

Chipotle Mexican Grill

5.86% YEAR 1 CASH ON CASH
NEW "CHIPOTLANE" LOCATION

Subject Property



OFFERING MEMORANDUM



4911 Frederic Street
Owensboro, KY 42301



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Investment Highlights

PRICE: \$2,526,316 | CASH ON CASH RETURN: 5.86% | RENT: \$120,000



ABOVE MARKET ASSUMABLE I/O FINANCING

- ✓ BUYERS CAN ASSUME AN ATTRACTIVE 5.86% RETURN, NOT SEEN ELSEWHERE ON MARKET WITH SIMILAR ASSETS
 - ✓ FAVORABLE LOAN STRUCTURE | 5 YEARS INTEREST-ONLY FINANCING WITH 30YR AMORTIZATION
 - ✓ IDEAL FOR 1031 EXCHANGE BUYERS
- CONTACT BROKER FOR MORE DETAILS

About the Investment

- ✓ Long-Term, New 12-Year Absolute Triple Net (NNN) Lease
- ✓ Approximately 11 Years Remaining
- ✓ New Prototype "Chipotlane" | Modernized Drive-Thru Lane Concept That Sees an Average of 15% Higher Sales Than Chipotle Stores Without a Drive Thru
- ✓ Ten Percent (10%) Rental Increases Occurring Every Five (5) Years
- ✓ Four (4), Five (5)-Year Tenant Renewal Options

About the Location

- ✓ "Main & Main" Location on Signalized 4-Way Intersection
- ✓ Dense Retail Corridor | Sam's Club, Walmart, Home Depot, Target, Best Buy, Lowe's, Cracker Barrel, Starbucks, Texas Roadhouse, Chick-Fil-A, and Numerous Others
- ✓ Frontage to More Than 36,000 Vehicles Per Day on Frederic Street | Additional 38,000 VPD on Wendell Ford Expressway
- ✓ Strong Real Estate Fundamentals | Centrally Located Within Dominant Retail Corridor for City of Owensboro
- ✓ Ellis Entertainment Will Be Opening Early 2023 a \$20M Redevelopment Across The Street | The 62,000 SF Space Will Feature a Wide Selection of Horse Racing Machines, Simulcast Betting, a Viewing Area and a New Race and Sports Themed Restaurant.

About the Tenant / Brand

- ✓ Chipotle is the Second Largest Restaurant Chain in the US
- ✓ Publicly Traded Tenant | NYSE: CMG
- ✓ 2022 Revenues in Excess of \$8.6 Billion
- ✓ Chipotle Has a Net Worth of \$44.68 Billion
- ✓ Chipotle Operates More Than 3,182 Stores Internationally

Chipotle - Owensboro, KY	
Cash on Cash Return Analysis	
Purchase Price:	\$2,526,316
Loan Amount:	\$1,300,000
Equity	\$1,226,316
LTV	51.46%
Interest Rate:	3.70%
IO Term	5 YRS
Amortization (Years):	30
Cap Rate	4.75%
Rent:	\$120,000
Debt Service (Annual):	\$48,100
NOI After Debt Service:	\$71,900
Cash on Cash Return Year 1:	5.86%
DSCR	2.49



Financial Analysis

PRICE: \$2,526,316 | CASH ON CASH RETURN: 5.86% | RENT: \$120,000



PROPERTY DESCRIPTION

Property	Chipotle
Property Address	4911 Frederic Street
City, State, ZIP	Owensboro , KY 42301
Year Built / Renovated	2018/2022
Building Size	3,110 SF
Lot Size	+/- 0.69 Acres
Type of Ownership	Fee Simple

POTENTIAL OFFERING

Annual Rent	\$120,000
CAP Rate	4.75%
Purchase Price	\$2,526,316
Price / SF	\$812.32
Rent / SF	\$38.59

LEASE SUMMARY

Property Type	Fee Simple QSR
Ownership Type	Public NYSE: CMG
Tenant	Chipotle Mexican Grill of Colorado, LLC
Guarantor	Chipotle Mexican Grill, Inc
Original Lease Term	12.0 Years
Lease Commencement	October 11, 2021
Rent Commencment	June 28, 2022
Lease Expiration	June 30, 2034
Lease Term Remaining	11.4 Years
Lease Type	NNN
Roof, Structure	Tenant Responsible
Rental Increases	7.50% Every 5 Years
Options to Renew	4, 5-year 180 Day Notice

