

OFFERING MEMORANDUM



**PORT RICHEY
FLORIDA**

Corporate Guaranteed NNN Lease

NNN
NNN DEAL
THE SINGLE TENANT RESOURCE

Marcus & Millichap



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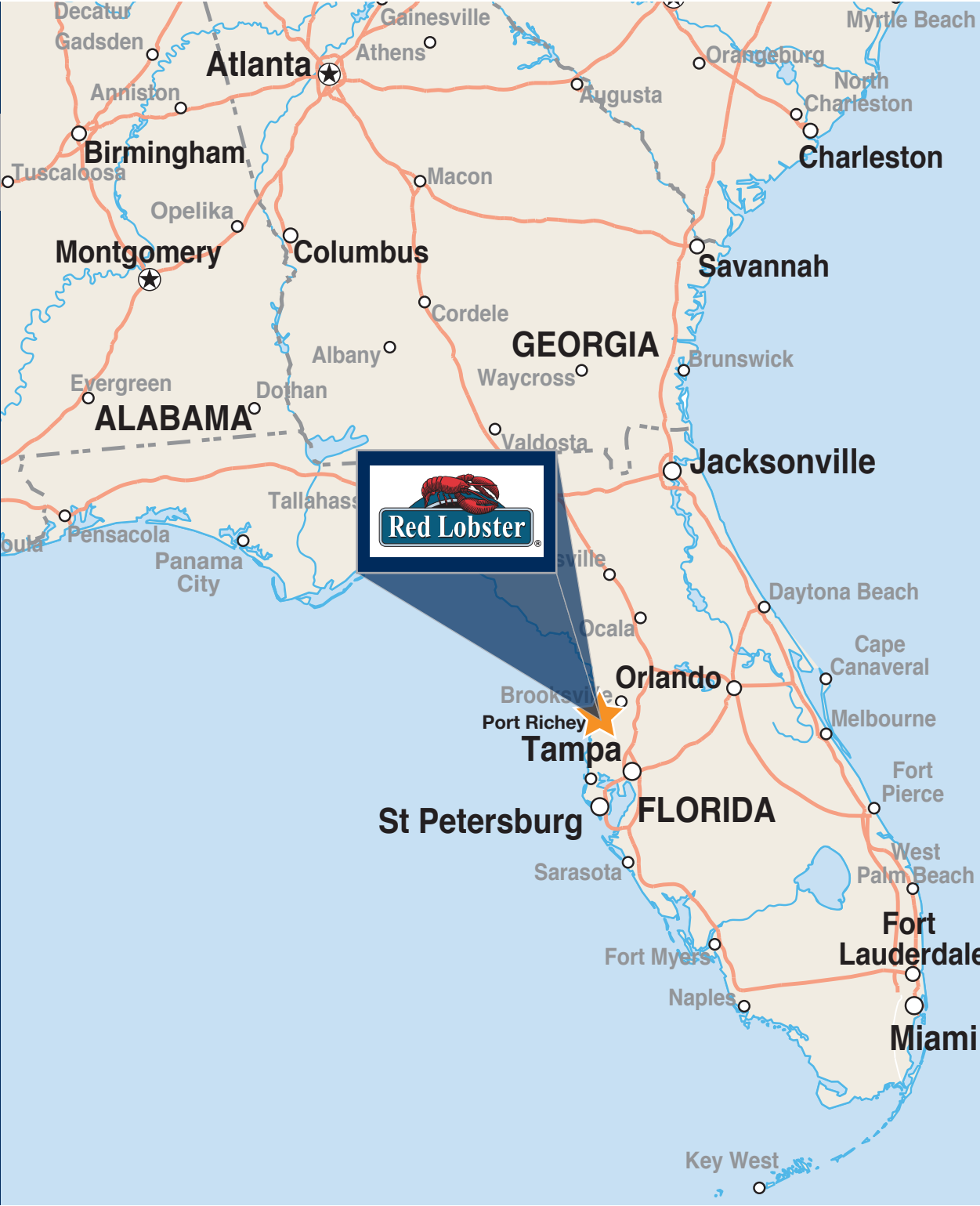
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INVESTMENT SUMMARY

