



1605 N. KNOXVILLE AVE, PEORIA, ILLINOIS



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EXECUTIVE SUMMARY

INVESTMENT OVERVIEW

Veritas Realty is pleased to present the sale listing of the newly constructed and state-of-the-art Starbucks Coffee "Drive-Thru Only" location, located just north of Interstate 74 in the center of Peoria, IL. Representing one of the first "Drive-Thru Only" Starbucks stores in the Midwest, this revolutionary concept store represents a new prototype for Starbucks, which will be more prevalent in the future. This particular Starbucks store facilitates sales through the drive-thru window and extensive drive-thru stacking lane, while simultaneously driving additional customer sale transactions through mobile ordering that can be delivered at the exterior pick-up window so that customers can enjoy their favorite Starbucks beverage at the large outdoor patio area or take their beverage "on the go" while they utilize the fifteen (15) convenient and exclusive parking spaces serving the building. From an investment perspective, the "Drive-Thru Only" store allows Starbucks to mitigate labor and building expenses, while maximizing their efficiency in a smaller footprint and focusing their sales efforts on drive-thru transactions and mobile orders, creating a "pandemic-proof" operating facility.

This freestanding Starbucks unit is ideally positioned on the near-northside of downtown Peoria, just seconds from I-74 and located on the morning traffic commuter route for customers heading to their places of employment in downtown Peoria. The property is located on Knoxville Ave. (SR-40), which carries 25,900 cars daily, and is less than a mile from the OSF Saint Francis Medical Center, which employs 12,000 workers locally and sees nearly 900,000 patients annually within its expansive network.

This Starbucks Coffee store opened for business on September 22, 2020 and the primary lease term extends through February 2031, with an additional four (4) option periods of 5- year each in duration thereafter. The new Owner will benefit from the negotiated 10% rental increases every five (5) years as well as the Tenant's required reimbursement for all CAM, Real Estate Taxes, and Insurance expenses. This allows the new Owner to maximize cash flow on this investment, while reducing any potential annual NOI fluctuations. Starbucks Coffee is one of the most recognizable brands in the world with over 30,000 stores. The company employs over 291,000 employees worldwide and is the leader in the coffee industry. The company posted a 2019 Total Revenue of \$26.5 Billion and Net Income of \$3.60 billion. Starbucks is an investment grade tenant with a S&P rating of BBB.

LISTING INFORMATION



NET INCOME

\$ 92,000



CAP RATE

5.000 %



PRICE

\$ 1,840,000

PROPERTY INFORMATION

ADDRESS	1605 N KNOXVILLE AVE
CITY	PEORIA (COUNTY SEAT)
STATE	ILLINOIS
ZIP CODE	61603
COUNTY	PEORIA
LOT SIZE	0.63 ACRES
TYPE	RETAIL
YEAR BUILT	2020
BUILDING SIZE	934 sf
UNITS	1
OCCUPANCY	100%
PARKING	14 Spaces

ABOUT THE COMPANY

In the beginning, the company was a single store in Seattle's historic Pike Place Market. From just a narrow storefront, Starbucks offered some of the world's finest fresh-roasted whole bean coffees. The name, inspired by Moby Dick, evoked the romance of the high seas and the seafaring tradition of the early coffee traders. In 1981, Howard Schultz (Starbucks chairman and chief executive officer) had first walked into a Starbucks store. From his first cup of Sumatra, Howard was drawn into Starbucks and joined a year later. In 1983, Howard traveled to Italy and became captivated with Italian coffee bars and the romance of the coffee experience. He had a vision to bring the Italian coffeehouse tradition back to the United States. A place for conversation and a sense of community. A third place between work and home. From the beginning, Starbucks set out to be a different kind of company. One that not only celebrated coffee and the rich tradition, but that also brought a feeling of connection.

Starbucks went public on June 26, 1992 at a price of \$17 per share (or \$0.53 per share, adjusted for subsequent stock splits) and closed trading that first day at \$21.50 per share.

