

Single - Tenant | GSA

*Located in an
Opportunity Zone!*



ACTUAL SITE

HEALTH & HUMAN SERVICES | DEPARTMENT OF FAMILY & PROTECTIVE SERVICES

1470 State Hwy 44 E
Robstown, TX 78380

OFFERING MEMORANDUM

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CIA BROKERAGE COMPANY

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CIA
commercial
investment
advisors

INVESTMENT OVERVIEW

HHSC + DFPS
ROBSTOWN, TEXAS

Health & Human Services | Department of Family & Protective Services

LOCATION	Adjacent to 1460 Hwy 44 Robstown, Nueces County, TX 78380
MAJOR CROSS STREET	Hwy 44
TENANT	State of Texas (AAA Credit Rating)
PURCHASE PRICE	\$2,454,000
CAP RATE	7.10%
ANNUAL RENT	\$247,440
GROSS LEASEABLE AREA	8,878 SF*
RENTAL ESCALATIONS	50% of CPI Annually
LEASE TYPE	Gross/Modified Gross
OWNERSHIP	(Building & Land) Fee Simple
YEAR BUILT REMODELED	2018*
LOT SIZE	±2.24 Acre*
LEASE EXPIRATION (Est.)	09/30/2028
OPTIONS	Two 10 Year Options



RETAIL | SHOPPING | ENTERTAINMENT

Nearby retailers include The Home Depot, Walmart Supercenter, HEB, UPS, Buick GMC, Valero, Mobil, Cudd, Dollar General, Family Dollar, Wells Fargo, CVS, DQ and UHAUL.



COMMUNITY

Cradled by the Eagle Ford Shale Formation to the west and Corpus Christi to the east, Robstown enjoys a one-of-a-kind attraction to industry, commercial investment and residential development alike. With a deep sense of history, the people of Robstown take pride in their simple but honest roots and are proud to put in an honest day's work.

HIGHLIGHTS

LEASE: 10-Year
TENANT: HHSC + DFPS | State of Texas (AAA Credit Rating)
LOCATION: Within an Opportunity Zone
TRAFFIC COUNTS: Excellent frontage to Hwy 44
2018 DEMOGRAPHICS (5-MI): Total Population: 19,920 | Avg HH Income (3-MI): \$63,851 | Population Growth 2010-2019: 5.7%





TENANT OVERVIEW

HHSC + DFPS
ROBSTOWN, TEXAS

STATE LEASE SERVICES

TFC's State Leasing Services program procures and manages leased facilities to meet state agencies' operational needs throughout the State of Texas. The program manages approximately 819 active leases for office, warehouse, and training purposes for 37 state agencies in 283 Texas cities and towns.

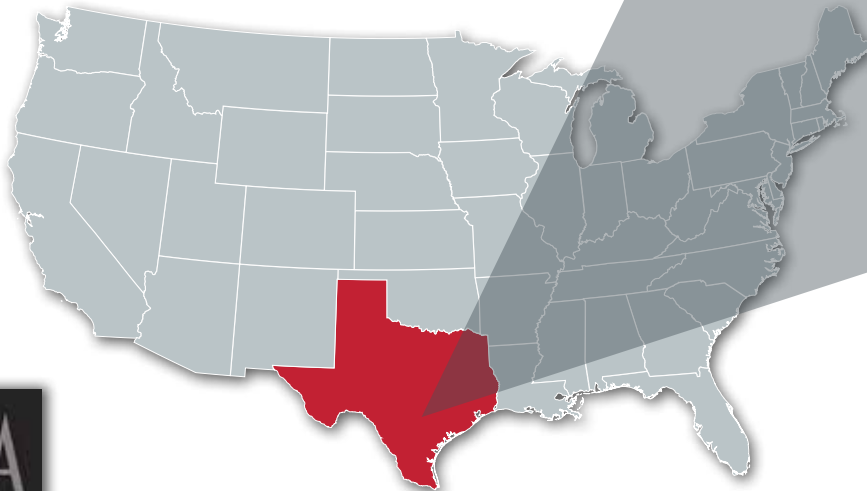
The program evaluates agencies' facilities requirements; monitors real estate market rent and operating cost characteristics and procures, negotiates and manages lease contracts that represent the best value to the State. TFC's leasing portfolio is approximately 10.2 million square feet with a monetary value of approximately \$158 million.

