



AURORA, OH – CLEVELAND MSA

EXECUTIVE SUMMARY



7135 Aurora Rd,
Aurora, OH 44202

ADDRESS



Aurora, OH
Cleveland, OH MSA

MARKET



LARGE PARCEL SIZE



10 YEARS

TERM REMAINING



CREDIT RATING

**NO EARLY
TERMINATION
PROVISION**

THE OFFERING

Price	\$2,234,880
Cap	5.00%
GLA	2,226
Lot Size	~0.83 Acres
Year Built	2022
Lease Type	NN
Rent Commencement	The earlier of 5/20/22 or when tenant opens
Lease Expiration	10 years from Rent Commencement Date
Increases	10% Every Five Years
Options	Four; Five-Year Terms
Credit	BBB+

ANNUALIZED OPERATING DATA	ANNUAL RENT	% INCREASE
Years 1-5	\$111,744	
Years 6-10	\$122,918	10.00%
OPTION TERMS		
Option 1 (Years 11-15)	\$135,210	10.00%
Option 2 (Years 16-20)	\$148,736	10.00%
Option 3 (Years 21-25)	\$163,612	10.00%
Option 4 (Years 26-30)	\$179,954	9.99%

INVESTMENT HIGHLIGHTS

**NEW 10-YEAR
CORPORATE LEASE;
“BBB+” INVESTMENT
GRADE CREDIT**

**NO EARLY
TERMINATION
PROVISION**

**10% INCREASES EVERY
FIVE YEARS**

**OUTPARCEL TO BUSY
WALMART AND KOHL'S
CENTER**

**AFFLUENT CLEVELAND
METRO LOCATION**

FULL TERM AND NO SALES KICK-OUT – The Tenant, Starbucks Corporation, is subject to a new 10-year corporate lease scheduled to open May 2022. The lease features 10 percent rental increases every five years beginning in year six providing attractive revenue growth and a hedge against inflation.

SYNERGY WITH NEIGHBORING USES – Starbucks will benefit tremendously from synergy with the neighboring restaurant uses that serve as a “restaurant row” in front of The Marketplace at Four Corners. Starbucks is positioned adjacent to Bob Evans, Samurai Japanese Steak House, McDonald's, Ohris Indian Cuisine and Premier Bank. Additionally, the Property is across SR-43 from the Shops at Marketplace, anchored by Target and Home Depot, which along with The Marketplace at Four Corners combine for 1-million square-feet of retail.

OUTPARCEL TO REGIONAL WALMART CENTER – The Property is an outparcel to The Marketplace at Four Corners, a regional shopping center consisting of over 525,000 square-feet of retail anchored by Walmart Supercenter (192,390 SF), Kohl's (86,584 SF), Dick's Sporting Goods, Marshalls, HomeGoods and Big Lots. The retail center services the eastern Cleveland suburbs of Aurora, Solon, Reminderville, Bainbridge, Chagrin Falls, among others. According to geofencing technology from Placer.ai, The Marketplace at Four Corners ranks within the top four percent of shopping centers statewide with more than 4.24 million visits annually.

PROMINENT LOCAL POSITIONING – The ~0.83-acre parcel is situated with prominent frontage along SR-43, a four-lane north-south state highway that runs through the northeastern quadrant of the state (~15,000 VPD). The Tenant will operate in a 2,226-square-foot building with drive-thru positioned at a signaled entrance into The Marketplace at Four Corners, a busy regional shopping center.

AFFLUENT CLEVELAND SUBURB – Aurora, Ohio is a highly desirable suburb of Cleveland, located 24 miles southeast. Since 2000, the Geauga County submarket has experienced population growth of 27 percent within three-miles, and features a current population of 26,615. Retailers thrive due to high average household income levels of \$151,119, as Aurora is ideally located with accessibility to Cleveland and Akron while offering a strong business community, a top-rated school district, beautiful countryside, culture, and history.

PREMIER COFFEE RETAILER – Starbucks Corporation (NASDAQ: SBUX) is the world's premier coffee company with over 33,833 locations in 80 markets and \$29.1 billion in annual revenue. After rebounding from the Covid-19 Pandemic, Starbucks recorded a record Q4 2021 and saw revenues increase 24 percent over 2020. The company opened 538 net new stores in the fourth quarter of 2021 and anticipates the opening of 2,000 new stores in 2022. Starbucks Corporation is investment grade, rated “BBB+” by Standard & Poor's and “Baa1” by Moody's. The company, ranked 125 on the Fortune 500, reports corporate revenues in excess of \$29 billion and a Market Cap of \$118.3 Billion.

