



Bank of America 

(GARDAWORLD SUBLEASE)

2111 Tuolumne Street, Fresno, CA 93721

Marcus & Millichap

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BANK OF AMERICA AT FRESNO
Fresno, CA
ACT ID ZAB0140368

Marcus & Millichap



Property Summary

Property Address	2111 Tuolumne Street, CA 93721
Offering Price	\$2,958,000 *
CAP Rate	7.01% *
Annual Basic Rent	\$181,125 *
Annual CAPEX Reimbursements	\$26,262 *
NOI	\$207,387
Building Net Rentable Area	20,125 SF *
Price Per Building Sq. Ft.	\$146.98
Lot Size	1.14 Acres *
Zoning	C4 – Central Trading*
Year Built	1968 *

*Building Net Rentable Area, Lot Size, and Year Built are approximate. Zoning was provided by the Fresno Planning Department. Annual CAPEX reimbursements shown above are the total annual payments for the replacement of a climate control system (replaced in 2011 and 2019) CAPEX reimbursements with monthly \$316.67 end on August 2021 and monthly \$1,871.85 end on April 2023. Actual net operating income (NOI) may vary from year to year depending on Operating Expenses as defined in the Lease. Buyer is responsible for verifying the accuracy of all figures and facts shown above during the due diligence process.

Tenant Lease Summary

Tenant Trade Name	Bank of America (Subleased to GardaWorld)
Lease Guarantor	Bank of America, N.A.
S&P Credit Rating	A+/Stable Outlook (Bank of America, N.A.)
Lease Type	NNN ***
Roof and Structure	Tenant Responsible **
Lease Term	3 Years or until June 30, 2023 ***
Increases	Please see rent schedule below
Lease Commencement Date	
Lease Expiration Date	3 Years or June 30, 2023
Remaining Lease Term	3 Years
Options	Five, 5-year renewal options, folowed by a final renewal option period that expires on June 30th, 2053

**Tenant reimburses Landlord for repairs, maintenance, insurance, real estate taxes, and the majority of property management fees. Please see the Rent Schedule table below for additional details. Buyer is responsible for verifying the accuracy of all figures and facts shown above during the due diligence process.

***The subject property is subleased to GardaWorld until June 30, 2023.

Rent Schedule ***

Lease Years	Annual Basic Rent Factor	Basic Rent Increase Fctor	Annual Basic Rent	Monthly Basic Rent
August 1, 2017 to June 30, 2018	\$8.87	Initial Basic Rent	\$178,508.76	\$14,875.73
Current to June 30, 2023	\$9.00	1.5%	\$181,125.00	\$15,093.75
Renewal Option 1	\$9.90	10%	\$199,237.50	\$16,603.13
Renewal Option 2	\$10.40	5%	\$209,300.00	\$17,441.67
Renewal Option 3	\$10.92	5%	\$219,765.00	\$18,313.75
Renewal Option 4	\$11.46	5%	\$230,632.50	\$19,219.38
Renewal Option 5	\$12.04	5%	\$242,305.00	\$20,192.08
Final Renewal Option (expires 6/30/2053)	\$12.64	5%	\$254,380.00	\$21,198.33

Tenant has the right to renew the Lease for five (5) successive periods of five (5) years each, followed by a final renewal option period that expires on June 30th, 2053. During the Extended Renewal Options of the Lease, the Annual Basic Rent shall equal the Fair Market Rental Value of the Leased Premises, provided however, that the Annual Basic Rent Factor used to calculate such Annual Basic Rent payable during an Extended Renewal Term shall not be greater than the Annual Basic Rent Factor for such Extended Renewal Terms as set forth in the table above. Annual Rent shown above is calculated by multiplying the Annual Basic Rent Factor by the Net Rentable Area. Annual Basic Rent for any Extended Renewal Option shall either be the amount stated in the table above or Fair Market Rental Value, whichever is less.

****Summary only. Full details are provided in the Lease. There is no guarantee that Fair Market Rental Value will be equal to Annual Basic Rent shown in the table above. Buyer to verify the accuracy of this information during their Due Diligence Period. Marcus & Millichap and its affiliates can not and will not guarantee the accuracy of this information.

Investment Highlights

- **Guaranteed lease by Bank of America till June 2023**
- **7.01% CAP based on current rent of \$0.75/SF/month only**
- **Priced below replacement cost of \$146.98/SF**
- **20,125 SF building on a large, 1.14 acre lot** situated at a four-way signalized hard-corner in Downtown Fresno**
- **Fresno California High Speed Rail Station is currently under construction which will eventually extend to San Francisco**
- **Downtown Fresno has been developing with hundreds of new residential units with the \$20 million renovation of the Fulton Mall and the construction the Downtown Fresno High Speed Rail Station.**
- **Downtown Core (DTC) Zoning allows for a range of potential redevelopment uses including multi-unit residential, government offices, restaurants, hotels and general retail sales / Maximum height limit of 15 floors or 190 feet****



The Offering

The subject property is a 20,125 sq. ft. 20' high single-tenant, freestanding Bank of America (Subleased to Garda World) building situated at a four-way signalized hard-corner in Downtown Fresno. The property provides incredible opportunity for an investor to acquire the building at below replacement cost and realize 7.01% CAP return till June 2023, while seeking a new tenant at higher than current \$0.75/sq. ft./month rent.

