

STARBUCKS

Huntsville, AL

JAMESCAPITAL
ADVISORS



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Marketing Package

Starbucks

1015 N Memorial Pkwy, Huntsville, AL 35801

PROPERTY INFO

Tenant	Starbucks
Street Address	1015 N Memorial Pkwy
City	Huntsville
State	AL
Zip	35801
APN	14-07-35-2-001-003.0
GLA	1,750 SF
Lot Size	0.51 AC
Year Built	2006

FINANCIAL SUMMARY

Purchase Price	\$1,400,000
Cap Rate	6.00%
Net Operating Income	\$84,000
Price / SF	\$800.00
Rent / SF	\$48.00

CONTACT INFORMATION

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INVESTMENT HIGHLIGHTS

Significant Rental Increases in the Base Term

This investment benefits from a 10% increase in year six (2021), as well as in the option periods, allowing for healthy and consistent rental growth.

Attractive Starbucks Yield with Low Rent

Ideal investment offered at an above average cap rate of 6.0% at \$48.00/SF on a 1,750 square-foot building.

Established Location with Drive Thru

The subject property is located on the corner of a major retail corridor providing a drive through to customers on the go. This supplies Starbucks consumers traveling on the 231 Hwy easy ingress and egress to and from the location and adds a meaningful level of convenience to the customer experience while driving sales.



Long Term Operation

Starbucks has been operating in this location since 2006 and renewed in 2016 for a brand new 10 year lease, showing unparalleled commitment to the site.

Investment Grade Tenant

Starbucks boasts a BBB+ credit rating on the S&P and a Baa1 on Moody's scale, providing stability and peace of mind to any investor.

Corporate Guarantee from Fortune 500 Company

Starbucks (SBUX), being the 5th most admired company in the world, operates in 30,000 locations worldwide producing \$24.7 billion in revenue in 2018. Starbucks' valuation increased by 70% in the last 12 months ending in June 2019.

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The Offering

Starbucks

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LEASE SUMMARY

Lease Type	Double-Net (NN)
Type of Ownership	Fee Simple
Original Lease Term	10 Years
Commencement Date	6/21/2005
Lease Expiration	2/28/2026*
Term Remaining	6+ Years
Increases	10%
Options	Four (4), 5-Year
ROFR / ROFO	N/A

*Tenant can terminate the lease anytime after February 28th, 2022 (180 day notice).

Real Estate Taxes	Tenant Reimburses
Insurance	Tenant Reimburses
Repairs & Maintenance	Landlord Responsible*
*Tenant reimburses up to 5% of annual rent for Common Area Maintenance.	
Lease Guarantor	Corporate
Company Name	Starbucks
Ownership	Public
Years in Business	48
Number of Locations	28,218



LOCATION HIGHLIGHTS

Dense Retail Corridor

Coupled with being an out-parcel to a Home Depot, other national retailers include Costco, Burger King, Zaxby's, Dunkin' Donuts, Planet Fitness, Staples, and Red Lobster.

Great Visibility from High Traffic Artery

A total of 145,000 cars driving south and northbound on the 231 Hwy pass the Starbucks each day. 9,500 cars drive per day by the immediate parking lot on Memorial Pkwy.

Located Directly Off Major Highway Intersection

The Subject property is located directly off high traffic highways including the 231 and the 72 Hwy.

Robust Growth in Immediate Area

Huntsville is on track to become Alabama's largest city in the next five years. In the past nine years population has increased by 7% producing a healthy growth within the immediate area.

Strong Demographics in Trade Area

There are a total of 77,000 and 130,000 residents within a three and five-mile radius. Huntsville benefits from its healthy population being more than twenty two times larger than the average Alabama city population.

Close Proximity to Alabama (Huntsville) University

Starbucks is located just two miles from the University of Alabama-Huntsville. The University houses and enrolls 10,000 students annually.





