



STARBUCKS
HOLLISTER, CALIFORNIA

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM

\$4,350,000 | 4.00% CAP RATE

- » 10-Year Corporate Net Lease With 10% Rental Increases Every Five Years (NASDAQ: "SBUX")
- » Starbucks is Rated "BBB+" by S&P
- » High-Traffic Location in Densely Populated, Affluent and Growing California Corridor
- » High-Visibility Location at the Signalized Hard-Corner of State Route 156/San Felipe Road & Santa Ana Road (13,550 AADT)
- » 55,051 Residents Live Within a Five-Mile Radius of the Property
- » Central Location Near Large Employers, Retailers, and Community Hubs
- » Two Miles from Hazel Hawkins Memorial Hospital, the Second-Largest Employer (575 Employees, 168 Beds)
- » \$105,653 Average Annual Household Income Within Five Miles of the Site
- » New 2021 Construction



FILE PHOTO

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Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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**YURAS
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Leased Investment Team

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INVESTMENT SUMMARY

ADDRESS	111 San Felipe Road, Hollister, California 95023		
PRICE	\$4,350,000		
CAP RATE	4.00%		
NOI	\$174,000		
TERM	10 years		
RENT COMMENCEMENT	September 6, 2021 (estimated)		
LEASE EXPIRATION	September 30, 2031 (estimated)		
RENTAL INCREASES	10% rental increases every five (5) years		
	YEAR	RENT	RETURN
	1-5	\$174,000	4.00%
	6-10	\$191,400	4.40%
	11-15 (option 1)	\$210,540	4.84%
	16-20 (option 2)	\$231,594	5.32%
	21-25 (option 3)	\$254,753	5.86%
	26-30 (option 4)	\$280,229	6.44%
YEAR BUILT	2021		
BUILDING SF	2,200 SF		
PARCEL SIZE	0.74 acres (32,234 SF)		
LEASE TYPE	Net, with tenant responsible for all taxes, insurance, and maintenance, excluding roof, structure, and parking lot		

CORPORATE NET LEASE TO HIGH-QUALITY, INVESTMENT GRADE, SINGLE-TENANT ASSET

- » Leased to Starbucks Corporation for 10 years, plus four (4) five-year options
- » 10% fixed rental increases every five years in initial term and extension terms, providing a hedge against inflation
- » Investment grade tenant, rated "BBB+" by Standard & Poor's
- » Starbucks Corporation (NASDAQ: "SBUX") is the world's premier coffee company, with over 32,000 locations and \$28-29 billion in annual revenue
- » 2021 construction featuring upgraded construction and dedicated drive-thru, boosting sales revenue and catering to traffic

HIGH-TRAFFIC LOCATION IN DENSELY POPULATED AND GROWING CALIFORNIA CORRIDOR

- » High-visibility location at the signalized hard-corner of State Route 156/San Felipe Road & Santa Ana Road (13,550 AADT)
- » \$105,653 average annual household income within five miles of the site
- » Excellent location in a major commuter corridor, with proximity to several high-density single-family developments
- » 55,051 residents live within a five-mile radius of the property, establishing regular local traffic and shopping to the site
- » Projected 12 percent AAHI increase within five miles of the site in the next five years, poising Starbucks and Hollister for significant concurrent growth

CENTRAL LOCATION NEAR LARGE EMPLOYERS, RETAILERS, AND COMMUNITY HUBS

- » Hard-corner location surrounded by several national retailers, including Target, Lucky, Walgreens, KFC, Taco Bell, McDonald's, Bank of America, and many more, promoting crossover shopping to the property
- » Two miles from Hazel Hawkins Memorial Hospital, Hollister's second-largest employer (575 employees, 168 beds)
- » Centrally Located near highly attended Hollister schools, including Marguerite Middle School, Ladd Lane Elementary School, and Sunnylope Elementary School (combined 1,953 students)
- » Beneficial proximity to Hollister Municipal Airport located just 2.5 miles from the site

