



COMMONWEALTH CROSSING

15-Year Lease Term • Absolute NNN Ground Lease • 10% Rental Increases



REPRESENTATIVE PHOTO

OFFERING MEMORANDUM
SAN JACINTO, CALIFORNIA



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



OFFERING MEMORANDUM

SAN JACINTO, CALIFORNIA

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OFFERING SUMMARY

7-ELEVEN @ COMMONWEALTH CROSSING



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LOCATION

7-Eleven @ Commonwealth Crossing

1820 S. San Jacinto Avenue

San Jacinto, CA 92583

OFFERING SUMMARY

Price:	\$3,295,000
Current Net Operating Income:	\$140,000
Current Cap Rate:	4.25%
2025 Net Operating Income:	\$154,000
2025 Cap Rate:	4.67%
2030 Net Operating Income:	\$169,400
2030 Cap Rate:	5.14%
Net Rentable Area:	3,062
Year Built:	2020 (Under Construction)
Lot Size (Acres):	1.33

LEASE TERMS

Lease Commencement:	Est. August 2020
Lease Term:	15 Years
Lease Type:	Absolute NNN Ground Lease
Annual Rent:	\$140,000
Rental Increases:	10% Every 5 Years
Renewal Options:	Four 5-Year @ 10% Increases

(1) Rent is estimated to commence August 2020, however the Lease is fully non-contingent and Closing can occur at any time and Seller will credit Buyer for the time period between Closing and Rent Commencement Date.



7-ELEVEN

QUICK FACTS

#1

**LARGEST RETAILER
IN THE WORLD**

\$25B+

**IN SYSTEM
WIDE SALES**

67K+

**TOTAL
LOCATIONS**

S&P AA-

**INVESTMENT
GRADE CREDIT**



INVESTMENT HIGHLIGHTS

7-ELEVEN @ COMMONWEALTH CROSSING



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- **Single-Tenant Corporate 7-Eleven Ground Lease:**

- Brand New 2020 Construction
- New 15-year absolute NNN ground lease with four 5-year renewal options
- 10% rental increases every 5 years during the primary lease term and renewal options
- Beer & Wine sales have been approved at this location
- 7-Eleven is headquartered in Dallas, TX and was founded in 1927
- 7-Eleven is the largest retailer in the world with \$25 billion in annual sales and 67,000+ store locations globally

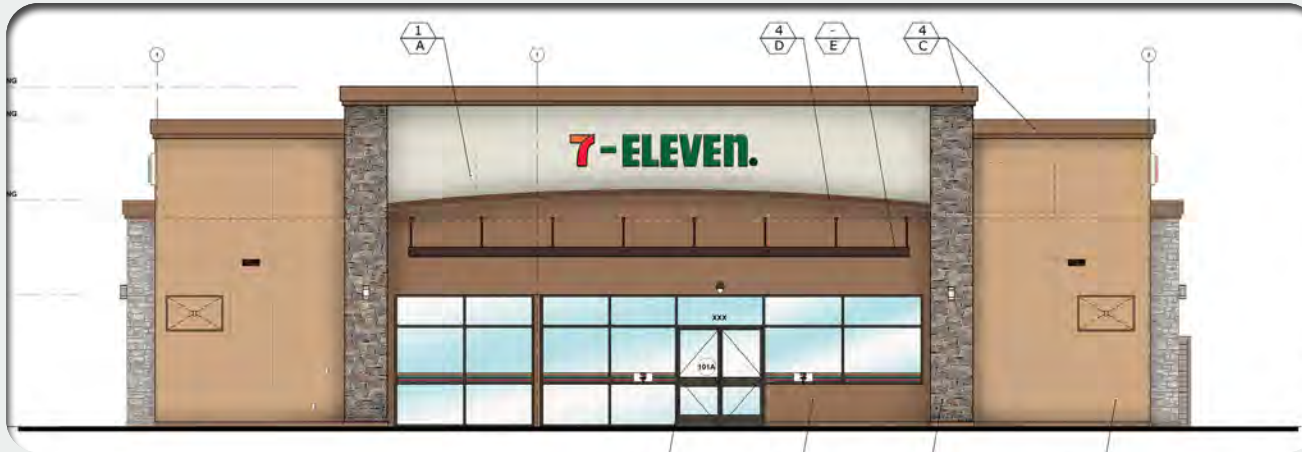
- **Signalized Intersection Across from Walmart Supercenter Anchored Shopping Center:** Situated at southwest quadrant of San Jacinto Avenue and Commonwealth Avenue, sharing the intersection with Walmart Supercenter, ALDI, and Walgreens

