

*Under no circumstances shall  
the tenant be disturbed.*



# BEHAVIORAL HEALTH

NET LEASED HEALTH FACILITY TO AAA RATED CREDIT TENANT

LUCERNE, CA



CAPITAL PACIFIC  
SAN FRANCISCO



# Contact the team

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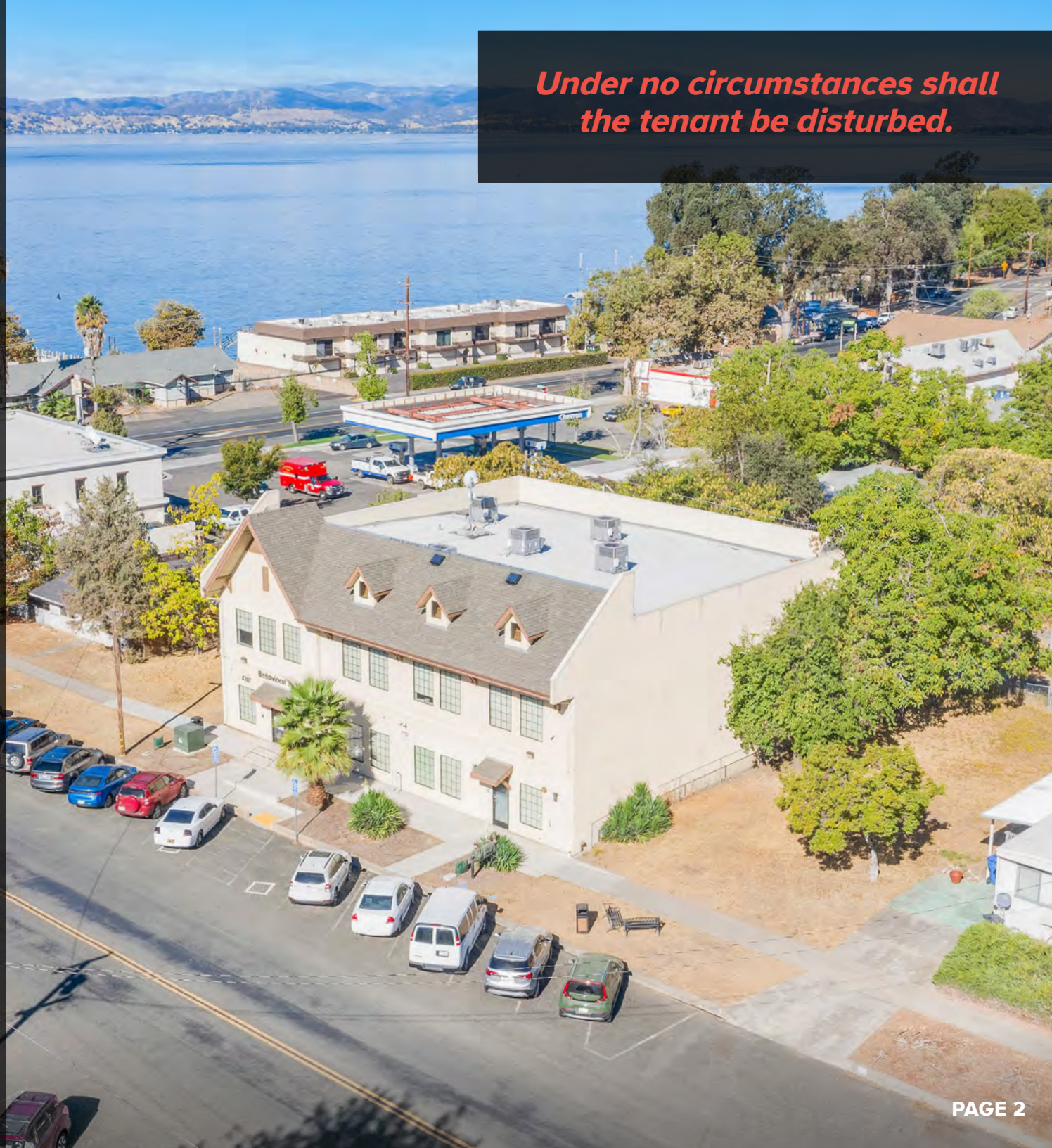
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## BEHAVIORAL HEALTH

