

McDonald's - Outparcel to Victoria Gardens Mall

20-Year Initial Lease | 10.6 Years of Firm Term | 10% Increases every 5 Years | NNN (Ground Lease)





OFFERING MEMORANDUM



Single-Tenant Net Leased McDonald's

The Offering

Newmark, as an exclusive advisor, is pleased to present the opportunity to acquire a single-tenant, net leased McDonald's in Rancho Cucamonga, CA.

\$4,084,000
Asking price4.00%
CAP RATENNN (GL)
LEASE STRUCTURE10.6 Years
LEASE TERM REMAININGLease GE COMPRISHIP INTERESTOWNERSHIP INTERESTCONTROL ON CONTROL O

Net Lease Capital Markets

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Investment Highlights

Corporate McDonald's Ground Lease | 41,822 Global Locations in 118 Countries | S&P: BBB+ Credit Rating

- McDonald's Corporation (NYSE: MCD), investment grade credit rating S&P: BBB+
- Largest global QSR retailer with a network of 41,822 locations in 118 countries
- McDonald's is one of the largest employers in the world with over 2 million global employees
- \$25.49 Billion in Total Revenue and \$13.86 Billion in EBITDA for the fiscal year ending Dec-2023

NNN (Ground Lease) | 20-Year Primary Term plus 8 (5-Year) Options | 10.00% Rental Increases Every 5 Years

- NNN (Ground Lease) Leased Fee Simple (Land ownership)
- 20-year primary term plus 8 (5-Year) options
- 10.00% increases every 5 years through the primary and option term(s)
- Zero landlord obligations- Absolute NNN Ground Lease

Dominant Retail Location Adjacent to Victoria Gardens, a 1.2M SF Super Regional Mall | Irreplaceable Retail Location with Excellent Visibility & Access | Direct On/Off Ramp Access to I-15 (204,249 VPD) along W Foothill Blvd (62,305 VPD) | 3 Miles from the I-10/I-15 Intersection (475,717 VPD) | Main-on-Main Retail Corridor with all Major National Retailers Present

- Adjacent to Victoria Gardens, a 1.2M SF Super Regional Mall anchored by Macy's, JCPenney, AMC, and Bass Pro Shops
- Highly visible and easily accessible, with curb cuts along Day Creek Blvd and Victoria Gardens Ln
- Direct on/off ramp access to I-15 (204,249 VPD) along W Foothill Blvd (62,305 VPD) and only 3 miles from one of the most trafficked interchanges in the country I-10/I-15 (475,717 VPD)
- Additional nearby national retailers/companies include: Walmart Supercenter, Floor & Decor, Living Spaces, REI, Home Depot, Target, and Lowe's

Located 37 Miles East of Downtown Los Angeles | Diverse & Dynamic Economic Center | Strong Demographics in Trade Area | 274,654 People with an Average Household Income of \$118,322 within 5 Miles

- 37 miles East of Downtown Los Angeles
- Rancho Cucamonga has a population of approximately 180,000 residents with a median age of 35
- Rancho Cucamonga is situated in San Bernardino County, California, within the Inland Empire region of Southern California.
- The city of Rancho Cucamonga has a diverse and dynamic economy with significant contributions from the Healthcare, Education, Government, Pharmaceuticals, and Manufacturing sectors
- 274,654 people with an average household income of \$118,322 within 5 miles of the subject property













Investment Overview

Price/Cap Rate

Price (PSF)	\$4,084,000 (\$1,025)
Cap Rate	4.00%
Annual Base Rent*	\$163,350 (\$41.00 PSF)
* Annual Base Bent reflects May 1	2025 annual rent. Seller to credit any

* Annual Base Rent reflects May 1, 2025 annual rent. Seller to credit any gap rent.

Executive Summary

Address	8070 Monet Avenue Rancho Cucamonga, CA 91739
Tenant	McDonald's
Lease Entity	McDonald's USA, LLC
Use	Retail
Rentable Building Area (SF)	3,984
Acreage	0.74 Acres
Expense Structure	NNN (Ground Lease)
Rent Increases	10% every 5 years
Rent Commencement Date	April 21, 2015
Lease Expiration Date	June 21, 2035
Initial Term	Twenty (20) Years
Lease Term Remaining	10.6 Years Remaining
Ownership Interest	Leased Fee (Land Ownership)

















