

OFFERING MEMORANDUM

MEINEKE AUTO CARE CENTER

PITTSBURG, CALIFORNIA



EXCLUSIVELY OFFERED BY:

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SUBJECT PROPERTY



**CUSHMAN &
WAKEFIELD**

NET LEASE GROUP

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Investment Offering & Highlights

The Offering

- Completed in 1990 and remodeled in 2018, an approx. 5,287 square foot single-story Meineke Car Care Center building with 23 on-site parking spaces.
- **Price: \$1,526,000 — 5.50% Cap Rate**

Lease / Tenant

- Absolute net 10 year lease (9.5 years remaining) with one 5-year option
- Zero Landlord responsibilities
- 3% annual rental increases that continue through the option period
- The average length of vehicle ownership has increased 60% in the last ten years showing the need for aftermarket car care centers such as Meineke

Real Estate / Area Strengths

- Strategically located adjacent to the new Pittsburg Center BART Station
- The site is conveniently accessed via Highway 4 with over 150,000 VPD
- Strong demographics with over \$81,127 average household income and population over 142,237 within 5 miles of the property
- New Civic Tower development: an 60,000± sq. ft. office building located less than 0.3 miles from the subject property



Investment Overview

Location

Located at 2145 Railroad Ave, Pittsburg, California just south of the Highway 4 interchange.

Lot Size

Approximately 0.51 acres - 22,216± square feet

Improvements

Completed in 1990 and remodeled in 2018, an approx. 5,287 square foot single-story **Meineke Car Care Center** building with 23 on-site parking spaces. The building includes office area, a lobby/waiting area, restrooms, and seven service bays.

Lease

Leased to **Erben Ventures, Inc.** dba **Meineke Car Care Center** for a term of 10 years from March 1, 2018 to May 31, 2028 with one 5-year option to renew. Year one Annual Rent of \$82,477 increases by 3% on June 1st, 2019 and every June 1st thereafter. The lease is absolute net with the tenant responsible for taxes, insurance and maintenance including roof and structure. The option rent is at FMV with a minimum of a 3% increase from previous rent and then increases annually by 3%.

Early Termination Clause

Tenant shall have the one-time right and option to terminate the Term and the Lease on April 30, 2023 but only if Driven Brands (or its successor in interest) does not renew its franchise agreement with Tenant despite Tenant's attempts to obtain renewal.

Annual Rent

Year	Annual Net Rent	Return
1/1/2019 - 12/31/2019	\$83,921	5.50%
1/1/2020 - 12/31/2020	\$86,438	5.66%
1/1/2021 - 12/31/2021	\$89,031	5.83%
1/1/2022 - 12/31/2022	\$91,702	6.01%
1/1/2023 - 12/31/2023	\$94,453	6.19%
1/1/2024 - 12/31/2024	\$97,287	6.38%
1/1/2025 - 12/31/2025	\$100,206	6.57%
1/1/2026 - 12/31/2026	\$103,212	6.76%
1/1/2027 - 12/31/2027	\$106,308	6.97%
1/1/2028 - 5/31/2028	\$45,624	

*Lease year is from June 1st to May 31st each year

Price: \$1,526,000 - 5.50% Cap Rate

Rent Per Square Foot:

\$15.87 net per year - \$1.32 net per month

Proposition 13 Protection:

Tenant has no Proposition 13 protection in the lease

Site Plan

RAILROAD AVENUE

meineke[®]
car care centers | *On with life:*

±5,287 SF



Meineke Car Care Center

ERBEN VENTURES is the franchisee. Greg Erben is the principal of Erben Ventures and has personally guaranteed the lease.

MEINEKE CAR CARE CENTERS, INC. is an international automotive repair chain with more than 900 locations. The chain is ranked #52 in the Franchise 500 (2014) and #54 in America's Top Global (2013). Previously known as Meineke Discount Mufflers, the company changed its name to Meineke Car Care Centers in 2003 when it expanded to offer full-service auto repairs. The privately-held company was founded in 1971 in Houston, Texas by Sam Meineke; today the headquarters is located in Charlotte, North Carolina.

