

## Applebee's

614 N Valley Mills Dr  
Waco, TX 76710

VIEW PROPERTY VIDEO 

OFFERING  
MEMORANDUM



## ► BROKERS

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#### Listed in conjunction with Texas Broker of Record:

JD Torian  
License: 472612



### Applebee's

This Confidential Offering Memorandum ("Memorandum") is being delivered subject to the terms of the Confidentiality Agreement (the "Confidentiality Agreement") signed by you and constitutes part of the Confidential Information (as defined in the Confidentiality Agreement). It is being given to you for the sole purpose of evaluating the possible investment in 614 N Valley Mills Dr, Waco, TX 76710 (the "Project"), and is not to be used for any other purpose or made available to any other party without the prior written consent of its exclusive broker, Cushman & Wakefield. This Memorandum was prepared by Cushman & Wakefield based primarily on information supplied by Managing Member. It contains select information about the Project and the real estate market but does not contain all the information necessary to evaluate the Project. The financial projections contained herein (or in any other Confidential Information) are for general reference only. They are based on assumptions relating to the overall economy and local competition, among other factors. Accordingly, actual results may vary materially from such projections. Various documents have been summarized herein to facilitate your review; these summaries are not intended to be a comprehensive statement of the terms or a legal analysis of such documents. While the information contained in this Memorandum and any other Confidential Information is believed to be reliable, neither Cushman & Wakefield nor Managing Member guarantees its accuracy or completeness. Because of the foregoing and since the investment in the Project is being offered on an "As Is, Where Is" basis, a prospective investor or other party authorized by the prospective investor to use such material solely to facilitate the prospective purchaser's investigation, must make its independent investigations, projections and conclusions regarding the investment in the Project without reliance on this Memorandum or any other Confidential Information. Although additional Confidential Information, which may include engineering, environmental or other reports, may be provided to qualified parties as the marketing period proceeds, prospective purchasers should seek advice from their own attorneys, accountants, engineers and environmental experts. Neither Cushman & Wakefield nor Managing Member guarantees the accuracy or completeness of the information contained in this Memorandum or any other Confidential Information provided by Cushman & Wakefield and Managing Member. Managing Member expressly reserves the right, at its sole discretion, to reject any offer to invest in the Project or to terminate any negotiations with any party at any time with or without written notice. Managing Member shall have no legal commitment or obligations to any prospective investor unless and until a written sale agreement has been fully executed, delivered and approved by Managing Member and any conditions to Managing Member's obligations thereunder have been satisfied or waived. Managing Member has retained Cushman & Wakefield as its exclusive broker and will be responsible for any commission due to Cushman & Wakefield in connection with a transaction relating to the Project pursuant to a separate agreement. Cushman & Wakefield is not authorized to make any representation or agreement on behalf of Managing Member. Each prospective investor will be responsible for any claims for commissions by any other broker in connection with an investment in the Project if such claims arise from acts of such prospective investor or its broker. This Memorandum is the property of Managing Member and all parties approved by Managing Member and may be used only by parties approved by Managing Member. No portion of this Memorandum may be copied or otherwise reproduced or disclosed to anyone except as permitted under the Confidentiality Agreement.

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## ► INVESTMENT HIGHLIGHTS



**Applebee's**  
614 N Valley Mills Dr  
Waco, TX 76710



**Land:**  
1.37 Acres  
59,677 SqFt

**Bldg:**  
5,421 SqFt



**Year Built/Renovated:**  
1994/2011



## ► INVESTMENT HIGHLIGHTS



- Absolute NNN - Zero Landlord Responsibilities
- +/- 5 years remain on the lease with (4) 5-year Options
- Strong Demographics - population of 10,000 within 1-mile radius and 80,000 within 3-miles
- Rent Increases – 8% every (5) years
- High Traffic Counts – Combined VPD of 50,490
- Surrounded by National Retailers – Walmart Supercenter, Lowe's, CVS, Family Dollar, Tractor Supply, Planet Fitness, Crunch Fitness, Academy Sports, Chick-fil-A, Taco Bell, Raising Cane's, Golden Corral, and many more
- Experienced Operator – Apple Texas Restaurants operates over 39 Applebee's in Texas

## ► LEASE SUMMARY



**Lease Type**  
Absolute NNN

**Lease Guarantor**  
APPLE TEXAS RESTAURANTS, INC.

**Rent Commencement Date**  
October 01, 2017

**Lease Expiration Date**  
September 30, 2027

**Term Remaining on Lease**  
+/- 5 Years

**Options**  
Four 5-Year

**Increases**  
8% Every 5 Years

## ► FINANCIAL ANALYSIS

	YEAR	MONTHLY RENT	ANNUAL RENT
CURRENT PERIOD	<b>1-5</b>	<b>\$22,916.67</b>	<b>\$275,000</b>
	6-10 (10/1/2022 Start)	\$24,750.00	\$297,000
	Option 1 (5 Year)	\$26,730.00	\$320,760
	Option 2 (5 Year)	\$28,868.40	\$346,421
	Option 3 (5 Year)	\$31,177.87	\$374,134
	Option 4 (5 Year)	\$33,672.10	\$404,065



