



## Offering Memorandum

**STARBUCKS**

**1760 EAST CHEYENNE MOUNTAIN BOULEVARD  
COLORADO SPRINGS, CO 80906**



Marcus & Millichap







**STARBUCKS**

1760 East Cheyenne Mountain Boulevard  
Colorado Springs, CO 80906

FINANCIAL SUMMARY	
Price	\$3,225,000
Down Payment	100% \$3,225,000
Cap Rate	4.65%
Building SF	3,650 SF
Net Cash Flow	4.65% \$150,000
Year Remodeled	2017
Lot Size	.72 Acres

LEASE SUMMARY	
Lease Type	Double-Net (NN) Lease
Tenant	Starbucks Corporation
Roof & Structure *	Landlord Responsible
Rent Commencement Date	November 17, 2017
Lease Expiration Date	February 29, 2028
Lease Term Remaining	9 Years
Rental Increases	10% Every 5 Years
Renewal Options	4, 5 Year Options with 10% Increases in Options 1 & 2 and FMV Increases in Options 3 & 4

\* Tenant shall be responsible for minor maintenance and repairs that do not exceed \$5,000 in any one instance to the roof, roof membrane, and roof systems, foundation, exterior walls, interior structural walls, and structural components.

ANNUALIZED OPERATING DATA		
LEASE YEARS	ANNUAL RENT	CAP RATE
Current - 2/28/2023	\$150,000.00	4.65%
3/1/2023 - 2/29/2028	\$165,000.00	5.12%
OPTIONS	ANNUAL RENT	CAP RATE
Option 1	\$181,500.00	5.63%
Option 2	\$199,650.00	6.19%
Option 3	FMV	FMV
Option 4	FMV	FMV
BASE RENT		\$150,000
Net Operating Income		\$150,000
Total Return		4.65% \$150,000





Starbucks is the premier roaster, marketer and retailer of specialty coffee in the world, operating in 69 countries. Formed in 1985, Starbucks Corporation's common stock trades on the NASDAQ Global Select Market ("NASDAQ") under the symbol "SBUX." The company purchases and roasts high-quality coffees that they sell, along with handcrafted coffee, tea and other beverages and a variety of fresh food items, through company-operated stores. Starbucks also sells a variety of coffee and tea products and license their trademarks through other channels such as licensed stores, grocery and national food service accounts. In addition to their flagship Starbucks Coffee brand, Starbucks also offers goods and services under the following brands: Teavana, Tazo, Seattle's Best Coffee, Evolution Fresh, La Boulange, Ethos and Torrefazione Italia Coffee.

Starbucks company-operated stores are typically located in high-traffic, high-visibility locations. Their ability to vary the size and format of their stores allows Starbucks to locate them in or near a variety of settings, including downtown and suburban retail centers, office buildings, university campuses, and in select rural and off-highway locations.

Headquarters	Seattle, WA
Stock Symbol	NASDAQ: SBUX
Founded	1985
Locations	22,519+
Website	<a href="http://www.starbucks.com">www.starbucks.com</a>

## INVESTMENT HIGHLIGHTS

- Rare Self Maintain Lease
- Ten Percent Increases Every Five Years
- Easy Access to the I-25 – Direct Access to Downtown Colorado Springs and Denver
- 490,510 Residents in Growing Colorado Springs Trade Area
- Situated in Major Retail Corridor – Target, Cinemark, PetCo, The Home Depot, Michaels, PetSmart, etc.
- Close Proximity to Broadmoor World Arena, a Multi-Purpose Arena and Entertainment Venue with 8,000 Seats
- Walking Distance from Microchip Technology Inc.'s (NASDAQ: MCHP) Manufacturing Plant (1,000 Employees)
- Visible to 48,200+ Cars per Day Along Lake Avenue
- Across from Harrison High School (960 Students)
- Strong Daytime Population – 246,535 Employees in 5-Mile Radius

## DEMOGRAPHICS

Population	3-Miles	5-Miles	10-Miles
2022 Projection	94,468	226,362	517,850
2017 Estimate	91,387	219,346	490,510
Growth 2017 - 2022	3.37%	3.20%	5.57%
Households	3-Miles	5-Miles	10-Miles
2022 Projections	40,145	92,671	207,711
2017 Estimate	38,233	88,668	194,804
Growth 2017 - 2022	5.00%	4.51%	6.63%
Income	3-Miles	5-Miles	10-Miles
2017 Est. Average Household Income	\$61,110	\$60,585	\$70,092
2017 Est. Median Household Income	\$41,244	\$43,270	\$53,515
2017 Est. Per Capita Income	\$26,273	\$25,249	\$28,256

## LOCATION OVERVIEW

The Colorado Springs metro contains a population of approximately 692,900 people. Colorado Springs is the largest city, with around 443,100 residents, followed by Security-Widefield and Fountain. The population in the metro is expected to grow by 51,600 residents over the next five years.

The U.S. military plays a vital role in the local economy, supported by the Air Force Academy, Fort Carson and NORAD. Colorado Springs has also used the economic stimulus provided by the military to build a host of other economic engines.

