

GROCERY OUTLET *bargain market*

NEW CONSTRUCTION | 10-YEAR LEASE | VENTURA COUNTY



OFFERING MEMORANDUM
FILLMORE, CALIFORNIA



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



OFFERING MEMORANDUM

FILLMORE, CALIFORNIA

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LOCATION

Grocery Outlet
SWC Hwy 126 & C Street
Fillmore, CA 93015



OFFERING SUMMARY

Price:	\$5,863,333
Current Net Operating Income (NOI):	\$281,440
Current Capitalization Rate:	4.80%
Price per Square Foot:	\$366
Net Rentable Area:	16,000
Year Built (1):	2021
Lot Size (Acres):	±1.60 Acres

LEASE TERMS

Anticipated Lease Commencement Date:	November 2021
Lease Expiration:	November 2031
Lease Term:	10 Years
Lease Type:	NN
Roof & Structure:	Landlord Responsibility
Monthly Rent:	\$23,453
Annual Rent:	\$281,440
Rental Increases:	10% Every 5 Years
Renewal Options:	Four 5-year @ 10% Inc.

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.



GROCERYOUTLET
bargain market

QUICK FACTS

380
LOCATIONS
IN 6 STATES

\$3.13B
IN NET
SALES

75-YR
OPERATING
HISTORY





- **Strong Investment Fundamentals**

- Brand new construction with fresh 10-year primary term lease.
- Grocery Outlet (NASDAQ: GO) is an S&P credit rated tenant, operating more than 380 locations across the United States.
- 10% rent increases every 5 years.
- Focal hard corner location at busy highway intersection.

- **Prime Location in Established Trade Area**

- Direct frontage on Highway 126 - a major thoroughfare with over 37,000 cars per day.
- Primary highway connection between I-5 and Pacific Coast Highway.
- Ventura County location properties seldom available for sale.
- Strong demographics, with more than 15,000 people living in the city of Fillmore, and over 58,000 people living within the Heritage Valley trade area.

- **Low Management Hassle**

- Single-Tenant property provides easy ownership oversight.
- New construction and outstanding build quality leave no deferred maintenance obligations for new ownership.
- NN lease allows for the majority of all operating expenses to be passed to tenant.

- **Trophy Property & Ideal 1031 Replacement**

- First rate architectural design combined with uncompromised construction quality, adding to the property's prominence.
- Improvements can be depreciated to enhance after tax cash flow – not a ground lease.
- Offered free & clear of existing debt – take advantage of historically low interest rates.



EAST ELEVATION



NORTH ELEVATION



GROCERY OUTLET *Renderings*



WEST ELEVATION

PYLON SIGNAGE





LEASE SUMMARY (1)

Tenant:	Grocery Outlet	Rental Increases:	10% Every 5 Years
Guarantor:	Grocery Outlet, Inc.	Renewal Options:	Four 5-year @ 10% Inc.
Lease Commencement: (2)	2021	Property Taxes: (3)	Tenant Responsibility
Lease Expiration:	2031	Insurance: (4)	Tenant Responsibility
Lease Type:	NN	Common Area Maintenance: (5)	Tenant Responsibility
Net Operating Income:	\$281,440	Repairs & Maintenance:	Tenant Responsibility
Net Rentable Area:	16,000	Roof & Structure:	Landlord Responsibility

NOTES

- (1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.
- (2) Lease commencement & expiration dates TBD
- (3) Tax Reimbursement is capped at \$3.52 psf for the calendar year in which the Term commences.
- (4) Insurance reimbursement is capped at \$0.48 psf for the calendar year in which the Term commences.
- (5) Common Area Cost reimbursement is capped at \$1.80 psf for the calendar year in which the Term commences.



**SWC HWY 126 & C STREET
FILLMORE, CA 93015**



NET RENTABLE AREA
16,000 SF



PARKING
64 SPACES (APPROX.)



