



PROPERTY

STARBUCKS

LOCATION

**323 SOUTH CENTRAL EXPRESSWAY
ANNA, TEXAS 75409**

SHOP^{COS.}

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CONFIDENTIAL OFFERING MEMORANDUM

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ANNA, TEXAS 75409

OFFERED BY

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DISCLAIMER: This confidential Offering Memorandum has been prepared by Shop Investment Sales, LLC ("SIS") for use by a limited number of parties and has been obtained from sources believed to be reliable. The material contained herein shall be used for the purposes of evaluating the Property for acquisition and shall not be used for any purpose or made available to any other person without the express written consent of SIS. SIS and Owner make no guarantee, warranty or representation about the information contained herein. It is your responsibility to confirm, independently, its accuracy and completeness. You should conduct your own independent investigation and assessment of the contents of this Offering Memorandum, make such additional inquiries as you deem necessary or appropriate and form your own projections without reliance upon the material contained herein. No representation is made by SIS or Owner as to the accuracy or completeness of the information, and nothing contained herein is or shall be relied on as a promise or representation as to the future performance of the Property. The information contained in this presentation is highly confidential and subject to change. By accepting and reviewing this Offering Memorandum, you agree to maintain the confidentiality of the information contained herein and agree that you will not reproduce or distribute such information to any other person or use such information for any purpose other than to evaluate your potential interest in the Property and will not use the presentation or any of the contents in any manner detrimental to the interest of the Owner or SIS. SIS expressly disclaims any and all liability for statements or representations, express or implied, contained herein or for omissions from the Offering Memorandum or for any other written, oral or other format of communication transmitted to any entity/prospective investor in the course of its evaluation of the proposed transaction. At their sole discretion Owner and SIS each expressly reserve the right to reject any or all expressions of interest or offers regarding the Property and/or terminate discussions with any entity/prospective investor at any time with or without notice. Owner shall have no legal commitment or obligations to any entity/prospective investor reviewing this Offering Memorandum or making an offer to purchase the Property unless and until such offer is approved by Owner, a written agreement for the purchase of the Property has been fully executed, delivered and approved by Owner and its legal counsel, and any obligations set by Owner thereunder have been satisfied or waived.



EXECUTIVE SUMMARY

INVESTMENT OVERVIEW

- New 10-Year Starbucks Leased Asset Shadow Anchored by Walmart in Anna, TX (DFW)
- 10% Rent Escalations Every 5 Years Including Each of the Four, 5-Year Renewal Periods
- 2019/2020 Construction with Masonry Façade, Drive-Thru & Highly Visible Pylon Sign Located on US-75 Frontage
- 20-Year, Transferable Roof Warranty (Runs Through 2039)
- Staggering 644% Population Growth in Anna from 2000-2018 Outpaced Growth in State of Texas by 600% During the Same Time Frame
- Starbucks is the Largest Coffeehouse Company in the World with Over 30,000 Locations
- Average Household Income Over \$88,500, \$90,300 & \$100,200 in 1, 3 & 5 Mile Radii, Respectively
- Across US-75 from Planned Hurricane Creek North Development; 980 Single-Family Homes, 400 Multi-Family Units & 50,000 SF of Retail/Restaurant GLA
- Notable Retailers in Close Proximity Include Walmart, CVS Pharmacy, Brookshire's, AT&T, Chick-fil-A, Anytime Fitness & Verizon, Among Numerous Others

Starbucks is a new construction 10-year corporate leased asset shadow anchored by Walmart in the rapidly growing Dallas Fort Worth submarket of Anna, Texas. The Property is located approximately 40 minutes north of Downtown Dallas on 1 acre of land fronting U.S. Highway 75 (US-75), a major north/south thoroughfare of North Texas. The lease commenced in March 2020 and features 10% rent escalations every 5 years including each of the four, 5-year renewal options. Built in 2019/2020, Starbucks is a 2,200 SF all masonry construction building with a drive through and a large, highly visible monument sign on US-75, as well as a 20-year, transferable roof warranty. As the largest coffeehouse company in the world, Starbucks (NASDAQ: SBUX) has over 30,000 locations as of 2019. Prominent retailers in the immediate area include CVS Pharmacy, Brookshire's, AT&T, Anytime Fitness, Chick-fil-A, AutoZone, Whataburger, Verizon and more.