In 2006, Meineke Car Care Centers' parent company, Meineke Holding Company, became a subsidiary of Driven Brands who owns several other auto oriented brands and currently operates more than 1,500 locations in 50 states, generating more than one billion dollars in annual revenue. Driven Brands employs 2,400 people and some of the other banners of Driven Brands include Merlin, Econo Lube N' Tune & Brakes, Maaco, Take 5 Oil Change, among others.

Driven Brands was purchased by Roark Capital Group in 2015; Roark is a private equity firm headquartered in Atlanta, Georgia. Roark now has approximately 52 franchise/multi-unit brands which generated approximately \$20 billion in system revenues from 22,000 locations located in 50 states and 75 countries.



Northwest View

PROPOSED THREE STORY 60,000± SF OFFICE TOWER

4

CARDENAS

Jamba Juice



RAILROAD AVENUE

BLISS AVENUE



LONG JOHN SILVERS



West View

PACHECO MARTINEZ
CONCORD

PITTSBURG

4

HALLOWEEN
Outlet



CHASE
Baskin Robbins



CARDENAS



RAILROAD AVENUE



meineke
car care centers | On with life.

Jack
in the box

BLISS AVENUE



TREDDED
TIRE PROS
& AUTO SERVICE

Southeast View

ATLANTIC PLAZA SHOPPING CENTER



WALGREENS SHOPPING CENTER



BLISS AVENUE

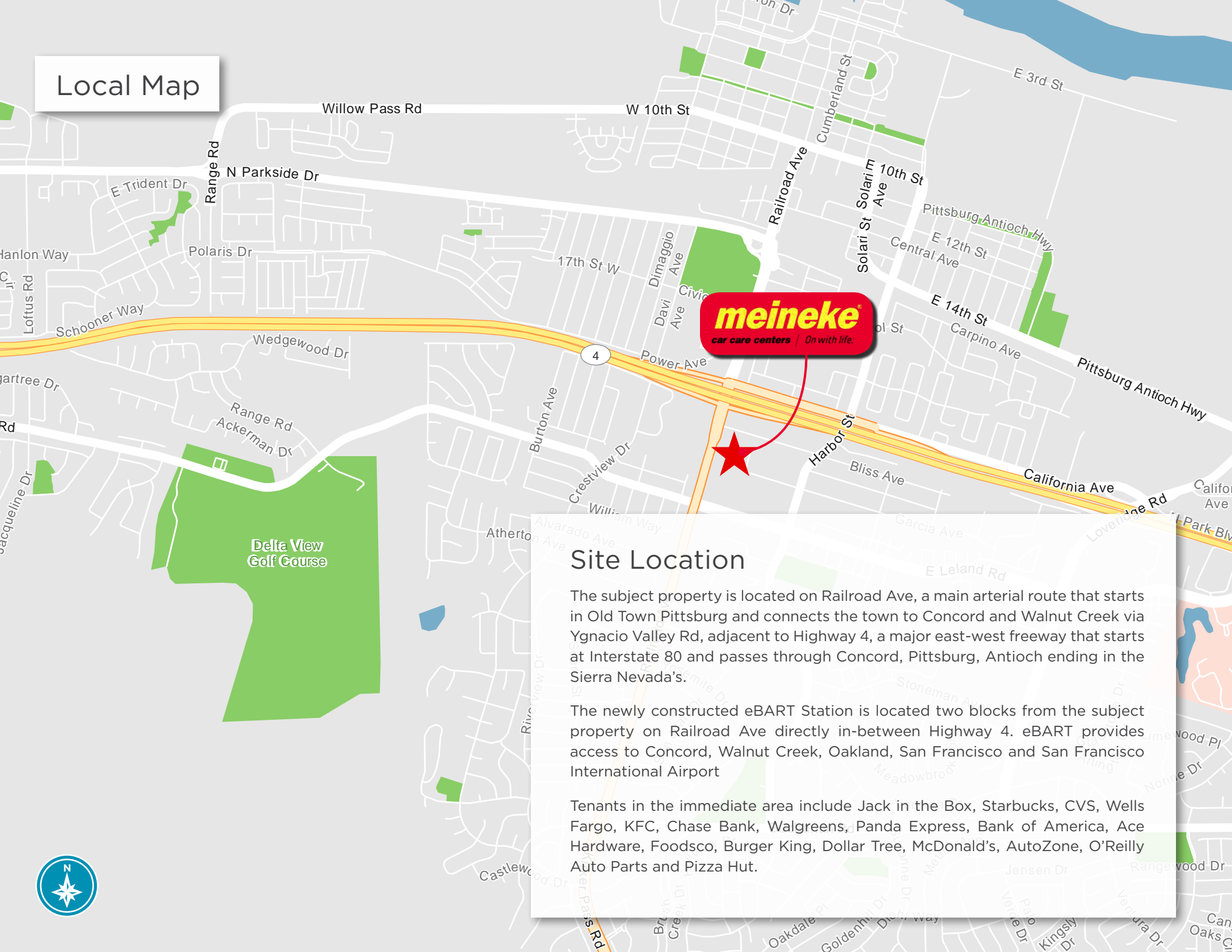
RAILROAD AVENUE



SUBJECT PROPERTY



Local Map



Site Location

The subject property is located on Railroad Ave, a main arterial route that starts in Old Town Pittsburg and connects the town to Concord and Walnut Creek via Ygnacio Valley Rd, adjacent to Highway 4, a major east-west freeway that starts at Interstate 80 and passes through Concord, Pittsburg, Antioch ending in the Sierra Nevada's.

The newly constructed eBART Station is located two blocks from the subject property on Railroad Ave directly in-between Highway 4. eBART provides access to Concord, Walnut Creek, Oakland, San Francisco and San Francisco International Airport

Tenants in the immediate area include Jack in the Box, Starbucks, CVS, Wells Fargo, KFC, Chase Bank, Walgreens, Panda Express, Bank of America, Ace Hardware, Foodsco, Burger King, Dollar Tree, McDonald's, AutoZone, O'Reilly Auto Parts and Pizza Hut.



Regional Map



Pittsburg, California

