



Macon, GA



OFFERING
MEMORANDUM

2077 Riverside Drive
Macon, Georgia 31204

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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: \$4,509,450 | CAP: 6.00% | RENT: \$270,567



About the Investment

- ✓ Long-Term, 25-Year Absolute Triple Net (NNN) Lease
- ✓ 20 Years Of Lease Term Remaining With 2.00% Annual Bumps
- ✓ Four (4), Five (5)-Year Tenant Renewal Options
- ✓ Corporate Tenant | Corporate Guarantee

About the Location

- ✓ Major National Tenants In Surrounding Area | Kroger, Publix, Kmart, CVS Pharmacy, Rite Aid, Dollar General, Advance Auto Parts, and Chipotle
- ✓ Strong Traffic Counts | U.S. Interstate-75 | Average Daily Traffic Counts of 80,000 Vehicles
- ✓ Coliseum Medical Center | Three-Mile From Subject Property | 227-Bed General Medical and Surgical Hospital
- ✓ Freestanding Property | Benefits from Excellent Frontage Along Riverside Drive

About the Tenant / Brand

- ✓ Red Lobster Is The Largest Seafood Restaurant Concept In The World And Is An Iconic Full Service Brand With Broad Demographic Appeal And A Significant Advertising Budget (2nd Largest In Casual Dining).
- ✓ The Company Was Founded In 1968 And Currently Operates 705 Restaurants Throughout The United States And Canada And Has 43 Franchised Restaurants In International Markets.
- ✓ Red Lobster Is Led By An Experienced Management Team With A History Of Success Leading The Brand (Average 27+ Years Experience Across Executive Team).
- ✓ The Company Generates \$2.5B In Revenue And Is The 5th Largest Casual Dining Concept In North America.





Financial Analysis

PRICE: \$4,509,450 | CAP: 6.00% | RENT: \$270,567



PROPERTY DESCRIPTION

Property	Red Lobster
Property Address	2077 Riverside Drive
City, State, ZIP	Macon, Georgia 31204
Building Size (Square Feet)	9,638
Lot Size	+/- 1.481 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$4,509,450
CAP Rate	6.00%
Annual Rent	\$270,567
Rent Per Square Foot	\$28.07

LEASE SUMMARY

Property Type	Net-Leased Restaurant
Tenant	Red Lobster Restaurants, LLC
Original Lease Term	25 Years
Lease Commencement	December 17, 2015
Lease Expiration	July 31, 2039
Lease Term Remaining	20 Years
Lease Type	Triple-Net (NNN)
Rental Increases	2.00% Annually
Options to Renew	Four, Five Year Options

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 5	\$270,567	\$22,547.24	2.00%
Year 6	\$275,978	\$22,998.19	2.00%
Year 7	\$281,498	\$23,458.15	2.00%
Year 8	\$287,128	\$23,927.31	2.00%
Year 9	\$292,870	\$24,405.86	2.00%
Year 10	\$298,728	\$24,893.98	2.00%
Year 11	\$304,702	\$25,391.86	2.00%
Year 12	\$310,796	\$25,899.69	2.00%
Year 13	\$317,012	\$26,417.69	2.00%
Year 14	\$323,353	\$26,946.04	2.00%
Year 15	\$329,820	\$27,484.96	2.00%
Year 16	\$336,416	\$28,034.66	2.00%
Year 17	\$343,144	\$28,595.36	2.00%
Year 18	\$350,007	\$29,167.26	2.00%
Year 19	\$357,007	\$29,750.61	2.00%
Year 20	\$364,147	\$30,345.62	2.00%
Year 21	\$371,430	\$30,952.53	2.00%
Year 22	\$378,859	\$31,571.58	2.00%
Year 23	\$386,436	\$32,203.01	2.00%
Year 24	\$394,165	\$32,847.07	2.00%
Year 25	\$402,048	\$33,504.03	2.00%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for Red Lobster located at 2077 Riverside Drive in Macon, Georgia. The property is roughly 9,638 square feet and is situated on approximately 1.481 acres of land. This Red Lobster is subject to a 25-year triple-net (NNN) lease, with roughly 20 years remaining on the lease. The rent is scheduled to increase by two percent annually, including through the four, five year tenant renewal options.



Tenant Overview



- Red Lobster is the largest seafood restaurant concept in the world and is an iconic full service brand with broad demographic appeal and a significant advertising budget (2nd largest in casual dining).
- The Company was founded in 1968 and currently operates 705 restaurants throughout the United States and Canada and has 43 franchised restaurants in international markets.
- Red Lobster is led by an experienced management team with a history of success leading the brand (average 27+ years experience across executive team).
- The company generates \$2.5B in revenue and is the 5th largest casual dining concept in North America.

The Transaction

- On July 28th, 2014, Golden Gate Capital (“GGC”) acquired Red Lobster from Darden Restaurants.
- Red Lobster is now an independently owned company, completely separate from Darden Restaurants.
- Red Lobster is well capitalized with >\$200M net worth and >\$200M of liquidity.
- Golden Gate Capital has a long, successful track record and significant experience with multi-unit restaurant and retail businesses.





