

Starbucks

AT BERMUDA SQUARE

12501 Jefferson Davis Hwy | Chester (Richmond MSA), VA 23831

RARE GROUND LEASE WITH LOW RENT FROM THE 4TH MOST VISITED STARBUCKS IN 50 MILES
HARD CORNER WITH 64,000 VPD AND NEARBY I-95 (124,000 VPD)





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Investment Summary

12501 JEFFERSON DAVIS HWY | CHESTER, VA 23831

Investment Highlights

Jones Lang LaSalle (“JLL”) Capital Markets, Net Lease is pleased to exclusively offer a premier net lease opportunity to acquire a rare single tenant Starbucks (the “Property”) ground lease located in Bermuda Square in Chester, VA — the #1 state for business in 2019. The Property is only 700 yards from I-95 and located at the hard corner of a busy intersection with combined traffic counts of 64,000 VPD. Starbucks operates over 31,000 stores to achieve revenues exceeding \$26.5 billion. This location is the 4th most visited Starbucks out of 41 locations in a 50-mile radius (Placer.ai).



\$1,452,000

ASKING PRICE

5.00%

CAP RATE

\$72,600

NOI

9 YEARS

REMAINING LEASE TERM



Rare Starbucks ground lease with no landlord responsibility for roof & structure.



Low ground rent of \$72,600 with a 10% increase in 2024 and 15% increases every option.



Corporate lease with nearly 9 years remaining and Starbucks operating since 2008.



Investment grade tenant (S&P: BBB+) and the 3rd largest fast food chain in the world.

#4

The 4th most visited Starbucks out of 41 locations in a 50-mile radius (Placer.ai).



The only Starbucks with a drive-thru in over a 7-mile radius.



Hard corner at a busy intersection with 64,000 VPD.



Only 700 yards from I-95 which carries 124,000 VPD through Richmond and Virginia.



Busy center with Petco and soon-to-be anchored by a new Hobby Lobby & Burlington.



Located in 13.5 million SF industrial submarket and 1,270 hotel rooms in 1 mile.



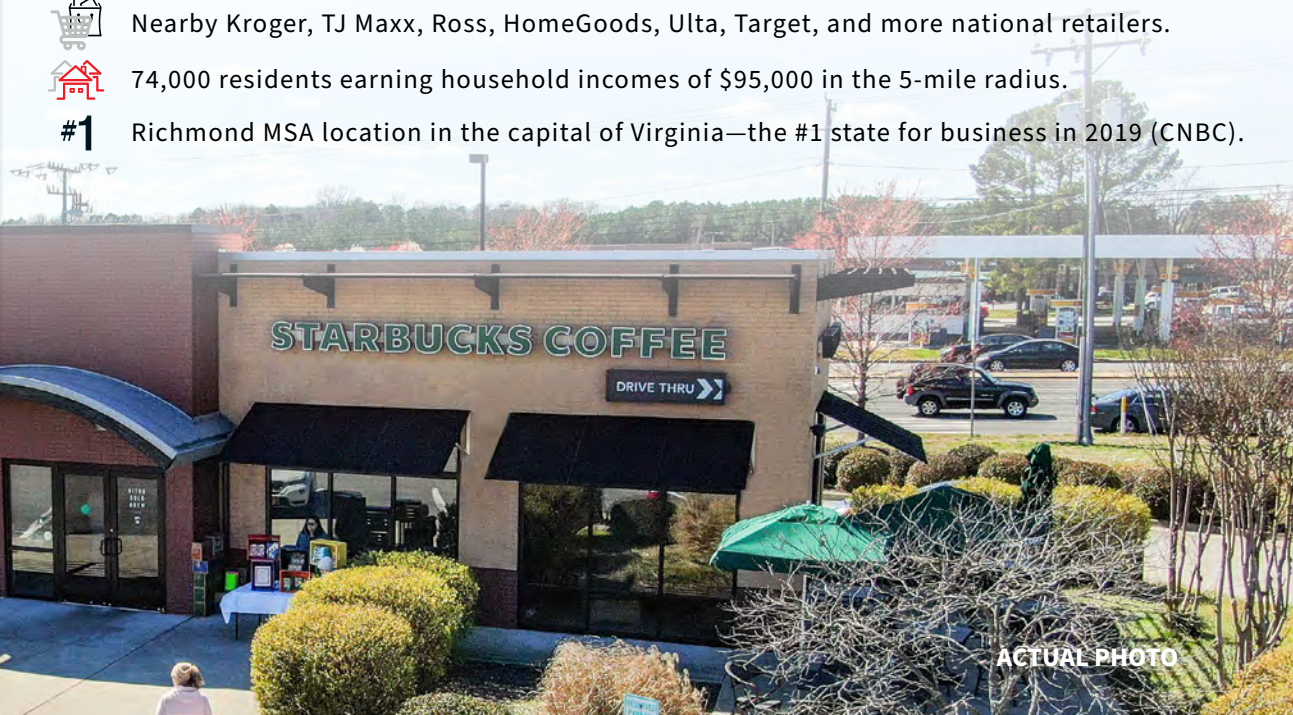
Nearby Kroger, TJ Maxx, Ross, HomeGoods, Ulta, Target, and more national retailers.



