



ACTUAL SITE

## APPLEBEE'S GRILL + BAR

1802 SOUTH WEST AVENUE  
FREEPORT, ILLINOIS 61032

## OFFERING MEMORANDUM

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In Association with Illinois Designated Broker:  
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**CIA**  
commercial  
investment  
advisors

# INVESTMENT OVERVIEW

APPLEBEE'S GRILL + BAR  
FREEPORT, ILLINOIS

NAME	APPLEBEE'S GRILL + BAR
LOCATION	1802 South West Avenue Freeport, Illinois 61032
MAJOR CROSS STREETS	On S West Ave, South of W Carl Sandburg Dr
TENANT	THE BLOOMIN' APPLE, LLC
GUARANTOR	HEARTLAND APPLE, INC.
PURCHASE PRICE	\$2,991,000
CAP RATE	7.30%
ANNUAL RENT	\$218,346
GROSS LEASEABLE AREA	4,260 SF
RENTAL ESCALATIONS	Lesser of 1.25X of CPI or 2% Annually
LEASE TYPE	Absolute NNN
OWNERSHIP	(Building & Land) Fee Simple
YEAR BUILT   REMODELED	1993   2013
LOT SIZE	±0.823 Acre
LEASE EXPIRATION	August 31, 2030
OPTIONS	Five 2-Year Renewal Options

## POINTS OF INTEREST

**RETAIL | SHOPPING:** Pad site to a JCPenney Anchored Shopping Center (Maurices, Shoe Sensation, Anytime Fitness, Cricket Wireless, Rent-A-Center); nearby retailers include Walmart Supercenter, Menards, Blain's Farm & Fleet, Harbor Freight Tools, Aaron's, ALDI, Cub Foods, JOANN Fabrics, Dollar Tree, Family Dollar, Dollar General, Goodwill, Save-A-Lot, Hibbett Sports, Shoe Carnival, Walgreens, CVS Pharmacy

**HIGHER EDUCATION:** 3 miles from Highland Community College (a public college offering over 60 degrees and certificate programs with total enrollment of 6,043)

**HEALTH CARE:** Less than 2 miles from FHN Memorial Hospital (a 100-bed public non-profit hospital)

## INVESTMENT HIGHLIGHTS

### LEASE

11 Years Remaining on 15-Year Absolute NNN Lease with Lesser of 1.25X of CPI or 2% Rental Escalations Annually

### TENANT/LEASE GUARANTOR

The Bloomin' Apple, LLC/Heartland Apple, LLC – Combined Back the Performance of This Lease and Operate a Total of 19 Applebee's Locations in the Midwest

### TRAFFIC COUNTS

Great Visibility on S West Ave where Traffic Counts Exceed 15,220 CPD!

### 2019 DEMOGRAPHICS

Total Population (5-MI): 27,325 | Average Household Income (1-MI): \$54,518





# FINANCIAL ANALYSIS

## SUMMARY

TENANT	The Bloomin' Apple, LLC
GUARANTOR	Heartland Apple, Inc.
PURCHASE PRICE	\$2,991,000
CAP RATE	7.30%
GROSS LEASABLE AREA	4,260 SF
LEASE STARTS	September 1, 2015
LEASE ENDS	August 31, 2030
YEAR BUILT   REMODELED	1993   2013
LOT SIZE	±0.823 Acre
EXPENSE REIMBURSEMENT	This is an <b>Absolute NNN lease</b> . Tenant is responsible for all expenses.
OPTIONS	Five 2-Year Renewal Options
FINANCING	All Cash or Buyer to obtain new financing at Close of Escrow.

## ANNUALIZED OPERATING DATA

LEASE STARTS	LEASE ENDS	ANNUAL BASE RENT	ANNUAL INVESTOR RETURN	RENTAL INCREASES
09/01/19	08/31/20	\$218,346	7.30%	Existing
09/01/20	08/31/21	\$222,713	7.45%	2.00%
09/01/21	08/31/22	\$227,167	7.60%	2.00%
09/01/22	08/31/23	\$231,711	7.75%	2.00%
09/01/23	08/31/24	\$236,345	7.90%	2.00%
09/01/24	08/31/25	\$241,072	8.06%	2.00%
09/01/25	08/31/26	\$245,893	8.22%	2.00%
09/01/26	08/31/27	\$250,811	8.39%	2.00%
09/01/27	08/31/28	\$255,827	8.55%	2.00%
09/01/28	08/31/29	\$260,944	8.72%	2.00%
09/01/29	08/31/30	\$266,163	8.90%	2.00%

\* AVERAGE BLENDED RETURN: 8.08%

\* Assumes 2% Annual Escalations

# TENANT OVERVIEW



**Applebee's** started in 1980 in Atlanta, Georgia with the same philosophy they embody today – Eatin' Good in the Neighborhood. Applebee's is a neighborhood restaurant where family and friends gather to enjoy delicious food at a great value. Applebee's welcomes people of all ages and lifestyles with our fun, family-friendly atmosphere and signature bar and grill menu that combines simple, craveable American fare, classic drinks and local drafts.

