

OFFERING MEMORANDUM



STARBUCKS

6896 S Orange Blossom Trail, Orlando, FL 32809

Marcus & Millichap
TURCHI VAUGHAN TEAM

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Ryan Nee

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section one

PROPERTY OVERVIEW

—
STARBUCKS



Starbucks

6896 S Orange Blossom Trail, Orlando, FL 32809

INVESTMENT OVERVIEW

Subject property is a 1,958 rentable square foot Starbucks with a drive-thru, located in Orlando, Florida. Situated on 0.56 acre with great street frontage on the corner of Orange Blossom Trail and Lancaster Road. Orange Blossom Trail benefits from average daily traffic counts of 67,000 vehicles and connects the property to the main thoroughfare Interstate-4. Interstate-4 has traffic counts of over 200,000 vehicles daily.

Some nearby nationally recognized retail brands include Zaxby's, KFC, Wendy's, Chick-Fil-A, and many more, along with Central Florida's largest shopping center, the Florida Mall. The Florida Mall, spanning 1.8 million square feet with more than 250 stores, welcomes more than 20 million visitors annually. Subject property is also just 7.5 miles from Orlando International Airport.



INVESTMENT HIGHLIGHTS

- ▶ 1,958 Square Foot Starbucks Coffee With Drive-Thru
- ▶ Tenant Recently Exercised 10 Year Renewal Option
- ▶ NNN Lease with Minimal Landlord Responsibilities
- ▶ 12% Rent Increases Every 5 Years | Four 5-Year Option Periods Remain
- ▶ Corporate Guaranteed Lease with Starbucks Corporation
- ▶ Located in Main Retail Corridor Just 1.5 Miles From The Florida Mall
- ▶ Just Minutes From Walt Disney World, Universal Studios, Sea World, and Many Other Popular Tourist Attractions
- ▶ Great Corner Location | Benefits from 84,900 ADT
- ▶ Orange Blossom Trl (US HWY 441) Connects Property to Interstate-4
- ▶ Interstate-4 has Average Daily Traffic Counts of Over 200,000 Vehicles
- ▶ 198,303 Population Within Five Mile Radius







