



## SF BAY AREA MULTI-TENANT RETAIL OPPORTUNITY

Martinez, California



Net Lease Group

**Kevin Held**, Vice President  
+1 858 546 5428 | kevin.held@cushwake.com  
CA License #01240358

**Andrew Bogardus**, Executive Director  
+1 415 677 0421 | andy.bogardus@cushwake.com  
CA LIC#00913825

**Christopher Sheldon**, Executive Director  
+1 415 677 0441 | chris.sheldon@cushwake.com  
CA LIC #01806345





MT. DIABLO

CONCORD

WALNUT CREEK





## INVESTMENT HIGHLIGHTS

- Below Market Rents - 46% of the GLA is leased at an average of \$15.05 psf which is below estimated market rent of over \$20.00 psf (contact broker for trade area market rent survey)
- Value Add Opportunity - Landlord has a Landlord only right to terminate one of the under market tenants for immediate upside (contact broker for details)
- 100% leased retail center with a diverse tenant mix of national and local retail tenants
- 63% of the rental income guaranteed by AutoZone (S&P 'BBB') under a new 15 year lease
- 77% of shop tenants have occupied the property for over 10 years (Dentist ~ 18 years; Cafe ~ 12 years)
- Strategically E-commerce resistant tenant mix

## LOCATION HIGHLIGHTS

- Rare San Francisco Bay Area Net Lease Investment Opportunity
- Strong demographics with a population of 93,439 with an average household income of \$120,704 within 5 miles of the property
- Located less than four blocks away from California State Route 4
- Tenants in the immediate area include Walmart, The Home Depot, Starbucks, CVS, Safeway, Walgreens, Chase Bank, Lucky, PetCo, McDonald's, Les Schwab Tire Center, Jack in the Box and Wendy's, to name a few
- Located on a signalized intersection with over 25,000 VPD



## THE OFFERING

A single story 100% leased multi-tenant retail building and a single story free standing restaurant building located on Alhambra Avenue just off Highway 4 in Martinez, California (San Francisco Bay Area)

## ADDRESS

3801-3835 Alhambra Ave, Martinez, California

## LOT SIZE

±1.25 acres

## IMPROVEMENTS

Multi-Tenant Retail Building: ±11,264 sq. ft.

Restaurant Building Pad: 2,750 sq. ft.

**Total: 14,014 sq. ft.**

## YEAR BUILT

1958/Renovation 2019 \* (~\$630,000)

\*Contact broker for breakdown and details

## LEASE TYPE

NNN Multi tenant shopping center lease forms

## RENT ROLL

Tenants	Annual Rents:	Rent/ SF/Year:	Square Footage:	Lease Expiration:	Increases:
AutoZone	\$164,744	\$21.78	7,564	3/31/2034	7.5% in LY 11
Fresh Start Café	\$43,752	\$15.91	2,750	1/31/2024	
Family Dentistry	\$30,800	\$14.00	2,200	11/30/2026	3% annually
Highland Cleaners	\$22,500	\$15.00	1,500	5/31/2029	5.3% LY 6
<b>Totals/Averages</b>	<b>\$261,796</b>	<b>\$16.67</b>	<b>14,014</b>		

## OFFERING TERMS

**Asking Price:** \$5,070,000

**Net Operating Income:** \$253,454

**Cap Rate:** 5.00%

## NET INCOME ANALYSIS

For the Years	Year 1	Year 6
<b>Potential Gross Revenue</b>		
<b>SCHEDULED BASE RENTAL REVENUE</b>	<b>\$262,181</b>	<b>\$296,398</b>
<b>Expense Reimbursement Revenue</b>		
Common Area Utilities	\$909	\$1,003
Common Area Estimate	\$14,968	\$16,526
Management Fee	\$9,000	\$9,938
Property R&M	\$2,425	\$2,678
Property Insurance	\$16,970	\$18,737
Property Taxes	\$57,702	\$63,706
<b>Total Reimbursement Revenue</b>	<b>\$101,974</b>	<b>\$112,588</b>
<b>Total Potential Gross Revenue</b>	<b>\$364,155</b>	<b>\$408,986</b>
General Vacancy	(7,295)	(9,258)
<b>EFFECTIVE GROSS REVENUE</b>	<b>\$356,860</b>	<b>\$399,728</b>
<b>Operating Expenses</b>		
Common Area Utilities	(909)	(1,004)
Common Area Estimate	(14,968)	(16,526)
Management Fee	(9,000)	(9,937)
Property R&M	(2,424)	(2,676)
Property Insurance	(16,968)	(18,734)
Property Taxes	(57,696)	(63,701)
Capital Reserve	(1,441)	(1,591)
<b>Total Operating Expenses</b>	<b>(103,406)</b>	<b>(114,169)</b>
<b>NET OPERATING INCOME</b>	<b>\$253,454</b>	<b>\$285,559</b>
Cap Rate	5.00%	5.63%

