



15 YEAR ABSOLUTE NNN LEASE

OFFERING MEMORANDUM



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BLACK ROCK 01

PHOENIX, ARIZONA
OFFERING MEMORANDUM

OFFERING

INVESTMENT HIGHLIGHTS
EXECUTIVE SUMMARY

02

OVERVIEW

TENANT OVERVIEW

03

MARKET

AREA OVERVIEW
AREA DEMOGRAPHICS

BLACK  **ROCK**
COFFEE BAR

226

01

OFFERING

INVESTMENT HIGHLIGHTS
EXECUTIVE SUMMARY

ACTUAL PROPERTY

INVESTMENT HIGHLIGHTS

TENANT:	Black Rock Coffee Bar (Corporate Guaranty)
GUARANTY:	Black Store Operations LLC (Corporate)
LOCATION:	2260 W Glendale Ave, Phoenix, AZ 85021
LEASE TYPE:	Absolute NNN Lease
BUILDING SIZE:	±830 SF
LAND SIZE:	±0.56 AC (±24,394 SF)
YEAR BUILT:	2022
RENT COMMENCEMENT:	February 3, 2023
LEASE TERM:	15 years (±13 years remaining)
OPTIONS:	Four (4) five (5) year options
RENT ADJUSTMENT:	10% every 5 years
APN:	157-25-102C

CURRENT NOI	PRICE	CAP
\$105,000	\$1,909,090	5.50%

RENT SCHEDULE:

TERM	YEARS	MONTHLY RENT	ANNUAL RENT	% INCREASE	CAP RATE
Primary	1-5	\$8,750.00	\$105,000.00	10%	5.50%
Primary	6-10	\$9,625.00	\$115,500.00	10%	6.05%
Primary	11-15	\$10,587.50	\$127,050.00	10%	6.66%
Option 1	16-20	\$11,646.25	\$139,755.00	10%	7.32%
Option 2	21-25	\$12,810.88	\$153,730.50	10%	8.05%
Option 3	26-30	\$14,091.96	\$169,103.55	10%	8.86%
Option 4	31-35	\$15,501.16	\$186,013.91	10%	9.74%

EXECUTIVE SUMMARY

INVESTMENT HIGHLIGHTS

- **Absolute NNN: zero landlord responsibilities**
- New construction - 2022 completion
- Long term primary lease - ±13 years remaining
- Attractive 10% rent increases every 5 years

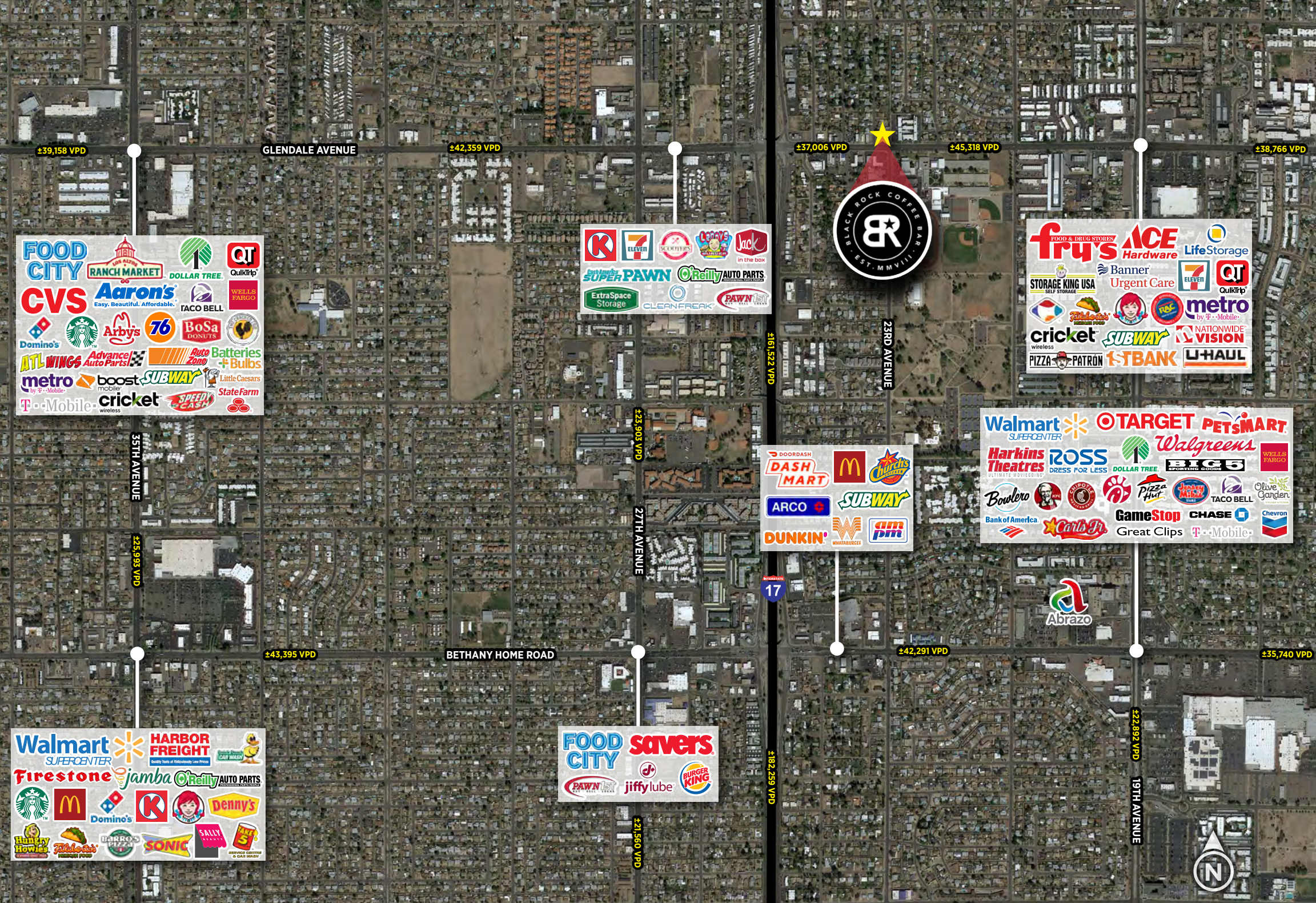
TENANT HIGHLIGHTS

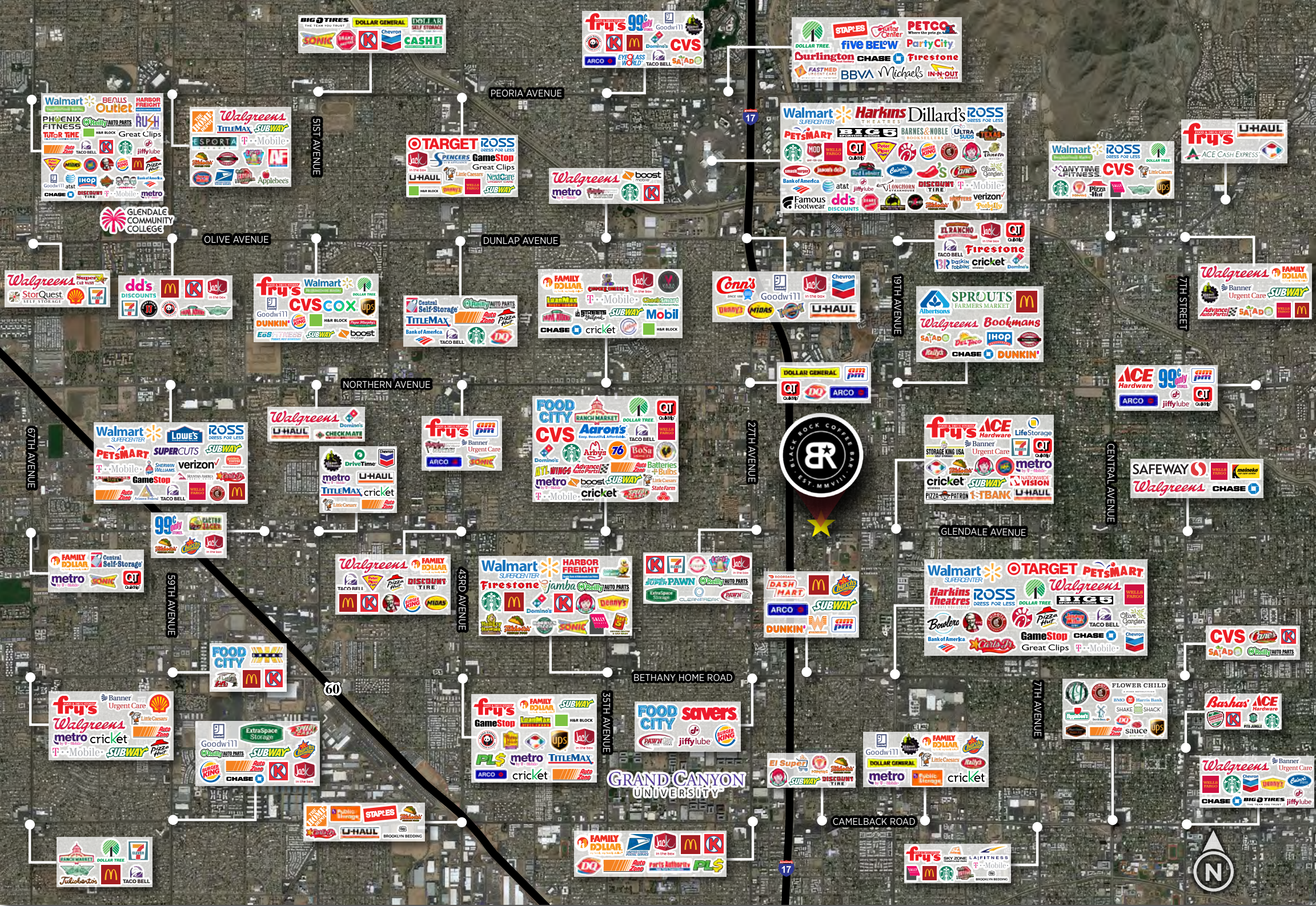
- **Corporate Guaranty with one of the largest privately owned coffee companies**
- Ranked one of America's fastest growing private companies by Inc. Magazine's 5000 Annual List in 2022
- **Black Rock has ±150 locations in 7 states and is one of the largest privately held coffee companies in the country**
- www.br.coffee

LOCATION HIGHLIGHTS

- Less than 2 miles from Grand Canyon University (±9,000 New Students for the 2022-2023 School Year. ±25,000 Campus Based Students)
- Located across from Washington High School (±1,806 Students)
- Adjacent to the I-17 Freeway, the primary north-south thoroughfare in the area, with a traffic count of ±161,525 VPD
- Hard corner location with frontage on Glendale Ave, a major Phoenix thoroughfare (±45,318 VPD)







ORANGEWOOD
ELEMENTARY SCHOOL

THE RESIDENCES
±265 UNITS

ALLORA PHOENIX
±87 UNITS

WASHINGTON
HIGH SCHOOL

23RD AVENUE

GLENDALE AVENUE





MIDTOWN PHOENIX



DOWNTOWN PHOENIX



WASHINGTON HIGH SCHOOL

ALLORA PHOENIX
±87 UNITS



23RD AVENUE

GLENDALE AVENUE





02

OVERVIEW

TENANT OVERVIEW

ACTUAL PROPERTY

TENANT OVERVIEW

Founded as a family owned and operated business in Oregon in 2008, Black Rock has ±150 locations in 7 states and is one of the largest privately held coffee companies in the country. The Black Rock culture prides itself on not only being a positive force for the communities it serves, but also the team members that fuel their locations day in and day out. The boutique coffee chain recently was named the Fastest Growing Private Company in Oregon and SW Washington in 2021 by the Portland Business Journal. Black Rock Coffee Bar was also ranked one of America's Fastest-Growing Private Companies by Inc. Magazine's 5000 Annual List in 2022.



66% of Americans drink coffee each day.



Consumption of espresso-based beverages, typically prepared away from home, have shot up 30% since the start of the pandemic, signaling recovery from the COVID-19 pandemic and also indicating new growth.



By 2025, 84% of spending and 21% of volume consumption in the Coffee segment will be attributable to out-of-home consumption.



In 2022, the US population spent an average of \$270 per person, on coffee.

For more information please visit www.br.coffee

Source



BLACK  **ROCK**
COFFEE BAR

226

03

MARKET

AREA OVERVIEW

AREA DEMOGRAPHICS

ACTUAL PROPERTY

PHOENIX



AREA OVERVIEW

Population

Phoenix is the fifth largest city in the United States and anchors the nation's tenth largest metropolitan area, with 5.1 million residents. Greater Phoenix encompasses 14,600 square miles and more than 20 incorporated cities, including Glendale, Scottsdale, Tempe and Mesa. Greater Phoenix is the financial, commercial, cultural, entertainment and government center of Arizona.

Maricopa County, in which Phoenix is located, covers more than 14,600 square miles. Its strategic southwest location has made it a major business and distribution hub for aerospace, high-technology, logistics, financial services, bio-science and sustainable technology companies.

Phoenix is a large desert city. Its elevation is 1,117 feet above sea level. The city's horizon is defined by three distinct mountains: South Mountain, Camelback Mountain and Piestewa Peak. It is known for its warm climate, beautiful setting and great cultural and recreational amenities. The timeless Southwestern backdrop is scattered with resorts and spas infused with Native American tradition. Numerous golf courses stay emerald green all year. Mountain parks are criss-crossed with trails and plentiful sports venues host some of the biggest events in the nation. All together, Phoenix makes for the perfect setting for 16 million leisure visitors each year, which is good for business.

The population of Greater Phoenix is 5.1 million and is expected to grow to nearly 6.4 million in the next 20 years. A relatively young region, Greater Phoenix has a median age of 36.6 - 2.3 years younger than the average age nationwide. The population boasts comparatively high-earnings, with an median household income of over \$75,940. This is 4.9% above the national median average household income, which stands at \$72,414.

Employment

The Metro Phoenix employment base has grown rapidly in the past 20 years and currently boasts more than 2 million workers. Projected employment by occupation shows continued strength in the area's professional and technical workforce, with service employment increasing as well. A steady influx of new workers and high graduation levels from the state's largest university, Arizona State University, enrich the quality of labor. Thanks to the variety of universities and technical schools in the area, the pipeline of skilled workers continues to grow.

Metro Phoenix has a diversified base of industries, led by aerospace, high-tech manufacturing, distribution and logistics, financial services and corporate/regional headquarters. Major data processing, credit card and customer service companies are also attracted to Greater Phoenix's telecommunications infrastructure. Phoenix has a predictable climate and low catastrophic risk—no earthquakes, tornadoes or coastal flooding.

Intel, Freescale, Microchip Technology and ON Semiconductor have given Arizona the distinction of being the fourth largest semiconductor manufacturing exporter in the nation.

Phoenix is ranked among the top in the country for its solar and renewable energy sector, and has a rapidly growing healthcare and biomedical industry. With \$1.3 billion in strategic investments over the past 10 years added into its emerging healthcare enterprise and research capabilities, Greater Phoenix is the place for healthcare opportunities.

MAJOR PHOENIX EMPLOYERS

State of Arizona
Banner Health
Walmart
Frys Food Stores
Wells Fargo
Maricopa County
City of Phoenix
Intel
Arizona State University
Bank of America
State Farm Insurance
U-Haul
Dignity Health
USAA
The Boeing Company
Phoenix Childrens Hospital
Vanguard
General Dynamics
American Express
Amazon
Honeywell
HonorHealth

AREA OVERVIEW

Lifestyle & Entertainment

Dependable sunshine and warm temperatures make outdoor activities a way of life in Phoenix. Golf, tennis, hiking, cycling, mountain biking and rock climbing are popular Phoenix activities. Some of Greater Phoenix's most notable outdoor attractions are South Mountain Park and Preserve, Tempe Town Lake, Camelback Mountain, Desert Botanical Garden, the Tournament Players Club (TPC) and the Phoenix Zoo. Phoenix is also a gateway to the Grand Canyon, just a short three and a half hour drive to America's greatest natural wonder.

Live music including classical, blues, local bands and major concerts are easy to come by, and Downtown Phoenix's First Friday Artwalk is a popular event each month with thousands of attendees. Phoenix is chockfull of local galleries, boutiques and studios.

Greater Phoenix annually plays host to the PGA Tour's Waste Management Phoenix Open at the TPC, NASCAR's March and November events at Phoenix International Raceway, the Rock 'n' Roll Arizona Marathon and college football's VRBO Fiesta Bowl and Guaranteed Rate Bowl. Phoenix has played host to the Super Bowl in 2023, 2015 and 2008 at University of State Farm Stadium, the College Football Playoff National Championship Game in 2016 and the 2017 NCAA Men's Basketball Final Four. Phoenix has franchises in three major professional sports leagues: Phoenix Suns (NBA), Arizona Diamondbacks (MLB), and Arizona Cardinals (NFL).

With more than 16 million leisure visitors each year, Greater Phoenix is home to more than 500+ hotels with more than 69,000 guest rooms. That total includes more than 40 luxury resorts. Notable resorts include the JW Marriott Desert Ridge Resort and Spa, the Arizona Biltmore, Westin Kierland Resort & Spa, The Phoenician, Royal Palms, Omni Scottsdale Resort & Spa at Montelucia, Four Seasons Resort at Troon North, Hyatt Regency Resort & Spa at Gainey Ranch, Sanctuary Camelback Mountain, The Camby, The Wigwam, W Scottsdale, and the Fairmont Scottsdale Princess.

Housing

As one might expect in the 10th largest metropolitan area in America, the options for housing are as diverse as the people who live here. You'll find everything from luxury high-rise condos to modest apartments, to mature tree-lined family neighborhoods and brand-new gated communities. The metro area has many distinct neighborhoods and urban "villages" and no home in Phoenix is very far from one of the city's parks. Whether you want the bustle of living in a downtown loft or historic mid-century gem, the comfort of a home in a family oriented neighborhood, or the quiet of a mini-ranch in the beautiful Sonoran Desert, Phoenix is a great place to put down roots.

Sources: Moody's Analytics; The Cromford Report; U.S. Census Bureau Census 2010 – ESRI Forecasts; 2015 MAG Employer Database; 2016 ARMLS and FBS. DMCA; Costar; 2016 Arizona Department of Education; Arizona State University – Degree Facts; Gilbert Public Schools; Chandler-Gilbert Community College; Golf Academy of America Chandler; Mesa Community College Graduation and Transfer Report; GPEC; Visit Phoenix; City of Phoenix



DEMOGRAPHICS

1 MILE 3 MILES 5 MILES

Population



27,676 211,131 474,431

Households



11,047 75,293 180,910

Daytime Population



21,742 185,019 510,329

Average Household Income



\$71,754 \$91,525 \$90,359



PRIVATE CAPITAL GROUP WESTERN REGION

ONE team FOURTEEN markets



PRIVATE CAPITAL GROUP WESTERN REGION

- **ONE** Team, **FOURTEEN** Markets
- **COHESIVE 33-BROKER TEAM**
Sourcing and Sharing Regional Capital
- Each Team is Based and **OPERATES EXCLUSIVELY IN THEIR OWN MARKET** (No Outsiders or Rookies handle Marketing)
- Shared **WESTERN REGION BUYER DATABASE**
- **1031 EXCHANGE TRACKING**
- **BI-WEEKLY CALL**
Sharing Market Intel, Listings and Buyers
- Culture of **SHARING** and **SUPPORTING MEMBERS AND EACH OTHER'S CLIENTS**



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ACTUAL PROPERTY