- **A+ Location within the San Jacinto Super Block Commercial Area:** Nearby national and regional credit tenants driving daily traffic to the area include Walmart Supercenter, AutoZone, Cardenas, Del Taco, El Pollo Loco, O'Reilly Auto Parts, Powerhouse Gym, Regal Cinemas, Rite Aid, Sonic (Q3 2020 Completion), Starbucks, Stater Bros., Subway, Walgreens, and Wendy's
- **Close Proximity to Daytime Workforce:** Located within a 1-mile radius of San Jacinto Unified School District (1,000 employees), Edelbrook (130 employees), Agri-Empire (80 employees), and Rama Corporation (60 employees)
- **Mt. San Jacinto College:** Situated minutes from Mt. San Jacinto College, the top employer in the city (1,600 employees) with 15,000+ student enrollment
- **Soboba Casino Resort:** Located approximately 3 miles from the subject property, Soboba Casino Resort opened their newly constructed casino in February 2019. Soboba Casino Resort is situated on 200 acres and features a first-class casino, a 200-suite hotel, a PGA-rated golf course, seven dining options, a pool, and spectacular views of the San Jacinto Mountains
- **High Job Growth of 37% Over Next 10 Years:** Boasting a current population of 48,000, the city of San Jacinto is projected to experience steady population growth including an anticipated 37% future job growth in the next 10 years

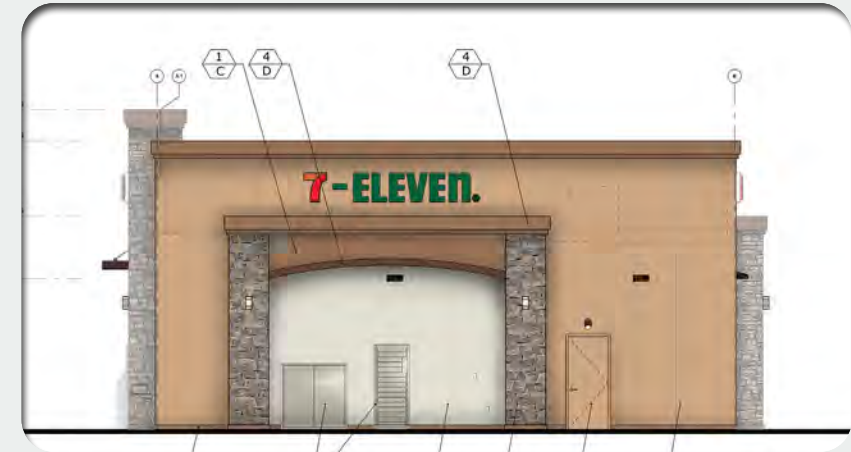


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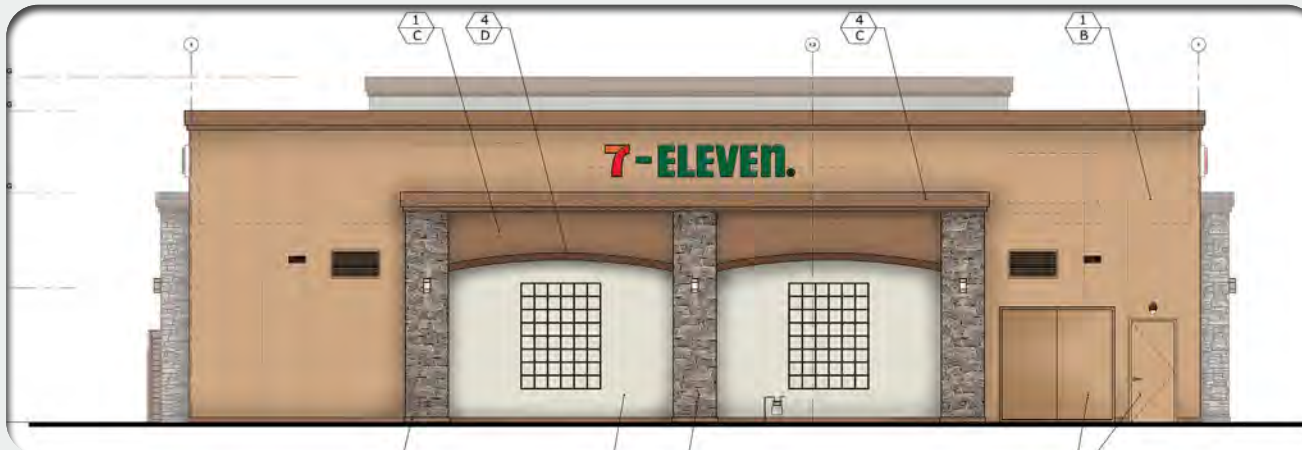


