



15231 Eureka Road  
Southgate, Michigan 48195

O F F E R I N G M E M O R A N D U M

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CAPITAL MARKETS | INVESTMENT PROPERTIES

**CBRE**

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This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

Neither the Owner or CBRE, Inc, nor any of their respective directors, officers, Affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum

or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.



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# EXECUTIVE SUMMARY






## INVESTMENT HIGHLIGHTS



**Asking Price:**  
**\$1,465,000**

**Cap Rate:**  
**7.00%**

**Price PSF:**  
**\$217**

-  Old Chicago Pizza is on a Ground Lease with Zero Landlord Responsibilities
-  Lease Equipped with Annual Rental Escalations of 2.0%
-  Excellent Location, Close Proximity to Major Roadways Including I-75, Fort Street and Dix Toledo Highway
-  Near Intersection of Eureka and Trenton Roads with Traffic Counts of 32,000+ VPD
-  Highly Populated Region with Roughly 95,000 Residents in a 3-Mile Radius and Average Household Income Over \$60,000 in a 3-Mile Radius

**CBRE, Inc. has been retained by the property owner as the exclusive marketing advisor for the disposition of the Old Chicago Pizza Restaurant (the “Property”) located at 15231 Eureka Road, Southgate, Michigan 48195.**

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### INVESTMENT OVERVIEW

The Old Chicago Pizza Restaurant consists of 6,753 square foot and sits on a 1.96-acre parcel that is zoned C-2 for General Business. Old Chicago Pizza has six years remaining on their early lease extension through August 31, 2022 with annual rental escalations of 2.0%. Given the recent lease extension, there are three additional five-year renewal options remaining. The notification period for the renewal options are 180 days and all of the options are equipped with annual rental increases of 2.0%. Old Chicago Pizza is on an absolute triple net (NNN) ground lease in which they are responsible for procuring and paying for all operating expenses directly which includes repairs and replacements of the roof, structure, parking areas and driveways. The Property is subject to a cross-access/cross-parking easement and the tenant is responsible for all expenses associated with said easement.

The tenant on the lease is O.C. of Michigan, Inc. a franchisee of Old Chicago in which they are operating and doing business as the Old Chicago Pizza & Taproom restaurant. OC of Michigan, Inc. owns and operates four locations in Michigan. Old Chicago Pizza & Taproom is a leader in the casual dining restaurant segment, specializing in the best local and regional craft beer, serving handcrafted pizza and distinctive taproom fair. Founded in 1976, the Old Chicago menu has played a complementary role to the vast craft beer selection, a concept differentiator to this day. With over 30 craft beers on tap, Old Chicago is also the home of the World Beer Tour, which rewards members for enjoying 110 of the best craft beers from across the globe. Old Chicago operates in 24 states with more than 100 restaurants nationwide.

The Property is along the east side of Trenton Road, south of Eureka Road. Old Chicago Pizza sits as an outparcel to the Southgate Shopping Center, consisting of 46,000 square feet, at the corner of Trenton and Eureka Roads. The immediate trade area includes a Kroger, Meijer, Lowes, CVS and many other retailers and restaurants. This dense demographic has over 210,000 people within a five mile radius, which allows the tenant a strong, neighborhood customer base.

### FREE AND CLEAR OF EXISTING FINANCING

The asset is being offered free and clear of existing financing. This marketing package proposes an all cash transaction.

### SOLD AS A PORTFOLIO

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Please note that we are currently marketing the adjacent Chili’s Restaurant Building which will be sold in tandem with the Subject Property. Please contact [Bill O’Connor](#) or [David Hesano](#) for more information.

