



18880 E. Valley Parkway

INDEPENDENCE, MO 64055 (KANSAS CITY MSA)

ABSOLUTE NNN GROUND LEASE
RECENT 10-YEAR EXTENSION



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01

Investment Summary





Chipotle
MEXICAN GRILL

Chipotle
MEXICAN GRILL

pie five



INVESTMENT *Summary*

**18880 E VALLEY VIEW PKWY
INDEPENDENCE, MO 64055**



**PURCHASE PRICE
\$1,663,750**



**CAP RATE
4.00%**



**CURRENT NOI
\$66,550**



**BUILDING SIZE
±2,006 SF**



**LAND AREA
±37,864 SF**



**YEAR BUILT
2003**



**PARKING
40 SPACES**



**APN
34-510-01-06-00-0-00-000**



**ZONING
C2**



**TRAFFIC COUNTS
6,567 CPD
(E VALLEY VIEW PKWY)**



SITE *Plan*


NAP


NAP


NAP


NAP

NAP


NAP


NAP



E EASTLAND CENTER CR

6,567 CPD

E VALLEY VIEW PKWY





INVESTMENT Highlights

IDEAL 1031 EXCHANGE INVESTMENT OPPORTUNITY WITH CORPORATE GUARANTEE

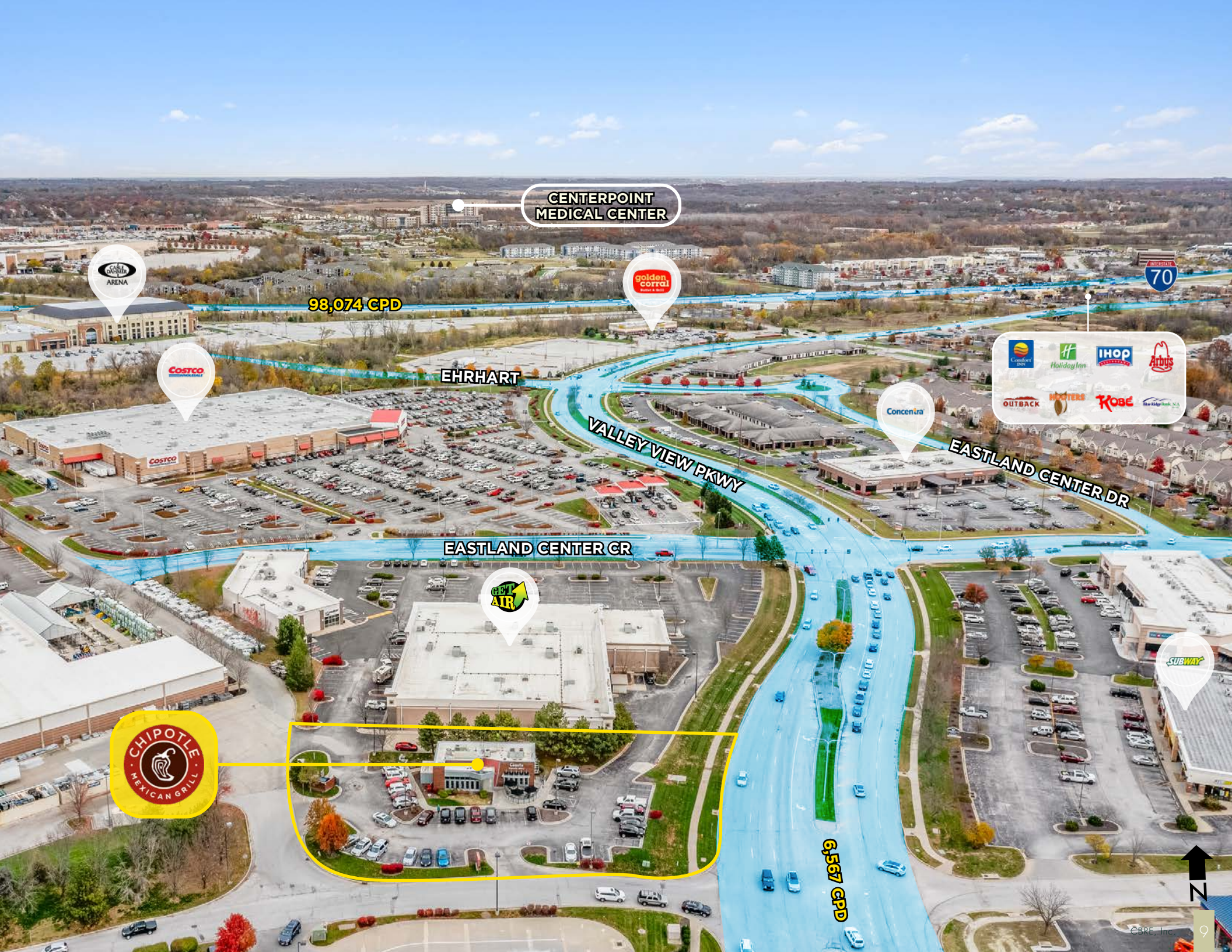
- **Absolute NNN Ground Lease with No Landlord Responsibilities** – Chipotle is Responsible for All Expenses and Maintenance, Leaving the Landlord with No Management Responsibilities.
- **Over 11 Years Remaining on Initial Lease Term** – Tenant Executed Early 10-Year Extension (Extending Initial Lease Term Until 2033) Showing Dedication to Location and the Highly Robust Sales that this Location Experiences.
- **Established Operating History** – Chipotle has Operated at its Current Site for Nearly 19 Years.
- **Multiple Near Term Rent Increases** – The Initial Lease Term has two 5% Rent Increases during the Initial Lease Term, the next in 2026 and another in 2028. There are 10% Rent Increases for Each Option Period as well, Providing a Strong Inflation Hedge.
- **Corporate Guarantee Security** – The Lease is Guaranteed by Chipotle Mexican Grill Inc. (NYSE: CMG), a Leading Fast-Casual Restaurant with Almost \$6 Billion in Annual Revenue (2020) and Excellent Year-Over-Year Sales Growth.
- **Major Upside with Below Market Rents** – With Annual Rent Under \$67,000/Year, the Subject Property's Rent is Almost 48% Below Comparable Chipotle Store Rents.

