



Starbucks Retail Center

NAPAVINE, WASHINGTON



CAPITAL PACIFIC

Overview

Starbucks Retail Center

1290 RUSH RD, NAPA VINE, WA 98532



Investment Summary

LEASEABLE SF

3,276 SF

LAND AREA

27,633 SF

YEAR BUILT

2014

TOTAL OCCUPANCY*

78%

STARBUCKS OCCUPANCY

52% of GLA

PARKING

**29 Spaces;
8.9/1,000 SF**

**Offering includes a single 720 SF vacancy.*

\$1,575,000

PRICE

5.70%

CAP

THE OFFERING provides the opportunity to acquire a three-unit Starbucks-anchored retail center 78% leased to Starbucks and Edward Jones, with a single vacancy. The Property is a high-quality construction offering pride of ownership, located directly off Interstate-5 on-off ramps, in the high-growth city of Napavine, WA. The Property is ideally positioned approximately halfway between Portland, OR and Seattle, WA, benefitting from daily work and destination commuters, and lack of coffee drive-thrus in the trade area, creating a supply-constrained market for Starbucks.

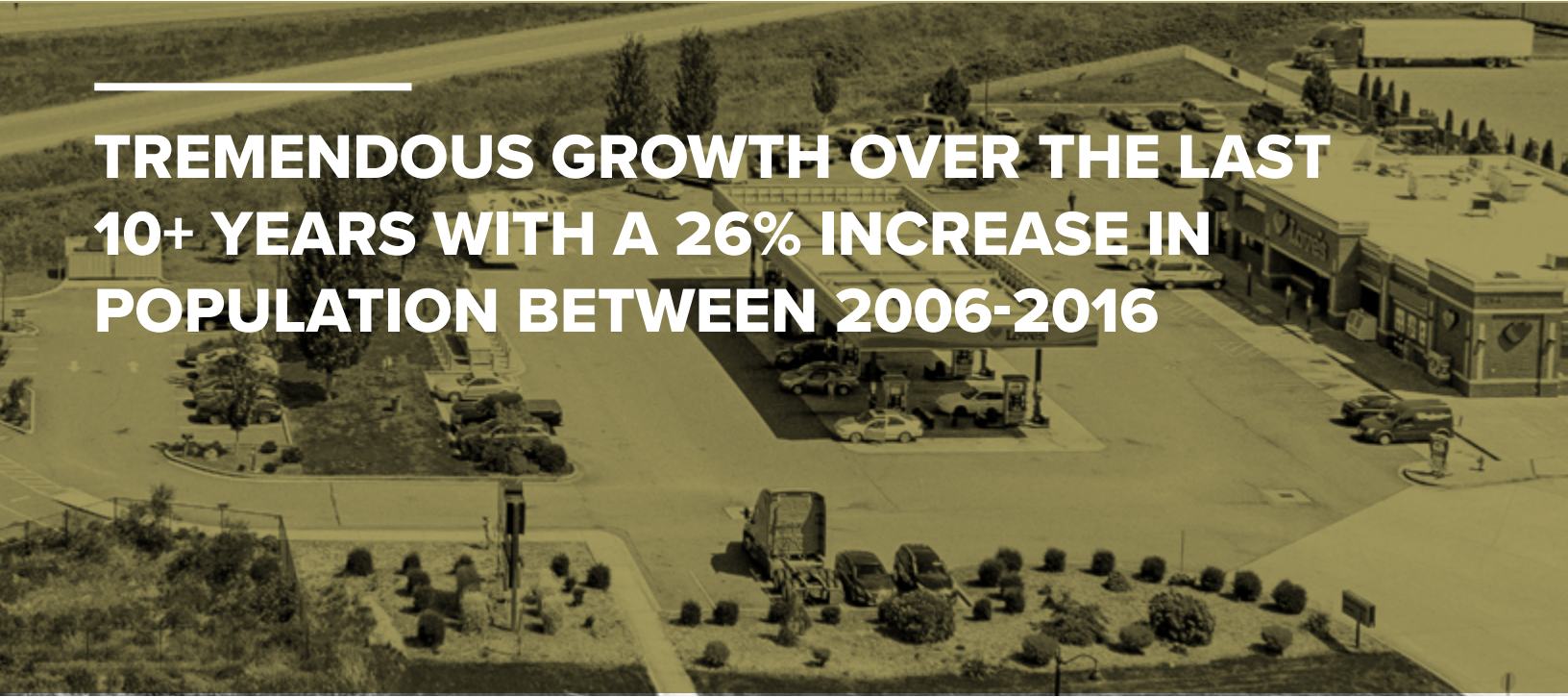
Investment Highlights



LEASED TO TWO STRONG NATIONAL TENANTS: STARBUCKS AND EDWARD JONES; STARBUCKS OCCUPIES HALF OF THE TOTAL GLA AND HAS 5 YEARS REMAINING.

STARBUCKS BENEFITS FROM A TIGHT DRIVE-THRU COFFEE MARKET WITH ZERO COMPETITION FOR 30+ MILES FROM THE SOUTH. 

STRONG SYNERGY WITH RETAILERS - IN CLOSE PROXIMITY TO A FUEL STATION AND SEVERAL FAST-FOOD DRIVE-THRUS, EXPERTLY POSITIONED ROUGHLY HALFWAY BETWEEN SEATTLE AND PORTLAND.



**TREMENDOUS GROWTH OVER THE LAST
10+ YEARS WITH A 26% INCREASE IN
POPULATION BETWEEN 2006-2016**

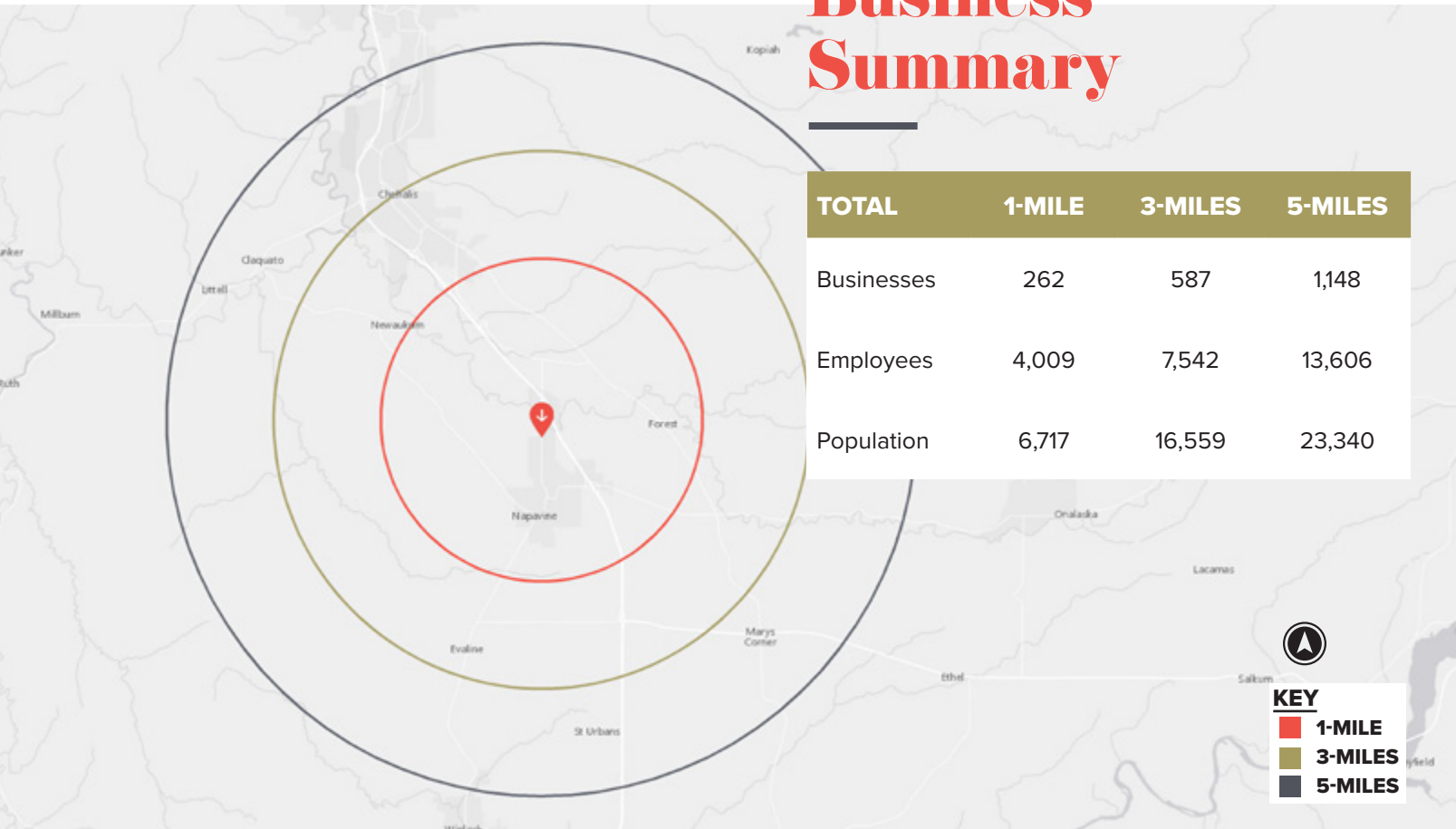
**HIGHLY-EXPOSED DIRECTLY OFF I-5 ON-OFF RAMPS, THE
MAIN NORTH-SOUTH ARTERIAL CONNECTING TO CANADA
AND OREGON, AND JUST 30 MINUTES FROM OLYMPIA, THE
STATE CAPITAL.**

