



# JACK IN THE BOX GROUND LEASE

HOUSTON, TEXAS

YURAS  
AICALE  
FORSYTH  
CROWLE

Leased Investment Team

## OFFERING MEMORANDUM



**\$1,833,000 | 4.50% CAP RATE**

- » New 20-Year Absolute NNN Ground Lease
- » 10% Rental Increases Every Five Years
- » No Landlord Management
- » Jack In The Box Sales are Up 12% in the Fourth Quarter 2020
- » High-Traffic, Houston Location
  - » 17,987 Vehicles Per Day in Front of the Property on West Orem Drive
  - » Immediate Access to 169,300 Vehicles Per Day on State Highway 288/South Freeway
  - » State Highway 228 Expansion Recently Completed Adding Four New Toll Lanes
- » Outparcel to The Market at City Park Retail Development

FILE PHOTO



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Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

## LEAD BROKERS

**MICHAEL T. YURAS, CCIM**  
*Executive Managing Director*  
415.481.0788  
michael.yuras@cushwake.com  
CA RE License #01823291

**SCOTT CROWLE**  
*Managing Director*  
415.604.4288  
scott.crowle@cushwake.com  
CA RE License #01318288

**VINCENT AICALE**  
*Executive Director*  
415.690.5522  
vince.aicale@cushwake.com  
CA RE License #01728696

**RYAN FORSYTH**  
*Executive Director*  
415.413.3005  
ryan.forsyth@cushwake.com  
CA RE License #01716551

**YURAS  
AICALE  
FORSYTH  
CROWLE** | Leased Investment Team  
**www.YAFteam.com**

# INVESTMENT SUMMARY

<b>ADDRESS</b>	West Orem Drive & City Park Drive, Houston, TX 77047		
<b>PRICE</b>	<b>\$1,833,000</b>		
<b>CAP RATE</b>	<b>4.50% return</b>		
<b>NOI</b>	\$82,500		
<b>TERM</b>	20 years		
<b>RENT COMMENCEMENT</b>	June 2021 (estimate)		
<b>LEASE EXPIRATION</b>	June 2041 (estimate)		
<b>RENTAL INCREASES</b>	<b>YEAR</b>	<b>RENT</b>	<b>RETURN</b>
	1-5	\$82,500	4.50%
	6-10	\$90,750	4.95%
	11-15	\$99,825	5.45%
	16-20	\$109,808	5.99%
	21-25 (Option 1)	\$120,788	6.59%
	26-30 (Option 2)	\$132,867	7.25%
	31-35 (Option 3)	\$146,154	7.97%
	36-40 (Option 4)	\$160,769	8.77%
<b>YEAR BUILT</b>	2021 (under construction)		
<b>BUILDING SF</b>	2,928 SF		
<b>PARCEL SIZE</b>	1.08 acres (47,045 SF)		
<b>LEASE TYPE</b>	Absolute NNN ground lease, with tenant responsible for all taxes, insurance, utilities, and maintenance, including roof, structure, and parking lot		

## LONG-TERM ABSOLUTE NNN GROUND LEASE

- » 20-year NNN ground lease with strong franchisee
- » Jack In The Box Sales are up 12% in the fourth quarter 2020 and consolidated revenues advanced 15.4%
- » 10% rental increases every five years, providing a hedge against inflation
- » No landlord management
- » High-quality 2021 construction featuring dedicated drive-thru

## HIGH-TRAFFIC LOCATION IN LARGE SHOPPING CENTER DEVELOPMENT

- » Excellent visibility and access to 17,987 vehicles per day directly in front of the property on West Orem Drive and access to an additional 169,300 vehicles per day on State Highway 288/South Freeway
- » Three year State Highway 228 expansion recently completed adding four new toll lanes and expanding the main lanes from three to four lanes
- » Outparcel to The Market at City Park Shopping Center, a future 133,000-SF retail development including a 55,000-SF grocer

## EXCELLENT LOCATION IN HIGH GROWTH MARKET NEAR SEVERAL LARGE EMPLOYERS

- » Within walking distance of City Park Master Planned Community with 1,815 total homes and 798 multi-family units
- » Seven miles to the Texas Medical Center, a 2.1-square-mile medical district with 60 medical institutions, 106,000 employees, and 10 million patients annually
- » Five miles to NRG Stadium, home of the Houston Texans
- » 244,581 residents live within a five-mile radius
- » High average household income of \$73,271 within a one-mile radius







