



STARBUCKS

2570 Charles St | Rockford, IL 61108

Retail
Investment Opportunity
Offering Memorandum



MATTHEWS™

EXCLUSIVELY LISTED BY



Patrick Forkin

Senior Vice President

(773) 279-5390

patrick.forkin@matthews.com

License No. 475118789 (IL)



Michael Neils

Associate

(720) 800-9764

michael.neils@matthews.com

License No. 100103302 (CO)



Lee Chandler

Associate

(773) 289-0965

lee.chandler@matthews.com

License No. 475211358 (IL)



Kara Skaggs

Associate

(312) 262-6830

kara.skaggs@matthews.com

License No. 475217924 (IL)

Broker Of Record

Matthew Fitzgerald

Broker Lic. No.: 471021676 (IL)

Firm Lic. No.: 478027547 (IL)

MATTHEWS™





Table of Contents

- 04** Property Overview
- 09** Financial Overview
- 11** Tenant Overview
- 12** Market Overview

PROPERTY OVERVIEW

Starbucks

2570 Charles St Rockford, IL 61108



INVESTMENT HIGHLIGHTS

Property Highlights

Long-Term NNN Lease | 15-Year Term | 10% Increases

Secured by a rare 15-year NNN lease with fixed 10% rental increases every 5 years, including each of the four 5-year option periods, providing long-term income durability, built-in yield growth, and reduced rollover risk.

Passive, Hands-Off Investment Structure

The investment benefits from a passive ownership structure, with the shopping center owner responsible for maintaining landscaped areas, parking lot, and sidewalks, providing a stable cash-flow profile with virtually no day-to-day involvement.

Brand New Construction | High-Capacity Drive-Thru

New 2026 construction $\pm 2,480$ SF building on 1.32 acres, featuring Starbucks latest prototype with both drive-thru and dine-in, including a 17-car stacking lane designed to accommodate high-volume demand.

Corporate Guarantee

The lease is backed by Starbucks Corporation (NASDAQ: SBUX | S&P: BBB+), an investment-grade credit tenant and one of the largest QSR operators in the world, generating over \$37 billion in revenue annually with 41,000 locations globally.