8909 US HIGHWAY 19, PORT RICHEY, FLORIDA 34668

PRICE: \$3,167,409 **CAP: 6.10%** **RENT: \$193,212**

OVERVIEW	
Price	\$3,167,409
Gross Leasable Area (GLA)	8,125 SF
Lot Size (approx)	1.84 Acres
Net Operating Income	\$193,212
CAP Rate	6.10%
Year Built	1994 / 2010


LEASE ABSTRACT	
Lease Type	NNN
Original Lease Term	20 Years
Lease Term Commenced	12/26/2014
Lease Expiration	12/31/2034
Remaining Lease Term	15.7 Years
Renewal Options	4x5
Increases	2% annual escalations starting at year 7
Landlord Obligation	None At All


ANNUALIZED OPERATING DATA	
Lease Term	Annual Rent
Years 2014-21	\$193,212
Year 2021	\$197,076
Year 2022	\$201,018
Year 2023	\$205,038
Year 2024	\$209,138
Year 2025	\$213,321
Year 2026	\$217,587
Year 2027	\$221,939
Year 2028	\$226,378
Year 2029	\$230,906
Year 2030	\$235,524
Year 2031	\$240,234
Year 2032	\$245,039
Year 2033	\$249,940
Year 2034	\$254,938



INVESTMENT HIGHLIGHTS

- ◆ Long term corporate guaranteed true NNN lease
- ◆ No landlord responsibilities
- ◆ 2% annual rent bumps to commence in less than 24 months hedges against inflation
- ◆ Tenant is owned by Private Equity Firm Golden Gate Capital with over \$14(bil) in asset management
- ◆ Location was renovated in 2010, showing Tenant's commitment to the location

 **125,408**
TOTAL
POPULATION
WITHIN 5-MILE
RADIUS

 **\$49,373**
AVERAGE
HOUSEHOLD
INCOME WITHIN
5-MILE RADIUS

 **60,770 VPD** - US HWY 19
25,472 VPD - RIDGE RD





INVESTMENT HIGHLIGHTS


Marcus & Millichap is pleased to present the exclusive listing for Red Lobster located at 8909 U.S. Highway 19, in Port Richey, Florida. The offering is for the Fee Simple interest of a fully occupied 8,125± square foot building, situated on approximately 1.84 acres of land.


The occupying tenant, Red Lobster, is subject to a triple-net lease with an initial term of 20 years, with 15.7 years remaining on the base term, followed by four 5-year options thereafter. The current annual rent of \$193,212, increasing at a rate of 2 percent annually beginning on year seven (within the next 24 months). The annual rent increases will continue into the additional four 5-year renewal options.

Red Lobster has become the largest seafood restaurant concept in the world; an iconic full-service brand through it's a substantial marketing efforts and continued appeal to all demographics. The brand is led by a strong managerial team, with an average of over 27 years experience to lead the brand towards it's success. The company generates \$2.5 billion in revenue and is the 5th largest causal dining concept in North America. Since 2014, the Red Lobster brand has been owned by Golden Gate Capital.


No landlord obligations


2% annual rent escalations
hedges against inflation


Strong population density,
and growth in the
immediate area


Located in the heart of the
area's destination retail



LOCATION OVERVIEW

PORT RICHEY, FLORIDA

Port Richey is a suburban city in Pasco County, FL. It is located in close proximity to the cities of Tampa, Clearwater, and St. Petersburg. The US-19 highway runs throughout Port Richey, directly connecting the city to Clearwater and St. Petersburg along the coast of Florida. Pasco County was named one of the top 40 fastest growing counties in the U.S., making Port Richey the perfect place to grow any business.

