



OFFERING MEMORANDUM

STARBUCKS COFFEE

1820 HIGHWAY 36 • ROSEVILLE, MN 55113

**CBRE**



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# NORTH-FACING AERIAL

STARBUCKS | ROSEVILLE, MN



ROSEDALE  
CENTER

BECKER  
FURNITURE WORLD

jcp

VON MAUR

macy's

WILLIAMS  
SONOMA

amc

DSW

DAVID'S  
BRIDAL

Great  
Clips

SIERRA  
IMAGINATION

chili's

verizon

ups

BED BATH &  
BEYOND

BUFFALO WILD WINGS

GameStop

Famous  
Footwear

five  
BELOW

MATTHESS  
FIRM

Portillo's

Caribou

HOBBY  
LOBBY

DOLLAR TREE

SPIRE  
CREDIT UNION

Applebee's

Wendy's

BMO

MARKET FRESH

planet  
fitness

ExtraSpace  
Storage



SUBJECT  
PROPERTY

KinderCare  
LEARNING CENTERS

Adjacent to the Rosedale Trade and Traffic Area with Over 2 Million Square Feet of Retail & Dining



# INVESTMENT SUMMARY

## STARBUCKS | ROSEVILLE, MN

### PRICE

**\$1,345,000**  
**5.00% CAP Rate**

### ADDRESS

1820 Highway 36  
Roseville, MN 55113

### APN

09-29-23-43-0012

### NET OPERATING INCOME

\$67,248

### BUILDING/LOT SIZE

1,868 SF / 0.99 Acres

### YEAR BUILT

2008

### TYPE OF OWNERSHIP

Fee Simple

### SUMMARY



#### Investment-Grade Tenant

Starbucks Coffee boasts an investment-grade credit rating of “BBB+” by Standard & Poor’s.



#### Long-Term NN Lease with Starbucks Corporate Guaranty

The tenant has over six years remaining on a NN lease, with limited landlord responsibilities. This lease is also guaranteed by Starbucks corporate.



#### High Visibility Location, Strong Traffic Counts, with a Drive-Thru

The Property is located adjacent to Highway 36 and Rosedale Center with over one million square feet of shopping, dining, and entertainment.



#### Competitive Price Point and Below Market Rent

This is an opportunity to acquire a freestanding Starbucks with a drive-thru amenity with the chance to grow the NOI, with below market rents and a price point lower than comparable Starbucks in this market.



#### Long Operating History at this Location

Starbucks has operated at this location for fourteen years, demonstrating strong commitment to this site.



#### Shared Location, Ingress/Egress with BMO Bank and a New Local Grocer

This Starbucks shares a location and multiple points of ingress and egress with other retailers, including: a BMO Harris Bank, Market Fresh, Kindercare, Planet Fitness, and a self-storage provider.



#### Consistent Population Growth and Commuter-Friendly Suburb

Roseville is one of only two suburbs adjacent to both Minneapolis and Saint Paul. There are over 120,000 students at three university campuses within ten miles of this suburban hub, and the city has experienced population growth of over 5% since 2000.

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# TENANT SUMMARY

## STARBUCKS | ROSEVILLE, MN

### TENANT SUMMARY

Tenant	Starbucks
Tenant Legal Name	Starbucks Corporation
Lease Commencement [Estimated]	7/30/2007
Rent Commencement	2/28/2018
Lease Expiration [Estimated]	2/29/2028
Lease Term Remaining as of September 2021	6.5 Years
Renewal Options	4- 5 Year
Notice For Options	120 Days
Website	<a href="http://www.starbucks.com">www.starbucks.com</a>

### LEASE SUMMARY

Real Estate Tax	Tenant is responsible for its pro rata share
Property Insurance	Tenant pays pro rata share
Utilities	Tenant pays directly
Roof & Structure	Landlord is responsible
Parking Lot	Tenant is responsible for pro rata share of resurfacing. No more than once during any 5-year period of the lease term
HVAC	Tenant is responsible for repair and maintenance. LL responsible for replacement
Repairs & Maintenance (CAM)	Tenant is responsible for its pro rata share. 7% non-cumulative cap excluding snow removal
Management Fee	10% of CAM excluding Tax, Insurance and Utilities

