



verizon[✓]

225 GEBHARDT ROAD • SEALY, TX 77474

OFFERING MEMORANDUM

TSG **THE SULO**
GROUP
at Marcus & Millichap

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INFORMATION ABOUT BROKERAGE SERVICES

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.

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.



Subject Property

verizon

THE OFFERING



225 GEBHARDT ROAD • SEALY, TX 77474

OFFERING TERMS

PRICE
\$960,000

CAP
8.24%

NET OPERATING INCOME
\$79,068

FINANCIAL SUMMARY

Building Sq Ft	2,850 Sq Ft
Year Built Renovated	1996 2011
Lot Size	+/- 0.69 Acres

LEASE SUMMARY

Lease Type	Triple Net
Tenant	Verizon Wireless
Guarantor	Franchise
Roof and Structure	Landlord Responsible
Primary Term	10 Years
Rent Commencement Date	8/1/2011
Lease Expiration Date	9/30/2021
Term Remaining	2+ Years
Rental Increases	No
Renewal Options	One, Five-Year



LEASE SUMMARY

GLA	LEASE TERM		LEASE YEARS	PAYMENT DATES		ANNUAL	MINIMUM RENT		CAP RATE	OPTIONS
	START	END		START	END		MONTHLY	PSF		
2,850	8/1/2011	9/30/2021	6-10	8/1/2016	9/30/2021	\$79,068	\$6,589	\$27.74	8.24%	One, Five-Year
			11-15	10/1/2021	9/30/2026	\$86,975	\$7,248	\$30.52	9.06%	Option 1

Lease Comments: Landlord covenants to keep foundation and structural systems, including roof structure, roof covering, load bearing walls and floor slabs in good condition and repair.

INVESTMENT HIGHLIGHTS



Cellular Sales of Knoxville – 740+ Locations Nationwide



Property Includes 90-Foot Highway Pylon Sign



Equipped with a Drive-Through Allowing for Future Alternative Use



Excellent Visibility Along the Highway - 44,000+ CPD



Located in the Greater Houston Area - The Fourth Largest City in the U.S.



Full Store Modernization Planned - Showing Tenants Commitment to the Site

TENANT OVERVIEW



Cellular Sales

Cellular Sales is an American wireless retailer based in Knoxville, Tennessee. It is an authorized agent for Verizon Wireless and recognized as one of the largest retailers in the United States and are in the process of expanding their retail system throughout the country. Cellular Sales operates more than 745 retail stores across 42 states in the U.S. The company was ranked on Inc. Magazine's Inc 5000 list nine times. It is valued at more than two billion and projected a new store opening every three days in 2019.

Verizon is the largest wireless telecommunications provider in the U.S. The company operates a national 4G LTE network covering about 98 percent of the U.S. population.

Verizon Communications

Verizon Communications was created on June 30, 2000 by Bell Atlantic Corporation and GTE Corporation, in one of the largest mergers in U.S. business history. GTE and Bell Atlantic evolved and grew through decades of mergers, acquisitions and divestitures. Today, Verizon is a global technology company delivering the promise of the digital world to millions of customers every day.

Verizon delivers the promise of the digital world by enhancing the ability of humans, businesses and society to do more new and do more good. Every day, they connect millions of people, companies and communities with our powerful technology. They're using their award-winning networks to make breakthroughs in interactive entertainment, digital media, the internet of things and broadband services for customers.

As their customers add more devices and find more ways to use them, they're constantly increasing the density of their network. Since 2000, they've invested more than \$126 billion to meet today's surging demand for wireless data and video, and to get their network ready for 5G wireless technology.

They've got big plans to bring connected solutions to everything, from industrial and consumer products, to vehicles and buildings, so everything works more safely, productively and economically. They're not just focused on providing connections, they've also created the Verizon Open Development program designed to allow and encourage the development community to create new products, applications and services.

Source: <https://www.verizon.com/about/our-company>

TENANT OVERVIEW

Company:	Cellular Sales
No. of Locations:	740+
No. of States:	42
Year Founded:	1993
Headquarters:	Knoxville, Tennessee
Website:	www.cellularsales.com/store/home/

Copper the new gold Company buys former BAE facility to manufacture pipes, tubes

Copper is the new gold in Sealy. A Chinese-based company that manufactures pipes, tubing and other products out of copper has purchased the former BAE Systems facility and will build a new 500,000-square-foot building and invest \$165 million in the project.

