



Potbelly & American Mattress
400 Town Center Road
Matteson, IL 60443



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**DISCLAIMER
STATEMENT:**

The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from The Boulder Group and should not be made available to any other person or entity without the written consent of The Boulder Group.

This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. The Boulder Group has not made any investigation, and makes no warranty or representation.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, The Boulder Group has not verified, and will not verify, any of the information contained herein, nor has The Boulder Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.



**EXECUTIVE
SUMMARY:**

The Boulder Group is pleased to exclusively market for sale a fully leased two-tenant property located within the Chicago MSA in Matteson, Illinois. The property is occupied by Potbelly Sandwich Works and American Mattress. The property is strategically positioned at a signalized entrance to a shopping center with easy access and excellent visibility along the area's primary thoroughfare. The property was constructed in 2016 and features a drive-thru and outdoor patio seating for the restaurant space. There are more than 9 years remaining on both corporate guaranteed leases that feature 10% rental escalations in the primary terms and in each of their two 5-year renewal option periods.

The 5,907 square foot building was constructed in 2016 and is located in the regional trade area. The property is situated on Lincoln Highway (Route 30) at the signalized entrance to the Matteson Town Center; a shopping center anchored by Toys "R" Us, Office Max, PetSmart and Chuck E. Cheese's. The property has excellent visibility along Lincoln Highway, the area's primary east-west thoroughfare, which experiences traffic counts of 43,200 vehicles per day. The property is also less than one-quarter mile east of Interstate-57 with direct on and off access to the 87,700 vehicles per day that travel the thoroughfare. There are approximately 55,000 people living within a three mile radius of the property with average annual household incomes in excess of \$74,200 per year.

In addition to Matteson Town Center, the property is surrounded by a number of major retailers such as The Home Depot, Target, Sam's Club, JCPenney, Ross Dress for Less, LA Fitness and numerous national banks and quick service restaurants. The Lincoln Mall redevelopment site is located immediately east on Lincoln Highway which is proposed to include over 550,000 square feet of retail, residential, grocery and office space. A number of hotels are in the area due to the close proximity and easy access to a number of Chicago's major interstates. Nearby companies include Ford Motors, Applied Systems, Ace Paint, Panduit, UGN, Chicago Auto Auction, Federal Signal, Formax and ITW. The property is also conveniently located minutes from the Tinley Park Convention Center, Route-66 Raceway, Hollywood Casino Amphitheatre and several casinos.

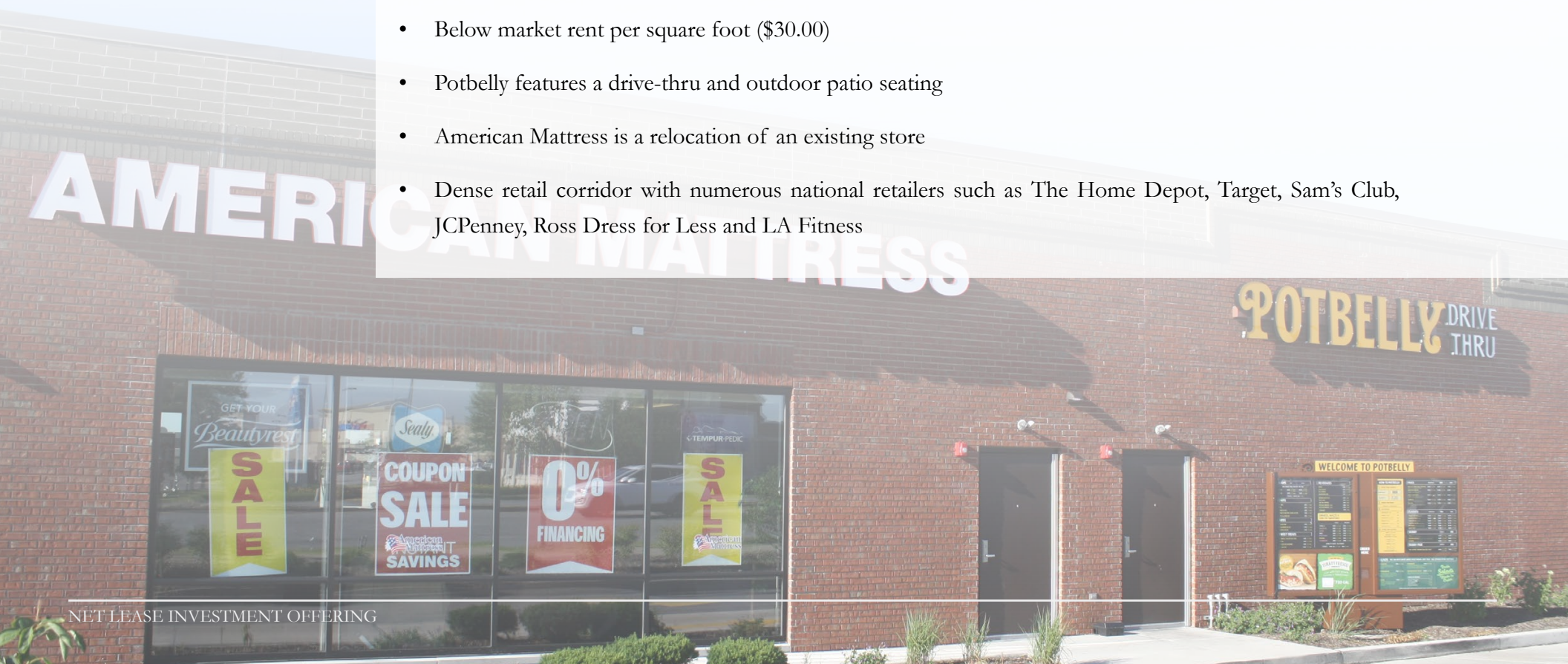
The Potbelly corporate guaranteed lease commenced August 2016 and has approximately nine years remaining with two 5-year renewal option periods. The American Mattress lease commenced in October 2016 and has approximately nine years remaining with two 5-year renewal option periods. Both tenants are responsible for their pro-rata share of taxes, insurance and common area maintenance.

