

# STARBUCKS

1244 S GILBERT ROAD, MESA, ARIZONA



OFFERING MEMORANDUM

Marcus & Millichap



## DOWNTOWN MESA



60



## DOWNTOWN GILBERT



## SUPERSTITION SPRINGS CENTER



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# Executive Summary

## FINANCIAL SUMMARY

<b>Price</b>	<b>\$3,000,000</b>
Down Payment	100% \$3,000,000
Cap Rate	4.50%
Building SF	2,200 SF
Net Cash Flow	4.50% \$135,000
Year Built	2019
Land/Lot Size	.49 Acres

## LEASE SUMMARY

Lease Type	Double-Net (NN) Lease
Tenant	Starbucks
Guarantor	Corporate
Roof & Structure	Landlord Responsible
Est. Lease Commencement Date	September 9, 2019
Est. Lease Expiration Date	September 8, 2029
Lease Term	10 Years
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	\$135,000	4.50%
6/4/2023 - 6/3/2028	\$148,500	4.95%
Options	Annual Rent	Cap Rate
Option 1	\$163,353	5.45%
Option 2	\$179,685	5.99%
Option 3	\$197,654	6.59%
Option 4	\$215,619	7.19%

<b>Base Rent</b>	<b>\$135,000</b>
<b>Net Operating Income</b>	<b>\$135,000</b>
<b>Total Return</b>	<b>4.50% \$135,000</b>



TM



MESA  
HIGH SCHOOL

43,760 CPD  
S GILBERT RD

99¢  
only  
STORES. JOANN  
AutoZone

TARGET

O'Reilly  
AUTO PARTS

QUALITY  
Plumber  
"we fit your lifestyle"

Chevron

BURGER  
KING

Dunn-Edwards  
PAINTS  
SUBWAY

The Original  
Broken  
Volcan  
Café

HARBOR  
FREIGHT  
TOOLS  
DOLLAR TREE  
BIG 5  
SPORTING GOODS  
ZPA  
RECORD EXCHANGE

21,500 CPD  
E SOUTHERN AVE

K

Riliberto's  
FRESH MEXICAN FOOD

Starbucks

SunWest  
Federal Credit Union

mi amigos  
FRESH MEXICAN

National Bank  
OF ARIZONA





205,700 CPD  
SUPERSTITION FWY (US 60)

60

60



21,500 CPD  
E SOUTHERN AVE



43,760 CPD  
S GILBERT RD



# Property Description



## INVESTMENT HIGHLIGHTS

- » **Brand New 10-Year Lease with Starbucks Corporation**
- » 10% Rental Increases Every 5 Years
- » **412,831 Residents in Mesa Trade Area - Phoenix MSA**
- » Mesa is the Third-Largest City in the State of Arizona
- » **Across from Target-Anchored Center**
- » Outparcel to Harbor Freight Tools, Big 5 Sporting Goods, and Dollar Tree
- » **Located Immediately Off Superstition Freeway (US 60)**, a Major Connector for Greater Phoenix (205,700+ Cars/Day)
- » Walking Distance from Mesa High School (3,480 Students)
- » **Excellent Location Along S Gilbert Road, Visible to 43,760+ Cars/Day**
- » Average Household Income Exceeds \$75K within a 5-Mile Radius
- » **Strong Daytime Population - 379,572 Employees in Surrounding Area**



## DEMOGRAPHICS

1-mile

3-miles

5-miles

### Population

2023 Projection	20,366	157,198	417,387
2018 Estimate	20,636	159,375	412,831

### Households

2023 Projection	6,828	55,263	155,596
2018 Estimate	6,773	54,921	151,017

### Income

2018 Est. Average Household Income	\$63,326	\$68,103	\$75,128
2018 Est. Median Household Income	\$52,505	\$52,076	\$55,218
2018 Est. Per Capita Income	\$20,835	\$23,567	\$27,586



