



OFFERING MEMORANDUM  
MCDONALD'S GROUND LEASE  
3026 MARKET STREET | PASCAGOULA, MS 39567

Exclusively Marketed By:

**Paul Z. Matysek, CCIM**

310.405.0902

[paul@matysekinvestment.com](mailto:paul@matysekinvestment.com)

Broker License # 01757671

**MIG** MATYSEK INVESTMENT GROUP  
COMMERCIAL REAL ESTATE ADVISORS

Listed in conjunction with MS Broker of Record Bang Realty



# INVESTMENT DESCRIPTION



We are pleased to present this absolute NNN McDonald's Ground Lease situated on over 50,000 SF of land in Pascagoula, MS. The lease structure leaves zero landlord responsibilities for the Landlord. Built in 2000, McDonald's has been at this location successfully for nearly 25 years and renegotiated their option rent from FMV to fixed increases upon the expiration of the primary term (2019), showing they knew their rent is well below market. They also completely remodeled and upgraded the building at that time showing commitment to the location. The lease features 5.5 years of term remaining with a 12.5% rent increase in each of the two remaining 5-year renewal options. McDonald's has passive Option Extensions with lack of notice 180 days prior to the Option start date, 2<sup>nd</sup> Option notification due date was April 23, 2024). The Property is corporately guaranteed by McDonald's an investment grade tenants with S&P Credit Score of BBB+.

This McDonald's is located on Hard Corner at the signalized intersection of Jackson Avenue and Market Street. It is located less than half miles away from Pascagoula High School, a highly rated public school with more than 1,400 students. The area is affluent, with an average household income of nearly \$70,000 within a 1-mile radius of the site. Listed in conjunction with MS Broker of Record Bang Realty.

## INVESTMENT SUMMARY

Tenant	McDonald's
Property Address	3026 Market Street Pascagoula, MS 39567
Property Type	Single Tenant QSR
Price	\$1,499,000
Price/SF/Bldg	\$439.33
Net Operating Income (Oct 2024)	\$52,489
CAP Rate (Oct 2024)	3.50%
Lease Type	Absolute NNN Ground Lease
Lease Guarantor	Corporate Guarantee
Lease Term Remaining	5.5 Years
Termination Right	Yes - \$100,000 then 6 months
Right of First Refusal	Yes - within 20 days
Building Size	3,412 SF
Land Size	50,094 SF
Year Built / Renovated	2000
APN	41411144

## INVESTMENT HIGHLIGHTS

- **Absolute NNN Ground Lease | Zero Landlord Responsibilities with 5.5 years left**
- **Newly Remodeled and Modernized Store |** This shows commitment to the location and high probability of continued renewals
- **Industry Leading Tenant Worldwide | Iconic Brand Ranked #1 Burger Chain in the U.S. - Legacy Asset**
- **Strategically Located Real Estate | Located on Hard Corner at the signalized intersection of Jackson Avenue and Market Street.**

Tenant	SF	% of GLA	Rent			Lease Dates		Increase Schedule	Lease Type	Renewal Options
			Monthly	PSF	Annual	PSF	Start			
McDonald's	3,412	100%	\$4,374	\$1.28	\$52,489	\$15.38	3/13/1999	10/19/2029	12.5% every 5 Yrs through options	NNN Ground Lease Option 1: 10/20/2019 \$3,888.06/Month Option 2: 10/20/2024 \$4,374.07/Month Option 3: 10/20/2029 \$4,920.82/Month Option 4: 10/20/2034 \$5,535.93/Month

Notes: Analysis shows increased rent in Option 2 of \$4,374/mo. Tenant has right to terminate with \$100,000 penalty. Tenant has ROFR to purchase within 20 days.





McDonald's





McDonald's





McDonald's Corporation is an American fast food company, founded in 1940 as a restaurant operated by Richard and Maurice McDonald, in San Bernardino, California, United States. They rechristened their business as a hamburger stand, and later turned the company into a franchise, with the Golden Arches logo being introduced in 1953 at a location in Phoenix, Arizona. In 1955, Ray Kroc, a businessman, joined the company as a franchise agent and proceeded to purchase the chain from the McDonald brothers. McDonald's had its original headquarters in Oak Brook, Illinois, but moved its global headquarters to Chicago in early 2018.

McDonald's is the world's largest restaurant chain by revenue, serving over 69 million customers daily in over 100 countries across 37,855 outlets as of 2018. Although McDonald's is best known for its hamburgers, cheeseburgers and french fries, they also feature chicken products, breakfast items, soft drinks, milkshakes, wraps, and desserts. In response to changing consumer tastes and a negative backlash because of the unhealthiness of their food, the company has added to its menu salads, fish, smoothies, and fruit. The McDonald's Corporation revenues come from the rent, royalties, and fees paid by the franchisees, as well as sales in company-operated restaurants. According to two reports published in 2018, McDonald's is the world's second-largest private employer with 1.7 million employees (behind Walmart with 2.3 million employees).

