

Marcus & Millichap

HOUSTON HYPERSCALE

OFFERING MEMORANDUM | 4202 FIDELITY ST, HOUSTON, TEXAS

PROPERTY-OWNED SUBSTATION

**PREMIER
DATA CENTER OPPORTUNITY**

Marcus & Millichap

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EXECUTIVE SUMMARY

OPPORTUNITY | HIGH-CAPACITY INFRASTRUCTURE

4202 Fidelity Street in Houston, Texas is a premier development opportunity with existing high-voltage infrastructure and scale for data center hyperscale and AI advancement.

The campus includes an on-site, property-owned substation powered by two dedicated 138 kV transmission lines from four diverse nearby substations in the most energy-rich market in the United States. Utility Engineering Supports 40 MW available for deployment in 2026, with a defined expansion pathway to 79 MW within 24 months.

The property is zoned for heavy industrial use, allowing on-site power generation, and is located near seven long-haul and metro fiber providers. Robust existing water infrastructure supports high-capacity cooling solutions, making the site well-positioned for hyperscale and AI-driven development.

KEY INFORMATION



**30-acre campus with
scalable power infrastructure**



**40 MW deployable in 2026; 79 MW
available within 24 months**



**On-site property-owned substation with
dual dedicated 138 kV transmission lines**



**Surrounded by seven long-haul and metro
fiber providers**



**Existing natural gas supports 25-29 MW of
on-site generation**



**Established water and infrastructure
supports large-scale cooling demands**



**Zoned for heavy industrial use with on-site
power generation permitted**



**Eligible for Texas sales and use tax exemptions
plus 100% Yr-1 bonus depreciation**

Utility Engagement & Power Delivery

Existing Capacity - 19 MVA

On-site, property-owned substation currently supports 19 MVA with an existing open transformer position for expansion.

2026 Deployment - 40 MW

High-voltage lines run directly to the site, enabling scalable and redundant power delivery

Expansion Pathway - 79 MW+

Near term transmission upgrade supports 79 MW within 24 months.

CIAC: \$694K + tax gross-up.

On-Site Generation Capacity

On-site natural gas infrastructure supports 4,400 MCF/d of flow, enabling an additional 25-29 MW of on-site generation depending on equipment efficiency.

EXISTING POWER INFRASTRUCTURE

DUAL DEDICATED 138 kV TRANSMISSION LINES

High-voltage lines run directly to the site, enabling scalable and redundant power delivery

Suitable for phased development and high-density AI or hyperscale deployments

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ON-SITE, PROPERTY-OWNED SUBSTATION

Provides full control over switching, configuration, and expansion planning

Accelerates timelines by removing dependency on utility-owned infrastructure

Positioned for custom builds, including 2N or N+1 configurations

Ample land available for substation expansion and future transformer installation