6302 THIRTEENTH AVE, LUCERNE, CA 95458

**\$2,922,170**  
**PRICE**

**7.62%\***  
**CAP**

**\*6.30% CAP UNTIL DEC 2021**

NOI: **\$185,518**

PRICE/SF: **\$279.64**

LEASE TYPE: **NN**

LEASE TERM: **11 YEARS REMAINING**

LEASABLE AREA: **11,157 SF**

TENANT SINCE: **2011**

**BEHAVIORAL HEALTH IS A NEEDED AND  
VALUABLE SERVICE TO THE COMMUNITY IN LAKE  
COUNTY**



# Investment Highlights



## THE OFFERING

The offering is a 11,057 SF fully leased single tenant behavioral health clinic in Lucerne, California, approximately 110 miles north of San Francisco. The building and all improvements were built for the County of Lake in 2011 pursuant to their specifications & requirements. The investment benefits from a 16.4% rental increase in December of 2021, as well as an 11% increase in 2026. In 2018, the Lake County Health Department and Community Health Center announced that it will receive four federal grants totaling \$3.4 million over five years.

The subject property is located just off the corner of Hwy. 20 and Thirteenth Avenue, adjacent to a new 10,000 sq. ft. Power Mart grocery store and Chevron gas station. The tenant pays triple net reimbursements on the property, allowing for minimal landlord expense obligations. The property is desirably located one block from scenic Clear Lake, the largest natural lake in the state of California.

## HIGHLIGHTS

- **Located just over a block from Clear Lake**
- **Lake County Health Dept. served 2,164 youth, adults, and seniors during FY 19/20**
- **Eleven years remaining on primary lease term**
- **Triple Net lease with minimal landlord expense responsibilities**
- **Lake County secured an AAA bond rating from both Standard & Poor's and Moody's**

# Income & Expense

CURRENT	
Price:	\$2,922,170
Capitalization Rate:	7.62%
Price Per Square Foot:	\$264.28

Total Leased (SF):		11,057
Down Payment	40.00%	\$1,168,868
Loan Amount	60.00%	\$1,753,302

INCOME	P/SF	
Scheduled Rent	\$20.16	\$222,909
Triple Net Reimbursement	\$3.66	\$40,448
<b>EFFECTIVE GROSS INCOME</b>		<b>\$263,357</b>

EXPENSES (2019 Actual)	P/SF	
Property Tax (actual)	(\$2.26)	(\$24,975)
Insurance	(\$0.21)	(\$2,357)
Water/Sewer	(\$0.07)	(\$808)
HVAC Maintenance	(\$0.01)	(\$160)
Elevator Maintenance	(\$0.43)	(\$4,743)
Fire/Life/Safety	(\$0.05)	(\$540)
Repair Reserves	(\$0.10)	(\$1,106)
Managment Fee	(\$0.54)	(\$6,000)
<b>TOTAL EXPENSES</b>	<b>(\$3.68)</b>	<b>(\$40,688)</b>

<b>NET OPERATING INCOME</b>	<b>\$222,669</b>
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Please contact Dave Lucas for additional information on the quote.

ACTUAL RECOURSE QUOTE FROM BALANCE SHEET	
Proposed Loan Amount	\$1,753,302
Loan To Value	60%
Interest Rate	3.95%
Lender Type	Bank/Balance Sheet
Amortization	30 Year
Term	30 Year (Fully Amortizing)
Fixed Rate	10 year
5 year Rate	At the WSJ Prime rate - 3.85% Floor
Net Operating Income	\$222,669
Debt Service	(\$108,155)
Pre-Tax Cash Flow	\$114,515
Debt Coverage Ratio	2.06
Cash-on-cash Return	9.80%
Principal Pay down	\$33,739
Total Return	13.62%

