

SECURE
NET LEASE

SUBJECT PROPERTY



STARBUCKS

\$2,213,592 | 5.15% CAP

3333 7th Street, Bay City, TX 77414

- ✓ Brand New 10-Year Corporate Net Lease
- ✓ No Early Termination Clause
- ✓ New Construction with Drive-Thru
- ✓ Rapidly Growing Suburb of Houston
- ✓ Conveniently located at the intersection of TX-35 and TX-60 with 30,900 VPD.



Starbucks Corporation is an American coffee company and coffeehouse chain. As of 2019, the company operates over 30,000 locations worldwide with a revenue of approximately 26.51 billion dollars.

INVESTMENT OVERVIEW

STARBUCKS | BAY CITY, TEXAS

\$2,213,592 | 5.15% CAP

 **\$114,000**
NOI

 **±1,950 SF**
BUILDING AREA

 **±0.86 ACRES**
LAND AREA

 **2020**
YR BUILT

 **100%**
OCCUPANCY

 **CORPORATE**
LEASE TYPE

* Landlord Responsible for Roof, Structure and Parking Lot Only. Concrete parking lot with 20-year roof warranty.

-  **Brand New Starbucks with Drive Thru.** Starbucks Corporation is BBB+, with over 26,000 locations, world-wide.
-  **Strategically located on the AM side of 7th Street (SH_53) (26,165 VPD).** SH-35 is a major North/South thoroughfare that connect Corpus Christi and Houston.
-  **10-Year Corporate Net Lease with Starbucks Corporation.** Lease features 10% rental increases every 5-Years, including option periods, without any termination rights.
-  **The Subject Property is located in a dense retail corridor, that includes many other national credit tenants, including:** HEB, AutoZone, CVS, Dairy Queen, McDonald's, Whataburger, Dollar Tree, Taco Bell, Chili's, Tractor Supply, Walmart and many more.
-  **Near several great schools.** Tennie Holmes Elementary (707 Students), Linnie Roberts Elementary School (487 Students), Cherry Elementary School (705 Students), Bay City Junior High (809 Students), Bay City High School (968 Students).

SECURE

NET LEASE

CONTACT FOR DETAILS

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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.



TENANT OVERVIEW

STARBUCKS | BAY CITY, TEXAS



STARBUCKS (starbucks.com)

LESSEE: STARBUCKS CORPORATION, A WASHINGTON CORPORATION

GUARANTOR: STARBUCKS

Starbucks Corporation is an international coffee and coffeehouse chain based in Seattle, Washington, United States. Starbucks is the largest coffeehouse company in the world, with over 29,000 stores globally, including over 14,500 in the United States, followed by over 3,500 in China and more than 1,500 in Canada. Starbucks sells drip brewed coffee, espresso-based hot drinks, other hot and cold drinks, snacks, and items such as mugs and coffee beans. Through the Starbucks Entertainment division and Hear Music Brand, the company also markets books, music, and film. Many of the company's products are seasonal or specific to the locality of the store. Starbucks-brand ice cream and coffee are also offered at grocery stores. In fiscal 2018, the company reported revenues of \$24.7 billion (10% increase from prior year) and net income of \$4.52 billion (up from \$2.88 billion in 2017). The company sells whole bean and ground coffees, including Starbucks and Seattle's Best Coffee brands, as well as VIA and other related products, to institutional foodservice companies that service business and industry, education, healthcare, office coffee distributors, hotels, restaurants, airlines and other retailers.

24.7B

REVENUE

BBB

CREDIT RATING



30,100+

TOTAL LOCATIONS

SBUX

STOCK TICKER



STARBUCKS TO TRANSFORM U.S. STORE PORTFOLIO BY BUILDING ON THE STRENGTH OF DIGITAL CUSTOMER RELATIONSHIPS AND THE CONVENIENCE OF THE STARBUCKS APP

June 10, 2020 (*Starbucks Stories & News*)

Starbucks announced plans to accelerate the transformation of its store portfolio in the U.S. through the integration of the physical and digital customer experience. These changes are accelerated due to a retail environment that has shifted because of COVID-19 and to meet the already evolving customer needs of convenience, connection and personalization offered through a digital experience. Over the next 18 months, Starbucks will increase convenience-led formats in company-operated locations with drive-thru and curbside pickup options, as well as Starbucks® Pickup locations. These store experiences are

The U.S. store portfolio transformation includes the expansion of *new Starbucks® Pickup stores in dense markets including New York City, Chicago, Seattle and San Francisco*, and convenience-led enhancements such as curbside, drive-thru and walk up windows in suburban areas.

powered by the Starbucks® App which is integral to ordering and paying ahead as well as engaging the company's 19.4 million Starbucks® Rewards members.

