

24-HOUR C-STORE WITH 16-PUMP GAS STATION & CAR WASH

Absolute NNN Investment Opportunity
Opening for Business November 2021



6240 Freeport Boulevard

SACRAMENTO CALIFORNIA

ARTIST RENDERING



EXCLUSIVELY MARKETING BY



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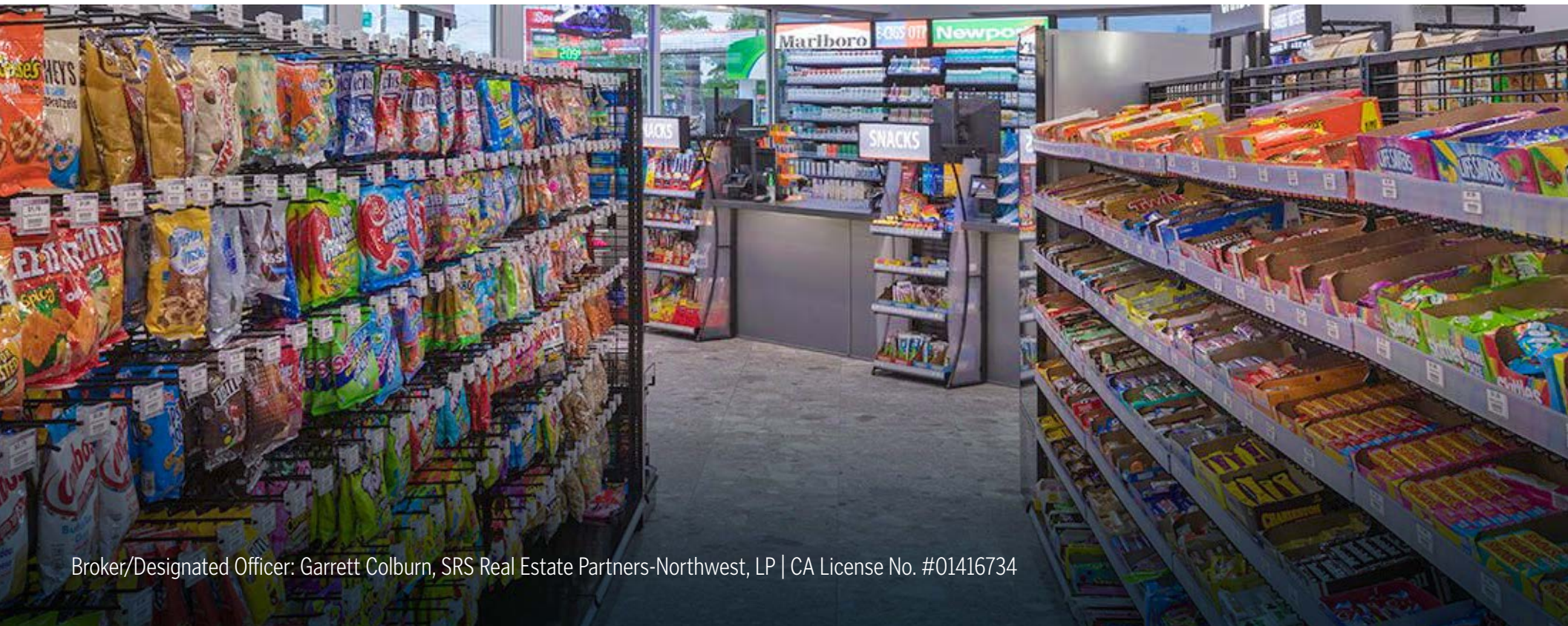
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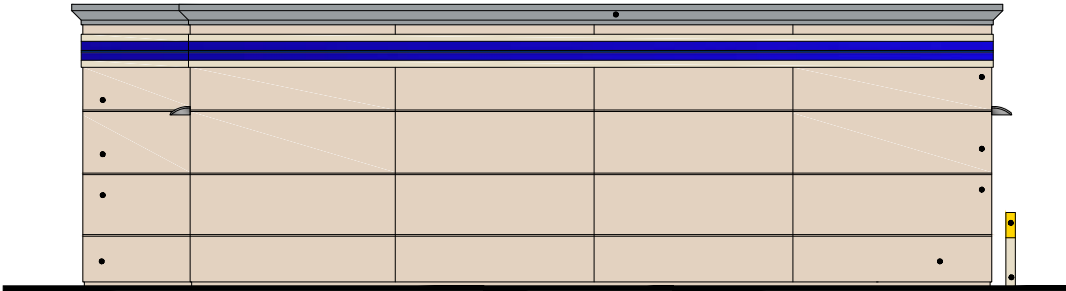
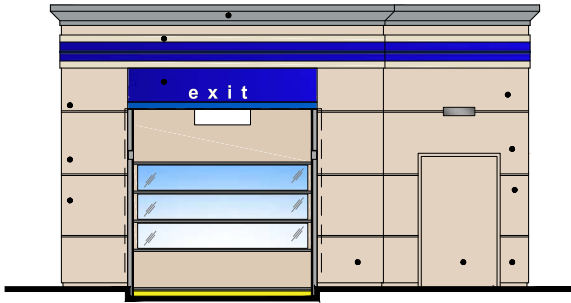
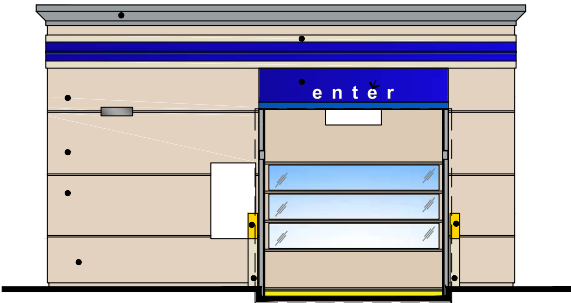
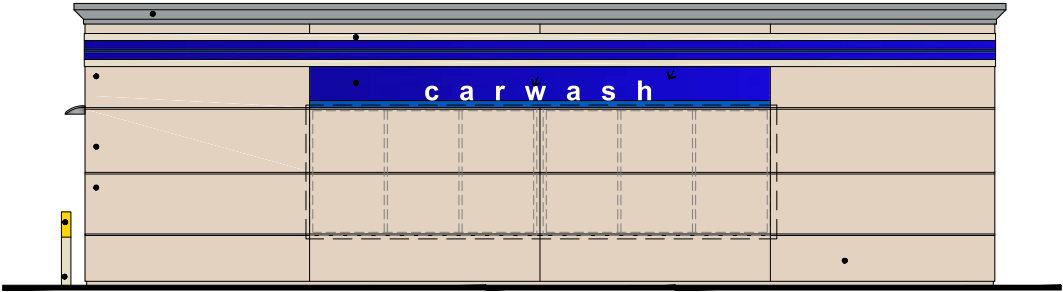
INVESTMENT SUMMARY



