

EXCLUSIVE NET-LEASE OFFERING

# PANERA BREAD SALE-LEASEBACK

BRAND NEW CONSTRUCTION | FEATURES DOUBLE DRIVE THRU

*Representative Photo*



# OFFERING MEMORANDUM

3075 Sachem Boulevard  
West Lafayette, IN 47906

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# Investment Highlights

PRICE: \$3,549,817 | CAP: 4.75% | RENT: \$168,616



## About the Investment

- ✓ Brand New Construction; Estimated Opening Date November 2022!
- ✓ Increased Drive Thru Capacity | Property Features a Double-Lane Drive Thru
- ✓ Long-Term, 15-Year Absolute Triple Net (NNN) Lease
- ✓ Lease Commencement Upon Close of Escrow
- ✓ Eight Percent (8.0%) Rental Increases Every Five (5) Years
- ✓ Four (4), Five (5)-Year Tenant Renewal Options, Bringing the Potential Lease Term to 35 Years

## About the Location

- ✓ Dense Retail Corridor | include Walmart, Meijer, Menards, Pay-Less Supermarket, CVS, Walgreens, Four Points by Sheraton, Dollar Tree, Dunkin', Subway, Applebee's, Burger King, Wendy's, McDonald's, KFC, Taco Bell, Subway, Domino's, Starbucks and Many More
- ✓ Strong Demographics | Population Exceeds 117,200 Individuals Within a Five-Mile Radius
- ✓ Strong Traffic Counts | Over 22,000 Vehicles Per Day Along Sagamore Parkway West
- ✓ Purdue University | Located Less Than Three Miles Away | Over 40,000 Students Enrolled

## About the Tenant / Brand

- ✓ Panera Has Been One of the Most Successful Restaurant Companies in History
- ✓ Panera Was the Best-Performing Restaurant Stock When Measured Over the Last 20 Years; Delivering a Total Shareholding Return 44 Times Better Than the S&P 500 From 1997 to 2017
- ✓ Pioneer in Advanced Technology – Driver of Ongoing Sales Growth and Improved Delivery-Catering Initiatives
- ✓ Acquired in 2017 by JAB Holdings, a European Conglomerate That Owns Krispy Kreme, Keurig, Peet's Coffee, Pret A Manger, Among Other Assets; Positioning the Chain for Continued Growth and Long-Term Returns
- ✓ JAB Holdings Manages \$50 Billion in Capital With and Enterprise Value Exceeding \$130 Billion



Representative Photo



Representative Photo



# Financial Analysis

PRICE: \$3,549,817 | CAP: 4.75% | RENT: \$168,616



## PROPERTY DESCRIPTION

Concept	Panera Bread
Street Address	3075 Sachem Boulevard
City, State ZIP	West Lafayette, IN 47906
Estimated Store Opening*	November 2022
Building Size Estimated (SF)	3,498
Lot Size Estimated (Acres)	1.90
Type of Ownership	Fee Simple

## THE OFFERING

Price	\$3,549,817**
CAP Rate	4.75%
Net Operating Income	\$168,616

## LEASE SUMMARY

Property Type	Retail
Property Subtype	Restaurant - Quick Service
Credit Type	Corporate
Tenant	Panera LLC
Guarantor	Corporate; Panera LLC
Original Lease Term	15 Years
Lease Commencement	Close of Escrow
Lease Expiration	15 Years from Close of Escrow
Lease Term Remaining	15 Years
Lease Type	Triple Net (NNN)
Landlord Responsibilities	None
Rental Increases	8% Every 5 Years
Renewal Options Remaining	4, 5-Year Options

\* Subject to Change

\*\* Pricing is subject to change +/- \$250,000 based upon final construction costs.

## RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$168,616	\$14,051	-
Year 2	\$168,616	\$14,051	-
Year 3	\$168,616	\$14,051	-
Year 4	\$168,616	\$14,051	-
Year 5	\$168,616	\$14,051	-
Year 6	\$182,105	\$15,175	8.00%
Year 7	\$182,105	\$15,175	-
Year 8	\$182,105	\$15,175	-
Year 9	\$182,105	\$15,175	-
Year 10	\$182,105	\$15,175	-
Year 11	\$196,674	\$16,389	8.00%
Year 12	\$196,674	\$16,389	-
Year 13	\$196,674	\$16,389	-
Year 14	\$196,674	\$16,389	-
Year 15	\$196,674	\$16,389	-

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a brand-new Panera Bread located at 3075 Sachem Boulevard in West Lafayette, IN. This is a rare investment opportunity to participate in a direct sale leaseback with Panera Bread. The newly constructed site will consist of roughly 3,498 rentable square feet of building space on estimated 1.90-acre parcel of land. The café is scheduled to open in November of 2022.

