

## OFFERING MEMORANDUM



DOWNEY  
CALIFORNIA

Guaranteed by Largest Valvoline Franchisee

Marcus & Millichap  
NNN DEAL GROUP





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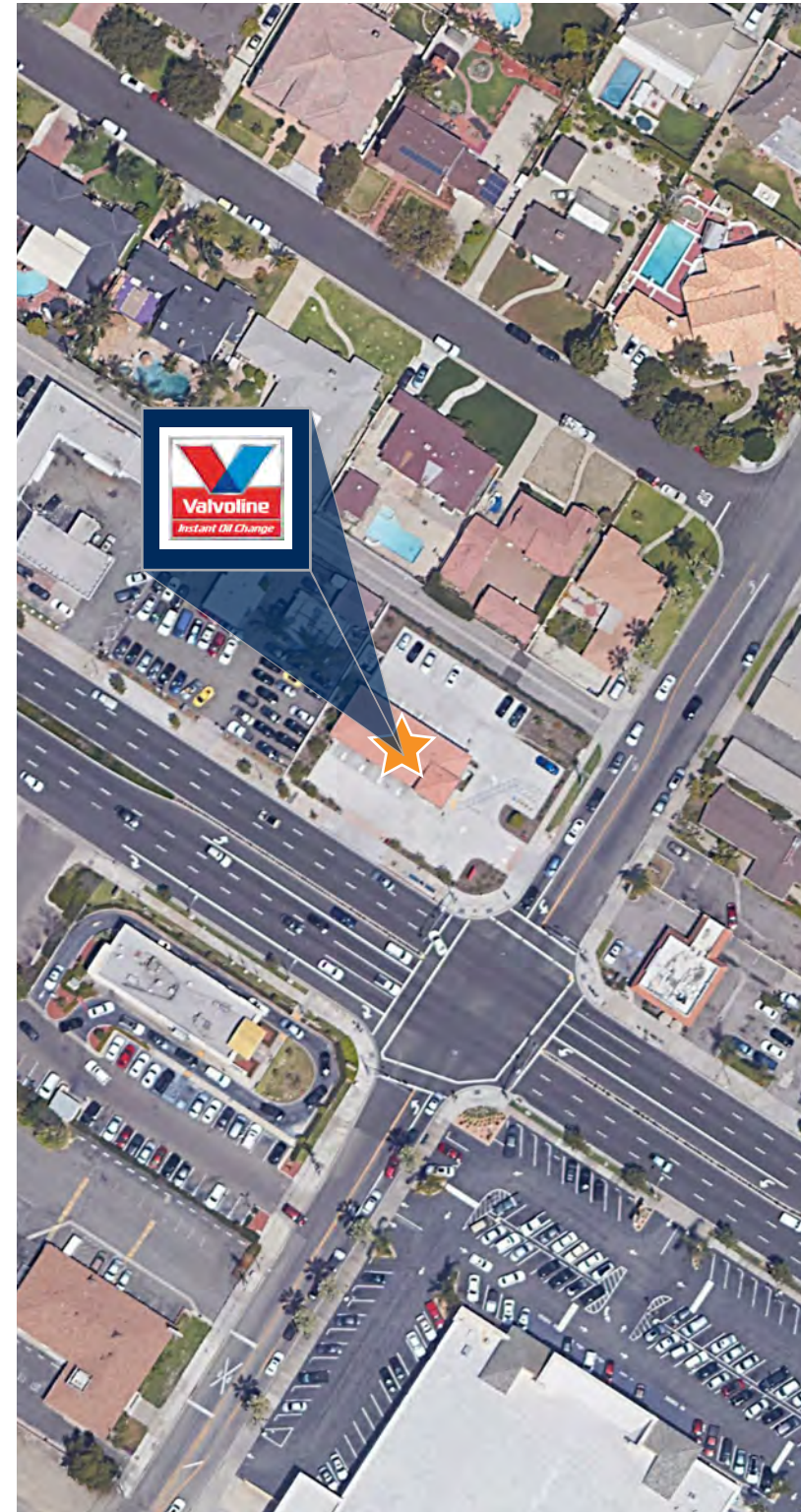
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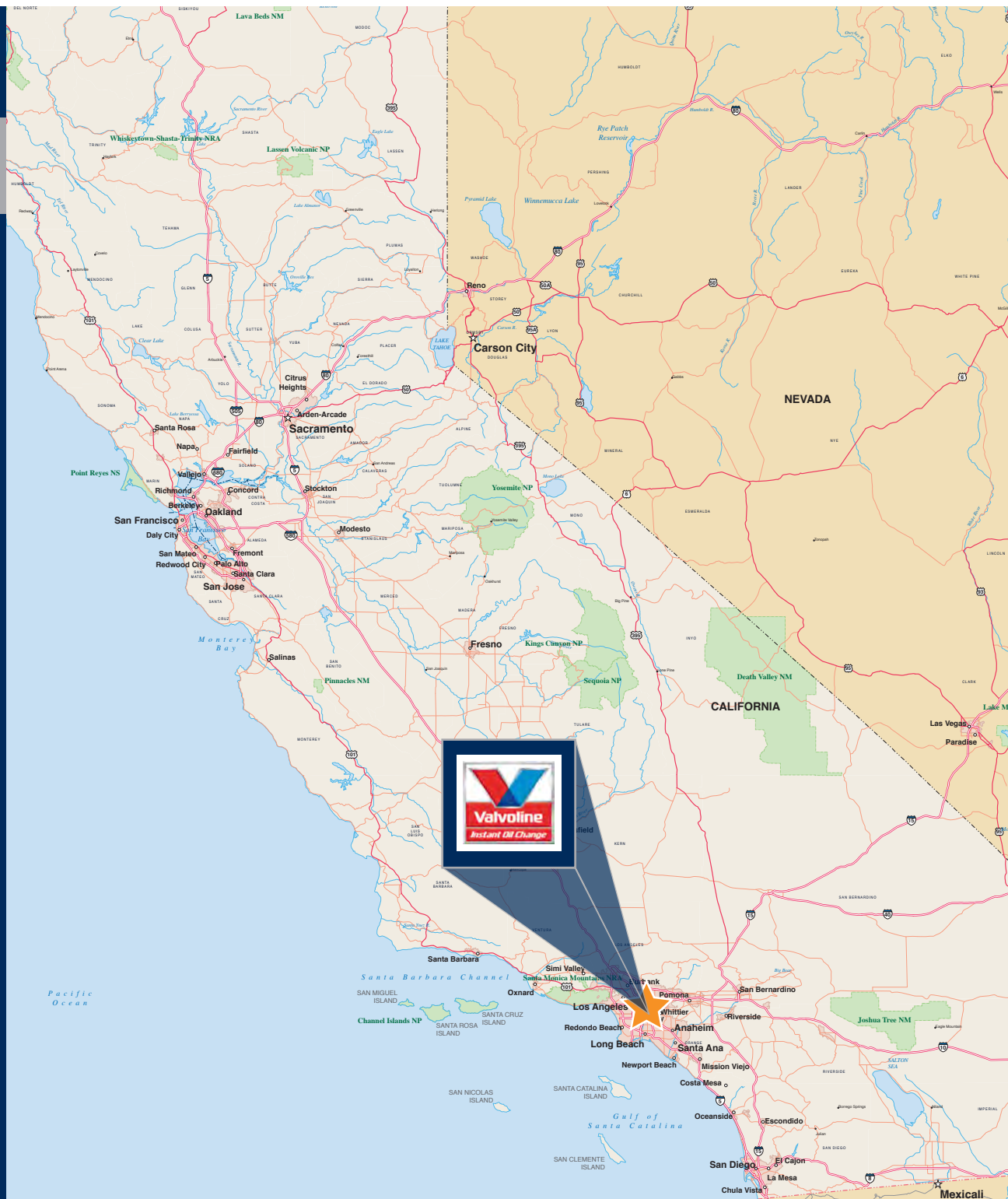
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OPEN SUNDAY

