



REPRESENTATIVE PHOTO, NOT ACTUAL SITE



Sacramento, CA

ABSOLUTE NNN GROUND LEASE

COSTCO INVESTMENT OPPORTUNITY

3360 SOUTH EL CAMINO AVE, SACRAMENTO CA

CBRE

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Sacramento, CA

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CBRE

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INVESTMENT SUMMARY

OFFERING PRICE:	Unpriced
NOI (IN-PLACE):	\$1,000,000
NOI PSF (BUILDING AREA):	\$7.20 PSF
NOI PSF (TOTAL LAND AREA):	\$2.31 PSF
LEASE EXPIRATION:	April 30, 2040 Two (2) 10-year options to renew

PARCEL NUMBER:	279-0040-025
CURRENT ZONING:	SC- Service Commercial
BUILDING AREA:	138,801 SF
TOTAL LAND AREA:	432,115 SF (9.92 AC)
EXISTING DEBT:	No existing debt

INVESTMENT HIGHLIGHTS

INVESTMENT-GRADE SINGLE TENANT GROUND LEASE

- Freestanding Costco Business Center with 20 years of base term & two (2) 10-year options to renew with fixed rent increases
- Investment grade credit profile
- Fee simple NNN Ground Lease with tenant responsible for all property taxes, insurance, and common area maintenance

INFILL SACRAMENTO LOCATION:

This ground lease has an ideal, infill location in Sacramento that will create strong interest among local and national real estate investors. Costco's 9.92-acre parcel is positioned within Country Club Centre along El Camino Avenue, one of Sacramento's densest retail hubs which features national tenants such as Chipotle, Panera Bread, Wingstop, Planet Fitness, WinCo Foods, McDonald's, Popeyes, U.S. Bank & many others.

OUTSTANDING CORPORATE CREDIT (S&P: A+)

The tenant under the Lease, Costco Wholesale Corporation (S&P: A+; NASDAQ: COST), is based in Seattle, Washington and began operations in 1983. Costco is the second largest retailer in the world, behind Walmart and employs roughly 254,000 employees and operates in more than 780 locations. As of 2019, Costco generates more than \$152.5 billion in revenue. Costco's Stable financial position and healthy long-term outlook creates high demand within the net lease buyer pool which leads to lower cap rates for Costco's assets.





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CITY OF SACRAMENTO

Sacramento is the capital city of the U.S. state of California and the seat of Sacramento County. Located at the confluence of the Sacramento River and the American River in Northern California's Sacramento Valley, Sacramento's estimated 2018 population of 501,334 makes it the sixth-largest city in California and the ninth largest capital in the United States. Sacramento is the seat of the California Legislature and the Governor of California, making it the state's political center and a hub for lobbying and think tanks. Sacramento is also the cultural and economic core of the Sacramento metropolitan area, which had a 2010 population of 2,414,783 making it the fifth largest in California. Sacramento is the fastest-growing major city in California, owing to its status as a notable financial

