

STARBUCKS

608 WEST TENNESSEE STREET | TALLAHASSEE, FL 32304

PROTOTYPE CONSTRUCTION - EXTENDED DRIVE-THRU LANE
STRATEGIC LOCATION AT FLORIDA STATE UNIVERSITY CAMPUS
EXCELLENT VISIBILITY AND CURB APPEAL
NNN LEASE WITH LIMITED LANDLORD RESPONSIBILITIES

Representative Image

OFFERING MEMORANDUM

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REPRESENTATIVE IMAGE

\$2,459,995 Offering Price

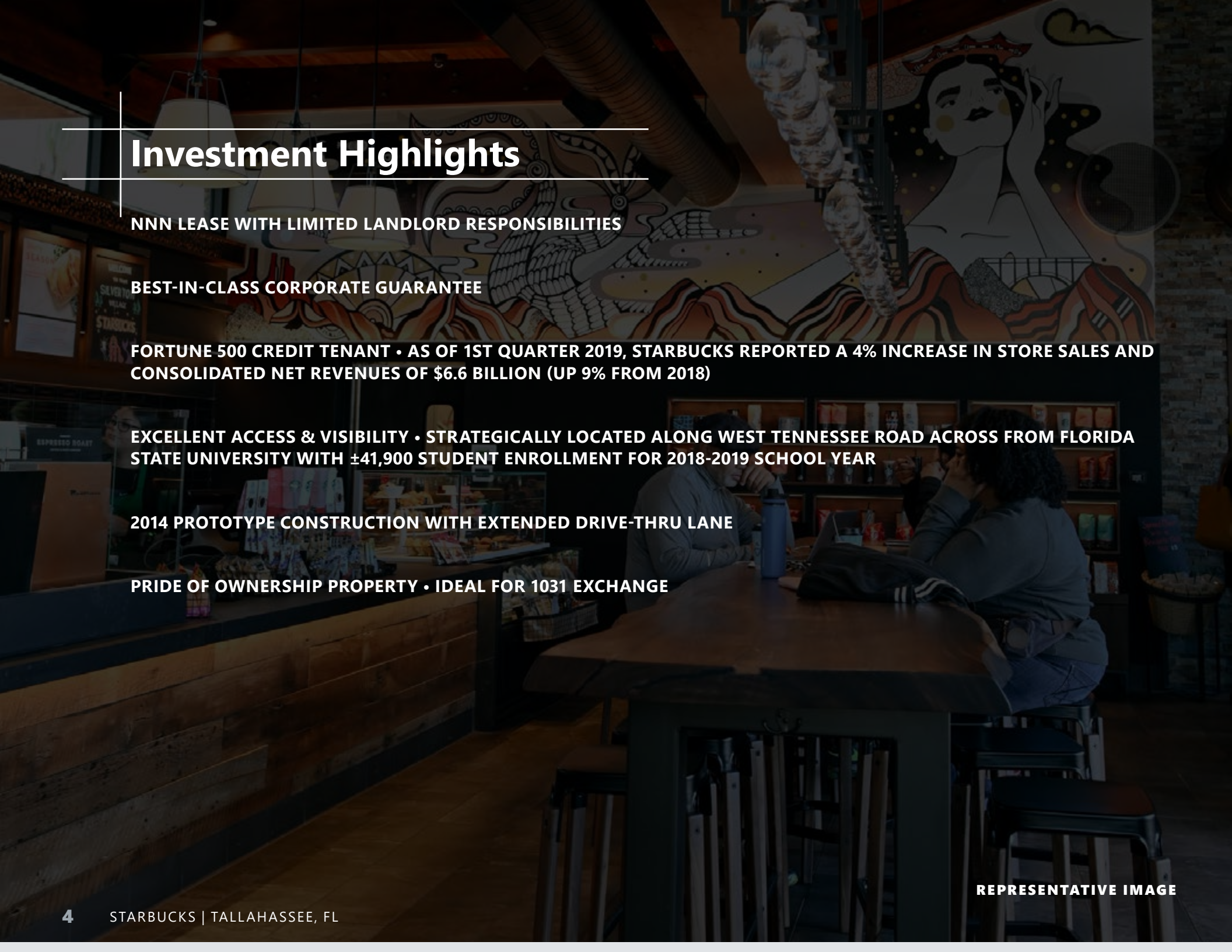
OFFERING SUMMARY

ASKING PRICE	\$2,459,995
NOI	\$123,000
ADDRESS	608 W Tennessee Street Tallahassee, FL 32304
TENANT	Starbucks Corporation
BUILDING SIZE	±2,226 Square Feet
PARCEL SIZE	±0.70 Acres (±30,492 Square Feet)
YEAR BUILT	2014
LEASE TYPE	NNN - Landlord Maintains Roof & Structure
OWNERSHIP INTEREST	Fee Simple
ENCUMBRANCES	None, Delivered Free & Clear

CBRE is offering to qualified investors the opportunity to acquire fee simple interest in the free-standing Starbucks Café located at 608 West Tennessee Street, Tallahassee, Florida (the "Property"). The Property is strategically located across from Florida State University - a public space-grant and sea-grant research university ranked in 2019 by U.S. News & World Report as the 26th best public university in the United States. Florida State University has an on-campus enrollment of 41,900 students and is one of Florida's three state-designated "preeminent universities."

The Property is being offered free and clear of any debt. Ownership anticipates investors consider the strong real estate fundamentals and the Tenants' creditworthiness when evaluating the Property.

REPRESENTATIVE IMAGE

A background image of a Starbucks coffee shop interior. It features a large, colorful mural on the wall depicting a woman with a crown and a long, flowing dress. The shop has wooden tables and stools, and a counter with various Starbucks products. The lighting is warm and ambient.