A PAD TO MARKETPLACE AT FOUR CORNERS

A 525,000 SF WALMART ANCHORED REGIONAL CENTER



Kirkland's

TORRID

Gabe's

OLD NAVY

Party City

Michaels
Where Creativity Happens

PETSMART

DICK'S
SPORTING GOODS

McDonald's

KAY
JEWELERS



MARKETPLACE AT FOUR CORNERS

According to Placer.ai, The Marketplace at Four Corners ranks within the top four percent of shopping centers statewide with more than 4.24 million visits annually.

AURORA RD - 15,000 VPD



Representative Photo

TENANT INFORMATION

Starbucks Corporation is the premier roaster, marketer and retailer of specialty coffee in the world with nearly 33,800 retail stores in 80 markets and over 349,000 employees. Founded in 1971 in Seattle, Washington, the original Starbucks location still stands in Pike Place Market. Starbucks Corporation's common stock trades on the NASDAQ Global Select Market ("NASDAQ") under the symbol "SBUX", and the Company has an investment grade credit rating of "BBB+" by Standard & Poor's. The Company reported annual revenue of \$29.1 billion in 2021, an increase of 24 percent over the prior year.

Starbucks offers more than 30 blends of single-origin premium coffees as well as handcrafted teas, blended beverages, pastries, sandwiches and a variety of other fresh foods. The company offers its products under the Starbucks, Tazo tea, Seattle's Best Coffee, Starbucks VIA Ready Brew, Starbucks Refreshers, Evolution Fresh, La Boulange, and Verismo brand names. Starbucks also sells a variety of coffee and tea products and license their trademarks through other channels such as licensed stores, grocery and national food service accounts.

Starbucks company-operated stores are typically located in high-traffic, high visibility locations. Their ability to vary the size and format of their stores allows the Starbucks to locate them in or near a variety of settings, including downtown and suburban retail centers, office buildings, university campuses, and in select rural and off-highway locations.



