

## OFFERING MEMORANDUM

**ROSS** DRESS FOR LESS

**\$4,552,000 | 6.25% CAP RATE**

- » Corporate Net Lease With Rare \$1 Per Square Foot Rental Increases in Option Periods (NASDAQ: "RST")
- » Tenant Has Exercised Two Options and Has a Long-Standing and Successful History at This Location
- » Located in a Densely Populated, Affluent, and Growing California Corridor
  - » High-Visibility Retail Anchor Endcap at the Hard-Corner of California Highway 1/North H Street and East Central Avenue, Lompoc's Busiest Intersection (Combined 44,550 AADT)
  - » AAHI of \$86,922 Within Five Miles of the Location
- » Central Location Near Large Employers, Retailers, and Community Hubs
  - » Located in the Mission Plaza Shopping Center ( $\pm$ 164,000-SF Center Featuring Albertsons, Big 5, Starbucks, Taco Bell, Panda Express, The Habit, and More)
  - » Beneficial Proximity to Allan Hancock College (11,297 Students) and Vandenberg Air Force Base (Population of Approximately 18,000)

# TABLE OF CONTENTS



## INVESTMENT SUMMARY

## AERIALS

## SITE PLAN

## TENANT SUMMARY

## PROPERTY OVERVIEW

## AREA OVERVIEW

## DEMOGRAPHIC PROFILE

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.

## LEAD BROKERS

### **RYAN FORSYTH**

*Executive Director*

415.413.3005

ryan.forsyth@cushwake.com

CA RE License #01716551

### **VINCENT AICALE**

*Executive Director*

415.690.5522

vince.aicale@cushwake.com

CA RE License #01728696

### **MICHAEL T. YURAS, CCIM**

*Executive Managing Director*

415.481.0788

michael.yuras@cushwake.com

CA RE License #01823291

### **SCOTT CROWLE**

*Managing Director*

415.604.4288

scott.crowle@cushwake.com

CA RE License #01318288

**YURAS  
AICALE  
FORSYTH  
CROWLE**

Leased Investment Team

[www.YAFteam.com](http://www.YAFteam.com)

# INVESTMENT SUMMARY

ADDRESS	1408 North H Street, Lompoc, California 93436		
PRICE	\$4,552,000		
CAP RATE	6.25%		
NOI	\$284,472		
TERM	4 Years Remaining		
RENT COMMENCEMENT	October 21, 2002		
LEASE EXPIRATION	January 31, 2024		
RENTAL INCREASES	\$1 per square foot rental increases in option periods		
	YEAR	RENT	RETURN
	1-5	\$219,676	N/A
	6-10	\$233,899	N/A
	11-15 (option 1)	\$252,864	N/A
	16-20 (option 2)	\$284,472	6.25%
	21-25 (option 3)	\$316,080	6.95%
	26-30 (option 4)	\$347,688	7.64%
YEAR BUILT	1993		
BUILDING SF	31,608 SF		
PARCEL SIZE	2.92 acres (127,195 SF)		
LEASE TYPE	NN, with tenant responsible for all taxes, insurance, and maintenance, excluding roof, structure, and parking lot		

## CORPORATE NET LEASE TO HIGH-QUALITY, INVESTMENT GRADE, SINGLE-TENANT ASSET

- » Ross Stores, Inc. recently exercised the second option period
- » Rare \$1 per square foot fixed rental increases in option periods, providing a hedge against inflation
- » Ross Stores, Inc. (NASDAQ: "ROST") is an S&P 500, Fortune 500, and Nasdaq-100 company and has an "A-" credit rating from Standard & Poor's and an "A2" credit rating from Moody's
- » Successful operating location since 2002, demonstrating well-established long-term success in the trade area

## HIGH-TRAFFIC LOCATION IN DENSELY POPULATED, AFFLUENT, AND GROWING CALIFORNIA CORRIDOR

- » High-visibility retail anchor endcap at the hard-corner of California Highway 1/North H Street and East Central Avenue, Lompoc's busiest intersection (combined 44,550 AADT)
- » California Highway 1 serves as a major North-South California thoroughfare and coastal destination (5.8 million annual visitors)
- » Average annual household income of \$86,922 within five miles of the location
- » Population of 55,231 within a five-mile radius of the location, creating a large customer base for the site
- » Projected 15 percent average annual household income increase within a one-mile radius of the site in the next five years, poising Ross and Lompoc for significant concurrent growth

