



Red Lobster

3230 Buford Dr, Buford, GA 30519



Representative Photo

OFFERING MEMORANDUM

EXCLUSIVE NET-LEASE OFFERING

Marcus & Millichap



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3230 Buford Drive, Buford, Georgia, 30519

PRICE: \$7,888,056 | 6.15%CAP | RENT: \$485,115**PROPERTY DESCRIPTION**

Property	Red Lobster
Property Address	3230 Buford Drive
City, State, ZIP	Buford, GA 30519
Building Size (SF)	8,105
Lot Size (Acres)	+/- 2.38

THE OFFERING

Net Operating Income ¹	\$485,115
CAP Rate	6.15%
Purchase Price	\$7,888,056
Price / SF	\$973
Year Opened	2000
Year Remodeled	2011

LEASE SUMMARY

Property Name	Red Lobster
Property Type	Net Leased Casual Dining
Ownership	Private
Tenant	Red Lobster Restaurants, LLC
Guarantor	Red Lobster Intermediate Holdings, LLC
Lease Term	25 Years
Lease Expiration	July 31, 2039
Lease Term Remaining	20 Years
Lease Type	Triple-Net (NNN) Lease
Roof & Structure	Tenant Responsible
Rental Increases	2.00% Annually
Options to Renew	Four (4), Five (5) Year Option Periods
Rental Increases in Options	2.00% Annually

¹ NOI Based on August 2019 Rental Increase**HIGHLIGHTS**

- Property is Subject to a 25 Year Triple-Net (NNN) Lease With 20 Years Remaining
- Corporate Guaranty | 704 Locations in the US & Canada
- Strong Inflation Hedge | Attractive 2.0% Annual Increases
- Four (4), Five (5)-Year Tenant Renewal Options
- World's Largest Seafood Restaurant | Serving Customers in 11 Countries



INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Red Lobster property located in Buford, Georgia. The property consists of 8,105 square feet of building space and is situated on approximately 2.38 acres of land. The property is subject to a 25-year Triple-Net (NNN) lease with 20 years remaining on the base term. The current rent is \$485,115 and will continue to increase by 2.00% annually. The increases will continue through the four, five-year tenant renewal options.

TENANT SUMMARY

Red Lobster is the largest seafood restaurant concept in the world and is an iconic full service brand with broad demographic appeal and significant advertising budget. Red Lobster is led by an experienced management team with a history of success leading the brand (average 27+ years experience across executive team). The company generates \$2.5 billion in revenue and is the 5th largest casual dining concept in North America. Red Lobster was recently acquired by Golden Gate Capital.



FINANCIAL OVERVIEW

ANNUALIZED OPERATING DATA

Current Annual Rent	\$485,115
Base Term Rental Escalations	2.00% Annually

RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent
Year 6	\$485,115	\$40,426
Year 7	\$494,818	\$41,235
Year 8	\$504,714	\$42,060
Year 9	\$514,808	\$42,901
Year 10	\$525,105	\$43,759
Year 11	\$535,607	\$44,634
Year 12	\$546,319	\$45,527
Year 13	\$557,245	\$46,437
Year 14	\$568,390	\$47,366
Year 15	\$579,758	\$48,313
Year 16	\$591,353	\$49,279
Year 17	\$603,180	\$50,265
Year 18	\$615,244	\$51,270
Year 19	\$627,549	\$52,296
Year 20	\$640,100	\$53,342
Year 21	\$652,902	\$54,408
Year 22	\$665,960	\$55,497
Year 23	\$679,279	\$56,607
Year 24	\$692,864	\$57,739
Year 25	\$706,722	\$58,893

CAP Rate	6.15%
Purchase Price	\$7,888,056

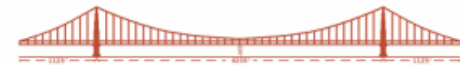
Tenant Overview



- Red Lobster is the largest seafood restaurant concept in the world and is an iconic full service brand with broad demographic appeal and a significant advertising budget (2nd largest in casual dining).
- The Company was founded in 1968 and currently operates 704 restaurants throughout the United States and Canada and has 43 franchised restaurants in international markets.
- Red Lobster is led by an experienced management team with a history of success leading the brand (average 27+ years experience across executive team).
- The company generates \$2.5B in revenue and is the 6th largest casual dining concept in North America.

