



Social Security Administration (SSA) – Field Office

3250 Craig Drive | McKinney, TX 75070

Offering Memorandum

Colliers

Disclaimer

Colliers International Brokerage Company ("Broker") has been retained as the exclusive advisor and broker for this offering.

This Offering Memorandum has been prepared by Broker for use by a limited number of parties and does not purport to provide a necessarily accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective Buyers may need or desire. All projections have been developed by Broker and designated sources and are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Seller and therefore are subject to variation. No representation is made by Broker or the Seller as to the accuracy or completeness of the information contained herein, and nothing contained herein shall be relied on as a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be correct, the Seller and its employees disclaim any responsibility for inaccuracies and expect prospective purchasers to exercise independent due diligence in verifying all such information. Further, Broker, the Seller and its employees disclaim any and all liability for representations and warranties, expressed and implied, contained in or omitted from the Offering Memorandum or any other written or oral communication transmitted or made available to the Buyer. The Offering Memorandum does not constitute a representation that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the Offering Memorandum. Analysis and verification of the information contained in the Offering Memorandum are solely the responsibility of the prospective Buyer. Additional information and an opportunity to inspect the Property will be made available upon written request to interested and qualified prospective Buyers.

By accepting the Offering Memorandum, you agree to indemnify, defend, protect and hold Seller and Broker and any affiliate of Seller or Broker harmless from and against any and all claims, damages, demands, liabilities, losses, costs or expenses (including reasonable attorney's fees, collectively "Claims") arising, directly or indirectly from any actions or omissions of Buyer, its employees, officers, directors or agents.

Buyer shall indemnify and hold Seller and Broker harmless from and against any claims, causes of action or liabilities, including, without limitation, reasonable attorney's fees and court costs which may be incurred with respect to any claims for other real estate commissions, broker's fees or finder's fees in relation to or in connection with the Property to the extent claimed, through or under Seller.

The Seller and Broker each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time with or without notice. The Seller shall have no legal commitment or obligations to any entity reviewing the Offering Memorandum or making an offer to purchase the Property unless a written agreement for the purchase of the Property has been fully executed, delivered, and approved by the Seller and its legal counsel, and any conditions to the Seller's obligation thereunder have been satisfied or waived.

The Offering Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting the Offering Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not photocopy or duplicate it, that you will not disclose the Offering Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make an offer and from whom you have obtained an agreement of confidentiality) without prior written authorization of the Seller or Broker, and that you will not use the Offering Memorandum or any of the contents in any fashion or manner detrimental to the interest of the Seller or Broker.

No employee of seller or at the Subject Property is to be contacted without the written approval of the listing agents and doing so would be a violation of this confidentiality agreement.

Broker has created cash flow projections for the Property using Argus Financial Software. Neither Broker nor the Seller make any representation, warranty or guaranty of the economic value of the Property through the cash flow projections contained in this Offering or the associated Argus computer files.

Broker and their prospective buyers agree not to contact the tenants, their employees or customers of any business on the Property without prior permission from the Landlord.

Social Security Administration (SSA)- Field Office

3250 Craig Drive | McKinney, TX 75070



Exclusive Investment Advisory Team

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Investment Overview

The Ficke Team of Colliers is pleased to present this exclusive investment opportunity for the Social Security Administration (SSA) office located at 3250 Craig Drive in McKinney, Texas.

This best-in-class investment grade (S&P AA+) tenant is located in a thriving market 30 miles north of Dallas-Fort Worth. Developed as a build to suit for the SSA in 2006, the tenant recently reaffirmed their commitment in 2021 to this location with a new 15 year lease term providing investors with secure cash flows and capital preservation backed by the guaranty of the U.S. Federal Government. Investors will benefit from the appreciating cash flow, income tax free location and attractive financing options available.

This fully leased, single-tenant office property includes 15,544 RSF with an oversized lot of 2.55 acres situated directly off I-75 and Sam Rayburn Tollway (SH 121). Recent improvements to the property include recently upgraded LED lighting in addition to the replacement of all 12 HVAC units in 2021. The property is designed to the unique specifications and Level II designated security requirements of the SSA with the recent lease renewal including approximately \$575,000 of government approved TI/BSAC improvements.

Investment Highlights



U.S. Government Guarantee (AA+ S&P)



Build-to-Suit for the SSA in 2006



Located in an Income Tax Free State



Conveniently located along major thoroughfare of I-75 & Sam Rayburn Tollway (SHS 121)



15-Year Lease



Level II Designed Security



Growing market with +327% population growth since 1999



80% Bonus Depreciation available for a year end closing.

Tenant Overview

3250 Craig Drive | McKinney, TX 75070



The SSA is an independent agency of the U.S. federal government that administers Social Security, a social insurance program consisting of retirement, disability, and survivors' benefits. To qualify for most of these benefits, most workers pay Social Security taxes on their earnings; the claimants' benefits are based on the wage earners contributions.