## CENTRAL LOCATION NEAR LARGE EMPLOYERS, RETAILERS, AND COMMUNITY HUBS

- » Located in the Mission Plaza Shopping Center, a ±164,000-SF community center featuring major national tenants including Albertsons, Big 5, Starbucks, Taco Bell, Panda Express, The Habit, and more
- » Surrounded by several national retailers, including Walmart Supercenter, KFC, 7-Eleven, McDonald's, The UPS Store, Wendy's, and many more, promoting crossover shopping to the location
- » Beneficial proximity to major community hubs, including Allan Hancock College (11,297 students) and Vandenberg Air Force Base (population of approximately 18,000)
- » Central location within the Lompoc Unified School District (16 schools, 10,055 students)
- » 10 miles from the Pacific Ocean and Lompoc-Surf, significantly increasing recreationist traffic to the site



ACTUAL SITE





**Central Towne Square**

Walmart Supercenter  
McDonald's  
SUBWAY  
Applebee's GRILL & BAR  
O'Reilly AUTO PARTS  
SALLY BEAUTY  
IN-SHAPE HEALTH CLUBS

PAO EXPRESS  
KFC  
verizon  
SHERWIN WILLIAMS  
Dignity Health Memorial Hospital

Holiday Inn Express  
(90 rooms)

SureStay PLUS HOTEL  
(218 rooms)

Hotel 6  
(133 rooms)

the Habit BURGER GRILL

**Lompoc North Shopping Center**

Albertsons  
Starbucks  
BIG 5 SPORTING GOODS  
CHASE  
TACO BELL  
CIRCLE K

LOMPOC CITY AIRPORT  
INDUSTRIAL REGION

**ROSS**  
DRESS FOR LESS

**West Central Avenue**  
(17,450 AADT)

La Honda  
STEAM Academy  
(522 students)

CVS pharmacy  
99¢ ONLY  
7 ELEVEN

INN at HIGHWAY 1  
(58 rooms)

Hilton Garden Inn  
(156 rooms)

**Flower Valley Plaza**

BURGER KING  
enterprise  
Little Caesars

Leonora  
Fillmore Elementary  
(642 students)

**Lompoc Mart**

Goodwill  
DOLLAR TREE  
planet fitness  
T-Mobile

Wendy's  
AUTO PARTS

INDUSTRIAL REGION

Walgreens

VALERO

LA 2 BOY  
USA GASOLINE

**Lompoc Shopping Center**

VONS  
PETCO  
Marshall's  
ULTA BEAUTY  
Michael's  
Carl's Jr.

McDonald's

**Lompoc Plaza**

at&t  
RBC

Lompoc High School  
(1,574 students)

Lompoc Aquatic Center

**College Center**  
(Dong Hae Sushi, Alfies Fish & Chips, Central Coast Specialty Foods, Taqueria Don Tacho)

Jack in the box

AutoZone

1 / North H Street  
(27,100 AADT)





**Lompoc North Shopping Center**

Albertsons  
Starbucks  
BIG 5 SPORTING GOODS  
CHASE  
TACO BELL  
CIRCLE K

**LOMPOC VALLEY MEDICAL CENTER**  
Lompoc Healthcare District  
(170 beds, approximately 1,100 employees)

**College Center**  
(Dong Hae Sushi, Alfies Fish & Chips, Central Coast Specialty Foods, Taqueria Don Tacho)

**Lompoc Plaza**  
at&t

Leonora Fillmore Elementary  
(642 students)

VALERO

McDonald's

CALIFORNIA 1  
/ North H Street  
(27,100 AADT)

DOLLAR GENERAL

ROSS  
DRESS FOR LESS

LA BOY  
USA GASOLINE

Inn at Highway 1  
(58 rooms)

Lompoc High School  
(1,574 students)

**Lompoc Shopping Center**  
VONS  
PETCO  
Marshall's  
ULTA BEAUTY  
Michael's  
Carl's Jr.

Ruth Clarence Elementary School  
(598 students)

La Cañada Elementary School  
(671 students)

