

CONFIDENTIAL OFFERING MEMORANDUM

Starbucks · Brand New Construction · Long-Term Lease

1076 N. 7th Street // Rochelle, IL 61068



EXCLUSIVELY OFFERED BY:

PATRICK J. FORKIN

Director / Broker
312.275.3117
patrick@baumrealty.com

VIVIAN PEREZ

Investment Sales Analyst / Broker
312.275.3124
viv@baumrealty.com

BAUM REALTY GROUP, LLC

1030 W. Chicago Avenue, Suite 200
Chicago, IL 60642
www.baumrealty.com



Offering Summary

Baum Realty Group has been exclusively retained by ownership to sell a Starbucks net-leased property located in Rochelle, IL. The lease features strong rental escalations throughout the primary term and each of the four, 5-year options. The building features first-class construction with Starbucks latest branding design with additional premium construction features, a drive-thru window, and an outdoor patio. The site is strategically positioned at Ogle County's #1 signalized intersection, with combined traffic counts of over 22,000 VPD.

PRICE:	\$1,998,218
CAP RATE:	5.50%
YEARS REMAINING:	10 Years
<hr/>	
ANNUAL RENT:	\$109,902
LEASE TYPE:	NNN - Limited Landlord Responsibilities
CORPORATE TENANT:	Starbucks Corporation
TENANT CREDIT RATING:	BBB+ (S&P)
YEAR BUILT:	2022
EARLY TERMINATION:	None





Investment Highlights

BRAND NEW CONSTRUCTION

The new first-class 2022 construction features Starbucks' latest prototypical drive-thru design and a long-term roof warranty. The above-average 2,215 SF building is situated on 2.42 acres of land, providing additional long-term intrinsic value for an investor.

LONG-TERM LEASE

Starbucks signed a new 10-year lease with no early termination rights and 10% rent increases. There are minimal landlord responsibilities, providing a very passive cash flow for the buyer.

CENTRALLY LOCATED

Situated in the heart of Rochelle at one of the busiest corners in the region. This Main and Main intersection is home to a freestanding Walgreens and the community's recently completed \$14 million recreation center, drawing significant customer traffic to Starbucks.

MASSIVE TRADE AREA

The new Starbucks location caters to a massive trade area and features minimal competition as it's the only free-standing Starbucks within 45 miles, encompassing over 101,300 people.





NATIONAL RETAILER PRESENCE

The subject property benefits from close proximity to other major national retailers including: Walmart Supercenter, Walgreens, ALDI, McDonald's, O'Reilly Auto Parts, AutoZone, Ace Hardware, CVS, Verizon, Dunkin', Taco Bell, Subway, and Little Caesars among others.

STABLE ECONOMY

Rochelle is one of the fastest growing cities in Illinois, with 21% job growth expected in the next five years. Home to Union Pacific's Global III Terminal, a critical interchange hub for rail shipments moving through western Iowa and Wisconsin. It supports several freight-related businesses including the recently opened Nippon Sharyo, which builds passenger rail cars for Metra, the food industry including Del Monte, and numerous resin plants that serve the frac and sand industry. Furthermore, the city recently announced a \$13.8 million-dollar electrical substation project which will help facilitate all the new industrial growth in the area.

INVESTMENT GRADE CREDIT TENANT

Starbucks is the world's leading coffee retailer with revenues in excess of \$29 billion and an S&P credit rating of BBB+, giving an investor superior financial asset security. There are approximately 33,833 Starbucks locations worldwide, serving more than 85 million customers per week.



PROPERTY ADDRESS:
1076 N. 7TH STREET
ROCHELLE, IL 61068

BUILDING SIZE:
±2,215 SQUARE FEET

TOTAL LOT SIZE:
±2.42 ACRES

TOTAL PARKING:
37 STALLS (INCLUDES 2
ADA ACCESSIBLE STALLS)

DRIVE-THRU:
YES

PYLON SIGN:
YES

Property Information

This new construction Starbucks opened in April of 2022 and is situated on the SWC of the 7th Street & I-39 intersection, featuring exposure to over 22,000 VPD. North 7th Street is Rochelle's main north-south thoroughfare providing access just 2 miles south with I-88. I-38 is the primary east-west highway that extends nearly 70 miles to Chicago.

