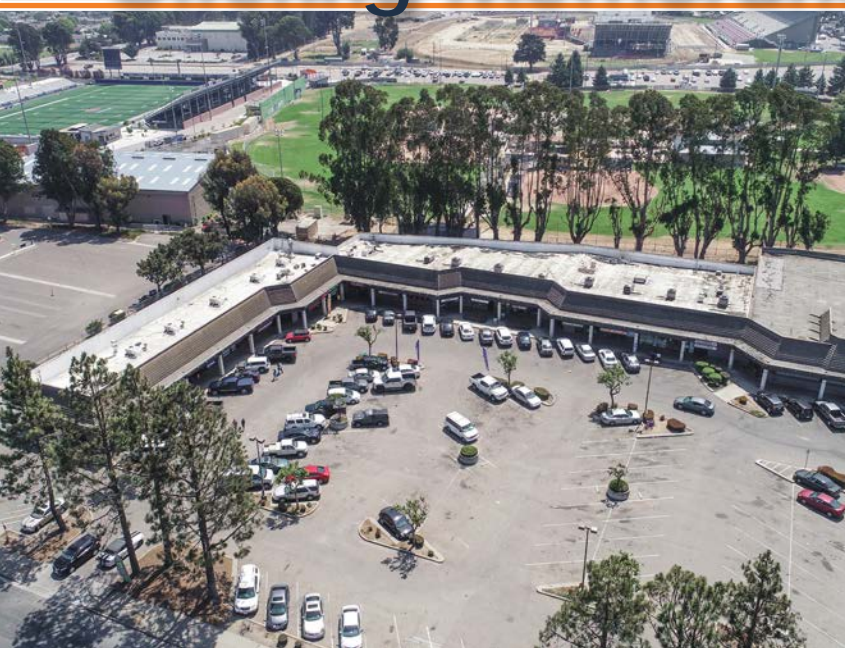




## Offering Memorandum



# Laurel Shopping Center

116 E Laurel Dr, Salinas, CA 93906

Marcus & Millichap

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## Marcus & Millichap

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# Investment Summary



# Investment Summary



Marcus & Millichap is pleased to offer for sale 116 E Laurel Dr in Salinas, California. The offering consists of 21,694± SF of community retail center which sits on 2.02 acres, shadow anchored by CVS and 99¢ Only Store. Built in 1981 as a multi-tenant component to the big box anchored center, the subject property has seen the growth in the area, especially at the nearby intersection of Laurel Drive and Main Street. Both streets are heavy arterial corridors for Salinas, boasting 50,000+ vehicles passing the property each day. Besides the national anchors in the center, several retailers surrounding the property include, Starbucks, Jack in the Box, DD's Discount, and Harbor Freight. Directly East of the subject property is the Salinas DMV, and directly South is the Salinas Sports Complex. The Salinas Sports Complex hosts numerous events each year, including Sport Tournaments, Concerts, Rodeos, and Auto Racing – pulling in large crowds from the region throughout the year. The nearly 1,000,000 SF Northridge Mall is located just 1 mile North of the Subject Property, and boasts 110 national brand restaurants, shops, and department stores.

## Investment Overview

Property Address	116 E Laurel Dr Salinas, CA 93906
List Price	\$5,500,000
CAP Rate	6.39%
Price per Foot GLA	\$253.53

## Rare, Stabilized Retail Center in Salinas, CA

- ~ 14-Tenant Center - All NNN Leases
- ~ All Seasoned Tenancy, Several Occupants have been Leasing for Over 30 Years
- ~ Robust Expense Accounts, Out of State Ownership, and Conservative Underwriting
- ~ Landlord Also Reimbursed from CVS and Albertsons, with Additional 7% Admin Fee

## Ideal Location in the Heart of Town

- ~ Located in Heart of Salinas, along Laurel Street which is a Daily Arterial Boasting Over 22,000 VPD
- ~ Nearby Intersection of Main Street and Laurel Street has Daily Traffic Counts in Excess of 52,000 VPD
- ~ Contiguous Property to the Salinas Sports Complex, a Large Event Center, and the Salinas DMV
- ~ Surrounding Retailers Include: CVS, 99¢ Only Store, Starbucks, Jack in the Box, and More

# Financial Summary

## Property Details

Property Address	116 E Laurel Dr Salinas, CA 93906
Assessor's Parcel Number	003-241-022
Gross Leasable Area (GLA)	21,694 SF
Lot Size	2.02 AC (87,991 SF)
Zoning	Commercial, MU - FG1
Year Build	1981
Ownership	Fee Simple