### RENT SCHEDULE

	Date Start	Date End	Annual Rent	Per SF
	Current	2/28/2023	\$67,248.00	\$36.00
	3/1/2023	2/29/2028	\$73,972.80	\$39.60
Option 1	3/1/2028	2/28/2033	\$81,370.00	\$43.56
Option 2	3/1/2033	2/28/2038	\$89,500.00	\$47.91
Option 3	3/1/2038	2/28/2043	\$98,460.00	\$52.71
Option 4	3/1/2043	2/29/2048	\$108,300.00	\$57.98

### THE WORLD'S DOMINANT COFFEE CHAIN WITH 30,000 STORES IN 80 MARKETS

Since 1971, Starbucks has been committed to ethically sourcing and roasting high-quality arabica coffee. Today Starbucks operates stores around the world and have expanded offerings to include pastries, premium teas, and other treats in addition to its coffee. Customers use Starbucks as a location to network, meet, or work. [Starbucks and Nestle agreed in August 2018 to a global licensing deal](#), granting Nestle the perpetual rights to market Starbucks Consumer Packaged Goods and Foodservice products globally, outside of the company's coffee shops.

[Starbucks recently announced strategic initiatives designed to grow its drive-thru window operation](#) including drive-thru-only facilities; this initiative is driven by evidence that **drive-thru windows “drove over half of net sales during Q1 [2021],** *(emphasis added)* increasing more than 10% from pre-pandemic



levels”, as reported by Restaurant Drive. [Drive-thrus saw a 25% to 35% increase in sales during the height of the Covid-19 pandemic](#), a trend that most developers and restaurateurs anticipate to remain sustained.

[Text That Looks Like This is Clickable!](#) ✖

# MARKET SUMMARY

## STARBUCKS | ROSEVILLE, MN

### HUB BETWEEN MINNEAPOLIS & ST. PAUL

One of only two suburbs adjacent to both Saint Paul and Minneapolis, Roseville, Minnesota is home to several major shopping centers including Rosedale Center and Har Mar Mall, as well as Target's first location in 1962 (since replaced with a new Target in 2005) as well as the first Barnes & Noble bookstore outside of New York City. The city boasts a strong mix of residential communities, open spaces, and retail and commercial developments. There are over two thousand business located within city limits and residents enjoy an average commute time of just twenty-two minutes to their places of employment.

Three universities are within ten miles of this community, supporting over 120,000 students: Bethel University, the University of Minnesota, and University of Northwestern.

The city provides easy access to the area's major traffic arteries, including I-35 E and I-694. Its location between the Twin Cities means residents enjoy a short commute to either major business district, and the Minneapolis-St. Paul International Airport is just 20 minutes away.

Source: <https://www.growroseville.com/community-demographics/p/item/461/roseville-mn>

### CITY OF ROSEVILLE DEMOGRAPHIC OVERVIEW

<b>33,705</b>	2021 Estimated Population
<b>43.30</b>	2021 Estimated Median Age
<b>\$93,981</b>	2021 Estimated Average Household Income
<b>\$41,048</b>	2021 Estimated Per Capita Income



# ROSEVILLE

### THREE MAJOR UNIVERSITIES WITHIN TEN MILES





# PROPERTY PHOTO

STARBUCKS | ROSEVILLE, MN

Attractive New Construction with Convenient Drive-Thru Lane and Ample Parking





# PROPERTY PHOTOS

STARBUCKS | ROSEVILLE, MN



Shared Ingress/Egress with BMO Harris Bank, Market Fresh Grocer, and Extra Space Storage





