

Goodwill



- S H O P P I N G C E N T E R -



RANCHO CUCAMONGA, CALIFORNIA

OFFERING MEMORANDUM



Hanley Investment Group
Real Estate Advisors

Goodwill

- S H O P P I N G C E N T E R -



RANCHO CUCAMONGA, CALIFORNIA | OFFERING MEMORANDUM

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OFFERING SUMMARY

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LOCATION

**Goodwill Shopping Center
8401-8425 Haven Avenue
Rancho Cucamonga, CA 91730**

OFFERING SUMMARY

| | |
|--------------------------------------|--------------------|
| Price: | \$6,000,000 |
| Capitalization Rate: | 7.15% |
| Proforma Capitalization Rate: | 8.00% |
| Net Rentable Area (NRA): | 34,101 |
| Price per Square Foot (NRA): | \$176 |
| Year Built: | 1995 |
| Lot Size (Acres): | 3.40 |

FINANCING SUMMARY

All Cash or Cash to New Financing

(Contact Hanley Investment Group for Further Details)





- **Anchored by Goodwill:** Goodwill, which represents 38% of the occupied square footage, operates 2,700 locations throughout the United States.
- **Upside Potential; Below Market Rents:** Goodwill Shopping Center is being offered at a 7.15% cap rate on current income at 85% occupancy. The subject property's current average rent is \$1.35 per square foot. Current asking rents in the immediate area are \$1.75 - \$3.00 per square foot.
- **Below Replacement Cost:** At \$176 per square foot, Goodwill Shopping Center is priced below replacement cost.
- **Secure and Stable Income Stream:** Tenants representing 76% of the occupied square footage have been located at the center since at least 2008. Since 2012, all of the shop tenants have continued to demonstrate their commitment to the center by either executing new leases or extending their existing leases.
- **Signalized Intersection Location:** Average Daily Counts are approximately 63,000 cars per day at Arrow Route and Haven Avenue. The center benefits from 7 points in ingress/egress, including access to Civic Center Drive. The Rancho Cucamonga Civic Center, which includes City Hall, San Bernardino Sherriff's Department, Police Department, Superior Court and other city services, is located across the street along Civic Center Drive.
- **High Density Retail Trade Area:** Located one block south of Terra Vista Town Center, which draws traffic regionally with anchor tenants such as Target, Barnes & Noble, Best Buy, CVS/pharmacy, Hobby Lobby, HomeGoods, LA Fitness, Michaels, Office Max, Old Navy, Party City, PetSmart, Pier 1 Imports, Ross Dress for Less, Seafood City and Steinmart.
- **Infill/Affluent Demographics:** Approximately 286,000 people and average household income of approximately \$78,000 within 5 miles.







| TENANT | SUITE | SQ. FT. | LATEST LEASE EXT. | LEASE START | LEASE EXP. | RENT/ SQ. FT. | MONTHLY RENT | PROFORMA RENT/SF | PROFORMA RENT/MO | INCREASES | LEASE TYPE | OPTIONS |
|-------------------------|-------|---------|-------------------|-------------|------------|---------------|--------------|------------------|------------------|----------------------------------|------------|--|
| Law Library | 8401 | 3,920 | 2013 | 07/17/01 | 09/30/14 | \$1.99 | \$7,800 | \$1.99 | \$7,800 | None | Gross | None |
| Bikram Yoga | 8403 | 2,883 | 2012 | 11/01/12 | 02/28/18 | \$1.00 | \$2,883 | \$1.00 | \$2,883 | 3/14 - \$3,027 3/15 - \$3,171 | NNN | One 5-year @ Fair Market then Annual CPI |
| Available | 8405 | 1,500 | TBD | TBD | TBD | - | - | \$1.00 | \$1,500 | TBD | NNN | TBD |
| Happy Bento | 8407 | 1,300 | 2012 | 08/01/02 | 11/30/14 | \$1.54 | \$1,999 | \$1.54 | \$1,999 | None | NNN | None |
| All Star Driving School | 8409 | 2,000 | 2013 | 02/01/98 | 01/31/15 | \$1.25 | \$2,501 | \$1.25 | \$2,501 | None | NNN | TBD |
| Available | 8411 | 1,371 | TBD | TBD | TBD | - | - | \$1.15 | \$1,577 | TBD | NNN | TBD |
| Wi Foot Massage | 8413 | 1,488 | 2013 | 08/01/12 | 10/31/16 | \$1.03 | \$1,533 | \$1.03 | \$1,533 | Annual CPI Min. 3% (11/14) | NNN | None |
| Tooth Shoppe | 8415 | 1,488 | 2012 | 01/01/98 | 12/31/15 | \$1.55 | \$2,310 | \$1.55 | \$2,310 | Annual CPI (1/15) | NNN | None |