SRS National Net Lease Group is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in an absolute NNN, corporate signed, investment grade (S&P: BBB+), AM/PM & Arco investment property located in Sacramento, California. The tenant, BP Products North America Inc., recently signed a brand new 15-year lease with 4 (5-year) options to extend, demonstrating their long-term commitment to the site. The lease features 10% rental increases every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation. The lease is signed by the corporate entity and is absolute NNN with zero landlord responsibilities, making it an ideal, management-free investment opportunity for a passive investor. BP Products North America Inc. is the largest oil and gas producer and one of the largest gasoline retailers in the United States with more than 15,000 BP, Amoco, and Arco branded stations.

AM/PM & Arco is strategically located at the signalized, hard corner intersection of Freeport Boulevard and Blair Avenue, averaging a combined 27,600 vehicles passing by daily. The property features a 24-hour AM/PM branded convenience store with a 16-pump gas station that is ideally situated just 1.25 miles east of the on/off ramps to Interstate 5 (163,500 VPD), one of the busiest freeways in the country. In addition, the site is within close proximity to a variety of strong, quality tenants such as Marshalls, Petco, Dollar Tree, Raley's, O'Reilly Auto Parts, Starbucks, and more. Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for the site. Moreover, the site is surrounded by several apartment complexes including Park Place (72 units), Townhouse South Hills (32 units), and Lake Hills (42 units), providing a direct residential consumer base from which to draw. The 5-mile trade area is supported by more than 350,000 residents and 195,000 daytime employees. Residents within 3 miles of the subject property feature a healthy average household income of \$89,500.