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# Rent Roll

TENANT INFO		LEASE TERMS						
TENANT NAME	SQ. FT.			MONTHLY BASE RENT	MONTHLY NNN RENT*	ANNUAL TOTAL RENT	MONTHLY RENT/FT	YEARLY RENT/FT
Behaviorial Health Department	11,057	12/15/11	12/14/31	\$15,479.80	\$3,370.68	\$226,205.76	\$1.40	\$20.46
County of Lake	Increase	12/15/2021	12/14/26	\$18,575.76		\$263,357.28	\$1.68	\$23.82
	Increase	12/15/2026	12/14/31	\$21,008.30		\$292,547.76	\$1.90	\$26.46
	<i>No Options</i>							
<b>TOTALS:</b>	<b>11,057</b>			<b>\$15,479.80</b>		<b>\$226,205.76</b>	<b>\$1.40</b>	<b>\$20.46</b>

\*Subject to Annual Reconciliation

# Lease Abstract

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## PREMISES & TERM

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<b>TENANT</b>	County of Lake, A Political Subdivision of the State of California
<b>GUARANTOR</b>	County of Lake
<b>LEASE TYPE</b>	NN
<b>LEASE TERM</b>	11 Years Remaining

## BEHAVIORAL HEALTH RENT ROLL

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### BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
12/15/11-12/14/31	\$15,479.80	\$226,205.76

### INCREASE

DATE RANGE	MONTHLY RENT	ANNUAL RENT
12/15/21-12/14/26	\$18,575.76	\$263,357.28
