



TEXAS  roadhouse

SPOKANE, WASHINGTON

# Texas Roadhouse

Walgreens

Davita  
VIDEO ONLY

HOBBY LOBBY  
GROCERY OUTLET  
Bargain Market  
Aaron's

at home  
The Home Décor Superstore

TEXAS  
ROADHOUSE

42,400  
VPD

BIG 5  
SPORTING GOODS  
WALKER  
FURNITURE

N DIVISION STREET

## Long term Texas Roadhouse Ground Lease with Zero Landlord Responsibilities

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**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.



*Michaels*  
THE ARTS AND CRAFTS STORE™

  
**DOLLAR TREE**

TEXAS ROADHOUSE

## 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**



**TEXAS**  *roadhouse*





# About Texas Roadhouse

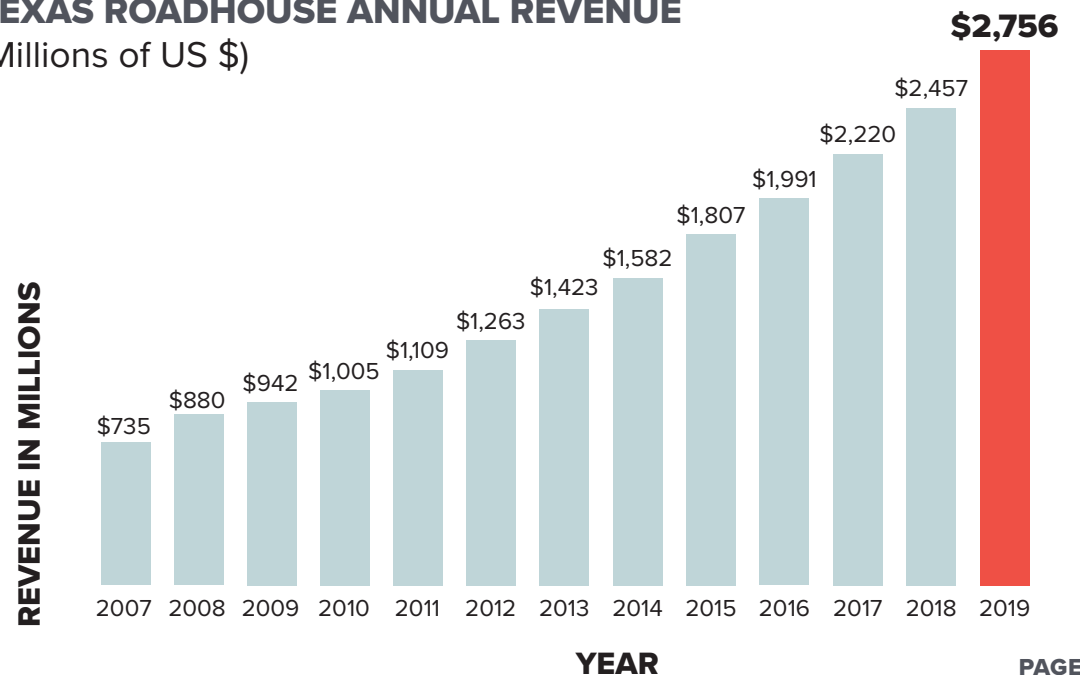
## HEADQUARTERS

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

42,400  
VPD

**DICK'S**  
SPORTING GOODS

**TJ-maxx**

**PET SMART**

**TARGET.**

**BEST BUY**

**Walmart**  
SUPERCENTER

**WinCo**  
FOODS

**THE HOME DEPOT**

**at home**  
The Home Décor Superstore

**BIG 5**  
SPORTING GOODS

**Davita.**

**TEXAS ROADHOUSE**

**HOBBY LOBBY**

**Michaels**  
THE ARTS AND CRAFTS STORE™

**GROCERY OUTLET!**  
Low prices. No compromises.

**SPORTSMAN'S**  
SHAREHOUSE

**SAFeway**

**ACE**  
The helpful place.

**PET SMART**

**LOWE'S**

**DOLLAR TREE**

**Panera**  
BREAD

**Albertsons**

**HARBOR FREIGHT TOOLS**

**BED BATH & BEYOND**

**Burlington**

**TRADER JOE'S**

**ROSS**  
DRESS FOR LESS





# Within 5 Miles

# LOCATION OVERVIEW

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



# FINANCIAL SUMMARY

<b>PRICE</b>	<b>\$2,500,000</b>
<b>CAPITALIZATION RATE</b>	<b>5.00%</b>
<b>PRICE PER FOOT</b>	<b>\$349</b>

## CASH FLOW SUMMARY

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

<b>OPERATING EXPENSES</b>	<b>PER SF</b>	
CAMS		NNN
Property Taxes		NNN
Insurance		NNN
<b>Total Operating Expenses</b>	<b>NNN</b>	<b>-</b>

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

**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

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

## Maintenance & Repairs

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### 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

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## **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

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## **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.





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