"Starbucks stores have always been known as the 'third place,' a welcoming place outside of our home and work where we connect over a cup of coffee," said Kevin Johnson, ceo, Starbucks.

 [CLICK HERE TO READ MORE](#)

HOW STARBUCKS WENT FROM A SINGLE COFFEE BEAN STORE TO AN \$80 BILLION BUSINESS

Sarah Whitten, January 07, 2019 (*CNBC MARKETS*)

In its 47-year history, Starbucks has transformed from a single coffee bean store in Seattle to a 30,000 cafe international coffee power house. But massive expansion hasn't come without growing pains.

It's no secret that Starbucks has been struggling to get U.S. customers to frequent its cafes more often. While sales have been positive, the number of customer visits continues to stagnate.

With more than 14,000 locations in the United States alone today, Starbucks has cannibalized its own sales. The company is regrouping and rethinking its expansion. It is expected to shutter 150 underperforming locations in 2019, three times the amount it typically does.

Same-store sales, a key metric in the restaurant industry, have dwindled over the last 12 months as competition heated up and customers were uninspired by some of Starbucks' limited-time offerings. While comparable-store sales exceeded expectations in the fourth quarter that ended Sept. 30, rising 4 percent, much of that was due Starbucks charging more for its lattes.

 [CLICK HERE TO READ MORE](#)

LEASE OVERVIEW

STARBUCKS | BAY CITY, TEXAS

INITIAL LEASE TERM	10-Years
RENT COMMENCEMENT	August 2020
LEASE EXPIRATION	August 2030
LEASE TYPE	Corporate Net Lease
RENT INCREASES	10% Every 5-Year, Including Option Periods
ANNUAL RENT YRS 1-5	\$114,000
ANNUAL RENT YRS 6-10	\$125,400
OPTION 1	\$137,940
OPTION 2	\$151,734
OPTION 3	\$166,907
OPTION 4	\$183,598

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.



MICROPOLITAN AREA OF THE HOUSTON -
THE WOODLANDS - SUGAR LAND METROPOLIS
(78.4 MILES)



Wofford Electric
& Pump Supply

AVENUE F
+ 10,193 VPD

BAY CITY JUNIOR
HIGH SCHOOL
(753 STUDENTS)

SUBJECT PROPERTY
3333 7TH STREET



KATY AVE
± 2,062 VPD



CVS pharmacy



60 TEXAS

7TH ST
± 26,165 VPD

35 TEXAS

HOLMES
ELEMENTARY
SCHOOL
(707 STUDENTS)



BAY CITY SENIOR
HIGH SCHOOL
(986 STUDENTS)



