

INVESTMENT GRADE TENANT - INCOME TAX-FREE STATE - MANAGEMENT FREE INVESTMENT



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The Silver Group
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Purchase Price: \$2,450,000

Initial Cap Rate: 5.0%

Lease Terms:

- **Ten (10) Year Primary Term**
- **Double Net, Corporate Lease**
- **Rent Increases 8% Every 5 Years**
- **Four x 5 Year Renewal Options**

Annual Rent Schedule:

\$122,500 Years 1 - 5

\$132,300 Years 6 - 10

Option Rent Schedule:

\$142,884 Years 11 - 15

\$154,315 Years 16 - 20

\$166,660 Years 21 - 25

\$179,993 Years 26 - 30

Rent Start Date: May 28, 2023



This investment offering is for a new, single tenant **Starbucks Drive-Thru Coffee Cafe** (NASDAQ - SBUX) in Lampasas, Texas. The property consists of a freestanding ±2,000 sf retail building, with drive through window and outdoor patio, on a ± 0.76 acre parcel at 110 South Key Avenue. South Key Ave. (aka Highway 183) is the primary north / south commercial artery through Lampasas. Starbucks Corporation chose this easily accessed, corner parcel for the city's only drive-through coffee cafe. Located 25 miles west of Fort Hood / Killeen and 75 miles northwest of Austin, Lampasas is known as the *Gateway to the Hill Country*, appealing to residents and visitors who enjoy a quality lifestyle and the many natural springs and award winning wineries nearby. The corporate Starbucks lease has a ten year primary term, followed by four, 5-year renewal options with rent increasing by 8% every 5 years. This is a passive investment with Starbucks paying taxes, insurance and daily maintenance. The landlord responsibilities are limited to structure, roof and parking area. The parking lot is concrete. The nearest Starbucks is more than 25 miles away. Lampasas is the county seat of Lampasas County and home to Windsor Foods and Oil States Industries as well as city and county government offices. Starbucks continues to create an easy and convenient customer experience from drive through or pick up. **Starbucks - Lampasas is ideal for an investor seeking management-free income from an industry leading, public company with an investment grade credit rating.**



Land Area: ± 0.76 Acres (± 33,105 SF)

