

## OFFERING MEMORANDUM

**PROGRESSIVE**  
REAL ESTATE PARTNERS

# FOOTHILL VILLAGE

14755-14765 Foothill Blvd, Fontana, CA 92335  
Offered At: \$5,610,000





# PRESENTED BY



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# INVESTMENT SUMMARY | Foothill Village

## THE OPPORTUNITY

**Progressive Real Estate Partners** is proud to present **Foothill Village**, a 100% occupied neighborhood retail center in the **dense, infill City of Fontana, CA**. With over **140,700** residents within 3-miles earning an average annual income of **\$89,700**, Foothill Village is strategically positioned as the “go-to” neighborhood retail center for much of the trade area’s residents. Foothill Village is situated along Foothill Blvd (**Route 66**), the trade area’s primary commercial/retail corridor with visibility to over **36,600** vehicles per day. The center benefits from significant daytime demand driven by the **7.3 million** square feet of industrial distribution centers across the street, much of which are occupied by national corporations such as **Target, UPS, Mercedes Benz, New Balance**, and more. With all 13 leases featuring **full NNN structures** and embedded annual increases primarily **3% or greater**, Foothill Village offers investors the opportunity to own an intrinsically valuable retail center with minimal downside exposure as well as tremendous upside through built-in rental growth.

## OFFERING SUMMARY

Sale Price:	\$5,610,000
Cap Rate (Year 1):	6.50%
Cap Rate (Year 3):	7.55%
Current Occupancy:	100%
Year Built:	2006
Building Size:	24,895
Total Land Area:	2.07 AC
Ownership:	Fee Simple (Land + Building)







### STRONG RETAIL INVESTMENT FUNDAMENTALS

- **100% Occupied**– Foothill Village is fully leased to 13 established service-oriented retailers
- **9.1% NOI Growth in First Year**– Embedded 3% annual increases plus a 14% increase for Carnitas El Pareja (Oct 2021) and a 38% increase for B&B Market (May 2021) create strong immediate NOI growth
- **Low Replaceable Rents**– Averaging \$1.29/SF NNN, rents at the center are markedly lower than the Fontana city-wide average retail rent of \$2.02/SF
- **Diversified Income Stream**– With 13 total tenants, each tenant represents on average 7.14% of the center's base rental income, creating a strong hedge against vacancy risk
- **2006 Construction**– High quality modern architecture with no known deferred maintenance. The property was completely repainted in 2019
- **E-Commerce Resistant Restaurant/Service Users** - The center is comprised of retail services that cannot be offered online, such as restaurant, dental, physical therapy, nail/beauty, and taekwondo.





### STRONG LOCATION ALONG HIGH TRAFFIC CORRIDOR

- **High Identity Route 66 Location** – Foothill Village is situated along Foothill Blvd (Route 66), the trade area's predominant commercial/retail thoroughfare with traffic counts exceeding 36,600 cars per day
- **Dense, Infill Trade Area**
  - More than **13,750** residents in a 1-mile radius with an Average Household Income exceeding **\$87,850**
  - More than **140,700** residents in a 3-mile radius with an Average Household Income exceeding **\$89,700**
  - More than **328,600** residents in a 5-mile radius with an Average Household Income exceeding **\$95,000**
- **High Growth Area** – More than 49,000 residents have moved into the 3-mile ring surrounding the property since 2000, representing a 53.5% increase in population
- **Heritage Village Master Planned Community** – Adjacent to over 3,300 single family homes with median prices exceeding \$494,900
- **Significant Industrial Activity Driving Daytime Demand**
  - Directly across from 7.3 million square feet of industrial distribution centers occupied by national corporations such as **Target, UPS, Mercedes Benz, New Balance, and Southern California Edison**
  - More than **5,200 employees** in 1-mile radius
  - More than **32,000 employees** in a 3-mile radius
  - More than **101,000 employees** in a 5-mile radius



# AERIAL | Foothill Village





# AERIAL | Foothill Village





# AERIAL | Foothill Village





# AERIAL | Foothill Village





# FINANCIAL SUMMARY | Foothill Village

REVENUE	Year 1	Year 3
Base Annual Rent	\$386,748	\$447,842
Expense Reimbursements [1]	\$154,800	\$161,007
Gross Operating Income	\$541,548	\$608,849
(Less) Vacancy Factor - 4%	(\$21,662)	(\$24,354)
<b>Effective Operating Income</b>	<b>\$519,886</b>	<b>\$584,495</b>

