



OFFERING MEMORANDUM

PRESERVE  
WEST  
CAPITAL



Chipotle  
San Angelo, TX

This property is listed in conjunction with Texas-licensed real estate broker Delta Commercial.

[www.preservewestcapital.com](http://www.preservewestcapital.com)



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## Disclaimer

Preserve West Capital ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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- New 15 Year Absolute NNN Lease to Chipotle Mexican Grill, Inc. with Scheduled Rental Escalations
  - 10% Rental Escalations Every 5 Years in Primary Term & Options Providing a Hedge Against Inflation
  - Zero Landlord Obligations
- Strong Corporate Guarantee from Publicly Traded Company (NYSE: CMG)
  - Revenue in the Past Year Totaled \$8.41 Billion
  - Market Capitalization as of December 2022 is \$43.25 Billion
  - Third Quarter 2022 Total Revenue Increased 13.7% to \$2.2 Billion
- 2022 Retrofit Construction Featuring the Latest Chipotle Prototype with Drive Thru “Chipotlane” Service Window
  - Fee Simple Interest in the Land & Building Allowing an Investor to Capitalize on the Depreciation Benefits
- Premier Outparcel to Flagship H-E-B Grocery Store with Excellent Visibility & Access Along Sherwood Way (31,839 Combined AADT)
- The Intersection is Anchored by Wal-Mart Supercenter, Sam’s Club, Lowe’s & H-E-B
- Next Door to One of the Highest Sales Volume Chick-fil-A
- College Town Location with Tremendous Demographics in Surrounding Area
  - 3 Miles from San Angelo State University with 10,000+ Students
  - 67,357 Total Daytime Population within a 5 Mile Radius
  - \$94,761 Average Household Income within a 3 Mile Radius
- 10 Miles from Goodfellow Air Force Base (5,500 Population)
- 8 Miles from San Angelo Regional Airport – Mathis Field
- Income Tax Free State



## PRICE

**\$2,897,000**

**4.35% Return**

## Location

The property is located at 5590 Sherwood Way in San Angelo, Texas.

## Lot Size

Approximately 0.8075 acres or 33,043 square feet.

## Improvements

A 2,500 square foot retail restaurant building for **Chipotle** featuring a drive-thru, 27 parking spaces, and a “Chipotlane” service window.

## Lease

Leased to **Chipotle Mexican Grill, Inc.** for 15 years from December 1, 2022 through November 30, 2037 at a current annual rent of \$126,000. Rent is to increase by 10% every five years. There are four 5-year options to renew the lease with congruent rental escalations. Tenant is responsible for all taxes, insurance, and maintenance, including roof and structure.

## Annual Rent

Year	Annual Rent	Return
<b>Year 1 - 5</b>	<b>\$126,000</b>	<b>4.35%</b>
Years 6 - 10	\$138,600	4.79%
Years 11 - 15	\$152,460	5.26%
Years 16 - 20 (Option 1)	\$167,706	5.79%
Years 21 - 25 (Option 2)	\$184,477	6.37%
Years 26 - 30 (Option 3)	\$202,924	7.01%
Years 31 - 35 (Option 4)	\$223,217	7.71%

## Financing

The property will be delivered free and clear of permanent financing.





**Chipotle Mexican Grill, Inc. (NYSE: CMG)**, headquartered in Newport Beach, California, was founded in 1993. It operates a chain of fast-casual Mexican restaurants, serving responsibly sourced, classically cooked foods without artificial colors, flavors or preservatives. The company prepares the majority of its ingredients on site and is set apart by its use of high-quality natural ingredients and fresh produce. Chipotle had over 3,100 restaurants as of September 30, 2022 in the United States, Canada, the United Kingdom, France and Germany, and it is the only restaurant company of its size that owns and operates all its restaurants. Chipotle is ranked 450 on the Fortune 500 and is recognized on the 2022 list for Fortune's Most Admired Companies. With over 100,000 employees, 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. The chain's focus on food quality and distinctive interior design provides an experience that is more in line with a full-service restaurant, coupled with the speed and convenience of fast food.

