

650

WEST 2ND STREET

SONOMA, CALIFORNIA



EXECUTIVE SUMMARY

ADDRESS:	650 W 2nd Street Sonoma, California 95476
PRICE:	\$2,400,000
CAP RATE:	4.5%
SIZE:	+/- 3,789 square feet

- Rare single tenant net leased credit tenant offering in a trophy Sonoma location
- Long-term stable credit tenancy since 1990 by American Automobile Association, “AAA”
- Amenity rich and highly visible 2nd street location across the street from Whole Foods and CVS center and 1 block from the historic Sonoma Plaza
- Large .59 acre parcel with future potential development

Newmark Knight Frank is pleased to exclusively offer the opportunity to purchase 650 W 2nd Street, a free-standing AAA branch in Downtown Sonoma just South of the historic Sonoma Plaza. This fully Triple Net leased Property is situated on the highly trafficked 2nd Street across from a Whole Foods and CVS anchored retail center. The Property was a build-to-suit for AAA in 1990 and they have occupied the Property ever since, making this a safe NNN investment in a prime Northern California market.

650 W 2nd Street is set within downtown Sonoma's retail core made up of quality retailers such as Whole Foods, CVS as well as an abundance of renowned local wine shops and restaurants. The Property is closely surrounded by some of the world's most iconic wineries including Gundlach Bundschu and Scribe. The Property is at the center of the Sonoma wine industry, which continues to propel California as an economic powerhouse and a cultural hub globally.

All Proposals to purchase should be addressed to:

JESSE MILLMAN
Senior Managing Director
CA RE License #01734742
408.982.8459





DIRECTLY ACROSS 2ND STREET

OFFERING SUMMARY

Price	\$2,400,000
Cap Rate	4.5%
Rentable Square Feet	3,789
Lot Size	0.59 acres (25,692 sf)
Property Type	Commercial Building
Tenancy	Single
Type of Ownership	Fee Simple Interest

TENANT LEASE SUMMARY

Lessee	American Auto Association of Northern California, Nevada, & Utah
Lease Type	NNN
Remaining Lease	4.5 Years
Term	4.5 Years
Commencement Date	January 1, 2018
Expiration Date	December 31, 2022
Rent Increases	3% Per Annum

TENANT LEASE SCHEDULE

Years	Monthly Rent	Annual Rent
January 1, 2018 - Dec 31 2018	\$8,784.98	\$105,420
January 1, 2019 - Dec 31 2019	\$9,048.53	\$108,582
January 1, 2020 - Dec 31 2020	\$9,319.99	\$111,840
January 1, 2021 - Dec 31 2021	\$9,599.59	\$115,195
June 1, 2022 - Dec 31 2022	\$9,887.58	\$118,651

*Termination Option Effective: 4/1/21 (written notice on or before 4/1/20)

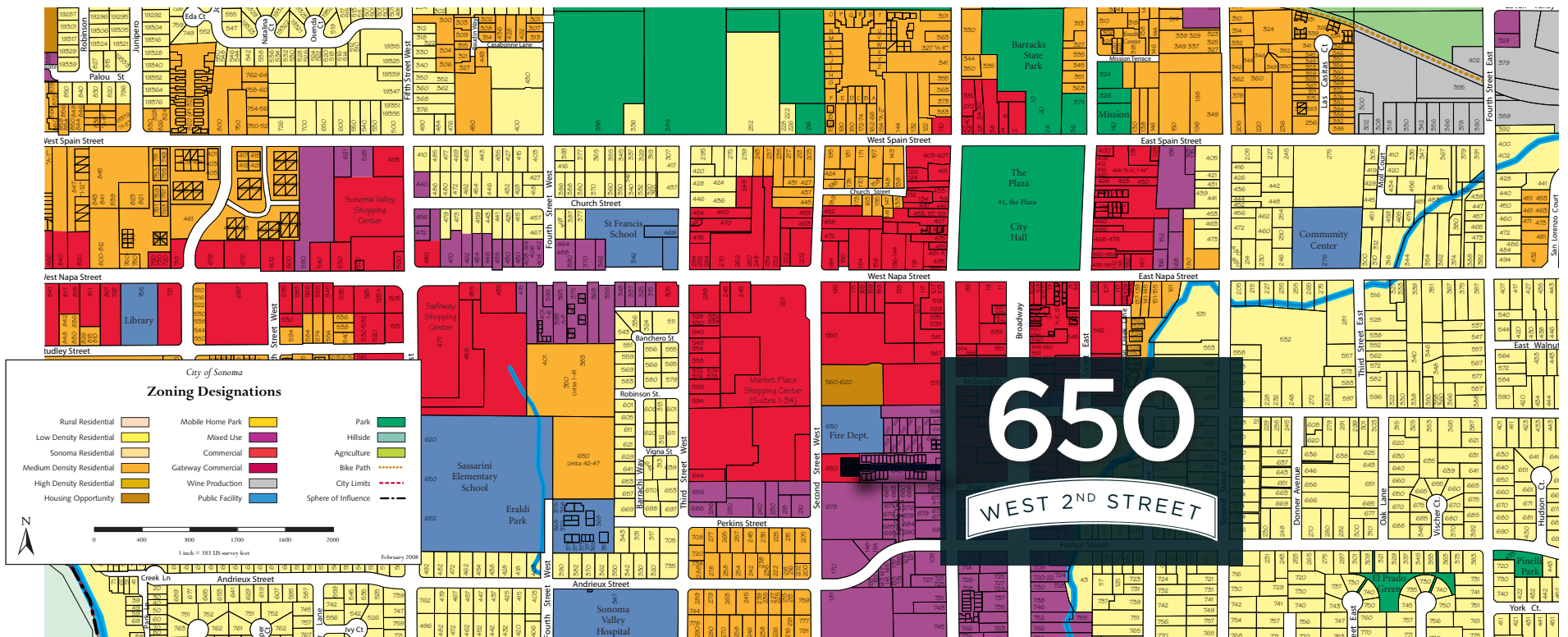
*Termination Fee: \$88,988 (9 months of rent)