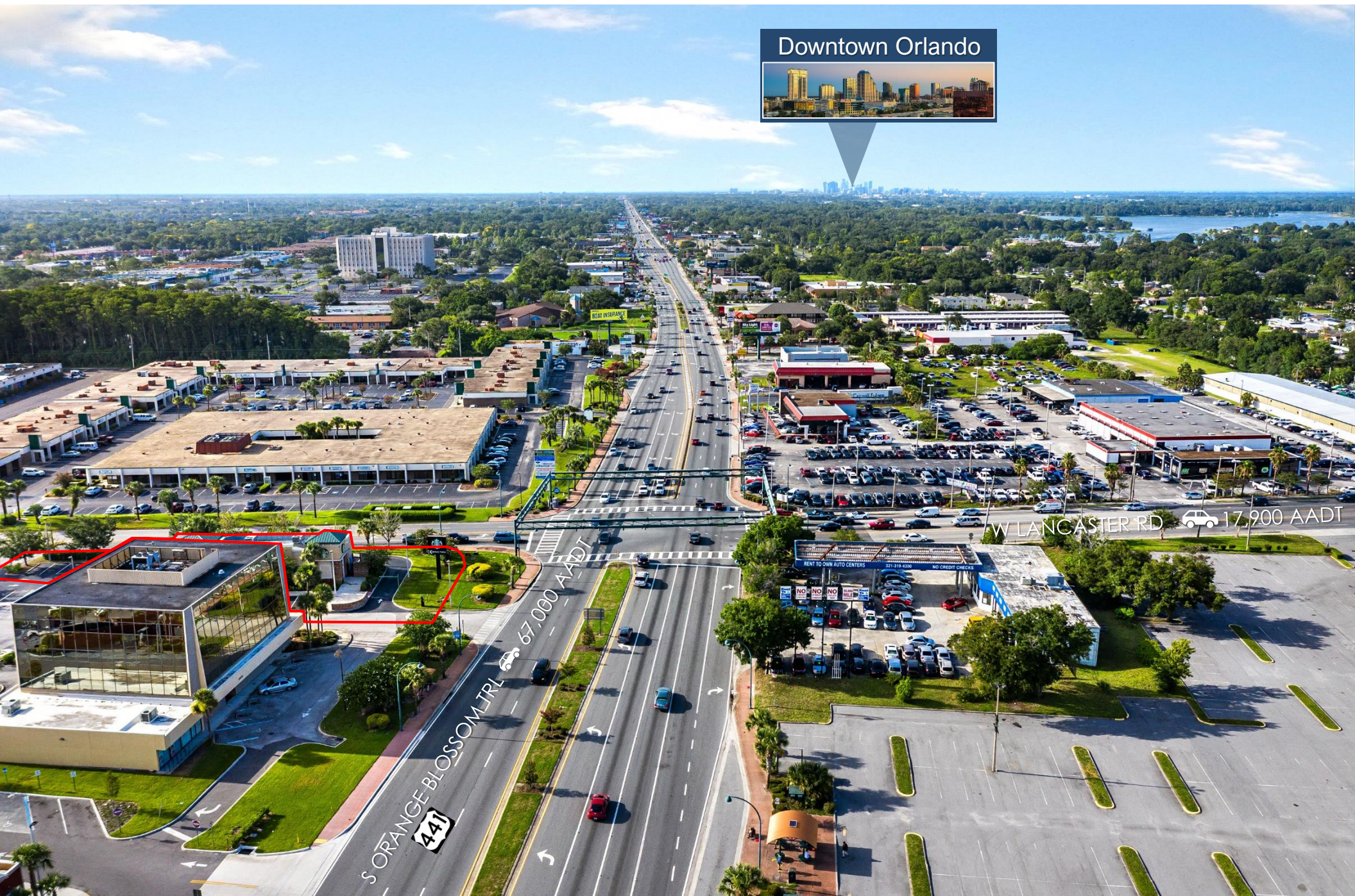




 441 S ORANGE BLOSSOM TRL  67,000 AADT







Downtown Orlando



W LANCASTER RD  17,900 AADT

S ORANGE BLOSSOM TRL  67,000 AADT

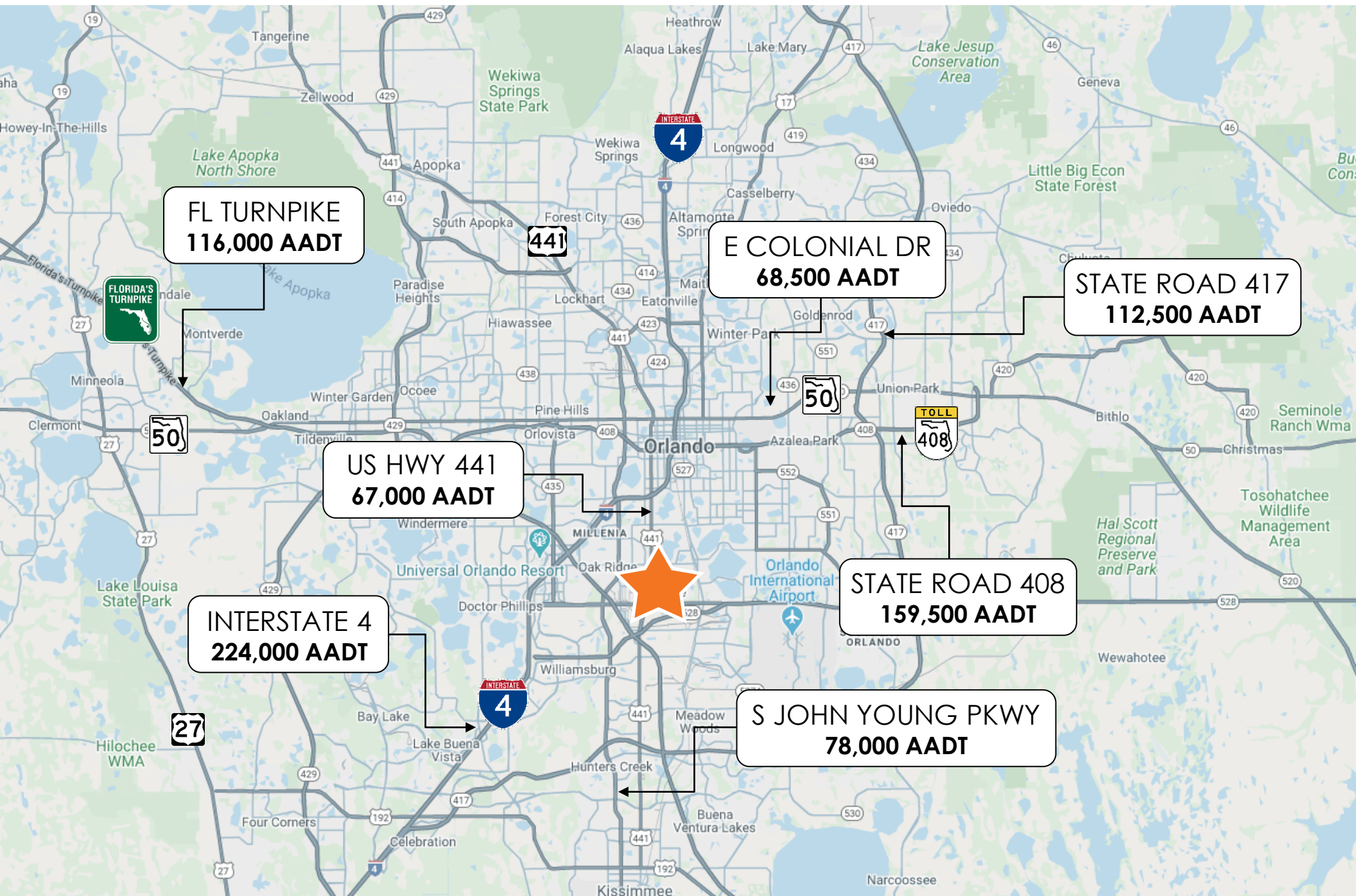
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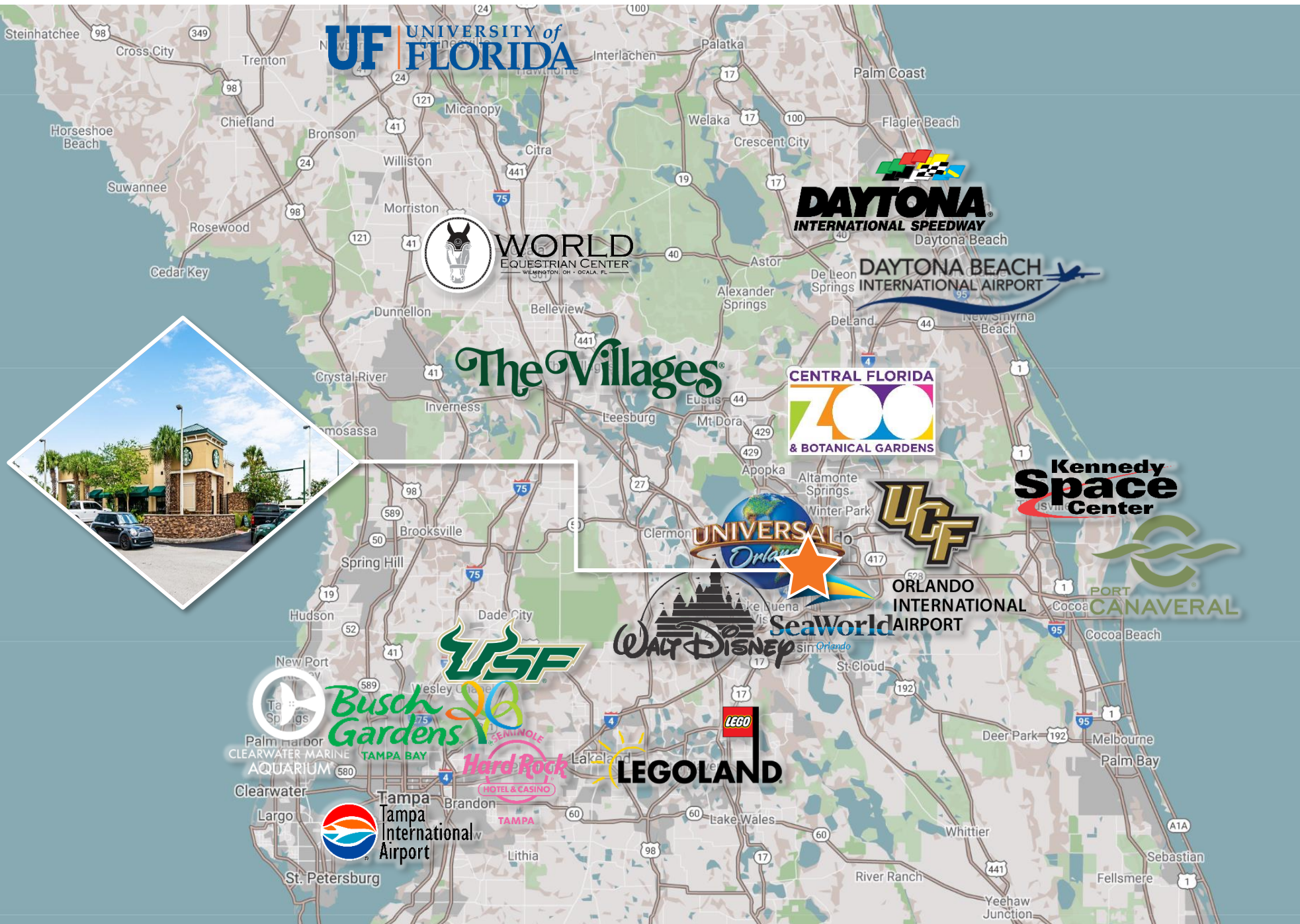


