



# AUTOZONE NNN GROUND LEASE

OFFERING MEMORANDUM | 2230 S CENTRAL AVE | COMPTON, CA



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**AutoZone**

**AutoZone**

2230

AutoZone

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# 01

# OFFERING SUMMARY

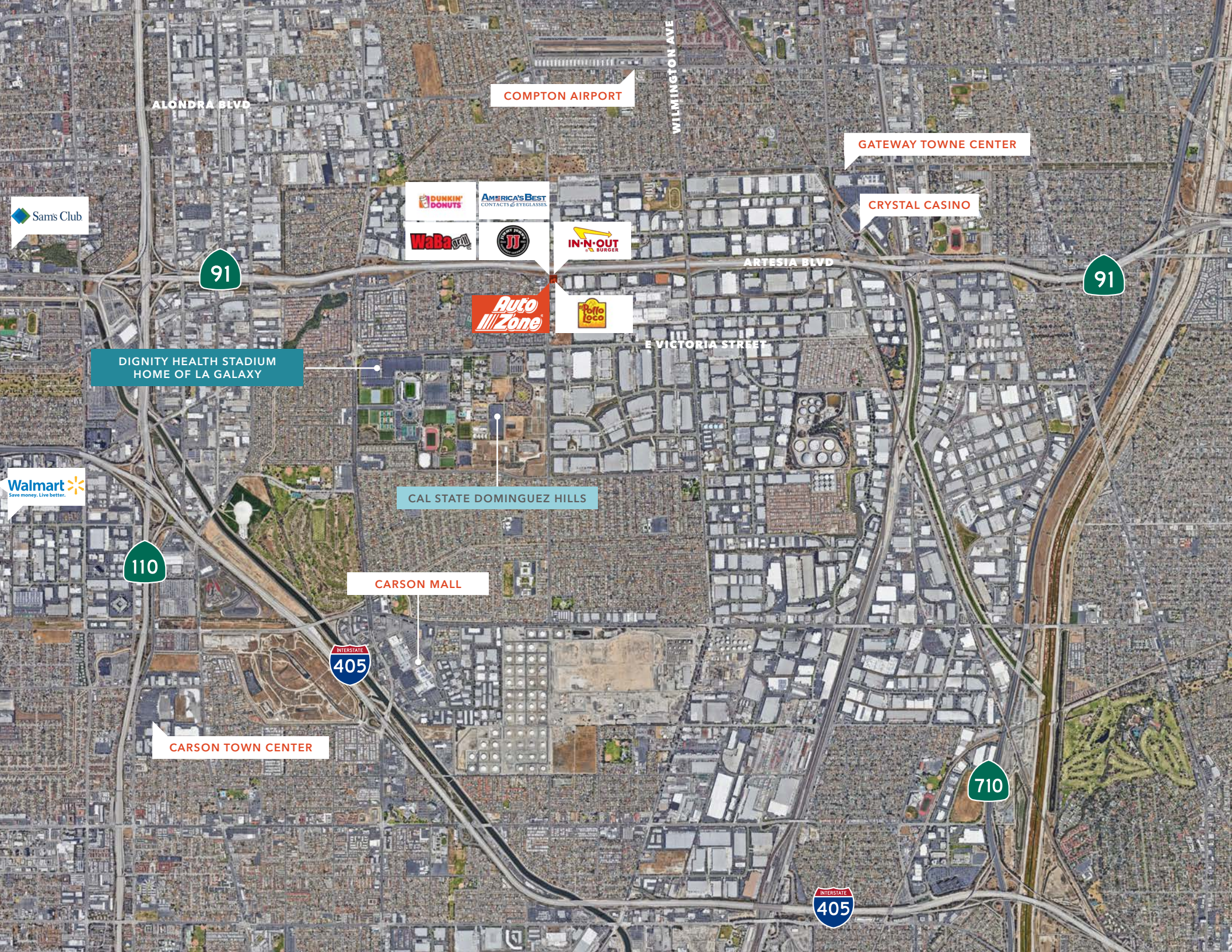
THE OFFERING

PROPERTY SUMMARY

INVESTMENT HIGHLIGHTS

TENANT PROFILE





ALONDRA BLVD

COMPTON AIRPORT

WILMINGTON AVE

GATEWAY TOWNE CENTER

Sams Club

DUNKIN' DONUTS  
AMERICA'S BEST CONTACT & EYEGLASSES

CRYSTAL CASINO

Waba

JJ

IN-N-OUT BURGER

91

91

ARTESIA BLVD

Auto Zone

Poffo Loco

DIGNITY HEALTH STADIUM  
HOME OF LA GALAXY

E VICTORIA STREET

Walmart  
Save money. Live better.

CAL STATE DOMINGUEZ HILLS

110

CARSON MALL

INTERSTATE  
405

CARSON TOWN CENTER

710

INTERSTATE  
405



# OFFERING SUMMARY

Kidder Mathews is pleased to offer for sale this brand new 2019 construction, fee simple Ground Lease Single Tenant NNN leased to AutoZone, Inc. Located within Compton Crossroads at 2230 S. Central Avenue, in the City of Compton, Los Angeles County, California.

