



HAGERSTOWN
MARYLAND



klnb

OFFERING MEMORANDUM

McDonald's (Ground Lease)

17601 Garland Groh Boulevard, Hagerstown, MD 21740

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OFFERING SUMMARY



 **17601 GARLAND GROH BOULEVARD
HAGERSTOWN, MD 21740**



PRICE:
\$4,397,514



CAP RATE:
3.50%



LEASE TERM:
13+ Years

Investment Highlights

- Strong Investment Grade Credit from McDonald's Corporation (NYSE: MCD), BBB+ (S&P) and Baa2 (Moody's)
- Recent 10-Year Lease Extension and Renovation Shows Further Commitment to Location
- Long-Term Lease Remaining; Over 13 Years With Eight, 5-Year Options
- 8% Rental Increase Effective in Less Than 3 Years
- Extremely Passive, Absolute NNN Ground Lease With No Landlord Responsibilities
- Located at the Signalized Intersection of Garland Groh Boulevard and National Pike West of I-81 That Combine For Over 27,000 VPD
- Outstanding Visibility and Access as the Entrance Pad Site to the Centre at Hagerstown at the Interchange Off I-81 With Over 75,000 VPD
- Over Last 2 Years Occupancy Improved From 74% to 88% With Recent Tenant Additions of Burlington & HomeGoods
- Over 5.3 Million Visits to the Centre at Hagerstown Ranking as Top 20 Visits Among Centers in Maryland Per Placer. Ai

THE OFFERING

PRICE	\$4,397,514
CAP RATE	3.50%
NOI	\$153,913
LEASE TYPE	NNN Ground Lease
GUARANTOR	Corporate
LEASE EXPIRATION	10/31/2035
OPTIONS	Eight, 5-Years
GROSS LEASABLE AREA	3,939 SF
LAND AREA	1.01 +/- Acres
YEAR BUILT / RENOVATED	2000 / 2019

*Arby's Pad Site Available Separately, Contact Agent for Details.

PROPERTY DESCRIPTION



LOCATION

17601 Garland Groh Boulevard
Hagerstown, MD 21740



TENANT

McDonald's



BUILDING AREA

3,939 +/- Square Feet



LAND AREA

1.01 +/- Acres



YEAR BUILT / RENOVATED

2000 / 2019



ZONING

Washington County
APN: 25-032055
CR - Regional Shopping Center



ACCESS

Garland Groh Boulevard
National Pike (Rt-40)
I-81



5-MILE DEMOGRAPHICS

Businesses: 4,829
Daytime Employment: 56,188
Population: 85,504
Average Household Income: \$69,494



TRAFFIC COUNTS - 2019

Garland Groh Blvd: 14,600+ VPD
National Pike (Rt-40): 24,900+ VPD
I-81: 75,000+ VPD



SHOPPES AT HAGERSTOWN

five BE'LW PartyCity
 DOLLAR TREE Hair cutters
 GNC Jansons Subs FIVE GUYS
 LIVE WELL AUTHENTIC SUBS SINCE 1996 BURGERS and FRIES
 BEST BUY STARBUCKS sweetFrog

DOWNTOWN
HAGERSTOWN

Walmart

THE HOME DEPOT

DICK'S SPORTING GOODS

BED BATH & BEYOND

Burlington

HomeGoods

2ND & CHARLES

Marshall's

AT&T

ihop

Arby's

Wendy's

Taqueria

KFC

CENTRE AT
HAGERSTOWN

12,423
(2019 ADT)

81

75,120
(2019 ADT)

NATIONAL PIKE

14,651
(2019 ADT)

GARLAND GROH BLVD

40



SITE

McDonald's

HOME DEPOT
 Walmart
 DICK'S
 Marshall's
 Burlington
 HomeGoods
 BED BATH & BEYOND
 FIVE GUYS
 Jansons Subs
 GNC

SHOPPES AT HAGERSTOWN

five BELOW PartyCity
DOLLAR TREE Hair Cutters
GNC Jimmy John's SUBS FIVE GUYS
LIVE WELL CROISSANT CREPERIE Starbucks sweetFrog