----- The Transaction -----

- On July 28th, 2014, Golden Gate Capital (“GGC”) acquired Red Lobster from Darden Restaurants.
- Red Lobster is now an independently owned company, completely separate from Darden Restaurants.
- Red Lobster is well capitalized with >\$200M of liquidity.
- Golden Gate Capital has a long, successful track record and significant experience with multi-unit restaurant and retail businesses.



GOLDEN GATE CAPITAL

OUR HISTORY

FRESH IS IN OUR FOOD

Each day, you'll find an updated selection of fresh fish on our Today's Fresh Fish menu, not to mention live Maine lobster, freshly baked Cheddar Bay Biscuits™, crisp salads and a host of fresh seafood recipes waiting to be explored.

FRESH IS IN OUR KNOWLEDGE

No one knows seafood better than we do. As global seafood buyers, we have employees stationed throughout the world who inspect our seafood the moment it comes out of the water. They ensure it meets standards that are second to none. Then, the renowned chefs at our culinary center deliver the fresh expertise that turns it all into something truly special.

FRESH IS IN OUR DEDICATION

We hold ourselves to the highest standards for service, quality and a welcoming atmosphere. And we're focused on doing what's right – for our employees, in our communities and in the world.

FRESH IS IN OUR COMMITMENT

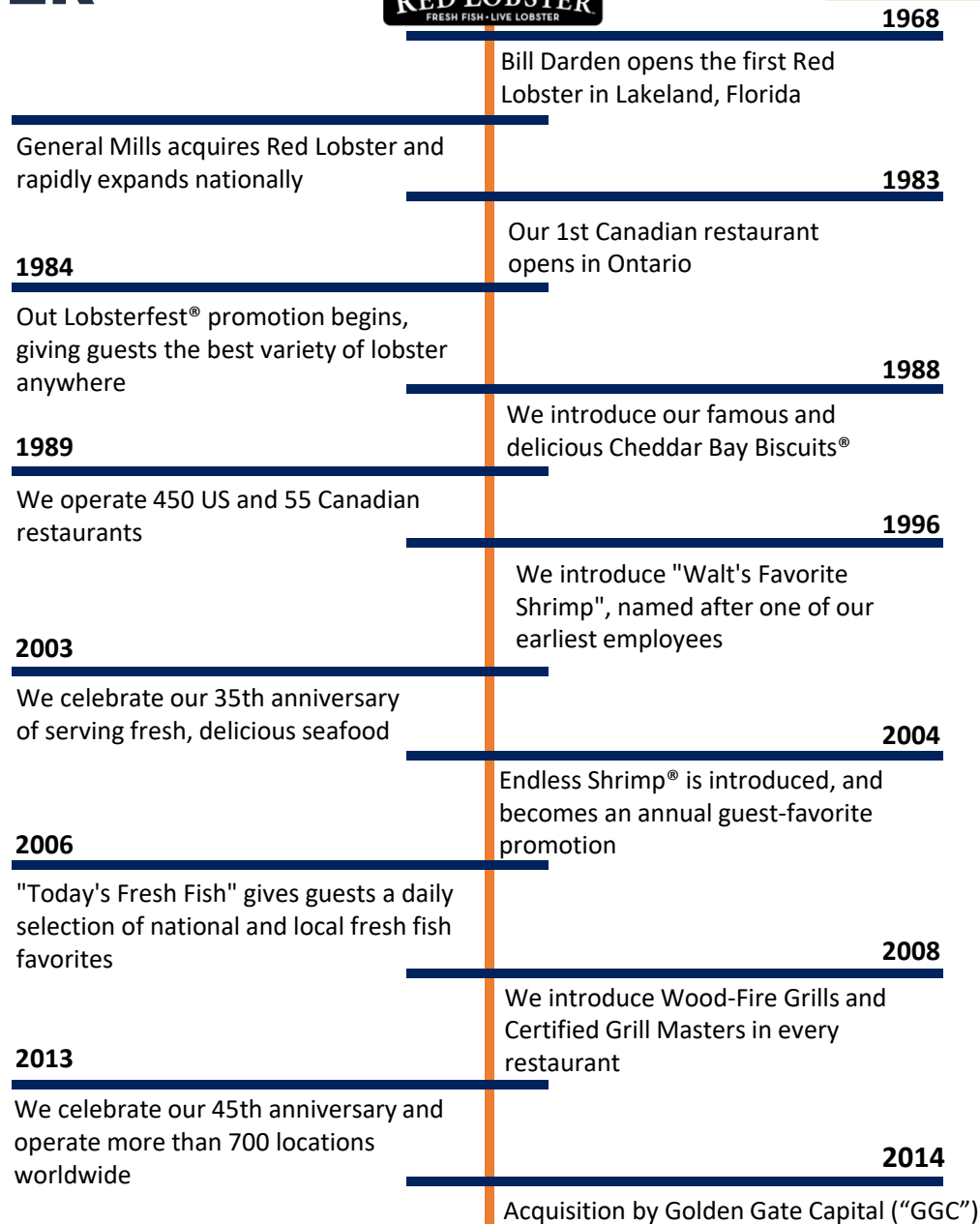
You deserve the freshest food and thinking. So every time you visit one of our seafood restaurants or our online seafood store, you'll find an uncommon commitment to deliver the best of the sea with fresh energy and fresh ideas that we hope will make you want to come back again and again.