The above-average 2,215 SF building features Starbucks latest prototypical design and is situated on a total of 2.42 acres of land. There are three points of ingress and egress along North 7th Street and Jones Street, via a reciprocal easement agreement with the adjacent Walgreens property, providing customers with easy access to the store.

The site is equipped with a 12-car queue drive-thru lane, 37 parking stalls, and a large 25-foot pylon sign, providing additional exposure for the tenant. The site features an above average 1.49-acre lot. The 2.42 acres of land is made up of two lots; the primary lot which Starbucks is situated (1.49 ac) and an adjacent lot (0.93 ac) which currently houses a stormwater detention facility utilized by Starbucks and Walgreens.

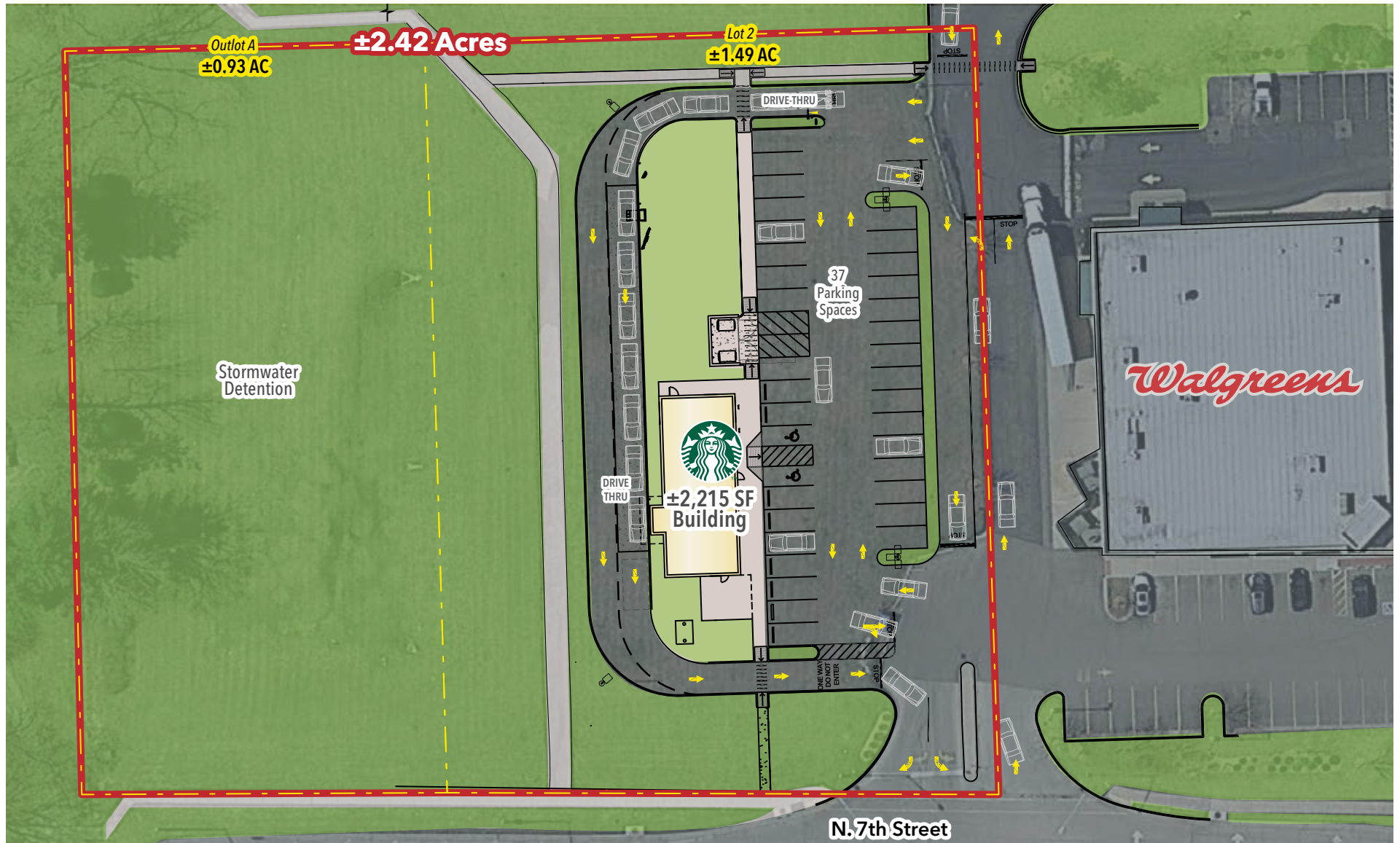
Starbucks is centrally located within the sub-market and benefits from a strong consumer draw of Walmart Supercenter, Walgreens, ALDI, McDonald's, O'Reilly Auto Parts, AutoZone, Ace Hardware, CVS, Verizon, Dunkin', Taco Bell, Subway, and Little Caesars among others.

