

CBRE

OFFERING MEMORANDUM



# Jack in the Box

5600 S. GRAND BLVD. | ST. LOUIS, MO 63111

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5500 Grand Blvd

Walgreens



# Tenant Overview





Per Dun & Bradstreet, “Foodmaker, Inc”. by means of assignments, corporate mergers and name changes is now vested as “Jack in The Box Eastern Division L.P”. Jack in The Box is located in San Diego, CA, United States and is part of the Restaurants and Other Eating Places Industry. Jack in The Box Eastern Division L.P. has 146 total employees across all of its locations and generates \$45.68 million in sales (USD). There are 377 companies in the Jack in The Box Eastern Division L.P. corporate family.

Founded in 1951 in San Diego, California, Jack in the Box Inc. is a restaurant company that operates and franchises Jack in the Box® restaurants, one of the nation’s largest hamburger chains, with more than 2,200 restaurants in 21 states and Guam. Jack in the Box was the first major hamburger chain to develop and expand the concept of drive-thru restaurants. Today, the drive-thru accounts for about 85% of Jack in the Box sales.

Jack in the Box Inc. acquired Qdoba in 2003 to supplement their core growth, but sold it in 2018 to Apollo Global Management. In December 2021, Jack in the Box acquired Del Taco, the second-largest Mexican fast-food chain by number of restaurants behind Yum Brands’ Taco Bell. The combined company will have more than 2,800 locations across 25 states.

Jack in the Box franchises over 90% of all locations and had a 2021 revenue exceeding \$1 Billion.

## JACK IN THE BOX CORPORATE OVERVIEW

<b>TENANT TRADE NAME:</b>	Jack in the Box
<b>TENANT OWNERSHIP STATUS:</b>	Public
<b>BOARD/STOCK SYMBOL:</b>	NASDAQ: JACK
<b>TENANT:</b>	Corporate Store
<b>LOCATIONS:</b>	-/+ 2,200
<b>REVENUE:</b>	\$1.007 Billion (2021)
<b>CORPORATE HEADQUARTERS:</b>	San Diego, CA





# Financial Overview





**LIST PRICE**  
**\$1,777,000**



**CAP RATE**  
**6.00%**



**TOTAL NOI**  
**\$106,632**

## PROPERTY HIGHLIGHTS

### CORPORATE STORE

The corporately-backed lease is executed by “Foodmaker, Inc.” and by means of assignments, corporate mergers and name changes is now vested as “Jack in The Box Eastern Division L.P”, the corporate operator and franchisor of all Jack in the Box restaurants

### ESTABLISHED & SUCCESSFUL LOCATION

Jack in The Box has been in continuous operation at this location since 1991 (30+ years) and has a track record of extending their lease, most recently in 2019 when they exercised their first of four options to renew

### PASSIVE INVESTMENT/TAX SHELTER

The fee simple build-to-suit ownership structure coupled with an absolute-net lease offers both tax shelter via depreciation, a rarity in the QSR segment, and zero landlord responsibilities or expenses

### EXCELLENT VISIBILITY & ACCESS

The property sits at the highly visible, hard corner intersection of Grand Blvd. and Bates St. with multiple points of access to/from both streets and combined traffic counts of 23,337 vehicles per day

### HIGH BARRIER TO ENTRY MARKET

Densely populated, downtown St. Louis neighborhood with over 23,000 people in the 1-mile radius creating elevated levels of foot and car traffic at the subject intersection

### STRONG REAL ESTATE FUNDAMENTALS

The subject property offers a low price point, drive-thru, remodeled prototype, 30+ years of operations and limited fast-food competition in a densely populated market

### DOWNTOWN LOCATION WITH REGIONAL ACCESS

The property is situated less than 5-mi from downtown St Louis and less than 1-mile from Interstate 55, a major north-south corridor with over 100,000 vehicles per day. Interstate 55 is a direct connection to Chicago, IL to the North and Memphis, TN to the south.

