



OFFERING MEMORANDUM

PRESERVE
WEST
CAPITAL 

Dairy Queen
Terrell, TX | Dallas MSA

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

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



- 20-Year Absolute NNN Lease to Dairy Queen with Approximately 13 Years Remaining
 - Scheduled Rental Escalations Every 5 Years
 - No Landlord Maintenance Responsibilities
- Operated by Established Dairy Queen Franchisee
 - 41 Locations Across Texas
- Highly Functional Footprint Featuring Double Drive-Thru Component
- Part of the Terrell Market Center Development
 - 300,000 SF Mixed-Use Retail with Whataburger, In-N-Out, Starbucks & Taco Cabana
 - Adjacent Hotels include Fairfield Inn & Suites by Marriott, Tru by Hilton & La Quinta Inn & Suites by Wyndham
- Prominent Retail Location Situated Between I-20 and TX-557 Arterials
 - Combined AADT of 66,057
- Robust Demographics within 5 Mile Radius
 - Average Household Income of \$79,299
 - Kaufman County Among Fastest-Growing in U.S. with 41% Population growth from 2010-2020
- Synergistic Mix of Tenants within the Terrell Market Center and adjacent to the Terrell Crossroads Retail Center
 - Neighboring Tenants Include Buc-ee's, Spec's, Hobby Lobby, Marshalls, Ross, Petco, Academy Sports, & More
- Approximately 30 Miles from Downtown Dallas
- No State Income Tax in Texas



PRICE

\$3,097,000

5.25% Return

Location

The property is located at 1281 FM 148 in Terrell, Texas.

Lot Size

Approximately 0.707 acres or 30,797 square feet.

Improvements

A 2,612 square foot retail building for Dairy Queen with a double drive-thru component.

Lease

Leased to Vasari, LLC for 20 years from September 16, 2014 through December 31, 2034 at a current annual rent of \$162,563. There are four (4) five-year options to renew the lease. Rent is to increase by 6.25% every 5 years and at the start of each option period. The lease is net with tenant responsible for all taxes, insurance, and maintenance, including roof and structure.

Financing

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

Annual Rent

Year		Annual Rent	Return
Years 1-5		\$153,000	n/a
Years 6-10	Current	\$162,563	5.25%
Years 11-15		\$172,723	5.58%
Years 16-20		\$183,518	5.93%
Years 21-25	Option 1	\$194,988	6.30%
Years 26-30	Option 2	\$207,174	6.69%
Years 31-35	Option 3	\$220,123	7.11%
Years 36-40	Option 4	\$233,880	7.55%



Dairy Queen serves soft serve ice cream, blended ice cream “Blizzard” desserts, burgers, chicken strips, and cakes at more than 7,000 locations across 27 countries. The company’s locations are primarily franchised, with only two corporate locations. The company is ranked #42 in Entrepreneur Magazine’s 2021 Franchise 500 rankings.

Vasari, LLC, the lease entity, is Dairy Queen’s second-largest franchisee in the U.S.. This location is being operated by LoneStar DQ, a Dairy Queen franchisee operating 41 locations in Texas.

AERIAL

WEST VIEW

FILM ALLEY

ROSS petco ULTA
 DRESS FOR LESS five BELOW burkes
 Marshalls MOD PIZZA T-Mobile OUTLET.
 RACK ROOM SHOES AMERICA'S BEST Sport Clips
 CONTACTS & EYEGLASSES CONTACTS

Walmart
Distribution Center



(31,391 AADT)

148 TEXAS

(9,762 AADT)

Future Conference Center

Magnolia Grove Apartments

Planned Development

SPUR 557

(24,904 AADT)

Crossroads at Terrell

Crossroads Pkwy



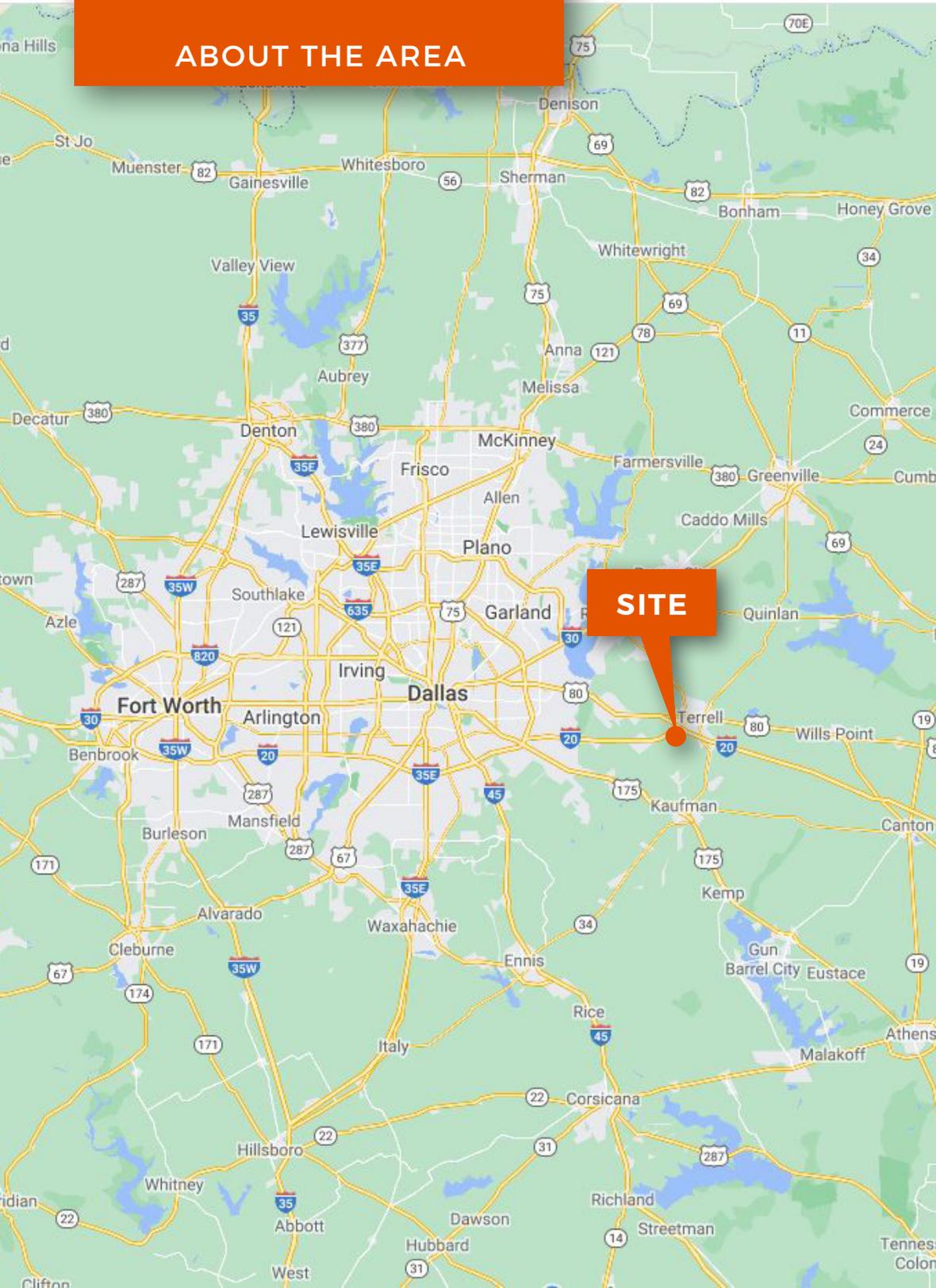
Swiftco Fuel



BaylorScott&White HEALTH
Future 52-Acre Medical Campus



ABOUT THE AREA



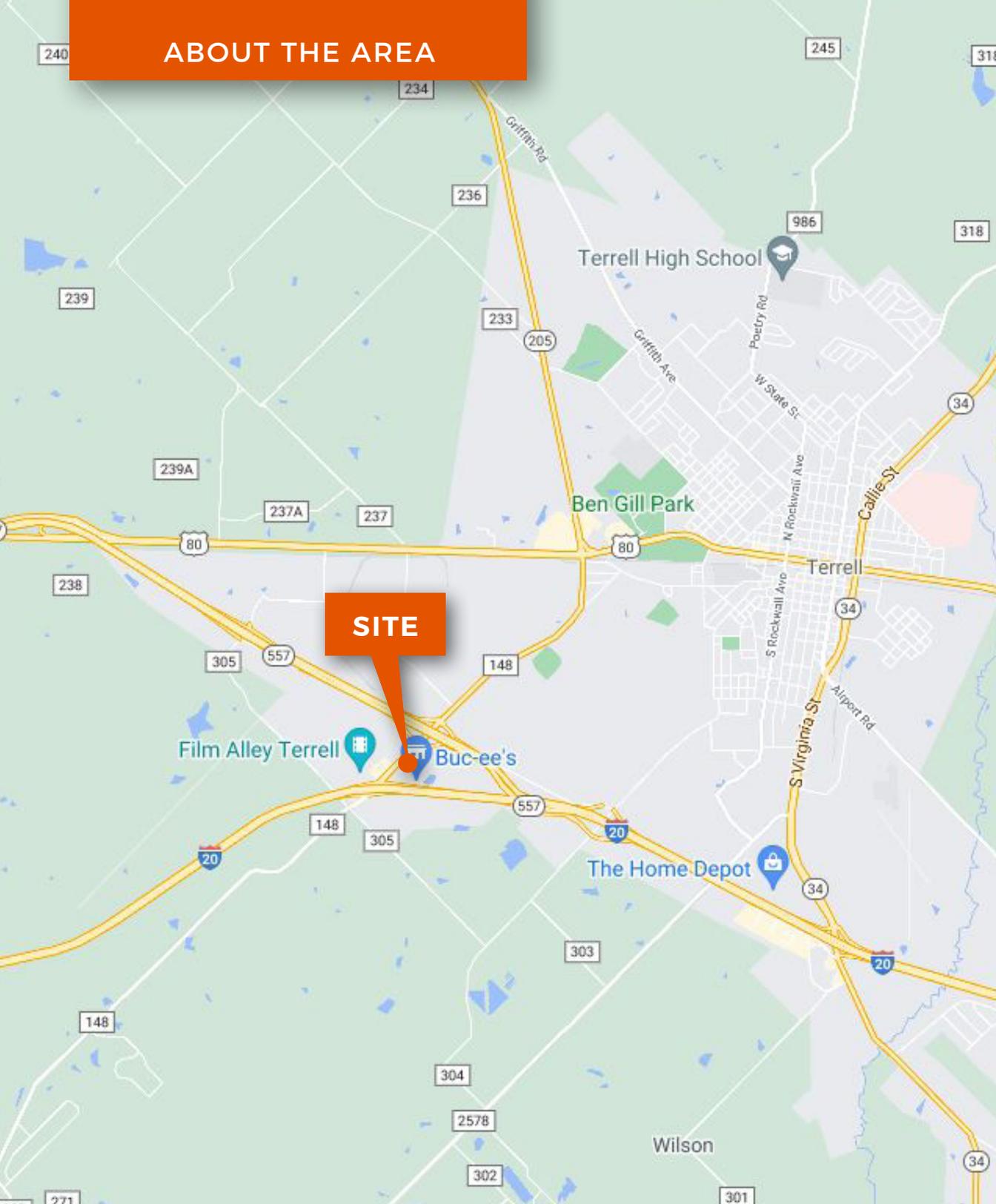
General Overview

Terrell (population 19,035) is an established suburb of Dallas located approximately 32 miles east of downtown Dallas. The city benefits from a central location, close proximity to major highways, and an established labor pool of both skilled and non-skilled workers. The city is located in Kaufman County, one of the fastest growing counties in the U.S. with 41% population growth between 2010 and 2020.

Dallas (population 1,343,565) is the largest city in and seat of Dallas County, and the third-largest city in Texas. The city is a principal city of the Dallas-Fort Worth-Arlington Metropolitan Statistical Area, commonly known as the Dallas-Fort Worth Metroplex, which is the largest metropolitan area in Texas and the South, the fourth largest in the U.S., and the seventh largest on the continent with a population of nearly 7.4 million. It is the economic hub of Northern Texas, with a real GDP exceeding \$535 billion, making it the 17th largest metropolitan economy in the world. The Dallas-Fort Worth MSA consistently experiences some of the highest year-over-year population growth in the country.

The region benefits from a diverse economic base in banking, commerce, telecommunications, technology, energy, healthcare, transportation, and more. The metroplex is home to the corporate headquarters of more than 10,000 companies and benefits from the third largest concentration of Fortune 500 companies in the U.S., behind only New York and Chicago. Fortune 500 companies based in the MSA include Exxon Mobil, AT&T, American Airlines, Southwest Airlines, Kimberly-Clark, Texas Instruments, GameStop, Alliance Data, Dr Pepper Snapple Group, Energy Transfer Equity, Tenet Healthcare, Fluor Corporation, Holly Frontier, D.R. Horton, Jacobs Engineering, Dean Foods, Yum China Holdings, Celanese, and Vistra Energy. Other major companies in the region include Brinker International, Ericsson, Frito-Lay, Cinemark, Comerica, Corner Bakery Café, Greyhound Bus Lines, Intuit, Lockheed Martin, Raytheon, Nokia, Pier 1 Imports, Toyota Motor North America, ZTE, and more.

ABOUT THE AREA



Site Information

The subject property is prominently situated with excellent access and visibility along FM 148 (9,762 AADT) between its junctions with the I-20 (31,391 AADT) and TX-557 (24,904 AADT) arterials approximately 30 miles from downtown Dallas. The site benefits from robust demographics with a total daytime population of 29,458 and average household income of \$79,299 within a 5 mile radius.

The site benefits from a prominent retail location within the Terrell Market Center adjacent to the Terrell Crossroads retail center, a 255-acre retail power center; a planned 52-acre Baylor Scott & White Medical Campus; and future conference center. Baylor Scott & White Health owns the remaining 52 acres of the Terrell Crossroads project, which will feature a new full-service, 100-bed expandable to 400-bed hospital. The new medical center will be the largest regional medical facility serving Kaufman County and the East Texas region west of Tyler. The development is part of the largest Tax Increment Financing district in rural Texas. Major retail tenants include Buc-ee's, Spec's, Hobby Lobby, Five Below, Marshall's, Ross, Petco, Academy Sports + Outdoors, and more. Other nearby retail tenants include Walmart Supercenter, CVS, and Tractor Supply Company. The property is also located approximately 3 miles from Southwestern Christian College, with a student body of approximately 400.



1281 FM 148 | Terrell, TX 75160



2021 POPULATION
27,487



AVG. HOME VALUE
\$251,169



AVG. HOUSEHOLD INCOME
\$79,299

Population Summary	1 Mile	3 Miles	5 Miles
2010 Total Population	864	9,334	24,636
2021 Total Population	900	9,745	27,487
2026 Total Population	926	10,016	29,825
2021-2026 Annual Rate	0.57%	0.55%	1.65%
Average Household Income			
2021	\$60,428	\$60,033	\$79,299
2026	\$64,627	\$64,965	\$86,828
Average Home Value			
2021	\$242,411	\$234,674	\$251,169
2026	\$324,123	\$305,094	\$301,851

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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