



NET LEASE INVESTMENT OFFERING



LONGHORN STEAKHOUSE
(CORPORATE SALE LEASEBACK)
5771 BRAINERD ROAD, CHATTANOOGA, TN



TABLE OF CONTENTS

OFFERING SUMMARY

Executive Summary	1
Investment Highlights	2
Property Overview	3

LOCATION OVERVIEW

Photographs	4
Location Aerial	5
Site Plan	6
Map	7

MARKET OVERVIEW

Market Overview	8
Demographics	9

TENANT SUMMARY

Tenant Profiles	10
-----------------------	----



EXECUTIVE SUMMARY

The Boulder Group and Lee & Associates are pleased to exclusively market for sale a single tenant net leased LongHorn Steakhouse sale leaseback opportunity. The LongHorn Steakhouse lease will have an initial primary term of five years upon close of escrow. This absolute net lease will feature 1.5% annual rental escalations. LongHorn Steakhouse is known for a “Passion for Grilling” fresh, tender, juicy steaks and offers guests the widest variety of cuts and numerous preparations, including its signature bone-in Outlaw Ribeye, all served in a relaxed, warm atmosphere inspired by a rancher’s home. LongHorn has more than 500 restaurants across 40 states. The tenant will be RARE Hospitality International, Inc., a wholly owned subsidiary of Darden Restaurants, Inc., doing business as LongHorn Steakhouse. Darden Restaurants, Inc. is publicly traded (NYSE: DRI) with a market capitalization in excess of \$14 billion and is an investment grade rated company (Standard & Poor’s: BBB)*.

The LongHorn Steakhouse property is strategically located in a regionally dominant retail corridor within the Chattanooga MSA. The property is located immediately off of Brainerd Road (23,330 VPD) and easily accessible from Interstate 75 (130,204 VPD.) The property is located in close proximity to Walmart Supercenter, Ollie’s Bargain Outlet, Chick-Fil-A, Harbor Freight, Office Depot, CVS and many other national retailers. This location has a long and successful operating history since 1991.

This is a strong performing location with a rent coverage in excess of 3x and under 6% rent to sales.

There will be five years remaining on the corporately guaranteed LongHorn Steakhouse lease upon close of escrow. The lease will feature 1.5% annual rental escalations and require no landlord responsibilities. Additionally, there will be three 5-year renewal option periods. The tenant will be RARE Hospitality International, Inc., a wholly owned subsidiary of Darden Restaurants, Inc., doing business as LongHorn Steakhouse. Darden Restaurants, Inc. (NYSE: DRI) is a multi-brand restaurant operator.

*As of January 2020



INVESTMENT HIGHLIGHTS

- Located within the Chattanooga MSA
- This is a strong performing location with low rent to sales ratio and rent coverage in excess of 3x
- Corporate lease
- 1.5% annual rental escalations
- Absolute triple net - No landlord responsibilities
- Tennessee is an income tax free state
- Long operating history since 1991
- Close proximity to Walmart Supercenter, Ollie's Bargain Outlet, Chick-Fil-A, Harbor Freight, Office Depot, CVS and many other national retailers
- Easily accessible from Interstate 75 (130,000+ VPD)
- Positioned off of Brainerd Road (29,000+ VPD)
- 151,171 people living within 5 miles of property



