

# STARBUCKS

4307 NORTH GENERAL BRUCE DRIVE, TEMPLE, TEXAS



OFFERING MEMORANDUM

Marcus & Millichap





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# Executive Summary

## FINANCIAL SUMMARY

<b>Price</b>	<b>\$2,600,000</b>
Down Payment	100% \$2,600,000
Cap Rate	5.0%
Building SF	2,200 SF
Net Cash Flow	5.0% \$130,000
Year Built	2019
Lot Size	1.06 Acres

## LEASE SUMMARY

Lease Type	Double-Net (NN) Lease
Tenant	Starbucks
Lease Guarantor	Corporate
Roof & Structure	Landlord Responsible
Lease Commencement Date	March 29, 2019
Lease Expiration Date	March 31, 2029
Lease Term	10 Years
Rental Increases	10% Every 5 Years
Renewal Options	4, 5 Year Options

## ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
1 - 5	\$130,000	5.00%
6 - 10	\$143,000	5.50%
Lease Years	Annual Rent	Cap Rate
Option 1	\$157,300	6.05%
Option 2	\$173,030	6.66%
Option 3	\$190,333	7.32%
Option 4	\$209,366	8.05%

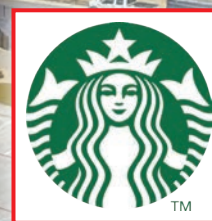
<b>Base Rent</b>	<b>\$130,000</b>
<b>Net Operating Income</b>	<b>\$130,000</b>
<b>Total Return</b>	<b>5.0% 130,000</b>



80,500 CPD  
INTERSTATE 35



BURGER  
KING







TOP PERFORMING  
BUC-CEE'S LOCATION

15,000 CPD  
NW H K DODGEN LOOP



DAYTIME POPULATION - 3 MILE RADIUS

2018 Estimate

21,172

INDUSTRIAL PARK

80,500 CPD  
INTERSTATE 35



# Property Description



## INVESTMENT HIGHLIGHTS

- » **New 10-Year Lease Term with Starbucks**
- » Brand New 2019 Construction
- » **10% Rental Increases Every 5 Years**
- » 44,292 Residents within a 5-Mile Radius
- » **Excellent Frontage Along Interstate 35 (80,500+ Cars/Day) - Direct Access to Waco and Austin**
- » Strong Daytime Population - 67,542 Employees in Surrounding Area
- » **Average Household Income Exceeds \$74K in Immediate Area**
- » Minutes from Temple College (5,000 Students)



## DEMOGRAPHICS

3-miles

5-miles

10-miles

### Population

2023 Projection	12,383	44,796	114,509
2018 Estimate	12,309	44,292	108,266
Growth 2018 - 2023	0.60%	1.14%	5.77%

### Daytime Population

2018 Estimate	21,172	67,542	125,933
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### Households

2023 Projection	4,956	18,093	45,108
2018 Estimate	4,838	17,523	41,907
Growth 2018 - 2023	2.44%	3.25%	7.64%

### Income

2018 Est. Average Household Income	\$58,238	\$56,170	\$75,541
2018 Est. Median Household Income	\$44,649	\$42,091	\$55,141
2018 Est. Per Capita Income	\$23,075	\$22,541	\$29,557