# TRADE AREA

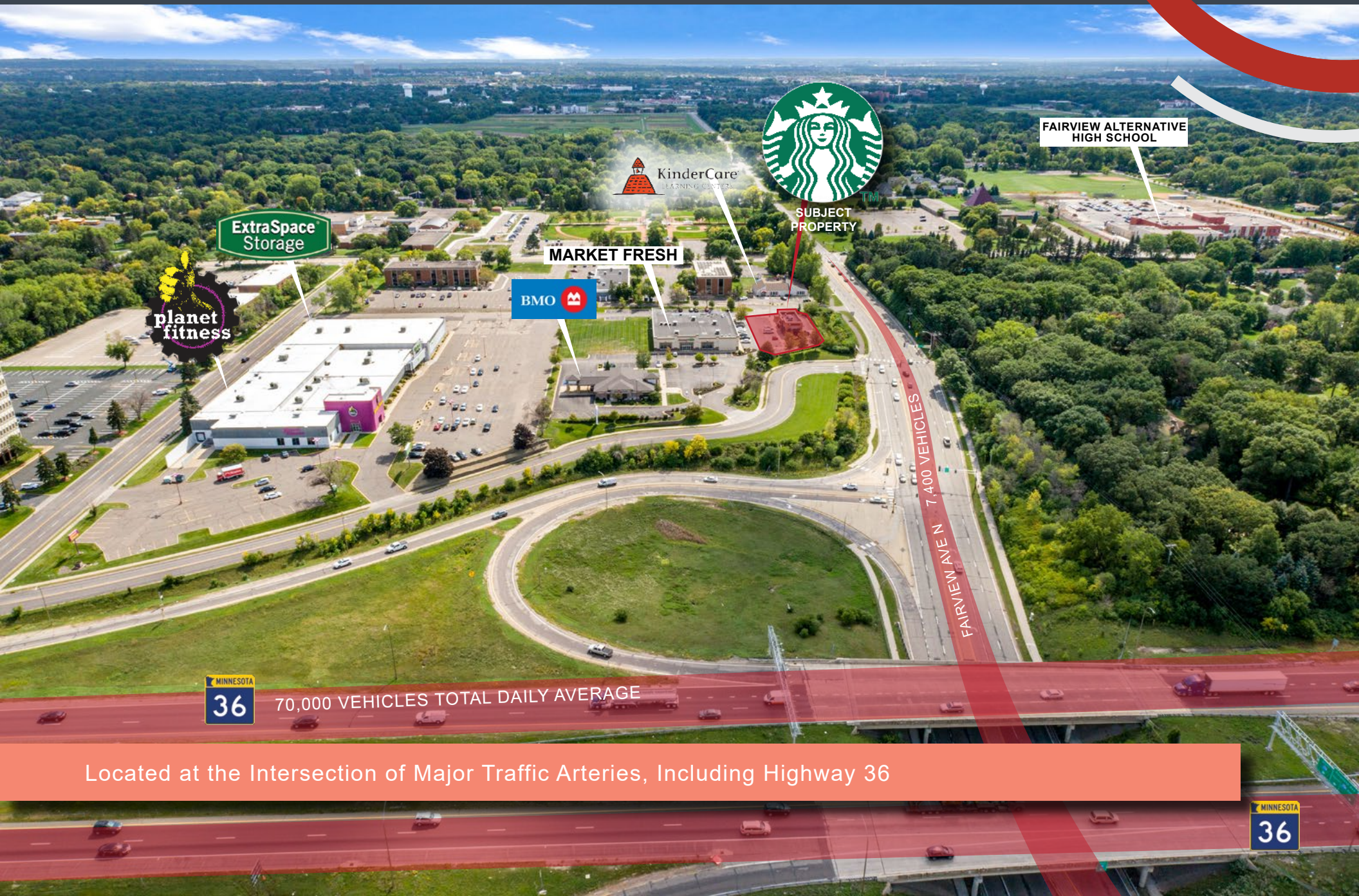
STARBUCKS | ROSEVILLE, MN





# SOUTH-FACING AERIAL

STARBUCKS | ROSEVILLE, MN



ExtraSpace  
Storage



MARKET FRESH



SUBJECT  
PROPERTY

FAIRVIEW ALTERNATIVE  
HIGH SCHOOL

FAIRVIEW AVE N 7,400 VEHICLES



70,000 VEHICLES TOTAL DAILY AVERAGE

