

# BRAND NEW CONSTRUCTION DRIVE-THRU STARBUCKS

NN Investment Opportunity



**STARBUCKS**

(S&P: BBB+)

**NO COVID-19 RENT DEFERRAL/ABATEMENT LANGUAGE**



117 Highway 146 S. | La Porte, Texas

**HOUSTON MSA**

REPRESENTATIVE PHOTO



**SRS**

NATIONAL  
NET LEASE  
GROUP



## EXCLUSIVELY MARKETING BY



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# INVESTMENT SUMMARY



SRS National Net Lease Group is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in a NN leased, newly built, drive-thru equipped, investment grade (S&P: BBB+), Starbucks investment property located in La Porte, TX (Houston MSA). The tenant, Starbucks Corporation, recently signed a brand new 10-year lease with 4 (5-year) option periods to extend, demonstrating their commitment to the site. The lease features 10% rental increases throughout the initial term and option periods, growing NOI and hedging against inflation. The lease is signed by the corporate entity (S&P: BBB+) and is NN with limited landlord responsibilities, making this an ideal, low-management investment opportunity for a passive investor. Founded in 1971, Starbucks is the premier roaster and retailer of specialty coffee with over 33,000 locations worldwide. The building, which is slated to open in November 2021, will feature a state-of-the-art design using high quality materials.

This newly constructed Starbucks is strategically positioned fronting SH 146 (102,506 CPD) near the signalized, hard corner SH 146/W. Main intersection. SH 146 is the dominant north-south artery through the established La Porte trade area in the Houston MSA, and W. Main is prominent east-west artery as well as a dedicated exit from SH 146 in both directions. The new, free-standing Starbucks building is complete with a drive-thru to maximize both sales and convenience to the dense customer base immediately surrounding the site. On average, stores with drive-thrus experience higher sales than those without. Starbucks is directly across from La Porte Plaza, a 65,000 SF (Est.) neighborhood shopping center anchored by Goodwill and Dollar Tree. Other nearby national/credit tenants include Kroger, NAPA Auto Parts, Family Dollar, Goodyear, Walgreens, and more. Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for the site. Furthermore, the property is within proximity to multiple apartment complexes including Vista Pointe (79 units), Gateway Grove (88 units), Domain at Morgans Landing (350 units), and more, providing a direct residential consumer base from which Starbucks can draw. In addition to other national retailers and the established residential base, Starbucks is further bolstered by the Houston Ship Channel, the largest U.S. port in waterborne tonnage, that accounts for a staggering 20.6% of Texas's GDP and contributes to over 3.2 million jobs throughout the state. Numerous corporations such as LyondellBassell, Total, Braskem, DHL, DuPont, BASF, DOW, Goodyear, Air Liquide, Anheuser-Busch, Praxair, Floor and Décor, Clariant, Nestle Water, Amazon, GEODIS, Arizona Tile, Valvoline, Frontier Logistics, Worley, Clean Harbors, Mistras Group, Austin Industrial, and Exxon Mobil (7,000 employees alone) are some of the major employment generators contributing to the 32,200 daytime employees within a 5-mile radius. The population of over 53,000 residents with an average annual income of \$92,240 further compliment the site and deepen the customer base from which Starbucks can draw from.



# CONSTRUCTION OCTOBER 2021





# OFFERING SUMMARY



## OFFERING

<b>Tenant</b>	Starbucks Corporation (NASDAQ: SBUX)
<b>Cap Rate</b>	4.00%
<b>Net Operating Income</b>	\$135,000
<b>Lease Type</b>	Corporate Net Lease
<b>Long Lease Term</b>	10 Years w/ Four (4) 5-Year Options
<b>Rental Increases</b>	10% Every 5 Years Through Entire Term
<b>Early Termination</b>	None

## PROPERTY SPECIFICATIONS

<b>Building Area</b>	+/- 2,113 SF
<b>Land Area</b>	+/- 0.72 Acres
<b>Year Built</b>	New Construction (Opening Q4 2021)
<b>Occupancy</b>	100% Single Tenant
<b>Property Address</b>	117 Highway 146 S. La Porte, TX 77571

