



Subject Property

CHATTANOOGA, TENNESSEE | PASSIVE INVESTMENT | 10% RENTAL INCREASES AT OPTIONS

OFFERING MEMORANDUM

# STARBUCKS DRIVE-THRU | (S&P: BBB+)

4503 Highway 58 | CHATTANOOGA, TENNESSEE 37416





# EXCLUSIVELY OFFERED BY:

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## SECTION ONE

# Executive Summary





# Investment Overview

## HIGHLIGHTS

-  **Passive Investment Opportunity | No Income Tax State**  
Ideal Passive Investment in a No Income Tax State | Low-management Asset with Minimal Landlord Responsibilities | Recently Renovated in 2020 | Roof Warranty through 2035
-  **Attractive Lease Terms**  
NN Lease with 4.5+ Years of Term Remaining | 10% Rental Increases at Each of the Four, 5-Year Options
-  **High-Performing Store**  
Strong Store Performance with Over \$2 Million in Annual Sales (Placer.ai Estimate), Well Above the National Average
-  **Strong Corporate Lease with Best-in-Class Tenant**  
Leased to Starbucks (NASDAQ: SBUX) | Largest Coffeehouse Company in the World & One of the Largest QSR Operators with Over 40,000 Locations Across 80+ Countries
-  **Investment Grade Tenant**  
Starbucks Holds an Investment-Grade Credit Rating of BBB+ from S&P Global Ratings | Over \$36 Billion Revenue Reported for FY 2024
-  **Located at Signalized Intersection | Dense Retail Corridor**  
Excellent Visibility via Hwy 58 (37,360+ VPD) | National Retailers in the Immediate Area Include Wendy's, Subway, McDonald's, Dunkin' Donuts, Walgreens, & More
-  **Rapidly Expanding Southeastern Market**  
Chattanooga Experiencing Rapid Growth Driven by New Employers & Rising Tech Sector | Southeast Region Accounted for 87% of the Nation's Population Growth in 2023

 **\$1,633,000**  
PRICE

 **6.00%**  
CAP RATE

NOI	\$97,948
GLA	1,815 SF
PRICE/SF	\$899.72
LOT SIZE	0.55 AC
YEAR BUILT	2007   Renov. 2020
LEASE FORM	NN
TERM REMAINING	4.5+ Years
OPTIONS	Four, 5-Year
RENTAL INCREASES	10% at Each Option

Subject Property



# Tenant Overview

**Starbucks Corporation** (NASDAQ: SBUX) is an American global coffee company and coffeehouse chain based in Seattle, Washington. Starbucks was founded in 1971 as a local coffee bean roaster and retailer and has grown into the largest coffeehouse company in the world. Today, with over 40,000+ locations worldwide across 80+ countries, Starbucks stands as the global leader in roasting and retailing specialty coffee.

Starbucks locations serve hot and cold beverages, whole-bean coffee, micro-ground instant coffee, full-leaf teas, pastries, and snacks. Most stores also sell packaged food items, hot and cold sandwiches, and items such as mugs and tumblers. Many of the company’s products are seasonal or specific to the locality of the store, while Starbucks-brand ice cream and coffee are also offered at grocery stores. Through Starbucks Entertainment division and its Hear Music brand, the company also markets books, music, and films.

Starbucks has a strong presence both in the U.S. and in the global marketplace due in part to its rapid growth over the last few decades. In the 1990s, Starbucks opened a new store every workday, a pace that continued into the 2000s. The first store outside the United States or Canada opened in the mid-1990s, and overseas stores now constitute almost one third of Starbucks’ stores.

In 2024, Starbucks reported total annual revenues of over \$36 billion and currently holds an S&P investment grade credit rating of BBB+/Stable.

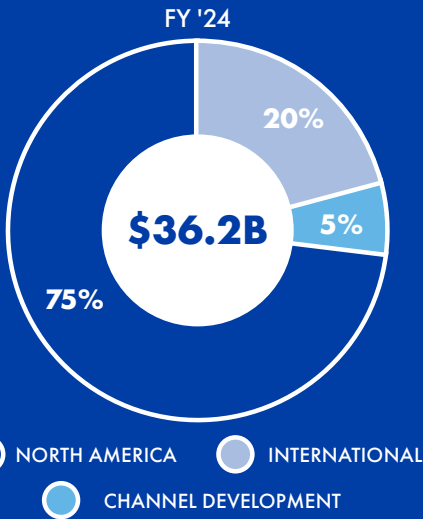


**STARBUCKS**

## COMPANY PROFILE

TENANT NAME	Starbucks Corporation
ENTITY TYPE	Public (NASDAQ: SBUX)
CREDIT RATING	BBB+ (S&P)
NO. OF LOCATIONS	±40,000 Locations Globally
NO. OF EMPLOYEES	±381,000
ANNUAL REVENUE	\$36.18 Billion (2024)
FOUNDED	1971
HEADQUARTERED	Seattle, WA
WEBSITE	 <a href="http://www.starbucks.com">www.starbucks.com</a>

