

OFFERING MEMORANDUM

# BANK OF AMERICA

2153 OAK GROVE RD, WALNUT CREEK, CA 94598



SUBJECT PROPERTY RENDERING

**CHRISTOPHER SHELDON**

Executive Director  
+1 415 677 0441  
chris.sheldon@cushwake.com  
CA Lic #01806345

**ANDREW BOGARDUS**

Executive Director  
+1 415 677 0421  
andy.bogardus@cushwake.com  
CA Lic #00913825





# BANK OF AMERICA GROUND LEASE

2153 OAK GROVE RD, WALNUT CREEK, CA 94598

## TABLE OF CONTENTS

Investment Offering & Highlights	3
Investment Overview	4
Site Plan	5
Aerials	6
About the Tenant	9
Area Overview	
Local Area Map	10
Walnut Creek, CA	11
San Francisco, CA	15
Demographics	16
Disclaimer	17

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# INVESTMENT OFFERING & HIGHLIGHTS

## THE OFFERING

- A brand new 8,014± square foot free-standing retail banking facility and wealth management office on a large 1.19± acre parcel ground leased to Bank of America, N.A. on an absolute net basis for 15 years with 10% rent increases every 5 years
- Rent commences September 18, 2021, and the tenant will commence construction on the improvements in early 2022 (*The lease contains a covenant that requires the tenant to construct the improvements and open by March 1, 2023*)
- **Price: \$8,060,000 – 3.35% Cap Rate**

## TENANT / LEASE

- 15-year absolute net ground lease with no landlord maintenance responsibilities
- 10% rent increases every 5 years throughout the lease providing solid rent growth and hedge against inflation
- Bank of America reported total revenues of \$86.26 billion, net income of \$17.89 billion, and total shareholders' equity of \$272.92 billion for 2020
- The tenant, Bank of America N.A., maintains an investment grade credit rating of 'A+' by Standard & Poor's

## REAL ESTATE / AREA STRENGTHS

- Rare new construction, affluent, core San Francisco Bay Area single tenant NNN opportunity with investment grade credit
- Relocation and expansion of existing branch from across the street with over \$324 million in deposits and the addition of a mission critical Merrill wealth management office
- Exceptional demographics with average household income over \$187,000 within 1 mile and population over 265,000 within 5 miles of the property
- High density, best-in-class retail and commercial/office corridor location surrounded by three grocery anchored shopping centers, numerous office parks, hospitals, senior and assisted living care, and several school campuses
- Hard corner location fronting the Walnut Creek Executive Park at the high traffic, signalized intersection of Oak Grove Rd and Shadelands Dr, one block off Ygnacio Valley Rd
- Oak Grove Rd is a major commercial and commuter thoroughfare with direct access to I-680 via Ygnacio Valley Rd, and Concord to the north
- Extremely high barrier to entry market – Walnut Creek owns more open space per capita than any other municipality in California



## INVESTMENT OVERVIEW

### Location

2153 Oak Grove Road, Walnut Creek, CA 94598  
(NWC of Oak Grove Rd and Shadelands Dr)

### Lot Size

Approximately 1.19± acres — 51,836± square feet

### Improvements

Tenant has accepted delivery of the premises and construction will commence in early 2022. The improvements include a brand new 8,014± square foot free-standing Bank of America banking facility and Merrill wealth management office with ample parking on site. The lease contains an opening covenant that requires the tenant to construct the improvements and open the banking facility by March 1, 2023.

### Lease

Ground leased to **Bank of America, National Association** for 15 years with rent commencing on September 18, 2021 with three five-year options and one four-year option to renew the lease. The initial annual rent of \$270,000 increases by 10% every 5 years throughout the lease. The lease is absolute net with the tenant responsible for all taxes, insurance, maintenance and repair. Tenant shall have Proposition 13 protection on any subsequent transfers that trigger a property tax increase after the 1st transfer of the property, during the initial term of the lease.

