



7-ELEVEN

MORGAN HILL, CALIFORNIA (SAN JOSE MSA)

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM

\$8,950,000 | 4.50% CAP RATE

- » 15-Year Net Lease to Iconic Corporate Tenant
- » 10% Rental Increases Every Five Years
- » 7-Eleven, Inc. has a "AA-" Rating from Standard & Poor's
- » High-Visibility Location in Brand New Evergreen Village Mixed-Use Development
- » Brand New 20-Acre Mixed-Use Center Zoned for Retail Stores, Restaurants, Professional Offices, Medical Use Establishments, and More
- » High-Traffic Location Along Cochrane Road (34,872 AADT)
- » Located in Densely Populated and Affluent Retail Corridor in Growing Area
- » Neighbored by the Only Walmart Supercenter Location Within a 15-Minute Drive of the Site, Increasing Traffic to the Property
- » \$167,423 Average Household Income Within a Five-Mile Radius of the Site
- » New 2020 Construction with Convenience Store, Gas/Diesel Pumps, and a Drive-Thru Car Wash, Attracting Both Foot and Commuter Traffic



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DEMOGRAPHIC PROFILE

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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**YURAS
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CROWLE**

Leased Investment Team

www.YAFteam.com

INVESTMENT SUMMARY

ADDRESS	Cochrane Road, Morgan Hill, California 95037		
PRICE	\$8,950,000		
CAP RATE	4.50%		
NOI	\$398,176		
TERM	15 years		
RENT COMMENCEMENT	October 1, 2020 (estimated)		
LEASE EXPIRATION	September 30, 2035 (estimated)		
RENTAL INCREASES	10% rental increases every five (5) years		
	YEAR	RENT	RETURN
	1-5	\$398,176	4.50%
	6-10	\$437,994	4.95%
	11-15	\$481,793	5.45%
	16-20 (Option 1)	\$529,972	5.99%
	21-25 (Option 2)	\$582,969	6.59%
	26-30 (Option 3)	\$641,266	7.25%
YEAR BUILT	2020		
BUILDING SF	3,700 SF		
PARCEL SIZE	1.318 acres (57,430 SF)		
LEASE TYPE	Net, with tenant responsible for all taxes, insurance, and maintenance, excluding the structural portions of the premises		



FILE PHOTO

NEW 15-YEAR Net LEASE WITH SCHEDULED RENTAL INCREASES TO STRONG RETAIL TENANT

- » New 15-year Net lease with three (3) five (5) year options, creating a stable, long-term investment to an iconic tenant with strong brand recognition
- » 10% rental increases every five years, providing a hedge against inflation
- » 7-Eleven, Inc. is an investment grade tenant with an "AA-" rating from Standard & Poor's
- » 7-Eleven is the largest convenience retail chain in the world, with more than 67,000 stores worldwide

HIGH-VISIBILITY LOCATION IN BRAND NEW EVERGREEN VILLAGE MIXED-USE DEVELOPMENT

- » Located in Evergreen Village, a brand new 20-acre mixed-use center zoned for retail stores, restaurants, professional offices, medical use establishments, and more
- » High-traffic location along Cochrane Road (34,872 AADT), significantly increasing traffic to the site
- » Projected 17 percent AHL increase within a one-mile radius of the site in the next five years, poising Evergreen Village for significant growth
- » Over 51,000 vehicles per day at the intersection of Cochrane Road and Butterfield Boulevard, increasing visibility to the property
- » Convenient access to U.S. Highway 101, a major north-south U.S. thoroughfare which experiences a high traffic count of 143,900 vehicles per day

LOCATED IN A POPULATED AND AFFLUENT RETAIL CORRIDOR

- » \$167,423 average household income and a population of 60,439 within a five-mile radius of the location
- » Neighbored by the only Walmart Supercenter location within a 15-minute drive of the site, increasing traffic to the property
- » Irreplaceable infill location that is walking distance from a strong mix of national retailers, including Starbucks, In-n-Out Burger, McDonald's, and many more
- » Within three miles of four high schools, increasing lunch-time traffic to the site (combined enrollment of 2,717 students)

