

# Chipotle & Eyeglass World

4485 Miller Road - FLINT TOWNSHIP, MICHIGAN 48507

*offering memorandum*



ACTUAL PROPERTY

# Investment Overview

4485 Miller Road - FLINT TOWNSHIP, MICHIGAN 48507

Marcus & Millichap is pleased to present this recently constructed retail asset featuring Chipotle and Eyeglass World. Located in Flint Township, Michigan, the subject property is on Miller Road, a major retail corridor in Flint Township. More than 38,300 vehicles pass by the asset each day. Miller Road has easy access to Interstate 69 and Interstate 75, which have a combined daily traffic count of nearly 150,000 vehicles.

Chipotle Mexican Grill (NYSE: CMG) signed a 10-year lease that features 10 percent escalations in rent every five years in the base term and in the four, five-year renewal options. In 2015 Chipotle had total assets of \$2.73 billion and revenue of \$4.5 billion.

Eyeglass World signed a 10-year lease that features 5 percent escalations in rent every five years in the base term and in the two, five-year renewal options. Eyeglass World may terminate the lease if Gross Sales during the 6th lease year do not exceed \$1,000,000. The lease is backed with a corporate guaranty from National Vision, Incorporated (NVI). NVI is one of the largest optical retailers in the United States, operating over 900 retail locations, and has delivered 58 consecutive quarters of positive comparable store sales growth.

The subject property is located across the street from Genesee Valley Center. Genesee Valley Center, which opened in 1970, has 1.27 million square feet of retail space. The mall has four anchor stores: Burlington Coat Factory, J.C. Penney, Macy's, and Sears. It comprises more than 120 tenants, including a food court, and an external concourse called the Outdoor Village which also features a Barnes & Noble bookstore. Genesee Crossing is down the street, which features tenants such as Target, PetSmart, Party City, Old Navy, and ULTA, among others.

The asset is in close proximity to Bishop International Airport and the General Motors Flint Assembly and Engine Operations plants. Actual

- **Recently Constructed Two-Tenant Retail Asset in Flint Township, Michigan.**
- **Chipotle and Eyeglass World Leases Commenced in 2016 and 2015, Respectively**
- **Chipotle Signed a 10-Year Lease with 10 Percent Rent Increases Every Five Years**
- **Eyeglass World Signed a 10-Year Lease with 5 Percent Rent Increases Every Five Years**
- **Miller Road is a Major Retail Corridor in Flint | 38,300 Vehicles per Day**
- **Across the Street from Genesee Valley Center | 1.27 Million**
- **Square Foot Mall with More than 120 Vendors**
- **In Close Proximity to Interstate 69, Bishop International Airport, and a General Motors Plant**
- **Major Tenants in the Vicinity Include Macy's, Gander Mountain, Target, Chipotle, Bed Bath & Beyond, Hobby Lobby, and Many More**



# Financial Overview

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PRICE:	\$2,554,000	PRICE PER SQUARE FOOT:	\$567.56	LOT SIZE:	+/- 1.47 Acres
CAP RATE:	6.50%	RENT PER SQUARE FOOT:	\$36.88	GROSS LEASEABLE AREA:	4,500 Square Feet
NOI:	\$165,978	YEAR BUILT:	2015	TYPE OF OWNERSHIP:	Fee Simple



## Offering Summary - Chipotle

GLA	2,304 SF
% of Total GLA	51.00%
Lease Commence	4/1/2016
Lease Expire	10/31/2026
Annual Rent	\$73,728
Rent/SF	\$32.00
Increases	10 Percent Every Five Years

## Annualized Operating Data

	Base Rent		Annual Rent	Monthly Rent	Increase
	4/1/2016	3/31/2021	\$73,728	\$6,144	
	4/1/2021	10/31/2026	\$81,101	\$6,758	10%
Option 1	11/1/2026	10/31/2031	\$89,211	\$7,434	10%
Option 2	11/1/2031	10/31/2036	\$98,127	\$8,177	10%
Option 3	11/1/2036	10/31/2041	\$107,942	\$8,995	10%

## Offering Summary - Eyeglass World

GLA	2,196
% of Total GLA	49.00%
Lease Commence	5/1/2015
Lease Expire	8/31/2025
Annual Rent	\$92,250
Rent/SF	\$42.01
Increases	5 Percent Every Five Years

## Annualized Operating Data

	Base Rent		Annual Rent	Monthly Rent	Increase
	5/1/2015	4/30/2020	\$92,250	\$7,688	
	5/1/2020	4/30/2025	\$96,750	\$8,063	5%
Option 1	5/1/2025	4/30/2030	\$101,588	\$8,466	5%
Option 2	5/1/2030	4/30/2035	\$106,667	\$8,889	5%



# Tenant Overview - Chipotle

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When Chipotle opened its first store in 1993, the idea was simple: demonstrate that food served fast didn't have to be a "fast-food" experience. We use high-quality raw ingredients, classic cooking methods and a distinctive interior design, and have friendly people to take care of each customer—features that are more frequently found in the world of fine dining. When we opened, there wasn't an industry category to describe what we were doing. Some 20 years and more than 1,500 restaurants later,

we compete in a category of dining now called "fast-casual," the fastest growing segment of the restaurant industry, where customers expect food quality that's more in line with full-service restaurants, coupled with the speed and convenience of fast food.

