

# FREESTANDING “CHIPOTLANE” CONCEPT

NN Investment Opportunity



With Drive Thru



1055 W CHANDLER BOULEVARD | CHANDLER, ARIZONA

**PHOENIX MSA**

REPRESENTATIVE PHOTO







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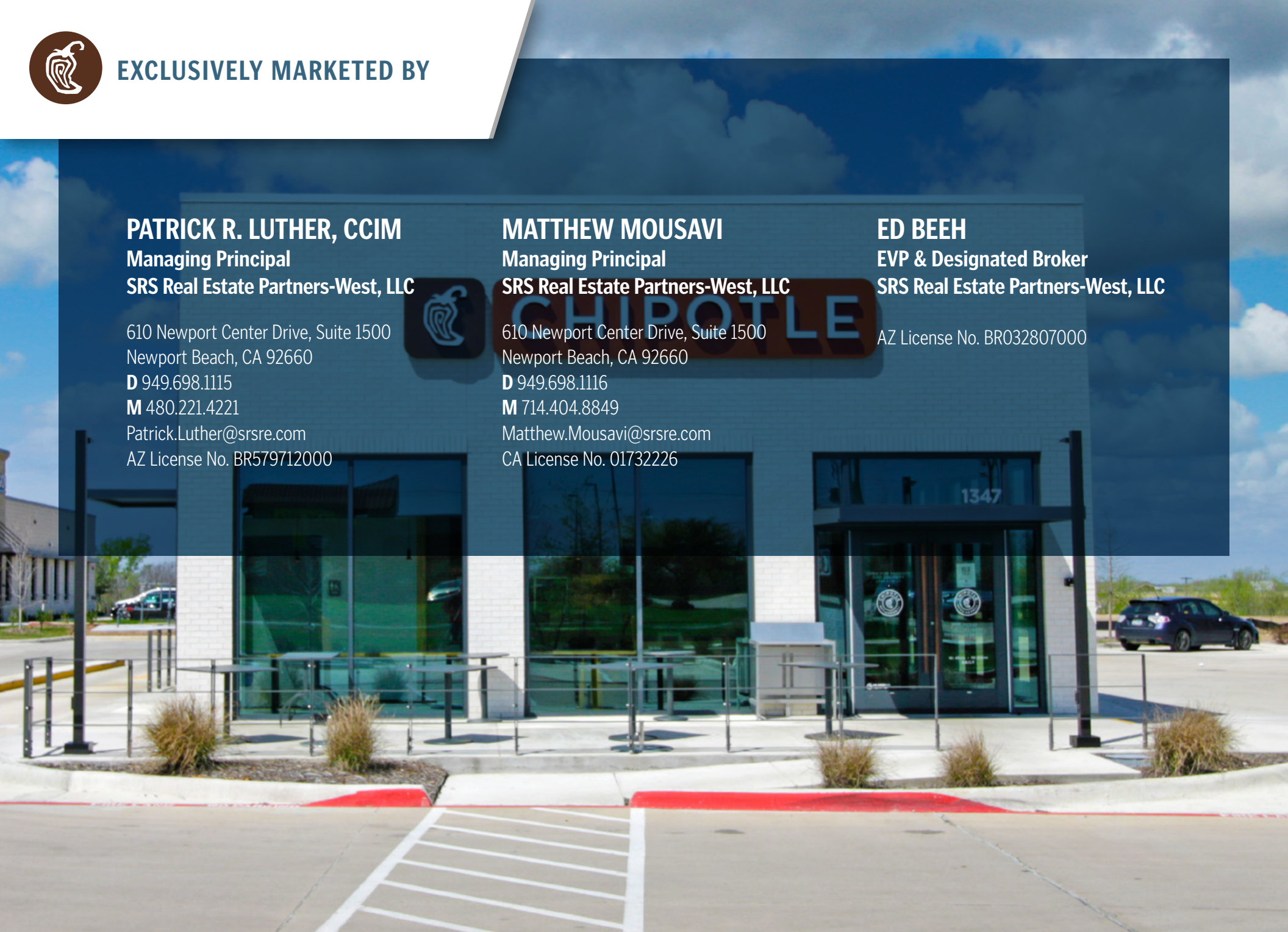
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Rent Roll | Brand Profile





