



# STARBUCKS

*OUTPARCEL TO THE FRESH MARKET*

6425 N. WICKHAM ROAD  
MELBOURNE, FL 32940

STORE OPENED JANUARY 4, 2019



Actual Location

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An aerial photograph of a coastal city. In the foreground, there is a sandy beach and turquoise ocean waves. Behind the beach is a row of modern, multi-story apartment buildings. Further inland is a dense residential neighborhood with many small houses and trees. In the background, a large body of water (likely a bay or harbor) separates the city from a distant airport with visible runways and taxiways. The sky is blue with some light clouds.

## 01-EXECUTIVE SUMMARY

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## OFFERING HIGHLIGHTS

Price	\$2,895,238
Cap Rate	5.25%
Year Built	2018
Building GLA	2,500 SF
Lot Size	0.93 Acres
NOI	\$152,000
Bond Rating	BBB+ (S&P)

## TOP MELBOURNE EMPLOYERS

Brevard County School Board	Florida Institute of Technology
Health First	Parrish Medical Center
URS Corporation	Lockheed Martin Space Systems
United Launch Alliance	Harris Corporation
DRS Technologies	Northrop Grumman Corporation

# INVESTMENT OVERVIEW

## Fundamental Location, Visibility & Access

- Store opened on January 4, 2019
- New 2018 construction positioned at the signalized intersection of N. Wickham Road & Jordan Blass Drive
- Outparcel to a brand new Fresh Market anchored shopping center
- Strategically located on a high-value parcel in the desirable area east of I-95 & north of the Pineda Causeway, which connects to Melbourne Beach
- Supportive demographics with  $\pm 32,286$  residents in a 3-mile radius &  $\pm 78,268$  in a 5-mile radius
- Average HH income of \$90k+ in 1-mile radius & \$92k+ in 3-mile radius
- Daytime population of  $\pm 65,787$  & explosive population growth of 28.62% since 2000
- Strong traffic counts of  $\pm 33,000$  VPD on N. Wickham Road

## Optimal Lease Structure

- 10-year corporately guaranteed lease by Starbucks Corporation
- Investment grade credit: “BBB+” S&P bond rating with stable outlook
- 10% rent escalations in year 6 & each option period
- Four (4), five-year options
- Clean lease without any early termination language

## Prime Location

- $\pm 1.2$  miles to Suntree Country Club
- $\pm 3.5$  miles to Eastern Florida State College
- $\pm 4.6$  miles to Indian River Colony Club
- $\pm 5.6$  miles to Manatee Cove Golf Course
- $\pm 7.3$  miles to Patrick Air Force Base
- $\pm 11.1$  miles to Orlando Melbourne International Airport

## Category-Leading Tenant

- One of the “World’s Most Valuable Brands” according to *Forbes* (2013-2017)
- Named a “Top Growing Global Brand” by *Interbrand* in 2017
- Ranked as one of the “World’s Best Employers” in 2018 by *Forbes*
- Over 28,000 locations worldwide with over \$22 B in revenue in 2017



