

**DOWNTOWN AUSTIN**



**TEXAS**  
The University of Texas at Austin

**ORACLE®**  
Austin Campus

Austin  
Community College  
Eastview Campus



(205,000 AADT)



Frontage

E Oltorf St (44,281 AADT)



OFFERING MEMORANDUM

PRESERVE  
WEST  
CAPITAL



This property is listed in conjunction with Texas-licensed real estate broker Delta Commercial.

Chipotle Anchored Shops  
Austin, TX

[www.preservewestcapital.com](http://www.preservewestcapital.com)





PROPERTY HIGHLIGHTS	1	SITE PLAN	8
PROPERTY OVERVIEW	2	AERIAL	9
FINANCIAL ANALYSIS	3	ABOUT THE AREA	10
RENT ROLL	6	DEMOGRAPHICS	12
TENANT PROFILES	7		

## Disclaimer

Preserve West Capital ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

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Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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- Fully Leased Retail Shops Building Anchored by Chipotle (NYSE:CMG)
  - 100% of Tenants on 10+ Year Leases with Scheduled Rental Escalations
- Resilient Mix of Food and Service Users
  - Delivery-Oriented Food Users Continue to Function Amid COVID-19 Closures
- Robust Demographics in Surrounding Area
  - Total Daytime Population of 497,705 within 5 Mile Radius
  - Average Household Income of \$87,472 within 3 Miles of Site
- Excellent Access and Visibility Adjacent to I-35 Arterial
  - Combined AADT of 249,281
- Prominent Retail Location Neighboring Numerous Major Tenants
  - Nearby Anchor Tenants Include Walmart Supercenter, Target, H-E-B, and CVS
- Student Population of 56,000+ within 5 Mile Radius
  - Approximately 1 Mile from St. Edward's University, with Student Body of 4,300
  - 4 Miles from University of Texas at Austin – Austin's 2nd-Largest Employer with Staff of 27,426 and 52,000+ Students Enrolled
- Austin is the Economic Heart of Central Texas
  - One of the Fastest Growing Metropolitan Areas in the U.S.
  - MSA GDP of \$146.8 Billion
- Only 2 Miles from Downtown Austin



### Location

The property is located at 1700 Oltorf Street, Building 1, in Austin, Texas.

### Lot Size

Approximately 1.361 acres or 59,268 square feet.

### Improvements

A 7,821 square foot retail building demised into 4 retail suites.

**Chipotle** | 2,617 square feet

**ATI** | 2,104 square feet

**Tiff's Treats** | 1,500 square feet

**Dentist** | 1,600 square feet

### Parking

There is ample parking available onsite.





## PRICE

# \$5,286,000

## 5.50% CAP Rate

## Projected Gross Revenue

	YEAR 1	YEAR 10
Scheduled Base Rental Revenue	\$290,756	\$338,947
Expense Reimbursement Revenue	\$64,742	\$80,991
Total Potential Gross Revenue	\$355,498	\$419,938
Effective Gross Revenue	\$355,498	\$419,938

## Annual Expenses

Common Area Maintenance	\$26,435	\$34,492
Insurance	\$3,911	\$5,102
Taxes	\$31,753	\$37,948
Management @ 10% of CAM	\$2,644	\$3,449
Total Operating Expenses	\$64,743	\$80,991

## Net Operating Income

## Return

	YEAR 1	YEAR 10
Net Operating Income	\$290,755	\$338,947
Return	5.50%	6.41%

## Note

The net income is an estimate and does not provide for all potential costs and expenses (i.e. maintenance, repair, etc.) that may be required of the owner. Any reserves set forth herein are merely estimates and not based on any experience, physical inspection, or prior knowledge. All prospective purchasers are strongly advised to make an independent investigation to determine their estimate of costs and expenses prior to entering into an agreement to purchase.

