OFFERING MEMORANDUM

PRESERVE WEST CAPITAL

# Umpqua Bank

## El Dorado Hills, CA | Greater Sacramento

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Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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# PROPERTY HIGHLIGHTS

- Long-Term NNN Lease to Umpqua Bank (NASDAQ: UMPQ)
  - No Landlord Maintenance Responsibilities
  - Rare 1% Annual Rental Escalations
- Corporate Guarantee from Investment Grade Tenant Rated BBB+ by Fitch
  - $29.2 Billion in Assets
  - $74.8 Million in Deposits at this Location
  - Umpqua's 2nd-Largest Branch in El Dorado County by Deposits
- Prominent Location with Excellent Access and Visibility along El Dorado Hills Blvd Adjacent to Lincoln Highway Junction
  - Combined AADT of 106,726
- Strong Retail Trade Area – Nearby Anchor Tenants Include Whole Foods, Costco, Sam's Club, Target, Raley's, Nugget Markets, Walgreens, CVS & More
- Robust Demographics in Surrounding Area
  - Average Household Income of $179,848 within 3 Miles of Site
  - Population of 113,341 within 5 Mile Radius
  - Daytime population of 677,540 in 15 mile radius
- Affluent & High-Growth Sacramento Suburb Surrounded by New Development
  - Annual Population Growth Rate of 2.06% within 1 Mile of Property
  - 72% of Households within 3 Mile Radius Earn $100,000+ Annually
- Tenant Signed a New 12 year Lease in 2017 Showing their Commitment to this Location
- 1 Mile from Offices of Blue Shield of CA – County's Largest Employer
- 4 Miles from Folsom Lake College
  - More than 8,700 Students Enrolled
- Approximately 27 Miles from Sacramento & 82 Miles from Lake Tahoe

## PRICE

# $6,163,000

## 5.00% CAP Rate

## Location

The property is located at 3880 El Dorado Hills Blvd in El Dorado Hills, California.

## Lot Size

Approximately 0.869 acres or 37,842 square feet.

## Improvements

A 6,475 square foot bank building with a drive-thru ATM component for **Umpqua Bank**.

## Parking

There are 24 parking spaces available on site.

## Lease

Leased to **Umpqua Bank** for 12 years from December 1, 2017 through November 30, 2029 at a current annual rent of $296,206, which shall increase to $299,168 on December 1, 2021. There are two (2) five-year options to renew the lease. Rent is to increase by 1% annually on December 1 of each year throughout the primary term; rent is to increase by the cumulative change in CPI over the preceding lease term at the start of each option period, and by 1% annually during the option period thereafter. The lease is net with tenant responsible for all taxes, insurance, maintenance, including roof and structure, and a management fee equal to 3% of base rent.

## Financing

This property will be delivered free and clear of permanent financing.

## Annual Rent

| Years | | Base Rent | Property Management Fee Income | Total | Return |
|---|---|---|---|---|---|
| Year 1 | | $279,121 | $8,374 | $287,495 | |
| Year 2 | | $284,704 | $8,541 | $293,245 | |
| Year 3 | | $290,398 | $8,712 | $299,110 | |
| Year 4 | (Current Rent) | $296,206 | $8,886 | $305,092 | |
| **Year 5** | **(Capitalized Rent)** | **$299,168** | **$8,975** | **$308,143** | **5.00%** |
| Year 6 | | $302,160 | $9,065 | $311,224 | 5.05% |
| Year 7 | | $308,203 | $9,246 | $317,449 | 5.15% |
| Year 8 | | $314,367 | $9,431 | $323,798 | 5.25% |
| Year 9 | | $320,654 | $9,620 | $330,274 | 5.36% |
| Year 10 | | $327,067 | $9,812 | $336,879 | 5.47% |
| Year 11 | | $333,609 | $10,008 | $343,617 | 5.58% |
| Year 12 | | $340,281 | $10,208 | $350,489 | 5.69% |
| Year 13 | Option 1 | $347,086 | $10,413 | $357,499 | 5.80% |
| Year 14 | Option 1 | $354,028 | $10,621 | $364,649 | 5.92% |
| Year 15 | Option 1 | $361,109 | $10,833 | $371,942 | 6.04% |
| Year 16 | Option 1 | $368,331 | $11,050 | $379,381 | 6.16% |
| Year 17 | Option 1 | $375,698 | $11,271 | $386,968 | 6.28% |
| Year 18 | Option 2 | $383,211 | $11,496 | $394,708 | 6.40% |
| Year 19 | Option 2 | $390,876 | $11,726 | $402,602 | 6.53% |
| Year 20 | Option 2 | $398,693 | $11,961 | $410,654 | 6.66% |
| Year 18 | Option 2 | $406,667 | $12,200 | $418,867 | 6.80% |
| Year 19 | Option 2 | $414,800 | $12,444 | $427,244 | 6.93% |

