



NUGGET MARKETS

ELK GROVE, CALIFORNIA (SACRAMENTO MSA)

YURAS
AICALE
FORSYTH
CROWLE | Leased Investment Team

OFFERING MEMORANDUM

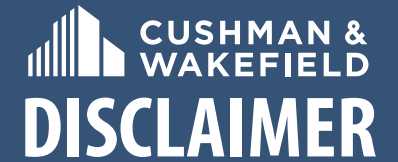


ACTUAL SITE

\$16,456,000 | 5.00% CAP RATE

- » NNN Lease to Corporate Grocery Chain
- » Scheduled Rental Increases
- » Strong Operating History Since 2006 with Excellent Sales
- » Hard Corner Location at Signalized Intersection – 86,000 AADT
- » Anchor Tenant in Laguna Promenade Retail Center
- » Close Proximity to Major Development Projects
 - » Across from Costco-Anchored Shopping Center
 - » Near 28-Acre Dignity Health Medical Campus
 - » Minutes from Regional Mall and Casino Resort
- » Prime Northern California Location with Affluent Demographics
 - » Average Household Income of \$103,866 Within a One-Mile Radius
 - » 249,389 Residents with an Average Household Income of \$91,381 Within a Five-Mile Radius

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Cushman & Wakefield (“Broker”) has been retained on an exclusive basis to market the property described herein (“Property”). Broker has been authorized by the Seller of the Property (“Seller”) to prepare and distribute the enclosed information (“Material”) for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

RYAN FORSYTH

Executive Director

415.413.3005

ryan.forsyth@cushwake.com

CA RE License #01716551

VINCENT AICALE

Executive Director

415.690.5522

vince.aicale@cushwake.com

CA RE License #01728696

MICHAEL T. YURAS, CCIM

Executive Managing Director

415.481.0788

michael.yuras@cushwake.com

CA RE License #01823291

**YURAS
AICALE
FORSYTH
CROWLE** | Leased Investment Team

www.YAFteam.com

INVESTMENT SUMMARY

ADDRESS	7101 Elk Grove Boulevard, Elk Grove, California		
PRICE	\$16,456,000		
CAP RATE	5.00% return		
NOI	\$822,800		
RENT COMMENCEMENT	November 1, 2006		
LEASE EXPIRATION	October 31, 2028		
RENTAL INCREASES	10% rental increases every 5 years		
	YEAR	RENT	RETURN
	Current-Oct. 2023	\$822,800	5.00%
	Nov. 2023-Oct. 2028	\$905,080	5.50%
	Nov. 2028-Oct. 2033 (Option 1)	\$995,588	6.05%
	Nov. 2033-Oct. 2038 (Option 2)	\$1,095,147	6.66%
	Nov. 2038-Oct. 2043 (Option 3)	\$1,204,662	7.32%
	Nov. 2043-Oct. 2048 (Option 4)	\$1,325,128	8.05%
	Nov. 2048-Oct. 2053 (Option 5)	\$1,457,641	8.86%
	Nov. 2053-Oct. 2058 (Option 6)	\$1,603,405	9.74%
Nov. 2058-Oct. 2063 (Option 7)	\$1,763,745	10.72%	
Nov. 2063-Oct. 2068 (Option 8)	\$1,940,120	11.79%	
YEAR BUILT	2003		
BUILDING SF	52,987 SF		
PARCEL SIZE	5.43 acres (236,531 SF)		
LEASE TYPE	NNN, including roof. Landlord responsible for roof structure only.		

