

SINGLE TENANT NET LEASE
INVESTMENT OFFERING

BIG LOTS!



HANFORD, CALIFORNIA (CENTRAL VALLEY)

 **FARISLEE**
Investments
NATIONAL SINGLE-TENANT
NET LEASE GROUP

HANFORD **BIG LOTS**

150 S. 11TH AVENUE, HANFORD, CA



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STATEMENT OF CONFIDENTIALITY & DISCLAIMER

Faris Lee Investments ("FLI") has been engaged as the exclusive financial advisor to the Seller in connection with Seller's solicitation of offers for the purchase of the property known as Big Lots, City of Hanford, County of Kings, State of California. Prospective purchasers are advised that as part of the solicitation process, Seller will be evaluating a number of factors including the current financial qualifications of the prospective purchaser. Seller expressly reserves the right in its sole and absolute discretion to evaluate the terms and conditions of any offer and to reject any offer without providing a reason therefore. Further, Seller reserves the right to terminate the solicitation process at any time prior to final execution of the Purchase Agreement.

The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property, and it is not to be used for any other purpose or made available to any other person without the express written consent of Seller or FLI. The material is based in part upon information supplied by the Seller and in part upon financial information obtained by FLI from sources it deems reasonably reliable. Summaries of any documents are not intended to be comprehensive or all-inclusive, but rather only outline some of the provisions contained therein and qualified in their entirety by the actual document to which they relate.

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A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or FLI or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

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HANFORD **BIG LOTS!**
PROPERTY OVERVIEW

BIG
LOTS!





PRICING

Price:	\$4,170,000
NOI:	\$250,191
Cap Rate:	6.0%
Price/SF:	\$150

LEASE SUMMARY

Lease Expiration:	1/31/2026
Remaining Term:	8-years
Options to Extend:	3 (5-year)
Lease Type:	NNN
Tenant Responsibilities:	Taxes, Insurance & CAM
Landlord Responsibilities:	Roof & Structure
Roof Warranty:	Yes - 10-years

Investment Summary

Faris Lee Investments is pleased to offer for sale the fee simple interest (land & building) in a single-tenant, corporate, NNN leased Big Lots located in Hanford, CA. The tenant, PNS Stores Inc. dba Big Lots, has 8 years remaining on an initial 10 year term, with 3 (5-year) options to extend, and no termination rights. Big Lots has historically operated within this shopping center for forty (40) years (since 1978) and recently relocated within the center to double their square footage to 27,799 square feet, demonstrating Big Lots commitment and strength at this proven location. Additionally, the property underwent a \$1M building renovation in 2015 providing well furnished improvements and new warranties for the roof and HVAC.

PNS Stores, Inc. is a wholly owned subsidiary of Big Lots, Inc, which is a publicly traded company, S&P Credit Rated BBB, ranked #495 in Fortune 500 (2017) with revenues of \$5.20 billion, 2017 net income of \$152.82 million, 2017 assets of \$1.61 billion, 1,428 Big Lots locations in 47 states and had a 4% increase in sales during it's fourth quarter of 2017.

Location Summary

Big Lots is strategically located within in a Fit Republic and Cost Less Foods co-anchored shopping center at the signalized, hardcorner intersection of S. 11th avenue and W. 5th Avenue, and at the on/off ramp to California Highway 198 (over 46,000 combined vehicles per day). S. 11th Avenue is a main north/south thoroughfare serving the city of Hanford with many strong national tenants including: Orchard Supply Hardware, IHOP, CVS and more. The Property is also conveniently situated directly across from Hanford's 7th largest employer, Marquez Brothers International, which employes approximately 325 employees, and is within close proximity to the Hanford Mall. Additionally, there are more than 61,000 permanent residents with average household incomes exceeding \$83,400 within 5 miles of the subject property. The trade area is also supported by more than 29,700 daytime employees within a 5 mile radius.