Located at the Intersection of Major Traffic Arteries, Including Highway 36





# WEST-FACING AERIAL

STARBUCKS | ROSEVILLE, MN

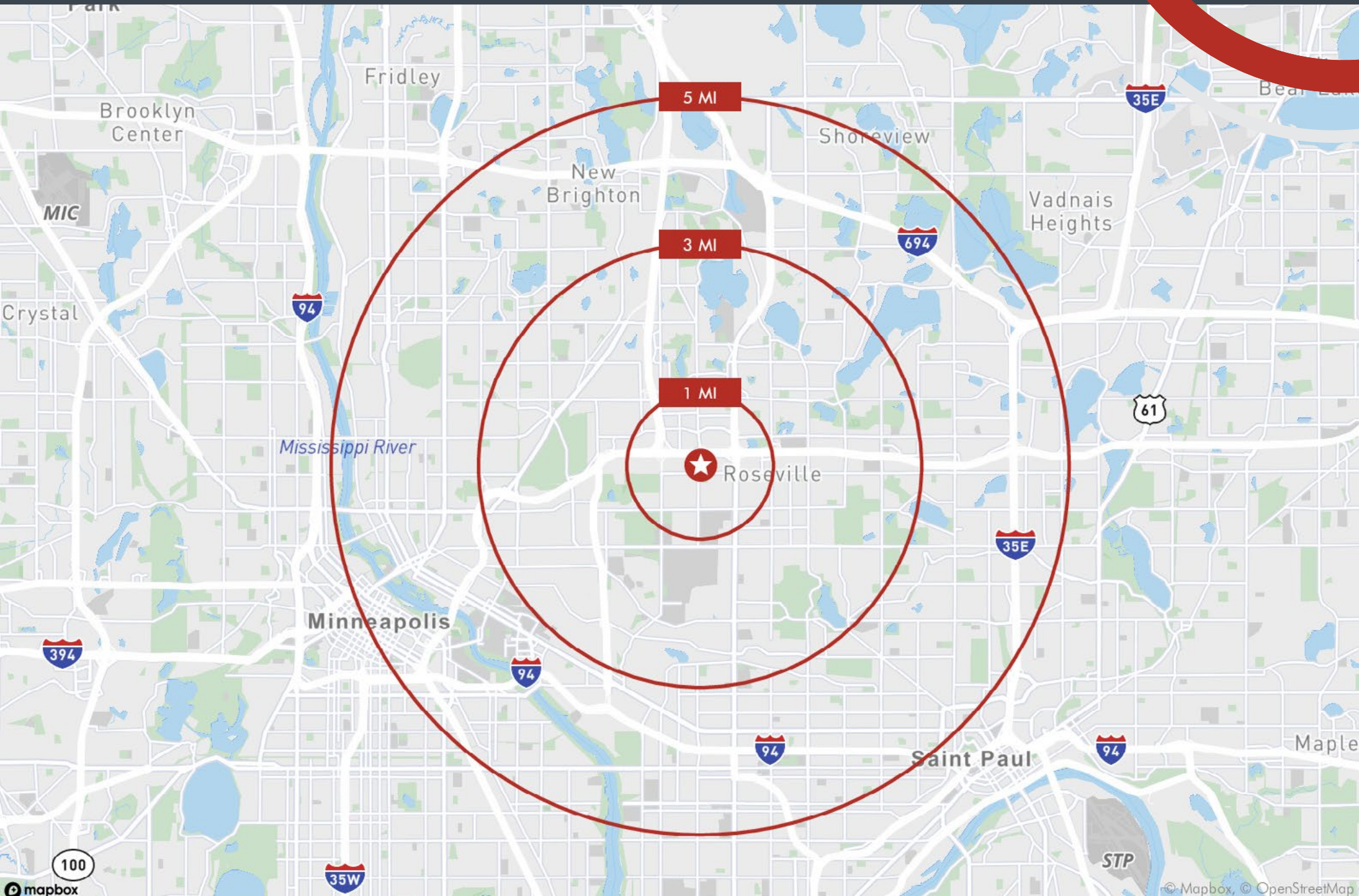


Ten Minutes from the Minneapolis Central Business District and from the University of Minnesota