In April 2022, Chipotle launched Chipotle Burrito Builder on Roblox (NYSE: RBLX), a new simulation experience that challenges players to roll burritos in the metaverse to earn Burrito Bucks, the brand's in-experience currency on Roblox. Other events and experiences such as the Chipotle Boorito Maze were launched in October 2021. In 2019, Chipotle introduced their new "Chipotlane" drive-thru concept, allowing customers to place orders via the Chipotle app or website to be picked up at the "Chipotlane" without leaving their cars. 43 new restaurants were opened during the third quarter of 2022, with 38 locations featuring a Chipotlane. Between 235 and 250 new restaurant openings are anticipated for the balance of 2022, and for 2023, 255 to 285 new restaurant openings. With the success of digital sales, Chipotle has unveiled a new restaurant concept, "Chipotle Digital Kitchen." The concept will allow Chipotle to build on its growing digital sales while entering more urban and non-traditional venues that would not otherwise support a full-size restaurant. These locations will service only pick-up and delivery via app-based or third-party orders, as well as catering.

On October 25, 2022, Chipotle reported Q3 2022 revenue of \$2.22 billion up 13.72% year over year. In the same quarter last year, revenue was \$1.95 billion. In-restaurant sales increased 22.1% in the three months ended September 30, 2022, compared to Q3 2021, while digital sales represented 37.2% of total food and beverage revenue. As of Q4 2022, revenue has grown 16.97% year over year. This is 6.59 percentage points higher than the U.S. Restaurants industry revenue growth rate of 10.37%. Chipotle Mexican Grill's revenue in the past year totaled \$8.41 billion.

# SITE PLAN





# AERIAL



Lonestar  
Middle School



Crockett  
Elementary

LeGrand  
Stadium

Foster  
Field

John Glenn  
Middle School

San Angelo  
Stadium

Shannon  
South Hospital



SUNSET CENTER



SUNSET PLAZA



SOUTHWEST PLAZA



(21,037 AADT)