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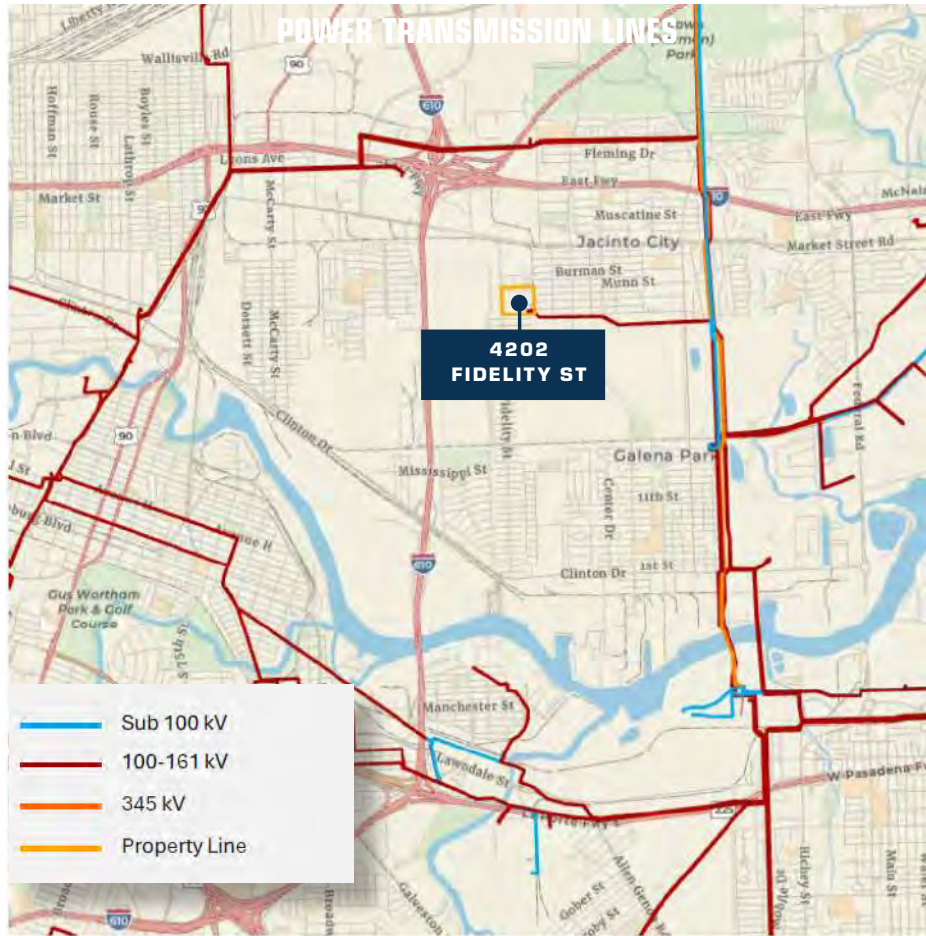
FOUR NEARBY UPSTREAM SUBSTATIONS

Diverse utility feeds enhance reliability and transmission redundancy

Supports stable power delivery across varying load conditions and grid events

ON-SITE PROPERTY OWNED SUBSTATION







PROVEN REDUNDANCY IN EXTREME CONDITIONS

2021 TEXAS FREEZE:

Site remained fully powered while much of the state experienced extended blackouts

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HURRICANE HARVEY (2017):

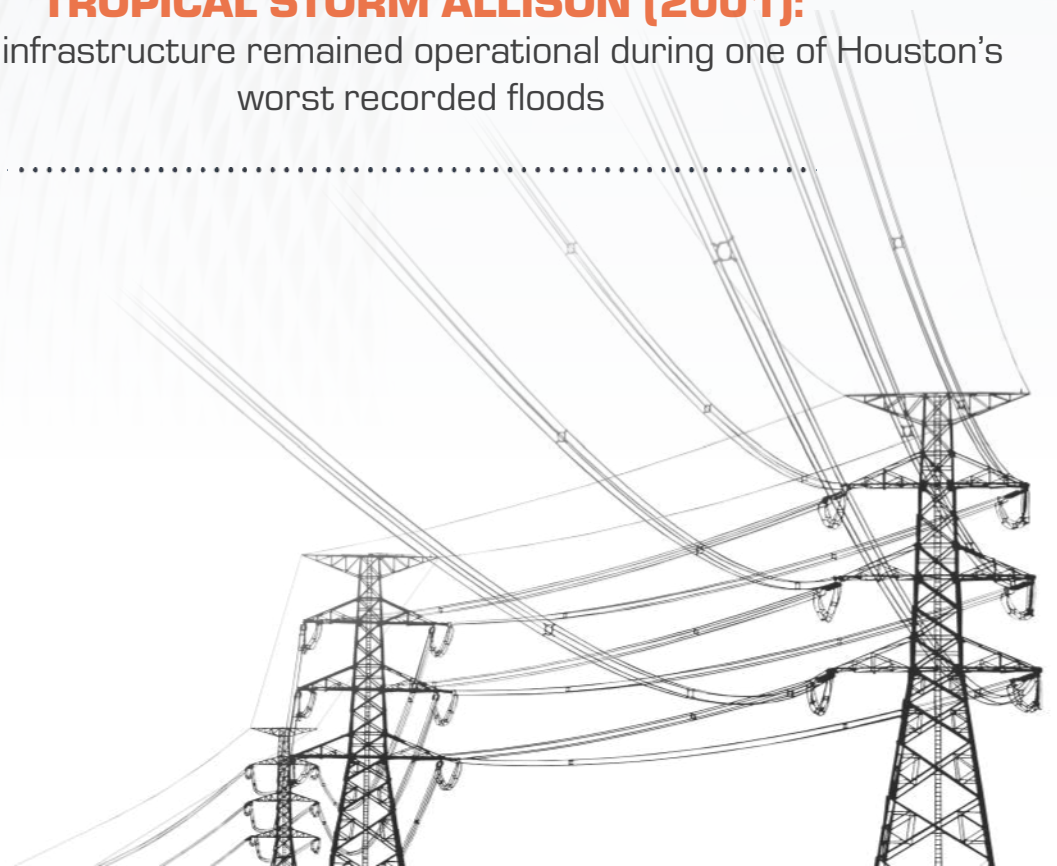
Power stayed online despite catastrophic flooding across Houston

