



5034 50th St  
Lubbock, TX 79414

## OFFERING MEMORANDUM

Exclusively Listed By

**REID THEDFORD**

Associate

(813) 387-4726

[Reid.Thedford@MarcusMillichap.com](mailto:Reid.Thedford@MarcusMillichap.com)

**JAMES MEDEFIND**

Senior Vice President Investments

**JAMES GARNER**

First Vice President Investments

**JIM SHIEBLER**

First Vice President Investments

Marcus & Millichap

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5034 50th St  
Lubbock, TX 79414



**\$5,674,800**

OFFERING PRICE



**5.75%**

CAP RATE



**NNN**

LEASE TYPE



**18.4**

YEARS REMAINING



# PROPERTY DETAILS

LOT SIZE	1.57 Acres
GROSS LEASABLE AREA	8,517 SF
Parking Spaces	110

# FINANCIAL OVERVIEW

OFFERING PRICE:	\$5,674,800
CAP RATE:	5.75%
LEASE TYPE:	NNN
YEARS REMAINING:	18.4

## Marcus & Millichap

FINANCING QUOTE COURTESY OF:  
Garrett Fierstein, Director of Marcus & Millichap Capital Corporation.

LOAN AMOUNT:	\$3,404,880
LTV:	60%
INTEREST RATE:	3.85%
TERM:	10
AMORTIZATION:	25
ANNUAL DEBT SERVICE PAYMENT:	\$212,297

# LEASE DETAIL

LEASE TYPE	NNN
SQUARE FEET	8,517
ROOF AND STRUCTURE	Tenant Responsible
LEASE COMMENCEMENT DATE	7/24/2018
LEASE EXPIRATION DATE	7/31/2039
REMAINING LEASE TERM (YEARS)	19
ORIGINAL LEASE TERM (YEARS)	21
OPTION PERIODS REMAINING	4
LENGTH OF EACH OPTION	5-Year
OPTION TO TERMINATE	No
OPTION TO PURCHASE	No
RIGHT OF FIRST REFUSAL	No
PERCENTAGE RENT CLAUSE	No

# RENT SCHEDULE (2)

BASE TERM (1)	TERM	ANNUAL RENT (1)	MONTHLY RENT		TERM	ANNUAL RENT (1)	MONTHLY RENT
	Year 3	\$319,903	\$26,659		Year 15	\$405,714	\$33,810
	Year 4	\$326,301	\$27,192		Year 16	\$413,829	\$34,486
	Year 5	\$332,827	\$27,736		Year 17	\$422,105	\$35,175
	Year 6	\$339,484	\$28,290		Year 18	\$430,547	\$35,879
	Year 7	\$346,273	\$28,856		Year 19	\$439,158	\$36,597
	Year 8	\$353,199	\$29,433		Year 20	\$447,941	\$37,328
	Year 9	\$360,263	\$30,022		Year 21	\$456,900	\$38,075
	Year 10	\$367,468	\$30,622	Option One	Year 22	\$466,038	\$38,837
	Year 11	\$374,817	\$31,235	Option Two	Year 27	\$514,544	\$42,879
	Year 12	\$382,314	\$31,859	Option Three	Year 32	\$568,098	\$47,342
	Year 13	\$389,960	\$32,497	Option Four	Year 37	\$627,226	\$52,269
	Year 14	\$397,759	\$33,147				

(1) Price is based on the rent amount in year 4, effective 8/1/2021. Seller will credit the difference at closing.

(2) Annual Increases in the Option Periods are subject to the greater of 2% annual increases or fair market value.

