

SINGLE TENANT NNN

Investment Opportunity



2090 JOHN HARDEN DRIVE

JACKSONVILLE ARKANSAS (LITTLE ROCK MSA)

ACTUAL SITE





EXCLUSIVELY MARKETING BY

MICHAEL CARTER

**First Vice President
SRS National Net Lease Group**

101 W Big Beaver Road, Suite 14
Troy, MI 48084
D 248-688-0630
M 586-549-4260
Michael.Carter@srsre.com
MI License No. 6501180257

FRANK ROGERS

**First Vice President
SRS National Net Lease Group**

101 W Big Beaver Road, Suite 14
Troy, MI 48084
D 248.688.0631
M 810.348.3324
Frank.Rogers@srsre.com
MI License No. 6502417063

Broker of Record: T.J. Lefler – Sage Partners | AR License #SA00062336



CONTENTS

4

INVESTMENT SUMMARY

Offering Summary | Investment Highlights

8

PROPERTY OVERVIEW

Aerials | Site Plan | Location Map

13

AREA OVERVIEW

Demographics

15

FINANCIALS

Rent Roll | Brand Profile



INVESTMENT SUMMARY



SRS National Net Lease Group is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in a NNN leased, investment grade (S&P:BBB+), corporate guaranteed, Starbucks investment property located in Jacksonville, Arkansas (Little Rock MSA). The tenant, Starbucks, has approximately 8 years remaining with 4 (5-year) options to extend. The lease features a 4.76% rental increase in April 2022 and a 15.5% rental increase at the beginning of the first option period, growing NOI and hedging against inflation. The lease is corporate guaranteed by Starbucks Corporation, an investment grade (S&P: BBB+), globally recognized, and established tenant, with over 25,000 locations. The lease is NNN with landlord responsibilities limited to roof and structure.

Starbucks is strategically located on John Harden Drive and adjacent to US Highway 167 & 67 (49,000 VPD), a major north/south thoroughfare for the state of Arkansas, with direct on/off ramp access nearby. The site is equipped with a large pylon sign, providing excellent visibility along US Highway 167 & 67. Further, the site is also equipped with a drive-thru, providing ease and convenience for customers. On average, stores with drive-thrus generally experience higher sales than those without. Starbucks is ideally positioned adjacent the Jacksonville Plaza (260,000 SF) anchored by a 24-Hour Walmart Supercenter, increasing crossover traffic to the site. The site is also within close proximity to Gregory Place Shopping Center (182,000 SF), anchored by Kroger, Harbor Freight Tools, and Dollar Tree. Other nearby national/credit tenants include Aaron's, Lowe's Home Improvement, Walgreens, O'Reilly Auto Parts, and more, further increasing consumer traffic to the subject area. The asset is less than 1.5 miles north from North Metro Medical Center, a 78 bed hospital. The property is also within a 16-mile radius from Downtown Little Rock and Bill & Hillary Clinton National Airport, which reports more than 2 million annual passengers. The 5-mile trade area is supported by a population of more than 40,000 residents with an average household income of \$59,453.