Today, Starbucks is privileged to connect with millions of customers every day with exceptional products and more than 30,000 retail stores in 80 markets.

TENANT PROFILE

COMPANY	Starbucks Corporation
ENTITY TYPE	Public (NASDAQ: SBUX)
STORES	30,000 (2019)
EMPLOYEES	291,000 (2018)
2019 REVENUE	\$ 26.51 Billion
2019 NET INCOME	\$ 3.60 Billion
HEADQUARTERS	Seattle, Washington
FOUNDED	1971
WEBSITE	www.Starbucks.com



SBUX: LEASE ABSTRACT

GENERAL LEASE TERMS

TENANT	Starbucks Corporation
DBA	Starbucks Coffee
UNIT SIZE	934 SF
COMMENCEMENT DATE	9.17.2020
POSSESSION DATE	8.10.2020
RENT COMMENCEMENT	9.22.2020
STORE OPENING DATE	9.22.2020
EXPIRATION	2.28.2031
RENEWAL OPTION(S)	4 Options of Five Years each
PERMITTED USE	Tenant may use and occupy the Premises and drive-through lane for a coffee store or any other lawful retail or restaurant use.

RENT SCHEDULE

START	END	MONTHLY	ANNUAL
9.22.2020	9.30.2025	\$ 7,667	\$ 92,000
10.1.2025	2.28.2031	\$ 8,433	\$ 101,200
OPTION 1	2.28.2036	\$ 9,277	\$ 111,320
OPTION 2	2.28.2041	\$ 10,204	\$ 122,452
OPTION 3	2.28.2046	\$ 11,225	\$ 134,697
OPTION 4	2.28.2051	\$ 12,347	\$ 148,167

LEASE ABSTRACT

OPERATING EXPENSES	Landlord maintains; Tenant reimburses pro-rata share of Operating Expenses including landscaping and snow removal.
REAL ESTATE TAXES	Landlord pays; Tenant reimburses pro-rata share of Taxes monthly.
INSURANCE EXPENSES	Landlord pays; Tenant reimburses pro-rata share of Insurance monthly.
ROOF & STRUCTURE	Landlord maintains; Landlord is responsible for any necessary maintenance, repair, or replacement of the roof, roof membrane, and structural portions of the building. A 15-Year roof warranty covers through 2035.
PARKING LOT	Landlord is responsible for maintenance and repair of all parking areas and sidewalks.
HVAC	Tenant is responsible for maintaining, repairing, and replacement.
ADMINISTRATIVE FEE	5% of Operating Expenses
TERMINATION RIGHT	None
ROFR	None



FINANCIAL ANALYSIS

PROPERTY OPERATING STATEMENT

GROSS ANNUAL RENT	\$ 92,000
TAX REIMBURSEMENT	\$ 10,213
CAM REIMBURSEMENT	\$ 9,200
INSURANCE REIMBURSEMENT	\$ 1,532
ADMIN / MGMT FEE REIMBURSEMENT	\$ -
TOTAL INCOME	\$ 112,945
TAX EXPENSE	\$ 10,213
CAM EXPENSE	\$ 9,200
INSURANCE EXPENSE	\$ 1,532
MANAGEMENT FEE EXPENSE	\$ -
TOTAL EXPENSES	\$ 20,945
NET OPERATING INCOME	\$ 92,000
DEBT SERVICE	\$ 75,359
CASH FLOW	\$ 16,641

FINANCING ASSUMPTIONS

PRICE	\$ 1,840,000
NET OPERATING INCOME	\$ 92,000
CAP RATE	5.000 %
DOWN PAYMENT (35%)	\$ 664,000
LOAN AMOUNT (65%)	\$ 1,196,000
INTEREST	3.950 %
AMORTIZATION	25 Years
TERM	10 Years
MONTHLY DEBT SERVICE PAYMENT	\$ 6,280
ANNUAL DEBT SERVICE PAYMENT	\$ 75,359
MONTHLY NET CASH FLOW	\$ 1,387
ANNUAL NET CASH FLOW	\$ 16,641

