

OFFERING MEMORANDUM



3901 S STEELE ST, TACOMA, WA 98409

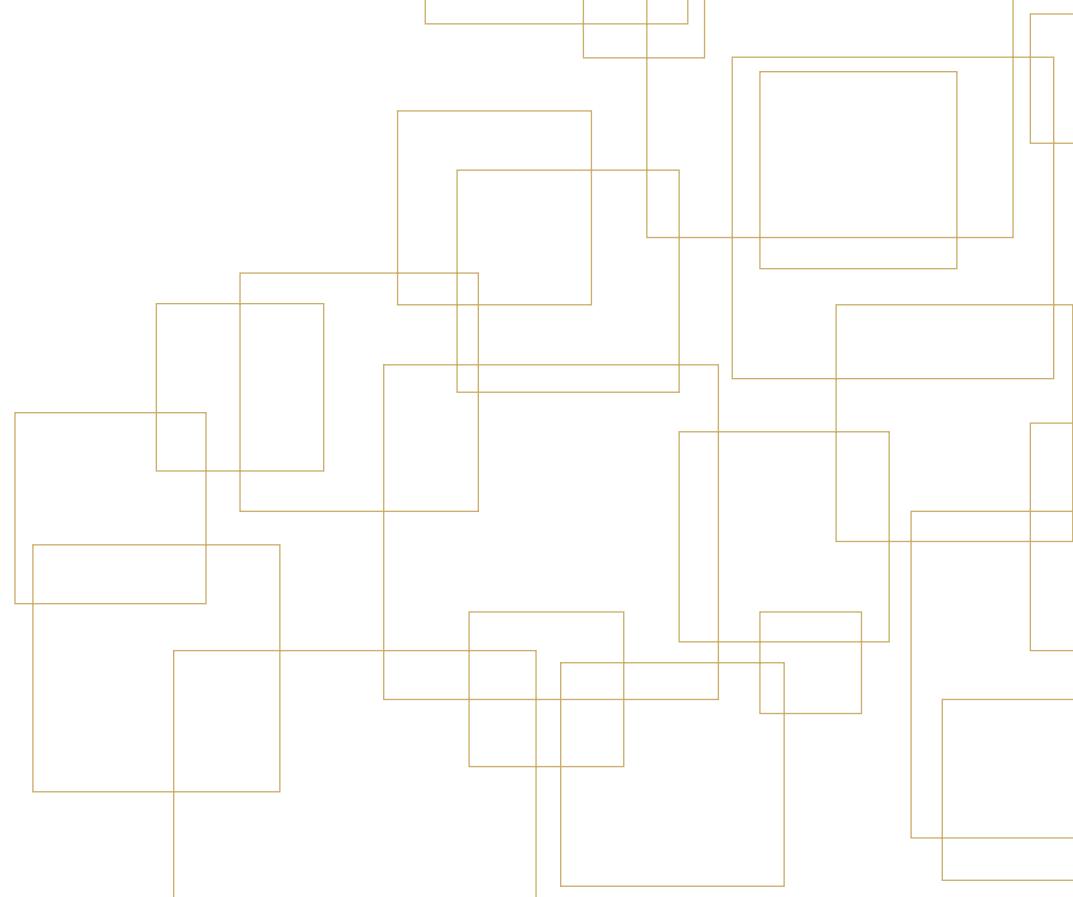
km Kidder
Mathews

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This information has been secured from sources we believe to be reliable. We make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Recipient of this report must verify the information and bears all risk for any inaccuracies.

EXECUTIVE SUMMARY

Section 01

TACOMA MALL OUTPARCEL

Kidder Mathews is proud to offer the opportunity to acquire the Red Robin in Tacoma, Washington, prominently positioned near the Tacoma Mall which receives approximately 7,900,000+ visitors annually. Red Robin has operated at this build-to-suit location since 1983, a testament to the restaurant's strong performance and long-standing success in the area. This opportunity features outstanding fundamental real estate, located at the main entrance to the Tacoma Mall and surrounded by popular national retailers such as Chick-fil-A, REI, Buffalo Wild Wings and Starbucks.

