

STARBUCKS

1525 US-50, PUEBLO, COLORADO



OFFERING MEMORANDUM



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Executive Summary

1525 US-50, Pueblo, CO 81008

FINANCIAL SUMMARY

Price	\$2,842,100
Down Payment	100% \$2,842,100
Cap Rate	4.75%
Building Size	2,200 SF
Net Cash Flow	4.75% \$135,000
Year Built	2020
Lot Size	0.58 Acres

LEASE SUMMARY

Lease Type	Double-Net (NN) Lease
Tenant	Starbucks Corporation
Guarantor	Corporate
Roof & Structure	Landlord Responsible
Est. Lease Commencement Date	March 20, 2020
Est. Lease Expiration Date	March 19, 2030
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
1 - 5	\$135,000.00	4.75%
6 - 10	\$148,500.00	5.23%
Options	Annual Rent	Cap Rate
Option 1	\$160,380.00	5.64%
Option 2	\$173,210.40	6.09%
Option 3	\$187,067.23	6.58%
Option 4	\$202,032.61	7.11%

Base Rent	\$135,000
Net Operating Income	\$135,000
Total Return	4.75% \$135,000



OUTLOOK BLVD

41,500 CPD
US HWY 50





Walgreens



TBK BANK

FRONTIER BANK

41,500 CPD
US HWY 50



OUTLOOK BLVD



Property Description



INVESTMENT HIGHLIGHTS

- » **Brand New 10-Year Corporate Lease with Starbucks**
- » 2020 Construction with a Drive-Thru
- » **10% Rental Increases Every 5 Years**
- » 90,364 Residents within a 5-Mile Radius - Growing Trade Area with Households Projected to Increase 7%+ in Immediate Area by 2024
- » **Outparcel to Albertsons-Anchored Shopping Center**
- » Hard Corner Visible to 41,500+ Cars/Day Along US Highway 50
- » **Less Than 1 Mile Off I-25 - Direct Access to Colorado Springs and Denver**
- » Situated in a Retail Corridor - Lowe's, Albertsons, Chick-fil-A, Staples, and More
- » **Strong Daytime Population - 107,925 Employees in Surrounding Area**
- » Minutes from Colorado State University-Pueblo (4,500 Students)



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2024 Projection	9,144	44,644	91,445
2019 Estimate	8,669	43,781	90,364
Growth 2019 - 2024	5.49%	1.97%	1.20%

Households

2024 Projection	3,923	18,110	37,833
2019 Estimate	3,657	17,532	36,990
Growth 2019 - 2024	7.27%	3.29%	2.28%

Income

2019 Est. Average Household Income	\$69,379	\$59,810	\$54,710
2019 Est. Median Household Income	\$54,695	\$44,284	\$39,639
2019 Est. Per Capita Income	\$29,298	\$25,019	\$23,051



