



STARBUCKS

STNL Starbucks - Merced, CA

INVESTMENT GRADE CREDIT

NEW 10-YEAR LEASE

BELOW MARKET RENT

BRAND NEW CONSTRUCTION



LOGIC





STARBUCKS

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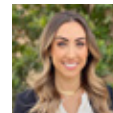


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STNL Starbucks - Merced, CA

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Executive Summary

Property Overview
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Investment Highlights
Lease Summary
Tenant Profile





Property Overview

LOGIC Commercial Real Estate is pleased to exclusively offer for sale a new construction single-tenant net-leased Starbucks located within a regional grocery-anchored shopping center in Merced, CA. The property consists of a +/- 1,900 SF freestanding building with a drive-thru and is situated on a +/- 0.26 AC parcel. The asset is strategically located at the signalized intersection of W. Main Street and R. St. (+/- 28,928 CPD) and is in proximity to both Hwy 140 and the Golden State Hwy – two main commuter thoroughfares with combined traffic counts in excess of +/- 51,000 CPD. **The property is shadow-anchored by Cardenas and Grocery Outlet, with notable national and co-tenants including Rite Aid, AutoZone, Pep Boys, Dollar Tree, Metro PCS, and Rockin' Jump.** Other nearby retail includes Costco, Walgreens, The Home Depot, Shell, and 7-Eleven.

Starbucks is the largest coffeehouse company in the world with over 31,000 stores spread across 80 countries, including approximately 14,600 in the United States, and over +/- 346,000 employees. **The asset is strategically positioned as it services the nearby communities of Bear Creek, Tuttle, Fergus, and Atwater.** The trade area consists of +/- 104,284 residents with an average household income of +/- \$72,698 within a 5-mile radius. This Starbucks provides an investor the opportunity to own a trophy asset leased to an investment grade, internet resistant Tenant with a proven track record for success.

Offering Snapshot

\$3MM
Offering Price

\$120,000
NOI

4.0%
Cap Rate

+/- 1,900
Square Footage



Property Details



Location

1665 R St.
Merced, CA 95340



Property Size

+/- 1,900 SF
+/- 0.26 AC



Traffic Counts

- R St. // 28,982 CPD
- 16th St. // 27,549 CPD
- US-99 Freeway // 51,000 CPD



Parcel Number(s)

031-112-014



Construction & Zoning

- Built in 2021
- C-C (Major Commercial)



Occupancy

100%



Investment Highlights



Investment Grade Credit | Below Market Rent:

- NASDAQ: SBUX - Starbucks Corporation guaranteed.
- 10-year term with four 5-year renewal options.
- Below market rent.
- No early termination rights.



New Construction | Freestanding w/ Drive-Thru:

- New 2021 construction with modern design and fixtures.
- Freestanding building with drive-thru and dedicated parking.
- Additional shared parking available within the center.



Grocery-Anchored Center | Strategic Location:

- The asset is shadow-anchored by both Cardenas and Grocery Outlet.
- Rare purchase opportunity within the main retail corridor.
- Located at the signalized intersection of W. Main Street and R. Street – a main commuter thoroughfare used for travel to northeast Merced and University of California Merced.



Regional Retail | Dense Trade Area:

- The property is positioned to capture downtown traffic with a daytime population of +/- 91,085 within 3-miles of the center.
- The trade area services affluent residential neighborhoods with +/- 104,284 residents with +/- \$72,968 average household income within a 5-mile radius.



STARBUCKS

Lease Summary

Trade Name:	Starbucks Corporation
Tenant/Guarantor:	Corporate Guarantee
Lease Type:	NN (LL responsible for Roof and Structure)
Rent Commencement:	02/01/2021
Lease Expiration:	01/31/2031
Lease Term:	Year 1 - 5: \$120,000 per year Years 6 - 10: \$132,000 per year
Option Periods:	Four (4) Five (5) year options Option 1: \$145,200 per year Option 2: \$159,720 per year Option 3: \$175,692 per year Option 4: \$193,261 per year
Building Size:	+/- 1,900 SF
Gross Leaseable Area:	+/- 0.26 AC
Year Built:	2021





STARBUCKS

Tenant Profile


\$26.5B

Annual Revenue FY19


+31,000

Worldwide Store Count


+346,000

Employees FY19


SBUX

NASDAQ

Starbucks Coffee

The Starbucks story began in 1971. Back then they were a roaster and retailer of whole bean and ground coffee, tea and spices with a single store in Seattle's Pike Place Market. Today, Starbucks Coffee is privileged to connect with millions of customers every day with exceptional products and nearly 31,000 retail stores in 80 countries.

