

STARBUCKS

1328 HWY 16 S, GRAHAM, TX 76450



OFFERING MEMORANDUM



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Executive Summary

1328 HWY 16 S Graham, TX 76450

FINANCIAL SUMMARY

Price	\$2,349,000
Cap Rate	6.30%
Building Size	2,134 SF
Net Cash Flow	6.30% \$148,000
Year Built	2024
Lot Size	0.75 Acres

LEASE SUMMARY

Lease Type	Double Net (NN) Lease
Tenant	Starbucks
Guarantor	Corporate
Lease Commencement Date	July 1, 2024
Lease Expiration Date	June 30, 2034
Lease Term	10 Years
Rental Increases	10% Every 5 Years
Renewal Options	4, 5 Year Options
Roof and Structure	Landlord Responsible

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
1 – 5	\$148,000.00	6.30%
6 – 10	\$162,800.00	6.93%
Renewal Options	Annual Rent	Cap Rate
Option 1	\$179,080.00	7.62%
Option 2	\$196,988.00	8.39%
Option 3	\$216,686.80	9.22%
Option 4	\$238,355.48	10.15%

Base Rent	\$148,000
Net Operating Income	\$148,000
Total Return	6.30% \$148,000





Grabam Regional Medical Center

LONE OAK APARTMENTS 64 UNITS

Walmart Supercenter

SHOE DEPT.

Pizza Hut

Best Western PLUS

DOLLAR GENERAL

ROCKIN'

TACO BELL

McDonald's

EST. 1996 SCOOTER'S COFFEE

BRAUM'S

GOOD NEIGHBOR PHARMACY

15,886 CPD TX-16

Starbucks logo



GRAHAM WATER PLANT

GRAHAM CITY HALL

GRAHAM JUNIOR HIGH SCHOOL

GRAHAM HIGH SCHOOL

DOLLAR TREE
O'Reilly AUTO PARTS
ANYTIME FITNESS

LIBRARY OF GRAHAM

Domino's
SONIC POTTER'S

WHATABURGER

FirstState
Your Hometown Bank

United supermarkets
Aaron's

DQ

TACO & CASA

15,886 CPD
TX-16

Cruise
CAR WASH



GOOD NEIGHBOR PHARMACY



Property Description



INVESTMENT HIGHLIGHTS

- » **New 10-Year Corporate Lease with Starbucks (NASDAQ: SBUX)**
- » 10% Rental Increases Every 5 Years with Multiple Renewal Options
- » **New 2024 Construction with a Drive-Thru**
- » Average Household Income Exceeds \$98,000 within an Immediate Distance
- » **More Than 1,000 Households within a 1-Mile Radius**
- » Near National tenants such as: Dairy Queen, Dollar Tree, Ace Hardware, Whataburger, Best Western, and more



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2028 Projection	3,994	9,298	10,598
2023 Estimate	3,982	9,291	10,586
Growth 2023 - 2028	0.30%	0.07%	0.11%

Households

2028 Projection	1,638	3,640	4,163
2023 Estimate	1,628	3,624	4,144
Growth 2023 - 2028	0.64%	0.42%	0.45%

Income

2023 Est. Average Household Income	\$98,672	\$84,939	\$86,296
2023 Est. Median Household Income	\$62,911	\$54,596	\$56,543

Tenant Overview



SEATTLE, WASHINGTON
Headquarters



1985
Founded



STARBUCKS.COM
Website



33,000+
Locations



NASDAQ: SBUX
Stock Symbol

Starbucks is the premier roaster, marketer and retailer of specialty coffee in the world, operating in 69 countries. Formed in 1985, Starbucks Corporation's common stock trades on the NASDAQ Global Select Market ("NASDAQ") under the symbol "SBUX." The company purchases and roasts high-quality coffees that they sell, along with handcrafted coffee, tea and other beverages and a variety of fresh food items, through company-operated stores. Starbucks also sells a variety of coffee and tea products and license their trademarks through other channels such as licensed stores, grocery and national food service accounts. In addition to their flagship Starbucks Coffee brand, Starbucks also offers goods and services under brands including: Teavana, Tazo, Seattle's Best Coffee, La Boulange, Ethos and Torrefazione Italia Coffee.

Starbucks company-operated stores are typically located in high-traffic, high-visibility locations. Their ability to vary the size and format of their stores allows the Starbucks to locate them in or near a variety of settings, including downtown and suburban retail centers, office buildings, university campuses, and in select rural and off-highway locations.

Property Photos



Location Overview



Graham, Texas, is a city located in the north-central part of the state. It serves as the county seat of Young County and is part of the larger Wichita Falls Metropolitan Statistical Area. Graham is situated approximately 100 miles west of the Dallas-Fort Worth metroplex, making it accessible for visitors and residents looking for a quieter, rural setting with proximity to major urban areas. It is also about 50 miles south of Wichita Falls and around 70 miles north of the city of Abilene.

As of the 2020 census, Graham had a population of around 8,000 people. The city covers a land area of about 7 square miles. Graham is located in a region characterized by rolling plains, ranches, and small lakes. The nearby Possum Kingdom Lake is a popular recreational spot, attracting visitors for boating,

fishing, and camping. The city's proximity to the Lake Graham and the Brazos River also provides scenic views and outdoor activities. Graham is accessible via U.S. Highway 380 and State Highway 16, both of which connect to larger Texas cities. It is also located within a reasonable driving distance to major airports in Dallas/Fort Worth and Wichita Falls.

Outside of Graham, Fort Worth offers a vibrant blend of Old West charm and modern attractions. Visitors can immerse themselves in the city's rich Western heritage at the Stockyards National Historic District, where daily cattle drives and rodeos capture the spirit of Texas.



Information About Brokerage Services

11-2-2015

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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By accepting this Marketing Brochure, you agree to treat the information contained herein regarding the lease terms as confidential and proprietary and to only use such information to evaluate a potential purchase of this net leased property.

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs. Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his her own

investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

CONFIDENTIALITY AGREEMENT

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

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