

BOB EVANS

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



1879 Stringtown Road, Grove City, OH 43123

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Investment Highlights

PRICE: \$4,068,034 | CAP: 5.75% | RENT: \$233,912



About the Investment

- ✓ Long Term 17-Year Triple-Net (NNN) Lease with Zero Landlord Responsibilities and 14.75 Years Remaining on the Base Term
- ✓ Attractive Two Percent Annual Rental Escalations
- ✓ Six, Five-Year Tenant Renewal Options
- ✓ Strong Corporate Guarantee Backed by Approximately 500 Locations

About the Location

- ✓ Highly Dense Retail Corridor | Walmart, Home Depot, Walgreens, Chipotle, Burger King, McDonald's, Target, PNC, and Many More
- ✓ Heavily Trafficked Area | Positioned on Corner of Interstate-71 & Stringtown Road | Approximately 97,000 and 30,700 Vehicles Per Day, Respectively
- ✓ Extremely Affluent Suburban Community | Average Household Income Exceeds \$90,000 for Homes within One Mile of the Subject Property
- ✓ Robust Demographics | More than 53,120 Individuals Reside within a Three-Mile Radius of the Site
- ✓ Excellent Ohio Real Estate | Approximately Six Miles from the Heart of Downtown Columbus | Capital and Most Populous City in U.S. State of Ohio
- ✓ Immediate Access to Healthcare | Less than One Mile from Grove City Methodist Hospital | 79,850 Square-Foot Medical Facility
- ✓ Strong Academic Area | More than Five Schools within Three Miles of the Subject Property
- ✓ Huge Population Growth | Population within a One-Mile Radius is Projected to Increase by Approximately 14% by 2023

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 524 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: \$4,068,034 | CAP: 5.75% | RENT: \$233,912



PROPERTY DESCRIPTION	
Property	Bob Evans
Property Address	1879 Stringtown Road
City, State, ZIP	Grove City, OH, 43123
Year Built / Renovated	1985 / 2012
Building Size (Square Feet)	5,852 SF
Lot Size	+/- 2.00 Acres
Type of Ownership	Fee Simple
THE OFFERING	
Purchase Price	\$4,068,035
CAP Rate	5.75%
Annual Rent	\$233,912
LEASE SUMMARY	
Property Type	Net Leased Restaurant
Tenant / Guarantor	Bob Evans
Original Lease Term	17 Years
Lease Commencement	April 28, 2017
Lease Expiration	April 28, 2034
Lease Term Remaining	14.75 Years
Lease Type	Triple-Net (NNN)
Rental Increases	2.00% Annually
Options to Renew	Six (6), Five (5) Year Options

Rent Schedule			
Lease Year(s)	Annual Rent*	Monthly Rent	Rent Escalation (%)
Year 3	\$229,326	\$19,110	-
Year 4	\$233,912	\$19,493	2.00%
Year 5	\$238,590	\$19,883	2.00%
Year 6	\$243,362	\$20,280	2.00%
Year 7	\$248,229	\$20,686	2.00%
Year 8	\$253,194	\$21,099	2.00%
Year 9	\$258,258	\$21,521	2.00%
Year 10	\$263,423	\$21,952	2.00%
Year 11	\$268,691	\$22,391	2.00%
Year 12	\$274,065	\$22,839	2.00%
Year 13	\$279,546	\$23,296	2.00%
Year 14	\$285,137	\$23,761	2.00%
Year 15	\$290,840	\$24,237	2.00%
Year 16	\$296,657	\$24,721	2.00%
Year 17	\$302,590	\$25,216	2.00%

*Current Rent is \$229,326; Pricing is based on Year 4 Rent

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Bob Evans located at 1879 Stringtown Road in Grove City, Ohio. The property consists of approximately 5,852 square feet of building space and is situated on approximately 2.00 acres of land. The property is subject to a 17-year triple-net (NNN) lease that commenced on April 28, 2017. The current rent is \$229,326 increasing to \$233,912 on April 28th, 2020. There are 2% annual rental increases that will continue through six, five-year tenant renewal options and 14.75 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





