



Colton Gateway Center

1500-1590 W. Valley Blvd,
Colton, CA 92324

Marcus & Millichap
THE BITONTI GROUP



**NON-ENDORSEMENT AND DISCLAIMER NOTICE
CONFIDENTIALITY & DISCLAIMER**

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained here in the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap. This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

NON-ENDORSEMENT NOTICE

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

DRIVE BY ONLY. DO NOT WALK THE PROPERTY OR DISTURB THE TENANTS.

PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

PAUL BITONTI

Senior Vice President Investments
Senior Director - National Retail Group
Office: (949) 419-3246
Mobile: (714) 267-8582
paul.bitonti@marcusmillichap.com
License: CA 01325076

Executive Summary

Marcus & Millichap
THE BITONTI GROUP

Executive Summary

Marcus & Millichap is pleased to present Colton Gateway Center, a retail investment property consisting of **2 single tenants and a 4 tenant inline property**, all sitting on **1-acre parcels each** with **dedicated drive through lanes**. The tenant roster consists of **Starbucks, Popeye's, Habit Burger, Firehouse Subs, and Roll 'em Up Taquitos**. The Starbucks building is a **3,000 square foot cafe prototype** with a **22 car stacking lane**. It is the **busiest and most successful Starbucks** in the entire trade area.

The real estate is well positioned between the **I- 10 Freeway** and **Arrowhead Regional Medical Center**. The property sits at the Pepper Avenue off-ramp and the I- 10 freeway, where traffic exceeds **197,000 cars per day**. The property is located directly across from Arrowhead Regional Medical Center, which is an **Accredited Level I Trauma Center** with a **456-bed acute care facility** located on a 70-acre campus. ARMC has the **second busiest Emergency Department in the State of California** and experiences over **7,000 visitors a day**. It employs over **3,300 people** and provides emergency care for approximately **130,460 County residents, 113,769 admissions**, and approximately **254,000 outpatient visits annually**.

The property was constructed in **2019-2020** and is of **institutional quality construction** with tall stone facade storefronts. All the buildings have an **individual parcel** number, allowing for a spin-off strategy should an investor elect to sell one or all of them in the future.

The city of Colton has been **experiencing tremendous growth**, as evidenced in the number of ongoing and completed development projects, including the opening of **California State University of Science and Medicine, a 3-story Vascular and Endoscopy Outpatient Center, a I-10 and Pepper Ave Freeway Interchange**, and numerous retail, residential and office projects in the immediate trade area.

Investment Highlights

Marcus & Millichap
THE BITONTI GROUP



The Property

Colton Gateway Center consists of Three Freestanding Buildings: STNL Starbucks with Drivethru, STNL Popeye's with Drivethru, Restaurant Row with Habit Burger, Firehouse Subs, Roll-Em-Up Taquitos



Leases & Tenants

The Property is leased to National Food & Beverage Tenants, totalling 13,500 SF food-oriented center built in 2019/2020.



Strong Demographics

Conton City has been experiencing tremendous population growth, multiple on-going and completed development projects.



Location

The property sits at the Pepper Ave Off ramp to the I-10 Fwy (197,000 CPD), and across from Arrowhead Regional Medical Center, a Level 1 Trauma Center (456 beds).

Investment Highlights

- 2019/2020 Construction
- 4 National Tenants with 10% Increases Every 5 Years
- Starbucks Cafe Prototype: 3,000 SF with 22 Car Stacking Lane
- 50 Ft Pylon Sign on I-10 Fwy
- Property Features 3 Drive-Thrus
- Consists of Three 1-Acre Parcels
- 197,000 Daily Traffic on the I-10 Fwy
- 200,356 Daily Traffic on N. Pepper Ave
- 125,052 Residents within a 3 Mile Radius
- Excellent Exposure: Located off of the I-10 Fwy near the Intersection of N. Pepper Ave and W. Valley Blvd
- Located across from Arrowhead Regional Medical Center with Over 4,000 Daily Employees and 7,000 Daily Visitors
- Arrowhead Regional Medical Center is a Level 1 Trauma Center and the 2nd Busiest Emergency Department in the State of California with about 90,000 ER Patients, over 250,000 Out-Patient Visits, and more than 25,000 Admissions Annually.



