

STARBUCKS®

BRAND NEW CONSTRUCTION
15-YEAR LEASE TERM



Representative Photo

795 HIGHWAY 136
BARABOO, WISCONSIN



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CONDITIONS OF OFFERING



OFFERING MEMORANDUM AND LEGAL LIABILITY

The Offering Memorandum (“The Memorandum”) is intended solely for the limited use of the Potential Purchaser in considering whether to pursue negotiations to acquire Starbucks in Baraboo, Wisconsin (“The Property”). The Memorandum, prepared by Mid-America Real Estate Corporation (hereinafter collectively referred to as “MAREC”), contains information pertaining to the operation of The Property and does not purport to be all inclusive or to contain all the information, which The Potential Purchaser may desire. The Memorandum is being delivered with the understanding that The Potential Purchaser will conduct its own analysis and investigation of The Property, independently and without reliance upon MAREC, The Owner or The Memorandum and based on such documents, information and other matters as The Potential Purchaser, in its sole discretion, deems appropriate in evaluating a purchase of The Property. In furnishing The Memorandum, MAREC and/or The Owner reserve(s) the right to request the return of The Memorandum (including all copies or partial copies), or any other information provided, at any time. Neither The Owner nor MAREC or any of their officers, employees or agents make any representation or warranty, expressed or implied, as to the accuracy or completeness of The Memorandum or any oral or written communication transmitted from MAREC and/or The Owner to The Potential Purchaser and no legal liability is assumed or to be implied with respect thereto. By accepting The Memorandum, The Potential Purchaser agrees that The Memorandum’s contents and any other information pertaining to The Property and provided to The Potential Purchaser are confidential and proprietary; that The Memorandum and the information contained therein or provided is the property of The Owner and/or MAREC; that it will hold and treat The Memorandum and information provided in the strictest of confidence; that it will not, directly or indirectly, disclose or permit anyone else to disclose The Memorandum’s contents without prior written authorization; and, that it will not use or permit to be used The Memorandum or The Memorandum’s contents in any fashion or manner detrimental to the interest of The Owner or MAREC or in violation of the obligation to maintain such information and The Memorandum in strict confidence. However, The Potential Purchaser may disclose such confidential information to its employees, auditors, financial advisors, directors and/or counsel to whom it is reasonably necessary for purposes of evaluating The Property provided all reasonable precautions are taken to safeguard the information and parties are informed of the need to maintain the information as confidential. The Potential Purchaser agrees that photocopying or other duplication of information provided by The Owner and/or MAREC is strictly prohibited. The Owner expressly reserves the right, at its sole discretion, to reject any or all proposals or expressions of interest in The Property and to commence, participate in, or terminate discussions with any party at any time with or without notice. The Potential Purchaser acknowledges that The Owner has no obligation to discuss or agree to the sale of The Property. Notwithstanding that The Potential Purchaser and The Owner may reach one or more oral understandings or agreements on one or more issues that are being discussed, neither party shall be bound by any oral agreement of any kind and no rights, claims, obligations or liabilities of any kind, either express or implied, shall arise or exist in favor of or be binding upon either party except to the extent expressly set forth in a written agreement signed by both parties. The Memorandum shall not be deemed a representation of the state of affairs of The Property nor constitute an indication that there has been no change in the business or affairs of The Property since the date of its preparation. The Potential Purchaser agrees not to contact the tenants, leasing brokers or property management staff of The Property in connection with its review of The Property without prior written approval of The Owner. Any and all questions related to The Memorandum or The Property must be directed to MAREC. In the event The Potential Purchaser decides not to pursue the acquisition of The Property, The Potential Purchaser agrees to return The Memorandum to the appropriate representative of MAREC.

REPRESENTATION

The Potential Purchaser understands and agrees that MAREC is not representing The Potential Purchaser in this Proposed Sale. MAREC is only representing The Owner in this Proposed Sale.

AMERICANS WITH DISABILITIES ACT

The United States Congress has enacted the Americans With Disabilities Act. Among other things, this act is intended to make business establishments equally accessible to persons with a variety of disabilities. As such, modifications to real property may be required. State and local laws also may mandate changes. Neither The Owner nor MAREC is qualified to advise The Potential Purchaser as to what, if any, changes may be required now, or in the future. The Potential Purchaser should consult the attorneys and qualified design professionals of its choice for information regarding these matters. Neither The Owner nor MAREC can determine which attorneys or design professionals have the appropriate expertise in this area.