This is the only freestanding Starbucks drive-thru within a 45 miles radius, which encompasses a trade area with 101,300 people.

In the past few years Rochelle has focused on economic growth and will see a 21% increase of job growth in the next five years. The city recently finished construction on the \$14 million, 91,000 SF, community center, which is located directly behind the Starbucks. The facility includes a four-court gymnasium, indoor turf, a fitness center, multi-purpose rooms, an indoor walking track and an aquatic center with two pools. Furthermore, the city recently announced the \$13.8 million dollar electrical substation project just south of I-88 to serve the new industrial growth in the area.



Site Plan





PROPERTY PHOTOGRAPHS





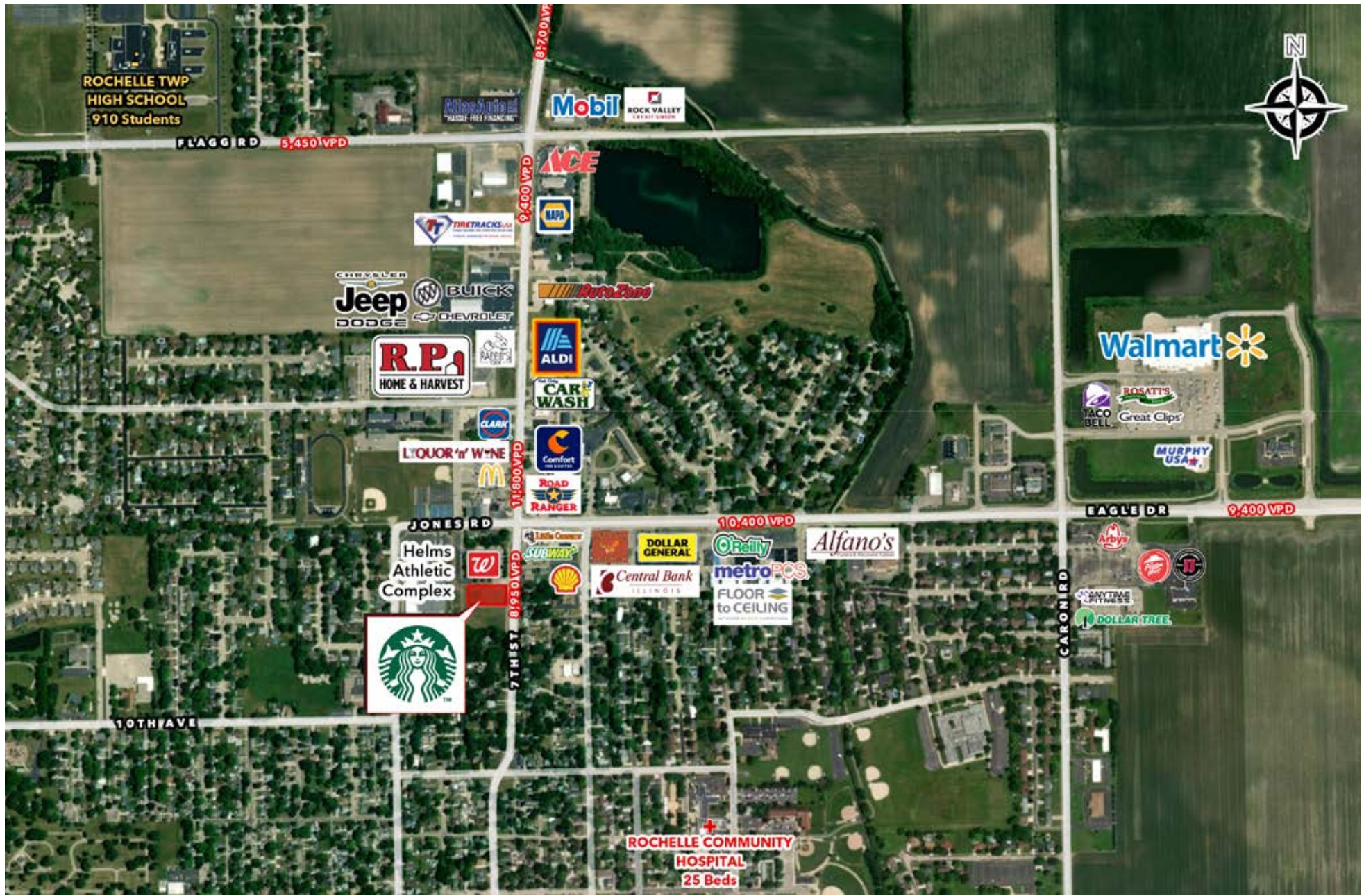
Rent Roll & Pricing

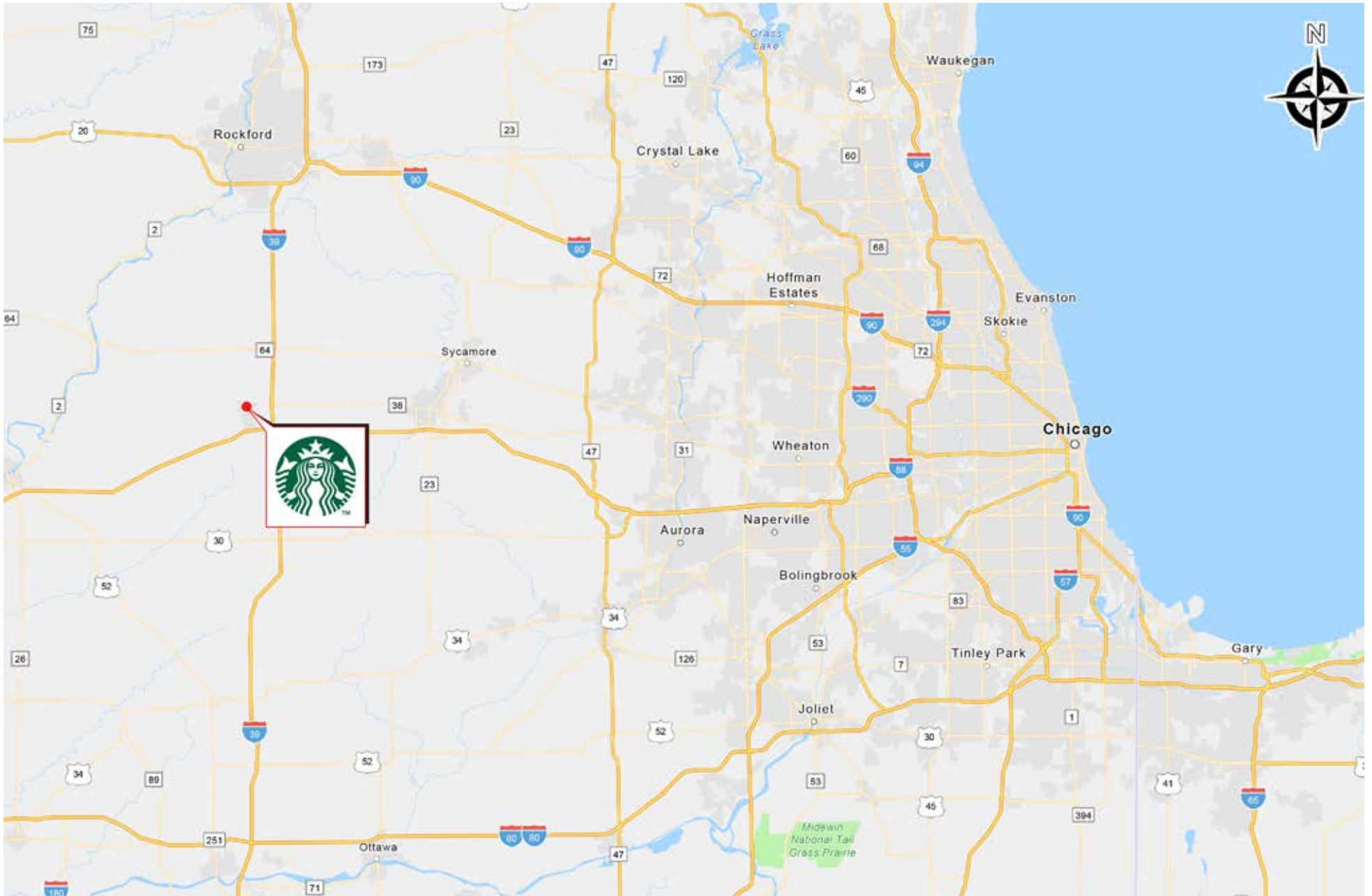
Term	Annual Rent	Monthly Rent	Rent PSF	Rent Increase	Yield
8/13/2022 - 8/31/2027	\$109,902	\$9,159	\$49.62	N/A	5.10%
9/1/2027 - 8/31/2032	\$120,893	\$10,074	\$54.58	10%	5.61%
9/1/2032 - 8/31/2037 (Opt. 1)	\$123,957	\$10,330	\$55.96	2.5%	5.75%
9/1/2037 - 8/31/2042 (Opt. 2)	\$136,244	\$11,354	\$61.51	10%	6.32%
9/1/2042 - 8/31/2047(Opt. 3)	\$149,967	\$12,497	\$67.71	10%	6.96%
9/1/2047 - 8/31/2052 (Opt. 4)	\$164,960	\$13,747	\$74.47	10%	7.66%
Average Yield:					6.23%

