

OFFERING MEMORANDUM



**BAKERSFIELD
CALIFORNIA**

Densely Populated Area
In Busy CVS Anchored Center

NNN
NNN DEAL
THE SINGLE TENANT RESOURCE

Marcus & Millichap



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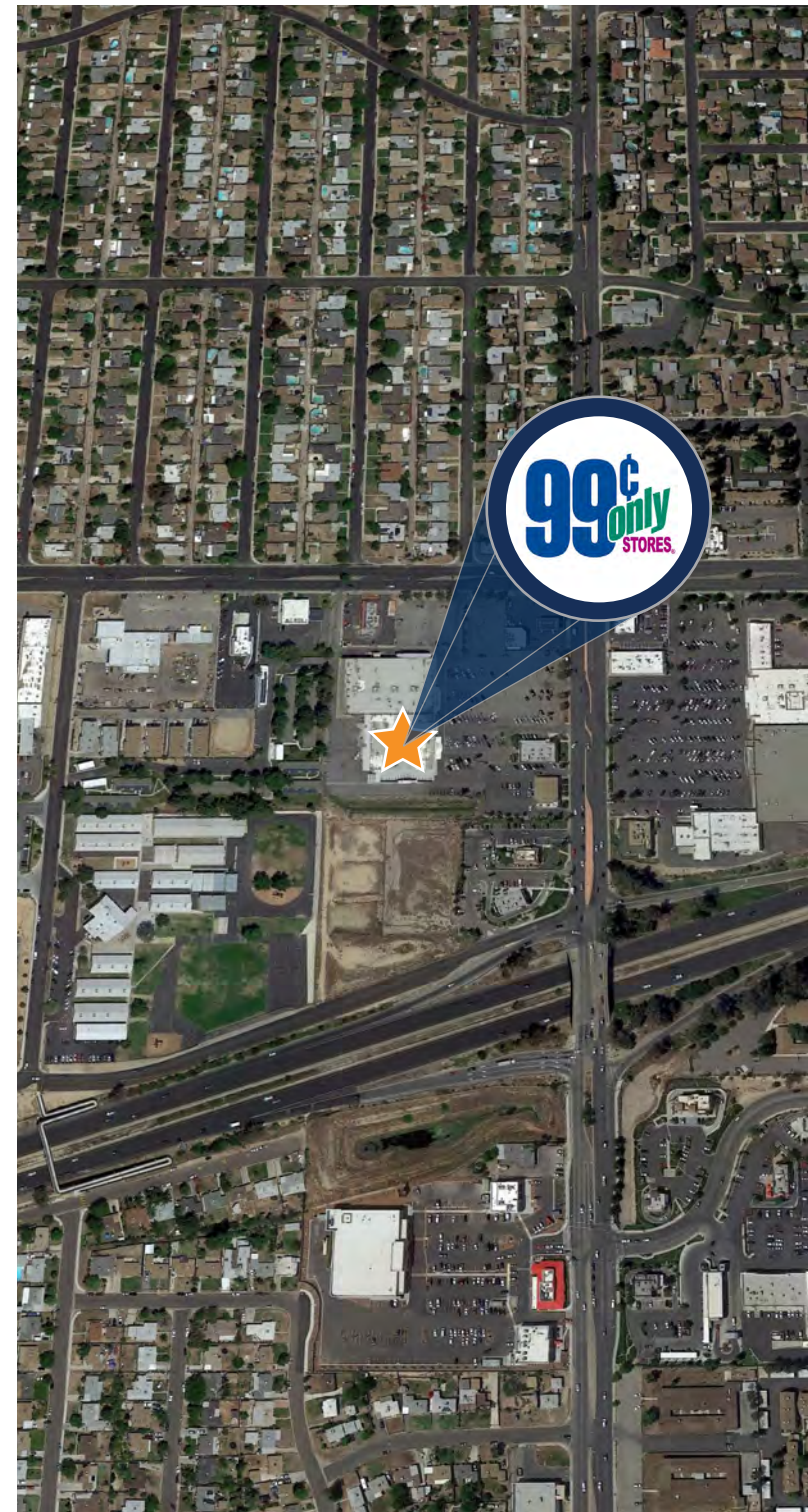