(Source: <https://www.netleaseadvisor.com/tenant/chipotle/>)

HIGHLY STRATEGIC AND DESIRABLE REAL ESTATE LOCATION IN KANSAS CITY MSA

- **Located within Costco and Lowe's Anchored Center** – The Property is Located within a Costco/Lowe's Anchored Center with an Ideal Tenant Mix which also Includes Lowe's, CarMax, Get Air Trampoline Park, Panera Bread, Concentra Urgent Care, and Several National Retailers.
- **Close Proximity to Major Freeways** – Chipotle is Situated in Between Major Freeways/Highways – I-470 (78,511 CPD) and I-70 (98,074 CPD).
- **High Barriers to Entry Location** – The Subject Property is the Only Chipotle within a 5 Mile Radius and Sits on a Rare 37,857 SF Lot.
- **Dense/Affluent Demographics** – Chipotle is Ideally Situated in the Heart of a Dense, Infill Trade Area Featuring Over 47,414 Residents and Average Household Incomes Exceeding \$92,123 within a 3-Mile Radius and Over 122,751 Residents and Average Household Incomes Exceeding \$85,678 within a 5-Mile Radius.
- **Residential and Commercial Proximity** – Chipotle is Conveniently Surrounded by Residential and Commercial Properties, Enhancing Daytime and Evening Foot Traffic.





CENTERPOINT
MEDICAL CENTER

98,074 CPD

golden
corral

CAVALIER
ARENA

COSTCO

EHRHART

VALLEY VIEW PKWY

Concentra

Comfort Inn
Holiday Inn
IHOP
Arby's
OUTBACK
HOOTERS
KOBÉ
The Skip Inn

EASTLAND CENTER DR

EASTLAND CENTER CR

GET
AIR

CHIPOTLE
MEXICAN GRILL



6,567 CPD

SUBWAY





02

*Lease
Summary*





Chipotle
MEXICAN GRILL

YIELD



LEASE Summary

LEASE TERM

Commencement: February 1, 2003
Termination: January 31, 2033
Lease Term: 30 Years
Remaining Term: 11.21 Years
Options: 4X5 years

RENT

Current Rent: \$66,550/year
\$5,546/month
Rent Increases: 5% Increases in Initial Term and 10% Increases in Option Periods

EXPENSES

Lease Structure: Absolute NNN - No Landlord Responsibility + All Paid Direct
Roof: Tenant
Structure: Tenant
HVAC: Tenant
CAM: Tenant
Parking: Tenant
Property Taxes: Tenant
Utilities: Tenant
Insurance: Tenant

