

OFFERING MEMORANDUM



STARBUCKS
Houston, Texas

**YURAS
AICALE
FORSYTH
CROWLE**

Leased Investment Team



\$2,700,000 | 5.00% CAP RATE



**CUSHMAN &
WAKEFIELD**

ACTUAL SITE

TABLE OF CONTENTS



LEAD BROKERS

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Cushman and Wakefield Inc. LIC. # 00616335

This property is listed in conjunction with Texas-licensed real estate broker Delta Commercial.

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www.YAFCteam.com

INVESTMENT SUMMARY

TENANT	Starbucks		
ADDRESS	12623 Tomball Parkway, Houston, Texas 77086		
PRICE	\$2,700,000		
CAP RATE	5.00%		
NOI	\$135,000		
TERM	10 years		
RENT COMMENCEMENT	December 12, 2022		
LEASE EXPIRATION	February 28, 2033		
	10% rental increases every five (5) years, including options		
RENTAL INCREASES	YEAR	RENT	RETURN
	1-5	\$135,000	5.00%
	6-10	\$148,500	5.50%
	11-15 (option 1)	\$163,350	6.05%
	16-20 (option 2)	\$179,685	6.66%
	21-25 (option 3)	\$197,654	7.32%
	26-30 (option 4)	\$217,419	8.05%
LEASE TYPE	Net, with tenant responsible for all taxes, insurance, and maintenance directly, excluding capital expenditures (roof replacement, structure, and parking lot replacement)		



ACTUAL SITE

LISTING HIGHLIGHTS

NEW 10-YEAR NET CORPORATE LEASE WITH RARE SELF-MAINTAIN LEASE

- » New 10-year corporate net lease to Starbucks Corporation with rare self-maintain lease language: Tenant responsible for all ongoing maintenance directly
- » Investment-grade tenant, rated “BBB+” by Standard & Poor’s
- » Starbucks Corporation (NASDAQ: “SBUX”) is the world’s premier coffee company, with over 35,711 locations and \$32.3 billion in annual revenue (11% increase from 2021 revenue of \$29.1 billion)
- » High-quality 2022 construction featuring a dedicated drive-thru lane, providing additional customer convenience, and boosting sales revenue

PROMINENT LOCATION ALONG TOMBALL PARKWAY WITH ACCESS TO OVER 45K VPD IN A DENSE RETAIL CORRIDOR

- » Strategic location along State Highway 249/Tomball Parkway with excellent visibility and access to 67,000+ vehicles per day (23,210 AADT along Antoine Drive)
- » Beneficial proximity to major Texas thoroughfares, Interstate 45 (319,640 AADT) and Sam Houston Tollway (182,012 AADT)
- » Near high-performing Walmart (2.5M visitors in 2022) and Kroger (1.1M visitors in 2022)
- » Central location with nearby notable tenants CVS Pharmacy, Chick-fil-A, McDonald’s, Jiffy Lube, Chase Bank and more drawing significant cross over traffic to the site
- » 3.7 miles from Lone Star College-Houston North Victory (2,603 students)
- » Well positioned along one of the main routes to Willowbrook Mall (140+ stores, 109 million shoppers per year), Houston Methodist Willowbrook Hospital (358 beds), and St. Luke’s Hospital at The Vintage (106 beds)

DENSELY POPULATED HOUSTON SUBURB POISED FOR GROWTH

- » Dense population with more than 125,000 residents within a three-mile radius and 320,378 within five miles of the property (12% growth since 2010), creating a large and reliable customer base for the site
- » Surrounded by high-density, single-family housing developments, and large townhouse complexes
- » 14 miles from George Bush Intercontinental Airport (45 million annual passengers), Houston’s largest airport and the 16th busiest airport in North America, according to ACI-NA
- » Approximately 30 minutes from Downtown Houston, the fourth-most populous city in the U.S. with a population of over 2.3 million and 7.2 million in the Houston MSA
- » Texas has no state income tax

Nitsch
Elementary School
(673 students)