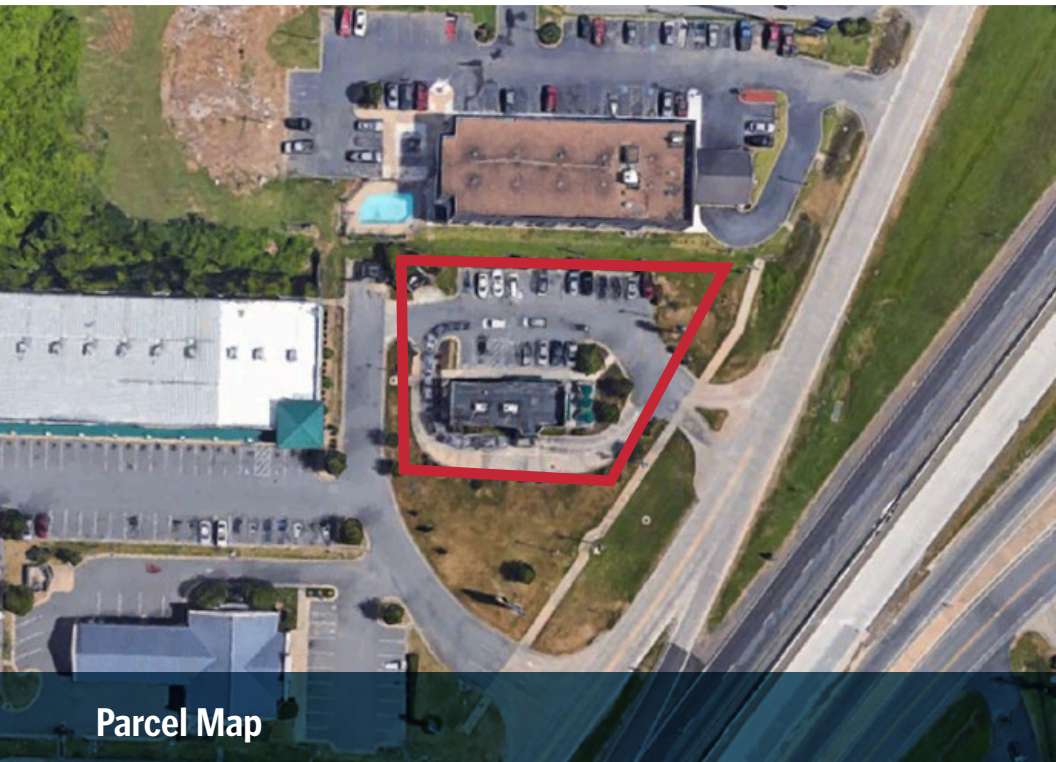


PROPERTY PHOTOS





OFFERING SUMMARY



Parcel Map

Offering

PRICING	\$1,838,000
NET OPERATING INCOME	\$105,711
CAP RATE	5.75%
GUARANTY	Corporate (S&P: BBB+)
TENANT	Starbucks
LEASE TYPE	NNN
LANDLORD RESPONSIBILITIES	Roof and Structure

Property Specifications

RENTABLE AREA	1,748 SF
LAND AREA	0.52 Acres
PROPERTY ADDRESS	2090 John Harden Drive Jacksonville, AR 72076
YEAR BUILT	2007
PARCEL NUMBER	12J-026-04-002-00
OWNERSHIP	Fee Simple (Land & Building)



INVESTMENT HIGHLIGHTS

Corporate Guaranteed | Investment Grade Tenant | Options To Extend | Scheduled Rental Increases

- Corporate guaranteed by Starbucks Corporation, an investment grade (S&P: BBB+), globally recognized, and established tenant, with over 25,000 locations
- Approximately 8 years remaining with 4 (5-year) option periods to extend
- In 2017, the tenant extended the lease for 10 years without any rent concessions, demonstrating the site's strong performance
- Lease features a 4.76% rental increase in April 2022 and a 15.5% rental increase at the beginning of the first option period

NNN Lease | Fee Simple Ownership | Limited Landlord Responsibilities

- Tenant pays for CAM, taxes, insurance and maintains most aspects of the premises
- Landlord responsibilities limited to roof and structure
- Ideal, low-management investment for an out-of-state, passive investor

Adjacent To US Highway 167 & 67 (49,000 VPD) | Large Pylon Sign | Excellent Visibility | Drive-Thru Equipped

- Strategically located on John Harden Drive and adjacent to US Highway 167 & 67 (49,000 VPD), a major north/south thoroughfare for the state of Arkansas, with direct on/off ramp access nearby
- The site is equipped with a large pylon sign, providing excellent visibility along US Highway 167 & 67
- The site is also equipped with a drive-thru, providing ease and convenience for customers

Adjacent To Jacksonville Plaza (260,000 SF) | Nearby Gregory Place Shopping Center (182,000 SF) | Primary Retail Corridor

- Starbucks is ideally positioned adjacent the Jacksonville Plaza (260,000 SF) anchored by a 24-Hour Walmart Supercenter
- Within close proximity to Gregory Place Shopping Center (182,000 SF), anchored by Kroger, Harbor Freight Tools, and Dollar Tree
- Other nearby national/credit tenants include Aaron's, Lowe's Home Improvement, Walgreens, O'Reilly Auto Parts, and more
- Increases consumer draw and promotes crossover traffic to the subject area

