



Single-Tenant Net Lease Investment
4167 N FM 1053, Fort Stockton, TX 79735

\$3,204,459

Subject Property



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DEAL SUMMARY



Address

4167 N FM 1053
Fort Stockton, TX 79735

Asking Price

\$3,204,459

Cap Rate

6.75%

Annual Rent

\$216,301

Lease Term

10 Years

Year Built | Renovated

2008 | 2023



PROPERTY SUMMARY

Address	4167 N FM 1053 Fort Stockton, TX 79735
Building Construction	Metal
Building Area	6,762 SF
Land Area	3.87 AC
Office Area	10x10 Office with IT, Restroom & Check-In Station
Yard	4,500 SF of concrete paving for docks & parking. Ample area for additional storage, parking, and future expansion
Dock Doors	Six (6) Dock Doors: One (1) 28" high dock door (9x12) Three (3) 28" high dock doors (9x10) Two (2) 48" high dock doors (9x12)
Drive-in Doors	None
Clear Height	20'
HVAC	Heating/Air Conditioning throughout Office & Warehouse
Year Renovated	2023
Remodel Specs	New roof, docks/dock high doors, drains, paving, offices and restroom, and lighting



LEASE SUMMARY



Tenant Name	PepsiCo Global Real Estate, Inc.
Annual Rent	\$216,301
Rent Increases	2.00% Annually
Lease Commencement	July 2023
Lease Expiration	July 2033
Taxes & Insurance	Tenant to reimburse Landlord for cost of property taxes and property insurance. Tenant to procure their own liability insurance
Tenant Maintenance Obligations	All leasehold improvements including all parking areas and sidewalks, and common/parking areas
Landlord Responsibilities	Roof & structural repairs/replacements and 50% of capital repairs of HVAC (useful life reimbursed by Tenant). Landscaping & Utility/ services repair maintenance for the first year
Renewal Options	2, 5-Year Options @ 95% of FMV, but not to be less than 102% of last months rent

Lease Year	Annual Rent	CAP Rate
Year 2	\$216,301	6.75%
Year 3	\$220,627	6.88%
Year 4	\$225,040	7.02%
Year 5	\$229,541	7.16%
Year 6	\$234,131	7.31%
Year 7	\$238,814	7.45%
Year 8	\$243,590	7.60%
Year 9	\$248,462	7.75%
Year 10	\$253,431	7.91%





INVESTMENT HIGHLIGHTS



▶ Favorable Lease Structure | Annual Rental Increases

Offering features a 10 year initial term with annual rental bumps creating sustained returns for the prospective investor with no Tenant renewal options to extend the lease, providing future potential up-side.

▶ Attractive Return Fundamentals | 7.35% Average Blended CAP

At a going-in cap rate of 6.75%, the current owner would see a nearly 8% return by the end of the initial lease term and an average cap rate of approximately 7.35% making this an appealing long-term investment.

▶ Recent Capital Improvements | Expandable Site

The subject property underwent extensive renovations to accommodate Frito-Lay's exact specifications. The tenant has the ability to expand its existing footprint offering potential up-side for any prospective investor.

▶ Investment Grade Parent Company | Market Leader

Frito-Lay is #1 in terms of market share in the U.S. snack food industry and is wholly owned by PepsiCo, Inc. (NASDAQ: PEP), the largest food & beverage company in North America with revenues in excess of \$91B (2022) and an A+ S&P global rating.

▶ Critical Location | Last Mile Distribution Facility

The subject property operates as a last mile distribution facility for Frito-Lay and was chosen as part of an initiative to revamp and create greater efficiencies within their distribution network. The 6,762 SF building is part of Frito Lay's recent initiative to invest in their real estate footprint with facilities that line key highway systems and serve grocers, convenience stores, and other food-related retailers spread throughout the surrounding area.

▶ Strategic Initiative Facility | Highway Proximity

The subject property sits 1 mile north of Interstate 10 on Imperial Highway (FM 1053), providing ease of access and ability to service all routes throughout Western Texas. This facility will receive and distribute packaged food products, typically salty snacks, with convenient vehicular parking and delivery truck traffic 24 hours each day to and from the site.