**HIGH QUALITY CONSTRUCTION WITH A 10-YEAR REMAINING
ROOF WARRANTY.**

**POTENTIAL 125 ACRES TO BE ANNEXED FOR MULTI-FAMILY
HOUSING, CURRENTLY UNDER REVIEW WITH THE CITY.**

Surrounding Retail

Business Summary



MAJOR RETAIL

- Applebee's

Burger King

Carl's Jr

Chase Bank

Denny's

Dollar Tree

Dutch Bros. Coffee

Goodwill

Grocery Outlet
- Jack in the Box

Jimmy John's

Les Schwab

McDonald's

Michaels

O'Reilly Auto Parts

Papa Murphy's

Rite Aid

Safeway
- Sonic Drive-In

Staples

Starbucks

Subway


Taco Bell

Verizon

Walgreens

Walmart Supercenter

CENTRALIA FACTORY OUTLET

- Aeropostale

Bath & Body Works

Chico's

Coach

Dress Barn
- Eddie Bauer

Nike

Pendleton

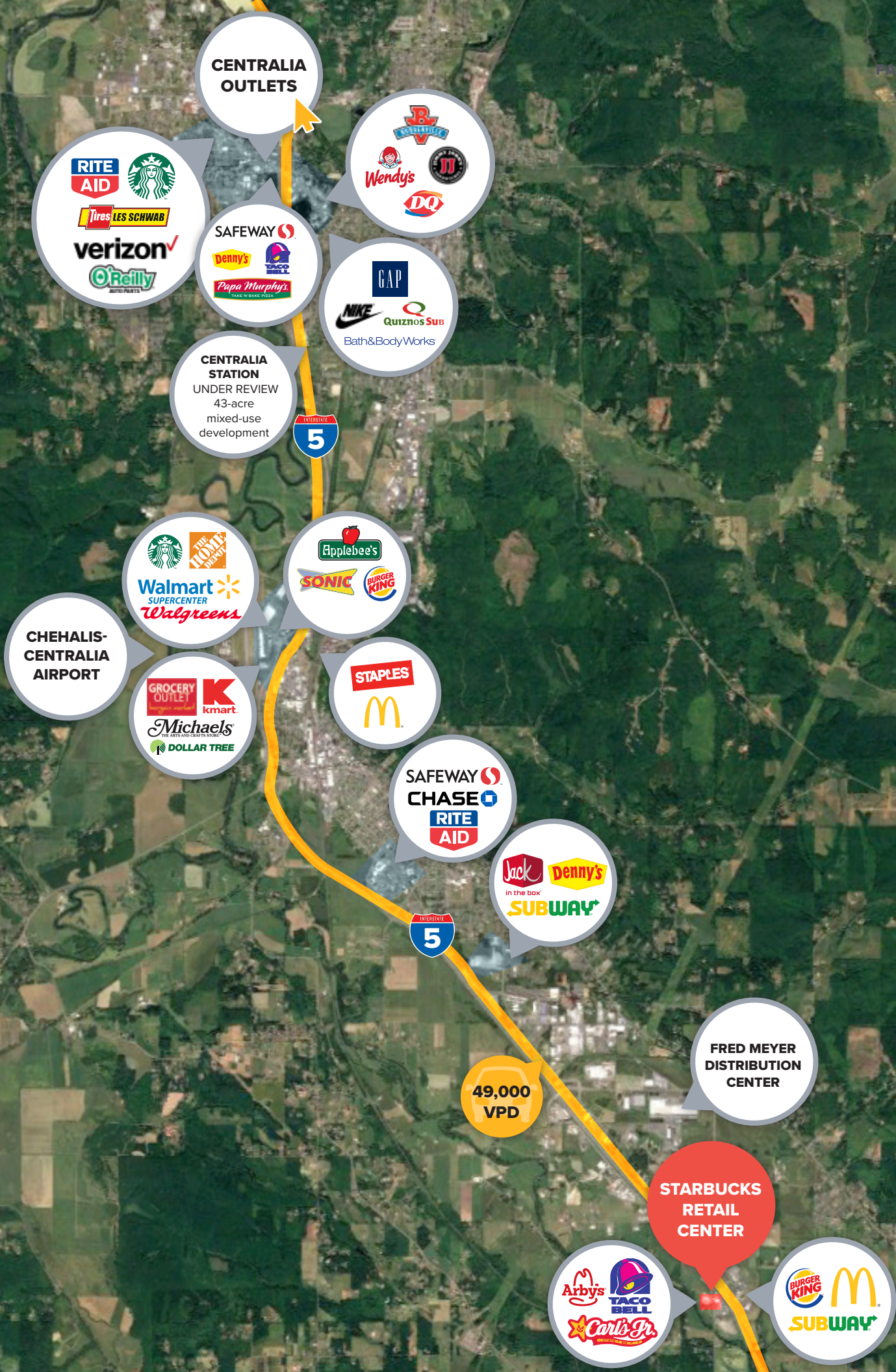
Polo Ralph Lauren

Quiznos
- Under Armour

Van Heusen

VF Outlet

Vitamin World



Site Plan





Construction Details

ROOF: 15-year warranty from 8/27/2014 installation.

FOUNDATION: 6" concrete slab-on-grade.

EXTERIOR SIDING: CMU block.

WINDOWS/DOORS: Metal doors and frames.

LANDSCAPING: Attractive, low maintenance deciduous plants.

DRIVE-THRU: Single drive-thru lane equipped with exterior awning and lighting.

HVAC: Individual roof-mounted units.

Site Plan

Drive-Thru Competition

THE I-5 CORRIDOR PROVIDES a supply-constrained market for drive-thru coffee. The Starbucks drive-thru is the only drive-thru coffee restaurant for 30+ miles from the south, and roughly within a 10-minute drive from the north.

