

BAY AREA INFILL NET LEASED INVESTMENT

1611, 1621, 1631 & 1641

Willow Pass Road / Concord, CA



EXECUTIVE SUMMARY

Newmark Knight Frank is pleased to present the exclusive opportunity to purchase 1611,1621, 1631 and 1641 Willow Pass Road (the "Site", "Parcels" or "Property") consisting of four parcels of land totaling approximately 3.63 acres and situated adjacent to the Park'N'Shop shopping center in downtown Concord, California within the San Francisco Bay Area.

The Parcels are improved by an 11,750 square foot restaurant building owned and occupied by Chuck E Cheese as the ground lessee and a 7,135 square foot fee simple restaurant building leased to Brasas do Brazil Churrascaria. Each lease is fully Triple Net with the tenants enjoying reciprocal parking rights and paying their pro-rata share of expenses for the parking area maintenance.

The Site's "Main & Main" location at the gateway to downtown Concord is adjacent to the bustling Park N Shop center and immediately off Highway 242. With stable, passive income, a large infill site and favorable DMX (Downtown Mixed Use) zoning, the Property is an ideal multi-generational investment.

THE OFFERING

\$ PRICE: \$9,700,000

% CAP RATE: 5.27%

💰 NET OPERATING INCOME ¹: \$510,878

📍 SITE: 3.63 Acres

📍 ZONING: Downtown Mixed Use

¹ Net Operating Income is calculated from September 1, 2020 when Chuck E. Cheese's rent increases. Seller shall credit buyer the difference between Chuck E. Cheese's current rent and the increased rent and the increased rent for the period between closing and 9/1/2020



OFFERING HIGHLIGHTS



Outstanding high traffic location at the intersection of Market Street (23,234 ADT) and Willow Pass Road (18,991 ADT)



Future upside as both rents are under market and the 1611 Willow Pass building will revert to Buyer once Chuck E Cheese vacates.



Large, 3.63 acre site with attractive DMX (Downtown Mixed Use) zoning



Trophy, generational asset located in the heart of downtown Concord



High quality, attractive and extremely visible single tenant restaurant buildings



Perfect 1031 exchange Property – minimal managerial oversight required



Excellent rental growth through scheduled rental increases. Potential significant revenue increase in 2030 when CEC Entertainment, Inc.'s ground rental obligation increases due to cumulative CPI increase



Central location with easy access to Interstate 680, Highway 242 and Highway 4



Concord is undergoing a revitalization with exciting new multi-family, mixed-use and retail developments underway



The Property is in an Opportunity Zone

MARKET AERIAL



SUN VALLEY MALL
★ macy's JCPenney
ROUNDI BOWLING & AMUSEMENT 24 FITNESS

THE VERANDA
TJ-maxx WORLD MARKET VERANDA LUXE CINEMA
365 CITY SPORTS SUPER DUPER

THE WILLOWS
BENIHANA THE JAPANESE STEAKHOUSE OLD NAVY KREI

THE HOME DEPOT

1611-1647 WILLOW PASS ROAD

Fry's ELECTRONICS

Brunden

PIZZA HUT

Starbucks

Pets Coffee & Tea



PROJECT INFORMATION

Address	APN	Size (Acres)
1647 Willow Pass Road	126-281-047-4	3.09
1631 Willow Pass Road	126-281-046-6	0.33
1621 Willow Pass Road	126-281-037-5	0.04
1611 Willow Pass Road	126-281-036-7	0.17
Total		3.63

Zoning/General Plan: DMX (Downtown Mixed Use) DTMU (Downtown Mixed Use)

FAR/Density: FAR of 1.0-6.0; residential density of 33-100 units per net acre

Height Limit: 200 feet or greater with use permit

Improvements: ±7,135 square foot restaurant (fee simple); ± 11,750 square foot restaurant (not owned, will revert to land owner at end of lease)

PARCEL MAP



DEMOGRAPHICS	2018 EST.	1 Mile	3 Miles	5 Miles
Population		23,396	146,832	264,408
Daytime Population		17,784	111,273	209,713
Avg. Household Income		\$73,599	\$112,445	\$131,106

TRAFFIC COUNTS



Willow Pass Road	18,991 ADT
Market Street	23,234 ADT

AERIAL PARCEL



JOANN



TENANT PROFILE



CEC ENTERTAINMENT, INC. (DBA CHUCK E. CHEESE'S)

www.chuckecheese.com

CEC Entertainment, Inc. ("CEC"), headquartered in Irving, Texas, was originally incorporated under the name ShowBiz Pizza Place, Inc. In 1998, the company changed its name to CEC Entertainment, Inc. CEC is currently majority-owned and controlled by investment funds affiliated with Apollo Global Management, LLC.