HAZARDOUS MATERIALS DISCLOSURE

Various construction materials may contain items that have been or may in the future be determined to be hazardous (toxic) or undesirable and as such may need to be specifically treated, handled or removed. Due to prior or current uses of The Property or the area, there may be hazardous or undesirable metals, minerals, chemicals, hydrocarbons or biological or radioactive items (including electric and magnetic fields) in soils, water, building components, above or below-ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Neither The Owner nor MAREC has expertise in the detection or correction of hazardous or undesirable items. Expert inspections are necessary. Current or future laws may require clean up by past, present and/or future owners and/or operators. It is the responsibility of The Potential Purchaser to retain qualified experts to detect and correct such matters.

COOPERATING BROKER POLICY

Neither The Owner nor MAREC will pay a brokerage fee to, or share a brokerage commission with The Potential Purchaser, or a related and/or affiliated party to such purchaser, attempting to act as a cooperating broker. In addition, neither The Owner nor MAREC will pay a brokerage fee to, or share a brokerage commission with, a cooperating broker representing The Potential Purchaser. However, notwithstanding the issue of commission, The Potential Purchaser may retain the brokerage representative of its choice. All cooperating broker inquiries should be directed to the appropriate MAREC representative.

REMEDIES

If there is a breach or threatened breach of any provision of these Conditions of Offering, The Owner and/ or MAREC shall be entitled to seek redress by court proceedings in the form of an injunction restraining The Potential Purchaser without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy and/or a decree for specific performance without any bond or other security being required. Nothing herein shall be construed as prohibiting The Owner and/or MAREC from pursuing any other remedies at law or in equity, which it may have. If The Owner and/or MAREC is involved in a court proceeding to enforce the covenants contained in these Conditions of Offering and The Owner and/or MAREC prevails in such litigation, The Potential Purchaser shall be liable for the payment of The Owner and/or MAREC’s reasonable attorneys’ fees, court costs and ancillary expenses together with such other and further relief as available under any applicable statute.

INVESTMENT SUMMARY

Mid-America Real Estate Corporation has been retained on behalf of the owner to sell a brand-new construction, 2,460 square foot Starbucks coffeehouse in Baraboo, Wisconsin. The property is ideally positioned near the corner of Highway 136 (WI-136) and Sauk Avenue.

TENANT	Starbucks (Corporate)
YEAR BUILT	2023
GLA	2,460
SITE AREA	0.75 Acres
TERM	15 Years (No Early Termination)
OPTION TERMS	Four 5-year
ESCALATIONS	\$2.00 PSF Year 11 and each option period
LEASE TYPE	NN (Landlord is responsible for roof and structure)
LOCATION	765 Highway 136 Baraboo, WI
TRAFFIC COUNTS	Highway 136 (9,500 VPD) South Boulevard (14,700 VPD) US Highway 12 (15,400 VPD)

Representative Photo



\$2,031,250
Asking Price:

6.40%
CAP Rate:

\$130,000
Year 1 NOI:

KEY FEATURES



LONG-TERM NET LEASE WITH INCREASES

Starbucks recently commenced a brand new 15-year lease with four, 5-year options to extend, showing a strong commitment to the site, and the Baraboo area.



LIMITED COMPETITION

This Starbucks is the company's only location in Baraboo, and there are no locations within a 10-mile radius of the subject property.



PROXIMITY TO MAJOR TOURIST LOCATION

Baraboo is located 9 miles south of Wisconsin Dells, known as the waterpark capital of the world, home to 20 indoor and outdoor waterparks. The Dells see an average of 5 million visitors per year and in 2022 tourism spending reached a record \$2 billion.



CORPORATE GUARANTEED LEASE BY STARBUCKS

Starbucks is an investment grade rated tenant (S&P: BBB+) which generated over \$32 billion in revenue in 2022 with over 34,000 locations globally.



GROWTH MINDED TENANT

In recent news Starbucks has announced they will be investing over \$450 million into their North American stores. These funds will be allocated to improving current locations and developing an estimated 2,000 new stores by the year 2025, bringing their total store count to 45,000, according to Rebusiness Online.



