

**HEALTH & HUMAN SERVICES
DEPARTMENT OF FAMILY & PROTECTIVE SERVICES
DEPARTMENT OF STATE HEALTH SERVICES**

1770 W CORPUS CHRISTI STREET | BEEVILLE, TEXAS 78102



ACTUAL SITE UNDER CONSTRUCTION

Represented By:
JESSICA ZAHN GIBSON
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Represented By:
DOUGLAS BRUTON
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**COMMERCIAL INVESTMENT ADVISORS, INC.
CIA BROKERAGE COMPANY**

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In Association with Texas Designated Broker:
Paul Blackburn | Blackburn Properties | TX License # 376821

OFFERING MEMORANDUM

CIA
commercial
investment
advisors

INVESTMENT OVERVIEW

HHSC | DFPS | DSHS
BEEVILLE, TEXAS

Health & Human Services | Department of Family & Protective Services | Department of State Health Services

| | |
|--------------------|---|
| LOCATION | 1770 W. Corpus Christi Street Beeville, TX 78102 |
| MAJOR CROSS STREET | Hwy 351 |
| TENANT | State of Texas (AAA Credit Rating) |
| PURCHASE PRICE | \$3,100,000 |
| CAP RATE | 7.26% |
| GROSS ANNUAL RENT | \$306,617 |
| USABLE SF | 10,515 SF* |
| RENTAL ESCALATIONS | 50% of CPI Annually |
| LEASE TYPE | Gross |
| OWNERSHIP | Fee Simple |
| YEAR BUILT | 2019 |
| LOT SIZE | ± 8.56 Acres* |
| LEASE EXPIRATION | 09/30/2028 |
| OPTIONS | Five 5 Year Options |



RETAIL | SHOPPING | ENTERTAINMENT

Nearby retailers include Exxon, Ferrellgas, Fuller Tractor, Valero, Dairy Queen, Greyhound, Camacho Recycling, HEB, Aaron's, Shell, Rent-A-Center, Dollar General, Family Dollar, Beall's, Metro by T-Mobile, Sutherlands, Whataburger, KFC, Western Union, EZ Pawn, Domino's Pizza and Sherwin Williams.



COMMUNITY

Its rural setting makes it a prime location for bird watching, wildlife photography and hunting. Beeville enjoys the great outdoors through nine community parks, golfing, and trails. Annual events showcase their cultural diversity such as Western Week Celebration, Spring Fest, Diez y Seis Festival, and Bee County Junior Livestock and Homemakers Show. Beeville was once home for the Naval Air Station Training Center, Chase Field.



HIGHLIGHTS

LEASE: 10-Year

TENANT: State of Texas (AAA Credit Rating)

INCOME TAX-FREE STATE

2019 DEMOGRAPHICS (5-MI): Total Population: 22,559 |
Avg HH Income (5-MI): \$61,821 | Population Growth 2010-2019
(5-MI): 4.86%

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FINANCIAL ANALYSIS

HHSC | DFPS | DSHS
BEEVILLE, TEXAS

TENANT SUMMARY

| | |
|-----------------------|------------------------------------|
| Tenant | State of Texas (AAA Credit Rating) |
| Purchase Price | \$3,100,000 |
| Cap Rate | 7.26% |
| Actual Occupancy | 100% |
| Usable Square Footage | 10,515 SF |
| Price Per SF | \$294.82 |
| Year Built | 2019 |
| Lot Size | ±8.56 Acres |
| Expense Reimbursement | Gross |
| Financing | None |

RENT ROLL

| TENANT | SQ FT | ANNUAL BASE RATE/SF | ANNUAL BASE RENT | MONTHLY BASE RENT |
|--------|--------|---------------------|------------------|-------------------|
| HHSC | 3,033 | \$29.16 | \$88,442 | \$7,370 |
| DFPS | 6,603 | \$29.16 | \$192,543 | \$16,045 |
| DSHS | 879 | \$29.16 | \$25,632 | \$2,136 |
| | | | | |
| | 10,515 | | \$306,617 | \$25,551 |

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.

