

STARBUCKS / VERIZON

EXCLUSIVE NET LEASED OFFERING

Subject Property



OFFERING MEMORANDUM



verizon✓



9560-9564 S Western Avenue,
Evergreen Park, Illinois 60805

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Investment Highlights



About the Investment

- ✓ Brand New Starbucks/Verizon Two Tenant Built to Suit with Just Under 10 Years Remaining on Both Properties
- ✓ Rental Escalations in Both Leases
- ✓ Four, Five Year Tenant Renewal Options for Starbucks and Two, Five Year Options for Verizon
- ✓ Both Tenants Occupy 2,400 Square Feet and the Building Sits on Roughly 1.12 Acres of Land
- ✓ Class 8 Tax Incentive | Providing Landlord With Potential Upside and Additional Income

About the Location

- ✓ Situated in an Extremely Active Retail Corridor with Walmart, Whole Foods, Meijer, Sam's Club, Menards, Burlington, TJ Maxx, and Many More
- ✓ Very Affluent Community | Within a One-Mile Radius the Average Household Income is more than \$118,000
- ✓ The Property is Located Within an Extremely Dense Residential Area with Nearly 19,000 People in a One-Mile Radius and 226,000 People in a Three-Mile Radius

About Starbucks

- ✓ Starbucks Corporation | NASDAQ: SBUX | S&P Credit Rating: A-
- ✓ Founded in 1971, Starbucks has Grown to Nearly 30,000 Locations Throughout the World
- ✓ Starbucks Generates Over \$22 Billion of Revenue

About Verizon Wireless

- ✓ Verizon Wireless is the Largest Wireless Telecommunications Provider in the U.S.
- ✓ The Company is Headquartered in Basking Ridge, New Jersey and has Over 2,330 Retail Stores Throughout the Country
- ✓ Verizon Wireless' Parent Company, Verizon Communications, Inc Generated \$130 Billion in 2018



CLASS 8 TAX INCENTIVE

The Village has designate Evergreen Plaza for Class 8 assessment status for a period of 12 years. In Cook County, a Class 8 assessment status reduces the property's assessment level from 25% to 10% for the first 10 years. As a result, the Landlord collects a tax bill from the county at 10% of the assessment level and as per the lease, the Tenant shall reimburse the Landlord based on a full assessment level of 25%. Therefore, the Class 8 structures allows the Landlord to capture the spread between the taxes they collect from the tenant and the taxes that are owed to the county. Please contact the Listing Agent for more details.*

*BUYER AND SELLER UNDERSTANDS AND ACKNOWLEDGES THAT BROKER IS NOT QUALIFIED TO PROVIDE, AND HAS NOT BEEN CONTRACTED TO PROVIDE, LEGAL, FINANCIAL OR TAX ADVICE, AND THAT ANY SUCH ADVICE MUST BE OBTAINED FROM BUYER'S ATTORNEY, ACCOUNTANT OR TAX PROFESSIONAL.



Financial Analysis



PRICE: \$5,272,361 | CAP: 5.83% | COMBINED INCOME : \$307,243

PROPERTY DESCRIPTION

Property	Starbucks/Verizon Wireless
Property Address	9560-9564 S Western Avenue,
City, State, ZIP	Evergreen Park, IL 60805
Building Size (SF)	4,800
Land Area	1.12
Year Built	2018
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$5,272,361
CAP Rate	5.83%
Total Annual Income	\$307,243
Starbucks Rent	\$132,000
Verizon Wireless Rent	\$120,000
Estimated Class 8 Tax Benefit	\$55,243 (Estimated)

STARBUCKS LEASE SUMMARY

Property Type	Net Leased Restaurant
Tenant	Starbucks Corporation
Original Lease Term	10 Years
Rent Commencement	September 7, 2018
Lease Expiration	February 28, 2029
Lease Term Remaining	9.75 Years
Lease Type	Double-Net (NN)
Roof/Structure/Parking	Landlord Responsible
Option to Renew	Four (4), Five (5)-Year Options
Rental Increase	10% Every Five Years

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Starbucks/Verizon Wireless property located at 9560-9564 S Western Avenue in Evergreen Park, Illinois. The property was built in 2018 and consists of 4,800 square feet of building space, which is split evenly between the two tenants. The property is situated on roughly 1.12 acres of land.