Surrounding Competition

1. STARBUCKS

1531 NW Louisiana Ave, Chehalis, WA 98532

2. DUTCH BROS. COFFEE

620 Arkansas Way, Chehalis, WA 98532

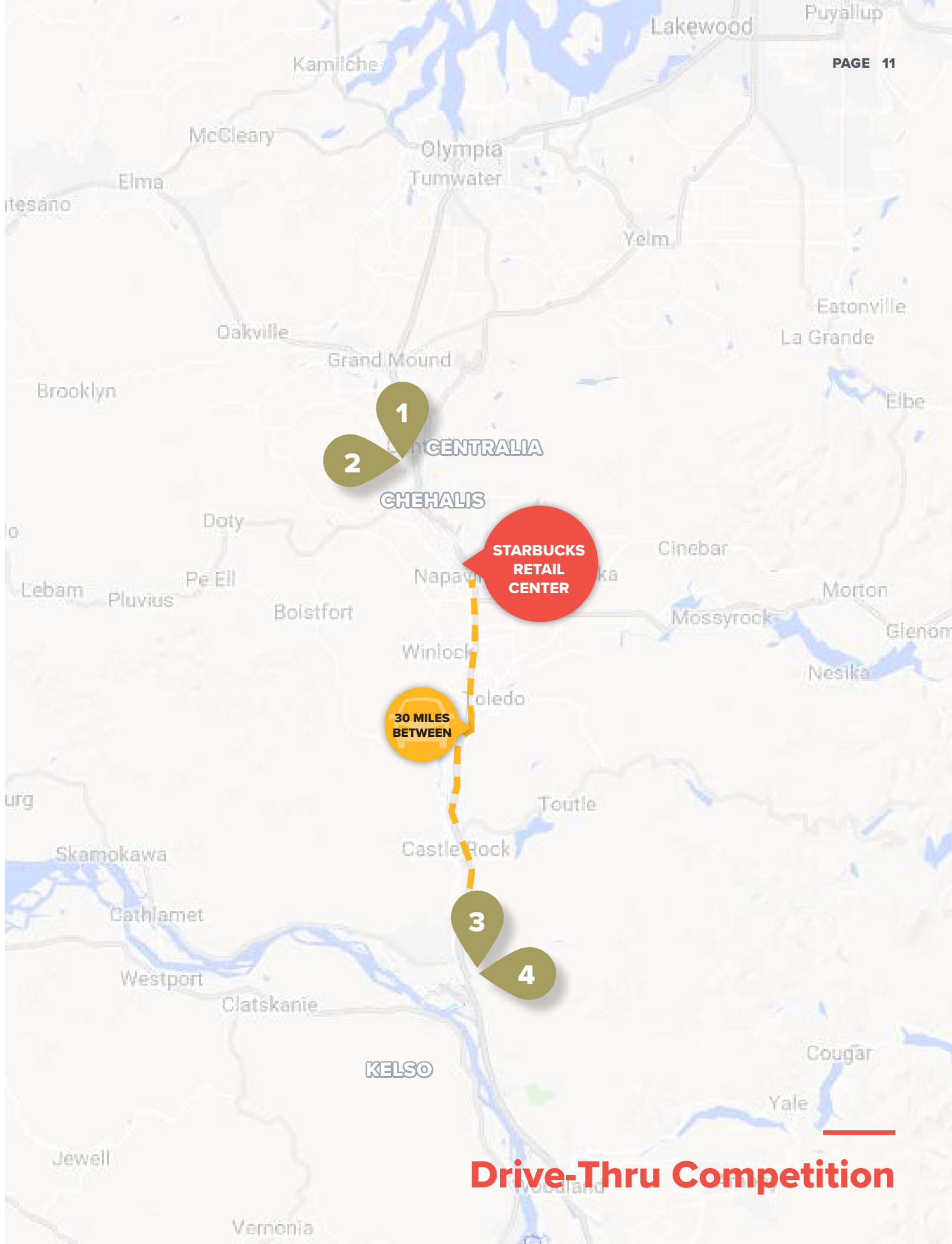
3. STARBUCKS

100 N Minor Rd Suite A, Kelso, WA 98626

4. DUTCH BROS. COFFEE

104 S Kelso Dr, Kelso, WA 98626





Drive-Thru Competition

Financial Summary

PRICE

\$1,575,000

CAPITALIZATION RATE

5.70%

CASH FLOW SUMMARY

SCHEDULED INCOME

PER SF

Base Rent for the Period of:	8/1/2019 - 7/31/2020	\$28.90	\$94,690
Rent Increases Over Base Rent		\$0.08	\$264
Operating Expense Reimbursement		\$6.20	\$20,327
Total Effective Gross Income (EGI)		\$35.19	\$115,281

OPERATING EXPENSES

PER SF

CAMS		\$3.17	\$10,401
Property Taxes		\$3.22	\$10,546
Insurance		\$0.40	\$1,314
Management Fee	2.75% of EGI	\$0.94	\$3,088
Total Operating Expenses		\$7.74	\$25,348

NET OPERATING INCOME

\$27.45

\$89,933

A photograph of a Starbucks Coffee store. The building is a two-story structure with light-colored horizontal siding and dark-framed windows. A large Starbucks logo is visible on the upper right side of the building. A sign above the entrance reads "STARBUCKS COFFEE" and "DRIVE THRU" with an arrow. There is an outdoor seating area with tables and umbrellas in front of the store. Several cars are parked in the lot to the right of the building.

