

BOB EVANS

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



5903 Brookhill Boulevard, Sarasota, FL 34232

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Investment Highlights

PRICE: \$3,850,247 | CAP: 4.85% | RENT: \$186,737

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 | Positioned at the Hard-Corner of a Busy Signalized Intersection Just Off of I-75 on 1.69 Acres Adjacent to Lowe's
- ✓ Heavily Trafficked Area | Just Off Fruitville Rd and an Exit for I-75 | More than 50,000 and 110,000 Vehicles Per Day, Respectively
- ✓ Dense Retail Corridor | Lowe's, Sam's Club, Publix, Winn Dixie, Target, Office Depot, Dollar Tree, McDonald's, Chick-fil-A, Burger King, Taco Bell, Starbucks, Dunkin' Donuts, Chipotle, Five Guys, Longhorn Steakhouse, 7-Eleven, and Many More
- ✓ Affluent Suburban Community | Average Household Income Exceeds \$82,000 within a Three-Mile Radius
- ✓ Less than 10 Miles from Sarasota-Bradenton International Airport | More than 1.37 Million Passengers Served in 2018
- ✓ Favorable Business Climate | No State-Level Income Tax in Florida
- ✓ Approximately 12 Miles from Siesta Key Beach | America's No. 1 Beach and the No. 5 Beach in the World According to TripAdvisor

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: \$3,850,247 | CAP: 4.85% | RENT: \$186,737



PROPERTY DESCRIPTION	
Property	Bob Evans
Property Address	5903 Brookhill Boulevard
City, State, ZIP	Sarasota, FL 34232
Year Built / Renovated	2003 / 2013
Building Size (Square Feet)	5,413
Lot Size	+/- 1.69 Acres
Type of Ownership	Fee Simple
THE OFFERING	
Purchase Price	\$3,850,247
CAP Rate	4.85%
Annual Rent	\$186,737
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	\$183,075	\$15,256	2.00%
Year 4	\$186,737	\$15,561	2.00%
Year 5	\$190,472	\$15,873	2.00%
Year 6	\$194,281	\$16,190	2.00%
Year 7	\$198,167	\$16,514	2.00%
Year 8	\$202,130	\$16,844	2.00%
Year 9	\$206,173	\$17,181	2.00%
Year 10	\$210,296	\$17,525	2.00%
Year 11	\$214,502	\$17,875	2.00%
Year 12	\$218,792	\$18,233	2.00%
Year 13	\$223,168	\$18,597	2.00%
Year 14	\$227,631	\$18,969	2.00%
Year 15	\$232,184	\$19,349	2.00%
Year 16	\$236,828	\$19,736	2.00%
Year 17	\$241,564	\$20,130	2.00%
Year 18	\$246,396	\$20,533	2.00%
Year 19	\$251,323	\$20,944	2.00%
Year 20	\$256,350	\$21,362	2.00%

*Current Rent is \$183,075; 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 5903 Brookhill Boulevard in Sarasota, Florida. The property consists of 5,413 square feet of building space and is situated on approximately 1.69 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 \$183,075, increasing to \$186,737 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