Potbelly is a fast-growing sandwich concept offering toasty warm sandwiches, signature salads and other fresh menu items. The Company owns and operates over 400 shops in the United States. Potbelly is publically traded on the Nasdaq stock market using the symbol "PBPB". The American Mattress is a relocation of an existing store. American Mattress is the largest Chicago-based mattress chain with 30 years' experience. It is a family owned and operated company with more than 100 locations between the Chicagoland Area and Indiana



INVESTMENT HIGHLIGHTS:

- Located within the Chicago MSA
- New construction (2016)
- Over 9 years remaining on corporate leases
- Rental escalations in primary terms and renewal option periods
- Positioned at a signalized intersection with exceptional visibility and access (43,200 VPD)
- Approximately 55,000 people live within three miles of the property earning an average household incomes in excess of \$74,200 per year
- Below market rent per square foot (\$30.00)
- Potbelly features a drive-thru and outdoor patio seating
- American Mattress is a relocation of an existing store
- Dense retail corridor with numerous national retailers such as The Home Depot, Target, Sam's Club, JCPenney, Ross Dress for Less and LA Fitness



**PROPERTY
OVERVIEW:**

Price:	\$2,532,000
Cap Rate:	6.91%
Net Operating Income:	\$174,970*
Renewal Options:	Two 5-Year
Tenant/Pro Rata Share:	Potbelly Sandwich Works - 40.63% American Mattress - 59.37%
Year Built:	2016
Lease Type:	NN (Roof & Structure)
Parking:	50 Spaces
Building Size:	5,907 SF
Land Size:	1.00 Acre

**The property receives a Sales Tax Rebate from the village and is eligible for renewal upon expiration in 2023. The calculation is based upon the Sales Tax revenue reported to the Illinois Department of Revenue. The incentive provides for a rebate equal to one-half percent of the revenues. American Mattress receives their portion of the rebate. The estimated rebate is not included in the Net Operating Income provided.*

RENT ROLL:

Tenant	Square Feet	Commencement	Expiration	Options	Annual Rent	Step-Up Date	CAM/TAX/INS
Potbelly Sandwich Works	2,400 SF	August 2, 2016	July 31, 2026		\$72,000	Current - 7/31/2021	NNN 10% Admin Fee
					\$79,200	8/1/2021 - 7/31/2026	
				Option 1	\$87,120	8/1/2026 - 7/31/2031	
				Option 2	\$95,832	8/1/2031 - 7/31/2036	
American Mattress	3,507 SF	October 15, 2016	September 30, 2026		\$105,210	Current - 9/30/2021	NNN Management Fee
					\$115,731	10/1/2021 - 9/30/2026	
				Option 1	\$127,304	10/1/2026 - 9/30/2031	
				Option 2	\$140,035	10/1/2031 - 9/30/2036	
Total	5,907 SF				\$177,210		



**PROFORMA
ANALYSIS:**

Income

Base Rent	\$177,210
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Recoveries

CAM	\$13,568
Real Estate Taxes	40,149
Insurance	2,954
Admin/Management Fee	4,925
Total Recoveries	<u>\$61,596</u>