Panera, LLC, the corporate operating entity, will enter into a brand new 15-year triple-net (NNN) sale leaseback with the purchaser upon close of escrow. The initial annual rent will be \$168,616 and will increase by eight percent (8.0%) every five (5) years throughout the term of the lease and in each option period. There will be four (4), five (5)-year tenant renewal options, extending the total possible lease term to 35 years.



# Concept Overview



## About Panera Bread

Thirty years ago, at a time when quick service meant low quality, Panera set out to challenge this expectation. They believed that food that was good and that you could feel good about, served in a warm and welcoming environment by people who cared, could bring out the best in all of us. To them, that is food as it should be and that is why they exist. So they began with a simple commitment: to bake fresh bread every day in their bakery-cafes. No short cuts, just bakers with simple ingredients and hot ovens. Each night, any unsold bread and baked goods were shared with neighbors in need.

These traditions carry on today, as they have continued to find ways to be an ally to its guests. That means crafting a menu of soups, salads and sandwiches that they are proud to feed their families. Like poultry and pork raised without antibiotics on salads and sandwiches. A commitment to transparency and options that empower their guests to eat the way they want. Seasonal flavors and whole grains. And a commitment to removing artificial additives (flavors, sweeteners, preservatives and colors from artificial sources) from the food in its bakery-cafes. Why? Because they think that simpler is better and they believe in serving food as it should be. The company is also focused on improving quality and convenience. With investments in technology and operations, they now offer new ways to enjoy your Panera favorites - like mobile ordering and Rapid PickUp for to-go orders -- all designed to make things easier for its guests.

As of February 2022, there are more than 2,160 bakery-cafes in 48 states and in Ontario, Canada operating under the Panera Bread(R) or Saint Louis Bread Co. (R) names.

## About JAB Holding Company

JAB Holding, a privately held company and investment arm of the Reimann family, is no stranger to the coffee business. It began building its position in coffee and breakfast in 2012 when it took a stake in D.E. Master Blenders and bought Peet's Coffee & Tea, a premier specialty coffee and tea company, for \$974 million and Minnesota-based Caribou Coffee, a specialty retailer of high-quality premium coffee products, for \$340 million. In the years that followed, the European company would go on to spend billions expanding its coffee empire. Eventually in 2013, JAB agreed to pay \$9.8 billion to purchase D.E. Master Blenders. That company became Jacobs Douwe Egberts (JDE) when JAB merged it with the coffee division of Mondelez International in 2015, which it bought for around \$4 billion, becoming the largest pure-play FMCG coffee company in the world. In 2014, JAB scooped up Einstein Bagels' parent company, Espresso House and Baresso Coffee and in 2015, the company purchased Keurig Green Mountain, a leader in single-serve coffee and beverage technologies, for \$14 billion along with coffee roaster and retailer Stumptown Coffee and coffee bar chain Intelligentsia coffee. Krispy Kreme, a global specialty retailer and wholesaler of premium-quality sweet treats, was added to the portfolio in 2016 and later completed its acquisition of Panera Bread Company in July 2017 for \$7.5 billion and Au Bon Pain (304 units) for an undisclosed sum later that year. Panera Bread's acquisition of Au Bon Pain brings the two companies together again since having split in 1999 and offers a strategic opportunity for the company. The caffeine-fueled company, which has been steadily building a coffee and breakfast empire over the last five years, announced early April 2018 that it has expanded its coffee empire, making a major investment in the launch of online craft coffee retailer "Trade". Trade's website features more than 400 roasts, each with a description of where the coffee was sourced, its flavor profile and how best to brew it. Investing in Trade gives JAB one more foothold in the coffee market, this time online. Only one month later, JAB acquired Pret A Manger, a leading company in the ready-to-eat food market. Pret maintains a strong presence in the U.K. and boasts a rapidly growing international footprint with a presence in the U.S., Hong Kong/China, and France. The company operates over 530 stores worldwide, generating group revenues of £879 million. Today, JAB has broadened its expansion with its announcement to buy a majority stake in Compassion-First Pet Hospitals, moving its portfolio into yet another sector. As of October 2021, JAB Holding Company manages over \$50 billion of capital with a total enterprise value of \$130 billion.





