



# JACK IN THE BOX

14000 EAST 42ND STREET SOUTH, INDEPENDENCE, MO 64055

OFFERING MEMORANDUM

**CBRE**

# AFFILIATED BUSINESS DISCLOSURE & CONFIDENTIALITY AGREEMENT

## AFFILIATED BUSINESS DISCLOSURE

Affiliated Business Disclosure CBRE, Inc. operates within a global family of companies with many subsidiaries and related entities (each an "Affiliate") engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates, including CBRE Global Investors, Inc. or Trammell Crow Company, may have or represent clients who have competing interests in the same transaction. For example, Affiliates or their clients may have or express an interest in the property described in this Memorandum (the "Property"), and may be the successful bidder for the Property. Your receipt of this Memorandum constitutes your acknowledgment of that possibility and your agreement that neither CBRE, Inc. nor any Affiliate has an obligation to disclose to you such Affiliates' interest or involvement in the sale or purchase of the Property. In all instances, however, CBRE, Inc. and its Affiliates will act in the best interest of their respective client(s), at arms' length, not in concert, or in a manner detrimental to any third party. CBRE, Inc. and its Affiliates will conduct their respective businesses in a manner consistent with the law and all fiduciary duties owed to their respective client(s).

## CONFIDENTIALITY AGREEMENT

Your receipt of this Memorandum constitutes your acknowledgment that (i) it is a confidential

Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property ("Owner") or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc. If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

## DISCLAIMER

This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented "as is" without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements are approximations. This

Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property's suitability for your needs. **ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.**

The Owner expressly reserves 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 at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner.

**ALL PARCEL LINES ON SITE PLAN AND AERIALS ARE APPROXIMATE.**



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EXECUTIVE SUMMARY



## THE OFFERING

CBRE is pleased to exclusively present the opportunity to acquire fee interest in a brand new, absolute NNN Jack in the Box ground lease located in Independence, Missouri, a suburb of Kansas City. The original 20-year lease has 19 years and 6 months remaining, zero landlord responsibilities, four 5-year renewal options and strong rental increases during the base term and each option period.

Jack in the Box is located on an outparcel to Marketplace Shopping Center, which draws a tremendous amount of traffic to the area. The 253,135-square foot center has been within the area for over 40 years and is well established. Marketplace Shopping Center recently underwent an extensive renovation and is anchored by Price Chopper Supermarket, Big Lots and Petco.

Jack in the Box is well positioned on the northeast corner of Noland Road (25,000 VPD) and 42nd Street and benefits from a strategic neighborhood location in proximity to the housing stock in the area. The asset is also immediately south and highly visible from Interstate 70 (111,845 VPD), a major expressway serving the Kansas City MSA.



# FINANCIAL OVERVIEW

<b>OFFERING PRICE</b>	<b>\$2,857,000</b>
<b>CAP RATE</b>	<b>5.25%</b>
Current Annual Rent:	\$150,000
Lease Structure:	Absolute NNN Ground Lease
Building Size:	2,700 Square Feet
Lot Size:	±0.76 Acres / 33,311 Square Feet
Tenant:	Jack in the Box Eastern Division L.P.
Lease Commencement:	October 29, 2018
Lease Expiration:	October 31, 2038
Lease Term Remaining:	19 Years, 6 Months
Renewal Options:	Four, 5-Year Options
Rental Increases:	10% bumps every 5 years and in each option period.
Landlord Responsibilities:	None
Tenant Responsibilities:	CAM, Taxes and Insurance
ROFR:	Tenant has 30 days to accept offer.
ROFR to Lease:	Tenant has a ROFRL for third parties that plan to lease after the termination or expiration of the Lease.

## RENT SCHEDULE

Lease Year	Monthly Rent	Annual Rent
1 to 5	\$12,500.00	\$150,000.00
6 to 10	\$13,750.00	\$165,000.00
11 to 15	\$15,125.00	\$181,500.00
16 to 20	\$16,637.50	\$199,650.00
Option 1: 21 to 25	\$18,301.25	\$219,615.00
Option 2: 26 to 30	\$20,131.38	\$241,576.50
Option 3: 31 to 35	\$22,144.51	\$265,734.15
Option 4: 36 to 40	\$24,358.96	\$292,307.57



## INVESTMENT HIGHLIGHTS



**TREMENDOUS OPPORTUNITY:** The opportunity to acquire an absolute NNN Jack in the Box ground lease. Jack in the Box has over 19 years of term remaining on their original 20-year lease. The lease includes strong 10% rental increases, zero landlord responsibilities and four, 5-year renewal options.



**BRAND NEW CONSTRUCTION:** The restaurant is a brand new, state-of-the-art building constructed for Jack in the Box. Jack in the Box opened in October 2018.



**SECURE TENANCY:** Jack in the Box is one of the nation's largest hamburger chains, with more than 2,200 locations in 21 states and Guam. Jack in the Box sales for fiscal year ending October 2018 were approximately \$870 million.



**SUPERIOR LOCATION:** Jack in the Box is located within Marketplace Shopping Center, a 253,135-square foot grocery anchored neighborhood center that recently under a multi-million-dollar renovation. The center is anchored by an 83,872-square foot Price Chopper Supermarket as well as Petco and Big Lots.



**UNPARALLELED VISIBILITY AND ACCESS:** Jack in the Box is well positioned on the east side of Noland Road with over 25,000 vehicles passing by the site per day. The site also benefits from a strategic location immediately south from a full access interchange with one of the Kansas City area's primary expressways, Interstate 70 (111,845 VPD). Interstate 70 provides convenient access to and from all directions for consumers.



