

BOB EVANS

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



8940 Colonial Center Drive, Fort Myers, Florida, 33905

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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: \$3,750,762 | CAP: 4.85% | RENT: \$181,912



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 Option Periods
- ✓ Strong Corporate Guarantee Backed by Approximately 500+ Corporate Locations

About the Location

- ✓ Excellent Locations Fundamentals | 1.50 Acres Situated on Colonial Boulevard
- ✓ Extremely High Traffic Counts | Daily Traffic Counts Exceed 87,700 Vehicles on Colonial Boulevard
- ✓ Wealthy Suburban Community | Average Household Income Exceeds \$88,000 for Homes within One-Mile of the Subject Property
- ✓ Compelling Business Incentives | Florida is an Income Tax-Free State
- ✓ Dense Retail Corridor | Close Proximity to Walmart Anchored Shopping Center
- ✓ Diverse National & Local Tenant Base | McDonald's, Starbucks, Walmart, Chick-Fil-A, Five Guys, Burger King, Home Depot, Bank of America, Verizon, 7-Eleven & more.

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





Financial Analysis

PRICE: \$3,750,762 | CAP: 4.85% | RENT: \$181,912



Property Description

Property	Bob Evans
Property Address	8940 Colonial Center Drive
City, State, ZIP	Fort Myers, Florida, 33905
Year Built / Renovated	2013
Building Size (Square Feet)	5,510
Lot Size	+/- 1.50 Acres
Type of Ownership	Triple-Net (NNN)

The Offering

Purchase Price	\$3,750,762
CAP Rate	4.85%
Annual Rent	\$181,912

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	Triple-Net (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	\$178,345	14,862	2.00%
Year 4	\$181,912	15,159	2.00%
Year 5	\$185,550	15,462	2.00%
Year 6	\$189,261	15,772	2.00%
Year 7	\$193,046	16,087	2.00%
Year 8	\$196,907	16,409	2.00%
Year 9	\$200,845	16,737	2.00%
Year 10	\$204,862	17,072	2.00%
Year 11	\$208,960	17,413	2.00%
Year 12	\$213,139	17,761	2.00%
Year 13	\$217,402	18,117	2.00%
Year 14	\$221,750	18,479	2.00%
Year 15	\$226,185	18,849	2.00%
Year 16	\$230,708	19,226	2.00%
Year 17	\$235,322	19,610	2.00%
Year 18	\$240,029	20,002	2.00%
Year 19	\$244,829	20,402	2.00%
Year 20	\$249,726	20,810	2.00%

*Current Rent is \$178,345; 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 8940 Colonial Drive, Fort Myers, FL 33905. The property consists of 5510 square feet of building space and is situated on approximately 1.50 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 \$178,345, increasing to \$181,912 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