OPERATING EXPENSES		
Insurance	\$5,100	\$5,254
Landscaping	\$8,516	\$8,773
Trash/Refuse	\$8,538	\$8,796
Repairs & Maintenance	\$18,588	\$19,150
Utilities	\$30,861	\$31,794
Property Taxes [2]	\$63,034	\$64,939
Alarm/Telephone	\$3,917	\$4,035
Management (3%)	\$16,246	\$18,265
<b>Total Expenses</b>	<b>\$154,800</b>	<b>\$161,007</b>

<b>NET OPERATING INCOME</b>	<b>\$365,086</b>	<b>\$423,488</b>
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PRICING	
Purchase Price	\$5,610,000
Price/Sq. Ft.	\$225
Cap Rate (Year 1)	6.50%
Cap Rate (Year 3)	7.55%

PROPOSED FINANCING [3]		
Loan to Value	60%	
Down Payment	\$2,244,000	
Loan Amount	\$3,366,000	
Rate	4.25%	
Amortization/Term	30/10	
	<b>Year 1</b>	<b>Year 3</b>
Loan Payment	(\$198,704)	(\$198,704)
Leveraged Cash Flow	\$166,382	\$224,783
<b>Cash-on-Cash Return</b>	<b>7.41%</b>	<b>10.02%</b>
Principal Paydown	\$56,746	\$61,771
<b>Total Return</b>	<b>9.94%</b>	<b>12.77%</b>

## FOOTNOTES

[1] In-place operating expenses based upon actual 2019 expenses. Projected expenses assume 1.5% annual increases.

[2] Property taxes reassessed for sale at 1.11236%. Projected property taxes assumes 2% annual increases.

[3] For more information regarding financing, contact Mike Davis with Pacific Southwest Realty Services at (310) 440-2308.



# RENT ROLL | Foothill Village

Tenant Information					Year 1 (Oct 2020) Current Rent Summary					Year 3 (2023) Projected Rent Summary		
TENANT	UNIT	SIZE	BEGIN	END	RENT (MONTHLY)	RENT/SF (MONTHLY)	INCREASES	LEASE TYPE	OPTIONS	RENT (MONTHLY)	RENT/SF (MONTHLY)	LEASE TYPE
Building 1 - 14725 Foothill Blvd.												
Carnitas El Pareja	A	1,955	Sep-2011	Sep-2023	\$3,421	\$1.75	<u>Oct 2021:</u> 14% Increase to \$3,910/mo <u>Oct 2022:</u> 5% Increase to \$4,105/mo 3% Annually Thereafter	NNN	One 5-Year 3% Increases	\$4,106	\$2.10	NNN
Adom African Market	B	1,160	Aug-2013	Aug-2023	\$1,508	\$1.30	3% Annually	NNN	One 5-Year 3% Increases	\$1,600	\$1.38	NNN
Definition Sports Massage	CD	2,320	Oct-2018	Dec-2023	\$2,988	\$1.29	3% Annually	NNN	One 5-Year 3% Increases	\$3,169	\$1.37	NNN
Vivian Dentistry	E	1,160	Oct-2010	Sept-2020*	\$1,941	\$1.67	CPI Annually	NNN	None	\$2,842	\$2.45	NNN
Legendary Heroes Taekwondo	F	1,160	Jul-2013	Aug-2020	\$1,494	\$1.29	3% Annually	NNN	One 2-Year 3% Increases	\$2,030	\$1.75	NNN
First Institute Training & Management	GHI	3,480	May-2014	Aug-2021	\$3,320	\$0.95	3.5% Annually	NNN	One 3-Year 3% Increases	\$3,522	\$1.01	NNN
Cali Cuts	J	1,160	Oct-2010	Sep-2020	\$1,830	\$1.63	CPI Annually	NNN	None	\$2,030	\$1.75	NNN

\*Vivian Dentistry is a recession-era lease. It is far below market for a fully equipped dental suite. Market is \$2.25/SF to \$2.65/SF NNN. Call broker for comps.



