

OFFERING MEMORANDUM

LONGHORN STEAKHOUSE GROUND LEASE

BEAUFORT, SOUTH CAROLINA
(HILTON HEAD MSA)



NAVAL HOSPITAL
BEAUFORT

BEAUFORT ELEMENTARY
513 STUDENTS

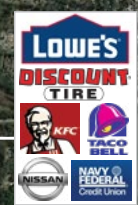
TECHNICAL COLLEGE OF THE LOWCOUNTRY
2,600 EMPLOYEES

BEAUFORT MEMORIAL HOSPITAL
1,800 EMPLOYEES

BEAUFORT MIDDLE
530 STUDENTS

MOSSY OAKS ELEMENTARY
530 STUDENTS

HOLY TRINITY CLASSICAL SCHOOL
560 STUDENTS



CLICK FOR GOOGLE MAP
**SUBJECT
PROPERTY**

MCRD PARRIS ISLAND
40 GRADUATIONS ANNUALLY,
BRINGING THOUSANDS OF
CONSUMERS WEEKLY

MARINE CORPS AIR
STATION BEAUFORT
13,000 CIVILIAN
EMPLOYEES & FAMILIES

INDUSTRIAL

BATTERY CREEK HIGH
513 STUDENTS



Financial Overview

Price	\$2,290,000
Cap Rate	5.35%
Gross Leasable Area	5,467 SF
Year Built	2019
Lot Size	1.86 +/- Acres

Lease Summary

Lease Type	Ground Lease
Roof & Structure	Tenant Responsible
Lease Term	10 Years
Rent Commencement	Est. 12/10/2019
Increases	10% Every Five Years
Options	Four, 5-Year
Option to Terminate	None
Option to Purchase	None
Right of First Refusal	None

Rent Schedule

TERM	ANNUAL RENT	MONTHLY RENT
Year 1-5	\$122,500	\$10,208
Year 6-10	\$134,750	\$11,229
Option 1	\$148,225	\$12,252
Option 2	\$163,048	\$13,587
Option 3	\$179,352	\$14,946
Option 4	\$197,287	\$16,441



ADDRESS

192 Robert Smalls Parkway
Beaufort, SC 29906



PRICE

\$2,290,000



CAP RATE

5.35%



NOI

\$122,500

Investment Highlights

- 10-Year Corporate Absolute NNN Ground Lease
- 10% Rental Increases Every 5 Years
- RARE Hospitality, Inc. Guaranty, Subsidiary of Darden (NYSE: DRI)
- Brand New 2019 High-Quality Construction
- 47,894 Residents in Rapidly Growing Trade Area
- Average Household Income Exceeds \$72,000 within 1, 3, and 5 Miles
- Highly Visible to 18,962 Cars/Day Along Primary Commercial Corridor
- Directly Across from a Lowe's Anchored Shopping Center
- Strong Daytime Population, Over 19,400 Employees within 5 Miles
- Minutes to MCRD Parris Island with 20,000 Recruits Annually and MCAS Beaufort with a Population of 13,000
- MCRD Parris Island Hosts Over 40 Graduations Annually, Bringing in Thousands of Consumers to the Community Almost Weekly
- Close Proximity to 9,960 Students Attending Several K-12 Schools, Technical College of the Lowcountry, and the University of South Carolina Beaufort
- 3 Miles to Beaufort Memorial Hospital with 1,800 Employees
- West of Hunting Island State Park, One of the Most Popular State Parks in South Carolina and the U.S. Attracting 1.2+ Million Visitors Annually
- Just North of Hilton Head and 65 Miles Southwest of Charleston

Demographics

POPULATION	1-MILE	3-MILES	5-MILES
2010 Population	2,201	19,914	42,315
2018 Population	2,490	22,368	47,894
2023 Population	2,681	23,267	51,066
HOUSEHOLDS			
2010 Households	943	7,781	16,539
2018 Households	1,057	8,692	18,576
2023 Households	1,160	9,228	20,193
INCOME			
2018 Average Household Income	\$76,462	\$72,196	\$75,371
EMPLOYEES			
2018 Number of Employees In Area	1,854	12,968	19,429