## Pricing Analysis

List Price	\$5,500,000
CAP Rate	6.39%
Price Per Square Foot GLA	\$253.53
Price Per Square Foot Land	\$62.51

## Financial Analysis

Gross Potential Rent	\$371,520.00
Expense Reimbursements	\$216,629.06
Gross Potential Income	\$588,149.06
Vacancy Allowance (4% of GPI)	<b>\$23,525.96</b>
Effective Gross Income	\$564,623.10
Total Expenses	<b>\$213,274.47</b>
Net Operating Income	\$351,348.63



Expenses			\$/SF	
Laurell Center	Fire Alarm, Water	\$501.73	\$0.02	
	Utilities - Water, Shops	\$10,486.33	\$0.48	
	Insurance	\$10,863.15	\$0.50	
	Property Repairs	\$3,764.83	\$0.17	
	Garbage	\$24,877.01	\$1.15	
	Building Maintenance	\$1,486.52	\$0.07	
	Sewage	\$8,001.96	\$0.37	
	Property Taxes	\$62,430.70	\$2.88	
	Utilities - Electric, Shops	\$1,756.07	\$0.08	
	Property Manager (4% of GPR)	\$14,860.80	\$0.69	
	Subtotal	\$139,029.10	\$6.41	
	Shared	Electric, Parking Lot	\$4,724.65	\$0.22
		Water, Irrigation	\$1,708.64	\$0.08
Property Security		\$13,361.99	\$0.62	
Landscaping		\$31,514.00	\$1.45	
Parking Lot		\$22,936.09	\$1.06	
Shared Subtotal	\$74,245.37	\$3.42		
Total	\$213,274.47	\$9.83		

# Rent Roll

UNIT	TENANT	GLA	GLA%	COMMENCE	EXPIRATION	OPTIONS	RENT	RENT/SF	TYPE
196	Baskin Robbins	980 SF	4.52%	1/1/1982	12/31/2021	(2) 5-Year	\$1,800.00	\$1.84	NNN
190	Camalig Café	1,000 SF	4.61%	9/1/2009	8/31/2020	(1) 5-Year	\$1,300.00	\$1.30	NNN
184	Allstate Insurance	1,000 SF	4.61%	12/1/1986	5/31/2023	(1) 5-Year	\$1,650.00	\$1.65	NNN
176	Classic Soccer Plus	1,430 SF	6.59%	6/1/2007	5/31/2021	(1) 3-Year	\$2,100.00	\$1.47	NNN
172	Laurel Optometry	1,182 SF	5.45%	5/1/1983	4/30/2020	(1) 5-Year	\$1,800.00	\$1.52	NNN
170	Juquilita Market	1,763 SF	8.13%	5/15/2000	12/31/2021	(1) 5-Year	\$2,140.00	\$1.21	NNN
156	Salinas Pizza & Pints	3,729 SF	17.19%	4/15/1982	4/30/2020	(2) 5-Year	\$5,200.00	\$1.39	NNN
144	World Wireless	1,050 SF	4.84%	10/1/2006	5/31/2020	(1) 5-Year	\$1,470.00	\$1.40	NNN
138	BKM Fruit Store	1,295 SF	5.97%	2/1/1996	6/30/2023	(1) 5-Year	\$1,900.00	\$1.47	NNN
134	Gabby's Beauty Salon	1,430 SF	6.59%	8/10/2002	8/31/2020	(1) 5-Year	\$2,150.00	\$1.50	NNN
130	Scorpio Imports	1,473 SF	6.79%	2/24/1998	2/28/2020	(2) 3-Year	\$2,050.00	\$1.39	NNN
122	Payless Cleaners	1,912 SF	8.81%	2/1/1994	11/30/2022	(2) 5-Year	\$2,500.00	\$1.31	NNN
120	Sunshine Health	1,700 SF	7.84%	7/1/2011	7/31/2023	(1) 5-Year	\$2,400.00	\$1.41	NNN
116	Tres Hermanos	1,750 SF	8.07%	8/8/2004	8/31/2019	(2) 5-Year	\$2,500.00	\$1.43	NNN
		21,694 SF	100.00%	100.00%			\$30,960.00	\$1.43	
Annualized Total							\$371,520.00	\$17.13	