RENT ROLL

DBA	SF	START DATE	END DATE	BASE RENT		ANNUAL REIMBURSEMENTS				GROSS RENT	
				MONTHLY	ANNUAL	CAM	TAX	INS.	ADMIN	PSF	ANNUAL
STARBUCKS	934	9.22.2020	9.30.2025	\$ 7,667	\$ 92,000	\$ 9,200	\$ 10,213	\$ 1,532	-	\$ 120.93	\$ 112,945
		10.1.2025	2.28.2031	\$ 8,433	\$ 101,200						
OPTION 1		3.1.2031	2.28.2036	\$ 9,277	\$ 111,320						
OPTION 2		3.1.2036	2.28.2041	\$ 10,204	\$ 122,452						
OPTION 3		3.1.2041	2.28.2046	\$ 11,225	\$ 134,697						
OPTION 4		3.1.2046	2.28.2051	\$ 12,347	\$ 148,167						





EARLY YEARS

The first permanent American settlers arrived in 1819. Peoria was incorporated as a town in 1835 and chartered as a city by 1845. The first train reached Peoria in November, 1854, and subsequently Peoria became the fourth largest regional hub in the American railroad system. At one time, Peoria served 15 separate railroads. Due to the number of distilleries in Peoria at the end of the 19th century, the city was nicknamed "Whiskey Capital of the World." By the end of the 19th century, excursion boats, sidewheelers, and sternwheelers were common on the Illinois River, bringing entertainment to the towns they visited

TODAY

A major port on the Illinois River, Peoria is a trading and shipping centre for a large agricultural area that produces corn (maize), soybeans, and livestock. The economy is well diversified, but the city's traditional manufacturing industries are still important and make earthmoving equipment, metal products, lawn-care equipment, labels, steel towers, farm equipment, building materials, steel, wire, and chemicals. Caterpillar Inc., a heavy-machinery company and the city's largest employer, has its international headquarters there. The city was once home to many distilleries and breweries, but the last such plants were closed in the 1980s. The U.S. Department of Agriculture's National Center for Agricultural Utilization Research (completed 1940) is located in Peoria. Educational institutions include Bradley University (1897), Midstate College (1888), and Illinois Central College (1967), in East Peoria

TODAY

MANUFACTURING

Greater Peoria has an extensive history in heavy metal manufacturing. This five county region represents a population of 408,266. Over 15% of the workforce is employed in the this industry. Greater Peoria's large Original Equipment Manufacturers (OEMs) have stimulated the development of a robust supply chain of manufacturers with expertise in metal fabrication, electrical equipment, and machining to support the earthmoving industry. Over 70% of the manufacturing jobs are within this industry.

HEALTHCARE

The region's largest employment sector in Greater Peoria is healthcare. Greater Peoria has 717 healthcare establishments that employ 32,201, 36% above the national average. This cluster is responsible for 18% of Greater Peoria jobs. The Greater Peoria healthcare industry employs over 4,300 registered nurses, and graduates over 320 nursing students per year. Graduates have an 85% NCLEX-RN pass rate, 3% higher than the national average.

AGRI-BUSINESS

The Greater Peoria region is located in the agricultural heartland of the world and is notably home to the National Center for Agriculture Utilization Research (NCAUR). The region produces high-quality agricultural products including corn, soybeans and other important crops. Local vineyards and wineries are also experiencing significant expansion.



