

NNN
Red Robin
GOURMET BURGERS AND BREWS

- 12 YEARS REMAINING
- CORPORATE NNN LEASE (NASDAQ: RRGB)
- OUTPARCEL TO SHERWOOD MALL



MARKETING PACKAGE
STOCKTON, CALIFORNIA



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



GOURMET BURGERS AND BREWS

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OFFERING SUMMARY

NNN RED ROBIN



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LOCATION

NNN Red Robin
5202 Pacific Avenue
Stockton, CA 95207

OFFERING SUMMARY

Price:	\$3,720,000
Current Net Operating Income (NOI):	\$204,620
Current Capitalization Rate:	5.50%
2020 Net Operating Income (NOI):	\$225,082
2020 Capitalization Rate:	6.05%
Price per Square Foot:	\$473
Net Rentable Area:	7,870
Year Built:	R-2015
Lot Size (Acres): (1)	TBD

(1) Lot split in process. Actual parcel size to be determined.
See Hanley Investment Group for details.

FINANCING SUMMARY

All Cash or Cash to New Financing

(Contact Hanley Investment Group for Further Details)



OUTPARCEL TO SHERWOOD MALL





- **Single-Tenant Corporate Red Robin:**

- 12 years remaining on NNN lease
- 10% increases every 5 years; next increase October 2020
- Three 5-year options at 10% rental increases
- Corporate guaranteed lease (NASDAQ: RRGB); over 565 restaurants in the U.S. and Canada
- Renovated and remodeled in 2015 to new prototype format

- **Hard Corner Outparcel to Sherwood Mall:** The subject property is ideally situated at the signalized hard corner in front of the Sherwood Mall, anchored by Macy's, Best Buy, Dick's Sporting Goods, HomeGoods, Petco, and ULTA. Additionally, Red Robin is immediately across the street from the Weberstown Mall, anchored by Dillard's, Sears, JCPenney, Old Navy, Barnes & Noble, Forever 21, and H&M.
- **Located at the Main Signalized Entrance to San Joaquin Delta College:** The property benefits from being located on the intersection that is the main entrance to the San Joaquin Delta College (14,700 students).
- **1 Mile from the University of the Pacific:** Red Robin is located only 1 mile north along Pacific Avenue from the University of the Pacific (7,000 students), which was ranked by Money as one of the "Best Colleges in America" (2016-2017).



SAN JOAQUIN DELTA COLLEGE
- 14,700 STUDENTS -





- **High Traffic Location:** 70,000 cars per day at Pacific Avenue and March Lane; two of the largest and most heavily trafficked thoroughfares in the city of Stockton.
- **Excellent Freeway Accessibility:** The property is centrally located less than 2 miles from Interstate 5 and approximately 3 miles from Downtown Stockton, Port of Stockton, and Highway 99.
- **Retail Epicenter at Pacific Avenue and March Lane:** Sherwood Mall and Weberstown Mall have regional draw as the only malls within Stockton and the surrounding cities. Other anchor tenants located adjacent to the subject property include Trader Joe's, Safeway, REI, Hobby Lobby, Target, Ross Dress for Less, 99¢ Only, Food 4 Less, In-Shape Health Clubs, Men's Warehouse, Planet Fitness, and Roger Dunn Golf.
- **Excellent Demographics:** More than 300,000 people with an average household income of approximately \$64,000 within a 5-mile radius.
- **Located in Stockton; 13th Largest City in California:**
 - Projected increases from 2017-2022 include a 5.7% increase in population, a 14.7% increase in average household income, and a 7.8% increase in number of households
 - 26.65% projected job growth over the next 10 years
 - 3rd largest port in California with over 4.7 million tons of cargo in 2017 worth \$1.5 billion annually; port employs over 5,500 people
 - Newly developed 600,000 square foot Amazon fulfillment center employing over 1,500 people
- **Easily Accessible; 50 Miles from Sacramento and 80 Miles from San Jose**



SHERWOOD MALL | NOT A PART



Outparcel to Sherwood Mall, anchored by Macy's, Best Buy, Dick's Sporting Goods, HomeGoods, Petco, and ULTA Beauty





\$



Adjacent to Weberstown Mall, anchored by Dillard's, Sears, JCPenney, Old Navy, Barnes & Noble, Forever 21, and H&M