**TRADE AREA DEMOGRAPHICS:** Jack in the Box serves a primary trade area that includes 71,485 residents with an average household income of \$65,810 within a three-mile radius. Within a five-mile radius there are 158,597 residents with an average household income of \$67,194.



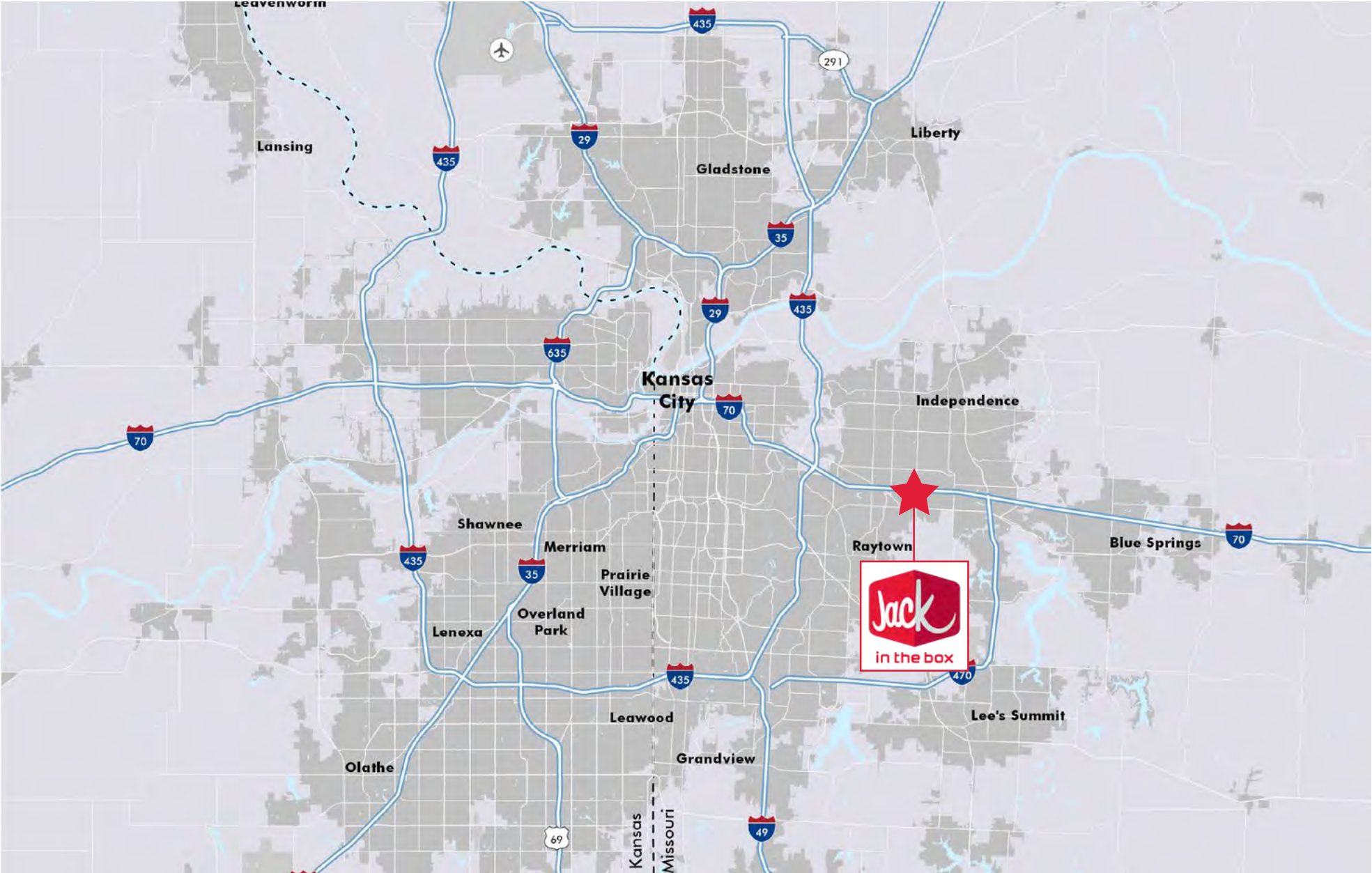
**KANSAS CITY MSA:** Jack in the Box is located 14 miles southeast from downtown Kansas City. Kansas City is the 30th largest MSA in the country with a population base near 2.2 million. Kansas City has a diverse economic base with foundations in financial, high tech, and logistics industries. The MSA's strong economic base helps drive the low unemployment rate of 3.2%.

