

Red Robin

GOURMET BURGERS AND BREWS

@LAKEPORT COMMONS

- PAD TO KOHL'S ANCHORED POWER CENTER •
- ABSOLUTE NNN LEASE •
- REGIONAL SHOPPING DESTINATION •



In Association with JDS Real Estate Services, Inc. | San Clemente, California | A Licensed Iowa Broker #F0571000
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OFFERING MEMORANDUM
SIOUX CITY, IOWA



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OFFERING MEMORANDUM

SIOUX CITY, IOWA

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OFFERING SUMMARY

RED ROBIN @ LAKEPORT COMMONS



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LOCATION

Red Robin (Ground Lease)
4900 Sergeant Road
Sioux City, IA 51106

OFFERING SUMMARY

| | |
|-----------------------------|-------------|
| Price: | \$2,118,000 |
| Net Operating Income (NOI): | \$127,050 |
| Capitalization Rate: | 6.00% |
| Net Rentable Area: | 6,350 |
| Year Built: | 2005 |
| Lot Size (Acres): | 1.66 |

LEASE TERMS

| | |
|---------------------|-------------------------------|
| Tenant: | Red Robin International, Inc. |
| Lease Commencement: | 11/1/2005 |
| Lease Expiration: | 10/31/2030 |
| Lease Type: | Absolute NNN Ground Lease |
| Roof & Structure: | Tenant Responsibility |
| Monthly Rent: | \$10,588 (\$1.67/sf) |
| Annual Rent: | \$127,050 (\$20.01/sf) |
| Rental Increases: | 10% Every 5 Years |
| Renewal Options: | Two 5-Year @ 10% Each Option |

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.



REPRESENTATIVE PHOTO



INVESTMENT HIGHLIGHTS

RED ROBIN @ LAKEPORT COMMONS



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- **Single-Tenant Absolute NNN Red Robin Ground Lease:**

- Absolute NNN ground lease; zero landlord responsibilities
- 11 years remaining on lease with 10% increases every 5 years
- Red Robin re-committed to the site by signing a 10-year lease extension in 2019 and they have plans to renovate the interior of the building in 2020
- Two 5-year options with 10% increases at each option
- Corporate guaranteed lease (NASDAQ: RRGB); 565 locations across the U.S. and Canada
- #40 "Top 500 Chain Restaurants" by Restaurant Business (2017)
- #42 "Top 100" by Nation's Restaurant News (2017)

- **Pad to Lakeport Commons:** Sioux City's top power center that combined with the neighboring mall accounts for 60% of all Sioux City's retail

- Tenants include Best Buy, Buffalo Wild Wings, Chipotle Mexican Grill, Firehouse Subs, Five Below, Gap, Kohl's, Mattress Firm, Michael's, Old Chicago Pizza & Taproom, Old Navy, Panera Bread, Party City, PetSmart, Olive Garden, QDOBA Mexican Grill, Staples, Starbucks, and Texas Roadhouse

- **South Sioux City is the Premier Shopping Destination for the Region:**

- Draws from over 170,000 people in the larger Iowa, Nebraska, and South Dakota tri-state area
- Retailers in the area include Southern Hills Mall (1.2 million square feet; 6 million annual visitors), Hy-Vee, Target, Lowes, CVS/pharmacy, Marshalls, AMC Theatres, Scheel's All Sports, Bed Bath & Beyond, and ULTA Beauty



INVESTMENT HIGHLIGHTS

RED ROBIN @ LAKEPORT COMMONS



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- **Strong Midwest Demographics:** Over \$96,000 average household incomes in a 1-mile radius of the property; 170,000+ population in the trade area
- **Sioux City is an Established and Historically Stable Market Drawing from Iowa, Nebraska, and South Dakota:**
 - #1 "Top State for Jobs in the U.S." by U.S. News & World Report (2019)
 - #2 "Best State for Opportunity" by U.S. News & World Report (2019)
 - #1 "Best Places for Economic Development Metros Under 200,000" by Site Selection Magazine (2016-2018)
 - Extremely low unemployment rate of 2.6% (national average unemployment rate is 3.7%)
- **Center Point for Travelers to Other Midwest Cities:** Omaha, Nebraska (1.5 hours); Sioux Falls, South Dakota (1.25 hours); Des Moines, Iowa (3 hours)
- **Located Near Major Sioux City Landmarks:**
 - *UnityPoint Health - St. Luke's* – 158-bed hospital; treats more than 77,000 patients annually
 - *Sunnybrook Village* – New 64-acre, \$50 million mixed-use development (under construction)
 - *Sioux Gateway Airport* – Direct flights to Dallas-Fort Worth and Chicago