Klein
Intermediate
Middle School
(1,095 students)



INDUSTRIAL REGION

Antoine Drive
(23,210 AADT)



Walmart
Supercenter

91st Percentile Nationwide,
According to Placer.ai



Under
Development



Under
Development

Future
Development



Tomball Parkway
(44,001 AADT)



Kroger

90th Percentile in Texas,
According to Placer.ai





amazon warehouse
(1,500 employees)

Wilson
Elementary School
(727 students)

Kroger
90th Percentile in Texas,
According to Placer.ai

Tomball Parkway
(44,001 AADT)

Antoine Drive
(23,210 AADT)

POPEYES
+LOUISIANA KITCHEN+

EXXON

PNC BANK

O'Reilly AUTO PARTS

AutoZone

McDonald's

WHATABURGER

CVS
pharmacy

Waffle House

CHIPOTLE
MEXICAN GRILL

Under Development

Jiffy Lube

Capital One

SMOOTHIE KING

Under Development

CHASE

DUNKIN'

SONIC
America's Drive-In

Raising Cane's
CHICKEN FINGERS

T-Mobile

CHARLEY'S
Great Clips
jamba

AspenDental MOD

Starbucks

PANDA EXPRESS

ClearWater
Express Wash

Chick-fil-A

Wendy's



INDUSTRIAL REGION

Frazier Elementary School
(561 students)



91st Percentile Nationwide,
According to Placer.ai



90th Percentile in Texas,
According to Placer.ai

Tomball Parkway
(44,001 AADT)

Antoine Drive
(23,210 AADT)



Under Development



Future Development



Under Development





Carmichael
Elementary School
(521 students)

Ray L Shotwell
Middle School
(1,155 students)



90th Percentile in Texas,
According to Placer.ai

91st Percentile Nationwide,
According to Placer.ai



Antoine Drive
(23,210 AADT)

Tomball Parkway
(44,001 AADT)

Under Development

Under Development

Future Development

SITE OVERVIEW

YEAR BUILT

2022

BUILDING SIZE

2,000 SF

PARCEL SIZE

0.63 acres (27,443 SF)

