



ARCO GROUND LEASE

SACRAMENTO, CALIFORNIA

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM

ACTUAL SITE

\$5,000,000 | 4.00% CAP RATE

- » Long-Term Absolute NNN Corporate Ground Lease to Investment Grade Tenant
 - » 10% Rental Increases Every Five Years
 - » ARCO is Rated "A-" by S&P
 - » Site Features a Drive-Thru Car Wash
- » High-Visibility Location at Four-Way, Signalized Intersection
 - » Hard Corner Location on Kiefer Boulevard and Bradshaw Road with Access to 61,376 Vehicles Per Day
 - » Immediate Access to U.S. 50/El Dorado Freeway (188,000 AADT)
- » Strong Customer Base in Immediate Area
 - » Across From SMUD - Sacramento Municipal Utility District East Campus Operation Center (750 Employees)
 - » Population of 186,064 Within a Five-Mile Radius
 - » Average Household Income of \$96,121 within Five Miles
- » Three Miles From Mather Airport and Minutes From Mather VA Hospital (50-Beds)
- » 11 Miles From Downtown Sacramento (15.3 Million Annual Visitors)
- » Features Eight (8) Gas Pumps, a Convenience Store, and California Burritos Restaurant, Bringing Cross-Traffic to the Site



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Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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**YURAS
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Leased Investment Team

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INVESTMENT SUMMARY

ADDRESS	9670 Kiefer Boulevard, Sacramento, California 95827		
PRICE	\$5,000,000		
CAP RATE	4.00% return		
NOI	\$200,000		
TERM	15 years with 12+ years remaining		
RENT COMMENCEMENT	December 1, 2018		
LEASE EXPIRATION	November 30, 2033		
RENTAL INCREASES	10% rental increases every five (5) years		
	YEAR	RENT	RETURN
	1-5	\$200,000	4.00%
	6-10	\$220,000	4.40%
	11-15	\$242,000	4.84%
	16-20 (option 1)	\$266,200	5.32%
	21-25 (option 2)	\$292,820	5.86%
	26-30 (option 3)	\$322,102	6.44%
	31-34 (option 4)	\$354,312	7.09%
YEAR BUILT	2018		
BUILDING SF	5,835 SF		
PARCEL SIZE	TBD		
LEASE TYPE	Absolute NNN ground lease, with tenant responsible for all taxes, insurance, and maintenance, including roof, structure, and parking lot		

HIGH-QUALITY, INVESTMENT GRADE, SINGLE-TENANT ASSET

- » Long-term lease to and guaranteed by BP Corporation North America Inc., rated "A-" by Standard & Poor's
- » 10% fixed rent increases every five years in initial term and extension terms, providing a hedge against inflation
- » Site features a drive-thru car wash
- » ARCO has more than 1,626 gas stations in the United States
- » U.S. retail presence consists of approximately 7,200 BP and ARCO-branded sites, along with more than 1,000 ampm convenience stores in California, Oregon, Washington, Arizona, and Nevada
- » New construction featuring eight (8) gas pumps, a convenience store, and California Burritos restaurant, bringing cross-traffic to the site

HIGH-TRAFFIC INFILL LOCATION WITH STRONG CUSTOMER BASE

- » High-visibility location at the four-way, signalized intersection of Kiefer Boulevard and Bradshaw Road with access to 61,376 vehicles per day
- » Immediate access to U.S. 50/El Dorado Freeway (188,000 AADT)
- » Across from SMUD - Sacramento Municipal Utility District East Campus Operation Center (750 employees)
- » Population of 186,064 within a five-mile radius
- » Average household income of \$96,121 within five miles of the location and projected to increase 13 percent by 2026

