

EXCLUSIVE NET-LEASE OFFERING

PANERA BREAD SALE-LEASEBACK

CORPORATE RELOCATION SITE – BRAND NEW CONSTRUCTION

Representative Photo



OFFERING MEMORANDUM



408 Route 3 – Plattsburgh, New York 12901

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Investment Highlights

PRICE: \$3,895,405 | CAP: 4.75% | RENT: \$185,032



About the Investment

- ✓ Brand New Construction; Opening January 2020!
- ✓ Long-Term, 15-Year Absolute Triple Net (NNN) Lease
- ✓ Lease Commencement Upon Close of Escrow
- ✓ Eight Percent (8.0%) Rental Increases Every Five (5) Years
- ✓ Four (4), Five (5)-Year Tenant Renewal Options, Bringing the Potential Lease Term to 35 Years
- ✓ Corporate Relocation Site: Displaying the Tenants Long-Term Commitment to the Site

About the Location

- ✓ Located in the Heart of Plattsburgh's Main Retail Corridor | Walmart Supercenter, Lowe's, Sam's Club, Walgreens, Target, Aldi, Price Chopper-Market 32, McDonald's, Chick-fil-A, Burger King, and Many More
- ✓ Strong Academic Presence | Less than Three Miles from SUNY Plattsburgh | Total Enrollment of 5,700+ Students
- ✓ Several Hospitality Accommodations | Hampton Inn & Suites, Quality Inn & Suites, American Best Value Inn, La Quinta Inn & Suites and More
- ✓ Strong Traffic Counts | NY-3 and Interstate-87 | Approximately 29,500 and 30,200 Vehicles Per Day, Respectively
- ✓ Less than One Mile from Champlain Center | 60+ Retail Stores, Eight-Screen Cinema, Food Court, Arcade, and More
- ✓ Plattsburgh International Airport | Less than Six Miles from Subject

About the Tenant / Brand

- ✓ Panera has been one of the most successful restaurant companies in history
- ✓ Panera was the best-performing restaurant stock when measured over the last 20 years; delivering a total shareholding return 44 times better than the S&P 500 from 1997 to 2017
- ✓ Named "Sales Leader" by Nation's Restaurant News in the Bakery-Café Group – August 2018
- ✓ Pioneer in Advanced Technology – Driver of Ongoing Sales Growth and Improved Delivery-Catering Initiatives
- ✓ Acquired in 2017 by JAB Holdings, a European conglomerate that owns Krispy Kreme, Keurig, Peet's Coffee, Pret A Manger, among other assets; positioning the chain for continued growth and long-term returns



Representative Photo



Representative Photo



Financial Analysis

PRICE: \$3,895,405 | CAP: 4.75% | RENT: \$185,032



PROPERTY DESCRIPTION

Property	Panera Bread
Property Address	408 Route 3
City, State, ZIP	Plattsburgh, NY 12901
Estimated Store Opening*	January 29, 2020
Estimated Building Size	5,460 SF
Estimated Lot Size	+/- 1.41 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$3,895,405
CAP Rate	4.75%
Annual Rent	\$185,032
Price / SF	\$713.44
Rent / SF	\$33.89

LEASE SUMMARY

Property Type	Net Leased Casual Dining Restaurant
Tenant / Guarantor	Corporate; Panera LLC
Franchisor Ownership	Private; JAB Restaurant Holding Company
Original Lease Term	15 Years
Lease Commencement	Upon Close of Escrow
Lease Expiration	15 Years Upon COE
Lease Term Remaining	15 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	8.0% Every Five (5) Years
Options to Renew	Four (4) Periods of Five (5) Years Each

* Subject to Change

¹ Pricing is subject to change +/- \$200,000 based upon final construction costs.

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$185,032	\$15,419	-
Year 2	\$185,032	\$15,419	-
Year 3	\$185,032	\$15,419	-
Year 4	\$185,032	\$15,419	-
Year 5	\$185,032	\$15,419	-
Year 6	\$199,834	\$16,653	8.00%
Year 7	\$199,834	\$16,653	-
Year 8	\$199,834	\$16,653	-
Year 9	\$199,834	\$16,653	-
Year 10	\$199,834	\$16,653	-
Year 11	\$215,821	\$17,985	8.00%
Year 12	\$215,821	\$17,985	-
Year 13	\$215,821	\$17,985	-
Year 14	\$215,821	\$17,985	-
Year 15	\$215,821	\$17,985	-

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a brand-new Panera Bread located at 408 Route 3 in Plattsburgh, New York. This is a rare investment opportunity to participate in a direct sale leaseback with Panera Bread. The newly constructed site will consist of roughly 5,460 rentable square feet of building space on estimated 1.41-acre parcel of land. The café is scheduled to open in January of 2020.