# PROPERTY PHOTOGRAPHS





# PROPERTY DESCRIPTION



## PROPERTY DESCRIPTION

**Asking Price:**  
**\$1,465,000**

**Cap Rate:**  
**7.00%**

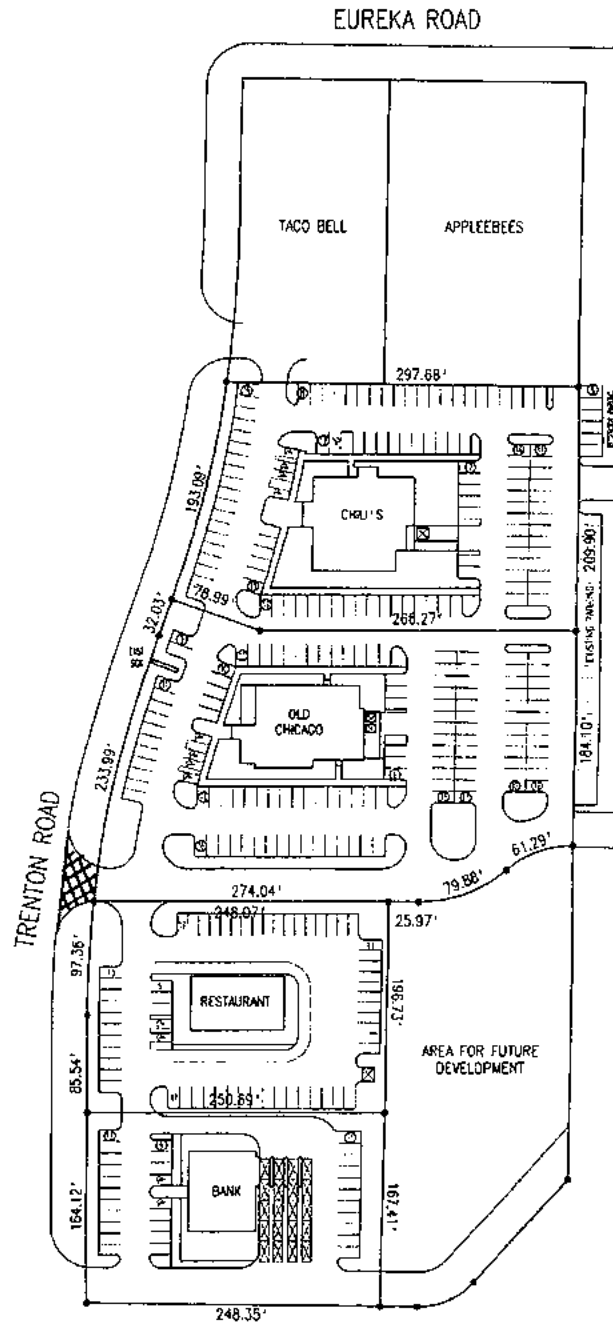
**Price PSF:**  
**\$217**

<b>PROPERTY ADDRESS</b>	Old Chicago Pizza Ground Lease 15231 Trenton Road Southgate, Michigan 48195	<b>ACCESS</b>	One via Eureka Road, One via Trenton Road through Southgate Commons Shopping Center
<b>COUNTY</b>	Wayne	<b>PARKING</b>	108 Approximately
<b>PARCEL NUMBER</b>	53-025-99-0009-709	<b>FRONTAGE</b>	265' Along Trenton Road
<b>YEAR BUILT</b>	2007	<b>EXTERIOR WALLS</b>	Brick
<b>BUILDING SIZE</b>	6,753 Square Feet	<b>ROOF</b>	Flat Built-Up
<b>PARCEL SIZE</b>	1.96 Acres	<b>STRUCTURE</b>	Masonry
<b>ZONING</b>	C-2, General Business	<b>FOUNDATION</b>	Concrete
<b>NUMBER OF STORIES</b>	One	<b>HVAC</b>	Roof Mounted Units

