



CHILI'S (Corporate Sale Leaseback Brinker Intl.)
801 E Prospect Avenue
Ponca City, OK 74601

THE
Boulder
GROUP

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

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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 in Ponca City, Oklahoma. 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 is well located at the corner of a signalized intersection where it has excellent visibility and access. The property is positioned just off of HWY 77 (16,600 VPD), which is a primary north-south thoroughfare. The Chili's property is an outparcel to Walmart Supercenter and near other retailers including Lowe's, ALDI, Hobby Lobby, Walgreens, and AMC. Additionally, the property is near Alliance Health Ponca City, a large 140-bed hospital. There are 55,618 people living within five miles of the property with an average household income of \$97,807.

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 2001 and has strong store sales and a low rent-to-sales ratio.



PROPERTY OVERVIEW:

Price:	\$2,912,621
Cap Rate:	5.80%
Net Operating Income:	\$168,932
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:	7.00%
EBITDAR Coverage:	3.90
Year Built/Renovation:	2001/2018
Lease Type:	Absolute NNN
Building Size:	4,097 SF
Land Size:	43,521 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

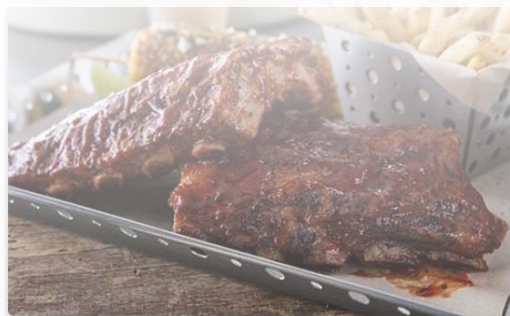
In lock-step with its strategic initiatives, Brinker is focused on maintaining a fleet of fresh restaurant concepts.

- 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.”

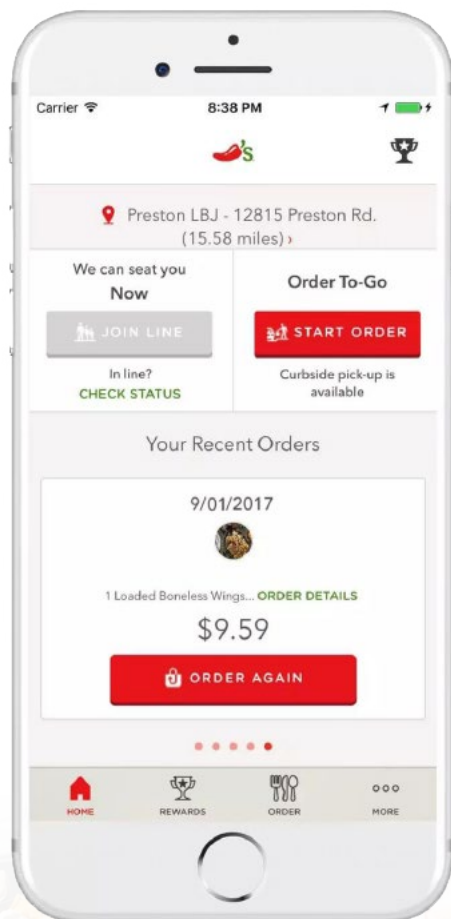
*Wyman Roberts, Brinker International, Inc.
Chief Executive Officer and President*

Chili's To-Go

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



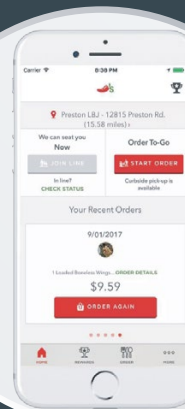
TENANT OVERVIEW:



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	

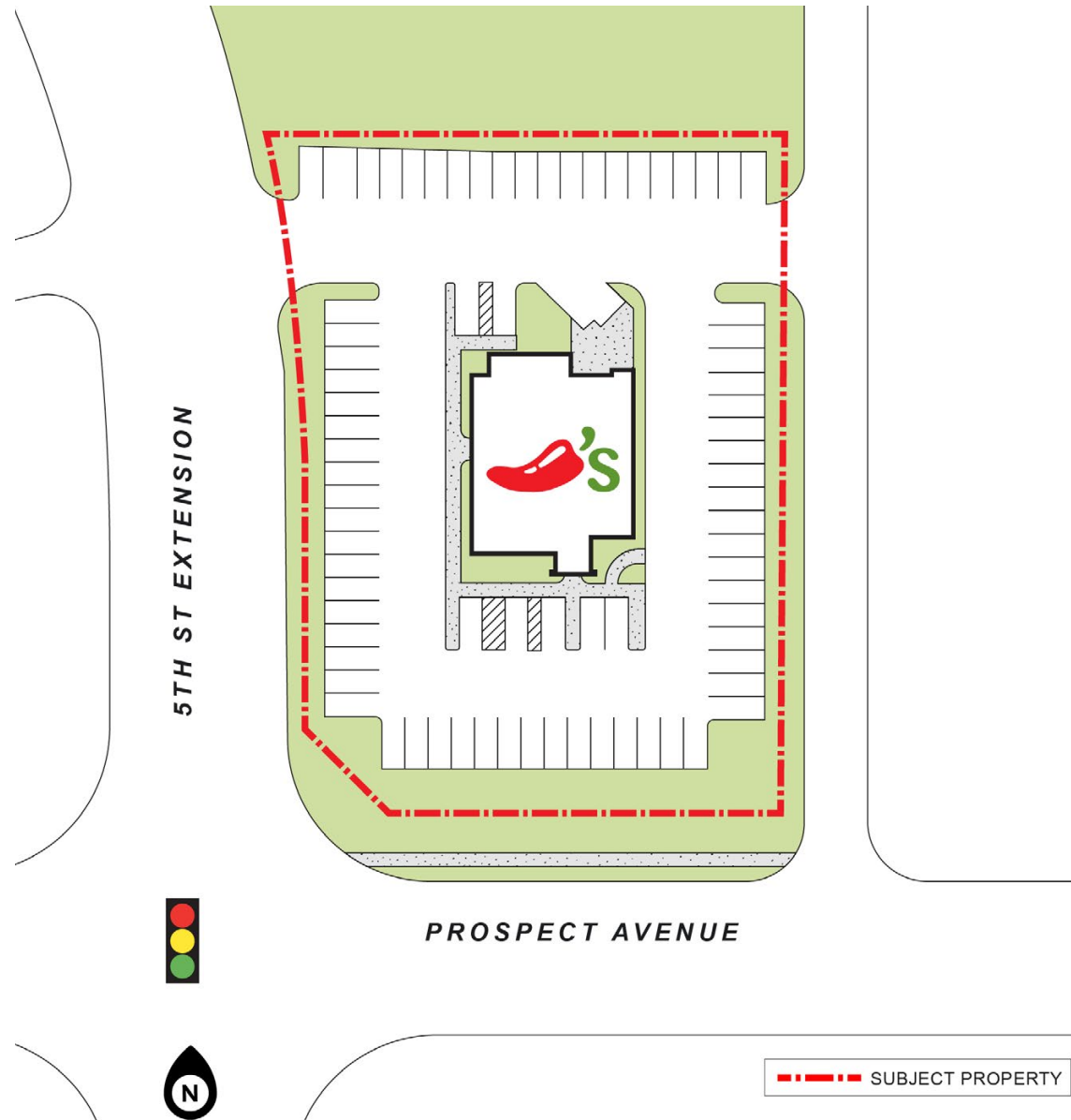


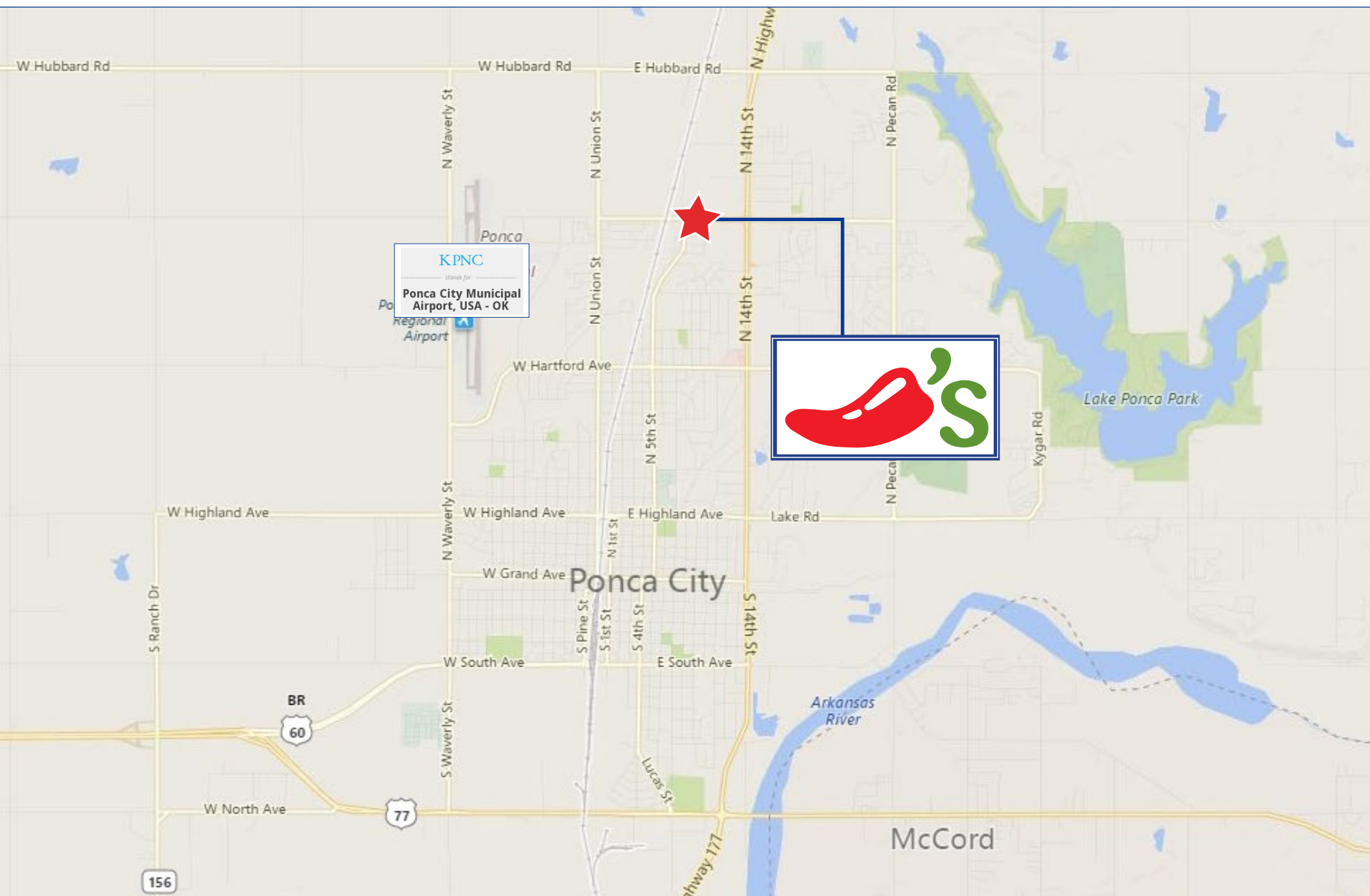
INVESTMENT HIGHLIGHTS:

- 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 2001 at this location
- Property was completely renovated in 2018
- High profitability and a low rent to sales ratio (See property overview for details)
- Located at the corner of a signalized intersection where it has excellent visibility and easy access
- Positioned just off of HWY 77 (16,600 VPD) which is a primary north-south thoroughfare
- Outparcel to Walmart Supercenter and near other retailers including Lowe's, ALDI, Hobby Lobby, Walgreens, and AMC
- Near Alliance Health Ponca City, a large 140 bed hospital
- 55,618 people living within five miles of the property with an average household income of \$97,807









**DEMOGRAPHIC
REPORT:**

Population	1-Mile	3-Mile	5-Mile
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Total Population 4,604 23,110 27,522

Total Households 1,959 9,428 11,193

Income	1-Mile	3-Mile	5-Mile
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Average Household Income \$56,016 \$58,891 \$60,620



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

**MARKET
OVERVIEW:**

Ponca City, Oklahoma

Ponca City is a city in Kay County and in Osage County in the U.S. state of Oklahoma, which was named after the Ponca Tribe. Ponca City had a population of 25,387 at the time of the 2010 census.

Ponca City's history and economy has been shaped chiefly by the ebb and flow of the petroleum industry. E. W. Marland built the Ponca City refinery in 1918 and founded the Marland Oil Company. In 1929, the Continental Oil Company merged with Marland, and the two became Conoco Inc. The Conoco headquarters were in Ponca City until 1949, when it moved to Houston, Texas. The Ponca City Refinery, in Ponca City, Oklahoma, processes a mixture of light, medium and heavy crude oils. Most of the crude oil processed is received by pipeline from Oklahoma, Texas and Canada. Infrastructure improvements have enabled the delivery of increased volumes of locally produced advantaged crude oil by pipeline and truck. Today, they produce 203,000 barrels per day.

PONCA CITY
Oklahoma





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