CATERPILLAR

12,000+ employees work at the Peoria site



Maui Jim Sunglasses is headquartered in Peoria, IL

RLI

DIFFERENT WORKS

RLI Specialty Insurance is headquartered in Peoria, IL



7th Largest City in Illinois

BRADLEY University

- 100 years of academic excellence
- 185+ under and post-graduate programs
- Ranked #7 in Reg. Universities Midwest by US News



Peoria Chiefs
MiLB baseball team.
Games are played downtown at Dozer Park



OSF Healthcare:

- 5,000 Employees
- 649 Beds

Unity Point Health Network:

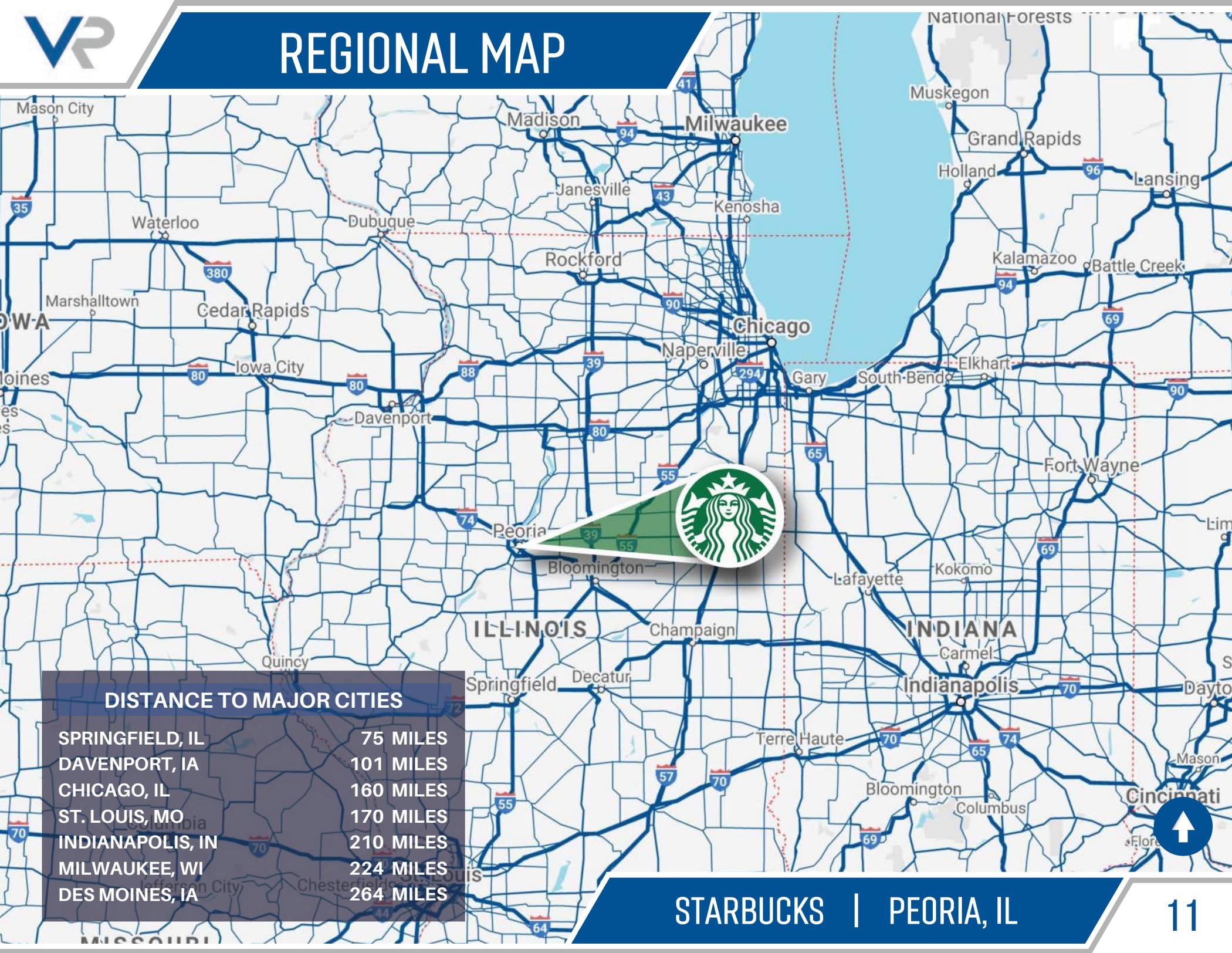
- One of the largest networks in the USA.
- 32,000 Employees
- 1,100 Doctors