**STARBUCKS OCCUPIES HALF OF THE
TOTAL GLA AND HAS 5 YEARS REMAINING**

This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.

Starbucks			
Lease Term:	6/6/2014 - 6/30/2024	Lease Type:	NNN
Size (SF):	1,750	Pro-Rata:	53.42%
RENT SUMMARY			
DATE	MONTHLY BASE RENT	% INCREASE	ANNUAL RENT
7/1/19	\$6,096		\$73,150
OPTIONS	4, 5-Yr	10% Inc. Options 1-2, FMR Options 3-4	
Comments: Tenant has 4, 5-Yr Options with scheduled 10% rent bumps for Options 1-2 and Fair Market Rent for Options 3-4; all options to be exercised with 90 day's notice.			
Edward Jones			
Lease Term:	2/1/2015 - 1/31/2022	Lease Type:	NNN
Size (SF):	800	Pro-Rata:	24.42%
RENT SUMMARY			
DATE	MONTHLY BASE RENT	% INCREASE	ANNUAL RENT
2/1/19	\$1,795		\$21,540
2/1/20	\$1,839	2.5%	\$22,068
2/1/21	\$1,885	2.5%	\$22,620
OPTIONS	2, 5-Yr	Annual 10% Increases	
Comments: Tenant has an early termination right to be exercised with 90 days prior notice alongside an early termination fee of six months rent and TI allowance allotted to Tenant. Tenant has 2, 5-Yr Options with annual 2.5% rent increases, to be exercised with 180 day's notice.			
Available			
Size (SF):	726	Pro-Rata:	22.16%
TOTAL SF	3,276		
TOTAL RENT/MONTH	\$7,891	OCCUPIED	78%

Financial Summary

Operating expenses

	PROJECTED OPERATING EXPENSES			REIMBURSEMENTS
	TOTAL	PER SF	NOTES	
CAMS	\$10,401	\$3.17	1	\$8,096
PROPERTY TAXES	\$10,546	\$3.22	2	\$8,209
INSURANCE	\$1,314	\$0.40	1	\$1,023
MANAGEMENT	\$3,088	\$0.94	3	\$3,000
TOTAL EXPENSES	\$25,348	\$7.74		\$20,327

NOTES:

- 1) Based on 2018 Expenses.
- 2) Based on 2019 Lewis County Tax Assessment.
- 3) Based on 2.75% of EGI.

Reimbursements

TENANT NAME	PRO RATE %	CAMS	PROPERTY TAX	INSURANCE	MGMT	NOTES	TOTAL
EXPENSE TOTAL		\$10,401	\$10,546	\$1,314	\$3,088		
Starbucks	53.42%	\$5,556	\$5,634	\$702	\$1,500	1, 2	\$13,391
Edward Jones	24.42%	\$2,540	\$2,575	\$321	\$1,500	2	\$6,936
Available	22.16%						
TOTAL	100.00%	\$8,096	\$8,209	\$1,023	\$3,000		\$20,327

NOTES:

- 1) CAM capped at a 5% increase year-over-year; Cap excludes utilities, snow removal, periodic exterior painting, parking lot restriping, insurance, and taxes.
- 2) Management based on fixed \$1,500 annual amount.



Questions & Answers



Q: ARE THERE ANY RESTRICTED USES AT THE PROPERTY?

A: Yes, typical restrictions and allowances in-line with Class A retail are provided. The following uses are prohibited: dance/karate studio, beer or wine-making store, counseling, unemployment or SSA offices, liquor store, nail salon, tattoo shop, pawn shop, and the sale of marijuana.

Q: DO ANY TENANTS HAVE AN EXCLUSIVE USE?

A: Yes, Starbucks has the exclusive right to sell whole or ground coffee beans and the sale of espresso, coffee, and tea-related beverages (does not apply to fast food drive-thru establishments). Starbucks also prohibits a kiosk or drive-thru from being on the Property, or within 150 feet of the Property.

Q: HAS THERE BEEN ANY ENVIRONMENTAL TESTING AT THE PROPERTY?

A: A Phase I ESA was conducted by Environmental Associates, Inc. (EAI) on August 13, 2013, and no on-site Recognized Environmental Conditions (RECs) were discovered, and no further testing required. Note, the immediately adjacent Love's Travel Center received an NFA in 2013 following a reported leak and subsequent monitoring and participation in a WDOE - Voluntary Cleanup Program (VCP).