BRAND NEW CONSTRUCTION WITH DRIVE-THRU

The subject property is brand new and has a drive-thru, offering a layer of protection to a potential buyer, with reduced capital expenditures.



DESIRABLE DEMOGRAPHIC PROFILE

within 5 miles

Population



18,020

Daytime
Population



19,202

Housing
Units



7,734

Average HH
Income



\$85,844

Median
Home Value



\$64,807

Median Age



41.0



DEVILS STATE PARK

BARABOO COUNTRY CLUB

CIRCUS WORLD
60,000 annual visits

OAK PARK PLACE
65 assisted living units

Flambeau
FLUID SYSTEMS DIVISION
755 local employees

Sysco
530 local employees

Teel
PLASTICS, INC.
Warehouse

Blain's
FARM & FLEET

SENECA

Casey's

STARBUCKS

U-HAUL

ANYTIME FITNESS

DQ

Kwik Trip
O'Reilly
Auto Zone

DOLLAR TREE

GameStop
cricket
wireless

136 (9,500 VPD)

MENARDS

Alliant Energy

enterprise
SHERWIN WILLIAMS
Miracle-Ear

slumberland
FURNITURE
Warehouse

summit
EASY DRIVE

Walmart
Supercenter

Teel
PLASTICS, INC.
188 local employees

SOUTH BOULEVARD (14,700 VPD)

U.S. Cellular
SALLY BEAUTY
GNC
Papa Murphy's
TAKE 'N' BAKE PIZZA

BURGER KING

AW

FAIRFIELD
INN & SUITES
Marriott

Pizza Ranch

12 (15,400 VPD)

EAST FACING AERIAL

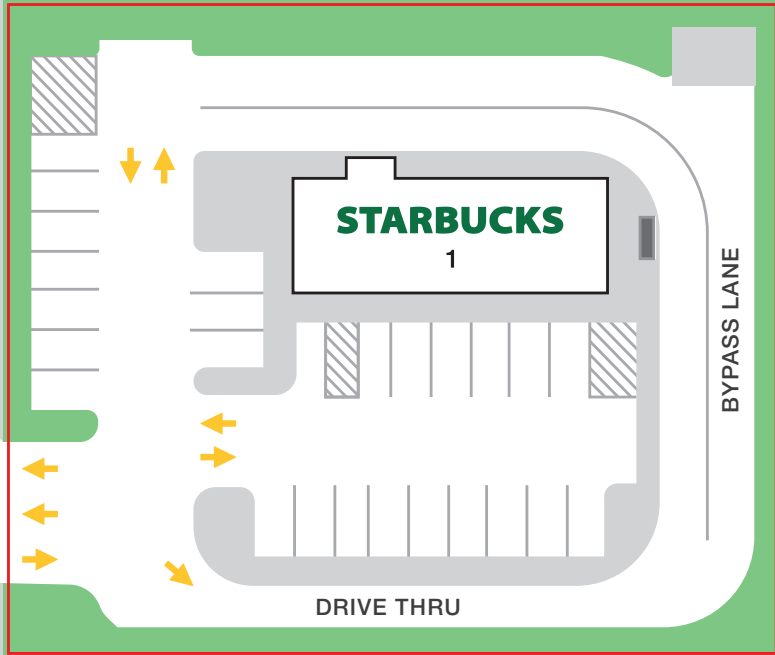
SITE PLAN



TENANT	SUITE	SQUARE FEET
Starbucks	1	2,460



Highway 136



Coming Soon
16,876 SF





WISCONSIN DELLS
 "Waterpark Capital of the World"
 5 million visitors per year
 \$2 billion in tourism spending in 2022

BARABOO/ WISCONSIN DELLS REGIONAL AIRPORT



HO CHUNK HOTEL AND CASINO
 1.2 mil annual visits

UW-PLATTEVILLE BARABOO SAUK COUNTY
 600 students

BARABOO HIGH SCHOOL
 908 students

(15,400 VPD)

SOUTH BOULEVARD (14,700 VPD)

(9,500 VPD)
136

NORTH FACING AERIAL

LOCATION & MARKET

- Baraboo is located 45 miles northwest of Madison, 115 miles northwest of Milwaukee, and 172 miles southwest of Green Bay.
- There are 15,169 residents earning average household incomes of \$83,404 within a three-mile radius, and a population of 18,020 residents earning average household incomes of \$85,844 within a five-mile radius. The 5-mile radius population has grown by 5% since 2010.
- This Starbucks is the company's only location withing a 10-mile radius.
- Located within Baraboo's main retail corridor, the location benefits from strong traffic drivers including Walmart (1.6 million visits per year) and Menards (850,000 visits per year), according to Placer Ai.



