



# TRACTOR SUPPLY COMPANY

APPLE VALLEY, CALIFORNIA (INLAND EMPIRE)

YURAS  
AICALE  
FORSYTH  
CROWLE

Leased Investment Team

## OFFERING MEMORANDUM



**\$7,288,000 | 5.20% CAP RATE**

- » New 15-Year Net Lease with 5% Rental Increases Every Five Years
- » Tractor Supply is a Well-Known Fortune 500 Company
- » High-Traffic Location in Primary Retail Corridor
- » Corner Location with Excellent Visibility and Access to 35,500 AADT
- » Strong Customer Base in Area
- » 105,867 Residents Within a Five-Mile Radius
- » 2019 Built-to-Suit Construction
- » Fenced Outdoor Sales Area and Ample On-Site Parking
- » Excellent Location in Rapidly Growing Inland Empire
- » Region is Leading California in Job Growth

FILE PHOTO

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Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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[www.YAFteam.com](http://www.YAFteam.com)



# INVESTMENT SUMMARY

<b>ADDRESS</b>	Bear Valley Road and Braeburn Road, Apple Valley, CA		
<b>PRICE</b>	<b>\$7,288,000</b>		
<b>CAP RATE</b>	<b>5.20% return</b>		
<b>NOI</b>	\$378,999		
<b>TERM</b>	15 years		
<b>RENT COMMENCEMENT</b>	April 1, 2019 (estimated)		
<b>LEASE EXPIRATION</b>	March 31, 2034 (estimated)		
<b>RENTAL INCREASES</b>	5% rental increases every five (5) years		
	<b>YEAR</b>	<b>RENT</b>	<b>RETURN</b>
	1-5	\$378,999	5.20%
	6-10	\$397,950	5.46%
	11-15	\$417,849	5.73%
	16-20 (Option 1)	\$438,741	6.02%
	21-25 (Option 2)	\$460,677	6.32%
	26-30 (Option 3)	\$483,711	6.64%
	31-35 (Option 4)	\$507,897	6.97%
<b>YEAR BUILT</b>	2019		
<b>BUILDING SF</b>	18,800 SF		
<b>PARCEL SIZE</b>	2.85 acres (124,146 SF)		
<b>LEASE TYPE</b>	Net, with landlord responsible for roof, structure, and parking lot replacement		

## NET LEASE WITH SCHEDULED RENT INCREASES TO STRONG NATIONAL TENANT

- » Leased to Tractor Supply Company (NASDAQ: "TSCO") for 15 years, plus four five-year option periods
- » 5% rental increases every five years, providing a hedge against inflation
- » Tractor Supply is a Fortune 500 company with revenues of \$7.9 billion

## HIGH-TRAFFIC LOCATION IN PRIMARY RETAIL CORRIDOR

- » Excellent visibility and access to 35,500 vehicles per day directly in front of the site on the corner of Bear Valley Road and Braeburn Road
- » Bear Valley Road serves as one of Apple Valley's primary retail corridors, and the property is close to several large shopping center and national tenants
- » Notable retailers near the property include Target, Lowe's, Stater Bros., Rite Aid, Best Buy, Bed Bath & Beyond, PetSmart, Big 5, Home Depot, Walmart, Big Lots, and more

## STRONG CUSTOMER BASE WITH ROBUST DEMOGRAPHICS

- » Close to several schools, including Victor Valley College, which has 12,892 students and 803 employees
- » Densely populated area, with 105,867 residents living within a five-mile radius
- » High average household income of \$88,822 within one mile of the property
- » Surrounded by farms, ranches, and residential neighborhoods, representing a large portion of Tractor Supply's target customers
- » 44% of Tractor Supply's store sales come from pets and livestock, which bodes well for rural and suburban locations

## NEW 2019 BUILT-TO-SUIT CONSTRUCTION

- » High-quality construction due to be completed in early 2019
- » Built to Tractor Supply Company's exact specifications
- » Features latest Tractor Supply Company store designs and concepts, including fenced outdoor sales area and ample onsite parking







**TSC TRACTOR  
SUPPLY CO.**  
UNDER CONSTRUCTION

Braeburn Road

Bear Valley Road (35,500 AADT)