RENT SCHEDULE

	Year	Month	% Increase
2/1/18-1/31/26:	\$66,550	\$5,546	
2/1/26-1/31/28:	\$69,878	\$5,823	5%
2/1/28-1/31/33:	\$73,329	\$6,111	5%
Option 1 (2/1/33-1/31/38):	\$80,662	\$6,722	10%
Option 2 (2/1/38-1/31/43):	\$88,728	\$7,394	10%
Option 3 (2/1/43-1/31/48):	\$97,601	\$8,133	10%
Option 4 (2/1/48-1/31/53):	\$107,361	\$8,947	10%

LEASE INFO

Ownership: Ground Lease
Tenant: Chipotle
Guarantor: Corporate

PROPERTY

GLA: ±2,006 SQ. FT. **Year Built:** 2003
Lot Size: ±37,857 SQ. FT. **Parking:** 40 SPACES
APN: 34-510-01-06-00-0-00-000 **Zoning:** C2

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KANSAS CITY





03

Tenant Overview





Chipotle

MEXICAN GRILL

18880

Handicapped
Parking
Permit Only

TC2-HOT

EB6-U4P



TENANT *Overview*

Chipotle is an American chain of fast casual dining restaurants in the United States, United Kingdom, Canada, Germany and France. It is one of the first chains of fast casual dining establishments. The restaurant specializes in tacos, burritos, and quesadillas that are made to order in front of the customer. In 1998, McDonald's Corporation had become a major investor in the company and in 2006, fully divested itself from Chipotle.



CORPORATE OVERVIEW

Headquarters: Newport Beach, CA

Website: www.chipotle.com

Stock Symbol: NYSE: CMG

Employees: 64,570+

Market Locations: 2,788+





04

*Area
Overview*







AREA *Overview*

Independence, Missouri

The fifth largest city in the state of Missouri, Independence is the county seat of Jackson County. It encompasses over 78 square miles and a current population of 117,255. It is located roughly 10 miles from Downtown Kansas City (Top 30 MSA) and a part of the Kansas City MSA. Home to the 33rd President of the United States, Harry S. Truman, Independence is a city rich in culture and heritage with a grasp of progress for the future. Independence companies have access to approximately 146,000 workers within a five-mile radius of the city. Approximately 30% of the labor force has a post-high school degree, higher than the Kansas City average.

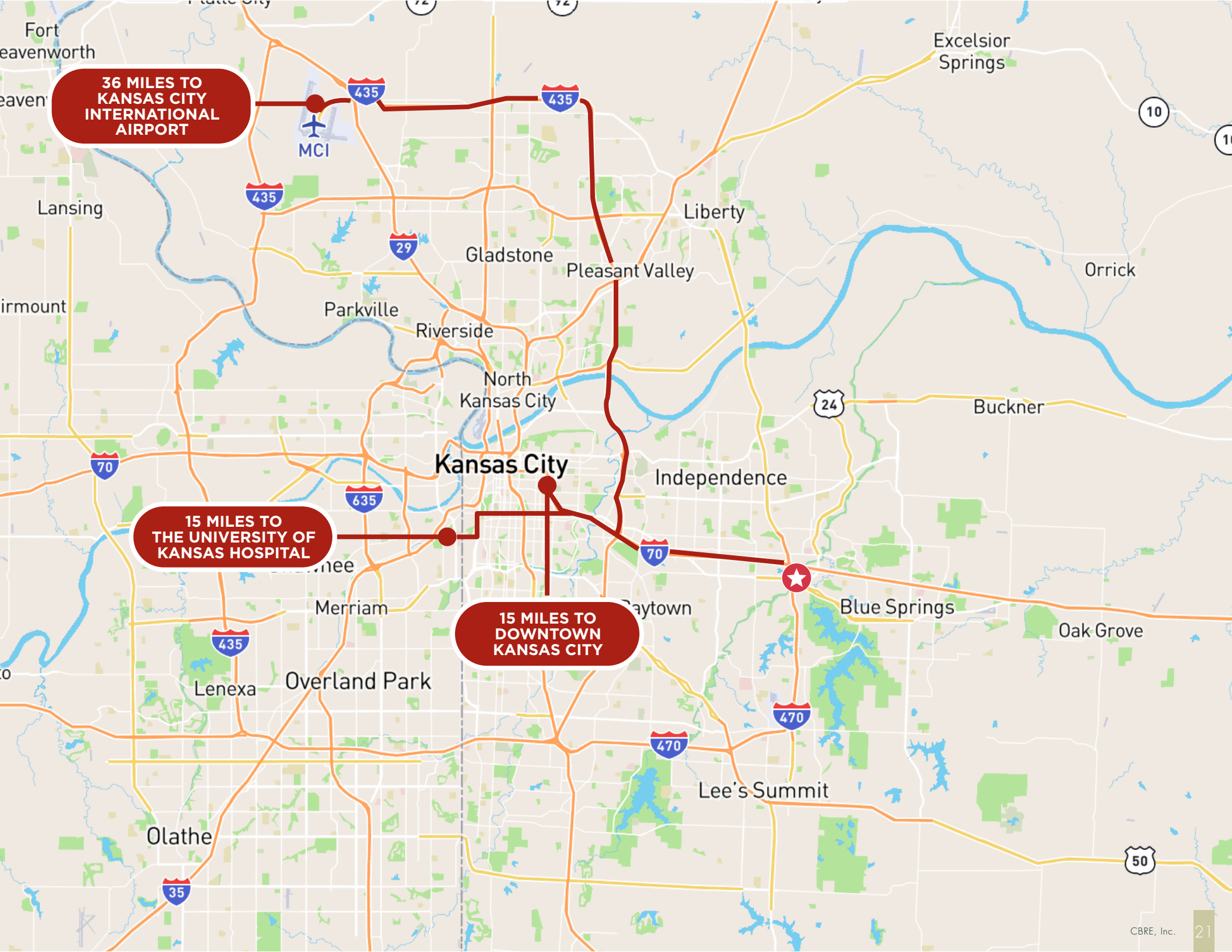
Businesses in Independence and surrounding areas benefit from The Ennovation Center, a business development incubator housing companies who utilize two start-up specialties - commercial kitchen co-working space (featuring six kitchens, commercial-grade equipment and small wares) and a business