47,894

Population within
a 5-Mile Radius



\$75,371

Average Household Income
within a 5-Mile Radius



19,429

Number of Employees
within a 5-Mile Radius

Tenant Overview

GUARANTOR:

RARE Hospitality International, Inc.
(562+ Units)

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PARENT COMPANY:

Darden Restaurants Inc (DRI: NYSE)

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WEBSITE:

www.darden.com

LongHorn Steakhouse is a full-service steakhouse restaurant with locations primarily in the eastern United States, operating in an atmosphere inspired by the American West. LongHorn Steakhouse opened its first restaurant in 1981 and was acquired by Darden in October 2007 as part of the RARE Hospitality International, Inc. (RARE) acquisition..

RARE Hospitality International, Incorporated (RARE) is a wholly-owned subsidiary of Darden Restaurants. It owns and operates substantially all of Darden's LongHorn Steakhouse 504+ locations and The Capital Grille 58+ locations , either directly, or through subsidiaries, including RARE Hospitality Management, Incorporated (RHM), a wholly-owned subsidiary of RARE, and Capital Grille Holdings, Incorporated, a wholly-owned subsidiary of RHM. RARE has other direct and indirect subsidiaries that own and operate certain restaurants and were formed primarily for purposes of complying with state liquor licensing laws, for management of overhead and other corporate expenses.

Darden Restaurants Inc (DRI: NYSE) is a restaurant company featuring a portfolio of differentiated brands that include LongHorn Steakhouse, Olive Garden, Cheddar's Scratch Kitchen, Yard House, The Capital Grille, Seasons 52, Bahama Breeze and Eddie V's. Through subsidiaries, they own and operate more than 1,746+ restaurants, employ 180,000 people and serve 390 million guests a year.



