



CHILI'S (Corporate Sale Leaseback Brinker Intl.)
1165 US-46
Little Falls, NJ 07424 (New York City MSA)

THE
Boulder
GROUP

**LEE &
ASSOCIATES®**
COMMERCIAL REAL ESTATE SERVICES

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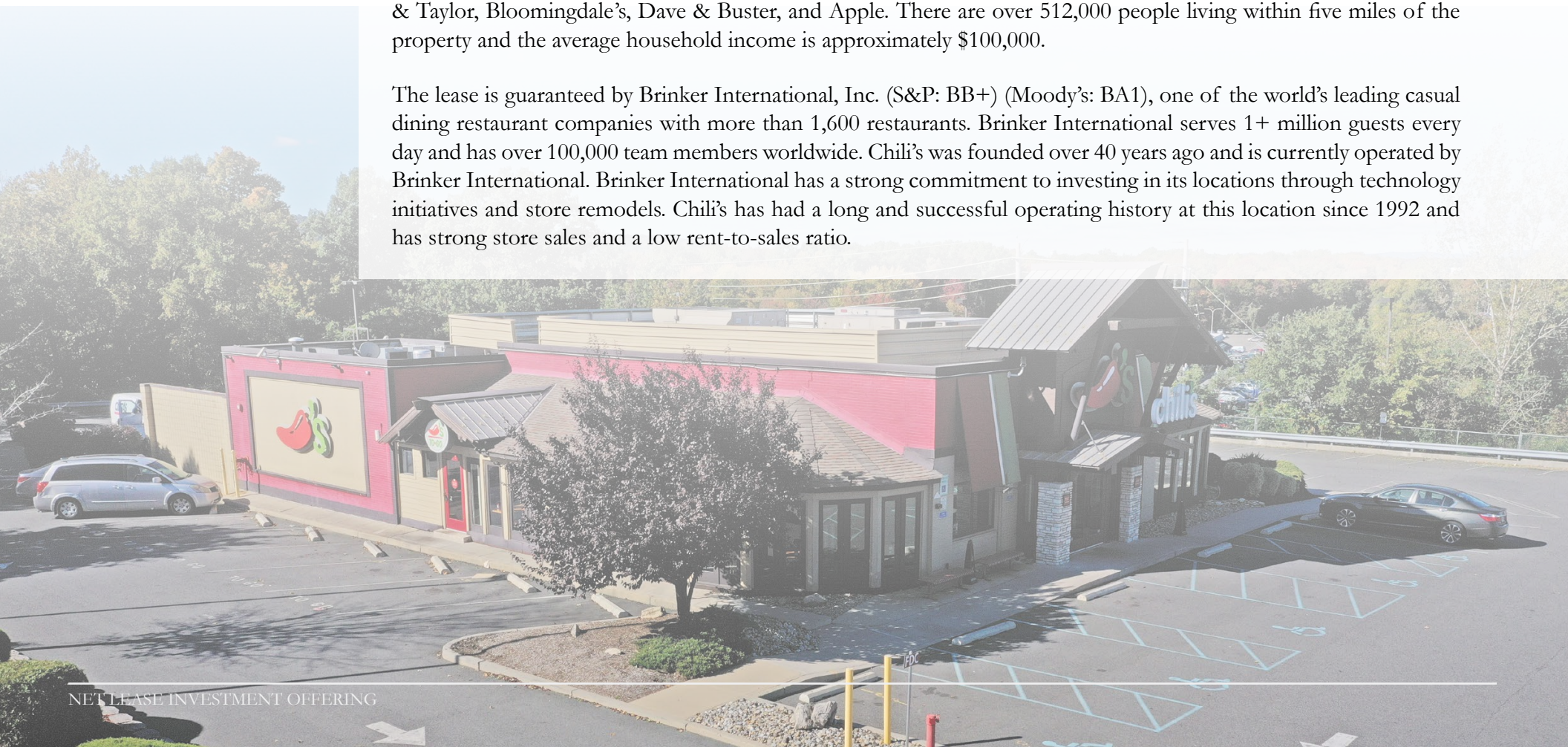
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EXECUTIVE SUMMARY:

The Boulder Group and Lee & Associates are pleased to exclusively market for sale a single tenant net leased Chili's located within the New York City MSA in Little Falls, New Jersey. The property will be subject to a fifteen-year corporate sale-leaseback with an absolute triple net lease. The lease will feature 1.5% annual rental escalations and six 5-year renewal options.