RARE NNN LEASE TO STRONG GROCERY TENANT

- » Long-term lease to popular upscale grocer - successfully operating since 1926
- » NNN lease requires minimal landlord management (roof structure only), providing the ideal investment for a passive or out-of-area investor
- » Rare grocer with 10% rental increases every five years, providing a hedge against inflation
- » Strong performing store and strong NOI growth

HIGH-TRAFFIC LOCATION NEAR MAJOR RETAILERS

- » Located at the signalized intersection of Elk Grove Boulevard and Bruceville Road, with excellent visibility and access to 86,000 vehicles per day
- » Anchor to Laguna Promenade, tenanted by major national retailers, including Rite Aid, T-Mobile, Mattress Firm, Edible Arrangements, Little Caesars, and others

CLOSE PROXIMITY TO MAJOR NEW DEVELOPMENTS

- » Across from new Costco-anchored shopping center (under development)
- » Within walking distance of 28-acre Dignity Health medical campus development, which will include a 330-bed hospital
- » Minutes from The Outlet Collection at Elk Grove, a regional mall with 1.3 million square feet of retail space, and Wilton Rancheria, a resort and casino project that will include a 302-room hotel
- » Near Apple's Elk Grove campus, which is currently undergoing a major expansion that could add several thousand new jobs
- » Multiple residential developments planned or underway to the south of the property

LARGE, AFFLUENT CUSTOMER BASE

- » Surrounded by affluent neighborhoods, with an average household income of \$103,866 within a one-mile radius of the property
- » 249,389 residents with an average household income of \$91,381 live within a five-mile radius, providing an excellent customer base



ACTUAL SITE

SITE PHOTOGRAPHS

ACTUAL SITE





hair)masters			
	Cartridge World		
EYE PLACE OPTOMETRY			



Bruceville Road (28,700 AADT)



Elk Grove Boulevard (57,300 AADT)





DOWNTOWN SACRAMENTO
(12.5 miles)

INDUSTRIAL REGION

KAISER PERMANENTE
(181 beds)

Dignity Health
Methodist Hospital of Sacramento
(162 beds)

UC DAVIS
MEDICAL CENTER
(627 beds)

Laguna Crossroads

TARGET Orchard
Stein Mart Michaels
PETCO Where Creativity Happens
DSW Hallmark

INDUSTRIAL REGION

Monterey Trail High School & Edwards Harris Middle School
(3,400 students)

Laguna Creek High School
(1,814 students)

REGAL CINEMAS
24 HOUR FITNESS

Bruceville Road (28,700 AADT)

Harriet Eddy Middle School
(969 students)

WinCo FOODS
Great Clips for hair
TACO BELL

COSUMNES RIVER COLLEGE
(15,180 students)

Nugget
MARKETS

SPROUTS FARMERS MARKET
DICK'S SPORTING GOODS
PETSMART Batteries + Bulbs
LA Z BOY

Elk Grove Boulevard (57,300 AADT)

Laguna Promenade

RITE AID Cartridge World Edible ARRANGEMENTS
Little Caesars THE BEACH HUT DELI
T-Mobile MATTRESS FIRM

Elk Grove Commons

KOHL'S LANE BRYANT
HomeGoods Justice
WORLD MARKET COST PLUS TILLY'S
TRADER JOE'S GameStop
verizon
Orangetheory FITNESS Carl's Jr.

THE RIDGE AT ELK GROVE
(Costco-anchored shopping center)



Elk Grove Marketplace

HOBBY LOBBY **Burlington coat factory**
Toys R Us

GROCERY OUTLET **JOANN**
bargain market **ROSS**
DRESS FOR LESS

ELK GROVE CIVIC CENTER
 (72-acre civic center and community park)

Elk Grove Auto Mall

TOYOTA **KIA**
HONDA

BMW **Audi** **NISSAN**

WILTON RANCHERIA CASINO RESORT
 (302-room hotel and 110,260 SF casino)

Laguna Promenade

RITE AID **Cartridge World** **Edible ARRANGEMENTS**
Little Caesars **THE BEACH HUT DELI**
T-Mobile **MATTRESS FIRM**

Cosumnes Oaks High School & Elizabeth Pinkerton Middle School
 (3,216 students)

DIGNITY HEALTH MEDICAL CAMPUS
 (28-acre medical campus with 330-bed hospital)

Bruceville Road (28,700 AADT)

THE RIDGE AT ELK GROVE
 (Costco-anchored shopping center)

Nugget MARKETS

Elk Grove Boulevard (57,300 AADT)

