

ARCO / AMPM

BP CORPORATE GUARANTY

4301 SONOMA BOULEVARD, VALLEJO, CALIFORNIA (BAY AREA)

PLANNED RETAIL



OFFERING MEMORANDUM

Marcus & Millichap



NAPA COUNTY AIRPORT

SAFeway **Costco** **WHOLESALE**
goodwill **Ashley** **TJ-Maxx** **HOMESTORE**
ANY TIME FITNESS **ROUND TABLE** **PIZZA ROYALTY**
LA Z BOY **CVS** **PET CLUB**
 FURNITURE GALLERIES pharmacy FOOD AND SUPPLIES

VSC TRACTOR SUPPLY CO **Fairfield** **BY MARRIOTT** **Starbucks**
Walmart **ROUND TABLE** **PIZZA ROYALTY**
DUNKIN' DONUTS **SONIC** **DOUBLE TREE** **BY HILTON**
Holiday Inn Express **BANK OF AMERICA**
AutoZone

B BOOT BARN **BURGER KING** **Habitat for Humanity** **Arby's**
ReStore **W** **DEL TACO** **Denny's** **Cart's Jr.**
Wienerschnitzel **STAYBRIDGE SUITES** **Fairfield** **BY MARRIOTT** **Starbucks** **Wendy's** **TACO BELL**



ARCO
ampm

Six Flags
 DISCOVERY KINGDOM

TARGET **OfficeMax** **LOWE'S** **Costco** **WHOLESALE** **ihop**
ROSS **Chick-fil-A** **TESLA** **BEST BUY** **Marshall's** **the Habit**
DRUGS FOR LESS **petco** **Chevy's** **MOD** **COUNTRY**
THE HOME DEPOT **CHEVROLET** **Panera** **FRESH MEX** **BED BATH & BEYOND**
Michael's **DSW** **RED LOBSTER** **TOYOTA** **Olive Garden**

Walmart **Neighborhood Market** **ACE** **Hardware** **Pollo Loco**
Smart & Final **ExtraSpace Storage**
planet fitness **Cart's Jr.** **Denny's** **Starbucks** **CVS** **pharmacy**

KAISER PERMANENTE
 VALLEJO MEDICAL CENTER

SAN PABLO BAY

DOWNTOWN VALLEJO

MARE ISLAND NAVAL SHIPYARD

TOURO UNIVERSITY CALIFORNIA
 1,320 STUDENTS

CAL MARITIME
 1,000 STUDENTS

Raley's **ACE** **Hardware** **BURGER KING** **goodwill** **ROUND TABLE** **PIZZA ROYALTY**

VALERO
 BENICIA REFINERY



GRIZZLY BAY



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Executive Summary

4301 Sonoma Boulevard, Vallejo, CA 94589

FINANCIAL SUMMARY

Price	\$6,194,736
Cap Rate	4.75%
Building SF	3,180 SF
Net Cash Flow	4.75% \$294,250*
Year Built	2017
Lot Size	1.02 Acres

LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Lease
Tenant	ARCO / ampm
Guarantor	Corporate – BP West Coast Products LLC
Roof & Structure	Tenant Responsible
Lease Commencement Date	October 3, 2017
Lease Expiration Date	October 31, 2032
Lease Term Remaining	10 Years
Rental Increases	10% Every 5 Years
Renewal Options	3, 5 Year Options
Right of First Refusal	None

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
11/1/2022 – 10/31/2027	\$294,250.00	4.75%
11/1/2027 – 10/31/2032	\$323,675.00	5.23%
Options	Annual Rent	Cap Rate
Option 1	\$356,042.00	5.75%
Option 2	\$391,646.00	6.32%
Option 3	\$430,810.00	6.95%

Base Rent	\$294,250
Net Operating Income	\$294,250
Total Return	4.75% \$294,250

*NOI based off Rent Bump on November 1, 2022. Seller will credit the difference in current rent to Buyer at COE.

A2+
A-

BP CREDIT RATED
A2+ BY MODDY'S
A- BY S&P



10% INCREASES
EVERY 5 YEARS
INCLUDING OPTIONS

NNN

ABSOLUTE NNN
LEASE STRUCTURE



EXCELLENT
DEMOGRAPHICS &
TRAFFIC COUNTS

10+ YRS

10+ YEARS REMAINING
IN PRIMARY TERM

Accelerated Depreciation

SPECIAL TAX ADVANTAGE AFFORDED GAS STATION/C-STORES

These investments present a tremendous opportunity for special tax saving privileges. 15-year accelerated depreciation schedule may be applied to these properties, under current IRS guidelines, as more than 50% of the gross sales are attributed to fuel sales.

