



20-Year Absolute NNN Ground Lease | Investment Grade, Recession-Proof Tenant | 2021 Construction



REPRESENTATIVE PHOTO

OFFERING MEMORANDUM  
BIG BEAR LAKE, CALIFORNIA



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# OFFERING SUMMARY

## LOCATION

AutoZone  
42040 Big Bear Boulevard  
Big Bear Lake, CA 92315



## OFFERING SUMMARY

Price:	\$2,000,000
Current Net Operating Income (NOI):	\$75,000
Current Capitalization Rate:	3.75%
Price per Square Foot:	\$292
Net Rentable Area:	6,840
Year Built:	2021
Lot Size (Acres):	1.46

## LEASE TERMS (1)

Guarantor:	AutoZone Parts, Inc.
Lease Commencement: (2)	9/8/2021
Lease Expiration: (2)	9/30/2041
Lease Term:	20 Years
Lease Type:	Absolute NNN Ground Lease
Roof & Structure:	Tenant Responsibility
Monthly Rent:	\$6,250 (\$.91/sf)
Annual Rent:	\$75,000 (\$10.96/sf)
Rental Increases:	7% Every 5 Years; 5% Each Option
Renewal Options:	Two 5-Year & One 4-Year, 11 Month

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

(2) Estimated lease commencement and expiration dates.



REPRESENTATIVE PHOTO

**#238**

**FORTUNE 500**  
FORBES LIST (2021)

**BBB**

**INVESTMENT GRADE**  
S&P RATED

**\$12.6B**

**NET SALES**  
2020

**AUTOZONE** | Quick Facts |



# INVESTMENT HIGHLIGHTS

- **Single-Tenant AutoZone Ground Lease:**

- New 20-year absolute NNN ground lease; zero landlord responsibilities
- 7% increases every 5 years
- Brand new 2021 construction
- Corporate guaranteed lease with investment grade tenant (NYSE: AZO; S&P: BBB)
- AutoZone is the nation's leading retailer and a leading distributor of automotive replacement parts and accessories with 6,657 stores in the U.S., Mexico, Brazil, and Puerto Rico

- **Recession-Internet Resistant Tenant / “Essential” Business:**

- AutoZone is recession-proof, as consumers use and extend the life of their automobiles instead of purchasing a new car during times of economic stress
- AutoZone does well during strong economic times because as new automobiles sales climb, the total number of cars on the road increases
- AutoZone never closed during the COVID-19 pandemic as they were deemed an “essential” business