**Valvoline**  
Instant Oil Change

7737

OIL CHANGE

Oil Change





# INVESTMENT SUMMARY

7737 FIRESTONE BLVD, DOWNEY, CA 90241

**PRICE: \$2,553,200**

**CAP: 4.70%**

**RENT: \$120,000**

## OVERVIEW

Price	\$2,553,200
Gross Leasable Area (GLA)	2,590 SF
Lot Size (approx.)	0.43 Acres
Net Operating Income	\$120,000
CAP Rate	4.70%
Year Built / Renovated	2017

## LEASE ABSTRACT

Lease Type	NNN
Lease Term	15 Years
Lease Term Remaining	12.5 Years
Lease Start	10/20/2017
Lease Expiration	6/30/2032
Renewal Options	Three 5 - Year
Increases	10% Every 5 Years
Roof and Structure	Tenant Responsible

LL is required to carry add'l liability insurance. The current owner's premium runs \$210/yr, actual rates may vary.

## ANNUALIZED OPERATING DATA

Lease Term	Annual Rent
Years 2017-2022	\$120,000
Years 2022-2027	\$132,000
Years 2027-2032	\$145,200
Option 1	FMV
Option 2	Opt 1 + 10%
Option 3	Opt 2 + 10%









# INVESTMENT HIGHLIGHTS

- ◆ 15 year NNN lease on 2017 construction with 12.5 years remaining on base term
- ◆ Guaranteed by Valvoline's largest franchisee: Henley Pacific LLC
- ◆ Strategically positioned at a signalized hard corner of Firestone Blvd & Rives Ave
- ◆ Multiple ingress/egress points onto the property from both streets.
- ◆ Densely populated infill location with strong barriers to entry
- ◆ Below market rents



**816,317**  
TOTAL  
POPULATION  
WITHIN 5-MILE  
RADIUS



**\$67,449**  
AVERAGE  
HOUSEHOLD  
INCOME WITHIN  
7-MILE RADIUS



**38,000 VPD** - FIRESTONE BLVD  
**32,469 VPD** - PARAMOUNT BLVD

**Marcus & Millichap**  
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# INVESTMENT HIGHLIGHTS

This 15 year NNN commenced in October 2017. It offers 10% rent bumps every 5 years and also offers increases during option periods as well.

The opportunity offers a guarantee from Valvoline's largest franchisee: Henley Pacific LLC.



**Strategically located near several auto dealerships and service stations**



**The site benefits from excellent visibility being on a signalized hard corner of Rives and Firestone Blvd**



**Strong infill barriers to entry**

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Rio Hondo Golf Club

Rio Hondo Elementary School

Furman Park

LA FITNESS

HYUNDAI

Albertsons

McDonald's



PAPA JOHN'S

FIRESTONE BLVD - 38,000 VPD

PARAMOUNT BLVD - 32,469 VPD

RIVES AVE - 9,021 VPD

Williams Elementary School





# TENANT SUMMARY

## VALVOLINE - INSTANT OIL CHANGE

Valvoline Inc. is a leading worldwide marketer and supplier of premium branded lubricants and automotive services. The company has over 1,170 Valvoline Oil Change Centers in the U.S. sales and sales in more than 140 countries.

Ashland Inc., Valvoline's parent company, split into two separate companies in 2017. This divided the business into 2 independent, publicly traded companies. This made Valvoline focus on growing its network of Valvoline Instant Oil Change Stores, allowing the brand to span to capture new market shares, and expand to Asia, Europe, Latin America, and other international markets. Valvoline is currently the No.2 quick-lube chain in the U.S. and has proven to continue as a leading force in the industry since splitting from the Ashland name.

Valvoline has been in the automotive service industry for over 150 years.

In 2012, the Modern Engine Full Synthetic Motor Oil, was developed by Valvoline, which is specifically engineered to protect against carbon build-up in Gasoline Direct Injection (GDI), turbo and other engines. As trends continue to change, Valvoline has changed along with them.

For decades, Valvoline has withheld its place in the motor industry and continues to be a leading force in the industry. Valvoline continues keeping up with what is in demand and pushes the industry towards constant innovation and improvement.







