

STARBUCKS®

MEMPHIS, TN



OFFERING MEMORANDUM

REPRESENTATIVE PHOTO

REPRESENTATIVE PHOTO



REPRESENTATIVE PHOTO

CONTENTS

- 3** INTRODUCTION
- 4** INVESTMENT SUMMARY
- 5** SITE PLAN
- 6** AERIALS
- 10** TENANT PROFILE
- 11** LEASE ABSTRACT
- 12** LOCATION MAP
- 13** RETAIL MAPS
- 15** CITY OVERVIEW
- 16** GPS MAP
- 17** DEMOGRAPHICS

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10-YEAR LEASE WITH NO EARLY TERMINATION

- **2021 Construction with Drive Thru** | Ground up construction with latest prototype
- **Long Term Corporate Lease** | Strong corporate backing with brand new 10-year lease
- **Optimal Rent Increases Every 5 Years** | 10% rent increases every 5 years throughout the initial term and options (four, 5-year options)
- **No Early Termination Clause** | Starbucks has a 10-year initial term with no early termination
- **Minimal Landlord Responsibilities** | Tenant reimburses CAM, Taxes and Insurance | Landlord responsible for roof & structure

SIGNALIZED ACCESS IN COMPELLING MARKET

- **Outparcel to Marketplace at Raleigh** | In front of planned 50,000 SF Marketplace at Raleigh | Adjacent to new Bojangles and future national credit restaurant
- **Hard Corner Signalized Access** | 57,476 VPD at Yale Rd and Austin Peay Hwy
- **Adjacent to \$65M New Civic Center** | Catty corner to new Raleigh Springs Civic Center with library, skate park, police precinct, walking trails and 11-acre lake
- **One Block from 246-Bed Hospital** | One mile south of 246-bed Methodist North Hospital
- **Minutes to Nike and Amazon Fulfillment Centers** | 3 miles east of 2M SF Nike North America Logistics Campus and 4M SF Amazon fulfillment center (2,500+ employees)

3RD LARGEST FAST-FOOD CHAIN IN THE WORLD

- **Market Leader in Coffee Sector** | Starbucks has a market cap of \$137 Billion and had 2020 revenue of over \$19 Billion
- **Nearly 33,000 Locations in the World** | Approximately 33,000 stores with plans to open 1,100 new stores in 2021
- **Expected 55,000 Locations by 2030** | Starbucks plans to nearly double store count by 2030 with variety of concepts
- **3rd Largest Chain by Locations** | Starbucks is the 3rd largest fastfood chain by number of stores behind McDonald's and Subway
- **Expected Record Q2 Revenue** | SBUX is expected to report Q2 2021 revenue of over \$6.8M



	ADDRESS	3545 Austin Peay Hwy Memphis, TN 38128
	GLA (SF)	2,100
	YEAR BUILT	2021
	TENANCY	Single
	OCCUPANCY	100%