## THE OFFERING

The property consists of a 6,816 square foot pad building situated on a high-profile 24,002 square foot signalized land parcel located in Compton Crossroads. This is a 2019 newly constructed high-image, 100% leased retail center with 95% national and regional credit tenants such as In-N-Out Burger, El Pollo Loco, Dunkin Donuts, Waba Grill, Jimmy John's and America's Best Contacts and Eyeglasses.

AutoZone's single tenant NNN absolute ground lease pad offers investors a stable income stream with long-term corporate guaranteed NNN leases. This provides an ease of management and is an ideal investment for a 1031 exchange or passive investors. The property is on a long-term 15 year absolute NNN ground lease to AutoZone, Inc. (NYSE: AZO) with zero landlord responsibility. The under-market ground lease contains five, five year options to renew, each with a 10% rental increase. The lease is corporately guaranteed by AutoZone Inc. which holds a credit rating of "BBB" and is classified as Investment Grade.

The property is strategically positioned with significant frontage and visibility along Central Ave, Artesia Blvd and the 91 Freeway with traffic counts of over 62,000 vehicles per day. Additionally, Compton Crossroads is located at the on/off ramp of the 91 Freeway, one of the most heavily trafficked

North/South corridor freeways in Southern California with daily traffic counts in-excess of 198,000 vehicles per day.

Compton Crossroads is positioned within the heart of the Los Angeles metro area. The property is centrally located within Los Angeles county with an exceptionally dense residential and commercial infilled population of over 698,967, having an average household income in excess of \$70,757 within a 5 mile radius. Situated just 30 minutes from Downtown Los Angeles and 30 minutes from Orange County, the property's location also benefits from convenient access to nearly all the area's primary freeways including the 91 Freeway, 110 Freeway, 405 Freeway and 710 Freeway. Additionally, the site is surrounded by a synergistic mix of businesses, residences, universities (California State University Dominguez Hills with 14,364 students) and Dignity Health Sports Park, home to Los Angeles Galaxy.

\$2,625,000	
PRICE	
\$105,000	4%
ACTUAL NOI	CAP RATE
6,816 SF	2019
BUILDING SIZE	YEAR BUILT
24,002 SF	15 YRS
LAND AREA	LEASE TERMS





**PROPERTY OVERVIEW**

Address	2230 S. Central Ave, Compton, CA
Property Type	Class-A Single Tenant Retail
Lease Type	Fee Simple Ground Lease Absolute Triple Net (NNN)
Building Size	6,816 SF
Land Area	24,002 SF
Parking Ratio	6.5:1 (surface) reciprocal
Access	2 curb cuts with ingress/egress
Zoning	General Commercial

CARSON MALL

DIGNITY HEALTH STADIUM  
HOME OF LA GALAXY

CAL STATE DOMINGUEZ HILLS

**Auto  
Zone**

DUNKIN'  
DONUTS

AMERICA'S BEST  
CONTACTS & EYEGLASSES

WaBa grill

JJ  
FRANK'S

El Pollo  
Loco

IN-N-OUT  
BURGER



# INVESTMENT HIGHLIGHTS

## HIGH-IMAGE ASSET

Brand new 2019 construction, absolute Ground Lease to AutoZone, Inc. (NYSE: AZO). The property is located within Compton Square, a larger best in class brand new retail center that is co-anchored by In-N-Out Burger, El Pollo Loco, Dunkin Donuts, Waba Grill, Jimmy John's and Americas Best Contacts and Eyeglasses. This location is supply constrained, high barriers to entry, infill trade area with virtually no sites available for future development, securing long term growth and success.

## INVESTMENT GRADE TENANCY

Absolute Ground Lease to AutoZone, Inc. (NYSE: AZO) a \$26 Billion Market Cap Fortunate 500 Company. The lease is corporately guaranteed by AutoZone, Inc. which holds a credit rating of "BBB" and is classified as Investment Grade. Brand new 15-year Triple Net absolute ground lease with 4x5 year options with rental increases allowing ownership to hedge against inflation.

## SECURE & STABLE CASH FLOW

Brand new long-term leases with no early termination clause provides investment security. The rent is below market at \$105,000 per year with zero landlord responsibilities.

## PASSIVE INVESTMENT

Absolute Triple Net (NNN) ground lease with zero landlord responsibilities. Fifteen (15) years primary term with 4x5 year options with 10% rent increases at each option period. This is ideally suited for the 1031 Exchange investor. Delivered free and clear of debt, allowing an all cash purchase or the ability to place new debt at historically low interest rates.

