

Representative Image



Starbucks

598 South Jackson Street, Jacksonville, Texas 75766



Starbucks

598 S Jackson Street
Jacksonville, Texas 75766

CONFIDENTIAL OFFERING MEMORANDUM

EXCLUSIVE LISTING BROKERS

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PROPERTY	Starbucks	GLA	2,000 sf
LOCATION	598 S Jackson St, Jacksonville, TX 75766	PRICE	\$2,130,000
		CAP RATE	5.00%



OVERVIEW

- 2022 construction
- 10-year NN Lease - Expected to open October 3rd, 2022
- 10% rental escalation after 5 years
- 4, 5-year renewal options with 7.5% rental escalations each option period
- Strong Credit Tenant – Corporate Starbucks
- High Traffic Volume – 20,000 VPD pass through the intersection of S Jackson St & Nacogdoches St SE

GLA	2,000 sf
PRICE	\$2,130,000
PRICE PSF	\$1,065.00
CAP RATE	5.00%



16,182 population within 3 miles



\$57,091 average household income within 5 miles



**Less than 1 mile from Norman Industrial Park,
home to 140 acres of local and global businesses**

The Starbucks (the “Property”) is a 2,000 square foot retail property located at the hard corner of S Jackson St and San Antonio St in Jacksonville, Texas. Starbucks’ operations begin in October 2022 and will have a 10-year corporate NNN lease on 0.63 acres of land. During the original term of the lease, there is a built-in ten percent (10%) base rental escalation after 5 years, along with 4, 5-year renewal options that have seven and a half percent (7.5%) rental escalations at the start of each option period.

PRIME LOCATION

Demographics for the area show that there are 16,468 residents living within 3-miles of the Property, while median household income is \$46,509 and median home value is \$96,704. Additionally, the nearest major intersection, S Jackson St & Nacogdoches St SE, bolsters 20,000 vehicles passing per day only one block from the Property. Nearby tenants include Take-5, Chick-fil-A, McDonald’s, and Panda Express among others. Year 1 NOI is expected to be \$106,500 from rent, while expenses are paid for by the tenant with minimal landlord responsibilities.

TOP INVESTOR MARKET

Jacksonville is a fast-growing town at the cross roads of Highway 79 and Highway 69 in Texas, nearly 30 miles south of Tyler. Jacksonville is a part of the Jacksonville micropolitan statistical area, which includes all of Cherokee County. Additionally, Jacksonville is a part of the Tyler-Jacksonville combined statistical area which is made up of two counties in East Texas. The statistical area consists of the Tyler metropolitan statistical area

and the Jacksonville micropolitan statistical area. Population for the statistical area is estimated to be near 300,000 residents and continuing to grow. Though the town is relatively small, the Jacksonville area offers a great opportunity for low-cost growth in a quickly expanding part of Texas. Jacksonville offers an environment to escape the rising costs of the big cities while having an available workforce, attractive labor rates, development-friendly processes and codes, abundant natural resources, and sound infrastructure and utilities.



Starbucks Corporation is an American coffee company and coffeehouse chain. Starbucks was founded in Seattle, Washington in 1971. Today, with more than 33,000 stores around the globe, Starbucks is the premier roaster and retailer of specialty coffee in the world. Starbucks locations serve coffee and tea beverages, handcrafted beverages, merchandise, and fresh food.

From 2014 to 2019, the company saw its market value double and top-line revenue grow from \$16.4 billion to \$26.5 billion. Despite being saturated in a plethora of markets, the company has been able to significantly outperform industry-level revenue growth.

In March 2022, Starbucks confirmed they plan to expand to 55,000 stores in over 100 markets by 2030.

The company continues to deliver record financial performance in part to their 3-fold strategy – increase digital engagement, grow relevancy in China, and promote the Starbucks Reserve brand as the company's innovation lab for the future. Perhaps its greatest opportunity lies in China where the number of stores has grown to 4,100 in the past 5 years.

In 2019, Starbucks announced plans to strengthen its drive-thru experience. Starbucks' reinvention of the drive-thru has initiated the largest capital expenditure in the company's history, and 80% of future stores will include a drive-thru.

The company's global store portfolio is expected to grow 6% annually in fiscal 2022. Starbucks shareholders have seen a return of \$25 billion over the last 4 years. Starbucks plans to return another \$20 billion by 2025.