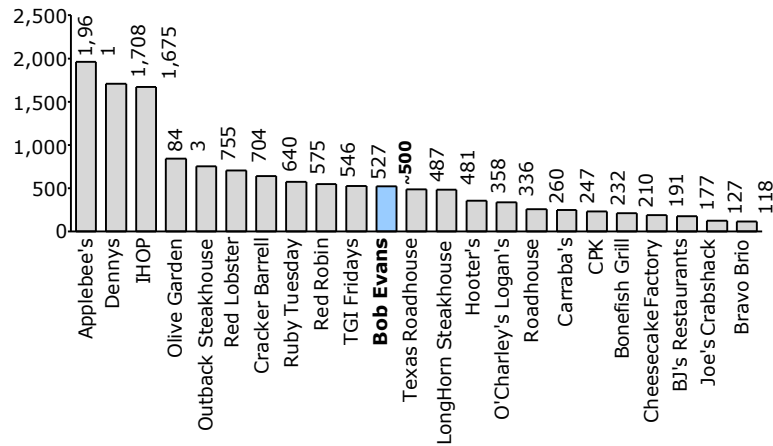
Concept Overview



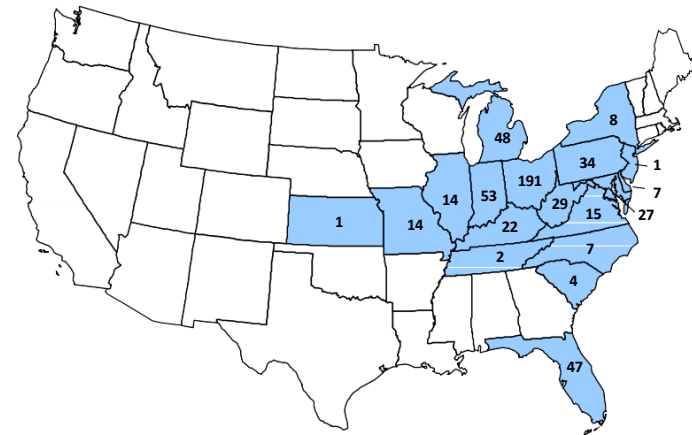
Bob Evans Restaurants is a scale, strong brand with approximately 500 locations.

Significant Scale

North America Units

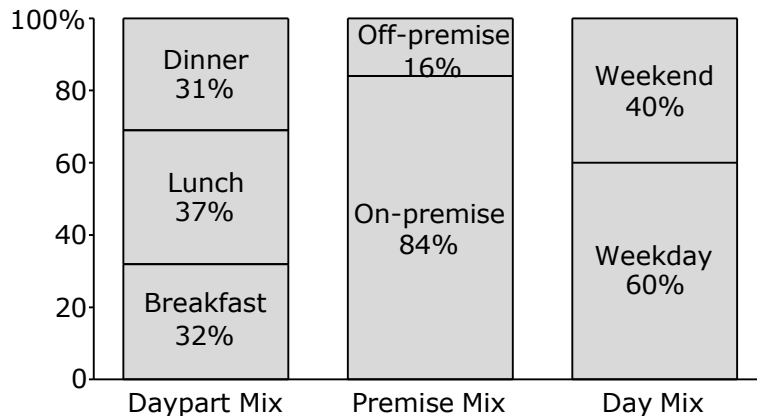


Strong Real Estate Footprint



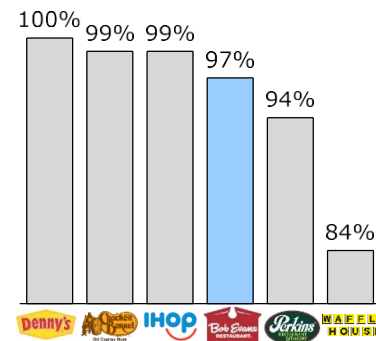
Diversified Revenue Stream

% of Revenue

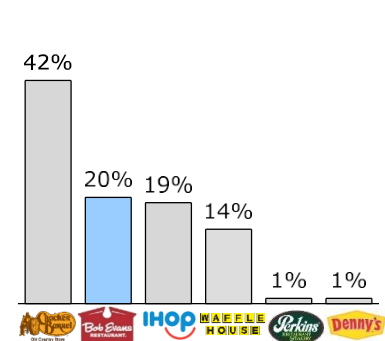


Iconic Brand

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



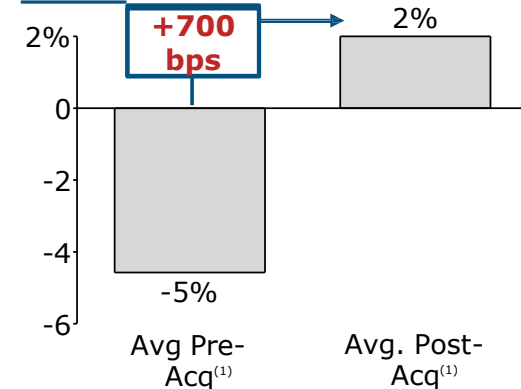
(Multiple avenues of cost and sales upside)



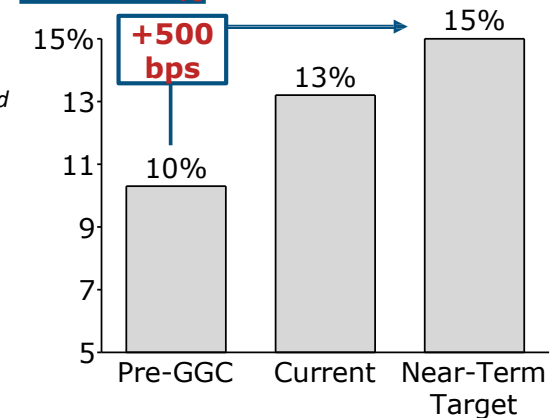
(Multiple avenues of cost, sales and new unit opportunities)

