

# INVESTMENT OFFERING



**CHIPOTLE**

18016 W 119th St  
Olathe, KS 66061



REPRESENTATIVE PHOTO

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# DISCLAIMER

This is a confidential Offering Memorandum was prepared by the R.H. Johnson Company (the "Broker") and is intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the property described in this Offering Memorandum (the "Property").

This Offering Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property and the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner or Broker. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Offering Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Offering Memorandum.

Neither the Owner or Broker, nor any of their respective directors, officers or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Offering Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of real property.

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Offering Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

By receipt of this Offering Memorandum, you agree that this Offering Memorandum and its contents are of confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose the Offering Memorandum or any of its contents to any other entity without prior written authorization of the Owner or Broker. You also agree that you will not use this Offering Memorandum or any of its contents in any manner detrimental to the interest of the Owner or Broker.

For more information contact:

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Tel: (816) 268-2440  
czoog@rhjohnson.com





# FINANCIAL OVERVIEW

## OFFERING SUMMARY

|                        |               |
|------------------------|---------------|
| PRICE                  | \$2,924,809   |
| RENTABLE SQUARE FEET   | 2,628 SF      |
| CAP RATE               | 4.25%         |
| YEAR BUILT / RENOVATED | 2007/2021     |
| LOT SIZE               | 32,534 +/- SF |

## LEASE SUMMARY

|                           |                              |
|---------------------------|------------------------------|
| TENANT TRADE NAME         | Chipotle                     |
| LEASE GUARANTOR           | Chipotle Mexican Grill, Inc. |
| LEASE TYPE                | NN                           |
| ROOF & STRUCTURE ORIGINAL | Landlord Responsible         |
| LEASE TERM RENT           | Fifteen (15) Years           |
| COMMENCEMENT DATE         | 12/01/2021 (est.)            |
| LEASE EXPIRATION DATE     | 11/30/2036 (est.)            |
| TERM REMAINING ON LEASE   | Fifteen (15) Years           |
| INCREASES                 | 10% Every 5-Years            |
| OPTIONS TO RENEW          | (4) 5-Year Options           |
| RIGHT OF FIRST REFUSAL    | No                           |



## ANNUALIZED OPERATING DATA

| RENT INCREASES         | ANNUAL RENT  | MONTHLY RENT |
|------------------------|--------------|--------------|
| Years 1-10             | \$124,304.40 | \$10,358.70  |
| Years 11-15            | \$136,734.84 | \$11,394.57  |
| Years 16-20 (Option 1) | \$150,408.36 | \$12,534.03  |
| Years 21-25 (Option 2) | \$165,458.88 | \$13,788.24  |
| Years 26-30 (Option 3) | \$181,989.00 | \$15,165.75  |
| Years 31-35 (Option 4) | \$200,201.04 | \$16,683.42  |

|                      |       |              |
|----------------------|-------|--------------|
| BASE RENT            |       | \$124,304.40 |
| NET OPERATING INCOME |       | \$124,304.40 |
| TOTAL RETURN YR-1    | 4.25% | \$124,304.40 |

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# TENANT OVERVIEW



## CHIPOTLE MEXICAN GRILL, INC.

Chipotle Mexican Grill, Inc (NYSE: CMG) is an American chain of fast-casual restaurants in the United States, United Kingdom, Canada, Germany, and France known for its large burritos, assembly-line production, and use of natural ingredients. Founded in 1993, Chipotle is one of the first chains of fast-casual dining establishments offering more than 65,000 combinations of burritos, soft tacos, crispy tacos, chips and salsa, beer and margaritas.

The company has also released a mission statement called Food with Integrity, which highlights its efforts in using organic ingredients and serving more naturally raised meat than any other restaurant chain. The company's revenue in Q3 2021 was \$2.0 billions, an increase of 21.9% compared to the third quarter of 2019.

