

STARBUCKS



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1252 S COUNTRY CLUB DR, MESA, AZ

NEW 10 YEAR LEASE

OFFERING MEMORANDUM



Colliers
INTERNATIONAL

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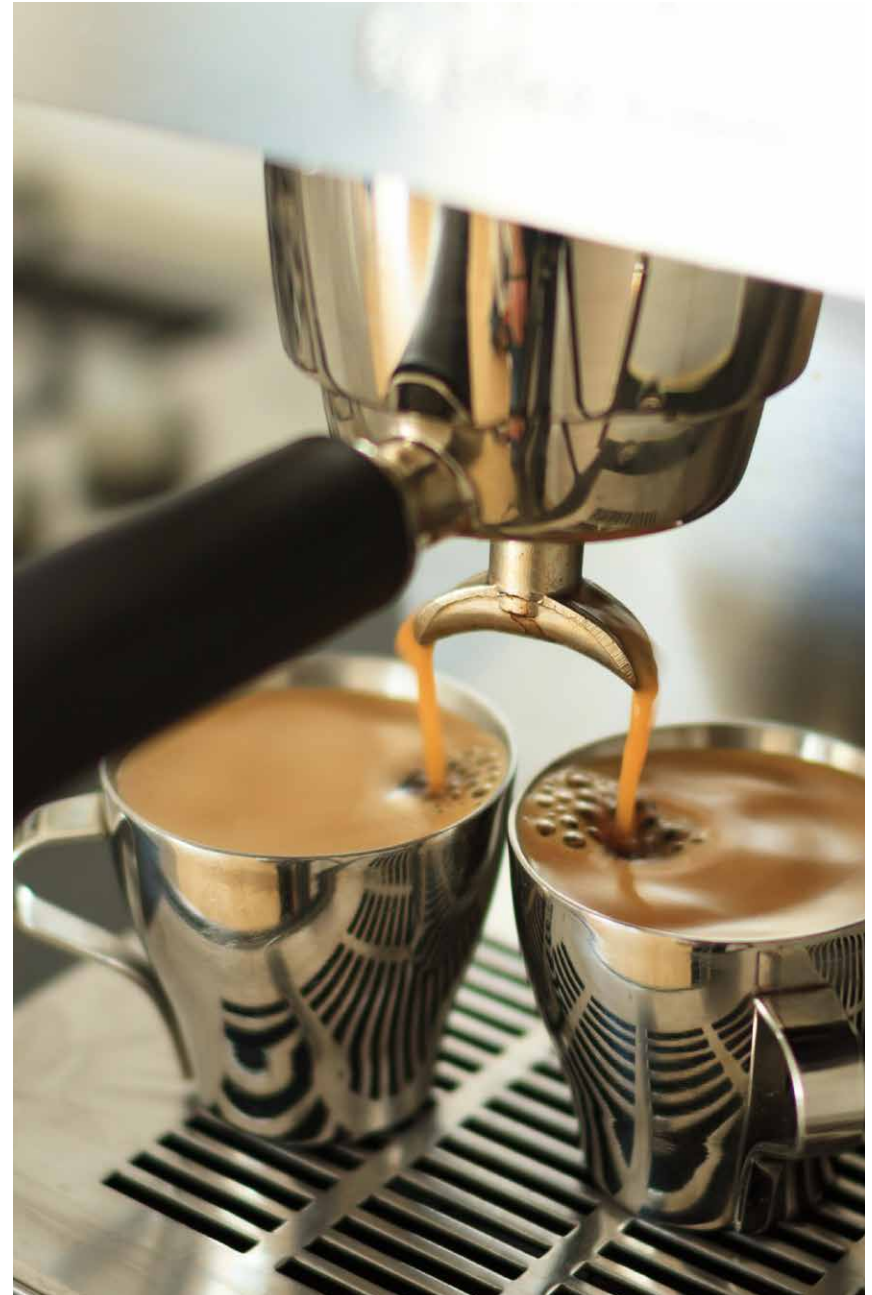
EXECUTIVE SUMMARY

