

OFFERING MEMORANDUM

# JIMMY JOHN'S

1952 MARION MT. GILEAD ROAD | MARION, OH 43302



**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES

REPRESENTATIVE PHOTO

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# EXECUTIVE OVERVIEW

REPRESENTATIVE PHOTO



**JIMMY JOHN'S**  
**1952 Marion Mt. Gilead Road**  
MARION, OH 43302



**\$1,824,000**  
LIST PRICE



**6.25%**  
CAP RATE



**\$114,000**  
ANNUAL RENT

## INVESTMENT HIGHLIGHTS

- » Brand New 20-Year Sale-leaseback – Lease will commence at the close of escrow
- » Strong Annual Increases – 1.25% annual rental increases
- » Ideal 1031 Exchange Investment – Absolute NNN lease, perfect for landlords looking for passive income
- » Healthy Rent-to-Sales Ratio – One of the Top Producing Jimmy John's Operators

## LOCATION HIGHLIGHTS

- » Marion is the County Seat of Marion County – Approximately 50 Miles North of Columbus
- » Located Right on the Corner of I-23's Off-Ramp, Jimmy John's Sees Close to 20,000 Vehicles Per Day
- » Jimmy John's Is Surrounded by All of the Major Northwest Retailers – Walmart, ALDI, Meijer, Lowe's, Rural King, Menard's, And Many Other Smaller Box Retailers
- » Just South of Harding High School, the Mt-Gilead Retailers Are the Closest Attractions
- » **Less Than a half Mile Away from Jimmy John's is Marion Technical College:**
  - » 2,560 Students
- » **Population Count:**
  - » 2018 3 Mile – 25,730
  - » 2018 5 Mile – 49,129
- » **Target Market for Jimmy John's Operators:**
  - » Household Incomes
  - » 2018 3 Mile - \$58,669
  - » 2018 5 Mile - \$40,228

# FINANCIAL OVERVIEW

## Financial Analysis

REPRESENTATIVE PHOTO



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**1952 Marion Mt. Gilead Rd.**  
MARION, OH 43302



**\$1,824,000**  
LIST PRICE



**6.25%**  
CAP RATE



**\$114,000**  
ANNUAL RENT

## LEASE SUMMARY

<b>GLA</b>	3,110
<b>LOT (ACRES)</b>	0.74
<b>YEAR BUILT</b>	2018
<b>APN</b>	20-0110004.001
<b>PARKING SPACES</b>	35
<b>LEASE TYPE</b>	NNN
<b>TYPE OF OWNERSHIP</b>	Fee Simple
<b>LEASE GUARANTOR</b>	Kensington Hill Capital
<b>ROOF AND STRUCTURE</b>	Tenant Responsible
<b>ORIGINAL LEASE TERM</b>	20 Years
<b>LEASE COMMENCEMENT DATE</b>	Close of Escrow
<b>RENT COMMENCEMENT DATE</b>	Close of Escrow
<b>LEASE EXPIRATION DATE</b>	20 Years after Close of Escrow
<b>TERM REMAINING ON LEASE</b>	20 Years
<b>INCREASES</b>	1.25% Annually
<b>STARTING ANNUAL RENT</b>	\$114,000
<b>OPTIONS</b>	Four, 5-Year Options



# ANNUALIZED OPERATING DATA

YEAR	MONTHLY RENT	ANNUAL RENT	CAP
1	\$9,500	\$114,000	6.25%
2	\$9,619	\$115,425	6.33%
3	\$9,739	\$116,868	6.41%
4	\$9,861	\$118,329	6.49%
5	\$9,984	\$119,808	6.57%
6	\$10,109	\$121,305	6.65%
7	\$10,235	\$122,822	6.73%
8	\$10,363	\$124,357	6.82%
9	\$10,493	\$125,911	6.90%
10	\$10,624	\$127,485	6.99%
11	\$10,757	\$129,079	7.08%
12	\$10,891	\$130,692	7.17%
13	\$11,027	\$132,326	7.25%
14	\$11,165	\$133,980	7.35%
15	\$11,305	\$135,655	7.44%
16	\$11,446	\$137,351	7.53%
17	\$11,589	\$139,067	7.62%
18	\$11,734	\$140,806	7.72%
19	\$11,880	\$142,566	7.82%
20	\$12,029	\$144,348	7.91%

