



CONFIDENTIAL OFFERING MEMORANDUM (Dated: July 2018)

# OUTBACK STEAKHOUSE

4205 SOUTH IH 35 | SAN MARCOS, TEXAS 78666

NET LEASE PROPERTY GROUP

CBRE

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By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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# OUTBACK STEAKHOUSE

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**CBRE’S NET LEASE PROPERTY GROUP is pleased to exclusively offer a 6,183-square-foot freestanding Outback Steakhouse on 1.48 acres in San Marcos, Texas (Population: 58,892).** San Marcos is conveniently located on the Interstate 35 corridor between San Antonio and Austin Texas. San Marcos is considered to be one of the oldest continuously inhabited sites in America. The population expected to significantly increase 5.19 percent in the next five years. The property is ideally located immediately off of Interstate 35, directly in front of the Tanger Factory Outlets and adjacent to the San Marcos Premium Outlets. The Subject Property is surrounded by over one million square feet of national retail with names such as Toys “R” Us, Timberland Factory Store, McDonald’s, the Nike Factory Outlet, and the GAP Outlet just to name a few. Traffic counts on Interstate 35 in front of this site are 8,740 VPD. At closing, Outback Steakhouse will execute a new 15-year absolute NNN lease with 1.00% annual rent increases. This investment offers investors an excellent opportunity to acquire a net leased asset leased on a long-term NNN basis to one of the nation’s premier casual dining restaurant operators.

INVESTMENT HIGHLIGHTS

PREMIER CASUAL DINING BRAND

Outback Steakhouse is a casual steakhouse restaurant focused on steaks, signature flavors, and Australian-inspired decor. The Outback Steakhouse menu offers seasoned and seared or wood-fire grilled steaks, chops, chicken, seafood, pasta, salads, and seasonal specials. The menu also includes several specialty appetizers, including the signature Bloomin’ Onion®, and desserts as well as a full-service bar featuring Australian wine and beer. As of December 31, 2017, the company had 971 Outback Steakhouse restaurants around the world (692 company-owned and 279 franchised). Outback Steakhouse reported 2017 system-wide sales in excess of \$3.32 billion.

PUBLICLY TRADED PARENT COMPANY

Bloomin’ Brands, Inc. (NASDAQ: BLMN) is one of the world’s largest casual dining restaurant companies, with approximately 1,500 restaurants throughout 48 states, Puerto Rico, Guam, and 19 countries. The company operates restaurants through a portfolio of leading, differentiated restaurant brands including Outback Steakhouse, Carrabba’s Italian Grill, Bonefish Grill, and Fleming’s Prime Steakhouse & Wine Bar. Bloomin’ Brands reported 2017 revenues of \$4.21 billion and EBITDA of \$352 million.

LONG-TERM NET LEASE WITH ANNUAL RENT ESCALATIONS

At closing, Outback will execute a new 15-year NNN lease with four 5-year options to renew. The lease will include 1% annual rent increases throughout the term.

OUTPARCEL LOCATION

The subject property is also an outparcel to the San Marcos Premium Outlets and Tanger Factory Outlet Center, an outdoor shopping mecca offering an impressive collection of 145 luxury and name brand stores. Known as the gateway to the Texas Hill Country, San Marcos Premium Outlets is conveniently located within a short drive from Austin, San Antonio and New Braunfels off of Exit 200 of IH-35 at Centerpoint Road. The shopping outlet mall features outlet stores not found anywhere else in the state of Texas. The name brand stores include designer fashions for men, women and children, sportswear, shoes, jewelry, housewares and others. Featured stores include Calvin Klein, Coach Outlet, Gucci, Michael Kors, Polo Ralph Lauren Factory Store, and Tory Burch to name a few.

INVESTMENT SUMMARY	
NOI	\$240,337
CAP	5.25%
PRICE	\$4,578,000

## PROPERTY RENOVATION

This property is underwent a full exterior remodel in late 2016 showing the tenant's strong commitment to the site.

## UNIQUE VISIBILITY

Outback Steakhouse is positioned with direct visibility from I-35 (Traffic Count: 99,557 VPD), the interstate highway that connects Austin and San Antonio.