Shadow Creek Marketplace

Kroger Starbucks planet fitness  
CROCKER Barrel Old Country Store WHATABURGER CHASE Little Caesars Bank of America  
WING STOP

HCA + Houston Healthcare  
Pearland  
(49 beds, 250 employees)

Bass Pro Shops

SAM HOUSTON EQUESTRIAN CENTRE  
Specializing in Teaching the Fundamentals of Horsemanship

Holiday Inn Express  
(86 rooms)

BURGER KING

urbanAir  
ADVENTURE PARK

DOLLAR GENERAL

Mobil

amazon.com

SUBWAY

POPEYES  
+ LOUISIANA KITCHEN +

DR Horton  
Housing Development  
(under construction / 700 homes)

WOODSPRING SUITES  
AN EXTENDED STAY HOTEL  
(121 rooms)

McDonald's

WHATABURGER

The Market at City Park  
(Future Development)

AMERICA'S  
AUTO AUCTION INC.

City Park  
(1,815 homes |  
798 multi-family units)

7 ELEVEN

West Orem Drive  
(17,987 AADT)

TERRABELLA  
HEALTH & WELLNESS SUITES

SIMS BAYOU

South Freeway  
(169,300 AADT)  
288 TEXAS

Future Development

Future Development

Jack  
in the box®  
(under construction)





WILLIAM P. HOBBY AIRPORT

Ross Shaw Sterling Aviation  
High School  
(1,532 students)

Cloverland Park Bessie Swindle  
Community Center

KIPP Sunnyside High School  
(565 students)

Law Elementary School  
(691 students)



**HARRISHEALTH**  
SYSTEM  
(Eligibility Center)

INDUSTRIAL REGION

SIMS BAYOU

Proposed 152-acre, 1.6 million-SF  
industrial development

Future Orem  
Extension

DR Horton  
Housing Development  
(under construction / 700 homes)

790 homes



**288**  
TEXAS / South Freeway  
(169,300 AADT)

Future  
Development



The Market at City Park  
(Future Development)



City Park  
(1,815 homes |  
798 multi-family units)

West Orem Drive  
(17,987 AADT)







TEXAS MEDICAL CENTER  
(7 miles)

DOWNTOWN HOUSTON  
(10 miles)

nrg stadium

FERGUSON

100 future homes

HSP HOUSTON SPORTS PARK

South Early College High School  
& Houston Community College -  
South Campus  
(combined 1,400 students)

AVEVA Stadium

Proposed 152-acre, 1.6 million-SF  
industrial development

ARCOT  
MANUFACTURING CORPORATION

312 homes

Chevron

SIMS BAYOU

Jack  
in the box®  
(under construction)

West Orem Drive  
(17,987 AADT)



Future  
Development

TERRABELLA  
HEALTH & WELLNESS SUITES

7  
ELEVEN

City Park  
(1,815 homes |  
798 multi-family units)

WHATABURGER

The Market at City Park  
(Future Development)

288  
TEXAS | South Freeway  
(169,300 AADT)





INDUSTRIAL REGION

212 homes

James Madison High School  
(1,661 students)

513 homes

Future Housing Development  
(under construction / appr. 75 lots)



INDUSTRIAL REGION

328 homes

Future elementary  
school

City Park  
(1,815 homes |  
798 multi-family units)



AVEVA Stadium

SIMS BAYOU

The Market at City Park  
(Future Development)



in the box®  
(under construction)

Future  
Development

288 / South Freeway  
TEXAS (169,300 AADT)



West Orem Drive  
(17,987 AADT)



CITY PARK CENTRAL LANE

# SITE PLAN

FUTURE DEVELOPMENT

WEST OREM DRIVE

ACCESS DRIVE

ACCESS DRIVE

ACCESS DRIVE

ACCESS DRIVE

TOWN EAST BOULEVARD

CAR WASH

DRIVE-THRU



DRIVE-THRU

AUTO SERVICES

DRIVE-THRU

QSR

AVAILABLE

AVAILABLE



DRIVE-THRU

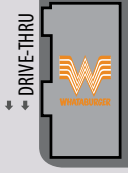
AVAILABLE

AVAILABLE

BANK

DRIVE-THRU

DRIVE-THRU



DRIVE-THRU



# TENANT SUMMARY



Jack in the Box Inc. (NASDAQ: "JACK"), based in San Diego, is a restaurant company that operates and franchises Jack in the Box restaurants, one of the nation's largest hamburger chains, with more than 2,240 restaurants in 21 U.S. states and Guam. Jack in the Box restaurants offer a selection of distinctive, innovative products targeted at the fast food consumer, including hamburgers, specialty sandwiches, salads, and real ice cream shakes.