UnityPoint Health



REGIONAL MAP



DISTANCE TO MAJOR CITIES

SPRINGFIELD, IL	75 MILES
DAVENPORT, IA	101 MILES
CHICAGO, IL	160 MILES
ST. LOUIS, MO	170 MILES
INDIANAPOLIS, IN	210 MILES
MILWAUKEE, WI	224 MILES
DES MOINES, IA	264 MILES



ACE
Hardware

McDonald's

Walgreens

bp

PEORIA ZOO

25,900 ADT

TACO BELL

Shell

66,200 ADT

Peoria High School
1,545 Enrollment

O'Reilly
AUTO PARTS

DUNKIN' DONUTS



OSF
HEALTHCARE
649 Beds

BRADLEY
University
5,400 Enrollment

THE UNIVERSITY OF ILLINOIS
COLLEGE OF MEDICINE
1,300 Enrollment

TOP EMPLOYERS	
CATEPILLAR	12,000
OSF ST FRANCIS MED CENTER	12,000
UNITY POINT HEALTH	4,991
PEORIA PUBLIC SCHOOLS	2,891
ILLINOIS CENTRAL COLLEGE	1,625
BRADLEY UNIVERSITY	1,300
ADVANCED TECHNOLOGY	1,073
KEYSTONE STEEL & WIRE	912
PEKIN INSURANCE	900
CITY OF PEORIA	888
COUNTY OF PEORIA	831

CATERPILLAR

DOZER
Park
7,500 Capacity





25,900 ADT
[Car Icon]

