



STARBUCKS

DRIVE-THRU

New 10-Year Lease
No Early Termination
Off I-20; 42,000+ CPD

#1

MOST VALUABLE
RESTAURANT BRAND
IN THE WORLD
QSR Magazine

KOMAT'SU
- 56,000 SF, 600 EMPLOYEES -

**WAFFLE
HOUSE**

**Express
Inn**

 **LETOURNEAU
UNIVERSITY**
- 3,209 Students -

DOWNTOWN LONGVIEW
- 10-MIN DRIVE TIME -



**Guest
INN**

**LA QUINTA
INNS & SUITES**

**Holiday Inn
Express**

**INTERSTATE
20**

45,000 CPD

17,000 CPD

ESTES PARKWAY

6

ALON

**TACO
BELL**
BRAND NEW
CONSTRUCTION

McDonald's
BRAND NEW
CONSTRUCTION


**SUBJECT
PROPERTY**

**PLANNED HOTEL/
RETAIL DEVELOPMENT**

In Association with The Woodmont Company | A Licensed Texas Broker #302455

OFFERING MEMORANDUM
LONGVIEW, TEXAS



THE WOODMONT COMPANY



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



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THE WOODMONT COMPANY



STARBUCKS
— DRIVE-THRU —

TABLE OF CONTENTS

Offering Summary	3
Investment Highlights	4
Site Plan / Parcel Map	6
Surrounding Tenants	8
Aerial Overview	9
Regional Map	12
Tenant Profile	13
Tenant News	14
Area Overview	15
Demographics	16

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OFFERING SUMMARY

LOCATION

Starbucks Drive-Thru
3620 Estes Parkway
Longview, TX 76107



OFFERING SUMMARY

Price:	\$2,095,000
Current Net Operating Income (NOI):	\$111,993
Current Capitalization Rate:	5.35%
March 2028 Net Operating Income (NOI):	\$123,207
March 2028 Capitalization Rate:	5.88%
Net Rentable Area:	1,400
Year Built:	2022
Lot Size (Acres):	0.86

LEASE TERMS (1)

Rent Commencement:	12/27/2022
Lease Expiration:	2/28/2033
Lease Term:	10 Years
Lease Type:	NNN
Roof & Structure:	Landlord Responsibility (2)
Monthly Rent:	\$9,333
Annual Rent:	\$111,993
Rental Increases:	10% Year 6 (March 2028)
Renewal Options:	Three 5-Year @ 7.5% Increases; One 5-Year @ 5% Increase

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.

(2) 20-year roof warranty is in place.



Quick Facts

#1

**MOST VALUABLE
RESTAURANT BRAND
IN THE WORLD**
QSR Magazine (2021)

#8

**WORLD'S
MOST ADMIRED
COMPANY**
Fortune (2022)

#19

**MOST
INNOVATIVE
COMPANY**
Forbes (2023)

INVESTMENT HIGHLIGHTS

- **Single-Tenant Corporate Starbucks Drive-Thru:**

- New 10-year lease
- Rare Starbucks lease provision with tenant self maintaining the property
- 10% rent increase in year 6 of the primary term
- Three 5-year options at 7.5% increases and one 5-year option at 5% increase
- No early termination right or rent abatement due to force majeure or pandemic related, governmental closings
- Corporate lease (NASDAQ: SBUX; S&P: BBB+)
- One of the “World’s Most Admired Companies” by Fortune (2009-2023)
- Largest coffeehouse chain globally with approximately 36,000± stores in 84 countries
- Starbucks recently announced plans to bring its massive store count to 55,000 by 2030

- **New Starbucks Prototype; Favorable Drive-Thru Format:**

- The subject property features a drive-thru, outdoor patio seating, and an indoor pick-up window
- Approximately 60%-70% of all business for quick service restaurants come through a drive-thru and average Starbucks store sales are approximately 50% greater in locations that have a drive-thru
- During the fourth quarter of 2020, 75% of all Starbucks’ U.S. sales were generated through the drive-thru