ACCESS
2 POINTS OF ACCESS



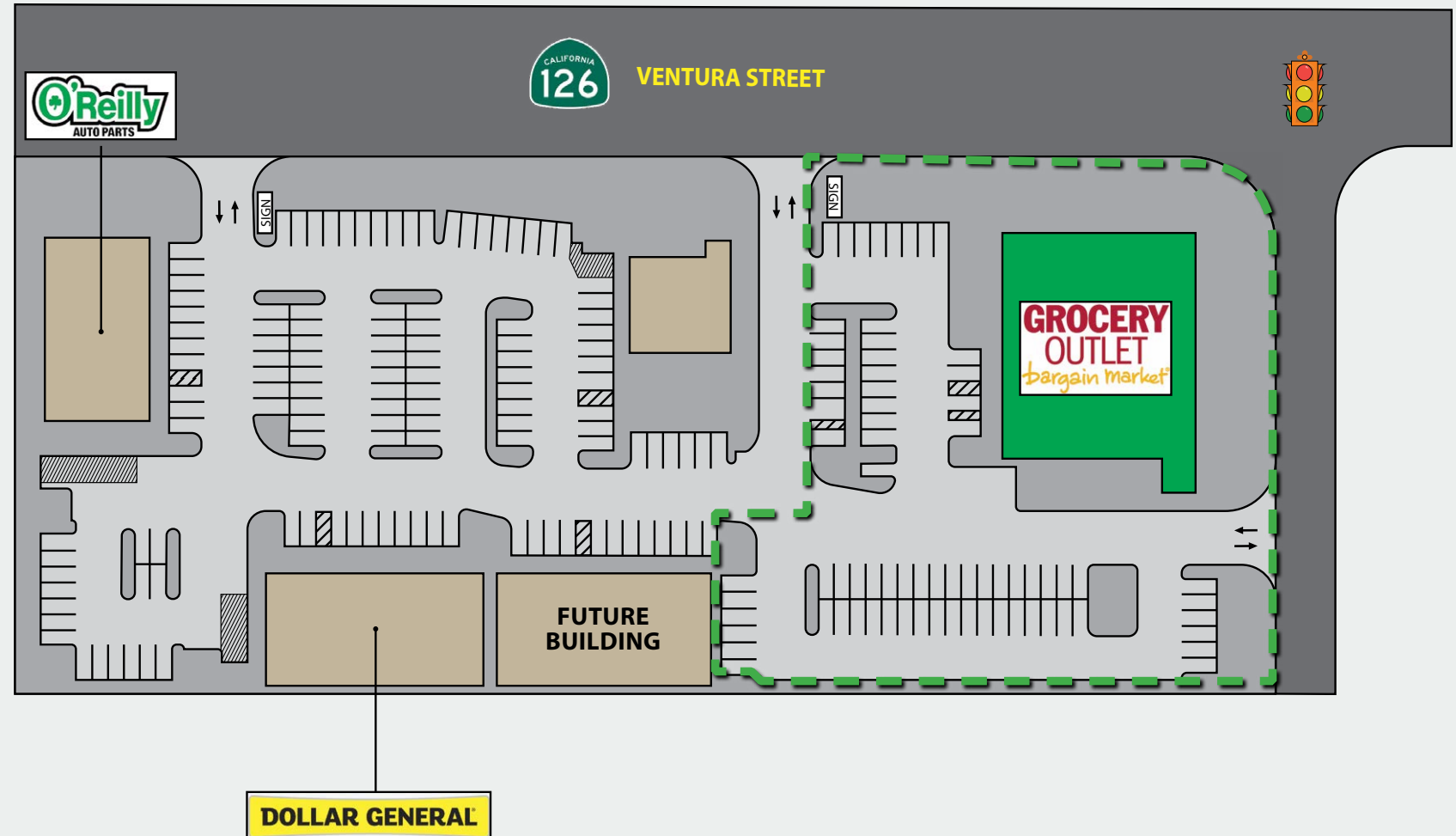
YEAR BUILT
2021



TRAFFIC COUNTS
37,000 CPD



ZONING
BP-1



SUBJECT PROPERTY



PROPERTY PARCEL

APN: 052-0-160-200*



NOT A PART

*New parcel map to be recorded prior to close of escrow



AERIAL OVERVIEW

GROCERY OUTLET



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DEMOGRAPHICS

	Population	AHHI
1-Mile Radius	9,108	\$81,745
3-Mile Radius	17,039	\$80,675
5-Mile Radius	17,595	\$81,721