Representative Photo

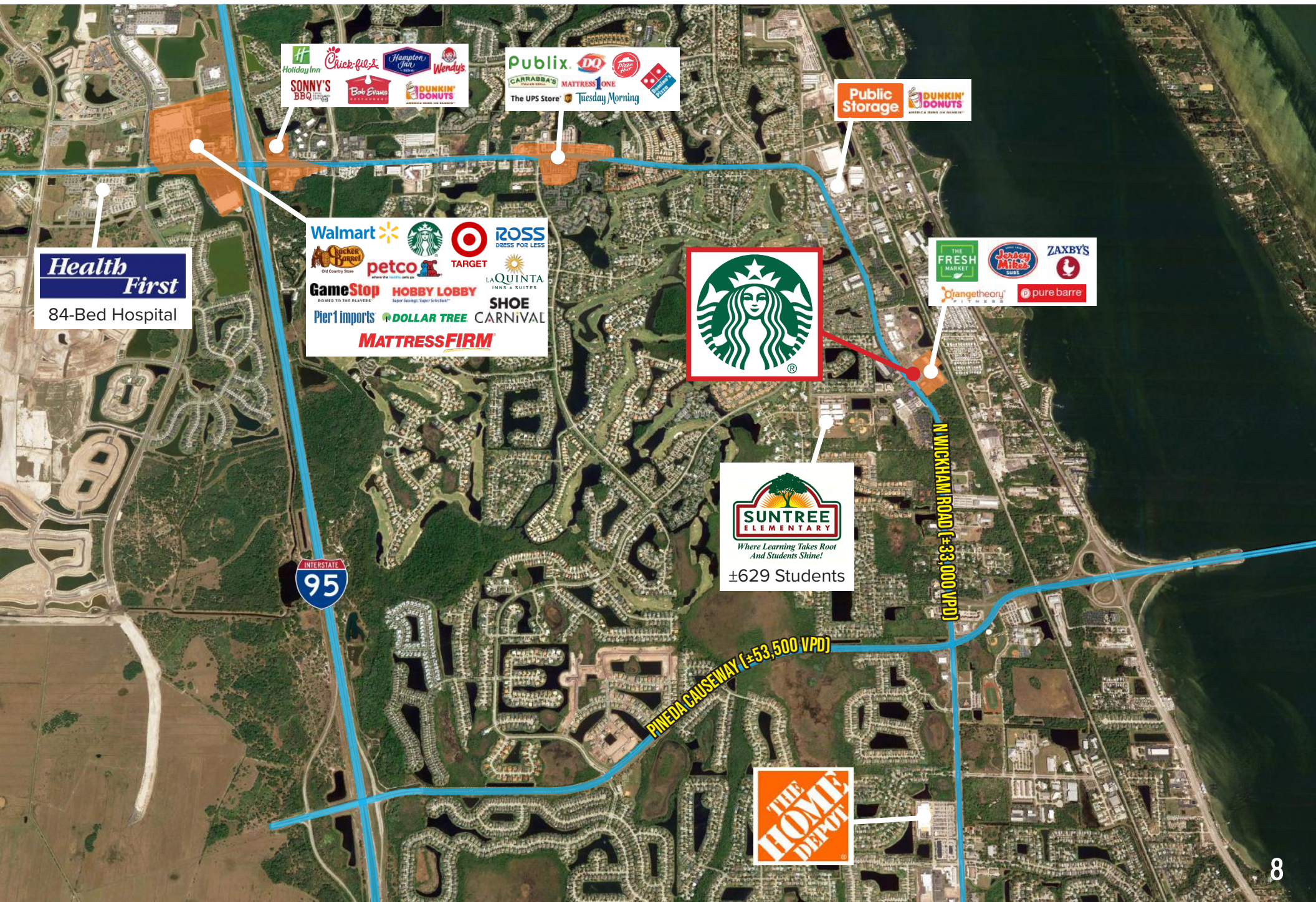




02-PROPERTY DETAILS

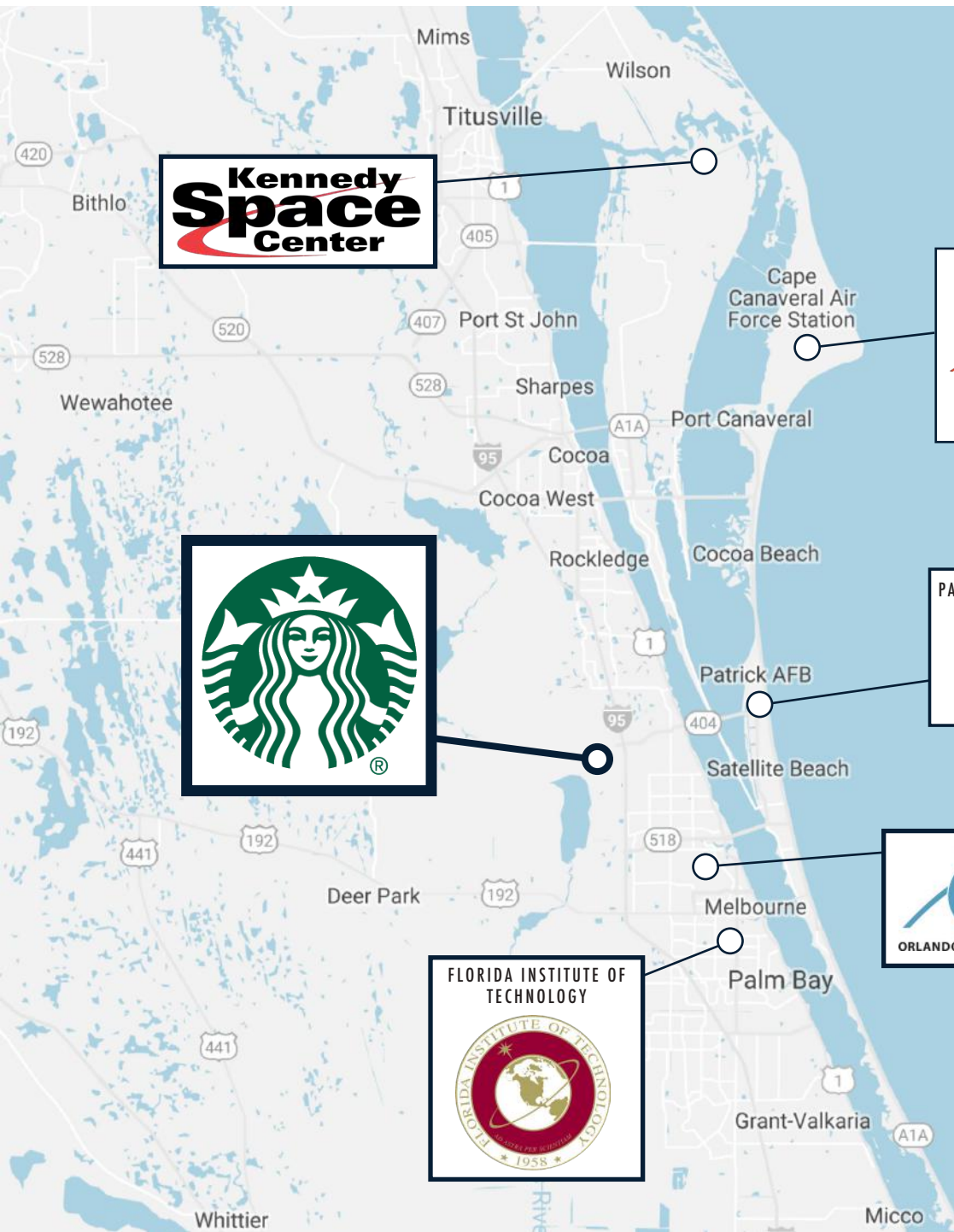
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# REGIONAL MAP



