

CBRE

OFFERING MEMORANDUM



Chipotle

543 SUSQUEHANNA BLVD. | HAZLETON, PA 18202

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Chipotle Mexican Grill, Inc. is cultivating a better world by serving responsibly sourced, classically-cooked, real food with wholesome ingredients without artificial colors, flavors or preservatives. Chipotle had over 2,650 restaurants as of June 30, 2020, in the United States, Canada, the United Kingdom, France and Germany and is the only restaurant company of its size that owns and operates all its restaurants. With more than 91,000 employees passionate about providing a great guest experience, Chipotle is a longtime leader and innovator in the food industry. Chipotle is committed to making its food more accessible to everyone while continuing to be a brand with a demonstrated purpose as it leads the way in digital, technology and sustainable business practices. Steve Ells, founder and former executive chairman, first opened Chipotle with a single restaurant in Denver, Colorado in 1993.



## CHIPOTLE CORPORATE OVERVIEW

<b>TENANT TRADE NAME:</b>	Chipotle Mexican Grill
<b>TENANT OWNERSHIP STATUS:</b>	Public
<b>BOARD/STOCK SYMBOL:</b>	NYSE: CMG
<b>TENANT:</b>	Corporate Store
<b>LOCATIONS:</b>	-/+ 3,000
<b>REVENUE:</b>	\$7.5 Billion (2021)
<b>CORPORATE HEADQUARTERS:</b>	Newport Beach, CA
<b>WEBSITE:</b>	<a href="http://www.chipotle.com">www.chipotle.com</a>



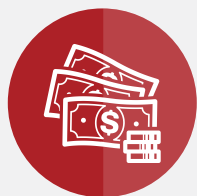




**LIST PRICE**  
**\$2,705,882**



**CAP RATE**  
**4.25%**



**TOTAL NOI**  
**\$115,000**

## PROPERTY HIGHLIGHTS

### BRAND NEW CONSTRUCTION

New construction Chipotle build-to-suit offering zero deferred maintenance and tax shelter via depreciation for the new owner

### LONG-TERM LEASE

Chipotle executed a new 15-year lease with three options to renew and an expected commencement/completion date in mid-2022

### 'CHIPOTLANE' LOCATION

This site will feature Chipotle's newest prototype with "Chipotlane" which functions as a drive-thru and a pickup window for online orders

### CONTRACTUAL YIELD GROWTH

The subject property's lease includes rental increases every 5 years in the base term of the lease and in each option period

### MINIMAL COMPETITION

The closest Chipotle is over 25 miles away in Wilkes-Barre township PA, is part of a multi-tenant strip center and does not have a drive-thru/pick up window.

### MAIN RETAIL AREA

Ideal location for Chipotle surrounded by countless national retailers including McDonald's, Lowe's, Starbucks, AT&T, Panera Bread, Aldi, Sheetz, Dunham's, Regal Cinema, Big Lots, Dollar Tree, Wendy's, Denny's, Dunkin', Perkins, Popeye's, Taco Bell, Boscov's, Planet Fitness and Michael's to name a few

### INTERSTATE INTERCHANGE/REGIONAL ACCESSIBILITY

The subject property is strategically located less than a mile from the interchange of I-81 (40,000 vpd) and Susquehanna Blvd. (27,500 vpd) with combined traffic counts over 67,000+ V.P.D. Just north of this location I-81 connects with I-80, the main east/west corridor across Pennsylvania and a direct connection to New York City to the east

### ECONOMIC DRIVERS

This location is home to Penn State's Hazleton satellite campus, the Hazleton Regional Airport and numerous national brand hotels such as Hampton Inn, Candlewood Suites, Fairfield Inn & Suites and Comfort Inn adding to the draw of this submarket and its regional accessibility

### STRONG DEMOGRAPHICS

The average household income is over \$72,000 within 1 mile of the site and the submarket features positive population growth in the 1, 3 and 5-mile radius of the subject property

### LONG-TERM MANUFACTURER'S ROOF WARRANTY

The new construction subject property features a long-term transferrable manufacturer's roof warranty, eliminating exposure to any landlord deferred maintenance costs for the foreseeable future.