Panera, LLC, the corporate operating entity, will enter into a brand new 15-year triple-net (NNN) sale leaseback with the purchaser upon close of escrow. The initial annual rent will be \$185,032 and will increase by eight percent (8.0%) every five (5) years throughout the term of the lease and in each option period. There will be four (4), five (5)-year tenant renewal options, extending the total possible lease term to 35 years.

About Panera Bread

Thirty years ago, at a time when quick service meant low quality, Panera set out to challenge this expectation. They believed that food that was good and that you could feel good about, served in a warm and welcoming environment by people who cared, could bring out the best in all of us. To them, that is food as it should be and that is why they exist. So they began with a simple commitment: to bake fresh bread every day in their bakery-cafes. No short cuts, just bakers with simple ingredients and hot ovens. Each night, any unsold bread and baked goods were shared with neighbors in need.

These traditions carry on today, as they have continued to find ways to be an ally to its guests. That means crafting a menu of soups, salads and sandwiches that they are proud to feed their families. Like poultry and pork raised without antibiotics on our salads and sandwiches. A commitment to transparency and options that empower their guests to eat the way they want. Seasonal flavors and whole grains. And a commitment to removing artificial additives (flavors, sweeteners, preservatives and colors from artificial sources) from the food in its bakery-cafes. Why? Because they think that simpler is better and they believe in serving food as it should be. The company is also focused on improving quality and convenience. With investments in technology and operations, they now offer new ways to enjoy your Panera favorites -- like mobile ordering and Rapid PickUp for to-go orders -- all designed to make things easier for its guests.

As of April 2019, there are more than 2,360 bakery-cafes in 48 states and in Ontario, Canada operating under the Panera Bread(R) or Saint Louis Bread Co. (R) names.

For more information, visit panerabread.com or find them on Twitter (@panerabread), Facebook ([facebook.com/panerabread](https://www.facebook.com/panerabread)) or Instagram (@panerabread).