HAGER'S CROSSING
EXISTING 409 SFH & TH
PLANNED ADDITIONAL
400+ SFH, TH, AND CONDOS

GameStop AT&T



CENTRE AT HAGERSTOWN

GARLAND GROH BLVD

14,651
(2019 ADT)

12,423
(2019 ADT)

NATIONAL PIKE



SITE



HAGER'S CROSSING

Existing 409 SFH & TH
Planned Additional
400+ SFH, TH, and Condos

Walmart*

THE HOME DEPOT

DICK'S
SPORTING GOODS

ULTA
AT RETAIL

PETSMART

BED BATH &
BEYOND

Burlington

Marshalls

at&t

SALLY HANDBAGS

GameStop

2ND
STAPLES

HomeGoods

Pizza
Playland

REGENCY
SPORTS & RECREATION

Wendy's
Arby's

ihop

FRIDAYS

CENTRE AT
HAGERSTOWN

BEST
BUY

GNC
LIVE WELL

JOHNSON'S
MILK & SUBS

SHOPPES AT
HAGERSTOWN

Starbucks

CHIPOTLE

FIVE GUYS
BURGERS and FRIES

MATTRESS
Warehouse

five BELOW
Hair cutters

PartyCity

DOLLAR TREE

sweetFrog

SITE



12,423
(2019 ADT)

KFC

Panera
BREAD

24,990
(2019 ADT)

fiserv.

National Pike (Route 40)

75,120
(2019 ADT)

81

SKY ZONE
TRAMPOLINE PARK



FINANCIAL SUMMARY

 **17601 GARLAND GROH BOULEVARD
HAGERSTOWN, MD 21740**

OFFERING SUMMARY

PRICE	\$4,397,514
CAP RATE	3.50%
NET OPERATING INCOME	\$153,913
GROSS LEASABLE AREA (GLA)	3,939 SF
YEAR BUILT / RENOVATED	2000 / 2019
LOT SIZE	1.01 +/- Acres
TYPE OF OWNERSHIP	NNN Ground Lease

LEASE SUMMARY

TENANT	McDonald's
GUARANTOR	McDonald's Corporate
LEASE TYPE	Ground Lease
ORIGINAL LEASE COMMENCEMENT	11/1/2000
LEASE EXPIRATION	10/31/2035
LEASE TERM REMAINING	13+ Years
INCREASES	8% in 2025 and in Options
OPTIONS	Eight, 5-Years
TENANT RESPONSIBILITY	All Expenses
RIGHT OF FIRST REFUSAL	30 Days Notice Starting After 2/9/2024



RENT SCHEDULE

LEASE YEAR	ANNUAL RENT	MONTHLY RENT
Current - 10/31/2025	\$153,913	\$12,826
11/1/2025 - 10/31/2035	\$166,226	\$13,852
Option 4	\$179,524	\$14,960
Option 5	\$193,886	\$16,157
Option 6	\$209,397	\$17,450
Option 7	\$226,149	\$18,846
Option 8	\$244,241	\$20,353
Option 9	\$263,780	\$21,982
Option 10	\$284,882	\$23,740
Option 11	\$307,673	\$25,639