1,746+
LOCATIONS



HEADQUARTERED IN
Orlando, FL

180,000
EMPLOYEES

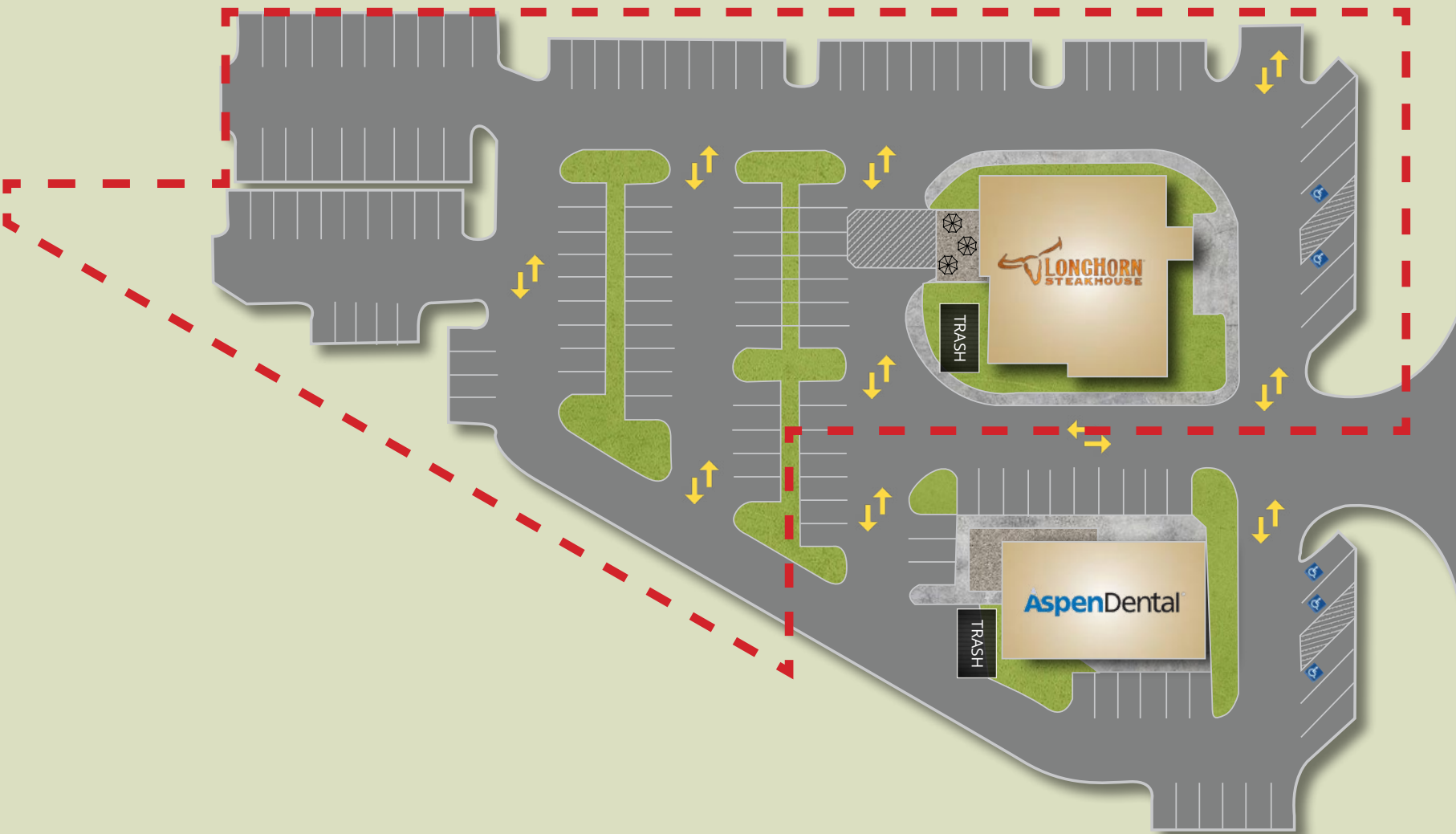


REPRESENTATIVE PHOTO

Site Plan

COMING
SOON!