Port Richey was once a wilderness with very few houses, all surrounded by nature. The city has grown exponentially since then yet continues to embrace its remaining parks and nature reserves. The Werner-Boyce Salt Springs State Park is among the most popular state parks in the region. This beautiful park is a little over 10 minutes away from Port Richey, along the Gulf of Mexico on the Atlantic coastal plain. It has beautiful crystal-clear water and is great for swimming. Visitors can even kayak out to the gulf then back to the salt springs. The Port Richey Waterfront Park is another favorite. It is a waterside park which offers different picnic areas, fishing spots, a playground, and a kayak launch the entire family can enjoy.

Port Richey is 24 miles away from Clearwater, FL. This gorgeous city has earned its name by having numerous gulf coast beaches with clear water and sunny weather. Clearwater Beach draws visitors year-round with jet-skiing, parasailing, and paddle boarding attractions through its peaceful waters. Another popular destination, Honeymoon Island State Park, located on Honeymoon Island, is a must-see when visiting this region. Its white sand and glistening water take all its visitors to paradise.

Port Richey is also 28.5 miles away from the St. Pete-Clearwater International Airport (PIE). PIE has served over 1.5 million passengers and handled 24 million tons of cargo, military, and general aviation operations in one year alone. PIE accommodates to virtually any size aircraft, making the area a great location to grow any business.

According to the Pasco Economic Development Council, Pasco County is outpacing the rest of Florida in terms of new employers and employment

opportunities. Small businesses and entrepreneurial growth are strong throughout the county, creating an excellent quality of life. Port Richey is a charming city conveniently located near some of Florida’s largest and most prominent cities, creating a peaceful, yet exciting environment.

PASCO COUNTY

Pasco County was founded in 1887 from the southern part of Hernando County. During the Florida land boom of the 1920s, New Port Richey became the winter home of silent screen star Thomas Meighan and golfer Gene Sarazen; Meighan attempted to bring other Hollywood figures to the city. The county has experienced significant population growth since the 1960s. The growth began along the Gulf coast but is now occurring most rapidly in areas north of Tampa.

Located on the Gulf of Mexico in the Tampa Bay area, Pasco is part of a nine-county region referred to as the “Nature Coast.” Pasco County has a total of 742 square miles with more than 100 square miles of managed recreational facilities, including parks, four artificial reefs (one made up of surplus military tanks), more than 25 golf courses, and three State-designated canoe trails. The possibilities to enjoy the outdoors and nature are unlimited.

TAMPA-ST. PETERSBURG-CLEARWATER METRO: Pasco County is a pary of a 4-county metropolitan area, including: Hillsborough, Pasco, Hernando, and Pinellas Counties.

STUDENT ENROLLMENT GROWTH: Since 2000, the student enrollment in Pasco County has in-creased by over 40% - at a rate of 5.49% from prior year. There are currently 94 education facilities ranging from Elementary - Universities.

COUNTY HISTORY: Pasco County was created in June 1887, and named after US Senator Samuel Pasco. Since 1960, the county has experienced significant growth - this began along the coast, but is now occurring more rapidly in areas north of Tampa.



TENANT SUMMARY

RED LOBSTER

Red Lobster is the world’s largest seafood casual dining restaurant in the country. They serve patrons in 11 countries. 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.

The company has operations in Canada, Malaysia, Saudi Arabia, the United Arab Emirates, Qatar, Mexico, and Japan, in addition to the United States. As of February 24, 2013, the company had 705 locations worldwide. Golden Gate Capital has been Red Lobster’s parent company since it was acquired from Darden Restaurants on July 28, 2014. On August 6, 2014, Red Lobster announced their new headquarters location in CNL Center City Commons in Orlando. On March 6, 2015, Red Lobster officially opened the Restaurant Support Center. Red Lobster is an independently owned company, completely separate from Darden restaurants. It is well capitalized with more than \$200(mil) in liquidity.

Golden Gate capital has a long, successful track record and significant experience with multi-unit restaurant and retail businesses.