Fresno has population of 530,093 according to U.S. Census Bureau estimates. Over the past few years, there has been rapid growth in the downtown area with almost \$92 million in private sector investments. Since 2011, there has been 560 new residential units completed with 342 units under development. The Fulton Mall, located a few blocks from the subject property spent \$20 million renovation. The high speed rail station, located a half mile from the subject property, is currently under construction. In October 2016, a new downtown plan was created with the goal to develop 10,000 housing units and bring 15,000 new residents to Downtown Fresno.

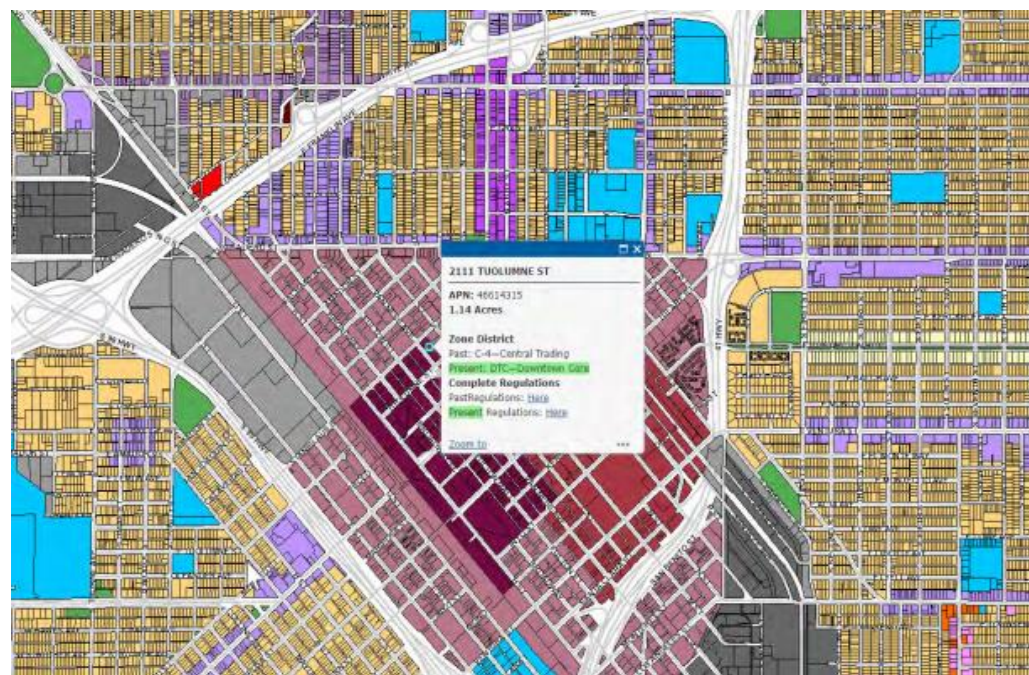
Fresno recently approved new development ordinances in the downtown area. The subject property is part of the new DTC Downtown Core zoning, which was created to foster the enhancement of Fresno's business, shopping and cultural activities by guiding the development of the densest, most active and most interesting mixed-use urban center in the region. The maximum height allowed is 15 floors or 190 feet. Permitted uses include multi-unit residential, government offices, restaurants, hotels, fitness and general retail sales.**

The lease is corporately guaranteed by Bank of America, N.A., which maintains a Standard & Poor's "A+/Stable Outlook" investment grade credit rating. Landlord is reimbursed for repairs, maintenance fees, insurance, real estate taxes, and the majority of property management fees.

The building is currently being subleased to GardaWorld Security Corporation until June 30, 2023. GardaWorld is one of the largest private security services firms in the world with over 62,000 employees across North America, Africa and the Middle East. In 2013, GardaWorld signed a \$1.4 billion outsourcing partnership with Bank of America to become the #1 cash services company in North America.

GardaWorld Security Corporation is one of the largest private security services firms in the world and based in Montreal, Canada. The company's cash services division has approximately 300 secured vaults with over 3,000 armored transportation vehicles. The company was founded in 1985 and services several Fortune 500 companies, governments and humanitarian organizations.

Downtown Fresno Zoning Map



The subject property is located in the DTC Downtown Core, which was designed to foster the enhancement of Fresno's business, shopping, and cultural heart by guiding the development of the densest, most active, and most interesting mixed-use urban center in the region.

