



STARBUCKS

GALT, CALIFORNIA (SACRAMENTO MSA)

YURAS
AICALE
FORSYTH
CROWLE
Leased Investment Team

OFFERING MEMORANDUM

\$2,475,000 | 4.00% CAP RATE

- » Long-Term Corporate Net Lease with Scheduled Rental Increases
 - » Starbucks is Rated "BBB+" by S&P
- » High-Traffic Location with Freeway Visibility Along Major Commuter Corridor
 - » Immediate Access to Highway 99 – 80,300 AADT
- » Prominent Location in Dense Retail Area
 - » Adjacent to 17-Acre Retail Center Anchored by Raley's
 - » Located in Galt's High-Growth Northeast Area
- » Strong Local Customer Base with Robust Demographics
- » New Q4 2018 Construction with Dedicated Drive-Thru
- » 90-Foot Pylon Sign with Direct Freeway Visibility

ACTUAL SITE



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DEMOGRAPHIC PROFILE

Cushman & Wakefield (“Broker”) has been retained on an exclusive basis to market the property described herein (“Property”). Broker has been authorized by the Seller of the Property (“Seller”) to prepare and distribute the enclosed information (“Material”) for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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INVESTMENT SUMMARY

ADDRESS	12821 Stockton Boulevard, Galt, California		
PRICE	\$2,475,000		
CAP RATE	4.00% return		
NOI	\$99,000		
TERM	10 years		
RENT COMMENCEMENT	December 2018		
LEASE EXPIRATION	February 28, 2029		
RENTAL INCREASES	10% rental increases every five (5) years		
	YEAR	RENT	RETURN
	1-5	\$99,000	4.00%
	6-10	\$108,900	4.40%
	11-15 (Option 1)	\$119,790	4.84%
	16-20 (Option 2)	\$131,780	5.32%
21-25 (Option 3)	\$144,936	5.86%	
26-30 (Option 4)	\$159,434	6.44%	
YEAR BUILT	Q4 2018		
BUILDING SF	2,200 SF		
PARCEL SIZE	0.33 acres (14,287 SF)		
LEASE TYPE	Net, with tenant responsible for taxes, insurance, and maintenance, excluding roof, structure, and parking lot		

ACTUAL SITE



HIGH-QUALITY, INVESTMENT GRADE SINGLE-TENANT ASSET

- » Leased to Starbucks Corporation for ten years plus four five-year options
- » Scheduled rental increases every five years in initial term and option periods
- » Starbucks is an investment grade tenant, rated “BBB+” by Standard & Poor’s

HIGH-TRAFFIC LOCATION WITH FREEWAY VISIBILITY ALONG MAJOR COMMUTER CORRIDOR

- » Strategically located immediately off of Highway 99—the busy freeway connecting Galt to both Sacramento and Stockton—with excellent visibility and access to 80,300 vehicles per day on Highway 99
- » Access and visibility to an additional 13,050 vehicles per day on Twin Cities Road, which provides access to another major transportation corridor: nearby Interstate 5
- » Located in the high-growth northeast area of Galt, the property offers a regional draw within southern Sacramento County and northern San Joaquin County and is perfectly located to capture commuter traffic between Stockton and Sacramento along Highway 99
- » 90-foot pylon sign with direct visibility from the freeway in both directions

PROMINENT LOCATION IN DENSE RETAIL AREA

- » Directly adjacent to Galt Village, a 17-acre shopping center anchored by Raley’s and featuring national retailers like O’Reilly Auto Parts, Verizon, KFC, and Comfort Inn & Suites
- » Next to new ARCO gas station and convenience store
- » Other notable retailers in the surrounding area include a new Walmart Supercenter, along with well-known brands like McDonald’s, Tractor Supply, Rite Aid, Anytime Fitness, and Jiffy Lube

STRONG LOCAL CUSTOMER BASE WITH ROBUST DEMOGRAPHICS

- » Surrounded by schools, notable employers, and growing residential neighborhoods
- » High average household incomes exceeding \$80,000 within one-, three-, and five-mile radii

Twin Cities Road (13,050 AADT)





CITY OF ELK GROVE
(10 miles)

EMERALD LAKES
GOLF COURSE



Highway 99
(80,300 AADT)