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TROPICAL STORM ALLISON (2001):

Electrical infrastructure remained operational during one of Houston's worst recorded floods

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ADVANTAGES OF THE TEXAS ENERGY MARKET

MOST ENERGY-RICH MARKET IN THE U.S.

87 GW of electric load capacity in 2025

Projected to achieve 145 GW of load capacity by 2031 - 67% growth in 6 years

National leader of utility-scale wind and solar power

DEREGULATED POWER MARKET

Dozens of Retail Electric Providers (REPs) available

Direct negotiation of rates, terms, and renewable-backed contracts

PROCUREMENT FLEXIBILITY

Flexible pricing models: fixed-price, index-based, hybrid, and block options

Align power contracts with operational ramp-up

SUSTAINABILITY ALIGNMENT

Direct access to renewable providers and PPAs
Supports ESG targets



Projected Load Growth in Texas Power Market by Sector (2025-2031)



ON-SITE GENERATION & MICROGRID POTENTIAL

Zoned for heavy industrial use allowing on-site generation, battery storage, and microgrid builds

Existing natural gas infrastructure can support 4,400 MCF/d of flow, enabling 25–29 MW of on-site generation depending on equipment efficiency

Substation and transmission lines enable microgrid configurations and islanding

Ideal for data center operators needing resilient, mission-critical power with long-term energy control



FIBER CONNECTIVITY

CARRIER-RICH ENVIRONMENT

Seven nearby fiber providers: AT&T (on-net), Crown Castle, PS Lightwave, Phonoscope, Logix, ICTX WaveMedia, Zayo

ON-NET AND NEAR-NET ACCESS

AT&T provides lit service to the site

Additional carriers within 2,000 to 4,500 feet

GEOGRAPHIC ROUTE DIVERSITY

Entry corridors on both north and south sides

Supports dual entry redundant POEs and meet-me rooms

EXPANDABLE INFRASTRUCTURE

Room for conduit bank expansion and vault installation

Strong roadway access for scalable construction

LOW LATENCY ACCESS TO MAJOR INTERCONNECTS

WELL-POSITIONED WITHIN HOUSTON'S DENSE METRO FIBER NETWORK, ENABLING EFFICIENT ROUTING TO KEY PEERING POINTS AND CLOUD NODES

ESTIMATED ROUND-TRIP LATENCY FROM HOUSTON

DESTINATION: ESTIMATED LATENCY (MILLISECONDS)

DALLAS: 3-4 MS

AUSTIN: 4-5 MS

SAN ANTONIO: 4-6 MS

ATLANTA: 16-18 MS

CHICAGO: 26-28 MS

PHOENIX: 30-32 MS

ASHBURN, VA: 35-38 MS

SILICON VALLEY: 40-45 MS



W A T E R

INFRASTRUCTURE

ESTABLISHED INDUSTRIAL WATER ACCESS

Former large-scale glass manufacturing site with legacy water infrastructure

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DUAL MUNICIPAL REDUNDANT WATER SOURCES