Investment Highlights

NNN LEASE WITH LIMITED LANDLORD RESPONSIBILITIES

BEST-IN-CLASS CORPORATE GUARANTEE

FORTUNE 500 CREDIT TENANT • AS OF 1ST QUARTER 2019, STARBUCKS REPORTED A 4% INCREASE IN STORE SALES AND CONSOLIDATED NET REVENUES OF \$6.6 BILLION (UP 9% FROM 2018)

EXCELLENT ACCESS & VISIBILITY • STRATEGICALLY LOCATED ALONG WEST TENNESSEE ROAD ACROSS FROM FLORIDA STATE UNIVERSITY WITH ±41,900 STUDENT ENROLLMENT FOR 2018-2019 SCHOOL YEAR

2014 PROTOTYPE CONSTRUCTION WITH EXTENDED DRIVE-THRU LANE

PRIDE OF OWNERSHIP PROPERTY • IDEAL FOR 1031 EXCHANGE

REPRESENTATIVE IMAGE

Lease Abstract



Tenant	Starbucks
Guarantor	Starbucks Corporation (NYSE: SBUX)
Lease Date	April 10, 2014
Lease Type	NNN
Property Address	608 West Tennessee Street Tallahassee, FL 32304
Building SF	±2,226 Square Feet
Year Constructed	2014
Parcel Size	±0.70 Acres (±30,492 Square Feet)
Rent Commencement	September 19, 2014
Term Expiration	February 28, 2025
Primary Term	Ten (10) Years
Options	Four (4) 5-Year Options
Rent Increases	10% every 5 Years, Including Options
Sublet/Assignment	Requires Landlord consent
Building Use	Tenant may use the premises for a coffee store or any other lawful retail or restaurant use.
Building, Parking Lot, Landscaping and Grounds	Tenant maintains and repairs non-structural portion of building, HVAC, electrical, lighting, storefront, parking lot, landscaping, drainage, utilities and plumbing.
Taxes & Insurance	Tenant Responsibility
Utilities	Tenant Responsibility
Roof & Structure	Landlord repairs and replaces roof and structure, and pays for capital improvements, if needed.
Exclusive Use	Tenant has the exclusive right to sell whole or ground coffee beans, espresso, espresso-based drinks, or coffee-based drinks.
Estoppel	Tenant agrees to execute and deliver an estoppel certificate to Landlord within 30 days after receipt of such written request.

