

OFFERING MEMORANDUM



in the box®

HIDALGO
TEXAS

Unique opportunity offering a
free standing Jack in the Box with a
gas station and convenience store

NNN
NNN DEAL
THE SINGLE TENANT RESOURCE

Marcus & Millichap



REPRESENTATIVE PHOTO

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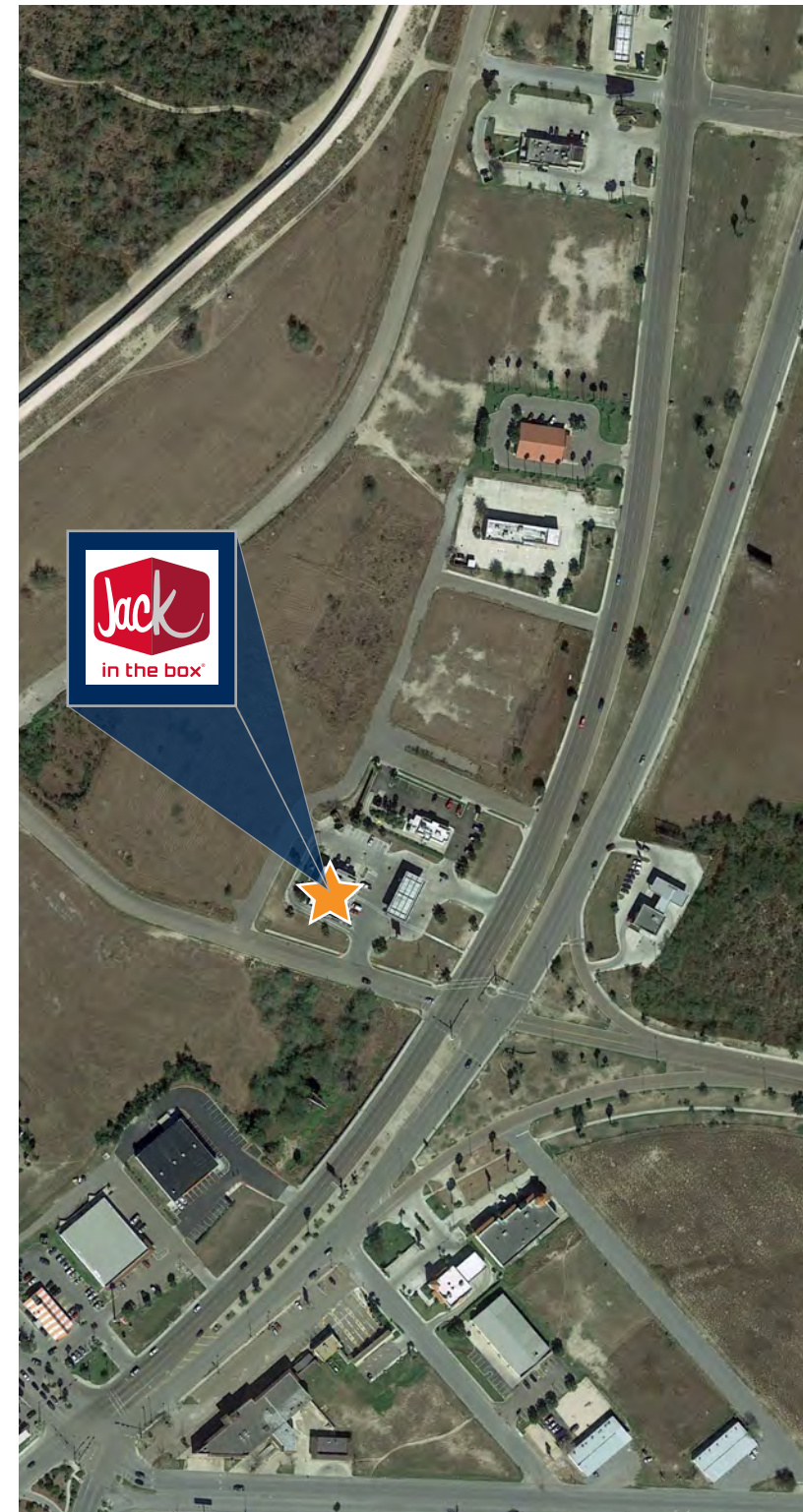
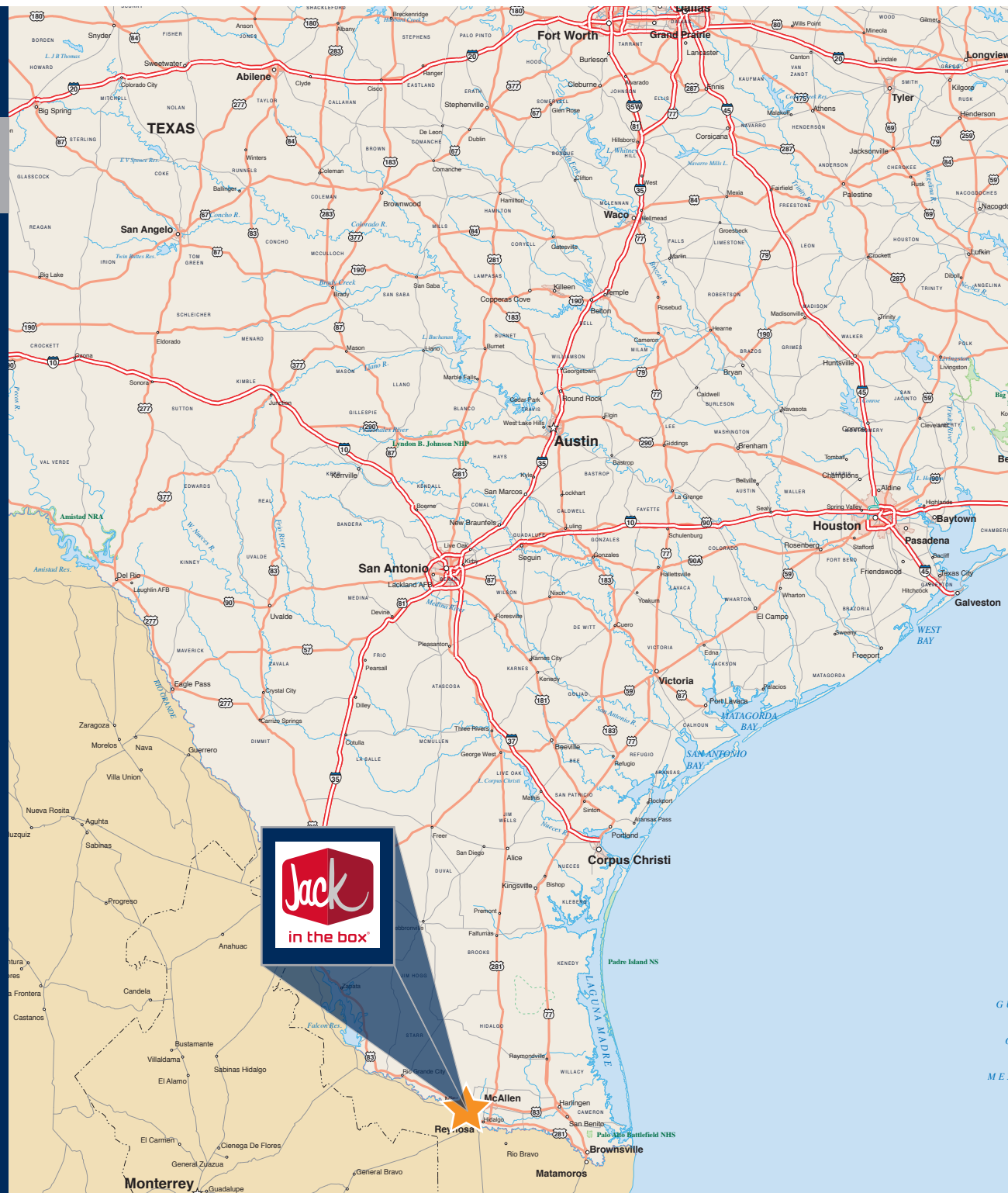