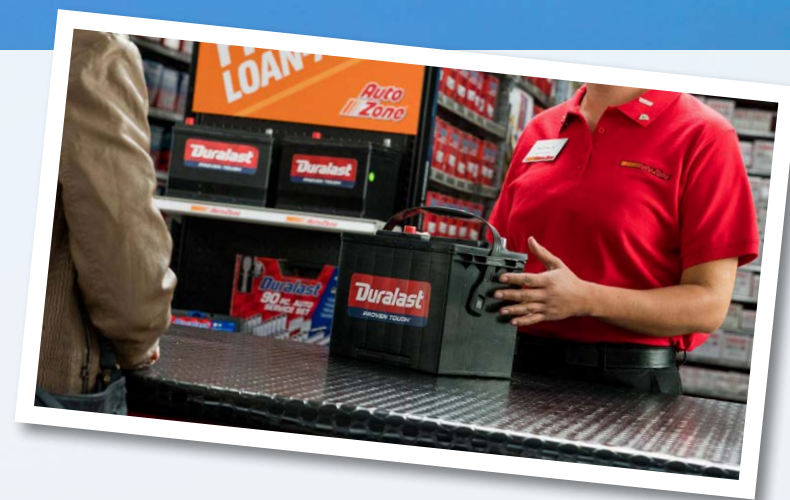


REPRESENTATIVE PHOTOS



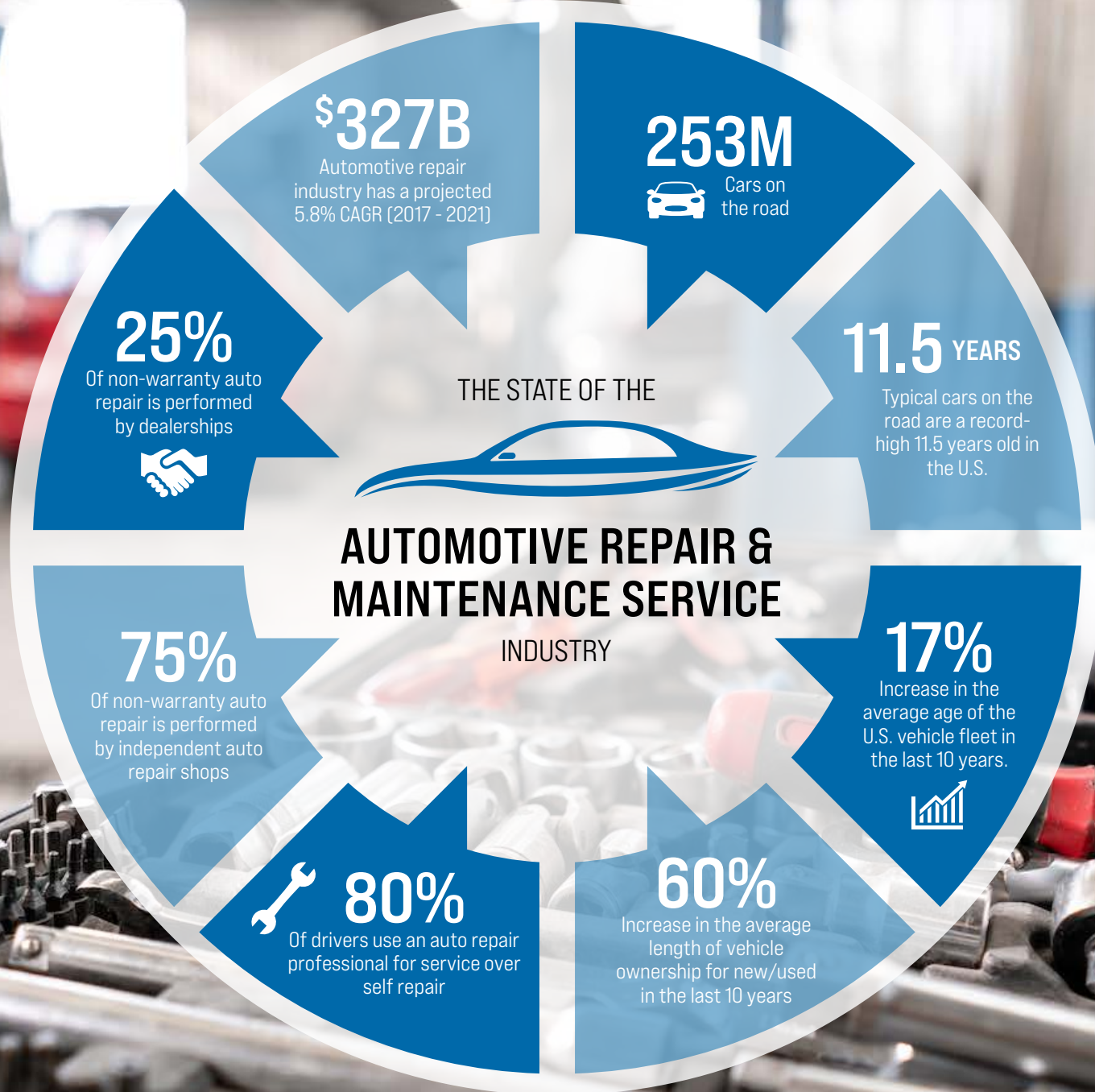
# INVESTMENT HIGHLIGHTS

- **Excellent Accessibility and Visibility Along Big Bear Boulevard, the City's Primary Thoroughfare (31,000 CPD):**
  - Nearby tenants along Big Bear Boulevard include Stater Bros, Vons, 7-Eleven, Big 5 Sporting Goods, Carl's Jr., CVS Pharmacy, Dollar Tree, McDonald's, Petco, Sizzler, Starbucks, True Value, and Walgreens
  - Prominent monument signage provides excellent exposure
  - Big Bear Boulevard connects the subject property directly to The Village, the city's hub for shopping and entertainment with over 120 local vendors
- **Gateway To/From Iconic Tourism & Recreation Destinations:** Millions of tourists pass through Big Bear Lake annually; The subject property is just east of Summit Boulevard, which leads to Snow Summit Ski Resort, and just west of Moonridge Road, which leads to Bear Mountain Ski Resort
- **Year-Round Tourist Destination:** Big Bear is known for its year-round activities, including camping, fishing, water sports, hiking, mountain biking, horseback riding, tours and winter sports, and close access to the lake, Snow Summit Ski Resort (1-mile), and Bear Mountain resort (2-miles)