Lease Abstract - Starbucks

Premise & Term

TENANT	Starbucks Corporation dba Starbucks
BUILDING SF	1,750 SF
LEASE TYPE	NNN
COMMENCEMENT	06/06/2014
LEASE EXPIRATION	06/30/2024
OPTIONS	4, 5-Yr Options: 180-day notice
OPTION RENTS	10% Increases for Options 1-2 & FMR for Options 3-4.

Lease Provisions

EXCLUSIVE USE

Exclusive right to sell whole or ground coffee beans, espresso, coffee, and tea-related beverages; exclusions permit the sale of such items at full service or sit-down restaurants and fast-food outlets.



Expenses

CAMS

Tenant to reimburse Landlord for all common area maintenance and repair per the lease (includes landscaping, sidewalk, and parking areas), in addition to their share of utilities, taxes, and insurance. Tenant to only reimburse for a capital addition, repair or replacement to the building or property if amortized over its useful life. Tenant pays Management Fee based on a fixed \$1,500 annual amount.

UTILITIES

Tenant pays utilities directly to billing authority.

TAXES

Tenant reimburses their prorata share.

INSURANCE

Landlord is required to carry general liability, property, and 1-year base rent policies, of which Tenant reimburses their prorata share.

Maintenance & Repair

TENANT'S OBLIGATIONS

Tenant is responsible for maintaining the interior of their leased space in good order and repair including the interior surface of exterior walls, windows, doors, plate glass, and store fronts, in addition to all plumbing, HVAC, electrical, lighting, facilities and other equipment exclusively serving the Premises.

LANDLORD'S OBLIGATIONS

All structural/seismic repairs, improvements, or alterations to the Premises and Building. Upkeep of the roof, roof membrane/systems (gutters, downspouts and the like), foundation, exterior walls, and all structural components; such upkeep is reimbursable by Tenant, yet if a capital expense must be amortized per lease.

Lease Abstract - Edward Jones

Premise & Term

TENANT	Edward D. Jones & Co., L.P. dba Edward Jones
BUILDING SF	800 SF
LEASE TYPE	NNN
COMMENCEMENT	02/01/2015
LEASE EXPIRATION	01/31/2022
OPTIONS	2, 5-Yr Options; 180-day notice
OPTION RENTS	Rent increases 2.5% annually

Lease Provisions

TERMINATION RIGHT

Tenant may terminate with 90 day's prior notice following the 36th full calendar month, alongside an early-termination fee based on six months base rent and any TI allowance paid to Tenant by Landlord.



CAMS

Tenant to reimburse Landlord for all common area maintenance and repair per the lease (includes landscaping, sidewalk, and parking areas), in addition to their share of utilities, taxes, and insurance. Tenant to only reimburse for a capital addition, repair or replacement to the building or property if amortized over its useful life. Tenant pays Management Fee based on a fixed \$1,500 annual amount.

UTILITIES

Tenant pays utilities directly to billing authority; water & sewer meter is shared with the adjacent vacant space, of which Tenant reimburses their share per CAMs.

TAXES

Tenant reimburses their prorata share.

INSURANCE

Landlord is required to carry general liability, property, and 1-year base rent policies, of which Tenant reimburses their prorata share.

Maintenance & Repair

TENANT'S OBLIGATIONS

Tenant is responsible for maintaining the interior of their leased space in good order and repair, including the interior surface of exterior walls, windows, doors, plate glass, and store fronts, in addition to all plumbing, HVAC, electrical, lighting, facilities and other equipment exclusively serving the Premises.

HVAC: Tenant to reimburse replacement of unit or major part based on an amortization schedule, and will fully reimburse in option period.

LANDLORD'S OBLIGATIONS

All structural/seismic repairs, improvements, or alterations to the Premises and Building. Upkeep of the roof, roof membrane/systems (gutters, downspouts and the like), foundation, exterior walls, interior structural walls, and all structural components; such upkeep is reimbursable by Tenant, yet if a capital expense must be amortized per lease.

