



Bob Evans
1726 East Wooster Street
Bowling Green, Ohio, 43402



Representative Photo

OFFERING MEMORANDUM
EXCLUSIVE NET-LEASE OFFERING

Marcus & Millichap

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Bob Evans

WELCOME
Bob Evans

3800

FINANCIAL
OVERVIEW

Offering Terms

Price	NOI	CAP Rate
\$3,478,261	\$200,000	5.75%

Financial Summary

Property Name	Bob Evans Restaurants
Location	1726 EAST WOOSTER ST BOWLING GREEN, OH
Price	\$3,478,261
CAP Rate	5.75%
NOI	\$200,000
Rent Per SF	\$39.94
Price Per SF	\$695
Building Size	5,007 sq ft
Lot Size	1.14 acres
Date Opened	December-1986
Last Remodel	October-2011



Investment Highlights

- Attractive Rent Escalations | Two Percent Annually
- 20 Year Triple-Net (NNN) Lease
- Corporate Tenant; Lease Backed by 524 Corporate Locations
- Strong Real Estate Characteristics: Dense Retail Corridor
- Inherent Value: Rent/SF at or Below Market, Low Price/SF Compared to National Average

Investment Overview

Marcus & Millichap is pleased to present the exclusive listing for a Bob Evans Property. The property consists of approximately 5,007 square feet of building space and is situated on approximately 1.14 acres of land.

The property will be subject to a 20-year triple net (NNN) lease. The lease will commence on April 28, 2017. The base rent is \$200,000 with two percent annual rental increases. The increases will continue through the six, five-year tenant renewal options. The tenant will be a newly formed entity consisting of all Bob Evans Restaurants.

Bob Evans Restaurants was started more than 60 years ago with a single restaurant in Rio Grande, Ohio. The concept has since grown to 524 family restaurants in approximately 18 different states. Their wide variety of menu options appeals to a wide demographic, whether its breakfast, lunch, or dinner Bob Evans has something for everyone. Bob Evans Restaurants generated over \$900 million in sales during fiscal year 2016.

BOB EVANS RESTAURANTS



“We treat strangers like friends and friends like family.”

-Bob Evans



- Founded in 1948, Bob Evans is an iconic American brand that has grown from a 12-stool, 24 hour restaurant to \$900M in sales and 524 units.
- Restaurants operate across 3 dayparts (Breakfast: 32%, Lunch: 37%, Dinner: 31%) with a large carryout business (16%).
 - Well positioned for growing off-premise business.
- Craveable, fresh offering of comfort food in a family friendly atmosphere at an affordable price.
- Strong real estate profile with well-maintained restaurants → 100% of restaurants recently remodeled.

BOB EVANS PROFILE

Strong Asset

- Strong real estate profile, all units have been recently remodeled.
- Compelling unit-level fundamentals.

Strong Tenant

- Scale restaurant brand with \$900M in sales and 524 units with regional density in Ohio.
- Participates in the attractive and growing family dining segment which has consistently outperformed the casual dining segment.
- Iconic brand with strong awareness / NPS.
- Strong balance sheet with no third party debt & \$75M of cash at close.

Significant Experience

- GGC is the most active private equity buyer of full service restaurant companies.
- History of growing same restaurant sales & margins have led to successful outcomes: 60%+ IRRs across GGC restaurant transactions.
- CEO Saed Mohseni has significant experience in casual dining, growing and taking two restaurant companies public; will lead a new but experienced management team.



