

CITRUS PLAZA

3021 Citrus Circle // Walnut Creek, CA



EXCLUSIVE AGENTS

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OFFERING SUMMARY //

Newmark Knight Frank is pleased to present the opportunity to acquire Citrus Plaza (the "Property" or "Project"), an approximately 37,464 square foot two story office building situated on approximately 1.37 acres at 3021 Citrus Circle in Walnut Creek, California within the San Francisco Bay Area. The Project is currently one hundred percent leased to nineteen tenants with staggered lease expirations.

Completed in 1984 and recently upgraded, Citrus Plaza benefits from outstanding visibility and identity at the highly trafficked intersection of Ygnacio Valley Road (32,000 vehicles per day) and Oak Grove Road (14,000 vehicles per day). The Project is within easy walking distance of three grocery anchored shopping centers providing ample access to restaurants, retail and service amenities.

Leasing demand in the Walnut Creek Shadelands submarket is steady with consistent new activity derived from tenants in downtown Walnut Creek seeking more economical space options. The current average in-place lease rate at Citrus Plaza is currently \$1.68 per square foot fully serviced, which is significantly below market levels of \$2.00 per square foot, thus providing a substantial upside opportunity for investors.

A recent remeasurement to 2017 BOMA resulted in a 6% increase in rentable square footage over existing leases offering additional enhanced value going forward.



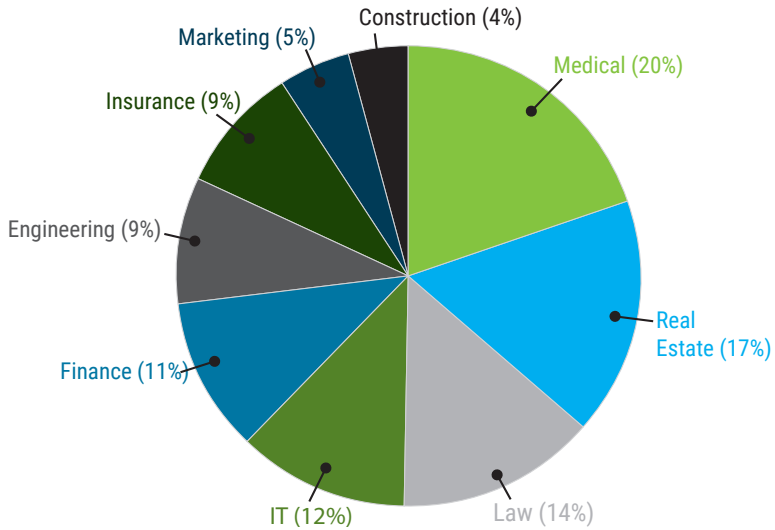
High profile signage seen by
±46,000 vehicles per day



OFFERING HIGHLIGHTS

- 100% occupied with average rents roughly 16% below current market levels, the Property offers the attractive combination of stable cash flow with value-add potential
- High identity location at heavily trafficked intersection with great access to amenities at the Orchards Shopping Center, Encina Grande, and Citrus Marketplace
- Property offers a highly diversified income stream with no one tenant occupying more than 12% of the project.
- Architecturally appealing building with recent common area upgrades. History of hands-on ownership and professional management with minimal immediate capital needs.
- Citrus Plaza has outstanding leasing momentum with 6 new leases and 6 renewals completed in the last 18 mos.
- Recent re-measurement resulted in increased rentable square footage