# SITE OUTLINE



# SITE PLAN






**SALE COMPARABLES**

# RECENT SALE COMPARABLES

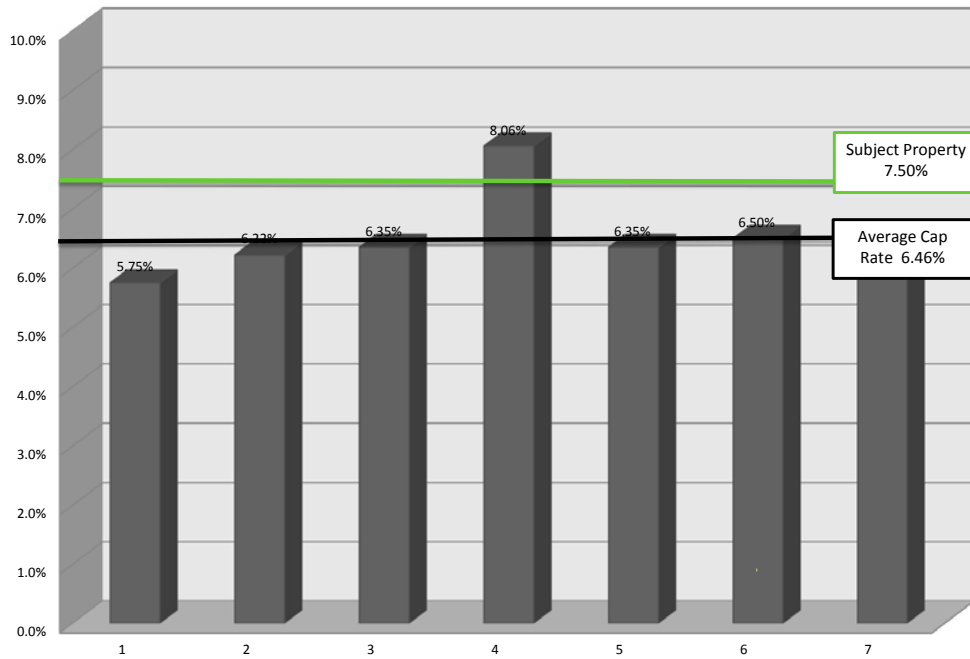
	BUILDING NAME	YEAR BUILT	BUILDING SIZE (SF)	SALE DATE	SALES PRICE	PRICE/SF	# OF DAYS ON THE MARKET	CAP RATE	TERM REMAINING (YEARS)	COMMENTS
	Old Chicago Pizza Ground Lease 15231 Trenton Road Southgate, MI	2007	6,753		\$1,465,000	\$217		7.00%	6.0	Old Chicago Pizza recently extended their 10-year lease for an additional five years through August 2022; therefore, they have six years remaining on their current term. We have assumed that the renewal option will have the same annual escalations of 2.0%.
<b>1</b>	Chili's Ground Lease 101 Westfield Drive Saint Peters, MO	1999	5,532	On Market	\$2,153,043	\$389	57	5.75%	3.20	The building has a 4.6% rent:sales ratio. The original lease expired 12/31/2009. Current option period expires 12/31/2019. Chili's has operated at this location for 17 years and has 3.2 years remaining on the 2 option period. The guarantor is a franchisee that owns 125 Chili's and 230 Wendy's.
<b>2</b>	Chili's Ground Lease 2024 Fayetteville Road Van Buren , AR	2006	5,876	4/19/2016	\$1,546,000	\$263	N/A	6.35%	10.00	This is a Chili's on an absolute NNN ground lease located in front of the Van Buren Shopping Center anchored by a Wal-Mart Super Center and Lowe's Home Improvement. Chili's is on a 10- year primary term with four, five-year renewal options. Option periods have 10% increases. Landlord has no responsibility for maintenance, replacement or repair of the building or land.
<b>3</b>	Famous Dave's BBQ 3601 Warren Road Westland, MI	1991/ 2014	5,000	9/8/2015	\$3,067,500	\$263	148	7.17%	20.0	The tenant, Blue Ribbon Restaurants DBA, Famous Dave's, opened this location in 2003 and has won multiple awards. Upon close of escrow, the tenant will execute a brand new 20 year NNN lease with four, five-year options. The lease term will be structured with 10 percent rental increases every five years, throughout the base term.
<b>4</b>	Old Chicago Pizza 1150 East Second Street Edmond, OK	1998/ 2010	7,588	4/16/2015	\$2,200,000	\$263	N/A	7.25%	N/A	The property is leased to Old Chicago Pizza.

## RECENT SALE COMPARABLES (continued)

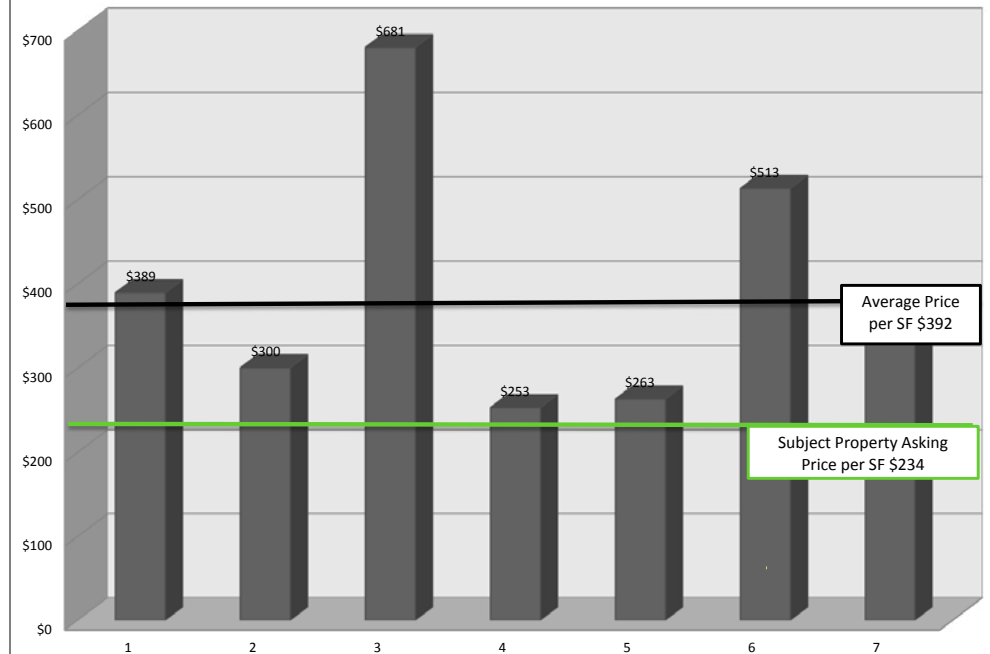
	BUILDING NAME	YEAR BUILT	BUILDING SIZE (SF)	SALE DATE	SALES PRICE	PRICE/SF	# OF DAYS ON THE MARKET	CAP RATE	TERM REMAINING (YEARS)	COMMENTS
	Old Chicago Pizza Ground Lease 15231 Trenton Road Southgate, MI	2007	6,753		\$1,465,000	\$217		7.00%	6.0	Old Chicago Pizza recently extended their 10-year lease for an additional five years through August 2022; therefore, they have six years remaining on their current term. We have assumed that the renewal option will have the same annual escalations of 2.0%.
5	Chili's Ground Lease 890 Waukegan Road Waukegan, IL	2006	5,800	1/28/2015	\$2,015,000	\$347	282	6.00%	7.0	The property has a 15 year NNN ground lease with 7+ years left and expires on 12/31/2021. The lease is backed by ERJ Dining IV, LLC which consists of 85 Chili's Restaurants. ERJ Dining, LLC is majority owned by Junior Bridgeman of Bridgeman Foods. Bridgeman Foods - Ranked #5 by Franchise Times with \$547 Million in Sales 2013. Bridgeman Foods - 125 Chili's restaurants & 235 Wendy's. Junior Bridgeman's net worth is estimated at over \$240 Million.
6	Old Chicago Pizza Ground Lease 8933 North Fwy Fort Worth, TX	2016	5,230	5/6/2016	\$3,240,741	\$347	93	5.40%	14.5	This is a brand new 15-year ground lease with rental escalations of 10% every five years.
<b>ALL COMPARABLE AVERAGES</b>					<b>\$312</b>	<b>145</b>	<b>6.32%</b>	<b>10.9 Average Term Remaining</b>		