Starbucks stores are a neighborhood gathering place for meeting friends and family. Their customers enjoy quality service, an inviting atmosphere, and exceptional coffee.

Brand Portfolio

Starbucks Coffee, Seattle's Best Coffee, Teavana, Tazo, Evolution Fresh, La Boulange, Ethos Water and Torrefazione Italia Coffee.

Investor Information

- 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.
- Starbucks was incorporated under the laws of the State of Washington, in Olympia, WA, on November 4, 1985.
- Starbucks Corporation's common stock is listed on NASDAQ, under the trading symbol SBUX.

RECENT AWARDS AND RECOGNITION

2020 Visionary Award Honoree

WomenCorporateDirectors Foundation (WCDF) - 2020

100% Rating on the Disability Equality Index

One of the "World's Most Admired Companies"

Fortune - 2009-2017

One of the "World's Most Ethical Companies"

Ethisphere - 2007-2017

100% Rating on the Corporate Equality Index

Human Rights Campaign Foundation - 2015-2017

One of the "Top 10 Millennial Brands"

Adweek - 2017

One of the "World's Most Valuable Brands"

Forbes - 2013-2017

Named a "Top Growing Global Brand"

Interbrand - 2017

Top 10 Military Spouse-Friendly Employers

Victory Media - 2017

Howard Schultz, Starbucks Executive Chairman One of the "World's Best CEOs"

Barron's - 2012-2017

Rosalind Brewer, Starbucks Chief Operating Officer One of the "World's Most Powerful Women"

Forbes - 2017

One of the "World's Most Ethical Companies"

Ethisphere - 2007-2015

Employer of the Year

U.S. Business Leadership Network Annual Leadership Awards - 2014



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Aerials & Plans

Demographics
Vicinity Map
Aerials
Site Plan

Statewide Overview



Key Facts: 5-Mile Radius



104,284
Total Population



107,962
Daytime Population



2,689
of Businesses



33,057
Total Employees

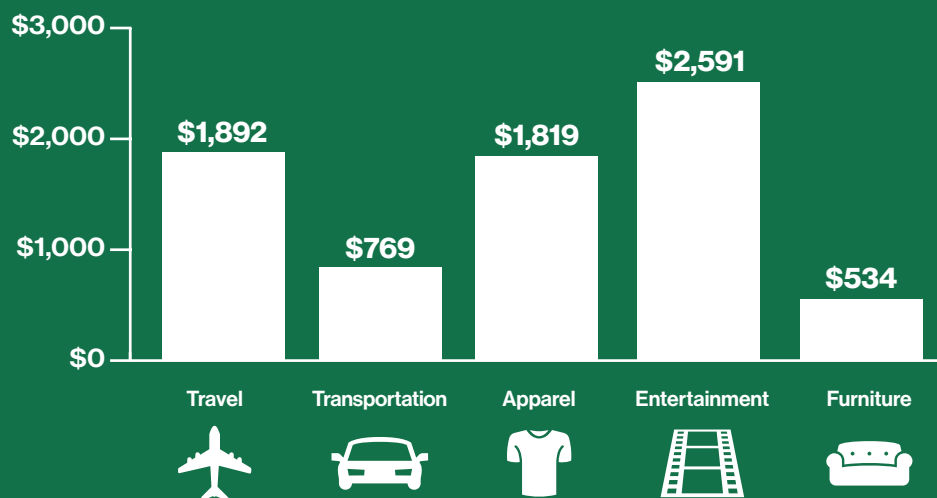


0.78%
2010-2020 Population Growth



\$256,221
Median Home Value

Key Spending Facts: 5-Mile Radius



Spending facts are average annual dollars per household

Full Demographic Report

Population	1-mile	3-mile	5-mile
2000 Population	18,353	70,532	78,651
2010 Census Population	16,923	81,521	96,313
2020 Population	17,136	86,285	104,284
2025 Population	17,206	88,040	106,932
Annual Growth 2010 - 2020	0.12%	0.56%	0.78%
Annual Growth 2020 - 2025	0.08%	0.40%	0.50%

Income	1-mile	3-mile	5-mile
2020 Average Household Income	\$48,373	\$67,439	\$72,968
2025 Average Household Income	\$51,758	\$74,361	\$81,493
2020 Per Capita Income	\$15,643	\$21,119	\$22,426
2025 Per Capita Income	\$16,829	\$23,282	\$25,044

