

• Kipling Parkway •



**STARBUCKS**

**Jersey Mike's Subs**

**ROW HOUSE**

BRAND NEW CONSTRUCTION • LONG-TERM LEASES WITH FAVORABLE INCREASES • AFFLUENT \$120,000+ AHHI



In Association with JDS Real Estate Services, Inc. DBA Hanley Investment Group, Inc. | A Licensed Colorado Broker #IC100049551

**OFFERING MEMORANDUM**  
LITTLETON, COLORADO



**HANLEY INVESTMENT GROUP**  
REAL ESTATE ADVISORS



**STARBUCKS®**



**ROW HOUSE**

## OFFERING MEMORANDUM

LITTLETON, COLORADO

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# OFFERING SUMMARY

STARBUCKS | JERSEY MIKES | ROWHOUSE



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## LOCATION

**Starbucks | Jersey Mike's | Row House @ Kipling Parkway**  
**10278 W. Centennial Road**  
**Littleton, CO 80127**

## OFFERING SUMMARY

<b>Price:</b>	\$4,000,000
<b>Current Net Operating Income:</b>	\$229,800
<b>Current Capitalization Rate:</b>	5.75%
<b>2022 Net Operating Income:</b>	\$249,801
<b>2022 Capitalization Rate:</b>	6.25%
<b>Net Rentable Area:</b>	6,100
<b>Year Built:</b>	2017
<b>Lot Size (Acres):</b>	1.11

## FINANCING SUMMARY

**All Cash or Cash to New Financing**

**(Contact Hanley Investment Group for Further Details)**





# INVESTMENT HIGHLIGHTS

STARBUCKS | JERSEY MIKES | ROWHOUSE



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- **New Construction Service-Based Three-Tenant NNN Drive-Thru Pad**

- 100% Occupied, 6,100 square foot building leased to Starbucks, Jersey Mike's, and Row House
- 10-year leases with staggered lease expiration dates
- 10% increases every 5 years (Starbucks and Jersey Mike's); 2% annual increases (Row House)
- Corporate guaranteed lease with Starbucks (NASDAQ: SBUX, S&P: BBB+); 30,000 locations in 78 countries
- Extremely successful Jersey Mike's location operated by a seasoned multi-unit franchisee (contact broker for more information)
- Row House is one of the fastest growing fitness concepts in the U.S. with 200 locations open, under construction, or planned to be open in the next 2 years

- **Ease of Management Investment:** Landlord favorable NNN leases presents a nearly passive investment that can be managed from anywhere in the country

- **Favorable Café with Drive-Thru Starbucks Format:** Approximately 60%-70% of all business for quick-service restaurants come through the drive-thru and average Starbucks store sales are approximately 50% greater in locations that have a drive-thru





# INVESTMENT HIGHLIGHTS

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- **Phenomenal Synergy with Adjacent Ken Caryl Business Center:** Over 53,000 daytime population in the immediate vicinity
  - Home to over 100 companies, several hotels, restaurants, and day care centers
  - Drives consistent traffic to Starbucks and Jersey Mike's with crowds before work, during lunch, and after work
  - Row House specializes in quick 45-minute workouts that cater to busy business executives
- **Kipling Parkway is a Highly Trafficked Prominent North/South Commercial Corridor:**
  - Stretches over 15 miles from the subject property north to Arvada
  - Over 27,000 cars per day along Kipling Parkway
  - Nearby regional/national tenants include Safeway, Kohl's, Arby's, AT&T, Bath & Body Works, Big 5 Sporting Goods, Burger King, Chase Bank, Chick-fil-A, Chili's Grill & Bar, CorePower Yoga, GameStop, KFC/Taco Bell, Noodles and Company, PetSmart, Sally Beauty, Subway, Texas Roadhouse, The UPS Store, Verizon Wireless, and Wells Fargo
- **Extremely Accessible Due to Recent Curb Cut for Northbound Vehicles:** The subject property benefits from a recent curb cut that now allows vehicles traveling north on Kipling Parkway to make a left turn into the property





# INVESTMENT HIGHLIGHTS

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- **Dense, Affluent Demographics:** Over 134,000 people with average household incomes in excess of \$120,000 in a 5-mile radius of the subject property making it one of the most affluent neighborhoods in the region
- **Littleton is the Site of Significant Growth and Development:**
  - Over 5,000 residential and commercial permits pulled in the past 2 years
  - In the first quarter of 2019, the city received over 600 permit requests and expects that number to exceed to 4,000 by the end of the year
  - The number of households have increased by over 40% within a 1-mile radius of the property in the past 2 decades, and is projected to increase an additional 10% over the next 5 years
- **Denver MSA Location:**
  - 3 million+ people and one of the fastest growing major cities in the nation
    - ◆ Nearly 20% population growth in the last 10 years
  - “Best Place to Live in the United States” by News & World Report (2016)
  - Located within a 2-hour flight to more than two thirds of the U.S. (35 minutes to airport from subject property)



The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.