RETAIL MAP



TRAFFIC COUNTS MAP





section two

FINANCIAL ANALYSIS

—
STARBUCKS

Lease Abstract

TENANT:

Starbucks

LEASE GUARANTOR:

Corporate Guarantee

BUILDING SIZE:

1,958 Square Feet

LEASE COMMENCEMENT:

12/01/2008

LEASE EXPIRATION:

02/28/2029

BASE TERM:

10 Years (Tenant Recently Exercised 10-Year Renewal)

BASE RENT:

\$8,959 per month/ \$107,502 annually (2019-2024)

OPTIONS:

Four (4), 5 Year Options

OPTION RENT:

Current (3/1/19 - 2/29/24): \$8,959 per month/ \$107,502 annually
(3/1/24 - 2/28/29): \$10,034 per month/ \$120,402 annually
Option 2 (3/1/29 - 2/28/34): \$11,238 per month/ \$134,851 annually
Option 3 (3/1/34 - 2/28/39): \$12,586 per month/ \$151,033 annually
Option 4 (3/1/39 - 2/29/44): \$14,096 per month/ \$169,157 annually
Option 5 (3/1/44 - 2/28/49): \$15,788 per month/ \$189,455 annually

TENANT'S PAYMENT:

Commencing on the Rent Commencement Date, for each calendar year of the Term, Tenant shall pay to Landlord, as additional rent Tenant's Pro Rata Share (100%) of Operating Expenses, Building Expenses, Landlord's Insurance and Real Property Taxes.

TAXES:

For each Lease Year during the Term, Tenant shall pay Landlord, as additional rent, Tenant's Pro Rata Share of Real Property Taxes.

UTILITIES:

Tenant shall pay directly to the applicable utility provider the utility charges for all water, sewer, gas and electricity used by Tenant during the Term.

BUILDING EXPENSES:

Tenant shall pay to Landlord Tenant's Pro Rata Share (100%) of all Building Expenses, which shall include the reasonable and necessary out-of-pocket costs and expenses actually paid in any calendar year directly attributable to maintaining the Building. This shall include the cost of painting the exterior of the Building and costs of replacing the roof and parking lot for reserve purposes (the amount of which reserves shall be based on the useful life of the roof and the parking lot).

TENANT'S RIGHT OF EARLY TERMINATION:

Should Tenant elect to terminate this Lease as permitted under this Section, Tenant shall pay Landlord, prior to the Early Termination Date a termination fee in the amount of \$60,000.



Tenant Summary

Starbucks Corporation is an American coffee company and coffeehouse chain. The company was founded in Seattle, Washington in 1971. It currently operates over 28,218 locations worldwide. Starbucks is the world's largest coffee retailer and is considered the main representative of “second wave coffee,” initially distinguishing itself from other coffee serving venues in the US by taste, quality, and customer experience, while popularizing darkly roasted coffee.

Selling over 2 billion cups of coffee every year, Starbucks locations serve more than just hot and cold drinks. They also sell whole-bean coffee, micro ground instant coffee, espresso, café latte, full- and loose-leaf teas including Teavana tea products, Evolution Fresh juices, Frappuccino beverages, pastries, and snacks such as chips, crackers, and some seasonal products, more specific to the locality of the store.



General Information

TENANT TRADE NAME:

Starbucks Coffee

OWNERSHIP:

Starbucks Corporation

S&P CREDIT RATING:

BBB+

MOODY'S CREDIT RATING:

Baa 1

HEADQUARTERS:

Seattle, WA

WEBSITE:

www.starbucks.com

NUMBER OF LOCATIONS:

28,218

Property Summary

THE OFFERING

Property	Starbucks
Property Address	6896 S Orange Blossom Trail Orlando, FL 32809
Price	\$2,100,000
Capitalization Rate	5.12%
Price/SF	\$1,072.52

*Financing Available – See Agent for Details

PROPERTY DESCRIPTION

Year Built / Renovated	2008
Gross Leasable Area	1,958 SF
Type of Ownership	Fee Simple
Lot Size	0.56 Acre

LEASE SUMMARY

Property Subtype	Net Leased Restaurant
Tenant	Starbucks
Rent Increases	12% each Five-Year Period
Lease Type	NNN
Lease Commencement	12/01/2008
Lease Expiration	02/28/2029
Lease Term	20 Years
Term Remaining on Lease	8.7 Years
Renewal Options	Four, Five-Year Options
Landlord Responsibility	Structural Repairs & Replacements (excluding reserves)

ANNUALIZED OPERATING INFORMATION

INCOME

Net Operating Income	\$107,502
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RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$107,502	\$8,959	\$54.90	5.12%
03/01/2024 – 02/28/2029	\$120,402	\$10,034	\$61.49	5.73%
03/01/2029 – 02/28/2034	\$134,851	\$11,238	\$68.87	6.42%
03/01/2034 – 02/28/2039	\$151,033	\$12,586	\$77.14	7.19%
03/01/2039 – 02/29/2044	\$169,157	\$14,096	\$86.39	8.06%
03/01/2044 – 02/28/2049	\$189,455	\$15,788	\$96.76	9.02%



