

Just Reduced!
5.50% CAP Rate

**Retail Investment
Offering Memorandum:**

Starbucks
7715 Mentor Avenue
Mentor, OH 44060



Actual Site



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Actual Site



Actual Site



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Investment Summary

Starbucks - Mentor

INVESTMENT HIGHLIGHTS

- Corporately Backed, Single-Tenant Location with High-Profile, Publicly-Traded Starbucks (NASDAQ: SBUX/S&P “BBB+”/Moody’s “Baa1”)
- Brand-New Lease with 9 Years of Term Remaining (**No Early Termination Rights**) and Mid-Term Rental Increase (2027)
- Dynamic Demographics with High Average Household Incomes of Over \$105,000 and Over 44,000 People in a 3-Miles Radius
- Rare Starbucks Lease Structure: NNN Lease (LL Responsible for Roof/Structure) with **No Daily Management Responsibilities** and 20-Year Transferrable Roof Warranty
- New 2022 Construction on Oversized 0.76-Acre Lot with Latest Starbucks “Prototype Look” Including Drive-Thru Lane, Patio and Highly Visible Monument Signage
- Mentor, Ohio: Recently Named to the “100 Best Places to Live in the U.S.” by *Money Magazine* and “Best Places to Retire” by *Smart Money Magazine*
- Relocation Store at Ideal Corner Location in the Heart of the Retail Corridor
- Positioned Directly Across from Great Lakes Mall with Over 120 Retailers and Surrounded by Loads of Other Complimentary Users
- Strong Tenancy: Annual Revenue Stream of Over \$33 Billion Through 34,000 Locations Worldwide in 80 Countries
- Signalized Corner Location Positioned with Cross Access and Excellent Frontage Along Mentor’s Main East-West Roadway, Mentor Avenue, with Over 20,000 VPD Directly in Front of Starbucks and Sandwiched Between Major Highways, Route 2 (76,400+ VPD) and I-90 (62,500+ VPD)
- Robust Mentor Employment Base: Home to Over 1,700 Companies with More Than 59,000 Employees, Over 325 Independent and Chain Retailers Occupying 3.2 Million Square Feet of Prime Retail Space and Supported by a Community of 48,000 Residents with 260,485+ Potential Shoppers Located Within the Primary Trade Area
- Continued Area Growth: Cleveland Clinic Building a New \$80 Million Hospital (3 Miles, July 2023 Expected Opening) with Hundreds of New Employees to the Area
- Short Commute to Downtown Cleveland (20 Miles) for Additional Employment and Attractions



* All Actual Site Photos



Investment Highlights



Check Out Mentor's Businesses:
<https://youtu.be/m83c6CJuBeE>

CITY OF MENTOR

Notable Mentor Manufacturers

- ACO Polymer
- Air Power Dynamics
- Avery Dennison
- Buyers Products
- Chemsultants
- Clark Rubber & Plastics
- Component Repair Technologies
- Core-Tech
- De Nora Tech
- Eye Lighting International
- Frantz Medical Group
- Fredon Corporation
- Greenbridge
- Henkel Corporation / OSI
- Integrated Medical Solutions
- Libra Industries
- Lincoln Electric
- Merry X-Ray
- NHVS International
- North American Coating Labs
- Orbis Corporation
- PAKO
- Parker Hannifin Gas Turbine Fuel Systems Division
- PCC Airfoils
- Process Technology
- Race Winning Brands
- RB Medical Supply
- Roll-Kraft Corporation
- Royal Plastics
- STERIS Corporation
- Sunset Industries
- The Rogers Company
- Universal Plastics
- US Endoscopy
- Uvamed
- Volk Optical
- W.S. Tyler

Area Fortune 1000 Companies

- A. Schulman
- Aleris International Inc.
- Applied Industrial Technologies
- Cliffs Natural Resources
- Diebold Corp.
- Eaton Corporation
- FirstEnergy Corporation
- Hyster-Yale Materials
- J. M. Smucker Company, The
- KeyCorp
- Lincoln Electric
- Medical Mutual of Ohio
- Parker Hannifin Corporation
- PolyOne Corp.
- Progressive Insurance
- RPM International, Inc.
- Sherwin-Williams Company
- Timken Company, The
- Travel Centers of America



LOCATION OVERVIEW

Mentor is the largest city in Lake County and is considered part of the Cleveland Metropolitan Area. The city is one of the largest cities in the state and many people would argue that Mentor is the best place to live in Northeast Ohio. This is largely due to an excellent quality of life, which means: location, excellent schools (Mentor Public School System consists of eight elementary schools, two middle schools, and Mentor High School), attractive/affordable housing, responsive city services, 1,200-acre parks and recreation system and low crime rate. In recent years, Mentor has been named to the "100 Best Places to Live" by *Money* magazine, and to *Smart Money's* "Best Places to Retire in Ohio". Mentor offers a diverse mix of housing — from upscale, contemporary to charming, century homes in the Old Village District.