The Starbucks portion is subject to a 10-year double-net (NN) lease with about 9.75 years remaining on the lease. The tenant is paying \$132,000 in annual rent that is subject to 10% rental escalations every five years. The tenant reimburses the landlord for common area maintenance. Furthermore, the tenant has the right to terminate this lease after the fifth calendar year if the sales are less than \$1,200,000 in exchange for a \$200,000 termination fee.

The Verizon portion is also subject to a 10-year double-net (NN) lease with about 9.50 years remaining on the lease. The tenant is paying \$120,000 in annual rent, plus common area reimbursements, that is subject to a 4% rental escalation at the start of year 6 and a 7% increase at the start of the first of two, five year renewal options.

In addition to the annual rental income, the landlord benefits from a Class 8 tax designation. In Cook County, a Class 8 assessment status reduces the property's assessment level from 25% to 10%. The tenant shall then reimburse the landlord for the taxes based on a full 25% assessment, allowing the owner to capture the difference over the next 10+ years! Please note, the projected Class 8 Tax amount of \$55,243 is an estimate.

VERIZON LEASE SUMMARY

Property Type	Net Leased Retailer
Tenant	Chicago SMSA Limited Partnership, d/b/a Verizon Wireless
Original Lease Term	10 Years
Rent Commencement	November 9, 2018
Lease Expiration	November 30, 2028
Lease Term Remaining	9.50 Years
Lease Type	Double-Net (NN)
Roof/Structure/Parking	Landlord Responsible
Option to Renew	Two (2), Five (5)-Year Options
Rental Increase	4% Increase in Year 6 and a 7% Increase at the Start of the First Renewal Option



Tenant Overview



About Starbucks

Nasdaq GS: SBUX

S&P Rating: A- / Stable

Every day, the Starbucks family is hoping to do two things: share great coffee with their friends and help make the world a little better. It was true when the first Starbucks opened in 1971, and it's just as true today.

Back then, the company was a single store in Seattle's historic Pike Place Market. From just a narrow storefront, Starbucks offered some of the world's finest fresh-roasted whole bean coffees. Today, Starbucks is connect with millions of customers every day with exceptional products and more than 28,218 retail stores in 70 countries.

ABOUT STARBUCKS

Starbucks wants their customers to feel a sense of belonging, their stores have become a haven, a break from the worries outside, a place where a person can meet with friends. It's about enjoyment at the speed of life—sometimes slow and savored, sometimes faster. Always full of humanity.

RECOGNITION

Starbucks has been awarded "One of the Most Admired Companies in America," by Fortune for twelve years running. Ethisphere has also awarded the company as amongst the "World's Most Ethical Companies" for eight years in a row. Starbucks has even been recognized in China and Canada for being considered to be "One of the Best Companies to Work For." in 2014.



STARBUCKS

About Verizon

NYSE: VZ

S&P Rating: A-2

Annual Revenue: \$126 Billion

Dividends: \$9.3 Billion Paid in 2016

Fortune 500 Rank: 14

Employees: 163,400

Verizon Wireless is an American telecommunications company, a wholly owned subsidiary of Verizon Communications, which offers wireless products and services. With 146 million subscribers as of April 2017, Verizon Wireless is the largest wireless telecommunications provider in the United States. The company is headquartered in Basking Ridge, New Jersey. It was founded in 2000 as a joint venture of American telecommunications firm Bell Atlantic, which would soon become Verizon Communications, and British multinational telecommunications company Vodafone. Verizon Communications became sole owner in 2014 by buying Vodafone's 45-percent stake in the company.

It operates a national 5G LTE network covering about 98 percent of the U.S. population, which in December 2015 won for top honors in each category of the RootMetrics RootScore Reports. Verizon Wireless offers mobile phone services through a variety of devices. Its LTE in Rural America Program, with 21 rural wireless carriers participating, covers 2.7 million potential users in 169 rural counties.

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Location Overview



The subject property is located at 9560-9564 S Western Avenue in Evergreen Park, Illinois. Evergreen Park is ideally situated only 15 miles south of downtown Chicago, which is the third largest city in the country. As a result, Evergreen Park has grown to become one of the most popular bedroom communities of the greater Chicago metropolitan area.

