

# OFFERING MEMORANDUM



**Monro Auto  
Service**

(NASDAQ: MNRO)

**Jimmy John's**

474 East Route 173  
Antioch, IL 60002



**MONRO**  
AUTO SERVICE *And* TIRE CENTERS

**JOSH MARKIEWICZ**  
217.352.7712  
joshm@cbcdr.com



# NET LEASE INVESTMENT OFFERING



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# NET LEASE INVESTMENT OFFERING

## OVERVIEW

Purchase Price	\$2,361,600
Cap Rate	6.25%
Net Operating Income	\$147,600
Gross Leasable Area	12,675 SF
Year Built	2006/2007
Lot Size	+/- 8.80 Acres (1.65 Acres Net Usable)

## INVESTMENT HIGHLIGHTS

- **100% Occupied Two-Tenant Center**
- **Well Recognized Brands**
- **Monro Corporate Lease**
- **Future Income Stability**
- **Located in Lake County**
- **Feeder Community to Chicago**

## THE OFFERING

Coldwell Banker Commercial Devonshire Realty (CBCDR) is proud to exclusively offer for sale a two tenant net lease investment that is 100% occupied by Monro Muffler, Inc. (NASDAQ: MNRO) and Jimmy John's in Antioch, Illinois.

The property is extremely well situated in the heart of a major commercial district and is considered a feeder community to Chicago.

Antioch is located in Lake County which is the third most populous county in Illinois and the 31<sup>st</sup> richest county in the United States. Lake County is also home to Naval Station Great Lakes, which is the US Navy's Headquarters Command for training and Six Flags Great America, an amusement park with annual attendance of nearly 3 million people.



# NET LEASE INVESTMENT OFFERING

## RENT ROLL

Dates	Annual Rent
2/28/2017 to 2/28/2022	\$120,000
3/1/2022 to 2/28/2027	\$126,000
Option Term Dates	
3/1/2027 to 2/28/2032	\$138,600
3/1/2032 to 2/28/2037	\$152,460
3/1/2037 to 2/28/2042	\$167,706



## LEASE ABSTRACT

Tenant	Fast Tire/Car-x Tire & Auto
Guarantor	Monro Muffler Brake, Inc.
Lease Date	February 26, 2017
Lease Type	NNN
Property Address	474 E Route 173   Antioch, IL
Leased Premises	11,475 SF
Rent Commencement	February 28, 2017
Term Expiration	February 28, 2027
Primary Term	10 Years
Options	3, 5-year with 10% increases per term
Rent Increases	5% increase in year 6
ROFR/Offer	Yes
Sublet/Assignment	Must have LL consent
Tenant Responsibilities	Interior + Repair/Replace Mech
Roof & Structure	Landlord
Real Estate Taxes	Tenant
Insurance	Tenant
Utilities	Tenant

# NET LEASE INVESTMENT OFFERING

## RENT ROLL

Dates	Annual Rent
5/1/2007 to 4/30/2010	\$23,400
5/1/2010 to 4/30/2012	\$24,000
5/1/2012 to 4/30/2017	\$25,500
Option Term Dates	
5/1/2017 to 4/30/2022	\$27,600
5/1/2022 to 4/30/2027	\$33,012



Representative Photo

## LEASE ABSTRACT

Tenant	Jimmy John's
Guarantor	Michaels Subforu, Inc.
Lease Date	July 8, 2002
Lease Type	NNN
Property Address	474 E Route 173, Suite B   Antioch, IL
Leased Premises	1,200 SF
Rent Commencement	May 1, 2007
Term Expiration	April 30, 2022
Primary Term	10 Years
Options	2, 5-year
ROFR/Offer	None
Sublet/Assignment	Must have LL consent
Tenant Responsibilities	Interior + Repair/Replace Mech.
Roof & Structure	Landlord
Real Estate Taxes	Tenant
Insurance	Tenant
Utilities	Tenant

# NET LEASE INVESTMENT OFFERING



## TENANT OVERVIEW

Headquartered in Rochester, New York, Monro serves all of the Mid-Atlantic and New England states and portions of the Great Lakes, Midwest and Southeast. The company's footprint extends from Maine to South Carolina and as far west as Missouri.

