



**100 I-35 N FRONTAGE RD**

San Marcos, TX 78666

**Retail  
Investment Opportunity**

Offering Memorandum



**MATTHEWS™**



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Exclusively Listed By



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# PROPERTY OVERVIEW



100 I-35 N Frontage Rd  
San Marcos, TX 78666



INTERSTATE 35 ±130,015 VPD

# Investment Highlights

**±5,719**  
Total GLA (SF)

**±1.44**  
Lot Size (AC)

**Abs NNN**  
Lease Type

**1995**  
Year Built

## Lease Structure

- **ABS NNN Lease:** The property is under an absolute net (NNN) lease, with zero landlord responsibilities.
- **±22.5 years remaining** on the lease term backed by Red Lobster Corporate (560+ locations).
- Attractive **2% annual rental increases**, ensuring consistent income growth over time.



## Location and Accessibility

- **High Traffic Counts:** The property boasts excellent visibility with traffic counts on **S Guadalupe St exceeding ±27,000 vehicles per day (VPD)** and close proximity to I-35, which sees **±130,015 VPD**.
- This major highway is a critical artery connecting **San Antonio, Austin, Dallas, and spans from the US-Mexico border in Laredo, TX to Duluth, Minnesota near the Canadian border**, ensuring high accessibility and customer flow.
- **Densely Populated Area:** The surrounding area is densely populated, with approximately **62,171 residents within a 3-mile radius, 86,501 residents within a 5-mile radius**, providing a substantial consumer base.



# Investment Highlights

## Strategic Location Benefits

- **San Marcos Thriving Economy:** San Marcos is positioned in one of the fastest-growing regions in the US, with an **\$8.9 billion local economy** driven by the continued growth of the I-35 corridor between Austin and San Antonio, further enhancing the investment's long-term potential.
- **Tax Benefits:** Texas is an income tax-free state, offering advantageous conditions for out-of-state investors seeking tax-efficient opportunities.
- **Texas State University:** Located near Texas State University, which enrolls over **44,500 students** and is one of the largest universities in the state of Texas.

## Retail Synergy and Development

- The location benefits from proximity to **Texas State University**, and other major national credit tenants such as **Chili's, McDonald's, Whataburger, Olive Garden, Texas Roadhouse, Chick-fil-A, H-E-B, and Walmart.**



