



STARBUCKS

New Construction Starbucks

23029 John T. Reid Parkway

Scottsboro, AL 35769

Confidential Offering Memorandum

NEWLY-CONSTRUCTED STARBUCKS SCOTTSBORO, AL



Investment Highlights

NEWLY-CONSTRUCTED
STARBUCKS DRIVE-THRU

INDUSTRY-LEADING TENANT
WITH FAVORABLE LEASE
ECONOMICS

FRONTAGE ALONG
US HWY 72 IN A BUSINESS-
FRIENDLY STATE

STRONG RETAIL CORRIDOR
WITH MANY CREDIT TENANTS



The Offering

Jones Lang LaSalle Americas, LP is pleased to offer for sale the fee simple interest in a newly-built Starbucks drive-thru (the “Property” or “Asset”) located in Scottsboro, 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 \$24 billion. Starbucks operates on a double-net lease structure that features ten years of primary lease term, 10% rental increases every five years, and four five-year renewal options. This offering presents the opportunity to acquire a newly constructed, drive-thru asset located in a business-friendly and rapidly growing southeastern state.

Pricing	\$2,136,000
Cap Rate	5.15%



NEWLY-CONSTRUCTED STARBUCKS DRIVE-THRU

- The Asset is a build-to-suit drive-thru Starbucks that opened for business in mid-October 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 demand for convenience and safety.

INDUSTRY-LEADING TENANT WITH FAVORABLE LEASE ECONOMICS

- The Property is leased to Starbucks with ten years of primary lease term, 10% rental escalations, four, five-year renewal options, and minimal landlord obligations.
- Starbucks is the world’s largest specialty coffee retailer with over 32,000 locations, \$24 billion in annual revenue, and an investment grade ‘BBB+’ credit rating from S&P.

STRONG INTRINSIC REAL ESTATE

- The asset is located in Scottsboro, AL, one of the largest communities in Jackson County.
- **The Property benefits from being located along US Highway 72 providing incredible frontage and access.**
- The Property is strategically located in a dense retail corridor with direct access to US Highway 72, which runs through the town of Scottsboro.
- Scottsboro is a **beneficiaries of the business-friendly environment in Alabama**, which boasts some of the lowest property tax rates in the country.
- Scottsboro is famously home to the Unclaimed Baggage Center. The unique store sells unclaimed baggage that Airlines are unable to find the owners of. People travel thousands of miles to purchase vintage souvenirs and eclectic offerings.
- The diverse economy of the city extends to traditional business sectors. **Major corporations in Scottsboro include Maples Industries Inc (1600), HTPG Fridgeration (470), Lozier Corporations (450).**

Price	\$2,136,000
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Cap Rate	5.15%
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Address	23029 John T. Reid Pkwy Scottsboro, AL 35769
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Tenant	Starbucks Corporation
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Guarantor	Starbucks Corporation
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Building Size	2,200 SF
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Parcel Size	0.60 acres
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Year Built	2021
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Term	10 Years
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Lease Structure	NN
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Landlord Responsibilities	Roof & structure, capital repair & replacement of parking areas (TT to perform routine parking maintenance)
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Annual Base Rent PSF	\$110,000 \$50.00
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Increases	10% every 5 years
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Renewal Options	4, 5-year options
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Starbucks Rent Schedule

Lease Years	Annual Rent	Rent PSF	% Increase
Years 1 - 5	\$110,000	\$50.00	-
Years 6 - 10	\$121,000	\$55.00	10.0%
Option 1	\$133,100	\$60.50	10.0%
Option 2	\$146,410	\$66.55	10.0%
Option 3	\$161,051	\$73.21	10.0%
Option 4	\$177,156	\$80.53	10.0%



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Photography











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COMPANY OVERVIEW

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. Furthermore, 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 \$129.5 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.

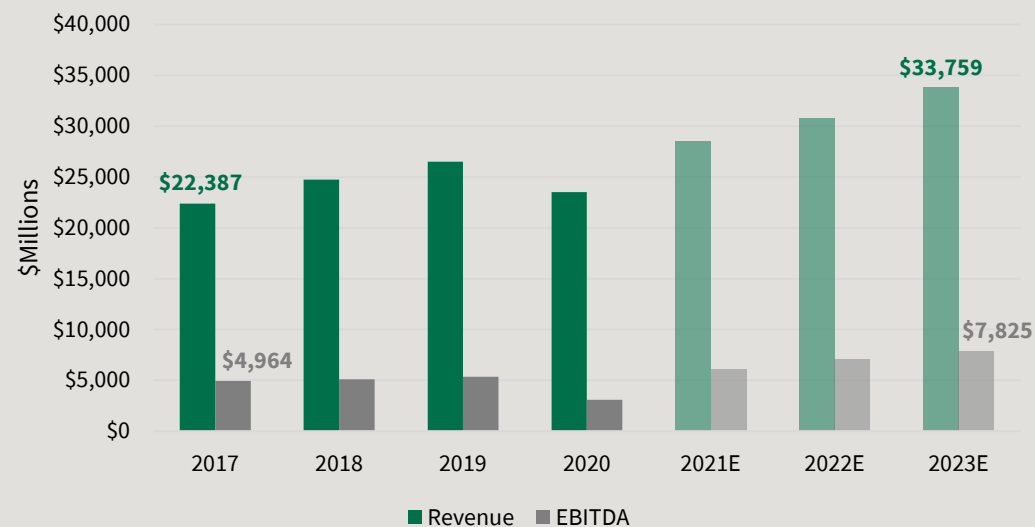
RETAIL EXPANSION STRATEGY

Starbucks announced that the company 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 options 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.





STARBUCKS REVENUE & EBITDA GROWTH



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 (11/21)	\$129.5 Billion
Annual Revenue (TTM 10/21):	\$29.1 Billion
Gross Profit (TTM 10/21):	\$8.4 Billion (28.9% Margin)

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