Featured Photography





Location

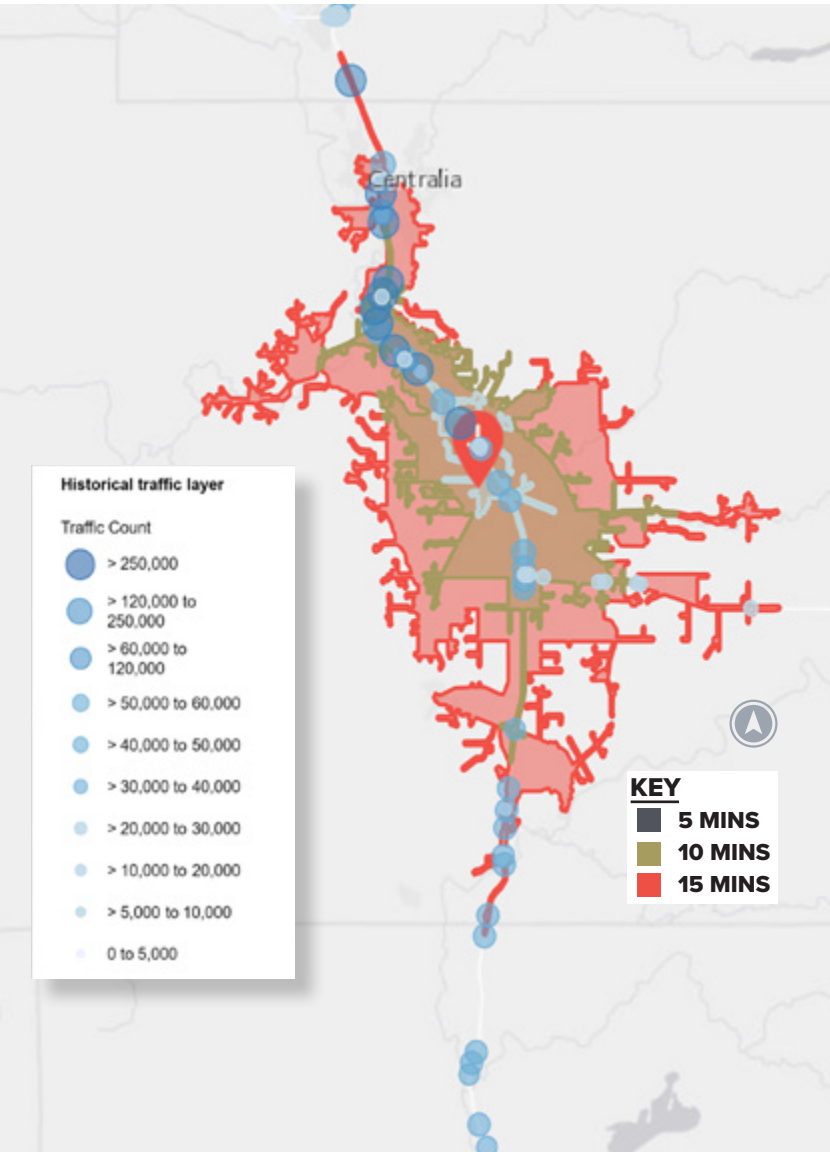
Napavine, Washington



NAPAVINE is located in Lewis County, centrally located between Tacoma and Portland, 15 minutes from Chehalis and Centralia, and just 30 minutes drive from Olympia, the state capital. Napavine has seen tremendous growth over the last decade nearly doubling in size (in terms of square miles), due to an aggressive annexation policy, and is highly-accessible located off the I-5 corridor. Napavine's growth can be attributed to the need for additional housing and amenities as Puget Sound continues to grow, and the cost of living continues to increase.

Employment & Industry

EMPLOYMENT in Lewis County is dominated by healthcare assistance, manufacturing, and retail. The top employment industry in Napavine is healthcare assistance, which leads by 18%.



Drive Time

Olympia, Washington

33 MILES
34 MINS

Portland, Oregon

80 MILES
1 HR 19 MINS

2018 HH INCOME

	5 MINS	10 MINS	15 MINS
Average	\$59,487	\$58,501	\$59,535
Median	\$43,012	\$42,989	\$43,165

75,882

**LEWIS COUNTY
POPULATION
(ESTIMATED)**

Location

Contact Us



**We'd love to hear
from you.**

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