



Bob Evans
2490 Fairmont Avenue
White Hall, West Virginia, 26554



Representative Photo

OFFERING MEMORANDUM
EXCLUSIVE NET-LEASE OFFERING

Marcus & Millichap

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PENNSYLVANIA

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VIRGINIA



Bob Evans

WELCOME
Bob Evans

3800

FINANCIAL OVERVIEW

Offering Terms

Price	NOI	CAP Rate
\$2,125,000	\$127,500	6.00%

Financial Summary

Property Name	Bob Evans Restaurants
Location	2490 FAIRMONT AVE WHITE HALL, WV
Price	\$2,125,000
CAP Rate	6.00%
NOI ¹	\$127,500
Rent Per SF	\$27.15
Price Per SF	\$453
Building Size	4,696 sq ft
Lot Size	1.00 acres
Date Opened	October-1998
Last Remodel	March-2013



¹ NOI Based on May 2018 Rental Increase

Investment Highlights

- Attractive Rent Escalations | Two Percent Annually
- 20 Year Triple-Net (NNN) Lease
- Corporate Tenant; Lease Backed by Roughly 500 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 4,696 square feet of building space and is situated on approximately 1.00 acres of land.

The property is subject to a 20-year triple net (NNN) lease. The lease commenced on April 28, 2017. The current rent is \$127,500 with two percent annual rental increases. The increases will continue through the six, five-year tenant renewal options. The tenant is a newly formed entity consisting of all Bob Evans Restaurants.

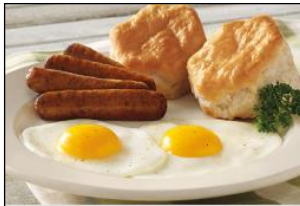
Bob Evans Restaurants was started more than 60 years ago with a single restaurant in Rio Grande, Ohio. The concept has since grown to roughly 500 family restaurants in approximately 18 different states. Their wide variety of menu options appeals to a wide demographic, whether its breakfast, lunch, or 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 ~500 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 ~500 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.

