







# RED LOBSTER

FRESH FISH • LIVE LOBSTER

3

INVESTMENT OVERVIEW

6

FINANCIAL OVERVIEW

9

TENANT OVERVIEW

10

AREA OVERVIEW

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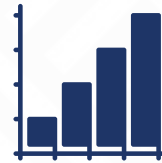
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# INVESTMENT OVERVIEW



**\$7,000,000**

LIST PRICE



**6.11%**

CAP RATE



**\$427,524**

NOI

## INVESTMENT HIGHLIGHTS

- **Long-Term Lease:** Property is subject to a 15 Year Triple-Net (NNN) Lease with over 13 Years Remaining
- **No Landlord Responsibilities:** With an Absolute NNN lease, there are no landlord responsibilities, providing a completely passive cash flow stream
- **Corporate Guaranty:** 704 Locations in the US & Canada
- **Strong Inflation Hedge:** Attractive 2.0% Annual Increases
- **World's Largest Seafood Restaurant:** Red Lobster is the largest seafood restaurant concept in the world and is an iconic full-service brand with broad demographic appeal and a significant advertising budget (2nd largest in casual dining)
- **Robust Demographics:** The average household incomes are over \$80,000 within a 5-mile radius of the property and over 158,000 residents within 5 miles.
- **High Traffic Counts:** West Jefferson Road experiences traffic counts of over 33,000 vehicles daily. Down the road, West Jefferson Road intersects with U.S. Interstate 390, which has an additional daily traffic count of over 95,000 vehicles.
- **Major Retail Corridor:** The subject property is well-positioned in a dense retail corridor, benefiting from its proximity to major national and local retailers. Less than a quarter-mile away is The Marketplace, the largest mall between New York City and Cleveland with more than 1.1 million square feet of retail and 140 stores. Major national retailers in the area include BJ's, Chili's Grill and Bar, Party City, Ulta, DSW, Bed Bath and Beyond, Red Robin, LongHorn Steakhouse, Chipotle Mexican Grill, Marshalls, The Home Depot, Buffalo Wild Wings, Buy Buy Baby, Dunkin Donuts, Staples, Five Guys, Verizon, Dairy Queen, Burger King, LA Fitness, FedEx, Taco Bell, Chase, DoubleTree, Domino's Pizza, Hampton Inn and Suites, McDonald's, AutoZone, Walmart, Sam's Club, Lowe's, Target, Best Buy, Aldi, Panera Bread, Regal Cinemas, Wegmans, Sears, Dick's Sporting Goods, Old Navy, Macy's, JCPenney, Applebee's, Payless Shoesource, Victoria's Secret, Kohl's, Olive Garden, as well as many others.



# SURROUNDING TENANTS

Walmart  
Supercenter  
SUBWAY

LifeStorage  
Mobil

HomeGoods®  
VCF VALUE CITY FURNITURE  
KeyBank  
L A Z B O Y®  
EST. 1943  
UNO PIZZERIA & GRILL  
SUPERCUTS™

ESPORTA  
FITNESS

Pep Boys

jiffy lube

SMASH  
BURGER

MARKETPLACE DR.  
± 7,000 VPD

tropical CAFE  
SMOOTHIE

RED LOBSTER  
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Burlington SALLY BEAUTY  
Wegmans Ashley HOMESTORE petco

CONTINENTAL SCHOOL OF BEAUTY



**MARKET SQUARE**  
SHOPPING CENTER

**Michael's** **Party City** **OLD NAVY**  
**FAMOUS** **ULTA** **DSW** **AT&T**  
footwear™ BEAUTY DESIGNER SHOE WAREHOUSE®  
**five** **Great** **BED BATH & BEYOND**  
**BELW** **Clips** Beyond any store of its kind.  
**KIRKLAND'S** **Marshalls**  

