



OFFERING  
MEMORANDUM



1902 Towne Centre Drive, Mesquite, TX

Alexander Doolin  
[Adoolin@nnnpro.com](mailto:Adoolin@nnnpro.com)  
914.552.1488 | NY: 10401333620

# Confidentiality and Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history

and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

## CONFIDENTIALITY AND DISCLAIMER

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## NON-ENDORSEMENT NOTICE

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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

## SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.







# Investment Highlights

PRICE: \$4,703,448 | CAP: 7.25% | NOI: \$341,000



## About the Investment

- ✓ Roughly 8.8 Years Remaining on a 15-Year Absolute Triple-Net (NNN)
- ✓ Sun Holdings Inc. 3<sup>rd</sup> Largest Franchisee in the US by Mega 99 Rankings | Operates Approximately 20 Golden Corral Locations & is One of the Largest Golden Corral Franchisee Operators
- ✓ There are Ten (10.00%) Percent Rental Increases Every Five Years
- ✓ Lease Features Four (4), Five (5)-Year Tenant Renewal Options, Bringing the Potential Lease Term to 35 Years

## About the Location

- ✓ Dense Retail Corridor | Target, Chick-fil-A, Home Depot, Aldi, 7-Eleven, Applebee's, Kohl's, Best Buy, Aldi, Chase, Burger King, Outback Steakhouse, TGI Fridays, Olive Garden, Lowe's, Chili's, Buffalo Wild Wings, Dick's Sporting Goods, Boston Market, Home Goods, Bank of America, and Many More
- ✓ Proximity to Major Shopping Complexes | The Emporium & The Town East Mall | Center of Business for Over 255 Premiere Dining Options and Luxury Retailers
- ✓ Exceptional Traffic Counts | Interstate-635, Interstate-30 & US- 80 | Average 154,000, 123,200 & 101,600 Vehicles Per Day, Respectively
- ✓ Strong Demographics | Population within a Three-Mile Radius is Approximately 131,200 Residents
- ✓ Texas | Income Tax Free State

## About the Tenant / Brand

- ✓ Golden Corral is a privately held company headquartered in Raleigh, North Carolina with nearly 500 locations across 40 states.
- ✓ Strong Track Record With Proven Operational Expertise
- ✓ Over 100 of the sites are company-owned and the others franchised. Gross sales for the company are exceed \$1.7 billion.





# Financial Analysis

PRICE: \$4,703,448 | CAP: 7.25% | NOI: \$341,000



## Property Description

Property	Golden Corral
Property Address	1902 Towne Centre Drive
City, State, ZIP	Mesquite, TX 75150
Year Built / Renovated	2001
Estimated Building Size	10,580
Estimated Lot Size	+/- 2.17 Acres
Type of Ownership	Fee Simple

## The Offering

Purchase Price	\$4,703,448
CAP Rate	7.25%
Annual NOI	\$341,000

## Lease Summary

Property Type	Net-Leased Casual Dining
Tenant	Texas Corral, LLC
Guarantor	Kansas Steaks, LLC
Original Lease Term	15 Years
Lease Commencement	September 28, 2015
Current Lease Expiration	September 30, 2030
Lease Term Remaining	~8.8 Years
Lease Type	Triple Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	10% Every 5
Options to Renew	Four (4) Five (5)-Year Renewal Options

## Rent Schedule

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
10/1/2020 - 9/30/2025	\$341,000	\$28,417	-
10/1/2025 - 9/30/2030	\$375,100	\$31,258	10.00%
Renewal Options			
Option 1 (Years 16-20)	\$412,610	\$34,384	10.00%
Option 2 (Years 21-25)	\$453,871	\$37,823	10.00%
Option 3 (Years 26-30)	\$499,258	\$41,605	10.00%
Option 4 (Years 31-35)	\$549,184	\$45,765	10.00%



## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive net lease offering for a Golden Corral located at 1902 Towne Centre Drive, in Mesquite, Texas. The site consists of roughly 10,580 rentable square feet of building space on estimated 2.17-acre parcel of land.

This Golden Corral is subject to an original 15-year Triple-Net (NNN) lease with roughly 8.8 years remaining, and commenced on September 28<sup>th</sup>, 2015, and expires on September 30<sup>th</sup>, 2030. The annual rent is \$341,000 and is scheduled to increase by ten (10%) percent every five (5) years in each of the Four (4), Five (5)-year tenant renewal options.





