



## OFFERING MEMORANDUM

**AMERICAN VALUE REALTY**  
Smart Investing

**JACK IN THE BOX**  
703 IMPERIAL AVENUE  
CALEXICO, CA 92231





# TABLE OF CONTENTS



INVESTMENT OVERVIEW 3

AREA OVERVIEW 7

FINANCIAL OVERVIEW 9

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**AMERICAN VALUE REALTY**  
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# INVESTMENT OVERVIEW



Address :	703 Imperial Avenue Calexico, CA 92231
Price :	\$ 2,922,267
Net Operating Income (Annual) :	\$ 153,419
Cap Rate :	5.25 %
Building :	Approximately 3,600 SF
Land :	15,631 SF
APN :	058-413-006 & 007
Sale Interest :	Fee Simple (Building + Land)



## INVESTMENT HIGHLIGHTS

### Corporate Lease

Jack In The Box is a publicly traded company (NASDAQ : JACK) with over 2,200 locations.

### Long Term Stability

Jack In The Box signed the original lease in 1972. They have a 48 year operating history at this location. They have consistently extended the lease and shown a commitment to the location.

### Well Above Average Unit Sales

The restaurant enjoys an exceptional sales volume above \$ 3 mil.

### Percentage Rent

Due to tenant's high sales, the landlord will enjoy increased rental income from tenant's percentage rent.

### Zero Landlord Expenses

This is an absolute triple net lease with tenant responsible for all maintenance and operating expenses.

### Hard Corner Location

The property is located at the signalized hard corner of Imperial Avenue and 7<sup>th</sup> Street, a high traffic intersection with over 40,000 vehicles per day traffic count.





OLD NAVY BANANA REPUBLIC  
Levi's Nike Factory Store  
RACK ROOM SHOES AMERICAN EAGLE  
GAP

U.S. Immigration and Customs Enforcement  
CALEXICO WEST PORT OF ENTRY

SITE



Imperial Avenue



2nd St



7th St



Food 4 Less  
RITE AID  
Carl's Jr.  
STARBUCKS COFFEE  
SUBWAY



Imperial Valley Campus

MEXICO

UNITED STATES

N

CALIFORNIA  
98



← SAN DIEGO

VIEW NORTH

PHOENIX →



**SUBJECT  
PROPERTY**

IMPERIAL AVENUE



MEXICO



VIEW SOUTH

IMPERIAL AVENUE

SUBJECT PROPERTY



### IMPERIAL COUNTY / CALEXICO, CALIFORNIA

Calexico is a city in Imperial County situated on the U.S. — Mexico border. It is known as the International Gateway City with a blend of American and Mexican cultures. It has a population of approximately 40,000 and is linked economically with the much larger city of Mexicali, the capital of the Mexican state of Baja California.

The Calexico Border Crossing (East and West) is the 3<sup>rd</sup> busiest Land Port of Entry in California.

- 4 million northbound vehicles cross each year.
- 4.8 million northbound pedestrians cross each year.