# AVERAGE CAP RATE AND PRICE PSF

## Average Cap Rate



## Average Price per SF





# FINANCIAL OVERVIEW



# YEAR ONE CASH FLOW ESTIMATES

**PRICE:**

**\$1,465,000**

**DOWN PAYMENT:**

**All Cash Transaction**

**RENTABLE SQUARE FOOTAGE:**

**6,753**

**PRICE PER SQUARE FOOT:**

**\$217**

**CAP RATE:**

**7.00%**

INCOME			YEAR ONE 3/2017 - 2/2018	PER MONTH	PSF
Base Rent					
Old Chicago Ground Lease					
8/2007 - 8/2022					
6 Years Remain	100.0%	6,753 SF	\$102,598	\$8,550	\$15.19
Total Base Rent			\$102,598	\$8,550	\$15.19
Scheduled Base Rental Revenue			\$102,598	\$8,550	\$15.19
<b>EXPENSE REIMBURSEMENT REVENUE - TENANT TO PROCURE AND PAY DIRECT</b>					
Insurance			\$0	\$0	\$0.00
Common Area Maintenance			\$0	\$0	\$0.00
Real Estate Taxes			\$0	\$0	\$0.00
Total Expense Reimbursement Revenue			\$0	\$0	\$0.00
Gross Potential Income			\$102,598	\$8,550	\$15.19
Effective Gross Income			\$102,598	\$8,550	\$15.19
<b>OPERATING EXPENSE ESTIMATES</b>					
Insurance			\$0	\$0	\$0.00
Common Area Maintenance			\$0	\$0	\$0.00
Real Estate Taxes			\$0	\$0	\$0.00
Total Common Area Expenses			\$0	\$0	\$0.00
Total Expenses			\$0	\$0	\$0.00
<b>NET OPERATING INCOME</b>			<b>\$102,598</b>	<b>\$8,550</b>	<b>\$15.19</b>

**SOLD AS A PORTFOLIO**

Please note that we are currently marketing the adjacent Chili's Restaurant Building which will be sold in tandem with the Subject Property.

Please contact [Bill O'Connor](#) or [David Hesano](#) for more information.