Woodspring Hotel & Suites
122 Rooms &
Restaurant Pad
Approved & Entitled



**Under Construction
New Residential
(175 New Homes)**

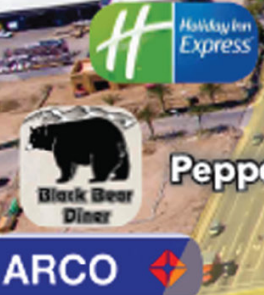
**CUSM Phase I
(7 Acres)
100,000 SF
2- 3 stories**

**CalMed Surgery
Vascular and Endoscopy
Center (3 stories - 2 acres)**

**Under Construction:
California University
of Science & Medicine
(CUSM)
Medical, Dorms and
R&D Facilities
24-30 Acres
500,000 SF**

**Approved Hotel,
Retail & Restaurants**

**456 Beds
Level 2 Trauma Center
7,000 Daily Visitors
3,300 Employees**



Pepper Ave

W Valley Blvd

**50 Ft Fwy
Pylon Sign**



**STARBUCKS
DRIVE THRU**

Subject Property



Freeway Off Ramp

**I-10 Freeway
197,000 Daily Traffic**



Property Highlights

Marcus & Millichap
THE BITONTI GROUP

Property Highlights

Property Details

Address	1590 W Valley Blvd, Colton, CA
Tenant	Starbucks
APN	0254-191-12-000
GLA	3,000 SF
Lot Size	1.00 Ac
Year Built	2019

Lease Summary

Lease Type	NNN
Guarantor	Corporate Guarantee
Lease Commencement	09/01/2019
Lease Expiration	09/01/2029
Years Remaining on Lease	5 Years
Renewal Options	Four (5-yr) Options
Rent Increases	Primary Term & Options
Rent Increases Details	10% Every 5 Years
Tenant Responsibility	Taxes, Maintenance, Insurance
Landlord Responsibility	Roof & Structure
Early Termination	None
ROFR/ROFO	None
Current NOI	\$201,960



Rent Schedule

Year	Annual Rent	Monthly Rent
2019-2024	\$183,600	\$15,300
2024-2029	\$201,960	\$16,830
2029-2034	\$221,120	\$18,510
2034-2039	\$244,440	\$20,370
2039-2044	\$268,920	\$22,410
2044-2049	\$295,920	\$24,660



STARBUCKS

Property Highlights

Property Details

Address	1500 W Valley Blvd, Colton, CA
Tenant	Popeye's Restaurant
APN	254-191-14
GLA	2,750 SF
Lot Size	1.00 Ac
Year Built	2020

Lease Summary

Lease Type	NNN
Guarantor	Corporate Guarantee
Lease Commencement	11/15/2018
Lease Expiration	11/15/2038
Years Remaining on Lease	14 Years
Renewal Options	Four (5-yr) Options
Rent Increases	Primary Term & Options
Rent Increases Details	10% Every 5 Years
Tenant Responsibility	Taxes, Insurance, CAM, Repairs
Landlord Responsibility	None
ROFR/ROFO	None
Current NOI	\$120,000



Rent Schedule

Year	Annual Rent	Monthly Rent
2020-2025	\$120,000	\$10,000
2025-2030	\$132,000	\$11,000
2030-2035	\$145,200	\$12,100
2035-2040	\$159,720	\$13,310
2040-2045	\$175,692	\$14,641
2045-2050	\$193,261	\$16,105
2050-2055	\$212,587	\$17,715
2055-2060	\$233,846	\$19,487

*Popeye's hold a 20-year ground lease.



Property Highlights

Property Details

Address	1550 W Valley Blvd, Colton, CA 92324
Tenant	Habit Burger, Firehouse Subs, Roll-Em-up Taquitos
APN	254-191-13
GLA	7,700 SF
Lot Size	1.00 Ac
Year Built	2019
Number of Tenants	4

Operating Data

	Annual
Scheduled Base Rent	\$370,708
Expenses Reimbursement	NNN
Effective Gross Revenue	\$370,708 + NNN
Expenses	NNN
Net Operating Income	\$370,708