technologies area with office and laboratory space (for service-based companies and not-for-profits).

- The municipality benefits from easy access to major highways -Interstate 70, Interstate 470 and US Highway 40.
- Recently, the city of Independence received a medallion noting it as the starting point of The Oregon Trails, the beginning of the westward settlement of the United States.
- Located directly across from The Falls at Crackerneck Creek is the Silverstein Eye Centers Arena, a 132,000 SF multi-purpose facility featuring a 75,000 SF arena bowl, ice rink and home to Missouri Mavericks (Central Hockey League).





36 MILES TO
KANSAS CITY
INTERNATIONAL
AIRPORT

15 MILES TO
THE UNIVERSITY OF
KANSAS HOSPITAL

15 MILES TO
DOWNTOWN
KANSAS CITY



AREA *Overview*

Kansas City, Missouri

LOCATION

The bi-state, 15-county Kansas City Metropolitan Statistical Area (MSA) is the most centrally located of any principal U.S. city. Kansas City is situated within 250 miles of both the geographic and population centers of the United States. The 15 counties that comprise the MSA are Bates, Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte, and Ray Counties in Missouri and Johnson, Franklin, Leavenworth, Linn, Miami and Wyandotte Counties in Kansas. The MSA covers 7,952 square miles and has a population of nearly 2.2 million.

DEMOGRAPHICS

The Kansas City MSA is an affluent and growing region. The MSA is home to 2,157,584 million residents and the population is projected increase by 4.7% over the next five years. Residents earn an average household income of \$84,955, slightly above the national average of \$83,694. In 2018, the average house value for the Kansas City MSA is \$230,046. According to the National Association of Realtors, Kansas City consistently ranks among the nation's most affordable housing markets.



2,157,584
POPULATION



30TH
LARGEST MSA IN THE US



250 MILES
DISTANCE FROM CENTER
OF US



91.0
COST OF LIVING INDEX



2,157,584
POPULATION



2,157,584
POPULATION



844,378
HOUSEHOLDS



19%
POPULATION GROWTH
SINCE 2000



30%
MORE INTERSTATE MILES PER
CAPITA THAN ANY US CITY



131,014
MULTIFAMILY RENTAL
UNITS



38
MEDIAN AGE



53%
POPULATION UNDER
THE AGE OF 35

TRANSPORTATION

The Kansas City metropolitan area is a major international transportation hub, with excellent access by highway, rail, and air. Kansas City has more freeway miles than any other metropolitan area in the nation, and is one of only five U.S. cities in which three interstates intersect. Interstates 29, 35 and 70 converge in Kansas City. Interstate 35 is the primary north/south artery and runs between Duluth, Minnesota and Laredo, Texas. Interstate 70 is the primary east/west artery and runs between Denver, Colorado and Baltimore, Maryland. Interstate 29 is a secondary north/south artery between Kansas City and the Canadian border. In addition, there are four interstate linkages (I-435, I-470, I-635, and I-670) that loop throughout and around the metropolitan area.