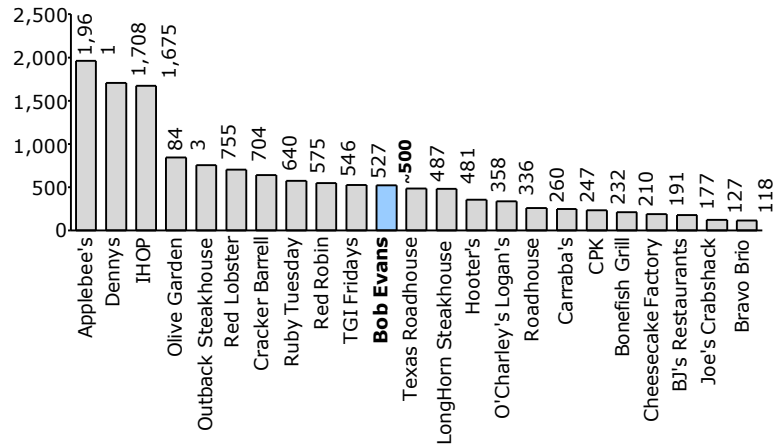
Concept Overview



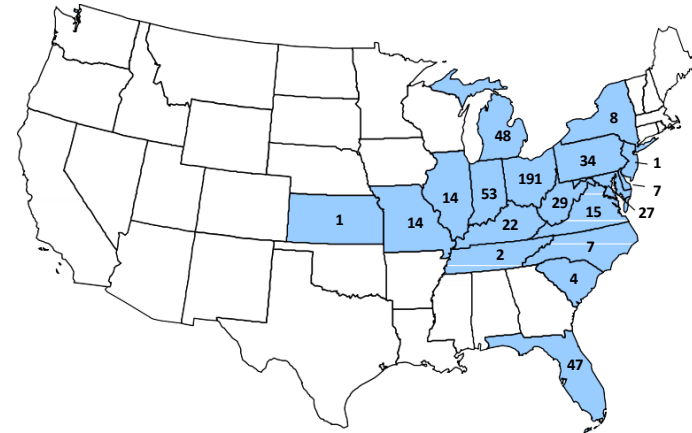
Bob Evans Restaurants is a scale, strong brand with approximately 500 locations.