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ACTUAL SITE PHOTO

INVESTMENT SUMMARY



520 INTERNATIONAL BLVD, HIDALGO, TX 78557

PRICE: \$2,841,227

CAP: 7.50%

RENT: \$213,092

OVERVIEW

Price	\$2,841,227
Gross Leasable Area (GLA)***	5,015 SF
Lot Size (approx.)	1.19 Acres
Net Operating Income*	\$213,092
CAP Rate	7.50%
Year Built / Renovated	2004

LEASE ABSTRACT

Lease Type	NNN
Original Lease Term	18 Years
Lease Term Remaining	2.5 + 5 yrs of option (lease amendment) = 7.5 yrs
Original Lease Start	9/30/2004
Lease Expiration	9/30/2027
Renewal Options	3X5
Increases	Written into Lease Amendment (see sidebar)
Landlord Obligation	None At All

ANNUALIZED OPERATING DATA **

Year	Annual Rent	Lease Term
2020	\$213,092	Base Term + Amendment Exercising First Option
2027	\$230,139	Option 1
	\$248,550	Option 2
	\$268,434	Option 3

*** GLA based on Jack in the Box, Convenience Store and Common Areas square footage.

Tenant recently extended the lease by Amendment by exercising an option early. 2.5 years remaining on base term + 5 years of early exercised option = 7.5 years remaining (commencing Feb 2020).

Note: Sale contingent on Tenant waiving 14-day Right of First Refusal

INVESTMENT HIGHLIGHTS

- ◆ Jack in the Box bundled with a gas station c-store invites motorists in addition to regular patronage
- ◆ Tenant has occupied the site for 16 years. In February 2020, the lease was extended by Amendment, by exercising the first 5 year option early, thereby the remaining 2.5 years of the original base term is extended by add'l 5-years, resulting in a 7.5 year base term.
- ◆ True NNN lease with no landlord responsibilities
- ◆ Located near our southern border contributing to traffic in the immediate area



49,567

TOTAL
POPULATION
WITHIN 5-MILE
RADIUS



\$46,318

AVERAGE
HOUSEHOLD
INCOME WITHIN
5-MILE RADIUS



14,989 VPD - INTERNATIONAL BLVD
5,253 VPD - W COMA AVE



INVESTMENT HIGHLIGHTS

This true NNN fee-simple quick service opportunity offers a corporate guaranteed lease with Jack in the Box. The site is bundled with and offers a gas station-convenience store with Quick Stuff C-Store / Chevron branded gas station. There is only one master lease held by Jack in the Box corporate.

In February 2020, the lease was extended by Amendment, by exercising the first 5-year option early, thereby the remaining 2.5 years of the original base term is extended by add'l 5-years, resulting in a 7.5-year base term.

8% Rent escalations written into the lease, during option periods.

Marcus & Millichap

NNN

**18 year true NNN lease.
No landlord obligations.
Amendment exercised first
option early, offering 7.5-
years remaining base term.**



**Strategically located near
McAllen Texas and the
Rio Grande border**



**McAllen International Airport
is just 8-miles to the
north of the site**

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THE SINGLE TENANT RESOURCE

LOCATION OVERVIEW



The Jack in the Box, C-Store & Gas Station is located just 0.6-miles (a 13-minute walk) from the United States / Mexico Border.

The excellent foot and vehicle crossings at the U.S./Mexico Border contributes to the success of the Jack in the Box, C-Store and Gas Station.

The border crossings at Hidalgo, Texas annual data reporting indicates that truck port of entry crossings between Mexico into the United States at Hidalgo for commerce (Truck) logistical transportation is up 4.34% from 2018, which is also up 9.15% from 2017 for a total of 647,157 truck transports crossing the border annually at Hidalgo, all contributing to the traffic through the immediate area.

Additionally, see below table for more information regarding Border Crossings at Hidalgo, Texas:

Annual BORDER Crossings - Hidalgo, Texas

	2018
Buses	20,026
Pedestrians	2,170,334
Personal Vehicles Passengers	9,126,478
Personal Vehicles	4,427,285
Trucks	647,157

Source: Research and Innovative Technology Administration, Bureau of Transportation Statistics, U.S. Dept. of Transportation



The border crossings at Hidalgo, Texas

LOCATION OVERVIEW



HIDALGO, TEXAS

Hidalgo, TX is a county in the state of Texas with close to a million in terms of population. The county itself is named after Father Miguel Hidalgo y Costilla who “raised the call for Mexico’s independence from Spain.” Within the county there are two nationally protected areas: The Lower Rio Grande Valley National Wildlife Refuge as well as the Santa Ana National Wildlife Refuge that deals with everything regarding protected critical/endangered species within their jurisdiction. Some of the major highways are Interstate 2, Interstate 69C, although it is under construction, and U.S. Highway’s 83 and 281 which cover a wide range in terms of transportation. Hidalgo is home to the Old Hidalgo Pump-house Museum and World Birding Center as well as an exhibit that contains the World’s largest killer bee that came to America via Brazil.