### NEARBY COMPLIMENTARY USES

Immediately adjacent to a Walgreen's Pharmacy, Midwest BankCentre, Metro by T-Mobile and is near Domino's, Imo's, Dollar General, Family Dollar, BP, Phillips 66, St. Mary's High School and Woodward Elementary School to name a few

## FINANCIAL OVERVIEW



**PROPERTY ADDRESS:**  
5600 S. GRAND BLVD.  
ST. LOUIS, MO 63111

<b>PRICE:</b>	<b>\$1,777,000</b>
<b>CAP RATE:</b>	<b>6.00%</b>
<b>YEAR BUILT:</b>	2011
<b>BUILDING SQUARE FOOTAGE:</b>	2,750
<b>LOT SIZE:</b>	0.23 Acres
<b>TYPE OF OWNERSHIP:</b>	Fee Simple
<b>TENANT:</b>	Jack in the Box Eastern Division LP*
<b>GUARANTEE:</b>	Corporate
<b>LEASE TYPE:</b>	Absolute-Net
<b>ROOF AND STRUCTURE:</b>	Tenant Responsible
<b>LEASE COMMENCEMENT:</b>	9/16/1991
<b>LEASE EXPIRATION:</b>	9/24/2024
<b>INITIAL LEASE TERM:</b>	18 Years
<b>TERM REMAINING ON LEASE:</b>	2.75 Years
<b>OPTIONS:</b>	4x5 Years; 90 days prior notice**
<b>INCREASES:</b>	Per CPI, subject to maximum increase of 10% and no decrease from prior period
<b>ROFR:</b>	Yes; 15 days

ANNUALIZED OPERATING DATA		
RENT INCREASES	ANNUAL	MONTHLY
Current/Option 1 – 9/24/2024	\$106,631.99	\$8,885.99
Option 2	Per CPI	Per CPI
Option 3	Per CPI	Per CPI
Option 4	Per CPI	Per CPI
<b>NET OPERATING INCOME:</b>		<b>\$106,631.99</b>

\*Tenant has the right to sublet without the consent of landlord, but tenant remains liable to all obligations within the lease. Tenant has the right to assign lease without consent of landlord provided (i) tenant is not in default, (ii) tenant shall not be relieved of responsibility, liability or obligation to landlord, (iii) any assignee shall agree in writing to be bound by all terms, covenants, and conditions of lease, and (iv) that an executed original of such assignment and agreement shall be mailed to landlord within 10 days after the effective date of assignment

\*\* Tenant exercised first of 4 renewal option periods in 2019

## Investment Overview

**CBRE IS PLEASED TO EXCLUSIVELY PRESENT FOR SALE** this 2,750 square foot Jack in the Box property located on a 0.23 acre parcel in St. Louis, Missouri. Jack in the Box is currently in the first of four, five-year options remaining on its absolute-net lease, with potential 10% rent increases per CPI. The corporately-backed lease is executed by “Foodmaker, Inc.” and by means of assignments, corporate mergers and name changes is now vested as “Jack in The Box Eastern Division L.P”, the corporate operator and franchisor of all Jack in the Box restaurants. Jack in The Box has been in continuous operation at this location since 1991 (30+ years) and has a track record of extending their lease, most recently in 2019 when they exercised their first of four options to renew. The property benefits from strong real estate fundamentals: low price point, drive-thru, remodeled prototype, 30+ years of operations and limited fast-food competition in a densely populated market . The fee simple build-to-suit ownership structure coupled with an absolute-net lease offers both tax shelter via depreciation, a rarity in the QSR segment, and zero landlord responsibilities or expenses.