Serviced by both City of Houston and Jacinto City

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STORMWATER AND DRAINAGE INFRASTRUCTURE

Underground drainage supports industrial runoff volumes

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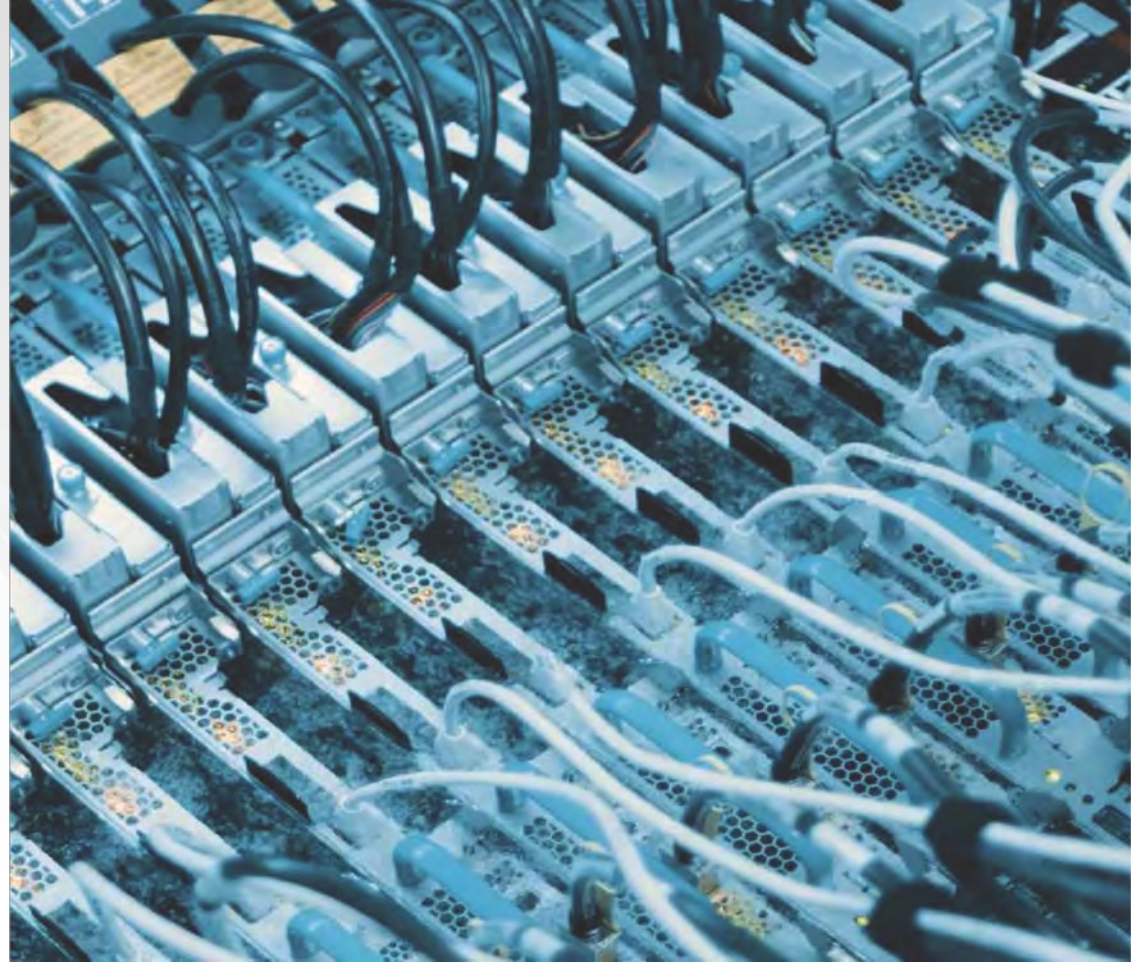
CAPACITY VALIDATION IN PROGRESS