# INVESTMENT HIGHLIGHTS



NOI

**\$326,301**



AVERAGE CAP RATE OVER INITIAL TERM

**6.78%**



POPULATION WITHIN 5 MILES

**244,672**



CORPORATE GUARANTEED LEASE

**700+ Locations**

- **Iconic Brand**  
Red Lobster is the Largest Seafood Restaurant Concept in the World
- **2% Annual Compounded Rent Increases**  
Far Outpacing Cost of Living and Inflation Increases
- **Enormous Density**  
17,363 Population (1 mile) | 112,853 Population (3 mile) | 224,672 Population (5 mile)
- **66,000+ Combined traffic count**  
50th Street & Slide Rd.
- Strategically located within 1 mile of the intersecting Interstates 62 & 289 with a combined traffic count of 118,000+ Cars Per Day
- **Newly Reimagined Exterior**  
Demonstrating Tenants Long-Term Dedication to the Location
- **High Affluence**  
\$71K+ HH Income (3 miles)
- **Texas is an income Tax-Free state**  
Providing additional value for investors
- **Texas Tech University 4 Miles from Subject Property**  
In Fall 2020, 40,000+ Students were Enrolled in the University | Boasting its 12th Consecutive Year of Record Enrollment | 1,600+ Full-Time and Part-Time Faculty
- **Fee-Simple Property**  
Allowing for Investor Depreciation
- **Huge Parking Lot**  
110 Parking Spaces
- **1.58 Acres | 8,468 SF**  
Parcel and Building Size

# CONCEPT OVERVIEW



## TENANT:

Red Lobster Hospitality, LLC

## LEASE GUARANTOR:

Red Lobster Intermediate Holdings, LLC

## HEADQUARTERED:

Orlando, FL

## WEBSITE:

[www.redlobster.com](http://www.redlobster.com)

44

STATES

749

RESTAURANTS

55,000

EMPLOYEES

Marcus & Millichap is please to present Red Lobster Lubbock, a rare investment opportunity for an investor to purchase a truly iconic brand and highly coveted nationally recognized restaurant property in a highly sought after and desirable market.

The Subject Property is ideally located in the center of the main retail corridor, surrounded by numerous national tenants including Home Depot, Lowe's, Target, Sam's Club, Walgreens, McDonald's, Taco Bell, Texas Roadhouse & many more. The Subject Property is located within one mile of the popular 1,200,000 sq. ft. South Plains Mall.

Red Lobster is an American casual dining restaurant chain headquartered in Orlando, FL. The company has operations across the United States and internationally. It is the largest seafood restaurant concept in the world and is an iconic full-service brand with broad demographic appeal. At Red lobster, each day you will find an updated selection of fresh fish on their Today's Fresh Fish menu, not to mention live Maine lobster, freshly baked Cheddar Bay Biscuits, crisp salads and a host of fresh seafood recipes waiting to be explored.

Source: [https://en.wikipedia.org/wiki/Red\\_Lobster](https://en.wikipedia.org/wiki/Red_Lobster)

# PARENT COMPANY



## THAI UNION

On August 31, 2020, an Investment Group (Seafood Alliance) led by Thai Union acquired Red Lobster from Golden Gate Capital. Thai Union Group was previously a minority owner of Red Lobster, purchasing a 25% stake of the company in 2016 for \$575 million.

Thai Union Group is a Thailand-based seafood supply conglomerate which owns multiple food brands, including Chicken of the Sea and King Oscar. Prior to the Red Lobster acquisition Thai Union boasts annual sales at \$4.1 Billion. Thai Union Group is listed on the Stock Exchange of Thailand (SET). Thai Union Group has a global presence with offices in North America, Asia, Europe, and the Middle East.













**SP**  
**SOUTH PLAINS**  
MALL

**tyler**  
technologies

**Cane's**  
CRACKEN FINGERS

**DOLLAR TREE**

**ADOLPH'S**  
GRILL & BAR

**BURGER KING**

**U-HAUL**

**POPEYES**

**KFC**

**VALERO**

**JIMMY JOHN'S**

**SONIC**

**Denny's**

**SLIDE RD**

**35,540 ADT**

**at&t**

**50TH ST**

**Walgreens**

**RED LOBSTER**  
FRESH FISH • LIVE LOBSTER

**Subject Property**

**CROSSFIT**  
LUBBOCK

**31,000 ADT**

**THAI THAI**  
RESTAURANT



# DEMOGRAPHICS

## 2020 Summary

	1 Mile	3 Miles	5 Miles
Population	17,363 <small>2378</small>	112,853	244,672
Households	7,570	46,831	94,469
Families	3,968	27,089	55,614
Avg HH Size	2.28	2.34	2.49
Owner Occupied Housing Units	2,421	22,624	47,204
Renter Occupied Housing Units	5,149	24,207	47,265
Median Age	31.0	33.9	31.3
Median Household Income	\$39,358	\$51,037	\$50,294
Average Household Income	\$50,393	\$71,451	\$68,784