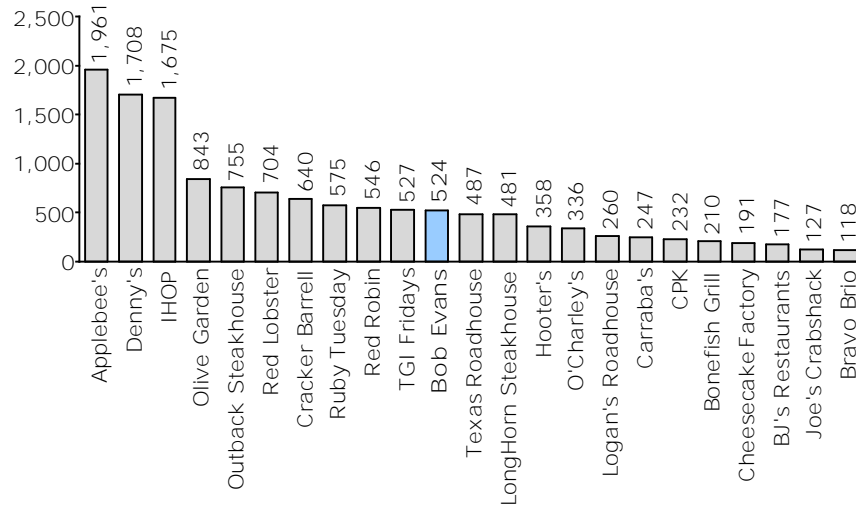
BOB EVANS BRAND



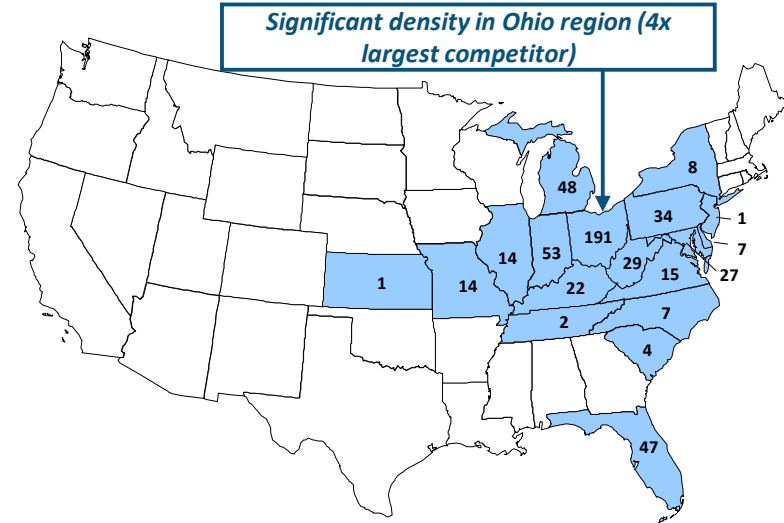
Bob Evans Restaurants is a scale, strong brand that generates \$900M in sales across 524 units.

