



FEATURING "CHIPOTLANE" APP-BASED DRIVE-THRU

OFFERING MEMORANDUM

PRESERVE
WEST
CAPITAL



KABAT
Real Estate Solutions

Right Locations. Successful Businesses.

Chipotle
Hixson, TN | Chattanooga MSA

www.preservewestcapital.com



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The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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PROPERTY HIGHLIGHTS



**TOWNEPLACE
SUITES**
MARRIOTT

90-Room TownePlace Suites
(Early 2022 Completion)

- New 15-Year Absolute NNN Lease to Chipotle (NYSE: CMG)
 - Scheduled 10% Rental Escalations Every 5 Years
 - No Landlord Maintenance Obligations
- Excellent Access and Visibility Along Highway 153 Retail Corridor – 50,023 AADT
 - Nearby Anchor Tenants Include Target, Walmart, ALDI, TJ Maxx, CVS, Walgreens, & More
- Pandemic-Resistant Use Well-Adapted to Drive-Thru & Carry Out Business
- Highly Functional Footprint Featuring “Chipotlane” Drive-Thru Component
 - Contactless App-Based Ordering Ideal for Pandemic Precautions
- Robust Demographics in Surrounding Area
 - Population of 91,509 within 5 Mile Radius
 - Average Household Income of \$80,881 within 3 Miles of Site
- Approximately 7 Miles from Downtown Chattanooga



Location

The property is located at 5248 Highway 153 in Hixson, Tennessee.

Lot Size

Approximately 0.64 acres or 27,878 square feet.

Improvements

Construction was completed in March 2021 of a 2,325 square foot retail building featuring a drive-thru component and outdoor dining patio area for **Chipotle**.

Parking

There is ample parking available on site.

Lease

Leased to **Chipotle Mexican Grill of Colorado, LLC** and guaranteed by **Chipotle Mexican Grill, Inc.** for fifteen years from an estimated rent commencement date of July 13, 2021 through July 31, 2036 at an initial annual rent of \$120,900. There are three (3) five-year options to renew the lease. Rent is to increase by 10% in years 6, 11, and at the start of each option period. The lease is net with tenant responsible for all taxes, insurance, and maintenance.

Financing

This property will be delivered free and clear of permanent financing.

PRICE

\$3,023,000

4.00% Return

Annual Rent

Years	Rent	Return
1-5	\$120,900	4.00%
6-10	\$132,990	4.40%
11-15	\$146,289	4.84%
16-20 (Option 1)	\$160,913	5.32%
21-25 (Option 2)	\$177,002	5.86%
26-30 (Option 3)	\$194,719	6.44%



Chipotle Mexican Grill, Inc. (NYSE: CMG) operates a chain of fast-casual Mexican restaurants serving burritos, tacos, burrito bowls, and salads. The company prepares the majority of its ingredients on site, and is set apart by its use of high-quality natural ingredients and fresh produce. The company has expanded its footprint dramatically in recent years, with more than 2,480 locations nationwide; because the company does not franchise, all locations are corporate stores. The chain's focus on food quality and distinctive interior design provides an experience that is more in line with a full service restaurant, coupled with the speed and convenience of fast food.

In 2019, Chipotle introduced their new “Chipotlane” drive-thru concept, allowing customers to place orders via the Chipotle app or website to be picked up at the “Chipotlane” without leaving their cars. Chipotlanes are expected to be included in more than 60% of new Chipotle restaurants. Despite stay-at-home orders in recent months, Chipotle successfully navigated the first quarter with digital sales growing more than 80% year over year.

With the success of digital sales, Chipotle has unveiled a new restaurant concept, “Chipotle Digital Kitchen.” The concept will allow Chipotle to build on its growing digital sales while entering more urban and non-traditional venues that would not otherwise support a full-size restaurant. These locations will service only pick-up and delivery via app-based or third party orders as well as catering.

For 2020, the company reported revenue of \$5.98 billion, net income of \$355.8 million, and total stockholder equity of \$2.02 billion.

SITE PLAN

Future
Development



AERIAL

NORTH VIEW



DOLLAR GENERAL
HARBOR FREIGHT TOOLS
Quality Tools at Remarkably Low Prices

DUNKIN'
KFC

Visionworks
sleep number

SUBWAY
ups

FedEx Office
Print & Ship Services

MIDAS

153
Tennessee

(50,023 AADT)

planet fitness

LOWE'S
Home Improvement Warehouse

Hixson Pike

PANDA EXPRESS
CHINESE CHINESE

Logan's
ROADHOUSE

TOWNEPLACE SUITES
MARRIOTT

90-Room TownePlace Suites
(Early 2022 Completion)

Starbucks

T-Mobile

Ashley HOMESTORE
HOBBY LOBBY
STAPLES
Walgreens
McDonald's
THE HOME DEPOT

ZAXBY'S
O'Charley's
Steak 'n Shake
CHUCK E. CHEESE'S
Red Lobster
FIVE GUYS
Tanera BREAD
JIMMY JOHN'S

NORTHGATE MALL

AMC THEATRES
ROSS DRESS FOR LESS
belk
TJ-maxx
MODERN, SOUTHERN STYLE.