section three

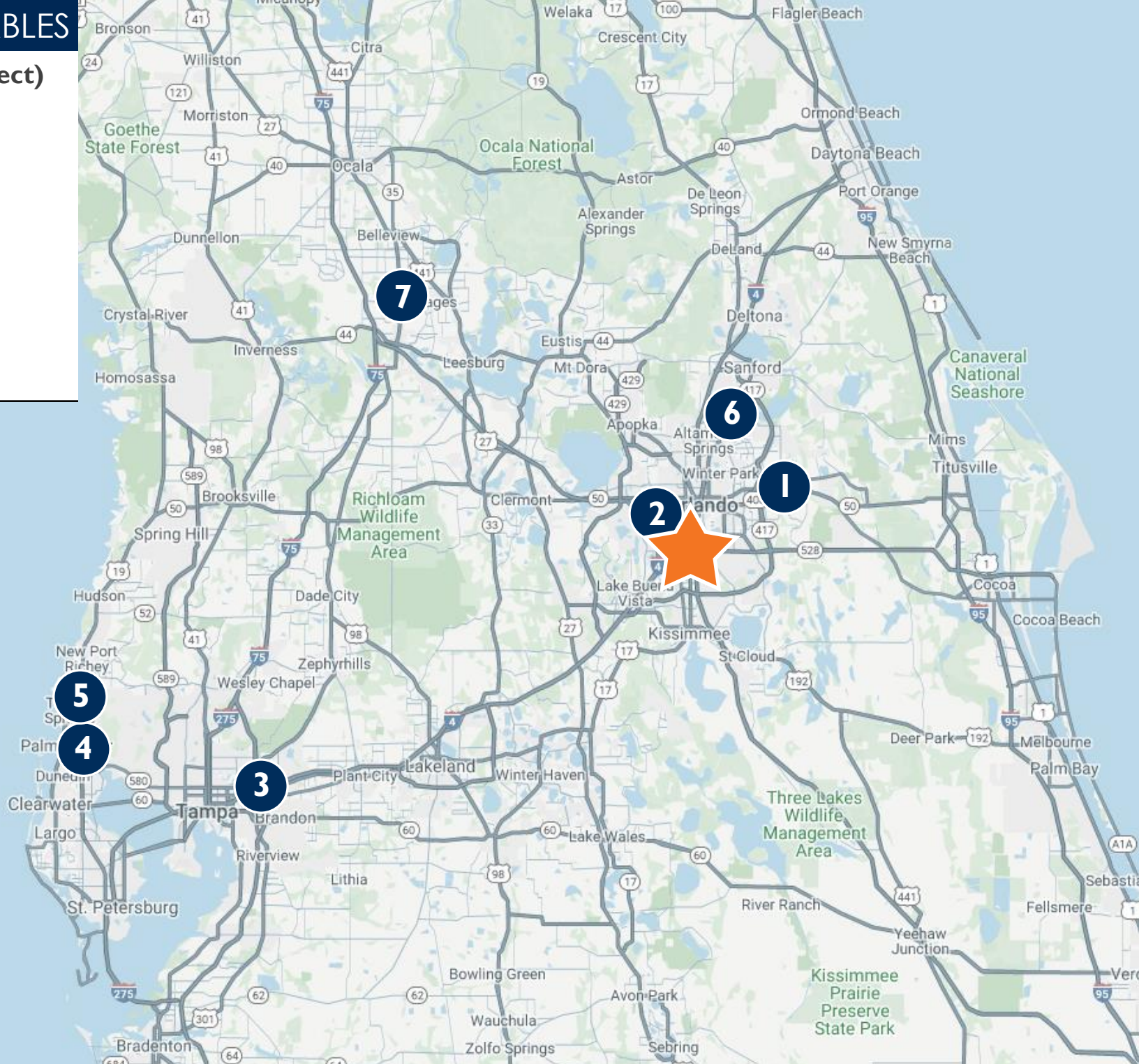
MARKET COMPARABLES

 **STARBUCKS**

SALES COMPARABLES

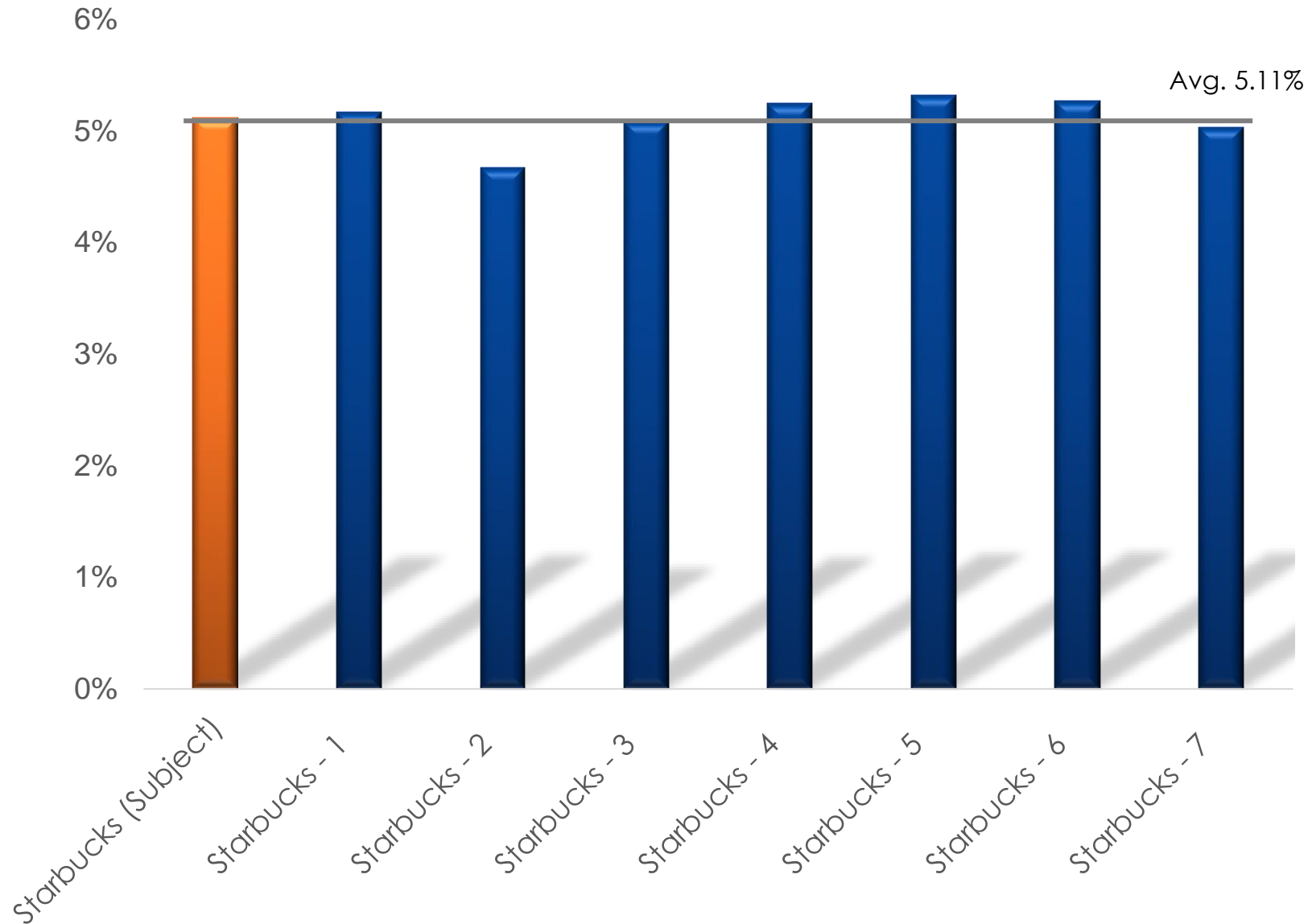
★ Starbucks (Subject)

- 1 Starbucks – 1
- 2 Starbucks – 2
- 3 Starbucks – 3
- 4 Starbucks – 4
- 5 Starbucks – 5
- 6 Starbucks – 6
- 7 Starbucks – 7