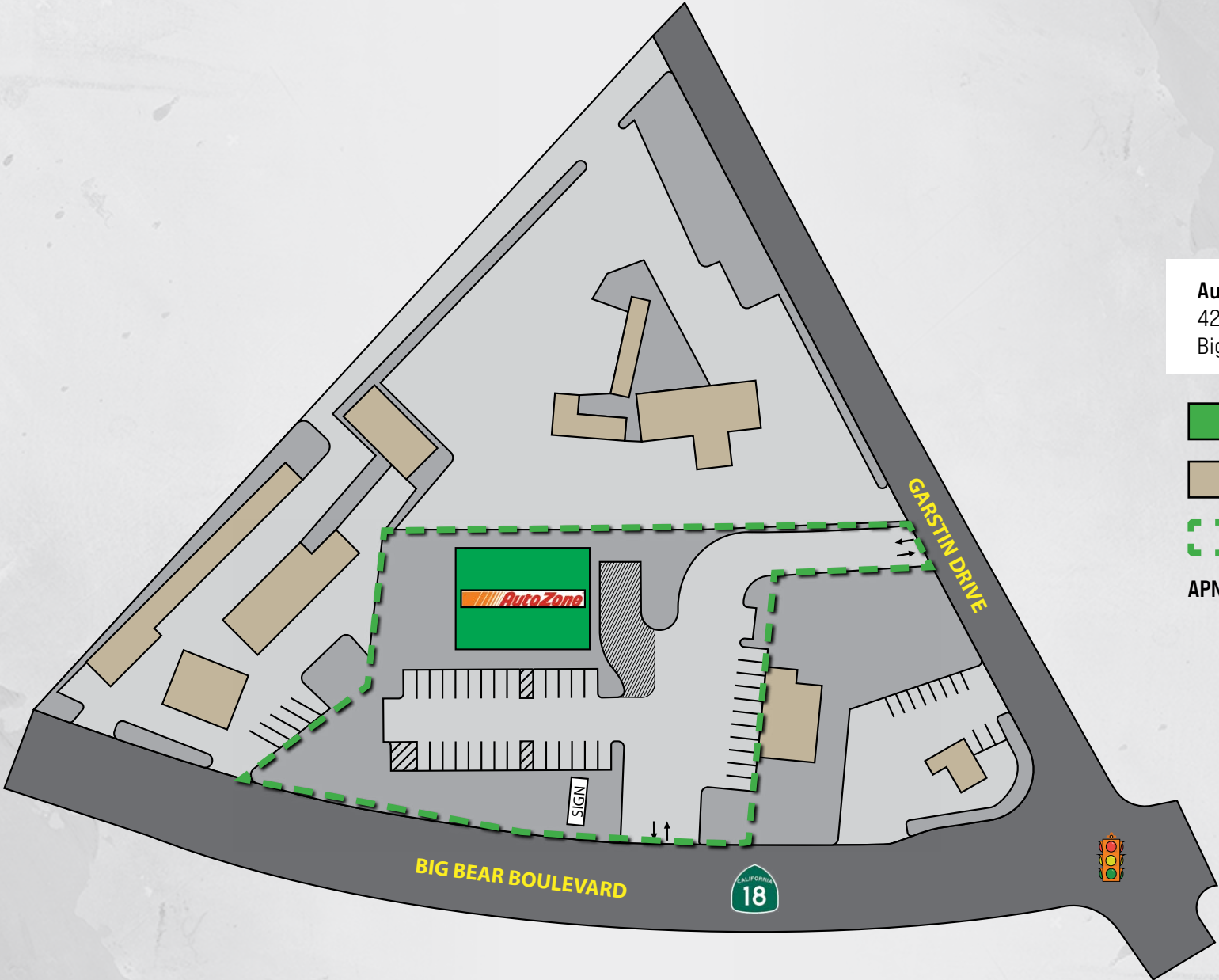
REPRESENTATIVE PHOTOS










SITE PLAN / PARCEL MAP



**AutoZone**  
42040 Big Bear Blvd  
Big Bear Lake, CA 92315

 SUBJECT PROPERTY

 NOT A PART

 PROPERTY PARCEL

APN: 2328-121-07-0000



# AERIAL OVERVIEW

## DEMOGRAPHICS

### Population:

1-Mile Radius	3,003
3-Mile Radius	11,363
5-Mile Radius	19,081

### Household Income:

1-Mile Radius	\$68,304
3-Mile Radius	\$63,469
5-Mile Radius	\$65,370

### BIG BEAR LAKE VILLAGE

- 3-MIN DRIVE TIME -



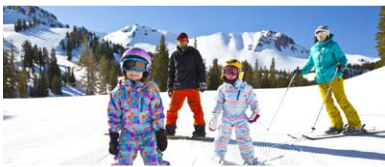
### SNOW SUMMIT SKI RESORT

- 4-MIN DRIVE TIME -



### BEAR MOUNTAIN SKI RESORT

- 5-MIN DRIVE TIME -



### SUBJECT PROPERTY



BIG BEAR MARINA

PINE KNOT MARINA

BIG BEAR LAKE

BIG BEAR BOULEVARD

SUMMIT BOULEVARD

GARSTIN DRIVE

FUTURE COMMERCIAL



31,000 CPD



# AERIAL OVERVIEW



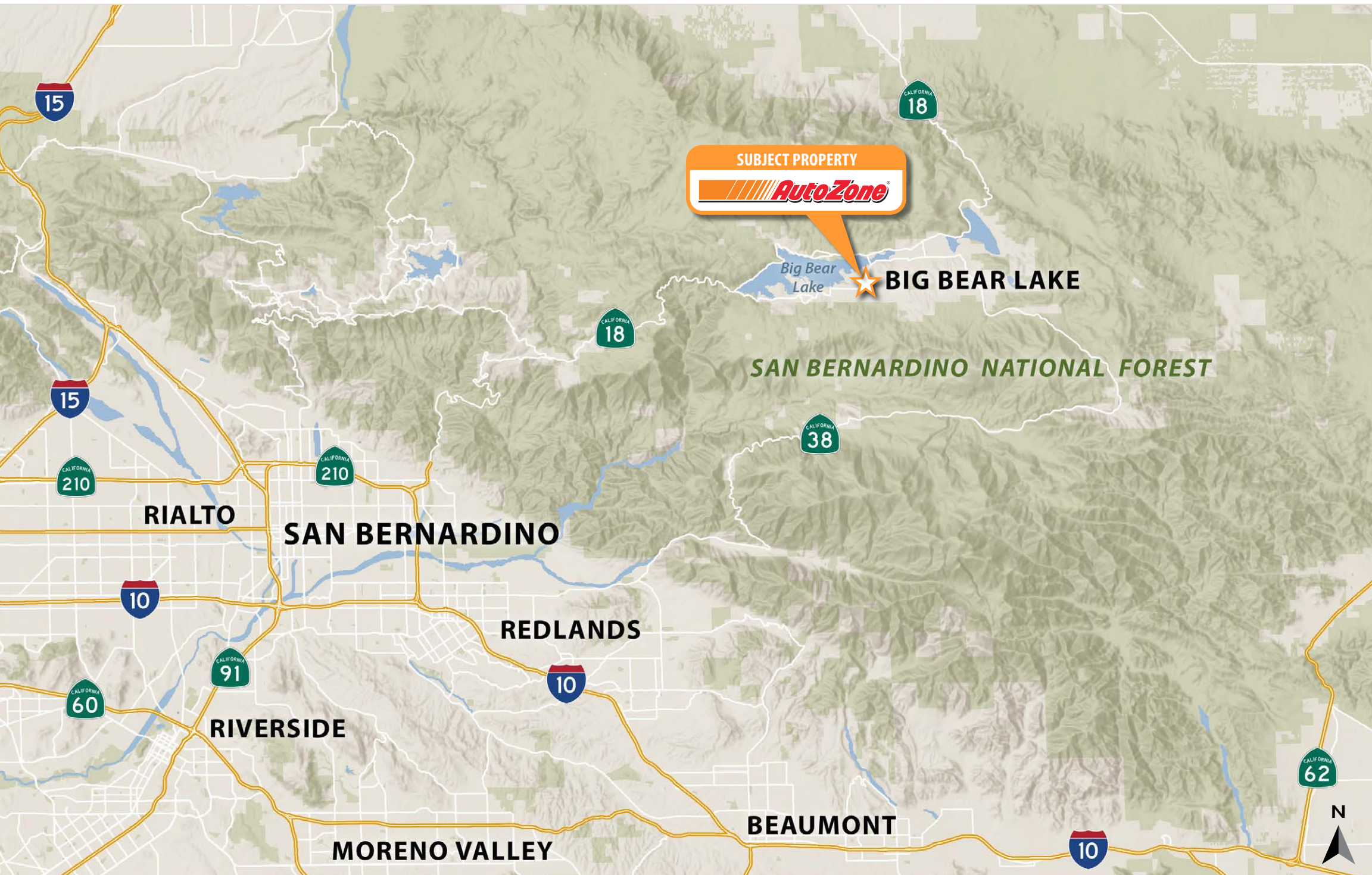


# AERIAL OVERVIEW



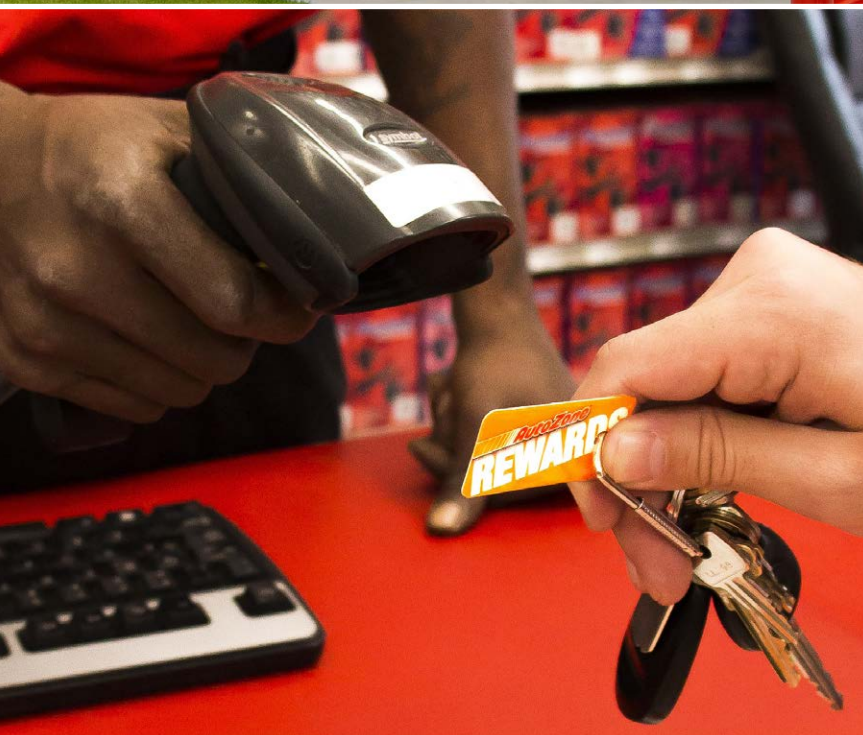


## REGIONAL MAP





# TENANT PROFILE



AutoZone, Inc. is the nation's leading retailer and a leading distributor of automotive replacement parts and accessories in the United States. Based in