OUR HISTORY

FRESH IS IN OUR FOOD

Each day, you'll find an updated selection of fresh fish on our Today's Fresh Fish menu, not to mention live Maine lobster, freshly baked Cheddar Bay Biscuits™, crisp salads and a host of fresh seafood recipes waiting to be explored.

FRESH IS IN OUR KNOWLEDGE

No one knows seafood better than we do. As global seafood buyers, we have employees stationed throughout the world who inspect our seafood the moment it comes out of the water. They ensure it meets standards that are second to none. Then, the renowned chefs at our culinary center deliver the fresh expertise that turns it all into something truly special.

FRESH IS IN OUR DEDICATION

We hold ourselves to the highest standards for service, quality and a welcoming atmosphere. And we're focused on doing what's right – for our employees, in our communities and in the world.

FRESH IS IN OUR COMMITMENT

You deserve the freshest food and thinking. So every time you visit one of our seafood restaurants or our online seafood store, you'll find an uncommon commitment to deliver the best of the sea with fresh energy and fresh ideas that we hope will make you want to come back again and again.

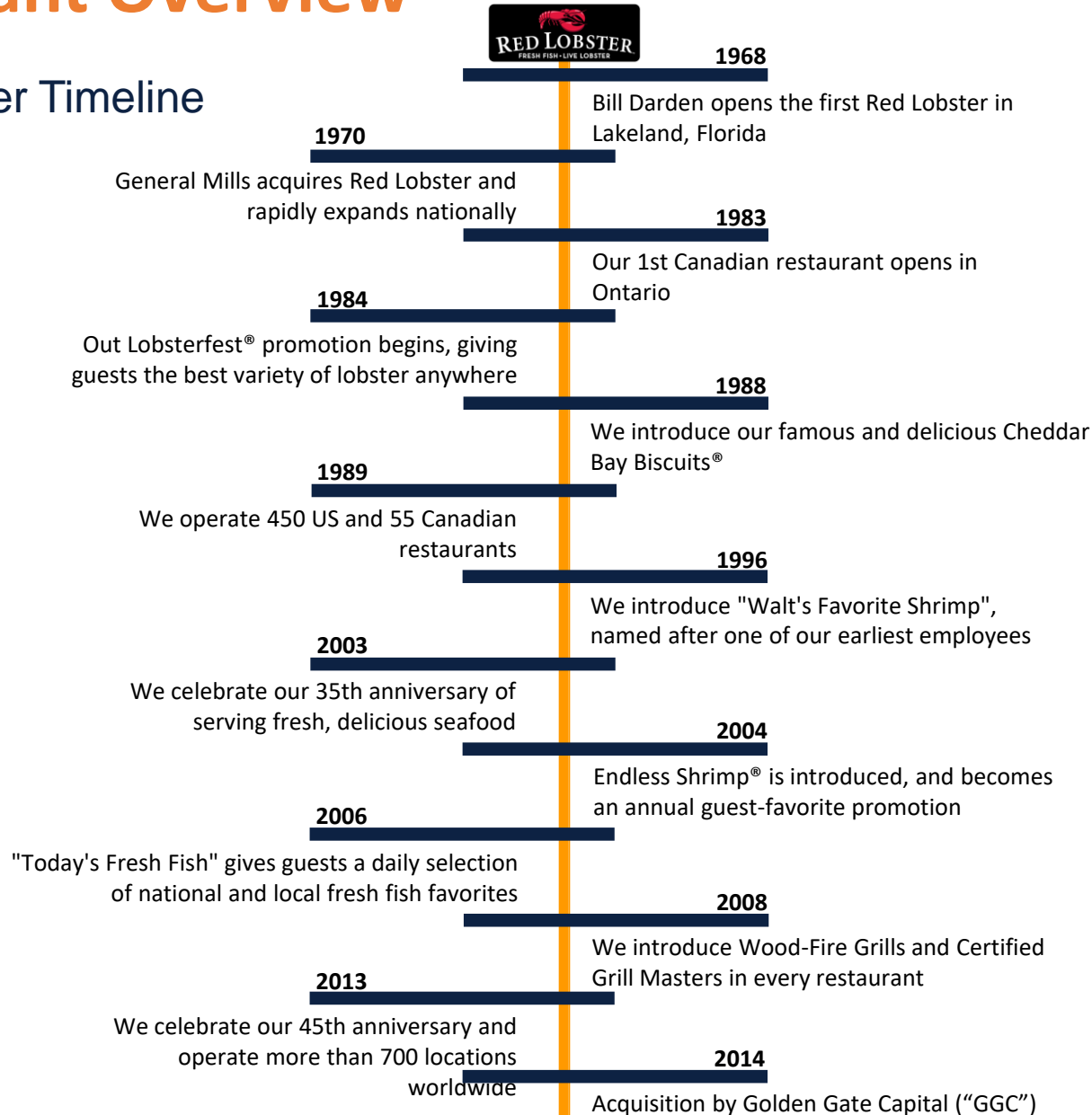
We invite you to come in and experience our commitment to quality for yourself. Whether it's choosing your favorite fresh fish from our "Today's Fresh Fish" menu, or selecting your favorite seafood to be prepared over our wood-fired grill, Red Lobster is the place you can enjoy fresh, delicious seafood now and for generations.