# AERIAL VIEW LOOKING SOUTHEAST



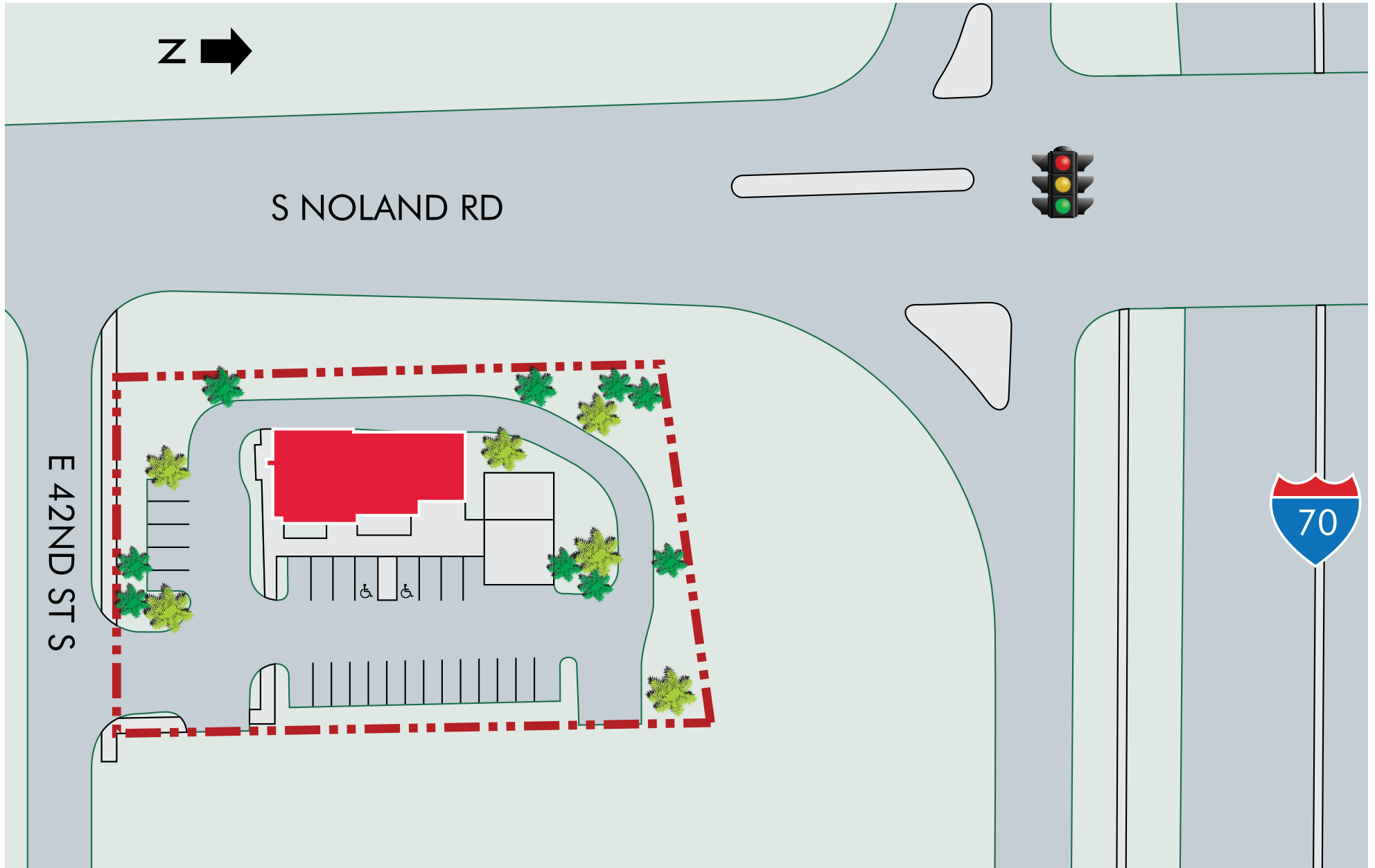


# REGIONAL MAP



PROPERTY DESCRIPTION





## PROPERTY HIGHLIGHTS

### Location

14000 East 42nd Street South  
Independence (Jackson County), MO 64055

### GLA

2,700 Square Feet

### Land Area

± 0.76 Acres / 33,311 Square Feet

### Year Built

2018

### Zoning

C-2 (General Commercial)

### Parking

27 parking stalls; 10 spaces per 1,000 SF of GLA

### Frontage/Visibility

Jack in the Box is highly visible on the east side of Noland Road and north of East 42nd Street with a combined ± 330 feet of frontage. The site sits south of and is visible from Interstate 70.

### Access

The site is located directly south of Interstate 70 and there is a full access interchange with Noland Road. Direct access to the site is provided via ingress/egress points on 42nd Street.

### Flood Zone

According to the flood hazard maps published by the FEMA, the site is within Zone X as indicated on Community Map Panel No. 29095C0291G dated January 20, 2017. Zone X, an area that is determined to be outside the 100-and 500-yearflood plains.





Jack in the Box Inc. (NASDAQ: JACK), a restaurant company, operates and franchises Jack in the Box quick-service restaurants. Jack in the Box is one of the nation's largest hamburger chains, with more than 2,200 locations in 21 states and Guam. Jack in the Box was one of the first major hamburger chains to develop and expand the drive-thru dining concept, always emphasizing an on-the-go convenience. Approximately 85% of their half-billion guests are served by the drive-thru or for take-out. Jack in the Box menu items include hamburgers, specialty sandwiches, salads and real ice cream shakes among others.

Jack in the Box is a pioneer within the fast-food industry with a number of firsts since the company opened nearly 70 years ago. Some of Jack in the Box's firsts included the first breakfast sandwich (1969), portable salad (1982), quick-service restaurant chain to integrate video graphics in order-confirmation displays (1997) and self-serve kiosks (2006). The company was founded in 1951 and is headquartered in San Diego, California with more than 16,000 employees. Sales for fiscal year ending October of 2018 were approximately \$870 million.



— MARKET OVERVIEW



# KANSAS CITY MSA OVERVIEW

## Location

The bi-state, 15-county Kansas City Metropolitan Statistical Area (MSA) is the most centrally located of any principal U.S. city. Kansas City is situated within 250 miles of both the geographic and population centers of the United States. The 15 counties that comprise the MSA are Bates, Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte, and Ray Counties in Missouri and Johnson, Franklin, Leavenworth, Linn, Miami and Wyandotte Counties in Kansas. The MSA covers 7,952 square miles and has a population of nearly 2.2 million.