OFFERING SUMMARY



OFFERING

Pricing	\$10,188,000
Net Operating Income	\$433,000
Cap Rate	4.25%
Tenant	BP Products North America Inc.
Lease Type	Absolute NNN
Landlord Responsibilities	None
Sales Reporting	No

PROPERTY SPECIFICATIONS

Rentable Area	4,172 SF
Land Area	1.54 Acres
Property Address	6240 Freeport Boulevard Sacramento, California 95822
Year Built	Under Construction (Opening Nov. 2021)
Parcel Number	035-0084-040-0000
Ownership	Fee Simple (Land & Building)

INVESTMENT HIGHLIGHTS



Brand New 15-Year Lease | Investment Grade (S&P: BBB+) | Scheduled Rental Increases | Reputable Oil & Gas Producer

- The tenant recently signed a brand new 15-year lease with 4 (5-year) options to extend, demonstrating their commitment to the site
- The lease is signed by the corporate entity (S&P: BBB+)
- 10% rental increases every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation
- BP Products North America Inc. is the largest oil and gas producer and one of the largest gasoline retailers in the United States with more than 15,000 BP, Amoco, and Arco branded stations

Absolute NNN | Fee Simple Ownership | Zero Landlord Responsibilities

- Tenant pays for CAM, taxes, and insurance
- No landlord responsibilities
- Ideal, management-free investment for a passive investor
- Fee simple ownership of a c-store qualifies for accelerated depreciation

Signalized, Hard Corner Intersection | Interstate 5 | Excellent Visibility & Access

- Located at the signalized, hard corner intersection of Freeport Boulevard and Blair Avenue, averaging a combined 27,600 vehicles passing by daily
- Situated just 1.25 miles east of the on/off ramps to Interstate 5 (163,500 VPD), one of the busiest freeways in the country
- Excellent visibility via significant street frontage and a large pylon sign
- Multiple points of ingress/egress, providing ease/convenience for customers

Northern California Real Estate | 2021 Construction | Convenience Store With 16-Pump Gas Station

- Newly constructed asset in the highly competitive and saturated retail market of Northern California
- State-of-the-art building with attractive facade using high quality materials
- Dense, infill trade area with high barriers for new development
- 24-hour AM/PM branded convenience store with a 16-pump gas station (Arco)

Strong Retail Corridor | Nearby National/Credit Tenants

- Within close proximity to a variety of strong, quality tenants such as Marshalls, Petco, Dollar Tree, Raley's, O'Reilly Auto Parts, Starbucks, and more
- Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for the site

Direct Residential Consumer Base | Strong Demographics in 5-Mile Trade Area

- Nearby apartment complexes include Park Place (72 units), Townhouse South Hills (32 units), and Lake Hills (42 units)
- Provides a direct residential consumer base from which to draw
- More than 350,000 residents and 195,000 employees support the trade area
- Residents within 3 miles of the subject property feature a healthy average household income of \$89,500

PROPERTY OVERVIEW



Location



Sacramento, California
Sacramento County

Parking



There are approximately 26 parking spaces on the owned parcel.
The parking ratio is approximately 6.23 stalls per 1,000 SF of leasable area.

Access



Freeport Blvd: 2 Access Points
Blair Ave: 3 Access Points

Parcel



Parcel Number: 035-0084-040-0000
Acres: 1.54
Square Feet: 67,082

Traffic Counts



Freeport Blvd: 19,500 Vehicles Per Day
Interstate 5: 163,500 Vehicles Per Day
State Highway 99: 221,000 Vehicles Per Day