# RENT ROLL | Foothill Village

					Year 1 (Oct 2020)					Year 3 (2023)			
Tenant Information				Lease Term		Current Rent Summary					Projected Rent Summary		
Tenant	Unit	Size	Begin	End	Rent (Monthly)	Rent/SF (Monthly)	Increases	Lease Type	Options	Rent (Monthly)	Rent/SF (Monthly)	Lease Type	
My Organic Nail Spa	K	1,160	Apr-2017	Sep-2024	\$2,097	\$1.81	3% Annually	NNN	One 5-Year 3% Increases	\$2,225	\$1.92	NNN	
The Dollhouse	L	1,160	Oct-2019	Dec-2022	\$1,740	\$1.50	3% Annually	NNN	One 3-Year 3% Increases	\$1,901	\$1.64	NNN	
Next Level Staffing	M	1,160	Mar-2019	Mar-2022	\$2,071	\$1.79	3% Annually	NNN	One 3-Year 2% Increases	\$2,197	\$1.89	NNN	
B&B Market	NO	1,800	Aug-2019	Apr-2025	\$1,718	\$0.95	May 2021: 38% Increase to \$2,368/mo  May 2022 - 2025: 3% Annually	NNN	Two 3-Year 2.5% Increases	\$2,512	\$1.40	NNN	
Uplifting Arts Academy	P	1,682	Dec-2018	Mar-2022	\$1,732	\$1.03	3% Annually	NNN	One 3-Year 3% Increases	\$1,838	\$1.09	NNN	
Building 2 - 14765 Foothill Blvd.													
Playas de Nayarit	14765	5,538	Sep-2018	Dec-2021	\$6,369	\$1.15	3% Annually	NNN	One 3-Year 3% Increases	\$7,130	\$1.29	NNN	
TOTAL SIZE	24,895 SF		MONTHLY BASE RENT (Year 1)		\$32,229			MONTHLY BASE RENT (Year 3)		\$37,102			
VACANT	0 SF	0.0%	ANNUAL BASE RENT (Year 1)		\$386,748			ANNUAL BASE RENT (Year 3)		\$445,229			
OCCUPIED	24,895 SF	100.0%											