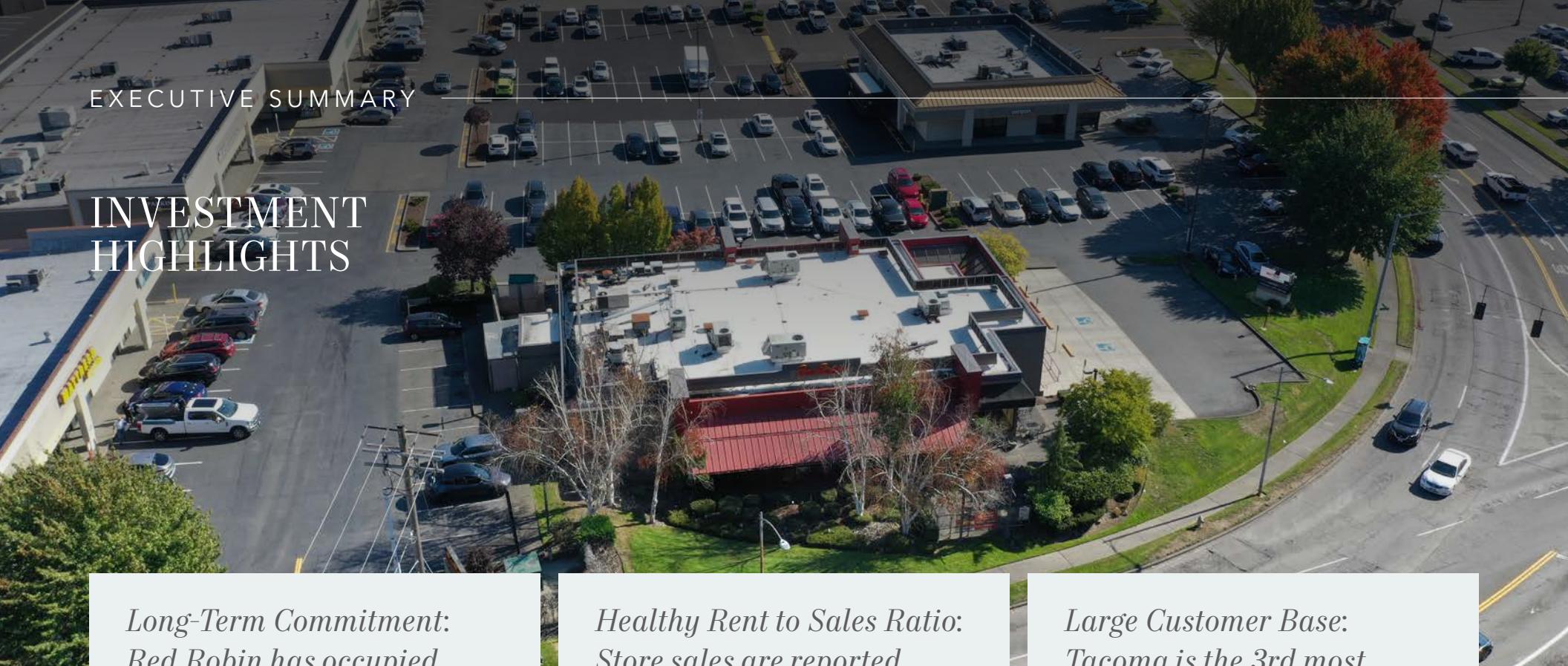
| | |
|---------------|--|
| LEASE TERM | 5/31/2030 |
| TENANT | Red Robin International, Inc. |
| ADDRESS | 3901 South Steele Street, Tacoma, WA 98409 |
| LEASE TYPE | NNN |
| YEAR BUILT | 1983/2000 |
| BUILDING AREA | 6,928 SF |
| LOT SIZE | 0.53 Acres |

\$4,285,000
ASKING PRICE

7.00%
CAP RATE



INVESTMENT HIGHLIGHTS



Long-Term Commitment: Red Robin has occupied this build-to-suit location since 1983.

Healthy Rent to Sales Ratio: Store sales are reported monthly and this location has a healthy 7.4% rent to sales ratio.

Large Customer Base: Tacoma is the 3rd most populous city in Washington State with over 220,000 residents.

Outstanding Location: Located just off of Interstate 5 and at the main entrance to the Tacoma Mall. The property is surrounded by other popular national retailers such as Chick-fil-A, REI, Buffalo Wild Wings and Starbucks.

