



OFFERING MEMORANDUM



# Christus Physicians Surgery Center

New Braunfels, TX | San Antonio MSA

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

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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- 12 Year NNN Lease with 10 Years Remaining to Christus Santa Rosa Ambulatory Surgery Center Situated within Gruene Crossing Office Park
  - Scheduled 2.5% Annual Rental Escalations Providing Strong Hedge Against Inflation
  - Full Recapture of Common Area Maintenance, Taxes, Insurance & Property Management
- Large Parcel with Additional 10,000 SF Building Expansion Potential
- Subject Property Qualifies for Tax Savings via Accelerated Depreciation via Cost Segregation – 100% Bonus Depreciation Related to Improvements
- Located Near Several Hospitals and Medical Establishments
  - Christus Santa Rosa Hospital, with 115 Beds and 741 Employees
  - Resolute Hospital, a 128-bed 365,000 SF Full-Service Hospital
  - New Braunfels Regional Rehabilitation Hospital, a 40 Bed Inpatient and Outpatient Comprehensive Rehabilitation Hospital
  - PAM Health Specialty Hospital of New Braunfels with 32 Beds
- Robust Demographics in Surrounding Area
  - Total Daytime Population of 89,429 within 5 Miles of Site with an Annualized Growth Rate of 3.31%
  - Average Household Income of \$98,606 within 1-Mile Radius
- Excellent Access and Visibility on Highly Trafficked Common Street
  - Less than 1 Mile from SH 46/Loop 337 – 18,040 AADT
  - 2 Miles from Major Interstate 35 – 137,657 AADT
- New Braunfels, Texas is the Third-Fastest Growing City in the United States, Growing 57% Over the Past Decade
- Approximately 2.3 Miles from the Original Schlitterbahn Waterpark, New Braunfels Second-Largest Employer
  - Voted the #1 Waterpark in the World for 23 Years
- 7 Miles from New Braunfels National Airport
  - Provides Airborne Ambulance Service, Aircraft Maintenance, Aircraft Sales, Charter Services, Dining Facilities, Flight Instruction, Fuel, Hangar Space, Meeting and Conference Rooms, and Technical Education Opportunities
- 30 Miles from San Antonio International Airport
- 45 Miles from Austin
- No State Income Tax in Texas



## PRICE

**\$13,218,000**  
5.00% Return

## Location

The property is located at 1738 E Common Street, New Braunfels, Texas in Gruene Crossing Office Park.

## Lot Size

Approximately 4.33 acres or 188,619 square feet.

## Improvements

An 18,855 square foot, single story surgical center with canopied drive up.

## Lease

Leased to **Christus Santa Rosa Outpatient Surgery - New Braunfels, LP** for 12 years from June 1, 2020 through May 31, 2032. There are two (2) ten-year options to renew the lease. Rent is to increase by 2.5% annually. The lease is net with tenant responsible for all taxes, insurance, and maintenance.

## Right of First Refusal

Tenant shall have the right of first refusal to purchase the property on the same terms and conditions as any bona fide third-party offer received by the landlord by providing written notice to the landlord within twenty (20) business days of receiving written notice of such an offer.

## Annual Rent

Years	Annual Rent	Return
Current	\$644,800	n/a
<b>Year 4 - June 1, 2023 (Capitalized)</b>	<b>\$660,920</b>	<b>5.00%</b>
Year 5	\$677,443	5.13%
Year 6	\$694,379	5.25%
Year 7	\$711,739	5.38%
Year 8	\$729,532	5.52%
Year 9	\$747,770	5.66%
Year 10	\$766,465	5.80%
Year 11	\$785,626	5.94%
Year 12	\$805,267	6.09%
Year 13-22 (Option 1)	\$825,399	6.24%
Year 23-32 (Option 2)	\$846,033	6.40%