We invite you to come in and experience our commitment to quality for yourself. Whether it's choosing your favorite fresh fish from our "Today's Fresh Fish" menu, or selecting your favorite seafood to be prepared over our wood-fired grill, Red Lobster is the place you can enjoy fresh, delicious seafood now and for generations.

RED LOBSTER TIMELINE



EXECUTIVE SUMMARY

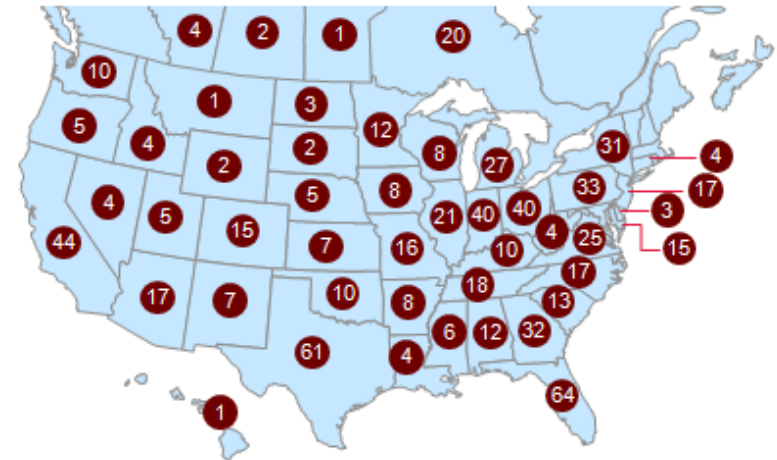


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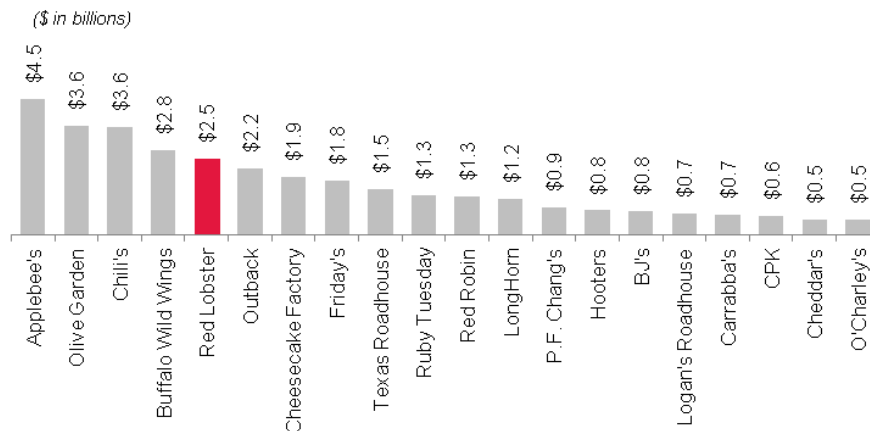
Strong Market Position

- Red Lobster is the largest seafood restaurant concept in the world and the 6th largest casual dining concept in the United States with over \$2.5 billion in annual sales and 704 restaurants.
- The Company is the category killer in the seafood casual dining space, holding almost 50% market share.
 - Largest share of any restaurant concept in any segment.
- 6th largest overall casual dining concept in the US.