**U-HAUL**





**Dunia Plaza**

**LOWE'S**  
Home Improvement Warehouse

**Michael's**  
Where Creativity Happens

**STAPLES**

**KOHL'S**

**SONIC**  
America's Drive-In

**Panera BREAD**

**Walmart**

**The Mall of Victor Valley**

★ **macy's** **sears**

**Village Center**

**Party City**

**BED BATH & BEYOND**

**HOBBY LOBBY**

**OfficeMax**

**99¢ ONLY STORES**

**PET SMART**

**FALLAS**  
DISCOUNT STORES

Encore High School  
(1,228 students)

INDUSTRIAL REGION

**BEST BUY**

Mojave Elementary School & Lomitas Elementary School  
(2,043 students)

INDUSTRIAL REGION

**BEST BUY**

**BED BATH & BEYOND**

**ULTA BEAUTY**

**24 FITNESS**

**Denny's**

**BUFFALO WILD WINGS**  
GRILL & BAR

**RED ROBIN**  
GOURMET BURGERS

**DESERT VALLEY HOSPITAL**  
(83 beds)

Endeavour School of Exploration and Lakeview Leadership Academy  
(1,528 students)

**GOODYEAR**

**DISTRIBUTION CENTER**  
(249 employees)

**WinCo FOODS**

**Burlington Coat Factory**

**RITE AID**

**PET SMART**

**KIRKLAND'S**  
Home Decor, Gifts & More

**BIG 5 SPORTING GOODS**

**LANE BRYANT**

**Chipotle**

**a Pollo Loco**  
Flame Grilled Mexican Chicken

**THE HOME DEPOT**

**Yogurtland**

**PAPA JOHN'S**

**Wendy's**

**McDonald's**

**PIELOGY**

**PIZZA HUT**

**VICTOR VALLEY COLLEGE**  
(12,892 students and 803 employees)

**TARGET**

**GameStop**

**STAPLES**

**99¢ ONLY STORES**

**PANDA EXPRESS**

**SONIC**  
America's Drive-In

**Quad Cities Shopping Center**

**LOWE'S**

**STATER BROS.**

**Carl's Jr.**

**DEL TACO**

**Walgreens**

**UPS**  
The UPS Store

**U-HAUL**

Bear Valley Road (35,500 AADT)

**TSC TRACTOR SUPPLY CO**  
UNDER CONSTRUCTION





APPLE VALLEY  
GOLF COURSE

**TARGET**  
**ROSS**  
DRESS FOR LESS  
**DOLLAR TREE**  
**verizon**  
T-Mobile  
PANDA EXPRESS  
The UPS Store

**Albertsons**

**AutoZone**  
**AMERICA'S TIRE**  
**Little Caesars**

**Rancherias Plaza**  
**CVS pharmacy** **99c ONLY** **Dominos** **Jack in the box** **Starbucks**

**Walmart** **McDonald's**  
**O'Reilly AUTO PARTS**

**TSC TRACTOR SUPPLY CO.**  
UNDER CONSTRUCTION



Bear Valley Road (35,500 AADT)

**U-HAUL**

Sitting Bull  
Academy  
(1,457 students)





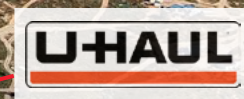
Granite Hills  
High School  
(1,451 students)

Vanguard  
Preparatory School  
(1,190 students)



Apple Valley  
High School  
(2,128 students)

Sandia Academy  
(931 students)



Bear Valley Road (35,500 AADT)

Deep Creek Road (4,300 AADT)



# SITE PLAN





# TENANT SUMMARY



Tractor Supply Company (NASDAQ: "TSCO") is the largest operator of rural lifestyle retail stores in the United States. The company operates 1,765 retail stores in 49 states, employs more than 29,000 team members, and trades its stock on the Nasdaq Stock Market under the ticker symbol "TSCO". Stores supply the unique products to support their customers' rural lifestyle, from welders and generators to animal care products and men and women's workwear. Tractor Supply stores also sell pet supplies, animal feed, power tools, riding mowers, lawn and garden products, and more. Each store team includes welders, farmers, and horse owners who collectively provide an exceptional depth of knowledge and resources.