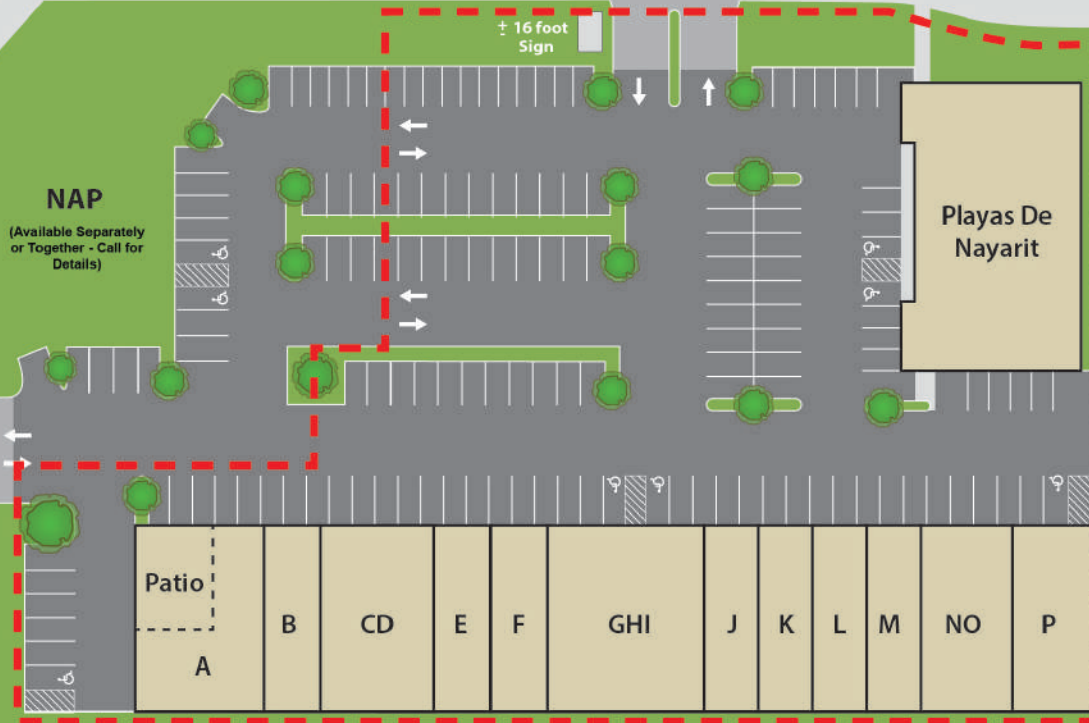


FOOTHILL BLVD

36,600 CPD



REDWOOD AVE



TENANT	SUITE	SIZE (SF)
Carnitas El Pareja Restaurant	A	1,955
Adom African Market	B	1,160
Definition Sports Massage	CD	2,320
Vivian Dentistry	E	1,160
Tae Kwon Do	F	1,160
First Institute Training	GHI	3,480
Cali Cuts	J	1,160
NhonChau Nail	K	1,160
The Dollhouse	L	1,160
Staffing Agency	M	1,160
B & B Market	NO	1,800
Uplifting Arts Dance Academy	P	1,682
Playas de Nayarit Restaurant	14765	5,538





# TENANT DESCRIPTIONS | Foothill Village



## Review by: Lydia

*"Great service and great food. I had the shrimp wrapped in bacon with cheese. It came with a side of rice and beans and a house salad. The shrimp were cooked perfectly with just the right amount of cheese. I had handmade corn tortillas that always compliment the dish. The rice and beans tasted great. I didn't try the salad because I usually prefer my salad on a separate plate. All around the food was great, they also serve you chips and consume de pescado (fish broth). I will definitely be returning to this place. They have a plethora of food that looks amazing. I highly recommend this place."*



First Institute Training & Management (FITM) has been providing Out of School Workforce Development programs since 2005. By prioritizing each participant's success and considering each individual's needs, FITM has assisted over 1700 youth gain a wealth of knowledge, self-esteem and the skills needed to be a valuable asset to the global economy. First Institute programs prepare them for employment through various programs that develop their skills. The program assists young adults in overcoming barriers to education and employment by targeting the individual needs and goals of each participant. Participants are prepared to enter many growing, in-demand careers including Medical Office Assistant, Welding Technology, and Business Computer Applications.

**Website:** [www.fitmnow.com](http://www.fitmnow.com)



## Review by: Kareem

*"It has been quite some time since I've been here and we were in the mood for some delicious tacos and carnitas. Fortunately, this place is open until 9:30pm on Fridays and still whipping up some of the best carnitas in town."*

*We opted for carnitas tacos de mano and burrito with carnitas, rice and beans. The food was entirely fresh and the salsa was spicy, but the agua de cebada is perfect to wash it down. For me, it reminds me of chocolate milk, but it is a combination of toasted barley, cinnamon and milk. I am sure there's additional sugar because it is perfectly sweet. Next time you're up for some good tacos, please visit this family owned establishment!"*



## VIVIAN DENTISTRY

## Review by: Lilly

*"This dentist office is amazing! Lucy, Dr. Godoy, and all the other staff are very sweet! If you're looking for a place to bring your child, this is the place to start everything! I love the staff! I love everything they do for me."*

*Dr. Godoy is an amazing dentist! She did a deep cleaning on my teeth and is very patient when doing work on my children. She is the first I've seen to take breaks and talk to the children to keep them calm and not frightened. The people at the front desk were extremely helpful and quick. I will definitely come back again."*



# TENANT DESCRIPTIONS | Foothill Village



Definition Sports Therapy was founded in 2016 by owner and founder Andrew Lopez, a longtime physical therapist and integral member of the sports therapy industry. Passionate about the benefits of massage but weary of the restrictions of working in a traditional spa, Definition opened its first location inside of a Rancho Cucamonga CrossFit gym in 2016. After growing the business over the course of three years, it became clear Definition needed a larger, permanent location in a more central location. With its proximity to the trade area's three major freeways and prominent Route 66/Foothill Blvd visibility, Foothill Village became an ideal fit for Definition.

