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# EXECUTIVE SUMMARY

STARBUCKS ▸ ORANGE | TEXAS





# EXECUTIVE SUMMARY



<b>Property:</b>	Starbucks
<b>Address:</b>	3126 N. 16th Street Orange, TX 77630
<b>Purchase Price:</b>	\$2,350,000
<b>NOI:</b>	\$117,500
<b>Cap Rate:</b>	5.0%
<b>Lease Term:</b>	10 Years
<b>Lease Start:</b>	July 2020
<b>Lease Expiration:</b>	July 2030

Real Capital Investments is pleased to offer to qualified investors the opportunity to acquire a corporately guaranteed Starbucks situated on approximately 0.75 acres of land in Orange, Texas. The property is strategically located at the signalized intersection of Interstate 10 and 16th Street. Traffic counts on 16th Street exceed 22,500 vehicles per day, with an additional 58,000+ vehicles per day traveling on Interstate 10. The property has excellent access, prominent pylon signage and great visibility from Interstate 10, the largest contiguous highway in the United States, spanning from California to Florida. Approximately 1.5 miles from the property is Shangri La Botanical Gardens, a major regional tourist attraction that had more than 63,500 visitors in 2019. Located 3 miles from the property is Lamar State College Orange, which had over 2,300 students enrolled last semester. The City of Orange is located right off the Gulf of Mexico and the property is less than 3 miles from the Port of Orange, the 3rd largest port in the United States by tonnage. Along the Port of Orange are many major manufacturing plants, petroleum and chemical refineries including Chevron Phillips, Dow, Invista, DuPont and Honeywell, among others, with more than 6,000 employees. This Starbucks offering provides an investor the opportunity to acquire a brand-new construction, pride of ownership asset that is leased to one of the world's most iconic brands. The lease is a double net lease, with minimal landlord responsibilities, creating a safe, passive income stream for an investor.