## POPULATION GROWTH

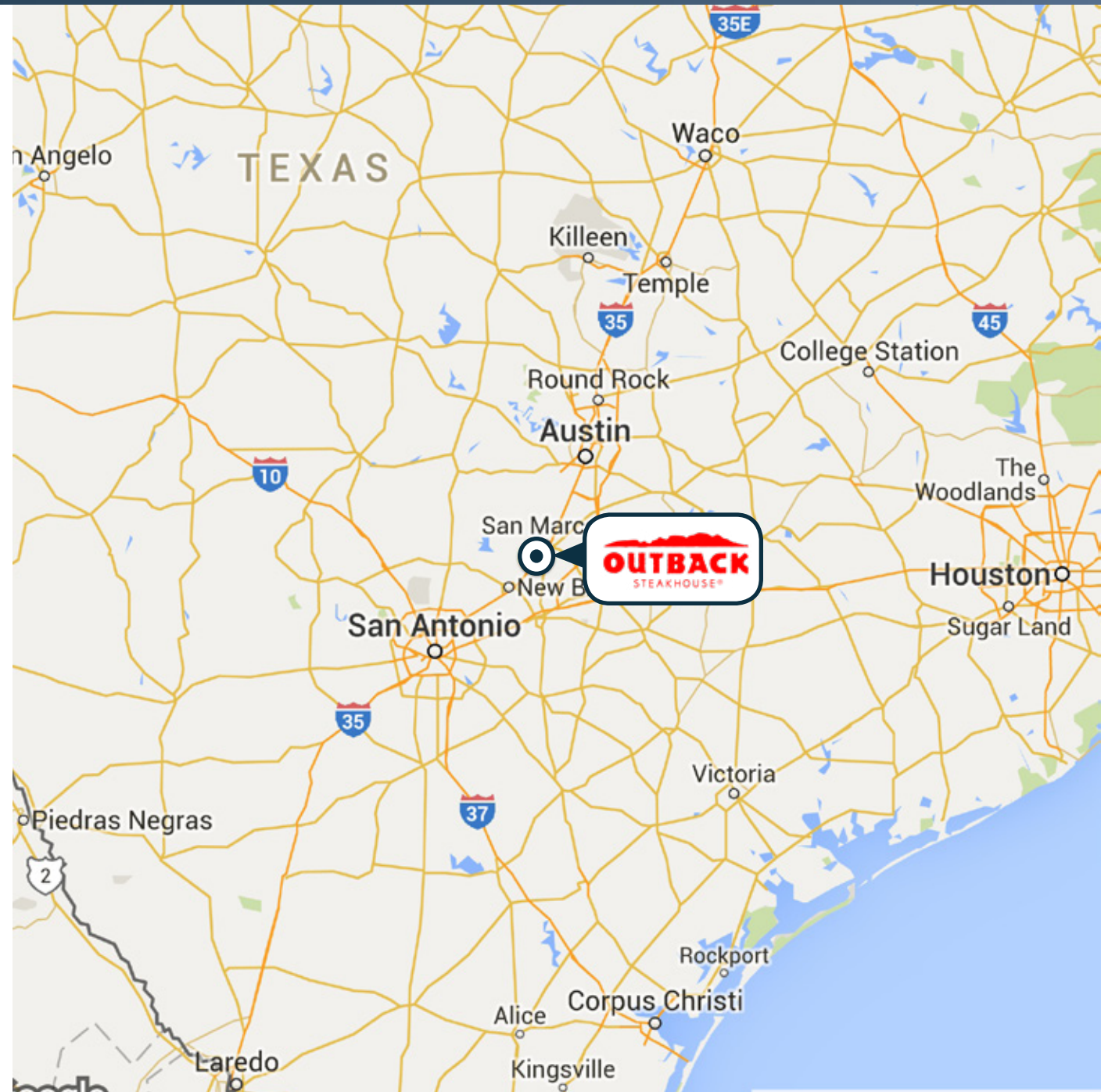
Population is expected to grow significantly in the immediate area over the next five years. Within 1 mile of Outback, there is an 5.19% population increase, 4.43% increase within 3 miles and a 3.06% increase within 5 miles, showing the draw towards this area that continues to be one of the top MSA's in the United States.

