

OFFERING MEMORANDUM

Brand New Construction Starbucks | 10 Year Lease | 10% Increases



REPRESENTATIVE PHOTO

 2108 NORTH AVE, SHEBOYGAN, WI 53083

Marcus & Millichap



INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present for sale this Starbucks Coffee located at 2108 North Avenue in Sheboygan, Wisconsin. Sheboygan is a city in and the county seat of Sheboygan County with a population of more than 49,000 people. Sheboygan is the principal city of the Sheboygan Metropolitan Statistical Area with a growing population of 118,034. Located on the western shore of Lake Michigan at the mouth of the Sheboygan River, this city is 50 miles north of Milwaukee and 64 miles south of Green Bay. Sheboygan's growth is attributed to a range of new and existing housing options including waterfront condominiums and affordable single-family houses. Sheboygan was voted by Money Magazine as the "Most Livable" city six years in a row and is known for a family-friendly lifestyle, great schools, varied employment opportunities and an assortment of quality of life amenities. It has also been voted "Best Retirement Community" based on recreation, cost of living and safety. Sheboygan is also a notable surfing destination and has been called "The Malibu of the Midwest" and is considered to be one of the best places to surf in the Great Lakes Region.

This brand-new construction Starbucks with Drive Thru is located at a signalized intersection and shares ingress and egress with an Advance Auto and Cousins Subs with traffic counts exceeding 24,400 vehicles per day. Retailers in the immediate area include Walgreens, McDonald's, Kwik Trip, Subway, O'Reilly Auto Parts and Dollar Tree to name a few.

Several apartment complexes are located in close vicinity to this Starbucks including Mendocino Village and Estates with 178 units, Meadowlark Estates with 55 units, Valley View Apartments with 25 units and Balzer Wagon Works Apartments and the Estates Apartment Complex.

Schools located nearby this Starbucks include Howards Grove Public School District with 906 students and Cooper Elementary with 305 students. The University of Wisconsin-Green Bay Sheboygan Campus is located here with 8,700 enrolled students and Lakeshore Technical College with over 10,000 enrolled students. Hospitals in the area include Aurora Sheboygan Memorial Medical Center with 185 beds and St. Nicholas Hospital also with 185 beds.

Starbucks is an American multinational chain of coffeehouses and roastery reserves located in Seattle, Washington. It is the world's largest coffeehouse chain. As of November 2021, the company had 33,833 stores in 80 countries and 15,444 are located in the United States. Starbucks employs over 349,000 people. In 2021 Starbucks' new revenue reached 24.61 Billion U.S. Dollars.

INVESTMENT HIGHLIGHTS

- Brand New Construction Starbucks with Drive Thru
- 10 Year Corporate Guaranteed Lease 10% Increases Every 5 Years
- S&P BBB+ Rating | Nasdaq (SBUX)
- Situated at a Signalized Intersection with Traffic Counts Exceeding 24,400 Vehicles per Day
- Sheboygan Voted "Most Livable" City 6 Years in a Row by Money Magazine For Family-Friendly Lifestyle, Great Schools & Varied Employment Opportunities
- Sheboygan is Known as The "Malibu of the Midwest" Known for Freshwater Surfing and Excellent Fishing and Outdoor Activities
- Numerous Apartment Complexes Nearby Including Mendocino Village & Estates (178 Units), Meadowlark Estates (55 Units), Valley View Apartments (25 Units)
- University of Wisconsin-Green Bay-Sheboygan Campus Nearby With 8,700 Students and Lakeshore Technical College with 10,000 Enrolled Students
- Starbucks Corporation Had 33,833 Stores in 80 Countries as of 2021 With Starbucks' Net Revenue Reaching 24.61 Billion U.S. Dollars in 2021 Reflecting an Increase Over the Previous Year's Total of 19.61 Billion Dollars

THE OFFERING



Starbucks
2108 North Avenue
Sheboygan, Wisconsin 53083



PROPERTY DETAILS

Lot Size	33,041 SF (.76 Acre)
Rentable Square Feet	2,016 SF
Price/SF	\$1,279.24
Year Built/Renovated	2022

