



# KOHL'S

**TROPHY ANCHOR TENANT WITH CORPORATE GUARANTY – SF BAY AREA LOCATION**

**PLEASANT HILL, CA**

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275,100  
VPD

INTERSTATE  
680

INTERSTATE  
680



# Investment Summary



## KOHL'S

2302 MONUMENT BLVD, PLEASANT HILL, CA 94523 

**\$39,950,000**

**PRICE**

**7.10%**

**CAP**

NOI:	<b>\$2,838,000</b>
LEASE TYPE:	<b>ABSOLUTE NNN</b>
LEASE TERM:	<b>25 YEARS (11 REMAINING)</b>
LEASE EXPIRATION:	<b>01/31/2031</b>
LEASABLE AREA:	<b>101,195 SF</b>
LAND AREA:	<b>5.45 ACRES</b>
YEAR RENOVATED:	<b>2005</b>

**HIGH IDENTITY LOCATION IN A DOMINANT  
REGIONAL SHOPPING DESTINATION ON THE  
I-680 CORRIDOR**

# Overview

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## HIGHLIGHTS

- Rare opportunity to acquire a SF Bay Area trophy retail property (LEED Silver Certified)
- Lease features a Corporate Guaranty by Kohl's Corporation (investment grade rated company)
- Absolute NNN lease
- 11 years remaining on initial term (long-term historical occupancy)
- The nearest Kohl's is in Pleasanton, approximately 23 miles south of the subject property

## DESIRABLE LOCATION

- Unparalleled visibility directly off of I-680 with traffic counts exceeding 275,000 VPD
- Average household incomes exceed \$157,000 within a 1-mile radius
- Over 264,000 residents within a 5-mile radius
- Centrally located within Contra Costa County in between major employment centers of Walnut Creek and Concord
- 26 miles from San Francisco, and 14 miles from Oakland



# Investment Highlights

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## THE OFFERING

The offering provides an investor with the generational opportunity to acquire a corporately guaranteed Kohl's which anchors The Crossroads at Pleasant Hill, a regional lifestyle shopping center in Pleasant Hill, CA. This high identity location serves the affluent central Contra Costa County market, and this Kohl's benefits from exceptional demographics and high barriers to entry. This two-story property is LEED Certified and Energy Star rated, featuring energy efficient technology including solar panels, all of which contributes to the long-term value of the asset. Kohl's currently has eleven years remaining on an initial 25-year lease, which includes 10% rental escalations every five years and eight 5-year extension options. The lease is absolute NNN and features zero Landlord expense obligations, making this a truly passive investment.

This Kohl's is strategically located in Pleasant Hill, which is equidistant between Walnut Creek and Concord. The subject property benefits from excellent visibility from the heavily-trafficked I-680 (275,100 VPD), a major north-south highway that runs from Fairfield to San Jose along the East Bay, and is easily accessible from the on and off ramps at the Monument Boulevard exit. The neighboring tenants at The Crossroads at Pleasant Hill feature a dynamic mix of national and daily needs retailers including Dick's Sporting Goods, Marshalls, Dollar Tree, DSW, and Friedmans Appliance.

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**FREWAY ADJACENT LOCATION THAT  
ATTRACTS A REGIONAL DRAW**

# Building Sustainability

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**LEED CERTIFICATION:** LEED O+M: EXISTING BUILDINGS (V2009)

**CERTIFICATION LEVEL:** SILVER CERTIFIED (2015)

**ENERGY STAR SCORE:** 96 (2018)

**SOLAR POWERED:** YES



## WHAT IS LEED?

LEED stands for Leadership in Energy and Environmental Design. It's an independent rating system that assesses design, construction and operation of high performance buildings. Nearly 13.8 billion square feet of building space across the world participates in the LEED rating system.

## WHY DOES IT MATTER?

LEED certification provides third party validation that a building has been constructed/retrofitted and is operated at a certain level of efficiency. Buildings that have achieved certification are positioned to stay relevant with future tenants and investors. According to a USGBC survey, 85% of employees in LEED certified buildings say that their access to quality outdoor views and natural sunlight boosts their overall productivity and happiness.

