

76

SINGLE-TENANT, COASTAL
C-STORE / GAS STATION

ORANGE COUNTY

Absolute NNN Lease | Adjacent to I-5 Freeway (250,000 CPD)
Rare 2% Annual Increases with FMV Reset at Option Period

CAPISTRANO
BEACH

SPROUTS
FRESH MARKET

HomeGoods



250,000 CPD

Ralphs

CVS pharmacy

STATER BROS.

TRADER JOE'S

CAMINO DE LOS MARES 34,600 CPD



OFFERING MEMORANDUM
SAN CLEMENTE, CALIFORNIA



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OFFERING MEMORANDUM

SAN CLEMENTE, CALIFORNIA

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OFFERING SUMMARY

SINGLE-TENANT COASTAL C-STORE / GAS STATION



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LOCATION

76 Gas Station
606 Camino De Los Mares
San Clemente, CA 92673



OFFERING SUMMARY

| | |
|---|-------------|
| Price: | \$6,130,000 |
| January 2022 Net Operating Income (NOI): | \$223,807 |
| January 2022 Capitalization Rate: | 3.65% |
| Net Rentable Area: | 1,989 |
| Year Built: | R-2013 |
| Lot Size (Acres): | 0.42 |

LEASE TERMS (1)

| | |
|------------------------------|--|
| Guarantor: | See Footnote (2) |
| Lease Commencement: | 12/22/2010 |
| Lease Expiration: | 12/31/2030 |
| Lease Type: | Absolute NNN |
| Roof & Structure: | Tenant Responsibility |
| Monthly Rent: | \$18,651 |
| Annual Rent: | \$223,807 |
| Rental Increases: | 2% Annually (January 2023) |
| Renewal Options: | One 14-Year @ 2% Annually (FMV Reset - 2% Minimum) |

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

(2) The tenant, Apro, LLC (dba United Oil), has 320+ locations across California, Colorado, Nevada, Oregon, and Washington. Prior tenants still guaranteeing the lease include (a) Northwest DealerCo Holdings, LLC (owned 200+ Unocals) and a personal guarantee by its owner David Delrahim, and (b) G&M Oil, LLC (owned by G&M Oil & Chevron, operates 120+ Chevrons in California) and a personal guarantee from its owner George Pearson.





- **Single-Tenant Pride of Ownership Coastal Orange County Investment (76 Gas Station and Convenience Store) with Long Term Rent Upside:**

- Absolute NNN lease; zero landlord responsibilities
- 9.5+ years remaining on the initial 20-year lease term
- 2% annual increases (next increase January 2023)
- Below market rent; fair market value rent reset at option period, which will provide future upside to a buyer
- Rare 14-year option period provides a “built-in” long term lease
- Extremely strong lease guarantors
 - ◆ The current tenant and guarantor, Apro, LLC (dba United Oil), has 320+ locations across California, Colorado, Nevada, Oregon, and Washington
 - ◆ Prior tenants still guaranteeing the lease include (a) Northwest DealerCo Holdings, LLC (owned 200+ Unocals) and a personal guarantee by its owner David Delrahim, and (b) G&M Oil, LLC (owned by G&M Oil & Chevron, operates 120+ Chevrons in California) and a personal guarantee from its owner George Pearson
- Major accelerated depreciation benefits associated with gas stations and convenience stores (contact accountant for further details)

- **Phillips 66 has 50% Ownership of the Tenant and has the Opportunity in the Future to Acquire the other 50%**

- **Unique Lease Structure Provides Landlord with Ownership of Most of the Fixtures, Furniture, and Equipment and Entitlements, Which Presents a Potential Opportunity to Own the Business Upon Lease Expiration**

- **Exceptionally High Barriers to Entry and Limited Competition:**

- San Clemente is one of the most affluent and desirable regions in Southern California
- Rare opportunity to acquire coastal real estate within a dense, affluent infill trade area
- The subject property is the only gas station on the east side of the 5 Freeway with virtually no ability for another competing site to enter the market