SPROUTS FARMERS MARKET **DICK'S SPORTING GOODS**
PET SMART **Batteries + Bulbs**
L A Z B O Y

THE HOME DEPOT **TJ-maxx** **BevMo!**
BEST BUY **OLD NAVY**
BED BATH & BEYOND

Elk Grove Commons

KOHL'S **LANE BRYANT**
HomeGoods **Justice**
WORLD MARKET **TILLY'S**
TRADER JOE'S **GameStop**
verizon **Orangetheory FITNESS** **Carl's Jr.**

THE OUTLET COLLECTION AT ELK GROVE
 (1.3 million SF regional shopping mall)



Walmart 



THE RIDGE AT ELK GROVE
(Costco-anchored shopping center)

Hal Bartholomew Sports Park

Franklin High School & Toby Johnson Middle School
(4,238 students)

Arlene Hein Elementary School
(1,197 students)

Bruceville Road (28,700 AADT)

Elk Grove Commons

KOHL'S LANE BRYANT

HomeGoods 

COST PLUS **WORLD MARKET** **TILLY'S**

TRADER JOE'S **GameStop**

verizon 



Laguna Promenade

RITE AID  

T-Mobile **MATTRESS FIRM**

Elk Grove Boulevard (57,300 AADT)



Nugget
MARKETS



Raley's
Peets Coffee & Tea
Jamba Juice

PANDA EXPRESS
GOURMET CHINESE FOOD

CHASE

SUPERCUTS

Starbucks

Apple

Elk Grove Campus
(3,000+ employees)

INDUSTRIAL REGION

Delta Shores

Walmart Supercenter **REGAL CINEMAS** **Party City**

HOBBY LOBBY **DICK'S SPORTING GOODS** **ULTA BEAUTY**

ROSS DRESS FOR LESS **PET SMART** **IN-N-OUT BURGER**

Valley Hi Country Club

CVS pharmacy **Wells Fargo**

BEL AIR **Round Table PIZZA** **SUBWAY**

The Last Honest Pizza.

SAFeway **Bank of America**

AutoZone

Elk Grove Commons

Elk Grove Boulevard (57,300 AADT)

KOHL'S **LANE BRYANT**

HomeGoods **Justice**

WORLD MARKET **TILLY'S**

TRADER JOE'S **GameStop**

verizon **Carl's Jr.**

Orangetheory FITNESS

Nugget MARKETS

BIG 5 SPORTING GOODS **PAPA JOHN'S PIZZA** **TACO BELL**

O'Reilly AUTO PARTS

Bruceville Road (28,700 AADT)

Laguna Promenade

RITE AID **Cartridge World** **Edible ARRANGEMENTS**

Little Caesars **BEACH HUT DELI**

T-Mobile **MATTRESS FIRM**



THE RIDGE AT ELK GROVE
(Costco-anchored shopping center)

SITE PLAN



TENANT SUMMARY



Family owned and operated since 1926, Nugget Markets is a full-line grocery store that provides high-quality perishables, organics, and a variety of local options, chef-prepared foods, specialty grocery items, and conventional goods in a European marketplace setting. The Nugget Market, Inc. family of stores includes 12 Nugget Markets in Northern California, Fork Lift by Nugget Markets in Cameron Park, Food 4 Less Woodland, and Sonoma Market and Glen Ellen Village Market in Sonoma Valley.

OWNERSHIP	Private	LOCATIONS	16
HEADQUARTERS	Woodland, CA	WEBSITE	www.nuggetmarkets.com



