



MID-AMERICA®



CHIPOTLE

MEXICAN GRILL

5805 WEST SAGINAW HIGHWAY | LANSING, MI

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INVESTMENT OVERVIEW



INVESTMENT OVERVIEW

SUBJECT OFFERING

Mid-America Real Estate Corporation, in cooperation with Mid-America Real Estate-Michigan, Inc., is pleased to present Chipotle located at 5805 West Saginaw Highway in Lansing, Michigan. The site is located approximately 5 miles west of downtown Lansing, which is the state capital of Michigan. The property is comprised of a newly constructed 2,400 SF retail building situated on a 0.63-acre parcel with a drive-thru. Chipotle is subject to a 10-year ground lease with a corporate guaranty and 10% increases every 5 years throughout the primary term and option periods. The site is an outlot positioned at a signalized hard corner directly across from the Lansing Mall. There are 111,075 residents within five miles of the site that have an average household income over \$65,000. This asset's location in a regional trade area at a signalized hard corner with excellent traffic exposure, combined with desirable tenancy and new construction, make it an excellent net lease investment opportunity.

PROPERTY DETAILS

Price: \$2,041,000

Lease Type: Ground Lease

Square Footage: 2,400 SF

Cap Rate: 4.90%

Term Remaining: 9.5 Years

Lot Size: 0.63 Acres

Annual Rent: \$100,000

Rental Increases: 10% / 5

Year Built: 2020

INVESTMENT FEATURES

10 YEAR GROUND LEASE WITH CORPORATE GUARANTY, DESIRABLE TENANT AND RARE SALES REPORTING REQUIREMENT

In 2019, Chipotle signed a 10-year ground lease with a corporate guaranty to open a new restaurant in Lansing. The company is one of the most desirable tenants in the net lease sector, serving high quality, quick serve Mexican cuisine. In 2019, Chipotle had more than 2,600 locations served by 70,000 employees, generating revenues of \$5.6 billion. This was an increase of 14.8% over the prior year. Additionally, the lease contains a rare annual sales reporting requirement which provides long-term transparency and value to buyers.

SIGNALIZED CORNER, EXCELLENT TRAFFIC & VISIBILITY

The site is situated at the signalized, hard corner of West Saginaw Highway and Mall Drive directly across from the Lansing Mall. This intersection is heavily trafficked with more than nearly 37,000 vehicles passing through daily. The property has excellent visibility to customers traveling east and west on West Saginaw Highway, which is the main thoroughfare through this busy retail corridor. Overall, the site is well positioned to capture customers traveling to downtown Lansing or to Michigan State University from the surrounding residential communities.

CLOSE PROXIMITY TO MAJOR ARTERIAL ROUTES

The subject offering is situated approximately two miles from two major arterial interchanges on I-69 and I-469. These two interstates have a combined traffic count over 128,000 vehicles per day and provide convenient access to the trade area, including the Chipotle property.

LARGE POPULATION BASE WITH STRONG HOUSEHOLD INCOMES

The subject offering is prominently located in the main retail trade area of Lansing, MI. Within 1 mile of the site, there are nearly 8,500 residents earning over \$82,000 per household. Furthermore, within five miles, there are more than 111,000 people with an average household income of \$65,000. A large component of the surrounding population is the 62,000 college students that live within ten miles of the site, which are the largest demographic of Chipotle's customer base. These attractive demographics make the property well poised to hold long-term value for Chipotle and many other retailers.

DESIRABLE RETAIL LOCATION IN A STRONG REGIONAL TRADE AREA

The site is a new outlot to the Delta Center, a well positioned Hobby Lobby-Bed Bath & Beyond anchored shopping center across from the Lansing Mall. Proximity to the mall and strong co-tenants in the center create many demand drivers for customers to visit the site. The trade area is home to countless national retailers such as Meijer, Target, Aldi, Burlington, Best Buy, Big Lots, Ashley Furniture, Harbor Freight Tools as well as many fast casual restaurants. The mix of national and regional retailers as well as the Lansing Mall creates a strong attraction to the trade area from well beyond Lansing.

NEWLY CONSTRUCTED BUILDING W/ DRIVE-THRU

The 2,400 SF building was newly constructed to Chipotle's latest prototype and specifications, including a drive-thru and 45 parking spaces. The drive-thru allows this location to accommodate a high volume of vehicles without impeding any of the access points. Overall, the .63-acre parcel and efficient property layout can perfectly accommodate Chipotle as well as many potential future users.