74,000 residents earning household incomes of \$95,000 in the 5-mile radius.

#1

Richmond MSA location in the capital of Virginia—the #1 state for business in 2019 (CNBC).



ACTUAL PHOTO

The Jane at Moore's Lake

Built 2019 | 200 Units | \$1,447 Rent

Chesterfield Power Station

Largest fossil-fueled power station in Virginia, generating more than 1,600 Megawatts, including 2,500 kilowatts in Chesterfield County

Planned \$600M Turbine Power Plant

To Generate 1,000 Megawatts
\$2.1M in Tax Revenue
First Phase Opening in Spring 2023

White Oak Luxury Apartments

322 Units | \$1,300 Rent





Richmond
12.5 Miles

Bermuda Crossroads Shopping Center
OfficeMax

Breckenridge Shopping Center
Kroger, CAO, REBEL, Famous Footwear, tropical CAFE, TJ-maxx, ROSS, ULTA, HomeGoods



Jefferson Davis Hwy (21,000 VPD)

W Hundred Rd (43,000 VPD)

Bermuda Square
HOBBY LOBBY, PETCO, Burlington
Coming Soon



RICHMOND ↑ 12.5 Miles

BERMUDA CROSSROADS SHOPPING CENTER



BRECKENRIDGE SHOPPING CENTER



CHESTERFIELD UNITED TRAINING CENTER



JOHN TYLER COMMUNITY COLLEGE
14,000 STUDENTS

MOORE'S LAKE
7.8M SF UNDER CONSTRUCTION
385 CLASS A APTS
200K SF BUSINESS PARK

THE JANE AT MOORE'S LAKE
BUILT 2019
200 UNITS, \$1,447 RENT

WHITE OAK LUXURY APARTMENTS
322 UNITS, \$1,300 RENT

827K SF OF INDUSTRIAL SPACE

BERMUDA TRIANGLE PARK
730K OF INDUSTRIAL SPACE

1 M SF OF INDUSTRIAL SPACE





Tenant Overview

12501 JEFFERSON DAVIS HWY | CHESTER, VA 23831

Starbucks

Starbucks (NASDAQ: SBUX), founded in 1971 in Washington, purchases and roasts high-quality whole bean coffees and sells them, along with fresh, rich-brewed coffees, Italian-style espresso beverages, cold blended beverages, a variety of complementary food items, coffee-related accessories and equipment, a selection of premium teas and a line of compact discs, primarily through Company-operated retail stores. The company currently operates over 31,000 locations across 80 markets and employs 346,000 people worldwide. Starbucks is ranked #121 on the Fortune 500 list and maintains a BBB+ credit rating (S&P). For the 2019 fiscal year end, total net revenues were \$26.5 billion, a 7.2% increase from the previous year.

The Company's retail goal is to become the leading retailer and brand of coffee in each of its target markets by selling the finest quality coffee and related products and by providing superior customer service, thereby building a high degree of customer loyalty.

Starbucks retail stores are typically located in high-traffic, high-visibility locations. Because the company can vary in size and format, its stores are in a variety of settings, including downtown and suburban retail centers, office buildings and university campuses.