- McDonald's extended lease through their 3rd option



LEASE ABSTRACT



GUARANTOR	McDonald's Corporation
RENEWAL NOTIFICATION PERIOD	No notice or act, whatsoever, shall be required by Tenant to extend this lease.
REPAIRS & MAINTENANCE	Tenant shall, at its own expense, maintain and make all repairs and/or alterations to the Demised Premises and shall perform any work on or about the Demised Premises which may be required by law. Tenant shall, at Tenant's sole cost and expense, operate, maintain, illuminate, repair and replace the Common Areas on the Land and keep the same clean, free of ice and snow and in good condition and repair in the same manner and to the same standard as the Common Areas within the balance of the Shopping Center are being operated, maintained and cleaned.
REAL ESTATE TAXES	Tenant shall pay to Landlord all Real Estate Taxes, levied or assessed against the land and Improvements comprising said separate subdivided parcel in lieu of paying a pro-rata share of the total of such Real Estate Taxes against the entire Shopping Center.
INSURANCE	Tenant shall, commencing with the start of construction of the Tenant's Improvements and during the balance of the term of this Lease, insure the Tenant's Improvements or any portion thereof then constructed.
ASSIGNMENT & SUBLETTING	Tenant may, without the consent of Landlord, but subject to all of the terms, covenants and conditions of this Lease hereof, assign this Lease or its rights hereunder or sublet the Demise Premise, in whole or in part, to any subsidiary, parent corporation or similar affiliate of Tenant or to any licensee, franchisee, concessionaire of Tenant or any such affiliates. Any permitted transfer, assignment, subletting, license and/or concession hereunder, whether or not requiring Landlord's prior consent, shall be expressly subject to each and every term, covenant and condition of this Lease and no such permitted transfer, assignment, subletting, license and/or concession shall affect or reduce the obligations of Tenant and all other holders of the leasehold estate hereunder.
ESTOPPEL CERTIFICATE	Within thirty (30) days after request.
RIGHT OF FIRST REFUSAL	Yes; Thirty (30) days notice. Tenant's right of first refusal shall apply to all offers regarding any sales after the ROFR Commencement Date. ROFR Commencement Date means the date that is two (2) years after 2/9/2022.

TENANT SUMMARY



McDonald's is the largest quick service hamburger chain in the world. From its humble beginnings in 1940 as a single quick service hamburger restaurant started by Richard and Maurice McDonald in San Bernardino, CA, to Ray Kroc discovering the store in 1954 and launching it on a path of growth and franchising, McDonald's has become a worldwide icon and the gold standard of fast-food restaurant chains. Today McDonald's is the leader in the industry with over 36,000 stores in over 100 countries around the world and systemwide sales of over \$112 billion in 2021. McDonald's menu is rooted in its traditional classic items of hamburgers, fries, soft drinks and shakes, to chicken sandwiches and chicken nuggets along with breakfast food and has continued to evolve to current consumer demands and trends and now includes healthy options such as salads, smoothies, wraps, and fruit.



CREDIT RATING
S&P: BBB+
Moody's: Baa1



STOCK TICKER
NYSE: MCD



SYSTEMWIDE SALES
\$112+ Billion (2021)



MARKET CAP
Nearly \$200 Billion



NO. OF LOCATIONS
36,000+ Worldwide
100+ Countries



FOUNDED IN
1955

RECENT NEWS

- McDonald's delivered Systemwide sales* growth of 21% for the full year, surpassing \$112 billion globally
- U.S. comparable sales increased 13.8% for the full year, marking the highest U.S. annual comparable sales ever reported** and the 7th consecutive year of positive comparable sales
- Digital Systemwide sales exceeded \$18 billion in 2021, or over 25% of total Systemwide sales in our top six markets
- McDonald's delivered operating income growth of 41% for the full year, surpassing \$10 billion globally



CENTRE AT HAGERSTOWN



Walmart



Burlington

HomeGoods

Marshalls

BED BATH & BEYOND

REGENCY
FURNITURE SHOWROOMS

ULTA
BEAUTY



Regional Shopping Center Shadow Anchored by Walmart & Home Depot



Over Last 2 Years Occupancy Improved From 74% to 88% With Recent Tenant Additions of Burlington & HomeGoods



Ranked 12th Most Visited Center in Maryland With Over 5.3 Million Visits in Past 12 Months Per Placer.ai



Immediately Off Major Interchange of I-81 (75,000+ VPD) and National Pike (12,000+ VPD)

LOCATION OVERVIEW

Hagerstown, Maryland

Hagerstown is the county seat of Washington County, ranks as Maryland's sixth-largest incorporated city and is the largest city in the Panhandle. Despite its semi-rural Western Maryland setting, Hagerstown is a center of transit and commerce. Interstate 81 and 70, CSX, Norfolk Southern, and the Winchester and Western railroads, and Hagerstown Regional Airport form an extensive transportation network for the city. In addition, Hagerstown is also the leading commercial and industrial hub for a greater Tri-State Area that includes much of Western Maryland as well as significant portions of South-Central Pennsylvania and the Eastern Panhandle of West Virginia.