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
6/28/2022-6/30/2023	\$120,000.00	\$10,000	-
7/1/2023-6/30/2024	\$120,000.00	\$10,000	-
7/1/2024-6/30/2025	\$120,000.00	\$10,000	-
7/1/2025-6/30/2026	\$120,000.00	\$10,000	-
7/1/2026-6/30/2027	\$120,000.00	\$10,000	-
7/1/2027-6/30/2028	\$120,000.00	\$10,000	-
7/1/2028-6/30/2029	\$131,700.00	\$10,975	10%
7/1/2029-6/30/2030	\$131,700.00	\$10,975	-
7/1/2030-6/30/2031	\$131,700.00	\$10,975	-
7/1/2031-6/30/2032	\$131,700.00	\$10,975	-
7/1/2032-6/30/2033	\$131,700.00	\$10,975	-
7/1/2033-6/30/2034	\$131,700.00	\$10,975	-

Option Schedule

Option 1	\$144,576.00	\$12,048	10%
Option 2	\$158,724.00	\$13,227	10%
Option 3	\$174,300.00	\$14,525	10%
Option 4	\$191,424.00	\$15,952	10%



CHIPOTLE

MEXICAN GRILL



Concept Overview



Tenant Summary

Chipotle is the Second Largest Mexican Restaurant Chain in the U.S. in terms of Sales and Number of Locations

GUARANTOR ON LEASE

Chipotle Mexican Grill,
Inc.

TENANT ON LEASE

Chipotle Mexican Grill
of Colorado, LLC

HEADQUARTERS

Denver, CO

DATE FOUNDED

1993

LOCATIONS

3,182+

NYSE | TICKER

CMG

www.chipotle.com



\$8.63 B

Billions in Annual Revenue (2022)



\$44.68 B

Billions in Net Worth (2023)