Rockford MSA

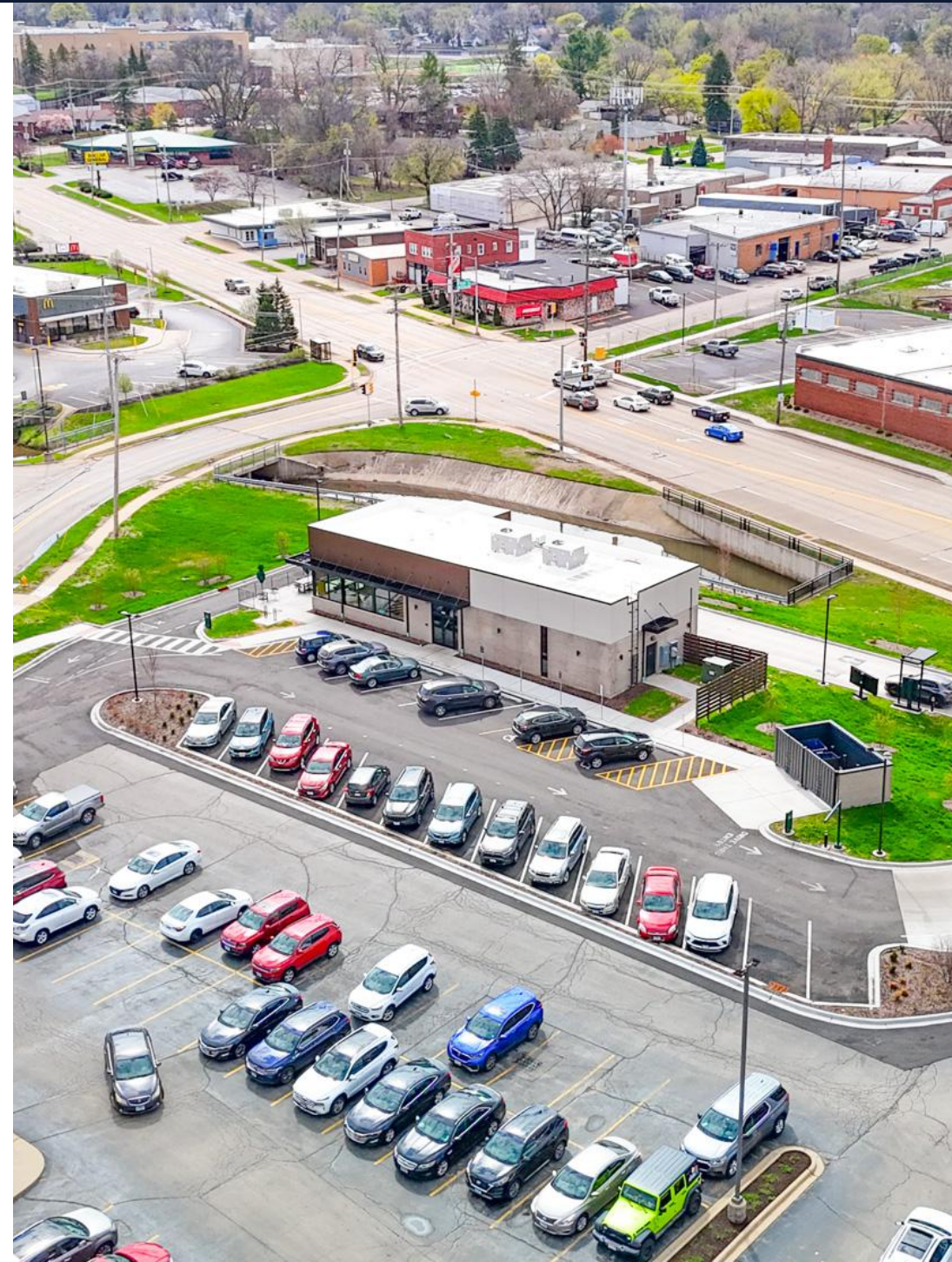
Centrally located within the Rockford MSA, Illinois' fourth-largest metro, with proximity to Chicago, Madison, and Milwaukee, supported by a diversified economy driven by manufacturing, healthcare, and aerospace.

Outparcel To Dominant Medical Retail Center

Situated at a signalized intersection and outparcel to the robust Rockford Plaza - anchored by a UW Health medical and administration facility - which draws consistent daytime traffic and a strong customer base for Starbucks.

Shadow-Anchored By Top-Performing Grocer

Adjacent to Schnucks, a leading regional grocer ranking in the Top 5% nationwide by customer visits, significantly enhancing site traffic and supporting long-term cross-shopping customer traffic to the area.





Downtown Rockford
±2 Miles Away

BENSON STONE CO.
EST. 1930

Churchill Park

UWHealth
UW Health Swedish American Hospital
±357 Beds



Sam's Pizza

T Mobile **Fannie Mae**

SUBWAY



UWHealth

Advance Auto Parts

S Rockford Ave

Subject Property

Schnucks

FAMILY DOLLAR

Charles St

± 29,500 GVPD



CVS pharmacy



UWHealth
 UW Health Swedish American Hospital
 ±357 Beds

Downtown Rockford

E State St ± 19,000 VPD



Subject Property

CHUCK E. CHEESE
DOLLAR GENERAL
 WING STOP

ROCKFORD UNIVERSITY
 1847
 ±1,140 students

SUBWAY
Dominos

CVS pharmacy

Wendy's
BURGER KING
McDonald's
SUBWAY

UWHealth

T Mobile **Fannie Mae**

SCOOTER'S COFFEE
POPEYES

Schnucks **CVS pharmacy**

SUBWAY

Walgreens

Advance Auto Parts

McDonald's

ROCKFORD CAREER COLLEGE

Rockford Demographics

148,655
Total Population

\$74,515
Average HH Income

61,481
of Households

63,355
Employed Population

FAMILY DOLLAR

East High School
 ±1,708 Students

DOLLAR GENERAL

DUNKIN'

