

STARBUCKS

1225 SW ORALABOR ROAD ANKENY, IOWA 50023 (DES MOINES MSA)

OFFERING MEMORANDUM

Represented By:

JUSTIN ZAHN

justin@ciadvisor.com

Represented By:

JUSTIN CARLSON

jcarlson@ciadvisor.com

COMMERCIAL INVESTMENT ADVISORS, INC. CIA BROKERAGE COMPANY

9383 East Bahia Drive, Suite 130 | Scottsdale, Arizona 85260 480.214.5088 - Office | www.ciadvisor.com

In Association with Iowa Designated Broker: Jessica Zahn Gibson | CIA Brokerage Company | IA License # B67284000



INVESTMENT OVERVIEW

STARBUCKS ANKENY, IOWA (DES MOINES MSA)

STARBUCKS

1225 SW Oralabor Road Ankeny, Iowa 50023

MAJOR CROSS STREETS

On SW Oralabor Rd, West of US Rte 69

TENANT

LOCATION

STARBUCKS CORPORATION

PURCHASE PRICE

\$2,252,000

CAP RATE

5.15%

NN*

ANNUAL RENT

\$115.993

GROSS LEASEABLE AREA

±2.175 SF

RENTAL ESCALATIONS

7.50% every 5 Years

LEASE TYPE OWNERSHIP

(Building & Land) Fee Simple

YEAR BUILT

February 2021 (Under Construction)

LOT SIZE

+0.736 Acre**

PARKING LOT

Concrete

ROOF

Rubber Membrane (15-Yr Transferable Warranty)

LEASE EXPIRATION

March 31, 2031 (Est.)

OPTIONS

Four 5-Year Renewal Options

POINTS OF INTEREST

RETAIL | ENTERTAINMENT: Nearby major retailers include Walmart Supercenter, Target, Sam's Club, Kohl's, Home Depot, Menards, Best Buy, Michaels, Joann Fabrics, T.J. Maxx, Maurices, Five Below, PetSmart, Party City, Shoe Carnival, Slumberland Furniture, Dollar General, Sportsman's Warehouse, Fleet Farm, Tractor Supply Co., Duluth Trading Co., Hy-Vee, Fareway Grocery, Walgreens, Ace Hardware, Planet Fitness, Urban Trampoline & Adventure Park, etc.

HIGHER EDUCATION: Across the street from Des Moines Area Community College -Ankeny (a community college offering more than 200 degrees, diplomas & certificates with 15,000+ full time & part time students)

HEALTHCARE: Less than 8 miles from MercyOne Des Moines Medical Center (a non-forprofit Catholic hospital with 656 beds)

INVESTMENT HIGHLIGHTS

LEASE: Brand New 10-Year NN Lease with Attractive 7.50% Rental Escalations every 5 Years! NO EARLY TERMINATION

TENANT: Starbucks Corporation (NASDAQ: SBUX | S&P "BBB+ Stable" Credit Rating | Moody's Baa1 Stable Rating) Operates Approximately 32,000 Retail Stores in 78 Countries/Markets (as of October 29, 2020)

BRAND NEW CONSTRUCTION: Starbucks Latest Prototype - Slated for Developer to Deliver to Starbucks February 2021 with an Expected Opening Date/Rent Commencement of April 1, 2021 (Est.)!

COLLEGE LOCATION I TRAFFIC COUNTS: Across the Street from Des Moines Area Community College - Ankeny (15,000+ Students) with Excellent Drive-By Visibility & Superior Access on SW Oralabor Rd where Traffic Counts Exceed 46,560 CPD! HERITAGE AT PRAIRIE TRAIL: Prairie Trail is One of the Largest New Urbanism Communities in the Midwest and the First in Iowa. To Learn More, Click this Link: https://www.prairietrailankenv.com/heritage-neighborhoods-prairie-trail/

2020 DEMOGRAPHICS: Total Population (5-MI): 95,750 | Average Household Income (3-MI): \$95,906



^{*} Landlord is responsible for Roof, Structure/Foundation, Concrete Parking Lot "Replacement Only", and all Utility Systems, Plumbing, Water & Sewer Lines located outside the Premises.