Building Area: ± 2,000 SF w/ drive thru



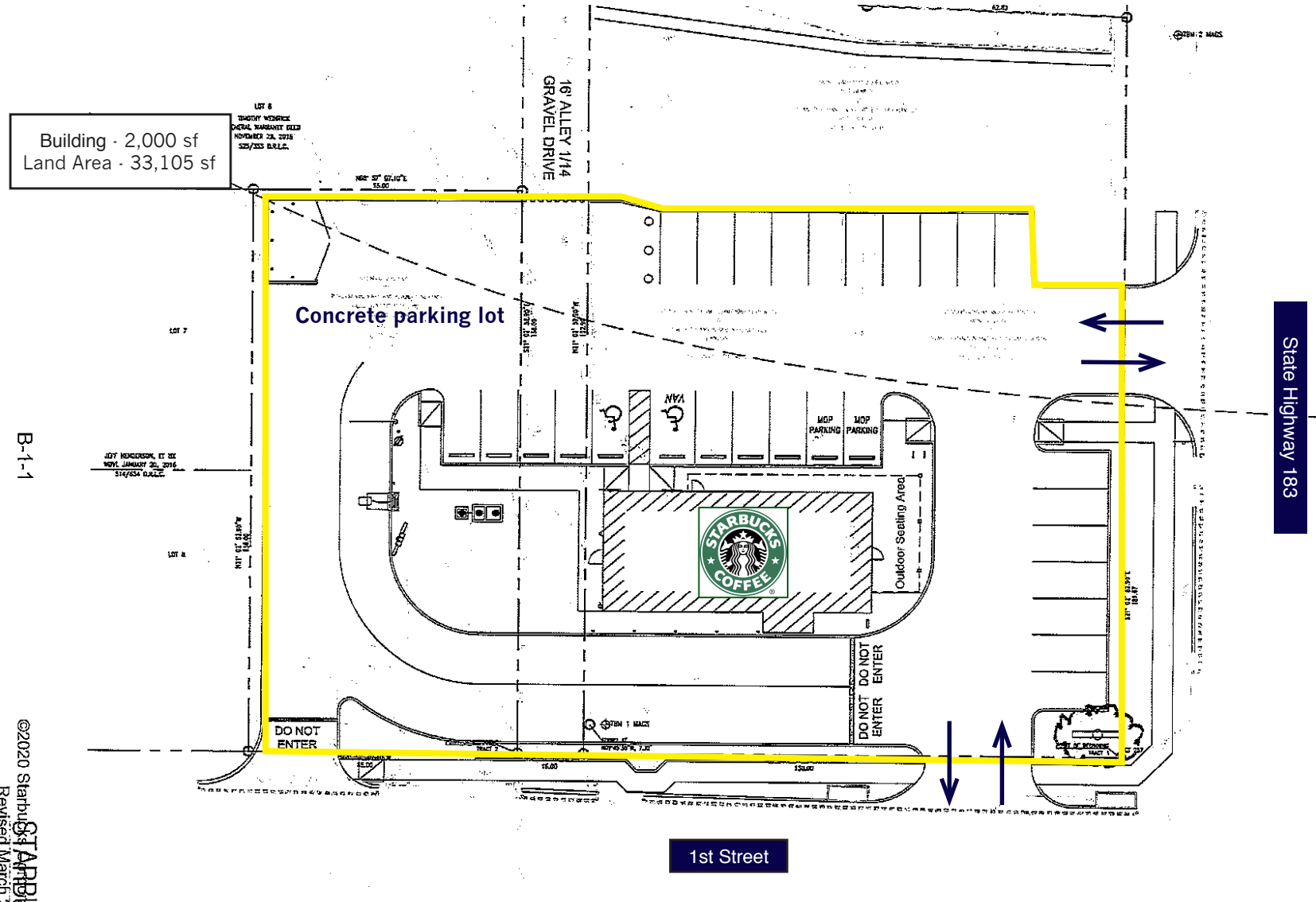
	<u>3 mile</u>	<u>5 mile</u>
Population:	11,627	21,746
Average HH Income:	\$64,082	\$67,823

The information contained herein has been received from sources we believe to be reliable, but we have made no independent investigation of the accuracy or completeness and make no representation thereto. The above is subject to errors, omissions, or withdrawal from the market. The Silver Group advises all interested parties to conduct their own independent due diligence and not to solely depend on this memorandum.

