

**FOR SALE | \$1,384,320**



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### **Jimmy John's Gourmet Sandwiches Restaurant**

This is a net leased Jimmy John's restaurant with 14 years left on the current lease term. It's being offered at a 6.25% cap rate. There are 3% annual increases in the lease. The lease calls for minimal landlord responsibility which is limited to major structural and roof. Tenant is responsible for all other maintenance and operating expenses.

### Address:

Jimmy John's  
1017 South 1st Street  
Willmar, MN 56201



| Contents           | Page |
|--------------------|------|
| Investment Summary | 3    |
| Lease Summary      | 4    |
| Site Map           | 5    |
| About the Brand    | 6    |
| Rent Schedule      | 7    |
| Trade Area         | 8    |
| Aerial             | 9    |



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## Investment Summary

|                |                   |
|----------------|-------------------|
| Tenant         | Jimmy John's      |
| Street Address | 1017 South 1st St |
| City           | Willmar           |
| State          | MN                |
| Zip            | 56201             |
| GLA            | 1,920             |
| Lot Size       | 0.5 AC            |
| Year Built     | 2010              |

**\$1,384,320**

Purchase Price

**6.25%**

Cap Rate

**\$86,520**

Net Operating Income

Price/SF **\$721.00**

Rent/SF **\$44.21**



### Ground Zero location for a restaurant.

Jimmy John's is located in the heart of Willmar's commercial corridor on US Highway 71 – Business Route, (First Street South). Jimmy John's is flanked by the Willmar Elementary and Middle schools, two blocks to the east and west respectively, as well as all of the typical retail players including Super Walmart, Walgreens, Aldi, Menard's, Runnings, Dunn Brothers, Slumberland Furniture, Cashwise Foods, and the Kandi Mall, Willmar's premier shopping mall. In addition, there are CentraCare medical facilities located on the north and south end of this commercial strip.

The Average Daily Traffic (ADT) count in front of Jimmy John's is 15,600 vehicles as of 2018. First Street South is a four-lane thoroughfare with a center turn lane for ease of access and smooth traffic flow.

## Lease Summary

|                     |                 |
|---------------------|-----------------|
| Lease Type          | NNN             |
| Ownership Type      | Fee Simple      |
| Original Lease Term | 15 Years        |
| Commencement Date   | Feb 1, 2019     |
| Lease Expiration    | Jan 31, 2034    |
| Term Remaining      | 14 Years        |
| Increases           | 3% Each Year    |
| Options             | Two (2), 5-Year |

|                   |                      |
|-------------------|----------------------|
| Real Estate Taxes | Tenant Responsible   |
| Insurance         | Tenant Responsible   |
| Roof & Structure  | Landlord Responsible |
| Lease Guarantor   | Franchisee           |
| Company Name      | Braakholter, LLC     |
| Ownership         | Private              |

