



STARBUCKS

2570 Charles St | Rockford, IL 61108

**Retail
Investment Opportunity**
Offering Memorandum



MATTHEWS™

EXCLUSIVELY LISTED BY



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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 a 10% rental increases in year 6 and 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 ±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

SUBWAY
Dominos

CVS pharmacy

ROCKFORD UNIVERSITY
 1847
 ±1,140 students

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

20th St

11th St

S 6th St

1st Ave

2

Arkview Ave

Guilford Rd

1 Mile Radius
 Rural St

N Alpine Rd

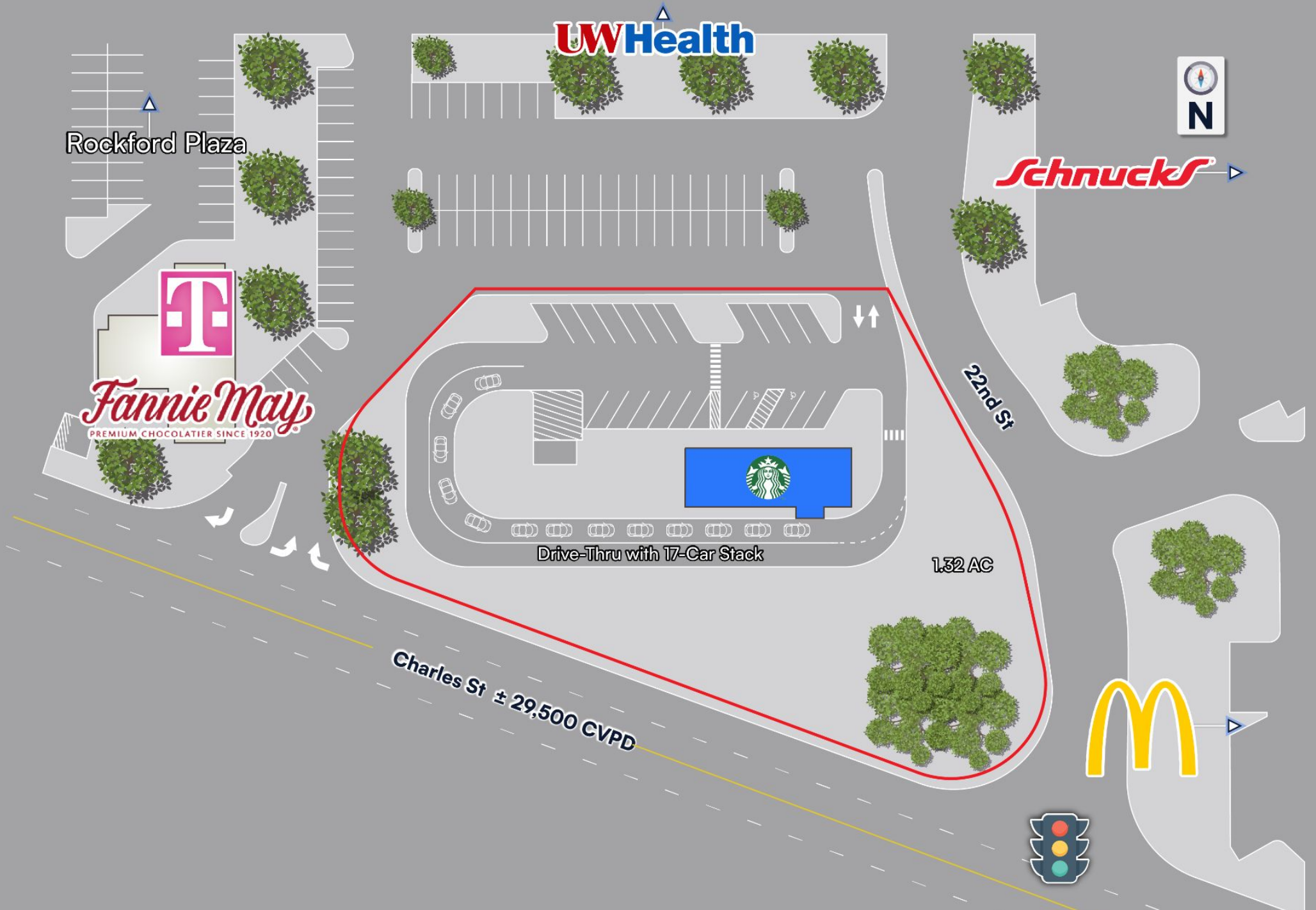
Broadway

Charles St ± 29,500 VPD

Charles St

10 Pkwy

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



Subject Property



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% in Yr 6 Every 5 Yrs in Opts
Tenant Responsibilities	Tenant reimburses Landlord/Shopping Center Manager for CAM, Taxes, and Insurance, plus a 10% admin fee on CAM. Tenant maintains HVAC, electrical, and plumbing.
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.