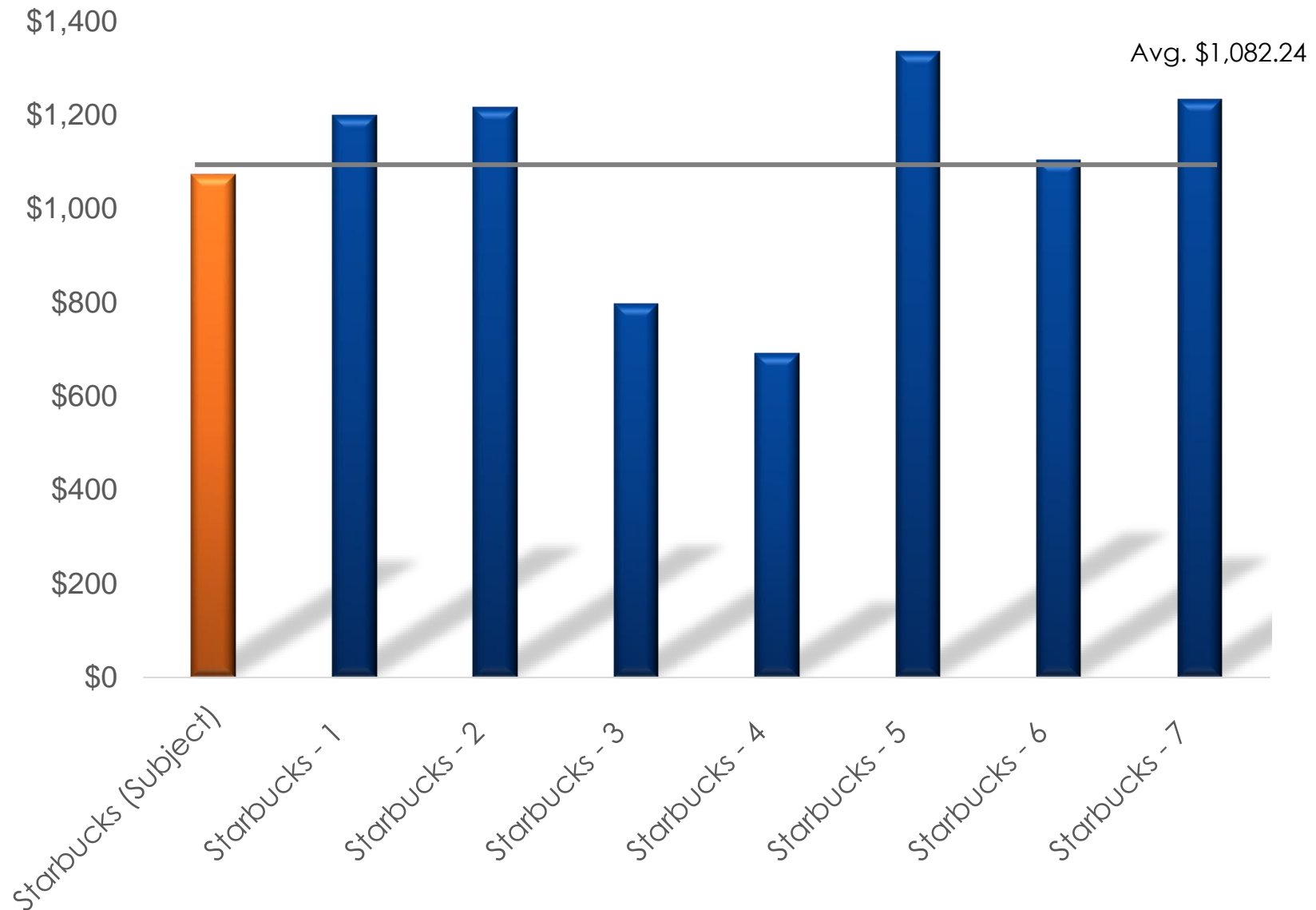
SALES COMPARABLES

Average CAP Rate



SALES COMPARABLES

Average Price Per Square Foot



SALES COMPARABLES



STARBUCKS (SUBJECT)

6896 S Orange Blossom Trail, Orlando, FL 32809

Offering Price:	\$2,100,000
Rentable SF:	1,958
Price/SF:	\$1,072.52
CAP Rate:	5.12%
Year Built:	2008

Notes:

- Freestanding with Drive-Thru



STARBUCKS - I

13627 E Colonial Drive, Orlando, FL 32826

Close of Escrow:	12/09/2019
Sales Price:	\$3,000,000
Rentable SF:	2,500
Price/SF:	\$1,200.00
CAP Rate:	5.17%
Year Built:	2019

Notes:

- Freestanding with Drive-Thru

SALES COMPARABLES



2 STARBUCKS - 2

5894 Conroy Windermere Road, Orlando, FL 32835

Close of Escrow:	12/04/2019
Sales Price:	\$2,675,000
Rentable SF:	2,200
Price/SF:	\$1,215.91
CAP Rate:	4.67%
Year Built:	2018

Notes:

- Freestanding with Drive-Thru

3 STARBUCKS - 3

9601 Dr Martin Luther King Blvd E, Tampa, FL 33610

Close of Escrow:	04/29/2020
Sales Price:	\$2,460,000
Rentable SF:	3,087
Price/SF:	\$796.89
CAP Rate:	5.08%
Year Built:	1984

Notes:

- Freestanding with Drive-Thru

SALES COMPARABLES



4 STARBUCKS – 4

33086 US Highway 19 N, Palm Harbor, FL 34684

Close of Escrow:	09/09/2019
Sales Price:	\$3,181,500
Rentable SF:	4,605
Price/SF:	\$690.88
CAP Rate:	5.25%
Year Built:	2016

Notes:

- Drive-Thru



5 STARBUCKS – 5

41226 US Highway 19 N, Tarpon Springs, FL 34689

Close of Escrow:	10/15/2019
Sales Price:	\$3,100,000
Rentable SF:	2,322
Price/SF:	\$1,335.06
CAP Rate:	5.32%
Year Built/Renovated:	1984/2019

Notes:

- Freestanding with Drive-Thru

SALES COMPARABLES



6 STARBUCKS - 6

306 N US-17-92, Longwood, FL 32750

Close of Escrow:	01/24/2020
Sales Price:	\$2,511,000
Rentable SF:	2,275
Price/SF:	\$1,103.74
CAP Rate:	5.27%
Year Built/Renovated:	2005/2019
Notes:	
	• Freestanding with Drive-Thru



7 STARBUCKS - 7

3320 Wedgewood Ln, The Villages, FL 32162

Close of Escrow:	04/01/2020
Sales Price:	\$3,083,000
Rentable SF:	2,500
Price/SF:	\$1,233.20
CAP Rate:	5.03%
Year Built:	2019
Notes:	
	• Freestanding with Drive-Thru

section four

MARKET OVERVIEW

—
STARBUCKS



ORLANDO, FL

Population
285,705



ORLANDO

A warm climate and a favorable tax structure attract visitors, employers and residents to the region. The metro is among the largest and fastest growing in Florida, with a population of more than 2.4 million residents. It is also one of the nation's most popular tourist destinations with roughly 67 million visitors annually. The Orlando metro encompasses four counties: Osceola, Orange, Seminole and Lake, covering more than 4,000 square miles in central Florida. There are numerous lakes scattered across the region and the topography is generally flat with few impediments to development. Orlando is the area's largest city, approaching 280,000 residents, followed by Kissimmee and Sanford, each with less than 100,000 residents.