ZONING

650 W 2nd Street provides the investor a unique opportunity to acquire a stand alone income producing property in a trophy Sonoma location. The flexible “Commercial zoning [Click Here](#), allows for a variety of commercial uses as well as potential for residential development. The permitted uses are Professional, administrative and general business offices; Medical and dental clinics and laboratories; Financial offices, such as banks and savings and loan offices; and general retail to name a few. Along with the flexible Commercial uses, the Property also allows for churches, day care facilities, and veterinary clinics with a use permit.

This unbelievable location not only allows for a plethora of commercial uses, but with a use permit, is an amazing residential development opportunity. The current zoning allows for 20 units to the acre, or approximately 12 residential units can be built on the site. The City has indicated a desire for more housing and would be in favor of the conversion. *Please confirm with the City of Sonoma*

With income in place for the next 4.5 years, 650 W 2nd street is an exceptional covered land play for an savvy developer who can take advantage of this prime Sonoma location. Supply remains constrained and demand is through the roof for well-located buying opportunities in this highly desirable Sonoma location.



TENANT OVERVIEW

CSAA Insurance Exchange was previously named American Automobile Association of Northern, California, Nevada & Utah (AAA NCNU). It is a subsidiary of California State Auto Group. CSAA Insurance Exchange is a privately held, fully tax paying nonprofit made up of territories throughout Northern California, Nevada and Utah. It is headquartered in Walnut Creek and governed by a Board of Directors.

The organization was founded in 1900 and is distinguished as the sole not-for-profit mutual benefit corporation operating as an automobile club. CSAA Insurance Exchange is made up of 57 motor clubs representing the second largest contingent of the national AAA organization. It serves over 4.5 million members and has 7,000 employees working in 120 offices across its regional territory of Northern California, Nevada, and Utah.

A.M. Best gives CSAA Insurance Exchange an A credit rating. According to A.M. Best, it has a balance sheet size of over \$2 billion.

PROPERTY SUMMARY

Address	650 W 2nd Street Sonoma, California 95476
County	Sonoma
Interest	Fee Simple
Property Type	Commercial Building
Number of Buildings	1
Number of Floors	1
Building Square Feet	3,789
Parcel Number	018-291-036
Zoning	R-4
Permitted Uses	Wide variety of uses including residential
Parcel Size	.59 AC
Year Built	1990

