

Offering Memorandum



Hooters

Oklahoma City, Oklahoma

Marcus & Millichap

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HOOTERS

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Oklahoma City, OK 73159

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OFFICES NATIONWIDE AND THROUGHOUT CANADA

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HOOTERS

2109 SW 74th St., Oklahoma City, Oklahoma

- ▶ 15 Years Remaining on an Absolute NNN Lease After an Early Extension with 10-12% Rental Increases every 5 Years
- ▶ Two, 5-Year Renewal Options with 10% Rental Increases
- ▶ Very Strong Store Sales
- ▶ Proven Location: In Operation since 1991
- ▶ Situated on a 0.62 Acre Lot with 55 Parking Spaces
- ▶ Very Strong Population Demographics of 106,659 People Within a 3-Mile Radius
- ▶ High Visibility Along I-240 Between the I-35 and I-44 Interchange, and Just 5 Miles from the Will Rogers World Airport
- ▶ Located in a Dense Retail Corridor as an Out-parcel to The Walnut Square Shopping Center with a new DD's Discounts Store and Multiple National Tenants such as Big Lots, Hobby Lobby, FedEx, National Guard Recruiting and Olive Garden

OFFERING PRICE

\$1,977,653

CAP RATE

6.25%

GROSS LEASABLE AREA

5,219 SF

Marcus & Millichap

Tenant Name

Hooters

Hooters of America, LLC is the Atlanta-based operator and franchiser of 411 Hooters restaurants, including 203 Company restaurants, all of which are wholly owned, and 208 franchise restaurants. The first Hooters opened October 4, 1983, in Clearwater, Florida. During its history, the Hooters concept has remained true to its roots. The current logo, uniform, menu and ambiance are all very similar to what existed in the original store, albeit with some 21st century enhancements. This consistency is understandable given Hooters continued success and high ranking amongst the industry's growth leaders. The casual beach-themed establishments feature music, sports on large flat screens, and a menu that includes seafood, sandwiches, burgers, salads, and Hooters original chicken wings.

Ownership

Private

Number of Locations (Hooters of America, 2019):

411

Sales Volume

\$470 Million





INVESTMENT OVERVIEW

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Marcus & Millichap is pleased to present for purchase a fee simple interest in a 5,219 SF Hooters restaurant located in Oklahoma City, Oklahoma. The single tenant restaurant operates on an Absolute NNN lease with no landlord responsibilities and 15 years remaining after an early extension. There is a 10.8% rental increases in year 6 and a 12.1% rental increase in year 11. There are two, 5-year renewal options with 10% increases in each. The property is located in a dense retail corridor near multiple shopping centers with national tenants such as Big Lots, Olive Garden, Best Buy, Hobby Lobby, National Guard Recruiting, Dollar Tree, Denny's and Verizon. It is located just 5 miles from the Will Rogers World Airport, the main air travel hub in Oklahoma City, with high visibility along Interstate 240 seeing over 100,000 vehicles per day. The building sits on a large 0.62 acre lot with 55 parking spaces and easy access to an Interstate 240 on-ramp.

Hooters of America, LLC is the Atlanta-based operator and franchiser of over 411 locations in 28 countries. The privately held corporation also owns and operates 203 locations itself and 208 franchised restaurants. The first Hooters opened October 4, 1983, in Clearwater, Florida. During its history, the Hooters concept has remained true to its roots. The current logo, uniform, menu and ambiance are all very similar to what existed in the original store, albeit with some 21st century enhancements. This consistency is understandable given Hooters continued success and high ranking amongst the industry's growth leaders. The casual beach themed establishments feature music, sports on large flat screens, and a menu that includes seafood, sandwiches, burgers, salads, and Hooters original chicken wings.

Oklahoma City, often shortened to OKC, is the capital and largest city in Oklahoma. The county seat of Oklahoma County, it ranks 25th among United States cities in population, and is the 11th largest city in the South. The population grew following the 2010 census and is estimated to have reached 655,057 as of July 2019. The Oklahoma City metropolitan area had a population of 1,396,445. The city is the eighth-largest in the United States by area including consolidated city-counties; it is the second-largest, after Houston, not including consolidated cities.



