



**STARBUCKS**  
4305 WEST ELM STREET  
MCHENRY, IL 60050

Offering Memorandum



Marcus & Millichap









**Jewel-Osco**

**CHASE**

**ihop**

**TACO BELL**

**CVS  
pharmacy**

*Walgreens*



W ELM STREET  
28,100 CPD

**WHISPERING  
OAKS PARK**







## STARBUCKS

4305 West Elm Street  
McHenry, IL 60050

## FINANCIAL SUMMARY

|               |                   |
|---------------|-------------------|
| Price         | \$1,507,000       |
| Down Payment  | 100% \$1,507,000  |
| Cap Rate      | 5.35%             |
| Building SF   | 1,906 SF          |
| Net Cash Flow | 5.35% \$80,623.80 |
| Year Built    | 2019              |
| Lot Size      | .40 Acres         |

## LEASE SUMMARY

|                              |                       |
|------------------------------|-----------------------|
| Lease Type                   | Double-Net (NN) Lease |
| Tenant                       | Starbucks             |
| Lease Guarantor              | Corporate             |
| Roof & Structure             | Landlord Responsible  |
| Est. Lease Commencement Date | August 1, 2019        |
| Est. Lease Expiration Date   | July 31, 2029         |
| Lease Term                   | 10 Years              |
| Rental Increases             | 10% Every 5 Years     |
| Renewal Options              | 4, 5 Year Options     |

## ANNUALIZED OPERATING DATA

| LEASE YEARS | ANNUAL RENT | CAP RATE |
|-------------|-------------|----------|
| 1 - 5       | \$80,623.80 | 5.35%    |
| 6 - 10      | \$88,686.18 | 5.88%    |

| OPTIONS  | ANNUAL RENT  | CAP RATE |
|----------|--------------|----------|
| Option 1 | \$97,554.80  | 6.47%    |
| Option 2 | \$107,310.28 | 7.12%    |
| Option 3 | \$118,041.31 | 7.83%    |
| Option 4 | \$129,845.44 | 8.62%    |

|                      |                   |
|----------------------|-------------------|
| BASE RENT            | \$80,623.80       |
| Net Operating Income | \$80,623.80       |
| Total Return         | 5.35% \$80,623.80 |







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 the 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

- Brand New 10-Year Lease with Starbucks – Corporate Guaranty
- Complete Renovation Finished in 2019
- 10% Rental Increases Every 5 Years
- 62,104 Residents in Growing McHenry Trade Area – 56 Miles Northwest of Downtown Chicago
- Excellent Visibility – Located Along Illinois Route 120 (West Elm Street) with 28,100 Cars per Day
- Close Proximity to the Primary Retail Corridor Serving Both Northern Illinois and Southern Wisconsin – Tenants Include Walmart Supercenter, The Home Depot, Meijer, Hobby Lobby, TJ Maxx, and PetSmart
- Across from Jewel-Osco (the Dominant Chicago MSA Grocer), Dollar Tree, and Dollar General
- Average Household Income Exceeds \$95K in 5-Mile Radius
- Minutes from Northwestern Medicine's McHenry Hospital (179 Beds)
- Strong Daytime Population – 54,500 Employees in Surrounding Area

## DEMOGRAPHICS

| Population                         | 1-Mile   | 3-Miles  | 5-Miles  |
|------------------------------------|----------|----------|----------|
| 2023 Projection                    | 10,382   | 37,260   | 66,577   |
| 2018 Estimate                      | 9,894    | 34,523   | 62,104   |
| Growth 2018 - 2023                 | 4.94%    | 7.93%    | 7.20%    |
| Households                         | 1-Mile   | 3-Miles  | 5-Miles  |
| 2023 Projections                   | 4,150    | 14,057   | 24,973   |
| 2018 Estimate                      | 3,903    | 12,887   | 23,041   |
| Growth 2018 - 2023                 | 6.33%    | 9.08%    | 8.38%    |
| Income                             | 1-Mile   | 3-Miles  | 5-Miles  |
| 2018 Est. Average Household Income | \$71,366 | \$89,770 | \$95,054 |
| 2018 Est. Median Household Income  | \$59,242 | \$74,564 | \$77,498 |
| 2018 Est. Per Capita Income        | \$28,234 | \$33,593 | \$35,313 |

## LOCATION OVERVIEW

Situated in Illinois' McHenry County, McHenry is surrounded by natural lakes and streams, grassy moraine hills, gravel banks, and shallow nutrient-rich peat bogs. Moraine Hills State Park and Volo Bog State Natural Area preserve some of these natural features. The city lies along Fox River, approximately 55 miles northwest of the Chicago Loop, 35 miles from O'Hare International Airport, 45 miles east of Rockford Airport, and 55 miles southwest of General Mitchell International Airport in Milwaukee, Wisconsin. McHenry is centered on two major state highways, Illinois Route 31 and Illinois Route 120.

