

STARBUCKS COFFEE

DRIVE THRU



STARBUCKS DRIVE THRU

2016 S Hastings Way, Eau Claire, Wisconsin 54701

Offering Memorandum

DISCLOSURE TO NON-RESIDENTIAL CUSTOMERS

1 Prior to negotiating on your behalf the brokerage firm, or an agent associated with the firm, must provide you the
2 following disclosure statement:

3 **DISCLOSURE TO CUSTOMERS** You are a customer of the brokerage firm (hereinafter Firm). The Firm is either an agent
4 of another party in the transaction or a subagent of another firm that is the agent of another party in the transaction. A
5 broker or a salesperson acting on behalf of the Firm may provide brokerage services to you. Whenever the Firm is
6 providing brokerage services to you, the Firm and its brokers and salespersons (hereinafter Agents) owe you, the
7 customer, the following duties:

- 8 (a) The duty to provide brokerage services to you fairly and honestly.
- 9 (b) The duty to exercise reasonable skill and care in providing brokerage services to you.
- 10 (c) The duty to provide you with accurate information about market conditions within a reasonable time if you request
11 it, unless disclosure of the information is prohibited by law.
- 12 (d) The duty to disclose to you in writing certain Material Adverse Facts about a property, unless disclosure of the
13 information is prohibited by law (see lines 42-51).
- 14 (e) The duty to protect your confidentiality. Unless the law requires it, the Firm and its Agents will not disclose your
15 confidential information or the confidential information of other parties (see lines 23-41).
- 16 (f) The duty to safeguard trust funds and other property held by the Firm or its Agents.
- 17 (g) The duty, when negotiating, to present contract proposals in an objective and unbiased manner and disclose the
18 advantages and disadvantages of the proposals.

19 Please review this information carefully. An Agent of the Firm can answer your questions about brokerage services,
20 but if you need legal advice, tax advice, or a professional home inspection, contact an attorney, tax advisor, or home
21 inspector. This disclosure is required by section 452.135 of the Wisconsin statutes and is for information only. It is a
22 plain-language summary of the duties owed to a customer under section 452.133(1) of the Wisconsin statutes.

23 **CONFIDENTIALITY NOTICE TO CUSTOMERS** The Firm and its Agents will keep confidential any information given to the
24 Firm or its Agents in confidence, or any information obtained by the Firm and its Agents that a reasonable person
25 would want to be kept confidential, unless the information must be disclosed by law or you authorize the Firm to
26 disclose particular information. The Firm and its Agents shall continue to keep the information confidential after the
27 Firm is no longer providing brokerage services to you.

- 28 The following information is required to be disclosed by law:
- 29 1. Material Adverse Facts, as defined in Wis. Stat. § 452.01(5g) (see lines 42-51).
 - 30 2. Any facts known by the Firm or its Agents that contradict any information included in a written inspection
31 report on the property or real estate that is the subject of the transaction.

32 To ensure that the Firm and its Agents are aware of what specific information you consider confidential, you may
33 list that information below (see lines 35-41) or provide that information to the Firm or its Agents by other means. At a
34 later time, you may also provide the Firm or its Agents with other Information you consider to be confidential.

35 **CONFIDENTIAL INFORMATION:** _____
36 _____
37 _____

38 **NON-CONFIDENTIAL INFORMATION** (the following information may be disclosed by the Firm and its Agents): _____
39 _____
40 _____
41 _____ (Insert information you authorize to be disclosed, such as financial qualification information.)

42 **DEFINITION OF MATERIAL ADVERSE FACTS**
43 A "Material Adverse Fact" is defined in Wis. Stat. § 452.01(5g) as an Adverse Fact that a party indicates is of such
44 significance, or that is generally recognized by a competent licensee as being of such significance to a reasonable
45 party, that it affects or would affect the party's decision to enter into a contract or agreement concerning a transaction
46 or affects or would affect the party's decision about the terms of such a contract or agreement.

47 An "Adverse Fact" is defined in Wis. Stat. § 452.01(1e) as a condition or occurrence that a competent licensee
48 generally recognizes will significantly and adversely affect the value of the property, significantly reduce the structural
49 integrity of improvements to real estate, or present a significant health risk to occupants of the property; or information
50 that indicates that a party to a transaction is not able to or does not intend to meet his or her obligations under a
51 contract or agreement made concerning the transaction.