While Orlando's economy has strong business and professional services as well as tourism components, distribution, high-tech, defense contracting, and healthcare also are prevalent. Florida has low state and local taxes in addition to no state personal income tax, attracting businesses to the region. Orlando's population is expected to increase by 242,200 people over the next five years, as job gains outpace the national average.

Orlando residents enjoy a remarkable quality of life, highlighted by a sunny climate, professional sports teams, outdoor recreational activities, cultural venues, world-famous attractions and beaches nearby. The region offers healthcare facilities and exceptional community services such as Orlando Health and Florida Hospital. Cultural opportunities are offered at the Dr. Phillips Center for the Performing Arts, Civic Theatre of Central Florida, the Orlando Opera Company, the Orlando Ballet Company and the Bach Festival Society. Amway Center in downtown is the Orlando Magic's arena. Large educational institutions in the area include the University of Central Florida and Valencia Community College.

- Key industries in the region include aerospace and defense systems, modeling, simulation and training, digital media tourism and biotechnology.
- The metro is transforming into a digital media hub, housing hundreds of media companies.
- Orlando is a top vacation and business convention destination and is home to theme parks and tourist attractions, which support retail sales and a large hospitality sector.
- The local life sciences, biotech and medical technology industries are growing. Lake Nona Medical City is a 650-acre health and life sciences park located in the metro.
- The metro is expected to add nearly 242,200 people over the next five years and during this period roughly 103,000 households will be formed.
- A median age below the U.S. median contributes to a homeownership rate of 62 percent, which is slightly below the national rate.
- Millennials, those in the cohort of 20- to 34-year old's, comprise 22 percent of the population, slightly above the U.S. level of 20 percent.

QUALITY OF LIFE

Orlando is one of the world's most visited family destinations, and while its illustrious themed attractions may steal the limelight, with a vibrant and well-kept city center and a climate that averages around 75° Fahrenheit (25° Celsius), there is a surprising amount of things to experience here. Welcoming tens-of-millions of visitors per year, both Disney World and Universal Orlando pack in an entire trip's worth of fun on their own. But it would be a mistake to overlook Orlando's other activities because the rest of 'The City Beautiful' is full of similar family-friendly attractions like waterparks, giant aquariums and zoos, exciting shows, airboat tours around the swamps and plenty of golfing opportunities.

The area is a major tourist destination and is the home of Universal Orlando Resort and SeaWorld Orlando. Neighboring Lake Buena Vista is home of Walt Disney World, the world-renown amusement park. These attractions form the backbone of Orlando's tourism industry, making the city the most visited city in the U.S. Orlando is also home to the University of Central Florida, one of the U.S.'s largest campuses.

Orlando, which is known for its theme parks, has a metro population of 2.3 million and the median age is 36.8. The average commute time in Orlando is 27.8 minutes. And, of course, the weather is a factor: the average temperature highs and lows are 82.8 degrees and 62.8 degrees respectively, and the region gets 50.7 inches of rain each year on average. The cost of living in Orlando is slightly lower than the national median sale price, plus Florida has no state income tax. The city did get dinged for the use of its public transit, which was rated as below the national average. Roughly 90 percent drive as a means of transportation, which is above the national average.





- Orlando's economy benefits from a globally-recognized tourism industry that sees 68 million visitors annually. This industry alone has an economic impact of more than \$50 billion. However, only roughly one-third of the workforce in the region works in the tourism and hospitality industry.
- Orlando International Airport (MCO) is ranked as the 2nd busiest passenger airport in Florida, the 14th busiest in the nation and the 43rd busiest in the world. It is also the 5th largest airport for domestic origin and destination. It is undergoing a \$1.1 billion expansion.
- Ongoing expansion at the Orlando Sanford International Airport (SFB), coupled with the state's largest foreign trade zone designation, has helped SFB become one of the most active international airports in the United States.
- Orange County is home to the simulation procurement commands for the U.S. Army, Navy, Air Force, Marines and Coast Guard. Collectively, they award nearly \$5 billion in contracts annually, the majority of which are received by simulation companies in the region.
- The City of Orlando has a vibrant, downtown core including community venues: Amway Center, home of the Orlando Magic and the top-ranked NBA sports facility, a brand-new Dr. Phillips Center for the Performing Arts, newly renovated Camping World Stadium and the newly constructed Orlando City Soccer Stadium.
- Amazon's new Distribution Center is estimated to create 1,500 new jobs in its 850,000 square-foot warehouse