BMO

Rolling Green Elementary
 ±503 Students

PAPA JOHN'S

1 Mile Radius
 Wesleyan Ave

23rd Ave

23rd Ave

11th St

11th St

S 6th St

1st Ave

2

Arkview Ave

Guilford Rd

1 Mile Radius
 Rural St

N Alpine Rd

Broadway

20th St

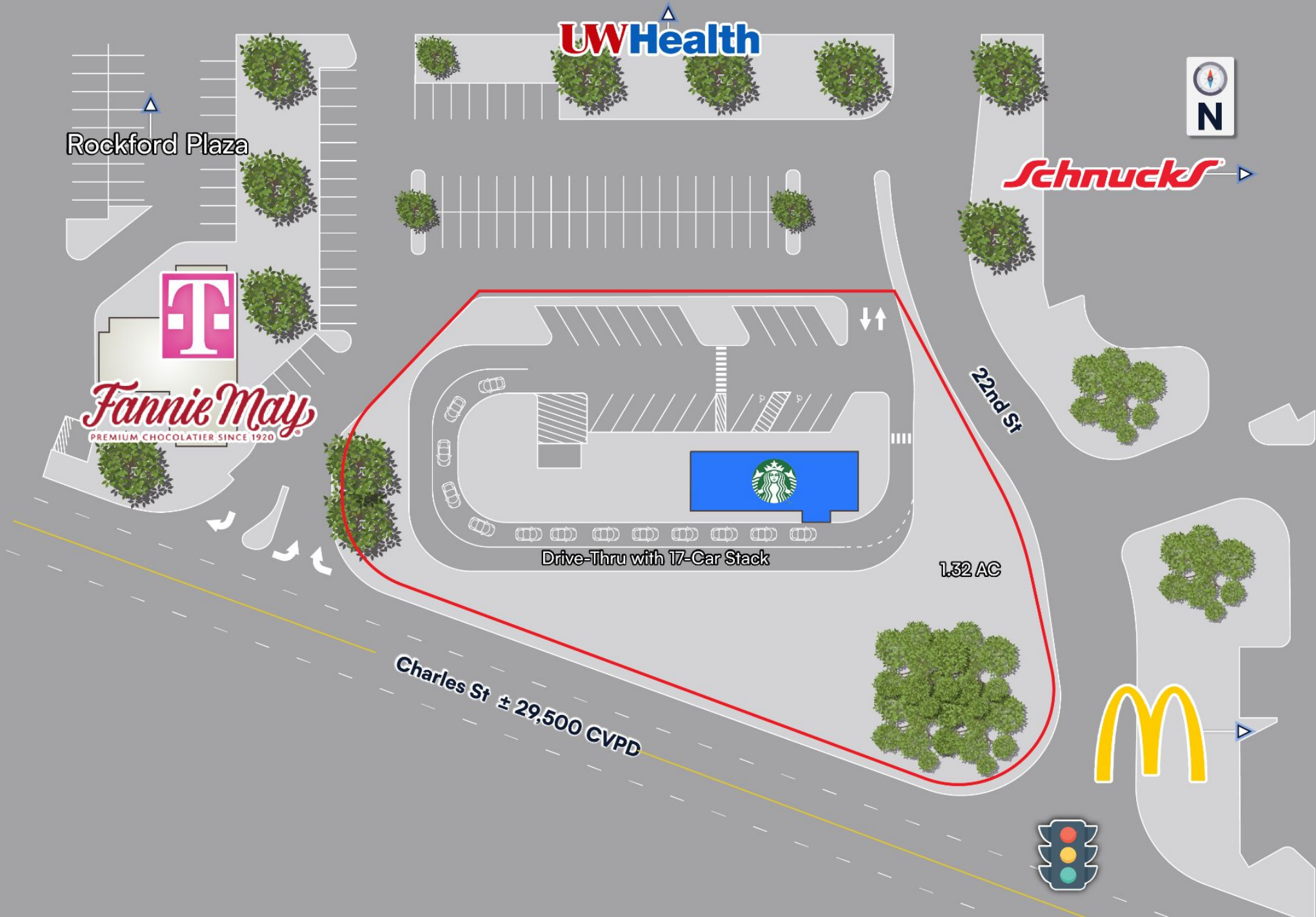
Charles St ± 29,500 VPD

Charles St

10th Pkwy

Wesleyan Ave

SITE PLAN



2570 Charles St
Rockford, IL 61108

NNN (hands-off)
Lease Type

±2,480
GLA

±1.32
Acres

2026
Year Built



PROPERTY PHOTOS



ROCKFORD PLAZA



FINANCIAL OVERVIEW

Starbucks

2570 Charles St Rockford, IL 61108



FINANCIAL SUMMARY

\$2,677,000

List Price

6.35%

Cap Rate

±15 Years

Lease Term

NNN (Hands Off)

Lease Type

Lease Details

Tenant Entity	Starbucks Corporation
Type of Ownership	Fee Simple
Lease Type	NNN (hands-off)
Rent Commencement	February 10, 2026
Lease Expiration Date	February 28, 2041
Term Remaining on Lease	±15 Years
Rental Increases	10% Every 5 Years
Tenant Responsibilities	Tenant reimburses Landlord/Shopping Center Manager for CAM, Taxes, and Insurance, plus a 10% admin fee on CAM.
Landlord Responsibilities	The Shopping Center Owner (third-party) manages the Starbucks common areas. Landlord is responsible for roof and structure. The building features a 15-year roof warranty.

Annualized Operating Data

Rent Period	Annual Rent	PSF	Monthly Rent	Increase
Lease Years 1–5 (02/10/26–02/28/31)	\$170,004	\$68.55	\$14,167	—