Accolades

#6 World's Most Admired Company (Fortune, 2019)

Best Company Culture (Comparably, 2019)

Best Company Outlook (Comparably, 2019)

#1 in the Food and Beverage Industry (Fortune, 2018)

#5 on the **50** All-Starts list (Fortune, 2019)

<https://www.starbucks.com/>



CORPORATE OVERVIEW

Headquarters Seattle, WA

Locations 31,000+

Stock Symbol SBUX (NASDAQ)

S&P Credit Rating BBB+

Moody's Credit Rating Baa1

Fitch Credit Rating BBB+





Financial Analysis

12501 JEFFERSON DAVIS HWY | CHESTER, VA 23831

Lease Abstract

\$1,452,000

Asking Price

5.00%

Cap Rate

LEASE DETAILS

Address	12501 Jefferson Davis Hwy, Chester, VA 23831
Tenant	Starbucks Corporation
Lot Area	+/- 0.7 Acres
Size	1,750 SF
Year Built	2008
Annual Rent	\$72,600
Rent Increases	10% in 2024 and 15% per Option
Lease Type	NNN Ground Lease
Lease Start	5/18/2007
Lease Expiration	2/28/2029
Remaining Lease Term	9 Years
Remaining Options	Four (4), Five (5) Year Options

RENT SCHEDULE

Description	Dates	Annual Rent	Rent Increase
Current Term: Years 11 - 15	Feb-19 - Feb-24	\$72,600	-
Current Term: Years 16 - 20	Feb-24 - Feb-29	\$79,860	10%
Option Term 1: Years 21 - 25	Feb-29 - Feb-34	\$91,839	15%
Option Term 2: Years 26 - 30	Feb-34 - Feb-39	\$105,615	15%
Option Term 3: Years 31 - 35	Feb-39 - Feb-44	\$121,457	15%
Option Term 4: Years 36 - 40	Feb-44 - Feb-49	\$139,676	15%

RESPONSIBILITY DETAIL

Repairs & Maintenance	Tenant maintains its premises.
Real Estate Taxes	Tenant is responsible for real estate taxes on the premises.
CAM	Tenant contributes its PRS to Landlord and payment is remitted to Shopping Center Owner.
Utilities	Tenant pays all charges for all utility services used on the leased space.
Insurance	Tenant maintains property and liability insurance on its premises. Tenant pays Landlord a fixed charge for common area insurance, which is remitted to the Shopping Center Owner.

LEASE NOTE

Purchase Right	Tenant has a 30-day window to accept or reject offer terms to purchase the premises.
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LEGEND

— Property Boundary





Market Overview

12501 JEFFERSON DAVIS HWY | CHESTER, VA 23831

CHESTER, VA

Chester, VA is a part of Chesterfield County, the fastest growing county in the Richmond MSA. Chester is conveniently located next to I-95 and SR-288 and boasts a population of over 74,000 people in 5 miles surrounding Starbucks, which has grown 10.7% since 2000. This historic suburb is home to the Meadowville Technology Park, Amazon Fulfillment Center, and more than 2.6 million SF of industrial less than 1 mile from Starbucks. In Spring 2022, Virginia's first large-scale \$64 million superstreet will be delivered in Chesterfield County, located 2.8 miles east of the Property. The median home value in the Chester is 10% higher than the US average, at \$203,500, with an average household income above \$95,000, projected to grow 11.5% over the next 5 years.

3.9M_{SF}

Inventory in the South Chesterfield
RETAIL SUBMARKET

1,270_{keys}

Hotel rooms **WITHIN A 1-MILE** radius of Starbucks

13.5M_{SF}

Inventory in the I-95 / I-295 / Route 10
INDUSTRIAL SUBMARKET

\$95,361

AVERAGE HOUSEHOLD income within a 5-mile radius of Starbucks

MAJOR EMPLOYMENT HUB

Chester is a magnet for labor, drawing in the nearly 700,000-person Richmond MSA workforce. Chester is home to major technology, financial, and logistics industry leaders.



Top Logistics Center – Chester is internationally connected by the James River, RIC Airport, and I-64/I-95/I-85.



Meadowville Technology Park – 900-acre master planned hub for logistics, data center, office, and hotel sites, approximately 4 miles from Starbucks





RICHMOND

Overview

With a population of 1.3 million people in the MSA, Richmond is the capital of the Commonwealth of Virginia and the 44th largest MSA in the U.S. by population. Located at the intersections of I-95 and I-64, approximately 100 miles south of Washington, DC, Richmond is the southernmost city on the traditional I-95 business corridor which includes Richmond, Baltimore, Washington, DC, Philadelphia, New York City, and Boston.

Nestled in the heart of Virginia, Richmond benefits from the Commonwealth's pro-business attitude. Perennially ranked in the top locations to do business and to live, work and play, Richmond has consistently been recognized by many publications as one of the country's best cities to live in. Additionally, the State of Virginia has consistently ranked in the top ten of Forbes Best States for Business (2019). This environment contributes to Richmond's robust and diversified local economy which drives a strong demand for real estate.