# CAM Estimates

Subject Estimated CAM Reimbursements	Baskin Robbins	Camalig Café	Allstate Insurance	Classic Soccer Plus	Laurel Optometry	Juquilita Market	Salinas Pizza & Pints	World Wireless	BKM Fruit Store	Gabby's Beauty Salon	Scorpio Imports	Payless Cleaners	Sunshine Health	Tres Hermanos	TOTALS
Unit	196	190	184	176	172	170	156	144	138	134	130	122	120	116	
Pro Rata	4.52%	4.61%	4.61%	6.59%	5.45%	8.13%	17.19%	4.84%	5.97%	6.59%	6.79%	8.81%	7.84%	8.07%	100%
Fire Alarm, Water	\$23	\$23	\$23	\$33	\$27	\$41	\$86	\$24	\$30	\$33	\$34	\$44	\$39	\$40	\$502
Utilities - Water, Shops	\$474	\$483	\$483	\$691	\$571	\$852	\$1,803	\$508	\$626	\$691	\$712	\$924	\$822	\$846	\$10,486
Insurance	\$491	\$501	\$501	\$716	\$592	\$883	\$1,867	\$526	\$648	\$716	\$738	\$957	\$851	\$876	\$10,863
Property Repairs	\$170	\$174	\$174	\$248	\$205	\$306	\$647	\$182	\$225	\$248	\$256	\$332	\$295	\$304	\$3,765
Garbage	\$1,223	\$1,248	\$1,248	\$1,785	\$1,475	\$-	\$4,654	\$1,311	\$1,616	\$1,785	\$1,839	\$2,386	\$2,122	\$2,184	\$24,877
Sewer	\$194	\$606	\$194	\$194	\$248	\$2,392	\$1,489	\$194	\$606	\$194	\$194	\$637	\$194	\$667	\$8,002
Building Maintenance	\$67	\$69	\$69	\$98	\$81	\$121	\$256	\$72	\$89	\$98	\$101	\$131	\$116	\$120	\$1,487
Property Taxes	\$2,820	\$2,878	\$2,878	\$4,115	\$3,402	\$5,074	\$10,731	\$3,022	\$3,727	\$4,115	\$4,239	\$5,502	\$4,892	\$5,036	\$62,431
Elec, Shops (21%)	\$79	\$81	\$81	\$116	\$96	\$143	\$302	\$85	\$105	\$116	\$119	\$155	\$138	\$142	\$1,756
Elec, Parking Lot (21%)	\$58	\$59	\$59	\$84	\$70	\$104	\$219	\$62	\$76	\$84	\$87	\$112	\$100	\$103	\$1,276
Water, Irrigation (21%)	\$21	\$21	\$21	\$30	\$25	\$37	\$79	\$22	\$28	\$30	\$31	\$41	\$36	\$37	\$461
Property Security (21%)	\$163	\$166	\$166	\$238	\$197	\$293	\$620	\$175	\$215	\$238	\$245	\$318	\$283	\$291	\$3,608
Landscaping (21%)	\$384	\$392	\$392	\$561	\$464	\$691	\$1,463	\$412	\$508	\$561	\$578	\$750	\$667	\$686	\$8,509
Parking Lot (21%)	\$280	\$285	\$285	\$408	\$337	\$503	\$1,064	\$300	\$370	\$408	\$420	\$546	\$485	\$500	\$6,193
Sub Total	\$6,446	\$6,987	\$6,574	\$9,317	\$7,789	\$11,440	\$25,281	\$6,893	\$8,869	\$9,317	\$9,592	\$12,836	\$11,040	\$11,833	\$144,215
CAM Admin (10%)	\$645	\$699	\$657	\$932	\$779	\$1,144	\$2,528	\$689	\$887	\$932	\$959	\$1,284	\$1,104	\$1,183	\$14,421
Total	\$7,091	\$7,685	\$7,231	\$10,249	\$8,568	\$12,584	\$27,810	\$7,582	\$9,756	\$10,249	\$10,551	\$14,119	\$12,144	\$13,016	\$158,636

Per the Shopping Center's Common Area Agreement, the Owner of 'Lot 1' (Subject Property) is responsible to cover the costs to maintain the Center's Common Areas. The Owner's of Lots 2 and 3 shall Reimburse the Owner of Lot 1 for costs to maintain.