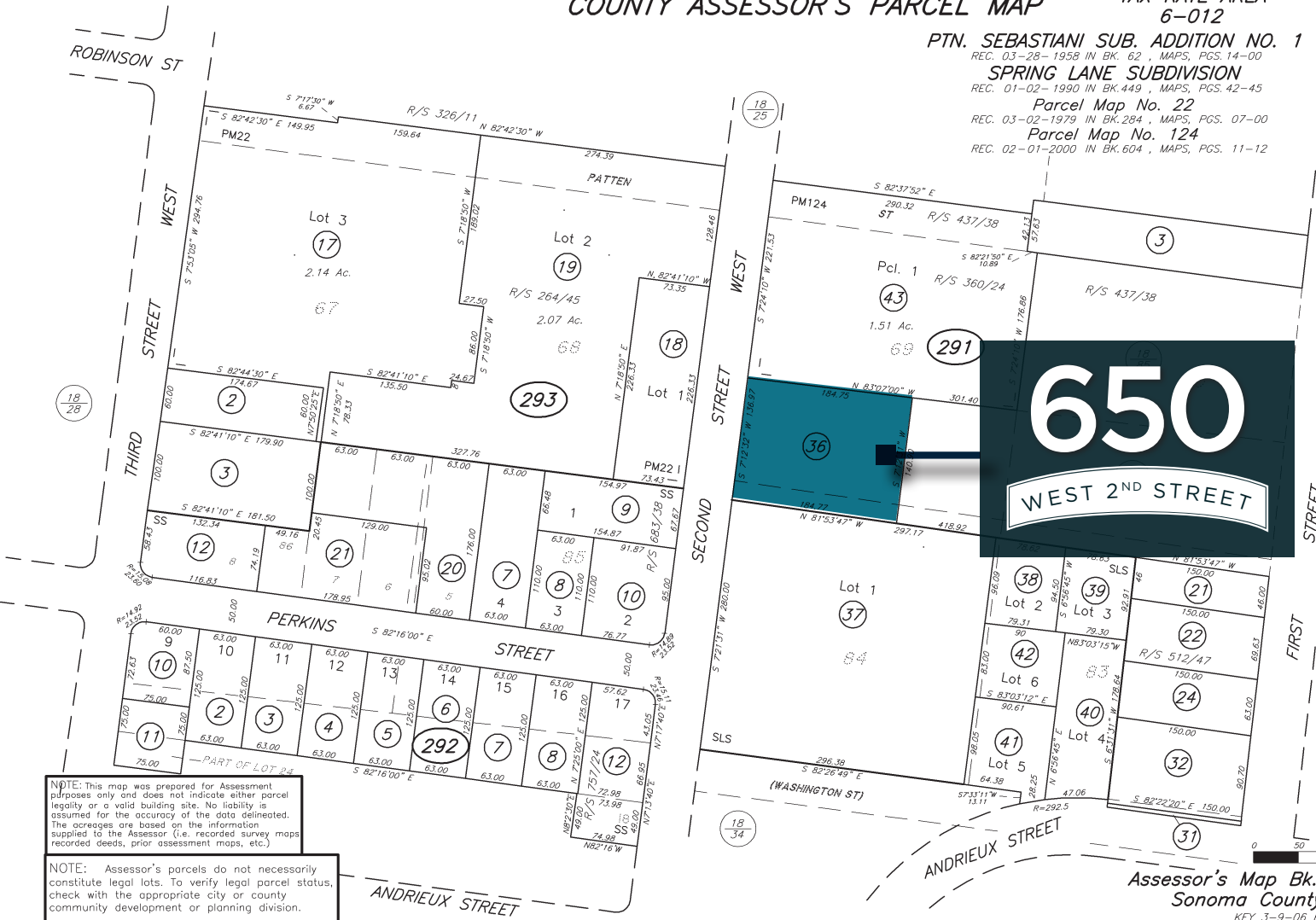


PARCEL MAP

COUNTY ASSESSOR'S PARCEL MAP

TAX RATE AREA 018-29
6-012

PTN. SEBASTIANI SUB. ADDITION No. 1
REC. 03-28-1958 IN BK. 62, MAPS, PGS. 14-00
SPRING LANE SUBDIVISION
REC. 01-02-1990 IN BK. 449, MAPS, PGS. 42-45
Parcel Map No. 22
REC. 03-02-1979 IN BK. 284, MAPS, PGS. 07-00
Parcel Map No. 124
REC. 02-01-2000 IN BK. 604, MAPS, PGS. 11-12