## 10 YEAR PRO FORMA CASH FLOW STATEMENT

For the Years Ending	Apr-2020	Apr-2021	Apr-2022	Apr-2023	Apr-2024	Apr-2025	Apr-2026	Apr-2027	Apr-2028	Apr-2029
Investment Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Scheduled Base Rental Revenue</b>	<b>262,181</b>	<b>263,116</b>	<b>264,080</b>	<b>265,073</b>	<b>272,648</b>	<b>296,398</b>	<b>300,357</b>	<b>303,715</b>	<b>307,173</b>	<b>311,765</b>
<b>Expense Reimbursement Revenue</b>										
Common Area Utilities	909	928	945	964	984	1,003	1,023	1,044	1,065	1,087
Common Area Estimate	14,968	15,270	15,575	15,887	16,206	16,526	16,859	17,195	17,538	17,889
Management Fee	9,000	9,181	9,364	9,551	9,743	9,938	10,136	10,340	10,546	10,757
Property R&M	2,425	2,473	2,522	2,573	2,625	2,678	2,731	2,784	2,841	2,897
Property Insurance	16,970	17,309	17,655	18,009	18,369	18,737	19,111	19,492	19,883	20,279
Property Taxes	57,702	58,855	60,032	61,232	62,458	63,706	64,981	66,280	67,606	68,959
<b>Total Reimbursement Revenue</b>	<b>101,974</b>	<b>104,016</b>	<b>106,093</b>	<b>108,216</b>	<b>110,385</b>	<b>112,588</b>	<b>114,841</b>	<b>117,135</b>	<b>119,479</b>	<b>121,868</b>
<b>Total Potential Gross Revenue</b>	<b>364,155</b>	<b>367,132</b>	<b>370,173</b>	<b>373,289</b>	<b>383,033</b>	<b>408,986</b>	<b>415,198</b>	<b>420,850</b>	<b>426,652</b>	<b>433,633</b>
General Vacancy	(7,295)	(7,390)	(7,488)	(7,588)	(8,018)	(9,258)	(9,509)	(9,732)	(9,960)	(10,195)
<b>Effective Gross Revenue</b>	<b>356,860</b>	<b>359,742</b>	<b>362,685</b>	<b>365,701</b>	<b>375,015</b>	<b>399,728</b>	<b>405,689</b>	<b>411,118</b>	<b>416,692</b>	<b>423,438</b>
<b>Operating Expenses</b>										
Common Area Utilities	(909)	(927)	(946)	(965)	(984)	(1,004)	(1,024)	(1,044)	(1,065)	(1,086)
Common Area Estimate	(14,968)	(15,267)	(15,573)	(15,884)	(16,202)	(16,526)	(16,857)	(17,193)	(17,538)	(17,887)
Management Fee	(9,000)	(9,180)	(9,364)	(9,551)	(9,742)	(9,937)	(10,135)	(10,338)	(10,545)	(10,756)
Property R&M	(2,424)	(2,472)	(2,522)	(2,572)	(2,624)	(2,676)	(2,730)	(2,784)	(2,840)	(2,897)
Property Insurance	(16,968)	(17,307)	(17,654)	(18,007)	(18,367)	(18,734)	(19,109)	(19,491)	(19,881)	(20,278)
Property Taxes	(57,696)	(58,850)	(60,027)	(61,227)	(62,452)	(63,701)	(64,975)	(66,275)	(67,600)	(68,952)
Capital Reserves	(1,441)	(1,470)	(1,500)	(1,530)	(1,560)	(1,591)	(1,623)	(1,656)	(1,689)	(1,723)
<b>Total Operating Expenses</b>	<b>(101,965)</b>	<b>(104,003)</b>	<b>(106,086)</b>	<b>(108,206)</b>	<b>(110,371)</b>	<b>(112,578)</b>	<b>(114,830)</b>	<b>(117,125)</b>	<b>(119,469)</b>	<b>(121,856)</b>
<b>Net Operating Income</b>	<b>253,454</b>	<b>254,269</b>	<b>255,099</b>	<b>255,965</b>	<b>263,084</b>	<b>285,559</b>	<b>289,236</b>	<b>292,337</b>	<b>295,534</b>	<b>299,859</b>

Full Argus file available upon request for buyer to make own pro forma underwriting assumptions





