

FOR SALE

VALLEY PLAZA PAD BUILDING

1573-1599 W Main Street, El Centro, CA 92243

- 100% Leased to 4 Strong Regional Tenants
- Annual Rent Bumps & NNN Reimbursement
- Minimal Management & No Deferred Maintenance
- Well Located Near One of the City's Busiest Intersections

\$3,300,000



FIRST FOUNDATION
Trust. Strength. Experience.

8minutenergy
RENEWABLES

**EL CENTRO COMPREHENSIVE
PAIN MANAGEMENT CENTER**

dPoly.
FAMILY RESTAURANT

Family Restaurant



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BROKERAGE • INVESTMENT • DEVELOPMENT

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3830 Ray Street, San Diego, CA 92104 | Phone (619) 491-0335 | Fax (619) 491-0696 | www.DuhsCommercial.com

SITE SOURCE
REAL BROKER NETWORK

EXECUTIVE SUMMARY

VALLEY PLAZA PAD BUILDING

El Centro, California

Property

Valley Plaza Pad Building
1573-1599 W Main Street
El Centro, California 92243

EXECUTIVE SUMMARY

| | |
|----------------------|-------------|
| Price: | \$3,300,000 |
| Cap Rate: | 7.09 % |
| Cash on Cash Return: | 8.59 % |
| Building Size: | 9,600 SF |
| % Leased: | 100% |
| Number of Tenants: | 4 |
| Year Built: | 2006 |

FINANCING (Proposed New)

| | |
|-----------------------|-------------|
| Proposed New Loan: | \$2,310,000 |
| Proposed LTV: | 70% |
| Proposed Downpayment: | \$990,000 |
| Interest Rate: | 5.00% |
| Amortization | 30 Years |
| Monthly Payment: | \$12,401 |
| Annual Debt Service | \$148,807 |



EXECUTIVE SUMMARY

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El Centro, California

Strong Tenancy. The subject property is 100% leased to 4 strong, regional credit tenants: First Foundation Bank, 8Minutenergy, San Diego Comprehensive Pain Management Center, and D'Poly Family Restaurants. First Foundation Bank occupies close to half of the building area on an original 10 year lease and recently extended for 5 years.

Favorable Lease Terms. All of the leases have scheduled rent increases of 3.0-3.5% annually. Plus, 81% of the building area is on NNN leases that allow for the pass-through of operating expenses, with the remaining tenant on a modified gross lease allowing for the pass-through of increases in operating expenses over the base year.

Minimal Management. As part of a large commercial center, most of the typical common area maintenance items (i.e. landscaping, parking lot, exterior lighting, monument signs, paint, etc.) are handled by an association that has an onsite management office within the center. Thus, the property has very minimal management responsibilities that can be handled from outside of the area. Additionally, the property is in very good condition with no deferred maintenance.

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LOCATION HIGHLIGHTS

VALLEY PLAZA PAD BUILDING

El Centro, California

Strong Traffic Generators. The building is part of the ±300,000 sf Valley Plaza center and benefits from a wide variety of other retail and office co-tenants including:

Retail-- Rite Aid, Starbucks, Jerome's Furniture, Skechers, Aaron Rents, Massage Envy, Subway, Cricket Wireless, Don Roberto Jewelers, Ballington Academy, and more.

Office-- Superior Court of California, County of Imperial, Imperial Irrigation District, State of California, Molina Healthcare, Physical Rehabilitation Network, SDSU Research Foundation, Quest Diagnostics, and more.

Strategic Central Location. The property is very centrally located along Main Street at the intersection of Imperial Avenue. Main Street is home to the City and County government offices, banks, financial institutions, as well as other businesses. Imperial Avenue serves as a major North-South corridor with over 30,000 cars per day that connects Interstate 8 in Imperial County with the Coachella Valley (Palm Desert area).

