



FILE PHOTO

OFFERING MEMORANDUM

PRESERVE
WEST
CAPITAL



ALDI Ground Lease
Hanford, CA

www.preservewestcapital.com



PROPERTY HIGHLIGHTS	1	PROGRESS PHOTO	5
PROPERTY INFORMATION	2	AERIALS	6
TENANT INFORMATION	3	ABOUT THE AREA	8
SITE PLAN	4	DEMOGRAPHICS	10

Disclaimer

Michael Maffia ("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.

Michael Maffia
Managing Partner
415.373.4060
mike@preservewc.com
CA RE License #01340853

Chris Campbell
Executive Vice President
916.446.6800
chris.campbell@cbre.com
CA RE License #01204114

Putnam Daily
Partner - Brokerage Division
415.445.5107
putnam@preservewc.com
CA RE License #01750064

PROPERTY HIGHLIGHTS



Property Highlights

- Brand New 15 Year Absolute NNN Ground Lease
 - Fixed 9% Rental Escalations Every 5 Years
 - Lease Entity is Corporate Subsidiary
- ALDI is Among the Fastest Growing Grocery Chains in the U.S.
 - Plans to Open 900+ Additional Locations by 2022
 - Named Top Grocery Brand for Customer Loyalty
- Excellent Visibility and Access Along Heavily Trafficked Retail Corridor Neighboring Regional Arterial - Combined AADT of 74,112
- Prominent Retail Location in Hanford's Primary Retail Hub
 - Neighbors Walmart Supercenter, Target, Hobby Lobby, & More
 - Adjacent to Hanford Mall
- Below Market Rental Rate on Improvements of \$5.73 PSF
- Robust Demographics within 5 Miles of Site
 - Population of 70,429
 - Average Household Income of \$77,141
- Located in Close Proximity to Adventist Medical Center – Hanford
 - Only Civilian Hospital within a 20-Mile Radius
 - Third Largest Employer County-Wide
- 16 Miles from Naval Air Station Lemoore
 - Contributes Approximately \$1 Billion Annually to Local Economy
 - Newest and Largest Master Jet Base in U.S. Navy
- San Joaquin Valley is Among the Most Productive Agricultural Regions in the U.S.
 - King County Produces Nearly \$2 Billion in Crops Annually



Location

The property is located at the southwest corner of 12th Avenue and Lacey Boulevard in Hanford, California.

Lot Size

Approximately 2.068 acres or 90,103 square feet.

Only the land is for sale.

Improvements

Construction is expected to be completed in May 2019 of a 21,810 square foot retail building for **ALDI**.

The improvements are being built and will be owned by the tenant. Upon expiration or termination of the lease, title to all such improvements shall become vested in the Landlord. The improvements are not for sale.

Parking

There is ample parking available on site.

Ground Lease

Leased to **AI California, LLC** for fifteen years at an initial annual rent of \$125,000. There are eight (8) five-year options to renew the lease. Rent is to increase by 9% in years 6, 11, and at the start of each option period. The lease is net with tenant responsible for all taxes, insurance, and maintenance, as well as proportionate share of common area maintenance, including a management fee equal to 7% of common area charges. Increases in common area maintenance charges are capped at 5% annually on a non-cumulative basis beginning in year 3.

PRICE

\$3,125,000

4.00% CAP Rate

Net Annual Income

Years	Annual Rent	Return
1-5	\$125,000	4.00%
6-10	\$136,250	4.36%
11-15	\$148,512	4.75%
16-20 (Option 1)	\$161,878	5.18%
21-25 (Option 2)	\$176,447	5.65%
26-30 (Option 3)	\$192,328	6.15%
31-35 (Option 4)	\$209,637	6.71%
36-40 (Option 5)	\$228,504	7.31%
41-45 (Option 6)	\$249,070	7.97%
46-50 (Option 7)	\$271,486	8.69%
51-55 (Option 8)	\$295,920	9.47%

Financing

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



ALDI plans to operate more than 2,700+ U.S. locations by 2022.