Representative Photo



REVENUE

\$29.1 B



MARKET CAP

\$118.3 Billion



HEADQUARTERS

Seattle, WA



NO. OF EMPLOYEES

349,000



NO. OF LOCATIONS

33,833



YEAR FOUNDED

1971



STOCK SYMBOL /CREDIT RATING

SBUX : BBB+

REGIONAL MAP

\$143K

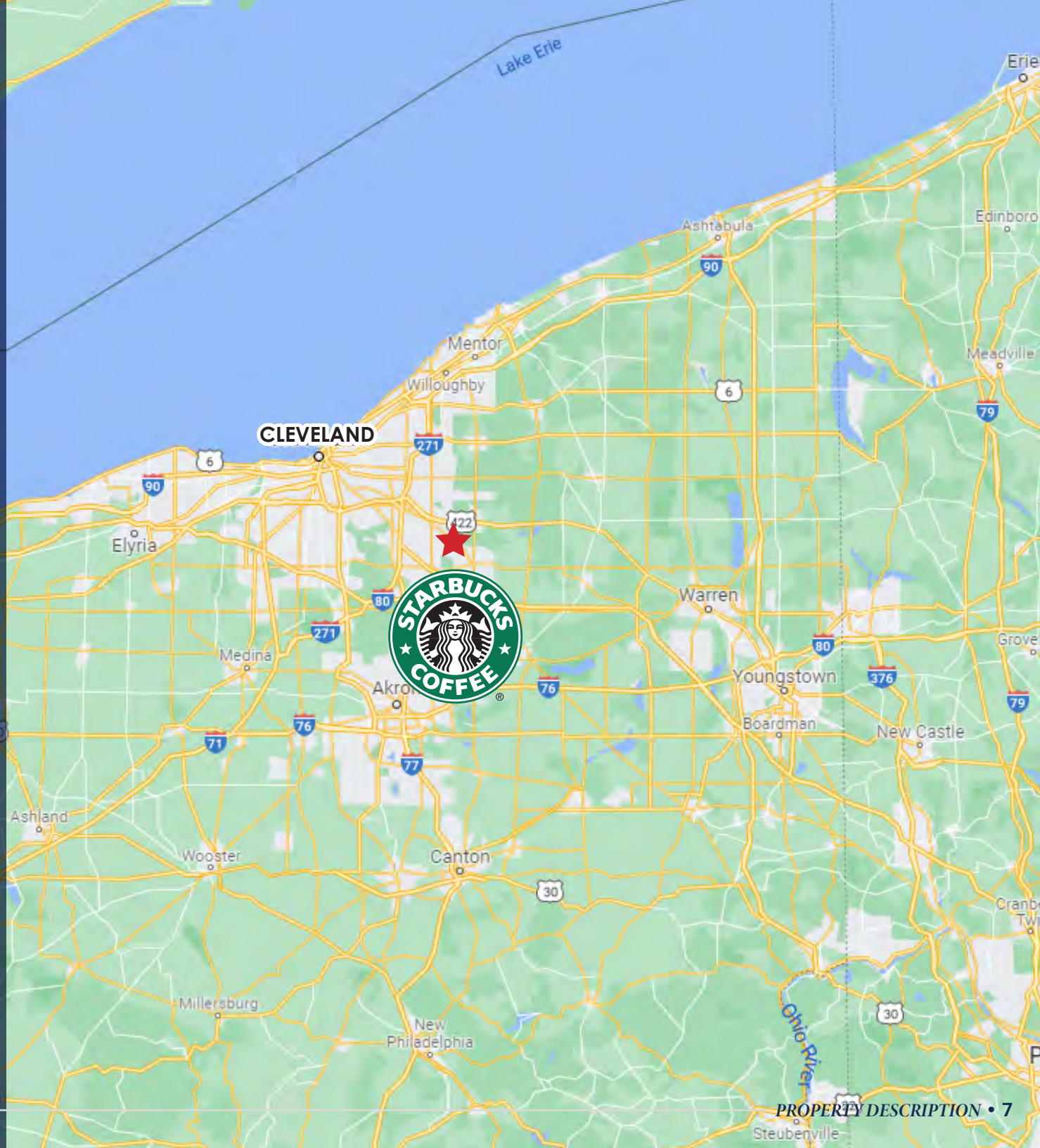
Within a 5-mile radius, the average household income is \$143,115

15K^{VPD}

An average of 15,000 vehicles per day drive by Aurora Road

68K

Within a 5-mile radius, the population density is 68,138





DISCOUNT
TIRE



premier
bank



KOHLS

NEW PAD SITE
COMING SOON!



KAY
JEWELERS

McDonalds

Sheely's



AURORA RD - 15,000 VPD



AFFLUENT MARKET WITH AHHI OF \$151,119 WITHIN A THREE-MILE RADIUS

SIGNATURE OF SOLON
151 residential units, gated country club community



Walmart
Save money. Live better.

