



# PANERA OUTLOT

MACHESNEY PARK, IL

OFFERING MEMORANDUM

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





## EXCLUSIVELY LISTED BY

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# 01

## EXECUTIVE OVERVIEW

PANERA  
OUTLOT







**LIST PRICE: \$3,795,000**



**CAP RATE: 6.85%**



**PRICE PSF: \$462**



**NOI: \$259,935**

## OFFERING SUMMARY

Matthews™ is pleased to exclusively offer the opportunity to acquire a 8,209 square-foot multi-tenant outlot located in Machesney Park, IL, called Panera Outlot. The Property is 100% occupied, featuring a desirable, internet resistant tenant line-up that is comprised of two national service-based operators – Panera Bread and U.S. Cellular.

The Property features two national credit tenants on long-term net leases, Panera (Exp 8/2024) and U.S. Cellular (Exp 3/2024), providing an investor with a stable income stream for years to come, along with ease of management with the property only having two tenants. Panera recently renewed for an additional 5-years, highlighting their commitment to the site and desire to remain here long-term.

Panera Outlot benefits greatly from the best-in-class shadow anchors that provide significant customer traffic to the center on a daily basis. The center is shadow anchored by Super Target, Home Depot, Hobby Lobby, PetSmart, Office Depot and Dollar Tree, in addition to having a Kohl's, Lowe's, Meijer, and Menards located in the immediate surrounding vicinity.

The center is well located off West Lane (20,000 VPD) at a signalized intersection with great access and visibility. Panera Outlot features a strong middle-income demographic customer base with nearly 85,000 residents in a 5-mile radius with average household incomes in excess of \$80,000. The Machesney Park trade area is the premier trade area in northern Rockford – the third largest city in the state of Illinois – and serves a regional customer base with the nearest Target, Home Depot, and Kohl's locations to the north, east, and west being over 25 miles away.

This outstanding investment opportunity is being offered free & clear of existing financing.



**GLA: ±8,209 SF**



**OCCUPANCY: 100%**



**AVG TERM REMAINING: ±4.3 YRS**



# INVESTMENT HIGHLIGHTS



**National Credit Tenants:** Panera Outlot is 100% leased to two national credit tenants, featuring Panera Bread and U.S. Cellular. Panera Bread Company is an American chain store of bakery-café fast casual restaurants with over 2,000 locations, all of which are in the United States and Canada. Its headquarters are in Sunset Hills, Missouri, a suburb of St. Louis. Panera is the 10th largest Quick Service Restaurant chain in the U.S. based on 2018 Total U.S. Revenue, with sales exceeding \$5.7 billion. U.S. Cellular Corporation (NYSE: USM) is a mobile network operator which owns and operates the fifth-largest wireless telecommunications network in the United States, serving over 5 million customers in 426 markets in 23 U.S. states. The company is headquartered in Chicago, IL.



**Long-Term Net Leases:** The Property features two national credit tenants on long-term net leases, Panera (Exp 8/2024) and U.S. Cellular (Exp 3/2024), providing an investor with a stable income stream for years to come, along with ease of management with the property only having two tenants.



**High Performance Internet-Resistant Tenant Mix:** Panera Outlot features an internet-resistant tenancy fully leased to two service-based operators, Panera Bread and U.S. Cellular, that draw sustained, in-person visits from the committed customer base. Panera Bread consistently reports sales around \$3.0M - equating to a very healthy occupancy cost of approximately 6%. As evidenced by the tenant's strong performance at this location, the center is in a desirable position to combat e-commerce growth and sustain its growing customer base long into the future.



**Best-In-Class Shadow Anchors and Surrounding Tenancy:** Panera Outlot benefits greatly from the best-in-class shadow anchors that provide significant customer traffic to the center on a daily basis. The center is shadow anchored by Super Target, Home Depot, Hobby Lobby, PetSmart, Office Depot and Dollar Tree, in addition to having a Kohl's,



**Open and Rent Paying:** All tenants are open for business and are current on rent. Amid the government mandated shutdowns due to Covid-19, the subject Panera was open for carryout, pickup, delivery, and drive-thru orders, and the subject US Cellular was open for business.



**Located at Signalized Intersection with Great Access and Visibility:** The center is well located off of West Lane (20,000 VPD) at a signalized intersection with great access and visibility. It sits right up the road from the intersection of West Lane and N 2nd St., which sees combined traffic counts of approximately 40,000 VPD.