INVESTMENT HIGHLIGHTS



CORPORATE GUARANTEED LEASE / STRONG NATIONAL-CREDIT TENANT

- **Public Company:** (NYSE: BIG)
- **S&P Credit:** BBB
- **2017 Revenue:** \$5.2 Billion
- **2017 Net Income:** \$152.82 Million
- **Locations:** 1,428 stores in 47 states



40 YEARS OF HISTORICAL OCCUPANCY AT LOCATION

- Proven location with strong sales / approximately \$4.2 Million
- Relocated within the center & doubled their size to their current 27,799 SF
- High profit store / low rent-to-sales ratio of 5.96%



LONG TERM LEASE (23 YEARS INCLUDING OPTIONS)

- Long term security & stability for the Investor
- 8 years remain on the initial term plus 3 (5-year) options to extend
- No early termination rights



PART OF LARGER CENTER WITH STRONG CO-ANCHOR TENANTS

- Cost Less Foods / Supermarket: local grocery store with (8) locations in the Central Valley
- Fit Republic Gym: 64 location in multiple states. Predominantly in the Central Valley. Signed 15-year lease in 2017
- Strong co-tenant synergy benefits Big Lots sales



HIGH GROWTH TRADE AREA

- 80% population growth since 2000
- 36% job growth predicted over the next 10 years



OVER \$1 MILLION IN BUILDING RENOVATION / PROPERTY IMPROVEMENTS IN 2015

- New Investor benefits from all the capital improvements completed
- New 10-year warranty for the roof
- HVAC - 5-year warranty with a 10-year warranty for heat exchanger parts
- New LED lighting, ADA upgrades, new plumbing, new electrical, new sprinklers, new fire systems, flooring and seal / striped parking lot



HIGHWAY 198 VISIBILITY AND ACCESS

- Located at the on/off ramp of Highway 198 & S. 11th Avenue (46,800 combined vehicles per day)
- Intrinsic real estate value



LARGE MONUMENT SIGNAGE / EXCELLENT STREET FRONTAGE

- Features excellent street frontage and visibility to over 46,800 vehicles per day for Highway 198, S. 11th Avenue and W. 5th Avenue
- Convenient access to both S. 11th Avenue and W. 5th Avenue



STRONG DEMOGRAPHICS THAT CATER TO BIG LOTS CLIENTELE

- Over 61,000 people with 5-miles
- Over \$83,000 average household income within 5-miles
- Over 29,000 employees with 5-miles
- Close proximity to the Hanford Mall, other major retailers, residential and schools



PROPERTY SPECIFICATIONS

Rentable Area:	27,799 SF	Tenant:	PNS Stores, LLC dba Big Lots
Land Area:	117,612 SF / 2.70 Acres	Zoning:	C-R - Regional Commercial
Ownership:	Fee Simple (Land & Building)		
Year Built:	1978 / Renovated in 2015		
Address:	150 S. 11th Avenue, Hanford, CA 93230		
Access:	There are four (4) access points, along one (1) along S. 11th Avenue and three (3) along W. 5th Avenue		
Improvements:	There is approximately 27,799 SF of existing building area.		
Parking:	There are approximately 150 parking spaces on the owned and unowned parcels. The parking ratio is approximately 4.02 parking stalls per 1,000 SF of leasable area.		



Traffic Counts <small>(costar)</small>	Vehicles Per Day
S. 11th Avenue:	18,800
California Highway 198	28,000

Parcel Numbers		
PARCEL	ACRES	SQUARE FEET
012-290-055-000	2.70	117,612





LOCATION MAP





BIG LOTS AND CO-TENANTS



AERIAL VIEW



HANFORD **BIG LOTS**

AREA OVERVIEW





Fast Facts

The City of Hanford

Located in the Central Valley of California, Hanford lies equidistant from Los Angeles and San Francisco, which places the city three hours from two of the largest retail markets in the world. The city is situated in the south central portion of the San Joaquin Valley and is regarded as a prominent commercial and cultural center for the region, holding the county seat for Kings County and being the largest city within the county. Hanford is one of the largest producers of agricultural product in the county. On an annual basis, the city of Hanford produces a gross value of nearly \$2 billion for agricultural products in Kings county, with it's top products consisting of milk, cotton and tomatos. Additionally, the city of Hanford is known for being a charming community that is famous for its historic preservation, attracting many to enjoy the cities historic buildings, civic center and central park.



