



Starbucks

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-- James Droge Sr.

Starbucks Retail Location • Grand Rapids, MI • Retail Property

Founded in 1971, Starbucks opened its first location in Seattle’s Pike Place Market. Starbucks purchases and roasts high-quality whole bean coffees and sells them along with fresh, rich brewed, Italian Style espresso beverages and much more. Part of the real estate profile requirement is a drive-up window where up to 70% of Starbucks sales can be captured. They require approximately 1,800 square feet with considerable tenant improvement allowances from the Landlord.

The challenge facing the Landlord on this 2.71 acre regional mall outpad in Muskegon, Michigan from a site planning standpoint was a dissecting clear vision lane from the intersection of Harvey Street and Sternberg Road to one of the anchor tenants for Lakes Mall - Younkers. This resulted in the 15,300 square foot retail center being placed along the southern property line facing north towards Sternberg Road with the majority of the site being left to parking field. However, a small irregular shaped pie-like piece was left to be developed at the most southeastern portion of the property.

The solution was to find a free-standing tenant that was willing to accept a building footprint which was not rectangular in shape but rather teardrop shaped to fit into the sliver of land that remained. The trade off for the tenant was to penetrate the market with the best location, which this proved to satisfy.

A site plan was drawn to show a freestanding Starbucks and it was over-laid onto an aerial photo with the market labeled showing retailers and traffic patterns. The marketing piece was presented at the Las Vegas ICSC show to then real estate manager for Starbucks, Lake Phillips. He agreed immediately to work towards a deal and 8 months later a 10-year corporately signed lease was realized.

As a result, the ownership group was elated for the simple fact that the Starbucks was never part to the development proforma. Today Starbucks is very pleased with the sales volume of the location and the tenants within the development are pleased with the heavy traffic pulled into the site plan that was not originally forecasted.



“We are very proud of Family Lakes Crossings and the results produced by Aaron Young and his group from a tenant procurement standpoint. The creativity that went into structuring the Starbucks transaction, whether from a site plan traffic flow, footprint layout, to CAM negotiation was a total added value to our entire project.”

– James Droge Sr.
Investor - Family Lakes Crossings