**Regional Draw with Limited Competition:** Panera Outlot sits in the heart of the dominant retail corridor within the submarket. The nearest Target, Home Depot, and Kohl's locations to the north, east, and west are over 25 miles away providing a regional draw to the Property, in addition to serving its customer base in the immediate surrounding communities. The Machesney Park trade area is the premier trade area in northern Rockford – the third largest city in the state of Illinois.



**Desirable Demographics:** Panera Outlot features a strong middle-income demographic customer base with nearly 85,000 residents in a 5-mile radius with average household incomes in excess of \$80,000.



**Unencumbered Asset:** Offered free and clear of any existing financing, a new investor can take advantage of historically low interest rates and ample availability in the capital markets to significantly enhance returns through aggressive capitalization structures.





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OSF  
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AUTO MALL

SHERWIN  
WILLIAMS

PANDA EXPRESS  
CHINESE KITCHEN

ROCKFORD  
Speedway

PIG MINDS  
BREWING

KFC

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DEPOT

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IT'S GONNA BE GREAT  
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GNC  
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WEST LANE  
± 20,000 VPD

ILLINOIS  
BANK & TRUST

FedEx  
verizon  
Pizza Hut

TARGET

PANERA  
OUTLOT

Panera  
BREAD  
U.S. Cellular



chili's

Jersey Mike's  
SUBS  
BUFFALO  
WILD WINGS

Firestone  
COMPLETE AUTO CARE



# 02 VALUATION & ASSUMPTIONS

PANERA  
OUTLOT





## FINANCIAL OVERVIEW

	Total	\$ PSF
<b><u>Income</u></b>		
Rental Income	\$258,839	\$31.53
Expense Reimbursements	\$89,311	\$10.88
<b>Effective Gross Revenue</b>	<b>\$348,150</b>	<b>\$42.41</b>
<b><u>Expenses</u></b>		
Real Estate Taxes	\$48,020	\$5.85
Insurance	\$2,052	\$0.25
CAM	\$24,217	\$2.95
Management Fee (4% of EGR)	\$13,926	\$1.70
<b>Total Operating Expenses</b>	<b>\$88,215</b>	<b>\$10.75</b>
<b>Net Operating Income</b>	<b>\$259,935</b>	<b>\$31.66</b>

## KEY ASSUMPTIONS

### FINANCIAL ASSUMPTIONS

- **Expenses:** Expenses are based off the 2020 Budget and grown at 3% annually. Real Estate Taxes reflect the 2019 (Payable 2020) Tax Bill and grow at 3% annually.
- **Management Fee:** Management Fee is 4% of Effective Gross Revenue.
- **Rental Income:** Analysis reflects Panera's rental increase (beginning 1/1/21) starting Day 1. Seller will provide a rent credit for any shortfall prior to closing.