<http://www.tfc.state.tx.us/divisions/commissionadmin/prog/commissioners/meeting-agendas-and-minutes/>



TEXAS FACILITIES COMMISSION

The Texas Facilities Commission (TFC) builds, supports, and manages over 28 million square feet of state-owned and leased facilities that house over 62,000 state employees in over 100 state agencies, all working in the service of the citizens of Texas.



FINANCIAL ANALYSIS

HHSC + DFPS
ROBSTOWN, TEXAS

TENANT SUMMARY

Tenant	State of Texas (AAA Credit Rating)
Purchase Price	\$2,454,000
Proposed Down Payment (20%)	\$500,000
Cap Rate	7.10%
Actual Occupancy	100%
Gross Square Footage	10,504 SF
Net Leasable Area	8,878 SF
Price Per SF	\$233.63
Year Built	2018
Lot Size	±2.24 Acres
Zoning	B-1 Neighborhood Business
Expense Reimbursement	This is a Gross/Modified Gross Lease.
Financing	All Cash or Buyer to obtain new financing at Close of Escrow.

RENT ROLL

TENANT	SQ FT	TERM	INCREASE	RENT
HHSC	5,945	10/01/2018 to 09/30/2028	50% CPI	\$165,721.92
DFPS	2,932	10/01/2018 to 09/30/2028	50% CPI	\$81,718.32
	8,878			\$247,440.24
OPTIONS	1st Option:	10/01/2028 to 09/30/2038	50% CPI	\$TBD
	2nd Option:	04/01/2044 to 03/31/2049	50% CPI	\$TBD

TERMINATION OPTION

This Lease is contingent upon the majority approval by a quorum of the Commission members of the Texas Facilities Commission. If the Commission does not approve the Lease, it may be terminated by the State of Texas without liability upon 30 day notice to the Lessor.

PROPOSED FINANCING

20% Down
4.77% Interest
5 Year Term | 25 Year AMM
Recourse

ANNUALIZED OPERATING DATA

INCOME	ACTUAL
2019 Gross Rental Income	\$247,440
GROSS ANNUAL INCOME	\$247,440
EXPENSES	
Operating Expenses	(\$65,767)
(Less Property Management 3%)	(\$7,423)
TOTAL EXPENSES	(\$73,190)
NET OPERATING INCOME:	\$174,250
(Less Debt Service)	(\$137,173)
Proposed Cash on Cash (8.0%)	\$37,077

2019 ANNUALIZED OPERATING EXPENSES

PROPERTY TAXES	\$23,236
PROPERTY INSURANCE	\$2,168
JANITORIAL	\$21,473
UTILITIES	\$11,573
LANDSCAPING	\$3,150
REPAIR & MAINTENANCE RESERVES (\$.25 PSF)	\$2,219
EXTERMINATION	\$1,948

TOTAL OPERATING EXPENSES: \$65,767

PROPOSED FINANCING



PURCHASE PRICE	\$2,454,000
DOWN PAYMENT (35%)	\$875,000
LOAN AMOUNT (65%)	\$1,625,000
INTEREST RATE	4.85%
TERMS (YEARS)	7
FIXED PERIOD (YEARS)	7
AMORTIZATION (YEARS)	30





