



Starbucks

\$2,841,000 | 4.40% CAP

3990 Twin City Hwy, Groves, TX 77619 (Beaumont-Port Arthur MSA)

- ✓ **New Construction Starbucks** with 10 Year Net Lease
- ✓ **10% Rental Increases Every 5 Years** with No Early Termination
- ✓ **Strategically Located at a Signalized, Hard Corner**
- ✓ **Near Intersection of Hwy 73 & Twin City Hwy | 77,000+ Combined VPD**
- ✓ **First Development of a ±7.5 Acre Master Development**

Starbucks is the premier roaster and retailer of specialty coffee in the world. As of today, Starbucks is the largest coffeehouse company in the world with 32,660 stores across the globe in 2020.

Chick-fil-A
UNDER CONSTRUCTION
(N.A.P.)

Coburn's
Coburn Supply Company

GULF
CREDIT
UNION

BLUEWAVE
UNDER CONSTRUCTION

WELLS
FARGO

FUTURE
DEVELOPMENT

FUTURE
DEVELOPMENT

FUTURE
DEVELOPMENT



39th STREET

HITT AVENUE

347
TEXAS
TWIN CITY HIGHWAY
25,116 CPD

H-E-B

PROSPERITY BANK

BURGER
KING

Firestone

SUBJECT
PROPERTY



MOTIVA
ADDITIONAL PARKING
& SHUTTLE LOT FOR
1,000+ EMPLOYEES

SUBJECT
PROPERTY

INVESTMENT OVERVIEW

STARBUCKS GROVES, TX



CONTACT FOR DETAILS

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\$2,841,000

4.40% CAP

NOI

\$125,000

Building Area

±2,124 SF

Land Area

±0.73 AC

Year Built

2022

Lease Type

NET LEASE*

Occupancy

100%

- ✓ **New construction Starbucks property with drive thru:** featuring a new 10 year net lease with no early termination clause and 10% rental increases every five years
- ✓ **Long Term Net Lease with Starbucks Corporation:** S&P Rated BBB+ | Ranked #125 on the Fortune 500 list | Over 26,000 locations globally
- ✓ **Minimal landlord responsibilities:** corporate net lease with new roof warranty. Landlord responsible for roof structure and parking lot.
- ✓ **Excellent location at a signalized, hard corner near the intersection of Highway 73 and Twin City Highway** with over 77,000+ combined vehicles per day in front of the subject property
- ✓ **First development of a ±7.5 acre master development:** including a Chick-Fil-A that is tentatively scheduled to open April 28th, 2022.
- ✓ **Strategically located in a dense retail corridor** with neighbors including H-E-B, Walmart Supercenter, Chick-Fil-A, CVS, McDonald's, Whataburger and much more.
- ✓ **Beaumont is part of the "Golden Triangle"** area of Southeast Texas, due to its rich oil and gas history. The Beaumont-Port Arthur-Orange region is a powerful area of the state and continues to grow.

*LL responsible for roof, structure, and parking lot (New Roof Warranty)

This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.

SECURE
NET LEASE

TENANT OVERVIEW

STARBUCKS GROVES, TX

Starbucks

Lessee: Starbucks Corporation

Guarantor: Starbucks Corporation

REVENUE

\$23.5 B

CREDIT RATING

BBB+

LOCATIONS

32,000+

STOCK TICKER

SBUX

[Starbucks.com](https://www.starbucks.com)

Starbucks Corporation is an American multinational chain of coffeehouses and roastery reserves headquartered in Seattle, Washington. As the world's largest coffeehouse chain, Starbucks is seen to be the main representation of the United States' second wave of coffee culture.

As of 2021, the company operates over **32,000 locations** worldwide in more than **70 countries**. Starbucks locations serve hot and cold drinks, whole-bean coffee, microground instant coffee known as VIA, espresso, caffe latte, full- and loose-leaf teas including **Teavana tea products**, Evolution Fresh juices, Frappuccino beverages, La Boulange pastries, and snacks including items such as chips and crackers; some offerings are seasonal or specific to the locality of the store. **Many stores sell** pre-packaged food items, pastries, hot and cold sandwiches, and drinkware including mugs and tumblers.