Starbucks' growth streak – in both financial numbers and portfolio size — continued in the second quarter of 2022 as the Seattle-based coffee chain reported 12% same-store sales growth in the U.S. and North America markets. The strength of the North America market was slightly offset by a struggling Chinese market, where sales were down 23% thanks to COVID-centric lockdowns. Overall, global same-store sales grew 7%, driven by a 4% increase in average ticket and a 3% increase in transactions. Additionally, net revenues were up 15% to \$7.6 billion: a Q2 record for the company, with net revenues for the North America segment up 17%.

WEBSITE	STARBUCKS.COM	2021 REVENUE	\$29.1 BILLION
COMPANY TYPE	PUBLIC (NASDAQ: SBUX)	2021 TOTAL ASSETS	\$31.4 BILLION
2021 LOCATIONS	33,000+	CREDIT RATING	FITCH: BBB
2021 EMPLOYEES	383,000		

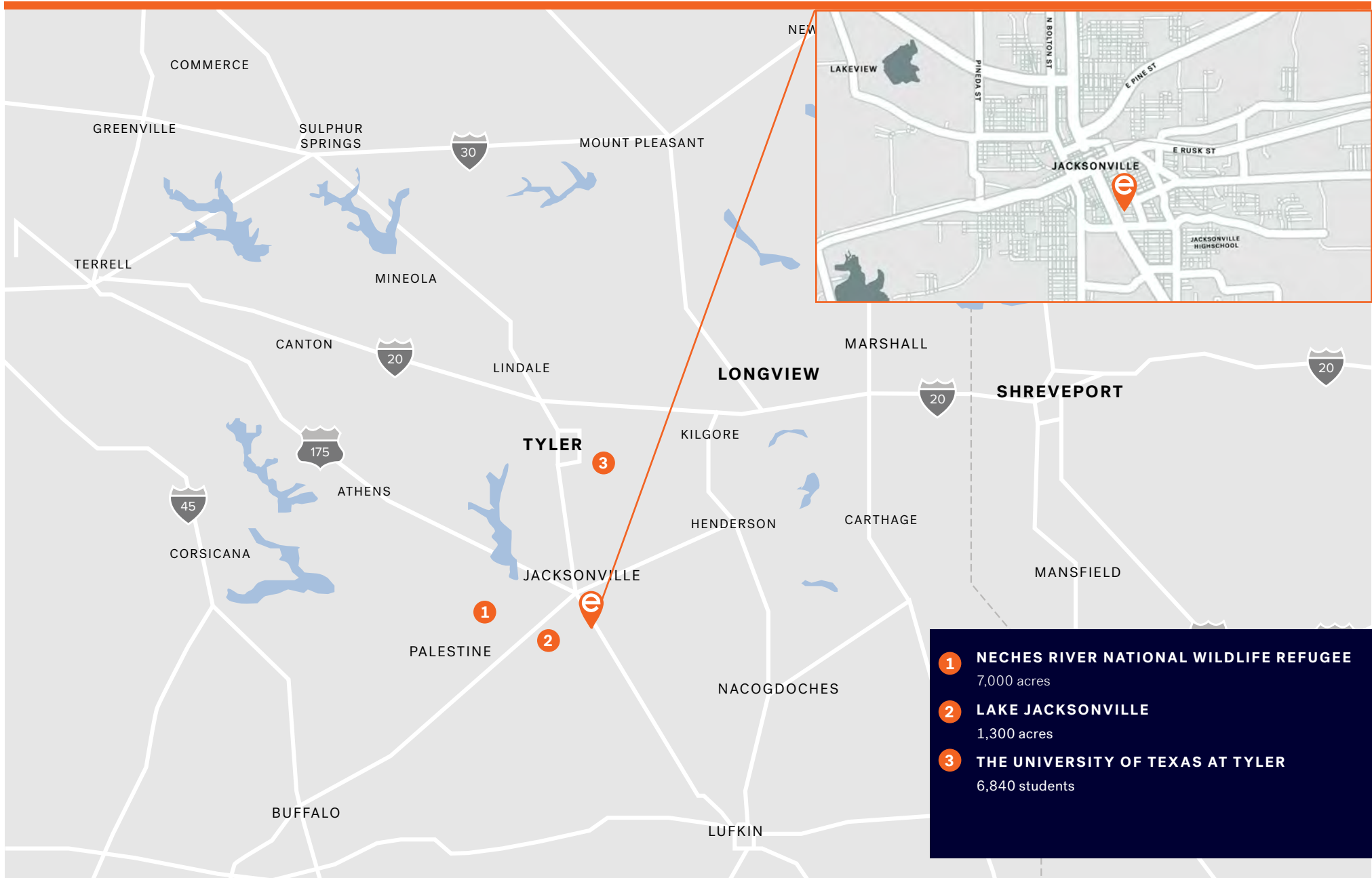
The Property

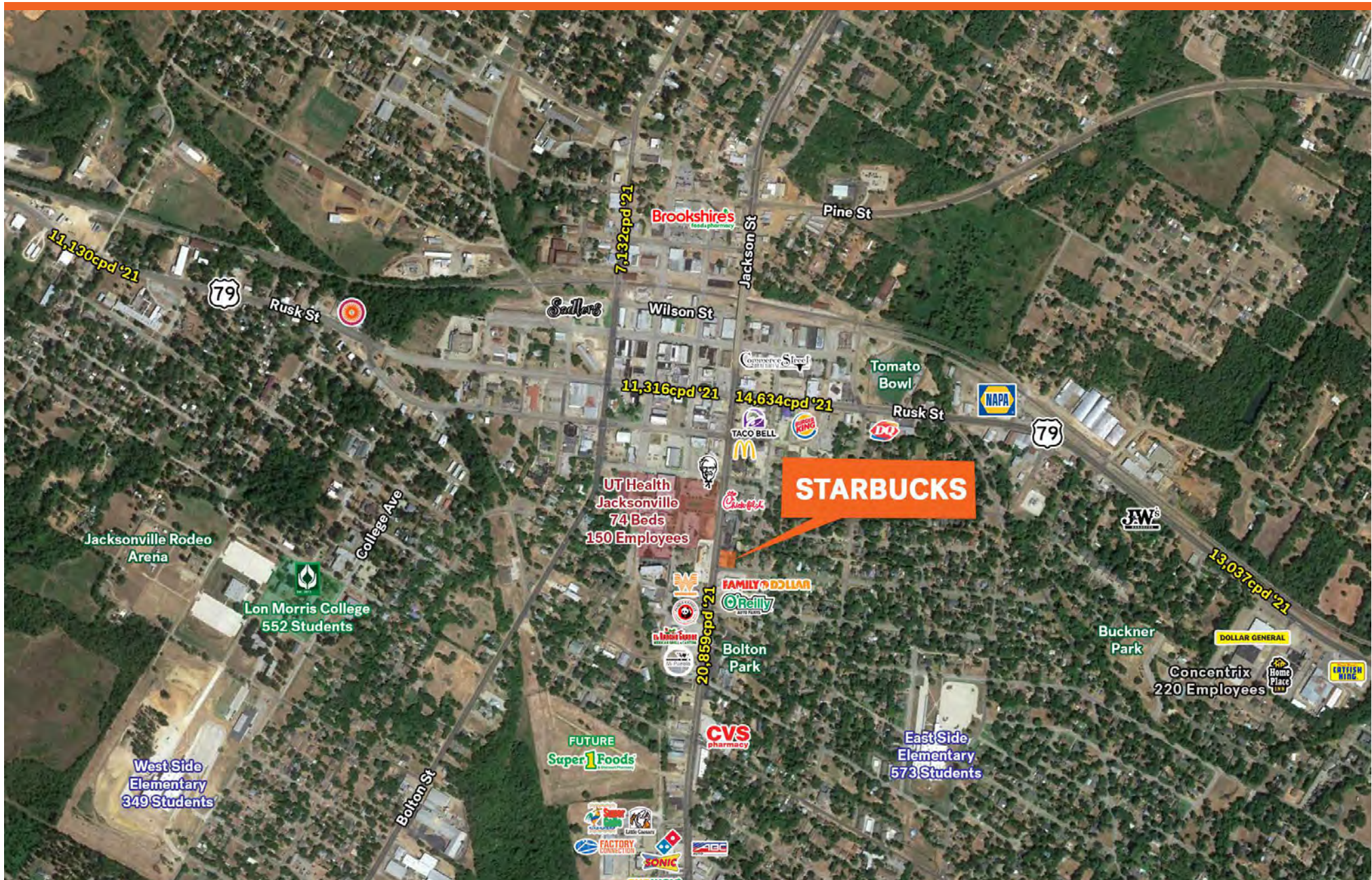
ADDRESS	598 S Jackson Street Jacksonville, Texas 75766
LAND AREA	+/- 0.63 ac
GLA	2,000 sf
YEAR BUILT	2022
OCCUPANCY	100%
PARKING	32 spaces including 2 handicap 16 per 1,000 sf
ZONING	G / Commercial
TAX AUTHORITY / ID	Cherokee / TBD
TAX VALUE / RATE	TBD
BUILDING EXTERIOR	Stucco & wood exterior
ROOF	Flat
HVAC	Roof mounted units
SITE LIGHTING	Pole and building mounted lights
PARKING LOT	New condition. Concrete