INVESTMENT HIGHLIGHTS

SINGLE-TENANT COASTAL C-STORE / GAS STATION



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- **Irreplaceable Location at the Hard Corner Signalized Intersection of Camino De Los Mares and the Interstate 5 On/Off Ramp**
- **Excellent Accessibility and Visibility Which Captures Year-Round Beach Traffic:** The subject property benefits from two points of ingress/egress along Camino De Los Mares (34,600 CPD) which is a major corridor connecting San Clemente to Capistrano Beach
- **Outstanding Tenant Synergy Surrounding the Property:** The subject property is a pad to Stater Bros Market and adjacent to Ocean View Plaza, a Ralphs and Trader Joe's Anchored shopping center; other adjacent tenants include Crunch Fitness, CVS/pharmacy, Chase Bank, Starbucks, The Habit Burger Grill, Wells Fargo, and a planned new construction two-tenant drive-thru property directly behind the subject property
- **Dense, Affluent Orange County Demographics:** There are 155,729 people with average household incomes of \$158,964 within a 5-mile radius
- **Desirable San Clemente Location:**
 - Thriving regional and tourist destination with over 2 million visitors per year
 - #16 "Best Beach towns to Live In" by WalletHub (2020)



SITE PLAN / PARCEL MAP

SINGLE-TENANT COASTAL C-STORE / GAS STATION



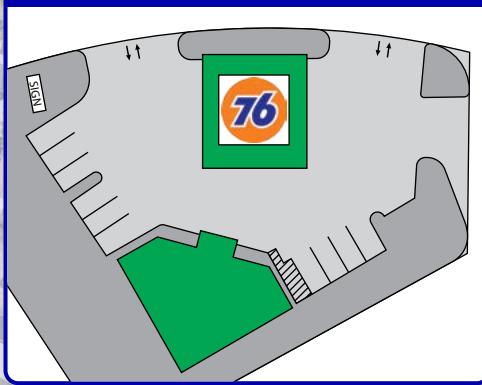
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PROPERTY PARCEL

