



STARBUCKS

New Construction Starbucks
611 Pelham Rd South, Jacksonville, Alabama

JLL Confidential Offering Memorandum

611 Pelham Rd S

New Construction Starbucks Jacksonville, AL

ASSET
VALUE DRIVERS

BUILD-TO-SUIT STARBUCKS
DRIVE-THRU

INDUSTRY-LEADING TENANT WITH
FAVORABLE LEASE ECONOMICS

2021 CONSTRUCTION

STRONG RETAIL CENTRIC
LOCATION ADJACENT TO
JACKSONVILLE STATE UNIVERSITY

Representative Photo

THE OFFERING

JLL is pleased to offer for sale the fee simple interest in a newly-built Starbucks drive-thru (the “Property” or “Asset”) located in Jacksonville, Alabama. The Property is leased to Starbucks Corporation (“Starbucks”), the largest specialty coffee retailer in the world with over 32,000 locations and annual revenues of \$26.5 billion. Starbucks operates on a double-net lease structure that features ten years of primary lease term, ten percent rental increases every five years, minimal landlord responsibilities, and four five-year renewal options. This offering presents the opportunity to acquire a newly constructed, drive-thru asset located within an established and growing retail corridor and leased to an investment-grade, industry-leading tenant with minimal landlord responsibilities.

INVESTMENT HIGHLIGHTS

BUILD-TO-SUIT STARBUCKS DRIVE-THRU

- The Asset is a build-to-suit Starbucks constructed in 2021.
- This drive-thru location is part of Starbucks’ future retail strategy, which includes an aggressive expansion of drive-thru store formats to meet the growing customer preference toward convenience and safety.

INDUSTRY-LEADING, CORPORATE TENANCY

- Starbucks is the world’s largest specialty coffee retailer with over 32,000 locations, \$26.5 billion in annual revenue, and an investment-grade ‘BBB+’ credit rating from S&P.
- The Property is leased to Starbucks with ten years of primary lease term, minimal landlord responsibilities, and ten percent rental escalations in each of the four, five-year renewal options.

HIGHLY TRAFFICKED RETAIL CORRIDOR

- The Property is located along Pelham Road South (±27,000 VPD), a bustling commercial corridor that leads to Jacksonville’s charming Public Square 0.25 miles north of the Asset. Deemed the heart of the city, Jacksonville’s Public Square contains unique, locally owned retailers and hosts community events.
- **Just beyond the Public Square is Jacksonville State University (“JSU”), a major market driver that enrolls more than 9,200 undergraduate and graduate students and employs over 340 full-time faculty members.** The town’s large student population is attractive to retailers.

PROPERTY & LEASE OVERVIEW

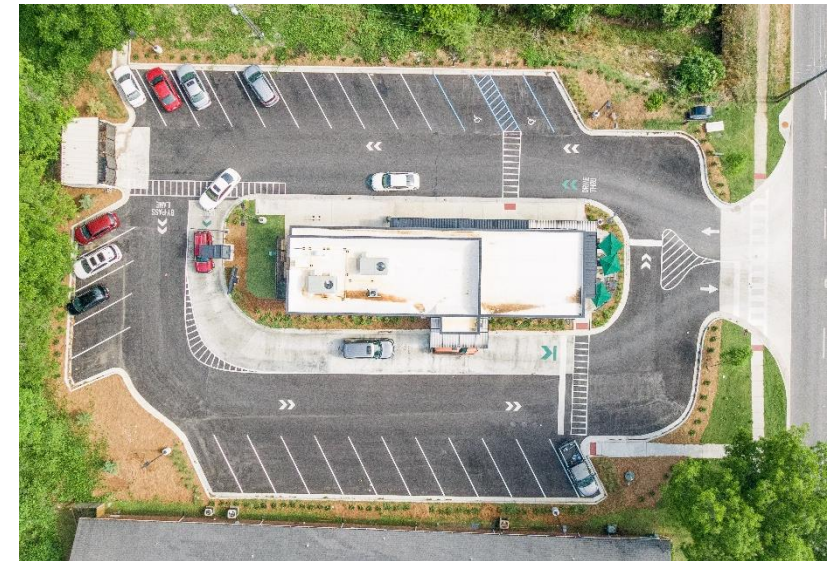
Price: \$1,909,000

Cap Rate: 5.50%

Address	611 Pelham Rd South
City, ST	Jacksonville, AL
Tenant	Starbucks Corporation
Building Size	2,500 SF
Parcel Size	0.90 AC
Year Built	2021
Primary Lease Term	10.0 years
Year 1 Rent PSF	\$105,000 \$42.00
Rent Escalations	10% every five years, Including the renewal options
Renewal Options	4 x 5-year options
Lease Type	NN
Landlord Responsibilities	Roof & Structure and Parking Lot.