The property sits in a densely populated, downtown St. Louis neighborhood with over 23,000 people in the 1-mile radius creating elevated levels of foot and car traffic at the subject intersection creating elevated levels of foot and car traffic at the subject intersection - the highly visible, hard corner intersection of Grand Blvd. and Bates St. with multiple points of access to/from both streets and combined traffic counts of 23,337 vehicles per day. The property is situated less than 5-mi from downtown St Louis and less than 1-mile from Interstate 55, a major north-south corridor with over 100,000 vehicles per day. Interstate 55 is a direct connection to Chicago, IL to the North and Memphis, TN to the south.

Jack in the Box is immediately adjacent to a Walgreen's Pharmacy, Midwest BankCentre, Metro by T-Mobile and is near Domino's, Imo's, Dollar General, Family Dollar, BP, Phillips 66, St. Mary's High School and Woodward Elementary School to name a few.





# Property Summary





# Property Summary



TENANT OVERVIEW

FINANCIAL OVERVIEW

PROPERTY SUMMARY



# Property Summary



TENANT OVERVIEW

FINANCIAL OVERVIEW



PROPERTY SUMMARY





ST. MARY'S  
HIGH SCHOOL



Walgreens

DOLLAR GENERAL

S. GRAND BLVD. 13,455 VPD

BATES ST. 9,882 VPD

WOODWARD  
ELEMENTARY  
SCHOOL



VIRGINIA AVE 3,708 VPD

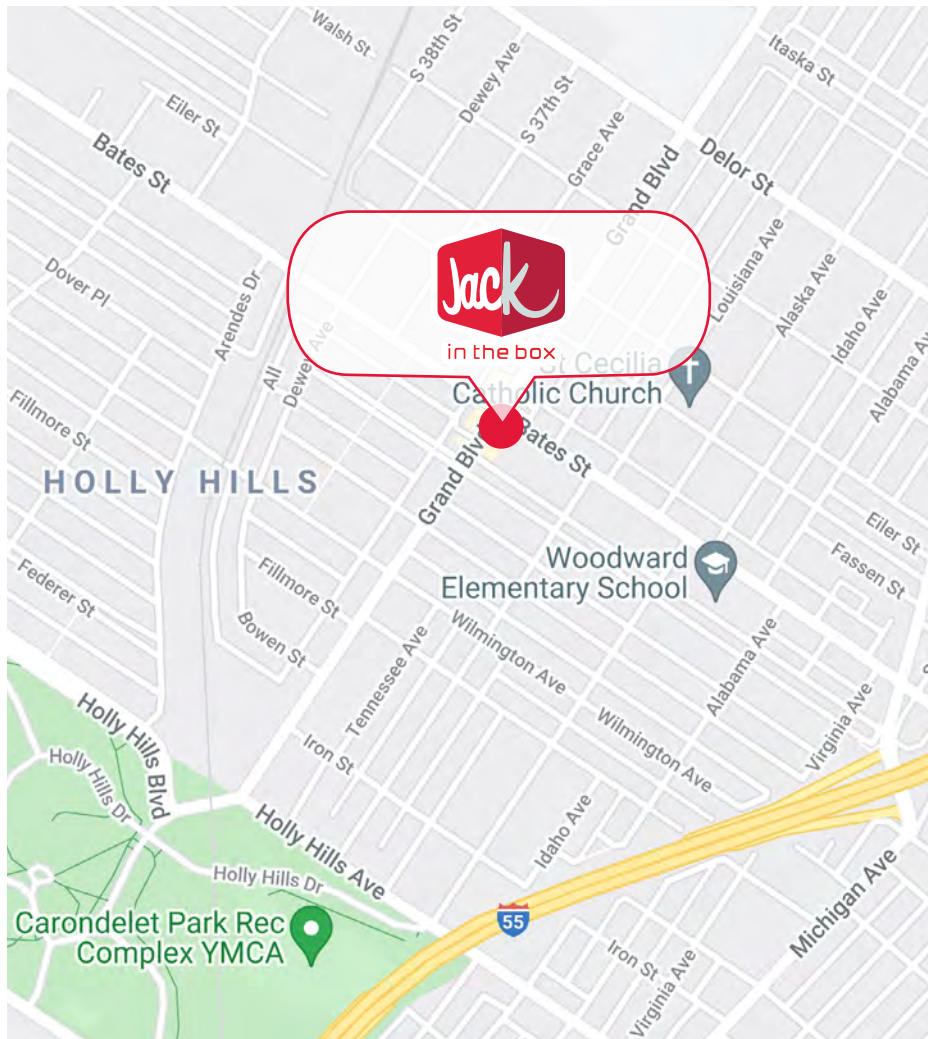
CARONDELET  
PARK



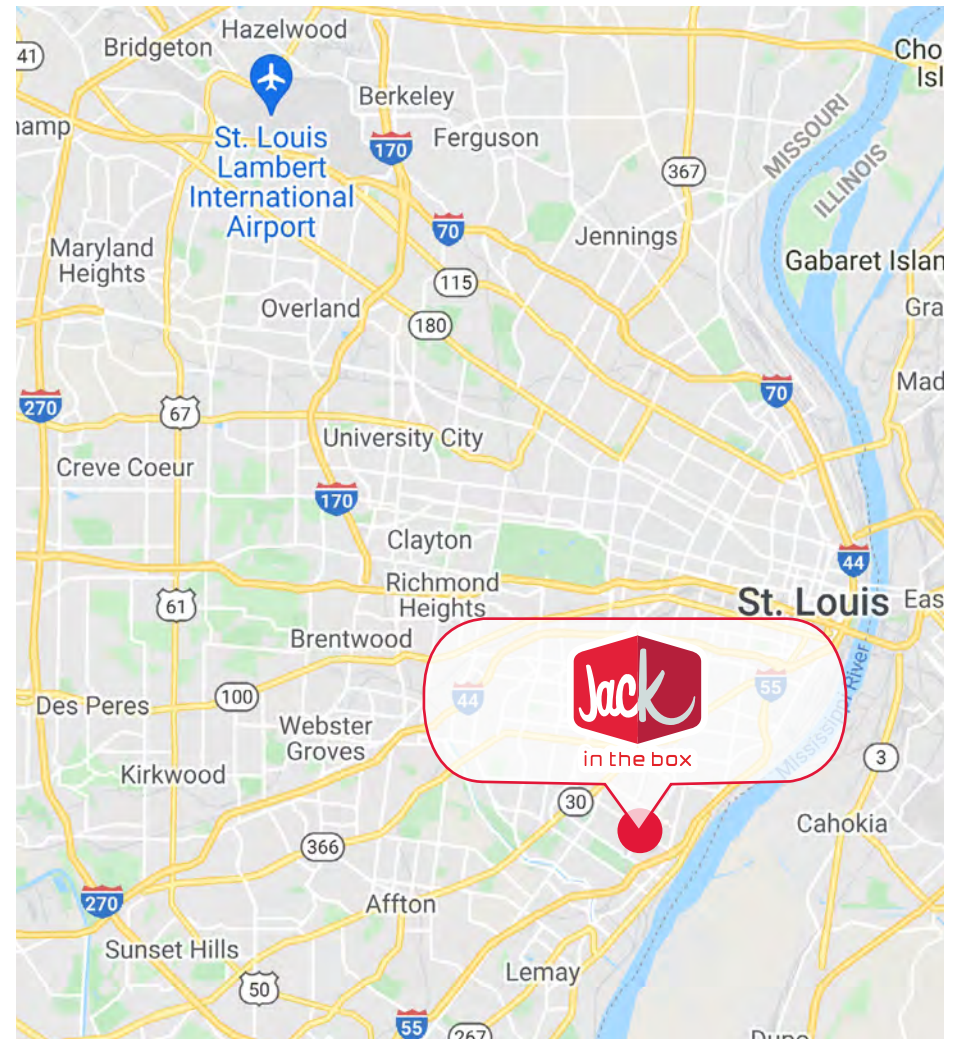
