



CHIPOTLE

410 DIXIELAND RD

HARLINGEN, TX 78552



3

EXECUTIVE OVERVIEW

4

FINANCIAL OVERVIEW

6

TENANT OVERVIEW

10

AREA OVERVIEW

LISTING AGENTS

KYLE MATTHEWS

BROKER OF RECORD
LIC # 9005919 (TX)
LISTINGS@MATTHEWS.COM
(866) 889-0550

INVESTMENT HIGHLIGHTS



LIST PRICE

\$3,028,230



CAP RATE

4.25%



LEASE TYPE

NNN



NOI

\$128,700

LEASE OVERVIEW

- Passive Long-term Investment - Ten (10) years remaining an absolute NNN lease (zero landlord responsibilities)
- Inflationary Hedge - Rent increases 10% every five (5) years
- Newer Construction Building - Original lease commenced in 2016
- Fee Simple Ownership - Allows for depreciation (see CPA for guidance)
- Zero Competition & Cannibalization - Only Chipotle within a 30-mile radius

PRIME RETAIL CORRIDOR & REAL ESTATE FUNDAMENTALS

- Strategic Location - Chipotle is positioned off the I-2 (80,000 VPD) in the Valle Vista Mall corridor
- Strong Presence of National Tenants - **Chick-fil-A, Target, Home Depot, Walmart Supercenter, Panda Express, Starbucks Whataburger** and more
- Dominant Retail Corridor & Economic Hub - \$1 Billion in annual consumer spending within the immediate corridor - Harlingen, TX, benefits from cross-border spending
- Five-Mile Population: 90,000 People | Daytime Employment: 122,671

TENANT OVERVIEW

- Chipotle is the **premier leader of the fast-casual industry**
- Chipotle has a staggering **\$41.5 billion market cap**
- Chipotle will open 1,000 new locations by 2025 for a total of 3,800
- Chipotle's Q1 2021 digital sales grew 133.9 percent year-over-year (**\$1.7 Billion in Q1 sales**)



INVESTMENT OVERVIEW

Tenant Name	Chipotle
Type of Ownership	Fee Simple
Lease Entity	Corporate
Lease Type	NNN
Roof & Structure	Tenant Responsible
Term Remaining	± 10.2 Years
Lease Commencement Date	September 2016
Lease Expiration Date	August 2031
Options	Four, 5-Year
Rent Increase	10% Every 5 Years

DEBT QUOTE

Loan quote provided by Matthews™ based on market conditions at this time. Actual rates and terms will vary based on market conditions at closing.

LTV: 70.00%
Rate: 3.65%
Amortization: 25

Patrick Flanagan
patrick.flanagan@matthews.com

ANNUALIZED OPERATING DATA

Date	Monthly Rent	Annual Rent	Cap Rate
September 2021 - 2026	\$10,725.00	\$128,700.00	
September 2026 -2031	\$11,797.50	\$141,570.00	4.68%
Option 1	\$12,977.25	\$155,727.00	5.14%
Option 2	\$14,274.98	\$171,299.76	5.66%
Option 3	\$15,702.48	\$188,429.76	6.22%
Option 4	\$17,272.73	\$207,272.76	6.84%

TENANT OVERVIEW



CHIPOTLE

COMPANY NAME	Chipotle Mexican Grill, Inc.
YEAR FOUNDED	1993
HEADQUARTERS	Newport Beach, CA
WEBSITE	www.chipotle.com
EMPLOYEES	97,000
LOCATIONS	2,750

Chipotle Mexican Grill, Inc., often known simply as Chipotle, was founded in 1993, is a global chain of “fast-casual” restaurants. Chipotle is an American chain of fast casual restaurants in the United States, United Kingdom, Canada, Germany, and France. It is best known for its large burritos, assembly line production, and use of the responsibly sourced food with wholesome ingredients. The restaurant chain is a leader in the Mexican QSR sector. The company has over 2,750 locations Chipotle restaurants throughout the U.S., 39 international Chipotle restaurants. Chipotle restaurants are company-owned rather than franchised, and they have over 97,000 employees. Chipotle had a 2019 net income of \$350.2M. The company trades on the New York Stock Exchange under the ticker symbol CMG.

For 2020, Chipotle management is anticipating the following:

- Mid-single digit comparable restaurant sales growth
- 150 to 165 new restaurant openings
- An estimated effective full year tax rate between 26% and 29%



Walmart 
Supercenter

 **HOME DEPOT**


Office DEPOT


Olive Garden


Chick-fil-A

HOBBY LOBBY
Spectrum
ihop
SALLY BEAUTY
PET SMART
ROSS
DRESS FOR LESS

 HARLINGEN
HIGH SCHOOL
SOUTH


TARGET


T.J. maxx

SHOE
CARNIVAL
Marshalls
five BELOW


Burlington
KOHL'S
ULTA
BEAUTY


WELLS
FARGO


Freddy's
STEAKBURGERS


POPEYES


JAMES AVERY
artisan jewelry


LACKS

HARLINGEN MALL
SHOPPING MALL

 **BIG LOTS!**


jcpenny


Dillard's


sears

AEROPOSTALE
AVEDA
CLAIRE'S
FOOT ACTION
FOOT LOCKER
GNC
JOURNEY'S
KAY JEWELERS
PERFUME & GOLD
PORTILLO
VICTORIA'S SECRET
ETC.


CHIPOTLE
MEXICAN GRILL


Conn's


FIREHOUSE
SUBS


Pep Boys


Wendy's

DIXIELAND RD


TACO
BELL

W. EXPWY 83
± 19,000 VPD

INTERSTATE
± 80,000 VPD



**HARLINGEN INFORMATION
& TRAVEL CENTER**



W. EXPWY 83
± 19,000 VPD



**HARLINGEN MALL
SHOPPING MALL**



AEROPOSTALE
AVEDA
CLAIRE'S
FOOT ACTION
FOOT LOCKER
GNC
JOURNEY'S
KAY JEWELERS
PERFUME & GOLD
PORTILLO
VICTORIA'S SECRET
ETC.



