

Offering Memorandum

THE HUMAN BEAN

2485 E. OVERLAND ROAD | MERIDIAN, ID 83642

Absolute NNN Drive-Thru Asset with Long Term Lease

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PROPERTY OVERVIEW

Executive Summary

The Human Bean is an absolute net drive-thru asset located in Meridian, Idaho on Overland Road. This prominent location is surrounded by numerous office parks, national retailers, and dense residential communities. The Human Bean is a well known and successful drive-thru-only coffee brand, and this location is a brand new building with a 12 year NNN lease. The operator has used their extensive experience in the coffee business to successfully improve the brand and sales in the Treasure Valley.

Profile

Address	2485 E Overland Road | Meridian, Idaho
Year Built	2017
Size	500 SF — Leaseable square footage
Lease Type	Absolute NNN
Lease Term	Initial 12 years & 3 months
Parking	10 Spaces
Price	$1,270,000
Cap Rate	6.0%



Highlights

- 9th location for successful local operator of a well-known national brand
- Zero Landlord responsibility
- Located in a significant retail corridor in one of the fastest growing cities in the country.
- Traffic counts of ±27,681 VPD on Overland Road

FINANCIALS

SUMMARY

Price:		$1,270,000
Capitalization Rate:		6.0%
Scheduled Rent:	2/1/17	$76,200
Operating Expenses:		$0 (NNN)
Net Operating Income:		$76,200

LEASE DETAILS

Lease Type:	Absolute NNN
Lease Start:	10/1/2017
Lease Expiration:	+12 years (12/31/2029)
Options:	Two (2) five (5) year options; 120 days notice
Guarantees:	Personally guaranteed

RENT ROLL

Tenant	Size	Term	Months	Monthly Rent	% Increase	Annual Rent
Furioso Associates LLC, dba The Human Bean Boise	500	10/1/2017	1 - 75	$6,350		$76,200
Occupancy Date: 10/1/2017		1/1/2030	76 - 147	$7,112	10%	$85,344
		1/1/2035		TBD		
		1/1/2040		TBD		

Absolute Net Lease —Tenant is responsible for all maintenance and repair to the Premises, including all common area expenses, property taxes, insurance and utilities. Landlord has no responsibilities. The Lease is personally guaranteed and has two, 5-year options to be exercised with 120 days prior notice and rent to be agreed upon at that time.

PROPERTY LOCATION



LOCATION

MERIDIAN, ID IS THE NATION'S 13TH FASTEST-GROWING CITY

Located just minutes from Boise, the population of Meridian increased 4.5 percent in 2016 to 95,263 people, making it the 13th fastest-growing city in the nation, according to U.S. Census figures.

The Treasure Valley is home to the state's three largest cities. Boise is first with a population of 223,154. Meridian is second and Nampa third with 91,382 people. Thirty-nine percent of Idaho's 1.68 million people live in Ada and Canyon counties, which have a combined population of 651,726.

Information provided by the Idaho Statesman, May 2017
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BOISE, ID IS AMERICA'S FASTEST GROWING CITY IN 2018

Boise, Idaho is enjoying some of the swiftest growth in the country. In 2017, it exceeded expansion expectations by nearly every metric that matters. Its population of around 220,000 grew 3.08% in 2017, more than any other major metro. Employment increased 3.58%, the second strongest growth around. Home prices, a proxy for wealth, increased 11.58%--number four in the U.S. Meanwhile, wage and the broader economic growth far outpaced national averages.

All this earns the city and the surrounding metropolitan area the no. 1 spot on Forbes' 2018 list of America's fastest-growing cities. Moody's Analytics--which provides the data for this annual project--is forecasting that Boise will continue its growth spurt this year, albeit more modestly.

Information provided by Forbes.com, February 2018
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FRANCHISEE

