

*ACTUAL SITE RENDERING
PROPERTY CURRENTLY UNDER CONSTRUCTION
ESTIMATED DATE OF COMPLETION: SEPTEMBER 23, 2019



BLACK BEAR DINER

11981 S STRANG LINE RD.

OLATHE, KS 66062

CBRE | **OFFERING**
MEMORANDUM

EXCLUSIVELY LISTED BY:

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***REPRESENTATIVE PHOTO
PROPERTY CURRENTLY UNDER CONSTRUCTION.
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CBRE

INVESTMENT HIGHLIGHTS

- Black Bear Diner is a fast-growing, community oriented, family dining concept that was founded in 1995 and has since **grown to over 132 locations in 13 U.S. states.**
- This location is currently undergoing a complete renovation to suit Black Bear Diner – **the estimated date of completion is September 23, 2019.**
- The lease structure is **triple net (NNN), with zero landlord responsibilities.** Tenant is responsible for maintaining, repairing, and replacing all aspects of the property, as well as all required insurances, taxes, and utilities.
- The lease will be **brand new with a ten (10) year term once the lease commences.** There will be three (3), five (5) year options.
- The lease **provides for 10% rental increases every five (5) years.**
- There are **232,606 residents located in the five (5) mile demographic ring,** and this area is projected to experience annual growth of 1.05% over the next five (5) years.
- The average household income in the five (5) mile demographic ring is an **affluent \$107,505.**
- Black Bear Diner is situated in Olathe's popular retail corridor with many national retailers including **Target, AMC Theatres, Boot Barn, The Home Depot, ALDI, Chipotle, Marshalls, Michaels and Bed Bath & Beyond, among many others.**
- Black Bear Diner is located right off the I-35 Freeway and W 119th St., **which report combined traffic counts of 138,205 cars per day.** S Strang Line Rd. reports **traffic counts of 21,890 cars per day.**
- This Black Bear Diner location will be the **first to open in the state of Kansas.**
- **Olathe is the county seat of Johnson County, Kansas,** the Greater Kansas City area's most affluent and fastest-growing county.
- Money magazine recently ranked Olathe #11 on its list of the **"100 Best Cities to Live in the United States."** SmartAsset has named Olathe as the **No. 1 livable mid-sized city in the U.S.**
- The subject property is located **19 miles (22 minutes) from Kansas City, MO, the largest city in Missouri, which borders Kansas.**

INVESTMENT SUMMARY

Offering Price	\$2,750,000
Cap Rate	6.00%
Price/SF	\$358.91
Lease Structure	NNN
Current Annual Rent.....	\$165,000
Building GLA	7,662 SF
Lot Size	0.44 acres
Ownership	Fee Simple



TENANT OVERVIEW

About Black Bear Diner

Black Bear Diner, founded in 1995, is a fast-growing, community-oriented, family dining concept that offers a one-of-a-kind experience in a fun, bear-themed atmosphere. Black Bear Diner was born from a desire to bring home-style comfort food classics and personal service back to the dining experience. The brand is strategically growing its national footprint, and as of today operates 132 stores in 13 U.S. States.

Sweeping, colorful, bear-mottled murals give their diners a little more magic. From skiing bears to grape-stomping bears, each carved critter is a reflection of its unique location. They are proud to say that each restaurant features custom artwork from the inside out. The tradition began when co-founder Bob Manley, a sculptor and art enthusiast, wanted a way to show off the sweeping Mt. Shasta landscapes they call home — while making diners feel a little more at home, too. He commissioned the dynamic duo of Steve and Gary Fitzgerald to install one of their masterpieces on the outside of the Mt. Shasta location, and the rest is history.

In 2018, Nation's Restaurant News named Black Bear Diner #9 in the "Top 10 Fastest Growing Chains" category, boasting 22.3% sales growth. They are targeting to add 21-22 of their experiential restaurants annually through franchising and the opening of additional corporate stores.

