



Bob Evans
40 West Leffel Lane
Springfield, Ohio, 45506



OFFERING MEMORANDUM

EXCLUSIVE NET-LEASE OFFERING

Marcus & Millichap

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- Population
- Income
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FINANCIAL OVERVIEW

Representative Photo

Offering Terms

Price	NOI	CAP Rate
\$1,156,662	\$66,508	5.75%

Financial Summary

Property Name	Bob Evans Restaurants
Location	40 WEST LEFFEL LN SPRINGFIELD, OH
Price	\$1,156,662
CAP Rate	5.75%
NOI	\$66,508
Rent Per SF	\$12.70
Price Per SF	\$221
Building Size	5,236 sq ft
Lot Size	1.80 acres
Date Opened	April-2001
Last Remodel	December-2010



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 5,236 square feet of building space and is situated on approximately 1.80 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 \$66,508 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.



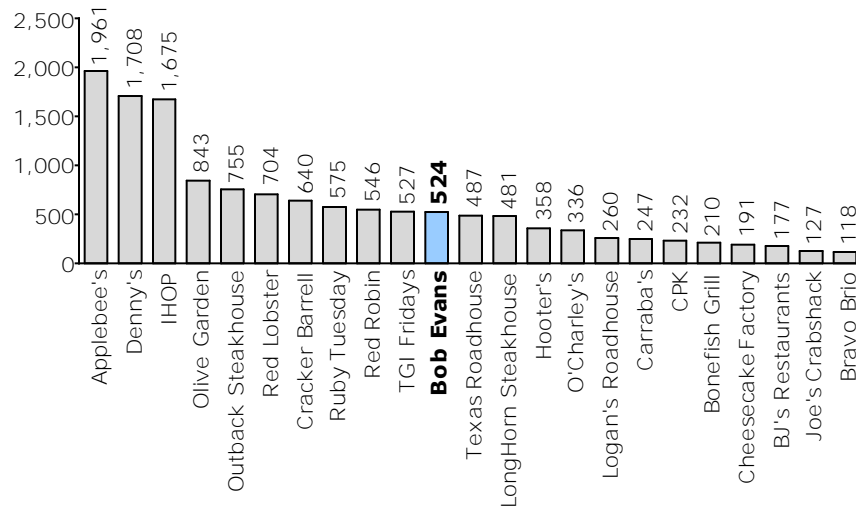
BOB EVANS BRAND



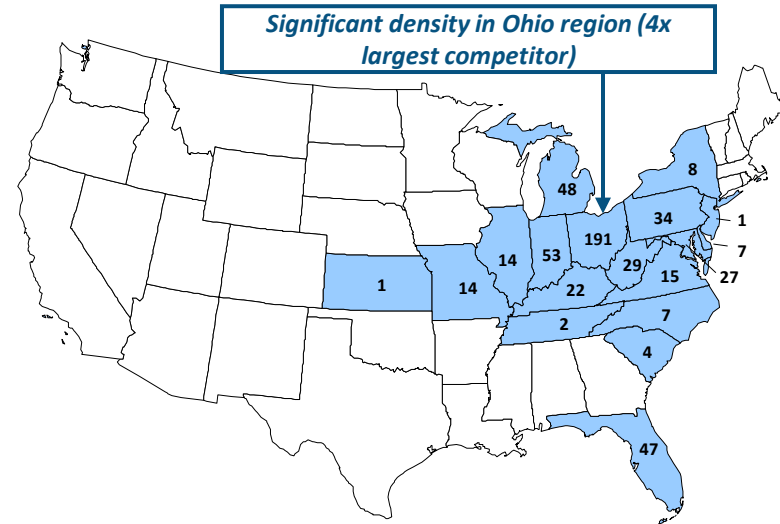
Bob Evans Restaurants is a scale, strong brand that generates \$900M in sales across 524 units.

