

MCDONALD'S CORPORATE GROUND LEASE – Gladewater, Texas



HighStreet
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Table of Contents

Investment Summary

Investment Overview

Lease Abstract

Aerial Photo

Location Map

Competition Maps

Site Plan

Tenant Profile

Area Profile

Confidentiality Agreement

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Investment Summary



OFFERING SUMMARY

PRICE	\$899,000
COST/ BUILDING SF	\$229
COST/ LOT SF	\$22
NOI	\$40,000
CAP RATE	4.45%

PROPERTY SUMMARY

ADDRESS	1100 E. Broadway Avenue Gladewater, Texas 75647
COUNTY	Gregg
BUILDING AREA	3,911 SF
LAND AREA	40,069 SF (0.92 acres)
BUILT	2013

RENT ROLL

TENANT NAME	SIZE		MONTHLY RENT			LEASE TERM				
	SQUARE FOOTAGE	% OF PROPERTY	MONTHLY RENT	BASE \$ / SF	% OF TOTAL	INCREASE DATES	RENTAL INCREASE	LEASE BEGIN	LEASE END	OPTIONS
McDonald's USA, LLC	3,911	100%	\$3,333	\$10.23	100%	4/25/23 Each option	10%	4/25/2013	4/24/2033	(5) x 10 year
OCCUPIED SF	3,911	100%	\$3,333	\$10.23	100%					
VACANT SF	0	0.00%	0	0	0.00%					
TOTAL / WTD AVG	3,911	100%	\$3,333	\$10.23	100%					



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Investment Overview



- *Absolute NNN ground leased asset with zero Landlord responsibilities. Approximately 15 years remaining on the primary term.*
- *McDonald's USA, LLC is an investment grade tenant and is the largest restaurant chain the world.*
- *Low price point with extremely low rent, creating an excellent scenario for long term tenant success at the site.*
- *Located along the primary retail corridor of Gladewater, surrounding by numerous other national and regional credit tenants.*
- *Strategic placement of at least 15 Miles from nearest McDonald's to prevent cross competition.*
- *Double drive-thru configuration that was constructed in 2013 with modern McDonald's design. McDonald's reportedly invested \$1M+ to develop the restaurant building.*
- *Gladewater income demographics and blue collar employment base are ideal for McDonald's.*



DEMOGRAPHICS

	1 - MILE	3 - MILE	5 - MILE
POPULATION ESTIMATE	2,013	7,615	17,248
AVERAGE H.H. INCOME	\$57,502	\$63,054	\$69,287



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Lease Abstract



LEASE SUMMARY

LEASE TERM	+/-15 years remaining
TENANT	McDonald's USA, LLC
PREMISES	3,911 SF building on approximately 0.92 acres of land. Parcel #1173099
LEASE COMMENCEMENT	April 25, 2013
LEASE EXPIRATION	April 24, 2033
RENEWAL OPTIONS	Five x 10 year
INCREASE DATES	10% on 4/25/2023; 10% during each option
LEASE TYPE	Absolute Net
INSURANCE	Paid by Tenant
PARKING LOT MAINTENANCE	Paid by Tenant
PROPERTY TAXES	Paid by Tenant
ROOF & STRUCTURE	Paid by Tenant
UTILITIES	Paid by Tenant

ESTIMATED OPERATING INFORMATION

INCOME	
GROSS POTENTIAL RENT	\$40,000
EXPENSE REIMBURSEMENT	NNN
EFFECTIVE GROSS INCOME	\$40,000
LESS EXPENSES	NNN
NET OPERATING INCOME	\$40,000