# FINANCIAL ANALYSIS

# CASH FLOW PROJECTION



	Year 1 Oct-2020 Sep-2021	Year 2 Oct-2021 Sep-2022	Year 3 Oct-2022 Sep-2023	Year 4 Oct-2023 Sep-2024	Year 5 Oct-2024 Sep-2025	Year 6 Oct-2025 Sep-2026	Year 7 Oct-2026 Sep-2027	Year 8 Oct-2027 Sep-2028	Year 9 Oct-2028 Sep-2029	Year 10 Oct-2029 Sep-2030
<b>Net Rentable Area - Sq. Ft.</b>	<b>7,821</b>									
Base Rental Revenue PSF/mo.	\$3.10	\$3.12	\$3.15	\$3.17	\$3.21	\$3.31	\$3.44	\$3.47	\$3.50	\$3.61
Total Operating Expenses PSF/yr.	\$8.28	\$8.49	\$8.70	\$8.92	\$9.14	\$9.37	\$9.61	\$9.85	\$10.10	\$10.36
Absorption & Turnover Vacancy %	-	-	-	-	-	-	-	-	-	-
General Vacancy %	-	-	-	-	-	-	-	-	-	-
<b>Potential Gross Revenue</b>										
Base Rental Revenue	290,756	292,772	295,236	297,743	301,565	310,478	322,558	325,277	328,038	338,947
Absorption & Turnover Vacancy	-	-	-	-	-	-	-	-	-	-
Scheduled Base Rental Revenue	290,756	292,772	295,236	297,743	301,565	310,478	322,558	325,277	328,038	338,947
Expense Reimbursement Revenue	64,742	66,368	68,033	69,746	71,500	73,301	75,149	77,046	78,995	80,991
Total Potential Gross Revenue	355,498	359,140	363,269	367,489	373,065	383,779	397,707	402,323	407,033	419,938
General Vacancy	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenue	355,498	359,140	363,269	367,489	373,065	383,779	397,707	402,323	407,033	419,938
<b>Operating Expenses</b>										
CAM - \$3.38	26,435	27,228	28,045	28,886	29,753	30,645	31,565	32,512	33,487	34,492
Insurance - \$0.50	3,911	4,028	4,149	4,273	4,401	4,533	4,669	4,809	4,954	5,102
Taxes - \$4.06	31,753	32,388	33,036	33,697	34,371	35,058	35,759	36,475	37,204	37,948
Mgmt. @ 10% of CAM	2,644	2,723	2,805	2,889	2,975	3,065	3,157	3,251	3,349	3,449
Total Operating Expenses	64,743	66,367	68,035	69,745	71,500	73,301	75,150	77,047	78,994	80,991
<b>NET OPERATING INCOME</b>	<b>290,755</b>	<b>292,773</b>	<b>295,234</b>	<b>297,744</b>	<b>301,565</b>	<b>310,478</b>	<b>322,557</b>	<b>325,276</b>	<b>328,039</b>	<b>338,947</b>
<b>Leasing &amp; Capital Costs</b>										
Tenant Improvements	-	-	-	-	-	-	-	-	-	-
Leasing Commissions	-	-	-	-	-	-	-	-	-	-
Total Leasing & Capital Costs	-	-	-	-	-	-	-	-	-	-
<b>Cash Flow Before Debt Service</b>	<b>290,755</b>	<b>292,773</b>	<b>295,234</b>	<b>297,744</b>	<b>301,565</b>	<b>310,478</b>	<b>322,557</b>	<b>325,276</b>	<b>328,039</b>	<b>338,947</b>





## General Assumptions

Analysis Date	October 2020
Total Rentable Area	7,821 SF
Total Area for CAM Reimbursement Calculations	7,821 SF
General Inflation per Annum	3%
General Expense Growth per Annum	3%
Real Estate Tax Growth per Annum	2%
Management Fee	10% of CAM