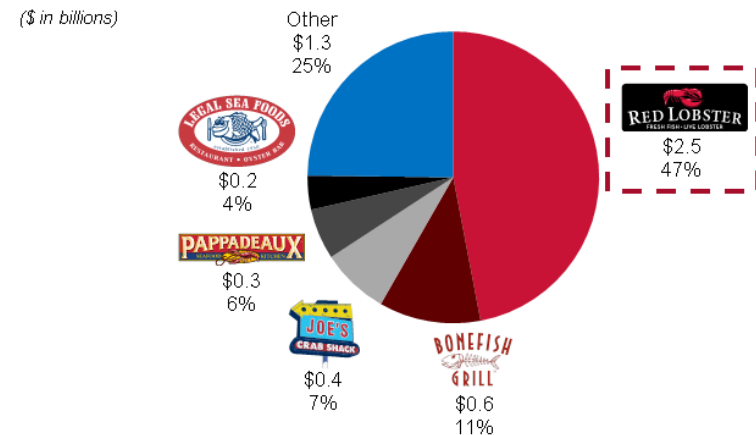
Significant Scale With Broad Geographic Reach



6th Largest Casual Dining Concept in the US



~50% Share in Seafood Casual Dining



TENANT OVERVIEW

Iconic Brand With Unparalleled Customer Loyalty

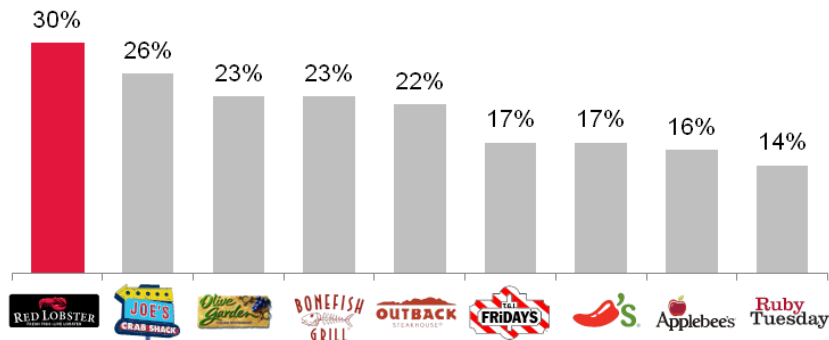
- Red Lobster has strong consumer appeal and broad usage across multiple dining out occasions, including high-crave, healthier “good for you” and special meal occasions.
- The brand has a strong foundation of loyal guests, who visit 1-2 times per month and account for more than 50% of sales.
- Red Lobster is the clear leader in casual dining seafood, and the most indispensable brand among major casual dining concepts, further indicating strong consumer loyalty.

Healthy and Recently Remodeled Restaurant Base

- Over \$320 million invested in remodels covering >90% of restaurants over the past 8 years.
- \$1.4 billion in overall capital expenditure investment over the past 10 years.
- New Bar Harbor format has strong appeal across customer base.
- 100% of restaurants are cash flow positive.

Indispensability vs. Peers

Indispensability (How difficult it would be for me to ‘give up’ ever going there again) - % very difficult (10 out of 10) shown



New Bar Harbor Format

Before



After



Management Team

Red Lobster is led by an experienced management team with prior success leading the brand.



Kim Lopdrup
CEO
(31 years in Restaurant Industry)

- Kim served as President of Red Lobster from FY2005 to FY2011, a period of consistent, above-market growth for the brand
- Prior to his return to Red Lobster, Kim served as President of Specialty Restaurant Group and New Business
- Before joining Darden, Kim served as EVP and COO of North America for Burger King, and at Dunkin' Brands as VP of Marketing and CEO of its international division
- BBA, College of William & Mary; MBA with distinction, Harvard Business School



Salli Setta
President
(28 years in Restaurant Industry)

- Salli was named President of Red Lobster in July of 2013
- Prior to her promotion to President, Salli served as Red Lobster's EVP of Marketing, before which she held numerous roles in Marketing and Culinary at Olive Garden during its turnaround, including VP Marketing and SVP Culinary and Beverage
- 24 years of experience in restaurant marketing, advertising and menu development; named "Menu Strategist of the Year" in 2003; recipient of three Menu Masters' Awards and a Silver Effie for her work on the "Hospitaliano" ad campaign
- BA, University of Central Florida; MBA, Florida Institute of Technology



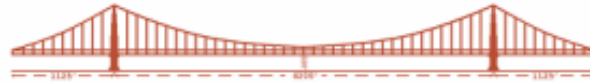
Bill Lambert
CFO
(12 years in Restaurant Industry)

- Bill served as CFO of Red Lobster from FY2006 to FY2010
- Prior to his return to Red Lobster, Bill served as CFO of LongHorn Steakhouse
- Prior to joining Darden and Red Lobster, Bill spent 21 years with Federated Department Stores in various roles including CFO of Macy's Central
- BS, Duke University; MBA, University of Michigan



Chip Wade
EVP
Operations
(30 years in Restaurant Industry)