Black Bear Diner has quickly become one of the top performing "anti-chains" nationwide, known for serving its customers over the top portions of breakfast (served all day), burgers, sandwiches, salads and shakes. Nearly 20 years later, they are still serving up the same genuine experience. Because at Black Bear Diner, they believe that timeless values like quality and personal service are still very much alive.



BLACK BEAR DINER CORPORATE OVERVIEW

Type:	Private
Industry:	Restaurant
Locations:	132
Corporate Headquarters:	Redding, CA

PROPERTY OVERVIEW

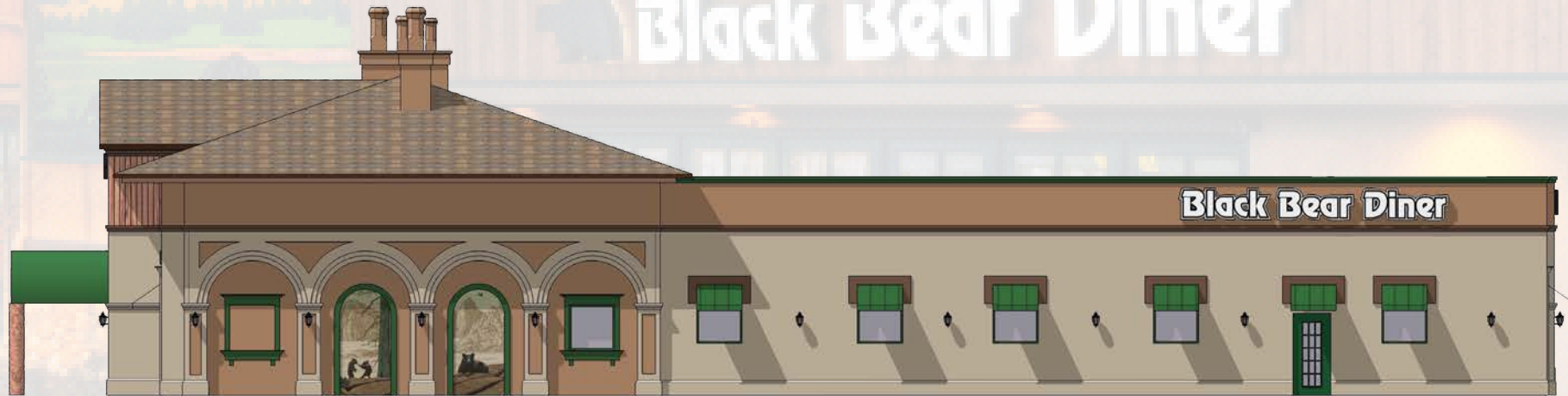


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SOUTH
ELEVATION

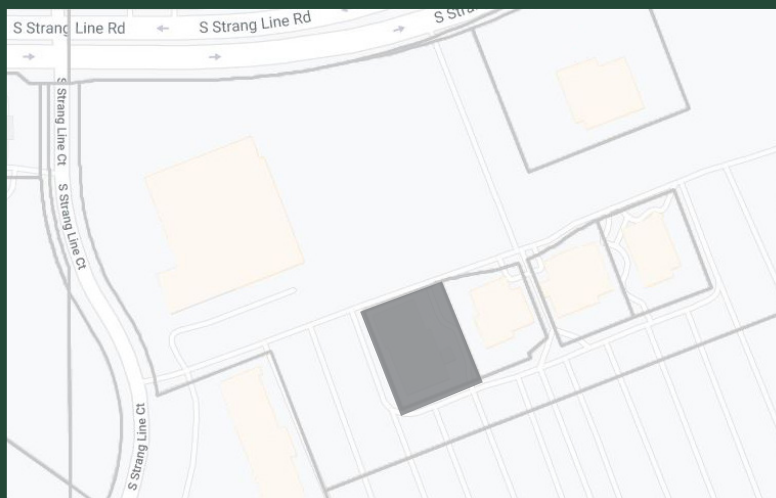
WEST
ELEVATION



EAST
ELEVATION



PROPERTY OVERVIEW



PROPERTY SUMMARY

Price: \$2,750,000

Cap Rate: 6.00%

Address: 11981 S Strang Line Rd.
Olathe, KS 66062

Ownership: Fee Simple

Building GLA: 7,662 SF

Lot Size: 0.44 acres

Year Built/Remodeled: 1998/2019

Parcel Number: DP54370000-0004

LEASE SUMMARY

Tenant: Bear Tracks Holdings, LLC (Corporate)