# 03 ASSET ANALYSIS

PANERA  
OUTLOT





## TAX PARCEL MAP

# PANERA OUTLOT



**ADDRESS**  
1512 West Lane Road  
Machesney Park, IL 61115



**GROSS LEASABLE AREA**  
±8,209 SF



**APN**  
08-20-202-016



**CURRENT OCCUPANCY**  
100%



**LAND AREA**  
±1.0 AC



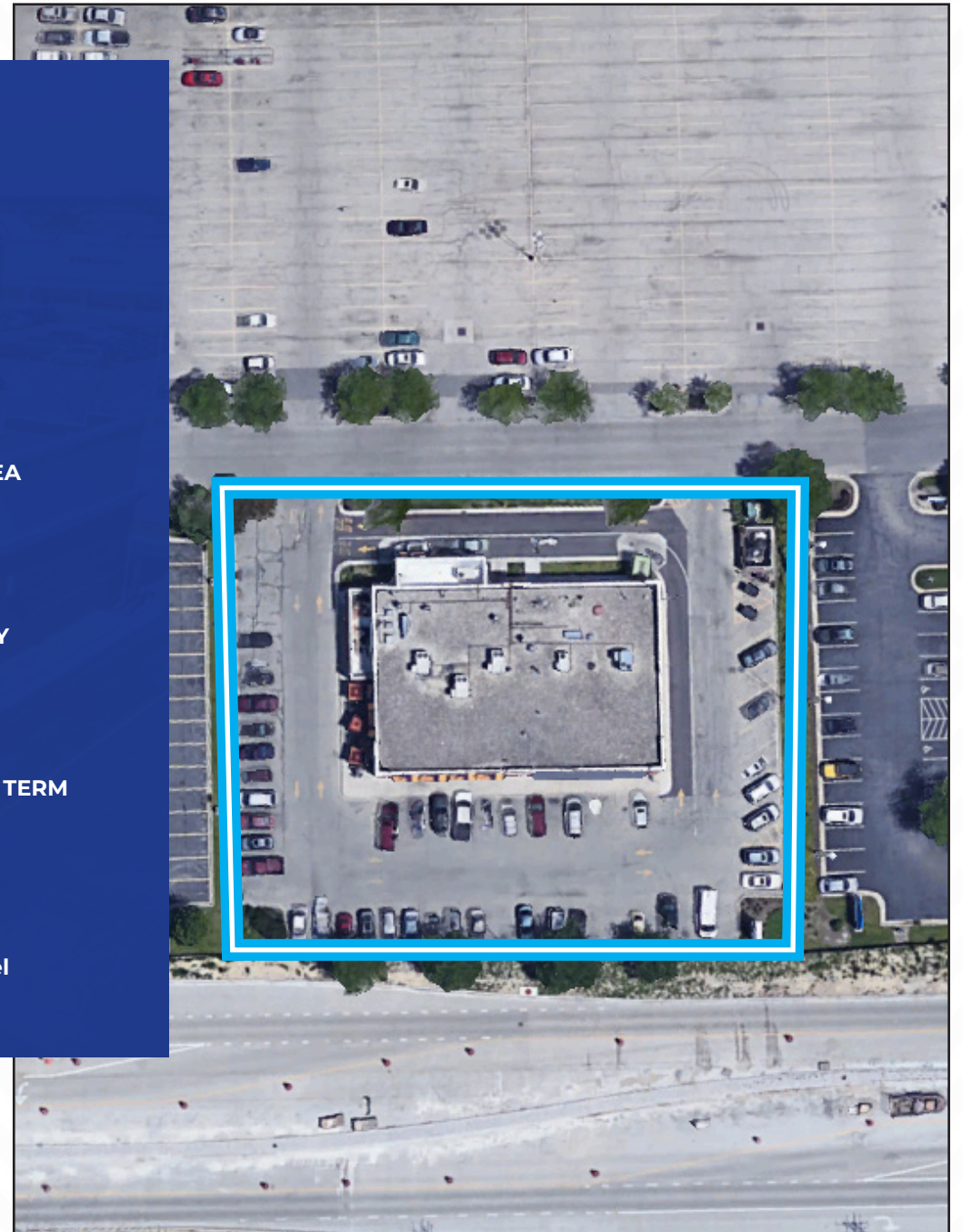
**AVERAGE REMAINING TERM**  
±4.3 YEARS



**YEAR BUILT**  
2004



**PROPERTY TYPE**  
Multi-tenant Outparcel





## SITE PLAN



## TENANT ROSTER

Suite	Tenant	Square Feet
1	Panera Bread	4,494
2	US Cellular	3,715
<b>Totals</b>	<b>2 Suites</b>	<b>8,209 SF</b>



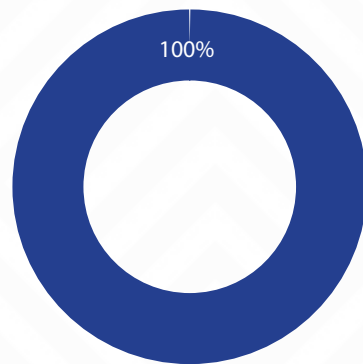


## RENT ROLL

Suite	Tenant	Lease Start	Lease End	Square Feet	% of GLA	Contract Rental Rate		Rent \$ PSF/Yr.	Rent Increases		Recovery Structure	Options
						Year	Month		Date	\$ PSF/YR		
1	Panera Bread	Aug-04	Aug-24	4,494	54.7%	\$148,504	\$12,375	\$33.04	-	-	NNN + MGT	3x5 Years: (1) \$33.67 PSF. (2) \$37.04 PSF. (3) \$40.74 PSF.
2	US Cellular	Mar-14	Mar-24	3,715	45.3%	\$110,336	\$9,195	\$29.70	-	-	NNN + MGT + 10% Adm CAM	2x5 years: (1) \$32.67 PSF. (2) \$35.94 PSF.
<b>Occupied Totals - In Place</b>				<b>8,209</b>	<b>100.0%</b>	<b>\$258,839</b>	<b>\$21,570</b>	<b>\$31.53</b>				
<b>Vacant Totals</b>				<b>0</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0.00</b>				
<b>Totals</b>				<b>8,209</b>	<b>100.0%</b>	<b>\$258,839</b>	<b>\$21,570</b>	<b>\$31.53</b>				