- Darryl "Chip" Wade is EVP of Operations at Red Lobster
- Previously, Chip held positions in Enterprise Operations at Darden and as SVP of its Smokey Bones brand
- Outside of Darden, Chip previously served as COO of Legal Sea Foods and in various operations management roles at TGI Friday's
- BA, Widener University; MBA, University of Texas



GOLDEN GATE CAPITAL

- Golden Gate Capital (GGC) is a San Francisco-based Private Equity firm with over \$15 billion of capital under management.
- GGC has been one of the most active acquirers of multi-unit restaurant and retail companies.
 - Over the past 10 years, GGC has invested in restaurant and retail companies with annual revenues in excess of \$15 billion.
- GGC's investors include leading educational endowments, non-profit foundations, and selected entrepreneurs and managers.
- Investment approach is to partner with strong management teams to acquire strong, established brands with an opportunity to grow earnings through better execution, productivity improvements and unit growth.
- Excellent track record with acquiring and growing divisions of corporations.

Select Restaurant Investments

Restaurant Private Equity Investments



Walmart

LOWE'S

LA FITNESS

Toys R Us

CHIP POLE
AMERICAN GRILL

T.J. MAXX

RED LOBSTER
FRESH FISH • LIVE LOBSTER

Marshalls

DOLLAR TREE

COSTCO
WHOLESALE

BED BATH &
BEYOND
Beyond any store of its kind.

PET SMART

COURTYARD
Marriott

COUNTRY
INN & SUITES
by Marriott

FAIRFIELD
INN & SUITES
by Marriott

BUFORD DRIVE ADTC: 69,540

VW

HONDA
The Power of Dreams

TOYOTA

BOHEFISH
GRILL

AMDA EXPRESS
AMERICAN EXPRESS

MATTRESS FIRM
Save Money. Sleep Better.

Krispy Kreme
DOUGHNUTS

Sam's
CLUB

CVS/pharmacy

Party City

STAPLES

TARGET

macy's

JCPenney

Dillard's
The Style of Your Life.

RED LOBSTER
FRESH FISH • LIVE LOBSTER

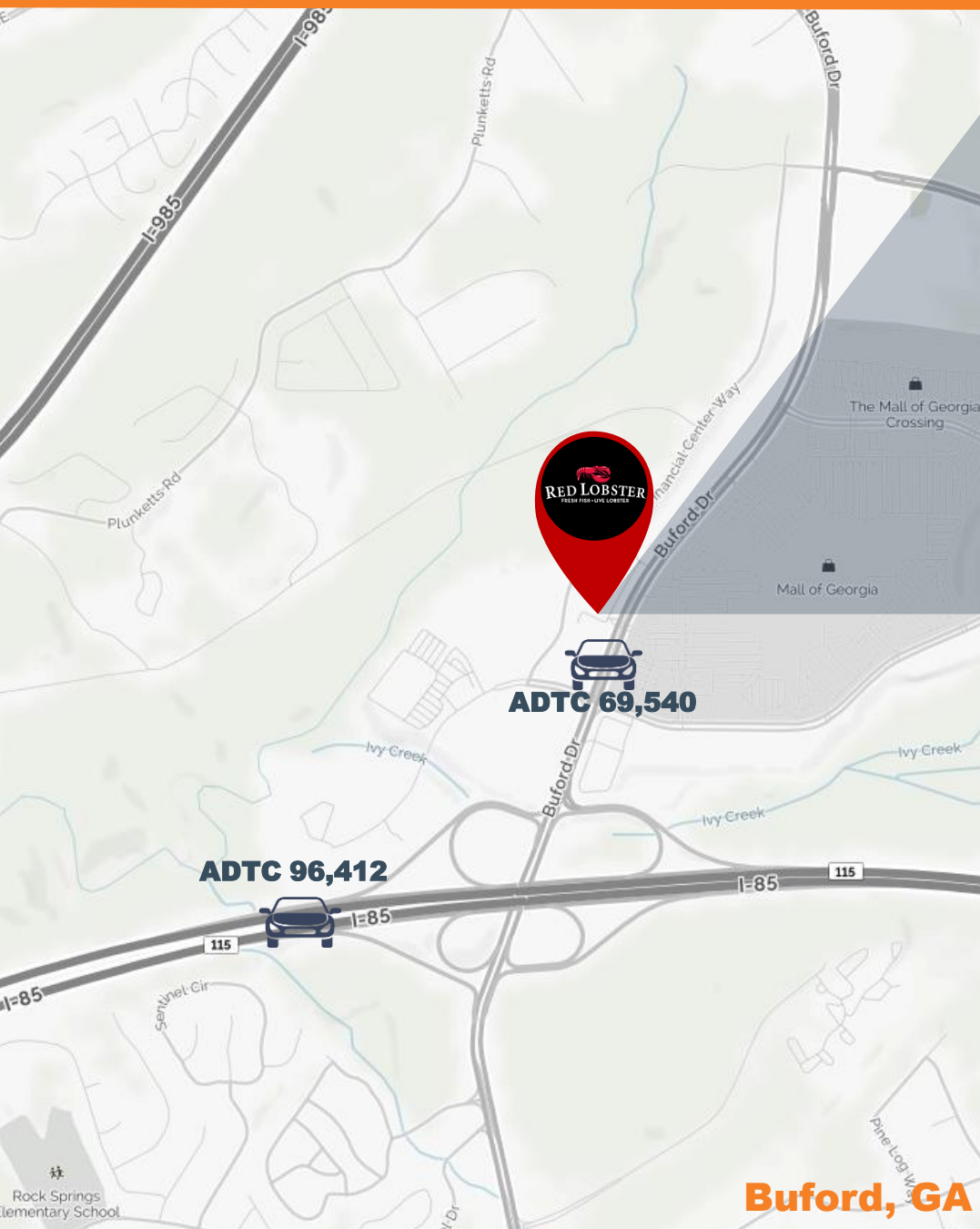
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HIGHLIGHTS