CENTRAL LOCATION NEAR SCHOOLS, LARGE EMPLOYERS AND COMMUNITY HUBS

- » Immediately surrounded by single and multi-family units, providing a stable customer base
- » Convenient location near many large schools including, Rosemont High School (1,353 students) and Albert Einstein Middle School (822 students)
- » Located 12 minutes from Sacramento State University (fall 2021 student enrollment of 31,588, 3,318 employees)
- » Three miles from Mather Airport and minutes from Mather VA Hospital (50-beds)
- » 11 miles from Downtown Sacramento (15.3 million annual visitors) with access to many State of California offices, the largest employer in the area



ACTUAL SITE



SMUD
Sacramento Municipal
Utility District
(750 employees)

Bradshaw Road
(47,458 AADT)

ARCO

Rosemont
High School
(1,353 students)

Future Construction

Kiefer Boulevard
(13,918 AADT)



Capital
Christian School
(700 students)



Sacramento County Offices



Granite
Construction company



Kiefer Boulevard
(13,918 AADT)

ROSEMONT
High School
(1,353 students)

Bradshaw Road
(47,458 AADT)



AMPAC™
(750 employees)

Cordova
High School
(1,851 students)

Navigator
Elementary School
(374 students)

MATHER AIRPORT
(3.4 miles)

El Dorado Freeway
(188,000 AADT)

Days Inn
(109 rooms)

Starbucks
Food 4 Less

Jack
in the box

ihop

GROCERY OUTLET
bargain Market
AutoZone

KFC

James W. Marshall
Elementary School
(400 students)

O'Reilly AUTO PARTS
PROFESSIONAL SERVICE CENTERS

Granite
Construction company

Kiefer Boulevard
(13,918 AADT)

BURGER KING
Shell

SUBWAY

Sacramento
County
Offices

UNITED STATES POSTAL SERVICE

SMUD
Sacramento Municipal
Utility District
(750 employees)

Rosemont
High School
(1,353 students)

FIT-eats
BE SMART · EAT SMART

ARCO

Bradshaw Road
(47,458 AADT)



INDUSTRIAL REGION

DOWNTOWN
SACRAMENTO
(12.2 miles)



Golden Empire
Elementary School
(615 students)

Sequoia
Elementary School
(390 students)



Albert Einstein
Middle School
(781 students)

Cordova Golf
Course

Mayhew Road

Rosemont
High School
(1,353 students)



Kiefer Boulevard
(13,918 AADT)

Sacramento County Offices

Bradshaw Road
(47,458 AADT)

TENANT SUMMARY



Atlantic Richfield Company, better known as ARCO, is an American oil company known for its low-priced gasoline. Headquartered in La Palma, California, ARCO is the leading retail gasoline brand on the West Coast, according to The NPD Motor Fuels Index. ARCO fueling stations offer quality Top Tier gas at approximately 1,626 locations in five western U.S. states, including Arizona, California, Nevada, Oregon, and Washington. In August 2017, the ARCO brand expanded into Mexico by beginning to open stations in Baja California and Sonora. Atlantic Richfield Company is rated "A1" by Moody's and "A-" by Standard & Poor's. ARCO is owned by Andeavor (NYSE: "ANDV"), a Fortune 100 and a Fortune Global 500 company.

The ampm brand is a convenience store chain with branches located in several U.S. states and in several countries worldwide. The first ampm stores opened in Southern California as tasty add-ons to select ARCO gas stations, and they made it easy to get refreshing drinks, hot foods, and sweet treats. Together, ARCO and ampm sites serve about 24 million customers per month.

For more information, please visit www.arco.com and www.ampm.com.

OWNERSHIP	Andeavor (NYSE: "ANDV")	# OF LOCATIONS	1,626
HEADQUARTERS	La Palma, CA	S&P	"A-"



The lease is guaranteed by BP, a global producer of oil and gas with operations in over 70 countries. BP has a larger economic footprint in the U.S. than in any other nation, and it has invested more than \$100 billion in the country since 2005. BP employs about 14,000 people across the U.S. and supports more than 106,000 additional jobs through all its business activities.

For more information, please visit www.bp.com.