NORTH ELEVATION



WEST ELEVATION

7-ELEVEN RENDERINGS



SOUTH ELEVATION



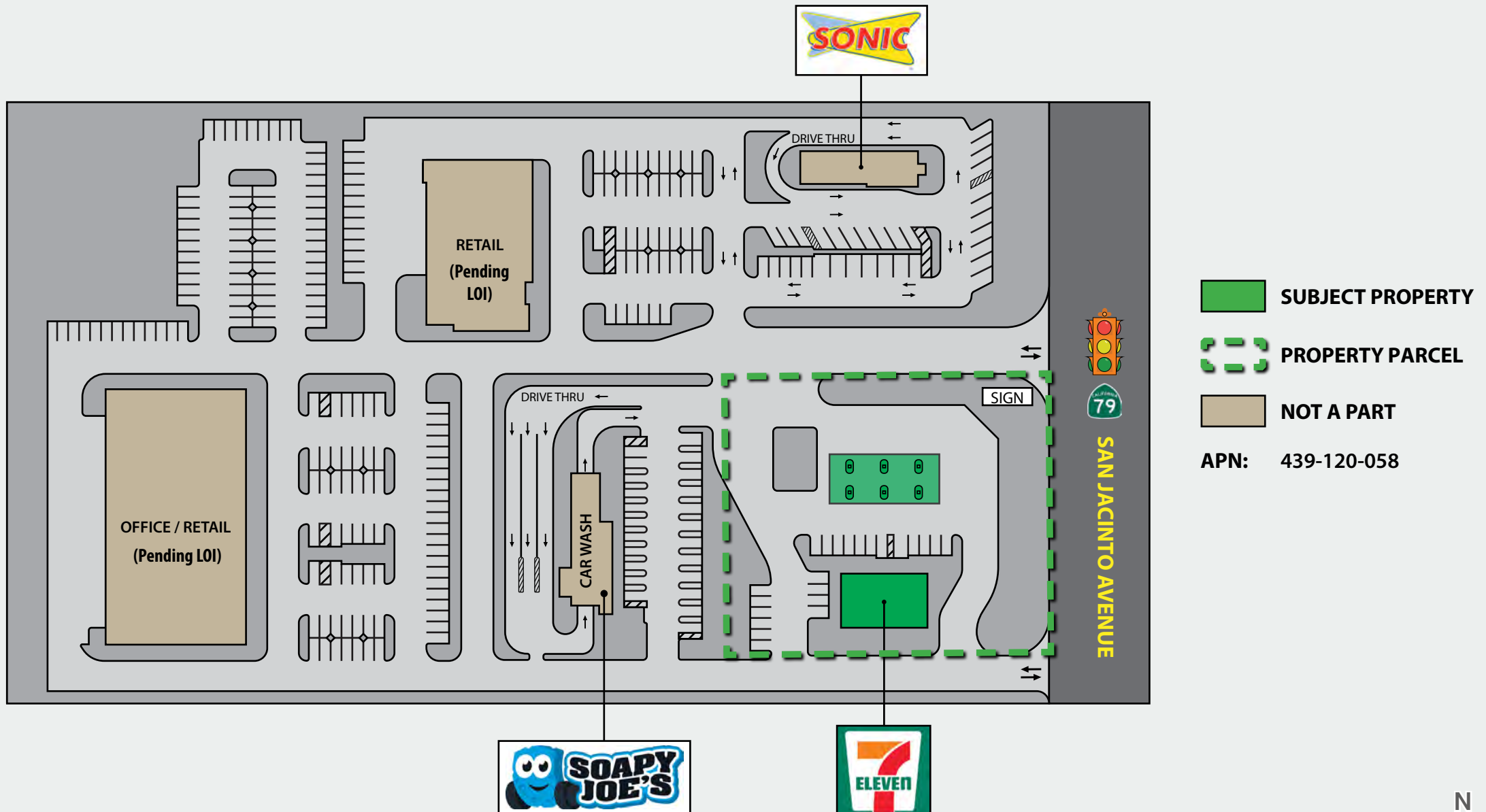
EAST ELEVATION

SITE PLAN / PARCEL MAP

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AERIAL OVERVIEW

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DEMOGRAPHICS



Population:

1-Mile Radius	13,579
3-Mile Radius	113,114
5-Mile Radius	162,546



Household Income:

1-Mile Radius	\$50,346
3-Mile Radius	\$55,961
5-Mile Radius	\$60,485

MT. SAN JACINTO

14,000+ high elevation acres offering:
geocaching, hiking, camping, horseback
riding, museums, wildlife viewing

SOBOBA SPRINGS
Country Club

SOBOBA CASINO
- 0.5 MILES AWAY -
- 200 SUITE HOTEL, CASINO -
- 7 RESTAURANTS, POOL -

NORTH MOUNTAIN
MIDDLE SCHOOL
- 1,083 Students -

BETTY G. REGIONAL
LEARNING CENTER

MSJC MT. SAN JACINTO COLLEGE
- 16,000 STUDENTS; 1,500 EMPLOYEES -

MOUNTAIN VIEW
HIGH SCHOOL
- 600 Students -

SAN JACINTO
HIGH SCHOOL
- 2,509 Students -

MONTE VISTA
MIDDLE SCHOOL
- 906 Students -

RIVERSIDE COUNTY
DEPARTMENT OF
ANIMAL SERVICES

VALLEY WIDE RECREATION
AND PARK DISTRICT

ESPLANADE AVENUE

SAN JACINTO
COMMERCIAL SUPER BLOCK

37,000 CPD
- INTERSECTION -

COMMONWEALTH CROSSING

- PLANNED 40,000 SF SHOPPING CENTER -
- OPENING Q3, 2020 -



SUBJECT
PROPERTY



DOLLAR
GENERAL

O'Reilly
AUTO PARTS

SUBWAY

Edelbrock
- 130 EMPLOYEES -

FAMILY
DOLLAR

DEL TACO

CARDENAS

HYATT
ELEMENTARY SCHOOL
- 575 Students -

STARBUCKS
COFFEE
CHASE
REGAL CINEMAS

RITE
AID
ALDI

AGRICULTURE

Walgreens

at&t

Tolllo Loco

Wendy's

Walmart
Supercenter

INSPIRING EDUCATION
SJUSD
SAN JACINTO UNIFIED SCHOOL DISTRICT

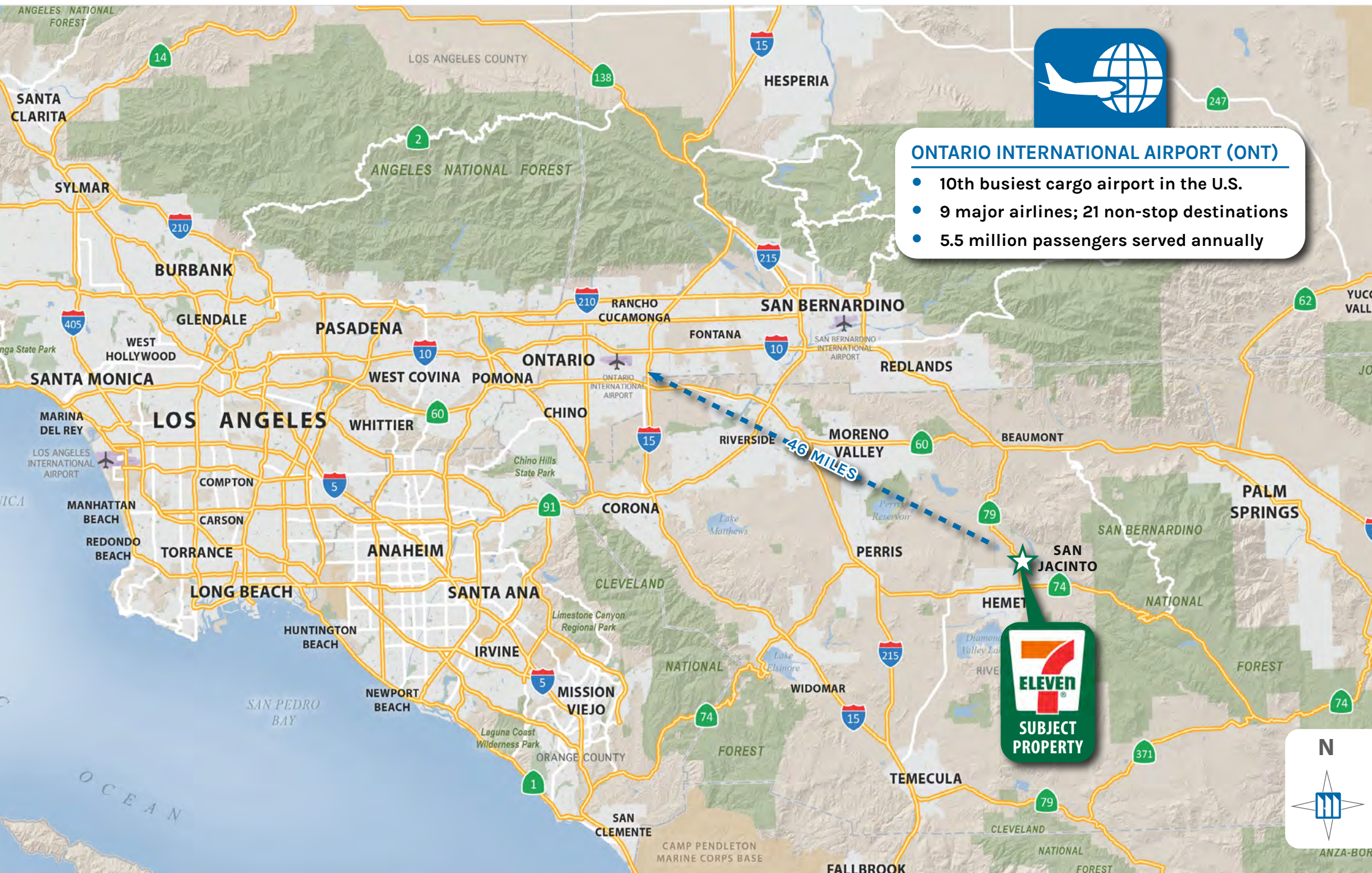
37%
Projected Job Growth Over 10 Years

REGIONAL MAP

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TENANT PROFILE

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7-Eleven is an American-Japanese international chain of convenience stores headquartered in Irving, Texas that operates, franchises, and licenses in over 18 countries. Founded in 1927, 7-Eleven was the pioneer of the convenience concept, and was the first convenience store to start selling gas and use ATM services. Stores are usually located on corners for great visibility and accessibility.