McHenry has been successful in encouraging reuse of its historic commercial areas and linking them to the waterfront and to neighborhood areas. Extensive new retail centers – particularly in the north part of the city – furnish goods, services, and retail tax revenues for the city. McHenry is a diverse community offering a variety of housing choices, employment options and unparalleled access to recreational activities. As people seek homes and jobs in friendly, less congested and historic communities, McHenry becomes increasingly attractive to new families and new businesses.

The city's three largest employment sectors (by number of employees) are Healthcare and Social Assistance, Retail Trade, and Manufacturing. McHenry is home to several major industrial users including Medela, Follett School Solutions, Fabrik Industries, and Plaspros. This has allowed for steady residential growth and an increase in significant commercial development. The North Richmond Road corridor has become a destination for shoppers in both the northern Illinois and southern Wisconsin areas with numerous big box retailers and smaller chains, including Walmart Supercenter, The Home Depot, Meijer, Hobby Lobby, TJ Maxx, and PetSmart.



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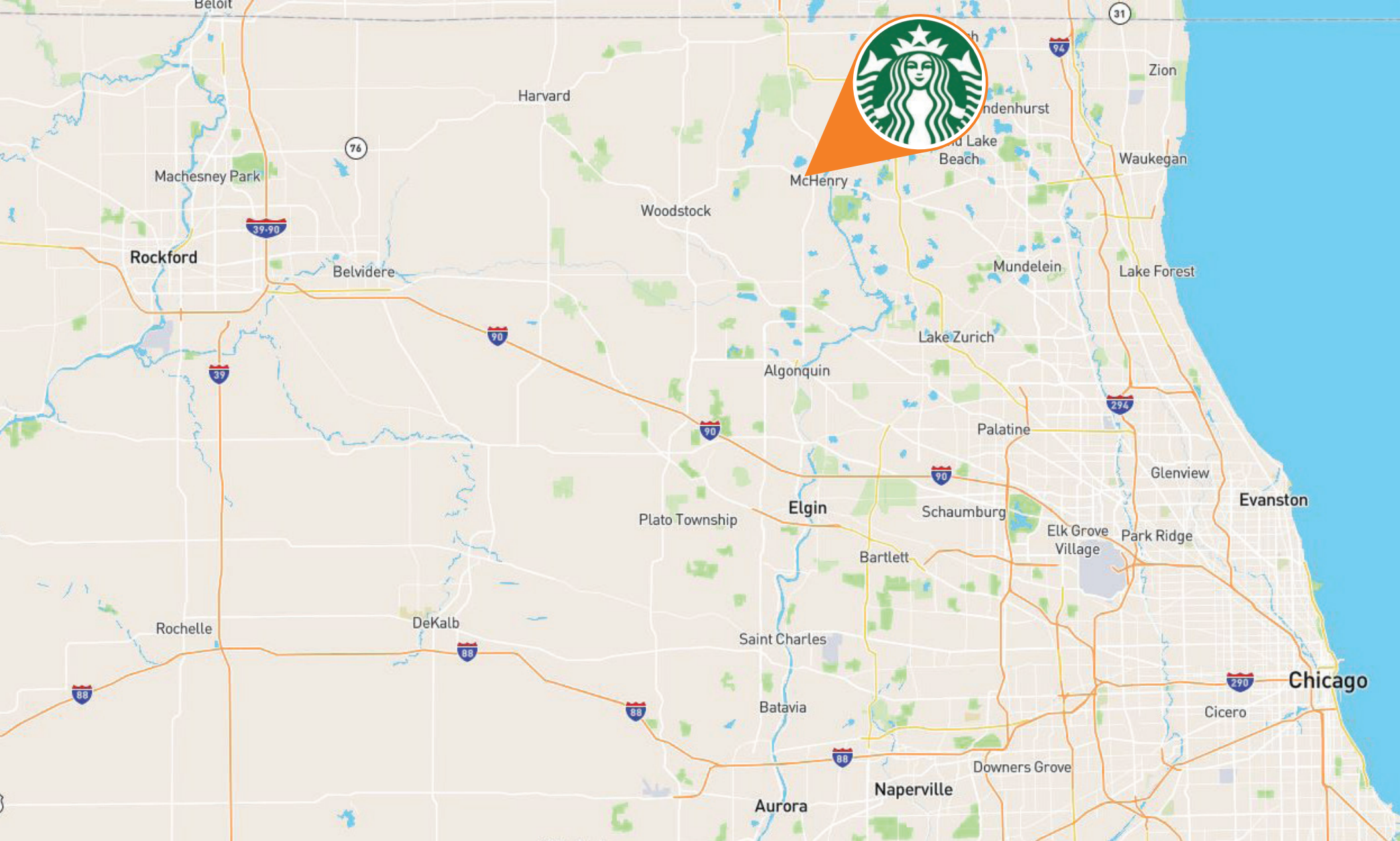












**10 MILES**

McHenry  
County College

**20 MILES**

Six Flags  
Great America

**42 MILES**

Chicago O'Hare  
International Airport

**56 MILES**

Downtown  
Chicago



## 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.

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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

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