

Representative Photo

BOB EVANS

EXCLUSIVE NET-LEASE OFFERING

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Aerial Video



OFFERING MEMORANDUM



190 Lithia Road
Wytheville, VA 24382

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Investment Highlights

PRICE: \$1,680,250 | CAP: 6.00% | RENT: \$100,815



About the Investment

- ✓ Long Term 20-Year Triple-Net (NNN) Lease with Zero Landlord Responsibilities and 17+ 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

- ✓ Highly Trafficked Highway Interchange Location | Positioned Among Numerous Hotel and Motel Brands | Ideal for the Bob Evans Concept
- ✓ Extremely High Traffic Counts | 54,000 & 15,000 Vehicles Per Day on Lee Highway & Interstate 81, Respectively
- ✓ Excellent Exposure | Site Overlooks Interstate – 81 | Great Highway Signage
- ✓ Strong Retail Corridor | Tractor Supply Company, CVS Pharmacy, Rite Aid, Wendy's, Hardee's, Sonic Drive-In, Applebee's, Waffle House, AutoZone Auto Parts, Advance Auto Parts, and Many More
- ✓ Less Than Two Miles From Wytheville Community College | Over 3,000 Students Enrolled
- ✓ Less Than Three Miles From Wytheville County Community Hospital | 100-Bed State of the Art Facility | 350 Employees | 80 Physicians

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: \$1,680,250 | CAP: 6.00% | RENT: \$100,815



PROPERTY DESCRIPTION	
Property	Bob Evans
Property Address	190 Lithia Road
City, State, ZIP	Wytheville, VA 24382
Year Built / Renovated	1992 / 2014
Building Size (Square Feet)	6,064
Lot Size	+/- 1.26 Acres
Type of Ownership	Triple-Net (NNN)
THE OFFERING	
Purchase Price	\$1,680,250
CAP Rate	6.00%
Annual Rent	\$100,815
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+ Years
Lease Type	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 4	\$ 100,815	\$ 8,401	2.00%
Year 5	\$ 102,831	\$ 8,569	2.00%
Year 6	\$ 104,887	\$ 8,740	2.00%
Year 7	\$ 106,985	\$ 8,915	2.00%
Year 8	\$ 109,125	\$ 9,093	2.00%
Year 9	\$ 111,307	\$ 9,275	2.00%
Year 10	\$ 113,534	\$ 9,461	2.00%
Year 11	\$ 115,804	\$ 9,650	2.00%
Year 12	\$ 118,120	\$ 9,843	2.00%
Year 13	\$ 120,483	\$ 10,040	2.00%
Year 14	\$ 122,892	\$ 10,241	2.00%
Year 15	\$ 125,350	\$ 10,445	2.00%
Year 16	\$ 127,857	\$ 10,654	2.00%
Year 17	\$ 130,415	\$ 10,867	2.00%
Year 18	\$ 133,023	\$ 11,085	2.00%
Year 19	\$ 135,683	\$ 11,306	2.00%
Year 20	\$ 138,397	\$ 11,533	2.00%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Bob Evans located at 190 Lithia Road in Wytheville, Virginia. The property consists of approximately 6,064 square feet of building space and is situated on approximately 1.26 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 \$100,815 and increases by 2% annually throughout the base term and six, five-year tenant renewal options. There are over 17 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





