

OFFERING MEMORANDUM

Captain D's Net Lease | Spring Hill, Tennessee (Nashville MSA)



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EXCLUSIVE REPRESENTATION

Adam English

Managing Director

256 694 9803

Adam@stream-cp.com

Lic: 000096920

Adam Baxter

Vice President

205 394 3520

Abaxter@stream-cp.com

Lic: 000080803

Broker of Record: Robert Jolly | Broker #258996



DISCLAIMER

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#1

We're the number one
seafood franchise in
America

500+

Captain D's is the fast-
casual seafood leader with
restaurants in 21 states

6

6 Consecutive years of
same store sales increases

\$1.4M

New stores are averaging
\$1.4 million in annual sales.
2016 marked our 6th
consecutive year of same-
store sales growth

TRANSACTION SUMMARY

Purchase Price: \$1,474,138

Cap Rate: 5.80%

Year 1 Rent: \$85,500

Lease Specifications

Tenant: Captain D's

Guarantor: Largest Captain D's Franchisee with 33 Units

Lease Type: NNN

Landlord Responsibilities: None

Remaining Lease Term: 19 years

Lease Expiration: August 2037

Rental Increases: 10% every 5 years

Options to Renew: Four, 5-year options

Property Specifications

Address: 2096 Wall Street
Spring Hill, Tennessee

Submarket: Nashville

Building Size: 3,100 square feet

Property Size: 0.89 acres

Features

Located along a thriving retail thoroughfare with over 21,000 vehicles per day

Ranked #1 in Entrepreneur magazine's Top 500

Average household income over 116,000 within a 5 minute drive and \$109,000 within a 10 minute drive



AERIAL VIEWS



AERIAL VIEWS



AERIAL VIEWS



AERIAL VIEWS



Rainbow
Child Care
Center



MARTIN'S
BAR-B-QUE
★ JOINT ★



US-31 (21,733 VPD)

AERIAL VIEWS



US-31
(21,733 VPD)

MARKET OVERVIEW

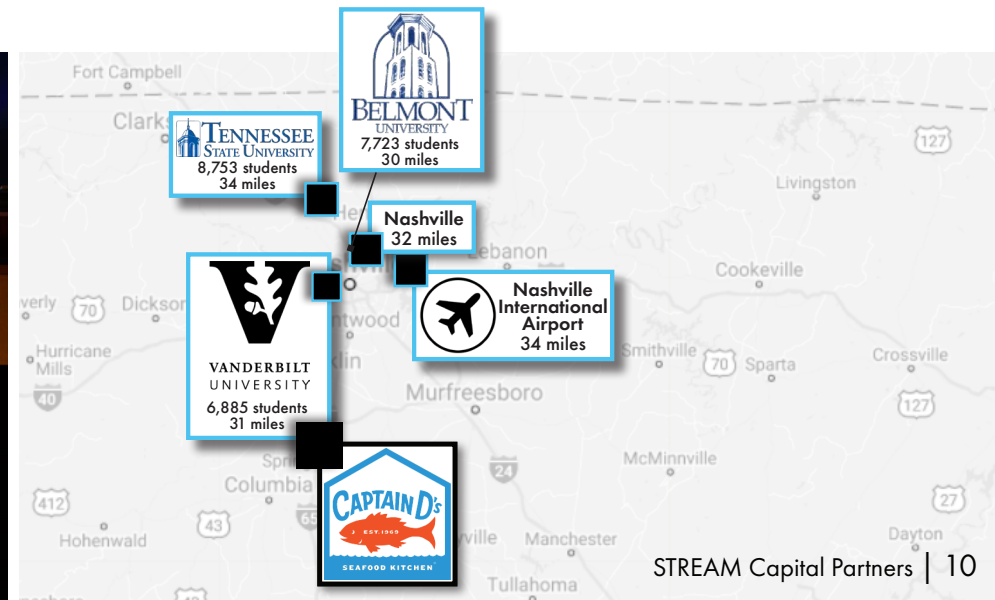
Spring Hill, Tennessee, a city in Maury and Williamson counties, is located approximately 30 miles south of Nashville. Spring Hill has experienced a 389% increase in its population from 2000 to 2016. Average household incomes within three miles of the subject property are at an impressive \$116,139. Spring Hill has gone through rapid development in recent years with General Motors reopening their auto plant and hiring 1,000 employees in the local area. In addition, companies such as Ryder, Mars, Inc., and Goodwill have announced new facilities in the Spring Hill area.

Just shy of forty minutes away is the city of Nashville. As the most populous city in the State of Tennessee with an estimated metropolitan area population of 1,903,027 people, Nashville is the epicenter for music, healthcare, publishing, banking and transportation industries, and numerous colleges and universities. Three major interstate highways (I-40, I-65 and I-24) converge near the core area of downtown, and many regional cities are within a day's driving distance.

In recent times, Nashville has been described as a "southern boomtown" with it having the third fastest-growing economy in the United States as of 2017. The Nashville region was also stated to be the "Number One" Metro Area for Professional and Business Service Jobs in America, as well as having the "hottest Housing market in America" as stated by Zillow.

Nashville is home to more than 300 health care companies, including Hospital Corporation of America (HCA), the world's largest private operator of hospitals. As of 2012, it is estimated the health care industry contributes \$30 billion per year and 200,000 jobs to the Nashville-area economy. Fortune 500 companies with offices within Nashville include Bridgestone, Community Health Systems, Dell, Dollar General, Hospital Corporation of America, Nissan North America, Philips, Tractor Supply Company, and UBS.