   
**buybuy BABY**  
**PET SMART**

HEARTLAND SCHOOL SOLUTIONS

**tropical CAFE**  
SMOOTHIE

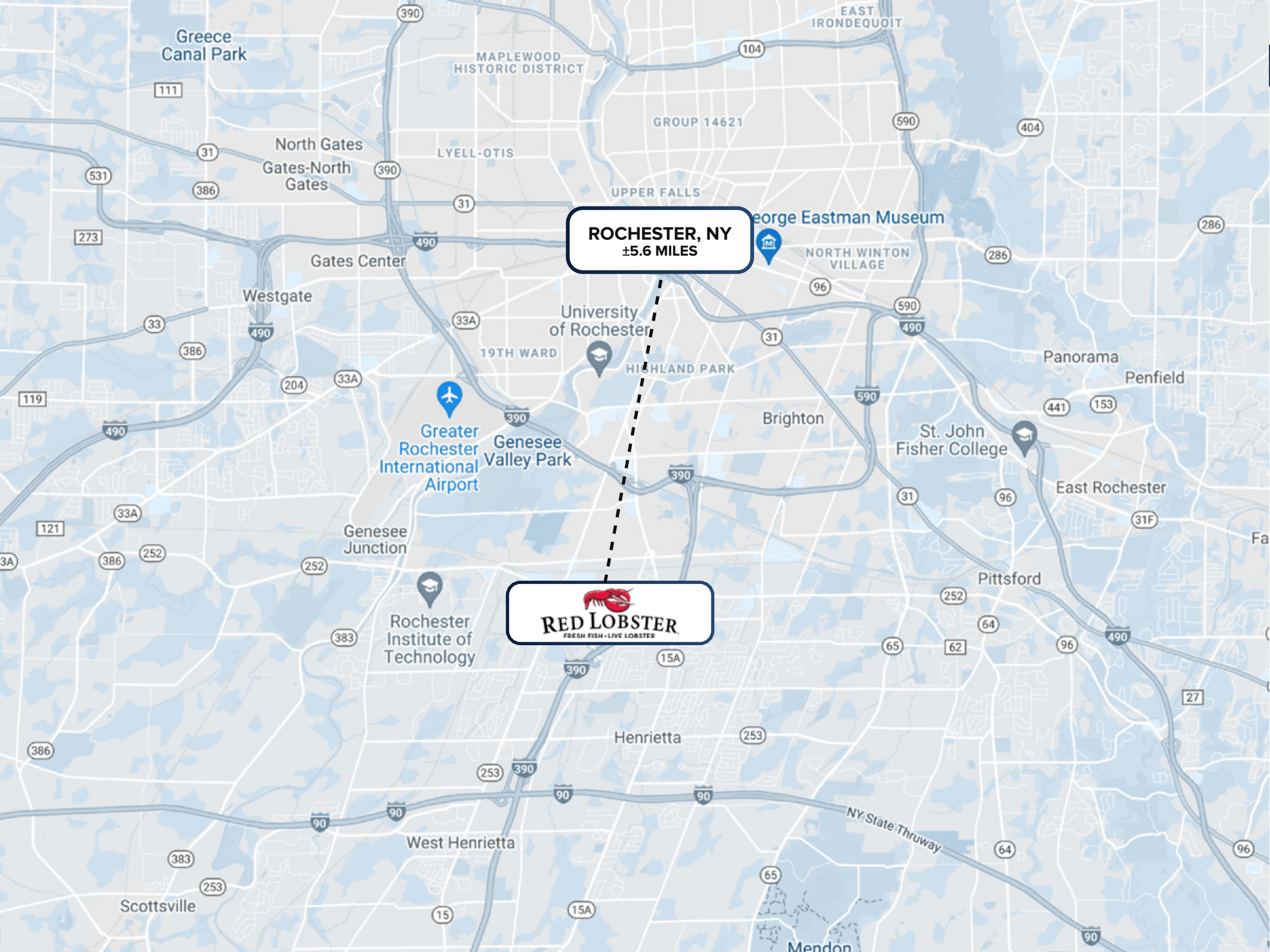
 **SMASH BURGER**

JEFFERSON RD.  
± 29,000 VPD

  
**RED LOBSTER**  
FRESH FISH • LIVE LOBSTER

CONTINENTAL SCHOOL OF BEAUTY





**ROCHESTER, NY**  
±5.6 MILES





## PROPERTY OVERVIEW

|                      |                     |
|----------------------|---------------------|
| Tenant               | Red Lobster         |
| Property Address     | 655 Jefferson Rd    |
| City                 | Rochester, NY 14623 |
| Gross Leaseable Area | 7,463 SF            |
| Lot Size             | 90,495 SF (2.08 AC) |

