



SPOKANE, WASHINGTON

Texas Roadhouse



N DIVISION STREET

THE OFFERING

Long term Texas Roadhouse Ground Lease with Zero Landlord Responsibilities

THE OFFERING provides the opportunity to acquire an absolute NNN ground lease to Texas Roadhouse with over 14 years remaining on their initial corporately guaranteed term. The Property is an out-parcel to an At Home Superstore and is located along N Division Street, with traffic counts over 42,000 vehicles per day. The property is located on a retail corridor with heavy national tenant presence including national retailers Target, Home Depot, Hobby Lobby and others.



Michael's
THE ARTS AND CRAFTS STORE™


DOLLAR TREE

INVESTMENT HIGHLIGHTS

- **14+ YEARS REMAINING ON ORIGINAL 15 YEAR TERM.**
- **ABSOLUTE NNN GROUND LEASE WITH NO LANDLORD RESPONSIBILITIES.**
- **CORPORATE GUARANTEE BY TEXAS ROADHOUSE, INC. (NASDAQ: TXRH).**
- **10% RENTAL INCREASES EVERY 5 YEARS - YIELD INCREASES 100+ BASIS POINTS DURING PRIMARY TERM.**
- **OUTPARCEL TO NATIONAL FURNITURE STORE, AT HOME, THAT RECENTLY OPENED IN 2019.**
- **LOCATED ON A DENSE RETAIL CORRIDOR WITH A STRONG MIX OF NATIONAL TENANTS AND OVER 42,000 VEHICLES PER DAY.**
- **BENEFITS FROM A POPULATION DENSITY OF OVER 189,000 PEOPLE WITHIN A 5-MILE RADIUS.**





\$2,500,000

PRICE

5.00%

CAP

LEASEABLE SF

7,163 SF

LAND AREA

74,321 SF (1.70 AC)