Strong Regional Economy. El Centro and the Imperial County have always been one of the most productive agricultural regions in the world, but the area has also seen substantial growth in other areas including: renewable energy, public sector, international trade & logistics, and manufacturing.

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AERIAL

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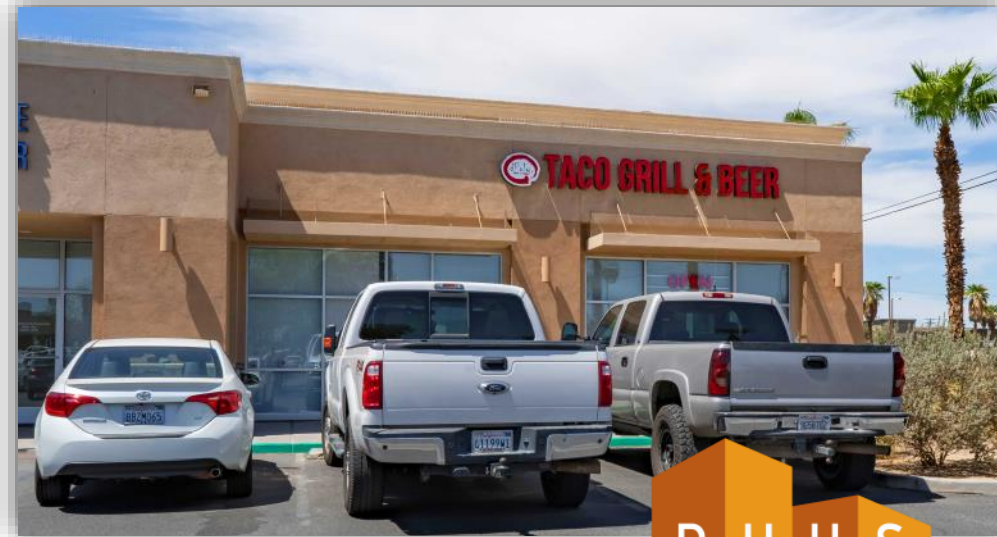


RENT ROLL

VALLEY PLAZA PAD BUILDING

El Centro, California

| Tenant | Size | Start | Expiration | Monthly Rent | Rent/SF | Type | Options | Rent Increases |
|---------------------------|--------------|-----------|------------|-----------------|---------|------|-------------|----------------|
| First Foundation Bank | 4,700 | 2/1/2007 | 1/31/2022 | \$11,134 | \$2.37 | NNN | 2 x 5 years | 3.0% annual |
| 8minutenergy | 1,300 | 2/8/2017 | 1/31/2020 | \$2,343 | \$1.80 | NNN | None | 3.0% annual |
| SD Comp. Pain Management | 1,800 | 1/1/2016 | 5/31/2021 | \$3,856 | \$2.14 | MG | None | 3.5% annual |
| D'Poly Family Restaurants | 1,800 | 3/23/2018 | 6/30/2023 | \$3,060 | \$1.70 | NNN | 2 x 5 years | 3.5% annual |
| Total | 9,600 | | | \$20,394 | | | | |



INCOME & EXPENSES

VALLEY PLAZA PAD BUILDING

El Centro, California

| | <u>In-Place</u> | <u>Year 2</u> |
|-------------------------------|--------------------|------------------|
| Income | | |
| Scheduled Rents | 244,723 | 252,479 |
| NNN Reimbursement | 48,672 | 48,672 |
| Total | 293,395 | 301,151 |
| Expenses (estimated) | | |
| Real Estate Taxes (projected) | 35,000 | 35,000 |
| Insurance | 2,500 | 2,500 |
| Association Fee / CAM | 11,218 | 11,218 |
| Water/Sewer | 3,600 | 3,600 |
| Trash | 1,200 | 1,200 |
| Repairs & Maintenance | 1,500 | 1,500 |
| Management Fee | 4,500 | 4,500 |
| Total | 59,518 | 59,518 |
| | \$0.52 | |
| Net Operating Income | 233,877 | 241,633 |
| Annual Debt Service | (148,807) | (148,807) |
| Cash Flow | 85,070 | 92,826 |
| Price | \$3,300,000 | |
| Cap Rate | 7.09% | 7.32% |
| Cash on Cash Return | 8.59% | 9.38% |
| Proposed Financing | | |
| Loan to Value | 70% | |
| Loan Amount | \$2,310,000 | |
| Downpayment | \$990,000 | |
| Interest Rate | 5.00% | |
| Amortization (Years) | 30 | |
| Monthly Payment | \$12,401 | |
| Annual Debt Service | \$148,807 | |



