

- *Brand New Construction - Opens Jan 2018*
- *Relocation of a Successful Store with Established Sales*
- *10 Year Net Leased Investment*
- *10% Rent Increases Every 5 Years*
- *Three - 5 Year Options*
- *Metro Corridor - 66,000 Avg. Vehicles/Day*



OFFERING MEMORANDUM



**STARBUCKS**

689 WEST OLIVE AVENUE, MERCED

Representative Photo



# Starbucks



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Photographic Photo

# STARBUCKS

01 Executive Summary

Offering Summary

Location Summary

Demographics

Demographic Charts

## OFFERING SUMMARY

ADDRESS	689 West Olive Avenue Merced CA 95348
COUNTY	Merced
MARKET	Merced
SUBMARKET	Central Merced
GLA (SF)	2,200
LAND SF	<b>26,601 SF</b>
YEAR BUILT	2017
APN	236-220-020
MAJOR TENANT/S	Starbucks
OWNERSHIP TYPE	Fee Simple

## FINANCIAL SUMMARY

OFFERING PRICE	\$2,900,000
PRICE PSF	\$1,318.18
NOI	\$120,000
CAP RATE	4.14 %



Representative Photo

ACRE Investment Real Estate Services is proud to present this brand new Starbucks relocation store in Merced, California. The Starbucks is situated on a .66 acre parcel at the signalized hard corner of West Olive and M Street providing excellent vehicular exposure to 66,000 cars per day. The site is equipped with a drive-thru and 25+ parking spaces providing customers with easy access to the coffee shop. This is the relocation of a successful Starbucks store with established sales.

This brand new Starbucks has a 10-year Net lease, with 3-five year extensions. There are 10% rent increases in year 6 of the primary lease term and in each of the three extension periods.

The site benefits from strong national co-tenancy in the adjoining Merced Mall, as well as a brand new CVS Retail Center next door. National retailers in the area include CVS, Hometown Buffet, Chipotle, El Pollo Loco, Regency 7 Movie Theatre, Michaels, Big Lots, JC Penny, Kohl's, Chase Bank, Jack in the Box, and more.

DEMOGRAPHICS	1 MILE	3 MILE	5 MILE
2016 Population	18,381	88,585	100,926
2016 Median HH Income	\$34,284	\$41,294	\$42,514
2016 Average HH Income	\$48,895	\$61,579	\$62,945



The City of Merced is located in the Central Valley of California. The City is located approximately 110 miles southeast of San Francisco and 310 miles northwest of Los Angeles. The City has a population of about 80,542, according to the State Dept of Finance and serves as the county seat. Merced is located on Highway 99, the dominant north-south freeway in California, and is served also by Highways 140 and 59. Two railroads, Union Pacific and Burlington Northern / Santa Fe, have main lines which pass through the City.

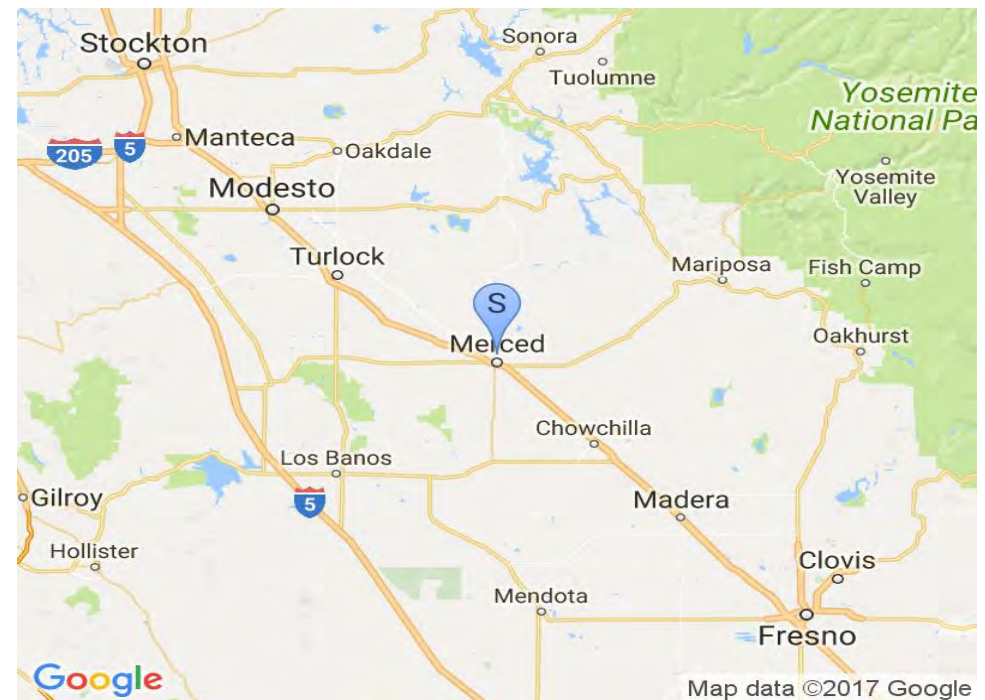
Merced was incorporated in 1889 and operates under the Council-Manager form of government. Merced's population has grown faster than the state average since 1980. Over the past nine years, the annualized growth rate is about 3.4%. This rapid expansion of population has stimulated significant retail growth since 1992. Several major retail chain stores have entered Merced, adding over 750,000 square feet of new retail space in that time and increasing the City's sales tax receipts by over \$500,000 annually.