NEW 2020 CONSTRUCTION

- » Features latest 7-Eleven convenience store fuel pumps and a drive-thru car wash, catering to both pedestrian and vehicular traffic





PACIFIC OCEAN

Chesbro Reservoir

Morgan Hill Plaza



Britton
Middle School
(627 employees)



Stratford School
(162 students)



El Toro
Elementary School
(450 students)



Butterfield
Professional Center



California Door Co.
(300 employees)

Paramit
Corporation
(300 employees)

Monterey Road
(13,783 AADT)

Evergreen Village
(mixed-use
future development)



Cochrane Plaza



101 / US Route 101 /
143,900 AADT



Cochrane Road
(34,872 AADT)



INDUSTRIAL REGION



Ann Sobrato
High School
(1,477 students)



SOUTH SAN JOSE
(5 miles)

Coyote Creek
Golf Club

NxEdge
(280 employees)

COURTYARD
Marriott
(90 rooms)



Residence Inn
Marriott
(90 rooms)

Central High School
(141 students)

Ann Sobrato
High School
(1,477 students)

Paramit
Corporation
(300 employees)

California Door Co.
(300 employees)



INDUSTRIAL REGION



Stratford School
(162 students)



Cochrane Road
(34,872 AADT)

**EXTENDED
STAYAMERICA**
(92 rooms)

'TORAY'
Toray Advanced Composites
(250 employees)

Butterfield
Professional Center

Evergreen Village
(mixed-use future
development)

**7
ELEVEN**
(Under Construction)



Anritsu
envision:ensure
(480 employees)



Monterey Road
(13,783 AADT)

Britton
Middle School
(627 students)



Goodwill

El Toro
Elementary School
(450 students)

GRIFFIN
FINANCIAL
GROUP LLC
(110 employees)

101 | US Route 101 |
143,900 AADT



101 / US Route 101 /
143,900 AADT

Ann Sobrato High School
(1,477 students)

COURTYARD
Marriott
(90 rooms)

Chevron
Denny's **IN-N-OUT**
BURGER

NxEdge
(280 employees)

ANYTIME FITNESS **CHIPOTLE** Peets Coffee & Tea
FedEx **FIVE GUYS**
BURGERS and FRIES

Residence Inn
Marriott
(90 rooms)

Cochrane Plaza
Walmart **BIG 5**
Supercenter SPORTING GOODS
HOBBY LOBBY **Starbucks** **PANDA EXPRESS**

ANDERSON LAKE

Coyote Pumping Station -
Santa Clara Valley Water District

EXTENDED
STAYAMERICA
(92 rooms)

Live Oak High School
(1,099 students)

7
ELEVEN
(Under Construction)

Monterey Road
(13,783 AADT)

Paramit Corporation
(300 employees)
California Door Co.
(300 employees)

INDUSTRIAL REGION
Cochrane Road
(34,872 AADT)

am pm

Starbucks

Evergreen Village
(mixed-use future development)

Anritsu
envision : ensure
(480 employees)

'TORAY'
Toray Advanced Composites
(250 employees)

GRIFFIN FINANCIAL GROUP LLC
(110 employees)

SITE PLAN

EXISTING INDUSTRIAL PARK

EXISTING INDUSTRIAL PARK

COCHRANE ROAD

SUTTER BOULEVARD

BUTTERFIELD BOULEVARD

JARVIS DRIVE

SHOPS 1

SHOPS 2

PAD A

PAD B

7
ELEVEN
3,700 SF

6 FUEL PUMPS

CAR WASH

4-STORY
HOTEL

EXISTING
COMMERCIAL
USES

SHOPS 3

MARKET
22,000 SF

TIRE
STORE

OFFICE

MEDICAL OFFICES

SENIOR ASSISTED
LIVING

EXISTING INDUSTRIAL PARK

PRELIMINARY SHOPPING CENTER SITE PLAN

TENANT SUMMARY



7-Eleven is an international chain of convenience stores that operates, franchises, and licenses more than 67,000 stores worldwide, including 11,600 in North America, with nearly 9,100 in the United States alone. Founded in 1927, 7-Eleven has evolved into the world's largest and most recognizable convenience-store retailer. 7-Eleven in the United States sells its iconic Slurpee and Big Gulp beverages. Other products include 7-Select private-brand products, coffee, fresh-made daily sandwiches, fresh fruit, salads and bakery items, hot and prepared foods, gasoline, dairy products, carbonated beverages and energy drinks, juices, financial services, and product delivery services.