For more information, please visit [www.jackinthebox.com](http://www.jackinthebox.com).

<b>TICKER</b>	<b>NASDAQ: "JACK"</b>	<b># OF LOCATIONS</b>	<b>2,240+</b>
<b>REVENUE</b>	<b>\$1.55B</b>	<b>HEADQUARTERS</b>	<b>San Diego, CA</b>

## A3H FOODS, LP

In 2007, Mark Holmes, Arun Roy and Ali Keshani formed A3H Foods, LP, a Texas partnership established to acquire and operate Jack in the Box. As of today, they operate 83 stores (5 in Oklahoma, 5 in East Texas, and 73 in the greater Houston area). Mark, Arun and Ali all had 20+ year careers with Jack in the Box Corporate prior to forming their partnership. Ali Keshani is the Operator, and also serves on the Jack in the Box Franchise Association Board.

# LEASE ABSTRACT

<b>TENANT</b>	A3H FOODS, LP		
<b>ADDRESS</b>	<a href="#">West Orem Drive &amp; City Park Drive, Houston, TX 77047</a>		
<b>RENT COMMENCEMENT</b>	June 2021 (estimate)		
<b>LEASE EXPIRATION</b>	June 2041 (estimate)		
<b>RENEWAL OPTIONS</b>	Four (4) five (5) year options		
<b>RENTAL INCREASES</b>	<b>YEAR</b>	<b>RENT</b>	<b>RETURN</b>
	1-5	\$82,500	4.50%
	6-10	\$90,750	4.95%
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	31-35 (Option 3)	\$146,154	7.97%
	36-40 (Option 4)	\$160,769	8.77%
<b>REAL ESTATE TAXES</b>	Tenant is responsible for taxes.		
<b>INSURANCE</b>	Tenant is responsible for insurance.		
<b>REPAIR &amp; MAINTENANCE</b>	Tenant is responsible for all repair and maintenance.		
<b>UTILITIES</b>	Tenant is responsible for all utilities.		
<b>MAINTENANCE BY LANDLORD</b>	None		
<b>RIGHT OF FIRST REFUSAL</b>	Tenant shall have fifteen (15) days thereafter within which to accept the offer upon notice.		



# PROPERTY OVERVIEW

## LOCATION

The property has excellent visibility and access to 17,987 vehicles per day directly in front of the property on West Orem Drive and immediate access to an additional 169,300 vehicles per day on State Highway 288/South Freeway. The property is walking distance to City Park, a master-planned residential development that features 1,815 total homes and 798 multi-family units. Additionally, the property is outparcel to Market at City Park Shopping Center, a 133,000-SF retail space including a 55,000-SF grocer.

The property is close to a number of large employers, community amenities, and growing residential neighborhoods. The property is seven miles to the Texas Medical Center, a 2.1-square-mile medical district with 60 medical institutions, 106,000 employees, and 10 million patients annually. Additionally, the property is just five miles to NRG Stadium, home of the Houston Texans. As the property is located in the rapidly growing area in Central Southwest Houston, the property is near several residential developments, which will further add to the property's already robust customer base, with 244,581 residents living within a five-mile radius.

## ACCESS

Access from West Orem Drive

## TRAFFIC COUNTS

West Orem Drive: 17,987 AADT  
State Highway 288/South Freeway: 169,300 AADT

## PARKING

42 parking stalls, including two (2) handicap stalls

## YEAR BUILT

2021 (under construction)

## NEAREST AIRPORT

William P. Hobby Airport (HOU | 8 miles)