CAPE CANAVERAL  
8 MILES



ORLANDO MELBOURNE  
INTERNATIONAL AIRPORT  
16.5 MILES



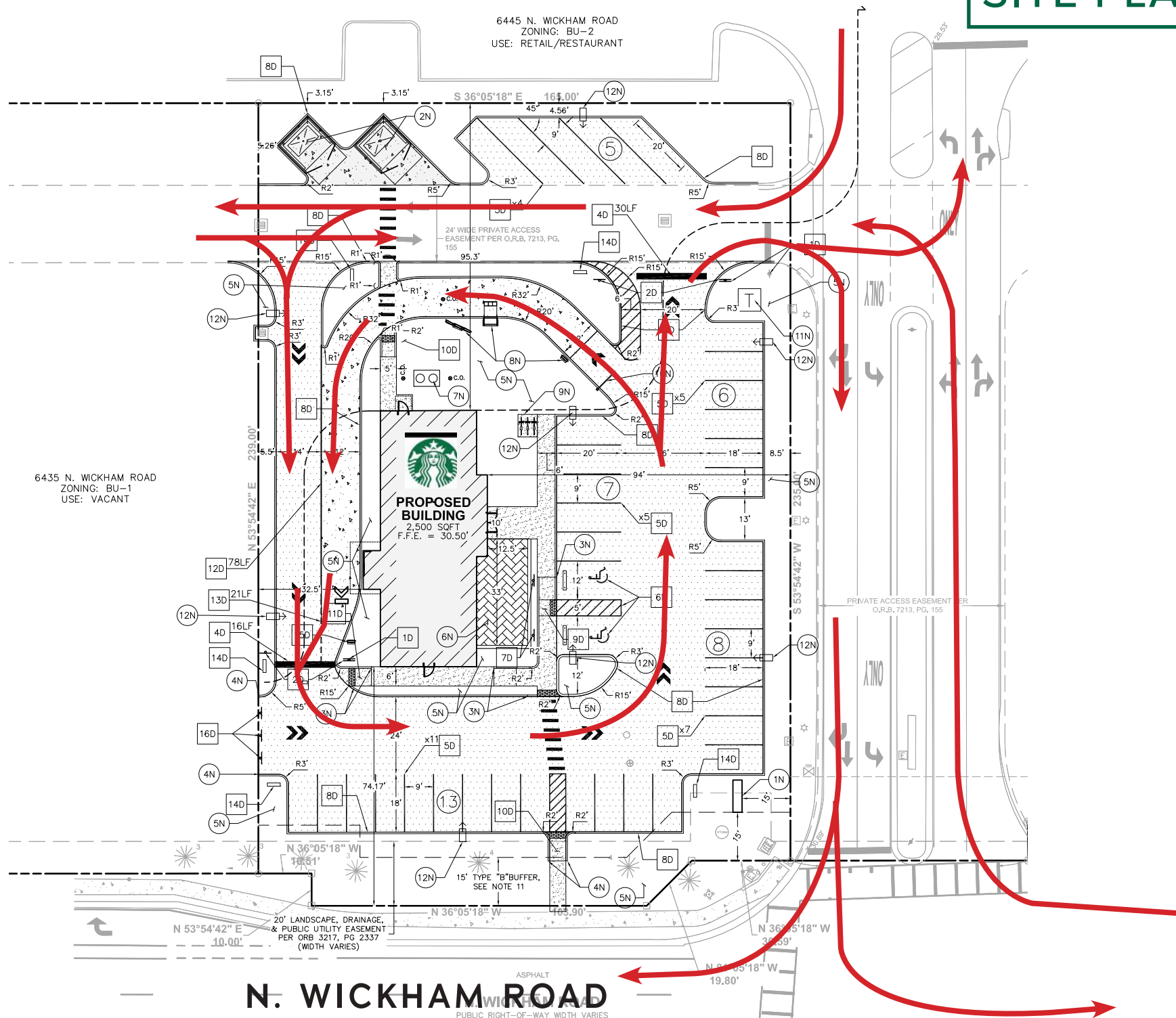
FLORIDA INSTITUTE OF  
TECHNOLOGY  
22 MILES