Construction



Year Built: Under Construction
Estimated Grand Opening: November 2021

Improvements

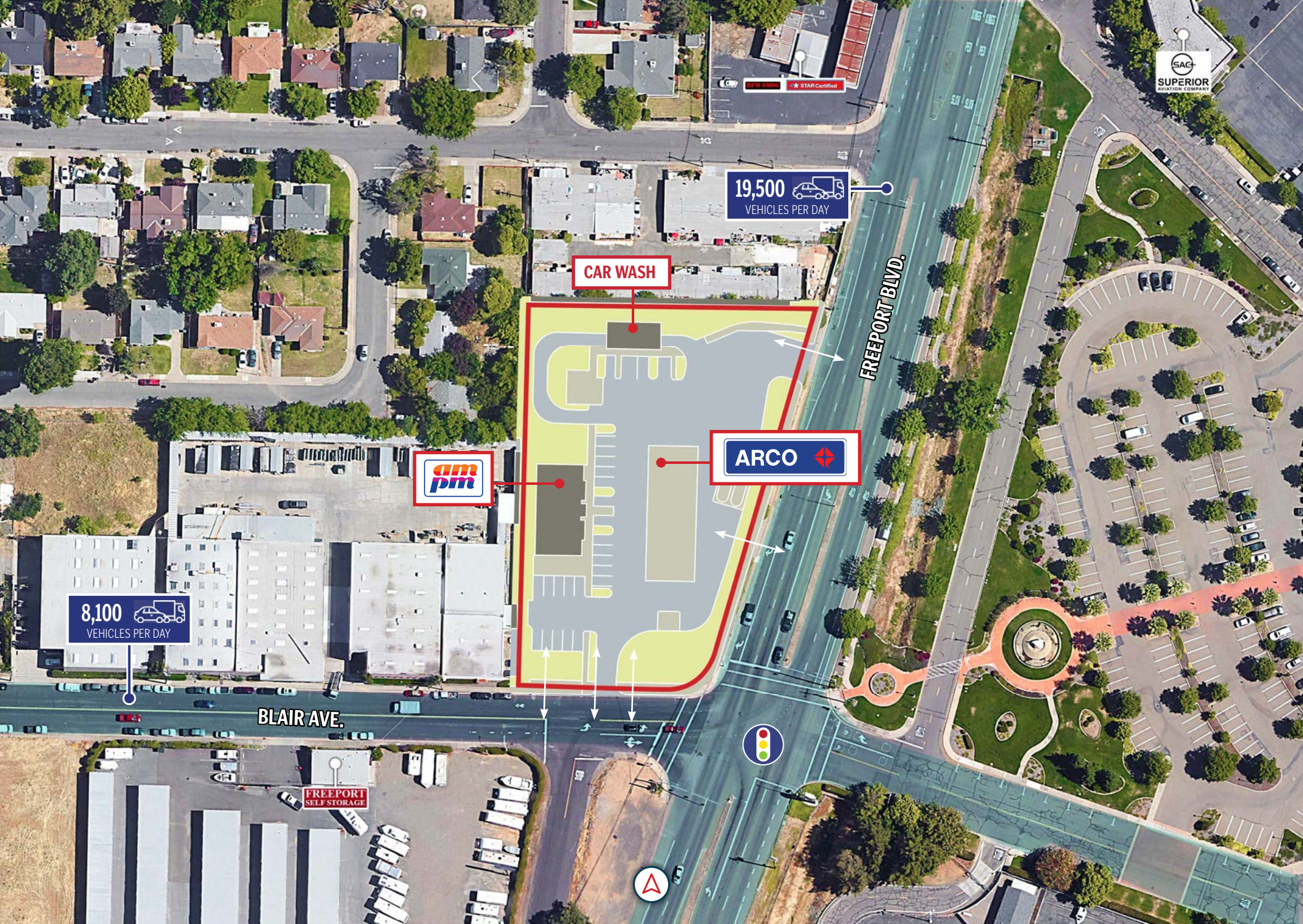


There is approximately 4,172 SF of existing building area

Zoning



General Commercial



WQAP 550000 STAR Certified

19,500
VEHICLES PER DAY

CAR WASH



ARCO

8,100
VEHICLES PER DAY

BLAIR AVE.

FREEPORT BLVD.