## Demographics

The Kansas City MSA is an affluent and growing region. The MSA is home to 2,157,584 million residents and the population is projected increase by 4.7% over the next five years. Residents earn an average household income of \$84,955, slightly above the national average of \$83,694. In 2018, the average house value for the Kansas City MSA is \$230,046. According to the National Association of Realtors, Kansas City consistently ranks among the nation's most affordable housing markets.



Population

**2,157,584**



**30TH**

Largest MSA in the U.S.



Households

**844,378**



Pop growth since 2000

**19%**

(16% national avg.)



Distance from center of U.S.

**250 MILES**



Cost of living index

**91.0**

(U.S.= 100)



More interstate miles per capita than any other US city

**30%**



Multi-family rental units

**131,014**



People employed in the Kansas City MSA

**1.2 MILLION**



Businesses in the Kansas City MSA

**72,244**



Median age of the Kansas City MSA

**38**



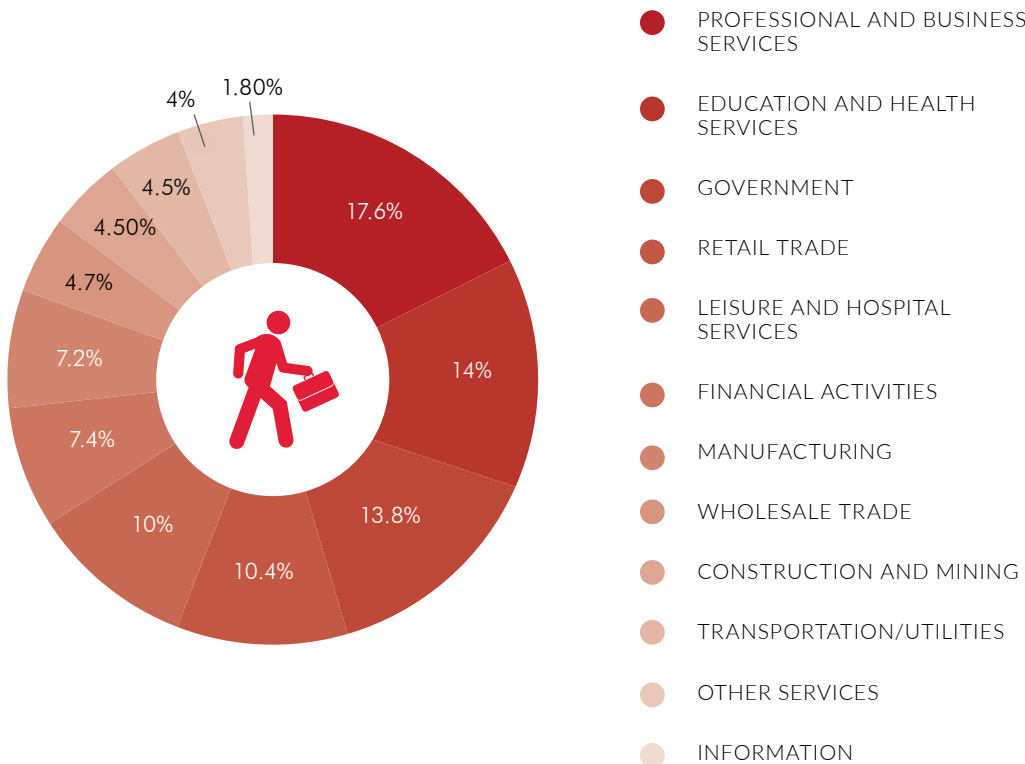
Kansas City MSA population under the Age of 35

**53%**

# KANSAS CITY MSA OVERVIEW

## Economy

According to Moody's economy.com, Kansas City is among the Midwest's large top performers. At 1.6%, annual job growth is stable, matching the U.S. rate and comfortably above the regional average. Between 2012 and 2015, job growth averaged between 10,000 and 15,000 per year. Since 2015, the MSA has been adding jobs at a rate averaging 22,000 jobs per year. Looking forward, although job growth is projected to steadily decline, growth will continue to outpace numbers prior to 2015 with a projected 20,000 jobs added in 2018 according to the forecast from the Kansas City Chamber of Commerce in partnership with the Mid-America Regional Council.



## KANSAS CITY MSA TOP EMPLOYERS

EMPLOYER	EMPLOYEES
Cerner Corp.	12,890
HCA Midwest Health System	9,924
The University of Kansas Hospital	9,469
Saint Luke's Health System	8,123
Ford Motor Co.	7,220
Children's Mercy Hospital & Clinics	6,969
Sprint Corp.	6,000
DST Systems Inc.	3,631
General Motors Corp.	3,400
Garmin International Inc.	3,329
Black & Veatch LLP	3,249
Home Depot	3,153
Truman Medical Center	3,126
Research Medical Center	2,876
United Parcel Service Inc.	2,852
Honeywell Inc.	2,800
Hallmark Cards Inc.	2,700
Burns & McDonnell	2,648
Olathe Health System Inc.	2,542
BNSF Railway Co.	2,500

Source: Kansas City Business Journal, 2017



# KANSAS CITY MSA OVERVIEW

## Transportation

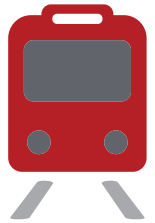
The Kansas City metropolitan area is a major international transportation hub, with excellent access by highway, rail, and air. Kansas City has more freeway miles than any other metropolitan area in the nation, and is one of only five U.S. cities in which three interstates intersect. Interstates 29, 35 and 70 converge in Kansas City. Interstate 35 is the primary north/south artery and runs between Duluth, Minnesota and Laredo, Texas. Interstate 70 is the primary east/west artery and runs between Denver, Colorado and Baltimore, Maryland. Interstate 29 is a secondary north/south artery between Kansas City and the Canadian border. In addition, there are four interstate linkages (I-435, I-470, I-635, and I-670) that loop throughout and around the metropolitan area.

