

OFFERING MEMORANDUM

# STARBUCKS - SUNNYSIDE



2500 YAKIMA VALLEY HIGHWAY, SUNNYSIDE, WA 98944

 **Kidder  
Mathews**

# TABLE OF CONTENTS

01

INVESTMENT  
SUMMARY

02

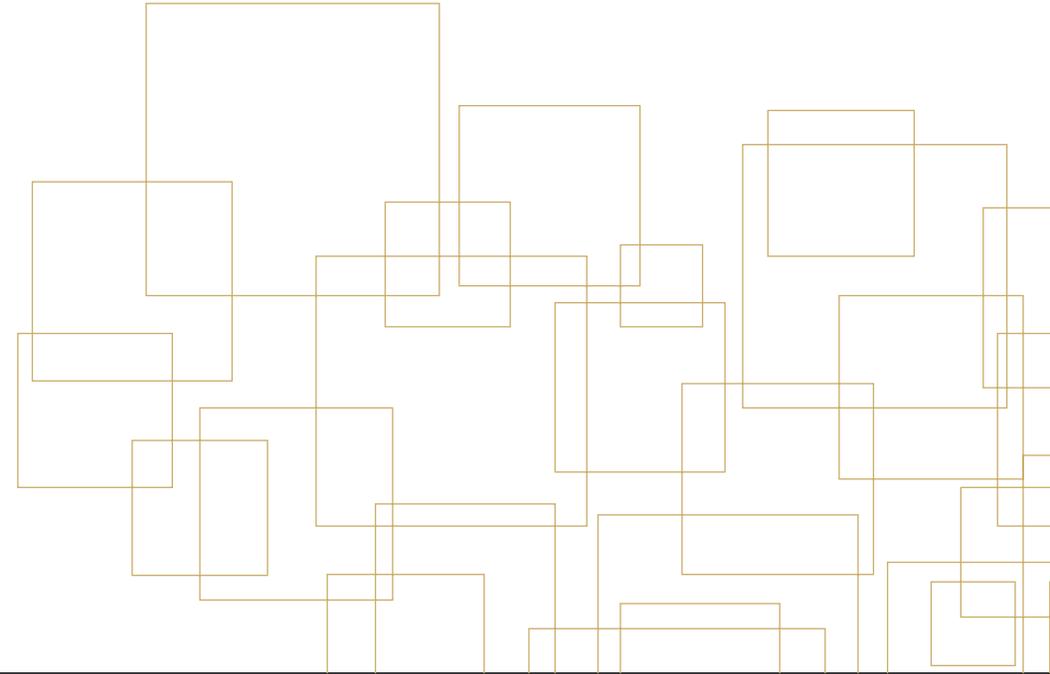
PROPERTY  
OVERVIEW

03

FINANCIALS

04

LOCATION  
OVERVIEW



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# INVESTMENT SUMMARY



# THE OFFERING

Kidder Mathews is pleased to present the opportunity to acquire a drive-thru Starbucks located in Sunnyside, Washington. The Property is leased to Starbucks under a long-term lease, offering investors a passive investment backed by an investment-grade tenant. Strategically positioned along Yakima Valley Highway, the primary commercial corridor connecting communities throughout the Yakima Valley. The Property benefits from being in close proximity to other national tenants such as Grocery Outlet, Tractor Supply, Planet Fitness, Walmart and McDonald's creating a steady traffic flow to capture the local consumer demand.

LEASE TYPE NN

LEASABLE SF 2,912

YEAR BUILT 1993/2024

LAND SF 40,075

*\$2.7M*

PRICE

*5.50%*

CAP RATE

*\$148,660*

NOI



## INVESTMENT HIGHLIGHTS

### STRONG NATIONAL TENANCY

The Property is leased to Starbucks, an investment-grade tenant with an S&P credit rating of BBB+, offering security of a globally recognized brand with strong financial performance and a long history of successful operations.

### DRIVE-THRU EQUIPPED LOCATION

The Starbucks store features a drive-thru, a format that consistently generates higher average sales volumes and aligns with evolving consumer demand for convenience and speed of service.