PATRICK AIR FORCE BASE  
15 MILES



## SITE PLAN





# CONSTRUCTION PHOTOS



Photos taken on December 16, 2018



# CONSTRUCTION PHOTOS



Photo taken on December 16, 2018



# SHOPPING CENTER AERIAL



N. WICKHAM ROAD (±33,000 VPD)





# PINEDA LANDINGS LEASING PLAN

Building B - 9,400 SF	
Suite	Tenant
101	Jersey Mike's
102	Supercuts
103/104	Rubio Animal Hospital
105	La Moda
106	Swanky Sole
107	Allure Nails

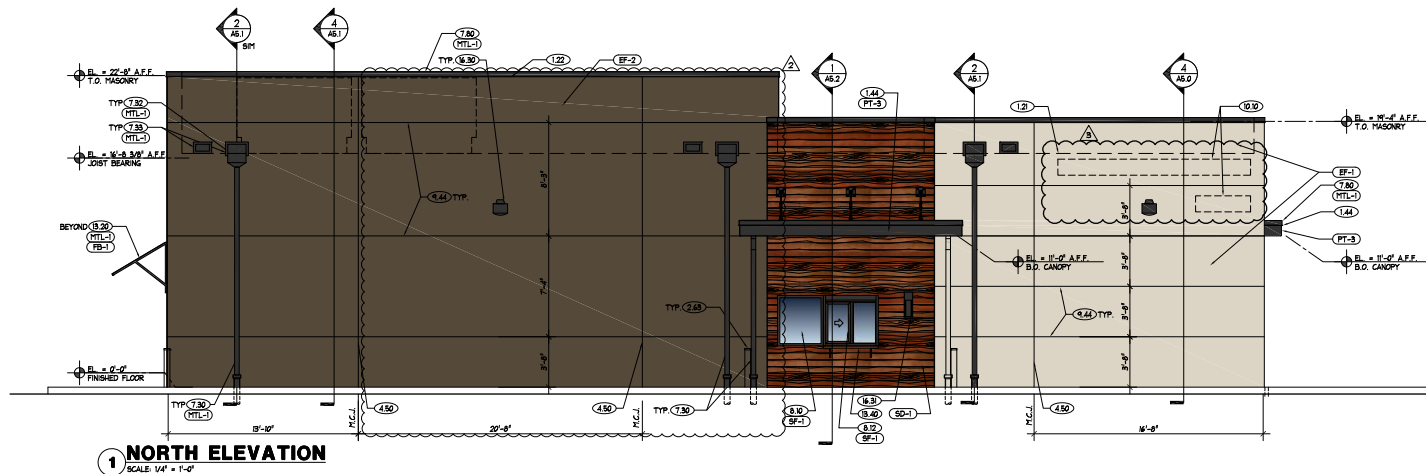
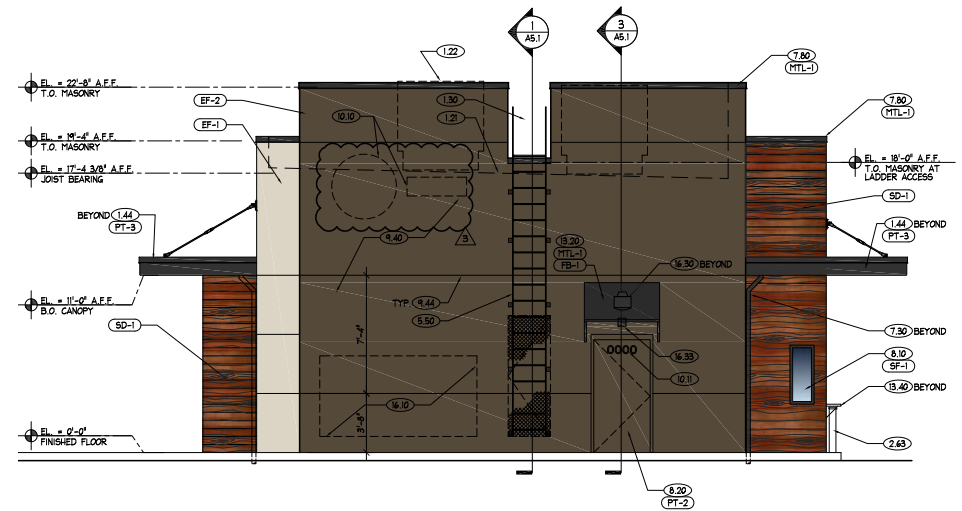
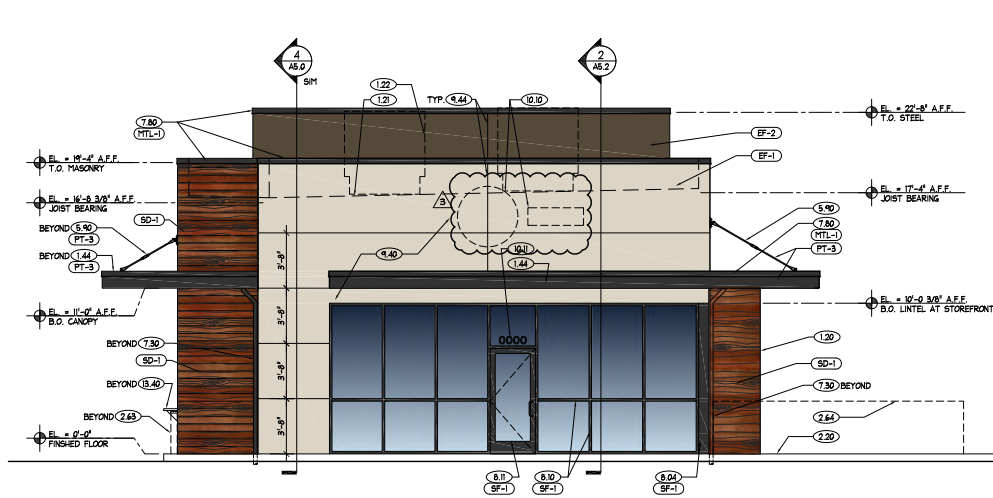
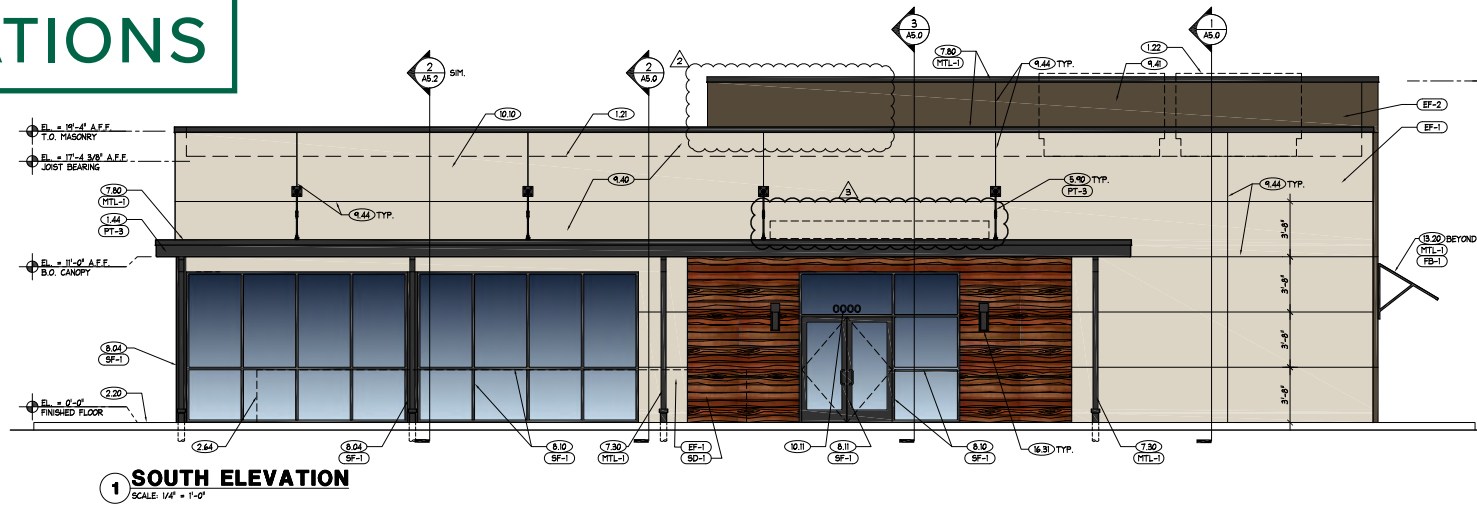
Building C - 10,400 SF	
Suite	Tenant
201	AVAILABLE: 1,400 SF
202	Scottrade
203	Expedia
204 & 205	Hand & Stone
206	Beltone
208	California Tortilla



Building D - 9,200 SF	
Suite	Tenant
301	Orange Theory Fitness
303/304	Quest Diagnostics
305	AVAILABLE: 1,200 SF
307	Thai Thai



# ELEVATIONS





## 03-LOCATION OVERVIEW

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EXPLORE

M6-0408

Be A Part Of The Journey To Mars

Be A Part Of The Journey To Mars



# LOCATION OVERVIEW

Melbourne is a city located in Brevard County along Florida's Space Coast, an area centered around NASA's Kennedy Space Center and Cape Canaveral. The municipality is **the second-largest in the county by both size and population** and is a principal city of the **Palm Bay-Melbourne-Titusville, Florida Metropolitan Statistical Area**, which contains **±570,000 people**.