PARKING

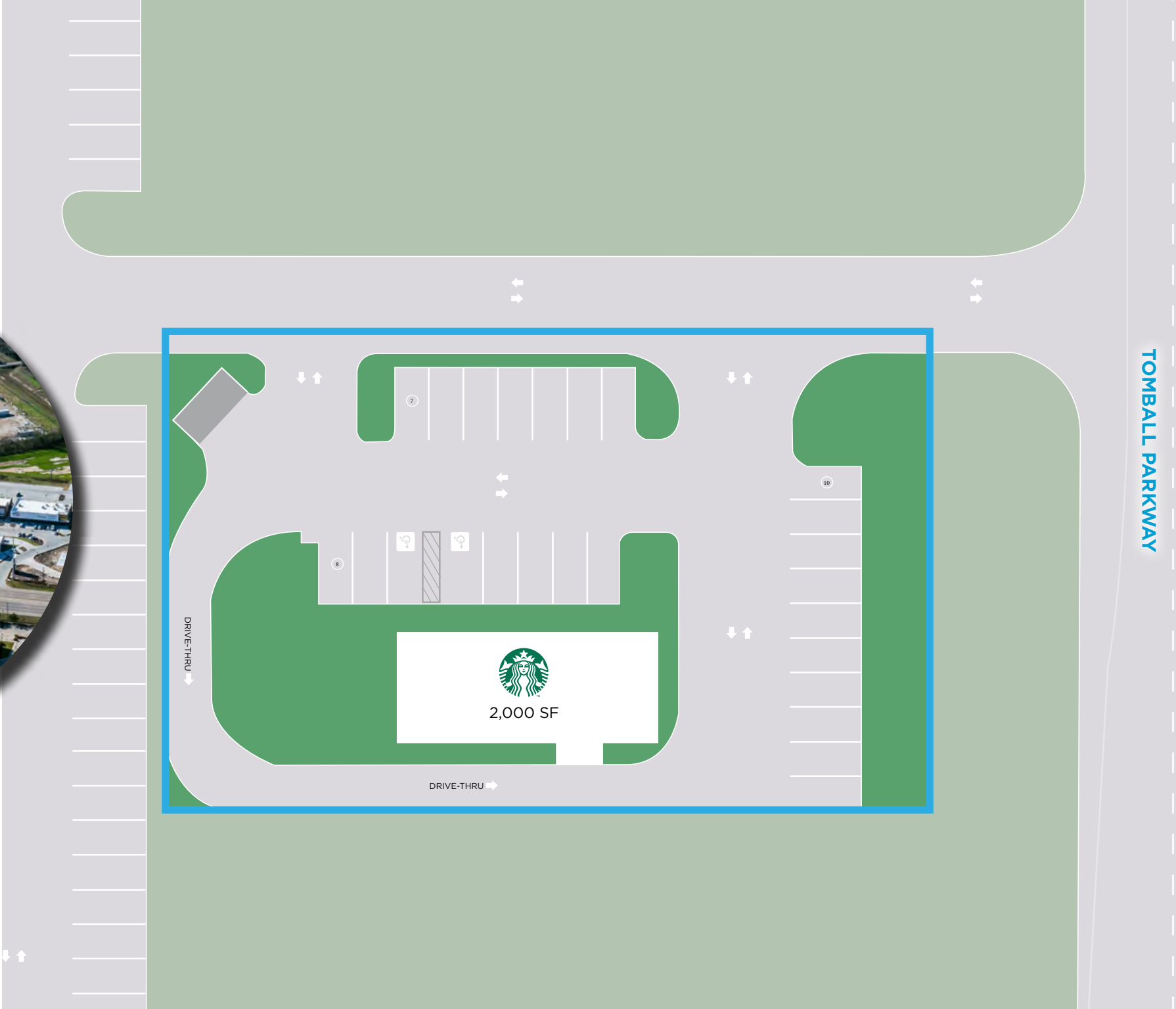
25 parking stalls

ACCESS POINTS

State Highway 249/Tomball Parkway,
Antoine Drive

MAJOR TRAFFIC DRIVERS

Walmart Supercenter, Kroger, CVS Pharmacy,
Chick-fil-A, McDonald's, Jiffy Lube, Chase Bank,
Frazier Elementary School (561 students),
Carmichael Elementary School (521 students),
Wilson Elementary School (440 students),
Chipotle (opening soon), Smoothie King
(opening soon)



TENANT OVERVIEW



Starbucks Corporation (NASDAQ: “SBUX”) is the premier roaster, marketer, and retailer of specialty coffee in the world, operating more than 35,711 locations globally. 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 through its Global Coffee Alliance with Nestlé S.A. (“Nestlé”). In addition to the flagship Starbucks Coffee brand, Starbucks also sells goods and services under the Teavana, Seattle’s Best Coffee, Evolution Fresh, Ethos, Starbucks Reserve, and Princi brand names. Starbucks introduced new store formats, such as Starbucks® Pickup, Starbucks Now stores, and curbside pickup, to enhance the “on-the-go” customer experience and improve operating efficiency across Starbucks® stores in certain major metropolitan areas in the United States. New store formats are suitable for customers who prefer to order ahead and pay through the Starbucks® Mobile App for pick-up. 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’ consolidated revenues increased 11% to \$32.3 billion in fiscal 2022 compared to \$29.1 billion in fiscal 2021, primarily driven by strength in its U.S. business and growth in the international segment. North America’s total net revenues for fiscal 2022 increased \$2.9 billion, or 14%, primarily due to a 12% increase in comparable store sales (\$2.2 billion) driven by a 7% increase in average ticket and a 5% increase in transaction. Also contributing to these increases were the performance of net new company-operated store openings over the past 12 months (\$628 million). Revenue from company-operated stores accounted for 82% of total net revenues during fiscal 2022. Revenue for the Channel Development segment increased \$250 million, or 16% when compared with fiscal 2021, driven by higher product sales and royalty revenue from the Global Coffee Alliance and growth in the global ready-to-drink business. In fiscal 2022, Starbucks announced its plan in the U.S. market to increase efficiency while elevating the partner and customer experience (the “Reinvention Plan”). The investments in partner wages and trainings will increase retention and productivity while the acceleration of purpose-built store concepts and innovations in technologies will provide additional convenience and connection with its customers. Starbucks is rated “BBB+” by Standard & Poor’s and “Baa1” by Moody’s.