Tacoma Mall: Located next to the Tacoma Mall which receives an estimated 7,900,000 visits annually per Placer.ai.



FINANCIALS

CASH FLOW SUMMARY

| SCHEDULED REVENUE | | Annual |
|--------------------------------------|--|------------------|
| Scheduled Base Rent | | \$300,000 |
| Operating Expense Reimbursement | | NNN |
| Effective Gross Revenue (EGR) | | \$300,000 |

| OPERATING EXPENSES | | Annual |
|-----------------------------|--|------------------|
| Property Taxes | | NNN |
| Insurance | | NNN |
| CAM | | NNN |
| Total Operating Expenses | | NNN |
| Net Operating Income | | \$300,000 |



RENT ROLL

| | | | | | | RENT DETAILS | |
|---------------|--------------|-------------|------------------|---------------|---------------------------|-----------------|--------------------------------|
| Tenant Name | Leased SF | Lease Start | Lease Expiration | Recovery Type | Current Monthly Base Rent | Renewal Options | |
| Red Robin | 6,928 | 3/1/1983 | 5/31/2030 | NNN | \$25,000 | 2x5 | FMV rent during option periods |
| Totals | 6,928 | | | | \$25,000 | | |



LEASE ABSTRACT

| | |
|--------------------|--|
| TENANT | Red Robin International |
| ADDRESS | 3901 South Steele Street, Tacoma, WA 98409 |
| LEASE TYPE | NNN |
| LEASE COMMENCEMENT | 3/1/1983 |
| LEASE EXPIRATION | 5/31/2030 |
| RENEWAL OPTIONS | (2) five-year options, with written notice no earlier than 9 months and no later than 6 months prior to expiration of the lease. Rent shall be at FMV. |

PERCENTAGE RENT

In addition to the Monthly Minimum Rent, Lessor shall be entitled to receive Percentage Rent payable on an annual basis by on or before July 15th of each year equal to 4% of annual Gross Sales (calculated on a twelve month basis from June through May of the following year) over \$4,300,000 (the 'Percentage Rent Breakpoint'). If Lessor exercises the first option to extend the term of the Lease until May 31, 2021, beginning June 1, 2017 the Percentage Rent shall be payable on the same terms but shall be calculated using a Percentage Breakpoint Percentage of \$4,730,000. If Lessee exercises the second option to extend the term of the Lease until May 31, 2026, beginning June 1, 2021 the Percentage Rent shall be payable on the same terms but shall be calculated using a Percentage Breakpoint Percentage of \$5,203,000. Lessee shall pay Lessor any Percentage Rent that is due by not later than forty five days after the end of each calendar year during the term of this Lease. In addition, if Lessee does not exercise its option to extend the term of this Lease, the Percentage Rent for the final twelve months of the lease term shall be payable by July 15th of that year.

EXPENSES

Property Taxes

Lessee shall pay all real estate taxes and assessments accruing against the improvements on the Premises which become due and payable during the term of this Lease or any extension or renewal thereof. Such taxes and assessments shall be prorated for any partial calendar year of the term of this Lease.

Insurance

During the term of this Lease, Lessee, at its sole cost and expense, shall carry and maintain:

- Comprehensive liability insurance
- Fire insurance with extended coverage endorsement upon all FF&E and personal property
- All-risk insurance with extended coverage endorsement covering the building and all improvements

Utilities

Lessee agrees to pay the following: All charges for water, sewer, garbage disposal, telephone, lights, heat, gas, power, and any other utilities or services and like charges, including any fire protection charge, furnished to or consumed upon the leased Premises, whether separately metered or prorated by Lessor. Lessor shall not be liable for any injury or damages suffered as a result of the interruption of these utilities services by fire or other casualty, strike, riot, vandalism, the making of necessary repairs or improvements, or any other cause beyond Lessor's control.

LEASE ABSTRACT

MAINTENANCE & REPAIR

Landlord's Obligations

Lessor shall maintain the roof, exterior walls (excluding doors, storefronts, entryways and windows), and foundations of the building in good repair, at its own expense, except that Lessee shall pay for the repair of any damage caused by Lessee, its agents, employees or invitees. The parties confirm that Lessor shall have no other obligations concerning the maintenance and operation of the Premises, and that Lessee shall be solely responsible for making necessary changes, improvements or modifications to the Premises that may be required by applicable local, state or federal law from time to time, including without limitation the Americans with Disabilities Act.