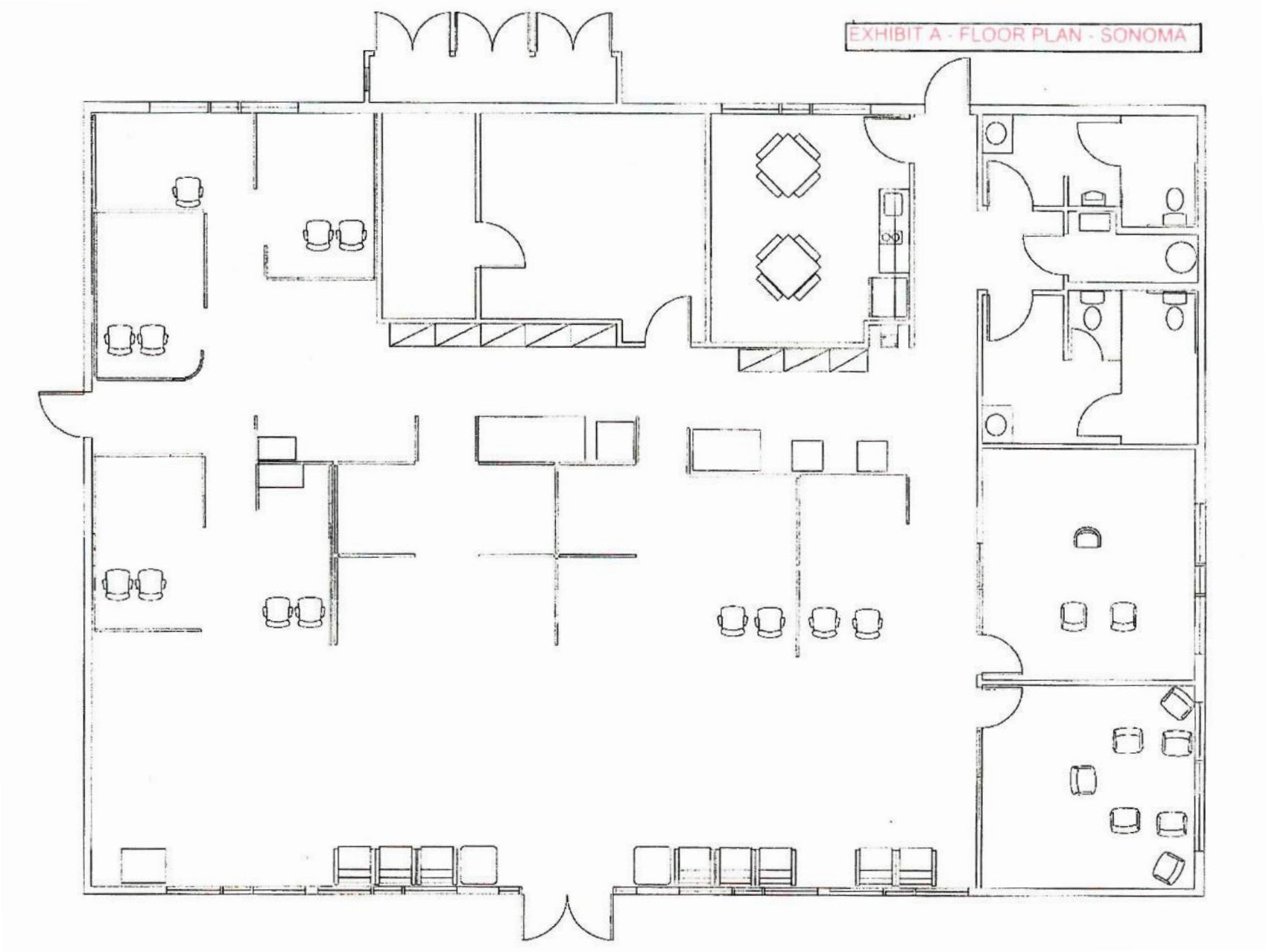
NOTE: This map was prepared for Assessment purposes only and does not indicate either parcel legality or a valid building site. No liability is assumed for the accuracy of the data delineated. The acreages are based on the information supplied to the Assessor (i.e. recorded survey maps, recorded deeds, prior assessment maps, etc.)

NOTE: Assessor's parcels do not necessarily constitute legal lots. To verify legal parcel status, check with the appropriate city or county community development or planning division.

REVISED
11-19-04=34(291)LF
1-12-06=R/S BC
05-14-14=R/S BC
01-22-15=12(292)-BC

Assessor's Map Bk. 18, Pg. 29
Sonoma County, Calif. (ACAD)
KEY 3-9-06 RL/MH

FLOOR PLAN



AREA OVERVIEW

Sonoma County Overview

Sonoma county is the northernmost county in the nine county San Francisco Bay Area Region. Sonoma sets itself apart as the single greatest wine producer of California's Wine Country Region, which includes Napa, Mendocino, and Lake Counties. Winemaking is unquestionably a defining cultural and economic feature of Sonoma.

