

# FOR SALE: EARLY STARBUCKS 10 YR RENEWAL (DRIVE THRU)

2160 MORTHLAND DRIVE  
VALPARAISO, INDIANA



RECENT PRICE REDUCTION



# STARBUCKS & ROSATI'S - VALPARAISO, IN



Two-Tenant Outlot Property for Sale



GLOBAL  
BRAND



DRIVE  
THRU



STOPLIGHT  
INTERSECTION



CORPORATE  
GUARANTEE



HEAVILY  
TRAVELLED

## PRICING OVERVIEW

|                |                                      |
|----------------|--------------------------------------|
| Price:         | <del>\$1.9M</del> <b>\$1,820,710</b> |
| Pro Forma NOI: | \$91,035*                            |
| Cap Rate:      | <del>4.79%</del> <b>5.00%</b>        |

\*Pro forma NOI is based on Starbucks rent increase on 3/1/2023 and Rosati's rent increase on 7/1/2022

## OFFERING SUMMARY

Stone Real Estate is pleased to exclusively market for sale the +/- 3,600 sf Starbucks & Rosati's retail outlot building located at the stoplight corner of US-30 (Morthland) and Coolwood Dr. in Valparaiso, IN (Chicago MSA). This asset is well positioned with premier visibility at the entrance to Coolwood Plaza grocery anchored shopping center. US-30 is a busy thoroughfare in Northwest Indiana and provides exposure to over 28,000 vehicles per day. This center is anchored by Strack & Van Til food market, a market leader in Northwest Indiana. The subject property was built in 2007 and is well equipped with a drive thru, enhancing the property's long term value. Starbucks has over 14 years of operating history in this location and recently extended their lease early, demonstrating their long-term commitment to this location. Additionally, Starbucks plans to invest significant capital this year to remodel and modernize this location.

\*The owner of the Coolwood Plaza development has the right of first refusal to purchase the property. Contact broker for details.

EXCLUSIVE AGENT

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## INVESTMENT HIGHLIGHTS

- Recent 10 Year Starbucks Lease Extension (No Termination Right)
- Coming Soon: Store Remodel Demonstrating Starbucks Commitment to this Location
- Drive Thru Equipped Providing Enhanced Long Term Value
- Internet and Pandemic Resistant Tenants
- Diverse Tenant Mix W/ Long Term Operating History – Starbucks (+/- 14 yrs) & Rosati's (+/- 5 yrs)
- Anchored by Market Leading Grocer – Strack & Van Til
- Unique Low Rent Basis - Blended Net Rent of approx. \$26.50 psf
- Brand New (2021) Roof W/ 15 Year Warranty
- Low Real Estate Taxes – Under \$5 psf
- Premier Visibility @ Stoplight Intersection along busy US-30



## PROPERTY INFORMATION

|                    |                                      |
|--------------------|--------------------------------------|
| Address:           | 2160 Morthland Drive, Valparaiso, IN |
| Building Size:     | +/- 3,600 sq. ft.                    |
| Land Size:         | +/- 26,572 sq. ft. (+/- 0.61 acres)  |
| Occupancy:         | 100%                                 |
| Year Built:        | 2007                                 |
| Real Estate Taxes: | \$16,812.30 (2022)                   |
| Roof:              | New 2021 (Under Warranty)            |
| Parking:           | +/- 25 spaces                        |
| Drive Thru:        | Yes (Starbucks)                      |
| Traffic Counts:    | 28,218 VPD on US-30                  |
| PIN #:             | 64-09-27-226 -006.000-004            |

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## INVESTMENT SUMMARY

| Operating Pro-Forma                   |                  |                      |
|---------------------------------------|------------------|----------------------|
| Projected Income:                     |                  |                      |
|                                       | Per Sq. Ft.      | Annual               |
| *Starbucks Net Rent                   | \$45.10          | \$81,180.00          |
| **Starbucks Pass Thru Reimbursements  | \$9.75           | \$17,541.69          |
| Rosatis Gross Rent                    | \$19.13          | \$34,440.60          |
| **Rosati's RE Tax Reimbursement       | \$0.24           | \$425.00             |
| <b>Total Projected Gross Revenue</b>  | <b>\$37.11</b>   | <b>\$133,587.29</b>  |
| Projected Expenses:                   |                  |                      |
| RE Taxes                              | \$(4.81)         | \$(17,316.67)        |
| Insurance                             | \$(0.90)         | \$(3,255.62)         |
| Common Area Maintenance               | \$(4.81)         | \$(17,304.00)        |
| Management / Admin                    | \$(1.30)         | \$(4,675.56)         |
| <b>Total Projected Expenses</b>       | <b>\$(11.82)</b> | <b>\$(42,551.85)</b> |
| <b>Projected Net Operating Income</b> |                  | <b>\$91,035.44</b>   |

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## STARBUCKS &amp; ROSATI'S - VALPARAISO, IN

