



# NEW BEST BUY

VISALIA, CALIFORNIA

YURAS  
AICALE  
FORSYTH  
CROWLE

Leased Investment Team

## OFFERING MEMORANDUM



**\$11,250,000 | 6.20% CAP RATE**

- » New ±11-Year NNN Lease to Best Buy
- » Relocation and Expansion Store of Successful 15-Year-Old Store
- » Best Buy Inc. is Investment Grade (BBB Rated by S&P) - Recently Upgraded
- » High-Visibility Location in Heavily Trafficked Retail Corridor
- » Prominent Location in the Successful Target/Costco/Lowe's-Anchored Packwood Creek
- » Part of Visalia/Tulare & King's County's Largest Power Center
- » Regional Shopping Hub with Strong Retail Market
- » Trade Area of 749,750 People
- » Visalia is the Largest City Between Fresno and Bakersfield
- » New Construction Complete 1/3/19
- » Including Storefront, Roof, HVAC, and Interior

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Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

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

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# INVESTMENT SUMMARY

<b>ADDRESS</b>	4145 South Mooney Boulevard, Visalia, California		
<b>PRICE</b>	\$11,250,000		
<b>CAP RATE</b>	6.20%		
<b>NOI</b>	\$697,000		
<b>TERM</b>	10 years and 11 months		
<b>RENT COMMENCEMENT</b>	January 25, 2019		
<b>LEASE EXPIRATION</b>	February 28, 2030		
<b>RENTAL INCREASES</b>	\$1.50 PSF rental increases at beginning of each option period		
	<b>YEAR</b>	<b>NOI</b>	<b>RETURN</b>
	1-11	\$697,000	6.20%
	12-16 (Option 1)	\$758,500	6.74%
	17-21 (Option 2)	\$820,000	7.29%
	22-26 (Option 3)	\$881,500	7.84%
	27-31 (Option 4)	\$943,000	8.38%
	32-36 (Option 5)	\$1,004,500	8.93%
<b>YEAR REMODELED</b>	2019		
<b>BUILDING SF</b>	41,000 SF		
<b>PARCEL SIZE</b>	3.30 acres (143,944 SF)		
<b>LEASE TYPE</b>	NNN, with tenant responsible for taxes, insurance, and maintenance, excluding structure		

## NEW LONG-TERM NNN LEASE TO STRONG TENANT

- » Leased to Best Buy for 10 years and 11 months
- » Best Buy Inc. is investment grade (BBB rated by S&P) - Recently Upgraded
- » In its most recent fiscal year, Best Buy's total revenue climbed 7% to \$42.2 billion
- » Best Buy's stock price has increased more than 200% over the past five years

## RELOCATION AND EXPANSION STORE

- » Best Buy is relocating from a smaller space within Packwood Creek, where it has operated successfully for 15 years
- » Best Buy is moving from the Lowe's-anchored side of Packwood Creek to the superior, Target-anchored side of Packwood Creek
- » Best Buy increasing its footprint is a testament to how well the store is doing in the Packwood Creek retail area
- » Best Buy's store sales are rumored to be at \$1,000 per square foot at previous location

## HIGH-TRAFFIC LOCATION IN REGIONAL POWER CENTER

- » Prime location in Packwood Creek – West, part of Visalia's largest power center
- » Excellent location on Mooney Boulevard, Visalia's primary retail corridor
- » Situated between Mooney Boulevard's signalized intersections with Visalia Parkway and West Cameron Avenue, with excellent access to 48,300 vehicles per day
- » Part of the highly successful Packwood Creek Center, with major national tenants, including Target, Costco, Lowe's, PetSmart, Michaels, Cost Plus World Market, Pier 1 Imports, Ulta, Kirkland's, Famous Footwear, and Guitar Center

## PRIME LOCATION IN REGIONAL SHOPPING HUB WITH LARGE CUSTOMER BASE

- » Visalia is the largest city between Fresno and Bakersfield and has a trade area of approximately 749,750 people
- » Population of 144,762 within a five-mile radius of the property
- » Proximate to a high-volume Costco, which draws an estimated 1.4 million customers annually from a significantly wide radius, greatly increasing the property's customer base



Packwood Creek - West



VISALIA  
MUNICIPAL  
AIRPORT

INDUSTRIAL REGION



Packwood Creek - East



Sequoia Mall



South Mooney Boulevard  
(26,000 AADT)

West Cameron Avenue (15,700 AADT)

