

STARBUCKS ANCHORED NET LEASE INVESTMENT

FOR SALE

SANTA CRUZ, CA

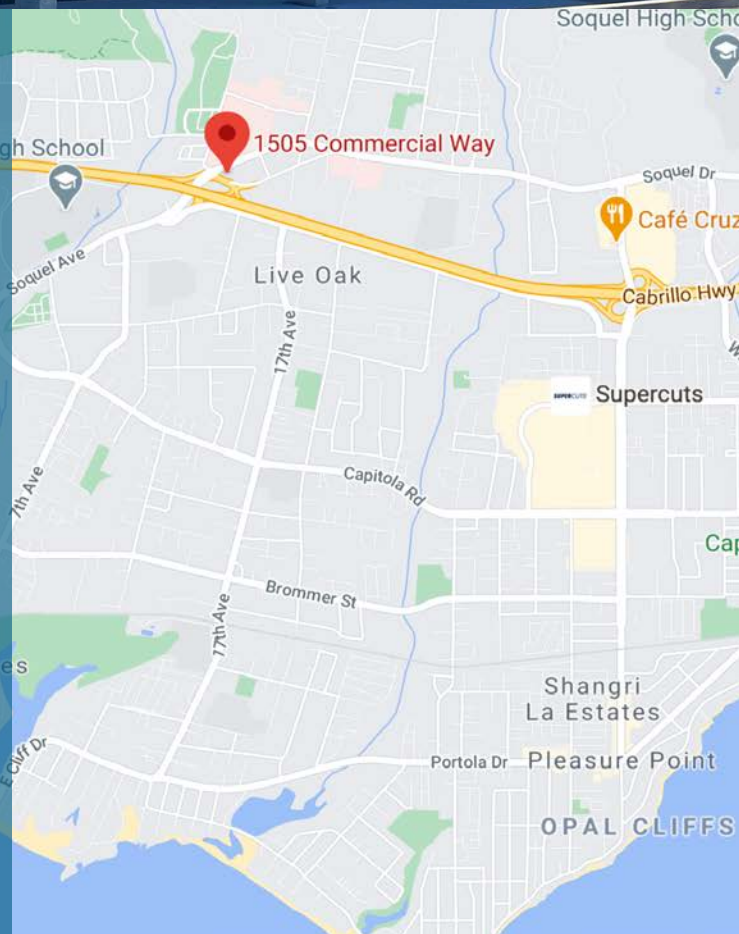
\$4,610,000

4.75% CAP Year One - 5.35% CAP Year Six



Property Highlights

- Rare Santa Cruz County Net Leased Opportunity with High Barriers to Entry
- High Visibility Highway 1 Offramp Location
- 10-year Firm Terms with Increases for Both Tenants
- Directly Across from Regional Hospital, with over 1,500 Employees and 96,000 Patients Served Last Year



Information presented in this proforma was provided by the Seller. Shoemaker Commercial makes no representation as to the accuracy of the information. Buyer should use diligence investigating the financial feasibility in making a purchase or lease by relying on his or her own professional advisors.



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IMPROVEMENTS, SIZE AND BOUNDARIES

Any oral or written representations by Seller or Broker regarding age of improvements, size and square footage of parcel, building, or location of property lines may not be accurate. Apparent boundary line indicators such as fences, hedges, walls or other barriers may not represent the true boundary lines, only a surveyor can determine the actual boundary lines. If any of these issues are important to the Buyer's decision to purchase, then the Buyer should consider investigating the property independently.

PROPERTY DESCRIPTION

APN 025-071-20

ADDRESS 1520 Soquel Dr. & 1505 Commercial Way, Santa Cruz 95065

LOCATION At the Soquel Drive On/Off Ramp to Highway 1. Excellent visibility from Highway 1, Soquel Drive, and Commercial Way. Directly across from Dominican Hospital.

ZONING C-2

PARCEL SIZE 27,204 sq. ft./ .625 acre

IMPROVEMENT SIZE
Starbucks 1,800 sq. ft.
Tortilla Shack 2,360 sq. ft.
4,160 sq. ft.

New, Build to Suit 1,800 sq. ft. building for Starbucks.

IMPROVEMENT DESCRIPTION
Remodel to Suit 2,360 sq. ft. building for Tortilla Shack. Building was taken down to the steel structure. All building systems are new, including electrical, plumbing, mechanical, siding, storefronts and windows, roof, equipment and all finishes.

All site work was completed in 2024.

YEAR BUILT 2024

PARKING Ample on-site and reciprocal parking agreement with the adjacent property. There are four points of ingress and egress.

