

New Construction

Investment Grade Tenant



Representative Photo



Offering Memorandum
Brand New Absolute NNN Ground Lease
Coming Soon, Saraland, AL

 **HUFFMAN**
REAL ESTATE SERVICES



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Executive Summary

McDonald's

1030 Industrial Parkway (HWY 158)
Saraland, AL 36571

Offering Price

\$2,500,000

Cap Rate	4%
NOI	\$99,996.00
Lot Size	1.38 Acres
Year Built	Under Construction
Guarantor	Corporate

Lease Type	Absolute NNN Ground Lease
Rent Commencement	+/- December 2025
Lease Expiration	+/- March 2046
Building Size	4,584 SQFT
Drive Thru	Double
Primary Lease Term	20 years
Remaining Lease Term	20 years
Renewal Options	12, 5-year
Tenant Entity	McDonald's USA, LLC/ Corporation
Rental Increases	10% every 5 years beginning in the 121st month

Rent Schedule

<u>Years</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>	<u>Proforma Cap Rate</u>
Years 1-5	\$8,333.00	\$99,996.00	4.00%
Years 6-10	\$8,333.00	\$99,996.00	4.00%
Years 11-15	\$9,166.30	\$109,995.60	4.40%
Years 16-20	\$10,082.93	\$120,995.16	4.84%
Option 1	\$11,091.22	\$133,094.64	5.32%
Option 2	\$12,200.34	\$146,404.08	5.86%
Option 3	\$13,420.37	\$161,044.44	6.44%
Option 4	\$14,762.41	\$177,148.92	7.09%
Option 5	\$16,238.65	\$194,863.80	7.79%
Option 6	\$17,862.52	\$214,350.24	8.57%
Option 7	\$19,648.77	\$235,785.24	9.43%
Option 8	\$21,613.64	\$259,363.68	10.37%
Option 9	\$23,775.00	\$285,300.00	11.41%
Option 10	\$26,152.50	\$313,830.00	12.55%
Option 11	\$28,767.75	\$345,213.00	13.81%
Option 12	\$31,644.53	\$379,734.36	15.19%

McDonald's

The World's Largest Restaurant Company



41K+

Restaurants



2.2M

People
Working for McDonald's
or Franchisees



100+

Countries



65M+

Customers
Served every day

Tenant:

20+ years Remaining on Absolute Triple-Net (NNN) Corporate Ground Lease with McDonald's (NYSE: MCD)

High Traffic Counts:

I-65 = **51,005 VPD**

Hwy 158 = **39,529 VPD**

Full Access to the Site from Hwy 158 with entrance lining up with Walmart access

Excellent Site Visibility:

Visible from I-65

Existing **40' Billboard Sign** on the property (Lamar)(Income goes to McDonald's)

100' Interstate Pylon Sign allowed

Excellent Site Location:

Positioned directly across Hwy 158 from the **3rd ranked Walmart** in the State of AL, averaging more than **200,000 monthly visitors**, and **Saraland High School**.

Saraland is the **#1 best school district** in the Mobile, AL area, according to Niche.com, and is in the top 25% of the Fastest-Growing **Cities in the State of AL**.

An **Alabama Community of Excellence** with a low crime rate.

The Site has **High Traffic Counts** with **51,005 VPD** on I-65 and **39,529 VPD** on Hwy 158.