The Chili's property is ideally positioned along US Highway 46 (126,298 VPD) with excellent visibility. US Highway 46 is a primary east-west thoroughfare that leads to Interstate 80 (145,448 VPD). The Chili's property is well located in a vibrant retail corridor with ShopRite, Home Depot, Costco, Dick's Sporting Goods, AMC, Kohl's, Best Buy, and Willowbrook Mall. Willowbrook Mall has over 170 shopping and dining choices and is anchored by Macy's, Lord & Taylor, Bloomingdale's, Dave & Buster, and Apple. There are over 512,000 people living within five miles of the property and the average household income is approximately \$100,000.

The lease is guaranteed by Brinker International, Inc. (S&P: BB+) (Moody's: BA1), one of the world's leading casual dining restaurant companies with more than 1,600 restaurants. Brinker International serves 1+ million guests every day and has over 100,000 team members worldwide. Chili's was founded over 40 years ago and is currently operated by Brinker International. Brinker International has a strong commitment to investing in its locations through technology initiatives and store remodels. Chili's has had a long and successful operating history at this location since 1992 and has strong store sales and a low rent-to-sales ratio.



**PROPERTY
OVERVIEW:**

Price:	\$3,447,010
Cap Rate:	5.25%
Net Operating Income:	\$180,968
Lease Term:	15 Years from COE
Rental Escalations:	1.5% annually
Renewal Options:	1-2: 5-Year (1.5% annually) 3-6: 5-Year (FMV)
Tenant:	Chili's
Guarantor:	Brinker International Inc. (S&P: BB+) (Moody's: BA1)
Rent-to-sales Ratio:	6.00%*
EBITAR Coverage:	3.90*
Year Built/Renovation:	1992/2012
Lease Type:	Absolute NNN
Building Size:	5,696 SF
Land Size:	98,481 SF

** Brinker fiscal year begins in July. P3 trailing 12 month is from October to September for each year.
4-Wall EBITDAR not burdened by corporate allocations related to advertising and supervisory overhead expenses.*

TENANT OVERVIEW:

Chili's

Chili's is a leading casual dining restaurant brand with a fun and energetic atmosphere where family and friends can gather over a delicious meal. Founded in 1975 in Dallas, Texas, our heritage continues to be a key part of who we are and how we serve Guests. Today, we're known for our food expertise with unique and bold flavors Guests can only get at Chili's; as a technology pioneer leading the industry in the creation of the digital guest experience; and, as a company that continues to put our people first and foster a culture of family that makes every Team Member feel special.

Industry-Recognized Culture

Chili's believes in a people first approach because we wouldn't be here without our 100,000+ Team Members worldwide who make Guests feel special every day in our restaurants. In 2015, Chili's was recognized by Great Place to Work® and Fortune as "100 Best Workplaces for Millennials," "100 Best Workplaces for Women" and "50 Best Workplaces for Camaraderie." Forbes also recognized Chili's as one of "America's Best Employers" in 2015.

Website:	www.chilis.com
Number of Locations:	1,686
Founded:	1975
Headquarters:	Dallas, Texas
Parent Company:	Brinker International



**TENANT
OVERVIEW:**

Brinker International

Chili's is part of the Brinker International family of restaurants. Brinker International is one of the world's leading casual dining restaurant companies. With more than 1,600 restaurants and over 100,000 Team Members in 31 countries and two territories, we welcome more than one million guests into Chili's and Maggiano's restaurants every day.



TENANT OVERVIEW:

Strong Commitment to Investing in Its Locations

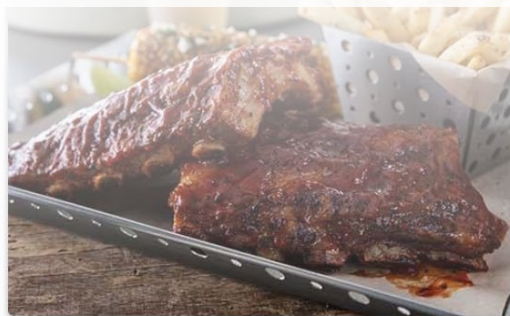
In lock-step with its strategic initiatives, Brinker is focused on maintaining a fleet of fresh restaurant concepts.