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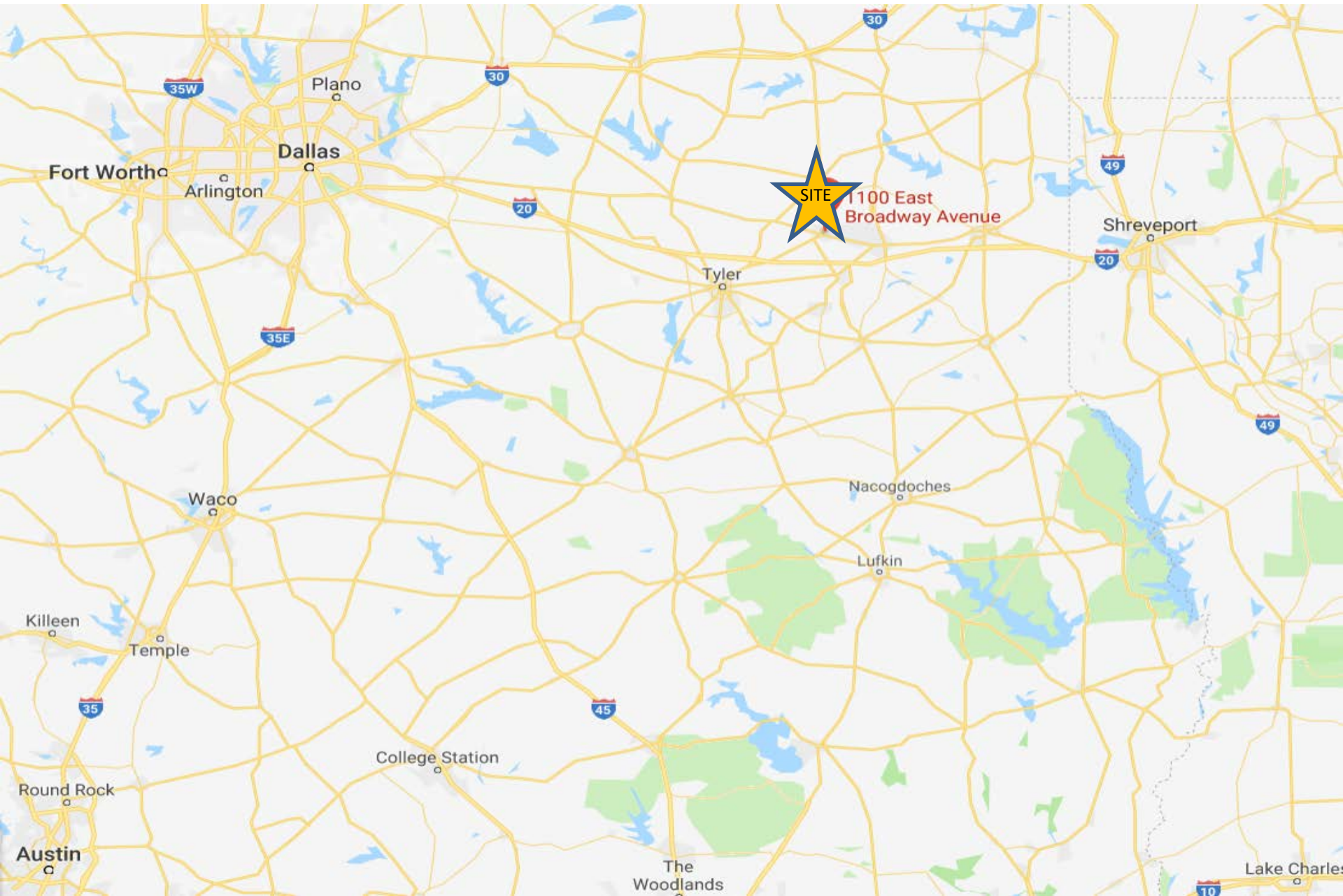
MCDONALD'S CORPORATE GROUND LEASE – Gladewater, Texas