Strategically positioned along US-75 at the intersection of White Street, the Property benefits from efficient freeway access, as well as combined traffic counts in excess of 81,500 vehicles per day. In December 2019, TxDOT completed a \$100 million expansion of US-75 adding an interchange at White Street and widening the highway through Anna from four lanes to six lanes with two lane frontage roads. Starbucks is located within the 115-acre Anna Town Center mixed-use development shadow anchored by Walmart. Anna Town Center currently includes a CVS Pharmacy, Chick-fil-a, Whataburger, Walmart Fuel Station, two multi-tenant retail buildings and an under construction Holiday Inn Express with additional phase III development anticipated. Preliminary plans for phase III feature 14 acres of multifamily with

up to 490 units, a conference center and over 160,000 SF of restaurant and retail GLA, as well as a Texoma Medical Center expected to open in fall 2020. Moments east of the Property on Powell Parkway is the planned site for the City of Anna's new \$25 million municipal complex. Upon completion the 50,000 SF complex is expected to house all City Departments, the Police Department and the city's Central Fire Station. Plans for a mixed-use development, Hurricane Creek North, were recently announced for the west side of US-75 at White Street. Hurricane Creek North is projected to include 980 single-family homes, 400 multi-family units and 50,000 SF of restaurant, retail and entertainment GLA. Starbucks is favorably located within 10 minutes of more than 1,700 combined students at Anna High School and Anna Middle School.

Anna is one of the top six fastest-growing cities in North Texas due to quality schools, low cost of living and proximity to major transportation routes such as US-75, State Highway 5 and State Highway 121. From 2000 to 2018, Anna's population grew by a staggering 644% which outpaced the State of Texas by more than 600% during the same time frame (U.S. Census Bureau). Additionally, average household income exceeds \$88,500, \$90,300 and \$100,200 in one, three and five mile radii of the Property, respectively. Development is on the rise as permits issued for single family homes in the city reportedly almost doubled from 2018 to 2019 with commercial building permits increasing approximately 36%. Overall, Starbucks offers an investor a newly constructed single-tenant retail asset leased to a national credit tenant with built in rent escalations in the rapidly growing Dallas Fort Worth submarket of Anna, Texas.

EXECUTIVE SUMMARY

LEASE ABSTRACT

Offering Price: \$2,463,000

Cap Rate: 4.75%

Tenant: Starbucks (Corporate)

Location: 323 South Central Expressway
Anna, Texas 75409

Building Square Feet: 2,200 SF

Land Area: +/-1.00 Acres

Rent Commencement: March 2, 2020

Lease Expiration: March 31, 2030

Base Lease Term: 10 Years

Renewal Options: Four, 5-Year Options

Rent Increases: 10% Every 5 Years including Renewals

Lease Type: NN

Year Built: 2020

Roof & Structure: Landlord Responsibility

Roof Warranty: 20-Year, Transferable Warranty



Rent Schedule:

Years	Annual Rent	Monthly Rent
March 2, 2020 - March 31, 2025	\$117,000	\$9,750
April 1, 2025 - March 31, 2030	\$128,700	\$10,725
April 1, 2030 - March 31, 2035 (Renewal Option #1)	\$141,570	\$11,798
April 1, 2035 - March 31, 2040 (Renewal Option #2)	\$155,727	\$12,977
April 1, 2040 - March 31, 2045 (Renewal Option #3)	\$171,300	\$14,275
April 1, 2045 - March 31, 2050 (Renewal Option #4)	\$188,430	\$15,702

