
OFFERING
MEMORANDUM



STEAK 'N SHAKE

151 EAST ASHLAND STREET

MORTON, IL 61550

Marcus & Millichap

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Activity ID: ZAC0370264

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Steak 'n Shake

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Here for you since 1934
Steak 'n Shake

151

OFFERING SUMMARY

STEAK 'N SHAKE

 **Total Price**
\$2,042,100

Cap Rate	8.20%
Tenant	Steak n Shake Operations, Inc.
Guarantor	The Steak N Shake Company
Address	151 E Ashland Street, Morton, IL 61550
Building Size	4,360 SF
Lot Size	61,420 SF (1.41 Acres)
Year Built	2006
Lease Expiration	6/30/2026
Lease Structure	Absolute NNN
Annual Base Rent PSF	\$167,185 \$38.35
Rent Increases	1.75% Annually
Renewal Options	Two, Ten-Year Options
ROFR	No
Landlord Responsibilities	None

*Base Rent is blended assuming a May 1, 2021 COE

Rent Schedule

Lease Year	Lease Dates	Annual Rent
Year 13	July 1, 2020 - June 30, 2021	\$164,783
Year 14	July 1, 2021 - June 30, 2022	\$167,666
Year 15	July 1, 2022 - June 30, 2023	\$170,600
Year 16	July 1, 2023 - June 30, 2024	\$173,586
Year 17	July 1, 2024 - June 30, 2025	\$176,624
Year 18	July 1 2025 - June 30, 2026	\$179,715
Option 1	July 1, 2026 - June 30, 2036	Market Rent
Option 2	July 1, 2036 - June 30, 2046	Market Rent

*Rent in the Options is to be Increase by 1.75% Annually after Market Rent is Determined



STEAK 'N SHAKE

151 EAST ASHLAND STREET, MORTON, IL 61550

Marcus & Millichap is pleased to offer for sale the 100 percent fee simple interest in 151 E Ashland Street (The Property), a 4,360 square-foot building that is currently leased to Steak 'n Shake Corporation with 5.25+ years of remaining lease term on their original 18-year lease. The Property is on Ashland Street just off of Interstate 74 and N Morton just east of Peoria, IL. The Property stands as a strategically located outpad to Blain's Farm and Fleet and adjacent to the Days Inn by Wyndham, Quality Inn, and Park Inn by Radisson Morton. Other surrounding tenants include Walmart Supercenter, Sam Leman Chrysler Dodge Jeep, Kroger, Starbucks, Cracker Barrel, Truck Centers, Inc. among others. This offering presents the opportunity to acquire a well located free-standing absolute net leased asset with annual rent bumps in the revitalizing Peoria, IL MSA.

INVESTMENT HIGHLIGHTS

Absolute NNN Lease Structure

.....

Drive-Thru Access with Ample Parking

.....

Main Retail Node – National Tenant Base Surrounding the Subject Property

.....

One Block North of Interstate 74 – 37,600 VPD Highway



AERIAL & SURROUNDING RETAIL // *Steak 'n Shake*



Peoria Lake
10 minute drive



Klean Wash



Walmart

Demographics | 5-Mile Radius

2020 Population.....	30,823
2020 Households.....	12,633
2020 Avg. Household Income.....	\$104,750
2020 Median Age.....	41.5 Years

North Morton Avenue 18,200+ VPD

Burger King



Subject Property



East Ashland Street 3,700+ VPD





PEORIA, IL // *Steak 'n Shake*

Peoria, IL is located 127 miles southwest of Chicago, in Peoria County. It has deep history dating back to the first wave of French explorers. The city is located on the Illinois River and is known for being the oldest community in Illinois. It is strategically located in the heart of the state, being equidistant from St. Louis and Chicago. The city has many well-known businesses, arts and features that allow for a very diverse economy and population. The population demographics of Peoria and the surrounding area are well diversified. The metro area has a population of 368,683 people within 2,467.7 square miles. The median age for the area is 39.7 with 147,607 households. The five major industries in the area are health care, education, machinery, accommodation and food services. It is this diverse industry set that sets the stage for a dynamic economy. There are many different economic forces in the area. One of the most notable businesses in Peoria is Caterpillar, Inc. which continues to be a prominent fixture in the construction and heavy machinery industry and has a strong presence in the area. The other economic drivers are their arts, touting their own symphony, ballet, and Broadway Theater league. The downtown features four areas that allow both national and local businesses to thrive. The Riverfront is a newly renovated public area that is home to many of the City's festivals. The other notable area in Peoria is the Central Business district which is home to OSF Hospital, and Unity Point health Methodist Hospital. Both of which are well respected and highly sought after. Peoria has over 17,000 jobs in the downtown area alone, which is the highest concentration of downtown jobs in Illinois outside Chicago. The area is well diversified in local attractions, restaurant, and social activities. The city has been awarded "All American City" four times by the National Civic League. This is because of the strong sense of community, civic engagement, and their economic commitment and growth.