FILE PHOTO





San Felipe Road
(13,550 AADT)

Santa Ana Road



SANTA CRUZ
(42 miles)

River Oaks

San Juan
Bautista

Enza Zaden
Research USA
(research institute)

INDUSTRIAL REGION

Bomert Park

Brigantino Park

Tony Aguirre
Memorial Park

Westfield by Kiper Homes
(92 single family homes)

Calaveras
Elementary School
(464 students)

RO Hardin
Elementary School
(458 students)

DOLLAR
GENERAL

Bank of America

WELLS
FARGO

A&W
ALL AMERICAN FOOD

TACO BELL

ARCO

FAIRFIELD
INN & SUITES
Marriott
(37 rooms)

Greenwood
Ford

/ San Felipe Road
(13,550 AADT)

CALIFORNIA
156

AutoZone

KFC

Starbucks
(Under Construction)

McDonald's

STRAW HAT PIZZA
Genuine California Pizza

Jack
in the box

MONTEREY
(40 miles)



Hollister Hills State
Vehicular Recreation Area



San Felipe Road
(13,550 AADT)



Ladd Lane
Elementary School
(659 students)

Sunnylope
Elementary School
(572 students)



RO Hardin
Elementary School
(458 students)

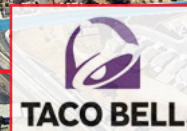


Calaveras
Elementary School
(464 students)



Santa Ana
Road

State Route 25
(23,100 AADT)





Santa Ana Valley

INDUSTRIAL REGION

Santa Ana Road

Santana Ranch by Anderson Homes
(approx. 350 lots)

Villa Luna Apartments
(116 units)

Las Brisas Park

Sunnylope Elementary School
(572 students)

Marguerite Middle School
(722 students)

State Route 25
(23,100 AADT)



Greenwood Ford



San Felipe Road
(13,550 AADT)



CASA de FRUTA
(2 million annual visitors)

Hollister Muni
Airport-CVH

San Felipe Road
(13,550 AADT)

INDUSTRIAL REGION

FAIRFIELD INN & SUITES
Marriott
(37 rooms)

State Route 25
(23,100 AADT)

ARCO

Greenwood
Ford



STRAW HAT PIZZA
Genuine California Pizza

TACO BELL

Starbucks
(Under Construction)

KFC

Santa Ana
Road

AutoZone

Vista Park
Hill Park

Bank of America

Lucky

Jack
in the box

SITE PLAN

STATE ROUTE 156/SAN FELIPE ROAD



TENANT SUMMARY



Starbucks Corporation (NASDAQ: "SBUX") is the premier roaster, marketer, and retailer of specialty coffee in the world, operating more than 32,000 locations in 83 countries. Starbucks also sells a variety of coffee and tea products and licenses its trademarks through other channels, such as licensed stores, grocery, and national foodservice accounts. In addition to the flagship Starbucks Coffee brand, Starbucks also sells goods and services under the Teavana, Tazo, Seattle's Best Coffee, Evolution Fresh, La Boulange, and Ethos brand names.

On August 27, 2018, Starbucks and Nestlé closed a \$7.15 billion licensing deal, giving Nestlé the rights to market, sell, and distribute Starbucks' packaged coffee and tea around the world. The licensing arrangement includes the rights to market everything from whole bean coffee to portioned coffee pods for each brand owned by Starbucks. The agreement significantly strengthens Nestlé's coffee portfolio in the North American premium roast and ground and portioned coffee business. It also unlocks global expansion in grocery and foodservice for the Starbucks brand, utilizing the global reach of Nestlé. Starbucks CEO Kevin Johnson said the Nestle deal opens the door for the restaurant chain to reach a global scale in the retail sector as well. "This global coffee alliance with Nestlé is a significant strategic milestone for the growth of Starbucks," Johnson said in a statement. "Bringing together the world's leading coffee retailer, the world's largest food and beverage company, and the world's largest and fast-growing installed base of at-home and single-serve coffee machines helps us amplify the Starbucks brand around the world while delivering long-term value creation for our shareholders."

