



MIKUNI

STRONG REGIONAL RESTAURANT TENANT | VERY LOW RENT TO SALES

ELK GROVE, CA



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133,000
VPD

GOLDEN STATE HIGHWAY 99

34,800
VPD

BOND ROAD

ELK CREST DRIVE

Investment Overview



MIKUNI

8525 BOND ROAD, ELK GROVE, CA 95624

\$5,868,000
PRICE

7.00%
CAP RATE

LEASE TYPE:

ABSOLUTE NNN

LEASE TERM:

5+ YEARS REMAINING

LEASABLE SF:

8,600 SF

LAND AREA:

2.03 ACRES

NOI:

\$410,771

Reopened and Paying Full Rent since May

Strong regional restaurant chain -- nine locations in Northern California

Very low rent to sales ratio

Initial lease term has been extended twice showing dedication to the site

Affluent demographics – average HH income over \$103K in a 3-mile radius

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Investment Highlights



CAPITAL PACIFIC is pleased to present the opportunity to acquire Mikuni, a restaurant in Elk Grove, CA (Sacramento MSA). The property is leased by Mikuni Restaurant Group, Inc., a strong regional chain operating six locations in Sacramento. The tenant, Mikuni, is currently finishing the first of two, five-year lease extensions, the second of which begins on January 1, 2021 and features an eight percent rental increase. The lease is absolute NNN, featuring zero landlord maintenance or expense responsibilities throughout the base term and option period.

THE SUBJECT PROPERTY is an outparcel to Elk Grove Marketplace, a 500K+ square foot retail shopping center with well-known national tenants including Hobby Lobby, Ross, Staples, Burlington Coat Factory, and In-N-Out. The building itself has significant frontage along Bond Road, a major thoroughfare that connects directly to the nearby I-99 freeway. The property benefits from daily traffic of over 34,000 VPD passing the restaurant. The surrounding area of Elk Grove is also a prosperous residential hub, featuring affluent demographics (\$103K+ average HH income) and substantial population density (147K+ residents) within a 3-mile radius.

Income & Expense

PRICE		\$5,868,000
Price Per Square Foot:		\$682.33
Capitalization Rate:		7.00%
Total Rentable Area (SF):		8,600
Lot Size (AC):		2.03
STABILIZED INCOME		PER SF
Scheduled Rent*	\$47.76	\$410,771
Effective Gross Income	\$47.76	\$410,771
LESS		PER SF
Common Area	NNN	\$0.00
Taxes	NNN	\$0.00
Insurance	NNN	\$0.00
NET OPERATING INCOME		\$410,771

**Rent is being capitalized on increase set to take place on 1/1/2021*

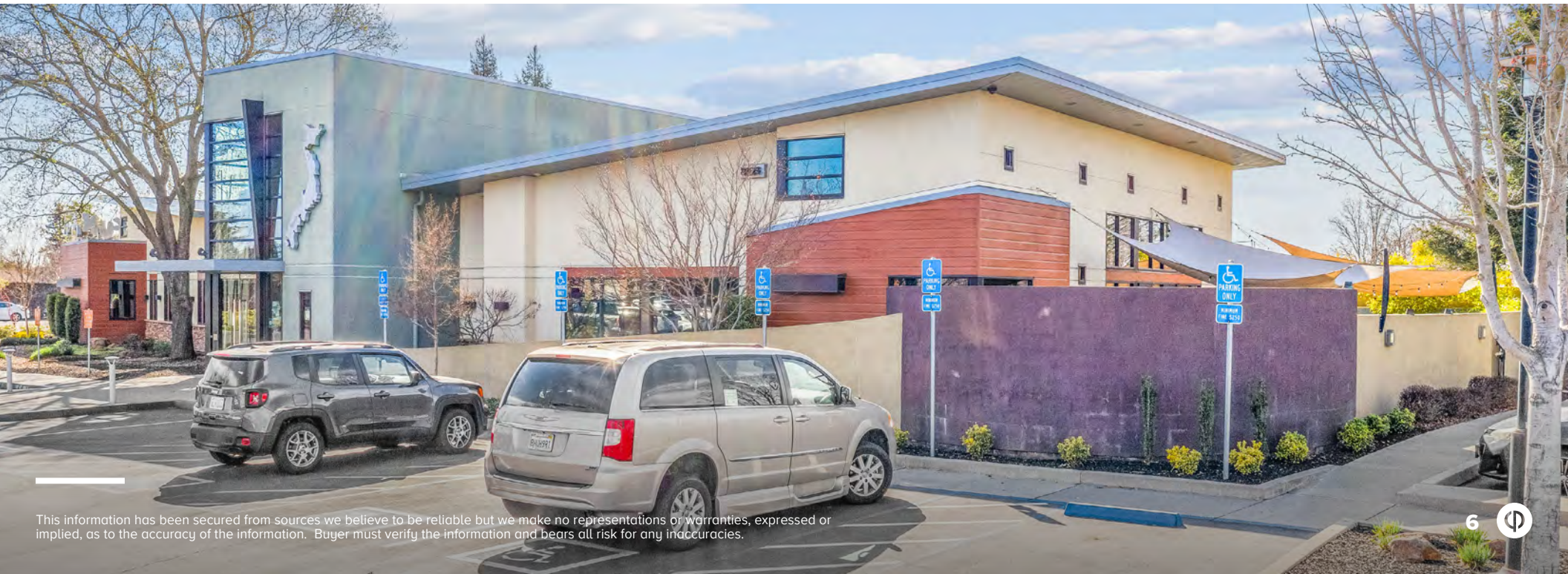
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Rent Roll