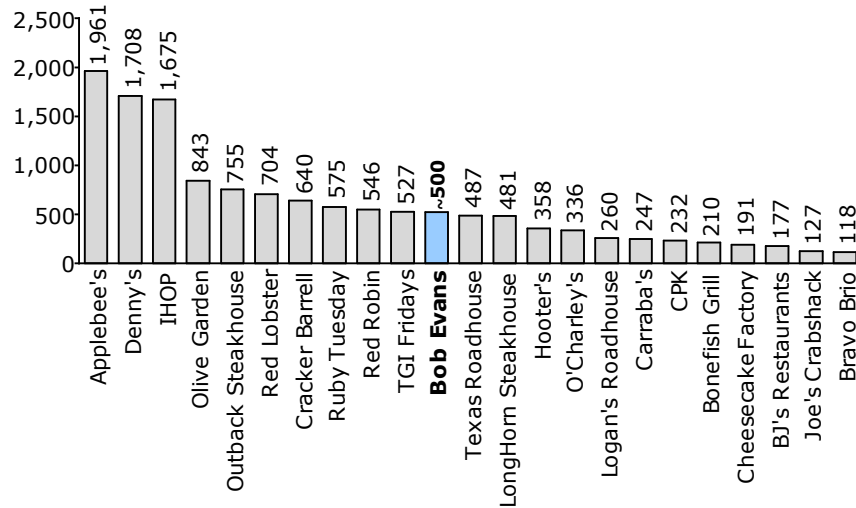


BOB EVANS BRAND

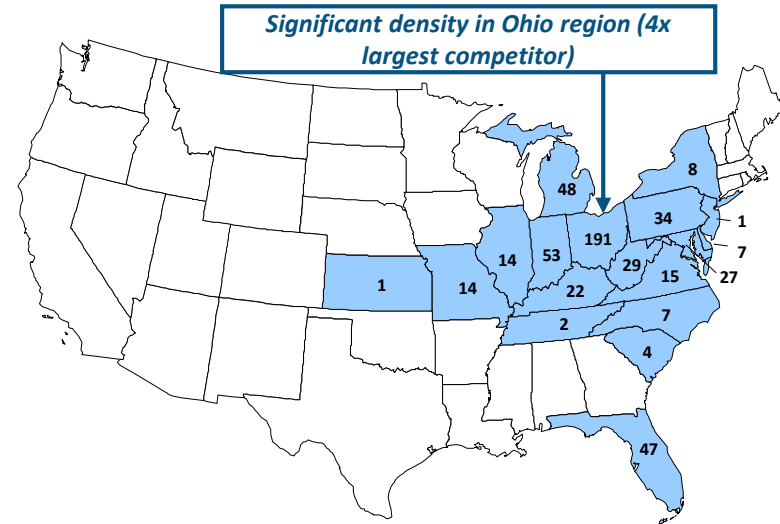
Bob Evans Restaurants is a scale, strong brand that generates \$900M in sales across ~500 units.