Rent Schedule				
Years	Monthly Rent	Annual Rent	Rent PSF	Increase
1-5	\$8,750	\$105,000	\$42.00	-
6-10	\$9,625	\$115,500	\$46.20	10%
11-15*	\$10,588	\$127,050	\$50.82	10%
16-20*	\$11,646	\$139,755	\$55.90	10%
21-25*	\$12,811	\$153,731	\$61.49	10%
26-30*	\$14,092	\$169,104	\$67.64	10%

* Renewal Option



PHOTOGRAPHY



TENANT OVERVIEW



STARBUCKS

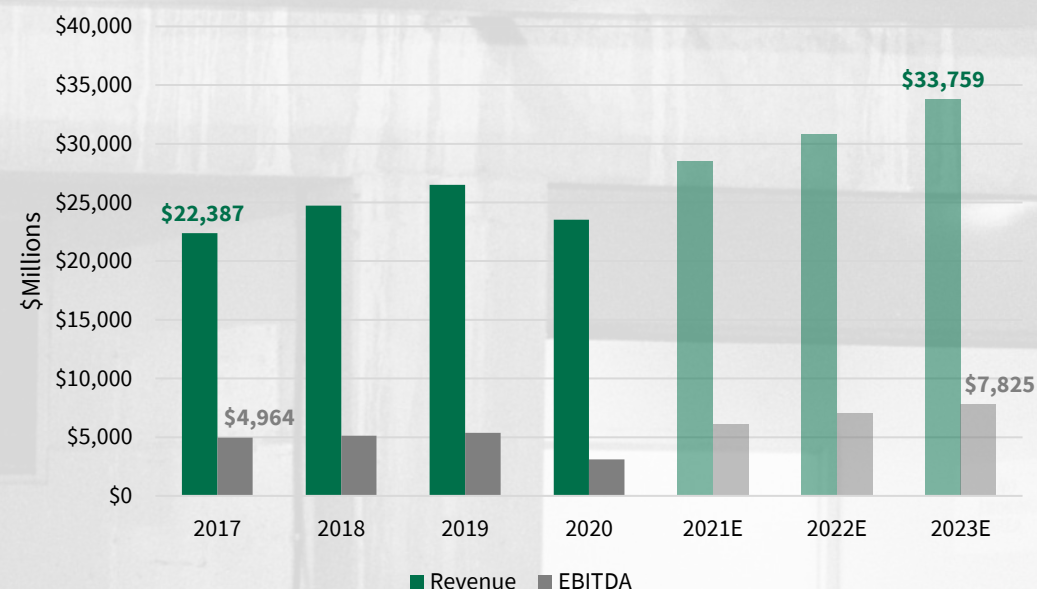
As the preeminent coffee company and coffeehouse chain, Starbucks (NASDAQ: SBUX) operates over 32,000 locations in more than 75 countries and serves nearly five billion cups of coffee annually. In addition, the company is the largest coffee provider in the world and benefits from its strong brand loyalty.

Starbucks has performed very well in recent years, exhibiting steady revenue growth. The company was highly resilient in the face of the COVID-19 and quarterly revenues are already exceeding pre-pandemic levels. Starbucks stock is at all-time highs representing a market cap of \$132.5 billion. The company continues opening new locations at a rapid rate, while existing stores have also experienced growth—Starbucks has experienced average annual comparable store sales growth of more than 4% since 2015.

Starbucks Company Overview

Company:	Starbucks Corporation
Year Founded:	1971
Headquarters:	Seattle, Washington
Ownership Type:	Public (NASDAQ: SBUX)
Sector:	Restaurants
Locations:	32,000
Number of Employees:	291,000
Credit Rating (S&P):	'BBB+'
Market Capitalization (6/21)	\$132.5 Billion
Annual Revenue (TTM 3/21):	\$23.8 Billion
Gross Profit (TTM 3/21):	\$5.5 Billion (23.1% Margin)



**STARBUCKS REVENUE & EBITDA GROWTH****RETAIL EXPANSION STRATEGY**

Starbucks announced plans to accelerate its expansion of convenience-led store formats, consisting of drive-thru and mobile order pickup locations. This strategy aims to satisfy the evolving customer preference toward convenience and online ordering. These convenience-led store formats also satisfy the immediate need for safer pickup options during the COVID pandemic. Even prior to the pandemic, to-go orders accounted for 80% of all orders. Starbucks also has more than 19 million online rewards members, and online orders account for 17% of all sales.

JACKSONVILLE, ALABAMA

Situated in the foothills of the Appalachian mountains within Alabama's Calhoun County, Jacksonville is centrally located half-way between Birmingham, Alabama and Atlanta, Georgia. Jacksonville's regional airport with 7,000 feet of runway and interconnected railway system boost the town's accessibility. Alabama's business-friendly environment and statewide incentives attract businesses from across the world. Jacksonville State University is a major market driver and contributes to the town's pool of skilled labor. The high quality of life achievable at a low cost of living in Jacksonville lures residents to the area. Since 2000, Jacksonville's population has grown more than 49%. Historic churches, restored homes, a charming public square, and the region's natural splendor create a unique environment for residents and tourists alike.

JACKSONVILLE ATTRACTIONS



The **Chief Ladiga Trail** is a 32-mile path that runs through Piedmont, Jacksonville, Weaver, and Anniston, eventually connecting with Silver Comet Trail in Georgia.