Definition Sports Massage therapists are certified with the California Massage Therapy Council (CMTCC) and have over 15 years of massage experience. Definition Sports Massage Therapists have training in injury prevention, injury recovery, muscle manipulation, pre and post event, trigger point therapy, range of motion, active release techniques and lymphatic drainage.

**Website:** [www.definitionssportsmassage.com](http://www.definitionssportsmassage.com)



**Review by: Lissette**

*"I really enjoyed my experience. Everyone was so hospitable. Super clean! No harsh chemical smell like most places. I tried their natural nails and I absolutely loved it! I'm all for organic, and I found the right place to get my nails done."*



Next Level Staffing, LLC provides companies cost-effective solutions to their staffing needs. Their "Flat Fee Recruiting Service" saves companies time and money, while providing the same service a traditional Staffing Company provides, but at up to a 70% lower cost.

**Website:** [www.nextlevelstaffingllc.com](http://www.nextlevelstaffingllc.com)



**Review by: Celeste**

*"Great barbershop! My husband and two boys see Christina & Jaime. They ALWAYS do an awesome job! It's a very clean spot. Call and book an appointment and you will be in and out. We're more than satisfied with Cali Cuts! I definitely recommend them."*



**Review by Yolanda**

*"Ms. Shaquan is a great woman and dance teacher. Your children will absolutely love her! Patient and kind. Wonderful dance environment!"*



# TENANT DESCRIPTIONS | Foothill Village



Legendary Heroes Taekwondo is a family oriented martial arts and fitness studio. They are dedicated to making your experience enjoyable and satisfying. At LHT, they look forward to working with students and parents in this new journey towards the study of martial arts. Stop by and visit them if you are in the area and take advantage of a free class!