TM







# Tenant Overview



**Seattle, Washington**

Headquarters

**NASDAQ: SBUX**

Stock Symbol

**1985**

Founded

**22,500+**

Locations

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

Website

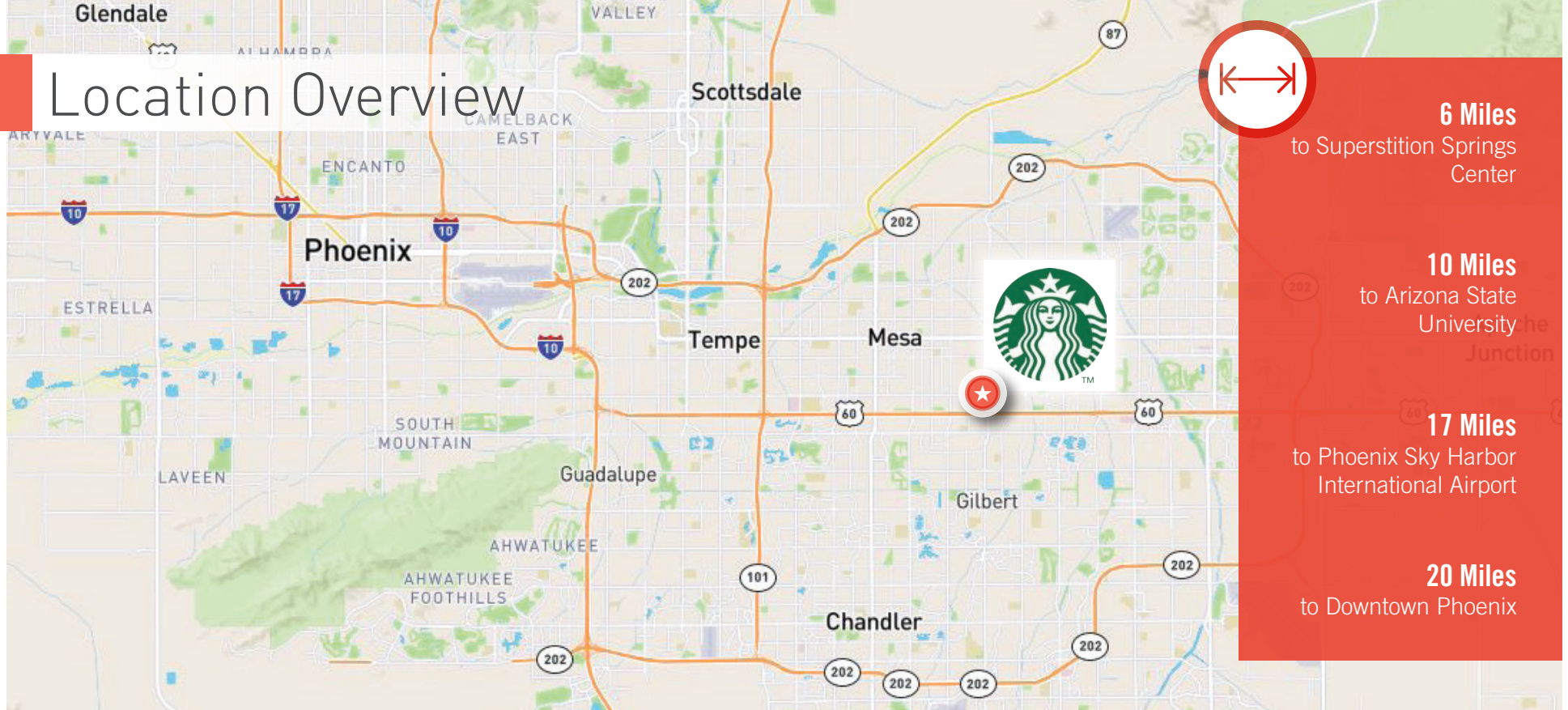
Starbucks is the premier roaster, marketer and retailer of specialty coffee in the world, operating in 69 countries. Formed in 1985, Starbucks Corporation's common stock trades on the NASDAQ Global Select Market ("NASDAQ") under the symbol "SBUX." The company purchases and roasts high-quality coffees 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



Mesa is the third largest city in Arizona, after Phoenix and Tucson, and the 38th largest city in the U.S. It is home to numerous higher education facilities, including the Polytechnic campus of Arizona State University. The city's top employers include Banner Health, Boeing, Walmart, Fry's Food & Drug, and The Home Depot.

With dynamic recreational, educational and business opportunities, Mesa enjoys the best in a variety of amenities including parks within easy walking distance from home, a variety of sports facilities that cater to athletes young and old, highly rated golf courses for every skill level, a diversity of special events and community festivals, and Mesa's ever-popular Chicago Clubs and Oakland A's Spring Training baseball.

The Phoenix metro consists of Maricopa and Pinal counties, and includes more

than 30 incorporated and more than 30 unincorporated towns and cities. Since 2000, the population in the metro increased by more than 38 percent. The largest city is Phoenix, which encompasses about 520 square miles, is the capital city and boasts a population of more than 1.5 million.

As one of the primary beneficiaries of the massive shift in the U.S. population from north to south, the Phoenix metro has had little difficulty finding workers; the challenge, though, is attracting high-paying jobs. Phoenix claims five Fortune 500 headquarters, including Freeport-McMoRan, Republic Services, Insight Enterprises, Avnet and PetSmart. Construction, high-tech manufacturing, healthcare and tourism dominate the Phoenix economy. The local economy has strengthened since the recession, with retail sales projected above 8 percent this year and hotel occupancy levels rising.



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