LAKEPORT COMMONS

• • • Not a Part Tenants • • •



AERIAL SITE PLAN / PARCEL MAP

RED ROBIN @ LAKEPORT COMMONS



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- LAKEPORT COMMONS SHOPPING CENTER
- PROPERTY PARCEL



SITE PLAN

RED ROBIN @ LAKEPORT COMMONS



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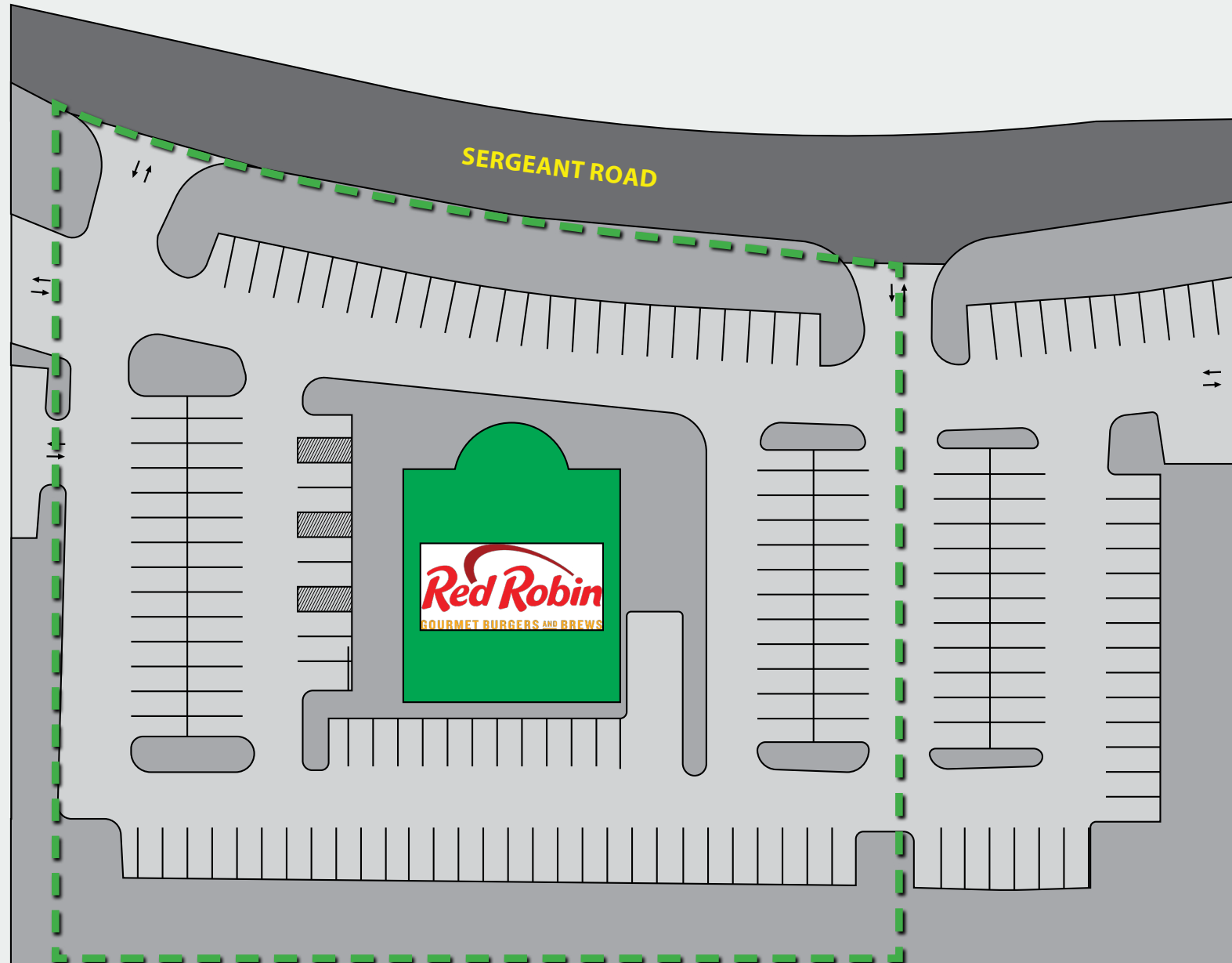
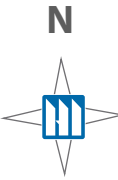