Significant Scale

North America Units

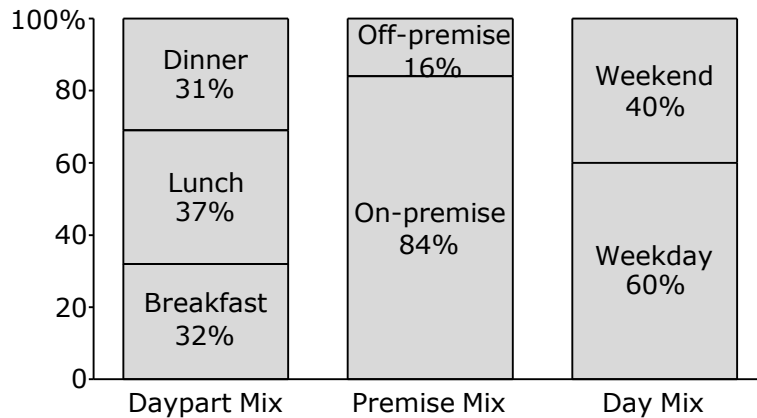


Strong Real Estate Footprint



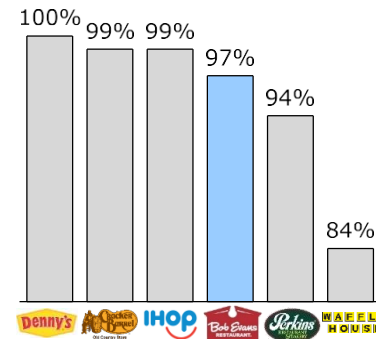
Diversified Revenue Stream

% of Revenue

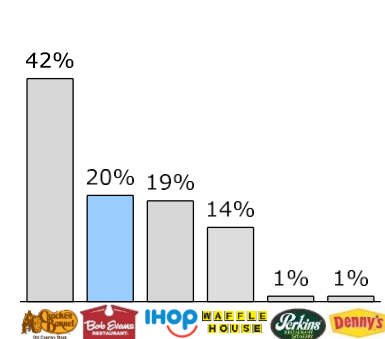


Iconic Brand

Brand Awareness



Net Promoter Score





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

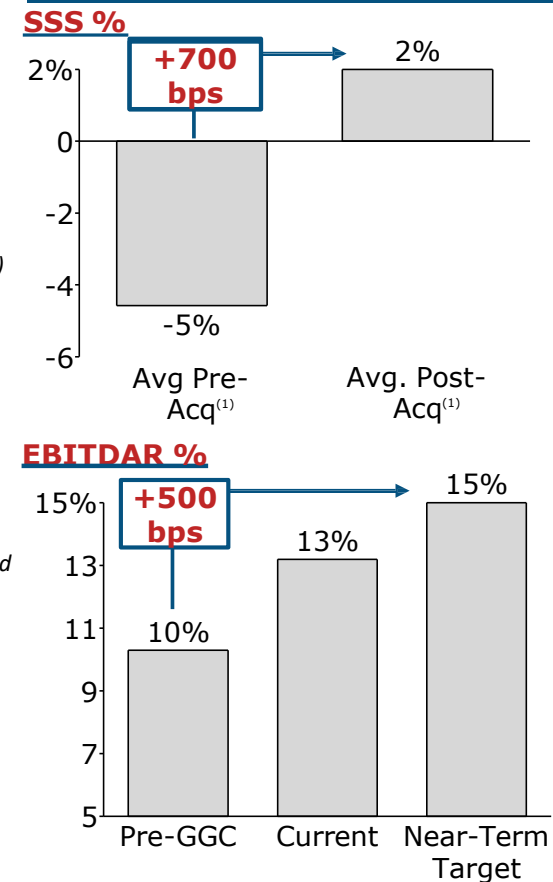


The Bob Evans transaction fits directly into GGC's investment strategy and is very similar to GGC's acquisition of Red Lobster. Under GGC ownership Red Lobster has increased sales and margins through similar "playbook" planned for Bob Evans.



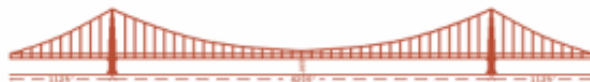
		
Strong Scale Platform	✓ (700+ locations)	✓ (~500 locations)
Leading Brand Awareness	✓ (Loyal customer following with high perception across both brands)	✓
Undermanaged but fixable asset	✓ (Negative trends turned positive, higher margins)	✓ (Similar thesis)
Attractive Real Estate	✓ (Healthy real estate 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 <u>and</u> new unit opportunities)

RL Results Since Close





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: 5903 Brookhill Boulevard, Sarasota, FL 34232