## FINANCIAL OVERVIEW



<b>PRICE:</b>	<b>\$2,705,882</b>
<b>CAP RATE</b>	<b>4.25%</b>
<b>YEAR BUILT:</b>	Under Construction/2022
<b>BUILDING SQUARE FOOTAGE:</b>	2,325
<b>LOT SIZE:</b>	0.688 Acres
<b>TYPE OF OWNERSHIP:</b>	Fee Simple
<b>TENANT:</b>	Chipotle Mexican Grill, Inc.
<b>GUARANTEE:</b>	Corporate
<b>LEASE TYPE:</b>	NNN*
<b>ROOF AND STRUCTURE:</b>	Landlord Responsible*
<b>LEASE COMMENCEMENT:</b>	est. 2022
<b>LEASE EXPIRATION:</b>	est. 2037
<b>INITIAL LEASE TERM:</b>	15 Years
<b>TERM REMAINING ON LEASE:</b>	15 Years
<b>OPTIONS:</b>	2x5 Years, 1x4 Years, 11 Months; 120 days prior notice
<b>INCREASES:</b>	4.35% in Year 6; 10% 5 Year 11 and Each Option Period

## PROPERTY ADDRESS:

543 SUSQUEHANNA BLVD.  
HAZLETON, PA 18202

## ANNUALIZED OPERATING DATA

RENT INCREASES	ANNUAL	MONTHLY
Years 1-5	\$115,000	\$9,538
Years 6-10	\$120,000	\$10,000
Years 11-15	\$132,000	\$11,000
Option 1	\$145,200	\$12,100
Option 2	\$159,720	\$13,310
Option 3	\$175,692	\$14,641
<b>NET OPERATING INCOME:</b>	<b>\$115,000</b>	

**\*Landlord repairs/maintenance:** life safety systems, the foundations, subflooring, footings, walls, all unexposed plumbing, all structural elements of the Premises, all mechanical equipment not servicing the Premises exclusively, all heating, ventilating and air conditioning equipment not serving the Premises exclusively and the roof (including its waterproof membrane) of the Premises in a watertight condition



## Investment Overview

**CBRE IS PLEASED TO EXCLUSIVELY PRESENT FOR SALE** this new construction 2,325 square foot Chipotle property located on 0.688 acres in Hazleton, PA. This site will feature Chipotle's newest prototype with "Chipotlane" which functions as a drive-thru and a pickup window for online orders. Chipotle executed a new 15-year lease with three options to renew and an expected commencement/completion date in mid-2022. The lease includes rental increases every 5 years in the base term of the lease and in each option period. This Chipotle is a build-to-suit offering with zero deferred maintenance and tax shelter via depreciation for the new owner. Moreover, the subject property features a long-term transferrable manufacturer's roof warranty, eliminating exposure to any landlord deferred maintenance costs for the foreseeable future.

The subject property is strategically located less than a mile from the interchange of I-81 (40,000 vpd) and Susquehanna Blvd. (27,500 vpd) with combined traffic counts over 67,000+ V.P.D. Just north of this location I-81 connects with I-80, the main east/west corridor across Pennsylvania and a direct connection to New York City to the east. Susquehanna Boulevard is home to Penn State's Hazleton satellite campus, the Hazleton Regional Airport and numerous national brand hotels such as Hampton Inn, Candlewood Suites, Fairfield Inn & Suites and Comfort Inn adding to the draw of this submarket and its regional accessibility. The average household income is over \$72,000 within 1 mile of the site and the submarket features positive population growth in the 1, 3 and 5-mile radius of the subject property

