



OFFERING MEMORANDUM

PRESERVE  
WEST  
CAPITAL 

Whataburger  
Abilene, TX

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

[www.preservewestcapital.com](http://www.preservewestcapital.com)



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## Disclaimer

Preserve West Capital (“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.

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# PROPERTY HIGHLIGHTS



## Property Highlights

- Established Corporate NNN Lease to Whataburger with Strong Sales History
  - Recent 10 Year Extension to Whataburger with Scheduled 10% Rental Escalations
- Highly Profitable Location with Recent Annual Sales Near \$3.3 Million
- Rent to Sales Ratio of Approximately 5% - Healthy Operating Ratio Ensuring Long Term Tenancy and Rent Growth
- 20 Plus Year Operating History with Sales Transparency
- Tenant Completed Footprint/Interior Renovations in 2019
- Highly Functional Footprint Featuring Drive-Thru Component on a Corner Location
  - Excellent Access and Visibility along S. 1st Street & S. Pioneer Drive
- Total Daytime Population of 106,647 within 5 Mile Radius
- Prominent Retail and Business Location Providing Shared Market Exposure
- Abilene is One of the Most Affordable Places to Live in the U.S. with the MSA GDP of ~\$6.8 Billion
- Abilene Metropolitan Statistical Area Population of 176,579
- Texas is a Non-State Income Tax State



PRICE

**\$4,125,000**  
4.00% Return

Location

The property is located at 4241 S. First Street, Abilene, Texas

Lot Size

Approximately 0.618 Acre Tract or 26,942 square feet.

Improvements

A 2,509 square foot quick service restaurant building with drive-thru component.

Lease

The seller just extended **Whataburger** for 10 years through August 31, 2032 at an annual rent of \$165,000 increasing by 10% every five years including at the commencement of each option period. There are two (2) five-year options to renew the lease.

The tenant is currently paying an annual rent of \$95,000 plus percentage rent equal to 5.75% of sales above \$1,652,000. Under the recent extension, the tenant has agreed to firm up its rent to \$165,000 in annual rent starting in September 2022. Percentage rent will no longer apply after this date. Tenant is responsible for taxes, insurance, repairs and maintenance, including that of the roof, driveways and parking areas.

Annual Rent

Years	Annual Rent	Return
10-20	\$95,000 Plus Percentage Rent	N/A
<b>21-25 (Extension Term)</b>	<b>\$165,000</b>	<b>4.00%</b>
26-30 (Extension Term)	\$181,500	4.40%
31-35 (Option 3)	\$199,650	4.84%
36-40 (Option 4)	\$219,615	5.32%

Financing

The property will be delivered free and clear of permanent financing.

Right of First Refusal

Whataburger shall have the right of first refusal to purchase the property on the same terms and conditions as those of any bona fide offer received by the landlord within fifteen (15) days after receiving notice of such offer.



**Whataburger** has focused on its fresh, made-to-order burgers and friendly customer service since 1950 when Harmon Dobson opened the first Whataburger as a small roadside burger stand in Corpus Christi, Texas. Dobson had a bold idea: to serve a burger so big that it took two hands to hold, and so good that after a single bite customers couldn't help but exclaim, "What a burger!" He named his humble burger stand, located on Ayers Street in Corpus Christi, Texas, "Whataburger." Over six decades later, today the company is headquartered in San Antonio and has more than 870 locations across Texas, New Mexico, Arizona, Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Missouri, New Mexico, Oklahoma, Tennessee, and now, Colorado. Three new Whataburger locations are opening in Colorado Springs, with the first grand opening having occurred in February 2022, bringing more than 150 jobs to the community. Whataburger has 50,000 'Family Members,' aka employees, and more than 60 million customers who like to customize their Whataburgers just the way they like it. A variety of burgers and sandwiches, fries, breakfast foods, salads, shakes, drinks, desserts and snacks are served 7 days a week, 24 hours a day. Whataburger has more than \$2.4 billion in systemwide sales on average unit volumes of \$2.76 million. In 2019, private equity firm BDT Capital Partners acquired a majority interest in the company. Since then, Whataburger has worked to grow its franchised locations into new markets more aggressively as well as re-design its outlets.