RETAIL TRADE AREA



EAST FACING AERIAL





CHIPOTLE

MEXICAN GRILL



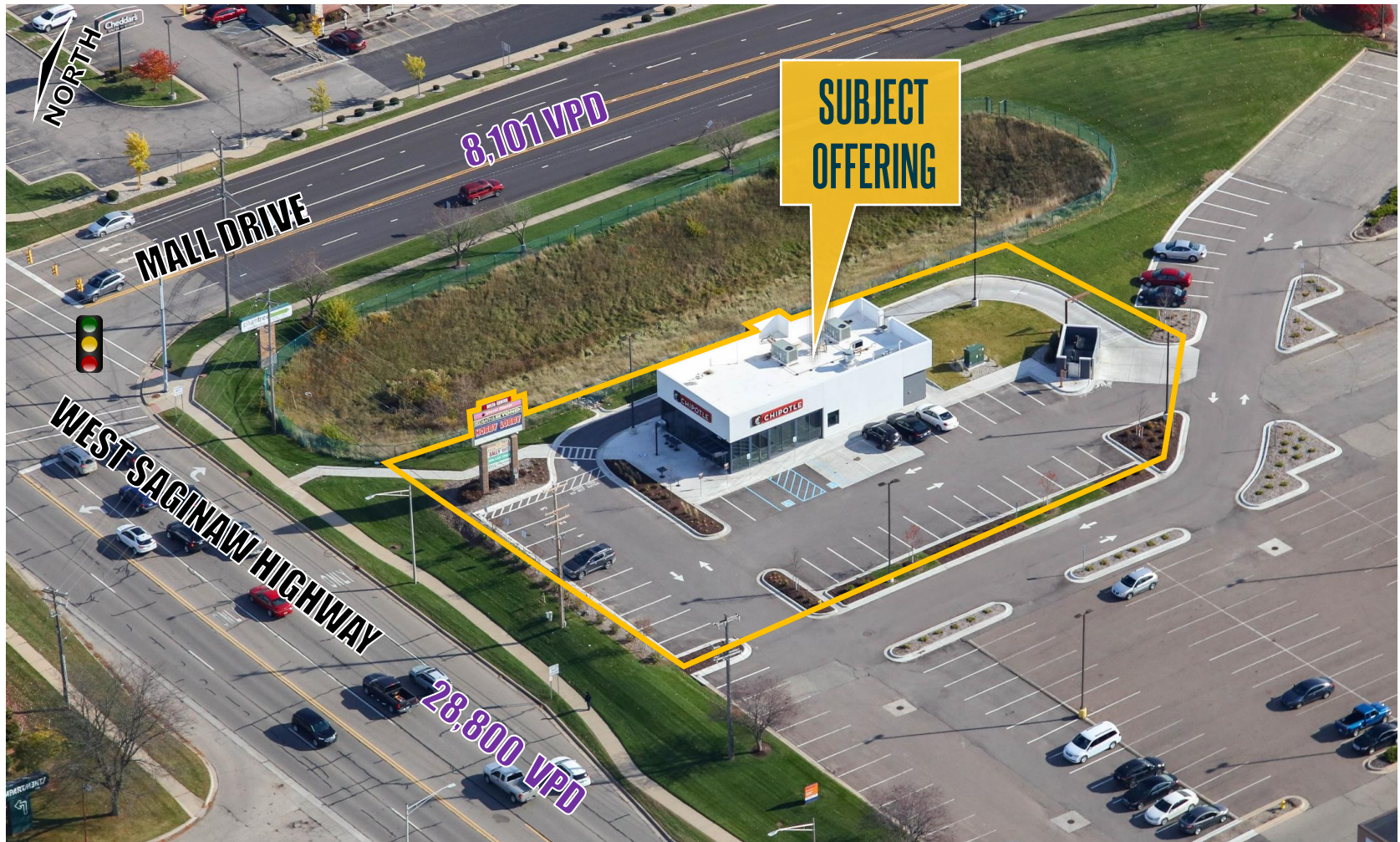
NORTH FACING AERIAL



WEST FACING AERIAL



SITE AERIAL



LEASE / FINANCIAL SUMMARY



LEASE ABSTRACT

Lessee: Chipotle Mexican Grill of Colorado, LLC

Guarantor: Chipotle Mexican Grill, Inc

Address: [5805 W Saginaw Hwy, Lansing, Michigan](#)