LEASE TYPE

**Absolute NNN
Ground Lease**

LEASE EXPIRATION

1/31/2035

YEAR BUILT

2019

PARKING

**±88 Spaces;
12.28/1,000 SF**

ADDRESS

**7619 N Division St
Spokane, WA 99208**





About Texas Roadhouse

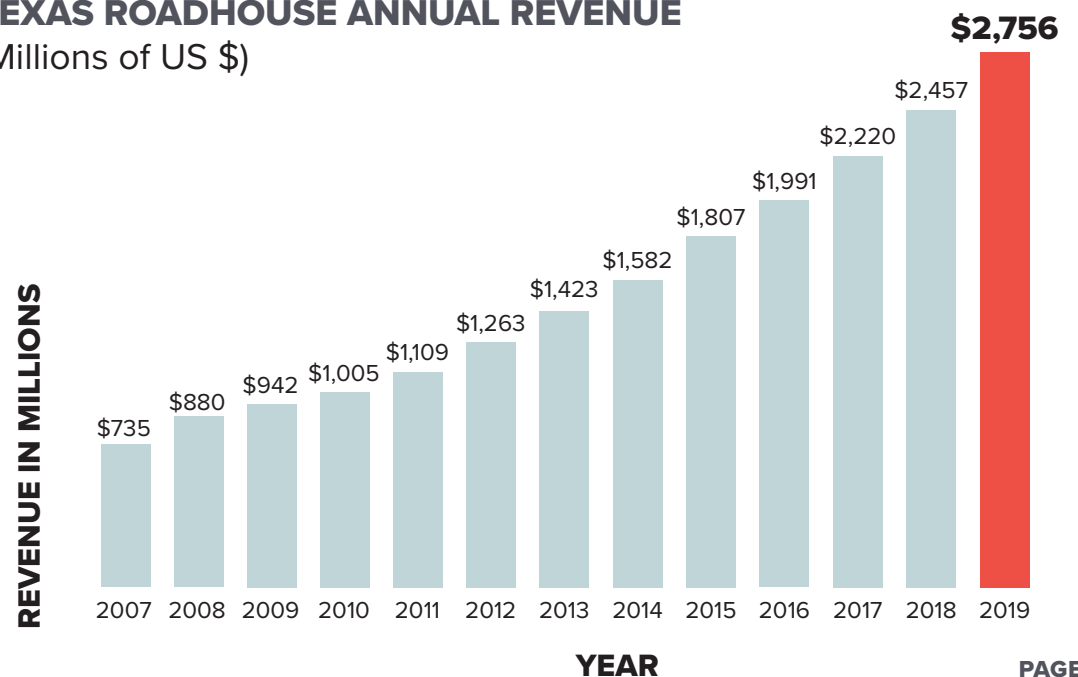
HEADQUARTERS

Louisville, KY

TEXAS ROADHOUSE IS a chain restaurant serving American cuisine and was founded in 1993. The Western-themed restaurant is headquartered in Louisville, KY and most recently generated revenues of approximately \$2.7 Billion in 2019, up from 2.46 in 2018 and 2.22B in 2017. This year-over-year growth has resulted in 583 total restaurants and 67,900 employees to date. The company's market capitalization currently stands around \$4.5B.

TEXAS ROADHOUSE ANNUAL REVENUE

(Millions of US \$)



N DIVISION STREET

DICK'S
SPORTING GOODS

TJ-maxx
PET SMART

TARGET.

BEST BUY

Walmart
SUPERCENTER

WinCo
FOODS

THE HOME DEPOT

42,400
VPD

at home
The Home Décor Superstore

BIG 5
SPORTING GOODS

Davita.

TEXAS
ROADHOUSE

HOBBY LOBBY

Michaels
THE ARTS AND CRAFTS STORE

GROCERY
OUTLET
Love your market

SPORTSMAN'S
WAREHOUSE

SAFeway

The place.

PET SMART

LOWE'S

DOLLAR TREE

Panera
BREAD

Albertsons

HARBOR
FREIGHT
TOOLS

BED BATH &
BEYOND

Burlington

ROSS
DRESS FOR LESS



Within 5 Miles

189,139

2019
POPULATION

198,942

2024
PROJECTED
POPULATION

\$66,873

AVERAGE
HOUSEHOLD
INCOME

\$51,033

MEDIAN
HOUSEHOLD
INCOME

7,263

TOTAL
BUSINESSES

95,925

TOTAL
EMPLOYEES

TEXAS ROADHOUSE

LOCATION OVERVIEW



FINANCIAL SUMMARY

PRICE	\$2,500,000
CAPITALIZATION RATE	5.00%
PRICE PER FOOT	\$349

CASH FLOW SUMMARY

SCHEDULED INCOME	PER SF	
Base Rent for the Period of: 12/1/2020 - 11/30/2021	\$17.45	\$125,000
Total Effective Gross Income (EGI)	\$17.45	\$125,000

OPERATING EXPENSES	PER SF	
CAMS		NNN
Property Taxes		NNN
Insurance		NNN
Total Operating Expenses	NNN	-

NET OPERATING INCOME	\$125,000
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RENT ROLL**TEXAS ROADHOUSE**

Lease Term: 1/20/2020 - 1/31/2035

Size (SF): 7,163

RENT SUMMARY

DATE	MONTHLY BASE RENT	% INCREASE	ANNUAL RENT	PSF	CAP RATE
1/20/2020	\$10,417		\$125,000	\$17.45	5.00%
2/1/2025	\$11,458	10%	\$137,500	\$19.20	5.50%
2/1/2030	\$12,604	10%	\$151,250	\$21.12	6.05%

OPTIONS					
1	2/1/2035	\$13,865	10%	\$166,375	\$23.23 6.66%
2	2/1/2040	\$15,251	10%	\$183,013	\$25.55 7.32%
CURRENT		\$10,417		\$125,000	\$17.45 5.00%

Lease Notes

Comments: Ground Lease. Commencement is estimated. Tenant directly responsible for property taxes and insurance and all maintenance, repair, and replacement; Tenant reimburses CAMs to Landlord for the greater shopping center, billed to Landlord by the Declarant. Options to be exercised with 180 day's notice.