DEMOGRAPHIC PROFILE

DISTANCE FROM SUBJECT:	1 MILE	3 MILES	5 MILES
2023 Population	2,216	15,169	18,020
2023 Households	925	6,655	7,734
2023 Median Home Value	\$169,703	\$201,697	\$211,043
2023 Daytime Demographics	4,752	17,232	19,202
2023 Average Household Income	\$78,865	\$83,404	\$85,844
2023 Median Household Income	\$61,759	\$62,784	\$64,807
2023 Per Capita Income	\$35,055	\$36,422	\$37,087
2023 Median Age	37.2	40.1	41.0

PROPERTY DESCRIPTION

Starbucks is located in Baraboo, Wisconsin near the intersection of Highway 136 (WI-136) and Sauk Avenue, which combined see 10,000 VPD. The 2,460-square-foot building is positioned on 0.75 acres of land and was newly constructed in 2023. The site is situated next to a Dairy Queen and O'Reilly Auto Parts, and across WI-136 from a newly constructed Burger King. The site also offers ample parking with 26 spaces (10.57 spaces per 1,000 square feet).

BARABOO, WISCONSIN



The city of Baraboo is located in Sauk County, Wisconsin, covering 7.5 square miles, and home to over 12,000 residents. Known for its natural beauty, Baraboo is surrounded by scenic landscapes, including the Baraboo Range, a 144,000-acre mountain range, the Wisconsin River, a 430-mile-long tributary of the Mississippi River, and 9,200-acre Devil's Lake State Park. Residents have superior access to hiking, kayaking, camping, fishing, and much more. Downtown Baraboo has a wide range of retail options ranging from antique stores to restaurants, entertainment, and several other locally owned businesses. Baraboo also hosts various events and festivals throughout the year, including the Big Top Parade and Circus Celebration, which pays homage to Baraboo's circus heritage. Circus World recently received two \$500,000 "Save America's Treasures" grants, and renovations are currently underway on a new year-round performance facility. Located just 10 miles south of the world-famous Wisconsin Dells, Baraboo sees a great influx in population from the 5 million people who visit the destination each year.

The city is served by the Baraboo School District, which includes five elementary schools, one middle school, and one high school. Baraboo High School is located just 1 and 1/2 miles northwest of Starbucks and caters to a student body of over 900. In total, the Baraboo School District serves 2,786 students. Major employers include Flambeau Inc (755 employees), Sysco Food Services (530 employees), and Teel Plastics (188 employees).

Starbucks is located along Baraboo's main north/south thoroughfare WI-136 in the city's main retail corridor, with surrounding retail tenants including Walmart, Menards, Dollar Tree, Anytime Fitness, Walgreens, Slumberland, and many more. The property is adjacent to O'Reilly Auto Parts, and Dairy Queen, and across WI-136 from a newly constructed Burger King. The subject property benefits greatly from its positioning on WI-136 and is visible from the nearby intersection with South Boulevard, which sees 24,700 VPD. US Highway 12 is located 1/2 mile to the west, which runs north to Lake Delton and Wisconsin Dells, and south to Prairie Du Sac and Sauk City, seeing over 15,000 VPD.



Representative Photo



- 15-year term; four 5-year options
- \$2.00 PSF escalations year 11 and each option period

TENANT Starbucks Corporation (SBUX)

CREDIT RATING (MOODY'S/S&P) Baa1 Stable/BBB+ Stable

STARBUCKS PROFILE

Starbucks is a publicly traded chain of coffeehouses, which serve a variety of coffee, tea, coffee beans as well as breakfast and lunch items. The first Starbucks was opened in Seattle, Washington in 1971 and has since expanded into over 80 markets worldwide and is the largest coffee chain in the world. In recent news, Starbucks has announced they plan to invest \$450 million to open another 2,000 stores in North America by 2025.