## INVESTMENT SUMMARY



SRS Real Estate Partners-West LLC is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in a NN leased, corporate guaranteed, drive-thru equipped, Chipotle investment property located in Chandler, Arizona (Phoenix MSA). The tenant, Chipotle Mexican Grill, Inc., recently executed a brand new 15-year lease with 4 (5-year) options to extend, demonstrating their commitment to the site. The lease features 10% rental increases every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation. The lease is corporate guaranteed by Chipotle Mexican Grill, Inc. (NYSE: CMG), and is NN with landlord responsibilities limited to roof and structure making it an ideal, low-management investment for a passive investor. Chipotle Mexican Grill, Inc., is an established and nationally recognized brand with over 2,600 locations internationally. This location will be a rehab of an existing Krispy Kreme tenant and will feature brand new, high-quality construction with a projected grand opening in August 2021.

Chipotle is strategically located at the signalized, hard corner intersection of W. Chandler Blvd. and N. Alma School Rd., averaging 52,800 combined vehicles passing by daily. The building will be complete with a rare freestanding drive-thru “Chipotlane” concept, providing ease and convenience for customers and allowing the ability to accommodate a higher volume of mobile orders. The asset benefits from nearby on/off ramp access to both State Highway 101 (148,700 VPD) and State Highway 202 (179,700), two heavily traveled commuter thoroughfares for the Phoenix metropolitan. Chipotle is ideally situated as an outparcel to The Park at Chandler, a 191,400 SF shopping center anchored by The Home Depot and Safeway. Other nearby shopping centers include Andersen Fiesta Shopping Center (141,000 SF), Santan Gateway North (349,00 SF), and Chandler Festival (485,800 SF). W. Chandler Blvd. is the primary retail corridor serving the trade area, with other nearby national/credit tenants including Walmart Supercenter, T.J. Maxx, Lowe’s Home Improvement, Nordstrom Rack, Ross Dress For Less, and more. Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for Chipotle. In addition, the property is 1 mile west of historic Downtown Chandler, a vibrant district featuring shops, restaurants, breweries, and exciting events year-round. Downtown Chandler has gone through a complete revitalization in recent years making it a premier destination for current residents and visitors alike. Moreover, the site is within walking distance to several apartment complexes including Park Tower Apartments (180 units), Fairways at San Marcos (352 units), and Avery on the Green (324 units), providing an immediate dining option for nearby residents. The 5-mile trade area is supported by more than 315,000 residents and 110,000 daytime employees with an affluent average household income of \$108,000.





## OFFERING SUMMARY



## Offering

PRICING	\$3,175,000
NET OPERATING INCOME	\$127,000
CAP RATE	4.00%
GUARANTY	Corporate
TENANT	Chipotle Mexican Grill, Inc.
LEASE TYPE	NN
LANDLORD RESPONSIBILITIES	Roof & Structure
SALES REPORTING	No

## Property Specifications

RENTABLE AREA	3,503 SF
LAND AREA	1.25 Acres
PROPERTY ADDRESS	1055 W. Chandler Boulevard Chandler, AZ 85224
YEAR BUILT / REMODELED	2005 / 2021 (Est.)
PARCEL NUMBER	303-75-573A
OWNERSHIP	Fee Simple (Land & Building)





## INVESTMENT HIGHLIGHTS

### **Brand New 15-Year Lease | Corporate Guaranteed | Rehab of Existing Krispy Kreme Tenant**

- Corporate guaranteed by Chipotle Mexican Grill, Inc. (NYSE: CMG)
- Tenant recently executed a brand new 15-year lease with 4 (5-year) options to extend, demonstrating their commitment to the site
- Lease features 10% rental increases every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation
- This location will be a rehab of an existing Krispy Kreme tenant and will feature brand new, high-quality construction with a projected grand opening in August 2021

### **NN Leased | Fee Simple Ownership | Limited Landlord Responsibilities**

- Tenant pays for CAM, taxes, and insurance
- Landlord responsibilities limited to roof and structure
- Ideal, low-management investment for a passive investor