## THE OFFERING

|                      |              |
|----------------------|--------------|
| Asking Price         | \$7,000,000  |
| Net Operating Income | \$427,523.56 |
| Cap Rate             | 6.11%        |
| Price/SF             | \$937.96     |
| Year Built           | 1976         |

## LEASE SUMMARY

|                                |  |
|--------------------------------|--|
| Lease Type                     | NNN                                    |
| Lease Guarantor                | Red Lobster Intermediate Holdings, LLC |
| Roof and Structure Responsible | Tenant Responsible                     |
| Lease Term                     | ±15 Years                              |
| Lease Expiration Date          | 2/28/2035                              |
| Lease Term Remaining           | ±13 Years                              |
| Increases                      | 2% Annually                            |
| Options                        | Four (4), Five (5) Year Options        |
| Estoppel                       | 20 Days                                |
| Financial Statements           | Upon written request of Landlord       |



## RENT SCHEDULE

|                      | Annual Rent | Monthly Rent | Cap Rate |
|----------------------|-------------|--------------|----------|
| 8/1/2021 - 7/31/2022 | \$427,524   | \$35,627     | 6.11%    |
| 8/1/2022 - 7/31/2023 | \$436,074   | \$36,340     | 6.23%    |
| 8/1/2023 - 7/31/2024 | \$444,796   | \$37,066     | 6.35%    |
| 8/1/2024 - 7/31/2025 | \$453,691   | \$37,808     | 6.48%    |
| 8/1/2025 - 7/31/2026 | \$462,765   | \$38,564     | 6.61%    |
| 8/1/2026 - 7/31/2027 | \$472,021   | \$39,335     | 6.74%    |
| 8/1/2027 - 7/31/2028 | \$481,461   | \$40,122     | 6.88%    |
| 8/1/2028 - 7/31/2029 | \$491,090   | \$40,924     | 7.02%    |
| 8/1/2029 - 7/31/2030 | \$500,912   | \$41,743     | 7.16%    |
| 8/1/2030 - 7/31/2031 | \$510,930   | \$42,578     | 7.30%    |
| 8/1/2031 - 7/31/2032 | \$521,149   | \$43,429     | 7.44%    |
| 8/1/2032 - 7/31/2033 | \$531,572   | \$44,298     | 7.59%    |
| 8/1/2033 - 7/31/2034 | \$542,203   | \$45,184     | 7.75%    |
| 8/1/2034 - 2/28/2035 | \$553,047   | \$46,087     | 7.90%    |



# TENANT OVERVIEW



## TENANT OVERVIEW

Red Lobster has been committed to seafood sustainability since they first opened their doors in 1968. As a founding member of the Global Aquaculture Alliance (GAA), now Global Seafood Assurances (GSA), in 1997, they helped establish guidelines for best practices and aquaculture certifications. They also have many personal relationships with suppliers who share their values. Red Lobster Hospitality LLC is an American casual dining restaurant chain headquartered in Orlando, Florida. The company has operations across most of the United States, as well as in China, Ecuador, Guam, Hong Kong, Japan, Malaysia, Mexico, Philippines, Puerto Rico, Qatar, and the United Arab Emirates

**55,000+**  
Employees

**1,822+**  
Locations Worldwide

**\$2.6B**  
Revenue (2020)



## ROCHESTER, NY

Rochester is a city on the southern shore of Lake Ontario in Western New York. Rochester is the third most populous city in New York state with over 210,000 residents and its metropolitan area has a population of nearly 1.1 million people.

