

SECURE
NET LEASE

FILE PHOTO




Chipotle Mexican Grill

\$4,666,667 | 3.75% CAP

10404 Interstate 10 East, Baytown, Texas (Houston MSA)

- ✓ Brand New 20-Year Absolute NNN Lease
- ✓ Investment Grade Tenant
- ✓ Chipotle is the Largest Fast-Casual Mexican Food Brand
- ✓ Excellent Access & Visibility off I-10 (78,520 VPD)
- ✓ Affluent Houston Suburb

Chipotle Mexican Grill, Inc. is the **second-largest fast-casual restaurant chain in the U.S.**, operating more than 2,900 locations worldwide.





INVESTMENT OVERVIEW

CHIPOTLE MEXICAN GRILL BAYTOWN, TX (HOUSTON MSA)



CONTACT FOR DETAILS

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\$4,666,667

3.75% CAP

NOI

\$175,000

Building Area

±2,300 SF

Land Area

±0.89 AC

Year Built

2021

Lease Type

Absolute
NNN Lease

Occupancy

100%

- ✓ Brand new 20-year absolute NNN lease, with four (4), 5-year renewal options - 10% rental increases every five (5) years and during all option periods.
- ✓ Chipotle Mexican Grill is a long-time leader and innovator in the food industry and one of the top fast casual restaurant operators in the country with over 2,900 restaurants and 97,000 employees.
- ✓ Chipotle has seen an exponential amount of growth over the past year, with a 7.1% increase in revenue, and a 174.1% increase in online sales.
- ✓ Excellent access and visibility: Strategically situated right off of I-10 (78,520 VPD), at the signalized intersection with State Highway 146 (33,234 VPD). I-10, is a major highway that crosses the southern United States & provides easy access to major north and south arteries.
- ✓ Immediate interstate location near dense retail corridor comprising of major national tenants including: Walmart Supercenter, Dollar Tree, Ross, Verizon, Whataburger, Wendy's, Chick-fil-A, Pizza Hut, & Jack in the Box.
- ✓ Baytown is a robust industrial city 25-miles east of downtown Houston. Over the last 50 years Baytown has evolved into a global hub for the petrochemical industry and is now home to some of the world's most influential petrochemical companies.
- ✓ Baytown is minutes from one of the most vital economic engines of the Houston area - the Port of Houston. More than 150 terminals make up the Port of Houston, making it the busiest port on the US Gulf Coast & the nation's largest port for foreign waterborne tonnage.

This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.

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TENANT OVERVIEW

CHIPOTLE MEXICAN GRILL BAYTOWN, TX (HOUSTON MSA)

FILE PHOTO

REVENUE

\$6 B

STOCK TICKER

CMG

TOTAL LOCATIONS

2900+



chipotle.com

Chipotle

Lessee: Chipotle Mexican Grille, Inc.

Guarantor: Corporate Guaranty

Chipotle Mexican Grill is a leading fast-casual restaurant chain serving burrito bowls, tacos, and salads.

It was ranked **#12** on Restaurant Business' "Top 500 Chain Restaurant Report" in 2019 and 2020. The restaurant is popular for its fast and healthy meals made directly in front of the customer with **high-quality**, raw ingredients and classic cooking techniques. Chipotle leads the way in **sustainable business** practices as they partner with humane and environmentally friendly farmers, ranchers, and suppliers. The company has a "**Food with Integrity**" business model that pledges to source the most responsible and highest-quality ingredients for customers.

The company was founded in **1993** by Steve Ellis in Denver, Colorado, and in 2018, they relocated their headquarters to Newport Beach, California. They currently operate more than **2,900 restaurants** in the United States, Canada, United Kingdom, France, and Germany. Chipotle is the only restaurant company of its size to own and operate all of its restaurants. The restaurant chain opened **161 new locations** in 2020 and has plans to open 200 new locations in 2021.

Chipotle's revenue in 2020 was **\$6 billion**, an increase of **7.1%** over the prior year, driven by new restaurant openings and an increase in comparable restaurant sales. The company's revenue is expected to surpass **\$6.6 billion by 2021** as they continue to drive growth with new store openings and innovative restaurant concepts. The chain recently added "Chipotlanes" at dozens of locations, allowing customers to pick up mobile orders via drive-thru lanes.



IN THE NEWS

CHIPOTLE MEXICAN GRILL BAYTOWN, TX (HOUSTON MSA)

Chipotle is getting ready for Global Expansion

HEATHER LALLEY, JUNE 04, 2021 (RESTAURANT BUSINESS)

Chipotle CEO Brian Niccol's comments come just a couple of weeks after the Newport Beach, Calif-based fast casual announced it intends to open eight new units in Canada this year.