65,000  
CARS PER DAY



CHASE

JOHN MUIR NATIONAL  
HISTORIC SITE

UNITED STATES  
POSTAL SERVICE



**AutoZone  
& Shops**



Tires **LES SCHWAB**



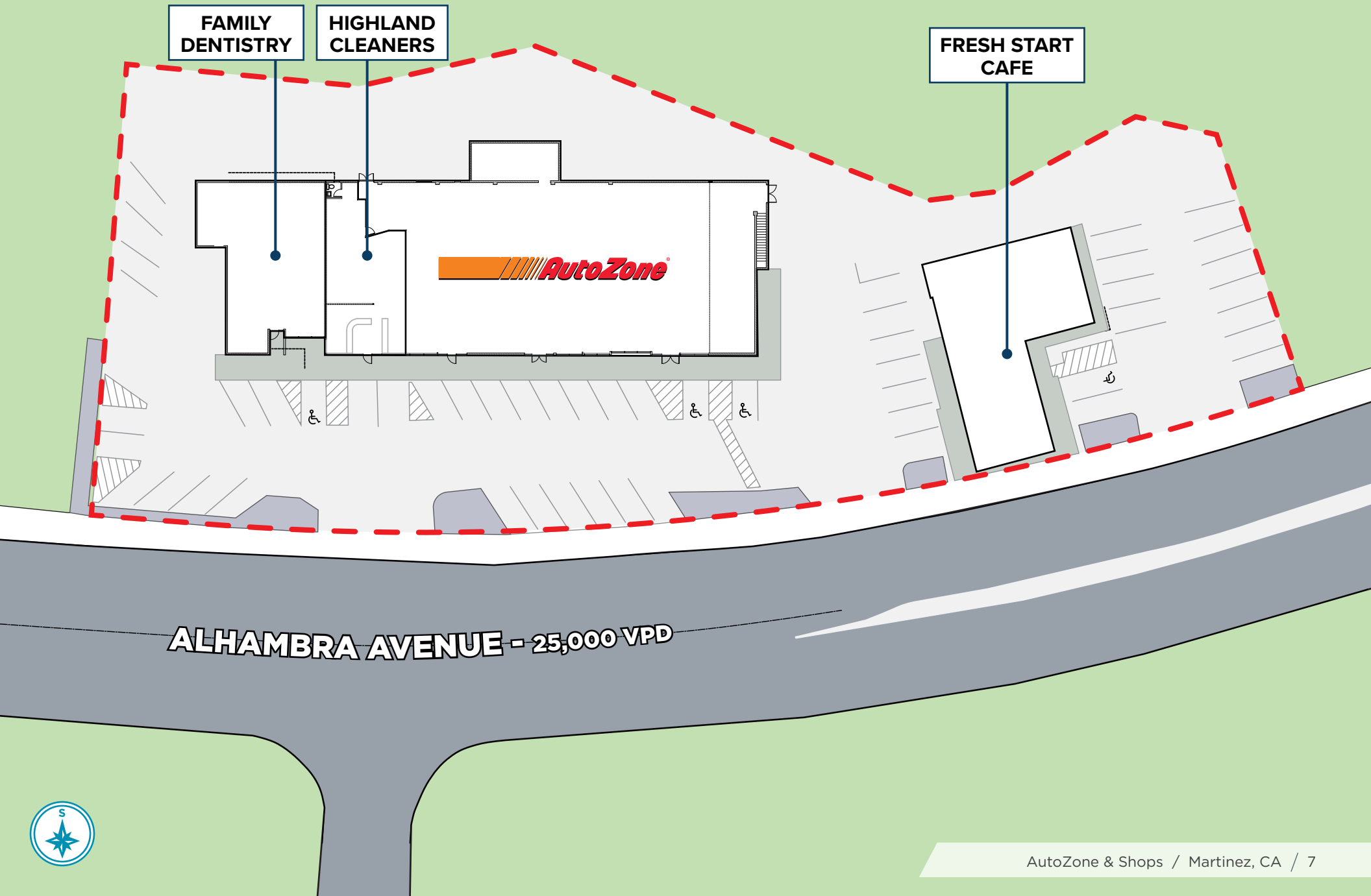
Walgreens

ALHAMBRA AVENUE 25,000 VPD





# Site Plan



**AUTOZONE**

Leased to **AutoZone Parts, Inc.** for 15 years from April 1, 2019 to March 31, 2034 with a 7.5% increase in rent beginning in lease year eleven. There are three-five years options and one-four year and eleven-month option to renew the lease with 7.5% rental increases at the start each option.

AutoZone is the nation's leading retailer and a leading distributor of automotive replacement parts and accessories with more than 6,000 stores in US, Puerto Rico, Mexico, and Brazil. Each store carries an extensive line for cars, sport utility vehicles, vans and light trucks, including new and remanufactured hard parts, maintenance items and accessories. Since opening its first store in Forrest City, Arkansas on July 4, 1979, the company has joined the New York Stock Exchange (NYSE: AZO) and earned a spot in the Fortune 500.

