

OFFERING MEMORANDUM

# PANERA BREAD & GLAMOUR NAILS & SPA

UNION, KENTUCKY

(CINCINNATI, OH MSA)





**NORTHERN KENTUCKY INDUSTRIAL PARK**  
HOME TO 900 COMPANIES  
WITH 25,000+ EMPLOYEES

**GATEWAY COMMUNITY & TECHNICAL COLLEGE**  
4,646 STUDENTS

**FLORENCE FREEDOM BASEBALL PARK**  
87,545 ANNUAL ATTENDANCE

**FLORENCE GOVERNMENT CENTER**

Logos for Super 8, McDonald's, Chipotle, Red Lobster, Wendy's, and Bob Evans.

Logos for Speedway, Motel 6, and Best Western.

Logos for Costco Wholesale and Dave & Buster's.

Logos for Baymont Inn & Suites, Best Western, KFC, Arby's, White Castle, O'Reilly's, and Little Caesars.

**OCKERMAN MIDDLE & ELEMENTARY**  
1,547 STUDENTS

Logos for Hobby Lobby, Dollar General, Ollie's Outlets, Harbor Freight Tools, Starbucks, and AT&T.

**FLORENCE MALL**  
LARGEST MALL IN NORTHERN KENTUCKY

Logos for JCPenney, Olive Garden, Macy's, BJ's, H&M Shoe Dept., and Abercrombie & Fitch.

Logos for Kroger, TJ-Maxx, Staples, Burlington, Barnes & Noble, Ulta, Old Navy, Pet Supplies Plus, and HomeGoods.

Logos for Chase, Dairy Queen, Culver's, Dunkin' Donuts, Taco Bell, CVS Pharmacy, Sherwin Williams, ACE Hardware, and McDonald's.

**ERPENBECK ELEMENTARY**  
686 STUDENTS

Logos for Kroger Marketplace and Sonic.

Logos for Pizza Hut, PNC, Walgreens, and Wendy's.

Logos for Orangetheory Fitness, Chipotle, Great Clips, L.A. Nails, and Sugarfina.

**SUBJECT PROPERTY**

171,455 CPD

28,760 CPD

CLICK FOR GOOGLE MAP





**ADDRESS:**  
9200 US-127, Union, KY 41091

Price	\$4,065,000
Cap Rate	6.35%
NOI	\$258,165
Gross Leasable Area	7,519 SF
Year Built	2019
Lot Size	1.71 +/- Acres



REPRESENTATIVE PHOTO

## Rent Roll

TENANT	GLA	% OF GLA	ANNUAL RENT	RENT/SF	RENT COMMENCE	LEASE EXPIRATION	OPTIONS	CHANGES ON	CHANGES TO
Panera Bread	5,019 SF	67%	\$175,665	\$35.00	Est. 6/15/2019	15 Years	Three, 5-Year	Year 6	\$184,448
								Year 11	\$193,633
								Option 1	\$203,320
								Option 2	\$213,508
								Option 3	\$224,199
Glamour Nails & Spa III	2,500 SF	33%	\$82,500	\$33.00	3/25/2019	10 Years	Two, 5-Year	Year 3	\$90,000
								Year 6	\$97,500
								Option 1	\$107,250
								Option 2	\$117,975
<b>TOTAL</b>	<b>7,519 SF</b>	<b>100%</b>	<b>\$258,165</b>						

# Investment Highlights

- 100% Occupied by Panera Bread and Glamour Nails & Spa III
- 15-Year Lease with Panera Bread, the Largest Franchisee with 315+ Locations
- 10-Year Lease with Glamour Nails & Spa, Strong Personal Guaranty from Experienced Operator
- Brand New 2019 Brick Construction with a Drive-Thru, Minimal Landlord Responsibilities
- 15 Miles Southwest of Downtown Cincinnati
- Serving 103,290 Residents in Rapidly Growing Trade Area
- Surrounded by Multiple Upscale Housing Developments, Storypoint (162 Units), Affinity (294 Units), Traemore (172 Lots), and Westbrook Estates (308 Units)
- Average Household Income Exceeds \$104,000 within 1 and 3 Miles
- Outparcel to a New \$31 Million Kroger Marketplace, the 2nd Largest Kroger in the U.S. with 500 Employees
- Hard Corner Location at Signalized Intersection, Highly Visible to 28,760 Cars/Day
- Down the Street from Union Town Center, a 90-Acre Downtown Development with Residential, Office, and Retail Uses
- Minutes to Gateway Community & Technical College with 4,646 Students
- Close Proximity to Several K-12 Schools, 20,702 Students Enrolled in Boone County
- Strong Daytime Population, 37,885 Employees within 5 Miles