Monro offers complete auto care at a significant savings compared to dealers and local repair shops. In fact, Monro stands behind a lowest price guarantee for all scheduled maintenance, repairs, and tires. Core product and service offerings include oil changes, brakes, shocks and struts, mufflers and wheel alignments. All stores sell at least a basic line of the most popular tire brands and models. Tire sales is an increasingly important share of Monro's business and nearly half of the company's stores now carry extensive inventories of tires to meet customer demand.

Monro has been a pioneer in the auto service industry since company founder, Charles J. "Chuck" August, opened his first muffler shop in Rochester in 1957. The facility was one of the first Midas Muffler franchises, but August soon chafed at the company's mufflers-only business model. He understood that service sells.

In 1966, August ended his affiliation with Midas so that he could offer an expanded menu of undercar repair and maintenance services. He launched a new company with his brother Burton S. August and Sheldon Lane and renamed the small chain of stores "Monro Muffler," after Monroe County, New York, but without the "e." As the company added products and services, its name changed to Monro Muffler Brake and later Monro Muffler Brake & Service.

By 1977, Monro managed 20 stores and began to make a number of acquisitions. An investor group led by Peter J. Solomon and Donald Glickman purchased a controlling interest in the company in 1984. At that time, Monro operated 59 stores, primarily in upstate New York. In 1991, the company went public and its stock began trading on NASDAQ under the stock symbol MNRO. With capitalization, the company was able to build more stores and to acquire promising local and regional auto service chains in adjoining states.

Under the leadership of Robert G. Gross, who joined Monro as president and chief executive officer in 1998, the company accelerated acquisitions and steadily increased sales and profitability. Gross was appointed chairman of the board in 2007, and assumed the role of executive chairman in 2012. The record of success continues under the management of John W. Van Heel, who was appointed president in 2008, and chief executive officer in 2012.



Tenant	Monro Auto Service & Tire Centers
Stock Symbol	NYSE: MNRO
Year Founded	1957
Industry	Retail/Automotive
Store Count	1,197+
Total Revenue	\$1.128B (YE 2018)
Net Income	\$63.935M (YE 2018)
Company Website	monro.com
Headquarters	Rochester, NY

# NET LEASE INVESTMENT OFFERING

## TENANT OVERVIEW

Jimmy John's Gourmet Sandwiches is a franchised sandwich restaurant chain specializing in delivery. It operates and franchises restaurants that offer gourmet sandwiches in the United States, and also provides sides such as potato chips, cookies, pickles, and beverages and catering services.

Jimmy John's ranked #1 in Entrepreneur Magazine's 2016 annual Franchise 500 list and #11 in 2017 (#1 in Sandwiches – Miscellaneous category) and Founder Jimmy Liautaud was named Dealmaker of the Year by Franchise Times in 2017. Jimmy John's has more than 2,600 locations and \$2B in system-wide sales.

Founded in 1983 by Jimmy John Liautaud, Jimmy John's is known for serving high-quality, tasty sandwiches and an industry-leading delivery service. The brand has provided high-growth opportunities for its rapidly expanding base of independent franchisees, having opened more than 200 location in each of the last five years, with a new-unit pipeline of more than 1,100 locations to be opened over the next several years.

Michaels Subforu, Inc. is a single-unit franchisee operating at the subject property since 2007.

Roark Capital Group acquired a majority interest in Jimmy John's in 2016 in a transaction valued at more than \$2-billion. Roark focuses on franchised and multi-unit business models in the retail, restaurant, consumer and business services sectors. Roark Capital has invested in 56 franchise/multi-unit brands, which have generated \$23 billion in annual system revenues from 25,000 locations in 50 states and 75 countries. Roark's current brands include Anytime Fitness, Arby's, Atkins Nutritionals, Batteries Plus Bulbs, CKE Restaurants (the owner of Carl Jr.'s and Hardee's), Corner Bakery, Driven Brands (the owner of Maaco, Meineke, CARSTAR, 1-800 Radiator and Take 5 Oil Change), Drybar, FOCUS Brands (the owner of Auntie Anne's Pretzels, Carvel Ice Cream, Cinnabon, McAlister's Deli, Moe's Southwest Grill, and Schlotzsky's), Il Fornaio, Massage Envy, Miller's Ale House, Naf Naf Grill, Orangetheory Fitness, Pet Retail Brands (the owner of Pet Supermarket and Pet Valu), Primrose Schools, Waxing the City and Wingstop.