Close Proximity To North Metro Medical Center (78 Beds) | Downtown Little Rock | Bill & Hillary Clinton National Airport

- Less than 1.5 miles north from North Metro Medical Center, a 78 bed hospital
- Within a 16-mile radius from Downtown Little Rock and Bill & Hillary Clinton National Airport, which reports more than 2 million annual passengers

Local Demographics In 5-Mile Trade Area

- More than 40,000 residents and 10,000 employees support the trade area
- \$59,453 average household income

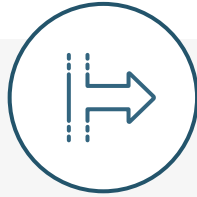


PROPERTY OVERVIEW



Location

Located in
Pulaski County



Access

John Harden Drive
2 Access Points



Traffic Counts

U.S. Highway 167 & 67
49,000 Cars Per Day



Improvements

There is approximately 1,748 SF
of existing building area



Parking

There are approximately
20 parking spaces on the
owned parcel.
The parking ratio is
approximately 11.44 stalls per
1,000 SF of leasable area.



Parcel

Parcel Number:
12J-026-04-002-00
Acres: 0.52
Square Feet: 22,651 SF



Year Built

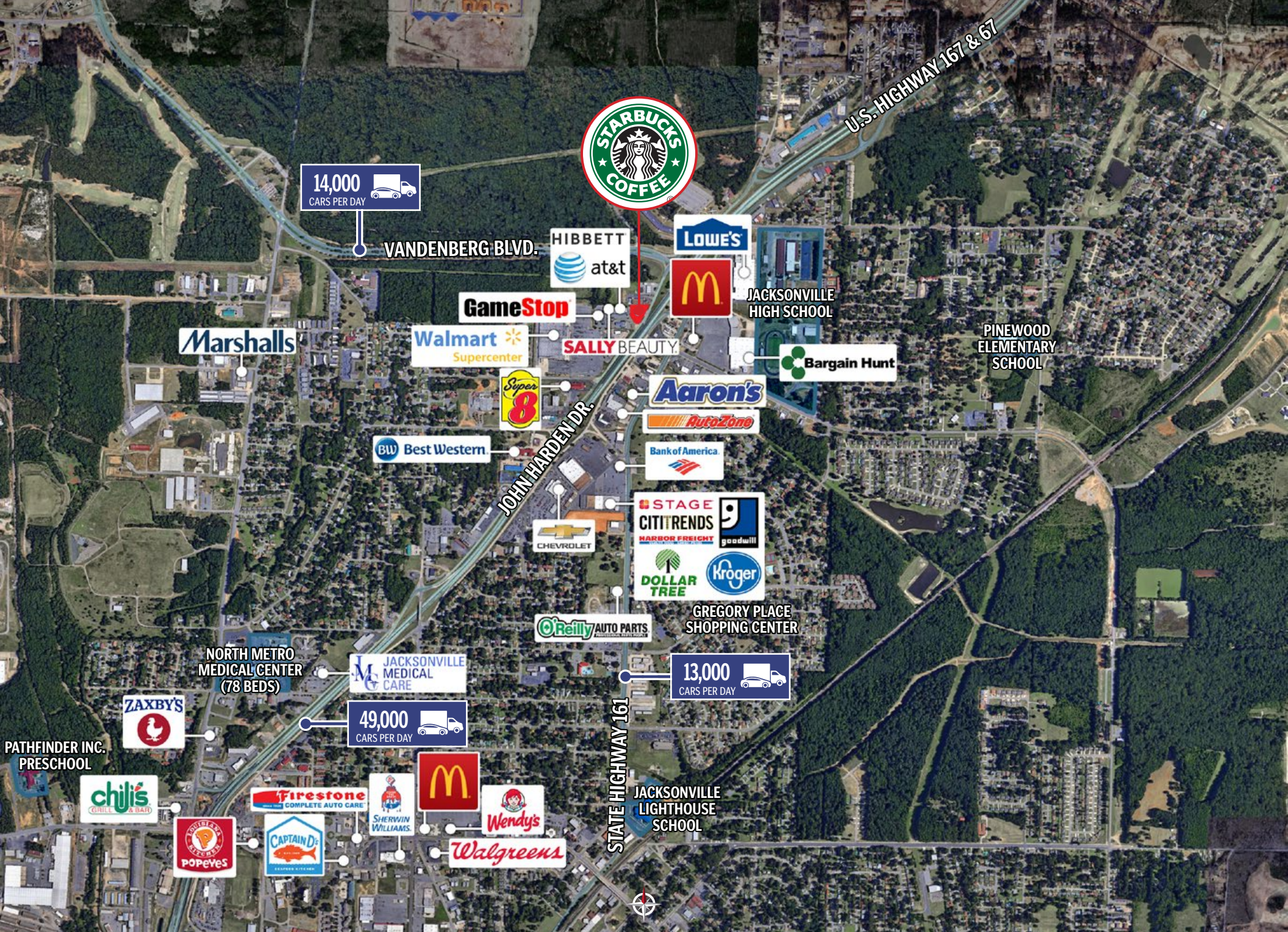
2007



Zoning

C-3 - Highway Commercial

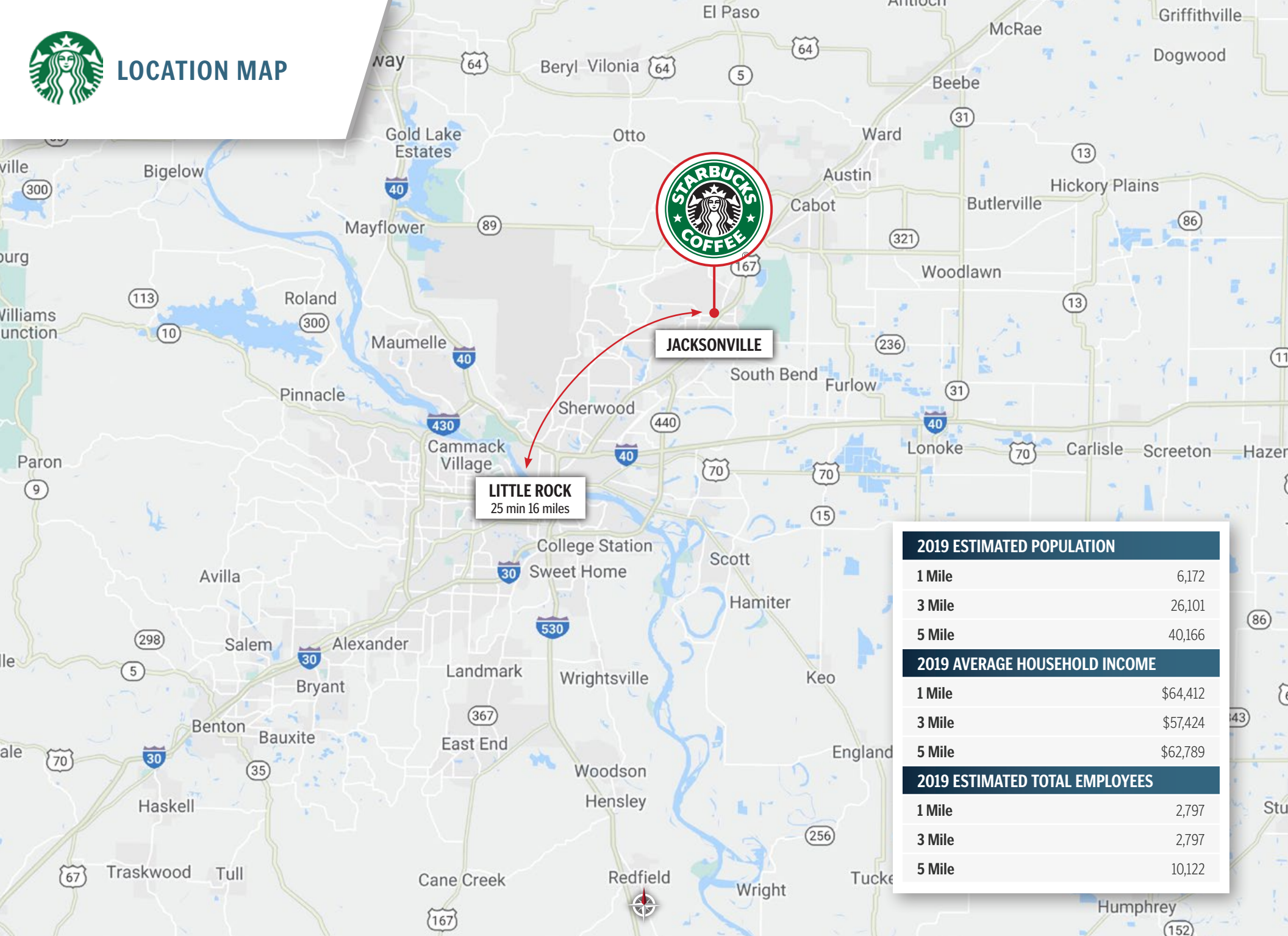








LOCATION MAP



2019 ESTIMATED POPULATION

1 Mile	6,172
3 Mile	26,101
5 Mile	40,166

2019 AVERAGE HOUSEHOLD INCOME

1 Mile	\$64,412
3 Mile	\$57,424
5 Mile	\$62,789