7-Eleven Inc. is headquartered in Irving, Texas. Its parent company, Seven-Eleven Japan Co., Ltd., is located in Chiyoda, Tokyo. Seven-Eleven Japan is held by the Seven & I Holdings Co.

For more information, please visit www.7-eleven.com.

HEADQUARTERS	Irving, TX	LOCATIONS	67,000+
OWNERSHIP	Seven-Eleven Japan Co., Ltd.	SALES	\$54.2B

LEASE ABSTRACT

TENANT	7-Eleven, Inc.		
ADDRESS	Cochrane Road, Morgan Hill, California 95037		
RENT COMMENCEMENT	October 1, 2020 (estimated)		
LEASE EXPIRATION	September 30, 2035 (estimated)		
RENEWAL OPTIONS	Three (3) options of five (5) years		
RENTAL INCREASES	YEAR 1-5 6-10 11-15 16-20 (Option 1) 21-25 (Option 2) 26-30 (Option 3)	RENT \$398,176 \$437,994 \$481,793 \$529,972 \$582,969 \$641,266	RETURN 4.50% 4.95% 5.45% 5.99% 6.59% 7.25%
REAL ESTATE TAXES	Tenant shall pay all real estate taxes directly.		
INSURANCE	Tenant shall pay all insurance costs directly.		
REPAIR & MAINTENANCE	Tenant agrees to keep the roof, interior and exterior of the Building in good repair including electrical, plumbing, heating and air conditioning equipment.		
MAINTENANCE BY LANDLORD	Landlord shall be responsible for maintenance to the foundation and structural soundness of the premises.		
RIGHT OF FIRST REFUSAL	Tenant may exercise the option to purchase at any time within twenty (20) days after receipt of such notice.		

PROPERTY OVERVIEW

LOCATION

The property is conveniently located along Cochrane Road, which experiences a high traffic count of 34,872 vehicles per day directly in front of the property. The location is strategically placed within Evergreen Village, a brand new 20-acre mixed-use center zoned for retail stores, restaurants, professional offices, medical use establishments, and more. Evergreen Village is located at the intersection of Cochrane Road and Butterfield Boulevard, which has a combined traffic count of 51,000 AADT. The property is primed to grow along with the surrounding area, with a projected 17 percent average annual household income increase within one mile of Evergreen Village in the next five years. The location also maintains convenient access to U.S. Highway 101, a major north-south U.S. thoroughfare that experiences a traffic count of 143,900 vehicles per day.

Visibility to the property is increased by the site's centralized location in a densely populated and affluent retail corridor. The average household income within five miles of the property sits at a robust \$167,423, with 60,439 residents living within that same five-mile radius. The property is neighbored by the only Walmart Supercenter location within a 15-minute drive of the site, increasing traffic to the property. The site maintains an irreplaceable infill location that is walking distance from a strong mix of national retailers, including Starbucks, In-n-Out Burger, McDonald's, Hobby Lobby, Chipotle Mexican Grill, Panda Express, Denny's, and many more. The property resides within three miles of four high schools (combined enrollment of 2,700+ students), increasing lunch-time traffic to the site.