## WHAT IS ENERGY STAR?

Energy Star for buildings measures the energy use of buildings (using utility data) assigning a score from 1-100 based on a comparison to similar properties. Buildings with a score of 75 or higher earn the Energy Star designation.

## WHY DOES IT MATTER?

An Energy Star rating provides third party validation that a building meets certain federally mandated guidelines regarding energy efficiency. California Assembly Bill 802 requires owners of non-residential properties 50,000 SF or larger to provide annual energy bench-marking disclosures to the California Energy Commission.

# Income & Expense

<b>PRICE</b>		<b>\$39,950,000</b>
Capitalization Rate:		7.10%
Price Per Square Foot:		\$394.78
Down Payment	35%	\$13,982,500
Loan Amount	65%	\$25,967,500
Building Size (SF) (2-Story):		101,195
<b>STABILIZED INCOME</b>		<b>PER SQUARE FOOT</b>
Scheduled Rent	\$28.04	\$2,838,000
Effective Gross Income	\$28.04	\$2,838,000
<b>LESS</b>		<b>PER SQUARE FOOT</b>
Taxes	NNN	\$0
Insurance	NNN	\$0
Total Operating Expenses	NNN	\$0
<b>EQUALS NET OPERATING INCOME</b>		<b>\$2,838,000</b>

## PROPOSED FINANCING/CASH FLOW

<b>PROPOSED FINANCING</b>	
Proposed Loan Amount	\$25,967,500
Loan To Value	65%
Interest Rate	3.70%
Amortization	30 Years
Term	10 Years
Net Operating Income	\$2,838,000
Debt Service	(\$1,434,288)
Pre-Tax Cash Flow	\$1,403,712
Debt Coverage Ratio	1.98
Cash-on-cash return	10.04%
Principal Pay Down (Year 1)	\$481,603.02
Total Return	\$1,885,315
Yield	13.48%

**Proposed Financing:** Please contact the listing agent, Chris Kostanecki at (415) 274-2701 to discuss financing options

# Rent Roll

TENANT INFO		LEASE TERMS		RENT SUMMARY			
TENANT	SQ. FT.	TERM		MONTHLY RENT	ANNUAL RENT	MONTHLY RENT/FT	ANNUAL RENT/FT
<b>Kohl's</b>	<b>101,195</b>	10/06/05	09/30/06	\$173,333	\$2,080,000	\$1.71	\$20.55
<i>Corporate Guaranty</i>		10/01/06	01/31/16	\$215,000	\$2,580,000	\$2.12	\$25.50
		<b>02/01/16</b>	<b>01/31/26</b>	<b>\$236,500</b>	<b>\$2,838,000</b>	<b>\$2.34</b>	<b>\$28.04</b>
		02/01/26	01/31/31	\$260,150	\$3,121,800	\$2.57	\$30.85
	Option 1	02/01/31	01/31/36	\$286,165	\$3,433,980	\$2.83	\$33.93
	Option 2	02/01/36	01/31/41	\$314,782	\$3,777,378	\$3.11	\$37.33
	Option 3	02/01/41	01/31/46	\$346,260	\$4,155,116	\$3.42	\$41.06
	Option 4	02/01/46	01/31/51	\$380,886	\$4,570,627	\$3.76	\$45.17
	Option 5	02/01/51	01/31/56	\$418,974	\$5,027,690	\$4.14	\$49.68
	Option 6	02/01/56	01/31/61	\$460,872	\$5,530,459	\$4.55	\$54.65
	Option 7	02/01/61	01/31/66	\$506,959	\$6,083,505	\$5.01	\$60.12
	Option 8	02/01/66	01/31/71	\$557,655	\$6,691,856	\$5.51	\$66.13
<b>Totals</b>	<b>101,195</b>			<b>\$236,500</b>	<b>\$2,838,000</b>	<b>\$2.34</b>	<b>\$28.04</b>



# Lease Abstract

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Since this lease was originally designed to meet the high standards of CTL Financing, it provides a more durable income stream and cash flow for the owner of this trophy asset. Some highlights include:

- The corporately guaranteed lease requires Tenant to pay 100% of real estate taxes and insurances.
- Tenant must carry extended coverage insurance, sufficient to cover the cost of actual replacement of the improvements, in addition to general liability insurance.
- Although not required by the lease, Tenant currently carries loss of rents (aka business interruption) insurance.
- Tenant is responsible for all maintenance and repair of the building, including roof and structure.
- Tenant pays for all utilities, as well as its pro-rata share of common area expenses, as well as a 7.5% administrative fee. A third party currently manages the common areas of the shopping center.