## DYNAMIC DEMOGRAPHICS

The property benefits from dynamic demographics with a 3-mile population of 8,836 and average household income of \$92,870.

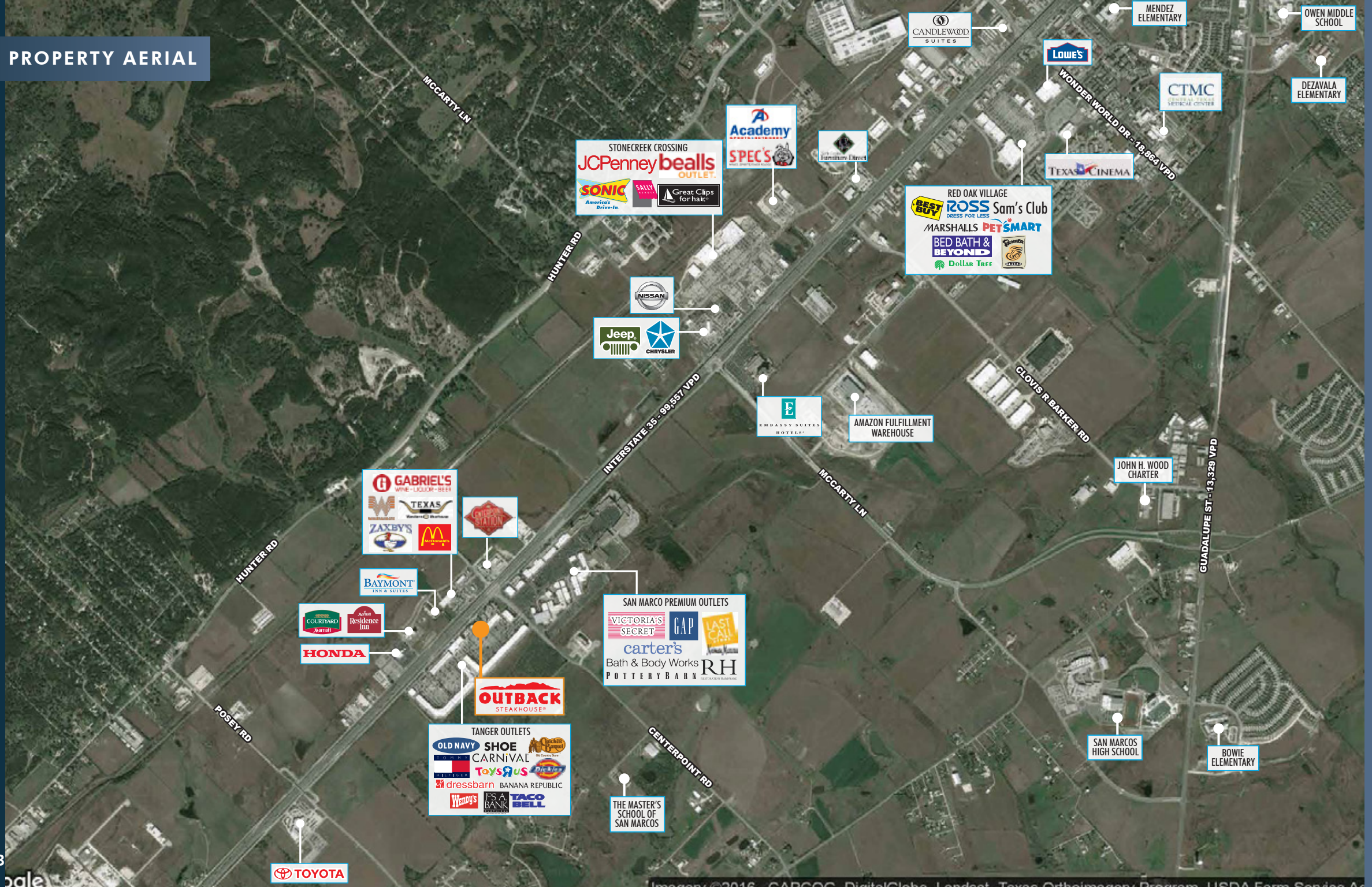
## DOMINANT RETAIL CORRIDOR

Located within San Marcos's premier retail corridor including the adjacent San Marcos Premium Outlets and Tanger Factory Outlet. Together, the malls make up an excess of one million square feet. Retailers include Calvin Klein, Kay Jewelers, Victoria's Secret, The North Face Outlet, Forever 21, and Tommy Hilfiger to name a few.