12/15/26-12/14/31	\$21,008.30	\$292,547.76

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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).

## EXPENSES

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### TENANT'S OBLIGATIONS

All expenses except roof, structure and HVAC replacement. This includes roof repair but not replacement. In addition, tenant pays replacement reserve which is limited to 2% of total rent and CAM's.

### LANDLORD'S OBLIGATIONS

Landlord subject to roof, structure, and HVAC replacement.

### TAXES

Tenant responsible.

### INSURANCE

Tenant responsible.

### UTILITIES

Tenant responsible.

### CAM

Landlord pays and tenant reimburses. As stated before tenant pays replacement reserve which is limited to no more than 2% of the total income and CAM expense. This includes roof repair but not replacement.

## LEASE PROVISIONS

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### ASSIGNMENT/SUBLETTING

Landlord consent required.

### EARLY TERMINATION

In the event Lessee's state and/or federal funding for mental health programs is discontinued forcing the elimination of the program in Lake County.

### RIGHT OF REFUSAL/OFFER

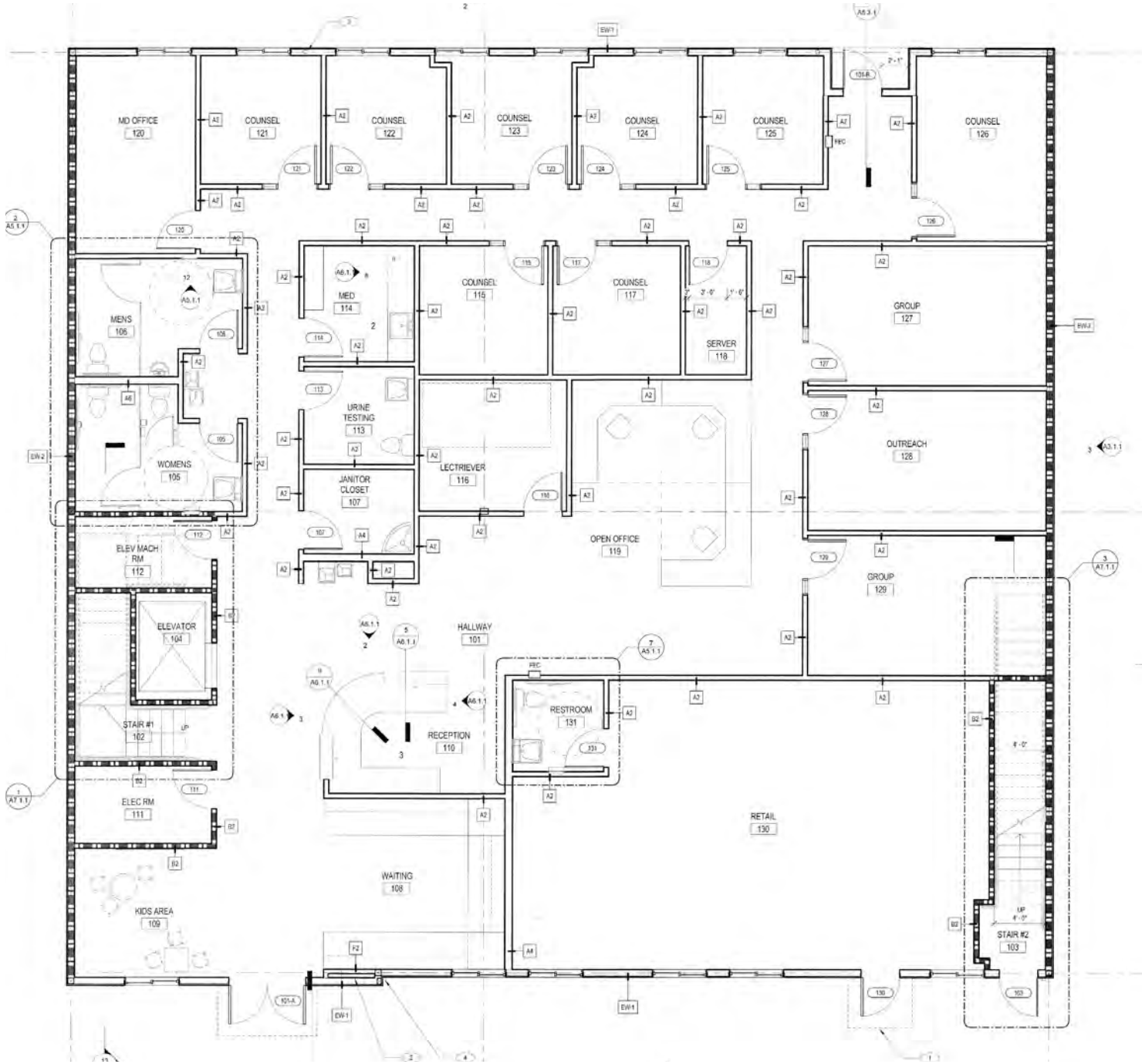
None.