Hidalgo is where the Hidalgo festival of lights are held for the entire month of December that attract people from all walks of life to welcome in the new year. Because Hidalgo is adjacent to the Mexican border, many of its landmarks, which still contain their native Spanish name, haven’t been renovated and still portray their Mexican style architecture. Also, Hidalgo county is home to the town of Alamo, named after the more famous Texas Alamo Mission, which is noted for its tourist attraction since it is a winter/resort town as well as a retirement town for many. It is also one of the Rio Grande Valley’s gateways into Mexico.

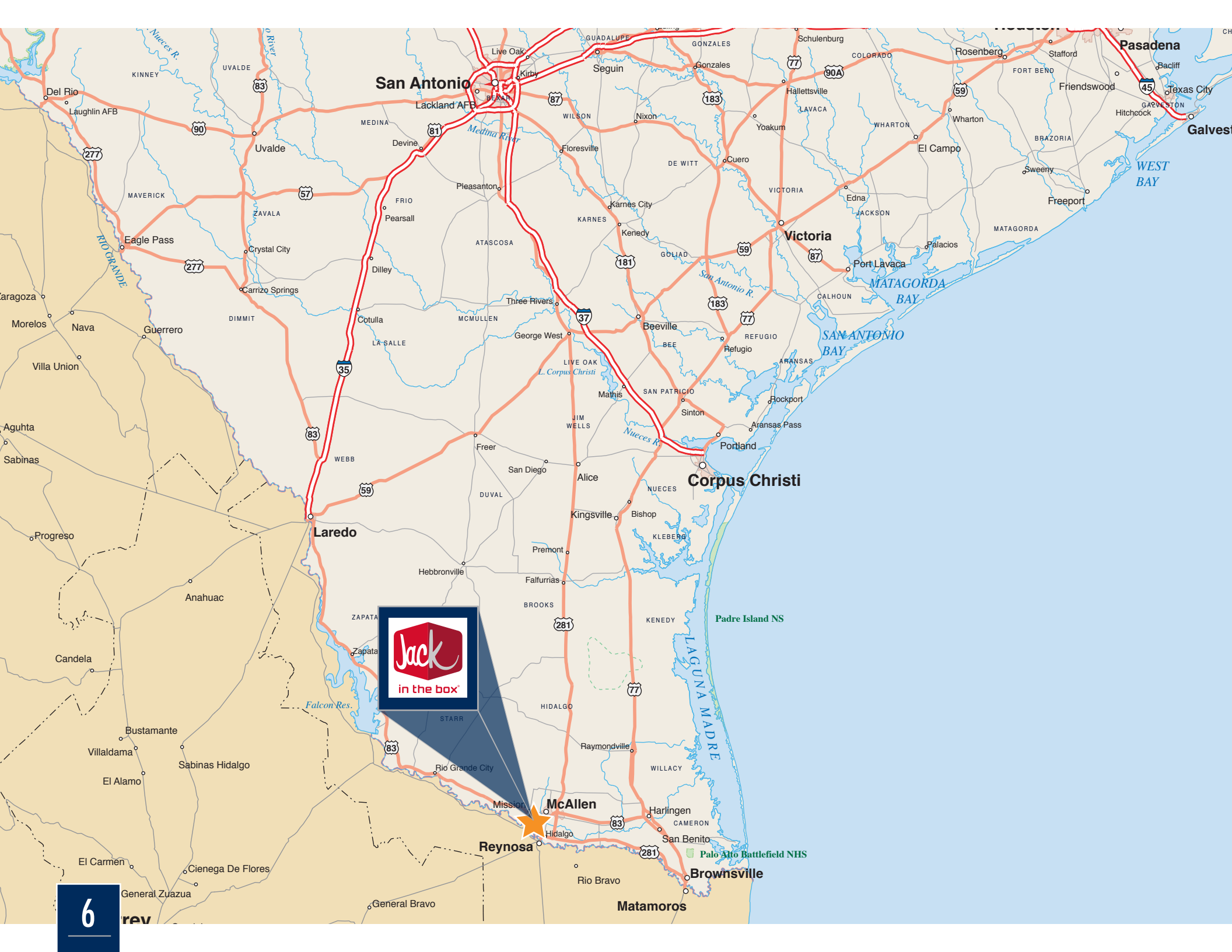
Within the immediate area surrounding the property there is a Whataburger restaurant, a payless shoe source, and it runs along the International S Boulevard which gets huge amounts of traffic daily. Just east of the JIB is the Hidalgo Independent School district as well as the Hidalgo Municipal Court and the Old Hidalgo Pump-house Museum which serves as a tourist attraction. It is just north of the mighty Rio Grande river.