Hailiang Copper Texas, Incorporated, purchased the 200-acre site from Five Star Properties on October 9th and will operate a new facility that produces copper water pipes, coils, refrigerating air conditioning pipes, insulation pipes, and other conduits, according to the company.

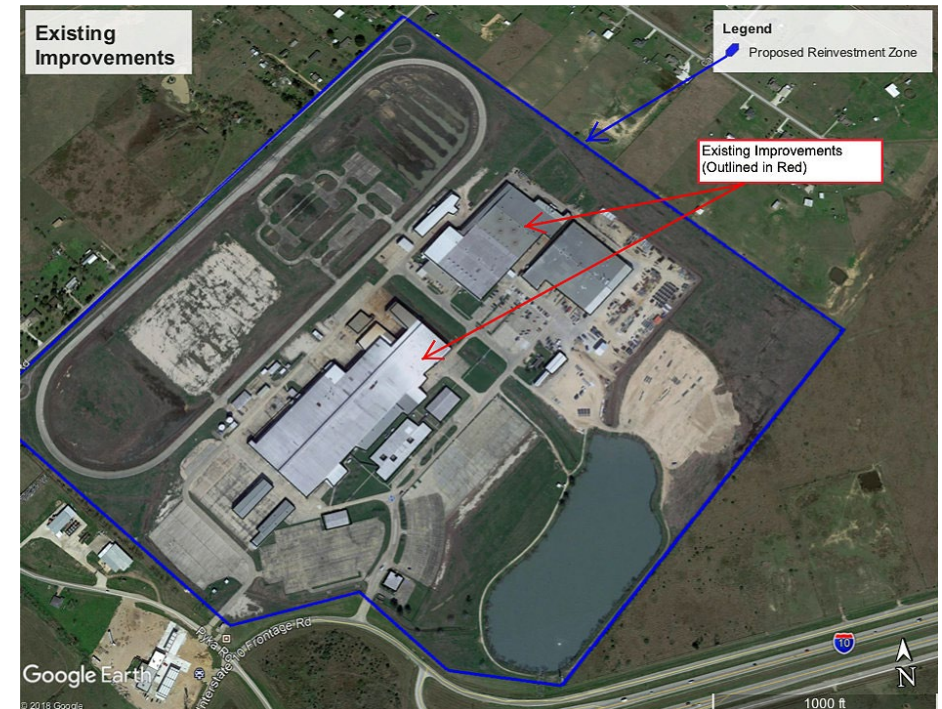
Hailiang spokesperson Michael Jiang said the company is making a \$165 million investment that includes fixed assets and equipment worth \$134 million and \$30 million in working capital. The company is expected to bring 250 jobs to Sealy, phased in over the next few years.

"This means growth and prosperity," Sealy City manager Lloyd Merrell said. "A \$165 million plant is going to be a real shot in the arm for the local economy. They'll be using a lot of local people to get that plant up and running." The closure of the BAE Systems plant in Sealy five years ago was a huge economic blow to the city and Austin County. Other than the portion that is leased by SNC Lavalin, the remainder of the old plant is still available to lease. "The old BAE property is open and available for someone to lease," Merrell said.

Originally company officials indicated that they would bring over 400 jobs to the site, but that number was reduced to 250 through the use of robotics. Merrell estimated that it will be the middle of 2020 before any hiring takes place. In order to make the deal happen, Hailiang was provided tax incentives that includes a seven-year tax abatement from Sealy, an abatement offer from Austin County that has not yet been signed, and a Section 313 Value Limitation Agreement with the Sealy Independent School District, which limits property tax increases on their property.

Merrell said the company will receive a 100 percent abatement the first two years, then dropping 10 percent each year through the seventh year. According to the Section 313 Value Limitation Agreement prepared by attorney Mike Fry between Sealy ISD and Hailiang, "The approval of this agreement would undoubtedly prove beneficial to the economic development of Austin County, as well as the viability of Hailiang Copper Texas, Inc. to be located within the state of Texas." The agreement was signed November 28th by Ryan Reichardt, president of the Sealy ISD Board of Trustees. The agreement was approved June 5th by the state comptroller.