SITE OVERVIEW

STARBUCKS | BAY CITY, TEXAS

 **2020**
YR BUILT

 **±1,950 SF**
BUILDING AREA

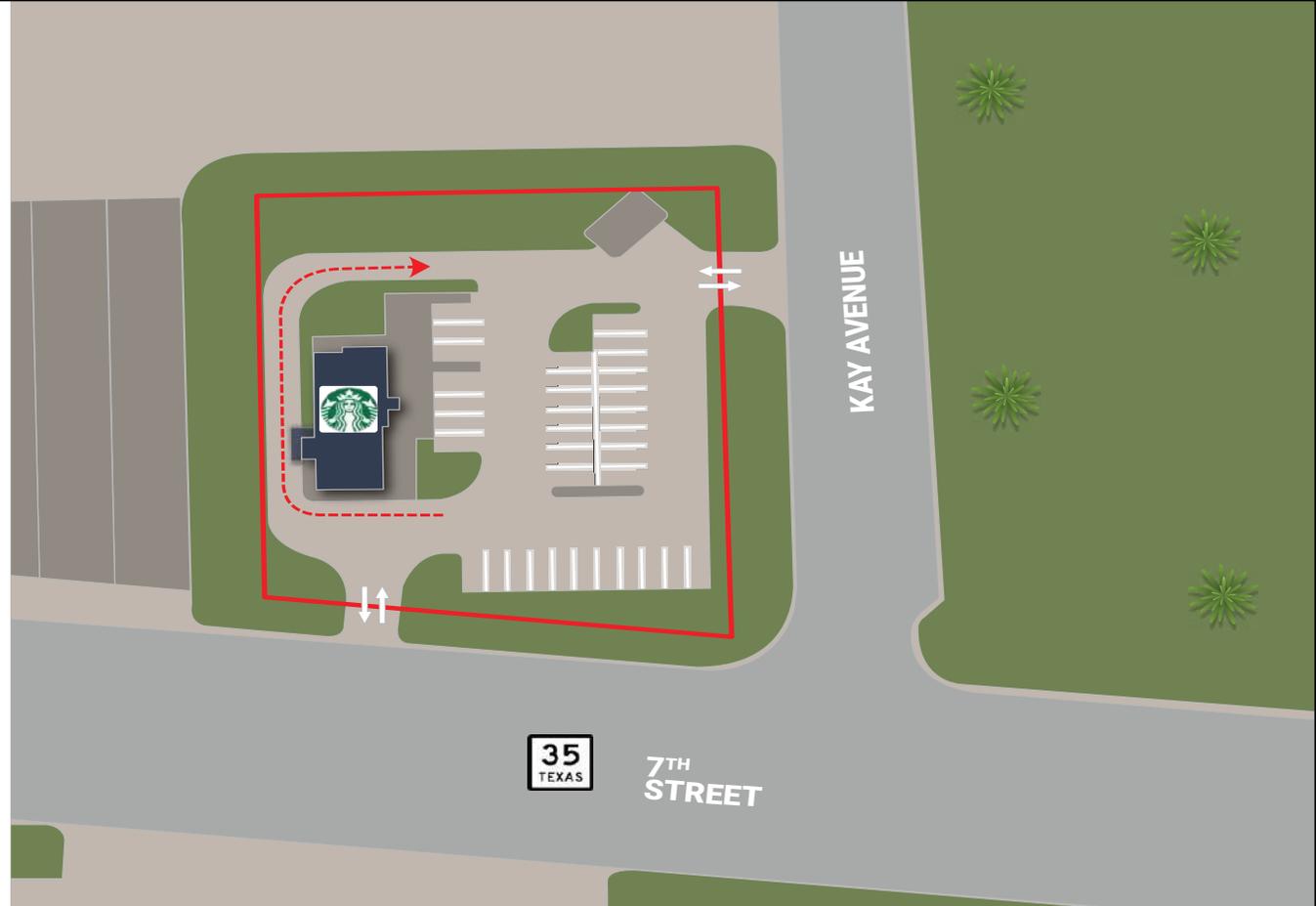
 **±0.86 ACRES**
LAND AREA

NEIGHBORING RETAILERS

H-E-B	Metro by T-Mobile
CVS Pharmacy	Subway
Walmart Supercenter	AutoZone Auto Parts
Walgreens	Shell
O'Reilly Autp Partys	Little Caesars Pizza
Dairy Queen	O'Reilly Auto Parts
Jack in the Box	Whataburger
T-Mobile	Sonic Drive-In
CVS Pharmacy	Sherwin-Williams Paint Store
Exxon	Aarons
Boost Mobile	Family Dollar

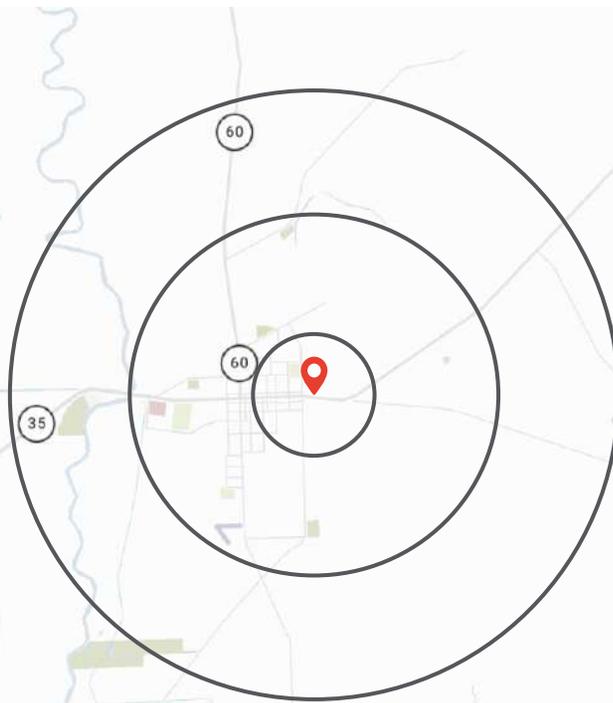
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8 | SECURE NET LEASE