TICKER	NYSE: "BP"	# OF U.S. LOCATIONS	7,200
REVENUE	\$180.4B	S&P	"A-"

LEASE ABSTRACT

TENANT	BP West Coast Products LLC		
GUARANTOR	BP Corporation North America Inc.		
ADDRESS	9670 Kiefer Boulevard, Sacramento, California 95827		
RENT COMMENCEMENT	December 1, 2018		
LEASE EXPIRATION	November 30, 2033		
RENEWAL OPTIONS	Three (3) option periods of five (5) years each and a final option period of four (4) years		
RENTAL INCREASES	YEAR 1-5 6-10 11-15 16-20 (option 1) 21-25 (option 2) 26-30 (option 3) 31-34 (option 4)	RENT \$200,000 \$220,000 \$242,000 \$266,200 \$292,820 \$322,102 \$354,312	RETURN 4.00% 4.40% 4.84% 5.32% 5.86% 6.44% 7.09%
REAL ESTATE TAXES	Tenant shall be responsible for all real estate taxes.		
INSURANCE	Tenant shall be responsible for all insurance costs.		
REPAIR & MAINTENANCE	Tenant is responsible for all maintenance and repairs.		
UTILITIES	Tenant shall pay directly to the applicable utility provider the utility charges for all water, sewer, gas, and electricity used by Tenant during the Term.		
MAINTENANCE BY LORD	None		
RIGHTS OF FIRST REFUSAL	Tenant is given fifteen (15) days to exercise the right of first refusal to Purchase.		

PROPERTY OVERVIEW

LOCATION

The property is strategically located on the corner of the four-way, signalized intersection of Kiefer Boulevard and Bradshaw Road, with access to 61,376 vehicles per day. The site shares a lot with the local Mexican restaurant, California Burritos. Additionally, the location is within a high-traffic corridor with excellent visibility. The property is within a one-mile radius of several county offices and immediately across from SMUD - Sacramento Municipal Utility District East Campus Operation Center (750 employees). The location maintains beneficial proximity to U.S. 50/El Dorado Freeway (188,000 AADT), which provides convenient access to Sacramento State University (31,588 students, 3,318 employees) and Downtown Sacramento. Downtown Sacramento is a popular destination for residents and tourists and experiences 15.3 million annual visitors.

The property is in an infill location with strong demographics. A total of 186,064 residents live within a five-mile radius with an average household income of \$96,121. The average income is projected to increase 13% by 2026, poising ARCO and Sacramento for stable concurrent growth. The site is immediately surrounded by single and multi-family units and conveniently located near many large schools including Rosemont High School (1,353 students) and Albert Einstein Middle School (822 students), increasing traffic in the area. The property is three miles from Mather Airport and minutes from Mather VA Hospital, a 60-bed, state-of-the-art, inpatient facility offering a full range of comprehensive health care services.

ACCESS

Access from Kiefer Boulevard and Bradshaw Road

TRAFFIC COUNTS

Kiefer Boulevard:	13,918 AADT
Bradshaw Road:	47,458 AADT
U.S. 50/El Dorado Freeway:	188,000 AADT
State Route 16/Jackson Road:	12,800 AADT

PARKING

39 parking stalls, including two (2) handicap stalls

YEAR BUILT

2018

NEAREST AIRPORT

Sacramento International Airport (SMF | 23 miles)



39
PARKING
STALLS



2018
YEAR
BUILT



61K
TRAFFIC
COUNT (AADT)



**NEAREST
AIRPORT**
SACRAMENTO
INTERNATIONAL
AIRPORT

AREA OVERVIEW

Sacramento is the capital of California and the seat of Sacramento County. It is at the confluence of the Sacramento River and the American River in the northern portion of California's expansive Central Valley, known as the Sacramento Valley. It has a population of 524,943 as of the 2020 Census, making it the sixth-largest city in California and the ninth-largest capital in the United States. Today, Sacramento is known for its diversity, tree canopy (largest in the U.S.), historic Old Sacramento, evolving contemporary culture as the most "hipster city" in California, sunny climate, state administration, and farm-to-fork dining. As the capital of California, Sacramento has a strong economy supported in part by government, healthcare, and agriculture. In recent years, Sacramento has become a world-class tech community, with companies relocating to Sacramento to take advantage of its educated workforce and low cost of doing business without sacrificing the quality of facilities and workforce skills. Due to its attractive business qualities, Sacramento experienced the fifth-fastest private-sector job growth rate among the top 25 United States' metropolitan areas. This growth has been accompanied by extensive development and renovation within the Sacramento region, including the construction of a multi-use sports and entertainment arena accompanied by 1.5 million square feet of office, retail, and residential developments in Downtown Sacramento.