Office DEPOT
Taking Care of Business



Bank of America
Publix



Checkers
BURGERS • FRIES • COLAS



Advance Auto Parts



FIVE GUYS
BURGERS and FRIES



WELLS FARGO



Winn-Dixie



PNC

McIntosh
Middle School
~680 Students

Fruitville Rd



BURGER KING



McDonald's



Aerial Photos

Property Address: 5903 Brookhill Boulevard, Sarasota, FL 34232



Actual Site





Aerial Photos

Property Address: 5903 Brookhill Boulevard, Sarasota, FL 34232





Aerial Photos

Property Address: 5903 Brookhill Boulevard, Sarasota, FL 34232





Surrounding Area Photos

Property Address: 5903 Brookhill Boulevard, Sarasota, FL 34232





Location Overview

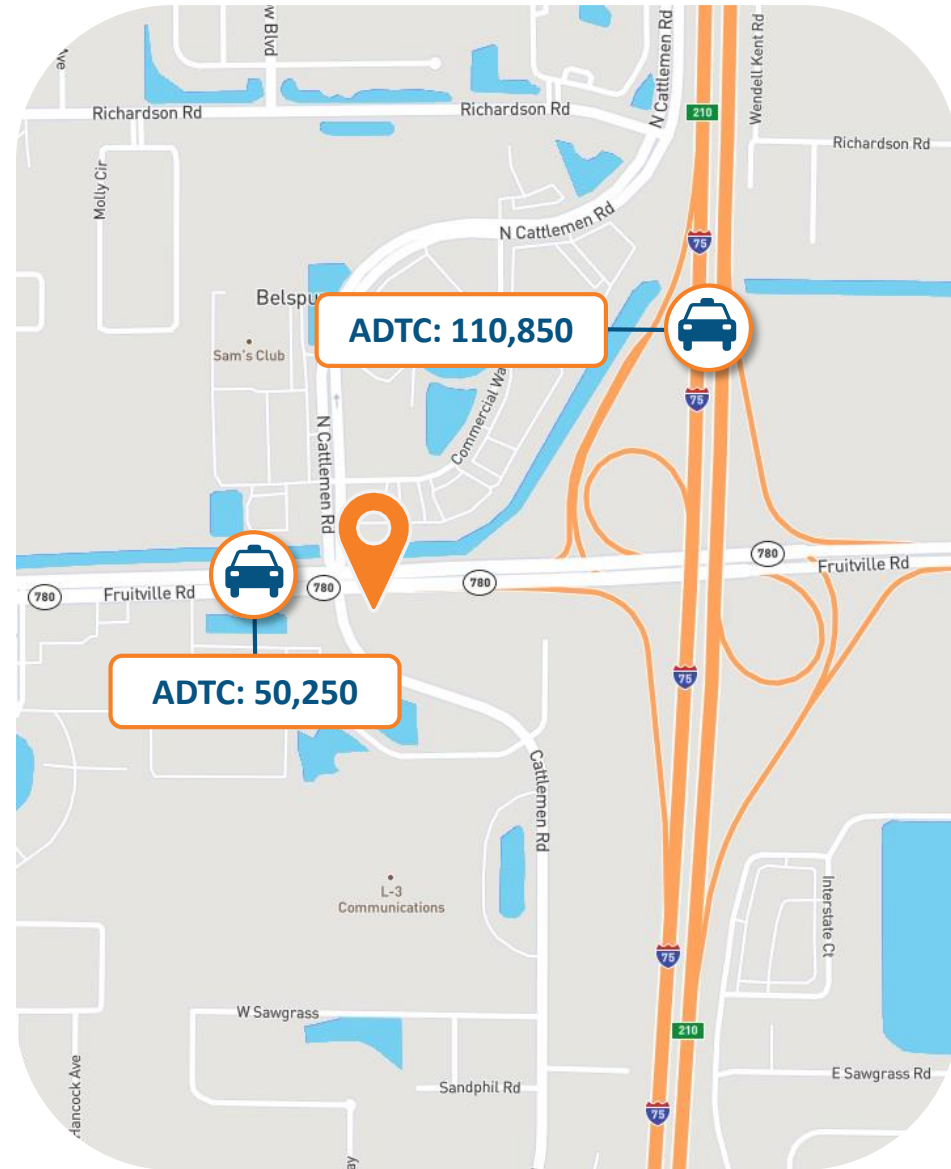
Property Address: 5903 Brookhill Boulevard, Sarasota, FL 34232



This property is strategically situated on Brookhill Boulevard at the hard-corner of a busy signalized intersection just off an exit for Interstate-75 and directly across the street from a Lowe's Home Improvement store. Brookhill Boulevard is located just off Fruitville Road which boasts an average daily traffic count exceeding 50,000 vehicles per day. Fruitville Road intersects with Interstate-75, which brings an additional 110,850 vehicles into the immediate surrounding area per day. Within an immediate three-mile radius is an affluent suburban community with average household income exceeding \$82,000. There are more than 47,000 individuals residing within a three-mile radius of the site and more than 141,000 individuals 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, shopping centers, and major tourist attractions all within close proximity of this property. Major national tenants in the immediate area include: Lowe's, Sam's Club, Publix, Winn Dixie, Target, Office Depot, Dollar Tree, McDonald's, Chick-fil-A, Burger King, Taco Bell, Starbucks, Dunkin' Donuts, Chipotle, Five Guys, Longhorn Steakhouse, 7-Eleven, in addition to many others. Siesta Key Beach, rated the No. 1 beach in the United States and the No. 5 beach in the world by TripAdvisor, is approximately 12 miles west of the subject property. Upwards of 350,000 tourists visit this destination every year. The site is also less than 10 miles from Sarasota-Bradenton International Airport, which served more than 1.37 million passengers in 2018.