### LONG-TERM LEASE WITH 12% RENTAL INCREASE

The lease structure includes a long-term commitment from the tenant with a 12% rent increase in year 6 of the initial term with additional 10% increases in each of the option periods.

### PREMIER POSITIONING ON YAKIMA VALLEY HIGHWAY

The Property benefits from prominent frontage along Yakima Valley Highway, the main commercial corridor and key east-west route connecting communities throughout the Yakima Valley.

### NEIGHBORING NATIONAL TENANT SYNERGY

This Starbucks location is located within close proximity to many popular national retailers such as Grocery Outlet, Tractor Supply, Planet Fitness, Walmart and McDonald's creating a steady traffic flow to capture the local consumer demand.

## TENANT OVERVIEW



*Starbucks Corporation (NASDAQ: SBUX) is the world's premier specialty coffee retailer, with more than 38,000 stores in over 80 markets worldwide.*

Since its founding in Seattle in 1971, Starbucks has grown into a global brand recognized for its premium coffee, customer experience, and strong commitment to quality. The company serves millions of customers daily through a mix of company-operated and licensed stores, offering a variety of beverages, food items, and consumer packaged goods.

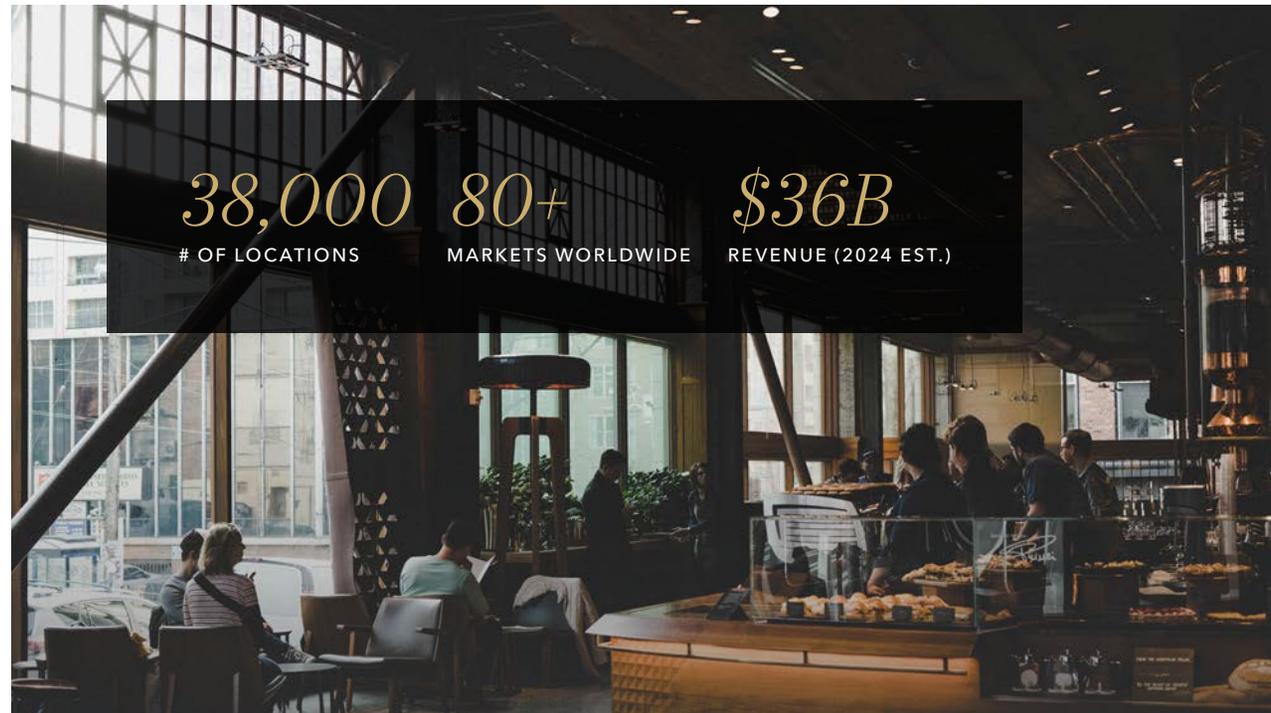
As of 2025, Starbucks ranks among the most creditworthy tenants in the retail net lease sector, carrying an investment-grade credit rating of BBB+ (S&P). The company reported over \$36 billion in annual revenue in fiscal year 2024, supported by