# LEASE ABSTRACT

<b>TENANT NAME</b>	O.C. of Michigan, Inc.
<b>GUARANTOR</b>	Old Chicago Pizza of Michigan
<b>LEASE TYPE</b>	NNN
<b>COMMENCEMENT DATE</b>	8/1/2007
<b>EXPIRATION DATE</b>	8/31/2022 (per five year extension in 2016)
<b>LEASE TERM</b>	10 Year for Initial Term, Extended through 2022
<b>CURRENT RENT</b>	\$101,582 / \$15.04 per SF
<b>RENTAL ESCALATIONS</b>	Annual Rental Escalations of 2.0% 9/2017: \$15.34 per SF 9/2018: \$15.65 per SF 9/2019: \$15.96 per SF 9/2020: \$16.28 per SF 9/2022: \$16.61 per SF
<b>RENEWAL OPTIONS</b>	The tenant has three, five-year renewal options remaining with a notification period of 180 days in which the annual rental escalations of 2.0% shall continue throughout all renewal options.
<b>OPTION TO PURCHASE</b>	None
<b>TERMINATION OPTION</b>	None
<b>OPERATING COSTS</b>	REAL ESTATE TAXES: Tenant shall pay, when due and payable to the municipality or taxing authority, all real property taxes. INSURANCE: Tenant shall, at its own expense, keep in force and effect all insurance. COMMON AREAS: The tenant shall at all times, at its own cost and expense, procure and pay all common area maintenance (including repair and replacement) items including roof and structure, parking areas, lighting, landscaping, HVAC systems, etc.
<b>LANDLORD RESPONSIBILITIES</b>	None
<b>ROOF AND STRUCTURE</b>	Tenant shall, at its own cost and expense, maintain and keep in good repair all parts of the building, including the roof and structure.

## TENANT OVERVIEW

Old Chicago Pizza & Taproom is a leader in the casual dining restaurant segment, specializing in the best local and regional craft beer, serving handcrafted pizza and distinctive taproom fair. Founded in 1976, the Old Chicago menu has played a complementary role to the vast craft beer selection, a concept differentiator to this day. With over 30 craft beers on tap, Old Chicago is also the home of the World Beer Tour, which rewards members for enjoying 110 of the best craft beers from across the globe. Old Chicago operates in 24 states with more than 100 restaurants nationwide.

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Old Chicago experienced record-breaking success in 2015 achieving \$254 million in system-wide revenue, and is currently reporting 29 consecutive months of positive transaction counts. Old Chicago also launched its new restaurant prototype – a 5,000 square foot build with an additional 1,000 – 1,200 square feet of outdoor patio space, a new kitchen and upgraded bar technology. To further enhance the experience, the company has also updated its training programs and guest proven menu categories.

CraftWorks Restaurants & Breweries, Inc. is the largest craft brewery restaurant operator in the country with nearly 200 franchised and

company-owned restaurants primarily operating under the Old Chicago Pizza & Taproom, Gordon Biersch Brewery Restaurants, Rock Bottom Restaurants & Breweries and ChopHouse & Brewery brands. As a leader in the craft beer focused casual dining segment, CraftWorks also operates strong regional brands, and employs more than 12,000 people throughout the U.S. All of CraftWorks’ restaurant brands have innovative menus with made-from-scratch food and a vast selection of unique craft beer, as well as unbeatable service and loyalty programs with over a million active members. Based in Broomfield, Colo., CraftWorks is not only committed to serving its loyal guests, but also the communities in which its restaurants operate. The CraftWorks Foundation has contributed millions of dollars, positively impacting communities throughout the country.

TENANT TRADE NAME	Old Chicago Pizza
LEASE GUARANTOR	O.C. of Michigan, Inc.
CREDIT RATING	Not Rated
STOCK SYMBOL	Not Available
NUMBER OF STORES	200
HEADQUARTERS	Broomfield, Colorado
WEBSITE	<a href="http://www.oldchicago.com">www.oldchicago.com</a>



# MARKET OVERVIEW

## LOCATION OVERVIEW

The Property is along the south side of Eureka Road, east of Trenton Road. Old Chicago Pizza sits as an outparcel to the Southgate Shopping Center at the corner of Trenton and Eureka Roads. The immediate trade area includes Kroger, Meijer, Lowes, CVS and many other retailers and restaurants. The property is located within the Downriver South Retail Submarket consisting of 1,268 retail properties totaling 13.16 million square feet of space. The submarket is currently 91 percent occupied with average asking rents of \$11.55 per square foot NNN for all retail space.

### CITY OF SOUTHGATE

The City of Southgate is bounded by Goddard Road to the north, M-85/ Fort Street to the east, Pennsylvania Road to the south, and Allen Road to the west. In the News-Herald the mayor of Southgate stated that the city is the “Dining Capital of Downriver.”

### METRO DETROIT

Detroit is the largest city in the state of Michigan. It is the major city among the primary cultural, financial, and transportation centers in the Metro Detroit area, a region of 5.2 million people. Detroit serves as a major port on the Detroit River connecting the Great Lakes systems to the St. Lawrence Seaway.

The Detroit Metro area covers Southeast Michigan centered on the city of Detroit which shares an international border with Windsor, Ontario. As a major metropolitan area, it is known for its automotive heritage, arts, entertainment, and popular music and sports legacies. The area includes a vast variety of natural landscapes, parks, and beaches with a unique recreational coastline linking the Great Lakes, unlike competitive states such as Indiana, Pennsylvania, and other industrial manufacturing states.