TENANT PROFILE



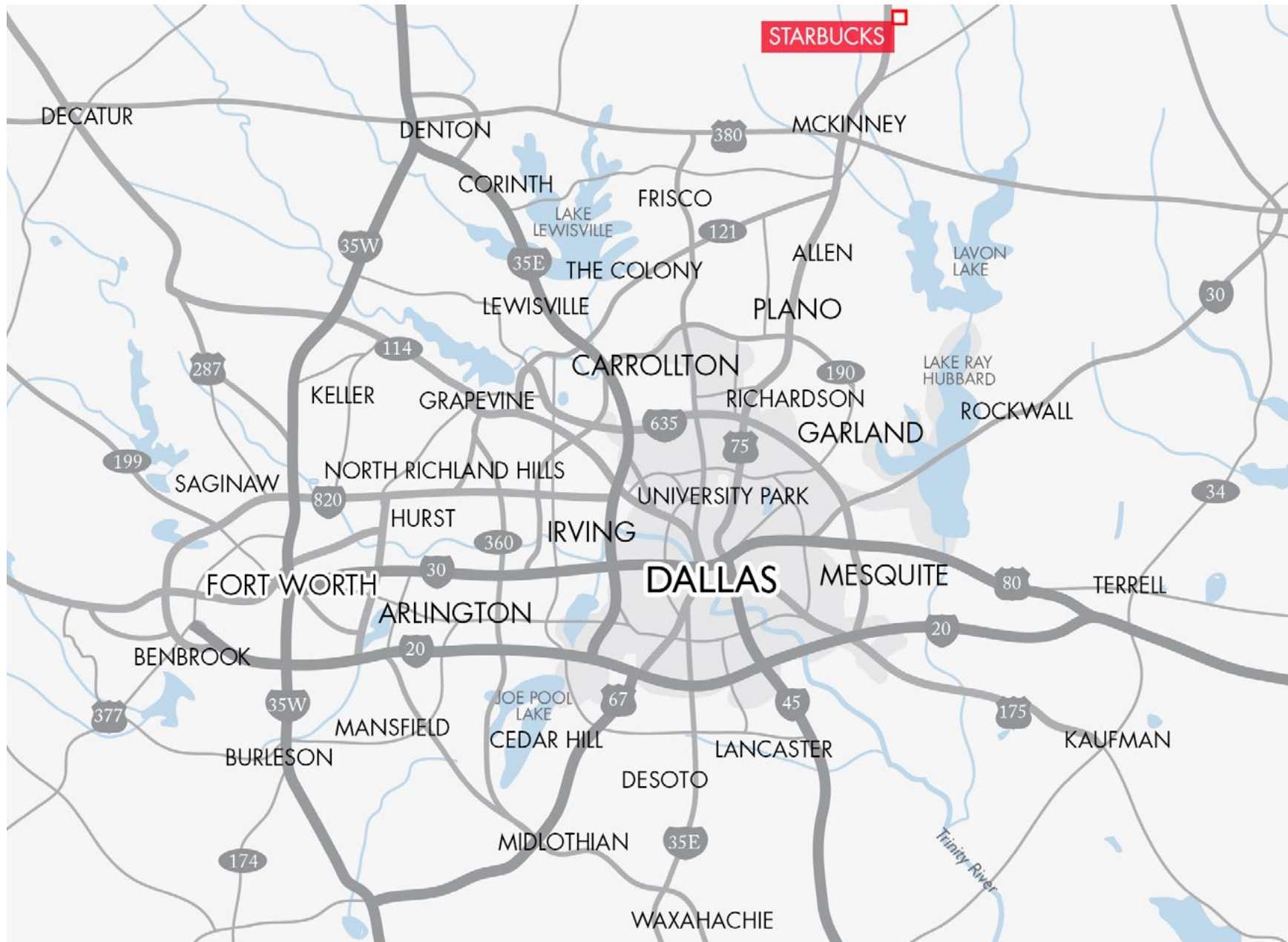
Starbucks is an American coffee company and coffeehouse chain that was founded in Seattle, Washington during 1971. As of 2019, the company operates over 30,000 locations worldwide. Starbucks locations serve hot and cold drinks, whole-bean coffee, microground instant coffee, espresso, cafe lattes, Teavana tea products, Evolution fresh juices, Frappuccino beverages, pastries, and snack items. Starbucks plans to open 600 stores per year and remain competitive on a global platform. In Fiscal 2019, the company reported revenues of \$26.5 billion and net income of \$4 billion. The coffee chain is considered the main representative of "second wave coffee", initially distinguishing itself from other coffee-serving venues in the US by taste, quality, and customer experience, while popularizing darkly roasted coffee. Other brands in the company's portfolio include Seattle's Best Coffee, Teavana, Tazo, Evolution Fresh, La Boulange, Ethos Water and Torrefazione Italia Coffee.

