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**STARBUCKS | NEW CONSTRUCTION | 10 YEAR NN LEASE**  
725 West 81st Avenue, Merrillville, IN 46410

OFFERING MEMORANDUM

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Property Map](#)



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### **ALL PARTIES SHALL CONDUCT THEIR OWN INDEPENDENT INVESTIGATION AND DUE DILIGENCE:**

Any party contemplating or under contract or in escrow for a transaction is urged to verify all information and to conduct their own inspections and investigations including through appropriate third party independent professionals selected by such party.

All financial data should be verified by the party including by obtaining and reading applicable documents and reports and consulting appropriate independent professionals. FNL makes no warranties and/or representations regarding the veracity, completeness, or relevance of any financial data or assumptions. FNL does not serve as a financial advisor to any party regarding any proposed transaction. All data and assumptions regarding financial performance, including that used for financial modeling purposes, may differ from actual data or performance. Any estimates of market rents and/or projected rents that may be provided to a party do not necessarily mean that rents can be established at or increased to that level. Parties must evaluate any applicable contractual and governmental limitations as well as market conditions, vacancy factors and other issues in order to determine rents from or for the property.

Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by FNL in compliance with all applicable fair housing and equal opportunity laws.

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**STARBUCKS**

## INVESTMENT SUMMARY

|                     |                            |
|---------------------|----------------------------|
| List Price:         | \$1,864,150                |
| Current NOI:        | \$99,732                   |
| Initial Cap Rate:   | 5.35%                      |
| Average Cap Rate:   | 5.61%                      |
| Average NOI:        | \$104,718                  |
| Land Acreage:       | .93 Acres                  |
| Year Built:         | 2017                       |
| Building Size:      | 2,064 SF                   |
| Google Aerial Map:  | Click <a href="#">HERE</a> |
| Google Street View: | Click <a href="#">HERE</a> |

## LEASE SUMMARY

|                         |                                     |
|-------------------------|-------------------------------------|
| Lease Type:             | NN                                  |
| Taxes/CAM/Insurance:    | Tenant Responsibility               |
| Structure/Roof/Parking: | Landlord Responsibility             |
| Original Lease Term:    | 10 Years                            |
| Rent Commencement:      | July 30, 2017                       |
| Rent Expiration:        | July 31, 2027                       |
| Term Remaining:         | 10 Years                            |
| Rent Increases:         | 10% Every 5 Years Including Options |
| Option Periods:         | Four, Five Year Options             |

## TENANT WEBSITE:

[www.Starbucks.com](http://www.Starbucks.com)

## INVESTMENT HIGHLIGHTS

- New Prototype Building Design with Drive-Thru | 2017 Construction
- 10 Year NN Lease Commences in July | Minimal LL Responsibilities
- 10% Rent Increases Every 5 Years Including Options
- Guaranteed by Starbucks Corporation | S&P "A-" Credit Rating
- E-Commerce & Internet Resistant Tenant

## LOCATION HIGHLIGHTS

- Part of the Chicago MSA | 5 Mile Population Exceeds 100,000
- Out Parcel to Meijer | Signalized Corner with 62,000 VPD
- Approximately 30 Miles from Chicago
- Less Than 2 Miles From the Methodist Hospital (634 Bed Facility) & NiSource, Inc. Corporate HQ (Fortune 500 Company)
- Average Household Income Exceeds \$69,000 Within 5 Miles
- Median Home Value Within 5 Miles Exceeds \$152,000
- Positioned Near National Retail Tenants Including: Aldi, Walgreens, Meijer, Costco, Lowe's, Best Buy, Bed, Bath & Beyond, Target, Home Depot and more



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## INVESTMENT OVERVIEW

Fortis Net Lease is proud to present a new free standing Starbucks at 725 West 81st Avenue in Merrillville, IN. The brand new ten year NN lease has four, five year options. There are ten percent rent increases every five years including each option to hedge against inflation.