PROPERTY PARCEL

APN: 884708377020



SUBJECT PROPERTY





LAKEPORTCOMMONS
• • • Not a Part • • •



AERIAL OVERVIEW

RED ROBIN @ LAKEPORT COMMONS



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LEADS TO
OMAHA

- 1.5 HOURS AWAY -

LEADS TO
SIOUX FALLS

- 1.25 HOURS AWAY -



MISSOURI RIVER



Walmart
Supercenter

QUALITY
INN & SUITES



OUTBACK
STEAKHOUSE



Applebee's

Pearson

CANDLEWOOD
SUITES

FAIRFIELD
INN & SUITES
Marriott

SOUTHERN
HILLS
MALL

- 1.2M SF MALL
- 6M ANNUAL VISITORS -

Best Buy

SERGEANT ROAD

19,000 CPD

STAPLES

Michael's

KOHL'S

PETSMART

Red Robin
GOURMET BURGERS AND BEERS
SUBJECT PROPERTY

QDOBA
MEXICAN EATS

Panera

TEXAS
CORN

Olive Garden

AERIAL OVERVIEW

RED ROBIN @ LAKEPORT COMMONS



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DEMOGRAPHICS

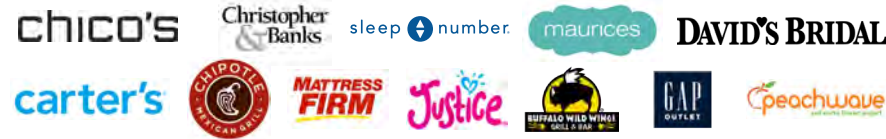
| | Population | AHHI |
|---------------|------------|----------|
| 1-Mile Radius | 3,550 | \$96,612 |
| 3-Mile Radius | 26,948 | \$70,047 |
| 5-Mile Radius | 55,738 | \$65,259 |



