

SINGLE-TENANT INVESTMENT OPPORTUNITY



STARBUCKS

1500 GILLETTE ROAD
POMONA, CA 91768

OPENING IN
MAY 2022

OFFERING MEMORANDUM

BRAND-NEW 2022
DRIVE-THRU
L.A. LOCATION

NEW 10-YEAR
CORPORATE LEASE

CBRE

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If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

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CBRE

PROPERTY SUMMARY

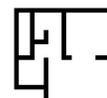
1500 GILLETTE ROAD, POMONA, CA 91768

 PURCHASE PRICE **\$4,665,000**

 CAP RATE
3.75%

 NOI
\$175,000

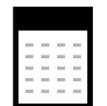
 LAND AREA
±22,048 SQ. FT.

 BUILDING SIZE
±1,000 SQ. FT.

 PARKING
10 SPACES

 YEAR BUILT
2022

 APN
8360-012-015

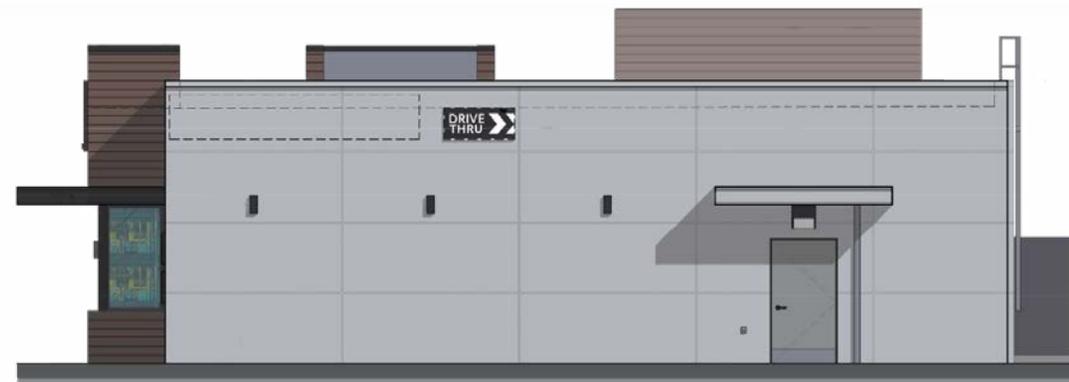
 ZONING
POC4*

 TRAFFIC COUNTS
16,200 CPD (@ Intersection)
240,000 CPD (10 fwy)

PROPOSED DESIGNS



EAST EXTERIOR ELEVATION



WEST EXTERIOR ELEVATION



SOUTH EXTERIOR ELEVATION

NORTH EXTERIOR ELEVATION

SITE PLAN



16,200 CARS/DAY

GILLETTE RD

Denny's



DRIVE THRU

ARCO



LEMON TREE

NAP

FWY ON RAMP

FWY OFF RAMP



240,000 CARS/DAY

N DUDLEY ST

SAN BERNARDINO FWY

SAN BERNARDINO FWY



11 MILES TO
ONTARIO
AIRPORT

21 MILES TO
ANAHEIM

25 MILES TO
PASADENA

25 MILES
LOS ANGELES

ARROYO ELEMENTARY
SCHOOL

JOHN MARSHALL
MIDDLE SCHOOL

GANESHA HIGH
SCHOOL



FUTURE HOUSING
DEVELOPMENT



DUDLEY ST

240,000 CARS/DAY



GILLETTE RD



16,200 CARS/DAY

INVESTMENT HIGHLIGHTS

IDEAL 1031-EXCHANGE NET-LEASE INVESTMENT WITH CORPORATE GUARANTEE

Brand-New Construction Starbucks Drive-Thru with Long Term Lease – Brand-New 2022 Construction in High Barriers to Entry Pomona (Los Angeles County) Submarket with Desirable Drive-Thru and Walk-Up Services.

New 10 Year Corporate Guaranteed Lease – Corporate Guarantee from Starbucks, Inc. (S&P: “BBB+,” Moody’s: “Baa1,” and Fitch: “BBB” Credit Ratings) With 10 Years of Initial Term Remaining.

Minimal Landlord Responsibilities – The Tenant is Responsible for Most Expenses and Maintenance. Landlord Responsibilities of Roof and Structure will be Mitigated by 2022 Construction.