Marshalls
BIG LOTS **five BELOW**

HomeGoods

KOHL'S

premier bank

Bob Evans
RESTAURANT



**NEW PAD SITE
COMING SOON!**

KAY
JEWELERS

McDonalds

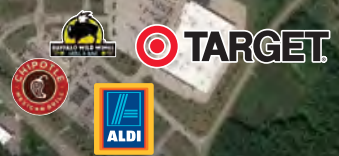
AURORA RD - 15,000 VPD

AURORA RD - 12,552 VPD

SIGNATURE OF SOLON
151 residential units, gated country club community



Sheely's



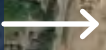
Marketplace at Four Corners



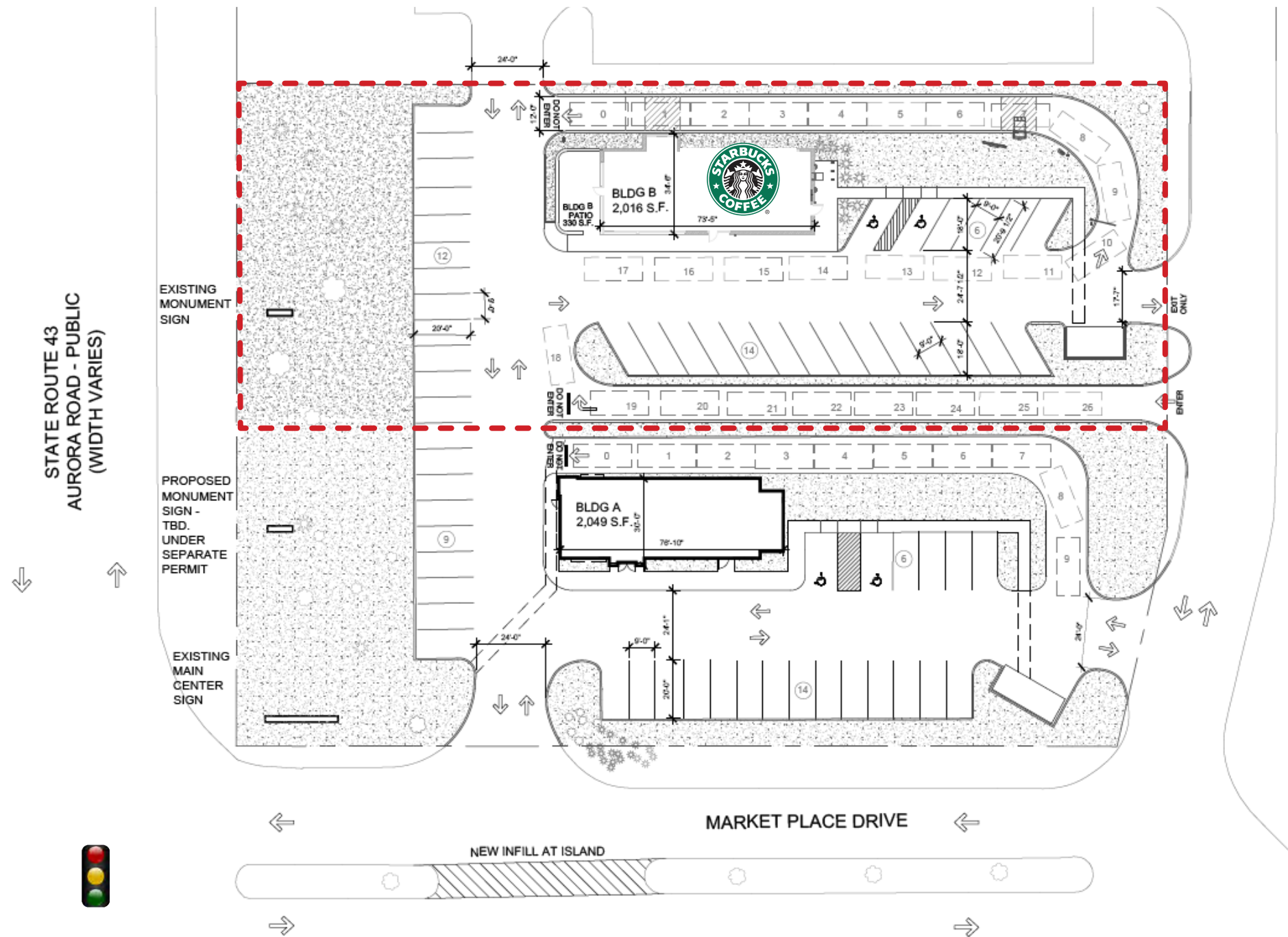
Various Neighborhood Retail

Aurora Fire Station

RENAISSANCE PARK AT GEauga LAKE
308 residential units, 20 acres of commercial and retail area and 98 acres of park land