Significant Scale

North America Units

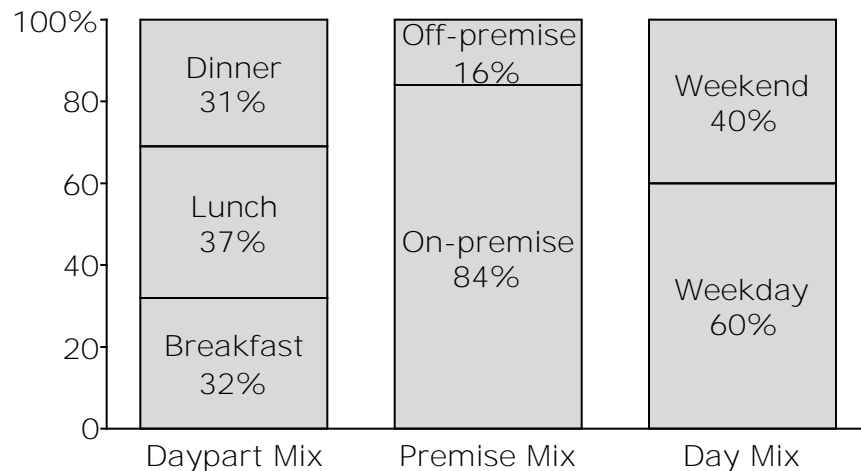


Strong Real Estate Footprint



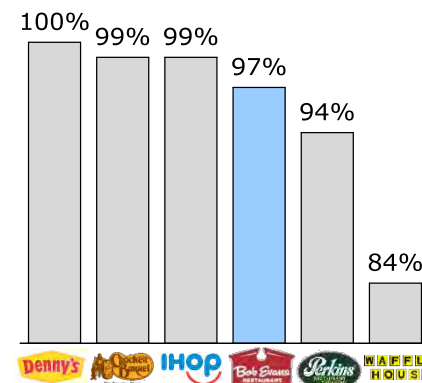
Diversified Revenue Stream

% of Revenue

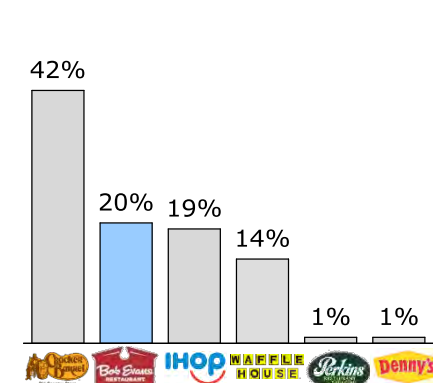


Iconic Brand

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

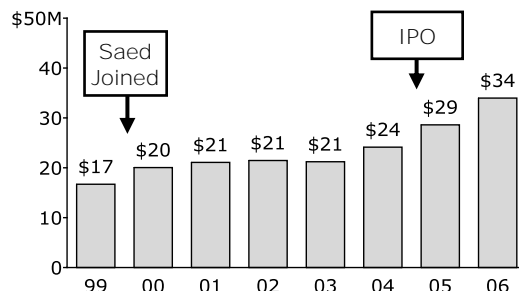
ACCOMPLISHMENTS

- **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

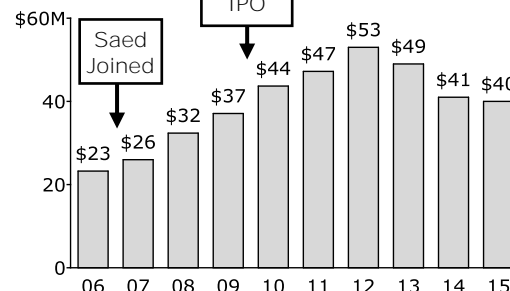
EBITDA (\$M)



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

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



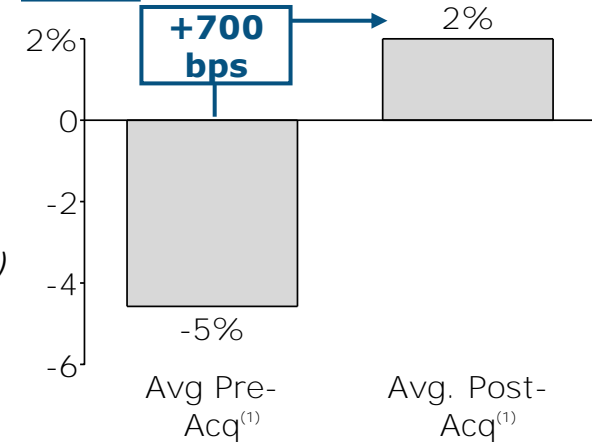
(Multiple avenues of cost and sales upside)



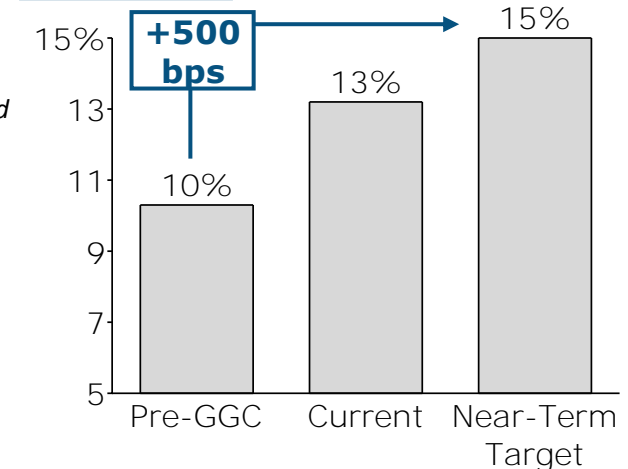
(Multiple avenues of cost, sales and new unit opportunities)