# Tenant Overview: In Recent News



## PANERA BREAD: THE NEXT GENERATION

### KEY POINTS

- Panera Bread is Featured on the April 2022 Cover Page of QSR Magazine for Its Recent Efforts in Restaurant Innovation
- The Restaurant's Next-Generation Model is Perfectly Catered for the Post-Covid, Digital World
- Panera Has Adopted Many Features to Modernize the Customer Experience, Including the "Rapid Pick-Up" Drive-Thru Lane

COVID-19 didn't tell Panera a digital revolution was bubbling to the surface. Long before the pandemic flipped trends upside down, the 2,100-unit chain crossed a threshold in which off premises began mixing more than 50 percent of its sales. Consumers had spoken, and Panera needed to ensure it had the right restaurant to embrace modernization, says Chief Development Officer Rob Sopkin, who's been with the brand since 2018. "We recognized that we had an opportunity to update our look and feel and find the design that we felt was more forward-thinking, more focused on the craft of what Panera is, and something that we felt would simultaneously improve our business model and better meet the needs of what we were already seeing from a trend line standpoint from our customers," he says.

The bakery-cafe started by gathering a team to work on an innovative store layout. On one side was a group of Panera's top franchisees. The other, a cross-functional unit comprising IT, operations, engineering, human resources, and other key departments.

Panera directed attention toward a warehouse in Chicago, which held a life-sized cardboard replica of the company's vision, from the high ceiling exterior to the full kitchen with existing equipment. The company proceeded to walk through and search for greater efficiencies. A wider corporate group was brought into Chicago in waves, as well as additional franchisees—all in an effort to retrieve as much feedback as possible.

Panera ultimately landed on a 3,500-square-foot NextGen design in Ballwin, Missouri. The fast casual brought the prototype to life in partnership with ChangeUp, a brand design agency that's also worked with Taco Bell, Panda Express, Jimmy John's, Nike, Cadillac, and Macy's.

The store, which debuted in November 2021, features a double drive-thru, with one lane dedicated to mobile orders, or as the company calls it, "Rapid Pick-Up." The enhancement lines up well with where the industry is headed. Drive-thru represented 52 percent of off-premises traffic in the year ending

October 2021, and increased visits by 9 percent compared to the year-ago period and by 23 percent versus two years prior, according to The NPQ Group.

Inside, customers can either wait in line, use a digital kiosk, pick up their takeout meal, or go straight to a table and use the app to order a contactless dine-in meal. Guests also have the option of pulling up curbside and waiting for a team member to bring their food and beverages. The brand first announced Panera Curbside in May 2020, which involves technology that automatically notifies restaurants when a customer arrives.

"In a post-COVID world, Panera is showing up for our guests and shifting with their ever-changing needs—whether they want to dine in or out, we have every possible option for them from rapid pick-up to delivery to curbside to contactless dine-in or drive-thru."