### Rent Schedule

Lease Year	Annual Rent	Cap Rate
1-5	\$270,000	3.35%
6-10	\$297,000	3.69%
11-15	\$326,700	4.05%
16-20 (Option 1)	\$359,370	4.46%
21-25 (Option 2)	\$395,307	4.90%
26-30 (Option 3)	\$434,838	5.40%
31-34 (Option 4)	\$478,321	5.93%

**Asking Price: \$8,060,000 – 3.35% Cap Rate**

### Existing Branch Deposits

**2020:** \$324,003

**2019:** \$291,239

**2018:** \$286,457

**2017:** \$269,602







NORTHGATE  
HIGH SCHOOL

ENCINA GRANDE SHOPPING MALL

WHOLE  
FOODS  
MARKET

PETSMART

Walgreens

ACE  
The helpful place.

LESLIE'S  
SWIMMING  
POOL SUPPLIES

FOOTHILL MIDDLE  
SCHOOL

THE ORCHARDS AT WALNUT CREEK

SAFEWAY PETCO

CRUNCH

Starbucks

ups

WELLS  
FARGO

T-Mobile

MIKE  
HESS

California  
FISH GRILL  
CASUAL KITCHEN

Bank of America



SUBJECT PROPERTY

EXISTING BRANCH TO  
BE RELOCATED

Bank of America



MOUNT DIABLO LENDING  
Delivering the Market Very Low Rates!

33,963  
CARS PER DAY

YGNACIO VALLEY RD

PACIFIC MEDICAL, INC.

CAPITAL  
High Performance M

CALIFORNIA  
SINUS CENTERS

BASS  
URGENT CARE

SHADELAND DR

SEQUOIA  
LIVING  
VIA MONTE | WALNUT CREEK

CITRUS CENTER SHOPPING MALL

NOB HILL FOODS BevMo!

CHASE



15,848  
CARS PER DAY

WALNUT CREEK  
EXECUTIVE PARK

SHADELANDS  
SPORTS MALL

arf  
Toby Le Russa's  
Animal  
Rescue  
Foundation

SHADELANDS  
SELF STORAGE

CALICRAFT  
BREWERY



The Bank of America property is strategically located on the northwest corner of the signalized intersection of Oak Grove Road and Shadelands Drive in the heart of the affluent Ygnacio Valley of Walnut Creek with average household income within one mile exceeding \$187,000. The property is a relocation of the existing Bank of America branch across the street on the corner of Oak Grove Blvd and Citrus Ave, that has over \$320 million in deposits. The subject property is a corner lot in the Walnut Creek Executive Park and is located one block off the intersection of Oak Grove Road and Ygnacio Valley Road with combined traffic counts in excess of 45,000 VPD. Ygnacio Valley Road is one of the primary commercial corridors and connects the property with downtown Walnut Creek, I-680 and Highway 24 to the west. Oak Grove Road is also a major, high traffic arterial that spans eastern Walnut Creek and connects the property with Concord to the north.

ENCINA GRANDE SHOPPING MALL

WHOLE FOODS MARKET

PETSMART

Walgreens

ACE  
The helpful place.

LESLIE'S SWIMMING POOL SUPPLIES







NAPA  
VALLEJO

BENICIA

CARQUINEZ STRAIGHT

SUISUN BAY

SUNVALLEY SHOPPING CENTER

★ macy's **Marshalls** NORDSTROM **1** RACK

JCPenney **SEARS** Good Bu. Great price. verizon

KAY JEWELERS **Firestone**

MARTINEZ

DAISO JAPAN



BUCHANAN FIELD AIRPORT

242

DOWNTOWN CONCORD



CONCORD BART STATION



PLEASANT HILL

MONUMENT BLVD



FOUR CORNERS

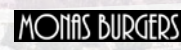
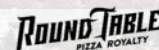


OAKGROVE MIDDLE SCHOOL

OAK GROVE BUSINESS CENTER



Peets Coffee & Tea



TREAT BLVD

DE LA SALLE HIGH SCHOOL

TREAT BLVD

CALICRAFT BREWERY

YGNACIO VALLEY HIGH SCHOOL

15,848 CARS PER DAY

Bank of America



SUBJECT PROPERTY

CITRUS CENTER SHOPPING MALL

NOB HILL FOODS

BevMo!