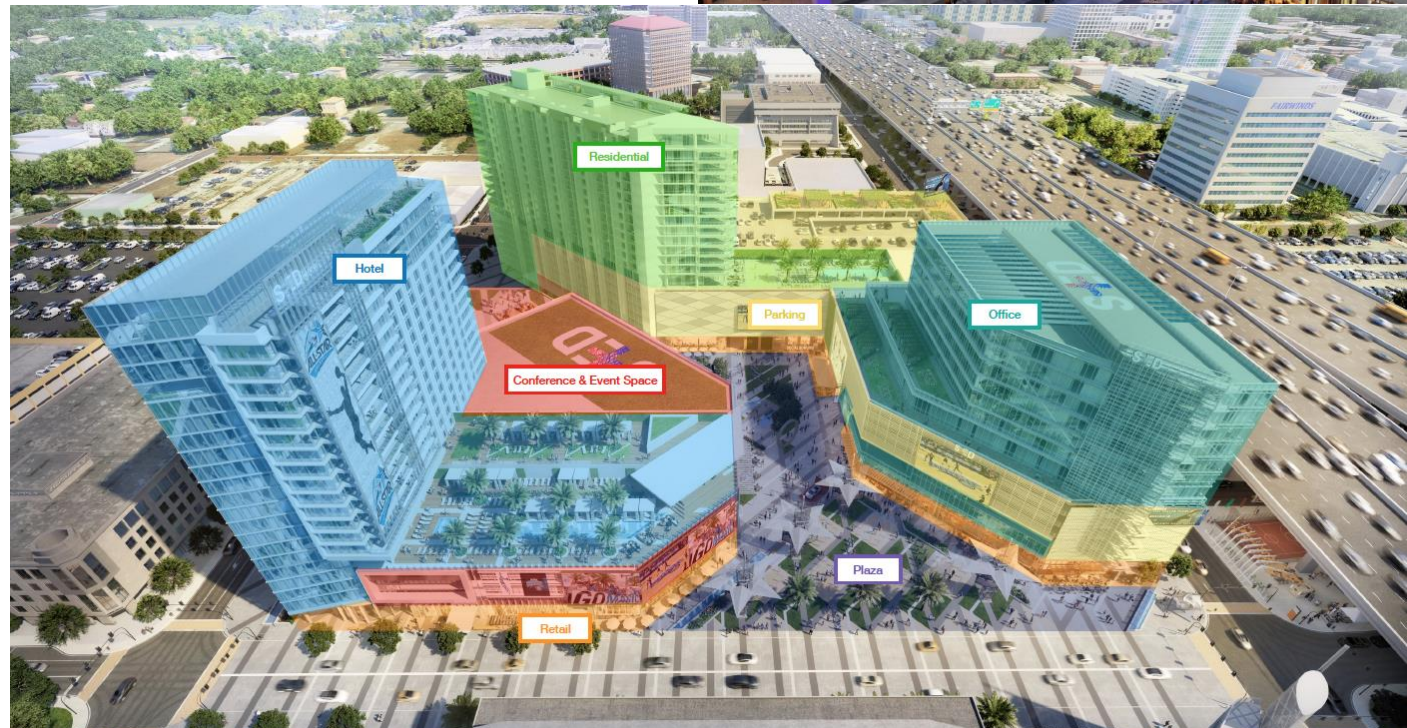
ORLANDO GROWTH

AMWAY CENTER- HOME TO THE ORLANDO MAGIC

The project, which is set to be completed in 2021, will cost at least \$200 million. Representatives for the Magic say the entertainment complex will "create jobs and provide dining, hotel, living, and entertainment options."

The design includes a 250-room luxury hotel; 200,000-square-foot building with seven stories of office space that will be the Magic's new headquarters; 300-unit multi-family residential tower; 100,000 square feet dedicated to retail space; 80,000 square feet for event space; and an open-air plaza featuring "the latest in Wi-Fi, lighting, audio and digital experiences," according to release from the Magic.

A development of this size has huge potential for impacting the landscape of the region's office, entertainment, residential and hotel infrastructure. It also will generate new economic impact in the region, thanks to encouraging fans — both local and from out of town — to spend extra money while attending games or visiting downtown.



ORLANDO GROWTH

ORANGE COUNTY CONVENTION CENTER EXPANSION

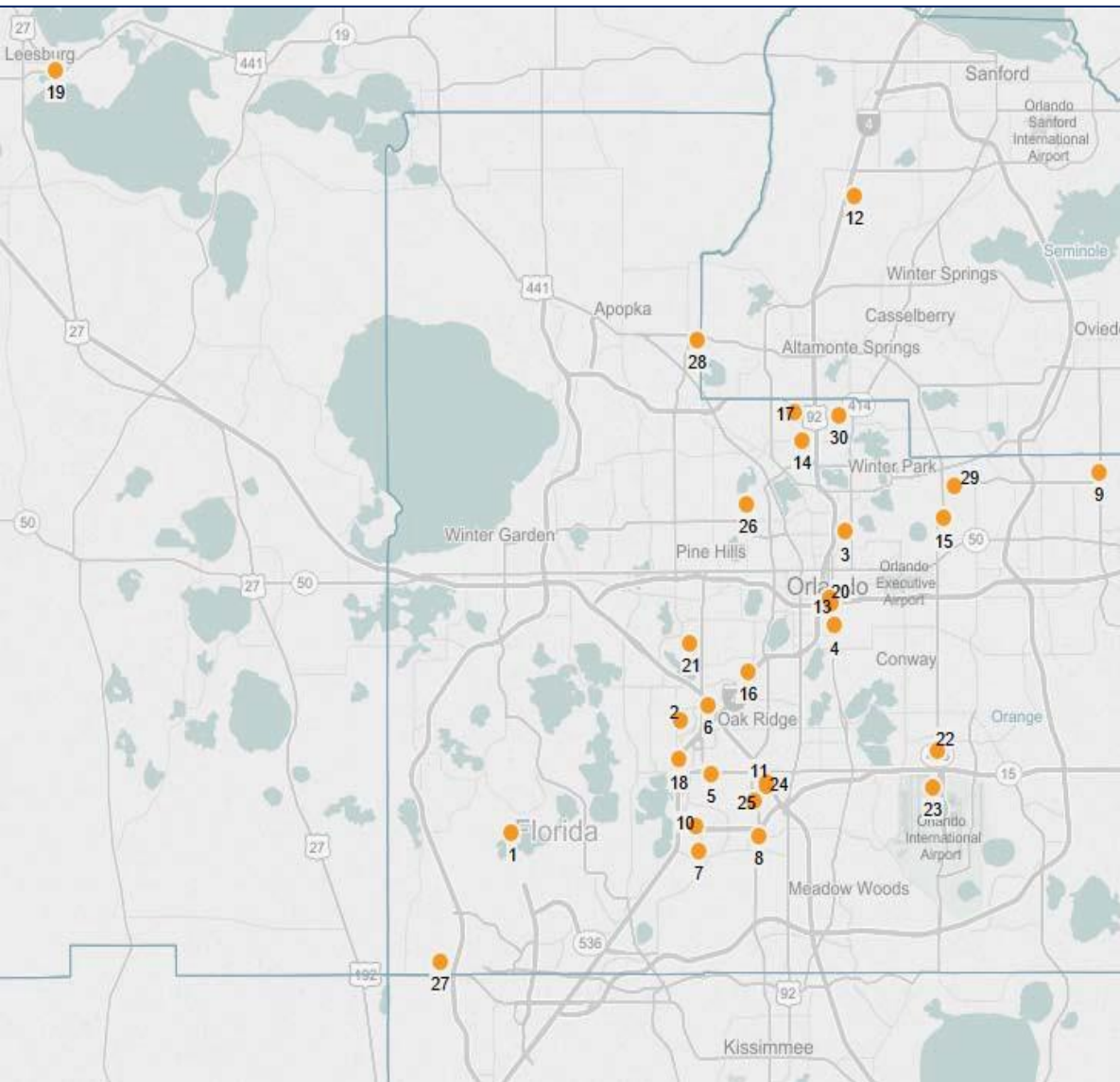
Coming in 2023! The Orange County Convention Center has embarked upon a \$605M Capital Improvement Plan for two Campus Master Plan projects:

• **Convention Way Grand Concourse** - an enclosed connection between the North and South concourses that includes an additional 60,000 square feet in meeting space and an 80,000-square-foot ballroom. It provides a new grand entry to the North/South building along Convention Way..