For more information, please visit www.starbucks.com.

FOUNDED	HEADQUARTERS	# OF LOCATIONS	SALES
NASDAQ: “SBUX”	Seattle, WA	35,711+	\$32.3B

LEASE ABSTRACT

STARBUCKS

Address: [12623 Tomball Parkway, Houston, Texas 77086](#)

Tenant: Starbucks Corporation

Rent Commencement: December 12, 2022

Lease Expiration: February 28, 2033

Renewal Options: Four (4) five (5) year options

	YEAR	RENT	RETURN
Rental Increases:	1-5	\$135,000	5.00%
	6-10	\$148,500	5.50%
	11-15 (option 1)	\$163,350	6.05%
	16-20 (option 2)	\$179,685	6.66%
	21-25 (option 3)	\$197,654	7.32%
	26-30 (option 4)	\$217,419	8.05%

Real Estate Taxes: Tenant is responsible for all real estate taxes

Insurance: Tenant is responsible for all insurance

Repair & Maintenance: Tenant is responsible for all repair and maintenance, including maintaining and repairing parking areas including sweeping, sealing, and re-striping, all plumbing, HVAC, electrical and lighting and equipment, as well as the day-to-day maintenance of all landscaping on the Property

Maintenance by Landlord: Landlord is responsible for capital expense items such as roof replacement (20-year warranty), structure, and parking lot replacement

Right of First Offer: None

PROPERTY OVERVIEW

LOCATION

- » This Starbucks is located along State Highway 249/Tomball Parkway with **excellent visibility and access to 67,000+ vehicles per day** and maintains beneficial proximity to major Texas thoroughfares, Interstate 45 (319,640 AADT), and Sam Houston Tollway (182,012 AADT)
- » The property is **centrally located between Walmart Supercenter and Kroger** with nearby notable tenants CVS Pharmacy, Chick-fil-A, McDonald's, Jiffy Lube, and Chase Bank drawing significant cross-over traffic to the site
- » The location is just **3.7 miles from Lone Star College-Houston North Victory (2,603 students)** and well-positioned along Tomball Parkway, one of the main routes to Willowbrook Mall (140+ stores, 109 million shoppers per year), Houston Methodist Willowbrook Hospital (358 beds), and St. Luke's Hospital at The Vintage (106 beds)
- » The site is supported by a **dense population with more than 125,000 residents within a three-mile radius** and of 320,378 within a five-mile radius (12% growth since 2010)
- » The site is **14 miles from George Bush Intercontinental Airport (45 million annual passengers)**, Houston's largest airport and the 16th busiest airport in North America, according to ACI-NA
- » Approximately **30 minutes from Downtown Houston**, the fourth-most populous city in the U.S. with a population of over 2.3 million