A person's view of Mentor can be greatly affected depending on which route is taken. Approach from Johnnycake Ridge Road (Route 84) and see pastures and grazing horses. Shopping centers and restaurants cluster along Mentor Avenue — the city's primary east-west route. In the northeast corner, there are windswept sand dunes and Ohio's longest public swimming beach, known as Headlands Beach (named one of the 20 best beaches in America by CNN Travel), while in the northwest corner, boats dock in the still waters of the Mentor Lagoons. Mentor is a popular destination for visitors who come to shop, hike or just hang out. There's also the James A. Garfield National Historic Site, home of our 20th U.S. President, and many, many shopping and dining opportunities.

The featured Starbucks is positioned on Mentor Avenue, directly across from Great Lakes Mall. The mall is the top-shopping destination in Lake County, with over 120 retailers, restaurants and entertainment venues. The area is most certainly a destination point for the surrounding communities. Furthermore, surrounding the property, Mentor Avenue is lined with complimentary, national tenants.

Mentor is a dynamic, business-friendly community whose continued success is built upon sustained growth in manufacturing and retail. For the past several decades, Mentor's traditional business environment has evolved, incorporating biomedical, aerospace and polymer clusters to our already robust advanced manufacturing base. Today, over 1,700 companies with more than 59,000 employees, including major corporations, manufacturers, retailers, specialty shops and small businesses, call Mentor their home. There are over 325 independent and chain retailers occupying 3.2 million square feet of prime retail space in the city. The businesses are supported by a community of approximately 48,000 residents with another 260,485+ potential shoppers located within the primary trade area. Medical equipment company Steris Corporation is based in Mentor with over 12,000 company-wide employees. Additionally, Avery Denison is also headquartered in Mentor with over 12,000 company-wide employees. The featured property is surrounded by industrial parks in every direction, which include major employers from First Energy, Lubrizol, Lincoln Electric, Parker-Hannifin, Progressive Insurance, Ricerca Bio Sciences and many, many more. For distribution, two major railroads pass through the city, CSX Transportation and Norfolk Southern.

Being just a short commute from Cleveland, Mentor also boasts medical offices and facilities from the world-renowned Cleveland Clinic and University Hospitals health systems. In fact, the Cleveland Clinic is putting the finishing touches on the brand-new, state-of-the-art \$80 million hospital facility located just 3 miles from the featured property (see page 6) and is expected to employ hundreds of additional employees. The new hospital is set to open in July of 2023. Mentor is within just a few minutes to Cleveland's Downtown area, which includes: the Gateway complex, consisting of the Cleveland Guardians at Progressive Field, the Cleveland Cavaliers at Rocket Mortgage Fieldhouse, Playhouse Square (the 2nd largest theatre district in the country) and JACK Cleveland Casino. The property is just a short drive to The Rock and Roll Hall of Fame, the Cleveland Browns at First Energy Stadium and the Great Lakes Science Center.





CITY OF MENTOR

Check Out Mentor's New
Cleveland Clinic Hospital:
<https://youtu.be/2gHy4dXilM4>

Cleveland Clinic Breaks Ground on New Mentor Hospital



Set to Open in Early 2023

Cleveland Clinic broke ground this morning at the future site of Cleveland Clinic Mentor Hospital. The new hospital in Mentor will serve patients in Lake and northern Geauga counties.

"We are excited to shape the future of healthcare and provide access to the broader community," said Tom Mihaljevic, M.D., CEO and President of Cleveland Clinic. "Today marks the start of a new hospital concept, based on the needs of the community. Our goal is to serve patients at Mentor Hospital, while also making the entire health system available for additional care when needed."

The ceremonial groundbreaking included Dr. Mihaljevic, Donald A. Malone Jr., M.D., President, Ohio Hospitals and Family Health Centers, Cleveland Clinic; Richard Parker, M.D., President, Cleveland Clinic Hillcrest Hospital; Alice Kim, M.D., Medical Director, Medical Operations, Cleveland Clinic; and Kenneth J. Filipiak, Mentor City Manager.