ANNUALIZED OPERATING DATA

| INCOME | ACTUAL |
|---|------------|
| 2019 Gross Rental Income | \$306,617 |
| GROSS ANNUAL INCOME | \$306,617 |
| EXPENSES | |
| Operating Expenses | (\$66,084) |
| (Less Property Management 3%) | (\$9,198) |
| (Less Repair & Maintenance Reserves 2%) | (\$6,132) |
| TOTAL EXPENSES | (\$81,414) |
| NET OPERATING INCOME: | \$225,203 |

2019 ANNUALIZED OPERATING EXPENSES

| | |
|--------------------|----------|
| PROPERTY TAXES | \$30,900 |
| PROPERTY INSURANCE | \$2,784 |
| JANITORIAL | \$12,960 |
| UTILITIES | \$15,840 |
| LANDSCAPING | \$1,200 |
| TRASH | \$1,200 |
| EXTERMINATION | \$1,200 |

TOTAL OPERATING EXPENSES: \$66,084

TENANT OVERVIEW

HHSC | DFPS | DSHS
BEEVILLE, TEXAS

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.



AGENCIES OCCUPYING PREMISE



TEXAS
Health and Human
Services

TEXAS HEALTH AND HUMAN SERVICES

TYPE GOVERNMENT
HEADQUARTERS AUSTIN, TEXAS
<https://hhs.texas.gov/>

The Texas Health and Human Services Commission (HHSC) is an agency within the Texas Health and Human Services System. In September 2016, Texas began transforming how it delivers health and human services to qualified Texans, with a goal of making the Health and Human Services System more efficient and effective. Sept. 1, 2017, marked another major milestone in this transformation. The new accountable, restructured system:

- Makes it easier for people to find out about the services or benefits for which they may qualify.
- Better integrates programs by removing bureaucratic silos and grouping similar programs and services together.
- Creates clear lines of accountability within the organization.
- Includes well-defined and objective performance metrics for all organizational areas. HHS is headquartered in Austin, TX. Dr. Courtney Phillips began serving as the system's Executive Commissioner in October 2018.

TEXAS
Department
of Family and
Protective Services



TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

TYPE GOVERNMENT
HEADQUARTERS AUSTIN, TEXAS
<https://www.dfps.state.tx.us/>

The Texas Department of Family and Protective Services (DFPS) is responsible for investigating charges of abuse, neglect or exploitation of children, elderly adults and adults with disabilities. Prior to its creation in 2004, the agency had been called the Texas Department of Protective and Regulatory Services (DPRS). According to the Texas Attorney General, DFPS is neither a juvenile nor an adult criminal justice agency.

The DFPS undertakes five major tasks:

- Adult protective services
- Child protective services
- Child care licensing
- Prevention and early intervention
- Statewide intake



TEXAS
Department of
State Health Services

TEXAS DEPARTMENT OF STATE HEALTH SERVICES

TYPE GOVERNMENT
HEADQUARTERS AUSTIN, TEXAS
<https://www.dshs.texas.gov/>

Texas Department of State Health Services is a state agency of Texas. The department provides state-operated health care services, including hospitals, health centers, and health agencies. The agency's Mental Health and Substance Abuse Division, along with Public Policy Research Institute at Texas A&M University coordinate the Texas School Survey, a program consisting of two surveys on drug and alcohol abuse, an annual one done at the local school-district level and a biennial statewide survey. The statewide survey, called the Texas School Survey of Substance Use, is the largest survey of its kind to be conducted in the United States and administered to over 100,000 public school students between grades 7-12.

DSHS now focuses on providing these functions:

- Vital statistics, such as birth and death records
- Compiling and disseminating health data on more than 25 topics
- Chronic and infectious disease prevention and laboratory testing
- Licensing and regulating facilities on topics from asbestos to mobile food establishments to youth camps services together.