Kansas City International Airport (KCI) offers nonstop flights to 56 cities throughout the United States, Canada, Mexico, and Iceland. Served by 11 major commercial airlines and their connection partners, KCI enjoys one of the lowest-cost air travel markets in the nation.



One of the **SHORTEST** shortest commute times in the nation, averaging **23 MINUTES**



Opened in **2016** the new streetcar line spans **2.2 MILES**



New **\$1 BILLION** single terminal airport expected to be completed in **2021**



MORE rail traffic (in terms of tonnage) than any other city in the US

KANSAS CITY ATTRACTIONS



#1 FAVORITE CITY FOR BBQ
Travel & Leisure,
2016



45,000 ACRES
Metro Parks

WORLD CLASS ENTERTAINMENT

The Nelson-Atkins Museum of Arts

Kemper Museum of Art

Kauffman Center for Performing Art

Power & Light District

18th & Vine District

Sprint Center Arena

The National WWI Museum



SPORTS

Chiefs | Sporting KC | Royals

2015 World Series

2013 MLS Cup

2014 American League Champ



198 MILES
of trails



KANSAS SPEEDWAY
with over 200 attractions



AREA Overview

ECONOMY

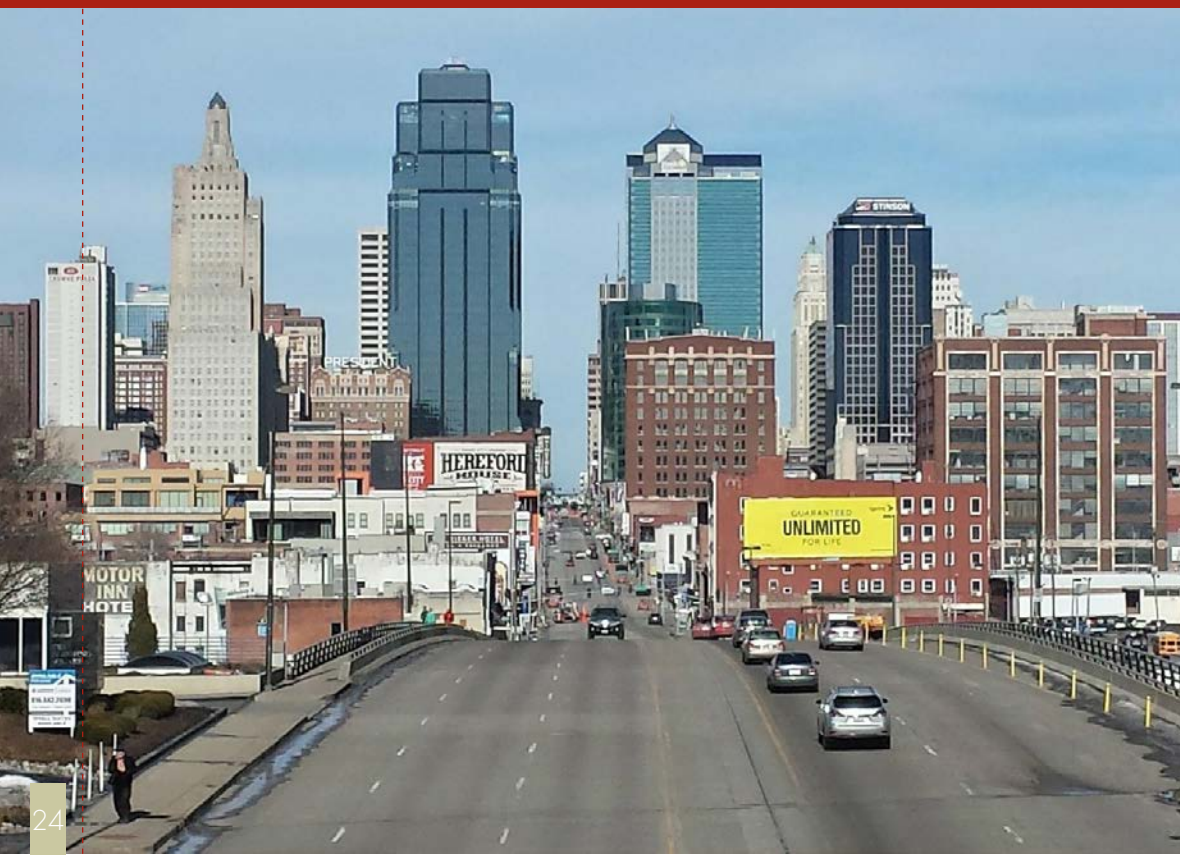
According to Moody's economy.com, Kansas City is among the Midwest's large top performers. At 1.6%, annual job growth is stable, matching the U.S. rate and comfortably above the regional average. Between 2012 and 2015, job growth averaged between 10,000 and 15,000 per year. Since 2015, the MSA has been adding jobs at a rate averaging 22,000 jobs per year. Looking forward, although job growth is projected to steadily decline, growth will continue to outpace numbers prior to 2015 with a projected 20,000 jobs added in 2018 according to the forecast from the Kansas City Chamber of Commerce in partnership with the Mid-America Regional Council.