LEASE SUMMARY (1)

Tenant:	Red Robin International, Inc.(Corporate)	Rental Increases:	10% Every 5 Years
Lease Commencement:	September 16, 2015	Next Rental Increase:	October 1, 2020
Lease Expiration:	September 30, 2030	Renewal Options:	Three 5-Year @ 10% Every Option
Lease Type:	NNN	Property Taxes:	Tenant Responsibility
Current Net Operating Income:	\$204,620	Insurance:	Tenant Responsibility
2020 Net Operating Income:	\$225,082	Common Area Maintenance:	Tenant Responsibility
Net Rentable Area:	7,870	Repairs & Maintenance:	Tenant Responsibility
Monthly Rent Per Square Foot:	\$2.17	Roof & Structure:	Tenant Responsibility

NOTES

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.



SITE PLAN / PARCEL MAP

NNN RED ROBIN



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SHOPPING CENTER



EST. PROPERTY PARCEL

Lot split in process. Actual parcel size to be determined.
See Hanley Investment Group for details.

APN: 102-240-06

SHERWOOD MALL

- 525,000 SF; 80+ RETAILERS -



WEBERSTOWN MALL

- 859,287 SF; 55+ RETAILERS -



**SUBJECT
PROPERTY**

ROBINHOOD DRIVE

YOKUTS AVENUE

PACIFIC AVENUE

SAN JOAQUIN
DELTA COLLEGE



N



SITE PLAN / PARCEL MAP

NNN RED ROBIN



HANLEY INVESTMENT GROUP
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 **SHOPPING CENTER**

 **EST. PROPERTY PARCEL**

Lot split in process. Actual parcel size to be determined.
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APN: 102-240-06



The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.



DEMOGRAPHICS

Household Income:

1-Mile Radius	\$45,342
3-Mile Radius	\$61,509
5-Mile Radius	\$63,879

Population:

1-Mile Radius	23,155
3-Mile Radius	182,912
5-Mile Radius	300,279

ROBINHOOD PLAZA



SHERWOOD MALL

- 525,000 SF; 80+ RETAILERS -



**SUBJECT
PROPERTY**

WEBERSTOWN MALL

- 859,287 SF; 55+ RETAILERS -



PACIFIC AVENUE

32,000 CPD

YOKUTS AVENUE



SAN JOAQUIN DELTA COLLEGE
- 14,700 STUDENTS -

**sears
AUTO CENTER**

**WELLS
FARGO**

N

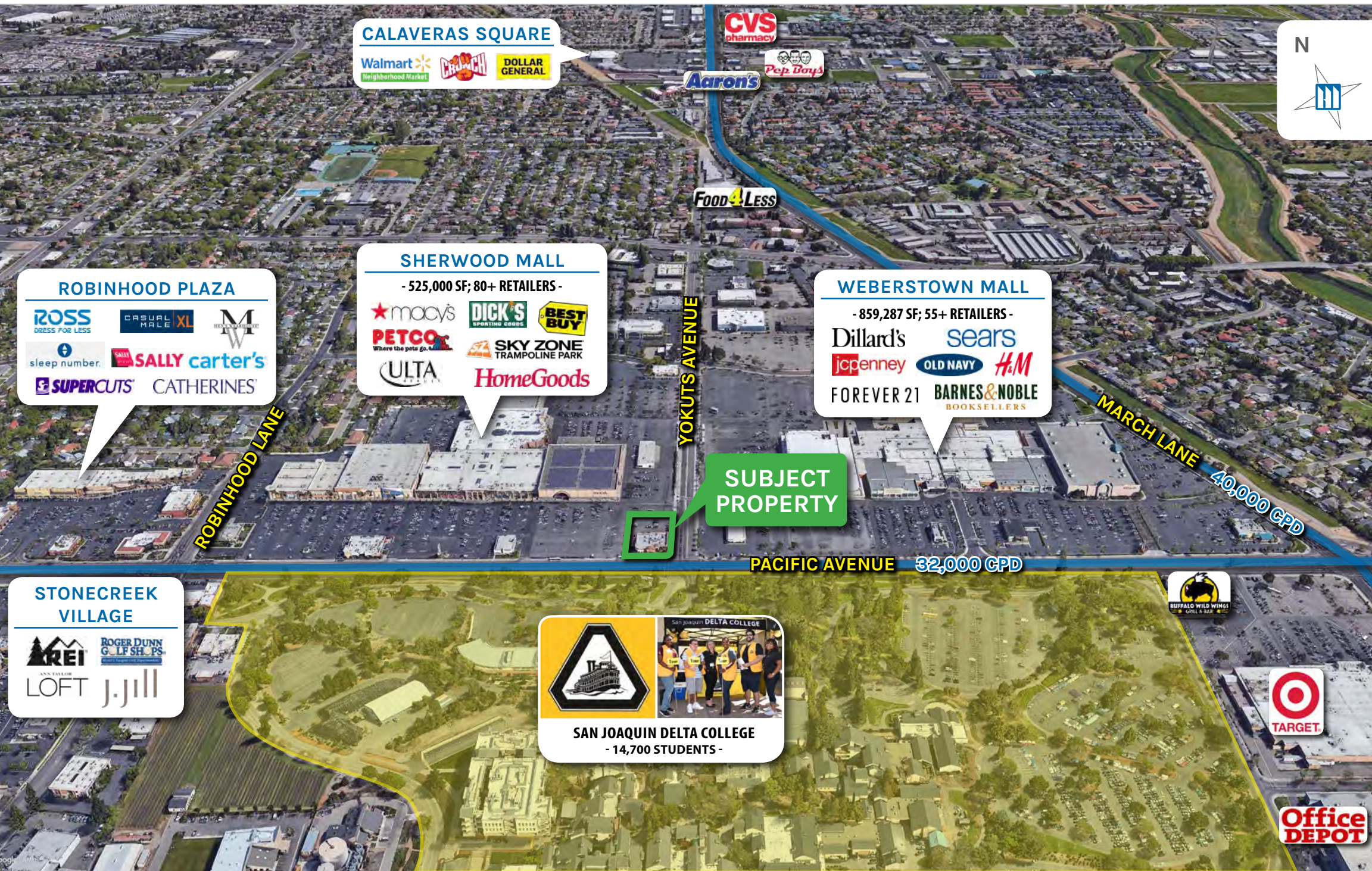


AERIAL OVERVIEW

NNN RED ROBIN



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CALAVERAS SQUARE

Walmart Neighborhood Market | CRUNCH | DOLLAR GENERAL

ROBINHOOD PLAZA

ROSS DRESS FOR LESS | CASUAL MALE XL | M | sleep number. | SALLY carter's | SUPERCUTS | CATHERINES

SHERWOOD MALL

- 525,000 SF; 80+ RETAILERS -

MACY'S | DICK'S SPORTING GOODS | BEST BUY | PETCO | SKY ZONE TRAMPOLINE PARK | ULTA | HomeGoods

WEBERSTOWN MALL

- 859,287 SF; 55+ RETAILERS -

Dillard's | sears | JCPenney | OLD NAVY | H&M | FOREVER 21 | BARNES & NOBLE BOOKSELLERS