2021 DEMOGRAPHIC SNAPSHOT

	1 Mile	3 Mile	5 Mile
TOTAL POPULATION	7,066	16,182	20,627
POPULATION GROWTH 2021-2026	5.21%	4.62%	4.40%
AVERAGE HH INCOME	\$53,609	\$54,204	\$57,091











The Financials

ANALYSIS SUMMARY

ANALYSIS START DATE	11/1/2022
HOLD PERIOD	10
LAND AREA	27,617
GLA	2,000
OCCUPIED GLA	2,000
IN-PLACE OCCUPANCY	100.00%

PURCHASE SUMMARY

PRICE	\$2,130,000
PRICE PSF (IMPROVEMENTS)	\$1,065.00
PRICE PSF (LAND)	\$77.13
IN-PLACE NOI	\$106,500
IN-PLACE CAP RATE	5.00%
YEAR 1 NOI	\$106,500
YEAR 1 CAP RATE	5.00%

REVERSION ANALYSIS

YEAR 11 NOI	\$123,008
RESIDUAL CAP RATE	5.50%
SALES PRICE	\$2,236,509
PRICE PSF (IMPROVEMENTS)	\$1,118.25
PRICE PSF (LAND)	\$80.98

RETURNS

	ALL-CASH
AVERAGE CASH ON CASH / YIELD ON EQUITY	5.23%
IRR	5.35%
MULTIPLE	1.54x



TENANT	SUITE	SF	% OF GLA	LEASE START	LEASE EXPIRATION	DATE	MONTHLY RENT	ANNUAL RENT	RENT PSF	EXPENSE REIMBURSEMENT METHOD	OPTIONS	NOTES
Starbucks	100	2,000	100.00%	10/3/2022	2/28/2033	CURRENT 3/1/2028	\$8,875.00 \$9,762.50	\$106,500 \$117,150	\$53.25 \$58.58	NN	4x5 Year Renewal Options @ \$62.97, \$67.69, \$72.77, & \$78.23	Rent is abated for the first 120 days of the lease. Starting 2/1/2023, Tenant begins paying base rental.
		OCCUPIED SF	2,000	100.00%								
		VACANT SF	0	0.00%			TOTAL IN-PLACE RENT		\$106,500			
		TOTAL AREA	2,000	100.00%								



	IN-PLACE PSF	IN-PLACE	PRO FORMA PSF	YEAR 1 YE 10/31/2023	YEAR 2 YE 10/31/2024	YEAR 3 YE 10/31/2025	YEAR 4 YE 10/31/2026	YEAR 5 YE 10/31/2027	YEAR 6 YE 10/31/2028	YEAR 7 YE 10/31/2029	YEAR 8 YE 10/31/2030	YEAR 9 YE 10/31/2031	YEAR 10 YE 10/31/2032	YEAR 11 YE 10/31/2033
REVENUE														
BASE RENTAL REVENUE	\$53.25	\$106,500	\$53.25	\$106,500	\$106,500	\$106,500	\$106,500	\$106,500	\$113,600	\$117,150	\$117,150	\$117,150	\$117,150	\$123,008
EFFECTIVE GROSS REVENUE	\$53.25	\$106,500	\$53.25	\$106,500	\$106,500	\$106,500	\$106,500	\$106,500	\$113,600	\$117,150	\$117,150	\$117,150	\$117,150	\$123,008
NET OPERATING INCOME		\$106,500		\$106,500	\$106,500	\$106,500	\$106,500	\$106,500	\$113,600	\$117,150	\$117,150	\$117,150	\$117,150	\$123,008