Warm temperatures year-round, award-winning beaches and a thriving arts and cultural scene have made Sarasota a major attraction in the state of Florida. This southwest Florida region, which is about an hour from Tampa and two hours from Orlando, continues to attract new residents with great restaurants and plenty of shopping options. Sarasota is a great place for those who enjoy the outdoors. There are a number of parks in downtown Sarasota, not to mention the massive Myakka River State Park. Golf courses also abound. And then, of course, there are the beaches. Siesta Beach has earned acclaim for its white sand and clear water. Lido Beach, just south of St. Armands Circle, is another wide stretch of shoreline that's easy to access. If those get crowded (as they often do), beachgoers opt for Longboat Beach, Venice Beach, Bradenton Beach or the beaches of Anna Maria Island, all of which are a short drive from Sarasota. Sarasota has been ranked #1 Best Place to Live in Florida by U.S. News & World Report, #5 South's Prettiest Cities by Southern Living Magazine, and #2 Best Food Cities by Condé Nast Traveler. The Sarasota Metro area has the ninth-highest growth rate for the millennial population (11% from 2010-2015). Additionally, the North Port-Sarasota-Bradenton region ranked as the country's 10th Fastest-Growing Metropolitan Area according to the US Census Bureau. Florida offers a favorable business climate with no state-level income tax.