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99c
only
STORES



INVESTMENT SUMMARY

2682 MT VERNON AVENUE, BAKERSFIELD, CA 93306

PRICE: \$4,494,000

CAP: 6.00%

RENT: \$269,615

OVERVIEW

Price	\$4,494,000
Gross Leasable Area (GLA)	28,802 SF
Lot Size (approx.)	3.07 Acres
Net Operating Income	\$269,615
CAP Rate	6.00%
Year Built	1973

LEASE ABSTRACT

Lease Type	NNN
Lease Term	13 Years
Lease Start (estimate)	4/28/2017
Lease Expiration (estimate)	2/1/2030
Renewal Options	4x5
Increases	Written into lease, see side bar
Landlord Obligation	None

ANNUALIZED OPERATING DATA

Lease Term	Annual Rent
2/2019	\$269,615
2/2025	\$280,399
Option 1	\$291,615
Option 2	\$303,280
Option 3	\$315,411
Option 4	\$328,028

99¢
only
STORES



INVESTMENT HIGHLIGHTS

- ◆ **\$4,494,000**
- ◆ Located in a busy CVS anchored center.
- ◆ Densely populated residential community with more than 220,530 residents in the immediate area.
- ◆ In close proximity to Bakersfield Community College with 17,700+/- student body population contributing to the traffic in the immediate area.
- ◆ Heavily trafficked area with strong visibility and ease in ingress/egress where more than 35,400+ vehicles pass in front of site daily.



226,965
TOTAL
POPULATION
WITHIN 5-MILE
RADIUS



\$52,776
AVERAGE
HOUSEHOLD
INCOME WITHIN
5-MILE RADIUS



22,049 VPD - MOUNT VERNON AVE
13,399 VPD - COLUMBUS STREET





INVESTMENT HIGHLIGHTS

Strategically located in ninth-most populous city in California. With an economy run primarily by agriculture and oil production, residents are accustomed to shopping at their local 99 Cent Only Store.

The site is in a hub filled with national retailers that is expanding in an attempt to keep up with the growing community.

Other retailers in the immediate area include CVS, Chase Bank, Arco, McDonald's, Family Dollar, DD'S Discounters, Lowe's, Home Depot, Target, a WalMart Supercenter, and Albertsons.



Peace of mind passive investment opportunity. No landlord responsibilities on a true NNN lease.



Largest draw to the region are the two major Target and WalMart Super Center stores both located near the subject property.



Expected high flows of traffic due to the scheduled redesign of adjacent mall in September 2019.



Barriers to entry due to long-standing lease and establishment of 99 Cent Only Store.



Surrounded by a large population of 226,469 within a 5-mile radius.



Tenant has the corner of the market. Nearest national competitor is more than 2.5 miles from the site.





Bakersfield College

CVS
pharmacy

ARCO

BURGER
KING

CHASE

KFC

Denny's

FROSTY
KING

TACO
BELL

99¢
only
STORES

McDonald's

dd's
DISCOUNTS

verizon

Albertsons

FAMILY DOLLAR
my family, my family dollar

COLUMBUS STREET - 13,399 VPD

CA STATE ROUTE 178 - 52,500 VPD

LOWE'S

Foods Co.

Farmer Boys

Smart & Final

THE HOME DEPOT

Walmart
Supercenter

BIG
LOTS

GameStop

BIG 5
SPORTING GOODS

Target

Redevelopment demolition
scheduled for 2019 to
create mixed use retail and
multi-residential housing

♥ **CVS** pharmacy
y **más**

99¢
only
STORES

Denny's

CHA

SITE PLAN



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TENANT SUMMARY

99 CENTS ONLY STORES

99 Cents Only Stores is an American price-point retailer chain based in Commerce, California. Previously, the store offered all products at 99¢ or less. The company also operates Bargain Wholesale, which sells wholesale to retailers across the United States and exports to more than 15 countries from showrooms in Los Angeles. It also exhibits at trade shows in Las Vegas and Chicago. With over 400 locations and 12,000 employee's, their annual revenue is upwards of \$1.5 billion.