The economy has traditionally relied upon agribusiness and upon the presence of Castle Air Force Base. Over the past twenty years, more diversified industry has entered the area, including printing, fiberglass boat building, warehousing and distribution, and packaging industries.

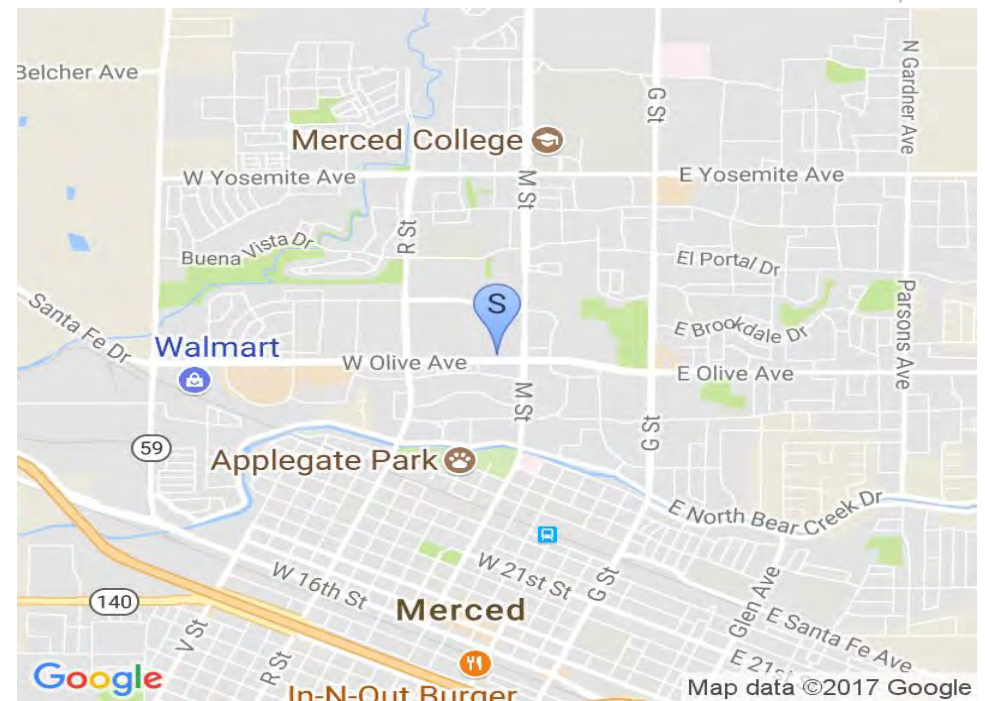
In September 1995, Castle Air Force Base closed after phasing down over the previous three years. This has affected residential real estate and some sectors of the retail and service economies, but overall retail has continued to increase. No significant increase in unemployment has been noted. Re-use of the former base is actively proceeding. Industrial development is increasing in the area.

Since 1992, more than 400,000 square feet of new industrial activity has started. In May 1995, Merced was selected as the home of the next University of California campus. UC Merced opened with its first 1,000 students in September 2005. Local planning is underway to accommodate campus development, will eventually accommodate about 25,000 students.