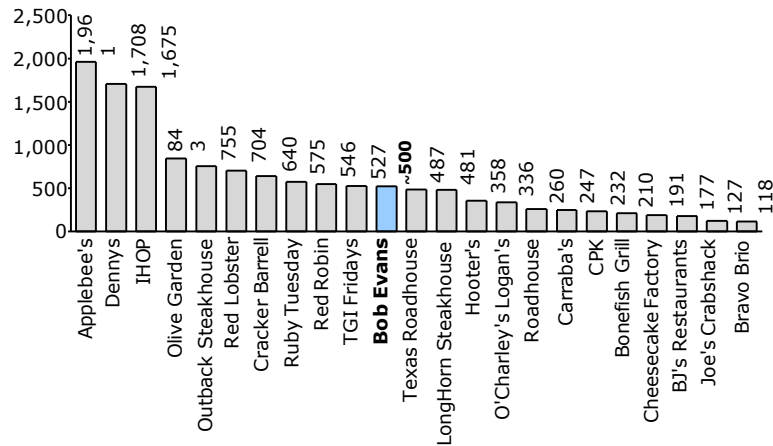
Concept Overview



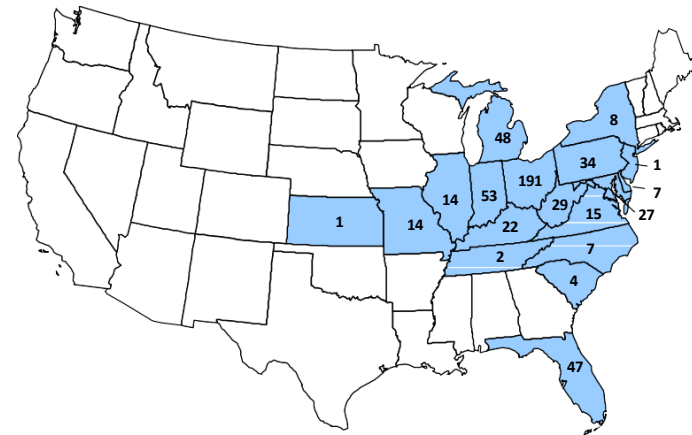
Bob Evans Restaurants is a scale, strong brand with approximately 500 locations.

Significant Scale

North America Units

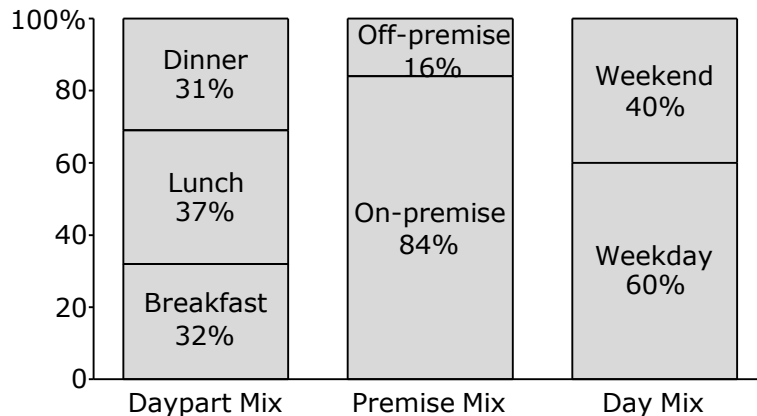


Strong Real Estate Footprint



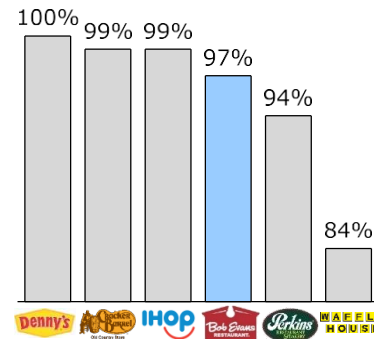
Diversified Revenue Stream

% of Revenue

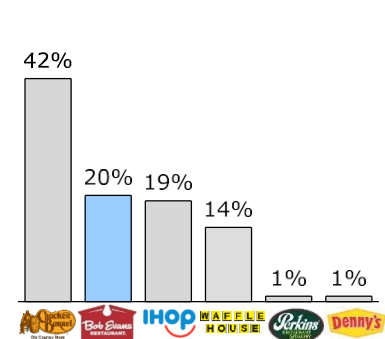


Iconic Brand

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

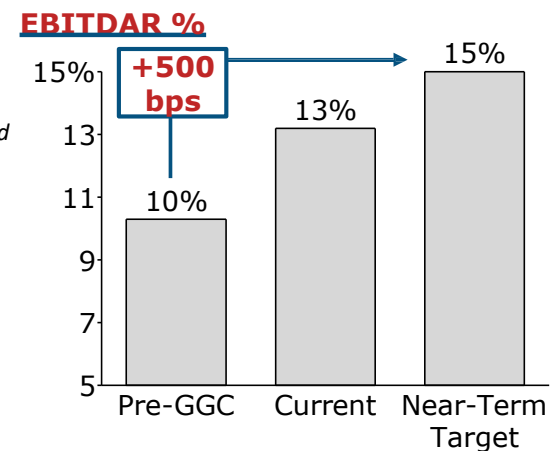
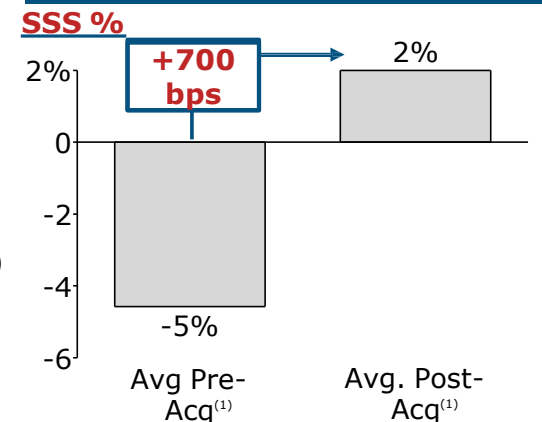