Location outflanks major QSR competitors as customers travel from I-65

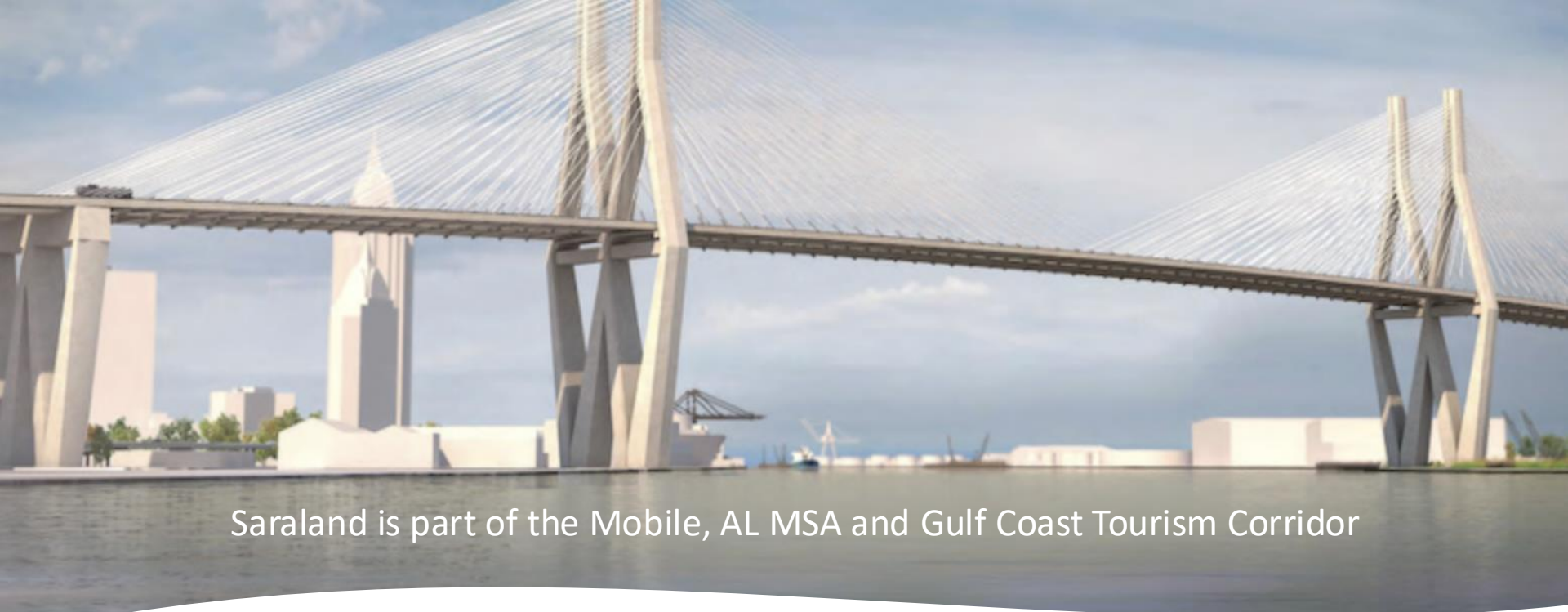
Saraland's retail corridor continues to thrive, with numerous retailers consistently **outperforming their national sales averages**.

Nearby Developments include:

- * **Infirmiry Health's new \$25M, 70,000 SF hospital,**
- * **The \$72 Million, 100-acre Saraland Sports Complex**
- * **The Cottages – a 200 Unit residential development**
- * **The University of Mobile**, a well-established local university, fueling the city's workforce.

The State of Alabama's expansion of Hwy 158 to intersect with Hwy 98 will significantly increase regional traffic flow, connecting Saraland more directly with Mississippi and the Gulf Coast.