Memphis, Tennessee, the company began operations in 1979 and as of May 2021 operates 6,657 AutoZone stores located in 49 states, the District of Columbia, Puerto Rico and internationally in Mexico and Brazil. Each AutoZone store carries an extensive product line for cars, sport utility vehicles, vans and light trucks, including new and remanufactured automotive hard parts, maintenance items, accessories and non-automotive products. Many stores also have a commercial sales program that provides commercial credit and prompt delivery of parts and other products to local, regional and national repair garages, dealers, service stations and public sector accounts. AutoZone serves six million customers per week who select AutoZone as their retailer of choice for their automotive parts and accessory needs.

AutoZone was ranked #238 in the Fortune 500 in 2021 (up from #268 in 2020), with over \$11 billion in sales in 2019. In fiscal year 2020, AutoZone grew domestic same store sales by 7.4% and reached a record \$12.6 billion in net sales. The company also recorded record average net sales per store, record Commercial sales per program, record earnings per share, and record cash flow from operations. AutoZone opened 138 net new stores and 114 net new domestic Commercial programs. Now, over 85% of AutoZone U.S. stores have a Commercial program along with every store in Mexico and Brazil.

**Company Type:** Public (NYSE: AZO)  
**Locations:** 6,657  
**Website:** [www.autozone.com](http://www.autozone.com)

**#88**  
**America's Best Employers**  
Forbes (2021)

**#69**  
**Best Employers for Veterans**  
Forbes (2020)

**#238**  
**Fortune 500**  
Fortune Magazine (2021)





### AutoZone 3rd Quarter Same Store Sales Increase 28.9%; EPS Increases to \$26.48

By AutoZone, Inc. | May 25, 2021

AutoZone, Inc. (NYSE: AZO) today reported net sales of \$3.7 billion for its third quarter (12 weeks) ended May 8, 2021, an increase of 31.4% from the third quarter of fiscal 2020 (12 weeks). Domestic same store sales, or sales for stores open at least one year, increased 28.9% for the quarter.

For the quarter, gross profit, as a percentage of sales, was 52.4%, a decrease of 118 basis points versus the prior year. The decrease in gross margin was primarily driven by the accelerated growth in our Commercial business and our investment in pricing initiatives. Operating expenses, as a percentage of sales, was 30.4% versus 35.9% for last year's quarter. The decrease in operating expenses, as a percentage of sales, was driven by strong sales growth and approximately \$75 million in prior year pandemic related expenses, including Emergency Time-Off ("ETO") for our AutoZoners.

[CLICK FOR ARTICLE](#)



### Seeking Alpha<sup>α</sup>

### AutoZone - Leading The Auto Parts Pack

By Rob Barnett | July 4, 2021

Like many other specialty retailers, AutoZone's business has performed extremely well during the COVID-19 pandemic.

The auto parts sector is highly fragmented and although the sector is approaching maturity, the major players such as AutoZone will continue to achieve higher growth rates.

AutoZone's strong market position generates outstanding returns on invested capital and this should continue into the medium term.

Although currently approach fair value, there have been recent opportunities to buy this stock cheaply in a market where value is difficult to find.