About JAB Holding Company

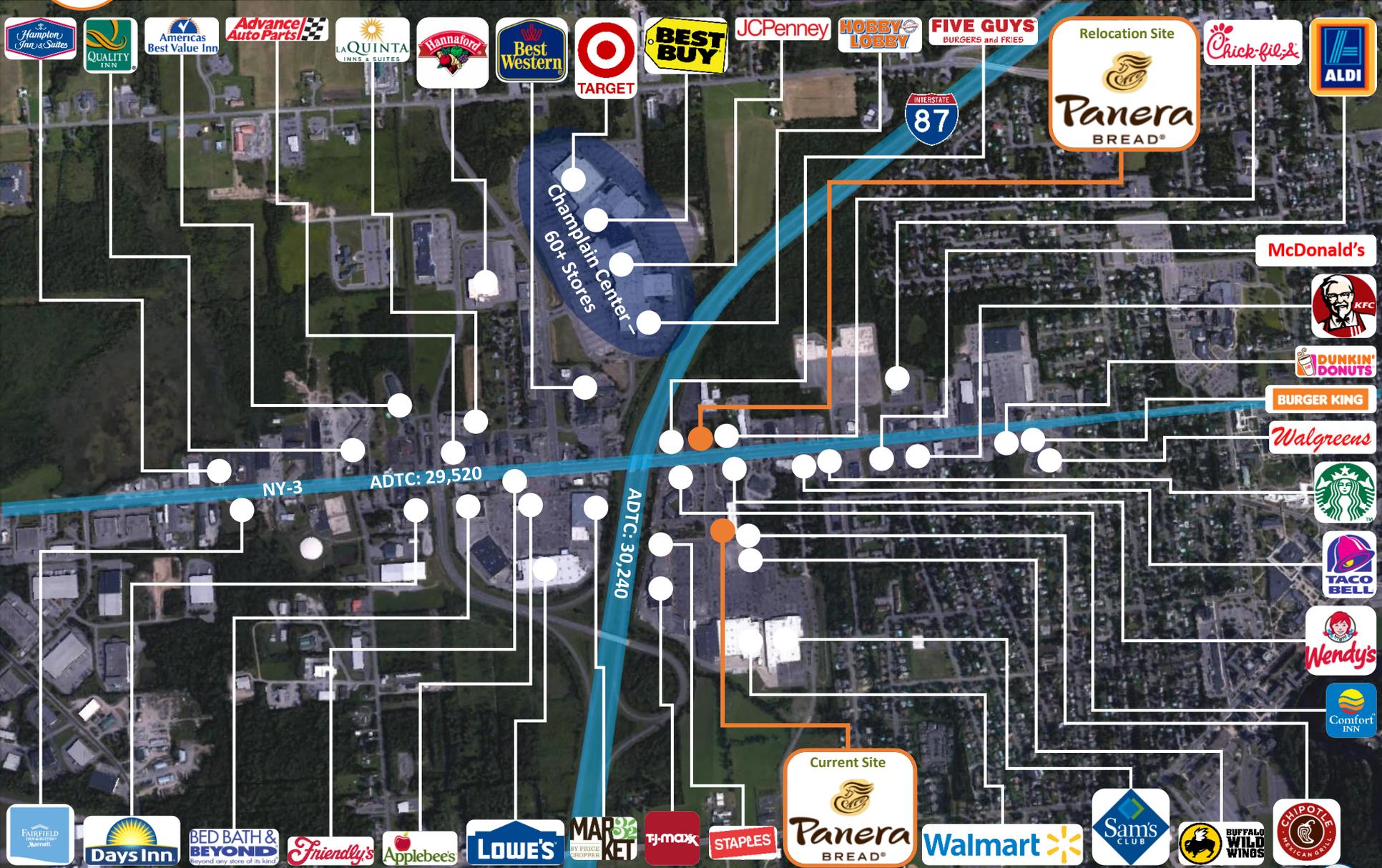
JAB Holding, a privately held company and investment arm of the Reimann family, is no stranger to the coffee business. It began building its position in coffee and breakfast in 2012 when it took a stake in D.E. Master Blenders and bought Peet's Coffee & Tea, a premier specialty coffee and tea company, for \$974 million and Minnesota-based Caribou Coffee, a specialty retailer of high-quality premium coffee products, for \$340 million. In the years that followed, the European company would go on to spend billions expanding its coffee empire. Eventually in 2013, JAB agreed to pay \$9.8 billion to purchase D.E. Master Blenders. That company became Jacobs Douwe Egberts (JDE) when JAB merged it with the coffee division of Mondelez International in 2015, which it bought for around \$4 billion, becoming the largest pure-play FMCG coffee company in the world. In 2014, JAB scooped up Einstein Bagels' parent company, Espresso House and Baresso Coffee and in 2015, the company purchased Keurig Green Mountain, a leader in single-serve coffee and beverage technologies, for \$14 billion along with coffee roaster and retailer Stumptown Coffee and coffee bar chain Intelligentsia coffee. Krispy Kreme, a global specialty retailer and wholesaler of premium-quality sweet treats, was added to the portfolio in 2016 and later completed its acquisition of Panera Bread Company in July 2017 for \$7.5 billion and Au Bon Pain (304 units) for an undisclosed sum later that year. Panera Bread's acquisition of Au Bon Pain brings the two companies together again since having split in 1999 and offers a strategic opportunity for the company. The caffeine-fueled company, which has been steadily building a coffee and breakfast empire over the last five years, announced early April 2018 that it has expanded its coffee empire, making a major investment in the launch of online craft coffee retailer "Trade". Trade's website features more than 400 roasts, each with a description of where the coffee was sourced, its flavor profile and how best to brew it. Investing in Trade gives JAB one more foothold in the coffee market, this time online. Only one month later, JAB acquired Pret A Manger, a leading company in the ready-to-eat food market. Pret maintains a strong presence in the U.K. and boasts a rapidly growing international footprint with a presence in the U.S., Hong Kong/China, and France. The company operates over 530 stores worldwide, generating group revenues of £879 million. Today, JAB has broadened its expansion with its announcement to buy a majority stake in Compassion-First Pet Hospitals, moving its portfolio into yet another sector.

