

BOB EVANS

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



900 Bethel Road, Columbus, OH 43214

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income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

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Investment Highlights

PRICE: \$3,359,583 | CAP: 5.75% | RENT: \$193,176



About the Investment

- ✓ Long Term 20-Year Triple-Net (NNN) Lease with Zero Landlord Responsibilities and 17.75 Years Remaining on the Base Term
- ✓ Attractive Two Percent Annual Rental Escalations
- ✓ Six (6), Five (5) Year Extension Options
- ✓ Strong Corporate Guarantee Backed by Approximately 500 Locations

About the Location

- ✓ Excellent Locations Fundamentals | Situated on 1.86 Acres Directly Along Bethel Road
- ✓ Heavily Trafficked Area | Bethel Road and Olentangy Highway | Average Daily Traffic Counts of 46,200 and 112,400 Vehicles Per Day, Respectively
- ✓ Outstanding Demographics | Five-Mile Population of Over 325,000 Residents & Average Household Income Exceeds \$98,400 Within a Three-Mile Radius
- ✓ Dense Retail Corridor | Marshalls, CVS Pharmacy, Marathon Gas, BP, McDonald's, Five Guys Buffalo Wild Wings, Texas Roadhouse, and Many More
- ✓ Located Approximately 13 Miles From John Glenn Columbus International Airport | Which Experiences More Than 8,100,000 Passengers Annually
- ✓ Strong Academic Presence | Situated Within a Five-Mile Radius of The Ohio State University | Total Enrollment Exceeds 66,400 Students

About the Tenant / Brand

- ✓ Founded in 1948, Bob Evans is an iconic American brand that has grown from a 12-stool, 24-hour restaurant to over 500 locations
- ✓ Restaurants operate across 3 dayparts (Breakfast: 32%, Lunch: 37%, Dinner: 31%) with a large carryout business (16%) – well-positioned for growing off-premise business
- ✓ Craveable, fresh offering of comfort food in a family-friendly atmosphere at an affordable price
- ✓ Strong real estate profile with well-maintained restaurants
- ✓ 100% of restaurants were recently remodeled



Representative Photo



Financial Analysis

PRICE: \$3,359,583 | CAP: 5.75% | RENT: \$193,176



PROPERTY DESCRIPTION	
Property	Bob Evans
Property Address	900 Bethel Road
City, State, ZIP	Columbus, OH 43214
Year Built / Renovated	1997 / 2012
Building Size (Square Feet)	6,559
Lot Size	+/- 1.86 Acres
Type of Ownership	Fee Simple
THE OFFERING	
Purchase Price	\$3,359,583
CAP Rate	5.75%
Annual Rent	\$193,176
LEASE SUMMARY	
Property Type	Net-Leased Restaurant
Tenant / Guarantor	Corporate
Original Lease Term	20 Years
Lease Commencement	April 28, 2017
Lease Expiration	April 30, 2037
Lease Term Remaining	17.75 Years
Lease Type	NNN
Rental Increases	2% Annually
Options to Renew	Six (6), Five (5) Year Options

Rent Schedule			
Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 3	\$189,388	\$15,782	2.00%
Year 4	\$193,176	\$16,098	2.00%
Year 5	\$197,040	\$16,420	2.00%
Year 6	\$200,980	\$16,748	2.00%
Year 7	\$205,000	\$17,083	2.00%
Year 8	\$209,100	\$17,425	2.00%
Year 9	\$213,282	\$17,773	2.00%
Year 10	\$217,548	\$18,129	2.00%
Year 11	\$221,899	\$18,492	2.00%
Year 12	\$226,336	\$18,861	2.00%
Year 13	\$230,863	\$19,239	2.00%
Year 14	\$235,480	\$19,623	2.00%
Year 15	\$240,190	\$20,016	2.00%
Year 16	\$244,994	\$20,416	2.00%
Year 17	\$249,894	\$20,824	2.00%
Year 18	\$254,892	\$21,241	2.00%
Year 19	\$259,989	\$21,666	2.00%
Year 20	\$265,189	\$22,099	2.00%

*Current Rent is \$189,388; Pricing is based on upcoming rental increase on 5/1/2020

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Bob Evans located at 900 Bethel Road in Columbus, Ohio. The property consists of 6,559 square feet of building space and is situated on approximately 1.86 acres of land. The property is subject to a 20-year triple-net (NNN) lease that commenced on April 28, 2017. The current rent is \$189,388, increasing to \$193,176 on 5/1/2020. There are 2% annual rental increases that will continue through six, five-year tenant renewal options. There are 17.75 years remaining on the base term of this lease.



Concept Overview



About Bob Evans

Bob Evans is a chain of family style restaurants founded and headquartered in Columbus, Ohio, which owns and operates nearly 500 locations in 18 states, primarily in the Midwest, mid-Atlantic and Southeast regions of the United States. As a private company owned by Golden Gate Capital, Bob Evans Restaurants is focused on providing quality food and hospitality to every guest at every meal, each and every day. The company offers a variety of pork sausages, mashed potatoes, macaroni and cheeses, frozen handheld breakfast items, bacon products, and other convenience foods. The restaurants feature a country-living theme with a close connection to farms.

