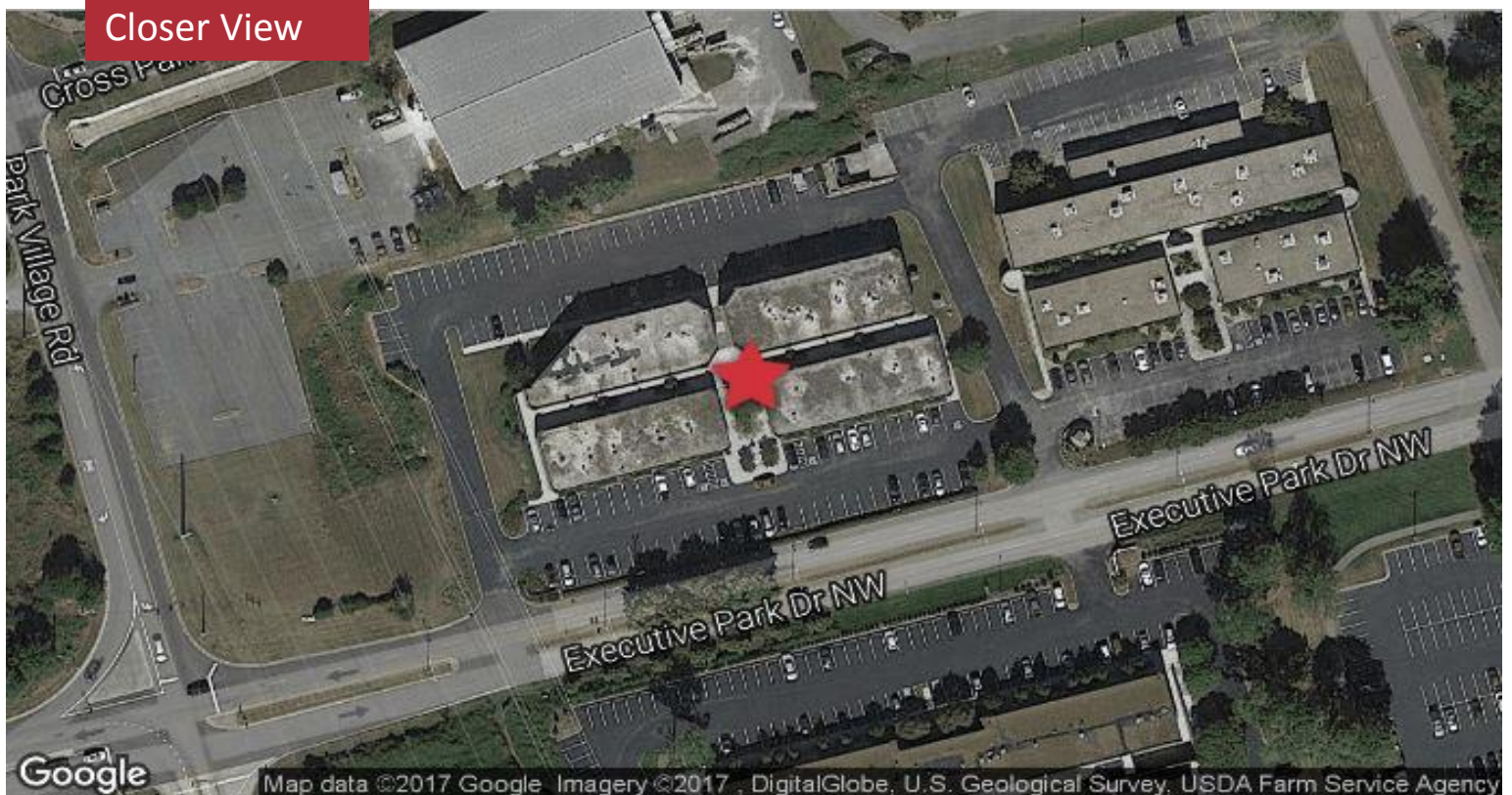
- The most recent 2017 rent roll
- 2013-2016 Income/Expense Statements