Tractor Supply stores are located primarily in towns outlying major metropolitan markets and in rural communities. The typical Tractor Supply store has about 15,500 square feet of selling space inside, with a similar amount of outside space. Tractor Supply's customers include farmers, horse owners, ranchers, part-time and hobby farmers, and suburban and rural homeowners, as well as contractors and tradesmen.

For additional information, please visit [www.tractorsupply.com](http://www.tractorsupply.com).

<b>TICKER</b>	<b>NASDAQ: "TSCO"</b>	<b>HEADQUARTERS</b>	<b>Brentwood, TN</b>
<b>LOCATIONS</b>	<b>1,765</b>	<b>REVENUE</b>	<b>\$7.91B</b>



# LEASE ABSTRACT

<b>TENANT</b>	Tractor Supply Company		
<b>ADDRESS</b>	<a href="#">Bear Valley Road and Braeburn Road, Apple Valley, California</a>		
<b>RENT COMMENCEMENT</b>	April 1, 2019 (estimated)		
<b>LEASE EXPIRATION</b>	March 31, 2034 (estimated)		
<b>RENEWAL OPTIONS</b>	Four (4) five (5) year options		
<b>RENTAL INCREASES</b>	<b>YEAR</b> 1-5 6-10 11-15 16-20 (Option 1) 21-25 (Option 2) 26-30 (Option 3) 31-35 (Option 4)	<b>RENT</b> \$378,999 \$397,950 \$417,849 \$438,741 \$460,677 \$483,711 \$507,897	<b>RETURN</b> 5.20% 5.46% 5.73% 6.02% 6.32% 6.64% 6.97%
<b>REAL ESTATE TAXES</b>	Tenant shall pay all real estate taxes.		
<b>INSURANCE</b>	Tenant shall maintain commercial general liability insurance and property insurance. Landlord shall maintain commercial general liability insurance.		
<b>REPAIR &amp; MAINTENANCE</b>	Tenant shall be responsible for maintaining the interior of the Building, landscape maintenance and repair, maintaining the Fenced Outdoor Display Area, and restriping the parking lot.		
<b>MAINTENANCE BY LANDLORD</b>	Landlord shall maintain the structure and exterior of the Building and all outdoor elements of the Demised Premises, to the extent not the responsibility of Tenant.		
<b>RIGHT OF FIRST REFUSAL</b>	Tenant shall have thirty (30) days to exercise its Right of First Refusal.		



# PROPERTY OVERVIEW

## LOCATION

The property is located at the corner of Bear Valley Road and Braeburn Road, with excellent visibility and access to 35,500 vehicles per day directly in front of the site. Bear Valley Road serves as one of Apple Valley's primary retail corridors, and the property is close to several large shopping center and national tenants. Notable retailers near the property include Target, Lowe's, Stater Bros., Rite Aid, Best Buy, Bed Bath & Beyond, PetSmart, Big 5, Home Depot, Walmart, Big Lots, and more.

The property is close to several schools, including Victor Valley College, which has 12,892 students and 803 employees. Additionally, the property is surrounded by farm and ranch land, as well as densely populated residential neighborhoods, with 105,867 people living within five miles of the property. Tractor Supply caters to farmers, ranchers, and homeowners, amongst others; the property's proximity to residential neighborhoods, farms, and ranches provides a strong customer base for Tractor Supply.

## ACCESS

Access from Bear Valley Road and Braeburn Road

## TRAFFIC COUNTS

Bear Valley Road: 35,500 AADT

## PARKING

82 parking stalls, including eight (8) handicap stalls

## YEAR BUILT

2019

## NEAREST AIRPORT

Ontario International Airport (ONT)