Shopping Center Shared Reimbursements	Monthly Expense	Annual Expense	Lot 1 Subject	Lot 1 Expenses	Lot 2 CVS	Lot 2 Expenses	Lot 3 Albertsons	Lot 3 Expenses	Reimbursed
Electric, Parking Lot	\$393.72	\$4,724.65	27%	\$1,275.66	32.4%	\$1,530.79	40.6%	\$1,918.21	\$3,448.99
Water, Irrigation	\$142.39	\$1,708.64	27%	\$461.33	32.4%	\$553.60	40.6%	\$693.71	\$1,247.31
Property Security	\$1,113.50	\$13,361.99	27%	\$3,607.74	32.4%	\$4,329.28	40.6%	\$5,424.97	\$9,754.25
Landscaping	\$2,626.17	\$31,514.00	27%	\$8,508.78	32.4%	\$10,210.54	40.6%	\$12,794.68	\$23,005.22
Parking Lot	\$1,911.34	\$22,936.09	27%	\$6,192.74	32.4%	\$7,431.29	40.6%	\$9,312.05	\$16,743.35
Expense Total	\$6,187.11	\$74,245.37		\$20,046.25		\$24,055.50		\$30,143.62	\$54,199.12
CAM Admin Fee	-	-	-	0	7%	\$1,683.88	7%	\$2,110.05	\$3,793.94
Total Reimb				\$20,046.25		\$25,739.38		\$32,253.67	\$57,993.06