Tenant's Obligations

Lessee shall, at its own expense, at all times after completion of the building shell by Lessor, keep the Premises and the areas immediately adjacent thereto, neat, clean, and in a safe and sanitary condition, and remove all ice and snow therefrom, keep the glass of all windows and doors thereof clean and presentable, maintain and keep the Premises and entries thereto in a good state of repair, and shall commit no waste of any kind, and without limiting the generalities thereof, shall maintain the outside doors and their closure apparatus and mechanisms, and replace all cracked or broken glass in the Premises. Lessee shall also maintain, operate and repair the electrical, mechanical, automatic fire sprinkler and other utilities systems within the Premises, including air conditioning, together with connections to utilities distribution systems.

COMMON AREA MAINTENANCE

Lessee shall directly pay to all vendors the cost of operating, maintaining, repairing and replacing the common areas, including without limitation: gardening and landscaping; painting; lighting, lamp replacement; sanitary control; personal property taxes; public liability and property damage insurance; utilities; licenses and fees for common area facilities; sweeping; removal of snow, trash, rubbish, garbage, and other refuse; maintenance and depreciation on machinery and equipment used in common area maintenance; traffic regulation, and guard or police services.

MISC

Right of First Refusal

The Lessee shall have the right, at its option, for a period of twenty (20) business days following the receipt of notice of the Offer, to purchase the Premises upon the same terms and conditions set forth in the Offer.



498
LOCATIONS

24.5K
EMPLOYEES

44
STATES
4
BRANDS

Founded in Seattle in 1969, Red Robin has since expanded to 498 locations across 44 states and one Canadian province as of July 2025.

The company operates 407 restaurants, while franchisees run the remaining 91. The breakdown between company-owned and franchised restaurants is 81% and 19%, respectively. Red Robin is publicly traded on NASDAQ with stock symbol "RRGB" and employs more than 24,500 team members worldwide.

Red Robin is more than just burgers; they offer a wide range of items including appetizers, salads, soups, seafood, and even pizzas through a partnership with Donatos®. They pride themselves on their guest service, aiming to provide a memorable dining experience. Their customer base is multi-generational, and they have a strong focus on off-premise sales.

The company's vision is to be the most trusted restaurant brand in the communities they serve. Their mission revolves around creating memorable connections through excellent hospitality, gourmet burgers, and endless fun. They have a set of core values, abbreviated as B.U.R.G.E.R., that guide their team members in providing a craveable work environment.

In 2021, they continued to roll out Donatos® pizzas to 120 of their restaurants, aiming to expand this to over 400 locations by 2023. They also launched three virtual brands and implemented various technology enhancements to improve the guest experience.

LOCATION OVERVIEW

Section 03



TACOMA

Tacoma is the 3rd largest city in Washington State and consistently ranked as one of the fastest growing.

Located 40 minutes south of Seattle, Tacoma is anchored by a diverse mix of established and globally recognized companies such as Amazon, Boeing, Infoblox, NewCold, REI, and Tool Gauge. Their presence creates a strong business ecosystem, promotes local job growth, and provides a solid foundation for further economic development. The City of Tacoma is forecasting for 127,000 additional residents and 97,000 jobs by 2040.

Tacoma's rich history is reflected in its architecture, with charming historic buildings lining the streets of downtown. The city's cultural scene is thriving, with numerous museums, galleries, and theaters showcasing local art and performances. Visitors can explore the eclectic mix of shops and eateries, sampling everything from gourmet cuisine to street food.

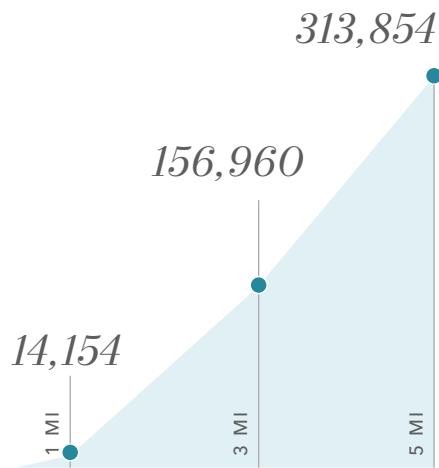
Furthermore, Tacoma's proximity to outdoor recreational opportunities makes it a haven for nature enthusiasts. The surrounding landscape offers hiking trails, parks, and waterfront promenades, inviting residents to embrace an active lifestyle. With its strong sense of community and welcoming atmosphere, Tacoma continues to attract individuals seeking a balance between urban living and natural beauty.