Melbourne serves as **the economic engine of Brevard County**, capitalizing on high-tech industries, its location on the Space Coast, and its established relationships with the region's educational and research leaders. Multiple defense and technology companies call the city home creating a large concentration of high-tech workers. As **one of the nation's epicenters for aerospace technology research and development**, Melbourne continually attracts top talent in these advanced industries resulting in increased innovation in economic development and in STEM education in local schools. Brevard County has one of the best public education systems in Florida fueled by the research and activity of the multiple colleges and universities in the city. Florida Institute of Technology, located in Melbourne, is regarded as a tier-one national university. The research and outreach programs at the university are fueling the next generations of engineers and scientists.

Melbourne's historic downtowns provide ever-increasing entertainment options and unique retail choices. The city has two downtown business districts, a result of the merger of Eau Gallie into Melbourne. Melbourne's unparalleled natural amenities and a strong sense of community stewardship make the city one of the best places to live, work, and raise a family. With the Orlando Melbourne International Airport and its convenient interstate location, Melbourne has easy access to Orlando only an hour away, Cape Canaveral, and all that the Space Coast has to offer.







# MELBOURNE HIGHLIGHTS

## INDUSTRY

- #1 Most Concentrated High-Tech Economy in Florida and 6th in the U.S. (Milken Institute)
- Home to multiple technology and aerospace companies and organizations, including NASA, URS Corporation, Lockheed Martin Space Systems, and Northrop Grumman Corporation
- Kennedy Space Center and Cape Canaveral Air Station are large economic drivers drawing companies such as Boeing and Space X to the area
- No state personal income tax and pro-business state tax policies and incentives drive growth

## TOURISM

- Port Canaveral draws millions of tourists to the area as the homeport of several of the industry's top cruise lines
- Close proximity to Orlando (#1 tourist destination in the country) brings tourists to the Space Coast

## HEALTH & HIGHER EDUCATION

- Home to four major hospitals
- Nemours Children Hospital expected to pump \$400 million into the Central Florida economy and create 2,600 new jobs (Nemours Children's Specialty Care is located in Melbourne)
- Home to seven colleges and universities, including the Florida Institute of Technology, Eastern Florida State College, Everest University, and a branch of the University of Central Florida ( $\pm 20,000$  combined students)



# DEMOGRAPHICS

POPULATION	1 - MILE	3 - MILE	5 - MILE
<b>2022 Projection</b>	<b>4,131</b>	<b>35,534</b>	<b>83,509</b>
<b>2017 Estimate</b>	<b>3,436</b>	<b>32,100</b>	<b>76,595</b>
<b>Growth 2017 - 2022</b>	<b>20.23%</b>	<b>10.70%</b>	<b>9.03%</b>
2000 Census	2,913	22,693	59,544
2010 Census	3,293	30,359	72,587
<b>Growth 2000 - 2010</b>	<b>13.06%</b>	<b>33.78%</b>	<b>21.90%</b>

## HOUSEHOLDS

2022 Projections	1,893	15,150	36,990
2017 Estimate	1,580	13,419	33,283
Growth 2017 - 2022	19.84%	12.90%	11.14%
2010 Census	1,352	9,238	24,538
2000 Census	1,508	12,664	31,496
Growth 2000 - 2010	11.58%	37.08%	28.36%

## 2017A EST. HOUSEHOLDS BY INCOME

\$200,000 or More	6.56%	5.15%	4.40%
\$150,000 - \$199,999	5.75%	7.47%	5.92%
\$100,000 - \$149,999	16.11%	18.67%	16.22%
\$75,000 - \$99,999	14.37%	16.93%	14.92%
\$50,000 - \$74,999	19.21%	19.51%	20.32%
\$35,000 - \$49,999	10.70%	12.99%	15.17%
\$25,000 - \$34,999	8.87%	7.50%	8.35%
\$15,000 - \$24,999	11.10%	6.29%	7.96%
\$10,000 - \$14,999	3.11%	2.34%	2.93%
Under \$9,999	4.22%	3.13%	3.81%
Average Household Income	\$90,558	\$92,252	\$83,763

POPULATION PROFILE	1 - MILE	3 - MILE	5 - MILE
20 to 34 Years	6.2%	12.2%	14.7%
35 to 59 Years	28.9%	33.5%	33.2%
60 to 74 Years	28.3%	21.4%	20.4%
Age 75+	19.4%	12.0%	11.7%
2017 Median Age	58.5	50.3	49.0
2017 Population 25 + by Education Level	2,723	24,158	58,728
Elementary (0-8)	0.95%	0.75%	0.78%
Some High School (9-11)	3.78%	3.35%	3.82%
High School Graduate (12)	24.29%	22.58%	24.27%
Some College (13-15)	23.50%	21.07%	22.50%
Associates Degree Only	8.94%	9.58%	10.19%
Bachelors Degree Only	23.14%	24.13%	22.04%
Graduate Degree	15.32%	18.23%	15.82%



A large, modern, white and grey building with a NASA logo and an American flag on its facade. The building is surrounded by a parking lot with many cars and a grassy field in the foreground. The sky is blue with scattered white clouds.