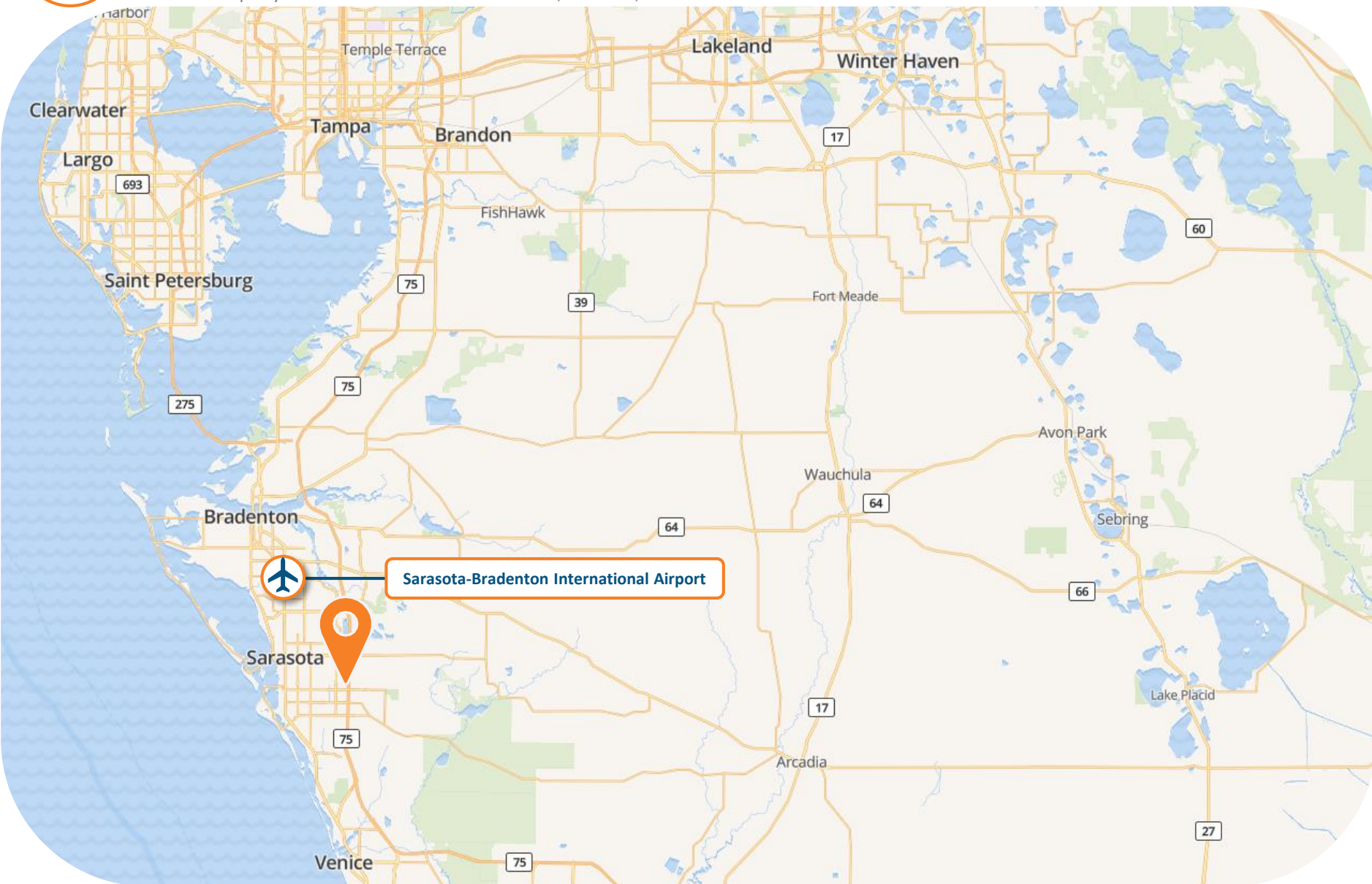




Local Map



Property Address: 5903 Brookhill Boulevard, Sarasota, FL 34232

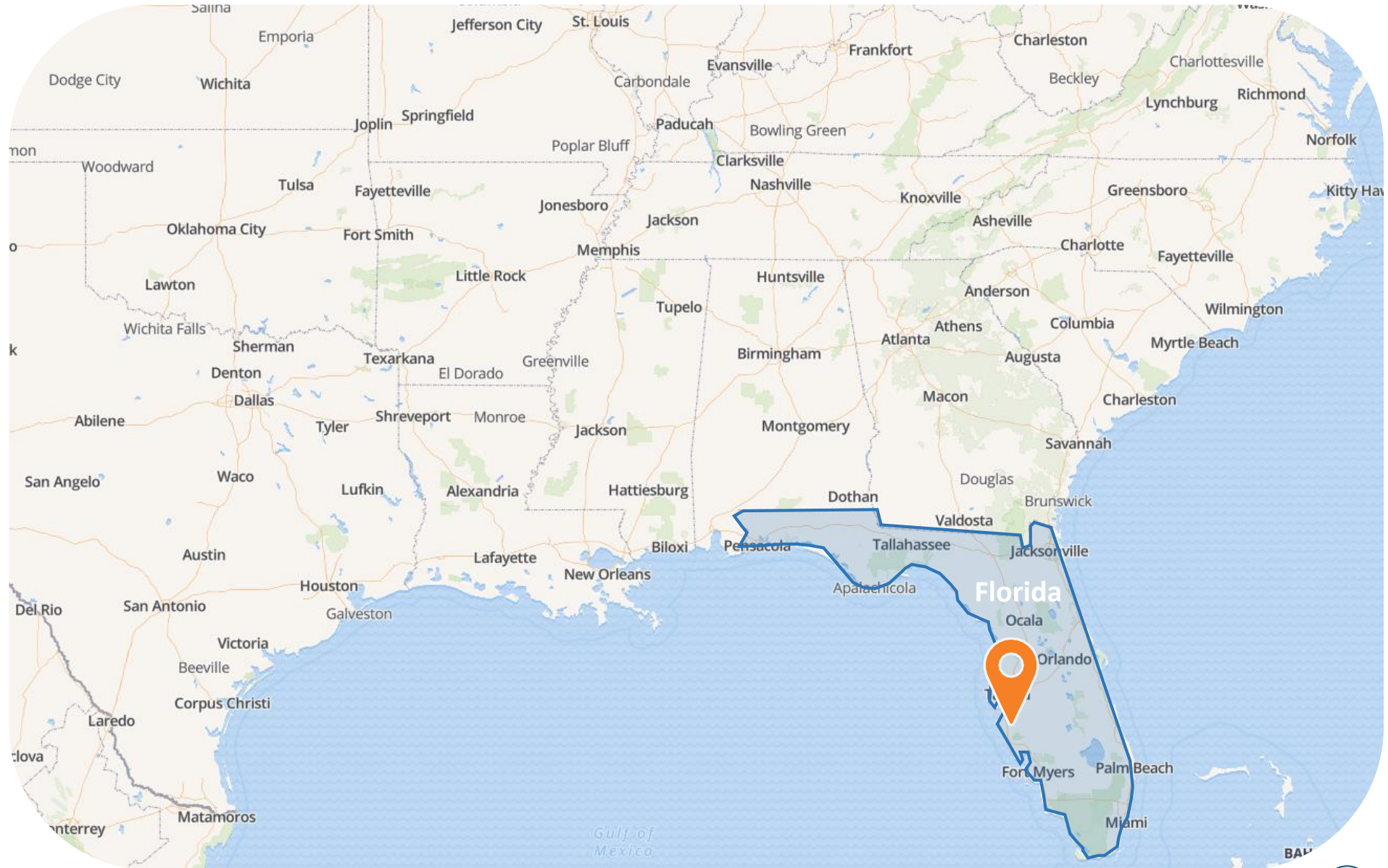