AutoZone continues to fuel growth by exploring new opportunities and entering new markets. In 1996, AutoZone launched a commercial program offering credit and delivery to professional installers. Later that year AutoZone purchased ALLDATA, the nation's leading provider of electronic automotive diagnostic and repair software. In 1998, AutoZone expanded its presence outside the U.S. borders to Mexico, opening the first AutoZone de Mexico store. In 2012, the company opened its first AutoZone in the city of Sorocaba, Brazil.

For the nine months ending November 17, 2018, the company reported total revenue of \$8.86 billion and net income of \$1.12 billion. AutoZone is ranked #314 on the Fortune 500.

Company Type: Public (NYSE: AZO)

S&P Rating: BBB

Locations: 6,000 +

Website: [www.autozone.com](http://www.autozone.com)

**FAMILY DENTISTRY: ~18 YEAR TENANCY SINCE 2001**

Leased to Kurt Schwatz, D.M.D. dba **Family Dentistry** for 8 years from December 1, 2018 to November 30, 2026. There is one-five year option to renew at the prevailing rental rate.

Family Dentistry is a general dentistry operation practice that serves the families and individuals of Martinez, CA.

**FRESH START CAFE: ~12 YEAR TENANCY SINCE 2007**

Leased to Barry Argueta DBA **Fresh Start Cafe** for 5 years from February 1, 2019 to January 31, 2024. There is one-five year option to renew at the prevailing rental rate.

Fresh Start Cafe is a warm, friendly, family restaurant that serves home style cooking at an affordable price. They cater to locals by providing friendly service while also serving their customers a delicious hardy meal.

**DRY CLEANERS (DROP OFF ONLY)**

New 5 year lease with strong personal guarantee





# FAIRFIELD

BENICIA



BENICIA-MARTINEZ  
BRIDGE

105,000  
CARS PER DAY



SHELL MARTINEZ  
REFINERY

DOWNTOWN  
MARTINEZ

CONTRA COSTA  
REGIONAL  
MEDICAL CENTER

ALHAMBRA  
HIGH SCHOOL

SAFEWAY

Wendy's

Walgreens

AutoZone  
& Shops

Tires LES SCHWAB



UNITED STATES  
POSTAL SERVICE

CHASE

65,000  
CARS PER DAY



HOWE ROAD 10,400 VPD

CENTER AVENUE 17,020 VPD



MUIR STATION  
SHOPPING COMPLEX

NOB HILL  
FOODS

CVS

Round Table  
PIZZA

STARBUCKS

pet food express

JOHN MUIR NATIONAL  
HISTORIC SITE

ALHAMBRA AVENUE 25,000 VPD





SAN FRANCISCO

MARIN COUNTY



MUIR STATION  
SHOPPING COMPLEX  
NOB HILL  
FOODS  
CVS  
Round Table  
PIZZA  
STARBUCKS  
pet food express