# ABOUT THE TENANT

**Umpqua Holdings Corporation (NASDAQ: UMPQ)** is the parent company of Umpqua Bank, the largest bank headquartered in the Pacific Northwest, with 229 branches across Oregon, California, Washington, Idaho, and Nevada. Umpqua Bank has been recognized for its innovative customer experience and banking strategy by national publications including The Wall Street Journal, The New York Times, BusinessWeek, Fast Company and CNBC. The bank provides a wide array of banking services and financial products, including deposit accounts, commercial loans, commercial leases, treasury management, wealth management, mortgage loans, consumer loans, equipment financing, credit cards, and more.

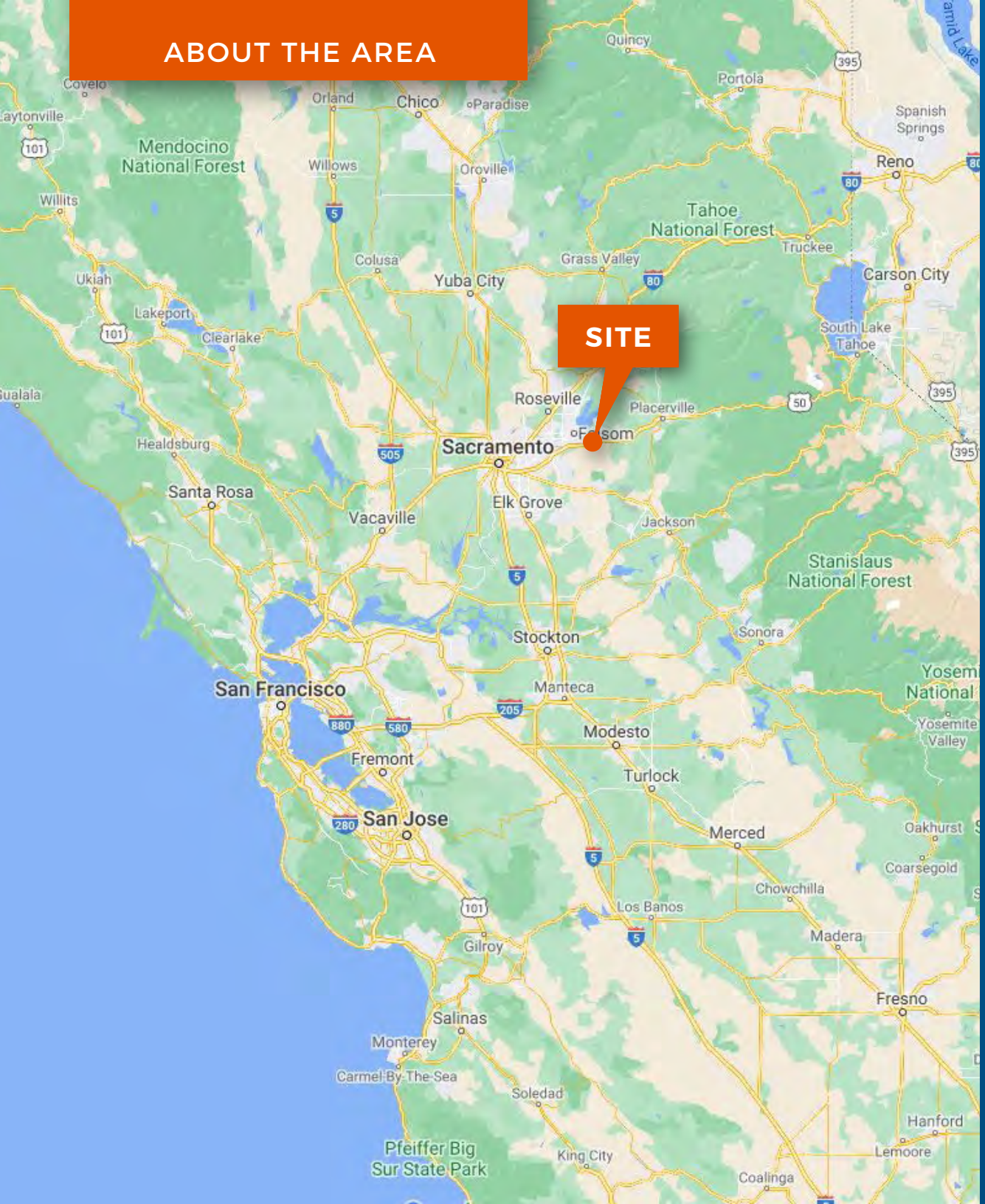
As of December 31, 2020, Umpqua Bank reported $29.2 billion in assets and $24.76 billion in deposits. For 2020, the bank reported revenue of $1.29 billion and total stockholder equity of $2.7 billion. Umpqua Bank is rated BBB+ by Fitch and BBB- by S&P.

