

4-TENANT NNN LEASED INVESTMENT OPPORTUNITY  
WITHIN HIGH-PERFORMING URBAN INFILL COMMUNITY CENTER  
SIGNAL HILL (LONG BEACH), CA





## SIGNAL HILL GATEWAY | SIGNAL HILL, CA

959 E. Spring Street, Signal Hill, CA

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# \$7,221,000

Asking Price

# 4.25%

In-Place Cap Rate

# 4.68%

March-2020 Cap Rate

# NNN

Ease of Management

# 100%

Occupancy

## THE OFFERING

Faris Lee Investments is pleased to present the rare opportunity to acquire the fee simple interest (land & building) in a freestanding 4-tenant pad building ("the Property") including a Bank of America ATM ("the Property"), located within a dominant Home Depot anchored community center in Signal Hill (Long Beach), CA. The tenants; Starbucks, Chipotle, Sprint and Bank of America (ATM) are all strong national/credit tenants which feature corporate guaranteed NNN leases, providing ease of management with expenses passed through to the tenant and is an ideal investment for a 1031 exchange. The asset also provides multiple option periods for each tenant, allowing for long term security and stability with the potential for each tenant to remain at the property for an additional 10 to 15 years.

Starbucks: Public Company: (NASDAQ: SBUX), S&P rated A, fiscal 2017 revenue of \$22.38 billion, fiscal 2017 net income of \$2.88 billion, fiscal 2017 total assets of \$14.36 billion and fiscal 2017 market cap of \$5.45 billion

Chipotle: Public Company: (NYSE: CMG), fiscal 2017 revenue of \$4.47 billion, fiscal 2017 net income of \$176.25 million, fiscal 2017 total assets of \$2.04 billion and fiscal 2017 market cap of \$1.36 billion

Sprint: Public Company: (NYSE: S), S&P rated B, 2018 revenue of \$32.40 billion, 2018 net income of \$7.38 billion, 2018 total assets of \$85.45 billion and 2018 market cap of \$26.35 billion

Bank of America: Public Company: (NASDAQ: BAC), S&P rated A, fiscal 2017 revenue of \$83.95 billion, fiscal 2017 net income of \$18.23 billion, fiscal 2017 total assets of \$2.28 billion and fiscal 2017 market cap of \$244.82 billion

## LOCATION SUMMARY

The 4-tenant pad is located within the Signal Hill Gateway community center, which is home to an unparalleled tenant roster of top industry anchor and daily-needs tenants including Home Depot, Applebee's, Jack in the Box, In-N-Out, Petco, Dollar Tree and Ross, driving extremely high crossover foot traffic to the subject property. The property enjoys excellent signage, street frontage along California Avenue and East Spring Street, and multiple monument signs visible from one of the busiest freeways in Southern California, I-405 (333,800 VPD). The Property is also within close proximity to Long Beach Memorial Hospital, which has more than 450 beds. The city of Signal Hill is adjacent to Long Beach, which is the seventh largest city in California. With over 5,000 residential units planned or under construction, Downtown Long Beach has become one of Southern California's prime real estate markets. It is also a major industrial port, ranked second-busiest in the U.S. and tenth-busiest in the world. Some of Southern California's best attractions can be found just a few miles from the area, including the Aquarium of the Pacific, the Queen Mary Oceanliner, and Disneyland. Signal Hill Gateway benefits from its position in one of the most affluent and densely populated areas in Southern California. Over 596,600 people with an average income of over \$86,000 reside within 5 miles of the property and the high-income areas of Rancho Palos Verdes and Belmont Shore are just a short drive from the center.