## "CHIPOTLANE" DRIVE-THRU STORES

In 2020, Chipotle introduced a new prototype store with a drive-thru. These Chipotlane stores generate 10% more in sales than stores without a drive-thru. Digital sales grew 8.6% from Q3 of 2020 and accounted for 42.8% of sales.

|                             |  |
|-----------------------------|--|
| PROPERTY NAME               | Chipotle   |
| PROPERTY ADDRESS            | 18016 W 119th ST<br>Olathe, KS 66061                   |
| PROPERTY TYPE               | Net Lease Quick Service Restaurant                     |
| LEASE GUARANTOR             | Chipotle Mexican Grill, Inc.                           |
| STOCK SYMBOL                | CMG  |
| BOARD                       | NYSE   |
| TERM REMAINING ON LEASE     | Fifteen (15) Years                                     |
| OPTIONS TO RENEW            | (4) 5-Year Options w/10% bumps                         |
| LEASE TYPE                  | NN   |
| LANDLORD RESPONSIBILITY     | Roof and Structure                                     |
| YEAR 1 NET OPERATING INCOME | \$124,304.40   |
| NO. OF LOCATIONS            | 2,800+   |
| HEADQUARTERED               | Newport Beach, CA                                      |
| WEBSITE                     | <a href="http://www.chipotle.com">www.chipotle.com</a> |
| YEARS IN THE BUSINESS       | Since 1993   |



# EXECUTIVE SUMMARY

## INVESTMENT OVERVIEW

The subject property was originally built as a Taco Bueno in 2007. The building has been re-developed into a freestanding Chipotle with a drive-thru ("Chipotlane") located in Olathe, KS, which is a suburb of Kansas City Metro. The brand new 15-year lease is corporately guaranteed by Chipotle Mexican Group, Inc. (NYSE: CMG) and includes 10% rental increases in the four (4) five (5) year option periods. The property is strategically located at a busy signalized intersection that has high-volume grocery store (Hy-Vee), Johnson County Government Campus and dense population with single family homes, apartments, and assisted living facilities. The site benefits from excellent visibility and frontage along 119th Street which boasts over 20,000 vehicles per day.

National retailers in the immediate vicinity include CVS, McDonalds, Dunkin', Sonic, Jack in the Box, Arby's, Dairy Queen, Starbucks, QuikTrip and many more. This is an excellent opportunity for an investor to purchase a stable, long-term and corporately guaranteed investment with very little landlord responsibility.



## INVESTMENT HIGHLIGHTS

- Brand New 15-Yr NN Lease with Corporate Guarantee
- New 2021 Remodel Equipped with the Latest "Chipotlane" Drive-Thru Concept
- Landlord Responsibilities: Roof & Structure
- 10% Rent Increases Every 5 Years
- Rent Commencement 11/10/2021
- Traffic Counts Exceed 20,000 Vehicles Per Day
- Over 188,000 People Within a 5-Mile Radius