Significant Scale

North America Units

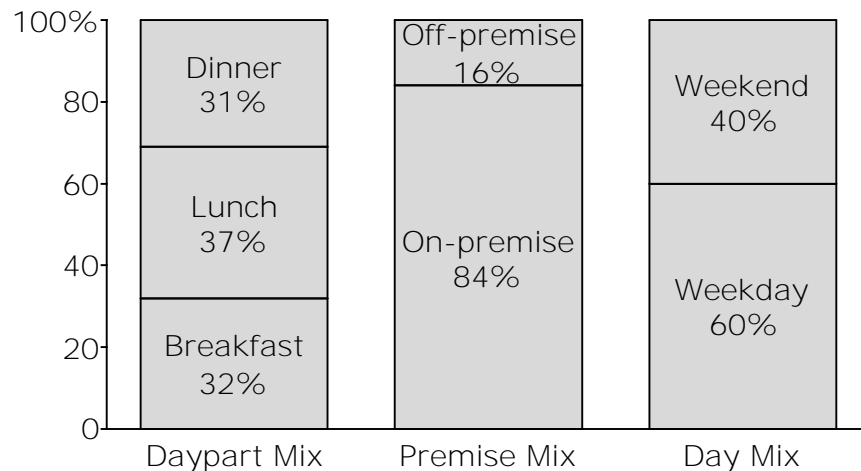


Strong Real Estate Footprint



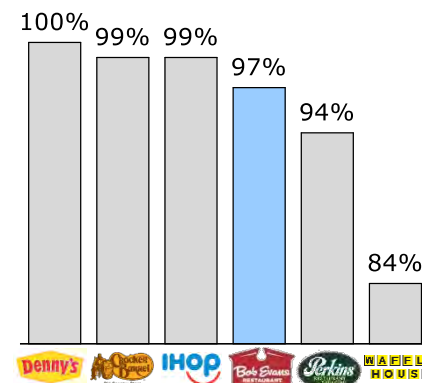
Diversified Revenue Stream

% of Revenue

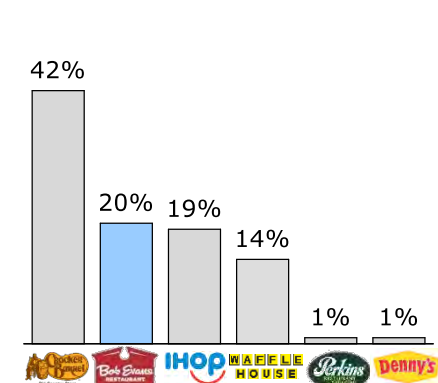


Iconic Brand

Brand Awareness



Net Promoter Score



BRAND OVERVIEW

MANAGEMENT TEAM

CEO Saed Mohseni has significant experience in the full-service dining industry and will lead a new but experienced management team.

KEY STATS



Former Employers

Bravo Brio, CEO '07-'15
McCormick & Schmick's
'86-'07 (CEO '00-'07)
Marriott Corporation, '84-'86

Education

Oregon State University
Portland University

Boards

Bravo Brio: '06 – '15
Chuy's: '12 – Current
Bob Evans: '16 – Current

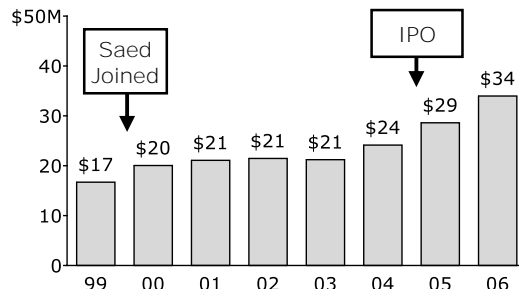
ACCOMPLISHMENTS

- **Significant Restaurant Experience:** 30+ years of restaurant experience starting as a general manager at McCormick & Schmick's in 1986.
- **CEO of Multiple Casual Dining Chains:** Former CEO of Bravo Brio (2007-2015) & McCormick & Schmick's (2000-2007).
- **Strong Performance as CEO:** Doubled EBITDA & units at both McCormick & Schmick's & Bravo Brio.
- **Restaurant IPO Experience:** CEO during two restaurant IPOs (McCormick & Schmick's: 2004, Bravo Brio: 2010).
- **>10 years working for Private Equity:** CEO of McCormick & Schmick's when Castle Harlan & BRS bought business in 2001 through their exit and was recruited by Castle Harlan to be CEO of Bravo Brio when they bought the business in 2006.

Prion Performance as CEO

MCCORMICK & SCHMICK'S
SEAFOOD RESTAURANT

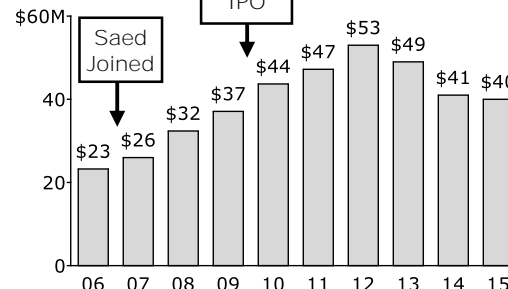
EBITDA (\$M)



SSS%	na	na	-4	-3	1	4	3	3
EBITDA%	14	13	12	12	11	10	10	11

BRAVO BRIO
RESTAURANT GROUP

EBITDA (\$M)