TENANT INFO		LEASE TERMS		RENT SUMMARY				
TENANT NAME	SQ. FT.			CURRENT RENT	MONTHLY RENT	YEARLY RENT	MONTHLY RENT/FT	YEARLY RENT/FT
Mikuni	8,600	1/1/2006	12/31/2015		\$29,347	\$352,164	\$3.41	\$40.95
	Increase	1/1/2016	12/30/2020		\$31,695	\$380,344	\$3.69	\$44.23
	Increase*	1/1/2021	12/31/2025	\$410,771	\$34,231	\$410,771	\$3.98	\$47.76
	Option 1	1/1/2026	12/31/2030		\$36,969	\$443,633	\$4.30	\$51.59
TOTALS:				\$410,771	\$34,231	\$410,771	\$3.98	\$47.76

*Rent is being capitalized based on increase set to take place on 1/1/2021. Seller will credit rent difference at Close of Escrow.



Lease Abstract



RENT

BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
1/1/2006 - 12/31/2015	\$29,347	\$352,164
1/1/2016 - 12/30/2020	\$31,695	\$380,344
1/1/2021 - 12/31/2025*	\$34,231	\$410,771

*Rent is being capitalized based on increase set to take place on 1/1/2021. Seller will credit rent difference at Close of Escrow.

OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#1. 1/1/2026 - 12/31/2030	\$36,969	\$443,633

PREMISE & TERM

TENANT	Mikuni
LEASE GUARANTEED BY	Mikuni Restaurant Group, Inc.
LEASE TYPE	Absolute NNN
TERM	5+ Years Remaining
RENT COMMENCEMENT	January 2006
OPTIONS	One 5-year option
YEAR BUILT	2005
PARKING SPACES	78 Spaces

EXPENSES

PROPERTY TAXES	Tenant's Responsibility
INSURANCE	Tenant's Responsibility
COMMON AREA	Tenant's Responsibility
ROOF & STRUCTURE	Tenant's Responsibility
REPAIRS & MAINTENANCE	Tenant's Responsibility
HVAC	Tenant's Responsibility
UTILITIES	Tenant's Responsibility

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).

Tenant Overview



ABOUT MIKUNI

Mikuni Japanese Restaurant & Sushi Bar is a Japanese chain serving sushi plates and hot entrees in a stylish space. With eight locations in the capital region, Mikuni is a full Japanese restaurant serving teriyaki, tonkatsu, ramen, donburi, sushi, nigiri, sashimi and 16 non-raw rolls.

Inspired by the designs of Frank Lloyd Wright, the Elk Grove restaurant boasts the architect's trademark use of linear components and uncluttered lines. Extensive use of wood is enhanced by majestic stands of bamboo, creating an atmosphere of east meets west. With two seating options, guests can choose between the inviting warmth of the all-dining room to the sophisticated energy of the dining room/bar combo.

Mikuni has consistently won Sacramento Magazine's reader vote for best sushi. It serves over 1.5 million people per year with 52 tons of fresh fish per month and 2.5 tons of rice per week.