2019 ESTIMATED TOTAL EMPLOYEES

1 Mile	2,797
3 Mile	2,797
5 Mile	10,122



AREA OVERVIEW



Jacksonville, Arkansas

Jacksonville is a city in Pulaski County, Arkansas, United States, and a suburb of Little Rock. The city is named for Nicholas Jackson, a landowner who deeded the land for the railroad right-of-way to the Cairo & Fulton Railroad in 1870. The community evolved from the settlement surrounding the railroad depot, eventually incorporating in 1941. In 1941, construction began on the Arkansas Ordnance Plant (AOP), which served as the primary facility for the development of fuses and detonators for World War II. The City of Jacksonville had a population of 28,542 as of July 1, 2019. Jacksonville ranks in the upper quartile for Population Density and Diversity Index when compared to the other cities, towns and Census Designated Places (CDPs) in Arkansas.

Since 1927, Jacksonville had been part of the Pulaski County Special School District, one of the largest school districts in Arkansas. In the years leading up to September, 2008, parts of the Jacksonville community expressed a desire to split from the PCSSD. This measure was approved by the board of the PCSSD during that month, clearing the way, legally, for the formation of what would become Jacksonville North Pulaski School District. The district consists of seven elementary schools, one middle school and one high school.[12] The schools include Jacksonville High School, Jacksonville Middle School, Bayou Meto Elementary School, Arnold Drive Elementary School, Tolleson Elementary School, Dupree Elementary School, Pinewood Elementary School and Taylor Elementary School.

The city of Jacksonville has many museums including the MacArthur Museum of Arkansas Military History, Arkansas Arts Center, and the Old State House Museum. Tourists can also visit the First Baptist Church, First Presbyterian Church, and the Mount Pisgah Church. There are many parks that offer a range of recreational facilities. The South Plaza Shopping Center, Sunnyside Shopping Center, Crestview Plaza Shopping Center are also popular tourist haunts.

Those wishing to travel by air can do so from Little Rock AFB Airport.

Pulaski County is a county in the U.S. state of Arkansas with a population of 392,680 making it the most populous county in Arkansas. Its county seat is Little Rock, which is also Arkansas's capital and largest city. Pulaski County is Arkansas's fifth county, formed on December 15, 1818, alongside Clark and Hempstead Counties. The county is named for Casimir Pulaski, a Polish volunteer who saved George Washington's life during the American Revolutionary War.