BDT Capital Partners, LLC is a private equity arm of BDT & Company, LLC, specializing in investments in family-owned and entrepreneurial businesses. It also co-invests. Prior to its Whataburger investment in June 2019, a total of \$9.8B was raised across two funds in May 2019. Since then, they have also acquired Culligan International, Universal Engineering Sciences, and several other companies. Additional minority portfolio investments include Peet's Coffee & Tea, Caribou Coffee, Einstein Bros. Bagels and Krispy Kreme Doughnuts, as well as made investments in Weber Grill, Brunswick Group, Tory Burch, and GoodLeap. BDT Capital Partners, LLC was founded in 2009 and is based in Chicago, Illinois with offices in New York, Los Angeles, London, and Frankfurt.

# SITE PLAN



AERIAL

EAST VIEW

HARBOR FREIGHT TOOLS  
Quality Tools at Ridiculously Low Prices

cricket wireless  
RED WING SHOES

LONG JOHN SILVER'S  
McDonald's  
TAP & AUTO PARTS

Abilene High School

Downtown Abilene

Taylor County Expo Center

Abilene Regional Airport

Oscar Rose Park

Church's  
PAPA JOHN'S

SUBWAY  
BURGER KING

conoco  
PHILLIPS 66

DOLLAR TREE  
O'Reilly

KIA

Ford

MITSUBISHI

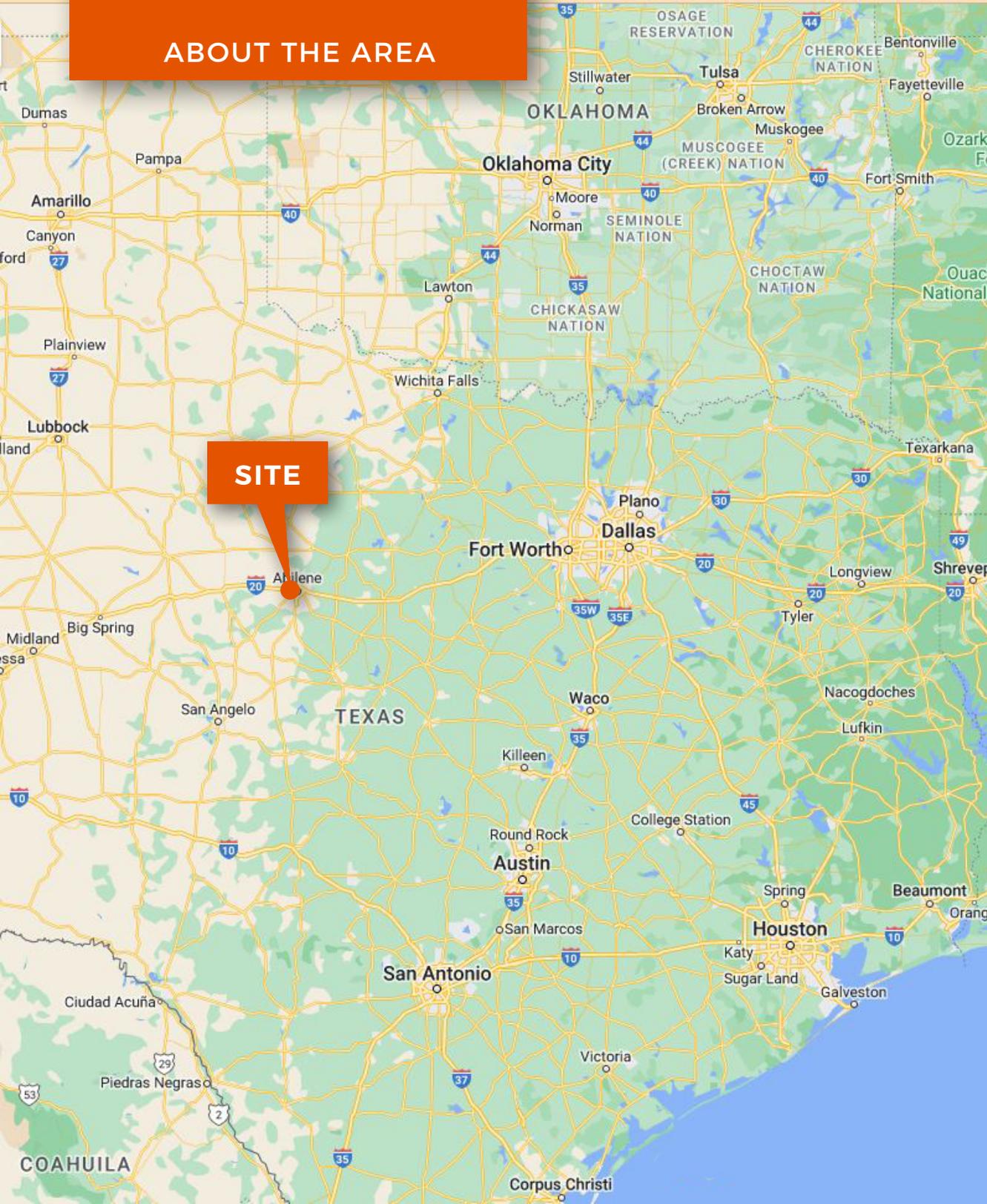
S1st St (20,930 AADT)