SSS%	0	1	-4	-7	2	1	0	-3	-5	-3
EBITDA %	10	10	11	12	13	13	13	12	10	10



MANAGEMENT TEAM

Case Study: GGC's Red Lobster Investment Thesis and Results

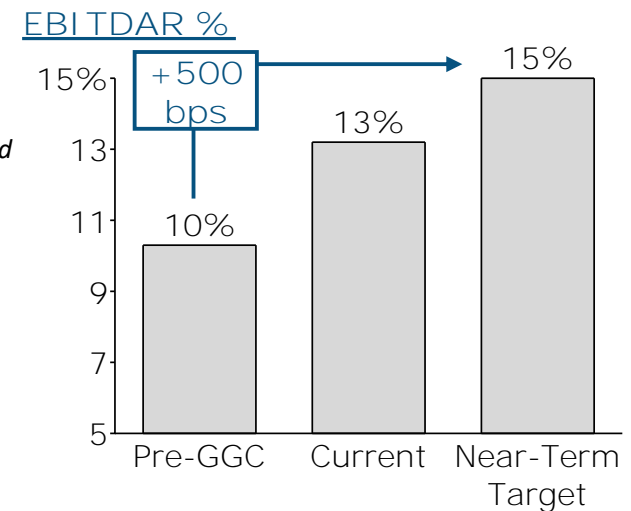
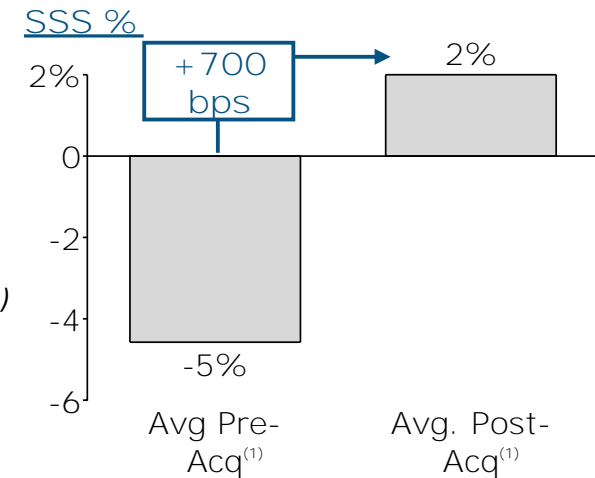


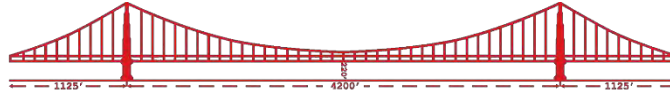
The Bob Evans transaction fits directly into GGC's investment strategy and is very similar to GGC's acquisition of Red Lobster. Under GGC ownership Red Lobster has increased sales and margins through similar "playbook" planned for Bob Evans.



		
Strong Scale Platform	✓ (700+ units, \$2.5B sales)	✓ (524 units, \$900M sales)
Leading Brand Awareness	✓ (Loyal customer following with high perception across both brands)	✓
Undermanaged but fixable asset	✓ (Negative trends turned positive, higher margins)	✓ (Similar thesis)
Attractive Real Estate	✓ (Healthy real estate portfolio, recently remodeled)	✓ (Strong asset coverage from owned real estate, recently remodeled)
Strong History of Performance	✓	✓
Identifiable Profit Opportunities	✓ (Multiple avenues of cost and sales upside)	✓ (Multiple avenues of cost, sales and new unit opportunities)

RL Results Since Close





GOLDEN GATE CAPITAL

- Golden Gate Capital (“GCC”) is a San Francisco based private equity firm with over \$15 billion of committed capital.
- GGC has been one of the most active acquirors of multi-unit restaurant and retail companies over the past ten years, invested in restaurant and retail companies with annual revenues of >\$15 billion.
- Bob Evans Restaurants fits directly within GGC’s investment strategy → partner with strong management teams to acquire strong, established brands with an opportunity to grow earnings through better execution, productivity improvements and unit growth.

Restaurant Private Equity Investments





FINANCIAL ANALYSIS

Property Lease Summary

Property Name	Bob Evans Restaurants
Property Type	Net Leased Restaurant
Ownership	Private
	Private Equity Sponsor
Tenant	Bob Evans Restaurants
Guarantor	Bob Evans Restaurants
Lease Term	20 Years
Lease Commencement	4/28/2017
Lease Expiration	4/30/2037
Lease Term Remaining	20 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Options to Renew	Six, Five Year Option Periods
Rental Increases	Two Percent Annually