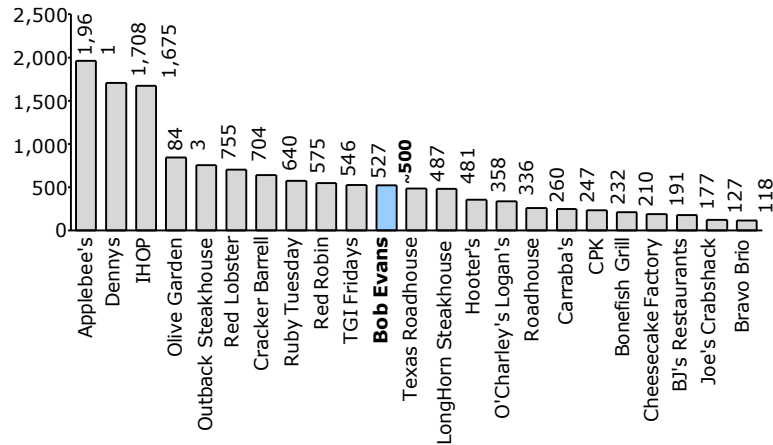
Concept Overview



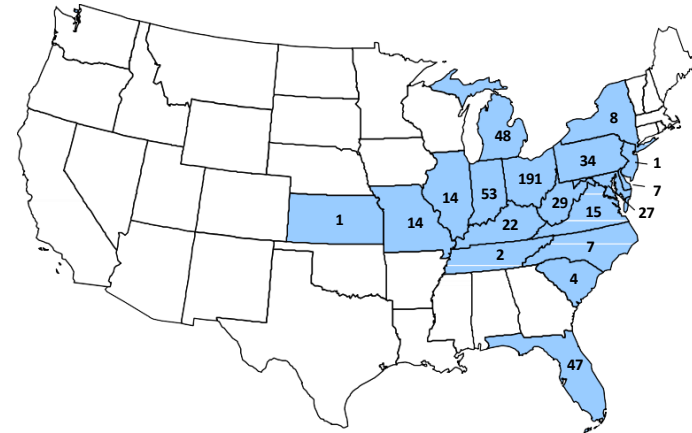
Bob Evans Restaurants is a scale, strong brand with approximately 500 locations.