ILLINOIS
40

KNOXVILLE AVE



STARBUCKS

**BRIDGESTONE
Firestone**





CATERPILLAR



THE UNIVERSITY OF ILLINOIS
COLLEGE OF MEDICINE
PEORIA CHICAGO ROCKFORD URBANA

BRADLEY
University

UnityPoint Health

OSF HEALTHCARE



66,200 ADT



ILLINOIS
40

BRIDGESTONE
Firestone

DUNKIN'
DONUTS

KNOXVILLE AVE



STARBUCKS

25,900 ADT

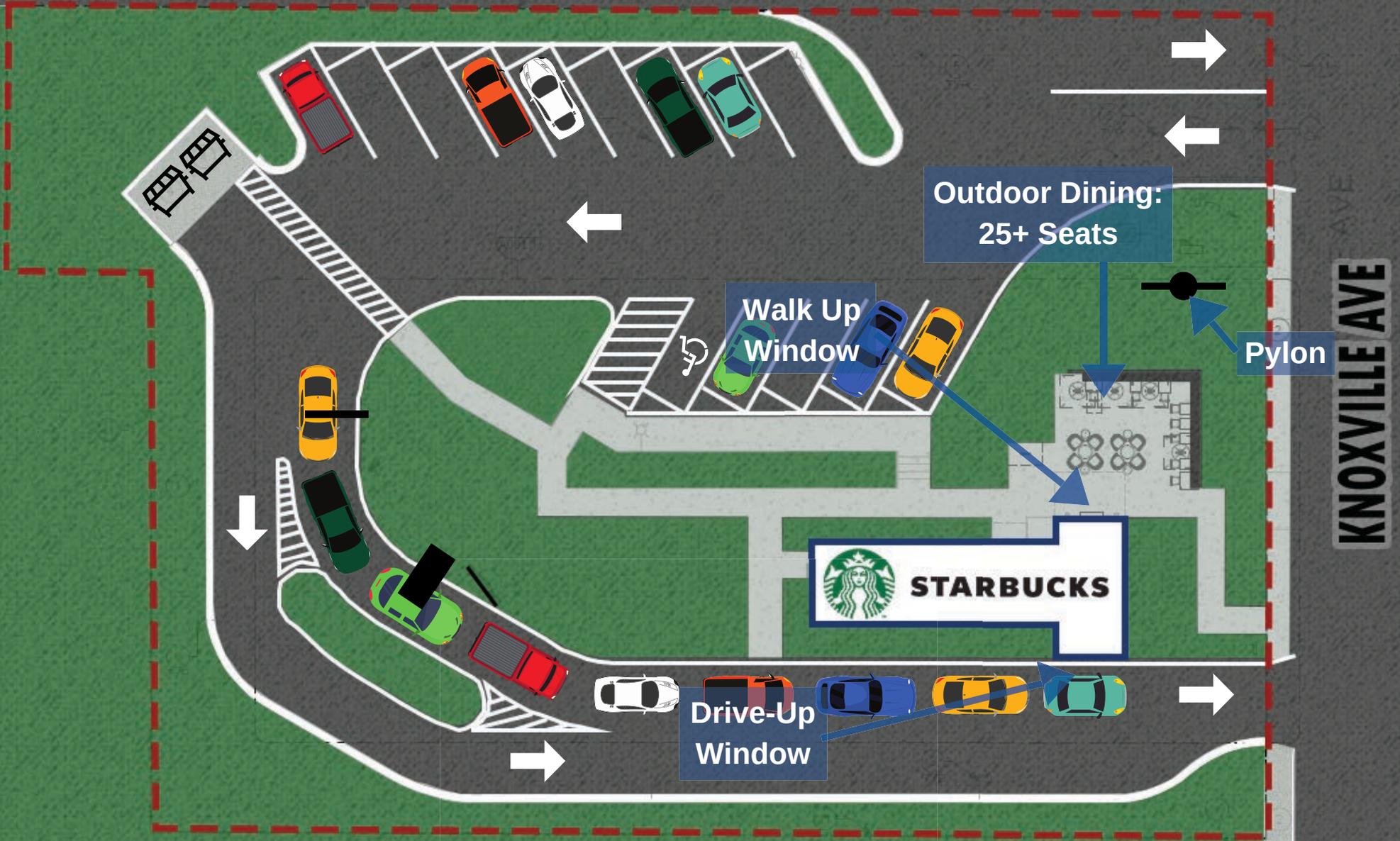


O'Reilly
AUTO PARTS

STARBUCKS | PEORIA, IL



25,900 ADT



Outdoor Dining:
25+ Seats

Walk Up
Window

Pylon



Drive-Up
Window

KNOXVILLE AVE