## Booming Developments Nearby

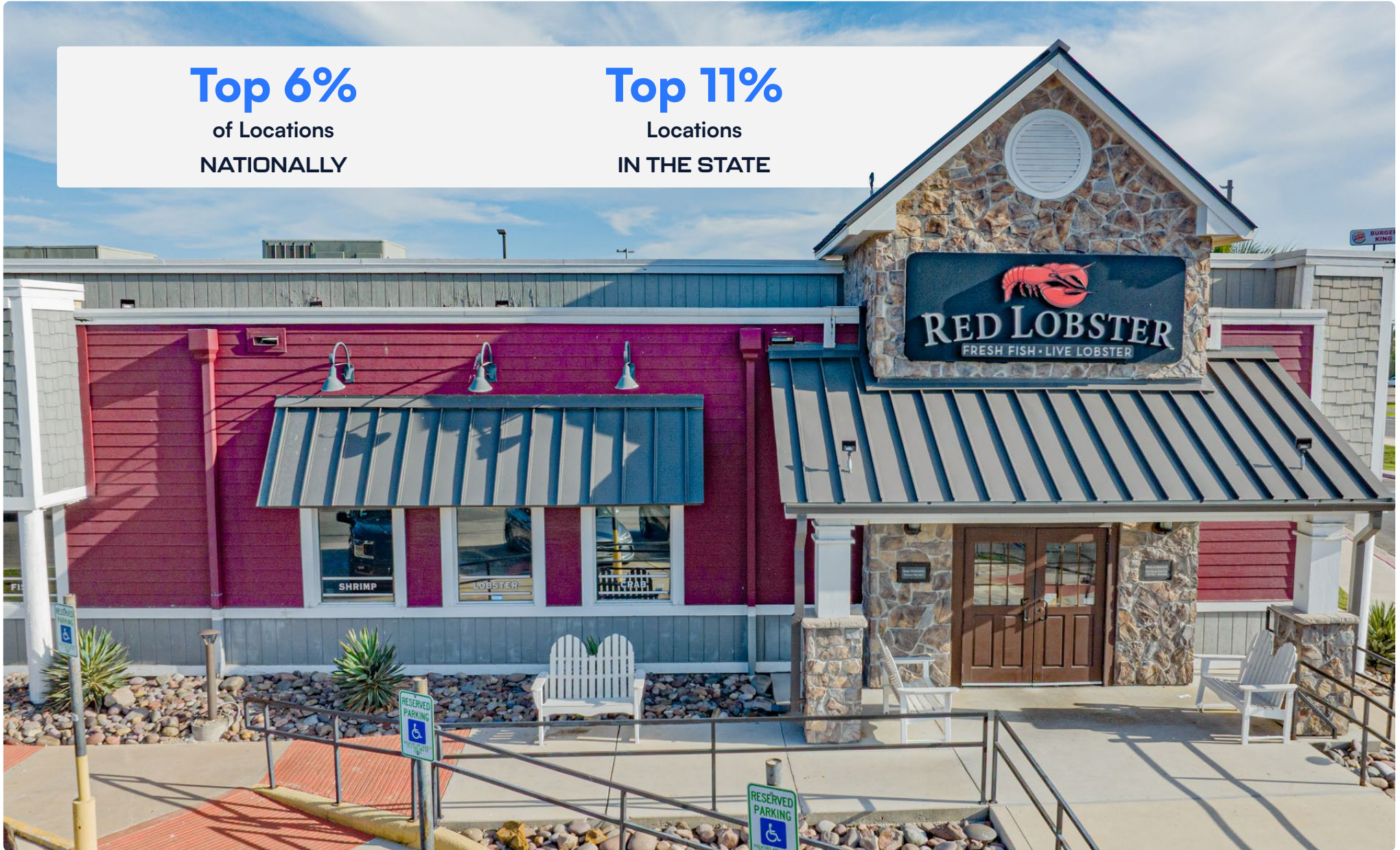
- Master-planned neighborhoods such as **La Cima** and **TRACE** are adding thousands of new homes, parks, and trails to support the influx of residents.
- **Additional Developments:** The **McLain** is an **\$88.5 million private development** near **Texas State University** and is breaking ground, adding hundreds of new residential and commercial units.
- **H-E-B** has introduced a **new 114,000 square foot location**, further demonstrating the exponential growth in San Marcos.