RENT ROLL

| TENANT | SUITE | SQ. FT. | LATEST LEASE EXT. | LEASE START | LEASE EXP. | RENT/ SQ. FT. | MONTHLY RENT | PROFORMA RENT/SF | PROFORMA RENT/MO | INCREASES | LEASE TYPE | OPTIONS |
|---|---------------|------------|-------------------|-------------|------------|---------------|------------------|------------------|------------------|---|------------|----------------------------|
| Commissary Kitchen (Beef Jerky Creations) | 8417 | 2,506 | 2014 | TBD | 3 Years | \$1.00 | \$2,506 | \$1.00 | \$2,506 | 3% Annually | NNN | None |
| Shark Tank | 8419 | 2,304 | 2013 | 07/01/08 | MTM | \$1.00 | \$2,304 | \$1.00 | \$2,304 | None | NNN | None |
| Available | 8421 | 2,205 | TBD | TBD | TBD | - | - | \$1.15 | \$2,536 | TBD | NNN | TBD |
| Goodwill | 8423 | 11,033 | 2008 | 07/01/08 | 07/31/19 | \$1.37 | \$15,080 | \$1.37 | \$15,080 | Annual CPI Min. 3%; Max 5% (8/15) | NNN | Two 5-year @ Annual CPI |
| Mic-Keys | 8425 | 103 | 2012 | 08/29/85 | 04/30/15 | \$5.89 | \$607 | \$5.89 | \$607 | Annual CPI Min. 5% (5/14) | Gross | None |
| TOTAL SQUARE FOOTAGE: | 34,101 | | | | | | \$39,523 | | \$45,285 | Total Monthly Rent | | |
| TOTAL AVAILABLE: | 5,076 | 15% | Vacancy | | | | \$474,274 | | \$543,423 | Total Annual Rent | | |
| TOTAL OCCUPIED: | 29,025 | 85% | Occupancy | | | | | | | | | |