Site Plan -

Starbucks Coffee

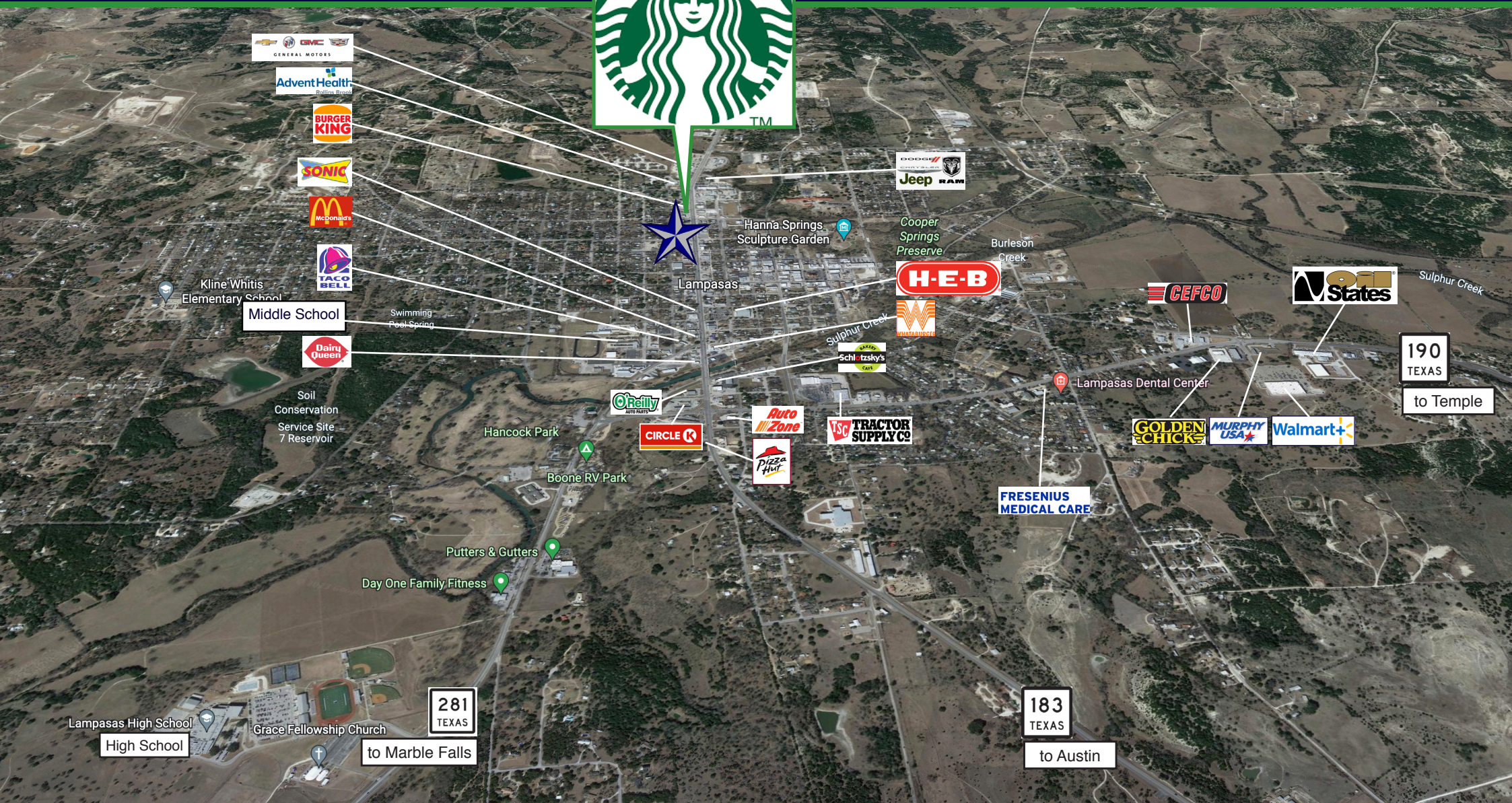
110 South Key Ave. Lampasas, Texas 76550

