



Subject Property

**ALDI**

**FREE-STANDING NNN GROCERY STORE**

2120 PANAMA LANE  
BAKERSFIELD, CA 93304



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If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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# ALDI

2120 PANAMA LANE  
BAKERSFIELD, CA 93304







**CLICK**  
TO GET  
STARTED



Subject Property



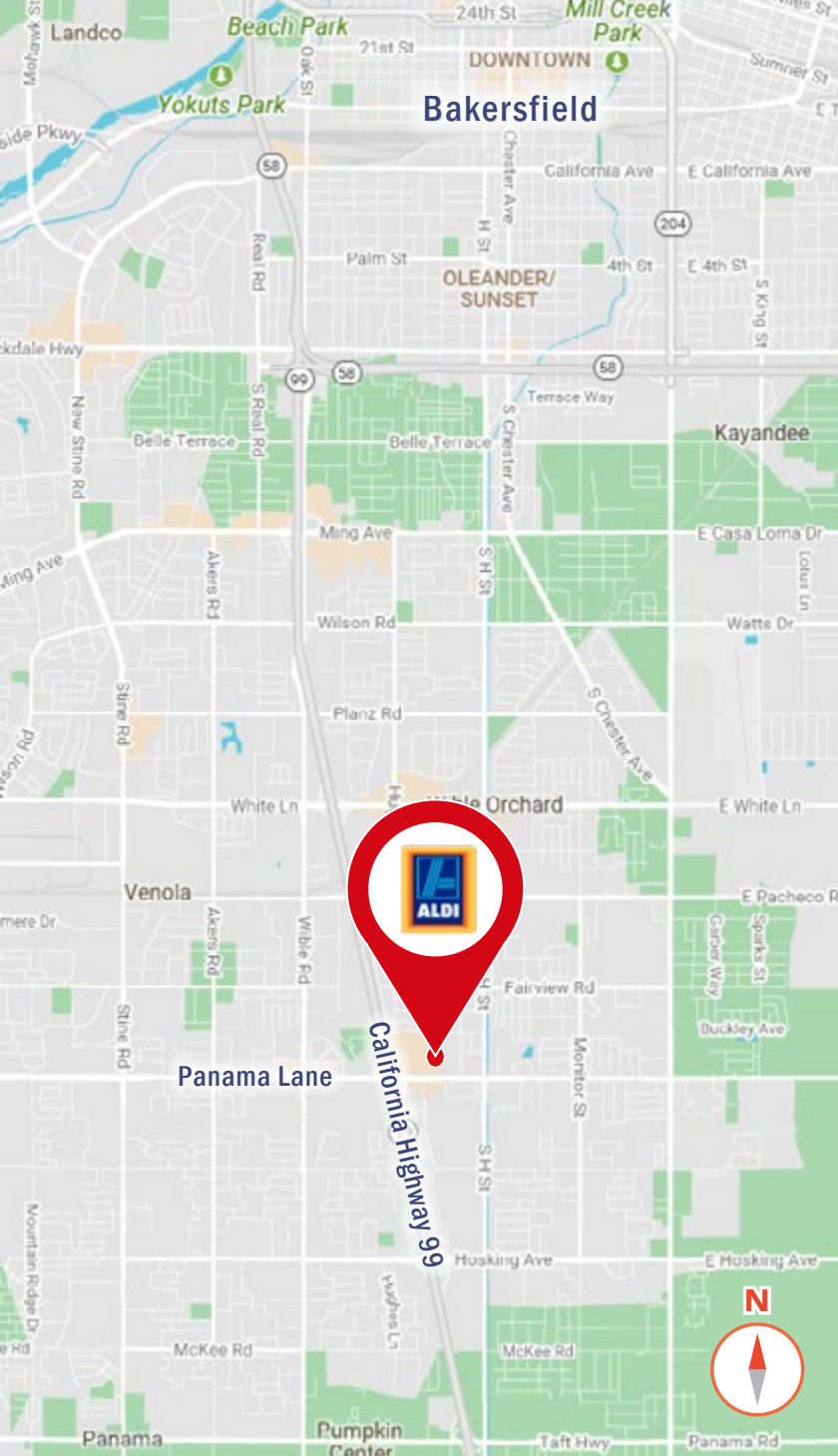
**FOOD MARKET**



# VALUATION OVERVIEW

Subject Property





# \$3,150,000 Offering Price

## 4.00% CAP RATE

**CBRE** is offering to qualified investors the opportunity to purchase the fee simple interest in the commercial property located at 2120 Panama Lane, Bakersfield, CA 93304 (the "Property").