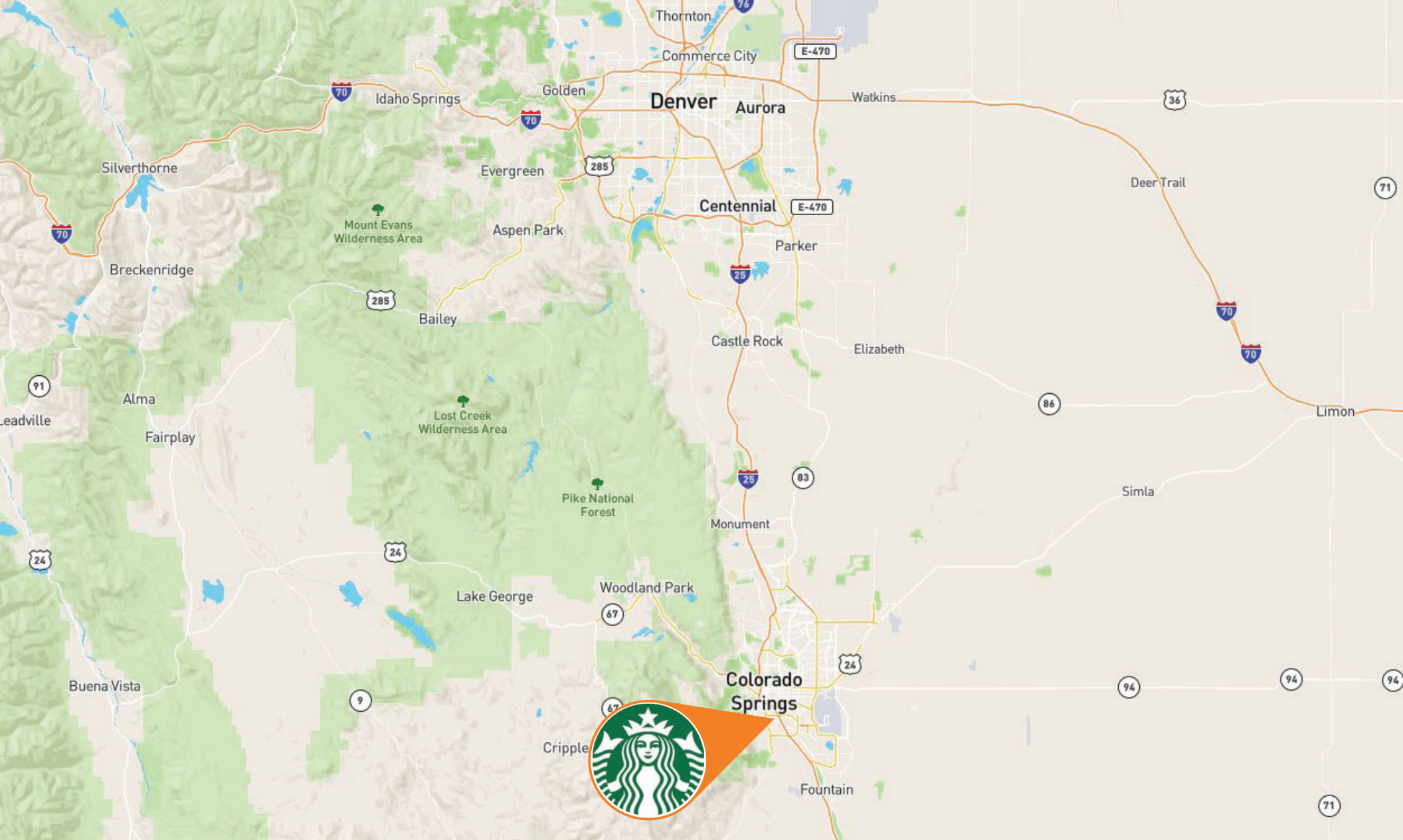
Business sectors that local officials hope to grow through incentives include aerospace, defense and homeland security, renewable energy and energy efficiency, software and information technology.

Sports health and wellness is another segment the city would like to expand, as Colorado Springs is the home of the U.S. Olympic Training Center and headquarters of the U.S. Olympic Committee. The Olympic facilities help draw tourists who also come to enjoy Pikes Peak, Garden of the Gods, and hiking and camping in the mountains nearby.

Economic growth in Colorado Springs is expected to surpass the national level for the second consecutive year, rising 5.3 percent in 2016, up from 4.2 percent growth last year. Retail sales are forecast to expand by 6.5 percent this year, above the national growth rate of 5.4 percent. Robust hiring at firms such as Raytheon and demand for construction workers at the many redevelopment projects in downtown Colorado Springs will contribute to boosting the local economy.







4 MILES  
Downtown  
Colorado Springs

8 MILES  
Colorado Springs  
Airport

18 MILES  
U.S. Air Force  
Academy

74 MILES  
Denver,  
Colorado

## Net Leased Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

**By accepting this Marketing Brochure, you agree to treat the information contained herein regarding the lease terms as confidential and proprietary and to only use such information to evaluate a potential purchase of this net leased property.**

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

## Confidentiality Agreement

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 Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical 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. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap 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. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

**ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.**

exclusively listed

Exclusively listed by:

Marcus & Millichap

**BOB KAPLAN**

COLORADO BROKER OF RECORD

Tel: (303) 328-2000

[bob.kaplan@marcusmillichap.com](mailto:bob.kaplan@marcusmillichap.com)

License: ER100052334

OFFICES NATIONWIDE

[www.marcusmillichap.com](http://www.marcusmillichap.com)