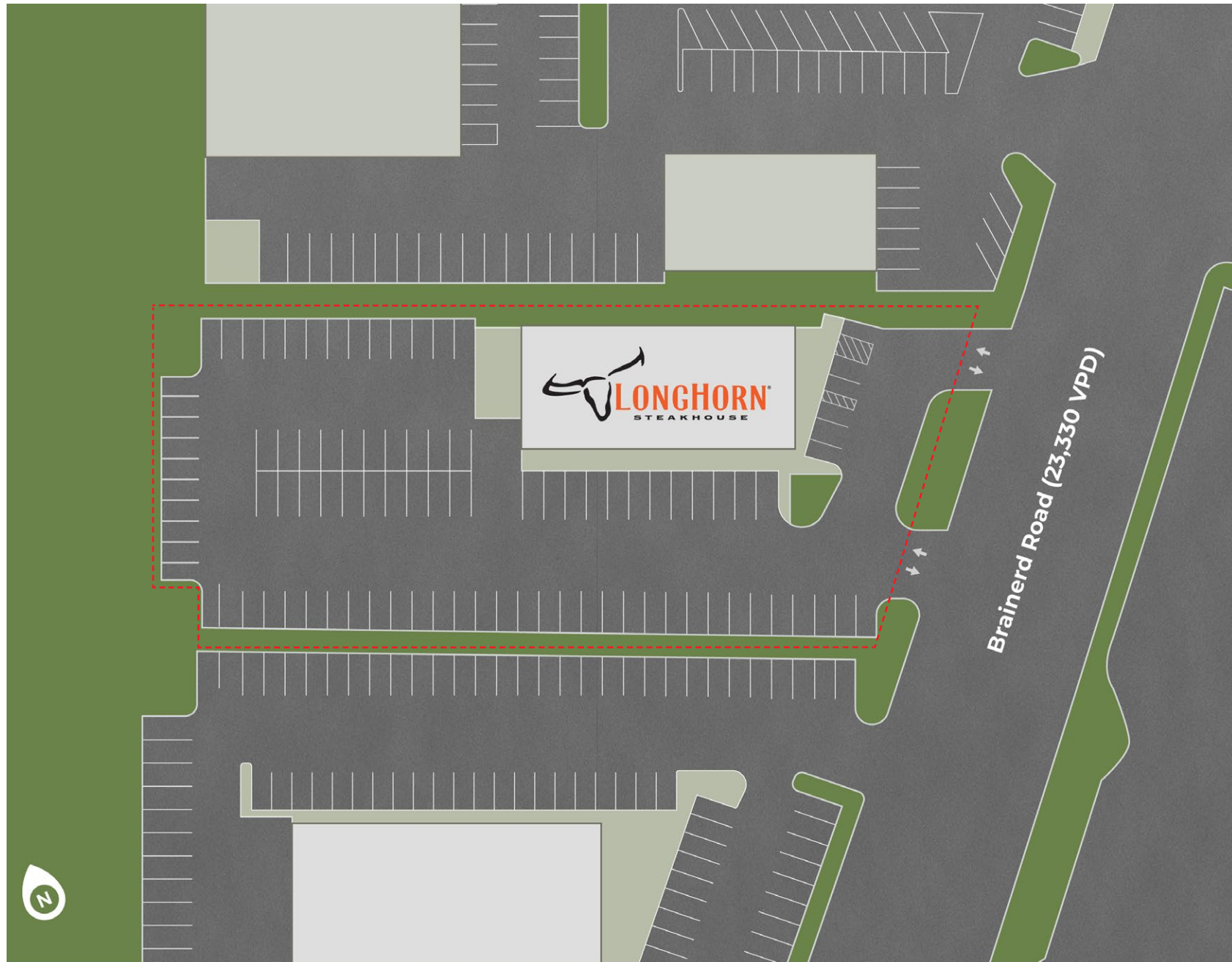
PROPERTY OVERVIEW

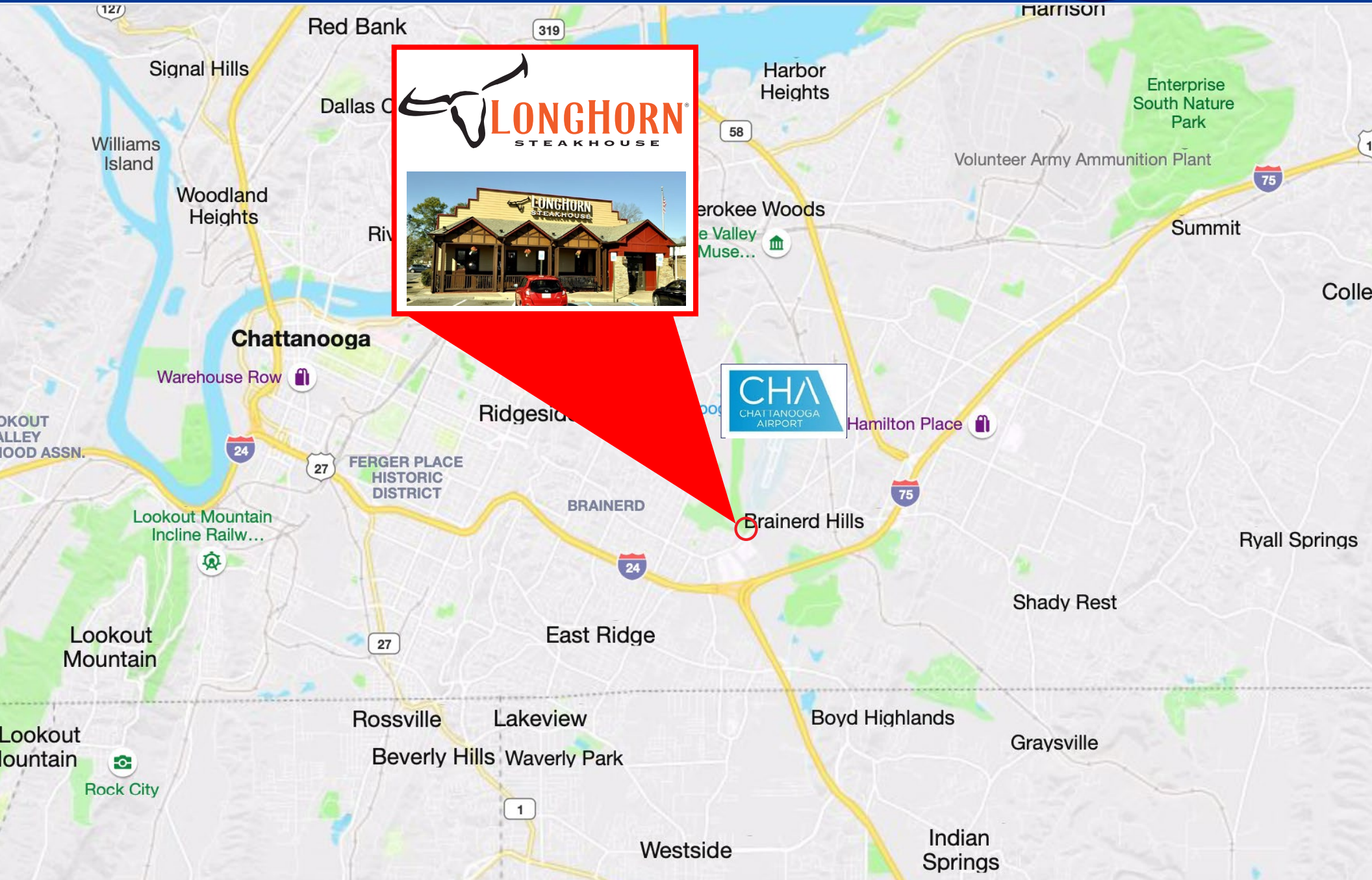
Price:	\$2,560,000
Current Cap Rate:	6.25%
Net Operating Income:	\$160,000
Rental Escalations:	1.5% Annual
Renewal Options:	Two 5-Year + One 4-Year
Lease Commencement Date:	Close of Escrow
Lease Term:	5 Years
Tenant:	Rare Hospitality Management d/b/a Longhorn Steakhouse
Year Built/Renovation:	1991/2002
Lease Type:	NNN
Building Size:	5,599 SF
Land Size:	1.25 Acres











DEMOGRAPHICS

POPULATION

	1-Mile	3-Mile	5-Mile
Total Population:	4,460	56,928	151,171
Total Households:	1,919	24,907	62,854

INCOME

	1-Mile	3-Mile	5-Mile
Average Household Income:	\$48,729	\$59,901	\$57,770



CITY OF CHATTANOOGA, TENNESSEE

The Chattanooga metropolitan statistical area is the fourth largest in Tennessee and the city of Chattanooga anchors a three-state area that includes Southeast Tennessee, Northwest Georgia, and Northeast Alabama. Major industry driving the economy includes automotive, advanced manufacturing, food and beverage production, healthcare, insurance, tourism, and back office and corporate headquarters.