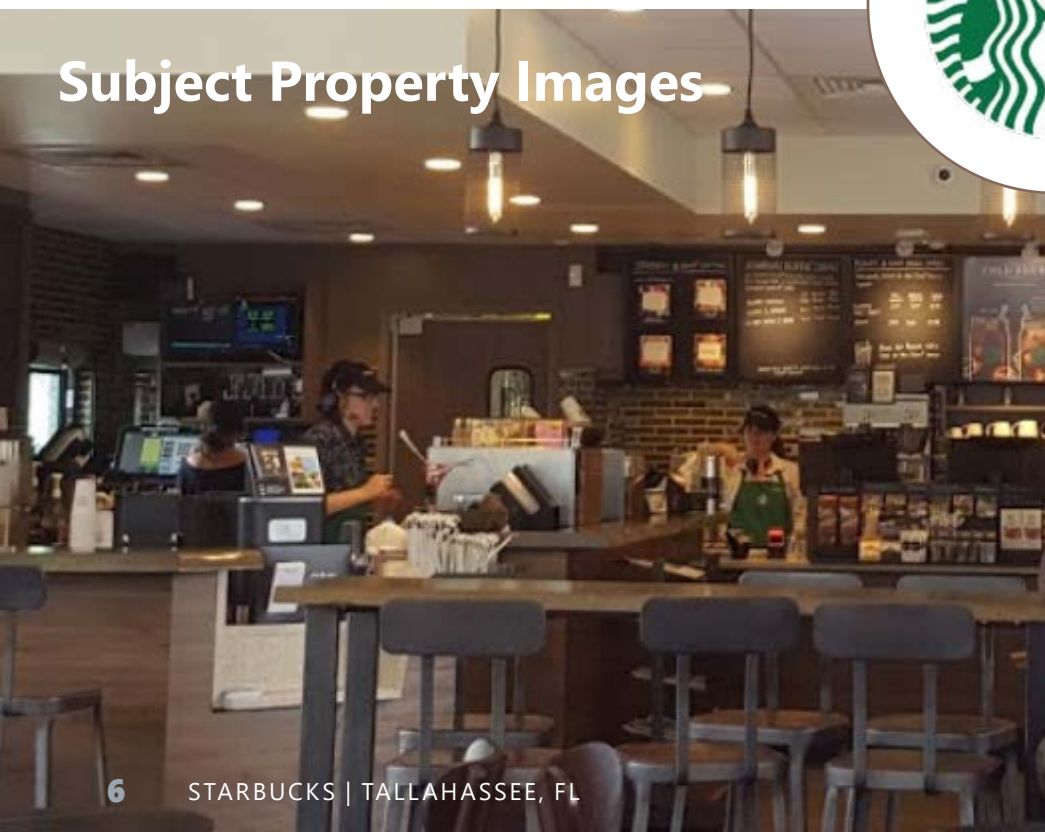
Rent Schedule

Years	Dates	Annual Rent	Rent/SF
1-5	Current – 2/29/2020	\$123,000	\$4.60
6-10	3/1/2020 – 2/28/2025	\$135,300	\$5.07
OPTION PERIODS			
Option 1	3/1/2025 – 3/28/2030	\$148,830	\$5.57
Option 2	3/1/2030 – 2/28/2035	\$163,713	\$6.13
Option 3	3/1/2035 – 3/28/2040	\$180,084	\$6.74
Option 4	3/1/2040 – 2/28/2045	\$198,093	\$7.42

REPRESENTATIVE IMAGE



Subject Property Images





Tenant Overview

Starbucks Corporation (NASDAQ: SBUX) is a global coffee company and coffeehouse chain based in Seattle, Washington. The company was founded in 1971 as a local coffee bean roaster and retailer, and has grown into the largest coffeehouse company in the world. As of September 30, 2018 the company operates more than 29,324 stores in 78 markets, including over 17,454 in the United States.

