

OFFERING MEMORANDUM

# JIMMY JOHN'S

3555 MAIN STREET | HILLIARD, OH 43026



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

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# EXECUTIVE OVERVIEW



**JIMMY JOHN'S**  
**3555 MAIN STREET**  
HILLIARD, OH 43026



**\$2,046,800**  
LIST PRICE



**6.00%**  
CAP RATE



**\$122,808**  
ANNUAL RENT

## INVESTMENT HIGHLIGHTS

- » Brand New 20-Year Sale Leaseback - Lease Will Commence at COE
- » Completely Passive Investment - Absolute NNN Lease
- » Strong Annual Increases - 1.25%
- » Ideal 1031 Exchange Investment
- » Healthy Rent-to-Sales Ratio — One of the Top Producing Jimmy John's Operators
- » Tenant Paying Healthy Rent - Rent/SF In-Line With Market, Very Replaceable
- » Hilliard is a Quickly Growing Suburb of Columbus
- » Sitting on the Community's Main St, Jimmy John's is Exposed to Almost 20,000 Vehicles Per Day
- » **Jimmy John's Sits on the Corner of Ten Pin Alley - The Street Leading into Heritage Golf Club and Carriage Court of Hilliard:**
  - » Heritage Golf Club is the Centerpiece of the Hilliard Community -
  - » Championship Golf
  - » Casual and Upscale Dining
  - » Hosts Numerous Calendar Events
  - » Carriage Court of Hilliard a Premier Senior Living Community
- » Closest Jimmy John's to Numerous Educational Institutions - Scioto Darby Elementary, Hilliard Community Center Preschool, Hilliard Crossing Elementary School, Hilliard Heritage Middle School, Hoffman Trails Elementary School, and Hilliard Darby High School
- » **Population Count:**
  - » 2018 3 Mile - 68,340
  - » 2018 5 Mile - 148,623
- » **Target Market for Jimmy John's Operators:**
  - » Household Incomes
  - » 2018 1 Mile - \$78,897
  - » 2018 3 Mile - \$82,453

# FINANCIAL OVERVIEW

## Financial Analysis



JIMMY JOHN'S + PEARLY NAILS SALON  
**3555 Main St.**  
HILLIARD, OH 43026



**\$2,046,800**

LIST PRICE



**6.00%**

CAP RATE



**\$122,808**

ANNUAL RENT

## LEASE SUMMARY

GLA	3,424
LOT (ACRES)	1.12
YEAR BUILT	2015
APN	050-002083
PARKING SPACES	32
LEASE TYPE	NNN
TYPE OF OWNERSHIP	Fee Simple
LEASE GUARANTOR	Kensington Hill
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	\$122,808
OPTIONS	Four, 5-Year Options

## ANNUALIZED OPERATING DATA

YEAR	MONTHLY RENT	ANNUAL RENT	RENT PSF	CAP
1	\$10,234	\$122,808	\$35.87	6.00%
2	\$10,362	\$124,343	\$36.32	6.08%
3	\$10,491	\$125,897	\$36.77	6.15%
4	\$10,623	\$127,471	\$37.23	6.23%
5	\$10,755	\$129,064	\$37.69	6.31%
6	\$10,890	\$130,678	\$38.17	6.38%
7	\$11,026	\$132,311	\$38.64	6.46%
8	\$11,164	\$133,965	\$39.13	6.55%
9	\$11,303	\$135,640	\$39.61	6.63%
10	\$11,445	\$137,335	\$40.11	6.71%
11	\$11,588	\$139,052	\$40.61	6.79%
12	\$11,733	\$140,790	\$41.12	6.88%
13	\$11,879	\$142,550	\$41.63	6.96%
14	\$12,028	\$144,332	\$42.15	7.05%
15	\$12,178	\$146,136	\$42.68	7.14%
16	\$12,330	\$147,963	\$43.21	7.23%
17	\$12,484	\$149,812	\$43.75	7.32%
18	\$12,640	\$151,685	\$44.30	7.41%
19	\$12,798	\$153,581	\$44.85	7.50%
20	\$12,958	\$155,501	\$45.41	7.60%





## 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 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](http://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







Main Street ±18,000 VPD



14 Miles to Downtown Columbus



8 Miles to The Ohio State University



# JIMMY JOHN'S





# AREA OVERVIEW



## 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.



Over \$1.3 Billion  
Gross Domestic Product  
(MSA)



2,078,725  
MSA  
Residents



5  
Fortune 500  
Headquarters

## DEVELOPMENT

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.