consistent same-store sales growth and international expansion. Starbucks has proven resilient across economic cycles, supported by a loyal customer base and its ability to adapt to evolving consumer preferences, including the integration of mobile ordering, delivery, and loyalty programs that drive repeat business.

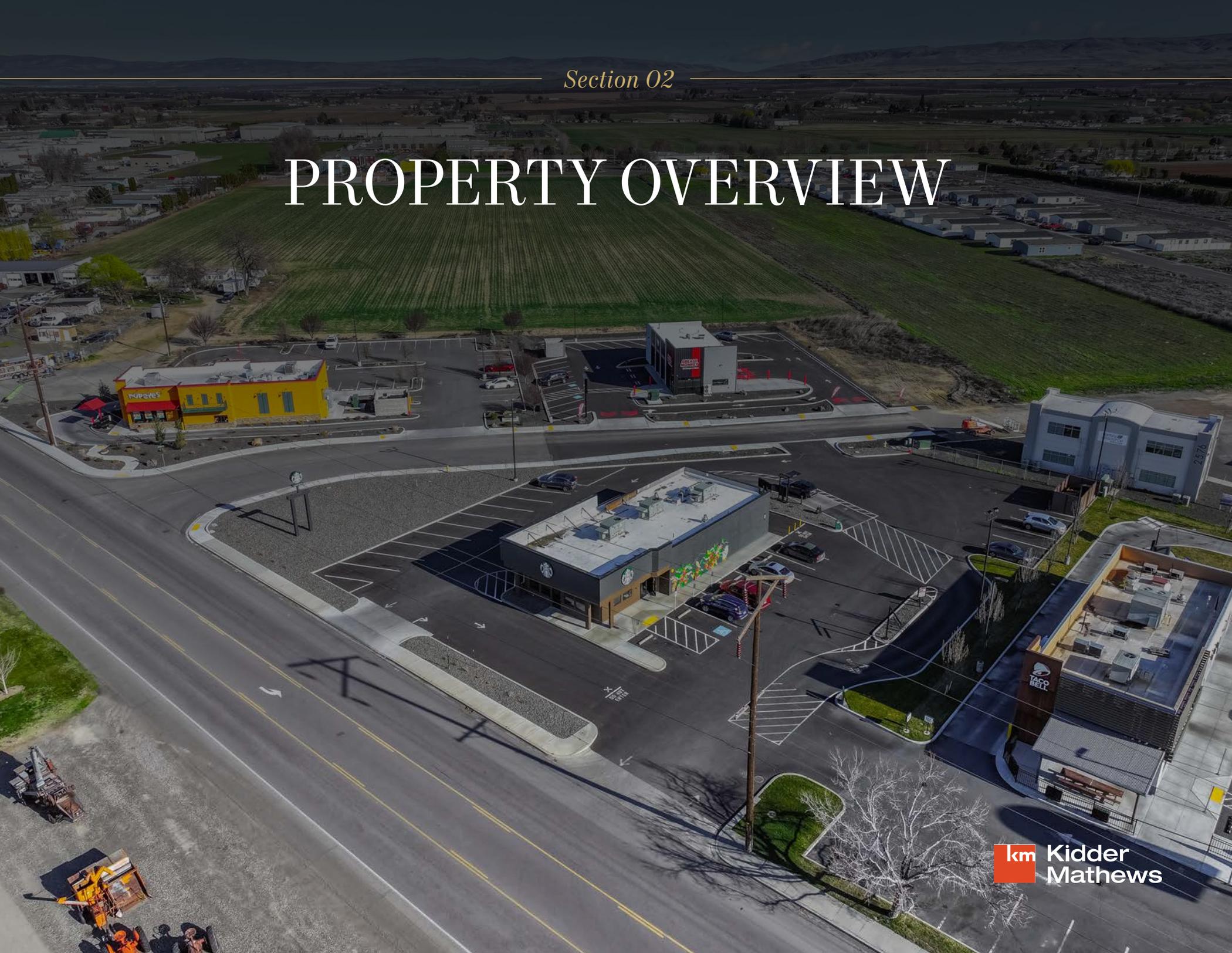
In the United States, Starbucks maintains a significant real estate footprint, often selecting high-traffic, visible locations in strong retail corridors, near universities, and along major transportation routes. Stores are typically backed by corporate-guaranteed leases with long initial terms and regular

rental escalations, making Starbucks one of the most sought-after tenants in the single-tenant net lease market.

For investors, a Starbucks lease represents stability, long-term security, and dependable income backed by one of the most iconic and financially strong brands in the world. The company's continued expansion and ability to innovate ensure it remains a leader in the quick-service retail space, providing confidence for both near-term performance and long-term value.



# PROPERTY OVERVIEW



# PARCEL



# FINANCIALS

STARBUCKS

## CASH FLOW SUMMARY

**\$2,700,000**

PRICE

**5.50%**

CAP RATE

### SCHEDULED REVENUE

	Annual
SCHEDULED BASE RENT	\$158,460
OPERATING EXPENSE REIMBURSEMENT	\$14,943
<b>Effective Gross Revenue (EGR)</b>	<b>\$173,403</b>

### OPERATING EXPENSES

	Annual
PROPERTY TAXES	\$9,943
INSURANCE	\$5,000
CAM	\$9,800
TOTAL OPERATING EXPENSES	\$24,743
<b>Net Operating Income</b>	<b>\$148,660</b>



## RENT ROLL

### RENT SUMMARY

Tenant Name	Leased SF	Lease Start	Lease Expiration	Recovery Type	Monthly Base Rent	Rent Increase Date	Monthly Rent Increase	Renewal Options	
STARBUCKS	2,912	8/28/2025	8/31/2035	NN	\$13,205	9/1/2030	\$14,789	4x5	
						12% base rent increase on 12/1/2029 and 10% base rent increase at start of each option			
<b>Totals</b>	<b>2,912</b>				<b>\$291</b>		<b>\$14,789</b>		

### RENT DETAILS

## LEASE ABSTRACT

TENANT	Starbucks Corporation
ADDRESS	2500 Yakima Valley Highway, Sunnyside, WA
LEASE TYPE	NN
LEASE COMMENCEMENT	12/1/2024
LEASE EXPIRATION	11/30/2034
RENEWAL OPTIONS	(4) five-year options, with written notice to landlord at least 180 days prior to the then current expiration date.

### EXPENSES

#### Property Taxes

For each Lease Year during the Term, Tenant shall pay Landlord, as additional rent, Tenant's Pro Rata Share of Real Property Taxes in the manner set forth in Article 12. Subject to making estimated payments pursuant to Article 12, Tenant shall pay Real Property Taxes only as such taxes become due and payable during the Term prorated for any partial assessment period occurring immediately before the Rent Commencement Date and after the Expiration Date. If Real Property Taxes assessed against the Property for periods of time during the Term are billed by the applicable taxing authorities following the expiration or earlier termination of the Term, the parties agree that the Real Property Taxes for such period during the Term shall be calculated based on the Real Property Taxes billed by the applicable taxing authorities for the immediately preceding period during the Term, in full satisfaction of such reimbursement obligation to Landlord. In the event the taxing authority offers a discounted tax rate or a penalty rate based on the date of payment, Tenant's property tax shall be calculated at the lowest possible discounted amount

regardless of the date of Landlord's payment to the taxing authority.

#### Tenant's Insurance

As of the Commencement Date through the expiration or earlier termination of the term of the lease, Tenant shall obtain and keep in full force and effect liability and property insurance.

#### Landlord's Insurance

As of the Commencement Date through the expiration or earlier termination of the term of the lease, Tenant shall obtain and keep in full force and effect liability and property insurance.