- The last reimage program was completed in 2014 and included the redesign and update of restaurant interiors, exteriors, signage, and the bar area.
- Brinker reimagining initiatives look to ensure the brand remains relevant and to drive long-term sales
- The Company has begun the next wave of reimages, dubbed “Reimage 2020,” with plans to execute over the next three fiscal years. Plans to reimage approximately 250 restaurants in FY2019 (year ended June 26, 2019); investing up to \$250,000 at each site.

BEFORE



AFTER



TENANT OVERVIEW:

Technology Innovation

Chili's approach to technology innovation is simple – build an infrastructure and keep the digital Guest experience at its core. Chili's has more than 45,000 ordering tablets systemwide, where guests can order and pay for their meals from a tabletop device. Chili's has partnered with Ziosk, the restaurant-targeted tablet-maker, who estimates mechanized menus not only enhance the overall dining experience, but also boost impulse orders of appetizers and desserts with programmed images in a rotating display during meal time, increase table turnover during peak hours and automatically suggest a tip of 20 percent to the total bill. Ziosk also offers games for kids and news articles for reading enjoyment.



Ziosk® Tabletop Tablets

Chili's revolutionized the casual dining industry with the introduction of Ziosk® tabletop tablets, now on more than 70,000 Chili's restaurant tables nationwide.

State of the Art Loyalty Program

Chili's launched a state-of-the-art loyalty program, My Chili's Rewards, which leverages technology, personalization and gamification to make earning and redeeming points more engaging than ever before. The My Chili's Rewards program database has increased by approximately 20% in fiscal 2018



Chili's Mobile App

“Our investments into our food, our value equation and our curbside To Go offering are working and creating a more compelling guest experience. Chili's has the opportunity to become the largest American casual dining brand globally. We opened 30 restaurants in Fiscal 2017, and we're thrilled by our franchise partners' continued enthusiasm to expand the brand.”

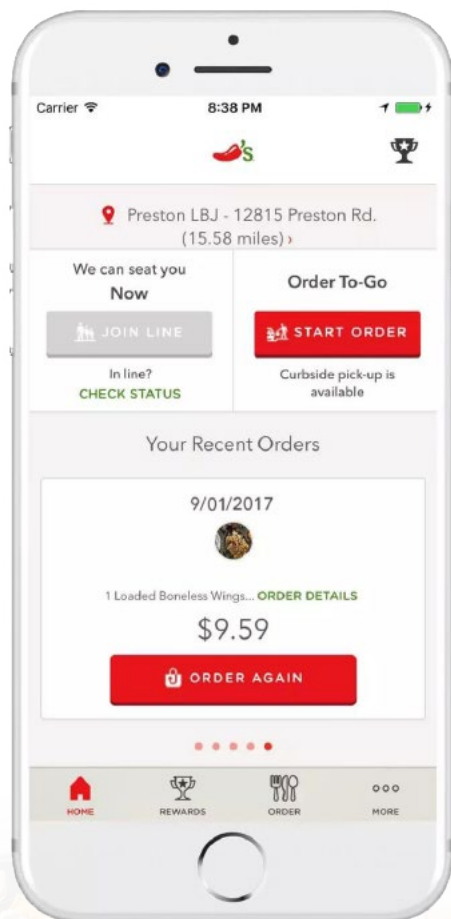
*Wyman Roberts, Brinker International, Inc.
Chief Executive Officer and President*

Chili's To-Go

To Go sales grew 17.1% in the first quarter of fiscal 2019 over the same quarter the prior year.