DTC Zoning Requirements

Height Limit: 15 floors / 190 feet

Floor Area Ratio (min./max.): No limit

Residential Density, du/ac (min./max.): No limit

The subject property also falls under the Activity Class B Classification, which is defined by the city as: streets in Activity Class B are walkable urban corridors with moderate pedestrian activity. Retail, restaurant, and entertainment uses are appropriate in these areas, but ground floor residential uses with frontages such as stoops and porches or office uses with storefront frontages area also appropriate. New uses and buildings should enhance these walkable environments and blank, inactive frontages should be minimized.

DTC Downtown Core Zoning *

Permitted Uses Include:

- Multi-Unit Residential, Single-Unit Dwelling, Duplex
- Residential Care Facilities
- College and Trade Schools, Public or Private
- Government Offices
- Banks and Financial Institutions
- Restaurant, Bar or Nightclub
- Auto Sales and Services
- Cinema/Theaters
- General Market / Farmer's Market / Healthy Food Grocer
- Hotels and Motels / Bed and Breakfast
- Business and Professional Office
- Medical and Dental Office
- General Retail
- Convenience Retail
- Large-Format Retail
- Nurseries and Garden Centers
- Social Service Facilities
- Conference / Convention Facility

*Source: Fresno Planning Department. Summary only. For full details, please visit: <http://gis4u.fresno.gov/zoningpages/Downtown.pdf>. Buyer must verify the accuracy of all zoning information shown above during the due diligence period. Marcus & Millichap and its affiliates cannot and will not verify the accuracy of any zoning information shown above. Buyer must conduct their own due diligence.



Fresno with population of 530,093 has been improving its' Downtown since 2011 with hundreds of new residential units being built. Since 2015, the private sector has poured over hundredth of millions in construction projects.

The zoning allows for a range of uses including multiunit residential, government offices, restaurants, hotels and general retail sales. The subject property is also located in Activity Class B, a classification created to prompt walkable urban corridors with moderate pedestrian activity. Retail, restaurant and entertainment uses are appropriate. The new Downtown Districts along with the Fulton Corridor Specific Plan were designed to foster infill development and pedestrian-oriented streetscapes.*

The Fulton Mall, located a few blocks south of the subject property spent \$20 million to revitalize over 11 city blocks which included bicycle and pedestrian accommodations and streetscape improvement elements. Over the past few years, over 50 new local businesses have moved to the downtown area. Fresno Mayor Lee Brand has plans to add up to 10,000 jobs over the next eight years. Many of those jobs will come from the construction and maintenance of the Fresno High Speed Rail Station, located about half a mile from the subject property.

S&P “A+” Investment Grade Credit Rating (Bank of America, N.A.)

4,600 Locations Nationwide

\$264+ Billion Net Worth

\$2.32+ Trillion in Assets

Fortune 100 Company (NYSE: BAC)

Bank of America Reports First Quarter 2020 Earnings Highlights

- **Diluted earnings per share of \$0.40, down 43%**
- **Net income of \$4.0B declined \$3.3B**
 - Provision increased \$3.7B to \$4.8B and included \$3.6B reserve build
 - Pretax income declined \$4.2B
 - Pretax, pre-provision income declined \$0.5B, or 5%
- **Maintained strong balance sheet**
 - Common shareholders' equity ended the quarter at \$241B
 - Common Equity Tier 1 Capital ratio of 10.8% (minimum requirement of 9.5%), down 41 bps from 4Q19
 - Book value per share of \$27.84 improved 2% from year-end
 - End of period loans and leases increased \$67B from year-end, primarily through drawn funding by Commercial clients
 - End of period deposits increased \$149B from year-end, with significant increases in all lines of business
 - Global Markets balance sheet increased as much as \$130B intra-quarter as we supplied liquidity to clients but ended modestly up compared to year-end
 - Returned \$7.9B in capital to shareholders in 1Q; suspended share repurchase program in March to provide additional support to the economy
- **Net interest income of \$12.1B (\$12.3B FTE 3), down 2%, driven primarily by lower interest rates, partially offset by loan and deposit growth**
 - Steady NII compared to 4Q19
- **Noninterest expense of \$13.5B increased \$0.3B, or 2%, as investment spending was mitigated by cost saving initiatives**
- **Net charge-offs of \$1.1B increased \$163MM from 4Q19, driven primarily by Commercial losses**

Source <http://investor.bankofamerica.com/static-files/7d5ff286-e5d0-4464-b2d4-4f0fa8055980>



Bank of America Partnership: One Year Later

January 22, 2015

At the end of 2013, GardaWorld announced an industry first and game-changing acquisition of 32 cash vaults and 1,100 highly trained employees, which helped propel us to become the number one cash services provider in North America.

This acquisition also cemented our ongoing and strategic partnership with Bank of America. At the end of 2013, GardaWorld announced an industry first and game-changing acquisition of 32 cash vaults and 1,100 highly trained employees, which helped propel us to become the number one cash services provider in North America. This acquisition also cemented our ongoing and strategic partnership with Bank of America.