LEASE ABSTRACT

TENANT	Nugget Market, Inc.		
ADDRESS	7101 Elk Grove Boulevard, Elk Grove, California		
RENT COMMENCEMENT	November 1, 2006		
LEASE EXPIRATION	October 31, 2028		
RENEWAL OPTIONS	Eight (8) five (5) year options		
RENTAL INCREASES	YEAR	RENT	RETURN
	Current-Oct. 2023	\$822,800	5.00%
	Nov. 2023-Oct. 2028	\$905,080	5.50%
	Nov. 2028-Oct. 2033 (Option 1)	\$995,588	6.05%
	Nov. 2033-Oct. 2038 (Option 2)	\$1,095,147	6.66%
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	Nov. 2058-Oct. 2063 (Option 7)	\$1,763,745	10.72%
	Nov. 2063-Oct. 2068 (Option 8)	\$1,940,120	11.79%
COMMON AREA COSTS	Tenant agrees to pay Landlord the greater of (1) that share of the common area expenses, including taxes, and operation and maintenance costs, which are allocable to Landlord pursuant to the CC&R's, or (2) Tenant's Proportionate Share of the common area expenses.		
REAL ESTATE TAXES	Tenant is responsible for Tenant's Proportionate Share of taxes.		
INSURANCE	Tenant shall cause to be effected upon the premises fire insurance at Tenant's expense.		
REPAIR & MAINTENANCE	At own expense, Tenant shall maintain the demised premises, excluding the outside walls, the structural aspects of the floor, the foundation, and land.		
UTILITIES	Tenant shall pay utility costs.		
MAINTENANCE BY LANDLORD	At own expense, Landlord shall maintain only the outside walls, the structural aspects of the floor, the foundations, and the land in good condition and repair.		

PROPERTY OVERVIEW

LOCATION

The property anchors Laguna Promenade, a shopping center located at the signalized intersection of Elk Grove Boulevard and Bruceville Road, with excellent visibility and access to 86,000 vehicles per day. Laguna Promenade is home to several complimentary retailers and notable national tenants, including Rite Aid, Edible Arrangements, Mattress Firm, Beach Hut Deli, and T-Mobile, among others. The property is located directly across from Elk Grove Commons, a large retail plaza anchored by Kohl's, HomeGoods, Cost Plus World Market, and Trader Joe's. Other major retailers in the surrounding area include Walmart, Target, Home Depot, Petco, Big 5 Sporting Goods, CVS, and several car dealerships at the Elk Grove Auto Mall.

The property is centrally located near large schools and employers. Cosumnes River College, a community college with over 15,000 students, is minutes from the property. Many elementary, middle, and high schools are located within walking distance of the property, including Franklin High School and Toby Johnson Middle School, which have a combined enrollment of 4,238 students. The property is also close to Apple's Elk Grove campus. Apple employs more than 3,000 people at this campus, which is undergoing a major expansion that could create several thousand new jobs. Additionally, the property is located amongst wealthy residential neighborhoods; the average household income within a one-mile radius of the property is \$103,866, and 249,389 residents with an average household income of \$91,381 live within five miles, providing an excellent customer base.

Several major development projects are scheduled or currently underway near the property. The Ridge at Elk Grove, a Costco-anchored shopping center, is across from the property. Directly adjacent to The Ridge at Elk Grove is Dignity Health, a 28-acre medical campus with a 330-bed hospital. The Outlet Collection at Elk Grove, a regional mall with 1.3 million square feet of retail space, and Wilton Rancheria, a resort and casino project that will include a 302-room hotel, are also located nearby. Additionally, the area to the south of the property is home to several housing developments; residents of these developments will be served by Nugget Markets.

ACCESS

Access from Elk Grove Boulevard and Bruceville Road

TRAFFIC COUNTS

Elk Grove Boulevard: 57,300 AADT
Bruceville Road: 28,700 AADT

PARKING

248 parking stalls, including nine (9) handicap stalls

YEAR BUILT

2003

NEAREST AIRPORT

Sacramento International Airport (SMF)



248
PARKING
STALLS



2003
YEAR BUILT



86K
TRAFFIC
COUNT (AADT)