## Financing

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





**CHRISTUS Santa Rosa Physicians Ambulatory Surgery Centers** are state-of-the-art outpatient surgery centers with excellent surgeons and highly qualified staff. They are accredited by the Accreditation Association for Ambulatory Health Care and serve patients at five surgery facilities across San Antonio and New Braunfels. The clinic staff is comprised of registered nurses, surgical technicians, and nurse aids, as well as more than 118 physicians with specialties ranging from orthopedics to general surgery to otolaryngology (ENT) to obstetrics and gynecology along with ophthalmology, pain management and podiatry partner with CHRISTUS. CHRISTUS Santa Rosa Physician Ambulatory Surgery Centers are part of the CHRISTUS Santa Rosa Health System.





# AERIAL

# EAST VIEW

## NEW BRAUNFELS TOWN CENTER AT CREEKSIDE

## FREIHEIT VILLAGE



McDonald's  
Great Clips  
IT'S GONNA BE GREAT™

Sherwin Williams  
MOD  
KFC  
ups

H-E-B plus!  
IN-N-OUT BURGER

WINGATE  
BY WYNDHAM

Overlook at Creekside  
New Homes

TARGET  
EVO ENTERTAINMENT  
DICK'S SPORTING GOODS  
BJ's RESTAURANT & BREWHOUSE  
TJ-MAXX  
HomeGoods  
WINGABOYZ  
HOBBY LOBBY  
JCPenney  
PET SMART  
BEST BUY

Creekside  
New Apartments

resolute health  
Hospital New Braunfels

HOMESWOOD SUITES  
BY HILTON  
Creekside Vue  
DOUBLE SCHOTT'S  
TEPPACE  
Marco's Pizza  
AVERY'S KITCHEN  
THE CURRENT

Creekside  
Professional Plaza

West Village  
at Creekside



Walmart  
Distribution Center

Sam's Club

EXXON  
BURGER KING

CAMPING WORLD

Duc-ee's

NISSAN

Heather Glen  
New Homes

CHRISTUS  
Surgery Center  
New Braunfels

Pak Medical Group

village elevated eye care  
RIVER CITY IMAGING CENTERS  
RCIC

GRUENE  
SENIOR LIVING

Noli's Vite  
ITALIAN KITCHEN

Gruene  
Office Park

E Common St



AERIAL

SOUTHWEST VIEW



SAN ANTONIO  
(~34 Miles)



46  
TEXAS

LOOP  
337

DOWNTOWN

Comal County  
Fairgrounds

Landa Park  
Golf Course

COMMON CENTRAL PARK



WILLIAM EDGE  
hair makeup drybar

Albright  
EYECARE

Common Street  
Professional Building

HD SUPPLY

Canyon Vista  
Office Park

Cotton Crossing  
Apartments Homes



State Farm

THROUGH A CHILD'S EYES CHILD DEVELOPMENT CENTER

Gruene  
Office Park

Noli's Vite  
ITALIAN KITCHEN

E-Common St



CHRISTUS  
Surgery Center  
New Braunfels

GRUENE  
SENIOR LIVING

Pak Medical Group





New Braunfels is located on IH-35 only 30 minutes north of downtown San Antonio, 19 miles south of San Marcos, and 45 minutes south of Austin. I-10 is only minutes east and State Highway 46 bisects the city. The population of New Braunfels is over 90,000, growing 100% since 2003, and is the third fastest growing city in the United States. This strategic location is home to Sysco, Hunter Industries, Rush Enterprises, Walmart Distribution Center, McCoys, TaskUs, and only a three hour drive to trade gateways into Mexico, and Central and South America. The average growth rate per year is 6% and population is projected to reach 115,000 in 2025. The Comal and Guadalupe Rivers, proximity to area lakes, Schlitterbahn Water Park and Gruene Hall, the most famous and oldest dance hall is Texas, drive over 3.6 million visitors to the area annually.