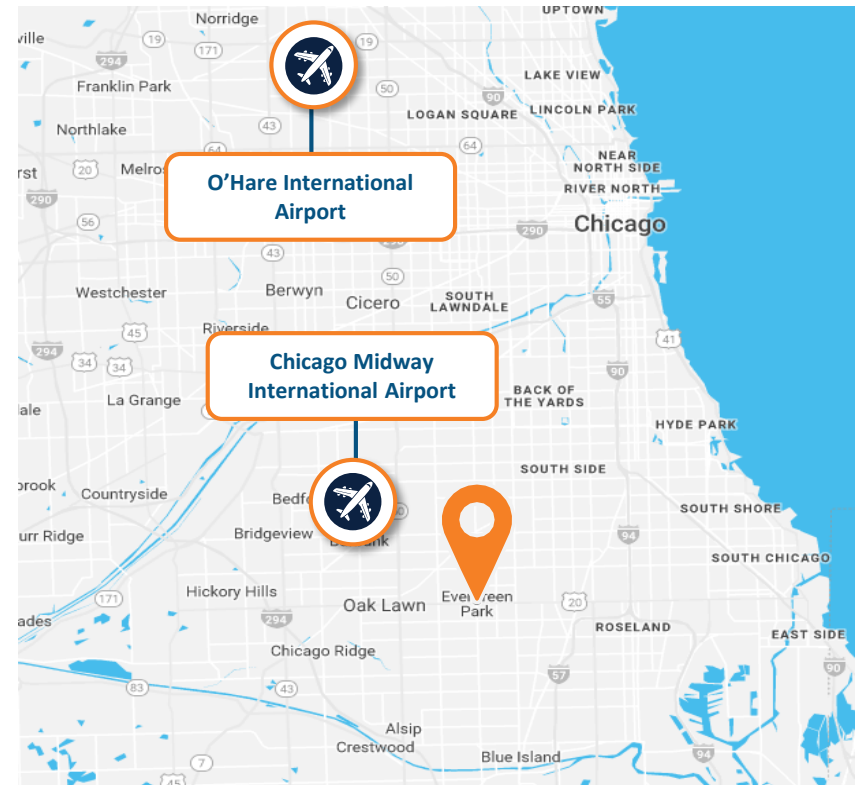
This Starbucks/Verizon is extremely well-positioned in the heart of a very dense retail corridor anchored by the Evergreen Plaza. Originally developed as the Evergreen Mall in 1964, the mall recently underwent a major redevelopment to include Whole Foods, Burlington, Carson's TJ Maxx, Petco, DSW, Five Below, and Ulta. Other national tenants in the immediate area include Walmart, Menards, Meijer, Sam's Club, Mariano's, McDonald's, Wendy's, Popeye's, Dollar Tree, Krispy Kreme, Chipotle, Chase Bank, OfficeMax, Planet Fitness, ALDI, Potbelly, Mod Pizza and many, many more. Furthermore, the property is down the road from the Little Company of Mary Hospital, which was founded in 1930 and has over 300 licensed beds.

Furthermore, the surrounding area has a robust population with whopping 19,000 people residing within a one-mile radius of the property and approximately 226,000 people within a three-mile radius. These properties are located near the corner of S Western Ave and 95th Street, which experiences a combined average daily traffic count of approximately 60,000 vehicles. In addition, the property benefits from being located in a very affluent community with average household income in a one-mile radius of more than \$118,000.

Chicago is the third largest city in the United States as well as the county seat of Cook County. Located where the Chicago River meets Lake Michigan, Chicago is known as the "Windy City" due to the weather caused by the nearby bodies of water. Chicago is has the second largest business district in the nation and has the most balanced economy in the nation. Multiple Dow 30 companies are based in the Chicago Metropolitan Area, such as Boeing, Sears, Kraft, and McDonald's. Every year, over 50 million people visit the city. With two-time World Series winners the Chicago Cubs, the six-time Stanley Cup winning Chicago Blackhawks, and six-time NBA championship winning Chicago Bulls, the city has a tradition of excellence in all sports. Chicago is also home to several universities such as Northwestern University, University of Chicago, the Art Institute of Chicago, DePaul University, and several others with a combined total enrollment of over 60,000 students.