There are also several select "**Starbucks Evenings**" locations which offer beer, wine, and appetizers. Starbucks-brand coffee, ice cream, and bottled cold coffee drinks are also sold at grocery stores in the United States and other countries. **In 2010**, the company began its Starbucks Reserve program for single-origin coffees and **high-end coffee shops**.

SUBJECT
PROPERTY

IN THE NEWS

— STARBUCKS GROVES, TX

Where Will Starbucks Be in 10 Years?

JENNIFER SAIBIL, APRIL 8, 2021 (THE MOTLEY FOOL)

Starbucks (NASDAQ:SBUX) stock is up 6% in 2021 and 101% since its March 2020 lows, beating the broader market, despite sales declines for the past four quarters.

That means investors are confident about the coffee company's prospects for the future, at least in the near term. Despite hitting a nadir of **65% weekly comparable sales** (comps) decline back in **April 2020**, Starbucks was able to continue operating and innovating -- and **grow sales** ever since.

The very reasons why Starbucks could thrive in an extremely challenging environment should drive higher sales and profitability even in a decade from now.

Starbucks had opened several mobile order-only locations even prior to the onset of the pandemic, and it **improved its rewards program** with updated mobile order features. As a result, this segment increased contribution to total sales by a solid eight percentage points year over year -- **from 17% to 25%**. Not surprisingly, management sees this continuing to be an important part of growth.

The company uses **sophisticated data-powered artificial intelligence** to support its mobile platform, providing recommendations based on past orders and popular products to make finding and purchasing products quick and simple.

The Seattle-based coffeehouse chain set up new drive-thrus in order to offset sales declines from closed dining rooms, accelerated curbside pickup rollouts in many suburban locations, and began to use point-of-sale devices for quicker service. **75% of fourth-quarter U.S.** volume was drive-thru and mobile, demonstrating the company's strength in those areas -- but more notably -- its ability to function in a challenging environment.

EXPLORE ARTICLE



Starbucks refocuses on growth after shifting its business

JONATHAN MAZE, NOVEMBER 01, 2021 (RESTAURANT BUSINESS ONLINE)

The company plans to open its largest number of global cafes after it closed domestic units to shift its focus to takeout.

Starbucks is refocusing on unit **growth again** after the company shifted its business toward more takeout-focused locations during the pandemic. To be sure, it isn't as if Starbucks actually pulled back last year. The company still opened a net **1,173 global locations** during the 12-month period, thanks entirely to **aggressive international development**.

The Seattle-based coffee giant last week said it plans to open about 2,000 net new locations during the current fiscal year, which started in October.

But it's been pulling back in North America. The company opted to close **about 600 locations in the U.S. last year** as part of a strategy to refocus its asset base. Starbucks closed cafes in urban areas and shifted away from mall development toward takeout-focused urban locations and drive-thru units.

Yet in the process Starbucks shrunk.

The chain finished its fiscal year with **16,826 locations** in North America, down from 16,960 a year ago. While the chain opened more licensed shops during that period, it closed nearly 250 company operated locations. **Nearly 60% of the chain's North America locations are company operated.**

By closing those locations, Starbucks executives said that the brand is more profitable. The company's operating margin in North America improved by **510 basis points to 22.5%**, even though the chain's investments in wages and benefits hurt margins by 270 basis points.

Executives gave credit to growth in average ticket. But they also said the chain's "trade area transformation" improved margins.

EXPLORE ARTICLE



LEASE OVERVIEW

STARBUCKS GROVES, TX

Initial Lease Term	10 Years, Plus (4), 5-Year Options to Renew
Rent Commencement	March 1, 2022
Lease Expiration	February 28, 2032
Lease Type	Corporate Net Lease
Rent Increases	10% Every 5 Years, In Primary Term & Options
Annual Rent YRS 1-5	\$125,000.00
Annual Rent YRS 6-10	\$137,499.92
Option 1	\$151,249.91
Option 2	\$166,374.79
Option 3	\$183,012.26
Option 4	\$201,313.46

This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.