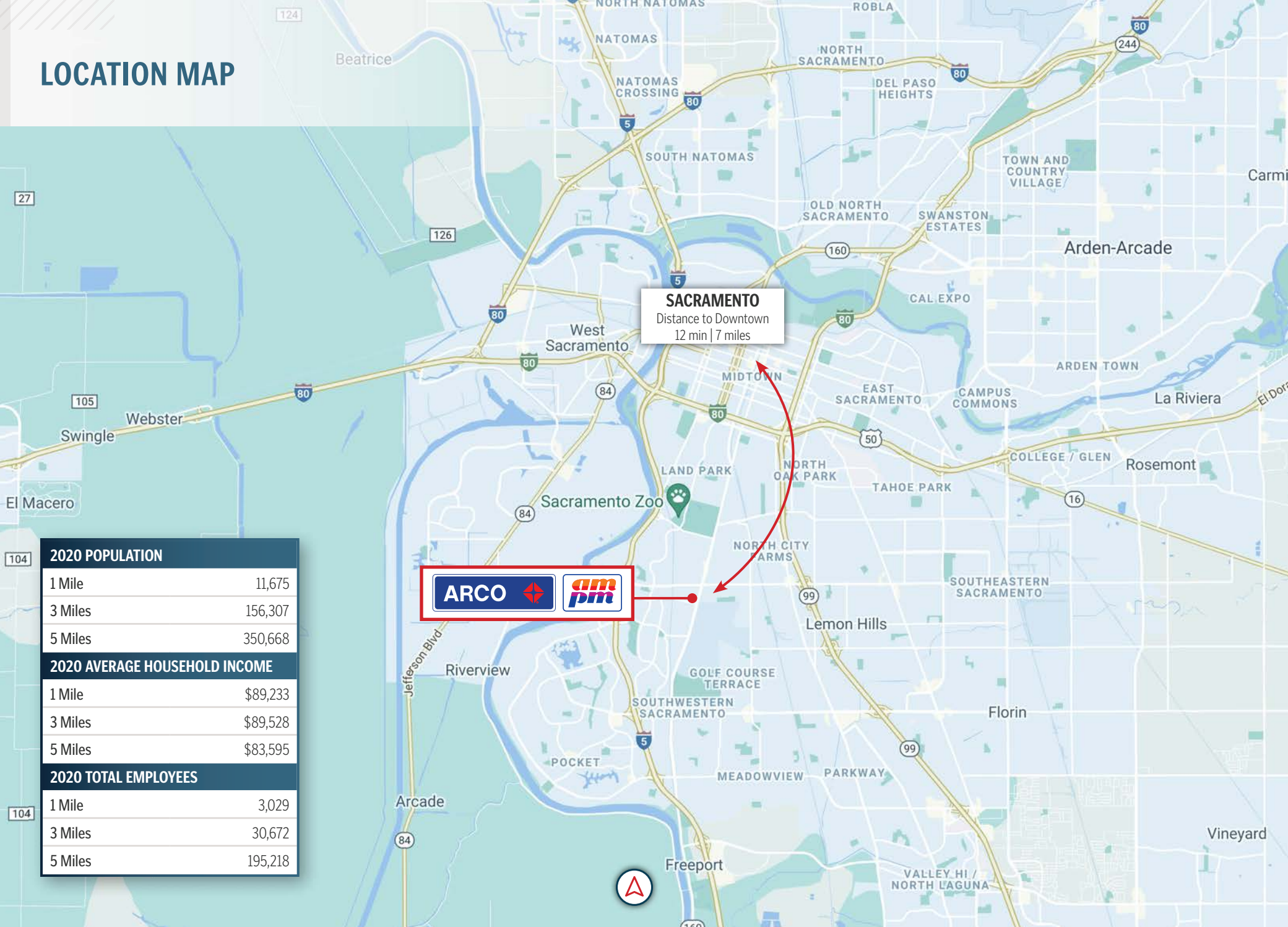
FREEPORT
SELF STORAGE







LOCATION MAP

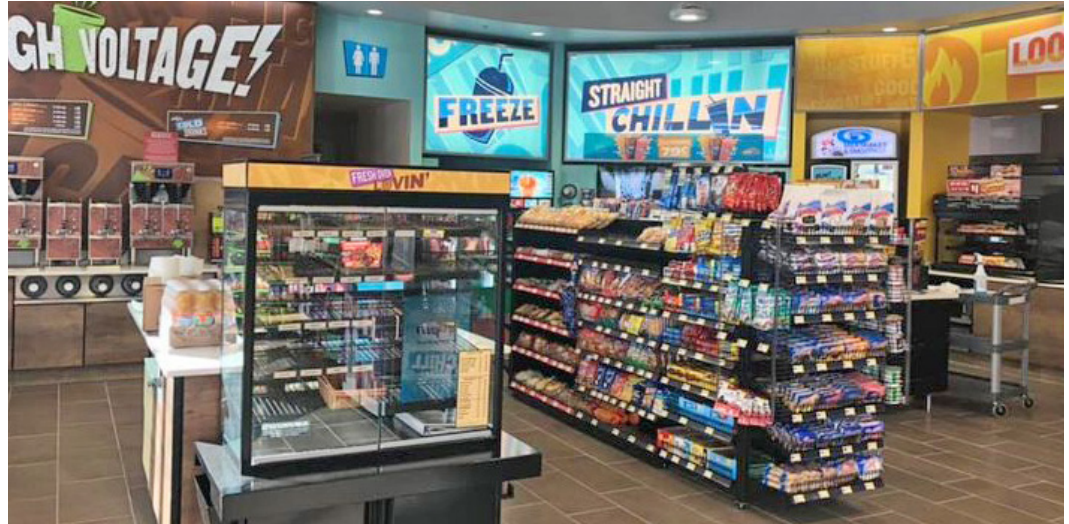


C-STORE DEPRECIATION

ACCELERATED DEPRECIATION FOR CONVENIENCE STORE PROPERTIES

Re of the Tax Cuts and Jobs Act in 2017 provided real estate investors with new tax benefits associated with owning gas station properties. The primary benefit is the allowance of accelerated depreciation. The construction and equipment associated with these properties can now be reclassified and depreciated over shorter time periods than the traditional 39 year life for commercial property. Due to the fee simple ownership of this property, an investor can receive greater deductions in the earlier years of the asset, thus minimizing taxable income. This enables anyone investing in these properties to lower their taxes and reduce their exposure in the earlier years of ownership while enjoying the benefits of a passive income stream that come with owning a single tenant property. Other significant benefits with the Tax Act are removing any caps for bonus depreciation of fueling/convenience store equipment and allowing investors to qualify for a 100% deduction under the new codes.

SRS NNLG recommends that the prospective purchaser(s) consult with their tax professional for advice related to your specific situation and how you can take advantage of accelerated depreciation. arts, health, sciences, technology, innovation startups, small businesses and entrepreneurship.



TWO METHODS FOR C-STORE DEPRECIATION

COST SEGREGATION ANALYSIS

Cost segregation studies take into account each individual component of a property and place each piece on its own appropriate depreciation schedule (ex. gas pumps, HVACs, roof, etc). This process generally front-loads the depreciation of the property into the first few years of ownership, which can result in notable tax savings and may be ideal depending on the tax payer's yearly tax liability outside of this investment.

15-YEAR STRAIGHT LINE SCHEDULE