Significant Scale

North America Units

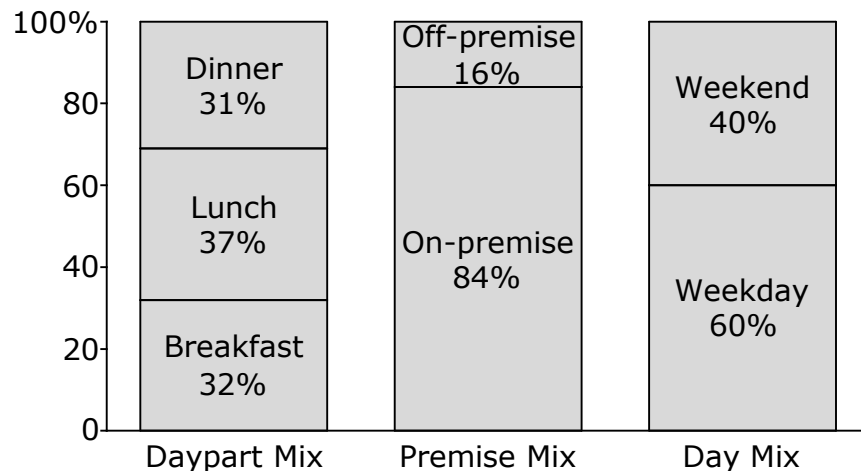


Strong Real Estate Footprint



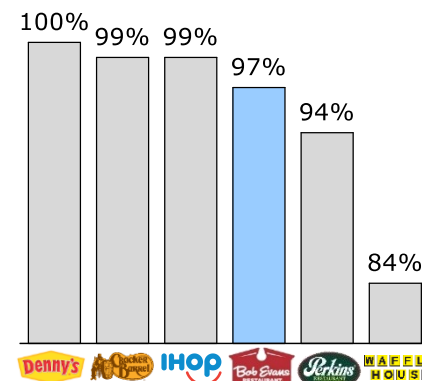
Diversified Revenue Stream

% of Revenue

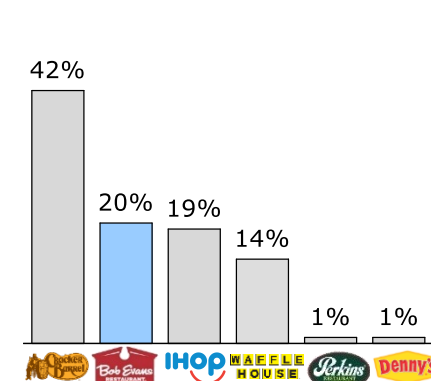


Iconic Brand

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

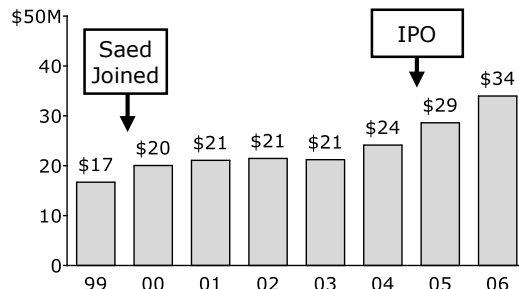
ACCOMPLISHMENTS

- **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

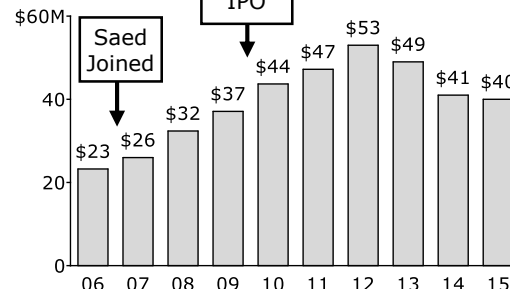
EBITDA (\$M)



Year	SSS%	EBITDA%
99	na	14
00	na	13
01	-4	12
02	-3	12
03	1	11
04	4	10
05	3	10
06	3	11

BRAVO BRIO
RESTAURANT GROUP

EBITDA (\$M)



Year	SSS%	EBITDA %
06	0	10
07	1	10
08	-4	11
09	-7	12
10	2	13
11	1	13
12	0	13
13	-3	12
14	-5	10
15	-3	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)



(~500 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



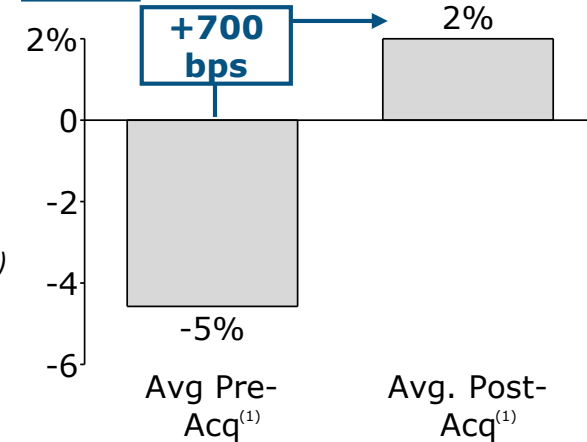
(Multiple avenues of cost and sales upside)



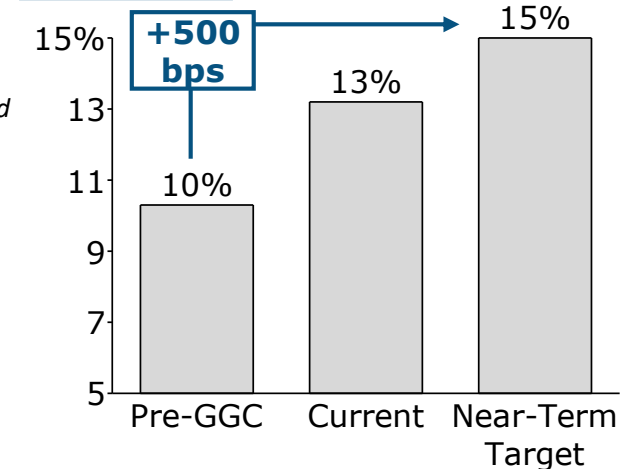
(Multiple avenues of cost, sales and new unit opportunities)

RL Results Since Close

SSS %



EBITDAR %





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	19 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 2	\$127,500	\$10,625
Year 3	\$130,050	\$10,838
Year 4	\$132,651	\$11,054
Year 5	\$135,304	\$11,275
Year 6	\$138,010	\$11,501
Year 7	\$140,770	\$11,731
Year 8	\$143,586	\$11,965
Year 9	\$146,457	\$12,205
Year 10	\$149,387	\$12,449
Year 11	\$152,374	\$12,698
Year 12	\$155,422	\$12,952
Year 13	\$158,530	\$13,211
Year 14	\$161,701	\$13,475
Year 15	\$164,935	\$13,745
Year 16	\$168,234	\$14,019
Year 17	\$171,598	\$14,300
Year 18	\$175,030	\$14,586
Year 19	\$178,531	\$14,878
Year 20	\$182,101	\$15,175
Annual Rent	\$127,500	
CAP Rate	6.00%	
Price	\$2,125,000	