RL Results Since Close

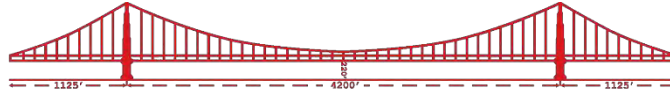
SSS %



EBITDAR %



RED LOBSTER CASE STUDY



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

Representative Photo

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	\$66,508	\$5,542
Year 2	\$67,838	\$5,653
Year 3	\$69,195	\$5,766
Year 4	\$70,579	\$5,882
Year 5	\$71,990	\$5,999
Year 6	\$73,430	\$6,119
Year 7	\$74,899	\$6,242
Year 8	\$76,397	\$6,366
Year 9	\$77,925	\$6,494
Year 10	\$79,483	\$6,624
Year 11	\$81,073	\$6,756
Year 12	\$82,694	\$6,891
Year 13	\$84,348	\$7,029
Year 14	\$86,035	\$7,170
Year 15	\$87,756	\$7,313
Year 16	\$89,511	\$7,459
Year 17	\$91,301	\$7,608
Year 18	\$93,127	\$7,761
Year 19	\$94,990	\$7,916
Year 20	\$96,890	\$8,074
Annual Rent	\$66,508	
CAP Rate	5.75%	
Price	\$1,156,662	





LOCATION OVERVIEW

Springfield, OH

Location Highlights

- Major Retailers in Surrounding Area Include: Kroger, Walgreens, Rite Aid, Hampton Inn & Suites, Holiday Inn Express, Dunkin' Donuts, Speedway
- Strong Traffic Counts in the Area: West Leffel Lane and Interstate-70 | 19,288 and 59,542 Vehicles Daily
- Seven Schools Within Five Miles | Combined Enrollment of 8,300 Students
- Springfield, Ohio | 25 Miles Northeast of Dayton and 45 Miles West of Columbus



Location Overview

This Bob Evans is located at 40 West Leffel Lane in Springfield, Ohio. Springfield is a city in the U.S. state of Ohio and the county seat of Clark County. The municipality is located in southwestern Ohio and is situated on the Mad River, Buck Creek and Beaver Creek, approximately 45 miles west of Columbus and 25 miles northeast of Dayton. Springfield is home to Wittenberg University, a liberal arts college with 1,910 plus students.

Surrounding Retail and Points of Interest

The subject property is well-positioned in a dense retail corridor, benefitting from its proximity to major national and local tenants. Nearby national tenants include: Kroger, Walgreens, Rite Aid, Hampton Inn & Suites, Holiday Inn Express, Dunkin' Donuts, Speedway, Popeyes, Wendy's, McDonald's, Shell, Sunoco, Cracker Barrel, BP, Taco Bell, and Arby's among various others. There are seven schools located within five miles of the Bob Evans property. They are: Hayward Middle School, Lincoln Elementary School, Fulton Elementary School, Clark State Community College, Possum Elementary School, Keifer Alternative Center, Springfield Christian School. These seven schools have a combined enrollment of more than 8,300 students. The Springfield Regional Medical Center is also located within four miles of the subject property. The Hospital is a general medical and surgical hospital, with 259 beds.

Traffic Counts and Demographics

There are approximately 43,342 people within a three-mile radius of this property and more than 71,828 within a five-mile radius. The property is situated on West Leffel Lane, which has average daily traffic counts of 19,288 vehicles. The Bob Evans is also located nearby Interstate-70. This portion of Interstate-70 experiences average daily traffic counts of more than 59,542 vehicles.

Springfield, Ohio

Springfield has a balanced portfolio of companies representing many growth sectors of the new economy. Springfield's strongest business clusters represent food, automotive, aerospace, financial services, logistics, data and advanced technology. The community's core strengths are access to robust gas, electric, water, sewer and telecommunications networks. In addition, Springfield's strategic location on Interstate 70 provides a logistical advantage with access to over 60% of the U.S. population within 600 miles.