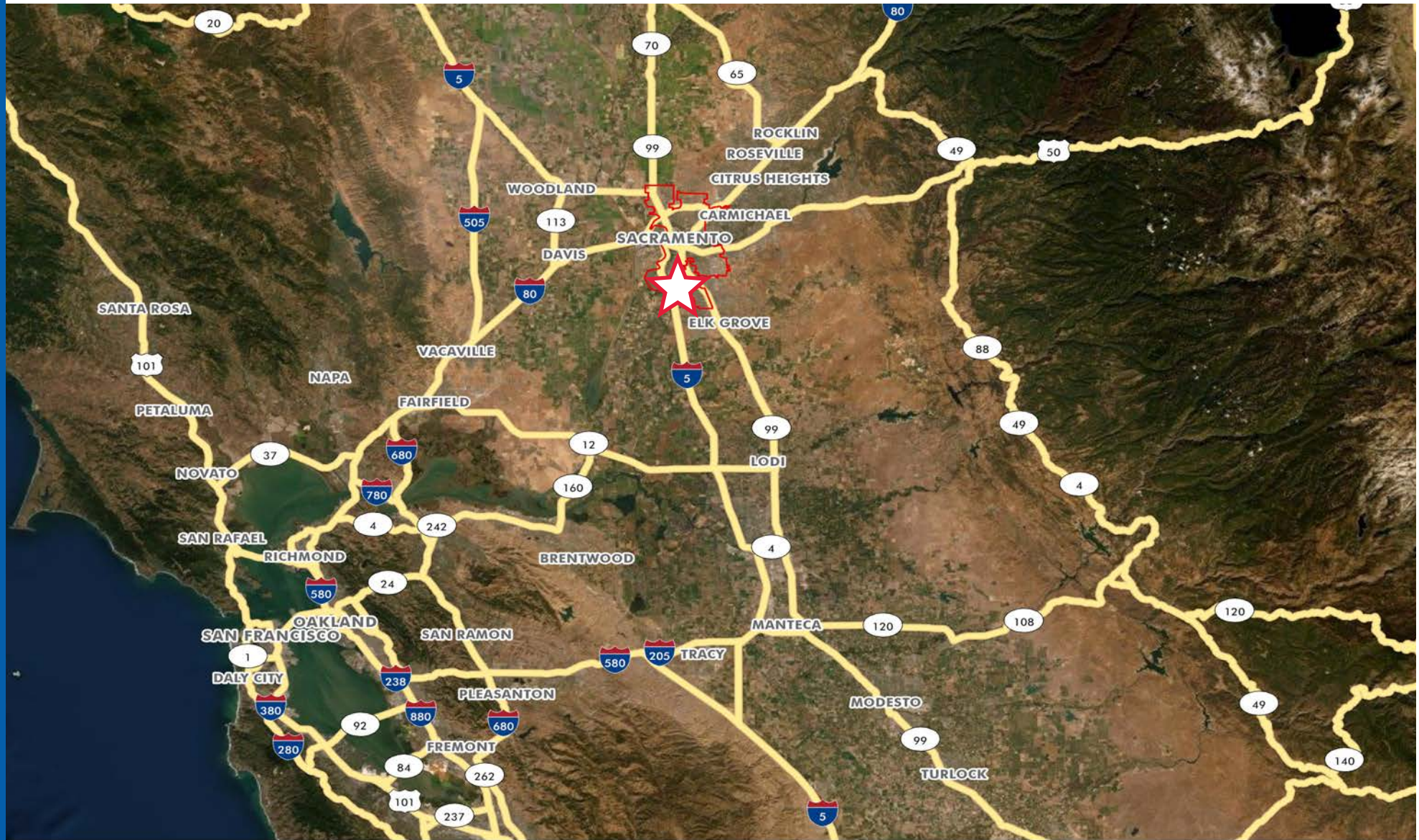
center on the West Coast and as a major educational hub, home of California State University, Sacramento and University of California, Davis. Similarly, Sacramento is a major center for the California healthcare industry, as the seat of Sutter Health, the world-renowned UC Davis Medical Center, and the UC Davis School of Medicine, and notable tourist destination in California, as the site of The California Museum, the Crocker Art Museum, the California State Railroad Museum, the California Hall of Fame, the California State Capitol Museum, and the Old Sacramento State Historic Park. Sacramento International Airport, located northwest of the city, is the city's major airport.