- Major National Tenants In Surrounding Area Include: Walmart, Lowe's, Sam's Club, Costco, Target, CVS Pharmacy, T.J. Maxx, and Macy's
- Exceptional Traffic Counts in Surrounding Area | Buford Drive and U.S. Interstate-85 | 69,540 and 96,412 Vehicles a Day Respectfully
- Excellent Real Estate Fundamentals | Adjacent to the Mall of Georgia | Largest Shopping Mall in Georgia
- Lake Lanier Islands | Premier Recreational Development in the Southeast

MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES *
Goodwill North Georgia Inc	1,279
Walmart	961
Autonation Collision Center	866
Kroger	743
Kaiser Permanente Sugar	593
Front Burner Brands Inc	562
Blue Thunder Auto Transport	500
Progressive Ltg & Sup Co Inc	500
Gwinnett County Government	401
Makita Corporation of America	400
Target	380
Allegion S&S US Holding Co	350



Buford, GA

This Red Lobster is located at 3230 Buford Drive in Buford, Georgia. Buford is located in both northern Gwinnett county and southern Hall county in northern Georgia and is a suburb of the Atlanta metropolitan area.

Surrounding Retail and Points of Interest

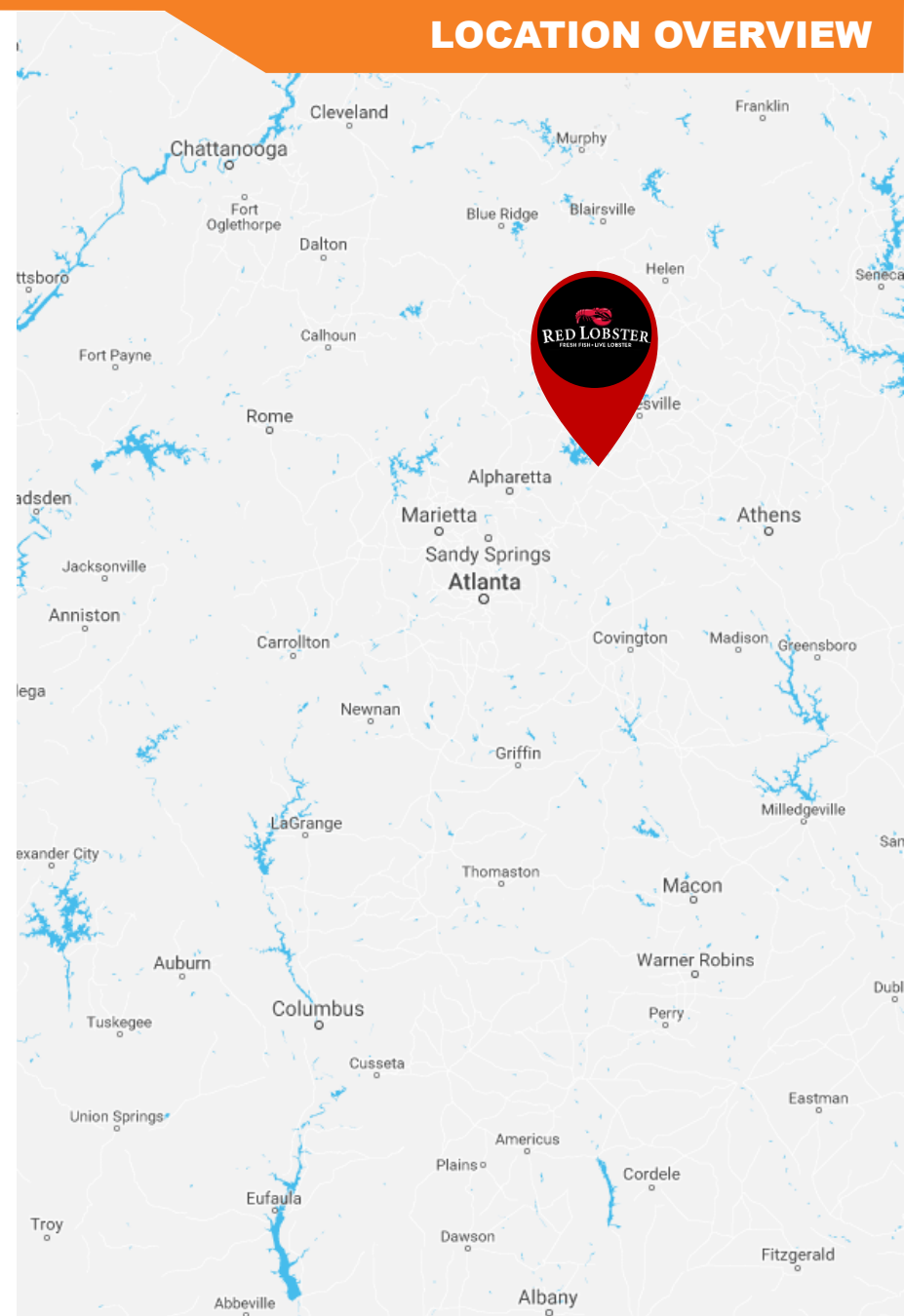
The subject property is well-positioned in a dense retail corridor, benefiting from its proximity to major national and local retailers. Walmart, Lowe's, Sam's Club, Costco, Target, CVS Pharmacy, T.J. Maxx, Marshalls, Macy's, JCPenney, Dillard's, and Toys "R" Us among various others. Nearby hotels include Courtyard by Marriott, Country Inn & Suites, and Fairfield Inn & Suites among others. The subject property is adjacent to the Mall of Georgia, a super-regional shopping mall located in Buford. The mall has more than 200 stores and 1,700,000 square feet of total retail floor area. Lake Lanier, offering dozens of beaches, parks and outdoor activities, is located about fifteen miles from the subject property. Additionally, downtown Buford, filled with artist, shops, restaurants, concerts and festivals, is located within five miles from the subject property.

Traffic Counts and Demographics

Buford has approximately 51,757 individuals residing within a three-mile radius of the property and more than 141,721 within a five-mile radius. This Red Lobster property is located on Buford Drive which intersects with Mall of Georgia boulevard. Buford Drive has a daily traffic count of approximately 69,540 vehicles. Nearby U.S Interstate-85 has a daily traffic count of roughly 96,412 vehicles.