Tenant Overview



Red Lobster Timeline

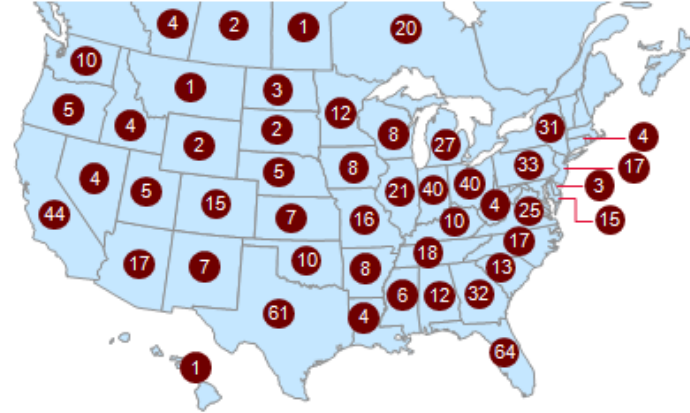




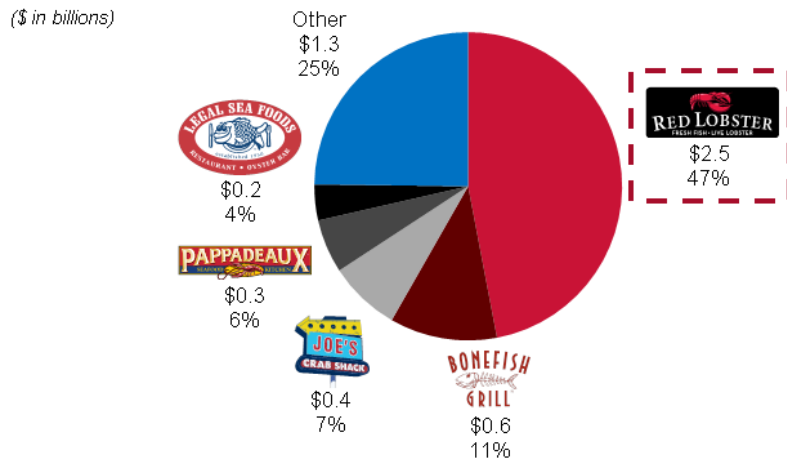
Strong Market Position

- Red Lobster is the largest seafood restaurant concept in the world and the 5th largest casual dining concept in the United States with over \$2.5 billion in annual sales and 705 restaurants.
- The Company is the category killer in the seafood casual dining space, holding almost 50% market share.
 - Largest share of any restaurant concept in any segment.
- 5th largest overall casual dining concept in the US.

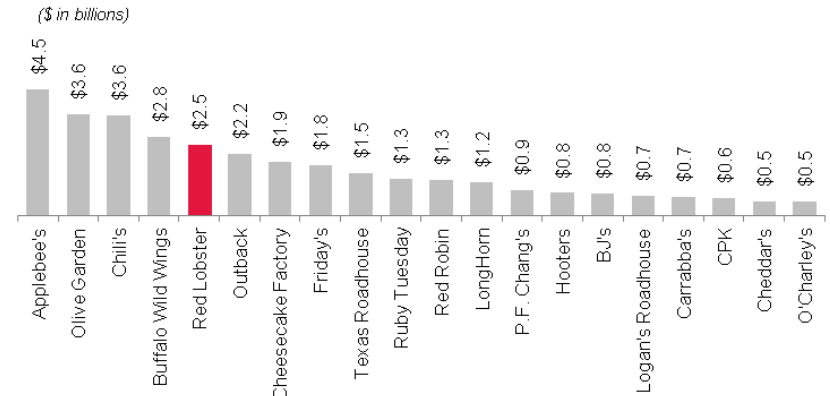
Significant Scale With Broad Geographic Reach



~50% Share in Seafood Casual Dining



5th Largest Casual Dining Concept in the US



Tenant Overview



Iconic Brand With Unparalleled Customer Loyalty

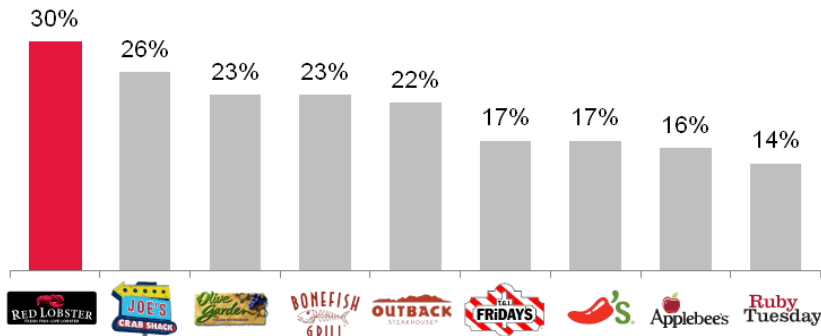
- Red Lobster has strong consumer appeal and broad usage across multiple dining out occasions, including high-crave, healthier “good for you” and special meal occasions.
- The brand has a strong foundation of loyal guests, who visit 1-2 times per month and account for more than 50% of sales.
- Red Lobster is the clear leader in casual dining seafood, and the most indispensable brand among major casual dining concepts, further indicating strong consumer loyalty.

