

## NASA McDonald's Ground Lease Nassau Bay, TX (Houston MSA)

- New 20-Year, Absolute NNN Ground Lease
- 8% Rental Increase Every Five Years
- Store Relocation with Corporate Guaranty
- High-Traffic Location with 63,543 AADT at Signalized Hard Corner
- 1.25 Million Annual Visitors to NASA Johnson Space Center
- New 2021 Construction with Dual-Lane Drive-Thru



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1912 Ventures, LLC ("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. The materials are being provided 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.

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In addition to the Confidentiality Agreement, 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.

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# Ground Lease & Investment Summary

- + **Long Term Absolute NNN Ground Lease:** New 20-year Primary Term with five (5) renewal options for five (5) years each
- + **8% Base Rental Escalations:** 8% Base Rent increases every 5 years during the initial 20-year Primary Term and all five (5) Option Periods
- + **Relocation:** Relocation of high-performing NASA McDonald's that has been operating across the street for 25 years. New location offers improved access and ability for double drive-thru lanes

- + **Prime Location:** Located less than a half mile from Space Center Houston ( $\pm$  1.25 million annual visitors, with 2/3 from outside of Texas) and less than a mile from the Johnson Space Center's main campus, which has 17,373 employees
- + **High Traffic & Easy Access:** Access is available from the signalized intersection of E NASA Parkway and Nassau Bay Drive, with a third access driveway from Space Park Drive.  $\pm$  63,543 AADT TxDOT, 2019



Representative Photo

- + **McDonald's Corporate Lease:** Lease signed by MCDONALD'S USA LLC, a Delaware limited liability company. McDonald's is a multinational corporation with a market capitalization of more than \$178 Billion USD as of July 22, 2021



NYSE: MCD

# Ground Lease & Investment Summary cont.

Location	SEC of E NASA Parkway & Nassau Bay Dr, Nassau Bay, TX 77058
Offering Price	\$2,900,000
Cap Rate	3.28%
Rent/NOI	\$94,999.92
Lease Structure	Absolute NNN Ground Lease
GLA (Land)	± 1.037 Acres (± 45,188 Square Feet)
Building	± 4,952 Square Feet (Tenant Constructed)
Year Built	2021
Primary Term	20 Years
Lease Commencement	June 6, 2019
Rent Commencement	April 16, 2021
Lease Expiration	August 2041 - 20 Years from Tenant Opening for Business (estimated to be August 2021)
Rental Increases	8% Base Rent increases every 5 years during Primary Term and all five (5) Option Periods
Options to Extend	Five (5) five (5) year Option Periods
Real Estate Taxes	Tenant Responsibility
Insurance	Tenant Responsibility
Repair & Maintenance	Tenant Responsibility
Right of First Refusal	Tenant has thirty (30) days to exercise ROFR



NYSE: MCD

Rent  
Schedule

Lease Years	Annual Base Rent	Monthly Base Rent	Rent Increase	Return
1 - 5	\$94,999.92	\$7,916.66		3.28%
6 - 10	\$102,599.91	\$8,549.99	8%	3.54%
11 - 15	\$110,807.91	\$9,233.99	8%	3.82%
16-20	\$119,672.66	\$9,972.72	8%	4.13%
Option 1: 21-25	\$129,246.47	\$10,770.54	8%	4.46%
Option 2: 26-30	\$139,586.19	\$11,632.18	8%	4.81%
Option 3: 31-35	\$150,752.96	\$12,562.75	8%	5.20%
Option 4: 36-40	\$162,813.20	\$13,567.77	8%	5.61%
Option 5: 41-45	\$175,838.26	\$14,653.19	8%	6.06%





First intersection after termination of elevated freeway. 63,543 AADT

Access is available from the signalized hard corner intersection of E NASA Parkway and Nassau Bay Drive, with a third access driveway from Space Park Drive

