

Under Construction
Coming September 2020



Representative Photo

Offering Memorandum

Starbucks

5801 Amboy Road, Staten Island, NY 10309

 **Stan Johnson Co.**

Investment Grade Tenant | Brand New, Corporate-Guaranteed 15-Year Lease | Rental Increases

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Offered Exclusively by

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Section One

Property & Tenant Overview



The Offering

Stan Johnson Company is pleased to offer the opportunity to acquire the leased fee interest in the brand new, 100% leased Starbucks property located at 5801 Amboy Road in Staten Island, New York. The lease is 100% guaranteed by Starbucks Corporation (NYSE: SBUX).

The 2,000 SF subject property is currently under construction and slated to open in September 2020. Starbucks will be operating under a 15-year lease. The lease contains 10% rental increases every 5 years and provides Starbucks 6 options to renew the lease. Each renewal option is 5 years with a 10% rental increase.

The subject property is located on the northwest corner of Amboy and Foster Roads. The signalized intersection provides exceptional site visibility and averages over 18,600 VPD. The subject property is surrounded by a population of 278,651 within a 5-mile radius and an average household income of approximately \$137,760 within a mile radius.



Investment Highlights

Price: \$4,564,447 Cap Rate: 4.25%

Investment Grade Tenant

The Property is leased to the investment grade tenant, Starbucks Corporation (NYSE: SBUX). Starbucks is the largest coffeehouse in the world, with 31,256 total stores across 79 markets (as of May 2020)

Brand New, Corporate-Guaranteed 15-Year Lease

Starbucks will be operating under a corporate guaranteed, 15-year lease with 6, 5-year renewal options.

Rental Increases

The brand new lease contains 10% rental increases every 5 years. At the lease expiration in 2035, Starbucks has 6, 5-Year renewal options, each with 10% rental increases.

Signalized Intersection

The property is located on the northwest corner of the signalized intersection of Amboy and Foster Road, and just perpendicular to Seguine Avenue, creating high visibility at the signalized intersection with over 18,600 VPD.

Strong Demographics

The property is surrounded by strong demographics with an average household income over \$137,760 within a mile and over 278,600 people within a 5-mile radius.

Prince's Bay Train Station

The Property sits across the street from Staten Island Railway's Prince's Bay Train Station. The SIR provides an unrivaled level of exposure for the property and is the only railway connecting New York City and Staten Island.



STARBUCKS®



Representative Photo

Property Overview

Starbucks

Address	5801 Amboy Road Staten Island, NY
Corner	Northwest Corner of Amboy Rd & Foster Rd
Zoning	R3X, SRD
Building Type	Free Standing
Ownership Interest	Fee Simple
Lease Type	NN Lease
Rentable SF	2,000 SF
Total Building Size	2,000 SF
Lot Size	14,800 SF
Year Built	2020
Drive-Thru	Yes
Outdoor Seating Area	Yes