DAILY TRAFFIC COUNTS
Highway 1: 100,000 Vehicles Per Day
Soquel Drive: 23,000 Vehicles Per Day
Commercial Way: 3,000 Vehicles Per Day



LEASE SUMMARY AND PRICING

LEASE SUMMARIES

TENANT	SQ FT	BASE TERM	ANNUAL BASE RENT YEAR ONE	BASE TERM INCREASES	ANNUAL BASE RENT YEAR SIX	OPTIONS TO EXTEND	OPTION RENTAL INCREASES
Starbucks	1,800	10 years	\$120,000	10%/5 years	\$132,000	Four 5-year	10%/5 years
Tortilla Shack	2,360	10 years	\$98,952	3% Annual	\$114,712	Two 5-year	3% Annual
	4,160		\$218,952		\$246,712		

Both leases are Net. In addition to the Base Rent referenced above, both tenants pay for separately metered utilities and trash. Both tenants reimburse for landlord's operating expenses including property tax, insurance, and common area maintenance.

PRICING

PRICE	CAP RATE YEAR ONE	CAP RATE YEAR SIX
\$4,610,000	4.75%	5.35%



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TENANT PROFILES



Starbucks

The largest and most successful coffee retailer in the world, Starbucks, was formed in 1971 in Seattle's Pike Place Market. The coffee house has since grown to over 38,000 locations in 84 countries. This industry leader employs over 402,000 people and reported more than 36 billion dollars in revenue for 2023. Starbucks went public in 1992 and is listed on NASDAQ, under the trading symbol "SBUX". Their Market Cap is greater than \$103 billion. They have a BBB+ credit rating from Standard & Poor's.



Tortilla Shack

Experienced restauranteurs who operate two other popular restaurants in Santa Cruz County. The concept is quick-serve, quality Mexican food at an affordable price. The Tortilla Shack will serve beer and wine and will benefit from a dedicated outdoor patio.



LOCATION OVERVIEW

The subject location sits at the north-bound on and onramp of Highway 1 (100,000 vehicles per day) at Soquel Drive (23,000 vehicles per day). Highway 1 and Soquel Drive are the two dominant thoroughfares in Santa Cruz County. North-bound Highway 1 is the dominant morning commute direction.

The site contains four points of ingress and egress and is adjacent to a 76 gas station. Other retailers in close proximity are REI, Marshalls, and US Foods.

Dominican Hospital

The site is directly across from Dominican Hospital. Part of the Dignity Health network, Dominican Hospital offers many services, including birth center, cancer care, and cardiac care, 222 beds; 1,556 employees; 530 physicians; 96,360 patients served in the past year, half through the Emergency Department; 375 newborns cared for in Level III Neonatal Intensive Care Unit in the past year; \$14 million in charity care annually; and \$40 million in broad community benefits annually.

SITE DEMOGRAPHICS

	2 Mile	5 Mile	10 Mile
2023 Population	55,227	135,307	180,508
2023 Households	22,943	52,786	70,686
Average Household Income	\$122,324	\$126,597	\$132,984



SANTA CRUZ COUNTY

POPULATION

267,551 Residents

SIZE

441 Square miles – 282,240 acres

ECONOMY

The County's strong local economy is anchored by technology, agriculture, and tourism. The school system includes Cabrillo Community College and the University of California, Santa Cruz, one of the nation's best universities. Santa Cruz also hosts the Long Marine Laboratory, the Lick Observatory, the National Marine Fisheries service, and the Monterey Bay National Marine Sanctuary Exploration Center.

ANNUAL VISITOR TRIPS

There are over 3 million visitor trips to Santa Cruz County each year. Visitors come to Santa Cruz to visit the Santa Cruz Beach Boardwalk, the Municipal Wharf, area beaches, State Parks, and the world famous redwoods.

LOCATION

Santa Cruz County is located on the Central California coast, bordered by San Mateo County to the north, Monterey and San Benito counties to the south, Santa Clara County to the east, and the Monterey Bay National Marine Sanctuary to the west and northwest. It is 65 miles south of San Francisco, 35 miles north of Monterey and 35 miles southwest of Silicon Valley.