McDonald's restaurants are found in 120 countries and territories around the world and serve 68 million customers each day. McDonald's operates 37,855 restaurants worldwide, employing more than 210,000 people as of the end of 2018. There are currently a total of 2,770 company-owned locations and 35,085 franchised locations, which includes 21,685 locations franchised to conventional franchisees, 7,225 locations licensed to developmental licensees, and 6,175 locations licensed to foreign affiliates.

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

COMPANY TYPE	# OF LOCATIONS	REVENUE	HEADQUARTERS
NYSE:MCD	37,855	5.9 Billion	Chicago, IL

## Pascagoula, MS

Pascagoula is a city in Jackson County, Mississippi, United States. It is the principal city of the Pascagoula Metropolitan Statistical Area, and is part of the Gulfport–Biloxi–Pascagoula Combined Statistical Area. The population was 22,392 at the 2010 census, down from 26,200 at the 2000 census. As of 2019 the estimated population was 21,699. It is the county seat of Jackson County.

Pascagoula is a major industrial city of Mississippi, on the Gulf Coast. Prior to World War II, the town was a sleepy fishing village of about 5,000. The population skyrocketed with the war-driven shipbuilding industry. Although the city's population seemed to peak in the late 1970s and early 1980s as Cold War defense spending was at its height, Pascagoula experienced some new growth and development in the years before Hurricane Katrina. Today, Pascagoula is home to the state's largest private, single-site employer, Ingalls Shipbuilding, owned by Huntington Ingalls Industries. Other major industries include the largest Chevron refinery in the world; Rolls-Royce Naval Marine specializing in U.S. Navy ship propulsion; and First Chemical/Chemours.

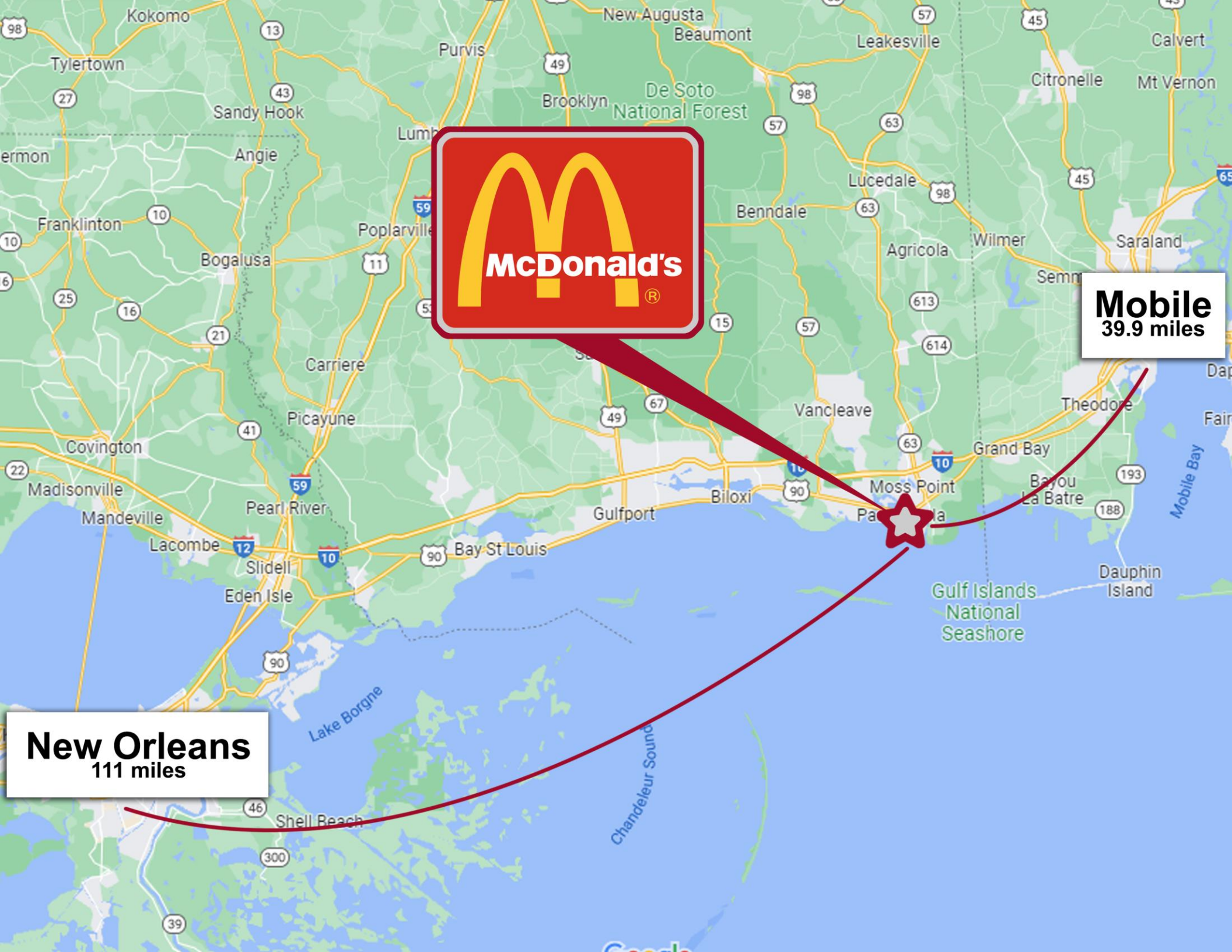
Naval Station Pascagoula was located on Singing River Island and was homeport to several Navy warships, as well as a large Coast Guard contingent. However, Naval Station Pascagoula was decommissioned as part of the 2005 BRAC recommendations and ceased operations in 2006.





