

OFFERING MEMORANDUM



**DENNY'S**

3114 S CLACK ST | ABILENE, TX







## CONTENTS

**04** FINANCIAL OVERVIEW

**08** TENANT OVERVIEW

**10** AREA OVERVIEW

## EXCLUSIVELY LISTED BY

**CHUCK EVANS**

Senior Associate

[chuck.evans@matthews.com](mailto:chuck.evans@matthews.com)

DIR 310.919.5841

MOB 925.323.2263

LIC # 01963473 (CA)

Kyle Matthews

Broker of Record

LIC # 9005919 (TX)



**SURROUNDING TENANTS**

Logos and businesses shown include: Sally Beauty, Michaels, PetSmart, Ross Shoe, Old Navy, Carter's, TJ-Maxx, David's Bridal, Red Robin, Mattress Firm, Sleep Number, Sport Clips, Aaron's, Cricket, Sleeping Giant, The UPS Store, Jason's Deli, Ashley Homestore, The Home Depot, Toyota, TSC Tractor Supply Co, Wendy's, Walmart Supercenter, Holiday Inn, Honda, Harley-Davidson, T-Mobile, New Hope Church, Denny's, Chick-fil-A, Legions Roadhouse, OfficeMax, Cotton Patch Cafe, James Avery Jewelry, AT&T, Rosa's Cafe, Joann, OfficeMax, Cotton Patch Cafe, James Avery Jewelry, AT&T, Rosa's Cafe, Joann, OfficeMax, Cotton Patch Cafe, James Avery Jewelry, AT&T, Rosa's Cafe, Joann.

**S. CLACK ST.**  
± 20,000 VPD

**WINTERS FWY.**  
± 54,000 VPD

**SURROUNDING TENANTS**

Logos and businesses shown in the surrounding area include:

- Sally Beauty, Michaels, PetSmart, Ross Shoe, Old Navy, Carter's, TJ-Maxx
- David's Bridal, Red Robin, Mattress Firm, Sleep Number, Sport Clips, Aaron's, Cricket, Sleeping Giant, The UPS Store, Jason's Deli, Ashley HomeStore, The Home Depot, TSC Tractor Supply Co, Wendy's, Walmart Supercenter, Toyota, Honda, Harley-Davidson, Holiday Inn, T-Mobile, Denny's, New Hope Church, Legions Roadhouse, Chick-fil-A, OfficeMax, Cotton Patch Cafe, James Avery Jewelry, AT&T, Rosa's Cafe, Tootsie Roll Factory, Joann, Olive Garden, McAlister's, Subway, Verizon, Catherine's, The Children's Place, Al's Formal Wear

**S. CLACK ST.**  
± 20,000 VPD

**WINTERS FWY.**  
± 54,000 VPD

[illegible]





# FINANCIAL OVERVIEW



# INVESTMENT HIGHLIGHTS

- **Recently Extended Lease Term** – Tenant recently extended the lease to a new 20 years which shows a strong commitment to the location
- **Absolute NNN Lease** – No landlord responsibilities
- **Generational Real Estate** – Located in one of the top Texas markets, Abilene is a growing MSA which is home to many businesses and Colleges alike
- **Many Surrounding Hotels** – Within a 1-mile radius of the property there are 7 hotels making for ideal demographics for Denny's
- **Prime Retail Corridor** – Denny's is surrounded by retailers such as Chick-fil-A, Walmart Supercenter, Big Lots, Office Max, Olive Garden, Whataburger, Ross, PetSmart, Old Navy, and Home Depot to name a few
- **High Visibility** – Highway 83 runs directly in front of this property making it visible, with its monument sign, to the ±54,000 VPD traveling by
- **Strong Guaranty** – Lease is backed by one of the largest operators in the Denny's system as well as a personal guaranty from the franchisee (see broker for details)



# FINANCIAL OVERVIEW



**LIST PRICE**  
**\$2,327,271**



**CAP RATE**  
**5.50%**



**GLA**  
**± 7,516 SF**



**LOT SIZE**  
**± 0.63 AC**



**YEAR BUILT**  
**1984**



**3114 S CLACK ST**  
**ABILENE, TX 79606**





# FINANCIAL OVERVIEW CONT.

## Annualized Operating Data

	Monthly Rent	Annual Rent	Rent/SF	Cap Rate
Current - Year 5	\$10,666.66	\$127,999.92	\$17.03	5.50%
Years 6 - 10	\$11,466.66	\$137,599.91	\$18.31	5.91%
Years 11 - 15	\$12,326.66	\$147,919.91	\$19.68	6.36%
Years 16 - 20	\$13,251.16	\$159,013.90	\$21.16	6.83%
Option 1	\$14,245.00	\$170,939.94	\$22.74	7.35%
Option 2	\$15,313.37	\$183,760.44	\$24.45	7.90%
Option 3	\$16,461.87	\$197,542.47	\$26.28	8.49%
Option 4	\$17,696.51	\$212,358.16	\$28.25	9.12%

## Tenant Summary

Tenant Trade Name	Denny's
Type of Ownership	Fee Simple
Lease Guarantor	Den-Tex Central, Inc.
Lease Type	NNN
Roof and Structure	Tenant Responsibility
Original Lease Term	±20 Years
Lease Commencement Date	2/21/2017
Rent Commencement Date	2/21/2017
Lease Expiration Date	2/21/2037
Term Remaining on Lease	±17.54 Years
Options	Four, 5-Year Options







# TENANT OVERVIEW



# TENANT OVERVIEW



Company Name	Denny's Corporation (NASDAQ: DENN)
Ownership	Public
Revenue	\$491.29 M
Net Income	\$35.98 M
No. of Locations	± 1,710
No. of Employees	± 8,500
Headquartered	Spartanburg, South Carolina
Website	<a href="http://www.Dennys.com">www.Dennys.com</a>
Year Founded	1953

## TENANT OVERVIEW

Denny's is one of the leading full-service, family-style restaurant chains in the US, with more than 1,710 of its signature eateries located across the country. Typically open 24 hours a day, the chain is best known for its menu of breakfast items, including eggs, pancakes, and combination plates carrying such names as All-American Slam, Lumberjack Slam, and the aforementioned Grand Slam Breakfast. Denny's also serves standard American fare (burgers, sandwiches, steak) for lunch and dinner. The company owns and operates about 165 of its restaurants, while the rest are franchised or operate under licensing agreements.