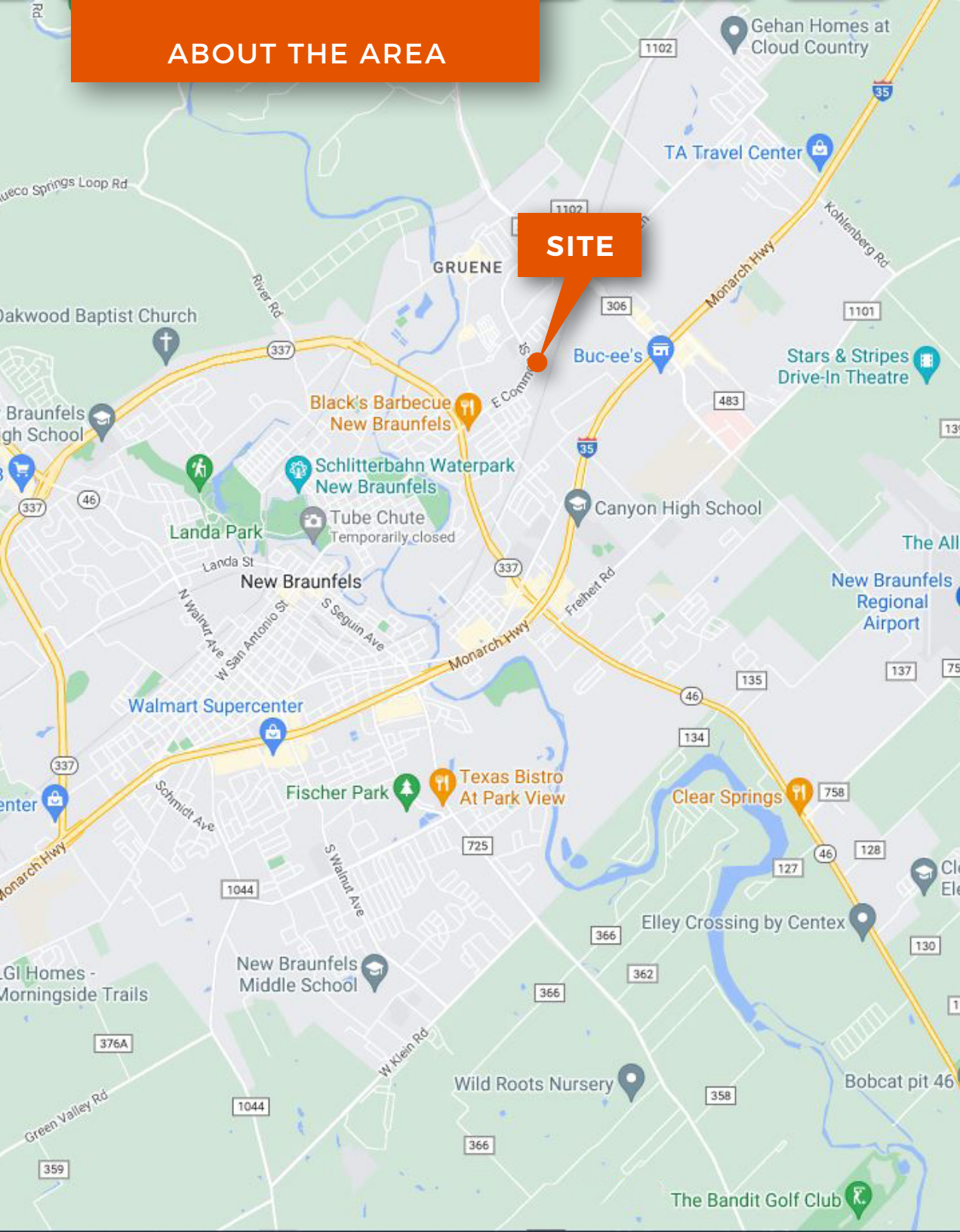
New Braunfels is officially part of Greater San Antonio, designated San Antonio-New Braunfels, an eight-county metropolitan area on the southwestern corner of the Texas Triangle. It is the 24th largest metropolitan area in the United States. Total GDP for San Antonio-New Braunfels, TX (MSA) is over \$132.1 billion according to the United States Federal Reserve on March of 2022.

The Veramendi Development broke ground in FY 2018. This development is a 2,400-acre property that will ultimately include over 5,000 residential units by some of the area's most respected, award-winning builders, a town center, education at all levels – from pre-k to college – to be accessible right within the community. A business district, commercial area, as well as a medical campus, restaurants, shopping and entertainment round out the plan to make sure everything is easily accessible, along with more than 480 acres of parkland, pools, and miles of walking and cycling trails throughout.

Universities in New Braunfels include Wayland Baptist University and Howard Payne University. Texas State University is 15 minutes north in San Marcos and other major universities including University of Texas, University of the Incarnate Word, Texas A&M, University of Phoenix, and many others are a short distance away in San Antonio and Austin. Fall 2021 university enrollments represented the largest incoming classes in over a decade.



## ABOUT THE AREA



## Site Information

The subject property is located within the Gruene Crossing Office Park in the heart of the rapidly growing population area of the Austin-San Antonio corridor in New Braunfels, Texas. The property is located on Common Street between Loop 337 and FM 306. The site is an 18,855 square foot one-story suburban medical office building (outpatient surgery center) with great access. The improvements were constructed in 2003, renovated in 2012, and it is situated on a 4.33-acre site. The surgery center has an expansion option in their lease to build a separate building at a pre-negotiated return. It benefits from robust demographics with a total daytime population of 89,429 within a 5-mile radius. Average household income within 1 mile of the site is \$98,606, above average for the MSA.

The immediate area is concentrated with medical establishments and senior living/retirement communities and is less than 5 minutes from IH-35. There are several hospitals in the immediate vicinity. Nearby hospitals include Christus Santa Rosa Hospital, with 115 beds and 741 employees; Resolute Hospital, a 128-bed, 365,000 square-foot full-service hospital; New Braunfels Regional Rehabilitation Hospital, featuring 40 beds which provides inpatient and outpatient services to people recovering from disabilities caused by injuries or illnesses; and PAM Health Specialty Hospital of New Braunfels with 32 beds.

It is located approximately 2.6 miles from downtown New Braunfels, a favorite dining and shopping destination among tourists and the authentic Gruene Historic District, a German-Texan town that has been preserved and revitalized. Gruene has been recognized by the Texas travel industry as a premiere attraction for visitors. The original Schlitterbahn Waterpark, New Braunfels second-largest employer, is approximately 2.3 miles from the site. It has 51 attractions and was voted the #1 Waterpark in the World for 23 Years.





# 1738 East Common St | New Braunfels, TX 78130



2021 TOTAL POPULATION

**88,655**



AVERAGE HOME VALUE

**\$321,307**



AVG. HOUSEHOLD INCOME

**\$98,606**

## Population Summary

	1 Mile	3 Miles	5 Miles
2010 Total Population	4,829	23,988	59,248
2021 Total Population	7,878	41,126	88,655
2026 Total Population	8,641	48,123	104,321
<b>2021-2026 Annual Rate</b>	<b>1.87%</b>	<b>3.19%</b>	<b>3.31%</b>

## Average Household Income

2021	\$98,606	\$89,852	\$97,186
2026	\$108,853	\$99,037	\$107,716

## Average Home Value

2021	\$321,307	\$302,426	\$299,850
2026	\$359,727	\$343,039	\$337,219

## Top Employers in New Braunfels

## # of Employees

Comal Independent School District	3,132
Schlitterbahn Water Park	2,300
New Braunfels ISD	1,238
WalMart Distribution Center	1,215
Rush Enterprises, Inc.	859
Hunter Industries – Colorado Materials	825
Comal County	792
TaskUs	700
Sysco	570
City of New Braunfels	480



*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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