MISSOURI
RIVER

SIoux CITY

- 83,700 POPULATION -



AspenDental

Party City

STAPLES

Michael's

five BELOW

KOHL'S

OLD NAVY

Gordmans

PETSMART

NEDLAND ELEMENTARY
- 250 STUDENTS -

LAKEPORT
COMMONS

19,000 CPD

32,000 CPD



complete
nutrition
FIREHOUSE
SUBS
FOUNDED BY FIREHERN



OLD CHICAGO

QDOBA

Panera

TEXAS

N



AERIAL OVERVIEW

RED ROBIN @ LAKEPORT COMMONS



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THE SUMMIT

- 225-UNIT APARTMENT COMPLEX -

Lowe's



SUNNYBROOK VILLAGE

- 64-ACRE MIXED-USE DEVELOPMENT
ANCHORED BY MILLS FLEET FARM AND
HOBBY LOBBY -

UnityPoint Health
St. Luke's

SUNNYBROOK CENTER

- 24,150 SF, 2-STORY OFFICE BUILDING -
- COMPLETED -



LAKEPORT COMMONS

KOHL'S

five BELOW

Party City

Michaels

AspenDental

STAPLES



Sport Clips

SEERGEANT ROAD

19,000 CPD

LAKEPORT STREET

SECURITY
NATIONAL BANK

HyVee

Hardee's

Chick-fil-A

TEXAS
GAS

Panera

OLD CHICAGO

75

32,000 CPD

Olive Garden

BEST BUY

JOHNSON'S

Red Robin
GOURMET BURGERS & BEERS
SUBJECT PROPERTY

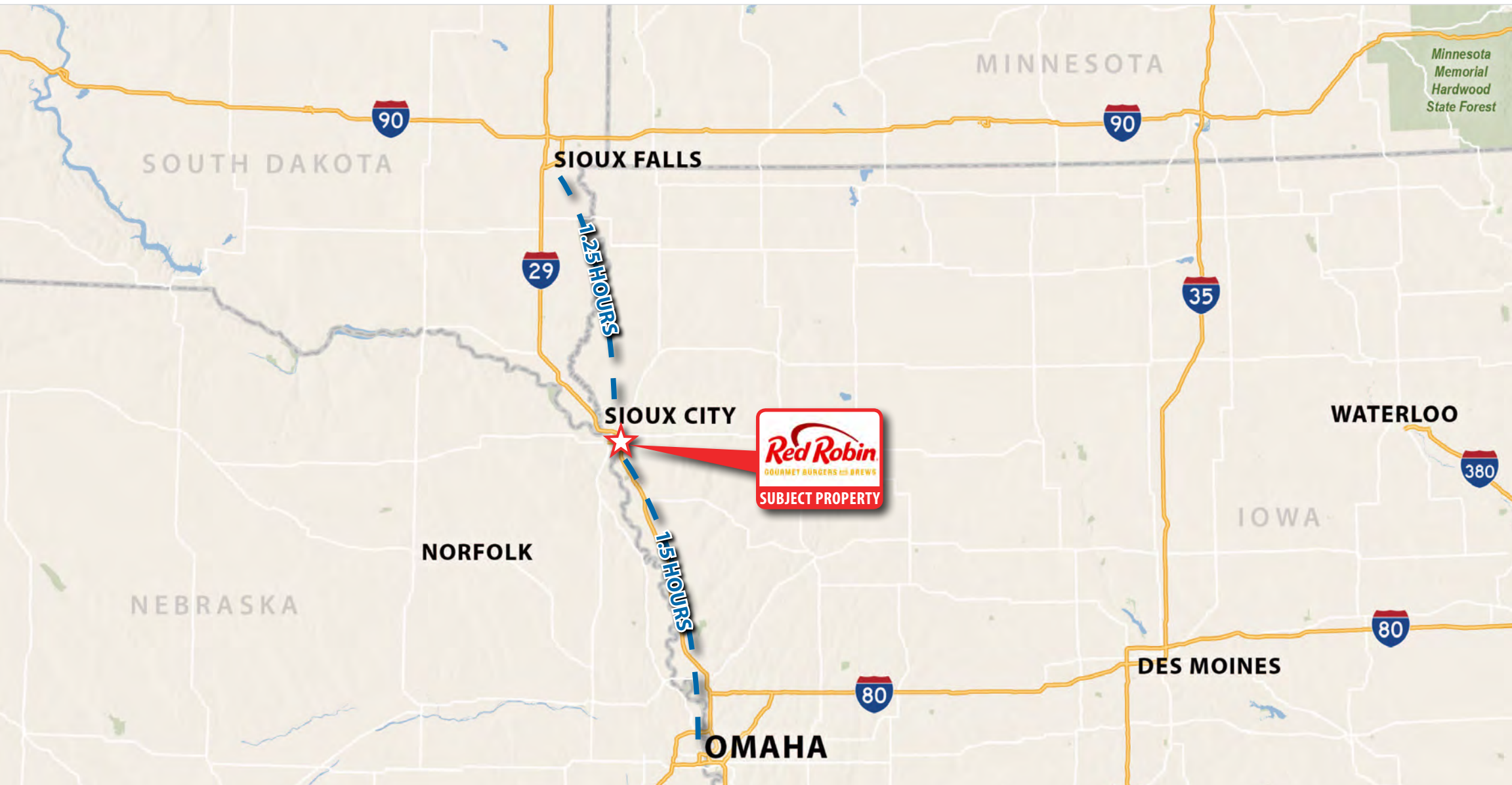


REGIONAL MAP

RED ROBIN @ LAKEPORT COMMONS



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#1

**MOST POPULOUS
CITY IN THE COUNTY**

2.6%

**UNEMPLOYMENT
RATE IN THE CITY**

34

**MEDIAN
AGE IN THE CITY**

15%

**BELOW AVERAGE
COST OF LIVING**



The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.

TENANT PROFILE

RED ROBIN @ LAKEPORT COMMONS



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Red Robin Gourmet Burgers and Brews is a casual dining restaurant chain founded in 1969 that operates through its wholly-owned subsidiary, Red Robin International, Inc. The burger chain is famous for serving more than two dozen delicious burgers that have more than 100 different toppings to choose from. The restaurant features

a premium burger line consisting of high-quality burgers known as Red Robin's Finest, which launched in 2013 and uses half-pound patties of Black Angus beef. Red Robin holds its burger ingredients to very strict standards; the beef is always fresh and never frozen, all-natural, domestic, and free of preservatives and added ingredients. The chain was ranked #40 on Restaurant Business' "Top 500 Chain Restaurants" in 2017.

Red Robin also offers a variety of creative and signature beverages, such as the Hawaiian Heart Throb Smoothie and the Silver Spoon S'mores Monster Milkshake. Additionally, Red Robin offers a variety of options behind the bar, including signature cocktails and innovative booze infused shakes such as the Root Brewshi Float, the Blue Moon Beer Shake, and the Spiked Freckled Lemonade. Their extensive selection of local and regional beers and spirits has earned the restaurant a VIBE Vista Award for "Best Beer Program in a Multi-Unit Chain Restaurant."