# RENT ROLL



Tenant	Sq. Ft.	Monthly Rent PSF	Annual Rent PSF	Current Annual Rent	Term	Rent Commence. Date	Lease Expiration Date	Rental Increase Date(s)	Rental Increase Amount(s)	Options	Lease Structure
Chipotle	2,617	\$3.00	\$36.00	\$94,212	12 yrs	8/1/2020	7/31/2032	8/1/2026	\$103,632	2 @ 5 yrs Option 1: \$113,997 Option 2: \$125,407	NNN with tenant responsible for all taxes, insurance, and proportionate share of common area maintenance, including amortized costs of roof and structural repairs and roof replacement occurring not more often than once every 15 years, and management fee or administrative fees not to exceed 4% of base rent. Increases in controllable CAM costs are capped at 5% annually on a non-cumulative basis.
ATI	2,104	\$3.00	\$36.00	\$75,744	10 yrs	7/31/2020*	7/31/2030	8/1/2025	\$83,318	2 @ 5 yrs Option 1: \$91,650 Option 2: \$100,824	NNN with tenant responsible for all taxes, insurance, and proportionate share of common area maintenance, excluding roof and structure. Tenant is responsible for an administrative fee equal to 10% of CAM costs. Increases in controllable CAM costs are capped at 5% annually on a non-cumulative basis.
Tiff's Treats	1,500	\$3.33	\$40.00	\$60,000	10 yrs	1/9/2020	1/31/2030	2/1/2022 2/1/2023 2/1/2024 2/1/2025 2/1/2026 2/1/2027 2/1/2028 2/1/2029	\$61,200 \$62,424 \$63,677 \$64,946 \$66,245 \$67,570 \$68,921 \$70,300	2 @ 5 yrs Option 1: \$80,845 Option 2: \$92,972	NNN with tenant responsible for all taxes, insurance, and proportionate share of common area maintenance, including roof, structure, and management fee.
Dentist	1,600	\$3.17	\$38.00	\$60,800	10 yrs	5/1/2020*	4/30/2030	10/1/2021 10/1/2022 10/1/2023 10/1/2024 10/1/2025 10/1/2026 10/1/2027 10/1/2028 10/1/2029	\$62,016 \$63,264 \$64,528 \$65,824 \$67,136 \$68,480 \$69,856 \$71,248 \$72,672	2 @ 5 yrs Option 1 (Year 1): \$74,125 Option 1 (Year 2): \$75,608 Option 1 (Year 3): \$77,120 Option 1 (Year 4): \$78,663 Option 1 (Year 5): \$80,236 Option 2 (Year 1): \$81,840 Option 2 (Year 2): \$83,477 Option 2 (Year 3): \$85,147 Option 2 (Year 4): \$86,850 Option 2 (Year 5): \$88,587	NNN with tenant responsible for all taxes, insurance, and proportionate share of common area maintenance, including roof, structure, and management fee. Tenant is responsible for an administrative fee equal to 15% of CAM costs. Increases in controllable CAM costs are capped at 5% annually on a cumulative basis.

Leased	7,821	100%
Vacant	0	0%
TOTAL	7,821	100%





## Chipotle

**Chipotle Mexican Grill, Inc. (NYSE: CMG)** operates a chain of fast-casual Mexican restaurants serving burritos, tacos, burrito bowls, and salads. The company prepares the majority of its ingredients on site, and is set apart by its use of high-quality natural ingredients and fresh produce. The company has expanded its footprint dramatically in recent years, with more than 2,480 locations nationwide; because the company does not franchise, all locations are corporate stores. The chain's focus on food quality and distinctive interior design provides an experience that is more in line with a full service restaurant, coupled with the speed and convenience of fast food.

For 2019, the company reported revenue of \$5.59 billion, net income of \$350.1 million, nearly twice the company's net income in 2018, and total stockholder equity of \$1.68 billion.

**Lessee:** Chipotle Mexican Grill, Inc.

**Website:** [www.chipotle.com](http://www.chipotle.com)



## ATI

**ATI** is a privately-held, nationally recognized healthcare company specializing in outpatient rehabilitation, physical therapy, and adjacent healthcare services. ATI clinics provide physical therapy, sports medicine, workers comp rehabilitation, occupational health services, worksite solutions, specialty therapies, and more. ATI was one of the first physical therapy companies in the country to achieve URAC Core Accreditation. The company opened its first clinic in Illinois in 1996, and has since grown to more than 830 locations nationwide in 25 states, with nearly 70 new clinics opened in 2019. Since 2014, the company has nearly doubled its number of locations through a strategy of strategic acquisitions, new clinic openings, and a strong reputation for excellent outcomes, innovative culture, and a unique approach to patient care. The company's unique in-house research department works to improve patient outcomes through science, research, and evidence-based medicine.

Ideal Physical Therapy of Texas, LLC is a subsidiary of ATI Physical Therapy that operates numerous ATI locations throughout the state.

**Lessee:** Ideal Physical Therapy of Texas, LLC

**Guarantor:** ATI Holdings, LLC

**No. of Locations:** 700+

**Website:** [www.atipt.com](http://www.atipt.com)



## Tiff's Treats

**Tiff's Treats** delivers fresh cookies, brownies, and other baked goods and desserts from 59 locations throughout Texas, Georgia, Tennessee, and North Carolina.

**Lessee:** Tiff's Treats, Ltd.

**Guarantor:** Tiff's Treats Holdings, Inc.

**No. of Locations:** 59

**Website:** [www.cookieelivery.com](http://www.cookieelivery.com)



## The Tooth Inc

**The Tooth Inc** provides dental care and services, including cleanings, routine dental treatments, x-rays, Invisalign, pediatric dentistry, tooth whitening, emergency dentistry, and more.