Households	1-mile	3-mile	5-mile
2000 Total Households	5,344	22,488	25,106
2010 Total Households	5,320	25,787	29,887
2020 Total Households	5,439	27,225	32,029
2025 Total Households	5,493	27,811	32,846

Housing	1-mile	3-mile	5-mile
2020 Total Housing Units	6,010	29,438	34,480
2020 Owner Occupied Housing Units	1,408	11,266	14,521
2020 Renter Occupied Housing Units	4,031	15,960	17,508
2020 Vacant Housing Units	571	2,213	2,451
2025 Total Housing Units	6,104	30,176	35,464
2025 Owner Occupied Housing Units	1,430	11,707	15,184
2025 Renter Occupied Housing Units	4,063	16,104	17,662
2025 Vacant Housing Units	611	2,365	2,618

Vicinity Map

The trade area consists of +/- 104,284 residents with an average household income of +/- \$72,968 within a 5-mile radius.



107,962

Daytime Population



29.9

Average Age



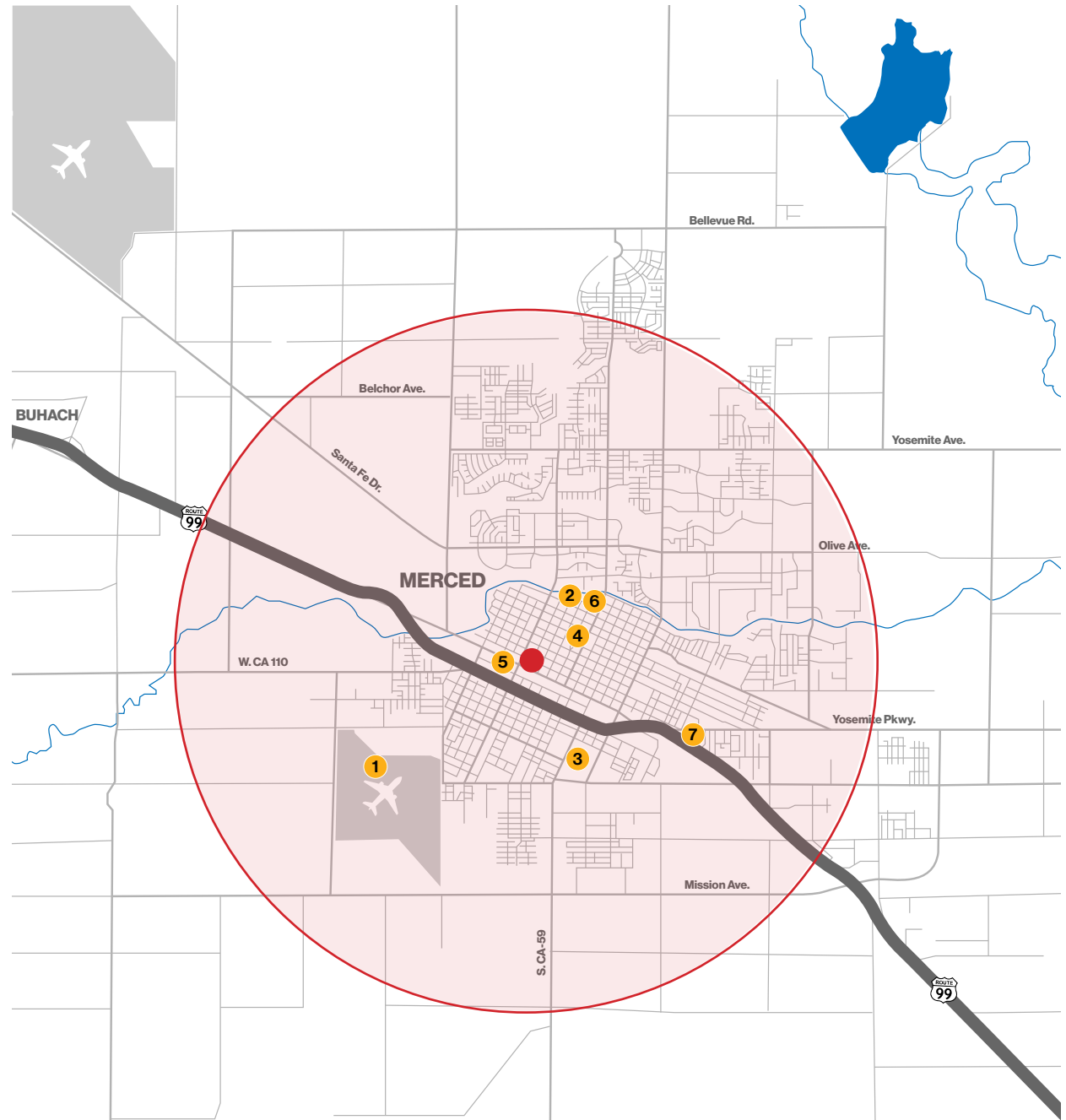
0.78%

Population Growth
2010-2020

Amenities within 3-miles of Radius

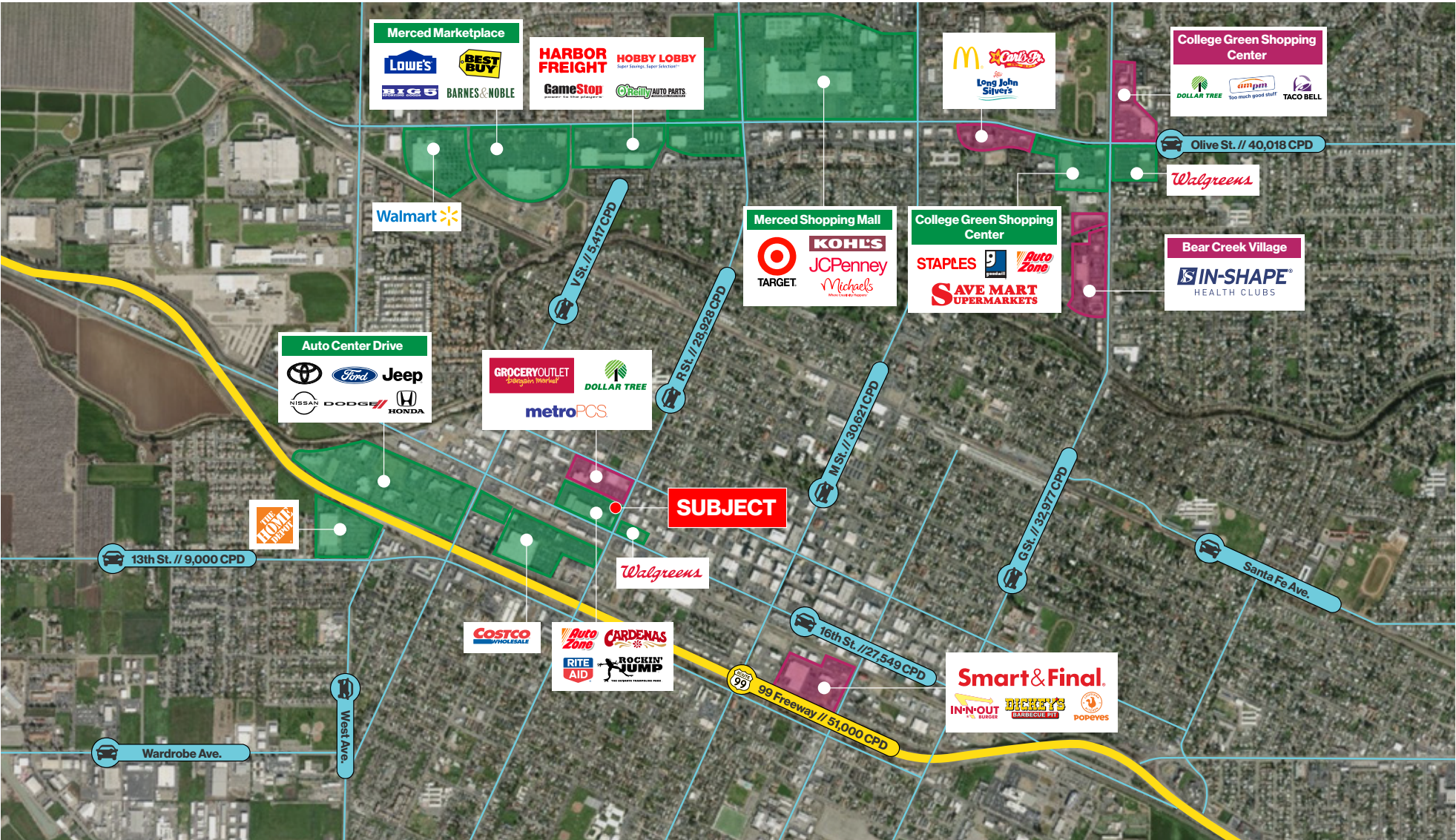
- 1 Merced Regional Airport**
- 1.5 miles
- 2 Applegate Zoo**
- 0.63 miles
- 3 County Fairgrounds**
- 0.99 miles
- 4 Superior Court of California**
- 0.53 miles
- 5 Costco Wholesale**
- 0.26 miles
- 6 Mercy Medical Center**
- 0.65 miles
- 7 Courtyard by Marriott**
- 1.68 miles