\$2,200,000

5.00% CAP RATE

5.25% AVG CAP RATE OVER INITIAL TERM



GROSS LEASEABLE AREA
2,100 SF



INITIAL TERM
10 YEARS



YEAR BUILT
2021






NOI (YEAR 1)
\$110,000

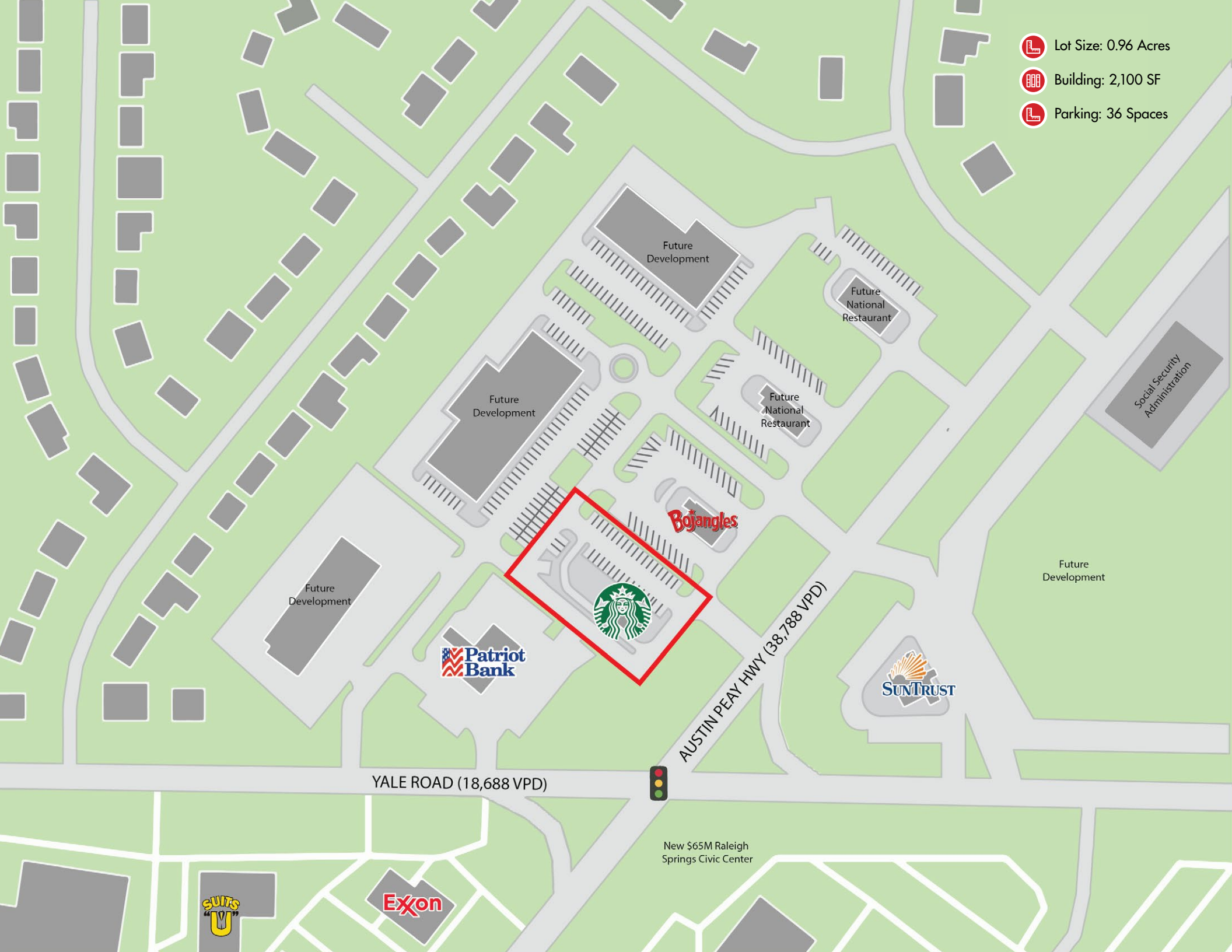
Tenant	Starbucks
Term	10 Years
Options	Four, 5-Year Options
Rent Escalations	10% Every 5 Years
GLA	2,100 SF
Year Built	2021
Occupancy	100%

STARBUCKS RENT SCHEDULE

Term (Years)	Monthly Rent	Annual Rent	Cap Rate
1 - 5	\$9,166.67	\$110,000	5.00%
6 - 10	\$10,083.33	\$121,000	5.50%

Extension Term	Monthly Rent	Annual Rent	Cap Rate
First	\$11,091.67	\$133,100	6.05%
Second	\$12,200.83	\$146,410	6.66%
Third	\$13,420.92	\$161,051	7.32%
Fourth	\$14,763.01	\$177,156	8.05%

-  Lot Size: 0.96 Acres
-  Building: 2,100 SF
-  Parking: 36 Spaces



Bojangles



Patriot Bank

SUNTRUST

AUSTIN PEAY HWY (38,788 VPD)