52 **NOTICE ABOUT SEX OFFENDER REGISTRY** You may obtain information about the sex offender registry and persons
53 registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at
54 <http://www.doc.wi.gov> or by telephone at 608-240-5830.

CONFIDENTIALITY AGREEMENT

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary unverified information to prospective purchasers and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions since its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

NON-ENDORSEMENT NOTICE

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)

NET LEASED DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

By accepting this Marketing Brochure, you agree to treat the information contained herein regarding the lease terms as confidential and proprietary and to only use such information to evaluate a potential purchase of this net leased property.

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a care-ful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

Activity ID:

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.
Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2020 Marcus & Millichap. All rights reserved.

TABLE OF CONTENTS

04

INVESTMENT OVERVIEW

EXECUTIVE SUMMARY
OFFERING SUMMARY
LOCAL/REGIONAL MAP
AERIAL PHOTO
PROPERTY DETAILS

10

FINANCIAL ANALYSIS

TENANT SUMMARY
PRICING DETAILS
CREDIT DETAILS

12

DEMOGRAPHICS ANALYSIS

POPULATION STATISTICS

13

MARKET OVERVIEW

METRO
ECONOMY
COST OF LIVING

INVESTMENT OVERVIEW / EXECUTIVE SUMMARY

VITAL DATA

Net Operating Income	\$85,995	Loan Type	DOUBLE NET
		Current Occupancy	100 PERCENT
Net Cash Flow After Debt Service	\$85,995	Gross Leasable Area (GLA)	1,820 SQUARE FEET
Rent / Month	\$6,825	Lot Size	0.33 ACRES
Total Return	5.45 Percent	Year Built / Renovated	2005

TENANT

TENANTS	GROSS LEASABLE AREA	LEASE EXPIRATION	LEASE TYPE
Starbucks	1,820 SQUARE FEET	2/28/2026	DOUBLE NET

DEMOGRAPHICS

	ONE-MILE	THREE-MILES	FIVE-MILES
2019 Estimated Population	8,124	59,315	85,175
2010 Census Population	7,584	55,922	80,382
2019 Estimated Household	3,657	25,421	36,307
2010 Census Household	3,466	24,165	34,603
Median Household Income	\$51,221	\$47,865	\$51,880
Per Capita Income	\$28,586	\$28,960	\$29,664
Average Household Income	\$64,928	\$68,272	\$70,863



INVESTMENT OVERVIEW / OFFERING SUMMARY

PROPERTY DESCRIPTION

Millichap is pleased to present for sale Starbucks in Eau Claire, Wisconsin. The property was built in 2005 with a renewed 10 year lease signed in 2016 featuring five years remaining on term and an additional four (4) five-year options with five percent rent bumps each five year period. The location is situated on South Hastings Way and has a vehicle per day (VPD) count of over 25,000.

LIST PRICE: \$1,577,890

CAP RATE: 5.45%

NOI: \$85,995



INVESTMENT HIGHLIGHTS

- 2016 Starbucks Corporate Lease
- Five Years Remaining on Lease with Rent Bump Coming in 2021
- Four (4) Five-Year Options with Five Percent Bumps
- Excellent Intrinsic Value
- Average Household Income in Five-Mile Radius Over \$65,000
- Strong Vehicles Per Day Counts on South Hastings Way
- HVAC Replaced in 2016