# INVESTMENT HIGHLIGHTS



## **Brand New 10-Year Lease | Investment Grade (S&P: BBB+) | Scheduled Rental Increases | 2021 Construction**

- The tenant recently signed a brand new 10-year lease with 4 (5-year) option periods to extend, demonstrating their commitment to the site
- The lease features 10% rental increases throughout the initial term and option periods, growing NOI and hedging against inflation
- The lease is signed by the corporate entity (S&P: BBB+)
- Founded in 1971, Starbucks is the premier roaster and retailer of specialty coffee with over 33,000 locations worldwide
- The building, which is slated to open in November 2021, will feature a state-of-the-art design using high quality materials

## **NN Leased | Fee Simple Ownership | Limited Landlord Responsibilities**

- Tenant pays for taxes and insurance
- Limited landlord responsibilities
- Ideal, low-management investment for a passive investor

## **Direct Residential Consumer Base | Strong Demographics in 5-Mile Trade Area**

- Within proximity to multiple apartment complexes including Vista Pointe (79 units), Gateway Grove (88 units), Domain at Morgans Landing (350 units), and more, providing a direct residential consumer base from which Starbucks can draw
- More than 53,000 residents and 32,200 daytime employees support the trade area
- \$92,240 average household income

## **Across From La Porte Plaza | National/Credit Tenant Presence | Houston Ship Channel | Strong Corporate Presence**

- Starbucks is directly across from La Porte Plaza, a 65,000 SF (Est.) neighborhood shopping center anchored by Goodwill and Dollar Tree
- Other nearby national/credit tenants include Kroger, NAPA Auto Parts, Family Dollar, Goodyear, Walgreens, and more
- Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for the site
- Starbucks is further bolstered by the Houston Ship Channel, the largest U.S. port in waterborne tonnage, that accounts for a staggering 20.6% of Texas's GDP and contributes to over 3.2 million jobs throughout the state
- Numerous corporations such as LyondellBassell, DHL, DOW, Goodyear, Anheuser-Bush, Praxair, Floor and Décor, Nestle Water, Amazon, GEODIS, Valvoline, Frontier Logistics, Clean Harbors, Mistras Group, Austin Industrial, Exxon Mobil (7,000 employees alone), and more are some of the major employment generators

## **Off State Highway 146 | Signalized, Hard Corner Intersection | Drive-Thru Equipped | Excellent Visibility & Access**

- This newly constructed Starbucks is strategically positioned fronting SH 146 (102,506 CPD) near the signalized, hard corner SH 146/W. Main intersection
- SH 146 is the dominant north-south artery through the established La Porte trade area in the Houston MSA, and W. Main is prominent east-west artery as well as a dedicated exit from SH 146 in both directions
- The new, free-standing Starbucks building is complete with a drive-thru to maximize both sales and convenience to the dense customer base immediately surrounding the site
- The asset has multiple points of ingress/egress

# PROPERTY OVERVIEW



## Location



La Porte, Texas  
Harris County  
Houston MSA

## Parking



There are approximately 26 parking spaces on the owned parcel.  
The parking ratio is approximately 12.30 stalls per 1,000 SF of leasable area.

## Access



State Highway 146: 1 Access Point  
West A Street: 1 Access Point

## Parcel



Parcel Number: 1402740010001  
Acres: 0.72  
Square Feet: 31,250

## Traffic Counts



State Highway 146: 102,506 Vehicles Per Day

## Construction



Under Construction (Opening Q4 2021)

## Improvements



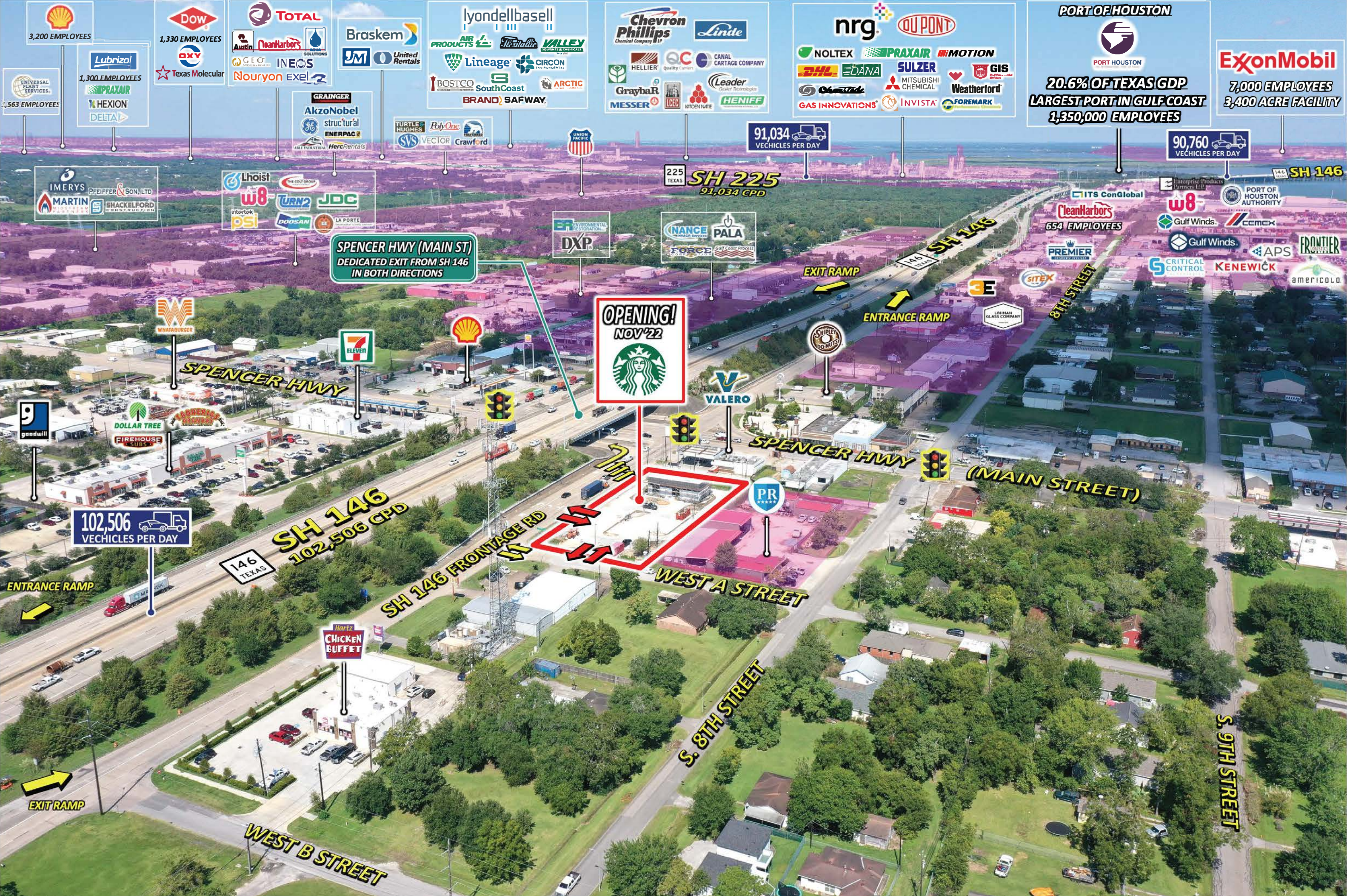
There is approximately +/- 2,113 SF of existing building area

## Zoning



Commercial





3,200 EMPLOYEES



1,330 EMPLOYEES



1,300 EMPLOYEES



1,563 EMPLOYEES



1,300 EMPLOYEES



1,300 EMPLOYEES



1,300 EMPLOYEES



1,350,000 EMPLOYEES



7,000 EMPLOYEES  
3,400 ACRE FACILITY



1,300 EMPLOYEES



1,300 EMPLOYEES



1,300 EMPLOYEES



1,300 EMPLOYEES



1,300 EMPLOYEES



1,300 EMPLOYEES



1,350,000 EMPLOYEES



7,000 EMPLOYEES  
3,400 ACRE FACILITY

SPENCER HWY (MAIN ST)  
DEDICATED EXIT FROM SH 146  
IN BOTH DIRECTIONS



91,034 VEHICLES PER DAY  
SH 225  
91,034 CPD

90,760 VEHICLES PER DAY  
SH 146

102,506 VEHICLES PER DAY  
SH 146  
102,506 CPD

ENTRANCE RAMP

EXIT RAMP

SPENCER HWY (MAIN STREET)

SH 146 FRONTAGE RD

WEST A STREET

S. 8TH STREET

S. 9TH STREET

WEST B STREET



BAYPORT CONTAINER TERMINAL

HOUSTON YACHT CLUB

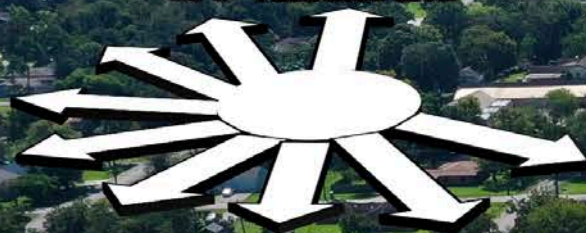
SAN JACINTO COLLEGE

PORT OF HOUSTON



PORT HOUSTON

20.6% OF TEXAS GDP  
LARGEST PORT IN GULF COAST  
1,350,000 EMPLOYEES  
270° AROUND SITE



SPENCER HWY (MAIN ST)  
DEDICATED EXIT FROM SH 146  
IN BOTH DIRECTIONS

"BAYPORT INDUSTRIAL DISTRICT"  
HIGHEST CONCENTRATION ENERGY & CHEMICAL COMPANIES IN THE NATION  
11,000 LOCAL EMPLOYEES  
60+ PETROCHEMICAL COMPANIES  
8,500 ACRE BUSINESS PARK



BARBERS CUT TERMINAL

GARDEN SUITES

102,506  
VEHICLES PER DAY

STATE HIGHWAY 146

(MAIN STREET)

S. 8TH STREET

S. 5TH STREET

SH 146 FRONTAGE RD

EXIT RAMP

ENTRANCE RAMP

WEST A STREET









STATE HIGHWAY 146



SIGNAGE

WEST A STREET



## LOCATION MAP

## 2021 POPULATION

1 Mile	3,985
3 Miles	22,038
5 Miles	53,188

## 2021 AVERAGE HOUSEHOLD INCOME

1 Mile	\$70,396
3 Miles	\$93,526
5 Miles	\$92,240

## 2021 TOTAL EMPLOYEES

1 Mile	7,420
3 Miles	16,677
5 Miles	32,221

**HOUSTON**  
26 min | 25 miles

## FORTE



## HOUSTON SHIP CHANNEL

Houston Ship Channel  
**Rankings:**

**#1 Container port**  
on the U.S. Gulf of Mexico

**#1 U.S. port**  
for Waterborne Tonnage

More than

69%

of U.S. Gulf of Mexico  
container traffic moves  
through Port Houston

698,177

jobs generated from  
terminal activity

Houston Ship Channel

### Economic Impact:

U.S.

**3.2M**  
jobs

**\$801.9B**  
in economic value

**\$38.1B**  
in tax revenue

## Texas

**1.35M**  
jobs

**\$339B**  
in statewide  
economic value  
(20% of Texas  
GDP)

**\$74.3B**  
in personal  
income and  
consumption  
expenditures

**\$5.6B**  
in state and  
local tax  
revenue



### LA PORTE, TEXAS

La Porte, Texas, in Harris county, is 5 miles SW of Baytown, Texas and 21 miles E of Houston, Texas. The city is in the Houston area. The City of La Porte provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure and recreational activities and cultural events. The City of La Porte had a population of 36,624 as of July 1, 2021.

The City of La Porte is located in the southeast quadrant of Harris County, which is a 1,723 square mile county is a leading oil, gas and petrochemical areas. The County has more than 3,200 manufacturing plants, the nation's largest concentration of petrochemical plants, and the third largest United States seaport and is a corporation management center. A significant part of the County's major employers, manufacturers, education and financial institutions are located in Houston, the County seat. The Texas Medical Center, located in Harris County, is one of the nation's largest, providing medical care and educational opportunities. Principal employers of the City are Equistar Chemicals, La Porte ISD, DuPont Chemical, J V Piping, Total Petrochemicals, City of La Porte, Ineos, Mobley Industrial, Kateon Natie Houston and CCC Group Inc.