Date of Lease: November 30, 2018

Rent Commencement: TBD - Estimated September 2019
*earlier of (i) the date tenant opens for business and (ii) 150 days following the delivery date

Lease Expiration: 10 years following commencement

Lease Term: 10.0 years

Term Remaining: 10.0 years

Renewal Options: 3 - 5 year options

Current Annual Rent: \$165,000

Rental Increases: 10% every 5 years

Percentage Rent: None

Sales Reporting: Upon request by Landlord, and not more than once per year unless in connection with a sale/refi, Tenant shall provide statements of Gross Receipts for the premises (unit level) and Tenant's financial statements (entity level).

LEASE SUMMARY CONTINUED

Lease Structure:	NNN - Zero Landlord Responsibility
Roof & Structure:	Tenant
HVAC:	Tenant
Common Area:	Tenant
Parking:	Tenant
Property Taxes:	Tenant - Tenant pays direct*
Utilities:	Tenant - Tenant pays direct
Insurance:	Tenant - Tenant pays direct
Permitted Use:	Solely for a full service casual dining restaurant initially operating as a Black Bear Diner.
Assignment & Subletting:	Permitted Transfers: Tenant may assign without consent to (i) an entity resulting from a merger, consolization, or reorganization, provided the entity has a minimum net worth not less than Tenant's; or (ii) an entity related to Tenant or Tenant's parent, or a bona fide Bleack Bear Diner franchisee, provided the entity/franchisee has a net worth not less than \$1M. No permitted transfer shall relieve Tenant from its obligations.
ROFR:	Tenant does not have a ROFR.

*Landlord to pay Tenant \$5,000 on each occurrence in which the Premises is sold in order to offset any increase in taxes that Tenant may incur as a result of said sale.

RENT SCHEDULE

Lease Term	Lease Years	Monthly Rent	Annual Rent	Rent/SF	Increase (%)
Primary:	1 - 5:	\$13,750.00	\$165,000.00	\$21.53	
	6 - 10:	\$15,125.00	\$181,500.00	\$23.69	10.00%
Option 1:	11 - 15:	\$16,637.50	\$199,650.00	\$26.06	10.00%
Option 2:	16 - 20:	\$18,301.25	\$219,615.00	\$28.66	10.00%
Option 3:	21 - 25:	\$20,131.38	\$241,576.50	\$31.53	10.00%





DISTANCE TO KANSAS CITY, MO - 19 MILES (22 MINUTES)