# Tenant Overview

1902 Towne Centre Drive, Mesquite, TX



golden  
corral®

## ABOUT GOLDEN CORRAL

When the first Golden Corral® restaurant opened in Fayetteville, North Carolina in 1973, Golden Corral Corporation took a confident first step in the restaurant business, beginning a tradition of offering guests real, wholesome foods in a family-friendly atmosphere and at a great value. Nearly 45 years of success and 500 locations later, Golden Corral is recognized by Nation's Restaurant News as "America's #1 buffet and grill." Golden Corral's legendary endless buffet features an abundant variety of delicious all-time favorites and new menu offerings for breakfast, brunch, lunch and dinner. Guests can choose from over 150 items including USDA, grilled to order sirloin steaks, pork, seafood, and shrimp alongside traditional favorites like pot roast, fried chicken, meatloaf, mashed potatoes, mac and cheese, Bourbon Street Chicken, fresh salads, famous yeast rolls, the ALL NEW Smokehouse and more. And... dessert innovations are headlined by freshly-spun cotton candy, decadent desserts (that rival the Las Vegas buffets!), as well as the Famous Chocolate Fountain featuring a non-stop stream of chocolate, with a variety of fresh fruits and sweet tooth favorites that are available for dipping and dunking. Gross sales for the company exceed \$1.7 billion.

In addition to the buffet services, giving back is the hallmark of the Golden Corral brand. As of 2017, Golden Corral has served over 5,400,00 meals to our military heroes and has raised over \$14 million dollars for Disabled American Veterans. Additionally, over the past 6 years, Golden Corral restaurants and guests have raised over \$9 million dollars and sent nearly 18,000 military children to Camp Corral.