STONECREEK VILLAGE

REI | ROGER DUNN GOLF SHOPS | LOFT | J.Jill

SAN JOAQUIN DELTA COLLEGE

- 14,700 STUDENTS -



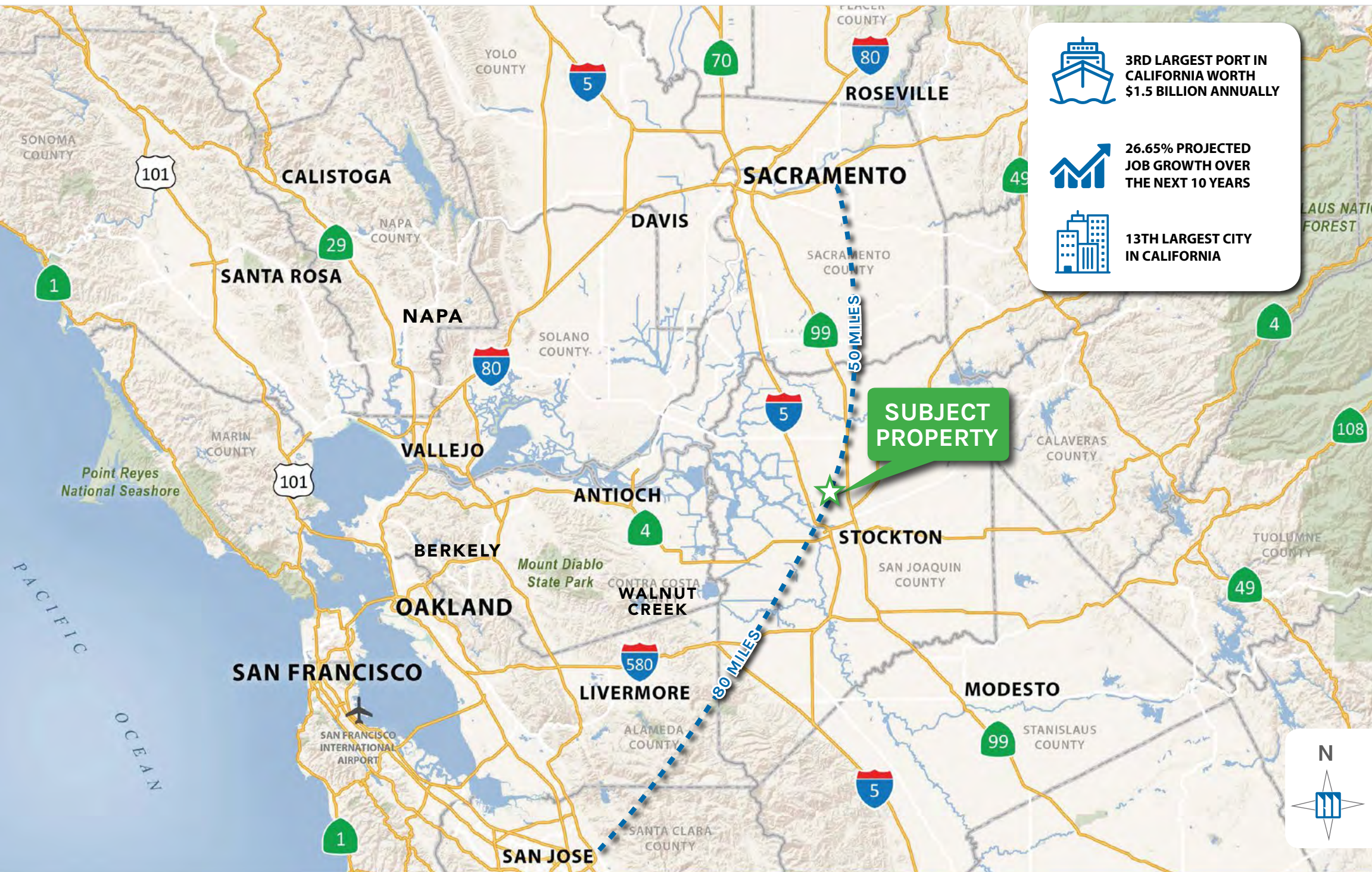


REGIONAL MAP

NNN RED ROBIN



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3RD LARGEST PORT IN CALIFORNIA WORTH \$1.5 BILLION ANNUALLY

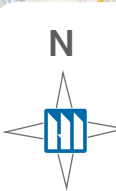


26.65% PROJECTED JOB GROWTH OVER THE NEXT 10 YEARS



13TH LARGEST CITY IN CALIFORNIA

SUBJECT PROPERTY





REPRESENTATIVE PHOTOS



Red Robin Gourmet Burgers, Inc. is a casual dining restaurant chain founded in 1969 that operates through its wholly-owned subsidiary, Red Robin International, Inc. The burger chain is famous for serving more than two dozen delicious burgers and have more than 100 different toppings available. The restaurant features a premium burger line consisting of high-quality burgers known as Red Robin's Finest, which launched in November 2013 and uses half-pound patties of Black Angus beef. The company holds its burger ingredients to very strict standards; the beef is always fresh and never frozen, all-natural, domestic, and free of preservatives and added ingredients. The chain was ranked #40 on Restaurant Business' "Top 500 Chain Restaurants" in 2017.