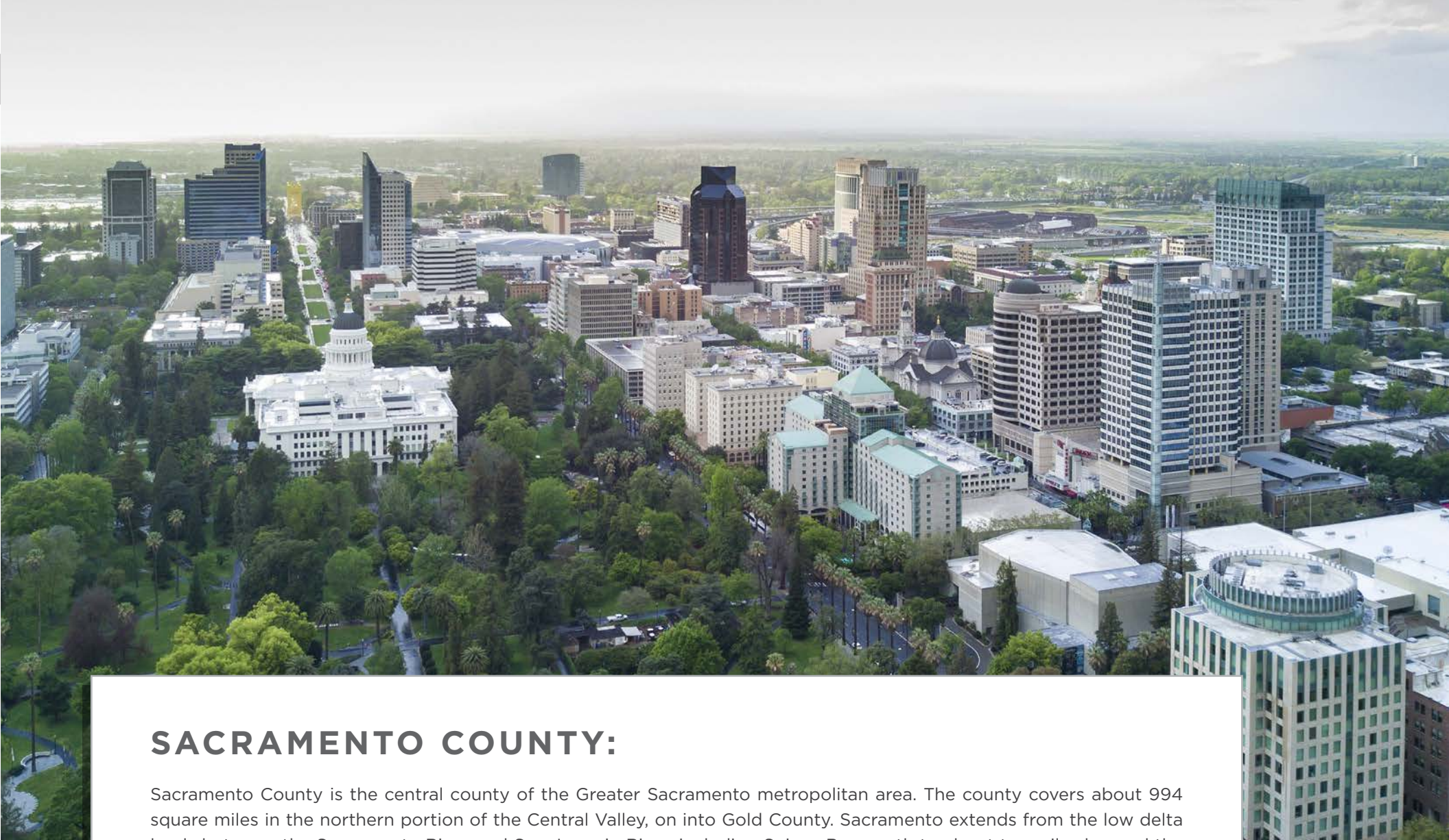


DOWNTOWN SACRAMENTO



LOCATION MAP





SACRAMENTO COUNTY:

Sacramento County is the central county of the Greater Sacramento metropolitan area. The county covers about 994 square miles in the northern portion of the Central Valley, on into Gold County. Sacramento extends from the low delta lands between the Sacramento River and San Joaquin River, including Suisun Bay, north to about ten miles beyond the state Capitol and east into the foothills of the Sierra Nevada Mountains. The southernmost portion of Sacramento County has direct access to San Francisco Bay. The county was named after the Sacramento River, which forms its western border. The river was named by Spanish Calvary Gabriel Moraga for the Santisimo Sacramento (Most Holy Sacrament).