Economic Highlights

Business Climate

The business climate is bright in the City of Hanford. Hanford's primary base economy is services, government and agriculture. Many programs exist to attract new businesses and aid in the success of the existing ones. The majority of the City is located within the Kings County Enterprise Zone and Recycling Market Development Zone. The City of Hanford is a business-friendly community that promotes responsive and properly planned growth. Being a part of the Kings County Enterprise Zone and Hanford Community Redevelopment Area allows them to remain attractive to businesses and developers.

The Kings Industrial Park is a part of the Hanford Community Redevelopment Area that means that the city can assist new or expanding businesses in the park as well. This 1,000 acre development is fully serviced with all infrastructure and utilities in place. Lot sizes range from 3 to 60 acres. The BNSF railroad runs north-south through the park, providing rail service to its users.



80.1%

Population Growth since 2000



36.0%

Predicted Job Growth over the next 10 years



2.62%

Recent Job Growth in Hanford



5.0%

Home appreciation in the last Year



61,900+

Estimated Population within a 5 Mile radius



\$83,000+

Average Household Income within a 5 Mile radius



11 Minutes

Average Commute Time

Source: www.bestplaces.net

MAJOR EMPLOYERS

Company	Employment
King County	1,290
Hanford Community Medical Center	700
Hanford Elementary School District	520
Con Agra Foods	425
Central Valley General hospital	355
Del Monte Foods	350
Marquez Bros. / El Mexicano	325
Central Valley Meat	315
Walmart Super Center	300
Hanford High School District	270



Veteran's Memorial



Hanford Auditorium

DISTANCE FROM HANFORD



34 MILES

Fresno



197 MILES

Los Angeles



203 MILES

Sacramento



217 MILES

San Francisco



Population

Hanford, CA (rol3.sitesusa.com)	1 Mile	3 Mile	5 Mile	10 Mile
2017 Estimated Population	11,119	55,214	61,919	94,627
2022 Projected Population	10,865	53,958	60,548	92,788
2010 Census Population	12,633	59,422	66,747	101,072
2000 Census Population	10,988	46,733	53,405	81,974
2017 Median Age	28.2	31.8	32.1	31.7



Households

2017 Estimated Households	3,496	18,822	21,192	32,471
2022 Projected Households	3,679	19,785	22,295	34,188
2010 Census Households	3,710	18,915	21,370	32,612
2000 Census Households	3,405	15,453	17,633	26,801
Projected Annual Growth 2012 to 2017	1.0%	1.0%	1.0%	1.1%
Historical Annual Growth 2000 to 2012	0.2%	1.3%	1.2%	1.2%



Ethnicity

2017 Estimated White	49.5%	58.8%	59.7%	58.7%
2017 Estimated Black or African American	7.7%	5.9%	5.7%	5.9%
2017 Estimated Asian or Pacific Islander	3.7%	5.4%	5.3%	6.1%
2017 Estimated American Indian or Native Alaskan	1.7%	1.3%	1.3%	1.5%
2017 Estimated Other Races	37.5%	28.5%	28.0%	27.8%
2017 Estimated Hispanic	66.7%	49.8%	48.8%	46.8%



Business

2017 Estimated Average Household Income	\$56,589	\$80,346	\$83,412	\$84,264
2017 Estimated Total Businesses	1,292	2,065	2,214	2,953
2017 Estimated Total Employees	18,490	26,893	29,736	39,394