"Cleveland Clinic evaluated the healthcare needs of Lake County residents and current area services to determine how Mentor Hospital could best serve the community," said Dr. Malone. "We are looking forward to offering a broader scope of services in Lake County, along with the full support of the entire Cleveland Clinic health system."

Cleveland Clinic has eight healthcare locations in Lake County. With the addition of a hospital in early 2023, patients will have access to a full range of services. Mentor Hospital will be managed by Cleveland Clinic Hillcrest Hospital, allowing for seamless access and staffing between facilities.

"The Cleveland Clinic operates the world's only true global healthcare system, caring for patients on three continents, in places like Abu Dhabi, London, and Toronto, and soon, Mentor, Ohio. We are so proud to add the City of Mentor's name to this worldwide network of hospitals, proving once again that the Cleveland Clinic's commitment to the people of this region is unwavering," said Kenneth J. Filipiak, Mentor City Manager.

Mentor Hospital is expected to serve patients who have shorter hospital stays with follow-up care at home, based on their less critical needs. If patients need more acute or specialized care, they will be transferred to the appropriate Cleveland Clinic location, such as Hillcrest Hospital, Euclid Hospital or main campus. A helipad will be built to allow the immediate transport of patients when necessary.

Mentor Hospital is designed with today's patient in mind. More people prefer to receive care in an office or at-home setting, and often choose to do so virtually. The hospital will provide inpatient, outpatient and emergency care. Focus will be placed on services in digestive diseases and general surgery, urology, heart and vascular medicine, orthopedics and pulmonary care. In addition, there will be on-site laboratory and imaging services.

Cleveland Clinic is investing approximately \$80 million to build Mentor Hospital.

"Projects like this are transformative for communities, and we have no doubt this project will have a major impact on community health, job opportunities, investment, extended learning opportunities, and so much more in our city," said Filipiak.

The hospital's design will allow for flexibility to adapt or expand based on changing and future community needs. When it opens, Mentor Hospital will feature 34 inpatient / observation rooms, 19 emergency department beds, up to 25 outpatient rooms, four operating rooms and 12 pre-/post-anesthesia care beds.

The News-Herald

LOCAL NEWS

Cleveland Clinic updates community on Mentor Hospital
Facility to open July 11

New Cleveland Clinic hospital set to open in Mentor in 2023



Photo by: Cleveland Clinic
A rendering of Cleveland Clinic Mentor Hospital.

5 abc NEWS 5
CLEVELAND

3 wkyc studios

SPECTRUM
NEWS **1**



Location Overview

OFFERING SUMMARY

Price:	\$2,140,000
Gross Leasable Area:	2,200 S.F.
NOI:	\$117,700
CAP Rate:	5.50%
Year Built:	2022
Lot Size:	0.7666 Acres
Parking:	Approx. 33 Spaces
Foundation:	Concrete
Exterior:	Brick/Block
Roof:	2022
	20-Year Transferrable Warranty

Financial Data

Rental Income:	\$117,700
Reimbursements:	\$26,850
Gross Potential Rental Income:	\$144,550
<u>Expenses</u>	
Real Estate Taxes:	(\$24,200)
Insurance:	(\$2,150)
Access Drives:	(\$500)
NOI:	\$117,700



STARBUCKS

TENANT SUMMARY

Tenant Name:	Starbucks Corp.
Lease Type:	Triple Net (NNN)
Remaining Lease Term:	9 Years
Tenant Since:	2022
Commencement Date:	2/3/2022
Lease Expiration Date:	2/29/2032
Option to Extend:	(4) 5-Yr. Options
Options to Terminate:	None
Right of First Refusal:	None
Roof:	Landlord Responsibility
HVAC:	Tenant Responsibility
Parking Lot Repairs & Maintenance:	Tenant Responsibility
Common Area Maintenance:	Tenant Responsibility
Access Drives:	\$500/Annual
Real Estate Taxes:	Tenant Reimburses
Insurance:	Tenant Reimburses
Structure:	Landlord Responsibility

Tenant Base Rent Schedule

	Monthly	Annual	PSF
Current:	\$9,808.33	\$117,700.00	\$53.50
Bump 2027:	\$10,789.17	\$129,470.00	\$58.85
Option 1:	\$11,733.33	\$140,800.00	\$64.00
Option 2:	\$12,650.00	\$151,800.00	\$69.00
Option 3:	\$13,566.67	\$162,800.00	\$74.00
Option 4:	\$14,483.33	\$173,800.00	\$79.00