ORLANDO, FL

HEADQUARTERS

10,000+

EMPLOYEES

705
(2013)

LOCATIONS

GOLDEN GATE CAPITAL

PARENT CO

PRIVATE

OWNERSHIP

\$2.5B

REVENUE

1968

FOUNDED

WWW.REDLOBSTER.COM

EMPLOYEES



TENANT SUMMARY

GOLDEN GATE CAPITAL

Golden Gate Capital (GGC) is an American private equity firm, based in San Francisco. As of March 2017, GGC has over \$14 billion in Assets Under Management (AUM). The firm was founded in 2000, with a combination of professionals from Bain Capital and its affiliate, Bain & Company. The investment approach has been to acquire established brands, through a management team, seeking an opportunity to increase revenues. Golden Gate’s investment fund is structured as an evergreen fund with no finite life, meaning Golden Gate does not have to sell all investments within five to 10 years in order to raise another fund and can instead fundraise as deals are made.

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NNN DEAL

THE SINGLE TENANT RESOURCE

SAN FRANCISCO, CA

HEADQUARTERS

PRIVATE EQUITY

INDUSTRY

PRIVATE

OWNERSHIP

\$14B

ASSETS UNDER MANAGEMENT

2000

FOUNDED

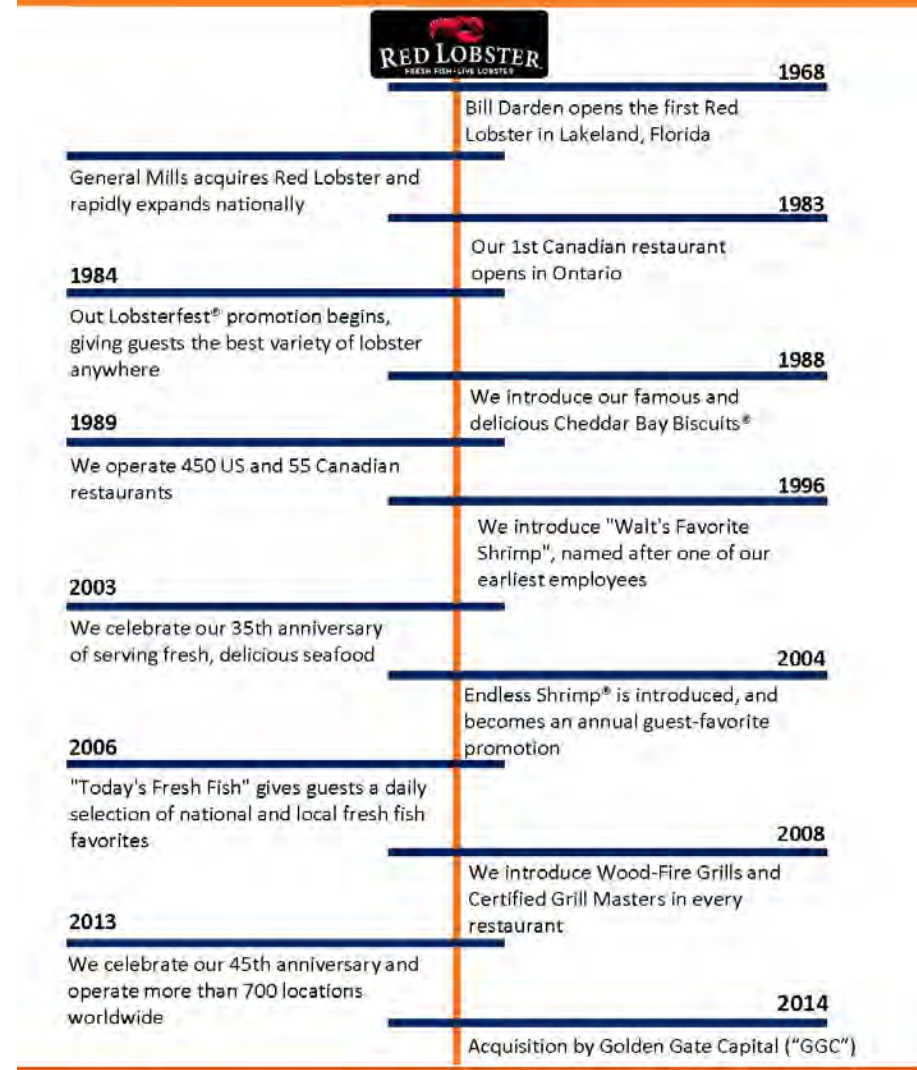
WWW.GOLDENGATECAP.COM

EMPLOYEES



TENANT SUMMARY

RED LOBSTER TIMELINE



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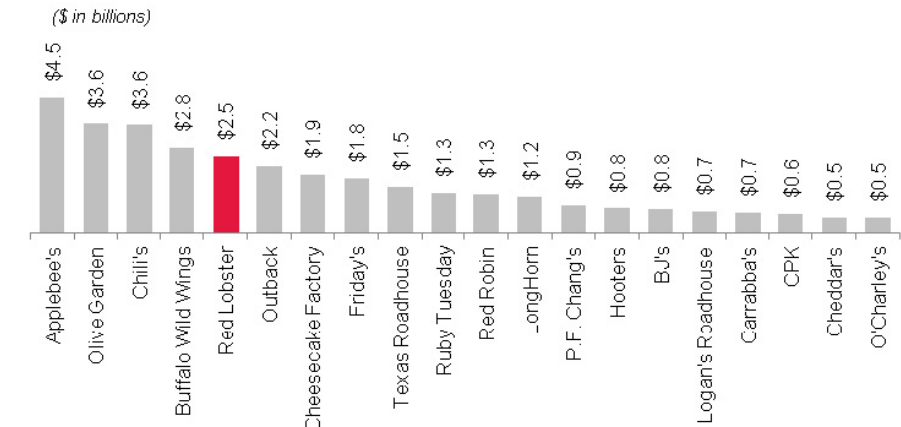


TENANT SUMMARY

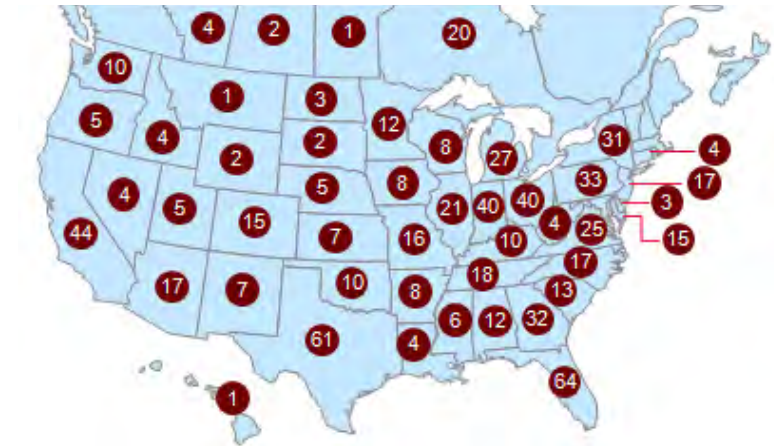
STRONG MARKET POSITION

- ◆ 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.

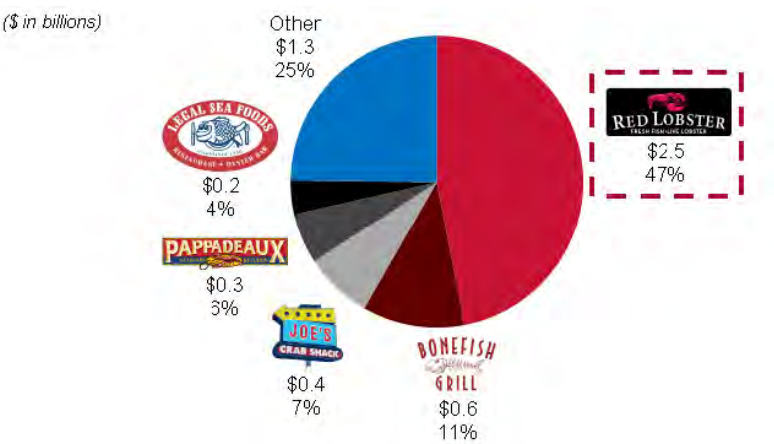
6TH LARGEST CASUAL DINING CONCEPT IN THE US