# INVESTMENT HIGHLIGHTS

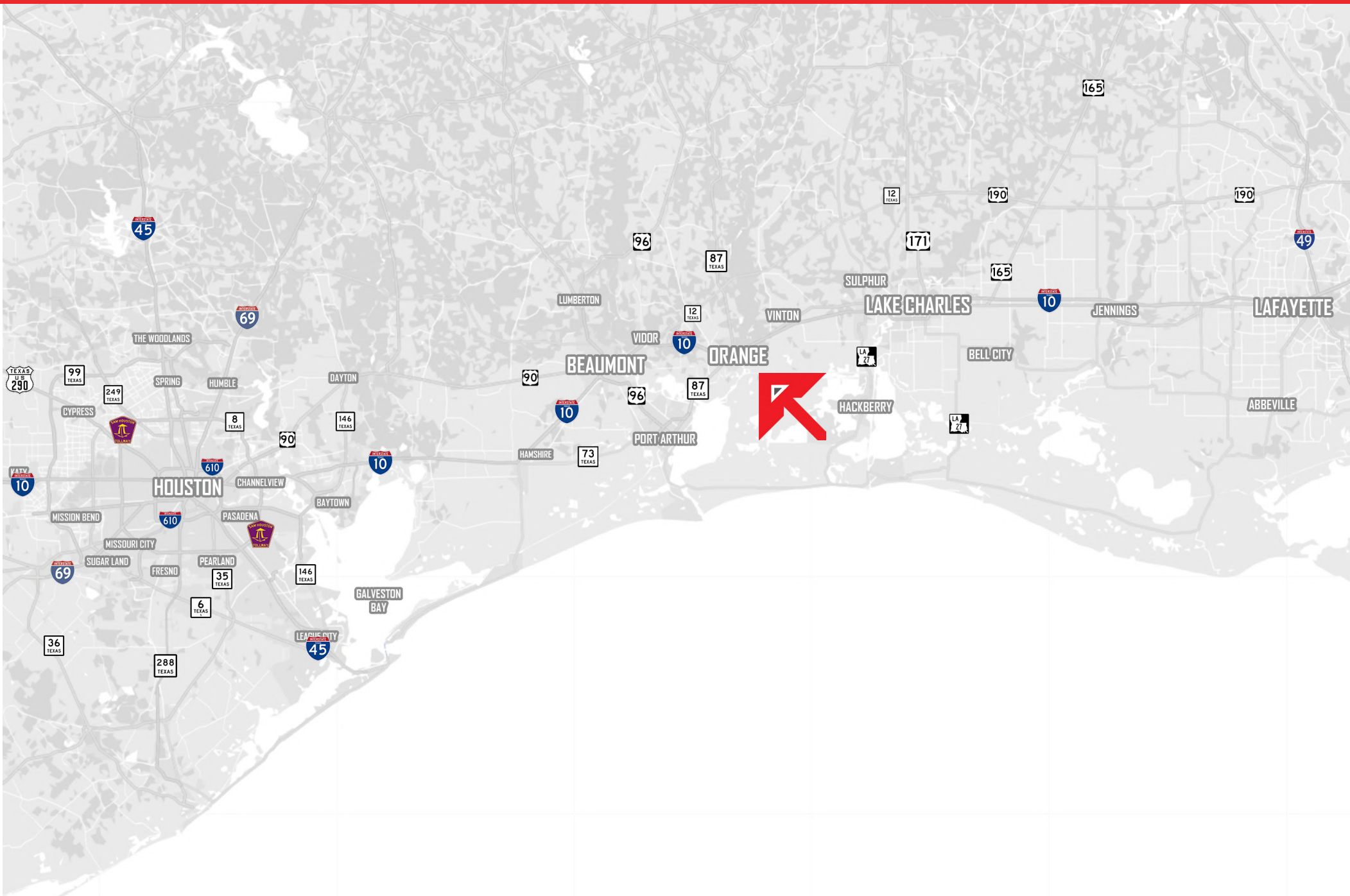


- Brand New 10 Year NN Lease – Stable Cash Flow Asset with Minimal Landlord Responsibilities – Four (5-Year) Options to Renew
- 10% Rent Increases Every 5 Years Throughout the Initial Term and Option Periods, Providing a Strong Hedge Against Inflation
- Corporately Guaranteed Lease by Starbucks (NASDAQ: SBUX) with Over \$26 Billion in Revenue in 2019 and a Market Cap of Over \$77 Billion
- Iconic Global Brand – Starbucks is the Third Largest Fast Food Chain in the World and Largest Coffeehouse in the World with More Than 31,000 Locations
- High Traffic Location – Over 22,500 Vehicles Per Day on 16th Street and Over 58,000 Vehicles Per Day on Interstate 10
- Less Than 3 Miles from Port of Orange, a Deep-Water Port that Connects to the Gulf Intracoastal Waterway – the Third Largest Port in the United States by Tonnage

- 1.5 Miles from Shangri La Botanical Gardens – a Major Regional Tourist Attraction That Had More Than 63,500 Visitors in 2019 – Over 250 Acres of Gardens and Nature Center
- Located Right off Interstate 10 – the Largest Contiguous Highway in the United States, Spanning from California to Florida – Prominent Pylon Signage and Visibility from the Highway
- Within a 5 Mile Radius of 9 Schools That Have More Than 5,250 Students and Faculty
- Approximately 3 Miles from Lamar State College Orange with More Than 2,300 Students Enrolled
- Near Many Major Manufacturing Plants and Petroleum & Chemical Refineries Including Chevron Phillips, Dow, Invista, DuPont and Honeywell, Among Others, with Over 6,000 Employees
- Texas is an Income Tax Free State with a Strong Economy, Providing an Ideal Location for a 1031 Exchange Asset