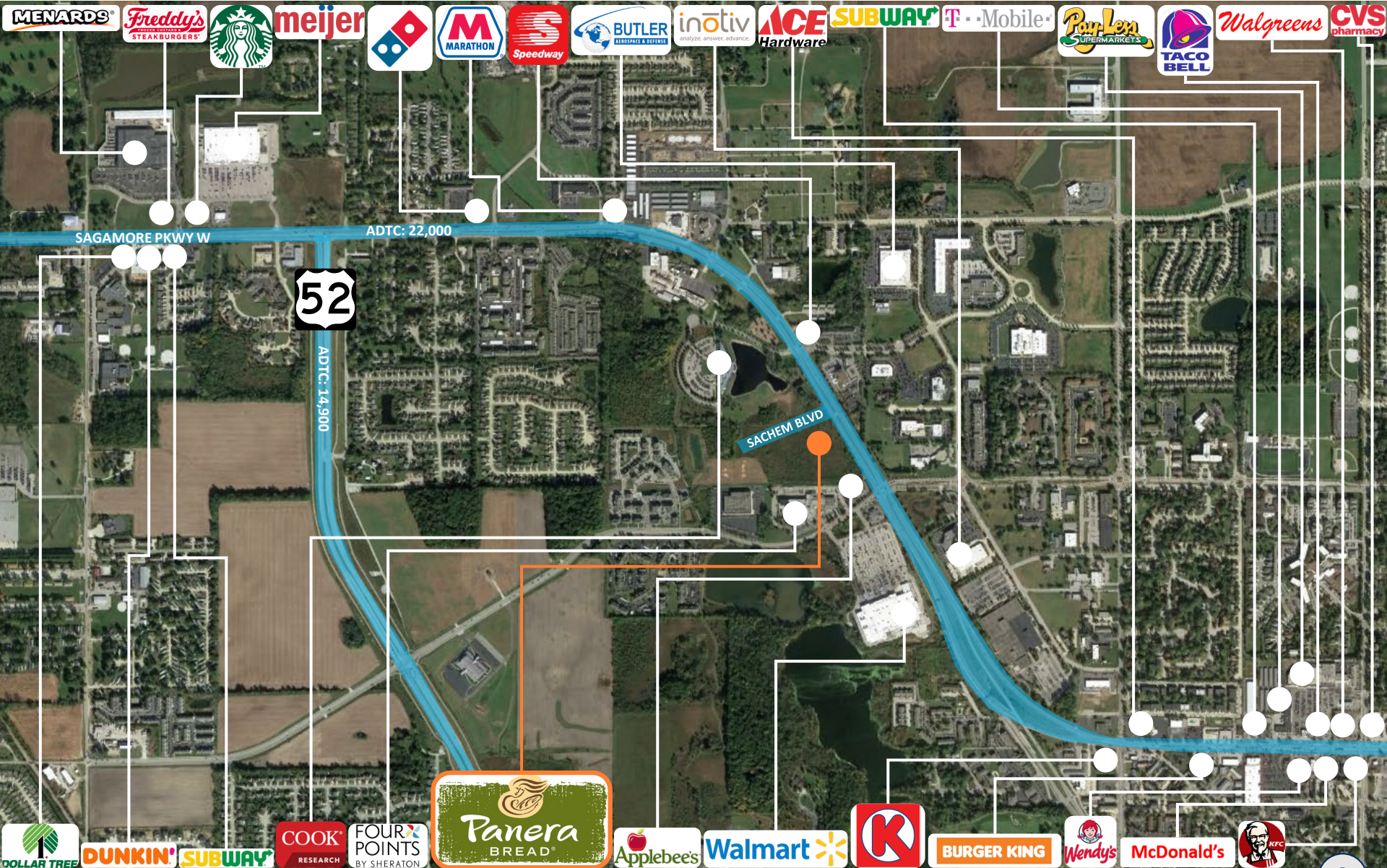


<https://www.qsrmagazine.com/reports/welcome-panera-bread-next-generation>





# Surrounding Area



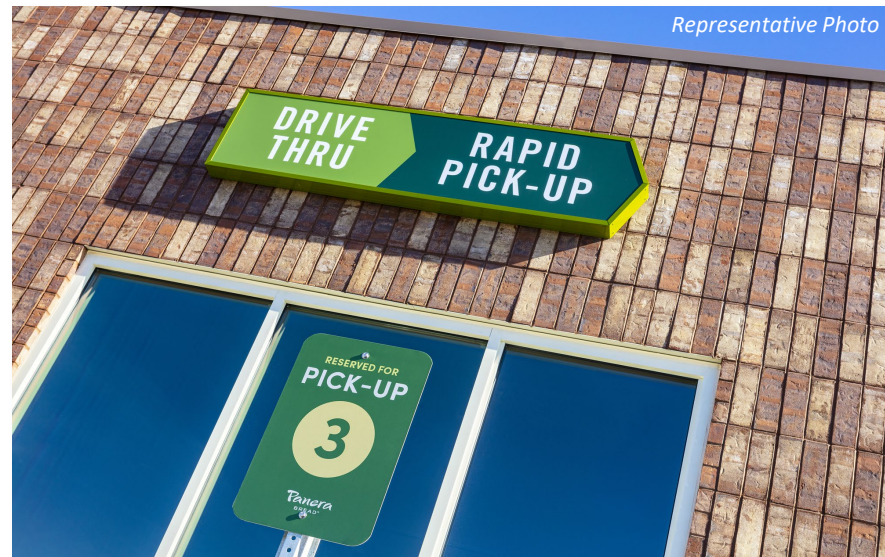




# Prototype Photos



Representative Photo



Representative Photo



Representative Photo



Representative Photo





# Nearby Attraction: Purdue University

## Purdue University

Located less than three miles from the subject property, Purdue University is one of the top public universities in the country and is ranked #129 out of 1,500 universities in QS World University Rankings 2023. Purdue University is a world-renowned research university that advances discoveries in science, technology, engineering and math. Adranos, Inc., a university-affiliated startup that developed a high-performance solid rocket, plans to construct a manufacturing facility at Purdue Research Park in West Lafayette.

Purdue University has an enrollment of over 40,000 students across undergraduate and graduate studies. Purdue University is a significant driver of the local economy in West Lafayette. It is the largest employer in the market, with more than 12,000 jobs related to the university and affiliated organizations.

Purdue has also been ranked the fifth-most innovative school in the country as part of the *U.S. News & World Report's* 2021 Best College rankings. It's a one-spot improvement over last year's rankings, with Purdue overtaking Stanford University.