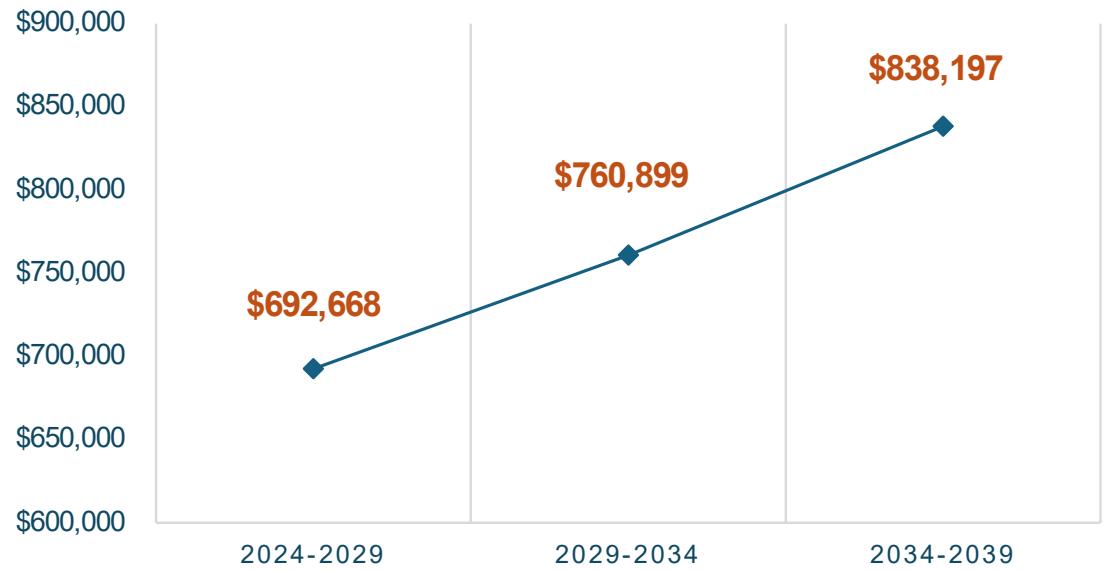


RENT ROLL

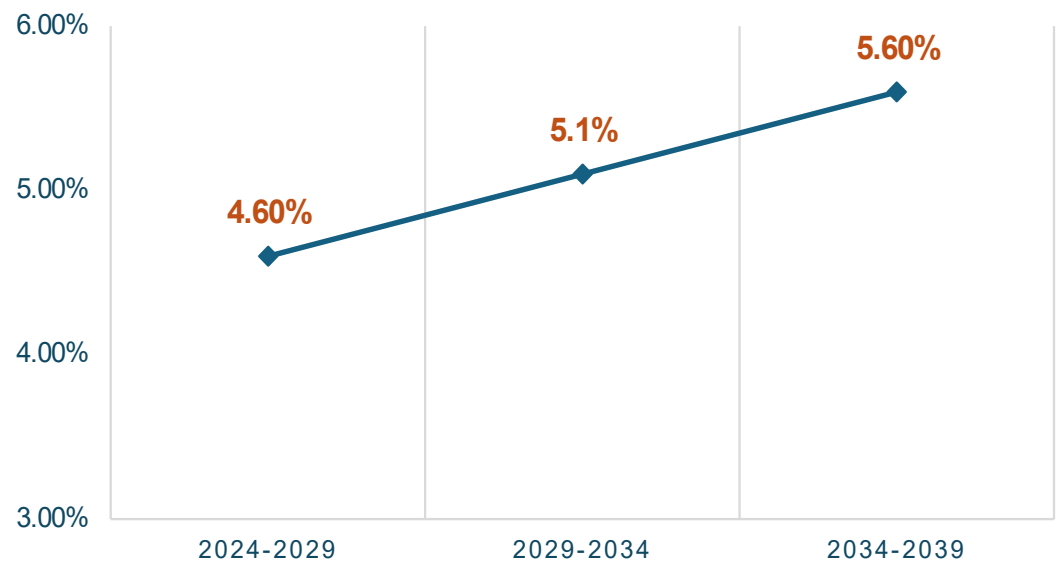
Tenant	SF	Annual Rent	Mo. Rent	Rent/SF	Lease Comm.	Lease Exp	Increases	Lease Type	Options
Habit Burger	2,800	\$153,753	\$12,812	\$4.16	3/19/2019	3/19/2028	10% every 5y	NNN	3 (5-year)
Firehouse Subs	1,199	\$55,393	\$4,616	\$3.50	9/13/2019	11/8/2029	10% every 5y	NNN	--
Roll-Em-Up Taquitos	2,040	\$91,800	\$7,650	\$3.75	5/14/2021	5/14/2031	10% every 5y	NNN	2 (5-year)
VACANT - Pro Forma	1,661	\$69,762	\$5,814	\$3.50	-	-	-	-	-
TOTAL	7,700	\$370,708	\$30,892	\$3.73 Avg					