Regional Map



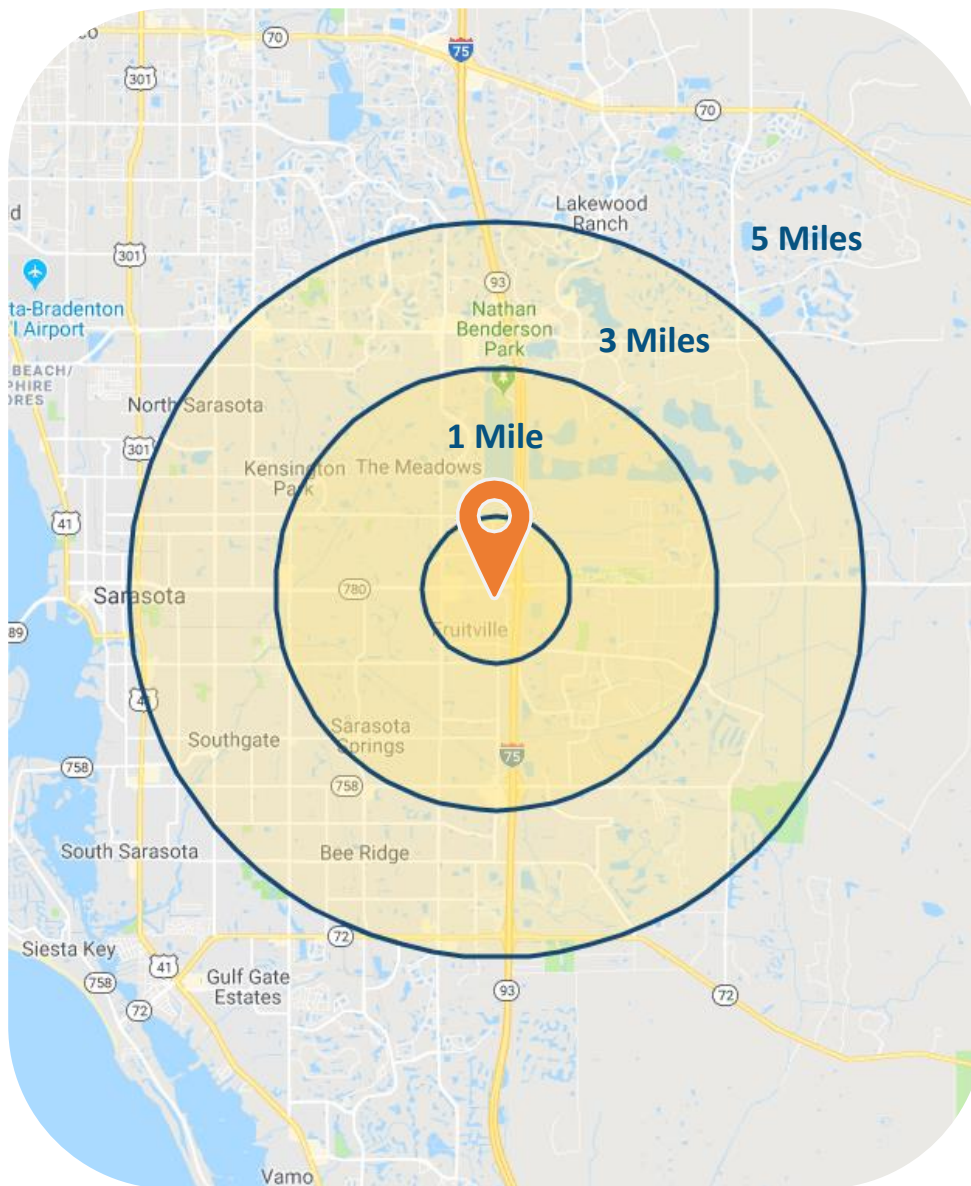
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Demographics