On January 24, 2017, Bob Evans Farms announced the sale of its restaurants business unit to private equity company Golden Gate Capital (owners of Red Lobster and California Pizza Kitchen). Once the sale was finalized, Bob Evans Farms CEO Saed Mohseni moved to Golden Gate Capital to serve as president of the Bob Evans restaurant division. BEF Foods President Mike Townsley became president and CEO of the new Bob Evans Farms, which remains a public company focusing on grocery products such as breakfast sausage and refrigerated side dishes.

***“We treat strangers like friends
and friends like family.”***

-Bob Evans

Strong Asset

- Strong real estate profile, all units have been recently remodeled
- Compelling unit-level fundamentals

Strong Tenant

- Scale restaurant brand with approximately 500 locations
- Participates in the attractive and growing family dining segment which has consistently outperformed the casual dining segment
- Iconic brand with strong awareness / Net Promoter Score (NPS)

Significant Experience

- Golden Gate Capital is the most active private equity buyer of full-service restaurant companies
- History of growing same restaurant sales and margins have led to successful outcomes: 60%+ IRRs across GGC restaurant transactions
- CEO Saed Mohseni has significant experience in casual dining, growing and taking two restaurant companies public; will lead a new but experienced management team





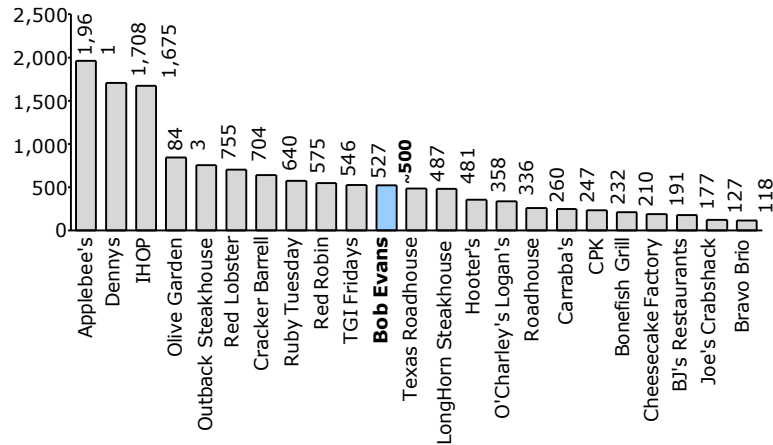
Concept Overview



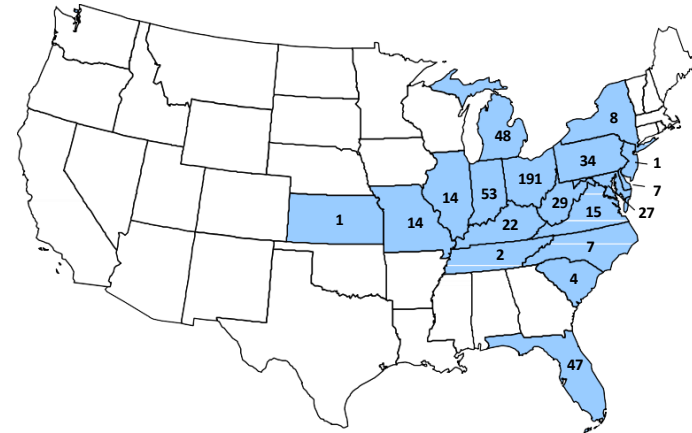
Bob Evans Restaurants is a scale, strong brand with approximately 500 locations.