www.starbucks.com

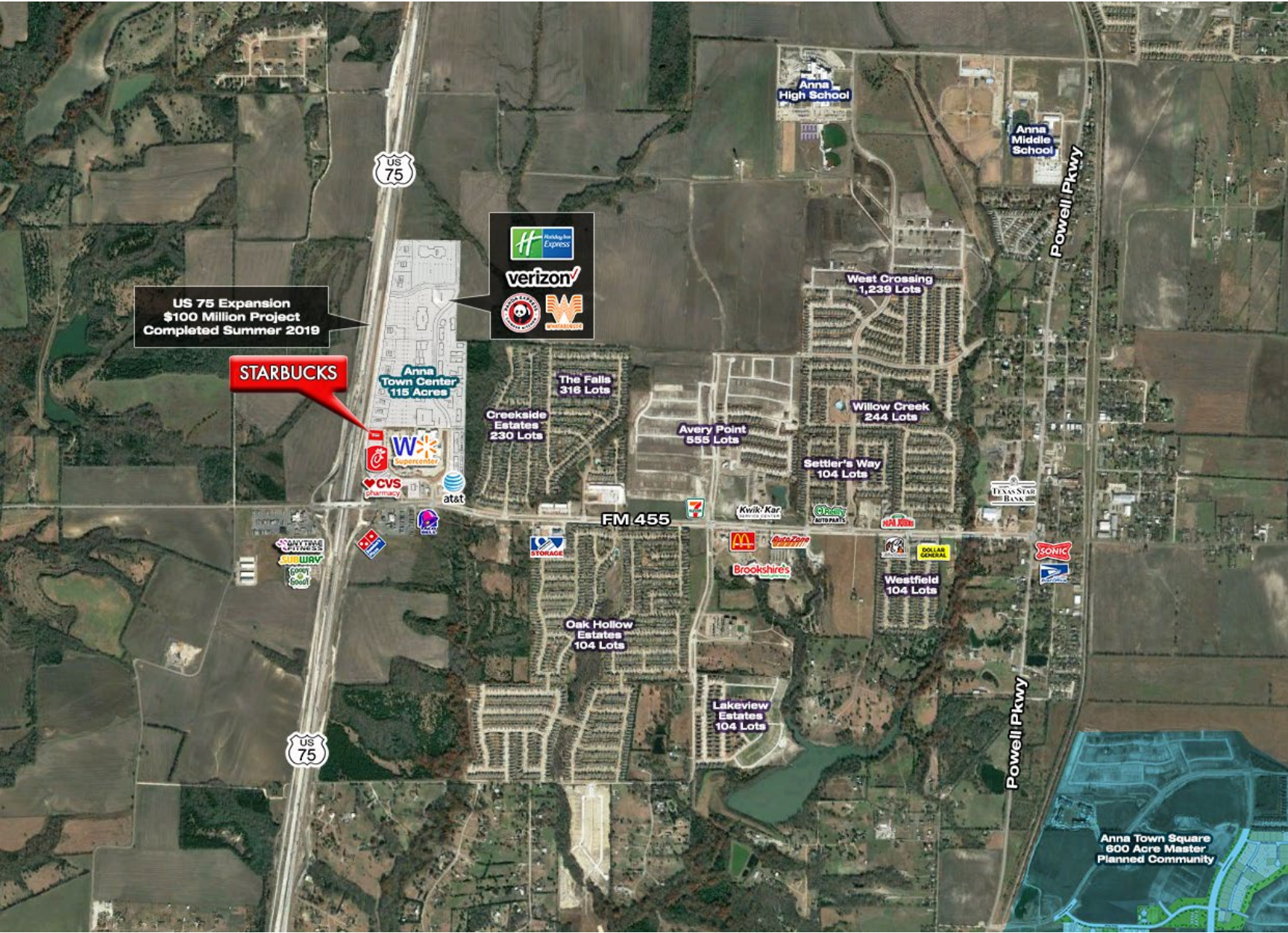




PROPERTY OVERVIEW



PROPERTY OVERVIEW

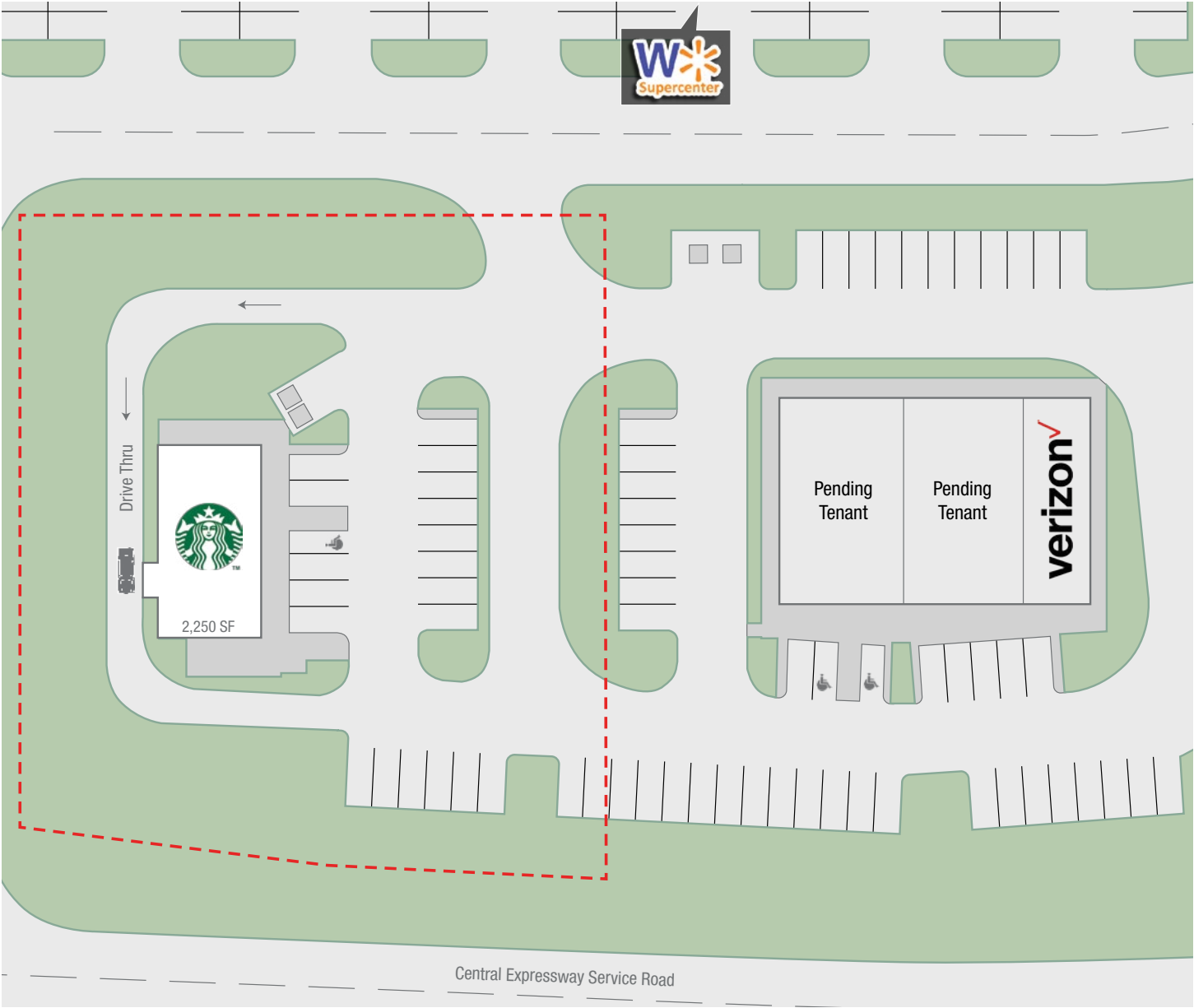


PROPERTY OVERVIEW



PROPERTY OVERVIEW

SITE PLAN



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WALMART SHADOW ANCHOR



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SURROUNDING RETAIL



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PROPERTY OVERVIEW

SURROUNDING RETAIL



PROPERTY OVERVIEW



PROPERTY OVERVIEW





DALLAS/ FORT WORTH AREA OVERVIEW

DALLAS, TX



The Dallas/Fort Worth MSA has a population base in excess of 6,700,000 residents and is largest MSA in the South and fourth in the nation. Also known as “DFW” and “the Metroplex”, the MSA is located in the plains of North Texas and encompasses 12 counties. As the nation’s fastest growing metropolitan area, DFW has led population growth over the last decade, adding 1,300,000 people, or a 25% increase. It is projected that by year 2030, the DFW population will increase by an additional 37% to over 9,200,000 people. The Dallas/Fort Worth area is 9,286 square miles making it larger in area than the states of Rhode Island and Connecticut combined. Dallas is the largest city in the MSA with a population over 1,300,000 residents. Suburban areas surround the MSA, most heavily to the north, with Arlington, Grand Prairie and Irving separating Dallas and Fort Worth by approximately 35 miles. Interstates 20, 30, 35 and 45 are its major arteries connecting it to all regions of the country. Superior growth along these routes has pushed the boundaries of the Dallas/Fort Worth MSA statistical area and allowed the metro area to be the