8

**LOCATIONS IN
THE CAPITAL
REGION**

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Site Plan

sf
8,600
RENTABLE SF

ac
2.03
ACRES

**78
SPACES**



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Retail Aerial



133,000
VPD

99

7,400
VPD

E STOCKTON BOULEVARD

34,800
VPD

BOND ROAD

GOLDEN STATE HIGHWAY



Surrounding Retail



Zoomed-In Aerial



SACRAMENTO



ROSS

HOBBY LOBBY

FAMOUS footwear
Once upon a child
Bath & Body Works

Burlington

SCANDINAVIAN DESIGNS

JO-ANN

Applebee's

OneMain

CHUCK E. CHEESE'S

PET CLUB
FOOD AND SUPPLIES

GROCERY OUTLET
bargain market

CALIFORNIA Family Fitness

Optima Nutrition

Panera
BREAD

Black Bear Diner

99

133,000 VPD

KOBE

E STOCKTON BOULEVARD

BURGER KING

ROGERS
FURNITURE CO.

Chevron

BOND ROAD

34,800 VPD

STAPLES

PANDA EXPRESS

ON THE BORDER
MEXICAN CUISINE & CANTINA

IHOP

IN-N-OUT
BURGER

K

BOND ROAD

62,917 VPD

99

Chick-fil-A

GREEN ACRES

7,400 VPD


E STOCKTON BOULEVARD

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Demographics

POPULATION

	1-MILE	3-MILES	5-MILES
2010	12,570	130,146	262,757
2019	13,553	147,547	293,763
2024	14,090	154,917	307,428

2019 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$99,302	\$103,781	\$97,185

LARGEST EMPLOYERS IN SACRAMENTO VALLEY

EMPLOYER	# OF EMPLOYEES
State of California	69,469
Sacramento County	10,634
UC Davis Health System	9,985
Sutter Health Sacramento Sierra Region	6,507
Intel Corp.	6,000

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**THE AVERAGE HOUSEHOLD
INCOME WITHIN A 3-MILE RADIUS
IS OVER \$103K**

ELK GROVE, CALIFORNIA

SACRAMENTO, CA

ELK GROVE is a city in Sacramento County, California, located in the Central Valley, halfway between Sacramento and Stockton. Elk Grove is known for an award-winning school district, a variety of outstanding restaurants, a historical district, first-rate parks, and more. Elk Grove has earned the title of the fastest growing city in the region and the second-largest city in Sacramento County. More than 26 large scale businesses have opened in Elk Grove and have generated 4,360 jobs and brought \$112 million in capital investments to the city.

SACRAMENTO is the capital city of California, the sixth largest city in the state, and the cultural and economic hub of the Northern Central Valley – California’s most productive agricultural region. The city lies at the confluence of the Sacramento River and the American River, and has a deep-water port connected to the San Francisco Bay by a channel through the Sacramento San Joaquin River Delta.

THE CENTRAL VALLEY is the agricultural heart of the state and provides one of the most highly developed and integrated agricultural systems in the world. The Central Valley as some of the most productive agricultural land in California, sustaining hundreds of different crops -- from rice to tomatoes to almonds.



ON THE RISE? THE CENTRAL VALLEY IS BEATING THE BAY AREA AND L.A. IN KEY MEASURES

Jan. 7, 2019 (The Sacramento Bee) It may be time to stop thinking of the Central Valley as the downtrodden sibling to California's coastal powers. By some measures, the Central Valley outperformed the Bay Area and Southern California in 2018, according to state population and economic figures.

Population growth in the Valley outpaced gains in both the Bay Area and Southern California. Job growth here was on par with gains in the Bay and was stronger than the Los Angeles/San Diego megaregion. And while the Bay Area and L.A. continue to lose residents to other parts of the state and nation, the Valley made gains in 2018.

Of the 20 fastest-growing counties in the state last year, 12 were in the Central Valley. Many Valley counties had strong birth rates, suggesting residents planting roots in the region are doing so to have children in a place far more affordable than the coastal counties. The Valley is also seeing an influx of new residents from other parts of the United States -- most notably from the expensive coastal region of California. The Valley added roughly 8,400 residents last year through net domestic migration, state figures show. At the same time, the Bay Area and Southern California are losing tens of thousands of residents to other parts of the state and country.

According to the state's Employment Development Department, the unemployment rate dropped in nearly every Central Valley county in 2018. Some of the decreases were significant and the rates were near historic lows. The Valley also added lots of jobs last year. The number of employed people in the labor force rose 2.6 percent in the 17-county region. By comparison, the Bay Area region saw a 2.9 percent in overall jobs, while the Los Angeles-San Diego-Inland Empire area had a job-growth rate of 1.4 percent.



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