

OFFERING MEMORANDUM

ABSOLUTE NNN U.S. BANK

6644 Carnelian St, Rancho Cucamonga, CA 91701

Offered At: \$3,475,000



Presented By



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INVESTMENT SUMMARY

THE OPPORTUNITY

Progressive Real Estate Partners is pleased to present the opportunity to acquire an **Absolute NNN US Bank** asset in the **high income, established** Alta Loma neighborhood of **Rancho Cucamonga, CA**. The property is situated at the 19th & Carnelian intersection, serving as the primary retail destination for a captured trade area of high-income residents (**\$113,600 average incomes; \$759,000 average home values**). US Bank is investment grade (**S&P: AA-; Moody's: A1**) and publicly traded (**NYSE: USB**). **They are responsible for all management and expenses** related to the property, including: property taxes, insurance, CAM, roof, structure, and parking lot. A recent **5-year extension** was signed in July 2020 (amidst the COVID-19 pandemic) with no reductions in rent.

OFFERING SUMMARY

Sale Price:	\$3,475,000
Annual Base Rent:	\$166,842
Cap Rate:	4.80%
Lease Type:	Absolute NNN
Term Remaining:	4.5 years
Rent Increases:	2% Annually
Options to Extend:	Two 5-Year
Building Size:	±4,278 SF
Total Land Area:	±18,800 SF
Ownership	Fee (Ground Lease)



INVESTMENT HIGHLIGHTS



STRONG RETAIL INVESTMENT FUNDAMENTALS

- **Absolute NNN Lease** - Tenant is directly responsible for taxes, insurance, CAM, roof, structure, and parking lot.
- **Investment-Grade Credit** - Rated "AA-" by Standard & Poor's. Rated "A1" by Moody's.
- **Publicly Traded** - US Bancorp (NYSE: USB) has rallied 28% over the trailing 6 months through Jan 2021.
- **Captured Trade Area** - The majority of Alta Loma residents reside north of the property with no shopping centers to serve its residents other than the subject property and its surrounding retail at the intersection.
- **42 Year Occupancy History** - Originally built as Pomona First Federal Savings & Loans in 1979, this location was rebuilt in 1993. It has operated continuously as a bank since its original development.
- **\$101 Million Branch Deposits** - Up 13% (YOY 2019 to 2020) and well above US Bank's California average of \$80M per branch.
- **Recent 5-Year Extension** - In July 2020 (amidst the COVID-19 pandemic), US Bank committed to an additional 5-years of term without any reductions in rent.

INVESTMENT HIGHLIGHTS



HIGH INCOME CAPTURED TRADE AREA

- **\$759,000 Average Home Values** – The Alta Loma neighborhood of Rancho Cucamonga is one of the Inland Empire’s wealthiest and most established trade areas. Its median home value is nearly double the San Bernardino County median of \$390,000 (Source: Redfin).
- **\$113,600 Average Incomes** – Alta Loma enjoys income levels comparable to much of Los Angeles County (\$100,600 average) and Orange County (\$125,300 average).
- **Strong Retail Velocity at Intersection** – Surrounding retailers include: Sprouts, Vons, Starbucks, Walgreens, Rite Aid, Western Dental, Chase Bank, Leslie’s Pool Supply, Juice It Up, Flame Broiler, and more.
- **High Traffic, Signalized Intersection** – ±43,400 cars per day at the intersection of 19th and Carnelian.
- **Convenient Access** – No center dividers are present on either 19th or Carnelian, allowing full left-in/left-out access.