We try to do a few things very well. We elevate basic raw ingredients into food that's richer and more sophisticated through our recipes and cooking techniques. Similarly, our restaurant design transforms simple materials in distinctive ways, giving our restaurants a style that's more architectural in nature.

Our focus has always been on using the kinds of higher-quality ingredients and cooking techniques used in high-end restaurants to make great food accessible at reasonable prices. But our vision has evolved. While using a variety of fresh ingredients remains the foundation of our menu, we believe that "fresh is not enough, anymore." Now we want to know where all of our ingredients come from, so that we can be sure they are as flavorful as possible while understanding the environmental and societal impact of our business. We call this idea Food "With Integrity," and it guides how we run our business.

## OFFERING SUMMARY - CHIPOTLE

TENANT TRADE NAME	Chipotle Mexican Grill, Inc
OWNERSHIP	Public
TENANT	Corporate Store
LEASE GUARANTOR	Corporate Guarantee
NUMBER OF LOCATIONS	2,000+
HEADQUARTERED	Denver, CO
WEB SITE	<a href="http://www.chipotle.com">www.chipotle.com</a>
SALES VOLUME	\$4.5 Billion (2015)
NET WORTH	\$2.13 Billion (2015)
STOCK SYMBOL	CMG
BOARD	NYSE
RANK	#546 in Fortune 1000 (2015)



# Tenant Overview - Eyeglass World

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Buffalo Wild Wings was founded in 1982 at a location near The Ohio State University. In 1991, the company began franchising, and in 2003, they completed an initial public offering. Buffalo Wild Wings is listed on the NASDAQ under the symbol BWLD. In 2015

Buffalo Wild Wings generated \$1.8 billion in revenue and had a net worth of \$655 million. The company now operates over 1,080 restaurants in the United States, Canada, Mexico, and Philippines.

As an established and growing owner, operator, and franchisor, Buffalo Wild Wings offers a variety of boldly-flavored menu items including Buffalo, New York-style chicken wings. A welcoming neighborhood atmosphere that includes an extensive multi-media system, a full bar, and an open layout appeals to sports fans and families alike. Guests have the option of watching sporting events or other popular programs on projection screens or the approximately 50 additional televisions or playing video games. Buffalo Wild Wings restaurants have widespread appeal and have won dozens of "Best Wings" and "Best Sports Bar" awards across the country.

The menu features traditional chicken wings, boneless wings, and other items including chicken tenders, flatbreads, specialty hamburgers and sandwiches, wraps, Buffalito, soft tacos, appetizers, and salads. The bold flavor of 21 different signature sauces and seasonings enhance Buffalo Wild Wing's made-to-order menu items. The restaurants' offer approximately 30 domestic and imported beers on tap, including several local or regional craft micro-brews and a wide selection of bottled beers, wines, and liquor. This award-winning food and memorable experience drives guest visits and loyalty.

## TENANT PROFILE

TENANT TRADE NAME	Eyeglass World
OWNERSHIP	Private
TENANT	Corporate Store
LEASE GUARANTOR	National Vision, Incorporated (NVI)
NUMBER OF LOCATIONS	70+
HEADQUARTERED	Duluth, Georgia
WEB SITE	<a href="http://www.eyeglassworld.com/">http://www.eyeglassworld.com/</a>