MITCHELL DR

SHADELANDS SPORTS MALL

WALNUT CREEK EXECUTIVE PARK

EXISTING BRANCH TO BE RELOCATED

Bank of America

YGNACIO VALLEY HIGH SCHOOL



SHADELANDS BLVD





DUBLIN

DIABLO  
AHHI \$241,673



DANVILLE  
AHHI \$226,868

ALAMO  
AHHI \$279,249

LAS TRAMPAS  
REGIONAL WILDERNESS  
PARK

MORAGA  
AHHI \$238,429



NORTHGATE  
HIGH SCHOOL

ENCINA GRANDE SHOPPING MALL

WHOLE  
FOODS  
MARKET

PETSMART

ACE  
The helpful place.

Walgreens

LESLIE'S  
SWIMMING  
POOL SUPPLIES

FOOTHILL MIDDLE  
SCHOOL

THE ORCHARDS AT WALNUT CREEK

SAFEWAY

PETCO



T-Mobile



California  
FISH GRILL  
CASUAL KITCHEN

MOUNT DIABLO LENDING  
Financing for Market Only and Retail

33,963  
CARS PER DAY

CALIFORNIA  
SINUS CENTERS



UCSF Benioff Children's Hospitals

FedEx  
Express

CITRUS CENTER SHOPPING MALL

NOB HILL  
FOODS

BevMo!

CHASE



YGNACIO VALLEY RD

OAK GROVE RD

SHADELANDS DR

SEQUOIA  
LIVING

BASS  
URGENT CARE

SHADELANDS  
SPORTS MALL

SPA

CALICRAFT  
BREWERY

WALNUT CREEK  
EXECUTIVE PARK

MITCHELL DR

EXISTING BRANCH TO  
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SUBJECT PROPERTY