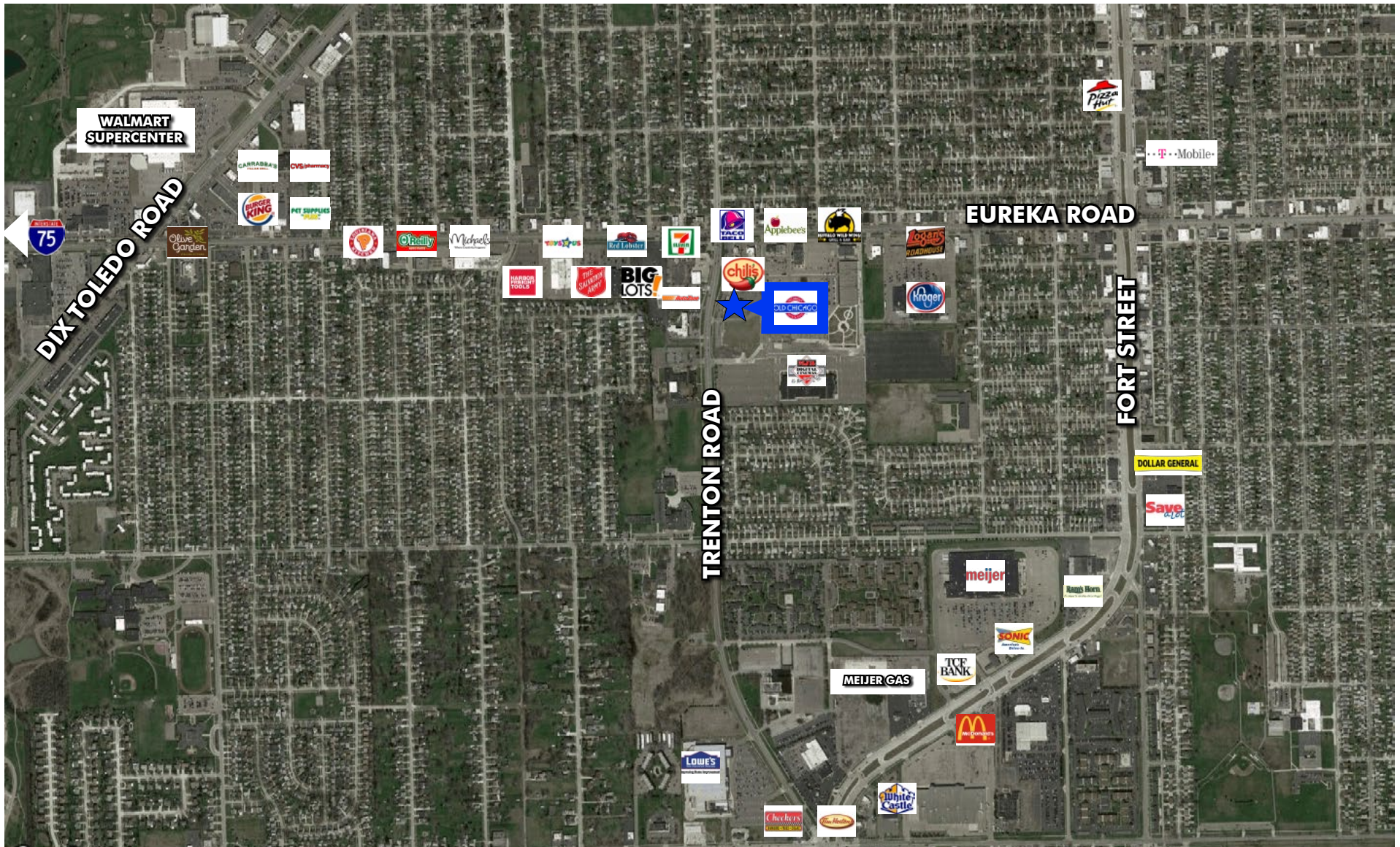
The Detroit Urban Area, which serves as the core of the Metropolitan Statistical Area, ranks as the 12th most populous of the United States. This urbanized area covers parts of the counties of Wayne, Oakland, and Macomb. These counties are sometimes referred to informally as the Detroit Tri-County Area, and had a population of 3,863,888 as of the 2010 census with an area of 1,967 square miles.