## GLOBAL NET REVENUE



# Lease Summary



## LEASE ABSTRACT

TENANT	Starbucks Corporation
LEASE FORM	NN
SF LEASED	1,815 SF
ANNUAL BASE RENT	\$97,948
COMMENCEMENT	6/15/2020
EXPIRATION*	6/14/2030
RENEWAL OPTIONS	Four, 5-Year
RENTAL INCREASES	10% at Each Option
LANDLORD RESPONSIBILITIES	Foundation, roof, structural components, capital repairs/replacements including parking lot, HVAC, & infrastructure.
TENANT RESPONSIBILITIES	Utilities, real estate taxes, insurance, operating expense reimbursements, maintenance & repairs to all non-structural components, management fee up to 10% of the Operating Expenses, and HVAC maintenance.

## RENT SCHEDULE

Term	Lease Years	Rent/SF	Rent/Month	Annual Rent	Increase
BASE TERM*	Years 6-10	\$53.97	\$8,162	\$97,948	10%
OPTION 1	Years 11-15	\$59.36	\$8,979	\$107,743	10%
OPTION 2	Years 16-20	\$65.30	\$9,876	\$118,517	10%
OPTION 3	Years 21-25	\$71.83	\$10,864	\$130,369	10%
OPTION 4	Years 26-30	\$79.01	\$11,951	\$143,406	10%

\*Tenant may terminate the lease anytime after the seventh full lease year if annual gross sales for Year 7 fall below \$1,150,000. Tenant must provide 180 days written notice and pay a termination fee as defined in the lease.

\*\*Annual increase on Operating Expense reimbursements, excluding taxes and insurance, is capped at 105% on a non-cumulative basis. Management or Administrative fee reimbursement capped at 10% of Operating Expenses, excluding taxes, insurance, and utilities.

\*\*\*Tenant does not pay any increase in Property Taxes that results from a sale or transfer of ownership. Sales do not trigger an automatic reassessment for property taxes in Hamilton County.

Subject Property



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## SECTION TWO

# Location Overview





# Aerial Map





# Aerial Map



 **Haven Cross Creek**  
Apartments | 230+ Units


 **Lily Grace North**  
Apartments | 175+ Units

**ZAXBY'S** **Auto Zone** **TACO BELL** **Arbys** **CVS pharmacy** **TRUIST**  
**FAMILY DOLLAR** **SCOOTERS COFFEE** **DOLLAR TREE** **Little Caesars** **McDonald's** **Walgreens** **REGIONS** **FOOD CITY**