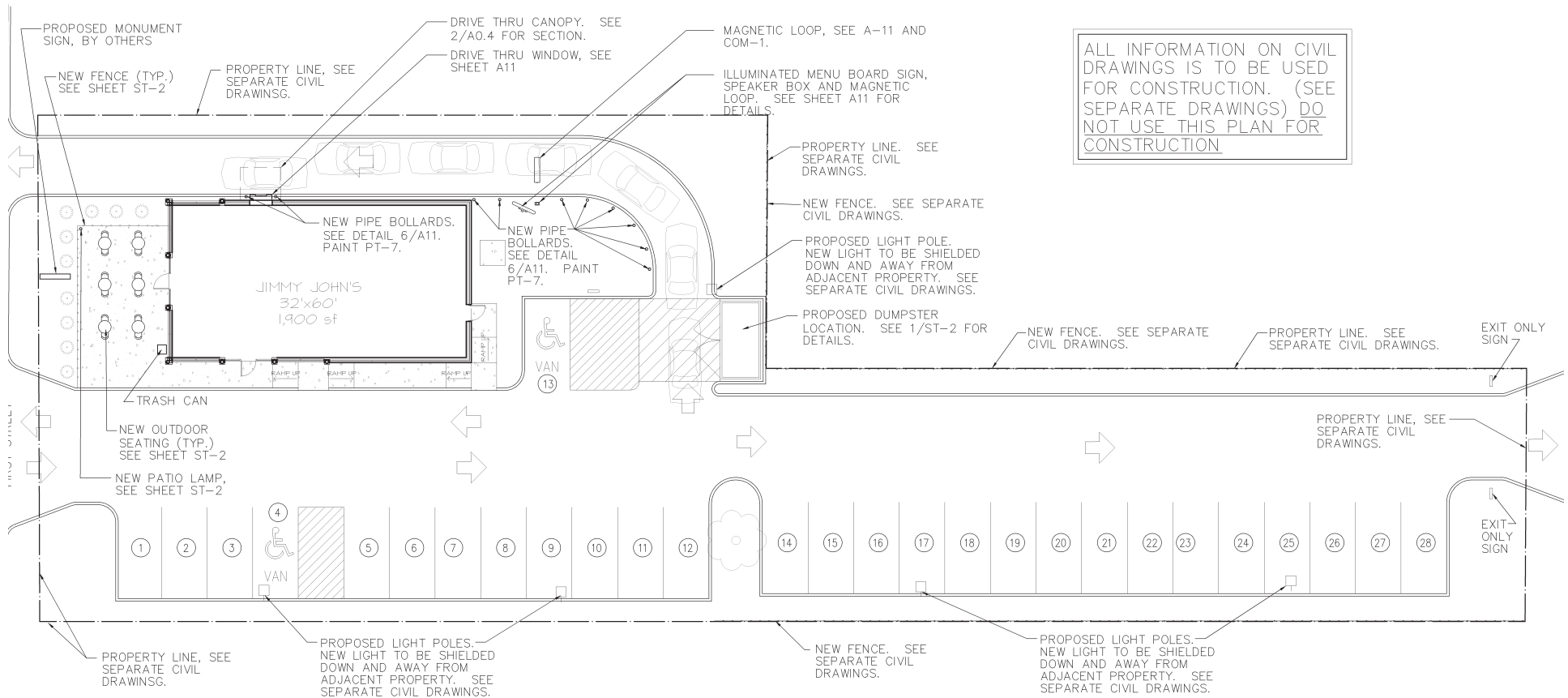


### About the Operator

The franchisee (tenant) is Braakholter, LLC, a Minnesota limited liability company. The primary hands-on operator has worked for Jimmy John's since 2010 and has been a franchisee since 2015. The group currently owns three Jimmy John's franchises in St. Paul and one in Willmar, Minnesota.

The Willmar Jimmy Johns has been open since 2010 and is experiencing steady growth; revenue was up in 2019 by 1.46% over 2018.

## Site Plan





## About the Brand

Jimmy John's Gourmet Sandwiches

**Jimmy John's Franchise, LLC** is an American franchised gourmet sandwich restaurant chain owned by Inspire Brands and specializing in delivery. It was founded by Jimmy John Liautaud in 1983 and is headquartered in Champaign, Illinois. In 35 years, the company has grown to more than 2,800 locations in 43 states.

On January 13, 1983, the first Jimmy John's opened in a garage in Charleston, Illinois. The store was able to realize a profit its first year of business, despite the poor location of the store, due to Jimmy John's willingness to deliver his sandwiches to the nearby dorms at Eastern Illinois University, as well as his handing out free samples for marketing purposes. In 1986, he opened his second store in Macomb, Illinois, and in 1987, he opened a third in Champaign, Illinois. In 1988, Liautaud met Jamie Coulter, who would later become the CEO of Lone Star Steakhouse & Saloon. Coulter mentored Liautaud and "taught him how to effectively run multiple units."



Liautaud continued opening more stores and developed a prototype before beginning franchising in 1994. The first franchise store opened in Eau Claire, Wisconsin. In 2001, the hundredth Jimmy John's store opened in Mt. Pleasant, Michigan. In 2007, the five-hundredth store opened in Seattle, Washington, and in 2010, the one-thousandth opened in Beaverton, Oregon.