# HIGHLIGHTS

## 100% NATIONAL, CREDIT TENANTS | STRONG BRAND RECOGNITION

### » Starbucks (Corporate)

Company Type:	Public (NASDAQ: SBUX)
Fiscal Year-End:	September
Fiscal 2017 Employees:	277,000
Fiscal 2017 Revenue:	\$22.38 Billion
Fiscal 2017 Net Income:	\$2.88 Billion
Fiscal 2017 Assets:	\$14.36 Billion
Fiscal 2017 Equity:	\$5.45 Billion
S&P Rating:	A

### » Chipotle Mexican Grill (Corporate)

Company Type:	Public (NYSE: CMG)
Fiscal Year-End:	September
Locations:	2,363+
Fiscal 2017 Revenue:	\$4.47 Billion
Fiscal 2017 Net Income:	\$176.25 Million
Fiscal 2017 Assets:	\$2.04 Billion
Fiscal 2017 Equity:	\$1.36 Billion

### » Sprint Wireless (Corporate)

Company Type:	Public (NYSE: S)
Fiscal Year-End:	September
Locations:	28,000
2018 Revenue:	\$32.40 Billion
2018 Assets:	\$85.45 Billion
2018 Net Income:	\$7.38 Billion
2018 Equity:	\$26.35 Billion
S&P Rating:	B

### » Bank of America (Corporate)

Company Type:	Public (NYSE: BAC)
Fiscal Year-End:	December
Employees:	208,000
Fiscal 2017 Revenue:	\$83.95 Billion
Fiscal 2017 Net Income:	\$18.23 Billion
Fiscal 2017 Assets:	\$2.28 Billion
Fiscal 2017 Equity:	\$244.82 Billion
S&P Rating:	A

## CLOSE PROXIMITY AND EASE OF ACCESS TO MAJOR TRAFFIC DRIVERS

- » Under one mile from Long Beach International Airport - Over 2.1 Million passengers annually
- » Under half of a mile from Long Beach Memorial Medical Center - 453 Beds and 2,000+ daily employees

## EASE OF MANAGEMENT | NNN LEASES

- » Minimal landlord responsibility
- » Tenants are responsible for Taxes, CAM, and Insurance
- » Landlord is responsible for roof and structure maintenance
- » Ideal investment for a passive or out-of-state investor

## IRREPLACEABLE SOUTHERN CALIFORNIA URBAN INFILL LOCATION | STRONG DEMOGRAPHICS

- » Located in the densely populated and highly affluent area of Signal Hill (Long Beach) - **291,000+ permanent residents in a three mile radius of the property**
- » Over 10,500 businesses and 101,600 employees in a three mile radius
- » Surrounded by some of the most affluent communities in Southern California, including Rancho Palos Verdes and Belmont Shore
- » Signalized, Hard Corner positioning near the intersection of Atlantic Avenue (combined 36,000 VPD)
- » Convenient access from one of the busiest freeways in California, **I-405 (333,800 VPD)**

## OUTPARCEL PAD TO POWER CENTER

- » fronts Home Depot, Ross, Petco and Dollar Tree
- » Other co-tenants include: Applebee's, Jack in the Box and In-n-out