Pittsburg is located in the eastern portion of Contra Costa County in the San Francisco Bay Area, 50 miles northeast of San Francisco International Airport, 35 Miles east of San Francisco, 30 miles east of Oakland, 40 miles northeast of Oakland International Airport, and 13 miles northeast of Walnut Creek. Pittsburg has a population of 72,141 residents as of 2017. Eastern Contra Costa County has experienced a dramatic increase in residential development in recent years. As of 2017, the inflow of new residents and businesses has made Pittsburg the 10th fastest growing Bay Area City, with an additional 40,000 households and 63,000 additional jobs expected by 2025. Many people who work or live across the Bay Area are moving to Pittsburg for the suburban lifestyle and relatively affordable housing prices. Similarly, businesses are locating in the region to capitalize on land availability and the growing workforce population. As a result, Pittsburg is rapidly changing from an industrial hub to a commuter suburb and has undergone extensive redevelopment within the past few years.



Contra Costa County, California

One of the original 27 counties established in California in 1850, Contra Costa County is comprised of 19 cities and is home to more than one million residents, making it the ninth most populous county in the state. Stretching approximately 40 miles from west to east and approximately 20 miles from north to south, Contra Costa County covers 805 square miles and is adjacent to Alameda, San Joaquin, Sacramento, and Solano counties. Contra Costa County contains three distinct areas: West County, Central County, and East County, which is composed of the Pittsburg-Antioch area, as well as Brentwood and Oakley.

East County is the largest land area in the County and stretches along Highway 4 from Willow Pass grade northeast of Concord to Route 84 near Oakley, as well as surrounded unincorporated areas including Knightsen, Byron, and Discovery Bay. The East Contra Costa County market (ECC) is a region that has experienced explosive growth over the past two decades. With a vibrant industrial core and history, the ECC region has seen remarkable population growth due to residential housing development and overall job growth in the San Francisco Bay Area. Families and professionals have flocked to the region for newer and more affordable housing, which has in turn created a need for supportive professional services throughout the region.