### WAYNE COUNTY

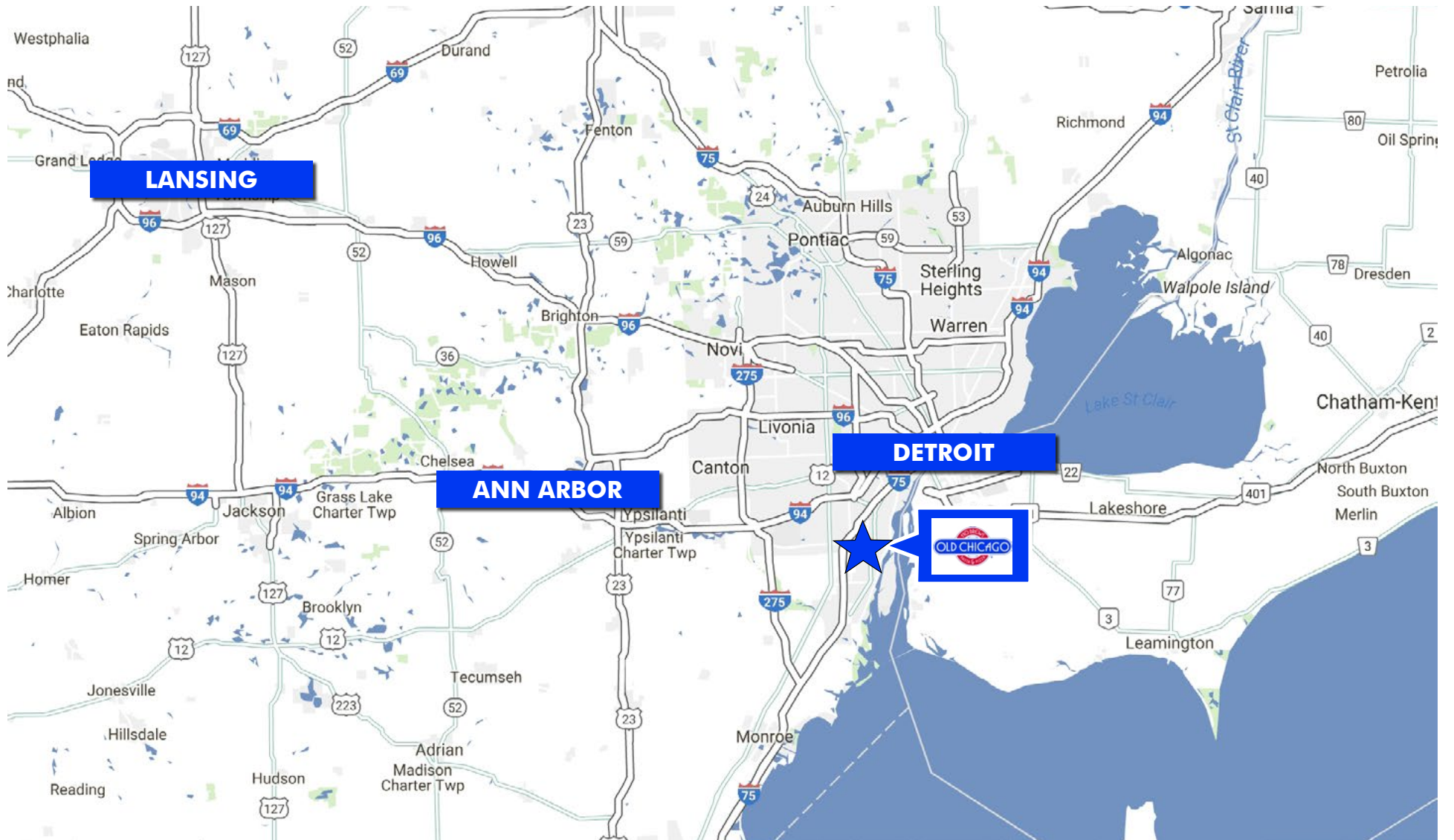
The property is located in Wayne County, which is the 13th most-populous county in the United States. The county seat is Detroit, the largest city in Michigan. Wayne County is located in southeastern Michigan, encompassing approximately 623 square miles. It is made up of 34 cities, including the city of Detroit, nine townships and 41 public school districts and its population consists of approximately two million.