Lease Years 6–15 (03/01/31–02/28/41)	\$187,004	\$75.41	\$15,584	10.00%
Option 1 (Years 16–20)	\$205,705	\$82.95	\$17,142	10.00%
Option 2 (Years 21–25)	\$226,275	\$91.24	\$18,856	10.00%
Option 3 (Years 26–30)	\$248,903	\$100.36	\$20,742	10.00%
Option 4 (Years 31–35)	\$273,793	\$110.40	\$22,816	10.00%

TENANT SUMMARY

Year Founded
1971

Headquarters
Seattle, Washington

Ownership Status
Public

Employees
±361,000

Locations
±40,199 Stores

Credit Rating
S&P: Long-term rating BBB+

Annual Revenue
\$36.2–36.18 Billion



Tenant Overview

Starbucks Corporation, founded in 1971 and headquartered in Seattle, Washington, is the world's premier specialty coffeehouse chain. Boasting a global footprint of over 40,000 locations across 87 countries, Starbucks has built a commanding brand presence rooted in high-quality beverages, experiential retail, and digital engagement. Its leadership position is underpinned by a robust loyalty ecosystem, expansive omnichannel distribution, and a strong financial performance, with revenues exceeding \$36 billion in fiscal 2024 and a workforce of approximately 361,000 employees. The company, publicly traded under NASDAQ: SBUX, benefits from proven operational scale and global penetration, though recent strategic shifts under CEO Brian Niccol—focused on reinvigorating the customer experience—have triggered renewed investor scrutiny around margin pressures and credit outlooks.