# VALVOLINE INC.



## LEXINGTON, KY

HEADQUARTERS

### ASHLAND INC.

PARENT  
COMPANY

### 1,170+

LOCATIONS

### PUBLIC

OWNERSHIP

### VALVOLINE - INSTANT OIL CHANGE

Tenant Trade Name

### \$3.61 (BIL)

NET WORTH

### \$2.29 (BIL)

ANNUAL SALES

### WWW.VIOC.COM

WEBSITE





# FINANCIALS

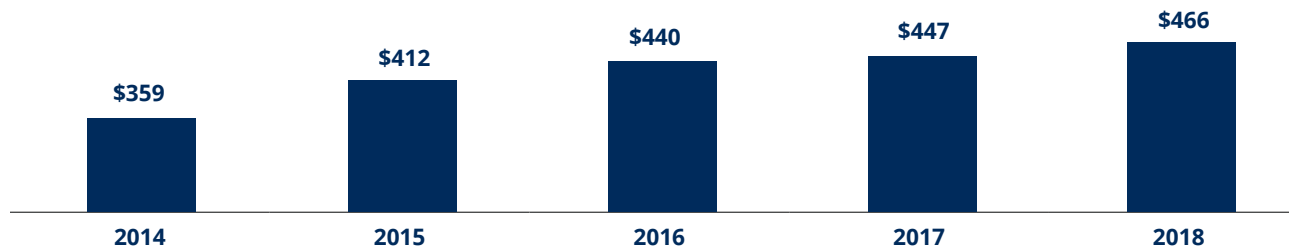
- ◆ 2 consecutive years of systemwide same-store sales growth in Valvoline Instant Oil Change stores
- ◆ 9.64% sales growth in 2018
- ◆ 3.87% gross income growth in 2018
- ◆ \$2.29 billion in revenues
- ◆ Net worth of \$3.61 billion
- ◆ Ranked #34 in the Entrepreneur Franchise 500, 2018 list

## VALVOLINE ANNUAL REVENUE (MILLIONS OF US \$)

2018	\$2,285
2017	\$2,084
2016	\$1,929
2015	\$1,967
2014	\$2,041
2013	\$1,996

## GROWTH IN ADJUSTED EBITDA<sup>2</sup>

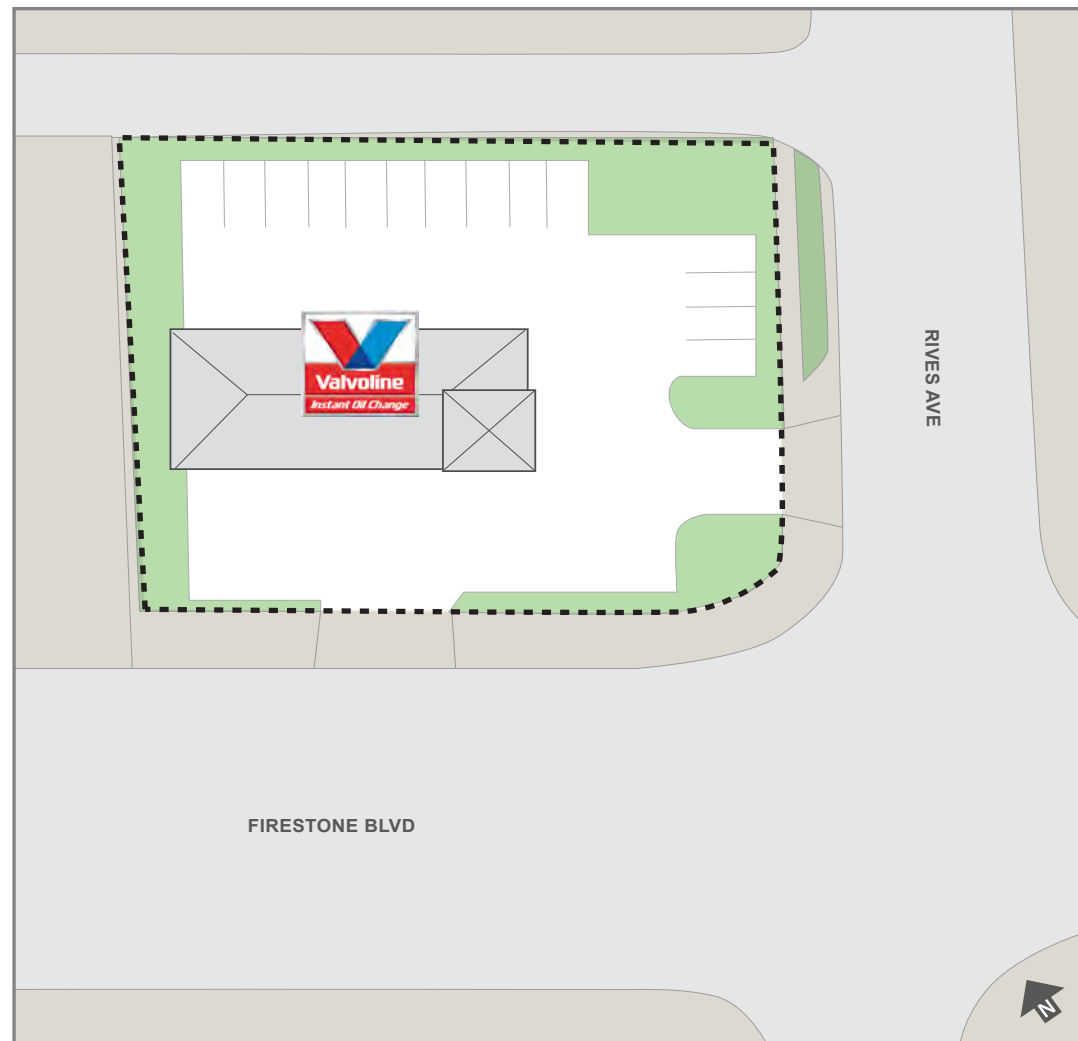
Fiscal Years Ended September 30  
In Millions