SHAWNEE

KANSAS CITY

OVERLAND PARK

LEAWOOD

COSTCO
WHOLESALE

OAK PARK MALL

JOHNSON COUNTY COMMUNITY COLLEGE

INDUSTRIAL PARK // BUSINESS CENTER

BUSINESS PARK / CENTER

BUSINESS PARK

INDUSTRIAL PARK

SAINT THOMAS AQUINAS HIGH SCHOOL

GRANTHAM UNIVERSITY

35 92,700 CPD

NORTHBRIDGE PLAZA SHOPPING MALL

RED LOBSTER
STEAK AND SEAFOOD

OLATHE POINTE SHOPPING MALL

OLATHE STATION SHOPPING MALL

THE HOME DEPOT

Wendy's **LONG JOHN SILVERS**

Hilton Garden Inn

Black Bear Diner

W 119TH ST. - 45,505 CPD

BUFFALO WILD WINGS **THE MOUNTAIN DEW**

S STRANGLE LINE RD. - 21,890 CPD

Hilton Garden Inn

Hampton Inn

HALLOWEEN EXPRESS

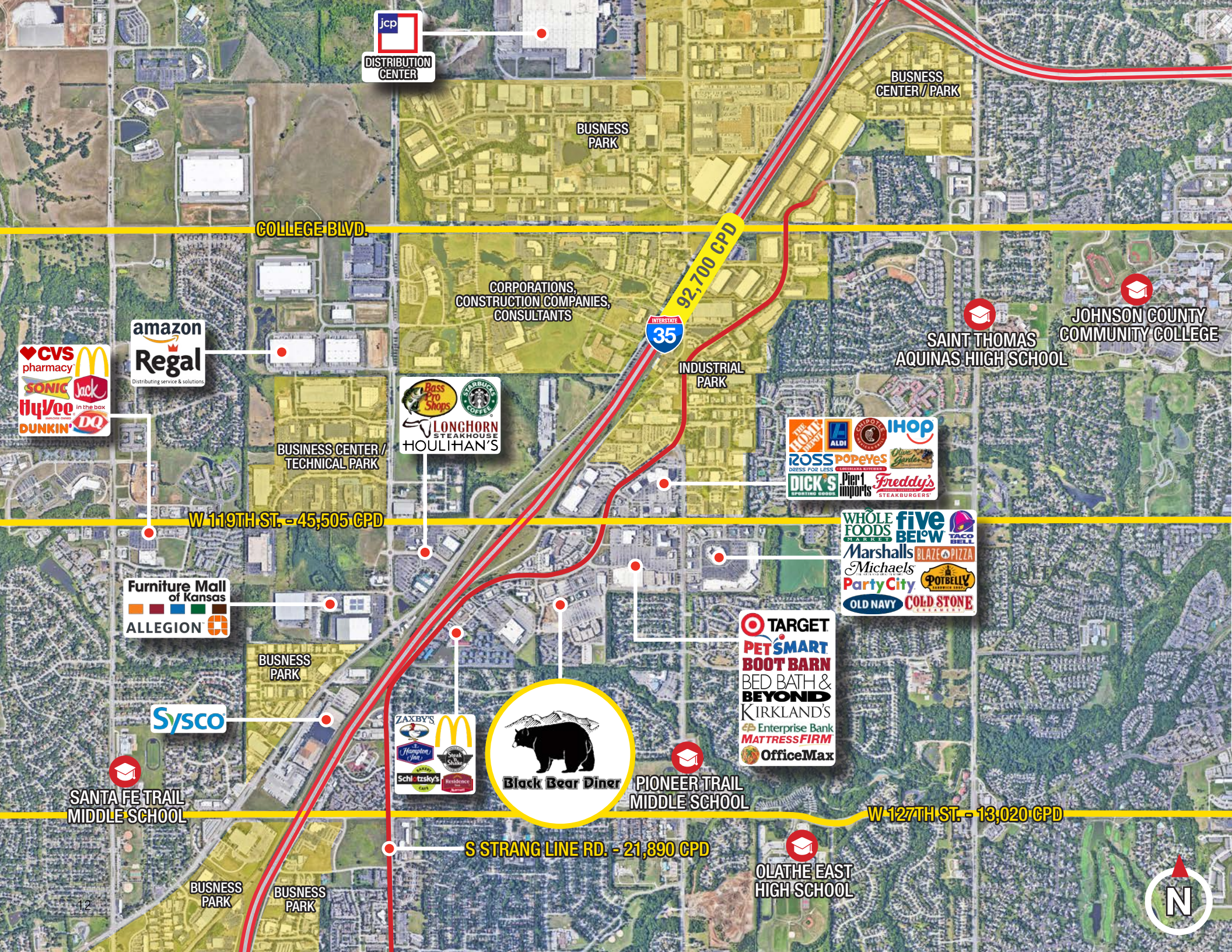
COURTYARD
Marriott

TEXAS
OLD CHICAGO

AMC
ENTERTAINMENT

ESTIMATED POPULATION	
3 Mile	82,778
5 Mile	232,606
10 Mile	555,850





JCP
DISTRIBUTION CENTER

BUSINESS CENTER / PARK

BUSINESS PARK

COLLEGE BLVD.