As one of the world's largest casual dining brands, **Applebee's has almost 2,000 restaurants and a presence in all 50 states, Puerto Rico, Guam and 14 other countries.** The Applebee's concept focuses on casual dining, with mainstream American dishes such as salads, chicken, pasta, burgers, and "riblets" (which is considered Applebee's signature dish).

<https://www.applebees.com/en>

## ABOUT THE TENANT / LEASE GUARANTOR

**The Bloomin' Apple, LLC (TBA)/Heartland Apple, Inc.** is an Applebee's franchisee with restaurants located in the Midwestern United States. The company was founded in 1997 and has 19 total locations (16 of which are in Illinois). TBA has won numerous Applebee's system awards and other restaurant industry recognition awards including: Best Customer Service in 2001, 2002, and 2010, Operational Excellence Award in 2011, and Franchise Times Magazine's top 200 in 2004, 2006, 2007, 2008.

## THE PARENT COMPANY

TYPE	PUBLIC
TRADED AS	NYSE: DIN
INDUSTRY	RESTAURANTS – FOOD SERVICE
# OF LOCATIONS	2,000+

<https://www.dinebrands.com/en>

Established in 2007, DINE brings together Applebee's (established in 1980) and IHOP (founded in 1958), celebrating and supporting each brand's individuality, and leveraging their nearly 100 years of hospitality experience and expertise so that guests feel welcome, satisfied and eager to return, every visit, every restaurant, every time.