NET OPERATING INCOME



CAP RATE



1500-1590 W. Valley Blvd

Colton, CA 92324



PRICE
\$15,000,000

CAP RATE
4.6%

GROSS LEASABLE AREA
13,450 SF

YEAR BUILT
2019/2020

LOT SIZE
3.0 AC

PARKING RATIO
9.6: 1,000



Pepper Ave

SPACE AVAILABLE
FOR TRUCKS
AND TRAILERS

LANE
LANE

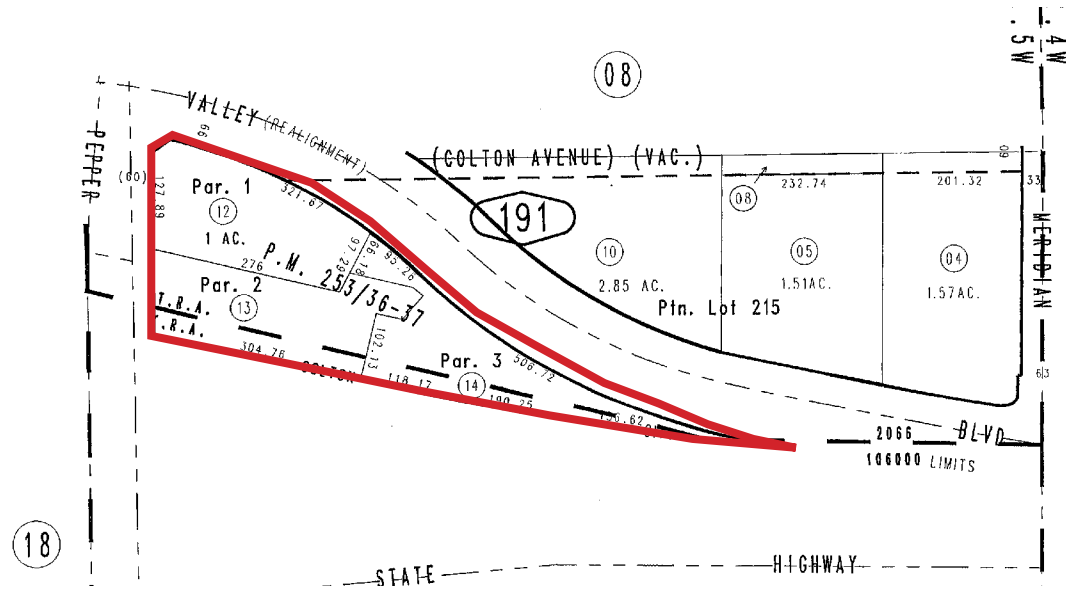
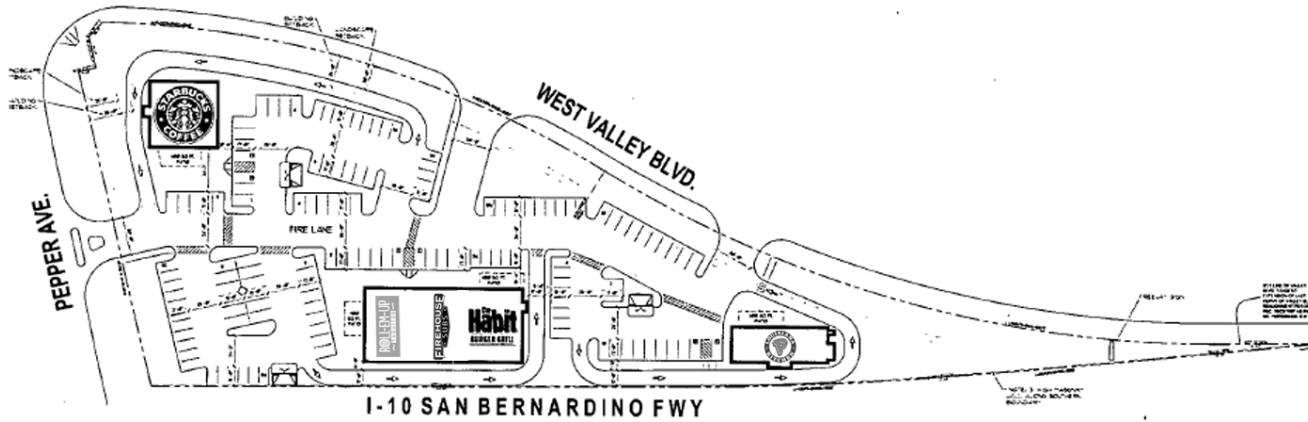