AutoZone

WHATABURGER

S Pioneer St (11,980 AADT)

## ABOUT THE AREA

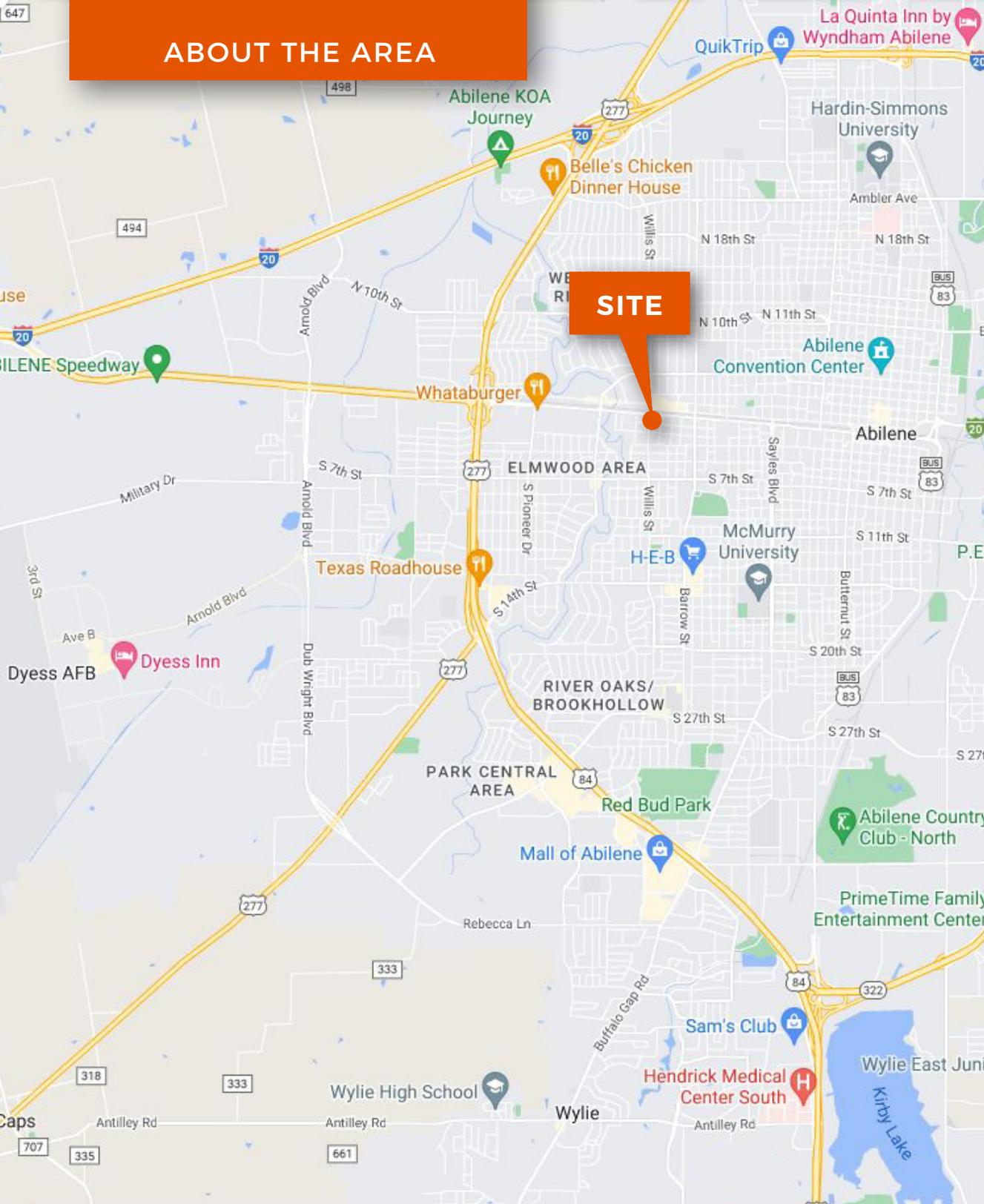


## General Overview

Abilene, population 123,420, is the county seat of Taylor County, primarily located in the northern portion of the county as well as in Jones County. Located 150 miles west of Fort Worth and 180 miles west of Dallas, Abilene is the economic, educational, medical, and cultural center of the west central Texas area. Major corporations and small businesses thrive thanks to a large talent pool, robust infrastructure and a pro-business environment. Plenty of open land provides opportunities for major business developments. In addition, Abilene consistently ranks as one of the most affordable places to live in the United States, with a cost of living 16.3 percent lower than the U.S. average.

Manufacturing plants in Abilene and its immediate vicinity produce such products as beverages; bakeries and tortillas; animal foods; engine, turbine and power equipment; architectural and structural metals; and boiler, tank and shipping containers. Abilene is the home of three co-educational, liberal arts universities, two nursing schools, one two-year college, one technical college, one school of public health, and one pharmacy school. In addition, Abilene State Supported Living Center, which provides campus-based direct services and support to people with intellectual and developmental disabilities, owned and operated by the State of Texas Department of Aging and Disability Services, is located on a 640 acre tract within the City. Militarily, Abilene and Dyess Air Force Base share a very important association within the development and well-being of the community. For over 70 years, Abilene has been home to the 6,400-acre Dyess Air Force Base with over 13,000 military and civilian people. Employing more than 5,000 people, it is the single largest employer in the area.

## ABOUT THE AREA



## Site Information

The subject property is ideally located at the intersection of S. 1st Street and N. Pioneer Drive with excellent access and visibility on 1st Street (20,930 AADT). The site benefits from robust demographics with a daytime population of 106,647 within 5 miles of the site. Average household income within a 1-mile radius is \$60,566.

