



STARBUCKS



1385 Santa Rosa Ave | Santa Rosa, CA

OFFERING MEMORANDUM

LISTED BY

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MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

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STARBUCKS



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EXECUTIVE OVERVIEW

INVESTMENT HIGHLIGHTS

BEST IN CLASS INVESTMENT GRADE CREDIT TENANT

- Starbucks has signed a **brand new 10-year lease** with no early termination clause
- High-quality **2019 construction with drive-thru and outdoor patio seating**
- Fixed **10% rental increases** every 5 years in both the initial term and options
- New 10-year roof warranty in place and assignable at closing
- Lease secured by an industry-leading, **investment grade credit tenant** with a “BBB+” rating by Standard and Poor’s
- Starbucks has over 27,000 locations worldwide, saw over \$22.4 billion in revenue and net income of over \$2.88 billion in 2017

HIGH-TRAFFICKED HIGHWAY LOCATION

- Frontage along Santa Rosa Avenue **(30,000 cars per day)** which connects downtown Santa Rosa to the main retail corridor serving the city
- Starbucks backs up to Highway 101 which sees over 153,000 cars per day and which connects Santa Rosa and Sonoma to San Francisco and other highly affluent surrounding cities
- Positioned 2 blocks from Santa Rosa Marketplace, **a 500,000+ SF retail center anchored by Costco and Target** and with a fantastic mix of successful national brands such as Trader Joe’s, Bevmo and Marshalls
- **1.5 miles from downtown Santa Rosa** which is in the heart of wine country and a popular day trip destination for those in the Bay Area which is just 50 miles South
- Less than 8 miles from Sonoma State University and less than **15 miles from Sonoma wine country** which is one of California’s best wine and food destinations, with over 452 wineries
- Over 196,000 residents in a 5-mile radius and **average household income of over \$100,000**

SITE PLAN



FINANCIAL OVERVIEW



\$4,812,500
LIST PRICE



\$192,500
NOI



4.00%
CAP RATE

BUILDING INFO

Address	1385 Santa Rosa Avenue Santa Rosa, CA
APN	037-171-021-000
Year Built	2019
GLA of Building	2,500 SF
Lot Size	±0.48 Acres (±20,700 SF)

TENANT SUMMARY

Trade Name	Starbucks
Ownership Type	Fee Simple
Lease Guarantor	Corporate
Lease Type	NN
Original Lease Term (Years)	10 YRS
Lease Commencement Date	2/15/2018
Rent Commencement Date	Estimated 6/15/2019
Lease Expiration Date	10 Years from Rent Commencement
Increases	10% After 5 Years
Options	Four, 5-Year Options
Roof & Structure	Landlord Responsible
Common Area Maintenance	Tenant Reimburses Landlord

ANNUALIZED OPERATING DATA

Date	Monthly Rent	Annual Rent	Cap Rate
Year 1-5	\$16,041.67	\$192,500.00	4.00%
Year 6-10	\$17,645.83	\$211,750.00	4.40%
Option 1	\$19,410.42	\$232,925.00	4.84%
Option 2	\$21,351.46	\$256,217.50	5.32%
Option 3	\$23,486.60	\$281,839.25	5.86%
Option 4	\$25,835.27	\$310,023.18	6.44%

TENANT OVERVIEW



REPRESENTATIVE PHOTO

The Offering

PROPERTY NAME	
Property Address	Starbucks 1385 Santa Rosa Ave Santa Rosa, CA
SITE DESCRIPTION	
Number of Stories	One
Year Built	2019
Lot Size	±20,700 SF
Type of Ownership	Fee Simple
Landscaping	Professional
Topography	Generally Level

Tenant Overview

» Company Name	» Year Founded	» Headquarters
Starbucks	1971	Seattle, WA
» Ownership	» Industry	» No. of Employees
Public	Coffee Shops	±300,000

Starbucks Corporation operates as a roaster, marketer, and retailer of specialty coffee worldwide. Its stores offer coffee and tea beverages, packaged roasted whole bean and ground coffees, single-serve and ready-to-drink coffee and tea products, juices, and bottled water. The company's stores also provide fresh food and snack offerings; and various food products, such as pastries, and breakfast sandwiches and lunch items, as well as serve ware, beverage making equipment, and accessories.