GROWTH STRATEGY

Starbucks has a strong presence both in the U.S. and in the global marketplace due in part to its rapid growth over the last few decades. In the 1990s, Starbucks was opening a new store every workday, a pace that continued into the 2000s. The first store outside the United States or Canada opened in the mid-1990s, and overseas stores now constitute almost one third of Starbucks' stores.

In fiscal year 2018, Starbucks' Net revenues for the Americas segment grew 11% over Q4 FY17 to \$6.6 billion in Q4 FY18, primarily driven by incremental revenues from the impact of Starbucks' ownership change in East China at the end of Q1 FY18, incremental revenues from 1,997 net new Starbucks store openings over the past 12 months, and 3% growth in global comparable store sales, partially offset by licensing its CPG and foodservice businesses to Nestlé following the close of the deal on August 26, 2018. Operating income grew 3% to \$928.5 million in Q4 FY18, up from \$901.5 million in Q4 FY17.

GUARANTOR PROFILE

Tenant	Starbucks
Guarantor	Starbucks Corporation
Ownership Type	Public
Traded As	NASDAQ: SBUX
# of Locations	±29,324 in 78 markets (±17,454 in US)
Founded	1971
Headquarters	Seattle, WA
Website	www.starbucks.com

REPRESENTATIVE IMAGE

Location Overview

Located in the Florida Panhandle, **TALLAHASSEE** is the largest city in the region and is the state capital of Florida. It is the county seat and the only incorporated municipality in Leon County. In 2019, the city's population was 191,049 making it the 7th largest city in the state of Florida and the 125th largest city in the United States. Tallahassee is currently the 12th fastest growing metropolitan area in Florida with a growth rate of 12.4%, which is higher than Miami and Tampa. As the largest city in the Florida Panhandle region, Tallahassee is the main center for trade and agriculture in the Florida Big Bend (-the marshy coast without barrier islands that extends along the Gulf of Mexico coast of Florida from the Ocklockonee River to Anclote Key) and Southwest Georgia regions.

Tallahassee is home to Florida State University, Florida A&M University, and Tallahassee Community College. Tallahassee Community College is a large state college that serves mainly as a feeder school to Florida State and Florida A&M. The city of Tallahassee qualifies as a significant college town, with combined student population exceeding 70,000.

HIGHLIGHTS

- **ECONOMY - THE UNEMPLOYMENT RATE IN TALLAHASSEE IS 3.6% (U.S. AVG. IS 3.9%). RECENT JOB GROWTH IS POSITIVE. SINCE 2018 TALLAHASSEE JOBS HAVE INCREASED BY 1.95%.**
- **TRANSPORTATION - AVERAGE COMMUTE TIME IS 18 MINUTES. THE NATIONAL AVERAGE IS 26 MINUTES.**
- **REAL ESTATE - THE MEDIAN HOME COST IN TALLAHASSEE IS \$176,800. WITHIN THE LAST 10 YEARS, HOME APPRECIATION HAS BEEN 6.14%. WITHIN THE LAST 12 MONTHS, HOME APPRECIATION IS UP 8.8%.**
- **POPULATION - TALLAHASSEE'S POPULATION IS 191,049 PEOPLE. SINCE 2010, IT HAS HAD A POPULATION GROWTH OF 6.57%.**
- **TECHNOLOGY - TALLAHASSEE IS HOME TO THE NATIONAL HIGH MAGNETIC FIELD LABORATORY, THE LARGEST MAGNET LAB IN THE WORLD WITH EQUIPMENT CAPABLE OF GENERATING A MAGNETIC FIELD 1,000,000X STRONGER THAN THAT OF THE EARTH**

REPRESENTATIVE IMAGE

Location Overview

FLORIDA STATE UNIVERSITY

Florida State University (Florida State or FSU) is a public space-grant and sea-grant research university in Tallahassee, Florida. It is a senior member of the State University System of Florida. Founded in 1851, it is located on the oldest continuous site of higher education in the state of Florida.