INVESTMENT HIGHLIGHTS

- **No Income Tax:** Texas is a non-income tax state
- **Longview is an Underserved Starbucks Market:** The subject property is the only Starbucks drive-thru located with direct access to the I-20 for over 40 miles
- **Surrounded by Major Employers, Universities and New Developments, Which Presents the Opportunity to Drive More Traffic to This Area:**
 - The property is 2 miles south of LeTourneau University (3,200 students) and 2 miles north of Eastman Chemical (1,480 employees), the 2nd largest employer in Longview
 - Adjacent to a proposed hotel and retail development
 - Across from a proposed 8,500-seat, \$35 million new amphitheater
- **Longview is Located Between Dallas-Fort Worth Metroplex and Shreveport, Louisiana:**
 - “Top 100 best cities for Young People” by America’s Promise Alliance
 - One of only 10 cities in Texas certified “Texas Urban Main Street City”
 - One of the Lowest costs of living in Texas
 - Over 215,000 in greater metropolitan area



SITE PLAN / PARCEL MAP





SURROUNDING TENANTS

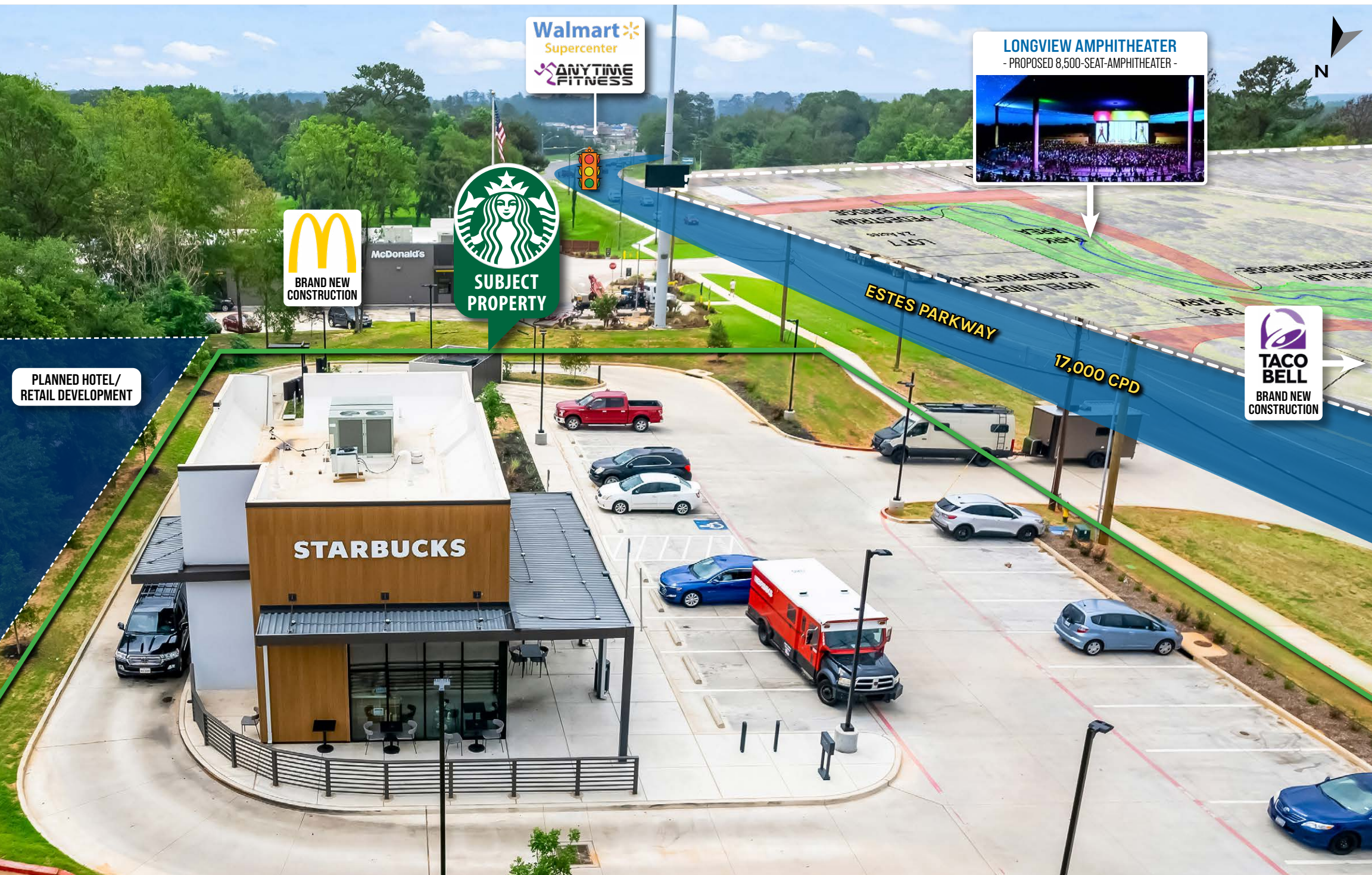


NEW CONSTRUCTION MCDONALD'S



NEW CONSTRUCTION TACO BELL

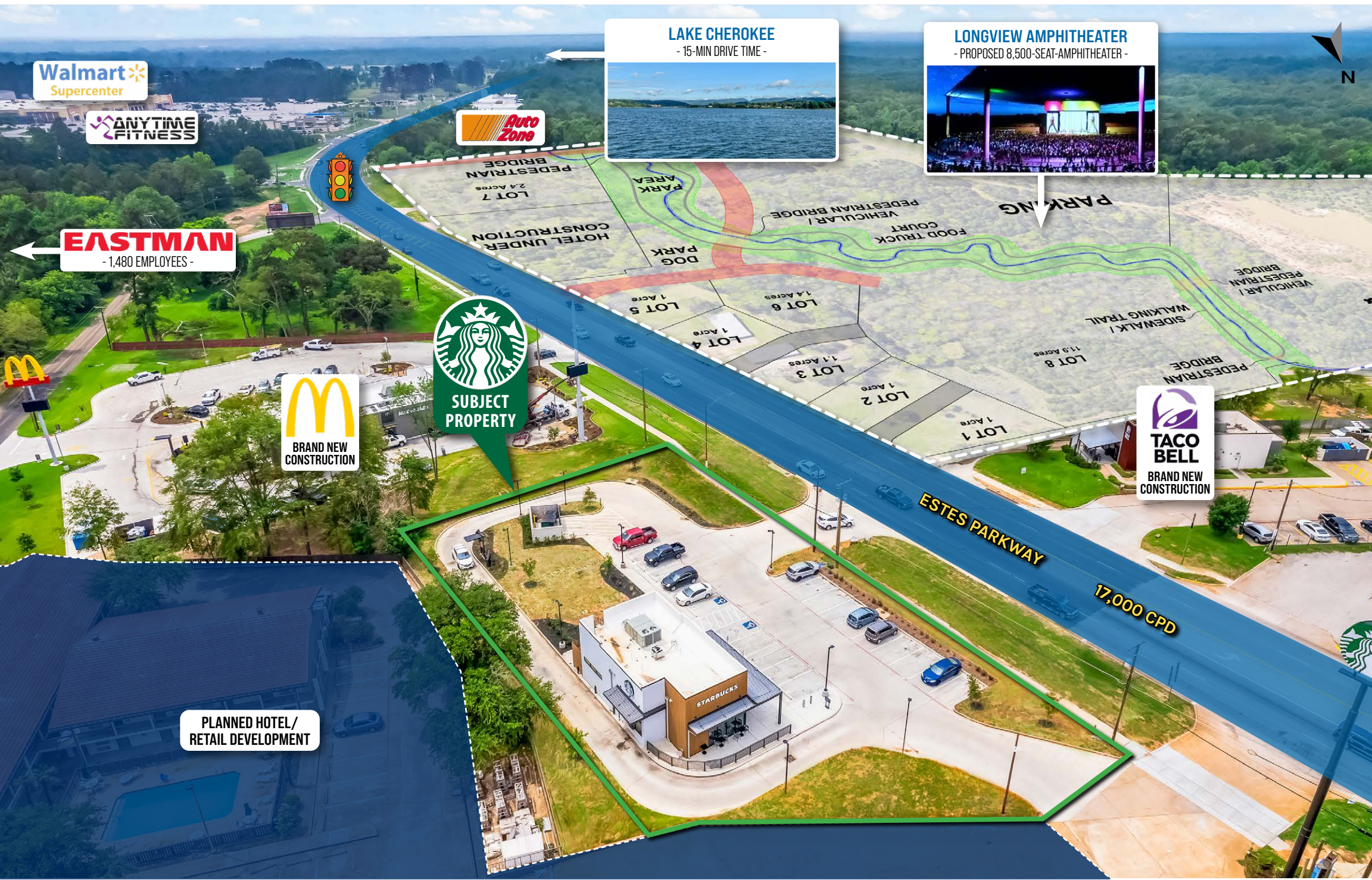
AERIAL OVERVIEW



AERIAL OVERVIEW



AERIAL OVERVIEW



REGIONAL MAP



TENANT PROFILE



STARBUCKS®

