

# THE HUMAN BEAN GROUND LEASE

**ASU CAMPUS**

1765 EAST UNIVERSITY DRIVE, TEMPE, AZ 85281



OFFERING MEMORANDUM

Marcus & Millichap

236,477 CPD  
LOOP 202

LOOP  
202

APARTMENTS  
+ OFFICE

TEMPE TOWN LAKE

LOOP  
202

SUN DEVIL  
FOOTBALL STADIUM



TEMPE CAMPUS  
79,500+ STUDENTS

ASU GAMMAGE  
THEATER



37,366 CPD  
E UNIVERSITY DR

GATEWAY AT TEMPE  
[ 288 UNITS ]



EMERSON SQUARE  
[ 188 UNITS ]



36,555 CPD  
S MCCLINTOCK DR



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# Executive Summary

1765 East University Drive, Tempe, AZ 85281

## FINANCIAL SUMMARY

<b>Price</b>	<b>\$1,600,000</b>
Cap Rate	5.53%
Building Size	+/- 546 SF
Net Cash Flow	5.53% \$88,550.91
Year Built	2017
Lot Size	0.71 Acres

## LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Ground Lease
Tenant	H&L, LLC
Guarantor	Dr. Todd Holton & Karen Holton <sup>(1)</sup>
Lease Commencement Date	May 1, 2017
Lease Expiration Date	April 30, 2027
Lease Term Remaining	2.5 Years
Rental Increases	3% Annual Increases
Renewal Options	3, 5 Year Options
Right of First Refusal	None

### FOOTNOTE:

(1) H&L LLC Company Guarantee remains in place throughout term and options. Personal Guarantee obligation is reduced to 50% at the 91st month, so long as Tenant has never before been in default.

## ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
8	\$88,550.91	5.53%
9	\$91,207.44	5.70%
10	\$93,943.66	5.87%

<b>Base Rent</b>	<b>\$88,550.91</b>
<b>Net Operating Income</b>	<b>\$88,550.91</b>
<b>Total Return</b>	<b>5.53% \$88,550.91</b>





TEMPE CAMPUS  
79,500+ STUDENTS

Chick-fil-  
COMING SOON



GATEWAY AT TEMPE APARTMENTS  
[ 288 UNITS ]

37,366 CPD  
E UNIVERSITY DR



McDonald's



N

DOWNTOWN TEMPE

TEMPE TOWN LAKE

LOOP 202

236,477 CPD  
LOOP 202

**TEMPE MARKETPLACE**

**TARGET** **OLD NAVY**  
**Michael's** **JCPenney** **BEST BUY**  
Where Creativity Happens  
**ROSS STORES, INC.** **rack** **BARNES & NOBLE** **DAVE & BUSTERS!**  
**Total Wine & MORE** **Harkins Theatres** **DSW**  
ULTIMATE MOVIE GOING  
**verizon** **ULTA** **PET SMART** **Famous Footwear**



37,366 CPD  
E UNIVERSITY DR



36,555 CPD  
S MCCLINTOCK DR



GATEWAY AT TEMPE APARTMENTS  
[ 288 UNITS ]