**Mobile**  
39.9 miles

**New Orleans**  
111 miles





**Jackson Avenue (2,000 VPD)**

**Convent Avenue (1,900 VPD)**



**Market Street (15,000 VPD)**



**Pascagoula High School**



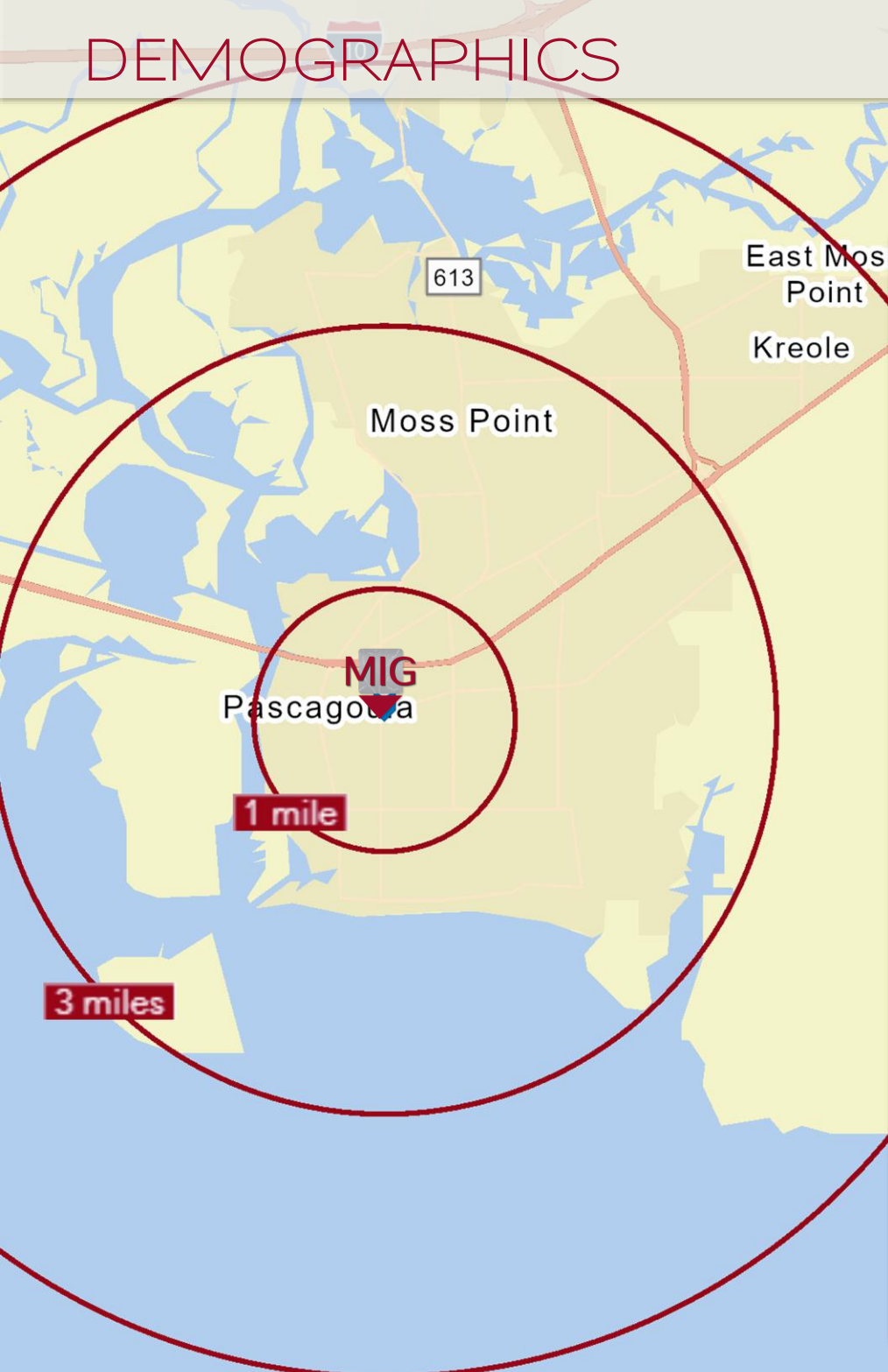
**Market Street (13,000 VPD)**



**Market Street**



# DEMOGRAPHICS



Grand Bay  
National Wildlife

	1 Mile	3 Miles	5 Miles
<b>Population</b>			
2020 Population	7,305	27,146	34,169
2022 Population	7,157	26,752	33,803
2027 Population	7,021	26,364	33,346
2010-2020 Annual Rate	-0.48%	-0.32%	-0.54%
2020-2022 Annual Rate	-0.91%	-0.65%	-0.48%
2022-2027 Annual Rate	-0.38%	-0.29%	-0.27%
2022 Male Population	50.4%	49.3%	49.2%
2022 Female Population	49.6%	50.7%	50.8%
2022 Median Age	37.1	38.5	39.3
<b>Median Age</b>			
The median age in this area is 39.3, compared to U.S. median age of 38.9.			
<b>Race and Ethnicity</b>			
2022 White Alone	52.7%	41.7%	38.5%
2022 Black Alone	34.1%	43.7%	48.2%
2022 American Indian/Alaska Native Alone	0.5%	0.4%	0.4%
2022 Asian Alone	0.7%	0.6%	0.6%
2022 Pacific Islander Alone	0.0%	0.0%	0.0%
2022 Other Race	6.2%	7.8%	6.8%
2022 Two or More Races	5.7%	5.7%	5.5%
2022 Hispanic Origin (Any Race)	10.8%	12.7%	11.2%
<b>Median Household Income</b>			
2022 Median Household Income	\$42,177	\$44,509	\$44,268
2027 Median Household Income	\$51,533	\$51,665	\$51,232
2022-2027 Annual Rate	4.09%	3.03%	2.97%
<b>Average Household Income</b>			
2022 Average Household Income	\$67,292	\$71,680	\$71,972
2027 Average Household Income	\$79,268	\$81,955	\$82,034
2022-2027 Annual Rate	3.33%	2.72%	2.65%
<b>Data for all businesses in area</b>			
Total Businesses:	597	1,181	1,441
Total Employees:	6,531	15,628	17,901
Total Residential Population:	7,157	26,752	33,803

# CONFIDENTIALITY AGREEMENT & DISCLOSURE

This Offering Memorandum is confidential and is furnished to Prospective purchasers of the Property described herein subject to the terms of the Confidentiality Agreement previously provided to and executed by such prospective purchasers. This Memorandum is intended solely to assist prospective purchasers in their evaluation of the Property and their consideration of whether to purchase the Property. It is not to be used for any other purpose or made available to any other person without the prior written consent of the Seller of the Property.