Significant Scale

North America Units

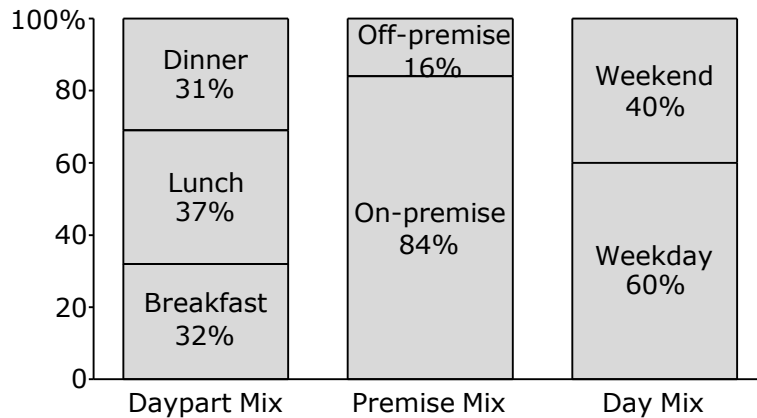


Strong Real Estate Footprint



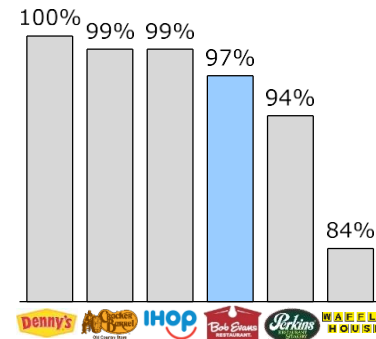
Diversified Revenue Stream

% of Revenue

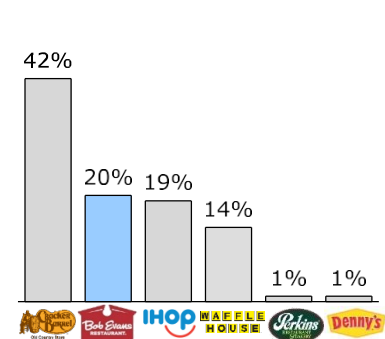


Iconic Brand

Brand Awareness



Net Promoter Score



Case Study: GGC's Red Lobster Investment Thesis and Results



The Bob Evans transaction fits directly into GGC's investment strategy and is very similar to GGC's acquisition of Red Lobster. Under GGC ownership Red Lobster has increased sales and margins through similar "playbook" planned for Bob Evans.



Strong Scale Platform



✓
(700+ locations)



✓
(~500 locations)

Leading Brand Awareness



(Loyal customer following with high perception across both brands)



Undermanaged but fixable asset



(Negative trends turned positive, higher margins)



(Similar thesis)

Attractive Real Estate



(Healthy real estate portfolio, recently remodeled)



(Strong asset coverage from owned real estate, recently remodeled)

Strong History of Performance



Identifiable Profit Opportunities



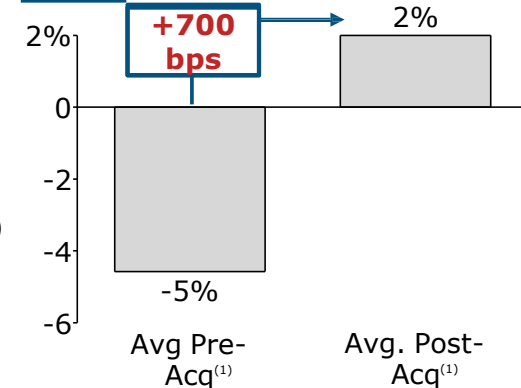
(Multiple avenues of cost and sales upside)



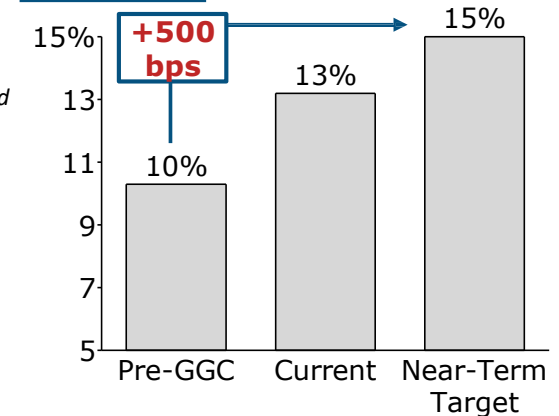
(Multiple avenues of cost, sales and new unit opportunities)

RL Results Since Close

SSS %

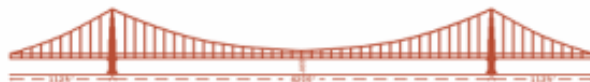


EBITDAR %





About Golden Gate Capital



GOLDEN GATE CAPITAL

- Golden Gate Capital (GGC) is a San Francisco-based Private Equity firm with over \$15 billion of capital under management.
- GGC has been one of the most active acquirers of multi-unit restaurant and retail companies.
 - Over the past 10 years, GGC has invested in restaurant and retail companies with annual revenues in excess of \$15 billion.
- GGC's investors include leading educational endowments, non-profit foundations, and selected entrepreneurs and managers.
- Investment approach is to partner with strong management teams to acquire strong, established brands with an opportunity to grow earnings through better execution, productivity improvements and unit growth.
- Excellent track record with acquiring and growing divisions of corporations.