The Battlefield USS Texas is considered to be the world's only existing dreadnought. It served in both World Wars and now stands in La Porte as a tourist attraction. School children raised money to have the ship completely renovated. San Jacinto Battlefield State Historical Park has a 570-foot tall limestone monument built in remembrance of the war fought in 1836 between the armies of General Antonio Lopez de Santa Anna and the patriots of Texas. This war resulted in Texas earning its independence. Pleasant Hill Baptist Church is known for its quaint architecture and the ambience of serenity. La Porte Cemetery attracts visitors for its peaceful surroundings.





### PORT HOUSTON

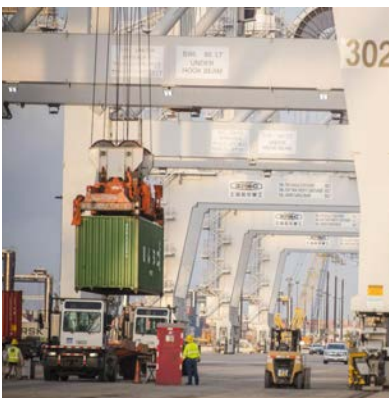
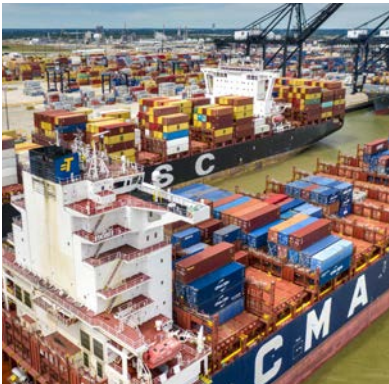
For more than 100 years, Port Houston has owned and operated the public wharves and terminals along the Houston Ship Channel, including the area's largest breakbulk facility and two of the most efficient container terminals in the country. Port Houston is the advocate and a strategic leader for the Channel. The Houston Ship Channel complex and its more than 200 public and private terminals, collectively known as the Port of Houston, is the nation's largest port for waterborne tonnage and an essential economic engine for the Houston region, the state of Texas and the U.S.

The Port of Houston supports the creation of nearly 1.35 million jobs in Texas and 3.2 million jobs nationwide, and economic activity totaling \$339 billion in Texas – 20.6 percent of Texas' total gross domestic product (GDP) – and \$801.9 billion in economic impact across the nation.

Being the largest port on the Gulf Coast and the biggest port in Texas, the Port of Houston has been instrumental in the city of Houston's development for international trade. It is home to a multi-billion petrochemical complex, the largest in the nation and second largest in the world. Carrier services on all major trade lanes link Houston to international markets around the globe. The ship channel also intersects a very busy barge traffic lane, the Gulf Intracoastal Waterway.

Centrally located on the Gulf Coast, Houston is a strategic gateway for cargo originating in or destined for the U.S. West and Midwest. Houston lies within close reach of one of the nation's largest concentrations of 152 million consumers within 1,000 miles. Ample truck, rail and air connections allow shippers to economically transport their goods between Port Houston and inland points.

The port is vital to the local, state and national economy and the maintenance and improvements of the public facilities ensures its continued economic impacts.





### HOUSTON, TEXAS

Houston, the largest city in Texas and seat of Harris County, is located in the southeast part of the state near the Gulf of Mexico. The City of Houston is the largest city in Texas with a population of 2,358,708 as of July 1, 2018. It is the principal city of Houston–The Woodlands–Sugar Land, which is the fifth-most populated metropolitan area in the United States.

Known as the Bayou City for its waterway system, Houston thrives because it is a great place to work and a great place to live. For business and fun, for living and visiting, Houston is one of the dynamic frontiers on the world stage. With its proximity to the Southern Hemisphere and having the infrastructure to accommodate the growing needs of numerous global interests, Houston has become an international destination and one of the world's great cities.

As a major corporate center, Houston is home to 23 Fortune 500 companies. The port of Houston ranks high among U.S. ports in foreign tonnage handled. The city is a major business, financial, science, and technology center. Houston is outstanding in oil and natural-gas production and is the energy capital of the world. It is the home of one of the largest medical facilities in the world: the Texas Medical Center, and the focus of the aerospace industry. The Lyndon B. Johnson Space Center is the nation's headquarters for staffed spaceflight.

Harris County is a county located in the U.S. state of Texas. The estimated population as of 2017 was 4,666,093, making it the most populous county in Texas and the third-most populous county in the United States. Its county seat is Houston, the largest city in Texas and fourth-largest city in the United States.

Two commercial airports, George Bush Intercontinental Airport and William P. Hobby Airport, are located in Houston and in Harris County. The Houston Airport System defines Harris County as a part of Bush InterContinental's service region. The city of Houston operates Ellington Field, a general aviation and military airport in Harris County.



# AREA DEMOGRAPHICS



	1 MILE	3 MILES	5 MILES
<b>POPULATION</b>			
2021 Estimated Population	3,985	22,038	53,188
2026 Projected Population	4,139	24,850	57,502
2010 Census Population	3,794	20,194	49,391
Projected Annual Growth 2021 to 2026	0.76%	2.43%	1.57%
Historical Annual Growth 2010 to 2021	0.47%	0.78%	0.71%
<b>HOUSEHOLDS &amp; GROWTH</b>			
2021 Estimated Households	1,389	7,729	18,195
2026 Projected Households	1,434	8,715	19,664
2010 Census Households	1,335	7,109	16,882
Projected Annual Growth 2021 to 2026	0.64%	2.43%	1.56%
Historical Annual Growth 2010 to 2021	0.37%	0.75%	0.72%
<b>RACE &amp; ETHNICITY</b>			
2021 Estimated White	59.29%	81.56%	83.31%
2021 Estimated Black or African American	19.50%	8.18%	6.60%
2021 Estimated Asian or Pacific Islander	1.36%	1.26%	1.44%
2021 Estimated American Indian or Native Alaskan	0.58%	0.66%	0.65%
2021 Estimated Other Races	13.30%	11.90%	12.92%
2021 Estimated Hispanic	44.52%	37.29%	40.67%
<b>INCOME</b>			
2021 Estimated Average Household Income	\$70,396	\$93,526	\$92,240
2021 Estimated Median Household Income	\$58,663	\$78,784	\$76,220
2021 Estimated Per Capita Income	\$24,707	\$32,775	\$31,642
<b>BUSINESSES &amp; EMPLOYEES</b>			
2021 Estimated Total Businesses	459	902	1,723
2021 Estimated Total Employees	7,420	16,677	32,221



# RENT ROLL



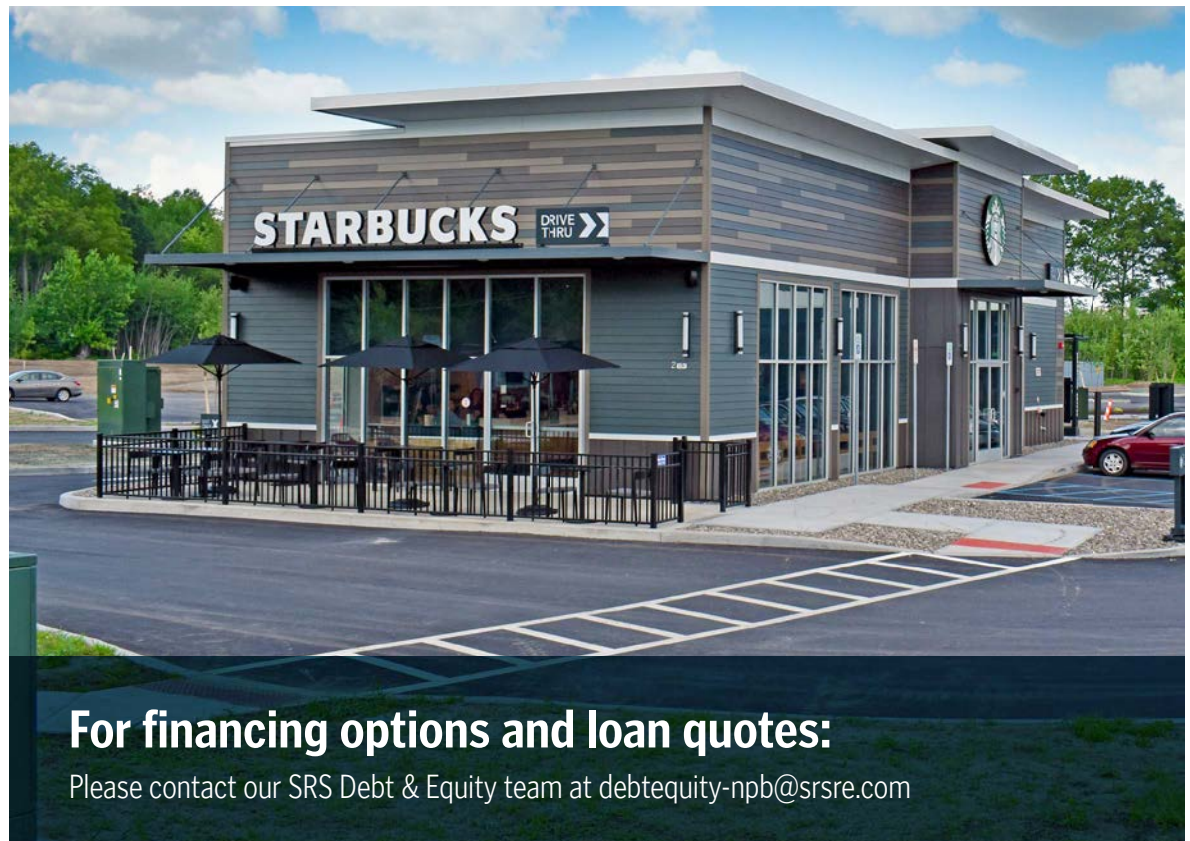
LEASE TERM						RENTAL RATES					
TENANT NAME	SQUARE FEET	LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
Starbucks Corporation	+/- 2,113	Nov. 2021	Nov. 2031	Year 1	-	\$11,250	\$5.32	\$135,000	\$63.89	NN	4 (5-Year)
(Corporate Signature)		(Est.)	(Est.)	Year 6	10%	\$12,375	\$5.86	\$148,500	\$70.28		10% Increases at Beg. of Each Option

## FINANCIAL INFORMATION

Price	\$3,375,000
Net Operating Income	\$135,000
Cap Rate	4.00%
Lease Type	NN

## PROPERTY SPECIFICATIONS

Year Built	Under Construction (Opening Q4 2021)
Rentable Area	+/- 2,113 SF
Land Area	0.72 Acres
Address	117 Highway 146 S. La Porte, Texas 77571



**For financing options and loan quotes:**

Please contact our SRS Debt & Equity team at [debtequity-npb@srsre.com](mailto:debtequity-npb@srsre.com)



# BRAND PROFILE



## STARBUCKS

**starbucks.com**

**Company Type:** Public (NASDAQ: SBUX)

**Locations:** 33,000+

**2020 Employees:** 349,000

**2020 Revenue:** \$23.52 Billion

**2020 Net Income:** \$928.30 Million

**2020 Assets:** \$29.37 Billion

**Credit Rating:** S&P: BBB+

Starbucks Coffee Company has been committed to ethically sourcing and roasting high-quality arabica coffee. Starbucks stores offer coffee and tea beverages, Handcrafted Beverages, Merchandise and Fresh Food. Through their unwavering commitment to excellence and guiding principles, the company bring the unique Starbucks Experience to life for every customer through every cup. Today, with more than 33,000 stores around the globe, Starbucks is the premier roaster and retailer of specialty coffee in the world. Starbucks Corporation was founded in 1971 and is based in Seattle, Washington.

Forbes Magazine estimates that Starbucks will post revenues of around \$28.5 billion for the fiscal year 2021, which is roughly a 21% increase from the prior year. Starbucks reports that it opened 352 new stores in the third quarter of 2021, and saw a 73% increase in comparable global store sales, while net revenues in the Americas grew 92% Year over Year. Starbucks has been able to perform exceptionally well throughout 2020 and into 2021, with the company's stock increasing 59.4% since markets opened the day the WHO declared COVID-19 a pandemic (Mar. 13, 2020 to Nov. 2, 2021).



SRS

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NET LEASE  
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THE EXCLUSIVE NET LEASE CAPITAL MARKETS TEAM  
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275+

RETAIL  
PROFESSIONALS

25+

OFFICES

#1

LARGEST REAL ESTATE  
SERVICES FIRM  
in North America  
exclusively dedicated  
to retail

1.7K+

RETAIL  
TRANSACTIONS  
company-wide  
in 2020

500+

NET LEASE  
PROPERTIES SOLD  
in 2020

\$1.9B

NET LEASE  
TRANSACTION VALUE  
in 2020

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