ALDI is a discount grocery chain, founded in Germany, with more than 10,000 locations across the Europe, Asia, and the U.S.. In the U.S., the company operates nearly 1,800 locations across 35 states, with plans to open at least 900 additional locations by 2022. Up to 90% of stores merchandise is made up of ALDI exclusive brands; in 2017, more than 200 ALDI exclusive products won a variety of national accolades, including 24 Best New Product Awards, 65 Parent Tested Parent Approved Seals of Approval, and more. Consumer surveys have consistently ranked ALDI as the value leader amongst U.S. grocery chains for the last 8 years, and the company has been named the top major grocery chain for customer loyalty. In addition, the company has been named to the Forbes Top Workplaces List.

The brand ALDI is associated with two legally separate entities, both based in Germany, Aldi Nord and Aldi Süd. Both brands operate more than thirty regional companies with operations in Germany. Additionally, **Aldi Nord** operates locations in Denmark, France, the Benelux countries, Portugal, Spain, and Poland, and owns **Trader Joe's** in the U.S.. **Aldi Süd** operates ALDI locations in the U.S, Ireland, the United Kingdom, Hungary, Switzerland, Australia, China, Italy, Austria, and Slovenia.

Al California, LLC, the lease entity, is a subsidiary of **Aldi, Inc.**, which is itself a subsidiary of **Aldi Süd**.

SITE PLAN



PROGRESS PHOTO

AS OF FEB 2019



AERIAL

MARKETPLACE AT HANFORD



CENTENNIAL PLAZA



HANFORD MALL



12th Ave (16,658 AADT)

W Lacey Blvd (24,954 AADT)

AERIAL

DOWNTOWN HANFORD

WOODROW WILSON
JUNIOR HIGH SCHOOL



ROOSEVELT
ELEMENTARY

HANFORD WEST
HIGH SCHOOL

HANFORD MALL

CINEMARK
The Best Seat In Town

ROSS
DRESS FOR LESS jcpenny

KOHL'S

FIVE GUYS BUFFALO WILD WINGS Applebee's



(32,500 AADT)

KINGS COUNTY
GOVERNMENT
CENTER



12th Ave (16,658 AADT)



W Lacey Blvd (24,954 AADT)