SUNSET MALL



KOHL'S

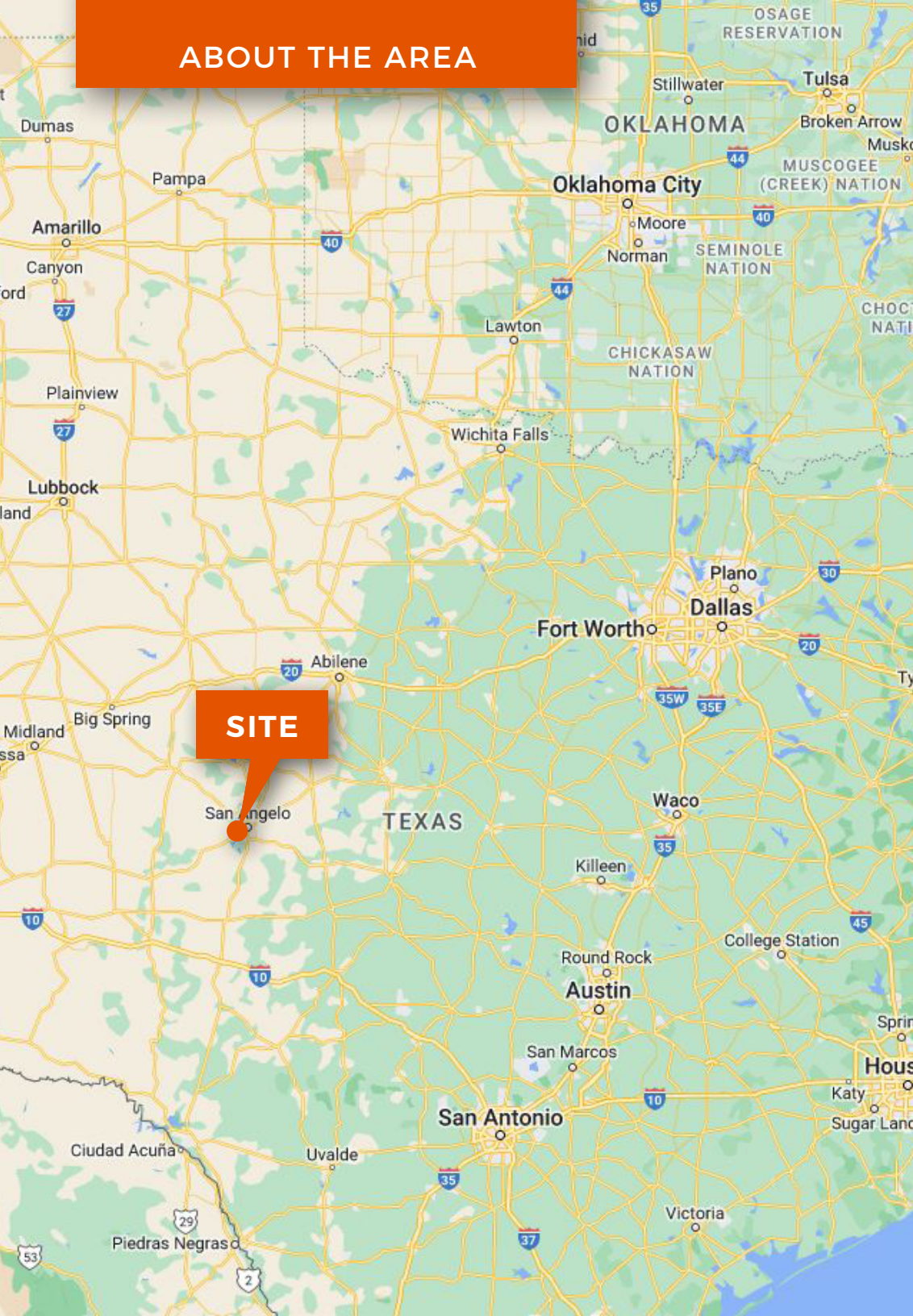


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## ABOUT THE AREA



## General Overview

The City of San Angelo (population 122,344) is located 205 miles northwest of Austin, Texas in the Concho Valley, Tom Green County. Known as “The Oasis of West Texas,” San Angelo is one of the largest cities in West Central Texas and serves as the center of commerce, government, medicine, and religion for an expansive area. San Angelo has consistently been ranked as one of the best small cities for business and employment. In 2015, San Angelo was named one of the top 25 cities to retire in by Forbes Magazine, and in 2019 named as one of the best small places for businesses and careers. San Angelo also ranked as one of the best cities for veterans in 2016 by Livability.com. The San Angelo State Park earned the number two spot on Livability.com’s Top 10 Great Places to Ride a Bike, and the Concho River Walk has been designated one of five Great Public Spaces on the American Planning Association’s annual Great Places in America list.

San Angelo has a well-diversified economic base with major sectors that include manufacturing, medical care, education, trade, business services, and military. San Angelo is a regional service center for business and agriculture over a fourteen-county area. The Ethicon division of Johnson and Johnson, Hirschfeld Steel, Shannon Medical Center, Goodfellow Air Force Base, and many other local businesses provide the economic potential of San Angelo.