AERIAL



BEE COUNTY
EXPO CENTER



**SUBJECT
PROPERTY**

JOHN C BEASLEY
GOLF COURSE

VICGO RD

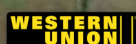


VETERANS
PARK



KOHLER
PARK

N FENNER ST



Sutherlands



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HHSC | DFPS | DSHS | BEEVILLE, TEXAS

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AERIAL CITY VIEW



**SUBJECT
PROPERTY**

BEE COUNTY
EXPO CENTER



VETERANS
PARK



R.A. HALL
ELEMENTARY
492 STUDENTS

RAY POINT
COMMUNITY
CENTER

FM 351

FM 351

TREVINO
PARK

HALLIBURTON



MORENO JUNIOR
HIGH SCHOOL
462 STUDENTS



A.C. JONES
HIGH SCHOOL
1,036 STUDENTS



HAMPTON-MORENO-DUGAT
EARLY CHILDHOOD
399 STUDENTS



BEEVILLE

Walgreens



CHRISTUS
SPOHN HOSPITAL
530 BEDS

Walmart

TRACTOR
SUPPLY CO.

Davita

stripes



COASTAL BEND
COLLEGE
4,348 STUDENTS

POESTA CREEK



U.S. 181 FRONTAGE ROAD



HHSC | DFPS | DSHS | BEEVILLE, TEXAS

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LOCATION OVERVIEW

Beeville is a city in and the county seat of Bee County, Texas. The city had a total population of 13,129. Beeville is the gateway to South Texas Brush Country. Its rural setting makes it a prime location for bird watching, wildlife photography and hunting. Beeville enjoys the great outdoors through the nine community parks with playgrounds, golfing, walking trails, skate park and the green fields for football, baseball and soccer. Annual events showcase their cultural diversity such as Western Week Celebration, Spring Fest, Diez y Seis Festival, and Bee County Junior Livestock and Homemakers Show. Beeville was once home for the Naval Air Station Training Center, Chase Field. Beeville's military pride can be seen in the eleven memorials throughout the city.

Beeville has evolved into a regional retail, entertainment, hotel and restaurant hub for surrounding communities. Beeville is centrally located between San Antonio and Corpus Christi and from Houston to Laredo at the crossroads of US 59 and 181, near US 37. The town hosts a variety of unique shops and businesses.

Coastal Bend College, started its main campus in Beeville in 1967 as Bee County College. Since then it serves a district over 9,000 square miles including campuses in Alice, Kingsville and Pleasanton. The enrollment is approximately 4,348 students. The campus also offers hundreds of academic courses in 27 concentration areas, relatable to "majors", which are transferable to most four-year institutions. Curricula include pre-med, pre-pharmacy, elementary education, business administration, and computer science.

Beeville Independent School District is a public school district based in Beeville, Texas. Beeville serves central Bee County, including the city of Beeville and the unincorporated community of Blue Berry Hill. It is one of the largest employers in the area, with over 528 faculty and staff. There are approximately 3,344 students enrolled across all of the 7 schools.