Source: <http://www.sealynews.com/stories/copper-the-new-gold.81751>



LOCATION OVERVIEW

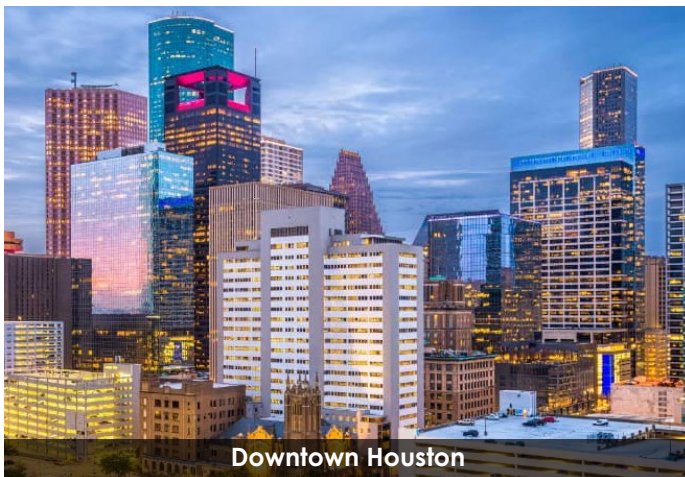
SEALY, TEXAS

Nestled at the intersections of Interstate 10, U.S. Highway 90, Texas Highway 36, and main lines for the BNSF Railroad and the Union Pacific Railroad, Sealy is the economic hub of Austin County and the largest city in Austin County. Our prime location allows quick access to major metropolitan areas and key transportation corridors while providing a relaxing, semi-rural atmosphere.

Houston, Texas is about 49.9 miles west of Sealy. Houston is America's fourth largest city and is a cosmopolitan destination, filled with world-class dining, arts, hotels, shopping and nightlife. Take a stroll through the historic Heights, spend the day exploring the Museum District or head down to Space Center Houston. Later on, grab a bite in one of dozens of award-winning restaurants, or hang out with the cool kids on Washington Avenue. There's always something to do in this Southern hospitality meets urban chic city.

Houston has its own version of Central Park, too, offering nearly 1,500 acres of green space in the heart of the city. Just inside "the loop," Memorial Park is home to a public golf course, swimming pool, tennis courts, trails and more. Downtown, Discovery Green park is outfitted with WiFi, a farmers market, dog runs, fine dining and ice-skating during the winter; just one more of the 650-plus urban green spaces filling the city.

Source: <http://www.ci.sealy.tx.us/> & <https://www.visithoustontexas.com/about-houston/>