MUSTANG AIRPORT
(5 miles)



Twin Cities Road (13,050 AADT)



Lake Canyon Elementary School
(563 students)

Galt Joint Union Elementary District
(524 employees)



CITY OF COLLIERVILLE
(5 miles)

Galt Plaza Shopping Center

- SAVE MART SUPERMARKETS
- CVS/pharmacy
- ACE Hardware
- Denny's
- Carl's Jr.
- Little Caesars

Tires LES SCHWAB

DRY CREEK RANCH GOLF COURSE

NAPA AUTO PARTS

VALERO

Galt High School (924 students)

AutoZone

Pizza Guys

River Oaks Elementary School (576 students)

Marengo Ranch Elementary School (562 students)

Robert L. McCaffrey Middle School (839 students)

Liberty Ranch High School (1,176 students)

Lake Canyon Elementary School (563 students)

INDUSTRIAL REGION

ARCO

BMD
Building Material Distributors, Inc.
(187 employees)

Highway 99
(80,300 AADT)

Comfort INN & SUITES
(70 rooms)

CARDINAL Glass Industries
(147 employees)

RITE AID

TOGO'S GREAT SANDWICHES

Raley's MOUNTAIN MIKES

ARCO ampm COMING SOON

GROW WEST

Twin Cities Road (13,050 AADT)

TACO BELL Squeeze Burger "Best Burgers in Town"

Walmart Supercenter

Jack in the box

McDonald's

Starbucks

TSC TRACTOR SUPPLY CO
DOLLAR TREE
Papa Murphy's TAKE 'N BAKE PIZZA
SUBWAY

IT'S A GRIND COFFEE HOUSE
at&t

KFC LONG JOHN SILVERS
O'Reilly AUTO PARTS

jiffy lube



jiffylube

KFC
 LONG JOHN SILVERS
 O'Reilly AUTO PARTS

ARCO
 ampm
COMING SOON

GROW WEST

CALIFORNIA AGRICULTURAL EDUCATION

Comfort INN & SUITES
(70 rooms)

Raley's
 MOUNTAIN MIKE'S

99 / Highway 99
(80,300 AADT)