# Surrounding Area

1902 Towne Centre Drive, Mesquite, TX







# Location Overview

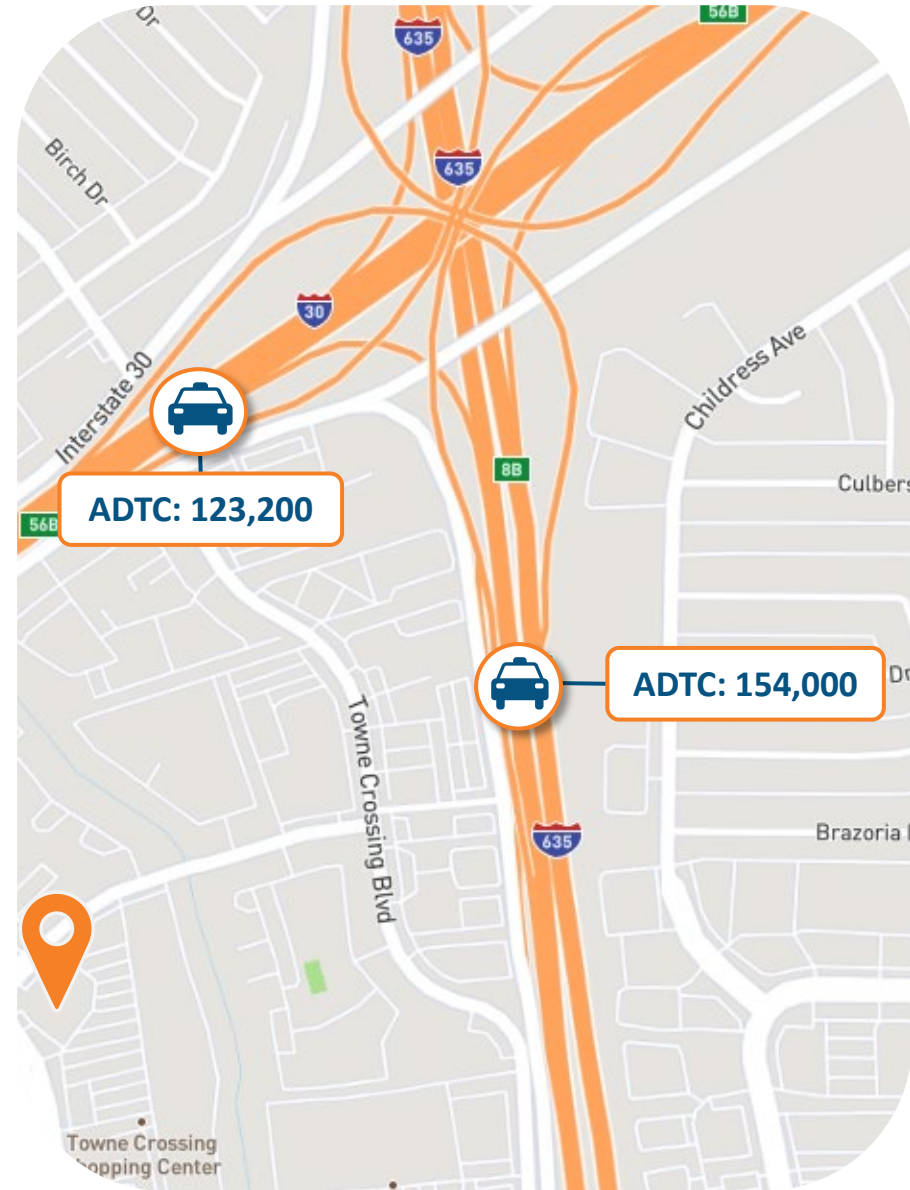
1902 Towne Centre Drive, Mesquite, TX



The subject investment property is situated on Lyndon B Johnson Freeway, also known as interstate 635. Interstate-635 boasts average daily traffic counts exceeding 154,000 vehicles. Interstate-635 intersects with Interstate-30 to the North, which brings an additional 123,200 vehicles to the immediate vicinity of the subject property. To the south, I-635 intersects with US-80, bringing an additional 101,600 vehicles into the immediate area. There are more than 131,200 individuals residing within a three-mile radius of the property and more than 308,350 individuals within a five-mile radius. This subject property is situated in an affluent suburban community with an average household income of over \$73,200 within a five-mile radius, a prime demographic market for a casual dining concept.

The subject property benefits from being well-positioned in a highly dense retail corridor consisting of national and local tenants, shopping centers, and hotels all within proximity of this property. Major national tenants include: Target, Chick-fil-A, Home Depot, Aldi, 7-Eleven, Applebee's, Kohl's, Best Buy, Aldi, Chase, Burger King, Outback Steakhouse, TGI Fridays, Olive Garden, Lowe's, Chili's, Buffalo Wild Wings, Dick's Sporting Goods, Boston Market, Home Goods, Bank of America, as well as many more. The subject property also benefits from being situated in close proximity to two major shopping centers: The Emporium & The Town East Mall. The Emporium and The Town East Mall are centers of business for 255+ premiere dining businesses and luxury retailers. This subject property benefits from its proximity to various hospitality accommodations. Among them: HomeTowne Studios Dallas, Quality Inn & Suites, Courtyard, Fairfield Inn & Suites, Surestay Plus Hotel, Hampton Inn & Suites, Holiday Inn Express & Suites, La Quinta Inn & Suites, among many more. The subject property is also conveniently located less than 10 miles away from the vibrant Dallas downtown.