Sonoma County Overview

- Sonoma County's population grew to 509,142 in 2017, and is projected to reach 527,287 in 2022. This five-year projection represents a growth rate of 3.6%, higher than the growth rates of the state (3%) and the country (2.7%).
- Sonoma County's 2017 median home sales price rose to \$576,000, up 7.7% from 2016. The county's median home sales price rose 75% between 2012-2017.
- Total taxable sales grew by 3.4% to \$9 billion, up from \$8.7 billion in the previous year. This translates as \$17,682 in taxable sales per resident.
- In 2017, Sonoma County had a median household income of \$66,783. Five-year projections predict that Sonoma County's median household income will grow by 13% to \$75,491 in 2022.
- Sonoma County's unemployment rate was 3.4% in 2017, below the rates of the state (4.8%) and the country (4.4%).
- 2017 Retail vacancy rate averaged 4%.
- The city of Sonoma has a lower unemployment rate, higher median household income, and higher home sales price relative to Sonoma County at large.





THE GIRL & THE FIG

SONOMA PLAZA

EL DORADO KITCHEN

SUNFLOWER CAFE

JEAN EDWARDS CELLARS

PANGLOSS CELLARS

WESTWOOD ESTATE WINES

THE TOY SHOP

76 GAS

SONOMA GRILL

UMPQUA BANK

CORNER 103



CHASE BANK

OSO SONOMA

MAYA

SONOMA BLACK BEAR DINER

BEST WESTERN SONOMA

THE RED GRAPE

G'S GENERAL STORE

PASSAGGIO WINES

BANK OF AMERICA FINANCIAL CENTER

E A DURELL & CO

BUMP WINE CELLARS

TEXTURE WINES

TOP THAT YOGURT

DELHI BELLY INDIAN BISTRO

SONOMA VALLEY MUSEUM OF ART

CENTURY 21 WINE COUNTRY

BANK OF THE WEST

WINERY SIXTEEN 603 TASTING HOUSE

CECCHETTI WINE

DONNA KELLY MAKEUP

WILLIAMS-SONOMA

PEET'S COFFEE

SONOMA VALLEY FIRE DEPARTMENT

POST OFFICE

FIRST AMERICAN TITLE COMPANY

HOMESTREET BANK

BEAUTIFUL NAILS

650

WEST 2ND STREET

RABO BANK

SONOMA VALLEY CHAMBER OF COMMERCE

SALON NOVO

WINE COUNTRY THIS WEEK

GOLDEN LIVING TRAINING CENTER

MAGLIULO'S BED & BREAKFAST

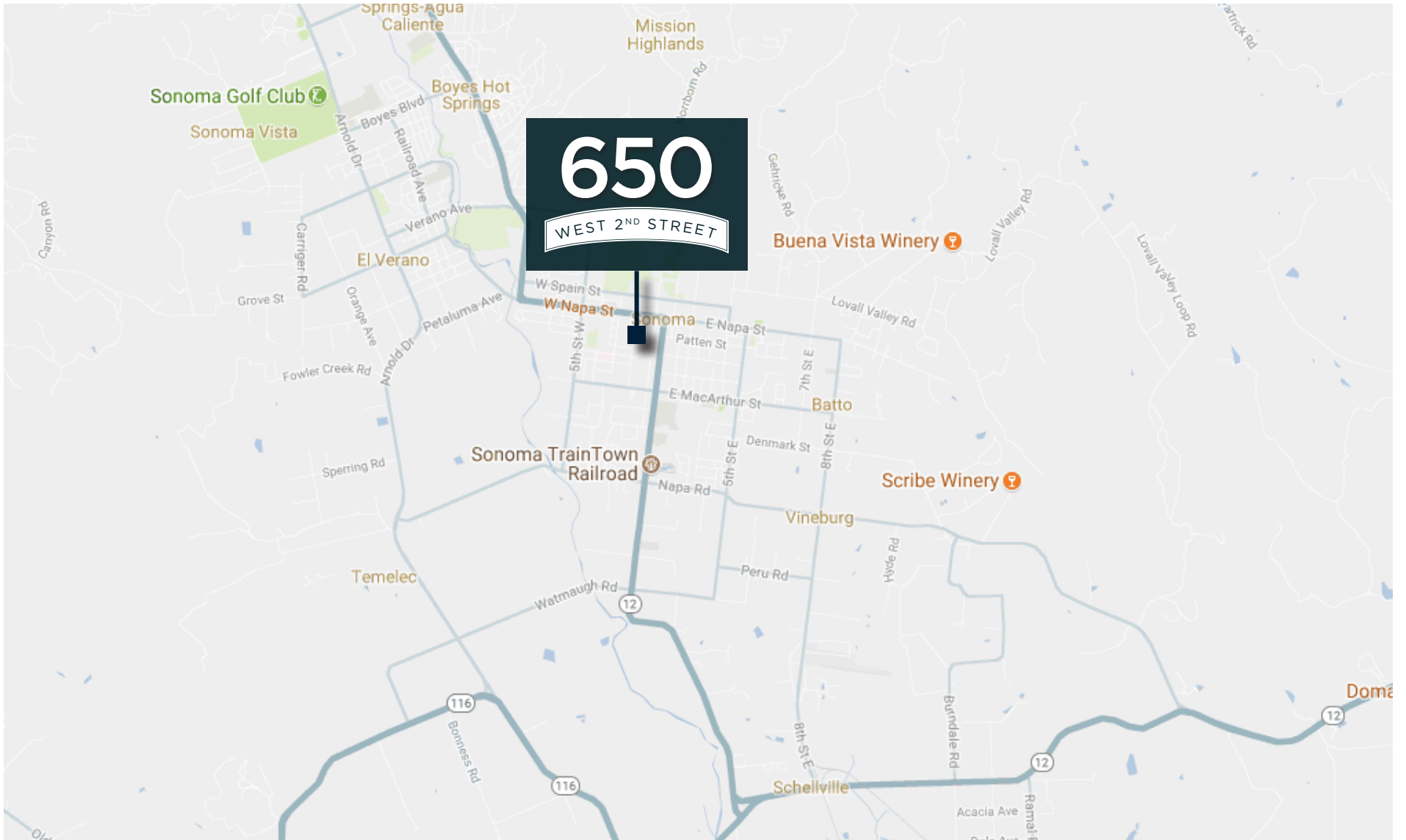
HOPMONK TAVERN SONOMA

PAT'S COPY WORLD

LIGHTHOUSE CHRISTIAN CHURCH

SPRING FLOWERS & GIFTS

DUTCH BROS COFFEE



The Property is 40 miles outside of San Francisco with superb accessibility. Access to California State Route 12 is can be reached only a block from the property. CA-12 is one of the primary east-west highways linking California and it serves as a direct link between the property and U.S. Route 101.

FINANCIALS

TENANT LEASE ABSTRACT:

650 W. 2ND STREET, SONOMA, CALIFORNIA

Tenant	American Auto Association of Northern California, Nevada, & Utah