DESIRABLE REAL ESTATE LOCATION IN DENSE SOUTHERN CALIFORNIA

Exceptional Transit Location Immediately Adjacent to I-10 Freeway – The Subject Property is Less than 0.1 Miles from the I-10 San Bernardino Freeway (240,000 CPD) Offramp and Less than 0.2 Miles from the Freeway Onramp. The I-10 is a Major Freeway Running from the Pacific Ocean in Santa Monica, California to I-95 in Jacksonville, Florida. Additionally, Starbucks is Located on the Corner of Gillette Road and Dudley Street which Reports Traffic Counts of 16,200 CPD and Will Offer an Access Point Along Gillette Road.

Dense Southern California Demographics – Starbucks is Ideally Situated in the Heart of a Dense, Infill Trade Area Featuring Over 16,039 Residents and Average Household Incomes Exceeding \$80,942 within a 1-Mile Radius and Over 356,726 Residents and Average Household Incomes Exceeding \$102,962 within a 5-Mile Radius.

Commercial and Residential Proximity – Starbucks is Conveniently Located in the Heart of Both Residential and Commercial Density Enhancing Daytime and Evening Traffic, Every Day of the Week. Additionally, the Property is Ideally Situated Less than 1 Mile from Ganesha High School, John Marshall Middle School, Less than 0.4 Miles from Cortez Mathematics Magnet School, and Less than 2.3 Miles from Brackett Field Airport (Public Airport) and the Pomona Swap Meet and Classic Car Show.



LEASE ABSTRACT

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Starbucks - Pomona, CA

TERMS

Commencement: Est. May, 2022
Termination: Est. April, 2032
Lease Term: 10 years
Remaining Term: 10 years
Options: 4 x 5 year options

RENT

Current Rent: \$175,000/year \$14,583/month
Rent Increases: 10% Increases Every 5 Years

RENT SCHEDULE:

			% Increase
Years 1-5:	\$175,000/year	\$14,583/month	
Years 6-10:	\$192,500/year	\$16,042/month	10.00%
Option 1 (Years 11-15)	\$211,750/year	\$17,646/month	10.00%
Option 2 (Years 16-20)	\$232,925/year	\$19,410/month	10.00%
Option 3 (Years 21-25):	\$256,218/year	\$21,351/month	10.00%
Option 4 (Years 26-30):	\$281,839/year	\$23,487/month	10.00%

EXPENSES

Lease Structure: NN

Roof: Landlord

Structure: Landlord

HVAC: Tenant

CAM: Tenant

Parking: Tenant

Property Taxes: Tenant

Utilities: Tenant

Insurance: Tenant

LEASE INFO

Ownership: Fee Simple

Tenant: Starbucks

Guarantor: Corporate

PROPERTY

GLA: 1,000 Sq. Ft.

Lot Size: 22,048 Sq. Ft.

APN: 8360-012-015

Parking: 10 Spaces

Year Built: 2022



2.0 MILES TO L.A. FAIGROUNDS

**BRACKETT FIELD
AIRPORT**

**MEADOWS
COURSE**



VAL VISTA RD

18,200 CARS/DAY



DRIVE THRU



GILLETTE RD

DUDLEY ST



240,000 CARS/DAY

TENANT OVERVIEW



Starbucks Corporation, known as Starbucks Coffee, is an American global coffee company and coffee house chain based in Seattle, Washington. Starbucks is the largest coffee house company in the world, ahead of UK rival Costa Coffee, with 32,900 stores in 68 countries and territories, including 12,218 in the United States, and 1,716 in China, 1,330 in Canada, 1,079 in Japan and 808 in the United Kingdom. Starbucks serves hot and cold beverages, whole-bean coffee, micro ground instant coffee, full-leaf teas, pastries and snacks. From Starbucks' founding in 1971 as a Seattle coffee bean roaster and retailer, the company has expanded rapidly. Between 1987 and 2007, Starbucks opened an average of two new stores every day. The company is widely regarded as the Gold Standard in the coffee industry in regards to innovation and consistency.

The first Starbucks was opened in Seattle, Washington, in March 1971 by three partners who met while they were students at the University of San Francisco. Originally, the company was to be called Pequod, after a whaling ship from Moby Dick, but this name was rejected by some of the co-founders. The company was instead named after the chief mate on the Pequod, Starbuck.

At the time of its initial public offering (IPO) on the stock market in June 1992, Starbucks had grown to 140 outlets, with revenue of US \$73.5 million, up from US \$1.3 million in 1987. In July 2013, over 10% of the in-store purchases were made on customers' mobile devices using the Starbucks app. The company once again utilized the mobile platform when it launched the "Tweet-a-Coffee" promotion in October 2013.

On November 14, 2012, Starbucks announced the purchase of Teavana for US\$620 million in cash and the deal was formally closed on December 31, 2012.