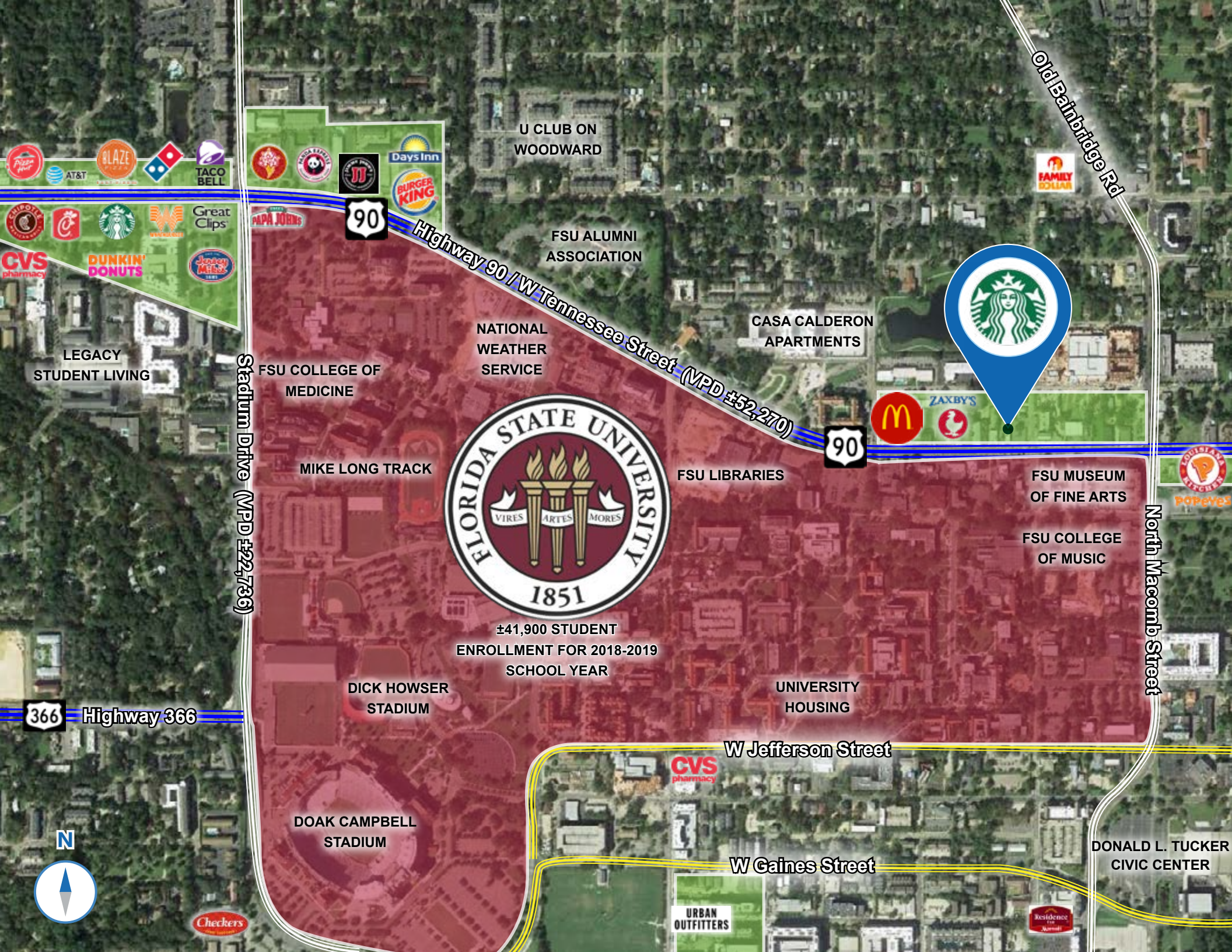
The university is classified as a Research University with Very High Research by the Carnegie Foundation for the Advancement of Teaching. The university comprises 16 separate colleges and more than 110 centers, facilities, labs and institutes that offer more than 360 programs of study, including professional school programs. The university has an annual budget of over \$1.7 billion and an annual economic impact of over \$10 billion. Florida State is home to Florida's only National Laboratory, the National High Magnetic Field Laboratory, and is the birthplace of the commercially viable anti-cancer drug Taxol. Florida State University also operates The John & Mable Ringling Museum of Art, the State Art Museum of Florida and one of the largest museum/university complexes in the nation. The university is accredited by the Southern Association of Colleges and Schools (SACS).