Click below to view more info about Staten Island





Starbucks

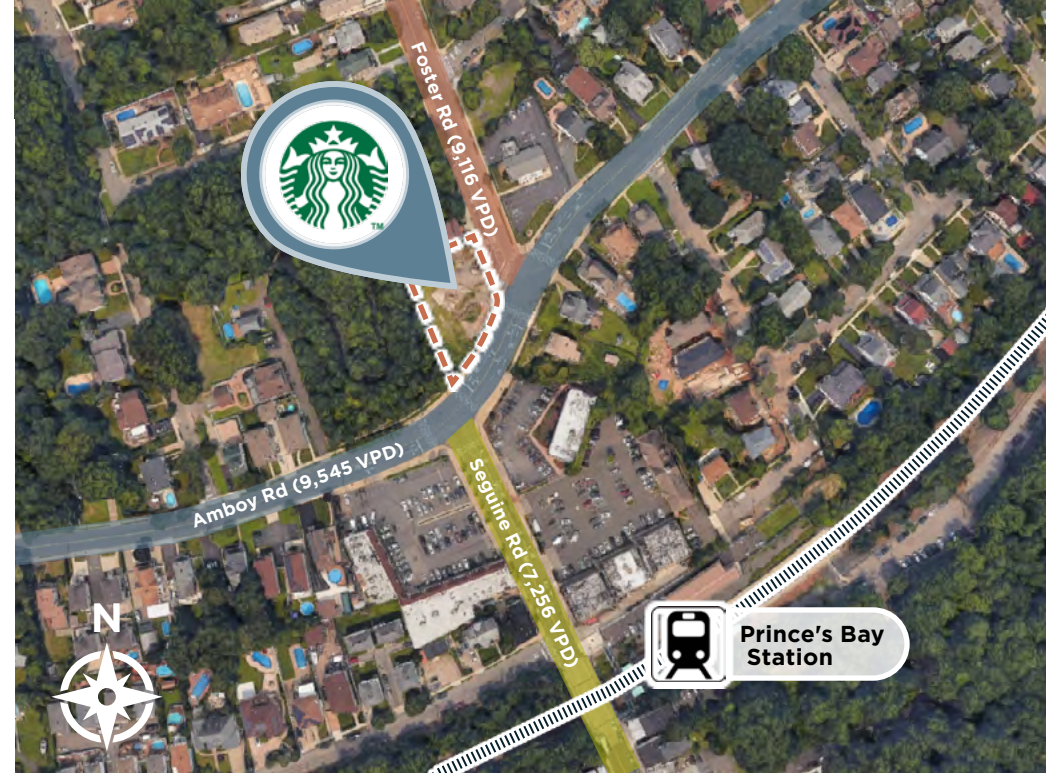
Staten Island, NY

Lease Abstract


Address	5801 Amboy Road, Staten Island, NY
Tenant	Starbucks
Guarantor	Corporate
Lease Type	NN Lease
Leased Square Footage	2,000 SF
Original Lease Term	15 Years
Lease Term Remaining	15 Years
Lease Commencement Date	December 29, 2018
Rent Commencement Date	September 1, 2020
Lease Expiration	September 1, 2035
Annual Base Rent	\$200,000
Rent Increases	10% Every 5 Years
Renewal Options	6, 5-Year Options
Renewal Option Increases	10% Every 5 Years
Landlord Responsibilities	Insurance, Real Estate Taxes, roof, roof membrane, roof systems, foundation, exterior walls, all structural components of the premises & the building, parking areas, sidewalks & drainage systems
Tenant Responsibilities	Insurance, utilities, plumbing, HVAC, electrical lighting, facilities and equipment

Rent Schedule

Lease Years	Total Annual Rent	Monthly Rent	RPSF
Years 1 - 5	\$200,000.00	\$16,666.67	\$100.00
Years 6 - 10	\$220,000.00	\$18,333.33	\$110.00
Years 11 - 15	\$242,000.00	\$20,166.67	\$121.00
Years 16 - 20 (1st Renewal)	\$266,200.00	\$22,183.33	\$133.10
Years 21 - 25 (2nd Renewal)	\$292,820.00	\$24,401.67	\$146.41
Years 26 - 30 (3rd Renewal)	\$322,402.00	\$26,866.83	\$161.20
Years 31 - 35 (4th Renewal)	\$354,312.12	\$29,526.01	\$177.16
Years 36 - 40 (5th Renewal)	\$389,243.36	\$32,436.95	\$194.62
Years 41 - 45 (6th Renewal)	\$428,164.00	\$35,680.33	\$214.08



Rent Roll

Tenant Name	SF	Total Rentable SF	20-Year Lease Term	Rent Increase	Renewal Options	Monthly Rent	Annual Rent
	2,000	2,000	9/1/2020 - 9/1/2035	10% every 5 Years	6, 5-Year options with 10% Increases	\$16,666.67	\$200,000
Total	2,000	2,000				\$16,666.67	\$200,000

15-Year Cash Flow

Analysis Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Income															
Rent - Starbucks	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000	\$242,000	\$242,000	\$242,000	\$242,000	\$242,000
Total Income	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000	\$242,000	\$242,000	\$242,000	\$242,000	\$242,000
Expenses															
Real Estate Taxes	\$2,811	\$2,967	\$3,267	\$3,567	\$3,867	\$4,167	\$4,467	\$4,767	\$5,067	\$5,367	\$5,667	\$5,967	\$6,267	\$6,567	\$6,867
Insurance	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200
Total Expenses	\$6,011	\$6,167	\$6,467	\$6,767	\$7,067	\$7,367	\$7,667	\$7,967	\$8,267	\$8,567	\$8,867	\$9,167	\$9,467	\$9,767	\$10,067
Net Operating Income	\$193,989	\$193,833	\$193,533	\$193,233	\$192,933	\$212,633	\$212,333	\$212,033	\$211,733	\$211,433	\$233,133	\$232,833	\$232,533	\$232,233	\$231,933

* Real Estate Taxes and Insurance are estimated projections



STARBUCKS®

Tenant Overview

Starbucks Corporation (NASDAQ: SBUX) is an American global coffee company and coffeehouse chain based in Seattle, Washington. Starbucks was founded in 1971 as a local coffee bean roaster and retailer and has grown into the largest coffeehouse company in the world. As of May 2020, there were 31,256 Starbucks locations open across six continents and 29 countries and territories.

