



JLL



Rare Medical District Investment Opportunity

160 E Huron Street
Chicago, IL 60611

Confidential Offering Memorandum

Summary

Executive Summary

Chipotle | Chicago, IL



Investment Opportunity at the Epicenter of Chicago's Medical District

Investment Highlights

WITHIN LARGEST MEDICAL DISTRICT
IN CHICAGO

NEWLY BUILT OUT CHIPOTLE AT THE
BASE OF A 40-STORY TOWER

15-YEAR NET LEASE
WITH RENTAL INCREASES

CORPORATE GUARANTY FROM
INDUSTRY LEADING TENANT

JUST OFF CHICAGO'S FAMOUS
MAGNIFICENT MILE

INCREDIBLY DENSE INFILL LOCATION

The Offering

JLL is pleased to offer for sale a newly built-out Chipotle located in Chicago, IL (the “Property” or “Asset”). The Property sits in one of the largest medical districts in Chicago just off the famous Magnificent Mile, home to a collection of luxury retailers and world-renowned brands. Chipotle is operating on a net lease structure with fifteen years of primary lease term, ten percent rental increases every five years, and minimal landlord responsibilities. The Property is at the base of 40-story mixed use building featuring Office, Hotel & Parking. Additionally, the surrounding medical district is home to some of the largest medical providers including, Northwestern Memorial Hospital, Lurie Children’s Hospital, Prentice Womens Hospital and Northwestern Medical University. This offering presents the opportunity to acquire a newly-built out Chipotle backed by a corporate guaranty and located within a dense in-fill urban Chicago location near a heavy traveled medical, retail & residential corridor.

Pricing	\$3,870,000
Cap Rate	4.50%



UNMATCHED LOCATION IN MEDICAL DISTRICT – ESTABLISHED TRAFFIC PATTERNS

- This Property will fulfill the fast-casual food demand in the area serving hospital visitors, hotel guests, retail shoppers, daytime employees & residents.
- The Asset is located off the Magnificent Mile – one of Chicago’s premier tourist destinations with over 25 million annual visitors and features top luxury from all over the globe.
- At the base of a 40-story mixed use building and adjacent to Northwestern Memorial Hospital benefitting from routine traffic patterns from shoppers, residents and daytime employees.

CORPORATE GUARANTY FROM INDUSTRY LEADING TENANT

- The lease features a corporate guaranty from Chipotle Mexican Grill, Inc., one of the largest and most recognized restaurant chains in the world with over 2,724 locations across North America and Europe.
- Chipotle achieved revenues of \$6.0 billion in 2020, marking five consecutive years of revenue growth. The company projects revenues to grow to \$7.8 billion by 2022.

NET LEASE STRUCTURE WITH 10% RENTAL INCREASES

- Chipotle is operating on a double-net lease structure with fifteen years of primary lease term, and landlord is responsible for all structural elements.
- The lease features ten percent rental escalations every five years throughout the primary term and in each of the four, five-year renewal options.

PROPERTY & LEASE SUMMARY

Price	\$3,870,000
Cap Rate	4.50%
Tenant	Chipotle Mexican Grill , Inc. (Corporate)
Guarantor	Chipotle Mexican Grill, Inc. (Corporate)
Address	160 East Huron St., Chicago, IL
Building Size	4,973 SF
Ownership Structure	Vertical Subdivision
Year Built	1972
Lease Term	15 Years
Lease Commencement	11/1/2021
Lease Expiration	10/31/2036
Lease Structure	NN*
Annual Rent PSF	\$174,055 \$35.00
Increases	10% every 5 years
Renewal Options	4, 5-Year Options

*Landlord responsible for life safety systems (sprinklers) , foundation, subflooring, structural elements.

RENTAL SCHEDULE

YEAR	ANNUAL RENT	RENT PSF	INCREASES
1 – 5*	\$174,055	\$35.00	-
6 – 10	\$191,460	\$38.50	10%
11 - 15	\$210,607	\$42.35	10%
RENEWAL OPTIONS			
Option 1	\$231,692	\$46.59	10%
Option 2	\$254,866	\$51.25	10%
Option 3	\$280,378	\$56.38	10%
Option 4	\$308,376	\$62.01	10%