Significant Scale

North America Units

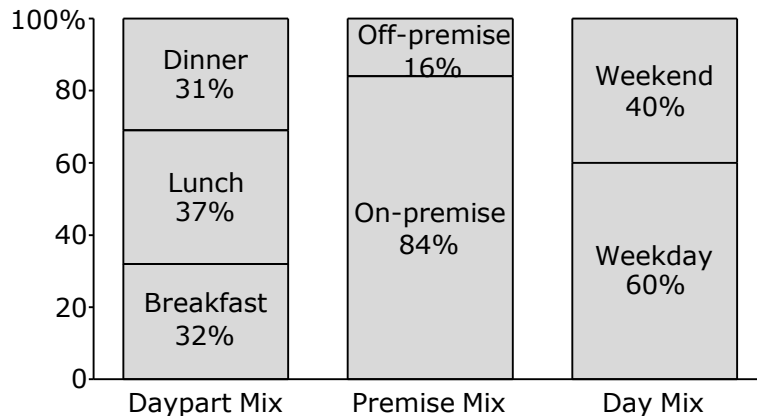


Strong Real Estate Footprint



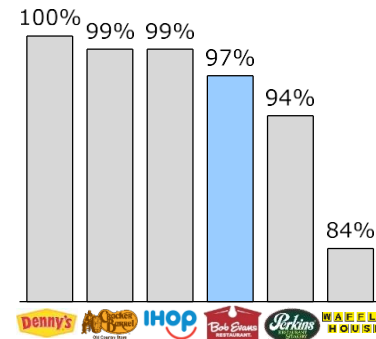
Diversified Revenue Stream

% of Revenue

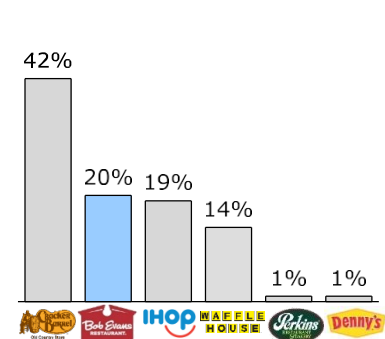


Iconic Brand

Brand Awareness



Net Promoter Score





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

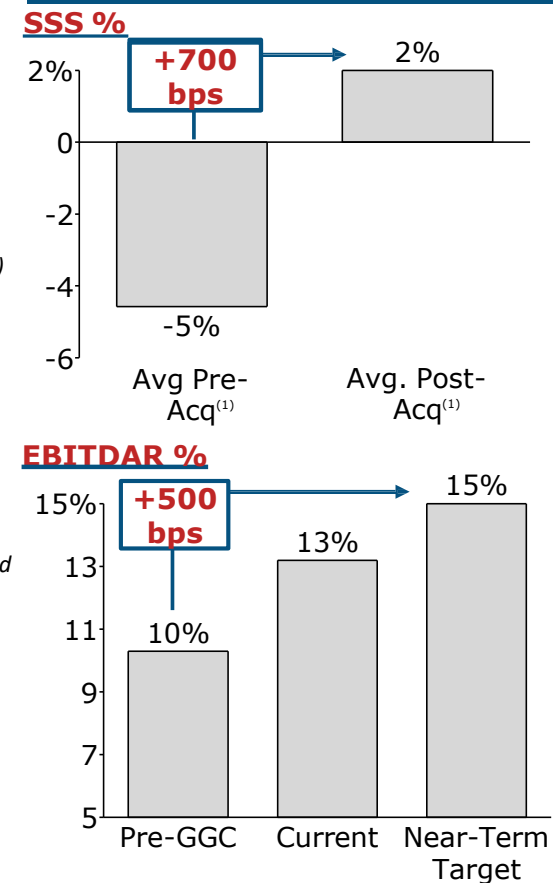


The Bob Evans transaction fits directly into GGC's investment strategy and is very similar to GGC's acquisition of Red Lobster. Under GGC ownership Red Lobster has increased sales and margins through similar "playbook" planned for Bob Evans.



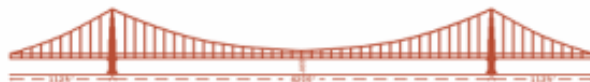
		
Strong Scale Platform	✓ (700+ locations)	✓ (~500 locations)
Leading Brand Awareness	✓ (Loyal customer following with high perception across both brands)	✓
Undermanaged but fixable asset	✓ (Negative trends turned positive, higher margins)	✓ (Similar thesis)
Attractive Real Estate	✓ (Healthy real estate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