ACCESS

Access from Cochrane Road and interparcel access from Sutter Boulevard, Jarvis Drive, and Butterfield Boulevard

TRAFFIC COUNTS

Cochrane Road:	34,872 AADT
Butterfield:	16,831 AADT
U.S. Highway 101:	143,900 AADT

PARKING & FUEL STATIONS

15 parking stalls, including two (2) handicap stall and six (6) fuel pumps

YEAR BUILT

2020

NEAREST AIRPORT

Norman Y. Mineta San Jose International Airport (SJC | 24 miles)



15
PARKING
STALLS



2020
YEAR
BUILT



34K
TRAFFIC
COUNT (AADT)



**NEAREST
AIRPORT**
NORMAN Y. MINETA
SAN JOSE
INTERNATIONAL
AIRPORT

AREA OVERVIEW

Morgan Hill is a city in Santa Clara County, California, at the southern tip of Silicon Valley, in the San Francisco Bay Area. Morgan Hill's economy can be defined by its place within Silicon Valley, which characterizes the economy into two main categories: its status as an upscale leisure and residential community for Silicon Valley, which drives Morgan Hill's real estate, recreation, hospitality, and entertainment industries; and its participation in the high-technology industries of Silicon Valley, which drive Morgan Hill's technology companies, start-ups, and research and development firms. Morgan Hill is a dining, entertainment, and recreational destination in Silicon Valley as well. The area is home to Michelin-star chefs, wineries, nature parks, and the numerous noteworthy events the city hosts, such as the Tour of California.

Santa Clara County is California's sixth most populous county, with a population of 1,938,000. Santa Clara County is part of the San Jose-Sunnyvale-Santa Clara, California Metropolitan Statistical Area as well as the San Jose-San Francisco-Oakland, California Combined Statistical Area. Santa Clara County is an economic center for high technology and has the third highest GDP per capita in the world (after Zurich, Switzerland and Oslo, Norway), according to the Brookings Institution. The county's concentration of wealth (primarily due to the tech industry) has made it the most affluent county on the West Coast of the United States and one of the most affluent regions in the Country. Technology, both hardware and software, dominates the service sector by value, but like any other county, Santa Clara has its share of retail and office support workers. The San Jose-Sunnyvale-Santa Clara, California Metropolitan Statistical Area was ranked as the highest performing metropolitan area in the United States, according to the Milken Institute.

- » Notable high-tech companies that are headquartered in Morgan Hill include Anritsu, Flextronics, Velodyne, TenCate Advanced Composites, and the Paramit Corporation.
- » Morgan Hill's location in southern Silicon Valley makes it very accessible to the numerous, world-renowned universities and institutions located throughout the Silicon Valley/South Bay Area region, including Stanford University, University of California, Berkeley, Santa Clara University, Saint Mary's College of California, and San Jose State University.
- » The Morgan Hill population has increased by 20 percent since 2010.

MAJOR EMPLOYERS IN MORGAN HILL, CA	# OF EMPLOYEES
MORGAN HILL UNIFIED SCHOOL DISTRICT	900
ANRITSU	480
SPECIALIZED BICYCLE COMPONENTS	380
PARAMIT CORPORATION	300
CALDOOR	300
NXEDGE	280
LUSAMERICA FOODS	270
MISSION BELL MANUFACTURING	250
TORAY ADVANCED COMPOSITES	250
INFINEON TECHNOLOGIES	240