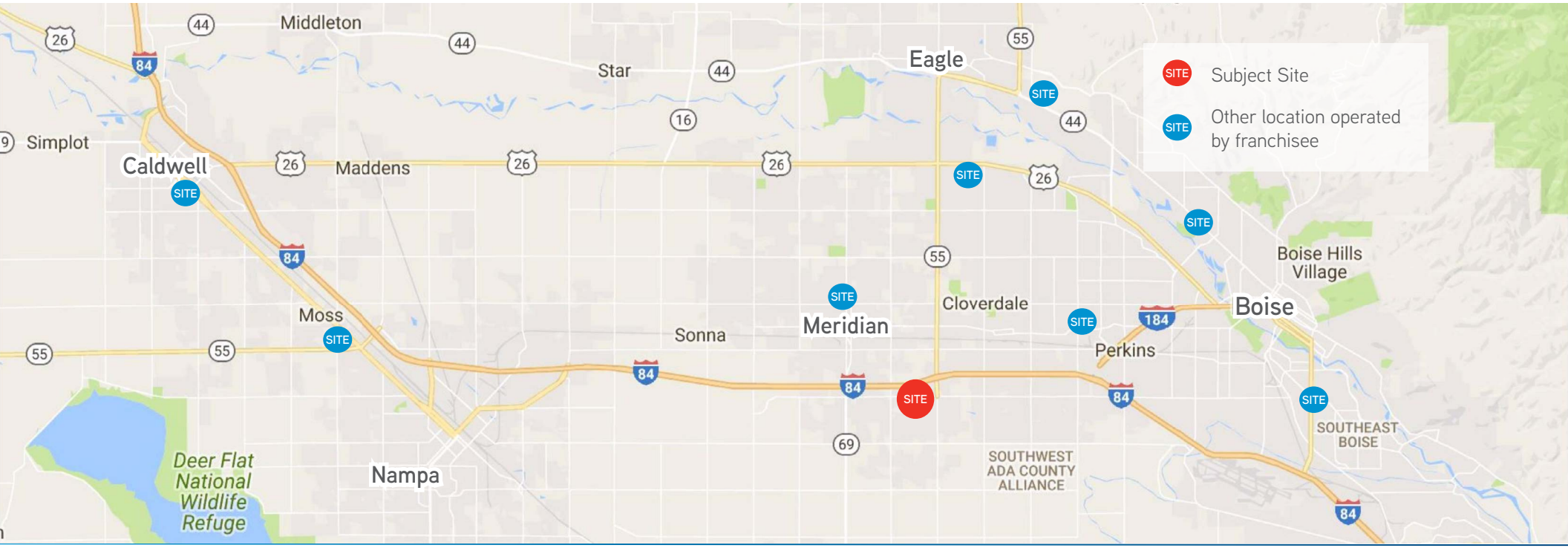
ABOUT THE HUMAN BEAN

The Human Bean opened their first drive-thru espresso stand in Ashland, Oregon in 1998. The demand for convenient, quality coffee & espresso grew and soon after opening the original location in Ashland, they 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.

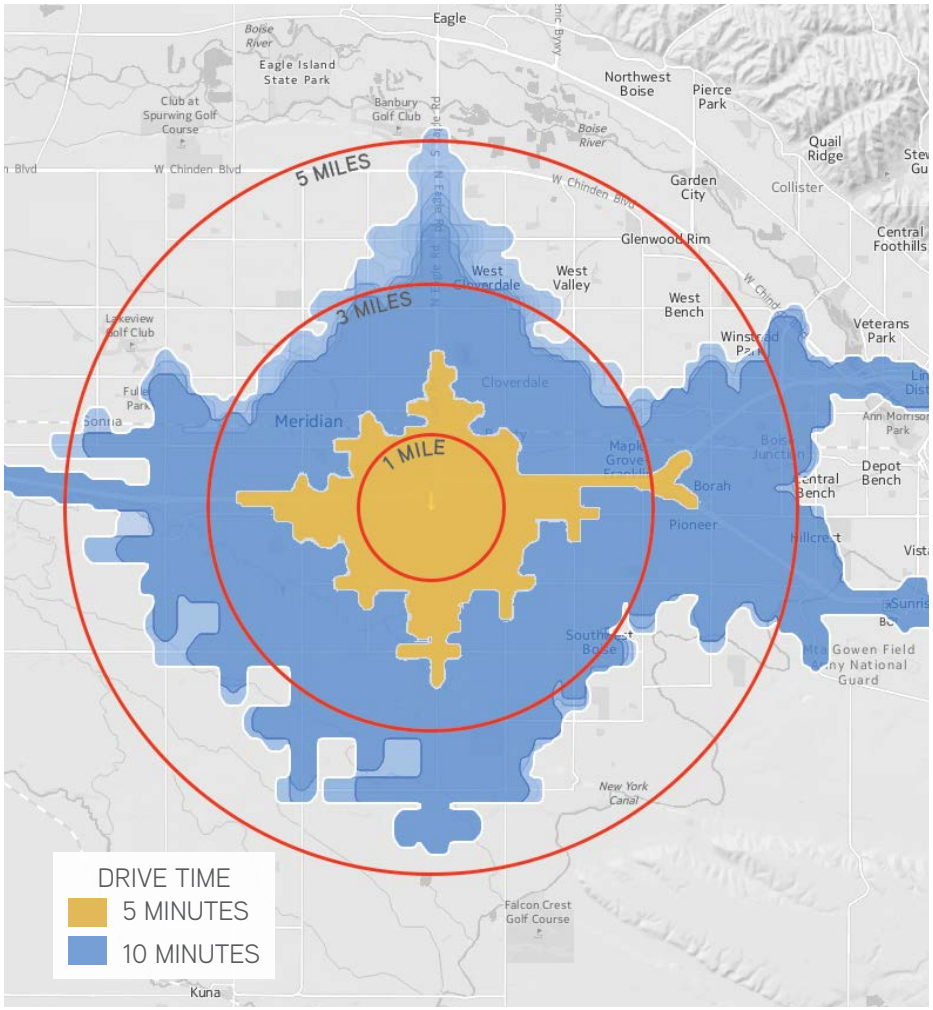
The Human Bean's brand and system began franchising in 2002. Since then they have expanded to 63 locations in nine states, 47 of those being franchised locations and 13 being corporate locations.