JOHN MUIR NATIONAL  
HISTORIC SITE

AutoZone  
& Shops

SAFeway

CONTR COSTA  
REGIONAL  
MEDICAL CENTER

CHASE

Tires  
LES SCHWAB

Walgreens

Wendy's

ALHAMBRA AVENUE 25,000 VPD

CENTER AVENUE 17,020 VPD

Best  
Western

CONTRA COSTA  
GOV'T OFFICES

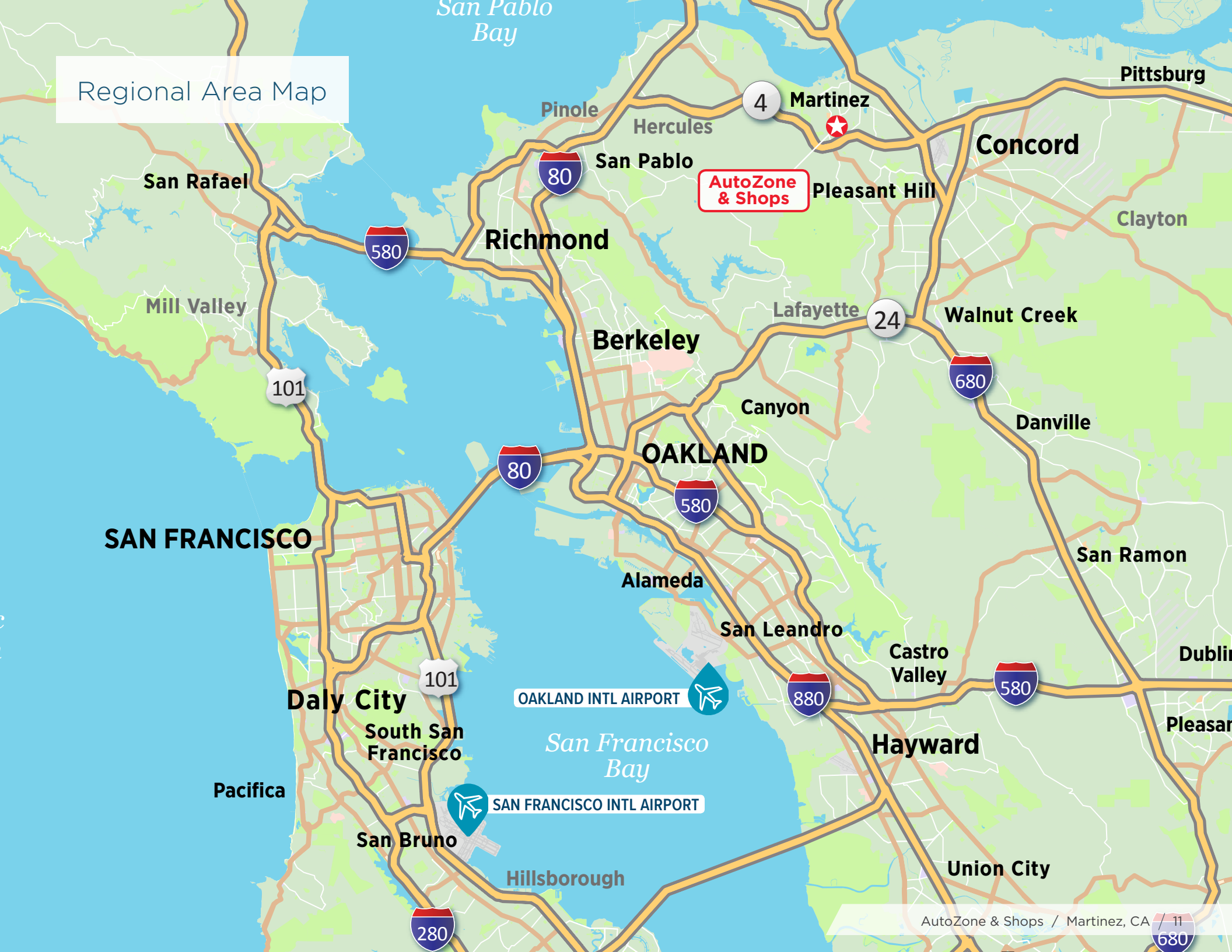
HOME ROAD 10,400 VPD

65,000  
CARS PER DAY

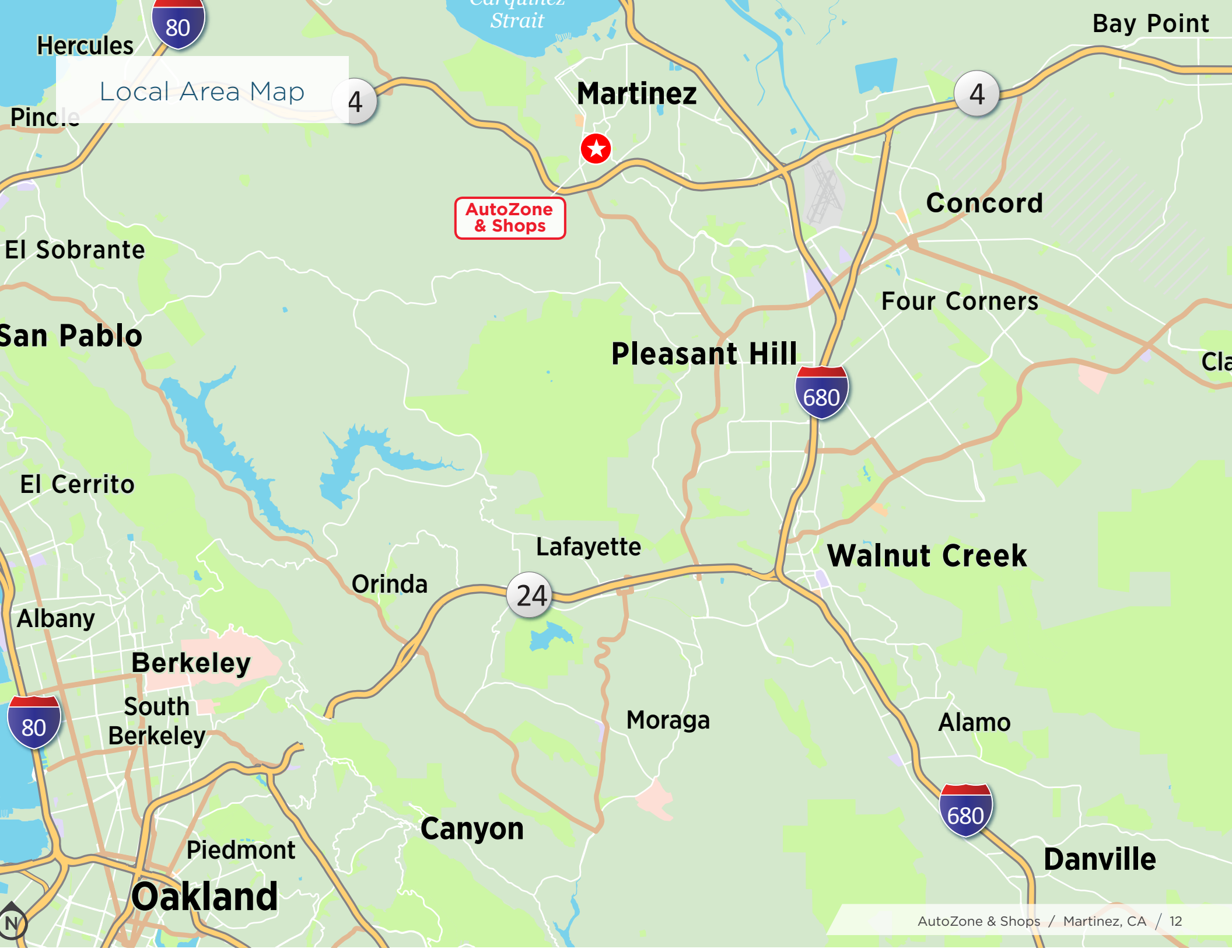




## Regional Area Map



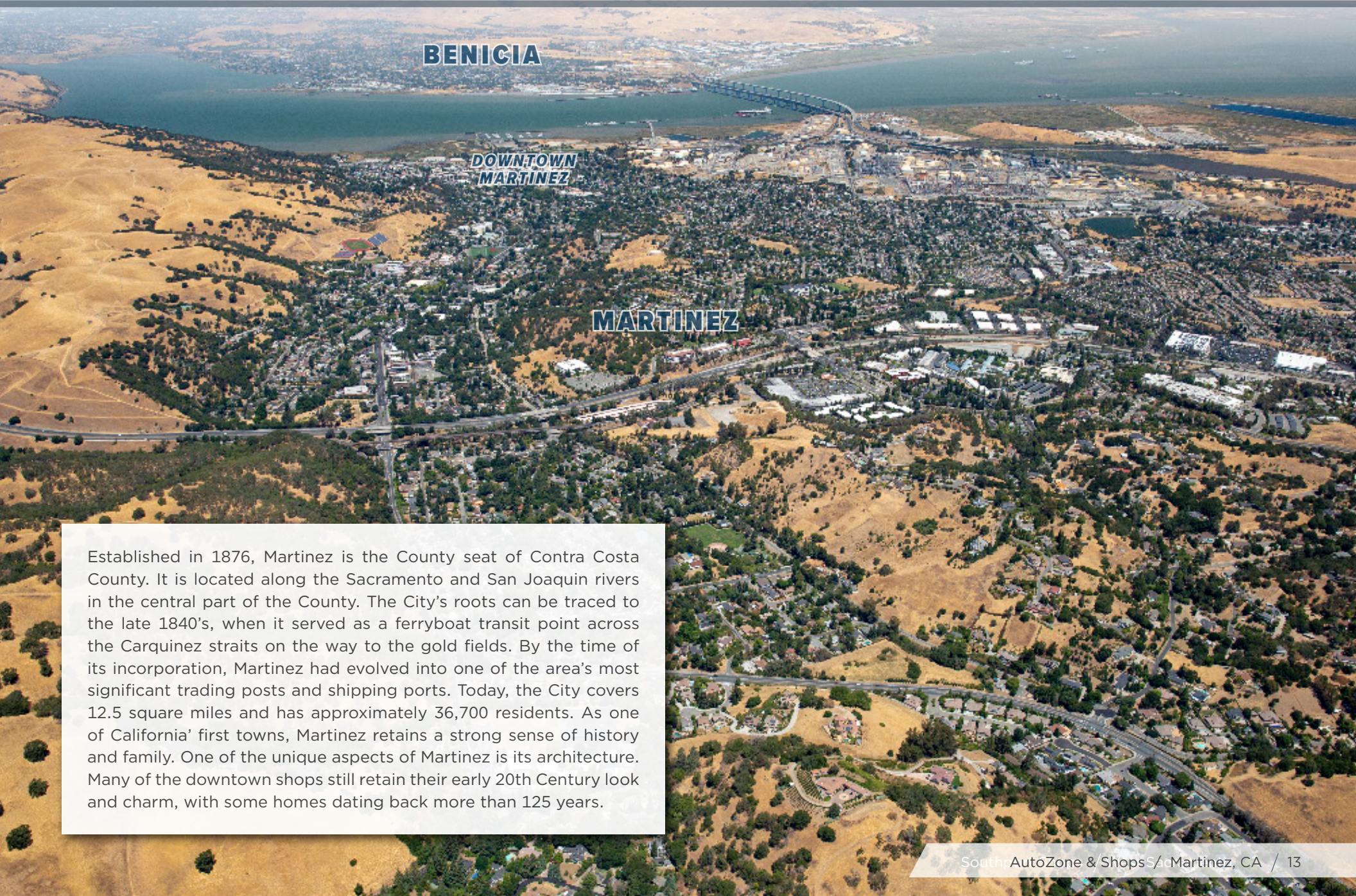




Local Area Map

AutoZone  
& Shops





Established in 1876, Martinez is the County seat of Contra Costa County. It is located along the Sacramento and San Joaquin rivers in the central part of the County. The City's roots can be traced to the late 1840's, when it served as a ferryboat transit point across the Carquinez straits on the way to the gold fields. By the time of its incorporation, Martinez had evolved into one of the area's most significant trading posts and shipping ports. Today, the City covers 12.5 square miles and has approximately 36,700 residents. As one of California's first towns, Martinez retains a strong sense of history and family. One of the unique aspects of Martinez is its architecture. Many of the downtown shops still retain their early 20th Century look and charm, with some homes dating back more than 125 years.



Respecting its past but with an eye to the future, Martinez has modernized both its infrastructure and its downtown. The City opened an award-winning Intermodal Facility in 2001 that has become a popular stop along the Amtrak line. It also completed a major restoration of Alhambra Creek that beautifies the downtown and controls flooding and has embarked on a program to make Martinez a cultural-historical attraction as the home of the John Muir Festival Center. An outdoor amphitheater is the first realization of this long-term program. About Martinez:

### ECONOMY

- 399 new building permits were issued in Apr – Jun 2018 with a total valuation of over \$7 million.
- Employment is at its second highest level since 2012 with over 20,000 residents working
- Martinez has seen the job market increase by 1.4% over the last year. Future job growth over the next ten years is predicted to be 36.3%, which is higher than the US average of 33.5%.

### TRANSPORTATION

#### RAIL

- Amtrak California runs its San Joaquin trains through Martinez, providing service several times daily between Oakland to the west and Bakersfield at the south end of the San Joaquin Valley. Bus connections branch off both the San Joaquin and the Capitol Corridor, providing service as far as San Diego; Las Vegas and Sparks, Nevada; and Medford, Oregon. One connection originates in Martinez and runs as far north as the Eureka area.
- Amtrak California operates its Capitol Corridor trains through Martinez station, providing service several times daily between San Jose to the west and Auburn to the east (via Sacramento)

#### BUS

- The County Connection is the primary local bus operator providing service throughout the area. Among its destinations are the Concord, Pleasant Hill, and Walnut Creek BART stations. The County Connection also provides paratransit service.

### MAJOR HIGHWAYS

- State Route 4 runs through Martinez westward to Hercules and eastward through Stockton and the Sierra Nevada to near the border of Nevada.
- Interstate 680 runs northward across the Benicia–Martinez Bridge toward Sacramento via Interstate 80 and southward toward San Jose.