2019 DEMOGRAPHICS

2019 ESTIMATED POPULATION

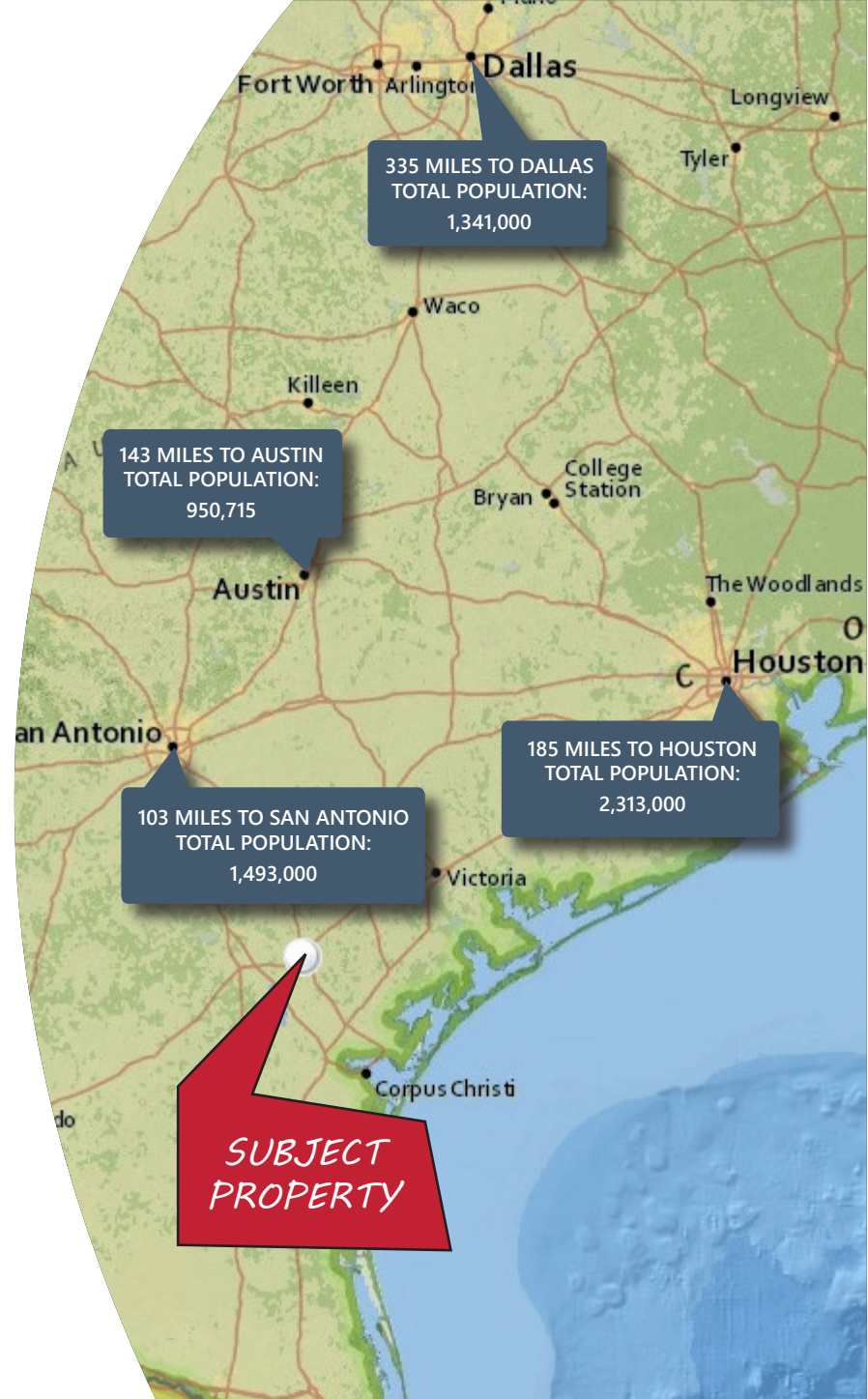
| | |
|--------------|--------|
| 1-MILE | 4,328 |
| 3-MILE | 15,586 |
| 5-MILE | 22,559 |

2019 AVERAGE HOUSEHOLD INCOME

| | |
|--------------|----------|
| 1-MILE | \$48,135 |
| 3-MILE | \$55,025 |
| 5-MILE | \$61,821 |

2019 ESTIMATED DAYTIME POPULATION

| | |
|--------------|--------|
| 1-MILE | 3,320 |
| 3-MILE | 11,942 |
| 5-MILE | 15,051 |



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By accepting this Marketing Brochure you agree to release Commercial Investment Advisors, Inc. | CIA Brokerage Company hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of any property.



FOR MORE INFORMATION:

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Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015



TYPES OF REAL ESTATE LICENSE HOLDERS:

- A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

| | | | |
|---|----------------------|-------------------------------------|---------------------|
| <u>LIA Brokerage Company</u> | <u>9004841</u> | <u>jesseliadviser.com</u> | <u>972-630-6000</u> |
| Licensed Broker /Broker Firm Name or Primary Assumed Business Name | License No. | Email | Phone |
| <u>Paul K. Blackburn</u> | <u>376821</u> | <u>plkb@blackburnproperties.com</u> | <u>210-828-7654</u> |
| Designated Broker of Firm | License No. | Email | Phone |
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| Licensed Supervisor of Sales Agent/ Associate | License No. | Email | Phone |
| _____ Sales Agent/Associate's Name | _____ License No. | _____ Email | _____ Phone |

Buyer/Tenant/Seller/Landlord Initials

Date