Lease Type: Ground Lease

Term Remaining: 9.5 Years

Lease Expiration Date: March 31st, 2030

Options: Three (3) – Five (5) Year Options

Year Built: 2020

Building Size: 2,400 SF

Land Area: 0.63 Acres

Parking Spaces: 45

Annual Rent: \$100,000

Rental Increases: 10% increases every 5 years during the primary term and option periods

Taxes: Tenant shall pay directly at option of Landlord

Utilities: Tenant shall pay directly

Tenant Insurance: Tenant maintains insurance

Landlord Insurance: None

Estoppel: Within thirty (30) days after written request

CAM*: Tenant shall pay to Landlord monthly in additional to the base rent their pro rata share of expenses for the Common Areas

Tenant Responsibilities: Tenant shall keep the premises in good order and repair, the storefront, doors, walls, floors, ceilings, signs, windows, plate glass, patio area, all plumbing, sewage and electrical facilities, HVAC systems and equipment, the roof and the slab of the Building

Landlord Responsibilities*: Landlord shall maintain, repair, replace the Adjacent Common Areas and the costs thereof shall be including in Shopping Center Operating Costs

Sales Reporting: Within thirty (30) days of written request Landlord, and not more than once in 12-month period, a written statement of the amount of Gross Sales during the preceding Lease Year

*These responsibilities shall be done by the shopping center owner and will be billed directly to Chipotle

FINANCIAL SUMMARY

PRICE **\$2,041,000** CAP RATE **4.90%**

YEARS	ANNUAL BASE RENT	MONTHLY RENT	YIELD	RENTAL INCREASE
1-5	\$100,000	\$8,333	4.90%	-
6-10	\$110,000	\$9,167	5.39%	10%
Average Yield Throughout Primary Term			5.14%	
OPTION 1				
11-15	\$121,000	\$10,083	5.93%	10%
OPTION 2				
16-20	\$133,100	\$11,092	6.52%	10%
OPTION 3				
21-25	\$146,410	\$12,201	7.17%	10%
Average Yield Throughout Option Periods			6.54%	

TENANT OVERVIEW



TENANT OVERVIEW

Tenant: Chipotle Mexican Grill, Inc	Number of Stores: 2,622
Stock Symbol (NYSE): CMG	Market Cap: \$29.12 Billion
Credit Rating: NR	Total Assets: \$5.14 Billion
Headquarters: Newport Beach, CA	Revenue (2019): \$5.6 Billion
Year Founded: 1993	Net Income (2019): \$350.12 Million



Chipotle Mexican Grill, Inc. is an American company, operating a chain of fast casual restaurants in the United States, United Kingdom, Canada, Germany, and France, specializing in Mexican food. Chipotle's menu consists of four main items: burritos, bowls, tacos, and salads. Chipotle is one of the pioneers of the fast-casual dining segment. Chipotle's customer value proposition is to provide food with integrity through using high-quality ingredients from humane, sustainable and environmentally friendly sources. Chipotle serves more naturally raised meat than any other restaurant chain demonstrating its commitment to these values.

Founded by Steve Ells in July 1993, Chipotle had 16 restaurants all located in Colorado, when McDonald's Corporation became a major investor in 1998. By the time McDonald's fully divested itself from Chipotle in 2006, the chain had grown to over 500 locations. All of Chipotle's restaurants are company-owned, rather than franchised. Today, Chipotle has more than 70,000 employees with approximately 2,600 locations. In 2019, Chipotle's revenues were \$5.6 billion, an increase of 14.8% over the prior year with a net income of approximately \$350 million.