Identifiable Profit Opportunities

✓
(Multiple avenues of cost and sales upside)

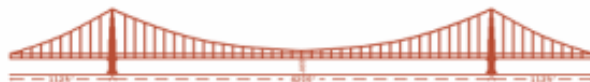
✓
(Multiple avenues of cost, sales and new unit opportunities)

RL Results Since Close





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

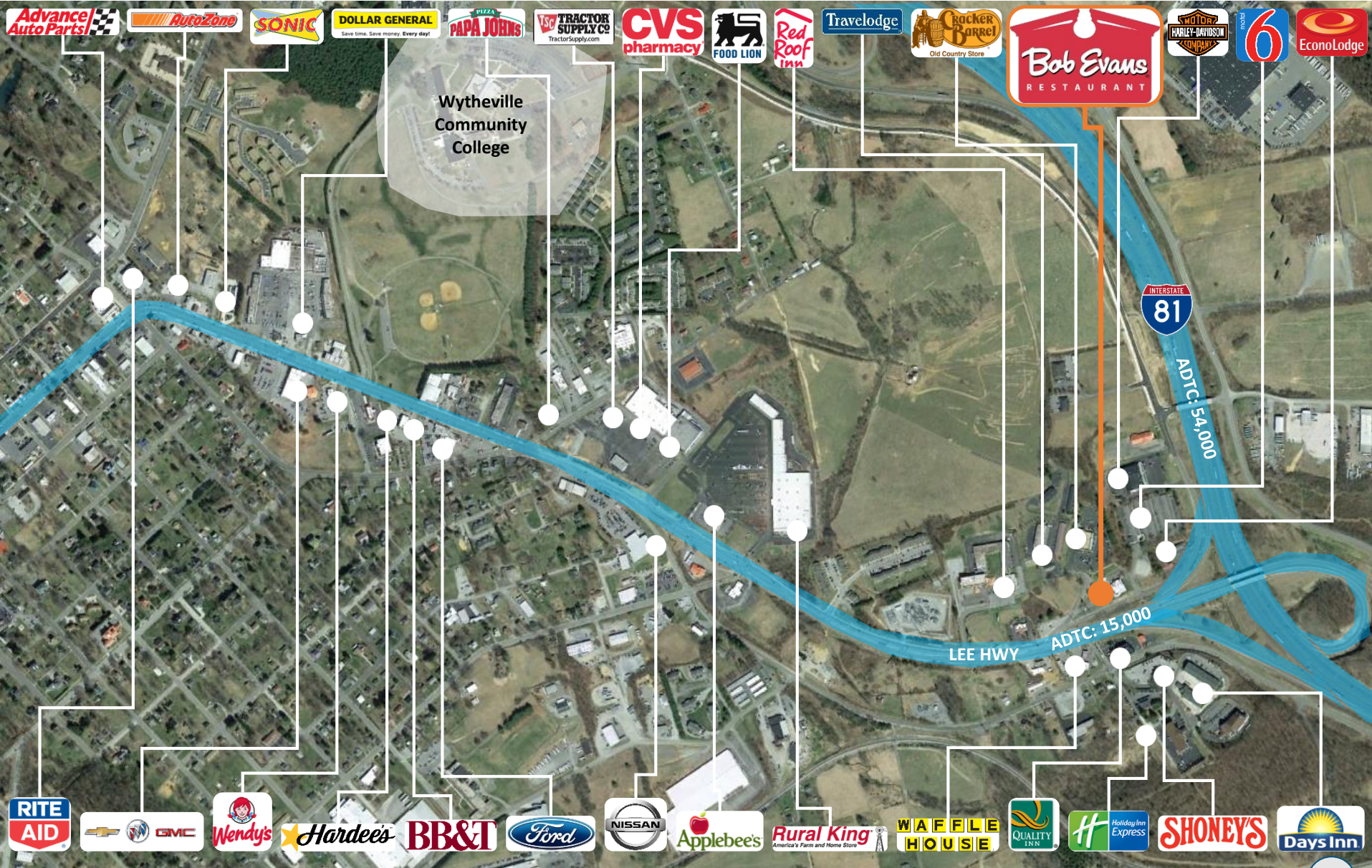
Restaurant Private Equity Investments





Surrounding Area

Property Address: 190 Lithia Road, Wytheville, VA 24382