Starbucks Corporation is the world's largest roaster, marketer, and retailer of coffee. Each Starbucks location offers more than 170,000 ways to customize coffee and tea beverages. Starbucks stores also offer various food products such as pastries, sandwiches, and lunch items.

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 performances 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.

Knowing that consumers prefer the ease, convenience, and contactless option of a drive-thru, Starbucks will continued to provide this alternative resulting in the largest capital expenditure in the company's history. 80% of all future stores will be built to 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.

Company Type: Public (NASDAQ: SBUX) | S&P: BBB+ Investment Grade
Locations: 36,000+ locations in 84 countries
Website: www.starbucks.com

#1

**Most Valuable Restaurant
Brand in the World**

QSR Magazine

#8

**World's Most
Admired Company**

Fortune (2022)

#19

**Most Innovative
Company**

Forbes (2023)



Starbucks Earnings Beat, China Sees Better-Than-Expected Sales Growth

By Brooke DiPalma | May 2, 2023

Starbucks (SBUX) reported fiscal second quarter 2023 earnings results that beat estimates on Tuesday, May 2 after market close.

In its fiscal second quarter, Starbucks posted U.S. same-store sales that beat estimates, up 12%. Meanwhile, it posted a major beat on same-store sale estimates in China, up 3% compared to Wall Street estimates.