Effective Gross Income	\$238,806
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Expenses

CAM	\$(13,568)
Taxes	(40,149)
Insurance	(2,954)
Management Fee (3% of Gross Income)	(7,164)

Total Expenses	<u>\$(63,835)</u>
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Net Operating Income	<u><u>\$174,970</u></u>
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** Potbelly pays an Administrative Fee equal to 10% of CAM and Insurance*

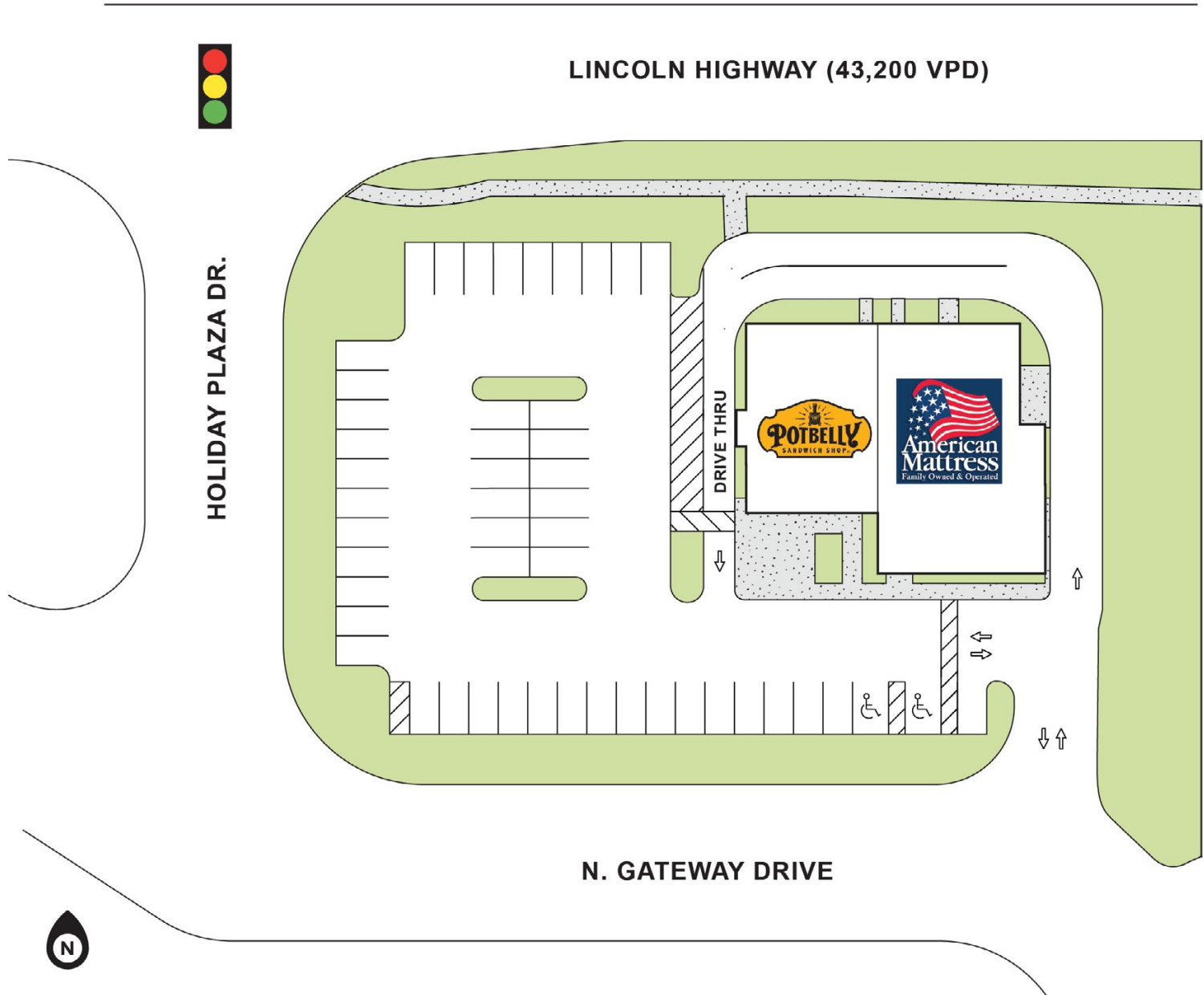
** American Mattress pays pro-rata share of Management Fee*