YALE ROAD (18,688 VPD)



New \$65M Raleigh Springs Civic Center

Exxon

SUNTS

RIVERCREST ELEMENTARY
SCHOOL
(571 STUDENTS)

BARTLETT ELEMENTARY
SCHOOL
(903 STUDENTS)

BROWNSVILLE ELEMENTARY
SCHOOL
(574 STUDENTS)

CRAIGMONT HIGH SCHOOL
(830 STUDENTS)

CRAIGMONT MIDDLE
SCHOOL
(572 STUDENTS)

Methodist
Le Bonheur Healthcare
METHODIST NORTH HOSPITAL
(246 BEDS)

COVINGTON SPRINGS SHOPPING CENTER

Walmart
Save money. Live better.
Kroger
FRESH FOR EVERYONE
goodwill
DOLLAR TREE
cricket wireless
CAFO

RALEIGH OAKS PLAZA

Pizza Hut
TAX SHIELD
State Farm
Southern Hands
HOME STYLE COOKING
SHOP FOR YOU

\$65M RALEIGH SPRINGS CIVIC CENTER:
PUBLIC LIBRARY, POLICE PRECINCT, SKATE PARK,
WALKING TRAILS AND 11-ACRE LAKE

RALEIGH COMMUNITY
CENTER

THE LIFE CHURCH

FUTURE
DEVELOPMENT

AUSTIN PEAY HWY (38,788 VPD)

SUNTRUST

YALE ROAD (18,688 VPD)

Exxon

RALEIGH SPRINGS MARKET PLACE

save a lot
HIBBETT
SPORTS
H&R
BLOCK
SUBWAY
Rainbow
T Mobile
metroPCS

Firestone
Walgreens

Davita
metro
by T-Mobile

UNITED STATES
POSTAL SERVICE

K

FUEL

Wendy's

BURGER
KING

REGIONS

LOUISIANA
KITCHEN
POPEYES

Starbucks

Patriot
Bank

UNIVERSITY OF MEMPHIS
(22,203 STUDENTS)
8 MILES

DOWNTOWN MEMPHIS
9 MILES

INDUSTRIAL PARK



ASPIRE COLEMAN
(614 STUDENTS)



AUSTIN PEAY PLAZA



RALEIGH SPRINGS MARKET PLACE

\$65M RALEIGH SPRINGS CIVIC CENTER:
PUBLIC LIBRARY, POLICE PRECINCT, SKATE PARK,
WALKING TRAILS AND 11-ACRE LAKE



FUTURE DEVELOPMENT



FUTURE DEVELOPMENT



FUTURE NATIONAL RESTAURANT

YALE ROAD (18,688 VPD)



RALEIGH OAKS PLAZA

SHOP FOR YOU

SHELBY COUNTY
CLERKS OFFICE

AUSTIN PEAY HWY (38,788 VPD)



GRANDVIEW HEIGHTS
MIDDLE SCHOOL
(424 STUDENTS)

TREZEVANT HIGH SCHOOL
(542 STUDENTS)



NIKE NORTH AMERICA
LOGISTICS CAMPUS
(400+ EMPLOYEES)

PROPOSED AMAZON
DISTRIBUTION CENTER
(2,000 EMPLOYEES)

LUCIE E CAMPBELL
ELEMENTARY SCHOOL
(615 STUDENTS)

PROMISE ACADEMY
SPRING HILL
(434 STUDENTS)

RALEIGH EGYPT HIGH
SCHOOL
(1,000 STUDENTS)

EGYPT ELEMENTARY
SCHOOL
(556 STUDENTS)



FUTURE
DEVELOPMENT



FUTURE
NATIONAL
RESTAURANT



FUTURE
DEVELOPMENT

AUSTIN PEAY HWY (38,788 VPD)