■ Airports



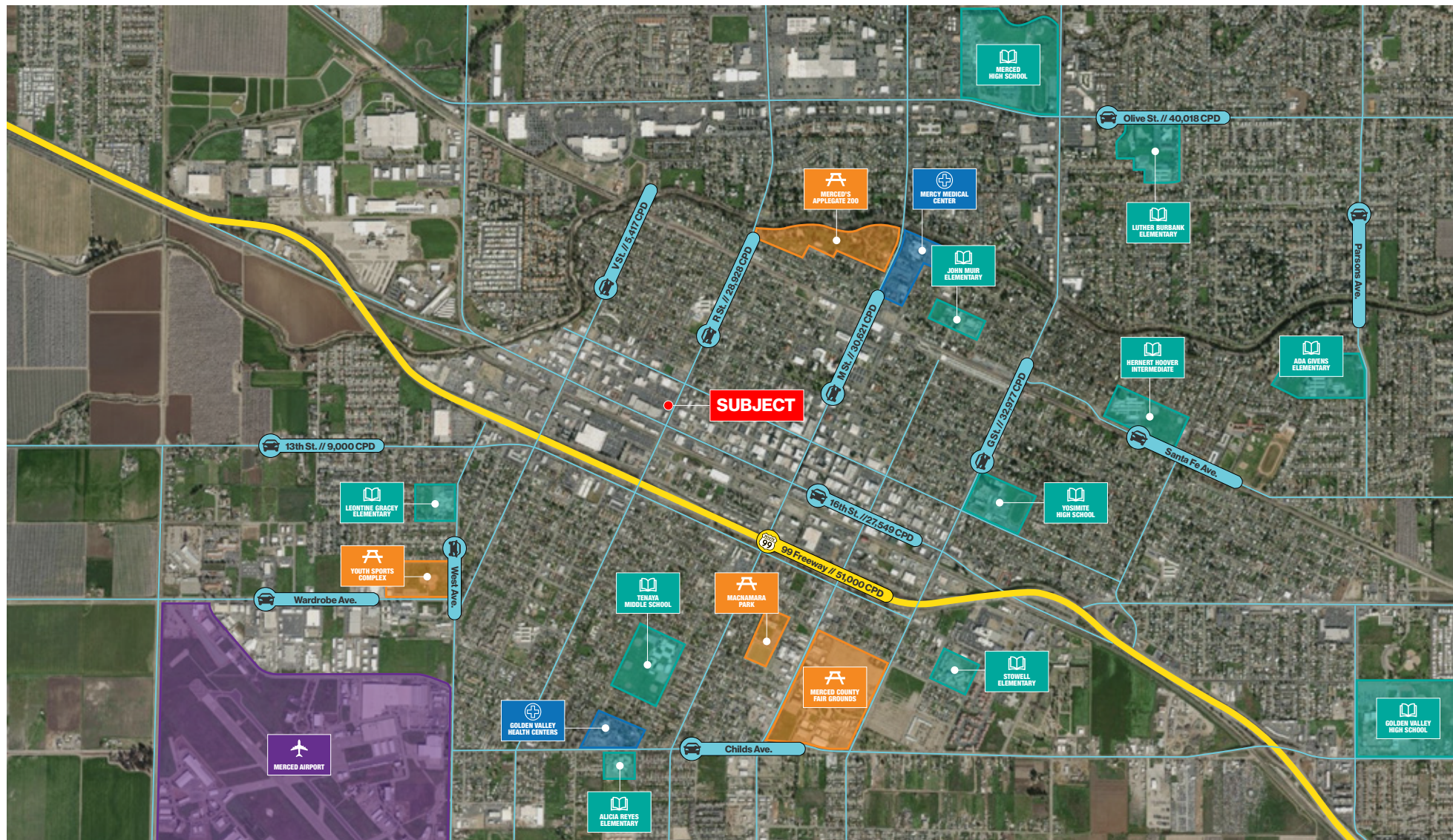
Nearby Retail

Power Centers Neighborhood Centers



Major Landmarks

■ Airports
 ■ Hospitals
 ■ Schools
 ■ Parks



Close Up Aerial

Power Centers Neighborhood Centers



Site Plan

■ Subject ■ NAP





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**Market
Overview**



A Look at Merced County

Merced, CA

Merced is a city in the heart of the San Joaquin Valley, surrounded by spectacular natural landscapes, lakes, reservoirs and wildlife wetlands. Named after the Merced River, the city offers a variety of recreational activities, including the historic Castle Air Museum, the Merced National Wildlife Refuge, and the Applegate Park Zoo.

Merced is a dynamic community that offers small town living in a mid-size city. The University of California Merced campus, opened in 2005, provides new educational and economic opportunity, adding to the already-established growth of the region. Merced's population is youthful and diverse.

Merced's Valley location southeast of San Francisco provides easy access to the central California coast, Sierra Nevada mountains and national parks, and major cities. Merced has historically been the "Gateway to Yosemite", and residents also enjoy short drives to skiing, beaches, fishing, and other outdoor attractions.

Source: City of Merced

Merced, CA Township Features



Lake Yosemite

Although actually a man-made reservoir, Lake Yosemite is still an area of beauty. The water, which is mainly used by growers of crops in the area, is also used by boaters and fishermen whilst still in the reservoir. The Sierra Foothills provide a stunning backdrop for the lake making it a perfect blend of natural and man made beauty.



University of California, Merced

UC Merced opened in 2005 as the newest campus in the University of California system and the first American research university of the 21st century. Situated near Yosemite National Park, the campus serves +/- 7,336 students and significantly expands access to the UC system for students throughout the state. It also serves as a major base of advanced research, a model of sustainable design and construction, and a stimulus to economic growth and diversification throughout the region.



Applegate Zoo

Applegate Park Zoo has been around since 1962 and specializes in caring for birds, mammals and reptiles, all of which are native to California. Most of the animals in the zoo come from rescue centres and the rehabilitation and care of the animals is clearly a top priority. The impressive species housed at the zoo include bears, cougars and coyote. The gift shop is run by the Merced Zoological Society, which raises money to support the running of Applegate.



Merced By the Numbers

+/- 104,284
Total Population

29.6
Median Age

+/- \$72,968
Average HHI

\$256,221
Median Property Value

11.6%
Unemployment Rate

7.40%
Growth Since 2010

Confidentiality Agreement