TEXAS ROADHOUSE

LEASE ABSTRACT

Premise & Term

TENANT	Texas Roadhouse
GUARANTOR	Texas Roadhouse, Inc.
LEASE TYPE	Absolute NNN Ground Lease
RENT COMMENCEMENT	January 20, 2020
RENT EXPIRATION	January 31, 2035
OPTIONS	2, 5-YR Options; 6-Month Notice
BUILDING	7,163 SF

Maintenance & Repairs

TENANT'S OBLIGATIONS

Tenant is responsible for all maintenance and repair to the interior and exterior of the premises, including 100% of common area maintenance and repair, replacement, and maintenance of the building roof, structure, foundation, and all mechanical, electrical, and plumbing systems.

LANDLORD'S OBLIGATIONS

Landlord has zero responsibilities.



Expenses

CAMS

Tenant shall pay pro-rata share of CAMs for the greater shopping center, billed to Landlord by the Declarant.

INSURANCE

Tenant maintains property insurance

UTILITIES

Tenant is responsible for direct payment of all utilities.

TAXES

Tenant is responsible for payment of 100% of taxes directly to billing authority.

Misc. Lease Provisions

ASSIGNMENT/SUBLETTING

Tenant may not assign or sublease without the prior written consent of Landlord, which shall not be unreasonably withheld, provided landlord and tenant are in agreement.

CONTINUOUS OPERATION

Tenant must continuously operate for the first five years of the term and is required to pay rent whether or not in operation after the expiration of the five year period. Landlord shall have right to terminate lease and recapture possession upon 30 days written notice if the tenant has not been in operation for more than 180 days.

TEXAS ROADHOUSE

CC&R

The greater shopping center (including the DaVita/Video Only parcel) is managed by CC&Rs; the term extends until 2068 and automatically extends for consecutive 5-year periods.

USES

Permitted and restricted uses are in-line with Class A retail and oversee the greater shopping center. Please contact Capital Pacific for more information.

EXCLUSIVES

Texas Roadhouse: Full service restaurant featuring steaks, ribs, and related menu items and advertising of any such restaurant; no area may be leased to a Chili's.

At Home: Sale of home furnishings, patio furniture, artificial flowers, greenery, and seasonal décor items in excess of 1,000 SF.

NON-EXCLUSIVE EASEMENT

Each owner grants cross-easement access for the benefits of each parcel, including parking, access, and drainage.

CAMS

Each parcel owner reimburses their pro-rata share of CAMs for the greater shopping center based on their leasable SF; CAM to include a 10% administrative fee.

BUILDINGS RESTRICTIONS; HEIGHT LIMITATIONS


The maximum allowed floor area is 8,000 SF and height is 28 FT for the subject property.



Q: DID COSTCO CLOSE AT THIS LOCATION?

A: Costco was in this location beginning in 1992 and outgrew the location and was forced to relocate in the market. They grew from 134,000 SF to their new 167,000 SF location in the last few years. At Home opened in the previous Costco shortly after, demonstrating the strength of the immediate trade area.

Q: HOW IS TEXAS ROADHOUSE OPERATING DURING COVID-19?

A: Texas Roadhouse continues their high cleaning and sanitation standards as they re-open their dining rooms. As part of their promise, they have taken extra precautions. The tenant is currently operating at 50% dine-in capacity and also has a curbside pickup option. 

Q: HAS THERE BEEN ANY ENVIRONMENTAL TESTING PERFORMED AT THE PROPERTY?

A: A letter of No Further Action (NFA), was granted by the State of Washington in November 2018 following the removal of four fuel tanks and ground work being set to grade. The property was previously a Costco fuel facility and based upon review of the UST Closure Report, the former Costco USTs were closed and assessed in accordance with DOE guidelines and soil samples showed that no additional investigation regarding the former USTs was recommended.





CAPITAL PACIFIC

SEAN TUFTS

stufts@capitalpacific.com

PH: 206.693.3352

KEVIN ADATTO

kadatto@capitalpacific.com

PH: 503.675.7726

CAPITALPACIFIC.COM

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KEVIN ADATTO

SEAN TUFTS

MICHAEL HORWITZ

SCOTT FRANK

SEAN MACK

DAVID GELLNER

LANCE SASSER

PETER DUNN

MICHAEL LOWES

MAGGIE WOLK

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