Market Summary > Dine Brands Global Inc  
NYSE: DIN

76.74 USD +1.11 (1.47%) ↑  
Closed: Aug 16, 4:11 PM EDT · Disclaimer  
After hours 77.07 +0.33 (0.43%)





# SURVEY



LOT SIZE  
±0.823 Acre

GLA  
4,260 SF

APPLEBEE'S GRILL + BAR | FREEPORT, ILLINOIS





APPLEBEE'S GRILL + BAR | FREEPORT, ILLINOIS



# AERIAL ZOOMED OUT



**CARL SANDBURG  
MIDDLE SCHOOL**  
486 STUDENTS



**FREEPORT  
HIGH SCHOOL**  
1,178 STUDENTS



**FREEPORT  
MIDDLE SCHOOL**  
686 STUDENTS



**HIGHLAND  
COMMUNITY COLLEGE**  
6,043 STUDENTS

W EMPIRE ST



S WEST AVE



APPLEBEE'S GRILL + BAR | FREEPORT, ILLINOIS



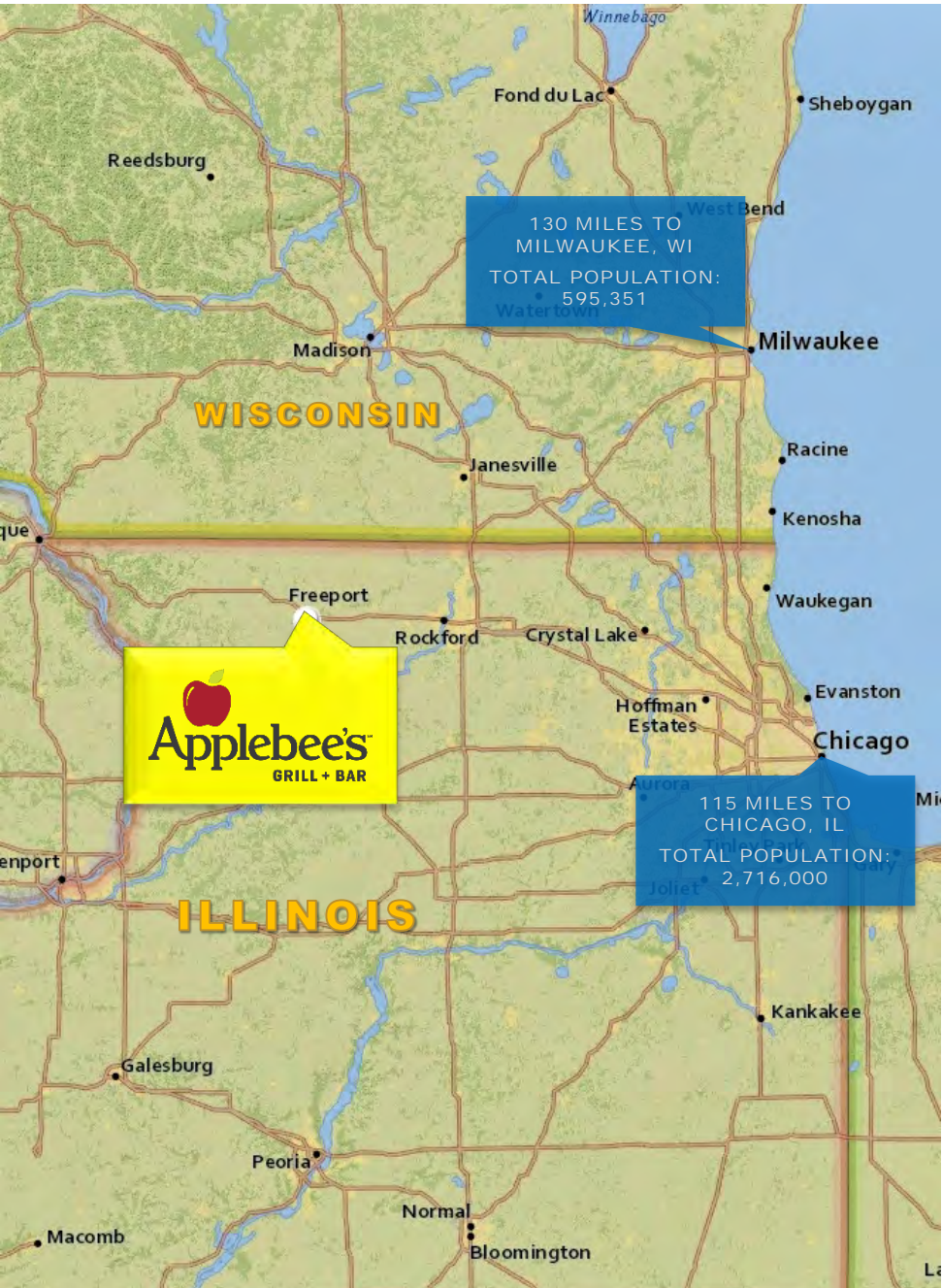
# AERIAL CITY VIEW



APPLEBEE'S GRILL + BAR | FREEPORT, ILLINOIS



# LOCATION OVERVIEW




**Freeport** is the county seat and largest city of Stephenson County, Illinois. Freeport is known for hosting the second Lincoln-Douglas debate of 1858, and as "Pretzel City, USA", due to the convoluted manner in which the streets were laid out in its early history. Freeport is located approximately 20 miles south of the Wisconsin state line, and at the center of a large agricultural area, located about 115 miles northwest of Chicago, and 25 miles west of Rockford.

FHN Memorial Hospital is part of the FHN healthcare system that serves all across northwest Illinois. An average of 1,500 people visit FHN each day for their healthcare needs. FHN is the only healthcare provider in our service area that offers affiliations with all three major hospitals in Rockford, Illinois, as well as with the University of Wisconsin Hospital and Clinics in Madison, Wisconsin. The hospital is the cities largest employer with 1,280 employees, 77 on-staff physicians and 100 beds for patients.

Highland Community College is a public community college in Freeport, Illinois. The college is recognized by the Illinois Community College Board and accredited by the Higher Learning Commission. Highland is located in Freeport, Illinois on 140 acres. There are seven buildings on the campus, which are mainly used for classes. The college's sports complex is also the local YMCA, to which Highland's students carrying more than six credit hours per semester receive a free membership. Total enrollment is 6,043 students with an academic staff of 190.

Berner Food & Beverage is the leading U.S. producer of private label shelf stable dips, sauces, aerosol cheese, milk-based ready-to-drink coffee, and functional beverages. Berner is one of Freeport's largest employers with over 800 employees. Berner has been in the business of providing great solutions for retailers and wholesalers for over 70 years. It helps retailers grow market share, differentiate themselves from their competition, and widen profitability with private label brands in a variety of tiers, including entry level, national brand equivalent, premium, super premium and organic offerings.

	2019 DEMOGRAPHICS		
	1-MI	3-MI	5-MI
TOTAL POPULATION	4,213	24,880	27,325
DAYTIME POPULATION	3,967	21,639	24,154
AVERAGE HOUSEHOLD INCOME	\$54,518	\$51,807	\$53,845



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