McALLEN, TEXAS

McAllen is a city in southern Texas just above the county of Hidalgo (9-miles) which rests right on the USA-Mexico border buttressing up along the mighty Rio Grande.

Within the city of McAllen there is the International Museum of Art & Sciences, a huge tourist attraction mainly to college students since South Texas College is in the middle of the city. The Museum also contains lithographs of Picasso as well as other European paintings. McAllen International Airport lies within the SE portion of the city just along HWY 336. McAllen is home to many parks including Fireman’s Park home to a rather large Lake that many find themselves strolling along in the afternoon.

Additionally there are multiple historical displays peppering the city including a 1930s former Post Office known as the McAllen Heritage Center. Towards the south of the city is Quinta Mazatlán which is a Spanish Revival mansion surrounded by a thick wood home to a myriad of bird species. A few known hotel chains are located within the boundaries of McAllen including an Embassy Suites as well as a Doubletree Suites.





Burger King

DOLLAR TREE



W COMA AVE - 5,253 VPD

INTERNATIONAL BLVD - 14,989 VPD



HIDALGO U.S. / MEXICO
BORDER CROSSING

Hidalgo
City Hall

Hidalgo Public
Library

Hidalgo
Elementary School

Hidalgo Early
College High

Ida G Diaz Junior
High School



REPRESENTATIVE PHOTO

TENANT SUMMARY



JACK IN THE BOX

Jack in the Box (NASDAQ:Jack) based in San Diego, is a restaurant company that operates and franchises Jack in the Box restaurants and Qdoba Mexican grill. Jack in the Box (JIB) is one of the Nation's largest hamburger chains, with more than 2,250 stores in 21 states and Guam, and 600 Qdoba's in 47 states, District of Columbia, and Canada.

Founded in 1951, JIB pioneered a number of firsts in the quick service industry (QSR), including menu items that are now staples on most fast food menu boards, like breakfast sandwiches and portable salads.

NASDAQ:Jack

December 24, 2018 (Wall Street Report): Jack in the Box bought back at least 5% of their stock as of recent. Analysts predict that a company does this only when they believe their stock is under valued.

The Street Reports

Jack in the Box Explores Company Sale

By: Jacob Soneshine

Dec 17, 2018

Shares were rising Monday after the company said it was exploring a potential sale.

The company said it was aiming to bring immediate value to shareholders through a sale to another company, or through increasing its leverage, which seemed to indicate a potential debt capital raise.

"Potential alternatives could include, among other things, a sale of the Company or executing on the Company's previously announced plans to increase its leverage," Jack in the Box said in a press release. The release added the company already has spoken with potential buyers, but if plans for a sale fail it will seek to change its capital structure.

"That capital structure could include, among other things, a securitization or bond issuance," the company said.

[For a copy of the entire article, please click here.](#)



JACK IN THE BOX



SANDIEGO, CA

HEADQUARTERS

CORPORATE

GUARANTOR

2,200 +/-

LOCATIONS

PUBLIC

OWNERSHIP

JACK
S&P 400 COMPONENT
NASDAQ

\$2.25(BIL)

REVENUE

\$30.86(BIL)

ANNUAL SALES

WWW.JACKINTHEBOX.COM

WEBSITE



MAJOR EMPLOYERS: HIDALGO COUNTY, TX

H-E-B Grocery Stores	4,233
Pharr-San Juan - Alamo School District	4,200
Wal-Mart	3,699
University of Texas-Pan American	2,850
Edinburg Regional Medical Center	3,000
McAllen Medical Center	2,800
South Texas College	1,800
U.S. Customs & Border Protection	1,609
Hidalgo County	3,862