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The details contained within the Lease Abstract are provided as a courtesy to the recipient for purposes of evaluating the Property's initial suitability. While every effort is made to accurately reflect the terms of the lease document(s), many of the items represented herein have been paraphrased, may have changed since the time of publication, or are potentially in error. Capital Pacific and its employees explicitly disclaim any responsibility for inaccuracies and it is the duty of the recipient to exercise an independent due diligence investigation in verifying all such information, including, but not limited to, the actual lease document(s).

## PREMISES & TERM

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<b>TENANT</b>	Kohl's Department Stores, Inc.
<b>LEASE GUARANTOR</b>	Kohl's Corporation, a Wisconsin Corporation
<b>LEASE TYPE</b>	Absolute NNN
<b>LEASE TERM</b>	25-years
<b>RENT COMMENCEMENT</b>	October 6th, 2005
<b>OPTIONS</b>	Eight 5-year

## EXPENSES

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**REAL ESTATE TAXES:** Tenant is responsible.

**INSURANCE:** Tenant provides and pays for property and liability insurance for the building and improvements. Tenant reimburses landlord for the cost of obtaining and maintaining common area insurance.

**UTILITIES:** Tenant pays all utilities directly.

**CAM:** Tenant pays all CAM expenses attributable to the subject property.

**MAINTENANCE:** Tenant is responsible for all structural and non-structural portions of the premises, including roof and HVAC.

## ADDITIONAL LEASE PROVISIONS & ROFO

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**RIGHT OF FIRST OFFER:** The holder of this right has rejected the initial invitation to make a first offer (Please contact agent for details).

**ASSIGNMENT/SUBLETTING:** Tenant may grant licenses or subleases of departments or concessions for the sale of merchandise/services on or from portions of the premises, or can assign or sublet all or any portion of the property. Tenant remains liable for lease performance.

# Site Plan



275,100  
VPD



40,072  
VPD

22,806  
VPD

**sf**  
101,195  
RENTABLE SF

**ac**  
5.45  
ACRES

**LEED  
CERTIFIED**

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# Tenant Overview



## ABOUT KOHLS

Kohl's (NYSE: KSS) is a leading omni-channel retailer which operates approximately 1,160 department stores across 49 states.

Founded in 1962 and headquartered in Menomonee Falls, Wisconsin, a suburb of Milwaukee, Kohl's is known for its low-priced, high quality merchandise and easy-to-navigate stores. The department store carries clothing, footwear, home goods, jewelry, beauty, and electronics. In addition to quality national brands, such as Nike, Levi's, Carter's, and Under Armor, Kohl's stores also offer a variety of exclusive brands, including Simply Vera Wang, Apt. 9, Croft&Barrow, and more.

Kohl's has recently formed strategic partnerships with companies such as Planet Fitness, Aldi, and Amazon. These efforts have resulted in increases in store traffic and sales growth, and are reasons why it's viewed as an industry leader in innovation.

In 2019, Kohl's saw over \$20 Billion in total revenue.