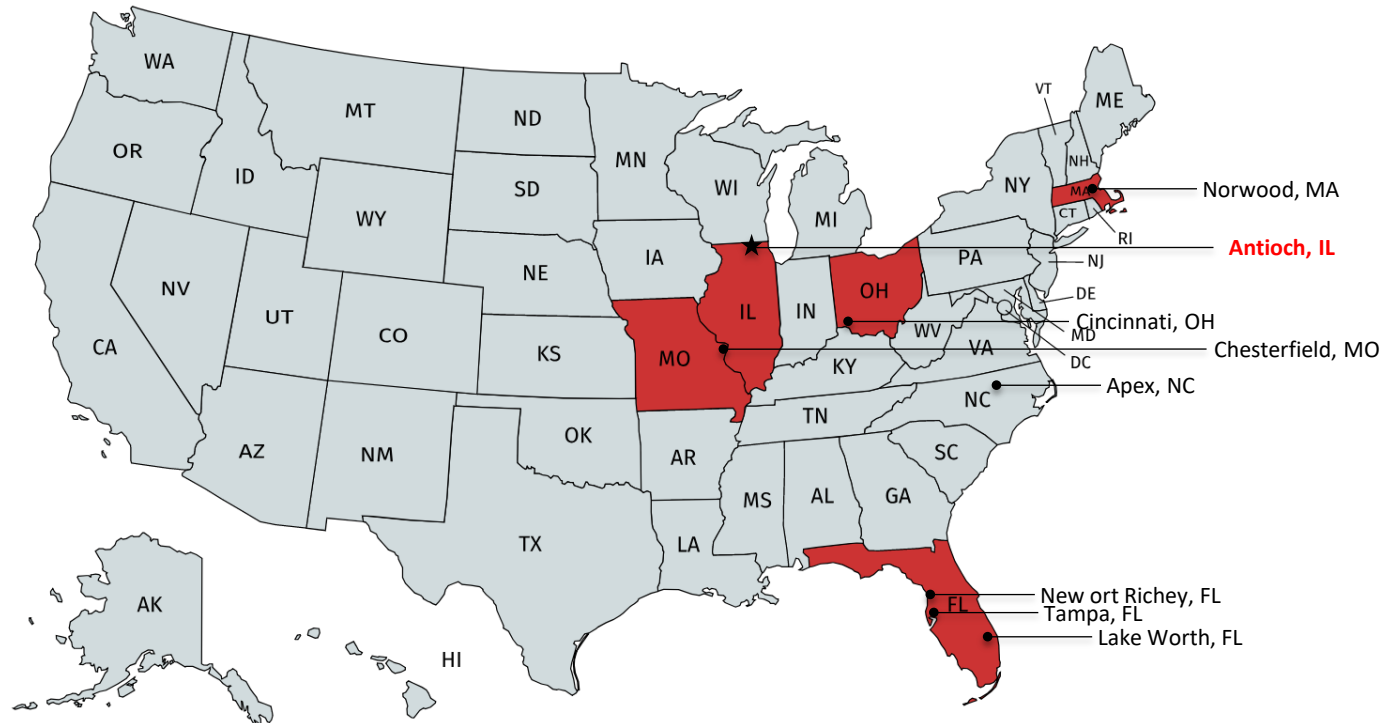
Tenant	Jimmy John's Gourmet Sandwiches
Company Type	Private
Year Founded	1983
Industry	Retail/QSR
Store Count	2,600+
Company Website	<a href="http://jimmyjohns.com">jimmyjohns.com</a>
Headquarters	Champaign, IL