**TOTAL
POPULATION**
40,152



**NO. OF
HOUSEHOLDS**
16,353

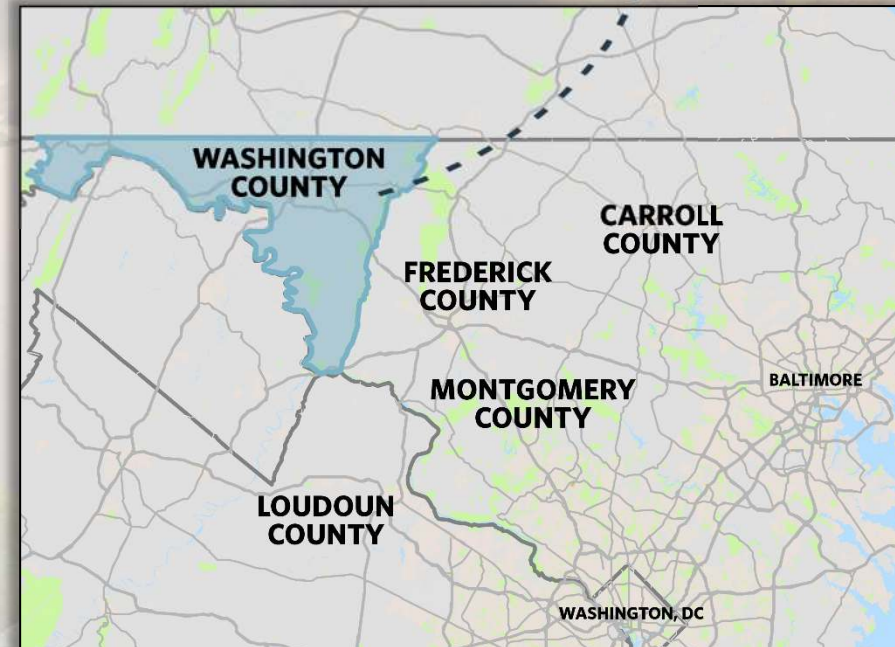


**AVERAGE
HH INCOME**
\$55,260

LOCATION OVERVIEW

Washington County

Washington County is located in the western part of Maryland and the county seat is Hagerstown. The County borders southern Pennsylvania to the north, Northern Virginia to the south, and the Eastern Panhandle of West Virginia to the south and west. Washington County is included in the Hagerstown-Martinsburg, MD-WV Metropolitan Statistical Area, which is also included in the Washington-Baltimore-Arlington, DC-MD-VA-WV-PA Combined Statistical Area. Two major interstates run through Hagerstown, Interstate 70 (I-70) and Interstate 81 (I-81), which provide residents and businesses access to major cities and towns to the North, South, East and West. Due to the proximity of Washington County to both Washington, D.C. and Downtown Baltimore, these two interstates have spurred major commercial and residential developments servicing the county and residents can commute with ease to either major employment hub. Major employers in Washington County include Meritus Health, FedEx Ground, Hagerstown Community College and more. All of these factors add up to make Washington County poised for growth and a desirable place to work and reside.