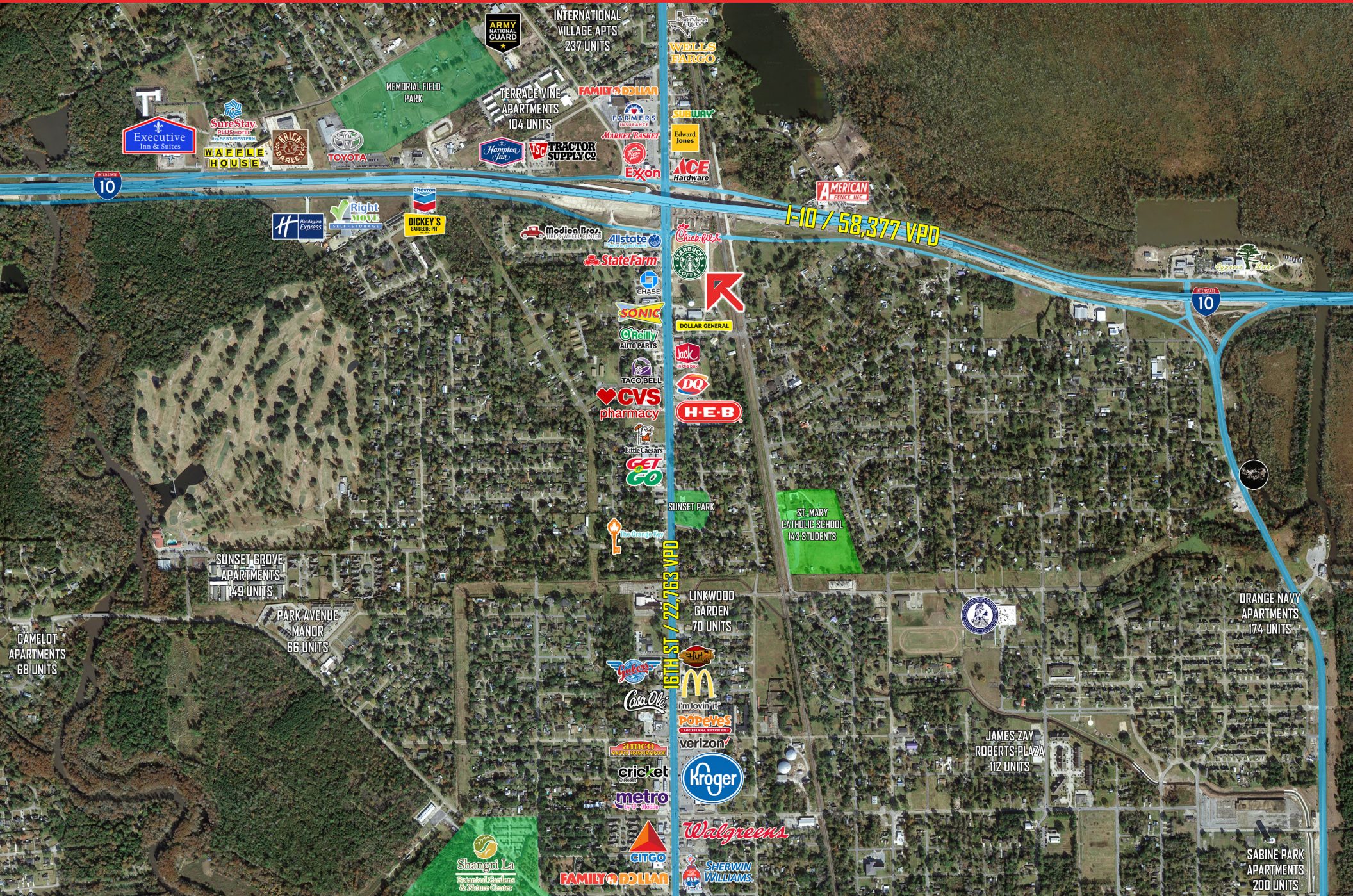
# LOCATION MAP







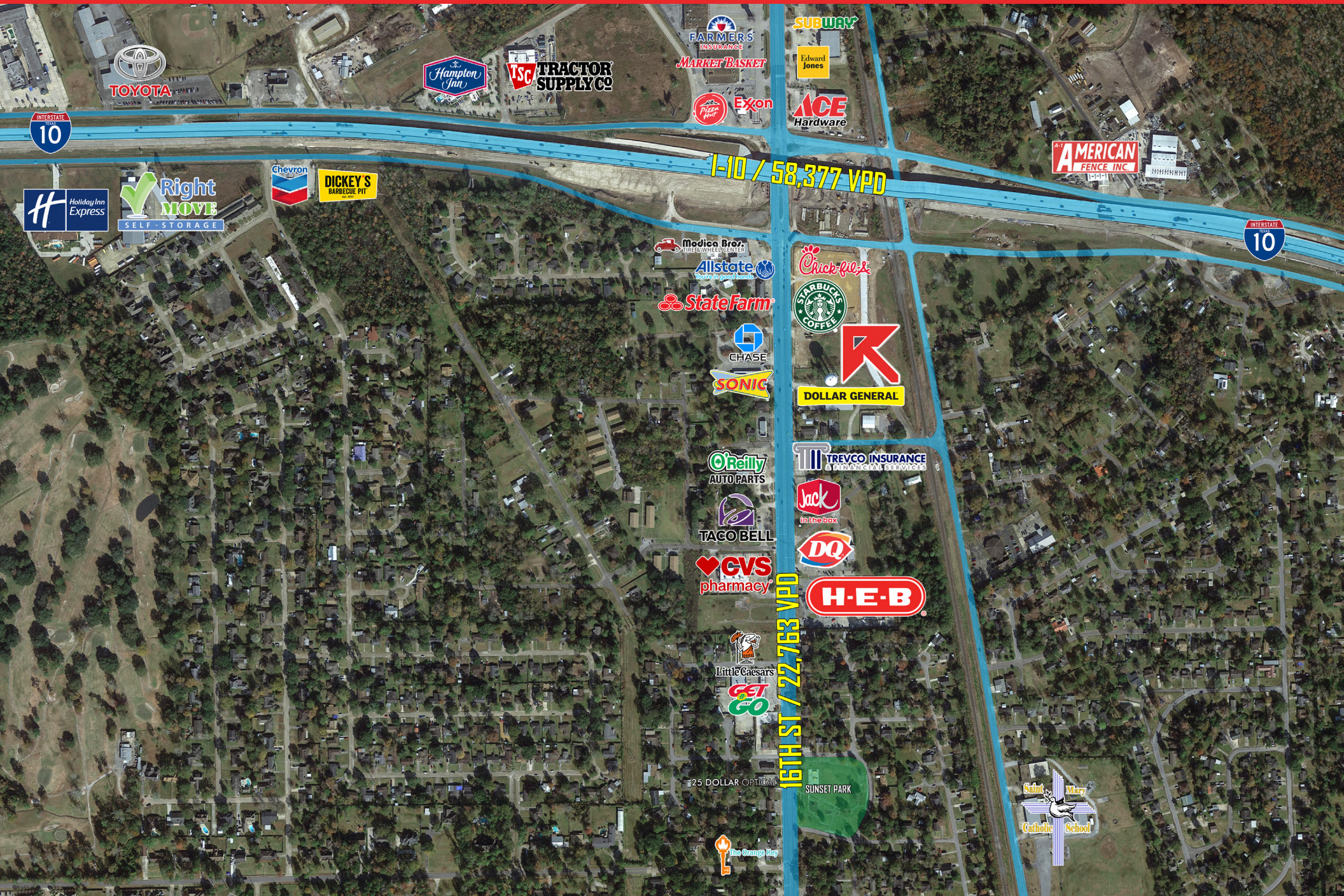
# AERIAL PHOTO







# AERIAL PHOTO







# AERIAL PHOTO







# AERIAL PHOTO





# PROPERTY DESCRIPTION

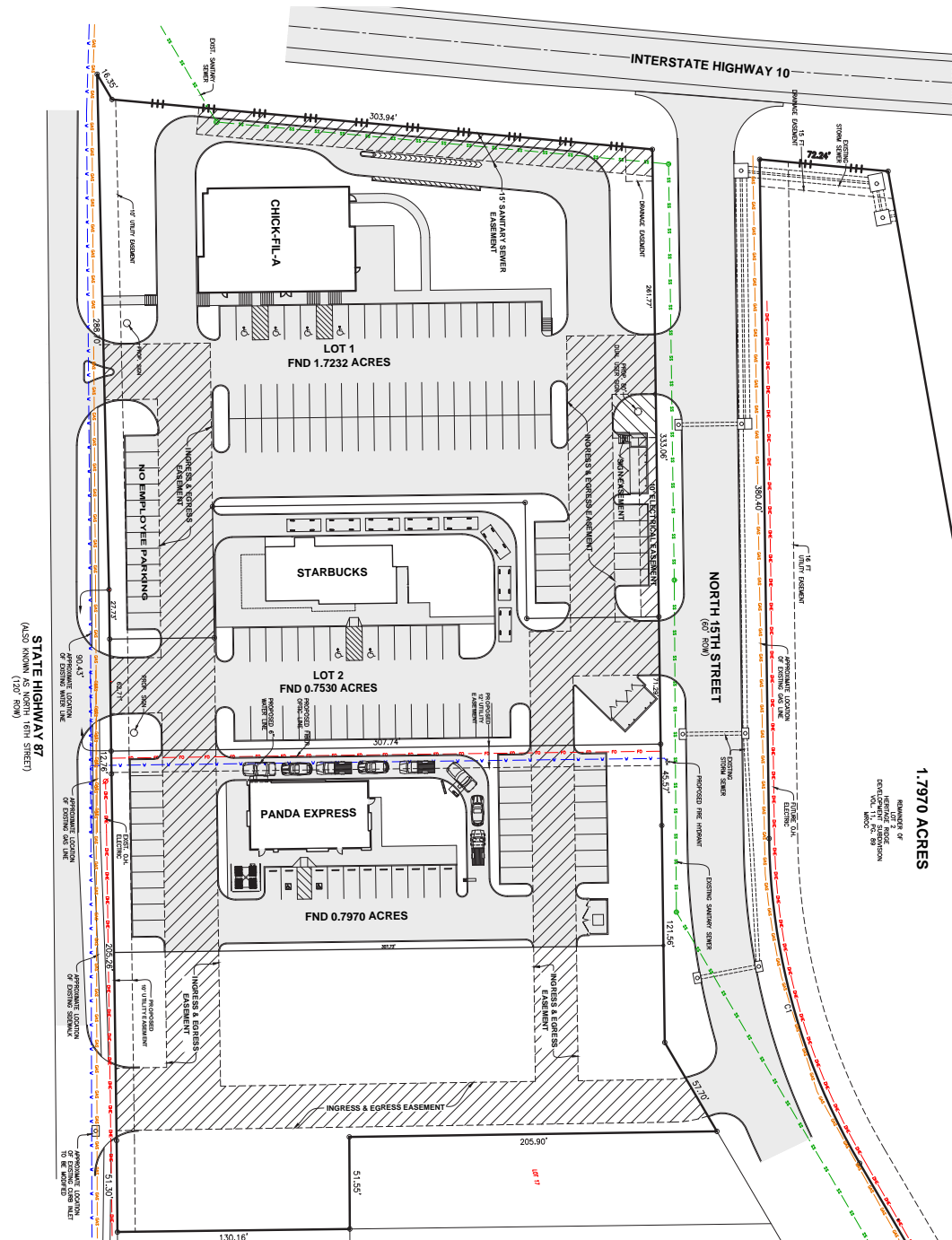
STARBUCKS ▸ ORANGE | TEXAS





# PROPERTY DESCRIPTION

<b>Address:</b>	3126 N. 16th Street Orange, TX 77630	
<b>Parcel ID:</b>	R317672	
<b>Land Size:</b>	Approximately 0.75 Acres	
<b>Access:</b>	One Curb Cut on N. 16th Street & One Curb Cut on N. 15th Street	
<b>Signage:</b>	Pylon & Building Signage	
<b>Year of Construction:</b>	2020	
<b>Building Size:</b>	Approximately 2,100 Square Feet	
<b>Parking:</b>	30 Parking Spaces on Site	
<b>Drive Areas:</b>	Concrete Pavement, Concrete Curbs	
<b>Zoning:</b>	Commercial	
<b>Traffic Counts:</b>	N. 16th Street:	22,763 VPD
	I-10:	58,377 VPD







