



STARBUCKS

BRAND NEW CONSTRUCTION TRIPLE NET LEASED DRIVE-THRU STARBUCKS

MERCED, CA

Contact the team

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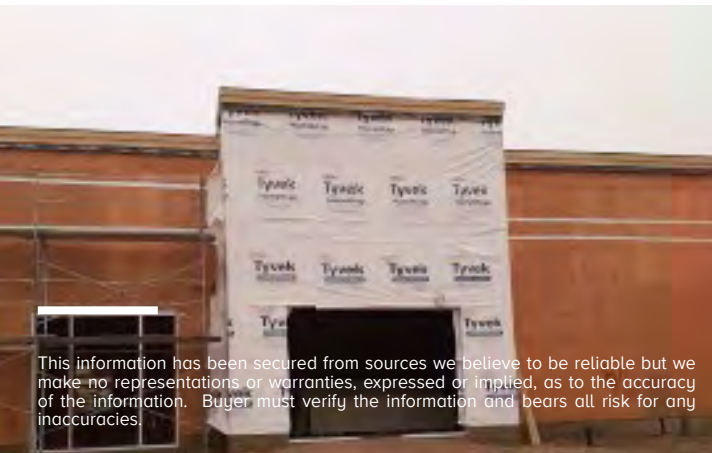
CA DRE# 01389761

NV RED# 1001411

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CONSTRUCTION PHOTOS 9/10/20



STARBUCKS

1100 WEST MAIN STREET, MERCED, CA 95340

\$2,824,000

PRICE

4.25%

CAP

NOI: **\$120,000**

YEAR BUILT: **2020**

LEASE TYPE: **NNN**

LEASE TERM: **10 YEARS**

LEASABLE AREA: **1,900 SF**

LAND AREA: **.26 AC**

**STRATEGIC LOCATION ON R STREET – FREEWAY
EXIT AND MAIN EAST/WEST ARTERIAL IN
MERCED**



THE OFFERING

The offering is a net leased single tenant Starbucks with drive-thru located at a major signalized intersection in Merced, CA. The building is located in the main grocery/pharmacy shopping center for downtown Merced and includes neighboring tenants: Cardenas, Grocery Outlet, Rite Aid, Walgreens, and Dollar Tree.

The tenant is responsible for all maintenance and capex expense responsibilities, creating a passive investment for the landlord. The initial 10-year lease commenced December 10, 2020 (see agent for real time construction updates). Starbucks is an investment grade tenant, with a S&P rating of BBB.

The subject property is a recently constructed 1,900 SF freestanding retail building with dedicated parking and additional shared parking with the shopping center. The R Street location is strategic for Starbucks to capture downtown, local customers as well as customers using R Street to travel to northeast Merced including UC Merced.

HIGHLIGHTS

- **Brand new construction building**
- **Rare triple net corporate lease (tenant is responsible for the cost of roof replacement) with an investment grade tenant, with a S&P rating of BBB**
- **Scheduled 10% rent increases in base term and options**
- **Strategic downtown grocery anchored location on R Street which is a major arterial in Merced**
- **Eleven car stacking in drive through designed for high volume drive through traffic (post pandemic)**

Income & Expense

PRICE		\$2,824,000
Price Per Square Foot:		\$1,486.32
Capitalization Rate:		4.25%
Total Rentable Area (SF):		1,900
Lot Size (AC):		0.26
STABILIZED INCOME	PER SQUARE FOOT	
Scheduled Rent	\$63.16	\$120,000
Effective Gross Income	\$63.16	\$120,000
LESS	PER SQUARE FOOT	
Taxes	NNN	\$0.00
Insurance	NNN	\$0.00
Total Operating Expenses	NNN	\$0.00
EQUALS NET OPERATING INCOME		\$120,000