REPRESENTATIVE PHOTO





**55+ APARTMENTS**  
**146 UNITS**  
**\$1,100-\$1,800/MONTH**



**APARTMENTS**  
**237 UNITS**

# ASSISTED LIVING

# SITE



**INDUSTRIAL  
PARK**

## INDUSTRIAL

# INDUSTRIAL

# INDUSTRIAL



The R.H. JOHNSON COMPANY

Brokerage • Development • Management

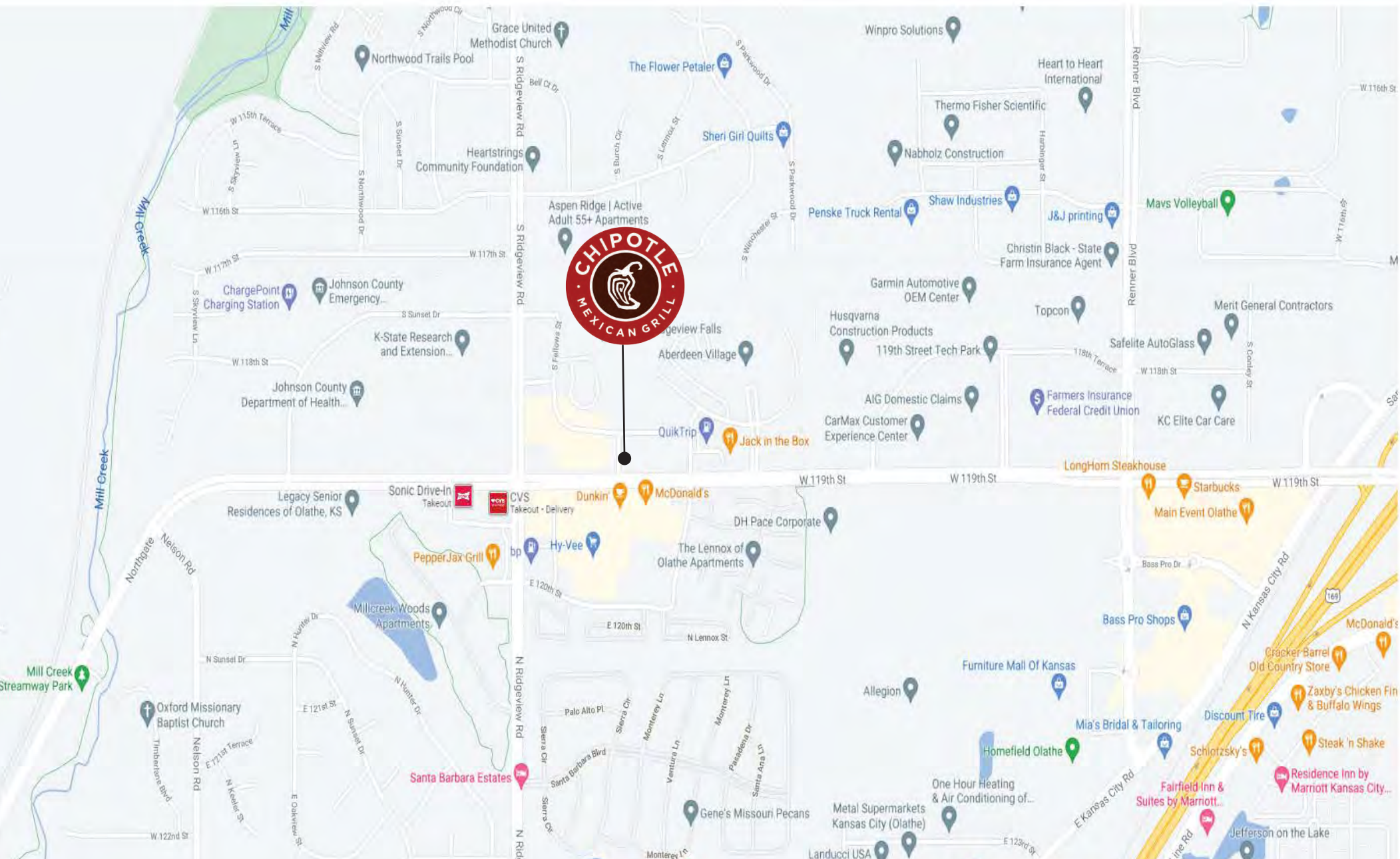
A MEMBER OF  
**CHAINLINKS**  
RETAIL ADVISORS