APN: 675-091-01

SUBJECT PROPERTY



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

CAPISTRANO
BEACH





ADJACENT TO THREE
DOMINANT GROCERY STORES



SURROUNDING
TENANTS

— NOT A PART —



AERIAL OVERVIEW

SINGLE-TENANT COASTAL C-STORE / GAS STATION

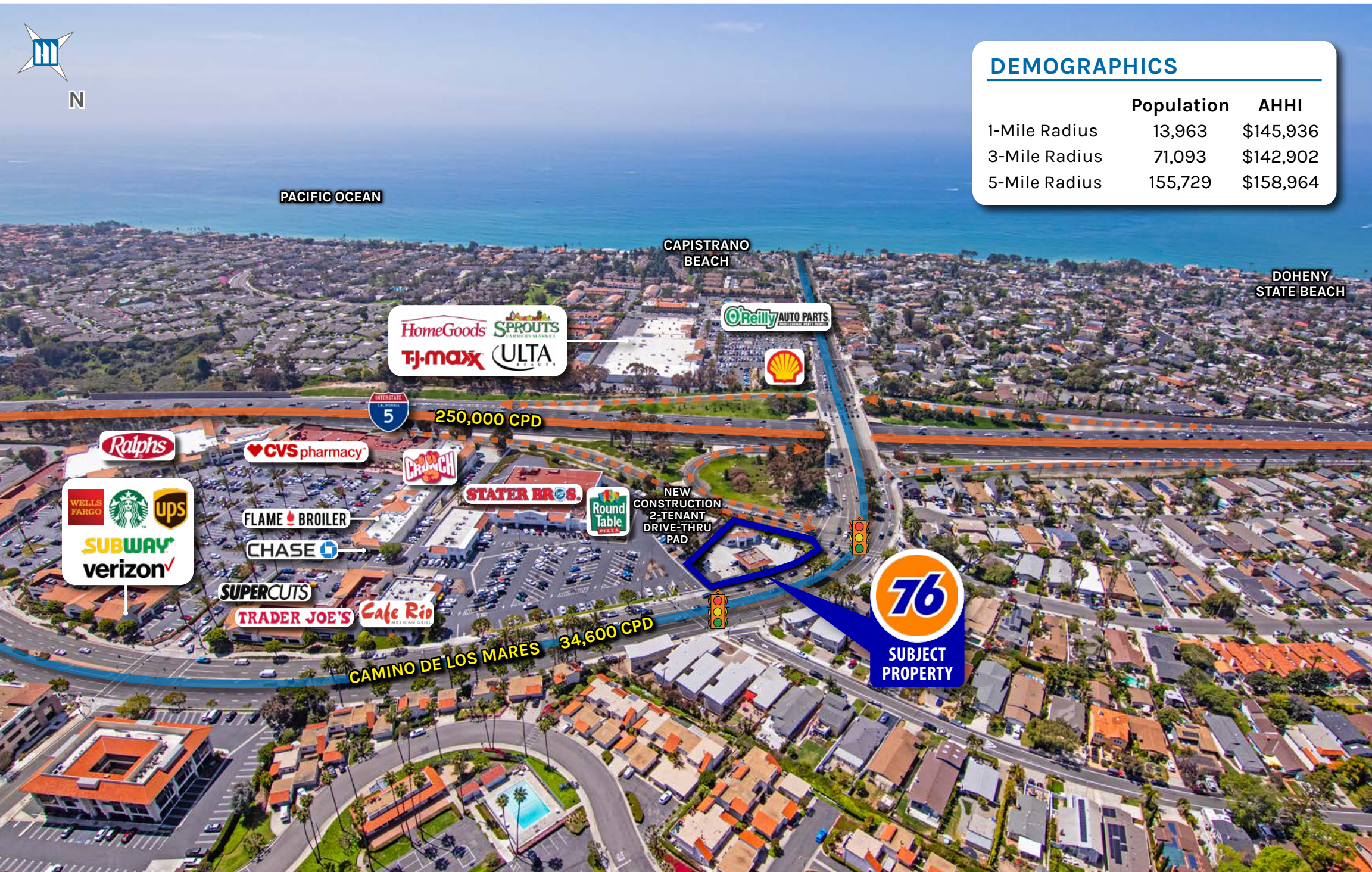


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DEMOGRAPHICS

| | Population | AHHI |
|---------------|------------|-----------|
| 1-Mile Radius | 13,963 | \$145,936 |
| 3-Mile Radius | 71,093 | \$142,902 |
| 5-Mile Radius | 155,729 | \$158,964 |



AERIAL OVERVIEW

SINGLE-TENANT COASTAL C-STORE / GAS STATION



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OUTLETS AT SAN CLEMENTE

CALVIN KLEIN GUESS TOMMY
COLE HAAN NikeFactoryStore
 LE CREUSET lululemon

SAN CLEMENTE HIGH SCHOOL
- 3,012 Students -

SHORECLIFFS MIDDLE SCHOOL
- 929 Students -

SHORECLIFFS
Golf Course

FLAME BROTHER

CHASE

NEW CONSTRUCTION
2-TENANT
DRIVE-THRU
PAD

LOS MARES PLAZA

SUBJECT PROPERTY

PACIFIC OCEAN

CAPISTRANO BEACH

250,000 CPD

34,600 CPD



AERIAL OVERVIEW

SINGLE-TENANT COASTAL C-STORE / GAS STATION



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AERIAL OVERVIEW

SINGLE-TENANT COASTAL C-STORE / GAS STATION



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AERIAL OVERVIEW

SINGLE-TENANT COASTAL C-STORE / GAS STATION



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MONARCH BEACH GOLF LINKS

DANA POINT
- 35,130 POPULATION -
- \$151,860 AHHI -

LAGUNA NIGUEL
- 65,020 POPULATION -
- \$169,240 AHHI -

SAN JUAN CAPISTRANO
- 38,620 POPULATION -
- \$144,810 AHHI -

DANA POINT HARBOR

DOHENY STATE BEACH

PACIFIC OCEAN

CAPISTRANO VALLEY PLAZA

BIG 5
SPORTING GOODS

Smart & Final
extra!