The site benefits from shared market exposure with other local restaurant traffic including Bush's Chicken, Taco Bell, Arby's, Taqueria Nuestro Mexico, Church's Chicken, and Burger King. Nearby retail centers include Woodhaven Shopping Center highlighted by Hobby Lobby, Schlotzsky's, Abuelo's Mexican Food Embassy, and H&R Block; Frenchman's Creek co-tenants Little Caesars, Supercuts, Leslie's Pool, Mardel's, Crunch Fitness, All State and more; Westwood Center features finance, printing, tax, and insurance providers.

Major employers within 3 to 5 miles include Taylor County, AbiMar Foods, Abilene Christian University, Abilene State Supported Living Center, and Abilene Independent School District. Just under 3 miles away is Hendrick Medical Center South, a 231-bed facility with inpatient, outpatient, medical, surgical and emergency care.

# DEMOGRAPHICS



4241 S 1st St | Abilene, TX 79605



2021 POPULATION  
**101,219**



AVG. HOME VALUE  
**\$165,941**



AVG. HOUSEHOLD INCOME  
**\$60,891**

<b>Population Summary</b>	<b>1 Mile</b>	<b>3 Miles</b>	<b>5 Miles</b>
2010 Total Population	10,478	64,922	10,269
2021 Total Population	10,452	64,827	101,219
2026 Total Population	10,518	65,287	102,455
<b>Average Household Income</b>			
2021	\$60,566	\$59,311	\$60,891
2026	\$67,337	\$65,298	\$66,895
<b>Average Home Value</b>			
2021	\$138,890	\$143,442	\$165,941
2026	\$213,979	\$216,901	\$239,200

## Top Employers in Abilene

## # of Employees

Dyess Air Force Base	5,084
Hendrick Health System	5,000
Abilene Independent School District	2,598
City of Abilene	1,276
Abilene State Supported Living Center	1,225
Texas Department of Criminal Justice	1,190
Blue Cross Blue Shield of Texas	1,090
Abilene Christian University	900
AbiMar Foods	563
Taylor County	560

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

**B**efore 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.

Real estate licensee asks that you acknowledge receipt of this information about brokerage services for the licensee's records.

Buyer, Seller, Landlord or Tenant

Date

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 or 512-465-3960.





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