



OFFERING MEMORANDUM

PRESERVE
WEST
CAPITAL



Starbucks
Killeen, TX | Killeen-Temple-Fort Hood MSA

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

www.preservewestcapital.com



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Disclaimer

MGM Capital Corp dba 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



- New 10-Year Corporate Lease to Starbucks (NASDAQ: SBUX)
 - Scheduled 10% Rental Escalation During Primary Term and 8% at Options
 - Investment Grade Tenant Rated Baa1 by Moody's & BBB+ by S&P
- New 2022 Build-to-Suit Construction Featuring a Drive-Thru Component
 - Starbucks Drive-Thru Locations Do Approximately 50% Higher Sales Volume than Inline Locations
- Prominent Retail Location Adjacent to CVS, Walmart Supercenter and ALDI
 - Excellent Access and Visibility Along West Stan Schlueter Loop – 30,500 AADT
 - Less than 3 Miles from I-14 Arterial – 81,466 AADT
- Robust, Affluent Demographics in Surrounding Area
 - Total Daytime Population of 147,289 within 5 Mile Radius
- Strategic Location within Growing Central Texas Community
 - Approximately Halfway Between Austin and Waco
 - One Hour to Austin-Bergstrom International Airport
- College Town Location Less than Four Miles from Central Texas College & Texas A&M University
- Less than 5 Miles from Fort Hood and Killeen-Fort Hood Regional Airport
 - 65,000+ Military and Civilian Personnel Contributing Over \$28.9 Billion Annually to Texas' Economy
- Strong Local and Regional Economy – Texas has No Personal Income Tax or Corporate Income Tax
- Qualifies for Tax Savings via Accelerated Depreciation via Cost Segregation – 100% Bonus Depreciation Related to Improvements



Location

The property is located at 3120 W. Stan Schlueter Loop in Killeen, Texas.

Lot Size

Approximately 1.03 acres or 44,867 square feet.

Improvements

A 1,950 square foot building with a drive-thru component for **Starbucks**.

Lease

Leased to **Starbucks Corporation** for 10 years from August 8, 2022 through September 30, 2032 at a current annual rent of \$127,800. There are four (4) five-year options to renew the lease. Rent increases by 10% at the start of Year 5 and increases by 8% at the start of each five-year option period. The lease is net with tenant responsible for all taxes, insurance, and maintenance, except roof and structure.

Financing

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

PRICE

\$3,195,000

4.00% Return

Annual Rent

Years	Annual Rent	Return
1-5	\$127,800	4.00%
6-10	\$140,580	4.40%
11-15 (Option 1)	\$151,826	4.75%
16-20 (Option 2)	\$163,973	5.13%
21-25 (Option 3)	\$177,090	5.54%
26-30 (Option 4)	\$191,258	5.99%