The city, with a downtown elevation of approximately 680 feet (210 m), lies at the transition between the ridge-and-valley portion of the Appalachian Mountains and the Cumberland Plateau. Surrounded by mountains and ridges, the official nickname for Chattanooga is “Scenic City”, reinforced by the city’s reputation for outdoor activities. Unofficial nicknames include “River City”, “Chatt”, “Nooga”, “Chattown”, and “Gig City”, referencing Chattanooga’s claims that it has the fastest internet service in the Western Hemisphere.

Notable Chattanooga businesses include Access America Transport, BlueCross BlueShield of Tennessee, CBL & Associates, The Chattanooga Bakery, Chattem, the world’s first Coca-Cola bottling plant, Coker Tire, U.S. Xpress Inc., Covenant Transport, Double Cola, CraftWorks Restaurants & Breweries, Luken Communications, Miller & Martin, the National Model Railroad Association, Reliance Partners, Republic Parking System, Rock/Creek, Tricycle Inc., and Unum. The city also hosts large branch offices of Cigna, AT&T, T-Mobile USA, and UBS. McKee Foods Corporation, the maker of nationally known Little Debbie brand snack cakes, is a privately held, family-run company headquartered in nearby Collegedale, Tennessee.





LONGHORN STEAKHOUSE

LongHorn Steakhouse is known for fresh, boldly seasoned and expertly grilled steaks – like the signature bone-in Outlaw Ribeye® – all served in a relaxed, warm atmosphere inspired by a rancher’s home. Founded in 1981 in Atlanta, Georgia, the restaurant began with one man’s passion for perfect steak but had very few guests to convince. Then a freak snowstorm hit Atlanta in 1982, stranding motorists and drawing them to one of the only hospitable places available - a restaurant then called LongHorn Steaks Restaurant & Saloon. Tales of expertly grilled steaks soon spread like wildfire, and the legend of LongHorn was born.

By 1990, the restaurant had spread throughout the East, Midwest and Southwest United States and Puerto Rico. In 2007, the restaurant, now called LongHorn Steakhouse, was purchased by Darden Restaurants, Inc. (NYSE: DRI). Today, LongHorn Steakhouse is headquartered in Orlando, Florida and has more than 500 restaurants across 40 states.

Website:	www.LongHornsteakhouse.com
Locations:	500+
Year Founded:	1981
Parent Company:	Darden Restaurants Inc.



DARDEN RESTAURANTS, INC.

Darden Restaurants, Inc. is the premier full-service restaurant company featuring a portfolio of category-leading brands that include Olive Garden, LongHorn Steakhouse, Bahama Breeze, Seasons 52, Cheddar's Scratch Kitchen, The Capital Grille, Eddie V's and Yard House. Each of its brands enjoys industry-leading average unit volumes that together generate approximately \$8 billion in annual sales across more than 1,700 locations. Headquartered in Orlando, Florida, Darden employs more than 184,000 team members who serve more than 390 million meals annually. Darden has been named to the FORTUNE "100 Best Companies to Work For" list on an annual basis.

Darden Restaurants, Inc. is a publicly traded company on the New York Stock Exchange using the symbol "DRI". The company is investment grade rated by all major rating agencies including Standard & Poor's (BBB) and Moody's (Baa2).

Website:	www.darden.com
Locations:	1,700+
Stock Ticker:	NYSE: DRI
Credit Rating:	S&P: BBB Moody's: Baa2
Headquarters:	Orlando, FL

CONFIDENTIALITY & DISCLAIMER

The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from The Boulder Group and/or Lee & Associates and should not be made available to any other person or entity without the written consent of The Boulder Group and/or Lee & Associates.

This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. The Boulder Group and Lee & Associates has not made any investigation, and makes no warranty or representation.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, The Boulder Group and Lee & Associates have not verified, and will not verify, any of the information contained herein, nor has The Boulder Group or Lee & Associates 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.

EXCLUSIVELY LISTED BY:



The Boulder Group
3520 Lake Avenue, Suite 203
Wilmette, Illinois 60091
www.bouldergroup.com

RANDY BLANKSTEIN

President
847-562-0003
randy@bouldergroup.com

JOHN FEENEY

Senior Vice President
847-562-9280
john@bouldergroup.com



Lee & Associates
1 McBride & Son Center Drive, Suite 140
St. Louis, MO 63005
www.lee-associates.com

DANIEL BARNES

Principal
314-400-4004
dbarnes@lee-associates.com