



OFFERING MEMORANDUM

JIMMY JOHN'S

11616 SAN JOSE BLVD | JACKSONVILLE, FL 32223

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

TABLE OF CONTENTS

03 EXECUTIVE OVERVIEW

04 FINANCIAL OVERVIEW

06 TENANT OVERVIEW

07 AREA OVERVIEW

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

LISTED BY

BRADEN CROCKETT

VP & DIRECTOR

DIR (214) 692-2040
MOB (714) 345-6206
braden.crockett@matthews.com
LIC # 01946071 (CA)

DALTON BARNES

SENIOR ASSOCIATE

DIR (214) 692-2930
MOB (925) 234-1772
dalton.barnes@matthews.com
LIC # 01984625 (CA)

ANDREW IVANKOVICH

SENIOR ASSOCIATE

DIR (214) 692-2037
MOB (626) 807-3586
andrew.ivankovich@matthews.com
LIC # 678815 (TX)

BROKER OF RECORD

KYLE MATTHEWS
LIC# CQ1052263 (FL)

EXECUTIVE OVERVIEW

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

Real Estate Offers Incredible Residual Value – Investment priced below replacement cost

LOCATION HIGHLIGHTS:

Top MSA location – Jacksonville is the most populous city in the southeastern United States

No Income Tax – Florida is an income tax-free state

New Jimmy John's drive-thru concept building – geared to improve upon the speed of customer service that Jimmy John's is already well known for

Ideally situated along San Jose Blvd. – ±60,000 VPD passing in front of this store

Working class medical professional demographics – ideal for long-term success of a Jimmy John's:

±\$92,000 Average HH Income in 1,3,5 mi radius

3 Mile 2018 Pop: 50,000

5 Mile 2018 Pop: 110,000

11616 SAN JOSE BLVD.

Financial Analysis



JIMMY JOHN'S
11616 San Jose Blvd
JACKSONVILLE, FL 32223



\$1,460,870
LIST PRICE



5.75%
CAP RATE



\$84,000
ANNUAL RENT

JIMMY JOHN'S SUMMARY

GLA	2,295
LOT (ACRES)	0.46
YEAR BUILT	2014
APN	156043-0020
PARKING SPACES	18
LEASE TYPE	NNN
TYPE OF OWNERSHIP	Fee Simple
LEASE GUARANTOR	Kensington Hill Capital
ROOF AND STRUCTURE	Tenant Responsible
ORIGINAL LEASE TERM	20 Years
LEASE COMMENCEMENT DATE	Close of Escrow
RENT COMMENCEMENT DATE	Close of Escrow
LEASE EXPIRATION DATE	20 Years after Close of Escrow
TERM REMAINING ON LEASE	20 Years
INCREASES	1.25% Annually
STARTING ANNUAL RENT	\$84,000
OPTIONS	Four, 5 Year



ANNUALIZED OPERATING DATA

Year	Monthly Rent	Annual Rent	CAP
1	\$ 7,000	\$ 84,000	5.75%
2	\$ 7,088	\$ 85,050	5.82%
3	\$ 7,176	\$ 86,113	5.89%
4	\$ 7,266	\$ 87,190	5.97%
5	\$ 7,357	\$ 88,279	6.04%
6	\$ 7,449	\$ 89,383	6.12%
7	\$ 7,542	\$ 90,500	6.19%
8	\$ 7,636	\$ 91,631	6.27%
9	\$ 7,731	\$ 92,777	6.35%
10	\$ 7,828	\$ 93,937	6.43%
11	\$ 7,926	\$ 95,111	6.51%
12	\$ 8,025	\$ 96,300	6.59%
13	\$ 8,125	\$ 97,503	6.67%
14	\$ 8,227	\$ 98,722	6.76%
15	\$ 8,330	\$ 99,956	6.84%
16	\$ 8,434	\$ 101,206	6.93%
17	\$ 8,539	\$ 102,471	7.01%
18	\$ 8,646	\$ 103,752	7.10%
19	\$ 8,754	\$ 105,049	7.19%
20	\$ 8,863	\$ 106,362	7.28%

AVERAGE RETURN OVER THE 20-YEAR LEASE IS 6.5%!