For the fiscal year ended September 30, 2018, Starbucks Corporation reported net revenues of \$24.7 billion, representing a 10% increase from 2017. As of 2018, Forbes ranked Starbucks as the world's second largest restaurant company and the world's 370th largest company overall. Starbucks is rated "BBB+" by Standard & Poor's.

For more information, please visit www.starbucks.com.

TICKER	NASDAQ: "SBUX"	# OF LOCATIONS	32,000+
REVENUE	\$29B	HEADQUARTERS	Seattle, WA

LEASE ABSTRACT

TENANT	Starbucks Corporation		
ADDRESS	111 San Felipe Road, Hollister, California 95023		
RENT COMMENCEMENT	September 6, 2021 (estimated)		
LEASE EXPIRATION	September 30, 2031 (estimated)		
RENEWAL OPTIONS	Four (4) renewal periods of five (5) years each		
RENTAL INCREASES	YEAR 1-5 6-10 11-15 (option 1) 16-20 (option 2) 21-25 (option 3) 26-30 (option 4)	RENT \$174,000 \$191,400 \$210,540 \$231,594 \$254,753 \$280,229	RETURN 4.00% 4.40% 4.84% 5.32% 5.86% 6.44%
REAL ESTATE TAXES	Tenant shall pay Landlord, as additional rent, Tenant's Pro Rata Share of Real Property Taxes.		
INSURANCE	Tenant shall pay to Landlord, as additional rent, Landlord's Insurance.		
REPAIR & MAINTENANCE	Tenant, at Tenant's expense, shall keep the Premises, Building, and Property in good order and repair.		
MAINTENANCE BY LANDLORD	Landlord shall maintain the roof, structure, and parking lot.		
RIGHT OF FIRST REFUSAL	None		

PROPERTY OVERVIEW

LOCATION

The property is a high-visibility location at the signalized hard corner of State Route 156/San Felipe Road & Santa Ana Road (13,550 AADT). The site is located in a growing California commuter corridor, with proximity to several high-density single-family developments. The site is located in a densely populated and affluent area, with 55,051 residents living within a five-mile radius of the property and an average annual household income of \$105,653. With a projected 12 percent average household income increase within five miles of the site in the next five years, Starbucks and Hollister are poised for significant concurrent growth.

The property benefits from its central location near large employers, retailers, and community hubs. The site is surrounded by several national retailers, including Target, Lucky, Walgreens, KFC, Taco Bell, McDonald's, Bank of America, and many more, promoting crossover shopping to the property. Hazel Hawkins Memorial Hospital (the second-largest employer in Hollister) is two miles from the site and features 168 beds and 575 employees. The site is a convenient 2.5 miles from Hollister Municipal Airport as well, significantly increasing commuter traffic to the area. The property also maintains a beneficial proximity near highly attended Hollister schools, including Marguerite Middle School, Ladd Lane Elementary School, and Sunnylope Elementary School (combined 1,953 students).

ACCESS

Access from State Route 156/San Felipe Road & Santa Ana Road

TRAFFIC COUNTS

State Route 156/San Felipe Road: 13,550 AADT

State Route 25: 23,100 AADT

PARKING

28 parking stalls, including two (2) handicap stall

YEAR BUILT

2021

NEAREST AIRPORTS

Hollister Municipal Airport (CVH | 2 miles)



FILE PHOTO



2021
YEAR BUILT



14K
TRAFFIC
COUNT (AADT)