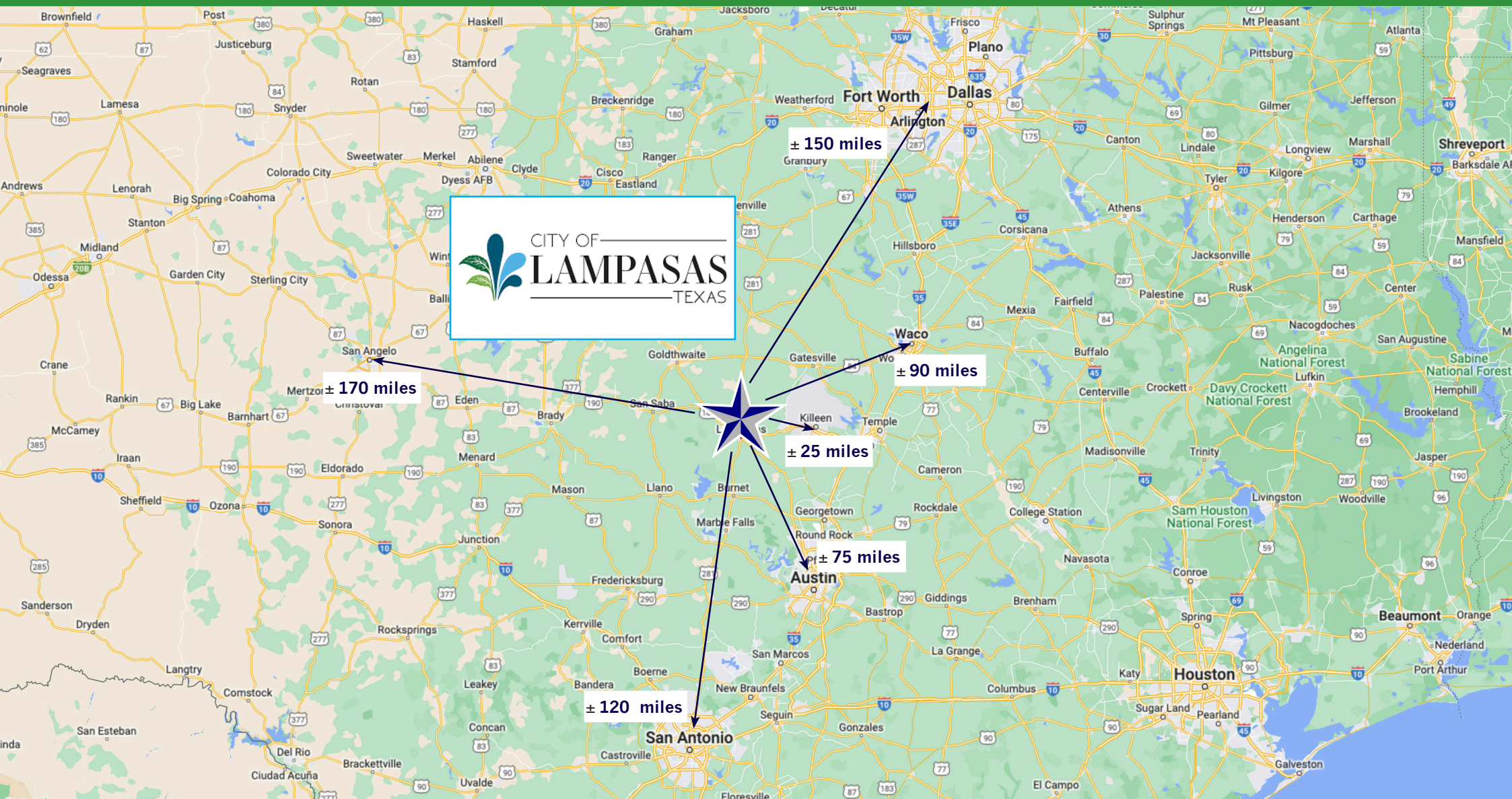


Starbucks Coffee

110 South Key Ave. Lampasas, Texas 76550







ABOUT THE TENANT

Starbucks Corporation

2022 Global Revenue: \$32.2 Billion (+11%)

2022 Global Net Earnings: \$3.28 Billion

2022 Total Assets: \$27.9 Billion

Publicly Traded on NASDAQ ("SBUX")

S & P Credit Rating: BBB+

Starbucks Corporation is the premier global specialty coffee brand operating in 83 markets worldwide. Since its founding in 1971, the Company has grown to more than 35,700 locations, including 17,295 in North America, with 2022 sales exceeding \$32 billion and operating income of \$4.6 billion. The Company roasts high-quality whole bean coffees and sells them, along with fresh, rich brewed coffees, Italian Style espresso beverages, cold blended beverages, a variety of complimentary food items, a selection of premium teas, and beverage related accessories and equipment. The brand portfolio also includes Seattle's Best Coffee, Teavana, Ethos Water, Starbucks Reserve and Princi. A variety of coffee and tea products are sold through other channels through their global alliance with Nestle. **Starbucks maintains an investment grade credit rating of BBB+ and trades on the NASDAQ under ticker symbol "SBUX". In fiscal 2022, North America comparable store sales increased 12% driven by a 7% increase in average ticket and 5% increase in comparable transactions.** Approximately two-thirds of Starbucks' 2022 U.S. transactions were drive-through or mobile-order-and-pay pick up using the Starbucks App. As a result, the total number of 90-day active members in Starbucks' Rewards Loyalty program increased 10% year-over-year. The Company is investing \$1 billion in its employees and technology to meet on-going consumer demand across drive through and mobile pay. In FY 2022 the Company returned \$6.3 billion to shareholders through share repurchases and dividends.