## STRATEGY

Like many other chain restaurants, Denny's markets itself as a family-friendly dining establishment featuring good value and quality food items. It relies heavily on discounted price offers and limited-time menu offerings to help drive traffic to its restaurants. Denny's has thrived by stressing value through effective marketing and national advertising campaigns. Franchisees contribute a percentage of their gross revenue to support the national media push to drive traffic to Denny's locations and many make contributions to local marketing co-operatives.

## OPERATIONS

The company utilizes franchising as a means to expand and oversee its wide-ranging chain of locations without the cost of owning and operating each of them. Local operators pay royalties or licensing fees in order to use the Denny's brand and other intellectual property.

## GEOGRAPHIC REACH

Denny's has 1,710 eateries, including 1,599 restaurants in the US and 111 restaurants in Canada, Chile, Costa Rica, the island of Curaçao, the Dominican Republic, El Salvador, Guam, Honduras, Mexico, Puerto Rico, New Zealand, and the UAE.





## AREA OVERVIEW



# AREA OVERVIEW



## ABILENE, TX

Abilene is a city in West Texas located off Interstate 20 about 150 miles west of Fort Worth, Texas. It is the county seat of Taylor County and the principal city in the Abilene Metropolitan Statistical Area. The area is largely supported by agriculture and maintains some manufacturing, three small colleges, and universities and the nearby Dyess Air Force Base. Abilene's cultural aspects are centered on this mix of the local college and university campuses, the agriculture community of the surrounding area and the established evangelical churches.

A railroad divides the city down the center into north and south. The historic downtown area is on the north side of the railroad. There are three lakes in the immediate area: Lytle Lake on the western edge of Abilene Regional Airport, Kirby Lake on the southeast corner of the US 83/84 and Loop 322 interchange, and Lake Fort Phantom Hill in Jones County in northern Abilene providing numerous opportunities for water recreation to residents and visitors alike.

## DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2024 Projection	11,531	63,499	101,118
2019 Estimate	11,174	61,671	97,842
2010 Census	11,066	61,263	96,004
Growth 2010-2019	3.19 %	2.96 %	3.35 %
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2024 Projection	4,914	26,113	40,459
2019 Estimate	4,735	25,159	38,778
2010 Census	4,621	24,495	37,233
Growth 2010-2019	3.78 %	3.79 %	4.33 %
INCOME	1-MILE	3-MILE	5-MILE
2019 Average Household Income	\$59,571	\$58,180	\$59,705



## DYESS AIR FORCE BASE

The fastest-growing sections of the city are growing to the southwest, along Southwest Drive, the Winters Freeway, and the Buffalo Gap Road corridor; the southeast, along Loop 322, Oldham Lane, Industrial Drive, and Maple Street; and in the northeast near the intersection of SH 351 and I-20. Many developments have begun in these three areas within the last few years.

Downtown is typical Texas western, with an attractive mix of older and newer buildings. Good residential areas surround the town, with the strongest lying south and southwest. Cost of living is very attractive, and the summer climate is better than most areas of Texas. Regional air service closes the gap somewhat, but otherwise, it's a long haul to other cities. Abilene has a good balance of qualities and represents typical, small-town Texas life.

To the north and west lie the southern Great Plains, and to the south is the Texas Hill Country. Cattle, occasional crops, and low hills to the south and west dot the mainly level and treeless landscape. The climate is variable. The area borders a humid subtropical climate to the southeast and the semiarid Great Plains to the north and west. Summers are hot and generally dry, with periods of thunderstorms more likely in late spring and early fall. In winter, northerly cold air battles moist warm air from the south; sudden below-freezing temperatures and wind mix with intermittent periods of mild weather.

### ABILENE CHRISTIAN UNIVERSITY

Founded in 1906, Abilene Christian University (ACU) is a private, non-profit university in Abilene, Texas, affiliated with the Churches of Christ. The university's 208-acre campus enjoys a city setting, offering the over 4,000 enrolled students an engaging, vibrant community. Known for incorporating cutting-edge technology into learning, ACU has positioned itself as the leader in the integration of mobile-learning technology. ACU continues to receive worldwide recognition for its innovation in and out of the classroom.





## CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **Denny's** located at **3114 S Clack St | Abilene, TX 79606** ("Property"). It has been prepared by Matthews Retail Advisors. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Retail Advisors. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Retail Advisors expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Retail Advisors or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



# DENNY'S

3114 S CLACK ST | ABILENE, TX

**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES



**EXCLUSIVELY LISTED BY**

**CHUCK EVANS**

Senior Associate

chuck.evans@matthews.com

DIR 310.919.5841

MOB 925.323.2263

LIC # 01963473 (CA)

Kyle Matthews

Broker of Record

LIC # 9005919 (TX)

**Denny's**