For more than 40 years, CEC Entertainment has served as the nationally recognized leader in family dining and entertainment and the place Where A Kid Can Be A Kid®. As the award-winning, number-one, kid-friendly restaurant for millions of families across the world, the company and its franchisees operate a system of more than 580 Chuck E. Cheese's stores located in 47 states and 12 foreign countries or territories. Currently, 512 company (and 65 franchise locations) locations in the United States and Canada are owned and operated by the Company.

ABSTRACT

Address: 1611 Willow Pass Road, Concord, CA

Tenant: CEC Entertainment, Inc.

Premises: Land beneath 11,750 square foot restaurant building

Lease Start: August 8, 2005

Current Lease Expiration: August 31, 2025

Rent Structure: Triple Net ground lease. Tenant is responsible for all expenses including the pro-rata share for expense of maintaining shared parking area

Options: 3 x 5-year options to extend with 12.5% increases

RENT SCHEDULE

	Period	Annual Base \$	Monthly Base \$	\$/SF/Mo. ¹
Current	9/1/15 - 8/31/20	\$265,781.28	\$22,148.44	\$1.88
	9/1/20 - 8/31/25	\$299,004.00	\$24,917.00	\$2.12
Option 1	9/1/25 - 8/31/30	\$336,379.56	\$28,031.63	\$2.39
Option 2	9/1/30 - 8/31/35	\$378,426.96	\$31,535.58	\$2.68
Option 3	9/1/35 - 8/30/40	\$425,730.36	\$35,477.53	\$3.02

¹ \$/SF is calculated on the 11,750 SF building which is owned by Tenant

TENANT PROFILE



BRASAS DO BRAZIL CHURRASCARIA

www.brasasbrazil.com

Brasas Do Brazil Churrascaria is an authentic Brazilian steakhouse serving grilled meat cooked the Brazilian way - over an open flame with natural charcoal. Brasas Do Brazil features the ultimate all-you-can-eat, fixed price dining experience with continuous table-side service.

Rotisserie grilled meats are served tableside and go great with unlimited gourmet salads, fruits and vegetables, house-made desserts and exotic drinks. The quality of it's food and service underscores Brasas Do Brazil's commitment to excellence and to client satisfaction.

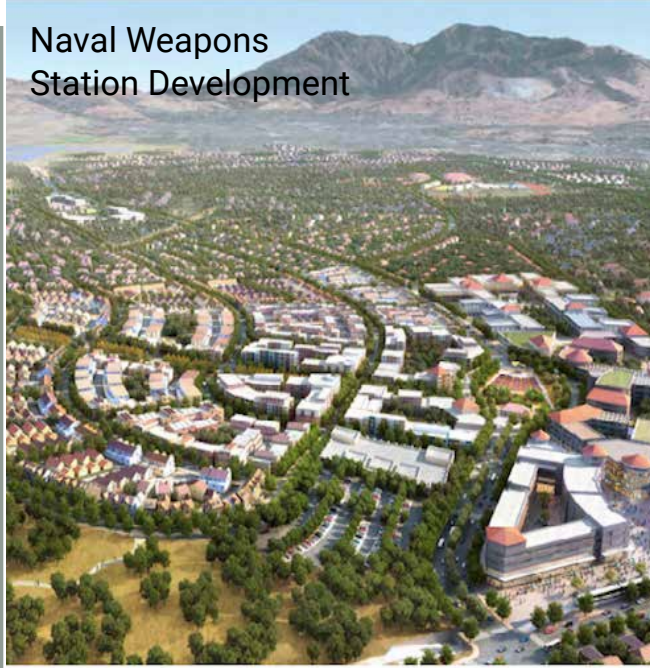
ABSTRACT

Address:	1631 Willow Pass Road, Concord, CA
Premises:	7,135 square feet
Lease Start:	March 1, 2018
Current Lease Expiration:	February 28, 2021
Rent Structure:	Triple Net. Tenant is responsible for all expenses including the pro-rata share for expense of maintaining shared parking area
Options:	6 x 3-year options to extend (see below)