## PROPERTY DEMOGRAPHICS

POPULATION	5-MILE	10-MILE	15-MILE
2010 Census	133,421	586,481	1,014,981
2019 Estimate	160,742	664,880	1,147,130
2024 Projection	170,564	697,617	1,202,563
Growth 2010-2019	20.48%	13.37%	13.02%
Growth 2019-2024	6.11%	4.92%	4.83%
HOUSEHOLDS	5-MILE	10-MILE	15-MILE
2010 Census	54,161	240,118	411,381
2019 Estimate	64,924	271,883	464,328
2024 Projection	68,683	285,577	487,305
Growth 2019-2024	19.87%	13.23%	12.87%
Growth 2010-2019	5.79%	5.04%	4.95%
INCOME	5-MILE	10-MILE	15-MILE
2019 Average Household Income	\$108,519	\$94,221	\$89,678





## THE OHIO STATE UNIVERSITY

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.

## BY THE NUMBERS



**66,444+**

Total Enrollment



**28,241+**

Academic & Admin. Staff



**500,000+**

Alumni Worldwide



**\$7.15M**

From Each  
Football Game



**\$2.14B**

Total  
Economic Impact



**#56**

Best National  
University (US News)



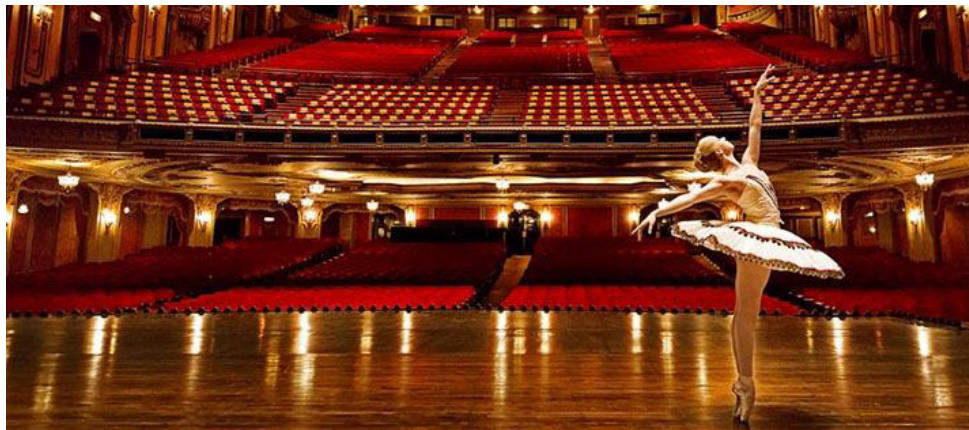
## LOCAL ATTRACTIONS



### Ohio State Fair

Ohio State Fair is one of the largest fairs in the United States. This event is held every summer for twelve days in Columbus with an estimated economic impact of \$68.6 million.

The fair boasts several rides and attractions for everyone to enjoy along with delicious food from local vendors and live music. The Ohio State Fair brings in people from all over the country and had a record-breaking number of attendees in 2015 with over 950,000 fairgoers.



### Ohio Theatre

The Ohio Theatre is a performing arts center in Columbus known as the “Official Theatre of the State of Ohio”. The famous architect, Thomas W. Lamb, who designed the well-known theatre has claimed it as one of his most successful projects.

The Ohio Theatre hosts a variety of artists from classical music to modern dance. The venue is one of the busiest performing arts facilities in the state.



### Columbus Zoo and Aquarium

The Columbus Zoo and Aquarium is home to over 7,000 animals representing over 800 species. The zoo has a competitive advantage with their 140-acre 18-hole golf course known as the Safari Golf Club. The popular attraction brings in over 2.3 million visitors annually.

The Zoo operates its own conservation program as well, donating money to outside programs as well as participating in their own conservative efforts. Over the past five years, the zoo has contributed over \$3.3 million to more than 40 projects in 30 countries.

# CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Jimmy John's** located in **3555 Main Street | Hilliard, OH 43026** ("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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