RL Results Since Close

SSS %

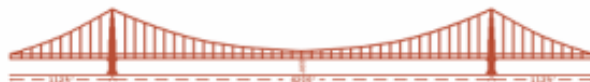


EBITDAR %





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

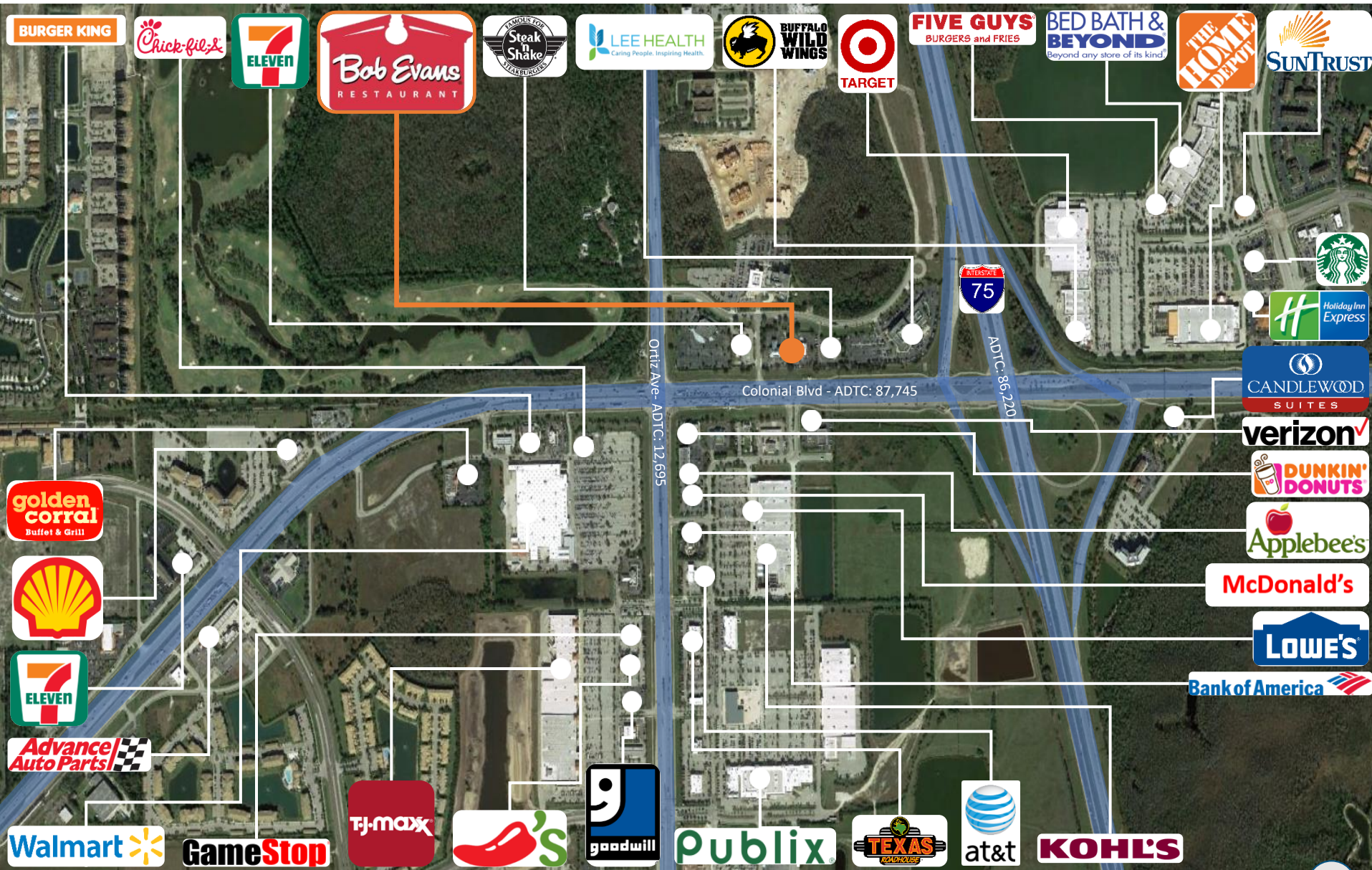
Restaurant Private Equity Investments





Surrounding Area

Property Address: 8940 Colonial Center Drive, Fort Myers, Florida, 33905





Aerial Photos

Property Address: 8940 Colonial Center Drive, Fort Myers, Florida, 33905



Actual Site



Aerial Photos

Property Address: 8940 Colonial Center Drive, Fort Myers, Florida, 33905



Actual Site



Aerial Photos

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Surrounding Area Photos

Property Address: 8940 Colonial Center Drive, Fort Myers, Florida, 33905