RENT SCHEDULE

	Period	Annual Base \$	Monthly Base \$	\$/SF/Mo.
Current	9/1/18 - 2/28/21	\$211,874.40	\$17,656.20	\$2.48
Option 1	3/1/21 - 2/29/24	\$220,183.20	\$18,348.60	\$2.57
Options 2-6	Annual CPI increases between 3-7% over expiring rent			

CONCORD'S TRANSFORMATION



Naval Weapons Station Development

LAND DEVELOPMENT

Naval Weapons Station Development

Spanning 2,300 acres, this proposed development by Lennar will be taking place over the next 30 years and will feature an urban hub, adding hotels, golf courses, and 12,000 new homes. Phase I, expected to break ground in 2019, encompasses 500 acres and will add 4,400 new homes and include the widening of Willow Pass Road.



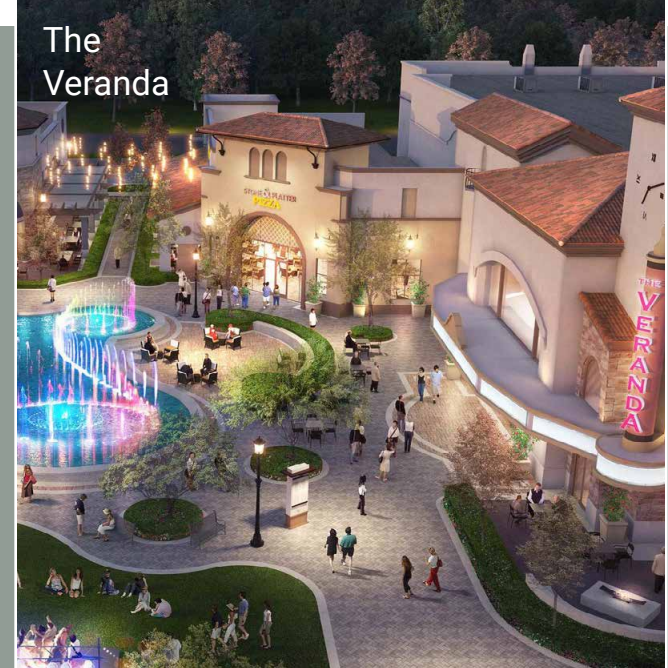
Grant Street Apartments

MULTI-FAMILY DEVELOPMENT

At current there are over 1,000 multi-family units in Concord in various stages of development, entitlement and planning.

The Grant Street Apartments

The 6-story, mixed-use project includes 140 studio, one-, two- and three-bedroom apartments, 6,200 square feet of commercial space, a rooftop deck, nearly 20,000 square feet of community outdoor space, swimming pool, fitness center, bicycle storage and repair space, a pet run and dog wash area, co-working space and a concierge.