# PROPERTY AERIAL





INVESTMENT SUMMARY

PROPERTY SUMMARY	
ADDRESS	4205 South IH 35 San Marcos, TX
SQUARE FOOTAGE	6,183
LAND AREA	1.48 Acres
YEAR BUILT	1998

2017 DEMOGRAPHICS			
	1 MILES	3 MILES	5 MILES
2017 POPULATION	413	8,836	36,889
2021 PROJECTED POPULATION	532	10,973	42,885
GROWTH 2017-2022	5.19%	4.43%	3.06%
AVG. HH INCOME	\$73,164	\$92,870	\$68,943

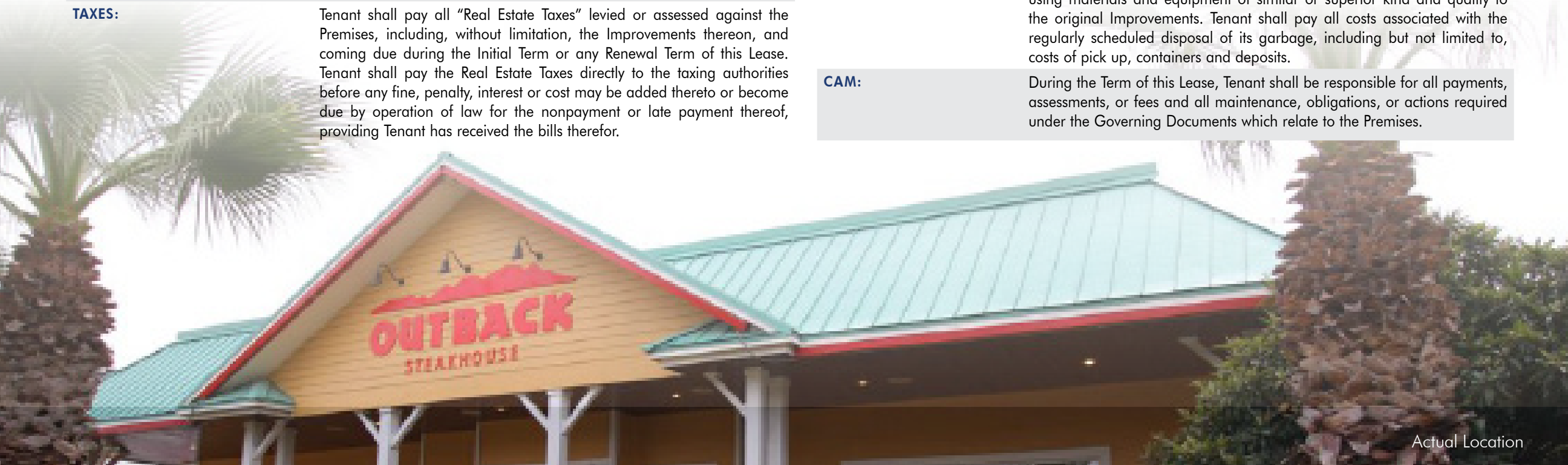
TRAFFIC COUNTS	
THOROUGHFARE	VEHICLES PER DAY
I-35	8,740
HUNTER ROAD	6,044



LEASE SUMMARY

TENANT:	Outback Steakhouse of Florida, LLC
GUARANTOR:	OSI Restaurant Partners, LLC
PRIMARY TERM:	15 Years
LEASE TYPE:	Absolute NNN
BASE RENT:	\$240,337
RENT INCREASES:	1% Annual Increases
OPTIONS:	Four 5-Year Options
OPTION INCREASES:	Option #1: 1% Annual Increases Option #2: 1% Annual Increases Option #3: 1% Annual Increases Option #4: FMV Rent with 1% Annual Increases
TRIPLE NET LEASE:	It is understood and agreed between Landlord and Tenant that this Lease is a "triple net lease", and that, during the Term hereof, Tenant shall be responsible for payment of all operating expenses, maintenance expenses, insurance, and Real Estate Taxes relating to the Premises.
TAXES:	Tenant shall pay all "Real Estate Taxes" levied or assessed against the Premises, including, without limitation, the Improvements thereon, and coming due during the Initial Term or any Renewal Term of this Lease. Tenant shall pay the Real Estate Taxes directly to the taxing authorities before any fine, penalty, interest or cost may be added thereto or become due by operation of law for the nonpayment or late payment thereof, providing Tenant has received the bills therefor.