In August 2014, Starbucks opened their first store in Williamsburg, Brooklyn. This location will be one of 30 Starbucks stores that will serve beer and wine. In September 2014, it was revealed that Starbucks would acquire the remaining 60.5 percent stake in Starbuck Coffee Japan that it does not already own, at a price of \$913.5 million.



Type:	Publi (Nc ASDAQ SB: UX)	Total Employment:	350,000+
Industry:	Coffee Shop	Annual Revenue:	\$27.1 billion
Founded:	1971	Headquarters:	Seattle, WA
Number of Locations:	32,900+ (Worldwide)	Website:	www.starbucks.com



2018 WORLD'S
MOST ETHICAL
COMPANIES



AREA OVERVIEW

POMONA is the seventh largest city in Los Angeles County, with a population of over 151,000 residents. Pomona boasts a progressive economy, business opportunity, and a strong workforce with attractive shopping, recreational, and real estate offering. The city is well known as the home of the LA County Fairplex, that welcomes more than a million visitors every year to the County Fair, among many other cultural and learning events. It is also home to two prestigious universities – California Polytechnic University at Pomona (one of two polytechnic universities in the California state system) and Western University of Health Sciences (one of the largest graduate schools for health professions in California). Today, the city prides itself on its history, diversity, community partnerships and commitment to continuous improvement in services for all residents and businesses.

Top employers in the city are Pomona the Unified School District, Pomona Valley Hospital Medical Center, California State Polytechnic University, Pomona, Lanterman Developmental Center, City of Pomona, Casa Colina Rehabilitation Center, and County of Los Angeles Department.



Pomona Fun Facts



**7TH LARGEST
CITY**
IN LOS ANGELES



151,000+
RESIDENTS



**MEDITERRANEAN
CLIMATE**

with hot, dry summers and mild, damp winters
and a large amount of sunshine year-round



PRESTIGIOUS UNIVERSITIES

home to Ca Polytechnic University at Pomona and
Western University of Health Sciences



POMONA FAIRPLEX

which hosts the L.A. County Fair and the NHRA Auto Club
Raceway at Pomona, (formerly known as Pomona Raceway)
Powerade Winternationals Drag Racing competition.



FOOTHILL GOLD LINE

is an extension of the Metro Gold Line light rail system.
The project will add a new Gold Line station in Pomona.
Anticipated completion year: 2025





ONTARIO

CHINO

POMONA



240,000 CARS/DAY

FUTURE HOUSING DEVELOPMENT

DUDLEY ST

16,200 CARS/DAY

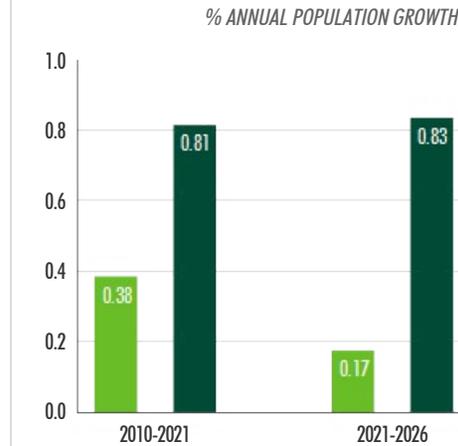
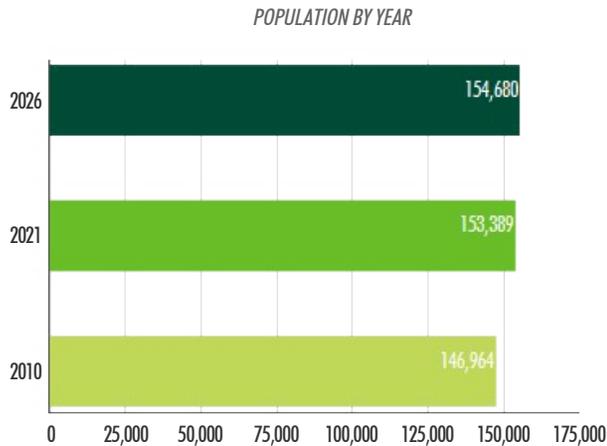
GILLETTE RD