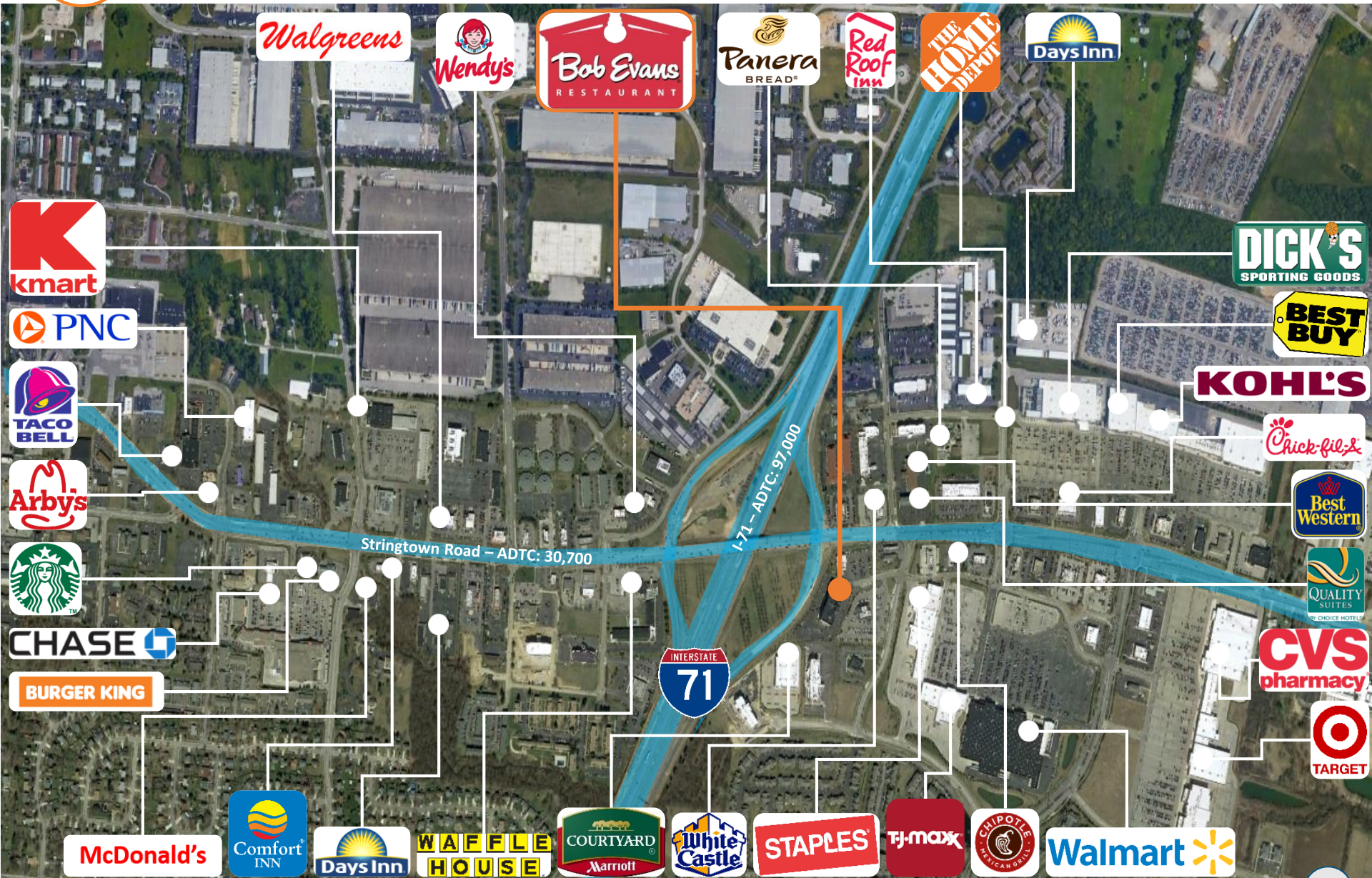
Restaurant Private Equity Investments





Surrounding Area

Property Address: 1879 Stringtown Road, Grove City, OH 43123





Property Photo

Property Address: 1879 Stringtown Road, Grove City, OH 43123



Actual Site

Bob Evans – Grove City, OH

Marcus & Millichap

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Aerial Photos

Property Address: 1879 Stringtown Road, Grove City, OH 43123



Actual Site



Aerial Photos

Property Address: 1879 Stringtown Road, Grove City, OH 43123



Actual Site



Surrounding Area Photos

Property Address: 1879 Stringtown Road, Grove City, OH 43123





Location Overview

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The subject investment property is positioned just off Interstate-71, less than 10 miles from the heart of downtown Columbus, Ohio's capital and most populous city. This active portion of I-71 boasts an average traffic count of over 97,000 vehicles per day while the intersecting Stringtown Road, adjacent to the subject property, experiences daily traffic counts of over 30,700 vehicles. Within an immediate one-mile radius is a highly affluent suburban community with average household income exceeding \$90,000. There are more than 53,120 individuals residing within a three-mile radius of the subject property and more than 143,500 individuals within a five-mile radius. The population within a one-mile radius is projected to increase by approximately 14 percent by 2023.

