

OFFERING MEMORANDUM



# THOMAS MUSHROOM - STNL

1704 ORLEANS STREET | DALLAS, TX 75226

RARE OPPORTUNITY ZONE ASSET | INFILL DALLAS | COLD STORAGE

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# INVESTMENT SUMMARY

TENANT:	Thomas Mushroom & Specialty Produce
LOCATION:	1704 Orleans Street Dallas, TX 75226
MARKET SALES PRICE:	\$3,513,092
NOI:	\$228,351
MARKET CAP RATE:	6.50%
PSF BLDG & LAND:	\$234.21 PSF - BLDG \$75.22 PSF - LAND
TERM:	5 Years
BUILDING SIZE:	± 15,000 SF
LOT SIZE:	± 1.07 AC / ± 46,704 SF
OCCUPANCY:	100%
LEASE TYPE:	NNN
YEAR BUILT:	1947 / Renovated 2023
ZONING:	MU-3
DEBT:	Free & Clear

# INVESTMENT OVERVIEW

DB2RE INVESTMENT SALES is proud to present the rare opportunity to acquire Thomas Mushroom (the “Property”), a fantastic single-tenant cold storage industrial asset totaling 15,000 SF on 1.07 AC of MU-3 zoning. This irreplaceable single-tenant net lease investment is located in the heart of Dallas at the convergence of I-30 & I-45, between Deep Ellum and The Cedars within an Opportunity Zone. Currently, Thomas Mushroom has +/- 5-years remaining (expiring 2/28/2029) with one 5-year option to extend. Furthermore, the lease provides investors 3.00% annual increases throughout the primary and option terms to hedge against inflation. Cold storage industrial assets are scarce, and cold storage assets within the core of Dallas are even rarer, making this opportunity unique. In addition to the cold storage component and a fantastic stabilized revenue stream guaranteed by Thomas Mushroom, the Property’s infill positioning makes this investment opportunity a true generational investment. Utilized as an Opportunity Zone investment, there are even more tax advantages for future investors. New ownership will benefit from the continued growth of Dallas’s urban core as the Property sits on 1.07 acres of some of the most sought-after real estate in the DFW Metroplex. Long-term, the Property boasts tremendous upside by pushing rental rates to fair market value and benefits from ample outside storage and parking that could be monetized and further maximized through a total repositioning and/or redevelopment of the Property.

With convenient access to I-30, I-45, and Central Expressway (Highway 75), Thomas Mushroom or future tenants enjoy unbeatable access to the entire DFW-Metroplex, allowing any business operating at the Property to serve their customer base more efficiently. Surrounding the Property is one of the largest concentrations of multi-family, retail, office, and industrial assets, including major traffic generators like Fair Park, the Dallas CBD, Deep Ellum, and the Dallas Farmers Market, among many others. This high-growth and high-barrier live, work, and play destination, along with a perfect blend of stability and upside as it relates to the revenue stream, makes Thomas Mushroom a true once-in-a-generation investment opportunity, ideal for a wide range of potential investors and/or developers. The net lease nature requires little to no management, making it perfect for a passive / 1031 investor.



# INVESTMENT HIGHLIGHTS

- Extremely Rare Opportunity Zone investment / covered land opportunity (MU-3 Zoning)
- Fantastic cold storage STNL investment located on +/- 1.07 AC in the heart of Downtown Dallas - one of the most sought-after and high-barrier infill markets within the DFW Metroplex.
- Strategic positioning at the convergence of I-30 & I-45, between Deep Ellum to the north, Fair Park to the east, the Cedars to the south and Downtown Dallas (East Quarter, Farmers Market and other notable districts).
- Unique cold storage industrial asset leased by Thomas Mushroom & Specialty Produce, a +/- 33 year old business headquartered at this Property (1704 Orleans Street).
- Thomas Mushroom has 4 locations - Dallas, Houston, New Orleans and Maryland and specializes in specialty produce, quality food production and national distribution of “cover crops” (ie: mushrooms and other high-end specialty crops grown inside).
- STNL investment with +/- 5-years of term remaining with one (1) five-year option. Tenant has been operating from this area for ages and benefits from ample outside storage and parking.
- Annual rent escalations of 3.00% in both the primary and option terms, providing new ownership steady revenue growth and a hedge against inflation.
- New Ownership will enjoy an excellent stabilized revenue stream with significant upside through taking advantage of growing rents and in the long-term, repositioning and/or redeveloping the Property (ie: residential).
- Ideal investment for both sophisticated, passive and 1031 investors and developers due to the limited management required as the “Net Lease” structure requires Tenant to maintain the Property, including the roof and structure.
- Income Tax Free State - perfect for a 1031.
- Surrounding the Property on all sides is one of the largest concentration of multi-family, retail, office and industrial assets, including major traffic generators like Fair Park, the Dallas CBD, Deep Ellum and the Dallas Farmers Market, among many others.



