



SINGLE TENANT - NNN

INVESTMENT OPPORTUNITY

KROGER CORPORATE GUARANTY

FOODS CO (KROGER) FUEL STATION

1901 WHITE LN BAKERSFIELD, CA 93304

OFFERING MEMORANDUM



Foods Co.

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INVESTMENT SUMMARY

We are pleased to present this rare opportunity to acquire a newly constructed, Foods Co (Kroger) fuel station (the “Property”) a single tenant, net leased investment property in Bakersfield, CA. The tenant recently signed a 20-year ground lease with 10% increase every 5 years, with 8 (5-year) options to extend the base term of the lease with 10% increases every option period.

The lease is guaranteed by Foods Co’s parent company, The Kroger Co, which is the United States' largest supermarket chain by revenue and the second-largest general retailer behind only Walmart. Kroger is ranked #24 on the Fortune 500 rankings of the largest US corporations by total revenue. Kroger operates a total of 2,849 grocery retail stores across the country under a variety of banner names. This fuel center is a new addition to Kroger’s 1,600+ supermarket fuel stations that they operate throughout the country.

The fuel center is located in White lane’s major retail corridor in close proximity to Hwy 99 which boasts great co-tenancy with other national tenants. Bakersfield is the largest city in Kern County and the ninth largest city in the state. Bakersfield is centrally located in California which makes it a convenient hub for both regional and statewide travel. Bakersfield has a diverse population of approximately 400,000 residents and is known for its rich agricultural heritage, oil production, and cultural attractions. The city is also home to a thriving manufacturing sector, encompassing aerospace, food processing, and various other industries.



OFFERING HIGHLIGHTS

OFFERING

PRICING:	\$3,000,000
NET OPERATING INCOME:	\$150,000
CAP RATE:	5%
TENANT:	Foods Co (The Kroger Co)
GUARANTOR:	The Kroger Co
LEASE TYPE:	Ground Lease – Absolute NNN
TERM:	20 Years
INCREASES:	10% every 5 years

PROPERTY SPECIFICATIONS

LAND AREA:	.95 Acres
PROPERTY ADDRESS:	1901 White Ln Bakersfield, CA
PARCEL NUMBER:	405-020-37-00-5
OWNERSHIP:	Leased Fee (Land)



INVESTMENT HIGHLIGHTS

BRAND NEW SINGLE-TENANT 20-YEAR GROUND LEASE

- Demonstrates long-term commitment to the site
- 10% Rent Increases every 5 years
- Kroger guaranteed lease (Fortune #24 Company)

IDEAL LOCATION

- Surrounded by key retailers (Foods Co, Sonic Drive-In, 99 Cents Store, Taco Bell, Superior Grocers, Auto Zone, & more).

NEW CONSTRUCTION

- Complete new construction of a 9-pump fuel station
- High volume retail location with credit tenants surrounding the site creating strong tenant synergy

DENSE DEMOGRAPHICS WITHIN 5-MILE TRADE AREA

- Roughly 277,000 residents support this immediate trade area.
- Bakersfield is the 9th largest city in California with strong forecasts of continued growth.

STRATEGICALLY LOCATED ON WHITE LANE AND HWY 99

- Located on the main throughfare of White Ln in close proximity to Hwy 99.
- White Lane boasts 30,000 VPD and Hwy 99 has over 100,000 VPD.

STRONG CORPORATE GUARANTY FROM KROGER

- Credit Rating: S&P BBB
- 2022 Employees: 465,000
- 2022 Revenue: \$137.888. Billion
- 2022 Net Income: \$1.65 Billion

AREA DEMOGRAPHICS (Costar 2023)

[illegible]

Rent Roll

TENANT NAME	SQUARE FEET	LEASE START	LEASE END	INCREASE	MONTHLY	ANNUALLY	RECOVERY TYPE
Kroger Fuel	41,382	10/28/2023		Current	\$12,500.00	\$150,000.00	Abs. NNN
		10/28/2028 <i>(Increase)</i>		10%	\$13,750.00	\$165,000.00	Abs. NNN
		10/28/2033 <i>(Increase)</i>		10%	\$15,125.00	\$181,500.00	Abs. NNN
		10/28/2038 <i>(Increase)</i>	10/27/2043	10%	\$16,637.50	\$199,650.00	Abs. NNN
	Option 1 -	10/28/2043	10/27/2048	10%	\$18,301.25	\$219,615.00	Abs. NNN
	Option 2 -	10/28/2048	10/27/2053	10%	\$20,131.37	\$241,576.44	Abs. NNN
	Option 3 -	10/28/2053	10/27/2058	10%	\$22,144.50	\$265,734.00	Abs. NNN
	Option 4 -	10/28/2058	10/27/2063	10%	\$24,358.95	\$292,307.40	Abs. NNN
	Option 5 -	10/28/2063	10/27/2068	10%	\$26,794.85	\$321,538.20	Abs. NNN
	Option 6 -	10/28/2068	10/27/2073	10%	\$29,474.33	\$353,691.96	Abs. NNN
	Option 7 -	10/28/2073	10/27/2078	10%	\$32,421.76	\$389,061.12	Abs. NNN
	Option 8 -	10/28/2078	10/27/2083	10%	\$35,663.94	\$427,967.28	Abs. NNN



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