**Less Than 3  
Miles from  
the Subject  
Property**



**PURDUE**  
UNIVERSITY







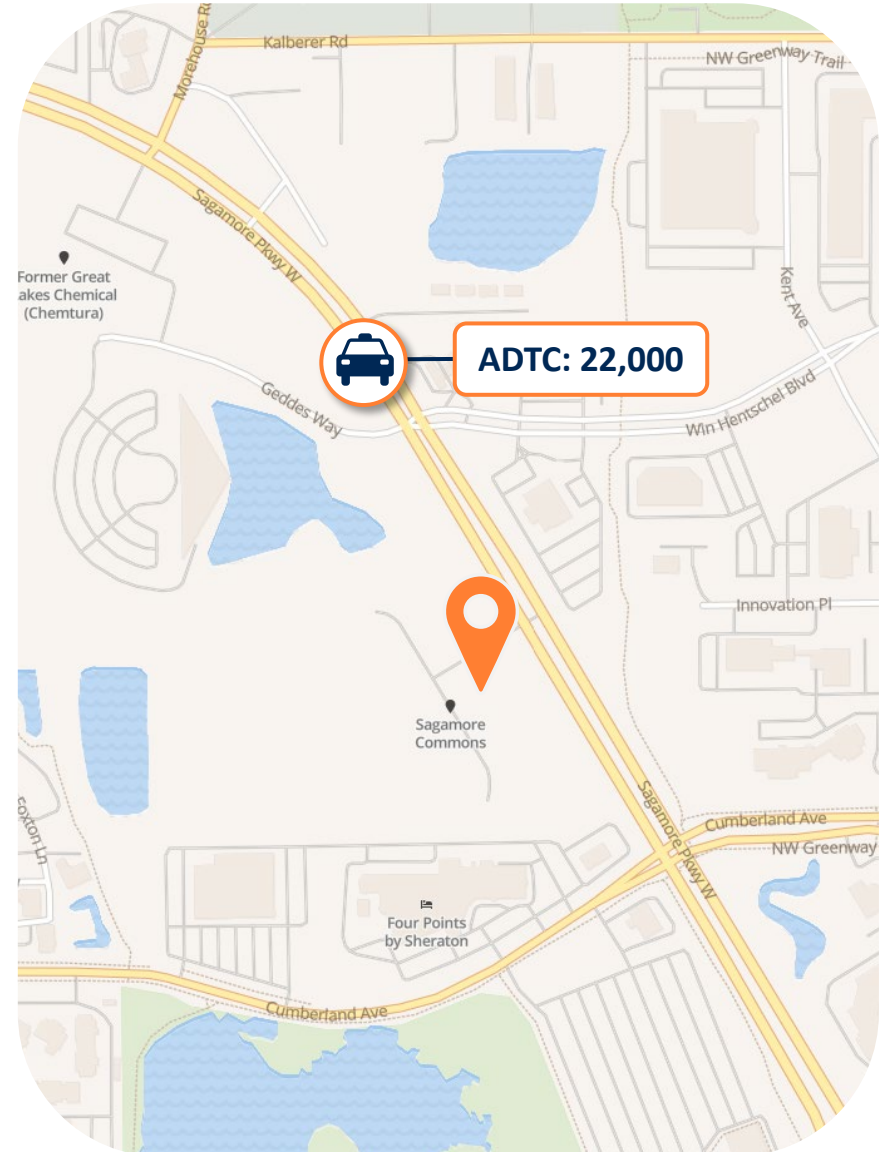
# Location Overview



The subject property is situated on Sachem Boulevard, which is directly off Sagamore Parkway West. Sagamore Parkway West experiences an average daily traffic count of approximately 22,000 vehicles. Highway 52 intersects with Sagamore Parkway West and brings an additional 14,900 vehicles to the immediate area on average daily. There are approximately 117,200 individuals residing within a five-mile radius of the subject property and more than 190,500 individuals within a ten-mile radius, with the population projected to increase in the next five years.