**Bucky's**  
CONVENIENCE STORES



**CVS**  
Health



**Wendy's**

**FIVE GUYS**



**MORNINGS KOLACHES**  
See you in the Mornings



**DICKEY'S**  
BARBECUE PIT

**Tutti Frutti**





THE  
CAROLINE

336 Unit  
Luxury  
Apartment

*Walgreens*

E NASA Pkwy

63,543 AADT

Nassau Bay Dr

New Location

Old Location

Space Park Dr

**Bucky's**  
CONVENIENCE STORES

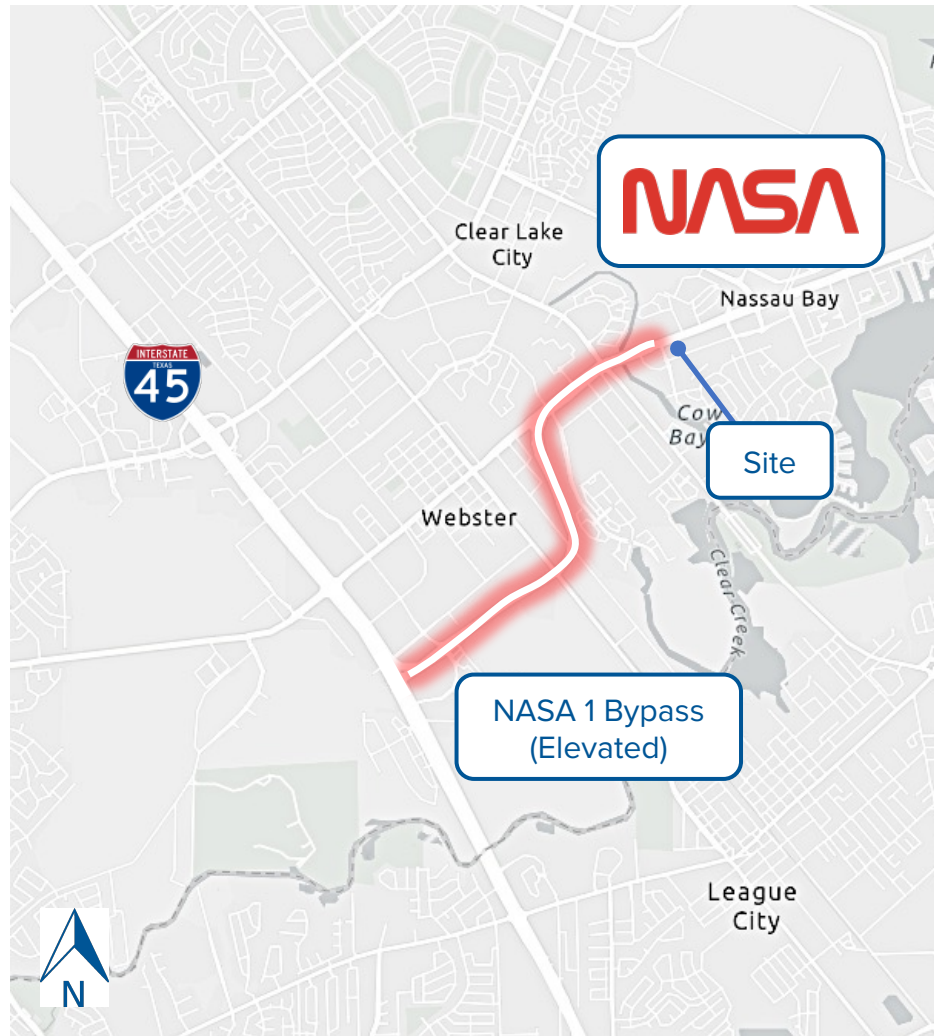
**McDonald's**





# Access & Visibility

The signalized intersection at the new McDonald's is the first traffic stop to-and-from from I-45 along NASA 1 Bypass Freeway, an elevated, 2.7 mile four-lane freeway that connects directly to I-45. The expectation of increased revenues as a result of superior access to the new building contributed to McDonald's decision to the relocation of the existing store to this new building. The new store is adjacent to and shares cross-access with a high-volume Bucky's convenience store and gas station.