AREA DEMOGRAPHIC SUMMARY

3 MILE RADIUS

POPULATION



INCOME

\$68,230

MEDIAN HOUSEHOLD INCOME

\$24,672

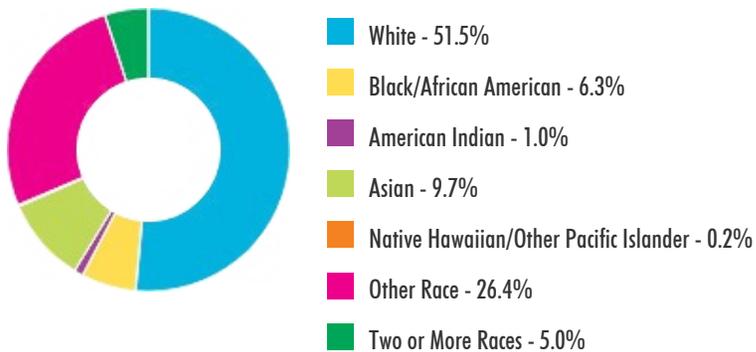
PER CAPITA INCOME

HOME OWNERSHIP

55.0%

OWNER-OCCUPIED UNITS

RACE & ETHNICITY



63.8% HISPANIC/LATINO POPULATION (ALL RACES)

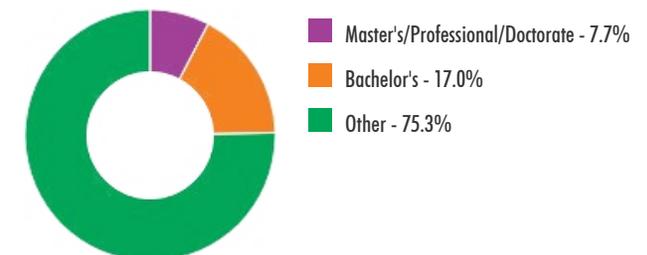
EMPLOYMENT

54,779 EMPLOYEES

4,904 BUSINESSES

11.9% RESIDENTIAL UNEMPLOYMENT RATE

EDUCATION



AREA DEMOGRAPHICS



Population

	1 Mile	3 Miles	5 Miles
2021 Population - Current Year Estimate	16,039	153,389	356,726
2026 Population - Five Year Projection	16,042	154,680	359,671
2010 Population - Census	15,886	146,964	344,565
2000 Population - Census	16,768	146,340	342,663
2010-2021 Annual Population Growth Rate	0.09%	0.38%	0.31%
2021-2026 Annual Population Growth Rate	0.00%	0.17%	0.16%



Household Income

	1 Mile	3 Miles	5 Miles
2021 Average Household Income	\$80,942	\$87,463	\$102,962
2026 Average Household Income	\$93,153	\$100,553	\$117,656
2021 Median Household Income	\$62,014	\$68,230	\$79,651
2026 Median Household Income	\$72,116	\$77,914	\$89,441
2021 Per Capita Income	\$20,246	\$24,672	\$30,344
2026 Per Capita Income	\$23,211	\$28,300	\$34,579



Households

	1 Mile	3 Miles	5 Miles
2021 Households - Current Year Estimate	3,990	42,971	104,630
2026 Households - Five Year Projection	3,976	43,253	105,266
2010 Households - Census	3,968	41,080	101,209
2000 Households - Census	4,217	40,657	99,777
2010-2021 Annual Household Growth Rate	0.05%	0.40%	0.30%
2021-2026 Annual Household Growth Rate	-0.07%	0.13%	0.12%
2021 Average Household Size	3.98	3.44	3.28



Education

	1 Mile	3 Miles	5 Miles
2021 Population 25 and Over	9,914	97,272	236,385
Less than 9th Grade	1,782	12,682	23,019
9-12th Grade - No Diploma	1,445	9,965	20,015
High School Diploma	2,007	19,977	43,803
GED or Alternative Credential	156	2,015	4,940
Some College - No Degree	2,216	21,314	50,948
Associate`s Degree	621	7,324	19,804
Bachelor`s Degree	1,227	16,528	47,529
Graduate or Professional Degree	460	7,467	26,327



Place of Work

	1 Mile	3 Miles	5 Miles
2021 Businesses	305	4,904	12,204
2021 Employees	3,616	54,779	120,627



Daytime Population

	1 Mile	3 Miles	5 Miles
2021 Daytime Population	13,754	147,231	343,739
Daytime Workers	4,078	56,684	140,539
Daytime Residents	9,676	90,547	203,200



Housing Units

	1 Mile	3 Miles	5 Miles
2015-2019 Housing Units	4,070	43,322	107,184
1 Unit -Detached	2,722	26,603	69,238
1 Unit -Attached	447	3,223	8,645
2 Units	51	806	1,708
3-4 Units	112	2,637	5,073
5-9 Units	129	1,836	4,414
10-19 Units	80	1,307	3,420
20-49 Units	350	1,749	2,972
50 and Over	122	2,838	5,542
Mobile Home	36	2,217	6,015
Other Units	23	106	158



CURRENTLY UNDER CONSTRUCTION



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POMONA, CA 91768

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