Market

Market & Location Overview
Chipotle | Chicago, IL



Unmatched Dynamic and Upscale Neighborhood

EPICENTER OF DOWNTOWN MEDICAL UNIVERSE

Situated between Lake Michigan and the Magnificent Mile, Streeterville is the epicenter of Chicago's downtown medical and academic campuses. Since 1997, one of the largest expansions of medical care and research facilities in the U.S. took place with the dramatic expansion of the Northwestern Medical Campus. The expansion featured three new major hospital buildings with over 4 million square feet, and a major research building. Momentum has continued since then with the Rehabilitation Institute of Chicago rebranding itself as the Shirley Ryan Ability Lab and moving into a new 1.2MM square foot, \$550 million state-of-the-art facility located adjacent to the Chipotle at 160 E Huron. The Northwestern Memorial Medical Campus occupies a 25-acre, 7-block area across the street from the Property.

OTHER MEDICAL FACILITIES IN THE AREA

- Prentice Women's Hospital
- Olson Pavilion
- Feinberg Pavilion
- Arkes Family Pavilion
- Lurie's Children Hospital
- Lavin Family Pavilion
- Many others...



STREETERVILLE OVERVIEW

As one of Chicago's most dynamic and upscale urban area, Streeterville is synonymous with all that makes Chicago great. A true live/work/play community, Streeterville is home to some of the most prestigious hotels in the city, 4.5 million square feet of high-density upscale retail, restaurants that are among the best in the city and the most exclusive residential addresses in Chicago. The neighborhood is a flourishing, rapidly growing community with tree-lined streets, abundant recreational venues and a beautiful lakefront setting.

Streeterville is home to many of Chicago's celebrated attractions such as the famous John Hancock Tower, Navy Pier and historic Old Water Tower Place, which is the only public building to have survived the Chicago Fire of 1871. Streeterville's something-for-everyone attractions, luxurious amenities, family-oriented environment, "walk to-work" proximity to Chicago's CBD and booming River North tech sector, has made it magnet for real estate development and population growth over the last decade.

Michigan Ave Magnificent Mile

Streeterville is the shopping hub of Chicago, featuring an array of retail stores, malls and boutiques along the world-famous Magnificent Mile of North Michigan Avenue. Chicago's Magnificent Mile is one of the great shopping avenues in the world and is the center of what makes Chicago an international destination. The Magnificent Mile is defined as a 13-block stretch of North Michigan Avenue that runs from the banks of the Chicago River to the south, to Oak Street to the north, and is situated as the western border of Streeterville. The shopping district extends a full square mile along Michigan Avenue, and contains over 460 stores, 275 restaurants, 60 hotels and unique entertainments and attractions.

The Magnificent Mile is known as an ultra-sophisticated shopping district featuring high-end boutique retailers such as Prada, Salvatore Ferragamo, Burberry, Cartier, Tiffany's, and Chanel, as well as upscale department stores Saks Fifth Avenue, Neiman Marcus and Nordstrom. The district also features hundreds of other national retailers such as Zara, Top Shop, American Girl, Disney Store, Nike, Under Armor, and Brooks Brothers. Located off the northern most part of North Michigan Avenue, Rush, Oak and Walton Streets are considered prime shopping blocks of the district and include ultra-luxury retailers such as Hermes, Jimmy Choo, Barney of New York, Carolina Herrera, Tom Ford, and Christian Louboutin.



Economic Drivers & Employment

Chicago has one of the world's largest economies, generating over \$700 billion of gross metro product. The city boasts an impressive employment base comprised of more than 4.0 million total nonfarm employees. Unemployment decreased to a low point of 3.6% in 2019 and continues to recover in the second half of 2020. This is made possible for a variety of reasons, including being named the most diversified of all major cities in the country. More than 400 major corporations, including 37 Fortune 500 companies, are headquartered in the Chicago MSA - even more rank on the Fortune 1000 list, and many are some of the region's largest employers.

Other local companies based outside of the CBD include Abbott Laboratories, Baxter, CDW, and Discover. Aside from strong established companies, World Business Chicago showed companies across seventeen different industries meet the criteria to be classified as a "New and Expanding Company." With at least one million dollars in investment, and a net gain of over 20 thousand square feet of space or 20 full time employees, and/or the establishment of new headquarters, these companies represent the foundation for the continued growth of Chicago's diverse economy. The entire list covered 60 individual companies, including 22 headquarters.

For the 7th year in a row, it was announced in September 2019 that Chicago leads North America in direct investment. Chicago is home to more than 1,800 foreign-based companies, accounting for more than \$140 billion in foreign direct investment. Over the years, Chicago has proven itself as a leader in the global economy where businesses from around the world come to grow – creating more jobs and economic opportunities across the city.