The SSA is headquartered in Woodlawn, Maryland. The agency includes 10 regional offices, eight processing centers, and approximately 1,300 field office, and 37 Teleservice Centers. As of 2018, about 60,000 people were employed by the SSA, with a budget of \$1.06 trillion.

Service Areas & Benefits

- Retirement
- Disability (SSDI)
- Supplemental Security Income (SSI)
- Medicare
- Spouses, Children & Survivor Benefits
- Medicaid

Tenant	Square Feet	Building Share %	Lease Commencement	Lease Expiration (Firm)	Term Remaining (Firm)	Lease Expiration (Soft)	Term Remaining (Soft)	Annual Rent PSF	Total Rent Per Month	Total Rent Per Year	Lease Type
SSA	15,544	100%	2/2/2021	2/1/2034	10.30	2/1/2036	12.30	\$33.24	\$43,062.68	\$516,752.16	Modified Gross
	15,544	100%		WALT	10.30	WALT	12.30	\$33.24	\$43,062.68	\$516,752.16	

Property Overview

3250 Craig Drive | McKinney, TX 75070

Property Summary	
Property Address	3250 Craig Drive, McKinney, TX 75070
Lot Size	2.55
Rentable Square Feet	15,544
ABOA SF	14,868
Year Built/Renovated	2006
Ownership Type	Fee Simple

Lease Summary	
Lease Type	Modified Gross
Rentable Square Feet	15,544
Lease Commencement	02/2/2021
Lease Expiration (Firm)	02/1/2034
Term Remaining (Firm)	10.30
Lease Expiration (Full)	02/1/2036
Term Remaining (Full)	12.30



Financials Rent Schedule

3250 Craig Drive | McKinney, TX 75070

Rentable Square Feet	15,544
Real Estate Tax Base	\$74,302.08
Real Estate Tax Percentage	100%

Notes to Rent Schedule

- Tenant's tax base is assumed to be \$74,302.08 - Tenant pays any overage on its pro rata share of the property above this amount during the term of the lease or Tenant receives a credit if the tax bill is below the base amount.
- Initial OpEx Rent is \$108,093 subject to annual CPI-W increases. Latest adjustment totals \$124,296.20 (effective 2/2/2023).
- Tenant Improvement Rent is based on a total of \$349,851.63 and is amortized at a rate of 6.0 percent per annum over 134 months (Firm Term).

02/02/2021 - 02/01/2034 (Firm Term)	\$/SF	Annual	Monthly
Shell Rent	\$23.52	\$365,595	\$30,466
OpEx Base	\$6.95	\$108,093	\$9,008
Tenant Improvements Rent (TI)	\$2.77	\$43,064	\$3,589
Total	\$33.24	\$516,752	\$43,063

02/02/2034 - 02/01/2036 (Full Term)	\$/SF	Annual	Monthly
Shell Rent	\$23.52	\$365,595	\$30,466
OpEx Base	\$6.95	\$108,093	\$9,008
Total	\$30.47	\$473,688	\$39,474

Financials Pro Forma Cash Flow

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For the Years Ending		Year 1 Dec-2024	Year 2 Dec-2025	Year 3 Dec-2026	Year 4 Dec-2027	Year 5 Dec-2028	Year 6 Dec-2029	Year 7 Dec-2030	Year 8 Dec-2031	Year 9 Dec-2032	Year 10 Dec-2033	Year 11 Dec-2034	Total
Rental Revenue	\$/SF												
SSA Shell Rent	\$23.52	365,595	365,595	365,595	365,595	365,595	365,595	365,595	365,595	365,595	365,595	365,595	4,021,544
Total Rental Revenue	\$23.52	365,595	365,595	365,595	365,595	365,595	365,595	365,595	365,595	365,595	365,595	365,595	4,021,544
Other Tenant Revenue													
SSA OpEx Rent [1]	\$8.29	128,839	132,973	137,627	142,444	147,430	152,590	157,930	163,458	169,179	175,100	181,229	1,688,799
SSA RE Tax Reimbursement [2]	-\$0.17	-2,652	-503	1,711	3,992	6,340	8,760	11,252	13,818	16,462	19,185	21,989	100,353
SSA Tenant Improvement Rent [3]	\$2.77	43,064	43,064	43,064	43,064	43,064	43,064	43,064	43,064	43,064	43,064	3,589	434,231
Total Other Tenant Revenue	\$10.89	169,251	175,534	182,403	189,500	196,834	204,414	212,246	220,340	228,705	237,349	206,807	2,223,383
Effective Gross Revenue	\$34.41	534,846	541,129	547,997	555,095	562,429	570,009	577,841	585,935	594,300	602,944	572,401	6,244,927
Operating Expenses [4]													
G&A	\$0.00	60	62	64	66	68	70	72	74	76	78	81	768
Supplies	\$0.21	3,327	3,427	3,530	3,636	3,745	3,857	3,973	4,092	4,215	4,341	4,472	42,616
R&M	\$0.93	14,481	14,915	15,363	15,824	16,298	16,787	17,291	17,810	18,344	18,894	19,461	185,470
Contract Services	\$1.56	24,231	24,957	25,706	26,477	27,272	28,090	28,932	29,800	30,694	31,615	32,564	310,339
Landscaping	\$0.50	7,795	8,029	8,270	8,518	8,773	9,037	9,308	9,587	9,874	10,171	10,476	99,837
Management Fee [5]	\$0.86	13,371	13,528	13,700	13,877	14,061	14,250	14,446	14,648	14,857	15,074	14,310	156,123
Security Services	\$0.04	556	573	590	608	626	645	664	684	705	726	747	7,124
Utilities	\$1.55	24,128	24,852	25,597	26,365	27,156	27,971	28,810	29,674	30,564	31,481	32,426	309,023
Property Insurance	\$0.34	5,280	5,438	5,602	5,770	5,943	6,121	6,305	6,494	6,689	6,889	7,096	67,625
Property Taxes	\$4.61	71,650	73,799	76,013	78,294	80,642	83,062	85,554	88,120	90,764	93,487	96,291	917,676
Total Operating Expenses	\$10.61	164,879	169,581	174,434	179,434	184,584	189,889	195,354	200,984	206,783	212,757	217,924	2,096,601
Net Operating Income	\$23.80	369,968	371,548	373,563	375,661	377,845	380,119	382,487	384,952	387,517	390,187	354,478	4,148,326