STARBUCKS

Property Name: Starbucks
Property Address: 7715 Mentor Avenue
 Mentor, OH 44060
Property Type: NNN
Rentable Area: 2,200 S.F.
of Total Locations: 33,833+ in 80 Countries
Ticker Symbol: NASDAQ: SBUX
S&P Credit Rating: BBB+
Moody's Credit Rating: Baa1
Corp. Headquarter: Seattle, WA
Websites: starbucks.com

Starbucks began in 1971 and is now the world's largest coffeehouse chain. The company operates through three segments: North America, International, and Channel Development. Its stores offer coffee and tea beverages, roasted whole beans and ground coffees, single serve products, and ready-to-drink beverages; and various food products, such as pastries, breakfast sandwiches, and lunch items. The company also licenses its trademarks through licensed stores, and grocery and foodservice accounts. The company offers its products under the Starbucks, Teavana, Seattle's Best Coffee, Evolution Fresh, Ethos, Starbucks Reserve, and Princi brands. Starbucks reports operation of more than 33,833 stores in 80 countries, 15,444 of which were located in the United States. Out of Starbucks' U.S.-based stores, over 8,900 are company-operated, while the remainder are licensed. Starbucks annual revenue for 2022 was \$33.99B, a 10.98% increase from 2021.



Robust US business drives Starbucks earnings



Photo: Starbucks Corp.

Number of Starbucks Locations Worldwide 2003-2020



Source: Starbucks, 2020

Designed by Phasexx/Print

Drinks



Hot Coffees



Hot Drinks



Cold Coffees



Cold Drinks



Hot Teas



Frappuccino® Blended Beverages



Iced Teas

How Starbucks Became The Most Popular Global Coffeehouse



Actual Site



Property Analysis



Actual Site Photos

Site Photos





Surrounding Area Photos





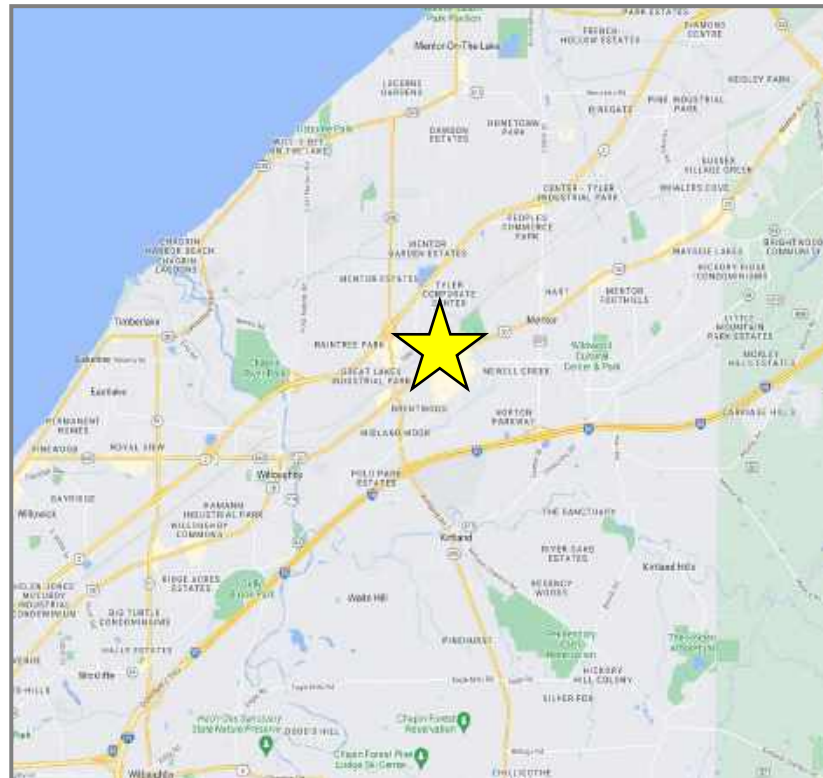


Aerial





Location Maps



**7715 Mentor Ave****Mentor, OH 44060****1 mi radius 3 mi radius 5 mi radius 10 mi radius****Population**

2023 Estimated Population	5,115	44,281	105,995	266,272
2028 Projected Population	5,240	43,928	104,654	262,712
2010 Census Population	4,856	42,896	105,658	264,008
2023 Median Age	46.1	45.2	45.7	43.2

Households

2023 Estimated Households	2,434	19,800	47,664	117,683
2028 Projected Households	2,454	19,262	46,142	113,640
2020 Census Households	2,411	19,572	47,528	117,156
2010 Census Households	2,131	18,077	44,517	111,381
Historical Annual Growth 2010 to 2023	1.1%	0.7%	0.5%	0.4%

