

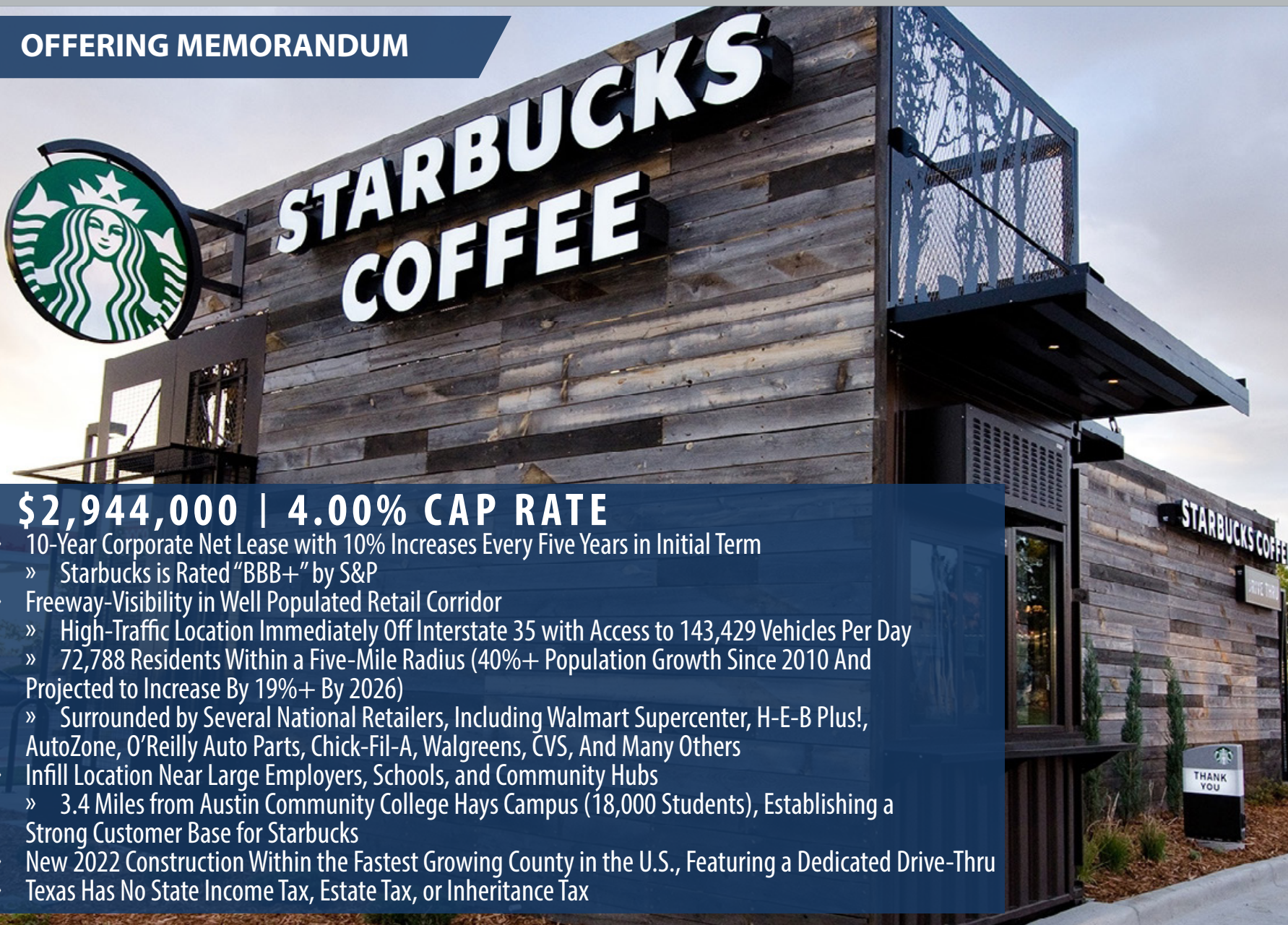


**STARBUCKS**  
KYLE, TEXAS

YURAS  
AICALE  
FORSYTH  
CROWLE

Leased Investment Team

## OFFERING MEMORANDUM



**\$2,944,000 | 4.00% CAP RATE**

- » 10-Year Corporate Net Lease with 10% Increases Every Five Years in Initial Term
- » Starbucks is Rated "BBB+" by S&P
- » Freeway-Visibility in Well Populated Retail Corridor
- » High-Traffic Location Immediately Off Interstate 35 with Access to 143,429 Vehicles Per Day
- » 72,788 Residents Within a Five-Mile Radius (40%+ Population Growth Since 2010 And Projected to Increase By 19%+ By 2026)
- » Surrounded by Several National Retailers, Including Walmart Supercenter, H-E-B Plus!, AutoZone, O'Reilly Auto Parts, Chick-Fil-A, Walgreens, CVS, And Many Others
- » Infill Location Near Large Employers, Schools, and Community Hubs
- » 3.4 Miles from Austin Community College Hays Campus (18,000 Students), Establishing a Strong Customer Base for Starbucks
- » New 2022 Construction Within the Fastest Growing County in the U.S., Featuring a Dedicated Drive-Thru
- » Texas Has No State Income Tax, Estate Tax, or Inheritance Tax

FILE PHOTO

# TABLE OF CONTENTS

<b>INVESTMENT SUMMARY</b>	<b>1</b>
<b>AERIALS</b>	<b>2</b>
<b>SITE PLAN</b>	<b>6</b>
<b>TENANT SUMMARY</b>	<b>7</b>
<b>PROPERTY OVERVIEW</b>	<b>8</b>
<b>AREA OVERVIEW</b>	<b>9</b>
<b>DEMOGRAPHIC PROFILE</b>	<b>10</b>

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# DISCLAIMER

Cushman & Wakefield ("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.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

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.



# INVESTMENT SUMMARY

ADDRESS	22449 Interstate 35, Kyle, Texas 78640		
PRICE	<b>\$2,944,000</b>		
CAP RATE	<b>4.00%</b>		
NOI	\$117,750		
TERM	10 years		
RENT COMMENCEMENT	Est. January 17th, 2022		
LEASE EXPIRATION	February 28, 2032		
RENTAL INCREASES	10% rental increase in Year 6 and then 7% rental increase in each Option		
	YEAR	RENT	RETURN
	1-5	\$117,750	4.00%
	6-10	\$129,525	4.40%
	11-15 (Option 1)	\$138,592	4.84%
	16-20 (Option 2)	\$148,293	5.32%
	21-25 (Option 3)	\$158,674	5.86%
	26-30 (Option 4)	\$169,781	6.44%
YEAR BUILT	2022		
BUILDING SF	2,200 SF		
PARCEL SIZE	1.18 acres (51,401 SF)		
LEASE TYPE	Net, with tenant responsible for all taxes, insurance, and maintenance, excluding roof and structure		

## CORPORATE NET LEASE TO HIGH-QUALITY, INVESTMENT GRADE, SINGLE-TENANT ASSET

- » Leased to Starbucks Corporation for 10 years plus four five-year options
- » 10% fixed rental increases every five years in the initial term, providing a hedge against inflation
- » Investment grade tenant, rated “BBB+” by Standard & Poor’s
- » Starbucks Corporation (NASDAQ: “SBUX”) is the world’s premier coffee company, with over 33,000 locations and \$23.52 billion in annual revenue

## HIGH-TRAFFIC LOCATION IN DENSELY POPULATED AND GROWING RETAIL CORRIDOR

- » Strategic high-visibility location immediately off Interstate 35 with access to 143,429 vehicles per day
- » Infill location surrounded by several national retailers, including Walmart Supercenter, H-E-B plus!, AutoZone, O’Reilly Auto Parts, Chick-fil-A, Walgreens, CVS, and many others
- » 72,788 residents live within a five-mile radius (40%+ population growth since 2010 and projected to increase by 19% by 2026)

## INFILL LOCATION NEAR LARGE EMPLOYERS, SCHOOLS, HOSPITALS AND COMMUNITY HUBS

- » Average household income of \$97,911 within a one-mile radius and projected to increase 12 percent in five years
- » 3.4 miles from Austin Community College Hays Campus (18,000 students), establishing a strong customer base
- » Minutes from Wallace Middle School (800 students) and Kyle Elementary School (636 students)
- » Less than two miles from Ascension Seton Hays Hospital (142 beds, 610 employees), one of the largest employers in the area

## NEW 2022 CONSTRUCTION IN TAX FREE STATE

- » New building featuring dedicated drive-thru, providing additional customer convenience and boosting sales revenue
- » Texas has no state income tax, estate tax, or inheritance tax



FILE PHOTO





**amazon.com**

**DISTRIBUTION CENTER**  
(more than 200 employees, 1-million-square-foot warehouse distribution center, 71 acres and 557 parking stalls)

Texas State University  
(38,186 students)

Blanco Vista Elementary School  
(627 students)

SAN MARCOS REGIONAL AIRPORT  
(8.4 miles)

INDUSTRIAL REGION

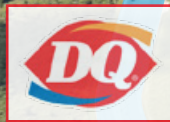
Chesmar Homes Paramount Park  
(approx. 84 lots)

Lennar at Cool Springs  
(197 homesites)



**Ranch-to-Market Road 150**  
(15,948 AADT)

**35** / Purple Heart Trail  
(143,429 AADT)







**amazon.com**  
SORT CENTER  
(Over 200 employees)

**H-E-B**  
HEB FUEL

Kyle Crossing Mall  
**KOHL'S** **PETCO**  
**ROSS** **TARGET**  
DRESS FOR LESS  
**DOLLAR TREE**  
**FIVE GUYS** **Chick-fil-A**  
BURGERS and FRIES

**COMFORT SUITES**  
(72 rooms)

**Walmart** Supercenter  
**Wendy's** **DISCOUNT TIRE** **KFC** **LOWE'S**  
Home Improvement Warehouse

**THE HOME DEPOT** **BURGER KING** **Schlottsky's**  
BAKERY CAFE

**DUNKIN'**  
**Arby's** **TACO BELL**

Ralph Pfluger  
Elementary School  
(819 students)

Ascension Seton  
Hays Hospital  
(165 beds)

**SMOOTHIE KING**

Susie Fuentes  
Elementary School  
(638 students)

**VALERO**

Steeplechase  
Park

Oaks of Kyle  
(204 units)

**AutoZone**

**O'Reilly AUTO PARTS**  
PROFESSIONAL PARTS PEOPLE

**Starbucks**  
(Under Construction)

**7 ELEVEN** **Shell**

**DQ**

**CVS**  
pharmacy

**Advance**  
**Auto Parts**

**SHERWIN WILLIAMS**

Austin  
Community College  
Hays Campus  
(18,000 students)

Plum Creek  
Golf Course

Plum Creek  
Kyle Park

Purple Heart Trail  
(143,429 AADT)

Ranch-to-Market  
Road 150  
(15,948 AADT)

**35**

**150**





The Strand Apartments  
(160 units)

Chapa  
Middle School  
(740 students)

Ascension Seton  
Hays Hospital  
(165 beds)

Lehman  
High School  
(2,527 students)

HEB  
Park and Beach



Oaks of Kyle  
(204 units)



35 / Purple Heart Trail  
(143,429 AADT)

150 / Ranch-to-Market Road 150  
(15,948 AADT)





Flying Armadillo  
Disc Golf Club

Perry Homes -  
Blanco Vista 45'

Chesmar Homes  
Paramount Park  
(approx. 84 lots)

KB Home  
Stagecoach Crossing  
Stagecoach  
Park

Wallace  
Middle School  
(800 students)




Kyle  
Elementary School  
(636 students)



 / Ranch-to-Market Road 150  
(15,948 AADT)

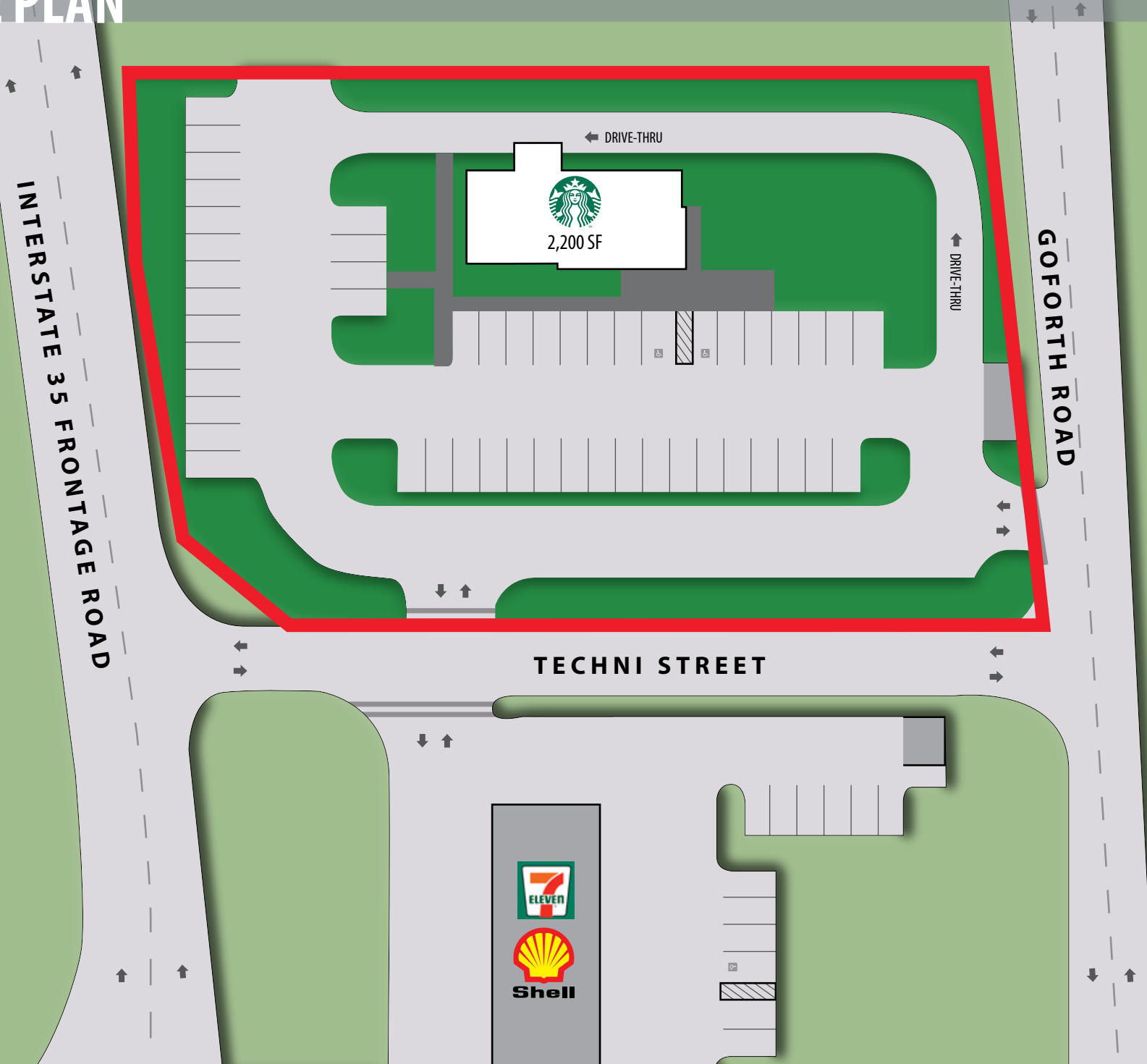


 / Purple Heart Trail  
(143,429 AADT)





# SITE PLAN





# TENANT SUMMARY



Starbucks Corporation (NASDAQ: "SBUX") is the premier roaster, marketer, and retailer of specialty coffee in the world, operating more than 33,000 locations in 75 countries. Starbucks also sells a variety of coffee and tea products and licenses its trademarks through other channels, such as licensed stores, grocery, and national foodservice accounts. In addition to the flagship Starbucks Coffee brand, Starbucks also sells goods and services under the Teavana, Tazo, Seattle's Best Coffee, Evolution Fresh, La Boulange, and Ethos brand names.

On August 27, 2018, Starbucks and Nestlé closed a \$7.15 billion licensing deal, giving Nestlé the rights to market, sell, and distribute Starbucks' packaged coffee and tea around the world. The licensing arrangement includes the rights to market everything from whole bean coffee to portioned coffee pods for each brand owned by Starbucks. The agreement significantly strengthens Nestlé's coffee portfolio in the North American premium roast and ground and portioned coffee business. It also unlocks global expansion in grocery and foodservice for the Starbucks brand, utilizing the global reach of Nestlé. Starbucks CEO Kevin Johnson said the Nestle deal opens the door for the restaurant chain to reach a global scale in the retail sector as well. "This global coffee alliance with Nestlé is a significant strategic milestone for the growth of Starbucks," Johnson said in a statement. "Bringing together the world's leading coffee retailer, the world's largest food and beverage company, and the world's largest and fast-growing installed base of at-home and single-serve coffee machines helps us amplify the Starbucks brand around the world while delivering long-term value creation for our shareholders."

For the fiscal year ended October 1, 2020, Starbucks Corporation reported net revenues of \$23.52 billion and employs 349,000+ people. As of 2020, Forbes ranked Starbucks as the world's second-largest restaurant company and the world's 393rd largest company overall, as well as ranking 37th on Forbes' World's Most Valuable Brands 2020. Starbucks is rated "BBB+" by Standard & Poor's.

For more information, please visit [www.starbucks.com](http://www.starbucks.com).

<b>TICKER</b>	<b>NASDAQ: "SBUX"</b>	<b># OF LOCATIONS</b>	<b>33,000+</b>
<b>REVENUE</b>	<b>\$23.52B</b>	<b>HEADQUARTERS</b>	<b>Seattle, WA</b>

# LEASE ABSTRACT

<b>TENANT</b>	Starbucks Corporation		
<b>ADDRESS</b>	<a href="#">22449 Interstate 35, Kyle, Texas 78640</a>		
<b>RENT COMMENCEMENT</b>	Est. January 17th, 2022		
<b>LEASE EXPIRATION</b>	February 28, 2032		
<b>RENEWAL OPTIONS</b>	Four (4) five (5) year options		
<b>RENTAL INCREASES</b>	<b>YEAR</b> 1-5 6-10 11-15 (Option 1) 16-20 (Option 2) 21-25 (Option 3) 26-30 (Option 4)	<b>RENT</b> \$117,750 \$129,525 \$138,592 \$148,293 \$158,674 \$169,781	<b>RETURN</b> 4.00% 4.40% 4.84% 5.32% 5.86% 6.44%
<b>REAL ESTATE TAXES</b>	Tenant is responsible for its pro rata share of real estate taxes.		
<b>INSURANCE</b>	Tenant and Landlord shall both maintain liability and property insurance.		
<b>REPAIR &amp; MAINTENANCE</b>	Tenant is responsible for all maintenance and repairs within the Premises.		
<b>MAINTENANCE BY LANDLORD</b>	Landlord at its sole cost shall maintain the roof and structural portions of the building.		
<b>RIGHT OF FIRST REFUSAL</b>	None		



# PROPERTY OVERVIEW

## LOCATION

The subject property is strategically located off Interstate 35 with excellent visibility and access to 143,429 vehicles per day. The property provides convenient access to Interstate 35 Frontage Road and maintains beneficial proximity to single and multi-family units. 72,788 residents live within a five (5)-mile radius (40 percent population growth since 2010) and is projected to increase 19 percent by 2026. The site serves an affluent community with an average household income of \$97,911 within a one-mile radius, which is projected to increase 12 percent in five (5) years.

The site is immediately surrounded by several national retailers, including Walmart Supercenter, H-E-B plus!, AutoZone, O'Reilly Auto Parts, Chick-fil-A, Walgreens, CVS, and many more. The property is minutes from Wallace Middle School (800 students), Kyle Elementary School (636 students), and 3.4 miles from Austin Community College Hays Campus (18,000 students), providing a strong customer base for Starbucks. Ascension Seton Hays Hospital (142 beds, 610 employees), one of the largest employers in the area, is located less than two miles from the site.

## ACCESS

Access from Techni Street and Goforth Road

## TRAFFIC COUNTS

Interstate 35: 143,429 AADT  
Ranch-to-Market Road: 15,948 AADT

## PARKING

50 parking stalls, including two (2) handicap stalls

## YEAR BUILT

2022 (under construction)

## NEAREST AIRPORT

San Marcos Regional Airport (HYI | 7.5 miles)



**50**  
PARKING  
STALLS



**2022**  
YEAR BUILT



**144K**  
TRAFFIC  
COUNT (AADT)



# AREA OVERVIEW

Kyle is a city in Hays County in the U.S. State of Texas. Kyle, like many of Austin's surrounding suburbs, is experiencing rapid growth and is one of the fastest-growing cities in Texas. As one of Texas' fastest-growing cities, Kyle has experienced an unparalleled growth of 493% over the last 15 years. The city encompasses over 30 square miles and has a population of 52,300, based on 2020 estimates. Kyle is the pie capital of Texas, the birthplace of fajitas, and is an emerging industrial hub along the Interstate 35 corridor between Austin and San Antonio. Kyle is an attractive place for those who want to live in the Austin area without the hefty price tag. Niche.com deemed Kyle as a city/town with a "sparse suburban feel." Schools in Kyle fall under the Hays Consolidated Independent District, which covers more than 221 square miles and serves over 20,000 students across 25 campuses. Hays CISD offers Career & Technical Education (CTE) programs and Science, Technology, Engineering, Arts, and Mathematics (STEAM) based education. Kyle's proximity to Austin and San Marcos offers opportunities for individuals pursuing higher education. Buda is a 25-minute drive from the University of Texas at Austin and a 15-minute drive from Texas State University in San Marcos. Not to mention, the Austin Community College – Hays Campus is located off Interstate 35 between Kyle and Buda. Businesses can benefit from Kyle's access to major U.S. highways, access to major distribution centers, and proximity to Austin's customer base. The location along Interstate 35 allows for easy north-to-south distribution to Austin, Dallas, San Antonio, and beyond.

Kyle is within the Austin–Round Rock–San Marcos metropolitan area in Hays County. Austin–Round Rock–San Marcos is the 29th largest metropolitan area in the United States, with a population of 2,283,371 people as of the official 2020 U.S. Census. The metropolitan area is centered on the City of Austin—the fourth-largest city in Texas and the 11th-largest city in the United States with a population of 961,855. Austin's largest suburbs are Round Rock, Cedar Park, Georgetown, San Marcos, and Pflugerville. Kyle is located between Austin and San Marcos, and in one of the fastest-growing counties in the country. Austin is the capital of Texas and the seat of Travis County. Located in Central Texas and one of the fastest-growing job markets and economies in the United States.

- » Ascension Seton in Kyle was ranked the #3 hospital in the Austin Metro area and the 19th in Texas on markers including patient safety and survival and nurse staffing, by U.S. News and World Report in July 2020.
- » According to the Economic Development Department of Kyle, the city has "acres of available property, an affordable cost of doing business, a favorable tax structure, and a growing infrastructure to support growth and future development."
- » In 2019, Hays Consolidated Independent District was given an impressive B ranking by the Texas Schools Assessment.

## LARGEST EMPLOYERS IN KYLE, TEXAS

## # OF EMPLOYEES

HAYS COUNTY INDEPENDENT SCHOOL DISTRICT	2,383
SETON MEDICAL CENTER HAYS	610
CITY OF KYLE	251
HEB PLUS	208
LEGEND OAKS HEALTHCARE & REHABILITATION	116
LOWES	108
WARM SPRINGS REHAB HOSPITAL	100
HOME DEPOT	100
AUSTIN COMMUNITY COLLEGE AT HAYS	80
RSI, INC	58





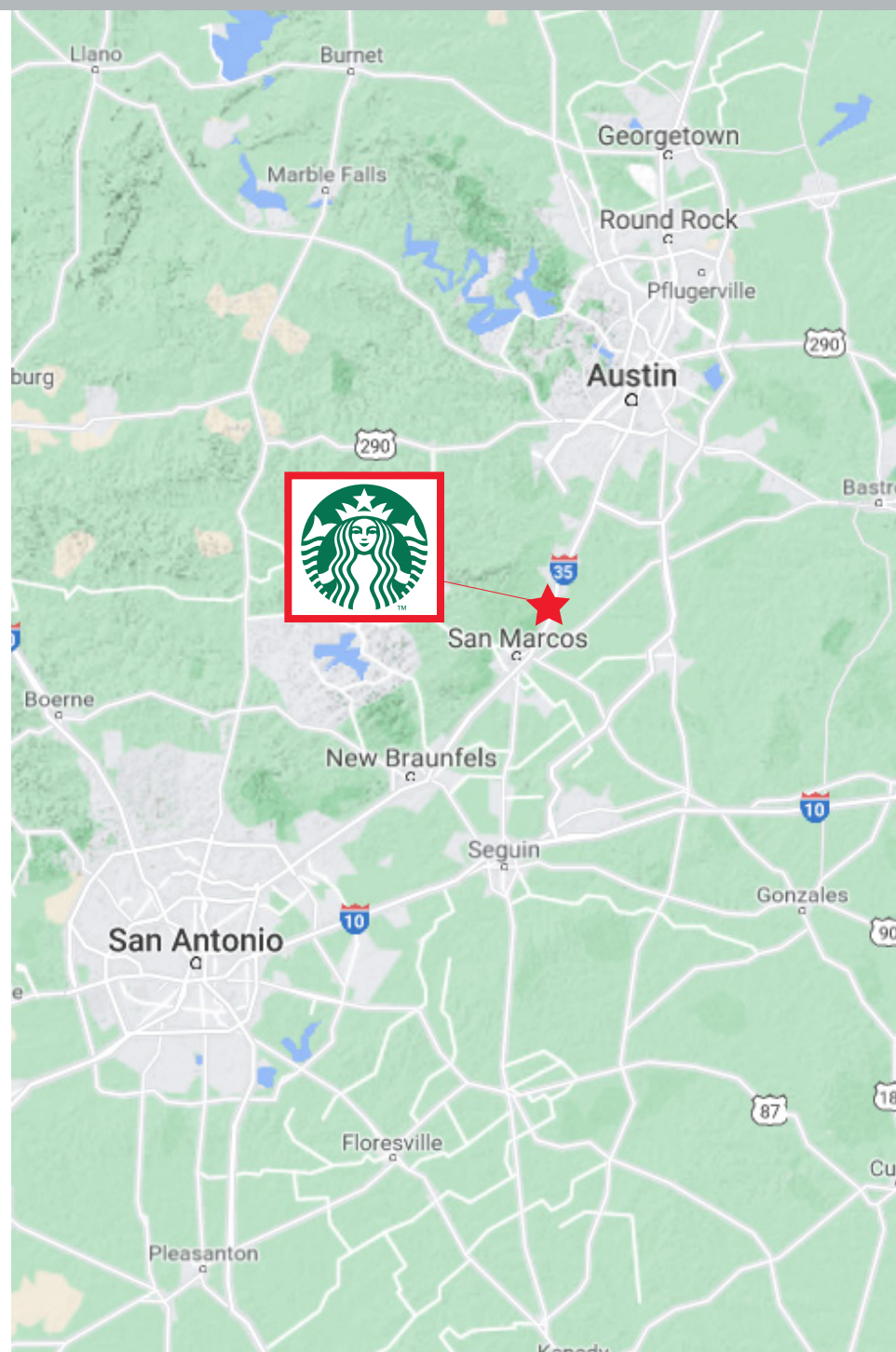
# DEMOGRAPHIC PROFILE

2021 SUMMARY	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>11,106</b>	<b>49,601</b>	<b>72,788</b>
Households	3,411	15,673	22,917
Families	2,594	11,907	17,304
Average Household Size	3.25	3.14	3.15
Owner Occupied Housing Units	2,493	11,526	17,072
Renter Occupied Housing Units	917	4,147	5,845
Median Age	32.2	31.8	31.9
<b>Average Household Income</b>	<b>\$97,911</b>	<b>\$93,710</b>	<b>\$91,302</b>

2026 ESTIMATE	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>13,326</b>	<b>58,488</b>	<b>86,973</b>
Households	4,108	18,478	27,358
Families	3,113	13,992	20,610
Average Household Size	3.24	3.15	3.16
Owner Occupied Housing Units	3,059	13,611	20,668
Renter Occupied Housing Units	1,049	4,867	6,690
Median Age	31.1	31.1	31.5
<b>Average Household Income</b>	<b>\$109,380</b>	<b>\$104,240</b>	<b>\$101,520</b>



**AVERAGE HOUSEHOLD INCOME OF \$97,911  
WITHIN ONE MILE**







# INFORMATION ABOUT BROKERAGE SERVICES



## 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.*

11-2-2015



### 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:
  - o that the owner will accept a price less than the written asking price;
  - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - o 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.

Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date





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