Rent Roll

TENANT INFO		LEASE TERMS		RENT SUMMARY			
TENANT NAME	SQ. FT.	YEARS		CURRENT RENT	MONTHLY RENT	YEARLY RENT	YEARLY RENT/FT
Starbucks	1,900	12/10/20	12/09/25	\$120,000	\$10,000.00	\$120,000.00	\$54.00
	<i>Increase</i>	12/10/25	12/09/30		\$11,000.00	\$132,000.00	\$69.47
	<i>Option 1</i>	12/10/30	12/09/35		\$12,100.00	\$145,200.00	\$76.42
	<i>Option 2</i>	12/10/35	12/09/40		\$13,310.00	\$159,720.00	\$84.06
	<i>Option 3</i>	12/10/40	12/09/45		\$14,641.00	\$175,692.00	\$92.47
	<i>Option 4</i>	12/10/45	12/09/50		\$16,105.10	\$193,261.20	\$101.72
TOTALS:	1,900			\$120,000.00	\$10,000.00	\$120,000.00	\$63.16

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PREMISES & TERM

TENANT	Starbucks Corporation (Corporate)
LEASE TYPE	NNN
LEASE TERM	10 Years
OPTION PERIOD	Four 5-Year Options

RENT ROLL

BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
12/10/20-12/9/25	\$10,000	\$120,000
12/10/25-12/9/30	\$11,000	\$132,000

OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#1. 12/10/30-12/9/35	\$12,100	\$145,200
#2. 12/10/45-12/9/40	\$13,310	\$159,720
#3. 12/10/40-12/9/45	\$14,641	\$175,692
#4. 12/10/45-12/9/50	\$16,105	\$193,261

The details contained within the Lease Abstract are provided as a courtesy to the recipient for purposes of evaluating the Property's initial suitability. While every effort is made to accurately reflect the terms of the lease document(s), many of the items represented herein have been paraphrased, may have changed since the time of publication, or are potentially in error. Capital Pacific and its employees explicitly disclaim any responsibility for inaccuracies and it is the duty of the recipient to exercise an independent due diligence investigation in verifying all such information, including, but not limited to, the actual lease document(s).

EXPENSES

LANDLORD'S OBLIGATIONS

Landlord to maintain and repair roof, structure, foundation, including parking areas subject to reimbursement by tenant as part of operating expenses.

TENANT'S OBLIGATIONS

Tenant maintains premises and all improvements therein.

TAXES

Tenant pays pro rata share of property taxes.

INSURANCE

Tenant maintains commercial property insurance and reimburses landlord for landlord's insurance premiums pro rata share.

UTILITIES

Tenant pays separately metered utilities.

CAM

Tenant pays pro rata share of any common area expenses.