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DEVONSHIRE REALTY

Property	Location	Sale Price	RSF	\$/SF	Year Built	Cap Rate	Close Date
Subject Property	474 East Rt 173, Antioch, IL	\$2,361,000	12,675	\$186.32	2007	6.25%	On Market
The Tire Choice (Monro)	12705 N Dale Mabry, Tampa, FL	\$3,493,500	5,305	\$658.53	2011	5.87%	04/2017
Meineke	165 Long Rd, Chesterfield, MO	\$1,123,000	4,592	\$244.56	2004	6.25%	02/2017
Just Tires	5907 Wooster Pike, Cincinnati, OH	\$1,125,333	4,740	\$237.41	1997	6.00%	06/2017
Monro Muffler, Inc.	450 Walpole St., Norwood, MA	\$1,200,000	4,085	\$306.53	1990	6.00%	08/2018
Tire Choice (Monro)	5865 State Road 7, Lake Worth FL	\$2,597,000	6,620	\$392.30	2005	6.46%	On Market
Tire Choice (Monro)	10627 State Road 54	\$2,075,000	5,500	\$377.27	2018	5.90%	On Market



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## AERIAL PHOTO



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## DRONE AERIALS



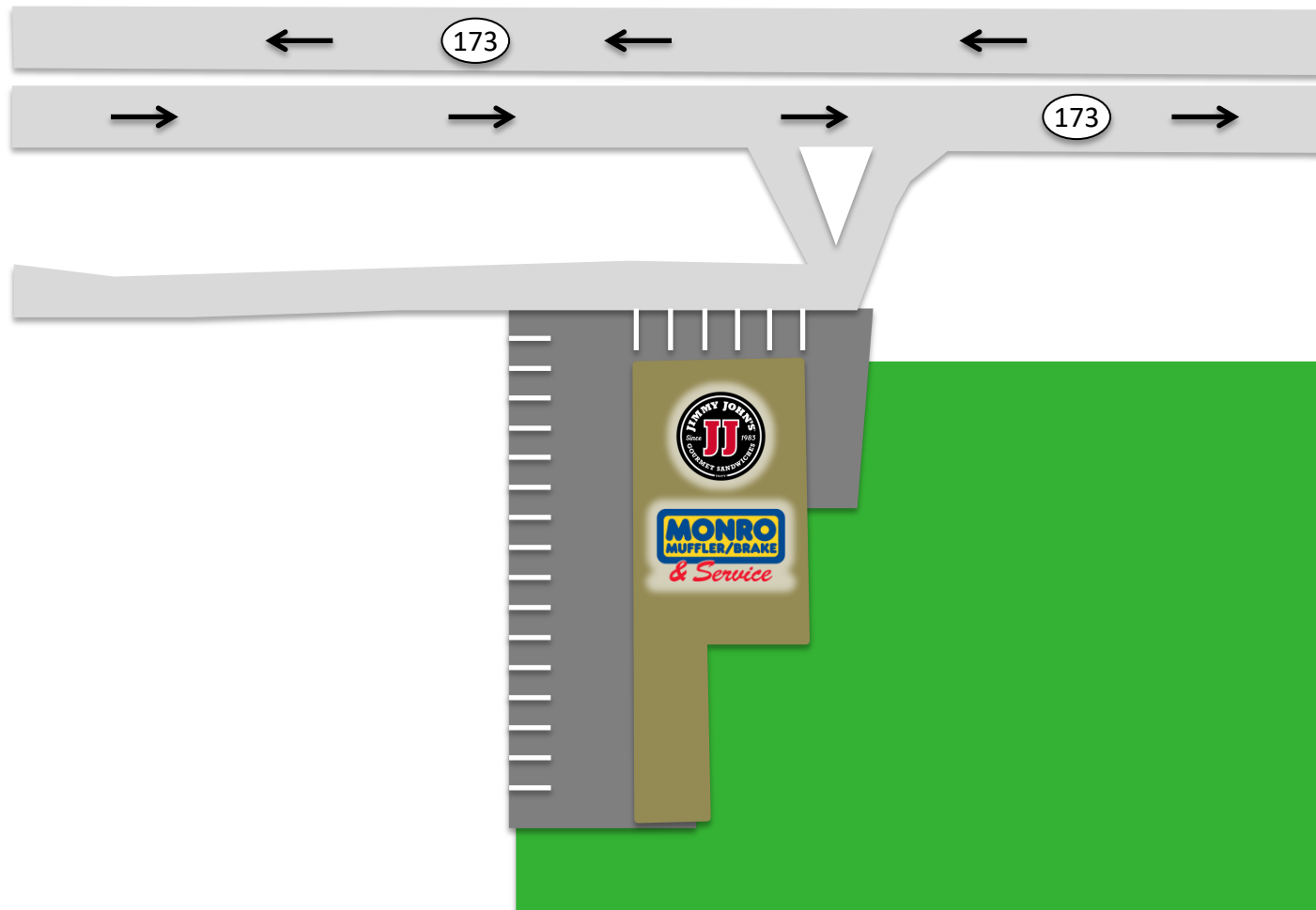
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## HIGH AERIAL



