

LONG TERM ABSOLUTE NNN



GLENDALE, ARIZONA



ACTUAL PROPERTY

EXCLUSIVELY OFFERED BY:

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NET LEASE INVESTMENTS

 **CUSHMAN & WAKEFIELD**
Private Capital Group

TENANT:	Kwik Corner DBA Chevron Gas Station & Convenience Store
LOCATION:	3501 W. Union Hills Dr. Glendale, AZ 85308
APN:	207-20-002H
BUILDING SIZE:	±2,500 SF
LAND SIZE:	±0.67 AC (±29,272 SF)
YEAR BUILT:	1985 (renovated 2024)
RENT COMMENCEMENT:	01/01/2021
LEASE EXPIRATION:	12/31/2040 (±16 years remaining)
OPTIONS:	Two (2) Five (5) Year Options
RENT ADJUSTMENT:	2% annual increases including option period
LEASE TYPE:	Absolute NNN - No landlord responsibilities

OFFERING TERMS

CURRENT NOI: **\$106,511.32***

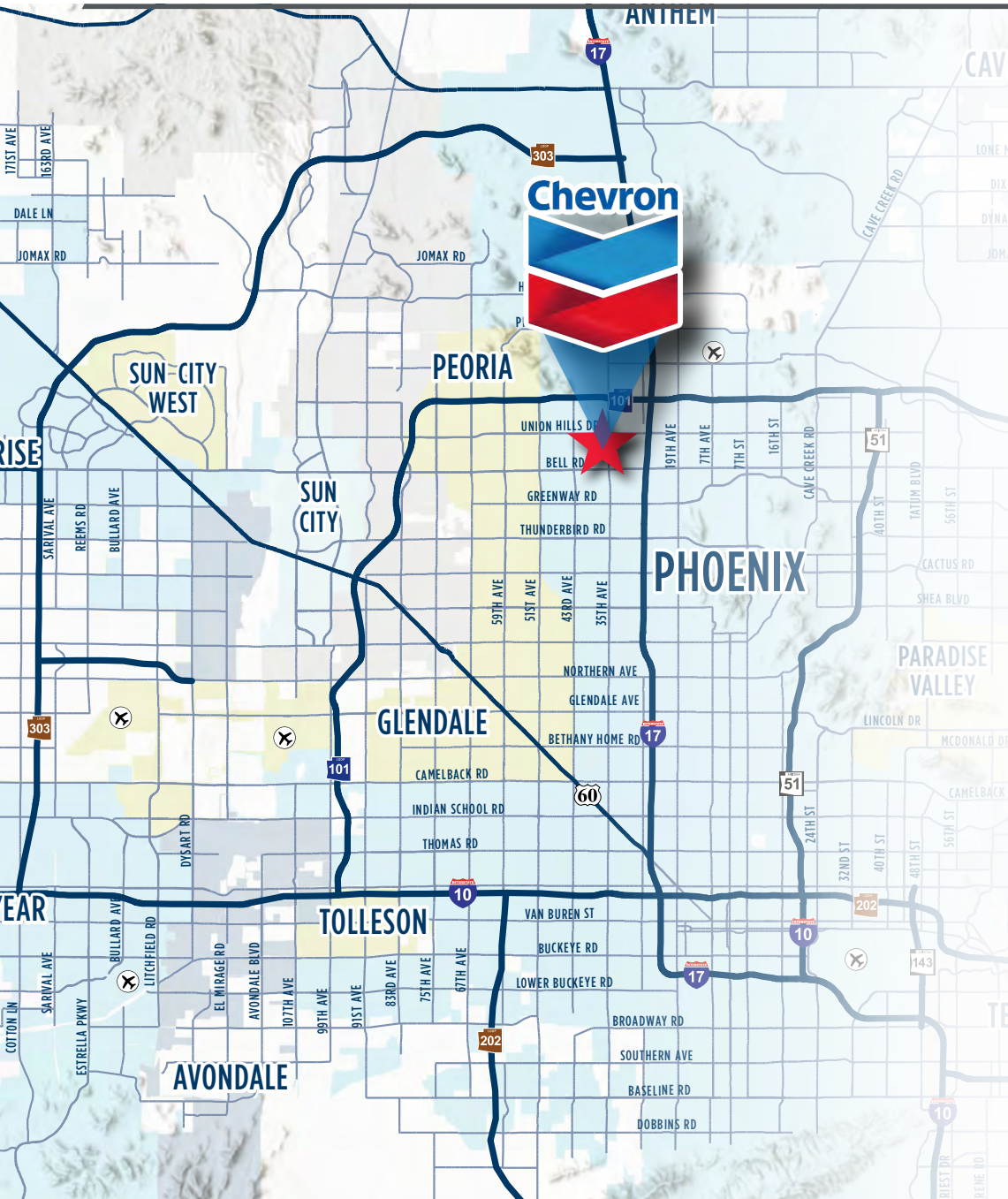
PRICE: **\$1,936,570**

CAP: **5.50%**

*Rent to increase 1/1/2025. Seller to credit rent difference at COE.

RENT SCHEDULE:

TERM	YEARS	INCREASE DATE	MONTHLY RENT	ANNUAL RENT	% INCREASE	CAP RATE
Primary	5	1/1/2025	\$8,875.94	\$106,511.32	2%	5.50%
Primary	6	1/1/2026	\$9,053.46	\$108,641.55	2%	5.61%
Primary	7	1/1/2027	\$9,234.53	\$110,814.38	2%	5.72%
Primary	8	1/1/2028	\$9,419.22	\$113,030.67	2%	5.84%
Primary	9	1/1/2029	\$9,607.61	\$115,291.28	2%	5.95%
Primary	10	1/1/2030	\$9,799.76	\$117,597.11	2%	6.07%
Primary	11	1/1/2031	\$9,995.75	\$119,949.05	2%	6.19%
Primary	12	1/1/2032	\$10,195.67	\$122,348.03	2%	6.32%
Primary	13	1/1/2033	\$10,399.58	\$124,794.99	2%	6.44%
Primary	14	1/1/2034	\$10,607.57	\$127,290.89	2%	6.57%
Primary	15	1/1/2035	\$10,819.73	\$129,836.71	2%	6.70%
Primary	16	1/1/2036	\$11,036.12	\$132,433.44	2%	6.84%
Primary	17	1/1/2037	\$11,256.84	\$135,082.11	2%	6.98%
