



Harbor Marketplace  
3810 Highway 22, Mandeville, LA  
*Confidential Offering Memorandum*







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01

## Investment Summary

Harbor Marketplace – Mandeville, Louisiana



# The Offering

JLL is pleased to offer for sale the fee-simple interest in a two-tenant outparcel (the "Property" or "Asset"), tenanted by Chipotle Mexican Grill, Inc. ("Chipotle") and Maxem Health Urgent Care. The Asset is located in Mandeville, LA (New Orleans MSA), a suburb 35 miles north of New Orleans, in a strong retail corridor. The Asset possesses very limited tenant rollover risk, as it features new construction with service-oriented retail tenants and is an outparcel to the Northlake Shopping Center which is anchored by leading tenants such as Fresh Market and PetSmart.

## INVESTMENT HIGHLIGHTS

- The Property possesses ideal net lease fundamentals, highlighted by an NN structure with minimal landlord responsibilities, 100% occupancy, and over 9 years weighted average of primary term with renewal options for each tenants. Built in 2017, the Property's expected cost of maintenance is relatively low.
- The Property is 100% leased to two strong tenants, Chipotle and Maxem Health Urgent Care. The Property is one of nine Chipotle restaurants in Louisiana, with the next closest restaurant over 28 miles away. Additionally, the Lakeview Regional Medical Center located less than two miles from the Property spurs local demand for medical services, thereby benefitting the Maxem Health Urgent Care center.
- Located at the highly-trafficked intersection of N Causeway Blvd and Emerald Road, the Property is visible to approximately 90,000 vehicles per day. The intersection is home to many other retail plazas including the Premier Center, a retail power center with 26 tenants. 32% of the submarket's retail inventory is located within a two-mile radius of the Property. Furthermore, the average retail rent in the Property's immediate vicinity is 6.2% above that of the submarket.
- Dense and affluent site demographics create a deep market for retailers. The St. Tammany Parish, in which Mandeville is located, is the wealthiest parish in Louisiana and comprises some of Louisiana's wealthiest communities. Mandeville's average household income of \$102,650 is well above the national average and speaks to the area's relative affluence.
- With a 5-year projected annual population growth rate of 1.6%, the city Mandeville will continue to experience rapid growth as residents relocate to the area for its high quality of life.

## PROPERTY SUMMARY

Address	3810 Highway 22, Mandeville, LA
Tenants	Chipotle, Maxem Health Urgent Care
Price	\$3,184,000
Cap Rate	6.25%
Remaining Lease Term*	9.4 Years (Weighted)
Parcel Size	0.59 AC
Building Size	4,700 SF
Ownership	Fee Simple
Year Built	2017
Annual Rent	\$199,000
Escalations	Varies; See Page 5 for Rent Roll
Lease Type	NN
LL Responsibilities	Roof, Structure, Foundation, and Parking Lot

\*As of 5/1/19

















## Rent Roll

Tenant	Lease End	Remaining Lease Term (yrs)	SF Leased	Percentage of Total Area	Current Monthly Rent	Current Annual Rent	Annual Rent PSF	Period	Rent Schedule				
									Increase Date	Monthly Rent	Annual Rent	Annual Rent PSF	% Increase
Chipotle Mexican Grill, Inc.	10/31/2029	10.4	2,200	46.8%	\$8,250	\$99,000	\$45.00		11/1/2023	\$9,075	\$108,900	\$49.50	10.00%
									3, 5-year Renewal Options				
									11/1/2029	\$9,983	\$119,790	\$54.45	10.00%
									11/1/2034	\$10,980	\$131,758	\$59.89	10.00%
									11/1/2039	\$12,078	\$144,936	\$65.88	10.00%
Maxem Health Urgent Care	11/30/2027	8.5	2,500	53.2%	\$8,333	\$100,000	\$40.00		12/1/2022	\$8,958	\$107,500	\$43.00	7.50%
									2, 5-year Renewal Options				
									12/1/2027	\$10,000	\$120,000	\$48.00	11.63%
									12/1/2032	\$10,833	\$130,000	\$52.00	8.33%