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## SITE PLAN



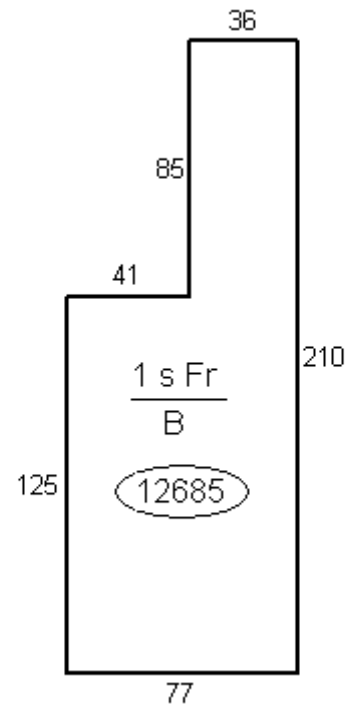
\*Not to scale

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DEVONSHIRE REALTY

## BUILDING PLAN



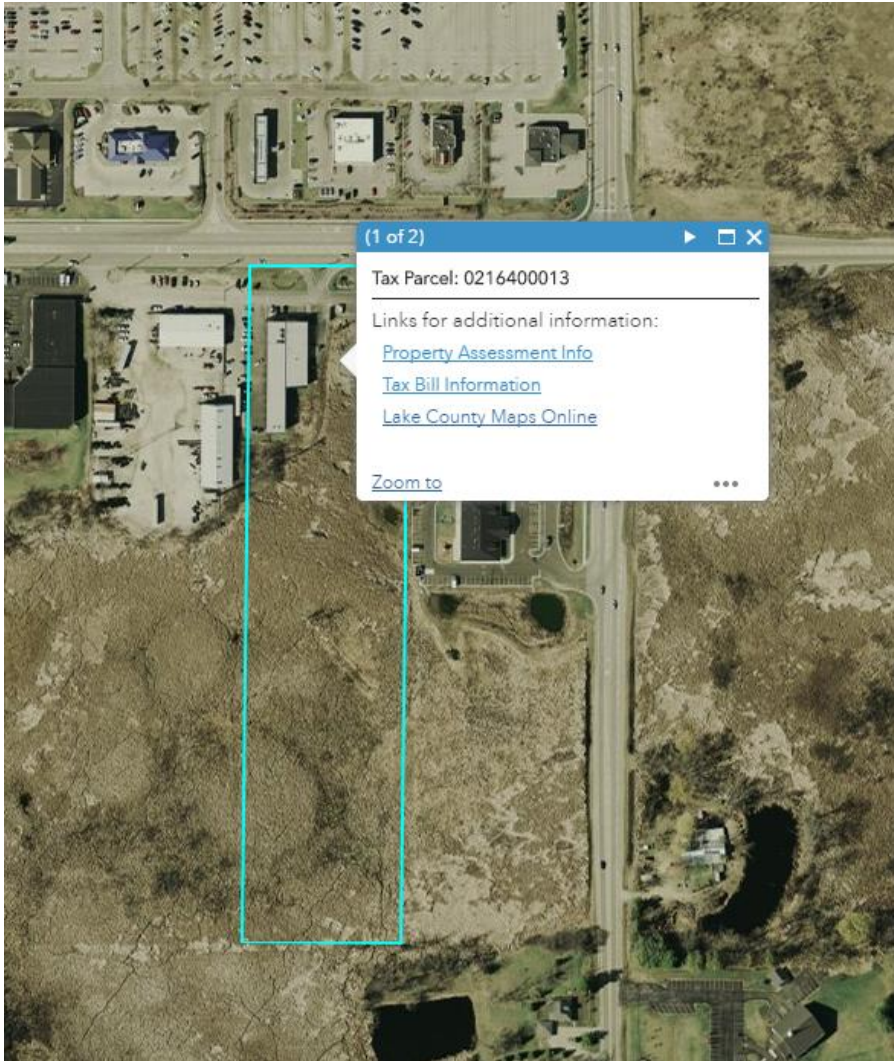
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## PROPERTY PHOTOS