AutoZone Inc (NYSE:AZO) is a U.S. based company which operates in the automotive replacement parts and accessories sector. It sells both directly to consumers through a chain of over 6,500 company owned stores throughout the Americas (including Mexico and Brazil)..

[CLICK FOR ARTICLE](#)



# AREA OVERVIEW

## Big Bear Lake, CA

- Located in the San Bernardino National Forest at 7,000 feet elevation
  - 100 miles east of Los Angeles; 150 miles north of San Diego
- A rural and active community that has become Southern California's 4-season mountain lake escape
  - 100's of miles of biking and hiking trails, 22 miles of lake shoreline, and 1,000+ skiable acres
  - Known for skiing, mountain biking, fishing, boating, camping, swimming, hiking, and nature
- 21,000 permanent residents in the area; additional 8,000 people own a 2nd home

## ECONOMY

- Its alpine environment, accessible geographic location, beautiful lake, year-round recreational activities, thriving locally-owned boutiques and restaurants, and open spaces make tourism the economic engine
  - Boasts the best snow conditions in Southern California; skiers and snowboarders flock to Snow Summit or Bear Mountain, the city's two ski resorts
- The largest employment sectors are accommodation and food services (20%), retail trade (14%), and construction (10%)
- Visited by 7 million people annually who spend an estimated \$350 million
- 2.3% job market increase over the last year; 38.7% 10-year job growth prediction, outpacing the U.S. average of 33.5%
- **Bear Lake Village** - The commercial area of town with over 120 businesses such as boutiques, gift shops, and restaurants

## DEVELOPMENTS

- **Moon Camp** - A 62-acre lakefront development to include 50 luxury homes and a 55-boat marina
- **Marina Point** - A proposal of 19, 3-story condominium buildings on 12 acres of undeveloped lakefront with 175 boat slips in a private marina; awaiting approval



NORTH SHORE OF BIG BEAR LAKE



SNOW SUMMIT SKI RESORT



SERRANO CAMPGROUND



**7 Million Annual Visitors Spend an Estimated \$350 Million**



## AREA OVERVIEW



- Top Southern California tourist destination visited by 7 million people annually
- Most known for it's winter skiing and snowboarding conditions but attracts just as many summer time vistors for mountain biking, fishing, boating, camping and hiking
- Year-round vacation rentals are available boasting breathtaking mountain and lake views





# AREA OVERVIEW

## County of San Bernardino

- A county comprised of 24 cities and 56 unincorporated areas in the Inland Empire of Southern California
- The largest county in the contiguous United States by area with 20,105 square miles; 90% is desert
- 2.2 million county population; 5th most populous county in California; 14th most populous in the U.S.
  - Regional population is expected to nearly double in the next 30 years

### ECONOMY

- Major industries include manufacturing, logistics and warehousing, retail trade, wholesale trade, aerospace, tourism and recreation, healthcare and social assistance, and educational services
- \$30 billion in taxable sales in 2019; 63,000 businesses throughout the county
- Largest industries by employment include healthcare/social assistance (130,000), logistics (100,000), retail trade (90,000), accommodation/food services (65,000), and educational services (65,000)
  - 950,000 labor force; the population is younger than both California and the national average
- An extensive transportation infrastructure, a skilled workforce, and measurable business cost savings put the county at the center of a global commerce hub
  - Served by 3 major airports, 2 major railways, and 3 major interstate highways
  - 7.9% average annual growth in transportation and warehousing employment over the last 10 years
- 38.7% 10 year future job growth prediction, which is higher than the U.S. prediction of 33.5%
- Companies driving the local economy include Amazon, GE, ESRI, Loma Linda University Medical Center, Country Archer, General Atomics, Newell Brands, Evolution Fresh, Cardenas, and Stater Bros. Markets

### EDUCATION

- 20 area colleges and universities, including California State University, San Bernardino (17,700 students), University of California, Riverside (24,000 students), and San Bernardino Valley College (12,000 students)