Rochester was one of America's first boomtowns, rising to prominence as the site of many flour mills along the Genesee River, and then as a major hub of manufacturing. Several of the region's universities (notably the University of Rochester and Rochester Institute of Technology) have renowned research programs. In addition, Rochester is the site of many important inventions and innovations in consumer products. The Rochester area has been the birthplace to such corporations as Kodak, Western Union, Bausch & Lomb, Gleason, and Xerox that conduct extensive research and manufacturing in the fields of industrial and consumer products.

## DEMOGRAPHICS

| POPULATION        | 1-MILE   | 3-MILE   | 5-MILE   |
|-------------------|----------|----------|----------|
| 2026 Projection   | 2,183    | 46,157   | 158,038  |
| 2021 Estimate     | 2,175    | 45,916   | 158,400  |
| 2010 Census       | 2,109    | 44,228   | 158,739  |
| HOUSEHOLDS        | 1-MILE   | 3-MILE   | 5-MILE   |
| 2026 Projection   | 959      | 18,264   | 64,920   |
| 2021 Estimate     | 955      | 18,135   | 65,073   |
| 2010 Census       | 925      | 17,280   | 65,227   |
| INCOME            | 1-MILE   | 3-MILE   | 5-MILE   |
| Average HH Income | \$55,219 | \$76,347 | \$81,776 |



**\$63,543**  
AVG HH INCOME



**1.082M**  
MSA RESIDENTS



**\$69.9B**  
GROSS METRO PRODUCT





## ECONOMY

Rochester was one of America's first boomtowns, rising to prominence as the site of many flour mills along the Genesee River, and then as a major hub of manufacturing. Rochester is the site of many important inventions and innovations in consumer products. The city has been the birthplace of many corporations such as Kodak, Western Union, Bausch & Lomb, Gleason, and Xerox that conduct extensive research and manufacturing in the fields of industrial and consumer products. Today, several companies are headquartered in Rochester such as Paychex Inc., Carestream Health, and many more. Major employers in the area include the University of Rochester and the Rochester Institute of Technology. Both universities have renowned research programs and also produce highly-skilled and well-educated workers. Rochester has a promising economy that will continue to attract young professionals looking for employment opportunities as the area is full of growing and prominent companies.

## MAJOR EMPLOYERS

| EMPLOYER                          | EMPLOYEES |
|-----------------------------------|-----------|
| University of Rochester           | 28,923    |
| Rochester Regional Health         | 15,753    |
| Wegmans Food Markets Inc.         | 13,606    |
| Xerox Corp.                       | 6,051     |
| Rochester General Hospital        | 5,078     |
| Paychex Inc.                      | 4,180     |
| Rochester Institute of Technology | 4,111     |
| Lifetime Healthcare Cos., Inc.    | 3,569     |
| Harris Corporation                | 3,450     |
| Sutherland Global Services Inc.   | 2,952     |







## THINGS TO DO

Rochester has thousands of activities to offer year-round. There is something for everyone from a wide range of restaurants with a unique culinary scene to over 140 festivals and events the city holds throughout the year. If you are looking to get out and explore the natural side of the city, Rochester offers over 12,000 acres of parkland. Take amazing hikes throughout the greenest paths and explore all that nature has to offer. There are also more than 60 public golf courses throughout the area. If you are looking to have a great, relaxing day with friends, there are over 100 wineries, breweries, and distilleries in Rochester.