Visalia Parkway (6,600 AADT)

The Grove at  
Packwood Creek - South  
(regional shopping center  
development)

The Grove at  
Packwood Creek - North  
(regional shopping center  
development)







West Cameron Avenue  
(15,700 AADT)

**TARGET**  
CVS/pharmacy

**BEST BUY**  
opened  
January 2019

**KIRKLAND'S**  
Home Décor, Gifts & More

**LANE BRYANT**

**TILLY'S**

**ULTA**  
BEAUTY

**Round Table**  
PIZZA  
The Last Honest Pizza.

**corner  
bakery**

**CHIPOTLE**  
MEXICAN GRILL

**FIVE GUYS**  
BURGERS and FRIES

**Starbucks**

Visalia Parkway  
(6,600 AADT)

South Mooney Boulevard  
(26,000 AADT)

**FedEx Office**  
Print & Ship Services

**Sprint**

**GameStop**

**SOLE 2 SOUL**  
RUNNING FITNESS • ENDURANCE

**SUPERCUTS**

**BEST BUY**  
(previous location)

**BUFFALO WILD WINGS**  
GRILL & BAR

**DICKEY'S**  
BARBECUE PIT

**SUBWAY**

**Panera**  
BREAD



# SITE PLAN

CAMERON AVENUE

MOONEY BOULEVARD

VISALIA PARKWAY



**TILLY'S**

LANE BRYANT

KIRKLAND'S



41,000 SF

Comcast



**CVS**  
pharmacy



ULTA



corner  
bakery



verizon



SOLE X-SPORTE



# TENANT SUMMARY



Best Buy (NYSE: “BBY”) is an American multinational consumer electronics retailer headquartered in Richfield, Minnesota. Best Buy is the largest specialty retailer in the United States consumer electronics retail industry. Best Buy sells consumer electronics and a variety of related merchandise, including software, video games, music, mobile phones, digital cameras, car stereos, and video cameras, in addition to home appliances (washing machines, dryers, and refrigerators), in a non-commissioned sales environment. Under the Geek Squad brand, Best Buy offers computer repair, warranty service, and accidental service plans. Best Buy offers expert service at an unbeatable price more than 1.5 billion times a year to the consumers, small business owners, and educators who visit Best Buy stores, engage with Geek Squad agents, or use BestBuy.com or the Best Buy app. The company has operations in the U.S. and Canada, where more than 70% of the population lives within 15 minutes of a Best Buy store, as well as in Mexico where Best Buy has a physical and online presence.

On August 15, 2018, Best Buy announced that it had signed a definitive agreement to acquire GreatCall, Inc. for \$800 million in cash. GreatCall is a leading provider of connected health and personal emergency response services to the aging population, with more than 900,000 paying subscribers and annual revenue in excess of \$300 million. The acquisition is a manifestation of the Best Buy 2020 strategy to enrich lives through technology by addressing key human needs. Best Buy currently has a growing business selling health- and wellness-related products. The acquisition of GreatCall will augment Best Buy’s existing efforts in the health space, help bring compelling solutions to more customers, and help fuel Best Buy’s further growth in the consumer and commercial markets.

Best Buy also recently piloted its new and expanded Geek Squad service, which provides 24/7 support—in store, in home, by phone, or online—for all of a customer’s technology, no matter where or when they bought it.

For the fiscal year ended February 3, 2018, Best Buy’s total revenue climbed 7% to \$42.2 billion, comparable sales rose 5.6%, and the company’s non-GAAP operating income rate increased by 20 basis points. On March 9, 2018, Standard & Poor’s upgraded Best Buy’s credit rating to “BBB” with a stable outlook.

For more information, please visit [www.bestbuy.com](http://www.bestbuy.com).

<b>TICKER</b>	<b>NYSE: “BBY”</b>	<b>LOCATIONS</b>	<b>1,252</b>
<b>REVENUE</b>	<b>\$42.2B</b>	<b>HEADQUARTERS</b>	<b>Richfield, MN</b>