Annualized Operating Data

Rent Increases	Annual Rent	Monthly Rent
Year 1	\$200,000	\$16,667
Year 2	\$204,000	\$17,000
Year 3	\$208,080	\$17,340
Year 4	\$212,242	\$17,687
Year 5	\$216,486	\$18,041
Year 6	\$220,816	\$18,401
Year 7	\$225,232	\$18,769
Year 8	\$229,737	\$19,145
Year 9	\$234,332	\$19,528
Year 10	\$239,019	\$19,918
Year 11	\$243,799	\$20,317
Year 12	\$248,675	\$20,723
Year 13	\$253,648	\$21,137
Year 14	\$258,721	\$21,560
Year 15	\$263,896	\$21,991
Year 16	\$269,174	\$22,431
Year 17	\$274,557	\$22,880
Year 18	\$280,048	\$23,337
Year 19	\$285,649	\$23,804
Year 20	\$291,362	\$24,280
Annual Rent	\$200,000	
CAP Rate	5.75%	
Price	\$3,478,261	

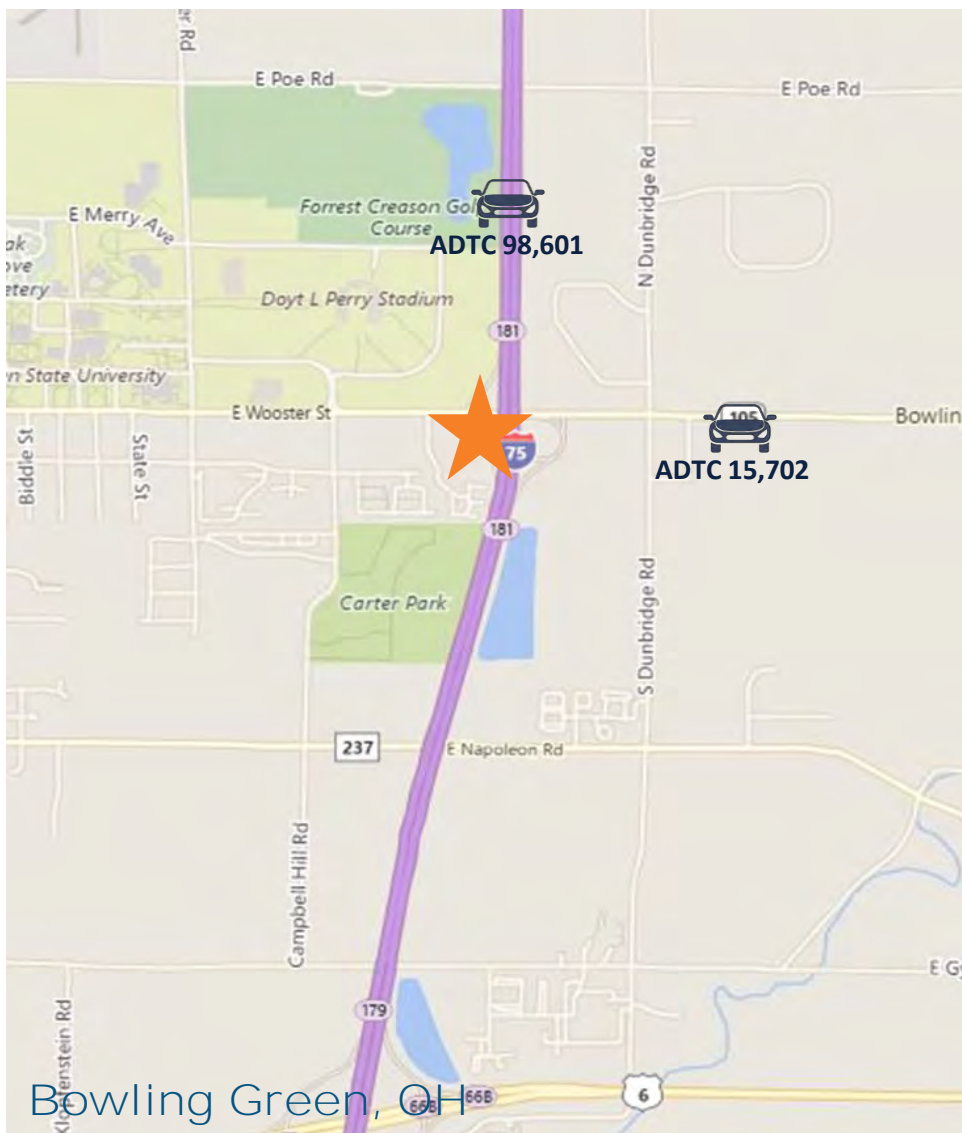




LOCATION OVERVIEW

Location Highlights

- Major Retailers in Surrounding Area Include: Meijer, Starbucks, Burger King, Dunkin' Donuts, and Speedway
- Strong Traffic Counts in the Area: East Wooster Street and Interstate-75 | 15,702 and 98,601 Vehicles Daily
- Bowling Green State University | Located Across from Subject Property | Over 17,000 Students Enrolled