The free-standing  $\pm 18,426$  square-foot facility is leased to **ALDI**, a fast-growing discount supermarket chain with 1,700 stores in the U.S. and over 10,000 stores worldwide. The Property is under a twenty (20) year **NNN ground lease** with **seventeen (17) years remaining and eight (8), 5-yr renewal options**. The base **annual rent is \$125,000** beginning in December 2015 with **10% rental increases in 2020, 2025, and 2030; plus, 10% increase at beginning of 1st option and each succeeding option**.

### 2120 Panama Lane, Bakersfield, CA 93304

Total Building Size (SF)	$\pm 18,426$ Square Feet
Total Land Acreage	$\pm 2.39$ Acres ( $\pm 104,108$ Square Feet)
Occupancy	100%
Lease Type	NNN Ground Lease
Current Annual Rent	\$125,000
Ownership Interest	Fee Simple
Encumbrances	None, Delivered Free & Clear



**FREE-STANDING GROCERY STORE**



**LONG-TERM, NNN GROUND LEASE INVESTMENT**



**17 YEARS REMAINING WITH 10% RENTAL INCREASES IN 2020, 2025 & 2030**



**PROMINENT RETAIL LOCATION WITH SUPER-REGIONAL DRAWS WALMART, LOWE'S, IN-N-OUT BURGER**



**128,000 RESIDENTS AND \$61,000 AVG HH INCOME IN 3-MI RADIUS**



**EXCELLENT VISIBILITY ALONG CA HIGHWAY 99 AND PANAMA LANE ( $\pm 160,943$  VPD)**



# PROPERTY & INCOME OVERVIEW

Subject Property



## LEASE ABSTRACT

### 2120 PANAMA LANE | BAKERSFIELD, CA 93304

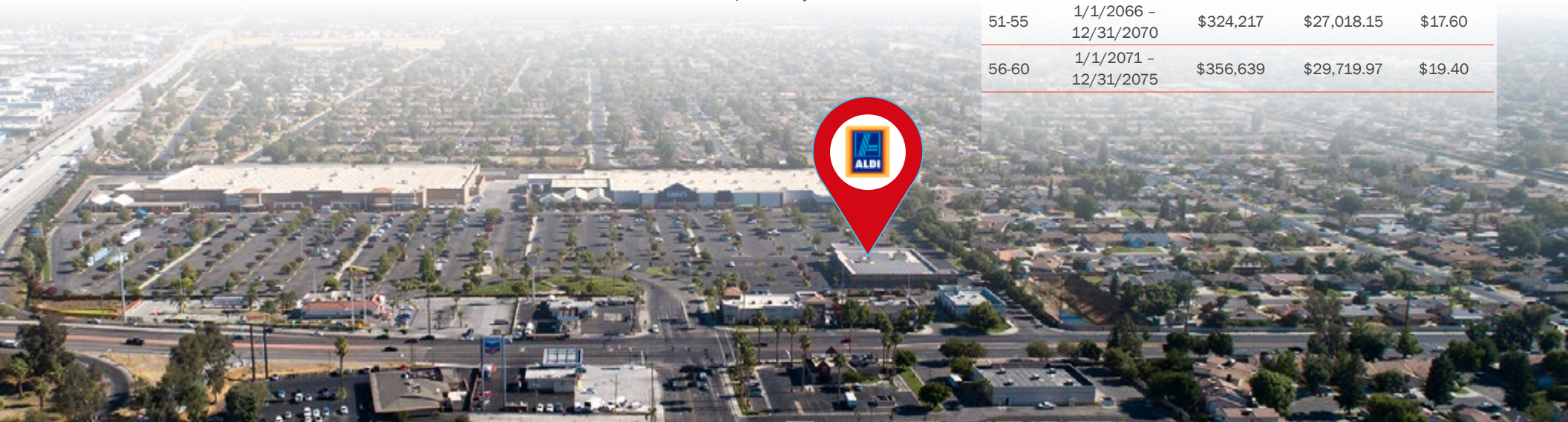
<b>TENANT</b>	AI California LLC, a Delaware limited liability company	<b>BUILDING USE</b>	Operation of Tenants prototypical select assortment grocery store, including the sale of alcoholic beverages for off-premises consumption to the extent permitted by Law, and for any other then-lawful purpose not in violation of any exclusive use restriction then existing or being negotiated.
<b>LEASE DATE</b>	November 4, 2014		
<b>LEASE TYPE</b>	NNN Ground Lease		
<b>BUILDING SIZE (SF)</b>	±18,426 Square Feet		
<b>YEAR BUILT</b>	2016	<b>ROOF</b>	Tenant Responsibility
<b>LAND ACREAGE</b>	±2.39 AC. (104,108 SF)	<b>PARKING</b>	Landlord maintains parking lot. Tenant reimburses prorata share of shopping center CAM expenses
<b>RENT COMMENCEMENT</b>	December 10, 2015	<b>STRUCTURE</b>	Tenant Responsibility
<b>TERM EXPIRATION</b>	December 31, 2035	<b>TAXES</b>	Tenant Responsibility
<b>PRIMARY TERM</b>	20 Years	<b>INSURANCE</b>	Tenant Responsibility
<b>RENEWAL OPTIONS</b>	Eight (8), 5-year Options	<b>HVAC</b>	Tenant Responsibility
<b>ROFR/OFFER</b>	None	<b>UTILITIES</b>	Tenant Responsibility