SURROUNDING AREA MAP

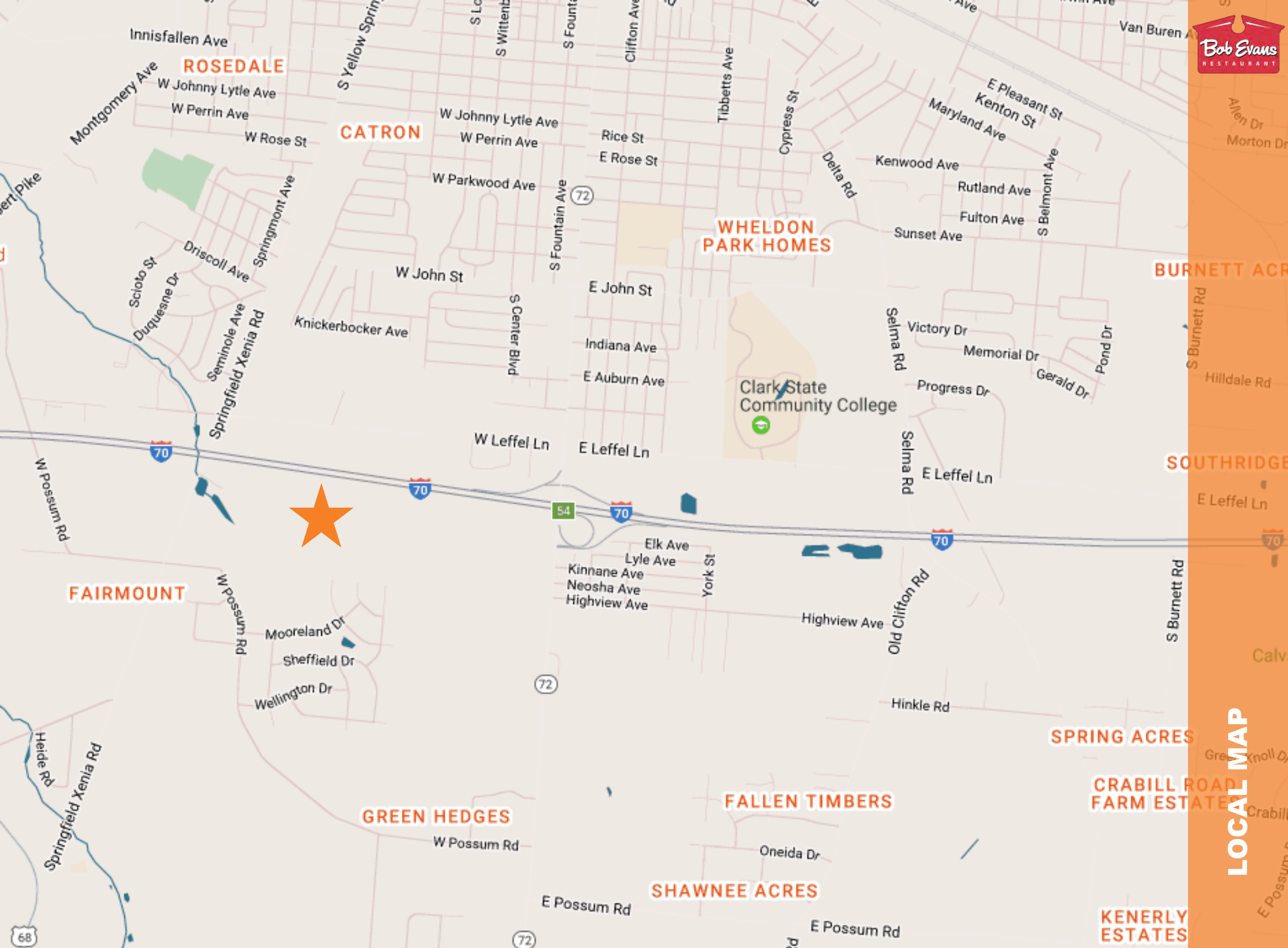


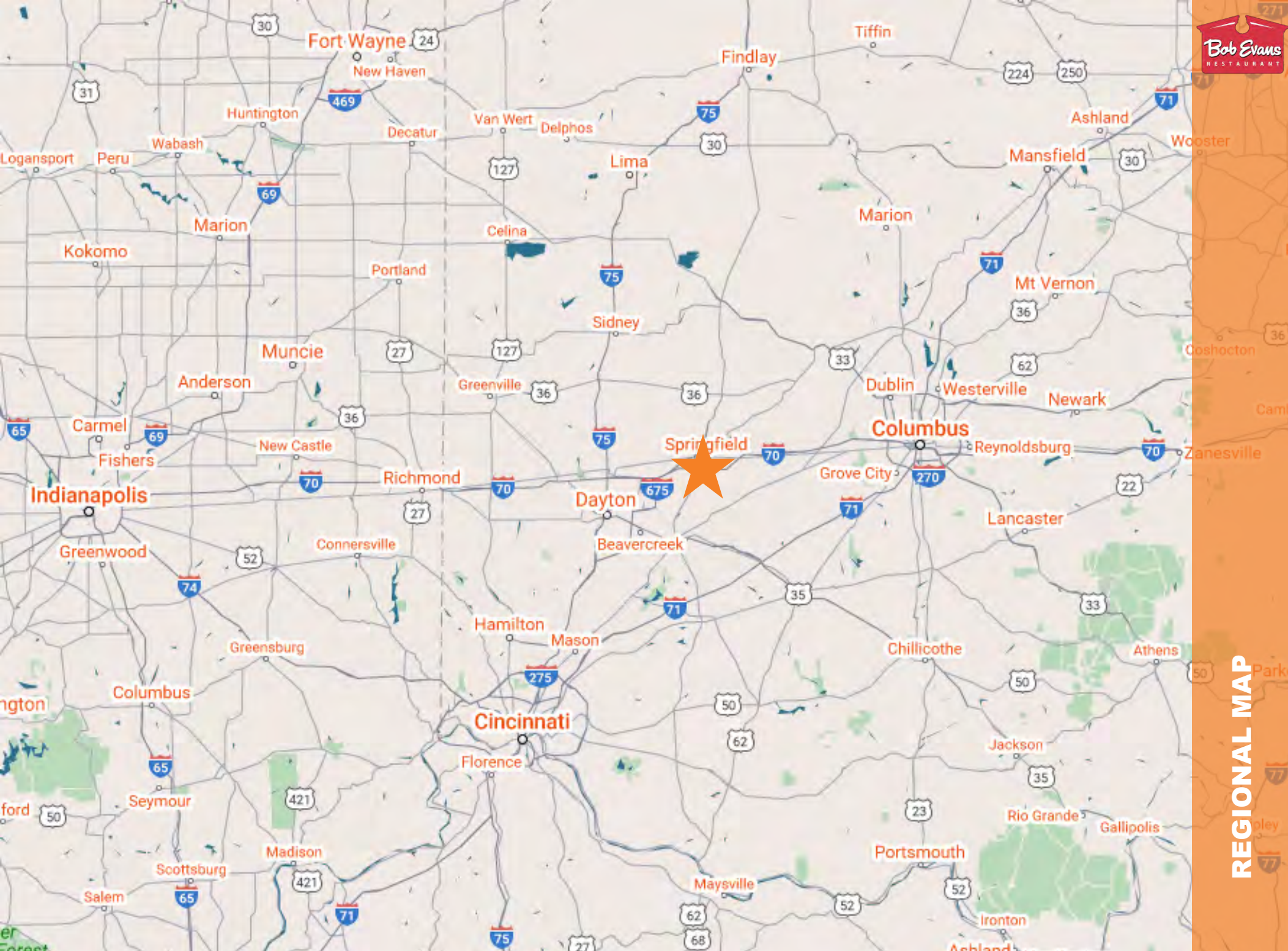
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PROPERTY PHOTOS







DEMOGRAPHICS





Population

In 2014, the population in your selected geography is 71,827. The population has changed by -9.37% since 2000. It is estimated that the population in your area will be 70,106 five years from now, which represents a change of -2.39% from the current year. The current population is 48.37% male and 51.62% female. The median age of the population in your area is 37.4, compare this to the Entire US average which is 37.3. The population density in your area is 913.20 people per square mile.



POPULATION

	1-Mile	3-Mile	5-Mile
2010	5,561	43,703	72,309
2014	5,517	43,342	71,828
2019	5,317	41,870	70,106

Income

In 2014, the median household income for your selected geography is \$34,397, compare this to the Entire US average which is currently \$51,972. The median household income for your area has changed by -1.60% since 2000. It is estimated that the median household income in your area will be \$40,098 five years from now, which represents a change of 16.57% from the current year. The current year per capita income in your area is \$19,565, compare this to the Entire US average, which is \$28,599. The current year average household income in your area is \$48,523, compare this to the Entire US average which is \$74,533.



2014 HOUSEHOLD INCOME

	1-Mile	3-Mile	5-Mile
Average	\$43,265	\$39,680	\$48,524
Median	\$30,323	\$28,836	\$34,398

Employment

In 2014, there are 33,754 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 50.72% of employees are employed in white-collar occupations in this geography, and 49.01% are employed in blue-collar occupations. In 2014, unemployment in this area is 8.82%. In 2000, the average time traveled to work was 22.0 minutes.



TOP EMPLOYERS IN SPRINGFIELD

Employers

- Assurant Specialty Property
- Clark County
- Clark County Schools



Bob Evans

FARMS®

exclusively listed

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