**Website:** [www.fontanataekwondofamily.com](http://www.fontanataekwondofamily.com)

## ADOM AFRICAN MARKET



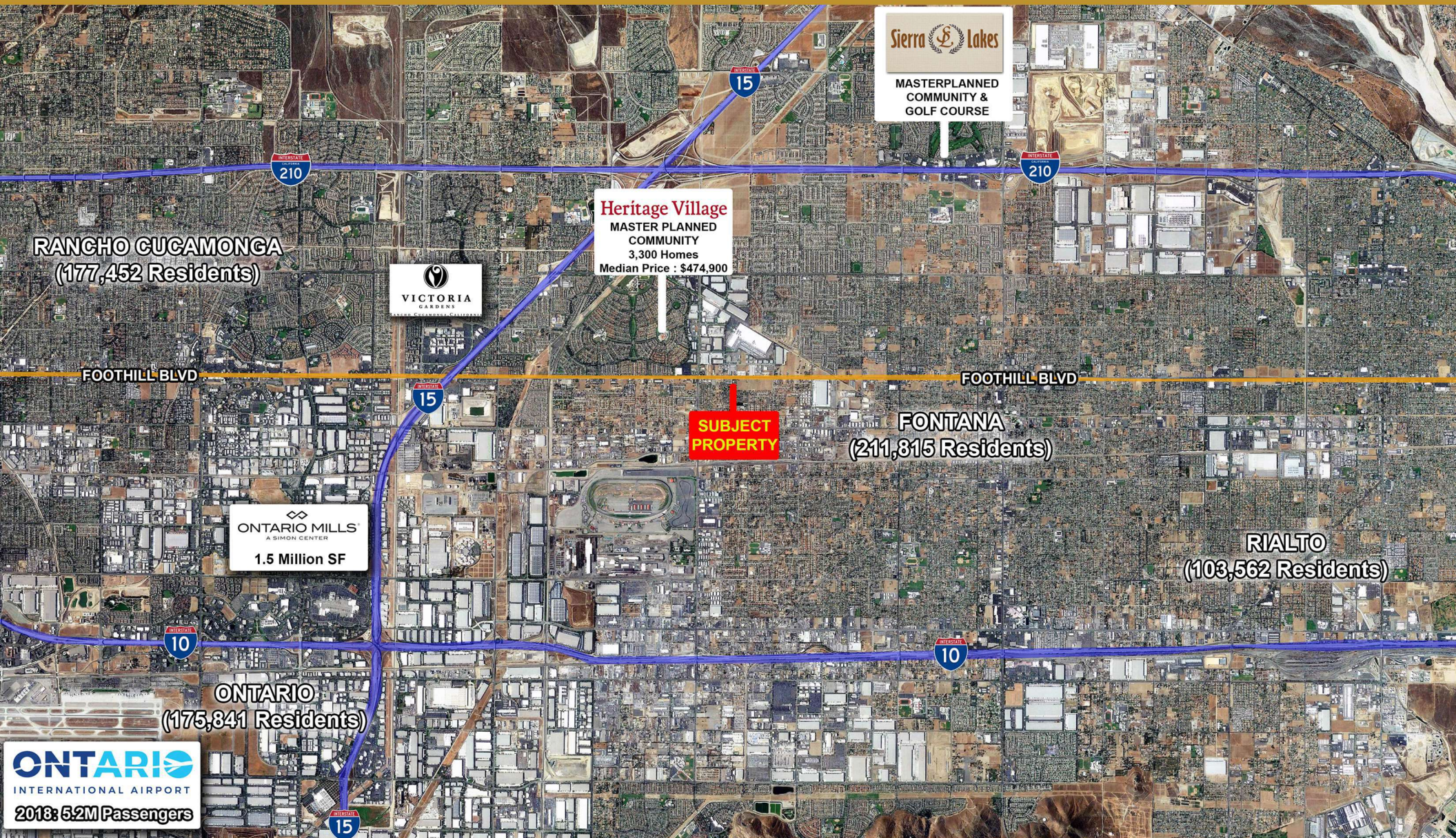
**Review by: Helena**

*"We were driving by and decided to give it a try for lunch. And it's a good thing we did, because man oh man, the food is good. Hot sauce is homemade and spicy, the way we like it, and the oxtail is killer. I never tried oxtail up until then, and the rice and veggies on the side makes it yum, yum, yum, scrumptious! I highly recommend."*





# LOCATOR MAP | Foothill Village





# REGIONAL MAP | Foothill Village





# TRADE AREA INFORMATION | Foothill Village



## FONTANA

Fontana is a growing city located against the base of the San Bernardino Mountains spanning across 43 square miles. With a 62% increase since 2000, the population of 211,709 makes Fontana the second most populous city in San Bernardino County and the 19th largest in the state.

Adjacent to the cities of Rancho Cucamonga and Ontario, Fontana presents a central location in the Inland Empire for businesses with many locations to choose from. Fontana identifies as "...the crossroads of the Inland Empire" as the I-10, I-210, and I-15 freeways run through Fontana, benefitting businesses with ease of access and high traffic. The San Bernardino line of the Metrolink runs through Fontana, providing quick and easy access to most cities between San Bernardino and Downtown Los Angeles.

The top employers in Fontana are Kaiser Permanente, Fontana Unified School District, the City of Fontana, Target, and Manheim Auctions with a total of 45,390 people employed in Fontana. Fontana has an unemployment rate of 3.8%, which falls below the state average. The City has also seen a 4.5% increase in job growth in the past year.

In addition to a large residential base, Fontana is home to the 568-acre Auto Club Speedway which hosts more than 100 events each year drawing people year-round. These events include the NASCAR Monster Energy Cup Series, Xfinity Series, and the IndyCar Series. The Auto Club Speedway can host up to 122,000 people per race drawing tourists to the city from near and far.

Fontana continues to grow and prosper and has many new residential and commercial developments planned in the near future. Current developments include Monarch Hills, a new residential development that will cover approximately 136.4 acres and include five gated communities. The City of Fontana also has received proposals to build two commercial shopping centers, in which Super Wal-Mart's would be the anchor. Fontana is currently developing Duncan Canyon, a large retail space development along the I-15 freeway. This plan also includes several mid-rise office and hospitality elements. Fontana also plans on developing the West Valley Logistics Center which will build 3,530,000 square feet of new warehouse development and 70,000 square feet of new office space. In 2018, there were 435 homes built, and there are 1,500 homes in the planning stages.



# PROPERTY INFORMATION | Foothill Village

## ADDRESS

14755-14765 Foothill Blvd

## APN

0230-071-10,-11

## SIZE

2.07 AC

## LOCATION DESCRIPTION

The property is located on the southeast corner of Foothill Blvd and Redwood Ave.