The subject property is located along a major retail corridor and is surrounded by many national tenants including: Aldi, Walgreens, Meijer, Costco, Lowe's, Best Buy, Bed, Bath & Beyond, Target and Home Depot. The population within five mile exceeds 100,000 residents. The average household income within five miles is \$69,000 and the median home value exceeds \$152,000. The subject property is close to Methodist Hospital (634 bed facility) and the NiSource, Inc. corporate headquarters.

## TENANT OVERVIEW

Starbucks Corporation operates as a roaster, marketer, and retailer of specialty coffee worldwide. Its stores offer coffee and tea beverages, packaged roasted whole bean and ground coffees, single serve products, and juices and bottled water. The company's stores also provide fresh food offerings; ready-to-drink beverages; and various food products, including pastries, and breakfast sandwiches and lunch items, as well as beverage-making equipment and accessories. In addition, it licenses the rights to produce and distribute Starbucks branded products to The North American Coffee Partnership with the Pepsi-Cola Company, as well as licenses its trademarks through licensed stores, grocery, and national foodservice accounts. The company offers its products under the Starbucks, Teavana, Tazo, Seattle's Best Coffee, Starbucks VIA, Starbucks Refreshers, Evolution Fresh, La Boulange, and Verismo brand names. As of June, 28, 2015, it operated approximately 22,519 stores around the world. Starbucks Corporation was founded in 1985 and is based in Seattle, Washington.



**CORPORATE TENANT:**  
**STARBUCKS CORPORATION**

**S&P CREDIT RATING:**  
**A- / STABLE**

**STOCK SYMBOL:**  
**SBUX (NASDAQ)**

**FYE 2015 REVENUE:**  
**\$19.16 BILLION**

**FYE 2015 OPERATING INCOME:**  
**\$3.6 BILLION**

**MARKET CAP (SEPTEMBER 2016):**  
**\$79.33 BILLION**

**TOTAL LOCATIONS:**  
**23,043 STORES**

**WEBSITE:**  
**WWW.STARBUCKS.COM**

## Merrillville, IN

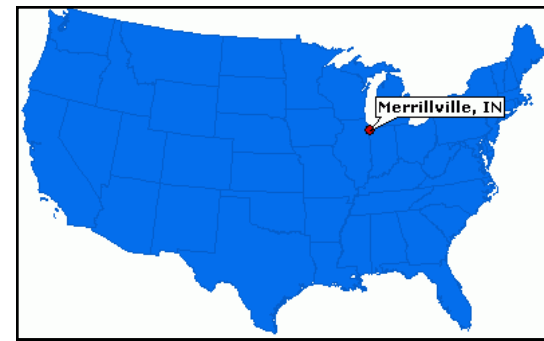
Merrillville is a town in Ross Township, Lake County, Indiana. The population was 35,246 at the 2010 census. Merrillville is located in the east-central portion of Lake County, in the Chicago metropolitan area. It is seven miles south of Gary, Indiana and 30 miles southeast of Chicago, Illinois. On January 1, 2015, Merrillville became the most populated town in Indiana, as Fishers in Hamilton County was converted from a town to a city.

The town is centered on the intersection of U.S. Route 30 and Interstate 65. The asymmetric shape of Merrillville results in numerous boundaries with other municipalities. Merrillville is bordered by Gary and unincorporated Calumet Township, Lake County, to the north; Hobart to the northeast; Union Township, Porter County, to the east; Winfield and Crown Point to the south; Schererville to the west; and Griffith to the northwest.

Merrillville is a hub for retail trade in Northwest Indiana. The US 30 corridor between Taft Street and Colorado Street harbors a large concentration of big-box retailers, hotels, restaurants, and automobile dealerships.

Ameriplex at the Crossroads, an industrial and technology park, opened at Broadway between 93rd Avenue and 101st Avenue in 2005. The development is designated an Indiana Certified Technology Park and includes a business incubator and technology center operated by the Purdue Research Foundation.