LOCATION OVERVIEW

STARBUCKS | BAY CITY, TEXAS



DEMOGRAPHICS	1-MILE	3-MILE	5-MILE
POPULATION	5,065	18,597	20,301
HOUSEHOLDS	1,996	7,514	8,192
AVG. HH INCOME	\$63,934	\$66,760	\$66,066
TOTAL HH EXPENDITURE	\$103.12 M	\$398.98 M	\$431.73 M

 VIEW MAP

ECONOMIC DRIVER'S (# of Employees)

STP Nuclear Operating Company (1,300)

Tenaris (641)

Matagorda County Hospital District (375)

Walmart, Inc. (365)

CVS Health Corporation (346)

Wharton County Junior College District (202)

H.E. Butt Grocery Company (170)

Bay City Independent School District (135)

Oq Chemicals Corporation (112)

Mariner Health Care, Inc. (100)

LOCATION OVERVIEW

STARBUCKS | BAY CITY, TEXAS



BAY CITY TEXAS



17,534
POPULATION



\$45,482
MEDIAN HOUSEHOLD INCOME

Bay City, Texas is located in Matagorda County and is a Micropolitan Area of the Houston-The Woodlands- Sugar Land Metropolis. The city is located near outdoor beaches, bays, and rivers and within 20 minutes of the Gulf of Mexico and 75 miles from Downtown Houston. Bay City is conveniently located at the intersection of TX-35 and TX-60 with 30,900 VPD. As the largest city in Matagorda County, Bay City captures a large amount of the retail traffic from existing and projected growth in the area. The trade area also includes neighboring communities of Van Vleck, Midfield, Blessin, Markham and Wadsworth. FM 60 through Bay City continues on to Matagorda Bay and the Gulf of Mexico. Bay City is the last stop along that route for a Walmart and a full grocery store. Major employers in the area include Tenaris (building a new \$1.6 Billion facility which will bring 600 new high paying manufacturing jobs and approx. 1,800 people to the community), Matagorda Regional Medical Center and Oxea. The closest Starbucks is 30 miles away thus providing clean-air sales with no expected cannibalization. Activities in Bay City include golf, camping, fishing, and birding, as it is a bird watcher's delight with the Matagorda County Birding Center and Coastal Coast Birding Trail. Matagorda County includes 1,114 square miles of coastal

prairie with 65 miles of coastline. With a total population of 36,702, the county has promoted economic development by creating an energy cluster that builds the existing agricultural, chemical and power production assets. As a Micropolitan Area of Houston, residents have easy access to all that Houston has to offer. Houston is the most populous city in the state of Texas, and is the fourth most populous city in the United States. Houston's economy has a broad industrial base in energy, manufacturing, aeronautics and transportation.

BAY CITY - MATAGORDA COUNTY ECONOMIC DEVELOPMENT

Matagorda County EDC

The City of Bay City, is truly the gateway to the great outdoors of beaches, bays, rivers, bird watching, fishing, boating, hunting, nature walks, kayaking, sailing and golfing to name a few.

Bay City residents enjoy the best of both worlds being just an hour drive from the fast pace of Houston, Texas and 20 minutes from the unspoiled beaches of the Gulf of Mexico.

The Bay City area truly provides "the good life" for business with an excellent business climate and an attractive, affordable lifestyle. In Bay City, small town values survive and a sense of community permeates every activity. For businesses looking to expand or relocate, Bay City is a great choice.

Matagorda County has a power generating company, which is undergoing permitting, interested in locating within the county, and a specialty chemical plant is in construction. Their employment needs would generate a demand for 2,000+ construction workers and 225+ new permanent jobs upon completion.

As the largest city in Matagorda County, Bay City is likely to capture a large amount of the county's upcoming growth. Bay City is actively pursuing new housing development and retail recruitment to provide the amenities that our citizens need.