Aerial Photos

Property Address: 190 Lithia Road, Wytheville, VA 24382



Actual Site



Aerial Photos

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Actual Site



Aerial Photos

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Aerial Photos

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Location Overview

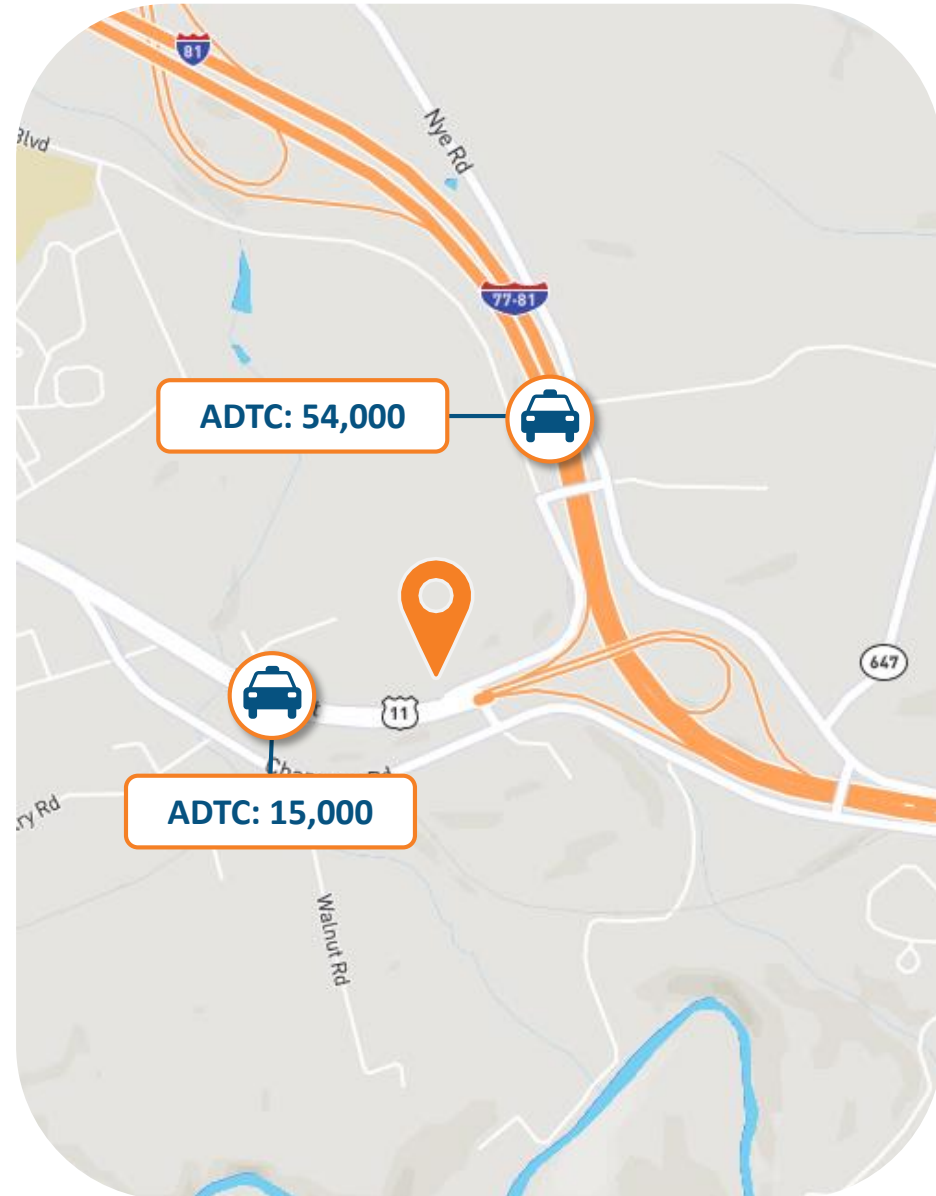
Property Address: 190 Lithia Road, Wytheville, VA 24382