## Demographics

POPULATION	1-MILES	3-MILES	5-MILES
2010 Population	6,820	47,489	95,043
2018 Population	7,804	52,736	103,290
2023 Population	9,817	59,775	114,228
HOUSEHOLDS			
2010 Households	2,619	17,392	35,563
2018 Households	2,998	19,319	38,707
2023 Households	3,852	22,216	43,258
INCOME			
2018 Average Household Income	\$116,613	\$104,774	\$90,789
EMPLOYEES			
2018 Number of Employees In Area	956	12,600	37,885



**103,290**

Population within  
a 5-Mile Radius



**38,707**

Average Number  
of Households within  
a 5-Mile Radius



**37,885**

Number of Employees  
within a 5-Mile Radius

# Tenant Overview



Founded in 1960, Covelli Enterprises has grown to become the largest franchisee in the Panera system with over 315 Panera locations in North America and Canada. Covelli Enterprises is currently the 4th largest franchisee in the United States and the largest Panera Bread franchisee. Previous owner and operator of 45 McDonald's franchises, Covelli currently controls, owns and operates over 315 Panera locations in 7 states, as well as in Canada. In addition to Panera Bread, Covelli Enterprises is also a franchisee of several Dairy Queen and O'Charley's Restaurants.

Recognized as having the highest rated restaurant operations and business practices in the industry, Sam Covelli has continually won operational awards for sales, exceptional



<b>TENANT</b>	Cadle, LLC
<b>GUARANTOR</b>	Franchisee - Candall Group, Inc.
<b>OWNERSHIP</b>	Private
<b>GLA</b>	5, 019 SF
<b>RENT COMMENCEMENT</b>	Est. 6/15/2019
<b>LEASE TERM</b>	15 Years
<b>CURRENT ANNUAL RENT</b>	\$175,665
<b>OPTIONS</b>	Three, 5-Year
<b>LANDLORD RESPONSIBILITIES</b>	Roof & Structure
<b>CAM</b>	<p>Tenant shall pay its pro rata share of CAM, including a 5% admin fee. Annual increases in CAM shall not exceed 3% excluding snow and ice removal, insurance and utilities for the common area.</p> <p>CAM expenses shall include costs and expenses incurred by Landlord in connection with the operation and maintenance of the parking areas, driveways, common facilities, open areas and landscaped areas and all other facilities and areas located around the shopping center, and operating, maintaining, repairing, lighting, signing, cleaning, painting, striping, policing and security of the common areas.</p>
<b>TAXES</b>	Tenant pays pro rata share.
<b>INSURANCE</b>	Tenant pays pro rata share.
<b>ASSIGNMENT &amp; SUBLETTING</b>	Tenant may not assign or sublet the lease without Landlord's consent and shall remain liable for Tenant's obligations under the lease.
<b>ESTOPPEL</b>	Tenant shall have 15 Days from receipt of request to process.

# Tenant Overview

## GLAMOUR NAILS & SPA III

Glamour Nails & Spa has over 15 years of experience in the nails & services industry, offering the highest levels of luxury. They now have 3 locations, all located in Kentucky. With their newest location opening in Union, KY they are expected to continuing their expansion.