For more information about JAB investments, please visit the company's website: <http://www.jabholco.com>
Additional Source: <https://www.cnbc.com/2018/04/05/jab-expands-coffee-empire-with-investment-in-online-coffee-shop-trade.html>
<https://www.jabholco.com/documents/6/press-release-s-p-jab-pret-a-manger.pdf>
<https://www.reuters.com/article/us-compassionfirst-m-a-jab/jab-broadens-expansion-with-stake-in-pet-hospitals-idUSKCN1QE1M9>



Surrounding Area

Property Address: 408 Route 3 – Plattsburgh, New York 12901





Location Overview

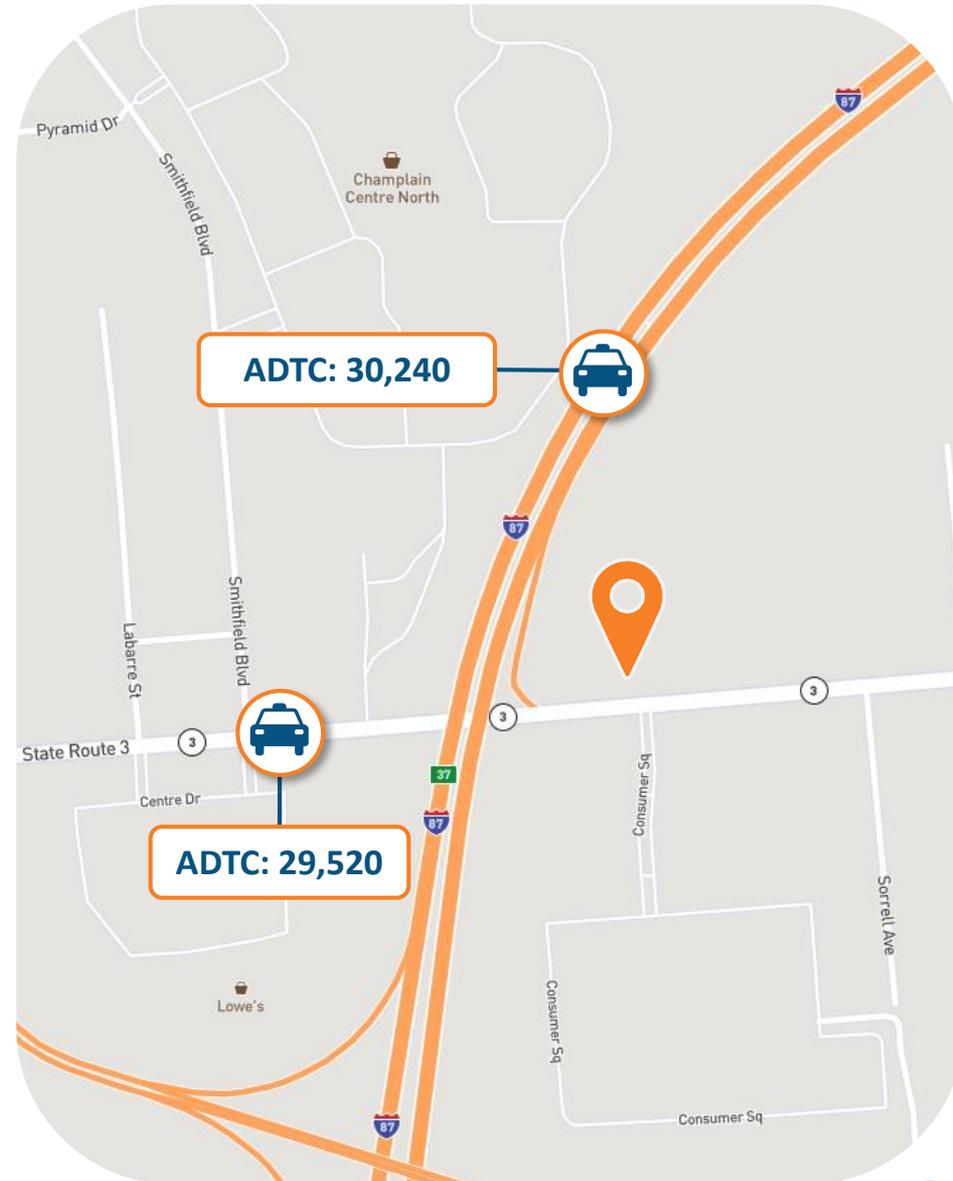
Property Address: 408 Route 3 – Plattsburgh, New York 12901



The subject investment property features excellent visibility and ease of access, being situated on State Route 3, just off an exit for Interstate-87. State Route 3 experiences an average daily traffic count exceeding 29,500 vehicles, while Interstate-87 brings an additional average of 30,240 vehicles to the immediate area per day. There are more than 35,200 individuals residing within a five-mile radius of the subject property and more than 52,400 individuals within a 10-mile radius.