The Veranda

COMMERCIAL DEVELOPMENT

The Veranda

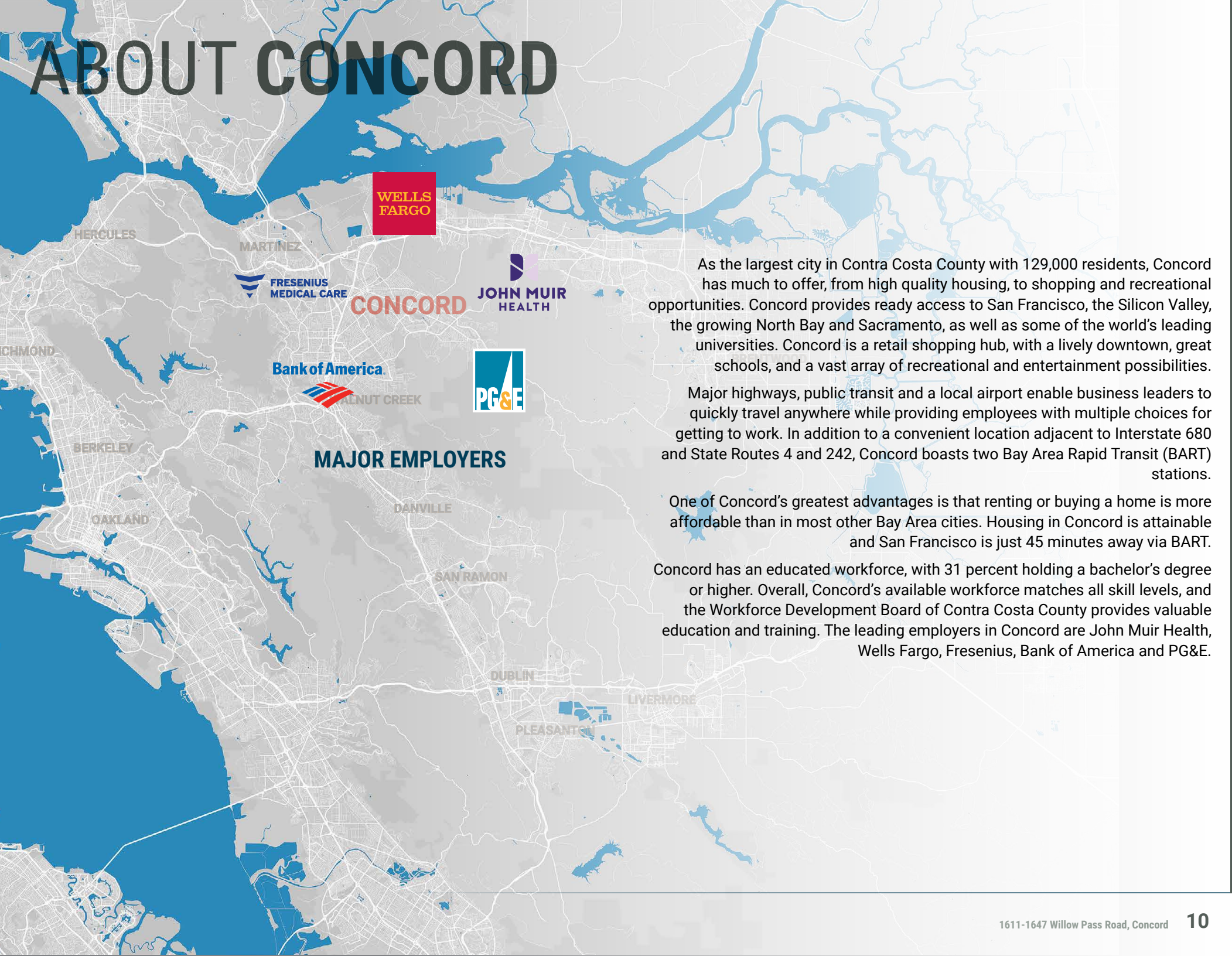
375,000 sq. ft.

Anchor Tenant: Whole Foods 365

The Veranda is a newly completed shopping center ideally situated at the intersection of Interstate 680 and Highway 242

The project is anchored by a Whole Foods 365 and LUXE Cinemas, and boasts other quality lifestyle tenants including Sephora, Super Duper Burger, TJ Maxx and City Sports.

ABOUT CONCORD



MAJOR EMPLOYERS

As the largest city in Contra Costa County with 129,000 residents, Concord has much to offer, from high quality housing, to shopping and recreational opportunities. Concord provides ready access to San Francisco, the Silicon Valley, the growing North Bay and Sacramento, as well as some of the world's leading universities. Concord is a retail shopping hub, with a lively downtown, great schools, and a vast array of recreational and entertainment possibilities.

Major highways, public transit and a local airport enable business leaders to quickly travel anywhere while providing employees with multiple choices for getting to work. In addition to a convenient location adjacent to Interstate 680 and State Routes 4 and 242, Concord boasts two Bay Area Rapid Transit (BART) stations.

One of Concord's greatest advantages is that renting or buying a home is more affordable than in most other Bay Area cities. Housing in Concord is attainable and San Francisco is just 45 minutes away via BART.

Concord has an educated workforce, with 31 percent holding a bachelor's degree or higher. Overall, Concord's available workforce matches all skill levels, and the Workforce Development Board of Contra Costa County provides valuable education and training. The leading employers in Concord are John Muir Health, Wells Fargo, Fresenius, Bank of America and PG&E.

DISCLAIMER

This Memorandum does not constitute a representation that the business or affairs of the Property or Seller since the date of preparation (DATE) 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.

CONTACT EXCLUSIVE AGENTS

FORREST GHERLONE

Senior Managing Director
925.974.0237 // fgherlone@ngkf.com
CA RE License #01376723

MIKE ZYLSTRA

Senior Managing Director
925.974.0106 // mzylstra@ngkf.com
CA RE License #01310041

RETAIL MARKET EXPERT

KEITH MARR

Managing Director
925.974.0112 // kmarr@ngkf.com
CA RE License #00857732



OFFERING MEMORANDUM