SITE OVERVIEW

STARBUCKS GROVES, TX



Year Built

2022



Building Area

±2,124 SF

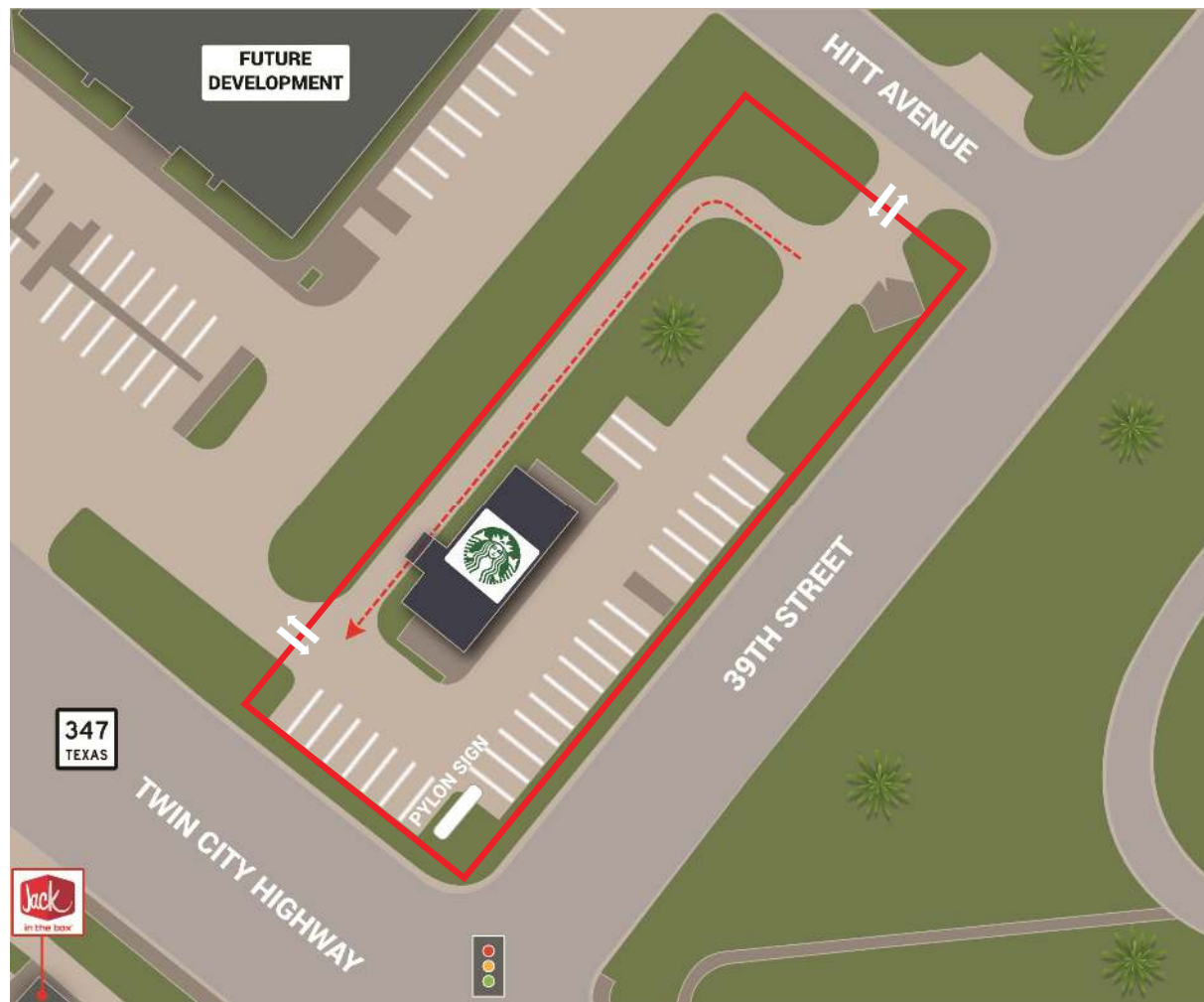


Land Area

±0.73 AC

NEIGHBORING RETAILERS

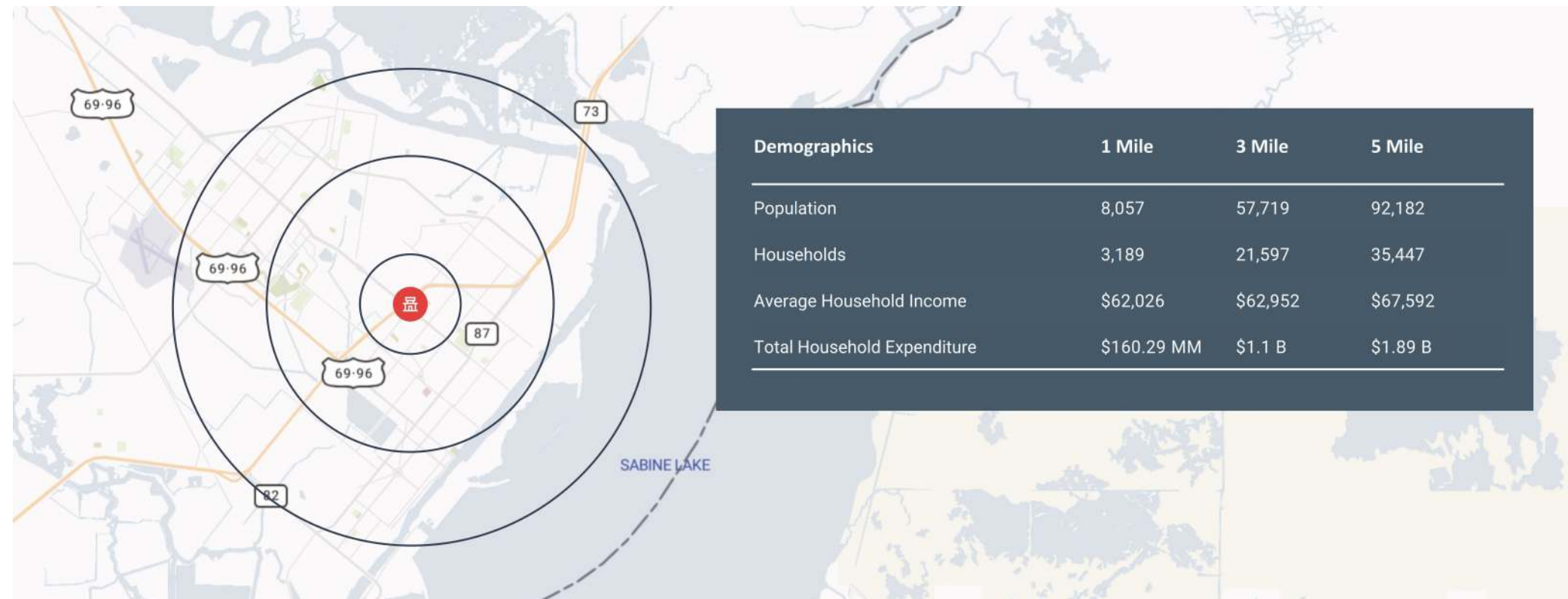
- H-E-B
- Walmart Supercenter
- Chick-Fil-A
- Wells Fargo
- CVS
- Big Lots
- McDonald's
- Sherwin Williams
- Whataburger
- Walgreens



SUBJECT
PROPERTY

LOCATION OVERVIEW

STARBUCKS GROVES, TX



ECONOMIC DRIVERS (NUMBER OF EMPLOYEES)