Sacramento is the cultural and economic core of the Sacramento Metropolitan Statistical Area (MSA), which has a population of over 2.5 million people, making it the fourth-largest metropolitan area in California and the 27th largest in the United States. Located approximately 75 miles northeast of San Francisco, the Sacramento MSA—consisting of El Dorado, Placer, Yolo, and Sacramento counties—is known as one of the most vibrant areas in all of California. Sacramento also anchors the even larger Sacramento–Arden–Arcade–Yuba City, CA–NV Combined Statistical Area (CSA)—known as Greater Sacramento—which consists of several metropolitan statistical areas and seven counties in Northern California and one in Western Nevada. In addition to the bustling cityscape of Sacramento, Greater Sacramento also contains sites of natural beauty, including Lake Tahoe, the largest alpine lake in North America, and numerous ski and nature resorts. Greater Sacramento is also located in one of the world's most important agricultural areas. The region's eastern counties are located in Gold Country, the site of the California Gold Rush. Recently, the Sacramento area has become one of the fastest-growing regions in the United States, due to Sacramento's continued emergence as a distinct metropolitan center, as well as the region's cheaper housing costs for commuters to and from the nearby, more expensive, San Francisco Bay Area.

- » Sacramento State University enrolled a record 31,588 students for the Fall 2021 semester, 78 more than Fall 2020.
- » The Sacramento region is a major 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.
- » Old Sacramento is the city's largest visitor destination, attracting more than 4.3 million visitors annually. The six-block historic waterfront district is home to Sacramento's top museums including the California History Museum and California State Railroad Museum.
- » Sacramento is the third fastest-growing metropolitan area in California, with a projected growth of 55.4 percent over the next 30 years.
- » Sacramento is expected to outpace the national average in job and population growth by more than double over the next 10 years.