Cheaha State Park sits atop Mount Cheaha, the highest peak in Alabama. The state park is located in the middle of the Talladega National Forest, a 28,000-acre park that attracts tourists from across the country.



Nearby **Talladega Speedway** is one of the fastest, most competitive sports venue in the world. The racetrack hosts the NASCAR Spring Cup Series, the NASCAR Nationwide Series, the NASCAR Camping World Truck Series and the Automobile Racing Club of America (ARCA).



Top 25

Safest Cities to Live in AL,
Background Checks.org



Enrolling more than 9,200 students and employing over 340 full-time faculty members, Jacksonville State University ("JSU") is integral to the Jacksonville community. JSU offers 95 academic programs and concentrations across a wide variety of subjects and competes in 17 sports, including the NCAA Football Championship Subdivision (FCS) where JSU has won six team national championships.

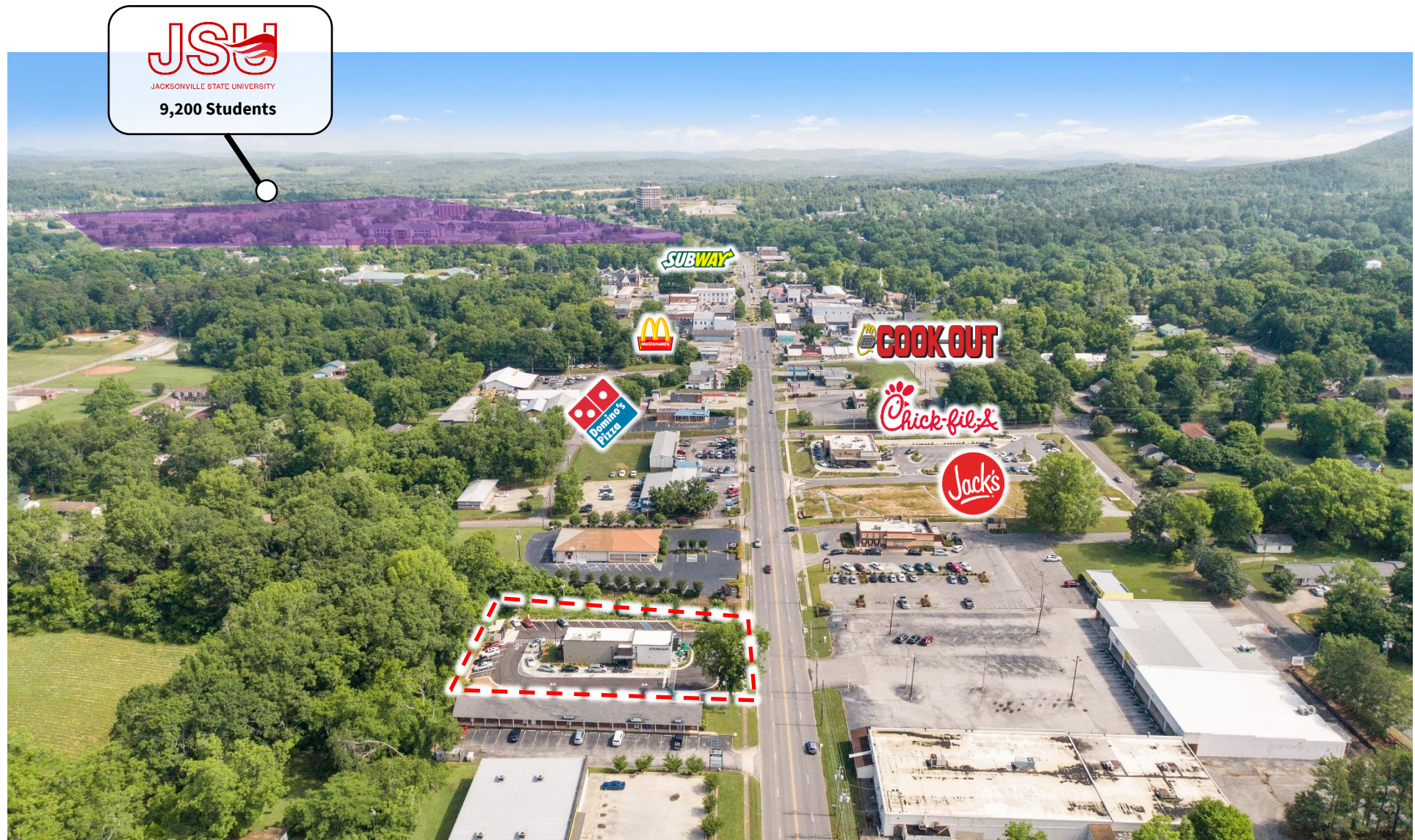
#6 Best Online Colleges in Alabama,
College Consensus

#7 Top Public Universities in Alabama,
Niche.com

#8 Best 4-Year Colleges in Alabama,
Schools.com



NORTHERN AERIAL



SOUTHERN AERIAL



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