Primary	18	1/1/2038	\$11,481.98	\$137,783.76	2%	7.11%
Primary	19	1/1/2039	\$11,711.62	\$140,539.43	2%	7.26%
Primary	20	1/1/2040	\$11,945.85	\$143,350.22	2%	7.40%



INVESTMENT HIGHLIGHTS

- Absolute NNN - no landlord responsibilities
- ±16 years remaining on primary lease term
- Recently renovated
- Attractive 2% annual increases
- **Qualifies for bonus depreciation**

TENANT HIGHLIGHTS

- 9 unit franchisee operator with a net worth of \$25M
- Chevron has ±8,000 locations in the US, with Arizona being one of the top states for number of locations
- Chevron had \$196.9B in sales and other operating revenues in 2023
- Additional personal guaranty with guarantor net worth above \$29.25M
- Property receives additional revenue from UHaul rentals, propane sales, and the restaurant

LOCATION HIGHLIGHTS

- Located on a hard corner with ±64,240 vehicles per day at 35th Avenue & Union Hills Road
- Strong household incomes over \$106,000 in a 5 mile radius
- Close proximity to the 101 Freeway and I-17 Freeway

BONUS DEPRECIATION - CHEVRON GLENDALE, AZ

Purchase Price	\$1,936,570
Cap Rate	5.50%
Cash Flow	\$106,511
60% Bonus Depreciation Year 1	\$810,678
Year 1 Aggregate Tax Loss from Asset	\$704,166

*Cushman & Wakefield and its affiliates do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.

*Based on a deduction of the land value equal to \$20/SF.



ACTUAL PROPERTY

BONUS DEPRECIATION - 60% YEAR 1

Bonus depreciation is a powerful tax-saving strategy that offers businesses and investors significant financial benefits. It was introduced as part of the Tax Cuts and Jobs Act (TCJA) in 2017, aiming to stimulate economic growth and incentivize investments in qualifying assets.