RALEIGH OAKS PLAZA



SHELBY COUNTY
CLERKS OFFICE

\$65M RALEIGH SPRINGS CIVIC CENTER:
PUBLIC LIBRARY, POLICE PRECINCT, SKATE PARK,
WALKING TRAILS AND 11-ACRE LAKE

YALE ROAD (18,688 VPD)



AUSTIN PEAY PLAZA

Conn's HomePlus **dd's DISCOUNTS**

CITITRENDS



RALEIGH SPRINGS MARKET PLACE

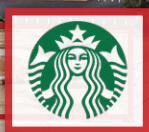
save a lot **HIBBETT SPORTS** **H&R BLOCK** **SUBWAY**

Rainbow T Mobile metroPCS

\$65M RALEIGH SPRINGS CIVIC CENTER:
PUBLIC LIBRARY, POLICE PRECINCT, SKATE PARK,
WALKING TRAILS AND 11-ACRE LAKE



FUTURE DEVELOPMENT



FUTURE DEVELOPMENT



FUTURE NATIONAL RESTAURANT

FUTURE DEVELOPMENT



FUTURE DEVELOPMENT

RALEIGH OAKS PLAZA

Pizza Hut **TAX SHIELD** **State Farm**

Southern Hands HOME STYLE COOKING SHOP FOR YOU

AUSTIN PEAY HWY (38,788 VPD)

YALE ROAD (18,688 VPD)

STARBUCKS TENANT PROFILE

Company Name	Starbucks
Property Type	Coffee Chain
Parent Company Name	Starbucks Corporation
Ownership	Public
Number of Locations	32,938
Number of Employees	349,000
Headquarters	Seattle, Washington
Website	www.starbucks.com
Year Founded	1971
Traded as	Nasdaq: SBUX



Headquartered in Seattle, Starbucks is a coffee roaster and retailer of specialty coffee. Since its founding in 1971, it currently operates nearly 33,000 stores in 82 markets around the world and employs over 349,000 individuals. Starbucks sells a variety of coffee and tea products and license its trademarks through other channels including licensed stores, grocery and food service. In addition to its flagship Starbucks Coffee brand, Starbucks sells its goods under Teavana, Seattle's Best Coffee, Evolution Fresh, Ethos, Starbucks Reserve and Princi. As the world's largest coffeehouse chain, Starbucks also has a wide variety of food selections. From egg bites to sandwiches to pastries, the coffeehouse chain is the best in class. Starbucks is a public-traded company that trades on the Nasdaq under the ticker symbol, SBUX.