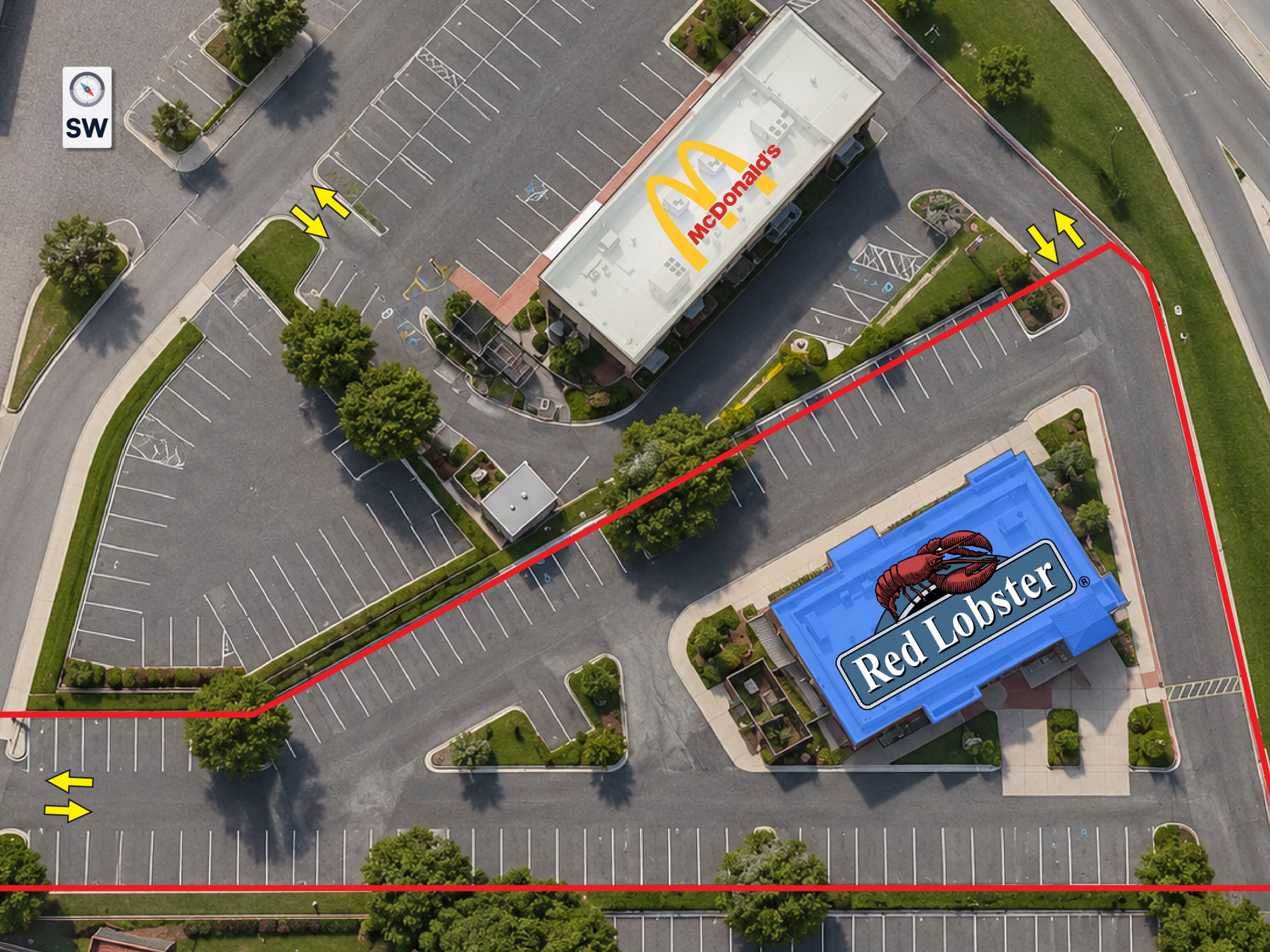
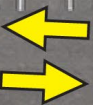


# Investment Highlights

**Top 6%**  
of Locations  
NATIONALLY

**Top 11%**  
Locations  
IN THE STATE







New Construction



### TRACE Residential Development

±1,850 Total Residential Units  
±420-Acre Layout.



### The Grand at Stonecreek

±267 Units

### Stonecreek Shopping



## CALIBER COLLISION



### The Atlantic Palazzo

±300 Units

### Red Oak Village



### Dezavala Elementary School

±600 Students and Teachers



### Owen Goodnight Middle School

±900 Students and Teachers



### Bonham Prekindergarten

±450 Students and Teachers



Subject Property

N Interstate 35 ± 19,274 VPD





Downtown San Marcos



Texas State University  
±47,500 Students and Faculty

Springtown Center

Sanmar Plaza



New Construction



La Cima Development  
±2,000 Acre Master Planned Community  
±7 Miles Away



± 130,015 VPD



# FINANCIAL OVERVIEW



100 I-35 N Frontage Rd  
San Marcos, TX 78666



# Financial Overview

**\$5,140,800**

List Price

**6.25%**

Cap Rate

**\$321,300**

NOI

Property Address	100 I-35 N Frontage Rd, San Marcos, TX
Tenant Trade Name	Red Lobster
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	Absolute NNN
Roof and Structure	Tenant Responsibility
Original Lease Term	23 Years
Lease Commencement Date	12/17/2015
Lease Expiration Date	1/31/2049
Term Remaining on Lease	±22.5 Years
Increases	2% increases annually
Options	Four, 5-Year