# LEASE ABSTRACT

<b>TENANT</b>	Best Buy Stores, L.P.		
<b>ADDRESS</b>	<a href="#">4145 South Mooney Boulevard, Visalia, California</a>		
<b>RENT COMMENCEMENT</b>	January 25, 2019		
<b>LEASE EXPIRATION</b>	February 28, 2030		
<b>RENEWAL OPTIONS</b>	Four (4) five (5) year options and one (1) four (4) year and eleven (11) month option		
<b>RENTAL INCREASES</b>	<b>YEAR</b> 1-11 12-16 (Option 1) 17-21 (Option 2) 22-26 (Option 3) 27-31 (Option 4) 32-36 (Option 5)	<b>NOI</b> \$697,000 \$758,500 \$820,000 \$881,500 \$943,000 \$1,004,500	<b>RETURN</b> 6.20% 6.74% 7.29% 7.84% 8.38% 8.93%
<b>COMMON AREA COSTS</b>	Tenant will pay its proportionate share of common area maintenance costs, plus a ten percent (10%) administrative fee. Tenant’s share shall not increase by more than five percent (5%) per year.		
<b>REAL ESTATE TAXES</b>	Tenant will pay its proportionate share of taxes.		
<b>INSURANCE</b>	Tenant will pay its proportionate share of insurance costs.		
<b>REPAIR &amp; MAINTENANCE</b>	Tenant is responsible for non-structural interior repairs.		
<b>MAINTENANCE BY LANDLORD</b>	Landlord is responsible for maintaining the exterior surfaces of the Premises, subject to reimbursement by tenant. Roof is new and covered by a 20-year warranty. HVAC is new with warranty.		
<b>RIGHT OF FIRST REFUSAL</b>	None		

# PROPERTY OVERVIEW

## LOCATION

The property is located in Packwood Creek – West, situated between Mooney Boulevard's signalized intersections with Visalia Parkway and West Cameron Avenue, with excellent visibility and access to a combined traffic volume of 48,300 vehicles per day. Packwood Creek – West and Packwood Creek – East make up Visalia's largest power center, featuring major national tenants like Target, Lowe's, Michaels, Kirkland's, Pier 1 Imports, Cost Plus World Market, and many others. Additionally, the property is within walking distance of The Grove at Packwood Creek, a regional shopping center development featuring Sportsman's Warehouse, along with approximately 247,900 square feet of additional retail space. The property is also close to a high-volume Costco, which draws an estimated 1.4 million customers annually from a significantly wide radius, greatly increasing Best Buy's customer base. Other major shopping centers in the nearby area include Visalia Mall, anchored by Macy's and JCPenney, and Sequoia Mall, featuring Sears and Regal Cinemas.

The property benefits from its prime location within a regional shopping hub. The property is supported by robust demographic, with a population of 144,762 within a five-mile radius. Additionally, as the largest city between Fresno and Bakersfield, Visalia serves as a regional trading center for an estimated 749,750 people living within the Tulare, Kings, southern Fresno, and northern Kern counties.

## ACCESS

Interparcel access from West Cameron Avenue, South Mooney Boulevard, and Visalia Parkway

## TRAFFIC COUNTS

West Cameron Avenue:	15,700 AADT
South Mooney Boulevard:	26,000 AADT
Visalia Parkway:	6,600 AADT

## PARKING

200 parking stalls in parcel and additional parking available throughout the shopping center

## YEAR REMODELED

2019

## NEAREST AIRPORT

Fresno Yosemite International Airport (FAT)