ANNUALIZED OPERATING DATA

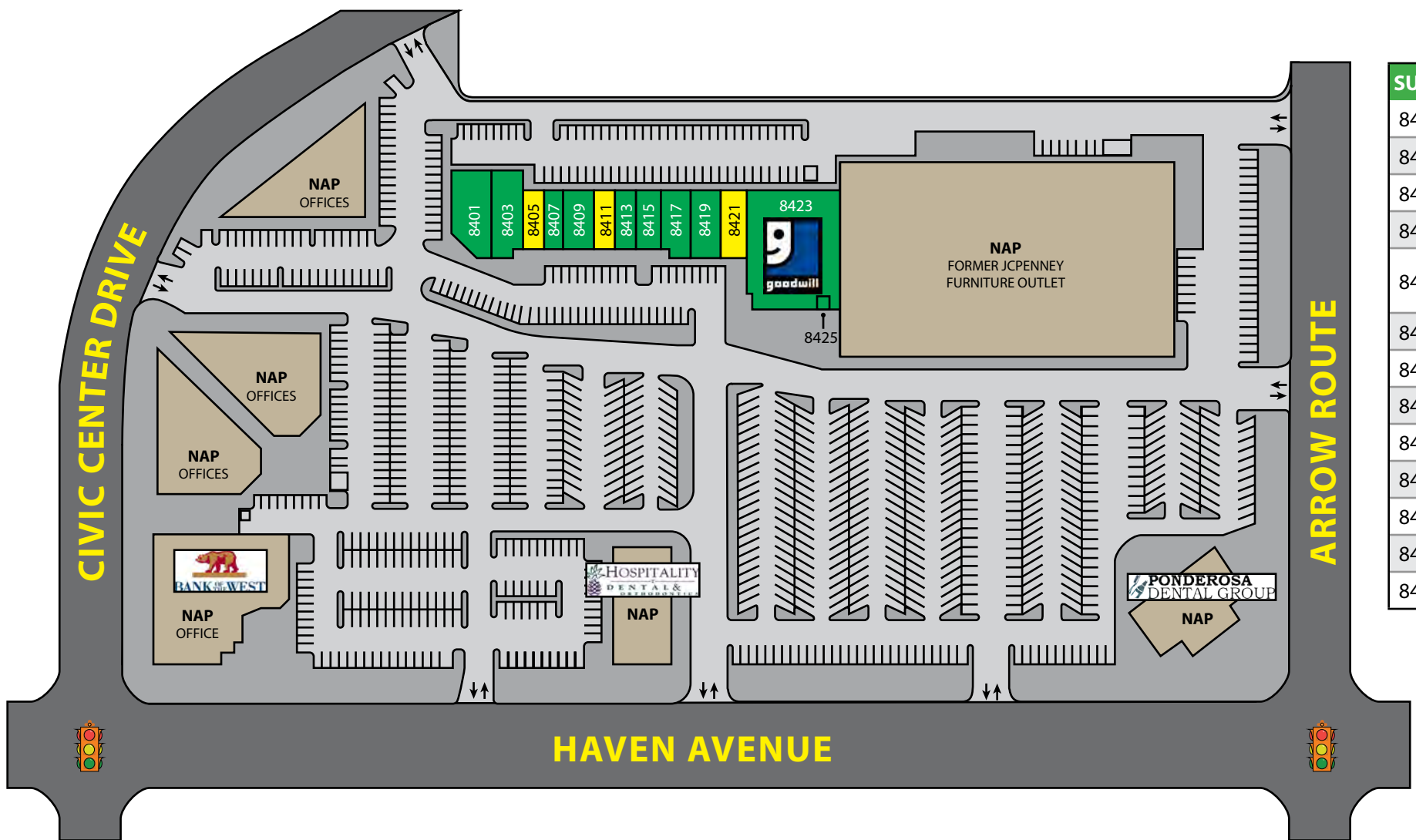
| | <u>Current</u> | <u>Proforma</u> |
|------------------------------------|------------------|------------------|
| Scheduled Gross Income (SGI): | \$474,274 | \$543,423 |
| Expense Reimbursement: | \$73,339 | \$88,902 |
| Total Operating Income: | \$547,612 | \$632,325 |
| Vacancy: (1) | \$0 | (\$31,616) |
| Gross Operating Income: | \$547,612 | \$600,709 |
| Total Operating Expenses: | (\$118,786) | (\$120,860) |
| Net Operating Income (NOI): | \$428,826 | \$479,848 |

(1) Vacancy = Actual Vacancy of 15%. Proforma Vacancy of 5%.

OPERATING EXPENSES

| | <u>Amount</u> | <u>\$/Square Foot</u> | |
|-------------------------|------------------|-----------------------|------------------------|
| Taxes (1.1%): | \$66,000 | \$1.94 | |
| Insurance: | \$5,376 | \$0.16 | |
| CAM: | \$33,182 | \$0.97 | |
| Management (3% of SGI): | \$14,228 | \$0.42 | |
| Total Expenses: | \$118,786 | \$3.48 | Annually Per SF |
| | | \$0.29 | Monthly Per SF |





| SUITE | TENANT | SF |
|-------|-------------------------|--------|
| 8401 | Law Library | 3,920 |
| 8403 | Bikram Yoga | 2,883 |
| 8405 | Available | 1,500 |
| 8407 | Happy Bento | 1,300 |
| 8409 | All Star Driving School | 2,000 |
| 8411 | Available | 1,371 |
| 8413 | Wi Foot Massage | 1,488 |
| 8415 | Tooth Shoppe | 1,488 |
| 8417 | Commissary Kitchen | 2,506 |
| 8419 | Shark Tank | 2,304 |
| 8421 | Available | 2,205 |
| 8423 | Goodwill | 11,033 |
| 8425 | Mic-Keys | 103 |

SUBJECT PROPERTY
 AVAILABLE
 NOT A PART





MOUNT BALDY



2014 DEMOGRAPHICS

Population:

| | |
|-------------------|---------|
| One Mile Radius | 14,000 |
| Three Mile Radius | 135,567 |
| Five Mile Radius | 285,845 |

Household Income:

| | |
|-------------------|----------|
| One Mile Radius | \$59,170 |
| Three Mile Radius | \$73,999 |
| Five Mile Radius | \$78,187 |