Square Footage	4,700
Occupancy Rate	100.00%
Current Annual Rent	\$199,000
Current Annual Rent PSF	\$42.34
Weighted Remaining Lease Term (yrs)	9.4







# 02

## Market Overview

Harbor Marketplace – Mandeville, Louisiana



## *The Mandeville/Covington Market*

An outparcel to the Northlake Shopping Center, the Property is part of Mandeville's prime retail corridor. The Northlake Shopping Center comprises over 165,000 square feet of retail space anchored by Fresh Market, Stage, Office Depot, and PetSmart. Entrances to the shopping center and outparcel occur along Frontage Rd and include an entrance at the signalized intersection of Emerald and Frontage Roads. The Property's location along Emerald Rd (HWY 22) affords it great visibility to the thoroughfare's over 27,000 vehicles per day. Situated in the Southwest quadrant of the Emerald Rd and N. Causeway Blvd intersection, the Northlake Shopping Center is also visible to over 61,000 cars that travel the N Causeway bridge daily.

The Premier Center, a 273,000 square foot retail power center, is located directly across N Causeway Blvd from the Property and houses around 25 tenants. The center has sustained 100% occupancy since opening in 2000, speaking to strong retail dynamics in the area. Surrounding residential neighborhoods and numerous schools, including Mandeville High School and Tchefuncte Middle School which enroll around 2,800 students combined, sustain a healthy daytime population and create a deep market for retailers.



Over 7.7 million SF of retail space within the Mandeville/Covington sub-market, 2.5 million of which can be found within a 2-mile radius of the Property.



The area is densely populated with affluent residents. 73,000+ residents within a 5-mile radius earn an average annual income above \$105,000.



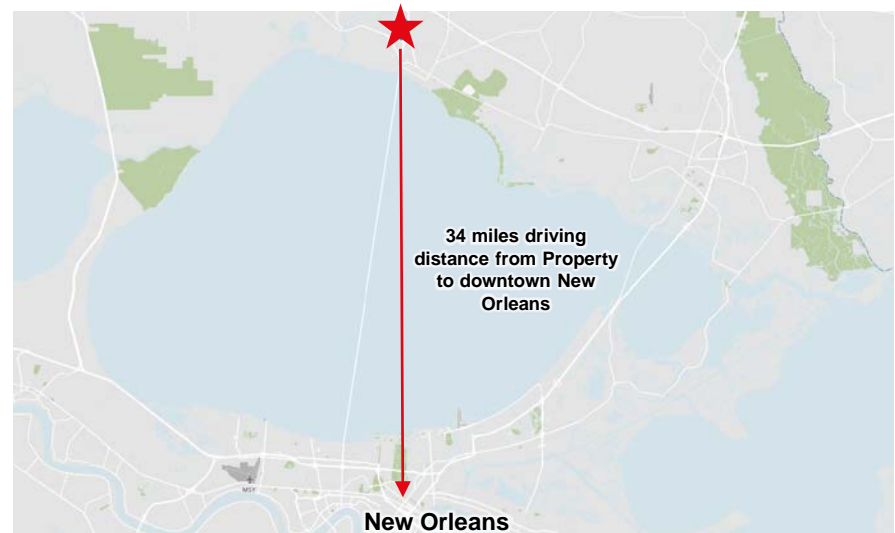
The Property is located just 2 miles north of the bridge entrance to the North Shore, so that most travelers taking the bridge from the South Shore pass by the Property.