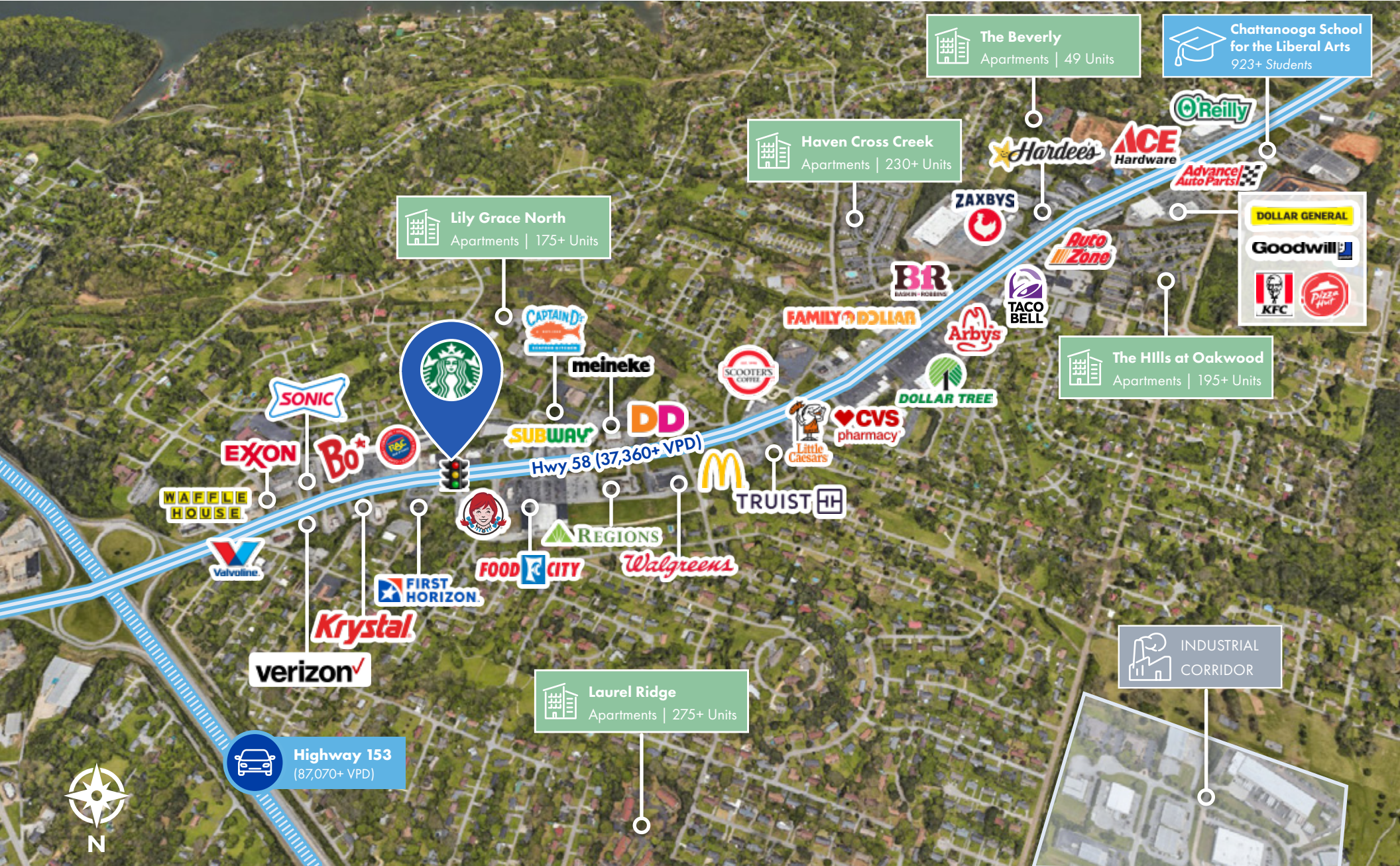
 **Highway 58**  
(37,360+ VPD)