Update: Both organizations are performing better than the high expectations that were set! Additionally, other financial institutions are realizing the model that was created by GardaWorld and Bank of America can have a positive financial and customer impact to their organizations and are exploring their options.

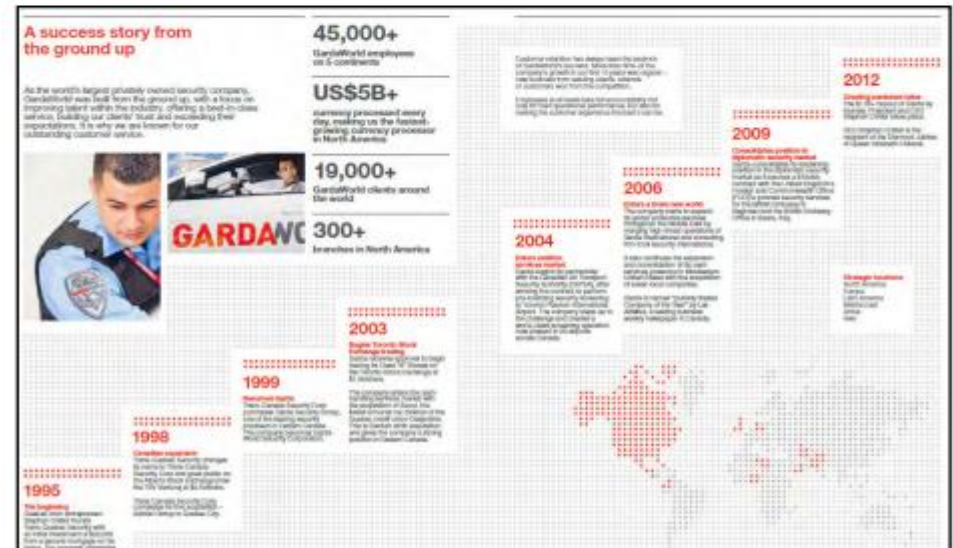
On the first day of the transaction, we dispatched our cash vault leaders and teams to validate cash vault inventories, building security, and conducted employee onboarding—all completed in 48 hours. On the following Monday, GardaWorld began processing at all 32 locations and most importantly, Bank of America clients had a seamless customer experience!

From that Monday on, we began converting each site from the Bank of America cash vault system platform to the GardaWorld platform. Converting a site requires coordination from many areas within Bank of America and GardaWorld. As you can imagine, each market has different requirements, different customer service delivery expectations and nuances that require a deep dive analysis before converting to ensure we maintain the goal of providing a seamless customer experience to Bank of America clients.

GardaWorld and Bank of America really hit it out of the park with this partnership. We've strategically positioned ourselves as the largest vault provider in North America while achieving significant impact on economies of scale and cost savings. To date, we've fully converted 15 of the 32 locations while learning invaluable lessons that will aid in preparation for future partnerships of this kind. Together, we have changed the game and revolutionized relationships within our industry

*Summary only. <https://www.garda.com/blog/en/bank-of-america-partnership-one-year-later/>