15,848  
CARS PER DAY

arf  
Tony La Russa's  
Animal  
Rescue  
Foundation

SHADELANDS  
SPORTS MALL



# SITE PLAN

**MERRILL**  
A BANK OF AMERICA COMPANY

±8,014± SF

**Bank of America**

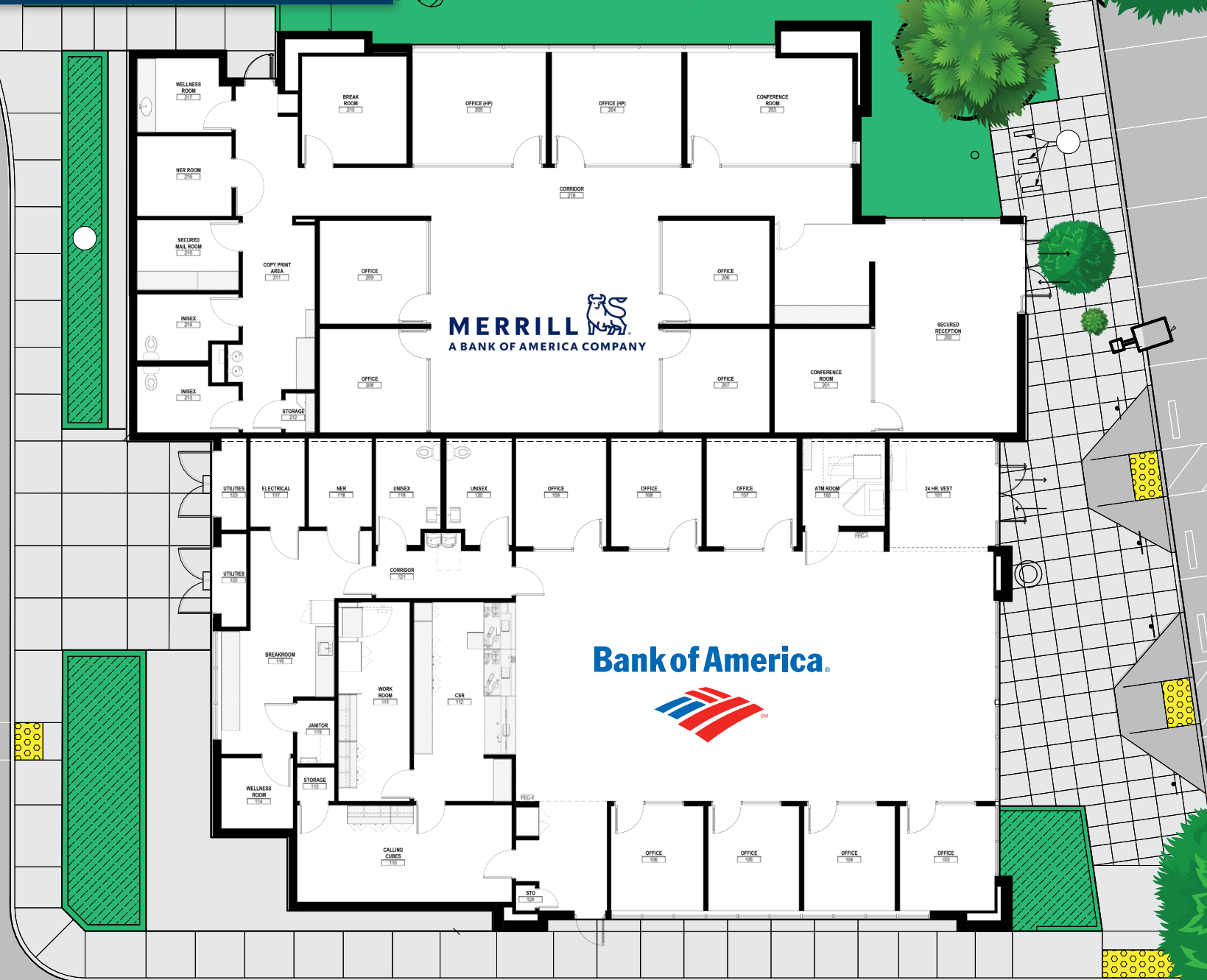


OAK GROVE RD

SHADELANDS DR



## INTERIOR FLOOR PLAN





## WALNUT CREEK, CALIFORNIA

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Walnut Creek is located 25 miles east of San Francisco along the North Highway 680 Corridor in Contra Costa County. Contra Costa County is one of the premier suburban/urban commercial and residential real estate markets in the East Bay, with Walnut Creek at the center of it all.

Downtown Walnut Creek is one of the premier retail destinations in all of Northern California. Anchored by 1.1 million square foot retail complex Broadway Plaza, along with millions of square feet of other retailers, restaurants, offices and small businesses make downtown Walnut Creek a true destination.

At the heart of Walnut Creek is a plethora of arts and cultural programs. From black tie performances at the magnificent Dean Leshner Regional Center for the Arts, to quaint picnic concerts in Civic Park, to the intimate 49-seat Playhouse West, performing arts thrive in this community. With over 50 exceptional restaurants, and 14-screen Center Cinema this area is not only a shopping but also entertainment destination in the East Bay, and entire San Francisco Bay Area.

The East Bay/Contra Costa Retail market has remained one of the brightest lights in the region's economy over the past several years. The continued strong buying power within the established cores has resulted in the renovation and complete redevelopment of many older centers. The construction of these multiple major retail centers in the East Bay

market has been fueled by the continued housing boom that has spread throughout the region. The growth has also been accompanied by not only retail center development but also by the expansion of many big-box retailers such as Target, Wal-Mart, Home Depot, Lowe's and Costco.

Residential growth in Contra Costa County sharply outpaces the Greater Bay Area. Heightened mixed-use residential projects are under construction in the Walnut Creek, Pleasant Hill and Concord markets. Fueled by available land and an insatiable consumer appetite for affordable housing, populations in these regions are expected to continue growing at a breakneck pace.

Walnut Creek and Concord are also financial/administrative hubs in the Greater East Bay office market corridor with many banks, insurance companies, financial services, engineering and R & D/manufacturing firms located there. Contra Costa County has one of the highest educated work forces in the greater Bay Area.

Walnut Creek is served by three major international airports. San Francisco International Airport (36 miles), Oakland International Airport (24 miles), and Sacramento International Airport (77 miles). The area is also supported by BART services which bring an estimated 1,806,855 people/year (2019) to and from downtown Walnut Creek Station.