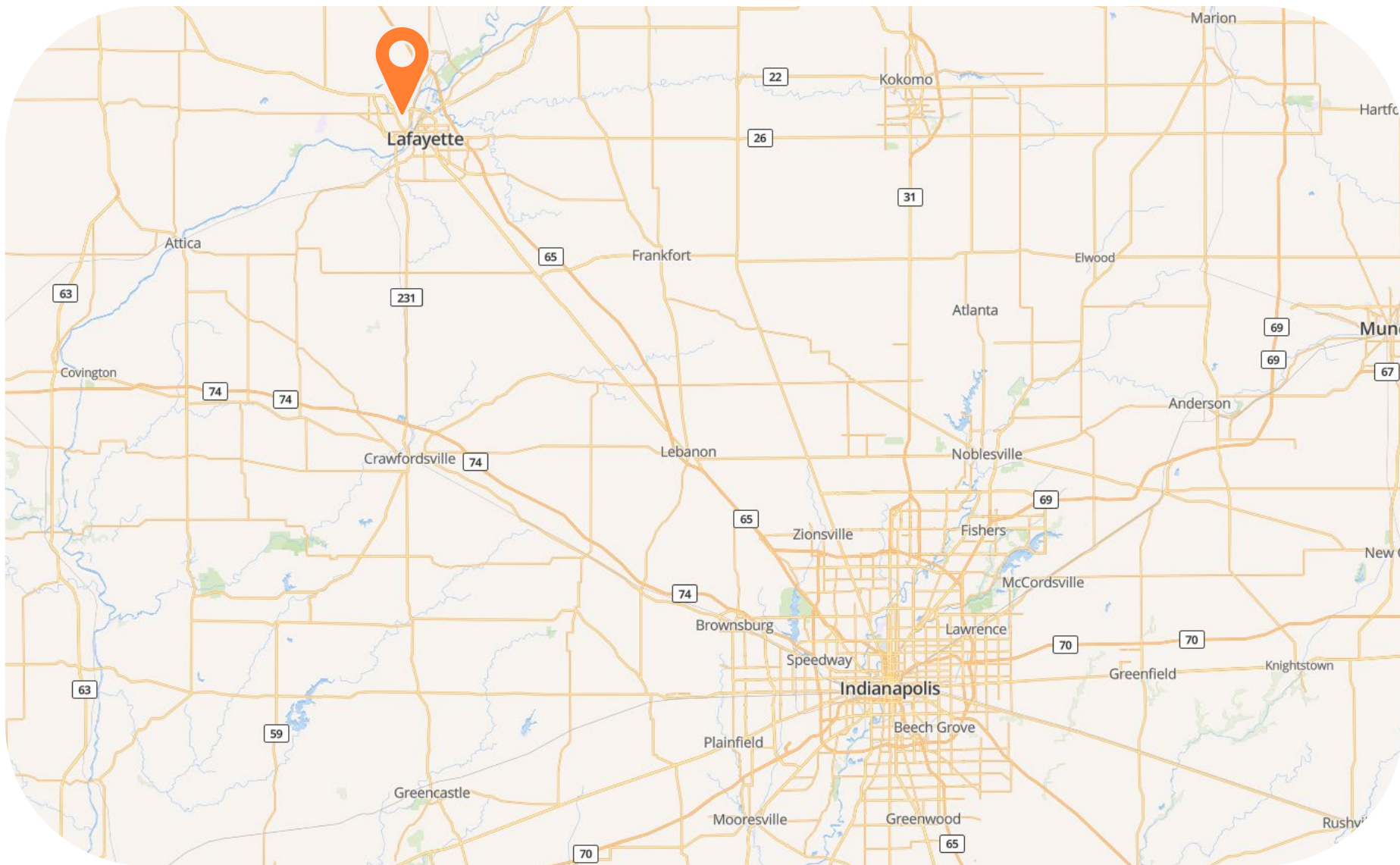
The property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, academic institutions and shopping centers, all of which help drive traffic to the site. National tenants in the immediate area include Walmart, Meijer, Menards, Pay-Less Supermarket, CVS, Walgreens, Four Points by Sheraton, Dollar Tree, Dunkin', Subway, Applebee's, Burger King, Wendy's, McDonald's, KFC, Taco Bell, Subway, Domino's, Starbucks, as well as many others. The subject property benefits from being in proximity to several academic institutions. The most notable is Purdue University, which has a total enrollment exceeding 41,500 students and is less than three miles from the subject property.