LOCATION HIGHLIGHTS

HIDALGO, TX OUR SOUTHERN BORDER



Located just a few minutes
from our Southern Border
and 9-miles south of
McAllen, Texas



McAllen International
Airport is located just to
the north contributing to
the area's traffic flow



US Customs Border
Protections offices
located in and around
the subject site



Offering both a C-Store and
a gas station along with a
QSR, this site is attractive
to passersby and motorists

DEMOGRAPHICS / HIDALGO, TX



49,567

Total Population Within 5-Mile Radius



\$46,318

Average Household Income
Within 5-Mile Radius



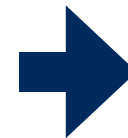
\$31,374

Median Household Income
Within 5-Mile Radius



12,059

Total Households in 5-Mile Radius



103.7%

From 2000



POPULATION	1 MILE	3 MILES	5 MILES
2022 Projection			
Total Population	3,487	16,845	57,034
2017 Estimate			
Total Population	2,889	15,050	49,567
2010 Census			
Total Population	2,405	12,484	44,811
2000 Census			
Total Population	1,880	7,911	26,692
Current Daytime Population			
2017 Estimate	3,894	14,050	41,150
HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2022 Projection			
Total Households	1,091	4,302	14,423
2017 Estimate			
Total Households	882	3,743	12,059
Average (Mean) Household Size	3.66	3.98	4.02
2010 Census			
Total Households	728	3,086	10,862
2000 Census			
Total Households	528	1,892	5,920
Occupied Units			
2022 Projection	1,091	4,302	14,423
2017 Estimate	917	3,928	12,707
HOUSEHOLDS BY INCOME	1 MILE	3 MILES	5 MILES
2017 Estimate			
\$150,000 or More	2.92%	2.51%	2.92%
\$100,000 - \$149,000	8.12%	6.69%	4.63%
\$75,000 - \$99,999	5.20%	7.31%	6.40%
\$50,000 - \$74,999	16.02%	17.04%	15.99%
\$35,000 - \$49,999	12.71%	13.08%	15.54%
Under \$35,000	55.03%	53.37%	54.52%
Average Household Income	\$49,478	\$48,308	\$46,318
Median Household Income	\$30,660	\$32,557	\$31,374
Per Capita Income	\$15,108	\$12,015	\$11,270

HOUSEHOLDS BY EXPENDITURE	1 MILE	3 MILES	5 MILES
Total Average Household Retail Expenditure	\$46,832	\$48,498	\$45,144
Consumer Expenditure Top 10 Categories			
Housing	\$12,616	\$13,020	\$12,307
Transportation	\$9,725	\$10,429	\$9,836
Shelter	\$6,581	\$6,857	\$6,551
Food	\$5,181	\$5,501	\$5,101
Utilities	\$3,364	\$3,485	\$3,277
Personal Insurance and Pensions	\$3,152	\$3,397	\$3,038
Health Care	\$3,149	\$3,088	\$2,811
Entertainment	\$1,639	\$1,642	\$1,511
Household Furnishings and Equipment	\$1,347	\$1,340	\$1,245
Apparel	\$1,248	\$1,253	\$1,171

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
Population By Age			
2017 Estimate Total Population	2,889	15,050	49,567
Under 20	36.80%	38.10%	40.00%
20 to 34 Years	18.33%	19.77%	20.11%
35 to 39 Years	5.97%	6.81%	6.92%
40 to 49 Years	12.11%	12.96%	12.56%
50 to 64 Years	14.92%	13.80%	12.48%
Age 65+	11.85%	8.59%	7.96%
Median Age	29.78	27.87	26.52
Population 25+ by Education Level			
2017 Estimate Population Age 25+	1,579	8,028	25,748
Elementary (0-8)	21.08%	16.64%	22.54%
Some High School (9-11)	16.27%	16.44%	15.28%
High School Graduate (12)	23.55%	27.29%	24.32%
Some College (13-15)	14.31%	15.90%	14.38%
Associate Degree Only	3.45%	4.24%	4.00%
Bachelors Degree Only	11.12%	12.15%	10.48%
Graduate Degree	4.72%	2.88%	3.36%



REPRESENTATIVE PHOTO



in the box®

**HIDALGO
TEXAS**

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