Aerial Photo



MCDONALD'S CORPORATE GROUND LEASE – Gladewater, Texas

Location Map



MCDONALD'S CORPORATE GROUND LEASE – Gladewater, Texas

Competition Map Looking East



To Longview



MCDONALD'S CORPORATE GROUND LEASE – Gladewater, Texas

Competition Map Looking West

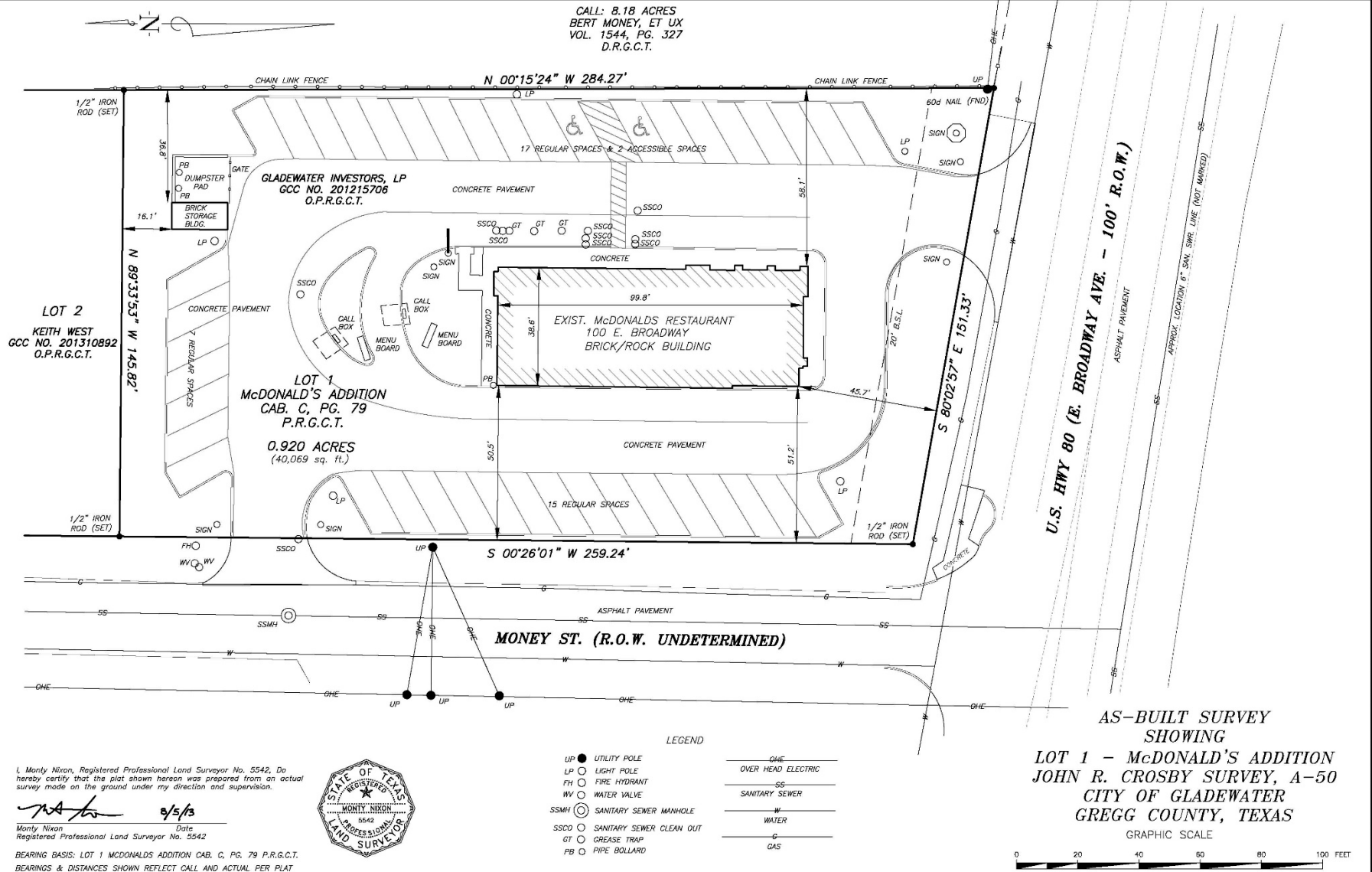


To Dallas



MCDONALD'S CORPORATE GROUND LEASE – Gladewater, Texas

Site Plan



REVISIONS	DATE	BY

AS-BUILT SURVEY
LOT 1 McDONALD'S ADDITION
CITY OF GLADEWATER
GREGG COUNTY, TEXAS



Summit Surveying, Inc.
Land Boundary • Topography • GPS • Geodetic
2040 Deerbrook Drive, Tyler, Texas 75703 • (903)-561-9544

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PROJECT MGR.
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CHECKED BY
JWC
JOB NO.

MCDONALD'S CORPORATE GROUND LEASE – Gladewater, Texas

Tenant Profile



McDonald's was founded in 1940 in San Bernardino, California by brothers Richard and Maurice McDonald. In 1955, Ray Kroc joined the company as a franchise agent and then purchased the chain from the McDonald brothers. McDonald's Corporation (NYSE: MCD) is now the world's largest foodservice retailer with over 37,000 restaurants serving approximately 68 million customers daily throughout 119 countries. The company employs over 1.7 million people and has annual revenues in excess of \$24.5 Billion.

McDonald's Corporation has a market cap of over \$118 Billion and holds a credit rating of "A" from S&P.



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Area Profile



Gladewater is known as the “antique capital of East Texas” and attracts visitors from all over Texas to its numerous downtown antique stores. The city is located at the intersection of U.S. Highways 80 and 271, thirteen miles west of Longview at the boundary of Gregg and Upshur counties. It was founded by the Texas and Pacific Railway Company in 1873.

The first oil well blew in Gladewater on April 7, 1931 which led to a steady increase in population over the ensuing decades. During the 1970's Gladewater moved from an oil focused region to a more diversified economy. The city employment base works primarily in oil related fields, lumber, agriculture, as well as the manufacturing of furniture, clothing, paper products, and boats.

Annual festivals include East Texas Gusher Days, Roundup Rodeo, and Arts & Crafts Festival. The population of Gladewater is approximately 6,500 people.



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