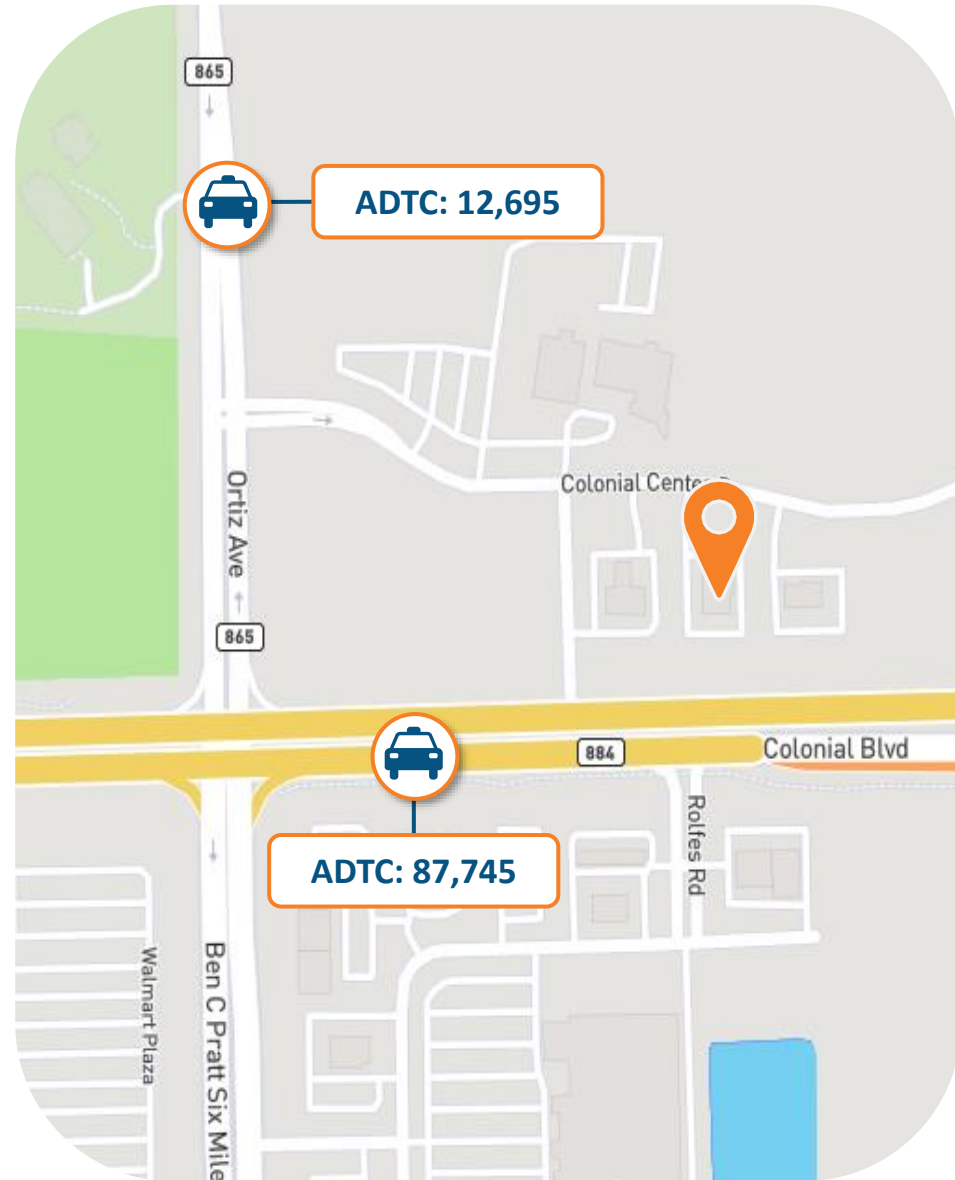
Location Overview

Property Address: 8940 Colonial Center Drive, Fort Myers, Florida, 33905

This subject investment Bob Evans property is strategically situated on Colonial Boulevard in Fort Myers, FL, just off an exit from Interstate-75. Ortiz Avenue is an active side street experiencing daily traffic counts of 12,695, intersecting with Colonial Boulevard. Colonial Boulevard, experiencing average daily traffic counts of over 87,745 vehicles, is just an exit off Interstate-75, which brings an additional daily 86,200 vehicles into the immediate proximity of the investment property.

