

CHILI'S
2370 SYCAMORE ROAD
DEKALB (CHICAGO MSA), ILLINOIS 60115

OFFERING MEMORANDUM

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## COMMERCIAL INVESTMENT ADVISORS, INC. CIA BROKERAGE COMPANY

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In Association with Illinois Licensed Broker:

C A commercial investment a dvisors

# INVESTMENT OVERVIEW

NAME CHILI'S

**LOCATION**2370 Sycamore Road
DeKalb, Illinois 60115

MAJOR CROSS STREETS Sycamore Rd & Barber Greene Rd

TENANT BRINKER RESTAURANT CORPORATION

PURCHASE PRICE \$2,527,000

**CAP RATE** 5.50%

ANNUAL RENT \$139,000

GROSS LEASEABLE AREA ±5,637 SF

**RENTAL ESCALATIONS** Every 5 Years – Lesser of 10% or 1.25x of CPI

LEASE TYPE Absolute NNN

OWNERSHIP (Building & Land) Fee Simple

YEAR BUILT | REMODELED 2000 | 2016

LOT SIZE ±1.08 Acres

LEASE EXPIRATION May 31, 2032

**OPTIONS** Three 5-Year Renewal Options

### POINTS OF INTEREST

RETAIL | SHOPPING | ENTERTAINMENT: Pad site to Walmart Supercenter, Kohl's & Lowe's; nearby retailers Target, Menards, Hobby Lobby, Dollar Tree, Hy-Vee, Jewel-Osco, ALDI, Bed Bath & Beyond, Best Buy, T.J. Maxx, Ross Dress for Less, Maurices, Michaels, Five Below, Ulta Beauty, DSW, Petco, PetSmart, Party City, OfficeMax, AutoZone, Verizon, Cricket Wireless, T-Mobile, AMC Market Square

**HIGHER EDUCATION:** 2.5 miles from Northern Illinois University (a public research university offering 100+ undergraduate, 80+ graduate programs with a total combined enrollment of 16,609 students in 5 campuses)

**HEALTH CARE:** Less than 1 mile from Northwestern Medicine (a 98-bed short-term, acute-care facility that provides 24-hour access to emergency services.)

### INVESTMENT HIGHLIGHTS

Restaurants

LEASE: 13 Years Remaining on Absolute NNN Lease with Attractive Rental Escalations every 5 Years – Lesser of 10% or 1.25x of CPI TENANT: Brinker Restaurant Corporation (NYSE: EAT | S&P BB+ Credit Rating | Moody's Ba1 Rating) – As of September 25, 2019, Brinker Owned, Operated, or Franchised 1,672 Restaurants Worldwide Comprising 1,619 Chili's® Grill & Bar and 53 Maggiano's Little Italy

**STRONG SALES PERFORMANCE:** Successfully Open & Operating Since 2016 (\$300,000+ Remodel at Tenant's Cost) with an Attractive 5.36% Rent to Sales Ratio!

TRAFFIC COUNTS | LARGE PARCEL: Positioned on a Large ±1.08-Acre Lot – Pad Site to a Walmart Supercenter, Kohl's & Lowe's in a Dense Retail Corridor (Just Off the Hard Corner) where Traffic Counts Exceed 32,060 CPD!

**2019 DEMOGRAPHICS:** Total Population (5-MI): 68,498 | Average Household Income (1-MI): \$89,432



# FINANCIALANALYSIS

## SUMMARY

**TENANT Brinker Restaurant Corporation** 

PURCHASE PRICE \$2,527,000

CAP RATE 5.50%

5,637 SF **GROSS LEASABLE AREA** 

YEAR BUILT | REMODELED

LOT SIZE

**EXPENSE REIMBURSEMENT** 

2000 | 2016

±1.08 Acres

This is an Absolute NNN lease.

Tenant is responsible for all expenses.

## PROPOSED FINANCING SUMMARY

All Cash or Buyer to obtain new financing at Close of Escrow.

Loan to Value (65%) \$1,642,550

Down Payment (35%) \$884,450

Term 5-Yr Fixed at 4.30%

> 7-Yr Fixed at 4.35% 10-Yr Fixed at 4.41%

25 to 30 Years Amortization

\$223,861

For more information, contact Josh Sciotto of Mark One Capital at (602) 687-6647.

## RENT ROLL

TENANT INFO		LEASE TERMS	RENT SUMMARY		
TENANT NAME	SQ FT	TERM	INCREASE*	RENT	ANNUAL INVESTOR RETURN
Brinker Restaurant Corporation	5,637	<b>12/30/16</b> to 05/31/22	Current	\$139,000	5.50%
		06/01/22 to 05/31/27	10%	\$152,900	6.05%
The state of the s		06/01/27 to <b>05/31/32</b>	10%	\$168,190	6.66%
					6.11% AVG ANNUAL RETURN
RENEWAL OPTIONS		1st Option: 06/01/32 to 05/31/37	10%	\$185,009	
The second secon		2 <sup>nd</sup> Option: 06/01/37 to 05/31/42	10%	\$203,510	

<sup>\*</sup> Assuming Rent Increases are 10% every 5 years. Per Lease, Escalations are the Lesser of 10% or 1.25x of CPI.