Property Address: 5903 Brookhill Boulevard, Sarasota, FL 34232



POPULATION

	1 Mile	3 Miles	5 Miles
2023 Projection	5,081	50,221	149,970
2018 Estimate	4,485	47,916	141,758
2010 Census	4,104	44,510	131,624
2000 Census	4,777	42,540	120,412

INCOME

Average	\$72,872	\$82,660	\$81,787
Median	\$57,666	\$62,029	\$58,618
Per Capita	\$30,609	\$35,955	\$36,366

HOUSEHOLDS

2023 Projection	2,131	22,050	67,429
2018 Estimate	1,884	20,782	62,800
2010 Census	1,718	19,310	58,112
2000 Census	2,109	17,808	51,773

HOUSING

2018	\$203,612	\$216,541	\$216,590
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EMPLOYMENT

2018 Daytime Population	7,022	46,768	136,960
2018 Unemployment	3.23%	3.52%	3.35%
2018 Median Time Traveled	22 Mins	23 Mins	23 Mins

RACE & ETHNICITY

White	87.58%	90.37%	86.76%
Native American	0.05%	0.02%	0.05%
African American	3.36%	2.37%	4.45%
Asian/Pacific Islander	2.48%	2.17%	2.32%



Market Overview

City: Sarasota | County: Sarasota | State: Florida

Sarasota, Florida

Sarasota

is a city south of Tampa on Florida's Gulf Coast that was once the winter home of the Ringling Brothers Circus. Today, it hosts a number of cultural institutes, notably the Ringling Museum of Art, which showcases old master and modern art. It is also the gateway to miles of beaches with fine sand and shallow water, such as Lido Beach and Siesta Key Beach. In the Sarasota area, you can enjoy breathtaking sunsets, educational museums, operas, ballets, plays, golf tournaments and boat races. You can participate in tennis, lawn bowling, water skiing, shell collecting, bird watching, growing exotic tropical plants, university classes, golf, boating and more.

Sarasota, together with its neighbors to the north and south, Manatee County and Charlotte County, form the seventh-largest market in Florida. It is also Florida's third-fastest growing major market. With over 600,000 people, the Sarasota-Manatee-Charlotte area is one of the largest, most affluent markets in Florida. In the last five years, it has grown four times faster than the national average. The per capita retail sales are almost 20 percent above the national average. It has a strong base of retirement age people, about a third of the population, but the fastest-growing segment of the market is middle-aged adults and their children. The beauty of Sarasota will get your attention on your first visit. If you see Sarasota from the window of an airplane, the colors of the Gulf of Mexico and Sarasota Bay, contrasting with the brilliant white sand of Longboat, Lido, and Siesta beaches, will make you anxious to see more. A rainbow of colors comes from the tall condominiums shining in the sun, the warm tile on the roof and patio of the mansion built by circus magnate John Ringling, the various green hues from the lush, jungle-like vegetation, the flowers that are blooming any month of the year, and the lavender seashell-design of the Van Wezel Performing Arts Hall.

Major Employers

Employer	Estimated # of Employees
County of Sarasota	1,443
KFC	1,243
Alorica Customer Care Inc	1,163
Sarasota County Sheriffs Off	1,000
Dental Care Alliance LLC	982
Informa Usa Inc	825
Gevity Hr	810
Gevity	782
HOSPITAL COPORATION OF AMERICA	632
Family Home Health Services	524
Nursecore Management Svcs LLC	500



Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

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