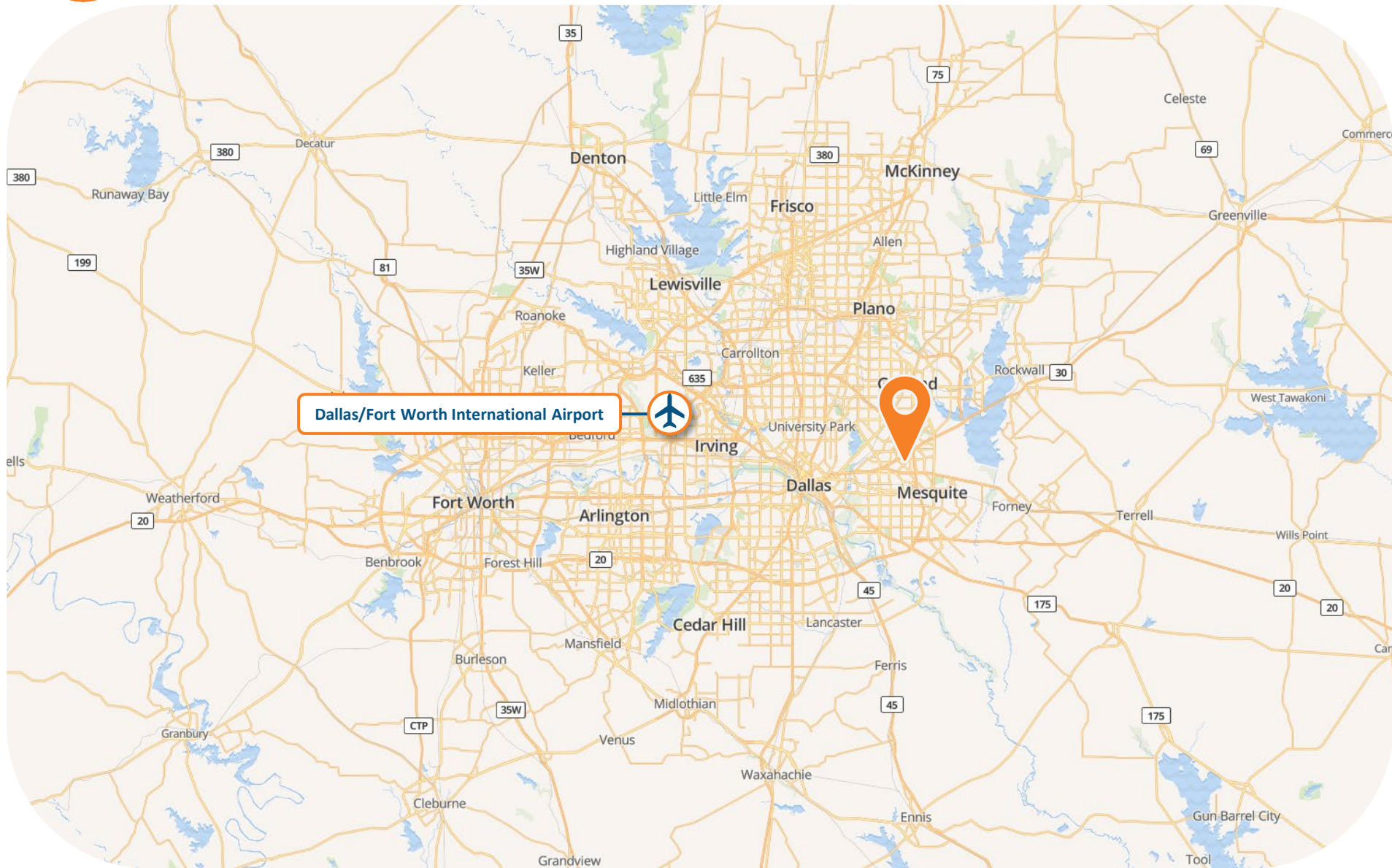
A part of the Dallas / Fort Worth Metropolitan Statistical Area, the city of Mesquite, Texas is a suburb east of Dallas, Texas. Mesquite is positioned at the crossroads of three major interstates (I-30, I-635, I-20) allowing for ease of accesses for residents and visitors alike. The Mesquite Championship Rodeo, located in the air-conditioned Mesquite Arena, is open throughout the summer months; its 50-year run has earned the city of Mesquite the title of Rodeo Capital of Texas. The Devil's Bowl Speedway is another major attraction in Mesquite, offering vehicle racing and competitions on the half-mile, outdoor dirt track. Town East Mall's 164 stores is a haven not only for consumers but also fans of Ron Howard's 1978 classic "Cotton Candy". Mesquite has also been dubbed the Tree City by the National Arbor Day Foundation for twenty-five years running.