AREA DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
2019 Estimated Population	6,172	26,101	40,166
2024 Projected Population	6,209	26,417	40,648
2010 Census Population	6,180	25,663	39,592
Projected Annual Growth 2019 to 2024	0.12%	0.24%	0.24%
2019 Estimated Households	2,622	10,188	15,730
2024 Projected Households	2,637	10,339	15,957
2010 Census Households	2,614	9,967	15,418
Projected Annual Growth 2019 to 2024	0.11%	0.29%	0.29%
Historical Annual Growth 2010 to 2019	0.03%	0.24%	0.22%
2019 Estimated White	58.50%	53.99%	60.34%
2019 Estimated Black or African American	30.57%	35.63%	30.83%
2019 Estimated Asian or Pacific Islander	3.24%	2.48%	2.11%
2019 Estimated American Indian or Native Alaskan	0.34%	0.46%	0.54%
2019 Estimated Other Races	3.87%	3.17%	2.49%
2019 Estimated Hispanic	7.94%	7.45%	6.50%
2019 Estimated Average Household Income	\$64,412	\$57,424	\$62,789
2019 Estimated Median Household Income	\$49,536	\$45,257	\$50,841
2019 Estimated Per Capita Income	\$27,001	\$22,949	\$24,983
2019 Estimated Total Businesses	255	839	1,055
2019 Estimated Total Employees	2,797	8,489	10,122





RENT ROLL

TENANT NAME	SQUARE FEET	Lease Term				Rental Rates				
		LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE
Starbucks (Corporate Guaranteed)	1,748	4/1/2017	3/31/2027	Current	-	\$8,809	\$5.04	\$105,711	\$60.48	NNN
				4/1/2022	4.76%	\$9,229	\$5.28	\$110,745	\$63.36	
				Option 1	4/1/2027	15.50%	\$10,659	\$6.10	\$127,911	\$73.18
				Option 2	4/1/2032	10.00%	\$11,725	\$6.71	\$140,702	\$80.49
				Option 3	4/1/2037	10.00%	\$12,898	\$7.38	\$154,772	\$88.54
				Option 4	4/1/2042	10.00%	\$14,187	\$8.12	\$170,249	\$97.40