MOUNT BALDY



TERRA VISTA TOWN CENTER

| | | |
|-------------------|---------------------------------|----------------------------|
| PET SMART | OfficeMax | LAIFITNESS |
| Stara Mart | BARNES & NOBLE | Pier 1 Imports |
| Michaels | SEAFOOD CITY SUPERMARKET | OLD NAVY |
| Target | BEST BUY | ROSS DRESS FOR LESS |
| HomeGoods | CVS/pharmacy | HOBBY LOBBY |

FOOTHILL BOULEVARD

active

R. beks

ARROW ROUTE

SUBJECT PROPERTY

63,000 CARS PER DAY - INTERSECTION -

HAVEN AVENUE

RANCHO CUCAMONGA CIVIC CENTER

- CITY HALL
- SAN BERNARDINO SHERIFF POLICE DEPARTMENT
- SUPERIOR COURT

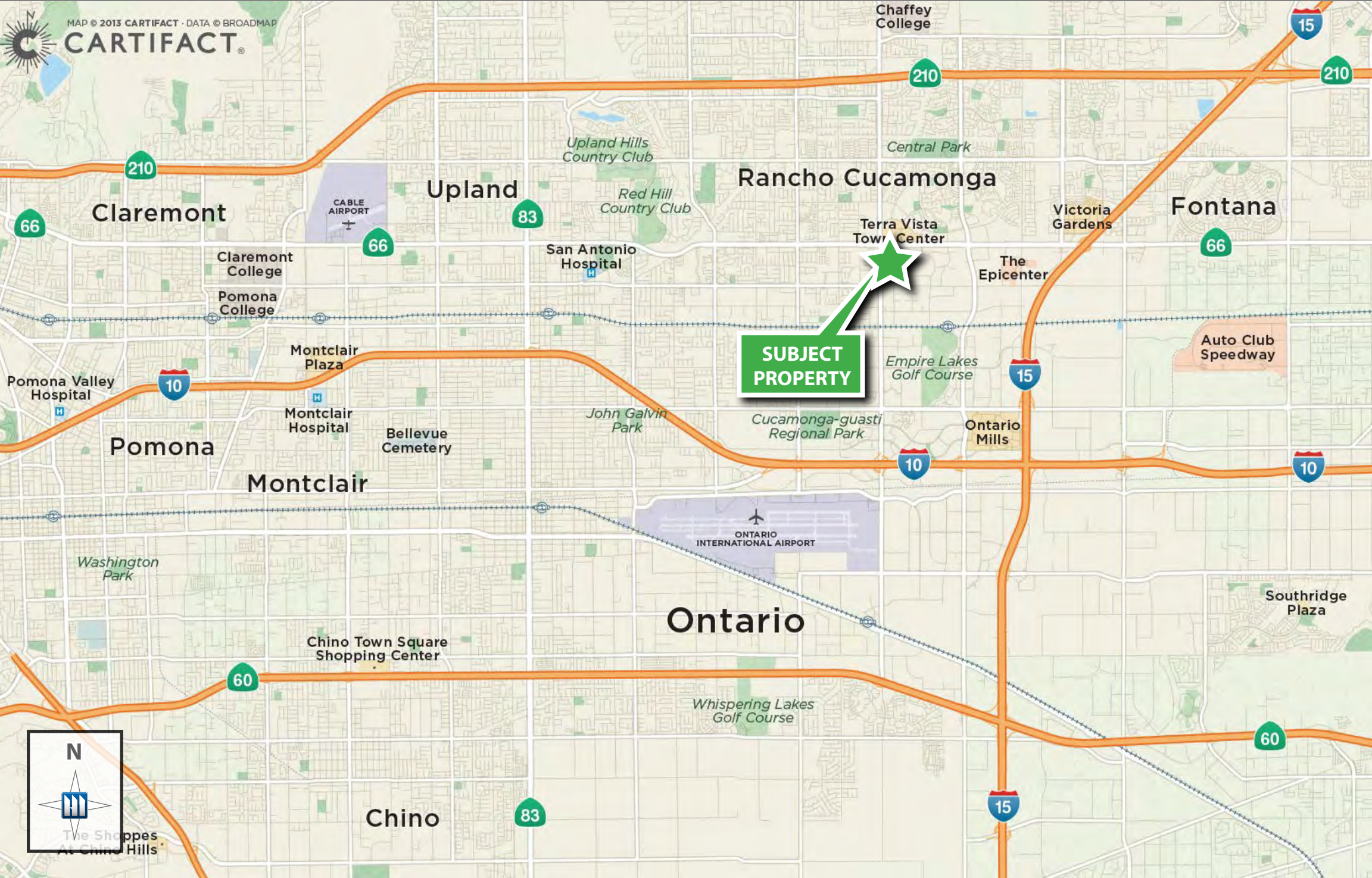