# Regional Map

1902 Towne Centre Drive, Mesquite, TX







# Regional Map

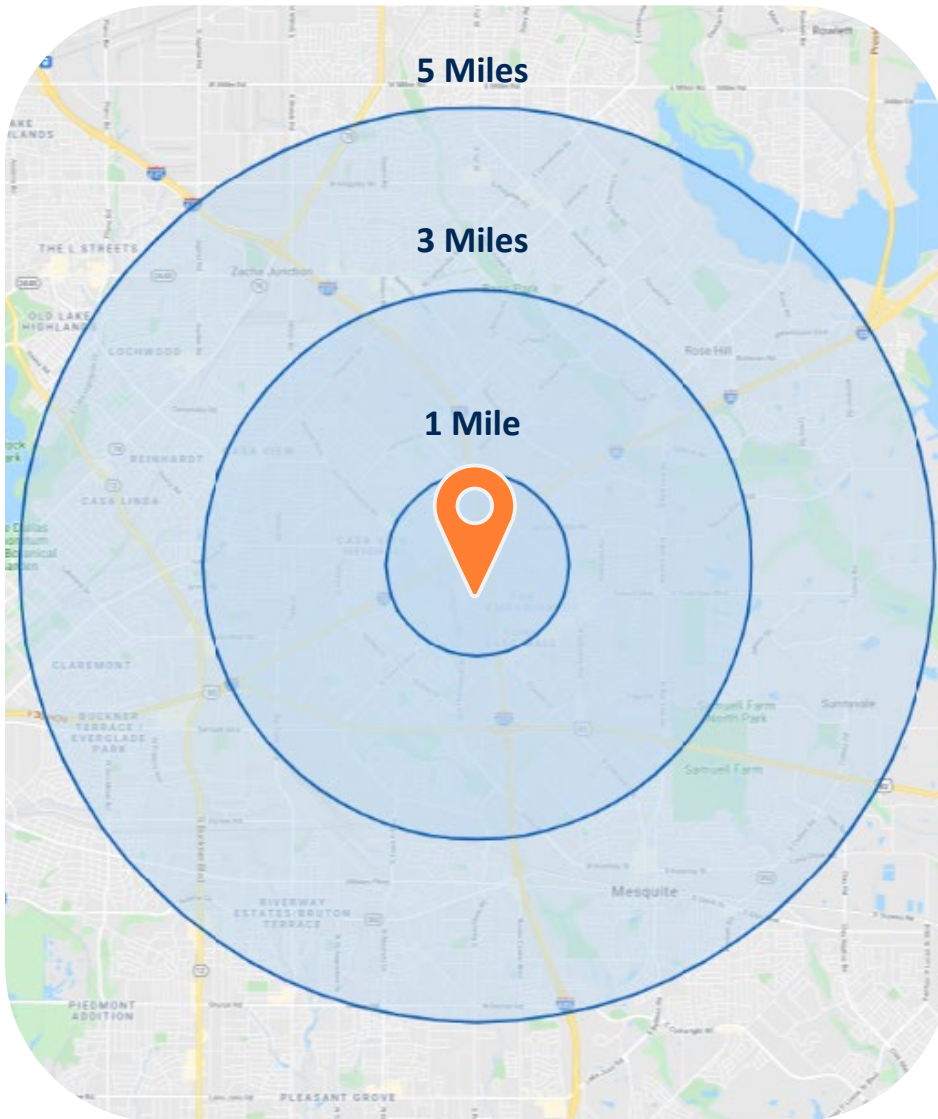
1902 Towne Centre Drive, Mesquite, TX





# Demographics

1902 Towne Centre Drive, Mesquite, TX



## Population Trends:

2010 Population	12,252	128,545	301,082
2020 Population	12,171	131,201	308,338
2025 Population Projection	12,214	132,283	311,069
Growth 2020 - 2025	0.10%	0.20%	0.20%

## Population by Race (2020):

White	8,888	91,537	213,917
Black	2,382	28,568	69,935
American Indian/Alaskan Native	194	1,809	3,738
Asian	446	6,203	14,099
Hawaiian & Pacific Islander	7	175	335
Two or More Races	255	2,909	6,313
Hispanic Origin	5,371	56,491	133,423

## Household Trends:

2010 Households	4,542	46,048	106,702
2020 Households	4,500	46,867	108,220
2025 Household Projection	4,515	47,239	109,013
Growth 2010 - 2020	-0.10%	0.10%	0.20%
Growth 2020 - 2025	0.10%	0.20%	0.10%
Owner Occupied	2,053	23,879	60,293
Renter Occupied	2,462	23,360	48,720

## Average Household Income (2020):

## Households by Household Income (2020):

<\$25,000	712	8,146	19,327
\$25,000 - \$50,000	1,340	14,027	29,802
\$50,000 - \$75,000	1,010	10,560	21,963
\$75,000 - \$100,000	679	5,704	13,748
\$100,000 - \$125,000	298	3,263	8,293
\$125,000 - \$150,000	159	2,275	5,499
\$150,000 - \$200,000	187	1,737	5,235
\$200,000+	114	1,157	4,351