For some investors, it may make more sense to have the entire asset's depreciation spread out evenly using the 15-year straight line method. Qualified c-store equipment and property placed in service after Dec. 31 2017 generally is depreciable using the straight line method over 15 years (shorter recovery period than the traditional 39 year life for commercial buildings).



SACRAMENTO, CALIFORNIA

Sacramento is the capital of the State of California and is the fifth largest city in the state. It is located in north/central California, approximately an hour and a half northeast of Oakland and San Francisco. The City of Sacramento is the 6th largest city in California with a population of 508,357 as of July 1, 2020.

The regional economy and employment base continue its long-term transition from a state government concentration to a diverse economic base including health care providers, high-tech manufacturers, software development companies, biotechnology and medical research laboratories, food processors, and medical equipment manufacturers. The region is also a transportation hub served by air cargo airports, an international airport, a deep-water shipping port, two major interstate freeways, freight and passenger rail lines, and an extensive regional commuter bus and light-rail system. These key industries interface with Sacramento's service, hospitality and government employers.

Principal employers of the city are State of California, Sacramento County, Kaiser Permanente, UC Davis Health System, U.S. Government, Sutter Health, Dignity Health, Intel Corporation, Apple, Inc, Elk Grove Unified School District and City of Sacramento.

Sacramento is a city that is bounded by two rivers, the American and the Sacramento. There are 1000 miles of waterways around Sacramento, as well as nearby Folsom Lake and Lake Natoma. As one would expect, water sports are at the top of the list for outdoor activities, including boating, salmon and steelhead fishing, river rafting, sailing, windsurfing, and more. Sacramento also has 540 acres of municipal golf courses and more than 120 city parks encompassing over 2,000 acres. Further east, the Lake Tahoe area is home to a number of world famous ski areas.