The company's most iconic products are the Slurpee, Big Gulp soft drinks, and fresh-made coffees. Their product mix is always evolving; to better serve a culture demanding healthier options, they have added high-quality salads, side dishes, cut fruit, organic cold-press juices, and protein boxes under their private label called 7-Select. 7-Select's outstanding prices and fresh quality have led to double-digit sales increases, outselling many national brands.

7-Eleven is one of the most active franchisors, generating approximately \$25 billion in sales while maintaining a 35% gross profit margin on merchandise sales (2016). The company reported a same-store sales growth of 2.6% and invested nearly \$1.5 billion into its North American store portfolio. In early 2018, 7-Eleven closed its acquisition of 1,030 Sunoco convenience stores located in 17 states, the largest acquisition in 7-Eleven, Inc. history. This \$3.3 billion deal allowed 7-Eleven entry into Houston, the 4th largest U.S. city, and a strong presence in Corpus Christi, as well as across south Texas. The company says it is on track to open 20,000 stores in North America by 2027.

According to Joseph DePinto, 7-Eleven President and CEO, "Part of what makes 7-Eleven's brand so iconic is our global presence and our continued growth." In fact, there are 67,167 stores across the world with 11,800 locations in North America; 90% are franchises. Locations are strategically organized into geographical zones with 25% of the population living within one mile of a 7-Eleven store. Globally, 7-Eleven has more outlets than any other retailer or food service provider and processes 20 billion transaction across its global network each year. On average, the company adds another store to its worldwide operations every 3.5 hours. 7-Eleven, Incorporated is a wholly-owned subsidiary of Tokyo-based Seven & I Holdings Co., Limited.

TOP HONORS

- **#2 "Top Global Franchises"** - Entrepreneur Magazine (2018)
- **#5 "Best Convenience Store Franchises"** - FranchiseRanking.com (2018)
- **#1 "Top Global Franchises"** - Entrepreneur Magazine (2017)

Company Type:

Private; S&P AA-

Locations:

67,167 Globally (11,800 North America)

Website:

www.7-eleven.com | www.7andi.com/en

REPRESENTATIVE PHOTOS



The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.