West Lafayette is a city in Wabash Township, Tippecanoe County, Indiana, about 65 miles northwest of the state capital of Indianapolis and 113 miles southeast of Chicago. West Lafayette is directly across the Wabash River from its sister city, Lafayette. It is the most densely populated city in Indiana and is home to Purdue University. The economy of West Lafayette is heavily influenced by the presence of Purdue University, with an enrollment higher than the city's population. The university employs 12,000 people, most of whom live in either West Lafayette or Lafayette. The 725-acre Purdue Research Park, established in 1961, is home to more than 140 companies of which nearly 100 are technology-related.





# Local Map





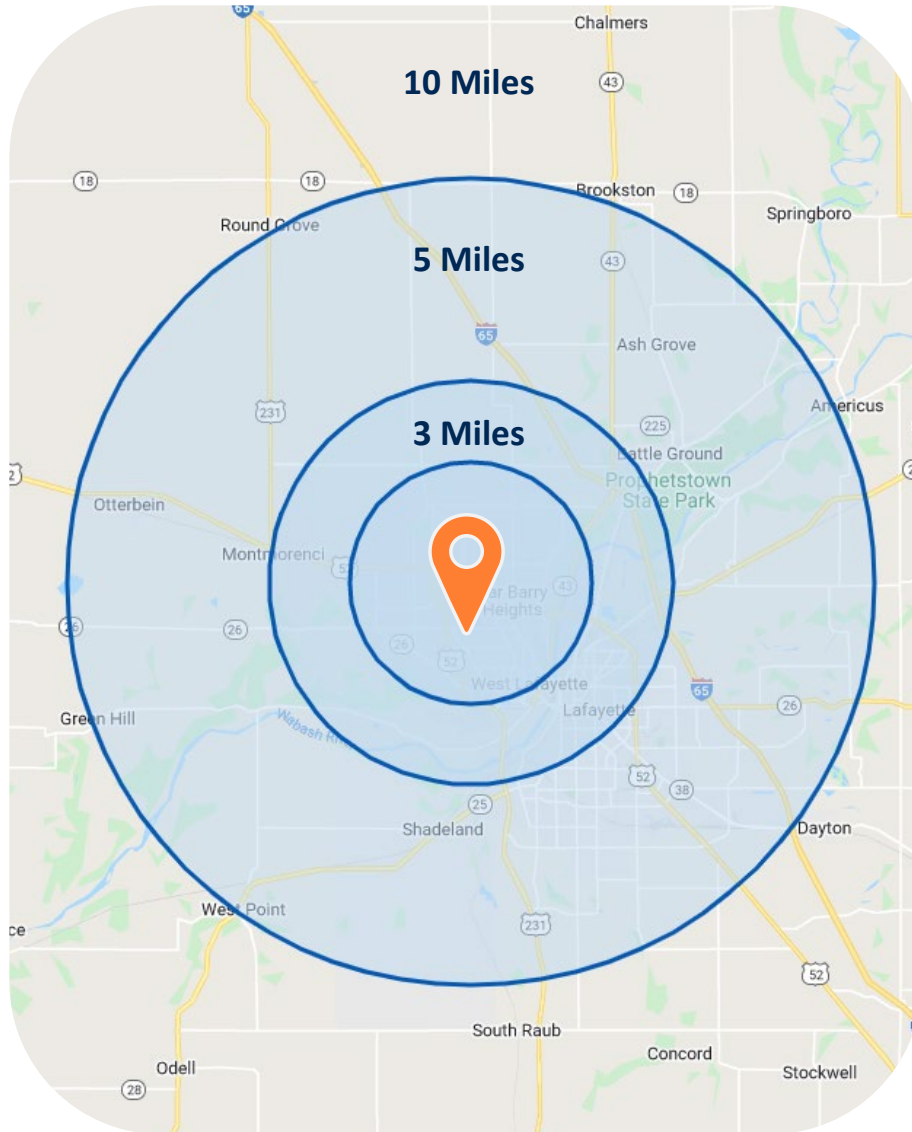


# Regional Map





# Demographics



## POPULATION TRENDS

	3 Mile	5 Miles	10 Miles
2010 Population	46,293	91,795	162,625
2022 Population	61,770	117,249	190,539
2027 Population Projection	65,985	124,302	199,975
Annual Growth 2010-2022	2.80%	2.30%	1.40%
Annual Growth 2022-2027	1.40%	1.20%	1.00%

## HOUSEHOLD TRENDS

	3 Mile	5 Miles	10 Miles
2010 Households	17,472	33,667	61,925
2022 Households	23,381	43,380	72,486
2026 Household Projection	25,065	46,292	76,375
Growth 2010 - 2022	2.60%	2.10%	1.30%
Growth 2022 - 2027	1.40%	1.30%	1.10%

## AVERAGE HOUSEHOLD INCOME (2022)

3 Mile	5 Miles	10 Miles
\$74,540	\$64,205	\$67,911

## MEDIAN HOUSEHOLD INCOME (2022)

3 Mile	5 Miles	10 Miles
\$46,672	\$41,950	\$48,629

## HOUSEHOLDS BY HOUSEHOLD INCOME (2022)

	3 Mile	5 Miles	10 Miles
<\$25,000	7,446	14,235	19,215
\$25,000 - \$50,000	4,849	11,056	80,056
\$50,000 - \$75,000	3,199	6,013	12,462
\$75,000 - \$100,000	2,431	4,102	7,456
\$100,000 - \$125,000	1,696	2,855	6,496
\$125,000 - \$150,000	949	1,488	3,284
\$150,000 - \$200,000	1,079	1,504	2,631
\$200,000+	1,731	2,126	2,886