EXECUTIVE OVERVIEW

ADDRESS	1252 S Country Club Dr, Mesa 85210
PRICE	\$2,750,000
CAP RATE	4.55%
ANNUAL BASE RENT	\$125,000
RENT INCREASES	10% EACH FIVE YEARS
PRIMARY LEASE TERM	10 YEARS
RENT COMMENCEMENT	AUGUST 1, 2019
LEASE TYPE	NN LEASE
BUILDING SIZE	±2,400 SF
LAND AREA	±0.75 Acres (±33,766 SF)
YEAR BUILT	2019

INVESTMENT HIGHLIGHTS

- **Newest Prototype** Freestanding Store with **Drive Thru**
- **10-Year** Lease with **Starbucks Corporation**, with limited landlord responsibilities





TENANT HIGHLIGHTS

- Starbucks offers **Investment-Grade** credentials (NASDAQ: SBUX) with a market cap of **\$100.3 billion**; S&P Rating of **BBB+**; and **#126** on the 2019 Fortune 500 list
- With more than **30,000 stores** in **78 countries**, Starbucks is one of the **World's Most Admired Companies** and recognized as one of the **World's Most Valuable Brands**

LOCATION HIGHLIGHTS

- Going to work side** of the street, southbound, with **easy curb cuts** both north and south of the parcel
- More than **73,000 VPD** at this arterial intersection
- Less than one-half mile** north of **US 60 Highway** (aka Superstition Freeway), a favorite commute route for Mesa residents, with more than **275,000 VPD**
- Surrounded by **densely populated** neighborhoods, **major employers**, and **regional attractions**
- Trade Area Exclusivity** – the nearest freestanding Starbucks stores north of the freeway are two miles west and seven miles east of this site; the Starbucks south of the freeway serves northbound traffic





TENANT PROFILE





Starbucks Corporation (NASDAQ: SBUX) is a premier coffeehouse chain well-known for its roasting, marketing and retailing of specialty coffee. As of March 2019, the worldwide company has more than **30,000** retail stores in **78** countries.

Since the opening of its first store in Seattle's Pike Place Market in 1971,

Starbucks has become the **largest coffee**

shop in the world. Starbucks 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. As of 2019, the company has been on the **Fortune 500** List **16 years** in a row.

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 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.

TENANT SUMMARY

NASDAQ: SBUX

Market Cap: \$100.64 Billion

Standard and Poor's Rating: BBB+, Outlook Stable

Locations: 30,000+ in 78 countries

Employees: 291,000+

Fortune 500 List 2019: #121

STARBUCKS AWARDS AND RECOGNITIONS:



Named a
“Top 100 Global Brand”
Interbrand – 2018

One of the
“World’s Most Valuable Brands”
Forbes – 2013-2019

One of the
“World’s Most Admired Companies”
Fortune – 2009-2019



Voted World's Most Ethical Company 12 Years in a Row

by Ethisphere Institute

Starbucks has always believed in the importance of building a great, enduring company that strikes a balance between profitability and a social conscience. Here's the values that earned them such achievements as the world's most ethical company:

Ethical Sourcing: Starbucks takes a holistic approach to ethically sourcing high quality coffee. This includes responsible purchasing practices, supporting farmer loans and forest conservation programs. When buying coffee this way, it helps foster a better future for farmers and a more stable climate for the planet. Doing so also helps create a long-term supply of the high-quality beans that Starbucks has been carefully blending, roasting and packing fresh for more than 40 years.



Environmental Stewardship: Starbucks shares it's customers' commitment to the environment. And believe in the importance of caring for the planet and encouraging others to do the same. It is working to reduce it's environmental footprint through energy and water conservation, recycling and green construction.