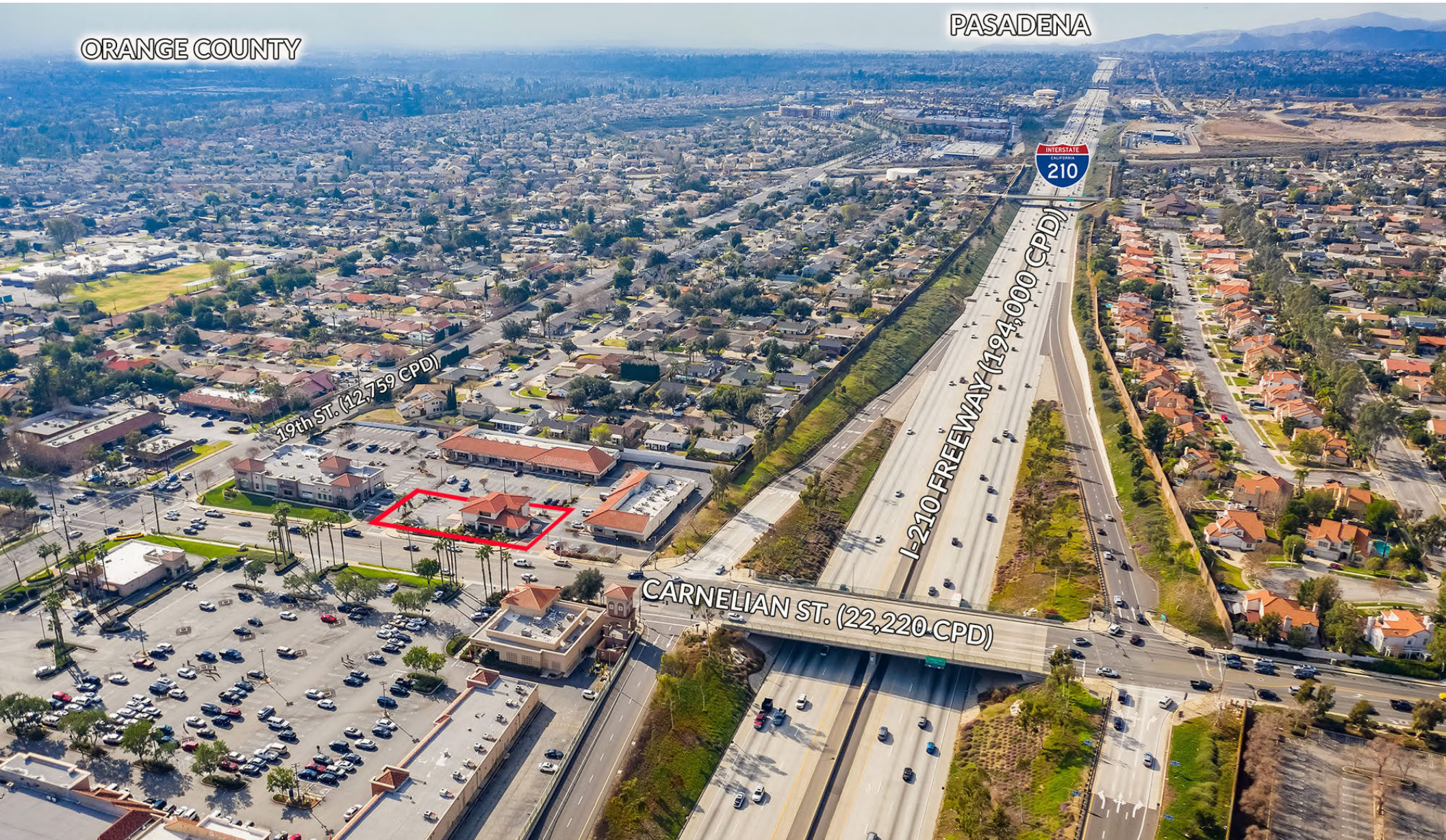
AERIAL



AERIAL

ORANGE COUNTY

PASADENA



LEASE SUMMARY

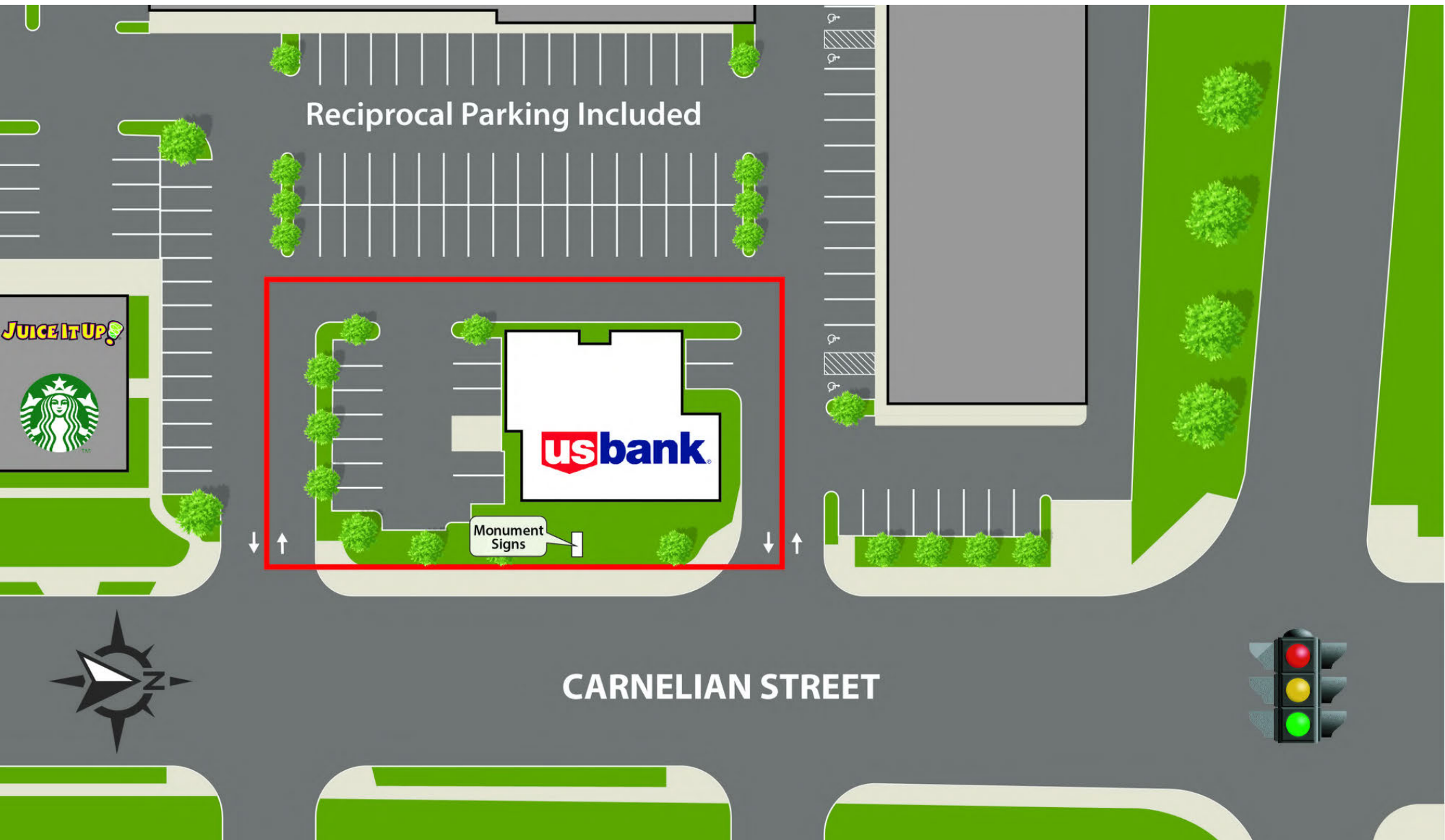
LEASE SUMMARY¹

Tenant:	U.S. Bank National Association	Rental Increases:	2% Annually Commencing July 1, 2023
Lease Commencement:	July 20, 1978	Renewal Options:	Two 5-year options
Most Recently Amended/Extended:	July 1, 2020	Property Taxes:	Tenant Responsibility
Lease Expiration:	June 30, 2025	Insurance:	Tenant Responsibility
Lease Type:	Absolute NNN	Common Area Maintenance:	Tenant Responsibility
Net Operating Income:	\$166,842	Repairs and Maintenance (incl. HVAC):	Tenant Responsibility
Net Rentable Area:	±4,278 SF	Roof and Structure & Parking Lot:	Tenant Responsibility
Guaranty:	Corporate	Right of First Refusal:	Yes

NOTES

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period

SITE PLAN



TENANT PROFILE



7TH LARGEST BANK IN THE NATION BY TOTAL ASSETS

US Bank is a subsidiary of U.S. Bancorp, an American bank holding company based in Minneapolis, Minnesota, and incorporated in Delaware. It is the parent company of U.S. Bank National Association, and is on the list of largest banks in the United States. The company provides banking, investment, mortgage, trust, and payment services products to individuals, businesses, governmental entities, and other financial institutions. It has over 3,000 branches and more than 4,700 ATMs, primarily in the Western and Midwestern United States. It is ranked 113th on the Fortune 500.

