

# VERIZON

1602 E CLARK AVENUE, ORCUTT, CALIFORNIA



BUILDING ELEVATION

CONSTRUCTION PHOTO  
AS OF 10/14/2019

OFFERING MEMORANDUM

Marcus & Millichap





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# Executive Summary

## FINANCIAL SUMMARY

<b>Price</b>	<b>\$3,137,000*</b>
Down Payment	100% \$3,137,000
Cap Rate	5.10%
Building SF	2,987 SF
Net Cash Flow	5.10% \$160,022
Year Built	2019
Land/Lot Size	.514 Acres

## LEASE SUMMARY

Lease Type	Double-Net (NN) Lease
Tenant	Cellular Sales of California, LLC
Guarantor	Cellular Sales of Knoxville, Inc.
Roof & Structure	Landlord Responsible
Est. Lease Commencement Date	January 2020
Est. Lease Expiration Date	January 2030
Lease Term	10 Years
Rental Increases	10% Every 5 Years
Renewal Options	2, 5 Year Options

## ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
1 - 5	\$160,022.00	5.10%
6 - 10	\$176,024.20	5.61%
Options	Annual Rent	Cap Rate
Option 1	\$193,626.62	6.17%
Option 2	\$212,989.28	6.79%

<b>Base Rent</b>	<b>\$160,022</b>
<b>Net Operating Income</b>	<b>\$160,022</b>
<b>Total Return</b>	<b>5.10% \$160,022</b>

The Verizon logo, consisting of the word "verizon" in a bold, black, sans-serif font, followed by a red checkmark symbol.

\*Price subject to adjustment based on final base rent.





verizon✓

2,600 CPD  
STILLWELL RD

20,200 CPD  
E CLARK AVE

**HAPY** *Bistro*  
Hapy Bistro Restaurant  
& Local Shops/Boutiques



## FUTURE LOCATION OF ORCUTT MARKETPLACE

250+ Residential Units, 125-Room Hotel, 5 Restaurants, a Brewery, a Pharmacy, Retail, and a Gas Station/Car Wash

45,500 CPD  
US HWY 101

20,200 CPD  
E CLARK AVE

2,600 CPD  
STILLWELL RD

verizon✓

 **HAPY**  
Hapy Bistro Restaurant  
& Local Shops/Boutiques



# Property Description



## INVESTMENT HIGHLIGHTS

- » **Brand New 10-Year Lease with Verizon**
- » **Rare New Construction Net-Leased Investment in Santa Barbara County**
- » 10% Rental Increases Every 5 Years
- » **Tenant is the Largest Verizon Retailer in the United States - 700+ Locations**
- » 49,607 Residents in Growing Trade Area - Located within the Santa Maria Valley
- » **Average Household Exceeds \$100K in Immediate Area**
- » Located Immediately Off US-101 (45,500 Cars/Day)
- » **Across from the Future Location of Orcutt Marketplace** - 250+ Residential Units, 125-Room Hotel, 5 Restaurants, a Brewery, a Pharmacy, Retail, and a Gas Station/Car Wash
- » Down the Road from National Retailers - Albertsons, CVS, McDonald's, Cold Stone Creamery, Dollar Tree, and More
- » **Centrally Located Between San Luis Obispo (39 Miles) and Santa Barbara (56 Miles)**
- » Less Than 10 Minutes from Allan Hancock College (12,000 Students)



## DEMOGRAPHICS

1-mile

3-miles

5-miles

### Population

2023 Projection	6,276	29,386	52,177
2018 Estimate	6,172	29,144	49,607
Growth 2018 – 2023	1.68%	0.83%	5.18%

### Households

2023 Projection	2,419	11,215	18,779
2018 Estimate	2,348	10,947	17,591
Growth 2018 – 2023	3.03%	2.45%	6.76%

### Income

2018 Est. Average Household Income	\$100,172	\$98,875	\$94,501
2018 Est. Median Household Income	\$82,598	\$79,748	\$75,601
2018 Est. Per Capita Income	\$38,135	\$37,275	\$33,657





# Tenant Overview



**verizon**✓

**Basking Ridge, New Jersey**

Headquarters

**NASDAQ: VZ**

Stock Symbol

**2,330+**

Locations

**[www.verizonwireless.com](http://www.verizonwireless.com)**

Website

Verizon is the largest wireless telecommunications provider in the United States. The company offers the largest 4G LTE network in America and the nation's largest high-speed 3G network. For residential customers, Verizon FiOS is America's largest 100% fiber-optic network to the home, providing the nation's fastest, most consistent and most reliable Internet service, as well as TV with the best picture quality. For large businesses, Verizon is a global IP leader, operating one of the worlds' most connected public Internet backbone networks, delivering solutions that let customers securely connect, communicate and collaborate

around the globe. Verizon operates a national 4G LTE network covering 98% of the U.S. population and is currently developing a 5G network.

Recognized as the largest Verizon wireless retailer in the United States, Cellular Sales was founded in Knoxville, TN in 1993 by University of Tennessee graduates, Dane and Meg Scism. The company employs over 4,600 people and is currently 550 locations strong and growing. The Knoxville area is home to 17 of Cellular Sales' Verizon Wireless retail locations, from Harriman in the west to Jefferson City and Newport in the east.