## SAN FRANCISCO BAY AREA

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**The San Francisco Bay Area** is one of the most desirable regions in the world for institutional, private and off-shore investors. With the combination of banks, financial services, high technology, leading biotechnology and life science companies, as well as nearly 50% of the country's annual investment capital is being allocated to Bay Area companies, the economy continues to experience strong growth. The area is home to more than 7 million people and consists of nine counties, 101 cities, and comprises 7,000 square miles. All of the region's nine counties touch the San Francisco Bay. The region is one of the most appealing places to live in the United States; it has a mild climate, a splendid natural setting, and an informed, sophisticated culture. Its geographic hub, San Francisco, is considered one of the most beautiful and cosmopolitan cities in the world and a famed destination for travelers.

### INNOVATION HOTBED

The Bay Area has world-class research facilities and the venture capital to fund risky but potentially breakthrough ideas. Among the research centers that dot the region are federal institutions (like Lawrence Berkeley National Lab, Lawrence Livermore National Lab, NASA Ames Research Center, and Sandia National Labs), new state facilities (the California Institute of Regenerative Medicine for stem cell research, QB3, and CITRIS), renowned universities like Stanford, UC Berkeley, UC San Francisco, UC Davis, and UC Santa Cruz, and many private laboratories operating in advanced science fields.

California leads the nation in the number of doctorate-level scientists and engineers, small business innovation awards, patents, and federal, academic and industry R&D expenditure. The Bay Area contributes to this leadership. Several local universities rank in the top 20 in the United States as recipients of R&D funding from the National Science Foundation. The Bay Area is also home to the largest number of Top 10-ranked graduate programs among comparable regions.

The Bay Area is a rich pool for venture capitalists because of this fertility in ideas, its expertise at developing them, and its web of entrepreneurial and management talent. The region consumes a disproportionate share of the country's venture capital – both in absolute terms and as a percentage of local GDP. In fact, in 2020 the Bay Area received over 37% of all U.S. venture capital spending.

Bay Area companies also tend to gain venture capital earlier than firms elsewhere. The first round of financing usually comes 11.6 months after launch, compared to 16.6 months in Boston and the U.S. as a whole. In Silicon Valley, this swift access to venture capital is evident in every high-tech sector, from consumer and business services and electronics (each gaining funds 50% faster than the U.S. average) to software. As a result, local companies can obtain capital and move ideas and products into the marketplace faster than elsewhere.





# Bank of America



## ABOUT THE TENANT

**BANK OF AMERICA, N.A.** ("BofA") is the largest bank subsidiary of BANK OF AMERICA CORPORATION (NYSE:"BAC"). BAC is one of the world's largest financial institutions, serving individual consumers, small businesses, middle market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk management products and services. The company provides unmatched convenience in the United States, serving approximately 66 million consumer and small business relationships with approximately 4,300 retail financial centers and approximately 17,000 ATMs and leading digital banking platforms with more than 39 million active users and more than 31 million mobile users. Bank of America is among the world's leading wealth management companies and is a global leader in corporate and investment banking and trading across a broad range of asset classes, serving corporations, governments, institutions and individuals around the world. Bank of America offers

industry-leading support to approximately 13 million small business owners through a suite of innovative, easy-to use online products and services. The company serves clients through operations in more than 35 countries.