The subject investment Bob Evans property is well-positioned on Lithia Road, which is immediately off of Lee Highway. Lee Highway intersects with and serves as an access road to Interstate 81 and Interstate 77. Lee Highway and Interstate Highway 81 boast significant traffic counts of 15,000 & 54,000 on average per day. There are more than 11,000 individuals residing within a five-mile radius of the subject property and more than 21,000 individuals within a 10-mile radius. This is a heavily trafficked highway location as evidenced by the numerous hotel and motel developments. Hospitality accommodations include: Holiday Inn Express, Days Inn, Quality Inn, Travel Lodge, Econo Lodge, Motel 6, Red Roof Inn, Motel 6, in addition to many others. The subject Bob Evans investment property benefits from being located less than two miles from Wytheville Community College. The College has an enrollment greater than 3,000 students. Additionally, the Bob Evans is located less than three miles from Wythe County Community Hospital. W.C.C.H. is a 100-bed facility which has earned the Joint Commission's Gold Seal of Approval. W.C.C.H. is the only hospital located in Wythe County and provides care to a primary service area of approximately 36,000 individuals including Wythe and Bland counties. W.C.C.H. employs over 350 full-time personnel and is staffed by over 80 physicians.

The subject Bob Evans is strategically positioned in a highly dense retail corridor that features numerous national and local retailers, hospitality accommodations and shopping centers, all within close proximity of the subject property. Major national tenants in the immediate area include: Tractor Supply Company, CVS Pharmacy, Rite Aid, Wendy's, Hardee's, Sonic Drive-In, Applebee's, Waffle House, Dollar General, Advance Auto Parts, AutoZone Auto Parts, and many more.