92,700 CPD

INTERSTATE 35

INDUSTRIAL PARK

CORPORATIONS,
CONSTRUCTION COMPANIES,
CONSULTANTS

SAINT THOMAS
AQUINAS HIGH SCHOOL

JOHNSON COUNTY
COMMUNITY COLLEGE

amazon
Regal
Distributing service & solutions

CVS pharmacy
SONIC
HyVee
DUNKIN'
McDonald's
Jack in the box
DQ

BUSINESS CENTER /
TECHNICAL PARK

Bass Pro Shops
Starbucks
LONGHORN STEAKHOUSE
HOULIHAN'S

THE HOME DEPOT
ALDI
IHOP
ROSS
Popeyes
Dick's Sporting Goods
Pier 1 Imports
Freddy's

W 119TH ST. - 45,505 CPD

Furniture Mall of Kansas
ALLEGIION

BUSINESS PARK

Sysco

Zaxby's
McDonald's
Schlotzsky's
Hampton Inn
Residence Inn

Black Bear Diner

PIONEER TRAIL
MIDDLE SCHOOL

TARGET
PET SMART
BOOT BARN
BED BATH & BEYOND
KIRKLAND'S
Enterprise Bank
MATTRESS FIRM
OfficeMax

WHOLE FOODS
five BELOW
TACO DE LOS MOUNTAINS
Marshall's
BLAZE PIZZA
Michaels
Party City
POPBELLY
OLD NAVY
COLD STONE

SANTA FE TRAIL
MIDDLE SCHOOL

S STRANG LINE RD. - 21,890 CPD

W 127TH ST. - 13,020 CPD

OLATHE EAST
HIGH SCHOOL

BUSINESS PARK

BUSINESS PARK



AREA OVERVIEW

OLATHE, KANSAS

HISTORY

- Olathe (o lay' tha) is the Shawnee Indian word for “beautiful” and was founded in 1857. The City played a vital role in Western expansion as the site where three historic trails – the Santa Fe, Oregon, and California trails – converged. Olathe has encountered tremendous growth over the last several decades and evolved into the dynamic community it is today. It is the county seat of Johnson County, Kansas, the Greater Kansas City area's most affluent and fastest-growing county.
- Olathe was still a small, rural town in the 1960s with a population of just over 10,000. The City began to experience a tremendous amount of growth that continues today; adding nearly 30,000 new residents between 1990 and 2000. The City's 2019 population is 139,745 making it the second largest city in Johnson County and the fifth largest city in the State. Olathe has blossomed not only into a full-blown city, but also a strong suburban community in the southwest portion of the metropolitan Kansas City area.



CEDAR LAKE FALLS



ECONOMY

- Olathe is a fast-growing community with an average of almost six new residents every day. The recent expansion of industrial and commercial businesses provides new jobs for local and regional residents. The City has transformed from a bedroom community into a force in the Kansas City Metropolitan Area. It continues to be an attractive location for both families and businesses. Some recent City awards include Tree City USA designation for the 36th consecutive year, 2019 Healthiest Employer by the Kansas City Business Journal, Gold Level Healthy KC Certified, American Public Works Association Reaccreditation, and Commission on Fire Accreditation International Accredited Agency. At the end of 2018, the City's unemployment rate was 2.5% compared to 3.1% for the State of Kansas and the national rate of 3.9%.

RETAIL ACTIVITY

- The City of Olathe supports a thriving retail economy and is currently home to 8.22 million square feet of retail space and 58 major retail centers. The largest centers in the city include the 386,000-square foot Olathe Station Shopping Center North, the 343,000-square foot Olathe Point Shopping Center, and the 319,000-square foot Southgate Retail Center.