**Lessee:** Quyen L. Nguyen, DDS

**Guarantor:** Quyen L. Nguyen

# SITE PLAN





AERIAL

NORTH VIEW

DOWNTOWN AUSTIN



ORACLE®

Austin Campus  
(~1.25 mi)  
40 Acres & Plans for 10k Employees

Austin  
Community College  
Eastview Campus

Palmer  
Events Center

Austin  
Convention Center

Colorado  
River

Cascade  
Apartments

Travis Heights  
Apartments



The Cliffs  
Apartments

Hillside Creek  
Apartments



(205,000 AADT)



Frontage



E Oltorf St (44,281 AADT)





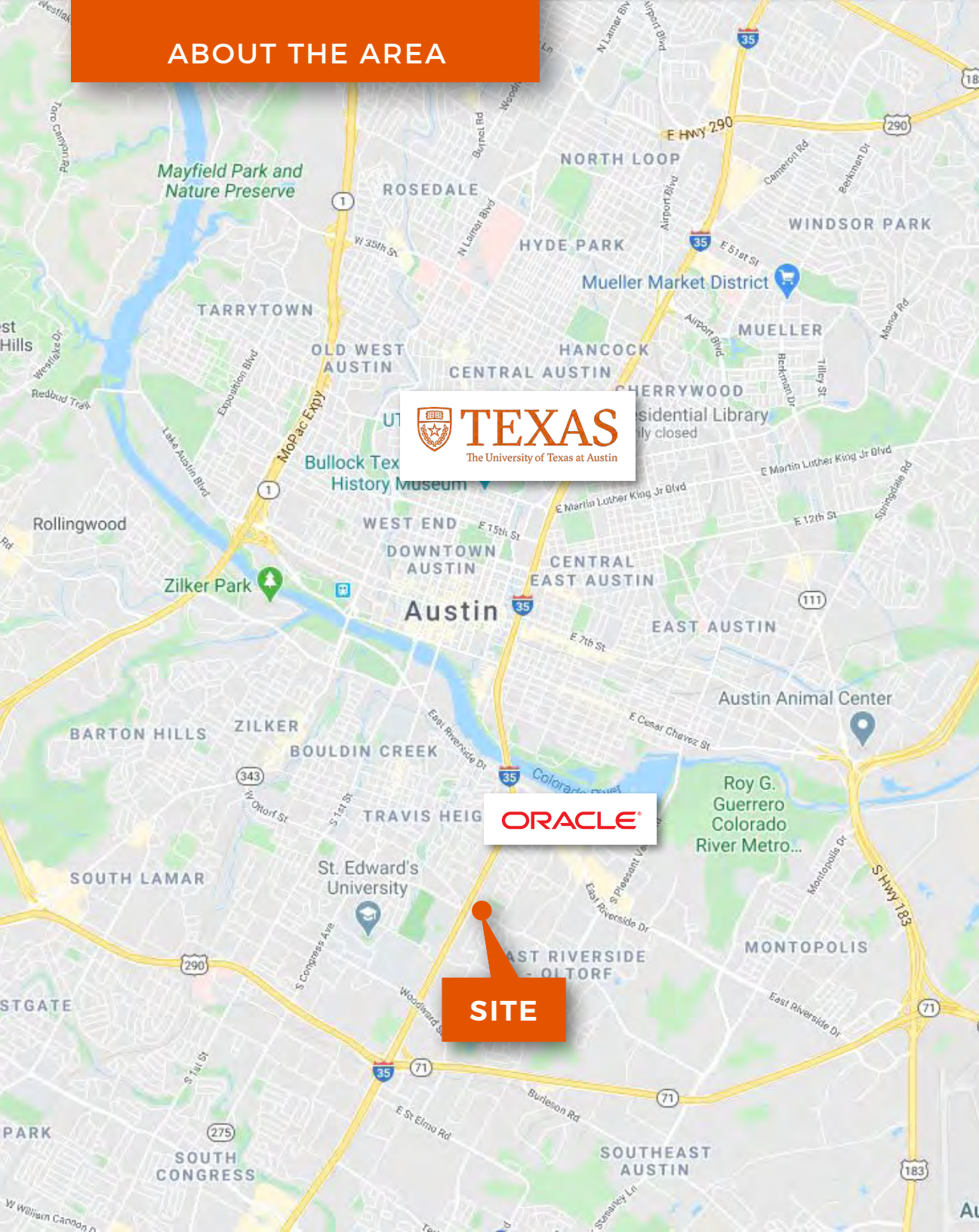
## A map of Central Texas highlighting the project area around Austin. An orange banner at the top left reads "ABOUT THE AREA". A red pin labeled "SITE" points to a location north of Austin. The map shows major highways like I-35, I-10, and US-281, connecting cities such as San Antonio, Austin, Georgetown, Temple, and Killeen.