THE OFFERING //

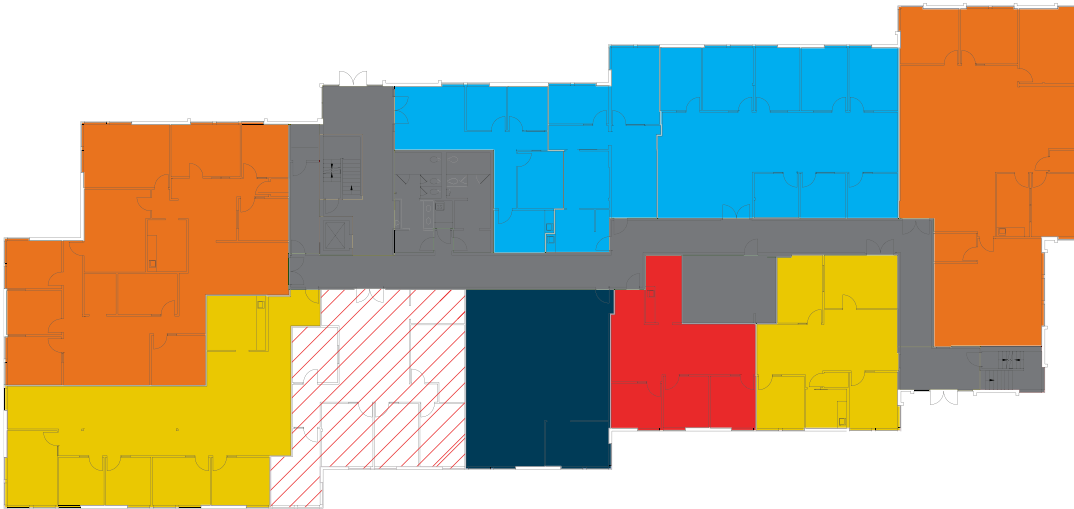


DIVERSIFIED TENANT BASE

Stable in-place cash flow from a diversified tenant roster including medical, legal and financial service users. No single tenant occupies more than 12% of the project.

RECENT BOMA 2017 REMEASURE

A recent architectural remeasure resulted in a 6% increase in rentable square footage over the total of the existing leases



DYNAMIC MARKET

Citrus Plaza is located in the Shadelands Business Park submarket, an area in the midst of an incredible revitalization. The 267 acre business park is home to a diverse user base including the SportsMall Multi-sport Training Facility; U.S. Department of Energy Joint Genome Institute; UCSF Benioff Children's Hospital Oakland, WC Campus; Calicraft Brewing Co.; Muir Orthopaedic Specialists; Del Monte Research Center; Kaiser Permanente, Verizon Wireless and Tony La Russa's Animal Rescue Foundation (ARF). The Property is situated in the heart of the Shadelands' market amenity base directly across the street from the brand new Orchards at Walnut Creek (Safeway, Steinmart, Crunch Fitness, Petco) and diagonally across from the fully remodeled Encina Grande center (Whole Foods, Walgreens, PetSmart).

OFFERING TERMS

| | | |
|----------|-----------------------------|---|
| \$ | Price | \$7,370,000 |
| 🏠 | Size | ±37,464 SF per leases; ±40,180 SF per BOMA |
| CAP RATE | Cap Rate | 6.00% |
| 💰 | Net Operating Income | \$442,260 ¹ |
| ● | Occupancy | 100% |

¹12 months forward Net Operating Income starting 1/1/2019

PROPERTY INFORMATION //



Address: 3021 Citrus Circle, Walnut Creek, CA 94598
APN: 134-121-035-7
Building Size: ±37,464 square feet per leases; ±40,180 square feet per BOMA
Site Size: ±1.37 acres
Floors: 2
Elevators: Yes
Built: 1984
Parking: ±3/1,000 square feet (subterranean and surface)
Zoning: Planned Development

TRAFFIC COUNTS

| | |
|---------------------|-------------|
| Ygnacio Valley Road | ±32,000 VPD |
| Oak Grove | ±14,000 VPD |