GROCERYOUTLET bargain market™

Grocery Outlet is a chain of discount supermarkets that offer discounted, overstocked, and closeout products from name brand and private label suppliers. The company's stores also carry food staples such as fresh meat, dairy, and bread.

Grocery Outlet purchases inventory directly from manufacturers rather than wholesalers or retail stores. This allows the company to offer brand name products at a savings of 40–70% versus conventional retailers. Most Grocery Outlet stores are operated by local franchisees, who are granted flexibility in their inventory in order to better cater to local demand.

Entrepreneurial independent owner-operators (IO) run the stores and generally live in the community that they serve, creating a neighborhood feel through personalized customer service and a localized product offering. Founder, Jim Read, pioneered the buying model in 1946 and subsequently developed the IO selling approach, which harnesses individual entrepreneurship and local decision-making to better serve customers in their communities.

For the full year Fiscal 2020 as compared to Fiscal 2019, net sales increased by 22.5% to \$3.13 billion, comparable-store sales increased by 12.7% on a 52-week basis compared to a 5.2% increase in the comparable period last year.

Today, Grocery Outlet has 380 stores in California, Oregon, Washington, Idaho, Nevada, and Pennsylvania. The company opened 35 stores in 2020 and plans to open another 38 stores by the end of 2021.

TOP HONORS

- **"Grocer of the Year"** - Grocery Dive (2020)
- **"50 Best Wine Retailers in America for 2020"** - Wine Enthusiast (2020)
- **5 "Hot 100 Retailers for 2019"** - The National Retail Federation and Kantar (2020)

Company Type: Public (NASDAQ: GO; S&P: 400)
Locations: 380
Website: www.groceryoutlet.com



Business View MAGAZINE



Fillmore, California – Small town living at its best

April 5, 2021

It could be said that the City of Fillmore, California is a community in waiting. Located 55 miles from bustling Los Angeles, Fillmore is home to 16,000 residents who enjoy the peaceful benefits of life in a primarily agricultural setting, surrounded by avocado and orange groves. With soaring views of the Topa Topa mountain range and a quaint historic feel, Fillmore has been dubbed “The last best small town in California.”

That being said, the city is poised for significant growth, according to Fillmore Mayor Mark Austin. He reflects, “We are a small town with a strong sense of community, a very unique culture, and very proud people. I think we are going to see some accelerated growth in the next five to ten years.”



[CLICK FOR ARTICLE](#)

sn SUPERMARKET NEWS



Grocery Outlet caps off fiscal 2020 with strong Q4

By Russell Redman | March 3, 2021

Grocery Outlet Holding Corp. enters its 75th year in business in 2021 after notching double-digit net and comparable sales gains for fiscal 2020, as well as fourth-quarter adjusted earnings that topped Wall Street’s forecast.

For the 14-week quarter ended Jan. 2, net sales surged 23.1% to \$806.8 million from \$655.5 million a year earlier, Grocery Outlet said in reporting results after yesterday’s market close. The sales total reflects \$53.3 million from the extra week, according to the company. On a 13-week comparable basis, sales rose 7.9% year over year, up from a 5.1% comp-sales increase in the fiscal 2019 quarter.

Fiscal 2020 net sales, covering 53 weeks, climbed 22.5% to \$3.13 billion from \$2.56 billion in 2019. Comparable-store sales advanced 12.7% on a 52-week basis versus a 5.2% gain a year ago.