## RARE IN-LINE STORE DRIVE THRU LOCATION

- » Increases store sales with convenience
- » Intrinsic real estate value





## PROPERTY OVERVIEW

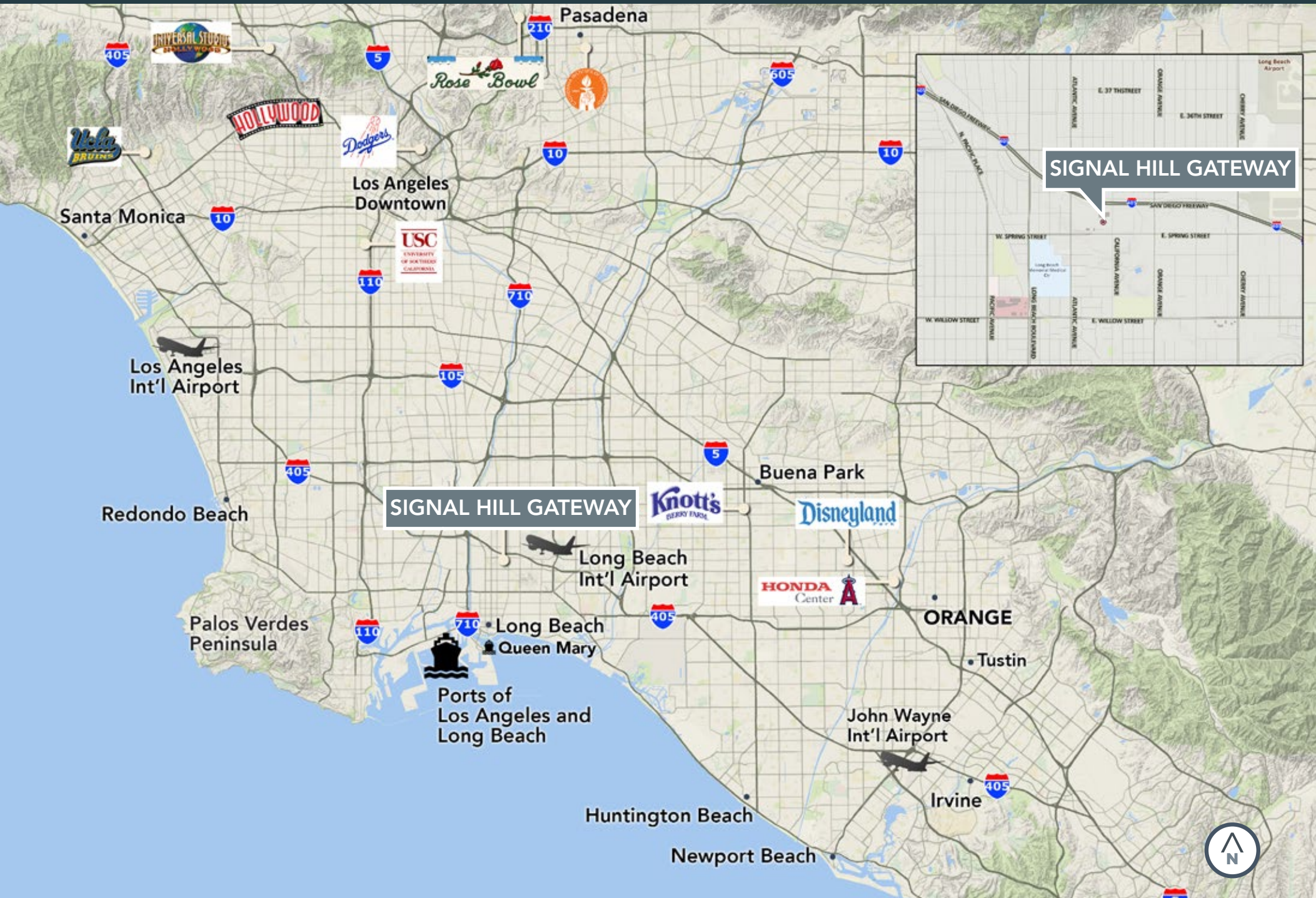


# LONG BEACH/SIGNAL HILL, CA



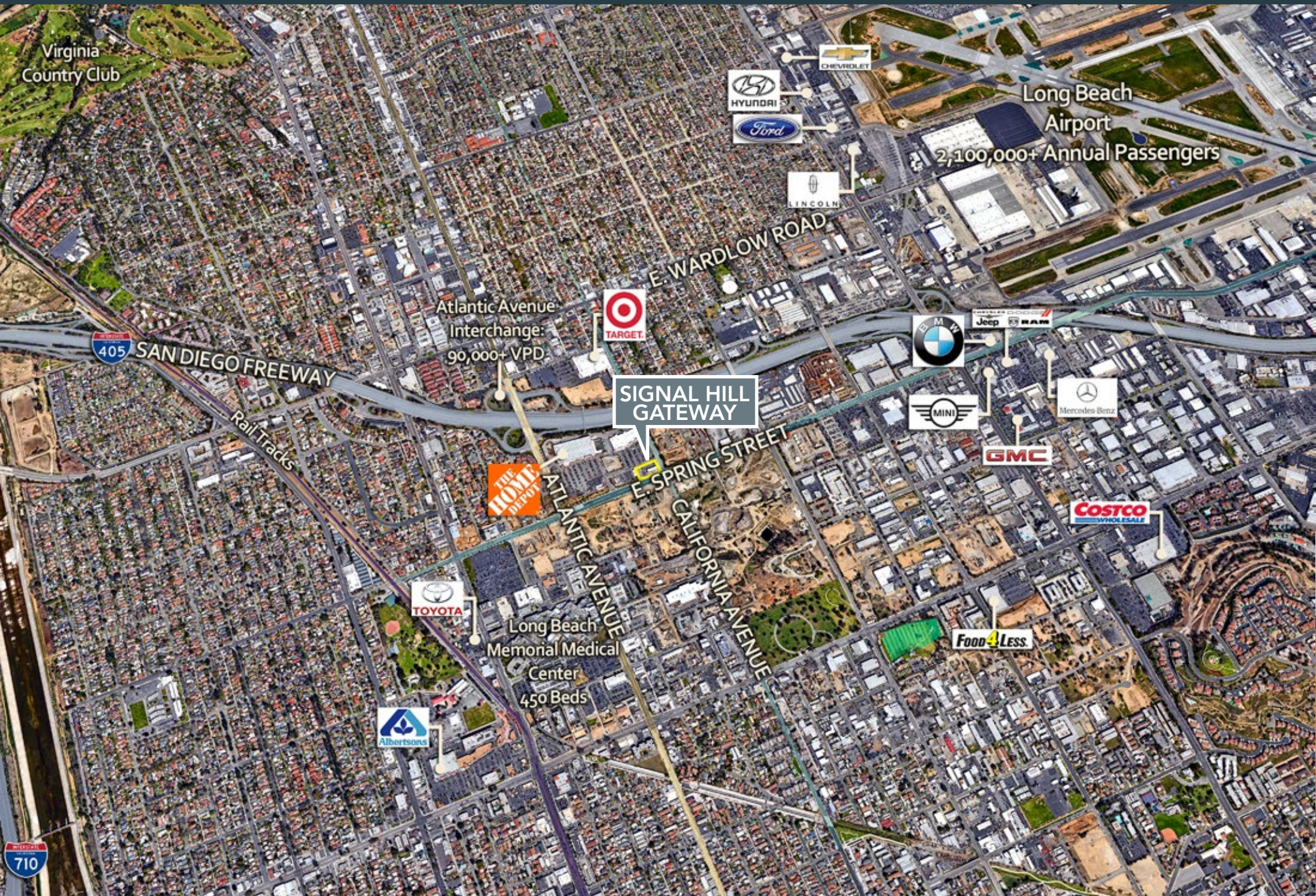


# LOCATION MAP





# AERIAL VIEW













## PROPERTY OVERVIEW

### PROPERTY SPECIFICATIONS

<b>Rentable Area:</b>	6,535 SF		