### ESTOPPELS

Must be returned within 10 days of written request by either party.



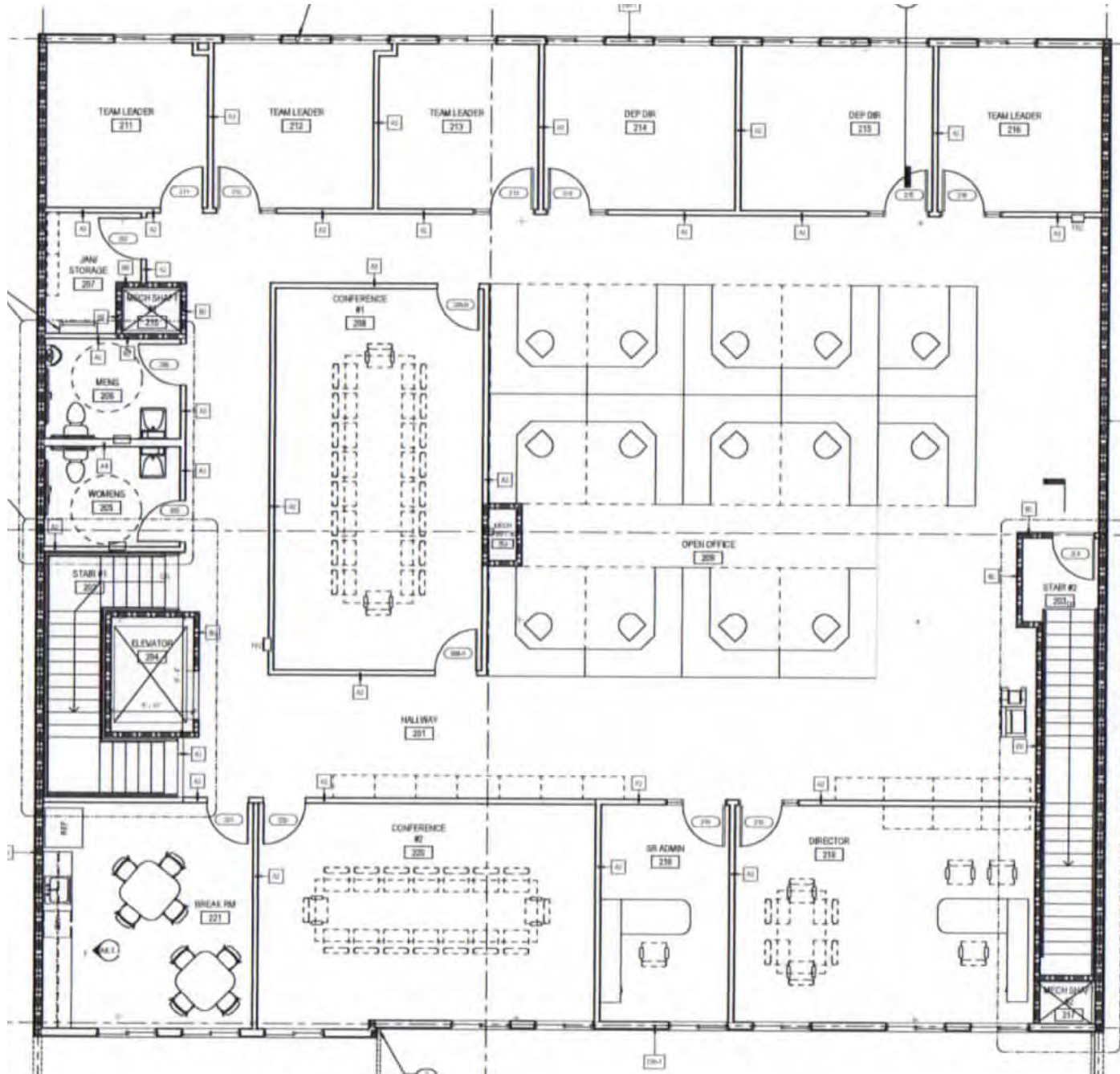
# Floor Plan - First Floor



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# Floor Plan - Second Floor





# Tenant Overview

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## ABOUT LAKE COUNTY (TENANT)

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The county secured an AAA bond rating from both the Standard & Poor's Financial Services (S&P) and Moody's Investor Service, two of the largest credit rating agencies.

The high rating becomes important when an agency needs to borrow money for a project, and a good bond rating keeps borrowing costs low. According to S&P, it has awarded an AAA rating to only about 3% of all counties nationwide, according to a county news release.

Moody's credited the rating with factors like Lake County's large, diverse tax base, healthy operating reserves and liquidity, and modest debt, while the S&P reported it views "the management team as strong, as it has been able to consistently post positive general fund results in recent years and it has good financial policies and practices".