<b>TENANT</b>	Glamour Nails of Kentucky, LLC
<b>GUARANTOR</b>	Personal - Peter Le
<b>OWNERSHIP</b>	Private
<b>GLA</b>	2,500 SF
<b>RENT COMMENCEMENT</b>	3/25/2019
<b>LEASE TERM</b>	10 Years
<b>CURRENT ANNUAL RENT</b>	\$82,500
<b>OPTIONS</b>	Two, 5-Year
<b>LANDLORD RESPONSIBILITIES</b>	Roof & Structure
<b>CAM</b>	<p>Tenant shall pay its pro rata share of CAM, including a 10% admin fee. Annual increases in CAM shall not exceed 5%, excluding snow and ice removal, insurance and utilities for the common area.</p> <p>CAM expenses shall include all of Landlord's costs and expenses operating and maintaining the center, including costs incurred by Landlord under the Declaration, landscaping, cleaning, utilities, relining and asphalt resealing, fire protection, public liability and property damage insurance, repairs, and policing.</p>
<b>TAXES</b>	Tenant pays pro rata share.
<b>INSURANCE</b>	Tenant pays pro rata share.
<b>ASSIGNMENT &amp; SUBLETTING</b>	Tenant may not assign or sublet the lease without Landlord's consent and shall remain liable for Tenant's obligations under the lease.
<b>ESTOPPEL</b>	Tenant shall have 15 Days from receipt of request to process.



CHASE  
AutoZone  
McDonalds  
CVS pharmacy  
Dunkin' Donuts  
Taco Bell  
ACE Hardware