CENTENNIAL PLAZA

HOBBY LOBBY TACO BELL
Foods Co. Party City

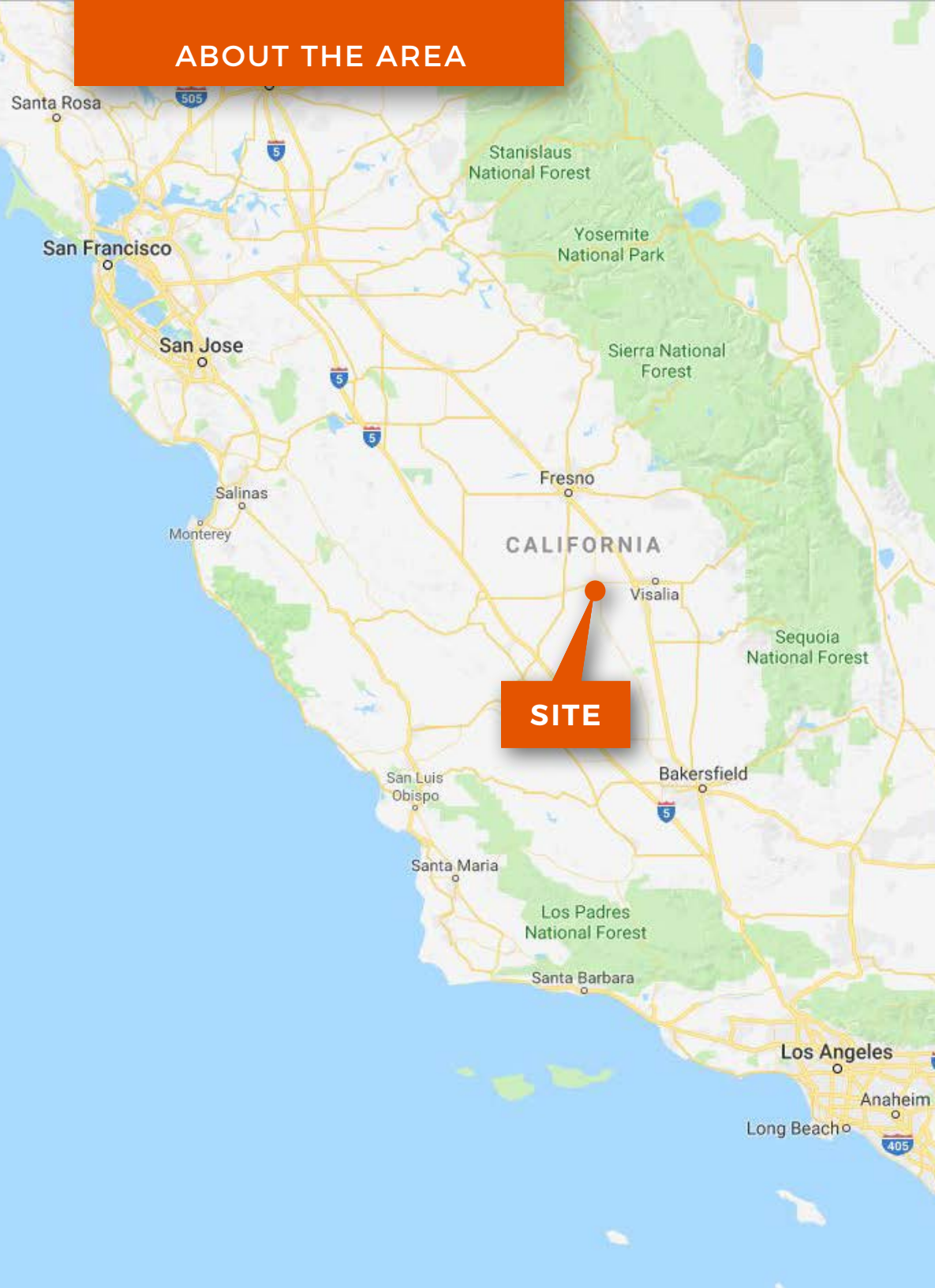


MARKETPLACE AT HANFORD

TARGET
Marshalls McDonald's Starbucks
PETSMART ULTA BEAUTY
Michaels Famous Footwear
OLD NAVY SALLY HANCOCK Panera