This Panera Bread is strategically located directly across the street from a Walmart Supercenter, in the heart of Plattsburgh’s main retail artery. Major tenants in the immediate area include: Lowe’s, Sam’s Club, Walgreens, Target, Hobby Lobby, Aldi, Price Chopper-Market 32, McDonald’s, Chick-fil-A, Burger King, Wendy’s, Taco Bell, in addition to many others. There are several hospitality accommodations within a one-mile radius of the subject property, including: Hampton Inn & Suites, Quality Inn & Suites, American Best Value Inn, La Quinta Inn & Suites, Days Inn & Suites, Fairfield Inn & Suites, Holiday Inn, and Comfort Inn & Suites. Champlain Center, a shopping mall with more than 60 retail stores, an eight-screen cinema, food court, and arcade, is also within one mile of the subject property. SUNY Plattsburgh, a four-year public liberal arts college, has a total enrollment exceeding 5,700 students and is located within a three mile radius. Additionally, Plattsburgh International Airport is less than six miles from the subject property.

Plattsburgh is a city in and the seat of Clinton County, New York. It is the second largest community in the North Country region and serves as the main commercial hub for the northern Adirondack Mountains. The city is about a 60-minute drive from Canada’s second most populous city, Montreal. Many people commute across the Canada-U.S. border, and the city of Plattsburgh advertises itself as “Montreal’s U.S. suburb”. The proximity leads to Plattsburgh’s prominence as a large trade center for a city of its size. The closest American city larger than Plattsburgh is Burlington, VT, reachable via ferry or a bridge further north at Rouses Point. For the past two-year cycles, the Plattsburgh Region was named as a Top 10 Micro City of the Future, in both North and South America, in FDI’s rankings. The FDI is a publication of the Financial Times of London and ranks cities across the world in various categories. In 2015, Plattsburgh obtained 2nd place for Economic Potential, 1st for Human Capital and Lifestyle, 3rd for Business Friendliness, 9th for Connectivity, and 1st for Foreign Direct Investment Strategy.