CHIPOTLE

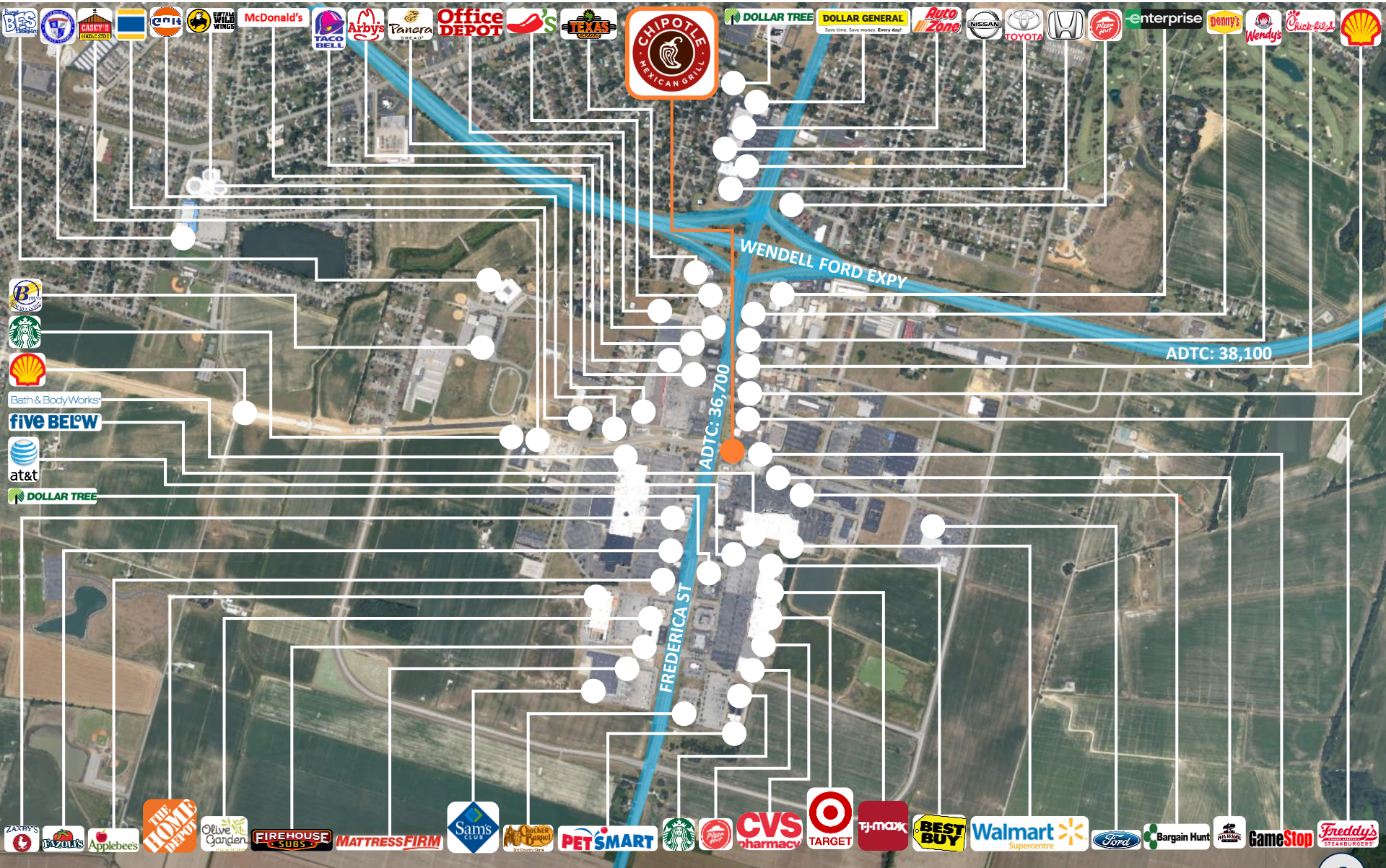
MEXICAN GRILL

Chipotle Mexican Grill, Inc. is an American chain of fast casual restaurants in the United States, United Kingdom, Canada, Germany, and France, specializing in tacos and Mission-style burritos. Known for its fresh, gourmet, and increasingly organic ingredients, Chipotle offers a fairly simple menu of burritos, fajitas, and tacos featuring pork, shredded beef, chicken, steak, and vegetarian fillings. The company is publicly traded on the New York Stock Exchange with the Ticker Symbol CMG. The company features annual revenues in excess of \$8.63 billion and a net worth in excess of \$44.68 billion.