Location Overview

This Bob Evans is located at 1726 East Wooster Street in Bowling Green, Ohio. Bowling Green is a city in and the county seat of Wood County, Ohio. It is part of the Toledo Metropolitan Area and is home of Bowling State University.

Surrounding Retail and Points of Interest

Nearby national and regional tenants in the surrounding area include: Meijer, Starbucks, Speedway, Dunkin' Donuts, Burger King, Wendy's, McDonald's, Waffle House, Buffalo Wild Wings, Fricker's and Circle K among various others. Hospitality facilities in the immediate area include Hampton Inn, Fairfield Inn & Suites, Days Inn, and Holiday Inn Express. This Bob Evans property is strategically located across from Bowling Green State University, which has over 17,700 students enrolled. The University offers over 200 undergraduate programs, as well as masters and doctoral degrees. Its academic programs have been nationally ranked by *Forbes* magazine. Wood County Regional Airport is a public-use airport less than two miles from the subject property. It has approximately 27,405 operations annually and an average of 75 per day.

Traffic Counts and Demographics

There are approximately 29,126 people within a three-mile radius of this property and more than 35,536 within a five-mile radius. The property is situated on East Wooster Street, which has average daily traffic counts of 15,702 vehicles. The Bob Evans is also located nearby Interstate-75. This portion of Interstate-75 experiences average daily traffic counts of more than 98,601 vehicles.

Bowling Green, Ohio

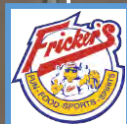
With the discovery of oil in the late 19th and early 20th century, Bowling Green experienced a boon to its economy. The wealth can still be seen in the downtown storefronts, and along Wooster Street, where many of the oldest and largest homes were built. Every September, the Black Swamp Arts Festival takes place in Bowling Green. The festival has grown in size and prestige, attracting 40,000 art and music fans to Bowling Green. Main Street is closed to traffic for the festival, and artists from around the country display and sell a variety of artwork. The festival has grown to include over 100 juried artists, 50 local/invitational artists, four live music stages, youth arts, acts of art, and concessions. Bowling Green has hosted the National Tractor Pulling Championships since 1967. This annual event, one of the largest in the nation, is held at the Wood County Fairgrounds and draws an estimated 60,000 people.