RENT SCHEDULE

	PERIOD	ANNUAL RENT	MONTHLY RENT	INCREASE	RENT / SF	CAP RATE
3/1/2016 - 2/28/2021	Base Term	\$84,000	\$7,000	-	\$48.00	6.00%
3/1/2021 - 2/28/2026	Base Term	\$92,400	\$7,700	10%	\$52.80	6.60%
3/1/2026 - 2/28/2031	1st Option	\$101,640	\$8,470	10%	\$58.08	7.26%
3/1/2031 - 2/28/2036	2nd Option	\$111,804	\$9,317	10%	\$63.88	7.99%
3/1/2036 - 2/28/2041	3rd Option	\$122,976	\$10,248	10%	\$70.27	8.78%
3/1/2041 - 2/28/2046	4th Option	\$135,276	\$11,273	10%	\$77.30	9.66%

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Rent Schedule

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ABOUT THE BRAND

Starbucks Corporation is an American coffee company and coffeehouse chain. Starbucks was founded in Seattle, Washington in 1971. As of early 2019, the company operates over 28,000 locations worldwide.

Starbucks locations serve hot and cold drinks, whole-bean coffee, microground instant coffee known as VIA, espresso, caffe latte, full- and loose-leaf teas including Teavana tea products, Evolution Fresh juices, Frappuccino beverages, La Boulange pastries, and snacks including items such as chips and crackers; some offerings (including their annual fall launch of the Pumpkin Spice Latte) are seasonal or specific to the locality of the store. Many stores sell pre-packaged food items, hot and cold sandwiches, and drinkware including mugs and tumblers; select “Starbucks Evenings” locations offer beer, wine, and appetizers. Starbucks-brand coffee, ice cream, and bottled cold coffee drinks are also sold at grocery stores.

LOCATIONS	COUNTRIES	2018 REVENUE
28,218	76	\$24.7 Billion



RECENT NEWS

A Place for Community to Connect

In 2013 Starbucks committed to hiring 10,000 veterans and military spouses over five years. The company has reached that goal ahead of schedule and has actually hired nearly 25,000 veterans and military spouses.

Brightloom and Uber Eats

Deals with the two tech companies further positions Starbucks as the industry leader when it comes to innovative ways to both disrupt and revolutionize retail experiences beyond brick and mortar.

Starbucks Delivers to be Available in Early 2020

Starbucks continues expansion in partnership with Uber Eats to address \$24 billion U.S. online food delivery category



Starbucks Partners Make Deep, Local Impact

Points of Light and The Starbucks Foundation last year tested a program that enabled Starbucks employees to work for a nonprofit in their community part-time while still working part-time at Starbucks.

Starbucks College Achievement Plan

Since Starbucks began offering an online bachelor’s degree program through Arizona State University more than 2,400 have graduated.

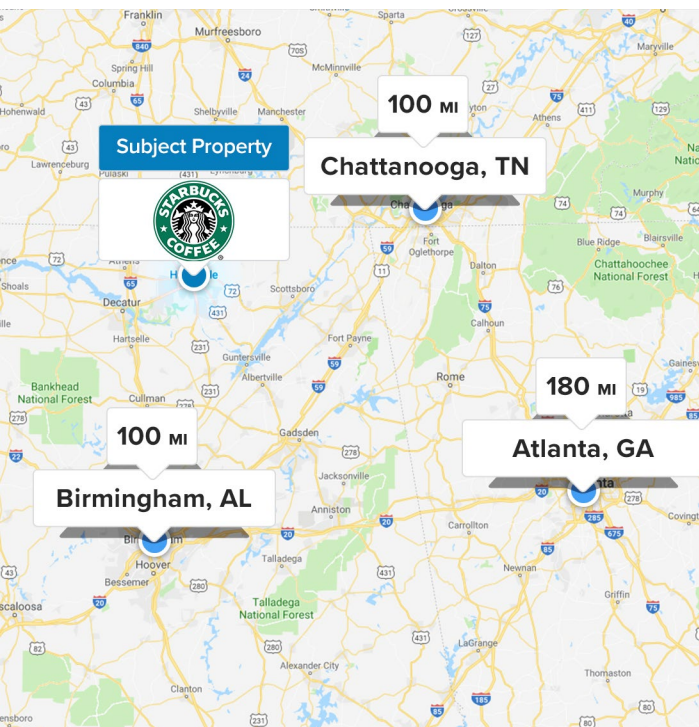
Starbucks Reports Q3 Fiscal 2019 Results

Q3 Comparable Store Sales Up 6% Globally, Led by 7% Comp Growth in the U.S. and 6% Comp Growth in China.