PROPERTY DESCRIPTION



LOCATION

3360 El Camino Ave, Sacramento, CA 95821



COUNTY

Sacramento County



Ingress / Egress

The property is accessible via El Camino Ave, Watt Ave & Butano Dr



Land Area

The owned portion consists of one parcel (APN: 279-0040-025) totaling 432,115 SF of land or 9.92 Acres



Building Area

The subject property consists of one (1) retail building totaling 138,263 SF



Parking

Immediately adjacent surface parking



TRAFFIC COUNTS

Watt Ave & El Camino Ave = 48,560 ADT bi-directional

Watt Ave & Maryal Dr = 49,800 ADT bi-directional

El Camino Ave & Butano Dr= 21,470 ADT bi-directional



Year Built

The Costco was constructed in 1984 /retrofit in 2020



of Stories

The building is single story



Zoning

SC- Service Commercial

PARCEL MAP

EL CAMINO AVE ADT 48,560



WATT AVE

BUTANO DR

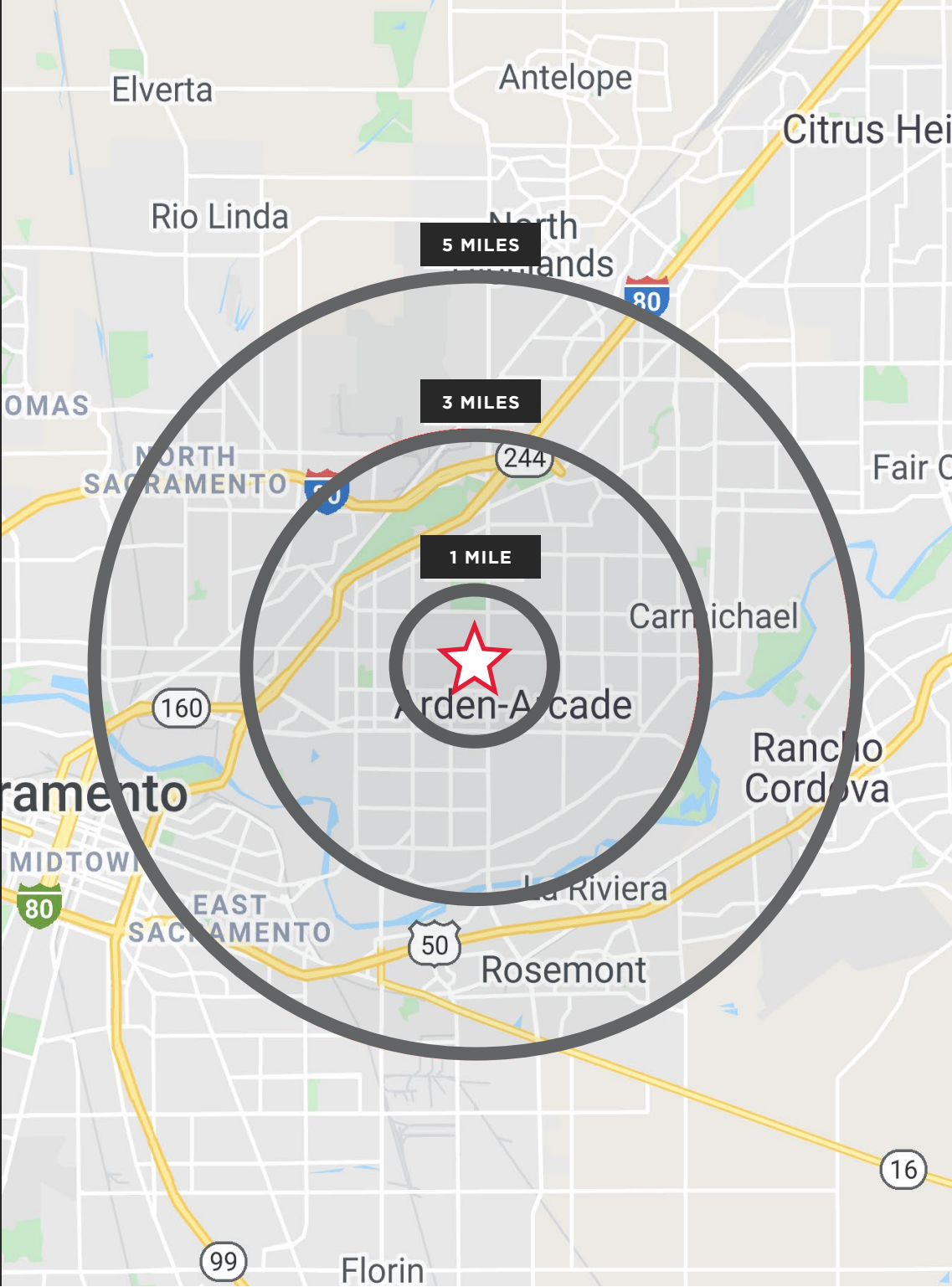


SITE PLAN



DEMOGRAPHICS

	1 Mile	3 Miles	5 Miles
PLACE OF WORK			
2019 Businesses	1,173	6,995	15,711
2019 Employees	9,343	64,251	155,355
POPULATION			
2019 Population - Current Year Estimate	15,430	131,338	356,461
2024 Population - Five Year Projection	15,904	135,399	368,158
2010 Population - Census	14,587	124,311	336,324
2000 Population - Census	14,925	126,052	339,858
2010-2019 Annual Population Growth Rate	0.61%	0.60%	0.63%
2019-2024 Annual Population Growth Rate	0.61%	0.61%	0.65%
HOUSING VALUE			
2019 Owner Occupied Housing Units	2,781	25,351	66,582
Under \$50,000	44	399	2,662
\$50,000-\$99,999	12	641	2,596
\$100,000-\$149,999	36	873	2,985
\$150,000-\$199,999	127	877	3,253
\$200,000-\$249,999	351	2,106	6,653
\$250,000-\$299,999	353	2,206	7,463
\$300,000-\$399,999	708	5,274	13,838
\$400,000-\$499,999	336	2,741	6,425