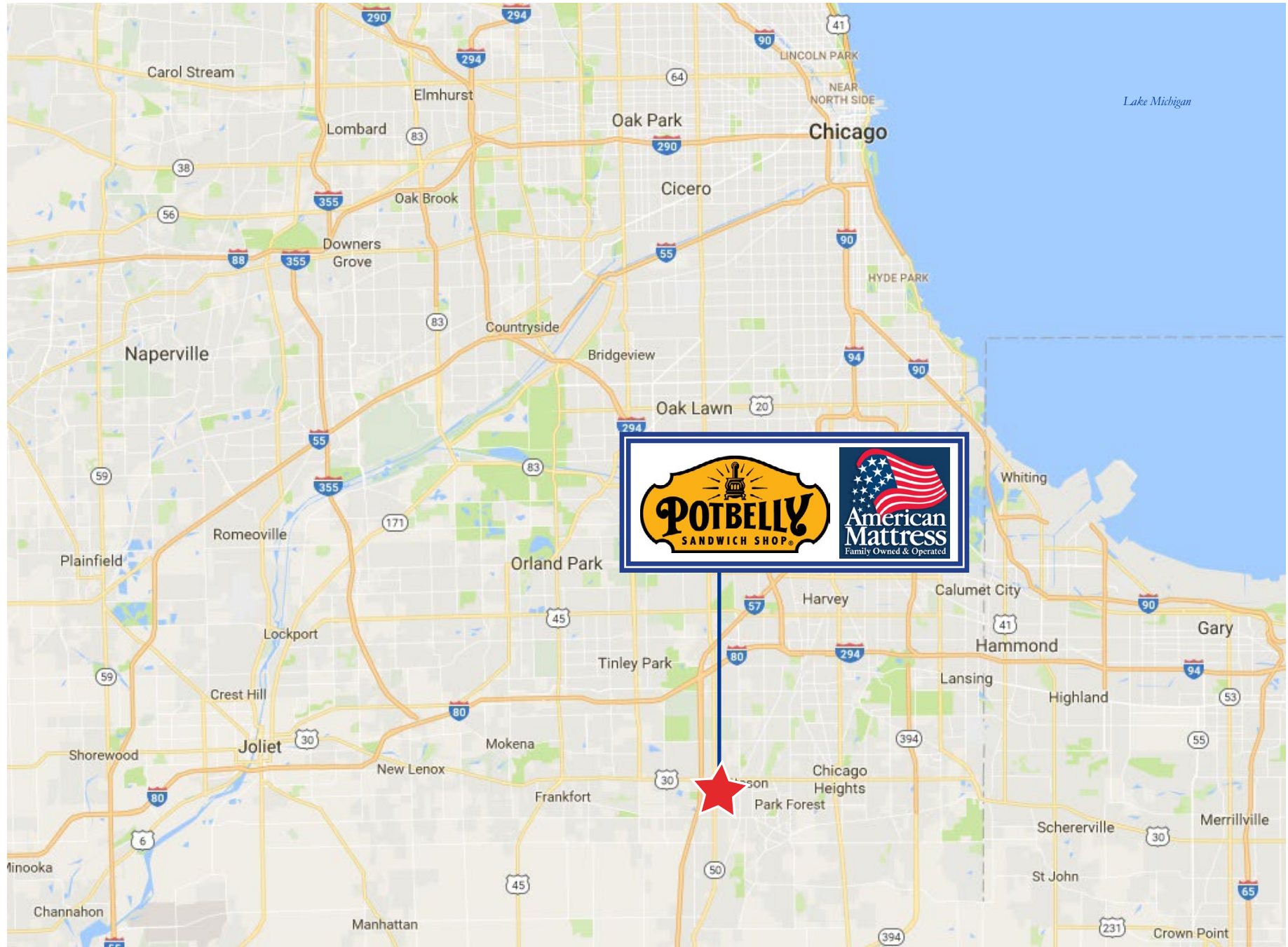
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DEMOGRAPHIC REPORT:

Population	1-Mile	3-Mile	5-Mile
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Total Population	4,772	54,915	151,369
Total Households	1,726	20,213	54,867

Income	1-Mile	3-Mile	5-Mile
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Median Household Income	\$71,086	\$58,506	\$59,638
Average Household Income	\$81,924	\$74,221	\$78,733



**MARKET
OVERVIEW:**



Matteson, Illinois

Matteson is a village in Cook and Will counties conveniently located off Interstate-57, just 30 minutes from downtown Chicago. Home to nearly 20,000 residents, hundreds of businesses and the close proximity of two major hospitals, Matteson offers exceptional suburban living. Matteson features a culturally diverse residential population, a growing business area with a vast amount of shopping centers, award-winning schools, surrounding universities and a state-of-the-art community center.