This Bob Evan's is strategically positioned on the hard corner of the signalized intersection between the extremely active Interstate-71 and Stringtown Road. This property benefits from its central position in a highly dense retail corridor that consists of national and local tenants, shopping centers, hospitality accommodations, schools and medical facilities, all within close proximity of the site. Major national tenants in the immediate area include: Walmart, Home Depot, Walgreens, Starbucks, Burger King, Target, Chipotle, McDonald's, Taco Bell, and many more. Several hospitality accommodations are within walking distance of the subject property, including: Days Inn, Best Western, Red Roof Inn as well as the Hampton Inn & Suites. Grove City Methodist Hospital – a 79,850-square-foot medical facility, is less than a mile from the subject property. The subject property additionally sits in a very strong academic area, with multiple schools within a three-mile radius, including: Grove City High School, Monterey Elementary School, Brookpark Junior-High School, Highland Park Elementary School, Jackson Middle School, among more in the surrounding area.

Grove City is located just outside the heart of downtown Columbus. Columbus is the capital of and the largest city in the state of Ohio with a population of over 850,000. It is also the 15th 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; 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.

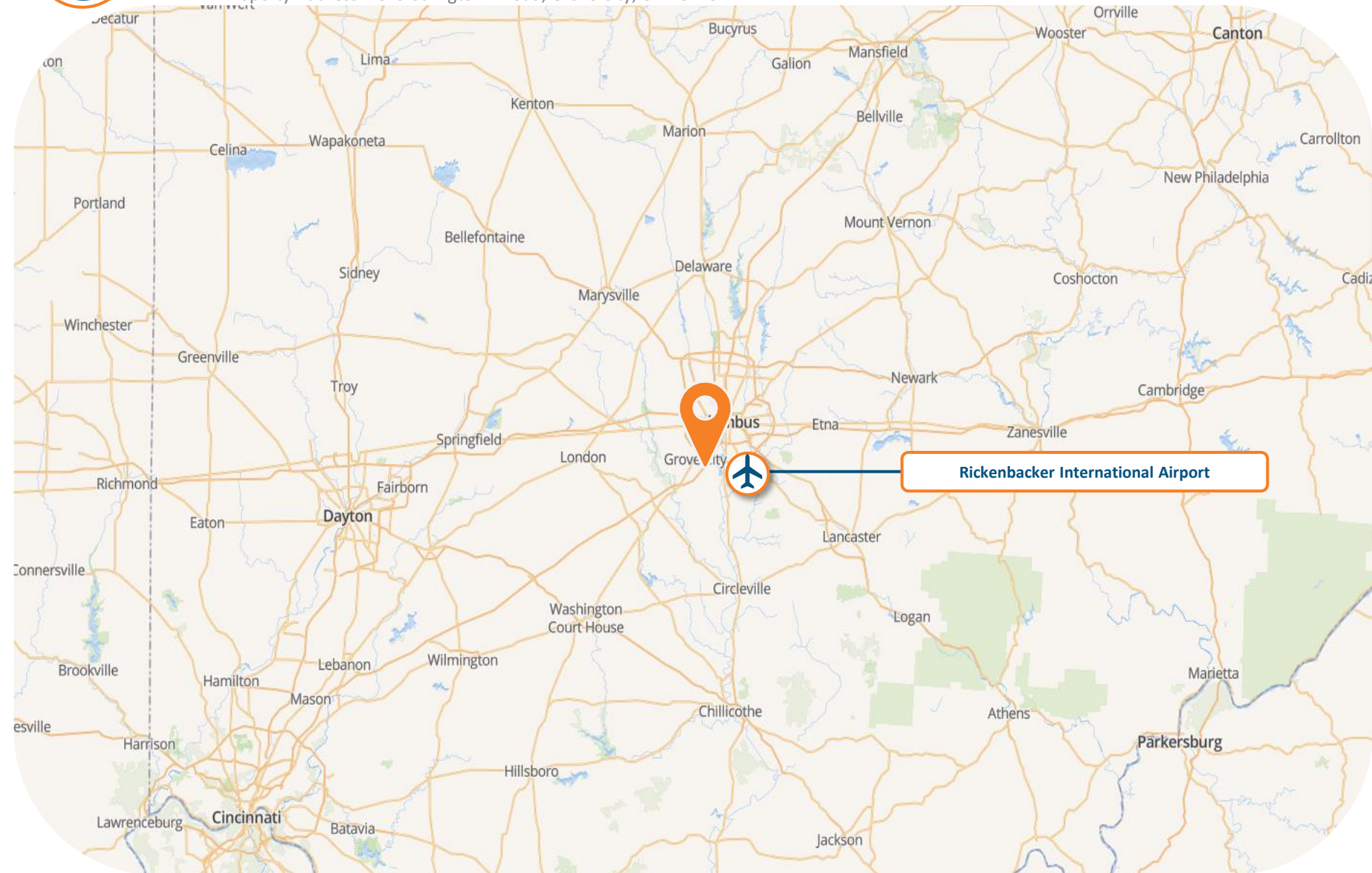




Local Map



Property Address: 1879 Stringtown Road, Grove City, OH 43123





Regional Map

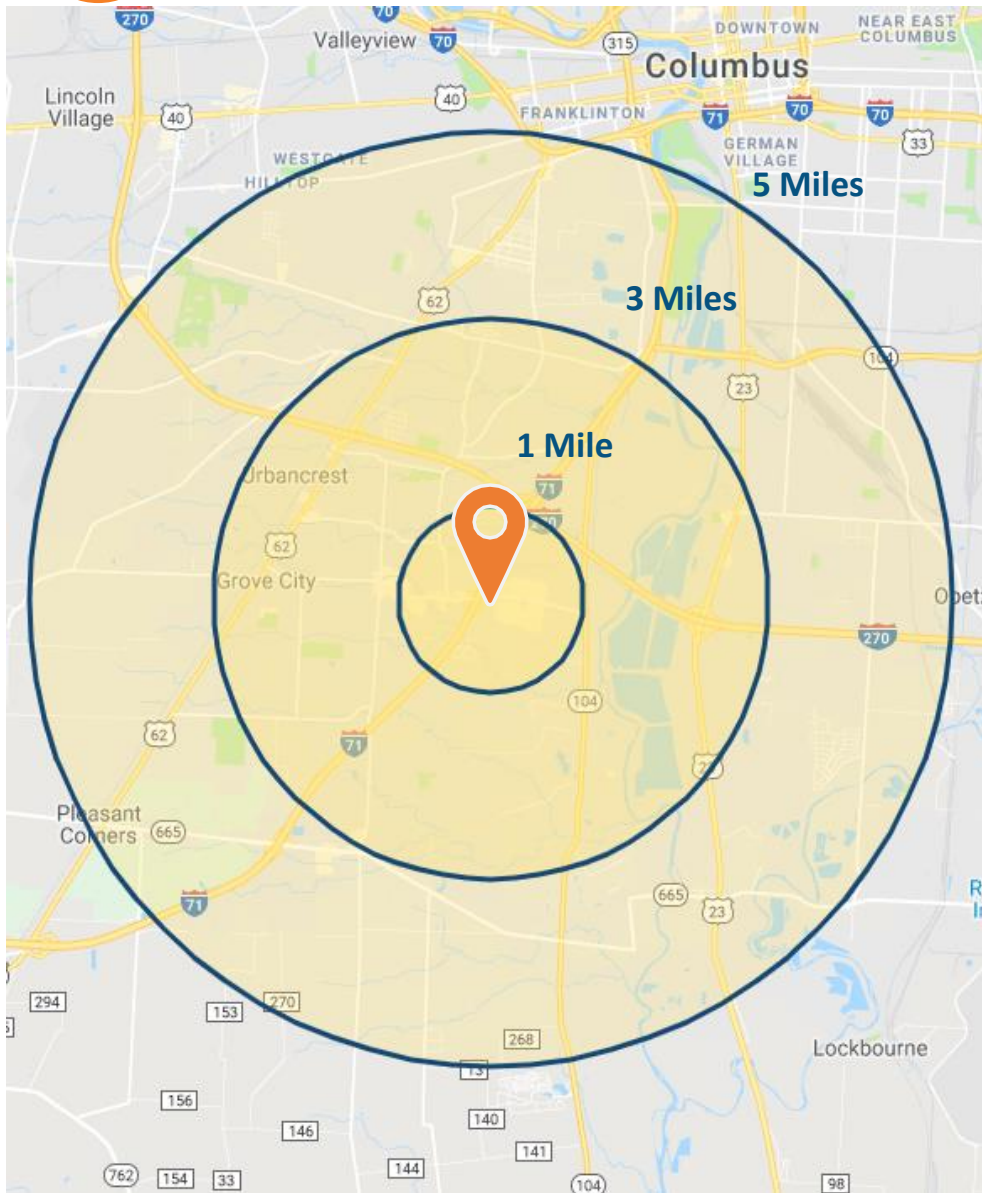
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Demographics