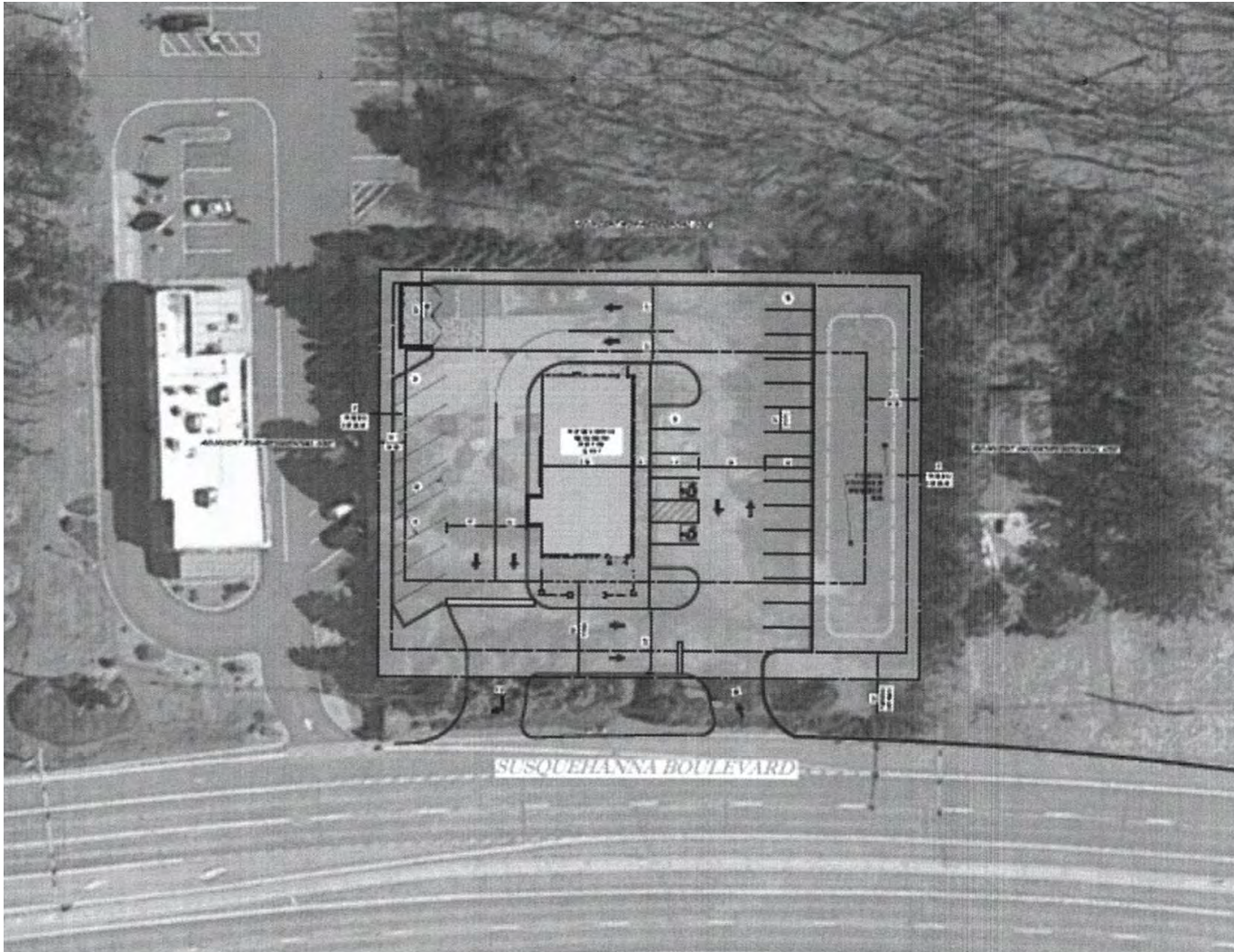
This is an Ideal location for Chipotle, surrounded by countless national retailers including McDonald's, Lowe's, Starbucks, AT&T, Panera Bread, Aldi, Sheetz, Dunham's, Regal Cinema, Big Lots, Dollar Tree, Wendy's, Denny's, Dunkin, Perkins, Popeye's, Taco Bell, Boscov's, Planet Fitness and Michael's to name a few. The closest Chipotle is over 25 miles away in Wilkes-Barre Township, is part of a multi-tenant strip center and does not have a drive-thru/pick up window.