# The Novus Innovation Corridor

## About Novus Innovation Corridor



NOVUS PLACE

355

### ACRES

of commerce, urban living and recreation

34K

### NEW JOBS

within Novus upon completion

5.4K

### RESIDENTS

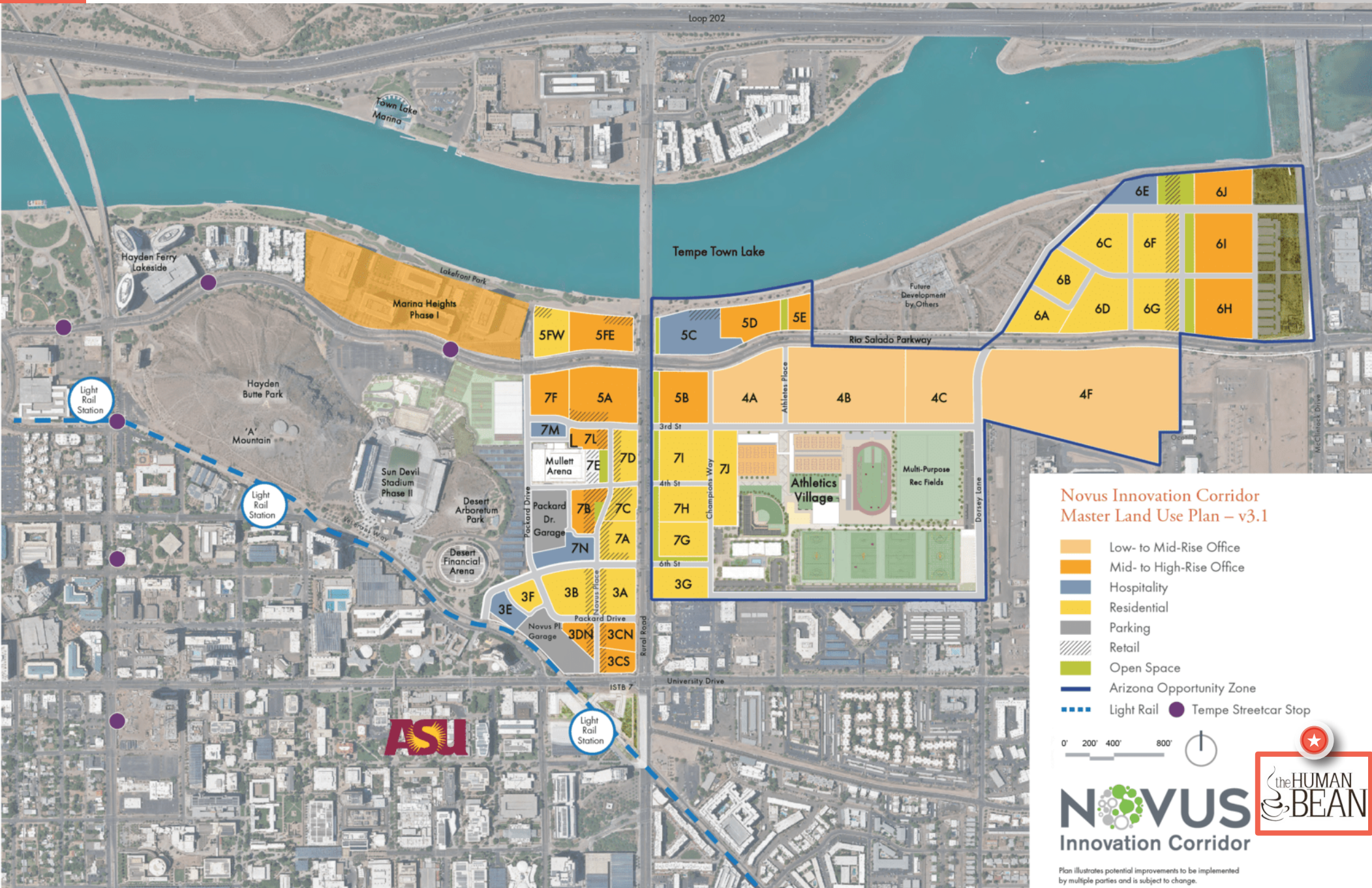
upon completion

Novus Innovation Corridor is a public/private partnership between the nation's "Most Innovative University", Arizona State University and award-winning master developer Catellus Development Corporation. Strategically integrated with ASU's Tempe campus along Tempe Town Lake, the mixed-use development enables companies to achieve synergies with a major university, including access to world-class research and a highly educated and skilled workforce.

Novus Innovation Corridor is one of the nation's most progressive urban mixed-use developments with more than 10 million square feet of opportunities throughout 355 acres. Nearly a quarter billion dollars in office, residential, hotel and retail development is already underway, with the current pipeline expected to grow this to three-quarter billion dollars in the next 12 - 18 months. Novus Innovation Corridor provides the foundation today for bold, inspired visionaries to create engaging, remarkable places through world-class offices, residences, hotels, retail stores and restaurants.

Located on Tempe Town Lake, adjacent to Arizona State University's Tempe Campus, Novus has a multimodal advantage, making it easily accessible for anyone coming to visit, work or live here. With a planned 4,100 residences, 700 hotel rooms and 275,000 square feet of retail and entertainment venues, Novus has created a place in the heart of Tempe where you can Live, Work, Play and Stay.