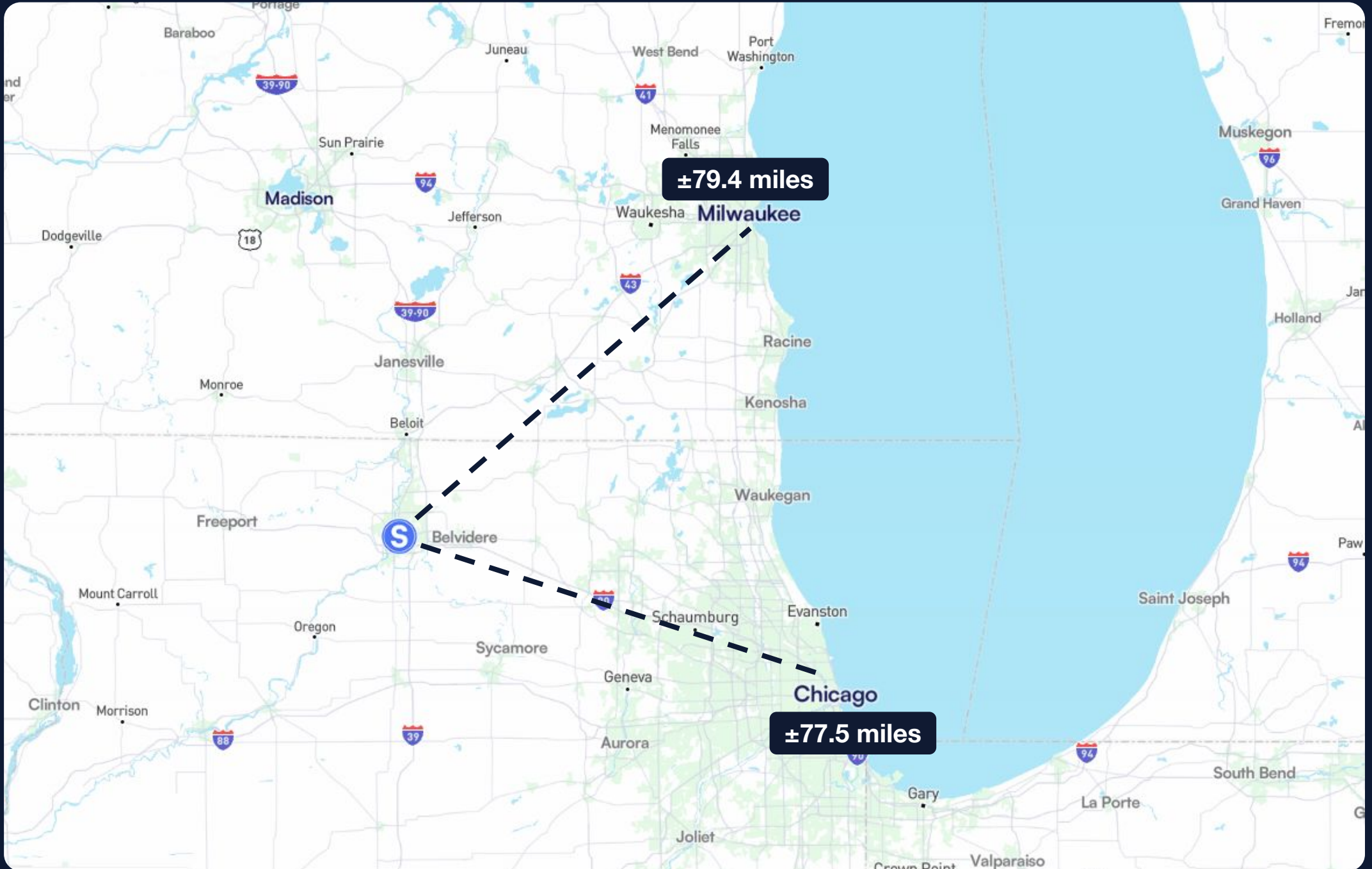
Why Invest in Starbucks?

- **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



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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.

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