Lease Year	Monthly Rent	Annual Rent	Increases	Cap Rate
<b>Current - 7/31/27</b>	<b>\$26,775.00</b>	<b>\$321,300.00</b>	<b>2.00%</b>	<b>6.25%</b>
8/1/27 - 7/31/28	\$27,310.50	\$327,726.00	2.00%	6.38%
8/1/28 - 7/31/29	\$27,856.71	\$334,280.52	2.00%	6.50%
8/1/29 - 7/31/30	\$28,413.84	\$340,966.13	2.00%	6.63%
8/1/30 - 7/31/31	\$28,982.12	\$347,785.45	2.00%	6.77%



# Tenant Overview

Year Founded  
**1968**

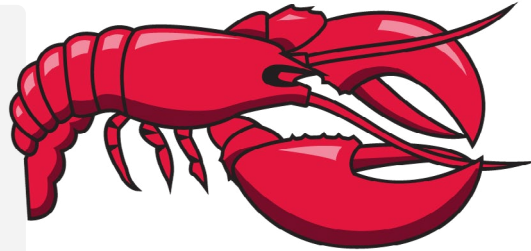
Headquarters  
**Orlando, FL**

Ownership Status  
**Private**

Employees  
**55,000+**

Locations  
**560+**

Website



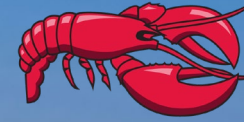
## Tenant Overview

Red Lobster is one of the most recognizable seafood-focused casual dining restaurant brands in North America, known for its broad menu of lobster, shrimp, crab, and other seafood dishes. Founded more than five decades ago, the company built a national reputation as a pioneer in the casual seafood dining segment and remains a well-known household brand across the United States. With hundreds of locations and a long-standing customer base, Red Lobster continues to hold strong brand recognition in the casual dining sector while undergoing a strategic operational turnaround following a recent restructuring.

Red Lobster was founded in 1968 in Lakeland, Florida by restaurateur Bill Darden and Charley Woodsby. The company is currently headquartered in Orlando, Florida and operates under RL Investor Holdings LLC following its emergence from Chapter 11 bankruptcy protection in 2024. The restructuring resulted in new ownership led by investment groups including Fortress Investment Group and other lenders, positioning the brand for operational stabilization and long-term repositioning. As of 2026, Red Lobster operates approximately 560 restaurants across the United States and internationally in markets such as Canada, Mexico, Japan, Thailand, and Ecuador. The company employs approximately 55,000 people and continues to serve as one of the largest seafood restaurant chains in the world.

Historically, Red Lobster was owned by Darden Restaurants before being sold to private equity firm Golden Gate Capital in 2014 and later acquired by Thai Union Group in 2020. Following financial pressures from rising labor costs, expensive lease obligations, and underperforming promotions, the company initiated a restructuring process in 2024 that included closing underperforming locations and optimizing its operating model. Under CEO Damola Adamolekun, appointed in 2024, Red Lobster is focused on revitalizing the brand through menu innovation, improved guest experience initiatives, and targeted marketing efforts designed to reinforce its legacy as a leading casual seafood dining destination.

# MARKET OVERVIEW



100 I-35 N Frontage Rd  
San Marcos, TX 78666



# SAN MARCOS, TEXAS

**74,300+**  
Total Population

**40,000+**  
Employed Population

**32,200**  
# of Households

Positioned midway between Austin and San Antonio, San Marcos benefits from exceptional regional connectivity, workforce access, and sustained population growth.

## Local Market Overview

Located along the highly traveled Interstate 35 corridor between Austin and San Antonio, San Marcos has emerged as one of Central Texas' fastest-growing communities. The city benefits from its strategic position within the Austin-Round Rock-San Marcos MSA, providing direct access to two of the nation's strongest employment markets while maintaining a lower cost of living and business-friendly environment. Population growth throughout Hays County has consistently outpaced state and national averages, supported by in-migration, expanding employment opportunities, and significant residential development. Texas State University, with approximately 44,500 students, further contributes to a steady influx of consumers and workforce talent.