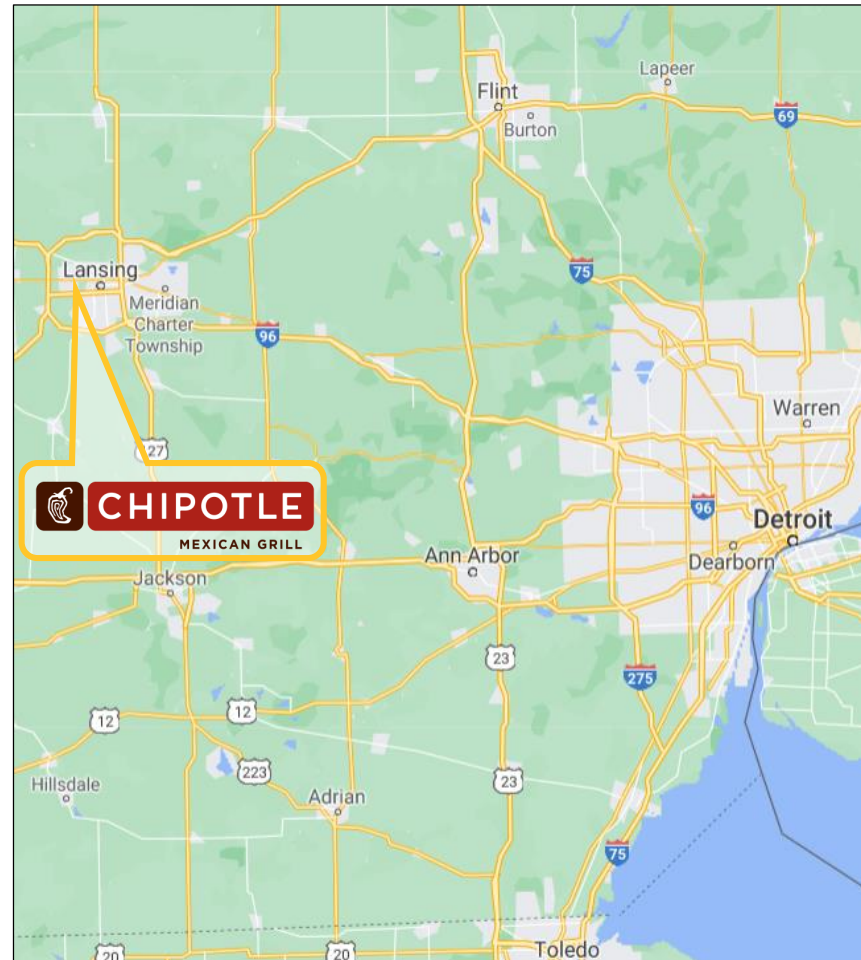
MARKET OVERVIEW & ANALYSIS



LANSING OVERVIEW

Lansing is a diverse, robust capital city with a collection of vibrant neighborhoods that offer attractions for every person, every season, and every budget. In 1859, Lansing was incorporated as a city and currently has the 5th largest population with over 119,000 people. Lansing offers both small-town living and urban city living options and is within a two-hour drive of 90% of Michigan's population. The village is well known for its cultural attractions that include the Michigan History Center, which showcases unique items that have been carefully selected to reflect Michigan's rich heritage; the Supreme Court Learning Center, a museum-style gallery filled with exhibits, hands-on activities, and computer programs for kids; and the Potter Park Zoo. The city's consumer base is comprised of both blue-collar and white-collar professionals that have an average household income over \$65,000.

The subject offering is situated off West Saginaw Road, which is the primary thoroughfare through Lansing's main retail trade area. The site sits at a signalized hard corner and has a combined traffic count over 36,000 VPD. The property is an outlot to a shopping center that is directly across from the Lansing Mall. The mall anchors a retail corridor that contains over 1.3 Million square feet.



LANSING – EAST LANSING MSA

MSA OVERVIEW

The Lansing- East Lansing MSA is a major metropolitan area that encompasses three counties in central Michigan, colloquially the area is known as “Mid-Michigan”. The region is the 3rd largest MSA in Michigan, with a population over 550,000 residents. The MSA has a diverse economy built on government, education, manufacturing, healthcare, and insurance. The metropolitan area is anchored by the city of Lansing, which is the state capitol of Michigan. Lansing serves as an important center of economic, government, commercial and industrial activity for the greater region. Furthermore, the area is also home to one of the largest universities in the country, Michigan State University, which has a combined undergraduate and graduate student population of more than 50,000 and approximately 540,000 living alumni worldwide. The nation’s first land-grant institution, MSU is located in East Lansing and frequently ranks among the top 30 public universities in the US and the top 100 research universities in the world. The university drives a significant portion of the 5.3 million annual visitors to Lansing due in large part to the school’s athletic teams that compete in the Big Ten conference and are often nationally ranked, in football and men’s basketball.