**NEAREST
AIRPORT**
HOLLISTER
MUNICIPAL
AIRPORT

AREA OVERVIEW

Hollister is a city in Central California with a population of 40,740. Hollister is the county seat of San Benito County and one of the largest cities in the Monterey Bay Area. The city is an agricultural town known primarily for its local Blenheim apricots, olive oil, vineyards, pomegranates, and chocolate. Hollister has a warm-summer Mediterranean climate with warmer summers than the Monterey–Salinas area but is cooler than many other inland cities in the Central Valley. Hollister Municipal Airport is a city-owned public-use airport located three nautical miles north of the central business district of Hollister. The City of Hollister owns and operates the Airport which supports General Aviation activities in the area. Clocktower Plaza is conveniently located at the intersection of McCray Street and Meridian Street in downtown Hollister. The Clocktower Plaza is a community center comprised mainly of local tenants including Premier Dental, Penguin's Car Wash, Little Caesars Pizza, Bagel Bakery, and more serving the needs of the community as a neighborhood shopping center.

San Benito County is located in California's Central Coast region 130 miles south of San Francisco with a population of 62,808. The County encompasses almost 1,400 square miles and was formed from parts of Monterey County in 1874. It maintains a rural feel while offering a strong sense of community and historic charm in the County's two incorporated cities and three unincorporated towns. Cool ocean air regulates the County's temperature resulting in warm summers and mild winters perfect for enjoying the many outdoor pursuits available in the area. The ideal proximity situated between the Silicon Valley and Monterey Bay provides easy access to the numerous amenities of the big city, while still offering an idyllic and scenic setting with affordable housing and a quality lifestyle. State Route 25 is a State Highway between State Route 198 in Monterey County and U.S. Route 101 in Santa Clara south of Gilroy. State Route 25 runs through the center of San Benito County providing access to popular locations. Residents and visitors can enjoy all the top San Benito County attractions including Pinnacles National Park, Old Mission San Juan Bautista, Skydive Hollister, Hollister Hills, San Juan Oaks Golf Club, outstanding San Benito County wineries, and more.

- » Agriculture is San Benito County's largest industry, with fertile valley soil supporting some of the most productive farmland in the state.
- » San Benito County offers a vast array of activities within its beautiful rural landscapes with an emerging wine country offering highly acclaimed and award-winning wines set among the scenic landscape of the area.
- » San Benito County is included in the San Jose-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area, which also includes the San Jose-San Francisco-Oakland Combined Statistical Area with fourteen counties, making it the second-largest in California (after the Greater Los Angeles area), the fifth-largest in the U.S., and the 41st-largest urban area in the world with 9.67 million people.

MAJOR EMPLOYERS IN OROVILLE, CALIFORNIA

OF EMPLOYEES

NATURAL SELECT FOODS	1,000
HAZEL HAWKINS MEMORIAL HOSPITAL	575
SAN BENITO FOODS	500
PRIDE OF SAN JUAN	425
MILGARD	330
SAN BENITO HIGH SCHOOL DISTRICT	275
QUANTIC HOLEX	240
MCCORMICK SELPH	220
SEMIFAB	210
TARGET	200



