



STARBUCKS & SUBWAY

CORPORATE 2-TENANT RESTAURANT STRIP ALONG GOLDEN STATE HIGHWAY

CHOWCHILLA, CA



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STARBUCKS & SUBWAY

120 EAST ROBERTSON BLVD, CHOWCHILLA, CA 93610 

\$1,470,000

PRICE

5.42%

CAP

NOI:

\$79,689

LEASABLE AREA:

2,780 SF

PRICE/SF:

\$528.78

OCCUPANCY:

100%

LAND AREA:

1.02 Acres

PARKING:

63 Spaces

**STARBUCKS HAS MORE THAN 30,000
LOCATIONS IN 80 COUNTRIES.**

Investment Highlights



THE OFFERING

A fully leased two tenant restaurant strip in the heart of Chowchilla, CA. Both tenants are leased through 2025, with four 5-year options with rental increases which provide a hedge against inflation. These two corporate tenants both extended or recently signed a lease, showing a commitment to the location in the current market.

The subject property is a 2,780 SF building on a signalized hard corner intersection of Chowchilla. Just off of Highway 99, the signage is visible from the freeway, attracting customers driving along the Golden State Highway.

Chowchilla, CA, with an estimated population of 18,314 residents, is located in Madera County. One of three highways leading into Yosemite National Park runs along the northern part of the county, bringing a high volume of tourist traffic through the region. In 2018, Yosemite drew approximately 4 million visitors who spent \$495,245,000 in communities near the park.

HIGHLIGHTS

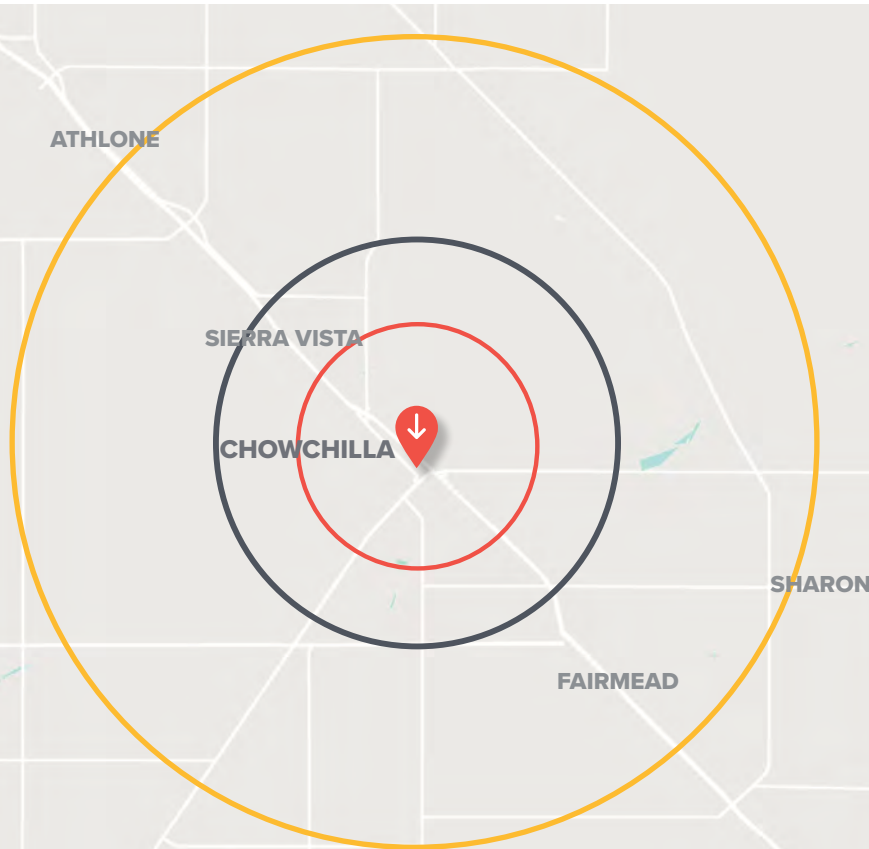
- **Starbucks extended lease for 10 years through 2025, showing commitment to the location which they have occupied since 2004**
- **Subway just signed a brand new lease for 5 years**
- **Signalized, hard corner intersection**
- **Freeway location directly off of Highway 99 with excellent Starbucks signage visible from freeway**
- **Nearby synergy with Days Inn and several gas stations, attracting travelers to the intersection**