### **Direct Residential Consumer Base | Six-Figure Incomes Strong Demographics in 5-Mile Trade Area**

- Within walking distance to several apartment complexes including Park Tower Apartments (180 units), Fairways at San Marcos (352 units), and Avery on the Green (324 units), providing an immediate dining option for nearby residents
- More than 315,000 residents and 110,000 employees support the trade area
- \$108,000 average household income

### **Outparcel to The Park at Chandler | Dense Retail Corridor | Strong National/Credit Tenants | Downtown Chandler**

- Outparcel to The Park at Chandler, a 191,400 SF shopping center anchored by The Home Depot and Safeway
- Close proximity to multiple shopping centers including Andersen Fiesta Shopping Center (141,000 SF), Santan Gateway North (349,00 SF), and Chandler Festival (485,800 SF)
- Nearby national/credit tenants include Walmart Supercenter, T.J. Maxx, Lowe's Home Improvement, Nordstrom Rack, Ross Dress For Less, and more
- Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for Chipotle
- Located 1 mile west of historic Downtown Chandler, a vibrant district featuring shops, restaurants, breweries, and exciting events year-round

### **Hard Corner Intersection | Rare Drive-Thru "Chipotlane" | Quick Access to State Highways 101 & 202**

- Located at the signalized, hard corner intersection of W. Chandler Blvd. and N. Alma School Rd., averaging 52,800 combined vehicles passing by daily
- Nearby on/off ramp access to both State Highway 101 (148,700 VPD) and State Highway 202 (179,700), two heavily traveled commuter thoroughfares for the Phoenix metropolitan
- Rare freestanding drive-thru "Chipotlane" concept, providing ease and convenience for customers
- On average, stores with drive-thrus experience higher sales than those without



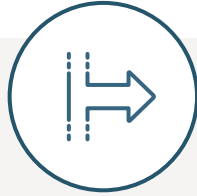


## PROPERTY OVERVIEW



### Location

Located in  
Chandler, Arizona  
(Phoenix MSA)  
Maricopa County



### Access

Offering includes full  
reciprocal access and parking  
with The Park at Chandler



### Traffic Counts

W. Chandler Boulevard  
22,500 Cars Per Day  
N. Alma School Road  
30,300 Cars Per Day  
State Highway 202  
179,700 Cars Per Day  
State Highway 202  
179,700 Cars Per Day



### Improvements

There is approximately 3,503 SF  
of existing building area



### Parking

There are approximately  
24 parking spaces  
on the owned parcel, plus  
reciprocal parking rights.  
The parcel's parking ratio is  
approximately 6.85 stalls per  
1,000 SF of leasable area.