In addition to its many burger offerings, Red Robin serves bottomless fries and a wide variety of salads, soups, appetizers, entrees, and desserts. All of the produce used at Red Robin is GMO-free. There are 565 Red Robin restaurants across the United States and Canada. For the fiscal year ending December 30, 2018, the total company revenues, which include company-owned restaurant sales and franchise royalties, were \$1.3 billion.

TOP HONORS

- **#40 "Top 500 Chain Restaurants"** – Restaurant Business (2017)
- **#42 "Top 100"** - Nation's Restaurant News (2017)

Company Type: Public (NASDAQ: RRGB)
Locations: 565
Website: www.redrobin.com





Sioux City, Iowa

- 4th largest city in Iowa; nestled along Loess Hills and the Missouri River in Woodbury County
- Primary city in Sioux City, IA-NE-SD metropolitan statistical area (MSA)
- 170,600 MSA population; \$9.7 billion gross metro product (GMP)
- #2 "Best State for Opportunity" by U.S. News & World Report (2019)



ECONOMY

- A diverse economy with the largest industries in manufacturing, health care, social assistance, and retail trade
- Current top employers include: Tyson Foods Inc., Sioux City Community School District, Bomgaars, Seaboard Triumph Foods, Mercy Medical Center, UnityPoint Health St Lukes, and Hard Rock Hotel & Casino
- Regional hub in the tri-state area for business, employment, industry, retail trade, medical care, educational opportunities, and tourism
- 14.4% projected growth in AHHI between 2017-2022
- 1.2% projected annual job growth
- 2.6% unemployment rate vs. 3.7% U.S. average
- SiouxCityMSA was crowned an "Economic Development King" by Site Selection Magazine 6 years in a row

- **Seaboard Triumph** - Hog processing plant opened in 2017; 2,000 jobs created
- 24 business projects are currently underway to expand or renovate, adding new jobs in the process
- **UnityPoint Health-St. Luke's** - Regional medical center for the tri-state area
 - Serves as the regional medical center for the area
 - 158 staffed beds; 77,000 patients treated annually

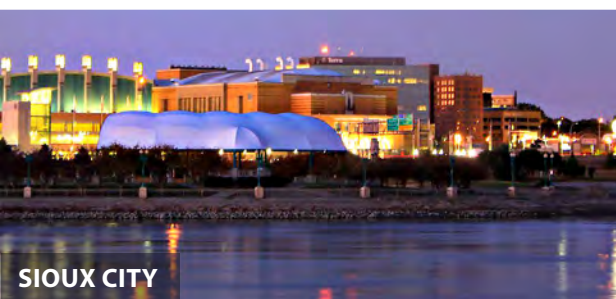
DEVELOPMENT

- **Sunnybrook Village** - 64-acre mixed use development
 - Includes a 250,000 square foot, \$30 million retail center anchored by Mills Farm Fleet and Hobby Lobby; 2019 opening
- **The Summit** - 225-unit, \$20 million apartment complex
 - Includes a 13.5-acre, 8-building complex which overlooks Sunnybrook Village; summer 2020 completion date

#4
LARGEST CITY
IN IOWA

15%
BELOW THE NATIONAL
AVERAGE COST OF LIVING

#2
BEST STATE FOR
OPPORTUNITY





Sioux City, Iowa

- 15% below the national average for cost of living by Forbes (2019)
- #1 "Best Places for Economic Development for Metros under 200,000" by Site Selection Magazine (2018, 2017, 2016)
- #1 "State for Jobs in the U.S." by U.S. News & World Report (2019)

- **The Arena Project** - \$13 million youth sports complex; opening fall 2019
- **Riverfront Development** - 23-acre master planned riverfront park; under construction
 - Includes a yoga lawn, basketball courts, and a dog park

EDUCATION

- **Sioux City Community Schools** - Serves 14,600+ students
 - One of only two districts in the country to be awarded an Air Force JROTC program
- 38 colleges and universities within 100 miles including, The University of South Dakota, Wayne State College, Northwestern College, Western Iowa Tech Community College, Morningside College, and Briar Cliff University

TRANSPORTATION

- 4 hour drive to most major U.S. cities
- Interstate 29 currently undergoing a \$400 million

reconstruction project to expand a 10-mile stretch within the city to 6 lanes; 2020 completion