Surrounding Area





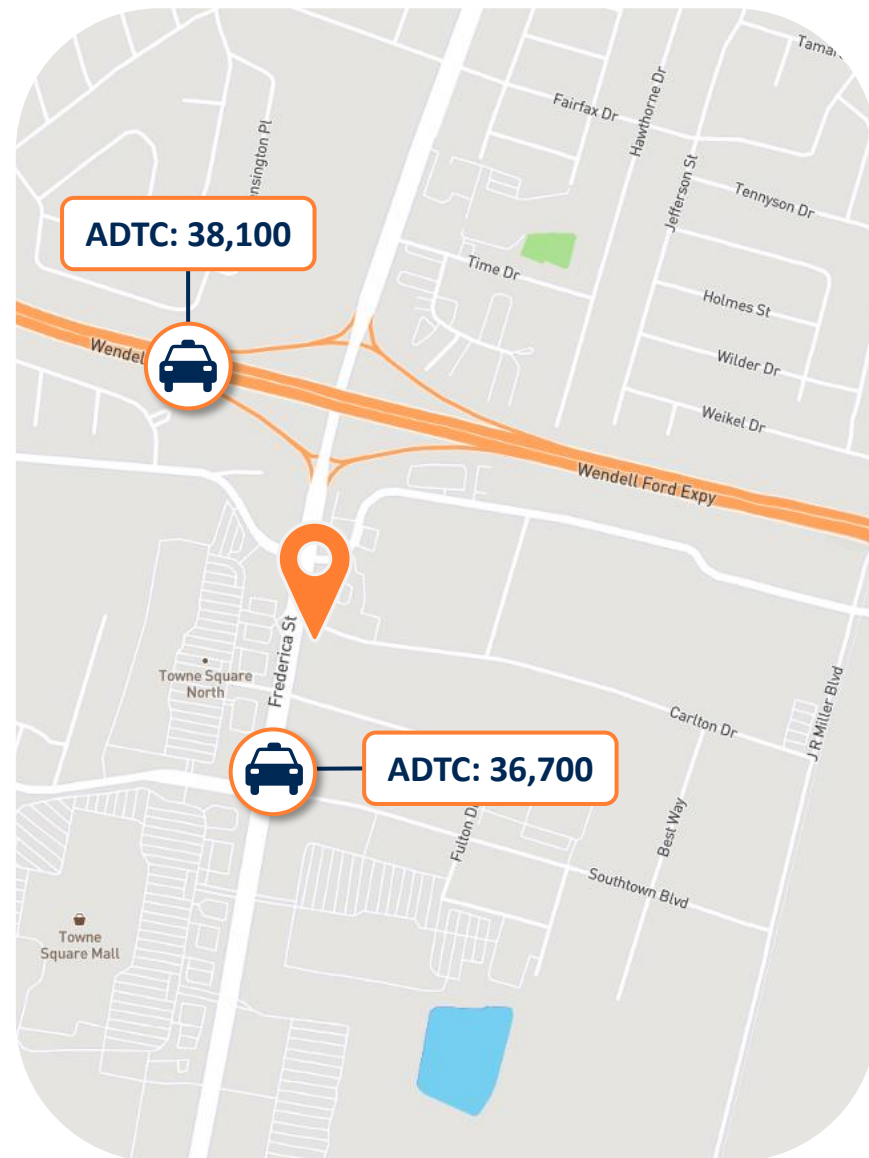
Location Overview



The subject investment property is a Chipotle situated centrally within Owensboro's primary retail corridor on Frederica Street, which experiences an average daily traffic count of approximately 36,700 vehicles. Frederica Street serves as an access route to Wendell Ford Expressway, which brings an additional 38,100 vehicles into the immediate area. There are more than 38,700 individuals residing within a three-mile radius of the property and more than 72,600 individuals within a five-mile radius.

This Chipotle property benefits from being well-positioned in a dense trade area consisting of national and local tenants, schools and shopping centers. Major national tenants in the area include: Walmart, Sam's Club, Target, Home Depot, Lowe's, TJ Maxx, Best Buy, Five Below, PetSmart, CVS, Office Depot, AT&T, McDonald's, McDonald's, Wendy's, Denny's, Chick-fil-A, Applebee's, Zaxby's, Olive Garden, Taco Bell, Arby's, Panera Bread, Chili's, Texas Roadhouse, Cracker Barrel, Taco Bell, Advanced Auto Parts, etc, as well as several hotels nearby including, Super 8 Wyndham, Best Western, Comfort Suites, and Hampton Inn. This Chipotle also profits from a strong academic presence within the immediate area. Kentucky Wesleyan College and Owensboro Community & Technical College located within a three-mile radius with a combined total of 4,700. Additionally, Apollo High School, Heritage Park High School, Southern Junior High School, Owensboro High School, Triplett High School, Daviess County High School, College View Middle School, Burn Middle School, Burns Elementary School, Sutton Elementary School, Tamarack Elementary School, and Newton Parrish Elementary School is located within a three-mile radius and a combined total of over 6,000 students enrolled.

Owensboro is a city located in the western part of the state of Kentucky, United States. It is the fourth-largest city in the state. The city is located on the Ohio River and is known for its beautiful riverfront, which features parks, walking paths, and a museum dedicated to the river's history. Owensboro has a strong sense of community and is home to a variety of festivals and events throughout the year, including the International Bar-B-Q Festival, the Owensboro Air Show, and the ROMP music festival. The city is also home to several universities and colleges, including Owensboro Community and Technical College and Brescia University. Owensboro has a diverse economy, with industries including healthcare, manufacturing, education, and agriculture. Overall, Owensboro is a vibrant city with a rich history and culture, and is a great place to live, work, and visit.