**11% BELOW NATIONAL AVERAGE**  
COST OF LIVING

## TECHNOLOGY & EDUCATION

MAJOR INDUSTRIES IN THE AREA

**5TH BEST CITY FOR FAMILIES**  
-KIPLINGER

## COMPANIES HEADQUARTERED IN ROCHESTER



A nonprofit independent licensee of the BlueCross BlueShield Association





## FINGER LAKES

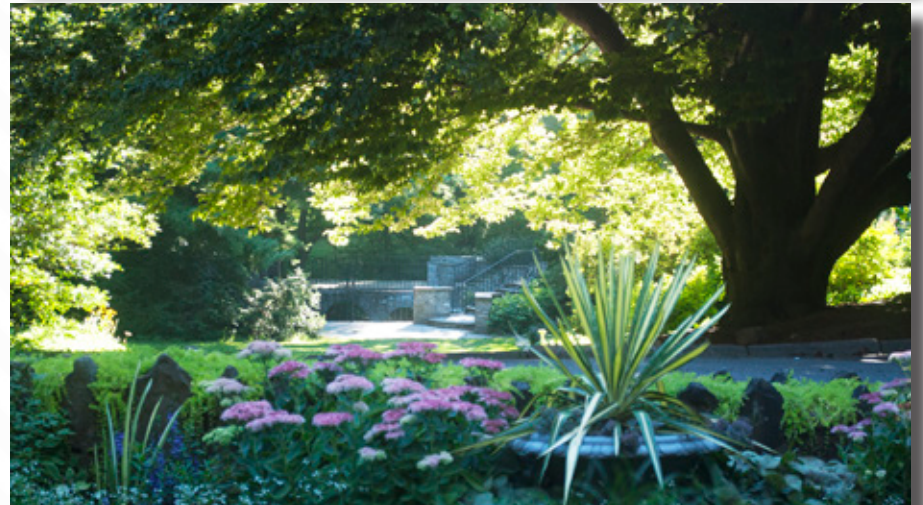
The Finger Lakes region features over 100 wineries making it one of the world's premier wine regions. Each lake in the area acts as a natural air conditioner that keeps grapes from being prone to extreme temperature swings, resulting in spectacular wine quality. Several wine trails in the region include Seneca Lake Wine Trail, Canandaigua Lake Wine Trail, Keuka Lake Wine Trail, Cayuga Lake Wine Trail, and Lake Ontario Wine Trail.

## HIGHLAND PARK

Designed by Frederick Law Olmsted, a famous landscape architect, Highland Park is one of the oldest arboretums in the nation. Visitors can enjoy the hundreds of lilac bushes and other vegetation throughout the park.

## EASTVIEW MALL

Eastview Mall is an upscale shopping center located near the Finger Lakes region, the second-largest wine-producing region in the United States. With over 160 retail and dining options, it is considered to be the ultimate shopping destination in Rochester with featured stores and restaurants including Pottery Barn, Anthropologie, Champps Americana, and Bonefish Grill.







## UNIVERSITY OF ROCHESTER

The University of Rochester is a private research university in Rochester, New York. The university grants undergraduate and graduate degrees, including doctoral and professional degrees. The University of Rochester enrolls approximately 6,800 undergraduates and 5,000 graduate students. Its 158 buildings house over 200 academic majors. According to the National Science Foundation, Rochester spent \$370 million on research and development in 2018, ranking it 68th in the nation. The university is the 7th largest employer in the Finger lakes region of New York. The College of Arts, Sciences, and Engineering is home to departments and divisions of note. The Institute of Optics was founded in 1929 through a grant from Eastman Kodak and Bausch and Lomb as the first educational program in the US devoted exclusively to optics, awards approximately half of all optics degrees nationwide, and is widely regarded as the premier optics program in the nation, and among the best in the world. The Departments of Political Science and Economics have made a significant and consistent impact on positivist social science since the 1960s, and historically rank in the top 5 in their fields. The Department of Chemistry is noted for its contributions to synthetic organic chemistry, including the first lab based synthesis of morphine

## MARKETPLACE MALL

The Marketplace Mall is a shopping center managed by Wilmorite and located in the heart of the Rochester, New York metropolitan area on Hylan Drive, in the suburb of Henrietta. The space at the southeast corner of West Henrietta Road (NY 15) and Jefferson Road (NY 252) was previously Hylan Airport, a general aviation facility home to Ray Hylan's school of aviation. In the 1970s, Hylan moved his school to the Rochester - Monroe County Airport and worked with the Wilmot family to develop the former airfield into commercial space. The Marketplace Mall opened on October 7, 1982 as the largest mall and the first regional mall located between New York City and Cleveland.





# CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Red Lobster** located at **655 Jefferson Rd, Rochester, NY 14623** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.





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