## PHENOMENAL, IRREPLACEABLE, DENSLY INFILLED SOCIAL LOCATION

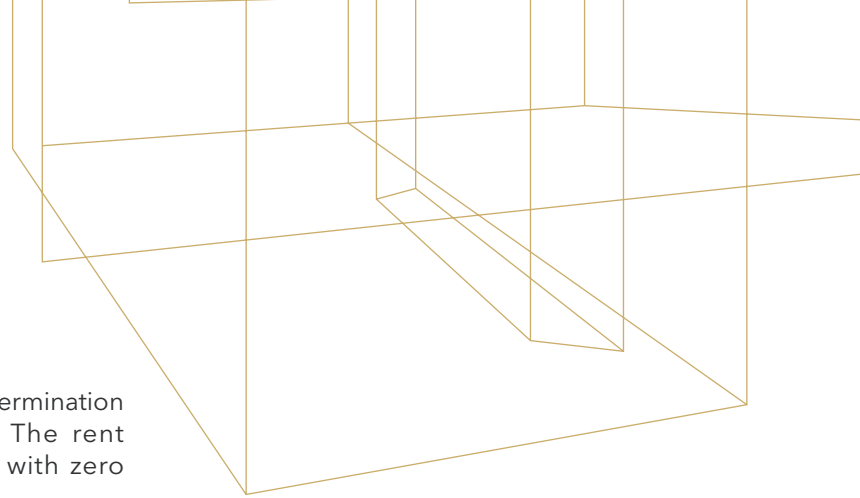
Superior visibility at the signalized hard-corner of Central Ave and Artesia Boulevard, with daily traffic counts in excess of 62,000 Vehicles Per Day. Located on the on/off ramp of the 91 Freeway with over 198,000 Vehicles Per Day.

## EXCEPTIONAL TRADE AREA LOCATION

Located in one of the most densely populated infill submarkets within Los Angeles, with over 18,558 businesses and 236,842 employees in a 5 mile radius, and a total daytime population of over 695,129 people.

Established retail trade-area surrounded by a synergistic mix of businesses, residential, schools (California State University Dominguez Hills with 14,364 students) and Dignity Health Sports Park which is home to the Los Angeles Galaxy soccer team.

Direct access to the 91, 110, 710, and 405 freeways. Incredible population density of 698,967 with an average household income of over \$70,757 within a 5-mile radius.





# TENANT PROFILES

## AUTOZONE

AutoZone is an American retailer of aftermarket automotive parts and accessories, and it is the largest in the United States. The company was founded in 1979, and today has over 6,000 stores across the United States, Mexico, and Brazil. For more than 30 years, AutoZone has been committed to providing the best parts, prices and customer service in the automotive aftermarket industry.

Autozone has a rich culture and history of going the extra mile for its customers and its community. AutoZone is the nation's leasing retailer and a leading distributor of automotive replacement parts and accessories. Each store carries an extensive line for cars, sport utility vehicles, vans and light trucks, including new and remanufactured hard parts, maintenance items and accessories. Since opening its first store in Forrest City, Arkansas on / July 4, 1979, the company has joined the New York Stock Exchange (NYSE: AZO) and earned a spot in the Fortune 500. AutoZone also sells automotive diagnostic and repair software through alldatadiy.com, and auto light truck parts and accessories through AutoZone.com.



### OWNERSHIP

NYSE: AZO S&P 500

### YEARS IN BUSINESS

40

### MARKET CAP

\$28.12 Billion

### REVENUE 2018

\$10.89 Billion

### HEADQUARTERS

Memphis, TN

### CREDIT RATING

BBB+

### LOCATIONS

6,000+

[VIEW WEBSITE](#)