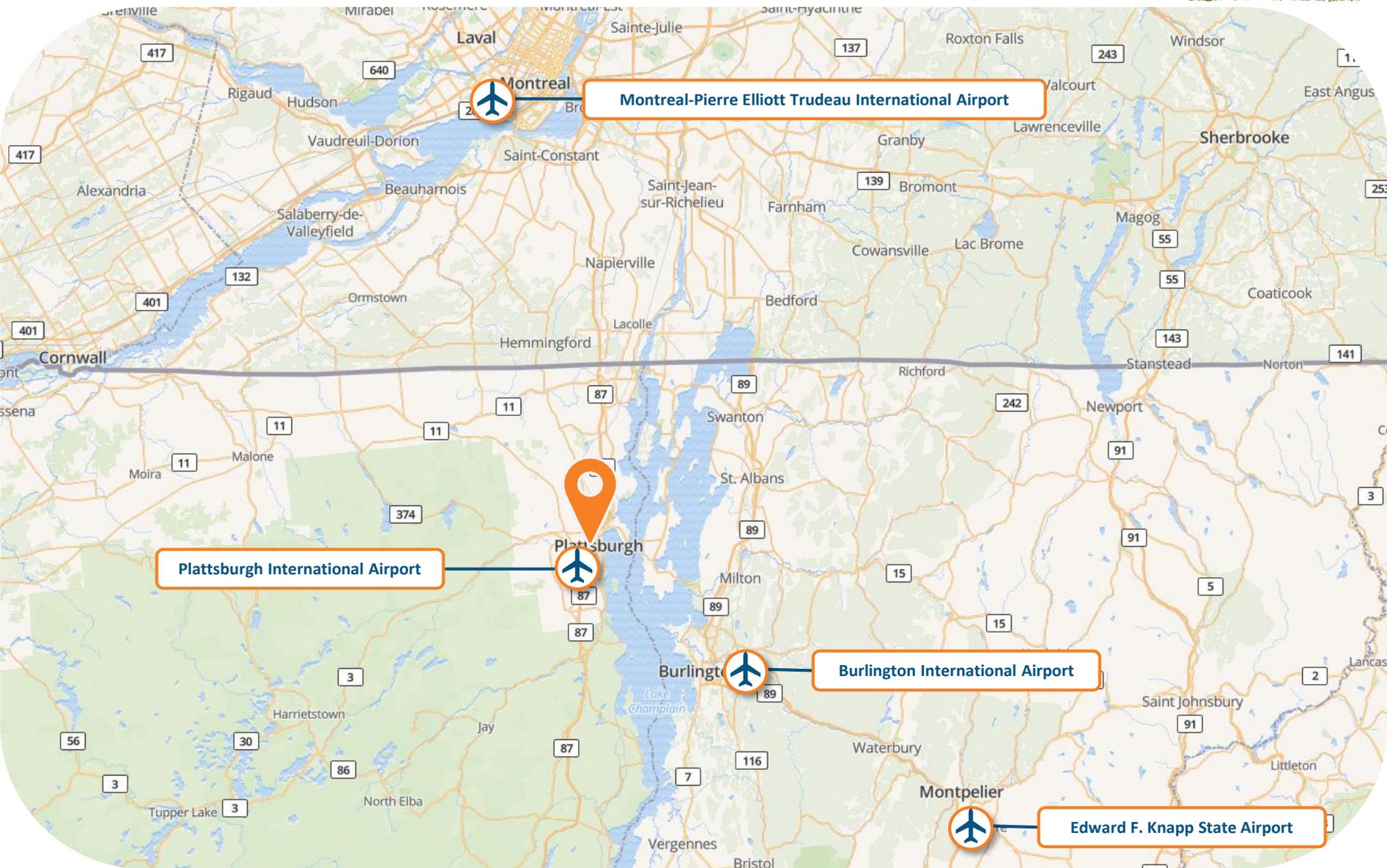




Local Map



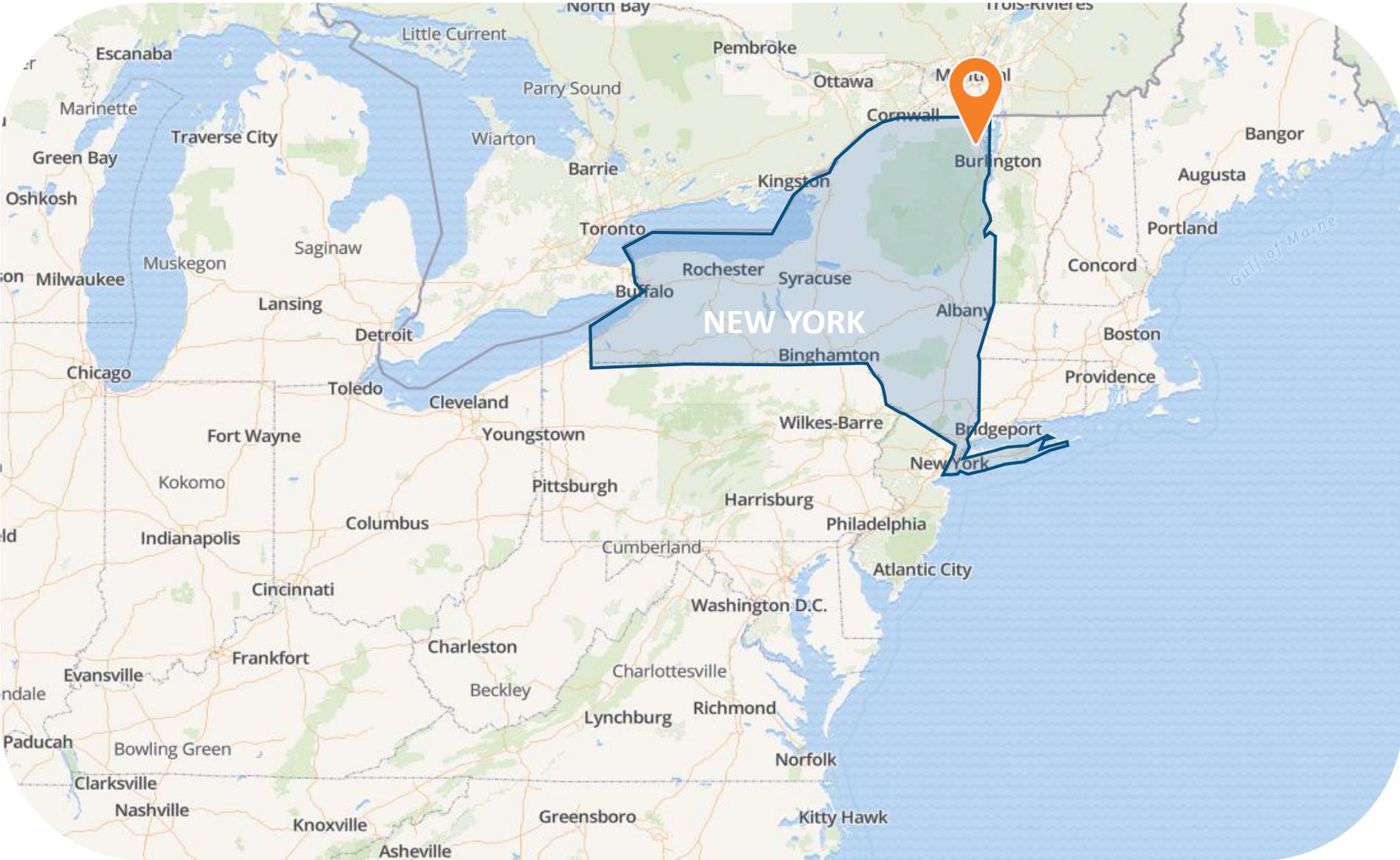
Property Address: 408 Route 3 – Plattsburgh, New York 12901