THE FRANCHISEE

The owner and franchisee operates 8 locations valley-wide and is a valued member of the Advisory Board for The Human Bean corporate.



DEMOGRAPHICS



	1 Mile	3 Miles	5 Miles
POPULATION			
2016 Estimated Population	5,927	69,994	202,052
2021 Projected Population	6,405	76,092	219,776
2010 Census Population	4,897	61,120	177,154
2000 Census Population	1,775	41,971	125,226
Historic Annual Growth 2000 to 2016	**14.6%**	**4.2%**	**3.8%**
HOUSEHOLD			
2016 Estimated Households	2,039	25,233	72,824
2021 Projected Households	2,226	27,728	80,080
2010 Census Households	1,645	21,696	62,959
2000 Census Households	589	14,361	43,707
INCOME			
2016 Est. Average Household Income	$95,542	$80,356	$77,498
2016 Est. Median Household Income	$72,978	$66,093	$64,113
MISC.			
2010 Median Home Value	$235,515	$206,690	$200,097
2010 Median Rent	$763	$731	$733
2016 Est. Population Age 16 and Over	4,391	53,258	154,449
2016 Est Average Age	34.6	35.6	35.5
2016 Est. Total Household Expenditure	$141 M	$1.53 B	$4.30 B

AREA OVERVIEW





The Boise Airport (BOI) is located less than five miles from downtown Boise and handles more than three million travelers each year.

The Boise Valley is strategically located in the Mountain Time Zone in Southwestern Idaho, providing easy non-stop access to all major cities on the West Coast, the Pacific Northwest and the Intermountain West. Of the West's major metropolitan areas, 12 are within 800 miles of the Boise Valley.

#1

- Lowest Cost Metro in the Pacific U.S. www.competitivealternatives.com – April 2016
- Most Caring City in America www.wallethub.com – December 2015
- Best Cities to Live www.247wallst.com – November 2015
- Top 100 Best Place to Live 2015 www.livability.com – September 2015

TOP 10

- Best Place to Live in 2016 www.mensjournal.com – March 2016
- Best Air Quality www.Realtor.com – April 2016
- Hottest Housing Markets of 2016 www.Zillow.com – January 2016
- #2 in "Up-And-Coming Cities for Recent College Grads" www.Forbes.com – June 2015

AREA OVERVIEW

Quality of Life

Referred to as the "Treasure Valley", the region is home to about 675,000 people. The workforce of roughly 330,000, live within a 45-minute draw area. Known for its extraordinary quality of life and affordable cost of living (currently one of the lowest in the western states, according to the ACCRA Cost of Living Index), the Treasure Valley is consistently ranked by Forbes, The Wall Street Journal, Livability and Inc. Magazine as one of the best places in the U.S. to live and work.