Community Involvement: From the neighborhoods where the stores are located to the ones where the coffee is grown – Starbucks believes in fostering thriving communities.



LEASE SUMMARY

TENANT	Starbucks Corporation
ADDRESS	1252 S Country Club Dr, Mesa, AZ 85210
SIZE (SF)	± 2,400 SF
LEASE TERM	10 years
RENT COMMENCEMENT	September 1, 2019
RENTAL INCREASES	10% every five years
RENEWAL OPTIONS	Four, five-year terms
TYPE OF LEASE	NN lease

RENTAL SCHEDULE (LEASE YEARS)			
	PSF	MONTHLY RENT	ANNUAL RENT
1 thru 5	\$52.08	\$10,416.67	\$125,000.00
6 thru 10	\$57.29	\$11,458.33	\$137,500.00
1st Renewal (11 thru 15)	\$63.02	\$12,604.15	\$151,250.00
2nd Renewal (16 thru 20)	\$69.32	\$13,864.58	\$166,375.00
3rd Renewal (21 thru 25)	\$76.26	\$15,251.04	\$183,012.50
4th Renewal (26 thru 30)	\$83.88	\$16,776.15	\$201,313.80



USE (LEASE, 5.1)

Tenant may use and occupy Premises and drive-through lane(s)/outdoor seating area for lawful retail or restaurant use, including, without limitation, the sale of beer and wine.

LANDLORD OBLIGATIONS (LEASE, 6.2)

Landlord is responsible for (a) the upkeep of the roof, all structural components of the Building; (b) the maintenance and repair of all parking areas, sidewalks, landscaping and draining systems and all utility systems (including mechanical, electrical and HVAC systems) and plumbing systems on the Property.

PAYMENT OF REAL PROPERTY TAXES (LEASE, 10.2)

Landlord to pay Real Property Tax bill. Tenant to pay Landlord, as additional rent, Tenant's Pro Rata Share of Real Property Taxes.

PROPORTIONATE SHARE (LEASE, 12.2)

Tenant's Pro Rata Share shall mean and be 100%.

TENANT'S PAYMENT (LEASE, 12.3)

Tenant shall pay to Landlord, as additional rent, Tenant's Pro Rata Share of Operating Expenses, Landlord's Insurance, and Real Property Taxes.

MANAGMENT FEE IN OPERATING EXPENSES (LEASE, 12.5)

Administrative or management fees (in the aggregate) may be charged up to but not to exceed ten percent (10%) of the Operating Expenses.

SIGNAGE (LEASE, 16)

Tenant will have the exclusive right, at no additional rent, to install a sign panel on both sides of the monument sign to be located on Country Club Drive.





PROPERTY PROFILE



This newly-built prototype Starbucks freestanding building with a drive-thru is conveniently located on the “going to work” side of Country Club Drive, just north of the entrance to the Superstition Freeway, a favorite commute route for Mesa residents. Also just south of Southern Avenue, more than 73,000 vehicles per day travel through this busy arterial intersection. Other national brands located at this intersection include McDonald’s, Chase Bank, Pizza Hut and Taco Bell.

ADDRESS

1252 S Country Club Dr, Mesa 85210

BUILDING SIZE

± 2,400 SF

YEAR BUILT

2019

LAND AREA

±0.75 Acres (±33,766 SF)

PARCEL NUMBER

134-22-908D (Maricopa County)

ZONING

LC, City of Mesa

PARKING

±28 (per site plan)





AREA OVERVIEW

The site is less than one-half mile from a full-diamond interchange with US 60 (Superstition Freeway), a favorite commute route for Mesa residents. US 60 carried approximately 275,000 VPD near this intersection with Country Club Drive in 2018. It is also three miles east of Loop 101 Freeway.