ACTUAL SITE

**P**  
**200**  
PARKING  
STALLS

**1**  
**2019**  
YEAR  
REMODELED

**48K**  
TRAFFIC  
COUNT (AADT)

**NEAREST  
AIRPORT**  
FRESNO YOSEMITE  
INTERNATIONAL  
AIRPORT



**POPULATION OF 749,750  
WITHIN TRADE AREA**



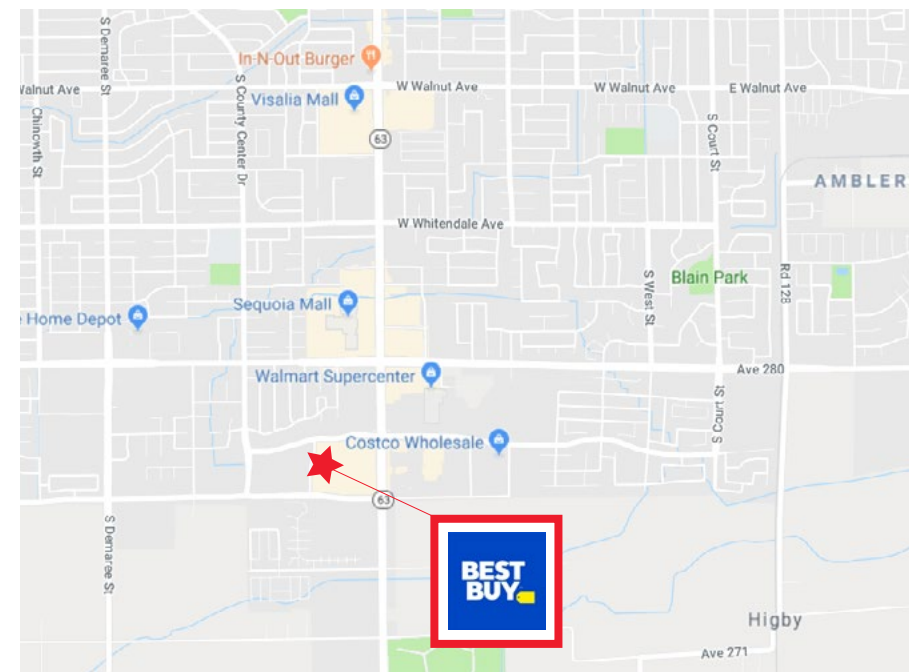
# AREA OVERVIEW

Visalia is a city situated in the agricultural San Joaquin Valley. Visalia is the fifth largest city in the San Joaquin Valley, with a population of 133,038. As the county seat of Tulare County, Visalia serves as the economic and governmental center to one of the most productive agricultural counties in the country. The dairy industry, with sales of milk products, brings in the most revenue for Tulare County, typically more than \$1 billion a year. Oranges, grapes, and cattle-related commodities also earn hundreds of millions of dollars annually. Tulare County ranks among the most productive counties in the U.S. in terms of agricultural revenues. In 2016, the county's gross production value was \$6.3 billion. Due to the importance of agriculture in the county as well as its location in the state, since 1968 Tulare County has been the site of the annual World Ag Expo, the world's largest agricultural exposition.

While historically a rural, agricultural area, the San Joaquin Valley has seen increasing exurban development in recent years as the cost of living forces young families and small businesses further and further away from the coastal urban cores. Stockton, Modesto, Tracy, Manteca, and Los Banos are increasingly dominated by commuters to San Francisco and Silicon Valley, and the small farming towns to the south are finding themselves in the Bay Area's orbit as well. Bakersfield has seen a massive influx of former Los Angeles business owners and commuters, to the extent that gated communities containing million-dollar homes are going up on the city's outskirts. Walmart, IKEA, Target, Amazon, CVS Pharmacy, Restoration Hardware, and other various large shipping firms have built huge distribution centers both in the southern end of the valley and northern part of the valley because of quick access to major interstates and low local wages. Further integration with the rest of the state is likely to continue for the foreseeable future.

- » Visalia is centrally located approximately 220 miles south of San Francisco and 185 miles north of Los Angeles.
- » Historically, Visalia has based its economy mostly upon agriculture and related industries. In recent years, however, the city has diversified its economic base to include many other types of industrial enterprises.
- » Located to the northeast of Visalia is Sequoia National Park, housing groves of giant sequoia trees, including the General Sherman tree, the largest tree on Earth.

MAJOR EMPLOYERS IN TULARE COUNTY	# OF EMPLOYEES
COUNTY OF TULARE	4,945
KAWEAH DELTA HEALTH CARE DISTRICT	2,000
SIERRA VIEW DISTRICT HOSPITAL	1,800
RUIZ FOODS PRODUCTS, INC.	1,800
WALMART DISTRIBUTION CENTER	1,692
PORTERVILLE DEVELOPMENT CENTER	1,399
COLLEGE OF THE SEQUOIAS	1,160
JOSTENS	720
CIGNA HEALTHCARE	700
MONROVIA NURSERY COMPANY	600