INVESTMENT OVERVIEW / PROPERTY DETAILS

PROPERTY NAME
STARBUCKS

ADDRESS
2016 S HASTINGS WAY
EAU CLAIRE, WISCONSIN 54701

LEASE TYPE
DOUBLE NET

GROSS LEASABLE AREA
1,820
SQUARE FEET

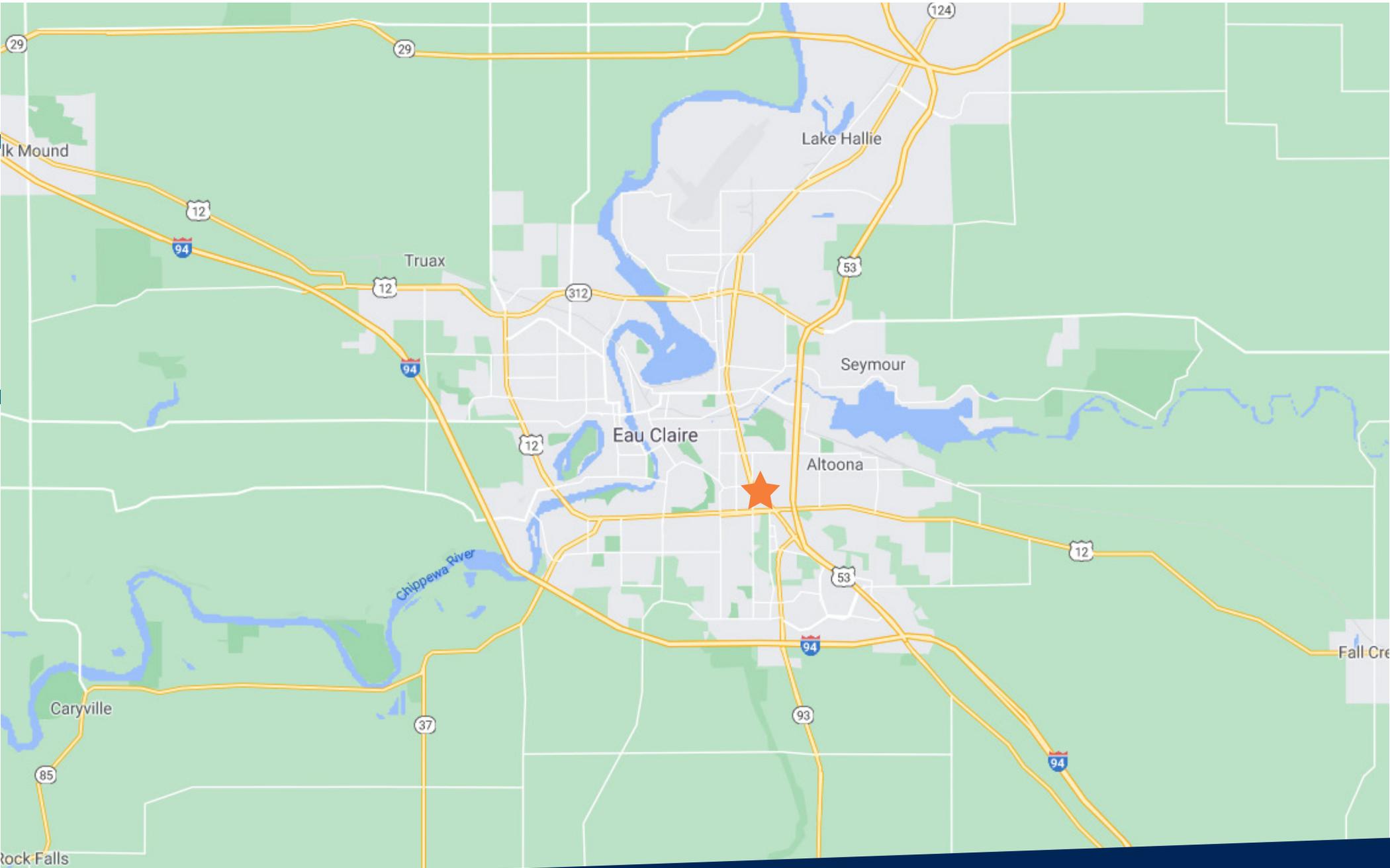
YEAR BUILT / RENOVATED
2005

TYPE OF OWNERSHIP
FEE SIMPLE

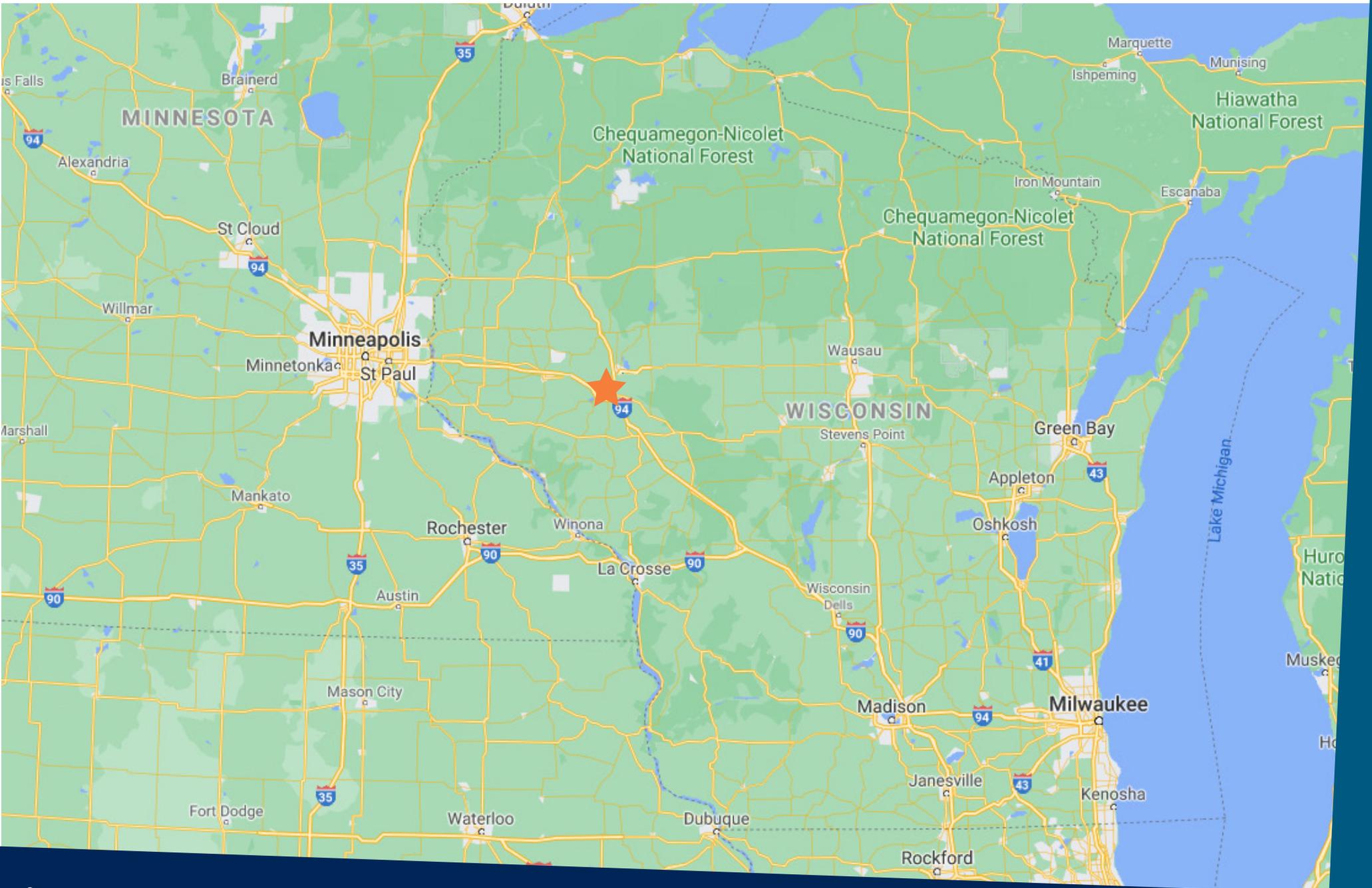
APN
15-1761-000

LOT SIZE
0.33 ACRES

INVESTMENT OVERVIEW / LOCAL MAP



INVESTMENT OVERVIEW / REGIONAL MAP



INVESTMENT OVERVIEW / AERIAL MAP



FINANCIAL ANALYSIS / TENANT SUMMARY AND PRICING DETAILS

TENANT SUMMARY



	LEASE YEARS	TIME PERIOD		PRICE PER SQFT	MONTHLY INCOME	ANNUAL INCOME
Current	11 - 15	3/31/16	2/28/21	\$45.00 / SQFT	\$6,825.00	\$81,900
Bump	16 - 20	3/1/21	2/28/26	\$47.25 / SQFT	\$7,166.25	\$85,995
Option One	21 - 25	3/1/26	2/28/31	\$49.60 / SQFT	\$7,522.67	\$90,272
Option Two	26 - 30	3/1/31	2/29/36	\$52.10 / SQFT	\$7,901.83	\$94,822
Option Three	31 - 35	3/1/36	2/28/41	\$54.70 / SQFT	\$8,296.17	\$99,554
Option Four	36 - 40	3/1/41	2/28/46	\$57.45 / SQFT	\$8,713.25	\$104,559