# SITE PLAN

UMPQUA
B·A·N·K
6,475 SF
SIGN
MAMMOUTH WAY
SARATOGA WAY
EL DORADO HILLS BOULEVARD

# AERIAL

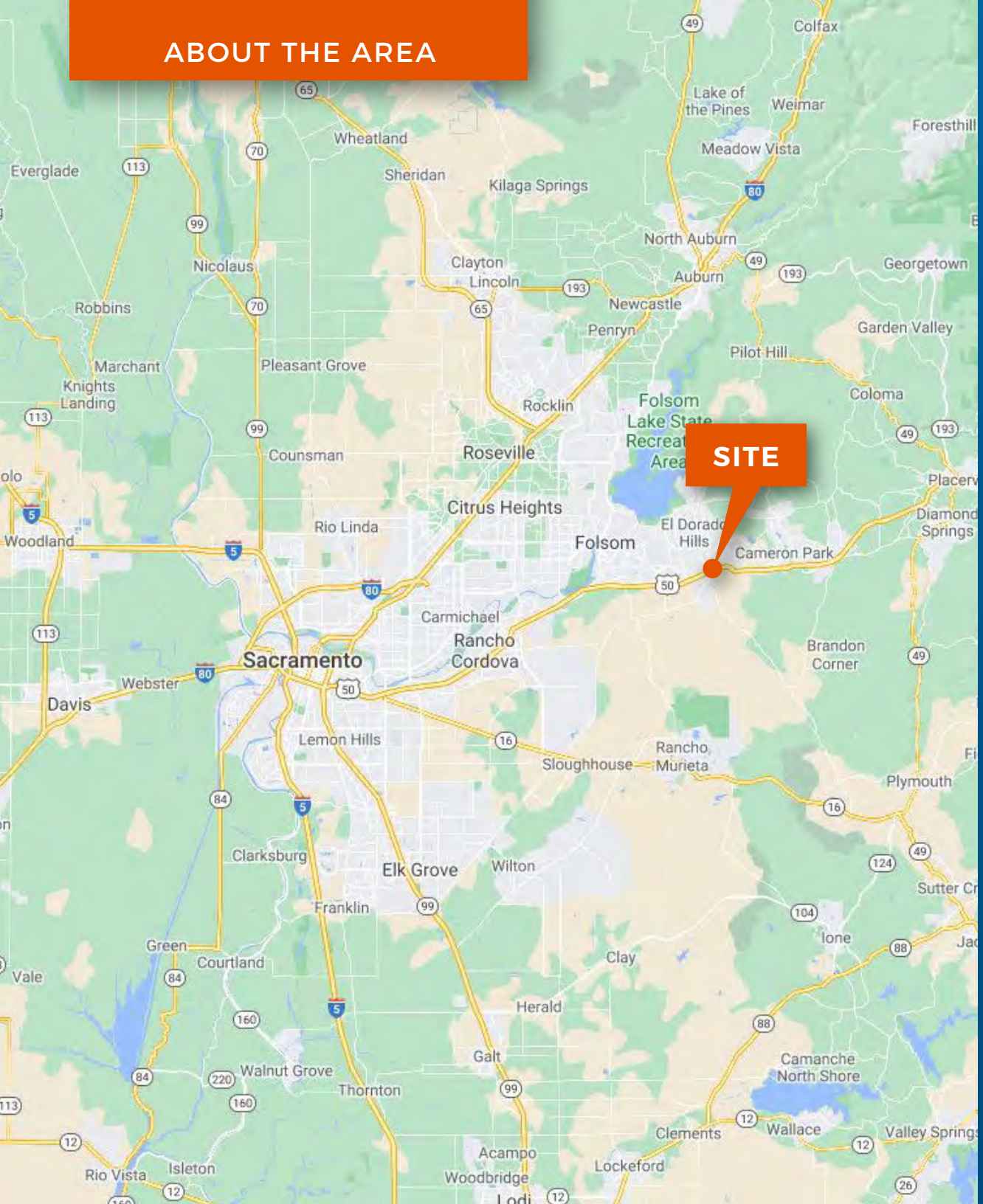
TARGET
REGAL CINEMAS
pure barre
SportClips
Sourdough & Co
Holiday Inn Express & Suites
McDonald's
orangetheory FITNESS
El Dorado Hills Sports Club
PANDA EXPRESS
Nugget MARKETS
Round Table PIZZA
CHASE
SUPERCUTS
ME Massage Envy
the Golden 1
UMPQUA BANK
blue california
CVS pharmacy
Peet's COFFEE
usbank
50 (75,000 AADT)
Raley's
Jack in the box
SUBWAY
CIRCLE K
KinderCare
ups
76
TACO BELL
EL DORADO SAVINGS BANK
Walgreens
Saratoga Way
El Dorado Hills Blvd (31,726 AADT)
La Bogata
Bank of America
kw KELLERWILLIAMS
SKY SUSHI
SIENNA MODERN AMERICAN
FLIGHTZ ARTISAN FOOD • WINE • BEER
MDSTAT URGENT CARE
One 2 One Dental
PLACER TITLE COMPANY
Park Oaks Village