ACTUAL SITE



PROPERTY ACCESS

STATE HIGHWAY 249/
TOMBALL PARKWAY



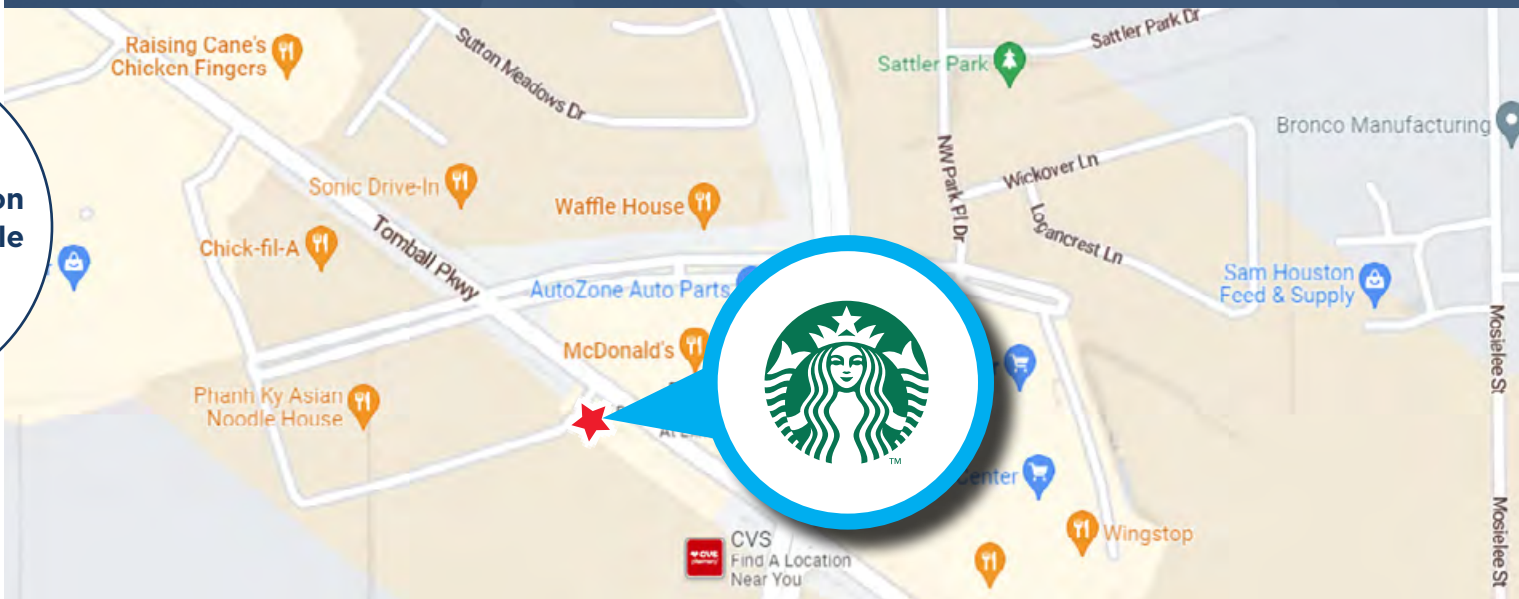
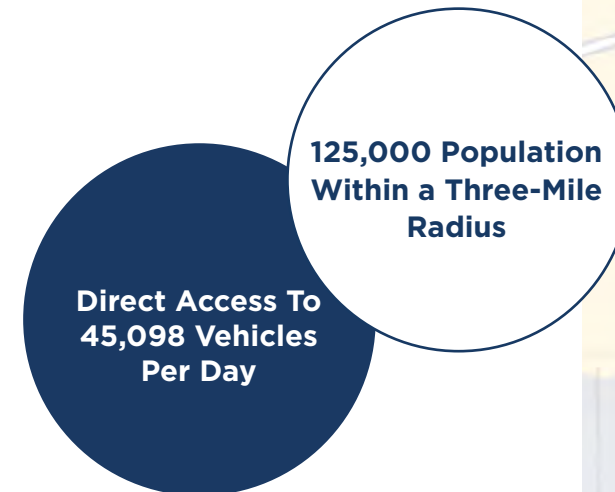
TRAFFIC COUNTS

STATE HIGHWAY 249/ TOMBALL PARKWAY: 44,001 AADT
ANTOINE DRIVE: 23,210 AADT
INTERSTATE 45: 319,640 AADT
SAM HOUSTON TOLLWAY: 182,012 AADT



NEAREST AIRPORT

GEORGE BUSH
INTERCONTINENTAL AIRPORT
(IAH)



AREA OVERVIEW

Houston is the fourth largest city in the United States and the largest city in Texas, with a population of 2.3 million people. Houston has a diverse and broad economic base in the healthcare, energy, aeronautics, and technology industries, and is home to the second most Fortune 500 company headquarters in the United States. Houston also has a strong international presence; the Port of Houston ranks first in the U.S. in international commerce and is the 16th busiest port in the world.