Select Restaurant Investments

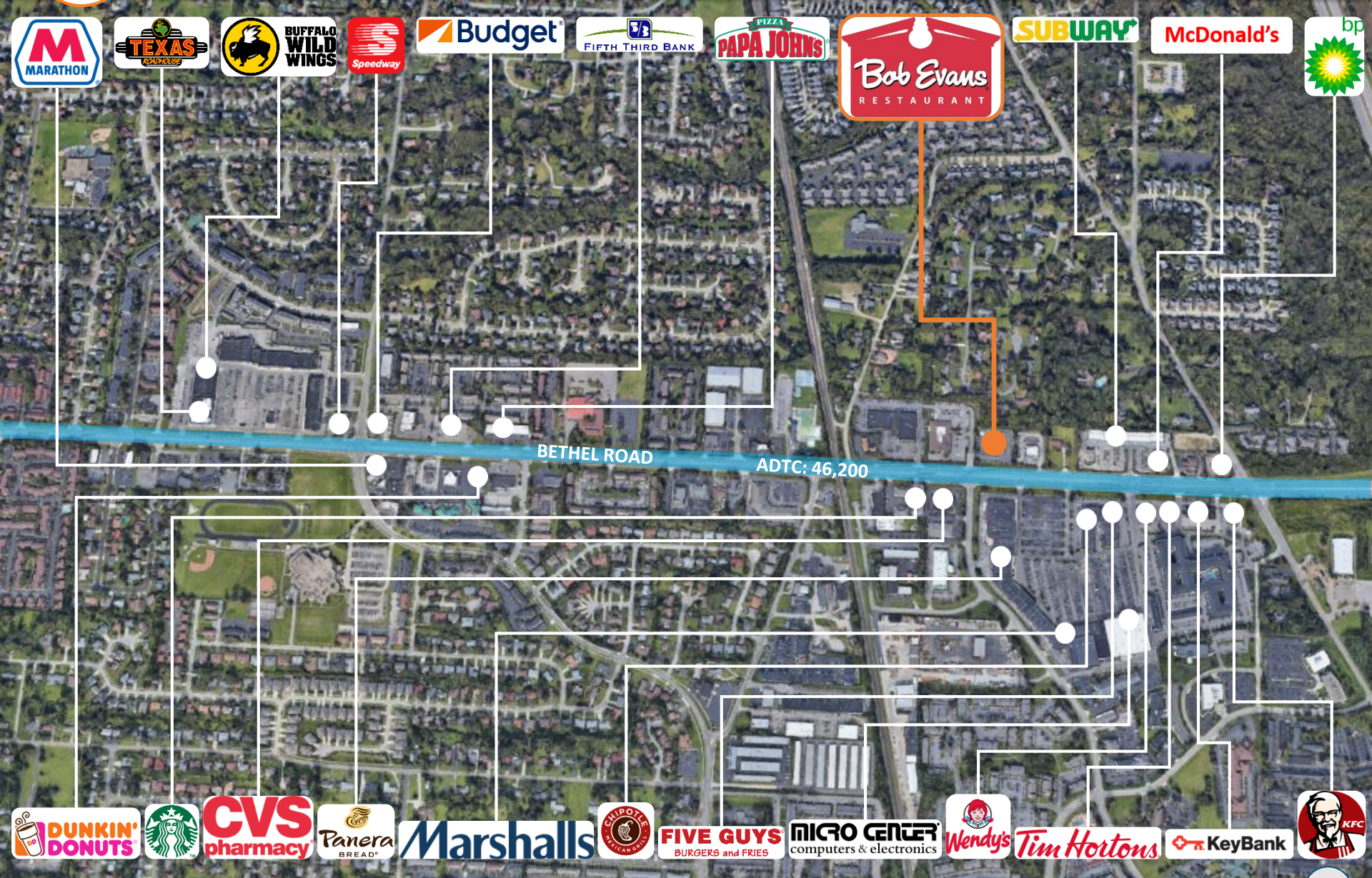
Restaurant Private Equity Investments





Surrounding Area

Property Address: 900 Bethel Road, Columbus, OH 43214





Property Photo

Property Address: 900 Bethel Road, Columbus, OH 43214



Actual Site



Surrounding Area Photos

Property Address: 900 Bethel Road, Columbus, OH 43214





Surrounding Area Photos

Property Address: 900 Bethel Road, Columbus, OH 43214





Location Overview

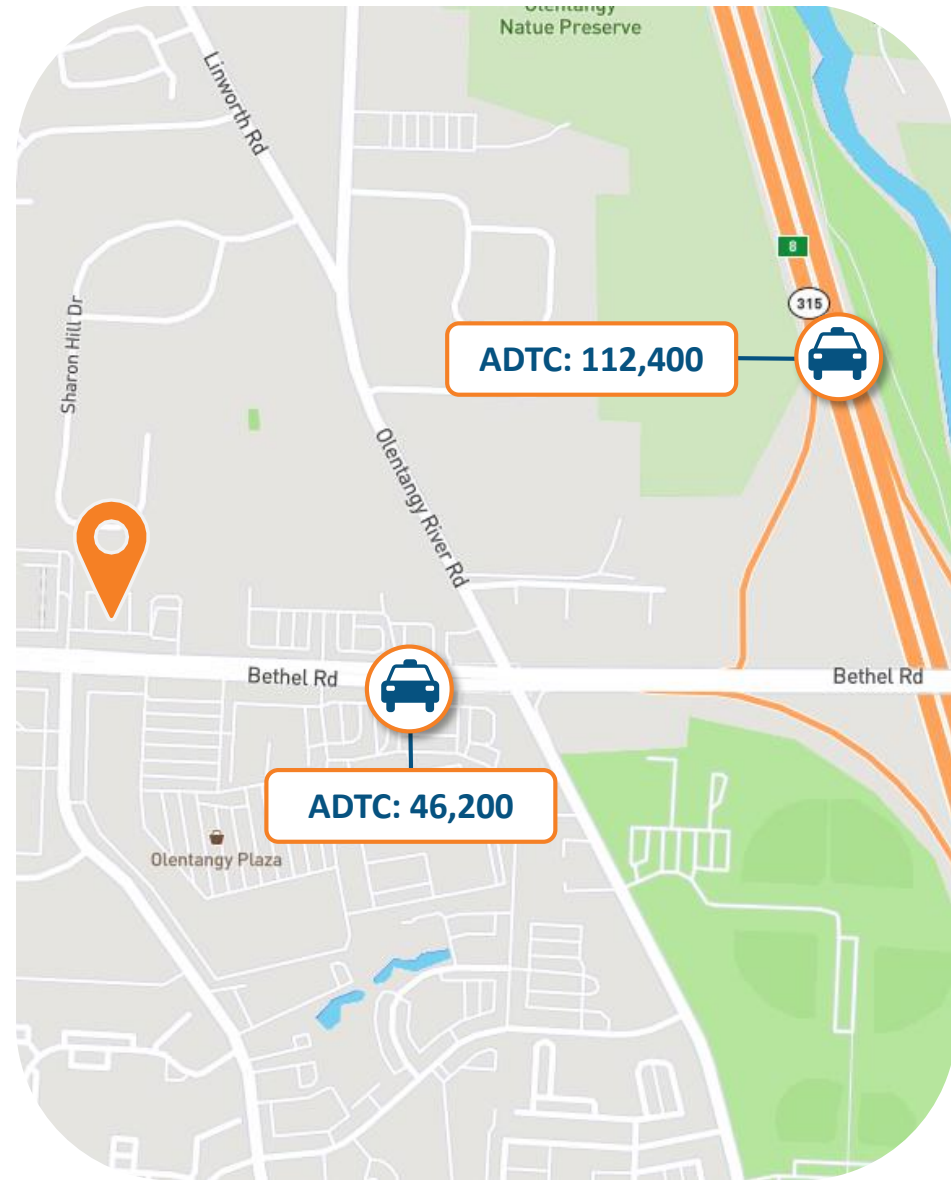
Property Address: 900 Bethel Road, Columbus, OH 43214



The subject investment property is strategically situated on Bethel Road, surrounded by several nationally recognized tenants and is located across the street from a major retail center anchored by Marshalls. Bethel Road has average daily traffic counts of 46,200 vehicles. Additionally, Bethel Road is within immediate proximity to Olentangy Highway, which brings in an additional 112,400 vehicles per day. Within an immediate three-mile radius is an affluent suburban community with average household incomes exceeding \$98,439. There are more than 100,890 individuals residing within a three-mile radius of the site and more than 324,092 individuals residing within a five-mile radius.

This Bob Evans benefits from being well-positioned in a highly dense retail corridor that features national and local tenants. Major national tenants in the immediate area include: Marshalls, CVS Pharmacy, Marathon Gas, BP, McDonald's, Five Guys Buffalo Wild Wings, Texas Roadhouse, in addition to many others. The subject property is located within a five-mile radius of The Ohio State University, which boasts a total enrollment exceeding 66,400 students. Additionally, the subject property is situated approximately six miles away from Ohio Stadium, which is home to The Ohio State University Buckeyes and has a seating capacity of 102,082 fans. Since the opening game against Ohio Wesleyan on Oct. 7, 1922, more than 36 million fans have streamed through the stadium's portals.

Columbus is the capital of and the largest city in the state of Ohio with a population of over 860,000. It is also the 14th largest city in the United States. The city has a diverse economy based on education, government, insurance, banking, fashion, defense, aviation, food, clothes, logistics, steel, energy, medical research, health care, hospitality, retail, and technology. Columbus is home to the Battelle Memorial Institute, the world's largest private research and development foundation; Chemical Abstracts Service, the world's largest clearinghouse of chemical information; and NetJets, the world's largest fractional ownership jet aircraft fleet. Columbus is also home to The Ohio State University, one of the largest college campuses in the United States, with approximately 65,000 students and over 6,200 faculty, and one of the most competitive intercollegiate programs in the nation. Things to do in Columbus range from professional sports to some of the nation's best live music venues. Shadbox Live, MadLab Theatre, and The Ohio Theater, are just a few places in Columbus regularly hosting live music.