#1 State for **BUSINESS**
(CNBC)



#4 **MOST POPULAR**
Metro in Virginia
(U.S. Census Bureau)



Ranked in **TOP 100**
Best Places to Live
(Livability)



University of Richmond **#23**
National Liberal Arts College **2020**
(U.S. News)

Richmond Overview

Density of Fortune 1000 Companies – Richmond is home to numerous headquarters across a variety of industries as the region offers the 3rd lowest combined state and local sales tax rate in the Nation. The metro has 10 Fortune 1000 HQ locations and 7 Fortune 500 companies with significant operations from more than 48,700 businesses. Top Fortune 1,000 companies include Altria, Performance Food Group, and Carmax.

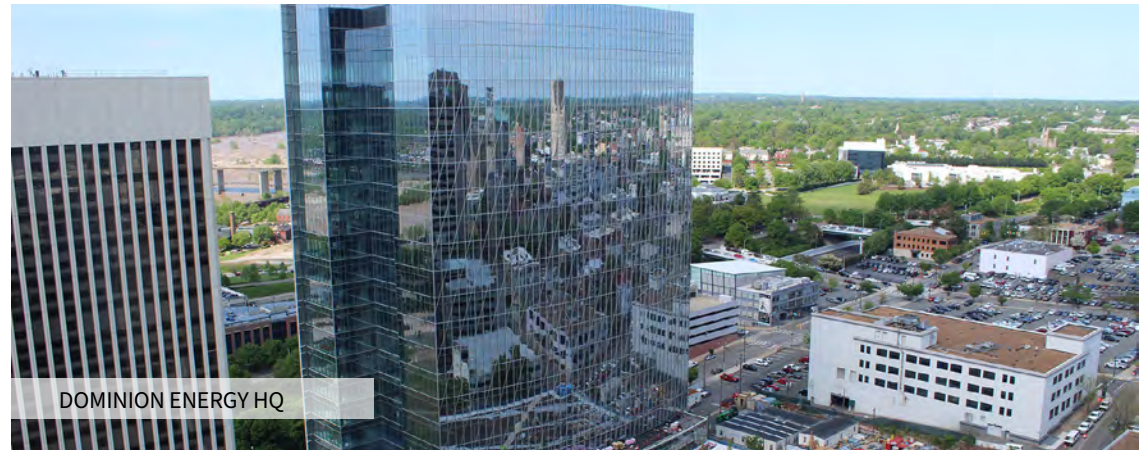
Diversified Economy – The Richmond economy is diverse, dynamic, and fast growing with no industry accounting for more than 14% of total employment. As of Dec-19, Richmond had an unemployment rate of 2.6%. The economy thrives as it relies on multiple industries, including fast growing sectors like healthcare, biotechnology, and transportation, and warehousing.

Transportation – Richmond is a multi-modal transportation hub with excellent local and regional accessibility. With over 55% of the nation's consumers or manufacturers located within 750 miles, Richmond provides convenient access to the region via four major interstate highways, four airports, three stations, and one shipping port.

RIC Airport – Richmond International Airport (RIC) is one of the busiest air cargo facilities in the nation, as 140 million pounds of cargo are handled annually. The airport is responsible for nearly 16,000 jobs and an annual economic impact of nearly \$2.1 billion. In 2019, passenger traffic increased 7.4% to a new record of nearly 4.4 million passengers.

Higher Education – Virginia Commonwealth University (VCU), the University of Richmond, and the University of Virginia, offers a steady stream of educated graduates to the MSA. VCU has more than 31,000 students enrolled in more than 200 programs with more than 41% of alumni remaining in Richmond.