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TENANT PROFILES

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First Foundation, a financial institution founded in 1990, provides private wealth management, personal banking, and business banking. The Company has 22 branches in California, Nevada, and Hawaii with headquarters in Irvine, California. www.firstfoundationinc.com



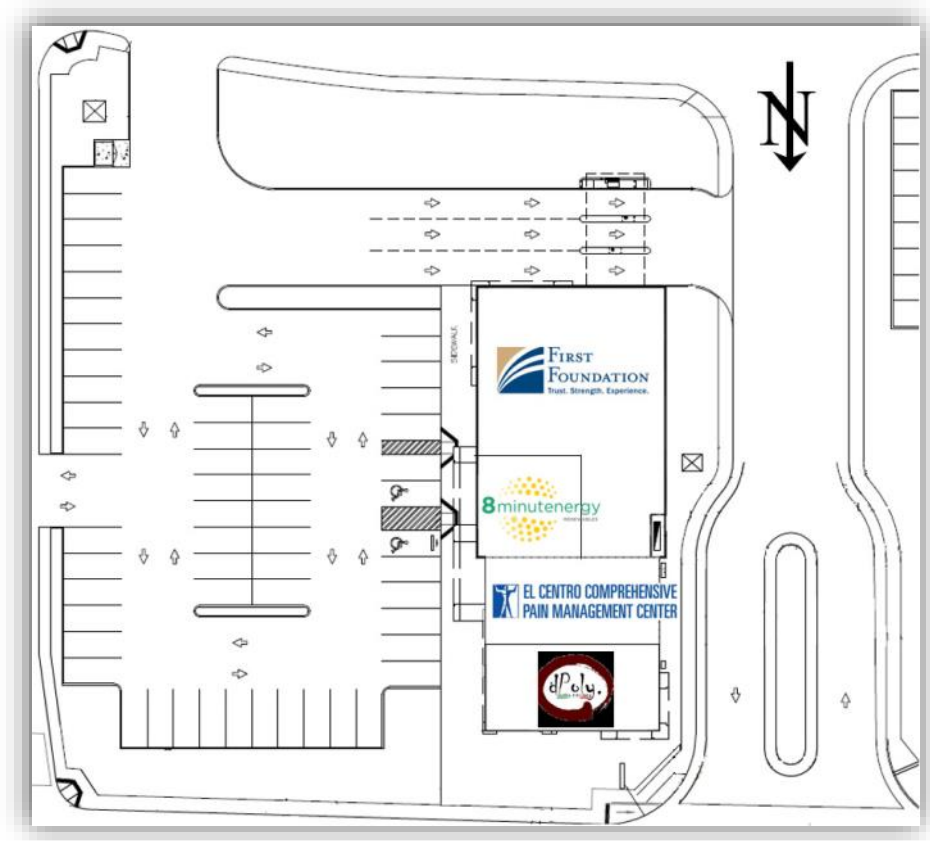
8minutenergy is the largest independent solar power developer in the U.S. Its large solar project portfolio consists of 5,500 MW, which includes one of the world's largest solar projects, the Mount Signal solar farm in California. The company is proud to be one of the world's leading ground-mounted solar developers, and is developing projects in the United States, India, and Latin America. www.8minutenergy.com



Headquartered in San Diego, the center is a branch of the San Diego Comprehensive Pain Management Center. The center's Medical Director, David James Smith, M.D., is Board Certified in Physical Medicine and Rehabilitation and is a Diplomat of the American Academy of Pain Medicine and an Associate member of The American Association of Neuromuscular and Electrodiagnostic Medicine. www.sandiegopaincenter.com



D'Poly is a family-owned Mexican restaurant with two other locations in Calexico. Known for its quality food and fun, lively atmosphere, D'Poly Taco Grill & Beer has opened to huge success within the El Centro community.