What is Bonus Depreciation?

Depreciation is an accounting method used to allocate the cost of tangible assets over their useful lives. Bonus depreciation allows taxpayers to deduct a substantial portion of the asset's cost in the year of acquisition, providing an immediate tax benefit rather than spreading it over several years.

Key Features of Bonus Depreciation:

a. **Increased Deduction:** Under the TCJA, bonus depreciation was set at 100% for qualified assets acquired between September 27, 2017, and January 1, 2023. This means that businesses could deduct the full cost of qualifying assets in the first year.

b. **Qualified Assets:** Bonus depreciation applies to tangible assets with a recovery period of 20 years or less, such as machinery, equipment, furniture, and certain improvements to buildings.

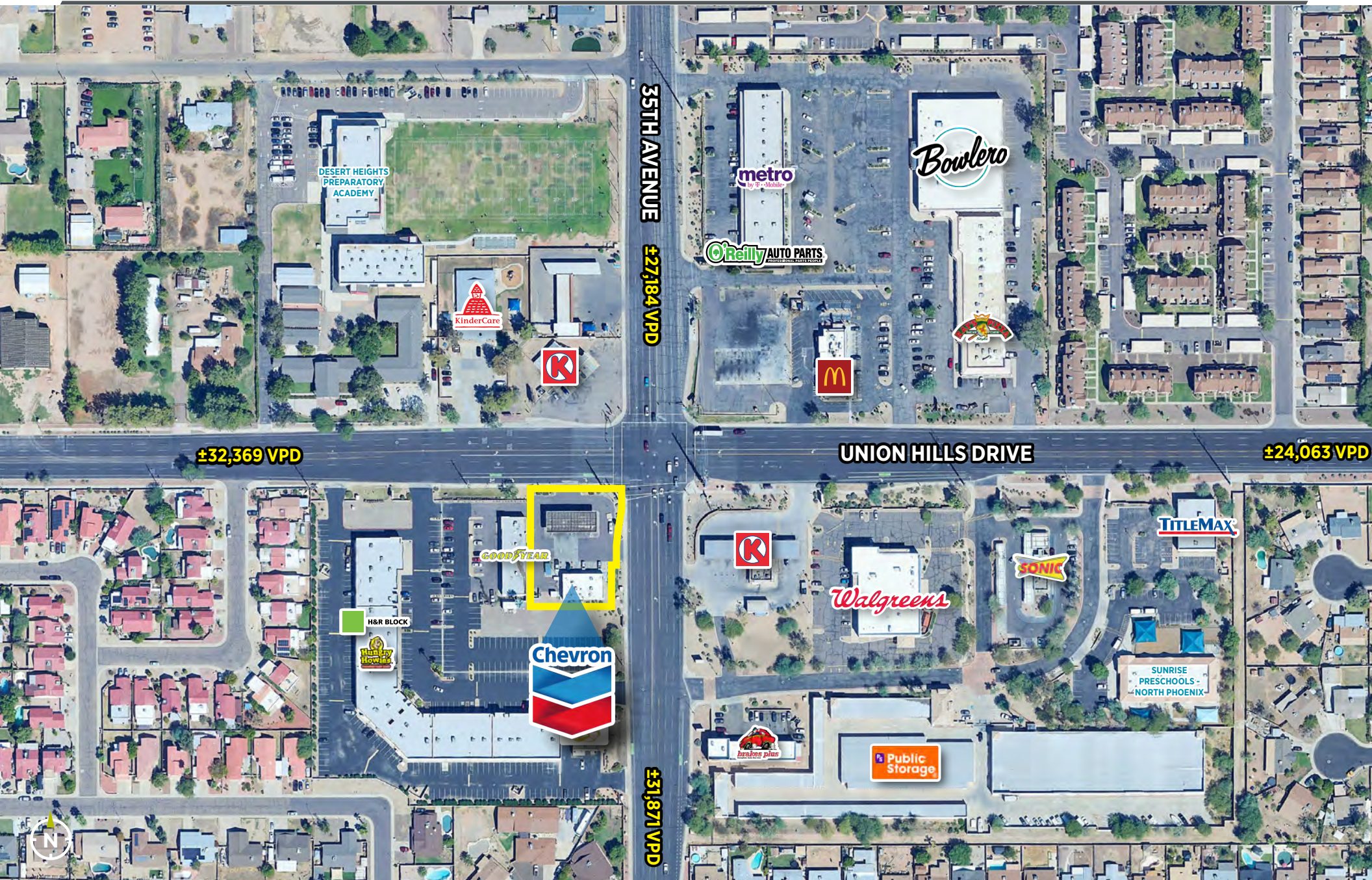
c. **Used and New Assets:** Unlike Section 179 expensing, bonus depreciation is available for both new and used assets, making it a valuable tool for businesses acquiring pre-owned equipment.