DOLLAR TREE

PLAZA DEL RIO

VONS petco

SAN CLEMENTE
- 65,970 POPULATION -
- \$160,480 AHHI -

CAMINO DE LOS MARES
34,600 CPD

250,000 CPD



SUBJECT PROPERTY

NEW CONSTRUCTION
2-TENANT
DRIVE-THRU
PAD

HomeGoods **TJ-maxx**
O'Reilly AUTO PARTS **SPROUTS**
ULTA **SHELL**

STATER BROS.
Cafe Rio **Round Table**

OCEAN VIEW PLAZA

Ralphs **SUBWAY** **CRUNCH**
TRADER JOE'S **FLAME BROILER**
SUPERCUTS **CVS pharmacy**
verizon **CHASE** **ups** **Starbucks** **WELLS FARGO**

PALISADES RESERVOIR



REGIONAL MAP

SINGLE-TENANT COASTAL C-STORE / GAS STATION

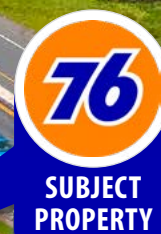


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UNIQUE LEASE STRUCTURE PROVIDES LANDLORD WITH OWNERSHIP OF MOST OF THE FIXTURES, FURNITURE, AND EQUIPMENT AND ENTITLEMENTS, WHICH PRESENTS A POTENTIAL OPPORTUNITY TO OWN THE BUSINESS SHOULD THE TENANT EVER DECIDE TO LEAVE

CAPISTRANO
BEACH



TENANT PROFILE

SINGLE-TENANT COASTAL C-STORE / GAS STATION



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76 is a chain of approximately 2,150 gas stations throughout the U.S. 76 offers TOP TIER® fuel with 3 times more detergent than the minimum required by the EPA and 30% more than the minimum specified in the TOP TIER® Detergent Gasoline standard recommended by major car manufacturers. With fewer deposits, engines fueled with 76 gas perform better and do not suffer from increased emissions, decreased fuel economy, or reduction in overall engine performance that plagues engines with deposit buildup. In fact, the detergent in 76® TOP TIER® fuel is specially formulated to help remove harmful fuel deposits, allowing engines to return to their optimal performance in as few as five tanks.

76 was founded in 1932 by Lyman Stewart under the name Uncoal, a major domestic and global petroleum explorer and marketer. In 1997, Tosco bought the rights to 76 gas stations and the western U.S. refining and marketing operations. Tosco merged with Phillips Petroleum in 2001, and the next year, Phillips merged with Conoco to become ConocoPhillips. After a decade, the company spun off its downstream assets as a new, separate company: Phillips 66. Phillips 66 is the parent of 76 today.

Phillips 66 is a diversified energy manufacturing and logistics company. With a portfolio of Midstream, Chemicals, Refining, and Marketing and Specialties businesses, the company processes, transports, stores and markets fuels and products globally. Fuel brands of Phillips 66 include Phillips 66, Conoco, 76, JET, and COOP. Phillips 66 earned \$109.55 billion in 2019, with \$3.07 billion in profit. The company has approximately 14,300 employees worldwide and is headquartered in Houston, Texas.

| | |
|----------------------|---|
| Company Type: | Public (NYSE: PSX) |
| Locations: | 2,149 U.S. locations (7,540 U.S. Phillips 66 locations) |
| Website: | www.76.com |





San Clemente, CA

- Located on the California Coast, midway between San Diego and Los Angeles
- A wealthy residential community with 66,245 residents
- Known for its ocean, hill, and mountain views, pleasant climate, and Spanish architecture
- #16 "Best Beach Towns to Live In" - WalletHub (2020)

ECONOMY

- Surfing is an important niche in the local economy; home to the Surfrider Foundation, a surfing museum, 3 surfing magazines, and a large concentration of surfboard shapers and manufacturers
- 50% of residents hold a bachelor's degree or higher, compared with only 33% nationally
- \$160,480 average household income
- \$1.26 million average house price