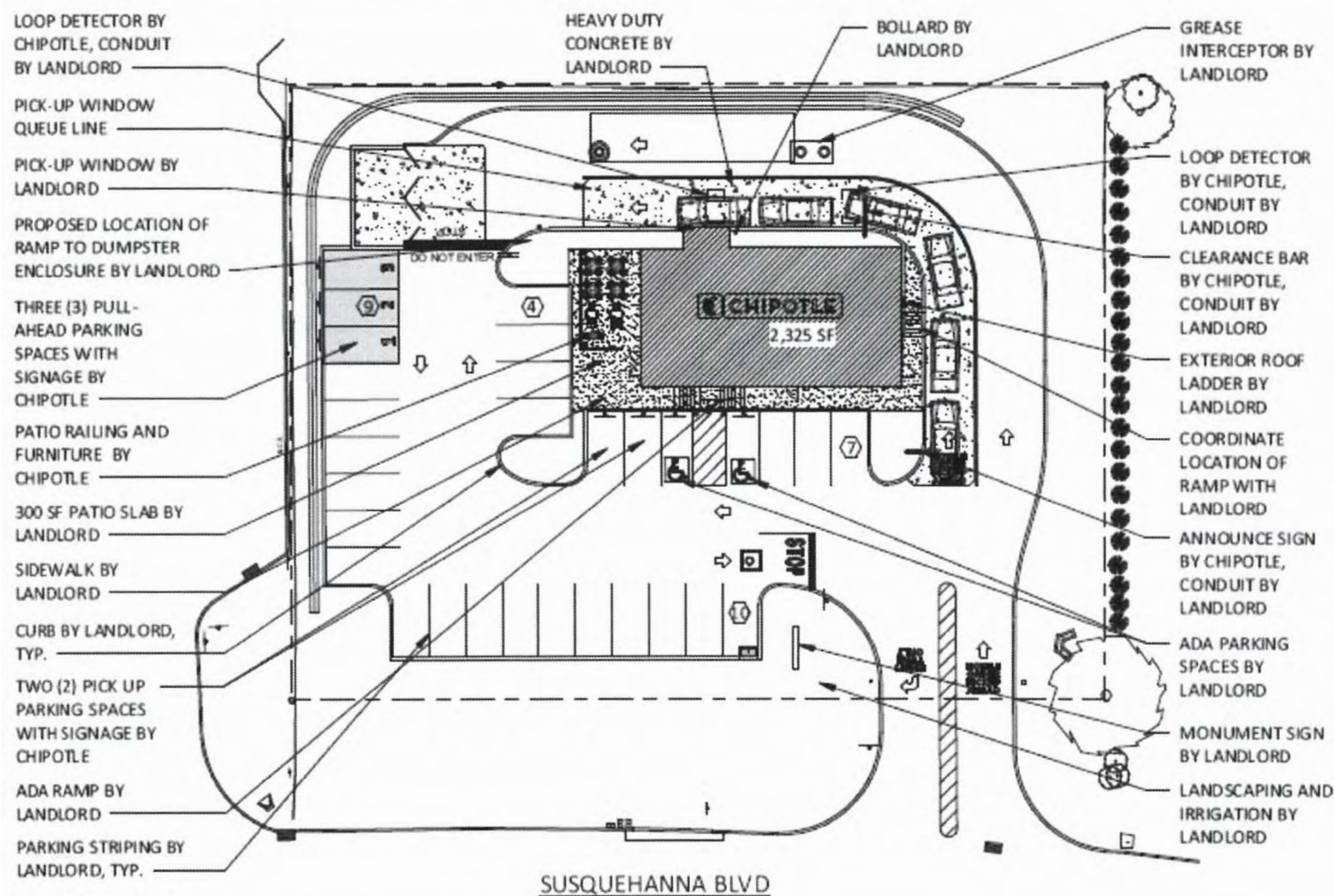


## SITE PLAN AERIAL





## SITE PLAN NOTES





## CONSTRUCTION UPDATE (July 2022)







HAZLETON  
REGIONAL AIRPORT

PennState  
Hazleton

Walmart  
Boscov's  
OLD NAVY  
REGAL  
Dunham's  
SPORTS  
GNC  
SUBWAY

CHIPOTLE  
MEXICAN GRILL

Denny's  
Perkins  