Notes to Cash Flow

- Initial OpEx Base is stated in \$108,093.00/annum - Subject to CPI Increases, amount shown includes historical increases. Future CPI Inflation Schedule is assumed to be 4.0% in 2024, and 3.5% Y-o-Y thereafter.
- Tenant's tax base is assumed to be \$74,302.08 - Tenant pays any overage on its pro rata share of the property above this amount during the term of the lease.
- Tenant improvements of \$349,851.63 are amortized at a rate of 6.0 percent per annum over 134 months
- Operating Expense Source: Owner provided 2024 budget, YTD 2023 (Sept), and 2022 income statements with separate assumption for 'Management Fee'
- Management Fee assumed to be 2.5% of effective gross revenue



McKinney, TX Demographics



County Population

1,149,101+

DFW MSA Population

6,488,000+

McKinney Overview | 5 Mile Radius



Population

In the identified area, the current year population is 222,748. The 2010 Census population count in the area was 157,551, and 208,354 in 2020, a 2.8% annual growth rate. The rate of growth since 2020 was 2.1% annually. The five-year projection for the population in the area is 234,463 representing a change of 1.0% annually. Currently, the population is 49.0% male and 51.0% female.



Households

The household count in this area has changed from 74,717 in 2020 to 80,289 in the current year, a change of 2.40% annually. The five-year projection of households is 85,065, a change of 1.16% annually from the current year total. Average household size is currently 2.76, compared to 2.79 in the year 2020. The number of families in the current year is 58,432 in the specified area.



Households by income (Average)

Current average household income is \$142,473 in this area, compared to \$107,008 for all U.S. households. Average household income is projected to be \$159,019 in five years, compared to \$122,048 for all U.S. households.



Housing

Currently 62.2% of the 85,100 housing units in the area are owner occupied; 37.8% renter occupied; and 5.7% are vacant. 64.6% of the housing units in the US are owner occupied; 35.4% are renter occupied; and 10.0% are vacant. In 2010, there were 57,702 housing units in the area - 67.7% owner occupied, 25.8% renter occupied, and 6.5% vacant. The annual rate of change in housing units since 2020 is 2.3%. Median home value in the area is \$416,219, compared to a median home value of \$308,943 for the U.S. In five years, median home value in the area is projected to change to \$427,075, compared to a median home value of \$350,006 in the U.S.

3250 Craig Drive | McKinney, TX 75070



Social Security Administration





Pricing Details

Price Unstated

A formal Call for Offers will be established at a date to be determined.

Please contact us for pricing guidance and details.



Offering Instructions

3250 Craig Drive | McKinney, TX 75070

Offers should be submitted via email to:

Geoff.Ficke@colliers.com , Zack.Ficke@colliers.com &

Debra.VanderWeit@colliers.com Please include the following:

1. Purchase price
2. Source of debt and equity
3. Earnest money deposit
4. Due diligence and closing timelines
5. Detailed list of contingencies including investment committee, appraisal, and/or Lender approval that may be required
6. Detailed list of closing cost responsibilities

Property Tours

By Appointment Only

Form of PSA

TBD

Title & Escrow

TBD

Information about Brokerage Services



INFORMATION ABOUT BROKERAGE SERVICES

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015

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:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - 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.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- 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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Licensed Supervisor of Sales Agent/Associate	License No.	Email	Phone
Geoff Ficke	593051	geoff.ficke@colliers.com	972-759-7814
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date



Thank you.

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