The town is home to the corporate headquarters of Fortune 500 energy company NiSource, hospitality management firm White Lodging, and Centier Bank, the largest privately owned independent bank in Indiana.



City of Chicago

# Chicago Economic Overview

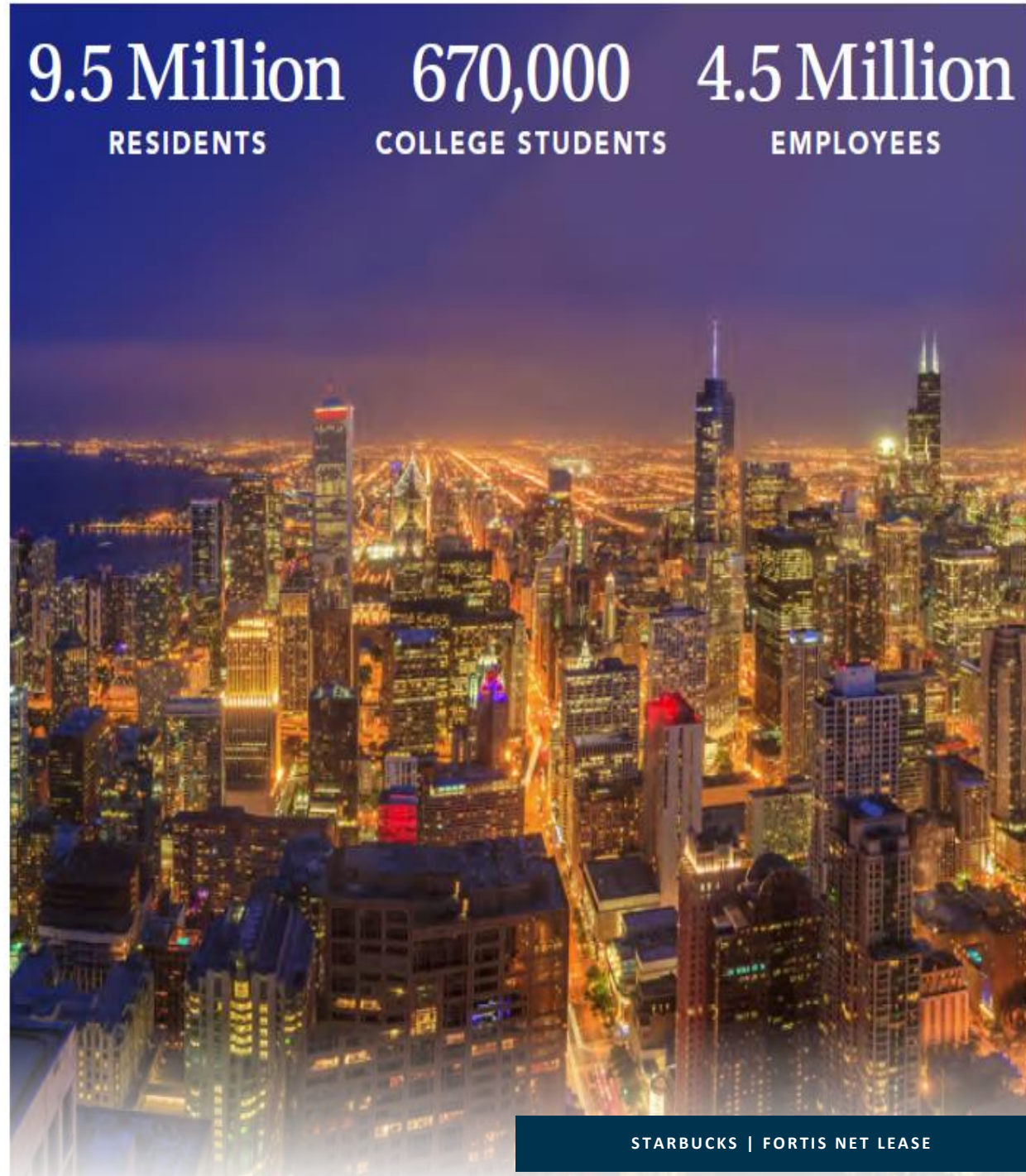
## 3<sup>RD</sup> LARGEST MSA IN US

The Chicago MSA is home to approximately 9.5 million residents, making it the third most populous region in the country, encompassing 16 counties across three states: Illinois, Indiana, and Wisconsin. The city of Chicago is the economic and cultural capital of the Midwest, featuring a vibrant downtown district that is filled with world class businesses, restaurants, retail, residences, and entertainment. The strong economic base, skilled labor pool and diverse background make this 24-hour metropolis one of the most important and influential in the world. Chicago features 26 regional malls and 47 sub-regional markets within the MSA.