TENANT OVERVIEW

ABOUT KINGSTON 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.

ABOUT ROARK CAPITALS

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 span 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



AREA OVERVIEW



JACKSONVILLE, FL

Jacksonville is a large seaport city in the U.S. It is the most populated city in both Florida and the southeastern United States. The Jacksonville metropolitan area is the fourth largest in the state. Two Navy Bases, the Blount Island Command, and the Naval Submarine Base Kings Bay, are the third largest military presence in the U.S. With Jacksonville located at the mouth of the St. Johns River, the Port of Jacksonville is an international trade seaport. Jacksonville has grown into a major city in Florida and is an even blend of business development and tourist sites. The city caters to all types of residents, whether they are looking for a modern downtown scene or want to escape to the suburbs.



\$3.2 BILLION
ANNUAL TOURISM
IMPACT



4TH
MOST POPULOUS
CITY IN FLORIDA



4
FORTUNE 500
COMPANIES

ECONOMY

Although, Jacksonville has a sizable deep-water port, the city's economy does not solely rely on transportation and distribution. The area's economy strives on a variety of financial services, biomedical technology, insurance, manufacturing, and consumer goods.

The city has done particularly well in the financial services industry. Large banking companies in the region include Florida National Bank, Barnett Bank, Wells Fargo, JPMorgan Chase, and Bank of America. Many Fortune 500 companies have their headquarters in Jacksonville, including Fidelity National Financial, Southeastern Grocers, and CSX Corporation.

The military is the largest employer in Jacksonville, with an economic impact of \$6.1 billion annually. With a military airport, a Navy and Marine Corps base, and Air National/Coast Guard sector, the U.S. forces have a large influence within the town.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2024 Projection	10,720	42,423	103,807
2019 Estimate	10,204	39,374	96,452
2010 Census	9,066	35,542	85,914
Growth 2019-2024	5.06%	7.74%	7.63%
Growth 2010-2019	12.55%	10.78%	12.27%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2024 Projection	5,185	19,909	46,956
2019 Estimate	5,013	18,948	44,684
2010 Census	4,262	16,490	38,394
Growth 2019-2024	3.45%	5.07%	5.08%
Growth 2010-2019	17.60%	14.91%	16.38%
INCOME	1-MILE	3-MILE	5-MILE
2019 Average Household Income	\$124,370	\$116,799	\$109,794

CULTURE

As for things to do in Jacksonville, the possibilities are endless. From sports to art, to the outdoors, Jacksonville has something to offer everyone that visits. There are many different annual events held in the area. Whether it is an art display or a festival, there is always something happening.

SPORTS

The Jacksonville Jaguars are a major league sports team in the NFL. They joined the league as an expansion team in 1995. Since then, their fan base has grown immensely and are loved by their dedicated fans in Jacksonville. The Jaguars have been division champions in 1998 and 1999, and have qualified for the playoffs six times.

Since 1946, the annual Gator Bowl is held at EverBank Field on January 1st. It is part of the bowl series within college football. The Bowl is the sixth oldest college bowl and was the first college bowl to be televised nationally. Another college football event is the Florida-Georgia game. Every year the Florida Gators and the Georgia Bulldogs come together to hash out their rivalry.

MUSIC

Jacksonville is also known for their love of music. The Jacksonville Jazz Festive is the second-largest jazz festival in the nation. It is a fun-filled weekend celebrating the creation of Jazz music as well as keeping the genre alive. Another great musical event in the city is the Springing the Blues festival, one of the oldest and largest blues festivals on the Coast. It was first held in 1990 and has been growing larger and larger each year.

ART

The city offers a variety of museums and art galleries throughout the region. The Museum of Contemporary Art Jacksonville is funded and operated by the University of North Florida. It is a contemporary art museum that is considered a "cultural resource." The museum, at its most basic form, opened in 1924. Today, the museum features permanent and traveling exhibitions and has over 700 works.

The Museum of Science & History, located in downtown Jacksonville, has many different science and local history exhibits. There are three different floors that feature natural exhibits, an exhibit that shows the history of Northeast Florida, as well as hands-on science area.



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Jimmy John's** located in **11616 San Jose Blvd, Jacksonville, FL 32223** ("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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