This Memorandum was prepared on the basis of information available to the Seller and to Matysek Investment Group, the Seller's exclusive agent in connection with the sale of the Property. This Memorandum Contains pertinent information about the Property and the surrounding area but it does not contain all the information necessary for a complete evaluation of the Property. The projected cash flow and other financial information contained herein are for reference only.

Although the information contained in this Memorandum is believed to be accurate and reliable, neither the Seller nor its agent guarantees its accuracy or completeness. Because of the foregoing and because the Property will be sold on an "as is" basis, prospective purchasers should make their own independent assessments, investigations, and projections regarding the Property. Although additional material, which may include engineering, environmental or other reports, may

be provided to certain prospective purchasers as appropriate, such parties should confer with their own engineering and environmental experts, counsel, accountants, and other advisors.

The Seller expressly reserves the right, in its sole discretion, to reject any offer to purchase the Property or to terminate any negotiations with any party at any time, with or without notice. The Seller shall have no legal commitment or obligation to any prospective purchaser unless and until a written Purchase and Sale Agreement has been fully executed and delivered and any and all conditions to the Seller's obligations there under have been fully satisfied or waived.

The Seller is responsible for any commission due Matysek Investment Group in connection with a sale of the Property. The Seller shall not be responsible for any commission claimed by any other agent or broker in connection with a sale of the Property. No other person, including Matysek Investment Group, is authorized to make any representation agreement on behalf of the Seller. This Memorandum remains the Property of the Seller and Matysek Investment Group and may be used only by parties approved by the Seller and Matysek Investment Group. No portion of this Memorandum may be copied or otherwise reproduced or disclosed to anyone except as provided herein and as permitted by the express terms of the Confidentiality Agreement.

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