FINANCIAL OVERVIEW

List Price	\$2,578,947
Down Payment	100% / \$2,578,947
Cap Rate	4.75%
Type of Ownership	Fee Simple

PROPERTY RENT DATA

RENT INCREASES	MONTHLY RENT	ANNUAL RENT
05/12/2022 - 05/11/2027 (Current)	\$10,208	\$122,500
05/12/2027 - 05/11/2032	\$11,229	\$134,750
05/12/2032 - 05/11/2037 (Option 1)	\$12,352	\$148,225
05/12/2037 - 05/11/2042 (Option 2)	\$13,587	\$163,048
05/12/2042 - 05/11/2047 (Option 3)	\$14,946	\$179,352
05/12/2047 - 05/11/2052 (Option 4)	\$16,024	\$192,287

Base Rent (\$60.76 / SF) **\$122,500**

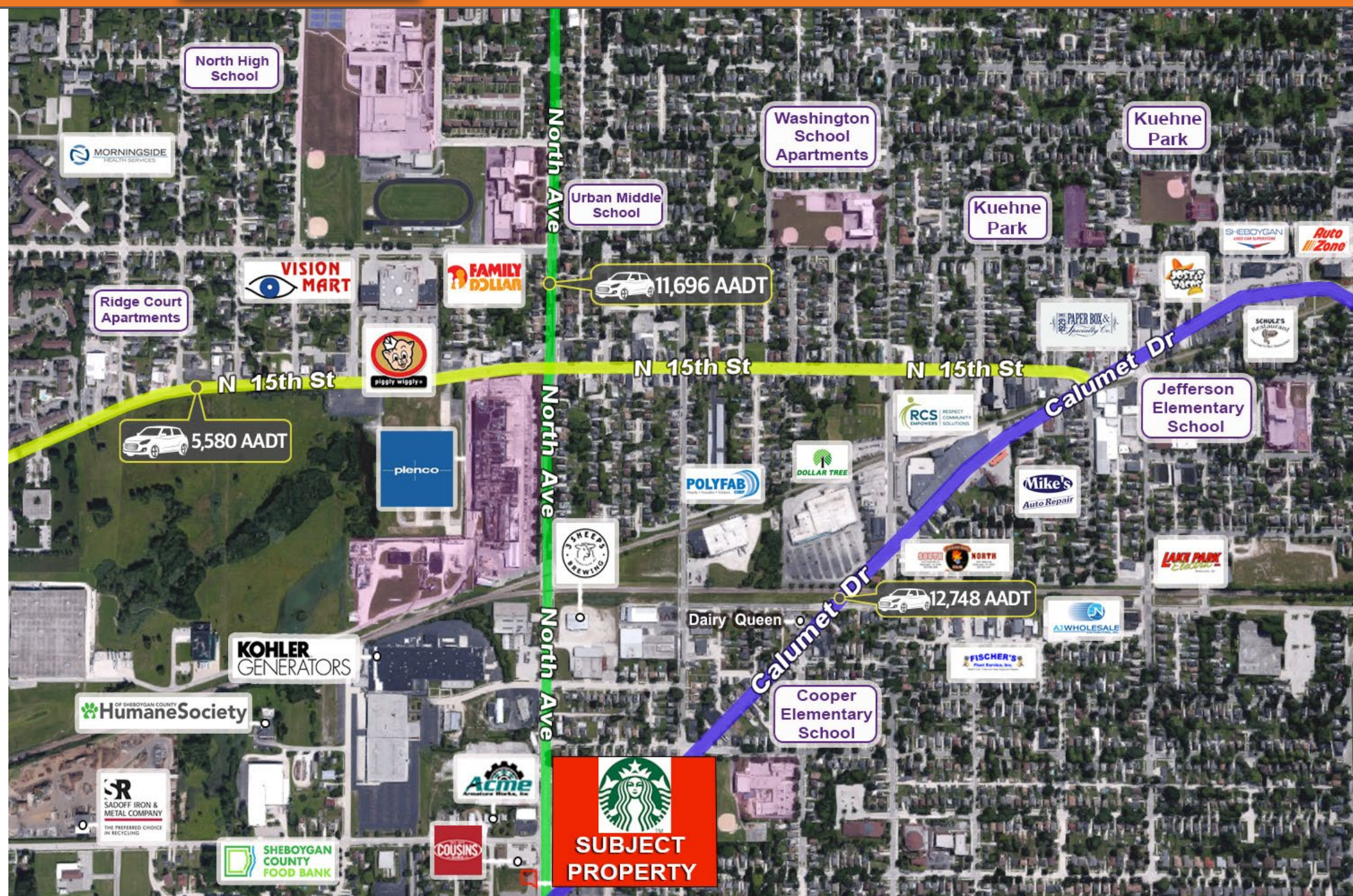
Net Operating Income **\$122,500.00**

TOTAL ANNUAL RETURN CAP 4.75% \$122,500

LEASE ABSTRACT

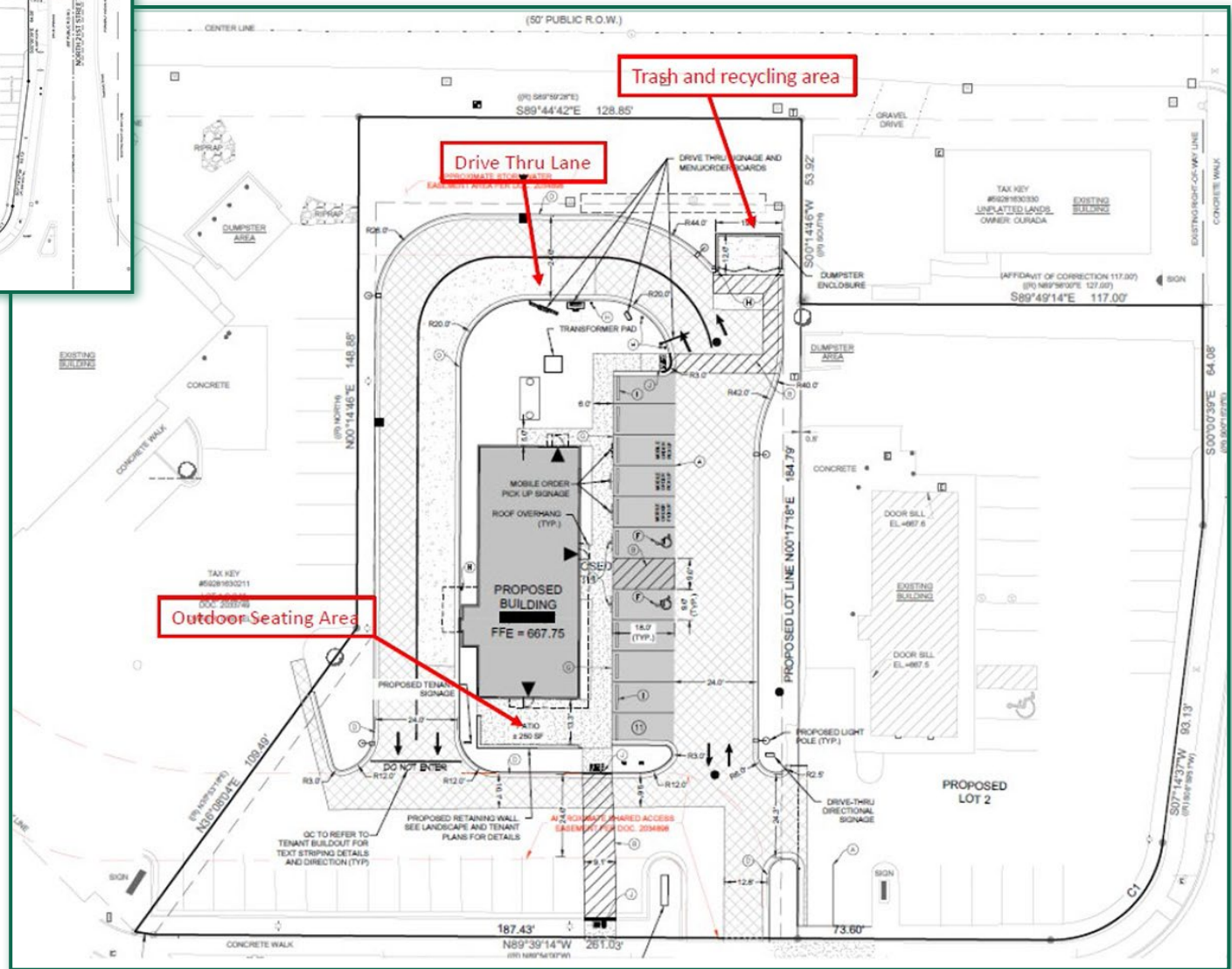
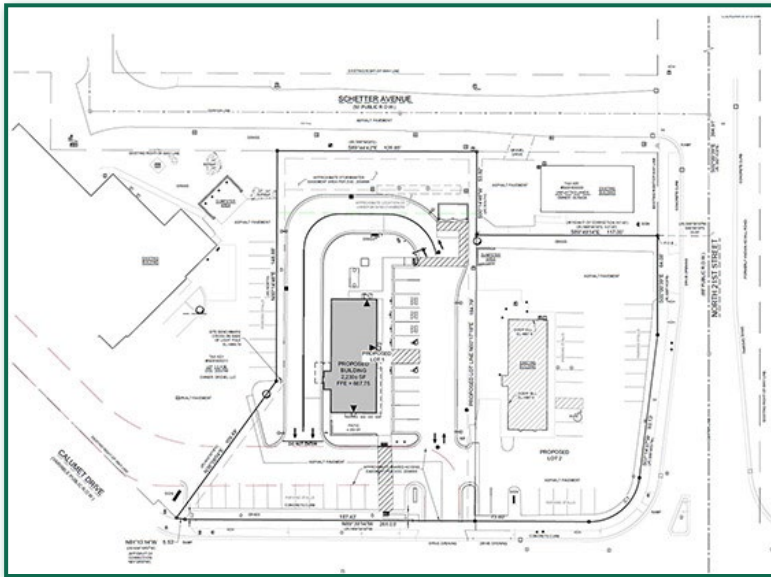
Tenant Trade Name	Starbucks
Tenant	Corporate
Ownership	Public
Guarantor	Corporate Guarantee
Lease Type	NN
Lease Term	10 Years
Lease Commencement Date	05/12/2022
Rent Commencement Date	05/12/2022
Expiration Date of Base Term	05/11/2032
Increases	10% every 5 Years of Lease Term and Option Periods
Options	Four 5-Year Options
Term Remaining on Lease	10 Years
Property Type	Net Leased Restaurant
Landlord Responsibility	Roof, Structure and Parking Lot Repaving
Tenant Responsibility	All Other Items
Right of First Refusal	Yes