# AutoZone

2230

**NOW OPEN**  
IN ABBINCO

**FREE**

**FREE TEST**

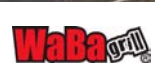


**NOW HIRING**





91







# 02

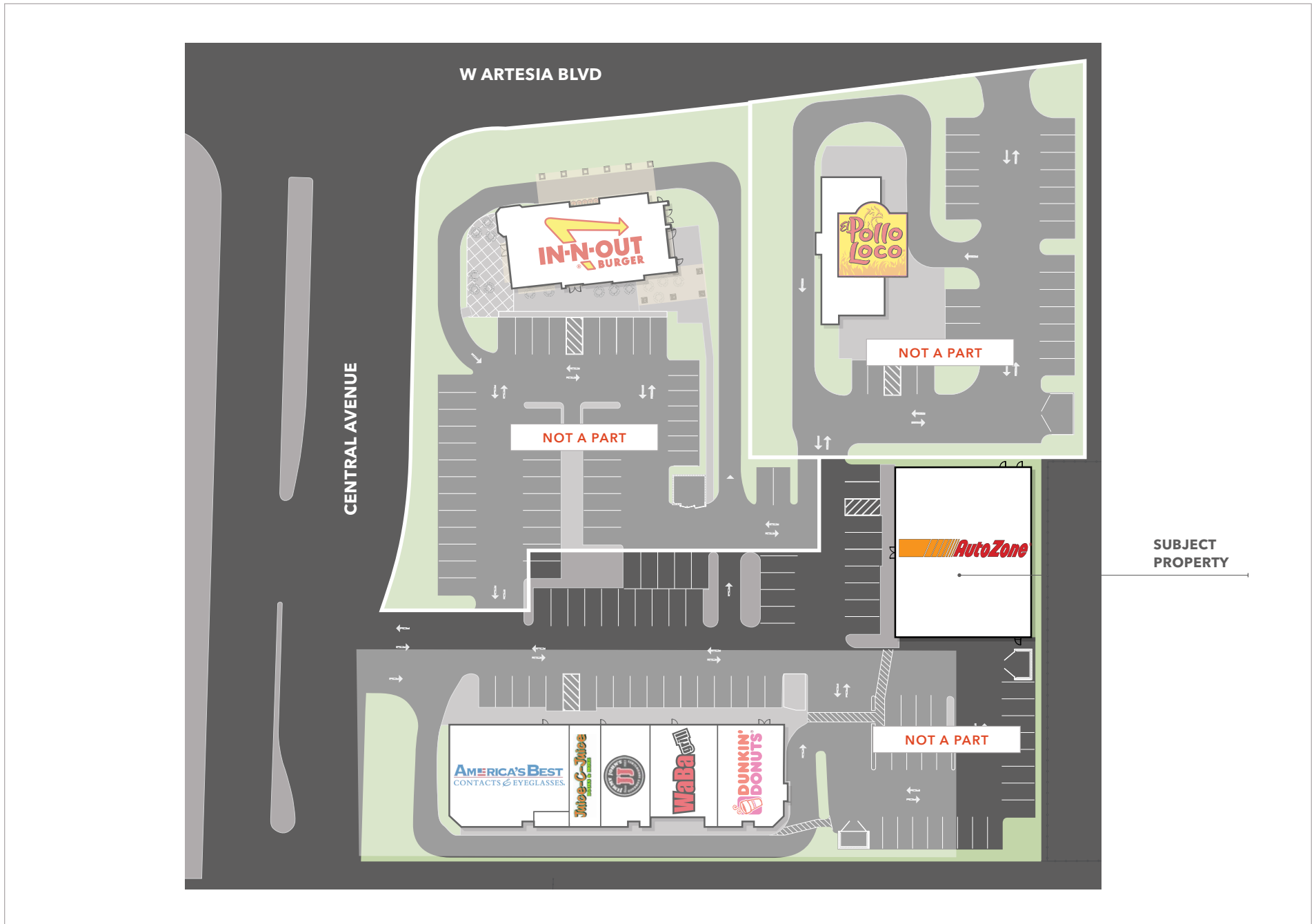
## LOCATION OVERVIEW

SITE PLAN

LOCAL AMENITIES



# SITE PLAN





ALONDRA BLVD

WILMINGTON AVE

ALAMEDA STREET WEST



GATEWAY TOWNE CENTER

dds DISCOUNTS



ARTESIA BLVD

KROGER DISTRIBUTION CENTER



DIGNITY HEALTH STADIUM HOME OF LA GALAXY



CAL STATE DOMINGUEZ HILLS

E VICTORIA STREET

CENTRAL AVE





**AutoZone**

**AutoZone**

2230





# 03

# FINANCIALS

RENT ROLL

INVESTMENT SUMMARY



# FINANCIALS

## INVESTMENT SUMMARY



### FINANCIAL OVERVIEW

Monthly Rent	\$8,750.00
Annual Rent	\$105,000
Annual Rent PSF	Ground Lease

### ESTIMATED OPERATING INFORMATION

Scheduled Rent	\$105,000
Plus Recapture	NNN
Effective Gross Income	\$105,000
Less Expenses	NNN
Net Operating Income	\$105,000

### FINANCIAL ANALYSIS

Tenant	AutoZone, Inc.
Commencement	June 1, 2019
Expiration	May 31, 2034
Lease Type	Absolute Triple Net (NNN) Fee Simple Ground Lease
Lease Terms	15 years with 4x5 years options
Base Rent	\$105,000.00
Rent Increases	10% every 5 years including options

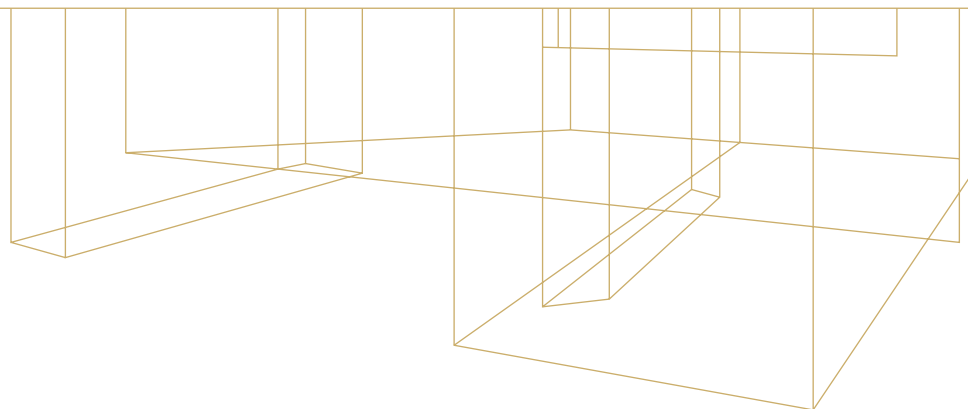
### ESTIMATED OPERATING INFORMATION

Property Taxes	NNN
Insurance	NNN
CAM	NNN
Repairs and Maintenance	NNN
Roof and Structure	NNN



