



SCOOTER'S COFFEE

2027 E SANTA FE
OLATHE, KS

OFFERING MEMORANDUM

PRESENTED BY:

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NEW 20 - YEAR ABSOLUTE NNN GROUND LEASE



PROPERTY OVERVIEW

2027 E SANTA FE STREET OLATHE, KANSAS

LEASE SUMMARY

LEASE COMMENCEMENT DATE	2019
LEASE EXPIRATION DATE	2039
TERM REMAINING	20 years
LEASE TYPE	Absolute NNN Ground Lease
RENTAL INCREASES	10% every five years
OPTIONS	Three, five years each

PRICING SUMMARY

PURCHASE PRICE	\$495,000
NET OPERATING INCOME	\$29,700
STARTING CAP RATE	6.00%
AVERAGE CAP RATE (INCLUDING OPTIONS)	8.13%

RENT SCHEDULE

	YEARS	ANNUAL	CAP RATE
BASE RENT	1 - 5	\$29,700	6.00%
	6 - 10	\$32,670	6.60%
	11 - 15	\$35,937	7.26%
	16 - 20	\$39,531	7.99%
OPTION RENT	21 - 25	\$43,484	8.78%
	26 - 30	\$47,832	9.66%
	31 - 35	\$52,615	10.63%



PROPERTY OVERVIEW

OLATHE, KS



LOCATION AERIAL

PROPERTY OVERVIEW

OLATHE, KS

DEMOGRAPHICS

	1-MILE	3-MILE	5-MILE
Population	11,854	103,919	188,853
Households	4,683	38,681	70,440
Median Household Income	\$60,254	\$84,219	\$95,901
Per Capita Income	\$26,521	\$35,285	\$40,652
Daytime Employees	10,887	49,424	102,843

SITE

LOCATION MAP

MARKET OVERVIEW

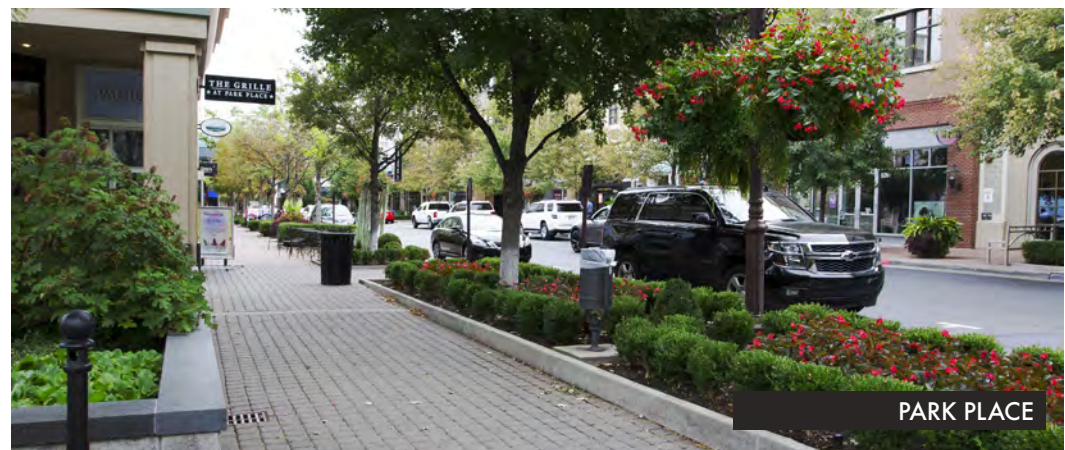
OLATHE OVERVIEW

The City of Olathe is a suburb of the Kansas City Metro located on the Kansas side of the state line. Olathe is one of the fastest growing communities in the metro and is located just 20 miles southwest of downtown Kansas City. Olathe is located in highly desirable Johnson County. Johnson County is often considered one of the more affluent portions of town. While the majority of new office and retail developments within the metro have recently occurred in Johnson County, it should be no surprise that the population growth has also followed suit. The City of Olathe has experienced a population boom in recent years. Between 2000 and 2018, the City of Olathe has grown by a remarkable 47.0%. According to the most recent US census, Olathe is the 24th fastest growing community in the US for populations over 100,000. There are currently 138,366 residents in Olathe with the population projected to grow another 5.5% over the next 5 years.

JOHNSON COUNTY OVERVIEW

Johnson County, Kansas is the most populated county within the state, and is home to four of Kansas' ten largest cities. Johnson County currently has 597,630 residents, which is a 32.5% increase from 2000. Nearly 61.7% of working residents hold a bachelor's degree or higher, making Johnson County the most educated county in the Kansas City metro. As a result, the county boasts a wide array of office developments, major employers, high-end restaurants, and shops that cater to the strong demographics. There is a highly-concentrated amount of Class A office parks, retail centers and entertainment venues are located in the county, which are a draw to resident's metro-wide. In addition to the commercial developments, many well-established neighborhoods and award-winning schools are located in the area.

In 2018, Johnson County had a household median income of \$84,228, which is well-above the metro average of \$58,919. The 2018 median home value was \$224,429, which is higher than both the metro and national average. Currently, nearly 71% of households in Johnson County are owner-occupied.