Property Photos



Subject Property



Subject Property



Subject Property

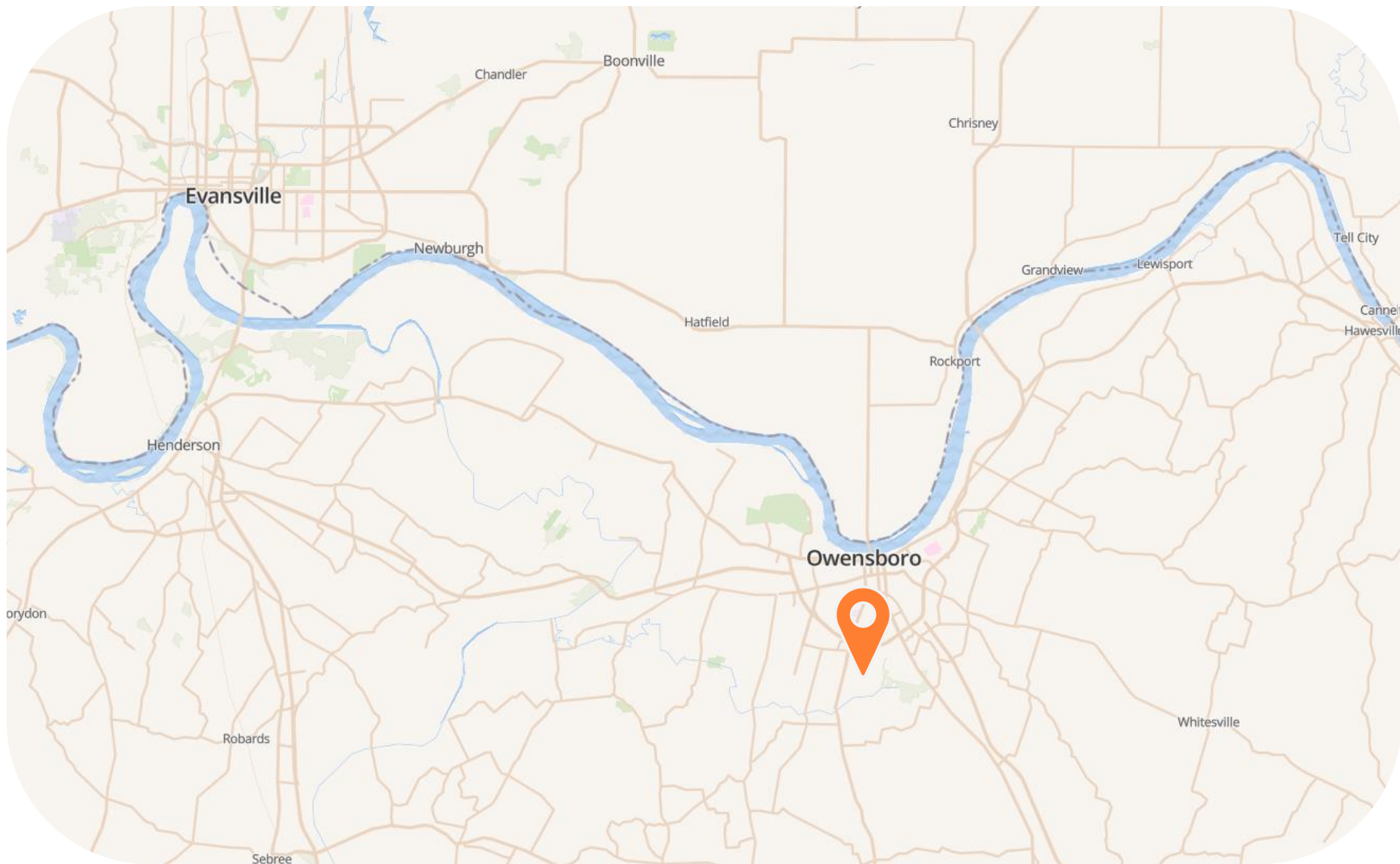


Subject Property



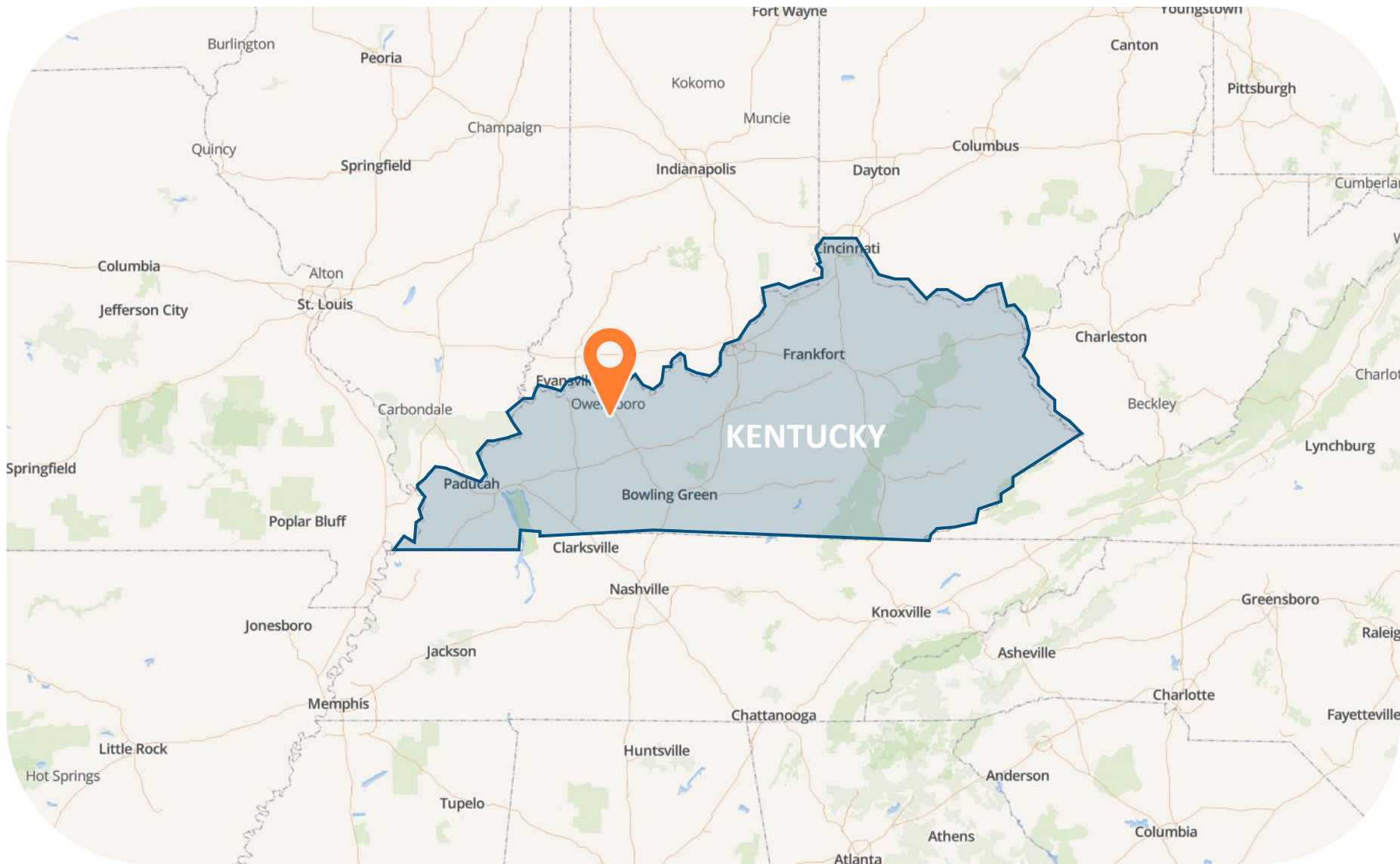


Local Map



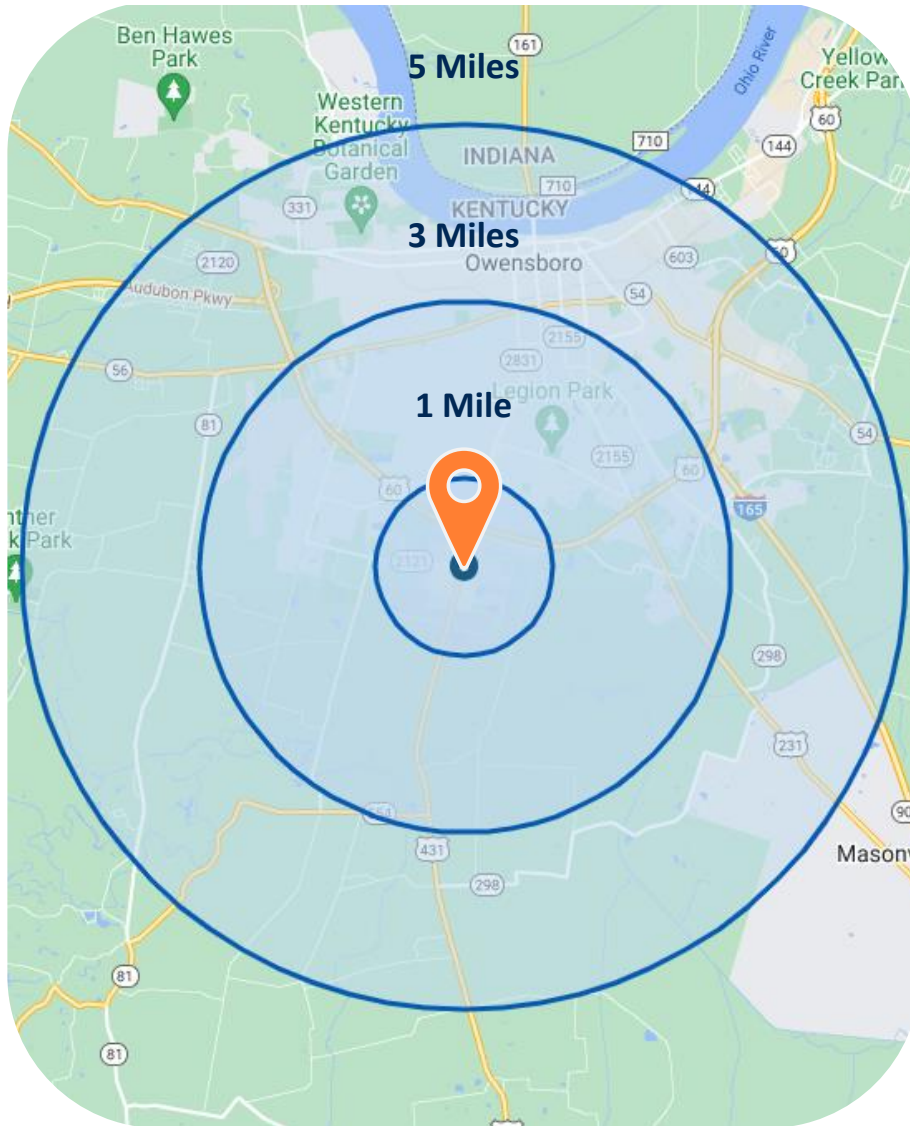


Regional Map





Demographics



	1 Mile	3 Miles	5 Miles
POPULATION TRENDS			
2010 Population	4,065	37,075	67,083
2022 Population	4,335	38,754	72,674
2027 Population Projection	4,462	39,755	74,996
Annual Growth 2010-2022	0.60%	0.40%	0.70%
Annual Growth 2022-2027	0.60%	0.50%	0.60%
HOUSEHOLD TRENDS			
2010 Households	1,788	16,325	27,878
2022 Households	1,928	17,069	30,092
2027 Household Projection	1,990	17,526	31,060
Annual Growth 2010-2022	0.70%	0.40%	0.60%
Annual Growth 2022-2027	0.60%	0.50%	0.60%
Avg Household Income	\$61,827	\$63,399	\$63,391