FILE PHOTO



**82**  
PARKING  
STALLS



**2019**  
YEAR BUILT



**35K**  
TRAFFIC  
COUNT (AADT)



**NEAREST  
AIRPORT**  
ONTARIO  
INTERNATIONAL  
AIRPORT



# AREA OVERVIEW

Apple Valley is located in the Victor Valley of San Bernardino County. The town is east of and adjoining to the neighboring cities of Victorville and Hesperia, 35 miles south of Barstow and 49 miles north of San Bernardino through the Cajon Pass. As of 2017, Apple Valley has a population of 73,077. Once a playground of movie stars, Apple Valley continues to provide a wide range of reasons for families to make the town their home. Apple Valley boasts highly regarded schools, affordable housing, clean air, low crime rates, and open spaces. Apple Valley, in combination with Victorville, Hesperia, Adelanto, and immediate surrounding areas, are commonly known as the Victor Valley. The population of the entire Victor Valley region is more than 443,000.

San Bernardino County has a population of 2,157,404, making it the fifth most populous county in California and the 12th most populous in the United States. San Bernardino County is included in the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (MSA), also known as the Inland Empire. The Inland Empire has a population of nearly 4.6 million. Since the 1970s, a rapidly growing population, fed by families migrating in search of affordable housing, has led to large amounts of residential, industrial, and commercial development in the Inland Empire. San Bernardino and Riverside counties are primarily host to service and manufacturing- or warehousing-oriented industries. The area's transport network, where many highways and railroads intersect, has made the Inland Empire a major shipping hub. Some of the nation's largest manufacturing companies have chosen the Inland Empire for their distribution facilities, and more than 80% of California's imported cargo is shipped through the Los Angeles/Inland Empire Corridor.

- » Apple Valley has emerged as a leader in advanced healthcare systems, spanning the gamut from pediatric services to radiology, with St. Mary Medical Center as the hub of state-of-the-art medical services.
- » Apple Valley has a long and storied relationship with Hollywood production studios and has been a filming location for many award-winning feature films, television shows, and commercials.
- » The Inland Empire has close to 4.6 million residents, making it more populous than almost half the states in the country. Riverside and San Bernardino counties are on track to grow every year through at least 2060, the farthest into the future that the California Department of Finance forecasts. Riverside County could start that decade with at least 3.6 million residents; San Bernardino County, with at least 3.2 million.
- » The Inland Empire is leading California in job creation. In December 2017, the two-county region posted year-over-year job growth of 3.4%, a faster rate than any part of California.
- » Amazon—which has 13 e-commerce centers in the Inland Empire and is in the process of building a 14th—has more than 18,000 employees in the region.

MAJOR EMPLOYERS IN INLAND EMPIRE	# OF EMPLOYEES
COUNTY OF SAN BERNARDINO	22,907
COUNTY OF RIVERSIDE	22,038
AMAZON	18,000
LOMA LINDA UNIVERSITY HEALTH	16,035
FORT IRWIN	13,805
UNIVERSITY OF CALIFORNIA, RIVERSIDE	13,541
U.S. MARINE CORPS AIR GROUND COMBAT CENTER	12,486
KAISER PERMANENTE	11,500
SAN BERNARDINO CITY UNIFIED SCHOOL DISTRICT	9,077
MARCH AIR RESERVE BASE	9,000





# DEMOGRAPHIC PROFILE

2018 SUMMARY	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>4,951</b>	<b>47,569</b>	<b>105,867</b>
Households	1,653	16,586	35,164
Families	1,270	12,234	26,360
Average Household Size	2.98	2.85	3.00
Owner Occupied Housing Units	1,038	11,580	22,803
Renter Occupied Housing Units	616	5,006	12,361
Median Age	36.1	39.9	36.1
<b>Average Household Income</b>	<b>\$88,822</b>	<b>\$80,239</b>	<b>\$74,684</b>

2023 ESTIMATE	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>5,118</b>	<b>49,759</b>	<b>110,652</b>
Households	1,703	17,379	36,686
Families	1,308	12,791	27,469
Average Household Size	2.99	2.85	3.00
Owner Occupied Housing Units	1,131	12,684	24,960
Renter Occupied Housing Units	572	4,695	11,726
Median Age	36.0	40.3	36.8
<b>Average Household Income</b>	<b>\$107,178</b>	<b>\$95,298</b>	<b>\$89,397</b>



**POPULATION OF 105,867  
WITHIN FIVE MILES**





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