## RENT ROLL

| RENT ROLL      |                 |           |            |                |                    |                           |          |           |           |             |              |       |
|----------------|-----------------|-----------|------------|----------------|--------------------|---------------------------|----------|-----------|-----------|-------------|--------------|-------|
|                |                 |           |            |                |                    |                           |          |           |           |             |              |       |
| Tenant         | Lease Structure | Start     | Expiration | Square Footage | Pro-Rata Share (%) | Renewal Options Remaining | Start    | End       | Rent PSF  | Annual Rent | Increase     |       |
| Starbucks      | Net             | 3/15/2007 | 2/29/2032  | 1,800          | 50%                | Four (5 year) Periods     | 3/1/2018 | 2/28/2023 | \$41.00   | \$73,800.00 |              |       |
|                |                 |           |            |                |                    |                           | 3/1/2023 | 2/28/2032 | \$45.10   | \$81,180.00 | 10.0%        |       |
|                |                 |           |            |                |                    |                           | Option 1 | 3/1/2032  | 2/28/2037 | \$49.61     | \$89,298.00  | 10.0% |
|                |                 |           |            |                |                    |                           | Option 2 | 3/1/2037  | 2/28/2042 | \$54.57     | \$98,226.00  | 10.0% |
|                |                 |           |            |                |                    |                           | Option 3 | 3/1/2042  | 2/28/2047 | \$60.03     | \$108,054.00 | 10.0% |
|                |                 |           |            |                |                    |                           | Option 4 | 3/1/2042  | 2/29/2052 | \$66.03     | \$118,854.00 | 10.0% |
| Rosati's Pizza | Modified Gross  | 3/1/2017  | 6/30/2027  | 1,800          | 50%                | One (5 year) Period       | 7/1/2021 | 6/30/2022 | \$18.58   | \$33,437.52 |              |       |
|                |                 |           |            |                |                    |                           | 7/1/2022 | 6/30/2023 | \$19.13   | \$34,440.60 | 3.0%         |       |
|                |                 |           |            |                |                    |                           | 7/1/2023 | 6/30/2024 | \$19.78   | \$35,605.80 | 3.4%         |       |
|                |                 |           |            |                |                    |                           | 7/1/2024 | 6/30/2025 | \$20.37   | \$36,673.92 | 3.0%         |       |
|                |                 |           |            |                |                    |                           | 7/1/2025 | 6/30/2026 | \$20.99   | \$37,774.08 | 3.0%         |       |
|                |                 |           |            |                |                    |                           | 7/1/2026 | 6/30/2027 | \$21.62   | \$38,907.36 | 3.0%         |       |
|                |                 |           |            |                |                    |                           | Option 1 | 7/1/2027  | 6/30/2028 | \$22.26     | \$40,074.36  | 3.0%  |
|                |                 |           |            |                |                    |                           | 7/1/2028 | 6/30/2029 | \$22.93   | \$41,276.64 | 3.0%         |       |
|                |                 |           |            |                |                    |                           | 7/1/2029 | 6/30/2030 | \$23.61   | \$42,504.12 | 3.0%         |       |
|                |                 |           |            |                |                    |                           | 7/1/2030 | 6/30/2031 | \$24.32   | \$43,779.60 | 3.0%         |       |
|                |                 |           |            |                |                    |                           | 7/1/2031 | 6/30/2032 | \$25.05   | \$45,093.00 | 3.0%         |       |

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## STARBUCKS &amp; ROSATI'S - VALPARAISO, IN

## LEASE ABSTRACT - STARBUCKS

## STARBUCKS LEASE ABSTRACT

|                            |  |
|----------------------------|--|
| Tenant:                    | Starbucks Corporation  |
| Space Size:                | 1,800 sq. ft.  |
| Pro-Rata Share:            | 50.00%   |
| Commencement Date:         | 3/15/2007  |
| Expiration Date:           | 2/29/2032  |
| Annual Rent:*              | \$81,180.00  |
| Renewal Options:           | Four, 5-year renewal options (6 months advanced notice)  |
| Rent Increases:            | 10% every five years during the Renewal Option periods   |
| Tenant Responsibilities:   | Tenant maintains and repairs everything within its defined premises and everything exclusively serving it including (but not limited to) HVAC, plumbing, and electrical.   |
| Landlord Responsibilities: | Landlord maintains and repairs the roof, foundation, and structural components of the building.<br>Additionally, Landlord maintains and repairs the parking lot, sidewalks, landscaping and systems not exclusively serving the premises and charges Tenant back its pro-rata share through CAM. |
| CAM:                       | Tenant reimburses Landlord for its pro-rata share of the common area maintenance expenses.<br>There is a seven percent (7%) year over year increase CAP (non cumulative) which excludes snow removal, salt, and utilities.   |
| Insurance:                 | Tenant reimburses Landlord for its pro-rata share of the property insurance.   |
| Real Estate Taxes:         | Tenant reimburses Landlord for its pro-rata share of the real estate taxes.  |
| Utilities:                 | Seperately metered and Tenant pays directly  |