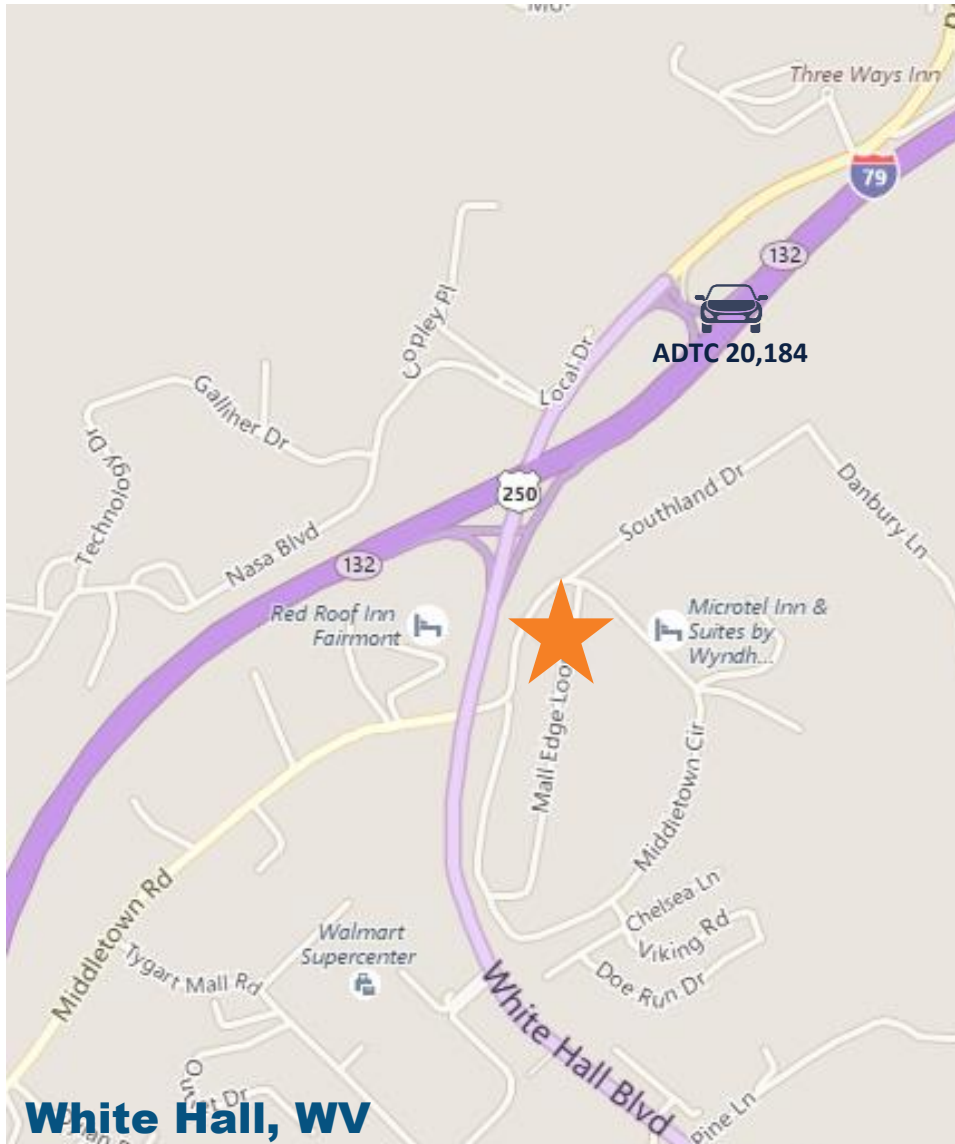




LOCATION OVERVIEW

Location Highlights

- Major Retailers in Surrounding Area Include: Walmart, Sears, Save-A-Lot, Aaron's, Dollar General, Advance Auto Parts, McDonald's, Subway, Firehouse Subs, Burger King, Applebee's, Arby's, and Taco Bell
- Close Proximity to West Virginia High-Tech Corridor | U.S. Interstate 79 | U.S. Highway 19 | U.S. Interstate 79 Technology Park
- Compelling Location Fundamentals | Situated Within Middletown Mall Shopping Center



Location Overview

This Bob Evans property is located at 2490 Fairmont Avenue, White Hall, West Virginia. White Hall is a town in Marion County, West Virginia. White Hall lies to the south of Fairmont, West Virginia, and it was incorporated in 1989. Roughly three miles away, Fairmont is home to many different stores and restaurants.