The Bob Evans benefits from being well-positioned in a highly dense retail corridor that features national and local tenants. Major national tenants in the immediate area include: Walmart, 7-Eleven, Burger King, Target, Home Depot, Chick-Fil-A, McDonald's, Dunkin' Donuts, Lowe's, Publix and Starbucks among many more. Within an immediate one-mile radius is an affluent suburban community with average household income exceeding \$88,300. There are more than 131,500 individuals residing within a five-mile radius of the site. Florida Gulf Coast University is located in Fort Myers, home to just over 15,000 students.

Fort Myers is a major tourist destination within Florida, known for its beaches, fishing and shopping. The historic River District, also known as the City of Palms, stretches for miles along the Caloosahatchee River and offers a number of restaurants, stores, art galleries, bars, and clubs. Attractions in the River District include theaters, a skate park, and museums. Fort Myers Beach is one of the safest family beaches in the world and is located near several resorts and cottages. Fort Myers is located in Lee County, which leads the nation in migration and population growth. The Cape Coral-Fort Myers area is among the highest metro areas in the nation for percentage growth over the last several years, growing to 754,610 residents. The area's rapid economic expansion has also put Fort Myers in the nations number one spot for job growth and median house price growth. Fort Myers also holds the nations highest decrease in poverty rate, declining 2.92 percent over the last seven years.