d. **Phased Reduction:** After January 1, 2024, the bonus depreciation percentage gradually decreases by 20% each year until 2027. For instance, it will be 60% in 2024, 40% in 2025, and so on.

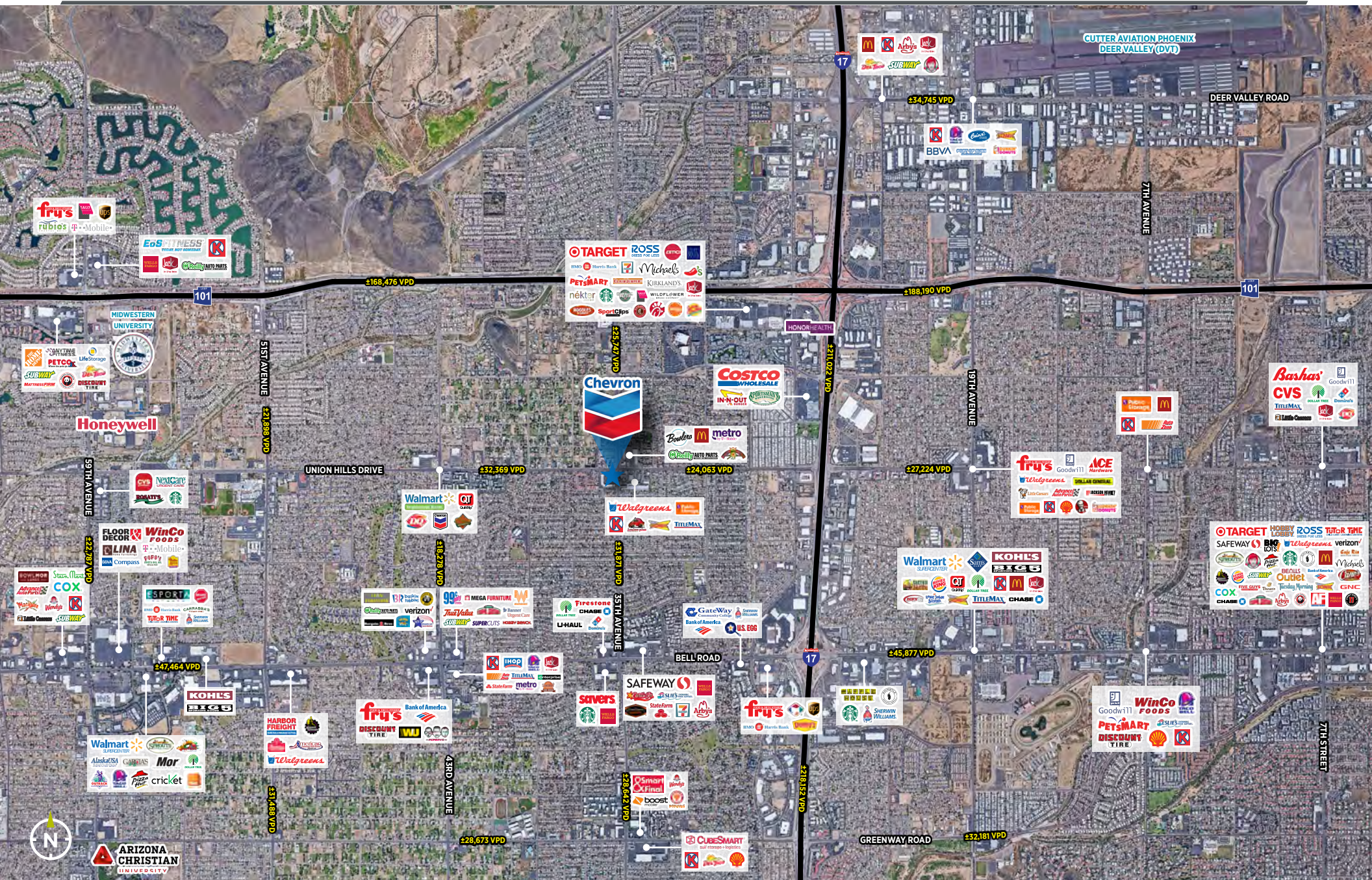
Source: www.bakertilly.com/insights/bonus-depreciation