# LEASE SUMMARY

<b>Tenant Name:</b>	Starbucks Corporation	
<b>Property Location:</b>	3126 N 16th Street Orange, TX 77630	
<b>Lease Start:</b>	July 1, 2020	
<b>Lease Expiration:</b>	June 30, 2030	
<b>Lease Type:</b>	NN	
<b>Landlord Responsibilities:</b>	Roof & Structure	
<b>Base Lease Term:</b>	10 Years	
<b>Renewal Options:</b>	Four (4) Additional (5-Year) Options to Renew	
<b>Rental Increases:</b>	10% Bumps Every 5 Years	
<b>Annual Base Rent:</b>	Years 1-5:	\$117,500.00
	Years 6-10:	\$129,250.00 (10% Increase)
<b>Annual Option Rent:</b>	Years 11-15:	\$142,175.00 (10% Increase)
	Years 16-20:	\$156,392.00 (10% Increase)
	Years 21-25:	\$172,031.75 (10% Increase)
	Years 26-30:	\$189,234.93 (10% Increase)
<b>ROFR:</b>	Yes	







# TENANT OVERVIEW



**\$1.35 MILLION AVG. SALES PER LOCATION**

more than the next closest coffehouse chain,  
Dunkin' Donuts w/ \$933M avg. sales per location in '18



**31,256+**  
LOCATIONS



HEADQUARTERED IN  
**SEATTLE, WASHINGTON**

**OPERATING IN 80 COUNTRIES** as of **2019**,

**91%** OF REVENUE CAME FROM IN STORE SALES WITH NET REVENUES  
OF **\$6.7 BILLION**, A **7% INCREASE** OVER THE PRIOR YEAR. GLOBAL  
STORES FINISHED 2019 WITH AN **INCREASE OF 5%** SALES IN STORE  
WHILE AMERICAS AND USA STORES **INCREASED 6%**.



- **2ND** RANKED U.S. CHAIN RESTAURANT IN 2019
- **\$26.51 BILLION** TOTAL REVENUE in 2019
- **\$107.65 BILLION** MARKET CAP [as of January 14th, 2020]



**POPULAR MOBILE APP**  
OVER 25.2+ MILLION  
DOWNLOADS UP 8%  
FROM MAY 2018.

FORTUNE RANK  
[121]  
STOCK SYMBOL  
(SBUX)  
TOTAL EMPLOYEES  
[291,000+]



# MARKET OVERVIEW

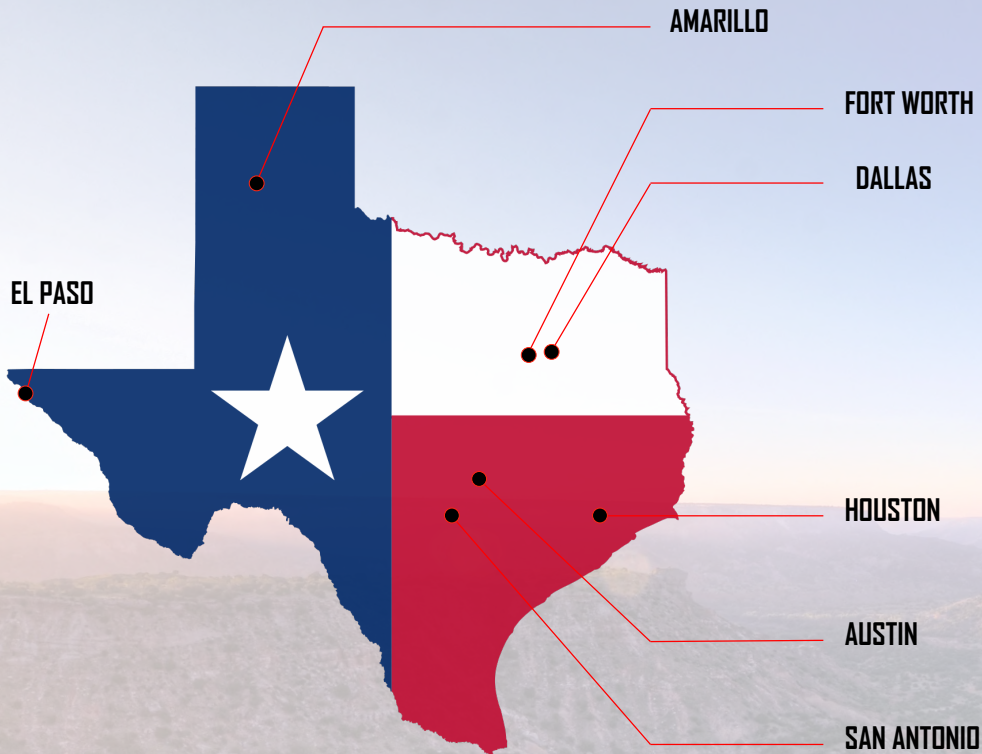
STARBUCKS ▸ ORANGE | TEXAS







# TEXAS MARKET OVERVIEW



POPULATION  
**29,900,000+**



**Fastest growing**  
strongest & most  
resilient economy in  
the United States

**2nd**

LARGEST CIVILIAN  
LABOR WORKFORCE IN THE U.S.  
**13+ MILLION WORKERS**



TOP STATE FOR  
JOB GROWTH

**350,000+ JOBS CREATED IN 2019**



**OVER 3,000 COMPANIES**  
HAVE LOCATED OR EXPANDED  
FACILITIES IN TEXAS SINCE 2009



**ACCOUNTS FOR 10% OF MANUFACTURING**  
IN THE UNITED STATES EVERY YEAR  
**LARGEST PRODUCER OF WIND POWER**  
IN AMERICA, CREATING 3x MORE THAN THE  
NEXT CLOSEST STATE

**54**

FORTUNE 500  
COMPANIES  
IN TEXAS



BY ITSELF, TEXAS WOULD BE THE  
**10TH LARGEST ECONOMY**  
**IN THE ENTIRE WORLD**  
and IS THE 2ND LARGEST IN THE U.S.