Starbucks locations serve hot and cold beverages, whole-bean coffee, micro-ground instant coffee, full-leaf teas, pastries, and snacks. Most stores also sell packaged food items, hot and cold sandwiches, and items such as mugs and tumblers.

Many of the company's products are seasonal or specific to the locality of the store, while Starbucks-brand ice cream and coffee are also offered at grocery stores. Through Starbucks Entertainment division and its Hear Music brand, the company also markets books, music, and films.

Starbucks has a strong presence both in the U.S. and in the global marketplace due in part to its rapid growth over the last few decades. In the 1990s, Starbucks was opened a new store every workday, a pace that continued into the 2000s. The first store outside the United States or Canada opened in the mid-1990s, and overseas stores now constitute almost one third of Starbucks' stores.

Financial Analysis

As of 2019, Starbucks had annual revenue of \$27.3 billion. The company currently has an S&P rating of "BBB+" which is top tier investment grade.



Tenant Profile	
Tenant Name	Starbucks Corporation
Doing Business As	Starbucks
Entity Type	Public (NASDAQ: SBUX)
Business Type	Retail; Quick Service Restaurant
Industry	Food and Beverage
Credit Rating	"BBB+" (S&P)
FY 2019 Revenue	\$27.3 Billion
No. of locations	31,000
No. of Countries	79
CEO	Howard Schultz
Founded	1971
Headquarters	Seattle, WA
Website	www.starbucks.com

Section Two

Market & Location Overview



Location Overview

Staten Island is a borough of New York City, coterminous with Richmond County, in the U.S. state of New York. Located in the southwest portion of the city, the borough is separated from New Jersey by the Arthur Kill and the Kill Van Kull and from the rest of New York by New York Bay. With an estimated population of 476,143 in 2019, Staten Island is the least populated of the boroughs but is the third-largest in land area at 58.5 sq mi. The borough also contains the southernmost point in the state, South Point. If each borough were ranked as a city, Staten Island would rank as the 39th most populous in the U.S.

Staten Island abounds with museums, architectural landmarks, beaches and parkland—including the City's largest forest preserve. Many reach the borough via the free Staten Island Ferry, an attraction in its own right. Other highlights include Empire Outlets in St. George, the gorgeous grounds of Snug Harbor and a slice of rural life at Historic Richmond Town.

Motor traffic can reach the borough from Brooklyn via the Verrazzano-Narrows Bridge and from New Jersey via the Outerbridge Crossing, Goethals Bridge and Bayonne Bridge. Staten Island has Metropolitan Transportation Authority (MTA) bus lines and an MTA rapid transit line, the Staten Island Railway, which runs from the ferry terminal at St. George to Tottenville. Staten Island is the only borough that is not connected to the New York City Subway system. The free Staten Island Ferry connects the borough across New York Harbor to Manhattan and is a tourist attraction that provides views of the Statue of Liberty, Ellis Island and Lower Manhattan.

Physically, Staten Island is closer to New Jersey than New York, separated by the narrow Arthur Kill. There are three bridges that connect Staten Island to New Jersey and only one connecting the Island to New York. While most of Staten Island is flat, there are seven hills that run from St. George to Latourette. Todt Hill is the highest point on the Atlantic coast south of Maine (410 feet above sea level).

Staten Island had the Fresh Kills Landfill, which was the world's largest landfill before closing in 2001, although it was temporarily reopened that year to receive debris from the September 11 attacks. The landfill is being redeveloped as Freshkills Park, an area devoted to restoring habitat; the park will become New York City's second largest public park when completed.



Staten Island Ferry



Fort Wadsworth | Staten Island, NY



Verrazzano-Narrows Bridge | Staten Island, NY

Regional Map



W Shore Pkwy
 (± 74,280 VPD)

Korean War Veterans Parkway
 (±74,801 VPD)

Amboy Rd
 (± 9,545 VPD)

Hylan Blvd
 (± 12,993 VPD)

Pleasant Plains Station

Prince's Bay Station

Richmond Valley Station

Margaret Gioiosa Elementary
 (±742 Students)

Staten Island University Hospital

South Richmond High School
 (±587 Students)

Corporal Allan F Kivlehan School
 (±541 Students)

Raritan Bay



Demographics



Population

	1 mile	3 miles	5 miles
2019 Population	20,162	119,949	278,651
2024 Population	20,631	121,913	283,970
2010-2019 Annual Rate	0.64%	0.44%	0.45%
2019-2024 Annual Rate	0.46%	0.33%	0.38%