**42**  
PARKING  
STALLS



**18K**  
TRAFFIC  
COUNT (AADT)



**NEAREST  
AIRPORTS**  
WILLIAM P.  
HOBBY AIRPORT

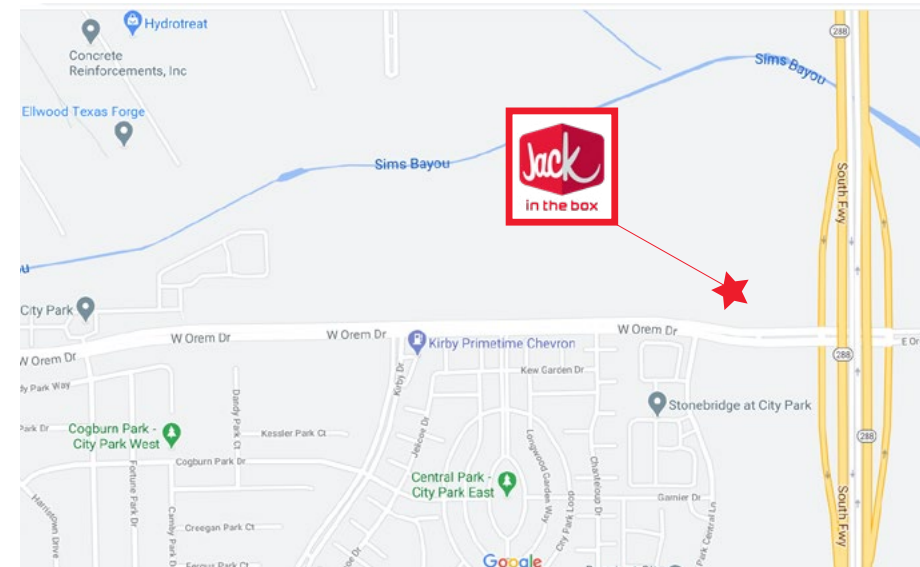


# AREA OVERVIEW

Houston is the fourth largest city in the United States and the largest city in Texas, with a population of 2.3 million people. Houston is the seat of Harris County and the economic center of the Houston MSA, the fifth largest metropolitan area in the United States, with 6.8 million residents. The Houston MSA is growing rapidly; from 2000 to 2030, the metropolitan area is projected to rank fifth in the nation in population growth—adding 2.66 million people. The metro area is the largest economic and cultural center of the American South and is included in the Texas Triangle megapolitan area, anchored by the metro areas of Houston, Dallas–Fort Worth, and San Antonio. The Texas Triangle is home to more than 70% of all Texans. In the next 40 years, the population of the Texas Triangle has been projected to grow more than 65%, or an additional ten million people, leading to 78% of Texans living and working within the Texas Triangle.

- » Pearland was one of two Texas cities to average double-digit growth in retail sales from 2004 to 2009, and its retail market was the state's fastest growing over the five-year periods ending in 2009, 2010, and 2011.
- » If Houston were an independent nation, the region would have the 23rd largest economy in the world, behind Taiwan and ahead of Sweden.
- » Houston is home to the Texas Medical Center, the largest medical center in the world, with more than 106,000 employees, 58 institutions, thousands of volunteers, and 10 million patient visits per year.
- » Houston has two commercial airports: George Bush Intercontinental Airport (IAH) and William P. Hobby Airport (HOU). In 2016, Houston airports served more than 54.5 million passengers.
- » With more than 8.7 million annual visitors and 20 museums and institutions within walking distance, Houston has one of the largest museum districts in the country.

MAJOR EMPLOYERS IN HOUSTON MSA	# OF EMPLOYEES
MEMORIAL HERMANN HEALTH SYSTEM	24,000
THE UNIVERSITY OF TEXAS MD ANDERSON	21,086
UNITED AIRLINES	15,000
HOUSTON METHODIST	14,985
EXXON MOBIL	13,000
UTMB HEALTH	12,448
KROGER	12,000
SHELL OIL COMPANY	11,892
NATIONAL OILWELL VARCO	11,563
SCHLUMBERGER LIMITED	10,000