Lease Abstract

TENANT:	Starbucks Corporation			
SQUARE FOOTAGE:	2,000			
ORIGINAL SQUARE FOOTAGE:	2,000			
ADDITIONAL SQUARE FOOTAGE:	N/A			
SPECIFIC USE:	Tenant shall use the leased premises for any lawful retail or restaurant use, including the sale of beer and wine.			
DOCUMENTATION:	Lease executed 10/5/2021			
RENT COMMENCEMENT DATE:	February 1, 2023			
LEASE EXPIRATION DATE:	February 28, 2033			
TERM:	10 years + 4 months + 25 days			
SECURITY DEPOSIT:	\$0.00			
BASE RENT:	Period	Per Month	Annual	PSF
	October 03, 2022 - January 31, 2023		Abated Rent	
	February 01, 2023 - February 28, 2028	\$8,875.00	\$106,500.00	\$53.25
	March 01, 2028 - February 28, 2033	\$9,762.50	\$117,150.00	\$58.58
	Remaining Renewal Options:			
	Option 1: March 01, 2033 - February 28, 2038	\$10,494.69	\$125,936.28	\$62.97
	Option 2: March 01, 2038 - February 28, 2043	\$11,281.79	\$135,381.48	\$67.69
	Option 3: March 01, 2043 - February 28, 2048	\$12,127.93	\$145,535.16	\$72.77
RENEWAL OPTION(S):	Option 4: March 01, 2048 - February 28, 2053			
	\$13,037.52			
	\$156,450.24			
	\$78.23			
RENEWAL OPTION(S):	4, 5 year renewal options remaining. To exercise an extension option, Tenant shall give Landlord notice ("Tenant's Extension Notice") at least ninety (90) days prior to the then-current Expiration Date (the "Extension Deadline"). Tenant's Extension Notice shall be effective to extend the Term without further documentation, and Tenant may exercise more than one option to extend the Term at a time.			
CAM PAYMENTS:	Tenant will pay all costs for the maintenance of the Common Area.			
INSURANCE PAYMENTS:	Tenant shall maintain insurance throughout the term of the lease.			
RE TAX PAYMENTS:	Tenant shall pay as additional rent their pro rata share of real property taxes.			
UTILITIES:	Tenant shall pay directly to the applicable utility provider the utility charges for all water, sewer, gas and electricity used by Tenant during the Term.			
TENANT MAINTENANCE:	Tenant, at Tenant's expense, shall keep the portions of the Premises and the Building that are not Landlord's obligation in this Lease in good order and repair, including maintaining, repairing, and (as needed) replacing all plumbing, HVAC (including roof top units even though located outside of the Premises), electrical and lighting facilities and equipment within the Premises and exclusively serving the Premises, the storefront, doors, and plate glass of the Premises as well as regular maintenance (but not repair or replacement) of all parking areas (including parking lot sweeping and parking lot sealing as needed) and sidewalks, maintenance of all landscaping on the Property (including maintenance of any irrigation for such landscaping), and trash pick-up.			
LANDLORD MAINTENANCE:	Landlord shall, at its sole cost and expense, perform the maintenance, make the repairs and replacements, and perform such work that is Landlord's obligation hereunder and as is necessary to maintain the Building in a condition comparable to other first-class buildings in the Dallas-Fort Worth metropolitan area. Landlord, at Landlord's sole cost and expense, shall be responsible for making (a) any repair, replacement or improvement necessitated by the negligence or willful misconduct of Landlord or Landlord's employees, agents, or contractors; (b) any repair, replacement or improvement caused by Landlord's failure to perform its obligations under this Lease or under any other written agreement between Landlord and Tenant; (c) any structural or seismic repairs, improvements or alterations to the Premises, the Building, or the Property; (d) any maintenance, repairs, and replacements required to the roof (including the roof membrane and the roof systems (gutters, downspouts and the like)) of the Building; (e) parking lot repair and replacement including restriping, repaving, resurfacing, and/or replacement when needed; (f) any maintenance, repairs, and replacements required to the foundation and other structural elements of the Building; (g) maintenance, repair, and replacement of the exterior of the Building (including routine painting); (h) maintenance, repair, and replacement to the lighting and light poles on the Property (including the replacement of light bulbs as needed); (i) maintenance, repair, and replacement of all plumbing, electrical and other utility facilities, equipment (other than the HVAC), lines and pipes located outside of the Premises; and U) repair and replacement of all landscaping on the Property (including irrigation for such landscaping).			
PERCENTAGE RENT:	N/A			
BREAKPOINT:	N/A			
EXECUTOR:	Starbucks Corporation			
GUARANTOR:	N/A			
ASSIGNEE:	N/A			
CO-TENANCY/TERMINATION:	N/A			
EXCLUSIVES / RESTRICTIONS:	N/A			
ESTOPPEL CERTIFICATE:	Tenant shall, no more than twice in any Lease Year and upon not less than thirty (30) days' prior written notice from Landlord, execute, acknowledge, and deliver an Estoppel.			
ADDITIONAL INFORMATION:	N/A			