Red Robin also offers a variety of creative and signature beverages, such as the Hawaiian Heart Throb Smoothie and the Silver Spoon S'mores Monster Milkshake. Additionally, Red Robin offers a variety of options behind the bar, including signature cocktails and innovative booze infused shakes such as the Root Brewshi Float, the Blue Moon Beer Shake, and the Spiked Freckled Lemonade. Their extensive selection of local and regional beers and spirits has earned the restaurant a VIBE Vista Award for "Best Beer Program in a Multi-Unit Chain Restaurant."

In addition to its many burger offerings, Red Robin serves bottomless fries and a wide variety of salads, soups, appetizers, entrees, and desserts. All of the produce used at Red Robin is GMO-free. There are 565 Red Robin restaurants across the United States and Canada. The company earned \$1.4 billion in total revenues in 2017, an increase of 6.5% from 2016 and a net income of \$30 million in 2017 compared to \$11.7 million in 2016.

Company Type: Public (NASDAQ: RRGB)
Locations: 565
Website: www.redrobin.com

UNIVERSITY OF THE PACIFIC



- Oldest private university in California; 1st 4-year, higher education institution in the Central Valley
- 175 acres, 7 schools and colleges, and more than 80 majors and programs of study
- 7,000 students and 150 campus organizations
- \$257 million economic impact in the San Joaquin Valley; supports nearly 5,000 jobs
- 3rd "Best Value College in California" by The Economist (2015)
- "Best Colleges in America" by Money (2016-2017)
- 4-story residential hall is currently being constructed
 - 381-bed complex is the first new residential construction project since 2002
 - Part of a multi-phase master plan to enhance, renovate, and repurpose student housing; expected to open in 2018
 - \$57 million will be pumped into the regional economy, creating 330 jobs (135 construction jobs and 192 indirect jobs in the community)



- Accredited 2-year community college that serves the educational needs of the metropolitan area's working professionals
- Offers over 100 career and degree certificate programs including: culinary arts, nurse assistant training, early childhood education, and fire science
- 23,500 students
- 640 full-time employees
- Successor of the Stockton Junior College that formed in 1935
- 165-acre campus is located across the street from the Sherwood Mall and the Weberstown Mall on Pacific Avenue
- Hosts a "Kids College" program which provides educational opportunities for children, teens, and adults
- College administrators are currently working with local farmers as the school prepares to relaunch its agriculture program

SHERWOOD MALL



- 525,000 square foot enclosed regional mall
- 1 of 2 shopping malls in Stockton
- Located at one of the strongest retail intersection in the region, Pacific Avenue and Robinhood Drive
- Built in 1979 by the Stone Brothers, who continue to own and operate the mall
- Features a dynamic streetscape anchored by Macy's, Best Buy, Dick's Sporting Goods, HomeGoods, Petco, ULTA, and Sky Zone
- Home to over 80 retailers and restaurants including Express, rue21, Victoria's Secret, Zumiez, Sunglass Hut, Champs Sports, Foot Locker, and Macaroni Grill
- 564,232 people and 177,305 households within the mall's trade area
- A multi-million renovation of the interior and exterior was completed in 2005, making the mall more aesthetically appealing to attract young adults and family retailers
 - Included the addition of The Patio, an outdoor seating concept to increase foot traffic within the center

WEBERSTOWN MALL



- 858,517 square foot enclosed regional mall
- 2nd shopping mall in Stockton; built in 1966
- Located 1 mile east of Interstate 5, 3 miles west of State Route 99, and less than 1 mile from the University of the Pacific and San Joaquin Delta College
- Owned by the Washington Prime Group, a spin-off from the Simon Property Group
 - National real estate portfolio of 109 shopping centers in the U.S. which includes the Westminster Mall and Malibu Lumber Yard located in Southern California
- Anchored by JCPenney, Sears, Dillard's, and Barnes & Noble
- Over 55 retailers including American Eagle Outfitters, Finish Line, Forever 21, H&M, Old Navy, Vans, PINK, and Buckle
- Dining and restaurant tenants include Panera Bread, Chipotle Mexican Grill, Blaze Pizza, and Ahipoki Bowl
- 300 million annual shoppers; 6.5 million new visitors (2017)
- 564,232 people and 177,305 households within the mall's trade area