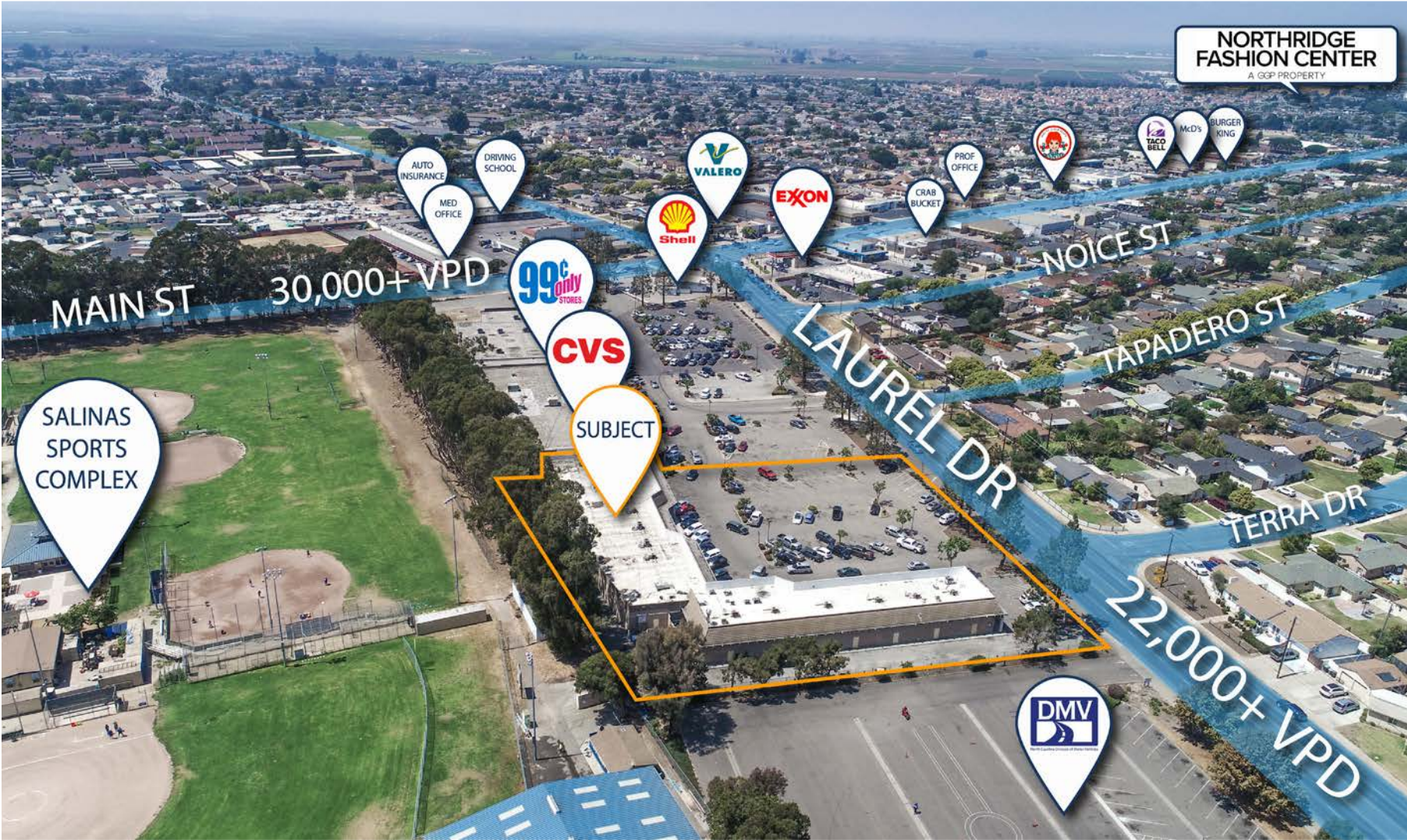




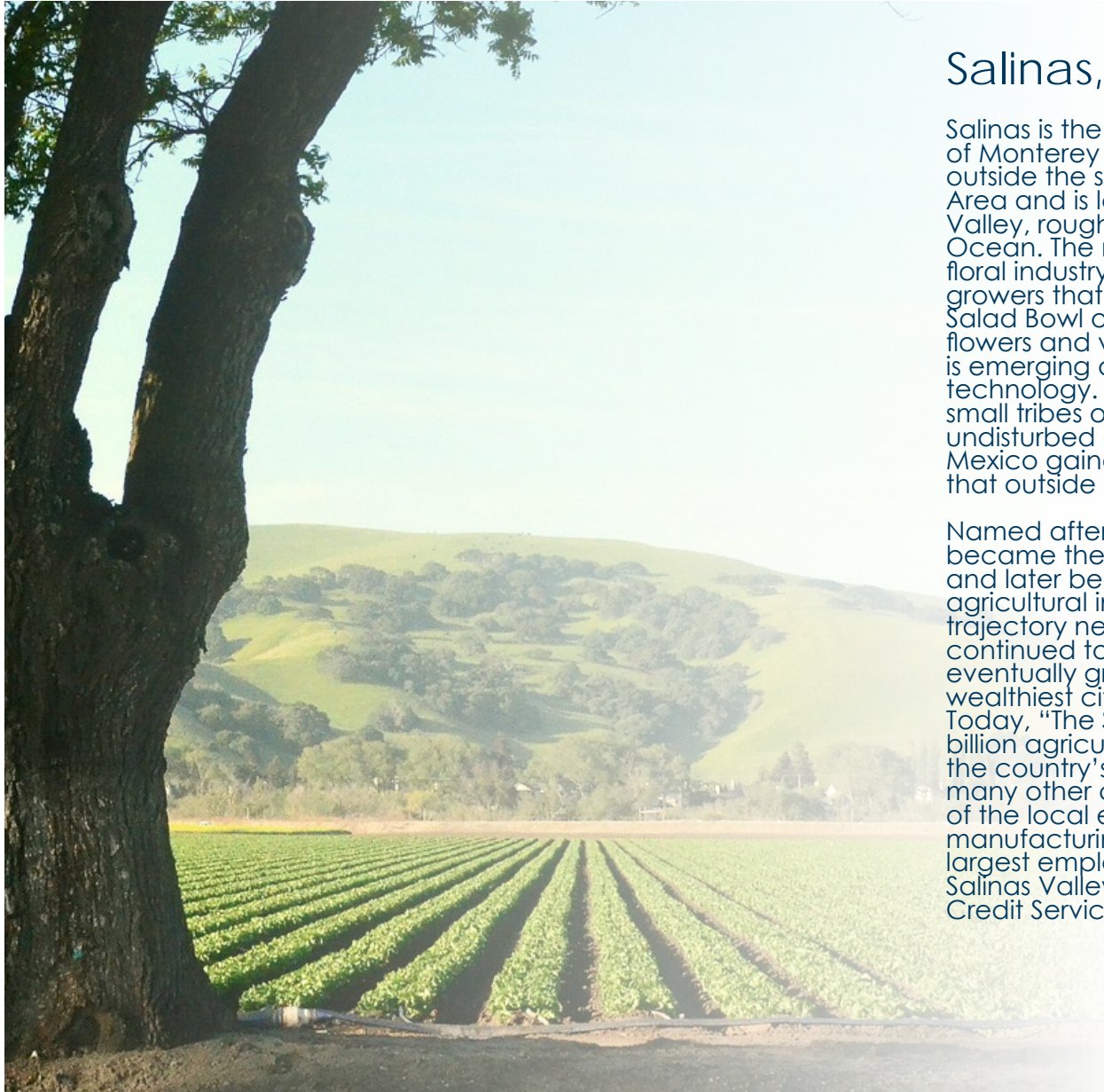


# Property Aerial





## City Overview



### Salinas, California

Salinas is the county seat and largest municipality of Monterey County. The city is located just outside the southern portion of the greater Bay Area and is located at the mouth of the Salinas Valley, roughly eight miles from the Pacific Ocean. The marine climate is ideal for the floral industry, grape vineyards, and vegetable growers that inhabit the area. Known as "The Salad Bowl of the World" for its fresh produce, flowers and vineyards, more recently, the region is emerging as a world hub of agricultural technology. Salinas' earliest inhabitants were small tribes of Native Americans who were largely undisturbed during the Spanish era. It wasn't until Mexico gained independence from Spain in 1822 that outside settlers began to arrive in Salinas.

Named after a nearby salt marsh, Salinas became the seat of Monterey County in 1872, and later became incorporated in 1874. The agricultural industry really began its growth trajectory near the end of the 1800's. Agriculture continued to be the area's major industry, eventually growing in value to help make it the wealthiest cities (per capita) in the United States. Today, "The Salad Bowl of the World" fuels a \$2 billion agriculture industry which supplies 80% of the country's lettuce and artichokes, along with many other crops. Agriculture is the foundation of the local economy, however, more than 100 manufacturing firms call Salinas home. The area's largest employers include: Dole Fresh Vegetable, Salinas Valley Memorial Hospital, Household Credit Services, and the County of Monterey.

# Market Demographics



Population	1 Miles	3 Miles	5 Miles
2022 Population	28,497	156,906	168,910
2017 Population	28,519	154,622	165,833
2010 Population	27,153	147,068	157,728
2000 Population	25,190	148,274	156,840

Households	1 Miles	3 Miles	5 Miles
2022 Households	8,721	42,890	46,271
2017 Households	8,479	41,341	44,484
2010 Households	8,038	39,435	42,440
2000 Households	7,306	37,382	40,085

Households by Income	1 Miles	3 Miles	5 Miles
\$150,000 or More	4.97%	6.48%	6.66%
\$100,000 - \$149,000	12.30%	11.65%	11.79%
\$75,000 - \$99,999	14.96%	12.89%	13.18%
\$50,000 - \$74,999	21.30%	20.21%	20.29%
\$35,000 - \$49,999	16.92%	15.90%	15.71%
Under \$35,000	29.56%	32.87%	32.38%
Average Household Income	\$65,657	\$68,000	\$68,886
Median Household Income	\$53,175	\$51,217	\$51,912