EDUCATION

- 76 colleges and universities within 50 miles; 774,571 total students
 - *Saddleback College* - Located 8 miles away in Mission Viejo; 19,420 total student enrollment

TOURISM

- 2+ million annual visitors, with at least half visiting a beach
 - \$37 million annual economic value results from local beaches
- Home to world-famous Trestles Beach for its exceptional surf break
 - 83% of surfers at Trestles Beach travel from outside the city
- *Casa Romantica Cultural Center and Gardens* - The historical home of the city's founder situated on 2.5 acres overlooking the Pacific; southern Orange County's premier cultural center for concerts, theater performances, lectures, exhibitions, and films

City of San Clemente HIGHLIGHTS

\$160K

**AVERAGE
HOUSEHOLD INCOME**

#16

**"BEST BEACH TOWNS
TO LIVE IN" - WALLETHUB**

\$1.26

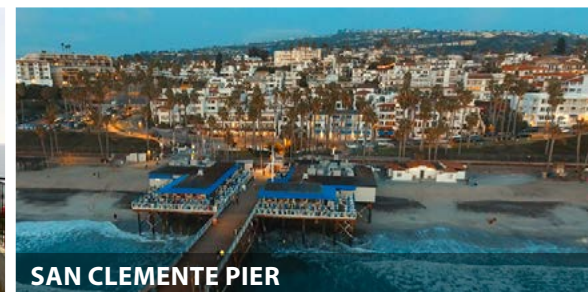
**MILLION AVERAGE
HOME PRICE**



SPANISH-INSPIRED ARCHITECTURE



CASA ROMANTICA



SAN CLEMENTE PIER



Orange County

- Iconic beach towns and 42 miles of coastline dub the area "The Gold Coast of California"; known as "The OC" by locals
- Home to some of the world's most popular tourist attractions such as The Disneyland Resort, Knott's Berry Farm, Mission San Juan Capistrano, South Coast Plaza, and Segerstrom Hall
- #5 "Best Counties to Live in California" - Niche (2020)
 - 3.28 million population; 3rd most populous county in California; 6th most populous in the U.S.

ECONOMY

- 6th largest economy in the U.S.
 - \$285.4 billion GMP; 2.9% projected growth in 2019
- 2nd largest workforce in California (1.63 million workers)
 - 2.8% unemployment rate as of Feb 2020 (versus 4.1% in the state and 3.8% in the nation)
 - 24,100 jobs added from June 2018 - June 2019
- 3rd most diverse tech sector in the U.S.; #1 in medical device manufacturing
- \$86,217 average household income vs. \$59,000 U.S. average household income
- The largest employers are Walt Disney Co. (29,000 employees), University of California Irvine (23,605 employees), and St. Joseph Health (11,925 employees)
- 3 airports service the area

- **Los Angeles International Airport (LAX)** - 4th busiest airport in the world with 87.5 million annual passengers
- **John Wayne Airport (SNA)** - Ranked "Top 15 Best Airports" by MONEY Magazine (2018); 10.7 million passengers (2019); 20+ non-stop destinations
- **Long Beach Airport (LBJ)** - Top 10 busiest airports in the state; 3.7+ million annual passengers

TOURISM

- 50.6 million people visited Orange County in 2019, a 1% increase over the prior year
- \$21.3 billion annual economic impact on the county
- \$14.5 billion in county-wide visitor spending in 2019, a 4% increase over the prior year
- 7th largest industry in Orange County, sustaining 179,000 jobs annually
 - 6.1% job growth in arts, entertainment, and recreation industry between June 2018 - June 2019