Regional Map



Locator Map

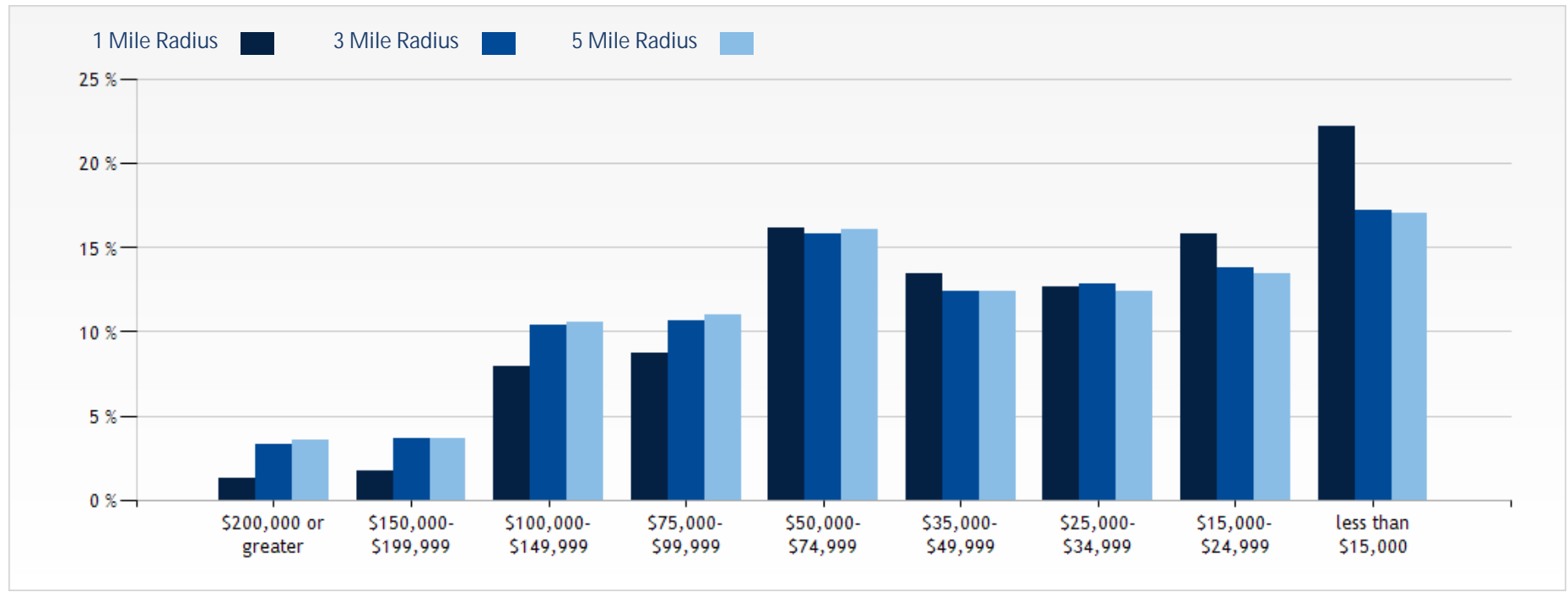


POPULATION	1 MILE	3 MILE	5 MILE
2000 Population	18,143	71,373	78,258
2010 Population	17,836	84,244	95,901
2016 Population	18,381	88,585	100,926
2021 Population	18,775	91,679	104,723
2016 African American	1,372	4,699	5,145
2016 American Indian	347	1,338	1,471
2016 Asian	1,892	10,759	12,364
2016 Hispanic	8,325	46,672	52,923
2016 White	10,249	45,782	52,320
2016 Other Race	3,212	20,616	23,461
2016 Multiracial	1,253	5,160	5,909
2016-2021: Population: Growth Rate	2.15 %	3.45 %	3.70 %