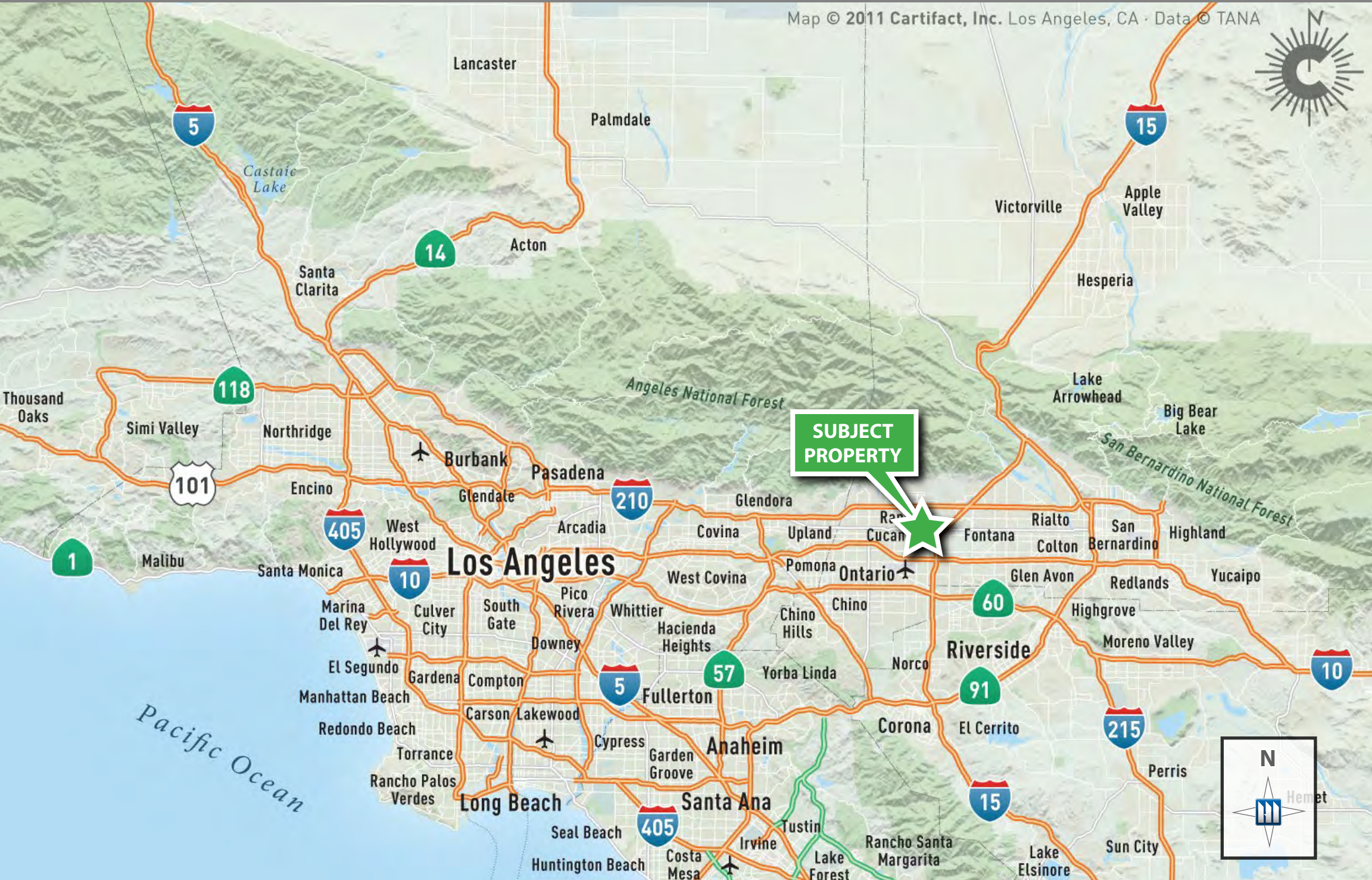
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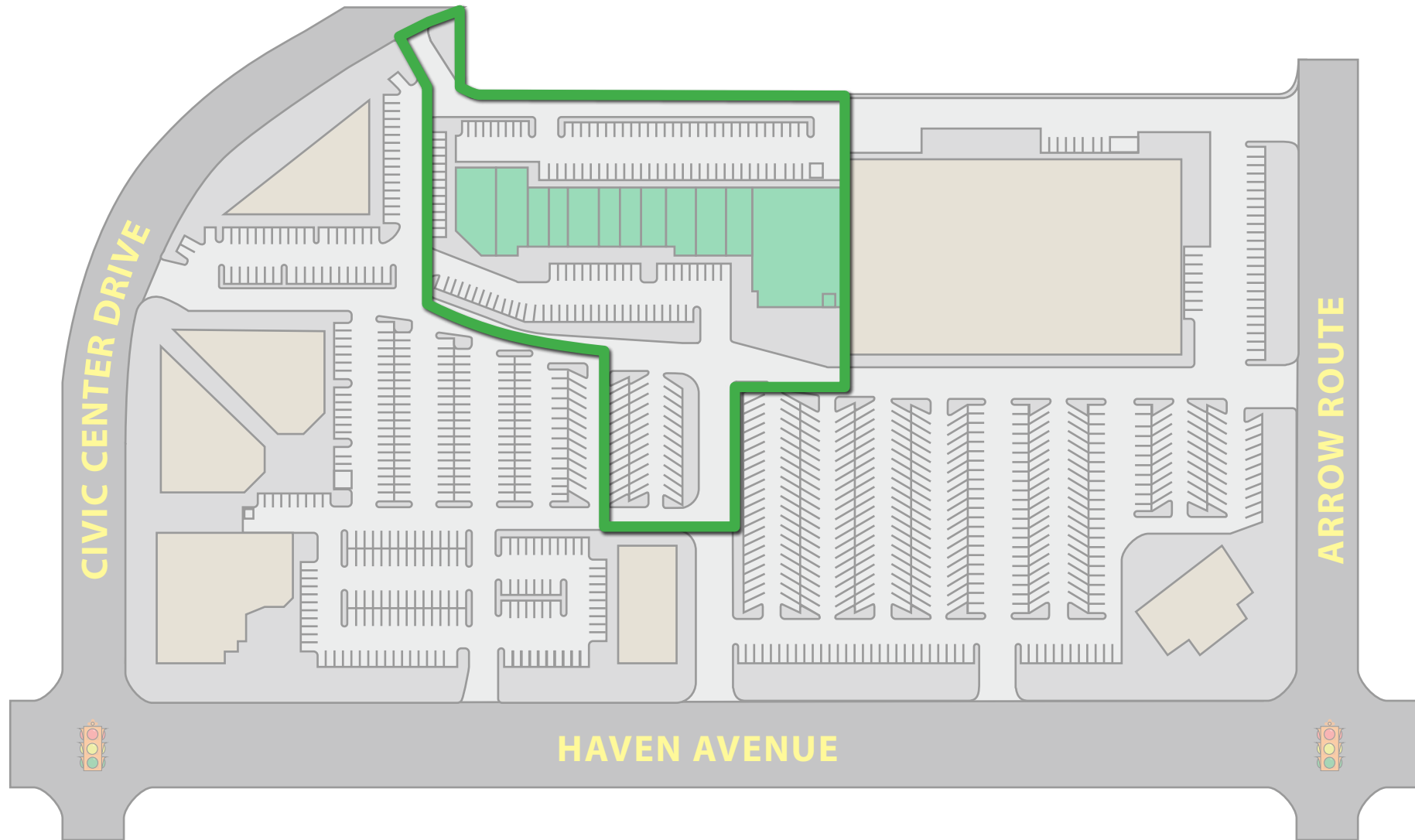




**SUBJECT
PROPERTY**



**SUBJECT
PROPERTY**



SUBJECT PROPERTY
APN: 0208-622-34





Goodwill

Goodwill is a nonprofit organization that works to enhance the dignity and quality of life of individuals and families by strengthening communities, eliminating barriers to opportunity and helping people in need reach their full potential through learning and the power of work. Goodwill Industries International also has a global presence by sending their leaders all over the world to spread their vision. Their network of 165 independent community-based Goodwills in the United States and Canada offers customized job training, employment placement and other services to individuals with disabilities, lack education or job experience or face employment challenges. Every 33 seconds of every business day, someone gets a good job with help from Goodwill. In 2012, Goodwill helped more than 6.7 million people train for careers in industries such as banking, IT and healthcare resulting in more than 216,000 meaningfully employed people who went on to earn more than \$3.62 billion in salaries and wages.