<b>Land Area:</b>	1.18 Acres (51,297 SF)	<b>Zoning:</b>	Commercial General
<b>Year Built:</b>	2015	<b>Ownership:</b>	Fee Simple (Land & Building)
<b>Address:</b>	959 E. Spring Street, Signal Hill, CA 90755		
<b>Access:</b>	There are four (4) access points, two (2) along E. Spring St. and two (2) along California Ave.		

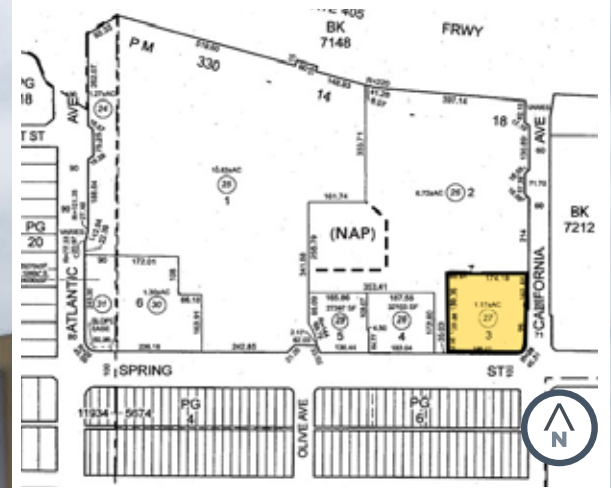
### TRAFFIC COUNTS (COSTAR 2018)