Jeep RAM CHRYSLER DODGE



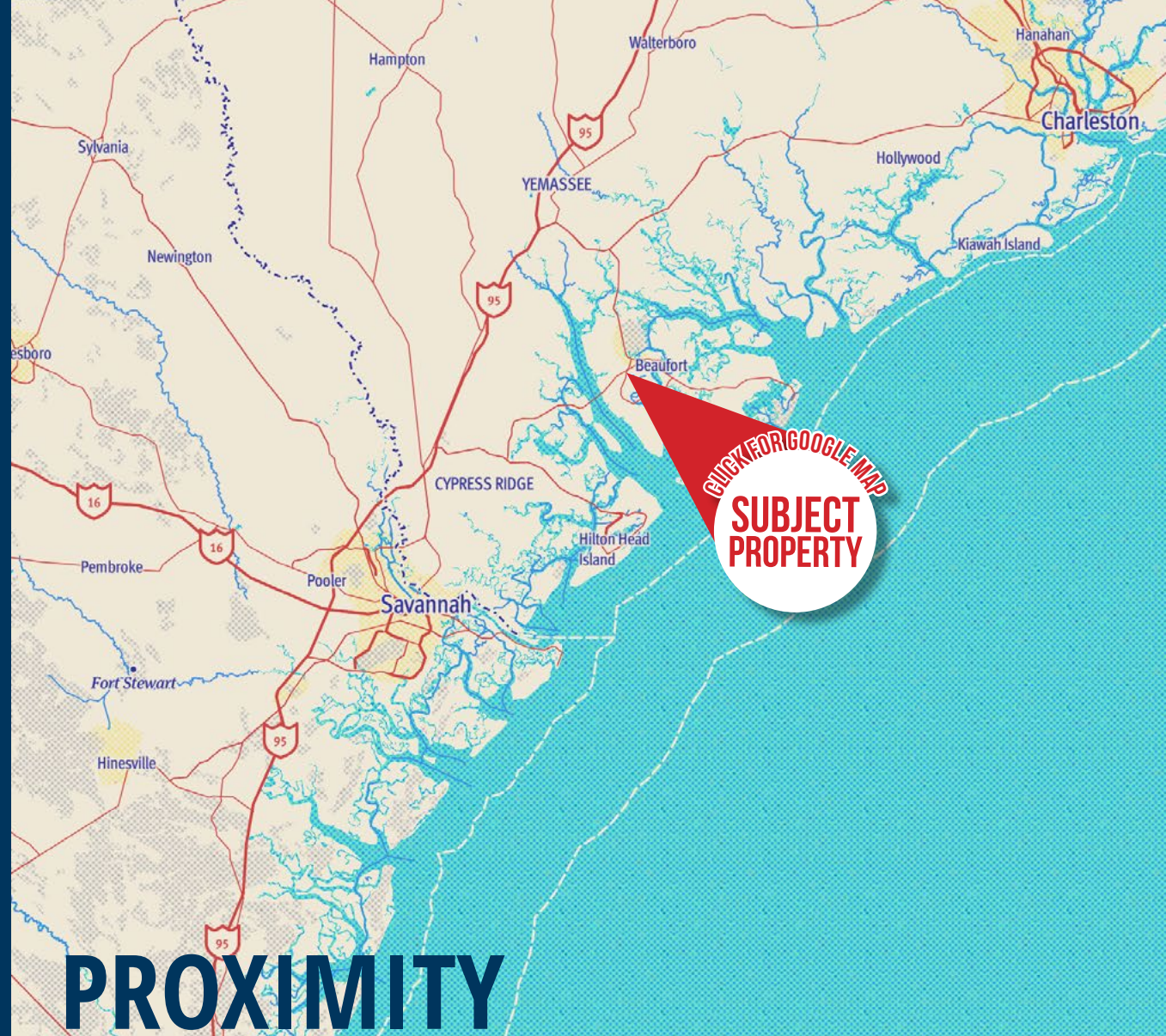
170
18,962 CPD



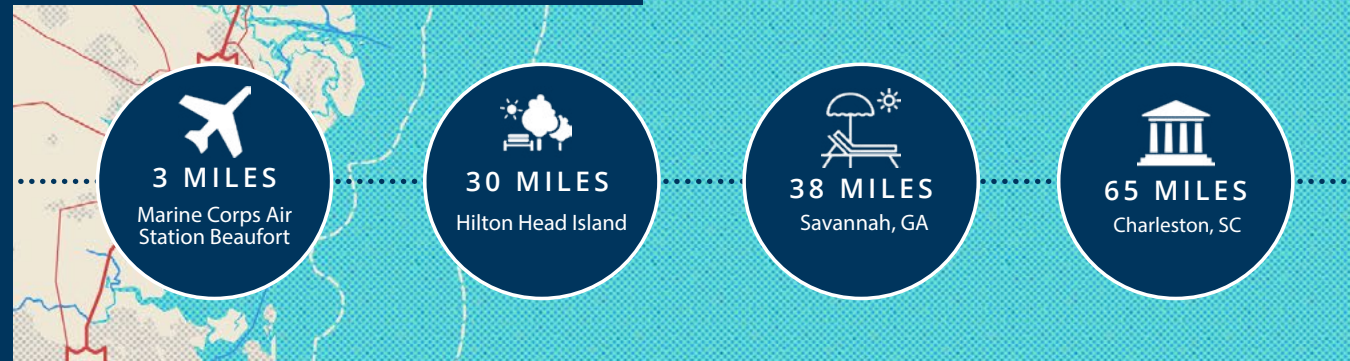
Beaufort, SC

The Beaufort Region of South Carolina offers a business-friendly environment in a beautiful coastal setting that is capable to handle the demands of a growing regional, national and international economy. Ideally located between the ports and airports of Savannah, GA and Charleston, SC, and minutes away from Interstate 95, Beaufort is both a desirable and convenient geographic location.

Beaufort is located on Port Royal Island, in the heart of the Sea Islands and South Carolina Lowcountry. The city is renowned for its scenic location and for maintaining a historic character by preservation of its antebellum architecture. The city is also known for its military establishments, being located in close proximity to Parris Island and a U.S. naval hospital, in addition to being home of the Marine Corps Air Station Beaufort.



PROXIMITY TO LOCAL ATTRACTIONS



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BEAUFORT (HILTON HEAD MSA), SOUTH CAROLINA

REPRESENTATIVE PHOTO