Stockton, California

- 13th largest city in California; located in San Joaquin County in the Central Valley
- Area is expected to experience tremendous growth in the coming decades
 - 312,000 population; 5.7% increase in total population predicted between 2017-2022
 - 14.7% predicted increase in average household income between 2017-2022
 - 7.8% increase in total number of households projected between 2017-2022
- Home to California's largest inland seaport
 - Downtown waterfront and seaport connects the city with the San Francisco Bay Area and thousands of miles of waterways, which make up the California Delta
- Good mixture of lifestyle opportunities, affordable and quality housing, a wide range of cultural events, abundant recreation, and exceptional educational facilities

ECONOMY

- Diversified economic base; serves as a regional center for commerce, both in agricultural and manufacturing export trade activities
 - Other industries include telecommunications, healthcare, and logistics
 - Distribution of sales tax from various businesses shows the diversity of Stockton's economy
- Central location and close proximity to both San Francisco and Sacramento, together with its comparatively inexpensive land costs, have prompted several companies to base their regional operations in the city
 - 88.5 million square feet of commercial real estate; nearly 17,000 businesses
 - Top employers include Dameron Hospital, Diamond Foods, Inland Flying Svc, O-G Packing & Cold Storage Co., St. Joseph's Medical Center, University of the Pacific, Walmart Supercenter, and North California Youth Center
 - Diamond Foods, Inc., best known for its Kettle Brand, employs 400 people
 - O-G Packaging, an international fruit business, employs more than 2,000 workers and packs more than 1 million boxes of cherries
 - Morada Produce, grower and packer of fruit and produce, employs 1,000 workers
- Consists of a large skilled and semi-skilled workforce with an affordable wage structure
 - 2.82% job growth; 26.65% projected job growth over the next 10 years





TRANSPORTATION

- Excellent transportation infrastructure including an inland port, airport, intermodal rail hubs, 2 transcontinental railroads, and 5 major highways (Interstate 5 and State Routes 99, 4, 26, and 88)
 - Interstate 5 and State Route 99 are 2 major north-south thoroughfares in California
 - Amtrak provides daily passenger service to San Francisco, Los Angeles, and Sacramento
 - Santa Fe, Southern Pacific, and Union Pacific railroads service the city
- **Port of Stockton**
 - 3rd largest port after the Port of Los Angeles and Port of Long Beach
 - ◆ Located on the Stockton Deepwater Ship Channel of the Sacramento/San Joaquin Delta
 - ◆ 4,000-acre port offers direct access to Interstate 5 as well as the Union Pacific and Burlington Northern Santa Fe transcontinental railroads
 - Critically tied to the global economy as an official port of entry
 - ◆ Over 4 million tons of imports and exports, worth \$1.5 billion annually
 - ◆ 230 ships from more than 55 countries; 464 ship arrivals and departures in 2016
 - ◆ 5,500 jobs that generate approximately \$180 million in salaries and benefits
 - ◆ \$56 million in revenue was generated in 2016 between the ports maritime and real estate activities
 - Features more than 7.5 million square feet of warehousing for dry and liquid bulk material
 - ◆ 93% of the warehouse space was leased (2016)
 - \$2+ billion in private-sector investment has been made in port properties over the past decade
 - ◆ Another \$1.5 billion in new projects is expected over the next 4 to 5 years
- **Stockton Metropolitan Airport (SCK)**
 - Joint civilian and military airport located within 3 miles southeast of Stockton
 - Logistics hub for cargo transport and a low-cost alternative for commercial and private passenger aircraft
 - A true economic activity generator according to Moses Zapien, the Chair of the San Joaquin County Board of Supervisors
 - ◆ Supports 2,270 jobs; generates \$115.5 million in total labor income (2016)
 - ◆ \$541 economic output and \$48 million tax revenue (2016)
 - ◆ Serves 3 Amazon Prime fulfillment centers in the area, growing Amazon's presence to 200 onsite employees that utilize 3 to 4 aircrafts per day