# DEMOGRAPHICS

STARBUCKS | ROSEVILLE, MN





# DEMOGRAPHICS

## STARBUCKS | ROSEVILLE, MN

	1 Mile	3 Miles	5 Miles
POPULATION			
2021 Population - Current Year Estimate	6,685	84,975	366,269
2026 Population - Five Year Projection	6,945	86,847	386,347
2021-2026 Annual Population Growth Rate	0.77%	0.44%	1.07%
GENERATIONS			
Generation Z (Born 1999-2016)	18.7%	22.3%	26.3%
Millennials (Born 1981-1998)	25.5%	26.9%	29.0%
Generation X (Born 1965-1980)	16.4%	16.9%	16.2%
Baby Boomers (Born 1946-1964)	24.2%	20.4%	17.5%
	10.8%	8.5%	5.5%
HOUSEHOLD INCOME			
2021 Average Household Income	\$103,174	\$95,823	\$86,661
2026 Average Household Income	\$117,355	\$107,834	\$98,218
EDUCATION			
High School Diploma	11.0%	13.7%	15.3%
Some College - No Degree	13.9%	13.9%	16.3%
Associate's Degree	8.1%	7.7%	7.3%
Bachelor's Degree	32.3%	33.0%	29.2%
Graduate or Professional Degree	30.8%	26.8%	20.7%
DAYTIME POPULATION			
Daytime Workers	9,128	66,897	248,375
Daytime Residents	2,995	37,867	168,367



# CONSUMER BASE - 5 MILE RADIUS

## STARBUCKS | ROSEVILLE, MN

### DOMINANT LIFE SEGMENT

**13.9%** EMERALD CITY

- Families spending a lot of time on the go
- Tend to eat out regularly
- When at home, weekends are consumed with home improvement and remodeling projects
- Paying off student loans and home mortgages
- Make frequent trips to warehouse/club and home improvement stores
- Very comfortable with new technology
- Frequently buy children's clothes and toys

### DOMINANT LIFEMODE GROUP

**28.1%** MIDDLE GROUND

- Lifestyles of thirtysomethings
- Millennials in the middle: single/married, renters/homeowners, middle class/working class
- Online all the time
- Majority of residents attained a college degree or attended college

### DOMINANT URBANIZATION GROUP

**58.7%** METRO CITIES

- Affordable city life including smaller metropolitan cities or satellite cities with mix of single-family and multiunit housing
- Consumers include college student, affluent GenX couples, and retirement communities
- Residents share an interest in city life and its amenities

### OTHER TOP SEGMENTS

**8.0%** IN STYLE

- Urbane lifestyle that includes support of the arts, travel, and extensive reading
- Connected and make full use of mobile devices
- Professional couples or single households without children
- Attentive to price, they use coupons, especially mobile coupons
- Slightly older population, already planning for retirement

**7.2%** COLLEGE TOWNS

- About half of this segment is enrolled in college, while the rest work for a college or the services supporting it
- Students have busy schedules but make time for socializing and sports
- Limited incomes result in thrifty purchases
- Heavily influenced by celebrity endorsements and trends in magazines
- New to managing their own finances, tend to make impulse buys