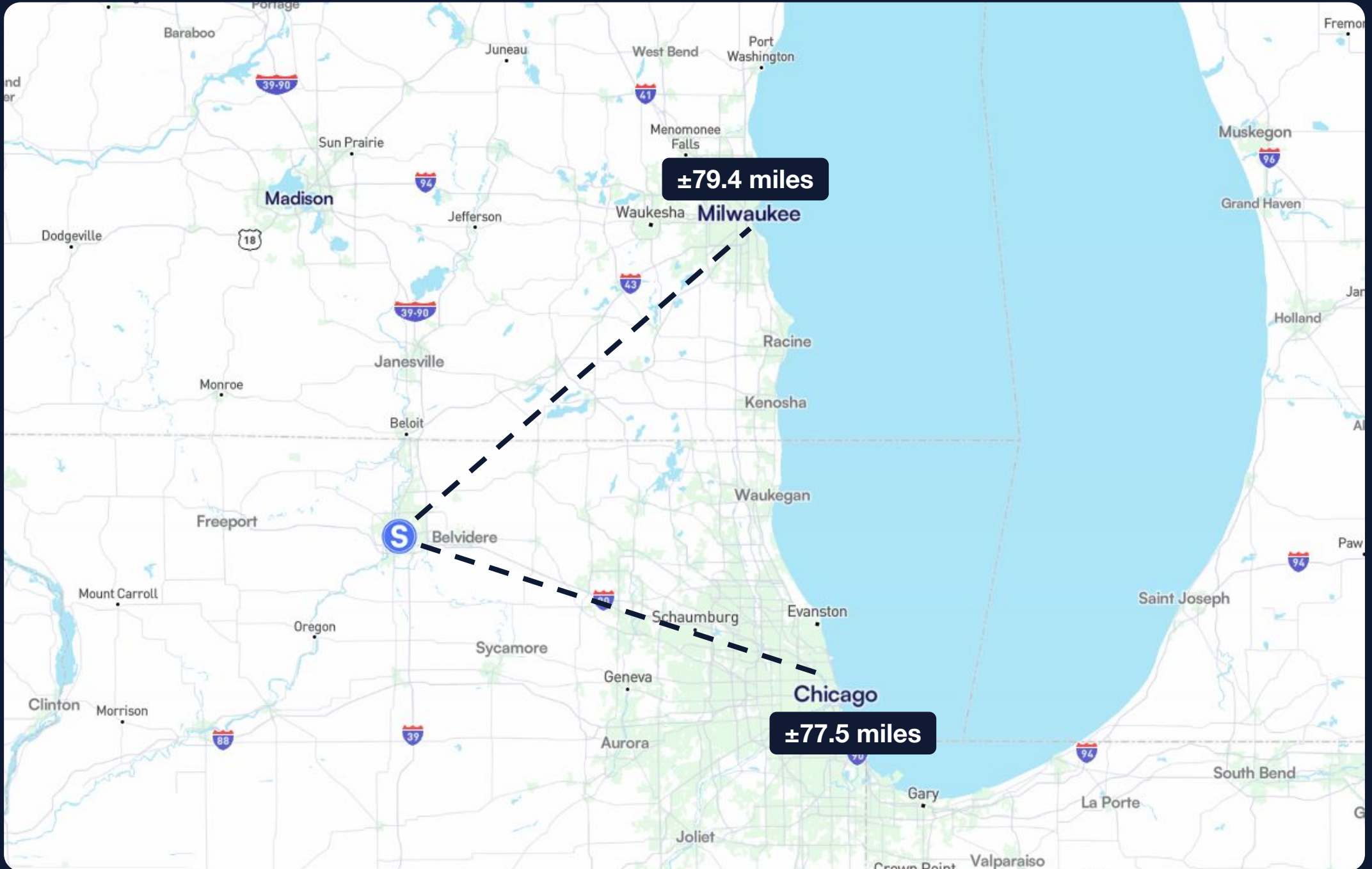
Why Invest in Starbucks?

- **Unmatched Global Scale:** With over 40,000 stores in 87 countries, Starbucks is the world's largest coffeehouse chain and a dominant force in the premium beverage retail market.
- **Powerful Brand & Customer Loyalty:** Starbucks' strong brand equity is supported by an industry-leading loyalty program with over 32 million U.S. members, generating nearly 60% of domestic store revenue.
- **Proven Financial Performance:** The company maintains resilient revenue growth (over \$36 billion in 2024) and consistent profitability, even amidst macroeconomic headwinds.
- **Strategic Reinvention & Efficiency:** The "Back to Starbucks" initiative enhances customer experience, simplifies operations, and focuses on high-margin offerings to defend brand integrity.
- **Diversified Growth Channels:** Beyond retail, Starbucks expands through consumer packaged goods, ready-to-drink products, and digital platforms, creating multiple streams of future revenue.