SIGNIFICANT SCALE WITH BROAD GEOGRAPHIC REACH



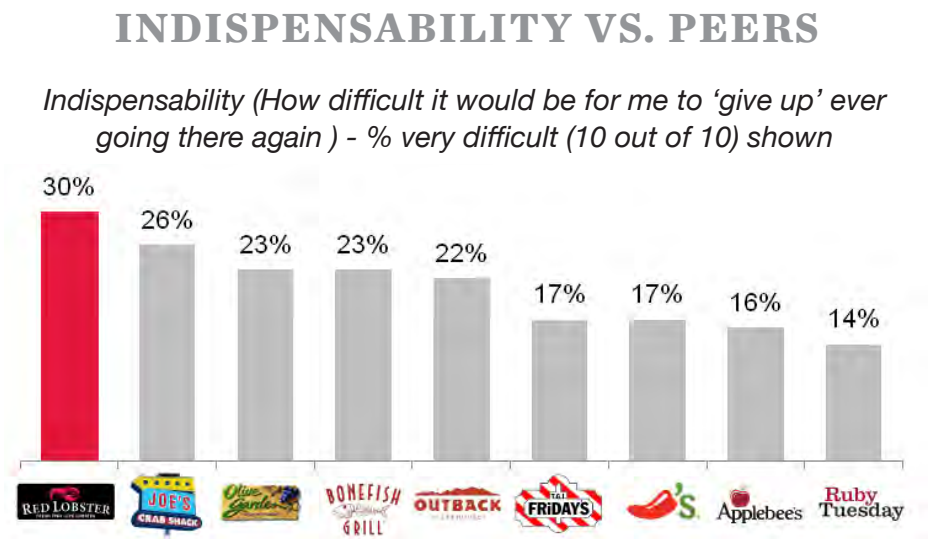
~50% SHARE IN SEAFOOD CASUAL DINING



TENANT SUMMARY

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.