# Market Overview



**Indianapolis** is the capital city of Indiana and has a population of 2,028, 614 distributed within its metropolitan statistical area. Indianapolis is the most populous city in the state of Indiana and the seat of Marion County. Indianapolis is the third most populous city in the American Midwest and the 16th most populous city in the U.S. Indianapolis anchors the 25th largest economic region in the U.S., based primarily on the sectors of finance and insurance, manufacturing, professional and business services, education and healthcare, government, and wholesale trade. Indianapolis has developed niche markets in amateur sports and auto racing. The city is best known for hosting perhaps the world's largest single-day sporting event, the Indianapolis 500. Indianapolis is home to two major sports clubs, the Indiana Pacers of the National Basketball Association and the Indianapolis Colts of the National Football League. The city's philanthropic community has helped develop its cultural institutions and collections, including the world's largest children's museum, one of the nation's largest privately funded zoos, historic buildings and sites, and public art. Indianapolis is home to a significant collection of monuments dedicated to veterans and war casualties, the most in the U.S. outside of Washington, D.C. The city is conserved a "high sufficiency" world city.

In 2015, the Indianapolis metropolitan area had a gross domestic product of \$134 billion. The top five industries were finance, insurance, real estate, rental, and leasing, manufacturing, professional, scientific, and technical services, and transportation and warehousing. The city's major exports include pharmaceuticals, motor vehicle parts, medical equipment and supplies, engine and power equipment, and aircraft products and parts. The city's central location and extensive highway and rail infrastructure have positioned Indianapolis as an important logistics center, home to 1,500 distribution firms employing some 100,000 workers. As home to the second largest FedEx Express hub in the world, Indianapolis International Airport ranks as the sixth busiest U.S. airport in terms of air cargo transport, handling over 1 million tons and employing 6,600 in 2015.

Marcus & Millichap

## EXCLUSIVE NET-LEASE OFFERING



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