Downtown Houston

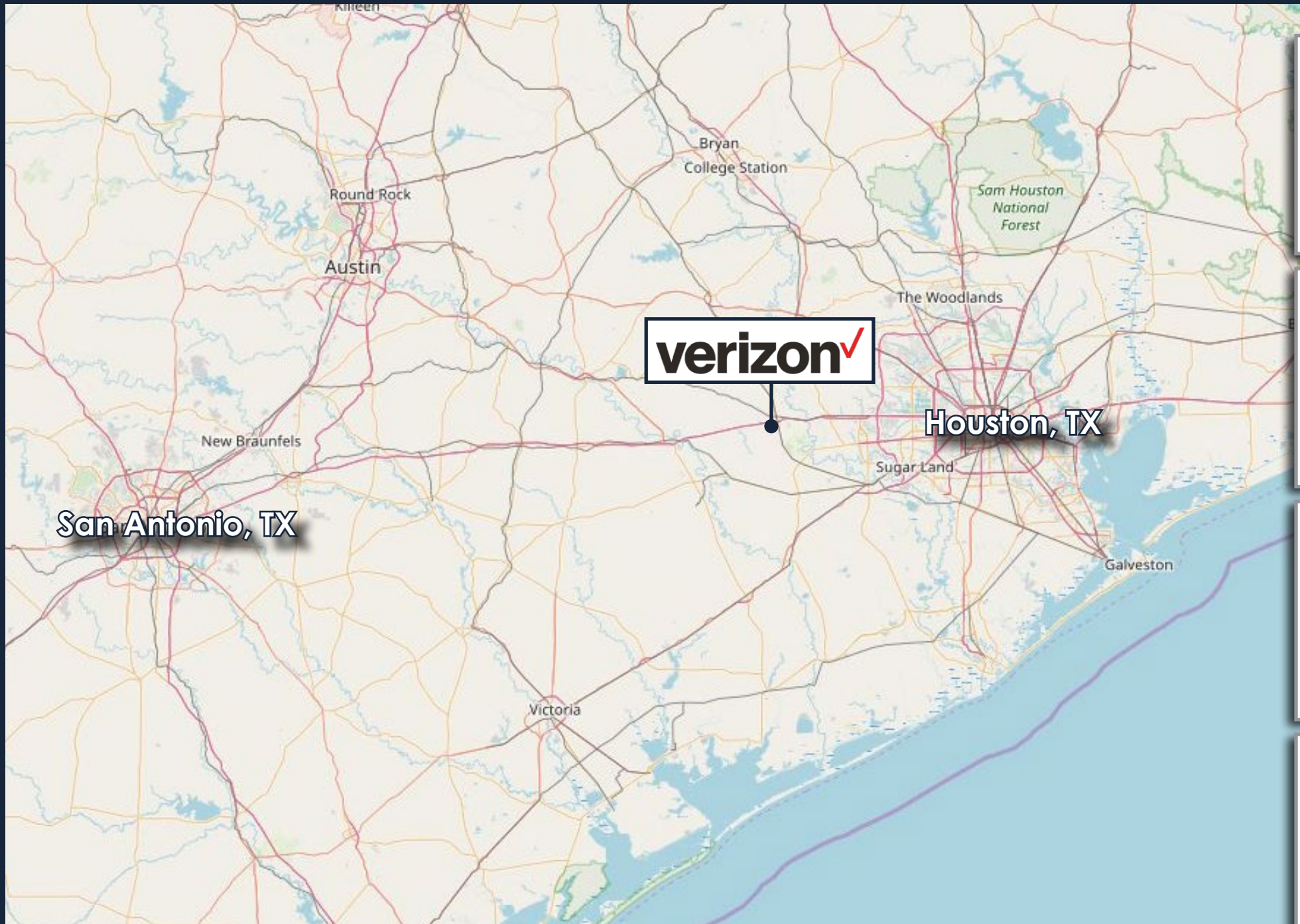


University of Houston



River Ridge Golf Club

AREA MAP



49.9 MILES
EAST OF
HOUSTON, TX



60.5 MILES
WILLIAM P. HOBBY
AIRPORT



42.1 MILES
HOUSTON
PREMIUM OUTLETS



55.3 MILES
UNIVERSITY
OF HOUSTON

PROPERTY PHOTOS



AERIAL - SOUTHEAST



AERIAL - NORTHEAST



SEALY
INTERMEDIATE SCHOOL
402 Students



SEALY J
HIGH SCHOOL
618 Students

DOLLAR GENERAL



Walgreens

Dairy
Queen



44,318 CPD



Meyer St
14,962 CPD



Subject Property

verizon

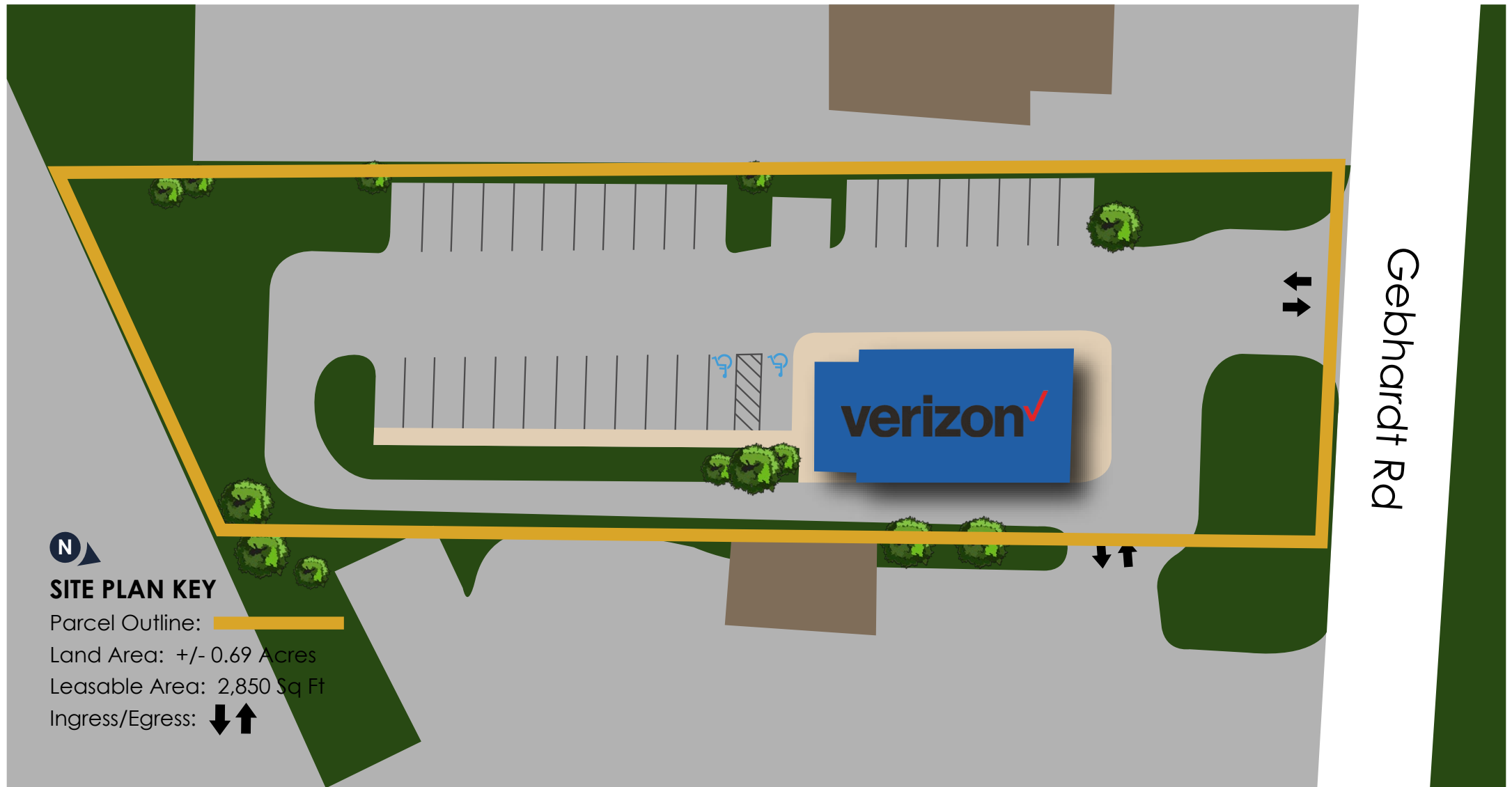
Gebhardt Rd



AERIAL



SITE PLAN



DEMOGRAPHICS

2018 Population



1-MILE	3-MILE	5-MILE
2,210	7,209	9,999

2018 Households



1-MILE	3-MILE	5-MILE
774	2,661	3,608

Average Household Income



1-MILE	3-MILE	5-MILE
\$75,517	\$83,345	\$82,169

POPULATION

	1-MILE	3-MILE	5-MILE
2010 Population	2,144	6,998	9,636
2018 Population	2,210	7,209	9,999
2023 Population	2,199	7,576	10,623

HOUSEHOLDS

	1-MILE	3-MILE	5-MILE
2010 Households	753	2,581	3,473
2018 Households	774	2,661	3,608
2023 Households	786	2,857	3,908

INCOME

	1-MILE	3-MILE	5-MILE
Median Household Income	\$60,728	\$65,067	\$65,573
Per Capita Income	\$26,458	\$30,793	\$29,684
Average Household Income	\$75,517	\$83,345	\$82,169