Kansas City International Airport (KCI) offers nonstop flights to 56 cities throughout the United States, Canada, Mexico, and Iceland. Served by 11 major commercial airlines and their connection partners, KCI enjoys one of the lowest-cost air travel markets in the nation.

One of the **SHORTEST** commute times in the nation, averaging **23 MINUTES**



Opened in **2016** the new streetcar line spans **2.2 MILES** from the north end of downtown to the south end.



**30%** More interstate miles per capita than any other city in the **NATION**

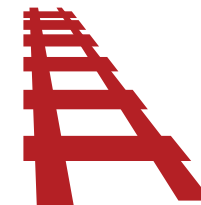


More than **\$2.0 BILLION** of new investments Downtown have developed since the approval of the streetcar line.

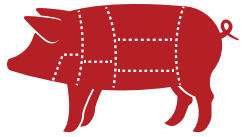


New **\$1 BILLION** single terminal airport was approved by voters in Nov. 2017, with expected completion in 2021.

**MORE** rail traffic (in terms of tonnage) than any other city in the U.S.



# KANSAS CITY MSA OVERVIEW



## #1 FAVORITE CITY FOR BBQ

Travel & Leisure, 2016



198 MILES

of trails in the metro



## KANSAS SPEEDWAY

Over 200 attractions year-round



45,000 ACRES

METRO parks



## WORLD CLASS ENTERTAINMENT

The Nelson-Atkins Museum of Art

Kemper Museum of Art

Kauffman center for performing art

Power & light District

18th & Vine District

Sprint Center Arena

The National World War I Museum

## SPORTS

CHIEFS • SPORTING KC • ROYALS



2015 WORLD SERIES

2013 MLS CUP

2014 AMERICAN LEAGUE CHAMP