HUNTSVILLE, AL

Before and during the Civil War, Huntsville was a center for railroad and river-based trade and commerce. From humble beginnings, Huntsville has grown into a future-minded place to live, work, play and to visit! Huntsville is a city centrally located in the northernmost part of the U.S. state of Alabama. Located in Madison County, Huntsville extends west into neighboring Limestone County. Huntsville is the county seat of Madison County, and the fourth-largest city in Alabama.

Huntsville's tourist attractions reflect the heritage of Alabama's first English-speaking city, the strife of the American Civil War and the accomplishments of America's rocket scientists. Huntsville, nicknamed "The Rocket City" for its close history with U.S. space missions, has been important in developing space technology since the 1950s. As the second-largest metropolitan area in Alabama, Huntsville, greater Madison County and its surrounding communities are a testament to the Southern traditions of hospitality, curiosity and fun. From the down-home comfort to the history and high-tech bustle of Huntsville, there's never a dull moment in the quickly developing region.

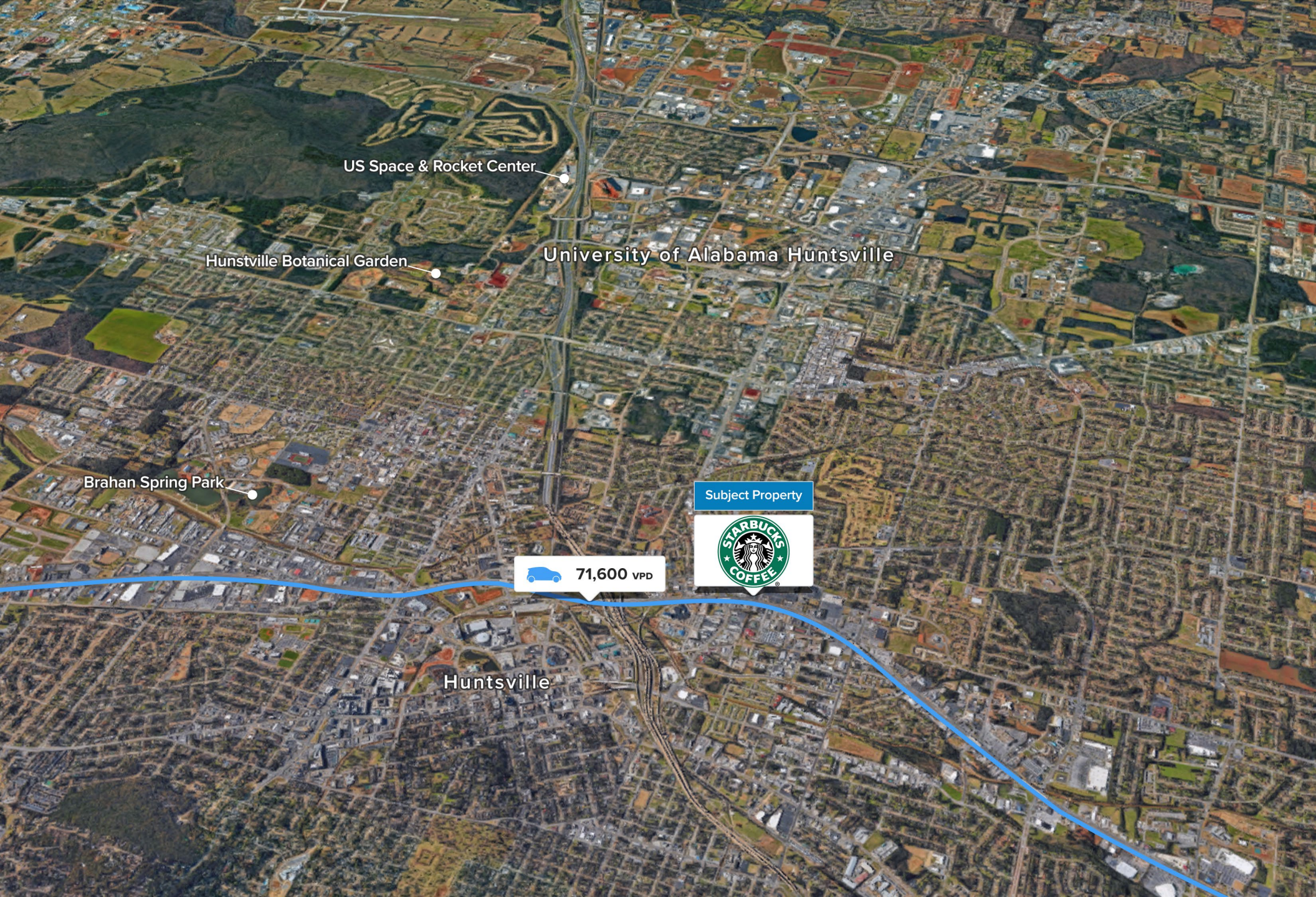


LOCATION OVERVIEW

The City of Huntsville is committed to diversifying its economy through a purposeful effort to target industries that have long-term potential, while also ensuring that its current high-tech industry base can remain vibrant. Since 2008, Mayor Battle has made it a priority to recruit advanced manufacturing jobs. This effort has