For 2019, U.S. News & World Report ranked Florida State as the 26th best public university in the United States in the national university category. Florida State University is one of Florida's three state-designated "preeminent universities."

FSU's intercollegiate sports teams, commonly known by their "Florida State Seminoles" nickname, compete in National Collegiate Athletic Association (NCAA) Division I and the Atlantic Coast Conference (ACC). In their 113-year history, Florida State's varsity sports teams have won 20 national athletic championships and Seminole athletes have won 78 individual NCAA national championships.



REPRESENTATIVE IMAGES



U CLUB ON
WOODWARD

FSU ALUMNI
ASSOCIATION

NATIONAL
WEATHER
SERVICE

CASA CALDERON
APARTMENTS

LEGACY
STUDENT LIVING

FSU COLLEGE OF
MEDICINE

MIKE LONG TRACK

FSU LIBRARIES

FSU MUSEUM
OF FINE ARTS

FSU COLLEGE
OF MUSIC



±41,900 STUDENT
ENROLLMENT FOR 2018-2019
SCHOOL YEAR

DICK HOWSER
STADIUM

UNIVERSITY
HOUSING

DOAK CAMPBELL
STADIUM

W Jefferson Street

W Gaines Street

DONALD L. TUCKER
CIVIC CENTER

Old Bainbridge Rd

North Macomb Street

Stadium Drive (VPD #22,736)

Highway 90 / W Tennessee Street (VPD #52,270)

Highway 366

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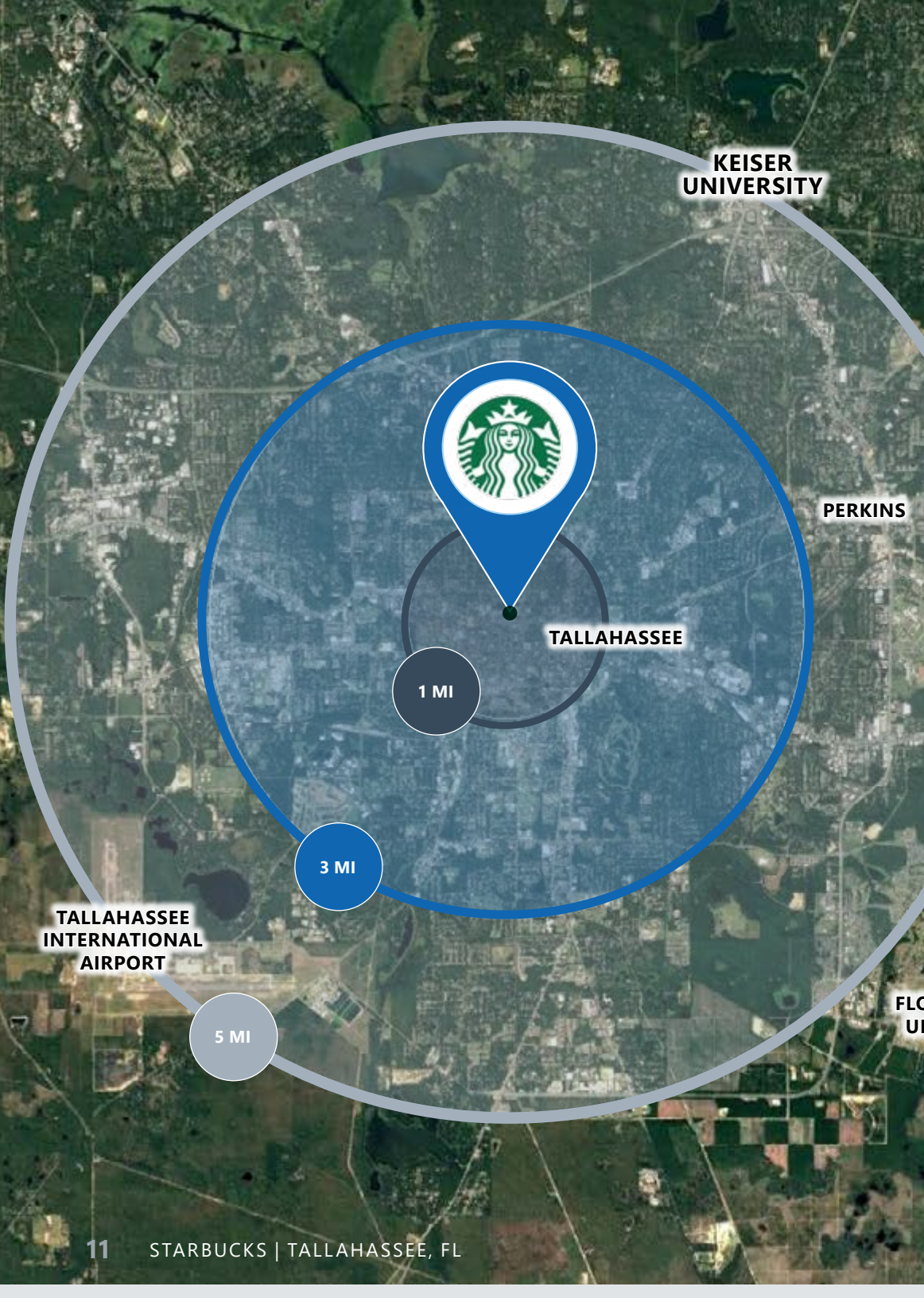
Area Demographics