ABOUT



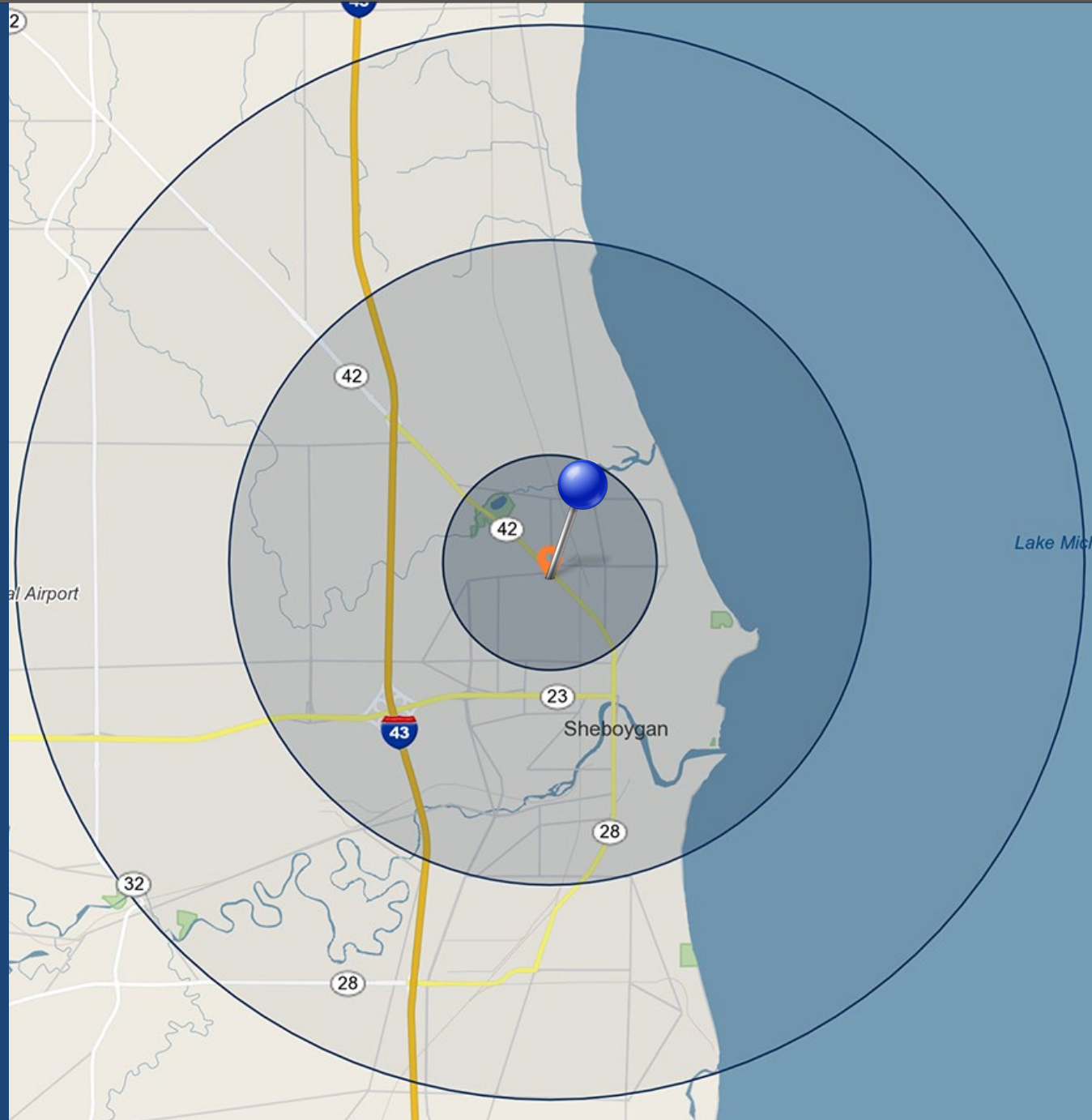
Starbucks is an American coffee company. Starbucks operates over 32,660 locations in 83 countries, including 16,637 company operated stores and 16,023 licensed stores. Starbucks offers some of the finest coffees in the world, grown, prepared and served by the finest people. For each cup of coffee, Starbucks purchases and roasts high-quality whole bean coffees. Starbucks' coffee buyers personally travel to coffee farms in Latin America, Africa and Asia to select high quality beans. And the master roasters bring out the balance and rich flavor of the beans through the signature Starbucks Roast. Other companies under the Starbucks brand are Seattle's Best Coffee, Teavana, Tazo, Evolution Fresh, La Boulange, Ethos Water and Torrefazione Italia Coffee.

Name	Starbucks Coffee
Ownership	Public
NYSE	SBUX
Sales Volume	\$20B+ (2020)
S&P	BBB+
HQ	Seattle, Washington
Number of Locations	32,000+ (2020)
Web Site	www.starbucks.com



POPULATION	1 Mile	3 Miles	5 Miles
2026 Projection			
Total Population	11,919	43,752	62,340
2021 Estimate			
Total Population	11,920	43,718	62,336
2010 Census			
Total Population	11,954	43,467	61,997
2000 Census			
Total Population	12,000	43,632	62,087
Daytime Population			
2021 Estimate	10,754	47,385	72,478
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2026 Projection			
Total Households	4,974	18,353	26,322
2021 Estimate			
Total Households	4,954	18,222	26,128
Average (Mean) Household Size	2.4	2.4	2.4
2010 Census			
Total Households	4,882	17,843	25,594
2000 Census			
Total Households	4,952	17,555	25,079
HOUSING UNITS	1 Mile	3 Miles	5 Miles
Occupied Units			
2026 Projection	5,407	20,323	28,874
2021 Estimate	5,363	20,085	28,544