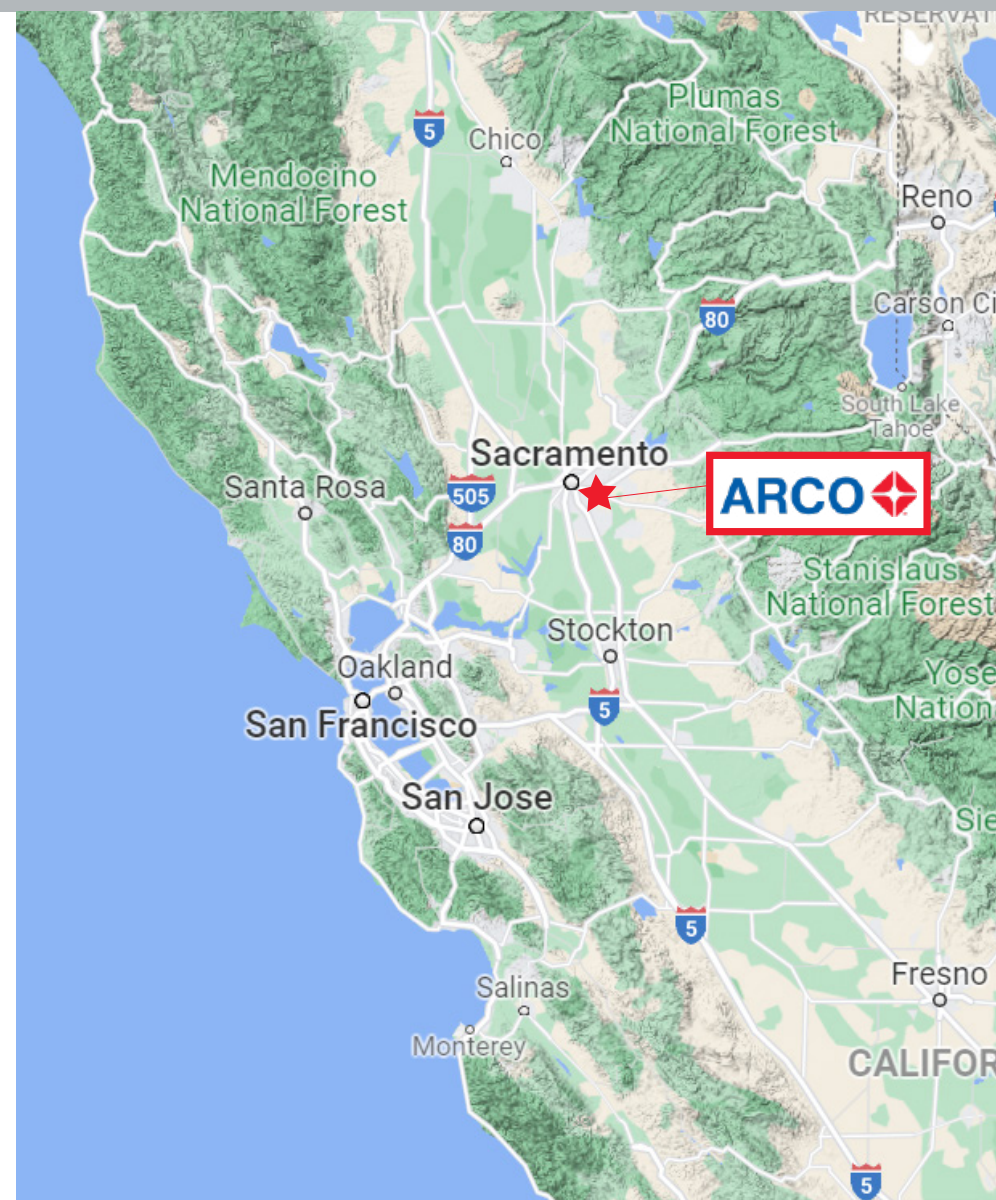
LARGEST EMPLOYERS IN SACRAMENTO	# OF EMPLOYEES
STATE OF CALIFORNIA	77,172
KAISER PERMANENTE	15,585
UC DAVIS HEALTH SYSTEM	14,510
SACRAMENTO COUNTY	12,360
SUTTER HEALTH	10,764
U.S. GOVERNMENT	10,559
DIGNITY HEALTH	7,871
INTEL CORPORATION	6,200
ELK GROVE UNIFIED SCHOOL DISTRICT	6,164
SAN JUAN UNIFIED SCHOOL DISTRICT	5,350



DEMOGRAPHIC PROFILE

2021 SUMMARY	1 Mile	3 Miles	5 Miles
Population	6,349	59,722	186,064
Households	2,191	22,491	72,690
Families	1,444	14,403	43,895
Average Household Size	2.80	2.64	2.53
Owner Occupied Housing Units	1,341	13,046	40,062
Renter Occupied Housing Units	850	9,445	32,629
Median Age	34.8	37.0	37.5
Average Household Income	\$78,472	\$91,234	\$96,121

2026 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	6,413	60,884	191,669
Households	2,210	22,860	74,514
Families	1,457	14,648	45,093
Average Household Size	2.81	2.64	2.54
Owner Occupied Housing Units	1,353	13,270	41,403
Renter Occupied Housing Units	857	9,589	33,111
Median Age	36.3	38.0	38.2
Average Household Income	\$88,529	\$103,382	\$108,667



**AVERAGE HOUSEHOLD INCOME OF \$96,121
WITHIN FIVE MILES**



**POPULATION OF 186,064
WITHIN FIVE MILES**

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