## Median Household Income (2020):

	1 Mile	3 Miles	5 Miles
<b>Population Trends:</b>			
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Owner Occupied	2,053	23,879	60,293
Renter Occupied	2,462	23,360	48,720
<b>Average Household Income (2020):</b>	<b>\$67,716</b>	<b>\$67,207</b>	<b>\$73,189</b>
<b>Households by Household Income (2020):</b>			
<\$25,000	712	8,146	19,327
\$25,000 - \$50,000	1,340	14,027	29,802
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\$200,000+	114	1,157	4,351
<b>Median Household Income (2020):</b>	<b>\$55,000</b>	<b>\$53,131</b>	<b>\$55,668</b>





# Market Overview

1902 Towne Centre Drive, Mesquite, TX

*Dallas, Texas*

**Mesquite** is located less than 11 miles outside the bustling city of Dallas. As the ninth-largest city and part of the fourth-largest metropolitan area in the nation, Dallas covers approximately 343 square miles and has a population exceeding 1,240,000. The ultra modern and sophisticated city attracts worldwide travelers, making the area the No. 1 visitor and leisure destination in Texas. Dallas will remain a top destination for corporate relocations due to its business-friendly environment. Twenty-two Fortune 500 companies are headquartered in the metro, making it the third-largest concentration in the nation, including companies such as Southwest Airlines, A T&T, Texas Instruments and Exxon Mobil. Dallas has a lower cost of living than many major metros, no state income tax and a median home price below the national level. Over 45 post-secondary educational institutions are located in the metro. Nearly 31 percent of residents have attained a bachelor's degree, with 10 percent also holding a graduate or professional degree.

Outdoor activities abound in Dallas as a result of the city's favorable location and climate. With seven major league sport teams, rodeo, NASCAR and marathons, the adrenaline is year round. Dallas has been named the #3 Sports Town in the nation by Sports Illustrated. The Dallas-Fort Worth MSA has one of the largest concentrations of corporate headquarters for publicly traded companies in the United States. In addition to its large number of businesses, Dallas has more shopping centers per capita than any other city in the United States. Dallas is the third most popular destination for business travel in the United States, and the Kay Bailey Hutchison Convention Center is one of the largest and busiest convention centers in the country, at over 1,000,000 square feet and the world's single-largest column-free exhibit hall.

*Saginaw, MI*

11-2-2015



### Information About Brokerage Services

*Texas law requires all real estate license holders to give the following information about Brokerage services to prospective buyers, tenants, seller and landlords.*

#### TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

#### A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

#### A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH – INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with provide opinions and advice to, and carry out the instructions of each party to the transaction;
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - That the owner will accept a price less than the written asking price;
  - That the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - Any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interest of the owner first.

#### TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

<u>Marcus &amp; Millichap</u> Licensed Broker/Broker Firm Name or Primary Assumed Business Name	<u>9002994</u> License No.	<u>tim.speck@marcusmillichap.com</u> Email Address	<u>972-755-5200</u> Phone
<u>Tim A. Speck</u> Designated Broker or Firm	<u>432723</u> License No.	<u>tim.speck@marcusmillichap.com</u> Email Address	<u>972-755-5200</u> Phone
_____ Licensed Supervisor of Sales Agent/ Associate	_____ License No.	_____ Email Address	_____ Phone
_____ Sales Agent/Associate's Name	_____ License No.	_____ Email Address	_____ Phone
<u>DS</u> <u>DJR</u>	2/2/2022   15:23:50 PST		
_____ Buyer/Tenant/Seller/Landlord Initials	_____ Date		

Regulated by the Texas Real Estate Commission

Information available at [www.trec.texas.gov](http://www.trec.texas.gov)

DS  
DJR



Glen Kunofsky  
NY: 10301203289

Alexandre Marietto  
[Amarietto@nnnpro.com](mailto:Amarietto@nnnpro.com)  
516.376.0545 | NY: 10401294047

Alexander Doolin  
[Adoolin@nnnpro.com](mailto:Adoolin@nnnpro.com)  
914.552.1488 | NY: 10401333620



# OFFERING MEMORANDUM

Timothy Speck  
Marcus & Millichap  
REIS of Nevada, Inc.  
5001 Spring Valley Road,  
Suite 100 W  
Dallas, TX 75244  
Tel: 972-755-5200  
Fax: 972-755-5210  
License: 432723

Marcus & Millichap



1902 Towne Centre Drive, Mesquite, TX