STARBUCKS LEASE ABSTRACT

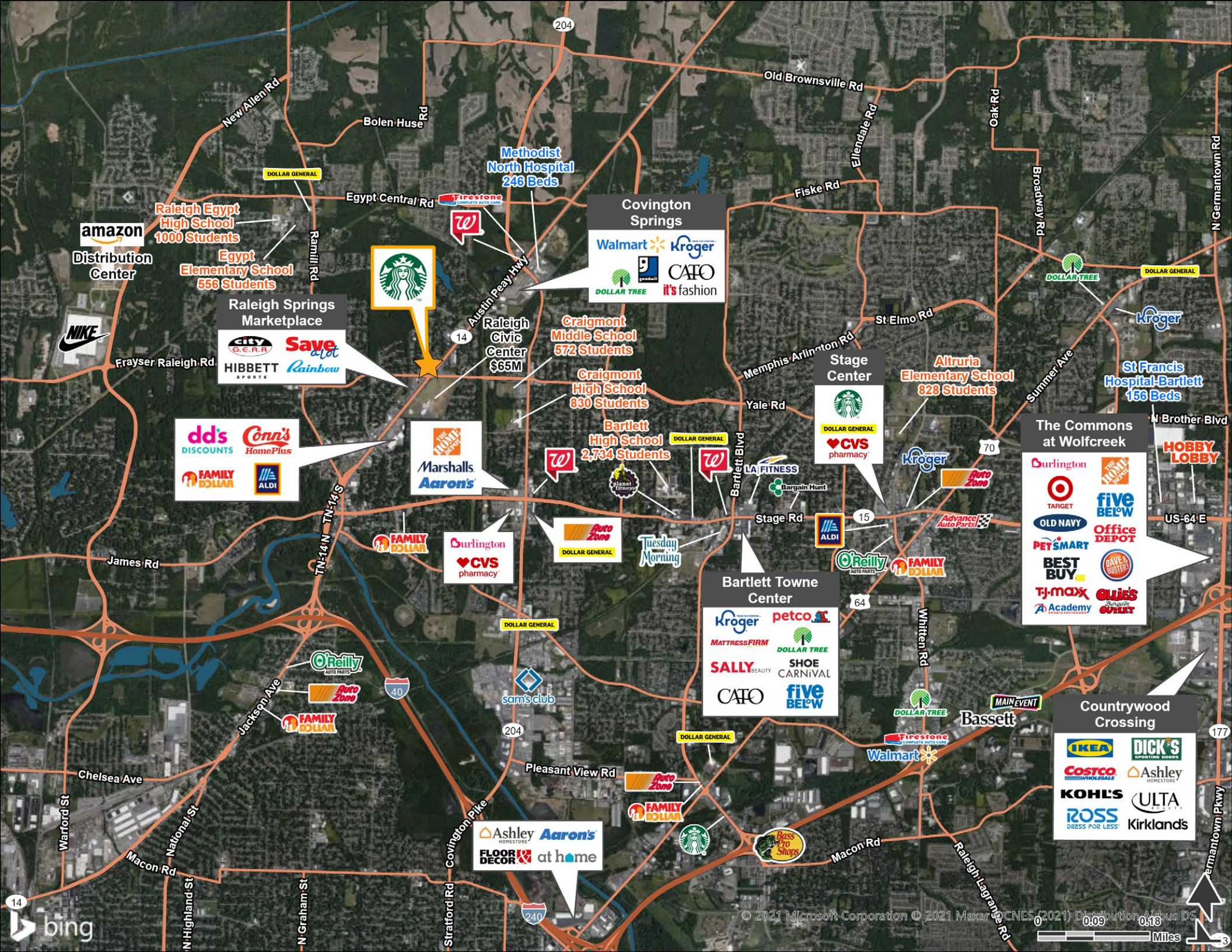


STARBUCKS LEASE ABSTRACT

Tenant	Starbucks Corporation d/b/a Starbucks
Square Footage	2,100 SF
Term	10 Years
Rent Commencement Date	6/7/21
Options	Four (4), 5-year options
CAM	Tenant pays LL pro rata share
Taxes	Tenant pays LL pro rata share
Insurance	Tenant pays LL pro rata share
Landlord Responsibilities	Roof & Structure
Early Termination	None
Right of First Refusal	None
Guarantor	Corporate

STARBUCKS RENT SCHEDULE

Initial Term	Monthly Rent	Annual Rent	Extension Term	Monthly Rent	Annual Rent
1-5	\$9,166.67	\$110,000	First	\$11,091.67	\$133,100
6-10	\$10,083.33	\$121,000	Second	\$12,200.83	\$146,410
			Third	\$13,420.92	\$161,051
			Fourth	\$14,763.01	\$177,156