\$22.4 B

2017 Sales

\$2.88 B

2017 Net Income

27,000 +

Locations Worldwide

PUBLISHED BY THE AMERICAN SOCIETY OF CLIMATE ENGINEERS, INC., 1000 WILSON AVENUE, SUITE 1000, CHICAGO, IL 60607-4298



NORTH ELEVATION (FRONT ENTRY)
SCALE: 1/8" = 1'-0"



WEST ELEVATION (REDWOOD HWY. 101)
SCALE: 1/8" = 1'-0"



EAST ELEVATION (PATIO AT SANTA ROSA AVE.)
SCALE: 1/8" = 1'-0"



SOUTH ELEVATION (DRIVE-THRU)
SCALE: 1/8" = 1'-0"



TWA
ARCHITECT

TOM WILSON ARCHITECT, INC.
620 First Street, Suite 252
Berkeley, CA 94710
Tel. (415) 740-1234

MAIL DEVELOPMENT
SANTA ROSA AVE.
SANTA ROSA, CA 95404

KPOINT
PROPERTIES
Novato, CA 94949
407-1411

 BLACK & VEATCH 20 Gull Drive, Suite D, N. Minneapolis, MN 55412 Telephone: (612) 295-2500	
DATE:	11-20-2017
REV. NO.	REV. DATE
△	
△	
△	
△	
△	

FLOOR PLAN & EXTERIOR ELEVATIONS
DR - 5
JOB NO.: BP012

TAYLOR MOUNTAIN REGIONAL PARK

COSTCO
WHOLESALE

Office
DEPOT
Pizza
Hut

BEST
BUY

PET
SMART
Marshall's


TARGET

BevMo!

Applebee's
TRADER
JOE'S
TACO
BELL
PANDA
EXPRESS
CHIPOTLE
ULTA


Best
Western

Tires
LES SCHWAB


FAST
SIGNS
More than fast. More than signs.

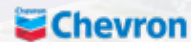
SANTA ROSA AVE ±30,000 UPD


STARBUCKS
COFFEE

SUBJECT PROPERTY


BOOT
BARN

Wendy's


Chevron


meineke
car care center

CALIFORNIA
US
101

HIGHWAY 101 ±153,000 UPD

SONOMA COUNTY AIRPORT
±9.3 MILES AWAY

DOWNTOWN SANTA ROSA
±1.5 MILES AWAY

U-HAUL

Hertz

NAPA

KIA

NISSAN

TOWN & COUNTRY
AUTO SALES

CALIFORNIA
U.S.
101

meineke
car care center

SONOMA COUNTY
EVENT CENTER
±1.3 MILES AWAY

STARBUCKS
COFFEE

SUBJECT PROPERTY

State Farm
BOOT
BARN

SUBWAY
FAST SIGNS
More than fast. More than signs.

HIGHWAY 101 ±153,000 UPD

SANTA ROSA AVE ±30,000 UPD

SONOMA STATE UNIVERSITY
±7.9 MILES AWAY

BevMo!



COSTCO
WHOLESALE

Tires LES SCHWAB

Best
Western

SANTA ROSA AVE ±30,000 UPD

SUBWAY
FAST SIGNS
More than fast. More than signs.