Submarket Overview

RETAILERS IN CLOSE PROXIMITY INCLUDE:

- | | | |
|-----------------------------|----------------------|------------------------|
| 76 | Farnesi's Steakhouse | Rite Aid |
| Carl's Jr | Fitness Peak | Save Mart Supermarkets |
| Chevron | KFC | Shell |
| Circle K | Little Caesars Pizza | Star Food Mart |
| Days Inn | McDonald's | Taco El Grullense |
| Farmers Hardware and Supply | NAPA Auto Parts | US Postal Service |
| | Panda Express | Wah Sing |

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- KEY**
- 3-MILES
 - 5-MILES
 - 10-MILES

BUSINESS SUMMARY

TOTAL	3-MILES	5-MILES	10-MILES
Businesses	318	360	511
Employees	2,878	3,449	7,130
Residential Population	12,785	14,548	26,733

Surrounding Retail



Income & Expense

		CURRENT
Price:		\$1,470,000
Capitalization Rate:		5.42%
Price Per Square Foot:		\$528.78
Total Leased Area (SF):	100.00%	2,780
Lot Area (AC)		1.02 AC
INCOME		P/SF
Scheduled Rent	\$32.29	\$89,760
Recovery	\$4.56	\$12,690.64
EFFECTIVE GROSS INCOME		\$102,451
ADJUSTED GROSS INCOME		\$102,451
EXPENSE		P/SF
Property Taxes (1.1% of PP)	(\$5.82)	(\$16,170.00)
Insurance	(\$0.50)	(\$1,390.00)
Landscaping	(\$1.66)	(\$4,623.29)
Repairs	(\$0.21)	(\$577.98)
TOTAL OPERATING EXPENSES		(\$22,761)
NET OPERATING INCOME		\$79,689

Rent Roll

TENANT OVERVIEW			LEASE TERMS		RENT SUMMARY		
TENANT	SQ. FT.	PERCENT OF GLA	TERM		MONTHLY RENT	ANNUAL RENT	RENT/FT
Starbucks	1,550	55.76%	07/15/04	02/28/25	\$4,480.00	\$53,760.00	\$34.68
		Option 1	03/01/25	02/28/30	\$4,928.00	\$59,136.00	\$38.15
		Option 2	03/01/30	02/28/35	\$5,420.83	\$65,050.00	\$41.97
		Option 3	03/01/35	02/29/40	\$5,962.92	\$71,555.00	\$46.16
		Option 4	03/01/40	02/28/45	\$6,559.17	\$78,710.00	\$50.78
Subway	1,230	44.24%	06/01/20	05/31/25	\$3,000.00	\$36,000.00	\$29.27
		Option 1	06/01/25	05/31/30	\$3,240.00	\$38,880.00	\$31.61
		Option 2	06/01/30	05/31/35	\$3,499.20	\$41,990.40	\$34.14
		Option 3	06/01/35	05/31/40	\$3,779.14	\$45,349.63	\$36.87
		Option 4	06/01/40	05/31/45	\$4,081.47	\$48,977.60	\$39.82
OCCUPIED	2,780	100.00%			\$7,480.00	\$89,760.00	\$32.29
VACANT	0	0.00%					
CURRENT TOTALS	2,780	100.00%					

Starbucks Lease Abstract

PREMISES & TERM

TENANT	Starbucks Corporation
BUILDING SF	1,550 SF
GUARANTOR	Corporate
LEASE TYPE	NNN
TERM	10 Years, Tenant recently extended for 10 years through 2025
RENT COMMENCEMENT	July 15, 2004
EXPIRATION	February 28, 2025
OPTIONS	Four 5-year options

RENT

BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
7/15/2004 - 2/28/2025	\$4,480.00	\$53,760.00

OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#1. 3/1/2025 - 2/28/2030	\$4,928.00	\$59,136.00
#2. 3/1/2030 - 2/28/2035	\$5,420.83	\$65,050.00
#3. 3/1/2035 - 2/29/2040	\$5,962.92	\$71,555.00
#4. 3/1/2040 - 2/28/2045	\$6,559.17	\$78,710.00

The details contained within the Lease Abstract are provided as a courtesy to the recipient for purposes of evaluating the Property's 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

TENANT'S OBLIGATIONS

Tenant, at its sole expense, shall keep premises in good order and repair, including maintaining, repairing, and replacing all plumbing, HVAC, electrical, and lighting. Tenant shall maintain outdoor seating area in a clean and neat condition.

LANDLORD'S OBLIGATIONS

Landlord shall make repairs to common areas, roof, and structure subject to reimbursement by Tenant through CAM.

TAXES

Tenant pays pro rata share of property taxes.

INSURANCE

Tenant maintains commercial property insurance.

UTILITIES

Tenant pays separately metered utilities.

CAM

Tenant pays pro rata share of operating expenses, management fee will not exceed 10% of total Operating Expenses (Include tax and insurance).

LEASE PROVISIONS

ASSIGNMENT/SUBLETTING

Requires written consent of Landlord.

EXCLUSIVE USE

Whole or ground coffee beans, espresso, espresso-based drinks or coffee-based drinks, tea or tea-based drinks, brewed coffee, and/or blended beverages.

EARLY TERMINATION

Tenant has the right to terminate any day after February 28, 2018 by giving Landlord written notice no less than one hundred twenty (120) days before the early termination date.

ESTOPPELS

Tenant shall deliver estoppel certificates no more than twice in any lease year within twenty (20) days written request from Landlord.

Subway Lease Abstract

PREMISES & TERM

TENANT	Subway Real Estate, LLC
BUILDING SF	1,230 SF
GUARANTOR	Corporate
LEASE TYPE	Modified Gross
TERM	5 Years
RENT COMMENCEMENT	June 1, 2020
EXPIRATION	June 30, 2025
OPTIONS	Four 5-year options

RENT

BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
6/1/2020 - 6/30/2025	\$3,000.00	\$36,000.00

OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#1. 6/1/2025 - 6/30/2030	\$3,240.00	\$38,880.00
#2. 6/1/2030 - 6/30/2035	\$3,499.20	\$41,990.40
#3. 6/1/2035 - 6/30/2040	\$3,779.14	\$45,349.63
#4. 6/1/2040 - 6/30/4045	\$4,081.47	\$48,977.60

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EXPENSES

TENANT'S OBLIGATIONS

Tenant shall maintain doors and interior, including electrical wiring and fixtures, plumbing, heating, and air conditioning equipment presently in place.

LANDLORD'S OBLIGATIONS

Landlord shall maintain exterior including roof, walls foundations, walks, driveways, parking, and structure. Landlord responsible for Roof and replacement of HVAC.

TAXES

Landlord responsible.

INSURANCE

Tenant maintains Fire and General Liability Insurance.

UTILITIES

Tenant pays separately metered utilities and pro rata trash.

LEASE PROVISIONS

ASSIGNMENT/SUBLETTING

Tenant may assign or sublet to any bona-fide Licensee/Franchisee of Doctor's Associates LLC., doing business as a Subway.

RIGHT OF FIRST REFUSAL

If Landlord receives offer to purchase building that Landlord finds satisfactory, Tenant shall have the opportunity to purchase at same price and terms by signing contract within 15 days.

Site Plan



CHOWCHILLA BOULEVARD



E ROBERTSON BOULEVARD

15,200
VPD

Days Inn.
BY WYNDHAM

Chevron

GOLDEN STATE
HIGHWAY



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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

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

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Tenant Overview



ABOUT SUBWAY

Subway is the world's largest network of small business owners and a global quick service restaurant leader. With locations in more than 100 countries around the world, nearly 7 million made-to-order sandwiches are created each day. It is a leading choice for customers seeking quick, nutritious meal options for the whole family. Subway is one of the fastest-growing franchisees in the world and is the largest fast food restaurant chain by number of locations in the world at 44,758. All Subway restaurants are owned and operated by almost 21,000 Franchise Owners who employ hundreds of thousands of people globally.