Healthy and Recently Remodeled Restaurant Base

- Over \$320 million invested in remodels covering >90% of restaurants over the past 7 years.
- \$1.4 billion in overall capital expenditure investment over the past 10 years.
- New Bar Harbor format has strong appeal across customer base.
- 99% of restaurants are cash flow positive.

Indispensability vs. Peers

Indispensability (How difficult it would be for me to ‘give up’ ever going there again)
) - % very difficult (10 out of 10) shown



New Bar Harbor Format





Tenant Overview



Red Lobster is led by an experienced management team with prior success leading the brand.



Kim Lopdrup
CEO
(28 years in Restaurant Industry)

- Kim served as President of Red Lobster from FY2005 to FY2011, a period of consistent, above-market growth for the brand
- Prior to his return to Red Lobster, Kim served as President of Specialty Restaurant Group and New Business
- Before joining Darden, Kim served as EVP and COO of North America for Burger King, and at Dunkin' Brands as VP of Marketing and CEO of its international division
- BBA, College of William & Mary; MBA with distinction, Harvard Business School



Salli Setta
President
(25 years in Restaurant Industry)

- Salli was named President of Red Lobster in July of 2013
- Prior to her promotion to President, Salli served as Red Lobster's EVP of Marketing, before which she held numerous roles in Marketing and Culinary at Olive Garden during its turnaround, including VP Marketing and SVP Culinary and Beverage
- 24 years of experience in restaurant marketing, advertising and menu development; named "Menu Strategist of the Year" in 2003; recipient of three Menu Masters' Awards and a Silver Effie for her work on the "Hospitaliano" ad campaign
- BA, University of Central Florida; MBA, Florida Institute of Technology



Bill Lambert
CFO
(31 years in Restaurant Industry)

- Bill served as CFO of Red Lobster from FY2006 to FY2010
- Prior to his return to Red Lobster, Bill served as CFO of LongHorn Steakhouse
- Prior to joining Darden and Red Lobster, Bill spent 21 years with Federated Department Stores in various roles including CFO of Macy's Central
- BS, Duke University; MBA, University of Michigan

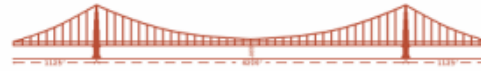


Chip Wade
EVP Operations
(27 years in Restaurant Industry)

- Darryl "Chip" Wade is EVP of Operations at Red Lobster
- Previously, Chip held positions in Enterprise Operations at Darden and as SVP of its Smokey Bones brand
- Outside of Darden, Chip previously served as COO of Legal Sea Foods and in various operations management roles at TGI Friday's
- BA, Widener University; MBA, University of Texas



Tenant Overview



GOLDEN GATE CAPITAL

- Golden Gate Capital (GGC) is a San Francisco-based Private Equity firm with over \$12 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 and Retail Investments