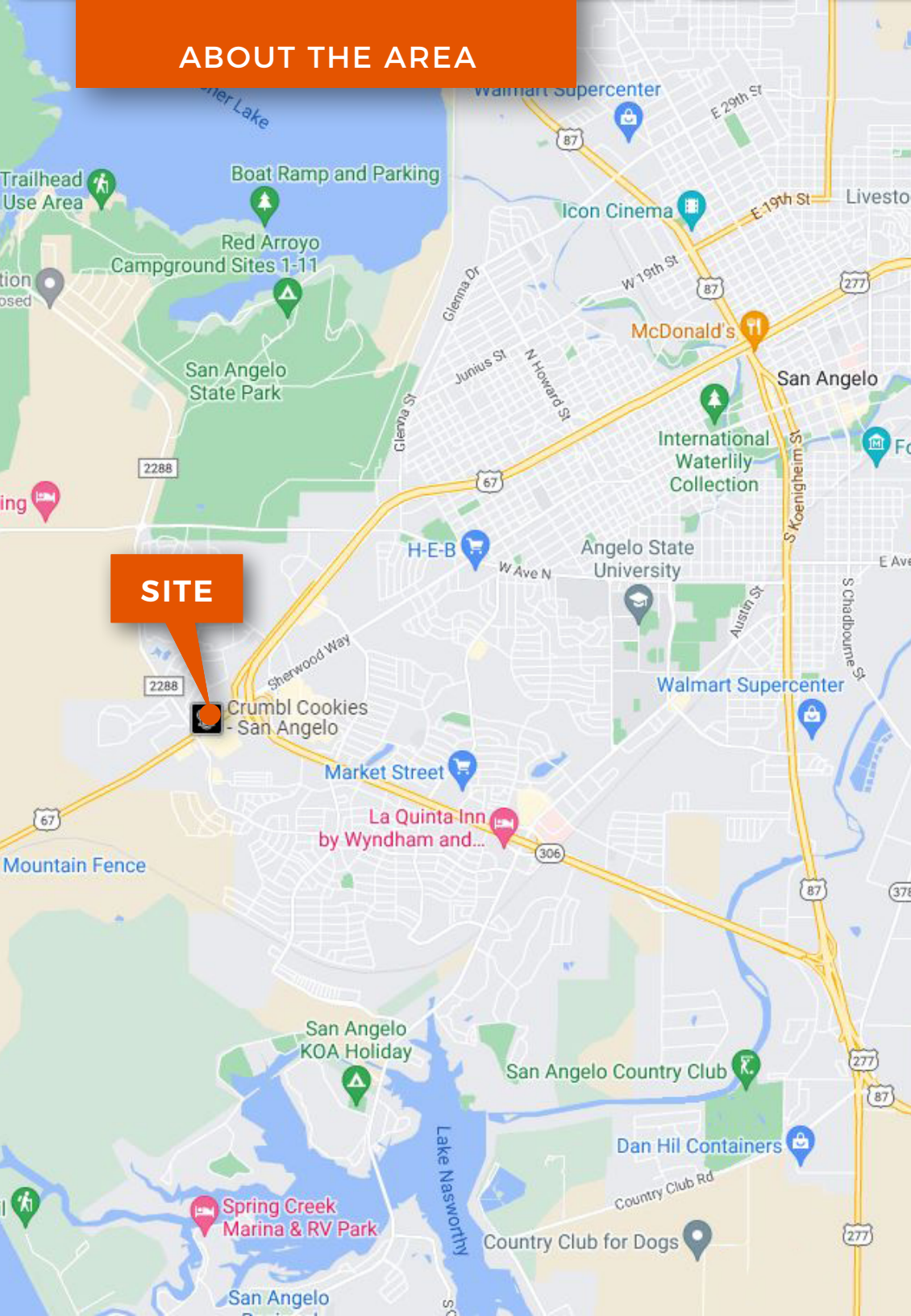
San Angelo is served by three U. S. highways, 67, 87, 277, one State highway, and in early 2022, the designation of future Interstate 27 was made official, which will grow the Texas GDP by \$17.2 billion and create 178,000 construction jobs, along with 17,000 long-term employment opportunities in the new I-27 corridor. The San Angelo Regional Airport (Mathis Field), covering 1,503 acres, includes three runways and provides flights that link up with national and international airlines. San Angelo is also home to the corporate office of Texas Pacifico Transportation, Ltd., the operator of the 390-mile short line railroad that connects to the major railroads.

San Angelo Independent School District operates 17 elementary schools, three middle schools, one freshman campus, two alternative campuses and two high schools. Approximately 1,000 teachers are employed to teach the 14,000 students.