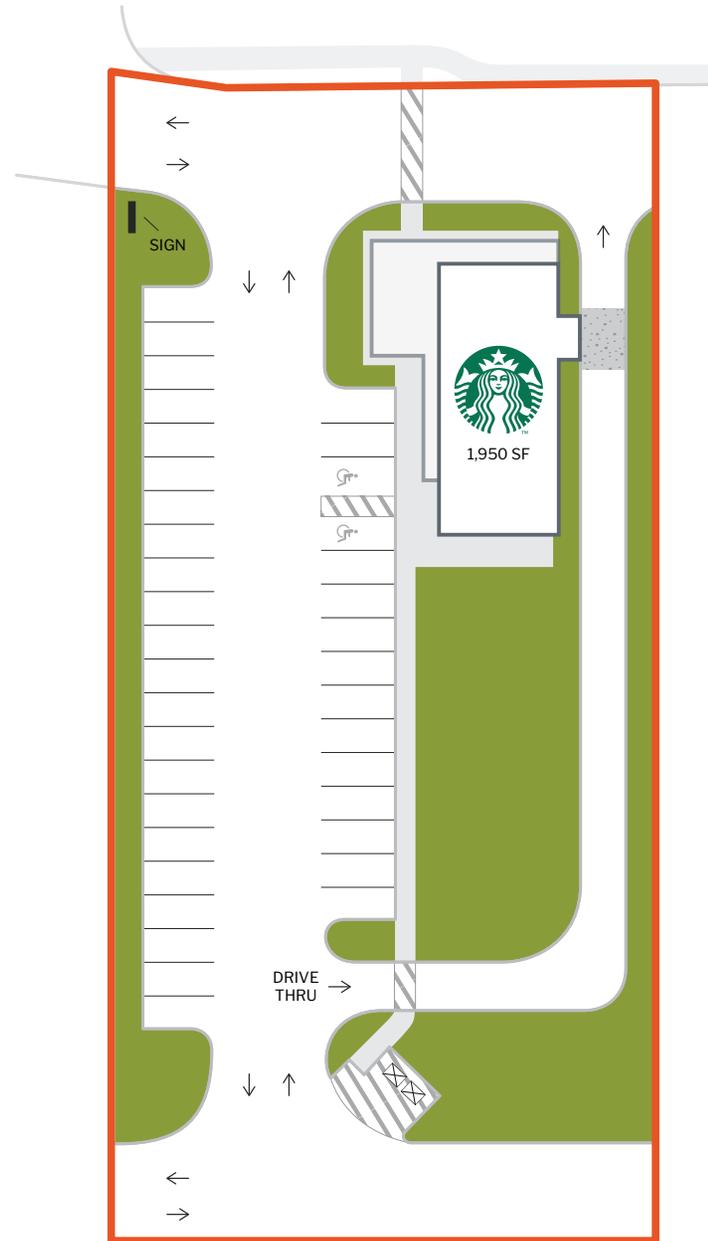
Starbucks (NASDAQ: SBUX) is the leading roaster, marketer, and retailer of specialty coffee worldwide, selling handcrafted coffee, tea, and other beverages, fresh food items, and more. In addition, Starbucks provides its services under the Teavana, Seattle's Best Coffee, Evolution Fresh, Ethos, Princi, and Starbucks Reserve brands. Starbucks opened 318 net new stores in Q3 2022, ending the period with 34,948 stores globally; 51% company-operated and 49% licensed in more than 80 countries and continues to grow. 1,200 new stores opened in 2021 with a total of 2,000 new stores planned for 2022. Starbucks' success and market dominance can be attributed in part to their successful real estate expansion strategy; in the U.S., the company operates the majority of their locations. The company serves more than 90 million customers daily and has experienced consistent same store positive sales growth. In 2021, Starbucks was ranked #120 in the Fortune 500.

Q3 Fiscal 2022 highlights include a 9% increase in consolidated net revenues to a quarterly record \$8.2 billion. Total net revenues for the North American segment grew 13% over Q3 FY21 to \$6.1 billion in Q3 FY21. For the 2021 fiscal year, Starbucks reported revenue of \$29.1 billion and net income of \$4.2 billion. Starbucks is rated Baa1 by Moody's & BBB+ by S&P.

SITE PLAN



W Stan Schlueter Loop



AERIAL

NORTHEAST VIEW

MARKET HEIGHTS

Fort Hood
(65,000 Military & Civilian Personnel)

Downtown
Killeen

Killeen
Community Center

Killeen
High School

KILLEEN MALL

Skylark Field Airport

Seton Medical Center
Harker Heights

Walmart Supercenter Sams Club

Ellison
High School

Starbucks
McDonald's
Circle K
Taco Bell

CRUNCH
BIG LOTS!
McDonald's
Cinn's
Cane's

Maxdale
Elementary

Palo Alto
Middle School



H-E-B
DUTCH BROS
BURGER KING

Mesa Verde
(New Homes)

CVS/pharmacy

Willow Springs
Elementary

W Stan Schlueter Loop (30,500 AADT)

ALDI

TACO & CASA
Coming Soon

DOLLAR TREE
ANYTIME FITNESS AT&T

U-HAUL

pop shelf
Coming Soon

KILLEEN CROSSING

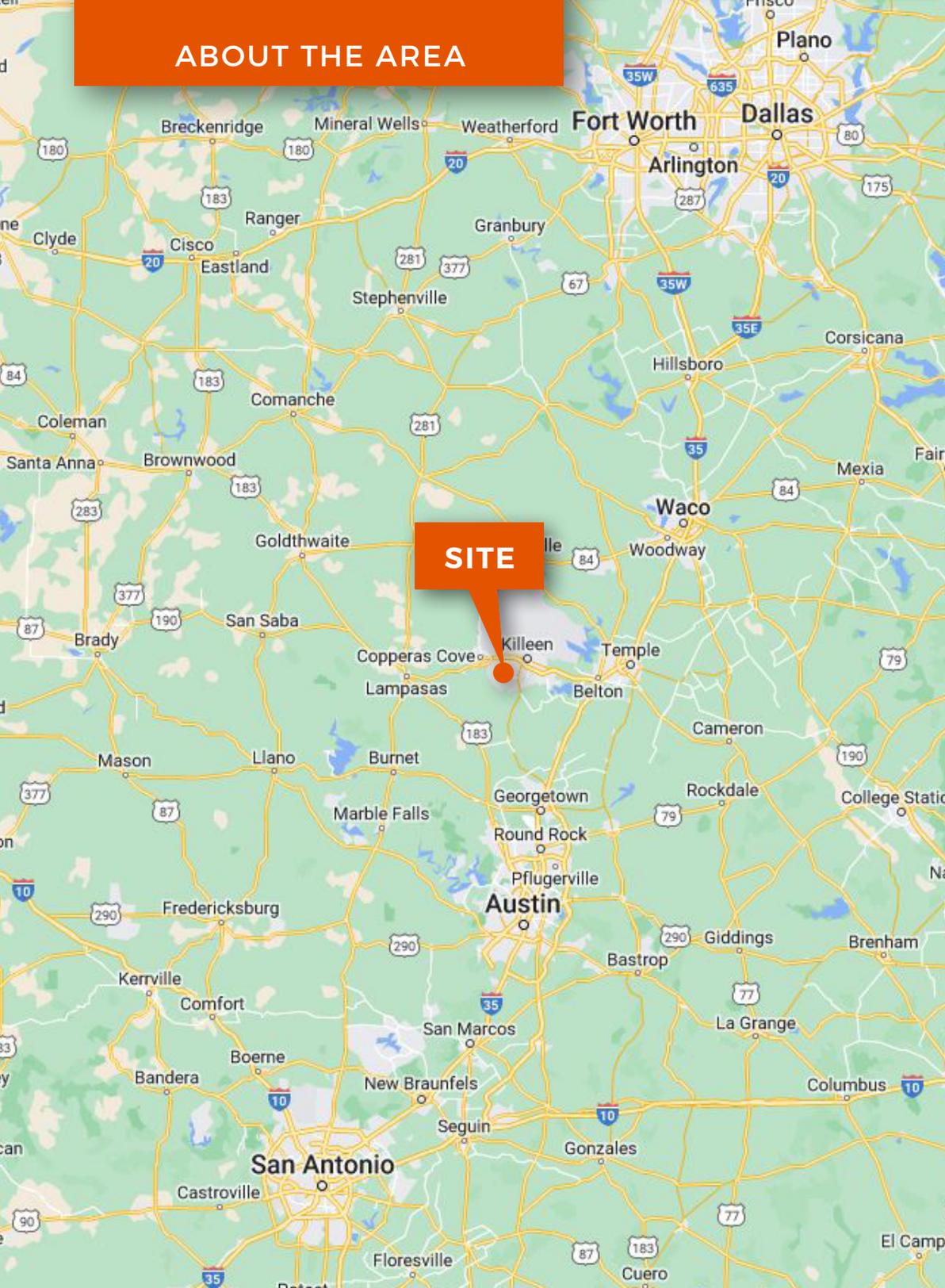
SUBWAY
VALERO

Bunny Trail

Walmart Supercenter
planet fitness
Mister CAR WASH
KFC
T-Mobile
Arby's
ACE DENTAL

Future
Development

ABOUT THE AREA



General Overview

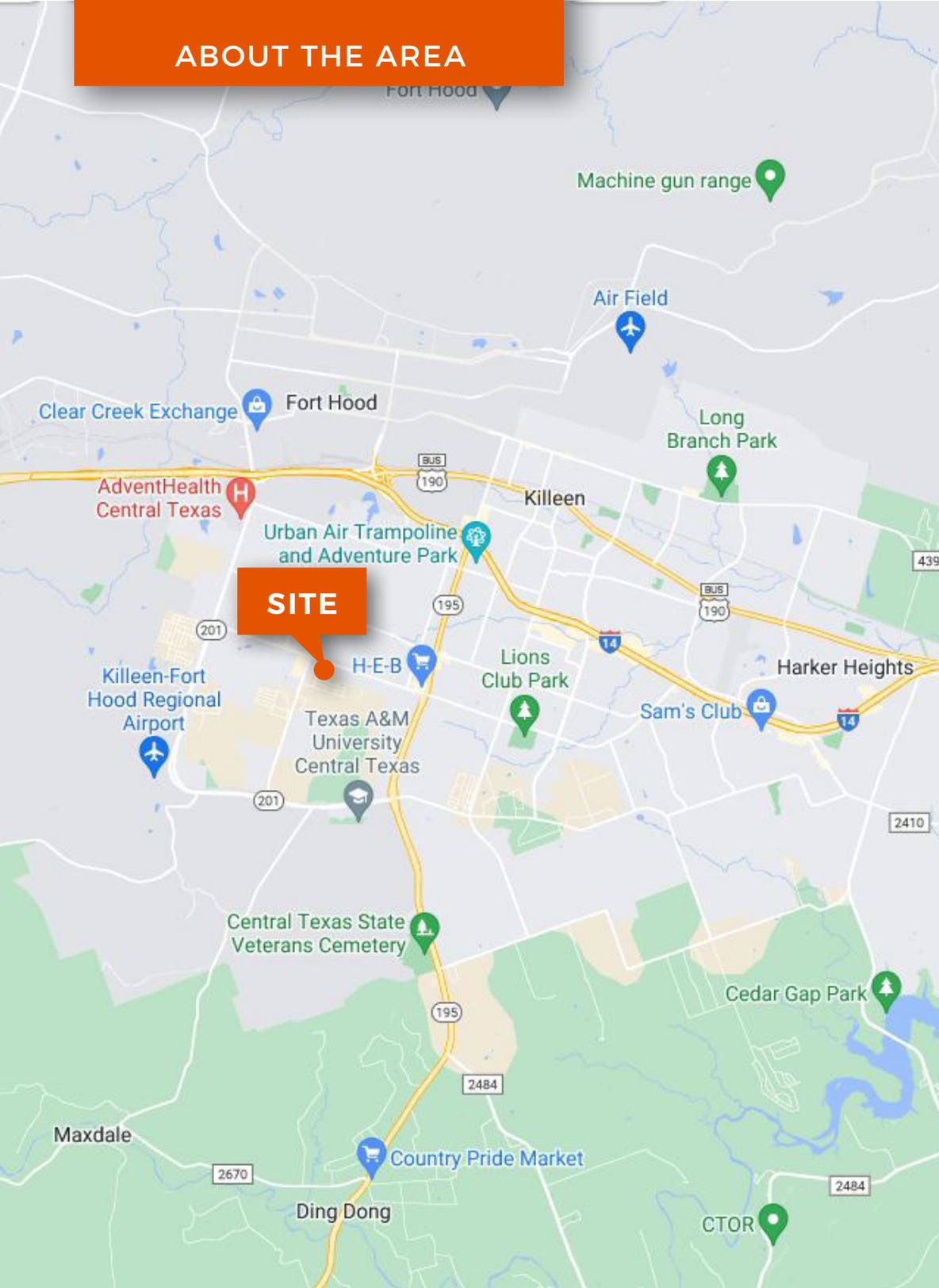
Killeen (population 158,391) is a city in Bell County, Texas and the principal city in the Killeen-Temple-Fort Hood MSA. Killeen is located on US Highway 190/Interstate 14 in the heart of the Grand Central Texas Region within 180 miles of every major population center located in the state, with Dallas/Fort Worth to the north and Austin and San Antonio to the south.

Fort Hood is the largest employer in Killeen and contributes \$28.9 billion towards the state of Texas economy. It has become one of the Army's largest active-duty armored posts in the United States Armed Forces. Designated a permanent military facility in 1950, Fort Hood covers a total of 340 square miles, houses nearly 65,000 soldiers and family members and is home to the Headquarter III Armored Corps, 1st Cavalry Division, 1st Army Division West, 3rd Cavalry Regiment, US Army Garrison, 13th Sustainment Command, 1st Medical Brigade, 11th Corps Signal Brigade, 36th Engineer Brigade, 89th Military Police Brigade, 504th Military Intelligence Brigade, 3rd Security Force Assistance Brigade, 48th Chemical Brigade, 69th Air Defense Artillery Brigade, U.S. Army Operational Test Command, and Carl R. Darnall Army Medical Center. The city's close proximity to Fort Hood gives the city access to a highly educated, motivated workforce of soldiers exiting the military.

Killeen is experiencing rapid population growth and is expected to continue to boom over the next 15 years. The Killeen-Temple-Fort Hood Metropolitan Area includes Bell, Coryell, and Lampasas counties for a total population of 475,367 and total GDP of \$20.2 billion. Easily accessible via road, rail, and air, the metro area is quickly becoming an industrial powerhouse. Major and high-growth employment sectors in the region include healthcare, manufacturing, retail trade, transportation and warehousing, and construction.

In 2021, Killeen issued 630 housing permits for new residential construction, including single-family homes, townhouses and duplexes compared to 814 in the prior year. The city also issued 19 permits for new commercial construction, including three new strip malls slated for construction in 2022.

ABOUT THE AREA



Site Information

Starbucks is strategically located near the signalized intersection of W. Stan Schlueter Loop and Bunny Trail, averaging more than 41,500 vehicles passing by daily and nearly 6,000 residences within one mile. The site is ideally situated next to a Walmart Supercenter and is surrounded by numerous other national retailers including CVS, KFC, Planet Fitness, Aldi, Dollar Tree and other businesses and services, significantly increasing consumer draw to the immediate trade area and promoting crossover store exposure for the site. The 5-mile trade area is supported by more than 147,000 residents and 69,000 daytime employees with an average household income of \$63,227 within 1 mile.

Killeen Mall, a regional mall 5 miles northwest of the site, is a 557,418-square-foot shopping mall located on 63.1 acres with more than 90 stores. Anchored by Dillard's, Burlington, JCPenney, Mega Furniture, and featuring national tenants including Torrid, Zales, H&M, American Eagle Outfitters, Hot Topic, Buckle, Victoria's Secret, Pink, PacSun, Bath & Body Works, White Barn Candle, Foot Locker, Kay Jewelers, Journeys Kidz, and Zumiez!

Within four miles of the site is Texas A&M University – Central Texas and Killeen-Fort Hood Regional Airport. The airport, adjacent to Fort Hood, offers direct, non-stop access to Dallas Fort Worth and Houston airports. Texas A&M, a member of the Texas A&M University System with nearly 75,000 students, has a student enrollment of 2,400 and has been dubbed the second-largest economic development to occur in the region with its 11,750 acres and 3,000,000 square feet of dedicated research space. Central Texas College, with the main campus in the city and another site at Fort Hood, has nearly 100 special campuses worldwide and 18,674 students in cities and military bases scattered over the United States and onboard ships.

AdventHealth Central Texas hospital, 3 miles north, is a general medical and surgical facility with 208 beds which offers specialized services in sports medicine, sleep care, orthopedic care, obstetrics, heart and vascular care, digestive care, behavioral health, and more, plus community classes, lectures and seminars, walks and marathons.



3300 W Stan Schlueter Loop | Killeen, TX 76549



2021 DAYTIME POPULATION

147,289



AVG. HOME VALUE

\$249,229



AVG. HOUSEHOLD INCOME

\$63,227

Population Summary	1 Mile	3 Miles	5 Miles
2010 Total Population	12,827	58,271	117,837
2021 Total Population	15,634	72,302	139,310
2026 Total Population	16,876	78,152	147,870
2021-2026 Annual Rate	1.54%	1.57%	1.20%
2021 Total Daytime Population	13,224	63,770	147,289

Average Household Income	1 Mile	3 Miles	5 Miles
2021	\$63,227	\$61,682	\$59,142
2026	\$70,664	\$68,786	\$66,018

Average Home Value	1 Mile	3 Miles	5 Miles
2021	\$249,229	\$189,201	\$184,512
2026	\$328,989	\$256,262	\$253,736

Major Employers in Killeen

of Employees

III Corp & Fort Hood	36,786
Military Defense Contractors	6,209
Killeen Independent School District	6,800
Fort Hood Civilian Personnel Office	5,083
Teleperformance Call Center	1,800
Central Texas College	1,488
City of Killeen	1,173
AdventHealth	1,000
Seton Medical Center Harker Heights	480
Texas A&M University – Central Texas	305

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.

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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