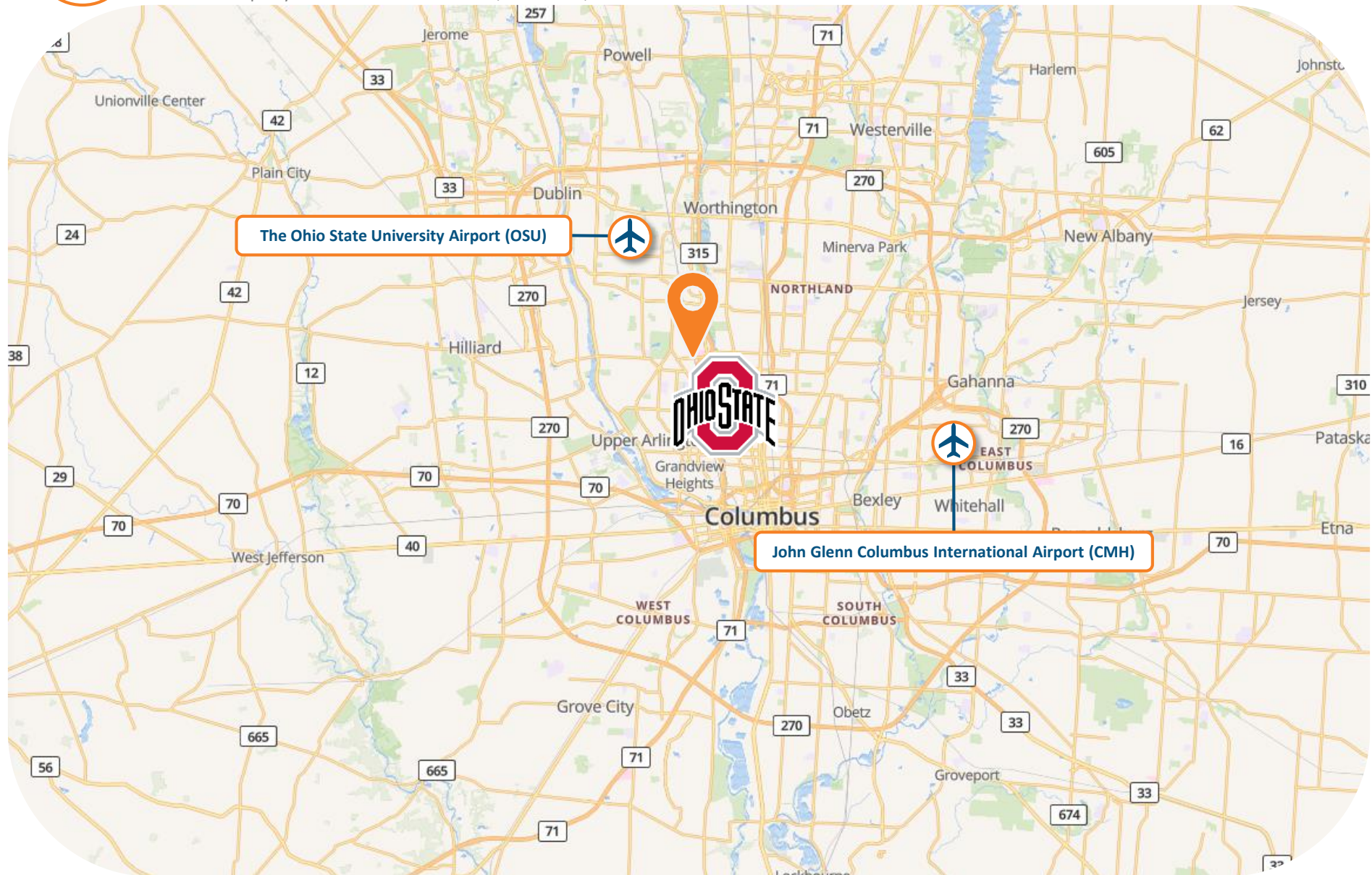




Local Map



Property Address: 900 Bethel Road, Columbus, OH 43214





Regional Map

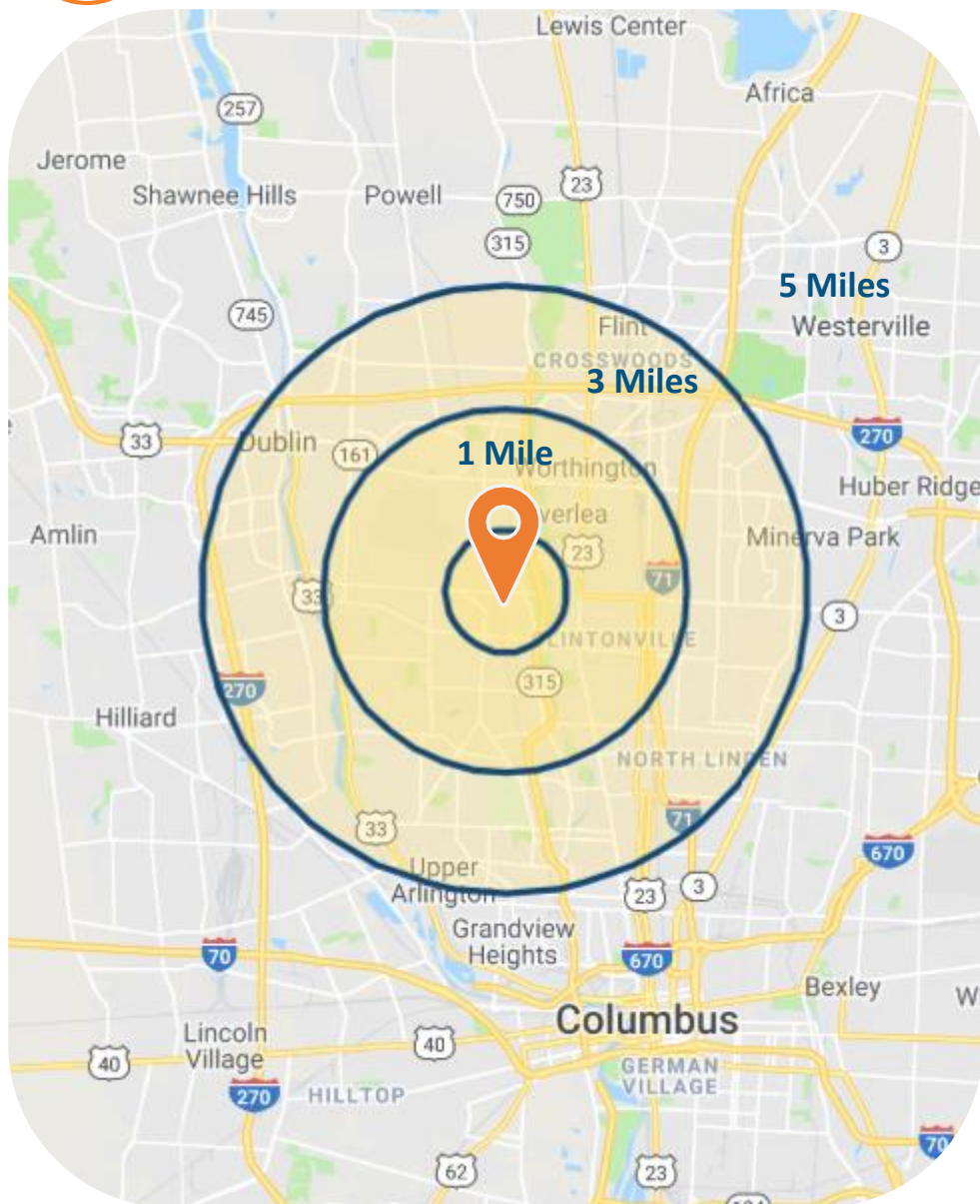
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Demographics

Property Address: 900 Bethel Road, Columbus, OH 43214



POPULATION

	1 Mile	3 Miles	5 Miles
2023 Projection	13,850	101,037	325,696
2018 Estimate	13,703	100,890	324,092
2010 Census	12,434	95,207	302,903
2000 Census	12,543	96,022	300,621

INCOME

	1 Mile	3 Miles	5 Miles
Average	\$72,746	\$98,439	\$87,403
Median	\$52,568	\$70,537	\$61,558
Per Capita	\$38,439	\$46,612	\$37,945

HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2023 Projection	7,290	48,016	141,408
2018 Estimate	7,203	47,660	139,338
2010 Census	6,490	44,690	129,429
2000 Census	6,533	44,970	129,231

HOUSING

	1 Mile	3 Miles	5 Miles
2018	\$216,625	\$238,788	\$212,220

EMPLOYMENT

	1 Mile	3 Miles	5 Miles
2018 Daytime Population	13,773	106,319	408,838
2018 Unemployment	3.06%	3.00%	3.93%
2018 Median Time Traveled	22 Mins	22 Mins	22 Mins