### Parcel

Parcel Number: 303-75-573A  
Acres: 1.25  
Square Feet: 54,240 SF



### Year Built / Remodeled

2005 / 2021

### Est. Opening Date

August 2021



### Zoning

PAD: Planned Area Development







W. CHANDLER BLVD.



W. PARKLANE BLVD.

22,500  
CARS PER DAY



30,300  
CARS PER DAY



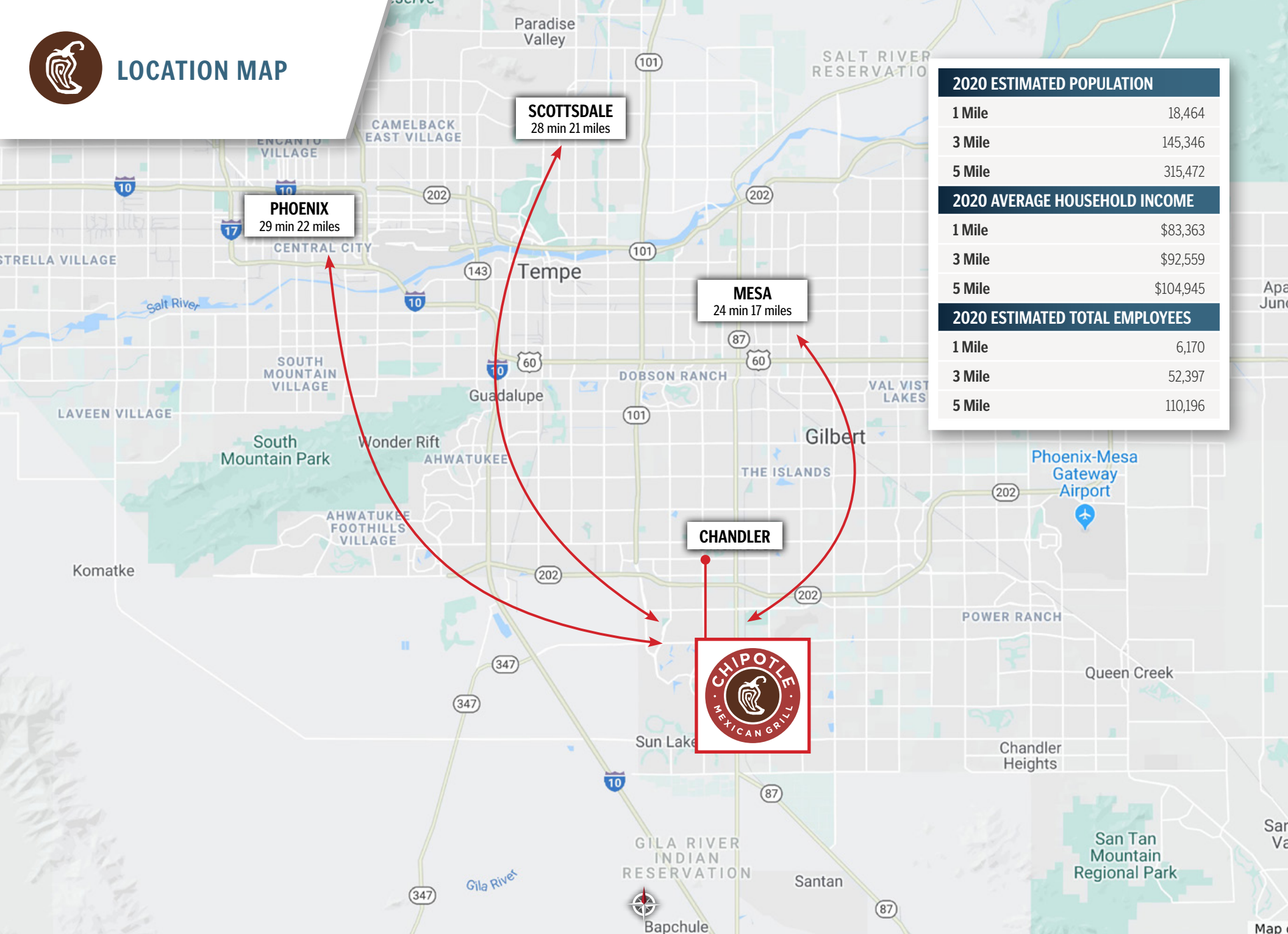
N. ALMA SCHOOL RD.







## LOCATION MAP



2020 ESTIMATED POPULATION	
1 Mile	18,464
3 Mile	145,346
5 Mile	315,472
2020 AVERAGE HOUSEHOLD INCOME	
1 Mile	\$83,363
3 Mile	\$92,559
5 Mile	\$104,945
2020 ESTIMATED TOTAL EMPLOYEES	
1 Mile	6,170
3 Mile	52,397
5 Mile	110,196



## AREA OVERVIEW



### Chandler, Arizona

Chandler is located in the southeastern portion of Maricopa County, and encompasses approximately 65 square miles. It is about a thirty minute drive southeast of Phoenix. There is one Fortune 1000 company headquartered in Chandler. Nearby Phoenix is also home to seven Fortune 1000 companies, and nearby Scottsdale is home to three more. The Chandler is the 4th largest city in Arizona with a population of 275,654 as of July 1, 2018.

For a city of modest size, Chandler provides a good assortment of arts and entertainment offerings. Some of the more notable arts and entertainment offerings include The Arizona Railway Museum, The Chandler Center for the Arts, The Chandler Museum, The Commemorative Air Force Museum.

For sports enthusiasts, nearby Glendale is home to the National Football League's Arizona Cardinals, the National Hockey League's Phoenix Coyotes, and the national Lacrosse League's Arizona Sting. Other nearby professional sports offerings include the Arena Football League's Arizona Rattlers, Major League Baseball's Arizona Diamondbacks, the National Basketball Association's (NBA) Phoenix Suns, and the WNBA's Phoenix Mercury.