| Top US Cities by Population |               |            |
|-----------------------------|---------------|------------|
| Rank                        | City          | Population |
| 1                           | New York City | 8,550,405  |
| 2                           | Los Angeles   | 3,971,883  |
| 3                           | Chicago       | 2,720,546  |
| 4                           | Houston       | 2,296,224  |
| 5                           | Philadelphia  | 1,567,442  |
| 6                           | Phoenix       | 1,563,025  |
| 7                           | San Antonio   | 1,469,845  |
| 8                           | San Diego     | 1,394,928  |
| 9                           | Dallas        | 1,300,092  |
| 10                          | San Jose      | 1,026,908  |

Source: U.S. Census – 2015 Population Estimate

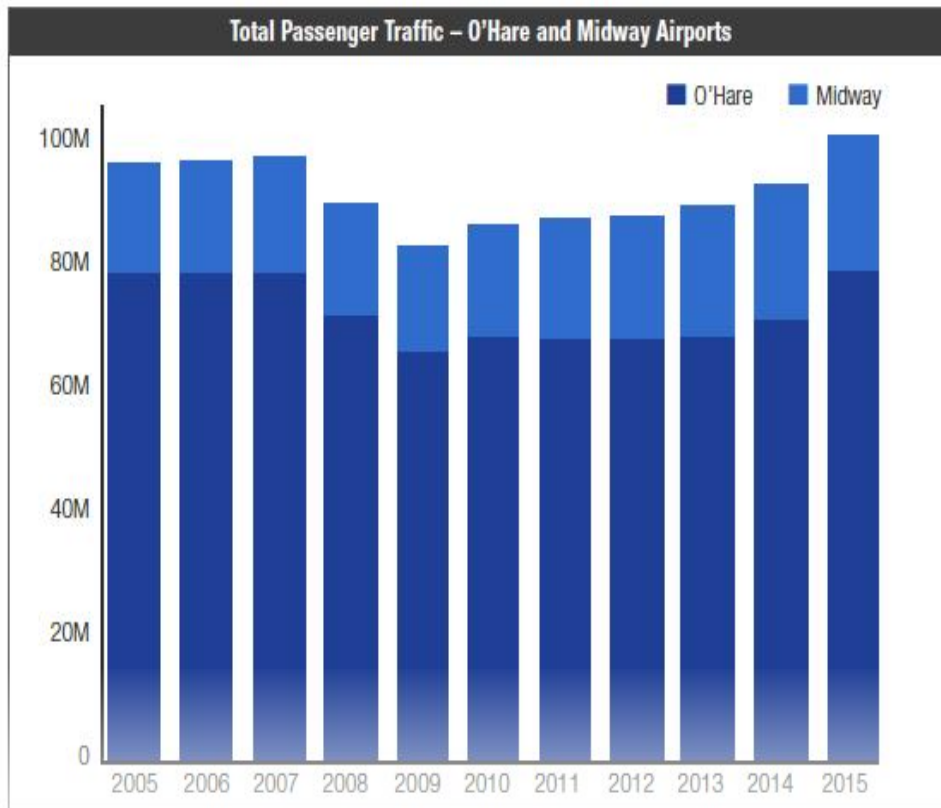
**9.5 Million** RESIDENTS      **670,000** COLLEGE STUDENTS      **4.5 Million** EMPLOYEES