Property Address: 1879 Stringtown Road, Grove City, OH 43123



POPULATION

	1 Mile	3 Miles	5 Miles
2023 Projection	5,632	56,924	148,771
2018 Estimate	4,942	53,126	143,594
2010 Census	4,027	46,712	130,605
2000 Census	2,293	37,196	116,407

INCOME

	1 Mile	3 Miles	5 Miles
Average	\$90,850	\$76,174	\$64,902
Median	\$75,333	\$62,465	\$53,460
Per Capita	\$42,991	\$29,766	\$25,043

HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2023 Projection	2,762	22,395	57,827
2018 Estimate	2,336	20,483	54,768
2010 Census	1,891	17,961	49,674
2000 Census	970	14,319	44,713

HOUSING

	1 Mile	3 Miles	5 Miles
2018	\$231,795	\$167,395	\$134,927

EMPLOYMENT

	1 Mile	3 Miles	5 Miles
2018 Daytime Population	8,363	61,437	140,148
2018 Unemployment	3.49%	4.43%	5.31%
2018 Median Time Traveled	22 Mins	23 Mins	24 Mins

RACE & ETHNICITY

	1 Mile	3 Miles	5 Miles
White	87.65%	85.89%	79.38%
Native American	0.03%	0.17%	0.13%
African American	3.51%	7.91%	12.67%
Asian/Pacific Islander	2.62%	1.68%	2.09%



Market Overview

City: Columbus | County: Franklin | State: Ohio

Columbus, Ohio

Sunbury is located approximately 20 miles north of Columbus, the capital and most populous city of 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, Ohio Metropolitan Statistical Area, which encompasses ten counties. With a population of nearly 2,100,000, it is Ohio's second-largest metropolitan area. The city has a diverse economy based on education, government, insurance, banking, defense, aviation, food, clothes, logistics, steel, energy, medical research, healthcare, 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 been home to the headquarters of five corporations in the U.S. Fortune 500 companies in Columbus include: 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, as well as 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
Wendy's	1,996
Police-Precinct-3&17	1,800
Safelite Autoglass	1,738
Kroger	1,577
Ohio State University	1,447



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