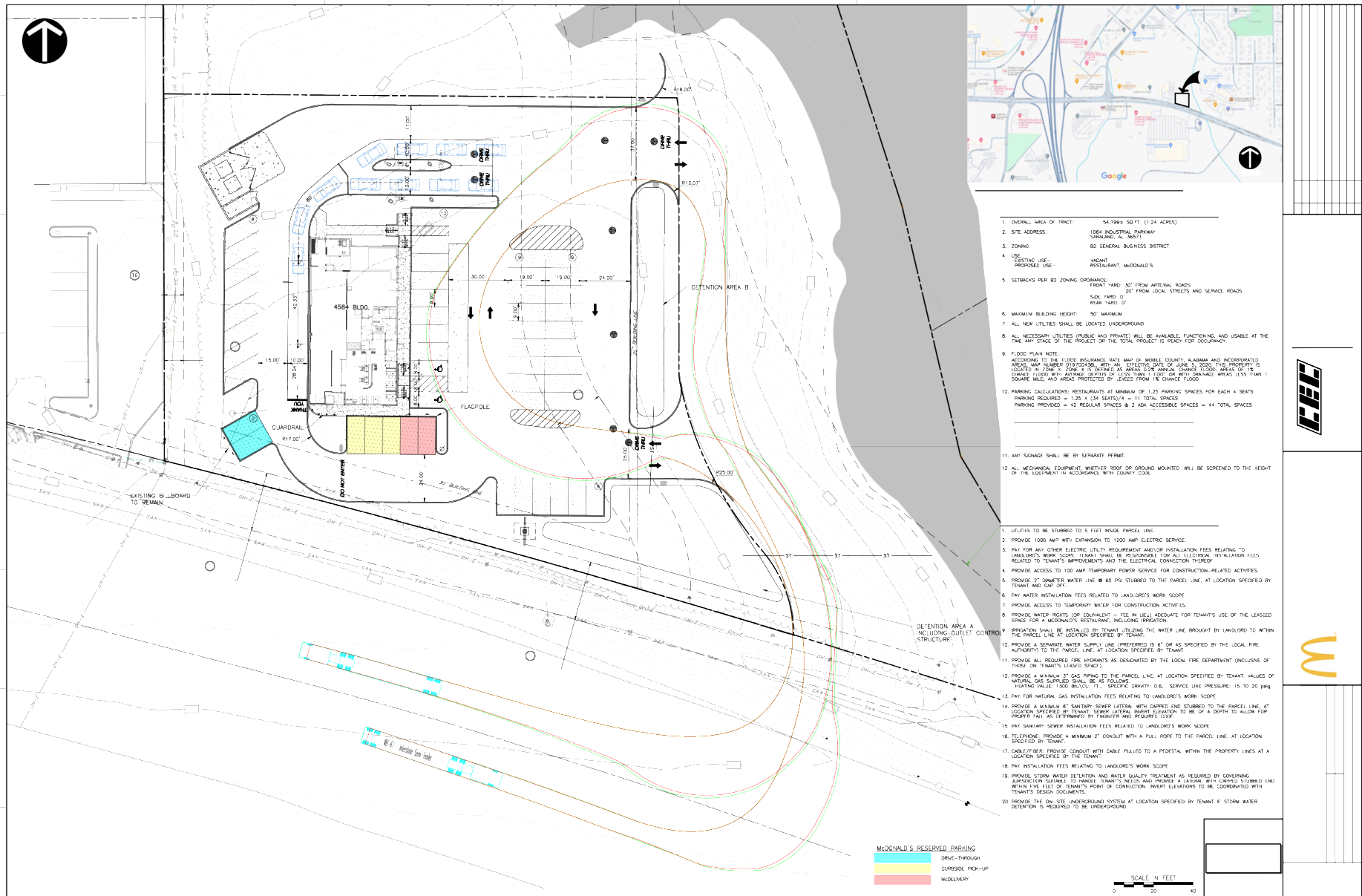




Saraland is part of the Mobile, AL MSA and Gulf Coast Tourism Corridor

Just minutes south, Downtown Mobile is experiencing a major resurgence:

- **\$3.5 billion Mobile River Bridge and Bayway Project** (rendering above), the largest infrastructure investment in State history.
- **ArcelorMittal's new \$1.2 billion Electrical Steel Mill** will be constructed in Mobile and create more than 200 permanent jobs.
- The **Port of Mobile Expansion includes over \$1 billion** in capital projects underway.
- **Austal USA expansions will invest \$750 million** into the City as well as create **2,000** new jobs.
- **\$300 million New Civic Arena, Convention Center, and Saenger Theatre Upgrades** – 400k new tourists to the area each year.
- **\$100 million River Walk Plaza** to break ground soon, bringing new hotels, bars, and restaurants to the area.
- Mobile — the **Home of Mardi Gras** — attracts **hundreds of thousands of visitors annually**
- The city's continuous investment in its waterfront, port, and hospitality sectors is fueling sustained economic growth.
- **Gulf Coast Tourism Corridor**, of which Saraland is a part, draws **over 8 M visitors each year** to AL's white-sand beaches.
- The Site is on **I-65**, the main travel artery to and from these beaches, which allows for the capture of local & destination traffic.