## NO. 3 BEST CITIES FOR JOBS

Glassdoor, 2017

## NO. 2 CITY FOR HIGH WAGE JOBS

Forbes, 2017

## NO. 4 CITY FOR MANUFACTURING JOB GROWTH

Forbes, 2017

## NO. 5 CITY FOR TECH JOBS

Money, 2017

## NO. 4 BEST CITY FOR STARTUPS IN U.S.

Entrepreneur, 2017

## NO. 9 DESTINATION CITY

U-Haul, 2017

## NO. 5 CITY FOR COLLEGE GRADS

Yahoo Finance, 2017

## NO. 2 CITY FOR WOMEN IN TECH

SmartAsset, 2017

## MOST SPECTACULAR THEATRE IN THE U.S.

Curbed, 2017

## NO.15 BUSIEST METRO FOR COMMERCIAL CONSTRUCTION

Dodge Data & Analytics, 2017

## NO. 5 IN OUTSTANDING ARCHITECTURE

Curbed, 2017

## NO. 4 BEST CITY FOR CAREER OPPORTUNITIES

Fast Company, 2017

## NO. 1 CITY FOR AN AFFORDABLE GETAWAY

Travel + Leisure, 2016

## NO. 1 STADIUM IN MLB

Sports on Earth, 2016

## 6 CITIES THAT OFFER THE BEST VALUE FOR STARTUPS

Forbes, 2016

## HOTBED OF ARTS & CULTURE

National Center for Arts Research, 2016

## HAPPIEST CITY TO WORK

Forbes, 2016

## TOP 10 MOST AFFORDABLE CITIES

PureWow, 2016

## NO.1 MOST LOVABLE CITY

Huffington Post, 2016

## KANSAS CITY: A FUTURE READY ECONOMY

Dell, 2016

## THE TOP TEN CITIES FOR CREATIVES (#10)

Huffington Post, 2015

## NO. 4 MOST CULTURED CITIES IN AMERICA

Huffington Post, 2015

## AMERICA'S MOST CHARMING CITIES

Travel + Leisure, 2015

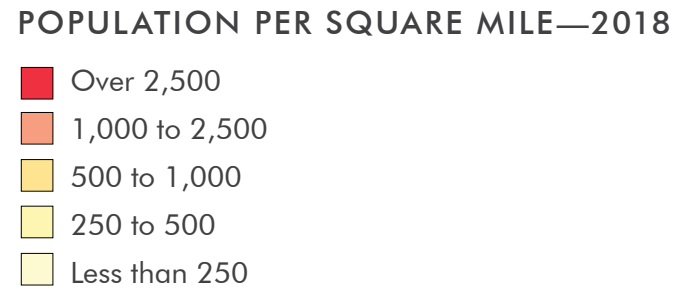
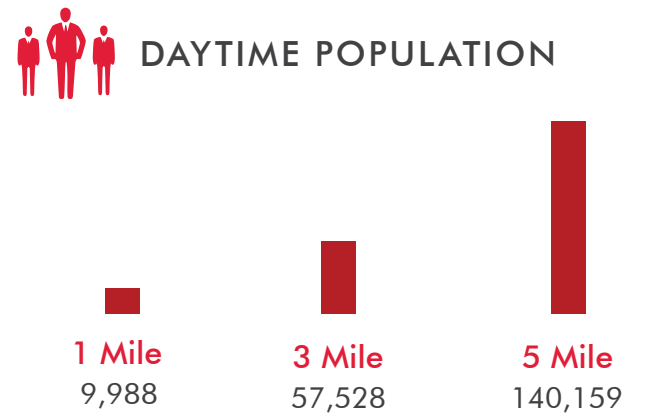
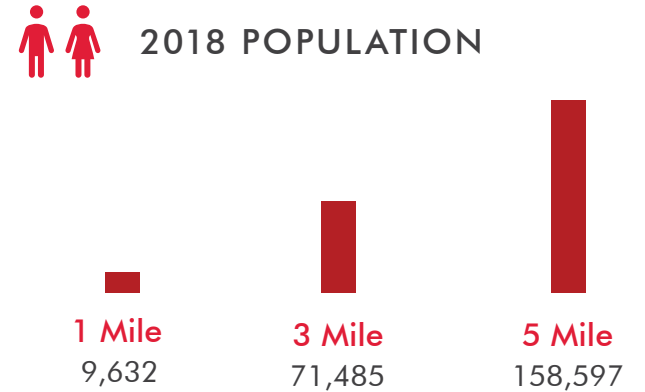
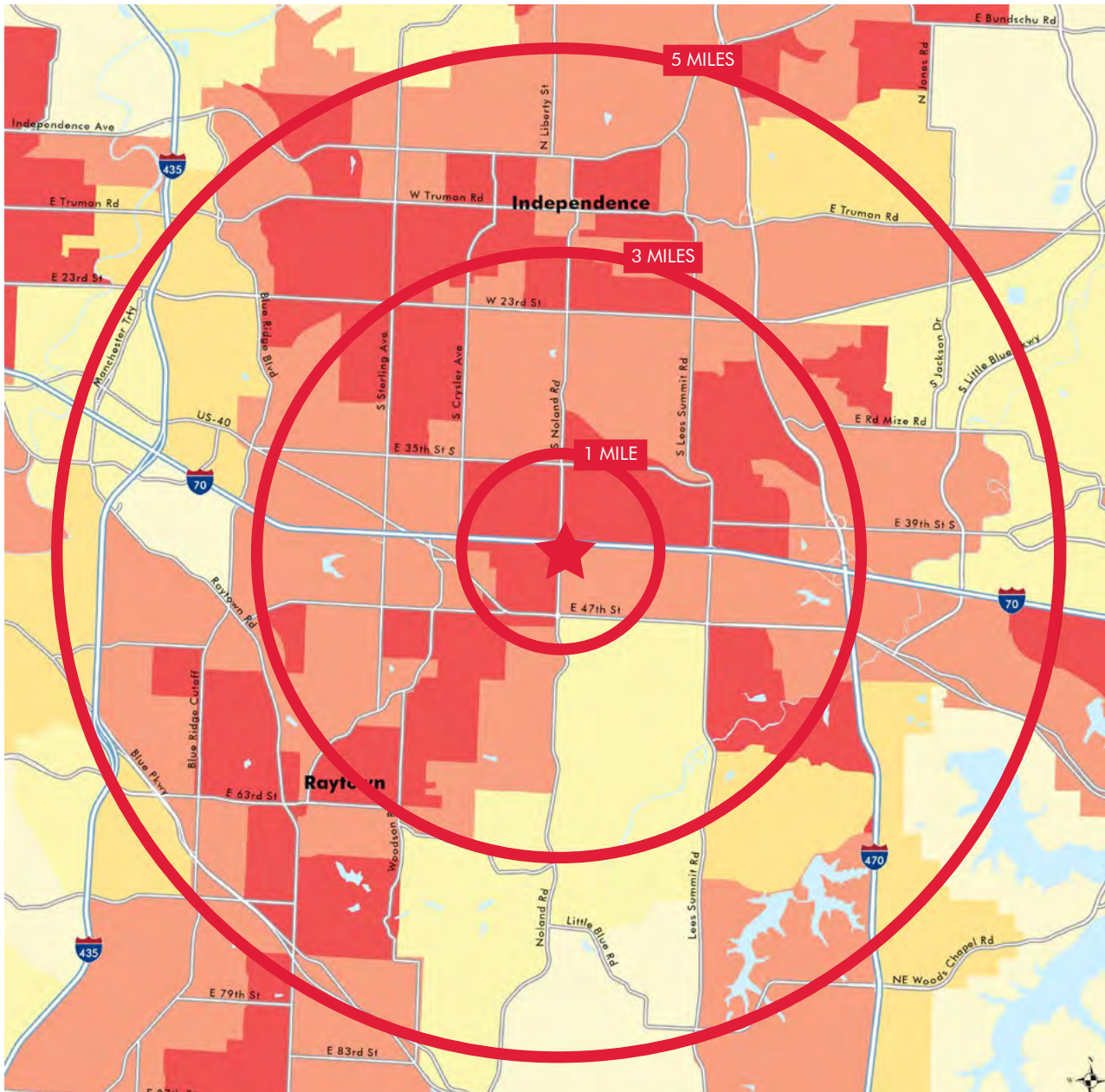
## FORGET SILICON VALLEY: 7 BETTER CITIES FOR STARTUPS