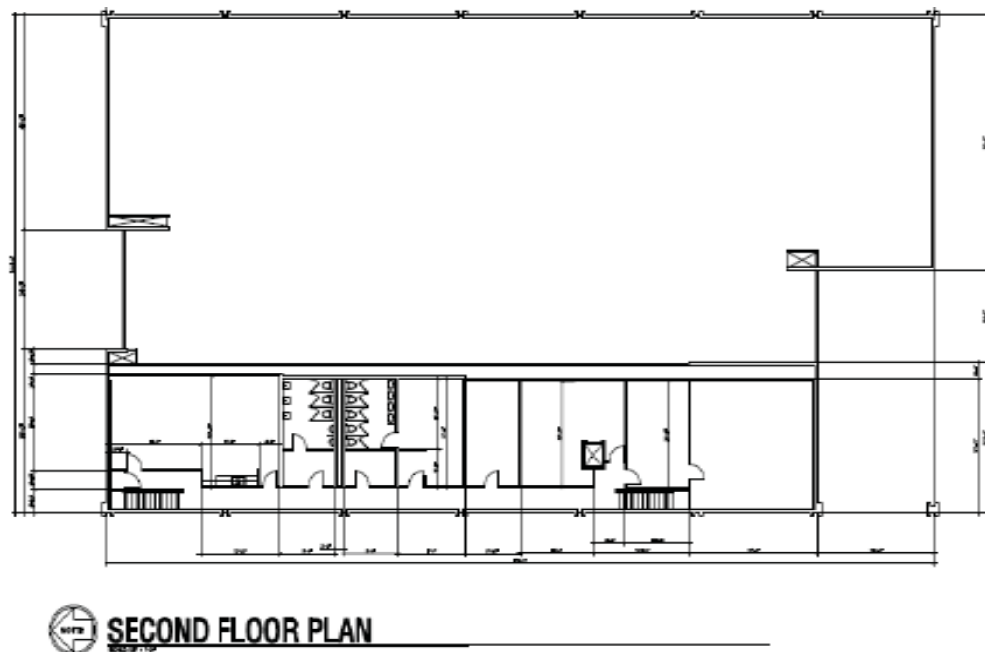
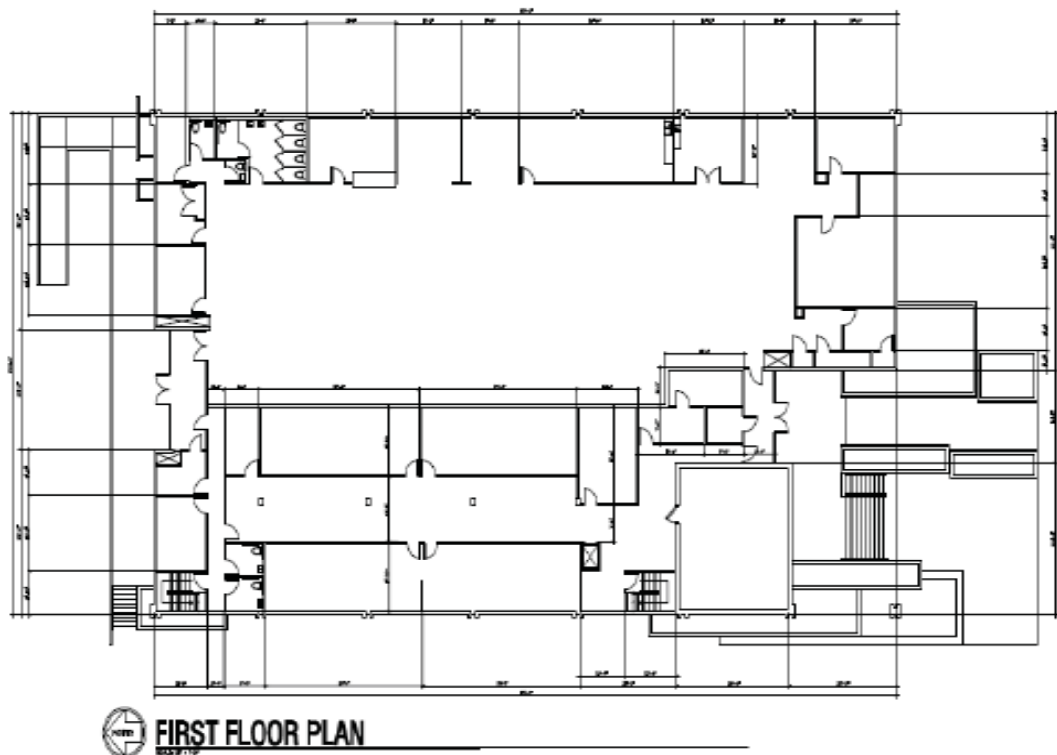
GARDAWORLD