The burrito chain opened a new U.K. location a week ago and is currently experimenting with **European growth**, Niccol said at the Piper Sandler Consumer Marketplace Conference.

"We're going to see how we perform in the U.K. and France," he said, according to a transcript from **financial services** site Sentieo. "We're off to a good start, given the constraints we're operating in in the U.K. And you're going to see us **opening** some restaurants in France. But it's still in our stage-gate process where we want to make sure we're executing the **right asset** and in the **right locations** to get started with."

Chipotle Mexican Grill is testing new restaurants in the U.K. and France, and the chain's CEO said Thursday he is "bullish" on global expansion.

Chipotle's build-out of its digital ecosystem in the U.S., including its app, order-ahead Chipotlane pickup option and robust **rewards network** will help it as it looks to grow in other countries, he said.

"We, as a company, have more levers than ever before to be **successful** in new markets, between our digital system, the varying asset designs that we can bring to a market and then, I think, just the **strength of the brand** around Food with Integrity and the proposition that comes with that," Niccol said. "So, I'm bullish on it but it's still early days."

[EXPLORE ARTICLE](#)



Chipotle tweaks its loyalty program to offer more redemption options

AMELIA LUCAS, JUNE 22, 2021 (CNBC)

Chipotle Rewards members will now be able to redeem their points for more rewards across its entire menu and more quickly. Just two visits to a Chipotle restaurant is enough for a free order of chips.

Additionally, members can **redeem** their points to support Chipotle's nonprofit partners, like the National Young Farmers Coalition.

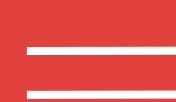
Before, points took longer to earn and could go only toward a **free entree**. Members earn **10 points** for every **\$1** they spend in the restaurant, online or in the app.

Chipotle Mexican Grill announced on Tuesday the first major upgrade to its loyalty program since it was launched two years ago. Since Chipotle Rewards debuted, it has added 22.9 million consumers to its ranks.

The changes come as other restaurant chains, like McDonald's and Restaurant Brands International's Popeyes, create their own **programs** to hold onto the digital customers the companies gained during the pandemic. Loyalty programs can fuel more frequent visits, higher average checks and offer restaurants' **valuable** insights about consumers.

Starbucks made similar tweaks to its own loyalty program in **2019**. In the three quarters following the coffee giant's revamp, it added **3.1 million** loyalty members, up **15%** from a year earlier.

[EXPLORE ARTICLE](#)



LEASE OVERVIEW


CHIPOTLE MEXICAN GRILL BAYTOWN, TX (HOUSTON MSA)

Initial Lease Term	20 Years, Plus (4), 5-Year Options to Renew
Est. Rent Commencement	December 2021
Lease Expiration	December 2041
Lease Type	Absolute NNN Lease
Rent Increases	10% Every 5 Years, In Primary Term & Options
Annual Rent YRS 1-5	\$175,000.00
Annual Rent YRS 6-10	\$192,500.00
Annual Rent YRS 11-15	\$211,749.92
Annual Rent YRS 16-20	\$232,924.91
Option 1	\$256,217.40
Option 2	\$281,839.14
Option 3	\$310,023.05
Option 4	\$341,025.35



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SITE OVERVIEW

CHIPOTLE MEXICAN GRILL BAYTOWN, TX (HOUSTON MSA)