ECONOMY

Contra Costa County has an extremely diverse economy due to its immense size and population. Traditionally the county's economy has been dominated by agriculture and heavy manufacturing. Recently the largest job gains have been observed in leisure and hospitality, education, healthcare, professional and business services.

After a slow down during the recessionary years, recently residential housing development has picked up once again, and added demand for services especially within the East Contra Costa communities. Between the years 2005 and 2030, more than 32,000 households and 47,000 jobs are expected to be added in the four communities of Antioch, Brentwood, Oakley, and Pittsburg alone. In addition, more houses and jobs will be added to the unincorporated areas of the County.

Top Employers include:

- Bay Alarm
- BART
- Bio-Rad Laboratories
- Chevron
- Department of Veterans affairs
- Job Connections
- John Muir Medical Center
- Kaiser Permanente
- Robert Half International
- Shell Oil Products
- St. Mary's College

EDUCATION

Saint Mary's College of California is a private college located in Moraga, California, a small suburban community about 10 miles east of Oakland and 20 miles east of San Francisco. There are four schools at Saint Mary's: the School of Liberal Arts, the School of Science, the School of Economics and Business Administration, and the Kalmanovitz School of Education. Saint Mary's College is a liberal arts institution however, the most popular major is Business Administration. This is followed by Psychology, Communication, Kinesiology, and Accounting. The average class size is 19, with a student faculty ratio of 13:1. 91% of classes are taught by full-time faculty, of which 95% hold the highest degree in their fields. There are 40 academic majors, with an option to create your own major.

Contra Costa County, California



TRANSPORTATION

Contra Costa is primarily served by the interstate freeways I-80, I-580 and I-680.

Interstate 80 is an east-west transcontinental that runs from downtown San Francisco, California, to Teaneck, New Jersey, in the New York City Metropolitan Area. The highway was designated in 1956 as one of the original routes of the Interstate Highway System.

Interstate 880 is an 80-mile east-west Interstate Highway that provides a connection from the Bay Area to the southern San Joaquin Valley and Southern California via Interstate 5, as Interstate 5 bypasses the Bay Area to the east.

Interstate 680 is a north-south Interstate Highway that curves around the eastern cities of the San Francisco Bay Area from San Jose to Fairfield, bypassing cities along the eastern shore of San Francisco Bay such as Oakland and Richmond while serving others more inland such as Pleasanton and Concord.

EBART

The East Contra Costa BART Extension Project (eBART) introduced a new rail passenger service comprising of approximately 10 miles of new track between the existing Pittsburg/Bay Point BART Station and the City of Antioch. Stations for the new service are located in the City of Pittsburg and the City of Antioch. The Project was built in coordination with the Highway 4 widening project. The combined projects represent approximately \$1 billion invested in the corridor. The trains move an estimated 2,400 people per hour during morning and evening commutes, according to BART officials. The number of daily riders on the extended line is expected to exceed 10,100.