## RENT SCHEDULE

Lease Years	Period Covered	Annual Base Rent	Monthly Base Rent	Rent-\$/SF
1-5	12/10/2015 – 12/31/2020	\$125,000	\$10,416.67	\$6.78
6-10	1/1/2021 – 12/31/2025	\$137,500	\$11,458.33	\$7.46
11-15	1/1/2026 – 12/31/2030	\$151,250	\$12,604.17	\$8.21
16-20	1/1/2031 – 12/31/2035	\$166,375	\$13,864.58	\$9.03

### OPTION TERMS

21-25	1/1/2036 – 12/31/2040	\$183,012	\$15,251.04	\$9.93
26-30	1/1/2041 – 12/31/2045	\$201,313	\$16,776.15	\$10.93
31-35	1/1/2046 – 12/31/2050	\$221,445	\$18,453.76	\$12.02
36-40	1/1/2051 – 12/31/2055	\$243,589	\$20,299.14	\$13.22
41-45	1/1/2056 – 12/31/2060	\$267,948	\$22,329.05	\$14.54
46-50	1/1/2061 – 12/31/2065	\$294,743	\$24,561.96	\$15.99
51-55	1/1/2066 – 12/31/2070	\$324,217	\$27,018.15	\$17.60
56-60	1/1/2071 – 12/31/2075	\$356,639	\$29,719.97	\$19.40