This Offering Memorandum contains select information pertaining to the business and affairs of **1665 R St., Merced, CA 95340**. This Memorandum was prepared based on information supplied by Seller and Broker. It contains selected information about the Property and the real estate market, but does not contain all the information necessary to evaluate the acquisition of the Property. The financial projections contained herein (or in any other Confidential Information) are for general reference only. The projections are based on assumptions relating to the general economy and local competition, among other factors. Accordingly, actual results may vary materially from such projections. Various documents have been summarized herein to facilitate your review; these summaries are not intended to be a comprehensive statement of the terms or legal analysis of such documents.

The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Logic Commercial Real Estate (LCRE). The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Seller, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. While the information contained in the Memorandum and any other Confidential Information is believed to be reliable, neither Broker nor Seller guarantees its accuracy or completeness. Due to the foregoing and since the Property will be sold on an "As Is, Where Is" basis, a prospective purchaser must make its own independent investigations, projections, and conclusions regarding the acquisition of the Property without reliance on this Memorandum or any other Confidential Information. Although additional Confidential Information which may include engineering, environmental or other reports may be provided to qualified parties as marketing proceeds, prospective purchasers should seek advice from their own attorneys, accountants, engineers, environmental and other experts.

By acknowledging your receipt of this Offering Memorandum from LCRE, you agree: The Offering Memorandum and its contents are confidential; You will hold it and treat it in the strictest of confidence; and You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Seller and LCRE expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or LCRE or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

LCRE has a policy of proactive broker cooperation with the investment brokerage community. If applicable, a cooperating broker fee of the sales price shall be paid at closing to cooperating broker that procures and represents the buyer that acquires this property. If applicable, cooperation does not include brokers that represent themselves as Principals or broker's whose member of his immediate family is participating in the purchase of the property. No broker will be recognized on a prospect that has previously contacted or been contacted by the Seller or the Seller's representatives.

All property showings are by appointment only. Please consult listing agents for more details.



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