1. OVERALL AREA OF TRACT: 54,999.50 FT² (1.24 ACRES)
2. SITE ADDRESS: 1584 INDUSTRIAL PARKWAY, SUITE 100, SUITE 100
3. ZONING: B0 GENERAL BUSINESS DISTRICT
4. USE: EXISTING USE: RESTAURANT; PROPOSED USE: RESTAURANT; MCDONALD'S
5. SETBACKS PER BZ ZONING ORDINANCE: FRONT YARD: 30' FROM MATERIAL ROADS; 20' FROM LOCAL STREETS AND SERVICE ROADS; SIDE YARD: 0'; REAR YARD: 0'
6. MAXIMUM BUILDING HEIGHT: 50' MAXIMUM
7. ALL NEW UTILITIES SHALL BE LOCATED UNDERGROUND
8. ALL NECESSARY UTILITIES (PUBLIC AND PRIVATE) WILL BE AVAILABLE, FUNCTIONING AND USABLE AT THE TIME ANY STAGE OF THE PROJECT OR THE TOTAL PROJECT IS READY FOR OCCUPANCY
9. FLOOD PLAIN NOTE: ACCORDING TO THE FLOOD INSURANCE RATE MAP OF MOBILE COUNTY, ALABAMA AND INCORPORATED SPECIAL MAP NUMBER 030300000, WITH AN EFFECTIVE DATE OF JUNE 15, 2020, THIS PROPERTY IS LOCATED IN ZONE X, ZONE X IS DEFINED AS AREAS WITH AN ANNUAL CHANCE FLOOD AREAS OF 1% CHANCE OF FLOOD WITH ANTIMONY OF LESS THAN 1 FOOT OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE, AND AREAS PROTECTED BY LEVES FROM THE CHANCE FLOOD.
10. PARKING CALCULATIONS: RESTAURANTS AT MINIMUM OF 125 PARKING SPACES FOR EACH 4 SEATS; PARKING PROVIDED = 125 X (24 SEATS) = 11 TOTAL SPACES; PARKING PROVIDED = 42 REGULAR SPACES + 2 ADA ACCESSIBLE SPACES = 44 TOTAL SPACES
11. ANY SIGNAGE SHALL BE BY SEPARATE PERMIT.
12. ALL MECHANICAL EQUIPMENT, WHETHER ROOF OR GROUND MOUNTED, WILL BE SCREENED TO THE HEIGHT OF THE EQUIPMENT IN ACCORDANCE WITH COUNTY CODE.