For quick-service restaurant operators, San Marcos offers an attractive blend of commuter traffic, university-driven demand, tourism, and residential growth. Interstate 35 serves as a major north-south transportation artery carrying substantial daily traffic volumes between Austin and San Antonio, while retail corridors surrounding outlet centers, employment hubs, and residential neighborhoods generate year-round consumer activity. Continued housing construction, employment expansion, and infrastructure investment have strengthened local purchasing power and reinforced the city's position as a regional retail destination. These dynamics support sustained demand for convenience-oriented food and beverage concepts and create favorable conditions for long-term QSR performance.

## Top Employers



POPULATION	3-MILE	5-MILE	10-MILE
2020 Population	56,937	75,831	122,380
2025 Population	62,171	86,501	149,352
2030 Population Projection	70,960	99,146	172,876
Annual Growth 2020-2025	1.8%	2.8%	4.4%
Annual Growth 2025-2030	2.8%	2.9%	3.2%
HOUSEHOLDS	3-MILE	5-MILE	10-MILE
2020 Households	23,312	29,513	45,161
2025 Households	25,888	34,257	55,822
2030 Household Projections	29,878	39,715	65,213
Annual Growth 2020-2025	2.7%	3.6%	5.1%
Annual Growth 2025-2030	3.1%	3.2%	3.4%
INCOME	3-MILE	5-MILE	10-MILE
Avg Household Income	\$65,855	\$72,715	\$91,180



**200+**  
Academic Programs

**44,500+**  
Total Enrollment

**4,000+**  
Faculty and Staff

**1.4M+**  
Annual Campus Visits

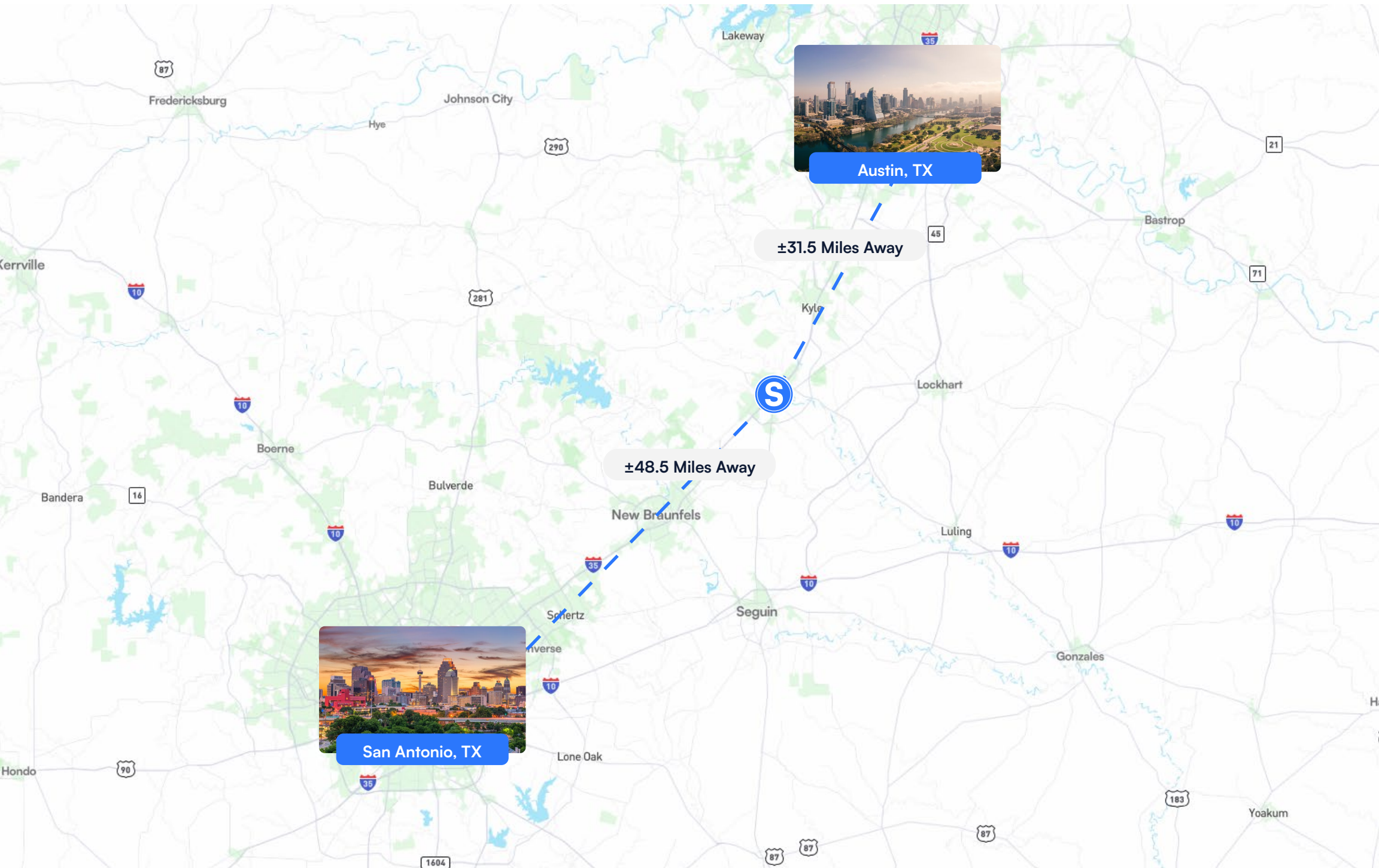
## TOP PUBLIC UNIVERSITY IN TEXAS' FASTEST-GROWING REGION (Texas State University, 2025)