### Site Demographics

	1-mile	3-mile	5-mile
Total Population	8,546	41,469	73,351
Total Households	3,418	15,644	27,625
Average HH Income	\$121,907	\$117,587	\$108,681
Median HH Income	\$93,790	\$90,861	\$81,994
2018-23 Population CAGR	1.36%	1.45%	1.53%

### Retail Market Snapshot as of Q1 2019

	Mandeville/Covington Submarket	Within 2 miles of Property
# of Buildings	588	150
Total Inventory (SF)	7,700,000	2,500,000
Total Vacancy	4.8%	3.7%
YTD Net Absorption (SF)	184,000	76,700





## Mandeville, Louisiana

Located directly across the water from downtown New Orleans along the North Shore of Lake Pontchartrain, Mandeville is a small city with a lot of history. Founded in 1834, Mandeville is the oldest town in the St. Tammany parish and currently growing at a clip due to its high quality of life and accessibility to New Orleans and other major markets. Nowadays, the city of Mandeville covers 7 square miles and contains over 13,000 residents. Mandeville is known as the “gateway to the North Shore” for its coastal setting and location near the Causeway, the longest continuous bridge in the world that connects the lake’s north and south shores. The 1956 opening of the Causeway opened Mandeville to its South Shore neighbors and increased traffic into the city. Following the bridge’s opening, an influx of residents came to Mandeville in search of lower costs of living and a better quality of life than that achieved in New Orleans.



**Relo-America.com**  
Relocation & Real Estate Services

Named Mandeville, LA one of the top 100 places to live in the country

Part of the New Orleans-Metairie MSA, Mandeville contributes to and benefits from the MSA’s strong logistics, tourism, and medical services industries. The **Port of New Orleans** is a multimodal gateway for global commerce and cruise travel that seamlessly integrates river, rail, and road logistics. The port’s location along the Mississippi River affords it access to over 30 major inland hubs including Memphis, Chicago, and eventually Canada. Canals connect the port to Lake Pontchartrain and, thus, Mandeville’s harbor marinas. Both the city’s multi-modal accessibility and rich history make it a **popular tourist destination**. In addition to tourism and logistics, the **Lakeview Regional Medical Center**, located less than two miles from the Property, has been serving the Mandeville community since 1977 and fortifies the city’s medical services industry. With over 160 beds, 240 physicians, and 800 employees, the medical center offers a spectrum of inpatient and outpatient healthcare services.



Port of New Orleans

**Money**

Ranked the Mandeville public school system among the top 100 in the country

Alongside the city’s strong economy and high quality of life, residents are lured to the area by Mandeville’s **exceptional public school system**. Mandeville’s public school system was given a 9 out of 10 grade by GreatSchools.org for providing exemplary education. Mandeville’s schools are part of the St. Tammany parish schools, which include both blue ribbon and five-star schools.



## Aerial Mapping







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## Tenant Overviews

Harbor Marketplace – Mandeville, Louisiana



## The Tenant

- The Asset's lease features over 10 years remaining of primary term guaranteed by Chipotle Mexican Grill, Inc., a fast-food chain focused on serving "food with integrity." By utilizing fresh ingredients and classic cooking techniques, Chipotle infuses its over 2,400 quick-service restaurants around the globe with elements of fine dining.
- In 2018, Chipotle's average sales per restaurant and restaurant-level operating margins increased due in part to higher menu prices and lower input costs. As restaurant performance improved, Chipotle's total revenue and corporate earnings increased 8.7% and 2.6%, respectively, from 2017 to 2018.
- Chipotle's fiscal performance is a testament to its popularity with younger generations, who increasingly spend larger portions of their discretionary income on dining. Over the next 10 years, millennials are expected to exceed all other generations in food and beverage spending while prioritizing wellness and experience when making dining decisions. Chipotle's focus on serving delicious food, with great service in a safe, quick, clean, and happy environment appeals to this generation.
- To keep up with emerging trends in quick-service restaurants, Chipotle offers digital/mobile ordering platforms, delivery and catering services, and alternative payment methods. These offerings expand Chipotle's customer universe to include customers with a variety of convenience constraints. Furthermore, mobile ordering increases store throughput, thus bolstering restaurant profitability. Over 2018, Chipotle's digital sales increased 42.4% and accounted for 10.9% of annual sales.