**Average return over the life of the lease is 7.1%!**

REPRESENTATIVE PHOTO





## ABOUT KENSINGTON HILL CAPITAL

The inception of the idea for Kensington Hill Capital ("KHC") started in 2010 with an initial seed investment in JJ Ventures, a newly founded Jimmy John's franchise which opened their first location in January 2009. JJ Ventures was founded by two partners who left their investment banking and private equity careers to capitalize on a rapidly growing brand that was gaining traction and had serious ambitions for growth. By 2012, only 3 Years since opening their first location, JJ Ventures had grown to 7 locations. Then in early 2018, Kensington Hill Capital was formally conceived through acquiring a larger stake giving them majority ownership in the venture. Today KHC is the 3rd Largest Jimmy John's Franchisee with the aspirations to becoming the largest Jimmy John's operator in 2019.

KHC has operations in 4 states (Georgia, Ohio, Florida & Alabama) which consist of 46 Jimmy John's under operation and an additional 13, which are contract expected to close in Q1 2019. Once complete, Kensington Hill Partners will have 59 locations, will take the title as Jimmy John's 2nd largest franchisee, and will be within striking distance of their goal to become the largest Jimmy John's operator in the world.

## ABOUT JIMMY JOHN'S

Jimmy John's was founded by Jimmy John Liautaud in 1983, selling hotdogs out of a garage in Illinois and by 1987 had grown to 3 stores. Jimmy John credits his mentor, Jamie Coulter (who would later become the CEO of Lone Star Steakhouse & Saloon) for the guidance of how to effectively run multiple units which catapulted his growth prior to beginning franchising in 1994. By 2001 Jimmy John's had over 100 Units in operation, 500 Units by 2007 and 1,000 by 2010. In 2016, Jimmy John's was acquired by Roark Capital, a private equity firm with \$12 Billion raised since inception. Today, Jimmy John's has been recognized as one of the top 10 "Great Franchise Bets" by CNN Money and has almost 3,000 locations.

WWW.JIMMYJOHNS.COM

## ABOUT ROARK CAPITAL

Roark Capital Group is an Atlanta-based private equity firm with approximately \$12 billion in equity capital raised since inception. Roark focuses on family-owned business transfers, management/corporate buyouts, recapitalizations, going-private transactions, and corporate divestitures. Roark focuses on consumer and business service companies, with a specialization in franchised and multi-unit business models in the restaurant, retail, consumer services, and business services sectors.

Since inception, affiliates of Roark have acquired 66 franchise/multi-unit brands which generate approximately \$37 billion in system revenues from 36,000 locations located in 50 states and 81 countries.

Roark Capital's portfolio of companies spans multiple industries including food and restaurants, specialty retail, health and wellness, retail healthcare, business services, and education. Their largest sector, food and restaurants, encompasses 25 investments in brands such as: Arby's, Buffalo Wild Wings, Sonic, Carl's Jr., Hardee's, Corner Bakery, Jamba Juice, Moe's, and more. Other notable brands outside the food sector include: Meineke, Take-5 Oil Change, MAACO, Drybar, Orange Theory Fitness, Massage Envy and more.

**±2,800**  
TOTAL LOCATIONS







Marion Mt. Gilead Rd ±23,000 VPD

HWY 23 ±22,000 VPD



50 Miles to Columbus, OH



# AREA OVERVIEW



## MARION, OH

Marion, Ohio is located in North Central Ohio, 45 miles north of the capital city of Columbus. The city of Marion has a population of 36,837; 66,501 are in Marion County.