Burlington
coat factory
Michaels
Where Creativity Happens
chili's
ULTA BEAUTY
OLD NAVY
HIBBETT SPORTS
GAME TESTED. ATHLETE APPROVED.
SALSARITA'S
FRESH MEXICAN GRILL
Applebee's
GRILL & BAR
Arby's

Bargain Hunt **BOOKS-A-MILLION**

AERIAL

SOUTH VIEW

Chattanooga
(~7 Miles)

Walmart
Neighborhood Market
BIG LOTS!

CHATTANOOGA STATE
COMMUNITY COLLEGE

KORDSA GLOBAL

SPORTSBARN

LAQUINTA
BY WYNDHAM

319 Dupont Pkwy

the Y
SONIC
America's Drive-In

IHOP
RESTAURANT

Hampton
by Hilton

Orangetheory
FITNESS
FIRST WATCH
THE DAYTIME CAFE

CHIPOTLE
MEXICAN GRILL

CVS
pharmacy

SMOOTHIE KING

T-Mobile

TITLEMAX

MIDAS

Starbucks

153
Tennessee

(50,023 AADT)

Bargain Hunt BOOKS-A-MILLION

TOWNEPLACE
SUITES
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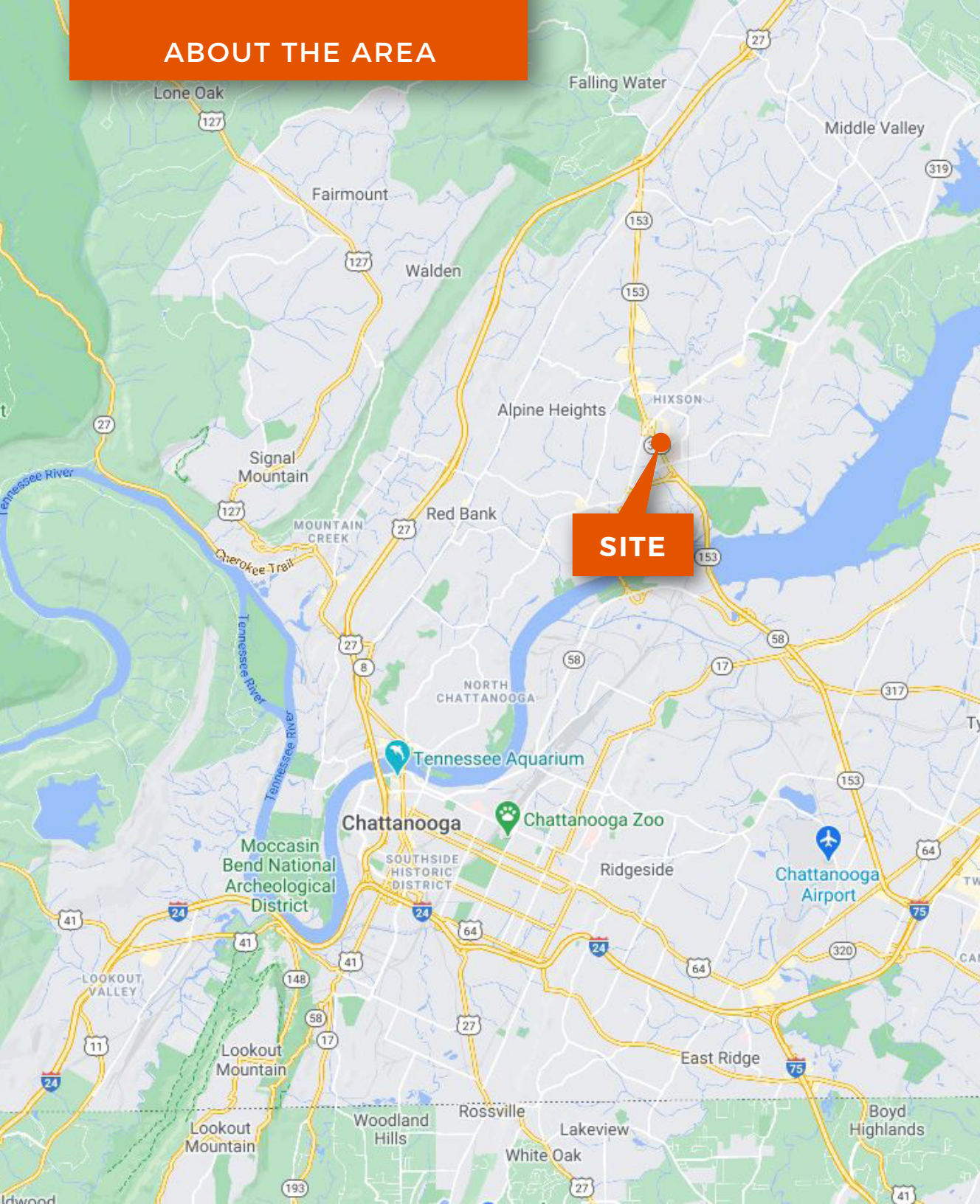
A map of the Chattanooga, Tennessee area. An orange banner at the top left contains the text "ABOUT THE AREA". A red pin labeled "SITE" points to a location north of Chattanooga, near Walden and Red Bank. The map shows major highways like I-75, I-24, and US-41, as well as local landmarks like Prentice Cooper State Forest and the Savannah River. Various towns and cities are labeled, including Dayton, Gray'sville, and Dalton.