Thomas A Pirtle III
AIA NCARB

Architect
1308 Meadowview Drive
Kennedale Texas 76060

CONTRACTOR SHALL VERIFY ALL CONDITIONS
AND DIMENSIONS AT THE JOB SITE AND
NOTIFY THE ARCHITECT OF ANY DIMENSIONAL
ERRORS, OMISSIONS OR DISCREPANCIES
BEFORE BEGINNING OR FABRICATING ANY
WORK. DO NOT SCALE DRAWINGS.

SCC DEVELOPMENT
COMPANY
556 8th Avenue
Fort Worth, TX 76104
817.900.2100 (o)

REVISION SCHEDULE				
REV	DATE	BY	DESCRIPTIONS	

PROJECT NAME:
STARBUCKS SHELL BUILDING
PROJECT ADDRESS:
S JACKSON ST & SAN ANTONIO ST
JACKSONVILLE, TX

PROJECT #:
21-0002
ORIGINAL ISSUE
DATE:
11-14-21
PRODUCTION
DESIGNER:
MH
CHECKED BY:
TP

SHEET TITLE:
PRELIM 3D
ELEVATIONS

SCALE:
3/16" = 1'-0"

SHEET NUMBER:
PR-101 CASE SP 2018-05



EAST ELEVATION PRELIM



SOUTH ELEVATION PRELIM

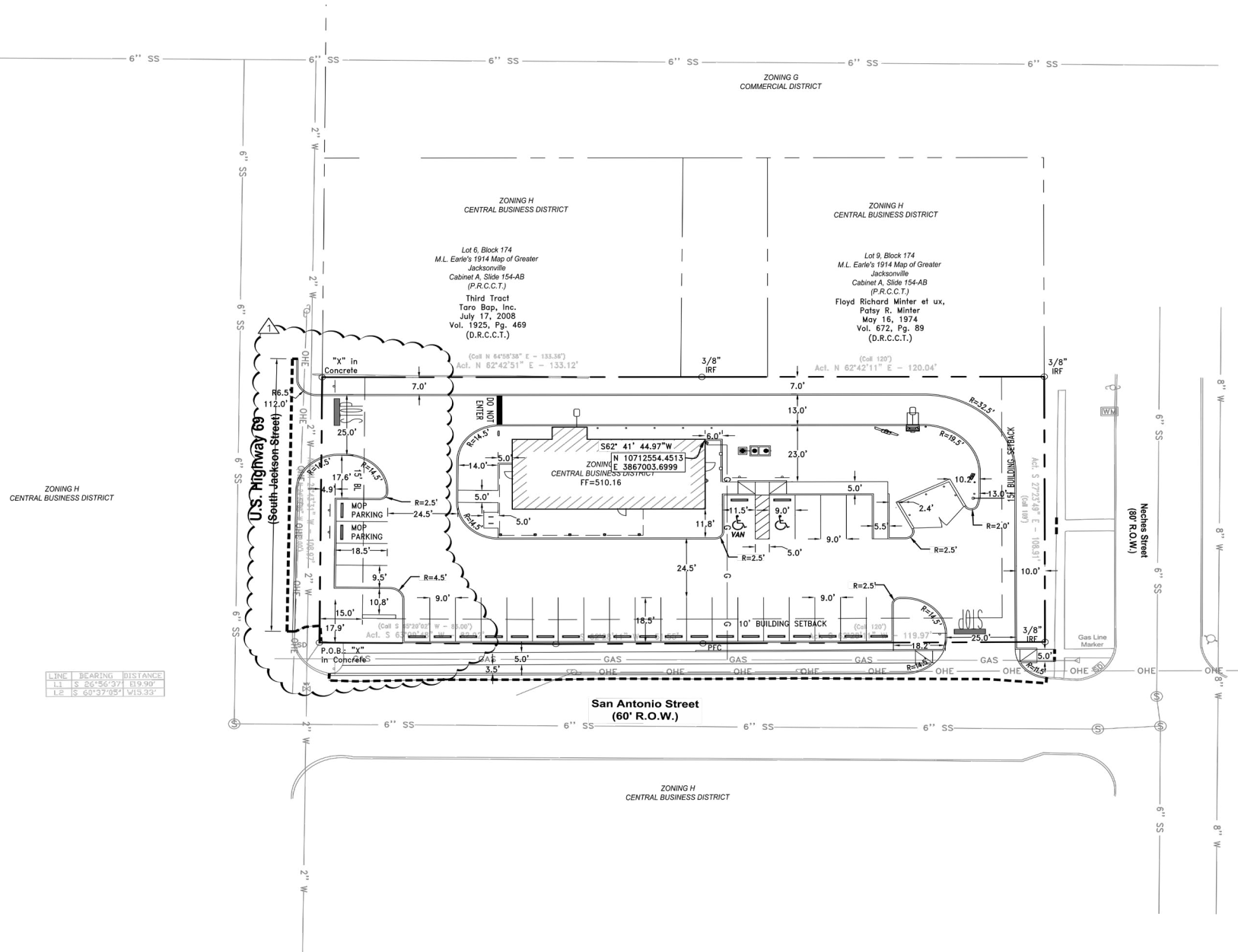


WEST ELEVATION PRELIM



NORTH ELEVATION PRELIM





The Market



POPULATION
29,743,320



**#1 FASTEST
GROWING
ECONOMY
IN THE U.S.**



**TOP STATE FOR
JOB GROWTH**
7,316,500 JOBS CREATED IN 2021

2nd

**LARGEST CIVILIAN
LABOR WORKFORCE:**