# Map Overviews

General Area

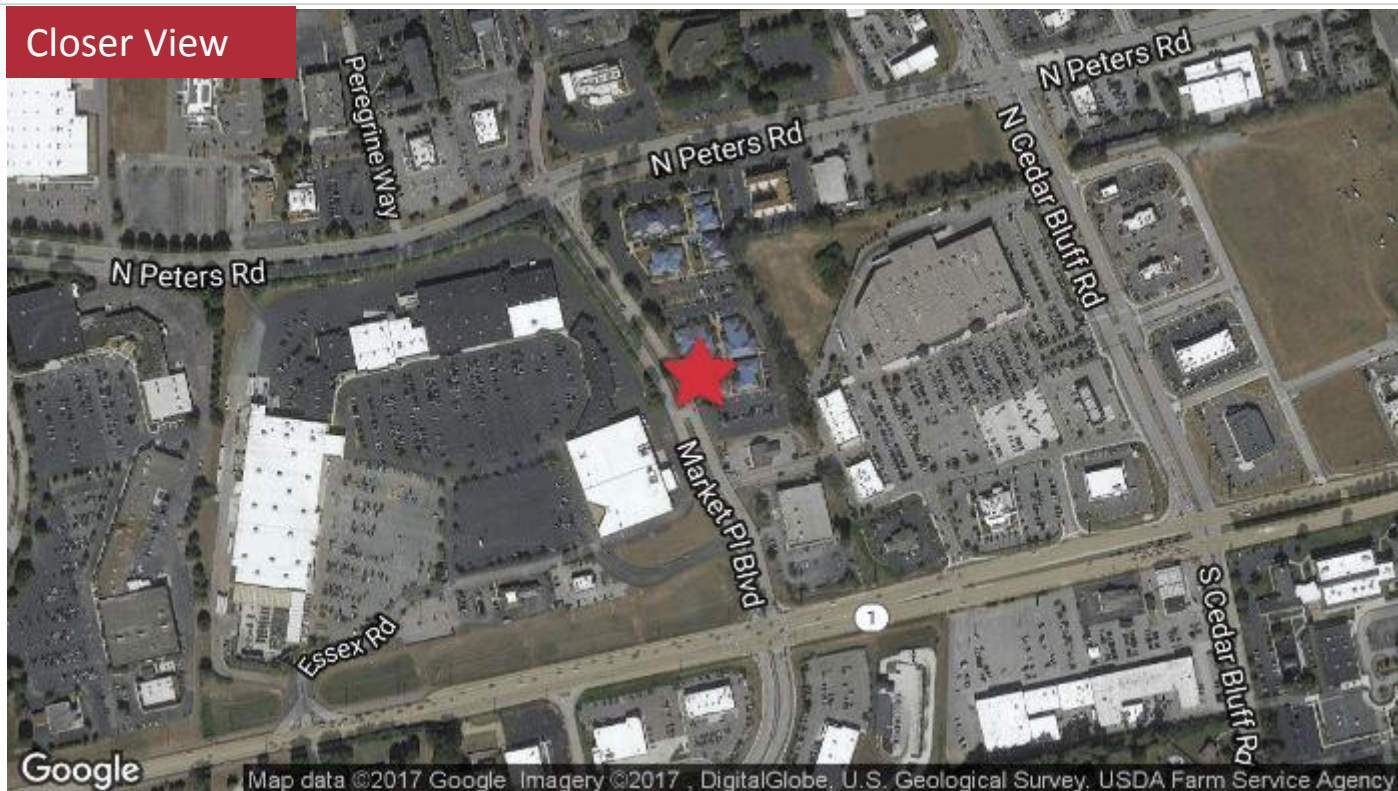


Closer View





# The Terraces Portfolio Map Overviews



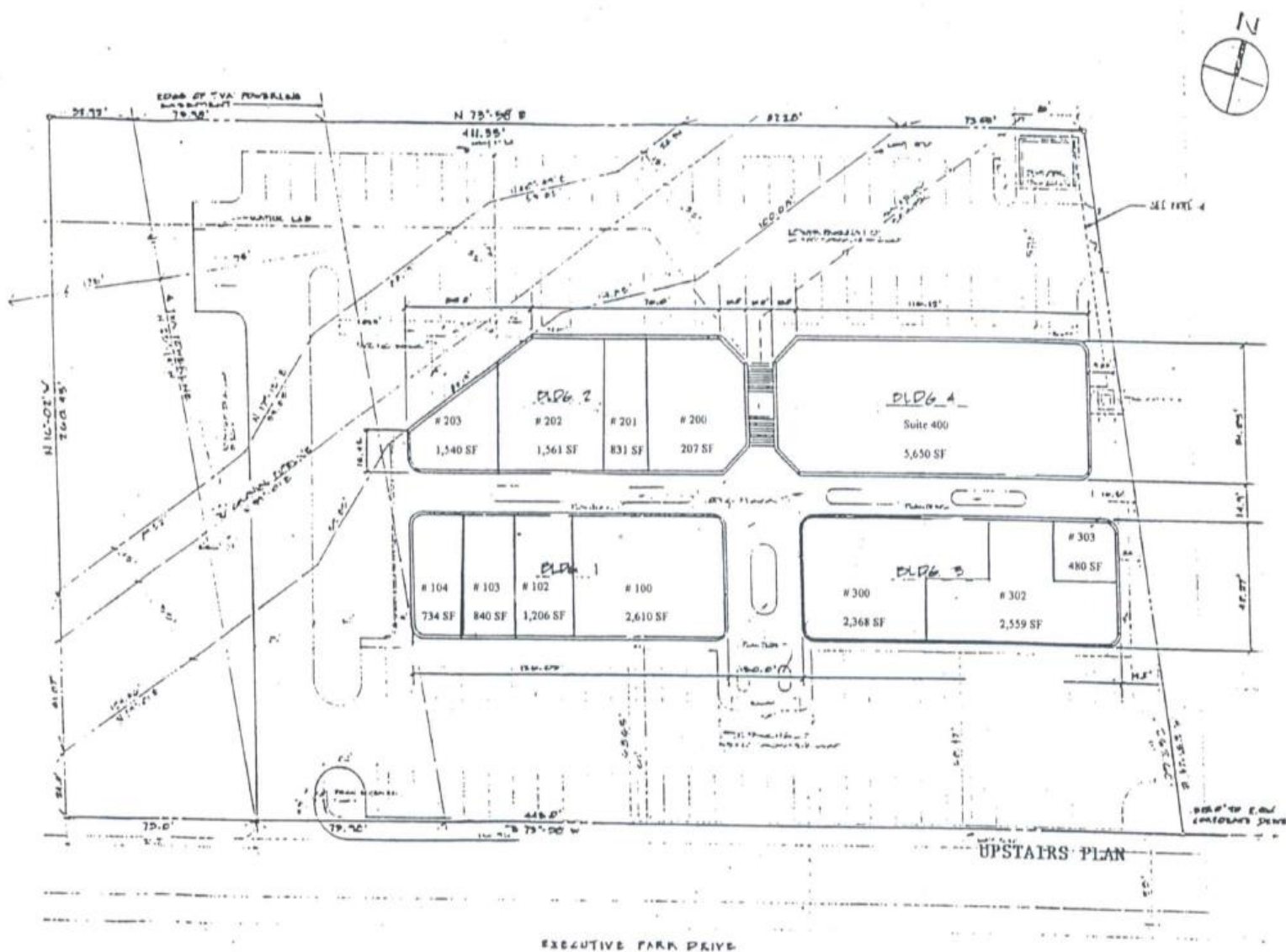


# Map Overviews



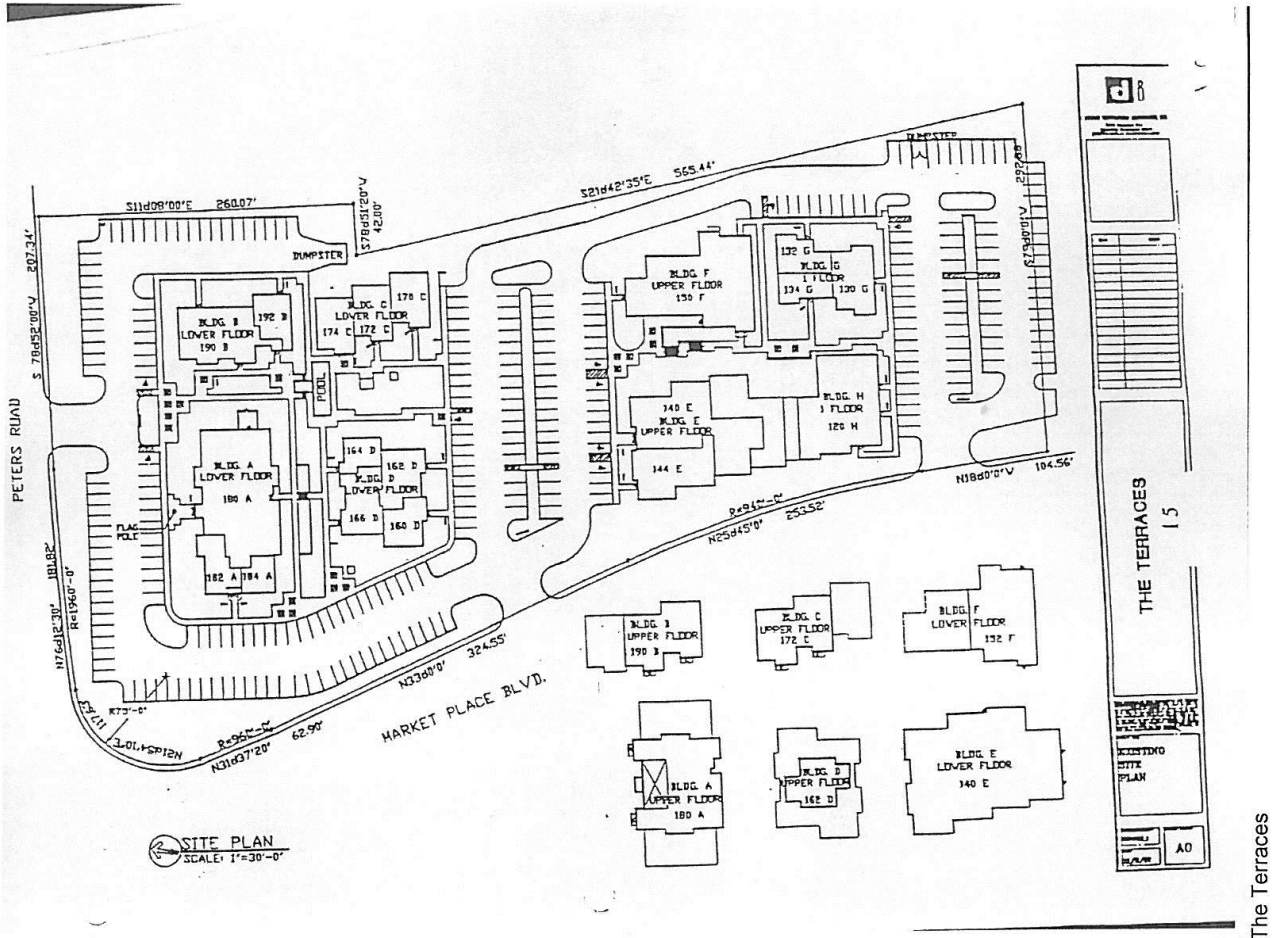


# Crossroad Commons Portfolio Survey



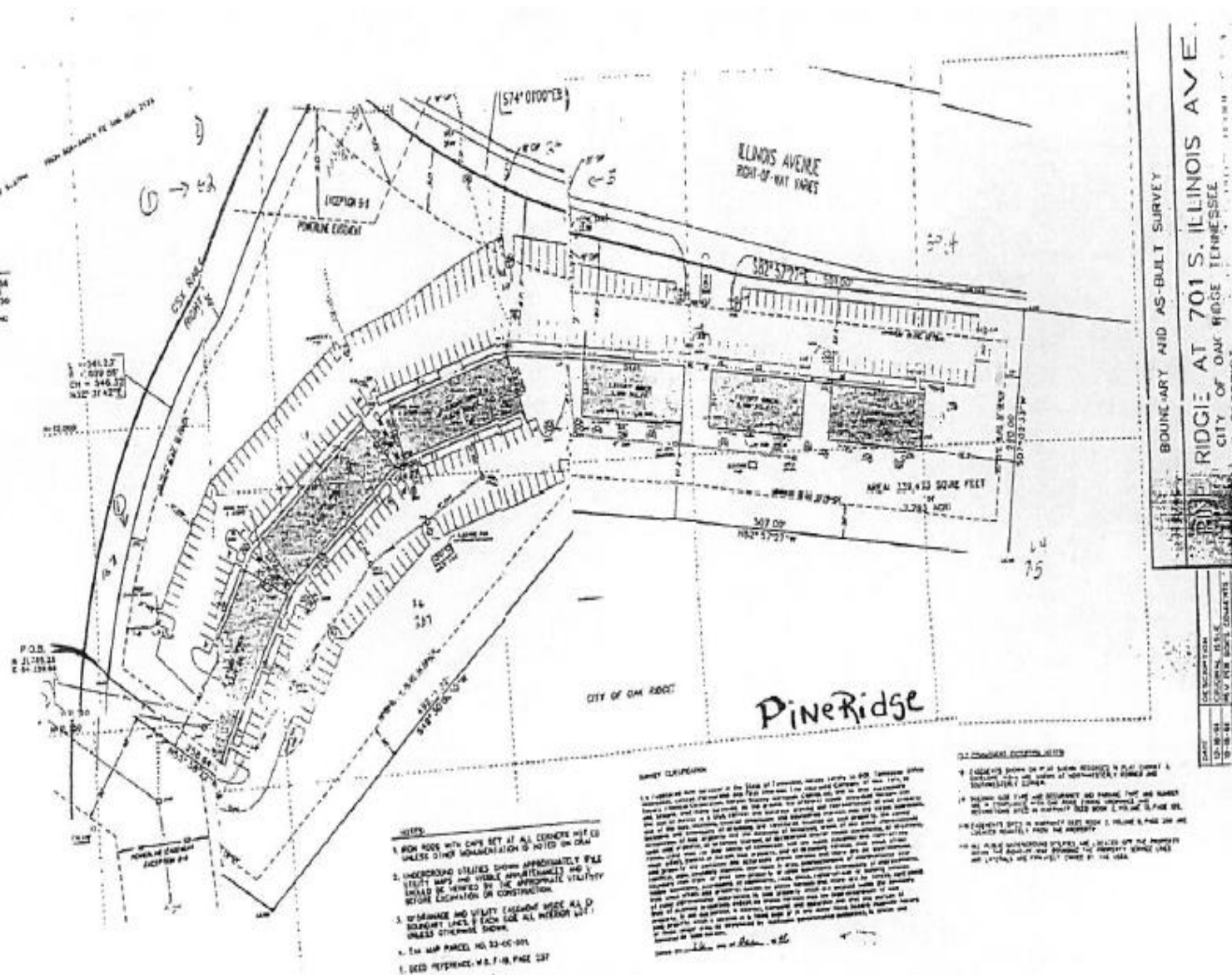
Broker can supply complete  
survey upon request.

# The Terraces Portfolio Survey



Broker can supply complete  
survey upon request.

# Pine Ridge Office Park Portfolio Survey



Broker can supply complete survey upon request.



# Crossroad Commons







# Pine Ridge Office Park



## Oak Ridge, Tennessee

Oak Ridge is well-known as the “Secret City” because of its origins during the World War II Manhattan Project, and it continues to enjoy close ties to the federal government today. The city is home to the Oak Ridge National Laboratory, which has a budget of \$1.5 billion and is the largest U.S. Department of Energy science and energy laboratory; and to the Y-12 National Security Complex, which manufactures components for nuclear weapons and processes highly enriched uranium for U.S. Navy submarines and aircraft carriers. The Y-12 complex is preparing for construction of a \$6.5 billion Uranium Processing Facility, which could have a significant positive impact on occupancy and office demand.

Oak Ridge is located approximately 26 miles northwest of McGhee Tyson Airport, and approximately 22 miles northwest of Knoxville, the largest city in the region. The city is approximately 92 square miles in area, with residential, commercial, and municipal owned portions of the city making up nearly 30 square miles, and the remainder owned by the Department of Energy. The city is home to the Manhattan Project National Historical Park, which was founded in 2015 and also has sites in Washington State and New Mexico.