Site Plan & Plat Map



Market Overview

Marcus & Millichap
THE BITONTI GROUP

City Of [COLTON]

Colton is a city in San Bernardino County, California, United States. Nicknamed “Hub City”, it is located in the Inland Empire region of the state.

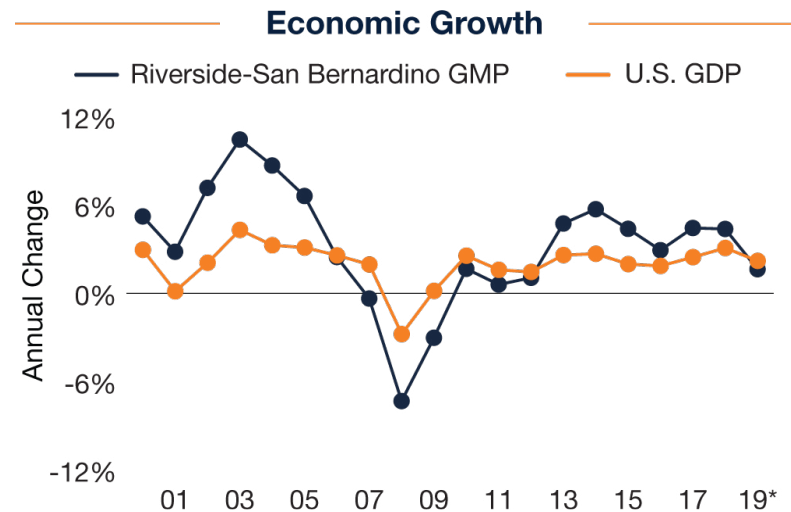
Colton is the site of Colton Crossing, which was one of the busiest at-grade railroad crossings in the United States. The crossing was installed in 1882 by the California Southern Railroad to cross the Southern Pacific Railroad tracks while building northward from San Diego. As a result of railroad acquisitions and mergers, this became the point at which the Burlington Northern Santa Fe’s “Southern Transcontinental Route” crossed the Union Pacific’s “Sunset Route”. As traffic on each line began to soar in the mid-1990s, fueled largely by the vast increase in imports passing through the ports of Los Angeles and Long Beach, the primitive crossing became a serious bottleneck. On August 28, 2013, the at-grade crossing was officially replaced by a fly-over that raises the east-west UP tracks over the north-south BNSF tracks.

	Employer	# of Employees
1	Arrowhead Regional Medical Center	3,300
2	Ashley Furniture Industries	1,350
3	Colton Joint Unified School District	740
4	CSM Bakery Products	552
5	Reche Canyon Rehabilitation & Health Care Center	340
6	City of Colton	296
7	Walmart	288
8	Stater Bros.	248
9	Angelica	235
10	Archer Daniels Midland	224



ECONOMY

- Intermodal infrastructure supports the warehousing and distribution industry. Ontario International and the Southern California Logistics Airport in Victorville are cargo airports that supplement the distribution system.
- Growth in the distribution industry impacts all others. Many Fortune 500 companies have massive distribution centers in the area, such as Amazon and Deckers. Available land allows further development.
- Relatively affordable housing supports local population growth. These gains heighten the need for housing, retail goods, personal and government services.