HIGHLIGHTS

- Situated as an Outparcel to a Brand New Power Center Anchored by Whole Foods, Burlington Coat, and TJ Maxx
- The Property is Situated in an Extremely Dense Residential Area with Nearly 19,000 People in a One-Mile Radius and 226,000 People in a Three-Mile Radius
- The Area is an Extremely Active Retail Corridor with Walmart, Menards, Meijer, Sam's Club, Mariano's and Many More
- Very Affluent Community | Within a Three-Mile Radius the Average Household Income is more than \$118,000

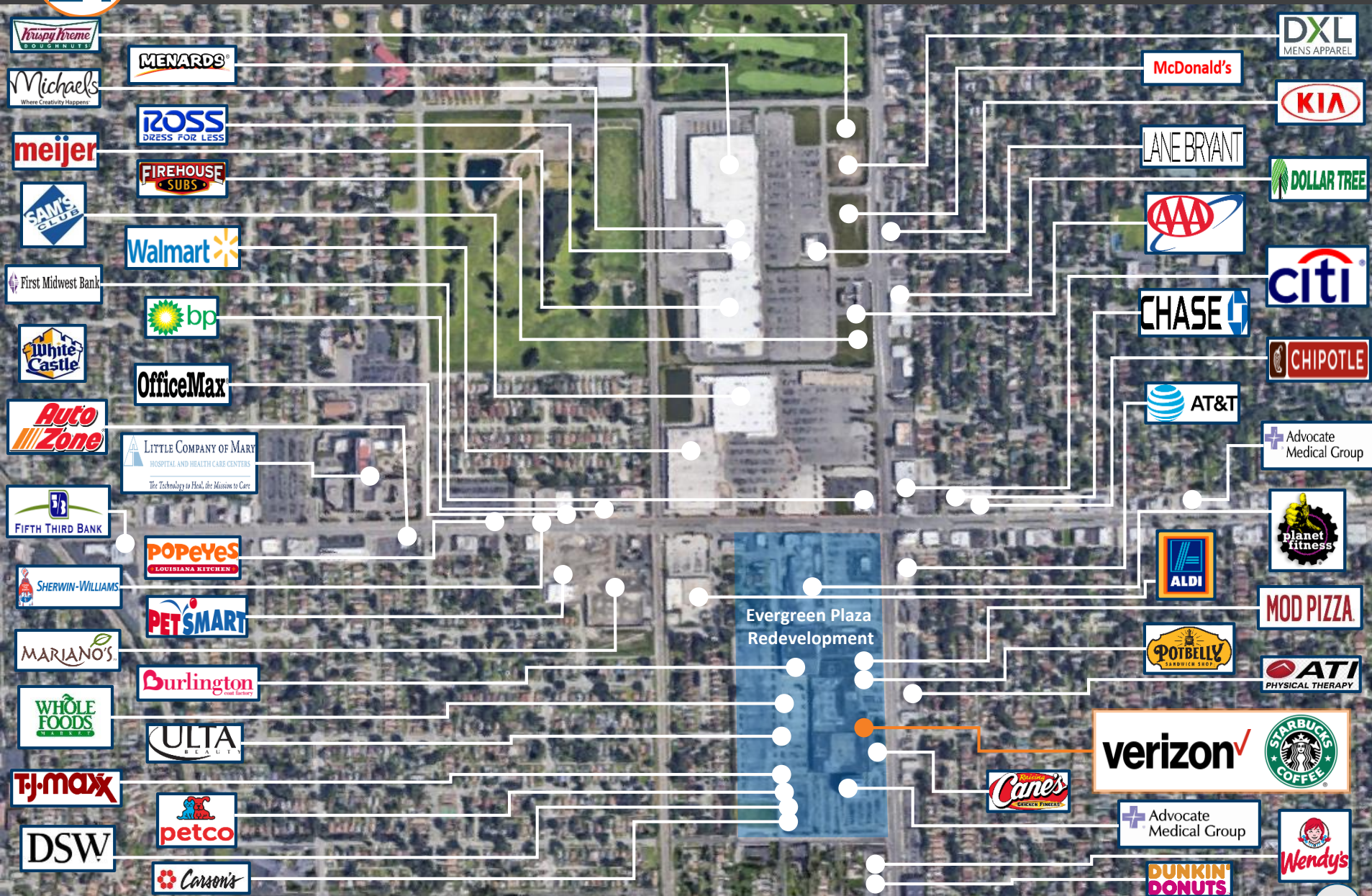




Surrounding Area



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Aerial Photo





Aerial Photo





Property Photos



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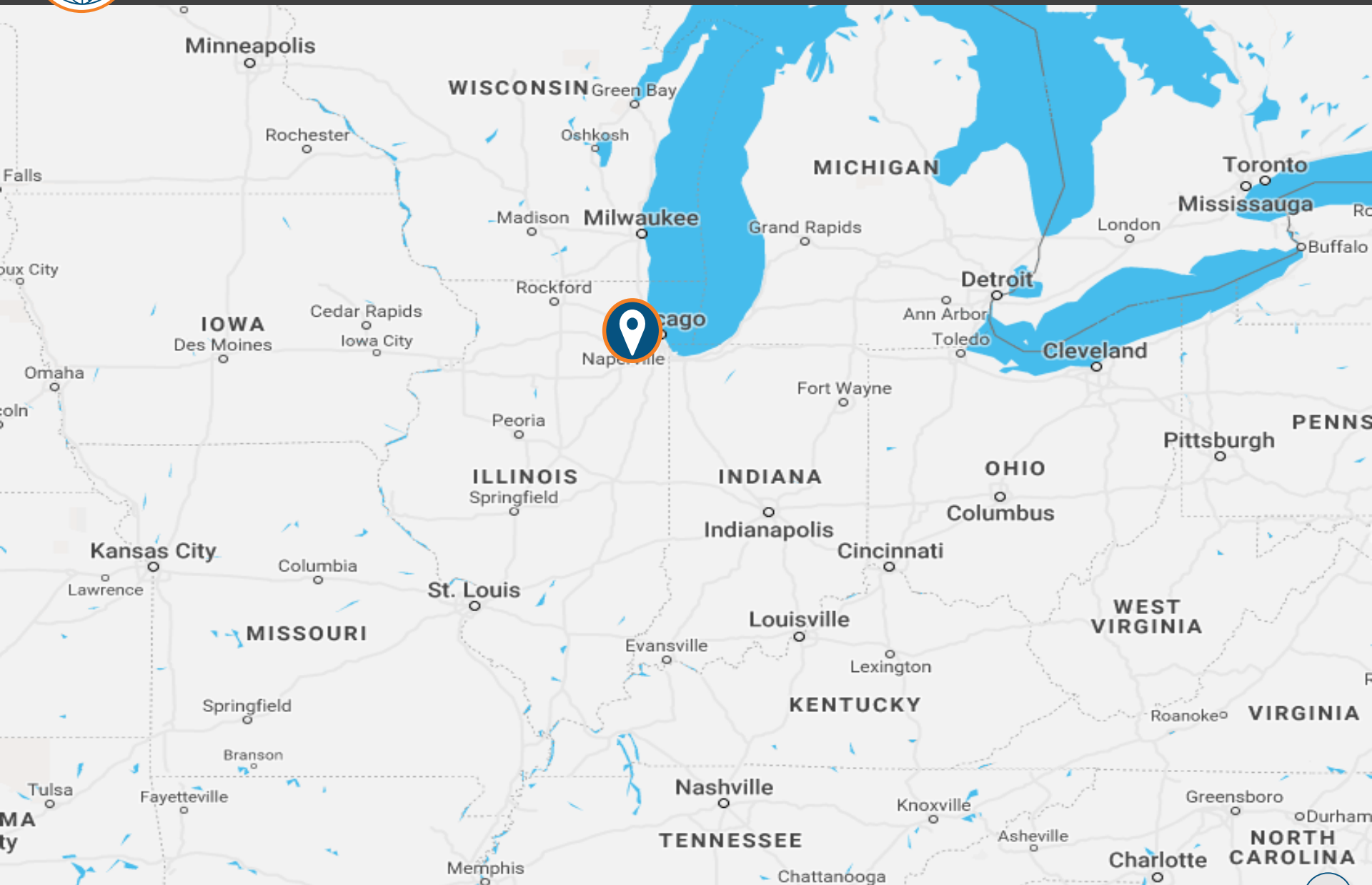