Tenant Overview



Seattle, Washington

Headquarters

NASDAQ: SBUX

Stock Symbol

1985

Founded

22,500+

Locations

www.starbucks.com

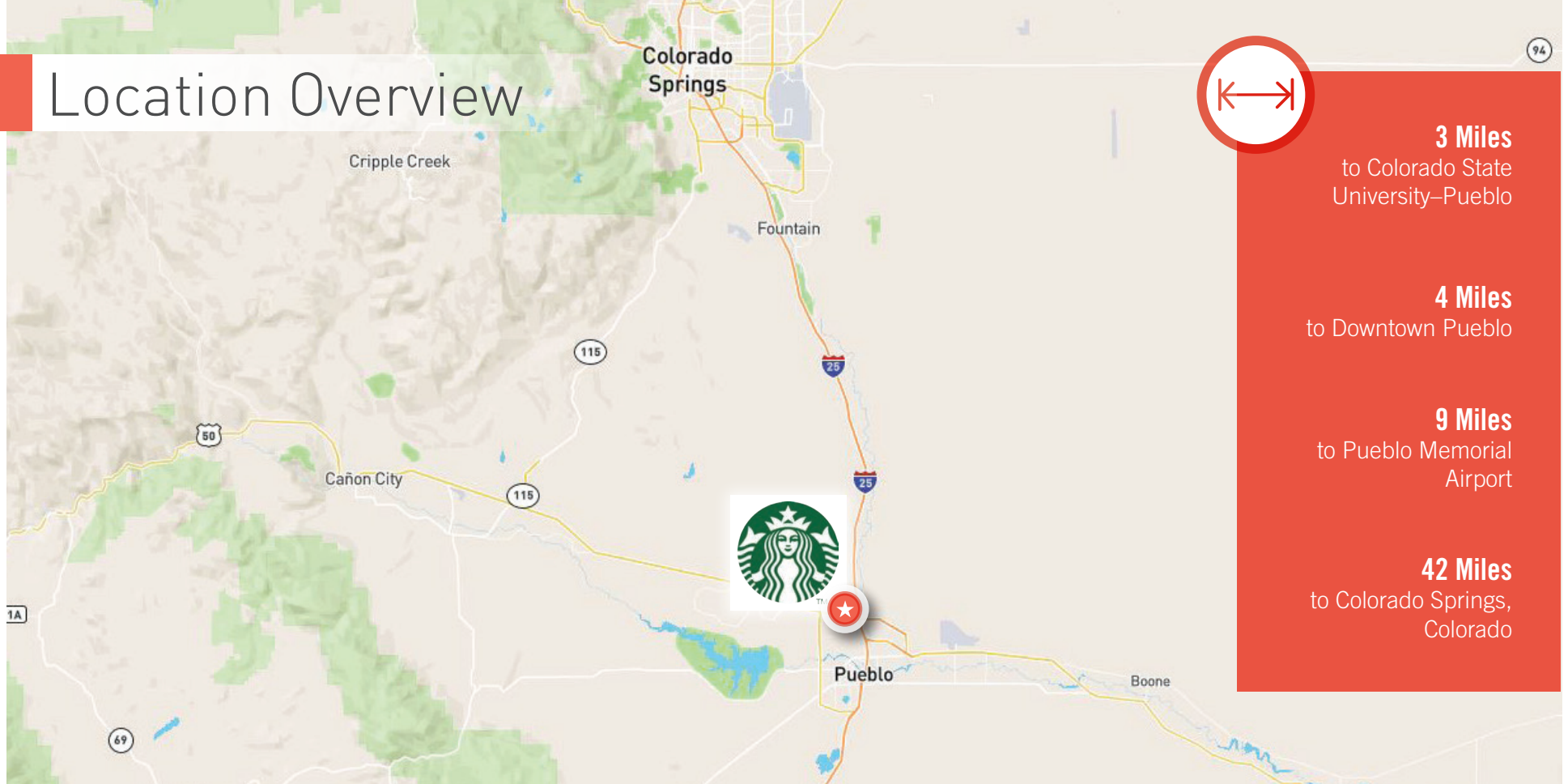
Website

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



Pueblo is a home rule municipality and the county seat of Pueblo County, Colorado. The most populous city in the county, Pueblo is the heart of the Pueblo Metropolitan Statistical Area, totaling over 160,000 people. The city has the least expensive residential real estate of all major cities in Colorado. The median home price for homes on the market as of 2018 was \$192,500. It is the sixth most affordable place to live in America. Costs of housing, goods and services, utilities, transportation, groceries, and health care are lower than the national average.

Along with affordable living, Pueblo offers a low cost of doing business, business friendly climate, low taxes, and an educated and skilled workforce. Pueblo's key industries include aerospace and defense, chemicals manufacturing,

construction manufacturing, and agriculture. Much of the city's workforce comes from its two institutions of higher learning: Colorado State University–Pueblo (CSU–Pueblo) and Pueblo Community College (PCC). CSU–Pueblo is a regional comprehensive university part of the Colorado State University System, with approximately 4,500 students enrolled. PCC is a comprehensive community college, one of thirteen within the Colorado Community College System.

In February 2017, Pueblo City Council voted to commit the city to 100% renewable energy by the year 2035, with the city's electric franchisee, Black Hills Energy, expected to ramp up its renewable energy portfolio from 29% to 65%. Pueblo County commissioners joined the renewable commitment in April 2018.

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