In July of 2019, the company announced that more than 10,500 U.S. Subway restaurants will be remodeled with a new exciting design and decor by the end of 2020. Thanks to a multi-million-dollar grant program that will cover about 25 percent of the design costs, Franchise Owners are investing to remodel even more restaurants over the next year. These remodeled locations will join nearly 1,400 global remodels already completed and the nearly 900 global remodels currently underway.

44,758


LOCATIONS IN MORE THAN
100 COUNTRIES

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Demographics

POPULATION

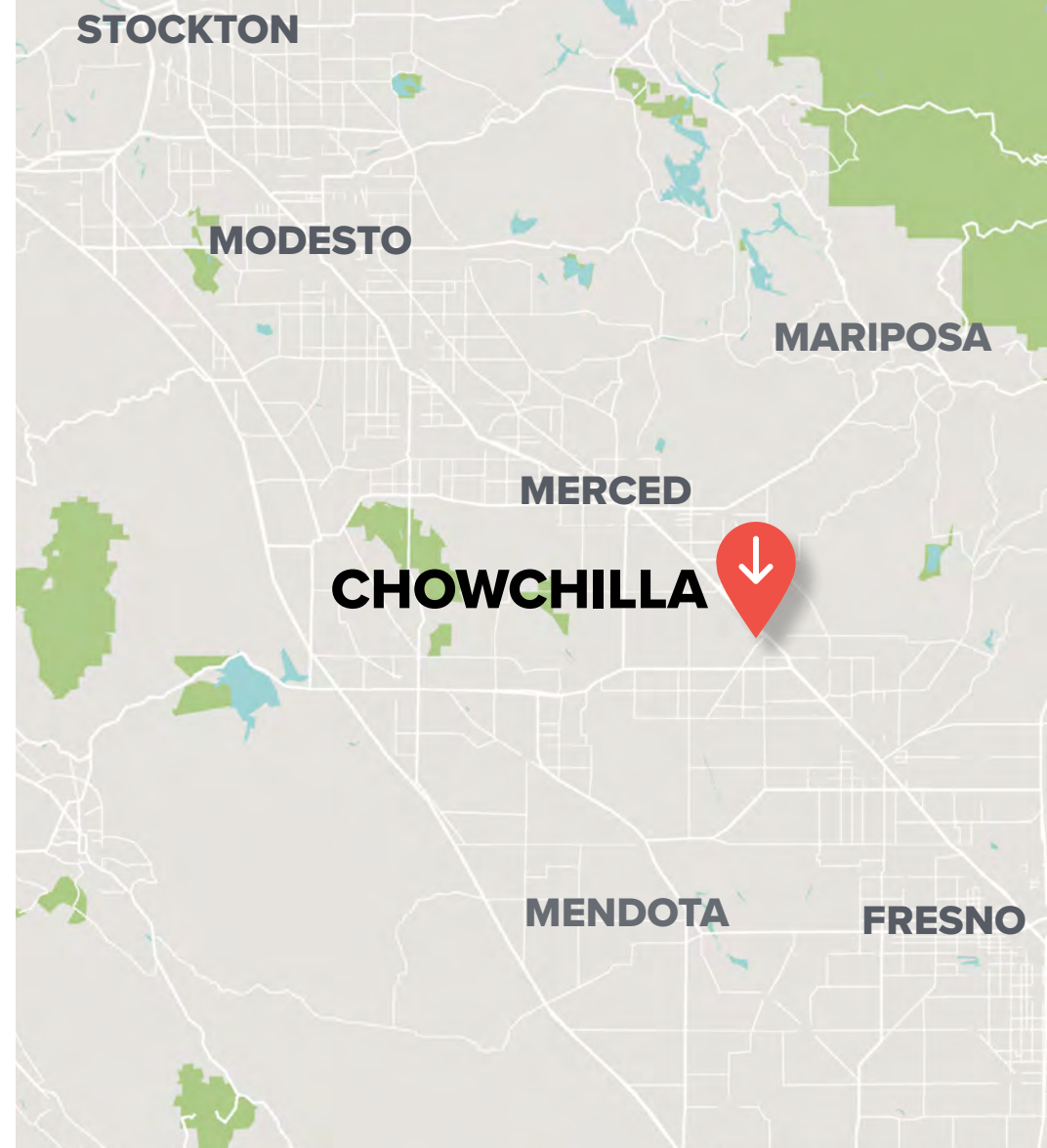
	1-MILE	3-MILES	5-MILES
2010	3,674	12,105	13,845
2018	3,741	12,785	14,548
2023	3,817	13,263	15,053