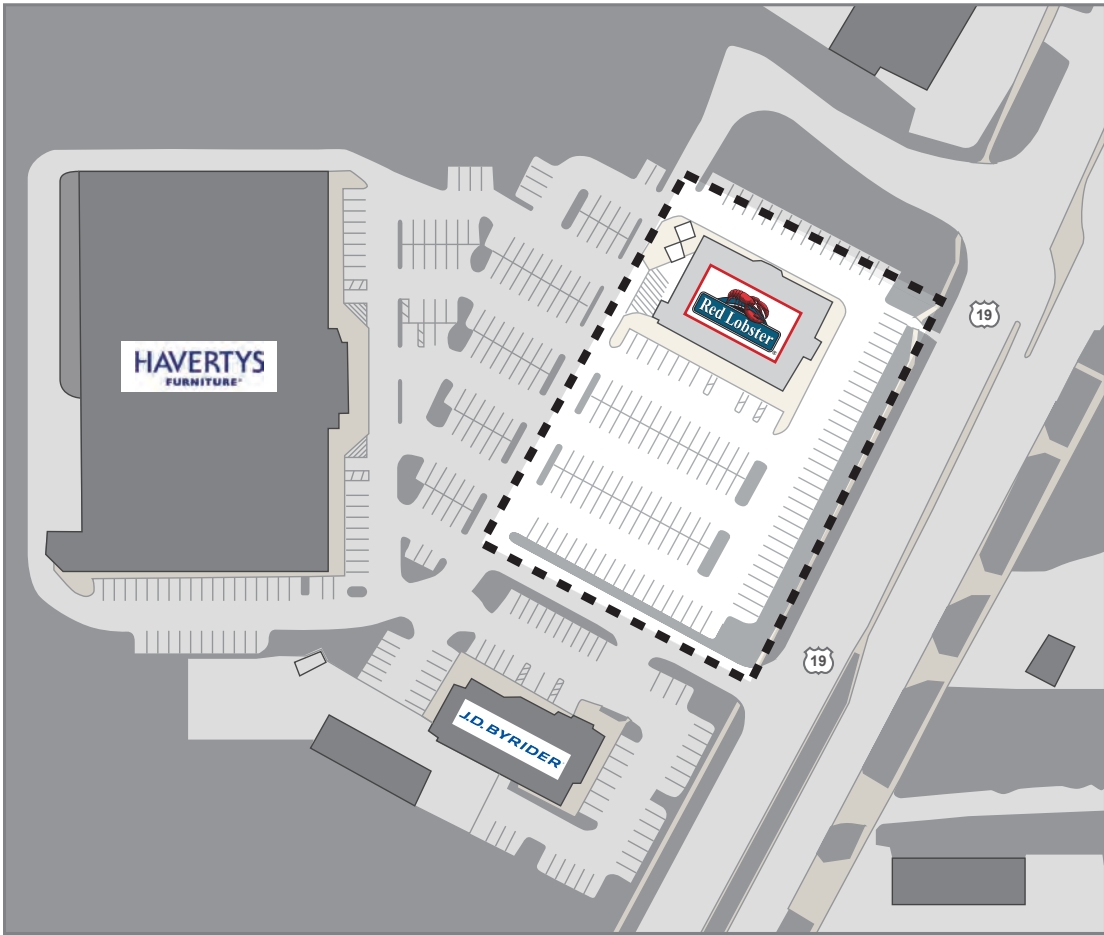


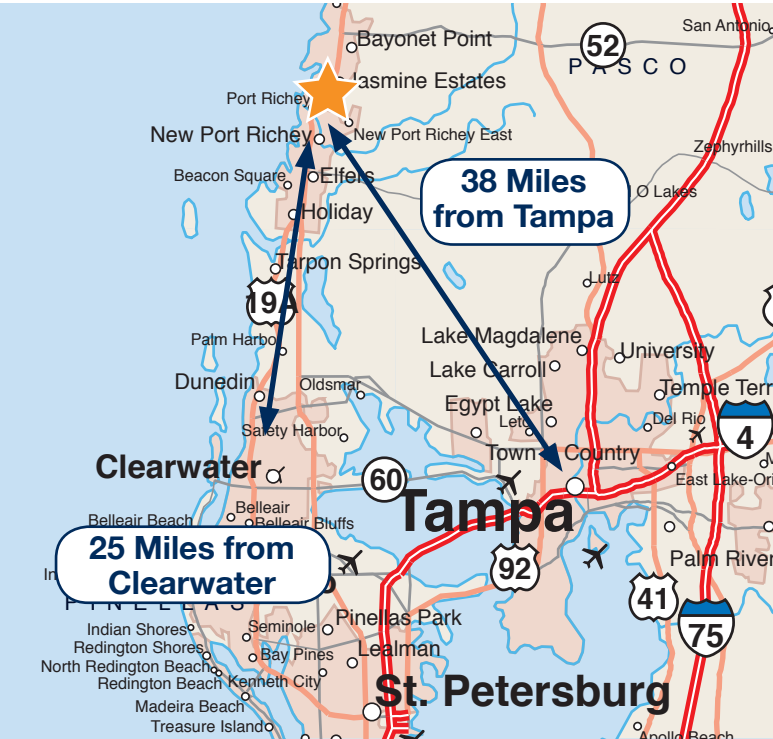
HEALTHY AND RECENTLY REMODELED RESTAURANT BASE

- ◆ 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.



SITE PLAN





**MAJOR EMPLOYERS:
PORT RICHEY, FL**

Walmart Management Corporation	400
Seaway Mold & Engineering	140
Hooters Restaurant	85
Ocean Honda (Gateway Honda)	80
Red Lobster	73
City of Port Richey	62
U.S. Post Office	60
Golden Coral	50
The Cottages of Port Richey	50
Culvers	34

LOCATION HIGHLIGHTS

PORT RICHEY, FL

ALONG THE WHITE BEACHES OF THE GULF OF MEXICO



Highly trafficked
area with over 55,000
vehicles passing in
front of the site
along US Hwy 19