\$500,000-\$749,999	318	5,681	12,866
\$750,000-\$999,999	110	2,270	3,876
\$1,000,000-\$1,499,999	223	1,508	2,471
\$1,500,000-\$1,999,999	32	294	744
\$2,000,000 and Over	129	482	749
2019 Median Value of Owner Occ. Housing Units	\$365,890	\$410,945	\$355,489
2019 Average Value of Owner Occ. Housing Units	\$548,318	\$532,557	\$450,522
HOUSEHOLD INCOME			
2019 Households	6,990	56,107	140,772
Under \$15,000	1,083	7,624	17,859
\$15,000-\$24,999	667	5,101	13,243
\$25,000-\$34,999	654	5,701	13,476
\$35,000-\$49,999	834	7,305	19,139
\$50,000-\$74,999	1,271	9,001	24,284
\$75,000-\$99,999	922	6,381	16,516
\$100,000-\$149,999	935	7,212	18,985
\$150,000-\$199,999	256	3,214	7,883
\$200,000 and Over	367	4,569	9,387
2019 Average Household Income	\$74,152	\$85,716	\$81,622
2024 Average Household Income	\$85,857	\$99,324	\$94,740
2019 Median Household Income	\$53,594	\$54,807	\$55,091
2024 Median Household Income	\$60,875	\$64,314	\$63,817
2019 Per Capita Income	\$33,608	\$36,605	\$32,244
2024 Per Capita Income	\$38,704	\$42,184	\$37,212
DAYTIME POPULATION			
2019 Daytime Population	20,373	149,315	381,839
Daytime Workers	11,628	77,406	185,047
Daytime Residents	8,745	71,909	196,792





Downtown Sacramento



WATT AVE
BUTANO DR



Country Club Plaza



RENT SCHEDULE

INITIAL TERM	Begin	End	Monthly	Annual	Rent PSF (Building)	Rent PSF (Total Land)
YEARS 1-10	6/01/20	6/01/30	\$83,333.33	\$1,000,000	\$7.20 PSF	\$2.31 PSF
YEARS 11-20	6/01/30	6/01/40	\$91,666.67	\$1,100,000	\$7.93 PSF	\$2.55 PSF
OPTIONS						
FIRST EXTENDED TERM	6/01/40	6/01/50	\$100,833.33	\$1,210,000	\$8.72 PSF	\$2.80 PSF
SECOND EXTENDED TERM	6/01/50	6/01/60	\$110,916.67	\$1,331,000	\$9.59 PSF	\$3.08 PSF