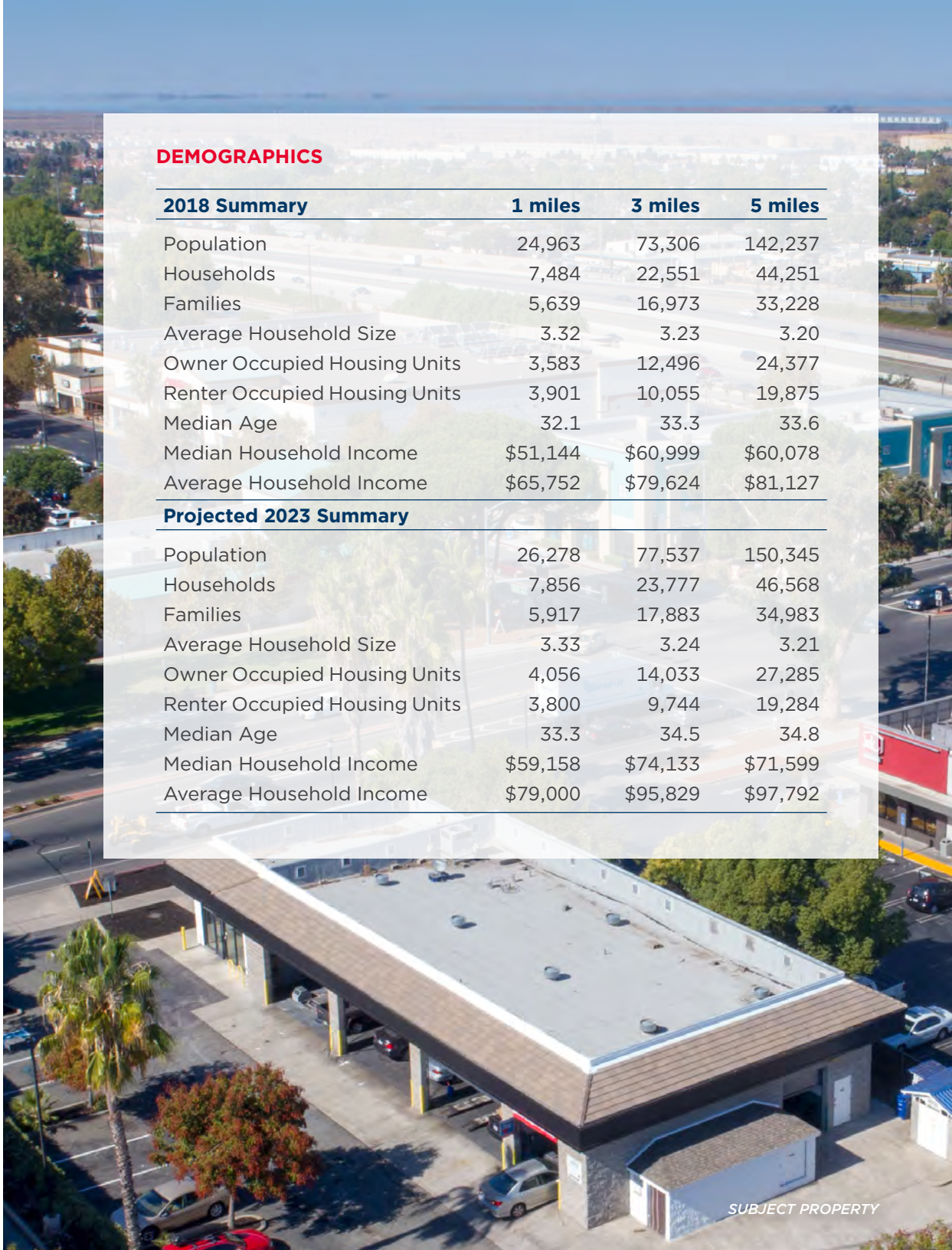
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DEMOGRAPHICS

2018 Summary	1 miles	3 miles	5 miles
Population	24,963	73,306	142,237
Households	7,484	22,551	44,251
Families	5,639	16,973	33,228
Average Household Size	3.32	3.23	3.20
Owner Occupied Housing Units	3,583	12,496	24,377
Renter Occupied Housing Units	3,901	10,055	19,875
Median Age	32.1	33.3	33.6
Median Household Income	\$51,144	\$60,999	\$60,078
Average Household Income	\$65,752	\$79,624	\$81,127

Projected 2023 Summary	1 miles	3 miles	5 miles
Population	26,278	77,537	150,345
Households	7,856	23,777	46,568
Families	5,917	17,883	34,983
Average Household Size	3.33	3.24	3.21
Owner Occupied Housing Units	4,056	14,033	27,285
Renter Occupied Housing Units	3,800	9,744	19,284
Median Age	33.3	34.5	34.8
Median Household Income	\$59,158	\$74,133	\$71,599
Average Household Income	\$79,000	\$95,829	\$97,792



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