## INTERNATIONAL TRAVEL DESTINATION

Chicago is the 2<sup>nd</sup> most popular travel destination in the US. In 2015, the city hosted 50.97 million domestic visitors, which was a 4.5% increase from 2014's record performance of 50.17 million visitors. Additionally, the city hosted an estimated 1.3 million international visitors, bringing the total number of visitors to more than 52 million. Since 2010, the tourism and hospitality industries have added 9,800 jobs, generating \$13.7 billion in direct spending by visitors and \$871 million in total tax revenue.

Downtown Chicago features direct rail access to O'Hare International Airport and Midway International Airport, which is the only "dual-hub" airport system in North America and handles more than 1,500 daily departures and 99 million passengers annually. O'Hare is ranked #1 best connected airport in the U.S. because all major North American markets are within a 4-hour flight. Currently, O'Hare is undergoing a \$6.6 billion, 20-year expansion reducing flight delays and increasing flight capacity into the foreseeable future.



Source: Chicago Department of Aviation

**“Dual-Hub” airport system has more than 1,500 daily departures and 99 million annual passengers.**



**1,500+**  
DAILY DEPARTURES

**99 Million**  
ANNUAL PASSENGERS

## 2<sup>ND</sup> HIGHEST GRP IN US

Chicago has the 2<sup>nd</sup> largest Gross Regional Product in the US, second to New York City, at \$576 billion. This also ranks Chicago 24<sup>th</sup> in the world in terms of Gross Product, if Chicago were its own country. Additionally, Chicago is the country's most diversified economy, with no single industry employing more than 14% of the workforce. Chicago's primary industries include: Financial Services, Business & Professional Services, Manufacturing, Health Services, and Transportation and Warehousing.

*Chicago has one of the world's largest and most diversified economies at over \$575 billion in annual GRP, making it the 4th most economically powerful city in the world.*

In 2016, the growth rate of real GDP is expected to be 2.6% — an improvement from the projected 2.2% rate for 2015.

As one of the largest financial centers in North America, the Chicago MSA is home to more than 400 major corporate headquarters, including 31 S&P 500 companies, 36 Fortune 500 companies and 20 FT Global 500 companies, including: Walgreens Boots Alliance, Boeing, United Continental Holdings, McDonald's, Discover Financial and Abbot Laboratories, among others. The city is also home to the largest future exchanges in the US, the CME Group.





Chicago is home to more than 400 major corporate HQ's, including 36 Fortune 500 companies, and ranked #2 in North America for International HQ's.