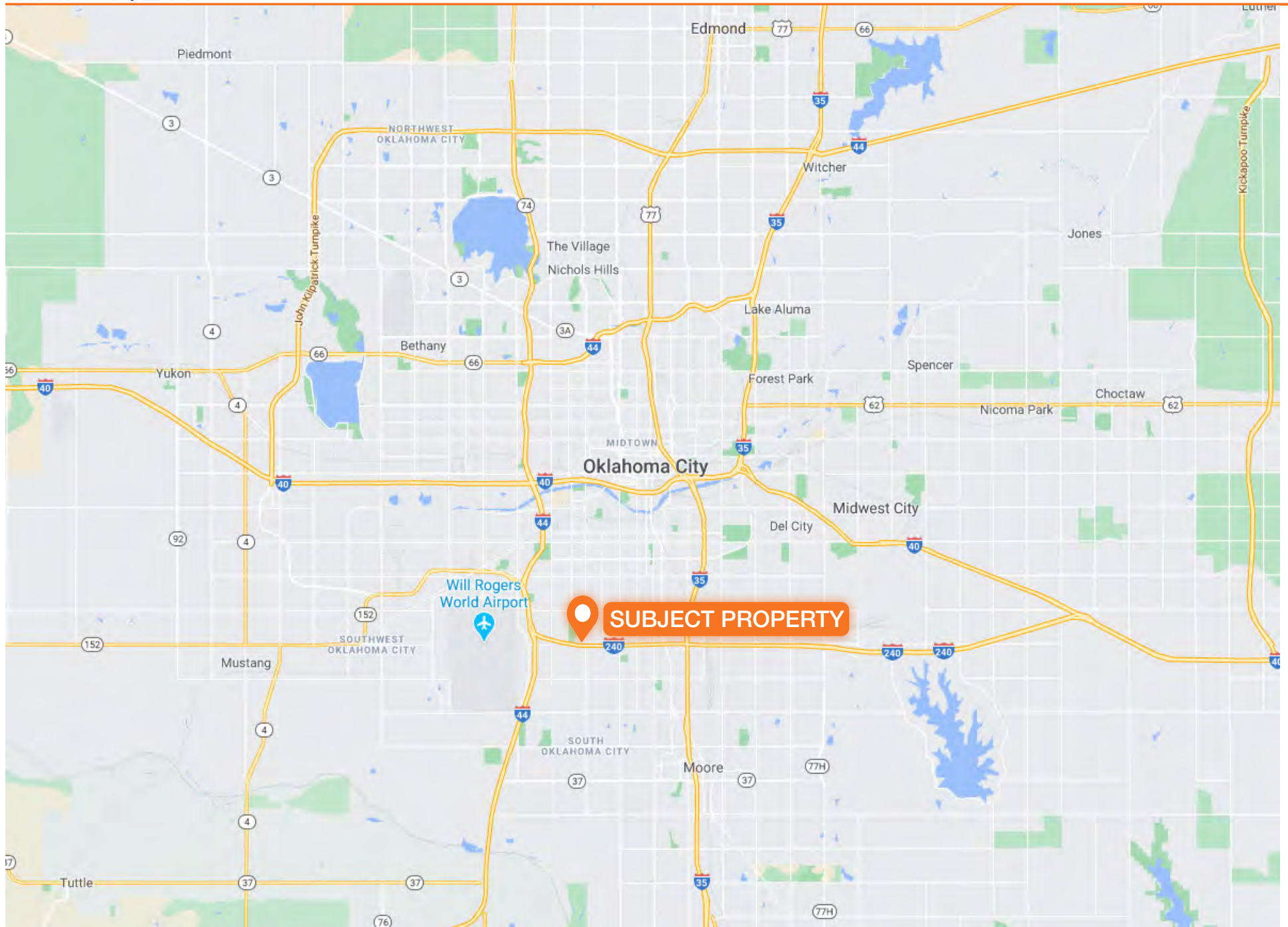
LEASE AND OFFERING SUMMARY

THE OFFERING	
Property	Hooters
Property Address	2109 SW 74th St., Oklahoma City, OK 73159
Price	\$1,977,653
Capitalization Rate	6.25%
Price/SF	\$378.93
PROPERTY DESCRIPTION	
Year Built / Renovated	1991/2006
Gross Leasable Area	5,219 SF
Zoning	Retail
Type of Ownership	Fee Simple
Lot Size	0.62 Acres
ANNUALIZED OPERATING INFORMATION	
Income	
Net Operating Income	\$123,603.36

LEASE SUMMARY	
Property Subtype	Net Leased Restaurant
Tenant	Hooters
Rent Increases	10-12% Every 5 Years, 10% in Options
Renewal Options	Two, 5-Year
Guarantor	Corporate
Lease Type	Absolute NNN
Lease Commencement	01/01/2020
Lease Expiration	12/31/2035
Lease Term	15 Years
Term Remaining on Lease	15 Years
Landlord Responsibility	N/A
Tenant Responsibility	All Expenses including Roof and Structure
Right of First Refusal/Offer	Yes, 10 Days

LEASE SUMMARY				
YEAR	% RENTAL INCREASE	ANNUAL RENT	MONTHLY RENT	RENT/SF
Current (2021-2025)	-	\$123,603	\$10,300.28	\$23.68
2026-2030	10.8%	\$136,993	\$11,416.15	\$26.24
2031-2035	12.1%	\$153,585	\$12,798.83	\$29.43
Option 1	10%	\$168,943	\$14,078.62	\$32.37
Option 2	10%	\$185,837	\$15,486.44	\$35.61





POPULATION

	1 Mile	3 Miles	5 Miles
2025 Projection	17,362	107,675	201,253
2019 Estimate	17,415	106,659	197,028
2010 Census	17,032	103,032	187,398
2000 Census	15,727	94,439	167,751
2019 Daytime Population	14,545	94,965	205,350