	Year Built	2021
	Building Area	$\pm 2,300$ SF
	Land Area	± 0.86 AC

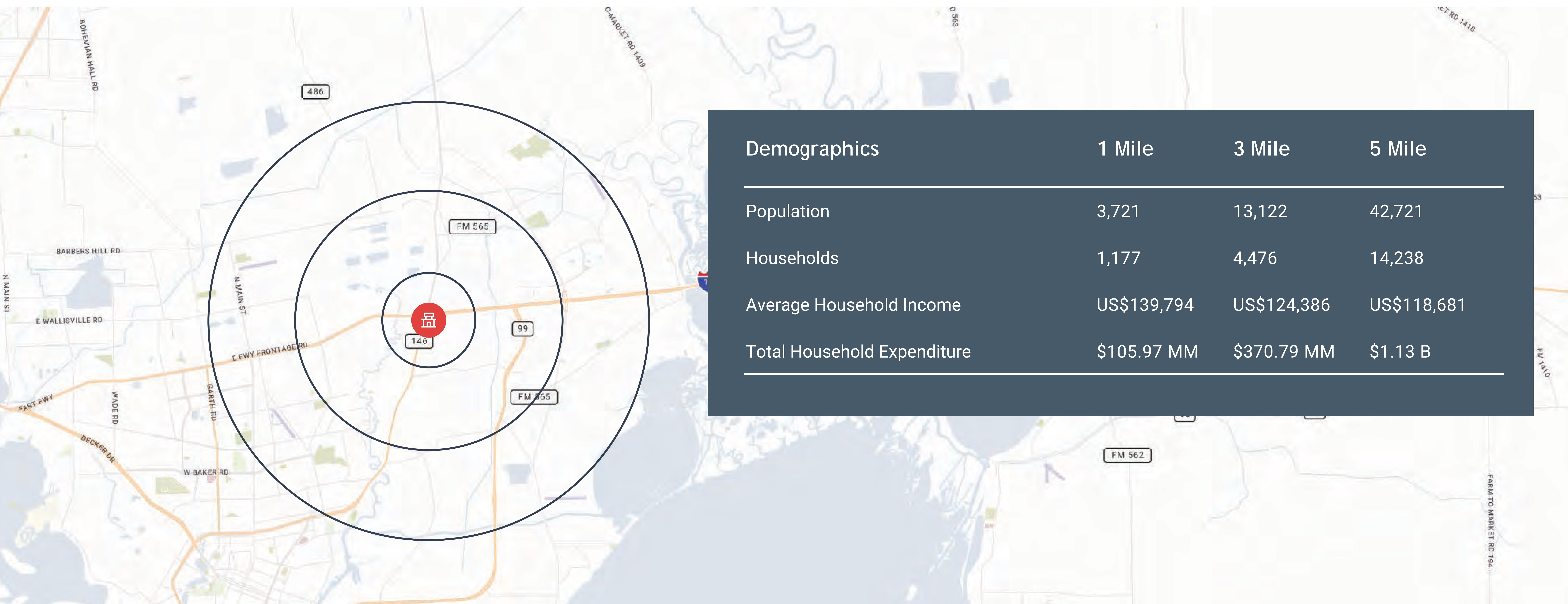
NEIGHBORING RETAILERS

- Dollar Tree
- ROSS Dress For Less
- Walmart Supercenter
- Autozone Auto Parts
- O'Reilly Auto Parts
- Whataburger
- Jack in the Box
- Dairy Queen
- Wendy's
- Taco Bell



LOCATION OVERVIEW

CHIPOTLE MEXICAN GRILL BAYTOWN, TX (HOUSTON MSA)



ECONOMIC DRIVERS (NUMBER OF EMPLOYEES)

1. Harris County (17,361)
2. Lee College (7,903)
3. Exxon Mobil-Baytown Complex (3,785)
4. Goose Creek Consolidated ISD (3,015)
5. Targa (2,500)
6. Houston Methodist Baytown Hospital (1,699)
7. Covestro (1,100)
8. Chevron Phillips (980)
9. City of Baytown (875)
10. Barbers Hill ISD (767)
11. Port of Houston Authority (683)
12. Wal-Mart Distribution Center (600)
13. JSW Steel (402)
14. Borusan Mannesman (206)
15. Lone Star NGL (200)

LOCATION OVERVIEW

CHIPOTLE MEXICAN GRILL BAYTOWN, TX (HOUSTON MSA)

Baytown

Texas

 76,581

Population

 \$55,628

Median Household Income



Baytown is home to one of the world's largest industrial complexes - The ExxonMobil Baytown Complex

World's Largest

Baytown has evolved into the global hub for the petrochemical industry

Global Hub

Baytown, Texas sits on the northern shore of Galveston Bay between the San Jacinto and Trinity Rivers.

The Baytown region includes Chambers County and part of Harris County, home to the city of Houston.

Baytown serves an international community through the Port of Houston and Houston Ship Channel which reach 1,053 ports worldwide.

The bright lights of Houston are an easy, thirty-minute drive away and a major influence on life in this community. World-class corporations, cultural attractions, an endless menu of great restaurants and major league sports teams are always nearby.

The Baytown region is home to a place every Texan is proud of. The San Jacinto Monument marks the spot where General Sam Houston defeated the forces of Mexican president Lopez de Santa Anna to end the Texas Revolutionary War in 1836. If you want to understand why Texans are such an independent breed, it starts right in Baytown. History is in the air in Chambers County, and you can experience it first hand by visiting the Baytown Historical Museum or our Republic of Texas Plaza. Mont Belvieu, just north of I-10, is an historic town originally built on a giant salt dome called "The Hill." Faced with the potential of a catastrophic explosion from petrochemical storage, the entire town uprooted and moved two miles east. Today, it's an active, welcoming residential neighborhood that's a great place to call home.