Walmart Supercenter
IN-N-OUT BURGER SONIC

ABOUT THE AREA



General Overview

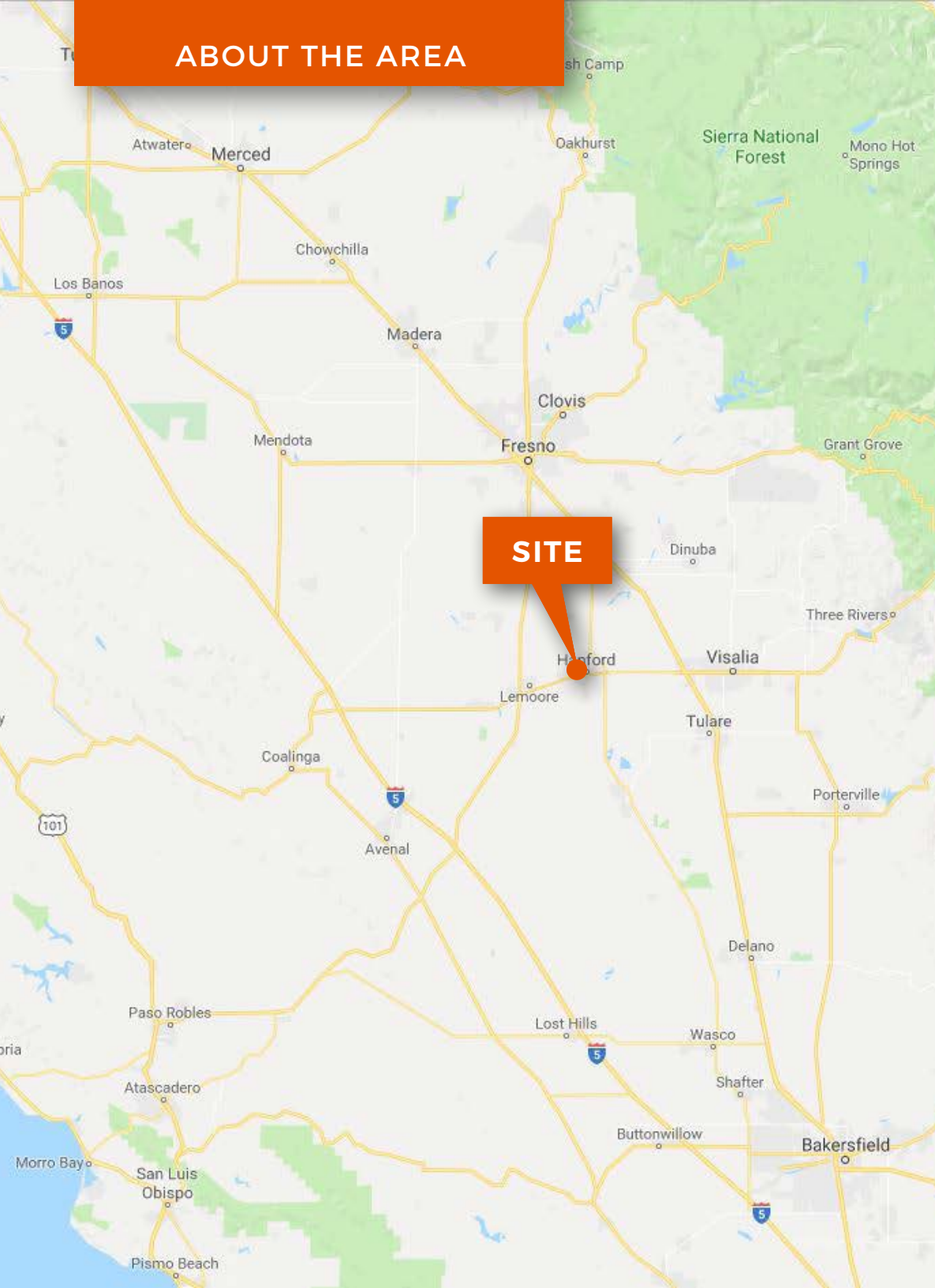
Hanford (population 55,645) a city in and the county seat of Kings County, located in the southern portion of the central San Joaquin Valley. The city is a principal city of the Hanford-Corcoran, CA metropolitan statistical area, which has a population of 150,101, as well as of the Visalia-Porterville-Hanford, CA combined statistical area, with a population of 614,594. The city is located approximately thirty miles south of Fresno, twenty miles west of Visalia, and 100 miles north of Bakersfield.

The San Joaquin valley is among the most productive agricultural regions in the U.S., representing the majority of California's agricultural production. Kings County alone produces nearly \$2 billion in crops annually. In 2017, Kings County produced more than \$676 million worth of Milk; almonds, grapes, pistachios, walnuts, cattle, tomatoes, cherries, hay, and potatoes are also among the top crops produced in the area. The region is also California's primary oil production region, with oil fields located throughout the valley, including the third-largest oil field in the U.S., the Midway-Sunset Oil Field. Significant additional reserves were discovered in the region in 2009.

In addition, Hanford is located approximately 16 miles from the Naval Air Station Lemoore, the newest and largest Master Jet Base in the U.S. Navy, home to the Navy's entire wet coast fighter/attack capability. The base is the county's largest employer, with more than 8,400 civilian and military personnel, and is estimated to contribute \$1 billion annually to the regional economy. The region is home to three major state prison facilities, providing stable employment in the region; notably, the nearby Corcoran state prison housed Charles Manson until his death in 1979.