^{**} According to Polk County Assessor

FINANCIAL ANALYSIS

SUMMARY

TENANT

PURCHASE PRICE

CAP RATE

GROSS LEASEABLE AREA

YEAR BUILT

LOT SIZE

EXPENSE REIMBURSEMENT

Starbucks Corporation

\$2,252,000

5.15%

±2,175 SF

February 2021 (Under Construction)

±0.736 Acre

This is a **NN lease**. Landlord is responsible for Roof, Structure/Foundation, Concrete Parking Lot "Replacement Only", and all Utility Systems, Plumbing, Water & Sewer Lines located outside of the Premises.

PROPOSED FINANCING SUMMARY

All Cash or Buyer to obtain new financing at Close of Escrow.

Loan to Value (65%)

\$1,463,800

Down Payment (35%)

\$788,200

Term

10-Year Fixed at 3.75%

Amortization

25 to 30 Years Partial Recourse

For more information, contact Josh Sciotto of Mark One Capital at (602) 687-6647.

RENT ROLL

TENANT INFO		LEASE TERMS		RENT SUMMARY	
TENANT NAME	SQ FT	TERM*	INCREASE	RENT	ANNUAL INVESTOR RETURN
Starbucks Corporation	2,175	Years 1-5: 04/01/21 to 03/31/26	Current	\$ <mark>1</mark> 15,993	5.15%
		Years 6-10: 04/01/26 to 03/31/31	7.50%	\$ <mark>1</mark> 24,671	5.54%
	254				5.34% AVG ANNUAL RETURN
RENEWAL OPTIONS		1st Option: 04/01/31 to 03/31/36	7.50%	\$134,002	
		2nd Option: 04/01/36 to 03/31/41	7.50%	\$144,050	
		3rd Option: 04/01/41 to 03/31/46	7.50%	\$154,860	
VARAURE		4th Option: 04/01/46 to 03/31/51	7.50%	\$166,475	

TENANT OVERVIEW





TYPE

TRADED AS

INDUSTRY

S&P CREDIT RATING

MOODY'S RATING

MARKET CAP

WEBSITE

Public

NASDAQ: SBUX

Restaurants: Fast Food

BBB+ Negative (05/04/20)

Baa1 Negative (05/04/20)

115.67B (11/18/20)

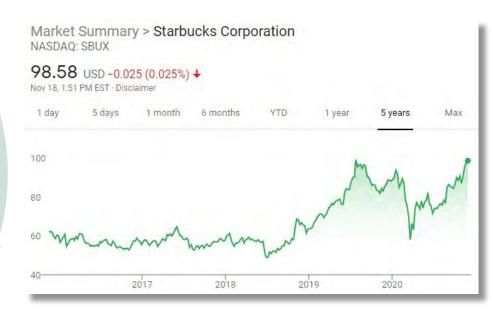
https://www.starbucks.com/

Starbucks Corporation (NASDAQ: SBUX), together with its subsidiaries, operates as a roaster, marketer, and retailer of specialty coffee worldwide. The company operates in four segments: Americas; China/Asia Pacific; Europe, Middle East, and Africa; and Channel Development. Its stores offer coffee and tea beverages, roasted whole bean and ground coffees, single-serve and ready-to-drink coffee and tea products, and food and snacks; and various food products, such as pastries, breakfast sandwiches, and lunch items.

The company also licenses its trademarks through licensed stores, and grocery and foodservice accounts. It offers its products under the Starbucks, Teavana, Tazo, Seattle's Best Coffee, Evolution Fresh, La Boulange, Ethos, Frappuccino, Starbucks Doubleshot, Starbucks Refreshers, premium Tazo, and Starbucks VIA brand names

As of October 29, 2020, there are approximately 32,000 retail stores in 78 countries/markets.

Starbucks Corporation was founded in 1971 and is based in Seattle, Washington.

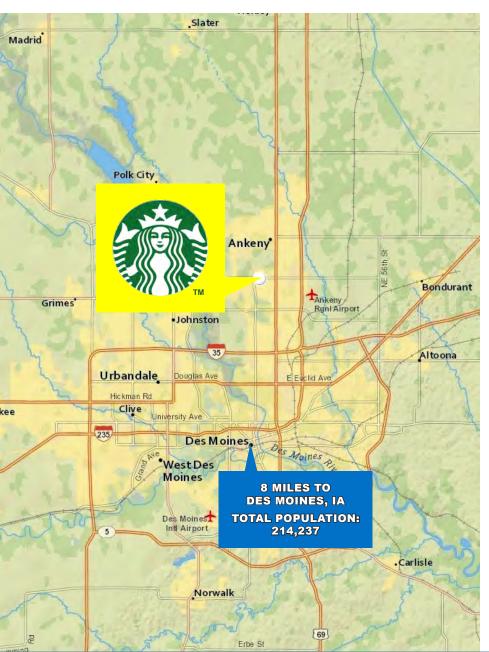












Ankeny is a city in Polk County, Iowa. Currently, the city's incorporated area totals 29.14 square miles and is a suburb of the state capital of Des Moines, as part of the Des Moines-West Des Moines metropolitan statistical area. Ankeny currently has 60 parks covering over 800 acres with a mixture of recreational facilities which include athletic facilities, playgrounds, green spaces, picnic shelters, two aquatic centers, two community centers, a dog park, bandshell, skate park, disc golf course, and more.