KANSAS CITY AREA MAJOR EMPLOYERS

RANK	COMPANY	# EMP.
1	CERNER CORP.	12,890
2	HCA MIDWEST HEALTH SYSTEM	9,924
3	THE UNIVERSITY OF KANSAS HOSPITAL	9,469
4	SAINT LUKE'S HEALTH SYSTEM	8,123
5	FORD MOTOR COMPANY	7,220
6	CHILDREN'S MERCY HOSPITAL & CLINICS	6,969
7	SPRINT CORPORATION	6,000
8	DST SYSTEMS INC.	3,631
9	GENERAL MOTORS CORPORATION	3,400
10	GARMIN INTERNATIONAL INC.	3,329
11	BLACK & VEATCH LLP	3,249
12	HOME DEPOT	3,153
13	TRUMAN MEDICAL CENTER	3,126
14	RESEARCH MEDICAL CENTER	2,876
15	UNITED PARCEL SERVICE INC.	2,852
16	HONEYWELL INC.	2,800
17	HALLMARK CARDS INC.	2,700
18	BURNS & MCDONNELL	2,648
19	OLATHE HEALTH SYSTEM INC.	2,542
20	BNSF RAILWAY COMPANY	2,500

SOURCE: KANSAS CITY BUSINESS JOURNAL, 2017



AREA *Demographics*



	1 Mile	3 Miles	5 Miles
POPULATION			
2021 Population - Current Year Estimate	23,187	249,566	625,399
2026 Population - Five Year Projection	22,625	243,494	612,534
2010 Population - Census	24,771	264,226	652,608
2000 Population - Census	27,790	310,591	762,082
2010-2021 Annual Population Growth Rate	-0.59%	-0.51%	-0.38%
2021-2026 Annual Population Growth Rate	-0.49%	-0.49%	-0.41%



	1 Mile	3 Miles	5 Miles
HOUSEHOLDS			
2021 Households - Current Year Estimate	2,110	19,868	50,454
2026 Households - Five Year Projection	2,234	20,408	51,536
2010 Households - Census	1,856	18,731	48,607
2000 Households - Census	1,507	15,064	43,052
2010-2021 Annual Household Growth Rate	1.15%	0.53%	0.33%
2021-2026 Annual Household Growth Rate	1.15%	0.54%	0.43%
2021 Average Household Size	1.97	2.37	2.41



	1 Mile	3 Miles	5 Miles
HOUSEHOLD INCOME			
2021 Average Household Income	\$86,014	\$92,123	\$85,678
2026 Average Household Income	\$95,950	\$103,405	\$96,622
2021 Median Household Income	\$66,297	\$75,296	\$66,578
2026 Median Household Income	\$73,257	\$82,437	\$75,808
2021 Per Capita Income	\$38,306	\$38,394	\$35,188
2026 Per Capita Income	\$42,933	\$43,128	\$39,679



	1 Mile	3 Miles	5 Miles
HOUSING UNITS			
2015-2019 Housing Units	2,213	20,420	52,698
1 Unit -Detached	891	13,904	37,878
1 Unit -Attached	87	1,780	4,462
2 Units	3	137	707
3-4 Units	63	741	2,037
5-9 Units	130	842	2,184
10-19 Units	312	1,359	2,182
20-49 Units	90	378	906
50 and Over	128	637	1,373
Mobile Home	508	584	903
Other Units	0	58	65



	1 Mile	3 Miles	5 Miles
PLACE OF WORK			
2021 Businesses	515	1,330	3,995
2021 Employees	8,011	19,698	53,995



	1 Mile	3 Miles	5 Miles
DAYTIME POPULATION			
2021 Daytime Population	7,773	44,700	117,623
Daytime Workers	5,799	21,810	54,898
Daytime Residents	1,974	22,890	62,725



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