MARKET OVERVIEW

LIVING IN OLATHE

Olathe is conveniently located allowing easy access to all portions of the metro. Olathe has great accessibility to Kansas City through Interstates 35 and 435, US Highways 56 and 169, along with State Highways K-7 and K-10. Within minutes, residents of Olathe can be in downtown Kansas City, the Country Club Plaza area, or anywhere in the metropolitan suburbs. Olathe offers a wide array of amenities to be enjoyed by the residents. Nationally acclaimed schools along with several parks, walking trails, and golf courses make living in the community an attractive option. Olathe is a city that is populated with young, well-educated families. The median age for residents of Olathe is 34.1. The median income is above the metro average with a reported household income of \$84,342 in 2018. The median home value is \$203,109 which is much higher than the metro average. Nearly 74% of the homes within Olathe are owner occupied, while the remaining 26% rent.

DEVELOPMENT IN OLATHE

Several commercial developments have recently occurred in Olathe. Along the K-10 corridor recent projects include the Embassy Suites/Olathe Conference Center, Terracon office headquarters, Shawnee Mission Health – Prairie Star Campus expansion, and the recently completed Olathe Soccer Complex, which will also add two new hotels to the immediate area, a 93-room Holiday Inn Express and a 92-room Marriott Townplace Suites. Along the I-35 corridor, several recent big-box industrial developments have been completed within the I-35 Logistics Park, 56 Commerce Center, and Lone Elm Logistics Center. Several other Lone Elm Corridor industrial buildings have recently been completed including the FedEx Smartpost, Lone Elm 515 and Lone Elm 716. Garmin International has also recently completed a 720,000 SF manufacturing and distribution facility on their campus headquarters. In addition to the recent construction and deliveries, the former Great Mall of the Great Plains site will be redeveloped by Woodbury Corporation into a \$273 million mixed-use project that will include 150,000 SF of retail, 250,000 SF of entertainment venues, 300 apartments, two hotels and a 4,000-seat multipurpose arena.



MARKET OVERVIEW

EMPLOYMENT IN OLATHE

The City of Olathe is home to several large national and international corporations. One of the most notable companies headquartered in Olathe is Garmin International. Olathe is home to a diverse workforce across all industry sectors. Below is a table of some of the larger companies located in Olathe.



OLATHE MAJOR EMPLOYERS

COMPANY	TYPE	EMPLOYEES
AIG (AMERICAN INSURANCE GROUP)	Insurance, financial	600
CONVERGYS CORPORATION	Collection agency call center	950
DILLARD'S	Distribution, warehouse	75
DH PACE/OVERHEAD DOOR	Distribution	594
FAA/AIR ROUTE TRAFFIC CONTROL CENTER	Government	600
FARMERS INSURANCE	Insurance claims processing	2315
FEDEX SMARTPOST	Delivery services	400
GARMIN INTERNATIONAL	Global positioning systems mfg.	3255
HONEYWELL AEROSPACE ELECTRONIC SYSTEMS	Electronic/aviation equipment mfg.	850
JOHN DEERE COMPANY	Sales and marketing (N.A. Hdq.)	450
JOHNSON COUNTY GOVERNMENT	Government	2000
NIC	eCommerce government services	220
OLATHE MEDICAL CENTER	Health services	2500
PACSUN	Retail distribution	180
PEPSI BEVERAGES COMPANY	Beverage distribution center	315
SYSCO FOOD SERVICES	Food wholesale/distribution	585
TERRACON	Engineers (Hdq.)	205
THE GERSON COMPANY	Specialty wholesaler, importer, and mfg.	250
TRANSAM TRUCKING	Trucking	800
TVH	Distribution (N.A. Hdq.)	450

TENANT OVERVIEW

SCOOTER'S COFFEE

www.scooterscoffee.com

Scooter's Coffee, a chain of drive-thru coffee houses, offers a typical selection of coffee shop fare, with coffee and espresso-based drinks, served hot or cold, along with smoothies and teas. The chain also sells a selection of pastries, such as cinnamon rolls and muffins. Scooter's roasts its own coffee and bakes its own pastries. The company was started in 1998 by Don and Linda Eckles. After watching the development of the specialty coffee industry in California, and seeing the introduction of the drive-thru coffee concept, they became convinced that there was high potential for a very successful business model. They had a vision of coupling the drive-thru coffee business with a commitment to a few key business principles. Having grown up in the Omaha area, they moved back to the Midwest and opened their first drive-thru coffeehouse in 1998 in Bellevue, Nebraska. Scooter's Coffee was born. The keys to success were simple but so important: find a great location and stay committed to high quality drinks, speed of service, a clean store, and a big smile. The formula worked, and more stores were opened in the Omaha metro area. Don and Linda began franchising Scooter's Coffee in 2001. As of today, Scooter's Coffee has over 200 locations open in 15 states and has 150+ franchise commitments to build new stores. The first store in Bellevue, Nebraska, is still open and operating and has become a staple in that community. Scooter's success over many years is very simple: stay committed to the original business principles and company core values. The Scooter's Coffee Brand Promise, spoken often to franchisees, customers and employees is: "Amazing People, Amazing Drinks... Amazingly Fast!®" It represents the company's business origins from 1998 and reflects a steady commitment to providing an unforgettable experience to its customers.



FRANCHISEE

- Freedom Enterprises, LLC is the largest franchisee in the Scooter's Coffee franchisee system. They have successfully built and operated more than 42 Scooter's Coffee locations in Missouri, Kansas, Nebraska, and Iowa. The franchisee specializes in the drive-thru kiosk model, one of two proven store formats that Scooters Coffee has developed.



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