The Ankeny city government's fiscal year 2020 budget listed total property values of \$779 million in commercial, \$177 million in industrial, \$56 million in utilities, \$113 million in multi-residential, and \$4.64 billion in residential property. The median home value is \$197,500. In 2018, the budget reads, Ankeny saw one of its best years for construction activity with commercial construction valued \$71 million and residential construction valued \$173 million. The number of businesses in Ankeny for the year totaled 5,089 with \$972 million in taxable retail sales.

Des Moines is a major center of the US insurance industry and has a sizable financial services and publishing business base. The city is the headquarters for the Principal Financial Group, Meredith Corporation, Ruan Transportation, TMC Transportation, EMC Insurance Companies, and Wellmark Blue Cross Blue Shield. Other major corporations such as Wells Fargo, Voya Financial, Nationwide Mutual Insurance Company, ACE Limited, Marsh, Monsanto, and Corteva have large operations in or near the metropolitan area. In recent years, Microsoft, Hewlett Packard, and Facebook have built data-processing and logistical facilities in the Des Moines area. Forbes ranked Des Moines as the "Best Place for Business" in both 2010 and 2013. In 2014, NBC ranked Des Moines as the "Wealthiest City in America" according to its criteria.

2020 DEMOGRAPHICS			
	1 -MI	3-MI	5-MI
Total Population	9,476	48,551	95,750
Projected Population (2025)	9,841	50,496	99,636
Daytime Population	6,427	45,080	74,565
Average Household Income	\$90,881	\$95,906	\$95,353

DES MOINES MSA

MSA STATS

2018 Est. Population	651,321
2018 Est. Median Household Income	\$74,349
2018 Est. Businesses	26,137
2018 Est. Employees	389,223
2018 Unemployment Rate	1.8%

COLLEGES & UNIVERSITIES

Des Moines Area Community 64,959 students (All Campuses College & Learning Centers) 4,884 students **Drake University Grand View University** 1,800 students **Simpson College** 1,432 students **Mercy College of Health Science** 758 students

AWARDS & ACCOLADES

#1 Best Affordable Place to Live	U.S. News & World Report, 2017
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Fastest-Growing Major Metro in	II C Conque Bureau C
the Midwest	U.S. Census Bureau, 2

Top 10 Places for Jobs in 2018	Forbes, 2017
#4 Strongest Economy	POLICOM Cor

17% Lower Cost of Doing	
Duciness than National Average	

Business than National Average

#1 Best City for the Middle Class

#2 of the Top 10 U.S. Cities to **Land Work**

#5 "America's 10 Best Cities for Retirement"

#4 Best City for Young Families in 2016

7

2017

Moody's Analytics

Business Insider, 2016

NBC News 2015

Bankrate, 2015

Value Penguin

TOP 10 EMPLOYERS

1. Wells Fargo & Co	14,500 employees
2. UnityPoint Health	7,797 employees
3. Mercy Medical Center	7,055 employees
4. Hy-Vee, Inc.	6,400 employees
5. Principal Financial Group	6,182 employees
6. Nationwide Insurance	4,442 employees
7. John Deere	3,089 employees
8. DuPont Engineers	2,495 employees
9. Kum & Go	2,043 employees
10. Willmark Blue Cross Blue Shield of Iowa	1,800 employees

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By accepting this Marketing Brochure you agree to release Commercial Investment Advisors, Inc. | CIA Brokerage Company hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of any property.

FOR MORE INFORMATION:

JUSTIN ZAHN

Vice President 0 +1 480 718 5555 C +1 402 730 6021 justin@ciadvisor.com

JUSTIN CARLSON

Senior Investment Advisor 0 +1 480 214 5089 C +1 480 580-8723 jcarlson@ciadvisor.com

JESSICA ZAHN GIBSON

Iowa Designated Broker
IA License # B67284000