Matteson was named after the 10th governor of Illinois, Joel Matteson, over 150 years ago. The community began as an agricultural trade center and gradually transformed into a major retail center, as well as a market for commercial, office and hotel development. Matteson is well known for being the retail hub of the southern suburbs. The Village became a regional retail center in 1973 when the Lincoln Mall opened at the intersection of Cicero Avenue (Route 50) and Lincoln Highway (Route 30).

The local government plays a major role in keeping Matteson running smoothly. A Village President, Village Clerk and six Trustees create the governing body. All eight positions are elected at large to staggered four-year terms. The Village Administrator runs the day-to-day operations.



**MARKET
OVERVIEW:**

Chicago, Illinois

Chicago is the most populous city in the Midwestern United States and the third most populous city in the United States with 2,700,000 residents. Chicago is the county seat of Cook County, the second largest county in the United States. The Chicago MSA is the third most populated metropolitan area in the United States with 9,580,567 residents. The MSA covers over 1,300 square miles and six counties. Chicago has many nicknames, the best-known being the Windy City.



The Chicago metropolitan area is home to the corporate headquarters of 66 Fortune 1000 companies, including Boeing, McDonald's, Motorola, Discover Financial Services and United Airlines. Chicago is a major hub for industry, telecommunications and infrastructure and O'Hare International Airport is the second busiest airport in the world in terms of traffic movement.

The metro is a major financial center in North America, and is home to the largest futures exchange in the United States, the CME Group. Chicago is third in the world on the Global Financial Centers Index which ranks the competitiveness of financial centers based on people, business environment, market access, infrastructure and general competitiveness. As of 2016, Chicago had the third largest gross metropolitan product in the United States at \$640 billion.

The city of Chicago also hosts 12 Fortune Global 500 companies and 17 Financial Times 500 companies. The city claims one Dow 30 company: aerospace giant Boeing, which moved its headquarters from Seattle to the Chicago Loop in 2001. Two more Dow 30 companies, Kraft Foods and McDonald's are in the Chicago suburbs, as are Sears Holdings Corporation and the technology spin-offs of Motorola. The headquarters of United Continental Holdings, are in the United Building and its operations center and its United Airlines subsidiary are in the Willis Tower in Chicago.

Chicago attracts over 50 million domestic leisure travelers, 11 million domestic business travelers and 1.5 million overseas visitors. These visitors contributed more than \$14 billion to Chicago's economy. Upscale shopping along the Magnificent Mile and State Street, thousands of restaurants, as well as Chicago's eminent architecture, continue to draw tourists. The city is the United States' third-largest convention destination. A 2011 study by Walk Score ranked Chicago the fourth most walkable of fifty largest cities in the United States.

www.cityofchicago.org

**TENANT
OVERVIEW:**

Potbelly Corporation

Potbelly Corporation is a fast-growing sandwich concept offering toasty warm sandwiches, signature salads and other fresh menu items. The Company owns and operates over 400 shops in the United States and franchisees operate over 40 shops domestically, in the Middle East, the United Kingdom and Canada.

Potbelly was founded in 1977 by Peter Hastings. The original store is located at 2264 North Lincoln Avenue in Chicago, Illinois, in a retail space that was previously an antique store called Hindsight, also owned by Hastings. In 1996, entrepreneur Bryant Keil purchased the original shop and set out to spread Potbelly across the country, creating shops with the same neighborhood feel as the original.

In August 2013, Potbelly filed an IPO to raise more than \$75 million. Shares in the company began trading on the NASDAQ Stock Market on October 4, 2013 using the symbol “PBPB”. Potbelly is headquartered in Chicago, Illinois.

Website: www.potbelly.com
 Founded: 1977
 Number of Locations: 400+
 Number of Employees: 7,000+
 Headquarters: Chicago, Illinois
 Stock Symbol: PBPB (NASDAQ)
 Market Capitalization: \$286 Million



**TENANT
OVERVIEW:**

American Mattress

American Mattress is the largest Chicago-based mattress chain with 30 years’ experience. It is a family owned and operated company with more than 100 locations between the Chicagoland Area and Indiana.

The idea for American Mattress started 30 years ago between two coworkers who sold mattresses together at a locally owned company—that is until that company was bought by a large corporation. Disheartened by the way in which a culture of family and community quickly disappears under big corporate policies, these two friends decided to strike out on their own and create the kind of company in which customers would be served on a personal level and relationships would be built for life. In 1988, American Mattress opened its first location.

The original owners are still actively involved in the company today and their initial goal remains exactly the same since their very first customer received delivery of their mattress back in 1988: Treat every customer like family.

Website: www.americanmattress.com
 Founded: 1988
 Number of Locations: 100+
 Headquarters: Addison, Illinois





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