24-7 Intouch, a global, 24-hour contact center, with 1,800 employees, is located adjacent to the Property. In addition to these immediate employees, this location is surrounded by dense housing. Several master-planned communities in close proximity to the property including Dobson Ranch, Heritage Park, Rancho Del Mar, Heritage Park Neighborhood, have excellent connectivity to the freeway system. There are 166,241 consumers living within a three-mile radius with an average household income of \$60,085.



DEMOGRAPHICS	1 MILE RADIUS	3 MILE RADIUS	30 MINUTE DRIVE	CITY OF MESA	MARICOPA COUNTY
POPULATION (2018)	21,267	166,241	2,029,340	500,366	4,376,544
DAYTIME POPULATION	24,145	181,481	2,332,072	465,337	4,459,348
BUSINESSES IN THE AREA	495	3,289	6,847	6,446	62,342
AVG HOUSEHOLD INCOME	\$50,737	\$60,085	\$83,868	\$73,511	\$83,970
AVG HOUSING VALUE	\$122,471	\$172,131	\$272,815	\$206,881	\$271,282
WORKFORCE POPULATION (20 TO 64)	60.4%	61.2%	59.2%	56.5%	58.1%
MEDIAN AGE	28.3	30.5	34.6	34.9	35.0

Source: MagnifyMaps



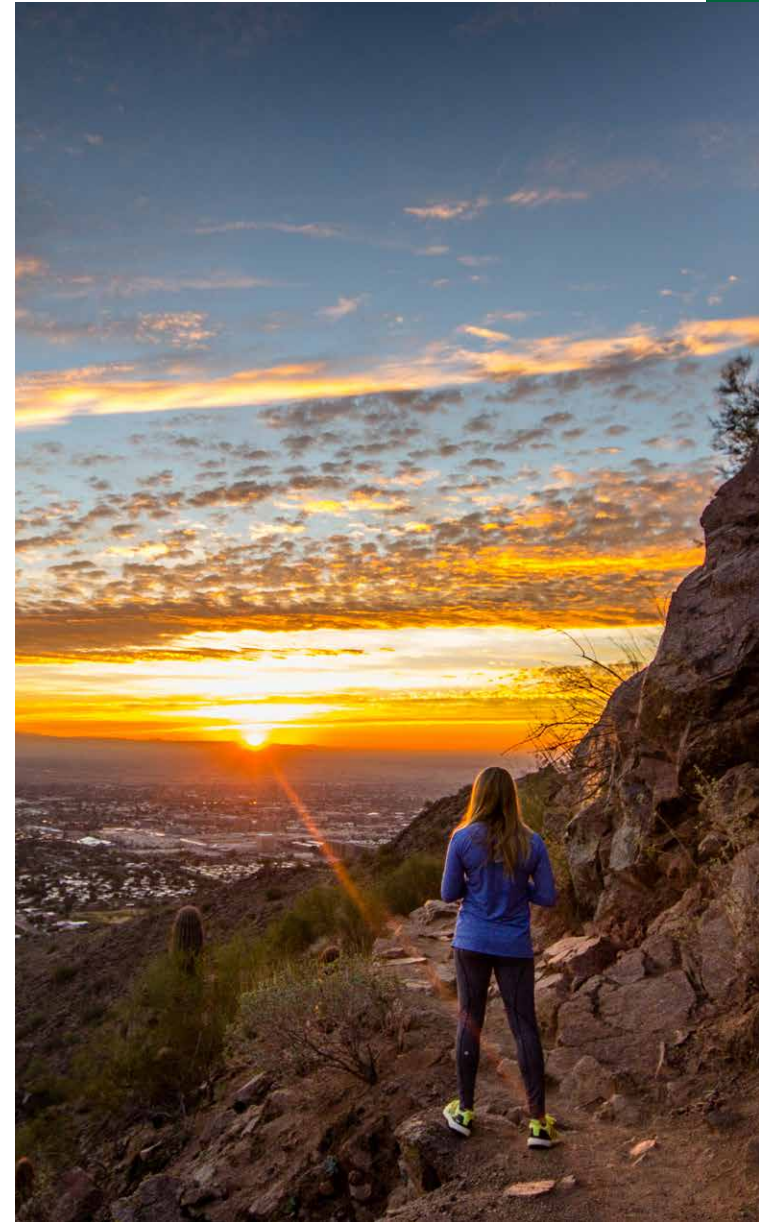
**73,000 VEHICLES
PER DAY AT
SOUTHERN AND
COUNTRY CLUB**