Chandler is regarded as one of the most financially stable cities in the United States, evidenced by AAA bond rating from each major bond rating agency. These four companies combine to employ over 15,000 people in the City. A rapidly growing industry within the City in recent years has been financial services with companies such as Wells Fargo, Bank of America, PayPal, Toyota Financial Services, GM Financial Services, Liberty Mutual, and Mr. Cooper, employing over 14,000 people. Principal Employers of City are Intel, Wells Fargo, Bank of America, Chandler Regional Medical Center, Paypal, NXP (Formerly Freescale Semiconductor), Northrop Grumman, Microchip Technology, City of Chandler and Chandler Unified School District.

Chandler City is served by the Chandler Unified School District. City west of Loop 101 is served by the Kyrene Elementary School District and the Tempe Union High School District. The area east of Loop 101 and north of Warner Road is served by Mesa Public Schools. The San Vicente neighborhood in Chandler is served by Gilbert Public Schools.

The nearest major airport is Phoenix-Mesa Gateway Airport. This airport has domestic flights from Mesa, Arizona and is 17 miles from the center of Chandler, AZ. Valley Metro operates bus service 365 days a year, with an extensive list of routes traveling through the Valley. Several Chandler bus routes make connections to the light rail. METRO light rail provides convenient train service from Mesa to Tempe and Phoenix. Major Chandler thoroughfares include the Santan Freeway, Price Freeway and Interstate 10.





## AREA OVERVIEW



### Phoenix, Arizona

Phoenix, the capital of Arizona and seat of Maricopa County, is the largest city in the state. It is located in the center of Arizona, on the Salt River. The city of Phoenix had a 2018 estimated population of 1,616,300 people while Maricopa County accounts for approximately 4,240,000 people, containing over 60% of the state's population. The city takes up more than 500 square miles, geographically exceeding Los Angeles.

Phoenix is home to Arizona State University and numerous high-tech and telecommunications companies that have recently relocated to the area. Due to the warm climate in winter, Phoenix also benefits greatly from seasonal tourism and recreation, especially in the golfing industry. The military has a significant presence in Phoenix with Luke Air Force Base located in the western suburbs. Foreign governments have established 30 consular offices and eleven active foreign chambers of commerce and trade associations in the city as well. Located in Downtown Phoenix, Scottsdale and other surrounding areas are a large array of cultural activities, including the Phoenix Symphony Hall, Phoenix Art Museum, and Center for Creative Photography, Heard Museum and the Pueblo Grande Museum and Cultural Park.

Phoenix is currently home to four Fortune 500 companies: electronics corporation Avnet, mining company Freeport-McMoRan, retailer PetSmart, and waste hauler Republic Services. Honeywell's Aerospace division is headquartered in Phoenix, and the valley hosts many of their avionics and mechanical facilities. Intel has one of their largest sites in the area, employing about 12,000 employees, the second largest Intel location in the country. The city is also home to: the headquarters of U-HAUL International; Best Western; and Apollo Group, parent of the University of Phoenix.

Phoenix is served by Phoenix Sky Harbor International Airport (IATA: PHX, ICAO: KPHX), one of the ten busiest airports in the United States, serving over 110,000 people on over 1000 flights per day. The airport is centrally located in the metro area near several major freeway interchanges east of downtown Phoenix.

Maricopa County is a county located in the south-central part of the U.S. state of Arizona. As of July 1, 2017, its population was 4,307,033, making it the most populous county in the state, and the fourth-most populous in the United States. It is more populous than 23 states. The county seat is Phoenix, the state capital and sixth-most populous city in the country. Maricopa County is the central county of the Phoenix-Mesa-Glendale, AZ Metropolitan Statistical Area.