TSC TRACTOR SUPPLY CO
 DOLLAR TREE
 Papa Murphy's
TAKE 'N BAKE PIZZA
 SUBWAY

TOGO'S
GREAT SANDWICHES

Walmart
Supercenter

Jack
in the box

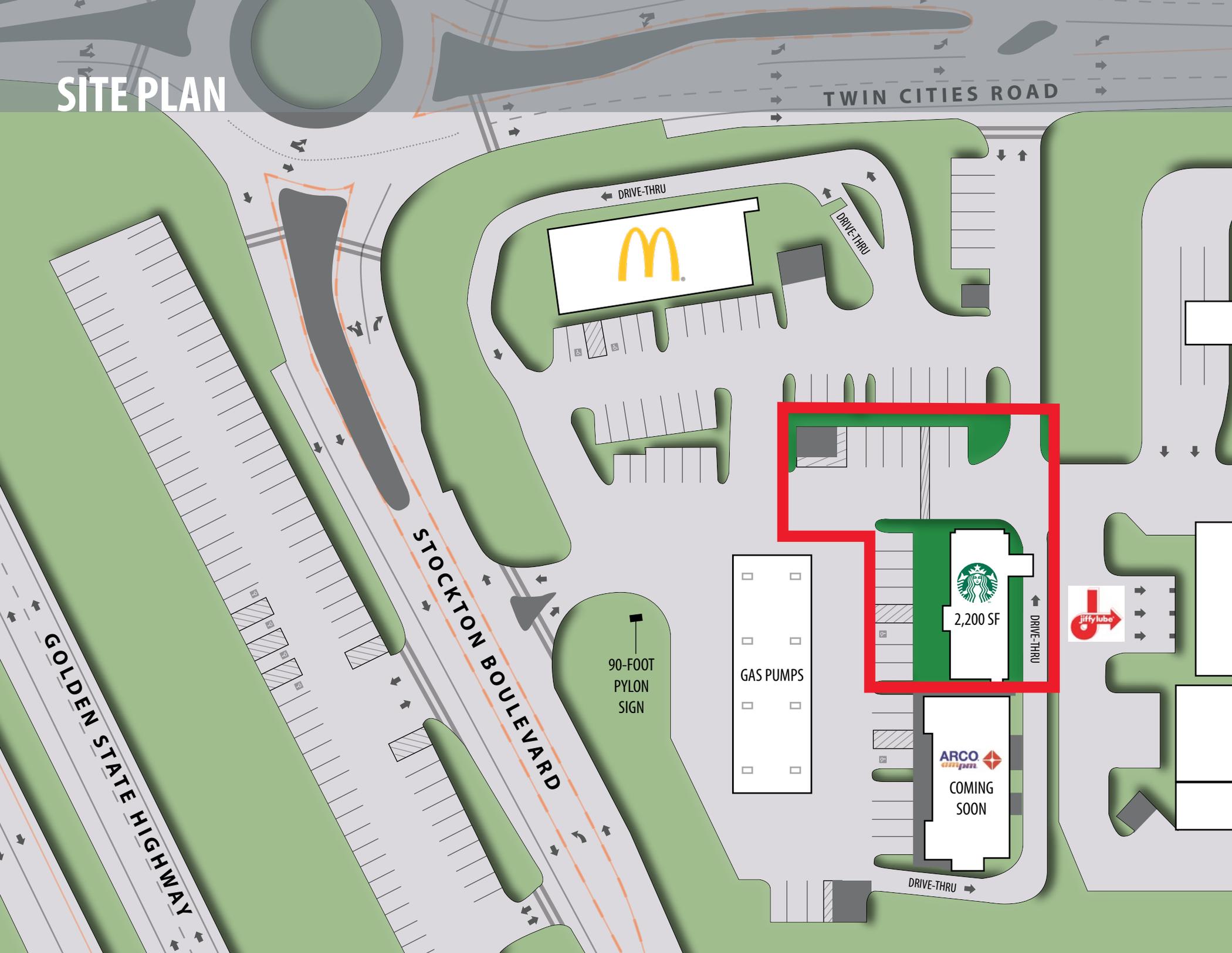
RITE AID

Twin Cities Road
(13,050 AADT)

IT'S A GRIND
COFFEE HOUSE
 at&t

TACO BELL
Squeeze Burger
"Best Burgers in Town"

SITE PLAN



TENANT SUMMARY



Starbucks Corporation (NASDAQ: "SBUX") is the premier roaster, marketer, and retailer of specialty coffee in the world, operating more than 29,000 locations in 76 countries. Starbucks also sells a variety of coffee and tea products and licenses its trademarks through other channels, such as licensed stores, grocery, and national foodservice accounts. In addition to the flagship Starbucks Coffee brand, Starbucks also sells goods and services under the Teavana, Tazo, Seattle's Best Coffee, Evolution Fresh, La Boulange, and Ethos brand names.

On August 27, 2018, Starbucks and Nestlé closed a \$7.15 billion licensing deal, giving Nestlé the rights to market, sell, and distribute Starbucks' packaged coffee and tea around the world. The licensing arrangement includes the rights to market everything from whole bean coffee to portioned coffee pods for each brand owned by Starbucks. The agreement significantly strengthens Nestlé's coffee portfolio in the North American premium roast and ground and portioned coffee business. It also unlocks global expansion in grocery and foodservice for the Starbucks brand, utilizing the global reach of Nestlé. Starbucks CEO Kevin Johnson said the Nestle deal opens the door for the restaurant chain to reach a global scale in the retail sector as well. "This global coffee alliance with Nestlé is a significant strategic milestone for the growth of Starbucks," Johnson said in a statement. "Bringing together the world's leading coffee retailer, the world's largest food and beverage company, and the world's largest and fast-growing installed base of at-home and single-serve coffee machines helps us amplify the Starbucks brand around the world while delivering long-term value creation for our shareholders."

For the fiscal year ended September 30, 2018, Starbucks Corporation reported net revenues of \$24.7 billion, representing a 10% increase from 2017. As of 2018, Forbes ranked Starbucks as the world's second largest restaurant company and the world's 370th largest company overall. Starbucks is rated "BBB+" by Standard & Poor's.