# RENT ROLL

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TENANT	SUITE	SF	LEASE START	LEASE END	CURRENT RENT/SF	CURRENT RENT/YR.	RENTAL INCREASES	LEASE TYPE	RENEWAL OPTIONS
Starbucks	101	2,200	09/28/17	02/29/28	\$47.73	\$105,000	10% Every 5 Years	NNN	Four 5-Year @ 10% Each Option
Jersey Mike's	102	1,500	10/04/17	10/31/27	\$32.00	\$48,000	10% Every 5 Years	NNN	Three 5-Year @ 10% Each Option
Row House	103	2,400	07/21/19	10/31/29	\$32.00	\$76,800	2% Annually	NNN	Two 5-Year @ 2% Annually
<b>TOTAL SQUARE FOOTAGE:</b>		<b>6,100</b>				<b>\$229,800</b>	<b>Total Annual Rent</b>		
<b>TOTAL AVAILABLE:</b>		<b>0</b>	<b>0%</b>	<b>Vacancy</b>		<b>\$19,150</b>	<b>Total Monthly Rent</b>		
<b>TOTAL OCCUPIED:</b>		<b>6,100</b>	<b>100%</b>	<b>Occupancy</b>					



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## ANNUALIZED OPERATING DATA

	<u>Current</u>
Scheduled Gross Income (SGI):	\$229,800
Expense Reimbursement:	\$80,031
Total Operating Income:	\$309,831
Total Operating Expenses:	(\$80,031)
<b>Net Operating Income (NOI):</b>	<b>\$229,800</b>

## OPERATING EXPENSES

	<u>Amount</u>
Taxes:	\$50,248
Insurance:	\$2,083
CAM:	\$19,973
Management:	\$7,728
<b>Total Expenses:</b>	<b>\$80,031</b>





# SITE PLAN / PARCEL MAP

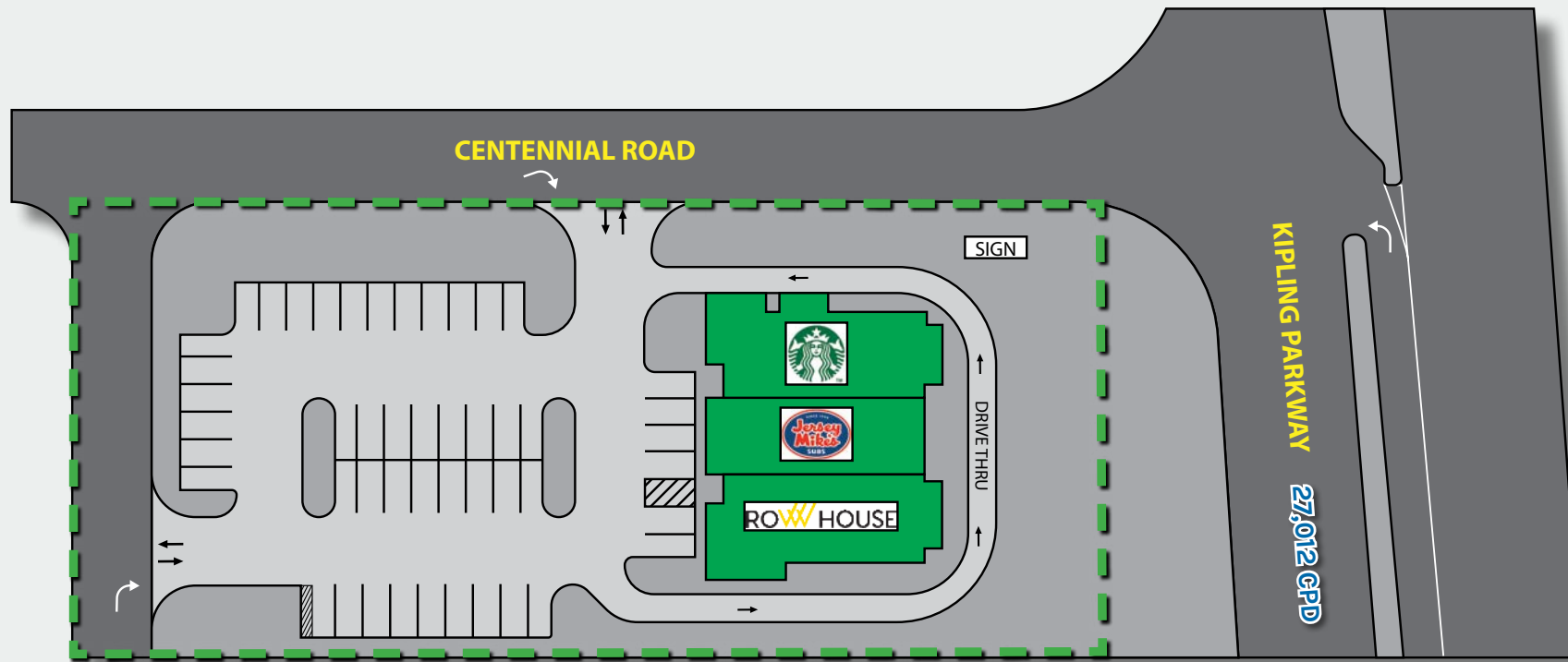
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**EASILY ACCESSIBLE  
FROM ALL TRAFFIC  
DIRECTIONS**