Pricing	
Price:	\$1,998,218
Cap Rate:	5.50%
Years Remaining:	10 Years
Annual Rent:	\$109,902
Lease Type:	NNN – Limited Landlord Responsibilities
Early Termination:	None











Lease Abstract

Tenant:	Starbucks Corporation
Building Size:	±2,215 Square Feet
Lot Size:	±1.49 Acres
Lease Commencement / Opening Date:	April 15th, 2022
Rent Commencement:	August 13, 2022
Lease Expiration:	August 31, 2032
Annual Rent:	\$109,902
Primary Term Rent Increase:	10% rent increase in Year 6.
Renewal Options:	Four 5-year renewal options; the rent increases 2.5% in the first 5-year option and 10% in each of the remaining three 5-year option periods.
Roof & Structure:	Landlord is responsible for any repair or replacement of the roof, structural portions of the building, and parking areas.
Operating Expenses:	Tenant reimburses Landlord for maintaining the parking area, landscaping, and sidewalks, plus a 10% admin fee.
Taxes:	Tenant reimburses Landlord for 100% of real estate taxes.
HVAC:	Tenant maintains and repairs; Landlord replaces.
Insurance:	Tenant reimburses Landlord for its insurance expenses.
Utilities:	Tenant pays utilities directly.
REA and Stormwater Detention:	Landlord maintains the reciprocal access within the premises and the stormwater detention facility. Starbucks and the lot owner of the Walgreens parcel, each reimburse Landlord their prorata share of these expenses at 100% in total.
Termination Option:	None.
Beer & Wine:	Tenant has option to serve beer and wine at this location.