In the U.S., same-store sales increased 12%, largely driven by a 6% uptick in transactions year-over-year and a 6% increase in average ticket size.

Starbucks' loyalty app gained momentum yet again, even after the company implemented changes that went into effect February 13. The number of total active members increased by 15% last quarter to 30.8 million. Year-over-year, total members are up by 4 million.

[CLICK FOR ARTICLE](#)



Starbucks Stock Up 13% Over Last Six Months. What's Next?

March 14, 2023

After a 13% growth over the last six months, at the current price of around \$99 per share, we believe Starbucks stock (NASDAQDAQ -0.1%: SBUX), the world's leading roaster, marketer, and retailer of specialty coffee worldwide is appropriately priced. SBUX stock has increased from around \$88 to \$99 in the last six months, largely outperforming the broader indices, with the S&P growing only marginally over the same period. Starbucks has a clear advantage with regard to name recognition.

We forecast Starbucks' Revenues to be \$36.1 billion for the fiscal year 2023, up 12% y-o-y. Looking at the bottom line, we now forecast the earnings per share to come in at \$3.45. Given the changes to our revenues and EPS forecast, we have revised our Starbucks' Valuation to \$103 per share, based on a \$3.45 expected EPS and a 29.9x P/E multiple for the fiscal year 2023 - almost 4% higher than the current market price.