**Lompoc Mart**  
Goodwill  
DOLLAR TREE  
T-Mobile  
planet fitness

**Flower Valley Plaza**  
BURGER KING  
enterprise  
Little Caesars

Wendy's  
AUTO PARTS

LOMPOC CITY AIRPORT  
The Habit Burger Grill  
KFC  
verizon  
SHERWIN WILLIAMS  
Dignity Health Memorial Hospital

**Central Towne Square**  
Walmart Supercenter  
SUBWAY  
Applebee's GRILL & BAR  
O'Reilly AUTO PARTS  
McDonald's  
SALLY BEAUTY  
IN-SHAPE HEALTH CLUBS

CVS pharmacy  
99c ONLY  
7 ELEVEN

Hilton Garden Inn  
(156 rooms)

INDUSTRIAL REGION

West Central Avenue  
(17,450 AADT)

EXTRA SPACE  
STORAGE





**Lompoc North Shopping Center**

Albertsons  
Starbucks  
BIG 5 SPORTING GOODS  
CHASE  
TACO BELL  
CIRCLE K

PANDA EXPRESS  
KFC  
verizon  
SHERWIN WILLIAMS  
Dignity Health Memorial Hospital

**INN at HIGHWAY 1**  
(58 rooms)

**Flower Valley Plaza**

BURGER KING  
enterprise  
Little Caesars

**CALIFORNIA 1**  
**/ North H Street**  
(27,100 AADT)

**SureStay PLUS HOTEL**  
(218 rooms)

**ROSS**  
DRESS FOR LESS

**HONDA**

**La Honda STEAM Academy**  
(522 students)

**INDUSTRIAL REGION**

**LOMPOC CITY AIRPORT**  
**INDUSTRIAL REGION**

**metel 6**  
(133 rooms)

**Holiday Inn Express**  
(90 rooms)

**the Habit**  
BURGER GRILL

**CVS pharmacy**  
99¢ ONLY  
7 ELEVEN

**Hilton Garden Inn**  
(156 rooms)

**LA Z BOY**  
**USA GASOLINE**

**Wendy's**  
AUTO PARTS

**Walgreens**

**VALERO**

**West Central Avenue**  
(17,450 AADT)

**Central Towne Square**

Walmart Supercenter  
SUBWAY  
Applebee's GRILL & BAR  
O'Reilly AUTO PARTS  
McDonald's  
SALLY BEAUTY  
IN-SHAPE HEALTH CLUBS

**La Cañada Elementary School**  
(671 students)

**Lompoc Mart**

Goodwill  
DOLLAR TREE  
planet fitness  
T-Mobile

**McDonald's**





LOMPOC CITY AIRPORT

INDUSTRIAL  
REGION



West Central Avenue  
(17,450 AADT)



Central Towne Square



CoastHills  
Credit Union

Sunset  
Auto Center



Flower Valley Plaza



Inn of Lompoc  
(90 rooms)

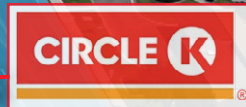


1 / North H Street  
(27,100 AADT)

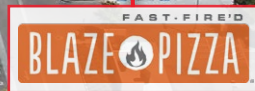




West Central Avenue  
(17,450 AADT)