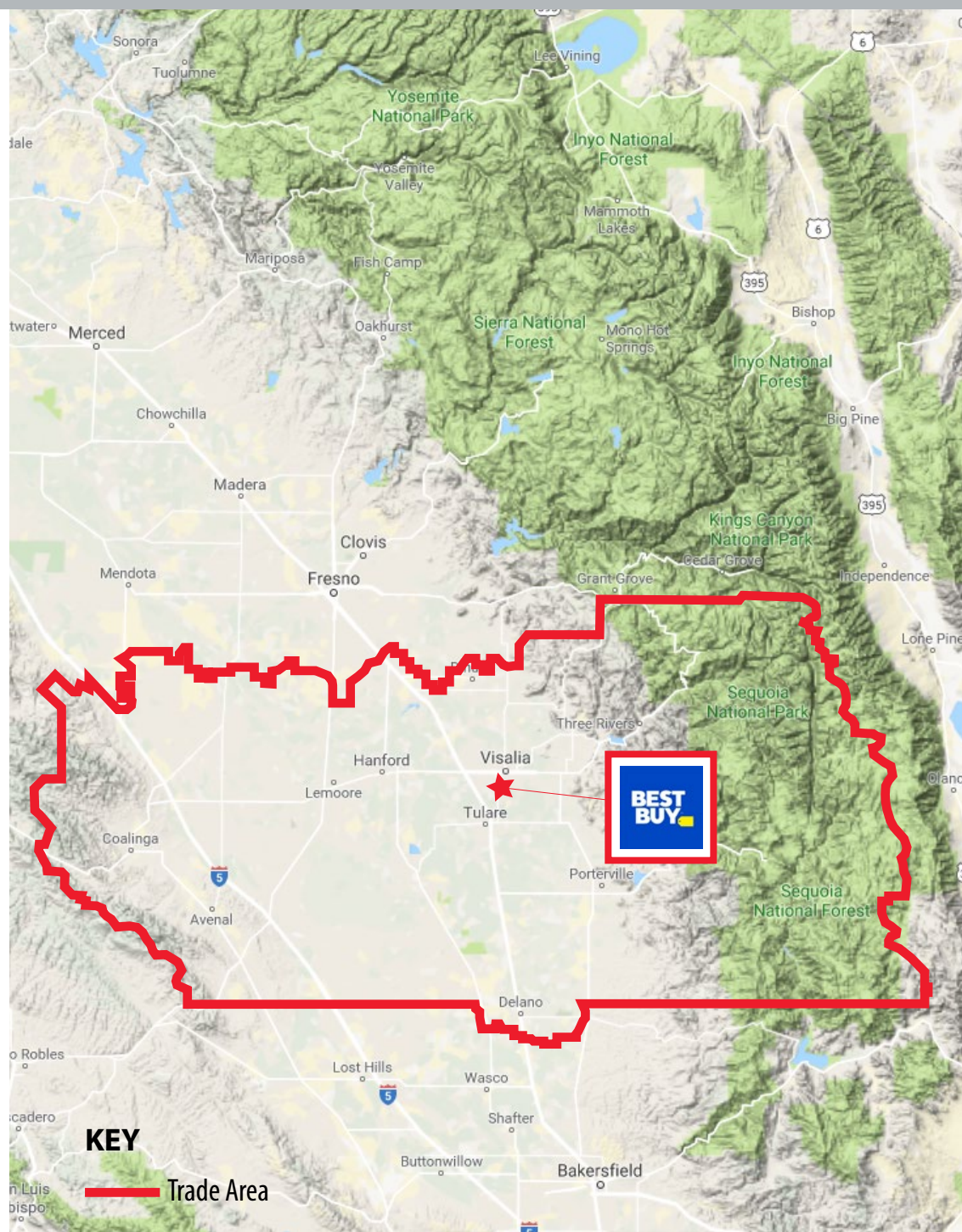




# DEMOGRAPHIC PROFILE

2018 SUMMARY	3 Miles	5 Miles	Trade Area
<b>Population</b>	<b>64,395</b>	<b>144,762</b>	<b>749,750</b>
Households	23,189	47,918	210,840
Families	16,287	35,669	166,695
Average Household Size	2.75	2.99	3.38
Owner Occupied Housing Units	13,802	30,240	120,203
Renter Occupied Housing Units	9,387	17,678	90,637
Median Age	35.4	33.0	30.8
<b>Average Household Income</b>	<b>\$78,148</b>	<b>\$82,975</b>	<b>\$68,839</b>

2023 ESTIMATE	3 Miles	5 Miles	Trade Area
<b>Population</b>	<b>65,623</b>	<b>150,560</b>	<b>775,792</b>
Households	23,578	49,659	218,036
Families	16,552	37,010	172,353
Average Household Size	2.75	3.00	3.39
Owner Occupied Housing Units	14,798	32,953	131,492
Renter Occupied Housing Units	8,780	16,706	86,544
Median Age	36.0	33.4	31.7
<b>Average Household Income</b>	<b>\$93,982</b>	<b>\$100,546</b>	<b>\$82,568</b>





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