For more information, please visit www.starbucks.com.

TICKER	NASDAQ: "SBUX"	# OF LOCATIONS	29,000+
REVENUE	\$24.7B	HEADQUARTERS	Seattle, WA

LEASE ABSTRACT

TENANT	Starbucks Corporation		
ADDRESS	12821 Stockton Boulevard, Galt, California		
RENT COMMENCEMENT	December 2018		
LEASE EXPIRATION	February 28, 2029		
RENEWAL OPTIONS	Four (4) five (5) year options		
RENTAL INCREASES	YEAR	RENT	RETURN
	1-5	\$99,000	4.00%
	6-10	\$108,900	4.40%
	11-15 (Option 1)	\$119,790	4.84%
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	21-25 (Option 3)	\$144,936	5.86%
	26-30 (Option 4)	\$159,434	6.44%
CAM COSTS	Tenant is responsible for its proportionate share of common area costs, which shall not increase more than 5% per year.		
REAL ESTATE TAXES	Tenant is responsible for taxes.		
INSURANCE	Tenant is responsible for insurance.		
REPAIR & MAINTENANCE	Tenant is responsible for maintaining the nonstructural portions of the premises.		
MAINTENANCE BY LANDLORD	Landlord is responsible for maintaining the roof, foundation, structure, and parking lot.		
RIGHT OF FIRST REFUSAL	None		

PROPERTY OVERVIEW

LOCATION

The property is strategically located immediately off of Highway 99—the busy freeway connecting Galt to both Sacramento and Stockton—with excellent visibility and access to 80,300 vehicles per day on Highway 99 and 13,050 vehicles per day on Twin Cities Road, which provides access to another major transportation corridor: nearby Interstate 5. The property is directly adjacent to Galt Village, a 17-acre shopping center anchored by Raley's and featuring national retailers like O'Reilly Auto Parts, Verizon, KFC, and Comfort Inn & Suites. Other notable retailers in the surrounding area include a new Walmart Supercenter, along with well-known brands like McDonald's, Tractor Supply, Rite Aid, Anytime Fitness, and Jiffy Lube.

Located in the high-growth northeast area of Galt, the property offers a regional draw within southern Sacramento County and northern San Joaquin County and is perfectly located to capture commuter traffic between Stockton and Sacramento along Highway 99. Additionally, the property is surrounded by schools, notable employers, and growing residential neighborhoods, providing a strong customer base for Starbucks.

ACCESS

Interparcel access from Twin Cities Road and Stockton Boulevard

TRAFFIC COUNTS

Twin Cities Road: 13,050 AADT
Highway 99: 80,300 AADT

PARKING

11 parking stalls in parcel, including one (1) handicap stall, plus ample cross-access parking

YEAR BUILT

Q4 2018

NEAREST AIRPORT

Sacramento International Airport (SMF)



2018

YEAR BUILT



13K

TRAFFIC
COUNT (AADT)