**TOTAL
POPULATION**
154,705



**POPULATION
GROWTH**
3.05%
Since 2010



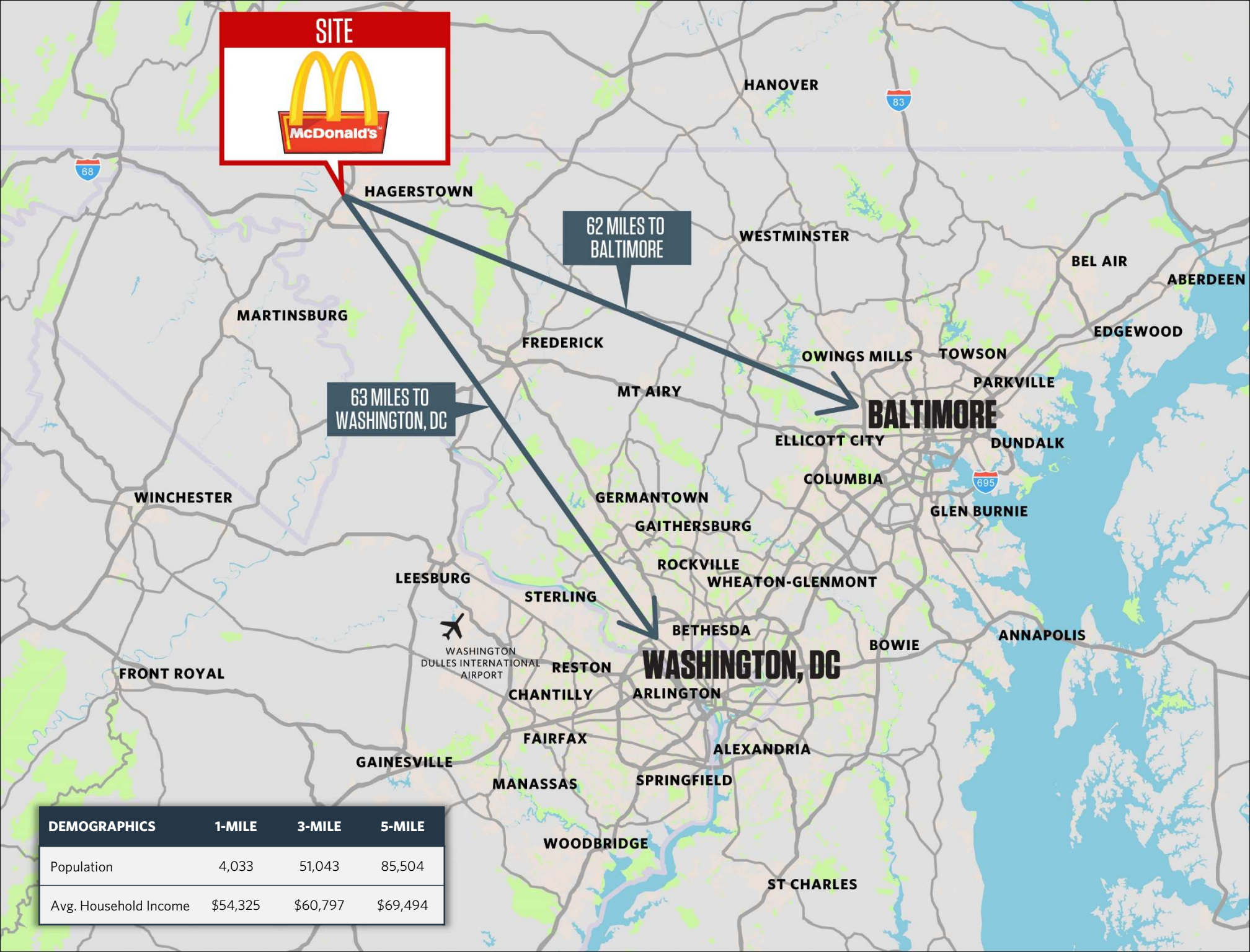
**HOUSEHOLDS
NO. OF**
56,225



**MEDIAN HH
INCOME**
\$59,140

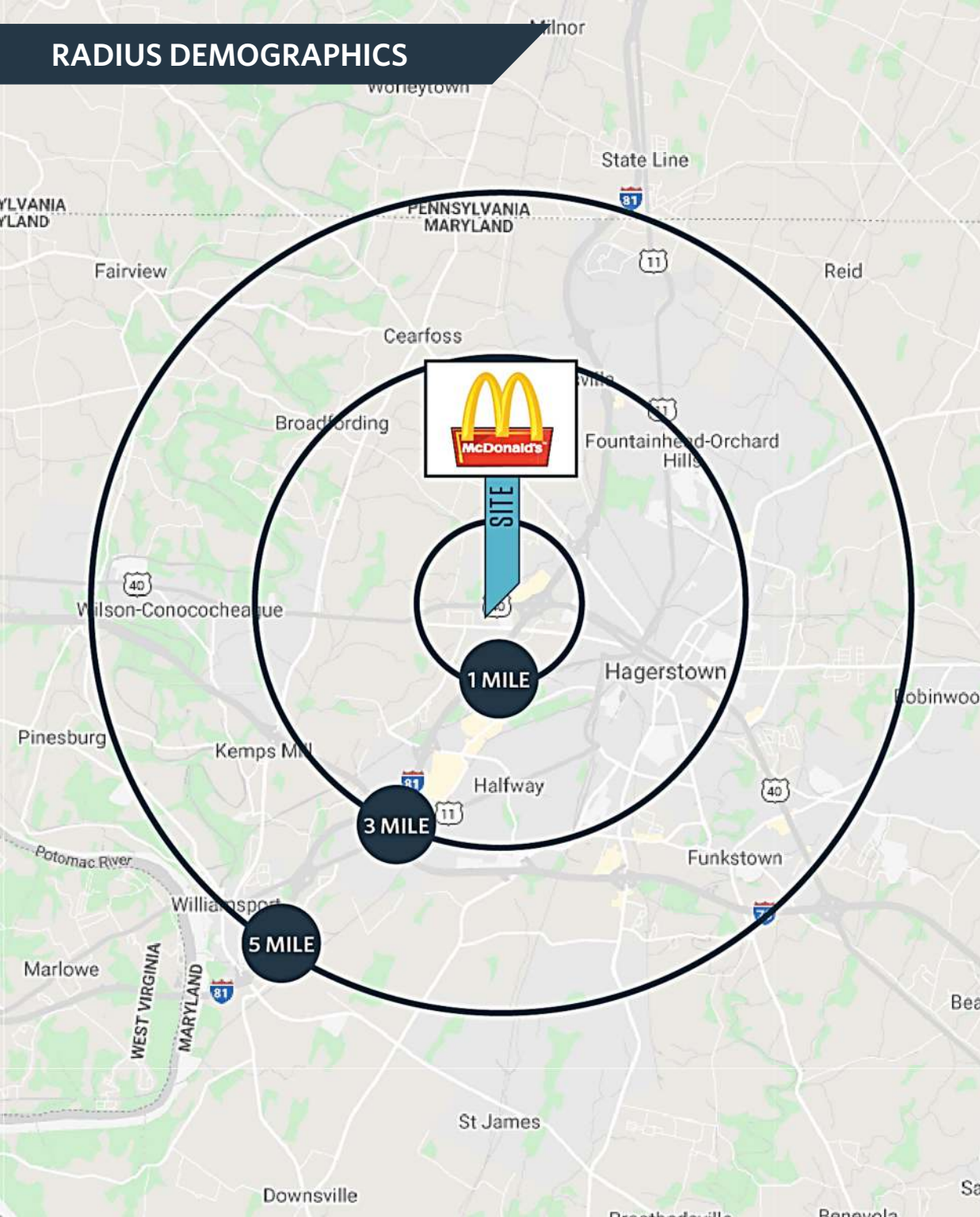


**UNEMPLOYMENT
RATE**
3.7%



DEMOGRAPHICS	1-MILE	3-MILE	5-MILE
Population	4,033	51,043	85,504
Avg. Household Income	\$54,325	\$60,797	\$69,494

RADIUS DEMOGRAPHICS



Wayne Heights

Rouzeville

TOTAL POPULATION

	1-MILE	3-MILE	5-MILE
2021	4,033	51,043	85,504
2026	4,218	51,631	86,832



Greensburg

TOTAL HOUSEHOLDS

	1-MILE	3-MILE	5-MILE
2021	1,474	20,813	34,655
2026	1,533	21,026	35,152



Pondsville

AVERAGE HOUSEHOLD INCOME

	1-MILE	3-MILE	5-MILE
2021	\$54,325	\$60,797	\$69,494
2026	\$59,488	\$65,891	\$76,069



HAGERSTOWN, MD



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