 **SUBJECT PROPERTY**

 **PROPERTY PARCEL**

**APN: 59-334-13-036**





# AERIAL OVERVIEW

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# AERIAL OVERVIEW

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## 2018 DEMOGRAPHICS

	1-Mile	3-Mile	5-Mile
Population:	12,026	66,785	134,388
Household Income:	\$98,388	\$113,033	\$120,648



## DOWNTOWN DENVER

- 20 Minute Drive Time -



## ROCKY MOUNTAINS

**MORRISON**  
- \$148,970 AHHI -

**CHATFIELD SENIOR HIGH SCHOOL**  
- 1,811 STUDENTS -

**MEADOWS GOLF CLUB**

**KEN CARYL RANCH PLAINS**  
- \$155,000 AHHI -

**THE LODGE AT KEN CARYL**  
- 139-UNIT SENIOR LIVING CENTER DEVELOPMENT -

**KEN CARYL**  
- \$103,850 AHHI -



**LAKEWOOD**  
- \$82,399 AHHI -

**FOOTHILLS GOLF COURSE**

**DEER CREEK MIDDLE SCHOOL**  
- 860 STUDENTS -

**MARSTON LAKE**

**RACCOON CREEK GOLF COURSE**



**AMLI LITTLETON VILLAGE**  
- 40-ACRE MIXED-USE DEVELOPMENT -

**PARC SANTA FE**  
- 3-BUILDING URBAN INDUSTRIAL DEVELOPMENT -

**CHATFIELD AVENUE** 16,130 CPD

**KEN CARYL BUSINESS CENTER**

**TTM Technologies**

**GOLDBERG BROTHERS, INC**  
- HEADQUARTERS -  
- 95,550SF FACILITY -

**cpi card group**

**LITTLETON PEDIATRIC MEDICAL CENTER**

**COLLEGIATE ACADEMY OF COLORADO**  
- 480 STUDENTS -

**SUBJECT PROPERTY**



**Los Dos**

**Virgilio's**

**TEXAS ROADHOUSE**

**BOK FINANCIAL**

**KIPLING PARKWAY** 27,020 CPD

**verizon**

**PHILLIPS 66**

**Arby's**

**O'Reilly AUTO PARTS**

**Rib City**

**froyo spot**

**KFC**

**TACO BELL**

**TD Ameritrade**

**BANK OF AMERICA**

**corepower YOGA**

**Freddy's**

**BIG O TIRES**

**BURGER KING**

**brakes plus**

**CHASE**

**K**

**VALERO**

**Chick-fil-A**

**SAFeway**

**KOHL'S**

**Bath & Body Works**

**NOODLES & COMPANY**

**PETSMART**

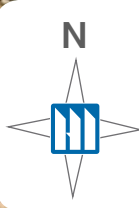
**GameStop**

**at&t**

**T-Mobile**

**LOCKHEED MARTIN**

**RELOCATION DEVELOPMENT**  
- \$350M; 266K SF FACILITY -





# REGIONAL MAP

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## DENVER INTERNATIONAL AIRPORT (DEN)