Covington Springs

Walmart Kroger

CATO it's fashion

DOLLAR TREE goodwill

Brownsville
Elementary School
574 Students

Raleigh Springs
Marketplace

city G.E.A.R. Save A Lot

Rainbow HIBBETT SPORTS

T-Mobile SUBWAY

H&R BLOCK

\$65M
Raleigh Springs
Civic Center

- Public Library
- Police Precinct
- Skate Park
- Walking Trails
- 11 Acre Lake

FAMILY DOLLAR

SONIC

O'Reilly AUTO PARTS

Craigmont
Middle School
572 Students

Craigmont
High School
830 Students

PAPA JOHN'S

Little Caesars

boost mobile

KFC

U-HAUL

jiffylube

ALDI

Conn's HomePlus

CITI TRENDS

McDonald's

BURGER KING

FAMILY DOLLAR

Krystal

SMOOTHIE KING

dd's DISCOUNTS



AREA OVERVIEW

Memphis is the county seat of Shelby County, the most populous county in the state of Tennessee. Memphis is located along the Mississippi River which has helped the city evolve and develop into a regional center for commerce. The city has become home to various major corporations and three Fortune 500 companies: FedEx, AutoZone and International Paper. With a population of 651,000, Memphis is the second largest city in Tennessee, behind Nashville. Due to its locational convenience along the Mississippi River, Memphis is the second largest port on the Mississippi River, behind New Orleans.



BUSINESS

Memphis's central location has helped the city become one of the largest distribution destinations in the US. Memphis International Airport is the second busiest cargo airport in the world. Intersected by five major freight railroads and two Interstate Highways, Memphis is conveniently located for commerce in the transportation and shipping industry. Fortune 500 companies that are headquartered in the city include FedEx, International Paper Company and AutoZone.