POPULATION	0-1 MI	0-3 MI	0-5 MI
2018 Population - Current Year Estimate	18,613	101,977	174,686
2023 Population - Five Year Projection	18,930	104,968	180,795
2010 Population - Census	18,156	97,672	166,283
2010-2018 Annual Population Growth Rate	0.30%	0.52%	0.60%
2018-2023 Annual Population Growth Rate	0.34%	0.58%	0.69%

HOUSEHOLDS	0-1 MI	0-3 MI	0-5 MI
2018 Households - Current Year Estimate	5,454	40,620	71,481
2023 Households - Five Year Projection	5,605	41,784	73,803
2010 Households - Census	5,273	39,314	68,928
2010-2018 Annual Household Growth Rate	0.41%	0.40%	0.44%
2018-2023 Annual Household Growth Rate	0.55%	0.57%	0.64%

HOUSEHOLD INCOME	0-1 MI	0-3 MI	0-5 MI
2018 Average Household Income	\$31,769	\$48,159	\$56,100
2023 Average Household Income	\$37,573	\$56,790	\$65,977



AFFILIATED BUSINESS DISCLOSURE

CBRE, Inc. operates within a global family of companies with many subsidiaries and/or related entities (each an “Affiliate”) engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates may represent various clients with competing interests in the same transaction. For example, this Memorandum may be received by our Affiliates, including CBRE Investors, Inc. or Trammell Crow Company. Those, or other, Affiliates may express an interest in the property described in this Memorandum (the “Property”) may submit an offer to purchase the Property and may be the successful bidder for the Property. You hereby acknowledge that possibility and agree that neither CBRE, Inc. nor any involved Affiliate will have any obligation to disclose to you the involvement of any Affiliate in the sale or purchase of the Property. In all instances, however, CBRE, Inc. will act in the best interest of the client(s) it represents in the transaction described in this Memorandum and will not act in concert with or otherwise conduct its business in a way that benefits any Affiliate to the detriment of any other offeror or prospective offeror, but rather will conduct its business in a manner consistent with the law and any fiduciary duties owed to the client(s) it represents in the transaction described in this Memorandum.

CONFIDENTIALITY AGREEMENT

This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property. This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the “Owner”), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner. Neither the Owner or CBRE, Inc. nor any of their respective directors, officers, Affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property. The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner’s obligations therein have been satisfied or waived. By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc. If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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