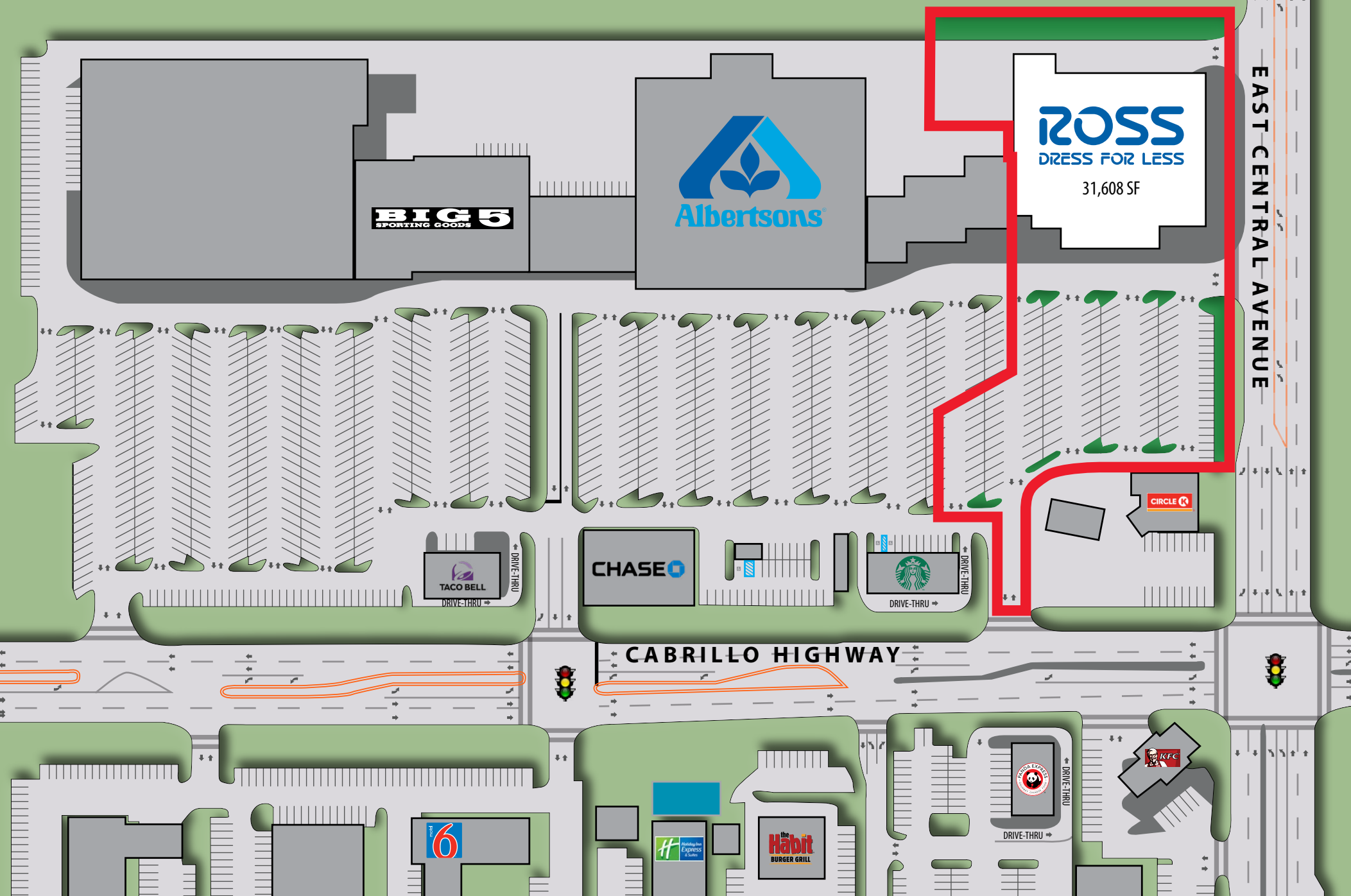


/ North H Street  
(27,100 AADT)





# SITE PLAN





# TENANT SUMMARY



Ross Stores, Inc. is an S&P 500, Fortune 500, and Nasdaq-100 company headquartered in Dublin, California. Ross Stores, Inc. operates Ross Dress for Less, the largest off-price apparel and home fashion chain in the United States. Ross has 1,502 locations in 38 states, the District of Columbia, and Guam. Ross offers first-quality, in-season, name brand and designer apparel, accessories, footwear, and home fashions for the entire family at savings of 20% to 60% off department and specialty store regular prices every day. Ross Stores, Inc. also operates 243 dd's DISCOUNTS stores in 18 states.

Ross Stores, Inc. has an "A-" credit rating from Standard & Poor's and an "A2" credit rating from Moody's; both ratings have stable outlooks.