## 04-FINANCIAL ANALYSIS

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# LEASE ABSTRACT

**TENANT:**

Starbucks Corporation

**LEASE GUARANTOR:**

Corporate

**BUILDING SIZE:**

2,515 Square Feet

**LEASE COMMENCEMENT:**

Est. December 15, 2018

**LEASE EXPIRATION:**

Est. December 31, 2028

**BASE TERM:**

10 Years (No early termination right)

**YEAR 1 NOI:**

\$12,667 per month/\$152,000 annually (Years 1-5)

(Please note: A \$2,000 annual association fee has been factored into the NOI.)

**BASE RENT:**

\$12,833 per month/\$154,000 annually (Years 1-5)

\$14,117 per month/\$169,400 annually (Years 6-10)

**OPTIONS:**

Four (4), 5 year options

**OPTION RENT:**

Option 1: \$15,528 per month/\$186,340 annually (Years 11-15)

Option 2: \$17,081 per month/\$204,974 annually (Years 16-20)

Option 3: \$18,789 per month/\$225,471 annually (Years 21-25)

Option 4: \$20,668 per month/\$248,019 annually (Years 26-30)

**TENANT MAINTENANCE OBLIGATIONS:**

"Tenant, at Tenant's expense, shall keep the non-structural portions of the Building, including the Premises in good order and repair, including the day-to-day maintenance of all plumbing, HVAC, electrical, and lighting facilities and equipment within the Premises" "Tenant shall also be responsible for the day-to-day maintenance and repair (but not the replacement) of all parking areas, driveways, sidewalks, landscaping and drainage systems."

**TENANT PRORATA SHARE OF CAM:**

"Because the property is "self-contained" and Tenant is maintaining the Property at its own expense in accordance with Section 6.1, Tenant shall not be obligated to pay any common area expenses or other costs in connection with Landlord's maintenance of the Property as provided in this lease"; however, Tenant shall pay an Annual CAM Fee of Four Thousand (\$4000) for the first five years of their base term. Following Lease Year Five (5), said Annual CAM Fee shall increase by 10% and each five (5) year period thereafter.

**LANDLORD MAINTENANCE OBLIGATIONS:**

"Landlord shall, at its sole cost and expense, maintain, repair, and make replacements to the Premises, the Building, and the Property (including the Common Areas, if any)" "Such repairs, replacements, and maintenance shall include" "roof, roof membrane, and roofing systems (gutters, downspouts, and the like), foundation, exterior walls, interior structure walls, and all structural components of the Premises" "repair and replacement of all parking areas (including resealing, repaving and repainting parking areas once every ten (10) years."

**TAXES:**

Tenant shall be responsible for all property taxes, any sales tax, rent tax or excise tax levied. As it related to Property Taxes, Tenant will not be obligated to pay any portion of an increase in real estate property taxes during the term resulting from the second sale or transfer of, or change of ownership of, the Property, when such sale or change of ownership event takes place within five (5) years of the previous sale, transfer or change of ownership.

**UTILITIES:**

Tenant shall be responsible for all utilities.

**INSURANCE:**

Tenant shall be responsible for all costs associated with obtaining a General Liability and Casualty Insurance Policy.

**ASSIGNMENT & SUBLETTING:**

Tenant shall have the right to assign or sublease; however, in all cases Tenant shall remain liable for payment of rent and performance of the terms, covenants and conditions of this Lease.

**CONTINUING RIGHT OF FIRST OFFER:**

If Landlord ever elects to sell said Property, then Landlord must first deliver written notice to tenant stating Landlord's offering price. Tenant shall then have Thirty (30) days in which to purchase the Property under said proposed terms. Said right shall be ongoing throughout the lease.

**ESTOPPEL:**

Tenant shall provide an executed Estoppel Certificate to Landlord within thirty (30) days of written request.







# STARBUCKS

**TENANT TRADE NAME** Starbucks Coffee

**OWNERSHIP** Starbucks Corporation

**TENANT** Starbucks Corporation

**LEASE GUARANTOR** Starbucks Corporation

**S&P CREDIT RATING** BBB+

**MOODY'S CREDIT RATING** Baa1

**HEADQUARTERS** Seattle, WA



**28,218+**  
Locations



**\$30 BILLION**  
Net Worth of Parent Company



**\$22.4 BILLION**  
2017 Global Revenue



**ONE OF THE "WORLD'S MOST VALUABLE BRANDS"**

Ranked by *Forbes*  
(2013-2017)

## TENANT SUMMARY

Starbucks Corporation is an American coffee company and coffeehouse chain. Starbucks was founded in Seattle, Washington in 1971. Today it operates over 28,218 locations worldwide. Today, Starbucks is the world's largest coffee retailer and is considered the main representative of "second wave coffee," initially distinguishing itself from other coffee-serving venues in the US by taste, quality, and customer experience, while popularizing darkly roasted coffee.