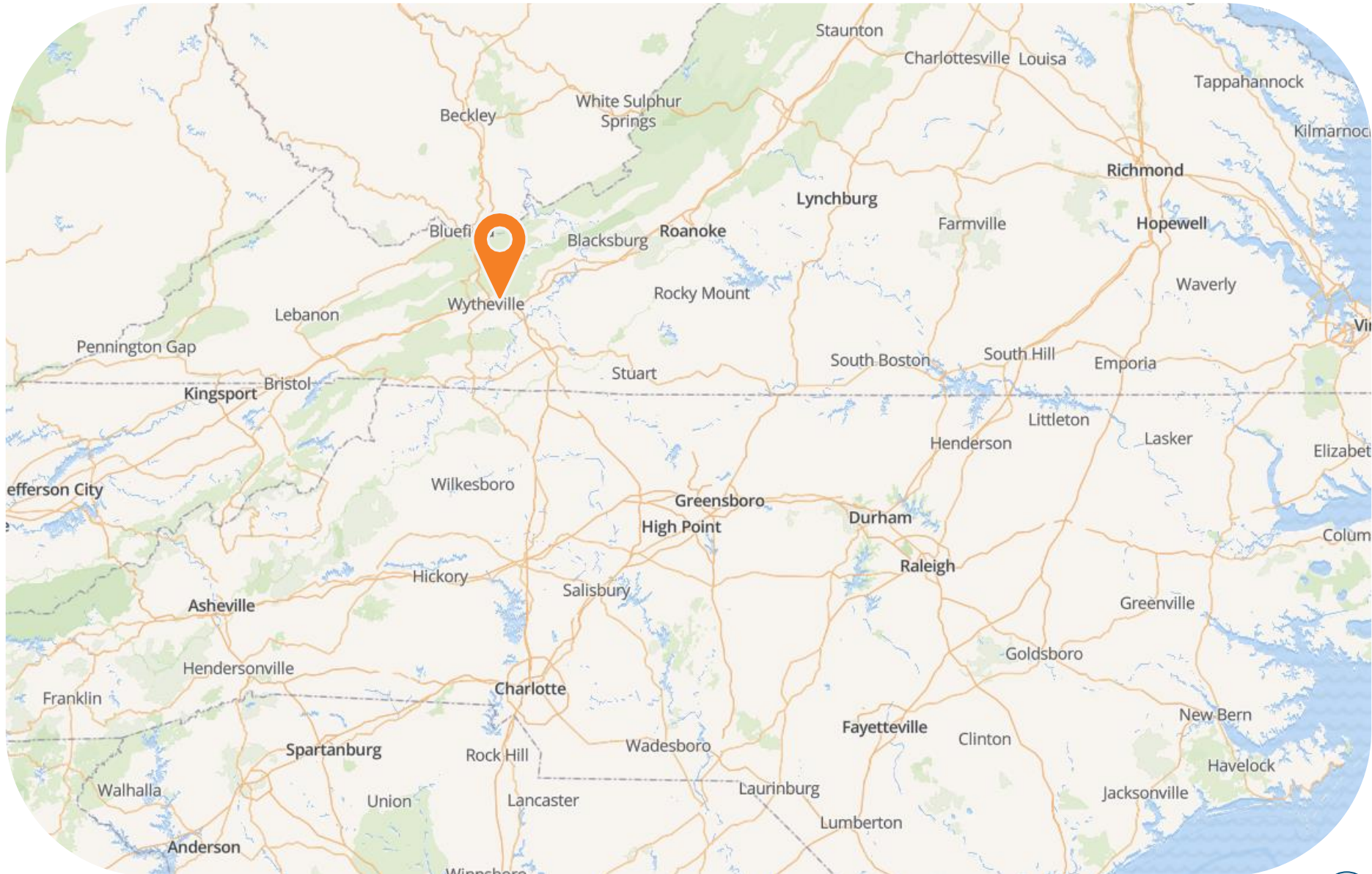
Downtown Wytheville is an excellent place to do business. Located just minutes from Interstates 81 and 77, which means an average of 60,000 vehicles per day pass through the immediate area. There are nearly 2,000 hotel rooms in Wytheville, attracting tourists, travelers, and business traffic. With great proximity to incredible outdoor recreation and natural resources, the town is poised to become Virginia's next "base camp" town for hiking, biking, fishing, birding, and other outdoor adventures. The town also offers a host of incentives and grant opportunities. These factors, combined with small-town charm and hospitality, make Wytheville one of the up-and-coming business communities of southwest Virginia. Wytheville is located just over an hour drive from Roanoke, Virginia. Roanoke is located midway between New York, NY and Atlanta, GA on Interstate 81, and 168 miles west of the state capital, Richmond, VA. The city is the center of one of Virginia's largest metropolitan regions, and a hub of transportation, finance, and industry for the southwestern part of the state.