HIGHLIGHTS

\$21.3B

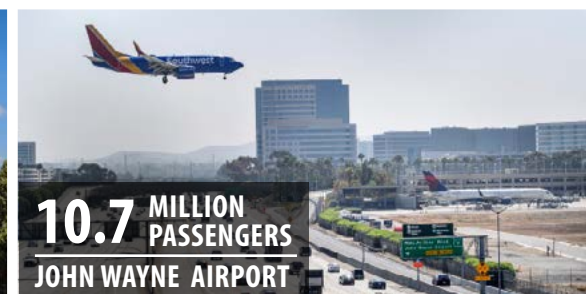
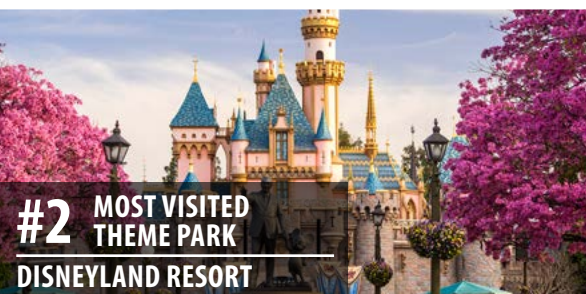
**ORANGE COUNTY TOURISM
ECONOMIC IMPACT
(#7 LARGEST INDUSTRY)**

#5

**BEST COUNTIES TO
LIVE IN CALIFORNIA
(NICHE - 2019)**

7th

**7TH LARGEST
ECONOMY IN THE U.S.
(\$285.4B GMP)**





| | <u>1-Mile</u> | <u>3-Mile</u> | <u>5-Mile</u> |
|---|------------------|------------------|------------------|
| Population | | | |
| 2025 Projection | 14,396 | 73,378 | 161,584 |
| 2020 Estimate | 13,963 | 71,093 | 155,729 |
| 2010 Census | 12,976 | 66,871 | 145,354 |
| 2000 Census | 13,153 | 64,870 | 133,070 |
| Growth 2010-2020 | 7.61% | 6.31% | 7.14% |
| Growth 2020-2025 | 3.10% | 3.21% | 3.76% |
| Households | | | |
| 2025 Projection | 5,994 | 29,253 | 62,747 |
| 2020 Estimate | 5,739 | 28,092 | 60,280 |
| 2010 Census | 5,208 | 25,747 | 55,322 |
| 2000 Census | 5,058 | 24,414 | 50,172 |
| Growth 2000-2010 | 2.97% | 5.46% | 10.26% |
| Growth 2010-2020 | 10.20% | 9.11% | 8.96% |
| Growth 2020-2025 | 4.44% | 4.13% | 4.09% |
| 2020 Est. Population by Single-Classification Race | | | |
| White Alone | 11,889 | 58,844 | 127,417 |
| Black or African American Alone | 82 | 462 | 1,137 |
| American Indian and Alaska Native Alone | 64 | 469 | 981 |
| Asian Alone | 508 | 2,702 | 7,755 |
| Native Hawaiian and Other Pacific Islander Alone | 17 | 100 | 187 |
| Some Other Race Alone | 888 | 5,645 | 11,773 |
| Two or More Races | 478 | 2,695 | 6,061 |
| 2020 Est. Population by Ethnicity (Hispanic or Latino) | | | |
| Hispanic or Latino | 2,416 | 15,632 | 33,987 |
| Not Hispanic or Latino | 11,547 | 55,461 | 121,742 |
| 2020 Est. Average Household Income | \$145,936 | \$142,902 | \$158,964 |

CONFIDENTIALITY AGREEMENT

SINGLE-TENANT COASTAL C-STORE / GAS STATION



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The information contained herein does not purport to provide a complete or fully accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective buyers may need or desire. All financial projections are based on assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Broker and, therefore, are subject to material variation. This Marketing Package does not constitute an indication that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the information herein. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective buyers.

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\$7.7 BILLION

retail sales nationwide



SHARED DATABASE

collaborative proprietary database

GlobeSt.com™

GLOBEST. INFLUENCERS

in retail & net lease sales



NATIONWIDE REACH

retail & investors across the U.S.

\$2B

400+

\$2 BILLION IN RETAIL SOLD

over 400 transactions in last 36 mos.