



NEW CONSTRUCTION STARBUCKS | 10 YEAR LEASE | COMMUNITY IMPACT STORE

9438 S Ashland Ave, Chicago, IL 60620

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\$2,380,000

Price

5.25%

Cap Rate

THE OFFERING

Jones Lang LaSalle Americas, Inc. (“JLL”) is pleased to offer for sale the fee-simple interest in a new-construction Starbucks (the “Property” or “Asset”) located in Chicago, Illinois. The Property is leased to Starbucks, the largest specialty coffee retailer in the world with over 33,800 locations and an investment-grade credit rating of ‘BBB+’. **The subject Property is a Starbucks Community Impact Store, a mission-critical concept to Starbucks’ national and local expansion efforts.** This Starbucks concept is instrumental to Starbucks’ and local government’s long-term vision for the community, **one of just three in the Chicago MSA and one of less than ~30 nationally (see p. 10 for details).** Starbucks operates on a double-net lease structure that features ten years of primary lease term, ten percent rental increases every five years, minimal landlord responsibilities, and four five-year renewal options. Sitting at a hard-corner intersection that sees 49,000 VPD, the Property is situated in a prime retail corridor with nearby interstate access, benefitting from its positioning as an **outlot to a Jewel Osco grocery store.** Of the 182 Jewel grocery stores in the state of Illinois tracked by *Placer.ai Data*, **the anchoring Jewel location ranks in the top 29%**, indicative that the Property benefits from a highly trafficked anchoring retailer seeing **890,000 annual visitors**. The Jewel store has been successfully **operating at the location for over 30 years, and recently underwent a full renovation.** *This Offering presents the opportunity to acquire a newly constructed Starbucks Community Impact Store at an infill hard-corner in Chicago, IL, with a fresh 10-year lease, positioned as an outlot to a long-operating Jewel Osco.*

INVESTMENT HIGHLIGHTS

BRAND NEW CONSTRUCTION STARBUCKS WITH A 10-YEAR YEAR LEASE

- Long term lease (**no kick-out clause**) with minimal landlord responsibilities
- **Best in class retail construction** with a **premier interior fit out** for Starbucks
- **Attractive rent increases** with 4 x 5 year option periods.

MISSION CRITICAL STARBUCKS COMMUNITY IMPACT STORE

- Starbucks is the world's largest specialty coffee retailer boasting **investment grade 'BBB+' credit rating** from S&P.
- The subject property is a **Starbucks Community Impact Store**, a mission-critical concept to Starbucks' national and local expansion efforts.
- Starbucks recently announced that it will **increase its commitment to open 100 community stores** by 2025, which are part of the larger initiative to service under-represented neighborhoods to create new opportunities for economic development and community engagement.
- **One of just three in Chicago** and one of less than ~30 nationally currently
- The subject Starbucks is a strategic location, filling an underserved region for the brand, with the **only one other Starbucks in the 8 square mile area** to the north and the east.

STRATEGIC POSITIONING AS A GROCERY OUTLOT IN HIGH TRAFFIC RETAIL CORRIDOR

- Hard corner location seeing **49,000 VPD**
- The location benefits from being an **outparcel to Jewel-Osco**, ranking in the top 29%, of all Jewel stores in Illinois, with **890,000 annual visitors**.
 - Jewel has been **operating at the location for over 30 years and recently went through a full renovation**.
- In addition to the vehicle traffic, the location sits adjacent to the 95th street Metra station.