# TWIN CITIES MARKET SNAPSHOT

## STARBUCKS | ROSEVILLE, MN

### TOP FORBES PRIVATE MINNESOTA COMPANIES



### MINNESOTA FORTUNE 500



### TOP TEN MAJOR EMPLOYERS

*Minneapolis-St. Paul-Bloomington, MN-WI Metropolitan Statistical Area*

<b>#1</b> Mayo Clinic 44,697 Employees	<b>#2</b> State of Minnesota 40,471 Employees	<b>#3</b> U.S Federal Government 35,223 Employees	<b>#4</b> Fairview Health System 32,778 Employees	<b>#5</b> Target Corporation 31,000 Employees
<b>#6</b> Allina Health System 28,896 Employees	<b>#7</b> University of Minnesota 27,000 Employees	<b>#8</b> HealthPartners 24,963 Employees	<b>#9</b> UnitedHealth Group 18,200 Employees	<b>#10</b> Wells Fargo & Co. 18,000 Employees

### MAJOR RETAIL BRAND HEADQUARTERS





# TWIN CITIES MARKET SNAPSHOT

## STARBUCKS | ROSEVILLE, MN

### MSP AIRPORT TRAFFIC



- "About MSP - MSP by the Numbers", MSPairport.com/about-msp



**163**  
Nonstop  
Markets  
Served



**39M**  
Travelers



**17**  
Commercial  
Passenger  
Airlines

### HEALTHCARE & RESEARCH

Minnesota Has the  
**3rd Highest Total  
Number of Medical  
Device Patents**

In the Nation - "Compare Minnesota:  
Invention Patents", MN.gov

Minneapolis - St. Paul MSA is a  
**Top Ten U.S. City**  
for Corporate Innovation



- "Top 10 Cities for Corporate  
Innovation", Innovation Leader  
Magazine, May 2017

### MSP DEMOGRAPHICS

**822,645**

Minneapolis-St. Paul, Bloomington Population  
- U.S. Census Bureau, 2019

**#2 in the Nation**

#2 State in Percentage of the Population with Associate Degree or Higher  
- MN Office of Higher Education, [http://www.ohe.state.mn.us/sPages/educ\\_attain.cfm](http://www.ohe.state.mn.us/sPages/educ_attain.cfm)

**89.63%**

of Persons Age 25+ Hold High School Diploma or Higher | 88% National Average  
- U.S. Census Bureau, 2019

**4.4% Unemployment Rate**

6.3% National Average, February 2021  
- Bureau of Labor Statistics, 2021

### LIFE & RETAIL IN MSP

**\$2 Billion**

in Economic Activity  
Generated for Minnesota  
by Mall of America



"Mall of America: By the Numbers."  
Mall of America, 2016,  
[www.mallofamerica.com/upload/  
FactSheets\\_2016.pdf](http://www.mallofamerica.com/upload/FactSheets_2016.pdf)

**#3 Best State**

Overall in the United  
States Based on 70  
Metrics, 2019



"Best States Rankings."  
U.S. News, 2019,  
[https://www.usnews.com/news/best-states/  
rankings](https://www.usnews.com/news/best-states/rankings)

**\$59,736**

Average Per Capita Personal  
Income (2017), \$53,658  
National Average (2018)



"Per Capita Personal Income in  
Minneapolis-St. Paul Bloomington  
MSA", Federal Reserve Bank of St.  
Louis, Economic Research

**Best Parks**

System in the Nation  
According to The Trust for  
Public Land's ParkScore®  
Index



"Minneapolis Repeats as  
Nation's Best Park System."  
Minneapolis Park & Recreation Board,  
May 23, 2018, [www.MinneapolisParks.  
org](http://www.MinneapolisParks.org)

**#3 Fittest City**

Ranked by the American  
Fitness Index Summary  
2020



"ACSM American Fitness Index", Ameri-  
can Fitness Index, May 2020,  
[www.americanfitnessindex.org](http://www.americanfitnessindex.org)

**#2 Ticket Sales**

In the Nation, Theater Tickets  
Sold Per Capita (NYC #1)



Meet Minneapolis - Things To Do,  
[https://www.minneapolis.org/things-  
to-do/arts-culture/theaters/](https://www.minneapolis.org/things-to-do/arts-culture/theaters/)



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