preeminent distribution hub for the region. The region’s transportation network continues to evolve to meet the needs of a growing populace. Metro-area civic leaders are taking proactive steps to improve mobility. Additional tollway miles are planned, including the Trinity Parkway in Dallas

and the extension of the Airport Freeway in Tarrant County. Public transportation is gaining more popularity. DART is the fifth-largest light rail in the country. The DART light rail system is expected to extend further into suburban Dallas, and Collin and Tarrant counties. The business community has easy connections to major commercial centers around the globe via Dallas-Fort Worth International Airport, home to American Airlines, and Dallas Love Field, home to Southwest Airlines. Additionally, there are 13 smaller airports in the Metroplex and nine railroads. DFW is one of the few metro areas in the nation to host teams in all four major sports leagues. It is home to 14 four-year colleges and 15 two-year institutions. DFW continually ranks high as an affordable metro area, especially when compared to other large MSAs, with a cost of living index of 94.7. DFW has the 4th largest number of corporate headquarters in the nation and is home to 18 Fortune 500 companies, including 4 Global 500 companies, and 40 Fortune 1000 companies. The 18 Fortune 500 companies collectively brought in more than \$813 billion last year. DFW has capitalized on its central U.S. location, unparalleled transportation network, operating and living costs well below the national average, pro-business government, critical mass of existing corporate headquarters and offices, and favorable year-round climate.