99,473 VPD



## LOCAL MAP



## REGIONAL MAP





## LOCATION OVERVIEW

This 2,750 square foot Jack in the Box is situated on a 0.23 acre parcel at the highly visible, hard corner, signaled intersection of Grand Blvd. and Bates St. in St. Louis, Missouri. The property sits less than a mile from on/off ramps to I-55 - which sees nearly 100,000 vehicles per day - and less than 5 miles from the center of downtown St. Louis. This is a dense demographic area, with over 23,500 residents within 1 mile, 134,000 within 3 miles and over 280,000 within 5 miles of the subject property.

Jack in the Box is immediately adjacent to a Walgreen's Pharmacy, Midwest BankCentre, Metro by T-Mobile and is in close proximity to Domino's, Imo's, Dollar General, Family Dollar, BP, Phillips 66, St. Mary's High School and Woodward Elementary School.

St. Louis is the second-largest city in Missouri. It sits near the confluence of the Mississippi and the Missouri Rivers and the city proper had a population of around 301,500 as of 2020, while the bi-state metropolitan area, which extends into Illinois, had an estimated population of over 2.8 million, making it the largest metropolitan area in Missouri, the second-largest in Illinois, and the 20th-largest in the United States.

### WITHIN 5 MILES OF SUBJECT PROPERTY

#### TOTAL POPULATION



281,199

#### HOUSEHOLD INCOME



\$70,557

*Average*

#### DAYTIME POPULATION



307,878