US Bank's believes its relationships are built on trust that it builds every day through every interaction. Employees are empowered to do the right thing to ensure they share customers' vision for success. US Bank works as a partner to provide financial products and services that make banking safe, simple and convenient. The company is dedicated to helping customers navigate important milestones and strengthen futures together.

TENANT OVERVIEW

Company:	U.S. Bancorp (NYSE: USB)
Founded:	1968
Locations:	3,067
Total Assets:	\$495.43 Billion (2019)
Net Income:	\$6.91 Billion (2019)
Fortune 500 Rank:	113 (22 Years on Fortune 500)
Rank Among Banks:	#7 Bank in the US by Total Assets
Headquarters:	Minneapolis, MN
Website:	www.usbank.com

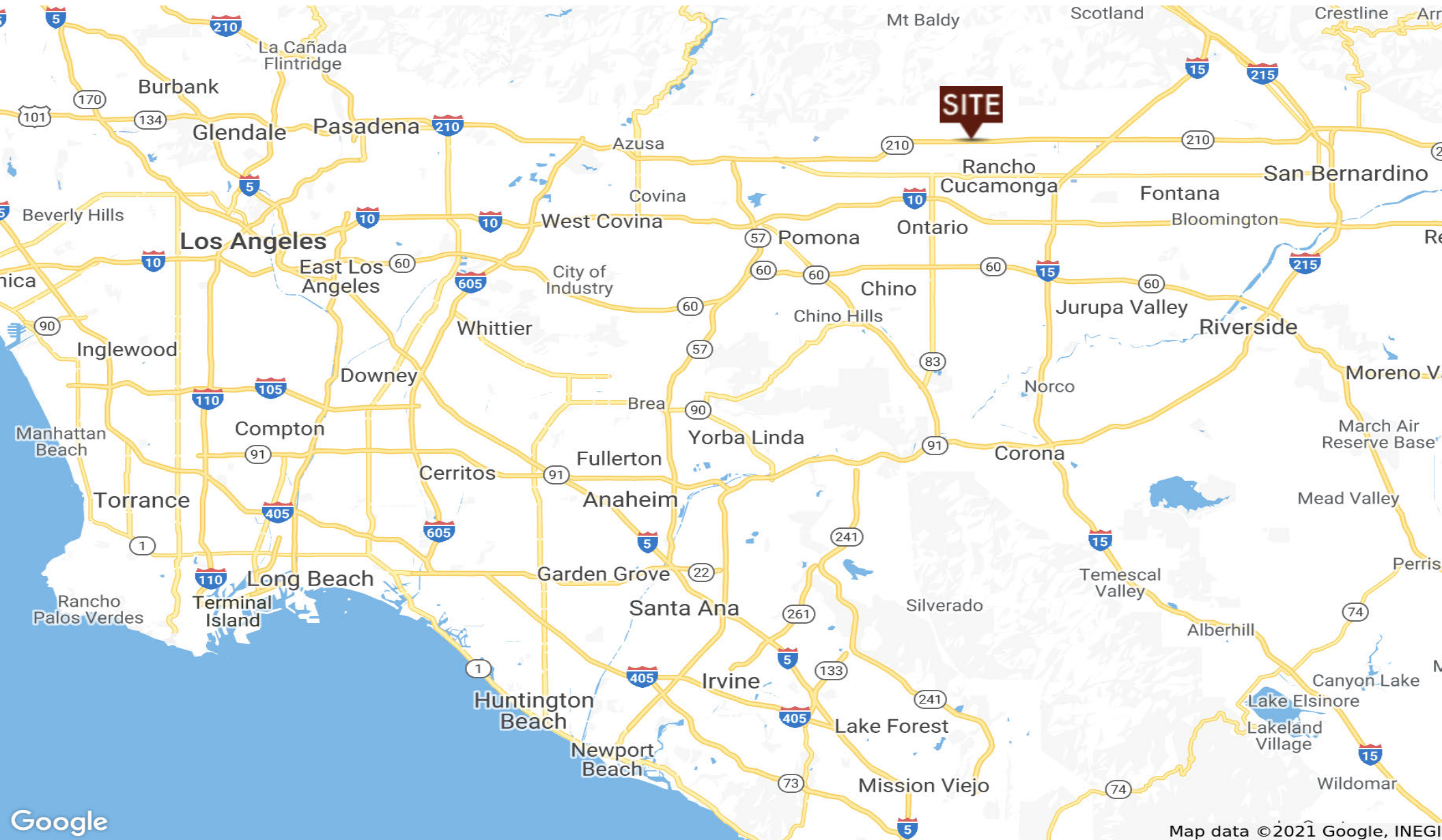
RENT SCHEDULE

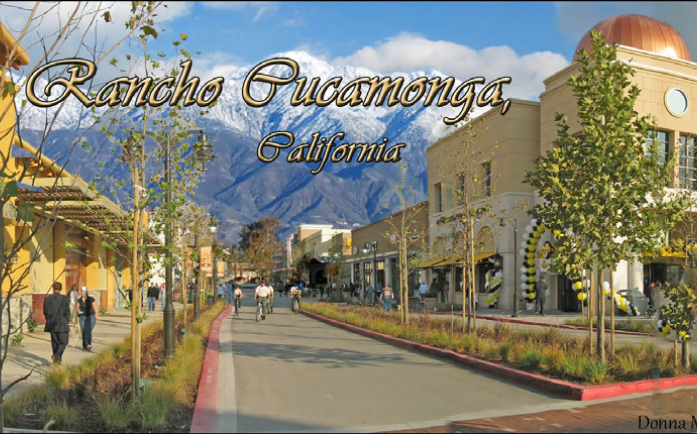
LEASE YEARS	ANNUAL RENT	BUMP	YIELD
Current - June 2023	\$166,842.00	-	4.80%
July 2023 - June 2024	\$170,178.00	2%	4.90%
July 2024 - June 2025	\$173,604.00	2%	5.00%
July 2025 - June 2026	\$177,066.42	2%	5.10%
July 2026 - June 2027	\$180,617.16	2%	5.20%
July 2027 - June 2028	\$184,210.68	2%	5.30%
July 2028 - June 2029	\$187,932.54	2%	5.41%
July 2029 - June 2030	\$191,654.40	2%	5.52%
July 2030 - June 2031	\$195,504.60	2%	5.63%
July 2031 - June 2032	\$199,397.58	2%	5.74%
July 2032 - June 2033	\$203,376.12	2%	5.85%

SURROUNDING PROPERTIES



REGIONAL MAP





TRADE AREA INFORMATION

RANCHO CUCAMONGA, CA

- Ranked California's 4th safest city by the F.B.I.
- Known for its pro-business environment, growing industrial base, high educated work force, regional retail destinations with award-winning architecture, and family-friendly master planned communities.
- Haven Estates, one of the city's many gated communities, ranked #13 on "27 Richest Neighborhoods in Southern California" by Business Insider (just behind Bel Air at #12).
- Major logistical hub (like its neighbors Ontario and Fontana) with quick access to the I-210, I-10, and I-15 freeways.
- The city's total area encompasses 40 square miles, mostly comprised of master planned residential communities, affluent office parks, and high end retail shopping areas (Retail: 8.2M SF; Office: 5.2M SF; Industrial: 39M SF).
- 2.60% unemployment rate (pre-COVID) with 3.44% annual job growth and 37% future job growth projected over the next decade.
- Home to Chaffey College (20,000 students) and satellite campuses for University of La Verne, Cambridge College, University of Redlands, Everest College, and the University of Phoenix.
- 41.7% of city population hold a Bachelor's degree or better versus 20.6% of the total California population.
- Home to The Resort - the most significant residential development in the core Inland Empire in recent years (3,450 new residential units plus 220,000 SF of non-residential use).