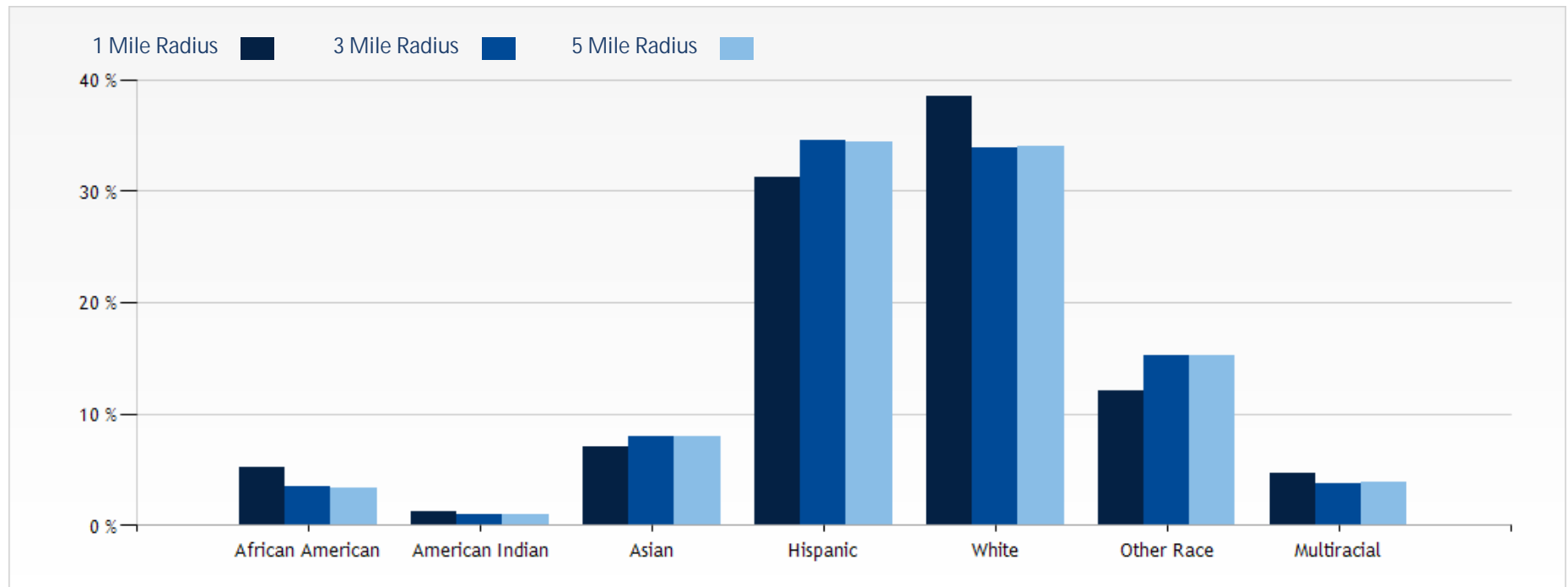
2016 HOUSEHOLD INCOME	1 MILE	3 MILE	5 MILE
less than \$15,000	1,525	4,793	5,275
\$15,000-\$24,999	1,089	3,842	4,153
\$25,000-\$34,999	872	3,582	3,845
\$35,000-\$49,999	923	3,462	3,827
\$50,000-\$74,999	1,113	4,407	4,969
\$75,000-\$99,999	600	2,961	3,395
\$100,000-\$149,999	544	2,893	3,268
\$150,000-\$199,999	119	1,010	1,118
\$200,000 or greater	91	910	1,100
Median HH Income	\$34,284	\$41,294	\$42,514
Average HH Income	\$48,895	\$61,579	\$62,945

HOUSEHOLDS	1 MILE	3 MILE	5 MILE
2000 Total Housing	7,023	24,081	26,376
2010 Total Households	6,778	26,754	29,774
2016 Total Households	6,877	27,862	30,949
2021 Total Households	7,008	28,807	32,080
2016 Average Household Size	2.58	3.09	3.15
2000 Owner Occupied Housing	2,434	11,331	12,817
2000 Renter Occupied Housing	4,267	11,520	12,194
2016 Owner Occupied Housing	2,127	12,227	14,045
2016 Renter Occupied Housing	4,750	15,635	16,904
2016 Vacant Housing	793	2,729	2,972
2016 Total Housing	7,670	30,591	33,921
2021 Owner Occupied Housing	2,153	12,603	14,521
2021 Renter Occupied Housing	4,855	16,205	17,560
2021 Vacant Housing	847	2,852	3,118
2021 Total Housing	7,855	31,659	35,198
2016-2021: Households: Growth Rate	1.90 %	3.35 %	3.60 %