CITY OF MESA

Founded in 1978, Mesa is one of the nation's strongest metropolitan economies and the third largest city in Arizona, with a population of 500,366. Mesa is known for adventure, thanks to its proximity to The Superstition Mountains and one of the largest national forests in the US, Tonto National Forest. Tonto is one of the most visited forests in the country, and is a go-to spot for boating, paddle-boarding, hiking and more. The Mesa Arts Center, one of the largest arts and entertainment parks in the Southwest, and the more than 200 public art sculptures Downtown makes this city a well-known art destination. Sloan Park, the spring training home of the Chicago Cubs, brings in visitors from all over to enjoy the Cubs like never before. All the aforementioned and more has earned this city the nickname "City Limitless," giving Mesa over 1.1 million visitors in 2018 alone, who directly spent \$269 million within the city.

EMPLOYERS

Numerous major employers have chosen this trade area for its convenient proximity to large labor pools. Banner Health Systems, The Boeing Company, and 24-7 Intouch are just a few examples. There are also several hospitals located within this area. Banner and Dignity hospitals are both located within five miles of the site.





EDUCATION

The area is home to an impressive array of higher-education institutions, with Mesa Community College (MCC) being just 1.5 miles away from the Property. MCC is home to 22,711 students and 300 full-time faculty members and is the largest college in the Maricopa County Community College District. Other educational-facilities in the area include the ASU Polytechnic Campus, the East Valley Institute of Technology, Northern Arizona University-Mesa and more.

The combination of a well-established, well-positioned neighborhood area of middle-class families, projected population growth and an established network of hospitals and universities supports a stable outlook for a successful Starbucks location for years to come.





ATTRACTIONS WITHIN 5 MILES



MESA RIVERVIEW

Regional, open-air destination shopping center featuring dining, shopping and entertainment



GOLFLAND SUNSPLASH

More than 30 rides and attractions, including miniature golf, waterpark, arcade and raceway



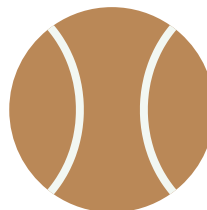
CAMPUS @ US 60

310,000 SF education and healthcare campus



DOWNTOWN MESA

home of the Mesa Arts Center, Mesa Southwest Shakespeare Company, Mesa Southwest Museum, Mesa Amphitheatre and Mesa Convention Center



HOHOKAM STADIUM

Spring Training ballpark of the Oakland Athletics



USERY MOUNTAIN
REGIONAL PARK

SUPERSTITION
MOUNTAINS

APACHE JUNCTION

MESA HIGH
SCHOOL

FOOD
CITY

SOUTHERN AVE (VPD 26,300)

SHERWOOD MANOR

MESA DR

HERITAGE PARK NEIGHBORHOOD

THE PALMS

SUBWAY

TACO
BELL

STARBUCKS

STARBUCKS

AMERICAN
INN & SUITES

MESA GRAND
SHOPPING CENTER
AMC THEATRES Party City
Walmart Cane's
PETSMART

TRADER JOE'S
SPROUTS

SAM'S
CLUB

STAPLEY DR

METRO EAST VALLEY
COMMERCE CENTER

BASELINE RD

GILBERT

ASU ARIZONA STATE
UNIVERSITY
POLYTECHNIC CAMPUS

Phoenix Gateway Airport

60

(VPD 275,000)

EMPIRE CAT
Headquarters

COUNTRY CLUB DR (VPD 46,800)

N



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