Marion is a progressive city that enjoys exceptional benefits in terms of transportation, convenience and proximity to markets. Marion County is situated in north central Ohio's rich agricultural area. The majority of the United States' eastern, northern and mid-western metropolitan markets are within easy reach. Approximately two-thirds of the U.S. and Canadian markets are within a day's truck drive from Marion.



Over \$1.3 Billion  
Gross Domestic  
Product (MSA)



2,078,725  
MSA  
Residents



5  
Fortune 500  
Headquarters

## ECONOMY

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Agriculture and diversified industries form the economic base of the Marion area. Approximately 80 percent of Marion County's land area is devoted to farming with corn, soybeans, hogs and dairy cattle as the principal products. A number of Marion's industries reflect the importance of agriculture to this community. Morral Companies, LLC, Nachurs Alpine Solutions, Ohigro, Inc., POET Biorefining - Marion, ReConserve of Ohio, Inc. and Wyandot, Inc. are among the ag-related industries.

Marion's largest industrial employer is Whirlpool Corp. - the largest dryer manufacturer in the world. Other major industrial employers include Silver Line Windows and Doors an Andersen Company, Nucor Steel Marion, Inc., Martel Bakery Mix LLC and Marion Industries, Inc.

## DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2010 Census	8,885	31,576	41,113
2019 Estimate	2,573	25,834	48,754
2024 Projection	8,065	30,232	39,484
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2010 Census	3,350	10,672	14,653
2019 Estimate	3,144	10,110	13,987
2024 Projection	3,071	9,901	13,738
INCOME	1-MILE	3-MILE	5-MILE
2019 Average Household Income	\$35,162	\$43,818	\$48,587



# COLUMBUS, OH

Columbus is the most populous city in the state of Ohio and the 14th most populous city in America. As the capital of Ohio, Columbus is a well-blended mixture of government, industry and the enormous Ohio State University. There is a strong high tech presence in the city, in addition to other major industries of education, insurance, banking, fashion, defense, medical research, and hospitality, amongst others. The diverse economic base in Columbus brings it more economic stability and growth than many of its Rust Belt neighbors. Having been ranked as one of the best places in the country to operate a business in, Columbus is home to the headquarters of five Fortune 500 companies: Nationwide Mutual Insurance Company, American Electric Power, L Brands, Cardinal Health and Big Lots.

Efforts to revive the downtown area and inner neighborhoods have been underway with the emergence of sprawling and attractive residential suburbs just west of the university. These areas have excellent housing, shopping, schools, golf courses and civic amenities in a layout more spacious, wooded and appealing than many similar cities in the region. Plenty of employment opportunities in commercial centers are available in and near these suburbs and with the added low cost of living for the available amenities, Columbus continues to entice those looking to relocate to a more affordable city.

## THE OHIO STATE UNIVERSITY - COLUMBUS

Columbus is home to one of the top colleges in the nation with over 45,946 undergraduate and 13,891 graduate students while being the third largest employer in the state with close to 30,000 employees. Ohio State University is known for educating successful individuals as they are ranked 10th for awarding degrees to Fortune 500 CEO's.

The University's football team has a massive economic impact on the city of Columbus and state as a whole. Competing in the NCAA Division, each football game brings in about \$7.15 million with the majority coming from their 108,000 seat stadium ticket sales, and the rest from concessions and parking. The popular team attracts tourists from around the country who spend additional money on hotels, food and attractions.

The university has an extensive student life program, with over 1,000 student organizations; intercollegiate, club and recreational sports programs; student media organizations and publications, fraternities and sororities; and three student governments.



# CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Jimmy John's** located in **1952 Marion Mt, Gilead | Marion, OH 43302** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This 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 Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents 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 and conduct their own due diligence.

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 detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services 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 Seller or Matthews Real Estate Investment Services 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 this Offering Memorandum.



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