Median Household Income	\$45,882	\$46,014	\$45,458
HOUSEHOLDS BY HOUSEHOLD INCOME (2022)			
< \$25,000	562	4,261	8,251
\$25,000 - 50,000	500	4,870	7,900
\$50,000 - 75,000	291	2,726	4,943
\$75,000 - 100,000	245	2,476	4,097
\$100,000 - 125,000	180	1,181	1,888
\$125,000 - 150,000	62	580	1,209
\$150,000 - 200,000	33	457	752
\$200,000+	55	517	1,051



Market Overview



Owensboro MSA, as defined by the United States Census Bureau, is an area consisting of three counties in Kentucky, anchored by the city of Owensboro. As of the 2000 census, the MSA had a population of 109,875. In the 2010 Census the population was 114,752. Owensboro is part of the Illinois–Indiana–Kentucky tri-state area and sometimes, albeit seldom, referred to as Kentuckiana.

Evansville, IN, Indiana's third-largest city is a quietly charming and friendly town nestled at the state line joining Indiana, Illinois, and Kentucky. Easily accessible from I-69 and adjacent to the Ohio River, Evansville is a community of cozy neighborhoods and serene living. Evansville is the regional hub in the southwestern corner of the state. Located along the Ohio River, it's an easy drive from several large metropolitan areas such as Indianapolis, Cincinnati, Louisville, Nashville, and St. Louis. This city is a picturesque nook with a small-town feel, perfect for those looking to reside in the comfort of traditional, family-friendly surroundings and inviting city character. Evansville is a great spot for anyone looking to buy a home or rent an apartment. In fact, the town is a very popular location for millennials and retirees.





MARKET POSITIONING & PRICING ANALYSIS