# RENT ROLL

Years	Lease Start	Lease End	Monthly Payment	Annual Payment
1-10	6/01/2019	5/31/2029	\$8,750	\$105,000
11-15	6/01/2029	5/31/2034	\$9,625	\$115,500
16-20 (Option 1)	6/01/2034	05/31/2039	\$10,587.50	\$127,050
21-25 (Option 2)	6/01/2039	5/31/2044	\$11,646.25	\$139,755
26-30 (Option 3)	6/1/2044	5/31/2049	\$12,810.88	\$153,730.50
31-35 (Option 4)	6/1/2049	5/31/2054	\$14,091.96	\$169,103.55





91

 DUNKIN' DONUTS	 AMERICA'S BEST CONTACTS & EYEGLASSES
 WaBa Grill	 JJ'S



IN-N-OUT  
BURGER



Pollo  
Loco



Auto  
Zone







# 04

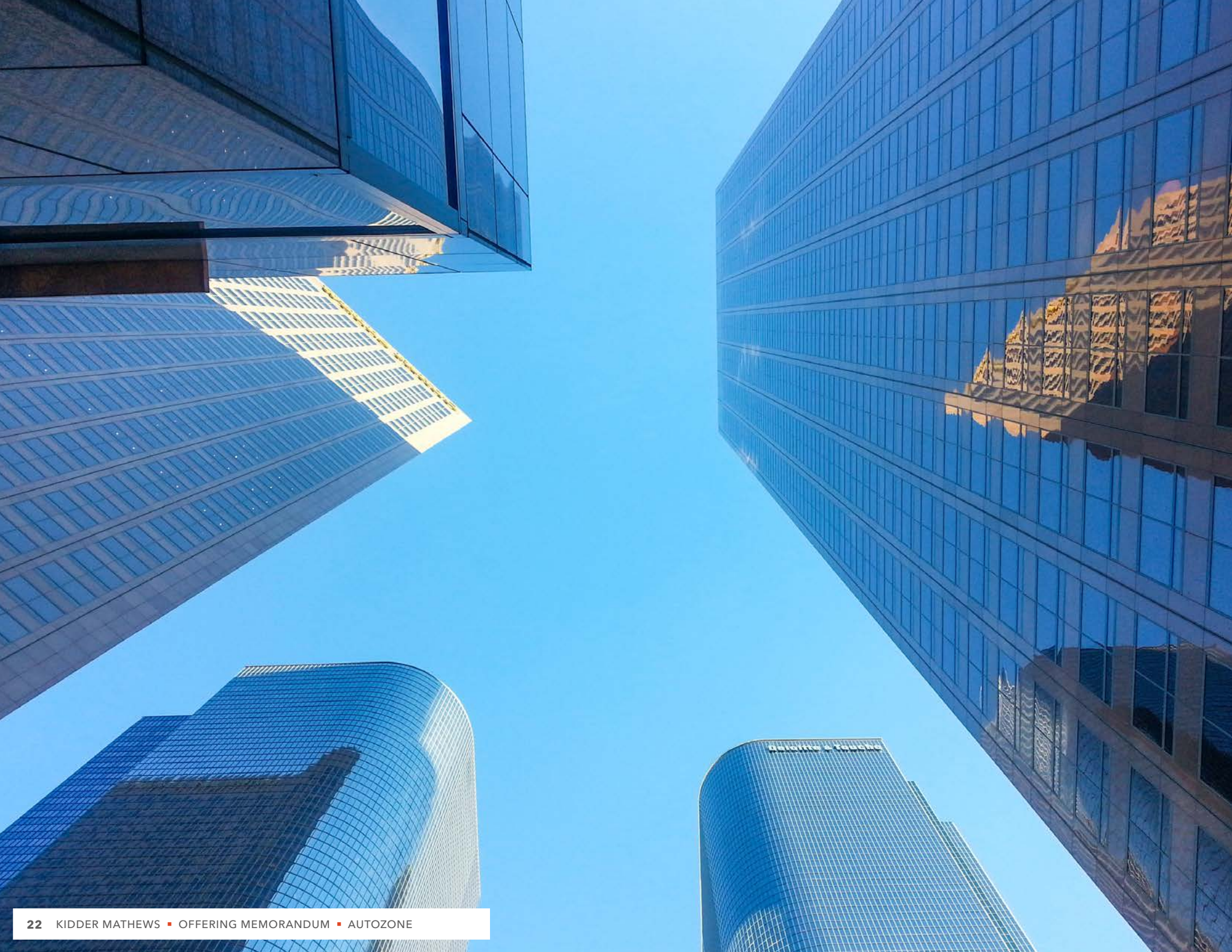
# MARKET OVERVIEW

DEMOGRAPHICS

CITY OF COMPTON OVERVIEW

LA COUNTY OVERVIEW







# MARKET OVERVIEW

99,721

COMPTON POPULATION

\$58,070

AVERAGE HOUSEHOLD INCOME

93.1%

EMPLOYED



## DEMOGRAPHICS

<b>INCOME</b>	1 Mile	3 Miles	5 Miles
2018 Est. Median Household Income	\$73,330	\$55,069	\$53,022
2018 Est. Average Household Income	\$91,474	\$72,024	\$70,757
2018 Est. Per Capita Income	\$28,058	\$19,594	\$19,647

<b>POPULATION</b>	1 Mile	3 Miles	5 Miles
2018 Estimated Total Population	12,021	174,783	698,967
2023 Forecast Total Population	12,198	179,079	715,786
2010 Census Total Population	11,715	168,915	671,422
Population Growth 2010 to 2018	2.6%	3.5%	4.1%
Forecast Population Growth 2018-2023	1.5%	2.5%	2.3%



# DEMOGRAPHICS

<b>HOUSEHOLDS</b>	1 Mile	3 Miles	5 Miles
2018 Estimated Total Households	3,365	46,730	188,610
2023 Forecasted Total Households	3,401	47,634	192,099
2010 Census Total Households	3,306	45,651	183,300
Household Growth 2010 to 2018	1.8%	2.4%	2.8%
Forecast Household Growth 2018-2023	1%	1.9%	1.8%

## CITY OF COMPTON OVERVIEW

Compton is a city in southern Los Angeles County, California, situated south of downtown Los Angeles.

Compton is one of the oldest cities in the county and on May 11, 1888, was the eighth city to incorporate. As of the 2010 United States Census, the city had a total population of 96,456. It is known as the "Hub City" due to its geographic centrality in Los Angeles County. Neighborhoods in Compton include Sunny Cove, Leland, Downtown Compton, and Richland Farms. The city is generally a working class city with some middle-class neighborhoods, and is home to a relatively young population, at an average 25 years of age, compared to the American median age of 38 (per 2018 data).

### ECONOMY

Compton was recently designated as an "Entrepreneurial Hot Spot" by Cognetics, Inc., an independent economic research firm. Compton made the national list for best places to start and grow a business, and ranked #2 in Los Angeles County out of a field of 88 cities. The city's Planning and Economic Development department provides a business assistance program consisting of a comprehensive mix of resources to small business owners and entrepreneurs. The grocery chains Ralphs and Food 4 Less, subsidiaries of Kroger, are headquartered in Compton. Gelson's Market, a subsidiary of Arden Group, Inc., a holding company, is also based there.