Surrounding Property Photos



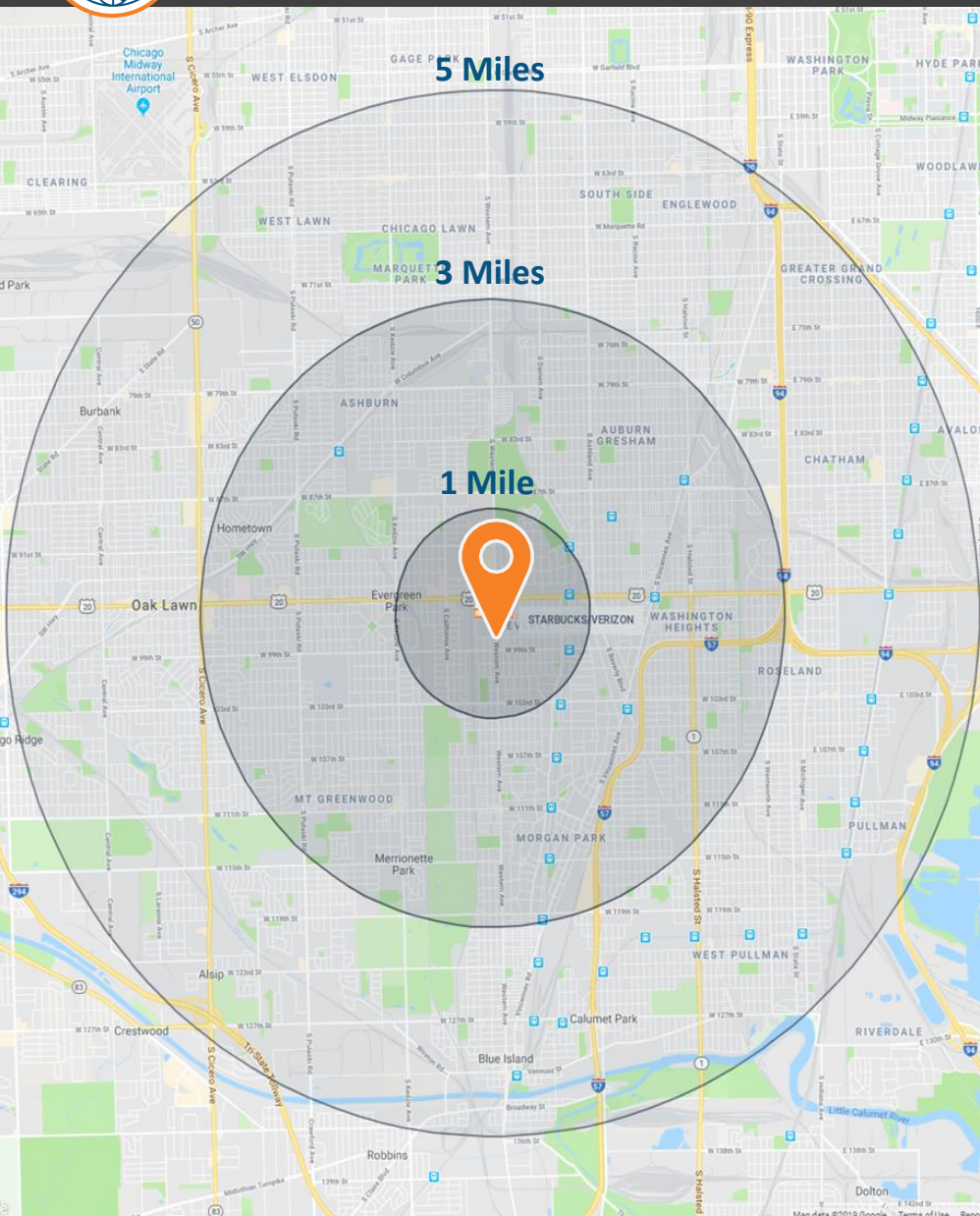


Regional Map





Demographics



POPULATION

	1 Mile	3 Miles	5 Miles
2023 Projection	18,353	221,144	605,319
2018 Estimate	18,797	225,949	623,598
2010 Census	18,602	224,097	621,441
2000 Census	20,236	242,141	680,988

INCOME

	1 Mile	3 Miles	5 Miles
Average	\$118,097	\$74,855	\$62,449
Median	\$87,651	\$57,477	\$45,502
Per Capita	\$42,466	\$27,175	\$21,835

HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2023 Projection	6,621	81,344	215,694
2018 Estimate	6,757	81,552	216,935
2010 Census	6,652	80,585	215,544
2000 Census	7,166	83,713	229,497

HOUSING

	1 Mile	3 Miles	5 Miles
2018	\$251,890	\$174,386	\$165,377

EMPLOYMENT

	1 Mile	3 Miles	5 Miles
2018 Daytime Population	18,990	166,495	459,717
2018 Unemployment	4.24%	7.41%	8.58%
2018 Median Time Traveled	38	40	41

RACE & ETHNICITY

	1 Mile	3 Miles	5 Miles
White	69.12%	34.96%	31.06%
Native American	0.04%	0.02%	0.02%
African American	24.70%	59.24%	57.32%
Asian/Pacific Islander	0.95%	0.60%	0.71%



9560-9564 S Western Avenue, Evergreen Park, Illinois 60805



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