Race and Ethnicity

2023 Estimated White	90.2%	91.0%	91.2%	79.3%
2023 Estimated Black or African American	3.4%	4.0%	3.7%	13.7%
2023 Estimated Asian or Pacific Islander	3.1%	2.0%	1.8%	2.0%
2023 Estimated American Indian or Native Alaskan	0.1%	-	-	0.2%
2023 Estimated Other Races	3.0%	3.0%	3.2%	4.9%
2023 Estimated Hispanic	2.9%	2.3%	2.5%	4.4%

Income

2023 Estimated Average Household Income	\$97,653	\$105,397	\$104,584	\$102,123
2023 Estimated Median Household Income	\$74,269	\$85,552	\$81,702	\$78,472
2023 Estimated Per Capita Income	\$46,702	\$47,210	\$47,096	\$45,222

Education (Age 25+)

2023 Estimated High School Graduate	22.5%	28.3%	30.6%	30.0%
2023 Estimated Some College	24.2%	21.6%	21.7%	21.7%
2023 Estimated Associates Degree Only	11.5%	10.5%	9.5%	9.7%
2023 Estimated Bachelors Degree Only	26.1%	23.0%	21.1%	20.6%
2023 Estimated Graduate Degree	9.1%	10.5%	11.6%	11.8%

Business

2023 Estimated Total Businesses	768	2,286	4,666	10,147
2023 Estimated Total Employees	11,096	29,235	56,105	123,196
2023 Estimated Employee Population per Business	14.4	12.8	12.0	12.1
2023 Estimated Residential Population per Business	6.7	19.4	22.7	26.2



DISCLOSURE, CONFIDENTIALITY & DISCLAIMER

CONFIDENTIALITY AGREEMENT

The information within this Offering Memorandum will set forth an understanding regarding the relationship between the Recipient of this package (the "Recipient") and The Cooper Group and the confidentiality of the investment information to be supplied to you and your organization for use in considering, evaluating and/or purchasing this property (the "Property"). The recipient acknowledges that all financial, contractual, marketing, and informational materials including but not limited to lease information, occupancy information, financial information, projections, data information and any other similar information provided by The Cooper Group which relates to the Property (collectively, the Confidential Information), whether said information was transmitted orally, in print, in writing or by electronic media is confidential in nature and is not to be copied to any party without the prior consent of The Cooper Group. The Recipient acknowledges and agrees that the Confidential Information is of such a confidential nature that severe monetary damage could result from dissemination of that information to unauthorized individuals. The Recipient shall limit access to the Confidential Information to those individuals in the Recipient's organization with a "need to know" and shall take all precautions reasonably necessary to protect the confidentiality of the Confidential Information. The Recipient acknowledges and agrees that the Confidential Information and any copies thereof are the property of The Cooper Group and that all such information will be returned to The Cooper Group upon written request. Any offers or inquiries from Recipient in connection with this investment proposal shall be forwarded, confidentiality, to The Cooper Group. Other than The Cooper Group, recipient agrees that neither Recipient nor The Cooper Group shall be obligated to pay any procuring broker fees in connection with this investment unless a separate written Brokerage Agreement is entered into and written acknowledgement of any procuring Brokerage Agreement is received from all parties to the investment transaction. Procuring brokers must provide written introductions of potential investors and receive written acknowledgment from The Cooper Group for representation to be recognized. This is a Confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

DISCLOSURE & DISCLAIMER

The Memorandum contains selected information pertaining to the property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property, to be all-inclusive or to contain all or part of the information which perspective Recipients may require to evaluate the purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the economy, market conditions, competition and other factors beyond the control of the owner or The Cooper Group. All references disclosed herein related to acreage, square footages and/or other measurements may be approximations and the best information available. The summaries of information included herein do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Photos herein are the Property and respective owners and use of these images without the express written consent of the owner is prohibited.

The owner and the Cooper Group expressly reserve the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or terminate discussions with any entity and any time with or without notice which may arise as a result of review of this Memorandum.

Neither the owner or the Cooper Group, nor any of their respective directors, officers, affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or its contents; and you are to rely solely on your investigators and inspections of the property in evaluating a possible purchase of the Property. The information contained in this document has been obtained from sources to be reliable. While the Cooper Group does not doubt its accuracy, the Cooper Group has not verified it and makes no guarantee, warranty or representation about it. It is your responsibility to independently confirm the accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the Property. The value of this transaction to you depends on tax and other factors which should be evaluated by your tax, financial and legal advisors.



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