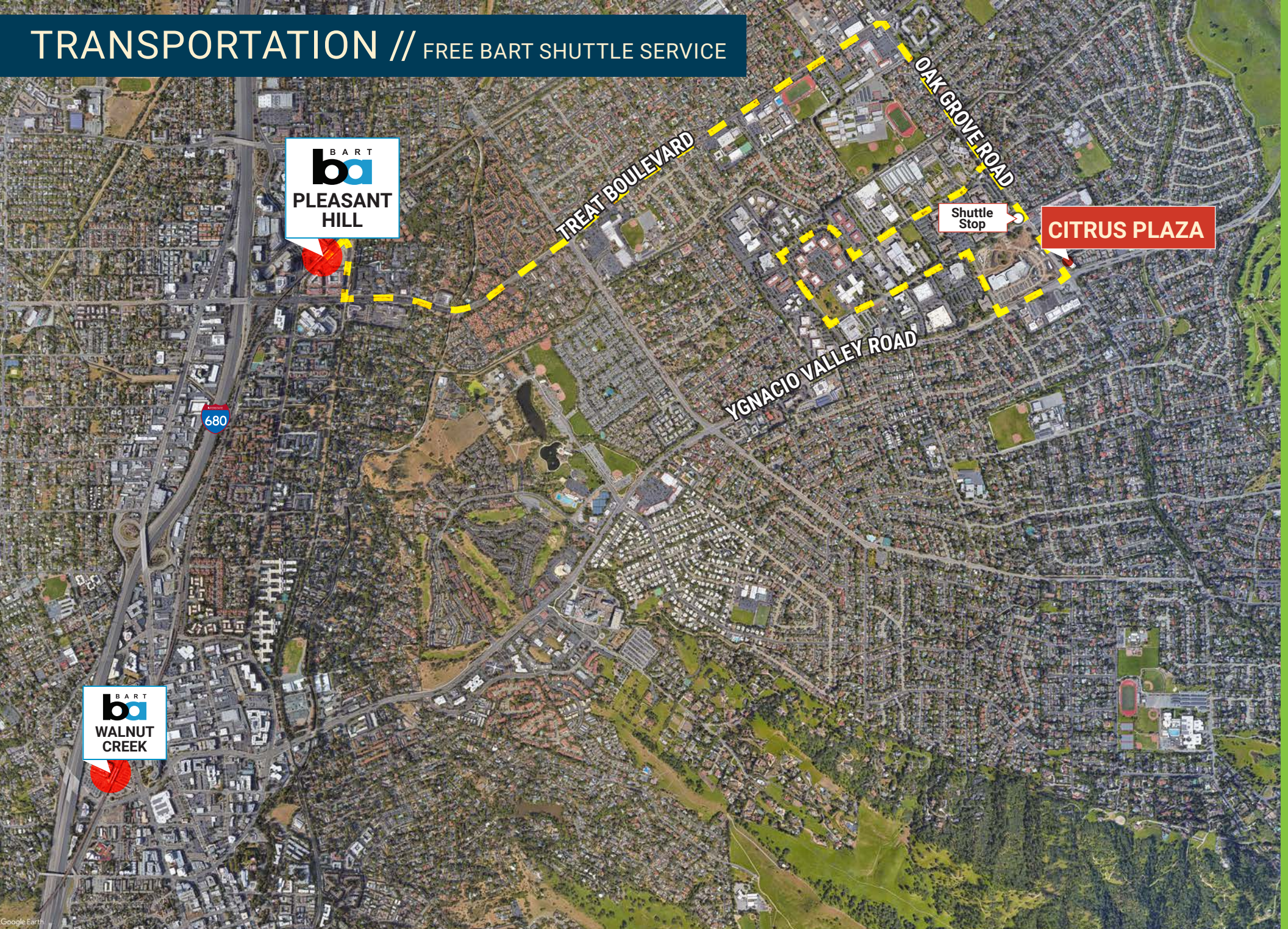
PARCEL MAP



AERIAL // CORPORATE NEIGHBORS



TRANSPORTATION // FREE BART SHUTTLE SERVICE



BART
ba
PLEASANT
HILL

Shuttle
Stop

CITRUS PLAZA

BART
ba
WALNUT
CREEK

680



NOB HILL FOODS
MARY'S pizza shack est. 1959
UNITED STATES POSTAL SERVICE
QUIZNOS

BevMo!
Bank of America
CHASE
PANDA EXPRESS CHINESE KITCHEN

the ORCHARDS at WALNUT CREEK

SAFeway **MOD** **LunchboxWax**

Stein Mart **CRUNCH** **burgerlounge** THE ORIGINAL grass-fed BURGER

petco where the healthy pets go **WELLS FARGO** **FISH GRILL** California **CLASSIC KITCHEN**

CITRUS PLAZA

Applebee's GRILL & BAR **WHOLE FOODS** MARKET

Walgreens **PETSMART**

ACE Hardware **ROCCO'S** **TACO BELL**

YGNACIO VALLEY ROAD

OAK GROVE ROAD



LOCATION OVERVIEW // N. I-680 CORRIDOR

NORTH I-680 OFFICE MARKET

Citrus Plaza is located in a region commonly referred to as the North I-680 Corridor, one of the fastest growing regions in the San Francisco Bay Area. Situated in the East Bay, the North I-680 Corridor encompasses the cities of Concord, Pleasant Hill, Walnut Creek, Lafayette, Orinda, and Moraga. An easy commute from San Francisco/Oakland, combined with its proximity and access to executive and employee housing, top notch public schools, a highly-educated workforce and mass transit, makes the North I-680 Corridor a widely recognized business location for many prominent Bay Area companies.