## AREA ATTRACTIONS



### Talking Stick Resort Arena

Home stadium of the Phoenix Suns NBA team



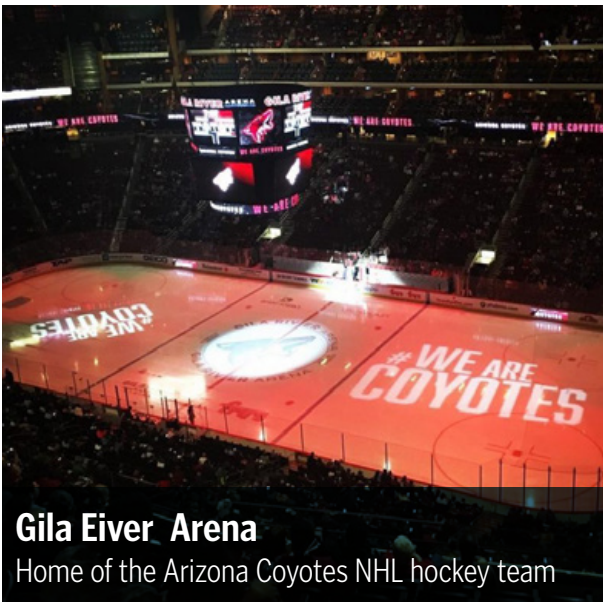
### State Farm Stadium

Home stadium of the Arizona Cardinals NFL team



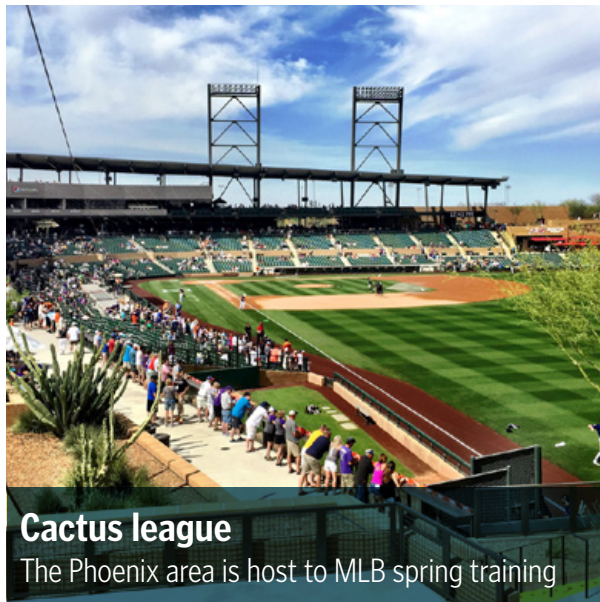
### Chase Field

Home of the Arizona Diamondbacks MLB team



### Gila River Arena

Home of the Arizona Coyotes NHL hockey team



### Cactus league

The Phoenix area is host to MLB spring training



### Sun Devil STADIUM (ASU)

Sun Devil Athletics boasts roster of NCAA sports





## AREA DEMOGRAPHICS

**\$18.5B**

Real Value of Exports  
(2015)

**12TH**

Most Populous  
MSA in America

**158,775**

Advanced Industry Jobs  
(2015)

**2.248M**

Workforce  
(2016)

**\$211.14B**

Regional  
GDP

  
**150,364**  
TOTAL BUSINESSES


**76%**  
OF THE STATES  
ECONOMY

**3<sup>RD</sup>**   
LARGEST LABOR POOL  
IN THE WEST

  
\$210,786  
Median Home Value


  
\$8,275  
Average Spent on  
Mortgage & Basics

  
\$794  
Median Contract  
Rent

  
\$2,001  
Apparel &  
Services

  
\$3,104  
Eating Out

  
\$176  
Computers &  
Hardware

  
\$4,907  
Groceries

  
\$5,069  
Health Care

## MAJOR EMPLOYERS

COMPANY	EMPLOYEES	INDUSTRY
State of Arizona	49,800	Government
Wal-mart	30,634	Retail
Banner Health	24,825	Health
City of Phoenix	15,100	Government
Wells Fargo	13,308	Finance
Bank of America	13,300	Finance
Maricopa County	12,792	Government
Arizona State University	11,185	Education
Apollo Education	11,000	Education
JPMorgan	10,600	Finance



Projected employment growth over the next decade is 15.5% compared to the national projected growth of 9.42%



The population of Greater Phoenix is 4.4 million and is expected to grow to nearly 6.4 million in the next 20 years