AREA OVERVIEW

EDUCATION

- Johnson County Community College is a public community college located just 3 miles (7 minutes) from the subject property. The College enrolls nearly 20,000 students annually.
- Olathe is home to Mid-America Nazarene University, the largest private college in the State. The 105-acre campus is located just 2 miles (7 minutes) from the subject property and enrolls nearly 2,000 students annually.
- Kansas State University is a four-campus system, and K-State Olathe opened in 2011 as the newest member of the family. The 38-acre University is located just 5 miles (13 minutes) from the subject property.

AIRPORTS

- Kansas City International Airport is the 40th busiest airport in the country and located just 39 miles (41 minutes) from the subject property. The airport flies 12 million passengers annually.



SURROUNDING ACTIVITY

- Hiking trails and community parks color the landscape in this metro destination only 26 minutes from Downtown Kansas City. Johnson County Old Settlers is over 100 years old and Olathe, Kansas' biggest event of the year. The three-day festival is held on the Thursday through Saturday following Labor Day and includes free entertainment, a carnival, children's performances, arts & crafts, auto show, and one of the largest parades in Kansas.
- Mahaffie Stagecoach Stop & Farm Historic Site in Olathe, Kansas is the only Santa Fe Trail stagecoach stop that is open to the public. There are three 19th century buildings as well as several 20th century and reconstructed buildings. Cedar Lake Falls is a 75-acre lake surrounded by a 54-acre community park. Cedar Lake has fishing for blue gill, black bullhead, channel catfish, crappie, green sunfish, largemouth bass, saugeye, wiper & flathead catfish.
- Olathe Veterans Memorial Park is a lovely four-acre park which memorializes the men and women who served the United States in the armed services. Ernie Miller Nature Center and Park off Highway 7 has 3 miles of trails open for hiking from Dawn to Dusk. The 113-acre park has an outdoor amphitheater, large stream aquarium, bird feeder court with butterfly & hummingbird gardens, and other exhibits including live amphibians, turtles & snakes. Over 170 species of birds may be seen at Ernie Miller Nature Center during various seasons of the year.

DEMOGRAPHICS

POPULATION	3 Mile	5 Mile	10 Mile
Estimated Population (2019)	82,778	232,606	555,850
Census Population (2010)	75,226	212,222	500,583
Projected Population (2024)	87,257	245,333	587,215
HISTORICAL ANNUAL GROWTH			
2000-2010	1.54%	1.88%	1.82%
2010-2019	1.04%	1.00%	1.14%
PROJECTED ANNUAL GROWTH			
2019-2024	1.06%	1.07%	1.10%
HOUSEHOLDS	3 Mile	5 Mile	10 Mile
Estimated Households (2019)	31,713	88,534	217,716
Census Households (2010)	28,990	80,923	196,882
Projected Households (2024)	33,367	93,271	229,681
HISTORICAL ANNUAL GROWTH			
2000-2010	2.04%	2.22%	1.94%
2010-2019	0.98%	0.98%	1.09%
PROJECTED ANNUAL GROWTH			
2019-2024	1.02%	1.05%	1.08%

2019 POPULATION BY RACE	3 Mile	5 Mile	10 Mile
White	73.8%	75.6%	78.2%
Hispanic	10.1%	9.2%	7.9%
Black or African American	6.8%	6.0%	5.6%
Asian	6.0%	6.2%	5.5%
2019 AGE BY GENDER	3 Mile	5 Mile	10 Mile
MEDIAN AGE			
Male	33.80	35.10	37.00
Female	36.50	37.30	39.40
HOUSEHOLD INCOME	3 Mile	5 Mile	10 Mile
2019 Average	\$99,898	\$107,505	\$113,843
2019 Median	\$76,663	\$83,372	\$84,404
VALUE OF HOUSING UNITS	3 Mile	5 Mile	10 Mile
2019 Average	\$252,116	\$277,441	\$315,280
2019 Median	\$232,717	\$244,655	\$264,959

AFFILIATED BUSINESS DISCLOSURE AND CONFIDENTIALITY AGREEMENT

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This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented "as is" without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property's suitability for your needs.

ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

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Your receipt of this Memorandum constitutes your acknowledgment that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property ("Owner") or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc. If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

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