TRADE AREA OVERVIEW

DEMOGRAPHICS

Variable	1 mile	3 miles	5 miles
2019 Total Population	5,505	15,450	30,921
2024 Total Population (Esri)	7,412	20,342	40,299
2010 Total Population (Esri 2019)	3,000	8,748	16,655
2000 Total Population (U.S. Census)	784	2,691	6,792
2000-2010 Population Annual Compound Growth Rate (U.S. Census)	15.32%	12.90%	9.34%
2019-2024 Population: Annual Growth Rate (Esri)	6.13%	5.66%	5.44%
2019 Total Daytime Population	3,930	11,345	22,343
2019 Median Age (Esri)	31.0	32.1	33.9
2019 Total Households (Esri)	1,717	4,942	10,071
2024 Total Households (Esri)	2,302	6,478	13,070
2010 Total Households (Esri 2019)	941	2,809	5,482
2000 Total Households (U.S. Census)	251	901	2,372
2010-2019 Families: Annual Growth Rate (Esri)	5.78%	5.73%	6.74%
2019 Average Household Income (Esri)	\$88,559	\$90,382	\$100,239
2019 Median Household Income (Esri)	\$79,945	\$80,296	\$85,000
2019 Per Capita Income (Esri)	\$28,258	\$29,100	\$32,771
2019 Education: Less than 9th Grade (Esri) (%)	5%	4%	3%
2019 Education: 9-12th Grade/No Diploma (Esri) (%)	4%	5%	4%
2019 Education: High School Diploma (Esri) (%)	24%	25%	24%
2019 Education: Some College/No Degree (Esri) (%)	24%	23%	25%
2019 Education: Associate's Degree (Esri) (%)	11%	11%	12%
2019 Education: Bachelor's Degree (Esri) (%)	16%	16%	17%
2019 Education: Graduate/Professional Degree (Esri) (%)	12%	11%	11%
2019 Total (SIC01-99) Businesses	70	239	577
2019 Total (SIC01-99) Employees	718	2,439	5,191

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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Regulated by the Texas Real Estate Commission



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