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SITE PLAN

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AERIAL

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El Centro, California



City of El Centro

El Centro is the center of one of Southern California's most promising new commercial and industrial regions with two international border crossings nearby for commercial and noncommercial vehicles. Covering 11 square miles it is the largest city in Imperial County and located 117 miles east of San Diego and 245 miles west of Phoenix, AZ. And just 15 minutes from the international industrial complexes in Mexicali, Baja California the region is postured well for the foreseeable future.

Incorporated in 1908, the city grew rapidly as one of the most productive farming regions in the state of California with annual crop production of over \$1 billion. The City of El Centro is the commercial center of the Imperial County with 50% of jobs in the service and retail sector, as well as a major attraction for 1 million plus people that live in Mexicali, Mexico. Recent economic growth has come as a result of large amounts of jobs through the federal, state, and local governments including the US Border Patrol, Customs and Border Protection, Two prisons, and the military.



Imperial County

The Imperial County has a population approx. 179,478 and has always been one of the most productive agricultural regions in the world with a gross production value in excess of \$2.1 Billion in 2013. Over the last few decades, Imperial County has seen an influx of commercial activity and development with a solid presence and growth of other sectors, including:

- Public Sector & Federal Government
- Renewable Energy-- Geothermal/Solar/Wind
- International Trade & Logistics
- Manufacturing
- Retail & Hospitality



The region benefits from its close proximity to the city of Mexicali, Mexico-- the capital of the State of Baja California with a population of over 1,100,000. The City of Mexicali has one of the highest per capita incomes in the country along with some of the lowest unemployment and crime rates. The two vehicle/pedestrian ports of entry in Calexico combine for the 3rd busiest border crossing in the USA. And there are over 200 maquiladoras that operate in Mexicali, including companies such as: Honeywell, Gulfstream, Cardinal Health, BF Goodrich's aerospace division, Mitsubishi, Daewoo, Kenworth, Black & Decker and Sony, among others.

In total, the three ports of entry in Imperial County facilitated bi-national trade valued at over \$7.7 Billion in 2013. Union Pacific Railroad (UPR) and Carrizo Gorge Railway (CGR) provide freight service to and from Imperial Valley. UPR has direct routes to Los Angeles in the west and El Paso in the east. The center line connects eight communities in Imperial Valley and is the only rail connection from California into Central Mexico.