When looking at the comparison to the right between an ARCO/ampm Gas & Convenience Store and a representative non-convenience store, one can see the tremendous tax savings when applying a 15 year accelerated method vs. the standard 39 year method utilized in connection with the depreciation of other commercial properties.

See right for illustration of additional cash flow.

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*Assumes 20% of purchase price is attributed to the land.



ARCO/AMPM GAS & C-STORE

Purchase Price	\$6,194,736	Income Taxes	(\$24,521)
<u>Cap Rate</u>	4.75%	<u>(45% Tax Bracket)</u>	
Cash Flow	\$294,250	Cash Flow	\$294,250
<u>15 Year Depreciation</u>	\$348,741	<u>Income Taxes</u>	(\$24,521)
Taxable Income	(\$54,491)	Cash Flow (After Taxes)	\$294,250

OTHER NNN ASSET

Purchase Price	\$6,194,736	Income Taxes	\$72,054
<u>Cap Rate</u>	4.75%	<u>(45% Tax Bracket)</u>	
Cash Flow	\$294,250	Cash Flow	\$294,250
<u>39 Year Depreciation</u>	\$134,131	<u>Income Taxes</u>	\$72,054
Taxable Income	\$160,119	Cash Flow (After Taxes)	\$222,196



25,200 CPD
SONOMA BLVD



PLANNED RETAIL





73,000 CPD
HWY 37

25,200 CPD
SONOMA BLVD

SmartStop
Self Storage

motel
6

Denny's

Jack
in the box
Shell

LOUISIANA
KITCHEN
POPEYES

MOUNTAIN MIKE'S
PIZZA
SECURITY
PUBLIC STORAGE

ExtraSpace
Storage

Regency
INN

PLANNED RETAIL

Pollo
Loco

ACE
Hardware

ARCO
ampm

BANK OF THE WEST
BNP PARIBAS



Property Description



INVESTMENT HIGHLIGHTS

- » **10 Years Remaining on Absolute Triple-Net (NNN) Corporate-Guaranteed Lease**
- » 10 Percent Rental Increases Every Five Years
- » **144,218 Residents within a Five-Mile Radius - Dense Infill in Bay Area MSA**
- » Adjacent to Newly-Built El Pollo Loco
- » **Top Performing Location** - Subject Property is in the Top 26% of All ARCO's Across the Country and is the Number One Performing ARCO within 15 Miles (Source: PlacerAI)
- » **Signalized Hard Corner Location with Excellent Visibility Along Sonoma Boulevard (25,200+ Cars/Day)**
- » Site Includes a Car Wash and Six Fueling Stations (12 Pumps)
- » **Accelerated Depreciation Available - Huge Tax Benefits**
- » Surrounded by National Retailers - Ace Hardware, Denny's, Smart & Final, Starbucks, Walmart Neighborhood Market, and More



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2026 Projection	13,002	99,693	145,828
2021 Estimate	12,996	98,605	144,218
Growth 2021 – 2026	0.05%	1.10%	1.12%

Households

2026 Projection	4,844	34,575	51,080
2021 Estimate	4,812	34,047	50,232
Growth 2021 – 2026	0.67%	1.55%	1.69%

Income

2021 Est. Average Household Income	\$76,825	\$97,461	\$103,554
2021 Est. Median Household Income	\$59,027	\$74,437	\$78,867
2021 Est. Per Capita Income	\$28,889	\$33,867	\$36,273