- ◆ 99 Cent's Only has experienced 26.05% sales growth in 1 year from 2014.
- ◆ 99 Cents only Stores fiscal 2018 outlook includes positive sales growth and an increase in its circulation of Adjusted EBITDA, which was \$50.6 million in 2017. In 2017 a fourth quarter sale leaseback was completed raising \$5.6 million and \$10.5 million during 3Q17.
- ◆ The company completed a market refresh at its 25 stores in San Diego and at its 28 stores in Phoenix AZ as of the end of 1Q18. These refreshes included facility clean up and upgrades, modified store layouts, and enhanced marketing and TV commercials which has improved the sales and profitability of the overall chain thus far.



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99 CENTS ONLY STORES



COMMERCE, CA
HEADQUARTERS

1969

FOUNDED

400+

LOCATIONS

CORPORATE

LEASE GUARANTOR

DISCOUNT,
VARIETY STORE

INDUSTRY

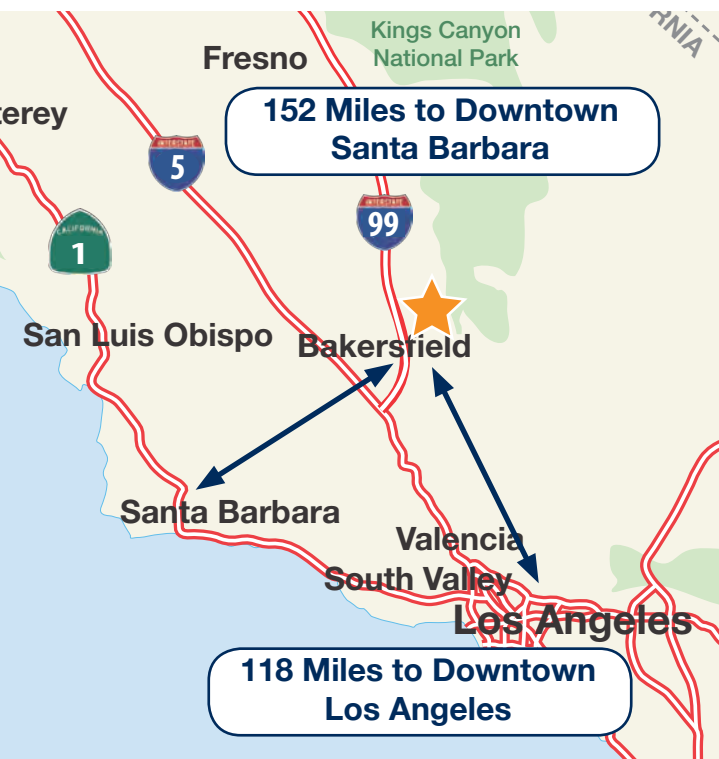
JACK
SINCLAIR

CEO

JASON
KIDD

COO





MAJOR EMPLOYERS: 2017 BAKERSFIELD, CA

County of Kern	7,274
Kern High School District	4,279
Bakersfield City School District	3,673
Dignity Health	3,398
Adventist Health Bakersfield	2,718
Panama-Buena Vista Union School District	2,312
Wm. Bolthouse Farms	1,802
Kern Medical Center	1,796
Kern County Superintendent of Schools	1,623
City of Bakersfield	1,443

LOCATION HIGHLIGHTS

BAKERSFIELD, CA

THE MOST OIL PRODUCTIVE COUNTY IN AMERICA



Located in close proximity to Bakersfield College, with 17,770 +/- registered students



Densely populated area with over 220,500 residents within a 5-mile radius



BAKERSFIELD, CALIFORNIA

THE MOST OIL PRODUCTIVE COUNTY IN AMERICA

Bakersfield relies primarily on agriculture, petroleum extraction and refining, as well as manufacturing as its major economic staples. 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 ease in access to the rest of America, as well as 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 to have the lowest sales tax in California at the state minimum of 7.25%.