# Aerial Overview

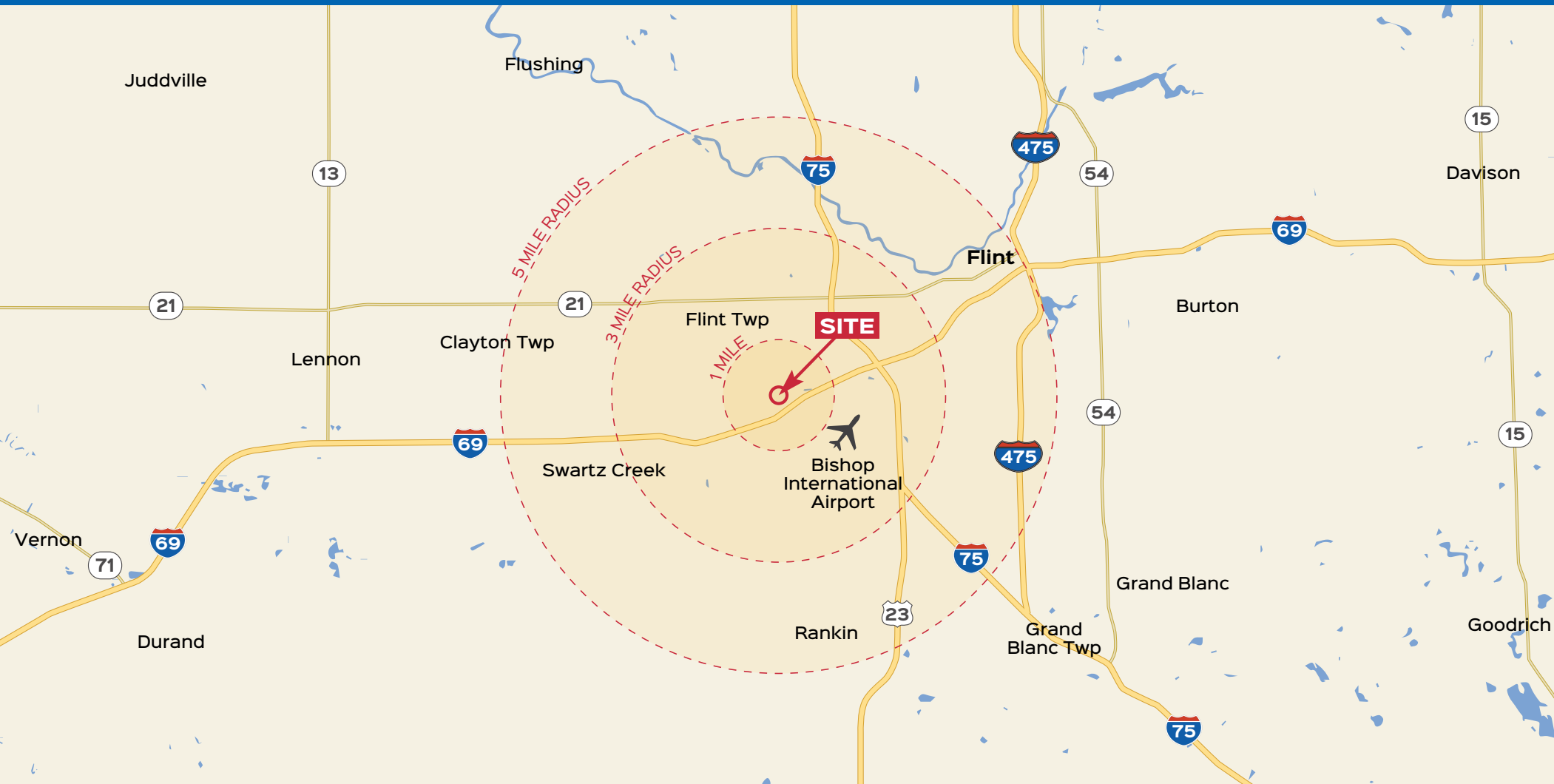
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# Area Overview & Demographics

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	1-Mile	3-Mile	5-Mile		1-Mile	3-Mile	5-Mile		1-Mile	3-Mile	5-Mile
<b>Population</b>				<b>Households</b>				<b>Household (HH) Incomes</b>			
2000 Population	1,859	26,726	103,699	2000 Households	840	11,510	41,965	2016 Average HH Income	\$50,877	\$52,776	\$49,697
2010 Population	1,859	25,818	96,986	2010 Households	838	11,032	39,452	2016 Median HH Income	\$66,423	\$68,162	\$59,363
2016 Population	1,799	25,582	95,146	2016 Households	799	10,885	38,652	2016 Per Capita Income	\$42,851	\$40,475	\$37,438
2021 Population	1,767	25,249	95,146	2021 Households	782	10,732	38,052				

# Market Overview - Flint Township, Michigan

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Flint Township is located along Michigan's Flint River, about 68 miles northwest of Detroit. It is one of Michigan's largest cities and the county seat of Genesee County. Flint Township was founded in 1819 by Jacob Smith, a prominent Detroit fur trader. Due largely to its ideal location as a stopover on the overland route between Saginaw and Detroit, Flint Township began to prosper as a small but significant village. In 1855 the settlement became incorporated as Flint Township, deriving its name from the river running through it. During the latter half of the nineteenth century, Flint Township established itself as a lumber center, and by the end of the century was able to leverage its lumbering infrastructure into a burgeoning carriage-manufacturing industry. As the world's largest carriage-making center, Flint Township soon became known as "Vehicle City." When horse-drawn carriages gave way to the advent of automobiles, Flint Township was in the forefront of the newly-formed auto industry. In 1908, William C. Durant founded the General Motors Corporation in the city and motor-vehicle manufacturing and assembly quickly prospered into a huge industry. Throughout the 20th century and beyond, Flint Township has continued to be closely tied to the auto industry, experiencing both the prosperity and hardships visited on the industry at various times in the nation's history.

The major industries in Flint Township are educational services, healthcare, social assistance and manufacturing. The auto industry is a major contributor to the local economy. The leading employment sectors in Flint Township include healthcare, educational services, manufacturing, construction, transportation equipment, accommodation and food services, and social assistance. Production, transportation, and material moving workers comprise 21% of the labor force.

## The following is a list of Flint Township's leading employers:

- General Motors
- Genesys Health System
- McLaren Medical Center
- Hurley Medical Center
- Genesee County
- City of Flint
- Meijers
- Citizens Bank
- Flint Community Schools







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