Households

	1 mile	3 miles	5 miles
2019 Total Households	6,901	41,994	95,833
2024 Total Households	7,048	42,595	97,321
2010-2019 Annual Rate	0.59%	0.40%	0.37%
2019-2024 Annual Rate	0.42%	0.28%	0.31%



Household Income

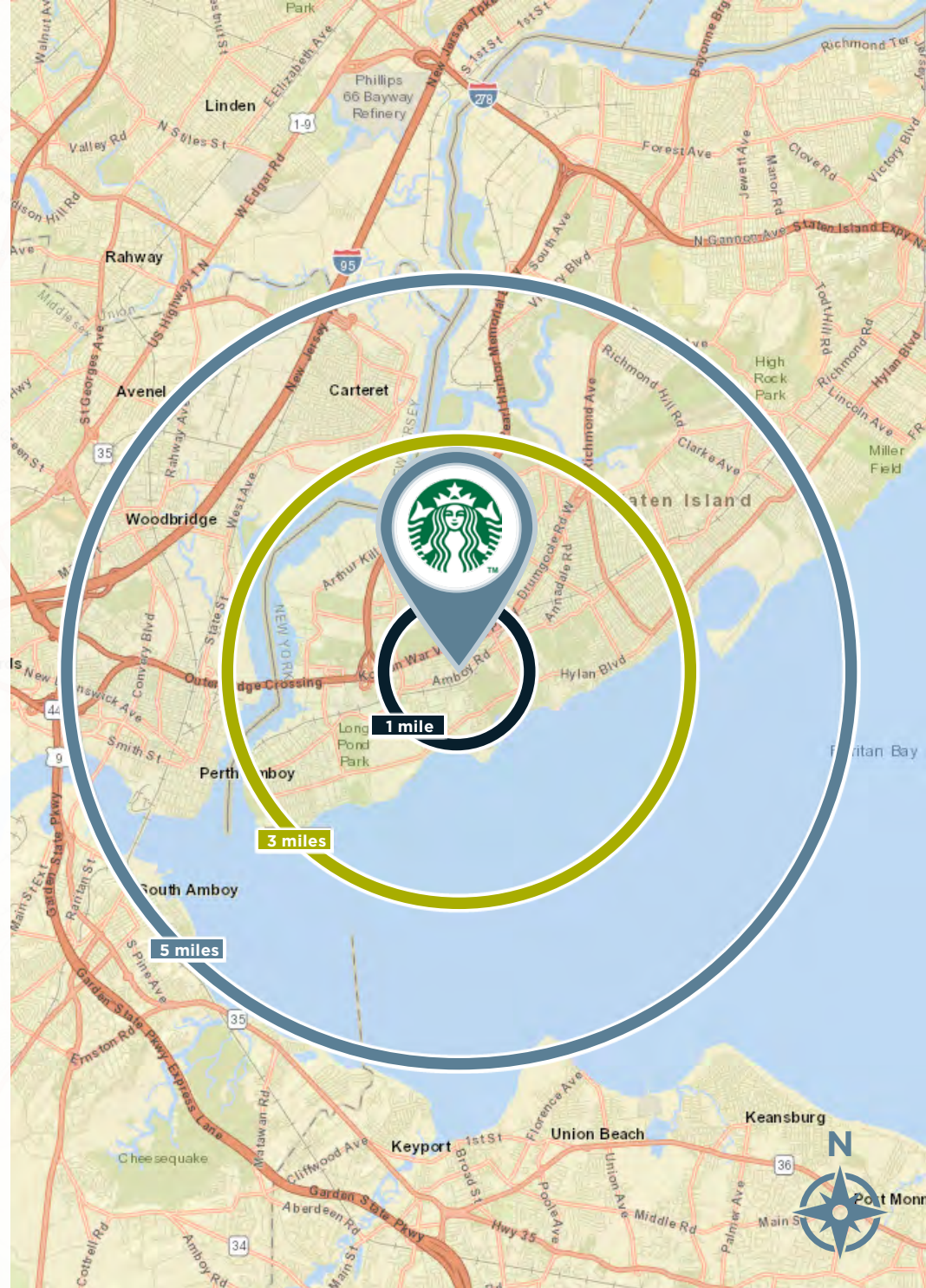
	1 mile	3 miles	5 miles
2019 Median Household Income	\$109,440	\$101,438	\$82,039
2019 Average Household Income	\$137,760	\$124,913	\$106,231



278k
Population
(5 miles)



\$137k
Avg. HH Inc.
(1 mile)



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