AERIAL



ROBSTOWN EARLY
COLLEGE HIGH SCHOOL
707 STUDENTS



SEALE JR
HIGH SCHOOL
556 STUDENTS



SOLOMON P ORTIZ
INTERMEDIATE SCHOOL
421 STUDENTS



OUTLETS
AT CORPUS
CHRISTI BAY



COASTAL BEND
AVIATORS STADIUM
5,200 SEATS

DOLLAR GENERAL

SOUTHSIDE
PARK



30,000 CPD



STATE HWY 44

23,000 CPD

SUBJECT
PROPERTY



RUBEN CHAVEZ RD

NUECES COUNTY
AIRPORT



LOTSPEICH
ELEMENTARY
219 STUDENTS

LINCOLN AVE

PETRONILA RD

STATE OF TEXAS | ROBSTOWN, TEXAS





AERIAL METRO



FRED JONES
NATURE
SANCTUARY

RIVER HILLS
COUNTRY
CLUB

CALALLEN



CALALLEN
HIGH SCHOOL
1,240 STUDENTS

NUECES BAY



**CORPUS CHRISTI
MEDICAL CENTER**
An HCA Affiliated Hospital
416 BEDS



TULOSO-MIDWAY
MIDDLE SCHOOL
864 STUDENTS



TULOSO-MIDWAY
INTERMEDIATE
SCHOOL

AGNES STREET



CORPUS
CHRISTI



DEL MAR
COLLEGE
12,236 STUDENTS



MOODY
HIGH SCHOOL
1,818 STUDENTS



ST JOHN PAUL II
HIGH SCHOOL
556 STUDENTS



CABANISS
FIELD NOLE

SUBJECT
PROPERTY



CORPUS CHRISTI
INTERNATIONAL AIRPORT

- 2 RUNWAYS
- 2,457 ACRES
- AIRLINES: UNITED, SOUTHWEST,
AMERICAN AIRLINES
- 336,000 ANNUAL ENPLANEMENTS



OUTLETS
AT CORPUS
CHRISTI BAY



U.S. HWY 77

STATE OF TEXAS | ROBSTOWN, TEXAS



OPPORTUNITY ZONE

HHSC + DFPS
ROBSTOWN, TEXAS

- Opportunity Zones Boost After-Tax Returns by Allowing Investors to Re-Invest Unrealized Gains
- Gains from Opportunity Zone Investments Become Tax Free After an Investment Period of at Least 10 Years
- Up to 15% of the Original Capital Gain Investment Could Be Exempt from Taxation
- Potential Tax-Free Treatment for Future Appreciation Earned through Sale or Exchange of Opportunity Zone Investment
- Opportunity Zone Designations Remain in Effect Through the End of 2028

The Economic Innovation Group: <https://eig.org/opportunityzones>



The Opportunity Zone program was created by the Tax Cuts and Jobs Act of 2017 to stimulate long-term private investment in low income communities in exchange for capital gain tax incentives. Investors participate in Opportunity Zones through Opportunity Funds, newly-formed entities that act as vehicles for investing in Opportunity Zones. Capital gains that are eligible for investment into Opportunity Funds include the sale of stocks and bonds, property or interest in a partnership. If an Opportunity Fund invests in a property with an existing building, it must invest more capital into substantially improving the building than the amount paid to acquire the building (the purchase price less the value of the land). Gains from investments in Opportunity Zones become tax free after an investment period of at least 10 years.

Sources: Internal Revenue Service - Opportunity Zone: <https://www.irs.gov/>

*Buyer should consult a CPA or tax professional and verify with its own due diligence through proper governmental authorities the viability, laws and regulations of Opportunity Zone investment. SHOP Investment Sales, LLC is not a licensed accountant or tax professional.