**NEAREST
AIRPORT**

SACRAMENTO
INTERNATIONAL
AIRPORT

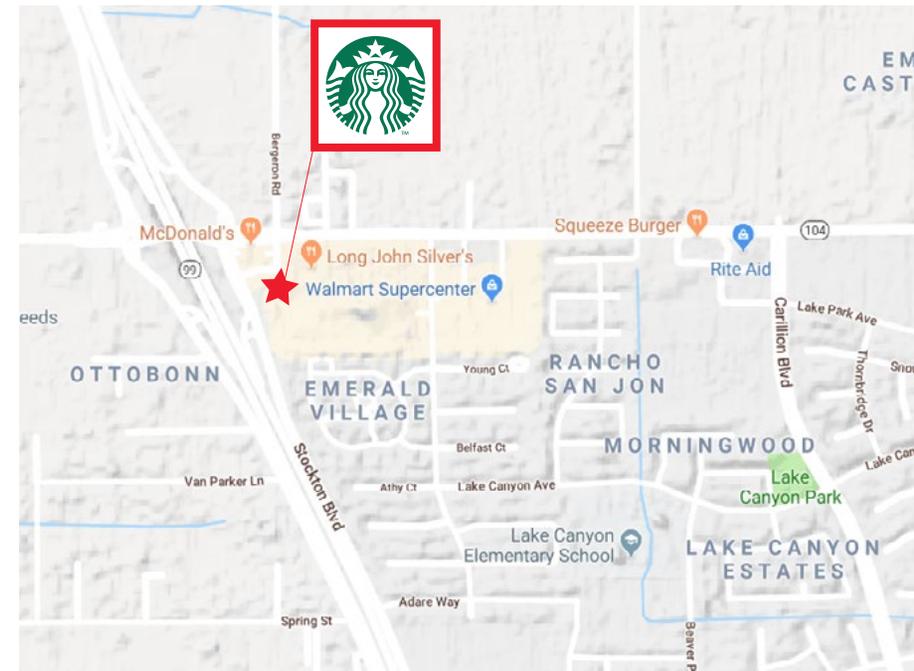
AREA OVERVIEW

Galt is a city in Sacramento County and is part of the Sacramento–Arden–Arcade–Roseville Metropolitan Statistical Area (MSA). Galt, a growing community with over 26,000 residents, is located near the Delta Recreation Area along Highway 99, the primary highway serving the densely populated eastern parts of the Central Valley. Just eight miles from Interstate 5, the major north/south transportation route in California, Galt is home to a wide variety of companies that attract employees from two major metro areas—Sacramento and Stockton, which are less than 30 minutes to the north and south along Highway 99.

Sacramento is the cultural and economic core of the Sacramento Metropolitan Statistical Area (MSA), which has a population of over 2.5 million people, making it the fourth largest metropolitan area in California and the 27th largest in the United States. Located approximately 75 miles northeast of San Francisco, the Sacramento MSA—consisting of El Dorado, Placer, Yolo, and Sacramento counties—is known as one of the most vibrant areas in all of California. Sacramento also anchored the even larger Sacramento–Arden–Arcade–Yuba City, CA–NV Combined Statistical Area (CSA)—also known as Greater Sacramento—which consists of several metropolitan statistical areas and seven counties in Northern California and one in Western Nevada. In addition to the bustling cityscape of Sacramento, Greater Sacramento also contains sites of natural beauty, including Lake Tahoe, the largest alpine lake in North America, and numerous ski and nature resorts. Greater Sacramento is also located in one of the world’s most important agricultural areas. The region’s eastern counties are located in Gold Country, site of the California Gold Rush. Recently, the Sacramento area has become one of the fastest growing regions in the United States, due to Sacramento’s continued emergence as a distinct metropolitan center, as well as the region’s cheaper housing costs for commuters to and from the nearby, more expensive, San Francisco Bay Area.

- » Sacramento is the third fastest growing metropolitan area in California, with a projected growth of 55.4% over the next 30 years.
- » Sacramento is expected to outpace the national average in job and population growth by more than double over the next ten years.
- » The Sacramento region is a major transportation hub served by air cargo airports, an international airport, a deep-water shipping port, two major interstate freeways, freight and passenger rail lines, and an extensive regional commuter bus and light-rail system.