Demographics Overview

POPULATION	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Population	10,325	124,252	334,648
2022 Estimate			
Total Population	10,244	122,735	330,397
2010 Census			
Total Population	9,957	118,038	315,301
2000 Census			
Total Population	9,371	105,149	278,458
Daytime Population			
2022 Estimate	11,145	111,363	303,954
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Households	2,751	32,619	89,960
2022 Estimate			
Total Households	2,737	32,288	88,819
Average (Mean) Household Size	3.8	3.7	3.6
2010 Census			
Total Households	2,607	30,580	83,610
2000 Census			
Total Households	2,586	29,364	79,153
Occupied Units			
2027 Projection	2,858	33,588	93,448
2022 Estimate	2,847	33,351	92,535
HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2022 Estimate			
\$150,000 or More	4.8%	5.1%	6.7%
\$100,000-\$149,999	16.4%	13.9%	14.0%
\$75,000-\$99,999	17.7%	15.8%	15.6%
\$50,000-\$74,999	23.7%	19.4%	19.2%
\$35,000-\$49,999	15.2%	14.9%	14.1%
Under \$35,000	22.3%	30.9%	30.4%
Average Household Income	\$73,153	\$67,957	\$70,686
Median Household Income	\$61,074	\$54,730	\$56,609
Per Capita Income	\$19,613	\$17,964	\$19,244

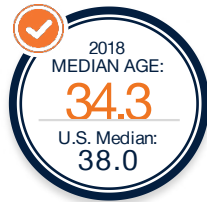
HOUSEHOLDS BY EXPENDITURE	1 Mile	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$130,889	\$119,449	\$121,287
Consumer Expenditure Top 10 Categories			
Housing	\$24,772	\$22,777	\$23,067
Transportation	\$10,670	\$9,510	\$9,652
Food	\$8,456	\$7,750	\$7,809
Personal Insurance and Pensions	\$7,380	\$6,492	\$6,655
Healthcare	\$4,360	\$4,229	\$4,258
Entertainment	\$3,114	\$2,636	\$2,746
Cash Contributions	\$2,099	\$2,039	\$2,110
Gifts	\$1,513	\$1,434	\$1,453
Apparel	\$1,348	\$1,267	\$1,271
Education	\$853	\$757	\$774
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2022 Estimate Total Population	10,244	122,735	330,397
Under 20	32.6%	32.8%	32.3%
20 to 34 Years	24.3%	23.9%	24.4%
35 to 39 Years	7.2%	7.0%	7.0%
40 to 49 Years	12.9%	12.1%	12.0%
50 to 64 Years	15.2%	14.7%	14.9%
Age 65+	7.7%	9.5%	9.4%
Median Age	30.7	30.7	30.8
Population 25+ by Education Level			
2022 Estimate Population Age 25+	6,151	73,233	198,532
Elementary (0-8)	14.7%	16.5%	15.8%
Some High School (9-11)	13.7%	18.2%	16.7%
High School Graduate (12)	32.5%	30.3%	29.9%
Some College (13-15)	22.4%	20.9%	20.7%
Associate Degree Only	5.4%	5.6%	6.0%
Bachelor's Degree Only	9.1%	6.5%	7.6%
Graduate Degree	2.2%	2.1%	3.4%



DEMOGRAPHICS

- The metro is expected to add nearly 240,000 people through 2023, and during this time, more than 105,000 households will be formed, generating demand for housing.
- The homeownership rate of 62 percent is below the national rate of 64 percent but well above large metros in California.
- The median home price of \$366,000 is also well below that of larger Southern California metros.

2018 Population by Age



QUALITY OF LIFE

Relatively affordable housing is a large draw of the metro. The median home price in Riverside-San Bernardino is lower than in Los Angeles and Orange Counties. The Inland Empire provides a number of cultural opportunities, including the Riverside Metropolitan Museum and the Museum of History and Art in Ontario. The Riverside County Philharmonic performs classical music concerts throughout the area. The region features an impressive offering of more than 20 college campuses, including nine community colleges, two California State University campuses and the University of California, Riverside.