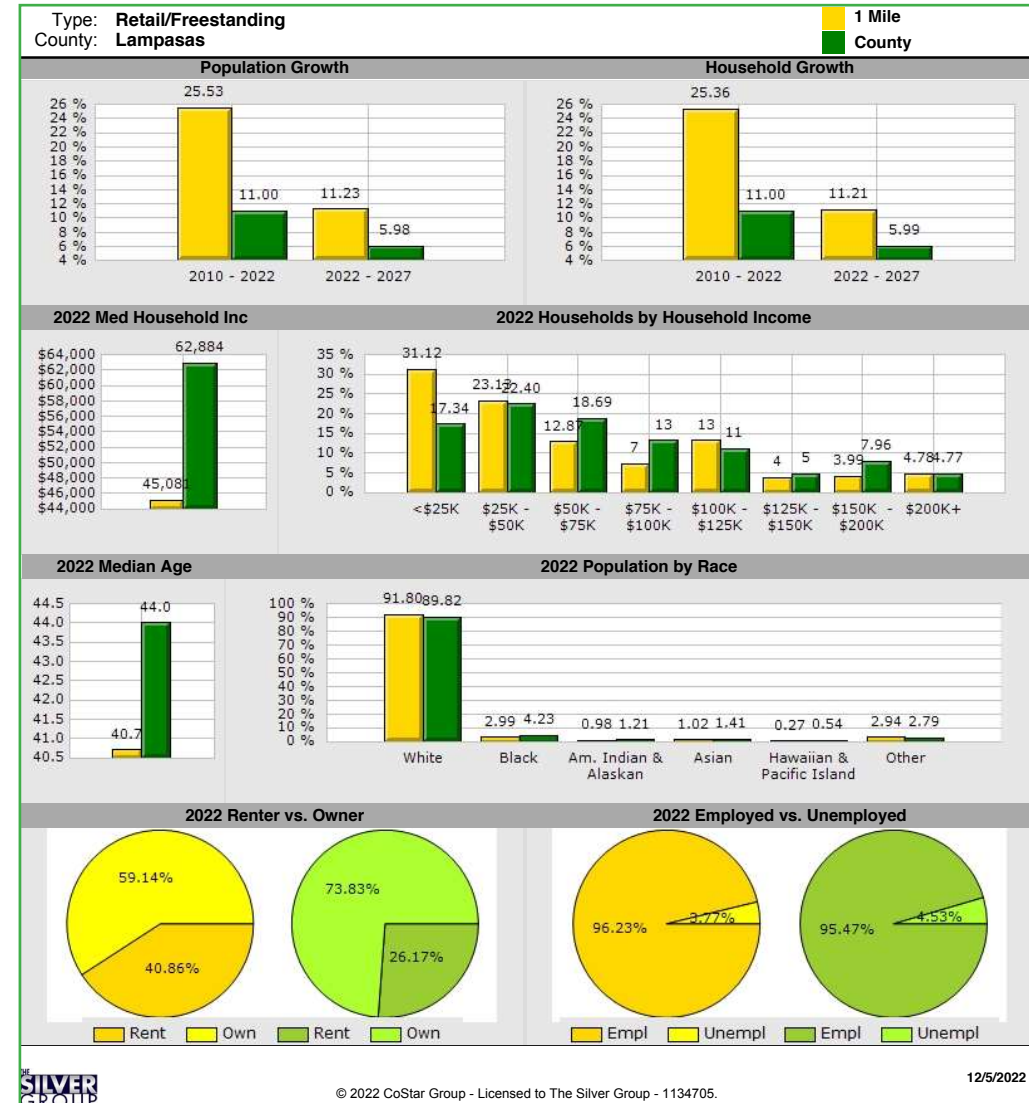
ABOUT THE AREA



Lampasas Texas is the **county seat** of Lampasas County and is known as "The Gateway to the Texas Hill Country". The county has a population of approx. 22,250 residents. Lampasas is about 25 minutes from Fort Hood-Killeen-Temple and just over an hour from the state capital of Austin. During WWII Camp Hood opened 25 miles east of Lampasas and the community enjoyed the role of a rest and relaxation center for homesick soldiers. Camp Hood is now Fort Hood, one of the largest military bases in the United States and Lampasas continues to have a mutually beneficial relationship with the huge Army complex.