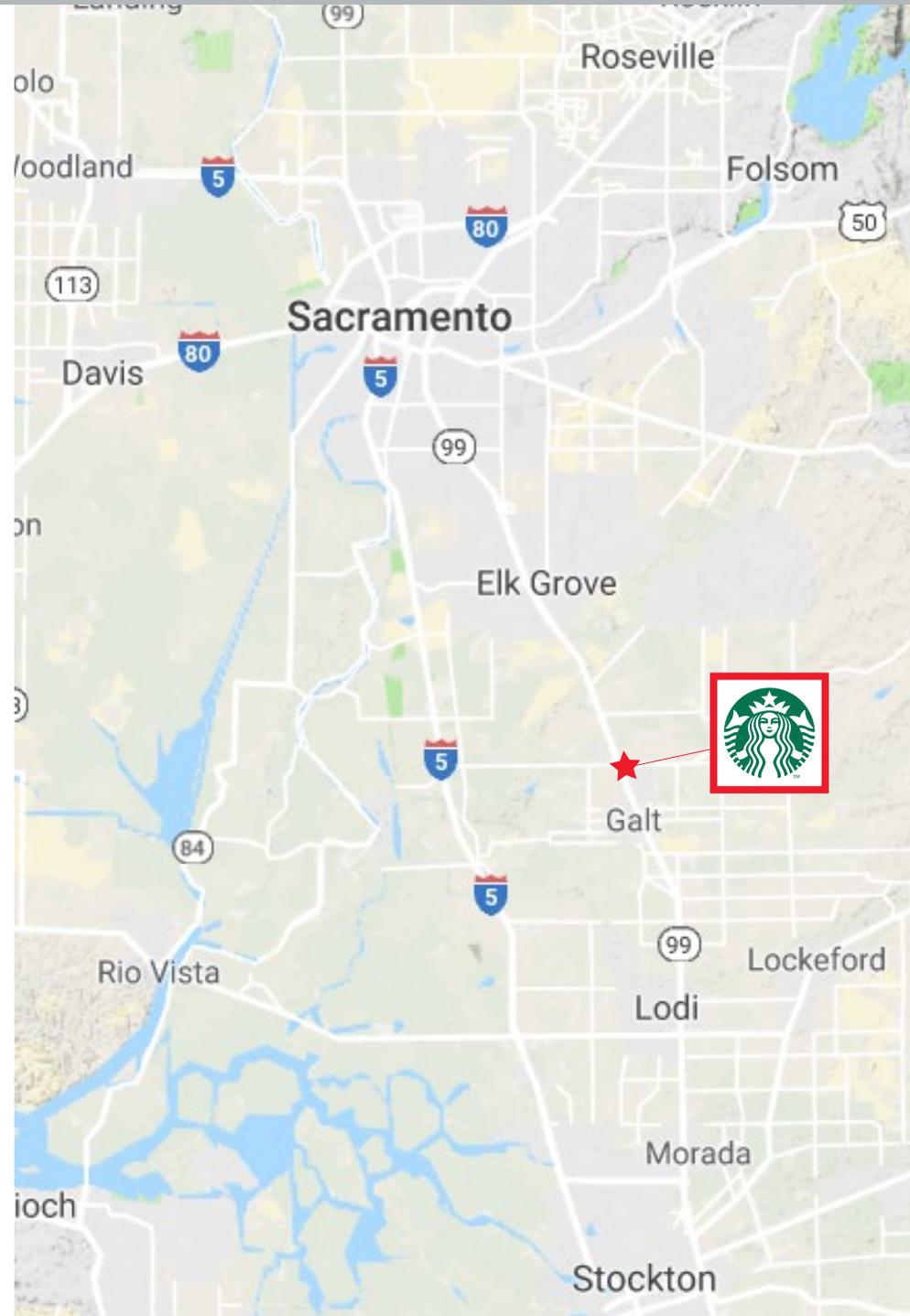
MAJOR EMPLOYERS IN SACRAMENTO MSA	# OF EMPLOYEES
STATE OF CALIFORNIA	81,646
UNIVERSITY OF CALIFORNIA, DAVIS	44,201
KAISER PERMANENTE	16,959
UNITED STATES GOVERNMENT	14,300
SACRAMENTO COUNTY	14,007
UC DAVIS HEALTH SYSTEM	12,840
SUTTER HEALTH	12,138
DIGNITY HEALTH	8,039
INTEL	6,000
APPLE	5,000



DEMOGRAPHIC PROFILE

2018 SUMMARY	1 Mile	3 Miles	5 Miles
Population	5,202	25,737	32,117
Households	1,644	7,917	9,819
Families	1,326	6,314	7,870
Average Household Size	3.16	3.23	3.24
Owner Occupied Housing Units	1,294	5,892	7,269
Renter Occupied Housing Units	350	2,024	2,550
Median Age	33.5	34.4	34.8
Average Household Income	\$84,693	\$87,117	\$86,742

2023 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	5,489	27,292	34,066
Households	1,727	8,344	10,356
Families	1,393	6,661	8,306
Average Household Size	3.17	3.25	3.26
Owner Occupied Housing Units	1,399	6,409	7,928
Renter Occupied Housing Units	328	1,936	2,428
Median Age	32.5	34.3	34.7
Average Household Income	\$99,289	\$101,820	\$101,780





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