### Fortune 500 Headquarters In the Chicago MSA

| Company Name                | Location            | Rank |
|-----------------------------|---------------------|------|
| Walgreens Boots Alliance    | Deerfield, IL       | 19   |
| Boeing                      | Chicago, IL         | 24   |
| State Farm Insurance Cos.   | Bloomington, IL     | 35   |
| Archer Daniels Midland      | Chicago, IL         | 41   |
| Caterpillar                 | Peoria, IL          | 59   |
| United Continental Holdings | Chicago, IL         | 80   |
| Allstate                    | Northbrook, IL      | 81   |
| Mondelez International      | Deerfield, IL       | 94   |
| Exelon                      | Chicago, IL         | 95   |
| Deere                       | Moline, IL          | 97   |
| McDonald's                  | Oak Brook, IL       | 109  |
| Sears Holdings              | Hoffman Estates, IL | 111  |
| US Foods Holding            | Rosemont, IL        | 122  |
| AbbVie                      | North Chicago, IL   | 123  |
| Abbott Laboratories         | Abbott Park, IL     | 138  |
| Illinois Tool Works         | Glenview, IL        | 211  |
| CDW                         | Lincolnshire, IL    | 220  |
| R. R. Donnelley & Sons      | Chicago, IL         | 255  |
| Navistar International      | Lisle, IL           | 281  |
| Discover Financial Services | Riverwoods, IL      | 283  |
| W. W. Grainger              | Lake Forest, IL     | 285  |
| Baxter International        | Deerfield, IL       | 286  |
| Univar                      | Downers Grove, IL   | 315  |
| Tenneco                     | Lake Forest, IL     | 334  |
| LKQ                         | Chicago, IL         | 369  |
| Dover                       | Downers Grove, IL   | 377  |
| Anixter International       | Glenview, IL        | 391  |
| Baxalta                     | Bannockburn, IL     | 420  |
| Jones Lang Lasalle          | Chicago, IL         | 436  |
| Old Republic International  | Chicago, IL         | 442  |
| Packaging Corp. of America  | Lake Forest, IL     | 446  |
| Motorola                    | Schaumburg, IL      | 451  |
| Ingredion                   | Westchester, IL     | 456  |
| Arthur J. Gallagher         | Itasca, IL          | 471  |
| Essendant                   | Deerfield, IL       | 477  |
| Telephone & Data Systems    |                     |      |

STARBUCKS | FORTIS NET LEASE

## WORLD CLASS EDUCATION

Northwestern University, the University of Chicago, the University of Illinois at Chicago, DePaul University and Loyola University are all located within the Chicago MSA. There are also more than 325,000 students, with 65,000 in the Loop alone, who attend over 60 higher education institutions throughout the metropolitan area, supplying the city with a young and talented workforce. Of the 60 institutions, 2 are Top 20 Universities in the US and is a Top 10 University in the World. Chicago is also ranked as the #1 Metro for Big Ten Alumni and the #1 City for Recent College Grads.

*The Chicago MSA is home to more than 60 colleges & universities, including: Northwestern University, The University of Chicago, University of Illinois at Chicago, DePaul University and Loyola University.*



## GROWING ECONOMY

| Cost of Business by Metro Area |       |
|--------------------------------|-------|
| City                           | Index |
| Chicago                        | 99.1  |
| Philadelphia                   | 99.4  |
| Sacramento                     | 99.5  |
| San Diego                      | 99.9  |
| North Virginia (Metro DC)      | 100.1 |
| Los Angeles                    | 100.5 |
| Boston                         | 101.1 |
| Seattle                        | 101.4 |
| New York City                  | 103.6 |
| San Francisco                  | 104.2 |



Chicago is top-ranked for economic potential among major cities across the world. As of 2015, Chicago remains the #1 ranked city for Metro Corporate Investments in the US and *Inc. Magazine* ranked Chicago #4 "Number of Fastest Growing Companies in the US". *World Business Chicago* identified more than 675 new & expanding facilities announced, under development, or completed in the metro area in 2013, representing a total of 35 million square feet and \$6 billion in economic development activity. Also, Chicago's list of active and new retailers has increased 25% since 2013, with 55 of these being new entrants to the market. Other factors contributing to Chicago's growing economy are a decline in unemployment and interest rates, as well as having the highest consumer confidence index since 2008.

### IMAGES

① University of Chicago - South Campus

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WEBB HYUNDAI MITSUBISHI

MIDAS

Steak 'n Shake

metro PCS

Wendy's

Walgreens

STARBUCKS COFFEE

DISCOUNT TIRE

E Lincoln Highway

ups verizon

STANDARD BANK AND TRUST

Merrillville Road

AAT HILL

Ben's Soft Pretzels

Meijer

meijer



**PROPERTY ADDRESS**  
725 West 81st Ave  
Merrillville, IN

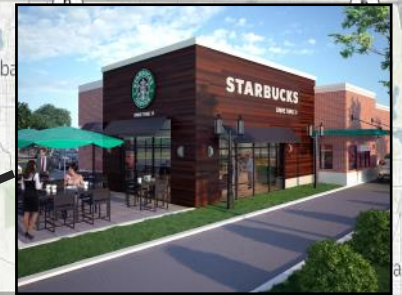
NiSource Corporate  
Headquarters  
(Fortune 500 Company)