**NASA 1 Bypass Freeway:** Consists of two direct access ramps which are convenient for travelers coming to and from Houston. One of these ramps provides southbound travelers from I-45 with direct access to the bypass (flying over I-45 in a three-tier stack configuration) while the other provides travelers with the opportunity to merge onto I-45 northbound without encountering any traffic signals. The freeway bypasses much of the congestion in inner-city Webster, giving easy access to Johnson Space Center.

**E NASA Pkwy Corridor:** Carries over 63,000 cars per day and is the primary avenue of approach for more than 1.25 million annual visitors to Space Center Houston and 17,000+ employees of the Johnson Space Center. Traffic along NASA Pkwy continues to increase as development proceeds further east, including the still-expanding Houston Methodist Clear Lake Hospital, a 178-bed Level II trauma facility with more than 950 staff members and 152,346 admissions/visits located less than a mile from the subject property.



# Area Summary & Demographics

The Bay Area Houston submarket is part of the Greater Houston metro area, and home to NASA’s oldest and largest facility, the Johnson Space Center. It is also home to a 9,000 student University of Houston campus, one of the largest Houston Methodist facilities, and scores of high-tech offices.

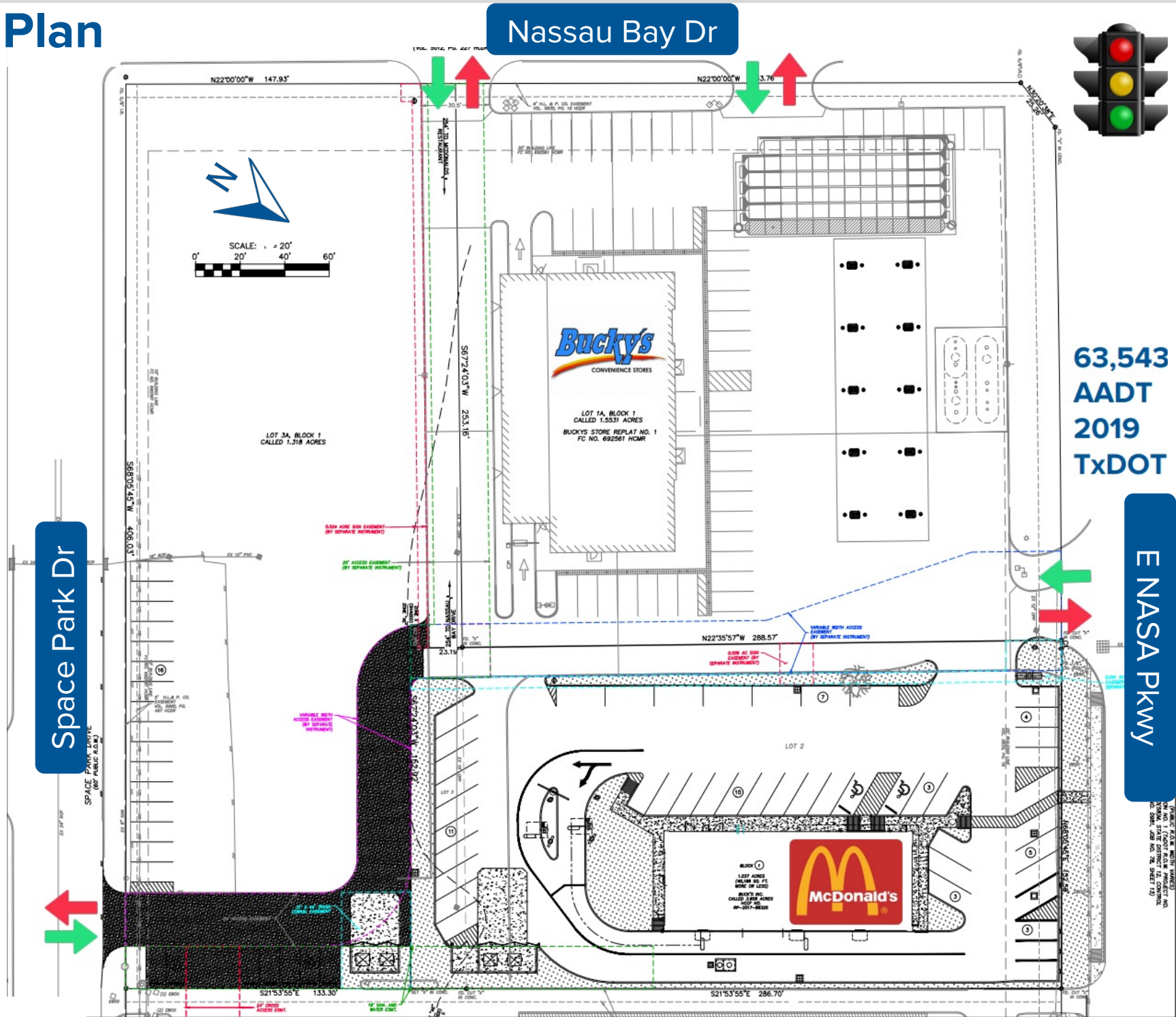
The area is situated near three of the most important economic hubs in the Houston MSA:

- 1. *Houston Ship Channel:* The busiest waterway in the country with more than 150 private ports and the Port of Houston. The Port of Houston is the largest US port by tonnage with more than 15% greater throughput than the next largest domestic port.
- 2. *Texas Medical Center:* Clear Less than 20 miles from the Texas Medical Center (TMC), the largest medical complex in the world with more than 106,000 employees and 61 institutions in a single contiguous business district.
- 3. *NASA:* Clear Lake also benefits from the highest concentration of aerospace businesses and professionals in the nation, with Johnson Space Center alone managing more than \$4 billion in contracts annually.

Major Houston Employers	Number of Employees
Walmart	34,000
H-E-B	26,956
Memorial Hermann Health System	26,011
Houston Methodist	22,247
MD Anderson	20,189
Johnson Space Center	17,373
McDonald’s	16,100
Kroger	17,188
United Airlines	14,084
Texas Children’s Hospital	13,445

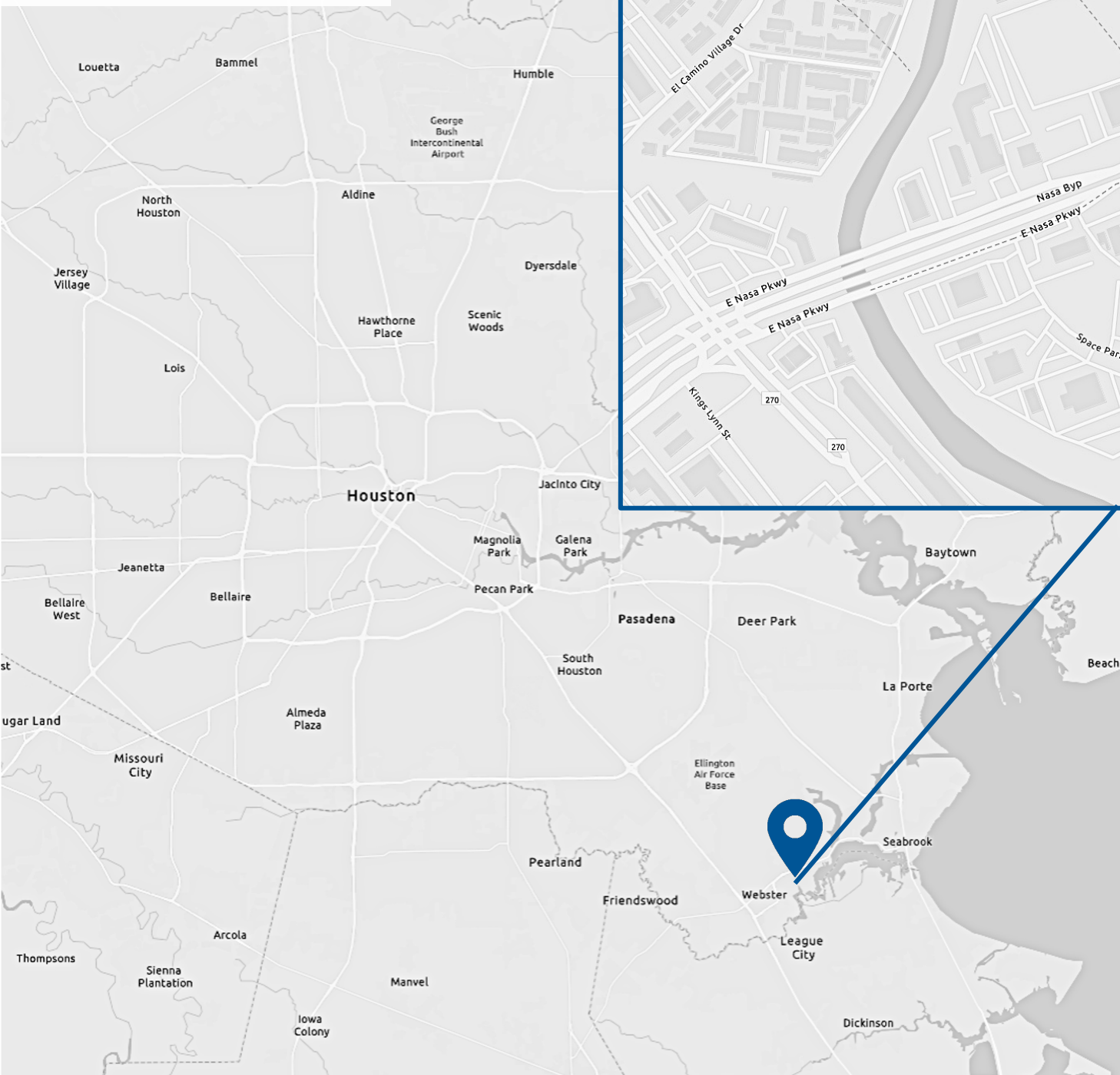
	1 Mile	3 Mile	5 Mile
Total Population	10,226	70,219	199,104
Daytime Population	13,513	87,602	199,794
Total Population Growth	1.48%	1.09%	1.28%
Households	4,955	30,733	78,079
Average Household Size	2.04	2.27	2.55
Owner Occupied Housing Units	1,543	13,633	46,969
Renter Occupied Housing Units	3,457	16,973	30,782
Median Age	37.8	38.4	38.2
Per Capita Income	\$41,138	\$39,885	\$44,163
Average Household Income	\$83,110	\$91,357	\$112,958
Dollars Spent at Restaurants	\$17,427,803	\$114,476,908	\$348,157,015

# Site Plan





# Location Map



## SEC of E NASA Parkway & Nassau Bay Dr, Nassau Bay, TX 77058

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TxDOT, 2019





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### TYPES OF REAL ESTATE LICENSE HOLDERS:

- # **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- # **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

### A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- # Put the interests of the client above all others, including the broker's own interests;
- # Inform the client of any material information about the property or transaction received by the broker;
- # Answer the client's questions and present any offer to or counter-offer from the client; and
- # Treat all parties to a real estate transaction honestly and fairly.

### A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- # Must treat all parties to the transaction impartially and fairly;
- # May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- # Must not, unless specifically authorized in writing to do so by the party, disclose:
  - o that the owner will accept a price less than the written asking price;
  - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - o any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

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- # The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- # Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date

**Regulated by the Texas Real Estate Commission**

TXR-2501

1912 Ventures, LLC, 1401 Richmond Ave, Suite 295 Houston TX 77006  
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IABS 1-0 Date

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