Demographics - 1 Mile Radius

4301 Sonoma Boulevard, Vallejo, CA 94589

KEY FACTS

12,996

POPULATION



2.6

AVERAGE HOUSEHOLD SIZE

39.4

MEDIAN AGE

\$59,027

MEDIAN HOUSEHOLD INCOME

EDUCATION

14%

NO HIGH SCHOOL DIPLOMA



27%

SOME COLLEGE



27%

HIGH SCHOOL GRADUATE



30%

BACHELOR'S/GRAD /PROF DEGREE

ANNUAL LIFESTYLE SPENDING



\$1,787

TRAVEL



\$46

SPORTS EVENTS



\$62

THEATRE /OPERAS /CONCERTS

BUSINESS



458

TOTAL BUSINESSES



7,100

TOTAL EMPLOYEES

EMPLOYMENT

SERVICES

17%

WHITE COLLAR

58%

24%

BLUE COLLAR

HOUSEHOLDS BY NO. OF VEHICLES



13.6%

0 VEHICLES



35.0%

1 VEHICLE



51.4%

2+ VEHICLES

INCOME



\$76,825

AVG. HOUSEHOLD INCOME



\$28,889

PER CAPITA INCOME

HOUSEHOLDS BY INCOME

\$200,000+	3.66%
\$150,000 - \$199,999	5.82%
\$100,000 - \$149,999	13.78%
\$75,000 - \$99,999	15.96%
\$50,000 - \$74,999	17.24%
\$35,000 - \$49,999	11.66%
\$25,000 - \$34,999	7.60%
\$15,000 - \$24,999	9.69%
\$10,000 - \$14,999	5.92%
<\$9,999	8.67%

HOUSING UNITS



4,812

TOTAL OCCUPIED HOUSING UNITS

49.4%

OWNER OCCUPIED

50.6%

RENTER OCCUPIED

Sources: IREA, ESRI Information Services, U.S. Census Bureau of Labor Statistics, Wikipedia, MapNet

Tenant Overview



**New York,
New York**

1,560+

1966

www.arco.com

Headquarters

U.S. Locations

Founded

Website

ARCO is a brand of gasoline stations, established in 1966 as the "Atlantic Richfield Company," which was an independent oil and gas company formed after the merger of Atlantic Petroleum and the Richfield Oil Corporation. The company is currently owned by Marathon Petroleum after BP, its former owner, sold its rights. BP commercializes the brand in Northern California, Oregon, and Washington, while Marathon has the rights for the rest of the United States and in Mexico.

Marathon Petroleum Corporation (NYSE: MPC) is a leading, integrated, downstream energy company that operates the nation's largest refining system.



BP America, Inc.

950+

1978

www.ampm.com

Parent Company

Locations

Founded

Website

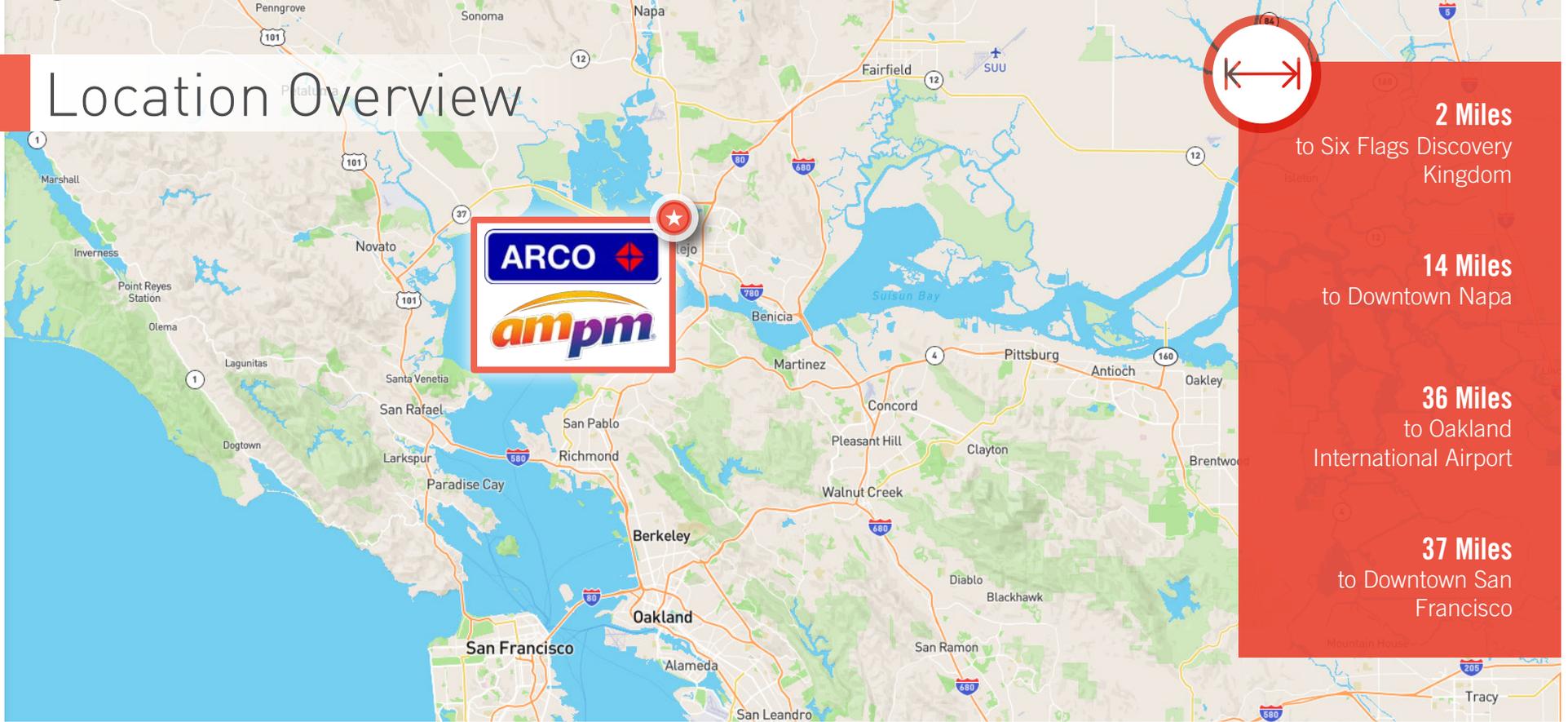
Ampm is a convenience store chain with branches located in several U.S. states, including Arizona, California, Nevada, Oregon, and Washington, and in several countries such as Costa Rica and Brazil. The ampm brand is owned by BP America, Inc., a subsidiary of BP. The stores are usually attached to an ARCO or BP branded gas station. The ampm brand is well known for the quality of food and drinks it offers. It is the highway retail-and-rest brand of choice for motorists.