LEASE PROVISIONS

EARLY TERMINATION

None

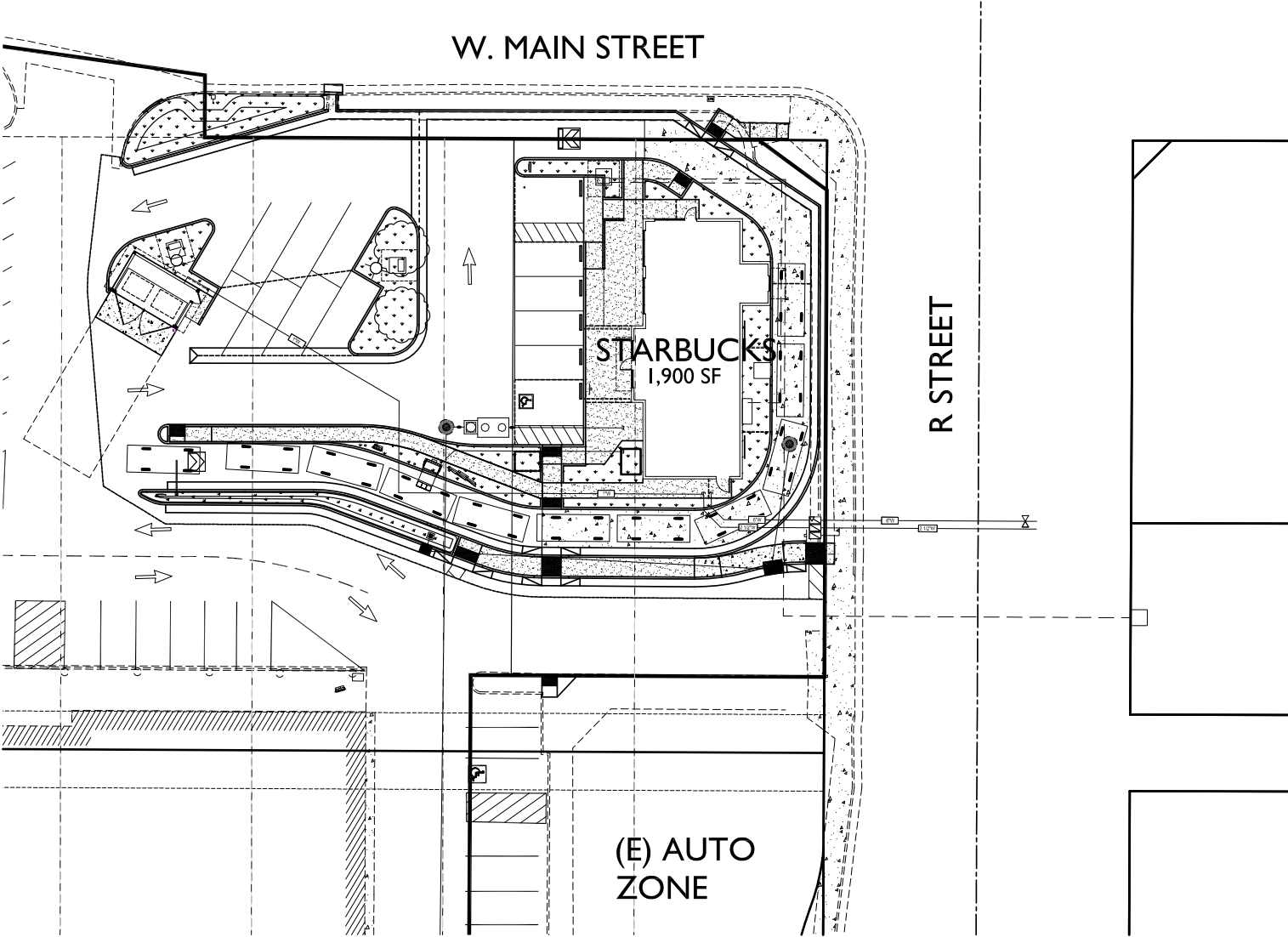
RIGHT OF FIRST REFUSAL/OFFER

None

ESTOPPELS

Tenant shall deliver estoppel certificate no more than twice in any lease year, upon not less than thirty (30) days written notice from landlord

Site Plan



Site Plan



4,237
VPD

28,928
VPD

25,880
VPD

Surrounding Retail



Tenant Overview



ABOUT STARBUCKS

Starbucks is the world's #1 specialty coffee retailer. As of May 2020, Starbucks is present on 6 continents and in 79 countries and territories, with around 31,256 locations. The outlets offer coffee drinks and food items, as well as roasted beans, coffee accessories, and teas.

31,256

ESTIMATED
LOCATIONS IN 79
COUNTRIES

In 2019, the chain had a net revenue of \$26.5 Billion and an operating income of \$4.08 Billion. Starbucks has a credit rating of BBB from Standard & Poor's, and is traded on the NASDAQ under SBUX.

\$26.5B

2019 NET REVENUES

RANKINGS

- #121 - FORTUNE 500 list (2019)
- #5 - FORTUNE'S list of world's most admired companies (2018)
- #30 - FORBE'S World's Most Innovative Companies

REPRESENTATIVE PHOTO

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Retail Aerial



51,000
VPD

99

99

COSTCO
WHOLESALE

Car's Jr.
jiffylube
MIDAS

THE HOME DEPOT

United Rentals

Walmart
Save money. Live better.