1,160

LOCATIONS  
IN 49 STATES

BBB

S&P RATING

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# Surrounding Retail



# Retail Aerial



**SAN FRANCISCO**

**SEQUOIA MIDDLE SCHOOL**

**BED BATH & BEYOND**  
**ROSS**  
DRESS FOR LESS

**STRANDWOOD ELEMENTARY SCHOOL**

**carter's**  
**GNC** spavia

jamba **SUPERCUTS**

Peet's Coffee **TOGO'S**

**SAFeway**

**HYATT house**

**PLEASANT HILL MANOR**

**JACK'S**  
RESTAURANT & BAR  
**ZACHARY'S**  
RESTAURANT  
**PAUL MITCHELL the school**  
**VITALITY BOWLS**  
"SUPERFOOD CAFE"  
**FIVE GUYS**  
BURGERS and FRIES

**Michaels**  
Where Creativity Happens

**verizon**  
**COLD STONE**  
CREAMERY  
**EUROPEAN WAX CENTER**  
**CHAMP O'LE RESTAURANT**  
**Sweet Tomatoes**  
salads • soups • bakery

**SALON AVALON**

**275,100 VPD**

**COURTYARD**  
Marriott

**citibank**

**STAPLES**  
**RITE AID** **Smart & Final**  
Bank of America **THE VITAMIN SHOPPE**  
**MIKE'S CAMERA** **pet food express**

**Marshalls**  
**DSW**  
**DICK'S** SPORTING GOODS **DOLLAR TREE**  
**FRIEDMAN'S APPLIANCE**  
**GEICO**

**SENATOR DANIEL E. BOATWRIGHT HIGHWAY**

**SPIEGEL**  
**KPR** AN ASSOCIATED COMPANY **PHILLIPS BONDING & INSURANCE AGENCY, INC.**  
**HAWK RIDGE SYSTEMS**  
**THE TERRACES**  
AccentCare

**MONUMENT BLVD**

**INTERSTATE 680**

**Starbucks**  
**GameStop**  
**SUBWAY**  
**SportClips**  
HAIRCUTS

**KOHL'S**  
expect great things

**40,072 VPD**

**22,806 VPD**

**AT&T**  
**WELLS FARGO**

**BUSKIRK AVENUE**

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# Retail Aerial



**NORDSTROM**
  
*Neiman Marcus*
  
**ROSS**
  
DRESS FOR LESS
  
**TRADER JOE'S**

**PLEASANT HILL STATION**

**TARGET**

**WALNUT CREEK**

**EMBASSY SUITES**
  
by Hilton

**Walgreens**
  
**BevMo!**

**SPROUTS**
  
FARM-FRESH MARKET

**ALICE'S MONTESSORI LEARNING**

**COLE SUPPLY CO. SHOWROOM**

**FAST SIGNS**
  
More than fast. More than signs.