U.S. Department of Commerce, 2015

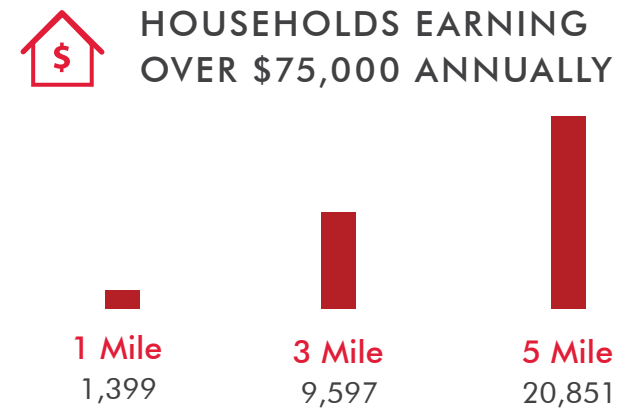
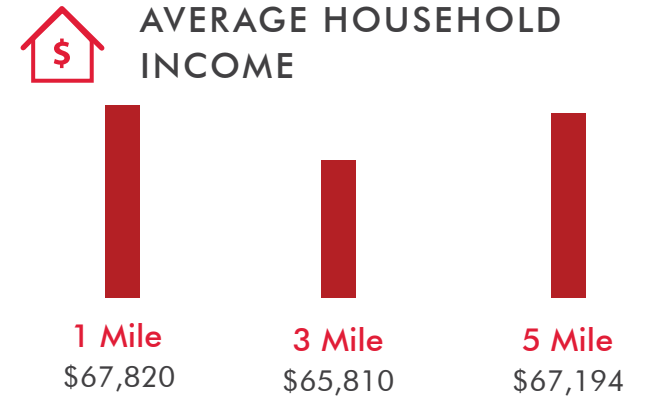
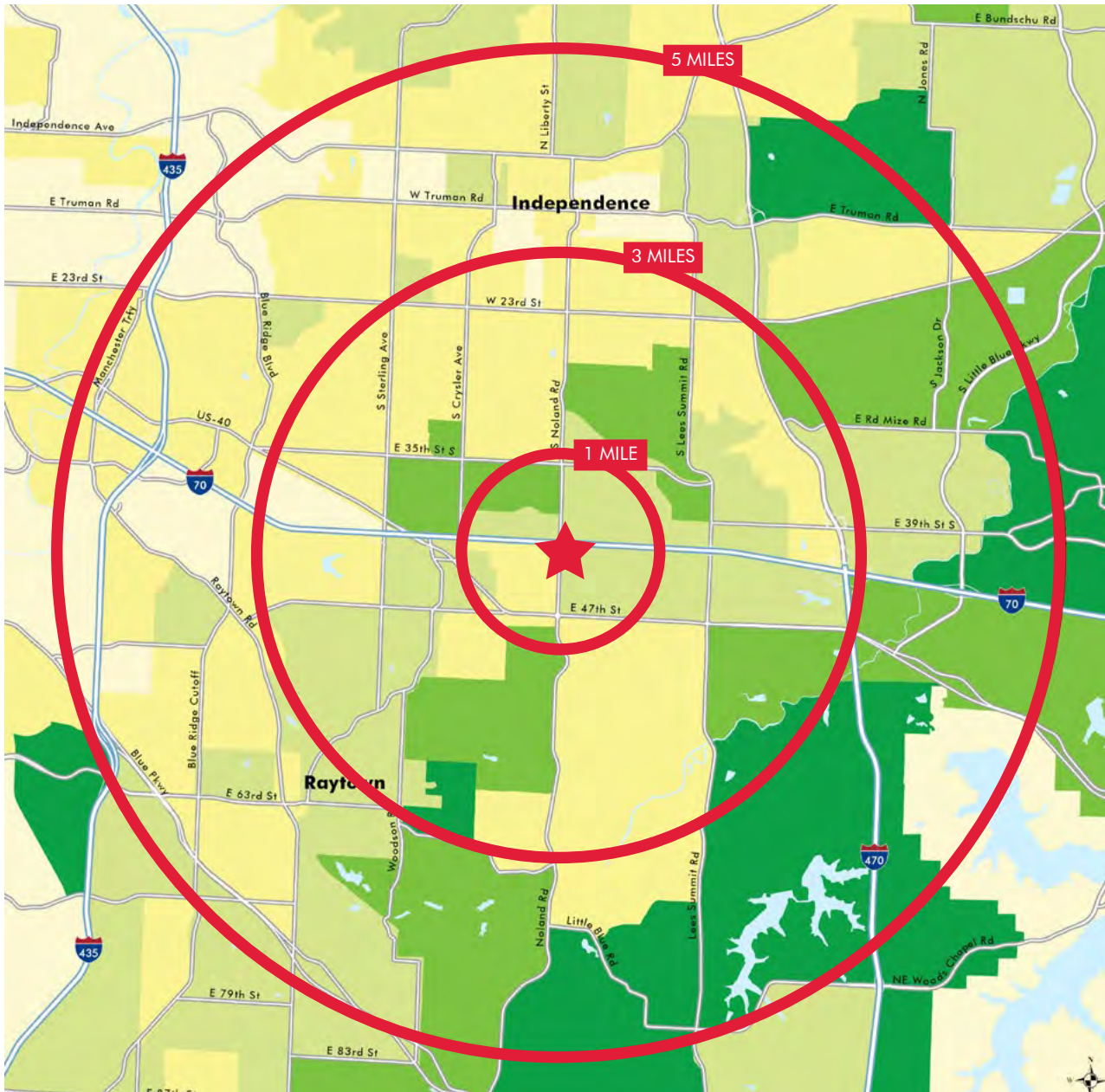
# AERIAL VIEW LOOKING WEST



