

# GRAVITY COFFEE

**50+ UNIT OPERATOR | BRAND NEW 25 YEAR CORPORATE LEASE**

16 W MCKELLIPS RD, MESA, AZ 85201

GRAVITY

COFFEE

WWW.GRAVITYCOFFEE.COM



REPRESENTATIVE PHOTO

OFFERING MEMORANDUM

Marcus & Millichap



**TARGET** Panera BREAD  
**RALLY HOUSE** **OLD NAVY**  
**STARBUCKS** **ROSS**  
**Marshalls**  
**Harkins** **NIKE** **CHIPOTLE**  
**H&M** **BARNES & NOBLE** **DAVE & BUSTERS**

**CASINO ARIZONA**

**GRAVITY**  
COFFEE

**E6S FITNESS**  
**Arbys** **KTR**  
**OUTBACK**  
**STARBUCKS** **DUTCH BROS**  
**LESLIE'S** SWIMMING POOL SUPPLIES  
**DOLLAR TREE**  
**McDonald's**

**HOHOKAM STADIUM**

**MOUNTAIN VIEW HIGH SCHOOL**

**CHARLES D. POSTON JR HIGH SCHOOL**

**ASU** Arizona State University  
74,000+ STUDENTS

**Walmart** **petco** **THE HOME DEPOT**  
**Bass Pro Shops** **HYATT PLACE** **BOOT BARN**  
**JOANN** **Burlington**  
**ESPORTA** **CINEMARK**

**OAKLAND ATHLETICS TRAINING COMPLEX**

**TARGET** **BR**  
**STARBUCKS**  
**O'Reilly** **CIRCLE K**  
**AutoZone**

**SAFeway** **BIG O TIRES**  
**MESA COMMUNITY COLLEGE** **PET SMART**  
**A MARICOPA COMMUNITY COLLEGE** **BED BATH & BEYOND**  
**THE HOME DEPOT** **Michaels** **FIRST WATCH** **DISCOUNT TIRE**  
**TARGET** **Chick-fil-A**

**Walmart** **PET SMART** **Panera BREAD**  
**chil's** **mellow MUSHROOM**  
**Michaels** **AMC** **TEXAS**

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# Executive Summary

16 W McKellips Rd, Mesa, AZ 85201

## FINANCIAL SUMMARY

<b>Price</b>	<b>\$2,167,000</b>
Cap Rate	6.00%
Net Cash Flow	6.00% \$130,000
Building Size	796 SF (1,585 SF Under Canopy)
Year Built	2025
Lot Size	.6743 Acres

## LEASE SUMMARY

Lease Type	Double-Net (NN) Lease
Tenant	Gravity Coffee
Guarantor	Gravity Coffee Company LLC - Corporate Guaranty
Est. Lease Commencement Date	March 15, 2025
Est. Lease Expiration Date	March 31, 2050
Lease Term	25 Years
Rental Increases	10% Every 5 Years
Renewal Options	5, 5 Year Options
Right of First Refusal	15 Days
Roof & Structure	Landlord Responsible*

Footnote:

\*15 Year Roof Warranty in Place and Transferable to the buyer. Tenant is responsible for all other maintenance and repairs including the parking lot.

## ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
1 - 5	\$130,000.00	6.00%
6 - 10	\$143,000.00	6.60%
11 -15	\$157,300.00	7.26%
16 - 20	\$173,030.00	7.98%
21 - 25	\$190,333.00	8.78%

  

Renewal Options	Annual Rent	Cap Rate
Option 1 (26 - 30)	\$209,366.30	9.66%
Option 2 (31 - 35)	\$230,302.93	10.63%
Option 3 (36 - 40)	\$253,333.22	11.69%
Option 4 (41 - 45)	\$278,666.55	12.86%
Option 5 (46 - 50)	\$306,533.20	14.15%

<b>Base Rent</b>	<b>\$130,000</b>
<b>Net Operating Income</b>	<b>\$130,000</b>
<b>Total Return</b>	<b>6.00% \$130,000</b>