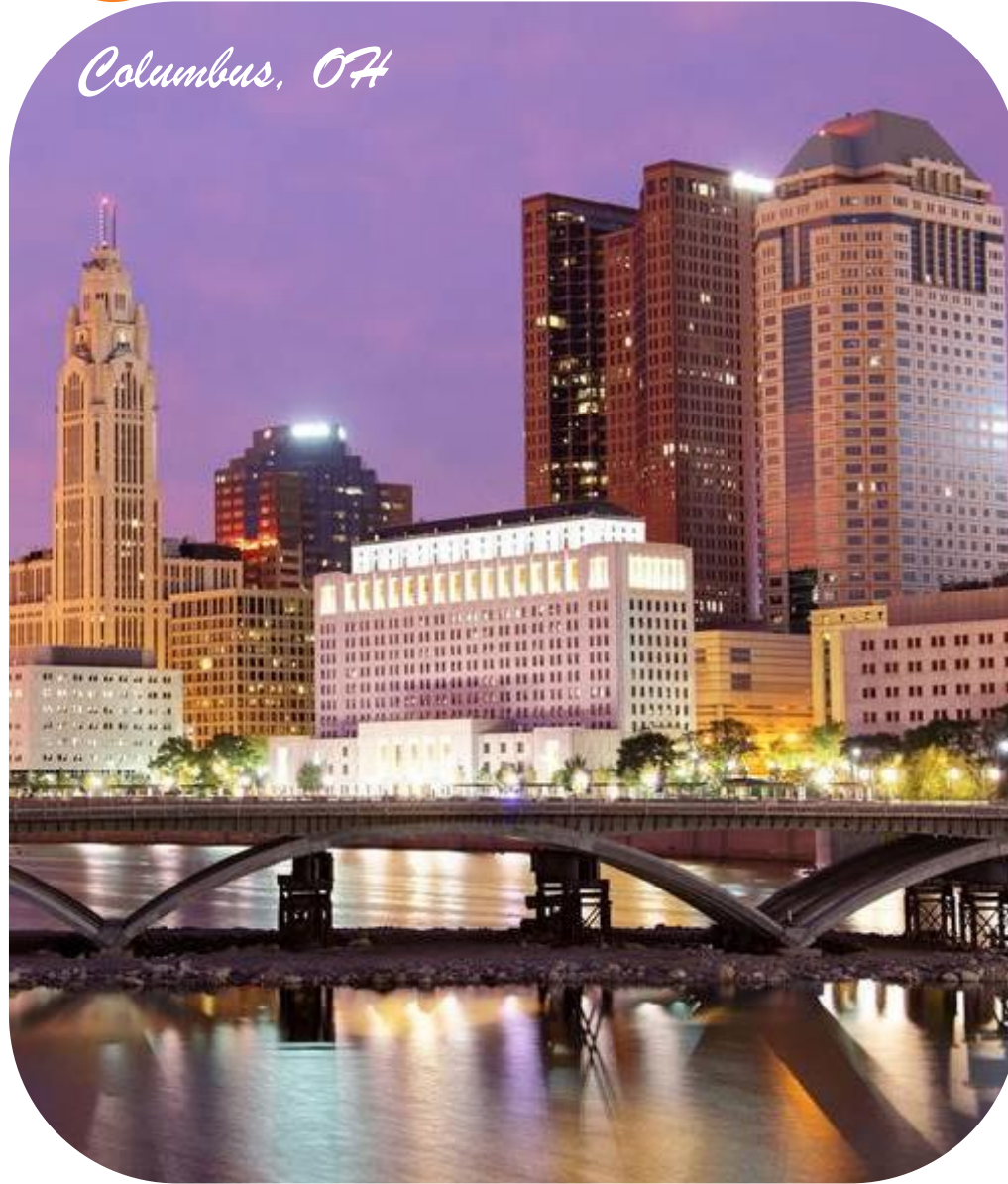
RACE & ETHNICITY

	1 Mile	3 Miles	5 Miles
White	76.35%	80.79%	72.74%
Native American	0.04%	0.02%	0.03%
African American	7.90%	6.06%	13.97%
Asian/Pacific Islander	10.46%	8.53%	7.70%



Market Overview

Columbus, OH



Columbus is the state capital of, and the most populous city in, the U.S. state of Ohio. With a population of roughly 900,000 as of 2017 estimates, it is the 14th-most populous city in the United States and one of the fastest growing large cities in the nation. This makes Columbus the third-most populous state capital in the US and the second-most populous city in the Midwest (after Chicago, Illinois). It is the core city of the Columbus, OH Metropolitan Statistical Area, which encompasses ten counties. With a population of nearly 2,100,000, it is Ohio's second-largest metropolitan area. Columbus is the county seat of Franklin County. The city has a diverse economy based on education, government, insurance, banking, defense, aviation, food, clothes, logistics, steel, energy, medical research, health care, hospitality, retail, and technology. Columbus is home to the Battelle Memorial Institute, the world's largest private research and development foundation; Chemical Abstracts Service, the world's largest clearinghouse of chemical information; NetJets, the world's largest fractional ownership jet aircraft fleet; and The Ohio State University, one of the largest universities in the United States. As of 2013, the city has the headquarters of five corporations in the U.S. Fortune 500: Nationwide Mutual Insurance Company, American Electric Power, L Brands, Big Lots, and Cardinal Health. The food service corporations Wendy's, Bob Evans, Max & Erma's, and White Castle and the nationally known companies Red Roof Inn, Rogue Fitness, and Safelite are also based in the metropolitan area.

Major Employers

Employer	Estimated # of Employees
Ohio State Wexner Medical Center	11,164
Safelite Solutions LLC	3,500
Vertiv	3,100
Worthington Industries Incorporated	2,400
Facilities Operation and Development	2,000
Wendys	1,996
Police-Precinct-3&17	1,800
Safelite Autoglass	1,738
Kroger	1,577
Ohio State University	1,447



Marcus & Millichap

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