# General Overview

El Dorado Hills (population 46,593) is an affluent suburb of Sacramento located in El Dorado County, approximately 27 miles from downtown Sacramento and 82 miles from Lake Tahoe. El Dorado Hills is located within the Sacramento-Arden-Arcade-Roseville Metropolitan Statistical Area (population 2,324,884), and benefits from the robust Sacramento regional economy, with an MSA GDP of $145.5 billion annually.

Sacramento (population 485,199) is the seat of Sacramento County and the capitol of California. The greater Sacramento area is served by several major highways: Interstate 80, a major east-west arterial, connects Sacramento to San Francisco in the West and Reno in the East. Interstate 5 connects the city to Redding and Oregon in the North and to the Central Valley in the south. CA State Route 99 spans nearly the entire length of the Central Valley, connecting Sacramento to Fresno, Bakersfield, Merced, Stockton, and Chico, among others. Amtrak provides commuter rail service to the San Francisco Bay Area, Southern California, Oregon, Nevada, Washington, and the Midwest, and is the second busiest Amtrak station in California. The Sacramento International Airport provides air transportation to the region, serving more than 10 million passengers each year.




# Site Information

The subject property is prominently located with excellent access and visibility along El Dorado Hills Boulevard (31,726 AADT) adjacent to its junction with Lincoln Highway/US-50 (75,000 AADT). The site benefits from robust, affluent demographics within an established Sacramento suburb with a population of 113,341 within a five mile radius and average household income of $179,848 within 3 miles of the site. Approximately 72% of households within 3 miles of the property earn more than $100,000 annually. The annual population growth rate within 1 mile of the site is 2.06%.

The site benefits from a prominent retail location in close proximity to shopping centers, major retail tenants, and employers. Nearby shopping centers include La Borgata, anchored by Raley's; El Dorado Town Center, anchored by Target & Nugget Markets; Folsom Gateway, with tenants including Sam's Club, REI, Best Buy, and PetSmart; Palladio, featuring Whole Foods Market, Kirkland's, & Nordstrom Rack; Broadstone Plaza, featuring The Home Depot, Cost Plus World Market, Ross, Michael's, & Total Wine; Broadstone Marketplace, anchored by Bel Air; Folsom Square, anchored by Target, Homegoods, and Trader Joe's; and Folsom Faire Shopping Center, anchored by Grocery Outlet. Other major retail tenants in the surrounding area include Costco, Walmart Supercenter, CVS, Walgreens, Sprouts Farmer's Market, and more. In addition, the property is located approximately 1 mile from the offices of Blue Shield of California, El Dorado County's largest employer. The property is approximately 4 miles from Folsom Lake College, with nearly 9,000 students enrolled.

This location holds branch deposits of approximately $74.8 million and is Umpqua's second-largest branch by deposits county-wide.

# DEMOGRAPHICS

## 3880 El Dorado Hills Blvd | El Dorado Hills, CA 95762

TOTAL POPULATION
**113,341**

AVG. HOME VALUE
**$693,176**

AVG. HOUSEHOLD INCOME
**$179,848**

| Population Summary | 1 Mile | 3 Miles | 5 Miles |
|---|---|---|---|
| 2010 Total Population | 4,877 | 38,028 | 97,178 |
| 2020 Total Population | 5,238 | 47,989 | 113,341 |
| 2025 Total Population | 5,799 | 52,899 | 121,035 |
| 2020-2025 Annual Rate | 2.06% | 1.97% | 1.32% |
| **Average Household Income** | | | |
| 2020 | $170,802 | $179,848 | $157,800 |
| 2025 | $191,995 | $203,360 | $179,953 |
| **Average Home Value** | | | |
| 2020 | $665,756 | $693,176 | $634,881 |
| 2025 | $710,346 | $732,952 | $677,662 |

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