 [CLICK HERE TO READ MORE](#)

AIR LIQUIDE ANNOUNCES \$140 MILLION EXPANSION TO BAY CITY PLANT

July 15, 2019 (The Bay City Tribune)

Air Liquide has agreed to invest nearly \$140 million in its Bay City facility to build a new world-scale Air Separations Unit (ASU) to support a long-term agreement with Gulf Coast Growth Ventures (GCGV). The venture is a 50/50 agreement between ExxonMobil and SABIC.

"This is a real win for our county," said Mike Ferdinand, Matagorda County Economic Development Corporation executive director. "Air Liquide is clean industry and a major supplier to our existing businesses." Although the total

As a new tenant at the Port of Bay City Authority's property near the OXEA campus, ***Port Chairman Mike Griffith was thrilled to welcome Air Liquide to Matagorda County, as well.***

project is a \$140 million investment, \$107 million will be a direct investment to Matagorda County, Ferdinand said. "This will be a long term investment in the county that will continue to pay dividends."

"The Port of Bay City is pleased to have Air Liquide as a new tenant on Port property with a multi-year lease plus extension options," said Griffith. They already have assets and customers in our county and hopefully will attract more. Site preparation has started with construction for Phase 1 soon to follow. This will add jobs and tax base to our community as well as revenue to the Port. The site is designed for expansion for Phase 2 and 3 as business increases."

 [CLICK HERE TO READ MORE](#)

MICROPOLITAN AREA OF THE HOUSTON-THE WOODLANDS- SUGAR LAND METROPOLIS

STARBUCKS | BAY CITY, TEXAS

METRO STATISTICS	
TOTAL POPULATION	6.9 M
GDP	\$490.1 B
NATIONAL ECONOMY RANKING	15th
WORLD ECONOMY RANKING	3rd
FORTUNE 500 COMPANIES	19

GEORGE BUSH INTERCONTINENTAL AIRPORT

- 40 Million Annual Passengers
- Hub for United Airlines & Atlas Air

MINUTE MAID PARK STADIUM

- Houston Astros - 10th Most Valuable MLB Team (\$1.8 Billion)
- 41,168 Seating Capacity

nrg park

- Houston Texans - 9th Most Valuable NFL Team (\$3.1B)
- 72,220 Seating Capacity

Houston Rockets - 7th Most Valuable NBA Team (\$2.3B)

- 18,300 Seating Capacity

RICE UNIVERSITY

- School of Architecture Ranked #2 in the Nation
- 6,740 Students

UNIVERSITY OF HOUSTON

- Part-Time Law Program Ranked #9 Nationally
- 45,364 Students

PORT OF HOUSTON INTERNATIONAL PORT

- 182 Billion Tons of Cargo Annually
- Shipping Activity Accounts for \$159 Billion in Trade

SUGAR LAND REGIONAL AIRPORT

- 201 Flights/Day
- 4th Largest Airport within the Houston-Sugar Land-Baytown metropolitan area

WILLIAM P. HOBBY AIRPORT

- 14 Million Annual Passengers
- 93% of Annual Flights are on Southwest Airlines

JOHNSON SPACE CENTER

- Hub of Human Space Flight for More than Half a Century
- 1 Million Visitors Annually

TEXAS GULF COAST REGIONAL AIRPORT

- 214 Flights/Day
- Covers an area of 647 acres

MOODY GARDENS

- 2 Million Visitor per year
- It is an Educational Tourist Destination

UHV UNIVERSITY OF HOUSTON-VICTORIA

- 4,501 Students
- Offer 80 Academic Programs

VICTORIA AIRPORT

- 157 Flights/Day
- Airport is mostly used for military and general aviation

BAY CITY REGIONAL AIRPORT

- 39 Flights/Day
- Covers an area of 140 acres

STARBUCKS SUBJECT PROPERTY
3333 7TH STREET

SECURE

NET LEASE

WE LOOK FORWARD TO HEARING FROM YOU

DALLAS OFFICE

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

LOS ANGELES OFFICE

123 Nevada Street
El Segundo, CA 90245
(424) 220-6430

securenetlease.com

TEXAS DISCLAIMER

STARBUCKS | BAY CITY, TEXAS

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 known to the agent.

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 of the other party.