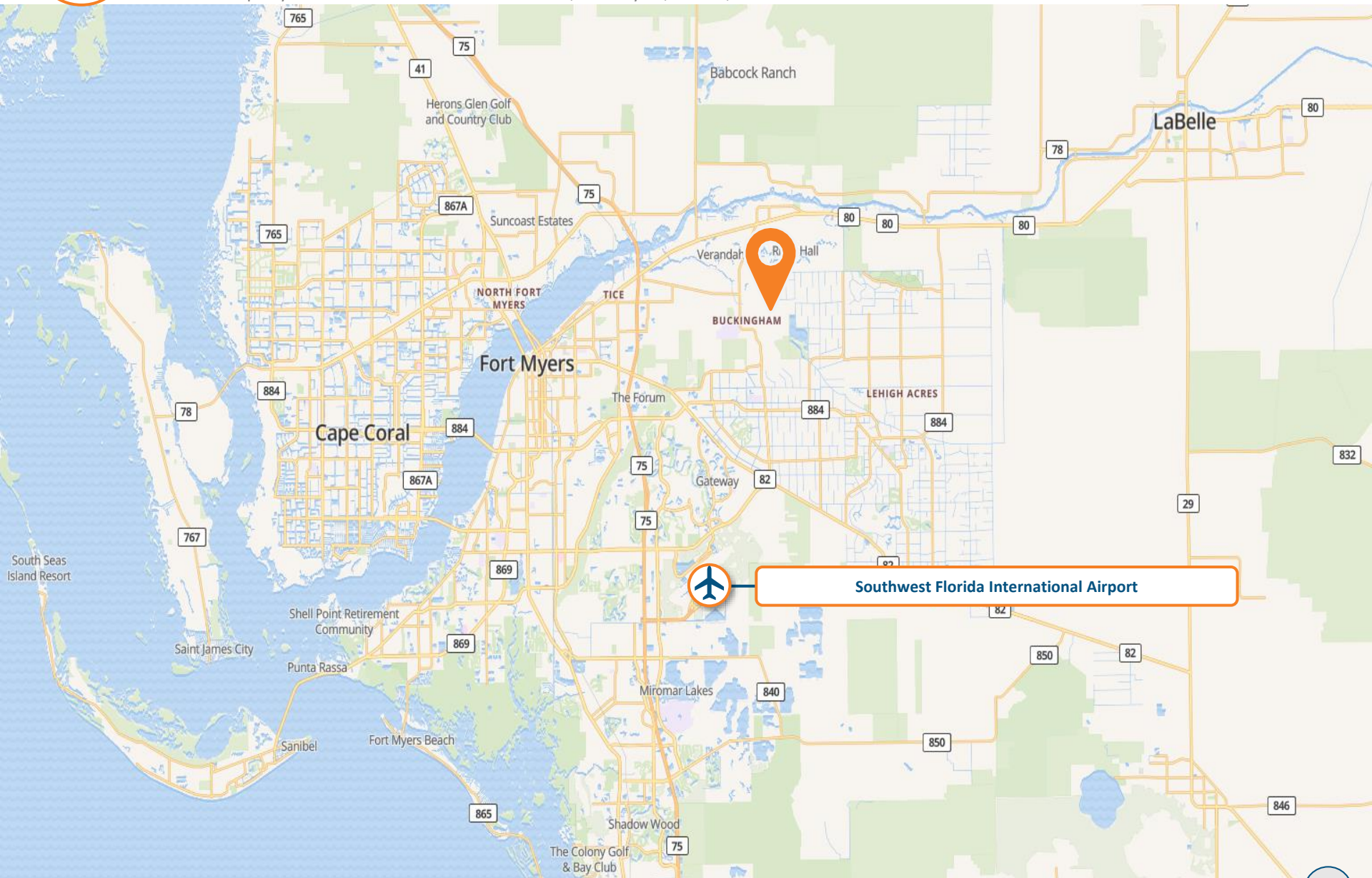




Local Map



Property Address: 8940 Colonial Center Drive, Fort Myers, Florida, 33905

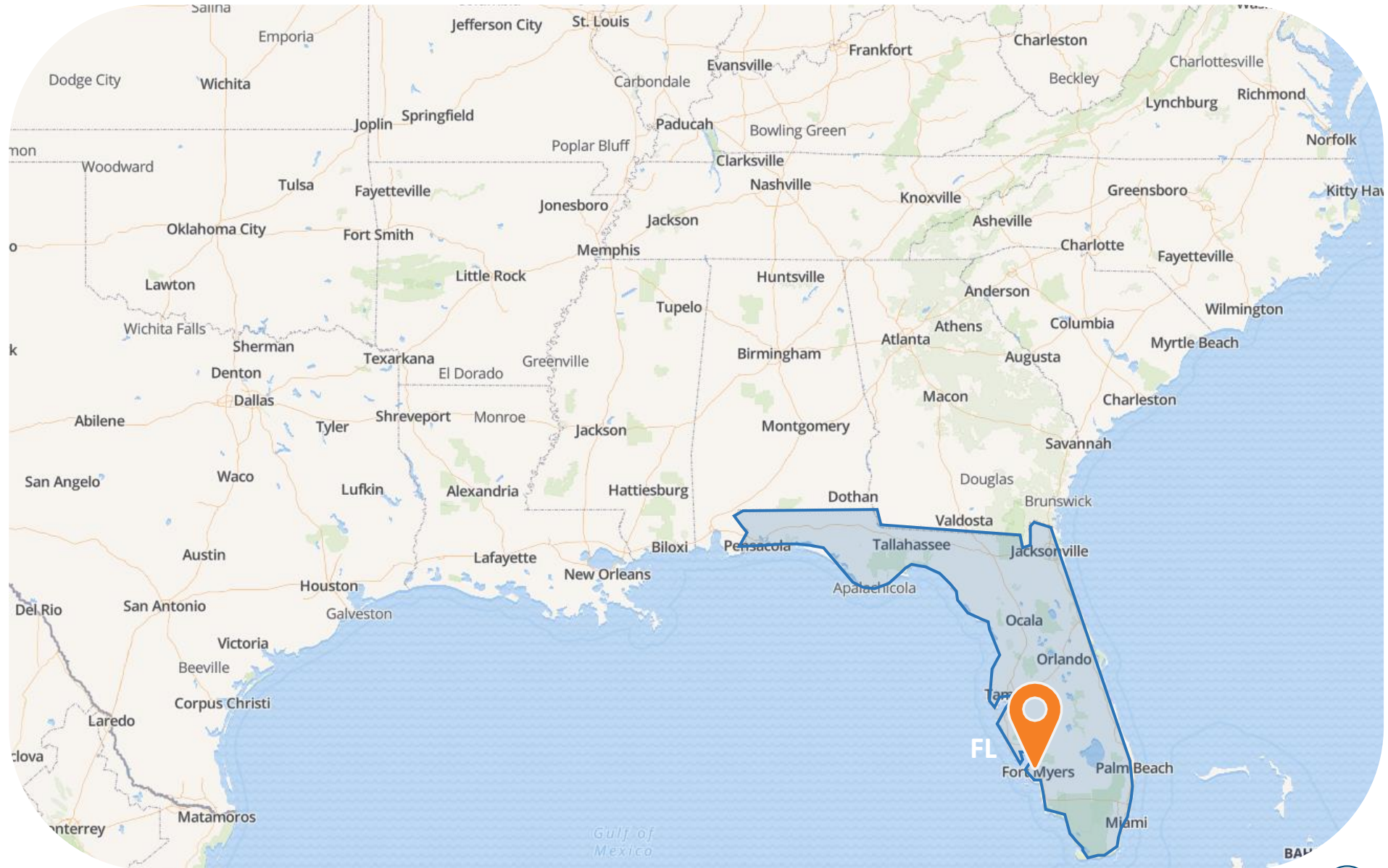




Regional Map



Property Address: 8940 Colonial Center Drive, Fort Myers, Florida, 33905





Demographics

Property Address: 8940 Colonial Center Drive, Fort Myers, Florida, 33905



POPULATION

	1 Mile	3 Miles	5 Miles
2023 Projection	2,100	37,200	131,500
2018 Estimate	1,711	32,070	118,396
2010 Census	1,272	25,193	99,344
2000 Census	300	15,169	74,633

INCOME

	1 Mile	3 Miles	5 Miles
Average	\$88,301	\$73,101	\$67,142
Median	\$61,111	\$47,686	\$45,028
Per Capita	\$58,054	\$29,667	\$26,516

HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2023 Projection	1,051	15,205	52,295
2018 Estimate	898	12,680	46,059
2010 Census	646	9,706	38,244
2000 Census	305	5,580	28,711

HOUSING

	1 Mile	3 Miles	5 Miles
2018	\$265,908	\$222,794	\$193,657

EMPLOYMENT

	1 Mile	3 Miles	5 Miles
2018 Daytime Population	1,376	46,869	178,573
2018 Unemployment	5.39%	6.20%	5.45%
2018 Median Time Traveled	26	27	27

RACE & ETHNICITY

	1 Mile	3 Miles	5 Miles
White	75.50%	55.43%	58.91%
Native American	0.03%	0.04%	0.09%
African American	10.72%	30.94%	24.82%
Asian/Pacific Islander	7.29%	3.25%	2.43%



Market Overview

City: Fort Myers | County: Lee County | State: Florida

Fort Myers, FL