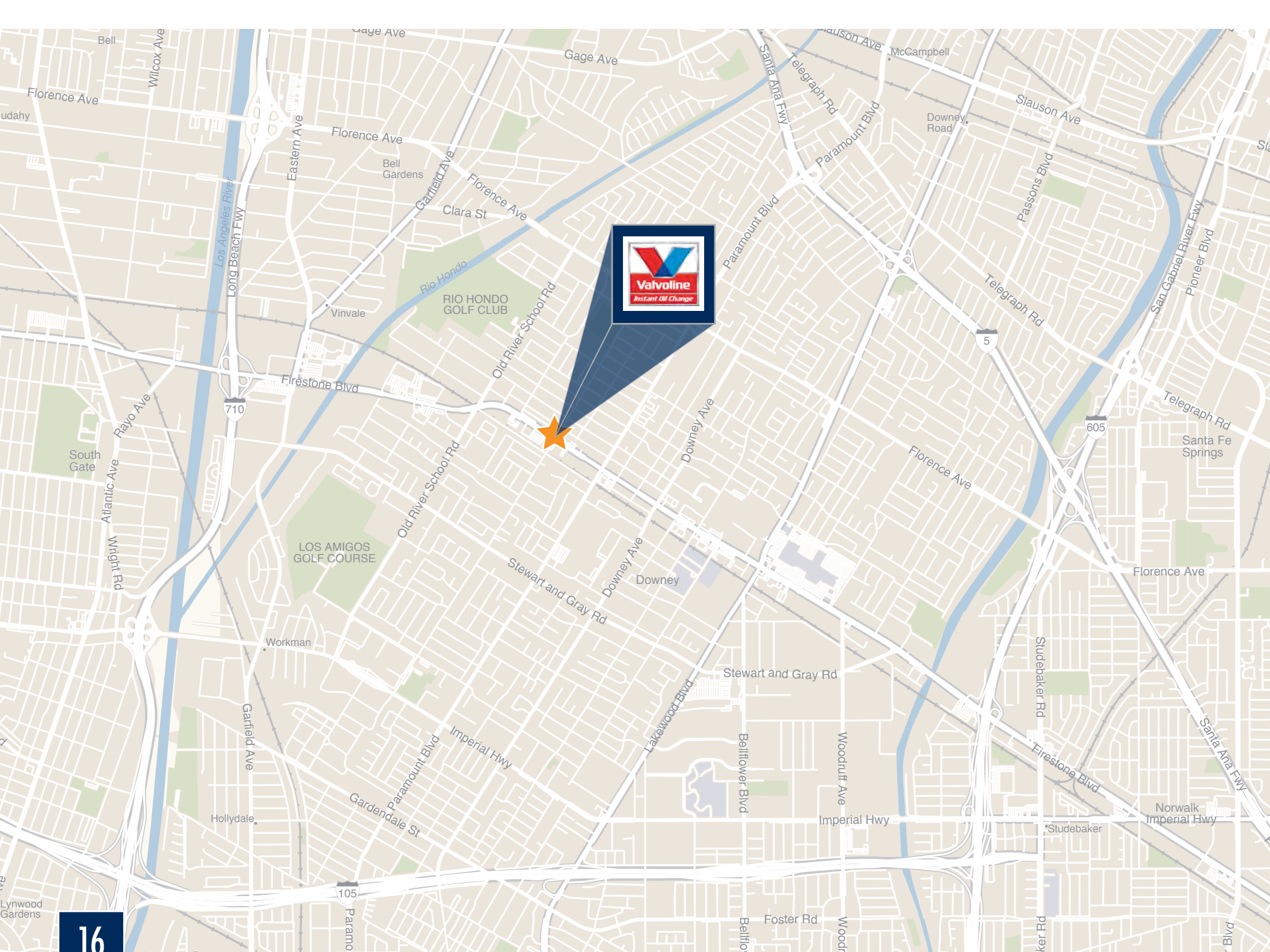
# SITE PLAN













# LOCATION OVERVIEW

## DOWNEY, CALIFORNIA

Downey is a city located in southeast Los Angeles County, California. Located just 13 miles southeast of downtown Los Angeles. It is considered part of the Gateway Cities.

The city is the birthplace of the Apollo Space Program . It is also the home of the oldest still operational McDonald's restaurant in the world. The area is being gentrified, in that, as of 2019, Downey is fast growing and becoming a trendier area of Los Angeles.

All parks and many recreation facilities are operated by the city. Almost 100 acres are devoted to 11 area parks, including fishing lakes at Wilderness Park, the Independence Park Tennis Center, and Meredith Perkins Skate Park, the David R. Gavin Dog Park and fitness courses at Furman and Apollo parks. For golf enthusiasts, there is the 18-hole Rio Hondo Golf Course, or the Los Amigos Golf Course, the latter run by Los Angeles County.