East Tennessee is home to the University of Tennessee, a public research institution ranked in the Top 50 among public universities, and to the Great Smoky Mountains National Park, which recorded more than 10 million visits in 2015. Its roots run deep and strong, and the best of the area’s Appalachian heritage remains today: a strong work ethic, a family-centered community, and an intense respect for the natural beauty that envelops the region.

## Economic/Demographic

### Population & Income

The population in Oak Ridge was estimated by the U.S. Census Bureau at 29,302 in 2015. The median household income in Oak Ridge is \$52,534, a figure that is 18% higher than the Tennessee average.

### Education

The City of Oak Ridge has seven K-12 schools with an enrollment of 4,800 students. According to the Census Bureau, 92% of residents were high school graduates, compared to only 85% for the state as a whole. Nearly 41% had a bachelor’s degree, compared to 24.4% for the state as a whole.





# Area Overview



## Knoxville, Tennessee

Founded in 1791 where the French Broad and Holston Rivers meet to form the Tennessee River, Knoxville is the largest city in East Tennessee. The City of Knoxville comprises 104 square miles of the 526-square mile total for Knox County. The Knoxville metropolitan statistical area consists of nine counties: Anderson, Blount, Campbell, Grainger, Knox, Loudon, Morgan, Roane, and Union. Its metropolitan area population total of 857,585 ranks third statewide. Knoxville is located in a broad valley between the Cumberland Mountains to the northwest and the Great Smoky Mountains to the southeast. These two ranges afford an attractive natural setting and provide a moderate, four-season climate, with normal daytime temperatures of 48 degrees in January and 88 degrees in July. Downtown Knoxville is 936 feet above sea level.

## Economic/Demographic

### Population & Income

The population in Knoxville was estimated by the U.S. Census Bureau at 857,585 in 2014. The median household income in Knoxville is \$47,892.

### Education

Knox County Schools operates 50 elementary, 14 middle, and 16 high schools and 10 non-traditional/adult education centers. Included are five magnet schools offering enhanced arts and science curriculum and a Science, Technology, Engineering, and Mathematics (STEM) Academy. In 2014, total public school enrollment was 59,232, and the system employed 3,589 teachers, for an average classroom ratio of one teacher for every 16 students. There are an additional 50 private and parochial schools offering elementary and secondary instruction in Knox County.



# Oak Ridge/Knoxville Portfolio Area Overview

## Employment

The Oak Ridge economy is heavily influenced by two U.S. Department of Energy operations: the Oak Ridge National Laboratory and the Y-12 National Security Complex. Total Oak Ridge employment in 2014 was 13,047, but a significant portion of the Oak Ridge workforce is drawn from the West Knoxville suburbs. The total population of Knox County in 2010 was 432,226.

The unemployment rate in Anderson County (the home county of Oak Ridge) was 3.9% in April, 2016. In Knox County (the home county of Knoxville) the unemployment rate was 3.2%.

## Transportation

**Air Service:** McGhee-Tyson Airport (TYS) is a major regional airport providing all commercial airline services. Major airlines operate with direct service to 18 cities. One-Stop service is available to other additional cities and connecting service is available to over 150 cities worldwide. Lift capacity averages 4,000 seats daily. McGhee-Tyson is conveniently located 26 miles southeast of Oak Ridge and is easy to access via the Pellissippi Parkway. With twin 9,000-foot runways, McGhee-Tyson Airport can accommodate any size aircraft in today's inventory. More than 2,000 acres of land provide space for additional air cargo facilities or economic development. Inside the facility is the nation's first ever Ruby Tuesday airport restaurant, gift shops, and a 115-ft. mountain stream. Over 1 million passengers pass through McGhee-Tyson each year.