**ExtraSpace Storage**

 **Kleen-A-Matic**



# Aerial Map



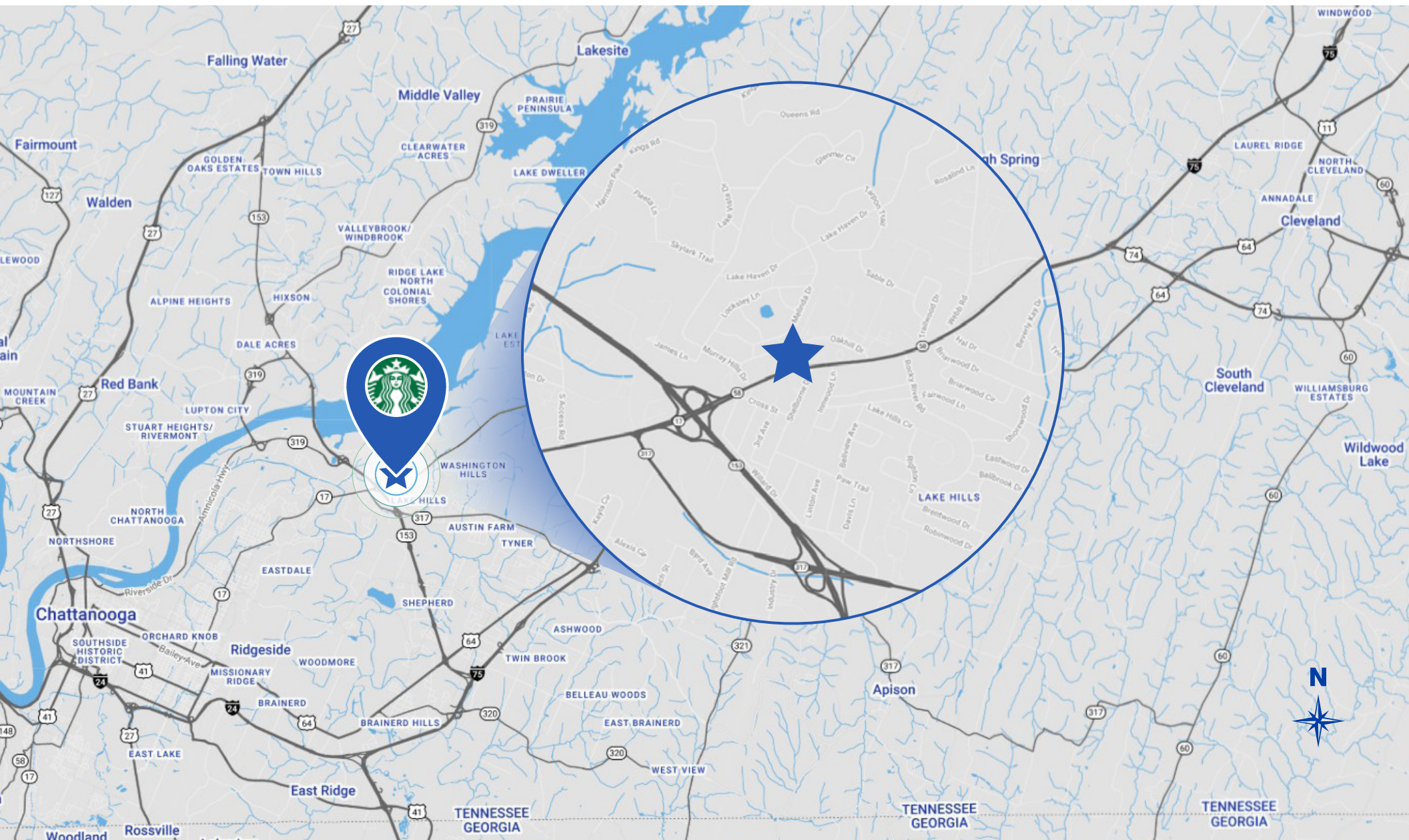




40,356



92,783





# Location Overview

## CHATTANOOGA, TN

Chattanooga is a vibrant city nestled in southeastern Tennessee along the Tennessee River, surrounded by the scenic foothills of the Appalachian Mountains. With a population of approximately 190,000 in the city proper and over 560,000 in the Chattanooga, TN-GA metropolitan statistical area, it serves as a major hub for commerce, culture, and outdoor recreation in the Tennessee Valley.

**The city's downtown renaissance features the revitalized riverfront, anchored by the Tennessee Aquarium, one of the world's largest freshwater aquariums. Major developments like "The Bend" are transforming the Westside, while the city is also seeing the selection of a new federal courthouse location and upgrades to public housing. These projects, coupled with ongoing residential and commercial development, aim to reshape the downtown area for future generations.**

Chattanooga's economy thrives on a diverse mix of manufacturing, logistics, healthcare, and tourism. Major employers include Volkswagen's North American production facility, BlueCross BlueShield of Tennessee, and numerous logistics companies taking advantage of the city's strategic location along major transportation corridors.

Outdoor enthusiasts flock to Chattanooga for world-class rock climbing, hiking, and water sports. Lookout Mountain offers breathtaking views and attractions like Rock City and Ruby Falls, while the Tennessee Riverwalk provides miles of scenic paths along the water. The city's commitment to sustainability is evident in its extensive park system and green initiatives.

## Infrastructure Construction To Start At The Bend Riverfront Project

Apr 10, 2024 – Real estate development group Urban Story Ventures broke ground on Wednesday afternoon on the North Phase of The Bend, a 120-acre mixed-use redevelopment along the Tennessee River.

[>> Read Full Article](#)





# Demographics



## POPULATION

	1 MILE	3 MILES	5 MILES
2020 POPULATION	6,519	22,821	89,337
2025 POPULATION	6,467	23,486	92,783
2030 POPULATION	6,602	23,988	94,794



## HOUSEHOLDS

	1 MILE	3 MILES	5 MILES
2020 HOUSEHOLDS	2,991	9,943	37,938
2025 HOUSEHOLDS	3,034	10,507	40,356
2030 HOUSEHOLDS	3,139	10,883	41,821



## HOUSEHOLD INCOME

	1 MILE	3 MILES	5 MILES
2025 AVERAGE HOUSEHOLD INCOME	\$64,622	\$65,267	\$67,142
2030 AVERAGE HOUSEHOLD INCOME	\$72,142	\$72,755	\$76,330



TOTAL POPULATION  
<5 MILES FROM SUBJECT

**92,783**

TOTAL HOUSEHOLDS  
<5 MILES FROM SUBJECT

**40,356**





**To request the full due diligence file, financial model, or schedule a call/tour, please contact one of the brokers below.**

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## Commercial Real Estate

Debt + Equity | Investment Sales | Loan Servicing | Fund Management

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