STOCKTON MARINA



PORT OF STOCKTON



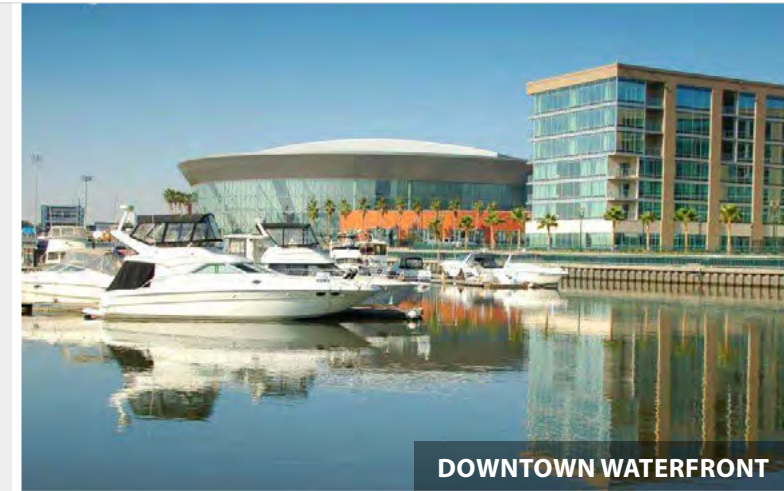
STOCKTON METROPOLITAN AIRPORT



- Currently undergoing a \$27 million capital improvement program
 - ◆ \$650,000 grant was recently awarded to help attract and support new daily airline services from Los Angeles to Stockton
 - ◆ Received multiple grants to improve the airport's operations
- To address the region's growing need for traveler services and distribution of goods, discussions are underway to explore opportunities to expand passenger and cargo service to international destinations including China

DEVELOPMENT

- City recently underwent tremendous economic expansion, especially downtown Stockton
 - \$296 million of funded capital improvement projects between 2016-2017
 - Projects in the downtown area along the waterfront include an indoor arena, baseball stadium, hotel, apartments, retail, and housing
- **Amazon Fulfillment Center**
 - 600,000+ square foot fulfillment center in south Stockton
 - 1,500 full-time jobs
 - Located near the Stockton Metropolitan Center
 - Opening of fulfillment center is seen as a major revitalization for Stockton's south side
- **The Open Window Project (OWP)**
 - Major mixed-use development in the heart of Downtown with a vibrant, walkable, and livable urban core
 - Mixture of new construction and historic rehabilitation consisting of 1,400 residential units (lofts and townhomes) and 400,000 square feet of commercial and retail spaces (offices, restaurants, breweries, and art galleries)
- **Cal-Weber 40**
 - Newly completed affordable-housing development at the SEC of California Street and Weber Avenue
 - 40 units — 28 apartments with two bedrooms and one bathroom and 12 larger apartments with three bedrooms and two baths
- **Medici Artist Lofts**
 - 90 year old vacant building; will be converted into 33 rental units (27 affordably priced rental units and 6 available at market-rate prices)



DOWNTOWN WATERFRONT



SAN JOAQUIN SUPERIOR COURTHOUSE, STOCKTON



CAL-WEBER 40



	<u>1-Mile</u>	<u>3-Mile</u>	<u>5-Mile</u>
Population			
2021 Projection	22,885	184,935	311,415
2017 Estimate	23,155	182,912	300,279
2010 Census	21,913	172,228	280,718
2000 Census	22,785	166,930	250,179
Households			
2021 Projection	8,666	64,662	102,227
2017 Estimate	8,659	63,233	97,283
2010 Census	8,085	59,270	91,128
2000 Census	8,473	58,527	83,677
2017 Est. Population by Single-Classification Race			
White Alone	9,410	78,780	120,652
Black or African American Alone	3,066	18,950	29,547
American Indian and Alaska Native Alone	264	2,232	3,453
Asian Alone	3,441	35,522	60,987
Native Hawaiian and Other Pacific Islander Alone	192	1,134	1,922
Some Other Race Alone	4,772	31,625	61,017
Two or More Races	1,902	13,813	21,222
2017 Est. Population by Ethnicity (Hispanic or Latino)			
Hispanic or Latino	9,783	69,292	126,522
Not Hispanic or Latino	13,463	114,613	175,878
2017 Est. Average Household Income	\$45,342	\$61,509	\$63,879

CONFIDENTIALITY AGREEMENT

NNN RED ROBIN



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\$6 BILLION
retail sales nationwide



SHARED DATABASE
collaborative proprietary database



#5 TOP RETAIL BROKER
of top 25 nationwide



COSTAR POWER BROKER
top sales brokers & firm in OC



NATIONWIDE REACH
retail & investors across the U.S.