- 5th largest airport in the United States
- 64.5 million annual passengers
- 1,600 daily commercial flights to over 190 non-stop destinations



**SUBJECT PROPERTY**

**ROW HOUSE**





# TENANT PROFILES

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Starbucks Corporation is the premier specialty coffee roaster and retailer in the world with more than 30,000 locations in 70 countries. The company's brand portfolio includes Starbucks Coffee, Seattle's Best Coffee, Teavana, Evolution Fresh, La Boulange, Ethos Water, and Princi. Starbucks reported a 4% increase in comparable store sales in the first quarter of 2019 along with 541 new store openings. Net revenue grew 9% over the same period the prior year to \$6.6 billion, and the company reported total net sales of \$24.7 billion in 2018. The company's U.S. share in the specialty coffee market in 2017 was 66.7%, up from 58.8% in 2012. Starbucks was ranked #132 on the Fortune 500 list in 2018.

**Website:** [www.starbucks.com](http://www.starbucks.com)  
**Company Type:** Public (NASDAQ: SBUX; S&P: BBB+)  
**Locations:** 30,000+



Jersey Mike's is the fastest growing sandwich chain in America. The restaurant serves subway sandwiches "Mike's Way", with onions, lettuce, tomatoes, olive oil blend, red wine vinegar, and spices. Founded in 1956, the company now franchises over 1,550 locations across the country. In 2017, Jersey Mike's opened over 170 new stores and increased same-store sales by 6%. The company is ranked #9 on Entrepreneur's Franchise 500 list in 2019 and is on track to have 2,000 locations by 2020. Revenue in 2018 was estimated at over \$1 billion. Dubbed one of the most successful franchise programs in the country by Forbes, the company expects to surpass \$2 billion in revenue in the next 2 years.

**Website:** [www.jerseymikes.com](http://www.jerseymikes.com)  
**Company Type:** Private  
**Locations:** 1,550+

**ROW HOUSE** Row House is a boutique rowing gym with 16 locations across the country and plans to have over 100 locations by the end of 2019. In 2018 the company signed over 46 new franchise agreements. Rowing is a low-impact, high-energy, full-body workout. Founded in New York in 2014, Row House was acquired by Xponential Fitness in 2018. The Xponential Fitness brand portfolio includes Club Pilates, CycleBar, StretchLab, Pure Barre, YogaSix, AKT, Stride, and Row House. Together the company has nearly 1,600 studios and an additional 900 studios under development. Three of the company's brands were listed on Entrepreneur's 2019 Franchise 500 list for unit growth, brand power, and financial strength and stability.

**Website:** [www.therowhouse.com](http://www.therowhouse.com)  
**Company Type:** Private  
**Locations:** 16; 200 planned/under construction







## Littleton, Colorado

- Suburban community located 20 minutes south of Downtown Denver
  - Top 20% in the nation for "Best Suburbs to Live in America" by Niche (2019)
- 45,800+ population in the city; 243,000+ in the region
  - 1.72% growth in 2017; 30% growth since 2000
- Known as one of the best places to live in Colorado
  - #4 "Best Cities for Families in Colorado" by Livability (2018)
  - #8 "Best Small Cities in America" by Wallethub (2018)
- The region's Ken Caryl community (where the subject property is located) is one of the most sought after neighborhoods due to its proximity to the mountains and easy access to C-470
- C-470 is an outer beltway for metropolitan Denver, connecting directly to Interstate 25, Interstate 70, and the Denver International Airport
  - \$276 million express lanes project currently under construction
- RTD's Southwest Light Rail connects to downtown Denver in 35 minutes via two stops in the city
- The Platte River trail connects the city to downtown Denver and offers runners, walkers, and bicyclists spectacular mountain views

### ECONOMY

- \$444,100 median home value and \$71,315 median household income (versus \$377,500 median home value and \$65,458 median income in Colorado)
  - 6.23% increase in median household income in 2017
- 47.25% of the workforce population have bachelor's degree or higher (versus 33.4% in America)
- Largest industries are retail trade; healthcare and social assistance; and professional, scientific, and tech services
  - \$31,000+ retail sales per capita (versus \$13,000 in Colorado)
- Top employers are Century Link (1,663 employees), Dish Network (1,543 employees), and Littleton Adventist Hospital (1,242 employees)
- 2.3% unemployment rate (versus 3.8% in America)