**Regional Market Access Tops 23 Million People**



JOSHUA TREE NATIONAL PARK



SAN BERNARDINO MOUNTAINS



AERIAL VIEW OF SAN BERNARDINO COUNTY



# AREA OVERVIEW

## TRANSPORTATION

- The regional highway system includes 2 of the nation's most important goods movement corridors—Interstate 10 and Interstate 15—as well as 25+ additional highways
- Rail freight service is provided by Burlington Northern Santa Fe (BNSF) and Union Pacific (UP)
  - Both tracks move a significant amount of goods through the Colton Crossing, which is one of the busiest at-grade crossings in the U.S.
- 40 miles from the ports of Long Beach and Los Angeles that together create the largest port complex in the U.S., handling about 40% of total container traffic
- International and logistics airports serve cargo, passenger, and private markets; top airports include Ontario International, San Bernardino International, and Southern California Logistics

## DEVELOPMENTS

- **Tapestry Project** - A 9,366-acre master-planned community that will be constructed in 9 phases over the next 20 years in Hesperia with a total of 15,663 residential units
  - Broke ground in June 2021 on Phase I which will include road improvements, 700,000 square feet of retail and commercial space, and 2,104 residential units
  - Anticipated to bring \$7+ billion in capital investment upon completion of the project
- **Amazon Air Regional Air Hub** - Construction of a 658,500 square foot advanced air cargo facility on the previous Norton Air Force Base
  - Began operations in mid-2021 with the creation of 1,700 new jobs
  - Expected to add an additional 3,800 jobs when the facility is fully operational
- **Carousel Mall** - A redevelopment project of a 43-acre downtown site in San Bernardino into 3,500 residential units with retail, entertainment, commercial, and office components, an urban canopy, a trolley system, and a riverwalk
  - A possible model for future urban development throughout California
- **FedEx Express** - Recently completed a \$100 million expansion with 251,000 square feet on a 50-acre site at Ontario International Airport



**Major Transportation Nexus of Air, Rail, and Highway**



LOMA LINDA UNIVERSITY MEDICAL CENTER



OPEN SPACE NEAR TAPESTRY DEVELOPMENT



LARGE AMAZON PRESENCE IN THE COUNTY



# DEMOGRAPHICS

	1-Mile	3-Mile	5-Mile
2025 Projection	3,297	12,042	20,006
2020 Estimate	3,003	11,363	19,081
2010 Census	2,389	9,694	16,777
2000 Census	2,451	9,957	16,221
Growth 2010-2020	25.70%	17.22%	13.73%
Growth 2020-2025	9.79%	5.98%	4.85%
<b>HOUSEHOLDS</b>			
2025 Projection	1,454	5,327	8,661
2020 Estimate	1,307	4,986	8,194
2010 Census	1,000	4,183	7,077
2000 Census	1,040	4,232	6,723
Growth 2010-2020	30.70%	19.20%	15.78%
Growth 2020-2025	11.25%	6.84%	5.70%
<b>2020 EST. POPULATION BY SINGLE-CLASSIFICATION RACE</b>			
White Alone	2,562	8,978	15,524
Black or African American Alone	11	65	113
American Indian and Alaska Native Alone	28	132	252
Asian Alone	37	150	204
Native Hawaiian and Other Pacific Islander Alone	4	31	48
Some Other Race Alone	266	1,537	2,145
Two or More Races	76	402	700
<b>2020 EST. POPULATION BY ETHNICITY (HISPANIC OR LATINO)</b>			
Hispanic or Latino	765	3,305	4,800
Not Hispanic or Latino	2,238	8,058	14,281
<b>2020 EST. AVERAGE HOUSEHOLD INCOME</b>			
	\$68,304	\$63,469	\$65,370





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**\$8 BILLION**  
retail sales nationwide



**SHARED DATABASE**  
collaborative proprietary database



**GLOBEST. INFLUENCERS**  
in retail & net lease sales



**NATIONWIDE REACH**  
retail & investors across the U.S.



**\$2 BILLION IN RETAIL SOLD**  
over 400 transactions in last 36 mos.