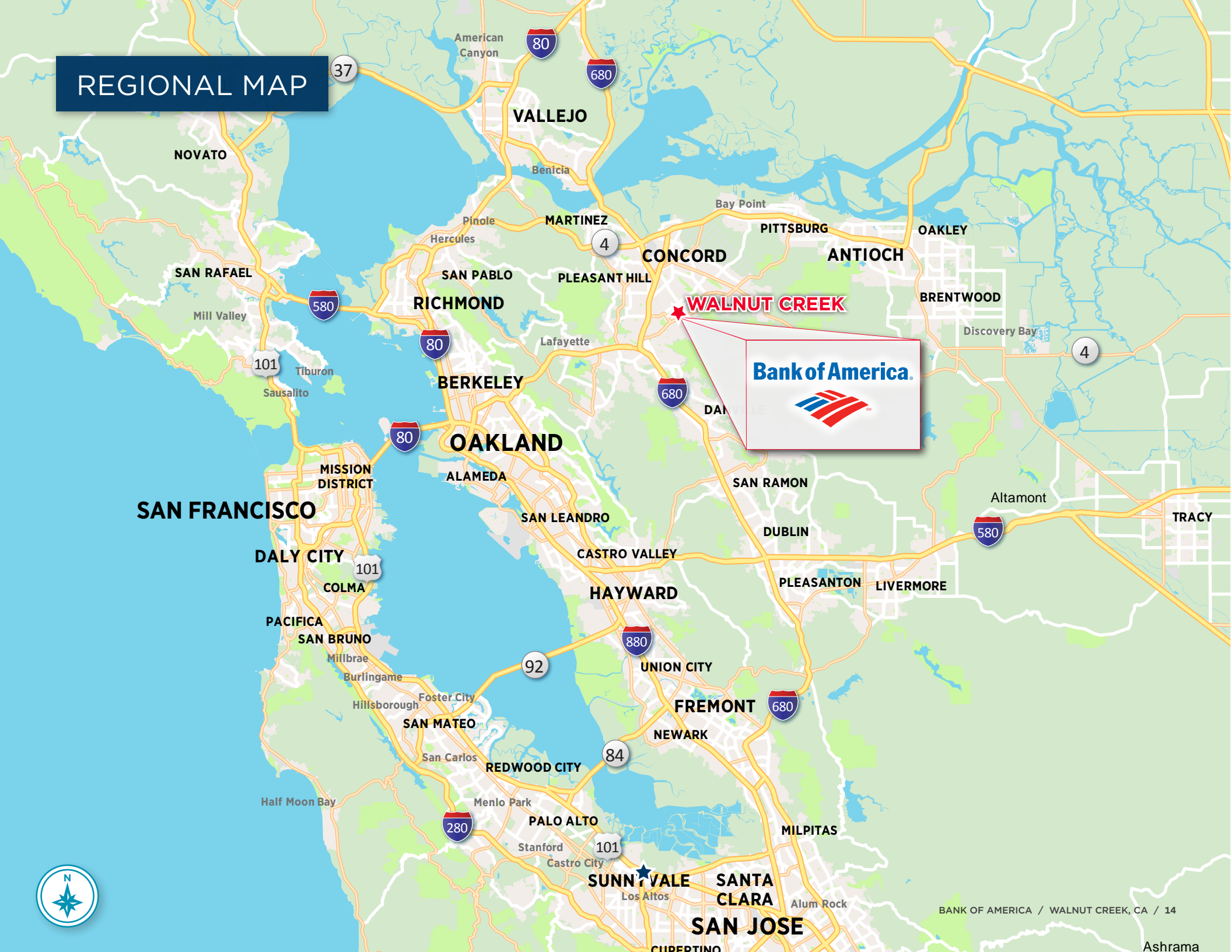
Bank of America reported total revenues of \$86.26 billion, net income of \$17.89 billion, and total shareholders' equity of \$272.92 billion for 2020.

Bank of America, N.A. maintains an investment grade credit rating of 'A+' by S&P, has a higher credit rating than the parent, which owns nonregulated subsidiaries.

For more information, visit [www.bankofamerica.com](http://www.bankofamerica.com)



# REGIONAL MAP



**WALNUT CREEK**

**Bank of America**





## DEMOGRAPHICS

2021 Summary	1 mile	3 miles	5 miles	Projected 2025 Summary	1 mile	3 miles	5 miles
Population	11,729	122,736	265,266	Population	11,917	125,718	271,682
Households	4,538	48,991	105,243	Households	4,603	50,290	108,008
Families	3,459	30,350	66,768	Families	3,509	30,989	68,176
Average Household Size	2.57	2.48	2.50	Average Household Size	2.57	2.48	2.49
Owner Occupied Housing Units	3,715	28,342	66,212	Owner Occupied Housing Units	3,788	29,028	67,817
Renter Occupied Housing Units	823	20,649	39,031	Renter Occupied Housing Units	815	21,262	40,190
Median Age	49.0	40.7	42.1	Median Age	49.5	41.4	42.6
Median Household Income	\$138,312	\$103,116	\$106,551	Median Household Income	\$151,957	\$110,433	\$114,123
Average Household Income	\$187,094	\$140,510	\$147,202	Average Household Income	\$205,349	\$155,518	\$162,593





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