Tenant Overview



The world's #1 specialty coffee retailer, Starbucks has more than 33,800 coffee shops in 80 countries. The outlets offer coffee drinks and food items, as well as roasted beans, coffee accessories and teas. As of October 3, 2021, Starbucks operates 16,826 company-operated stores and licensed stores in North America and 17,007 company-operated and licensed stores internationally. The company also owns and operates Seattle's Best Coffee, Teavana, Evolution Fresh, and Starbucks Reserve Roastery & Tasting Room brands. Additionally, Starbucks was highly resilient in the face of Covid-19 and quarterly revenues are exceeding pre-pandemic levels. Starbucks stock has remained strong with a market cap of \$89.9 billion.



CORPORATE TENANT:
STARBUCKS CORPORATION

S&P CREDIT RATING:
BBB+

STOCK SYMBOL:
SBUX (NASDAQ)

FYE 2021 REVENUE:
\$29.06 BILLION

FYE 2021 OPERATING INCOME:
\$4.87 BILLION

MARKET CAP (JUNE 2022):
\$89.99 BILLION

TOTAL LOCATIONS:
±33,833 STORES

WEBSITE:
STARBUCKS.COM





Local Market Overview

ROCHELLE, IL

Rochelle is a city in Ogle County, Illinois and is ~80 miles west of downtown Chicago and is part of the Rockford MSA. Since the late 1850's, Rochelle has been the hub of rail and highway systems west of Chicago. Rochelle, is known as the "Hub City" because of its location at the intersection of several major transportation routes that will continue to offer competitive economic development advantages for industry and commerce, allowing it to thrive long into the foreseeable future.

Rochelle is located at the intersection of the north-south I-39 (I-39 distribution Corridor) and the east-west I-88 (Illinois Research and Development Corridor). Rochelle has four interstate interchanges within 4 miles of the city's boundaries and is home to the Union Pacific's largest and newest intermodal facility.

Rochelle has a strong and diversified employment base with major employers including the Rochelle Community Hospital, Rochelle Municipal Airport, and the newly developing industrial and commercial areas south of I-88. The Rochelle Municipal Airport is located just two miles South of Rochelle and 40 miles west of Chicago's western suburbs. The airport is just minutes from major business parks and the East-West Tollway Research and Development Corridor (I-88). A \$3.2 million three-phase runway, taxi renovation project was recently completed to maintain the infrastructure of the airport because of the wear and tear from its 60 years of operations. Located less than 1 mile southeast from the Starbucks is Rochelle Community Hospital, which provides healthcare services to about 128,267 patients per year and has 300 employees.

In 2019, the City of Rochelle purchased just over 16 acres for the construction of a new substation to support growth in the City's southern corridor. Two years later, the City of Rochelle and Rochelle Municipal Utilities announce the groundbreaking of a \$13.8 Million electrical substation to serve new industrial growth with 34.5kv and 13.8kv service. Due to the rail and interstate access in Rochelle, Rochelle continues to be an attractive location. The agricultural demand in Rochelle has also seen growth as the local Bright Farms. It



Rochelle Municipal Airport



Union Pacific train - Rochelle, IL



Electrical substation groundbreaking ceremony



contains a 160,000 SF greenhouse that produces one million pounds of produce such as lettuce, spinach, arugula, basil and other greens to Mariano's and other regional grocery stores per year and sees the need for expansion with growing demand. They are increasing their production by 40% by adding more hydroponic ponds to the 2-acre facility.

Additionally, Americold expanded its Midwest operations with the opening of new \$93 million high-tech automated facility in Rochelle. The storage facility has 173,000 SF of refrigerated space and 7,000 SF of non-refrigerated space for offices, electrical and engine rooms, maintenance and other operational duties. The facility receives customer product thousands of pounds of frozen desserts and potato products for restaurant and grocery store chains through 5 rails and 23 truck dock doors inducted into its automated system, stored and transported through 55,800 pallet positions. This highly automated facility will employ more than 100 associates in full and part-time positions, with an added need for skilled laborers in operations management, maintenance and IT services.