Over the past 3+ decades, the North I-680 Corridor has emerged as one of the most prominent and desirable office markets in the San Francisco Bay Area. This growth has been spurred by many factors including:

- Central location around the Interstate 680/Highway 24 interchange provides excellent access throughout the East Bay and westward to San Francisco/Oakland.
- The development and expansion of the Bay Area Rapid Transit (BART) line through the area provides efficient transportation to major office and residential centers.
- The rapid growth of both affordable and executive housing.
- The emergence of Walnut Creek as one of the Bay Area's true "24-hour Cities" with abundant shopping, dining and cultural opportunities previously available only in San Francisco.
- Relative overall cost of office space is far lower than that of San Francisco and this overall cost benefit includes not only rent, but parking taxes, human resource costs and the actual and subjective cost of commuting.

MAJOR EMPLOYERS IN THE N. I-680 CORRIDOR

| COMPANY | SECTOR |
|---------------------|--------------------|
| AAA | Insurance |
| Bank of America | Financial Services |
| John Muir Health | Healthcare |
| Chevron | Energy |
| Kaiser Permanente | Healthcare |
| Wells Fargo | Financial Services |
| Travelers Companies | Insurance |
| Brown & Caldwell | Consulting |
| Verizon | Telecom |
| PG&E | Utility |
| Merrill Lynch | Financial Services |
| Del Monte Foods | Food Distribution |
| Aetna | Healthcare |

LOCATION HIGHLIGHTS

STRONG DEMOGRAPHICS: HIGHLY EDUCATED & AFFLUENT POPULATION

Cities within and surrounding the North I-680 Corridor are some of the most affluent and highly educated communities in the Bay Area. They are also recognized nationally for having award-winning public school districts. Nearby residents have an average household income of \$119,304 and 20% have a household income of \$200,000 or more. The population is also well educated with more than 60% holding college degrees.

PROXIMATE TO EXECUTIVE & EMPLOYEE HOUSING

The rising cost of housing is one of the Bay Area's most pressing challenges. The North I-680 Corridor's proximity and access to both executive housing in Lafayette, Orinda, Alamo, Diablo, and Danville, and employee residences in cities like Concord, Pleasant Hill, Pittsburg, Antioch, and Brentwood, make it highly attractive to Bay Area Employers.

ACCESS TO MASS TRANSIT

With BART and AC Transit connectivity, as well as local shuttle service, the North I-680 Corridor provides tenants convenient access to multiple public transportation options that service the region. In addition, the North I-680 Corridor's Geographic location – at the intersection of Interstate 680 and Highway 24 – offers excellent access throughout the East bay and beyond.

“ Shadelands is a dynamic, multi-use community with a host of user amenities aimed squarely at serving the business needs and user expectations of today’s inventive business owners, employees, and consumers in one of the most beautiful and thriving cities in the East Bay. ”

- www.shadelands.org

MAJOR SHADELANDS CORPORATE TENANTS

Kaiser, BASS (Bay Area Surgical Specialists), Travelers Insurance, U.S. Department of Energy Joint Genome Institute; UCSF Benioff Children’s Hospital Oakland, WC Campus; Rocketship Public Schools; Calicraft Brewing Co.; Muir Orthopaedic Specialists; Del Monte Research Center; Quick Mount PV; Tony La Russa’s Animal Rescue Foundation (ARF); Verizon

LOCATION OVERVIEW // WALNUT CREEK SHADLANDS

WORK PLACE

The Shadelands is a robust mix of professional services, R&D, light manufacturing, hi-tech, premier medical facilities, telecommunication, community service organizations, government agencies, educational centers, community gardens, art studios & classrooms, athletic facilities, retail and more.

The Shadelands is a smart place to own property, expand a business, or launch a new enterprise. Its premium location offers high value; ample free parking; convenient, free public transportation; and break-through support technology.