More than 90 foreign governments have consular representation in Houston, and there are 35 active foreign chambers of commerce and trade associations in the city. Additionally, 19 foreign banks representing nine nations operate in Houston, providing financial assistance to the international community. Houston is the seat of Harris County and the economic center of the Houston-Sugar Land-Baytown Metropolitan Statistical Area (MSA), the third-largest metropolitan area in the U.S., with over 7.2 million residents.

- » Metro Houston saw the **third-largest increase in population growth in the U.S.** for the year that ended June 30, 2020, according to the latest data from the Census Bureau
- » The Houston MSA **added more than 91,000 residents during 2021**, making the Houston metro the third-largest in the nation. The new figures put the metro area's population over 7.2 million residents
- » **Houston offers a well-developed suite of key global industries** – including energy, life science, manufacturing, logistics, and aerospace. As these industries digitize, Houston is a hotbed of rapid technological development thanks to our access to customers and expertise
- » A thriving international city, Houston's ties stretch to all corners of the world. The region's geographic location makes it easy to move both goods and people around the globe. **With one of the largest ports in the country and two international airports, Houston connects companies to the world**
- » Houston **boasts a \$490 billion regional GDP**



HOUSTON

Houston Is the
Third-Largest Metro
In The U.S.

Houston is home
to the second
most Fortune 500
companies in the
U.S

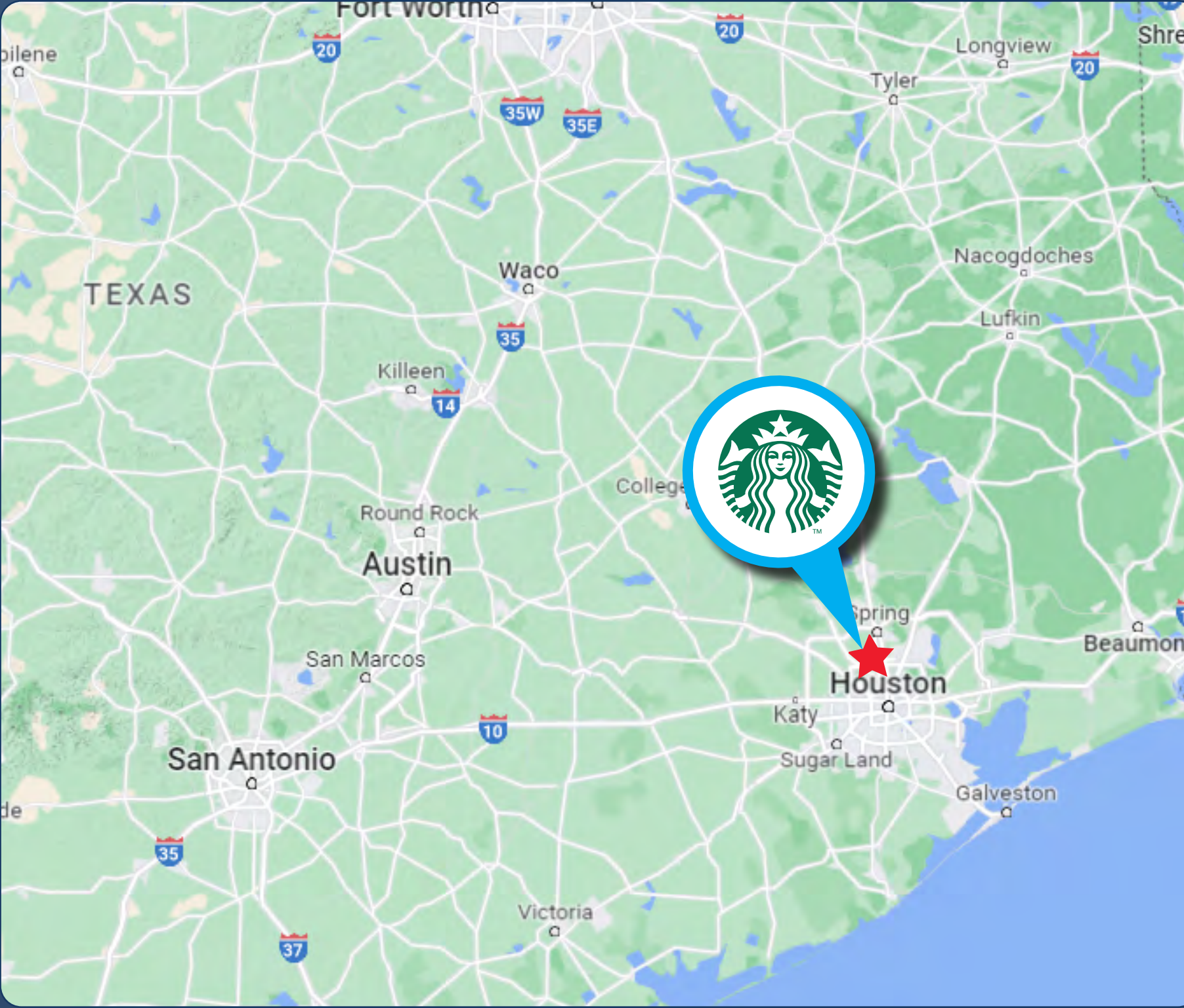
LARGEST EMPLOYERS IN HOUSTON, TEXAS # OF EMPLOYEES