resulted in the successful recruitment of Remington Outdoor Company, Polaris Industries, GE Aviation, and multiple expansions from Toyota. Mayor Battle has also looked at ways to build upon the city's knowledge-based economy by introducing initiatives in Geospatial, Energy, Cyber, and Biotech.

Additionally, Huntsville is home to Cummings Research Park (CRP), the second largest research park in the country and the fourth largest in the world. It is one of the world's leading science and technology business parks, with a mixture of Fortune 500 companies, local and international high-tech enterprises, U.S. space and defense agencies, thriving business incubators and competitive higher-education institutions. CRP is the home of nearly 300 companies, almost 27,000 employees and 11,500 students.

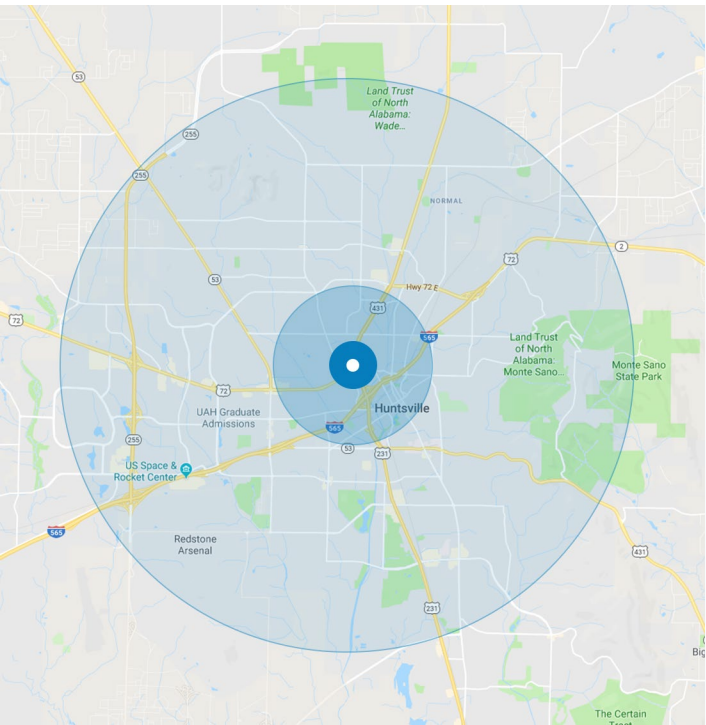






DEMOGRAPHICS

POPULATION	1 Mile	3 Mile	5 Mile	10 Mile
2023 Projection	7,472	77,227	130,310	299,524
2018 Estimate	7,282	74,127	125,001	286,665
2010 Census	7,441	69,287	116,407	263,147
Growth 2018 - 2023	2.61%	4.18%	4.25%	4.49%
Growth 2010 - 2018	(2.14%)	6.99%	7.38%	8.94%



HOUSEHOLDS

	1 Mile	3 Mile	5 Mile	10 Mile
2023 Projection	3,108	33,156	54,295	122,543
2018 Estimate	3,029	31,836	52,683	117,215
2010 Census	3,109	29,943	49,411	107,674
Growth 2018 - 2023	2.61%	4.15%	3.06%	4.55%
Growth 2010 - 2018	(2.57%)	6.32%	6.62%	8.86%

HOUSEHOLDS

	1 Mile	3 Mile	5 Mile	10 Mile
Avg HH Income	\$33,472	\$52,797	\$60,196	\$87,008
Med HH Income	\$20,919	\$32,319	\$36,969	\$62,169

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