#### Tenant's Prorata Share of Insurance and Taxes

Tenant's Pro Rata Share for the Property shall be one hundred percent (100%) (Tenant's "Pro Rata Share"). Commencing on the Rent Commencement Date, for each calendar year of the Term (prorated for any calendar year falling partially within the Term), Tenant shall pay to Landlord as additional rent Tenant's Pro Rata Share of Landlord's Insurance and Real Property Taxes.

Notwithstanding any provision of this Lease, Tenant's Pro Rata Share of Landlord's Insurance from the Rent Commencement Date through the end of the first full calendar year shall not exceed (on an annual basis, prorated for any initial, partial calendar year) Three and 45/100 Dollars (\$3.45) per square foot of Gross Leasable Area in the Premises, and Tenant's Pro Rata Share of Real Property Taxes from the Rent Commencement Date through the end of the first full calendar year shall not exceed (on an annual basis, prorated for any initial, partial calendar year) One and 37/100 Dollars (\$1.37) per square foot of Gross Leasable Area in the Premises.

#### Common Area Expenses

Tenant shall have no obligation to pay any common area maintenance or other charges, costs, fees, assessments or expenses of any kind or nature whatsoever, including, without limitation, any fees or assessments with respect to any association, organization or entity or pursuant to any declarations, covenants, conditions, restrictions, easements or other agreements with respect to the Premises.

**MAINTENANCE & REPAIR****Landlord's Obligations**

Landlord shall maintain, repair and make replacements to the Premises, the Building, and the Property (including the Common Areas). Landlord shall, at its sole cost and expense (subject to Tenant's payment obligations, if any, pursuant to Article 12 below), make the repairs and replacements and perform such work that is necessary to maintain the Building, and the Property in a condition comparable to other first-class buildings in the Sunnyside, Washington metropolitan area. Such repairs, replacements and maintenance shall include (without limitation): (a) the upkeep of the roof, roof membrane and roof systems (gutters, downspouts and the like), foundation, exterior walls, interior structural walls, and all structural components of the Premises and Building; and (b) the maintenance and repair of all parking areas, sidewalks, Outdoor Sealing Area (other than items installed in the Outdoor Seating Area by Tenant), Drive-Through Facility (other than items installed in the Drive-Through Facility by Tenant), landscaping and drainage systems on the Property and all utility systems (including mechanical, plumbing, electrical, lighting, and HVAC systems) and plumbing systems which serve the Building as a whole and not a particular tenant's premises. Landlord shall not be required to maintain the interior surface of exterior walls, windows, doors or plate glass and store fronts (except where maintenance of the same is caused by landlord's negligence or failure to perform its obligations under this Section).

**Tenant's Obligations**

Tenant, at Tenant's expense, shall keep the Premises in good order and repair, including maintaining all plumbing, HVAC, electrical and lighting facilities and equipment within the Premises and exclusively serving the Premises, and the store front, doors, and plate glass of the Premises. At Tenant's request, Landlord shall transfer or assign to Tenant all warranties, express or implied, under any contract or subcontract relating to any improvements or equipment Landlord built or installed within the Premises to serve the Premises exclusively, including, without limitation, the warranty for the HVAC system. Notwithstanding any provision to the contrary, Tenant's obligations under this Section shall not include making: (a) any repair or improvement necessitated by the negligence or willful misconduct of Landlord or its agents, employees, or contractors; (b) any repair or improvement caused by Landlord's failure to perform its obligations hereunder or under any other agreement between Landlord and Tenant; or (c) any structural or seismic repairs, improvements or alterations to the Premises, the Building, or the Property.



# LOCATION OVERVIEW





# SUNNYSIDE

*Sunnyside is a growing agricultural and commercial community located in the heart of the Yakima Valley in south-central Washington.*

Positioned approximately 35 miles southeast of Yakima and about 180 miles southeast of Seattle, Sunnyside serves as an important regional hub for agriculture, food processing, and local commerce. The city benefits from its strategic location near Interstate 82, which connects the Yakima Valley to major population centers across Washington and the broader Pacific Northwest.