PROPOSED HANFORD WELLNESS CENTER



- 1** **Adventist Health PHF & Ancillary Services Office**
(40k sq. ft. - 2 Stories)
- 2** **Adventist Health Specialty Medical**
(60k sq. ft. - 3 Stories)
- 3** **Adventist Health Admin Services Office**
(40k sq. ft. - 2 Stories)
- 4** **Professional Office & Legacy Healthcare Allied Health School**
(40k sq. ft. - 2 Stories)

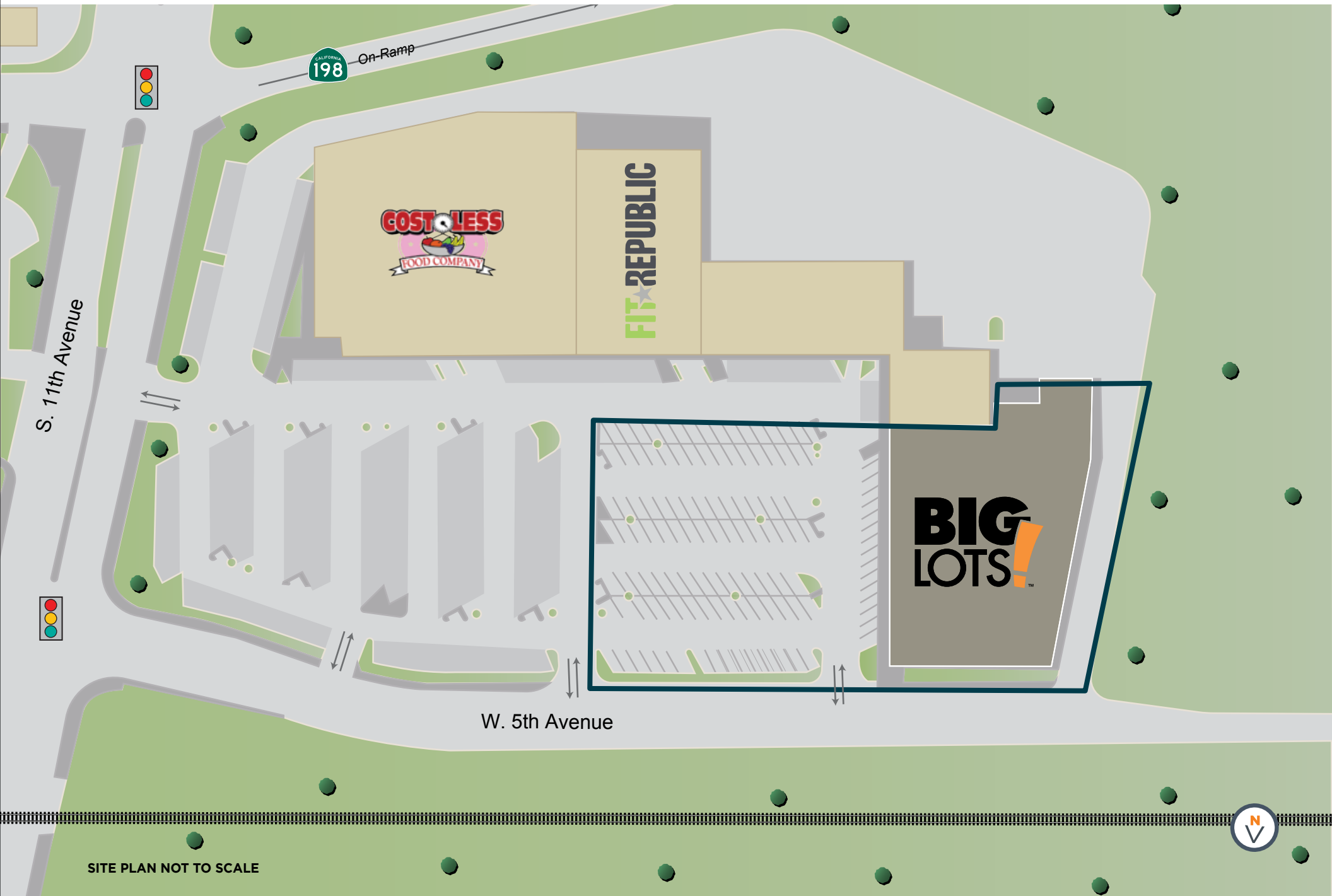
- 5** **Village Children's or Strip Retail**
(12 k sq. ft. - single story)
- 6** **Retail - Fast Casual**
(4k sq. ft. - single story)
- 7** **80 - 100 Key Hotel Parcel For Sale**
(65k sq. ft. 3 - 4 acres)