## FIRESTONE BOULEVARD CORRIDOR ENHANCEMENT

The Firestone Regional Corridor Capacity Project is a multimillion dollar project geared towards enhancing safety and reducing traffic congestion. Improvements will significantly enhance the corridor by increasing the overall number of lanes from four to six; synchronizing traffic signals; adding landscaped and hardscaped raised medians; and adding aesthetically pleasing features. Construction began January 2018, and is approximated to take about 15 months to complete.





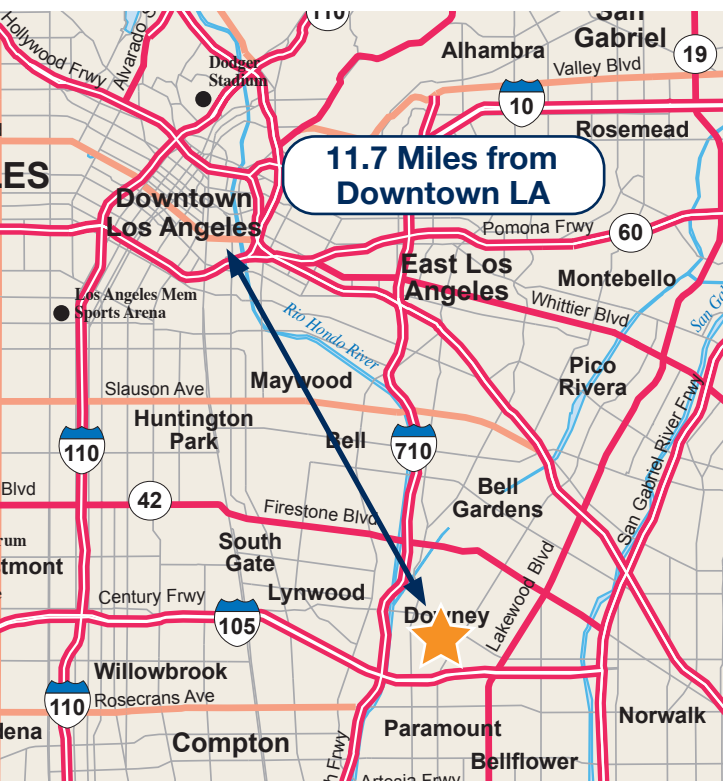


I-710 FREEWAY

RIVES AVE - 9,021 VPD

FIRESTONE BLVD - 38,000 VPD





### MAJOR EMPLOYERS DOWNEY, CA

Kaiser Permanente	4,500
Downey Unified School District	2,450
Stonewood Shopping Center	1,765
Office of Education, County of Los Angeles	1,685
PIH Health (formerly Downey Regional Medical Center)	1,500
Rancho Los Amigos Medical Center	1,410
City of Downey	833
Coca-Cola Bottling Company	800
County of Los Angeles, Internal Service Department	712
Lakewood Health Center	314