OPPORTUNITY ZONE *TIMELINE*

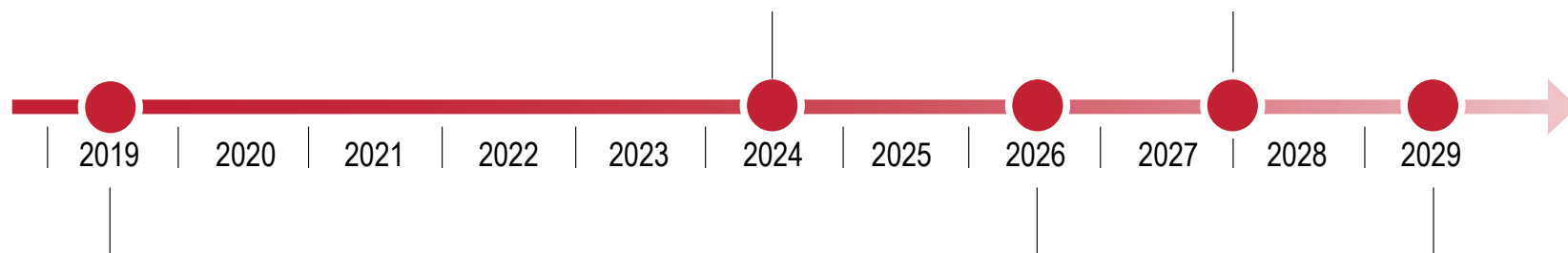
HHSC + DFPS
ROBSTOWN, TEXAS

YEAR 5
2024

Tax on original capital gain is reduced by 10%

April 15, 2028

Pay Taxes on original deferred capital gains (minus the 15% reduction)



YEAR 1
2019

Roll over gain into Opportunity Fund (defer tax on gain)

YEAR 7
2026

Tax on original capital gain is reduced by another 5% (15% total reduction)

YEAR 10
2029

All Capital gain taxes are now eliminated on potential profits from Opportunity Fund

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LOCATION OVERVIEW

Robstown is a city in Nueces County, Texas, and a western suburb of Corpus Christi. The Texas State Legislature officially recognizes Robstown as the birthplace of Texas Hold 'em Poker. Robstown and Western Nueces County are at the geographic center of the Coastal Bend region. This eight-county metropolitan area has a population of more than 500,000. Key ingredients in the region's economy are oil and gas exploration and production, petroleum and chemical processing, agribusiness and seafood production, a variety of military missions, metal fabrication, transportation and primary metals processing. The region's largest manufacturing operations are tied to the Port of Corpus Christi which is an important seaport serving Texas and Mexico.

Robstown is nine miles from Corpus Christi International Airport and 15 miles from Downtown Corpus Christi. All terminals at the Port of Corpus Christi can be reached in less than 20 minutes. Nueces County Airport, located in Robstown, accommodates corporate planes and air-freight operations with a 3,700-foot runway.

The Harbor Bridge was state-of-the-art when it opened in the 1950s, connecting North Beach with downtown Corpus Christi. Roughly 60,000 vehicles every day cross the bridge, which over the years has become the very calling card of this section of the Texas Gulf Coast. The state's \$900 million project calls for replacing it with a more-modern cable-stayed bridge with a taller clearance. That has become increasingly important because more favorable crude oil trade has lured larger vessels to the Port of Corpus Christi. Although Robstown is 20 miles from downtown Corpus Christi, the two communities have long shared economic ties. Many of them can be traced to the port, the nation's fourth-largest based on tonnage. The Harbor Bridge main tower will be 538 feet, taller than one Shoreline Plaza, and will be the tallest structure in South Texas. The bridge will stretch 2.4 miles and includes a pedestrian overlook as well as a wide walkway. Work on the new bridge was expected to wrap up by summer 2020 and the current span was to have been demolished by Fall 2021.