US Hwy 19 parallels
the entire Gulf coast
from St. Petersburg
to Tallahassee



Strategically located in
the heart of the region's
destination retail

Marcus & Millichap



Strong barriers to entry
with Werner-Boyce
Salt Springs State Park
located directly to
the west





DEMOGRAPHICS / PORT RICHEY, FL

 **125,408**
Total Population Within 5-Mile Radius

 **\$49,373**
Average Household Income Within 5-Mile Radius

 **\$37,080**
Median Household Income Within 5-Mile Radius

 **56,619** ➔  **6.71%**
Total Households Within 5-Mile Radius From 2000

POPULATION	1 MILE	3 MILES	5 MILES
2023 Projection			
Total Population	7,568	59,941	125,408
2018 Estimate			
Total Population	7,620	59,460	122,200
2010 Census			
Total Population	7,305	55,913	115,317
2000 Census			
Total Population	7,512	55,684	115,501
Current Daytime Population			
2018 Estimate	7,679	54,389	119,917

HOUSEHOLDS	1 MILES	3 MILES	5 MILES
2023 Projection			
Total Households	3,362	26,400	56,619
2018 Estimate			
Total Households	3,344	25,946	54,712
Average (Mean) Household Size	2.27	2.27	2.21
2010 Census			
Total Households	3,209	24,375	51,667
2000 Census			
Total Households	3,525	25,526	53,059
Occupied Units			
2023 Projection	3,362	26,400	56,619
2018 Estimate	3,981	30,695	65,259

HOUSEHOLDS BY INCOME	1 MILES	3 MILES	5 MILES
2018 Estimate			
\$150,000 or More	1.91%	1.91%	2.60%
\$100,000 - \$149,000	4.39%	4.43%	5.99%
\$75,000 - \$99,999	5.24%	7.43%	8.34%
\$50,000 - \$74,999	14.04%	17.43%	18.24%
\$35,000 - \$49,999	18.43%	18.24%	17.59%
Under \$35,000	55.99%	50.56%	47.24%
Average Household Income	\$40,556	\$45,025	\$49,373
Median Household Income	\$29,654	\$34,585	\$37,080
Per Capita Income	\$17,906	\$19,755	\$22,241

HOUSEHOLDS BY EXPENDITURE	1 MILE	3 MILES	5 MILES
Total Average Household Retail Expenditure	\$40,620	\$44,535	\$47,551
Consumer Expenditure Top 10 Categories			
Housing	\$12,215	\$13,218	\$14,108
Transportation	\$7,832	\$8,501	\$8,776
Shelter	\$7,173	\$7,695	\$8,158
Food	\$4,411	\$4,794	\$5,090
Health Care	\$2,925	\$3,292	\$3,639
Utilities	\$2,716	\$2,925	\$3,072
Personal Insurance and Pensions	\$2,566	\$2,986	\$3,344
Entertainment	\$1,538	\$1,740	\$1,914
Apparel	\$1,289	\$1,320	\$1,347
Household Furnishings and Equipment	\$967	\$1,101	\$1,230

POPULATION PROFILE	1 MILES	3 MILES	5 MILES
Population By Age			
2018 Estimate Total Population	7,620	59,460	122,200
Under 20	22.37%	21.47%	19.42%
20 to 34 Years	21.24%	17.99%	15.89%
35 to 39 Years	5.77%	5.78%	5.14%
40 to 49 Years	11.55%	11.69%	11.40%
50 to 64 Years	19.01%	20.31%	21.12%
Age 65+	20.07%	22.73%	27.02%
Median Age	40.56	44.33	48.57
Population 25+ by Education Level			
2018 Estimate Population Age 25+	5,436	43,510	92,465
Elementary (0-8)	3.94%	3.50%	3.08%
Some High School (9-11)	10.21%	10.20%	9.66%
High School Graduate (12)	43.89%	39.86%	39.23%
Some College (13-15)	18.73%	22.06%	21.92%
Associate Degree Only	9.69%	10.74%	10.18%
Bachelors Degree Only	7.58%	8.94%	10.18%
Graduate Degree	3.09%	3.71%	4.56%



PORT RICHEY FLORIDA

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