

Panera Bread

4477 Miller Road - FLINT TOWNSHIP, MICHIGAN 48507

offering memorandum



ACTUAL PROPERTY

Investment Overview

4477 Miller Road - FLINT TOWNSHIP, MICHIGAN 48507

Marcus & Millichap is pleased to present this 4,300-square foot Panera Bread in Flint Township, Michigan. Located 36 miles south of Saginaw and 60 miles northwest of Detroit, this Panera Bread has 13 years remaining in the base term of an absolute-net (NNN) lease with three, five-year renewal options. There are escalations in rent of 10 percent every five years, with the next increase in January 2020. The lease is backed with a corporate guaranty from Panera Limited Liability Company, a publicly traded company (NASDAQ: PNRA) that ranks #797 in the Fortune 1000 (2016).

Panera Bread is located 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.

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.

- **Panera Bread with Drive Thru in Flint Township, Michigan | Southern Tip of Lake Huron**
- **Absolute-Net Lease (NNN) with 13 Years Remaining | Three, Five-Year Options**
- **10 Percent Rent Increase Every Five Years**
- **Miller Road is a Major Retail Corridor in Flint Township | 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**
- **Lease is Backed with Corporate Guaranty from Panera, LLC | #797 in Fortune 1000**
- **Major Tenants in the Vicinity Include Macy's, Gander Mountain, Target, Chipotle, Bed Bath & Beyond, Hobby Lobby, and Many More**



Financial Overview

4477 Miller Road - FLINT TOWNSHIP, MICHIGAN 48507

Offering Summary

PRICE	\$2,200,000
CAP RATE	5.00%
NOI	\$110,000
PRICE PER SQUARE FOOT	\$511.63
RENT PER SQUARE FOOT	\$25.58
YEAR BUILT	2014
LOT SIZE	+/- 1.21 Acres
GROSS LEASABLE AREA	4,300 Square Feet
TYPE OF OWNERSHIP	Public
LEASE GURANTOR	Corporate Guarantee
LEASE TYPE	Absolute-Net (NNN)
ROOF AND STRUCTURE	Tenant

Offering Summary

LEASE COMMENCEMENT DATE	December 4, 2014
LEASE EXPIRATION DATE	December 31, 2029
LEASE TERM	15 Years
TERM REMAINING	13 Years
INCREASES	10% Every 5 Years
OPTIONS TO RENEW	3, 5-Year Options
OPTIONS TO TERMINATE	None
OPTIONS TO PURCHASE	None
FIRST RIGHT OF REFUSAL	None

Annualized Operating Data				
Base Rent	Annual	Monthly	Increase	
Present - 12/31/2019	\$110,000.00	\$9,166.67		
1/1/2020 - 12/31/2024	\$121,000.00	\$10,083.33	10%	
1/1/2025 - 12/31/2029	\$133,100.00	\$11,091.67	10%	
Options				
1/1/2030 - 12/31/2034	\$146,410.00	\$12,200.83	10%	
1/1/2035 - 12/31/2039	\$161,051.00	\$13,420.92	10%	
1/1/2040 - 12/31/2044	\$177,156.00	\$14,763.00	10%	



Actual Property

Tenant Overview - Panera Bread

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Panera Bread Company is a leader in the quick-casual restaurant business. The company operates about 2,000 bakery-cafes located throughout the United States and Ontario, Canada. Its locations, which operate under the banners Panera Bread, Saint Louis Bread Co., and Paradise Bakery & Café, offer made-to-order sandwiches using a variety of artisan breads, including Asiago cheese bread, focaccia, and its classic sourdough bread. The chain's menu also features soups, salads, and gourmet coffees. In addition, Panera sells its bread, bagels, and pastries to go. About 900 of its locations are company-operated and roughly 1,100 locations are run by franchisees.

TENANT PROFILE

TENANT TRADE NAME	Panera, Limited Liability Company
OWNERSHIP	Public
TENANT	Corporate Store
LEASE GUARANTOR	Corporate Guarantee
NUMBER OF LOCATIONS	Approximately 2,000
HEADQUARTERED	Sunset Hills, MO
WEB SITE	www.panerabread.com
SALES VOLUME	\$2.68 Billion (2015)
NET WORTH	\$497 Million (2015)
STOCK SYMBOL	PNRA
BOARD	NASDAQ
RANK	#797 in Fortune 1000 (June 2016)