### DEMOGRAPHICS

2018 Summary	1 mile	3 miles	5 miles
Population	8,899	44,607	93,439
Households	3,693	17,384	37,252
Families	2,260	11,357	23,908
Average Household Size	2.37	2.49	2.46
Owner Occupied Housing Units	2,054	11,630	24,557
Renter Occupied Housing Units	1,639	5,754	12,694
Median Age	44.0	43.3	43.7
Median Household Income	\$78,282	\$91,853	\$90,486
Average Household Income	\$105,415	\$117,910	\$120,704
Projected 2023 Summary	1 mile	3 miles	5 miles
Population	9,286	46,432	96,907
Households	3,834	18,031	38,510
Families	2,349	11,777	24,715
Average Household Size	2.39	2.50	2.47
Owner Occupied Housing Units	2,249	12,549	26,436
Renter Occupied Housing Units	1,584	5,481	12,074
Median Age	44.0	43.7	43.9
Median Household Income	\$92,924	\$106,052	\$105,636
Average Household Income	\$128,592	\$140,595	\$143,169



The San Francisco Bay Area is one of the most desirable regions in the world for institutional, private and off-shore investors. The combination of banks, financial services, high technology, leading biotechnology and life science companies, as well as nearly 50% of the country's annual investment capital is being allocated to Bay Area companies. The Bay Area economy continues to be diverse and will continue to experience strong growth. The area is home to more than 7 million people and consists of nine counties, 101 cities, and comprises 7,000 square miles. All of the region's nine counties touch the San Francisco Bay. The region is one of the most appealing places to live in the United States. It has a mild climate, a splendid natural setting, and an informed, sophisticated culture. Its geographic hub, San Francisco, is considered one of the most beautiful and cosmopolitan cities in the world and a famed destination for travelers.