2016 Household Income

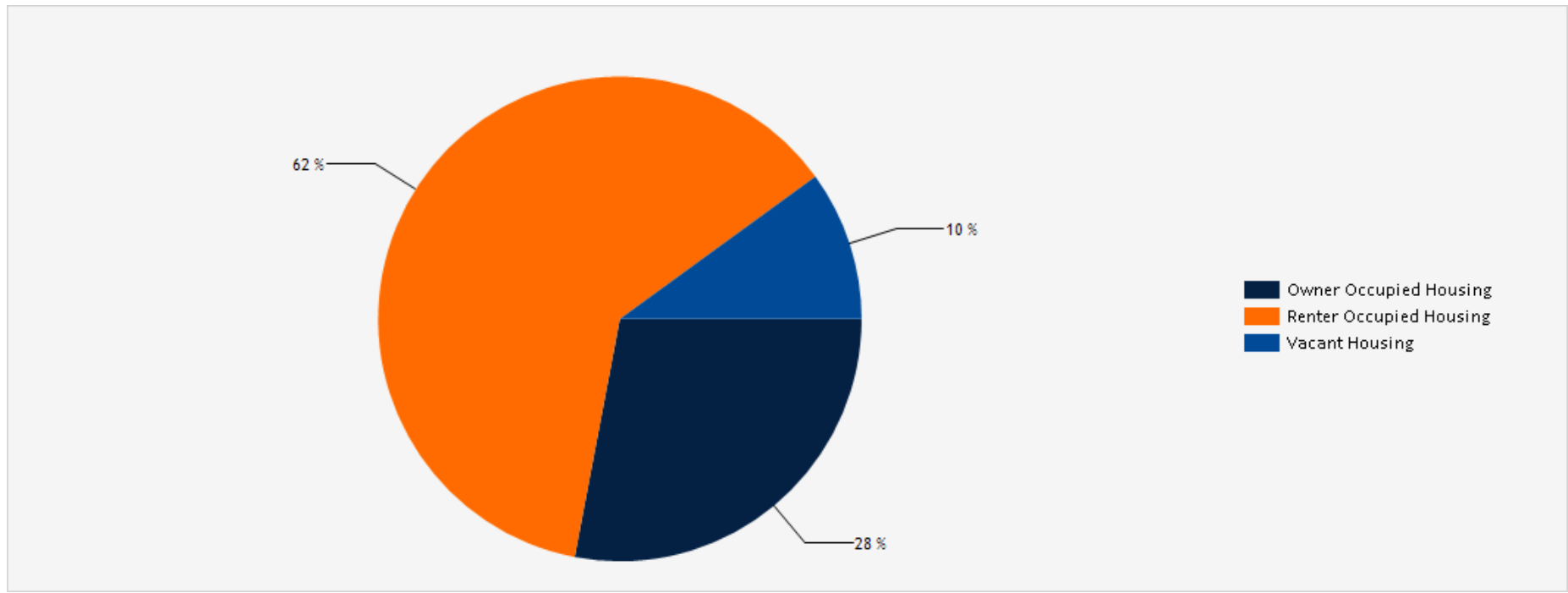


2016 Population by Race

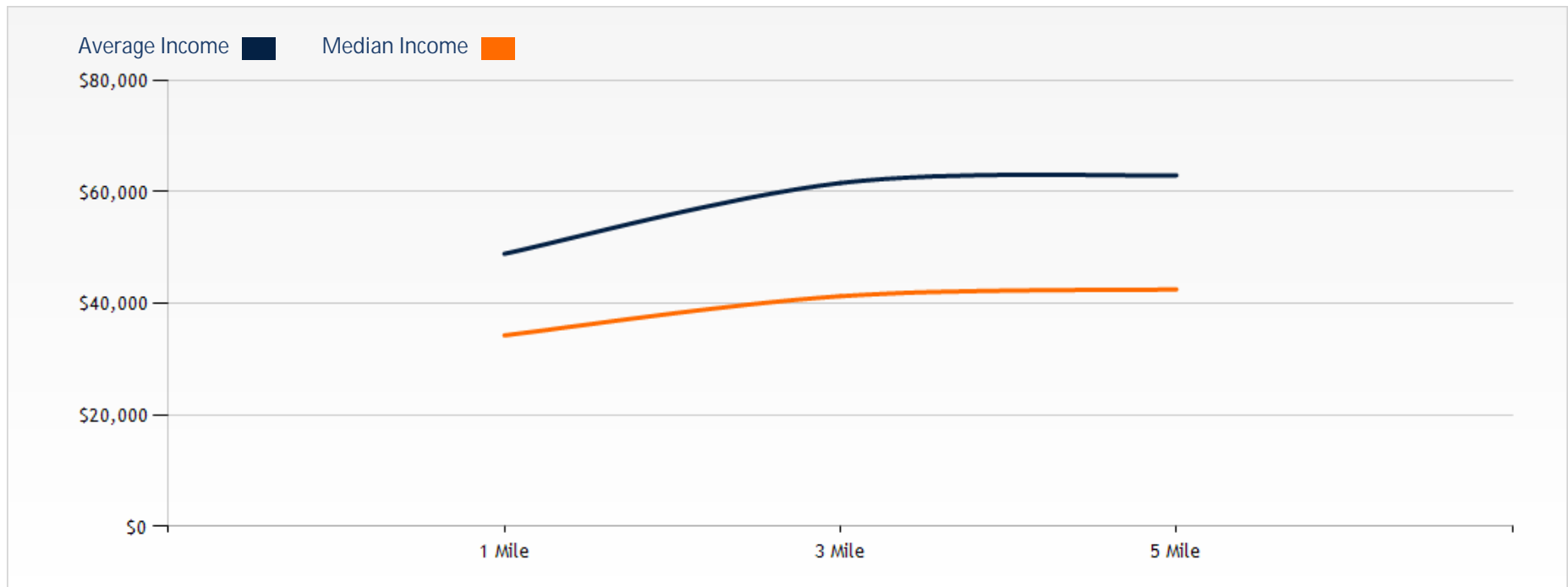




## 2016 Household Occupancy - 1 Mile Radius



## 2016 Household Income Average and Median





Representative Photo

02

Property Description

Property Features

Aerial Map

Parcel Map

# STARBUCKS



## Site Description

NUMBER OF TENANTS	1
GLA (SF)	2,200
LAND SF	<b>26,601</b>
LAND ACRES	<b>.66</b>
YEAR BUILT	2017
# OF PARCELS	1
ZONING TYPE	Commercial
BUILDING CLASS	Class A
TOPOGRAPHY	Flat
NUMBER OF STORIES	1
NUMBER OF BUILDINGS	1
NUMBER OF PARKING SPACES	25+
STREET FRONTAGE	Yes
CORNER LOCATION	Yes
TRAFFIC COUNTS	66,000 AADT
NUMBER OF INGRESSES	2
NUMBER OF EGRESSES	2

## NEIGHBORING PROPERTIES

NORTH	Merced Mall
SOUTH	Social Security Administration
EAST	CVS
WEST	Hometown Buffet

## CONSTRUCTION

FOUNDATION	Slab
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## TENANT INFORMATION

MAJOR TENANT/S	Starbucks
SHADOW ANCHOR	Merced Mall
LEASE TYPE	<b>Net Lease</b>



Representative Photo





SUBWAY

JCPENNEY

BIG LOTS!

Sears Auto Center

HOT TOPIC

Foot Locker

WOK WORLD OF KNOWLEDGE

BIG 5 SPORTING GOODS

Michaels

Merced Mall We've got it all!