Aerial Overview

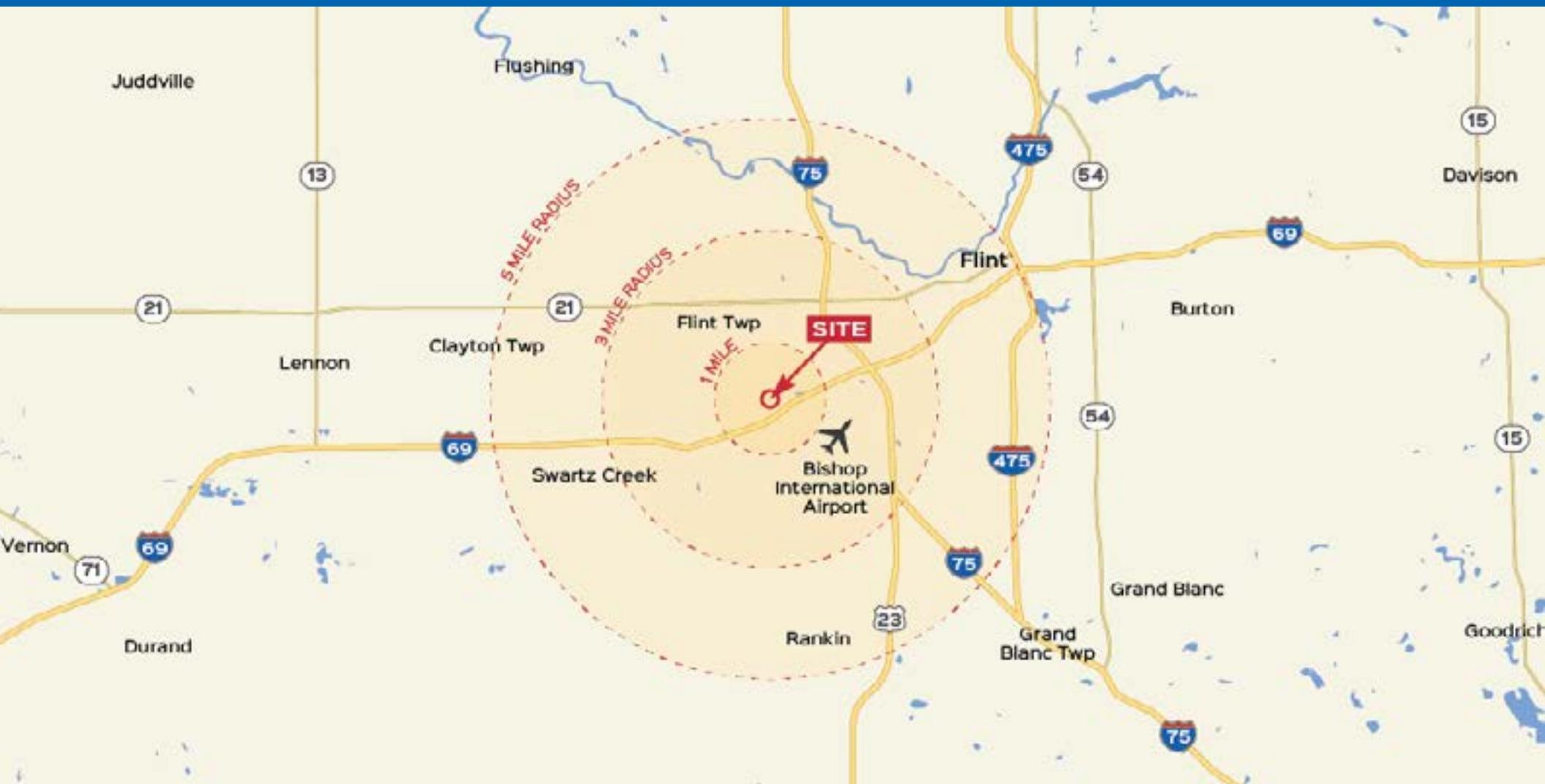
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Area Overview & Demographics

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	1-Mile	3-Mile	5-Mile
Population			
2000 Population	1,765	28,480	106,167
2010 Population	1,757	27,502	98,970
2016 Population	1,683	27,135	97,206
2021 Population	1,649	26,756	95,763
2016 Daytime Population	10,272	28,954	63,819

	1-Mile	3-Mile	5-Mile
Households			
2000 Households	801	12,291	42,862
2010 Households	799	11,754	40,188
2016 Households	754	11,549	39,409
2021 Households	737	11,377	38,806

	1-Mile	3-Mile	5-Mile
Household (HH) Incomes			
2016 Average HH Income	\$49,662	\$52,217	\$49,459
2016 Median HH Income	\$42,166	\$40,103	\$37,269
2016 Per Capita Income	\$22,249	\$22,224	\$20,052

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