Texas State University (TXST) is a leading public research institution and the fifth-largest university in Texas. Founded in 1899, the university serves as the flagship institution of the Texas State University System and is recognized for its commitment to academic excellence, innovation, and student success. Located in San Marcos along the rapidly growing Austin-San Antonio corridor, Texas State offers more than 200 undergraduate, master's, doctoral, and professional degree programs across ten academic colleges. The university continues to expand its academic and research capabilities while supporting workforce development throughout Central Texas.

Texas State enrolls more than 44,500 students from across Texas, the United States, and over 80 countries. Its location between two major metropolitan areas provides students with access to extensive internship, employment, and research opportunities. The university is designated as a Carnegie R2 High Research Activity institution and has experienced significant growth in research funding and sponsored programs. Texas State's diverse student population, expanding campus facilities, and strong academic offerings continue to attract students seeking a comprehensive public university experience.

Beyond academics, Texas State maintains a strong tradition of student engagement, leadership development, and athletic achievement. The Texas State Bobcats compete in NCAA Division I athletics as members of the Sun Belt Conference, fostering school pride and community involvement. The university also serves as a major economic driver for San Marcos and Hays County, generating billions of dollars in annual economic impact through employment, student spending, research activity, and visitor expenditures. As one of Texas' fastest-growing public universities, Texas State continues to strengthen its role as an educational, cultural, and economic anchor for Central Texas.

# Regional Map



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This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **100 I-35 N Frontage Rd, San Marcos, TX 78666** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews™. The material and information in the Offering Memorandum is unverified. Matthews™ has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

Matthews™ is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity's name or logo, including any commercial tenant's name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews™, the property, or the seller by such entity.

Owner and Matthews™ expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews™ or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum. **Net Lease Disclaimer:** There are many different types of leases, including gross, net, single net ("N"), double net ("NN"), and triple net ("NNN") leases. The distinctions between different types of leases or within the same type of leases, such as "Bondable NNN," "Absolute NNN," "True NNN," or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant's respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers' particular needs.

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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:
  - o that the owner will accept a price less than the written asking price;
  - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - o 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.

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Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date