# RENT SCHEDULE

## PRIMARY TERM

YEAR(S)	MONTHLY RENT	ANNUAL RENT	RENT PSF	INCREASE
3/1/2024	\$19,029.25	\$228,351.00	\$15.22	3.00%
3/1/2025	\$19,600.13	\$235,201.53	\$15.68	3.00%
3/1/2026	\$20,188.13	\$242,257.58	\$16.15	3.00%
3/1/2027	\$20,793.78	\$249,525.30	\$16.64	3.00%
3/1/2028	\$21,417.59	\$257,011.06	\$17.13	3.00%

## OPTION TERM

YEAR(S)	MONTHLY RENT	ANNUAL RENT	RENT PSF	INCREASE
3/1/2029	\$22,060.12	\$264,721.39	\$17.65	3.00%
3/1/2030	\$22,721.92	\$272,663.04	\$18.18	3.00%
3/1/2031	\$23,403.58	\$280,842.93	\$18.72	3.00%
3/1/2032	\$24,105.68	\$289,268.21	\$19.28	3.00%
3/1/2033	\$24,828.86	\$297,946.26	\$19.86	3.00%



# LEASE DETAILS

<b>TENANT TRADE NAME:</b>	Thomas Mushrrom & Specialty Produce “Thomas Mushroom”
<b>USE:</b>	Cold Storage
<b>GLA:</b>	± 15,000 SF
<b>LEASE TERM:</b>	5 Years
<b>LEASE COMMENCEMENT:</b>	March 1, 2023
<b>RENT COMMENCEMENT:</b>	March 1, 2023
<b>LEASE EXPIRATION:</b>	February 28, 2029
<b>INCREASES:</b>	3.00% Annual Increases
<b>RENEWAL OPTIONS:</b>	One (1) 5-Year Options with 3.00% annual increases
<b>LEASE TYPE:</b>	NNN Lease
<b>ROOF &amp; STRUCTURE:</b>	Tenant
<b>ADDITIONAL DETAILS:</b>	N/A

# TENANT PROFILE

Thomas Mushroom & Specialty Produce is a “cover crop” company specializing in gourmet and specialty produce which require covered and very specific conditions to grow (ie: mushrooms). Founded in 1991 and headquartered in Dallas, TX at 1704 Orleans Street (the “Property”), the company has a long-standing 33 year track record of providing customers the highest quality gourmet fungi and related items. Over the years, Thomas Mushroom has grown to a national provider and currently has four (4) locations across the country: Dallas (HQ), Houston, New Orleans and Baltimore / Philadelphia.



**TENANT:** Thomas Mushroom & Specialty Produce

**GUARANTOR:** Tin Roof Acquisition Company

**GUARANTY:** Corporate / Personal

**OWNERSHIP:** Private

**YEARS IN BUSINESS:** ± 33 Years

**LOCATIONS:** ± 4

**HEADQUARTERS:** Dallas, Texas

**WEBSITE:** [www.thomasmushrooms.com](http://www.thomasmushrooms.com)



# SITE PLAN



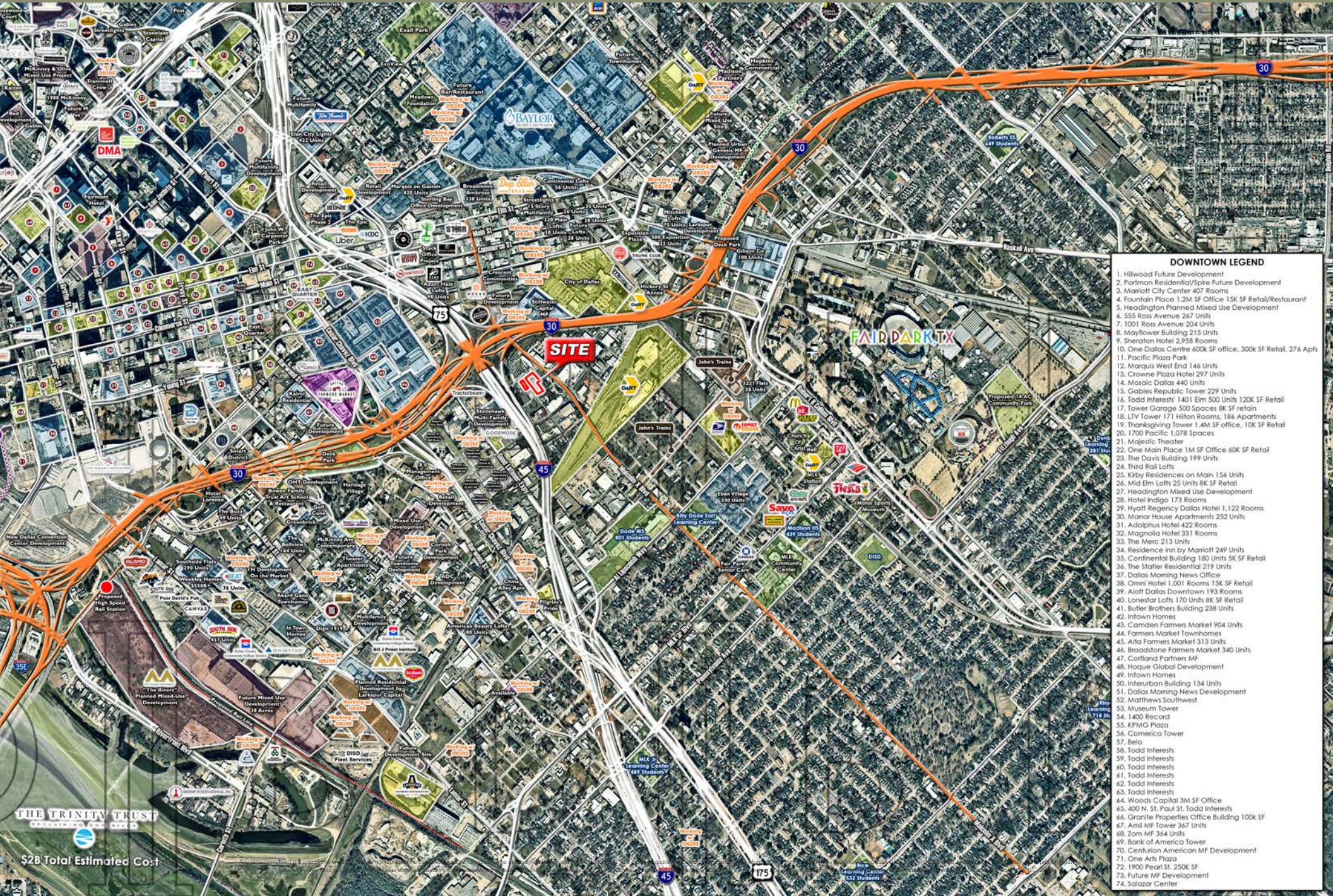
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# TRADE AREA MAP - WIDE



- DOWNTOWN LEGEND**
1. Hillwood Future Development
  2. Portman Residential/Spire Future Development
  3. Marriott City Center #2 83 Rooms
  4. Fountain Plaza 1.2M SF Office 15K SF Retail/Restaurant
  5. Headington Planned Mixed Use Development
  6. 555 Ross Avenue 267 Units
  7. 1001 Ross Avenue 204 Units
  8. Mayflower Building 215 Units
  9. Sheraton Hotel 2,958 Rooms
  10. One Dallas Centre 600K SF Office, 300K SF Retail, 276 Apts
  11. Pacific Plaza Park
  12. Marquis West End 146 Units
  13. Crown Plaza Hotel 297 Units
  14. Mosaic Dallas 440 Units
  15. Gables Republic Tower 229 Units
  16. Todd Interests' 1401 Elm 500 Units 120K SF Retail
  17. Tower Garage 500 Spaces 8K SF Retail
  18. LIV Tower 171 Hilton Rooms, 186 Apartments
  19. Thanksgiving Tower 1.4M SF Office, 10K SF Retail
  20. 1700 Pacific 1,078 Spaces
  21. Acoustic Theatre
  22. One Main Place 1M SF Office 60K SF Retail
  23. The Davis Building 199 Units
  24. Third Rail Lofts
  25. Kirby Residences on Main 156 Units
  26. Mid Elm Lofts 25 Units SF Retail
  27. Hockington Mixed Use Development
  28. Hotel Indigo 173 Rooms
  29. Hyatt Regency Dallas Hotel 1,122 Rooms
  30. Manor House Apartments 252 Units
  31. Adolphus Hotel 422 Rooms
  32. Magnolia Hotel 331 Rooms
  33. The Merc 213 Units
  34. Residence Inn by Marriott 249 Units
  35. Continental Building 180 Units 8K SF Retail
  36. The Staller Residential 219 Units
  37. Dallas Morning News Office
  38. Omni Hotel 1,001 Rooms 15K SF Retail
  39. Aloft Dallas Downtown 193 Rooms
  40. Lonestar Lofts 170 Units 8K SF Retail
  41. Butler Brothers Building 238 Units
  42. Intown Homes
  43. Camden Farmers Market 904 Units
  44. Farmers Market Townhomes
  45. Alta Farmers Market 313 Units
  46. Broadstone Farmers Market 340 Units
  47. Cotland Partners MF
  48. Hoque Global Development
  49. Intown Homes
  50. Interurban Building 134 Units
  51. Dallas Morning News Development
  52. Matthews Southwest
  53. Museum Tower
  54. 1400 Record
  55. KPMG Plaza
  56. Comertica Tower
  57. Belo
  58. Todd Interests
  59. Todd Interests
  60. Todd Interests
  61. Todd Interests
  62. Todd Interests
  63. Todd Interests
  64. Woods Capital 3M SF Office
  65. 400 N. St. Paul St. Todd Interests
  66. Granite Properties Office Building 100K SF
  67. Amal MF Tower 367 Units
  68. Tom MF 364 Units
  69. Bank of America Tower
  70. Centulion American MF Development
  71. One Arts Plaza
  72. 1900 Pearl St. 250K SF
  73. Future MF Development
  74. Salazar Center

**THE TRINITY TRUST**  
 CONSULTING AND DESIGN

**\$2B Total Estimated Cost**



# TRADE AREA MAP - CLOSE



D II B

DAVIDSON BOGEL  
REAL ESTATE | INVESTMENT SALES

Working w/  
DB2RE

Stillwater  
Capital MF

75  
TEXAS

INTERSTATE  
30

INTERSTATE  
30

175,684 VPD ('22)

BISHOP MANOR

COHOST

USA Cast Stone and  
Construction, LLC

CitySquare

SITE

Malcolm X Blvd

Jeffries St

Chestnut St

Hickory St

Pathway Homes

VividSurfaces

AUSTIN STREET  
CENTER

Jeffries St

Tractorbeam®

Louise Ave

Superior  
Trading Dallas

NBC FOODS INC

COLUMBIA  
PACKING CO. INC

179,528 VPD ('22)

DART

Bridgford  
THE PREMIUM BRAND™

Stonehawk  
Multi-Family  
Development

Hickory St

Orleans St

GOOD

4DWN



# DEMOGRAPHICS

	1 MILE	3 MILE	5 MILE
<b>TOTAL POPULATION:</b>	13,415	161,310	368,443
<b>TOTAL HOUSEHOLDS:</b>	7,415	84,957	170,729
<b>AVERAGE HOUSEHOLD INCOME:</b>	\$88,948	\$113,611	\$119,582
<b>MEDIAN AGE:</b>	35.2	34.6	34.9
<b>BUSINESSES:</b>	2,232	15,190	24,913
<b>EMPLOYEES:</b>	30,947	195,282	317,031
<b>% WHITE:</b>	43.50%	45.70%	45.00%
<b>% HISPANIC</b>	5.00%	5.00%	5.00%



# TEXAS MARKET OVERVIEW



**2<sup>ND</sup> FASTEST  
GROWING ECONOMY  
IN THE U.S.**



**TOP STATE FOR  
JOB GROWTH**



**NO STATE  
INCOME TAX**



**FORTUNE 500  
COMPANIES CALL  
TEXAS HOME**



**POPULATION  
29,346,468**



**LARGEST STATE  
FAIR IN THE U.S.  
STATE FAIR OF TEXAS**

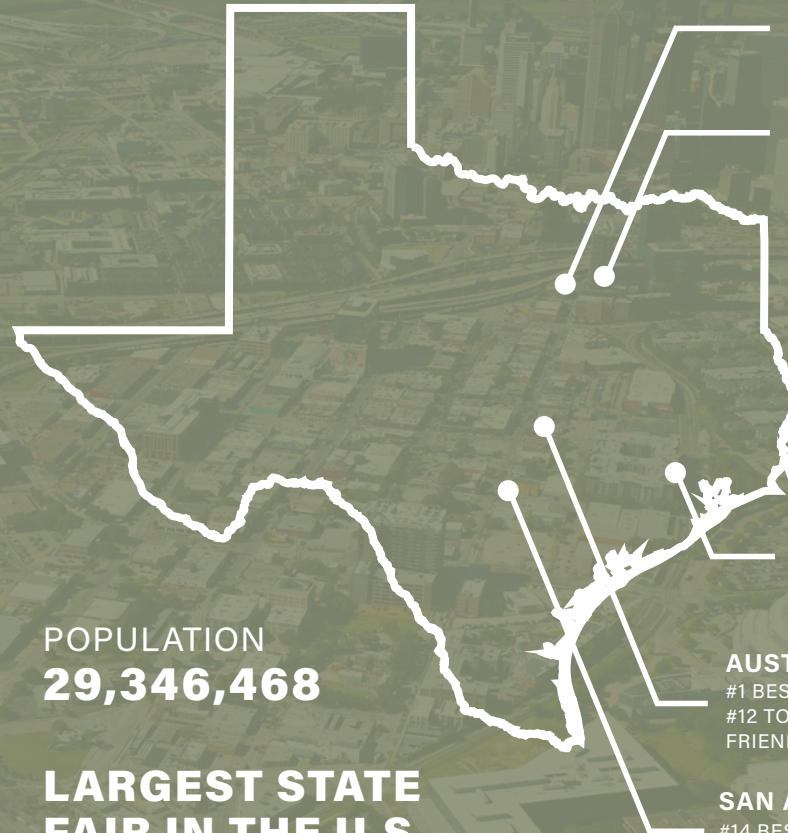


**BEST STATE  
FOR BUSINESS  
FOR THE 17<sup>TH</sup> YEAR  
IN A ROW BY CHIEF  
EXECUTIVE MAGAZINE**



**DALLAS/FORT WORTH  
INTERNATIONAL AIRPORT**  
2<sup>ND</sup> MOST PASSENGER VOLUME IN  
THE WORLD

**DALLAS LOVE FIELD  
INTERNATIONAL AIRPORT**  
HOME TO THE NATIONS LARGEST  
DOMESTIC AIRLINE



**FORT WORTH**  
MORE THAN 8.8 MILLION  
VISITORS ANNUALLY

**DALLAS**  
#1 FASTEST GROWING  
HOUSING MARKET 2018  
#1 TOP 20 BUSINESS-  
FRIENDLY CITY

**HOUSTON**  
#2 FASTEST GROWING  
HOUSING MARKET 2018  
#7 TOP 20 BUSINESS-  
FRIENDLY CITY

**AUSTIN**  
#1 BEST PLACE TO LIVE 2018  
#12 TOP 20 BUSINESS-  
FRIENDLY CITY

**SAN ANTONIO**  
#14 BEST PLACE TO LIVE 2018



# DISCLAIMER

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