[CLICK FOR ARTICLE](#)

AREA OVERVIEW

Longview MSA

- A metropolitan statistical area in Northeast Texas comprised of Gregg, Rusk, and Upshur counties
 - 65 miles west of Shreveport, LA; 127 miles east of Dallas; 210 miles north of Houston
- 287,868 population; recorded the 4th largest percentage gain of all U.S. metros from 2016-2021 (32%)
- Home to a dynamic blend of natural beauty, economic opportunities, cultural attractions, and a welcoming community

ECONOMY

- A skilled workforce, access to transportation infrastructure, low cost of living and doing business, and a supportive business environment all contribute to the ongoing economic success and growth in the region
- Oil and gas have historically been the driving economic force due to the largest and most prolific oil reservoir in the contiguous U.S. being located in the region (East Texas Oil Field)
- Today, the region has diversified to become a major economic hub of Northeast Texas with key sectors of manufacturing, retail, education, and professional services
- Benefits from its strategic location near major transportation routes, facilitating commerce and trade
 - Interstate 20, Highway 259,
- The largest employers include CHRISTUS Good Shepherd Medical Center (3,000), Eastman Chemical (1,480), Longview Regional Medical Center (1,244), Dollar General (740), and AAON Coil Products (640)

DEVELOPMENTS

- **The Residences at Toler** - Construction of a new 144-unit apartment development in West Longview
- **AAON Expansion** - The company recently announced plans to double its 220,000 square foot expansion that was completed in 2020 due to a year of record sales; expected to cost \$40 million
- **Rusk State Hospital Expansion** - A recently completed \$200 million state-of-the-art patient complex and administration building at the existing hospital facility
- **Komatsu Expansion** - Construction of 56,000 square feet to expand its current facilities in Longview



DOWNTOWN LONGVIEW



AAON MANUFACTURING FACILITY



RUSK STATE HOSPITAL



Experienced 32.4% Population Growth From 2016 to 2021

DEMOGRAPHICS

POPULATION	3-Mile	4-Mile	5-Mile
2027 Projection	17,119	24,844	35,920
2022 Census	17,014	24,638	35,353
2010 Census	17,329	25,069	35,369
2000 Census	16,418	23,024	32,529
Growth 2000-2010	5.55%	8.88%	8.73%
Growth 2022-2027	0.62%	0.84%	1.60%
HOUSEHOLDS			
2027 Projection	5,654	8,391	12,762
2022 Census	5,580	8,246	12,465
2010 Census	5,522	8,101	12,097
2000 Census	5,570	7,965	11,761
Growth 2010-2020	1.05%	1.79%	3.04%
Growth 2022-2027	1.33%	1.76%	2.38%
2022 POPULATION BY SINGLE-CLASSIFICATION RACE			
White Alone	4,971	8,416	14,636
Black or African American Alone	7,891	10,791	13,201
American Indian and Alaska Native Alone	116	168	251
Asian Alone	129	163	297
Native Hawaiian and Other Pacific Islander Alone	24	25	32
Some Other Race Alone	3,406	4,349	5,819
Two or More Races	485	740	1,121
2022 POPULATION BY ETHNICITY (HISPANIC OR LATINO)			
Hispanic or Latino	6,280	8,055	10,891
Not Hispanic or Latino	10,734	16,583	24,462
2022 AVERAGE HOUSEHOLD INCOME			
	\$49,214	\$52,894	\$58,795

LONGVIEW SNAPSHOT



35,353
POPULATION (5-Mile)



22,748
DAYTIME POPULATION (5-Mile)



8.88%
POPULATION GROWTH (3-Mile, 2000-2010)



\$58,795
AVERAGE HOUSEHOLD INCOME (5-Mile)



\$102,698
AVERAGE HOME VALUE (5-Mile)



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\$10 BILLION
retail sales nationwide



SHARED DATABASE
collaborative proprietary database

GlobeSt.com™

GLOBEST. INFLUENCERS
in retail & net lease sales



NATIONWIDE REACH
retail & investors across the U.S.

\$2.1B
430

\$2.1 BILLION IN RETAIL SOLD
430 transactions in last 36 mos.



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.



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.

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Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date