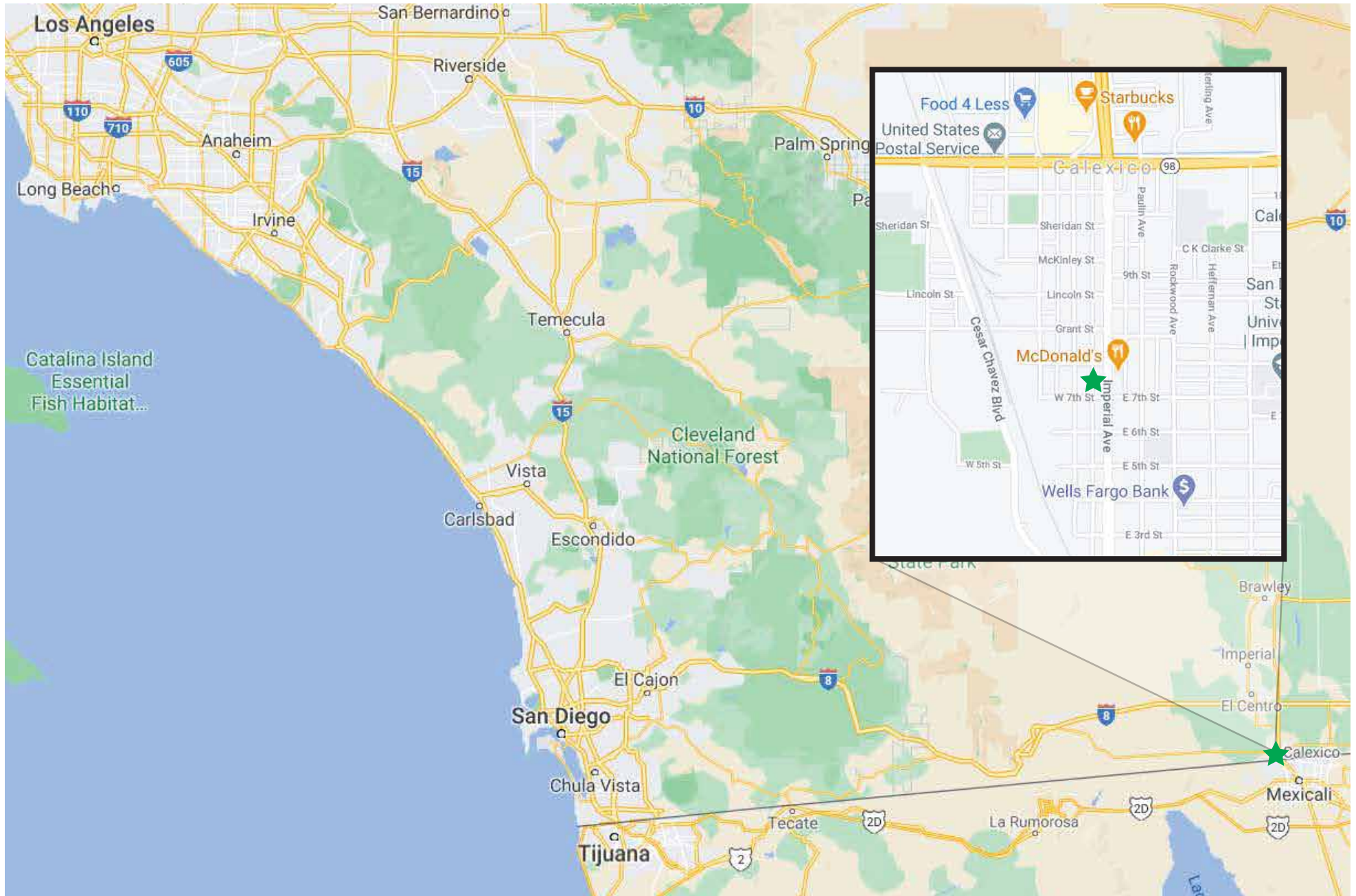


### MEXICALI, MEXICO

- Population of over 1,100,000 in the Mexicali metropolitan region.
- The City of Mexicali has one of the highest per capita incomes in the country along with some of the lowest unemployment rates.
- There are over 200 maquiladoras that operate in Mexicali, including companies such as: Honeywell, Gulfstream, Cardinal Health, Goodrich corporation, Mitsubishi, Daewoo, Kenworth, Black & Decker, Sony, Kellogg's, Coca-Cola, UTC aerospace systems, Sunpower, LG Electronics, BOSCH and Autolite among others.
- In total, the three ports of entry in Imperial County facilitated bi-national trade valued at over \$8 Billion in 2015. Calexico provides the only rail connection from California into Central Mexico and has direct freight rail routes to Los Angeles in the west and El Paso in the east.



**703 IMPERIAL AVENUE, CALEXICO, CA 92231**





# FINANCIAL OVERVIEW



## LEASE SUMMARY

Address :	703 Imperial Avenue Calexico, CA 92231
Tenant :	Jack In The Box
Lease Guarantor :	Jack In The Box, Inc.
Lease Type :	Net Net Net
Lease Term :	12/1/2017 - 11/30/2022
Annual Rent :	Base Rent : \$ 95,000 Percentage Rent : <u>\$ 58,419 (1)</u> Total Rent : \$ 153,419
Option Periods :	3 x 5 years
Rent Increases :	CPI every 5 years
Taxes and Insurance :	Tenant
Maintenance :	Tenant
Roof and Structure :	Tenant
Landlord Responsibility :	None
Right of First Refusal :	Yes, 10 days

(1) Percentage Rent : Tenant pays 4.5 % of all annual sales in excess of \$ 2,111,111 as additional percentage rent.

	Total Sales	Percentage Rent
2018	\$ 3,671,256	\$ 70,206
2019	\$ 3,478,817	\$ 61,547
2020	\$ 3,077,856	\$ 43,504
3 year average	\$ 3,409,310/year	\$ 58,419/year





## TENANT OVERVIEW



Jack in the Box is an American fast-food restaurant chain founded in 1951. It is headquartered in San Diego, California, and operates over 2,240 locations across 21 states and Guam. Jack in the Box is one of the nation's largest hamburger chains.

Founder Robert O. Peterson was already an owner of several successful restaurants when he opened Topsy's Drive-In in San Diego in 1941. Several more Topsy's were opened and eventually renamed Oscar's, a chain with circus-like décor featuring drawings of a starry-eyed clown. This clown would eventually become the face of Jack in the Box when the El Cajon Boulevard restaurant was converted in 1951 to a hamburger stand focused on drive-through service. While the drive-through concept was not new, Jack in the Box offered the innovation of a two-way intercom system, a device Peterson had obtained the rights for in 1947. The company would become the first major chain to use the system, making drive-through service the focus of operations.

Peterson's holding company for the Jack in the Box brand was called Foodmaker, Inc.

In 1968, Peterson sold Foodmaker to Ralston Purina Company and locations began to be franchised. However, in 1985, Ralston Purina decided it was a non-core asset and elected to sell it to management after 17 years. Management subsequently took the company public, and today it trades on the NASDAQ exchange under ticker symbol "JACK."

### PARENT COMPANY PROFILE

Company	Jack in the Box, Inc.
Type	Public
Exchange	NASDAQ
Stock Symbol	JACK
# of Restaurant	2,241
Total Revenue (FY2020)	\$ 1.021 billion
Net Earnings (FY2020)	\$ 89.764 million
Total Assets (FY2020)	\$ 1.906 billion
Tenant Business	Quick Service Restaurant
Founded	1951
Headquarters	San Diego, CA
Website	<a href="http://www.jackinthebox.com">www.jackinthebox.com</a>



# DEMOGRAPHICS



## DEMOGRAPHICS

POPULATION	1-Mile	3-Mile	7-Mile
2020	15,877	38,819	49,668
2025	15,968	39,592	51,318
HOUSEHOLDS	1-Mile	3-Mile	7-Mile
2020	4,526	10,204	12,864
2025	4,554	10,405	13,287
INCOME - Average Household	1-Mile	3-Mile	7-Mile
2020	\$ 45,929	\$ 55,950	\$ 59,199
2025	\$ 49,292	\$ 61,176	\$ 65,290