TURKEY HILL  
DUNKIN'  
Comfort INN

FAIRFIELD  
INN & SUITES  
Marriott  
Starbucks

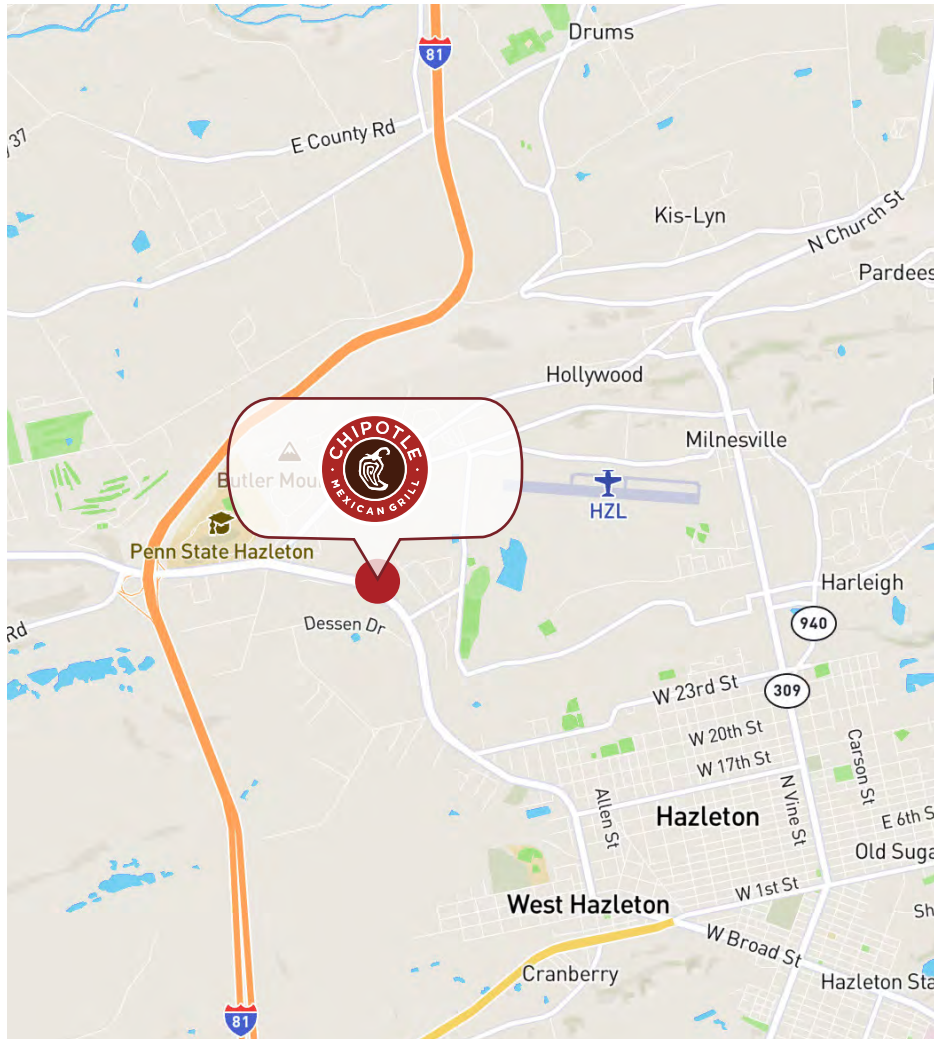
ALDI  
TACO BELL  
McDonald's  
Panera BREAD  
Popeyes  
AT&T

BIG LOTS!  
Michaels  
weis  
Arby's  
Applebee's  
LOWE'S  
Advance Auto Parts  
PETSMART  
Tractor Supply Co.