State Farm
BOOT
BARN



SUBJECT PROPERTY

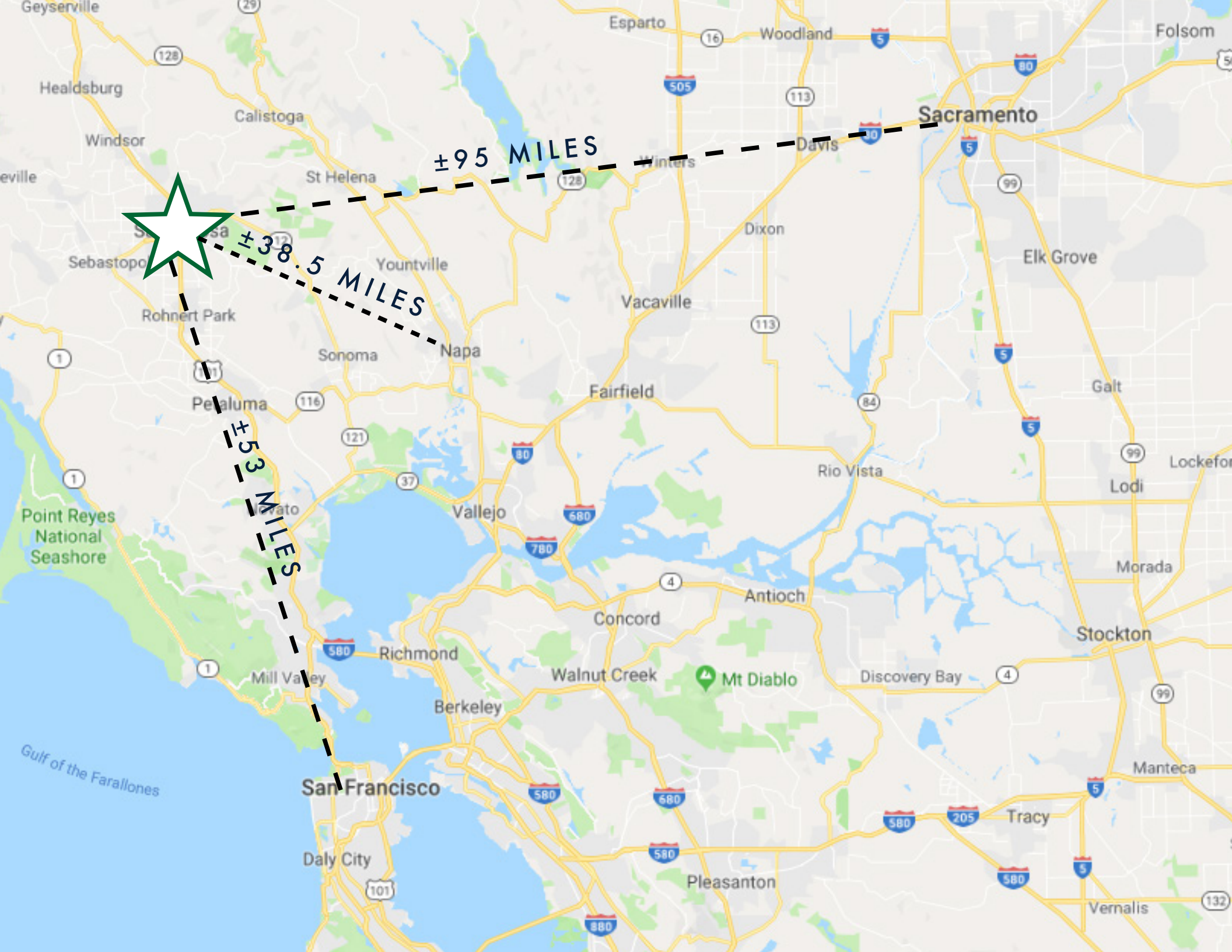
meineke
car care center

NORTH/SOUTH
HWY 101 ON-RAMP



SONOMA WINE
COUNTRY
±14.4 MILES AWAY

HIGHWAY 101 ±153,000 UPD



AREA OVERVIEW

SANTA ROSA, CA OVERVIEW

Just 55 miles north of San Francisco, in the urban heart of wine country, you'll find Santa Rosa: a city with a cool vibe and vibrant culture ready and waiting to be explored. Santa Rosa is the happening hub for all there is to see, do, eat, drink, hike, bike and explore in Sonoma County.

Santa Rosa is a foodie paradise without the pretense – where fresh from the farm is standard fare. We are authentic and so is our vibrant food culture. We invented farm-to-table cuisine, and not because it was trendy, because it's how we live. Santa Rosa is

bursting with famed chefs, iconic foods, locally caught seafood from the Sonoma Coast, and year-round farmers markets. We are the epicenter of California's food and wine scene, and your plate will always be full and local.

Santa Rosa is also the perfect hub to explore Sonoma County with your family. Kids (and kids at heart) will adore a visit to the home of Snoopy, Charlie Brown, and friends at the Charles M. Schulz Museum. The truth is, when you come to Santa Rosa, you're going to need a few extra days. Which is fine, you're always welcome.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2010 Census	23,008	119,046	196,606
2019 Estimate	24,276	126,417	207,773
2024 Projection	25,079	131,009	214,974
Growth 2019-2024	3.31%	3.63%	3.47%

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2010 Census	6,943	42,294	72,204
2019 Estimate	7,439	45,207	77,015
2024 Projection	7,722	46,935	79,927
Growth 2019-2024	3.80%	3.82%	3.78%

INCOME	1-MILE	3-MILE	5-MILE
2019 Avg Household Income	\$78,159	\$88,173	\$100,980
2019 Med Household Income	\$61,127	\$69,397	\$76,637



SNOOPY'S HOME ICE |

Built in 1969 by Peanuts creator Charles M. Schulz, Snoopy's Home Ice has been called the world's most beautiful ice arena. With the charm and ambiance of a Swiss Alpine village, and towering Redwoods in front of the building, Snoopy's Home Ice offers a unique experience not found at any other ice arena.



CHILDREN'S MUSEUM SONOMA COUNTY |

The Children's Museum of Sonoma County is a fun destination for families interested in hands-on, interactive experiences for children ages 10 and younger. Enjoy indoor and outdoor exhibits along with daily programs focused on art, science and nature in a safe, expansive environment.



CLIF FAMILY WINERY |

In 1992, when we started Clif Bar & Company, we were driven by our passion for food and adventure and a desire to create convenient, portable and above all delicious food for today's busy lifestyles. Several years later, in 1997, we moved with our family to the Napa Valley. Today, on our Food Alliance- and CCOF-certified farm we grow a variety of fruits and vegetables that make their way to our Clif Family Bruschetteria Food Truck and into and our preserved fruit and vegetable products. What started as a home in the country soon developed into a wonderful adventure in winemaking and a deeper commitment to sustainability and farming.

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Starbucks** located at **1385 Santa Rosa Avenue | Santa Rosa, CA 90606** (“Property”). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

REPRESENTATIVE PHOTO

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