# LOCATION AERIAL WITH RETAILERS

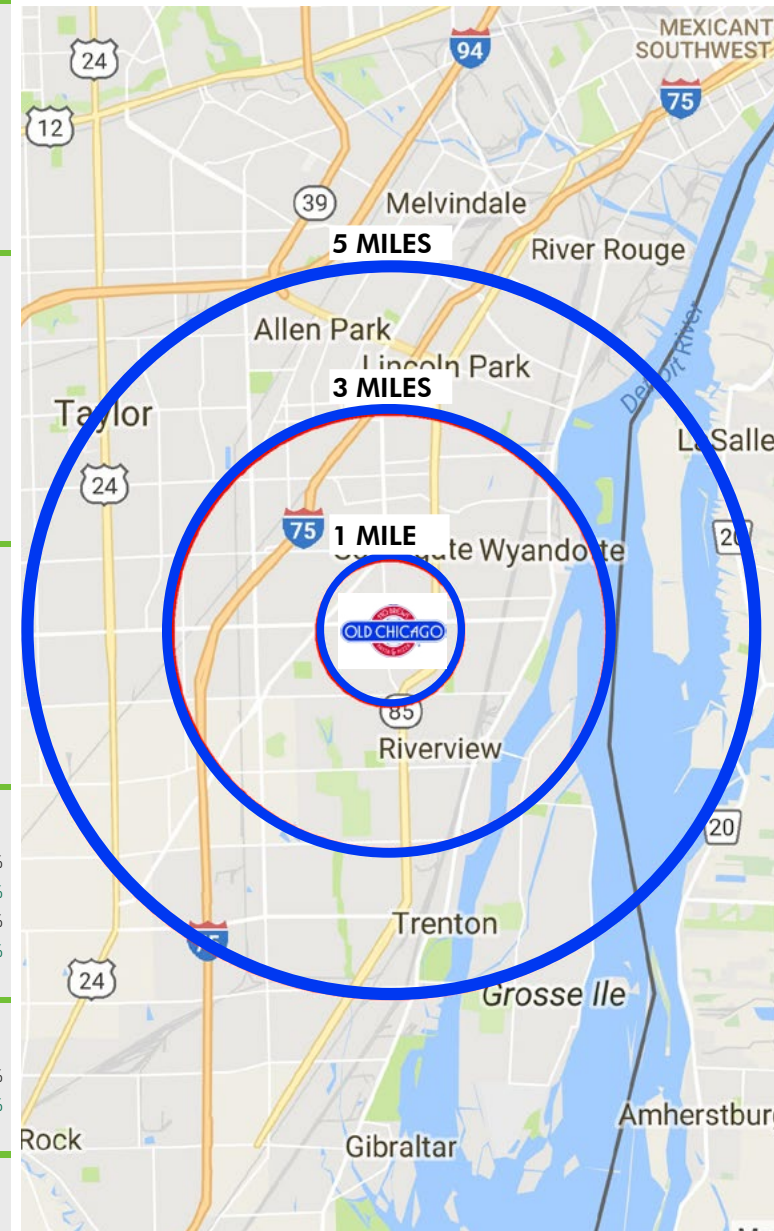


# REGIONAL MAP



# AREA DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
<b>POPULATION</b>			
2016 Population - Current Year Estimate	16,956	89,913	208,633
2021 Population - Five Year Projection	16,453	87,610	203,304
2010 Population - Census	17,551	92,310	214,148
2000 Population - Census	18,442	95,594	223,936
2010-2016 Annual Population Growth Rate	-0.55%	-0.42%	-0.42%
2016-2021 Annual Population Growth Rate	-0.60%	-0.52%	-0.52%
<b>HOUSEHOLDS</b>			
2016 Households - Current Year Estimate	7,070	38,215	86,062
2021 Households - Five Year Projection	6,896	37,406	84,246
2010 Households - Census	7,219	38,858	87,497
2000 Households - Census	7,448	39,997	90,455
2010-2016 Annual Household Growth Rate	-0.33%	-0.27%	-0.26%
2016-2021 Annual Household Growth Rate	-0.50%	-0.43%	-0.43%
2016 Average Household Size	2.36	2.33	2.40
<b>HOUSEHOLD INCOME</b>			
2016 Average Household Income	\$59,783	\$61,222	\$60,393
2021 Average Household Income	\$65,218	\$67,022	\$65,870
2016 Median Household Income	\$50,279	\$50,173	\$48,332
2021 Median Household Income	\$54,434	\$54,900	\$53,598
2016 Per Capita Income	\$25,993	\$26,173	\$25,143
2021 Per Capita Income	\$28,465	\$28,761	\$27,533
<b>HOUSING UNITS</b>			
<b>2016 Housing Units</b>	<b>7,629</b>	<b>41,916</b>	<b>95,179</b>
2016 Vacant Housing Units	559 7.3%	3,701 8.8%	9,117 9.6%
2016 Occupied Housing Units	7,070 92.7%	38,216 91.2%	86,062 90.4%
2016 Owner Occupied Housing Units	5,135 67.3%	26,446 63.1%	61,079 64.2%
2016 Renter Occupied Housing Units	1,935 25.4%	11,770 28.1%	24,983 26.2%
<b>EDUCATION</b>			
<b>2016 Population 25 and Over</b>	<b>12,440</b>	<b>64,854</b>	<b>147,597</b>
HS and Associates Degrees	9,046 72.7%	45,805 70.6%	102,766 69.6%
Bachelor's Degree or Higher	1,853 14.9%	11,827 18.2%	26,473 17.9%
<b>PLACE OF WORK</b>			
2016 Businesses	563	2,989	6,614
2016 Employees	6,795	36,220	76,984





FOR MORE INFORMATION PLEASE CONTACT:

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This information has been obtained from sources believed reliable. We have not verified it and make no guarantee, warranty or representation about it. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs.