



Joseph J. Blake and Associates, Inc.

Real Estate Valuation and Consulting

5505 Creedmoor Road, Suite 230 | Raleigh, NC 27612 | Phone: 984-322-3002 | Fax: 310-216-2131 | www.josephjblake.com

June 3, 2022

Ms. Kaylee Hurych
Development Manager
Vaquero Ventures
2900 Wingate Street, Suite 200
Fort Worth, TX 76107

Re: Proposed Starbucks planned in the SE/C of W. Corbett Avenue and Norris Road, Swansboro, North Carolina and its impact on adjacent/nearby businesses

Dear Ms. Hurych:

In accordance with your request, we have analyzed the above planned proposed development and considered its possible impact on nearby/adjacent properties. The development in question is a proposed Starbucks coffee shop with a drive-thru lane, with about 2,223± square feet on a 1.07-acre Walmart out parcel. The proposed store is planned to be built at the Southeast Corner of W. Corbett Avenue (a.k.a., Highway 24) and Norris Road (a.k.a., Walmart Drive), with a completion date reportedly scheduled in late 2023. This Starbucks will reportedly be the first store in Swansboro. The closest Starbucks is about 5.5± miles south in Cape Carteret.

W. Corbett Avenue (NC Highway 24) is the longest primary state highway in North Carolina. Traveling east–west between the Charlotte metropolitan area and the Crystal Coast, connecting the cities of Charlotte, Fayetteville, Jacksonville and Morehead City. Highway 24 traverses Swansboro, a community with a population of 3,339 (2020). Swansboro, known as the “Friendly City by the Sea,” is located only 5 miles from Emerald Isle. The town sits at the confluence of the Water Oak River and Intracoastal Waterway, with the Atlantic Ocean nearby. These locational attributes draw tourism to Swansboro (especially during summer months).

The question is, what kind of impact will the Starbucks with a drive-thru lane have on the surrounding businesses? The nearby businesses and institutions near this planned development include the Walmart SuperCenter, Coastal Auto Market, Moore’s BBQ, Charles Rawls, Queen’s Creek Elementary and Swansboro High School. We also note that properties on the north side of W. Corbett Avenue include Battlefield Automotive, Swansboro Tire and Auto, Battlefield Tire Shop and Davis Auto Sales. Here are some of our observations.

Corporate Headquarters: 425 Broad Hollow Road, Suite 429 | Melville, New York 11747 | 516-827-0222

Regional Offices: Atlanta | Boston | Chicago | Dallas | Los Angeles | Miami | New York City | Orlando | Phoenix | San Antonio

San Francisco | Washington, D.C.

Blake & Sanyu Alliance: Tokyo | Osaka | Nagoya | Tohoku

1. W. Corbett Avenue is a commercial corridor and is lined with a mixture of commercial and retail uses. There is no residential in the general area along W. Corbett Avenue. The vacant land nearby is designated for commercial use (B1, "Highway Business"), which allows a variety of business/retail uses along a business corridor. A Starbucks store would be a draw to the immediate area and have a positive impact on adjacent commercial land. We note there is no single-family-zoned land along this general pocket of W. Corbett Avenue. Please refer to the Zoning Map in this letter. The current land use patterns near the planned Starbucks store appear to be consistent with the existing B-1 zoning.
2. The proposed Starbucks will generate additional traffic to the commercial corridor of W. Corbett Avenue. According to a traffic report by J.M. Teague Engineering & Planning, dated May 2022, the 2020 Annual Average Daily Traffic (AADT)¹ along W. Corbett Avenue was about 29,500. According to this report, annual traffic is anticipated to increase by 3%. Further, during peak tourism season (summer months), traffic is anticipated to increase by 7%. The projected traffic increase may be viewed as value enhancements to adjacent commercial properties.
3. Two non-business entities include the Queen's Creek elementary school and the Swansboro High School. Even though these institutions are not a for-profit enterprise, given Starbucks good reputation, it is not viewed as a detriment to the school property values. Moreover, the proposed Starbucks may be viewed as an amenity to its enrollment and faculty/staff.
4. The "Starbucks effect": The "Starbucks effect" describes the phenomena of increasing home and property values in the neighborhoods surrounding a new Starbucks location. An article by Zillow claimed that if you lived within 0.25 of a mile of a Starbucks location, the value of your home would have grown by 96% from 1997 to 2014. If you live further out from the coffee giant, your home may have appreciated only 65%.
5. Harvard Business School found another trend worth noting. When a new Starbucks location shows up, homes in that zip code increase in value by 0.05% within just one year. Harvard economist Edward Glaeser said, "Starbucks locations are chosen by individuals with very good judgment about where the prices are going to increase." The company's analytics experts know how to successfully identify the income, demographic, economic trends and other neighborhood factors.
6. The proposed Starbucks is not expected to have any adverse environmental impacts to properties nearby.

Given the favorable attributes associated with the proposed Starbucks use with a drive-thru lane noted we are of the opinion that said development will not have any negative impact on surrounding property values. To the contrary, we believe this planned development will not only compliment the land use patterns established in the area, but also should be a welcomed addition to the commercial corridor that is W. Corbett Avenue.

¹Annual average daily traffic (AADT) is the total volume of vehicle traffic on a highway or road for a year divided by 365 days. AADT is a useful and simple measurement of how busy a road is.

PROPERTIES NEAR THE PROPOSED STARBUCKS				
Property DBA	Address/Location	Parcel ID	2022 AV	Comment
1. Proposed Starbucks	SE/C W. Corbett & Norris Rd, Swansboro	--	--	Vacant Pad
2. Walmart SuperCenter with gas pumps	1109 W. Corbett, Swansboro	001318	\$12,132,400	—
3. Coastal Auto Market	1227 W. Corbett, Swansboro	018748	\$328,500	Retail pad north of Walmart
4. Moore's BBQ	1103 W. Corbett, Swansboro	025404	\$1,201,800	Retail pad north of Walmart
5. Charles Rawls	1114 State Road 1511, Swansboro	034708	\$296,500	Non-retail pad northeast of Walmart
6. Queen's Creek Elementary	159 Queen's Creek, Swansboro	--	--	West of Walmart
7. Swansboro HS	161 Queen's Creek, Swansboro	--	--	West of Walmart

1. Proposed Starbucks Site



2. Walmart SuperCenter



2. Walmart Fuel Pumps



3. Coastal Auto Market



4. Moore's BBQ



5. Charles Rawls



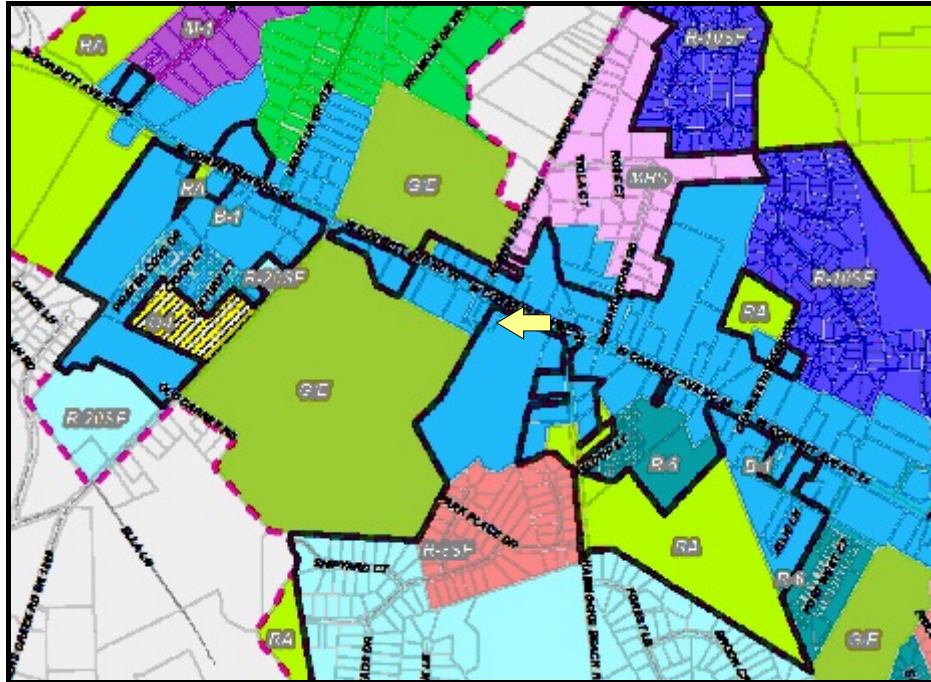
6. Queen's Creek Elementary



7. Swansboro HS



Zoning Map



Respectfully submitted,

JOSEPH J. BLAKE AND ASSOCIATES, INC.

Just Lbo

Justin Biers, MAI
Director
State Certified General Real Estate Appraiser
No. A8466 (Expires: June 30, 2022)
Jbiers@josephjblake.com

Justin Biers, MAI

Director

Joseph J. Blake and Associates, Inc.

5505 Creedmoor Road, Suite 230
Raleigh, NC 27612

jbiers@JosephJBlake.com

Direct: (919) 355-0406

Cell: (310) 947-1772

www.JosephJBlake.com

Head of operations in North Carolina. Extensive experience in California and North Carolina markets, as well as most of the surrounding states. Appraised in 16 different states altogether. Specializes in complex appraisal assignments. Supervises and trains staff appraisers.

EXPERIENCED IN THE FOLLOWING PROPERTY TYPES

- Industrial
 - Logistics
 - Flex
 - Manufacturing
- Office
 - All classes
- Multifamily
 - Market
 - Affordable Housing
 - LIHTC
- Retail
 - Community, neighborhood, strip centers
 - Malls
 - Freestanding buildings
 - All others
- Special Use
 - Religious facilities
 - Schools/education facilities from small single buildings to college campus
 - Golf Courses
 - Observatory
- Residential Subdivision Analysis
 - Sell Out Modeling
 - Aggregate Retail Value
 - Bulk Discount Value
- Land
 - Residential
 - Industrial
 - Commercial

PROFESSIONAL AFFILIATIONS

Affiliation	Number
North Carolina Certified General Real Estate Appraiser	No. 8466
California Certified General Real Estate Appraiser	No. AG3002961
Designated Member of the Appraisal Institute	No. 563938

QUALIFICATIONS OF THE APPRAISER

PROFESSIONAL EXPERIENCE

Joseph J. Blake & Associates	2013 to Present
Butler Burgher Group	2012 to 2013

HIGHER EDUCATION

California State University, Long Beach
Bachelor of Business (Marketing)

REAL ESTATE AND APPRAISAL EDUCATION

Course Name	Provider
Basic Appraisal Procedures	Appraisal Institute
Basic Appraisal Principles	Appraisal Institute
General Appraiser Income Approach 1 & 2	Appraisal Institute
General Appraiser Market Analysis & Highest and Best Use	Appraisal Institute
General Appraiser Report Writing & Case Studies	Appraisal Institute
General Appraiser Site Valuation & Cost Approach	Appraisal Institute
Real Estate Finance, Statistics, and Valuation Modeling	Appraisal Institute
General Appraiser Sales Comparison Approach	Appraisal Institute
Business Practices and Ethics	Appraisal Institute
Quantitative Analysis	Appraisal Institute
Advanced Market Analysis and Highest & Best Use	Appraisal Institute
Report Writing and Case Studies	Appraisal Institute
Advanced Concepts and Case Studies	Appraisal Institute
Advanced Income Capitalization	Appraisal Institute
Demonstration Report	Appraisal Institute
Comprehensive Exam	Appraisal Institute
Advanced Land Valuation: Sound Solutions to Perplexing Problems	Appraisal Institute
Laws and Regulations for California Appraisers	McKissock
Appraisal of Owner-Occupied Commercial Properties	McKissock
Appraisal of Self-Storage Facilities	McKissock
Appraisal of Fast Food Facilities	McKissock
Appraising Small Apartment Properties	McKissock
Introduction to Expert Witness Testimony for Appraisers: To Do or Not to Do	McKissock
North Carolina Supervisory Appraiser/Trainee Appraiser Course	McKissock
Appraisal of Industrial and Flex Buildings	McKissock
The Income Approach: An Overview	McKissock

CERTIFICATION



**NORTH CAROLINA
APPRAISAL BOARD**

APPRAISER QUALIFICATION CARD

REGISTRATION / LICENSE / CERTIFICATE HOLDER

21

JUSTIN L BIRS

22

A8466

APPRAISER NUMBER

G

TYPE

Y

NATIONAL REGISTRY

Appraiser's Signature

Executive Director

EXPIRES JUNE 30, 2022