Chattanooga, Tennessee (population 177,571) is the seat of Hamilton County and the fourth-largest city in Tennessee. Centrally located 120 miles northwest of Atlanta, 120 miles southwest of Knoxville, 135 miles southeast of Nashville, 120 miles northeast of Huntsville, and 148 miles northeast of Birmingham, the city is a transit hub served by multiple railroads and interstate highways as well as the Tennessee River. Interstate 75, a north-west arterial stretching from southern Florida to northern Michigan, Interstate 24, which links Illinois, Kentucky, Tennessee, and Georgia, and Interstate 59, connecting Louisiana, Mississippi, Alabama, and Georgia all provide road transportation to the Chattanooga area, linking the region to major consumer markets throughout Deep South, Midwest, and Northeast. More than 131 million people live within one day's drive of the city, one-third of the U.S. population. The Chattanooga Metropolitan Airport provides air transportation to the region, with four major consumer airlines and one-stop service to Europe. The city is home to the University of Tennessee at Chattanooga, the second largest campus in the University of Tennessee system with an enrollment of more than 11,700.

Major components of the city's diverse \$32.6 billion economy include advanced manufacturing, automotive production, health services, textiles, transportation and logistics, and food and beverage production. Notable businesses in the city include Access America Transport, BlueCross BlueShield of Tennessee, CBL & Associates, Chattem, Coker Tire, Covenant Transport, Double Cola, CraftWorks Restaurants & Breweries, Luken Communications, Miller & Marten, Reliance Partners, Rock/Creek, Tricycle Inc, and Unum. In addition, Cigna, AT&T, T-Mobile, UBS, Amazon, DuPont, Invista, Komatsu, Ferrara Candy Company, Alco Chemical, Colonial Pipeline, Mars Inc., McKee Foods, and the William Wrigley Jr. Company all have significant manufacturing or administrative presences in the city.

The Chattanooga Coca-Cola Bottling Company, founded in 1899, was the world's first Coca-Cola bottler and continues to operate today. In May 2011, Volkswagen opened its first U.S. auto plant in more than three decades in the city, which now serves as the company's North American manufacturing headquarters. The \$1 billion facility employs more than 2,700 and is expected to employ more than 2,200 additional workers within the next few years. The city is also home to several business incubators and numerous successful start-ups, including Branch Technology, which produces the largest 3-D printer in the world. Businesses based in the region benefit from low operating costs, Foreign Trade Zone opportunities, a highly educated workforce, and one of the lowest per-capita tax burdens in the nation.

ABOUT THE AREA



Site Information

The subject property is prominently situated with excellent access and visibility within the Highway 153 retail corridor (50,023 AADT). The site benefits from robust demographics with a population of 91,509 within a 5 mile radius. Average household income within 3 miles of the site is \$80,881.

The property benefits from a strategic retail location in close proximity to shopping centers, employers, and major retail tenants. Nearby retail centers include Northgate Mall, with tenants including TJ Maxx, Belk, ULTA, Ross, and more; NorthTowne Center, featuring Hobby Lobby, Ashley Homestore Outlet, and Dollar Tree; Gadd Crossing shopping center, anchored by ALDI; Towne Center North, anchored by Target; and Oak Park Towne Center, featuring Walmart and Marshalls. Other major retail tenants in the surrounding area include CVS, Walgreens, The Home Depot, Lowe's Home Improvement, and more.



5248 Highway 153 | Hixson, TN 37343



TOTAL POPULATION

91,509



AVG. HOME VALUE

\$252,597



AVG. HOUSEHOLD INCOME

\$80,778

Population Summary	1 Mile	3 Miles	5 Miles
2010 Total Population	4,293	30,655	84,007
2020 Total Population	4,707	33,864	91,509
2025 Total Population	5,074	35,598	96,033
2020-2025 Annual Rate	1.51%	1.00%	0.97%
Average Household Income			
2020	\$66,796	\$80,881	\$80,778
2025	\$69,991	\$86,011	\$87,635
Average Home Value			
2020	\$203,669	\$237,254	\$252,597
2025	\$217,454	\$264,294	\$278,468

Major Employers in Chattanooga # of Employees

Erlanger Health System	7,870
BlueCross BlueShield of Tennessee	5,193
Hamilton County Department of Education	4,674
Tennessee Valley Authority	3,501
McKee Foods Corporation	3,100
Unum	2,800
Volkswagen Chattanooga	2,407
CHI Memorial	2,407
City of Chattanooga	2,308
Roper Corporation	1,900



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