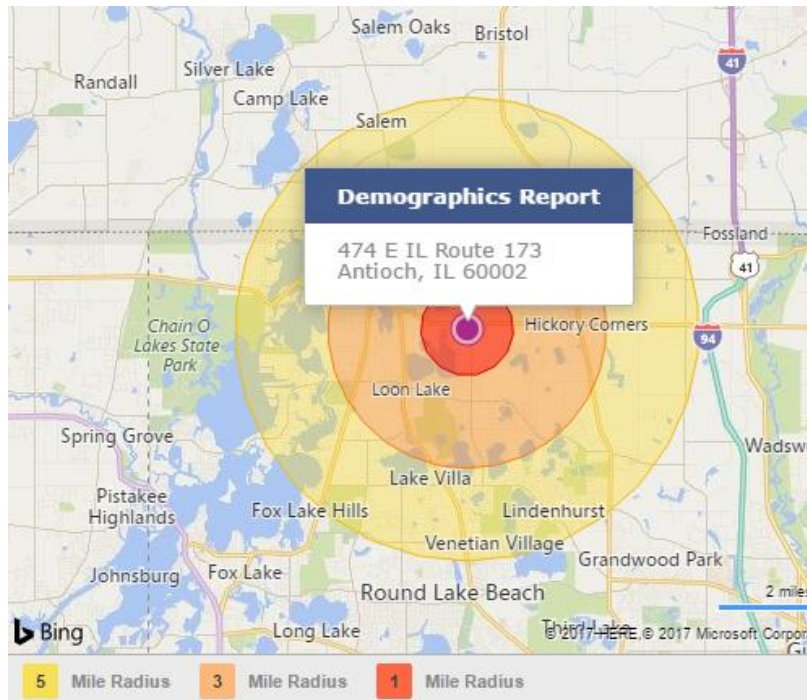
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## PLAT MAP



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## DEMOGRAPHICS



POPULATION	1-MILES	3-MILES	5-MILES
2010 Population	1,931	24,256	57,954
2016 Population	1,962	24,496	58,606
2021 Population	1,992	24,639	59,089
HOUSHOLDS			
2010 Households	665	8,672	20,943
2016 Households	666	8,737	21,212
2021 Households	674	8,791	21,404
INCOME			
2016 Median HH Income	\$93,256	\$79,998	\$82,921
2016 Per Capita Income	\$33,538	\$34,324	\$35,904
2016 Avg. HH Income	\$99,986	\$94,324	\$98,695

## AERA OVERVIEW

Antioch, Illinois is a village in the Antioch Township of Lake County, Illinois, and is located nearly halfway between Chicago and Milwaukee. The village lies in a gently rolling moraine landscape, dominated by lakes of glacial origin.

Antioch is considered a feeder-community to Chicago, and lies on the North Central Metra service line.

The village has experienced significant commercial development in the last 10 years along Route 173, and continues to grow.

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## CONTACT INFORMATION



**DEVONSHIRE REALTY**

**Josh Markiewicz**  
Commercial Broker  
[joshm@cbcdr.com](mailto:joshm@cbcdr.com)



**Coldwell Banker Commercial**  
**Devonshire Realty**  
201 W. Springfield Ave. | 11<sup>th</sup> Floor  
Champaign, IL 61820  
217.352.7712