SURROUNDING AREA MAP

BGSU

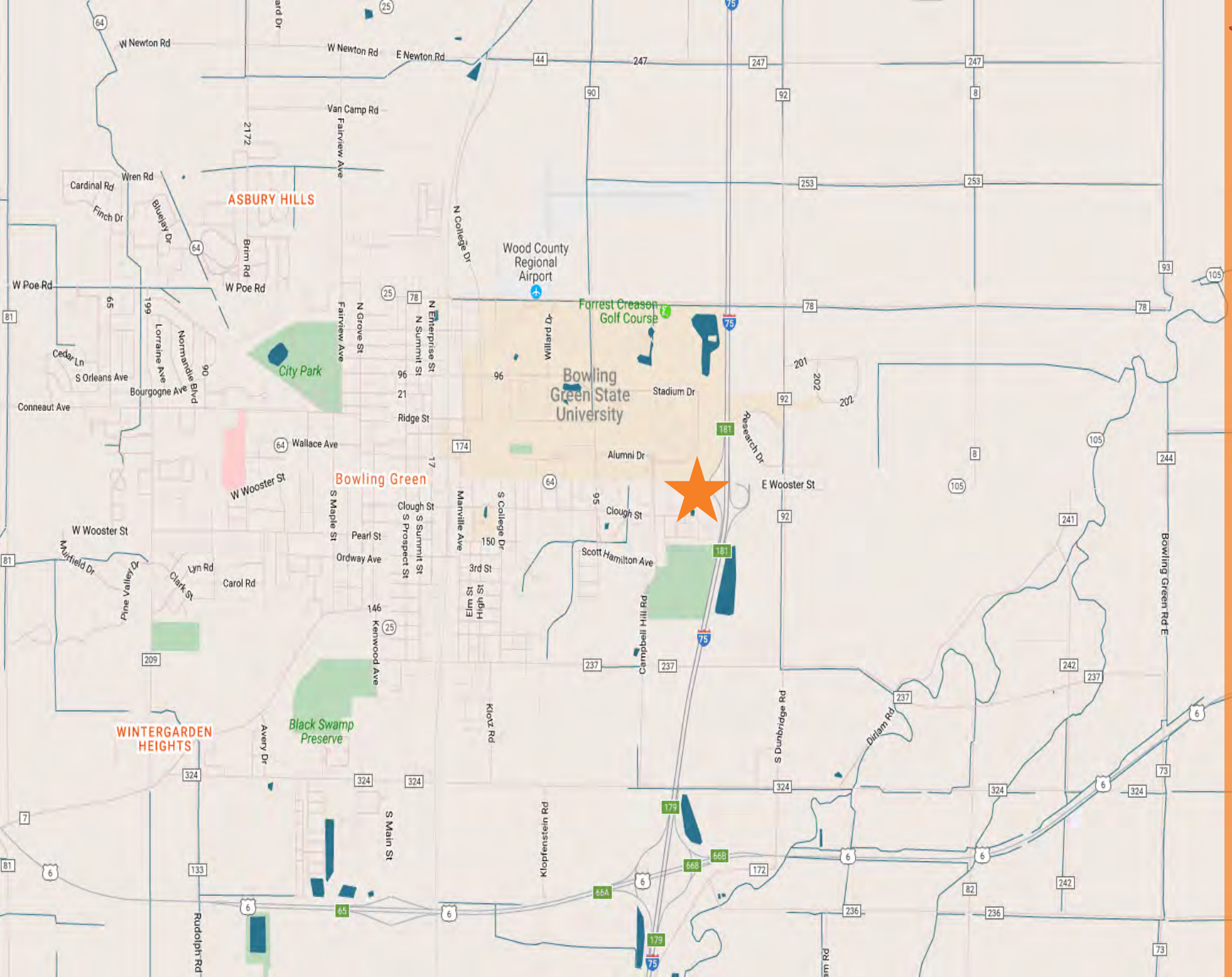
Bowling Green State University
(17,700+ students)