KOHL'S

Sears

M

VITAMIN WORLD

PACSUN

BR bagkin tobkins

UNITED ARTISTS Theatres

Franciscan HEALTH



CHIPOTLE MEXICAN GRILL

HOMETOWN BUFFET

CVS pharmacy

JACK IN THE BOX

El Pollo Loco

Pizza Hut

BURGER KING

Hiram's Grill

IHOP

Chevron

CHASE

PAUL W. SMITH, OD MEMBER Vision Source NETWORK

U.S. ARMY

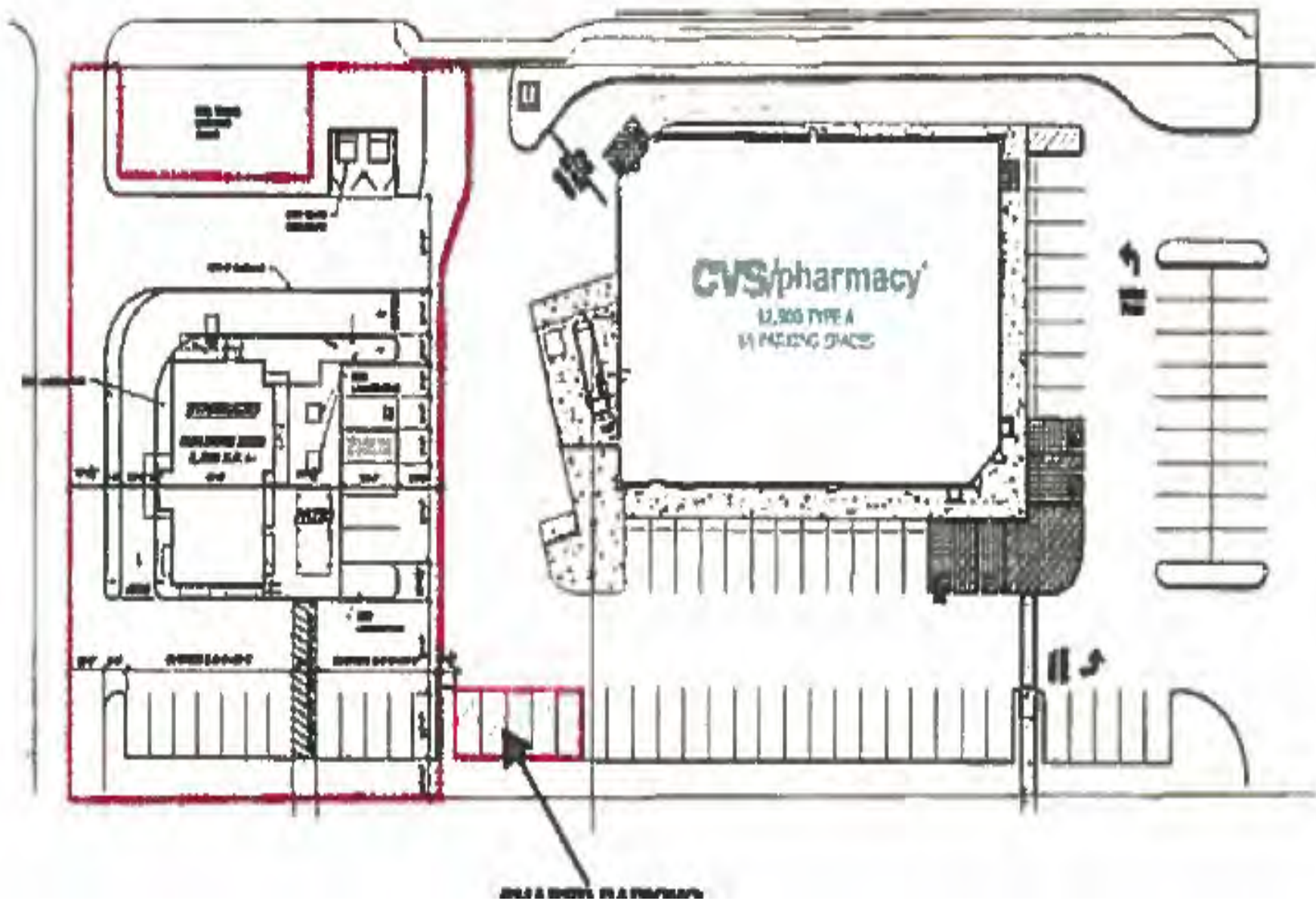
Money Mart

U.S. ARMY

WESTAMERICA BANK

LONG JOHN SILVERS









# STARBUCKS

## 03 Rent Roll

Rent Roll Details

Lease Expiration Summary

Tenant Profile

Representative Photo



Tenant Name	Square Feet	% of NRA	Lease Term		Rental Rates					Lease Type	Options/Notes
			Lease Start	Lease End	Begin Date	Monthly	Rent/SF	Annually	PSF		
Starbucks	2,200	100%	01/01/18	12/31/27	01/01/2018	\$10,000	\$4.55	\$120,000	\$54.55	NNN	Primary Term
					01/01/2023	\$11,000	\$5.00	\$132,000	Option Period 1		
					01/01/2028	\$12,100	\$5.50	\$145,200	Option Period 2		
					01/01/2033	\$13,310	\$6.05	\$159,720	Option Period 3		



Representative Photo



Trade Name	Starbucks
Headquartered	Seattle, Washington
Website	<a href="http://www.starbucks.com">www.starbucks.com</a>
# of Locations	26,696

#### Description

Starbucks Corporation is an American coffee company and coffeehouse chain. Starbucks was founded in Seattle, Washington in 1971. As of November 2017, it operates 26,696 locations worldwide.

Starbucks locations serve hot and cold drinks, whole-bean coffee, microground instant coffee known as VIA, espresso, cafe latte, full- and loose-leaf teas including Teavana tea products, Evolution Fresh juices, Frappuccino beverages, La Boulange pastries, and snacks including items such as chips and crackers; some offerings (including their annual fall launch of the Pumpkin Spice Latte) are seasonal or specific to the locality of the store. Many stores sell pre-packaged food items, hot and cold sandwiches, and drinkware including mugs and tumblers.



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