COSTCO  
WHOLESALE

DAVE & BUSTERS

Speedway

ERPENBECK ELEMENTARY  
686 STUDENTS

71

171,455 CPD

NORTHERN KENTUCKY INDUSTRIAL PARK  
HOME TO 900 COMPANIES  
WITH 25,000+ EMPLOYEES

GATEWAY COMMUNITY & TECHNICAL COLLEGE  
4,646 STUDENTS

Wendy's  
Walgreens  
PNC

Dominos

7/11

Pizza Hut

SONIC

Advance Auto Parts

Kroger  
Marketplace

2ND LARGEST KROGER IN THE US

STORYPOINT  
162-UNITS  
\$42M UPSCALE DEVELOPMENT

FUEL

Orangetheory FITNESS  
CHIPOTLE  
Great Clips  
LANails  
PetPeople  
Sugarfix

CLICK FOR GOOGLE MAP  
SUBJECT PROPERTY

US 42

28,760 CPD



CINCINNATI/  
NORTHERN KENTUCKY  
INTERNATIONAL  
AIRPORT

COOPER HIGH  
1,297 STUDENTS

CLICK FOR GOOGLE MAP  
**SUBJECT  
PROPERTY**

Orangetheory  
FITNESS

Central Bank

Wendy's

Walgreens

PNC

CHIPOTLE Great Clips  
L.A. Nails Sugarfin  
PetPeople

Kroger  
Marketplace

2ND LARGEST  
KROGER IN THE US

FUEL

28,760 CPD  
US 42

STORYPOINT  
162-UNITS  
\$42M UPSCALE  
DEVELOPMENT





171,455 CPD

SHIRLEY MANN ELEMENTARY  
802 STUDENTS

GRAY MIDDLE  
1,062 STUDENTS

LARRY A RYLE HIGH  
1,812 STUDENTS

CLICK FOR GOOGLE MAP  
**SUBJECT  
PROPERTY**

STORYPOINT  
162-UNITS  
\$42M UPSCALE  
DEVELOPMENT



28,760 CPD



2ND LARGEST  
KROGER IN THE US



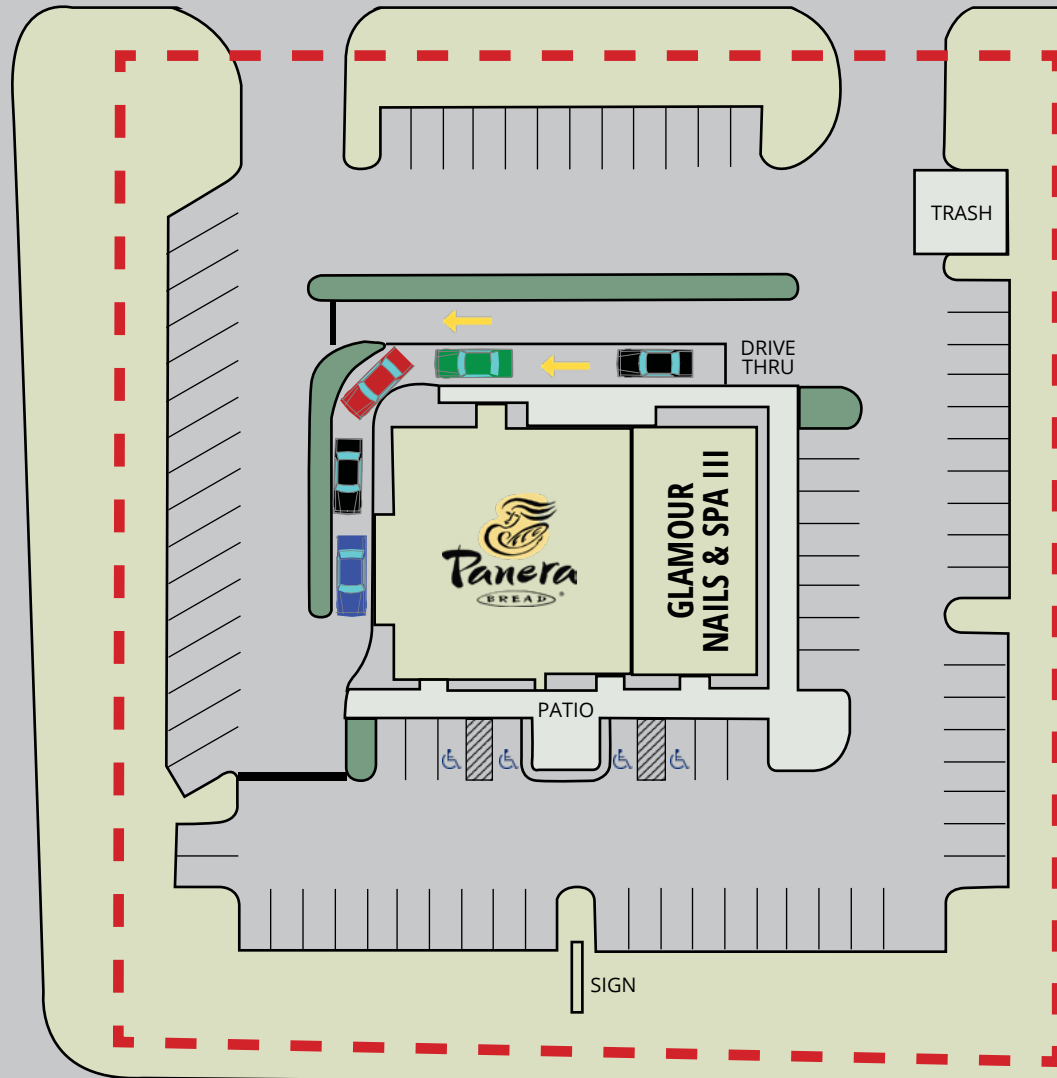


# Site Plan

KROGER ACCESS DRIVE



28,760 CPD



TRASH

DRIVE  
THRU

Panera  
BREAD

GLAMOUR  
NAILS & SPA III

PATIO

SIGN



SUBJECT PROPERTY

# PANERA BREAD & GLAMOUR NAILS & SPA III

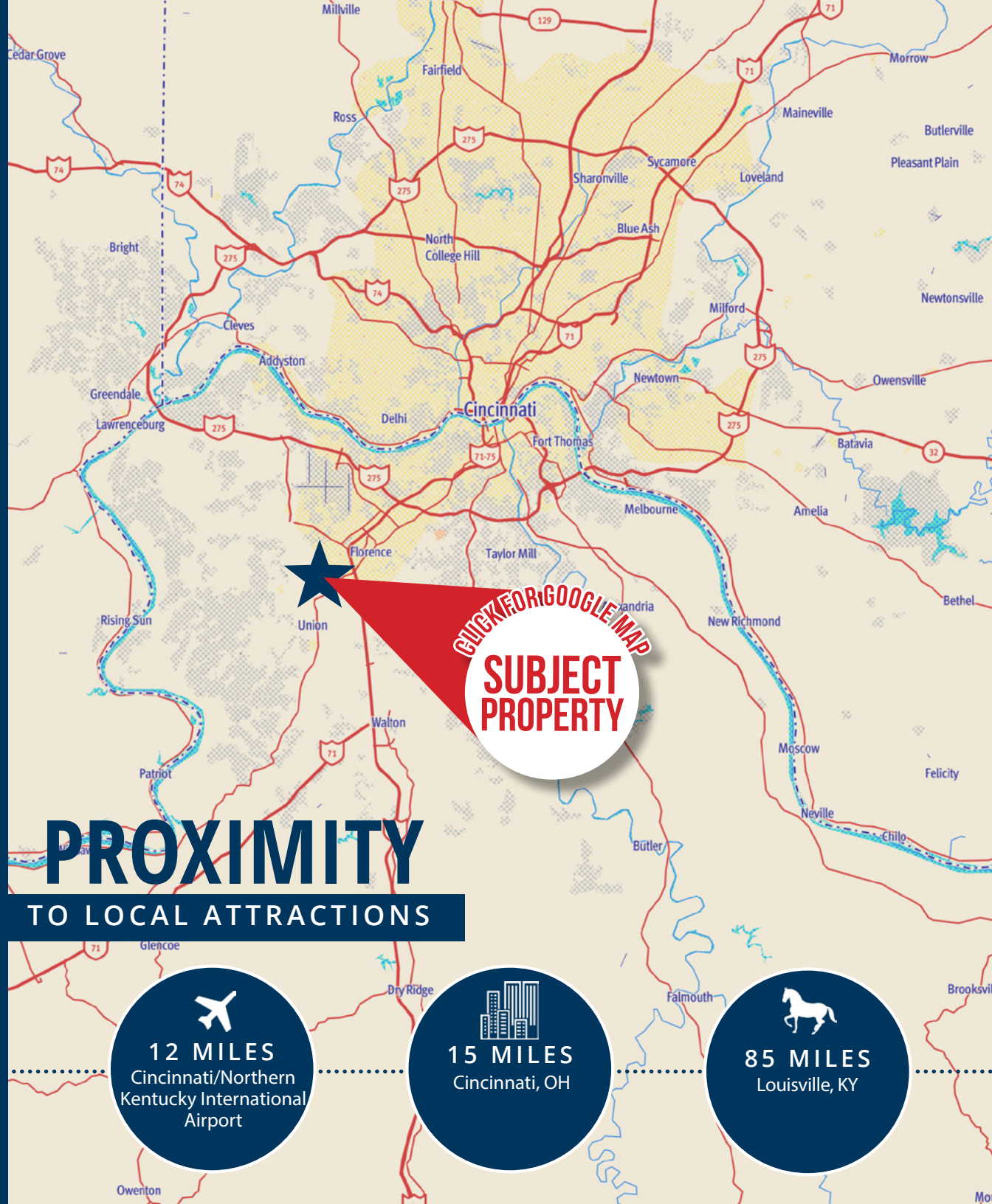
1.71<sup>+/-</sup> ACRES  
LOT SIZE

7,519  
NET RENTABLE SF