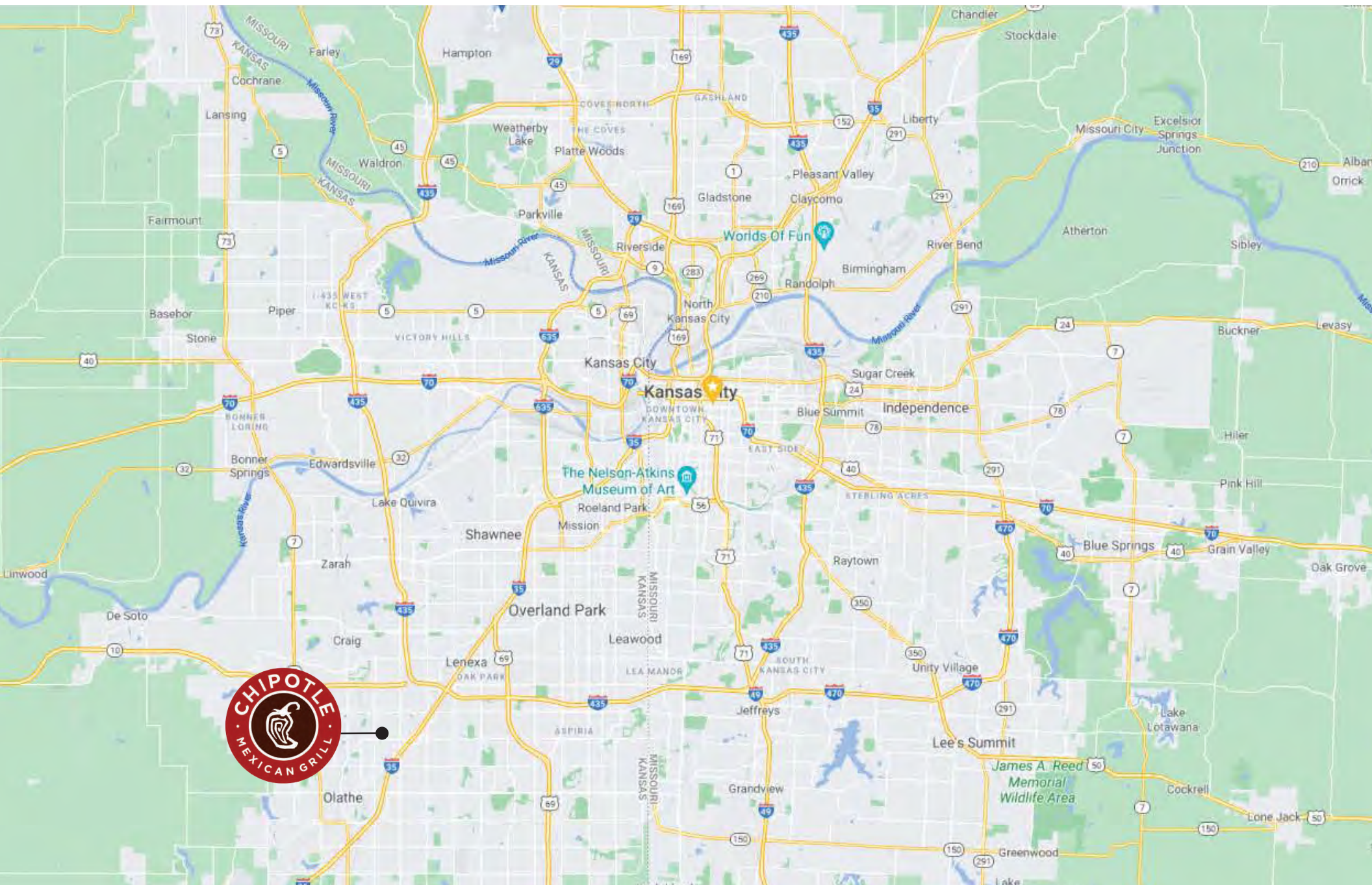
# LOCATION MAP



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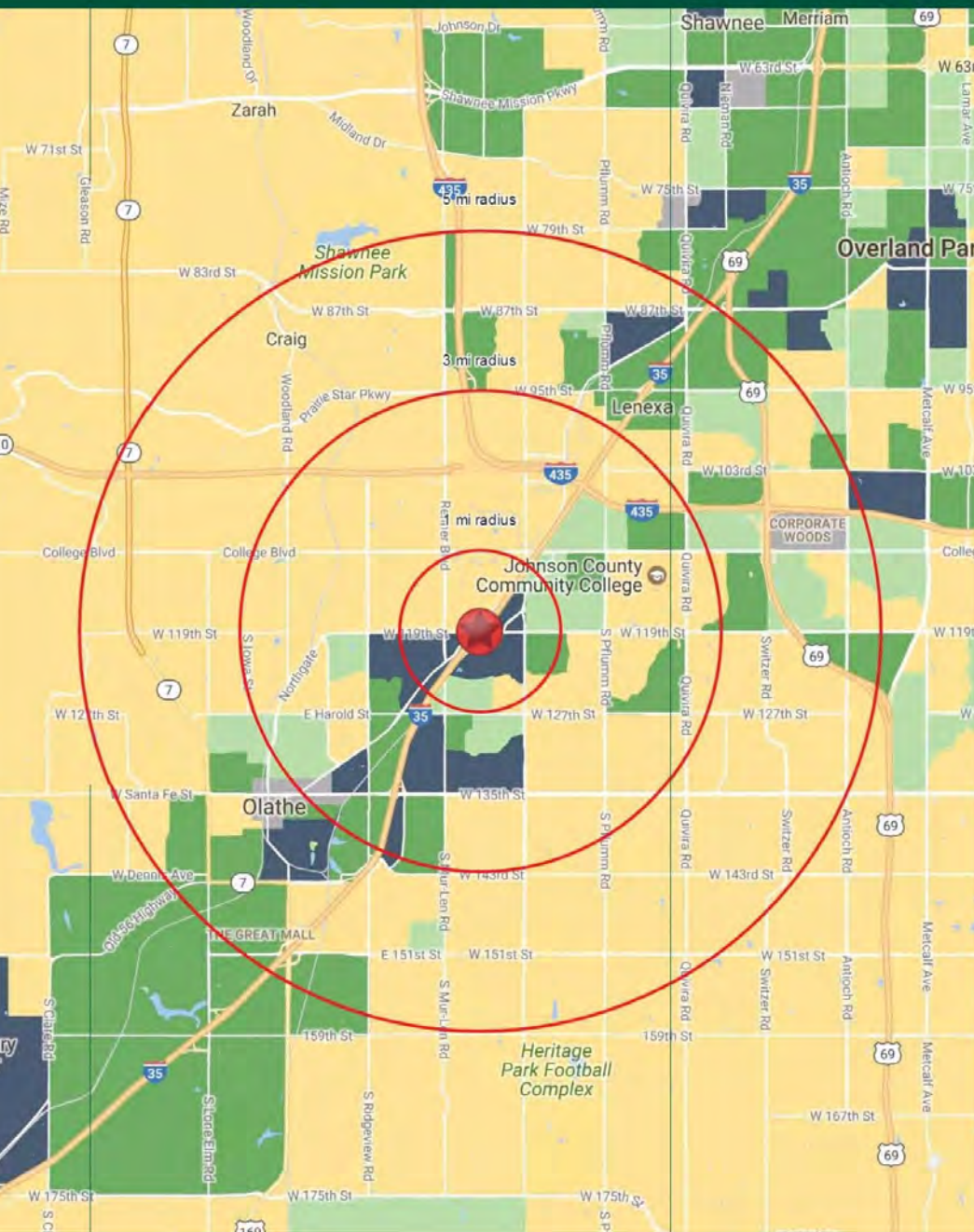
# AREA MAP



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# MARKET OVERVIEW



## OLATHE, KANSAS



The overall intersection of I-35 and 119th Street encompasses both 119th Street and Strang Line and 119th Street and Blackbob Road. Both of these intersections have seen tremendous growth. Most recently, Furniture Mall of Kansas joined Bass Pro Shops along with the already excellent retail line up. This is a great retail area in South Johnson County.

### MAJOR ANCHORS

- Bass Pro Shops
- Target
- Home Depot
- Best Buy
- Bed Bath & Beyond
- Furniture Mall of Kansas

### Median HH Income

By Block Groups

- \$75,000 or more
- \$60,000 to \$75,000
- \$45,000 to \$60,000
- \$30,000 to \$45,000
- Less than \$30,000

I-35 &  
119th Street



# DEMOGRAPHIC REPORT

REPRESENTATIVE PHOTO



| POPULATION               | 3 MILE | 5 MILES | 10 MILES |
|--------------------------|--------|---------|----------|
| 2026 Projection          | 74,722 | 208,393 | 556,880  |
| 2021 Estimate            | 72,382 | 201,352 | 536,523  |
| 2010 Census              | 64,571 | 180,089 | 421,847  |
| Percent Change 2010-2021 | 12.10% | 11.81%  | 13.71%   |
| Percent Change 2021-2026 | 3.23%  | 3.50%   | 3.79%    |
| Median Age               | 33.80  | 36.30   | 38.50    |

| INCOME & HOUSEHOLDS             | 3 MILE        | 5 MILES       | 10 MILES       |
|---------------------------------|---------------|---------------|----------------|
| 2026 Proj. Avg. HH Income       | \$101,404     | \$119,087     | \$132,662      |
| 2021 Est. Avg. HH Income        | \$91,316      | \$107,192     | \$118,943      |
| <b>2026 Est. Households</b>     | <b>29,792</b> | <b>83,161</b> | <b>227,802</b> |
| 2021 Est. Households            | 28,096        | 78,149        | 213,736        |
| 2010 Census                     | 24,354        | 67,613        | 182,643        |
| Percent Change 2010-2021        | 15.37%        | 15.58%        | 17.02%         |
| <b>Percent Change 2021-2026</b> | <b>6.04%</b>  | <b>6.41%</b>  | <b>6.58%</b>   |

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