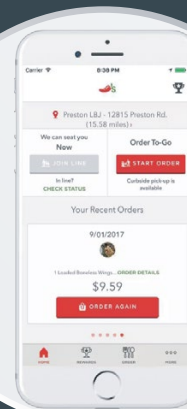
TENANT OVERVIEW:



Chili's improved mobile App provides the capability for digital curbside service so that guests can order, pay, and notify the restaurant of their arrival through the App

Chili's brand continues to leverage technology initiatives to create a digital experience that will help engage guests more effectively

Brinker's scale allows the Company to more aggressively pursue technology – a key competitive advantage versus smaller casual dining chains



TENANT OVERVIEW:

Global Leader in Casual Dining Segment

- Two iconic, category-leading brands of Brinker International: Chili's Grill & Bar and Maggiano's Little Italy
- As of September 27, 2018, Brinker owned, operated or franchised 1,686 restaurants around the world under the Chili's and Maggiano's banners



MAGGIANO'S
■ LITTLE ITALY ■

Established in 1975	Established in 1991
FY2018 Revenue of Approximately \$2.7B	FY2018 Revenue of \$435M
1,686 Restaurants Globally	52 Domestic Restaurants
1,252 Domestic Restaurants	
378 Restaurants in 30 Countries and 2 Territories	