**SAFeway**

**extended STAY AMERICA**

**Bassett buybuy BABY**
  
HOME FURNISHINGS

**Timmons**
  
Auto & Truck Repair

**PLEASANT HILL MIDDLE SCHOOL**

**Marshalls**
  
  
**DSW**
  
  
**FRIEDMAN'S APPLIANCE**
  
  
**DOLLAR TREE**

**GEICO**
  
**OpusBank.**
  
  
**Miracle-Ear**
  
MARTIN FAMILY CHIROPRACTIC CENTERS
  
**GOLDEN NAILS SALON**
  
  
**Sport Clips**
  
HAIREUTS
  
  
**Ohana HAWAIIAN BBQ**

**680**

**275,100 VPD**

**HYATT house**

**22,806 VPD**

**GameStop**
  
**SUBWAY**

**KOHL'S**
  
expect great things

**SENATOR DANIEL E. BOATWRIGHT HIGHWAY**
  
**I-680 OFF-RAMP**

**BUSKIRK AVENUE**

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# Zoomed-In Aerial



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# Demographics



## POPULATION

	1-MILE	3-MILES	5-MILES
2010	13,800	112,646	247,975
2019	14,488	120,993	264,897
2024	14,905	125,052	274,009

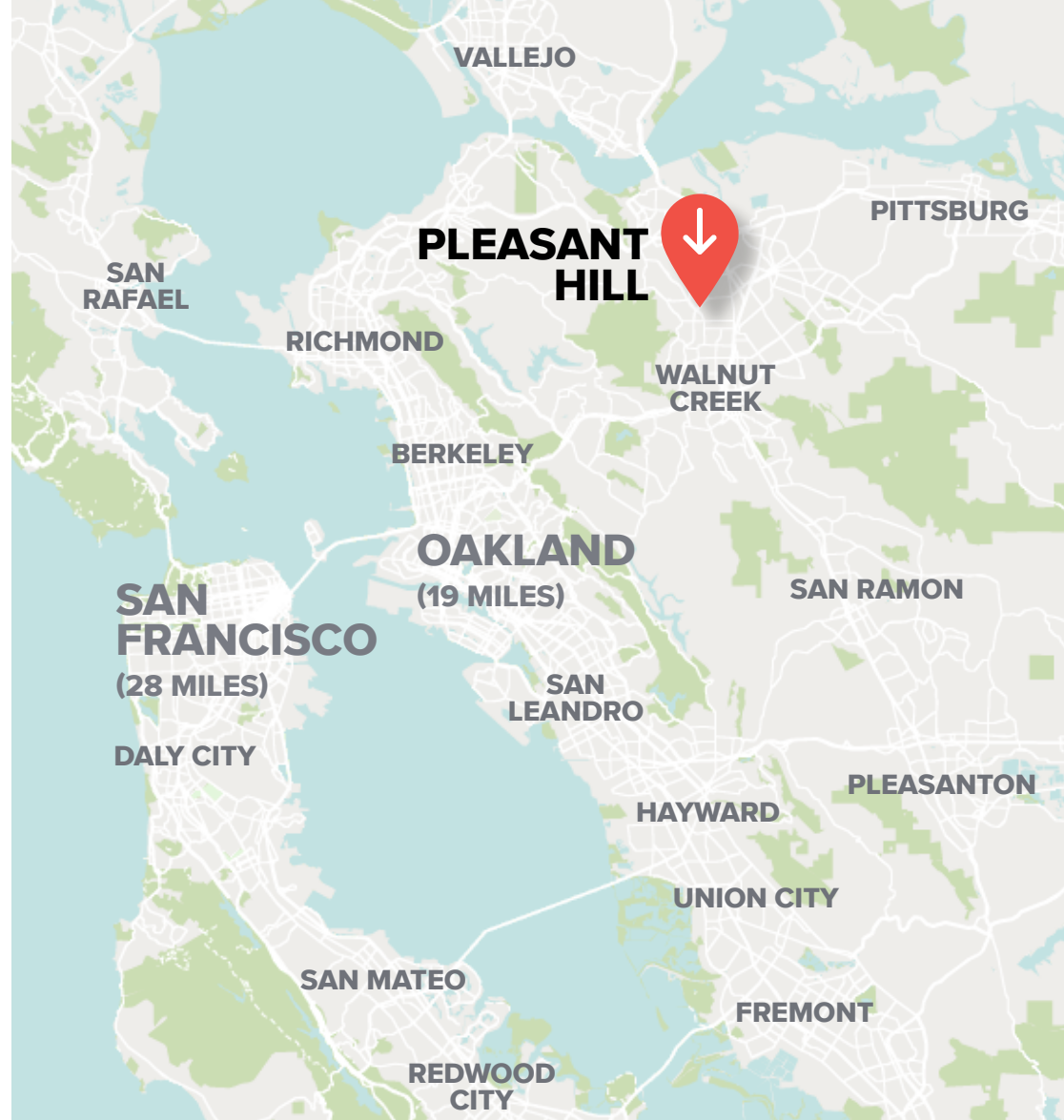


## 2019 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$157,572	\$129,706	\$133,984
Median	\$118,097	\$95,918	\$96,759

## TOP EAST BAY EMPLOYERS

EMPLOYER	# OF EMPLOYEES
Kaiser Permanente	41,114
University of California - Berkeley	26,829
Sutter Health	10,184
Tesla	10,000
Safeway Northern California Division	8,840
John Muir Health	6,518



**THE AVERAGE HOUSEHOLD INCOME WITHIN A 5-MILE RADIUS IS OVER \$133K**

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# PLEASANT HILL, CALIFORNIA

### VIEW OF MT DIABLO

**PLEASANT HILL** is located in Contra Costa County, in the East Bay region of the San Francisco Bay Area. Pleasant Hill is at the center of the I-680 corridor and provides ready access to San Francisco, Silicon Valley, the growing North Bay and Sacramento, as well as to some of the world's leading universities. Major highways, public transit and a local airport provide residents with multiple choices for commuting within the region. In addition to a convenient location adjacent to Interstate 680 and State Routes 4 and 242, benefits from proximity to two Bay Area Rapid Transit (BART) stations.