## BUILDING AREA

Approximately 24,895 square feet of rentable building area.

## PARCEL

The property consists of a two parcels containing approximately 2.07 acres or ±90,169 square feet of land area.

## PARKING

The property consists of approximately 154 dedicated parking stalls for use within the shopping center.

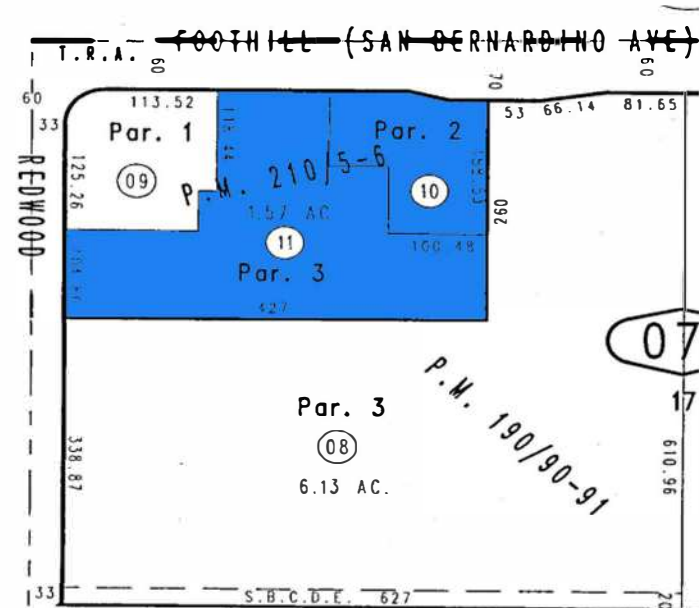
## YEAR BUILT

2006

## ACCESS

There are two access points to Foothill Village, one from Foothill Blvd and one from Redwood Ave.

## PARCEL MAP



## ZONING

The parcel is zoned C2 - General Commercial

## TRAFFIC COUNTS

Foothill Blvd 36,600 CPD



# TRADE AREA DEMOGRAPHICS | Foothill Village

	<u>1-Mile</u>	<u>2-Mile</u>	<u>3-Mile</u>	<u>5-Mile</u>
<b>Population</b>				
2023 Projection	14,202	74,104	147,802	344,693
2018 Estimate	13,754	71,212	140,734	328,697
2010 Census	13,077	66,676	128,836	301,788
2000 Census	10,390	49,542	91,657	217,668
Growth 2000-2010	25.9%	34.6%	40.6%	38.6%
Growth 2010-2018	5.2%	6.8%	9.2%	8.9%
Growth 2018-2023	3.3%	4.1%	5.0%	4.9%
<b>Households</b>				
2023 Projection	3,398	17,543	36,021	89,182
2018 Estimate	3,295	16,915	34,355	85,179
2010 Census	3,155	15,965	31,697	78,739
2000 Census	2,539	12,077	22,960	57,726
Growth 2000-2010	24.3%	32.2%	38.1%	36.4%
Growth 2010-2018	4.4%	6.0%	8.4%	8.2%
Growth 2018-2023	3.1%	3.7%	4.8%	4.7%
<b>Average Household Income</b>				
2018 (current)	\$87,851	\$91,384	\$89,718	\$95,033
2023 (projected)	\$102,992	\$107,717	\$106,503	\$112,107
<b>2018 Population by Ethnicity</b>				
White Alone	44.4%	45.8%	45.6%	47.3%
Black or African American Alone	8.7%	9.5%	8.9%	9.3%
American Indian/Alaska Native Alone	1.1%	0.9%	1.0%	0.9%
Asian Alone	8.4%	8.1%	7.8%	8.6%
Pacific Islander Alone	0.5%	0.3%	0.3%	0.3%
Other Race	31.6%	30.2%	31.2%	28.4%
Two or More Races	5.3%	5.1%	5.2%	5.3%
<b>2018 Population by Ethnicity (Hispanic or Latino)</b>				
Hispanic or Latino	70.6%	69.9%	70.0%	64.9%
Not Hispanic or Latino	29.4%	30.1%	30.0%	35.1%