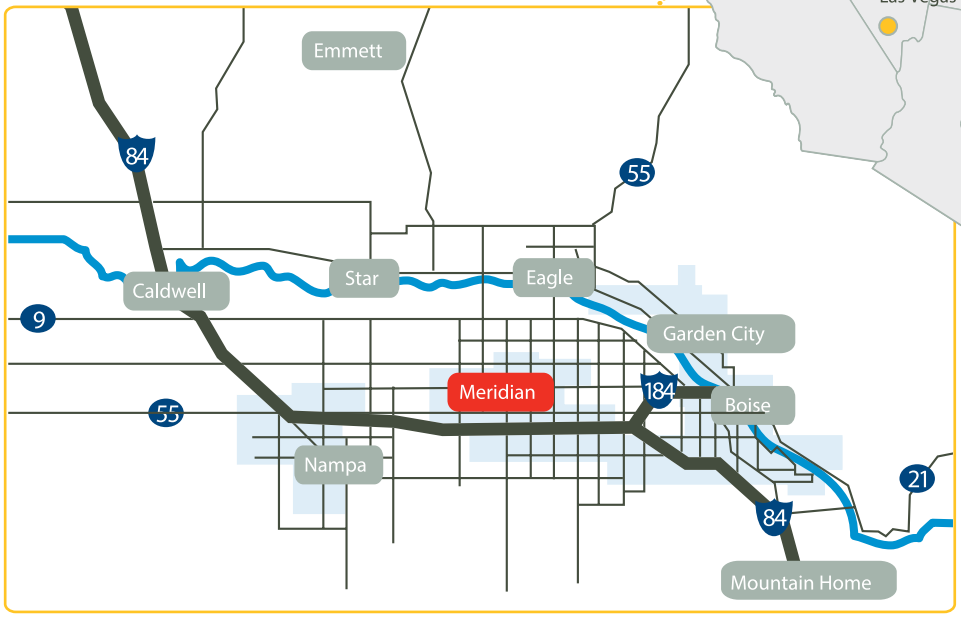
Commuting in the Valley

The major interstate serving the Treasure Valley is I-84, running through the metro area's major cities (Boise, Meridian, Nampa and Caldwell). Branching off to the northeast is I-184, which runs into downtown Boise. Daily commutes are easy, with several U.S. and state highways providing direct routes and minimal traffic. The average commute time is only 18 minutes. Public transportation is handled by ValleyRide, Treasure Valley Transit and ACHD Commuteride.



What about logistics?

There are 50 motor freight companies traveling 5 interstates, 20 U.S. highways and 30 state highways that serve the Boise Valley. More than 1,600 miles of rail line through Union Pacific and Burlington Northern Santa Fe provide connection points to Canada, Mexico and the U.S. They are aided by the state's regional line and 6 short line railroads. Annually, the rail system transports over 11 million tons of freight.



Meridian is one of the Fastest Growing Cities in the Country

read article

#2

Best City to Live
Meridian, ID

OCT
2016
24/7 WALL ST

AREA OVERVIEW

Vibrant Communities

Minutes from rivers, lakes and mountains, the Boise Valley is open 24/7 for any type of outdoor adventure.

Recreation

Located 45 minutes from Meridian, the Bogus Basin Ski Area offers day and lighted night skiing. The Boise River runs through downtown and is accessible through a greenbelt system with over 25 miles of bike paths and 850 acres of parks. With world-class golf courses, hiking, fishing and mountain biking, the recreation opportunities are virtually unlimited within a 30-minute drive.

Diversity

While Idaho may not be known for diversity, more than 90 different languages are spoken in the Boise School District. The Boise Valley is home to one of the oldest synagogues in the western United States. Over 800 new citizens (refugees) are welcomed to the Boise Valley each year from over 20 foreign countries. The City of Boise has been recognized for its work helping these new citizens acclimate to their new country and helps other communities around the country with their programs. There are more than 24 language courses available through local universities and community education programs and an international baccalaureate program is available. Annual diversity events and resources include the Soul Food Extravaganza, PRIDE activities, Hispanic Cultural Center and the Black History Museum. The Mexican Consulate also has an office in Boise.







AREA OVERVIEW

IDAHO TAX OVERVIEW

Sales and Use Tax in Idaho is 6%. This would apply to items purchased or consumed in Idaho. Exemptions are available for equipment and raw materials used directly in manufacturing, processing, or fabrication; clean rooms used in semiconductor and semiconductor equipment manufacturing; and any equipment or material used in research and development activities.

We do not tax services including telecommunication services, and utilities such as water, gas, electricity, or natural gas. In our region we do not have any local option sales tax.

Property Tax personal (machinery/equipment) and real (land/buildings) – based on market value.

2013 Rates:
Ada County Average Range: 1.1% - 1.8%
Canyon County Average Range: 1.5% - 2.5%
Elmore County Average rate: 1.8%

Idaho does not have an inventory tax.

Corporate Income Tax – Computed at 7.4% of the Idaho taxable income of a corporation. Corporations that are taxable in Idaho and another state or country or are part of a unitary group of corporations, use a 3 factor formula to ascertain how much of the business is conducted in Idaho. The apportionment formula is made up of a property factor, a payroll factor, and a sales factor. These three factors, with the sales factor being double weighted for all taxpayers except for electrical and telephone companies, are totaled and divided by 4 to compute the Idaho apportionment factor. The Idaho apportionment factor is then applied to the business income of the corporation to compute income assigned to Idaho. Non-business income allocable to Idaho is added to the income apportioned to Idaho to arrive at Idaho taxable income.



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