**Waterway/Barge Service:** Knoxville is located at the head of the Tennessee River navigation channel. The river is part of the Interconnected Inland Water System - which links Knoxville with 21 states, the Mississippi River, and the Great Lakes. Linkages may be made to the entire inland waterway system, allowing shipments to be made by water to Houston, Tampa, Pittsburgh, Minneapolis, and Little Rock. The Tennessee-Tombigbee Waterway links East Tennessee to 13 other states and the Gulf of Mexico. The waterway shortens shipping between Tennessee and the Gulf by 882 miles and enables East Tennessee products to arrive at their Gulf destinations from 8-9 days earlier. Knoxville has 3 active river terminals to handle barge shipments.

**Highway Infrastructure / Ground Services:** Three of the nation's most heavily traveled interstates (1-40, 1-75, and 1-81) converge in Knoxville. The Pellissippi Parkway (1-140) provides a direct route from Oak Ridge to McGhee-Tyson Airport in Alcoa. The region is also supported by 8 U.S. highways, 16 state highways, and several interconnected county roads. This strategic junction allows 53 percent of the nation's marketplace to be within a 650-mile radius of Knoxville. There are 149 trucking firms in Innovation Valley, which is within a day's drive of 75% of the U.S. population. Innovation Valley Inc. is a regional economic development initiative centered on a 25-mile Technology Corridor with world-class resources in science, technology, and business.

### Interstate Summary

- 1-40 - Major (East-West) route crossing 8 states along the southern half of the nation from Wilmington, NC to Barstow, CA.
- 1-75 - Major (North-South) route crossing 6 states in the central part of the nation from Sault Ste. Marie, MI (on the Canadian border) to Ft. Lauderdale, FL.
- 1-81 - Major (North-South) route crossing 6 states towards the northeastern half of the nation from Knoxville, TN to north of Watertown, NY (on the Canadian border).

## Statement of Confidentiality and Disclaimer

This printed Offering Memorandum, (the "Offering Memorandum") was prepared by NAI Koella | Moore ("Advisor"), on behalf of BGK TN Office Associates LP ("Owner") and is confidential and furnished to prospective purchasers of the Property described herein ("Offering") subject to the terms of the Confidentiality Agreement previously provided to and executed by such prospective purchasers. This Offering Memorandum is intended solely to assist prospective purchasers in their evaluation of the Property and their consideration of whether to purchase the Property. It is not to be used for any other purpose or made available to any other person without the prior written consent of Advisor.

This Offering Memorandum is subject to errors, omissions, changes or withdrawal without notice and does not constitute a recommendation or endorsement as to the value of the Property by Owner/Advisor and their sources. Financial projections are provided as a reference and are based on assumptions made by Owner/Advisor and their sources. Prospective purchasers should make their own projections and reach their own conclusions of value for the Property. Certain portions of this Offering Memorandum merely summarize or outline property information and are in no way intended to be complete nor necessarily accurate descriptions.

This Offering Memorandum was prepared on the basis of information available to the Owner/Advisor in connection with the sale of the Property. It contains pertinent information about the Property and the surrounding area but does not contain all the information necessary for a complete evaluation of the Property. The projected cash flow and other financial information contained herein are for general reference only.

Although the information contained in this Offering Memorandum is believed to be accurate and reliable, neither the Owner nor its Advisor guarantees its accuracy or completeness. Because of the foregoing and because the Property will be sold on an "As Is" basis, prospective purchasers should make their own independent assessments, investigations, and projections regarding the property. Although additional material, which may include engineering, environmental, or other reports, may be provided to certain prospective purchasers as appropriate, such parties should confer with their own engineering and environmental experts, counsel, accountants, and other professionals and should not rely upon such material provided by Owner or Advisor.

Neither Owner nor Advisor nor any of their respective officers, advisors, agents, shareholders or principals has made or will make any representation or warranties, express or implied, as to the accuracy or completeness of the Offering Memorandum or any of the contents, which may include information electronically received, and no legal commitment of obligation shall arise by reason of the Offering Memorandum or the contents. Analysis and verification of the information contained in the Offering Memorandum is solely the responsibility of the prospective purchaser.

The Owner expressly reserves the right, in its sole discretion, to reject any offer to purchase the Property or to terminate any negotiations with any party at any time, with or without notice. The Owner shall have no legal commitment or obligation to any prospective purchaser unless and until a written purchase and sale agreement has been fully executed and delivered and any and all conditions of the Owner's obligations there under have been fully satisfied or waived.

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