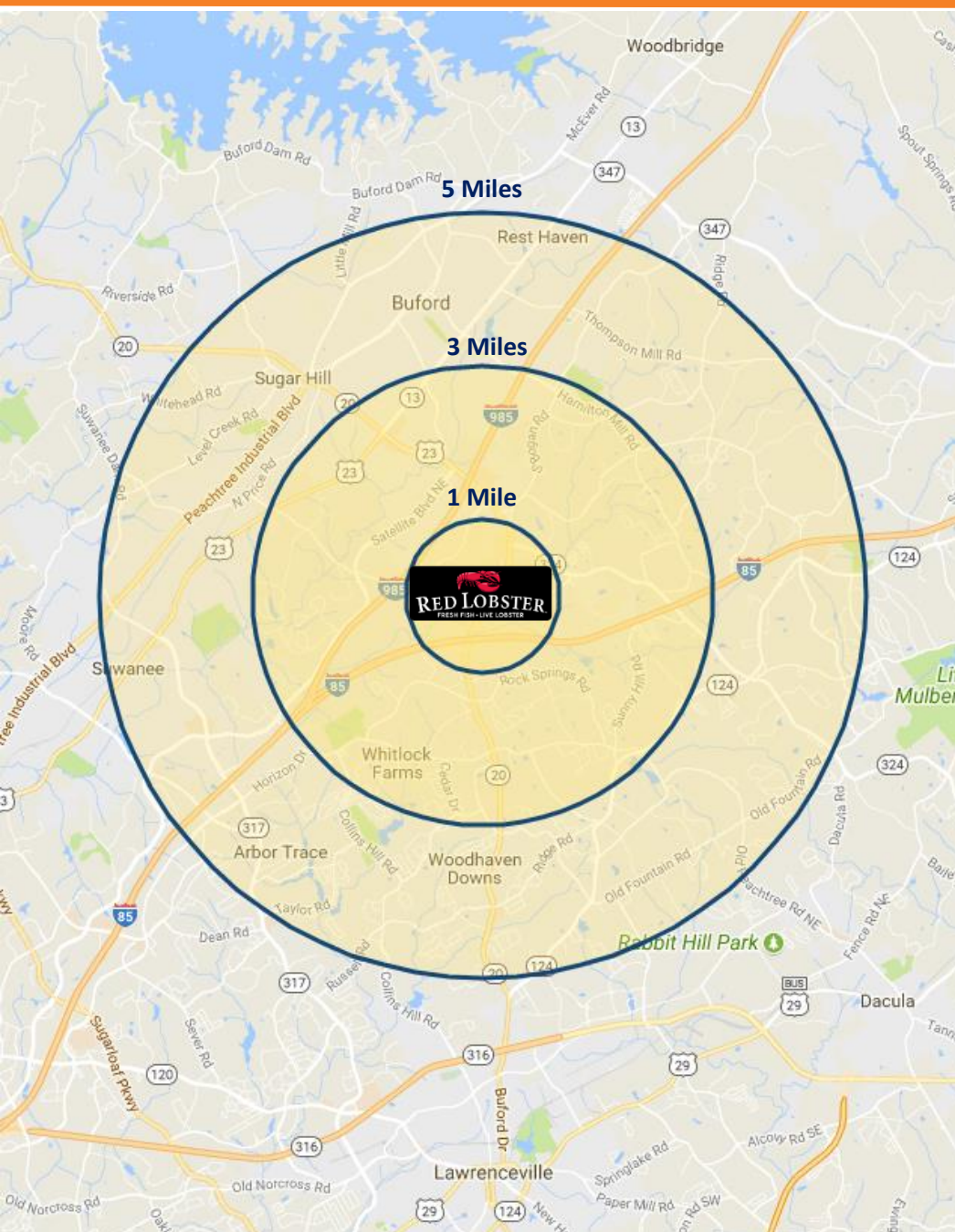
Buford, Georgia

Buford is a city in both Gwinnett and Hall county, Georgia. The city of Buford has come a long way since its beginnings in 1872 as a depot on the railway line between Atlanta and Charlotte, North Carolina. Major domestic and international companies have established operations in Buford. The Buford Dam has become a major source of power for the state, and Lake Lanier is recognized as a premier recreational local in the Southeast. Buford offers fishing, boating, swimming, camping, golf, beach & water park at Lake Lanier Islands and local parks at Lake Lanier offer; hiking and camping in the north Georgia mountains; major league sports (baseball, basketball, football & hockey), theatre, concerts of all types, symphony, ballet and museums in nearby Atlanta. Scenic beauty and small town friendliness creates a nurturing environment for both residents and visitors.









POPULATION

	1 Miles	3 Miles	5 Miles
2022 Projection	3,404	62,208	163,983
2017 Estimate	2,749	51,757	141,721
2010 Census	2,376	44,990	124,224
2000 Census	1,630	26,350	78,186

INCOME

Average	\$81,010	\$97,317	\$95,300
Median	\$64,827	\$75,926	\$76,036
Per Capita	\$35,874	\$32,940	\$31,557

HOUSEHOLDS

2022 Projection	1,549	21,620	55,323
2017 Estimate	1,217	17,516	46,670
2010 Census	1,051	15,227	40,989
2000 Census	687	8,647	25,866

HOUSING

2017	\$235,166	\$252,709	\$241,774
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EMPLOYMENT

2017 Daytime Population	2,305	48,598	140,952
2017 Unemployment	8.41%	5.12%	5.17%
2017 Median Time Traveled	35	35	35

RACE & ETHNICITY

White	59.59%	58.13%	60.85%
Native American	0.35%	0.09%	0.05%
African American	17.45%	18.02%	17.71%
Asian/Pacific Islander	10.23%	14.08%	12.01%

confidentiality & disclaimer

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