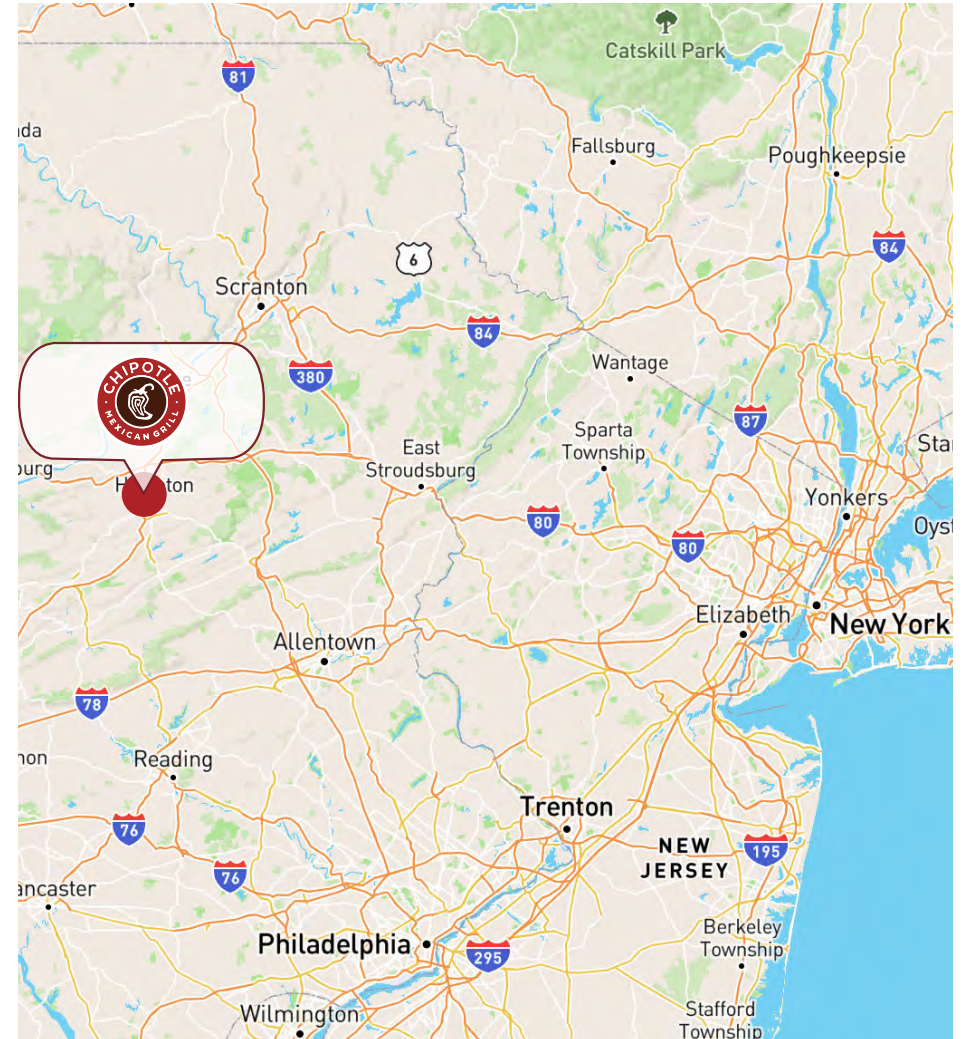
Valmont  
INDUSTRIAL PARK



## LOCAL MAP



## REGIONAL MAP





## LOCATION OVERVIEW

This 2,325 square foot Chipotle is strategically located on a 0.688 acre site less than a mile from the interchange of I-81 (40,000 vpd) and Susquehanna Blvd. (27,500 vpd) with combined traffic counts over 67,000+ V.P.D. Just north of this location I-81 connects with I-80, the main east/west corridor across Pennsylvania and a direct connection to New York City to the east. Susquehanna Boulevard is home to Penn State's Hazleton satellite campus, the Hazleton Regional Airport and numerous national brand hotels such as Hampton Inn, Candlewood Suites, Fairfield Inn & Suites and Comfort Inn adding to the draw of this submarket and its regional accessibility. The average household income is over \$72,000 within 1 mile of the site and the submarket features positive population growth in the 1, 3 and 5-mile radius of the subject property

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The second largest city in Luzerne County, Hazleton is located in the foothills of Pennsylvania's Pocono Mountains, near three interstates: I-80, I-81 and I-476. Through the efforts of CANDO and a practical highway infrastructure, Hazle Township has become home to many industries. Coca-Cola, American Eagle Outfitters, Hershey, Office Max, Simmons Bedding Company, Michaels, Network Solutions, AutoZone, General Mills, Steelcase, WEIR Minerals, EB Brands and Amazon.com are just some of the large companies with distribution, manufacturing, or logistic operations in Hazleton.