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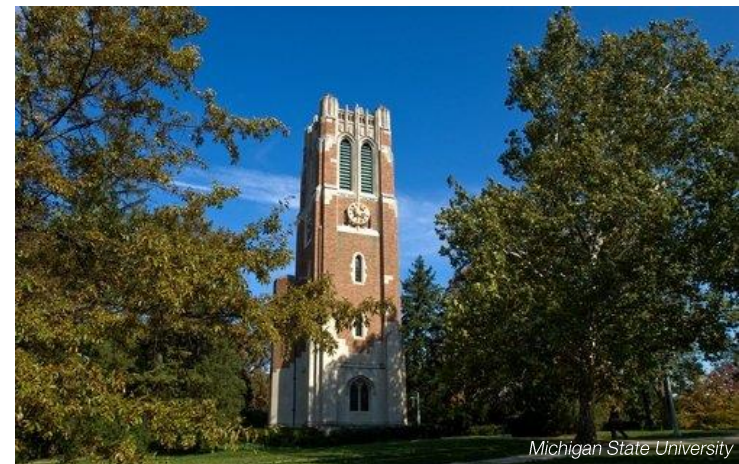
*Largest MSA in
the State*

550

*Thousand Residents
In MSA*

5.3

*Million Annual
Tourists*



LANSING – EAST LANSING MSA

ECONOMIC OVERVIEW

The Lansing-East Lansing MSA's major industries include government, education, insurance, healthcare, and automobile manufacturing. Some of the largest employers in the Lansing region are the State of Michigan, Michigan State University, Sparrow Health System, General Motors, and Auto-Owners Insurance. General Motors has multiple corporate offices as well as two of their newest high-tech manufacturing facilities in the country that have received over \$750 million of investment in recent years, thus demonstrating General Motor's commitment to the Lansing area. The local economy has diversified recently by attracting several Fortune 500 insurance companies to the area. There are currently 10,000 insurance employees in the Greater Lansing Area alone, making it the unofficial insurance capital of Michigan. The emergence of a new industry has led to significant economic growth as well as attracted many young professionals to the area, which is reflected in physical development projects. Over the last 2 years, \$3 billion dollars in development projects have been completed in the Lansing-East Lansing MSA.

LANSING'S LARGEST EMPLOYERS

Rank	Employer	Sector	# of Employees
1	State of Michigan	Government	14,390
2	Michigan State University	Education	11,400
3	Sparrow Health Systems	Healthcare	7,000
4	General Motors	Auto	5,800
5	Auto-Owners Insurance Group	Insurance	3,700
6	Lansing Community College	Education	3,144
7	Lansing School District	Education	3,000
8	McLaren Health	Healthcare	3,000
9	Peckham, Inc.	Non-Profit	2,510
10	Meijer	Retail	2,000

Source: Lansing Area Economic Partners



GM Lansing Delta Township Plant

DEMOGRAPHIC OVERVIEW

Population	1 Mile	3 Miles	5 Miles
2020 Population	8,447	42,482	111,075
2025 Projected Population	8,386	42,703	112,791
Workplace Establishments	471	1,662	4,420
Households	1 Mile	3 Miles	5 Miles
2020 Households	4,173	19,341	47,608
2025 Projected Households	4,177	19,526	48,549
Persons per Household	1.97	2.18	2.31
Income	1 Mile	3 Miles	5 Miles
Average Household Income	\$82,145	\$78,324	\$65,076
Median Household Income	\$59,615	\$61,975	\$51,084
Per Capita Income	\$38,689	\$35,413	\$27,989

DEMOGRAPHIC PROFILE WITHIN 5-MILE RADIUS:



POPULATION
111,075



HOUSEHOLDS
47,608



AVERAGE HH INCOME
\$65,076

LEGAL DISCLAIMER





LEGAL DISCLAIMER

The Offering Memorandum ("The Memorandum") is intended solely for the limited use of The Potential Purchaser in considering whether to pursue negotiations to acquire 5805 W Saginaw Hwy, Lansing, Michigan, 48917 ("The Property"). The Memorandum, prepared by Mid-America Real Estate Corporation, in cooperation with Mid-America Real Estate-Michigan, Inc. (Hereinafter collectively referred to as "MAREC"), contains brief, selected information pertaining to the operation of The Property and Owner does not purport to be all-inclusive or to contain all the information, which The Potential Purchaser may desire. The Memorandum will be delivered with the understanding that The Potential Purchaser will conduct its own analysis and investigation of The Property, independently and without reliance upon The Owner, MAREC or The Memorandum and based on such documents, information and other matters as The Potential Purchaser, in its sole discretion, deems appropriate in evaluating a purchase of The Property. In furnishing The Memorandum, MAREC and/or The Owner reserve(s) the right to request the return of The Memorandum (including all copies or partial copies), or any other information provided, at any time. Neither The Owner nor MAREC or any of their officers, employees or agents make any representation or warranty, expressed or implied, as to the accuracy or completeness of The Memorandum or any oral or written communication transmitted from MAREC and/or The Owner to The Potential Purchaser and no legal liability is assumed or to be implied with respect thereto. By accepting The Memorandum, The Potential Purchaser agrees that The Memorandum's contents and any other information pertaining to The Property and provided to The Potential Purchaser are confidential and proprietary; that The Memorandum and the information contained therein or provided is the property of The Owner and/or MAREC, that it will hold and treat The Memorandum and information provided in the strictest of confidence; that it will not, directly or indirectly, disclose or permit anyone else to disclose The Memorandum's contents without prior written authorization; and, that it will not use or permit to be used The Memorandum or The Memorandum's contents in any fashion or manner detrimental to the interest of The Owner and/or MAREC or in violation of the obligation to maintain such information and The Memorandum in strict confidence. However, The Potential Purchaser may disclose such confidential information to its employees, auditors, financial advisors, directors and/or counsel to whom it is reasonably necessary for purposes of evaluating The Property provided such disclosure is made pursuant to this agreement, all reasonable precautions are taken to safeguard the information and parties are informed of the need to maintain the information as confidential. The Potential Purchaser agrees that photocopying or other duplication of information provided by The Owner and/or MAREC is strictly prohibited. The Owner expressly reserves the right, at its sole discretion, to reject any or all proposals or expressions of interest in The Property and to commence, participate in, or terminate discussions with any party at any time with or without notice. The Potential Purchaser acknowledges that The Owner has no obligation to discuss or agree to the sale of The Property. Notwithstanding that The Potential Purchaser and The Owner may reach one or more oral understandings or agreements on one or more issues that are being discussed, neither party shall be bound by any oral agreement of any kind and no rights, claims, obligations or liabilities of any kind, either express or implied, shall arise or exist in favor of or be binding upon either party except to the extent expressly set forth in a written agreement signed by both parties. The Memorandum shall not be deemed a representation of the state of affairs of The Property nor constitute an indication that there has been no change in the business or affairs of The Property since the date of its preparation. The Potential Purchaser agrees not to contact the tenants, leasing MARECs or property management staff of The Property in connection with its review of The Property. Any and all questions related to The Memorandum or The Property must be directed to MAREC. In the event The Potential Purchaser decides not to pursue the acquisition of The Property, The Potential Purchaser agrees to return The Memorandum and all copies (including partial copies) to the appropriate representative of MAREC.



LEGAL DISCLAIMER

Representation The Potential Purchaser understands and agrees that MAREC is not representing The Potential Purchaser in this Proposed Sale. MAREC is only representing The Owner in this Proposed Sale.

Americans with Disabilities Act The United States Congress has enacted the Americans With Disabilities Act. Among other things, this act is intended to make business establishments equally accessible to persons with a variety of disabilities. As such, modifications to real property may be required. State and local laws also may mandate changes. Neither The Owner nor MAREC is qualified to advise The Potential Purchaser as to what, if any, changes may be required now, or in the future. The Potential Purchaser should consult the attorneys and qualified design professionals of its choice for information regarding these matters. Neither The Owner nor MAREC can determine which attorneys or design professionals have the appropriate expertise in this area.

Hazardous Materials Disclosure Various construction materials may contain items that have been or may in the future be determined to be hazardous (toxic) or undesirable and as such may need to be specifically treated, handled or removed. Due to prior or current uses of The Property or the area, there may be hazardous or undesirable metals, minerals, chemicals, hydrocarbons or biological or radioactive items (including electric and magnetic fields) in soils, water, building components, above or below-ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Neither The Owner nor MAREC has expertise in the detection or correction of hazardous or undesirable items. Expert inspections are necessary. Current or future laws may require clean up by past, present and/or future owners and/ or operators. It is the responsibility of The Potential Purchaser to retain qualified experts to detect and correct such matters.

Remedies If there is a breach or threatened breach of any provision of these Conditions of Offering, The Owner and/or MAREC shall be entitled to seek redress by court proceedings in the form of an injunction restraining The Potential Purchaser without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy and/or a decree for specific performance without any bond or other security being required. Nothing herein shall be construed as prohibiting The Owner and/or MAREC from pursuing any other remedies at law or in equity, which it may have. If The Owner and/or MAREC is involved in a court proceeding to enforce the covenants contained in these Conditions of Offering and The Owner and/or MAREC prevails in such litigation, The Potential Purchaser shall be liable for the payment of The Owner and/or MAREC's reasonable attorneys' fees, court costs and ancillary expenses together with such other and further relief as available under any applicable statute.

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies.

For further information contact the owner's exclusive representatives:

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