Sunnyside is situated within one of the most productive agricultural regions in the United States. The surrounding Yakima Valley is nationally recognized for its wine grapes, apples, cherries, hops, and other agricultural products, supporting a strong base of farming, food processing, distribution, and agricultural services. This robust agricultural economy drives consistent employment and commerce throughout the region, with Sunnyside serving as a commercial center for surrounding rural communities.

Retail and service activity in Sunnyside is concentrated along key corridors such as Yakima Valley Highway and South 1st Street, which provide convenient access to local residents and travelers moving throughout the valley. National and regional retailers, restaurants, and service providers operate along these corridors, serving both the city's population and the broader regional trade area.

# LOCATION OVERVIEW





# YAKIMA

Yakima, Washington is a well-established regional hub located in south-central Washington, serving as the economic, agricultural, and commercial center of the Yakima Valley. Positioned along Interstate 82, Yakima benefits from direct connectivity to the greater Seattle-Tacoma metropolitan area, the Tri-Cities, and key freight corridors throughout the Pacific Northwest. The city's central location supports strong regional draw for retail, healthcare, education, and service-oriented uses.

Yakima is best known as one of the most productive agricultural regions in the country, particularly for hops, apples, cherries, wine grapes, and other specialty crops. This diverse agricultural base provides long-term economic stability and supports a wide range of related industries, including food processing, logistics, manufacturing, and agribusiness services. In addition to agriculture, major employers include healthcare systems, educational institutions, and government services, contributing to a balanced employment base.

Yakima serves as a retail and service center for surrounding communities throughout Yakima County, drawing customers from a wide geographic radius. Strong traffic volumes, combined with established commercial corridors and limited competing urban centers nearby, create durable fundamentals for neighborhood and regional retail properties.

With a cost of living that remains favorable relative to larger West Coast metros, Yakima offers an attractive environment for both residents and businesses. Continued investment in infrastructure, coupled with growth in wine tourism, outdoor recreation, and local amenities, further enhances the city's long-term outlook.

# DEMOGRAPHICS

## POPULATION

	1 Mile	3 Miles	5 Miles
2025 EST. TOTAL	5,505	20,777	25,025
2030 PROJECTION	5,598	20,489	24,705
2020 CENSUS	5,374	20,353	24,600
PROJECTED GROWTH 2025 - 2030	92	-288	-320

## EMPLOYMENT & INCOME

	1 Mile	3 Miles	5 Miles
2025 EST. MEDIAN HH INCOME	\$46,214	\$59,966	\$61,576
2025 PER CAPITA INCOME	\$18,585	\$23,089	\$24,007
TOTAL BUSINESSES	247	637	794
TOTAL EMPLOYEES	2,359	6,180	7,577

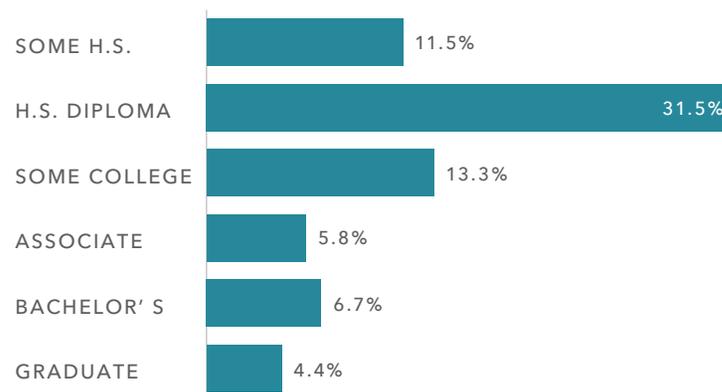
## HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2025 TOTAL	1,576	5,870	7,110
2030 PROJECTED	1,649	5,953	7,216
2020 CENSUS	1,471	5,767	7,000
GROWTH 2020 - 2025	73	83	107

## AVERAGE HOUSEHOLD INCOME



## EDUCATION (5 MILES)



Data Source: ©2025, Sites USA



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