**SOUTHLAKE MALL**  
JCPenney  
FOREVER 21  
sears  
★ MACYS  
Starbucks  
KOHLS  
BAMI  
H&M  
DICK'S  
SPORTING GOODS

**NOW  
HIRING**

## Top Employers in Lake County, Indiana

- ◆ Abbott Laboratories
- ◆ AbbVie Inc.
- ◆ Advocate Health Care
- ◆ Aon Hewitt
- ◆ Baxter International
- ◆ College of Lake County
- ◆ CDW Corporation



725 W 81st  
Ave



100,295 People Live Within 5 Miles



Average Household Income Exceeds \$69,000 Within 5 Miles

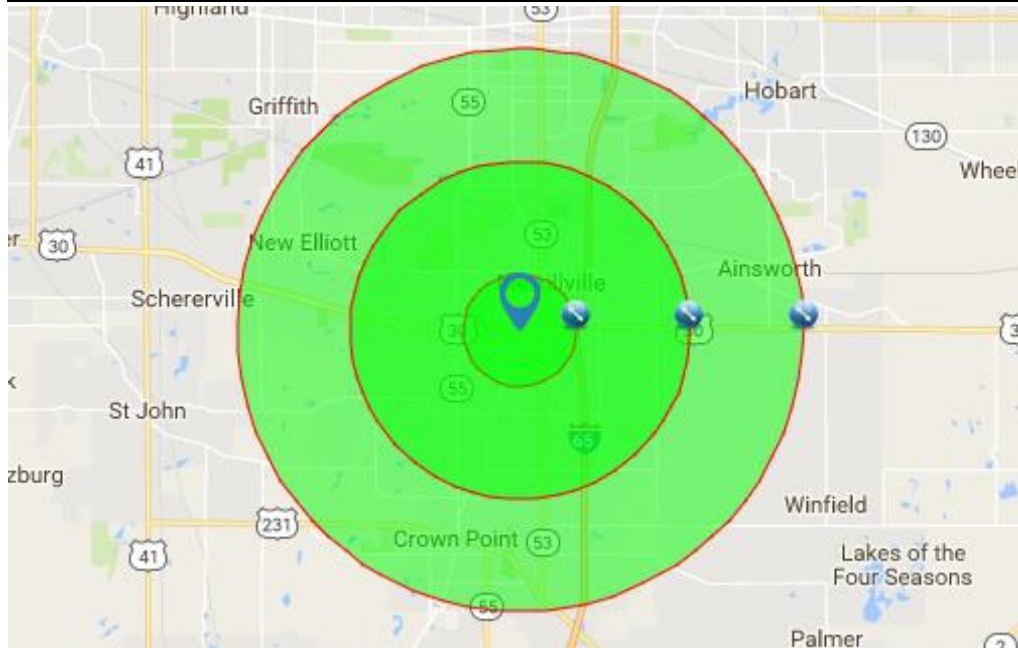
Click Image For Online Property Map



725 W 81st Ave



| Population                    | 1 Mile    | 3 Mile    | 5 Mile    |
|-------------------------------|-----------|-----------|-----------|
| <b>2016 Total Population:</b> | 5,815     | 42,387    | 100,295   |
| <b>2021 Population:</b>       | 5,824     | 42,162    | 99,827    |
| <b>Pop Growth 2016-2021:</b>  | 0.15%     | (0.53%)   | (0.47%)   |
| <b>Average Age:</b>           | 41.20     | 39.00     | 38.90     |
| <b>Households</b>             |           |           |           |
| <b>2016 Total Households:</b> | 2,649     | 16,446    | 37,952    |
| <b>HH Growth 2016-2021:</b>   | 0.08%     | (0.50%)   | (0.44%)   |
| <b>Median Household Inc:</b>  | \$47,349  | \$55,352  | \$56,695  |
| <b>Avg Household Size:</b>    | 2.10      | 2.50      | 2.60      |
| <b>2016 Avg HH Vehicles:</b>  | 1.00      | 2.00      | 2.00      |
| <b>Housing</b>                |           |           |           |
| <b>Median Home Value:</b>     | \$141,324 | \$148,649 | \$152,388 |
| <b>Median Year Built:</b>     | 1997      | 1983      | 1975      |