# The Novus Innovation Corridor



# Property Description



## INVESTMENT HIGHLIGHTS

- » **Absolute Triple-Net (NNN) Ground Lease with 3% Annual Increases - .71 Acre Parcel with Rights to 41 Off Site Parking Spaces**
- » Visible to 74,000 Cars per Day from the Intersection of McClintock Dr. & University Dr.
- » **Excellent Location Just Minutes from Arizona State University's Tempe Campus with 79,500+ Students. ASU is the Largest Public University in the U.S.**
- » Infill Tempe, AZ - 354,703 Residents in Trade Area
- » **Two Minutes from Tempe Marketplace, a 1.3 Million SF Retail Destination**
- » Easily Accessible from AZ-Loop 202 (236,477 Cars per Day)
- » **Strong Residual Value - The Site Benefits from Ample Parking and Ability to Develop a Large Building in the Future**
- » Surrounded by Student Housing



## DEMOGRAPHICS

1-mile

3-miles

5-miles

### Population

2028 Projection	27,121	155,063	371,399
2023 Estimate	26,056	147,575	354,703
Growth 2023 – 2028	4.09%	5.07%	4.71%

### Households

2028 Projection	12,611	67,598	159,710
2023 Estimate	12,090	63,826	151,540
Growth 2023 – 2028	4.31%	5.91%	5.39%

### Income

2023 Est. Average Household Income	\$55,942	\$74,497	\$79,184
2023 Est. Median Household Income	\$37,927	\$54,854	\$58,357



# Tenant Overview



With a passion for creating happy people and a love of coffee, The Human Bean opened its first drive-thru espresso stand in Ashland, Oregon, in 1998. The demand for convenient, quality coffee & espresso grew and soon after opening the first location in Ashland, the company expanded to surrounding cities in Southern Oregon. The Human Bean quickly established a reputation for having friendly and experienced baristas and offering the highest quality ingredients.

A commitment to developing the best drive-thru espresso led to the franchising of The Human Bean's brand and system in 2002. The Human Bean has expanded to over 300 locations open or under development in 25 states. Growth is expected to continue through approved franchisees.

The Human Bean features a number of House Specialty espresso drinks, including the Snowy Mocha, Mexi Mocha, Salted Caramel, Irish Cream Breve, and Caramel Hazelnut. Along with their classic coffee and teas, The Human Bean also offers a selection of Frozen Favorites.

**FRANCHISEE OVERVIEW:** Originally from Oregon, where The Human Bean was founded, Dr. Todd & Karen Holton developed a relationship with the company's founders and transitioned into the franchise business after years of operating a dental practice. With additional development rights, more locations are planned across the Valley.



**MEDFORD, OREGON**

Headquarters



**THEHUMANBEAN.COM**

Website



**300+**

Locations



**1998**

Founded

# Property Photos



# Site Plan



# Location Overview



Located just 10 minutes east of downtown Phoenix, Tempe exudes its own personality and the youthful spirit of a college town. Home to Arizona State University, the largest public university in the United States, Tempe has a vibrant downtown that's active day and night. Visitors will find locally-owned eateries and microbreweries, annual festivals, arts and cultural events. There are plenty of opportunities to enjoy the over 300 days of sunshine a year, including biking, hiking, or paddle boarding

While enjoying dynamic growth, the city has maintained its unique personality and style through a careful and masterful blending of the new with the old. Respecting its heritage and energetically planning for the future, Tempe is a wonderful mix of history and modern urban amenities. Tempe has a distinct identity as an emerging destination city, replete with all the offerings of a city rich

in economics, technology, culture, tourism and educational resources. Tempe offers a blend of quality new developments, revitalization and redevelopment, prestigious institutions such as Arizona State University, and celebrated traditions. Tempe brings it all together – bright Arizona sun, rewarding places to work, diverse cultures, a myriad of recreational opportunities, the best in entertainment and an unparalleled Southwestern lifestyle.

Tempe maintains one of the most thriving economic environments in the country, home to top research firms, Fortune 500 companies, and start-ups. The city's largest employers include Arizona State University, State Farm, Salt River Project, Honeywell, Medtronic, and Insight Direct. Tempe has the most educated and technically-skilled workforce in Arizona. It is a young and diverse community, with a median age of 28.1.

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