DOWNTOWN LITTLETON



LITTLETON ADVENTIST HOSPITAL



KEN CARLY VALLEY



### WESTERLY APARTMENTS

- ◆ 345 luxury apartment units
- ◆ One-, two-, and three-bedrooms
- ◆ Expected completion 2019



### PARC SANTA FE

- ◆ 345K SF, 3-Building urban industrial development
- ◆ 2nd quarter 2019 completion
- ◆ 1st Industrial project in the SW Denver submarket in the past 2 decades

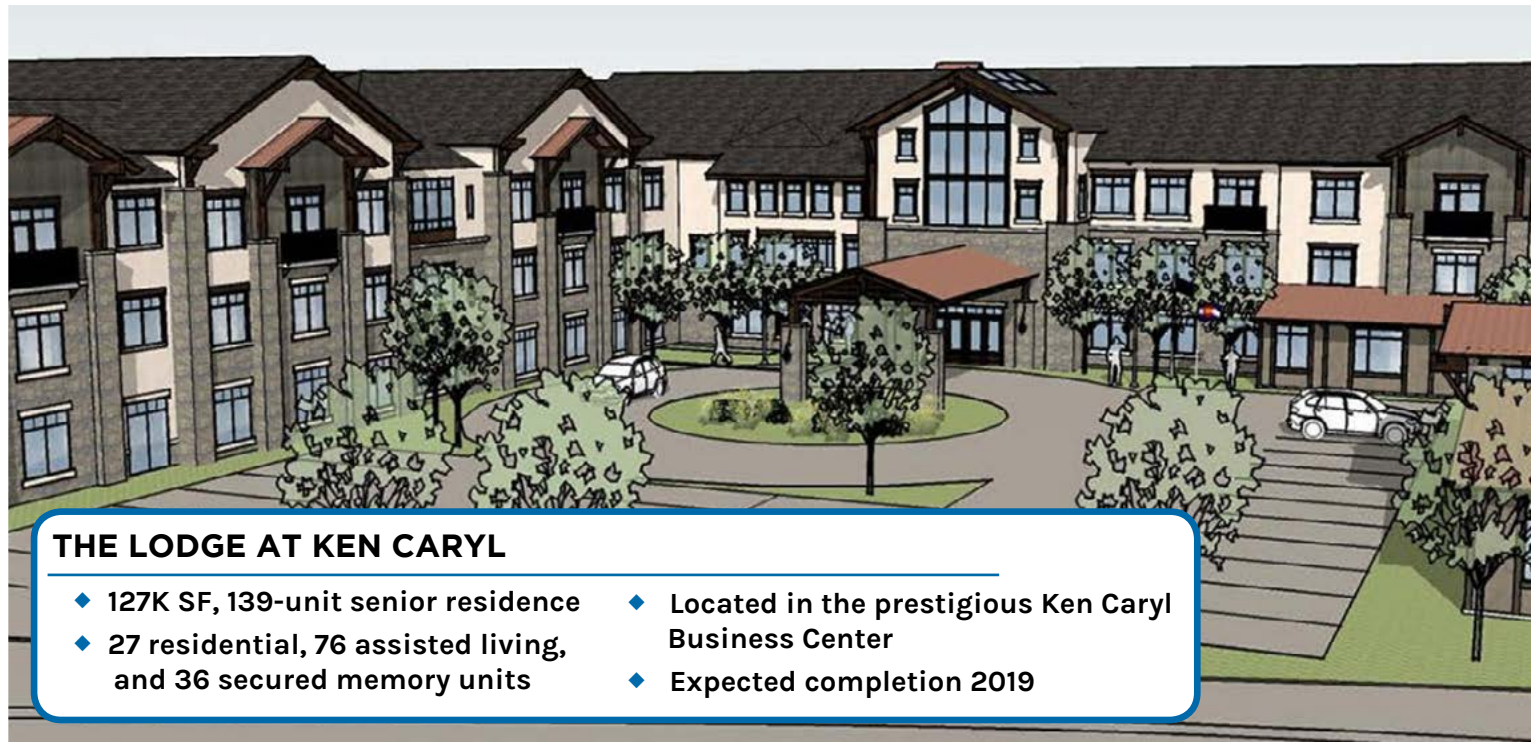


### AMLI LITTLETON VILLAGE

- ◆ 40-acre, 300K SF mixed-use development
- ◆ 2 phase development, 2019 completion date