[CLICK FOR ARTICLE](#)



Fillmore - "The last best small town in Southern California"

- Located in Ventura County, approximately 60 miles north of Los Angeles along Highway 126
- 20 miles east of the Pacific Ocean, along the Santa Clara River Valley
- A favorite filming location for the motion picture industry
- Home to Fillmore & Western Railway Co.

ECONOMY

- Major industries are educational services, manufacturing, and health care
- Top employers include Fillmore Unified School District, Greenfield Care Center, Villa Park Citrus Association, NOV Ameron Pole Products, and Vons
- Home to Rotorcraft Support, Inc. which specializes in helicopter repairs and maintenance
- **Fillmore Unified School District** - 3,785 students and 596 faculty and staff
- Nearby airports include Burbank (BUR) (35 miles away) Los Angeles (LAX) (43 miles), and Santa Barbara (SBA) (52 miles)
- **Valley Express** - Single bus on a 30-minute loop throughout the city, and one route running between Fillmore and the city of Piru

DEVELOPMENTS

- **Fillmore on Central** - 20,000 square feet, year-round event space for weddings, special events, and the performing arts; hosts anywhere from 25 to 500 guests; opened in February 2020
- **Fillmore Library** - \$1.5 million expansion that more than double the size of the library; currently under construction
- **The Bridges** - Master planned community, comprised of high-end homes with amenities including parks, new schools, new bridges, new traffic signals, and retro-style houses
 - Phase 1 consisted of 125 homes and Rio Vista Elementary School and is complete; Phase 2 included 166 homes and a park and was completed Summer 2020
 - Phase 3 includes 459 homes, making it one of the biggest residential developments currently in progress in Ventura County

City of Fillmore HIGHLIGHTS

\$96,091

**AVERAGE
HOUSEHOLD INCOME**

\$485,005

**MEDIAN
HOME VALUE**



CITY HALL



ROTORCRAFT SUPPORT



FILLMORE ORANGE GROVE



Population

	1-Mile	3-Mile	5-Mile
2025 Projection	9,268	17,476	18,046
2020 Estimate	9,108	17,039	17,595
2010 Census	8,906	16,331	16,863
2000 Census	8,104	14,843	15,373
Growth 2000-2010	9.90%	10.02%	9.69%
Growth 2010-2020	2.27%	4.34%	4.34%
Growth 2020-2025	1.76%	2.56%	2.56%

Households

2025 Projection	2,425	5,016	5,215
2020 Estimate	2,377	4,870	5,063
2010 Census	2,280	4,576	4,759
2000 Census	2,028	4,144	4,318
Growth 2000-2010	12.43%	10.42%	10.21%
Growth 2010-2020	4.25%	6.42%	6.39%
Growth 2020-2025	2.02%	3.00%	3.00%

2020 Est. Population by Single-Classification Race

White Alone	4,779	9,445	9,816
Black or African American Alone	44	80	84
American Indian and Alaska Native Alone	86	220	227
Asian Alone	97	174	187
Native Hawaiian and Other Pacific Islander Alone	12	15	16
Some Other Race Alone	3,507	6,103	6,232
Two or More Races	572	960	988

2020 Est. Population by Ethnicity (Hispanic or Latino)

Hispanic or Latino	7,362	13,108	13,425
Not Hispanic or Latino	1,746	3,931	4,170

2020 Est. Average Household Income

\$81,745	\$80,675	\$81,721
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CONFIDENTIALITY AGREEMENT

GROCERY OUTLET



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The information contained herein does not purport to provide a complete or fully accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective buyers may need or desire. All financial projections are based on assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Broker and, therefore, are subject to material variation. This Marketing Package does not constitute an indication that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the information herein. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective buyers.

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\$7.7 BILLION
retail sales nationwide



SHARED DATABASE
collaborative proprietary database



GLOBEST. INFLUENCERS
in retail & net lease sales



NATIONWIDE REACH
retail & investors across the U.S.



\$2 BILLION IN RETAIL SOLD
over 400 transactions in last 36 mos.