## KEY FACTS

244,672

POPULATION

31.3

MEDIAN AGE

\$50,294

MEDIAN HH INCOME

2.49

AVG. HH SIZE

## BUSINESSES



8,937

TOTAL BUSINESSES



103,669

TOTAL EMPLOYEES

## INCOME



\$50,294

MEDIAN HOUSEHOLD  
INCOME



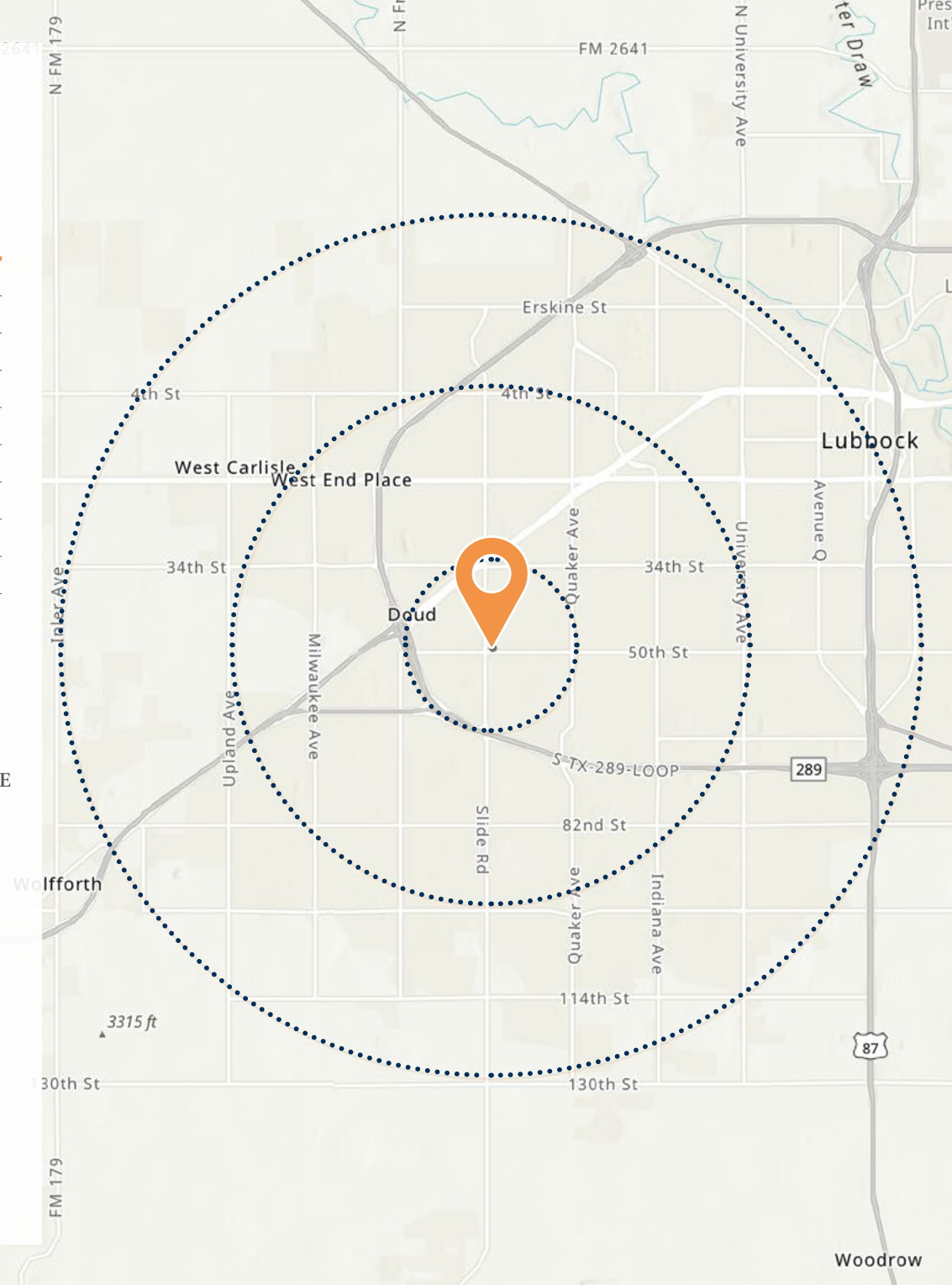
\$26,611

PER CAPITA  
INCOME



\$28,238

MEDIAN  
NET WORTH



# ABOUT Lubbock

Lubbock is the largest metro in the western Texas and eastern New Mexico region, made up of Crosby, Lubbock and Lynn counties. It contains a population of 325,000 residents. The metro is known for its oil, cotton production, and education and healthcare sectors. The Midland Basin, which encompasses Lubbock, is one of the largest continuous oil fields in the United States. Lubbock is also the region's entertainment and cultural hub.

- Lubbock is home to Texas Tech University, the largest employer in the metro with nearly 21,000 jobs. Other higher-education institutions in the metro are Lubbock Christian University, Wayland Baptist University and South Plains College.
- The metro's healthcare industry is also important to the local economy, providing services to the majority of western Texas and eastern New Mexico. Covenant Health is the largest institution with more than 5,000 employees. Grace Clinic and Lubbock Heart Hospital are also located here.
- Monsanto has built a cotton seed-processing facility that contributes to the area's cotton industry, while also bolstering the local economy with higher-paying jobs.

# ABOUT Lubbock

Reese Center

## METRO HIGHLIGHTS



### ADVANCED TECHNOLOGY

Energy efficiency, telecommunications and technology have a strong impact on the local economy, accounting for 15 percent of Lubbock's total gross product.



### AGRICULTURAL PRODUCTION

The market has a thriving agriculture industry. The United States Department of Agriculture does plant, livestock and water conservation research in the area.



### EDUCATIONAL INSTITUTIONS

The metro is home to more than 52,000 college students who attend the area's several universities, providing a skilled labor pool.