Compton is 10.12 square miles and is fondly known as the "Hub City" because of its unique geographical proximity being in the center of the Los Angeles County boundaries. As the 'Hub City' it makes Compton strategically located along the Alameda Corridor, a rail passageway of 25% of all U.S. waterborne international trade, in addition to being a large industrial center for transit and distribution, business services, high technology, home and lifestyle products, metals, financial services, and textile manufacturing. The Hub City is part of the Gateway region and has a 77-acre

### DISTANCES FROM SUBJECT PROPERTY

- 32 MIN** TO DOWNTOWN LOS ANGELES
- 27 MIN** TO LOS ANGELES INTERNATIONAL AIRPORT
- 23 MIN** TO THE PORTS OF LA & LONG BEACH
- 35 MIN** TO ORANGE COUNTY
- 47 MIN** TO SANTA MONICA
- 45 MIN** TO PASADENA

Compton / Woodley Airport that is home to 275 based aircraft and experiences over 66,000 flight operations each year. This air transportation asset is complimented by the Hub City's four major freeways adjacent to the City's boundaries. Interstate 710 runs from the seaports through the eastern boundary; the State Route 91 freeway extends through the southern boundary; Interstate 105 runs slightly along the north of the City; and Interstate 110 along to the west. Additionally, the Interstates 405 and 605 freeways are within two miles of Compton's southern and eastern edges, respectively.



# LA COUNTY OVERVIEW

One of the original counties of California, created at the time of statehood in 1850, Los Angeles County has evolved from its agricultural beginnings into an economic behemoth and bellwether for the rest of the country.

The county encompasses 4,751 square miles of Southern California bordering 70 miles of coast on the Pacific Ocean and contains mountain ranges, valleys, forests, islands, lakes, rivers, and desert. It is the most populous county in the United States and the third-largest metropolitan economy in the world, with a nominal GDP of over \$700 billion.

While L.A. County is the center-piece, the larger L.A. Basin metropolitan market area also includes Orange County, and lies adjacent to the Inland Empire to the east, San Diego County to the south, and Ventura County to the north. Each of these other market areas help spur demand and growth in L.A. County, with a diversified set of dynamic industry clusters and employment drivers. Startups, entrepreneurial decision-makers, and small regional divisions of larger companies favor L.A. County for its skilled workforce, housing options, and favorable weather.