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LEASE ABSTRACT

Tenant: Costco Wholesale Corporation, a Washington Corporation		Property: 3360 El Camino Avenue, Sacramento, California
Use: Limited to Costco Business Center (or similar concept by Costco) until 06-20-23 after which can be traditional warehouse store		
Term (months):	240 Months	Suite(s): Entire Building
Building Size (if stated):	138,801 SF	Pro-Rata: 100.00%
Lease Dates		
Lease Commencement	December 4, 2019	
Rent Commencement	Earlier of Open for Business or 180 days after Lease Commencement	
Lease Expiration	End of 20th Year from Rent Commencement	
Rent Schedule:		
FIRM TERM		
Date:	Lease Years 1-10	\$1,000,000 /py
Date:	Lease Years 11-20	\$1,100,000 /py
OPTION TERMS		
Option 1	10 Year Option	\$1,210,000 /py
Option 2	10 Year Option	\$1,331,000 /py
Notes: Tenant shall have two (2) - ten (10) year options at \$1,210,000/yr and \$1,331,000/yr, respectively.		

Reimbursements:

Method:	NNN
Expense Category:	
Taxes	Direct (Net if not separate parcel)
Insurance	Direct
Maintenance of Common Area	Direct
Maintenance of Tenant's Building	Direct
Utilities	Direct
Management Fee	None

Tenant's Future Improvements: If in future, sufficient parking as required by zoning and REA agreement, Tenant may construct and operate a Fuel Facility and /or Car Wash.

Right of First Negotiation of Purchase: If Landlord elects to sell the Property as a stand-alone parcel and not as part of the Center or if Landlord receives a bona fide offer from a third party to purchase the Property as a stand-alone parcel and not as part of the Center, then Tenant shall one-time right of first negotiation (the "Right Of First Negotiation") to purchase the Property. In the event Landlord receives a bona fide offer from a third party to purchase which Landlord intends to accept: Landlord shall promptly deliver written notice, then Tenant may, within thirty (30) days after receipt thereof, offer to purchase the Property on the same terms as those set forth in such Notice. If Tenant fails to reply to Landlord's Notice within such thirty (30) day period, Landlord may proceed to sell the Property in accordance with the terms set forth in the Notice to Tenant. Tenant shall maintain Right if Landlord modifies the terms of its Offer such that the purchase price is less than ninety-five percent (95%) of the value in the original offer or the non-monetary provisions are materially more favorable to the purchaser than those set forth in the Notice to Tenant or if the Property is not sold within one year from such notice. If Landlord shall sell the Property after a failure of Tenant to exercise its Right of First Negotiation, such sale shall be subject to this Lease; provided, however, that the Right of First Negotiation shall be null and void and the provisions of this Section 16.I shall no longer apply. **Landlord has taken care of ROFR.**

TENANT PROFILE

COSTCO

COSTCO.COM

OWNERSHIP	Public (NASDAQ: COST)
LOCATIONS	785
REVENUE	\$152.7 Billion
HEADQUARTERS	Issaquah, Washington

Costco Wholesale Corporation, DBA as Costco, is an American multinational corporation which operates a chain of membership-only warehouse clubs. As of 2015, Costco was the second largest retailer in the world after Walmart, and as of 2016, Costco was the world's largest retailer of choice and prime beef, organic foods, rotisserie chicken, and wine. As of 2019, Costco is ranked #14 on the Fortune 500 rankings of the largest United States corporations by total revenue. Costco's worldwide headquarters are in Issaquah, Washington, a suburb east of Seattle; the company opened its first warehouse (the chain's term for its retail outlets) in Seattle 37 years ago in 1983. Through mergers, Costco's corporate history dates back to 1976, when its former competitor Price Club was founded in San Diego, California. As of December 31, 2019, Costco has a total of 785 warehouses. 546 in the United States and Puerto Rico, 100 in Canada, 39 in Mexico, 29 in the United Kingdom, 26 in Japan, 16 in South Korea, 14 in Taiwan, 11 in Australia, two in Spain, one in Iceland, one in France, and one in China. Costco is scheduled to open a warehouse in New Zealand in 2021. Costco's history began with Sol Price and his son, Robert, opening the first Price Club warehouse on July 12, 1976, on Morena Boulevard in San Diego, California, thus giving birth to a new concept: a retail warehouse club.



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