**NO STATE INCOME TAX**  
MAKING IT AN IDEAL LOCATION  
FOR A 1031 EXCHANGE ASSET



**RATED 2nd BEST**  
**STATE FOR BUSINESS**  
BY FORBES MAGAZINE





# HOUSTON MARKET OVERVIEW

**4th** LARGEST CITY  
IN THE UNITED STATES  
**METRO POPULATION: 6,997,384**

**1st** LARGEST  
CITY IN THE STATE OF TEXAS  
**CITY POPULATION: 2,325,502**



**18.2% POPULATION GROWTH**  
INCREASE BETWEEN 2010 & 2018  
(METRO AREA)



**1,574,365+ CIVILIAN LABOR FORCE**  
UP 4.6% SINCE APRIL 2018

**18+ MILLION**  
VISITORS COME TO  
THE CITY EVERY YEAR



**2** COMMERCIAL AIRPORTS



**4** INTERSTATE HIGHWAYS

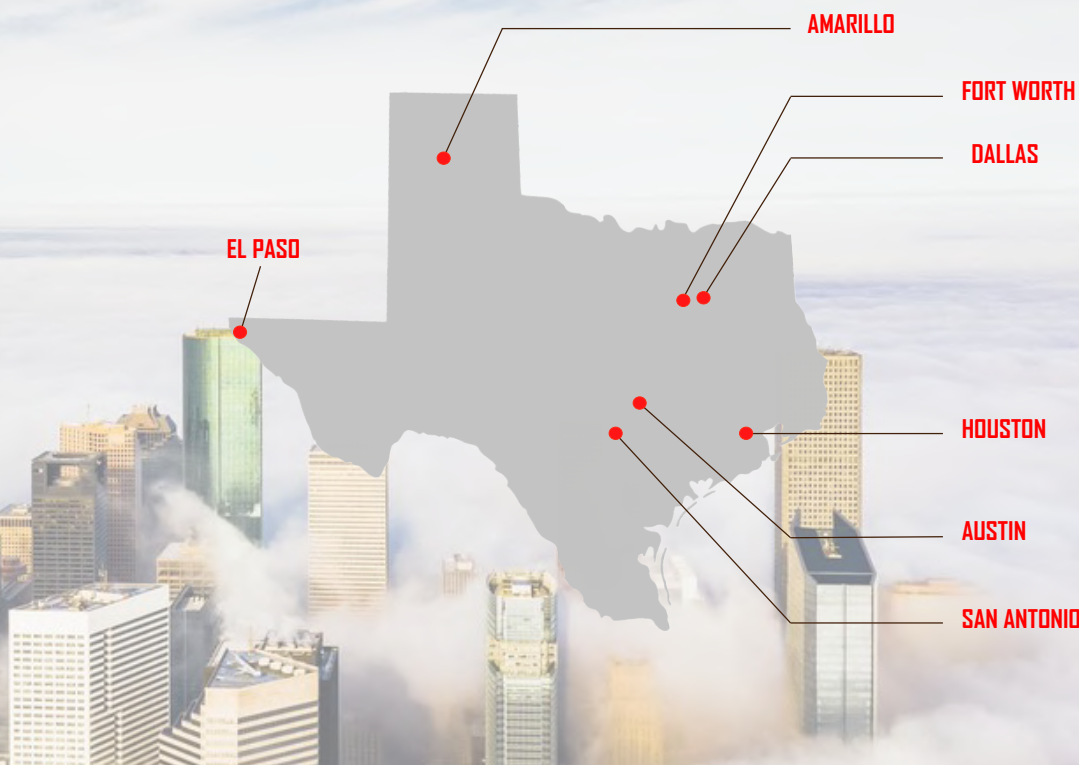


**7** RAILWAY PORTS

**25 FORTUNE  
500 COMPANIES**  
BASED IN HOUSTON MSA

**2nd** LARGEST CONCENTRATION OF FORTUNE 1000  
COMPANIES IN THE COUNTRY (49) BEHIND ONLY  
NEW YORK (72)

- TOP 7 MOST IMPRESSIVE AMERICAN CITIES FOR DIVERSITY, AFFORDABILITY, & ECONOMY STRENGTH (THRILLIST)
- RANKS FIRST AMONG U.S. CITIES WHERE PAYCHECKS STRETCH THE FURTHEST (FORBES)
- HAS A VERY YOUNG POPULATION WITH APPROXIMATELY 22.1% OF RESIDENTS AGED 5-19 YEARS OLD (THE LARGEST POPULATION SEGMENT)
- THE GREATER HOUSTON AREA HAS 14 MAJOR INSTITUTIONS OF HIGHER LEARNING & MORE THAN 60 DEGREE-GRANTING COLLEGES, UNIVERSITIES, & TECHNICAL SCHOOLS