CNNMoney listed Jimmy John's as one of ten "Great Franchise Bets." The company estimates that annual sales can be as high as \$1.2 million while net profits can average at about \$280,000. Start-up costs, not including real estate, are estimated to be between \$305,000 and \$485,500. Liautaud realized that in order to grow he would need help acquiring better locations for his stores. Since he had little expertise in real estate, he decided to take on a partner who did. In January 2007, Liautaud sold a 33% stake to Weston Presidio, a San Francisco-based private-equity firm. In the first year after partnering with Weston Presidio, 100 real estate deals were closed.



The company has completed two recapitalizations since Weston Presidio's investment.

In September 2016, Jimmy John's announced that Roark Capital Group had agreed to acquire a majority stake in the company. Terms of the transaction were not immediately disclosed, though it was later clarified that Liautaud retained 35% ownership of the company as part of the deal.

## Brand & Rent Schedule

As part of the agreement, the company's founder and largest individual shareholder Jimmy John Liautaud will continue as chairman of the board.

On September 25, 2019, Inspire Brands announced that it was buying Jimmy John's for an unspecified amount in a deal unanimously approved by Liautaud and the rest of the Jimmy John's Board of Directors. At the close of the deal, Liautaud will step down as chairman of the company and transition to become an adviser to the brand. The acquisition was completed on October 18.

Inspire Brands, Inc., formerly Arby's Restaurant Group, Inc., is a holding company and the owner and franchisor of the Arby's, Buffalo Wild Wings, Sonic Drive-In, Jimmy John's and Rusty Taco restaurant chains. The company's headquarters and Global Support Center is located in Sandy Springs, Georgia, in metro Atlanta's Perimeter Center district. Inspire Brands is owned by Roark Capital Group. The acquisition of Jimmy John's made Inspire the fourth largest restaurant chain group.

| Year | Annual NNN Rent | Monthly NNN Rent | Increase | Cap Rate |
|------|-----------------|------------------|----------|----------|
| 1    | \$ 84,000.00    | \$ 7,000.00      |          | 6.07%    |
| 2    | \$ 86,520.00    | \$ 7,210.00      | 3%       | 6.25%    |
| 3    | \$ 89,115.60    | \$ 7,426.30      | 3%       | 6.44%    |
| 4    | \$ 91,789.07    | \$ 7,649.09      | 3%       | 6.63%    |
| 5    | \$ 94,542.74    | \$ 7,878.56      | 3%       | 6.83%    |
| 6    | \$ 97,379.02    | \$ 8,114.92      | 3%       | 7.03%    |
| 7    | \$ 100,300.39   | \$ 8,358.37      | 3%       | 7.25%    |
| 8    | \$ 103,309.40   | \$ 8,609.12      | 3%       | 7.46%    |
| 9    | \$ 106,408.69   | \$ 8,867.39      | 3%       | 7.69%    |
| 10   | \$ 109,600.95   | \$ 9,133.41      | 3%       | 7.92%    |
| 11   | \$ 112,888.98   | \$ 9,407.41      | 3%       | 8.15%    |
| 12   | \$ 116,275.65   | \$ 9,689.64      | 3%       | 8.40%    |
| 13   | \$ 119,763.91   | \$ 9,980.33      | 3%       | 8.65%    |
| 14   | \$ 123,356.83   | \$ 10,279.74     | 3%       | 8.91%    |
| 15   | \$ 127,057.54   | \$ 10,588.13     | 3%       | 9.18%    |