Donors play a vital role in Goodwill's ability to fulfill its mission of helping people go to work. Goodwill sells donated goods and other household items in more than 2,700 stores and on the auction site shopgoodwill.com. Contracting with businesses and government allows Goodwill to build revenue through a wide range of commercial services including packaging and assembly, document management and destruction, laundry services, food services, temporary services, custodial work and grounds keeping. General Motors, Briggs & Stratton, the General Services Administration, the Internal Revenue Service and the U.S. Navy, Marines, Air Force and Army are among those that have utilized Goodwill services. Goodwill spends approximately 81% of its more than \$4.9 billion revenue on education, career services and other critical community programs. In 2013, Forbes ranked #6 on its list of "The 50 Largest U.S. Charities."

2013 Revenue: \$4.9 Billion+
Locations: 2,700
Website: www.goodwill.org





Bikram Yoga practiced in a heated room taught by Bikram certified teachers that have completed nine weeks of intensive training. Bikram Yoga Rancho Cucamonga is a 3,000 square foot state-of-the-art facility with the latest amenities including private locker rooms, antibacterial microbial yoga flooring and custom heating system. Bikram Yoga Rancho Cucamonga is one of 80 Bikram franchises in the state of California. Currently, Bikram Yoga studios can be found worldwide in 43 different countries.

www.bikramyoga.com | www.bikramyogarc.com



The Law Library for San Bernardino County serves the legal information needs of the residents of San Bernardino County and the surrounding region. Employees can assist visitors in accessing various legal resources in print and electronic formats. The Law Library has three locations which are close to the courthouses in San Bernardino, Rancho Cucamonga and Victorville. The Law Library is open to all members of the public and serves the largest county in the United States.

www.sblawlibrary.org



Happy Bento is an affordable Japanese take-out restaurant that provides customers with unique, fresh and healthy Japanese food. Their menu consists of bento bowls, sushi rolls, udon, ramen, yakisoba, salads, wraps and single orders. Happy Bento also offers catering with party trays that consist of sushi platters, sushi roll and tempura platters, sushi roll and teriyaki chicken platters as well as an option for a mix and match platter. Since 2002, Happy Bento has been family owned and operated in Rancho Cucamonga.

www.myhappybento.com



ALL STAR Driving School provides professional services for driver education and driver training to the public. Established in 1996, it offers online and in-class curriculums approved by the Department of Motor Vehicles and comply with the California Vehicle Code Rules and Regulations. The curriculum is divided into two phases. The first phase consists of a Driver Educational Program and prepares students for the written examination by the Department of Motor Vehicles. The second phase consists of behind the wheel driving lessons with 6 hours being completed with a Licensed Driving Instructor. ALL STAR Driving School is located in Rancho Cucamonga and Norco.

www.allstardriving.biz



The Center for Modern Dentistry is owned by Dr. Lan Chang, DMD. For nearly 30 years, Dr. Chang has serviced the residents of Rancho Cucamonga with cosmetic and functional dentistry. She specializes in dentistry for the diabetic patient, dental implants, veneers and much more. The Center for Modern Dentistry spends time educating their patients on the importance of dental care as well as providing several types of resources on their website targeting a variety of dental issues.

www.theranchocucamongadentist.com



The Shark Tank Mixed Martial Arts gym was founded in 1995. Their well-known students have fought in almost every major MMA show including UFC, K-1, Superbrawl, Pancrase and many more. Today, ST3 or Shark Tank 3rd generation is composed of new, dedicated fighters as well as veterans that compete in MMA competitions annually. The Shark Tank gym continues to have some of the best trainers and most rigorous training schedules in the area.

www.sharktankusa.com



Wi Foot Spa specializes in relieving stress through foot massages. Customers begin their experience by soaking their tired feet in a warm bath followed by soothing massage oils that are worked into the pressure points of their soles. Wi Foot Spa also offers full body massages and couples massages at affordable prices. Their expertly trained staff provide guests with a stress releasing and pleasant experience.