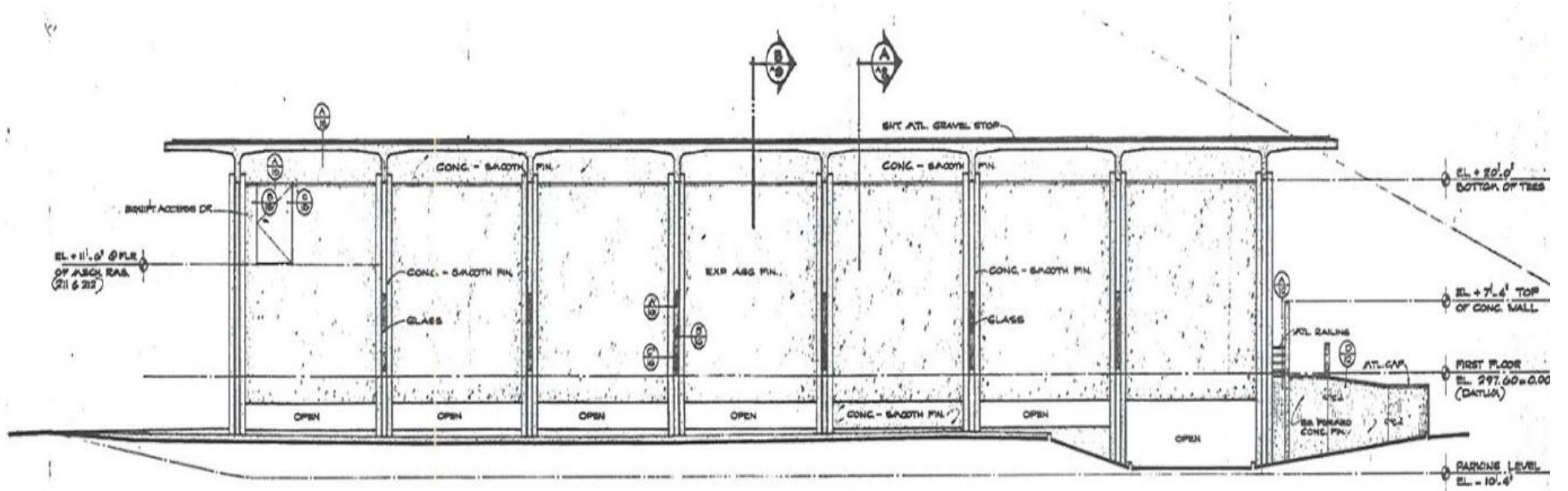


FLOOR PLAN

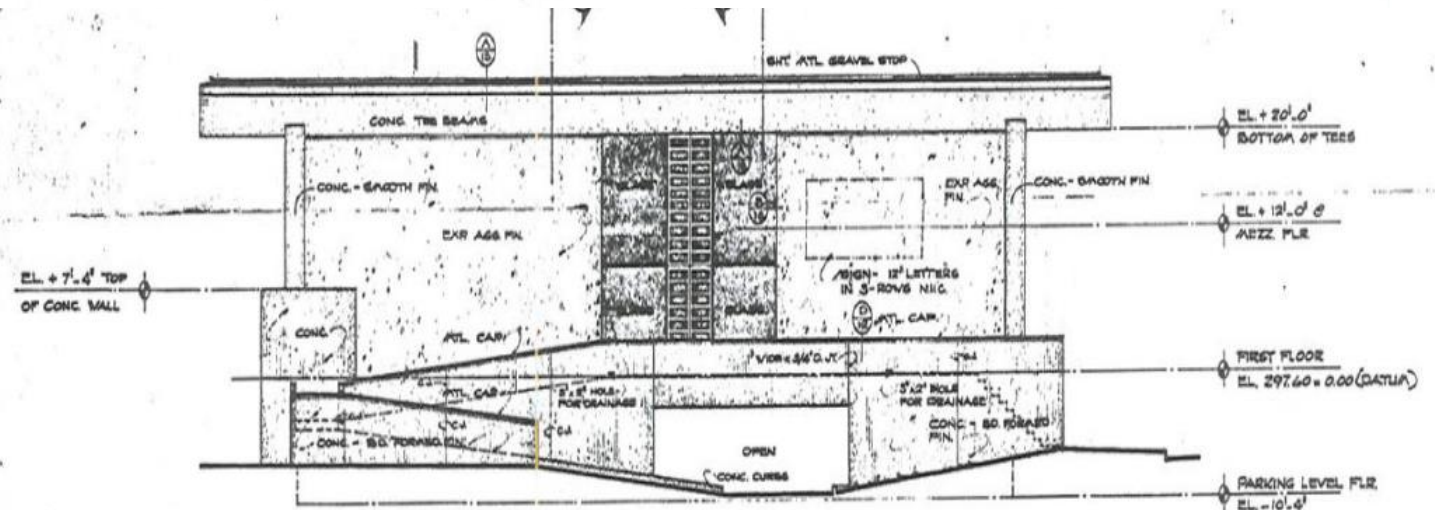
- 20,125 square foot office/money processing facility (Former Bank) consisting of approximately 17,500 square feet located on the first floor with approximately eight offices, six restrooms and a large 4,488 square foot open office/processing area.
- There is also 2,625 square feet located on the second floor with a large break room, restrooms and locker room. The property is fully fenced with wrought iron electronic gates.