#### TOTAL HOUSEHOLDS



127,678





## SUBJECT AREA DEMOGRAPHICS



### POPULATION

	1 MILE	3 MILES	5 MILES
2010 POPULATION	24,401	138,677	285,943
2021 POPULATION	23,582	133,999	281,199
PROJECTED POPULATION (2026)	22,875	130,472	278,300
HISTORICAL ANNUAL GROWTH			
2010-2021	-0.30%	-0.30%	-0.15%
PROJECTED ANNUAL GROWTH			

2021-2026 -0.61% -0.53% -0.21%

### HOUSEHOLDS

	1 MILE	3 MILES	5 MILES
2010 HOUSEHOLDS	10,192	61,055	128,545
2021 HOUSEHOLDS	9,856	59,354	127,678
PROJECTED HOUSEHOLDS (2026)	9,551	57,789	126,718
HISTORICAL ANNUAL GROWTH			
2010-2021	-0.30%	-0.25%	-0.06%
PROJECTED ANNUAL GROWTH			

2021-2026 -0.63% -0.53% -0.15%

### HOUSEHOLD INCOME

	1 MILE	3 MILES	5 MILES
2021 AVERAGE	\$56,766	\$65,130	\$70,557
2021 MEDIAN	\$43,525	\$51,012	\$53,522

### POPULATION BY RACE

	1 MILE	3 MILES	5 MILES
WHITE POPULATION	62.6%	67.2%	70.7%
AFRICAN AMERICAN POPULATION	24.6%	21.5%	20.0%
ASIAN POPULATION	4.3%	4.6%	4.1%
PACIFIC ISLANDER POPULATION	0.3%	0.3%	0.3%
AMERICAN INDIAN AND ALASKA NATIVE	0.1%	0.0%	0.0%
OTHER RACE POPULATION	4.0%	2.6%	1.7%
TWO OR MORE RACES POPULATION	4.2%	3.7%	3.2%

### HISPANIC OR LATINO POPULATION BY ORIGIN

	1 MILE	3 MILES	5 MILES
HISPANIC OR LATINO	9.3%	7.0%	5.0%
WHITE NON-HISPANIC	58.0%	63.6%	68.0%

### 2021 AGE BY GENDER

	1 MILE	3 MILES	5 MILES
MEDIAN AGE			
MALE/FEMALE	36.2/38.4	36.9/38.7	37.0/38.8

### TRAFFIC COUNTS

S. GRAND BLVD.

13,455

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