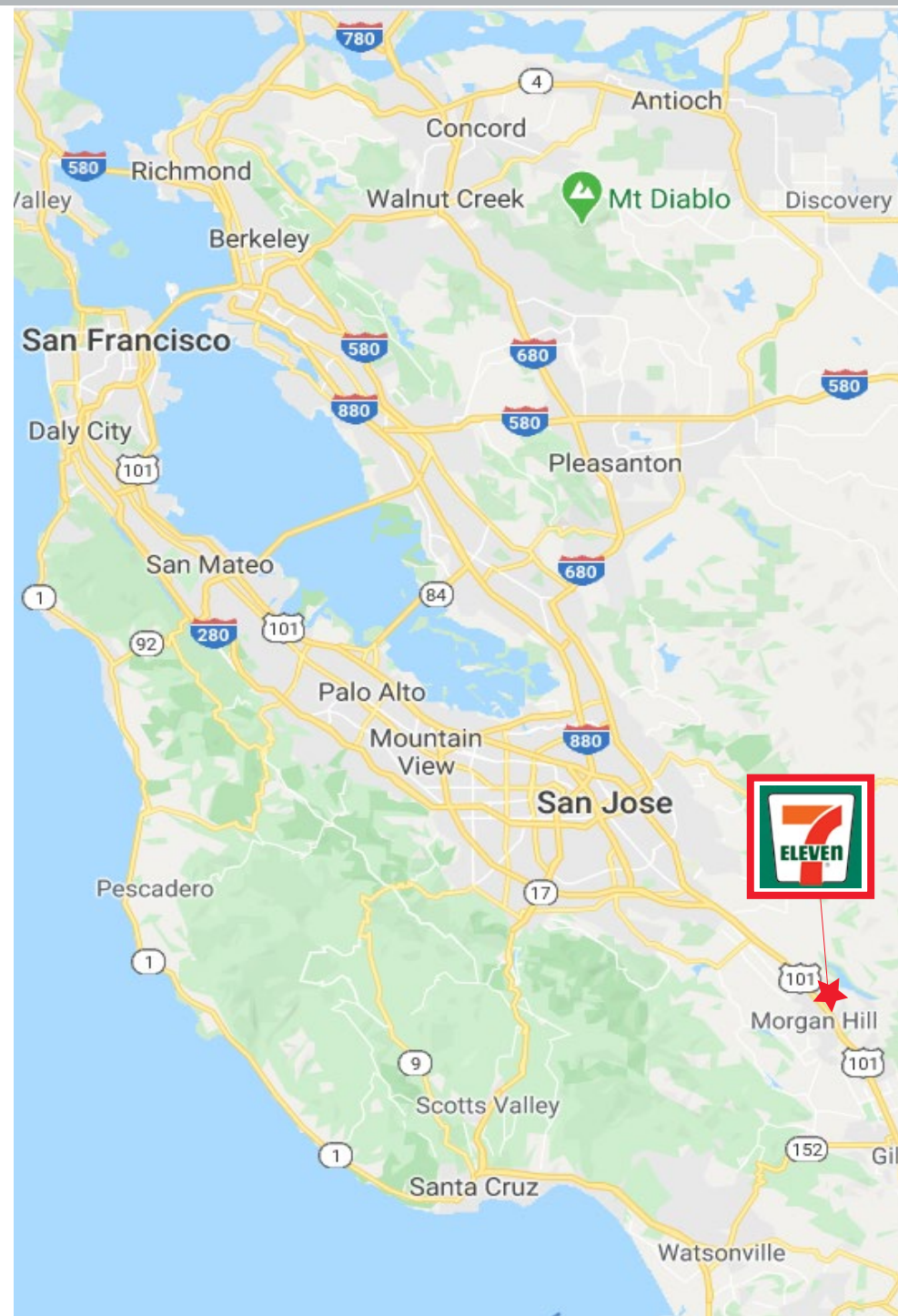


DEMOGRAPHIC PROFILE

2019 SUMMARY	1 Mile	3 Miles	5 Miles
Population	7,976	41,936	60,439
Households	2,501	13,165	19,033
Families	1,991	10,220	15,076
Average Household Size	3.18	3.16	3.15
Owner Occupied Housing Units	1,668	8,979	13,897
Renter Occupied Housing Units	833	4,186	5,136
Median Age	36.4	37.0	38.7
Average Household Income	\$154,780	\$153,301	\$167,423
2024 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	8,305	44,354	64,110
Households	2,590	13,856	20,073
Families	2,067	10,779	15,937
Average Household Size	3.20	3.17	3.17
Owner Occupied Housing Units	1,743	9,561	14,813
Renter Occupied Housing Units	847	4,295	5,260
Median Age	37.3	37.9	39.6
Average Household Income	\$181,925	\$178,382	\$192,013



**AVERAGE HOUSEHOLD INCOME OF \$167,423
WITHIN FIVE MILES**



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