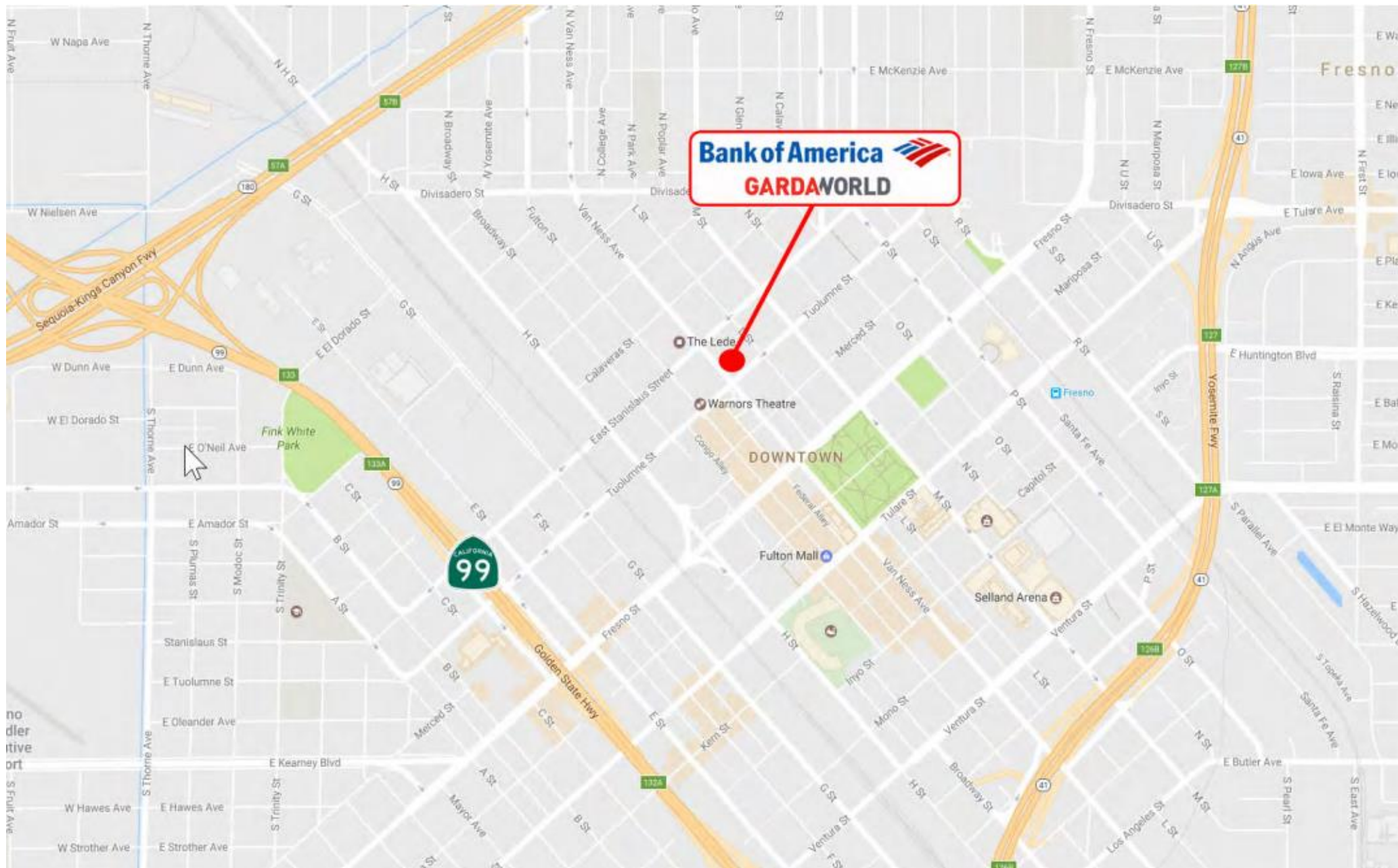
ELEVATION

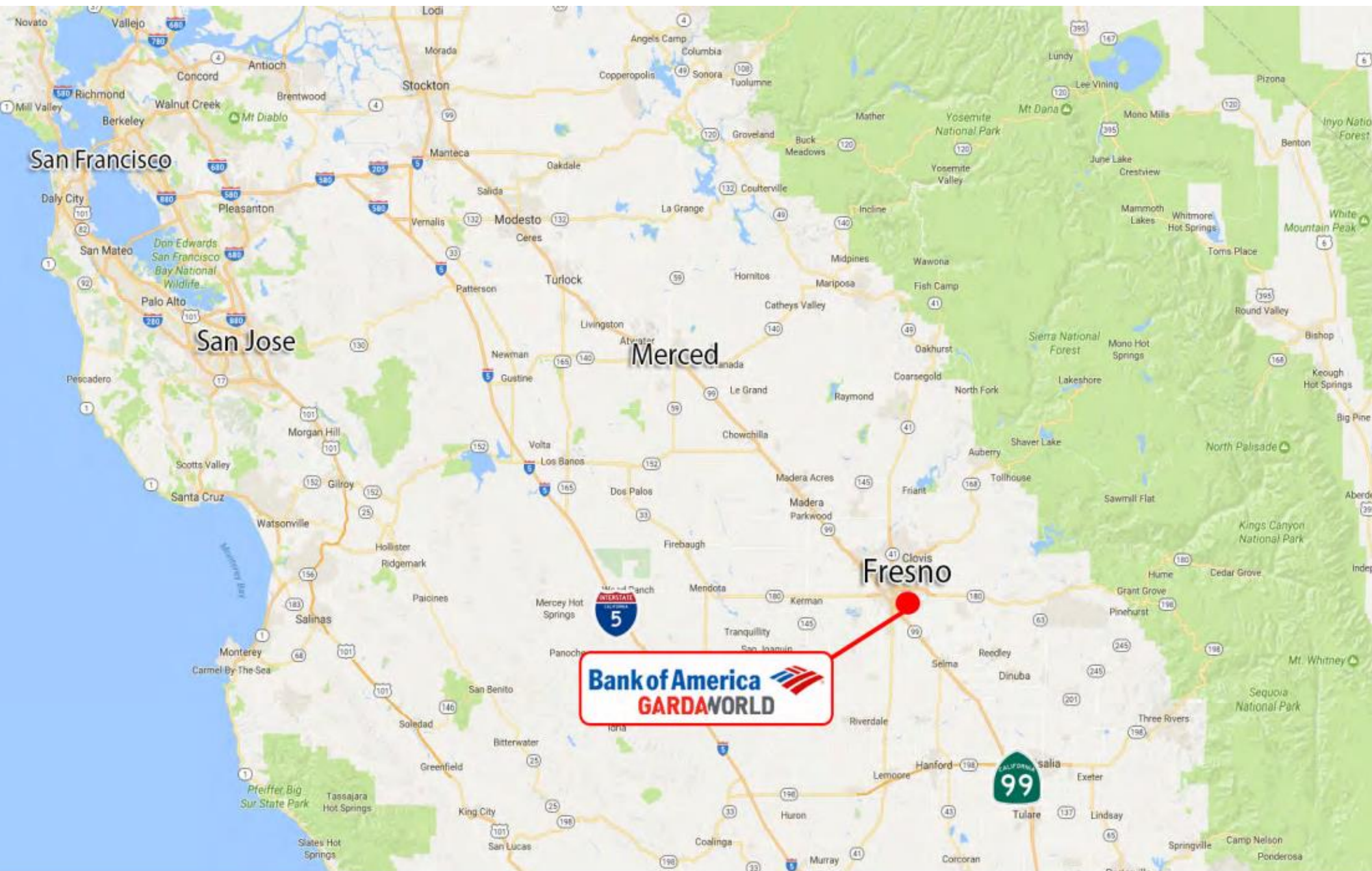


EAST ELEVATION
SCALE 1/8"=1'-0"



NORTH





POPULATION	1 Miles	3 Miles	5 Miles
■ 2024 Projection			
Total Population	18,296	149,745	321,790
■ 2019 Estimate			
Total Population	17,788	147,082	316,443
■ 2010 Census			
Total Population	16,886	141,373	305,087
■ 2000 Census			
Total Population	17,301	137,971	289,836
■ Current Daytime Population			
2019 Estimate	56,414	182,290	343,497
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2024 Projection			
Total Households	4,926	42,023	95,584
■ 2019 Estimate			
Total Households	4,683	41,149	93,917
Average (Mean) Household Size	2.98	3.40	3.25
■ 2010 Census			
Total Households	4,252	39,051	89,599
■ 2000 Census			
Total Households	4,265	38,531	87,617
■ Occupied Units			
2024 Projection	4,926	42,023	95,584
2019 Estimate	5,185	43,806	99,392
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2019 Estimate			
\$150,000 or More	1.83%	2.37%	3.19%
\$100,000 - \$149,000	3.50%	4.92%	6.16%
\$75,000 - \$99,999	4.93%	7.36%	8.81%
\$50,000 - \$74,999	9.90%	14.82%	16.58%
\$35,000 - \$49,999	9.35%	12.71%	13.62%
Under \$35,000	70.49%	57.82%	51.64%
Average Household Income	\$34,215	\$42,807	\$48,737
Median Household Income	\$19,098	\$28,653	\$33,538