**NOI**  
\$297,000



**Cap rate**  
6.00%



**Price**  
\$4,950,000



**Price/ft Land**  
\$83



**Price/ft Bldg.**  
\$913

## ► PROPERTY OVERVIEW

- Waco is the county seat of McLennan County and is located in the center of the Texas manufacturing and technology corridor, about 90 miles south of Dallas and 100 miles north of Austin. Sitting along Interstate I-35, the city is serviced by several secondary thoroughfares which include U.S. Routes 77 and 84; and Texas State Highway 6. Waco's central position in the heart of the Texas Triangle provides access to four major metro areas and 85% of the population of Texas – all within a 3-hour drive time.
- **Baylor University** – Applebee's is located less than 5 miles from Baylor University's campus which has enrollment of over 15,000 undergraduate and 5,000 graduate students. Baylor is a nationally ranked research institution with prominent Division 1 Football and Basketball teams.
- **Texas State Technical College** ( $\pm 12,000$  students)
- **McLennan Community College** ( $\pm 9,000$  students)





## ► PROPERTY OVERVIEW

- **Magnolia: The Shops at the Silos**
  - Owned by Chip and Joanna Gaines, famous TV personalities from their hit HGTV show, Fixer Upper, Magnolia Market is a two-block shopping, dining, and entertainment district that attracts over 2 million visitors per year
- **Major Employers in Waco**
  - Cargill Foods (166,000 Employees)
  - Mars Chocolate North America (130,000 Employees)
  - H.E.B Stores (100,000 Employees)
  - L-3 Integrated Systems (48,000 Employees)
  - Pilgrim's Pride (35,700 Employees)
  - Allergan (17,800 Employees)
  - Sanderson Farms (17,000 Employees)

VIEW PROPERTY VIDEO 



► PROPERTY VIDEO



► **TENANT OVERVIEW**



As one of the world's largest casual dining brands, Applebee's Neighborhood Grill + Bar serves as America's kitchen table, offering guests a lively dining experience that combines simple, craveable American fare with classic drinks and local drafts. Applebee's restaurants are owned and operated by entrepreneurs dedicated to more than serving great food, but also building up the communities that we call home. Applebee's has 1,711 franchise and company-operated restaurants in the United States, Puerto Rico, Guam and 11 other countries as of December 31, 2020. Applebee's is franchised by subsidiaries of Dine Brands Global Inc. [NYSE: DIN], which is one of the world's largest full-service restaurant companies.



**WEBSITE**  
applebees.com



**COMPANY TYPE**  
Subsidiary



**PARENT**  
Dine Brands Global



**LOCATIONS**  
495+



**2020 EMPLOYEES**  
490



**2020 REVENUE**  
\$689.27 Million



**2020 ASSETS**  
\$2.07 Billion



## ► DEMOGRAPHICS

POPULATION	1 MILE	3 MILE	5 MILE
2022 Population	10,300	79,525	144,610
2027 Population Projection	11,054	85,439	155,481
Annual Growth 2010-2022	0.9%	0.9%	1.0%
Annual Growth 2022-2027	1.5%	1.5%	1.5%
Median Age	34.5	33.6	32.4
HOUSEHOLDS	1 MILE	3 MILE	5 MILE
2022 Households	4,554	30,227	54,729
2027 Household Projection	4,897	32,517	58,940
Annual Growth 2022-2027	1.5%	1.5%	1.5%
Owner Occupied Households	1,773	16,892	29,005
Renter Occupied Households	3,123	15,625	29,935
Avg Household Size	2.2	2.6	2.5
Avg Household Vehicles	1	2	2
Total Specified Consumer Spending (\$)	\$98.8M	\$752.8M	\$1.4B
INCOME	1 MILE	3 MILE	5 MILE
Avg Household Income	\$53,550	\$59,188	\$60,074
Median Household Income	\$40,642	\$42,427	\$41,876
HOUSING	1 MILE	3 MILE	5 MILE
Median Home Value	\$122,777	\$112,362	\$142,569
Median Year Built	1965	1963	1971





## ► AERIAL VIEW





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# Information About Brokerage Services

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

11-2-2015



## 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 interests 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.

_____ Licensed Broker /Broker Firm Name or Primary Assumed Business Name	_____ License No.	_____ Email	_____ Phone
_____ Designated Broker of Firm	_____ License No.	_____ Email	_____ Phone
_____ Licensed Supervisor of Sales Agent/ Associate	_____ License No.	_____ Email	_____ Phone
_____ Sales Agent/Associate's Name	_____ License No.	_____ Email	_____ Phone

\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date