Bakersfield  
Gateway Center  
±800,000 SF  
Projected Opening  
2020

Projected  
Opening  
2020

SEE NEXT PAGE  
FOR DETAILS



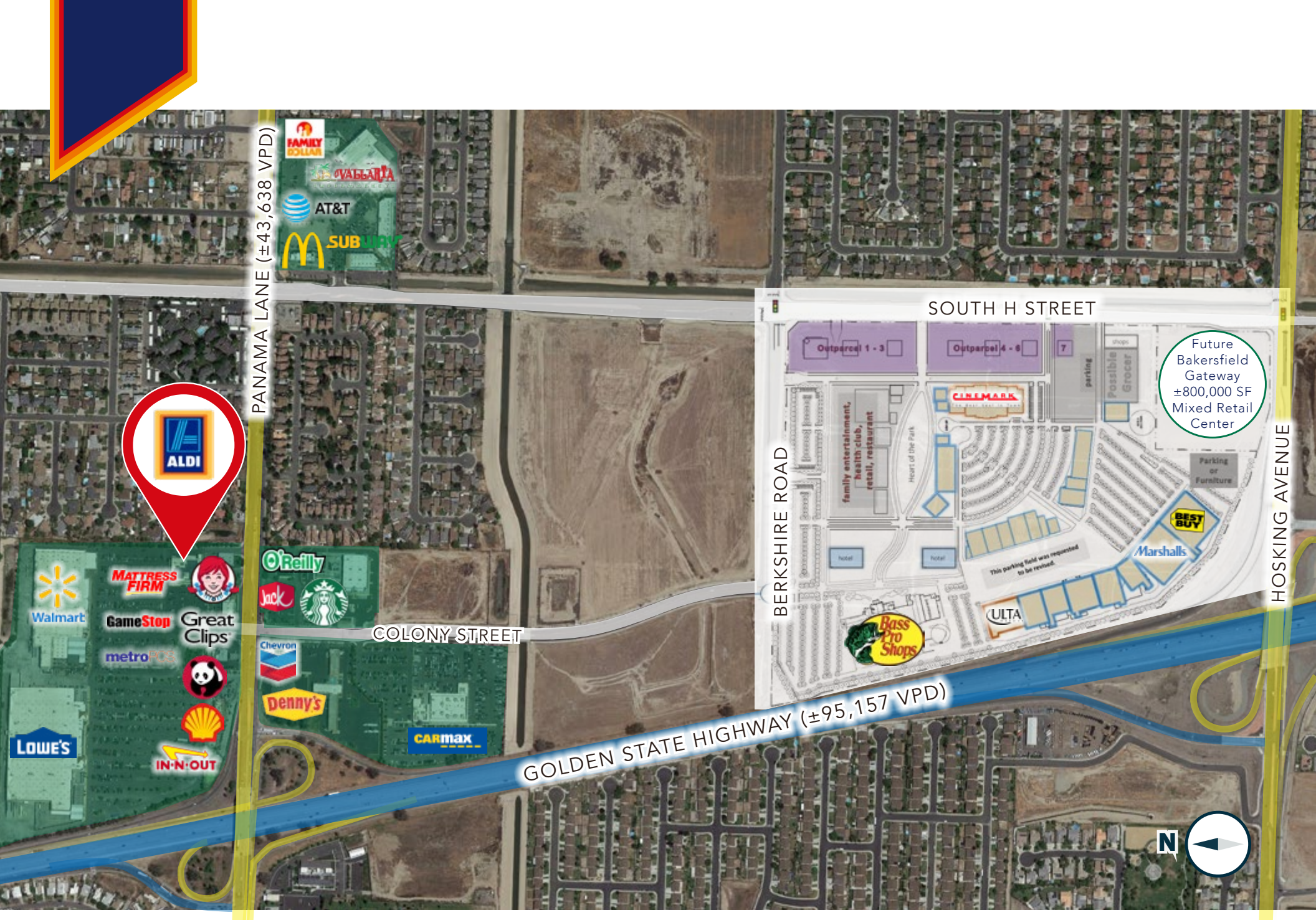
GOLDEN STATE HWY (±95,157 VPD)

PANAMA LANE (±43,638 VPD)

COLONY STREET











## TENANT OVERVIEW



## TENANT OVERVIEW

**ALDI** is one of the world's biggest grocery chains, running more than 10,000 stores in 18 countries. It has an estimated 2017 annual revenue of \$88 billion. ALDI has nearly 1,800 stores in 35 US states, but Germany, where ALDI has about 4,300 stores, accounts for about two-thirds of its sales. By end of 2018, ALDI plans to bring its total number of US stores to roughly 2,000, investing nearly \$1.6 billion over that time.

In June 2017, ALDI announced its \$5 billion plan to remodel or expand its US footprint by nearly 50% to 2,500 stores by the end of 2022. This initiative will make ALDI the nation's third largest food retailer by store count, serving more than 100 million customers per month and will bring a modern design to new and existing stores. ALDI's expansion in the US also involves opening larger stores that are roughly 30% larger. Developers are now looking for 22,000 square foot locations compared to 17,000 square foot locations five years ago.

More than 40 million customers each month benefit from the simple, streamlined approach ALDI brings to retailing. ALDI's format is really about modern convenience with a smaller curated assortment and simplicity, believing that the smaller format is the future of retail. Shoppers are making more trips, but buying fewer products per trip, and smaller baskets with more visits.

ALDI sells frequently purchased grocery and household items, primarily under its exclusive brands, which meet or exceed national name brands on taste and quality. In addition to selling primarily its own private labeled items, the typical ALDI has many different features, setting it apart from the traditional American grocer. There are no counter service departments – everything is packaged and everything is self-service. Instead of shelving, products are wheeled in pallets by forklift, unwrapped, and quickly signed. With this model, the only staff in an ALDI store are forklift operators bringing in pallets, cashiers, and a third-party loss-prevention agent.

The current iteration of the ALDI brand includes 2 distinct companies – ALDI Nord and ALDI Sud. ALDI Sud operates as ALDI, and ALDI Nord as Trader Joe's.

## GROWTH STRATEGY

In 2017, ALDI announced it would add another 400 stores by the end of 2018 and spend \$1.6 billion to remodel 1,300 existing stores. The latest store expansion will create 25,000 US jobs and make ALDI the third-largest grocery chain operator in the country behind Walmart and Kroger (KR, +0.53%), the German chain said in a statement. ALDI's 2,500 stores would equal about 53% of Walmart's US outlets.