**GRAVITY**  
COFFEE

**GATEWAY  
BIBLE CHURCH**

**HOHOKAM STADIUM**

**KER ELEMENTARY  
SCHOOL**

**MCKELLIPS AUTOMOTIVE  
SERVICE CENTER**

**CIRCLE K**

**ARCO**

**ampm**

**SARANCTUARY  
ON CENTER APARTMENTS**

**aquaValue**

**goodwill**

**68,084 CPD**  
E MCKELLIPS RD

**7,092 CPD**  
N CENTER ST

**GRAVITY**  
COFFEE



202 96,355 CPD

VISTA DEL SOL  
MOBILE HOME PARK

SUNDIAL  
MOBILE PARK

KAY BEE  
MOBILE VILLA



7,092 CPD  
N CENTER ST



68,084 CPD  
E MCKELLIPS RD



# Property Description



PHOTO AS OF 10/10/2024



## INVESTMENT HIGHLIGHTS

- » **Brand New 25-Year Lease with Corporate Guaranty**
- » Tenant is a Growing Drive-Thru Coffee Chain with More Than 50 Locations Open and in Development Across Nine States
- » **10 Percent Rental Increases Every Five Years with Multiple Renewal Options**
- » 265,098 Residents within a Five-Mile Radius - Growing Trade Area in the Phoenix MSA
- » **New 2025 Construction with a Drive-Thru**
- » Highly Visible Location Along East McKellips Road (68,000+ Cars per Day)
- » **The Specialty Coffee Shop Market is Projected to Grow by \$39.17 Billion from 2022 to 2027 (Source: Technavio)**
- » Located One Mile from State Route 202 (90,300+ Cars Per Day)



## DEMOGRAPHICS

1-mile

3-miles

5-miles

### Population

2028 Projection	16,572	87,684	276,347
2023 Estimate	15,808	84,170	265,098
Growth 2023 - 2028	4.83%	4.17%	4.24%

### Households

2028 Projections	6,378	32,996	107,239
2023 Estimate	6,042	31,468	102,337
Growth 2023 - 2028	5.55%	4.85%	4.79%

### Income

2023 Est. Average Household Income	\$71,140	\$79,820	\$77,999
2023 Est. Median Household Income	\$55,155	\$57,828	\$55,897

# Tenant Overview



PHOTO AS OF 10/10/2024



**PACIFIC, WASHINGTON**  
Headquarters



**2016**  
Founded



**50 +**  
Locations



**GRAVITYCOFFEE.COM**  
Website

Since its founding in 2016, Gravity Coffee has focused on revolutionizing the drive-thru coffee industry. Gravity Coffee stores feature modern, sleek architecture with a menu of proprietary syrups, energy drinks, and coffee blends. With a loyalty to customers and an upbeat environment, Gravity Coffee has demonstrated success in one of the most competitive coffee markets in the United States. Gravity Coffee's core values of simplicity, consistent and reliable product quality, and efficiency in customer services sets the company apart from its competitors.

The company has grown at a rapid rate, actively developing over 50 locations throughout Arizona, Colorado, Florida, Idaho, Nevada, Oregon, Texas, Utah, and Washington. Currently, Gravity Coffee has over 100,000 members in its loyalty rewards program, "Galaxy Club."

# Property Photos





# Location Overview



Mesa is the third largest city in Arizona, after Phoenix and Tucson, and the 38th largest city in the U.S. It is home to numerous higher education facilities, including the Polytechnic campus of Arizona State University. The city's top employers include Banner Health, Boeing, Walmart, Fry's Food & Drug, and The Home Depot.

With dynamic recreational, educational and business opportunities, Mesa enjoys the best in a variety of amenities including parks within easy walking distance from home, a variety of sports facilities that cater to athletes young and old, highly rated golf courses for every skill level, a diversity of special events and community

festivals, and Mesa's ever-popular Chicago Clubs and Oakland A's Spring Training baseball.

The Phoenix metro consists of Maricopa and Pinal counties, and includes more than 60 towns, cities, and communities. As of 2020, Metro Phoenix had 4.8 million residents, making it the nation's 11th-largest metropolitan area. The largest city is Phoenix, which encompasses about 520 square miles and boasts a population of more than 1.6 million. Phoenix was the fastest growing large city in the US between 2010 and 2020 as it added over 163,000 residents.

# [ exclusively listed by ]

**Chris N. Lind**  
Senior Managing Director  
602 687 6780  
chris.lind@marcusmillichap.com

**Mark J. Ruble**  
Executive Managing Director  
602 687 6766  
mruble@marcusmillichap.com

**Zack House**  
First Vice President  
602 687 6650  
zhouse@marcusmillichap.com

**Ryan Sarbinoff**  
Arizona Broker of Record  
602 687 6700  
Lic #: BR675146000

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