FINANCIAL INFORMATION

Price	\$1,838,000
Net Operating Income	\$105,711
Cap Rate	5.75%
Lease Type	NNN

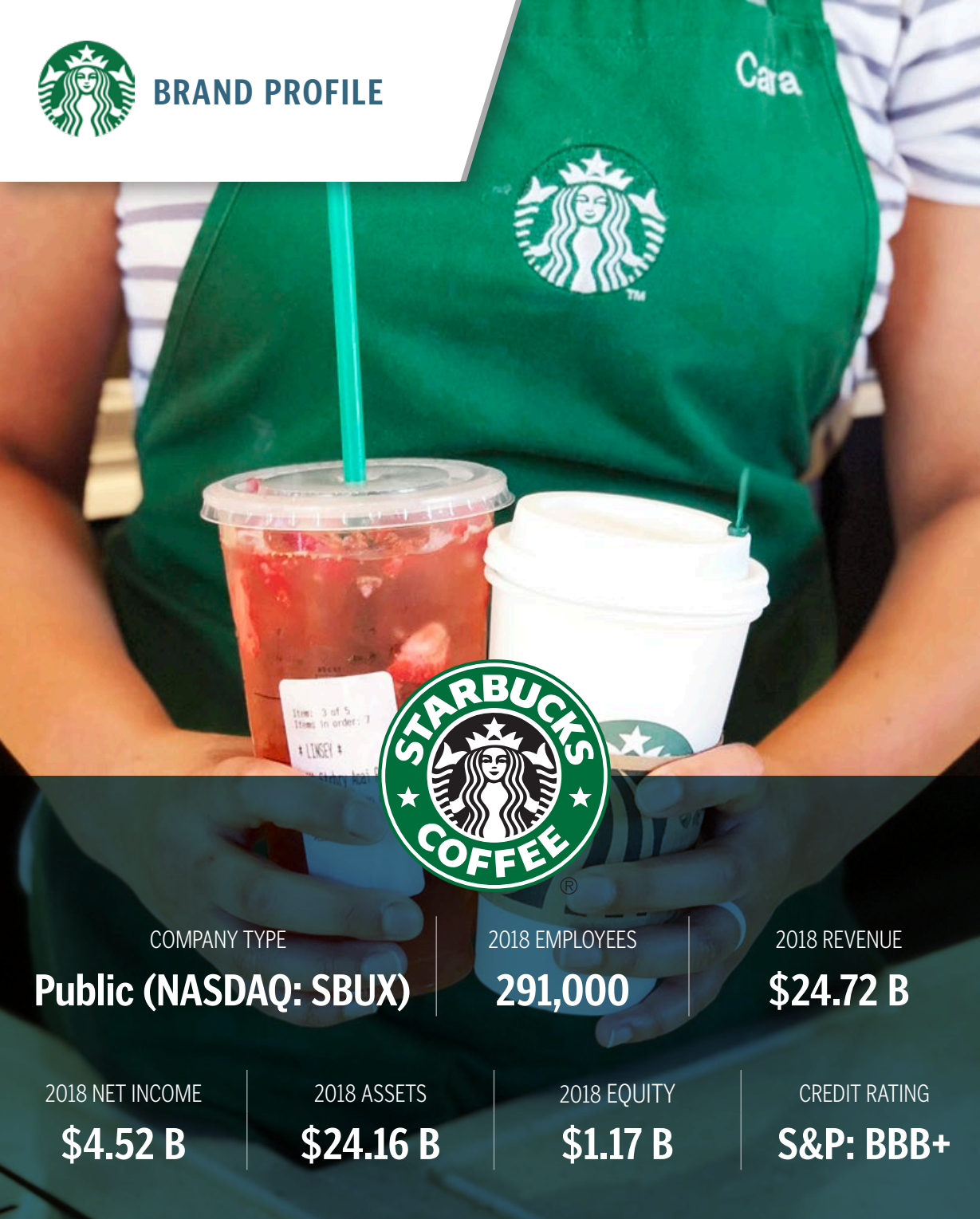
PROPERTY SPECIFICATIONS

Year Built	2007
Rentable Area	1,748 SF
Land Area	0.52 Acres
Address	2090 John Harden Drive Jacksonville, AR 72076





BRAND PROFILE



COMPANY TYPE

Public (NASDAQ: SBUX)

2018 EMPLOYEES

291,000

2018 REVENUE

\$24.72 B

2018 NET INCOME

\$4.52 B

2018 ASSETS

\$24.16 B

2018 EQUITY

\$1.17 B

CREDIT RATING

S&P: BBB+

Starbucks [starbucks.com](https://www.starbucks.com)

Starbucks Coffee Company has been committed to ethically sourcing and roasting high-quality arabica coffee. Starbucks stores offer coffee and tea beverages, handcrafted beverages, merchandise and fresh food. Through their unwavering commitment to excellence and guiding principles, the company brings the unique Starbucks Experience to life for every customer through every cup. Today, with more than 30,000 stores around the globe, Starbucks is the premier roaster and retailer of specialty coffee in the world. Starbucks Corporation was founded in 1971 and is based in Seattle, Washington.





NATIONAL NET LEASE GROUP

SRS NATIONAL NET LEASE GROUP IS THE EXCLUSIVE NET LEASE CAPITAL MARKETS TEAM OF SRS REAL ESTATE PARTNERS.

275+

**RETAIL
PROFESSIONALS**

25+

OFFICES

#1

**LARGEST REAL ESTATE
SERVICES FIRM**
in North America
exclusively dedicated to retail

1500+

RETAIL LISTINGS
in 2018

\$2.6B

**TRANSACTION
VALUE**
in 2018

This Offering Memorandum has been prepared by SRS National Net Lease Group (SRS) and has been approved for distribution by the owner. Although effort has been made to provide accurate information, neither the owner nor SRS can warrant or represent accuracy or completeness of the materials presented herein or in any other written or oral communications transmitted or made available to the purchaser. Many documents have been referred to in summary form and these summaries do not purport to represent or constitute a legal analysis of the contents of the applicable documents. Neither owner nor SRS represents that this offering summary is all inclusive or contains all of the information a purchaser may require. All of the financial projections and/or conclusions presented herein are provided strictly for reference purposes and have been developed based upon assumptions and conditions in effect at the time the evaluations were undertaken. They do not purport to reflect changes in the economic performance of the property or the business activities of the owner since the date of preparation of this Offering Memorandum. The projected economic performance of the property, competitive submarket conditions, and selected economic and demographic statistics may have changed subsequent to the preparation of the package. Qualified purchasers are urged to inspect the property and undertake their own independent evaluation of the property, the market and the surrounding competitive environment.

*Statistics are for 2018

SRSRE.COM/NNLG