- 9** **25 Bed Memory Care Facility & 45 Bed Skilled Nursing connected to Assisted Living Facility**
(30k sq. ft. - single story)
- 10** **90 Assisted Living Facility**
(62k sq. ft. - single story)

HANFORD **BIG LOTS**
FINANCIAL ANALYSIS



S I T E P L A N



SITE PLAN NOT TO SCALE

RENT ROLL

Tenant	Size (SF)	Current Monthly Rent	Monthly Rent \$/SF	Current Annual Rent	Annual Rent \$/SF	Rental Increases						CAM Recovery Type	Lease Start	Lease Expires	Lease Options
						Increase Date	Increase	Monthly Rent	Monthly \$/SF	Annual Rent	Annual \$/SF				
PNS Stores, Inc. dba Big Lots	27,799	\$20,849	\$0.75	\$250,191	\$9.00	2nd Option	6%	Beginning at \$22,008	Second Option \$0.79	\$264,090	\$9.50	NNN	6/20/2016	1/31/2026	3 (5-Year) Option 1: \$20,849/mo. Option 2: \$22,008/mo. Option 3: \$23,166/mo.

TENANT SYNOPSIS



PNS Stores, Inc. dba Big Lots

PNS Stores, Inc is a wholly owned subsidiary of Big Lots, Inc., which was founded in 1967 and is headquartered in Columbus, Ohio. Through its subsidiaries Big Lots operates as a non-traditional discount retailer within the United States. The company offers various products under merchandising categories ranging from food, consumables, soft home products (such as bedding or decor,) hard home products (such as small appliances or home maintenance products), furniture, gardening products, and electronics. During the company's fourth quarter of 2017, Big Lots reported an increase in it's sales by 4% to \$1.64 billion. Additionally, the Company returned \$195.0 million to shareholders, consisting of \$45.0 million in dividend payments and \$150.0 million in share repurchases. Big Lots announced a new stock repurchase program of up to \$100.0 million, and increased its quarterly dividend by about 20% to \$0.30 per share.

Company Type: Public (NYSE: BIG)

Locations: 1,428

2017 Employees: 11,200

2017 Net Income: 152.82 Million

2017 Revenue: 5.20 Billion

2017 Assets: 1.61 Billion

S&P Ranking: BBB

Website: www.biglots.com



TRANSACTION SUMMARY

<u>Financial Information</u>		<u>Lease Type:</u>	NNN
Price:	\$4,170,000	Tenant is responsible for taxes, insurance and CAM.	
Price/SF:	\$150	Landlord is responsible for roof and structure.	
<u>Property Specifications</u>			
Rentable Area:	27,799 SF		
Land Area:	2.7 Acres		
Year Built:	1978 / Revnovated in 2015		
Address:	150 S. 11th Avenue Hanford, CA 93230		
APN:	012-290-055		
Ownership:	Fee Simple (Land & Building)		
Tenant:	PNS Stores, Inc. dba Big Lots		
Guaranty:	Corporate		

<u>Operating Information</u>	
Gross Potential Rent	<u>In-Place</u> \$250,191
Plus Recapture	NNN
Effective Gross Income	\$250,191
Less Expenses	(NNN)
Net Operating Income	\$250,191
 Cap Rate:	 6.00%



REPRESENTATIVE PHOTO

HANFORD BIG LOTS



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