## CITY OF LITTLETON DEVELOPMENTS



### THE LODGE AT KEN CARYL

- ◆ 127K SF, 139-unit senior residence
- ◆ 27 residential, 76 assisted living, and 36 secured memory units
- ◆ Located in the prestigious Ken Caryl Business Center
- ◆ Expected completion 2019





## Denver Metropolitan Area

- Capital and most populous city in the state
- #4 "The Best Places for Business and Careers" by Forbes (2018)
- 3 million+ population
  - 20% population growth from 2010 to 2017
    - ◆ Denver's growth rate consistently outpaces the national growth rate every decade since the 1930's
- 18th largest economy in the country
  - \$233.9 billion GMP (Gross Metropolitan Product)
    - ◆ 2.8% growth expected in 2019-2020
- #5 "Fastest Economic Growth for a Large City in America" by Wallethub (2018)
  - 2% job growth in 2017 and 1.7% projected annual job growth
  - 4.8% increase in retail sales in 2018
- 26,000+ residential units permitted over the last 3 years (as of February 2019)
- \$5 billion invested in development in the downtown area over the last 5 years (as of June 2018)
- Located within a 2-hour flight of more than two thirds of U.S. cities; Denver has historically been a key trade point in the United States, a key transportation and distribution hub
  - 9 Fortune 500 companies located in the metro including Arrow Electronics, DISH Network, and Liberty Media
  - Several well-known companies have originated or relocated to Denver including AIMCO, Samsonite, Big O Tires, and Molson Coors Brewing Company
  - Quick-dining successes Chipotle Mexican Grill, Quizno's, and Smashburger were founded in Denver
  - Home to the headquarters of Newmont Mining Corporation, the 2nd largest gold producer in North America and one of the largest in the world
  - Other notable pushes into the Denver market: Charter Communications, CoBank, Charles Schwab, Kaiser Permanente, Comcast, Arrow Electronics, Nationwide Insurance, Lockheed Martin, and Ardent Mills
- 20+ colleges and universities located within the area, including the University of Denver and the University of Colorado at Denver



DOWNTOWN DENVER



DENVER INTERNATIONAL AIRPORT



UNIVERSITY OF DENVER





	<u>1-Mile</u>	<u>3-Mile</u>	<u>5-Mile</u>
<b>Population</b>			
2021 Projection	12,845	69,885	140,976
2017 Estimate	12,026	66,785	134,388
2010 Census	11,392	64,081	125,815
2000 Census	10,189	60,275	115,822
Growth 2000-2010	11.81%	6.31%	8.63%
Growth 2010-2017	5.57%	4.22%	6.81%
Growth 2017-2021	6.81%	4.64%	4.90%
<b>Households</b>			
2021 Projection	5,402	27,200	56,165
2017 Estimate	4,934	25,561	52,779
2010 Census	4,684	24,509	49,206
2000 Census	3,759	21,240	42,081
Growth 2000-2010	24.61%	15.39%	16.93%
Growth 2010-2017	5.34%	4.29%	7.26%
Growth 2017-2021	9.49%	6.41%	6.42%
<b>2017 Est. Population by Single-Classification Race</b>			
White Alone	11,048	60,794	120,990
Black or African American Alone	95	554	1,115
American Indian and Alaska Native Alone	47	327	699
Asian Alone	242	1,616	4,583
Native Hawaiian and Other Pacific Islander Alone	7	47	108
Some Other Race Alone	200	1,456	3,145
Two or More Races	368	1,916	3,510
<b>2017 Est. Population by Ethnicity (Hispanic or Latino)</b>			
Hispanic or Latino	1,174	6,547	13,752
Not Hispanic or Latino	10,852	60,238	120,636
<b>2017 Est. Average Household Income</b>	<b>\$98,388</b>	<b>\$113,033</b>	<b>\$120,648</b>



# CONFIDENTIALITY AGREEMENT

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**\$6+ BILLION**  
*retail sales nationwide*



**SHARED DATABASE**  
*collaborative proprietary database*



**TOP BROKERAGE GLOBALLY**  
*in investment sales*



**COSTAR POWER BROKER**  
*top sales brokers & firm in OC*



**NATIONWIDE REACH**  
*retail & investors across the U.S.*