MARKET OVERVIEW

Starbucks

2570 Charles St Rockford, IL 61108



ROCKFORD, IL

MSA Demographics

148,655

Total Population

\$53,300

Median HH Income

61,481

of Households

53.8%

Homeownership Rate

63,355

Employed Population

37.5

Median Age

\$120,900

Median Property Value

Local Market Overview

Rockford, Illinois serves as the economic and cultural hub of northern Illinois outside the Chicago metropolitan area. Strategically located along the Rock River and intersected by major highways such as I-90 and US-20, Rockford offers logistical advantages for both regional and national connectivity. The city has steadily repositioned itself from a legacy manufacturing center to a more diversified economy supported by healthcare, aerospace, and logistics sectors. Rockford's downtown has seen a wave of redevelopment in recent years, with restored historic buildings, new residential projects, and public infrastructure improvements drawing new businesses and residents to the urban core.

In addition to its business appeal, Rockford offers access to quality-of-life amenities that make it attractive to both employers and talent. The city boasts an established park district, a revitalized riverfront, and cultural institutions such as the Rockford Art Museum and Coronado Performing Arts Center. The presence of regional health systems and proximity to Chicago Rockford International Airport enhances the area's commercial viability. With competitive real estate pricing and available land for development, Rockford continues to present a compelling alternative for investment and expansion within the Midwest.

Population	1-Mile	3-Mile	5-Mile
Current Year Estimate	16,714	97,734	178,782

Households	1-Mile	3-Mile	5-Mile
Current Year Estimate	6,736	39,236	73,229

Income	1-Mile	3-Mile	5-Mile
Average Household Income	\$70,080	\$72,811	\$78,894

ECONOMIC OVERVIEW

Rockford Illinois Has A Gross Metro Product Of \$19.5 Billion, And The Average Cost Of Living Is 16% Below The National Average. Education And Technology Are The Two Major Industries In The City. The Median Household Income Is Approximately \$58,000 And There Has Been A 2.3% Job Growth Per Year.

- Median Household Income - **\$57,571**
- Cost Of Living Is **16% Below** The National Average
- **Major Industries** - Education, Technology
- **2.3% Job Growth** Per Year

MAJOR EMPLOYERS

Rockford School District 205, Uw Health (Swedish American Health System), Mercy Health/Rockford Memorial Hospital, Osf Saint Anthony Medical Center, Collins Aerospace, United Parcel Service, Amazon, Wal-Mart Stores.

ECONOMIC FACTORS

- Assessed Valuation Will **Increase By 4.4%**
- One-Percent Sales Tax Is Projected To **Increase By 16.3%**
- Quarter-Cent Sales Tax Revenue Is Projected To **Increase By 1.4%**



330,000 Residents
Population

65.92 Mi²
City Size



MATTHEWS™

EXCLUSIVELY LISTED BY

Patrick Forkin

Senior Vice President

(773) 279-5390

patrick.forkin@matthews.com

License No. 475118789 (IL)

Michael Neils

Associate

(720) 800-9764

michael.neils@matthews.com

License No. 100103302 (CO)

Lee Chandler

Associate

(773) 289-0965

lee.chandler@matthews.com

License No. 475211358 (IL)

Kara Skaggs

Associate

(312) 262-6830

kara.skaggs@matthews.com

License No. 475217924 (IL)

Matthew Fitzgerald | Broker Lic. No.: 471021676 (IL) | Firm Lic. No.: 478027547 (IL)

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at 2570 Charles St, Rockford, IL, 61108 ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews™. The material and information in the Offering Memorandum is unverified. Matthews™. has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

Matthews™. is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity's name or logo, including any commercial tenant's name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews™., the property, or the seller by such entity.

Owner and Matthews™. expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews™. or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

Net Lease Disclaimer – There are many different types of leases, including gross, net, single net ("N"), double net ("NN"), and triple net ("NNN") leases. The distinctions between different types of leases or within the same type of leases, such as "Bondable NNN," "Absolute NNN," "True NNN," or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant's respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers' particular needs.