Regional Map

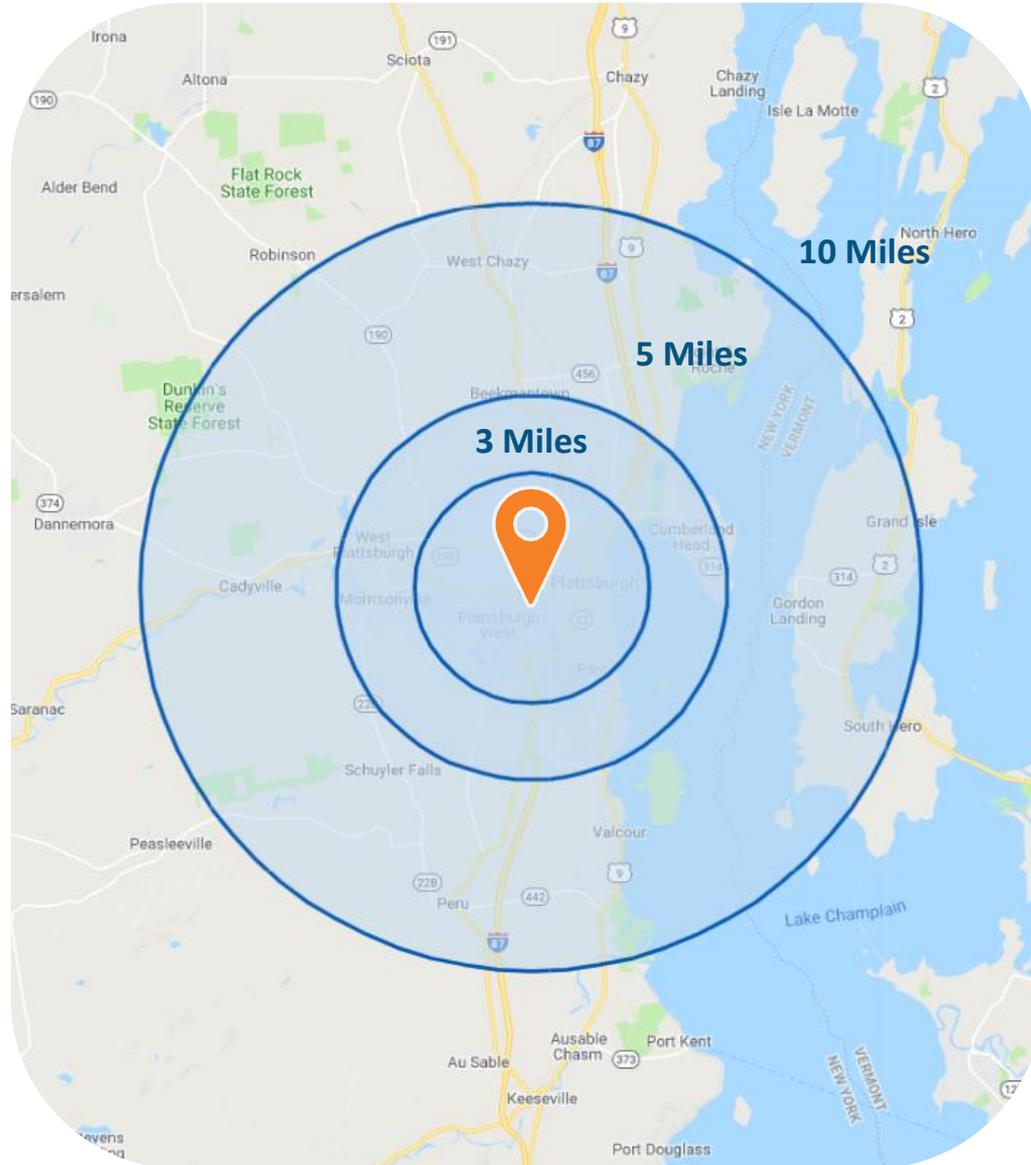
Property Address: 408 Route 3 – Plattsburgh, New York 12901