## TRADE AND LOGISTICS

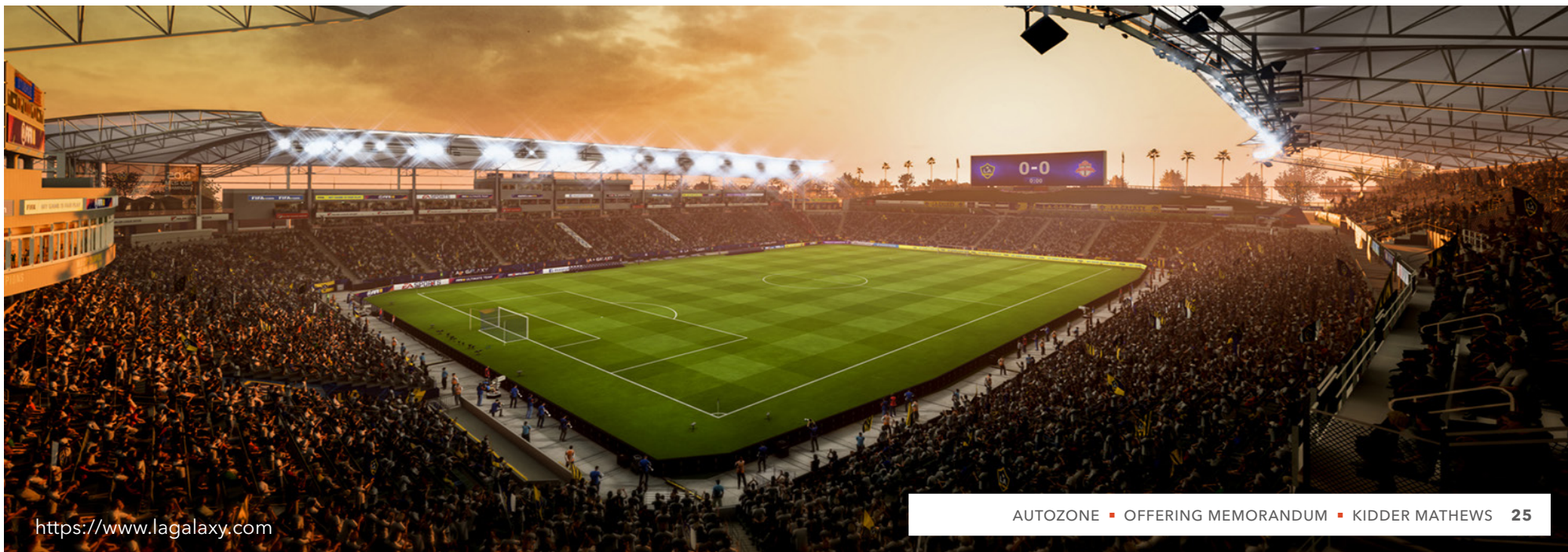
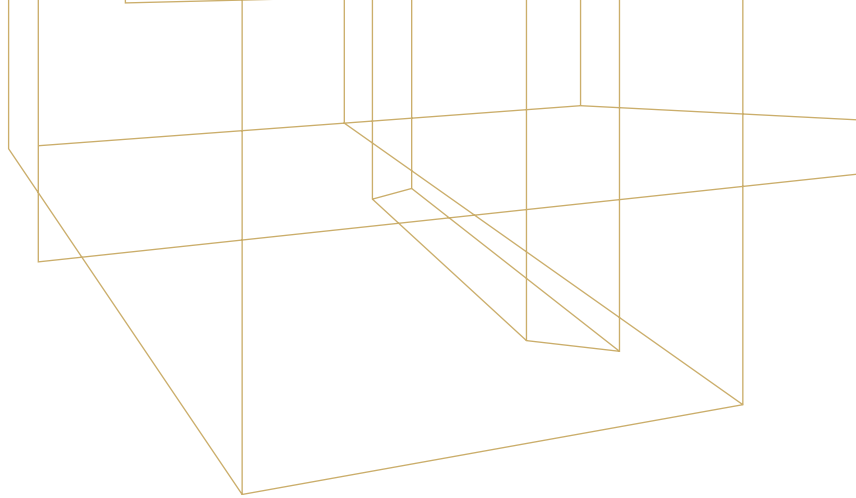
The Ports of Los Angeles and Long Beach combine to make L.A.'s sea ports complex the largest in the Western Hemisphere, handling over 40% of all inbound containers for the entire United States.

## MANUFACTURING

Los Angeles County is the largest manufacturing center in the U.S., with more manufacturing jobs (503,000) than the state of Michigan.

## ENTERTAINMENT AND INFOTECH

With many major studios like Walt Disney, 20th Century Fox, and Paramount Pictures, and a modern, internet-based media industry, Los Angeles County is the undisputed "Entertainment Capital of the World."