***\*Starbucks annual rent is following their 3/1/2023 increase\****

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## STARBUCKS &amp; ROSATI'S - VALPARAISO, IN

## LEASE ABSTRACT - ROSATI'S

## ROSATI'S LEASE ABSTRACT

|                            |   |
|----------------------------|---|
| Tenant:                    | Jacobs Valpo LLC (dba Rosati's Pizza)   |
| Space Size:                | 1,800 sq. ft.   |
| Pro-Rata Share:            | 50.00%  |
| Commencement Date:         | 3/1/2017  |
| Expiration Date:           | 6/30/2027   |
| Annual Rent:*              | \$34,440.60   |
| Renewal Option:            | One, 5-year renewal option (6 months advanced notice)   |
| Rent Increases:            | 3% annual rent increases during the primary term and Renewal Option period.   |
| Tenant Responsibilities:   | Tenant maintains and repairs everything inside the defined premises and everything exclusively serving it including (but not limited to) HVAC, plumbing, and electrical.          |
| Landlord Responsibilities: | Landlord maintains and repairs the roof, foundation, structure and common areas of the property.  |
| CAM:                       | Landlord shall maintain the common areas of the property per the details specified in the lease.  |
| Insurance:                 | Landlord shall maintain property insurance per the details specified in the lease.  |
| Real Estate Taxes:         | Tenant reimburses Landlord for its Pro-Rata share of any increases over the real estates taxes paid in 2016 (\$16,470 total tax bill). Estimated 2022 total tax bill is \$16,812. |
| Utilities:                 | Seperately metered and Tenant pays directly   |

*\*Rosati's annual rent is following their 7/1/2022 increase\**

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# STARBUCKS & ROSATI'S - VALPARAISO, IN

## TENANT OVERVIEW



- Over 200 Locations
- Locations across 15 states
- Established in 1964
- Ranked #163 on Entrepreneur top 500 list (2022)
- <https://www.rosatispizza.com/>



- Locations: +/- 34,000 across the globe
- Stock Symbol: SBUX (Nasdaq)
- Revenue (2021): \$29.06 BILLION (24% increase from prior year)
- Market Cap: \$89.63 BILLION (April 2022)
- S&P Credit Rating: BBB+
- Founded: 1971
- Website: [www.starbucks.com](http://www.starbucks.com)



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# STARBUCKS & ROSATI'S - VALPARAISO, IN



## DEMOGRAPHICS

|                    | 2 MILE   | 3 MILE   | 5 MILE   |
|--------------------|----------|----------|----------|
| POPULATION         | 15,268   | 32,818   | 63,326   |
| AVERAGE HH INCOME  | \$94,387 | \$97,151 | \$97,320 |
| DAYTIME POPULATION | 16,669   | 35,821   | 63,694   |
| TOTAL HOUSEHOLDS   | 6,401    | 12,963   | 24,560   |

## LOCAL MARKET OVERVIEW

Valparaiso is a growing community and part of the Chicago MSA, located approximately 50 miles southwest of downtown Chicago. The city is home to over 32,000 residents and acts as a hub for an additional 15,000 living in surrounding areas. Valparaiso is the seat of Porter County, which has the 7th highest per capita income in the State of Indiana.

Valparaiso is home to several Universities including Valparaiso University (over 4,500 students and 220 staff members) and Ivy Tech (over 3,000 students). Valparaiso University is central to the city's identity with an architecturally stunning campus and diverse student population. This private liberal arts college has been ranked in the top 10 regional universities in the Midwest since 1990 and is nationally recognized for its College of Engineering and College of Nursing.

Additionally, Valparaiso is home to Northwest Health Regional Hospital which serves as a Regional hub with over 250 beds. Northwest Health is a major employer in Northwest Indiana with over 3,000 employees and around 700 physicians on staff.

Valparaiso has a thriving residential market with approximately 17 subdivisions under construction. Their neighborhoods are active and engaged in the community. The city was built to support neighborhood activity with the majority of the neighborhoods being within walking distance to elementary schools and neighborhood parks. The City of Valparaiso partners with neighborhood groups through a Neighborhood Improvement Grant Program to bring funding to projects like park enhancements, way-finding signage and construction of sidewalks. There are over 25 Active Neighborhood Groups, 6 Neighborhood Walks have been recently completed along with 8 City Funded Neighborhood Improvement Grant Projects. In total, the city has over 660 acres of total park land. The park land includes 15 parks and over 20 miles of pathway.

Valparaiso's Downtown maintains its character with renovated facades and green space, featuring 70+ distinct non-chain restaurants and artisan shops. The City is also developing an Arts District to connect Valparaiso's Downtown to Valparaiso University's campus.

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