# Lease Summary

## LESSEE'S OBLIGATIONS

Lessee shall, at Lessee's expense and throughout the Term, keep in clean, sanitary and safe condition the Leased Premises, and except for the repairs Lessor is specifically obligated to make pursuant to the terms of this Lease, make all necessary repairs to the Building. Including, but not limited to, the exterior and interior doors, windows, ceiling tiles, fixtures, carpets and floor coverings, interior and exterior wall surfaces and coverings, plumbing systems and fixtures from the point of entry into the building and the monitoring of any fire suppression system in the Building. In addition, Lessee shall, at Lessee's expense, and throughout the term, be responsible for maintaining the Leased Premises, including, but not limited to, the landscaping, landscape irrigation system, grass mowing, site lighting, trash removal and cleaning of the sidewalks and parking lot, including trash, debris, ice and snow.

## LESSOR'S OBLIGATIONS

Lessor shall, at Lessor's expense and throughout the Term, keep in good repair, maintain and replace, when and if necessary, all structural components of the Building including, but not limited to, the foundations, exterior walls, load bearing walls and columns, subfloors, floors (but not including carpet or tile or other floor covering), the roof, including roof membrane and any other interior damage caused by roof leaks, stairways, under slab and exterior plumbing, site utilities servicing the premises, and window and door frames and the inspections and repairs to any fire suppression system in the Building. Lessee will use reasonable efforts to report to Lessor any defective condition known to or discovered by Lessee that Lessor is required to repair. Lessor will commence any repair or replacement promptly after Lessor is aware of, by notice from Lessee or otherwise, the need for any such repair. Notwithstanding the foregoing, Lessee shall reimburse Lessor for repairs to, but not the replacement of, the roof membrane.

## TAXES

Lessee shall pay, as additional rent, the Real Estate Taxes assessed against the Leased Premises for the period commencing on the Rent Commencement Date and ending on the last day of the Term. The term "Real Estate Taxes" shall mean any and all real property and/or ad valorem taxes, general, special or extraordinary assessments, maintenance fees, municipal utility district or other public, quasi-public or private fees, charges or assessments and any other taxes, now or hereafter applicable to the Leased Premises, but excluding any inheritance, estate, succession, transfer, gift, franchise, corporation, income, or profit tax, or capital levy that is or may be imposed on Lessor.

## INSURANCE

Lessee agrees to procure and maintain during the Term, at its sole cost, the following insurance coverages; Commercial General Liability, Owned Property, Workers' Compensation and Employer's Liability.  
Lessor agrees to procure and maintain during the Term, with Lessee reimbursing such costs as Additional Rent, the following insurance coverages: Building Insurance, Commercial General Liability (optional), Loss of Rents (optional), Earth movement, terrorism and flood insurance (optional).

## UTILITIES

All utilities serving the Leased Premises shall be separately metered and Lessee shall pay directly to the utility service providers all costs for utilities consumed on the Leased Premises including without limitation electricity, water, gas and sewer.

## ASSIGNMENT & SUBLET

Lessee may not sublease the Leased Premises or any portion thereof nor assign this Lease, nor transfer (by sale, assignment, operation of law or other disposition except for a guarantor hereof) any or all of the ownership interest of Lessee so as to result in a change in the effective voting control of Lessee by the person or persons owning a majority of said interest on the Signature Date of this Lease, without first obtaining Lessor's written consent. Consent to one Transfer shall not be construed as a consent to any subsequent Transfer. Notwithstanding a Transfer, Lessee shall not be relieved of liability hereunder nor shall the Guarantor be relieved of its liability under the Guaranty.





# Building Elevations





# Location Overview



Orcutt is a town located within the Santa Maria Valley of California. Originally sited along a railroad siding of the Pacific Coast Railroad as a townsite for oil field workers, Orcutt is now primarily a suburb of Santa Maria.

The Santa Maria Valley is at the center of California's Central Coast. The region's coastal climate and central location have drawn in dozens of wineries, making the Santa Maria Valley into the wine country of California's Central Coast. Long sandy beaches and rocky coastline vistas, wine country tours, and world famous barbecue can all be found in the region.

Agriculture, personal services, and government dominate the economic base of the Santa Maria Valley, a growing region of about 137,000 people. The beaches and mountains of California's Central Coast are the backdrop for an economy

expanding far beyond its agricultural and tourism base that includes regional trading, manufacturing and service industries, transportation, oil, electronic manufacturing, and government installation at nearby Vandenberg Air Force Base.

Santa Maria is the industrial, commercial, agricultural, and retail hub for a region that includes nearly 165,000 residents located in Northern Santa Barbara County and neighboring Southern San Luis Obispo County. The region is home to industries including aerospace, communications, high-tech research and development, energy production, military operations, and manufacturing. The nearby Orcutt Oil Field has produced more than \$640 million of oil over the years. Manufacturers in the area produce a wide array of products ranging from medical testing supplies to aircraft interiors, from baby care products to fire hoses.



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