In the late nineteenth and early twentieth centuries, the city was a booming resort town with people coming to enjoy the many natural springs. There are several mineral springs along the Sulphur Creek branch of the Lampasas River, including two that produce more than 3 million gallons of water daily. Travelers and tourists come to bathe in the healing waters. Some of the local attractions include Hancock Springs free flow pool, now part of a 109 acre park, Hanna Springs Pool, Cooper Spring Nature Park, Colorado Bend State Park, Hanna Springs Sculpture Garden and the Vision Lampasas Murals. Scattered throughout the Hill Country are about 70 spectacular wineries, each with their own personality. Lampasas today is a comfortable place to raise a family with good schools, attractive parks along the creeks, a variety of recreational opportunities and a solid base of agricultural and commercial employers. Some of the largest area employers are Lampasas ISD, Walmart, Windsor Foods (ethnic food & appetizers), Oil States Industries (manufacturing), AdventistHealth Hospital, HEB Grocery and City & County offices.

Radius	1 Mile	3 Mile	5 Mile
Population			
2027 Projection	6,131	10,785	11,498
2022 Estimate	5,512	9,736	10,384
2010 Census	4,391	8,010	8,619
Growth 2022 - 2027	11.23%	10.77%	10.73%
Growth 2010 - 2022	25.53%	21.55%	20.48%
2022 Population by Hispanic Origin			
2022 Population	1,524	2,463	2,554
White	5,061 91.82%	8,983 92.27%	9,593 92.38%
Black	165 2.99%	263 2.70%	274 2.64%
Am. Indian & Alaskan	55 1.00%	89 0.91%	93 0.90%
Asian	56 1.02%	110 1.13%	117 1.13%
Hawaiian & Pacific Island	15 0.27%	22 0.23%	22 0.21%
Other	161 2.92%	270 2.77%	285 2.74%
U.S. Armed Forces	0	0	0
Households			
2027 Projection	2,391	4,179	4,449
2022 Estimate	2,150	3,773	4,019
2010 Census	1,715	3,107	3,339
Growth 2022 - 2027	11.21%	10.76%	10.70%
Growth 2010 - 2022	25.36%	21.44%	20.37%
Owner Occupied	1,272 59.16%	2,443 64.75%	2,633 65.51%
Renter Occupied	879 40.88%	1,330 35.25%	1,386 34.49%
2022 Households by HH Income			
Income: <\$25,000	670 31.12%	997 26.44%	1,035 25.75%
Income: \$25,000 - \$50,000	498 23.13%	782 20.74%	830 20.65%
Income: \$50,000 - \$75,000	277 12.87%	566 15.01%	613 15.25%
Income: \$75,000 - \$100,000	155 7.20%	291 7.72%	309 7.69%
Income: \$100,000 - \$125,000	283 13.14%	613 16.26%	651 16.20%
Income: \$125,000 - \$150,000	81 3.76%	135 3.58%	147 3.66%
Income: \$150,000 - \$200,000	86 3.99%	224 5.94%	252 6.27%
Income: \$200,000+	103 4.78%	163 4.32%	182 4.53%
2022 Avg Household Income	\$67,986	\$73,896	\$75,223
2022 Med Household Income	\$45,081	\$53,169	\$54,059



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:

- (1) shall treat all parties honestly;
- (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) 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
- (4) may not disclose any confidential information or any information that a party 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.

If you choose to have a broker represent you, you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

Texas Real Estate Brokers and Salespersons are licensed and regulated by the Texas Real Estate Commission (TREC). If you have a question or complaint regarding a real estate licensee, you should contact TREC at P.O. Box 12188, Austin, Texas 78711-2188, 512-936-3000 (<http://www.trec.texas.gov>)