DISTANCES TO MAJOR AIRPORTS

San Jose International 35 miles
San Francisco International 62 miles
Oakland International 60 miles
Monterey Peninsula Airport 43 miles
Watsonville Municipal Airport 14 miles

COMMUNITIES

Aptos, Ben Lomond, Boulder Creek, Brookdale, Capitola, Corralitos, Davenport, Felton, Freedom, La Selva Beach, Mt. Hermon, Santa Cruz, Scotts Valley, Soquel, Watsonville

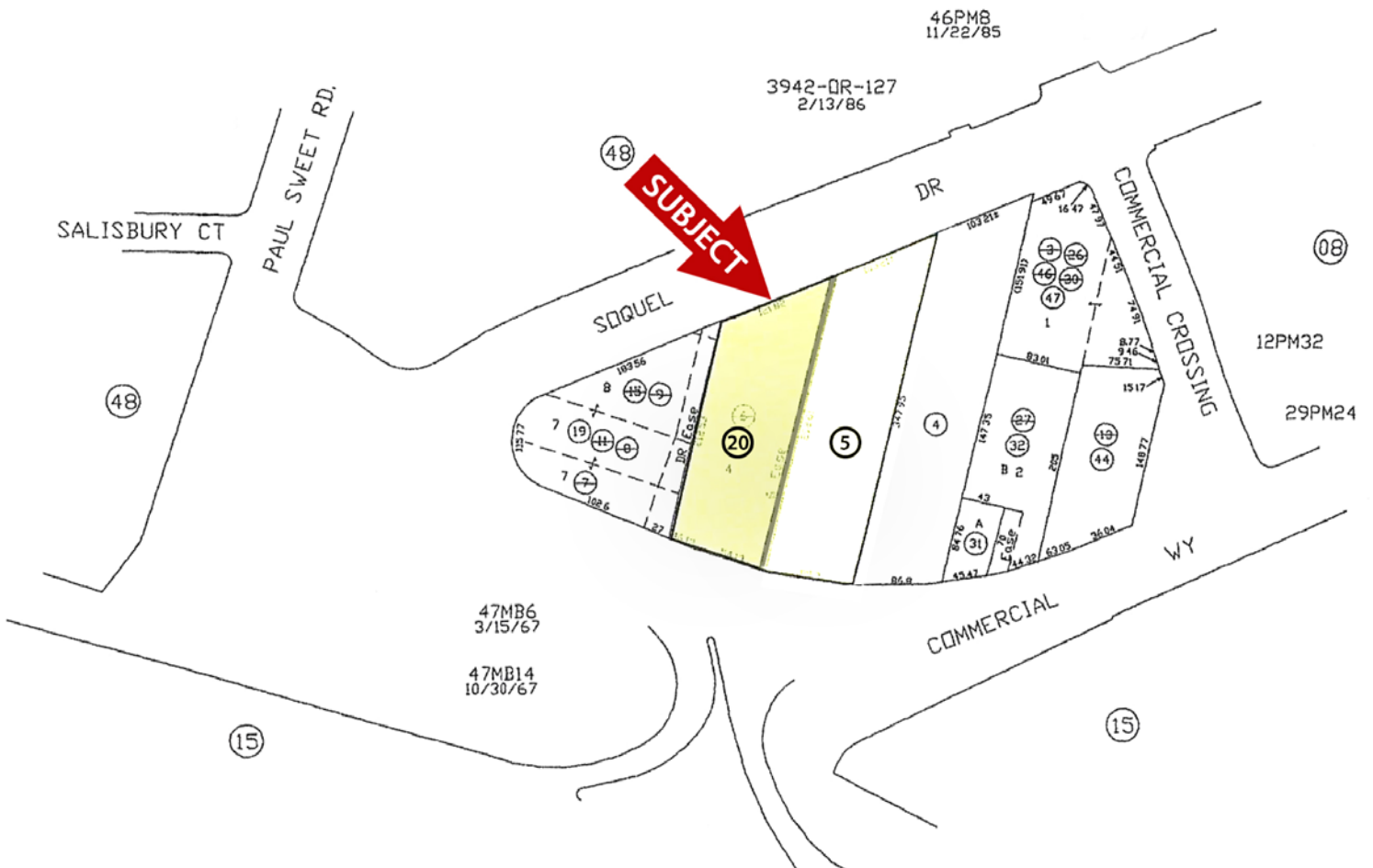
MEDIAN HOME PRICE

\$1,115,163 (May 2024)



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PARCEL MAP



PHOTOS



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SITE PLAN



(E) METAL BUILDING NOTE:
 NO WORK IS PROPOSED UNDER
 THIS PERMIT TO THE EXISTING
 BUILDING, ALL IMPROVEMENTS
 SHALL BE UNDER A FUTURE
 TENANT IMPROVEMENT PERMIT

COMMERCIAL WAY