73,000  
employees



2,452 U.S.  
locations with 37  
international  
locations



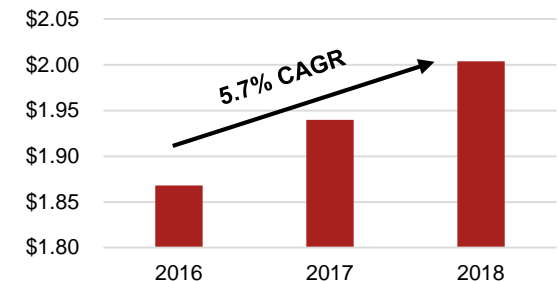
Opened 137  
stores in 2018,  
plans to open  
155 new stores  
in 2019



*for Real*

Chipotle's 2018 "For Real" marketing campaign was its **largest quarterly brand campaign** to date that promotes Chipotle's **real ingredients and cooking techniques** that **differentiate** the chain from other fast-casual, quick-service establishments.

**Average Restaurant Sales  
(\$ in millions)**





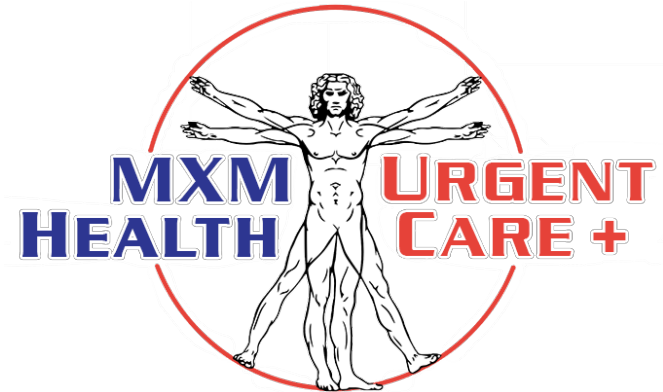
# The Tenant

### NETWORK OF URGENT CARE CENTERS WITH A FOCUS ON PROVIDING CONVENIENT AND COMPREHENSIVE SERVICES

- Maxem Health Urgent Care is a network of urgent care centers throughout Louisiana and Mississippi that provide non-emergent medical care to treat immediate ailments. Maxem Health Urgent Care centers offer a full suite of services including physicals, vaccinations, drug and alcohol testing, X-rays, EKG's, lab work, and customary non-emergent care.

### URGENT CARE CLINIC INDUSTRY CONTINUED GROWTH DUE TO TIME AND COST EFFECTIVENESS WHEN COMPARED AGAINST EMERGENCY ROOM ALTERNATIVE

- The urgent care clinic business model is quickly gaining popularity as a less-expensive and more convenient alternative to hospitals.
- Urgent care centers help patients save money by offering treatments identical to those offered in an emergency room for a tenth of the cost. Additionally, patients save time by visiting urgent care centers. With shorter wait times than those experienced in an emergency room, 85% of urgent care center patients are treated in less than an hour.
- Over the past several years the number of urgent care facilities increased 26.6% from 6,400 centers in 2014 to 8,100 in 2018. To keep-up with growing demand, another 500 to 600 urgent care facilities are expected to open this year.



Maxem Health Urgent Care centers operate 365 days a year for 12 hours per day Monday through Saturday with shortened hours on Sunday. The centers' comprehensive hours and walk-in availability ensure patients are treated quickly and effectively.



All of Maxem Health Urgent Care's providers are either certified nurse practitioners or physicians who are some of the brightest medical school graduates.



Each Maxem Health Urgent Care center offers a wide array of services so that most patient's medical needs are fulfilled in one convenient visit.



## *Contact Information*

### ADVISORS

**Peter Bauman**

JLL Capital Markets

+1 602 282 6289

[peter.bauman@am.jll.com](mailto:peter.bauman@am.jll.com)

**Tivon Moffitt**

JLL Capital Markets

+1 602 282 6348

[tivon.moffitt@am.jll.com](mailto:tivon.moffitt@am.jll.com)

### ANALYST SUPPORT

**Eric Cline**

JLL Capital Markets

+1 312 228 2195

[eric.cline@am.jll.com](mailto:eric.cline@am.jll.com)



3131 E Camelback Road Suite 400

| Phoenix, AZ 85018

[www.us.jll.com/capitalmarkets](http://www.us.jll.com/capitalmarkets)

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