DIXIELAND RD



AREA OVERVIEW



HARLINGEN, TX

Harlingen is a city in Cameron County in the central region of the Rio Grande Valley of the southern part of the state of Texas, about 30 miles from the coast of the Gulf of Mexico. The city covers more than 40 square miles and is the second-largest city in Cameron County, as well as the fourth largest in the Rio Grande Valley. Harlingen is a principal city of the Brownsville–Harlingen metropolitan area, which is part of the larger Brownsville–Harlingen–Raymondville combined statistical area, included in the Matamoros–Brownsville metropolitan area. With a population of more than 65,000 residents, Harlingen is a great place for businesses and families alike as it boasts a high-quality community college, a robust health care industry, several points of interest, and easy access to cities in Mexico and other Texas cities near the U.S.-Mexico border.

Harlingen's location has made it a logistics center for the Valley. Valley International Airport (VIA) has three major air cargo companies located at its facility as well as 6 major airlines for passengers to choose from. It is the largest airport in the Rio Grande Valley. It serves over 700,000 passengers each year. Harlingen is also served by the Port of Harlingen. The Port of Harlingen occupies over 2,000 acres of land with 650 linear feet of multi-cargo wharf and five docks, making it the second-largest port in Cameron County. It handles over 2 million tons of cargo each year, which includes commodities such as liquid fertilizer, cotton, corn, and many more. The city is also served by Interstate 69E, which connects it to Brownsville, and Interstate 2, which connects it to other cities near the U.S.-Mexico border.



PROPERTY DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2026 Projection	6,315	53,576	93,307
2021 Population	6,221	53,767	93,189
2010 Population	5,647	54,256	91,620
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2026 Projection	2,054	17,245	30,613
2021 Population	2,020	17,314	30,571
2010 Population	1,815	17,481	29,988
INCOME	1-MILE	3-MILE	5-MILE
2020 Avg. Household Income	\$47,545	\$56,566	\$61,661

ECONOMY

Harlingen's local economy is mainly supported by the health care industry. The city has a dynamic, world-class medical and health care complex that is comprised of the Valley Baptist Medical Center, Harlingen Medical Center, Rio Grande State Center, Su Clinica Familiar, and many other clinics and medical practices. The city also features a Veteran's Administration Center, which includes a 120,000 sq. ft. outpatient center. The city is also home to the University of Texas Rio Grande Valley School of Medicine Clinical Education Building and the Graduate Medical Education Office where medical students study and participate in clinical rotations. The University of Texas Rio Grande Valley is constructing a new multi-million-dollar Institute of Neuro-Sciences research facility in the city near the Regional Academic Health Center. The university will help grow the city's health care sector and the number of jobs in that industry.





THE HARLINGEN ARTS & HERITAGE MUSEUM

The Harlingen Arts and Heritage Museum is a unique cultural museum featuring three historical buildings: the original home of Lon C. Hill, Harlingen's town founder; the Paso Real Stagecoach Inn, and Harlingen's first hospital. The attraction itself was formerly the Air Police Squadron and Brig of the Harlingen Air Force Base. It displays a collection of Harlingen and Texas historical objects and photos. Special events and rotating art exhibits are also featured at the museum.



HUGH RAMSEY NATURE PARK

The Hugh Ramsey Nature Park is comprised of 55-acres of woodlands with a walking trail, wildlife viewing, gardens, and water features. Several butterfly and bird species can be seen at the park throughout the year. While excellent birding in the winter months, it is a good migrant trap in the spring.



HARLINGEN ARROYO COLORADO

The Harlingen Arroyo Colorado is a peaceful, wooded retreat from the bustling city of Harlingen. The park features the Arroyo Colorado waterway and an extensive trail network that meanders through the city. Visitors can help restore and preserve the natural beauty of the park by volunteering for the re-vegetation program.

TEXAS STATE TECHNICAL COLLEGE

The Texas State Technical College is a public community college with 10 campuses throughout Texas. Currently, over 5,000 students are enrolled at the Harlingen campus. TSTC offers over 50 different programs and degrees at each of its campuses. The top career pathways include engineering & manufacturing, aviation, construction and maintenance, allied health, and computer & information technology. Students can work with well-known companies in various industries, such as Tesla Inc., Caterpillar Inc., Chevron Corporation, and Oncor Electric Delivery, as each of them have strong partnerships with the college. The college is committed to the success of its students as its direct funding is connected to the performance of its graduates.

MAJOR EMPLOYERS

Employers	Employees
Harlingen Consolidated School District	3,195
Valley Baptist Medical Center	2,789
Advanced Call Center Technologies	1,738
HEB (3) Harlingen Locations	715
United HealthCare Services, Inc.	682
Harlingen Medical Center	613
Rio Grande State Center	610
Bees First Primary Home Care	600
City of Harlingen	585
Texas State Technical College	509





CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Chipotle** located at **410 Dixieland Rd Harlingen, TX 78552** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



LISTING AGENTS

KYLE MATTHEWS

BROKER OF RECORD
LIC # 9005919 (TX)
LISTINGS@MATTHEWS.COM
(866) 889-0550

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



Information About Brokerage Services

11-2-2015

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Kyle Matthews/Matthews Retail Group Inc.	678067	kyle.matthews@matthews.com	(310) 919-5757
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Kyle Matthews	678067	kyle.matthews@matthews.com	(310) 919-5757
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date