Bright Farms' 16,000 SF greenhouse



\$93 million Americold food distribution facility



Riverfront along the Rock River – Rockford, IL

ROCKFORD MSA

Rochelle is part of the junction at I-38 and I-88. I-38 extends into I-39, which is 30 miles to Rockford. Rochelle is part of Rockford MSA and Rockford is the second largest city in Illinois. Rockford is a city located in northern Illinois about 85 miles northwest of Chicago.

Together, Rockford and Rochelle make up the Rockford-Freepport-Rochelle combined statistical area serving 431,257 residents.



Rochelle

Rochelle is a town in Illinois in Ogle County. Living in Rochelle offers residents a sparse suburban feel and most residents own their homes. In Rochelle there are a lot of parks. Many families and retirees live in Rochelle and residents tend to lean conservative. The public schools in Rochelle are above average.



BEST PLACES IN ILLINOIS

Suburbs with Lowest Cost of Living

#64 of 363



Most Diverse Suburbs

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Best Suburbs for Young Professionals

#224 of 363



ACCESS & TRANSPORTATION

Rochelle is located near I-39 and IL-38, offering quick travel by car to Rockford and DeKalb.

Lee-Ogle Transportation System provides curb-to-curb service in the Rochelle area.

Greyhound Bus has one station in Rochelle that travels between Davenport, IA to Chicago.

Chicago Rockford International Airport
33 min drive

O'Hare International Airport
78 min drive

AREA FEEL

Rural Suburban

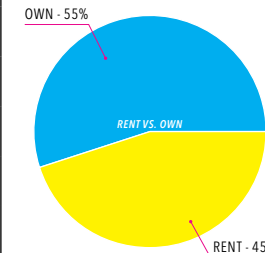
REPORT CARD

B

OVERALL GRADE

- B** Public Schools
- B-** Housing
- B** Good for Families
- B-** Jobs
- B+** Cost of Living
- A-** Outdoor Activities
- C+** Crime & Safety
- B** Nightlife
- A** Diversity
- C+** Weather
- C+** Health & Fitness
- B** Commute

INCOME & HOUSING



Median Household Income

\$49,295

Median Home Value

\$114,500

Median Rent

\$782

Sources: Rochelle & Niche.com. Niche ranks thousands of places to live based on key statistics from the U.S. Census and expert insights.



Confidentiality Disclosure

Baum Realty Group, LLC ("Baum Realty") has been retained as the exclusive broker by the Owner of Record ("the Owner") of 1076 N. 7th Street in Rochelle, IL in connection with the sale of certain properties ("the Property") as described in this Offering Memorandum.

This Offering Memorandum has been prepared by Baum Realty for use by a limited number of parties, and does not purport to provide a necessarily accurate summary of the physical or economic aspects of the Property or any of the documents related thereto, nor does it purport to be all inclusive or to contain all of the information which prospective investors may need or desire further, the Offering Memorandum is limited to the matters set forth therein. All budgets or projections have been developed by Baum Realty and Owner, and are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Baum Realty and therefore are subject to variation. Each of Baum Realty and Owner makes no representation as to the accuracy or completeness of the information contained herein, and nothing contained herein is, or shall be relied on as a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be correct, Baum Realty and its employees, and Owner, and its trustees, officers, and employees disclaim any and all liability for representations and warranties, expressed and implied, contained in, or omissions from the Offering Memorandum or any other written or oral communication transmitted or made available to the recipient. The Offering Memorandum does not constitute a representation that there has been no change in the business or affairs of the Property Owner as of the date of preparation of the Offering Memorandum.

Additional information and an opportunity to inspect the Property will be made available upon written request to interested and qualified prospective investors.

Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers regarding the property, and/or terminate discussions with any entity at any time with or without notice. Owner shall have no legal commitment or obligations to any entity reviewing the Offering Memorandum or making an offer to purchase the property unless and until such offer is approved by Owner and the Board of Trustees of Owner and a written agreement for the purchase of the Property has been fully executed, delivered and approved by Owner and its legal counsel, and any conditions to Owner's obligations hereunder have been satisfied or waived.

This Offering Memorandum and the contents, except such information that is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Offering Memorandum, you acknowledge that you have executed, and have agreed to be bound by, the Confidentiality Agreement with Baum Realty and Owner.

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