AREA DEMOGRAPHICS



	1 MILE	3 MILES	5 MILES
POPULATION			
2020 Estimated Population	11,675	156,307	350,668
2025 Projected Population	11,997	161,459	364,799
2010 Census Population	11,173	146,967	327,282
Projected Annual Growth 2020 to 2025	0.55%	0.65%	0.79%
Historical Annual Growth 2010 to 2020	0.45%	0.63%	0.70%
HOUSEHOLDS & GROWTH			
2020 Estimated Households	4,836	56,157	131,830
2025 Projected Households	4,941	57,663	137,106
2010 Census Households	4,668	53,450	123,824
Projected Annual Growth 2020 to 2025	0.43%	0.53%	0.79%
Historical Annual Growth 2010 to 2020	0.36%	0.51%	0.64%
RACE & ETHNICITY			
2020 Estimated White	40.93%	36.98%	42.27%
2020 Estimated Black or African American	13.57%	14.33%	13.19%
2020 Estimated Asian or Pacific Islander	23.78%	22.91%	20.83%
2020 Estimated American Indian or Native Alaskan	0.98%	1.08%	1.12%
2020 Estimated Other Races	11.05%	14.37%	14.04%
2020 Estimated Hispanic	26.49%	30.80%	30.28%
INCOME			
2020 Estimated Average Household Income	\$89,233	\$89,528	\$83,595
2020 Estimated Median Household Income	\$65,997	\$63,291	\$59,099
2020 Estimated Per Capita Income	\$37,140	\$32,103	\$31,429
DAYTIME POPULATION			
2020 Estimated Total Businesses	405	3,742	14,389
2020 Estimated Total Employees	3,029	30,672	195,218



RENT ROLL



LEASE TERM						RENTAL RATES					
TENANT NAME	SQUARE FEET	LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
BP Products North America Inc.	4,172	11/1/2021	10/31/2036	Year 1	-	\$36,083	\$8.65	\$433,000	\$103.79	Absolute NNN	4 (5-Year)
(Corporate Signed)		(Est.)	(Est.)	Year 6	10%	\$39,692	\$9.51	\$476,300	\$114.17		10% Increase at Beg. of Each Option
				Year 11	10%	\$43,661	\$10.47	\$523,930	\$125.58		

¹Tenant has a 30-Day Right of First Refusal to Purchase

FINANCIAL INFORMATION

Price	\$10,188,000
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Cap Rate	4.25%
Lease Type	Absolute NNN

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For financing options and loan quotes:

Please contact our SRS Debt & Equity team at debtequity-npb@srsre.com

BRAND PROFILE



ARCO

marathonpetroleum.com

Company Type: Subsidiary
Parent: Marathon Petroleum Corporation
2019 Employees: 2,000
2019 Revenue: \$5.06 Billion
2019 Net Income: \$480.00 Million
2019 Assets: \$20.25 Billion
2019 Equity: \$12.15 Billion
Credit Rating: S&P: BBB-



Atlantic Richfield Company, Inc. offers oil and gas extraction, exploration, and production services in the Midcontinent and offshore Gulf of Mexico in the United States, and internationally in the United Kingdom North Sea, Indonesia, China, and Algeria. It also offers exploration, production, refining, and marketing of petrochemicals. The company's downstream refining and marketing operations include refineries on the west coast; branded retail gasoline outlets in western states and British Columbia.



AM/PM

ampm.com

Company Type: Subsidiary
Parent: BP
Parent Company Type: Public (NYSE: BP)
2020 Employees: 63,600
2020 Revenue: \$180.37 Billion
2020 Assets: \$267.65 Billion
2020 Equity: \$71.25 Billion
Credit Rating: S&P: BBB+



Across five states on the US's pacific coast - from southern California to north Oregon - ampm is the highway retail-and-rest brand of choice for motorists. With around 950 outlets, many of which are attached to bp fuel stations, the brand is well known for the quality of its food and drinks offer. Ampm has grown rapidly since its first outlet opened in 1978, by maintaining its commitment to quality and determination offer the best selection on the open road.



SRS

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NET LEASE
GROUP

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RETAIL
PROFESSIONALS

25+

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LARGEST REAL ESTATE
SERVICES FIRM
in North America
exclusively dedicated
to retail

1.7K+

RETAIL
TRANSACTIONS
company-wide
in 2020

500+

NET LEASE
PROPERTIES SOLD
in 2020

\$1.9B

NET LEASE
TRANSACTION VALUE
in 2020

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