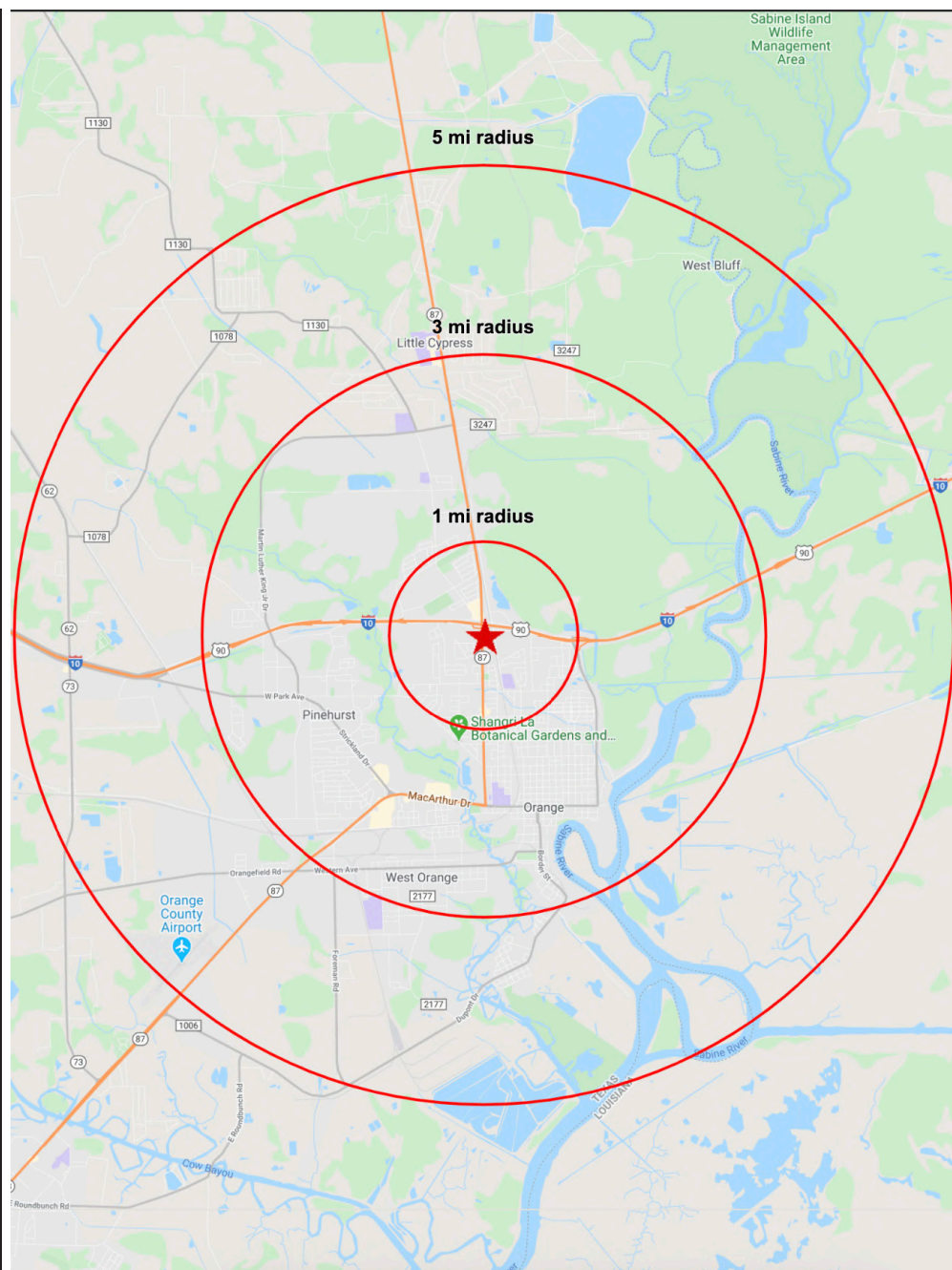
# DEMOGRAPHICS

3126 N 16th St

Orange, TX 77630

1 mi radius 3 mi radius 5 mi radius

POPULATION	2020 Estimated Population	5,508	21,102	27,963
	2025 Projected Population	5,440	20,141	26,513
	2010 Census Population	5,679	21,655	28,258
	2000 Census Population	6,852	24,824	31,696
	Projected Annual Growth 2020 to 2025	-0.2%	-0.9%	-1.0%
	Historical Annual Growth 2000 to 2020	-1.0%	-0.7%	-0.6%
HOUSEHOLDS	2020 Median Age	39.6	39.3	39.4
	2020 Estimated Households	2,443	9,144	11,931
	2025 Projected Households	2,478	8,964	11,633
	2010 Census Households	2,361	8,799	11,315
	2000 Census Households	2,679	9,784	12,339
	Projected Annual Growth 2020 to 2025	0.3%	-0.4%	-0.5%
RACE AND ETHNICITY	Historical Annual Growth 2000 to 2020	-0.4%	-0.3%	-0.2%
	2020 Estimated White	47.3%	61.6%	67.8%
	2020 Estimated Black or African American	45.1%	30.5%	24.6%
	2020 Estimated Asian or Pacific Islander	1.9%	1.7%	1.6%
	2020 Estimated American Indian or Native Alaskan	0.3%	0.5%	0.5%
	2020 Estimated Other Races	5.4%	5.7%	5.5%
INCOME	2020 Estimated Hispanic	7.4%	8.5%	8.3%
	2020 Estimated Average Household Income	\$72,528	\$73,021	\$73,913
	2020 Estimated Median Household Income	\$46,492	\$51,266	\$52,815
	2020 Estimated Per Capita Income	\$32,220	\$31,811	\$31,704
EDUCATION (AGE 25+)	2020 Estimated Elementary (Grade Level 0 to 8)	1.8%	2.5%	2.5%
	2020 Estimated Some High School (Grade Level 9 to 11)	7.1%	8.9%	8.7%
	2020 Estimated High School Graduate	36.9%	36.5%	37.3%
	2020 Estimated Some College	28.6%	28.8%	28.0%
	2020 Estimated Associates Degree Only	9.1%	8.4%	7.9%
	2020 Estimated Bachelors Degree Only	12.4%	11.3%	11.8%
BUSINESS	2020 Estimated Graduate Degree	4.1%	3.6%	3.8%
	2020 Estimated Total Businesses	177	936	1,167
	2020 Estimated Total Employees	1,527	8,273	11,447
	2020 Estimated Employee Population per Business	8.6	8.8	9.8
	2020 Estimated Residential Population per Business	31.1	22.5	24.0





# INFORMATION ABOUT BROKERAGE SERVICES

Approved by the Texas Real Estate Commission for Voluntary Use

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

**B**efore working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly

#### IF THE BROKER REPRESENTS THE OWNER:

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written - listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information.

#### IF THE BROKER REPRESENTS THE BUYER:

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interest of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

#### IF THE BROKER ACTS AS AN INTERMEDIARY:

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the

each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- (1) shall treat all parties honestly;
- (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- (4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

If you choose to have a broker represent you, you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions

Real estate licensee asks that you acknowledge receipt of this information about brokerage services for the licensee's records.



# DISCLAIMER

The information contained in this Offering Memorandum is proprietary and strictly confidential. It is furnished solely for the purpose of considering the purchase of the Starbucks located at 3126 N 16th Street (the "Property") and is not to be used for any other purposes. This information should not, under any circumstances, be made available or disclosed to any third party without the express written consent of Real Capital Investments or Owner, or used for any purpose whatsoever other than to evaluate the possible purchase of the Property. Real Capital Investments nor the Owner make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, and nothing contained herein is or shall be relied upon as a promise or representation as to the future performance of the Property. This Offering Memorandum may include certain statements and estimates by Real Capital Investments with respect to the projected future performance of the Property. These Assumptions may or may not be proven to be correct, and there can be no assurance that such estimates will be achieved. Real Capital Investments and the Owner disclaim any and all liability for representations or warranties, expressed or implied, contained in or omitted from this Offering Memorandum, or any other written or oral communication transmitted or made available to the recipient. The recipient shall be entitled to rely solely on those representations and warranties that may be made to it in any final, fully executed and delivered Real Estate Purchase and Sale Agreement between it and Owner. The information contained herein is subject to change without notice and the recipient of these materials shall not look to Owner or Real Capital Investments, nor any of their officers, employees, representatives, independent contractors, or affiliates, for the accuracy or completeness thereof. Recipients of this Offering Memorandum are advised and encouraged to conduct their own comprehensive review and analysis of the Property. This Offering Memorandum is a solicitation of interest only and is not an offer to sell the Property. The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest to purchase the Property and expressly reserves the right, at its sole discretion, to terminate discussions with any entity at any time with or without notice. The Owner shall have no legal commitment or obligation to any entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until the Owner executes and delivers a signed Real Estate Purchase and Sale Agreement on terms acceptable to Owner, in Owner's sole discretion. By submitting an offer, a prospective purchaser will be deemed to have acknowledged the foregoing and agreed to release Owner and Real Capital Investments from any liability with respect hereto.

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