BP (NYSE: BP) is an oil and gas company headquartered in London, England. It is a vertically integrated company operating in all areas of the oil and gas industry.

Property Photos



Location Overview



Located in Solano County, California, Vallejo is the largest city in the North Bay region of the San Francisco Bay Area. Situated on the shores of the San Pablo Bay, the city has an estimated population of 126,090 as of the 2020 census. Vallejo is known as the home of the California Maritime Academy, Touro University of California, and Six Flags Discovery Kingdom. Vallejo is a Bay Area city that combines a scenic waterfront with a historic downtown core. This rapidly growing community includes prime commercial and residential opportunities in four major areas: Downtown Vallejo, Mare Island, Northgate, and the Waterfront. Vallejo is strategically located midway between San Francisco and Sacramento within close proximity to UC-Berkeley and UC-Davis. Vallejo is home to three institutions of higher education: Touro University, the California Maritime Academy, and two Solano Community College campuses.

As the largest city in the North Bay region, Vallejo is a regional economic hub for the North Bay, as well as the entire Solano County. According to the city's 2021 Comprehensive Annual Financial Report, the top employers in Vallejo are Kaiser Permanente Medical Center, Six Flags Discovery Kingdom, Vallejo City Unified School District, Sutter Solano Medical Center, and City of Vallejo. The city combines big city amenities with small-town charm, all at a comparatively inexpensive cost when compared to most Northern California cities.

For both commuters and travelers alike, Vallejo is well-connected to San Francisco and the entire Bay Area. The city offers the Vallejo Baylink Ferry, a high-speed catamaran service that provides fast and reliable service to San Francisco. Several Interstate Highways and a network of city buses offer connections to BART and other Bay Area cities.

San Francisco Bay Area

SAN FRANCISCO

With its stunning Victorian architecture, world-class culture, diverse cuisine, and scenic beauty, San Francisco is considered one of the greatest and most visited cities in the world. The city is home to several of the country's most iconic landmarks, like the Golden Gate Bridge and Alcatraz Island. With all that the city has to offer, it is located on just 50 square miles of land and is home to 812,000 people.