Local Map

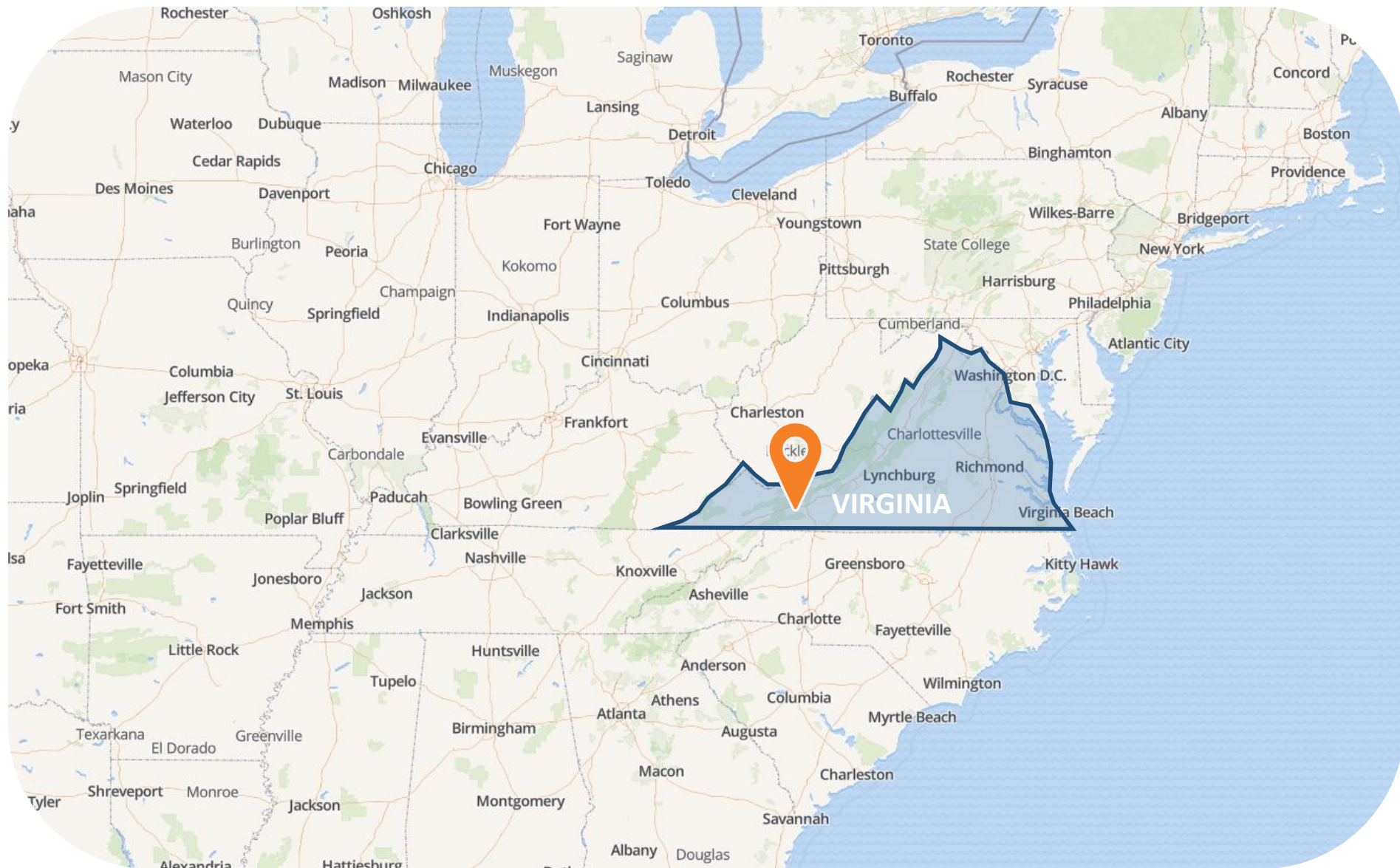
Property Address: 190 Lithia Road, Wytheville, VA 24382





Regional Map

Property Address: 190 Lithia Road, Wytheville, VA 24382





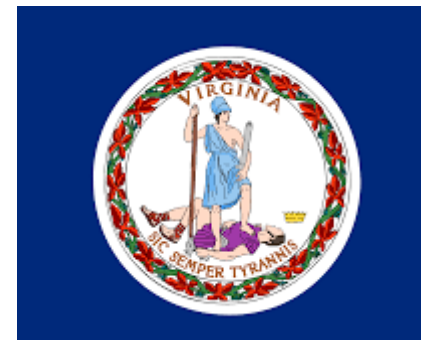
Market Overview

City: Wytheville | County: Wyth | State: Virginia

Roanoke, Virginia

Roanoke was established in 1852 and chartered in 1874. Surrounded by scenic beauty, the Roanoke region is a perfect destination for visitors. Roanoke offers travelers' the ability to sightsee and explore the historic culture. Ranging from Roanoke's extensive railroad heritage to the city's diverse galleries, museums, live theater, and music venues. Roanoke's economy developed around the Norfolk and Western Railroad, with a strong emphasis on manufacturing. Roanoke was formerly the headquarters of Norfolk and Western Railway until its merger with the Southern Railway created the Norfolk Southern Railway in 1982. Advance Auto Parts is headquartered in Roanoke and has expanded through the acquisition of other chains to become one of the largest auto parts retailers in the country. The corporate offices of Virginia Transformer Corporation (the leading transformer manufacturing company of USA) and utility company RGC Resources are situated in Roanoke. Roanoke Blacksburg Regional Airport is less than 5 miles from downtown Roanoke.

The Roanoke Star is an iconic symbol of Virginia's Blue Ridge and a must see spot when visiting the region. The star sits perched atop Mill mountain and overlooks the surrounding valley and Blue Ridge Mountains, serving as a beacon and welcoming sign visitors. The Roanoke Star is the largest, free-standing, man-made, illuminated star in the world and one of the most photographed attractions in the area.





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EXCLUSIVE NET LEASE OFFERING