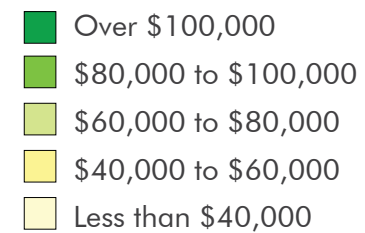
# POPULATION CONCENTRATION MAP



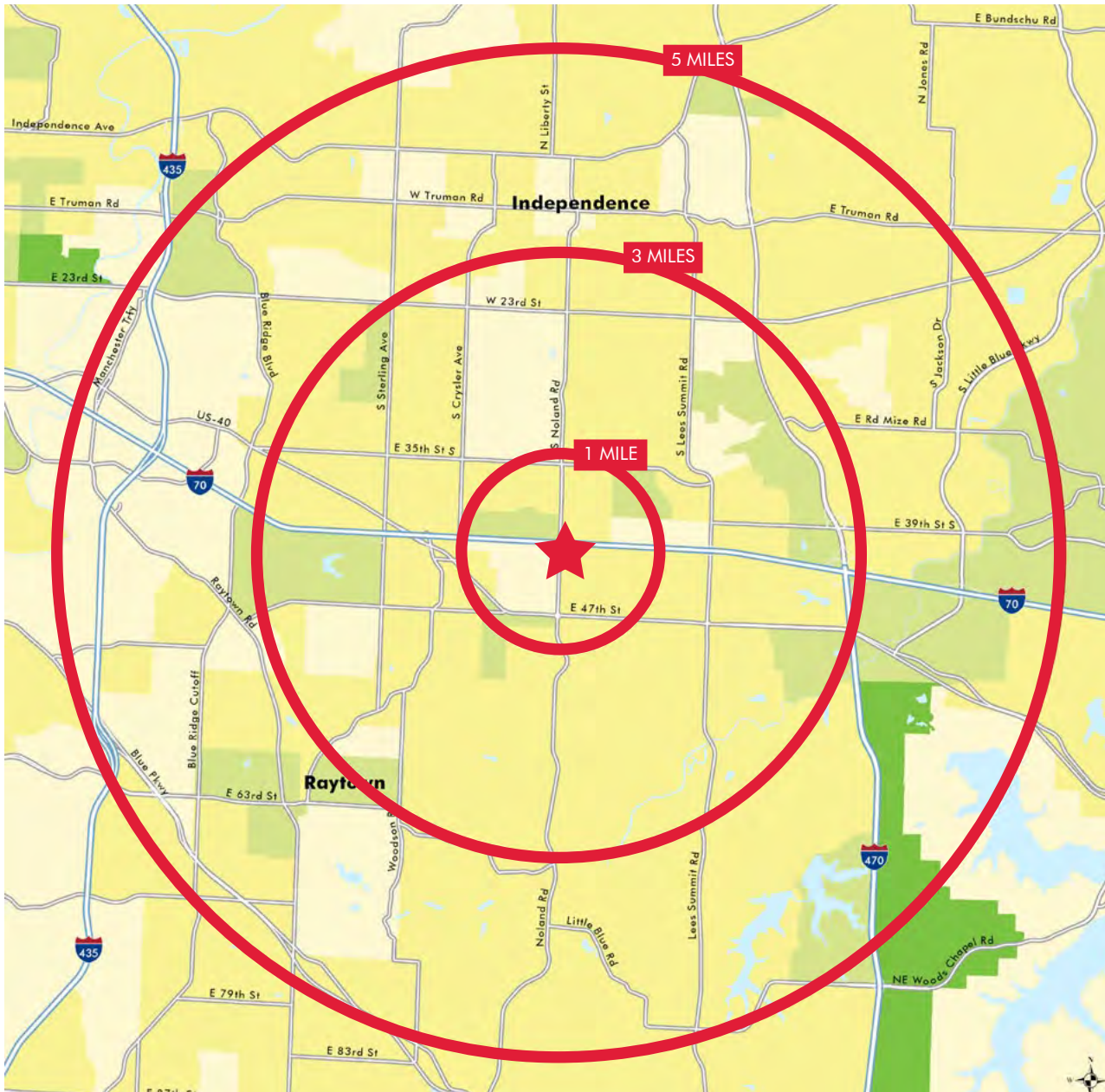
# HOUSEHOLD INCOME MAP



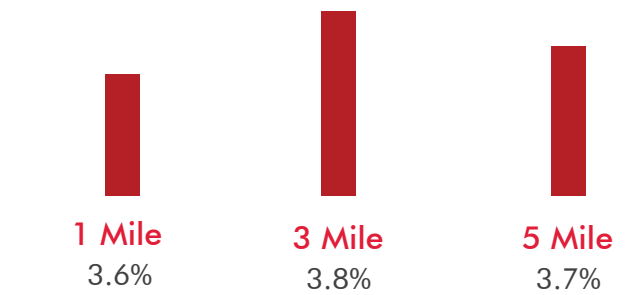
### AVERAGE HOUSEHOLD INCOME—2018



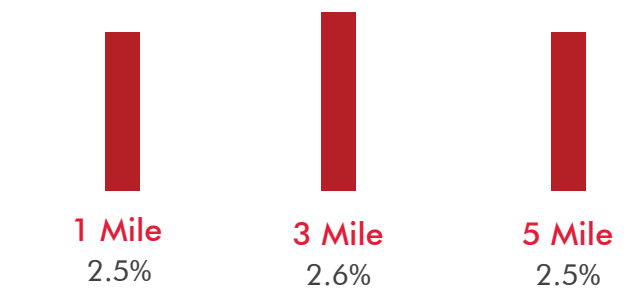
# POPULATION GROWTH MAP



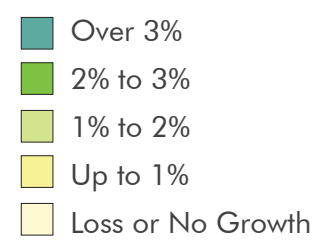
## POPULATION GROWTH 2010 - 2018 (%)



## PROJECTED POPULATION GROWTH 2018 - 2023 (%)



## POPULATION GROWTH — 2010-2018



# JACK IN THE BOX

14000 EAST 42ND STREET SOUTH, INDEPENDENCE, MO 64055

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**CBRE**