INSURANCE	Tenant will keep in force at its own expense, throughout the Term of this Lease, commercial general liability insurance with respect to the Premises and the business operated by Tenant and construction performed by Tenant with companies licensed to do business in the state in which the Premises are located and rated A- or better in the then most current issue of Bests' Insurance Reports with coverage of not less than \$5,000,000 per occurrence. Tenant will keep in force at its own expense, commencing on the Commencement Date, and continuing throughout the Term of this Lease, property insurance with respect to the Building and Tenant's Property in the Premises with companies licensed to do business in the state in which the Premises are located and rated A- or better in the in then most current issue of Bests' Insurance Reports, against loss or damage by fire and such other hazards on a replacement cost basis.
REPAIRS & MAINTENANCE:	Tenant shall at all times during the Term, keep and maintain, at its cost and expense, the Premises, including the Building and Improvements located thereon, in good order and repair, reasonable wear and tear expected, and in a clean and sanitary condition, and shall make all necessary repairs, including all necessary replacements, alterations and additions, using materials and equipment of similar or superior kind and quality to the original Improvements. Tenant shall pay all costs associated with the regularly scheduled disposal of its garbage, including but not limited to, costs of pick up, containers and deposits.
CAM:	During the Term of this Lease, Tenant shall be responsible for all payments, assessments, or fees and all maintenance, obligations, or actions required under the Governing Documents which relate to the Premises.



Actual Location



TENANT OVERVIEW



OUTBACK STEAKHOUSE

Outback Steakhouse is a casual steakhouse restaurant focused on steaks, signature flavors, and Australian-inspired decor. The Outback Steakhouse menu offers seasoned and seared or wood-fire grilled steaks, chops, chicken, seafood, pasta, salads, and seasonal specials. The menu also includes several specialty appetizers, including the signature Bloomin’ Onion®, and desserts as well as a full-service bar featuring Australian wine and beer. As of December 31, 2017, the company had 971 Outback Steakhouse restaurants around the world (692 company-owned and 279 franchised). Outback Steakhouse reported 2017 system-wide sales in excess of \$3.32 billion.



BLOOMIN’ BRANDS

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#1 CASUAL  
RESTAURANT DINING  
BRAND OF THE YEAR



## SAN MARCOS, TEXAS

San Marcos is conveniently located on the Interstate 35 corridor between San Antonio and Austin, Texas. It had a 2017 population of approximately 55,290, which is expected to grow 3.17% by 2022. San Marcos is considered to be one of the oldest continuously inhabited sites in America. Located in central Texas, San Marcos is home to Texas State University and the Meadows Center for Water and the Environment. The area has received national attention for its quality of life and charming historic district. In 2010, San Marcos was named one of the “Best Places to Raise your Kids” by Business Week. In addition, Business Insider ranked San Marcos #9 on its list of the “10 Most Exciting Small Cities in America”.

### ECONOMY

San Marcos has been named the fastest growing city in the U.S. in 2013 and 2014. Centrally located along IH-35 and with easy access to many major roadways, San Marco is a hub for freight traffic and various business sectors. The anchor of the San Marcos’s retail sector is the San Marcos Premium Outlets. The San Marcos Premium Outlets was named the 3rd best place to shop in the world by The View. Over six million people visit the 145 luxury retail stores annually.