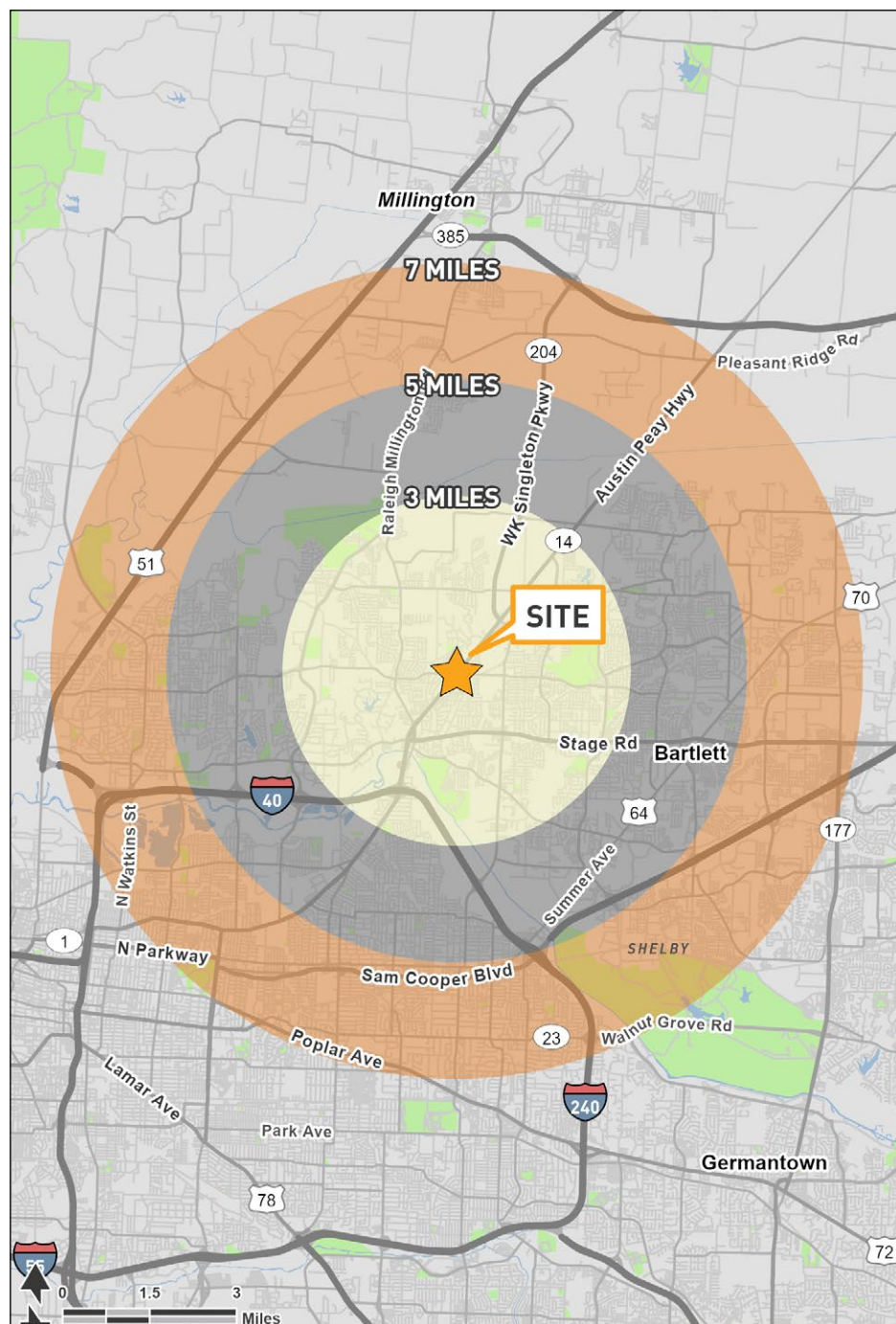
EDUCATION

The City of Memphis is served by Shelby County Schools which operated more than 200 schools on an elementary, middle and high school level. Educational institutions in Memphis include: University of Memphis (22,044 students); Southwest Tennessee Community College (10,277 students); Rhodes College (2,036 students); Christian Brothers University (1,444 students); LeMoyne-Owen College (959 students); University of Tennessee Health Science (674 students); Southern College of Optometry (536 students); and Memphis College of Art (338 students).



TRANSPORTATION

Today, the city is renowned for its transportation convenience via highways, railroads, airports and river ports. Memphis benefits from five major expressways: Interstate 40, Interstate 55, Interstate 22, Interstate 240 and Interstate 269. Surpassed only by Hong Kong International Airport, Memphis International Airport is the second largest cargo operations in the world and the global super hub of FedEx Express.



	1 mile		3 miles		5 miles	
Population						
2020 Total Population	8,830		63,431		161,231	
2020 Male Population	4,109		29,671		76,871	
2020 Female Population	4,721		33,760		84,360	
2020 Median Age	36.3		33.6		34.4	
Households						
2020 Total Households	3,104		22,668		57,348	
2020 Owner Occupied Housing Units	2,065		13,143		33,836	
Educational Attainment						
2020 Pop 25 +: Less than 9th Grade	187	3.09%	1,409	3.45%	5,314	5.10%
2020 Pop 25 +: 9-12th Grade/No Diploma	715	11.81%	3,469	8.51%	9,303	8.94%
2020 Pop 25 +: High School Diploma	1,721	28.44%	12,342	30.26%	30,754	29.54%
2020 Pop 25 +: GED/Alternative Credential	223	3.68%	1,609	3.95%	3,866	3.71%
2020 Pop 25 +: Some College/No Degree	1,697	28.04%	10,626	26.05%	25,314	24.32%
2020 Pop 25 +: Associate's Degree	328	5.42%	3,559	8.73%	8,274	7.95%
2020 Pop 25 +: Bachelor's Degree	734	12.13%	4,943	12.12%	13,552	13.02%
2020 Pop 25 +: Graduate/Professional Degree	447	7.39%	2,826	6.93%	7,730	7.43%
Income						
2020 Average Household Income	\$61,281		\$57,992		\$59,061	
2020 Median Household Income	\$51,667		\$43,874		\$43,387	
2020 Per Capita Income	\$21,710		\$20,779		\$21,018	
Daytime Population						
2020 Total Daytime Population	7,737		53,229		140,317	
2020 Daytime Population: Workers	2,996		19,640		53,635	
2020 Daytime Population: Residents	4,741		33,589		86,682	
Source: Esri, U.S. Census						

Source: Esri, U.S. Census

WITHIN 1 MILE

POPULATION
8,830AVG HOUSEHOLD INCOME
\$61,281COLLEGE DEGREE
28.04%DAYTIME POPULATION
7,737



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