Other major businesses within the Hanford/Kings County region include food processing, with major facilities for Del Monte Foods, Olam International, Leprino Foods, and more. In 2018, luxury electric car company Faraday Future opened a 1 million square foot manufacturing site expected to employ more than 1,000 by 2019. In addition, plans are underway to include a passenger station east of Hanford in the California High Speed Rail Project that will provide high speed passenger rail travel throughout California's Central Valley.

ABOUT THE AREA



Site Information

The subject property is strategically situated with excellent access and visibility within Hanford's primary retail corridor at the southeast corner of West Lacey Boulevard (24,954 AADT) and 12th Avenue (16,658 AADT) near its junction with CA-198 (32,500 AADT). The property benefits from robust demographics with a population of 70,429 and average household income of \$77,141 within a five-mile radius of the site.

The site benefits from a prominent retail location adjacent to major numerous major retail tenants. The site is adjacent to Hanford Mall, with major tenants including Cinemark, Kohl's, Big 5, and Ross. In addition, the site is across the street from the Marketplace at Hanford, with tenants including Target, Lowe's Home Improvement, PetSmart, Marshalls, Michael's, ULTA, Panera Bread, Firestone, and more. The site is located kitty-corner to Centennial Plaza, featuring Foodsco, Hobby Lobby, dd's Discounts, Dollar Tree, and more. Other major tenants neighboring the site include Walmart Supercenter, CVS, The Home Depot, Costco, Smart & Final, Grocery Outlet, Big Lots, Orchard Supply Hardware, 99 Cents Only, Staples, Rite Aid, In-Shape Health Club, The Habit Burger Grill, Starbucks, Buffalo Wild Wings, Pieology, and more.

The property also neighbors numerous medical centers and offices, drawing additional traffic from doctors, patients, and staff proximal to the site. The site is adjacent to Adventist Medical Center – Hanford, the only civilian hospital facility within a twenty mile radius. The 199-bed hospital is part of the Adventist Health Central Valley Network, which also operates a number of smaller clinics throughout the surrounding area and is the third-largest employer county-wide. The site is also located in close proximity to the Hanford Adult School and Hanford West High School, drawing additional traffic from students, parents, and teachers to the site.



SEC W Lacey Blvd & 12th Ave | Hanford, CA 93230



POPULATION
70,429



MEDIAN HOME VALUE
\$340,013



AVG. HOUSEHOLD INCOME
\$77,141

Population Summary	1 Mile	3 Miles	5 Miles
2010 Total Population	6,996	61,076	66,976
2018 Total Population	7,779	64,551	70,429
2023 Total Population	8,226	66,875	72,831
2018-2023 Annual Rate	1.12%	0.71%	0.67%
Average Household Income			
2018	\$70,983	\$75,887	\$77,141
2023	\$82,266	\$90,611	\$92,369
Median Home Value			
2018	\$340,013	\$242,778	\$247,576
2023	\$336,603	\$328,309	\$335,465

Major Employers in Kings County # of Employees

Lemoore Naval Air Station	8,400
California State Prisons	4,400
Adventist Health	2,200
County of Kings	1,550
Kings County School Districts	1,440
Tachi Palace Hotel & Casino	1,340
J.G. Boswell Company	1,300
Leprino Foods	1,040
Del Monte Corp	1,015
Olam Tomato Processors	1,000



FILE PHOTO

Michael Maffia

Managing Partner
415.373.4060
mike@preservewc.com
CA RE License #01340853

Chris Campbell

Executive Vice President
916.446.6800
chris.campbell@cbre.com
CA RE License #01204114

Putnam Daily

Partner - Brokerage Division
415.445.5107
putnam@preservewc.com
CA RE License #01750064

PRESERVE
WEST
CAPITAL