Mic-Keys is a family owned and operated locksmith that delivers impeccable service at affordable prices. They are well known for being quick and efficient as well as having a wide variety of keys that most big box retailers no longer carry. Mic-Keys' experience enables him to solve tough situations making him the locksmith of choice for Rancho Cucamonga residents.

Rancho Cucamonga is a premier city in California's Inland Empire, one of the nation's fastest growing metropolitan areas. Rancho Cucamonga has a population of approximately 171,000 as of 2013 and is located 37 miles east of downtown Los Angeles and 26 miles northeast of Orange County. Its central location makes it an ideal place to live, work and play with continued growth for years to come.

Rancho Cucamonga remains ranked as one of the safest cities in the country annually by the FBI. Housing is primarily single-family, complemented by neighborhood and community parks, including the Rancho Cucamonga Epicenter, a world class minor league baseball stadium which is currently the home of the California League Rancho Cucamonga Quakes and is located just 15 miles outside of the LA Film Zone. Rancho Cucamonga has multiple public K-12 schools operating under several different school districts cater to its residents. It is also home to Chaffey College and satellite campuses of the University of La Verne, University of Redlands, Everest College and University of Phoenix. Crowned by the beautiful San Gabriel Mountains, Rancho Cucamonga boasts planned communities and award-winning architecture, in addition to a quality, family lifestyle. A heritage of vineyards, ranches, orchards, and wineries are reflected in historic buildings that seamlessly flow with the newer, suburban developments.

The City is a major center for the Logistics industry in Southern California due to its proximity to two Interstate Highways and Ontario International Airport. Several industrial sites located in Rancho Cucamonga contain warehouses for the logistics industry. The top employers in Rancho Cucamonga include Etiwanda School District, Chaffey College, Amphastar Pharmaceuticals, City of Rancho Cucamonga and Alta Loma School District. Office parks mainly along Haven Avenue and commercial development such as Terra Vista Town Center, which is part of a nearly two-square-mile master-planned community in the center of the city, highlight the major arterials. Rancho Cucamonga's shopping destinations also include Victoria Gardens, Foothills Crossing and Ontario Mills which is located minutes away in Ontario. The City is one of California's most dynamic cities with a vibrant community offering residents and visitors a growing employment base, award winning schools, world class shopping, entertainment, recreation and cultural activities.





| | <u>1-Mile</u> | <u>3-Mile</u> | <u>5-Mile</u> |
|---|-----------------|-----------------|-----------------|
| Population | | | |
| 2019 Projection | 15,116 | 142,747 | 298,418 |
| 2014 Estimate | 14,000 | 135,567 | 285,845 |
| 2010 Census | 13,023 | 129,937 | 276,367 |
| 2000 Census | 9,221 | 102,680 | 229,841 |
| Growth 2000 - 2010 | 41.24% | 26.55% | 20.24% |
| Growth 2010 - 2014 | 7.50% | 4.33% | 3.43% |
| Households | | | |
| 2019 Projection | 5,547 | 47,913 | 92,679 |
| 2014 Estimate | 5,192 | 45,729 | 89,017 |
| 2010 Census | 4,901 | 44,325 | 86,775 |
| 2000 Census | 3,294 | 33,620 | 71,557 |
| Growth 2000 - 2010 | 48.79% | 31.84% | 21.27% |
| Growth 2010 - 2014 | 5.92% | 3.17% | 2.58% |
| 2014 Est. Population by Single Classification Race | | | |
| White Alone | 7,208 | 77,072 | 164,443 |
| Black or African American Alone | 1,809 | 13,434 | 24,805 |
| American Indian and Alaska Native Alone | 110 | 1,103 | 2,398 |
| Asian Alone | 1,238 | 14,361 | 27,314 |
| Native Hawaiian and Other Pacific Islander Alone | 68 | 401 | 820 |
| Some Other Race Alone | 2,730 | 21,059 | 50,115 |
| Two or More Races | 837 | 8,137 | 15,952 |
| 2014 Est. Population Hispanic or Latino | | | |
| Hispanic or Latino | 6,481 | 56,613 | 131,903 |
| Not Hispanic or Latino | 7,519 | 78,954 | 153,942 |
| 2014 Est. Average Household Income | | | |
| | \$59,170 | \$73,999 | \$78,187 |

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