San Jacinto, California

- Located at the base of the San Jacinto mountains and adjacent to the San Jacinto River
- 48,130 population; 4.1% projected population growth by 2024
- 2 state highways, SR74 and SR 79, running through the valley allowing easy access to Southern California's major freeway system
- Significant investments in the community and city projects are underway that are designed to enhance the overall quality of life, improve the public right of way, and safety
- #3 "Tallest Peak in Southern California", drawing tourist to Diamond Valley Lake and Temecula's wine region

ECONOMY

- Push for more businesses and residential growth
- **Mt. San Jacinto Community College (MSJC)** - serving over 15,000 students
 - \$1.3 billion economic impact
- **Soboba Casino** - 209-acre resort and golf course; serves as a major economic engine; opened in 2019
 - \$50.9M revenue; 1,500 employees
 - 15,000 square foot events center
- \$62,326 average household income (AHHI); 14.4% projected AHHI growth by 2024
- 37.2% projected job growth over the next 10 years

DEVELOPMENTS

- **The Villages of San Jacinto** - 475-acre master planned development including 2,000+ homes, commercial business park, and parks
- **Esplanade Avenue** - \$4.5 million widening project
 - 2.5 miles from subject property, completion 2022
- \$4.8 million citywide engineering/transportation improvement projects
 - All city traffic signal replacement
 - 4,100 linear feet of sidewalk widening on Cottonwood Avenue
 - Hewitt and Mountain street repaving and rehabilitation
- **State and Ramona crosstreets** - 120,000 square feet of retail development
 - 400 additional jobs anticipated

City of San Jacinto Highlights

14.4%

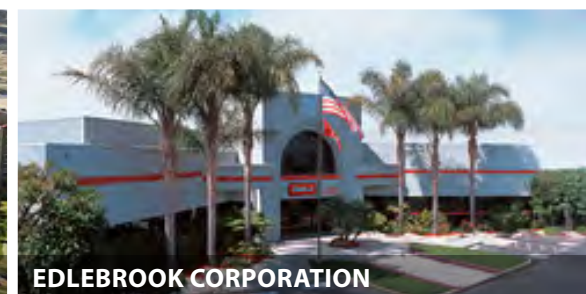
PROJECTED AHHI INCREASE BY 2024



48,000 SAN JACINTO POPULATION

759

NEW HOMES RECENTLY BUILT





	<u>1-Mile</u>	<u>3-Mile</u>	<u>5-Mile</u>
Population			
2024 Projection	13,902	116,149	167,746
2019 Estimate	13,579	113,114	162,546
2010 Census	12,759	105,029	150,119
2000 Census	9,298	80,885	110,698
Growth 2000-2010	37.22%	29.85%	35.61%
Growth 2010-2019	6.43%	7.70%	8.28%
Growth 2019-2024	2.38%	2.68%	3.20%
Households			
2024 Projection	4,760	40,649	59,147
2019 Estimate	4,682	39,681	57,489
2010 Census	4,338	36,279	52,324
2000 Census	3,615	31,069	43,813
Growth 2000-2010	20.00%	16.77%	19.43%
Growth 2010-2019	7.93%	9.38%	9.87%
Growth 2019-2024	1.67%	2.44%	2.88%
2019 Est. Population by Single-Classification Race			
White Alone	7,394	67,902	101,250
Black or African American Alone	860	7,081	9,850
American Indian and Alaska Native Alone	244	2,093	3,283
Asian Alone	262	2,522	4,389
Native Hawaiian and Other Pacific Islander Alone	27	328	520
Some Other Race Alone	3,975	26,548	33,663
Two or More Races	769	6,165	8,857
2019 Est. Population by Ethnicity (Hispanic or Latino)			
Hispanic or Latino	7,927	57,109	75,349
Not Hispanic or Latino	5,652	56,005	87,197
2019 Est. Average Household Income	\$50,346	\$55,961	\$60,485

CONFIDENTIALITY AGREEMENT

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\$6+ BILLION

retail sales nationwide



SHARED DATABASE

collaborative proprietary database



TOP BROKERAGE GLOBALLY

in investment sales



COSTAR POWER BROKER

top sales brokers & firm in OC



NATIONWIDE REACH

retail & investors across the U.S.