Fort Myers Warm winter temperatures as well as an abundance of tourism activities and attractions draw millions of visitors to Lee County each year. The local economy is largely driven by tourism, along with a large retiree population that nears 27 percent of the total population. Lee Health, the largest healthcare system in Southwest Florida, is the top employer. The Fort Myers metro encompasses all of Lee County and is roughly 125 miles south of Tampa and 140 miles west of Fort Lauderdale. The largest employer is Lee Health with roughly 13,000 workers employed through the organizations in many locations in the region. Regional and national retailers such as Publix, Winn-Dixie, Walmart and Home Depot support tens of thousands of jobs in Lee County. Tourists flock to the county for its miles of beaches, activities and attractions, along with the Boston Red Sox and Minnesota Twins spring training. The education, healthcare and social assistance services, and the retail trade sectors are the largest sources of employment, accounting for roughly 35 percent of jobs. Fort Myers and the surrounding area is continually ranked among the top travel destinations in the U.S., funneling tourism dollars into the local economy.

Major Employers

Employer	Estimated # of Employees
Lee Health	13,000
Lee Memorial Health System FOU	7,650
GE	1,654
Lee County Sheriffs Dept	1,400
Lee Memorial Health System	1,306
Bright Ideas Gift Shop	1,159
Lee Memorial Hospital Inc	1,159
Chicos Retail Services Inc	1,100
Boeing	996
CHICOS	880
Atif	847



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EXCLUSIVE NET LEASE OFFERING

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