2019 DEMOGRAPHICS

2019 ESTIMATED POPULATION

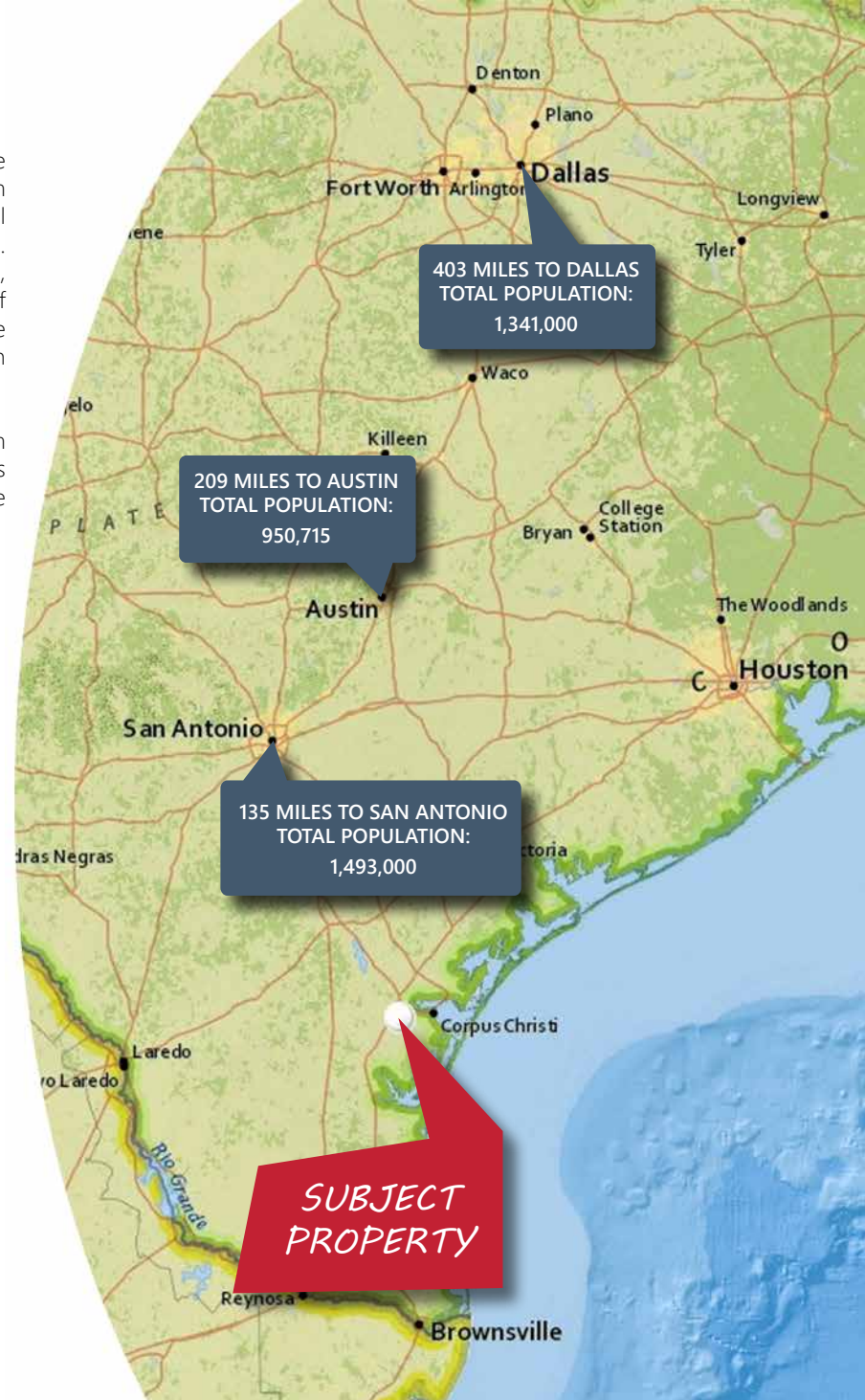
3-MILE	13,566
5-MILE	19,989
10-MILE	49,823

2019 AVERAGE HOUSEHOLD INCOME

3-MILE	\$49,703
5-MILE	\$63,851
10-MILE	\$79,507

2019 ESTIMATED DAYTIME POPULATION

3-MILE	9,268
5-MILE	14,992
10-MILE	40,387



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FOR MORE INFORMATION:

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