Austin (population 947,890) is the capital of Texas and the seat of Travis County. It is the 11th most populous city in the U.S., the 4th most populous city in Texas, and the 2nd most populous state capital in the U.S. after Phoenix, Arizona. Austin is the cultural and economic center of the Austin-Round Rock metropolitan statistical area, which has a population of more than 2 million.

Austin benefits from a broad economic base as the 35th largest metropolitan economy in the U.S.. Numerous Fortune 500 companies are based in or maintain a significant presence in and around Austin, including Dell, Whole Foods Market, and ABM Industries, Amazon.com, ebay, Hewlett-Packard, Apple, Cisco, Google, IBM, Facebook, Intel, Oracle, Paypal, Samsung, Xerox, Texas Instruments, and 3M. The city is home to a booming tech sector that has earned it the nickname "Silicon Hills." The city is one of the top regions for venture capital and is home to more than 45 startup incubators, accelerators, and co-working spaces. Austin has also recently emerged as a hub for pharmaceutical and biotechnology companies, and was ranked by the Milken institute as the number 12 biotech and life science center in the U.S.. In addition, Austin benefits from a highly educated workforce with more than 20 colleges and universities in the greater Austin Area, including Texas Lutheran University, Texas State University, University of Texas at Austin, and many more.



## ABOUT THE AREA



## Site Information

The subject property is ideally located with excellent access and visibility along East Oltorf Street (44,281 AADT) adjacent to its junction with the I-35/US-290 arterial (205,000 AADT) approximately 2 miles from Downtown Austin. The site benefits from robust demographics with a total daytime population of 497,705 within 5 miles of the site. Average household income within a 3 mile radius exceeds \$87,472, and nearly half the population within 5 miles of the site have earned a bachelor's degree or higher, exceeding the national average.

The property benefits from a prominent retail location neighboring numerous major retail tenants and shopping centers. Retail centers neighboring the site include Parke Greene, anchored by DD's Discounts; South Shore, featuring Walgreens and Starbucks; Brodie Oaks, anchored by Sprouts Farmers Market and Hobby Lobby; and more. Other major retail tenants in the surrounding area include Walmart Supercenter, CVS, H-E-B, and The Home Depot.

In addition, the property is located approximately 1 mile from St. Edward's University, with 4,300 students enrolled, and approximately 4 miles from the University of Texas at Austin, the city's second largest employer with a staff of more than 27,000 and student body of approximately 52,000. In addition, the property is located in close proximity to William B. Travis High School and Lively Middle School, drawing additional traffic from students, parents, and teachers to the site.

Oracle's new 40-acre Austin campus is located just over a mile from the site on the riverfront. With over \$1 billion invested to date, the company plans to employ and house up to 10,000 employees.



# 1700 E Oltorf St | Austin, TX 78741



2019 POPULATION  
**348,091**



AVERAGE HOME VALUE  
**\$416,453**



AVG. HOUSEHOLD INCOME  
**\$87,472**

Population Summary	1 Mile	3 Miles	5 Miles
2010 Total Population	25,315	132,398	283,710
2019 Total Population	31,007	169,875	348,091
2024 Total Population	33,726	190,562	383,128
2019-2024 Annual Rate	1.70%	2.32%	1.94%
2019 Total Daytime Population	24,403	261,842	497,705
Average Household Income			
2019	\$65,472	\$87,472	\$86,120
2024	\$76,622	\$101,447	\$97,744
Average Home Value			
2019	\$384,789	\$416,453	\$416,220
2024	\$401,696	\$444,226	\$441,818

## Top Employers in Austin

## # of Employees

Texas State Government	38,589
University of Texas at Austin	27,426
City of Austin	14,471
H-E-B	13,901
Federal Government	13,400
Dell Computer Corporation	13,000
Austin Independent School District	11,098
St. David's Healthcare Partnership	10,665
Ascension Seton	10,513
Samsung Austin Semiconductor	8,935





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