HOUSEHOLDS

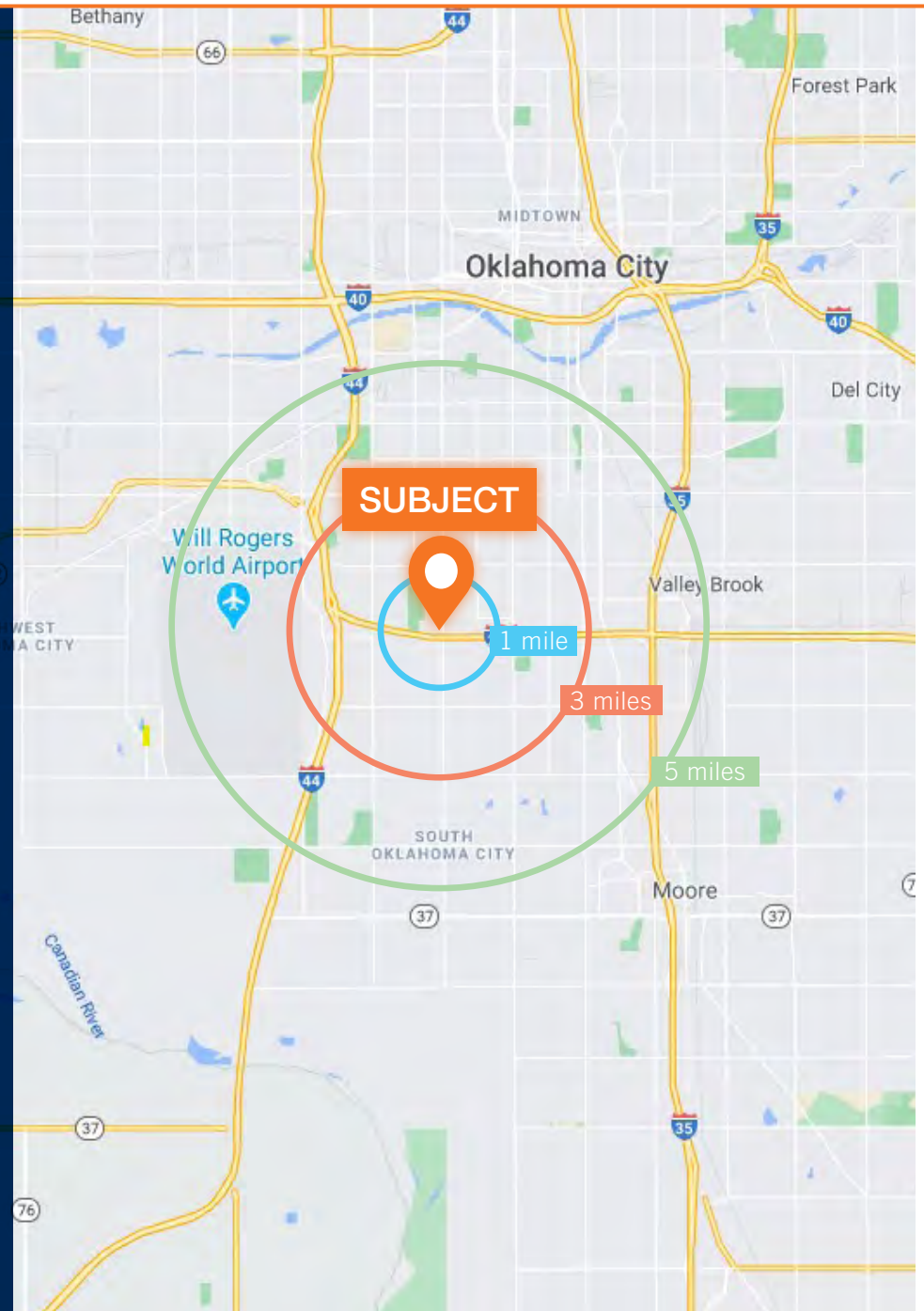
	1 Mile	3 Miles	5 Miles
2025 Projection	6,825	41,616	74,910
2019 Estimate	6,818	41,010	72,946
2010 Census	6,625	39,272	68,866
2000 Census	6,787	38,661	64,262

HOUSING UNITS

	1 Mile	3 Miles	5 Miles
Occupied Units			
2019 Owner Occupied	58.4%	54.7%	57.0%
2019 Renter Occupied	41.6%	45.3%	43.0%
2019 Vacant	5.1%	6.6%	7.0%

INCOME

	1 Mile	3 Miles	5 Miles
2019 Estimate			
Median Household Income	\$45,843	\$44,590	\$45,948
Per Capita Income	\$21,583	\$23,097	\$23,189
Average Household Income	\$55,017	\$59,840	\$62,276



Oklahoma City, OK

Lying in the Great Plains region, Oklahoma City has one of the world's largest livestock markets. Oil, natural gas, petroleum products and related industries are its economy's largest sector. The city is in the middle of an active oil field and oil derricks dot the capitol grounds. The federal government employs a large number of workers at Tinker Air Force Base and the United States Department of Transportation's Mike Monroney Aeronautical Center.

The economy of Oklahoma City, once just a regional power center of government and energy exploration, has since diversified to include the sectors of information technology, services, health services, and administration. The city is headquarters to two Fortune 500 companies: Chesapeake Energy and Devon Energy, as well as being home to Love's Travel Stops & Country Stores, which is ranked thirteenth on Forbes' list of private companies.

Oklahoma City is on the I-35 Corridor, one of the primary travel corridors south into neighboring Texas and Mexico and north towards Wichita and Kansas City. Located in the state's Frontier Country region, the city's northeast section lies in an ecological region known as the Cross Timbers. The city was founded during the Land Run of 1889 and grew to a population of over 10,000 within hours of its founding.





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