14+ MILLION WORKERS

95

**FORTUNE 500
COMPANIES
CALL TEXAS HOME**



BEST STATE FOR BUSINESS
FOR THE 15TH YEAR IN A ROW BY
CHIEF EXECUTIVE MAGAZINE



FORT WORTH

#3 BEST PLACES TO LIVE IN TEXAS
#3 BEST CITY FOR JOB SEEKERS

DALLAS

#1 TOP 20 BUSINESS-FRIENDLY CITY
#1 IN THE COUNTRY FOR JOB GROWTH 2022
#1 MOST ACTIVE REAL ESTATE MARKET
#2 BEST MARKET FOR INVESTMENT PROSPECTS

HOUSTON

#6 FASTEST GROWING HOUSING MARKET 2021
#2 MOST ACTIVE REAL ESTATE MARKET
#7 TOP 20 BUSINESS-FRIENDLY CITY

AUSTIN

#2 BEST HOUSING MARKET 2021
#5 BEST PLACE TO LIVE 2021
#12 TOP 20 BUSINESS-FRIENDLY CITY

SAN ANTONIO

#4 BEST PLACE TO LIVE IN TEXAS 2021
#4 MOST HOUSING MARKET GROWTH



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



LARGEST MEDICAL CENTER
Texas Medical Center, Houston
2ND LARGEST CANCER CENTER
MD Anderson, Houston



AWARDED 2020 GOVERNOR'S CUP
FOR THE MOST NEW & EXPANDED
CORPORATE FACILITIES: **1,123**



**NO STATE
INCOME TAX**



Region North
 County Cherokee
 MSA DFW
 Access US 79, US 69, US 175
 Trade Area 14.2 Sq. Miles