Per Capita Income	\$12,229	\$12,623	\$14,842

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$41,767	\$52,097	\$57,313
■ Consumer Expenditure Top 10 Categories			
Housing	\$13,694	\$16,519	\$17,942
Shelter	\$9,543	\$11,274	\$12,140
Transportation	\$6,249	\$7,671	\$8,462
Food	\$5,004	\$5,960	\$6,448
Personal Insurance and Pensions	\$2,431	\$3,627	\$4,294
Utilities	\$2,083	\$2,589	\$2,834
Health Care	\$1,937	\$2,571	\$2,919
Entertainment	\$1,522	\$1,915	\$2,112
Apparel	\$1,052	\$1,303	\$1,409
Education	\$938	\$1,080	\$1,171
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2019 Estimate Total Population	17,788	147,082	316,443
Under 20	30.15%	35.06%	34.14%
20 to 34 Years	30.40%	24.74%	24.29%
35 to 39 Years	7.62%	6.77%	6.49%
40 to 49 Years	11.44%	11.25%	10.88%
50 to 64 Years	12.49%	13.62%	14.14%
Age 65+	7.90%	8.56%	10.06%
Median Age	29.38	28.80	29.48
■ Population 25+ by Education Level			
2019 Estimate Population Age 25+	10,694	83,628	183,508
Elementary (0-8)	17.66%	17.05%	13.25%
Some High School (9-11)	21.90%	17.40%	15.79%
High School Graduate (12)	22.11%	22.98%	24.57%
Some College (13-15)	18.35%	18.76%	21.91%
Associate Degree Only	4.66%	6.34%	7.06%
Bachelors Degree Only	4.81%	6.04%	7.51%
Graduate Degree	2.35%	2.66%	3.12%

Source: © 2019 Experian



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