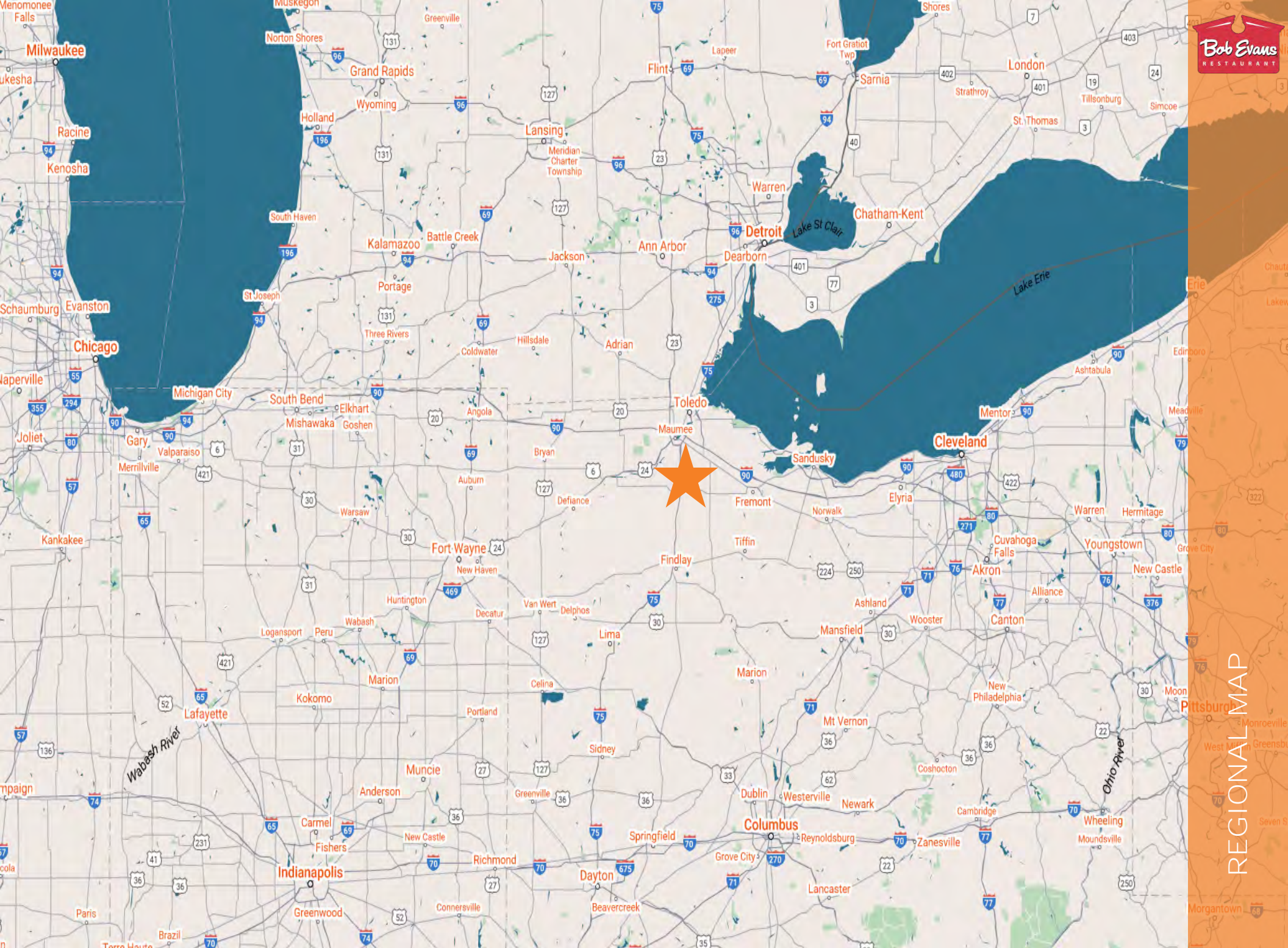


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DEMOGRAPHICS





Toledo, OH

Population

In 2014, the population in your selected geography is 35,536. The population has changed by 6.04% since 2000. It is estimated that the population in your area will be 36,924 five years from now, which represents a change of 3.90% from the current year. The current population is 48.32% male and 51.67% female. The median age of the population in your area is 23.6, compare this to the Entire US average which is 37.3. The population density in your area is 451.64 people per square mile.



POPULATION

	1-Mile	3-Mile	5-Mile
2010	5,747	27,632	33,863
2014	6,338	29,126	35,536
2019	6,627	29,949	36,925

Income

In 2014, the median household income for your selected geography is \$35,701, compare this to the Entire US average which is currently \$51,972. The median household income for your area has changed by 9.96% since 2000. It is estimated that the median household income in your area will be \$42,999 five years from now, which represents a change of 20.44% from the current year. The current year per capita income in your area is \$22,358, compare this to the Entire US average, which is \$28,599. The current year average household income in your area is \$54,725, compare this to the Entire US average which is \$74,533.



2014 HOUSEHOLD INCOME

	1-Mile	3-Mile	5-Mile
Average	\$41,714	\$49,334	\$54,725
Median	\$24,580	\$31,736	\$35,702

Employment

In 2014, there are 21,225 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 60.02% of employees are employed in white-collar occupations in this geography, and 39.86% are employed in blue-collar occupations. In 2014, unemployment in this area is 12.16%. In 2000, the average time traveled to work was 17.0 minutes.



TOP EMPLOYERS IN BOWLING GREEN

Employer	# of Employees
Bowling Green State University	5,361
Owens Community College	1,525
Wood County	1,221



Bob Evans

FARMS®

exclusively listed

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