EXPRESS

 **Payless**
SHOESOURCE®

ANN TAYLOR

PACSUN


california
PIZZA KITCHEN


ON THE
BORDER
MEXICAN GRILL
& CANTINA

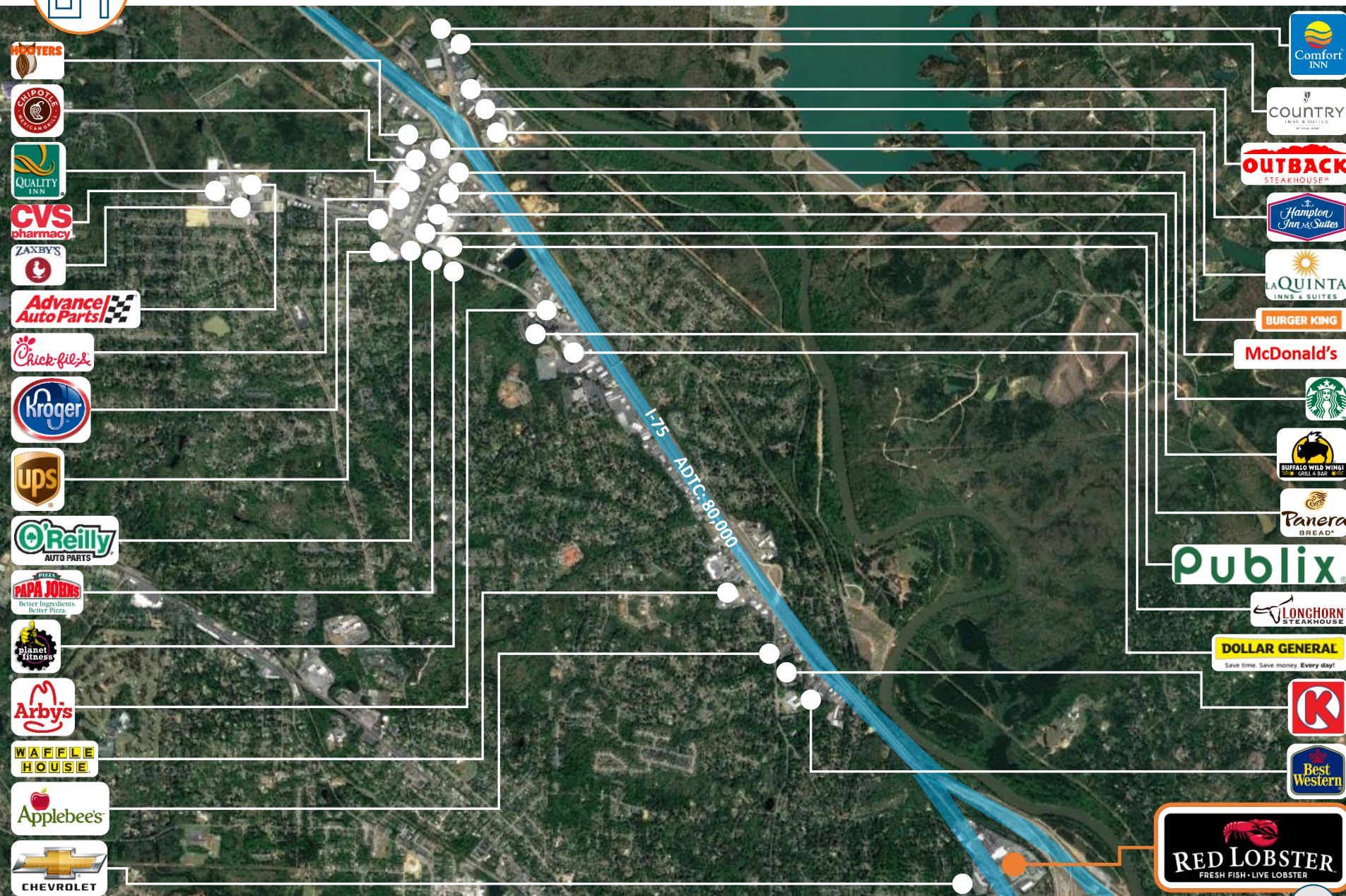
J.Jill

Eddie Bauer EST. 1920

ZALES



Surrounding Area



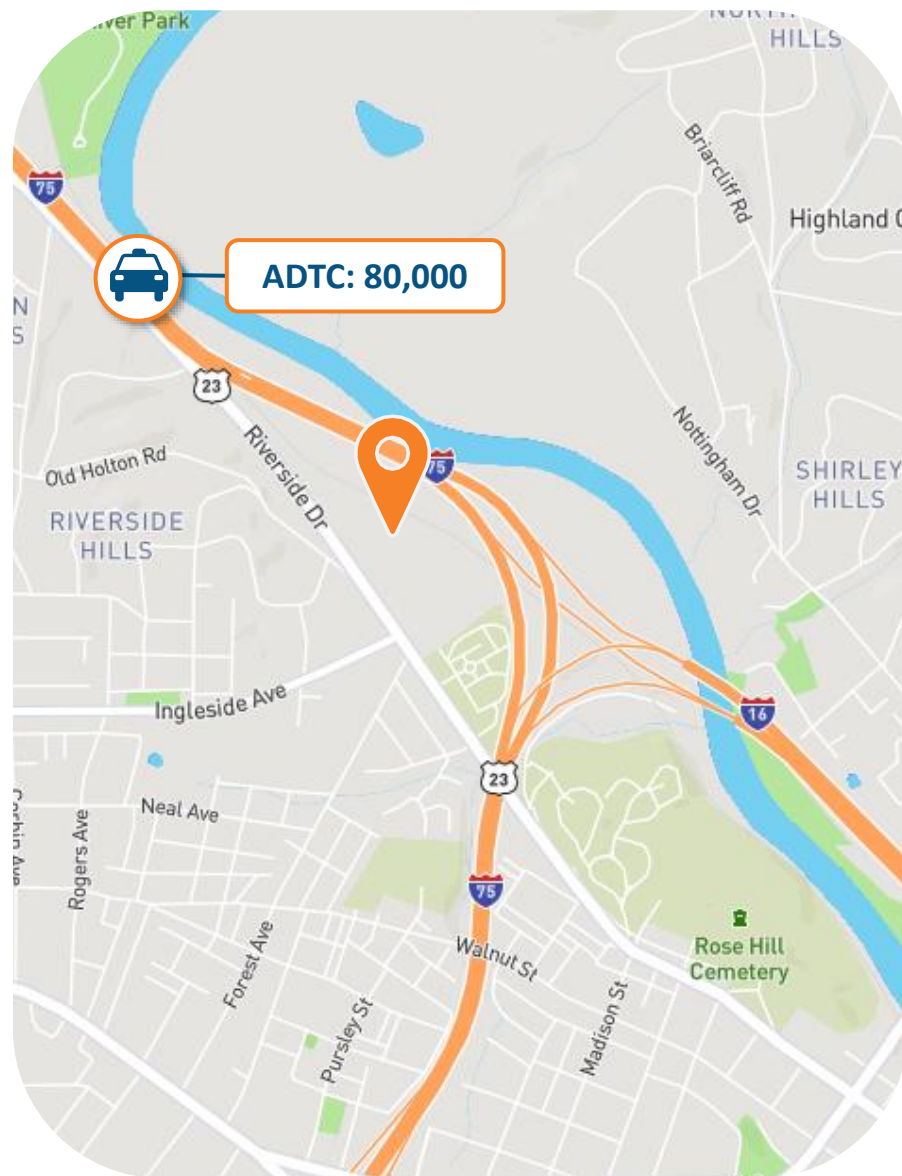


Location Overview

This Red Lobster is situated along Riverside Drive, which serves as an access road and runs parallel to Interstate Highway 75, which boasts average daily traffic counts of approximately 9,700 and 80,000 vehicles, respectively. There are more than 41,000 individuals residing within a three-mile radius of the property and more than 133,000 individuals within a five-mile radius.