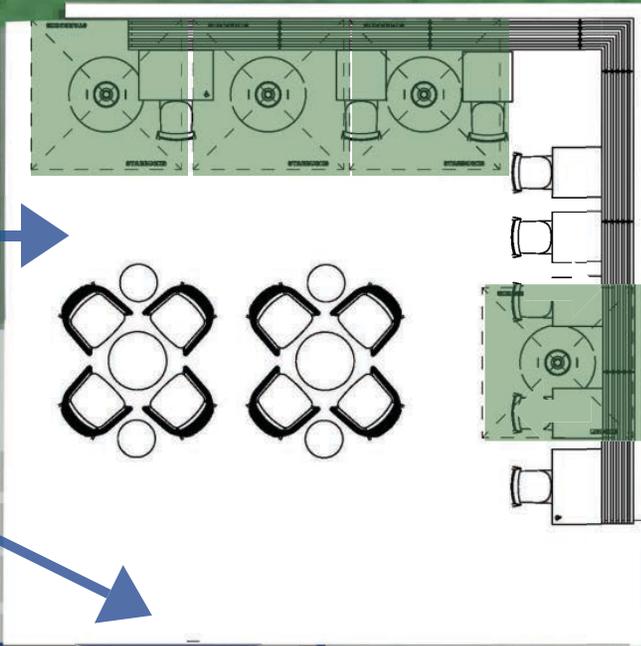
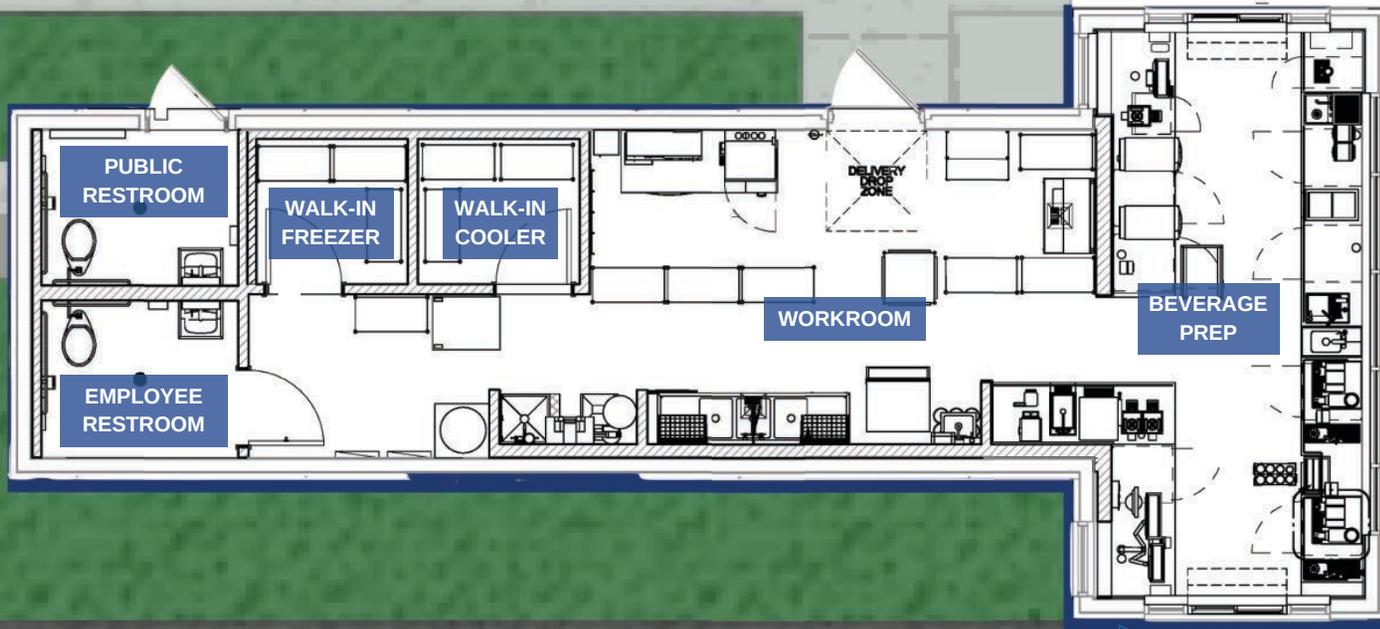


INTERIOR LAYOUT

Outdoor Dining:
25+ Seats

Walk Up Window

Drive-Up Window



	3 miles	5 miles
2019 Summary		
Population	71,822	126,691
Households	29,218	52,786
Average Household Size	2.34	2.32
Owner Occupied Housing Units	15,530	30,873
Renter Occupied Housing Units	13,688	21,913
Median Age	34.4	37.5
Average Household Income	\$54,093	\$63,109



HOUSEHOLD
INCOME AVG
(3 MILES)

\$ 54,093



TOTAL
POPULATION
(3 MILES)

71,822



TOTAL
EMPLOYEES
(3 MILES)