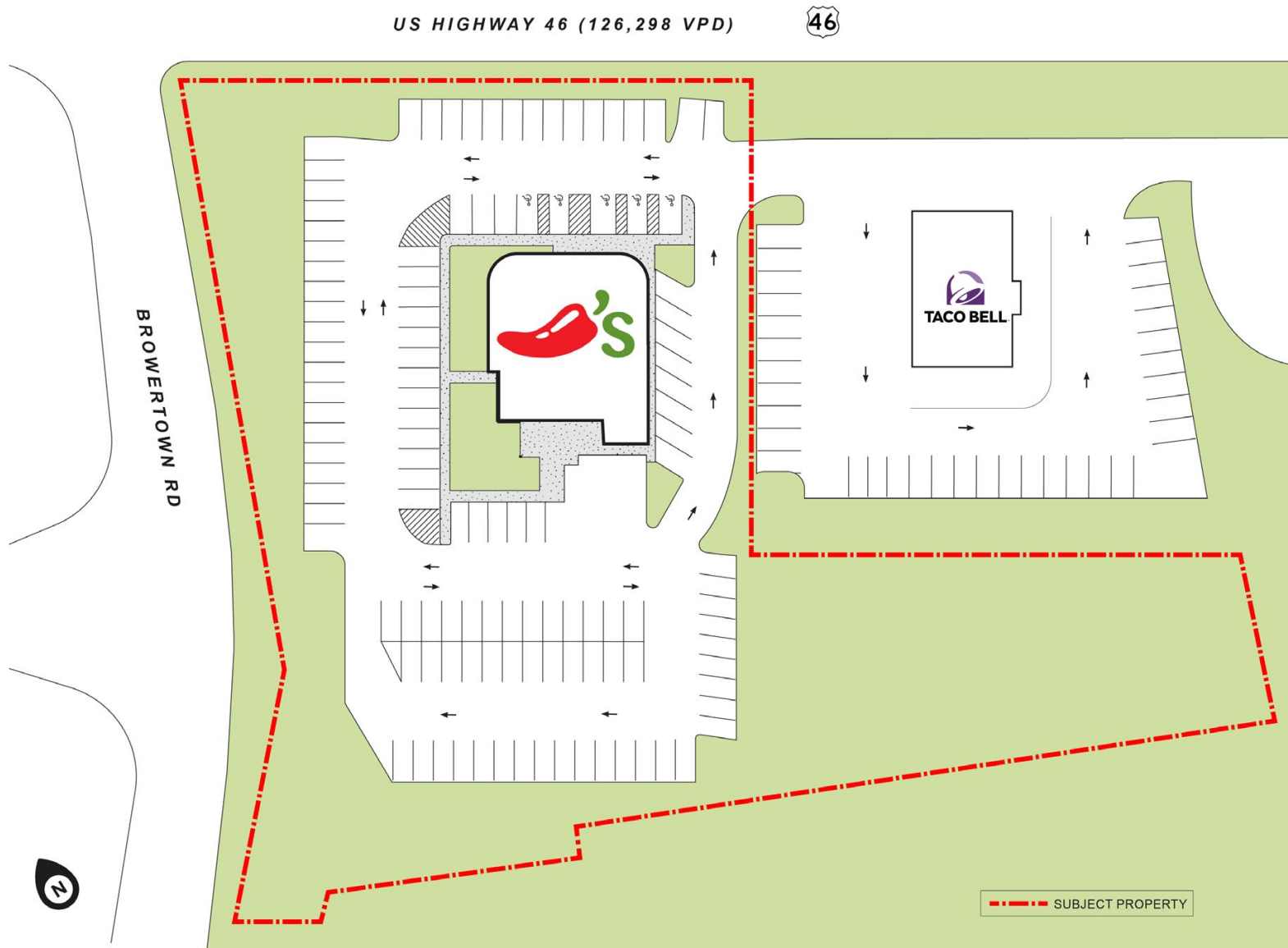


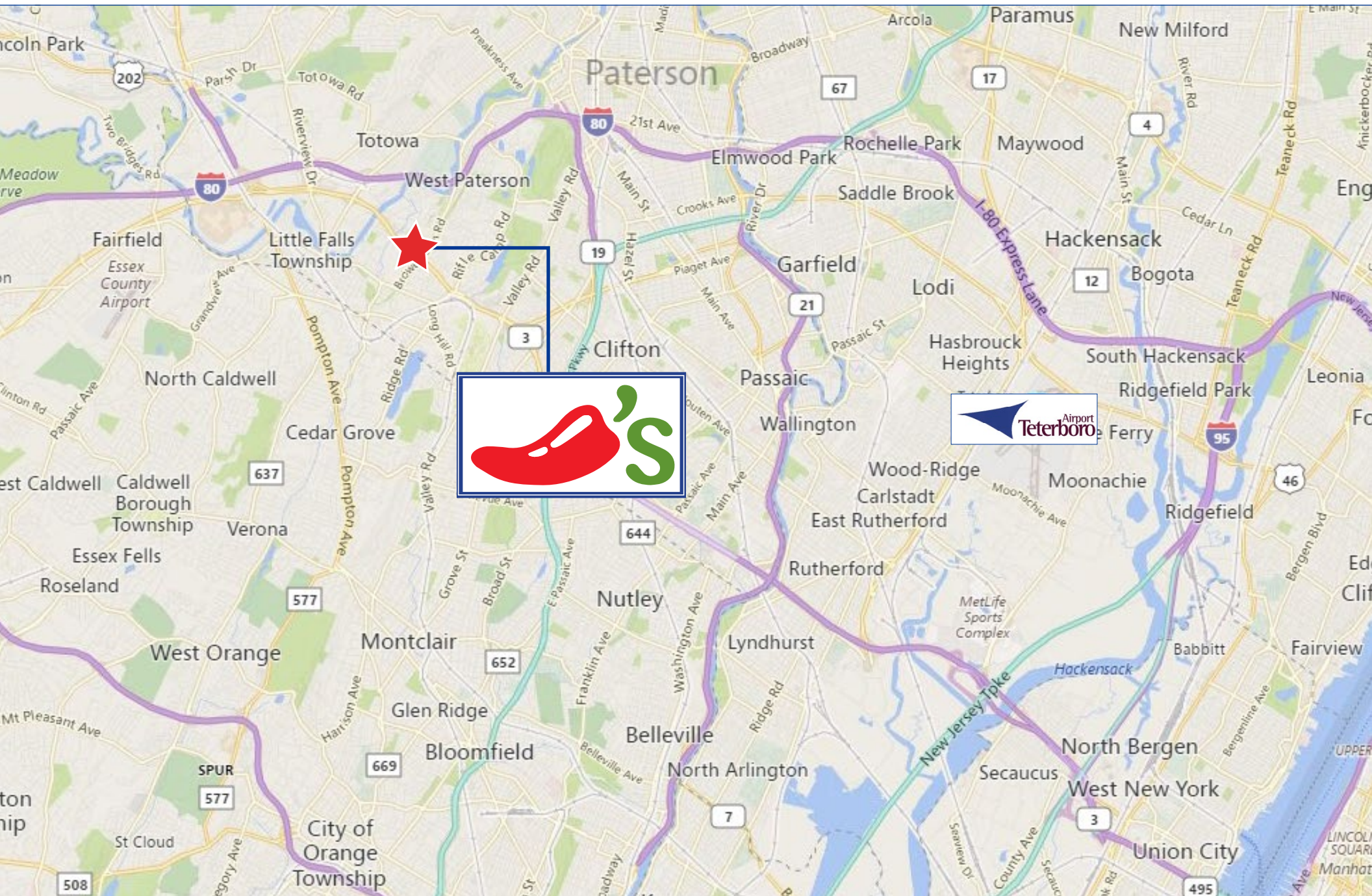
INVESTMENT HIGHLIGHTS:

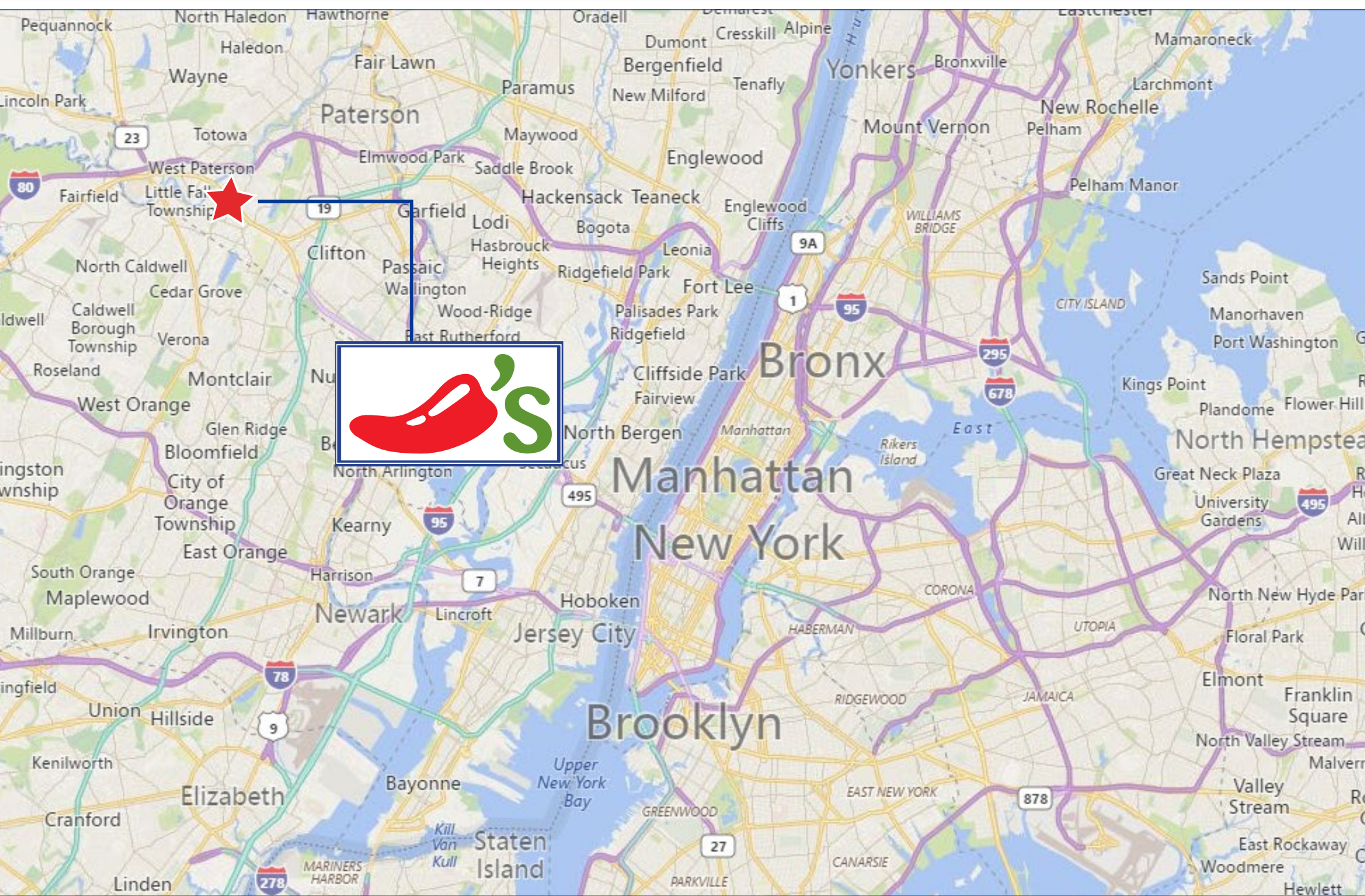
- Located within the New York City MSA
- New long term 15 year lease issued at close of escrow
- Absolute NNN
- 1.5% annual rental escalations
- Corporate lease with guarantee from Brinker International, Inc. (NYSE: EAT)
- Long and successful operating history since 1992 at this location
- Property was recently renovated in 2012
- High profitability and a low rent to sales ratio (See property overview for details)
- Ideally positioned along US Highway 46 (126,298 VPD) with excellent visibility
- Well located in a vibrant retail corridor with ShopRite, Home Depot, Costco, Dick's Sporting Goods, AMC, Kohl's, Best Buy, and Willowbrook Mall
- Willowbrook Mall has over 170 shopping and dining choices and is anchored by Macy's, Lord & Taylor, Bloomingdale's, Dave & Buster, and Apple
- Over 512,000 people living within five miles of the property and the average household income is approximately \$100,000