The Wendy's property benefits from being well-positioned in a highly dense retail corridor consisting of national and local tenants, shopping centers, and hospitality accommodations all within close proximity of this property. Major national tenants Kroger, Publix, Chick-fil-A, CVS Pharmacy, Hooters, Dollar General, Advance Auto Parts, O'Reilly Auto Parts, Chipotle, Panera Bread, LongHorn Steakhouse, Buffalo Wild Wings, Papa John's, and Burger King among various others. Additionally, several hospitality accommodations are within immediate proximity to the subject investment property including Fairfield Inn & Suites, Courtyard by Marriott, Country Inn & Suites, Candlewood Suites, La Quinta Inn, Holiday Inn, Best Western, Red Roof Inn, and many more. Located less than three-miles from the subject property is Coliseum Medical Center. Coliseum Medical Center is a 227-bed general medical and surgical hospital. Mercer University is located just two-miles from this property. The university has an enrollment greater than 8,500 students.

Macon lies near the geographic center of the state, approximately 80 miles south of Atlanta, hence the city's nickname "the Heart of Georgia." The city has several institutions of higher education, as well as numerous museums and tourism sites. The area is served by the Middle Georgia Regional Airport and the Herbert Smart Downtown Airport. Robins Air Force Base, the single-site industrial complex in the state of Georgia, is just south of Macon, next to the city of Warner Robins. Macon is home to a wealth of colleges – both public and private – to boost its educational reputation, as well as its workforce. In addition to Middle Georgia State College, Wesleyan College for women, and Mercer University round out local higher-ed offerings. In recent years, Mercer has become a powerful engine for economic development in Macon. Not only do students, faculty, and staff spend money throughout the region, the institution has focused on revitalizing the two-square-mile area surrounding the school.