1. Lamar University (2,546)
2. Beaumont Independent School District (2,317)
3. ExxonMobil Corporation (2,189)
4. Christus St. Elizabeth Hospital (2,136)
5. Memorial Hermann Baptist Hospital (1,653)
6. City of Beaumont (1,293)
7. Port Arthur Independent School District (1,275)
8. Jefferson County (1,155)
9. Motiva Enterprises, LLC (1,096)
10. Christus St. Mary Hospital (900)
11. Valero Refining Group (825)
12. Walmart Super Center (816)
13. Burrow Global Services (785)
14. The Medical Center of Southeast Texas (785)
15. City of Port Arthur (659)

LOCATION OVERVIEW

STARBUCKS GROVES, TX

Beaumont-Port Arthur MSA

Texas



392,563

Population



\$58,818

Median Household Income

Welcome to

GROVES

EMPORIS

Beaumont's SpindleTop Hill became the first major oil field and one of the largest in American history.

LARGEST

Beaumont is home to the ExxonMobil refinery and chemical plant

HOME

Groves is a city in Jefferson County, Texas.

It is part of the Beaumont–Port Arthur Metropolitan Statistical Area. It is 16 miles southeast of downtown Beaumont in eastern Jefferson County.

Beaumont forms the Golden Triangle along with Port Arthur and Orange, a major industrial area on the Texas Gulf Coast.

The city of Port Arthur borders Groves on three sides, while Port Neches lies to the northwest. **Beaumont** is a city in and the county seat of Jefferson County, located within the Beaumont-Port Arthur MSA. Located in Southeast Texas on the Neches River approximately 80 miles east of Houston, Beaumont is the 30th most populous city in the state of Texas.

Beaumont is home of Lamar University, a national Carnegie doctoral research university with nearly 15,000 students. Downtown Beaumont is the center of business, government and entertainment in southeast Texas. Downtown features the Crockett Street Entertainment Complex with entertainment options including live music, restaurants and bars. Beaumont forms the Golden Triangle along with Port Arthur and Orange, a major industrial area on the Texas Gulf Coast. The area is one of the major petro-chemical refining areas in the entire country. A significant element of the region's economy is the Port of Beaumont, the nation's fourth largest seaport by tonnage. The area is prime location for corporate and back office service centers, as well as manufacturers and distribution companies, due to the available skilled workforce and exceptional infrastructure. Beaumont is home to the Spindletop-Gladys City Boomtown Museum, a recreated town showing life in the early 1900's, at the start of the Texas oil boom. Additionally, the Art Museum of the Southeast Texas and the Dishman Art Museum showcase regional and national contemporary art. Beaumont is the largest city in the area, located at the crossroads of major thoroughfare of I-10 and Highways 69, 90,96 and 287, and is only 25 miles from the Texas/Louisiana border.

LOCATION OVERVIEW

STARBUCKS GROVES, TX

Port of Port Arthur

The Port of Port Arthur is a direct transfer facility for international cargo shipping. The Port completed in the year 2000 an expansion that included all the operating features demanded by the maritime industry.

Less than two hours from sea to transit, the Port of Port Arthur is North America's ultimate direct transfer facility positioned on the Gulf of Mexico to competitively handle any type of commodity.

Port of Port Arthur is strategically located midway on the barge shipping routes of the intercoastal waterway that extends from St. Marks, Florida to Brownsville, Texas. The Sabine-Neches Ship Channel is part of that system with channel depths to safely accommodate large petro-chemical tankers and cargo ships. The Port is 19 miles from the Gulf of Mexico with 24-hour channel and dock accessibility.



TEXAS PORTS | ECONOMIC IMPACT

- Texas Ports impact nearly **1.8 million jobs** generating \$102 billion in personal income.
- They handle 616.2 million tons of foreign and domestic cargo and generate \$449.6 billion of total economic value for Texas, **representing 25% of Texas' GDP.**
- \$5 billion of state and local taxes were generated due to the economic activity related to the movement of cargo.