SURROUNDING RETAIL MAP

PROPERTY OVERVIEW



CHEVRON GAS STATION & CONVENIENCE STORE | GLENDALE, AZ









Chevron is an American multinational energy corporation and is the second largest oil company in America. They are one of the successors of Pacific Coast Oil Co. that was originally founded September 10, 1879. Chevron is currently headquartered in San Ramon, CA and is active in 180 countries. In addition, they are engaged in every aspect of the oil and natural gas industries, including hydrocarbon exploration and production; refining, marketing and transport; chemicals manufacturing and sales; and power generation. Today Chevron’s products are sold in more than 8,000 locations under the Chevron and Texaco brands, 7,026 of those being exclusively Chevron in the United States. Arizona is in the top 10 states in the US for number of Chevron Stations and they have strong commitment to this territory. Chevron currently trades on the New York Stock Exchange under the ticker symbol (CVX) and has a current market cap over \$294 billion. The franchisee (Kwik Corner) operates 9 locations. There is an additional personal guaranty from Khaled Hammad (net worth: \$29.25M) for the term of the lease.

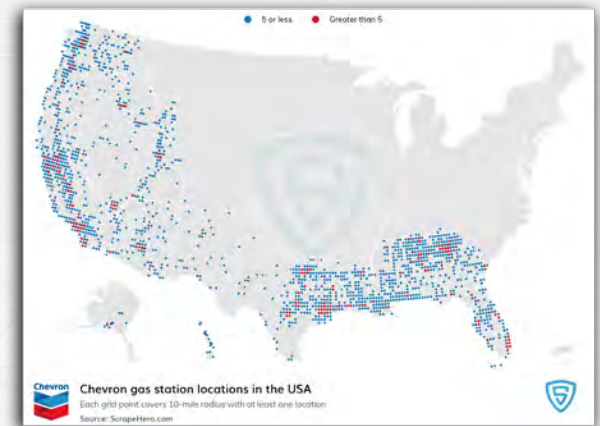
Chevron at a Glance

3.1 million barrels net oil-equivalent daily production ¹	\$261.6 billion total assets ²
11.1 billion barrels net oil-equivalent proved reserves ^{2,3}	\$196.9 billion sales and other operating revenues ¹