Property Photo



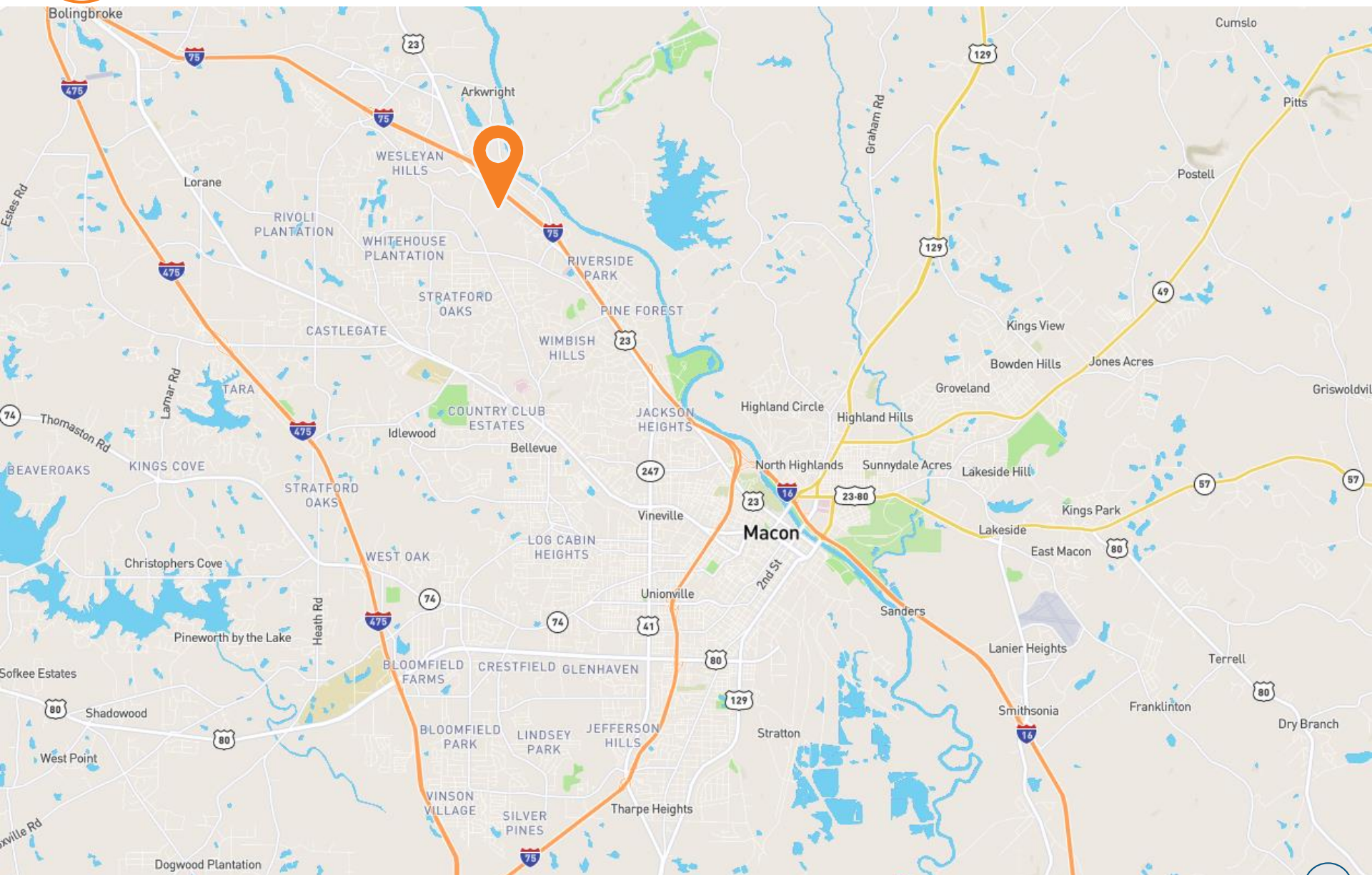


Property Photo



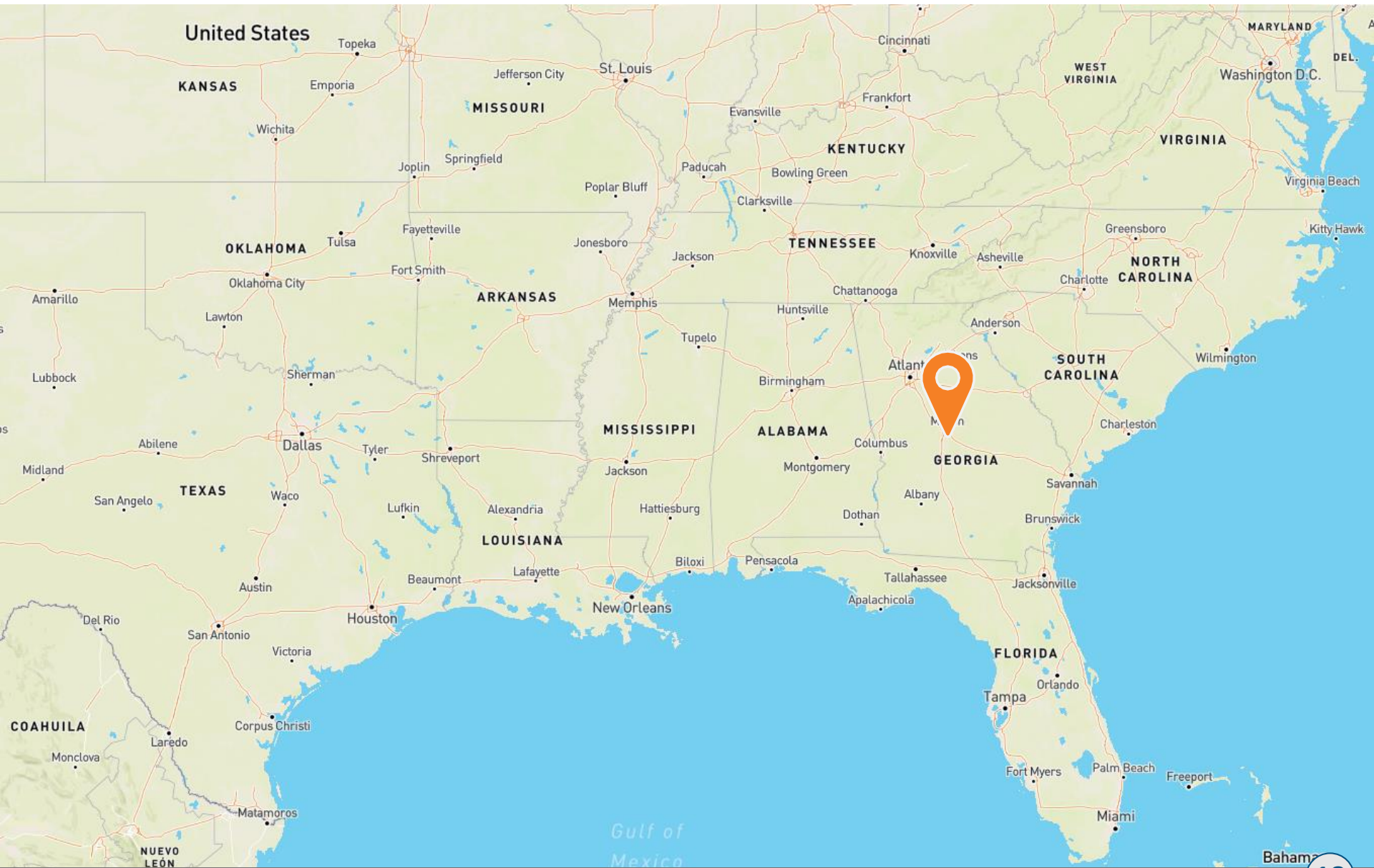


Local Map



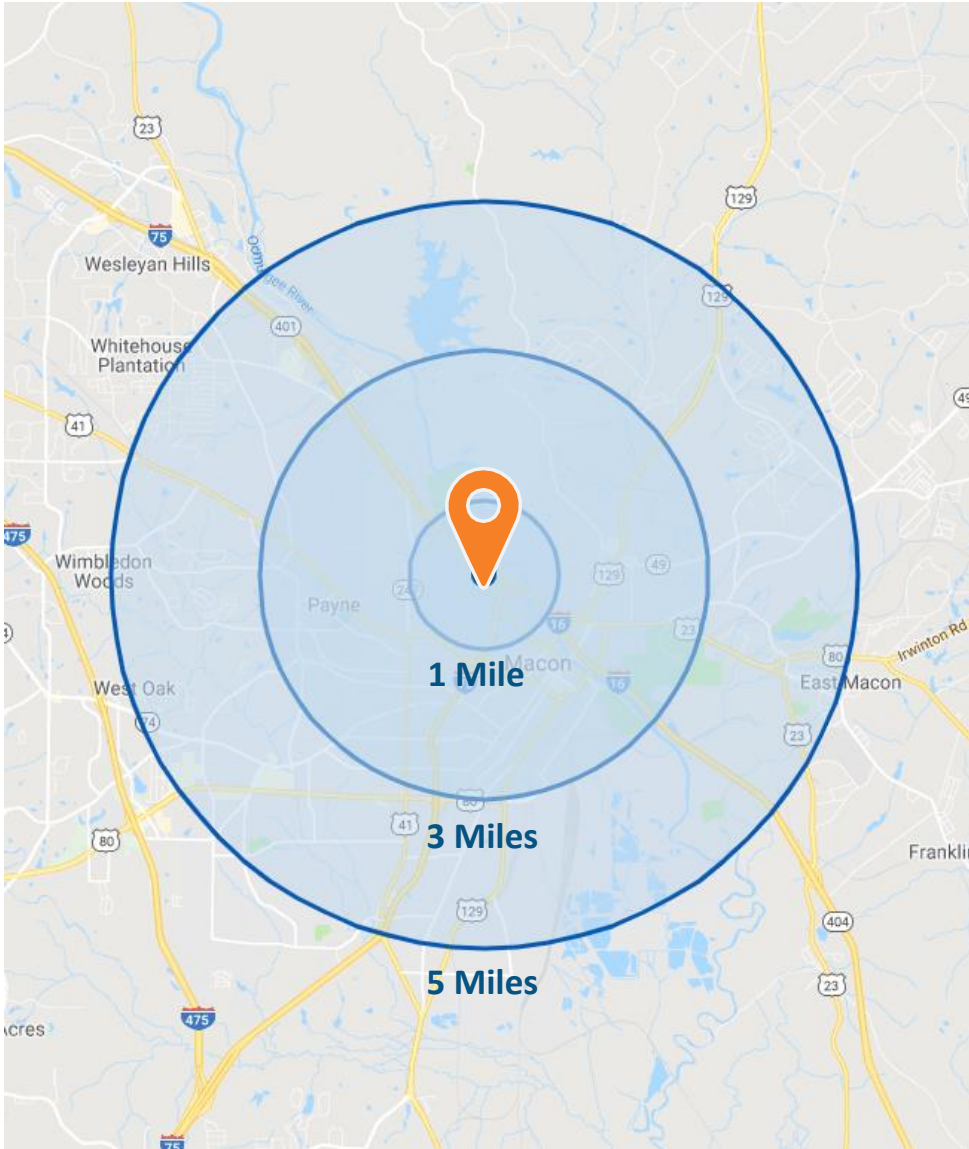


Regional Map





Demographics



Population:

	1 Mile	3 Miles	5 Miles
2024 Projection	10,261	48,432	154,051
2019 Estimate	8,543	41,441	133,904
2010 Census	4,839	26,971	99,513
Growth 2019-2024	20.11%	16.87%	15.05%
Growth 2010-2019	76.54%	53.65%	34.56%
2019 Population Hispanic Origin	4,764	21,575	69,795

2019 Population by Race:

White	7,043	32,058	101,220
Black	574	3,687	15,521
Am. Indian & Alaskan	121	390	1,082
Asian	602	4,036	12,015
Hawaiian & Pacific Island	15	78	383
Other	187	1,192	3,685

U.S. Armed Forces:

0 0 39

Households:

2024 Projection	3,441	15,733	52,796
2019 Estimate	2,895	13,505	46,108
2010 Census	1,701	8,681	34,270
Growth 2019 - 2024	18.86%	16.50%	14.51%
Growth 2010 - 2019	70.19%	55.57%	34.54%
Owner Occupied	1,560	6,803	20,149
Renter Occupied	1,335	6,702	25,959

2019 Avg Household Income

\$51,557 \$62,871 \$62,337

2019 Med Household Income

\$45,638 \$50,179 \$47,792

2019 Households by Household Inc:

<\$25,000	690	2,377	9,643
\$25,000 - \$50,000	918	4,349	14,410
\$50,000 - \$75,000	672	2,770	9,835
\$75,000 - \$100,000	350	1,815	5,260
\$100,000 - \$125,000	155	1,027	2,737
\$125,000 - \$150,000	37	570	1,738
\$150,000 - \$200,000	73	382	1,311
\$200,000+	0	214	1,173



Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING