



FILE PHOTO

OFFERING MEMORANDUM

PRESERVE  
WEST  
CAPITAL



Starbucks  
San Juan, TX

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

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



PROPERTY HIGHLIGHTS	1	AERIAL	5
PROPERTY INFORMATION	2	ABOUT THE AREA	6
TENANT INFORMATION	3	DEMOGRAPHICS	8
SITE PLAN	4		

## 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



## Property Highlights

- New 10-Year Corporate Lease to Starbucks (NASDAQ: SBUX)
  - Scheduled 10% Rental Escalation During Primary Term & at Options
  - Investment Grade Tenant Rated Baa1 by Moody's & BBB+ by S&P
- Starbucks Opened 318 New Stores in Q3 2022 and has 34,948 Stores Globally in 80 Countries
  - Ranked #120 in Fortune 500 with Revenue of \$29.1 Billion
- New 2022 Build-to-Suit Construction
  - Features a Highly functional Footprint with Drive-Thru Component
  - Starbucks Drive-Thru Locations Do Approximately 50% Higher Sales Volume Than Inline Locations
- Prominent Retail Location Adjacent to Brand New Olive Garden & Chili's
- Excellent Access and Visibility with Frontage Along E. Expressway 83 - 133,166 AADT
  - Less than 4 Miles from N Interstate Hwy 69C Arterial - 81,466 AADT
- Robust, Affluent Demographics in Surrounding Area
  - Total Daytime Population of 173,819 within 5-Mile Radius and Average Household Income of \$70,968 within 10 Miles
- Fifth-Largest Metropolitan Area in Texas
  - McAllen-Edinburg-Mission MSA in Excess of \$22.9 Billion
- Strategic Location within Growing South Central Texas Community
- Known as "The Spirit of the Rio Grande Valley," Boasting a Consumer Base of 436,000 Within a 10-mile Radius
  - 12 Miles from North of the Mexican Border at Pharr-Reynosa International Bridge Over the Rio Grande River
  - 10 Minutes to McAllen International Airport
  - Strong Local and Regional Economy
- Texas has No Personal Income Tax or Corporate Income Tax



## PRICE

**\$3,250,000**  
4.00% Return

### Location

The property is located at 1301 E. Interstate Hwy 83 in San Juan, Texas.

### Lot Size

Approximately 0.934 acres or 40,685 square feet.

### Improvements

A 2,000 square foot building with a drive-thru component for **Starbucks**.

### Lease

Leased to **Starbucks Corporation** for 10 years from November 2022 through November 2032 at a current annual rent of \$130,000. There are four (4) five-year options to renew the lease. Rent is to increase by 10% in year 6 and at the start of each option period. The lease is net with tenant responsible for all operating expenses, taxes, insurance, and maintenance, excluding roof and structure.

### Annual Rent

Years	Annual Rent	Return
1-5	<b>\$130,000</b>	<b>4.00%</b>
6-10	\$143,000	4.40%
11-15 (Option 1)	\$157,300	4.84%
16-20 (Option 2)	\$173,030	5.32%
21-25 (Option 3)	\$190,333	5.86%
26-30 (Option 4)	\$209,366	6.44%

### Financing

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



**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.

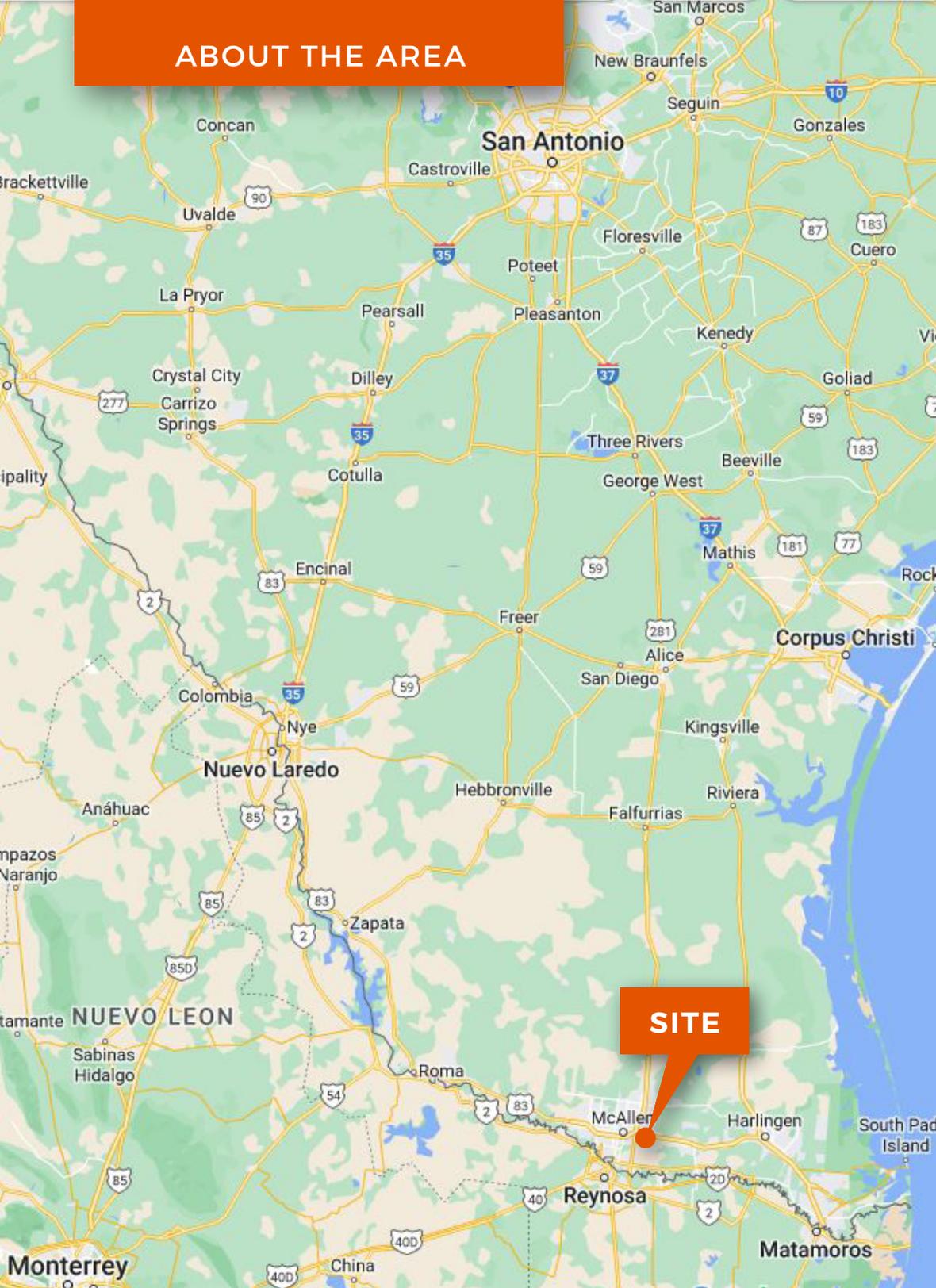
# SITE PLAN



  E EXPRESSWAY 83 FRONTAGE



## ABOUT THE AREA



## General Overview

The city of San Juan (population 33,856), located in Hidalgo County in Rio South Texas, is in the fifth-largest metropolitan area in Texas. It is within the largest U.S./Mexico border region in the country with 2.3 million people. It is known as “The Spirit of the Rio Grande Valley” and boasts a consumer base of 436,000 within a 10-mile radius.

The Rio Grande Valley is comprised of the four southern-most counties in Texas (Cameron, Hidalgo, Starr, and Willacy). Agriculture has historically been one of the region’s cultural and economic mainstays. The area has been profoundly transformed into a major international trade area. The region’s geographic proximity to Mexico makes industries allied with international trade very marketable. The promotion of international trade, tourism, and manufacturing continue to be principal economic drivers. Hidalgo County has 6 international bridges, 2 international airports, and expansive interstate highways.

Hidalgo County continues to experience strong growth in population and in its economic base. The population has grown by 12.1% since the 2010 census. With a 2020 population estimate of 870,781, During the same period, the County’s tax base has grown from approximately \$27 billion in 2010 to over \$37 billion in 2020. The total GDP for McAllen-Edinburg-Mission MSA was 22.9 Billion in 2020.

San Juan’s prime location and proximity to the international bridges within the McAllen-Edinburg-Mission MSA, offers opportunities that are ideal for industrial development and expansion. The largest industries are Health Care & Social Assistance, Retail Trade, and Educational Services, while the highest paying industries are Mining, Quarrying, & Oil & Gas Extraction, Construction, and Educational Services.

# AERIAL



**TARGET** **Walmart** **Supercenter**  
**Sams Club** **BED BATH & BEYOND** **HomeGoods**

**LOWE'S** **at home** The Home Décor Superstore  
**COSTCO** **WHOLESALE**

**Academy** SPORTS+OUTDOORS  
**CINEMARK** The Best Seat In Town

**H-E-B plus!** **BURGER KING**  
**Walgreens** **Dominos Pizza**

**McAllen International Airport**  
**Rio Grande Regional Hospital**

Kennedy Middle School

Liberty Middle School

PISA Early College High School

Edith & Ethel Carman Elementary

Stephen F. Austin Middle School

Alfred Sorensen Elementary

**SUNOCO** **stripes**

**Business 83**

PISA T. Jefferson T-STEM Early College High School

**San Juan**

Vida N. Clover Elementary

New Residential Development

**Olive Garden** **chili's**

**Bank of America** **POPEYES** **LOUISIANA KITCHEN**  
**PAPA JOHN'S** **Denny's**

**planet fitness** **SALLY BEAUTY** **WING STOP**  
**CATO** **Jack in the box**

**McAllen**

**Pharr**

Henry Ford Elementary

**Mercedes-Benz**

**JAGUAR** **LAND-ROVER**

**GILSA** The Art of Construction

**Audi** **ACURA**



**(133166 AADD)**

Planned Development

**CARmax**

**LEXUS**

**RODEWAY INN** **Jack in the box**

**VALERO** **stripes** **Pizza Hut**

**Walgreens** **SONIC** America's Drive-Ins

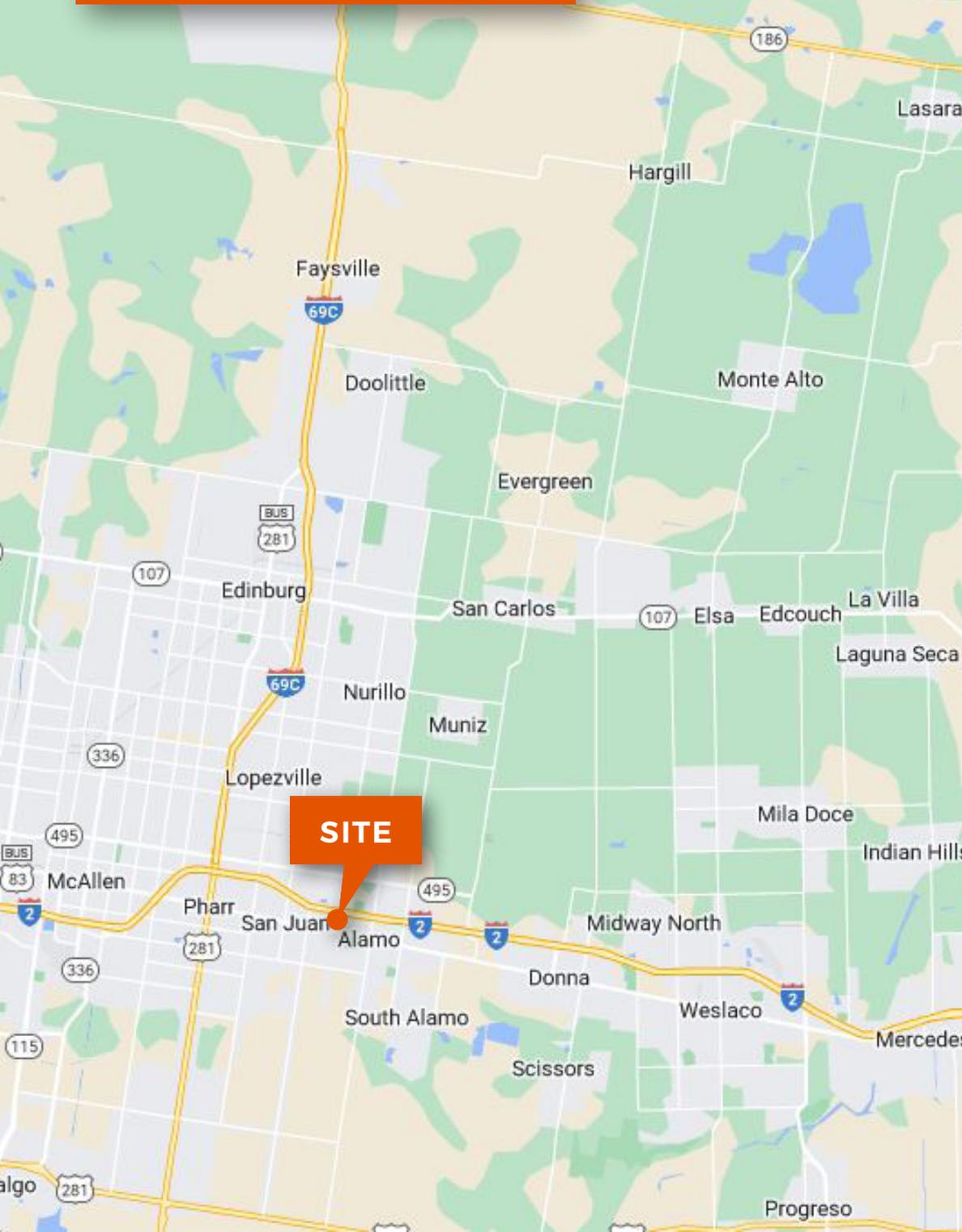
**CVS/pharmacy** **Little Caesars** **pizzapizza!**

**Starbucks**

**Spectrum** **EXXON**

**Walmart Supercenter**

## ABOUT THE AREA



## Site Information

The subject property is located near the southwest corner of Expressway 83 and Cesar Chavez Road (AADT 12,749) in San Juan, Texas, with excellent access and visibility next to Acura and Audi on the east side and brand-new restaurants, Olive Garden and Chili's on the west. Accessible from both E. Frontage Road/E. Expressway 83 (133,166 AADT – I-2) and Carroll Road to the south side. Less than 4 Miles from N. Interstate Hwy 69C arterial (81,466 AADT). The site benefits from robust demographics with a total daytime population of 173,819 within a 5-mile radius and an average household income of \$70,968 within 10 miles.

The property sits ideally within San Juan's growth corridor with excellent proximity to retail and entertainment such as the Alamo Dance Hall and Mercadome Flea Market, City Music Ballroom Hacienda, Basilica of Our Lady of San Juan del Valle, which attracts 25,000 visitors weekly, Walmart Supercenter, Denny's, Papa Johns, Jack-in-the-Box, Wingstop, GameStop, Dollar Tree, Bank of America, the brand-new Chili's and Olive Garden as well as auto dealers Jaguar, Mercedes-Benz, Acura, and Audi.

Educational opportunities in the area include South Texas College, 10 miles west, with enrollment of 28,233; the newly re-designed campus of PSJA Collegiate School of Health Professions, a 6th-12th grade early college campus; Rio Grande Valley College, an accredited health education school; and South Texas College of Nursing, featuring a state-of-the-art hospital simulation center, is just four miles away and located near McAllen's best hospitals and health professionals. Rio Grande Regional Hospital, ten minutes from the site, offers the latest healthcare technology and treatments, state-of-the-art emergency room with Level III trauma center, high tech/full-service cardiovascular care, a Children's Medical Center, OB/GYN care, the Texas Transplant Institute, and Surgery Center.

San Juan offers visitors a unique look at Valley life as well as a rich shopping experience with local vendors. Its southern location allows the city to present a canvas of culture that provides a colorful and exciting time for all visitors. The small-town feel alongside the quick access to other metropolitan areas, makes San Juan special.



# 1301 E Expy 83 | San Juan, TX 78589



2022 DAYTIME POPULATION

**792,621**



AVG. HOME VALUE

**\$155,834**



AVG. HOUSEHOLD INCOME

**\$70,968**

<b>Population Summary</b>	<b>5 Miles</b>	<b>10 Miles</b>	<b>15 Miles</b>
2010 Total Population	148,047	480,729	687,067
2021 Total Population	175,312	557,207	790,957
2026 Total Population	182,185	577,061	817,841
2021 Total Daytime Population	173,819	587,177	792,621
<b>Average Household Income</b>			
2021	\$62,624	\$70,968	\$69,201
2026	\$73,499	\$83,331	\$81,575
<b>Average Home Value</b>			
2021	\$126,125	\$155,834	\$152,943
2026	\$194,658	\$233,092	\$232,321

<b>Major Employers</b>	<b># of Employees</b>
H-E-B	5,586
Doctor's Hospital at Renaissance (19 Facilities)	5,282
Walmart (17 Stores)	5,100
Edinburg Consolidated ISD	4,823
Pharr-San Juan-Alamo ISD	4,748
La Joya ISD	4,231
University of Texas-Rio Grande Valley	4,129
Hidalgo County	3,993
McAllen ISD	3,323
Edinburg Regional Medical Center	2,750

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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