# Demographics



## POPULATION

	3-MILE	5-MILES	10-MILES
2010	3,012	5,939	5,939
2019	3,202	6,128	31,759
2024	3,199	6,080	31,456

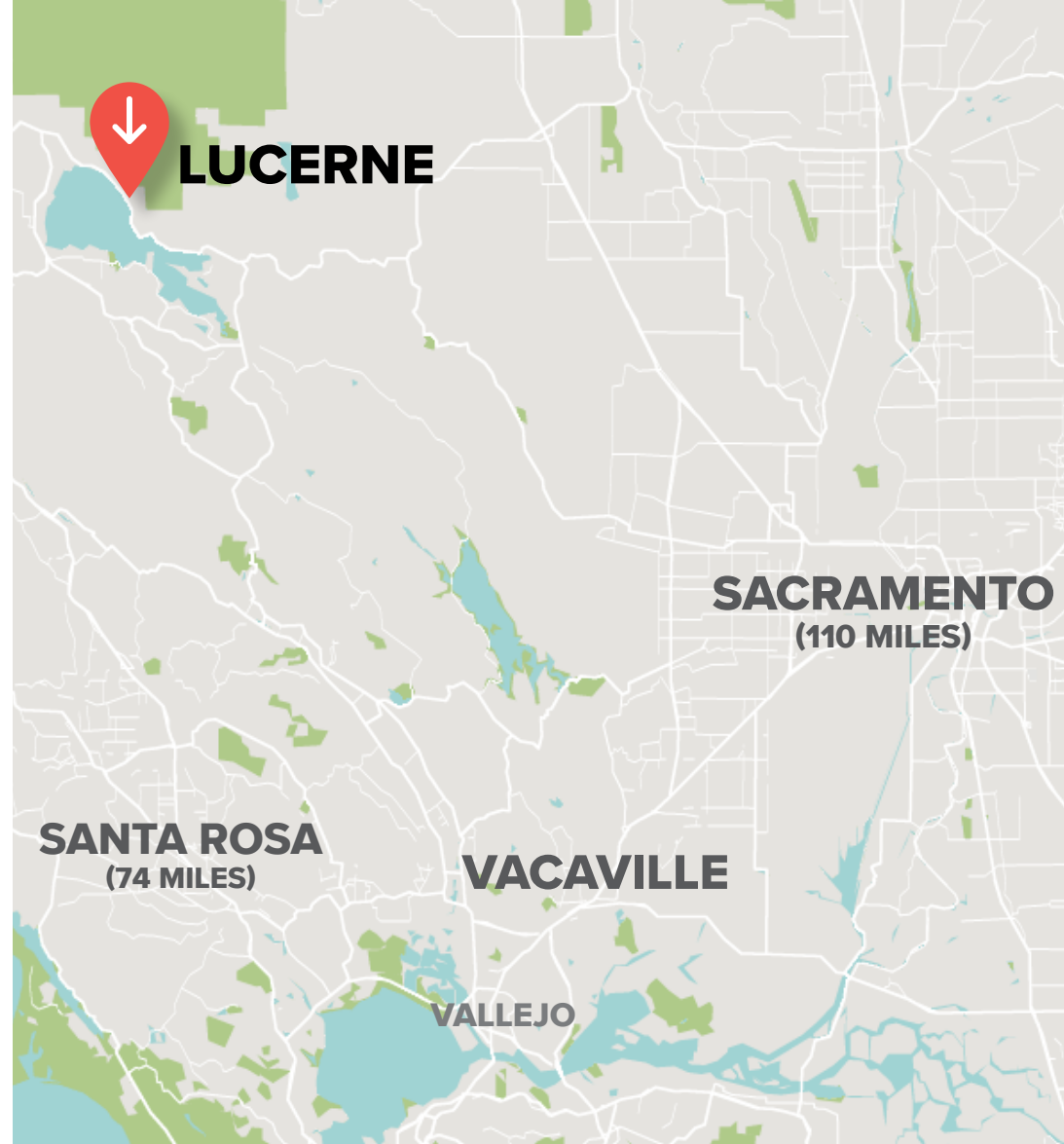


## 2019 HH INCOME

	3-MILE	5-MILES	10-MILES
Average	\$42,690	\$51,992	\$74,354

## TOP EMPLOYERS IN LAKE COUNTY

EMPLOYER	INDUSTRY
Adobe Creek Packing Co	Growers & Shippers
Brunos Shop Smart	Grocers-Retail
Clearlake Family Health Ctr	Physicians & Surgeons
Evergreen Lakeport Healthcare	Nursing
Hardester's Market & Hardware	Grocers-Retail



**THE AVERAGE HOUSEHOLD INCOME WITHIN A 10-MILE RADIUS IS OVER \$74K**

# LUCERNE, CALIFORNIA



CLEAR LAKE

**LUCERNE** is a city located in Lake county, CA. It has an estimated population of approximately 2,950. Located 110 miles northwest of Sacramento and 74 miles northeast of Santa Rosa, Lucerne is situated on the shores of Clear Lake.

Lucerne Harbor Park is a unique park that not only offers a boat launch, picnic area and playground, but also several artist galleries.

**LAKE COUNTY** is north of the San Francisco Bay Area in Northern California. It is bordered by Napa, Sonoma, Mendocino, Glenn, Colusa, and Yolo counties. Lake County, California covers an area of 1,327 square miles, and is home two incorporated cities, Clearlake, the largest city; and Lakeport, the county seat, as well as many unincorporated communities.

Lake County is known for it's many natural wonders, including Clear Lake, the largest natural lake in the state, The Geysers, the largest geothermal field complex in the world, and many others. Mt. Konocti, formed by volcanic eruptions, can be seen from anywhere on Clear Lake. The local economy is based primarily on agriculture, tourism, and the geothermal power industry.

64,822



**LAKE COUNTY  
POPULATION  
(ESTIMATED)**

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