The city has a number of cultural assets including the Kern County Museum and the Buena Vista Museum of Natural History. Events held within the city include a number of horse shows held year-round, one of the California's Scottish Games and Clan Gatherings, the Greek Festival, the Low-rider National in the Kern County Fairgrounds, drag racing events at the Auto Club Famoso Raceway and Kern County Fair. Other recreational opportunities in the area include whitewater rafting, rock climbing, mountain biking, fossil collecting and skiing in the southern Sierra Mountain range. Moreover, a majority of the people living in Bakersfield work for the big oil companies,


Bakersfield is notably ranked #198 on Forbes List of Best Places for Business and Careers.



DEMOGRAPHICS / BAKERFIELD, CA




226,965
Total Population
Within 5-Mile Radius




\$52,776
Average Household Income
Within 5-Mile Radius



\$37,794
Median Household Income
Within 5-Mile Radius



69,225
Total Households Within
5-Mile Radius



16.80%
From 2000

POPULATION	1 MILE	3 MILES	5 MILES
2022 Projection			
Total Population	19,637	120,690	226,965
2017 Estimate			
Total Population	19,994	119,930	221,053
2010 Census			
Total Population	19,404	114,369	208,766
2000 Census			
Total Population	19,382	104,206	181,817
Current Daytime Population			
2017 Estimate	25,491	122,640	236,288
HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2022 Projection			
Total Households	6,302	36,886	72,638
2017 Estimate			
Total Households	6,269	35,739	69,225
Average (Mean) Household Size	3.09	3.25	3.12
2010 Census			
Total Households	6,038	33,906	65,053
2000 Census			
Total Households	6,256	31,980	59,266
Occupied Units			
2022 Projection	6,302	36,886	72,638
2017 Estimate	6,768	38,150	73,961
HOUSEHOLDS BY INCOME	1 MILE	3 MILES	5 MILES
2017 Estimate			
\$150,000 or More	2.20%	3.94%	3.87%
\$100,000 - \$149,000	8.51%	7.15%	7.59%
\$75,000 - \$99,999	14.04%	9.93%	9.92%
\$50,000 - \$74,999	18.81%	16.90%	17.43%
\$35,000 - \$49,999	15.53%	14.63%	14.34%
Under \$35,000	40.92%	47.46%	46.87%
Average Household Income	\$54,869	\$52,426	\$52,776
Median Household Income	\$42,501	\$37,155	\$37,794
Per Capita Income	\$17,657	\$15,898	\$16,730

HOUSEHOLDS BY EXPENDITURE	1 MILE	3 MILES	5 MILES
Total Average Household Retail Expenditure	\$63,068	\$57,699	\$58,733
Consumer Expenditure Top 10 Categories			
Housing	\$19,110	\$17,716	\$17,886
Shelter	\$12,699	\$11,836	\$11,978
Transportation	\$9,969	\$8,996	\$9,075
Food	\$6,537	\$6,146	\$6,179
Personal Insurance and Pensions	\$5,365	\$4,853	\$4,928
Health Care	\$3,430	\$3,028	\$3,028
Utilities	\$3,063	\$2,837	\$2,844
Entertainment	\$2,381	\$2,182	\$2,202
Apparel	\$2,007	\$1,898	\$1,938
Household Furnishings and Equipment	\$1,414	\$1,294	\$1,302

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
Population By Age			
2017 Estimate Total Population	19,994	119,930	221,053
Under 20	33.29%	35.17%	34.50%
20 to 34 Years	23.09%	24.14%	24.08%
35 to 39 Years	6.07%	6.16%	6.16%
40 to 49 Years	10.74%	10.81%	10.97%
50 to 64 Years	15.04%	14.27%	14.91%
Age 65+	11.78%	9.47%	9.40%
Median Age	30.51	28.76	29.31
Population 25+ by Education Level			
2017 Estimate Population Age 25+	11,774	67,561	126,634
Elementary (0-8)	12.93%	15.83%	13.64%
Some High School (9-11)	13.31%	15.21%	15.23%
High School Graduate (12)	27.18%	27.00%	28.56%
Some College (13-15)	26.64%	22.15%	23.30%
Associate Degree Only	6.26%	5.58%	5.87%
Bachelors Degree Only	6.83%	6.59%	6.43%
Graduate Degree	4.02%	3.61%	3.40%



**BAKERSFIELD
CALIFORNIA**

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