SITE PLAN



LEASE ABSTRACT

Legal Tenant Name	Starbucks Corporation
Notification Period to Exercise Options	180 Days
Landlord Obligations	Landlord shall maintain, repair, and make replacements to the Premises, the Building, and the Shopping Center (including the Common Areas). Landlord shall, at its sole cost and expense, make the repairs and replacements and perform such work that is necessary to maintain the Building and the Shopping Center in a condition comparable to other first-class buildings and shopping centers in the Aurora, Ohio metropolitan area. Such repairs, replacements, and maintenance shall include, without limitation: (a) the upkeep of the roof, roof membrane, and roof systems (gutters, downspouts, and the like), foundation, exterior walls, interior structural walls, and all structural components of the Premises, the Building, and the Shopping Center; and (b) the maintenance and repair of all parking areas, sidewalks, landscaping and drainage systems on the Property, and all utility systems (including mechanical, electrical, and HVAC systems) and plumbing systems which serve the Building and/or the Shopping Center as a whole and not a particular tenant's premises.
Tenant Obligations	Tenant, at Tenant's expense, shall keep the Premises in good order and repair, including maintaining and regularly servicing all plumbing, HVAC, electrical, and lighting facilities and equipment within the Premises and exclusively serving the Premises, and the store front, doors, and plate glass of the Premises.
Taxes	If Landlord sells or transfers the Property, or if a change of ownership occurs with respect to the Property, and as a direct result of such transfer, the Real Property Taxes increase with respect to the Property, Tenant shall not be obligated to pay any portion of such increase becoming due with respect to more than one such sale or transfer during the Initial Term. The foregoing shall not be construed to exclude from Real Property Taxes reassessments which reflect naturally occurring market variations (including those after a sale that are not a direct result of such sale).
CAM	"Operating Expenses" shall mean the reasonable and necessary out-of-pocket costs and expenses actually paid in any calendar year directly attributable to maintaining, operating, and providing services to and for the Common Areas without duplication, including the costs of utilities, maintenance, supplies, and wages. Operating Expenses shall not include administrative/management fees over 10%, or any duplicate expenses or costs. Landlord's calculation of administrative and/or management fees shall not be based on any charges related to Common Area utility costs, Landlord's Insurance, and/or Real Property Taxes.
CAM Cap	The portion of Tenant's Annual Additional Rent attributable to "Controllable Operating Expenses" (which shall mean the Operating Expenses exclusive of utilities and ice and snow removal costs) for any calendar year following the first full calendar year of the Term shall not exceed one hundred five percent (105%), on a non-cumulative basis, of the portion of Tenant's Annual Additional Rent attributable to Controllable Operating Expenses payable by Tenant for the previous calendar year.
CAM PRS	Tenant's Pro Rata Share shall be the ratio of the Gross Leasable Area of the Premises to the Gross Leasable Area in the combined property consisting of the Property and the adjacent parcel ("Adjacent Property"). Tenant's Pro Rata Share is estimated to be 49.6%. Landlord represents that as of the date hereof, the combined property consisting of the Property and the Adjacent Property contains four thousand sixty-five (4,065) square feet of Gross Leasable Area. If the number of square feet of Gross Leasable Area in the Shopping Center increases during the Term, then Tenant's Pro Rata Share shall be adjusted accordingly. In no event shall Tenant's Pro Rata Share increase.
Assignment & Subletting	Tenant may sublet all or any portion of the Premises or assign this Lease without Landlord's consent. For the purpose of this Lease, any sale or transfer of Tenant's capital stock, redemption, or issuance of additional stock of any class shall not be deemed an assignment, sublet, or any other transfer of Tenant's interest in this Lease or the Premises. Landlord shall not be entitled to any consideration in connection with any assignment or sublease. Tenant shall provide written notice of any assignment or subletting to Landlord. Unless released in writing, Tenant shall be liable for performance of all covenants under this Lease following any assignment or sublease; provided, however, that Tenant's obligations may not be enlarged or extended by any act or agreement of any assignee or subtenant. Tenant's liability under this Lease for any particular default by an assignee or subtenant shall be void if Landlord fails contemporaneously to provide Tenant with a copy of any default notice that Landlord sends to the assignee or subtenant.
Go Dark	In the event that Tenant does not operate at the premises for a period of one hundred eighty (180) consecutive days, then Landlord may recapture the Premises and terminate the Lease upon 30 days' prior written notice to Tenant unless Tenant resumes operation in the Premises prior to the expiration of such 30-day notice period, in which case, Landlord's recapture and termination notice shall be null and void.
Exclusive	Landlord shall not use or allow any other person or entity (except Tenant) to use any portion of the Property for the sale of (a) whole or ground coffee beans; (b) espresso, espresso-based drinks, or coffee-based drinks; (c) tea or tea-based drinks; (d) brewed coffee; or (e) blended beverages (excluding milkshakes) (collectively, the "Exclusive Items").
Prohibited Uses	Tenant may not use and occupy Premises for a restaurant primarily for the sale of "Mexican" style foods; including, but not limited to, burritos, Mexican style wraps, taco salads, nachos, fajitas and/or tacos. Premises cannot be used for any purpose that violates existing tenant exclusives within the shopping center.