1. UTILITIES TO BE STUBBED TO 5 FEET INSIDE PARCEL LINE.
2. PROVIDE 1000 AMP WITH EXPANSION TO 1200 AMP ELECTRIC SERVICE.
3. PAY FOR ANY OTHER ELECTRIC UTILITY REQUIREMENT AND/OR INSTALLATION FEES RELATING TO LANDLORD'S WORK SCOPE. TENANT SHALL BE RESPONSIBLE FOR ALL ELECTRICAL INSTALLATION FEES RELATED TO TENANT'S IMPROVEMENTS AND THE ELECTRICAL CONNECTION THEREOF.
4. PROVIDE ACCESS TO 150 AMP TEMPORARY POWER SERVICE FOR CONSTRUCTION-RELATED ACTIVITIES.
5. PROVIDE 2" DIAMETER WATER LINE @ 85 PSI STUBBED TO THE PARCEL LINE, AT LOCATION SPECIFIED BY TENANT AND CAP OFF.
6. PAY WATER INSTALLATION FEES RELATED TO LANDLORD'S WORK SCOPE.
7. PROVIDE ACCESS TO TEMPORARY WATER FOR CONSTRUCTION ACTIVITIES.
8. PROVIDE WATER RIGHTS OR EQUIVALENT - FEE IN FULL ASSOCIATE FOR TENANT'S USE OF THE LEASED SPACE FOR A MCDONALD'S RESTAURANT, INCLUDING IRRIGATION.
9. IRRIGATION SHALL BE INSTALLED BY TENANT, UTILIZING THE WATER LINE BROUGHT BY LANDLORD TO WITHIN THE PARCEL LINE AT LOCATION SPECIFIED BY TENANT.
10. PROVIDE A SEPARATE WATER SUPPLY LINE (PREFERRED IS 6" OR AS SPECIFIED BY THE LOCAL FIRE AUTHORITY) TO THE PARCEL LINE AT LOCATION SPECIFIED BY TENANT.
11. PROVIDE ALL REQUIRED FIRE HYDRANTS AS DESIGNATED BY THE LOCAL FIRE DEPARTMENT (EXCLUSIVE OF THOSE ON TENANT'S LEASED STOPS).
12. PROVIDE A MINIMUM 3" GAS SERVICE TO THE PARCEL LINE, AT LOCATION SPECIFIED BY TENANT. VALUES OF NATURAL GAS SUPPLIED SHALL BE AS FOLLOWS: FURNING VALUE: 1300 Btu/ft³; FLOW: 1.0; SPECIFIC GRAVITY: 0.6; SERVICE LINE PRESSURE: 15 TO 20 PSI.
13. PAY FOR NATURAL GAS INSTALLATION FEES RELATING TO LANDLORD'S WORK SCOPE.
14. PROVIDE A MINIMUM 6" SANITARY SEWER LATERAL WITH CAPPED END STUBBED TO THE PARCEL LINE, AT LOCATION SPECIFIED BY TENANT. SEWER LATERAL INVERT ELEVATION TO BE OF A DEPTH TO ALLOW FOR PROPER FILL AS DETERMINED BY TRENCHER AND REQUIRED COVER.
15. PAY SANITARY SEWER INSTALLATION FEES RELATED TO LANDLORD'S WORK SCOPE.
16. TELEPHONE: PROVIDE A MINIMUM 2" CONDUIT WITH A PULL ROPE TO THE PARCEL LINE, AT LOCATION SPECIFIED BY TENANT.
17. CABLE/FIBER: PROVIDE CONDUIT WITH CABLE PULLED TO A PROJECT WITHIN THE PROPERTY LINES AT A LOCATION SPECIFIED BY THE TENANT.
18. PAY INSTALLATION FEES RELATING TO LANDLORD'S WORK SCOPE.
19. PROVIDE STORM WATER DETENTION AND WATER QUALITY TREATMENT AS REQUIRED BY GOVERNING JURISDICTION. PROVIDE A MINIMUM 10' DEPTH DETENTION AND PROVIDE A LANDING WITH CAPPED STUBBED LINO WITHIN 10 FEET OF TENANT'S POINT OF CONNECTION. INVERT ELEVATIONS TO BE COORDINATED WITH TENANT'S DESIGN DOCUMENTS.
20. PROVIDE THE ON-SITE UNDERGROUND SYSTEM AT LOCATION SPECIFIED BY TENANT IF STORM WATER DETENTION IS REQUIRED TO BE UNDERGROUND.

MCDONALD'S RESERVED PARKING
DRIVE-THROUGH
CURBSIDE PICK-UP
DELIVERY

SCALE IN FEET
0 20 40





Publix



51,005 VPD



T Mobile



Saraland High School

SITE



38,295 VPD



Holiday Inn



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With respect to evaluating this property, it is the Buyer's responsibility to conduct their own due diligence and verify the accuracy of all information, including that contained herein. This Offering Memorandum is not a substitute for the Buyer's thorough due diligence investigation of this investment opportunity. The Buyer's tax, financial, and legal advisors should assist the Buyer in evaluating this property. Huffman Real Estate Services, LLC specifically denies any obligation to conduct a due diligence investigation of this Property for Buyer. This Offering Memorandum may contain projections, opinions, assumptions, or estimates, and they are for example only. They do not represent the property's future or current performance.

Significant risks are carried with all real estate investments and transactions, including this one. Returns are not guaranteed. Buyer and Buyer's financial and legal advisors must request and carefully review all financial and legal documents related to the tenant and property. The tenant's past performance, while an important consideration, is not a guarantee of future success. Similarly, the lease rate for some properties may be set based on a tenant's projected sales without a record of actual performance or comparable rents for the area. Cash flow may be interrupted by economic, market, or environmental conditions. Even with a strong credit tenant with a history of fulfilling their obligations, the tenant and any guarantors may fail to pay the lease rent or property taxes or may fail to comply with other material terms of the lease. The Buyer is responsible for conducting his or her own due diligence and determining all matters affecting the property's inherent value, including the likelihood of locating a replacement tenant or changing the use of the property entirely should the current tenant default or abandon the property. This Offering Memorandum is not a substitute for a thorough due diligence examination.

CONFIDENTIALITY AGREEMENT:

By taking possession of and reviewing the information contained herein, the recipient agrees to hold and treat all such information in the strictest confidence and agrees not to share or disseminate this information for any purpose other than to evaluate this property for purchase.