**RANCHO
CUCAMONGA**

4th

SAFEST CITY IN CA
(SOURCE: FBI)

13th

RICHEST
NEIGHBORHOOD
IN SOCAL

\$111,900

CITYWIDE AVERAGE
INCOME

PROPERTY INFORMATION



ADDRESS
6644 Carnelian Street



BUILDING AREA
±4,278 SF



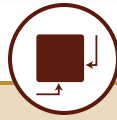
APN
0201-811-61



YEAR BUILT
1993



ZONING
Neighborhood Commercial



ACCESS
Two from Carnelian St
One from 19th St
(All Left-In/Left-Out)

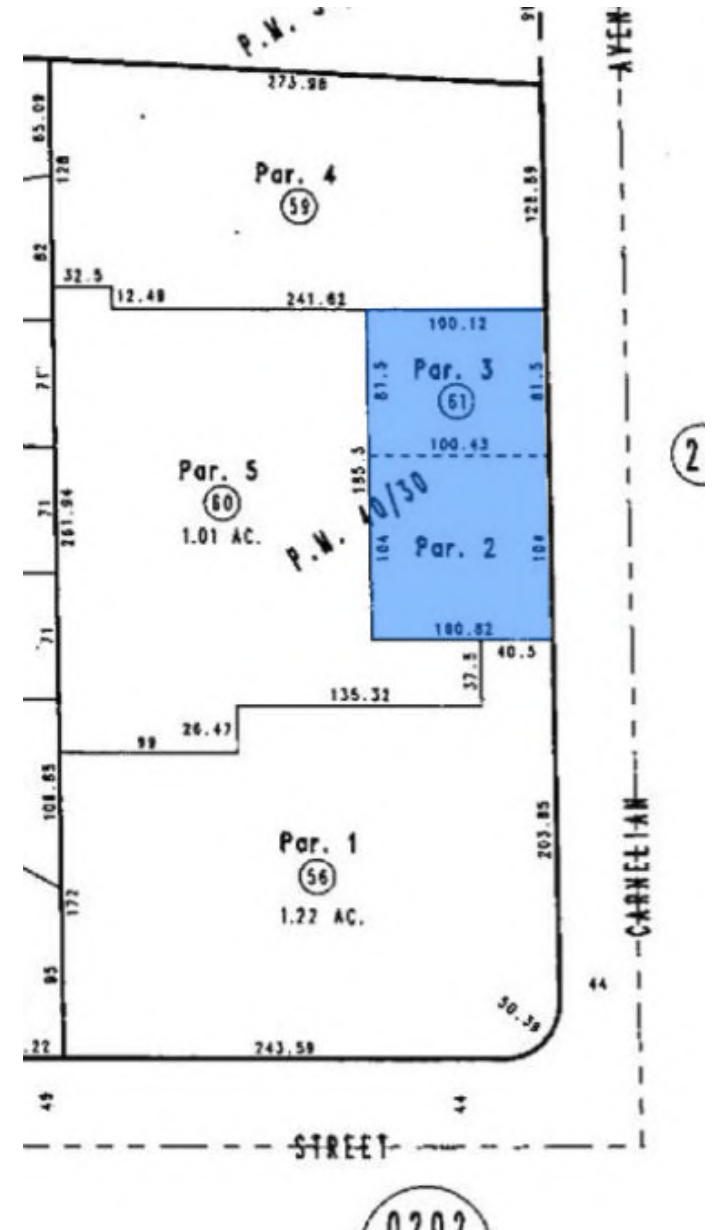


PARKING
14 Dedicated plus
Reciprocal Parking



TRAFFIC COUNTS
Carnelian St: ±22,220 CPD
19th St: ±12,760 CPD
I-210 Freeway: ±194,000 CPD

PARCEL MAP



TRADE AREA DEMOGRAPHICS

	1-MILE	3-MILE	5-MILE
Population			
2025 Projection	15,951	131,133	311,612
2020 Estimate	15,678	128,576	305,516
2010 Census	15,255	124,184	285,075
2000 Census	14,385	117,785	249,767
Growth 2000-2010	6.0%	5.4%	14.1%
Growth 2010-2018	2.8%	3.5%	7.2%
Growth 2018-2023	1.7%	2.0%	2.0%

Households			
2025 Projection	5,506	46,152	105,324
2020 Estimate	5,384	45,024	102,731
2010 Census	5,115	42,454	93,668
2000 Census	4,853	39,789	81,594
Growth 2000-2010	5.4%	6.7%	14.8%
Growth 2010-2018	5.3%	6.1%	9.7%
Growth 2018-2023	2.3%	2.5%	2.5%

Average Household Income			
2020 (current)	\$124,791	\$114,053	\$106,661
2025 (projected)	\$129,626	\$123,210	\$114,252

2020 Daytime Population			
Number of Businesses	409	4,295	13,441
Number of Employees	3,290	29,883	112,606