2019  
POPULATION:

**325K**

Growth  
2019-2024\*:  
8.4%



2019  
HOUSEHOLDS

**125K**

Growth  
2019-2024\*:  
9.1%



2019  
MEDIAN AGE:

**31.0**

U.S. Median:  
38.1

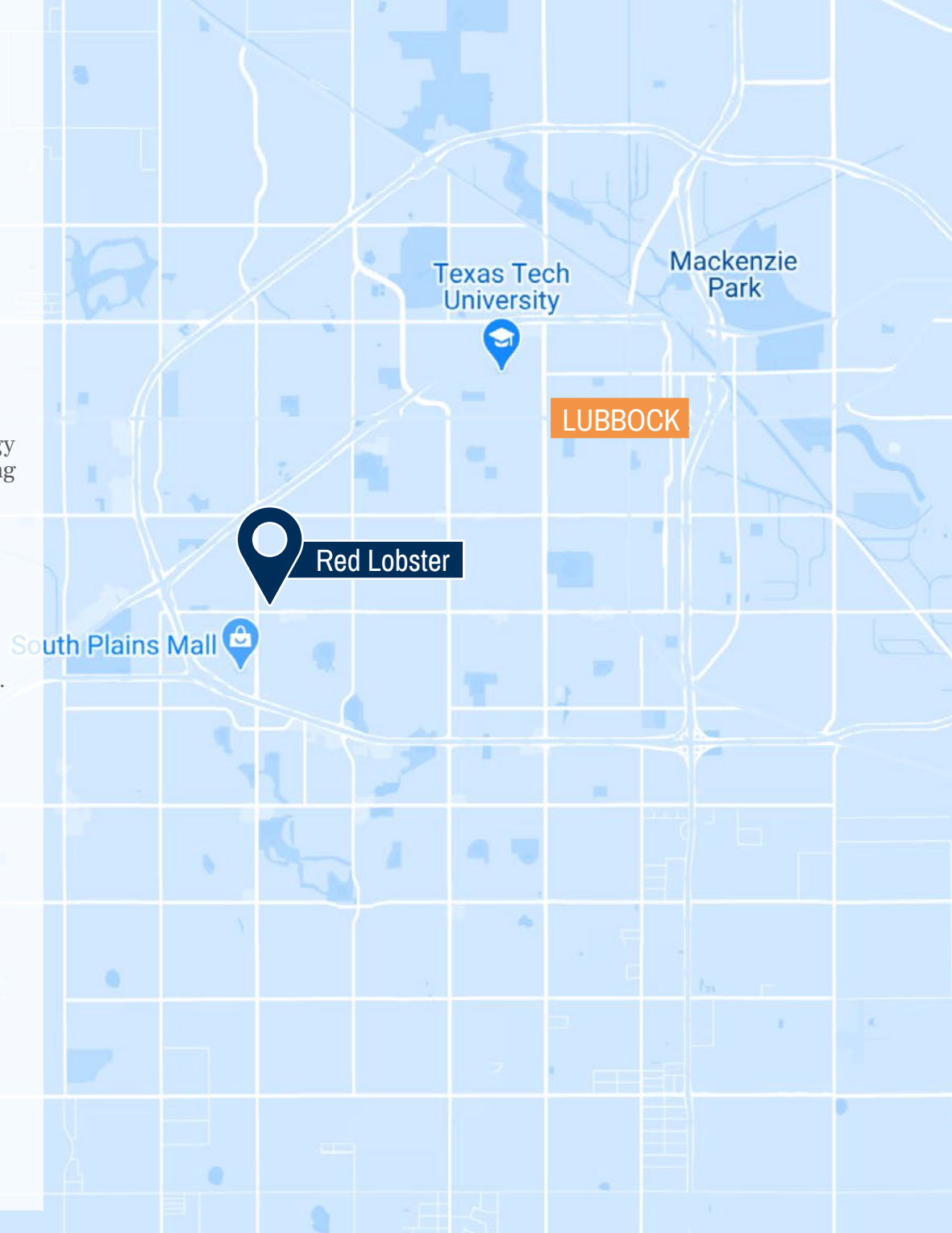


2019 MEDIAN  
HOUSEHOLD  
INCOME:

**\$50,700**

U.S. Median:  
\$60,800

Wolfforth



# LEASE ABSTRACT



## RENTALS TO BE NET TO LESSOR

The Base Annual Rental payable hereunder shall be net to Lessor, so that this Lease shall yield to Lessor the rentals specified during the Lease Term, and that all costs, expenses and obligations of every kind and nature whatsoever relating to the operation, management, maintenance, repair, restoration and replacement of the Property and all improvements and appurtenances related thereto or any part thereof shall be performed and paid by Lessee, including, without limitation, all maintenance costs or expenses with respect to the Permitted Exceptions.



## TAXES AND ASSESSMENTS

Subject to Lessee's right to contest taxes and assessments as set forth in this Section 8, Lessee shall be obligated to pay, as they accrue, all taxes and assessments of every type or nature assessed against, imposed upon or arising with respect to Lessor, the Property, this Lease, the rental or other payments due under this Lease or Lessee during the Lease Term, including, without limitation, the following:

- A. All taxes and assessments upon the Property or any part thereof and upon any Personal Property, whether belonging to Lessor or Lessee, or any tax or charge levied in lieu of such taxes and assessments;
- B. All taxes, charges, license fees and or similar fees imposed by reason of the use of the Property by Lessee; and
- C. All excise, transaction, privilege, license, sales, use and other taxes upon the rental or other payments due under this Lease, the leasehold estate of either party or the activities of either party pursuant to this Lease.



## UTILITIES

Lessee shall contract, in its own name, for and pay when due all charges for the connection and use of water, gas, electricity, telephone, garbage collection, sewer use and other utility services supplied to the Property during the Lease Term.



## INSURANCE

Throughout the Lease Term, Lessee shall maintain with respect to the Property, at its sole expense.

# Marcus & Millichap

## Red Lobster

5034 50th St  
Lubbock, TX 79414

**TIM SPECK**  
Texas Broker of Record  
Lic. # 9002994  
(972) 755-5250