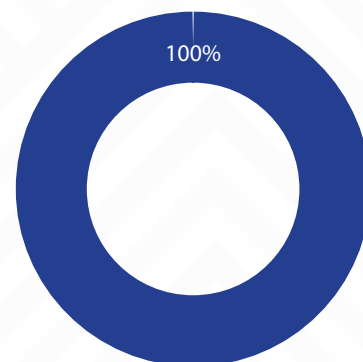


## OCCUPANCY



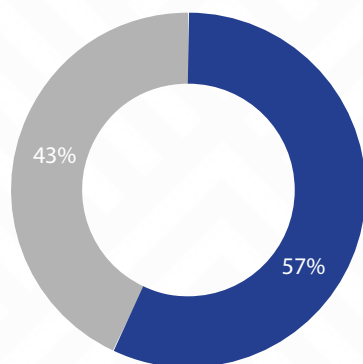
Occupied Totals - In Place

## TENANT BREAKDOWN



National/Credit

## RENT BREAKDOWN



Restaurants Services

# SUMMARY TENANT PROFILE

Tenant Name	Square Feet	Lease Expiration	In-Place Rent	% of Revenue	Tenant Type	Credit
Panera Bread	4,494	Aug-24	\$148,504	57.4%	Restaurant	National/Credit
US Cellular	3,715	Mar-24	\$110,336	42.6%	Services	National/Credit
<b>Total</b>	<b>8,209</b>		<b>\$258,839</b>	<b>100%</b>		









# 04 TENANT OVERVIEWS

PANERA  
OUTLOT







## PANERA BREAD

**Year Founded:** 1987

**Headquarters:** Sunset Hills, MO

Panera Bread Company is an American chain store of bakery-café fast-casual restaurants with over 2,000 locations, all of which are in the United States and Canada. Its headquarters are in Sunset Hills, Missouri, a suburb of St. Louis. The company operates as Saint Louis Bread Company in Greater St. Louis, where it has over 100 locations. Offerings include soups, salads, pasta, sandwiches, specialty drinks, and bakery items. The company, which also owns Au Bon Pain, is owned by JAB Holding Company, which is in turn owned by the Reimann family of Germany. Panera was once the largest provider of free Wi-Fi Hotspots in the United States. In 2005, Panera ranked 37th on Bloomberg BusinessWeek's list of "Hot Growth Companies", earning \$38.6 million with a 42.9 percent increase in profits. Panera was also rated No. 1 for Best Healthy Option, Best Salad, and Best Facilities, among restaurants with fewer than 5,000 locations.



## U.S. CELLULAR

**Year Founded:** 1983

**Headquarters:** Chicago, IL

Considering where to invest your time, talent and ambition? Select the team that's determined to be the best, offering the ability to make a positive difference for every customer, a unique culture and competitive rewards. With more than 5.1 million customers, US Cellular is one of the nation's largest wireless carriers. Consistently honored as a top workplace, they empower their 5,400+ associates to make meaningful contributions to our success and that of the communities where they live and work with outreach, education initiatives and volunteerism.



PANERA  
OUTLET

Nicknamed the Forest City, Rockford is presently known for various venues of cultural or historical significance, including Anderson Japanese Gardens, Klehm Arboretum, Tinker Swiss Cottage, the BMO Harris Bank Center, the Coronado Theatre, the Laurent House, and the Burpee Museum of Natural History. Its contributions

Rockford, Illinois is located in the burgeoning I-90 growth corridor and is part of the 3rd largest economic corridor in the U.S. and close enough to Chicago to feel the breeze off Lake Michigan. The Rockford region offers distinct business advantages that simply cannot be had in the “big” city. This region is home to the nation’s sixth-largest concentration of aerospace production workers. Every contemporary passenger airplane in the sky today has parts made in the Rockford region.



POPULATION	1-MILE	3-MILE	5-MILE
2020 Estimate	4,146	36,422	84,216
2010 Census	4,443	37,273	85,972
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2020 Estimate	1,549	13,954	33,215
2010 Census	1,642	14,300	33,961
INCOME	1-MILE	3-MILE	5-MILE
2020 Avg. Household Income	\$75,145	\$75,592	\$80,338







## CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of Shops at **Panera Outlot** located at **1512 West Lane Road, Machesney Park, IL 61115** ("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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