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

<b>S&amp;P</b>	<b>"A-"</b>	<b>LOCATIONS</b>	<b>1,502</b>
<b>TICKER</b>	<b>NASDAQ: "ROST"</b>	<b>REVENUE</b>	<b>\$15B</b>

# LEASE ABSTRACT

<b>TENANT</b>	Ross Stores, Inc.		
<b>ADDRESS</b>	1408 North H Street, Lompoc, California 93436		
<b>RENT COMMENCEMENT</b>	October 21, 2002		
<b>LEASE EXPIRATION</b>	January 31, 2024		
<b>RENEWAL OPTIONS</b>	Two (2) remaining renewal periods of five (5) years each		
<b>RENTAL INCREASES</b>	<b>YEAR</b> 1-5 6-10 11-15 (option 1) <b>16-20 (option 2)</b> 21-25 (option 3) 26-30 (option 4)	<b>RENT</b> \$219,676 \$233,899 \$252,864 <b>\$284,472</b> \$316,080 \$347,688	<b>RETURN</b> N/A N/A N/A <b>6.25%</b> 6.95% 7.64%
<b>REAL ESTATE TAXES</b>	Tenant shall pay Landlord, as additional rent, Tenant's Share of Real Property Taxes.		
<b>INSURANCE</b>	Tenant is responsible for all insurance costs.		
<b>REPAIR &amp; MAINTENANCE</b>	Tenant, at Tenant's expense, shall keep the Premises, Building, and Property in good order and repair.		
<b>MAINTENANCE BY LANDLORD</b>	Landlord shall maintain the roof, structure, and parking lot.		
<b>RIGHT OF FIRST REFUSAL</b>	None		



# PROPERTY OVERVIEW

## LOCATION

Visibility to the property is increased by the site's centralized location in a densely populated, affluent, and growing California corridor. The site is a retail anchor endcap at the hard-corner of California Highway 1/ North H Street and East Central Avenue, Lompoc's busiest intersection (combined 44,550 AADT). California Highway 1 also serves as a major North-South California thoroughfare and coastal destination (5.8 million annual visitors). 55,231 residents live within a five-mile radius of the location, establishing a large regular customer base for the site. The location resides in an affluent area, with an average annual household income of \$86,922 within five miles of the location. The site is also primed to grow along with the surrounding area, with a projected 15 percent average annual household income increase within one mile of the site in the next five years.

Traffic to the site is greatly increased by its central location near large employers, retailers, and community hubs. The property is located in the Mission Plaza Shopping Center, a  $\pm 164,000$ -SF community center featuring major national tenants including Albertsons, Big 5, Starbucks, Taco Bell, Panda Express, The Habit, and more. The site is also immediately surrounded by several other successful national retailers, including Walmart Supercenter, KFC, 7-Eleven, McDonald's, The UPS Store, Wendy's, and many more, promoting crossover shopping to the location. The property resides within the Lompoc Unified School District, a large district which features 16 schools and 10,055 students. The location also serves as a gateway to the Pacific Ocean and Lompoc-Surf, significantly increasing recreationist traffic to the site. The property maintains a beneficial proximity to major community hubs, including Allan Hancock College (11,297 students) and Vandenberg Air Force Base (population of approximately 18,000).

## ACCESS

Access from California Highway 1/North H Street & East Central Avenue

## TRAFFIC COUNTS

California Highway 1/North H Street:	27,100 AADT
East Central Avenue:	13,673 AADT
West Central Avenue:	17,450 AADT

## PARKING

124 parking stalls

## YEAR BUILT

1993

## NEAREST AIRPORT

Santa Maria Airport (SMX | 22 miles)



ACTUAL SITE

**P**  
**124**  
PARKING  
STALLS

  
**44K**  
TRAFFIC  
COUNT (AADT)

  
**NEAREST  
AIRPORT**  
SANTA MARIA  
AIRPORT



# AREA OVERVIEW

Lompoc is a city in Santa Barbara County, California. Vandenberg Air Force Base dominates the economy, directly employing a large percentage of Lompoc's residents and contributing \$1.7 billion to the regional economy. Other mainstays of the economy include the Federal Correctional Institution, the diatomaceous earth mine (today owned by Imerys), the Lompoc Oil Field and associated oil processing facilities north of Lompoc, and agriculture. Wine production and wine tourism make up an expanding agricultural sector as well. Lompoc Valley is the gateway to the Sta. Rita Hills AVA wine appellation, internationally recognized for premium pinot noir and chardonnay. Thirty premium boutique wine labels are produced in Lompoc, with numerous other wineries located along State Route 246 and on Santa Rosa Road. Many workers employed in Santa Barbara and Goleta have moved to Lompoc to take advantage of lower housing costs, effectively making Lompoc a bedroom community of Santa Barbara. The character of the town has changed considerably with the growth associated with this demographic shift. In addition, new housing developments are spreading into the adjacent hills on the north side of Lompoc.