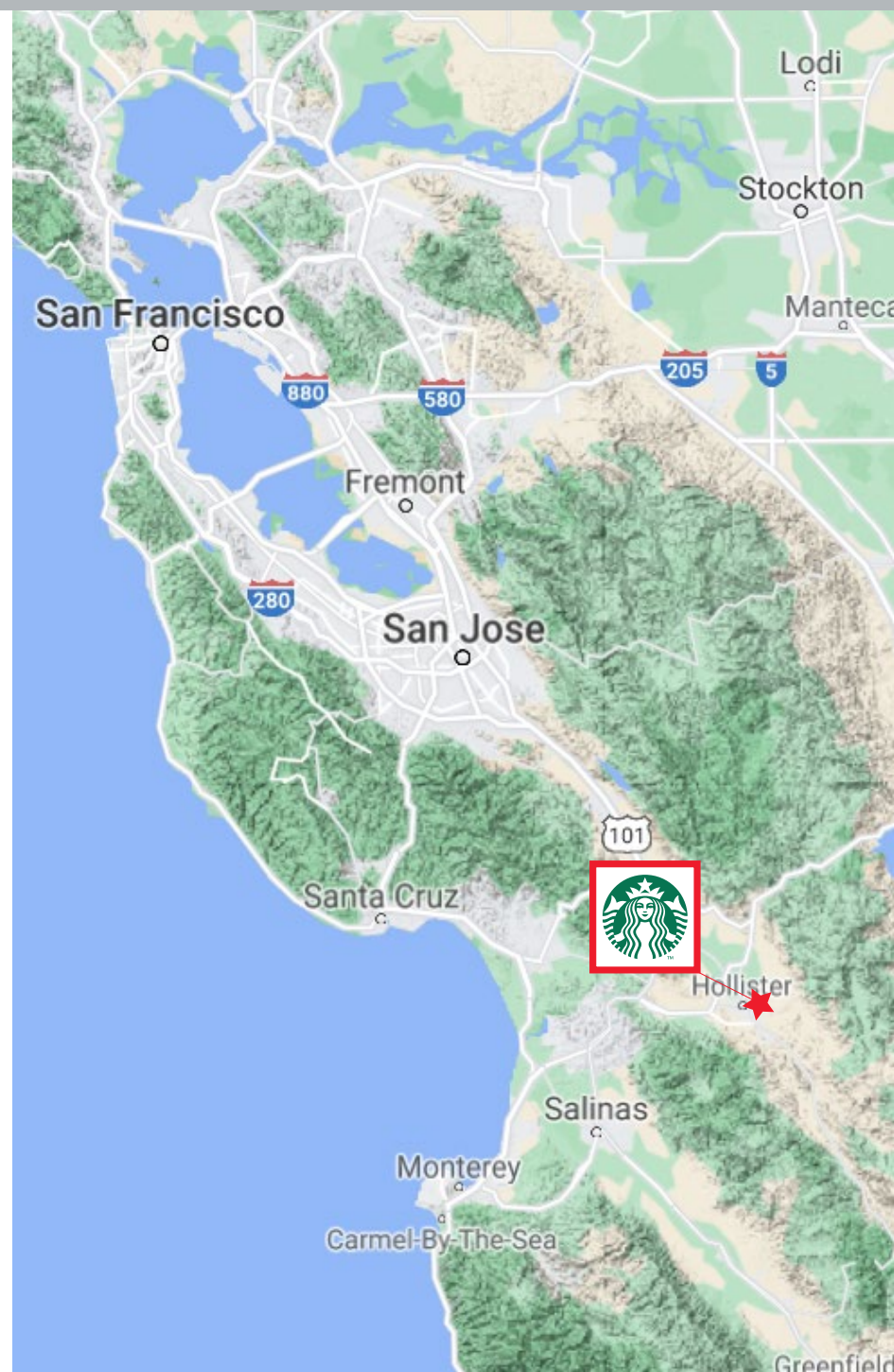
DEMOGRAPHIC PROFILE

2021 SUMMARY	1 Mile	3 Miles	5 Miles
Population	12,843	48,336	55,051
Households	3,778	13,773	16,278
Families	2,988	11,309	13,239
Average Household Size	3.40	3.50	3.37
Owner Occupied Housing Units	2,032	9,051	11,082
Renter Occupied Housing Units	1,745	4,721	5,196
Median Age	31.3	32.8	34.1
Average Household Income	\$81,333	\$98,533	\$105,653

2026 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	13,380	50,643	57,950
Households	3,937	14,425	17,161
Families	3,119	11,854	13,954
Average Household Size	3.40	3.50	3.36
Owner Occupied Housing Units	2,151	9,555	11,813
Renter Occupied Housing Units	1,787	4,870	5,347
Median Age	32.6	34.4	35.5
Average Household Income	\$90,282	\$110,224	\$118,667



**AVERAGE HOUSEHOLD INCOME OF \$105,653
WITHIN FIVE MILES**



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