TEXAS PORTS | STATISTICS

- 2018 Statistical Highlights
 - Ranked #2 among the 50 U.S. States in waterborne commerce
 - 5+ Million total jobs impacted
 - \$1.3 Trillion in total economic value for U.S.
 - \$285 Billion in total personal income
 - \$79 Billion in total taxes generated for U.S.



IN THE NEWS

— STARBUCKS GROVES, TX

Port Arthur could be key to easing supply chain issues

JACOB DICK, DECEMBER 23, 2021 (BEAUMONT ENTERPRISE)

A Southeast Texas port has been given the green light for a pair of projects that should ease the growing problem of getting commodities off ships and into the hands of customers and companies across the country.

Since the COVID-19 pandemic began, nearly every day has brought a new story of how changing consumer **demand and impacted supply chains** have left ships full of commodities anchored off shore and stocks of **essential items** diminished.

But the port hopes to improve its efficiency and prepare for future growth by investing \$4.3 million for two phases of improvements to its ship-to-road infrastructure.

Larry Kelley, CEO and director of the Port of Port Arthur, said the same can be said for his port's ability to off-load cargo onto trains and trucks, but it wasn't a new problem.

"The issues we are trying to address are definitely a precursor to what we've experienced during the pandemic," Kelley said. "We've had such a **significant increase** in cargo volumes, we've had issues with trucks being able to back up and swiftly grab their cargo."

But the port hopes to **improve its efficiency** and prepare for future growth by investing \$4.3 million for two phases of improvements to its ship-to-road infrastructure.

The Texas Department of Transportation approved **\$3.4 million for a 75%** match grant program that will help build a new **2.5-acre laydown yard**, truck queuing area and a 5-acre truck and cargo staging area.

Kelley said the more than **120-year-old port** is inherently limited on space, which has made for cramped conditions and hectic loading times when multiple trucks have to line-up while ships make lengthy loading and unloading maneuvers.

EXPLORE ARTICLE



Residents of Groves Ecstatic About New Developments

DOMINIQUE LEH, SEPTEMBER 8, 2021 (12 NEWS)

GROVES, Texas — People in Groves are fired up about what's coming to the vacant land at the corner of Twin City Highway and 39th Street.

The city has confirmed a **Chick-fil-A and Starbucks are under construction** at the intersection. "It's about time. I'm happy. I'm excited, and I'll be a regular customer," said Groves resident Sarah Williams. Williams has lived in Groves for 10 years, and she's grateful to hear the city is growing.

City Manager D.E. Sosa said Groves currently has 40 homes under construction, and he's confident that with the new additions that their population will continue to grow.

"It's going to bring us a little bit of **prestige**," Sosa said. "We've got a major retailer or major fast-food vendor. It's also going to bring in a lot of sales tax and to **bring people into Groves** that normally probably wouldn't come to Groves."

The community feels the combination of **Starbucks and Chick-fil-A** will bring more jobs, diversity, and enthusiasm to the city.