REA

Prohibited Uses	No Building on the outparcels shall be used typical noxious uses, health spa or a discount department store.
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DEMOGRAPHIC SUMMARY

POPULATION	1 MILE	3 MILES	5 MILES
2026 Projection	2,394	26,907	68,605
2021 Estimate	2,389	26,615	68,138
2010 Census	2,373	26,363	67,690
2000 Census	2,426	20,948	60,517
Current Daytime Population	1,414	15,831	66,213

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
<u>Population By Age</u>			
2021 Estimate Total Population	2,389	26,615	68,138
Under 20	22.36%	24.31%	23.72%
20 to 34 Years	16.16%	13.65%	13.47%
35 to 39 Years	6.01%	5.40%	5.19%
40 to 49 Years	13.00%	14.02%	13.34%
50 to 64 Years	21.91%	23.97%	23.86%
Age 65+	20.56%	18.66%	20.41%
Median Age	44.59	45.22	46.15
<u>Population 25+ by Education Level</u>			
2021 Estimate Population Age 25+	1,732	18,868	48,645
Elementary (0-8)	2.21%	0.79%	0.75%
Some High School (9-11)	9.48%	3.22%	2.92%
High School Graduate (12)	32.68%	19.27%	19.35%
Some College (13-15)	17.60%	14.92%	16.34%
Associate Degree Only	7.16%	8.31%	7.46%
Bachelors Degree Only	17.23%	30.41%	31.10%
Graduate Degree	13.32%	22.89%	21.82%

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2026 Projection	937	10,125	26,663
2021 Estimate	926	9,959	26,322
2010 Census	915	9,775	25,985
2000 Census	865	7,502	22,435

INCOME	1 MILE	3 MILES	5 MILES
<u>2021 Housing Income</u>			
\$150,000 or More	13.74%	31.21%	28.50%
\$100,000 - \$149,000	14.39%	21.25%	21.76%
\$75,000 - \$99,999	16.44%	14.26%	14.48%
\$50,000 - \$74,999	19.48%	13.52%	14.12%
\$35,000 - \$49,999	12.21%	6.94%	7.49%
Under \$35,000	23.76%	12.80%	13.63%
Average Household Income	\$93,246	\$151,119	\$143,115
Median Household Income	\$68,703	\$104,947	\$100,495
Per Capita Income	\$36,790	\$56,640	\$55,358

CLEVELAND OVERVIEW

The Cleveland metro is situated in the northeastern corner of Ohio, west of the Pennsylvania state border, and extends 100 miles along the Lake Erie shore and more than 40 miles inland. It is composed of Cuyahoga, Geauga, Lake, Lorain and Medina counties and contains nearly 2.1 million residents, approximately a fifth of the Ohio population. The eastern part of the region lies on the Appalachian Plateau, while the western portion sits upon the Lake Plain, hemming the area in to development. Economic growth and development are diversifying the region's industries to include medical and technology as well as various corporate headquarters. Telecommunications are also a growing sector, attracting additional tech companies.

METRO HIGHLIGHTS



EXCELLENT INFRASTRUCTURE

Cleveland's transportation facilities strengthen its position as a leading center of business, generating access to other large metros nationwide.



DIVERSIFYING ECONOMY

Education and health services is the largest employment sector; manufacturing also is prominent.



REVITALIZING DOWNTOWN

Cleveland's downtown is experiencing a metropolitan rebirth as revitalized buildings attract new businesses, residents and visitors.



THE CLEVELAND ECONOMY

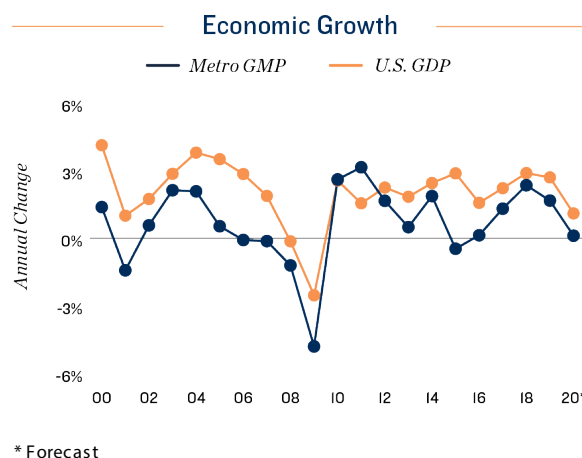
Historically a durable-goods manufacturing area, the metro has recently taken great strides toward boosting its medical and biotech sectors.

Cleveland is recognized as a global leader in healthcare and medical services. The world-renowned Cleveland Clinic is one of the area's largest employers.