**DEMOGRAPHIC
REPORT:**

Population	1-Mile	3-Mile	5-Mile
Total Population	15,144	137,432	512,522
Total Households	4,877	46,842	170,814

Income	1-Mile	3-Mile	5-Mile
Average Household Income	\$114,123	\$109,508	\$98,069



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023.

**MARKET
OVERVIEW:**

Little Falls, New Jersey

Little Falls is a township in Passaic County, New Jersey, United States. The township was named for a waterfall on the Passaic River at a dam near Beattie Mill. As of the 2010 census, the township's population was 14,432.

The township has three main sub-divisions. Great Notch is the easternmost part of Little Falls. The downtown area is frequently referred to as "The Center of Town", mainly by longtime residents, and is usually referred to as simply Little Falls. Singac is in the westernmost portion of the township. Much of Singac borders the Passaic River. Little Falls is bordered by the municipalities of Clifton, Totowa, Wayne, and Woodland Park in Passaic County, and Cedar Grove, Fairfield, Montclair, and North Caldwell in Essex County. It is located about 15 miles west of New York City.



**MARKET
OVERVIEW:**

New York, New York

New York City is the most populous city in the United States. With an estimated population of over 8,537,000 people distributed over a land area of about 302.6 square miles, New York City is also the most densely populated major city in the United States. Located at the southern tip of the state of New York, the city is the center of the New York metropolitan area, one of the most populous urban agglomerations in the world with an estimated 23.7 million residents. A global power city, New York City has been described as the cultural, financial, and media capital of the world, and exerts a significant impact upon commerce, entertainment, research, technology, education, politics, and sports. Home to the headquarters of the United Nations, New York is an important center for international diplomacy.



Situated on one of the world's largest natural harbors, New York City consists of five boroughs, each of which is a separate county of New York State. The five boroughs – Brooklyn, Queens, Manhattan, The Bronx, and Staten Island – were consolidated into a single city in 1898. The city and its metropolitan area constitute the premier gateway for legal immigration to the United States. As many as 800 languages are spoken in New York, making it the most linguistically diverse city in the world. New York City is home to more than 3.2 million residents born outside the United States, the largest foreign-born population of any city in the world. In 2013, the tri-state New York Metropolitan Statistical Area (MSA) produced a gross metropolitan product (GMP) of nearly US\$1.4 trillion. If greater New York City were a country, it would have the 12th highest GDP in the world.

Many districts and landmarks in New York City are well known, and the city received a record 61 million tourists in 2016, hosting three of the world's ten most visited tourist attractions in 2013. Several sources have ranked New York the most photographed city in the world. Times Square, iconic as the world's "heart" and its "Crossroads", is the brightly illuminated hub of the Broadway Theater District, one of the world's busiest pedestrian intersections, and a major center of the world's entertainment industry. The names of many of the city's bridges, skyscrapers, and parks are known around the world. Anchored by Wall Street in the Financial District of Lower Manhattan, New York City has been called both the most economically powerful city and the leading financial center of the world, and the city is home to the world's two largest stock exchanges by total market capitalization, the New York Stock Exchange and NASDAQ. Manhattan's real estate market is among the most expensive in the world. Manhattan's Chinatown incorporates the highest concentration of Chinese people in the Western Hemisphere, with multiple signature Chinatowns developing across the city. Providing continuous 24/7 service, the New York City Subway is one of the most extensive metro systems worldwide, with 472 stations in operation. Over 120 colleges and universities are located in New York City, including Columbia University, New York University, and Rockefeller University, which have been ranked among the top universities in the world.



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