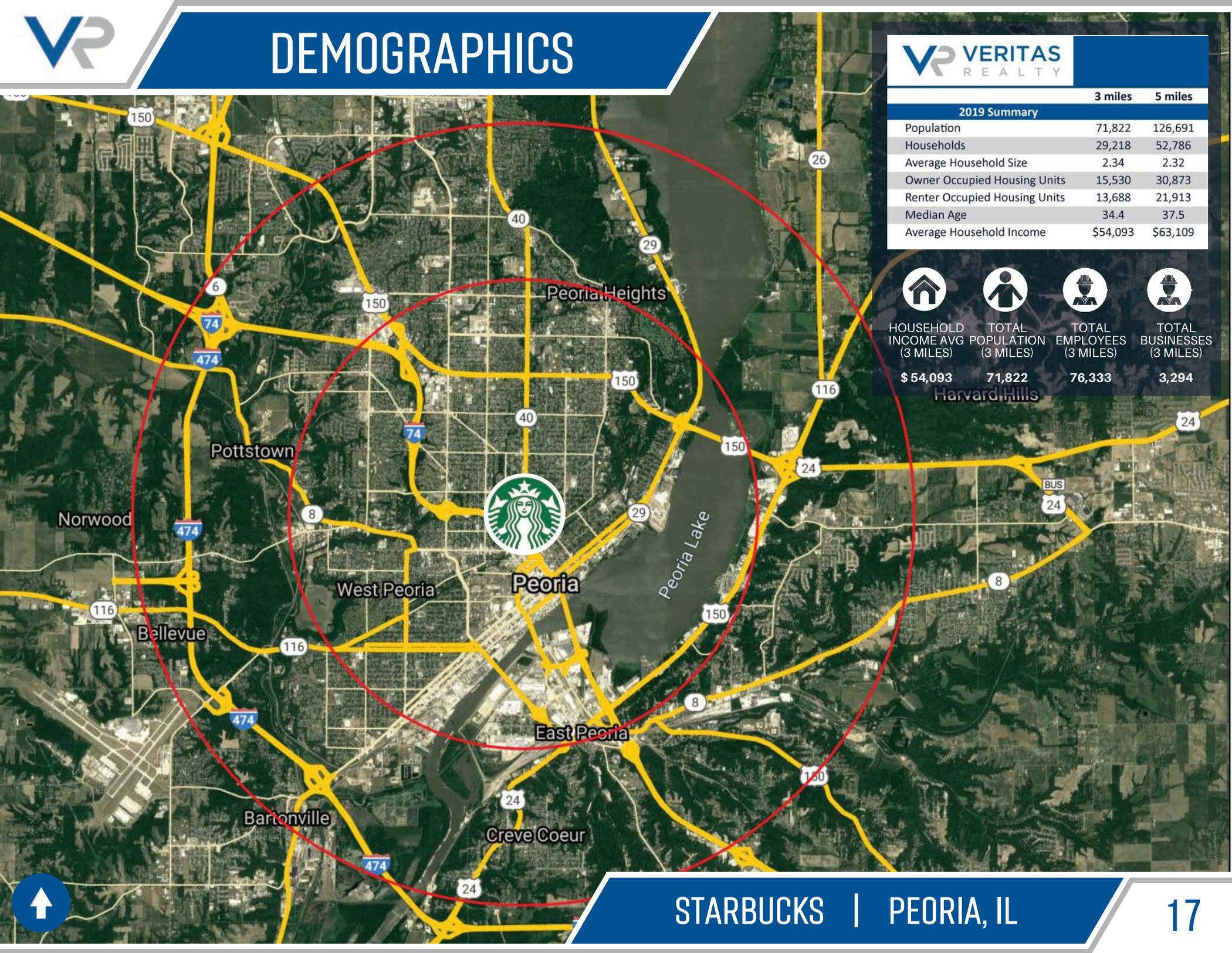
76,333



TOTAL
BUSINESSES
(3 MILES)

3,294

Harvard Hills



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