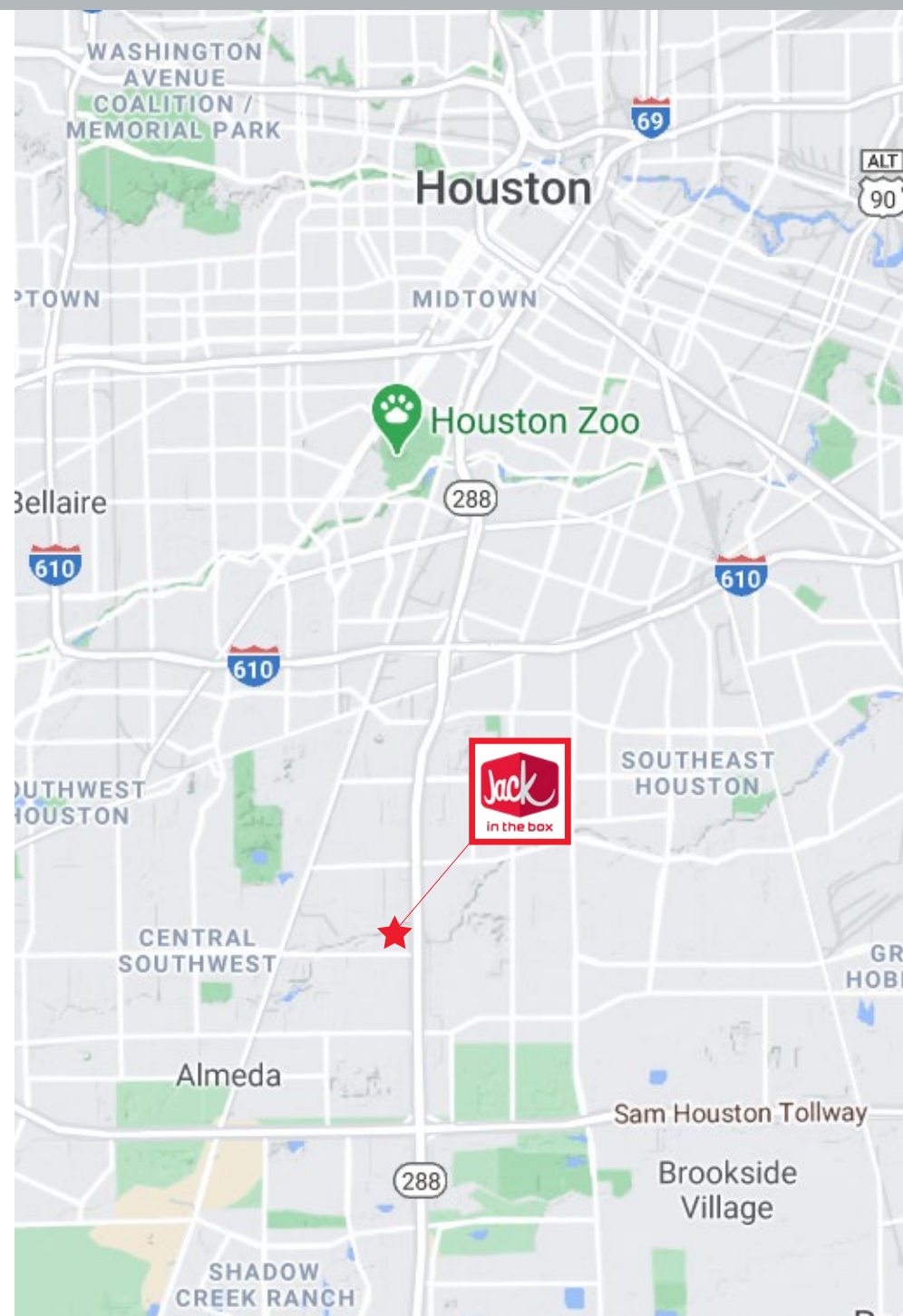
# DEMOGRAPHIC PROFILE

2020 SUMMARY	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>7,747</b>	<b>71,892</b>	<b>244,581</b>
Households	3,029	24,549	89,055
Families	1,952	17,252	57,760
Average Household Size	2.56	2.93	2.73
Owner Occupied Housing Units	2,329	16,212	48,089
Renter Occupied Housing Units	700	8,337	40,966
Median Age	31.5	32.9	32.8
<b>Average Household Income</b>	<b>\$69,694</b>	<b>\$60,283</b>	<b>\$73,271</b>

2025 ESTIMATE	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>8,886</b>	<b>77,707</b>	<b>265,167</b>
Households	3,461	26,420	96,176
Families	2,239	18,575	62,446
Average Household Size	2.57	2.94	2.74
Owner Occupied Housing Units	2,656	17,471	51,935
Renter Occupied Housing Units	805	8,949	44,242
Median Age	31.9	33.4	33.2
<b>Average Household Income</b>	<b>\$76,725</b>	<b>\$65,516</b>	<b>\$80,368</b>



**POPULATION OF 244,581  
WITHIN FIVE MILES**





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## LEAD BROKERS

### **MICHAEL T. YURAS, CCIM**

*Executive Managing Director*  
415.481.0788  
michael.yuras@cushwake.com  
CA RE License #01823291

### **SCOTT CROWLE**

*Managing Director*  
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scott.crowle@cushwake.com  
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415.690.5522  
vince.aicale@cushwake.com  
CA RE License #01728696

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415.413.3005  
ryan.forsyth@cushwake.com  
CA RE License #01716551

**[www.YAFteam.com](http://www.YAFteam.com)**

Cushman and Wakefield Inc. LIC. # 00616335