LOWE'S
BEST BUY
BIG 5 SPORTING GOODS
Pier 1 Imports
BARNES & NOBLE

KELLY-MOORE
PAINTS™

HYUNDAI
Prime
CAR & SERVICE

enterprise

FOOD MART
HOBBY LOBBY
HARBOR FREIGHT TOOLS
AMERICA'S OUTDOOR
GameStop

RITE AID

ROCKIN' JUMP

VACANT

CARDENAS

cricket
wiMAX
Check @ Go

Furniture Express

AutoZone

Starbucks
EST. OPENING
FEB 2021

Pepp Boys

BIG O
TIRES

Walgreens

Shell

SONIC

W MAIN STREET

R STREET

SX
SHUTTLE EXPRESS

7
ELEVEN

28,928
VPD

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Aerial



SAN FRANCISCO

ROSS
JO-ANN
99¢ **Food 4 Less**

Sears
TARGET
KOHL'S
JCPenney REGENCY THEATRES
BIG LOTS! **Michaels**

STAPLES
SAVE MART SUPERMARKETS
AutoZone
Kwik Fit Compass

PETSMART

FOOD MAXX
HOBBY LOBBY
HARBOR FREIGHT TOOLS
AMERICA'S TIRE
GameStop

Walmart
Save money. Live better.