**NEAREST
AIRPORT**
SACRAMENTO
INTERNATIONAL
AIRPORT

AREA OVERVIEW

Elk Grove is home to over 170,000 residents and is located just 15 miles south of Sacramento, making it the second largest city in the six-county Sacramento Metropolitan Statistical Area (MSA). In 2016, Elk Grove was ranked California's fastest growing economy and the 11th fastest growing economy in the country by WalletHub, a personal finance website. Home to an entrepreneurial spirit and superior quality of life, Elk Grove is a family-oriented community where opportunity is around every corner. The city offers everything from starter homes to ranch estates, and provides a safe, youthful environment where families put down roots. Elk Grove's location provides easy access to two major freeways, the Sacramento International Airport, rail lines, and two ports. Elk Grove is known for an award winning school district, a variety of outstanding restaurants, a historical district, first-rate parks, and much more. Elk Grove has a prosperous business community that boasts a diversity of shops, services, and promising careers. Agriculture, high technology, professional services, and commercial and retail enterprises are all major contributors to the area's economy. Notable employers in the area include Apple, Kaiser Permanente, Frontier Communications, and ALLDATA.

The Sacramento MSA has witnessed sustained and rapid growth for more than three decades and is now home to more than 2.4 million people, making it the fourth largest metropolitan region in California and the 18th largest in the U.S. Due to its close proximity to the Bay Area and Lake Tahoe, relative low cost of living, and high-quality of life, the Sacramento MSA is poised for continued near and long-term growth. The Sacramento region is home to many established and increasingly growing business sectors and serves as the capital of California, with a strong economy supported in part by government, healthcare, and agriculture. In recent years, Sacramento has become a world-class tech community, with companies relocating to Sacramento to take advantage of its educated workforce and low cost of doing business without sacrificing quality of facilities and workforce skills. Due to its attractive business qualities, Sacramento experienced the fifth fastest private sector job growth rate among the top 25 U.S. MSAs. The growth has been accompanied by extensive development and renovation within the Sacramento region, including the construction of a multi-use sports and entertainment arena accompanied by 1.5 million square feet of office, retail, and residential developments in downtown Sacramento.

- » Elk Grove is located between Interstate 5 and Highway 99, the cornerstones for efficient transportation in the Sacramento region. Elk Grove is also in close proximity to Interstate 80 and U.S. Route 50.
- » Sacramento is the third fastest growing MSA in California, with a projected growth of 55.4% over the next 30 years.
- » Sacramento is expected to outpace the national average in job and population growth by more than double over the next ten years
- » The Sacramento region is a major transportation hub, served by air cargo airports, an international airport, a deep water shipping port, two major interstate freeways, freight and passenger rail lines, and an extensive regional commuter bus and light-rail system.