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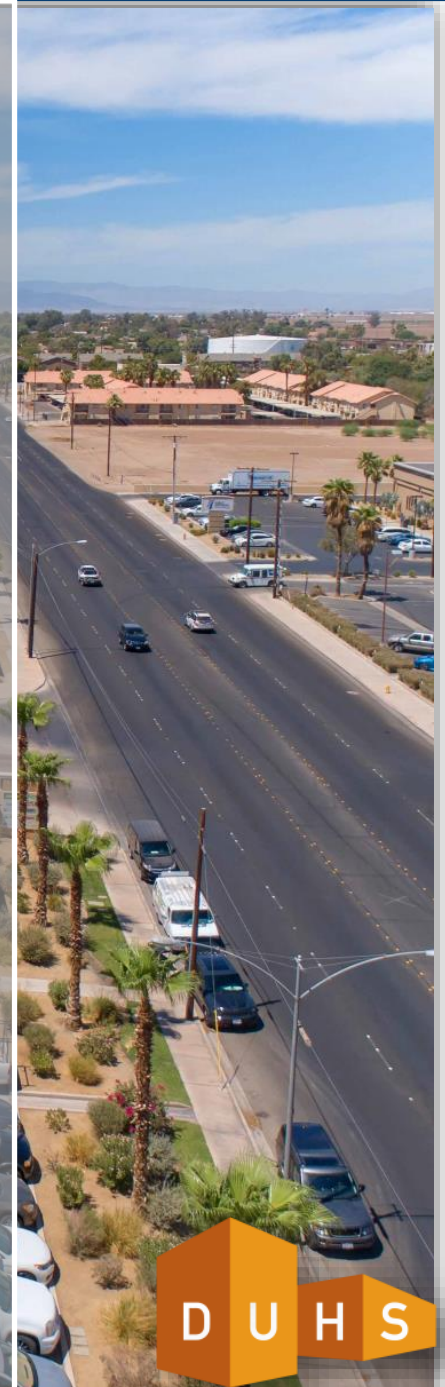
DEMOGRAPHICS

VALLEY PLAZA PAD BUILDING

El Centro, California



| | 1 Mile | | 3 Mile | | 5 Mile | |
|--------------------------------------|-----------------|--------|-----------------|--------|-----------------|--------|
| Population | | | | | | |
| 2018 Estimate | 22,074 | | 54,548 | | 72,014 | |
| 2023 Projection | 22,712 | | 56,292 | | 74,152 | |
| Growth 2018 - 2023 | 2.89% | | 3.20% | | 2.97% | |
| Growth 2010 - 2018 | 4.18% | | 6.00% | | 4.64% | |
| Median Age | 32.80 | | 32.50 | | 32.30 | |
| 2018 Population By Race | | | | | | |
| White | 19,899 | 90.15% | 48,963 | 89.76% | 64,990 | 90.25% |
| Black | 573 | 2.60% | 1,483 | 2.72% | 1,845 | 2.56% |
| Am. Indian & Alaskan | 562 | 2.55% | 1,280 | 2.35% | 1,600 | 2.22% |
| Asian | 567 | 2.57% | 1,631 | 2.99% | 2,010 | 2.79% |
| Hawaiian & Pacific Island | 42 | 0.19% | 118 | 0.22% | 143 | 0.20% |
| Other | 431 | 1.95% | 1,073 | 1.97% | 1,426 | 1.98% |
| Population by Hispanic Origin | | | | | | |
| Non-Hispanic Origin | 3,420 | 15.49% | 9,043 | 16.58% | 11,844 | 16.45% |
| Hispanic Origin | 18,654 | 84.51% | 45,505 | 83.42% | 60,170 | 83.55% |
| Households | | | | | | |
| 2018 Estimate | 7,211 | | 16,643 | | 21,535 | |
| 2023 Projection | 7,407 | | 17,142 | | 22,145 | |
| 2010 Census | 6,930 | | 15,730 | | 20,541 | |
| Growth 2018 - 2023 | 2.72% | | 3.00% | | 2.83% | |
| Growth 2010 - 2018 | 4.05% | | 5.80% | | 4.84% | |
| 2018 Average Household Size | 3.00 | | 3.20 | | 3.30 | |
| 2017 Avg Household Income | \$57,222 | | \$69,979 | | \$71,782 | |
| 2017 Occupied Housing | | | | | | |
| Owner Occupied | 2,938 | 40.74% | 9,034 | 54.28% | 12,337 | 57.29% |
| Renter Occupied | 4,273 | 59.26% | 7,609 | 45.72% | 9,198 | 42.71% |



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LOCATION MAP

VALLEY PLAZA PAD BUILDING

El Centro, California



Mexicali
Capital of Baja California
Population: ±1,100,000



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CONTACT INFORMATION

OFFERING MEMORANDUM

VALLEY PLAZA PAD BUILDING El Centro, California

For more information, contact:

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619.269.6076

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