LOWE'S
BEST BUY **BIG 5** SPORTING GOODS
Pier 1 Imports
BARNES & NOBLE

GROCERY OUTLET
DOLLAR TREE
metro PCS

28,928
VPD

THE HOME DEPOT

COSTCO
WHOLESALE

51,000
VPD

IN-N-OUT
Smart & Final
DICKEY'S

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Demographics



POPULATION

	1-MILE	3-MILES	5-MILES
2010	16,899	81,562	96,313
2019	17,115	86,330	104,284
2024	17,187	88,087	106,932

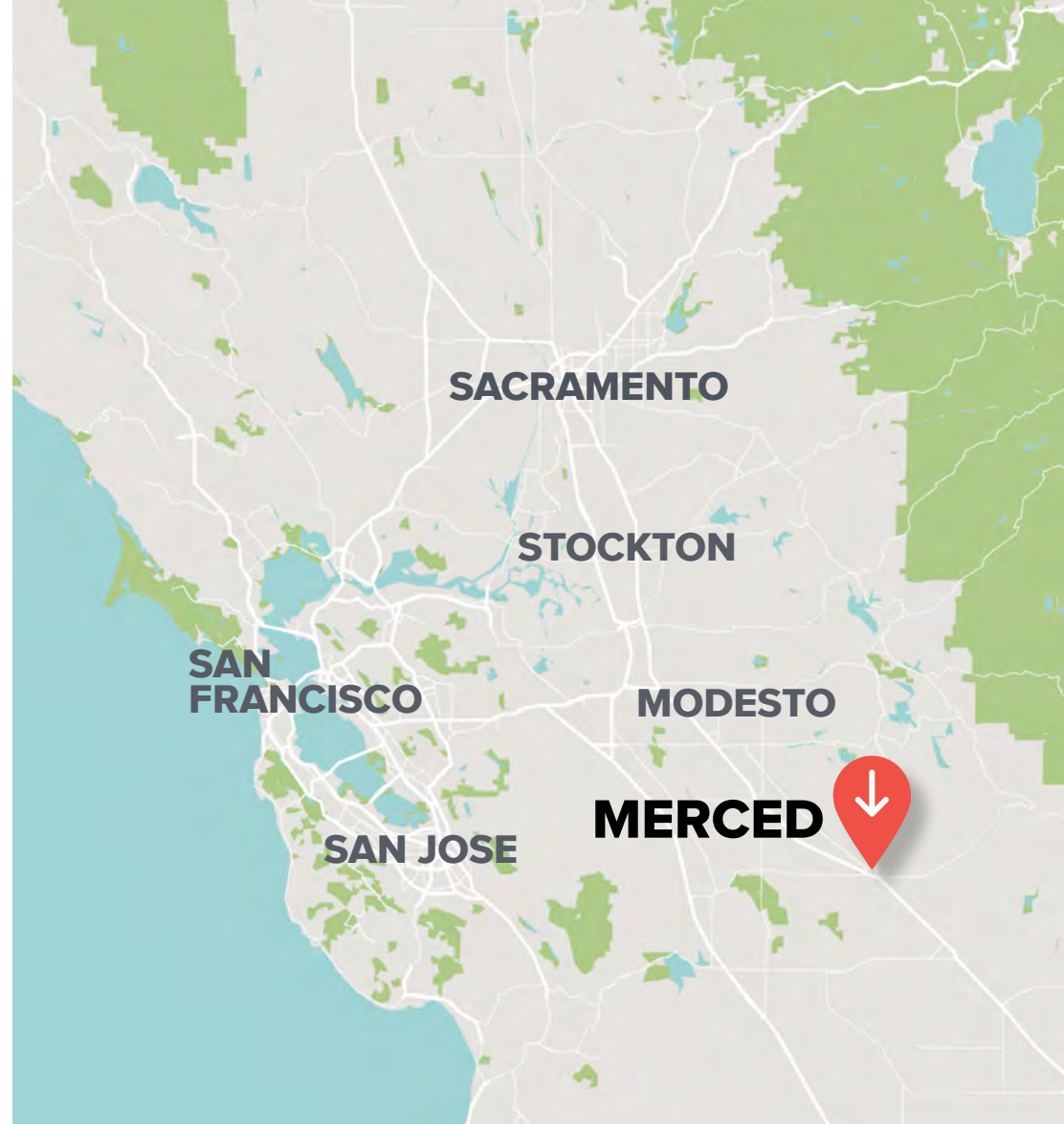


2019 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$48,282	\$67,482	\$72,968
Median	\$32,629	\$50,824	\$54,282

TOP EMPLOYERS IN COLUSA COUNTY

EMPLOYER	INDUSTRY
ADM Milling Co	Flour Mills
Alsco-Geyer Irrigation Inc	Irrigation Systems & Equipment
Arbuckle Elementary School	Schools
California Heritage Mills Inc	Rice Mills
Colusa Casino Resort	Casinos



THE AVERAGE HOUSEHOLD INCOME WITHIN A 5-MILE RADIUS IS OVER \$72K

MERCED, CALIFORNIA



YOSEMITE NATIONAL PARK

MERCED is located less than two hours west of Yosemite National Park. To the west of Merced lies Monterey Bay, the Pacific Ocean, and several beaches. Merced is a dynamic community of about 83,316 people. The University of California Merced campus, opened in 2005, provides new educational and economic opportunity, adding to the already-established growth of the region.

Located in the heart of California’s agricultural Central Valley, Merced is the region’s hub for education, culture, and business. The community offers abundant shopping, pleasant neighborhoods and tree-lined streets. Even with recent increases in prices, Merced’s housing remains affordable compared to many other California locations. Merced’s revitalized downtown is emerging as the entertainment center of the area.

Merced’s valley location southeast of San Francisco provides easy access to the Central California coast, Sierra Nevada Mountains and national parks, and major cities. Merced has historically been the “Gateway to Yosemite”, and residents also enjoy short drives to skiing, beaches, fishing, and other outdoor attractions.

83,316



**MERCED
POPULATION
(ESTIMATED)**

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UNIVERSITY OF CALIFORNIA, MERCED (UCM) is the tenth and newest of the University of California campuses. Most UC Merced students are from California with enrollment nearly evenly divided between Southern California, the Central Valley, and Northern California. UC Merced is the only institution in the United States to have all of its buildings on campus to be LEED certified.

In November 2015, the University of California regents approved a \$1.14 billion proposal to double the size of UC Merced, boosting its enrollment by nearly 4,000 students. The new space is expected to be completed by the end of 2020.

The campus’s economic contribution to the region and the state of California has been more than \$23 billion since the beginning of operations in July 2000. The university is one of the largest employers in Merced County with more than 1,500 employees, including faculty and staff members.



STATISTICS

TOTAL STUDENT ENROLLMENT BY CLASS

Undergraduates:	7,881
Graduates:	663
TOTAL:	8,544
FACULTY AND STAFF TOTAL:	1,537

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