LOCATION OVERVIEW

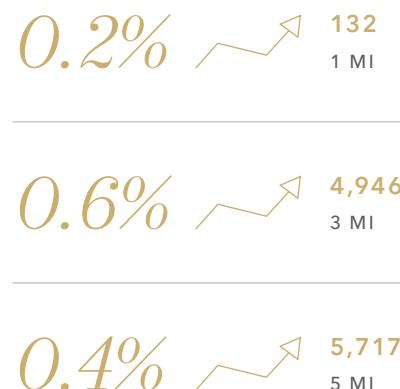


DEMOGRAPHICS

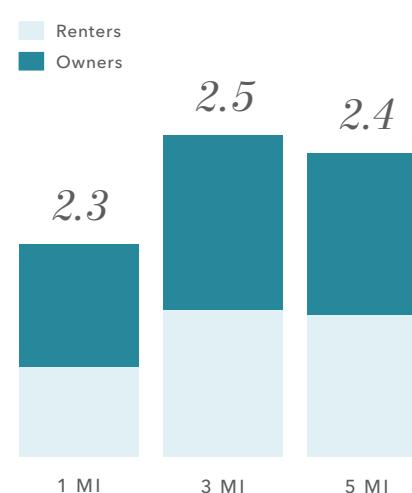
POPULATION



2023-2028 POP. GROWTH



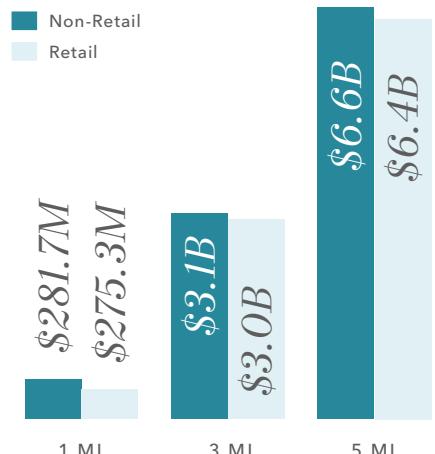
AVERAGE HH SIZE



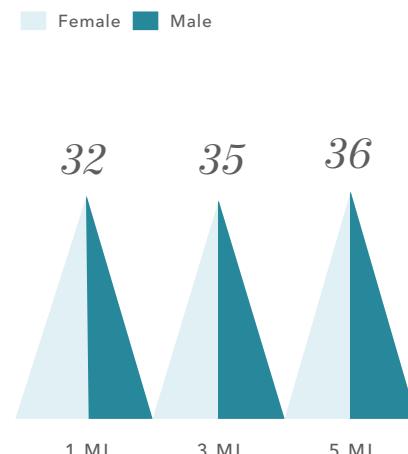
AVERAGE HH INCOME