# Union, KY

Cincinnati is a livable city at the crossroads—literally and figuratively—of north and south, east and west, and Old World and New World. Called by some the “northernmost southern city,” it is a transportation and cultural gateway between the industrial North and rural South dating back to Underground Railroad days. The area’s largest industry and employer is Procter & Gamble, with a history that dates back to the city’s early stockyards when soap was made from animal byproducts. Other companies make soap and cosmetic products, while machine tools are another important industry. The area has experienced growth in financial services and in commercial and manufacturing facilities for overseas companies. There are some businesses supporting the auto industry, but the area’s economy has been less susceptible to disruptions from that industry, and is in good shape for a Midwestern city.





## CONFIDENTIALITY & DISCLAIMER

\*\*\*\*\*

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

## NON-ENDORSEMENT NOTICE

\*\*\*\*\*

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

## NET-LEASED DISCLAIMER

\*\*\*\*\*

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors. Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.



# EXCLUSIVELY LISTED BY

Marcus & Millichap

## **PHIL SAMBAZIS**

Senior Managing Director

SAN DIEGO

Tel: (858) 373-3174

phil.sambazis@marcusmillichap.com

License: CA 01474991

## **MARK RUBLE**

Senior Managing Director

PHOENIX

Tel: (602) 687-6766

mark.ruble@marcusmillichap.com

License: AZ SA550593000

## **JAMIE MEDRESS**

Senior Managing Director

PHOENIX

Tel: (602) 687-6778

jamie.medress@marcusmillichap.com

License: AZ SA108228000

## **COLBY HAUGNESS**

Broker Of Record

KANSAS

License: 00241410

# PANERA BREAD & GLAMOUR NAILS & SPA

UNION, KENTUCKY (CINCINNATI MSA)

REPRESENTATIVE PHOTO