3rd Option: 06/01/42 to 05/31/47

10%

## TENANT OVERVIEW



TYPE Public

TRADED AS NYSE: EAT INDUSTRY Restaurants: Family Dining

S&P CREDIT RATING BB+ (Stable) Sep 13 2016 MOODY'S RATING Ba1 Sep 27 2018

MARKET CAP \$1.68 Billion As of Nov 12 2019

# OF LOCATIONS Owned, Operated, or Franchised 1,672 Restaurants Comprising 1,619 Chili's Grill & Bar

and 53 Maggiano's Little Italy Restaurants As of September 25, 2019

https://www.chilis.com/

Chili's® Grill & Bar is an American casual dining restaurant chain. The company was founded by Larry Lavine in Texas in 1975 and is currently owned and operated by Brinker International. Chili's® offers a fun, energetic atmosphere and a distinct, flavorful mix of Southwestern Texas-inspired, classic American favorites like Big Mouth® Burgers, Texas-Sized Baby Back Ribs, Sizzling Fajitas, delicious appetizers and handshaken margaritas. In addition to their regular menu, the company offers a nutritional menu, allergen menu, and vegetarian menu.

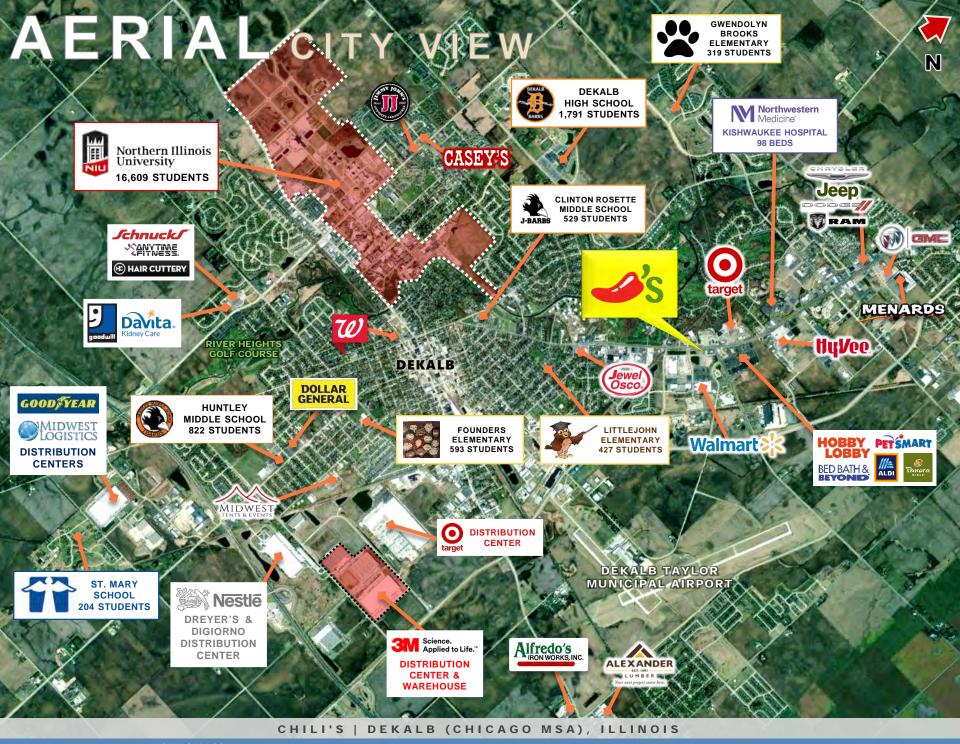
Chili's® Grill & Bar restaurants can be found in an increasing number of countries outside the United States, and serves more than 1 million guests daily.

On March 13, 1975, Larry Lavine opens the first Chili's® Grill & Bar in Dallas, Texas. As of September 25, 2019, Brinker Owned, Operated, or Franchised 1,672 Restaurants Worldwide Comprising 1,619 Chili's Grill & Bar and 53 Maggiano's Little Italy Restaurants. Chili's® Grill & Bar restaurants can be found in an increasing number of countries outside the United States, and serves more than 1 million guests daily.









# LOCATION OVERVIEW



**DeKalb** is a city in DeKalb County, Illinois. The city is named after decorated Franconian-French war hero, Johann de Kalb, who died during the American Revolutionary War. DeKalb became important in the development and manufacturing of barbed wire, especially for agriculture and the raising of livestock. <u>Located about 60 miles from Chicago</u>, the city is part of the Chicago Metropolitan Area.

Northwestern Medicine Kishwaukee Hospital is a 98-bed acute-care hospital in DeKalb with more than 150 physicians on the voluntary, community-based medical staff. As part of the Northwestern Medicine network, patients at Northwestern Medicine Kishwaukee Hospital have access to the resources and advantages of world-class care and leading-edge clinical trials at locations across the region.

**Northern Illinois University** is a public research university in DeKalb. NIU has seven degree-granting colleges that together offer more than 60 undergraduate majors, 70 minors, nine pre-professional programs, and 79 graduate programs. The main campus sits on 945 acres in DeKalb and includes 64 major buildings. The university is the largest employer in DeKalb and the third largest campus in the state. The total combined enrollment is over 16,600 students in 5 campuses.

### **MAJOR DEKALB EMPLOYERS**:

- Northern Illinois University (Higher education) 3,340 employees
- KishHealth System (Healthcare) 1,200 employees
- DeKalb School District (Public education) 885 students
- 3M (Manufacturing) 538 employees
- Sonoco Alloyd (Thermoformed packaging) 500 employees
- Target (Distribution Center) 435 employees
- Walmart Supercenter (Retailer) 400 employees

2019 DEMOGRAPHICS							
	1-MI	3-MI	5-MI				
TOTAL POPULATION	3,035	47,855	68,498				
DAYTIME POPULATION	2,985	45,616	66,168				
AVG HOUSEHOLD INCOME	\$89,432	\$68,967	\$72,987				

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