## AREA DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
2020 Estimated Population	18,464	145,346	315,472
2025 Projected Population	19,642	155,130	337,612
2010 Census Population	16,338	127,331	275,485
Projected Annual Growth 2020 to 2025	1.24%	1.31%	1.37%
Historical Annual Growth 2010 to 2020	1.20%	1.30%	1.33%
2020 Estimated Households	6,898	54,452	117,247
2025 Projected Households	7,357	58,124	125,150
2010 Census Households	6,009	47,524	102,519
Projected Annual Growth 2020 to 2025	1.30%	1.31%	1.31%
Historical Annual Growth 2010 to 2020	1.36%	1.34%	1.32%
2020 Estimated White	61.1%	63.9%	69.2%
2020 Estimated Black or African American	7.2%	6.4%	5.5%
2020 Estimated Asian or Pacific Islander	8.5%	9.2%	10.0%
2020 Estimated American Indian or Native Alaskan	2.3%	2.1%	1.7%
2020 Estimated Other Races	15.2%	13.6%	9.1%
2020 Estimated Hispanic	37.1%	31.8%	23.8%
2020 Estimated Average Household Income	\$84,158	\$95,825	\$108,484
2020 Estimated Median Household Income	\$64,349	\$75,983	\$85,139
2020 Estimated Per Capita Income	\$32,112	\$40,115	\$45,103
2020 Estimated Total Businesses	584	3,775	8,984
2020 Estimated Total Employees	6,170	52,397	110,196







## RENT ROLL

TENANT NAME	Lease Term					Rental Rates					
	SQUARE FEET	LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
Chipotle Mexican Grill, Inc.	3,503	8/1/2021	7/31/2036	Year 1	-	\$10,583	\$3.02	\$127,000	\$36.25	NN	4 (5-Year)
(Corporate Guaranty)		(Est.)	(Est.)	Year 6	10%	\$11,642	\$3.32	\$139,700	\$39.88		10% Increase at Beg. of Each Option
				Year 11	10%	\$12,806	\$3.66	\$153,670	\$43.87		

Note: Tenant pays up to 7% of CAM and Insurance in admin/management fees.

### FINANCIAL INFORMATION

Price	\$3,175,000
Net Operating Income	\$127,000
Cap Rate	4.00%
Lease Type	NN

### PROPERTY SPECIFICATIONS

Year Built / Remodeled	2005 / 2021
Rentable Area	3,503 SF
Land Area	1.25 Acres
Address	1055 W. Chandler Boulevard Chandler, AZ 85224





## BRAND PROFILE

### Chipotle Mexican Grill

[chipotle.com](https://chipotle.com)

Chipotle Mexican Grill, Inc. (NYSE: CMG) is cultivating a better world by serving responsibly sourced, classically-cooked, real food with wholesome ingredients without artificial colors, flavors or preservatives. Chipotle had over 2,750 restaurants as of December 30, 2020, in the United States, Canada, the United Kingdom, France and Germany and is the only restaurant company of its size that owns and operates all its restaurants. With more than 88,000 employees passionate about providing a great guest experience, Chipotle is a longtime leader and innovator in the food industry. Chipotle is committed to making its food more accessible to everyone while continuing to be a brand with a demonstrated purpose as it leads the way in digital, technology and sustainable business practices. Steve Ells, founder and executive chairman, first opened Chipotle with a single restaurant in Denver, Colorado in 1993.



COMPANY TYPE

**Public (NYSE: CMG)**

2020 EMPLOYEES

**88,000**

2020 REVENUE

**\$5.98 B**

2020 NET INCOME

**\$355.77 M**

2020 ASSETS

**\$5.98 B**

2020 EQUITY

**\$2.02 B**





275+

**RETAIL  
PROFESSIONALS**

25+

**OFFICES**

#1

**LARGEST REAL ESTATE  
SERVICES FIRM**  
in North America  
exclusively dedicated to retail

1.7K+

**RETAIL  
TRANSACTIONS**  
in 2020  
company wide

500+

**NET LEASE  
PROPERTIES SOLD**  
in 2020

\$1.9B

**NET LEASE  
TRANSACTION VALUE**  
in 2020

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