Santa Barbara County comprises the Santa Maria-Santa Barbara, California Metropolitan Statistical Area. Most of the county is part of the California Central Coast. Mainstays of the county's economy include engineering, resource extraction (particularly petroleum extraction and diatomaceous earth mining), winemaking, agriculture, and education. The software development and tourism industries are important employers in the southern part of the county. Santa Barbara County and other coastal communities support a significant tourism economy. White-collar jobs (previously with an emphasis in aerospace but more recently in software and other high-tech pursuits), are encouraged by proximity to the University of California, Santa Barbara. Agriculture is the top major producing industry in Santa Barbara County. Strawberries are the county's top crop, with \$413 million in production making up more than a third of all county agricultural production.

- » Air quality in Santa Barbara County, unlike much of southern California, is good because of the prevailing winds off of the Pacific Ocean.
- » The Lompoc Valley Flower Festival, held the last week of June, features a parade, carnival and craft show.
- » The four Channel Islands in Santa Barbara County are Santa Barbara Island, San Miguel Island, Santa Rosa Island, and the large Santa Cruz Island. All of them contain native and endemic wildlife, like the island oak and Torrey Pine.
- » The Surf train station is located to the west at Surf Beach and is served by Amtrak's Pacific Surfliner line. Lompoc is also served by the City of Lompoc Transit, the Clean Air Express to Santa Barbara/Goleta, and the Breeze Bus to Buellton/Solvang and Santa Maria.

LARGEST EMPLOYERS IN SANTA BARBARA COUNTY	# OF EMPLOYEES
COUNTY OF SANTA BARBARA	4,600
UNIVERSITY OF CALIFORNIA, SANTA BARBARA	4,300
COTTAGE HEALTH ORGANIZATION	3,600
VANDENBERG AIR FORCE BASE	2,500
SANTA MARIA-BONITA SCHOOL DISTRICT	2,120
CHUMASH CASINO RESORT	2,000
MARIAN REGIONAL MEDICAL CENTER	1,920
ALLAN HANCOCK COLLEGE	1,480
SANTA BARBARA UNIFIED SCHOOL DISTRICT	1,400
SAFRAN	1,200





# DEMOGRAPHIC PROFILE

## 2020 SUMMARY

	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>13,653</b>	<b>49,933</b>	<b>55,231</b>
Households	4,681	15,952	18,028
Families	3,290	11,321	12,751
Average Household Size	2.91	2.91	2.86
Owner Occupied Housing Units	2,341	8,441	9,934
Renter Occupied Housing Units	2,340	7,511	8,094
Median Age	34.0	35.2	36.3
<b>Average Household Income</b>	<b>\$78,158</b>	<b>\$81,909</b>	<b>\$86,922</b>

## 2025 ESTIMATE

	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>13,813</b>	<b>50,629</b>	<b>55,999</b>
Households	4,723	16,162	18,266
Families	3,319	11,467	12,914
Average Household Size	2.92	2.92	2.87
Owner Occupied Housing Units	2,416	8,701	10,236
Renter Occupied Housing Units	2,307	7,461	8,030
Median Age	35.1	36.1	37.2
<b>Average Household Income</b>	<b>\$89,428</b>	<b>\$92,449</b>	<b>\$97,603</b>





**YURAS  
AICALE  
FORSYTH  
CROWLE**

Leased Investment Team



## LEAD BROKERS

### **RYAN FORSYTH**

*Executive Director*

415.413.3005

ryan.forsyth@cushwake.com

CA RE License #01716551

### **VINCENT AICALE**

*Executive Director*

415.690.5522

vince.aicale@cushwake.com

CA RE License #01728696

### **MICHAEL T. YURAS, CCIM**

*Executive Managing Director*

415.481.0788

michael.yuras@cushwake.com

CA RE License #01823291

### **SCOTT CROWLE**

*Managing Director*

415.604.4288

scott.crowle@cushwake.com

CA RE License #01318288

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

Cushman and Wakefield Inc. LIC. # 00616335