9438 S Ashland Ave

Chicago, IL 60620

ASSET OVERVIEW

±2,400
GLA

\$124,800
Year 1 NOI

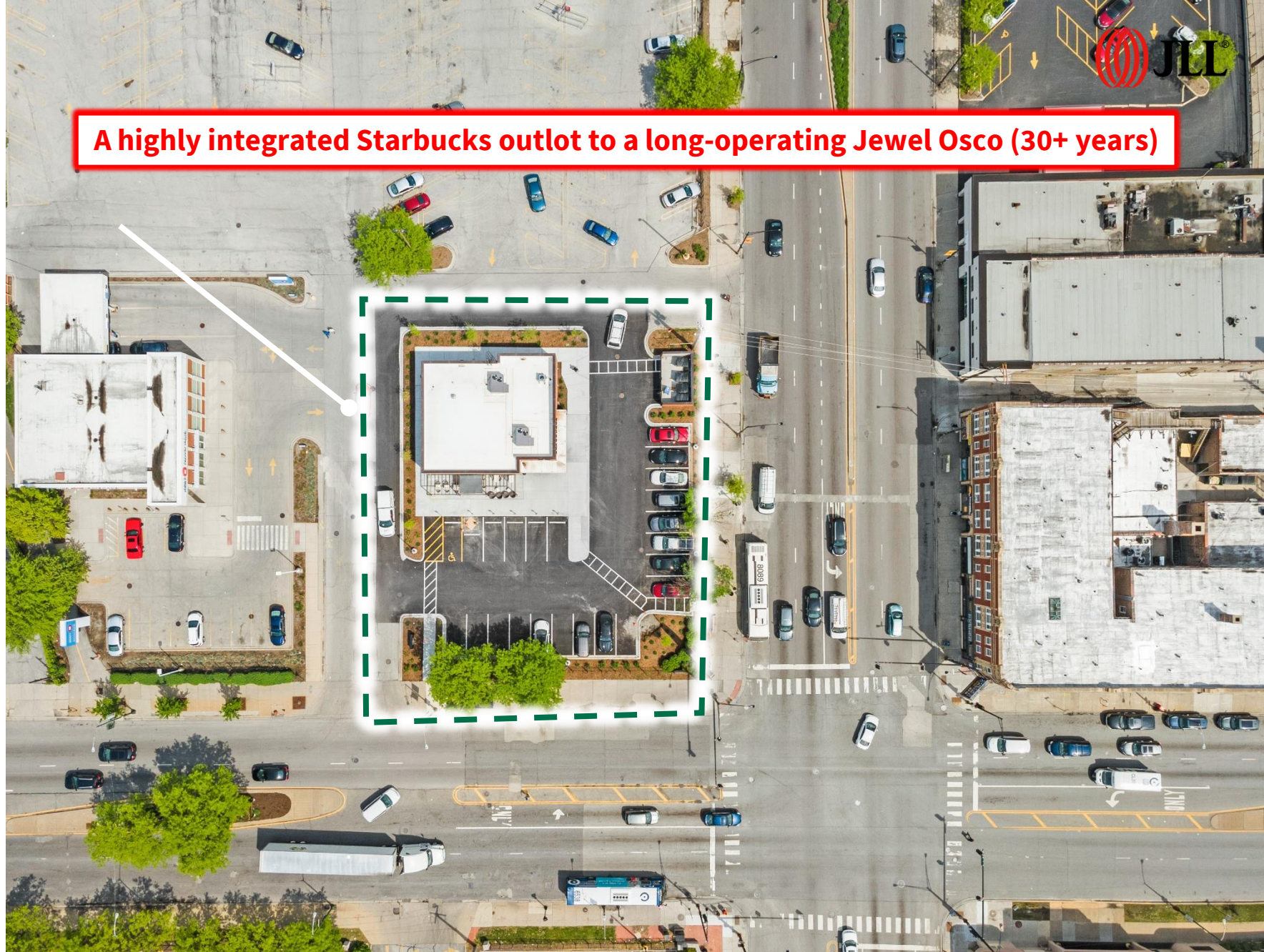
10.0 Years
WALT Remaining

2022
Year Built

\$2,380,000
Price

5.25%
Cap Rate

A highly integrated Starbucks outlet to a long-operating Jewel Osco (30+ years)



PROPERTY PHOTOGRAPHY



VIEW FACING NORTH

Jewel Osco is owned by Albertsons, the second largest grocery operator in North America. The subject Jewel has been successfully **operating at this location for over 30 years since 1991**. The store recently went through a full renovation in 2021, with significant support from the corporate office.



VIEW FACING WEST



LEASE OVERVIEW

Address	1604 W. 95th Street
City, State	Chicago, IL
Lot Area (Acres)	0.54
Building SF	2,400
Parking Spaces	24
Year Built	2022
Outdoor Seating	Yes
Drive-Thru	No
Lease Type	NN (roof & structure on LL)
Rent Commencement	5/13/2022
Lease Expiration	5/31/2032
Lease Term	10 Years
Base Rent	\$124,800
Rent Increases	10% every 5 Years
Options	4 x 5 years

Lease Years (Primary Term)	Base Rent	Rent PSF	% Increase
1 to 5	\$124,800	\$52.00	-
6 to 10	\$137,280	\$57.20	10%
Extension Terms			
11 to 15	\$151,008	\$62.92	10%
16 to 20	\$166,104	\$69.21	10%
21 to 25	\$182,712	\$76.13	10%
26 to 30	\$200,976	\$83.74	10%