## ABOUT THE AREA



## Site Information

The property sits in the center of San Angelo's retail corridor along the heavily trafficked Sherwood Way and Southland Blvd intersection (31,839 AADT). The site benefits from robust demographics with a Total Daytime Population of 67,247 within a 5-mile radius and Average Household Income of \$94,761 within 3 miles of the site. Chipotle lies on an outparcel to a flagship H-E-B grocery store, positioned at the entrance to H-E-B, and is accessible from the front or rear. This new Chipotle site is a dine-in location with spacious patio and "Chipotlane" drive-thru pick-up window.

Neighboring national retailers include Walmart Supercenter, Sam's Club, and Lowe's; restaurants include Chick-fil-A, Jimmy John's, Newk's Eatery, Dairy Queen, Wendy's, Crumbl Cookies, The Grill, and Bahama Buck's. Sunset Mall, within 2 miles of the site, is anchored by Dillard's, JCPenney, and Conn's. Additional renowned tenants include American Eagle Outfitters, Bath & Body Works, Empire Sports, Foot Locker, Kay Jewelers, Marshalls, Ulta, Zale's Jewelers and many other personal and business service providers.

Local universities include Angelo State University (10,387 students), ranked by The Princeton Review as one of the nation's Best Colleges every year since 2010. The university offers over 100 majors and concentrations through its six colleges: health and human services, arts and humanities, education, graduate studies and research, science and engineering, and business. Howard Junior College has an extension campus in San Angelo, concentrating in technical and occupational fields; the American Commercial College is a private two-year career college; and Park University, located at Goodfellow Air Force Base, offers over ten undergraduate degree programs in the arts, science, business, and education fields, as well as several graduate degree programs.

The housing market remains strong in San Angelo, which continues to grow west with new developments. Creek27, a community of 249 micro-homes, and The Enclave at Twin Oaks, a single-family housing development of over 100 homes, are among the newest. The City has also approved zoning changes for Valley View Subdivision, a 20-acre plot which will allow all types of single-family housing. From 1997 through 2021, total home price growth was 214% with a 0% probability of a 5% or greater price decline within 10 years of buying a home.





# 5590 Sherwood Way | San Angelo, TX 76901



2022 POPULATION

**66,552**



AVG. HOME VALUE

**\$250,254**



AVG. HOUSEHOLD INCOME

**\$94,761**

Population Summary	1 Mile	3 Miles	5 Miles
2010 Total Population	4,356	31,321	60,307
2022 Total Population	6,297	36,345	66,552
2027 Total Population	6,495	36,885	67,455
2022-2027 Annual Rate	0.62%	0.30%	0.27%
Average Household Income			
2022	\$90,239	\$94,761	\$88,925
2027	\$103,602	\$108,617	\$101,904
Average Home Value			
2022	\$250,254	\$237,533	\$238,428
2027	\$315,427	\$307,665	\$312,612

## Top Employers in San Angelo

## # of Employees

Goodfellow Air Force Base	5,333
Shannon Health System	4,896
San Angelo Independent School District	2,332
Angelo State University	1,323
San Angelo Community Medical Center	1,236
Walmart	1,079
City of San Angelo	995
Stripes Convenience Stores	882
San Angelo State Living Center School	770
Ethicon (Johnson & Johnson)	665



*Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.*

## Information About Brokerage Services

**B**efore working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

### **IF THE BROKER REPRESENTS THE OWNER:**

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written - listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

### **IF THE BROKER REPRESENTS THE BUYER:**

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

### **IF THE BROKER ACTS AS AN INTERMEDIARY:**

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License

Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- (1) shall treat all parties honestly;
- (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- (4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

### **If you choose to have a broker represent you,**

you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

Real estate licensee asks that you acknowledge receipt of this information about brokerage services for the licensee's records.

Buyer, Seller, Landlord or Tenant

Date

Texas Real Estate Brokers and Salespersons are licensed and regulated by the Texas Real Estate Commission (TREC). If you have a question or complaint regarding a real estate licensee, you should contact TREC at P.O. Box 12188, Austin, Texas 78711-2188 or 512-465-3960.





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