▶ Geographic Overview | Energy-Rich West Texas Location

The Permian Basin is a top five oil and natural gas producer in the world. This energy production is vital for the Texas economy, supporting more than 200,000 jobs and generating over 10.8 percent of Texas' Gross Domestic Product.



TENANT PROFILE - PepsiCo,

PARENT COMPANY - PEPSICO, INC.

PepsiCo Global Real Estate, Inc., a Delaware corporate is a subsidiary of PepsiCo, Inc. **PepsiCo is a global leader in convenient foods and beverages.** Their products are enjoyed by consumers more than **one billion times a day in more than 200 countries and territories around the world.** PepsiCo generated more than **\$91 million** in net revenue in 2023, driven by a complimentary beverage and convenient foods portfolio that includes Lay's, Dorito's, Cheetos, Gatorade, Pepsi-Cola, Mountain Dew, Quaker, and SodaStream. PepsiCo's product portfolio includes a wide range of enjoyable foods and beverages, including many iconic brands that generate more than **\$1 billion each in estimated annual retail sales.** **PepsiCo is the largest food and beverage company in North America and the second largest in the world.**

Subway®, one of the world's largest restaurant brands recently announced a 10-year agreement with PepsiCo to supply beverages in U.S. restaurants beginning January 1, 2025 to become the **exclusive provider of beverages at all Subway sandwich shops in the U.S.** Subway's longstanding partnership with Frito-Lay® will also be extended through 2030, bringing the brand's U.S. snack and beverage portfolio together under one supplier and driving more efficiency across the system. To learn more about the partnership, click [here](#).



PEPSICO



STOCK TICKER
NASDAQ: PEP



Q4 2023 REVENUE
\$27.85 Billion



EMPLOYEES
315,000+



LOCATED IN
200+ Countries

PROPERTY SUMMARY



OVERVIEW

Frito-Lay North America is the \$23 billion convenient foods division of PepsiCo, Inc. (NASDAQ: PEP), which is headquartered in Purchase, N.Y. Frito-Lay makes some of the most popular and high-quality snacks available in the marketplace today. These include Lay's and Ruffles potato chips, Doritos tortilla chips, Cheetos snacks, Tostitos tortilla chips and branded dips, SunChips multigrain snacks and Fritos corn chips.

CUSTOMERS SERVED

Frito-Lay is known for its "Direct Store Delivery" system - the largest DSD system in North America. We deliver our chips directly to stores to ensure freshness and merchandise them ourselves, which gives us a tremendous competitive advantage in the marketplace. Our go-to-market system also includes warehouse distribution, giving us additional flexibility that helps drive our strong partnerships with our customers. Frito-Lay has nearly 15,000 routes that make over 500,000 weekly service calls on approximately 315,000 customers.

KEY BRANDS



WEBSITE	www.fritolay.com
# OF VEHICLES	23,000 Vehicles
3 OF CUSTOMERS	315,000+ Customers



NO. OF FACILITIES
30+ Manufacturing
Facilities



TOTAL REVENUE
\$15.8B in 2023



HEADQUARTERS
Plano, TX



NO. OF FACILITIES
200 Distribution
Centers in U.S.

PROPERTY AERIAL



Imperial Highway (FM 1053)



PROPERTY AERIAL



Imperial Highway (FM 1053)



LOCATION OVERVIEW - Fort Stockton, TX

Fort Stockton is a city located in Pecos County, Texas, United States. It serves as the county seat of Pecos County and has a rich history dating back to the mid-19th century. The city is known for its Western heritage, vibrant community, and strategic location along Interstate 10. The history of Fort Stockton dates back to the establishment of Camp Stockton in 1859. The camp was later transformed into Fort Stockton in 1861, named after Robert Field Stockton, a distinguished military figure. The fort played a significant role in protecting travelers along the San Antonio-El Paso Road during the Civil War and beyond. Over time, Fort Stockton evolved into a thriving community with the arrival of the railroad in the late 19th century. Fort Stockton is a city with a rich history, vibrant culture, and unique attractions that showcase its Western roots. Whether exploring museums, enjoying outdoor activities, or experiencing local hospitality, visitors to Fort Stockton are sure to be captivated by all that this Texas town has to offer.

ECONOMY & INDUSTRY

Oil and Gas: The area is part of the Permian Basin, one of the largest oil-producing regions in the U.S., making the oil and gas industry a significant part of the local economy.

Agriculture: Ranching, particularly cattle, also plays a role in the local economy, with the region's open land suitable for grazing. Cotton, pecans, and melons are the primary crops within Fort Stockton.

Tourism: Fort Stockton serves as a gateway to the Big Bend region, which includes Big Bend National Park and Big Bend Ranch State Park, known for stunning desert landscapes, Wild West attractions, and opportunities for hiking, camping, and other outdoor activities.

Government, Medical Care, and Retail Sales: Fort Stockton serves as a regional center for government, medical care, and retail sales. Federal, state and regional offices located in Fort Stockton include the Texas A&M Cooperative Extension Service Region 6 Headquarters, the Texas Department of Public Safety, the United States Department of Agriculture, the Texas Workforce Commission, and the United States Forestry Service.



\$81,000
10-Mile Average
Household Income



STRATEGIC
Middle Point Between
El Paso & San Antonio



100,000+
10-County Trade
Area Population



LOCATION OVERVIEW - Permian Basin



Spanning over 75,000 square miles, the Permian Basin's abundant natural resources have made it one of the highest producing energy regions in the world. As one of the world's top five producers of oil and natural gas, the region is a powerhouse in energy production, representing 4% of global oil output and a staggering 39% of the U.S. oil supply. Additionally, it accounts for over a tenth of the natural gas produced in the United States, further underscoring its significance. The energy sector in the Permian Basin is a driving force behind the Texas economy, supporting more than 200,000 jobs and contributing over 10.8% to the state's Gross Domestic Product. The continuous development in oil and gas extraction technologies has allowed the region to maintain and expand its production capacity, playing a crucial role in securing U.S. energy independence and maintaining global energy stability. Permian benefits specific to the state of Texas include:

- **203,000** oil and gas industry jobs created
- **\$24.2 billion** in tax and royalty revenues toward state education funds in 2019
- **Contributes up to 10.89%** of Texas' GDP, despite only accounting for 1.8% of the state's population
- **30% higher average income** in Texas's 23 Permian counties compared to the rest of the states
- **\$31 billion** in value to the Texas economy between 2015-2019



TRANSPORTATION HIGHLIGHTS

The Permian Basin benefits from a strategic location along the Ports-to-Plains Corridor, a vital transportation network that facilitates the efficient movement of goods and people from Mexico, through West Texas, and onward to Oklahoma, New Mexico, Colorado, Canada, and the Pacific Northwest. This connectivity plays a key role in supporting the region's booming economy and energy industry.

- **Road:** Located along the Ports-to-Plains Corridor, Key roadways include sections of I-20 and US 87, providing direct access to major markets. I-20 connects the Permian Basin to the Dallas-Fort Worth Metroplex
- **Air:** The Midland International Air and Space Port (MAF) serves as the main transportation hub, located between Midland and Odessa, Ranked as the 8th busiest commercial service airport in Texas, MAF services 43 counties across West Texas and Eastern New Mexico.
- **Rail:** Rail services in the Permian Basin are provided by Union Pacific Railroad and Permian Basin Railways, offering robust access to national and international markets.

Source: Permian Partnership Fact Sheet





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Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015



TYPES OF REAL ESTATE LICENSE HOLDERS:

- A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

_____ Licensed Broker /Broker Firm Name or Primary Assumed Business Name	_____ License No.	_____ Email	_____ Phone
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_____ Designated Broker of Firm	_____ License No.	_____ Email	_____ Phone
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_____ Licensed Supervisor of Sales Agent/ Associate	_____ License No.	_____ Email	_____ Phone
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_____ Sales Agent/Associate's Name	_____ License No.	_____ Email	_____ Phone
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Buyer/Tenant/Seller/Landlord Initials

Date