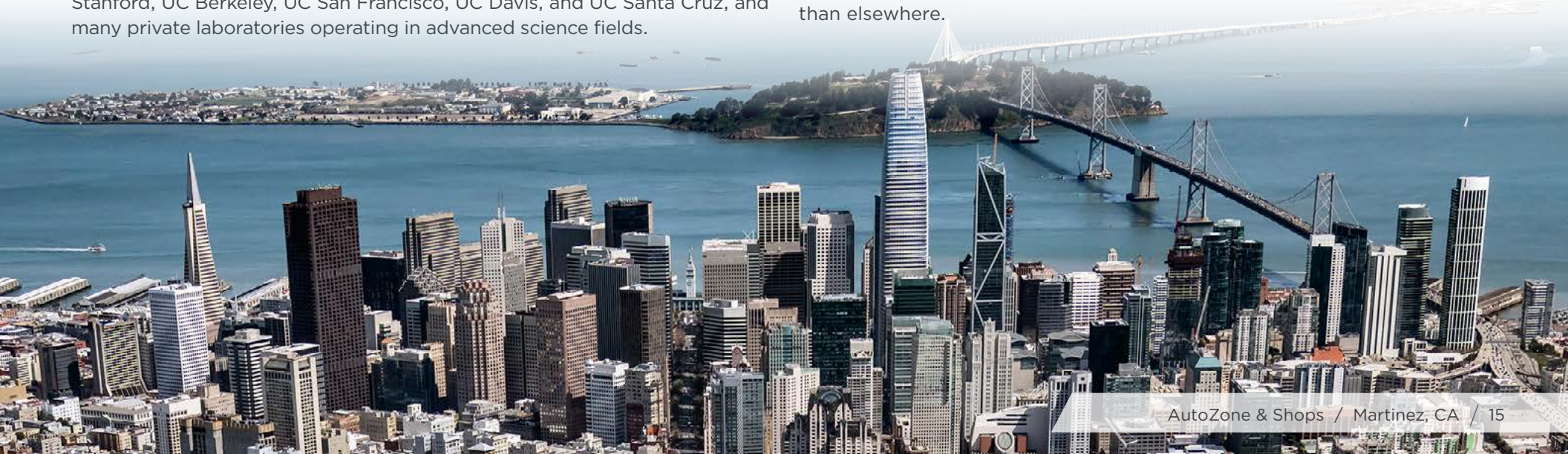
## INNOVATION HOTBED

The Bay Area has world-class research facilities and the venture capital to fund risky but potentially breakthrough ideas. Among the research centers that dot the region are federal institutions (like Lawrence Berkeley National Lab, Lawrence Livermore National Lab, NASA Ames Research Center, and Sandia National Labs), new state facilities (the California Institute of Regenerative Medicine for stem cell research, QB3, and CITRIS), renowned universities like Stanford, UC Berkeley, UC San Francisco, UC Davis, and UC Santa Cruz, and many private laboratories operating in advanced science fields.

California leads the nation in the number of doctorate-level scientists and engineers, small business innovation awards, patents, and federal, academic and industry R&D expenditure. The Bay Area contributes to this leadership. Several local universities rank in the top 20 in the United States as recipients of R&D funding from the National Science Foundation. The Bay Area is also home to the largest number of Top 10-ranked graduate programs among comparable regions.

The Bay Area is a rich pool for venture capitalists because of this fertility in ideas, its expertise at developing them, and its web of entrepreneurial and management talent. The region consumes a disproportionate share of the country's venture capital – both in absolute terms and as a percentage of local GDP. In fact, in 2017 the Bay Area received over 40% of all U.S. venture capital spending.

Bay Area companies also tend to gain venture capital earlier than firms elsewhere. The first round of financing usually comes 11.6 months after launch, compared to 16.6 months in Boston and the U.S.. In Silicon Valley, this swift access to venture capital is evident in every high-tech sector, from consumer and business services and electronics (each gaining funds 50% faster than the U.S. average) to software. As a result, local companies can obtain capital and move ideas and products into the marketplace faster than elsewhere.





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Net Lease Investment Services

**Kevin Held**, Vice President  
+1 858 546 5428 | kevin.held@cushwake.com  
CA License #01240358

**Andrew Bogardus**, Executive Director  
+1 415 677 0421 | andy.bogardus@cushwake.com  
CA LIC#00913825

**Christopher Sheldon**, Executive Director  
+1 415 677 0441 | chris.sheldon@cushwake.com  
CA LIC #01806345