

# STARBUCKS

421 N WHITE MOUNTAIN ROAD, SHOW LOW, AZ



OFFERING MEMORANDUM



Marcus & Millichap





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# Executive Summary

## FINANCIAL SUMMARY

<b>Price</b>	<b>\$2,300,000</b>
Down Payment	100% \$2,300,000
Cap Rate	5.0%
Building SF	+/- 2,400 SF
Net Cash Flow	5.0% \$114,999.60
Year Built	2018
Land/Lot Size	.92 Acres

## LEASE SUMMARY

Lease Type	Double-Net (NN) Lease
Tenant	Starbucks
Guarantor	Corporate
Roof & Structure	Landlord Responsible
Lease Commencement Date	June 4, 2018
Lease Expiration Date	June 3, 2028
Rental Increases	10% Every 5 Years
Renewal Options	4, 5 Year Options

## ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
Current - 6/3/2023	\$114,999.60	5.00%
6/4/2023 - 6/3/2028	\$126,500.04	5.50%
Options	Annual Rent	Cap Rate
Option 1	\$139,149.96	6.05%
Option 2	\$153,065.04	6.65%
Option 3	\$168,371.52	7.32%
Option 4	\$185,208.72	8.05%

<b>Base Rent</b>	<b>\$114,999.60</b>
<b>Net Operating Income</b>	<b>\$114,999.60</b>
<b>Total Return</b>	<b>5.0% \$114,999.60</b>





**SAFEWAY**  
**Days Inn**  
**Arby's**

 **NIKOLAUS HOMESTEAD  
ELEMENTARY SCHOOL**

**ACE**  
Hardware  
**native**  
grill wings  
**H** Holiday Inn Express

**CVS** **BURGER KING**  
pharmacy  
**AutoZone**  
**DAIRY QUEEN**

**C-A-L RANCH STORES**  
**K**  
**O'Reilly**  
AUTO PARTS

  
1953

 **Show Low Public Library**

**MCDONALD'S**



**DISCOUNT  
TIRE**

**CATTLEMEN'S  
STEAK HOUSE**  
**WHITE MOUNTAIN  
DONUTS**


**21,400 CPD**  
DEUCE OF CLUBS

**CHASE**

**18,250 CPD**  
N WHITE MOUNTAIN RD

**verizon**

**BANK OF AMERICA**



 **Domino's**





SHOW LOW  
REGIONAL  
AIRPORT



21,400 CPD  
DEUCE OF CLUBS



18,250 CPD  
N WHITE MOUNTAIN RD





# Property Description



## INVESTMENT HIGHLIGHTS

- » **9 Years Remaining on Lease Term with Starbucks** - Corporate Guaranty
- » 10% Rental Increases Every 5 Years
- » **Households Projected to Increase 17%+ in 3-Mile Radius by 2023**
- » Show Low is One of the Largest and Fastest Growing Cities in Northern Arizona
- » **Visible to 18,250+ Cars/Day Along N White Mountain Road**
- » Down the Road from Show Low Regional Airport
- » **Surrounded by Major National Retailers** - McDonald's, Safeway, Ace Hardware, KFC, Burger King, Discount Tire, and More
- » Nearly 40,000 Cars/Day at the Nearby Intersection of N White Mountain Road & Deuce of Clubs
- » **Minutes from Northland Pioneer College (6,700 Students)**
- » 4 Miles to Summit Healthcare Regional Medical Center - Show Low's Top Employer



## DEMOGRAPHICS

1-mile

3-miles

5-miles

### Population

2023 Projection	2,664	9,913	15,077
2018 Estimate	2,356	8,622	13,375
Growth 2018 – 2023	13.05%	14.97%	12.72%

### Households

2023 Projection	1,085	4,188	6,487
2018 Estimate	934	3,558	5,600
Growth 2018 – 2023	16.22%	17.72%	15.83%

### Income

2018 Est. Average Household Income	\$47,740	\$53,267	\$55,333
2018 Est. Median Household Income	\$42,090	\$43,820	\$45,515
2018 Est. Per Capita Income	\$18,964	\$22,034	\$23,237









# Tenant Overview



**Seattle, Washington**

Headquarters

**NASDAQ: SBUX**

Stock Symbol

**1985**

Founded

**22,500+**

Locations

**[www.starbucks.com](http://www.starbucks.com)**

Website

Starbucks is the premier roaster, marketer and retailer of specialty coffee in the world, operating in 69 countries. Formed in 1985, Starbucks Corporation's common stock trades on the NASDAQ Global Select Market ("NASDAQ") under the symbol "SBUX." The company purchases and roasts high-quality coffees that they sell, along with handcrafted coffee, tea and other beverages and a variety of fresh food items, through company-operated stores. Starbucks also sells a variety of coffee and tea products and license their trademarks through other channels such as licensed stores, grocery and national food service accounts. In addition

to their flagship Starbucks Coffee brand, Starbucks also offers goods and services under the following brands: Teavana, Tazo, Seattle's Best Coffee, Evolution Fresh, La Boulange, Ethos and Torrefazione Italia Coffee.

Starbucks company-operated stores are typically located in high-traffic, high-visibility locations. Their ability to vary the size and format of their stores allows the Starbucks to locate them in or near a variety of settings, including downtown and suburban retail centers, office buildings, university campuses, and in select rural and off-highway locations.



# Location Overview



Show Low is the largest city in Arizona's White Mountains region and is one of the fastest growing cities in Northern Arizona. With a trade area population of over 146,000, Show Low is experiencing dynamic growth. Seasonal spikes in the population from tourism activity and the second home market causes the trade area population to swell to well over 170,000 at times.

The city's major economic influences are tourism and regional service provision. Show Low has no property tax, no bed tax, and the sales tax rate is among the lowest in Arizona. Major employers in the area include the City of Show Low, the State of Arizona, Summit Healthcare Regional Medical Center, Walmart, Home Depot, Lowe's, Safeway stores, and more. One of the biggest employers in the area, Summit Healthcare Regional Medical Center is the top hospital in the state

for Vascular Surgery and has many state-of-the-art equipment in its 100-bed facility.

Show Low is a southwestern, mid-elevation mountain community that enjoys four distinct seasons, cool summers and relatively mild winters. This makes the area the ideal location for numerous outdoor activities, such as wildlife spotting, hiking, biking, and horseback riding.

Summertime in Show Low brings two popular festivals. In June, Show Low Days features a Derby Down the Deuce, a huge arts and craft festival, wiener dog race, itty bitty Olympics, rides for kids of all ages, and live entertainment throughout the day. During July 4th weekend, Show Low is home to one of the state's biggest parades, an art show, farmers market, and fireworks show.



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