## LOCATION HIGHLIGHTS

### DOWNEY, CA

FAMOUS FOR ITS INVOLVEMENT IN THE NASA APOLLO PROGRAM



Strategically located  
on Firestone Blvd at a  
signalized hard corner



Strong visibility for  
multiple points of  
ingress/egress



Strong in-fill barriers  
to entry urban  
commercial environment



Region is going thru  
intense gentrification and  
expanding with growing  
affluent community







# DEMOGRAPHICS / DOWNEY, CA



 **816,317**

Total Population Within 5-Mile Radius



**\$67,449**

Average Household Income  
Within 5-Mile Radius



**\$52,553**

Median Household Income  
Within 5-Mile Radius

 **213,320** ➡  **4.02%**  
Total Households in 5-Mile Radius From 2000



## HACIENDA HILLS





POPULATION	1 MILE	3 MILES	5 MILES
2023 Projection			
Total Population	31,554	271,644	804,502
2018 Estimate			
Total Population	31,618	274,420	816,317
2010 Census			
Total Population	30,827	267,854	799,462
2000 Census			
Total Population	29,935	265,372	797,090
Current Daytime Population			
2018 Estimate	33,970	234,879	685,128
HOUSEHOLDS	1 MILES	3 MILES	5 MILES
2023 Projection			
Total Households	10,416	75,863	215,258
2018 Estimate			
Total Households	10,339	75,122	213,320
Average (Mean) Household Size	3.04	3.62	3.76
2010 Census			
Total Households	9,975	72,587	206,782
2000 Census			
Total Households	10,108	72,153	205,062
Occupied Units			
2023 Projection	10,416	75,863	215,258
2018 Estimate	10,599	76,591	217,517
HOUSEHOLDS BY INCOME	1 MILES	3 MILES	5 MILES
2018 Estimate			
\$150,000 or More	9.71%	7.58%	5.71%
\$100,000 - \$149,000	13.33%	13.95%	12.48%
\$75,000 - \$99,999	16.03%	14.69%	13.82%
\$50,000 - \$74,999	22.78%	20.29%	20.14%
\$35,000 - \$49,999	13.02%	14.82%	15.64%
Under \$35,000	25.14%	28.68%	32.19%
Average Household Income	\$81,883	\$74,998	\$67,449
Median Household Income	\$63,166	\$58,381	\$52,553
Per Capita Income	\$26,926	\$20,649	\$17,803

HOUSEHOLDS BY EXPENDITURE	1 MILE	3 MILES	5 MILES
Total Average Household Retail Expenditure	\$77,772	\$74,351	\$70,215
Consumer Expenditure Top 10 Categories			
Housing	\$22,715	\$21,847	\$20,736
Shelter	\$14,686	\$14,176	\$13,505
Transportation	\$13,037	\$12,421	\$11,578
Food	\$7,911	\$7,617	\$7,204
Personal Insurance and Pensions	\$7,554	\$7,059	\$6,475
Health Care	\$4,122	\$3,864	\$3,631
Utilities	\$3,742	\$3,622	\$3,456
Entertainment	\$3,060	\$2,890	\$2,703
Apparel	\$2,201	\$2,089	\$1,961
Household Furnishings and Equipment	\$2,007	\$1,912	\$1,782

POPULATION PROFILE	1 MILES	3 MILES	5 MILES
Population By Age			
2018 Estimate Total Population	31,618	274,420	816,317
Under 20	26.37%	29.91%	30.69%
20 to 34 Years	23.14%	23.86%	24.07%
35 to 39 Years	7.28%	7.27%	7.20%
40 to 49 Years	14.16%	13.21%	12.99%
50 to 64 Years	17.17%	15.81%	15.44%
Age 65+	11.88%	9.94%	9.61%
Median Age	35.33	32.45	31.80
Population 25+ by Education Level			
2018 Estimate Population Age 25+	20,968	170,859	501,289
Elementary (0-8)	8.86%	16.33%	18.88%
Some High School (9-11)	10.53%	13.48%	14.96%
High School Graduate (12)	26.52%	26.34%	26.60%
Some College (13-15)	21.60%	18.61%	17.92%
Associate Degree Only	8.65%	6.54%	5.84%
Bachelors Degree Only	14.53%	10.74%	8.29%
Graduate Degree	6.72%	4.02%	2.84%





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**DOWNEY  
CALIFORNIA**

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