# Tenant Overview



**Seattle, Washington**

Headquarters

**NASDAQ: SBUX**

Stock Symbol

**22,500+**

Locations

**[www.starbucks.com](http://www.starbucks.com)**

Website

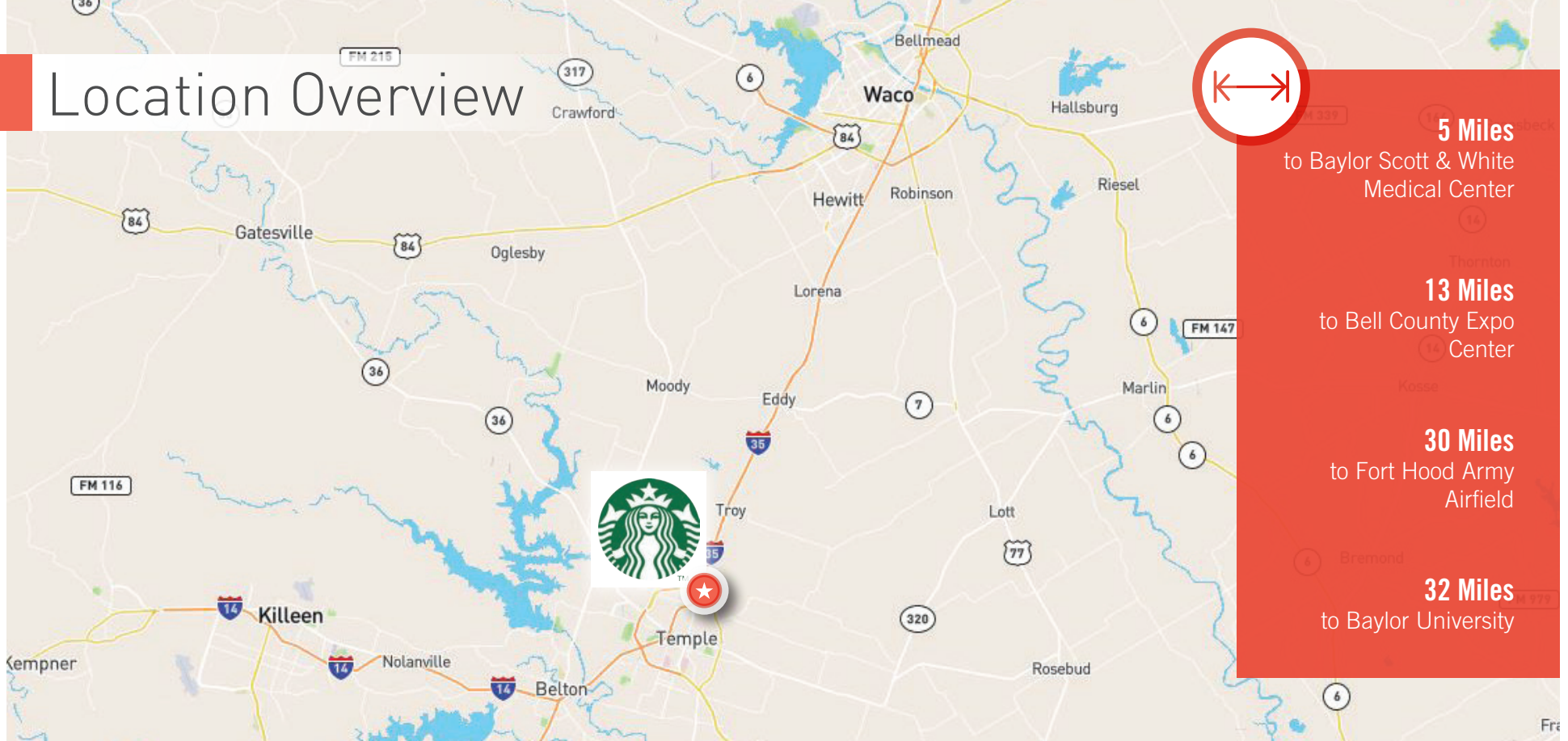
Starbucks is the premier roaster, marketer and retailer of specialty coffee in the world, operating in 69 countries. Formed in 1985, Starbucks Corporation's common stock trades on the NASDAQ Global Select Market ("NASDAQ") under the symbol "SBUX." The company purchases and roasts high-quality coffees that they sell, along with handcrafted coffee, tea and other beverages and a variety of fresh food items, through company-operated stores. Starbucks also sells a variety of coffee and tea products and license their trademarks through other channels such as licensed stores, grocery and national food service accounts. In addition

to their flagship Starbucks Coffee brand, Starbucks also offers goods and services under the following brands: Teavana, Tazo, Seattle's Best Coffee, Evolution Fresh, La Boulange, Ethos and Torrefazione Italia Coffee.

Starbucks company-operated stores are typically located in high-traffic, high-visibility locations. Their ability to vary the size and format of their stores allows the Starbucks to locate them in or near a variety of settings, including downtown and suburban retail centers, office buildings, university campuses, and in select rural and off-highway locations.



# Location Overview



Temple lies in Central Texas, a principal city of the Killeen-Temple-Fort Hood Metropolitan Statistical Area. Located off Interstate 35, Temple is 65 miles north of Austin and 34 miles south of Waco. Due to its central location between these two cities, as well as Dallas, Houston, and San Antonio, Temple is the transportation center of Texas. 84 percent of the state's population is within three hours of the Temple city limits.

With the conveniences of big-city dwelling and the atmosphere of a small town, Temple uniquely offers the best aspects of two worlds. The enchanting scenery, small-town charm, and wealth of things to see and do makes the city a compelling destination for tourists. The Temple Railroad and Heritage Museum and the Czech Heritage Museum and Genealogy Center allow visitors to experience two

of the most important aspects of Temple's history. When it comes to outdoor recreation, Temple sits a few miles east of the picturesque Lake Belton where visitors can swim, fish, or camp. Although there's plenty to experience outdoors, Temple is also rich with culture, home to the Temple Symphony Orchestra and the Temple Civic Theatre.

Over 100 years ago, the local economy began with the regional Santa Fe Railroad hospital. Temple now thrives in a complex economy, with goods distribution and medicine as the main drivers. Baylor Scott & White Health is the largest employer in the area with approximately 12,000 employees. Temple is also within a short drive of several regional and national universities: Baylor University, Texas A&M University - Central Texas, the University of Texas at Austin, and more.





11-2-2015

## 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.



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By accepting this Marketing Brochure, you agree to treat the information contained herein regarding the lease terms as confidential and proprietary and to only use such information to evaluate a potential purchase of this net leased property.

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

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This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

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**Marcus & Millichap**