Surrounding Retail and Points of Interest

The subject property is well-positioned along U.S. Interstate 79, benefitting from its proximity to major national and local tenants. Nearby national tenants include: Walmart, Sears, Save-A-Lot, Aaron's, Dollar General, Advance Auto Parts, McDonald's, Subway, Firehouse Subs, Burger King, Applebee's, Arby's, Taco Bell, Hardee's, and Tim Horton's among various others. Nearby hotels include: Fairfield Inn & Suites, Days Inn, and Red Roof Inn. This Bob Evans is situated near U.S. Interstate 79's High Tech Corridor, therefore, nearby tenants also include: NASA, High Technology Foundation, and distribution centers for Pepsi-Cola and Frito Lay. The subject property is located within Middletown Mall Shopping Center.

Traffic Counts and Demographics

There are approximately 23,504 people within a three-mile radius of this property and more than 37,902 within a five-mile radius. The subject property is situated off of U.S. Interstate-79 within Middletown Mall Shopping Center. This portion of Interstate-79 has average daily traffic counts of more than 20,184 vehicles.

White Hall, West Virginia

White Hall, West Virginia is south of Fairmont. White Hall is located in the North-Central region of the state, along West Virginia's U.S. Interstate 79's High Tech Corridor. Major highways include: Interstate 79, U.S. Highway 19, U.S. Highway 250, West Virginia Route 310, and West Virginia Route 273. The Interstate 79 Technology Park is located within the heart of the Interstate 79 High Technology Corridor. The Technology Park is home to over 30 businesses with approximately 1,500 employees. The Interstate 79 Technology Park is fast becoming one of the premier science and technology hubs in the United States. The Bob Evans is within the Middletown Mall Shopping Center.