Market Cap (1/24/2024): \$104.5B

Enterprise Value (1/24/2024): \$125.19B

Revenue (TTM): \$35.9B

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FINANCIALS

ASKING PRICE	\$2,031,250
CAP RATE	6.40%
YEAR 1 NOI	\$130,000
LEASE TYPE	NN (Landlord is responsible for roof and structure)

Representative Photo



RENT ROLL

Tenant	Square Feet	Lease Period		Rent PSF	Renewal Options
Starbucks	2,460	10/1/2023	2/28/2029	\$52.85	Four, 5-year
		3/1/2029	2/28/2034	\$52.85	
		3/1/2034	2/28/2039	\$54.88	
			1st Option	\$56.91	
			2nd Option	\$58.94	
			3rd Option	\$60.98	
			4th Option	\$63.01	

LEASE ABSTRACT



Tenant:	Starbucks Corporation
Documents:	Lease Agreement dated March 23, 2023 Memorandum to Lease dated March 23, 2023
Guarantor:	Starbucks Corporation
Square Feet:	2,460
Pro Rata Share:	2,460 / GLA
Term:	15 Years
Options:	Four, 5 Year Extensions, Notice 90 days prior
Use:	Tenant may use and occupy the Premises and Drive-Through Facilities and Outdoor Seating Area for any lawful retail or restaurant use, including the sale of beer and wine.
Exclusive Use:	Landlord shall not lease to any other tenant nor use or allow any other person or entity (except Tenant and its assigns) to use any portion of the Property and/or any adjacent property owned or controlled by Landlord for the sale of or in support of: (a) whole or ground coffee beans, (b) espresso, espresso-based drinks or coffee-based drinks, (c) tea or tea-based drinks, (d) brewed coffee, and/or (e) blended beverages.
CAM:	Tenant shall pay to Landlord as additional rent Tenant's Pro Rata Share of Operating Expenses, the portion of Tenant's Annual Additional Rent attributable to Operating Expenses for any calendar year following the first full calendar year of the Term (exclusive of insurance, taxes and snow and ice removal) shall not exceed 105%, on a non-cumulative basis, of the portion of Tenant's Annual Additional Rent attributable to Operating Expenses payable by Tenant for the previous calendar year.
Real Estate Taxes:	For each Lease Year during the Term, Tenant shall pay Landlord, as additional rent, Tenant's Pro Rata Share of Real Property Taxes.
Liabilities:	<p>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 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 Baraboo, Wisconsin 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, Building, and Property; and (b) the maintenance and repair of all parking areas, sidewalks, Outdoor Seating 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 and/or the Property as a whole and not a particular tenant's premises.</p> <p>Tenant 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.</p>



Utilities: Landlord shall install separate meters for gas, electric, water and sewer services at the Premises, Landlord shall install, provide and maintain such meters at Landlord's sole cost and expense during the Term of this Lease. Tenant shall pay directly to the applicable utility provider the utility charges for all water, sewer, gas and electricity used by Tenant during the Term.

Recapture/Go Dark: In the event Tenant elects not to operate at the Premises for a period of 60 consecutive days, excluding any closure due to any Force Majeure Event, casualty, condemnation, inventory, renovation, remodeling, or assignment of this Lease or subletting of the Premises, then Landlord may recapture the Premises and terminate this Lease upon 30 days prior written notice to Tenant unless Tenant resumes operation in the Premises prior to the expiration of such 30 day notice period, in which case, Landlord's recapture and termination notice shall be null and void.

Estoppel: 30 Days

For further information contact owner's exclusive representatives.



The Wrigley Building
410 North Michigan Avenue, Suite 1100
Chicago, Illinois 60611
Direct: 630.954.7300

Nick Kohlmann
Vice President
Direct: 630.954.7329
NKohlmann@midamericagr.com

in cooperation with:



600 N. Plankinton Ave, Suite 301
Milwaukee, Wisconsin 53203
Direct: 414.273.4600

Dan Rosenfeld (Licensed WI Broker)
Principal/Investment Sales
414.390.1402
drosenfeld@midamericagr.com

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