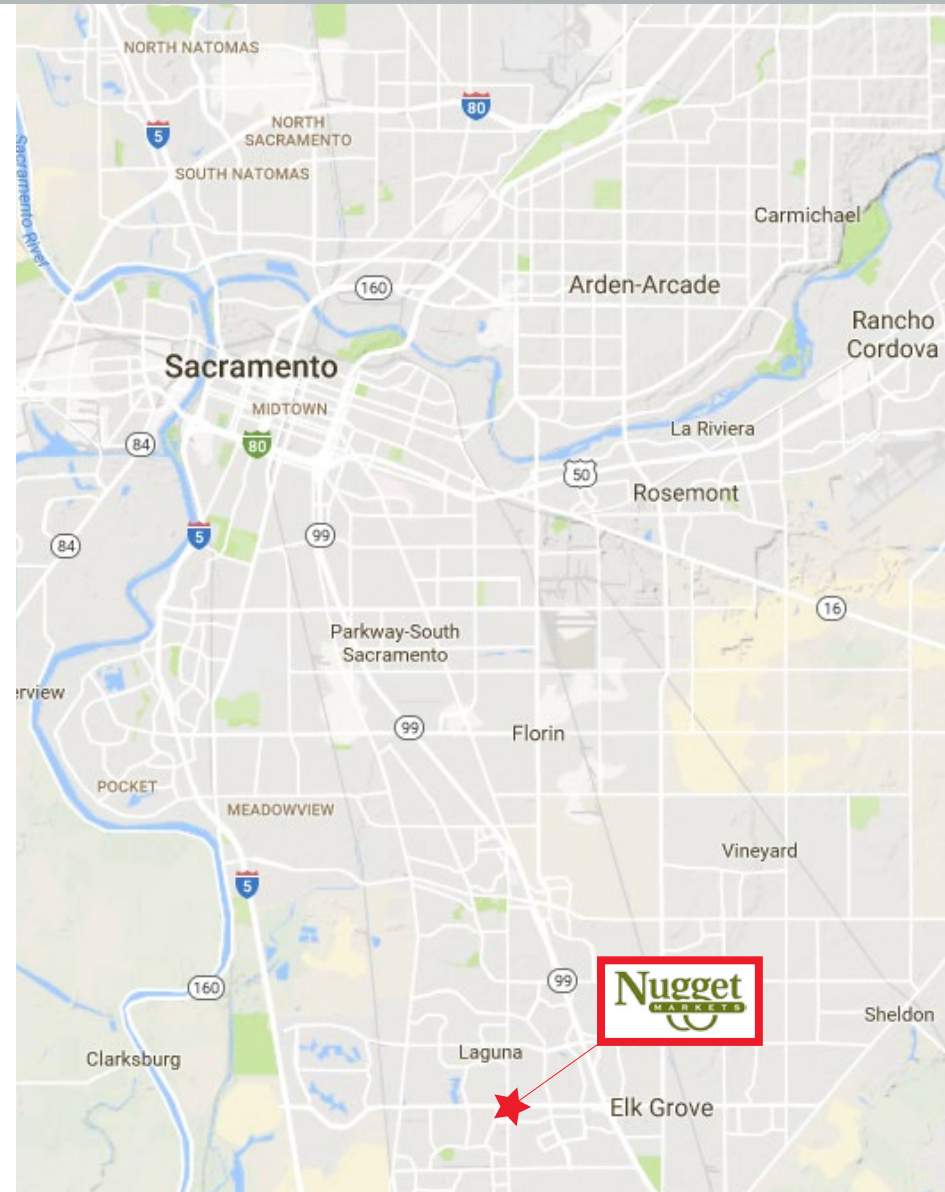
MAJOR EMPLOYERS IN SACRAMENTO MSA	# OF EMPLOYEES
STATE OF CALIFORNIA	72,220
UNIVERSITY OF CALIFORNIA, DAVIS	20,295
CALTRANS	20,000
SACRAMENTO COUNTY	10,700
UNITED STATES GOVERNMENT	9,906
UC DAVIS HEALTH SYSTEM	9,905
SUTTER HEALTH	7,352
DIGNITY HEALTH	6,212
RALEY'S	6,240
INTEL	6,000



DEMOGRAPHIC PROFILE

2017 SUMMARY	1 Mile	3 Miles	5 Miles
Population	23,008	131,126	249,389
Households	7,621	41,472	75,785
Families	5,883	32,463	59,953
Average Household Size	2.94	3.12	3.26
Owner Occupied Housing Units	5,558	28,959	50,997
Renter Occupied Housing Units	2,063	12,513	24,789
Median Age	35.3	34.8	33.6
Average Household Income	\$103,866	\$97,933	\$91,381

2022 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	24,595	137,596	261,224
Households	8,212	43,518	79,145
Families	6,297	33,957	62,499
Average Household Size	2.92	3.12	3.27
Owner Occupied Housing Units	5,923	30,158	52,917
Renter Occupied Housing Units	2,288	13,360	26,229
Median Age	36.0	35.1	34.1
Average Household Income	\$117,858	\$110,618	\$103,129



**AVERAGE HOUSEHOLD INCOME OF \$103,866
WITHIN ONE MILE**



**POPULATION OF 249,389
WITHIN FIVE MILES**

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RYAN FORSYTH

Executive Director

415.413.3005

ryan.forsyth@cushwake.com

CA RE License #01716551

VINCENT AICALE

Executive Director

415.690.5522

vince.aicale@cushwake.com

CA RE License #01728696

MICHAEL T. YURAS, CCIM

Executive Managing Director

415.481.0788

michael.yuras@cushwake.com

CA RE License #01823291

www.YAFteam.com

Cushman and Wakefield Inc. LIC. # 00616335