SURROUNDING AREA MAP

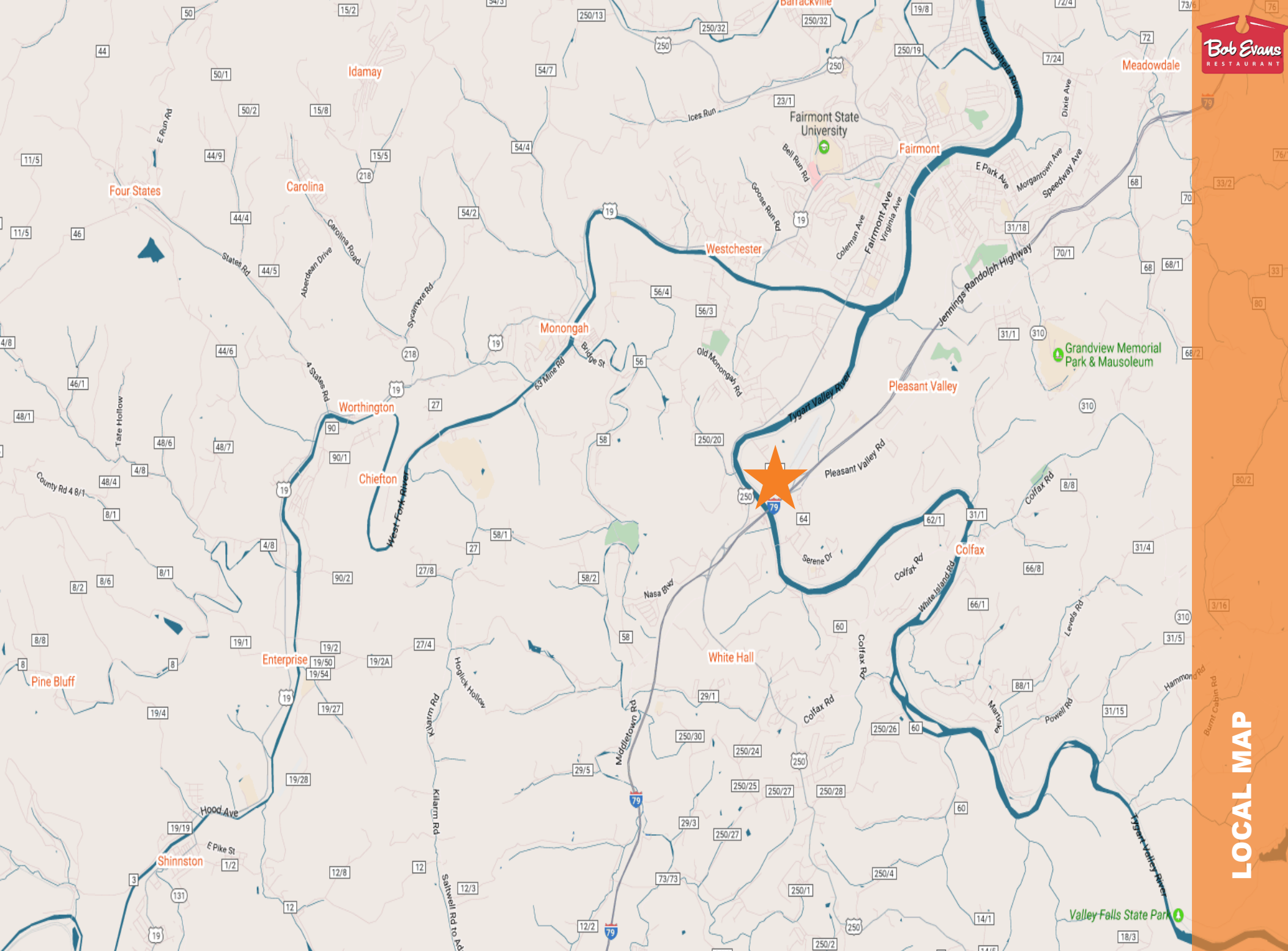


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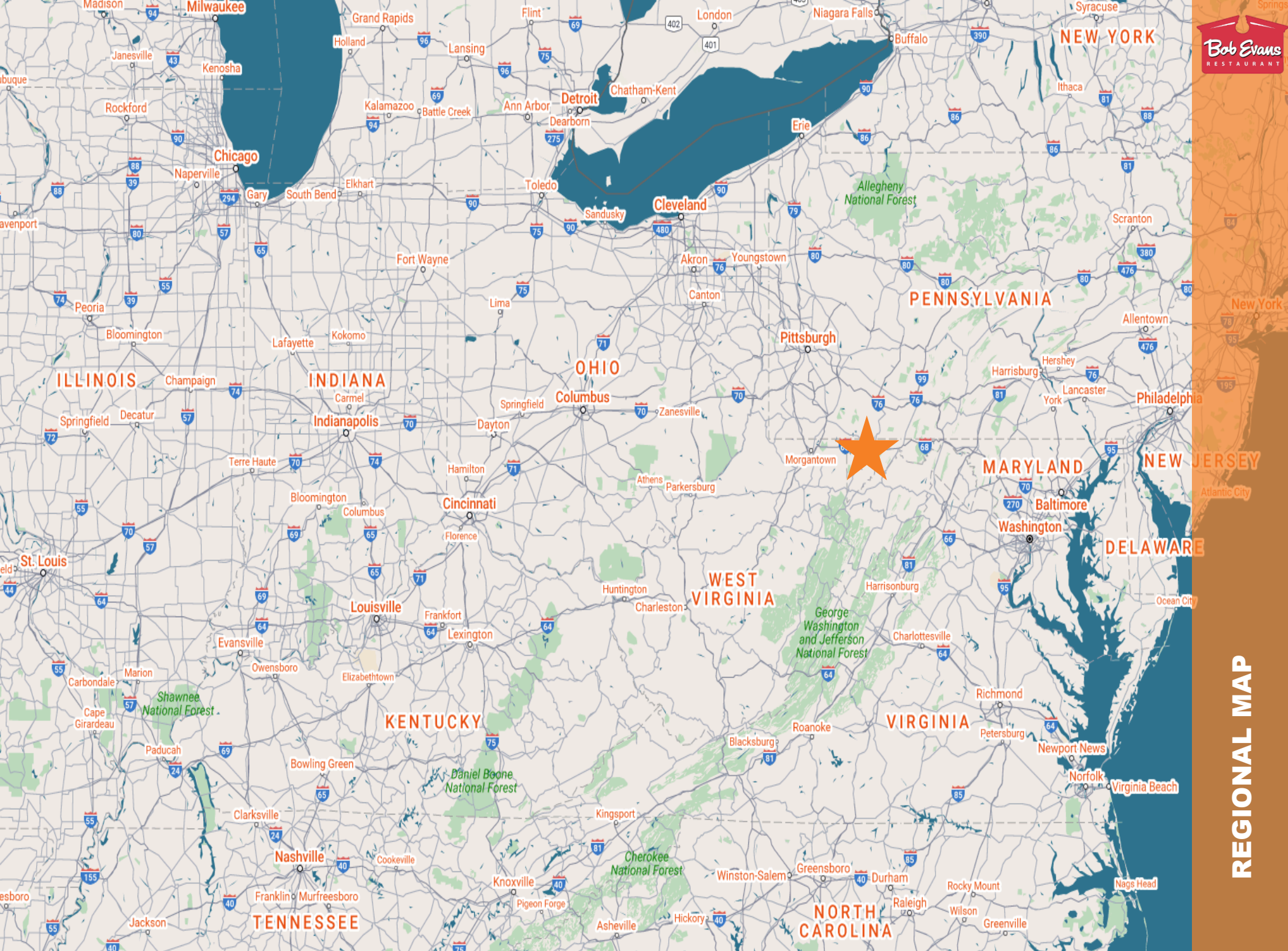
PROPERTY PHOTOS





LOCAL MAP

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DEMOGRAPHICS





Population

In 2014, the population in your selected geography is 37,901. The population has changed by 4.57% since 2000. It is estimated that the population in your area will be 37,966 five years from now, which represents a change of 0.17% from the current year. The current population is 48.79% male and 51.20% female. The median age of the population in your area is 39.3, compare this to the Entire US average which is 37.3. The population density in your area is 481.92 people per square mile.



POPULATION

	1-Mile	3-Mile	5-Mile
2010	1,964	22,273	36,367
2014	1,994	23,504	37,902
2019	1,892	23,258	37,967

Income

In 2014, the median household income for your selected geography is \$41,045, compare this to the Entire US average which is currently \$51,972. The median household income for your area has changed by 43.62% since 2000. It is estimated that the median household income in your area will be \$48,917 five years from now, which represents a change of 19.17% from the current year. The current year per capita income in your area is \$22,985, compare this to the Entire US average, which is \$28,599. The current year average household income in your area is \$53,277, compare this to the Entire US average which is \$74,533.



2014 HOUSEHOLD INCOME

	1-Mile	3-Mile	5-Mile
Average	\$52,385	\$48,222	\$53,277
Median	\$40,483	\$35,194	\$41,046

Employment

In 2014, there are 16,025 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 61.91% of employees are employed in white-collar occupations in this geography, and 37.94% are employed in blue-collar occupations. In 2014, unemployment in this area is 5.61%. In 2000, the average time traveled to work was 23.8 minutes.



TOP EMPLOYERS IN PINELLAS COUNTY

Employer	# of Employees
Raymond James Financial	3,500
Home Shopping Network	2,800
Bright House Networks	2,000



Bob Evans

FARMS®

exclusively listed

Marcus & Millichap