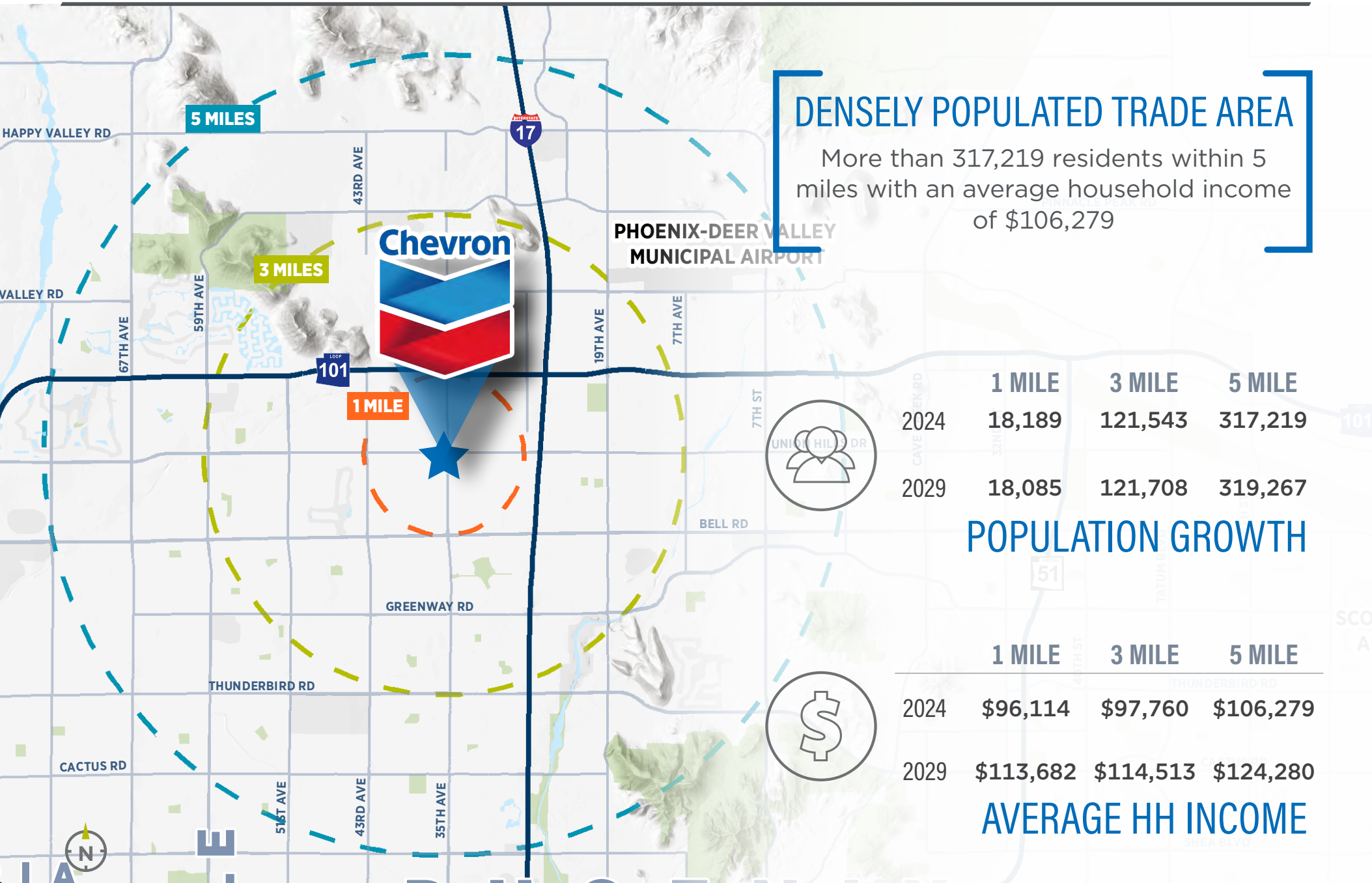
8,000
Locations

22
States and Territories

2,137
Cities



Source: www.chevron.com/annual-report; www.scrapehero.com/location-reports/Chevron-USA/



DENSELY POPULATED TRADE AREA

More than 317,219 residents within 5 miles with an average household income of \$106,279

	1 MILE	3 MILE	5 MILE
2024	18,189	121,543	317,219
2029	18,085	121,708	319,267

POPULATION GROWTH

	1 MILE	3 MILE	5 MILE
2024	\$96,114	\$97,760	\$106,279
2029	\$113,682	\$114,513	\$124,280

AVERAGE HH INCOME

Population

Glendale, Arizona's 6th largest city, is composed of a diverse and vibrant population covering a vast cross section of economic and cultural communities. Peoria is the ninth largest city in Arizona and is one of Metro Phoenix's largest municipalities in terms of size, covering 179 square miles. The Glendale-Peoria area is the leading economic engine of the Greater Phoenix West Valley. From its beginnings as an early farming settlement in the 1880's, to a military center of excellence after World War II, it is now a major sports and entertainment, education, military and corporate employment center.

Located in the Northwest Valley of Metro Phoenix, Glendale-Peoria is a community of over 426,973 residents. The median aged resident in the Glendale-Peoria area is 35.8, with a median household income of \$47,328.

Employment

A number of the top employers in the Northwest Valley are in healthcare. Others, are in manufacturing, education and local government. Throughout the years, the Northwest Valley has attracted a variety of stable, traditional industries and investments, such as education, healthcare

and commercial developments, that has positioned it for an even more dynamic future. Leveraging the cities' strengths is the most important way to sustain a positive economic environment, retain employment and attract new businesses to the community, making the community a great place to live, work, learn and play.