PRICING DETAILS

SUMMARY	
Price	\$1,577,890
Number of Suites	One
Gross Leasable Area (GLA)	1,820 Square Feet
Lot Size	0.33 Acres
Year Built	2005
Occupancy	100 Percent

RETURNS	YEAR ONE	YEAR TWO
CAP Rate	5.45 Percent	5.45 Percent



FINANCIAL ANALYSIS / CREDIT DETAILS

TENANT



STARBUCKS CORPORATION

CREDIT RATING | BAA1

Wake up and smell the coffee -- Starbucks is everywhere. The world's #1 specialty coffee retailer, Starbucks has more than 29,300 coffee shops in 80 countries. The shops offer coffee drinks and food items, as well as roasted beans, coffee accessories and teas. Starbucks operates more than 15,300 of its own shops, which are located mostly in the US, while licensees and franchisees operate roughly 14,000 units worldwide (including many locations in shopping centers and airports). In addition, Starbucks markets its coffee through grocery stores, food service customers and licenses its brand for other food and beverage products. The US accounts for the majority of Starbucks' revenue.



DEMOGRAPHIC ANALYSIS / POPULATION AND HOUSEHOLD STATISTICS

POPULATION PROFILE	ONE-MILE	THREE-MILES	FIVE-MILES
Population by Age			
2019 Estimated Total Population	8,124	59,315	85,175
Under 20 Years	1,935	14,441	20,782
20 to 34 Years	1,982	18,820	24,060
35 to 44 Years	1,047	6,099	9,452
45 to 54 Years	895	5,620	8,778
55 to 64 Years	910	6,132	9,654
Age 65+	1,355	8,204	12,449
Median Age	36.1	30.5	33.1

POPULATION PROFILE	ONE-MILE	THREE-MILES	FIVE-MILES
2024 Projection			
Total Population	8,417	60,989	87,449
2019 Estimate			
Total Population	8,124	59,315	85,175
2010 Census			
Total Population	7,584	55,922	80,382

HOUSEHOLDS	ONE-MILE	THREE-MILES	FIVE-MILES
2024 Projection			
Total Households	3,808	26,420	37,660
2019 Estimate			
Total Households	3,657	25,421	36,307
2010 Census			
Total Households	3,466	24,165	34,603
2000 Census			
Total Population	3,353	22,341	31,221
Occupied Units			
2024 Projection	3,717	25,212	36,059
2019 Estimate	3,571	24,280	34,792

HOUSEHOLDS BY INCOME	ONE-MILE	THREE-MILES	FIVE-MILES
2019 Estimate			
Average Household Median Income	\$64,928	\$68,272	\$70,863
Median Household Income	\$51,221	\$47,865	\$51,880
Per Capita Income	\$28,586	\$28,960	\$29,664

MARKET OVERVIEW

EAU CLAIRE, WISCONSIN

METRO HIGHLIGHTS

- Regional shopping hub
- Strong healthcare employment in the area
- Two colleges/universities: University of Wisconsin - Eau Claire and Cippewa Valley Technical College
- Strong manufacturing presence: Hutchinson Tech, Nestle and Silver Springs Foods
- Growing technology presence

ECONOMY: MAJOR EMPLOYERS

- Menard's (*area's largest employer*)
- Mayo Clinic Healthy Systems
- Eau Claire Area School
- University of Wisconsin-Eau Claire
- Sacred Heart Hospital
- United Healthcare Services
- Hutchinson Technology
- Chippewa Valley Technical College
- City of Eau Claire
- Nestle

COST OF LIVING

- Significantly lower cost of living at (93.5) than Minneapolis (106.9) and Madison (105.9)
 - 1:30 minutes from Minneapolis
 - 2:45 minutes from Madison
- 13th safest metro in the nation

DOWNTOWN EAU CLAIRE



EXCLUSIVELY LISTED BY

BROKER OF RECORD

Todd Lindblom

Wisconsin Broker of Record

License: 56163-90



*REPRESENTATION PHOTO