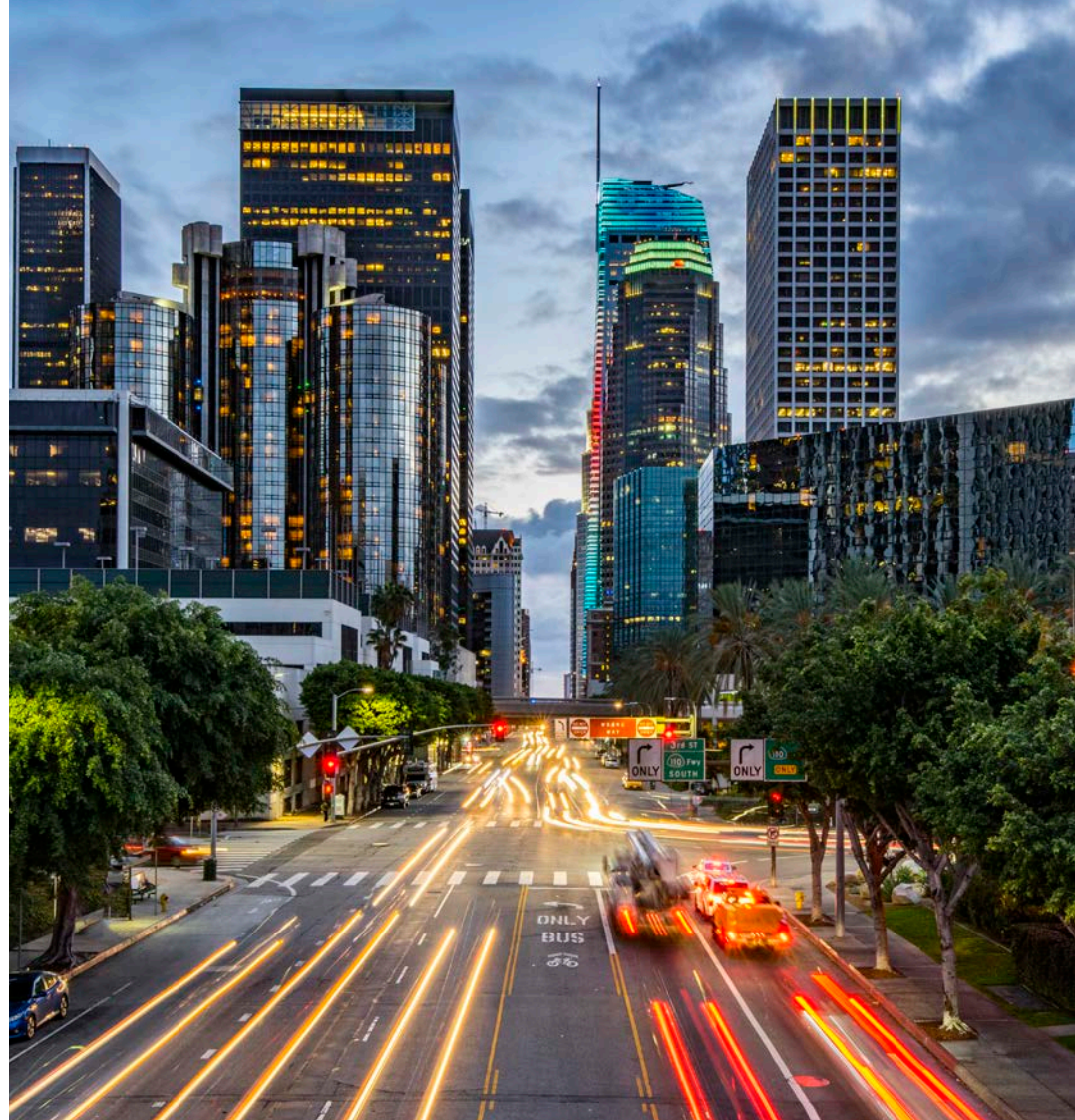
# LA COUNTY OVERVIEW

## LARGEST COUNTY ECONOMY IN THE U.S.

If Los Angeles County were a nation, its economy would be the 19th largest in the world. It is home to more than 244,000 businesses, with more minority- and women-owned businesses than any other in the nation. It is also home to dozens of the largest and most successful companies in the world including The Walt Disney Company, MGM, Mattel, AECOM and Avery Dennison. It is the nation's top international trade center and manufacturing center. Los Angeles County's 37 administrative departments and \$24.2 billion budget provide extensive business opportunities to the private sector, in contracts for both goods and services.

## HUGE CONSUMER MARKET

Home to more than one-quarter of California residents, Los Angeles County has the largest population of any county in the nation, and exceeded by only eight states. More than 1 million of the 10.4 million residents live in unincorporated areas, whose municipal services are provided by the county. The other 9.3 million live in 88 cities, located throughout a 4,084-square-mile area. It is one of the most ethnically diverse counties in the U.S., with more than 140 cultures and 224 languages represented in different neighborhoods.









**EXCLUSIVELY  
REPRESENTED BY**

**FOUY LY**

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