Flow, pressure, and sizing being confirmed with local utilities

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EXPANDABLE INFRASTRUCTURE

Utility corridors available for upsized future connections if needed





ENVIRONMENTAL & NATURAL HAZARDS

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NO FLOOD RISK ON-SITE

Outside FEMA 100- and 500-year floodplains

Stormwater detention is managed off-site

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MINIMAL SEISMIC RISK

Lowest-tier USGS seismic classification

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HURRICANE ZONE WITH PROVEN RESILIENCY

Site maintained power during hurricanes
Harvey (2017) & Alison (2001)

CLEAR OF PROXIMITY HAZARDS

No nearby landfills, chemical storage, or
restricted-use zones

Surrounded by light industrial and low-density uses

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NO KNOWN ENVIRONMENTAL CONCERNS

No identified remediation required

Low-risk former glass manufacturing operations

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ADAPTIVE REUSE

±497,289 SF EXISTING IMPROVEMENTS

Ceiling heights from 26 to 42 feet

Clear-span structures allow scalable layouts

SECURE AND CONTAINED SITE

Fully fenced with controlled access and guard house

LOGISTICS-READY DESIGN

Dock-high and grade-level doors, internal truck courts

LEGACY INDUSTRIAL UTILITY BACKBONE

4" high pressure gas line, municipal water, heavy electric infrastructure

SPEED-TO-MARKET DEPLOYMENT

Fast-track capacity delivery with reduced construction scope



FULL REDEVELOPMENT STRATEGY

FLAT 30-ACRE REDEVELOPMENT-READY PARCEL

Zoned for high-density, infrastructure-intensive builds

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CUSTOM DEVELOPMENT STRATEGIES

Supports efficient hyperscale, AI, & colocation deployments

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PHASED DEVELOPMENT OPTIONALITY

Aligns with power ramp, capital deployment, and tenant needs

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LONG-TERM EXPANSION SUPPORT

Space for future substation expansion, chilled water plants, fiber hubs

Enables uninterrupted growth on single campus footprint

An aerial photograph of an industrial or commercial site. The site is divided into several sections. In the foreground, a large, reddish-brown area is highlighted with a black border, indicating a 'PROPERTY-OWNED SUBSTATION'. This area contains several tall, metal lattice towers and some concrete structures. To the left of this area, there are several large, white, rectangular buildings with flat roofs. Further back, there are more industrial structures, including a tall, thin tower and various storage areas. The background shows a residential neighborhood with houses and trees. The overall scene is a mix of industrial infrastructure and residential development.

PROPERTY-OWNED SUBSTATION



TAX INCENTIVES & BUSINESS ENVIRONMENT

TEXAS DATA CENTER EQUIPMENT EXEMPTION (HB 1223)

100% exemption for qualified equipment: servers, generators, storage, networking, cooling, PDUs, and software

Requires \$200M+ capital investment and 20 full-time jobs at 120% of average county wage

FREPORT TAX EXEMPTION

Available in Harris County and Jacinto City for inventory staged up to 175 days

Reduces personal property tax during pre-installation staging

FAVORABLE TAX STRUCTURE FOR DIGITAL INFRASTRUCTURE

No state corporate income tax means enhanced ROI for data center deployment

PRO-BUSINESS MARKET

Fast-track permitting and local support for infrastructure-intensive users

FEDERAL INCENTIVES THROUGH OBBB (ONE BIG BEAUTIFUL BILL)

100% bonus depreciation for capital improvements tied to data center and AI infrastructure

Applies to eligible equipment: servers, cooling systems, electrical hardware, and more

Improves upfront cash flow and accelerates investor return profiles

PRIME HOUSTON LOCATION



GEORGE BUSH INTERCONTINENTAL AIRPORT



NRG T.H. WHARTON PLANT



SJRR POWER PLANT



CHANNELVIEW CONGENERATION

4202 FIDELITY ST



GREENS BAYOU PLANT



CEDAR BAYOU GENERATION STATION



DOWNTOWN HOUSTON



MAJOR SEAPORT



INTERNATIONAL PORT OF HOUSTON



HO CLARKE GENERATING FACILITY



UH CENTRAL POWER PLANT



CHANNEL ENERGY CENTER



WILLIAM P. HOBBY AIRPORT



W.A. PARISH GENERATION STATION

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