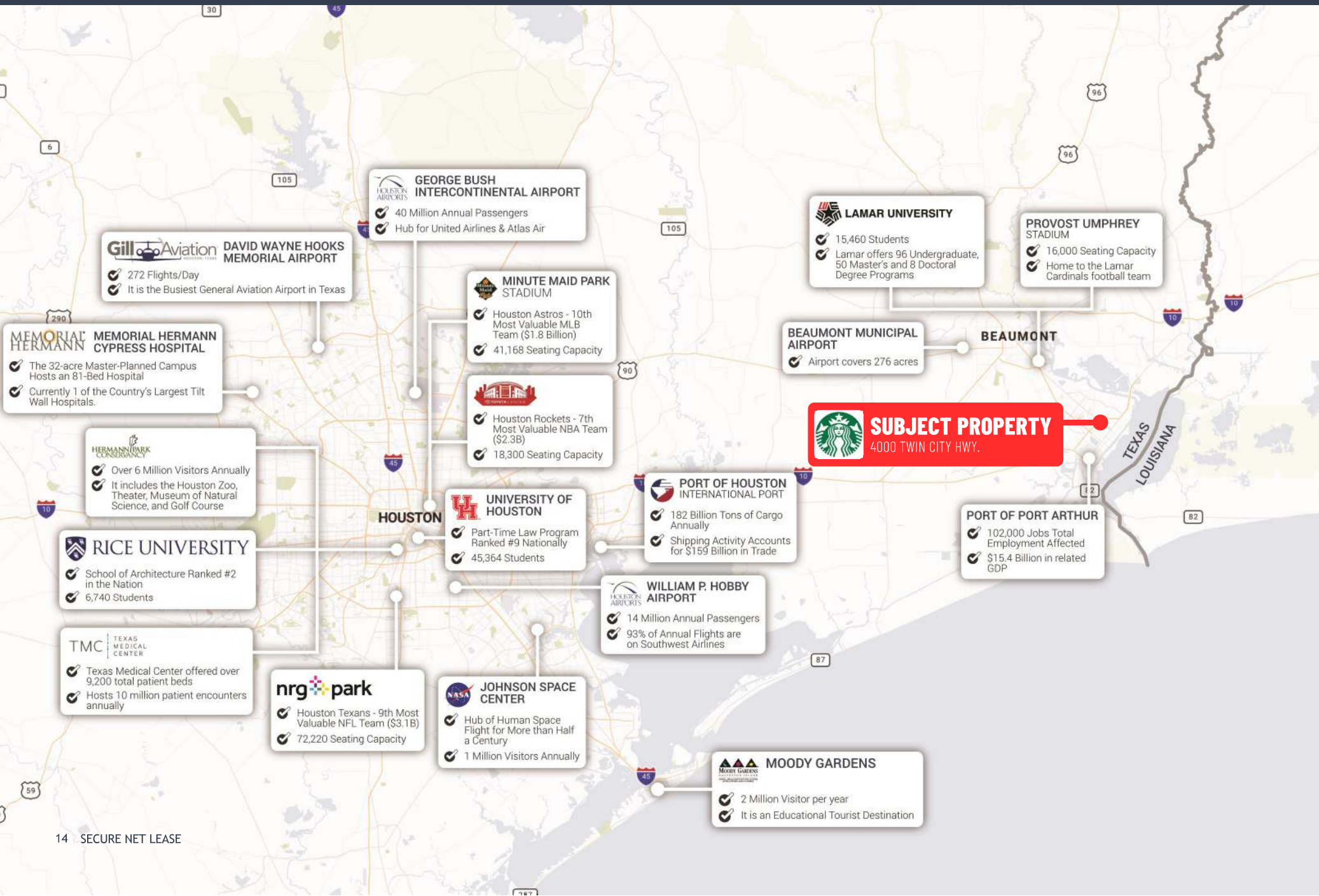
According to the city, Starbucks will open first. Depending on when Chick-fil-A begins construction, it could be up and running by the middle to late months in 2022.

EXPLORE ARTICLE



BEAUMONT-PORT ARTHUR-ORANGE MSA

STARBUCKS GROVES, TX



SECURE

NET LEASE

CALL FOR ADDITIONAL INFORMATION

Dallas

Office

10000 N Central Expressway
Suite 200
Dallas, TX 75231
(214) 522-7200

Los Angeles

Office

123 Nevada Street
El Segundo, CA 90245
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CALL FOR ADDITIONAL INFORMATION

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TEXAS DISCLAIMER

STARBUCKS GROVES, TX

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.

Information about brokerage services

Before 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 the owner knows.

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 interests 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 written consent of 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:

- Shall treat all parties honestly
- May not disclose that the owner **will** accept a price less than the asking price
- Submitted in a written offer unless authorized in writing to do so by the owner;
- 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
- May not disclose any confidential information or any information that a part 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.