| Population:                              | 1 Mile          | 3 Mile          | 5 Mile          |
|--|-----------------|-----------------|-----------------|
| <b>2021 Projection</b>                   | 5,824           | 42,162          | 99,827          |
| <b>2016 Estimate</b>                     | 5,815           | 42,387          | 100,295         |
| <b>2010 Census</b>                       | 5,623           | 42,369          | 99,954          |
| <b>Growth 2016-2021</b>                  | 0.15%           | (0.53%)         | (0.47%)         |
| <b>Growth 2010-2016</b>                  | 3.41%           | 0.04%           | 0.34%           |
| <b>2016 Population Hispanic Origin</b>   | 746             | 6,164           | 12,189          |
| <b>2016 Population by Race:</b>          |                 |                 |                 |
| <b>White</b>                             | 3,120           | 26,923          | 67,590          |
| <b>Black</b>                             | 2,390           | 13,303          | 28,569          |
| <b>Am. Indian &amp; Alaskan</b>          | 23              | 182             | 385             |
| <b>Asian</b>                             | 141             | 919             | 1,724           |
| <b>Hawaiian &amp; Pacific Island</b>     | 3               | 28              | 48              |
| <b>Other</b>                             | 138             | 1,032           | 1,979           |
| <b>U.S. Armed Forces:</b>                | <b>5</b>        | <b>11</b>       | <b>11</b>       |
| <b>Households:</b>                       |                 |                 |                 |
| <b>2021 Projection</b>                   | 2,651           | 16,363          | 37,786          |
| <b>2016 Estimate</b>                     | 2,649           | 16,446          | 37,952          |
| <b>2010 Census</b>                       | 2,574           | 16,422          | 37,770          |
| <b>Growth 2016 - 2021</b>                | 0.08%           | (0.50%)         | (0.44%)         |
| <b>Growth 2010 - 2016</b>                | 2.91%           | 0.15%           | 0.48%           |
| <b>Owner Occupied</b>                    | 1,322           | 10,658          | 27,059          |
| <b>Renter Occupied</b>                   | 1,327           | 5,788           | 10,893          |
| <b>2016 Avg Household Income</b>         | <b>\$55,050</b> | <b>\$65,635</b> | <b>\$69,180</b> |
| <b>2016 Med Household Income</b>         | <b>\$47,349</b> | <b>\$55,352</b> | <b>\$56,695</b> |
| <b>2016 Households by Household Inc:</b> |                 |                 |                 |
| <b>&lt;\$25,000</b>                      | 656             | 2,929           | 6,988           |
| <b>\$25,000 - \$50,000</b>               | 756             | 4,528           | 9,720           |
| <b>\$50,000 - \$75,000</b>               | 588             | 3,563           | 7,997           |
| <b>\$75,000 - \$100,000</b>              | 370             | 2,327           | 5,354           |
| <b>\$100,000 - \$125,000</b>             | 164             | 1,729           | 3,896           |
| <b>\$125,000 - \$150,000</b>             | 40              | 548             | 1,606           |
| <b>\$150,000 - \$200,000</b>             | 54              | 603             | 1,498           |
| <b>\$200,000+</b>                        | 20              | 220             | 894             |





**FORTIS NET LEASE**  
INVESTMENT REAL ESTATE SERVICES



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**STARBUCKS**

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