Pleasant Hill is a bustling city, with an abundance of educational resources, and a business community that has experienced great investment and development.

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**CONTRA COSTA COUNTY** is home to more than 1.1 million residents, and is comprised of 19 cities and many established communities, it is the ninth most populous county in the state. The county's population is expected to grow by 29% by 2040.

Contra Costa County has the highest home ownership rate in the Bay Area with approximately two-thirds of all homes in the county being occupied by their owners.

**1.1 MILLION**



**CONTRA COSTA  
COUNTY POPULATION  
(ESTIMATED)**

# Submarket Overview

## CONTRA COSTA COUNTY

Pleasant Hill is centrally located within the bustling Contra Costa County, and it attracts families and home buyers due to its ease of access to major East Bay employers via Interstate 680/80 and the BART light rail system. Contra Costa County, primarily a suburban region, is the ninth most populous county in the state. Additionally, many well-known companies are headquartered or have their West Coast base of operations within the county, including Safeway, 24 Hour Fitness, Chevron, GE, and Kaiser Permanente.

Contra Costa County has extremely healthy retail fundamentals, and is recognized for its tight vacancies and steady rent growth. The East Bay region has seen a rise in multi-family development as well, bringing more residents to the region and further diversifying the economic base.



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## NEARBY CITIES

CITY	POPULATION	MEDIAN INCOME
Walnut Creek	69,800	\$86k+
Oakland	429,000	\$63k+
Berkeley	121,600	\$75k+
San Francisco	813,500	\$103k+
Fremont	237,800	\$122k+
San Jose	1.03 million	\$101k+



## HEALTH CARE

**John Muir Concord Medical Center**

Located approximately less than 10 minutes from the subject property, the John Muir Medical Center in Concord is a 244-licensed bed hospital that serves Contra Costa and southern Solano counties. The medical center has long been recognized as a preeminent center for cancer care and cardiac care, including open heart surgery and interventional cardiology. Other areas of specialty include general surgery, orthopedic, and neurology programs.

## EDUCATION

**Diablo Valley College**



Diablo Valley College, located less than three miles from the subject property, is one of three publicly supported two-year community colleges in the Contra Costa Community College District. The larger of DVC's two campuses is located off Interstate 680 in Pleasant Hill, and the newer San Ramon Campus serves the south county in Dougherty Valley. Between its two campuses, DVC serves more than 28,000 students each term with a wide variety of program options.

# Bay Area



**THE SAN FRANCISCO BAY AREA** consists of nine counties in Northern California centered around the San Francisco Bay, San Pablo Bay, and Suisun Bay. The Bay Area is often divided into five sub-regions: the East Bay, North Bay, South Bay, Peninsula, and the city of San Francisco.

This area has a collective total population of about 7.6 million people, representing almost 20% of California's total population. The Bay Area has the unique distinction of being one of the most innovative places in America and one of the most inventive, competitive economies in the world based on a productive and educated workforce, deep venture capital pool, concentration of research organizations, culture of innovation and receptivity to new ideas. It also has the highest concentration of venture capital firms in the world which have invested on average of \$10 billion annually in 1,100 local area firms.

## GENERAL STATS

**2ND LARGEST METRO AREA IN CALIFORNIA**

**3RD LARGEST METRO ECONOMY IN THE U.S.**

**7.6 MILLION RESIDENTS**

**19TH LARGEST ECONOMY IN THE WORLD BY GDP**

**50+ BAY AREA COLLEGES AND UNIVERSITIES**

**BAY AREA CITIES REPRESENT 10% OF THE COUNTRY'S MOST LIVABLE CITIES**

**121 MILES BART TRACK CONNECTING THE BAY AREA**

## SAN FRANCISCO



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