	Vehicles Per Day
E. Spring Street & Atlantic Ave.	36,000
California Ave. & E. Spring Street:	19,000
405 Freeway:	333,800

### PARCEL NUMBERS

PARCEL	ACRES	SF
7207-024-027	1.18	51,297

### PARCEL MAP







## AREA OVERVIEW







## Fast Facts

**Signal Hill, CA** is located approximately 2 miles north Long Beach, the seventh-largest city in California, situated on San Pedro Bay, south of Los Angeles, in Los Angeles County. With over 5,000 residential units planned or under construction, Downtown Long Beach has become one of Southern California's prime real estate markets. It is also a major industrial port, ranked second-busiest in the U.S. and tenth-busiest in the world. Some of Southern California's best attractions can be found just a few miles from the area, including the Aquarium of the Pacific, the Queen Mary Oceanliner, and the Long Beach Theater.

**Long Beach is home to several highly-ranked colleges and universities:**

### Cal State - Long Beach (CSULB)

Founded in 1949, CSULB is the third largest campus of the 23-school CA State University system (CSU). CSULB has been recognized as one of "America's Best Value Colleges" by the Princeton Review.

### Long beach City College

Long Beach City College, established in 1927, is the only community college serving the cities of Long Beach, Lakewood, Signal Hill, and Santa Catalina Island. Student population was 24,739 in Fall 2016.



## Economic Highlights

**A number of top companies operate large facilities in the Long Beach/Signal Hill area.**

### Mercedes-Benz

Regional West Coast Office with 1.1 MM SF on 52 acres will be the home of MBUSA's Vehicle Preparation Center, Western Region Sales Operations and Mercedes-Benz Academy Offices.

### Boeing

650,000+ SF Office/Industrial Boeing is shifting nearly 1,600 new jobs to the Long Beach Facility by 2020.

### Virgin Galactic

Virgin Galactic has built a new 150,000 SF manufacturing facility that will house design and manufacturing of the company's small satellite launch vehicle: LauncherOne.

### Rubbercraft

122,000+ SF of industrial/office. Three years ago private equity firm Industrial Growth Partners bought its parent firm: Sanders Holdings Inc.

## MAJOR EMPLOYERS

Long Beach Unified Schools

Long Beach City College

CSU Long Beach

Boeing

Southern California Edison

Spectrum Communications

Aquarium of the Pacific

Costco

Crane

Alliance Spacesystems



Queen Mary



## LONG BEACH/SIGNAL HILL, CA FAST FACTS



**474,741**

POPULATION ESTIMATE (2017)