### COMPANY PROFILE

COMPANY NAME	ALDI Inc. ("ALDI")
OWNERSHIP	Private
YEAR FOUNDED	1946 (Germany); 1976 (US expansion)
NO. OF LOCATIONS	10,000+ worldwide; ±1,700 US
HEADQUARTERS	Essen, Germany (global); Batavia, IL (US)
WEBSITE	corporate.aldi.us



Representative Image



**ALDI** stores in California are averaging sales volumes of approximately **\$20 to \$22 million annually** (Supermarket News 2017)



**ALDI** is one of the world's largest grocery chains serving more than **10,000 worldwide markets; 1,500 in the United States**



**ALDI** plans to open **650 new locations** in the US by end of 2018, mostly in Southern California





# MARKET OVERVIEW



## MARKET OVERVIEW

Bakersfield is a city located near the southern end of the San Joaquin Valley and the Central Valley region in Kern County, California. Bakersfield's population is approximately 380,000, making it the ninth-most populous city in California and the 53rd-most populous city in the nation. The Bakersfield-Delano Metropolitan Statistical Area, which includes all of Kern County, had a 2010 census population of 839,631, making it the 62nd largest metropolitan area in the United States. Bakersfield along with East Bakersfield and Rosedale, has a population of approximately 464,000. The city is a significant hub for both agriculture and oil production. Kern County is the most productive oil producing county, and the fourth most productive agricultural county (by value) in the United States. Industries include natural gas and other energy extraction, aerospace, mining, petroleum refining, manufacturing, distribution, food processing, and corporate/regional headquarters.

Bakersfield's historic and primary industries have related to Kern County's two main industries, oil and agriculture. Kern County in 2013 was the most oil productive county in America. Kern County is a part of the highly productive San Joaquin Valley, and ranks in the top five most productive agricultural counties in the nation. Major crops for Kern County include: grapes, citrus, almonds, carrots, alfalfa, cotton, and roses. The city serves as the home for both corporate and regional headquarters of companies engaged in these industries.

Bakersfield also has a growing manufacturing and distribution sector. Several companies have moved to Bakersfield because of its inexpensive land and access to international ports in both Los Angeles and Oakland. Other companies have opened regional offices and non-oil/agricultural businesses because of Bakersfield's and Kern County's business friendly policies, such as having no local utility or inventory taxes. Products manufactured in the city include: ice cream (world's largest ice cream plant), central vacuums, highway paint, and stock racing cars.

Bakersfield is the largest city with the lowest sales tax in California at the state minimum of 7.25%.

## BAKERSFIELD HIGHLIGHTS

- No local utility or inventory taxes for businesses operating in Bakersfield and Kern County
- Consistently ranked in the top five most productive agricultural counties in the nation
- Inexpensive land and access to international ports in Los Angeles and Oakland
- Home of the Bakersfield Sound - a genre of country music developed from the mid 50's
- Low-cost of living in Bakersfield and Kern County



## TOP EMPLOYERS

Company	Employees
County of Kern	7,475
The Giumarra Companies	4,200
Grimmway Farms	3,500
Bolthouse Farms	2,000
Bakersfield Memorial Hospital	1,400
City of Bakersfield	1,300
Mercy Hospitals of Bakersfield	1,200
ARB	1,200
Kern Medical Center	1,200
State Farm Insurance	1,045
Sun World	1,025
Chevron	1,000
Clinica Sierra Vista	1,000
San Joaquin Community Hospital	880
AndrewsAg	800
Sun Pacific	800
Paramount Farms	800
California State University, Bakersfield	600
Aera Energy	600
Kaiser Permanente	500