## Population

In 2017, the population in your selected geography is 28,519. The population has changed by 13.22% since 2000. It is estimated that the population in your area will be 28,497.00 five years from now, which represents a change of -0.08% from the current year. The current population is 49.35% male and 50.65% female. The median age of the population in your area is 31.26, compare this to the US average which is 37.83. The population density in your area is 9,071.12 people per square mile.

## Households

There are currently 8,479 households in your selected geography. The number of households has changed by 16.06% since 2000. It is estimated that the number of households in your area will be 8,721 five years from now, which represents a change of 2.85% from the current year. The average household size in your area is 3.17 persons.

## Household Income

In 2017, the median household income for your selected geography is \$53,175, compare this to the US average which is currently \$56,286. The median household income for your area has changed by 20.35% since 2000. It is estimated that the median household income in your area will be \$59,051 five years from now, which represents a change of 11.05% from the current year.

The current year per capita income in your area is \$19,671, compare this to the US average, which is \$30,982. The current year average household income in your area is \$65,657, compare this to the US average which is \$81,217.

## Race and Ethnicity

The current year racial makeup of your selected area is as follows: 43.90% White, 2.36% Black, 0.37% Native American and 8.66% Asian/Pacific Islander. Compare these to US averages which are: 70.42% White, 12.85% Black, 0.19% Native American and 5.53% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 73.61% of the current year population in your selected area. Compare this to the US average of 17.88%.

## Housing

The median housing value in your area was \$309,291 in 2017, compare this to the US average of \$193,953. In 2000, there were 3,479 owner occupied housing units in your area and there were 3,827 renter occupied housing units in your area. The median rent at the time was \$716.

## Employment

In 2017, there are 5,138 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 51.72% of employees are employed in white-collar occupations in this geography, and 48.21% are employed in blue-collar occupations. In 2017, unemployment in this area is 6.35%. In 2000, the average time traveled to work was 24.00 minutes.



# Marcus & Millichap

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