**37%**

PREDICTED JOB GROWTH OVER THE NEXT 10 YEARS



**1.37%**

RECENT JOB GROWTH



**6.3%**

HOME APPRECIATION IN THE LAST YEAR



**34**

MEDIAN AGE



**\$85,600**

AVERAGE HOUSEHOLD INCOME IN 5 MILE RADIUS



**30 Minutes**

AVERAGE COMMUTE TIME



Aquarium of the Pacific



California State University - Long Beach

### DISTANCE FROM SIGNAL HILL:



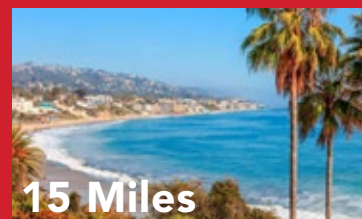
**2 Miles**

LONG BEACH



**15 Miles**

DOWNTOWN LA



**15 Miles**

ORANGE COUNTY



**90 Miles**

SAN DIEGO



Signal Hill, CA (rol3.sitesusa.com)	1 Mile	3 Mile	5 Mile
2018 Estimated Population	22,376	291,067	596,657
2023 Projected Population	22,812	295,297	604,633
2010 Census Population	21,766	284,309	584,340
2000 Census Population	21,816	286,319	579,134
Projected Annual Growth 2018 to 2023	0.4%	0.3%	0.3%
Historical Annual Growth 2000 to 2018	0.1%	0.1%	0.2%
2018 Median Age	37.4	33.6	35.2
2018 Estimated Households	8,023	95,776	207,557
2023 Projected Households	8,403	100,032	216,691
2010 Census Households	7,660	91,699	199,359
2000 Census Households	7,382	90,646	198,005
Projected Annual Growth 2018 to 2023	0.9%	0.9%	0.9%
Historical Annual Growth 2000 to 2018	0.5%	0.3%	0.3%
2018 Estimated White	37.1%	35.8%	43.2%
2018 Estimated Black or African American	16.1%	15.0%	14.2%
2018 Estimated Asian or Pacific Islander	22.0%	18.6%	15.8%
2018 Estimated American Indian or Native Alaskan	0.6%	0.8%	0.7%
2018 Estimated Other Races	24.2%	29.8%	26.1%
2018 Estimated Hispanic	36.1%	47.4%	42.8%
2018 Estimated Average Household Income	\$88,477	\$72,622	\$86,272
2018 Estimated Total Businesses	2,273	10,572	21,715
2018 Estimated Total Employees	23,900	101,612	231,946
2018 Estimated Employee Population per Business	10.5	9.6	10.7
2018 Estimated Residential Population per Business	9.8	27.5	27.5





## PRICING ANALYSIS



SITE PLAN



SITE PLAN NOT TO SCALE



# RENT ROLL

Tenant	Size (SF)	Current Monthly Rent	Monthly Rent \$/SF	Current Annual Rent	Annual Rent \$/SF	Increase Date	Increase	Rental Increases Monthly Rent	Monthly \$/SF	Annual Rent	Annual \$/SF	Recovery Type	Lease Start	Lease Expires	Lease Options
Starbucks	1,700	\$7,225	\$4.25	\$86,700	\$51.00	Mar-2020	10%	\$7,948	\$4.68	\$95,370	\$56.10	NNN	11/13/2014	2/28/2025	3 (5-Year) Option 1: \$8,742/mo. Option 2: \$9,616/mo. Option 3: \$10,578/mo.
Chipotle	1,800	\$7,200	\$4.00	\$86,400	\$48.00	Jan-2020	10%	\$7,920	\$4.40	\$95,040	\$52.80	NNN	12/11/2014	12/31/2024	2 (5-Year) Option 1: \$8,712/mo. Option 2: \$9,583/mo.
Sprint	3,000	\$9,750	\$3.25	\$117,000	\$39.00							NNN	11/15/2014	11/14/2019	2 (5-Year) Option 1: \$10,726/mo. Option 2: greater of FMV or 10% increase
Bank of America (ATM)	35	\$1,400	\$40.00	\$16,800	\$480.00	Dec-2019	12%	\$1,568	\$44.80	\$18,816	\$537.60	NNN	12/11/2014	12/31/2024	2 (5-Year) 12% increase
Total Occupied	6,535	\$25,575	\$3.91	\$306,900	\$46.96										
Total Vacant	0	\$0		\$0											
Total / Wtd. Avg:	6,535	\$25,575	\$3.91	\$306,900	\$46.96										





## TRANSACTION SUMMARY

### Financial Information

Price: \$7,221,000

Lease Type: NNN

Tenant is responsible for taxes, insurance and CAM  
Landlord is responsible for roof and structure

### Property Specifications

Rentable Area: 6,535 SF

Land Area: 1.18 Acres

Year Built: 2015

Address: 959 E. Spring Street, Signal Hill, CA 90755

Parcel Numbers: 7207-024-027

Ownership: Fee Simple (Land & Building)

Tenant: Starbucks, Chipotle, Sprint and Bank of America (ATM)