The Investment

McDonalds

PARKING ONLY MINIMUM FILE J250



Lease Abstract & Property Details

Property Overview		Rent Schedule					
Rentable Building Area (SF)	3,984	Rent Period	Annual Rent	PSF	Monthly Rent	PSF	% Increase
Acreage	0.74	5/1/2025 - 4/30/2030	\$163,350.00	\$41.00	\$13,612.50	\$3.42	-
Year Built/Renovated	2006/2015	5/1/2030-6/21/2035	\$179,685.00	\$45.10	\$14,973.75	\$3.76	10.00%
Parcel	1090-551-10-0000	Option 1: 6/22/2035- 6/21/2040	\$197,653.44	\$49.61	\$16,471.12	\$4.13	10.00%
Lease Abstract		Option 2: 6/22/2040- 6/21/2045	\$217,418.76	\$54.57	\$18,118.23	\$4.55	10.00%
Address	8070 Monet Avenue Rancho Cucamonga, CA 91739	Option 3: 6/22/2045- 6/21/2050	\$239,160.72	\$60.03	\$19,930.06	\$5.00	10.00%
Tenant Trade Name	McDonald's	Option 4:	\$263,076.72	\$66.03	\$21,923.06	\$5.50	10.00%
Lease Entity	McDonald's USA, LLC	6/22/2050-6/21/2055	\$200,070.72	\$00.00	φ21,020.00	ψ0.00	10.0070
Credit Rating	S&P: BBB+	Option 5: 6/22/2055- 6/21/2060	\$289,384.44	\$72.64	\$24,115.37	\$6.05	10.00%
Rent Commencement Date	April 21, 2015						
Lease Expiration Date	June 21, 2035	Option 6: 6/22/2060- 6/21/2065	\$318,322.92	\$79.90	\$26,526.91	\$6.66	10.00%
Lease Term Remaining	10.6 Years		Ontion 7:) \$87.89	\$29,179.60	\$7.32	10.00%
Renewal Options	8 (5-Year)	Option 7: 6/22/2065- 6/21/2070 \$350,155	\$350,155.20				
Annual Rent (PSF)	\$163,350 (\$41.00 PSF)	6/22/2070-6/21/2075 \$385,170.72	¢205 170 72	\$96.68	\$32,097.56	\$8.06	10.00%
Percentage Rent	None		ФЭО.ОО	\$32,097.50	φο.00	10.00%	
Rent Increases	10% every 5 years	Bold = Current Rent					
Lease Structure	NNN (Ground Lease)						
Landlord Responsibilities	None						
Utilities	Tenant Responsibility						
Taxes	Tenant Responsibility						
CAM	Tenant Responsibility						
HVAC	Tenant Responsibility						
Insurance	Tenant Responsibility						
ROFR	Yes, 15-day						
Financial Reporting	None						



Market Overview - Rancho Cucamonga, CA

Rancho Cucamonga, CA

Rancho Cucamonga is a city located in San Bernardino County, California, situated within the Inland Empire region of Southern California. It is roughly 37 miles east of Downtown Los Angeles. The city has a population of approximately 180,000 residents with a median age of 35. It is known for its diverse community, welcoming a wide range of ethnic backgrounds including Hispanic, Caucasian, African American, and Asian populations.

Key Highlights:

- Location: 37 miles east of Downtown Los Angeles
- Population: Approximately 180,000 residents
- Diverse Ethnic Population: (52% Hispanic, 30% Caucasian, 9% African American, 13% Asian)

Major Attractions/Landmarks:

- Victoria Gardens: A 1.2M SF super regional mall anchored by Macy's, JCPenney, AMC, and Bass Pro Shops
- Ontario International Airport: 6.4 million passengers
- Toyota Arena: 11,089 seat multi-purpose arena
- Greater Ontario Convention & Visitors Bureau: 5,500 seat convention center

Economic Overview

Rancho Cucamonga is a thriving city in San Bernardino County, California, recognized for its dynamic and diversified economy. The healthcare sector is a prominent employer in the city, with significant contributions from facilities like the Inland Empire Health Plan (IEHP). Education also plays a crucial role, supported by numerous school districts and higher education institutions that contribute to the city's economic stability. The retail sector is robust, with Victoria Gardens serving as a major commercial hub, while manufacturing and logistics benefit from the city's strategic location near major highways and airports, facilitating various distribution centers.

Largest Employers in Rancho Cucamonga, CA

Employer	Industry	Number of Employees
Inland Empire Health Plan (IEHP)	Healthcare	±2,000
Chaffey Joint Union High School District	Education	±1,900
Etiwanda School District	Education	±1,500
City of Rancho Cucamonga	Government	±1,100
Amphastar Pharmaceuticals	Pharmaceuticals	±1,000
Coca-Cola Bottling Company	Manufacturing	±800
Central School District	Education	±700

Demographics	1 Mile	3 Mile	5 Mile
2024 Population	15,949	112,995	274,654
2024 Households	5,523	36,374	84,048
2024 Avg. Household Income	\$136,287	\$120,741	\$118,322







Tenant Synopsis - McDonald's

Tenant Synopsis

McDonald's is the world's leading global food service retailer with over 40,000 locations in over 100 countries. Approximately 95% of McDonald's restaurants worldwide are owned and operated by independent local business owners. McDonald's corporation franchises and operates fast-food restaurants in the global restaurant industry serving approximately 70 million customers across the globe annually. Despite most restaurants being franchised, McDonald's Corporation guarantees the leases on all of their locations, making the company a desired tenant for real estate investors.

Today, McDonald's is one of the most recognizable brands in the world. McDonald's is known for its unique menu items including the McRib, Big Mac, and McPick offerings. The full menu includes hamburgers, various types of chicken, chicken sandwiches, French fries, soft drinks, breakfast items, and desserts. Founded in 1955 in Southern California, today McDonald's is headquartered in Oak Brook, IL.

McDonald's

Trade Name	McDonald's
Credit Rating	S&P: BBB+
Number of Locations	41,822
Geographic Dispersion	50 States / 100 Countries
Fortune 500 (2024)	No. 131
2023 Full Time Employees	150,000+
2023 Revenue	\$25.49 Billion
2023 EBITDA	\$13.86 Billion
2023 Assets	\$56.15 Billion



YEAR FOUNDED 1940



WEBSITE mcdonalds.com



COMPANY TYPE Public (NYSE: MCD)



LOCATIONS 41,822



HEADQUARTERS Chicago, IL



S&P CREDIT RATING BBB+





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