• **Multipurpose Venue** - a 200,000-square-foot, flexible, divisible, column-free space with a combination of retractable and floor seating to accommodate between 18,000-20,000 guests. This project will also incorporate connectivity between the North and South concourses.



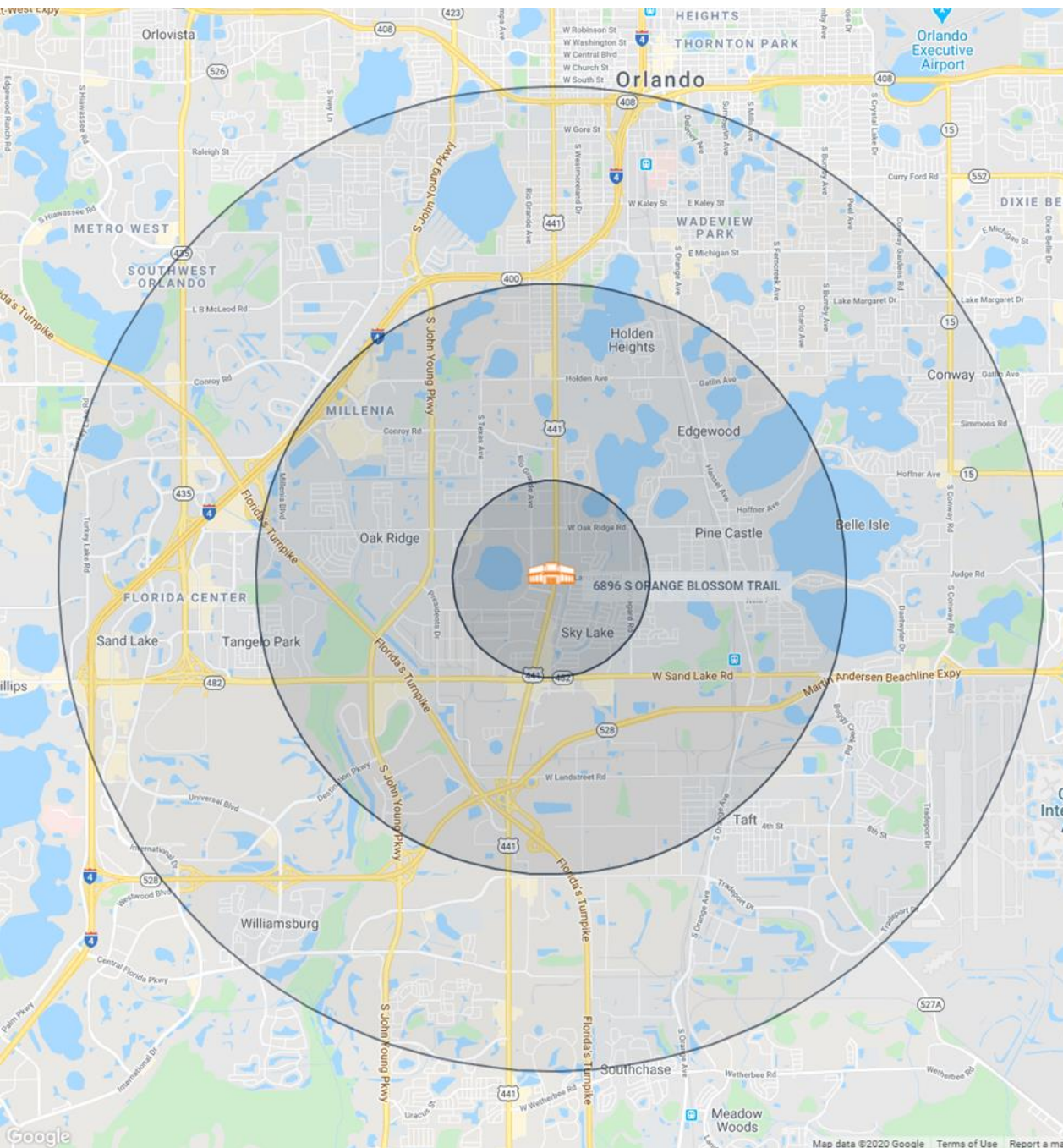
TOP 30 EMPLOYERS



ORLANDO MSA

#	Company	Employment
1	Walt Disney World Resort	74,000
2	Universal Orlando (Comcast)	20,000
3	Adventist Health System/ Florida Hospital	19,304
4	Orlando Health	14,000
5	Lockheed Martin	7,000
6	Westgate Resorts	6,500
7	SeaWorld Parks & Entertainment	6,032
8	Darden Restaurants	5,221
9	Siemens	4,448
10	Rosen Hotels & Resorts	4,322
11	Wyndham Worldwide	3,509
12	AT&T	3,063
13	JP Morgan Chase	3,053
14	Bright House Networks	3,000
15	Hospital Corporation of America	2,950
16	Mears Transportation	2,825
17	FedEx	2,821
18	Loews	2,756
19	Central Florida Health Alliance	2,686
20	SunTrust Bank	2,670
21	Hilton Grand Vacations	2,591
22	Marriott Vacations Worldwide	2,458
23	Southwest Airlines	2,400
24	Walgreens Customer Care Center	2,400
25	Starwood Hotels & Resorts Worldwide, Inc.	2,375
26	Optum	2,331
27	Orange Lake Resorts & Holiday Inn	2,250
28	CenturyLink	2,213
29	Full Sail University	2,150
30	Consulate Health Care LLC	2,000

DEMOGRAPHICS



	1 Miles	3 Miles	5 Miles
POPULATION			
2024 Projection	11,355	86,778	204,756
2019 Estimate	11,254	84,957	198,303
2010 Census	10,387	77,236	178,427
2000 Census	8,984	65,446	162,670
INCOME			
Average	\$50,342	\$56,664	\$63,015
Median	\$37,580	\$39,017	\$43,646
Per Capita	\$16,502	\$21,631	\$24,374
HOUSEHOLDS			
2024 Projection	3,752	32,613	78,698
2019 Estimate	3,688	31,454	75,520
2010 Census	3,395	28,228	67,247
2000 Census	3,182	23,247	60,908
HOUSING			
2019	\$144,329	\$165,294	\$190,953
EMPLOYMENT			
2019 Daytime Population	25,445	108,144	346,290
2019 Unemployment	3.44%	3.58%	3.69%
2019 Median Time Traveled	28	28	27
RACE & ETHNICITY			
White	53.08%	44.61%	51.44%
Native American	0.30%	0.17%	0.14%
African American	22.70%	35.35%	31.90%
Asian/Pacific Islander	4.71%	3.70%	3.59%

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