TRANSPORTATION

As of spring 2015 the City of Walnut Creek added Route 7 Shadelands express which offers complimentary weekday bus service between the Pleasant Hill/Contra Costa Centre BART Station and the Shadelands Business Park. Bay Area Rapid Transit (BART) provides rapid transit service between the San Francisco peninsula, including the City of San Francisco and SFO International Airport, with destinations around the East Bay and South Bay, including Oakland Berkeley, Fremont, Richmond and Pleasanton. The City of Walnut Creek is currently served by two BART Stations: the Walnut Creek BART Station, which serves downtown Walnut Creek and major employment and shopping areas; and the Pleasant Hill/Contra Costa Centre BART Station, which serves northern portions of Walnut Creek, unincorporated Contra Costa County, the City of Pleasant Hill and the city of Concord. Both of the area BART stations offer secure vehicle parking and electronic bicycle storage lockers available for public use.

HIGHLIGHTS

- Frequent & free County Connection shuttle between Shadelands and Pleasant Hill BART, with bike racks & free WiFi
- Expansive, abundant free surface parking (no garages) for employees, customers, and visitors
- Free bikeshare program for Shadelands employees
- Breakthrough technologies, including fiber high-speed broadband
- Three daycare and preschool facilities, on site
- Wide range of high quality healthcare providers and medical facilities, on site
- Walnut Creek Center for Community Arts, open to the public
- John Muir Health Ultimate Fieldhouse youth basketball facility
- Shadelands SportsMall youth athletic instruction & training facility (opening soon)

- Saturday Diablo Valley Farmers' Market, year round
- Walnut Creek Police Department Shadelands field office on site
- Multiple electric-vehicle charging stations
- Outdoor community gathering places
- Safe, easy-to-get-around, park-like environment with access to walking & biking trails
- Acres of trees, natural landscaping, greenspace, and water features
- The Orchards 25-acre multi-use retail & recreational center
- Neighboring Citrus Center and recently renovated Encina Grande Shopping Center within walking distance
- Viamonte Senior Continuing Care Community (opening soon)

AMENITIES

Located on twenty-five acres at the corner of Ygnacio and Oak Grove Road. The Orchards at Walnut Creek is a lifestyle center with modern architectural and landscaping designs, a state-of-the-art Safeway supermarket with rooftop parking, a refreshing mix of retail, indoor and outdoor dining, and seven acres of distinctive outdoor spaces for all ages, including a children's park, walking trails, and designated areas for community functions, such as outdoor art and music festivals.

The Orchards is also home to Stein Mart department store, with fashions for women & men and home decor; Crunch specialty gym that offers both fitness and entertainment; Petco pet food and supply store; Wells Fargo; Mod Pizza; Burger Lounge; Pancheros Mexican Grill; as well as other dining options.

TENANTS

Home to more than 200 businesses representing a variety of durable industries, The Shadelands' tenants include major companies such as Del Monte Foods, Verizon Wireless, Travelers Insurance, PG&E, Kaiser Permanente, John Muir Health, and Muir Orthopaedic Specialists. It is also home to entrepreneurial businesses and nonprofits, such as Quick Mont PV, Joint Genome Institute, Tony La Russ's Animal Rescue Foundation, Calicraft Brewing Company, and a great number of professional, medical and childcare services.

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CONTACT EXCLUSIVE AGENTS

DISCLAIMER

This Memorandum does not constitute a representation that the business or affairs of the Property or Seller since the date of preparation October 23, 2018 of this Memorandum have remained the same. Analysis and verification of the information contained in this Memorandum are solely the responsibility of the prospective purchaser. Additional information and an opportunity to inspect the Property will be made available upon written request of interested and qualified prospective purchasers. Seller and Agent each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property, and/or terminate discussions with any party at any time with or without notice. Seller reserves the right to change the timing and procedures for the Offering process at any time in Seller's sole discretion. Seller shall have no legal commitment or obligations to any party reviewing this Memorandum, or making an offer to purchase the Property, unless and until such offer is approved by Seller, and a written agreement for the purchase of the Property has been fully executed and delivered by Seller and the Purchaser thereunder.

This Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not forward, photocopy or duplicate it, that you will not disclose this Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Seller or Agent, and that you will not use this Memorandum or any of the contents in any fashion or manner detrimental to the interest of Seller or Agent.

INVESTMENT SALES

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