**#1 CITY WITH LARGEST POPULATION
IN CHEROKEE COUNTY**



**RETAIL
HUB**

**140 ACRE
INDUSTRIAL PARK**

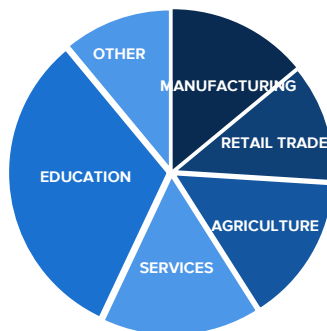


LAKE JACKSONVILLE 1,300 ACRES
**NECHES RIVER NATIONAL
WILDLIFE REFUGE** 7,000 ACRES

INDUSTRY PROFILE

EDUCATION 32%
 MANUFACTURING 14%
 RETAIL TRADE 12%
 AGRICULTURE 15%
 SERVICES 16%
 OTHER 11%

8,335 EMPLOYEES
3% UNEMPLOYMENT RATE



DEMOGRAPHICS

POPULATION	14,372
TOTAL HOUSEHOLDS	4,886
AVERAGE HOUSEHOLD INCOME	\$53,782
MEDIAN AGE	32.4
BACHELOR DEGREE +	16%
CIVILIAN LABOR FORCE	8,335

LARGEST EMPLOYERS

JACKSONVILLE ISD	932 Employees
BEALLS - DISTRIBUTION CENTER	490 Employees
WALMART	330 Employees
CARDINAL HEALTH	300 Employees
CHRISTUS MOTHER FRANCES HOSPITAL	241 Employees
ARRINGTON LUMBER AND PALLET	225 Employees
CONCENTRIX	220 Employees
BUILDER'S BEST	200 Employees
UT HEALTH JACKSONVILLE	150 Employees
FEDERAL HEATH SIGN COMPANY	150 Employees

	1 MI RADIUS	3 MI RADIUS	5 MI RADIUS
POPULATION			
TOTAL POPULATION	7,066	16,182	20,627
TOTAL DAYTIME POPULATION	12,348	20,053	22,016
% PROJECTED ANNUAL GROWTH 2021 TO 2026	5.21%	4.62%	4.40%
2026 PROJECTED POPULATION	7,434	16,929	21,533
% FEMALE POPULATION	50%	51%	51%
% MALE POPULATION	50%	49%	49%
MEDIAN AGE	31	32.7	33.9
BUSINESS			
TOTAL EMPLOYEES	5,988	8,568	8,874
TOTAL BUSINESSES	364	539	560
% WHITE COLLAR EMPLOYEES	41%	39%	38%
HOUSEHOLD INCOME			
ESTIMATED AVERAGE HOUSEHOLD INCOME	\$53,609	\$54,204	\$57,091
ESTIMATED MEDIAN HOUSEHOLD INCOME	\$45,031	\$45,012	\$47,024
ESTIMATED PER CAPITA INCOME	\$19,694	\$21,217	\$22,127
HOUSEHOLD			
TOTAL HOUSING UNITS	2,566	6,313	8,178
% HOUSING UNITS OWNER-OCCUPIED	49.00%	53.00%	57.00%
% HOUSING UNITS RENTER-OCCUPIED	39.00%	36.00%	31.00%
RACE & ETHNICITY			
% WHITE	65.47%	65.63%	69.67%
% BLACK OR AFRICAN AMERICAN	16.91%	18.56%	16.03%
% ASIAN	0.58%	0.67%	0.69%
% OTHER	17.05%	15.13%	13.61%
% HISPANIC POPULATION	40.83%	36.27%	31.85%
% NOT HISPANIC POPULATION	59.17%	63.73%	68.15%



Edge Realty Capital Markets LLC exclusively presents the listing of Starbucks ("Property") for your acquisition. The owner is offering for sale the Property through its exclusive listing with the team.

Edge Realty Capital Markets LLC and owner provides the material presented herein without representation or warranty. A substantial portion of information must be obtained from sources other than actual knowledge and not all sources can be absolutely confirmed. Moreover, all information is subject to changes by the parties involved as to price or terms before sale, to withdrawal of the Property from the market, and to other events beyond the control of Edge Realty Capital Markets LLC or owner. No representation is made as to the

value of this possible investment other than hypothetical scenarios. It is encouraged that you or any of your affiliates consult your business, tax and legal advisors before making a final determination of value or suitability of the Property for acquisition.

As a condition of Edge Realty Capital Markets LLC's consent to communicate the information contained herein—as well as any information that may be communicated to you subsequently either verbally or in writing by Edge Realty Capital Markets LLC, owner or agents of either of these parties regarding the Property – it is required that you agree to treat all such information confidentially.



Starbucks

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EXCLUSIVE LISTING BROKERS

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