- **Sioux Gateway Airport** - 85,000 passengers in 2017; Located 7 miles south on Interstate 29
- Midwest hub for north-south railroad traffic with connections west
 - Ships to the other Midwest cities, Gulf of Mexico, San Diego, Los Angeles, Seattle, Tacoma, and Portland

TOURISM

- **Saturday in the Park** - One of the largest outdoor music festivals in the upper midwest; 45,000+ attendees per event
- **Tyson Events Center** - Over 300,000 visitors annually; 10,000 guest capacity
- **Cone Park** - Newest all season park featuring tubing hill, day lodge, ice skating rink, splash pad and recreational trail
 - "Iowa's Best New Tourist Attraction" by MSN (2018)
 - "Outstanding Attraction Award" by Iowa Economic Development Authority (2019)



2.6%

**UNEMPLOYMENT RATE
VS. U.S. AVERAGE 3.7%**

38

**COLLEGES WITHIN
100 MILES**

#1

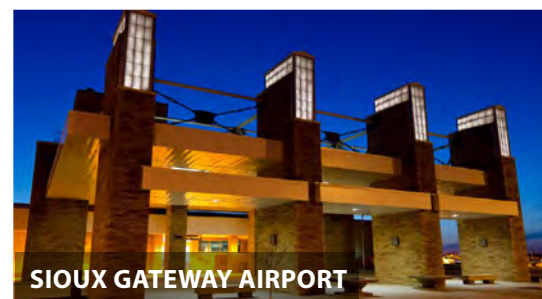
**STATE FOR
JOBS IN U.S.**



MERCY MEDICAL CENTER



THE SUMMIT



SIoux GATEWAY AIRPORT





| | <u>1-Mile</u> | <u>3-Mile</u> | <u>5-Mile</u> |
|---|-----------------|-----------------|-----------------|
| Population | | | |
| 2023 Projection | 3,639 | 27,077 | 56,158 |
| 2018 Estimate | 3,550 | 26,948 | 55,738 |
| 2010 Census | 3,500 | 26,436 | 55,127 |
| 2000 Census | 3,255 | 26,126 | 53,992 |
| Growth 2000-2010 | 7.53% | 1.19% | 2.10% |
| Growth 2010-2018 | 1.43% | 1.94% | 1.11% |
| Growth 2018-2023 | 2.51% | 0.48% | 0.75% |
| Households | | | |
| 2023 Projection | 1,535 | 10,800 | 21,200 |
| 2018 Estimate | 1,479 | 10,650 | 20,822 |
| 2010 Census | 1,451 | 10,372 | 20,435 |
| 2000 Census | 1,225 | 9,987 | 19,857 |
| Growth 2000-2010 | 18.45% | 3.86% | 2.91% |
| Growth 2010-2018 | 1.93% | 2.68% | 1.89% |
| Growth 2018-2023 | 3.79% | 1.41% | 1.82% |
| 2018 Est. Population by Single-Classification Race | | | |
| White Alone | 3,340 | 24,113 | 43,219 |
| Black or African American Alone | 26 | 447 | 1,789 |
| American Indian and Alaska Native Alone | 19 | 307 | 1,198 |
| Asian Alone | 74 | 407 | 1,460 |
| Native Hawaiian and Other Pacific Islander Alone | 1 | 13 | 95 |
| Some Other Race Alone | 45 | 914 | 6,081 |
| Two or More Races | 45 | 732 | 1,869 |
| 2018 Est. Population by Ethnicity (Hispanic or Latino) | | | |
| Hispanic or Latino | 124 | 2,276 | 12,918 |
| Not Hispanic or Latino | 3,426 | 24,672 | 42,820 |
| 2018 Est. Average Household Income | \$96,612 | \$70,047 | \$65,259 |

CONFIDENTIALITY AGREEMENT

RED ROBIN @ LAKEPORT COMMONS



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The information contained herein does not purport to provide a complete or fully accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective buyers may need or desire. All financial projections are based on assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Broker and, therefore, are subject to material variation. This Marketing Package does not constitute an indication that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the information herein. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective buyers.

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\$6+ BILLION
retail sales nationwide



SHARED DATABASE
collaborative proprietary database



TOP BROKERAGE GLOBALLY
in investment sales



COSTAR POWER BROKER
top sales brokers & firm in OC



NATIONWIDE REACH
retail & investors across the U.S.