STARBUCKS COMMUNITY STORE CONCEPT



STARBUCKS

The subject Property is a Starbucks Community Impact Store, a mission-critical concept to Starbucks' national and local expansion efforts. Starbucks recently announced that it will increase its commitment to open 100 community stores by 2025, which are part of the larger initiative to service under-represented neighborhoods to create new opportunities for economic development and community engagement. **The subject location is instrumental to Starbucks' and local government's long-term vision, one of just three in the Chicago MSA and one of less than ~30 nationally.**

- Starbucks plans to operate 100 stores by 2025 in underrepresented neighborhoods across the country as part of the expanded Community Store program, **working with non-profits and civic leaders to bolster economic growth.**
- These stores focus on hiring locally, creating **dedicated space for communities to come together for events**, and all have a partnership with a local United Way chapter to facilitate relevant community programs. The company aspires to complete this goal of 100 by 2025.
- "We believe it is our role and responsibility to **partner with those in the communities we serve to help make a positive economic and social impact**," said John Kelly, executive vice president of Public Affairs at Starbucks. **"These stores are successful and it's time to expand the model.** Over the last five years, we've seen **these Community Stores empower our partners and customers to create meaningful impact that is localized and relevant to their neighborhoods.** We've learned a great deal from our 14 Community Stores and applied those learnings to how we approach community partnership in more than 8,000 neighborhoods we serve across the country."*

Community Stores started out with a plan for 15 locations five years ago, with the concept's success to Starbucks having become increasingly important and will continue to be into the future as they expand the concept.



STARBUCKS

TENANT OVERVIEW

As the preeminent coffee company and coffeehouse chain, Starbucks (NASDAQ: SBUX) operates over 33,833 locations in more than 75 countries and serves nearly five billion cups of coffee annually. In addition, 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 has remained strong representing a market cap of \$89.7 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.



STARBUCKS

STARBUCKS – COMPANY OVERVIEW

Tenant:	Starbucks Corporation
Industry:	Restaurants
Year Founded:	1971
Headquarters:	Seattle, WA
# of Locations:	33,833
Credit Rating:	S&P: BBB+
Website:	www.starbucks.com

LOCATION OVERVIEW

The Property is located 10 miles south of the Chicago CBD, sitting at the confluence of multiple neighborhoods on Chicago's south side, including Beverly and Evergreen Park to the south and west, and Auburn Gresham and the south I-94 neighborhoods to the north and east. Starbucks sits at the corner of 95th and Ashland (49,000 VPD), one of the busiest intersections in the area, positioned less than two miles from an Interstate 94 (257,00 VPD) entrance/exit to the east and an Interstate 57 entrance/exit to the south (166,000 VPD).

The location benefits from being an outparcel to Jewel-Osco, one of the largest grocery chains in the state, owned by parent company Albertsons. Of the 182 Jewel grocery stores in the state of Illinois tracked by *Placer.ai Data*, the subject location ranks in the top 29%, indicative that the Property benefits from a highly trafficked anchoring retailer seeing 890,000 annual visitors. In addition to the vehicle traffic, the location sits adjacent to the 95th street Metra station. In addition to Jewel, the surrounding retail trade area includes national tenants including Walgreens, McDonald's, Taco Bell, Burger King, Dollar Tree, in addition to a Meijer, Walmart, to the west on 95th. The Starbucks is a strategic location, filling an underserved region for the brand, with the only one other Starbucks in the 8 square mile area to the north and the east.



CHICAGO MARKET OVERVIEW

Chicago, Illinois is the most influential financial, industrial, transportation and cultural center in the United States between the East and West Coasts. It is the third largest city in the country, home to nearly 2.8 million city residents and more than 9.5 million people within the broader metropolitan area. The city boasts what is often called the most diversified economy in the United States and an employment base comprising more than 4.7 million people driving an annual economy of over \$700 billion gross metro product. Anchored by its central location, extensive talent pipeline, and overall high quality of life, Chicago consistently attracts high interest from corporate America. There are currently 400 major corporations that call Chicago their headquarters including 36 listed on the Fortune 500 list including Walgreens, Boeing, State Farm, ADM, United, Mondelez International, Allstate, John Deere, McDonald's, and Grainger.

No 1

**BEST BIG CITY FOR
THE FIFTH
CONSECUTIVE YEAR**
CONDÉ NAST TRAVELER (2021)

No 1

**BEST CITY FOR
HAVING IT ALL**
TIME OUT

No 2

**IN THE NATION FOR
NUMBER OF FORTUNE 500
COMPANIES BASED IN A U.S.
CITY**

No 1

**CITY WHERE EDUCATED
MILLENNIALS CHOOSE TO
MOVE DOWNTOWN**
-FORBES





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