Real estate is becoming a driver for the city's economy. Based on a survey of nearly 1,500 real estate industry professionals, Nashville ranked 7th nationally in terms of attractiveness to real estate investors for 2016. More than \$2 billion in real estate projects were projected to start in 2016. Due to high yields available to investors, Nashville has been attracting a lot of capital from out-of-state. A key factor that has been attributed to the increase in investment is the adjustment to the city's zoning code. Developers can easily include a combination of residential, office, retail, and entertainment space into their projects. Investors continue to be active in this fast-growing market, and total transactions in 2017 surpassed 2016's levels.



SPRING HILL, TENNESSEE (NASHVILLE, TN MSA) DEMOGRAPHICS

POPULATION ESTIMATE

5 MINUTE DRIVE

28,280

10 MINUTE DRIVE

40,659

15 MINUTE DRIVE

65,844

ESTIMATED AVERAGE HOUSEHOLD INCOME

5 MINUTE DRIVE

\$116,685

10 MINUTE DRIVE

\$109,059

15 MINUTE DRIVE

\$118,658

TENANT SUMMARY

Headquartered in Nashville, Tennessee, Captain D's ([www. captains.com/](http://www.captains.com/)) owns, operates and franchises 520 restaurants in 20 states. Captain D's offers its customers great seafood at reasonable prices in a warm and inviting atmosphere.

Captain D's restaurants serve a wide variety of fish and seafood, including freshly prepared entrees, and the company's signature hand-battered fish fillets, which are prepared to order. The restaurants also offer premium-quality grilled fish, as well as shrimp, chicken, an expanded selection of home-style side dishes, hush puppies, desserts, and freshly brewed, Southern-style sweet tea—a Captain D's favorite.

With nearly 50 years to perfect the recipe for success, which combines great food and great value with even better service, and this focus on serving quality seafood in a warm and inviting atmosphere, has helped Captain D's to grow to over 500 restaurants since 1969.

Captain D's is accelerating franchise development for the chain, and is signing agreements to expand in Illinois, Texas, Virginia, North Carolina and Kentucky. Over the next few years, the company will be opening two Illinois locations as well as three locations in Texas, three more in Virginia, and five restaurants in both North Carolina and Kentucky.

Captain D's is also diversifying its offerings and expanding its menu, while it continues the massive restaurant redesign of its locations nationwide. In 2017, the chain completed renovation on nearly 60 percent of all its restaurants. In 2018, the brand closed out the year with 14 new restaurants opened and achieved its highest average number of units signed since 2015, inking 11 agreements to open more than 50 units over the next several years in new and existing markets.

In Q1 2019, Captain D's signed franchise development agreements to open more than 20 new restaurants throughout key target markets, including a 10-unit deal with its largest franchise, Trident Holdings LLC.



FRANCHISEE SUMMARY

Trident Holdings LLC was formed in early 2015 by three partners from different backgrounds that combined has created a team with an excellent formula for a successful foodservice franchise. Tim Stokes, Edward Stokes, and Chris Benner banded together to form Trident Holdings and began their journey as Captain D's franchisees by acquiring four Captain D's restaurants in the Tri-Cities region of Tennessee and signing a development deal for four new locations. Trident Holdings holds the exclusive rights to develop Captain D's along the 1-81 corridor from Bristol, Virginia to Roanoke.

Just seven months after the first acquisition Trident Holdings closed a transaction with two separate sellers for eleven more Captain D's restaurants. In less than twelve months Trident Holdings became the third-largest franchisee of the Captain D's brand with sixteen locations across four states in the Southeastern U.S. Today, through acquisitions and new store growth Trident Holdings is the largest franchisee in the Captain D's brand with 23 locations across 5 states and 400 employees.

The Captain D's brand is one of the hottest in QSR right now. Captain D's enjoyed a long run of over 20 consecutive quarters of comp sales growth across both franchised and corporate locations. Today, Trident Holdings LLC has annual revenues over \$26,000,000. The third restaurant for the current development agreement has land under contract and is slated for grand opening before the end of August 2018. Trident Holdings has had three consecutive years of comp sales growth 2015, 2016, and 2017.



#1

**CAPTAIN D'S HAS BEEN RANKED #1
IN ENTREPRENEUR'S TOP 500 AND
HAS ALSO RECEIVED RECOGNITION
IN ENTREPRENEUR'S 2019 BEST OF
THE BEST FRANCHISES**

A photograph of a Captain D's restaurant building. The building has a prominent orange square tower with two circular windows. Below the tower is a yellow horizontal band with the 'CAPTAIN D'S' logo in blue. The main building is grey with a striped awning over the entrance. A dark blue semi-transparent banner is overlaid on the lower half of the image, containing contact information.

CONTACT INFORMATION

Adam English
Managing Director
256 694 9803
Adam@stream-cp.com
Lic: 000096920

Adam Baxter
Vice President
205 394 3520
Abaxter@stream-cp.com
Lic: 000080803

Broker of Record: Robert Jolly | Broker #258996



STREAM CAPITAL PARTNERS

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4201 WEST IRVING PARK ROAD

| SUITE 200

| CHICAGO, IL

| WWW.STREAM-CP.COM