The beautiful city of Baytown is a gem of southeastern Texas. It's the sixth largest city in the Greater Houston area and the third largest in Harris County. It is a prosperous industrial community with a strong tax base provided by such corporations as ExxonMobil, Chevron Phillips, and Bayer. It is justifiably proud of its reputation for supporting local, state and national causes.

IN THE NEWS

CHIPOTLE MEXICAN GRILL BAYTOWN, TX (HOUSTON MSA)

Gladstone (GOOD) Buys Industrial Service Facility in Baytown

JUNE 21, 2021 (ZACKS)

The transaction reflects Gladstone Commercial's strategy of achieving growth on buyouts of high-quality industrial assets in strong growth corridors leased out to tenants with solid credit profiles. Also, the initial capitalization rate for the acquisition was 5.9%, with an average capitalization rate of 7.1%.

The company's shares were down **2.21%** during Friday's regular trading session, mirroring broader market concerns. Located on **10.2 acres** within the Thompson Ten Industrial Park, this property is fully leased to Mobile Mini, Inc., a wholly-owned subsidiary of a storage solutions provider, WillScot Mobile Mini. The lease has **12.7 years** of remaining lease term. The property is **mission-critical** for the tenant as it utilizes the facility to store its modular mobile storage solutions and tank/pump products.

Gladstone Commercial Corporation recently shelled out \$8.125 million for the purchase of a 25,200-square-foot industrial service facility in Baytown (Houston), TX, in a bid to expand its property base in the targeted thriving markets.

Thus, the property will generate **stable revenues** for the company by serving being mission-critical to the tenant, coupled with a decent residual lease term and a strong tenant.

Moreover, Gladstone Commercial's rent collections have also been healthy. In its business update released earlier this month, the company noted that approximately **100%** of the May cash base rents have been paid and collected. Also, as of May 31, 2021, portfolio occupancy is in excess of **95%**.

On the leasing front, the company noted that during the second quarter, it has commenced three new leases aggregating **259,056 square feet** in three different buildings, located in Denver, CO, Blaine, MN, and Indianapolis, IN, increasing its straight-line rents in these properties that had prior occupancies by an average of **9.4%**.

[EXPLORE ARTICLE](#)



Plastics Express Bringing Jobs, Port Business To Houston Area

JUNE 15, 2021 (BENZINGA)

Plastic Express Inc. will occupy 100% of the first of three buildings planned at the logistics center. The first phase is scheduled to be completed by December. The Cedar Port Logistics Center, which will be located in Baytown, Texas, is being developed by Capital Development Partners.

"Cedar Port Logistics Center Phase I will allow our customers **immediate access** to the Port of Houston and two Tier 1 railroads on one site," John Knox Porter, CEO of Capital Development Partners, said in a statement. "**The strategic location**, rail service efficiencies and the supporting infrastructure provide customers with a **significant competitive advantage.**"

A California-based plastics resin logistics company is bringing 50 jobs to the new \$75 million Cedar Port Logistics Center near Port Houston.

Plastic Express will occupy **800,405 square feet** and aim to capitalize on the logistics center's proximity to the Houston Ship Channel and the **Houston-area energy industry**. Plastic Express already operates a bulk transload facility in Baytown.

Plastic Express, founded in **1970**, supplies plastic resin materials across the U.S., Canada and Mexico. The company operates 20 bulk terminals and five packaging/warehouse facilities across the U.S. The company operates 186 trucks and **employs 184 drivers**, according to the Federal Motor Carrier Safety Administration.


Cedar Port Logistics Center is located **12 miles from Port Houston** and is served by the expanded Highway 99, a freeway directly linked to the port. The facility will also offer dual rail service via the TGS short rail service to BNSF and Union Pacific railroad connections to serve **import and export** customers at Port Houston.

[EXPLORE ARTICLE](#)



HOUSTON - THE WOODLANDS - SUGAR LAND METRO

CHIPOTLE MEXICAN GRILL BAYTOWN, TX (HOUSTON MSA)



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NET LEASE

CALL FOR ADDITIONAL INFORMATION

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bob@securenetlease.com

TEXAS DISCLAIMER

CHIPOTLE MEXICAN GRILL BAYTOWN, TX (HOUSTON MSA)

Approved by the Texas Real Estate Commission for Voluntary Use

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

Before 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 the owner knows.

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:

- Shall treat all parties honestly
- May not disclose that the owner will accept a price less than the asking price
- Submitted in a written offer unless authorized in writing to do so by the owner;
- 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
- 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.