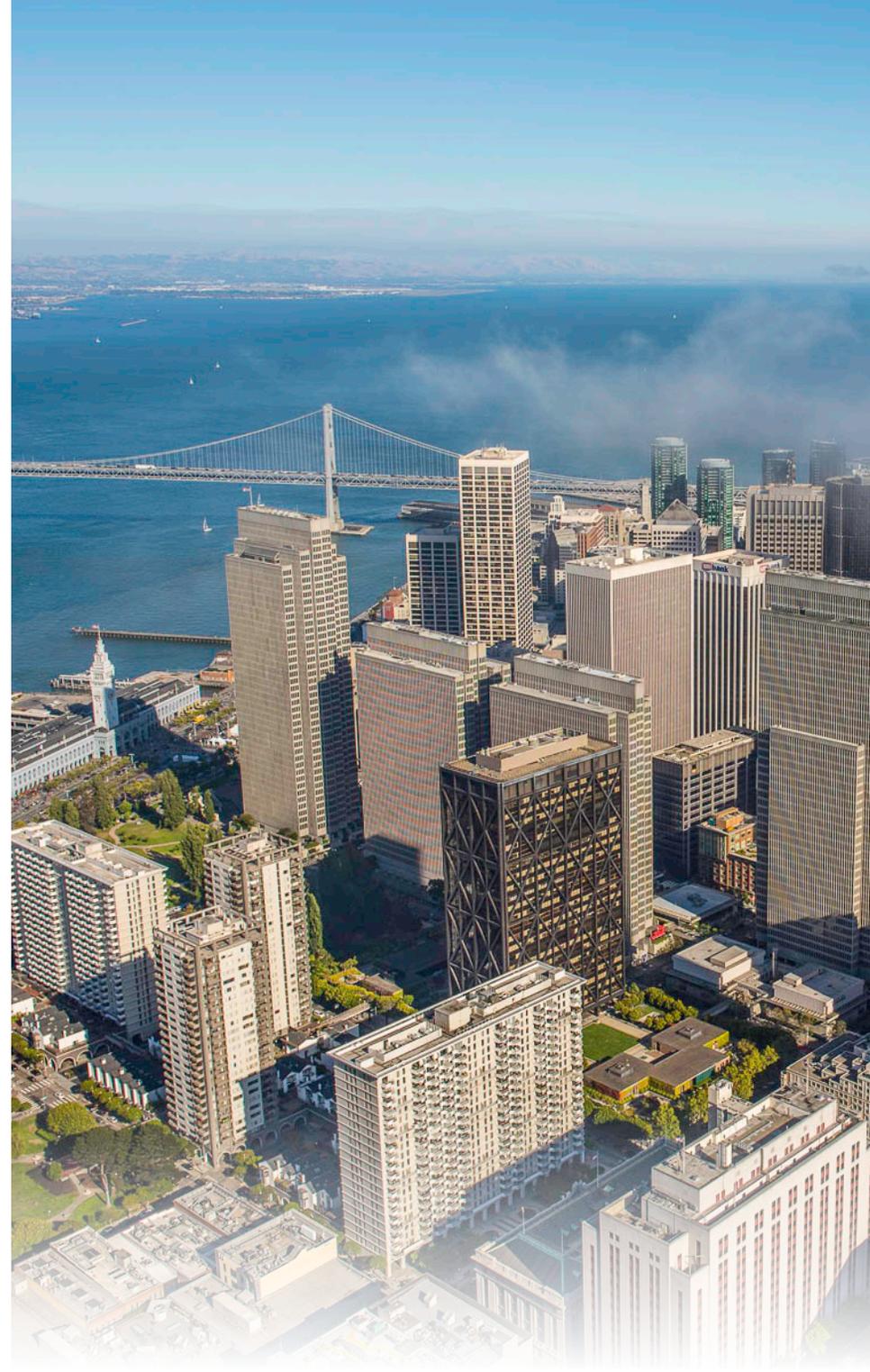
SAN FRANCISCO BAY AREA

Situated in Northern California, the San Francisco Bay Area is home to some of the world's finest wine country, waterfront towns, dramatic beaches, diverse cities with nightlife and trend-setting cuisine, major research universities, and is the technology hub of the West Coast. The nine-county Bay Area is connected by a complex multimodal transportation network and is home to approximately 7.75 million people.

BOOMING BAY AREA ECONOMY

With a diverse mix of cities, the Bay Area benefits from a diverse economy. San Francisco contributes to the region's financial, business, and tourism industries; San Jose in the heart of Silicon Valley plays a major role in the region's technology industry; and the Napa Valley is one of the top wine industries in the world.

Between January and March 2021, the Bay Area added 50,100 jobs and the regional unemployment rate fell from 6.6% to 5.9%. In March 2021, UCLA projected that California would be outpacing the nation in job growth for the next three years, led by the Bay Area economy. The Bay Area is still a super geographic market, with the San Francisco metro having the second highest outflow in the country.



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