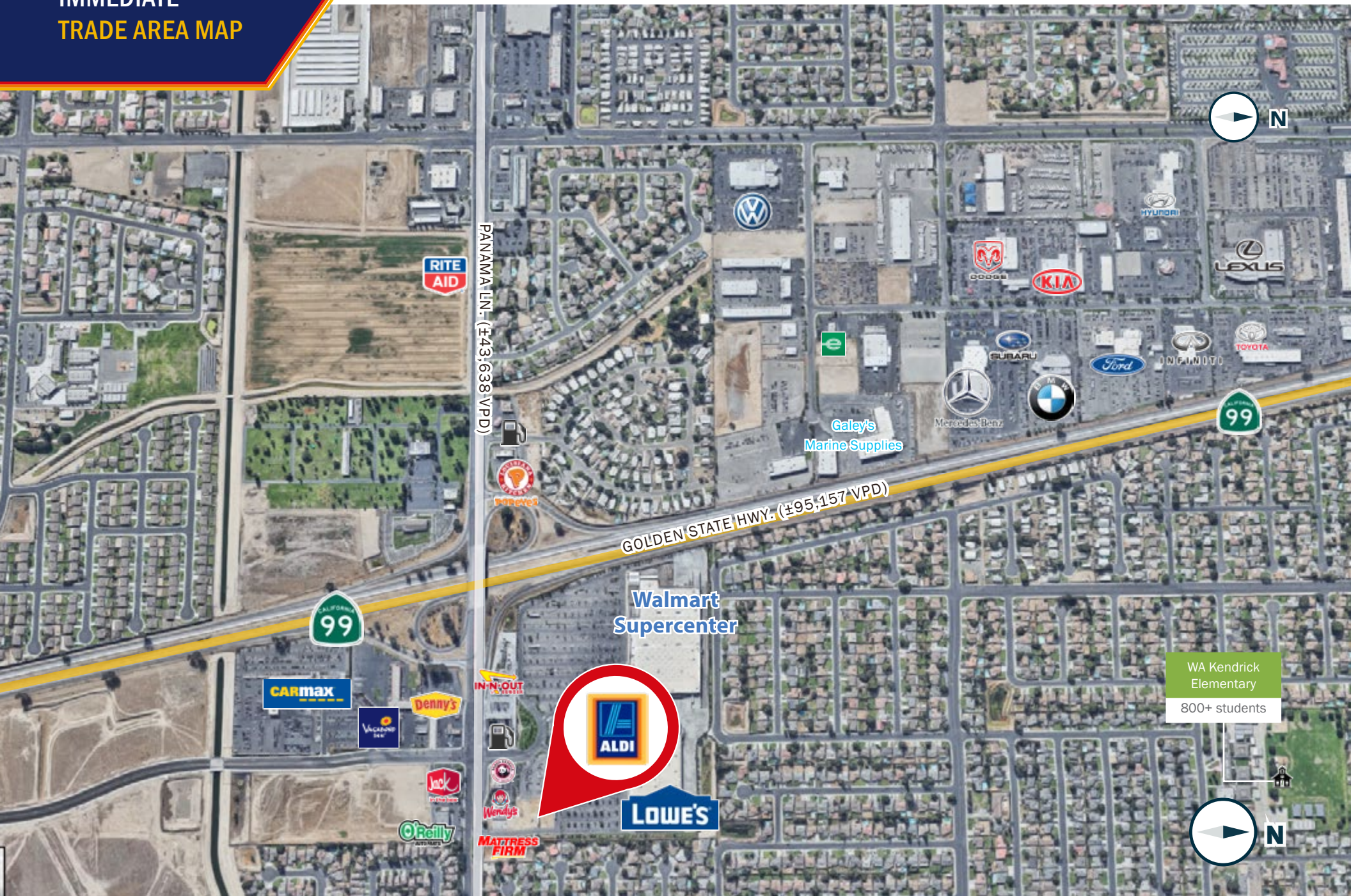


# BAKERSFIELD PROPERTY AERIAL





# IMMEDIATE TRADE AREA MAP





## AREA DEMOGRAPHICS



	0-1 mi.	0-3 mi.	0-5 mi.
<b>POPULATION</b>			
2018 Population - Current Year Estimate	21,244	128,710	235,826
2023 Population - Five Year Projection	22,049	137,500	248,996
2018-2023 Annual Population Growth Rate	0.75%	1.33%	1.09%
<b>HOUSEHOLDS</b>			
2018 Households - Current Year Estimate	5,376	34,919	70,834
2023 Households - Five Year Projection	5,536	36,877	73,959
2018-2023 Annual Household Growth Rate	0.59%	1.10%	0.87%
<b>AVERAGE HOUSEHOLD INCOME</b>			
2018 Average Household Income	\$59,927	\$61,480	\$63,991
2018 Median Household Income	\$49,945	\$48,568	\$48,498
<b>2018 DAYTIME EMPLOYMENT</b>			
2018 Businesses	233	2,055	4,954
2018 Employees	3,568	24,411	53,026



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