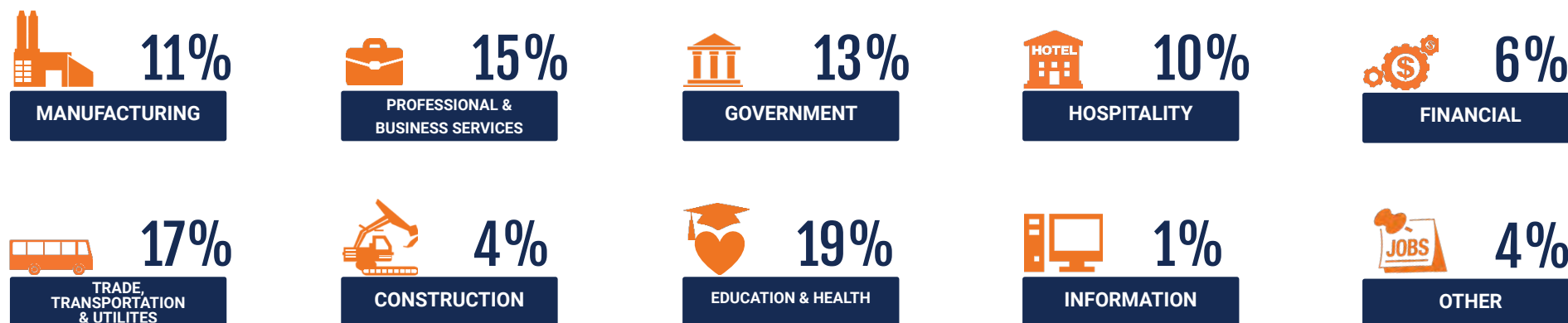
Fortune 500 firms located in Cleveland include Parker-Hannifin, Sherwin-Williams, Progressive, Keycorp, and TravelCenters of America.

Insurance is also a leading industry locally, partly because of the presence of Progressive.

MAJOR AREA EMPLOYERS
Progressive Corp.
Cleveland Clinic
University Hospitals
Sherwin-Williams Co.
MetroHealth System
KeyCorp
Case Western Reserve University
Parker Hannifin Corp.
Swagelok Co.
Lincoln Electric.



SHARE OF 2019 TOTAL EMPLOYMENT



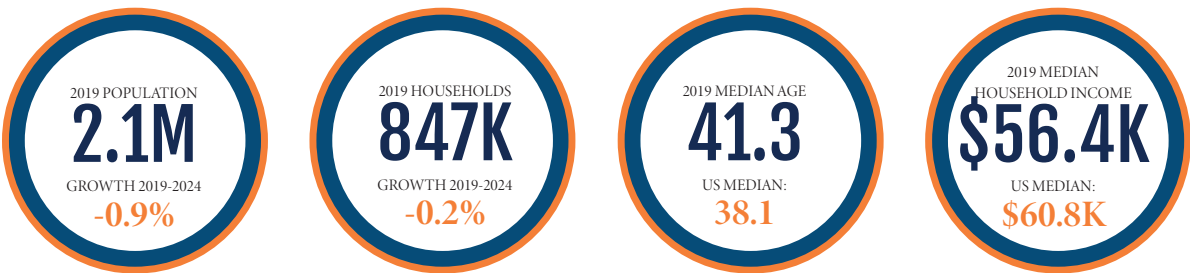
CLEVELAND DEMOGRAPHICS

The metro's population and number of households has been contracting in recent years, a trend that will continue over the next five years.

Relatively affordable home prices have produced a homeownership rate of 58 percent, slightly above the national rate of 57 percent.

Roughly 30 percent of residents age 25 and older have received a bachelor's degree; of those residents, 12 percent also have obtained a graduate or professional degree.

2019 POPULATION BY AGE



QUALITY OF LIFE

Cleveland's downtown district continues to undergo economic revitalization as buildings such as the medical mart and convention center and major renovations reshape the city's historical centers. Cultural opportunities include the Rock and Roll Hall of Fame and the Theater District in downtown Cleveland where Playhouse Square is located. The facility has four theaters that house Opera Cleveland and stage Broadway musicals. Cedar Point Amusement Park is a short drive away. Only one park in the world has more roller coasters than Cedar Point. Cleveland is home to several highly ranked institutions of higher learning, including Case Western Reserve University, Cleveland State University and John Carroll University in University Heights.

* Forecast
Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

SPORTS



EDUCATION



ARTS & ENTERTAINMENT



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Marcus & Millichap

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