LOCATION HIGHLIGHTS

- The world's leading manufacturer of construction and mining equipment, Caterpillar Inc., which is headquartered in Peoria, IL is continuing to expand their operating business with the recent [acquisition](#) of Weir Oil & Gas, a \$405 million deal.
- Leading Illinois Officials Announced a slew of infrastructure projects that are underway in the Peoria area. The 10 projects include: bridge rehabilitation, road resurfacing, and infrastructure improvements among others that represent a [\\$280 Million](#) investment in the city and providing economic opportunity for years to come.
- [Downtown Revitalization](#) projects carry on as the two mixed used projects on Adams street which are slated to provide 135 apartment units and as much as 16 commercial tenants with combined investment of \$33 Million.
- [Natural Fiber Welding Inc.](#), a Peoria company developing plant-based alternatives to leather and plastics, has raised \$13 million in new investments, with Ralph Lauren Corp. leading the latest round of financing.



Chicago, IL // *Steak 'n Shake*

Chicago is the third most populous city in the U.S. and one of the most dynamic and attractive markets in the nation. The undisputed economic powerhouse of central North America, Chicago has the third-largest gross metropolitan product in the U.S. at \$679 billion, making it equivalent to the 21st-largest economy in the world. It is an international hub for finance, commerce, industry, technology, telecommunications, and transportation. Its economy and population are diverse, productive and affluent, and the city is widely considered one of the most important business centers in the world. In 2012, it was listed as an alpha global city by the Globalization and World Cities Research Network. In 2014, it was ranked seventh in the world in the Global Cities Index, a bi-annual published ranking of global cities based on a city's ability to help set global agendas, weather transnational dangers and serve as hubs of global integration.

Chicago is home to world-class shopping, 8 major league sports teams, over 8,300 acres of green spaces, and a variety of cultural and historical attractions, including world famous museums. Additionally, Chicago is the third-largest inter-modal port in the world after Hong Kong and Singapore and more U.S. highways and railroad freight lines run through the metropolitan area than any other city in the country. Seven mainline and four auxiliary interstate highways run through the area, while six of the seven class I railroads meet in Chicago. Chicago continues to be a highly desired location for some of the world's largest businesses and for the 5th year in a row, the Chicago metropolitan area took the top spot in the U.S for corporate growth and investment. Across the entire state of Illinois, there are currently 36 global headquarters of Fortune 500 companies.

LOCATION HIGHLIGHTS

- The 7-Million Square foot mixed-use destination spanning 2 miles along the waterfront in Chicago's Near South Side just received approval on the project to move forward. The [Bronzeville Lakefront project](#) is expected to provide an indirect economic benefit of over \$8 Billion over a 20-year period.
- Despite pandemic woes, developer Hines was able to secure \$500 Million+ Construction Loan for [Salesforce Tower](#) in Chicago's River North. The Company broke ground in 2020 as the 820-foot-tall tower continues to ascend in 2021. Plenty over other Multi-Million Dollar Developments are moving along as the city learns to live with the virus.
- Governor JB Pritzker and the Illinois Department of Commerce and Economic Opportunity (DCEO) awarded \$11 Million in [Rebuild Illinois](#) capital funds to support continued economic development across the state. Projects are expected to bring a total of \$57 Million in total Community Impact.
- The Barack Obama Presidential Center is a planned presidential library to be located in Jackson Park on the South Side of Chicago near the University of Chicago. The [world class facility](#) construction is to begin in 2021 with an estimated project cost of \$500 Million.

TENANT OVERVIEW // *Steak 'n Shake*

Steak 'n Shake was founded in February 1934 in Normal, Illinois. Gus Belt, Steak 'n Shake's founder, pioneered the concept of premium burgers and milk shakes. For over 85 years, the company's name has been symbolic of its heritage. The word "steak" stood for STEAKBURGER. The term "shake" stood for hand-dipped MILK SHAKES. Gus was determined to serve his customers the finest burgers and shakes in the business. Steak 'n Shake is an American casual restaurant chain concept rated primarily in the Midwestern United States with locations also in the South, MidAtlantic and Western United States, Europe, and the Middle East. The brand has become one of the most recognized and loyal brands in the restaurant franchising business, synonymous with freshness and quality. The company is headquartered in Indianapolis, IN and is a wholly owned subsidiary of Biglari Holdings which is headquartered in San Antonio, TX. Under the ownership of Biglari Holdings, Steak 'n Shake has succeeded in attaining exceptional, industry-leading financial results. After 85 years, the company is continuing Steak 'n Shake's tradition of serving the country's best, freshest, and tastiest burgers and shakes. Today, there are over 550 Steak 'n Shake restaurants in 28 states. The restaurant's milkshakes were voted #1 by Zagat.



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