### Operating Information

	<u>In-Place</u>	<u>Mar-20</u>
Gross Potential Rent	\$306,900	\$337,938
Plus Recapture	NNN	NNN
Effective Gross Income	\$306,900	\$337,938
Less Expenses	(NNN)	(NNN)
Net Operating Income	\$306,900	\$337,938

Cap Rate:	4.25%	4.68%
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### STARBUCKS

Starbucks Corporation, together with its subsidiaries, operates as a roaster, marketer, and retailer of specialty coffee worldwide. Its stores offer coffee and tea beverages, packaged roasted whole bean and ground coffees, single-serve and ready-to-drink coffee and tea products; an assortment of fresh food and snack offerings and various food products. It offers its products under the Starbucks, Teavana, Tazo, Seattle's Best Coffee, Evolution Fresh, La Boulange, Ethos, Frappuccino, Starbucks Doubleshot, Starbucks Refreshers, and Starbucks VIA brand names. As of July 26, 2018, the company operated 28,720 stores. Starbucks Corporation was founded in 1971 and is based in Seattle, Washington.

<b>Company Type:</b>	Public (NASDAQ: SBUX)	<b>2017 Net Income:</b>	\$2.88 Billion
<b>Fiscal Year-End:</b>	September	<b>2017 Assets:</b>	\$14.36 Billion
<b>2017 Employees:</b>	277,000	<b>2017 Equity:</b>	\$5.45 Billion
<b>2017 Revenue:</b>	\$22.38 Billion	<b>S&amp;P Rating:</b>	A



### CHIPOTLE

Chipotle Mexican Grill, Inc., together with its subsidiaries, develops and operates fast-casual fresh Mexican food restaurants. As of October 25, 2016, the company operated approximately 2,100 restaurants, including 27 Chipotle restaurants outside the United States; and 15 ShopHouse Southeast Asian Kitchen restaurants, as well as owned and operated 7 Pizzeria Locale restaurants that are fast casual pizza concept restaurants. The company was founded in 1993 and is based in Denver, Colorado.

<b>Company Type:</b>	Public (NYSE: CMG)	<b>2017 Net Income:</b>	\$176.25 Million
<b>Fiscal Year-End:</b>	September	<b>2017 Assets:</b>	\$2.04 Billion
<b>2017 Locations:</b>	2,363	<b>2017 Equity:</b>	\$1.36 Billion
<b>2017 Revenue:</b>	\$4.47 Billion		



### SPRINT

Spring Spectrum L.P., doing business as Sprint PCS, offers wireless telecommunications, voice, messaging, and data services. It also offers broadband personal communications services and sells various smartphone devices. The company was founded in 1995 and is based in Overland Park, Kansas. Sprint Spectrum L.P. operates as a subsidiary of Sprint Spectrum Holding Company, L.P.

<b>Company Type:</b>	Public (NYSE: S)	<b>2017 Revenue:</b>	\$33.34 Billion
<b>Fiscal Year-End:</b>	September	<b>2017 Assets:</b>	\$85.12 Billion
<b>2017 Locations:</b>	28,000	<b>2017 Equity:</b>	\$18.80 Billion



### BANK OF AMERICA (ATM)

Bank of America Corporation, through its subsidiaries, provides banking and financial products and services for individual consumers, small- and middle-market businesses, institutional investors, large corporations, and governments worldwide. It operates through four segments: Consumer Banking, Global Wealth & Investment Management (GWIM), Global Banking, and Global Markets. The company operates more than 4,500 bank branches and 16,000 ATMs worldwide. Bank of America Corporation was founded in 1874 and is based in Charlotte, North Carolina.

<b>Company Type:</b>	Public (NYSE: BAC)	<b>2017 Revenue:</b>	\$83.95 Billion
<b>2018 Employees:</b>	208,000	<b>2017 Assets:</b>	\$2.28 Trillion
<b>2017 Net Income:</b>	\$18.23 Billion	<b>Website:</b>	www.bankofamerica.com
<b>2017 Equity:</b>	\$244.82 Billion		



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