HOUSTON METHODIST	25,543
H-E-B	25,337
WALMART	22,854
MEMORIAL HERMANN HEALTH SYSTEM	21,925
MD ANDERSON CANCER CENTER	21,576
HCA HOUSTON HEALTHCARE	5,000
UNITED AIRLINES	13,500
KROGER	13,490
EXXONMOBIL	13,000
SHELL OIL COMPANY	11,500

DEMOGRAPHICS

2022 SUMMARY	1 Mile	3 Miles	5 Miles
POPULATION	9,690	125,614	320,378
HOUSEHOLDS	2,821	36,963	103,379
FAMILIES	2,235	29,706	75,123
AVERAGE HOUSEHOLD SIZE	3.43	3.40	3.09
OWNER OCCUPIED HOUSING UNITS	1,669	24,102	54,371
RENTER OCCUPIED HOUSING UNITS	1,152	12,862	49,008
MEDIAN AGE	28.9	31.2	31.9
AVERAGE HOUSEHOLD INCOME	\$63,154	\$73,414	\$73,406

2027 ESTIMATE	1 Mile	3 Miles	5 Miles
POPULATION	9,841	126,656	325,962
HOUSEHOLDS	2,866	37,332	105,374
FAMILIES	2,275	30,075	76,733
AVERAGE HOUSEHOLD SIZE	3.43	3.39	3.09
OWNER OCCUPIED HOUSING UNITS	1,731	24,714	56,164
RENTER OCCUPIED HOUSING UNITS	1,135	12,618	49,210
MEDIAN AGE	29.8	32.1	32.6
AVERAGE HOUSEHOLD INCOME	\$73,428	\$86,482	\$86,138



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

Regulated by the Texas Real Estate Commission

Information available at www.trec.texas.gov

IABS 1-0





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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.

LEAD BROKERS

VINCENT AICALE <i>Executive Managing Director</i> 415.690.5522 vince.aicale@cushwake.com CA RE License #01728696	RYAN FORSYTH <i>Executive Managing Director</i> 415.413.3005 ryan.forsyth@cushwake.com CA RE License #01716551	JACK HINSON <i>Brokerage</i> 704.572.9921 jack.hinson@cushwake.com.com CA RE License #02059267
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