SPORTS



ARTS & ENTERTAINMENT



RIVERSIDE-SAN BERNARDINO OVERVIEW

The Riverside-San Bernardino metro, also referred to as the Inland Empire, is a 28,000-square-mile region in Southern California composed of San Bernardino and Riverside counties. The metro contains a population approaching 4.6 million. The largest city is Riverside with more than 325,000 residents, followed by San Bernardino with nearly 221,000 people. Valleys in the southwestern portion of the region that are adjacent to Los Angeles, Orange County and San Diego County, are the most populous in the metro. These areas abut the San Bernardino and San Jacinto mountains, behind which lies the high desert area of Victorville/Barstow to the north and the low-desert Coachella, home of Palm Springs, to the east.

METRO HIGHLIGHTS



STRATEGIC LOCATION

Interstate access, close proximity to LAX and Ontario International airports as well as ports in Long Beach and Los Angeles contribute to the metro's vast air, rail and interstate transit network.



DOMINANT INDUSTRIAL MARKET

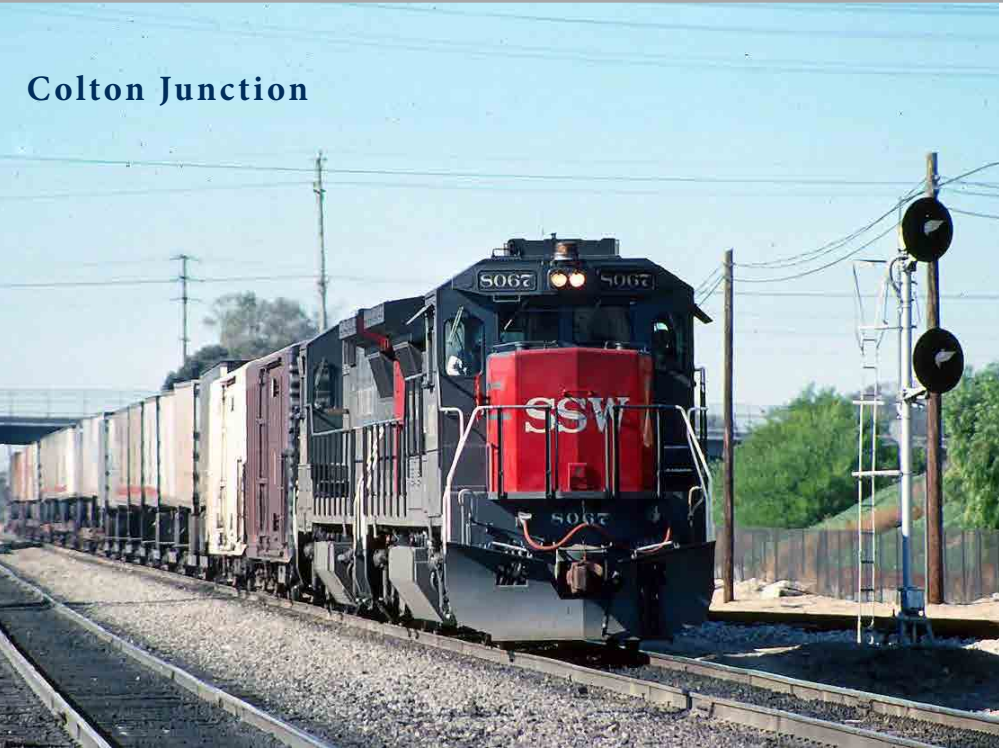
Riverside-San Bernardino is one of the nation's leading industrial markets in terms of sales, construction and absorption.



STRONG DEMOGRAPHIC TRENDS

Jobs, colleges, new-home construction and more affordable housing options draw thousands of new residents to the Inland Empire each year.

Colton Junction



Colton Carnegie Library



Arrowhead Regional Medical Center



California University of Science and Medicine



**NON-ENDORSEMENT AND DISCLAIMER NOTICE
CONFIDENTIALITY & DISCLAIMER**

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained here in the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap. This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

NON-ENDORSEMENT NOTICE

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

DRIVE BY ONLY. DO NOT WALK THE PROPERTY OR DISTURB THE TENANTS.

PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

PAUL BITONTI

Senior Vice President Investments

Senior Director - National Retail Group

Office: (949) 419-3246

Mobile: (714) 267-8582

paul.bitonti@marcusmillichap.com

License: CA 01325076