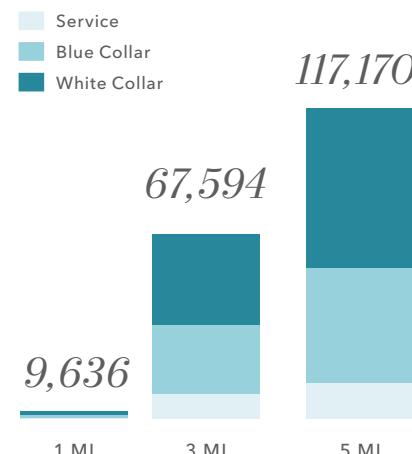
CONSUMER SPENDING



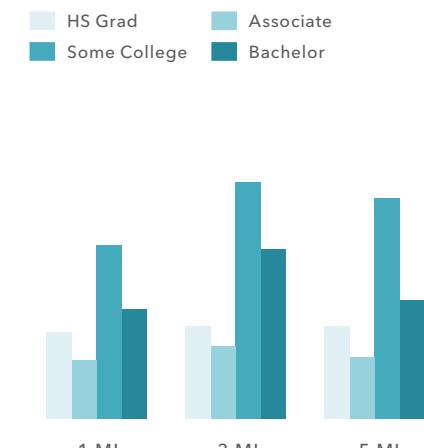
MEDIAN AGE & GENDER

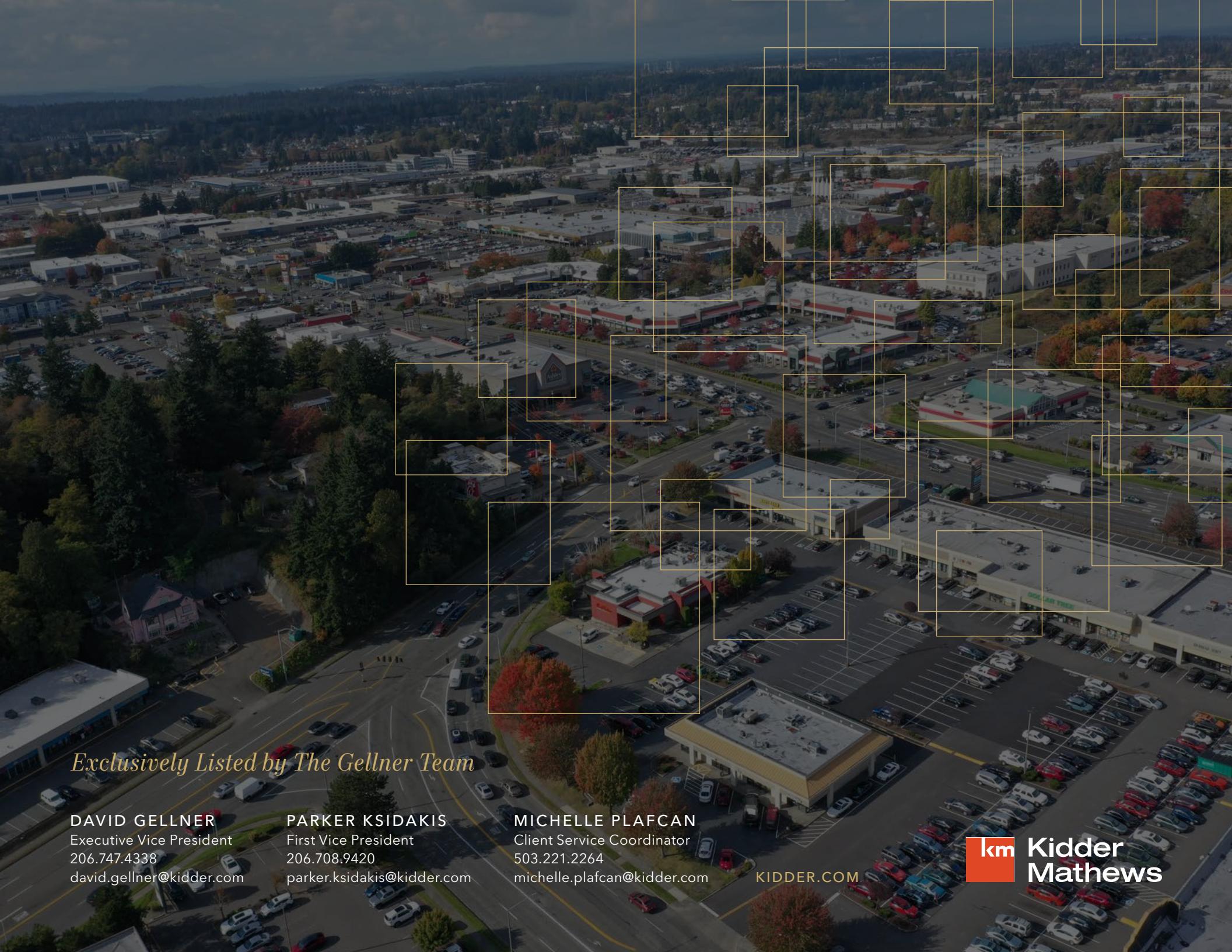


EMPLOYMENT



EDUCATION OVERVIEW





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