

# STARBUCKS

## NEW 10 YR LEASE @ USD CAMPUS

SEC EAST CHERRY STREET & NORTH PLUM STREET, VERMILLION, SOUTH DAKOTA



UNIVERSITY OF  
SOUTH DAKOTA



CONSTRUCTION PHOTO  
AS OF 5/18/2022

OFFERING MEMORANDUM

Marcus & Millichap





## 2 // Starbucks





the  
QUARTERS  
AT VERMILION

169 UNITS

THE  
HEIGHTS

72 UNITS



2021 ENROLLMENT: 9,500 STUDENTS

MCDONALD'S

BURGER  
KING



JIMMY  
JOHN'S  
verizon

DAIRY  
QUEEN

Casey's

FIRST  
DAKOTA  
The UPS Store

SUBWAY

TACO  
JOHN'S  
The Fresh Taste of West-Mex

Red Roof  
inn

10,900 CPD  
E CHERRY ST





# Executive Summary

SEC East Cherry Street & North Plum Street, Vermillion, SD 57069

## FINANCIAL SUMMARY

<b>Price</b>	<b>\$2,335,000</b>
Cap Rate	5.40%
Building Size	2,365 SF
Net Cash Flow	5.40% \$126,100
Year Built	2022
Lot Size	.70 Acres

## LEASE SUMMARY

Lease Type	Double-Net (NN) Lease
Tenant	Corporate
Roof & Structure	Landlord Responsible
Est. Lease Commencement Date	August 2022
Est. Lease Expiration Date	August 2032
Lease Term	10 Years
Rental Increases	7.5% Every 5 Years
Renewal Options	4, 5 Year Options
Right of First Refusal	None

## ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
1 - 5	\$126,100.00	5.40%
6 - 10	\$135,557.50	5.81%
Options	Annual Rent	Cap Rate
Option 1	\$145,724.31	6.24%
Option 2	\$156,653.64	6.71%
Option 3	\$168,402.66	7.21%
Option 4	\$181,032.86	7.75%

<b>Base Rent</b>	<b>\$126,100</b>
<b>Net Operating Income</b>	<b>\$126,100</b>
<b>Total Return</b>	<b>5.40% \$126,100</b>





DOWNTOWN  
VERMILLION



2021 ENROLLMENT: 9,500 STUDENTS

3,600 CPD  
N PLUM ST



BURGER  
KING

TACO  
JOHN'S  
The Fresh Taste of West-Mex

JIMMY  
JOHN'S  
verizon

HyVee  
EMPLOYEE OWNED  
ACE Hardware  
VSC TRACTOR SUPPLY CO  
BW Best Western Hotels & Resorts  
SCOOTER'S COFFEE

MCDONALD'S

Walmart  
Casey's  
Runnings  
O'Reilly AUTO PARTS

THE HEIGHTS  
72 UNITS

the QUARTERS  
AT VERMILLION  
169 UNITS

SPEEDEE  
MART

FREEDOM  
Value Centers

10,900 CPD  
E CHERRY ST





# Property Description



## INVESTMENT HIGHLIGHTS

- » **Brand New 10-Year Corporate-Guaranteed Lease with Starbucks (NASDAQ: SBUX)**
- » New 2022 Construction with a Drive-Thru
- » **Rare Opportunity - Property is Located in an Opportunity Zone**
- » 7.5 Percent Rental Increases Every Five Years
- » **Easily Walkable Location Adjacent to 9,500+ College Students at the University of South Dakota**
- » College Town Location with 18,608 Residents within the Surrounding Trade Area - Households Projected to Increase 8%+ within a One-Mile Radius by 2026
- » **Situated at the Signalized Hard Corner of East Cherry Street and North Plum Street (14,500+ Cars/Day at the Intersection)**
- » Within One Mile of Two New Student Housing Developments with a Combined 241 Units - The Heights and The Quarters at Vermillion
- » **Close Proximity to National Retailers - Walmart, Burger King, McDonald's, and More**



## DEMOGRAPHICS

1-mile

5-miles

15-miles

### Population

2026 Projection	8,938	12,915	19,502
2021 Estimate	8,456	12,236	18,608
Growth 2021 - 2026	5.70%	5.55%	4.80%

### Households

2026 Projection	3,073	4,803	7,533
2021 Estimate	2,827	4,452	7,081
Growth 2021 - 2026	8.72%	7.89%	6.40%

### Income

2021 Est. Average Household Income	\$60,149	\$67,197	\$76,643
2021 Est. Median Household Income	\$40,490	\$46,775	\$54,520
2021 Est. Per Capita Income	\$22,619	\$26,211	\$30,346



TM

# Tenant Overview



**Seattle, Washington**

Headquarters

**NASDAQ: SBUX**

Stock Symbol

**1985**

Founded

**33,000+**

Locations

**[www.starbucks.com](http://www.starbucks.com)**

Website

Starbucks is the premier roaster, marketer and retailer of specialty coffee in the world, operating in 69 countries. Formed in 1985, Starbucks Corporation's common stock trades on the NASDAQ Global Select Market ("NASDAQ") under the symbol "SBUX." The company purchases and roasts high-quality coffees that they sell, along with handcrafted coffee, tea and other beverages and a variety of fresh food items, through company-operated stores. 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. In addition

to their flagship Starbucks Coffee brand, Starbucks also offers goods and services under the following brands: Teavana, Tazo, Seattle's Best Coffee, Evolution Fresh, La Boulange, Ethos and Torrefazione Italia Coffee.

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.



# Construction Photos

as of 5/18/2022





# Location Overview

**< 1 Mile**  
to University of South Dakota

**2 Miles**  
to Vermillion Harold Davidson Airfield

**38 Miles**  
to Sioux City, Iowa

**61 Miles**  
to Sioux Falls, South Dakota

Due to its location along the I-29 corridor between I-90 and I-89, Vermillion offers easy access to and from surrounding communities in South Dakota, Nebraska, and Iowa. Sioux City and Sioux Falls are within an hour's drive, and Minneapolis

According to the 2020 Census, Vermillion's population sits at 11,695, making it the state's 12th-largest city. The Greater Vermillion Area (including adjacent counties and communities within commuting distance) is home to 291,606 people. The labor force in this area includes 163,020 people.



# [ exclusively listed by ]

**Mark J. Ruble**  
Executive Managing Director  
602 687 6766  
mruble@marcusmillichap.com

**Chris N. Lind**  
Senior Managing Director  
602 687 6780  
chris.lind@marcusmillichap.com

**Jon Ruzicka**  
Broker of Record  
License: 17724

Offices Nationwide  
[www.marcusmillichap.com](http://www.marcusmillichap.com)

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**Marcus & Millichap**