Demographics

Property Address: 408 Route 3 – Plattsburgh, New York 12901



3 Miles 5 Miles 10 Miles

Population Trends:

2024 Projection	27,276	35,199	52,091
2019 Estimate	27,222	35,217	52,453
2010 Census	26,778	35,045	53,939
2017 Population Hispanic Origin	967	1153	1425

Population by Race (2019):

White	24,564	32,108	48,828
Black	1046	1273	1461
American Indian & Alaskan	125	157	213
Asian	856	925	1036
Hawaiian & Pacific Island	21	22	27
Other	611	732	887

Household Trends:

2024 Projection	11,111	14,213	20,797
2019 Estimate	11,097	14,229	20,955
2010 Census	10,853	14,090	21,483
Owner Occupied	5192	7653	13165
Renter Occupied	5905	6576	7790

Average Household Income (2019): **\$59,314 \$62,940 \$69,205**

Households by Household Income (2019):

<\$25,000	2750	3257	4255
\$25,000 - \$50,000	3090	3769	4969
\$50,000 - \$75,000	2121	2683	4211
\$75,000 - \$100,000	1425	2074	3325
\$100,000 - \$125,000	767	1105	1797
\$125,000 - \$150,000	274	394	620
\$150,000 - \$200,000	567	770	1320

Median Household Income (2019): **\$47,305 \$50,659 \$55,924**



Market Overview

City: Plattsburgh | County: Clinton | State: New York

Montréal, Canada

Montréal

is just over 60 miles from Plattsburgh and is the most populous municipality in the Canadian province of Quebec and the second-most populous municipality in Canada. Montréal remains an important center of commerce, aerospace, transport, finance, pharmaceuticals, technology, design, education, art, culture, tourism, food, fashion, gaming, film, and world affairs. The city has the second-highest number of consulates in North America, serves as the location of the headquarters of the International Civil Aviation Organization, and was named a UNESCO City of Design in 2006. In 2017, Montréal was ranked the 12th most liveable city in the world by the Economist Intelligence Unit in its annual Global Liveability Ranking, and the best city in the world to be a university student in the QS World University Rankings. In 2018, Montréal was ranked as an Alpha-world city.

Montréal has the second-largest economy of Canadian cities based on GDP and the largest in Quebec. The Port of Montréal is one of the largest inland ports in the world, handling 26 million tons of cargo annually. As one of the most important ports in Canada, it remains a transshipment point for grain, sugar, petroleum products, machinery and consumer goods. Montréal is also a global hub for artificial intelligence research with many companies involved in this sector, such as Facebook AI Research (FAIR), Microsoft Research, Google Brain, DeepMind, Samsung Research and Thales Group. Montréal plays an important role in the finance industry, with approximately 100,000 people employed in this sector in the Greater Montréal Area. As of March 2018, Montréal is ranked in the 13th position in the Global Financial Centres Index, a ranking of the competitiveness of financial centers around the world. The city is home to the Montréal Exchange, the oldest stock exchange in Canada and the only financial derivatives exchange in the country.

Major Employers

Employer	Estimated # of Employees
Community Providers Inc	1,628
Cvph	1,400
Intrapac (Plattsburgh) Inc	593
Georgia-Pacific	540
Advocacy and Resource Center	500
Peru Central School District	500
Peru Secondary School	400
Schonbek Shipping Bldg	400
Bombardier Mass Transit Corp	380
Boces	350
Pactiv LLC	320



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EXCLUSIVE NET LEASE OFFERING