### AUSTIN-ROUND ROCK MSA

Austin-Round Rock has a population of over 2 million; making it the 35th largest metropolitan area in the U.S. Also known as Greater Austin, Austin-Round Rock is centered on the city of Austin. Austin is the 4th largest city in Texas as well as the 11th largest city in the U.S. Austin is known as the “Live Music Capital of the World” due to the belief that is it home to more music performers than any other city. Austin-Round Rock has a strong economy anchored by educational institutions, government activities, and high-tech companies that producing semiconductors and software. Notable employers located in Austin-Round Rock include Apple Inc., IMB, Dell, Advanced Micro Devices, and Texas State University. With a GDP of about \$90 billion, Austin-Round Rock has the 35th largest metropolitan economy in the U.S.







## AUSTIN, TEXAS MSA

The city of Austin anchors the MSA, which includes Travis, Hays, Williamson, Bastrop and Caldwell counties. The MSA has a population of over 2.05 million and is one of the fastest growing metropolitan areas in the country. The diversified economy is based on state government, education, technology/manufacturing, research and development, and software.

The City is directly served by Interstate Highway 35 (I-35), US Highway 290, US Highway 183, MoPac Expressway (Loop 1), State Highway 45, and Texas Highway 71. This central location is an exceptional advantage for residents, businesses, and continued economic growth. Strong employment growth, especially in the high-tech sector, has attracted people to the area and brought greater prosperity to Austin during the 1990s. Austin has been thrust into the national spotlight, receiving national recognition and numerous awards over the previous few years. The influx of these high-tech companies has resulted in dramatic employment opportunities. There was a time when Austin was known solely as the capital of Texas and home of The University of Texas at Austin. Those sectors remain a healthy and vital part of the Austin landscape—but over the last two decades the community has developed a very healthy balance of employment across a diverse range of industries. Chamber efforts are focused on strengthening the technology sector and recruiting such new industries as automotive suppliers, medical products and pharmaceuticals and wireless product manufacturing.

## AUSTIN, TEXAS MSA

### ECONOMY

Diversity defines the Austin metro region's economy and it flourishes on a balance of the technology, business and hospitality services, education, and government industries. According to Economy.com, Austin's employment has expanded at a rate well above the national average. The Austin MSA has experienced growth across multiple industries, including IT, professional services and construction. Despite the labor force rapidly increasing, the unemployment rate is at a low 3.2%. In addition, the housing market has stabilized due to new permits and home sales, indicating the strength in the market.

Austin is considered to be a major center for the high-tech industry. Austin is home to many companies, high-tech and otherwise: Fortune 500 corporations Freescale Semiconductor, Forestar Group, and Whole Foods Market, are headquartered there; AMD, Apple, Broadcom, Google, IBM, Intel, Qualcomm, ShoreTel, Synopsys and Texas Instruments have prominent regional offices there. Also Dell's Worldwide Headquarters is located in nearby Round Rock, a suburb of Austin. Austin is also emerging as a hub for pharmaceutical and biotechnology companies; the city is home to about 85 of them. The city was ranked by the Milken Institute as the No.12 biotech and life science center in the United States. The film and music, business services, and distribution firms also have a strong presence in the city. Additionally, Austin's economy has been able to rely on its status as the seat of state government for over one hundred years as an anchor in the government sector.

### TRANSPORTATION

Additionally, a rich cultural history and famous sites such as the Alamo and River Walk attract more than 28 million visitors per year, making San Antonio one of the country's top tourist destinations. The city's hospitality industry has an economic impact of \$12 billion



annually and encompasses more than 113,000 employees. Annual cultural festivals, water and land amusement parks, and professional as well as recreational sports provide entertainment for various types of visitors.

### LIVE MUSIC CAPITAL OF THE WORLD

Live music plays at nearly 200 venues throughout Austin. The city is also home to 1,900 recording artists including such famed personalities as Willie Nelson, Asleep at the Wheel, Bob Schneider, Ghostland Observatory and more. Live music contributes to tourism's annual economic impact on Austin of \$2.8 billion. Music also supports more than 5,500 jobs in Austin.

AUSTIN CITY LIMITS, the longest running music show on television, spawned the Austin City Limits Music Festival, which takes place each fall and generates an economic impact of around \$75 million. SOUTH BY SOUTHWEST (SXSW) is one of Austin's largest Conventions, bringing 200,000 music, film and interactive professionals and fans from around the world and generating more than \$100 million for the city.



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