## WITHIN 5 MILES OF SUBJECT PROPERTY

### TOTAL POPULATION



49,473

### HOUSEHOLD INCOME



\$60,938

*Average*

### DAYTIME POPULATION

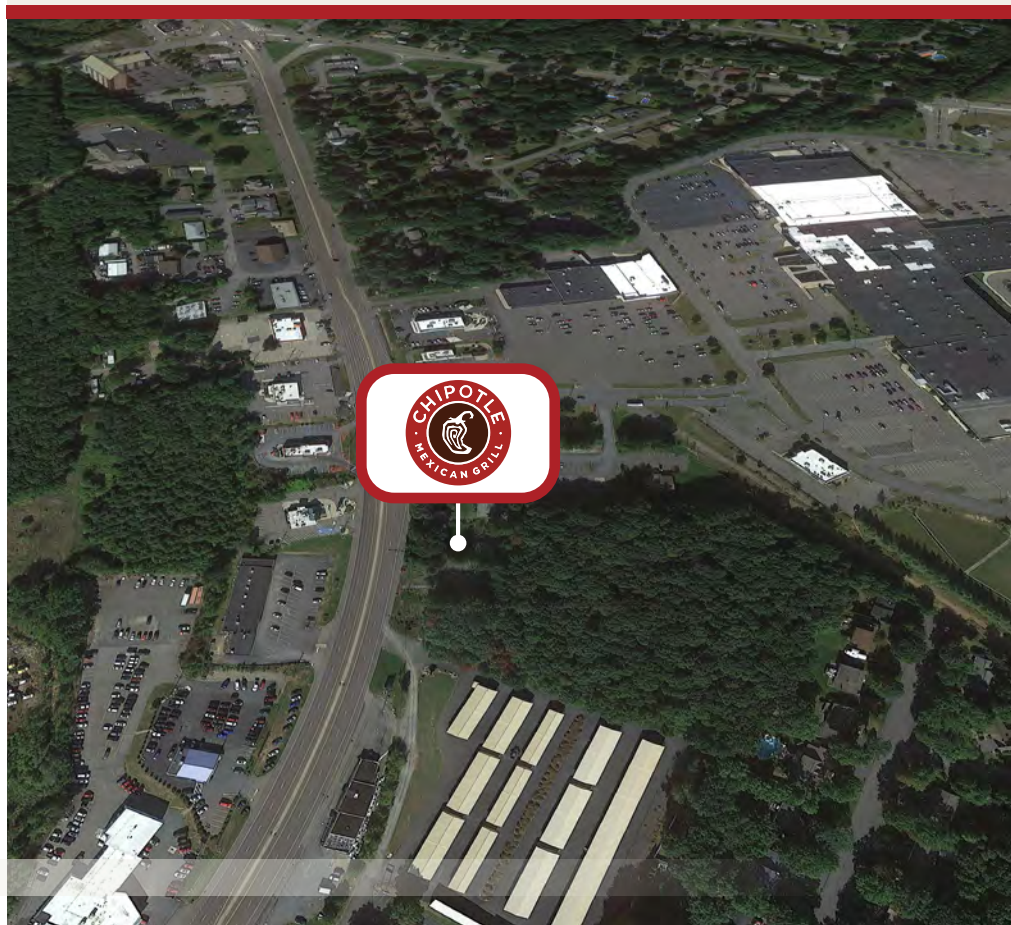


52,255

### TOTAL HOUSEHOLDS



19,316



## SUBJECT AREA DEMOGRAPHICS



POPULATION	1 MILE	3 MILES	5 MILES
2010 POPULATION	1,807	34,721	49,473
2021 POPULATION	1,898	37,256	51,783
PROJECTED POPULATION (2026)	1,912	37,575	52,046
HISTORICAL ANNUAL GROWTH			
2010-2021	0.44%	0.63%	0.41%
PROJECTED ANNUAL GROWTH			
2021-2026	0.15%	0.17%	0.10%
HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2010 HOUSEHOLDS	555	13,420	19,316
2021 HOUSEHOLDS	598	14,002	19,856
PROJECTED HOUSEHOLDS (2026)	605	14,086	19,927
HISTORICAL ANNUAL GROWTH			
2010-2021	0.67%	0.38%	0.25%
PROJECTED ANNUAL GROWTH			
2021-2026	0.23%	0.12%	0.07%
HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES
2021 AVERAGE	\$72,699	\$57,152	\$60,938
2021 MEDIAN	\$52,042	\$44,329	\$48,320

## POPULATION BY RACE

	1 MILE	3 MILES	5 MILES
WHITE POPULATION	81.0%	55.0%	60.6%
AFRICAN AMERICAN POPULATION	5.1%	6.1%	5.9%
ASIAN POPULATION	2.2%	0.9%	1.0%
PACIFIC ISLANDER POPULATION	0.3%	0.7%	0.6%
AMERICAN INDIAN AND ALASKA NATIVE	0.0%	0.0%	0.0%
OTHER RACE POPULATION	9.4%	33.1%	27.9%
TWO OR MORE RACES POPULATION	2.1%	4.2%	4.0%

## HISPANIC OR LATINO POPULATION BY ORIGIN

	1 MILE	3 MILES	5 MILES
HISPANIC OR LATINO	21.0%	54.2%	46.9%
WHITE NON-HISPANIC	71.2%	41.7%	48.5%

## 2021 AGE BY GENDER

	1 MILE	3 MILES	5 MILES
MEDIAN AGE			
MALE/FEMALE	41.2/49.9	37.5/42.2	39.6/44.6

## TRAFFIC COUNTS

SUSQUEHANNA BLVD	I-81
27,499	39,474



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