2018 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$52,975	\$59,927	\$59,923
Median	\$38,140	\$42,169	\$42,370

TOP EMPLOYERS IN MADERA COUNTY

EMPLOYER	# OF EMPLOYEES
Children's Hospital Central CA	2,500
State of California	2,400
Madera Unified School District	2,013
Chuckchansi Gold Resort & Casino	1,500
County of Madera	1,188



THE AVERAGE HOUSEHOLD INCOME WITHIN A 3-MILE RADIUS IS OVER \$59K

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CHOWCHILLA, CALIFORNIA



YOSEMITE NATIONAL PARK

CHOWCHILLA is located in Madera County, just north of the intersection of Highways 152 and 99. Chowchilla is 18 miles southeast of Merced, and 39 miles northwest of Fresno, with Highway 99 acting as a link to these cities and many more in the Central Valley.

With an estimated population of 18,314 residents, the city sits on 2,800 acres of land. Having been established over 100 years ago as an agricultural hub, the city retains its small town values while serving the needs of its residents, many of whom have relocated from Silicon Valley and other major cities.

MADERA COUNTY has an estimated population of 156,890 residents. Centrally located within the state, the county is a short distance from Interstate 5, putting Los Angeles and San Francisco within a three hour drive away. One of three highways leading into Yosemite National Park runs along the northern part of the county, bringing a high volume of tourist traffic through the region. Agriculture is the top industry, with a gross value in agricultural commodities at over \$2 billion annually. In 2018, the county tied for number one with Calaveras County for non-farm job growth in the state. In addition to job growth the county has seen 3.88% population growth from 2010 to 2019.

156,890



**MADERA COUNTY
POPULATION**
(ESTIMATED)

ON THE RISE? THE CENTRAL VALLEY IS BEATING THE BAY AREA AND L.A. IN KEY MEASURES

Jan. 7, 2019 (The Sacramento Bee) It may be time to stop thinking of the Central Valley as the downtrodden sibling to California's coastal powers. By some measures, the Central Valley outperformed the Bay Area and Southern California in 2018, according to state population and economic figures.

Population growth in the Valley outpaced gains in both the Bay Area and Southern California. Job growth here was on par with gains in the Bay and was stronger than the Los Angeles/San Diego megaregion. And while the Bay Area and L.A. continue to lose residents to other parts of the state and nation, the Valley made gains in 2018.

Of the 20 fastest-growing counties in the state last year, 12 were in the Central Valley. Many Valley counties had strong birth rates, suggesting residents planting roots in the region are doing so to have children in a place far more affordable than the coastal counties. The Valley is also seeing an influx of new residents from other parts of the United States -- most notably from the expensive coastal region of California. The Valley added roughly 8,400 residents last year through net domestic migration, state figures show. At the same time, the Bay Area and Southern California are losing tens of thousands of residents to other parts of the state and country.

According to the state's Employment Development Department, the unemployment rate dropped in nearly every Central Valley county in 2018. Some of the decreases were significant and the rates were near historic lows. The Valley also added lots of jobs last year. The number of employed people in the labor force rose 2.6 percent in the 17-county region. By comparison, the Bay Area region saw a 2.9 percent in overall jobs, while the Los Angeles-San Diego-Inland Empire area had a job-growth rate of 1.4 percent.



[READ THE FULL ARTICLE](#)



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STARBUCKS COFFEE

SUBWAY

SUBWAY

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