Square Footage	3,789
Commencement Date	January 1, 2018
Expiration Date	December 31, 2022
Initial Monthly Rent	\$9,048.53 (1/1/19)
Rent Increases	3% every year
Remaining Lease Term (Yrs.)	4.6
Remaining Lease Term (Mos.)	55

PURCHASE AND EXPANSION RIGHTS

Right of First Offer	None
Right of First Refusal	None
Expansion Option	None

RENEWAL RIGHTS

Renewal Rights	None
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OPERATING EXPENSES

Reimbursement Type	NNN
Propositions 13 Protection	None



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INVESTMENT ADVISORS

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This flyer does not constitute an offer to sell the Property. Neither any Potential Purchaser nor Seller will be bound to a contract of sale unless and until both parties sign and deliver it. Seller reserves the right at any time, in its sole discretion and without notice to any person, to: (a) change any of the terms of the potential sale of the Property; (b) withdraw the Property from the market; (c) accept or reject any offers; (d) terminate discussions with any Potential Purchaser; or (e) sell all or any portion of the Property to any other person. No liability will attach to the undersigned, Seller or any other party for failure to receive, review or respond to any offer or for any other matter in connection therewith. While any information contained in this flyer is derived from sources that are believed to be reliable, neither the undersigned nor Seller can or does guarantee that that such information is accurate, and that information is provided without representation or warranty.

Prospective Purchasers should consult legal counsel with respect to the zoning and development potential of the Property, and with other consultants of Potential Purchaser's choice with regard to all aspects of the Property, including without limitation its physical and legal condition, the presence or absence of hazardous materials, its compliance with the Americans With Disabilities Act, and other matters that may affect its value, desirability and/or utility. Unless otherwise agreed in writing by Seller and its broker, (a) Prospective Purchaser's broker shall look solely to its client for the payment of any real estate commission, fee or other compensation for that broker's services, and (b) Seller and its broker shall not be liable for the payment of any such real estate commission, fee or other compensation.



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