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2021 Estimate			
\$200,000 or More	2.6%	2.8%	2.8%
\$150,000-\$199,999	2.0%	3.4%	3.9%
\$100,000-\$149,999	12.4%	12.8%	13.9%
\$75,000-\$99,999	18.1%	16.1%	16.3%
\$50,000-\$74,999	23.6%	21.2%	21.2%
\$35,000-\$49,999	14.6%	14.2%	14.1%
\$25,000-\$34,999	10.8%	10.7%	10.2%
\$15,000-\$24,999	8.3%	9.6%	9.7%
Under \$15,000	7.5%	9.1%	7.9%
Average Household Income	\$71,553	\$72,543	\$74,372
Median Household Income	\$58,851	\$57,212	\$59,610
Per Capita Income	\$29,836	\$30,417	\$31,360



GEOGRAPHY: 5 MILE



POPULATION

In 2021, the population in your selected geography is 62,336. The population has changed by 0.4 percent since 2000. It is estimated that the population in your area will be 62,340 five years from now, which represents a change of 0.0 percent from the current year. The current population is 49.7 percent male and 50.3 percent female. The median age of the population in your area is 39.3, compared with the U.S. average, which is 38.4. The population density in your area is 792 people per square mile.



HOUSEHOLDS

There are currently 26,128 households in your selected geography. The number of households has changed by 4.2 percent since 2000. It is estimated that the number of households in your area will be 26,322 five years from now, which represents a change of 0.7 percent from the current year. The average household size in your area is 2.3 people.



INCOME

In 2021, the median household income for your selected geography is \$59,610, compared with the U.S. average, which is currently \$65,694. The median household income for your area has changed by 40.1 percent since 2000. It is estimated that the median household income in your area will be \$62,001 five years from now, which represents a change of 4.0 percent from the current year.

The current year per capita income in your area is \$31,360, compared with the U.S. average, which is \$36,445. The current year's average household income in your area is \$74,372, compared with the U.S. average, which is \$94,822.



EMPLOYMENT

In 2021, 31,364 people in your selected area were employed. The 2000 Census revealed that 48.9 percent of employees are in white-collar occupations in this geography, and 51.1 percent are in blue-collar occupations. In 2021, unemployment in this area was 5.0 percent. In 2000, the average time traveled to work was 13.3 minutes.



HOUSING

The median housing value in your area was \$150,271 in 2021, compared with the U.S. median of \$227,827. In 2000, there were 16,403 owner-occupied housing units and 8,676 renter-occupied housing units in your area. The median rent at the time was \$414.



EDUCATION

The selected area in 2021 had a higher level of educational attainment when compared with the U.S. averages. Only 7.2 percent of the selected area's residents had earned a graduate degree compared with the national average of 12.0 percent, and 16.6 percent completed a bachelor's degree, compared with the national average of 19.5 percent.

The number of area residents with an associate degree was higher than the nation's at 9.7 percent vs. 8.3 percent, respectively.

The area had more high-school graduates, 36.9 percent vs. 27.2 percent for the nation. The percentage of residents who completed some college is also higher than the average for the nation, at 21.3 percent in the selected area compared with the 20.5 percent in the U.S.

CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap Real Estate Investment Services. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

NON-ENDORSEMENT NOTICE

Marcus & Millichap Real Estate Investment Services, Inc. ("M&M") is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of M&M, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of M&M, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

NET LEASE DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property. By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

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SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)

DISCLOSURE TO NON-RESIDENTIAL CUSTOMERS

1 Prior to negotiating on your behalf the brokerage firm, or an agent associated with the firm, must provide you the
2 following disclosure statement:

3 **DISCLOSURE TO CUSTOMERS** You are a customer of the brokerage firm (hereinafter Firm). The Firm is either an agent
4 of another party in the transaction or a subagent of another firm that is the agent of another party in the transaction. A
5 broker or a salesperson acting on behalf of the Firm may provide brokerage services to you. Whenever the Firm is
6 providing brokerage services to you, the Firm and its brokers and salespersons (hereinafter Agents) owe you, the
7 customer, the following duties:

- 8 (a) The duty to provide brokerage services to you fairly and honestly.
- 9 (b) The duty to exercise reasonable skill and care in providing brokerage services to you.
- 10 (c) The duty to provide you with accurate information about market conditions within a reasonable time if you request
11 it, unless disclosure of the information is prohibited by law.
- 12 (d) The duty to disclose to you in writing certain Material Adverse Facts about a property, unless disclosure of the
13 information is prohibited by law (see lines 42-51).
- 14 (e) The duty to protect your confidentiality. Unless the law requires it, the Firm and its Agents will not disclose your
15 confidential information or the confidential information of other parties (see lines 23-41).
- 16 (f) The duty to safeguard trust funds and other property held by the Firm or its Agents.
- 17 (g) The duty, when negotiating, to present contract proposals in an objective and unbiased manner and disclose the
18 advantages and disadvantages of the proposals.

19 Please review this information carefully. An Agent of the Firm can answer your questions about brokerage services,
20 but if you need legal advice, tax advice, or a professional home inspection, contact an attorney, tax advisor, or home
21 inspector. This disclosure is required by section 452.135 of the Wisconsin statutes and is for information only. It is a
22 plain-language summary of the duties owed to a customer under section 452.133(1) of the Wisconsin statutes.

23 **CONFIDENTIALITY NOTICE TO CUSTOMERS** The Firm and its Agents will keep confidential any information given to the
24 Firm or its Agents in confidence, or any information obtained by the Firm and its Agents that a reasonable person
25 would want to be kept confidential, unless the information must be disclosed by law or you authorize the Firm to
26 disclose particular information. The Firm and its Agents shall continue to keep the information confidential after the
27 Firm is no longer providing brokerage services to you.

28 The following information is required to be disclosed by law:
29 1. Material Adverse Facts, as defined in Wis. Stat. § 452.01(5g) (see lines 42-51).
30 2. Any facts known by the Firm or its Agents that contradict any information included in a written inspection
31 report on the property or real estate that is the subject of the transaction.
32 To ensure that the Firm and its Agents are aware of what specific information you consider confidential, you may
33 list that information below (see lines 35-41) or provide that information to the Firm or its Agents by other means. At a
34 later time, you may also provide the Firm or its Agents with other Information you consider to be confidential.

35 **CONFIDENTIAL INFORMATION:** _____
36 _____
37 _____

38 **NON-CONFIDENTIAL INFORMATION** (the following information may be disclosed by the Firm and its Agents): _____
39 _____
40 _____

41 _____ (Insert information you authorize to be disclosed, such as financial qualification information.)

42 **DEFINITION OF MATERIAL ADVERSE FACTS**

43 A "Material Adverse Fact" is defined in Wis. Stat. § 452.01(5g) as an Adverse Fact that a party indicates is of such
44 significance, or that is generally recognized by a competent licensee as being of such significance to a reasonable
45 party, that it affects or would affect the party's decision to enter into a contract or agreement concerning a transaction
46 or affects or would affect the party's decision about the terms of such a contract or agreement.

47 An "Adverse Fact" is defined in Wis. Stat. § 452.01(1e) as a condition or occurrence that a competent licensee
48 generally recognizes will significantly and adversely affect the value of the property, significantly reduce the structural
49 integrity of improvements to real estate, or present a significant health risk to occupants of the property; or information
50 that indicates that a party to a transaction is not able to or does not intend to meet his or her obligations under a
51 contract or agreement made concerning the transaction.

52 **NOTICE ABOUT SEX OFFENDER REGISTRY** You may obtain information about the sex offender registry and persons
53 registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at
54 <http://www.doc.wi.gov> or by telephone at 608-240-5830.

No representation is made as to the legal validity of any provision or the adequacy of any provision in any specific transaction.
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Marcus & Millichap



ISSENBERG & BRITTI

The Retail Real Estate Investment Leader
Marcus & Millichap

EXCLUSIVELY LISTED

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