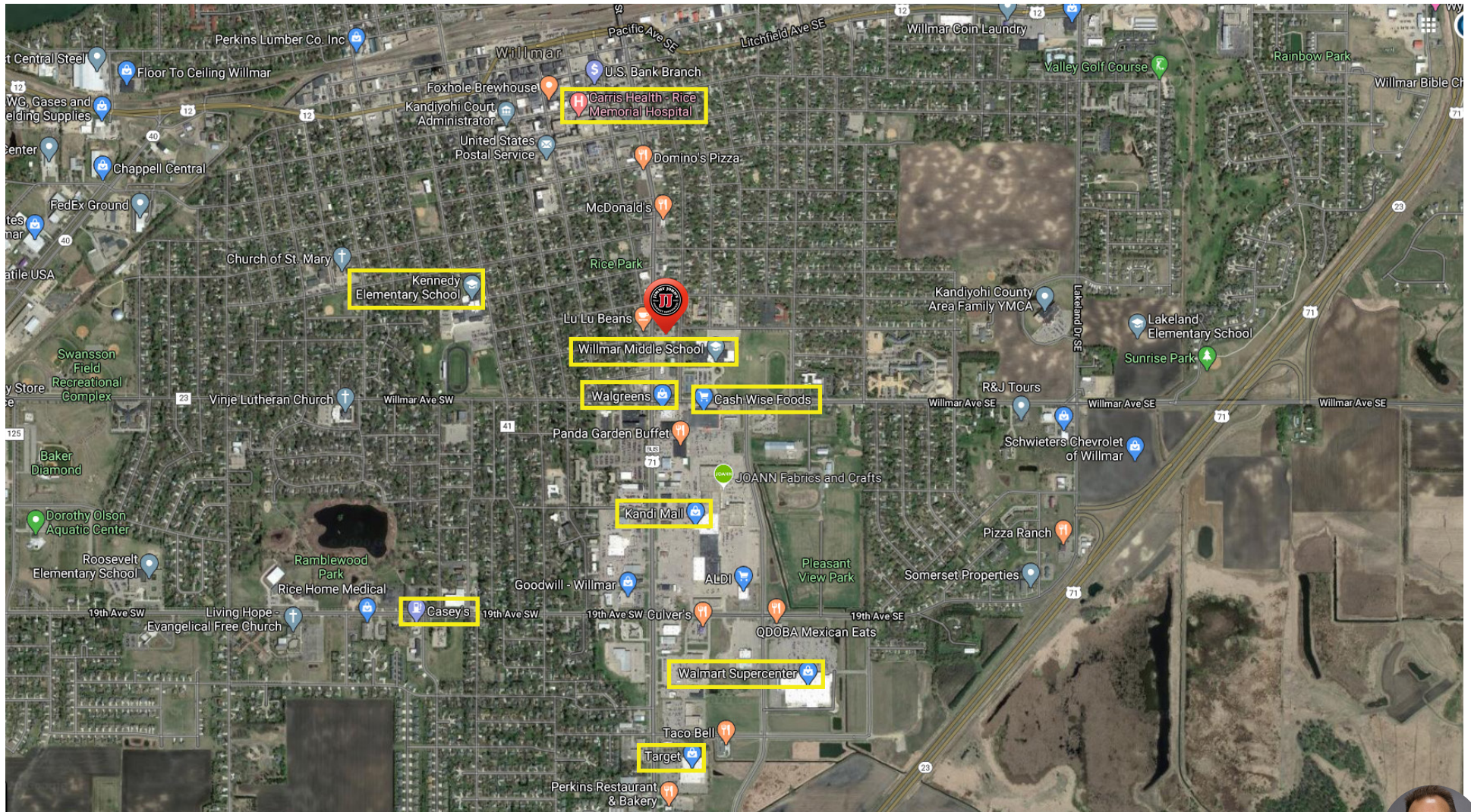




Willmar is a city in West Central Minnesota, approximately 100 miles west of Minneapolis-St. Paul, or approximately 60 minutes southwest of St. Cloud. Willmar is the county seat of Kandiyohi County. The population of the Willmar-Spicer-New London trade area is approximately 25,000. There are four major highways that route through the City of Willmar; US Highways 12 and 71 and State Highways 23 and 40. Willmar has a diverse economy with an emphasis on food processing, light manufacturing and as a regional medical and retail hub. Some of the largest employers include Jennie-O Foods, Willmar School District #347, Kandiyohi County and CentraCare Health Systems. Willmar is also home to Ridgewater Community College with an enrollment of approximately 5500 students.







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