NOTABLE FORTUNE 500 COMPANIES



TRANSPORTATION LINKS

Ten major interstate freeways come together in and around the Chicago area. These include I-90, I-80, and I-55, making Chicago not only one of the most well-connected cities, but also one of the premier hubs of the trucking industry. Chicago is accessible from all directions by the area's many interstates, highways and expressways. There are over 64 miles of expressway running through the heart of the city, including the nation's busiest expressway, the Dan Ryan.

RAILROADS | COMMUTER TRAINS | CHICAGO TRANSIT AUTHORITY

- Chicago is the largest railroad hub in North America, linking six Class I railroads
- Metra commuter rail owns and operates four (4) rail lines that oversee 25 percent of all US freight rail traffic travel
- The Metra trains offer 11 routes with 242 stations servicing 500 route miles throughout the Chicago Metro area
- Over 85 million passengers are serviced annually throughout the Chicagoland area, including the growing southern and western suburbs
- The Chicago Transit Authority is the second largest public transit network in the U.S., offering inexpensive and efficient rapid transit to more than 1.6M people daily



Tenant

Tenant Overview
Chipotle | Chicago, IL



Chipotle
MEXICAN GRILL



MEXICAN GRILL

Chipotle Mexican Grill is one of the largest and most recognized fast casual restaurant chains in the world with over 2,700 locations throughout the United States, Canada, the United Kingdom, France, and Germany. The chain specializes in Latin-style cuisine with a relevant menu of burritos, burrito bowls, tacos, and salads. Chipotle's quality ingredients and simplistic menu has helped the company establish a strong customer following that has ultimately fueled its growth over its 27-year operating history. Chipotle is estimated to achieve revenues of \$7.80 billion in 2022, which would mark seven consecutive years of revenue growth for the company.

- Chipotle plans to add an additional 200 restaurants by end of 2021 with a total of 161 new stores in 2020
- Through the end of 2020, the company generated a five-year compounded annual growth rate in revenue of 5.2%. In 2020, its comparable restaurant sales increased 1.8%.



85,000
employees



2,724 total restaurants
with locations in the U.S.
and international

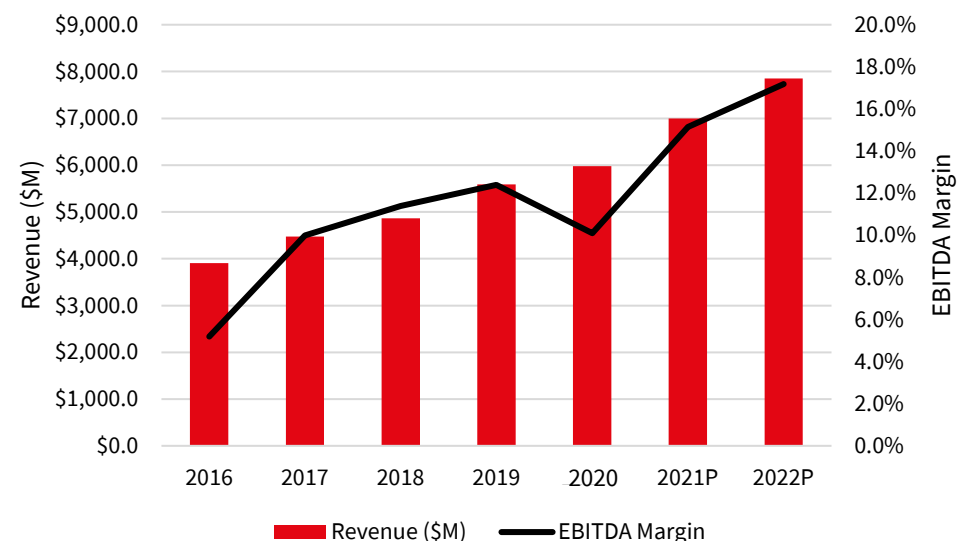


Opened on average 145
locations per year

Company Overview

Company	Chipotle Mexican Grill, Inc.
Ownership Type	Public (NYSE: CMG)
Founded	1993
Headquarters	Denver, CO
Locations	2,700+
Employees	85,000+
Revenues (FY2020)	\$6.0 Billion
Website	www.chipotle.com

Chipotle Revenue & EBITDA Margin



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