Education

The Northwest Valley offers numerous higher education opportunities including Arizona State University's West Campus, Midwestern University, DeVry University Westgate and Grand Canyon University. In addition, residents of Peoria enjoy one of the state's highest performing school districts, the Peoria Unified School District. As the third largest school district in Arizona, it serves 38,000 students.

Glendale/Peoria's education system is responsible for 5,655 high school graduates and 13,522 college graduates annually.

Commute/Transportation

Glendale-Peoria is highly accessible with a transportation infrastructure and services that support current economic development and planning that supports future

development. The area is bisected by four state highways, making it convenient to reach I-10 and I-17. These arteries provide access to numerous large and mid-sized metro areas in California, Texas, and the Southwest. In 2011, the Loop 303 connected I-10 to I-17, providing access to Northwest Phoenix. The 303 runs 7 miles through the West Valley's northern region, opening up the pristine landscape for commercial development as well as high-wage employment.

The city's freight rail service is provided by the Atchison, Topeka and Santa Fe Railroad (a portion of the Burlington Northern Santa Fe Railroad system). This affords Glendale-Peoria the opportunity to compete for industries needing rail service. Glendale also has its own municipal airport and is within 20-25 minutes of Phoenix Sky Harbor International Airport.

Glendale/Peoria's centralized location in the metropolitan area provides tremendous ease of access for over 1M drivers within 30 minutes.



Lifestyle & Entertainment

Glendale-Peoria today is the sports destination for all of Arizona. Gila River Arena and the NHL Coyotes continue to attract fans to new growth in the far western areas of the city. The state-of-the-art State Farm Stadium in Glendale is also host to the PlayStation Fiesta Bowl and College Football Playoff National Championship games, as well as the 2008 and 2015 Super Bowls. In 2017, Glendale hosted the NCAA Final Four at State Farm Stadium. This was Arizona’s first Final Four and the first in the West since 1995. Adjacent to Gila River Arena and State Farm Stadium is Glendale’s Westgate Entertainment District featuring shopping, dining and nightlife.

In addition to Historic Downtown, shoppers can also indulge at one of the largest malls in the region – Arrowhead Towne Center, featuring a movie theater and more than 170 shops and restaurants. Tanger Outlets Glendale is also located in the area offering more than 90 leading brand names and designer outlet stores.

The City of Peoria boasts Lake Pleasant, the state’s second-largest lake and recreation area. It is also home to Cactus League spring training baseball, with the Seattle Mariners and San Diego Padres sharing the Peoria Sports Complex. Peoria also features spectacular arts and

science venues such as the acclaimed Challenger Space Center Arizona, in association with the Smithsonian Institute. With more than 30 parks, residents and visitors alike enjoy scenic trail systems for biking and hiking. New River Trail accommodates non-vehicular users including walkers, joggers, strollers, bicyclists and equestrians. The system is more than 25 miles in length with more than 18 miles of the trail located within Peoria.

Housing

The Glendale-Peoria area is home to over 168,648 residential units. Of these units 89.5% are occupied and over 55.3% of those are owner occupied.

Glendale has 10 Historic Districts with homes ranging from bungalows to mid-century moderns to classic ranch style homes.



MAJOR GLENDALE EMPLOYERS

U.S. Air Force

Banner Health

Peoria Unified School District

Walmart

City of Glendale

Glendale Elementary School District

City of Peoria

Deer Valley Unified School District

Humana

Frys

Honeywell

Midwestern University

Sources: Moody’s Analytics; The Cromford Report; U.S. Census Bureau Census 2010 – ESRI Forecasts; 2016 MAG Employer Database; 2016 ARMLS and FBS. DMCA; Costar; 2016 Arizona Department of Education; Arizona State University – Degree Facts; GPEC, City of Glendale, VisitGlendale.com, City of Peoria, VisitPeoria.com; peoriaaz.gov; halosheaven.com (Christian Petersen/Getty Images); pleasantharbor.com; mytrilogylife.com

OFFERING MEMORANDUM



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