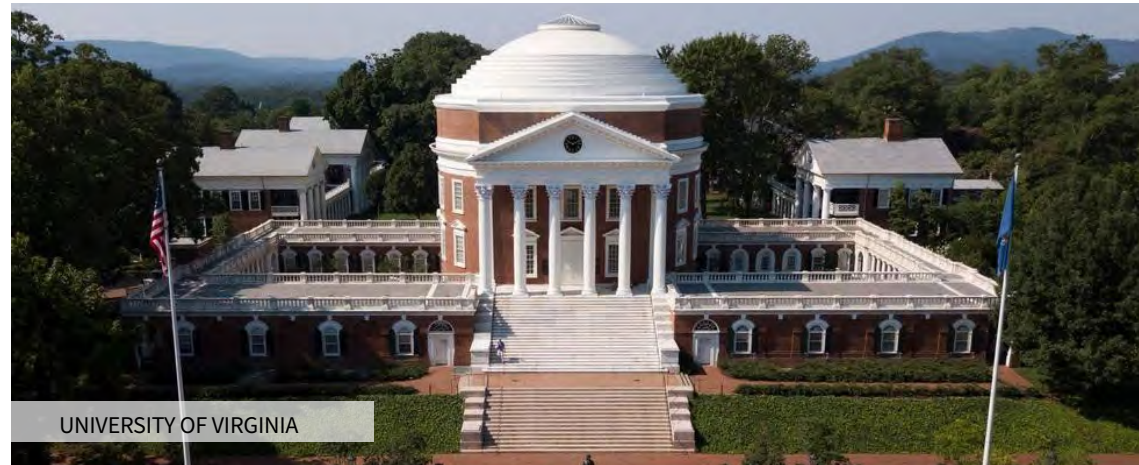
Agriculture – Agriculture is one of Virginia's largest industries with an economic impact of \$52 billion annually and providing approximately 500,000 jobs. The industry has a profound impact on Richmond's economy – estimated at \$37 billion and accounting for nearly 10% of Virginia's total GDP.



DOMINION ENERGY HQ



RIC AIRPORT



UNIVERSITY OF VIRGINIA

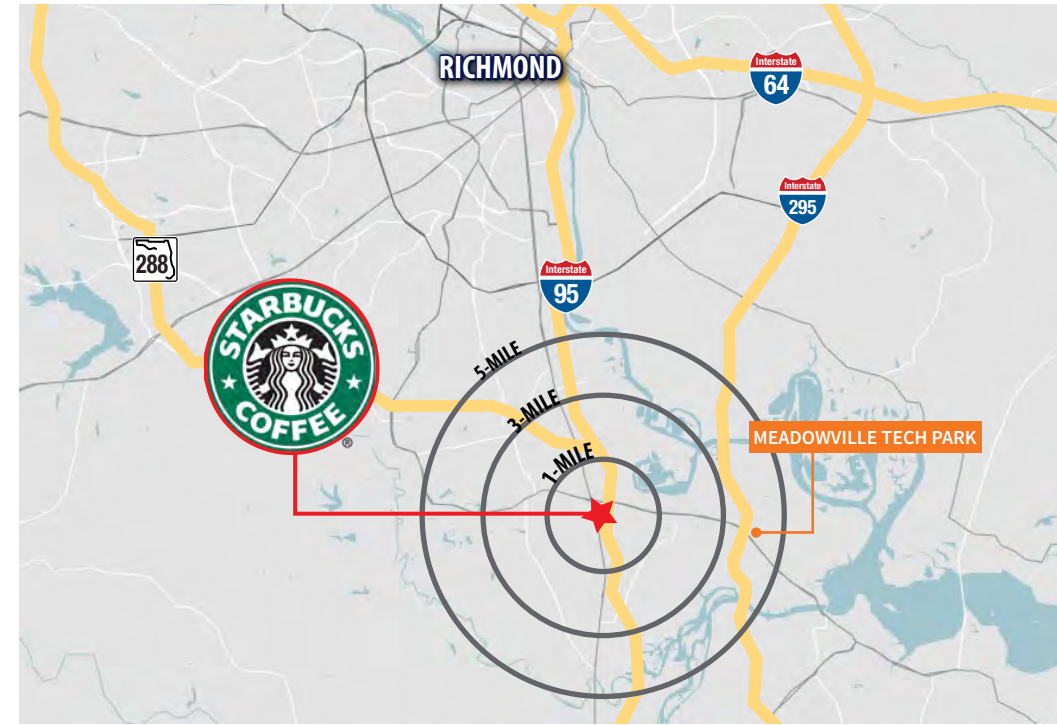
Trade Area Demographics

POPULATION

	1-Mile	3-Mile	5-Mile	Richmond MSA
2020 Estimate	3,788	34,213	74,353	1,296,116
2025 Projection	3,963	35,912	78,335	1,350,726
Growth 2020 - 2025	4.6%	5.0%	5.4%	4.2%

HOUSEHOLDS

	1-Mile	3-Mile	5-Mile	Richmond MSA
Average Household Income	\$88,980	\$93,656	\$95,361	\$98,490
Median Household Income	\$73,992	\$79,281	\$79,643	\$72,226





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