Since the 2000s, third wave coffee makers have targeted quality-minded coffee drinkers with hand-made coffee based on lighter roasts, while Starbucks nowadays uses automated espresso machines for efficiency and safety reasons. Selling over 2 billion cups of coffee every year, Starbucks locations serve more than just hot and cold drinks. They also sell whole-bean coffee, micro ground instant coffee, espresso, cafe latte, full- and loose-leaf teas including Teavana tea products, Evolution Fresh juices, Frappuccino beverages, pastries, and snacks including items such as chips and crackers and some of their products are seasonal or specific to the locality of the store.



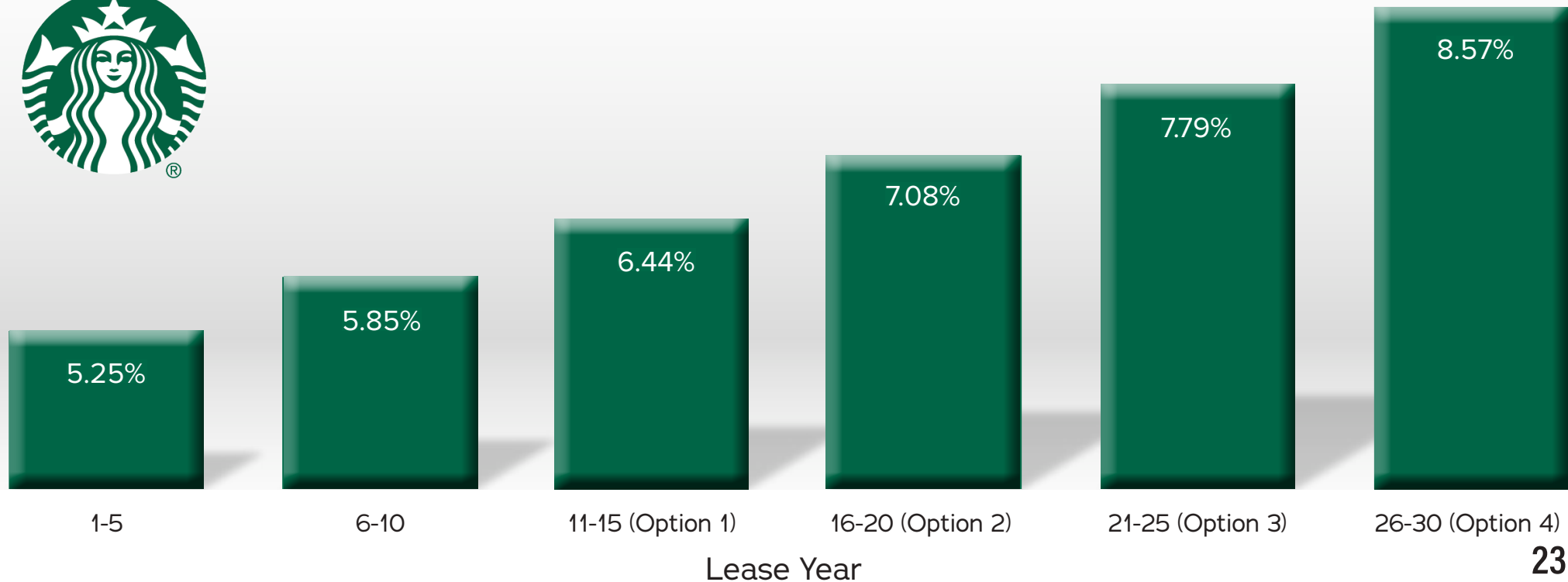
# FINANCIAL SUMMARY

## THE OFFERING

Price:	\$2,895,238
Property Address:	6425 N. Wickham Road Melbourne, FL 32940
Cap Rate:	5.25%
Gross Leasable Area (GLA):	2,515 SF
Lot Size:	0.93 Acres
Year Built:	2018
Type of Ownership:	Fee Simple

## LEASE SUMMARY

Property Subtype:	Net Leased Restaurant
Tenant:	Starbucks
Rent Increases:	10% Every in Year 6 & Each Option
Guarantor:	Corporate
Lease Type:	NN
Lease Commencement:	Est. 12/15/2018
Lease Expiration:	Est. 12/31/2028
Lease Term:	10 Years
Renewal Options:	Four (4), 5-Year
Landlord Responsibility:	Roof & Structure
Tenant Responsibility:	CAM, Taxes, Insurance, Utilities, HVAC







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Actual Location

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