



# Grocery Anchored Center in Kerman, California



## Kerman Shopping Plaza



**\$10,600,000**  
**(\$104 psf)**

### OFFERING MEMORANDUM

Listed for Sale Exclusively by:

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COMMERCIAL

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# Property Overview

Monument Signage



## Highlights

- Offering includes: McDonald's, Garcia's Market, Family Dollar, O'Reilly Auto Parts and Dollar Tree
- McDonald's and Stop 'N' Go ground leases are well below market rent
- Offering consists of five separate parcels, providing a flexible exit strategy
- Priced attractively at \$104 PSF with potential upside in lease-up of  $\pm 11,810$  SF vacant space
- Garcia's recently exercised their renewal option early (in May 2015) (currently pay only \$0.34 per square foot per month)
- Low NNN's at only \$0.18 PSF
- To be delivered free and clear of debt



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# Investment Summary



## Kerman Shopping Plaza

### Highlights

15000-15208 W. Whitesbridge Ave.  
Kerman, CA 93630

<b>Price</b>	\$10,600,000
<b>Price/SF</b>	\$104
<b>NOI (in place)</b>	\$744,758
<b>CAP</b>	7.0%
<b>Occupancy</b>	88.4%
<b>Leasable Space</b>	± 101,870 SF
<b>Land Area</b>	± 11.05 acres (± 481,615 SF)
<b>APNs (Fresno)</b>	020-120-19, 20, 21, 22, 23

## Investment Overview

Core Commercial is pleased to present Kerman Shopping Plaza For Sale. This uniquely-anchored shopping center located in the city of Kerman consists of approximately ±101,870 SF of leasable space situated on five parcels totaling over ±11.05 acres. The center is currently 88.4% occupied. Anchor tenancy of the subject center includes: O'Reilly Auto Parts, Garcia's Market, Family Dollar and Dollar Tree. Additionally, Stop 'N' Go and McDonald's are located on ground leased pads at the center.

The shopping center is located on a highly-visible intersection of Whitesbridge Avenue (Highway 180) and Madera Avenue (Highway 145), the main retail intersection of Kerman, and benefits from traffic counts of over 26,000 vehicles per day. Retail presence of the Kerman Shopping Plaza is increased substantially by presence of other dominant retailers at this intersection, including: CVS, Auto Zone, Carl's Jr., Burger King and Valley Foods (independently owned grocery store).





*Kerman Shopping Plaza*



McDonald's Ground Leased Pad (included)



*Kerman Shopping Plaza*

Rico's Tacos Kiosk



Stop 'N' Go Gas Station (ground lease, included)



# Investment Highlights

## Retail Presence:

Kerman Shopping Plaza is well positioned at the dominant, signalized intersection of HWY 180 & 145. Average daily traffic counts at the intersection reach approximately 26,000 vehicles per day. The offering benefits from excellent exposure, as well as access, from both thoroughfares.

## Sustainable Rents:

Both McDonald's and Stop 'N' Go ground leases are at very low rent. Additionally, the average in place rents for Family Dollar, Dollar Tree, O'Reilly and Garcia's Market equate to \$0.45 PSF.

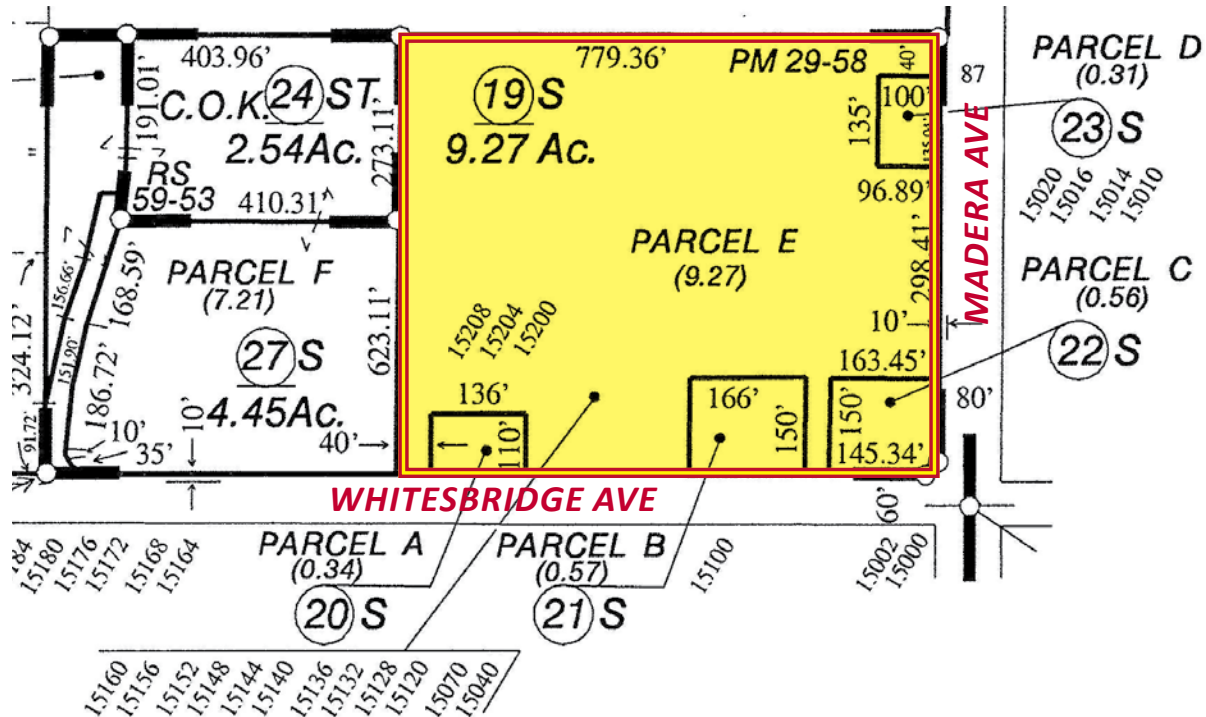
## Flexible Exit Strategy:

The offering is comprised of five separate parcels, four of which are outparcels to the center with excellent exposure and frontage along HWY 180 & 45. This allows for a buyer to explore and consider flexible exit opportunities in the future.



Kerman Shopping Plaza

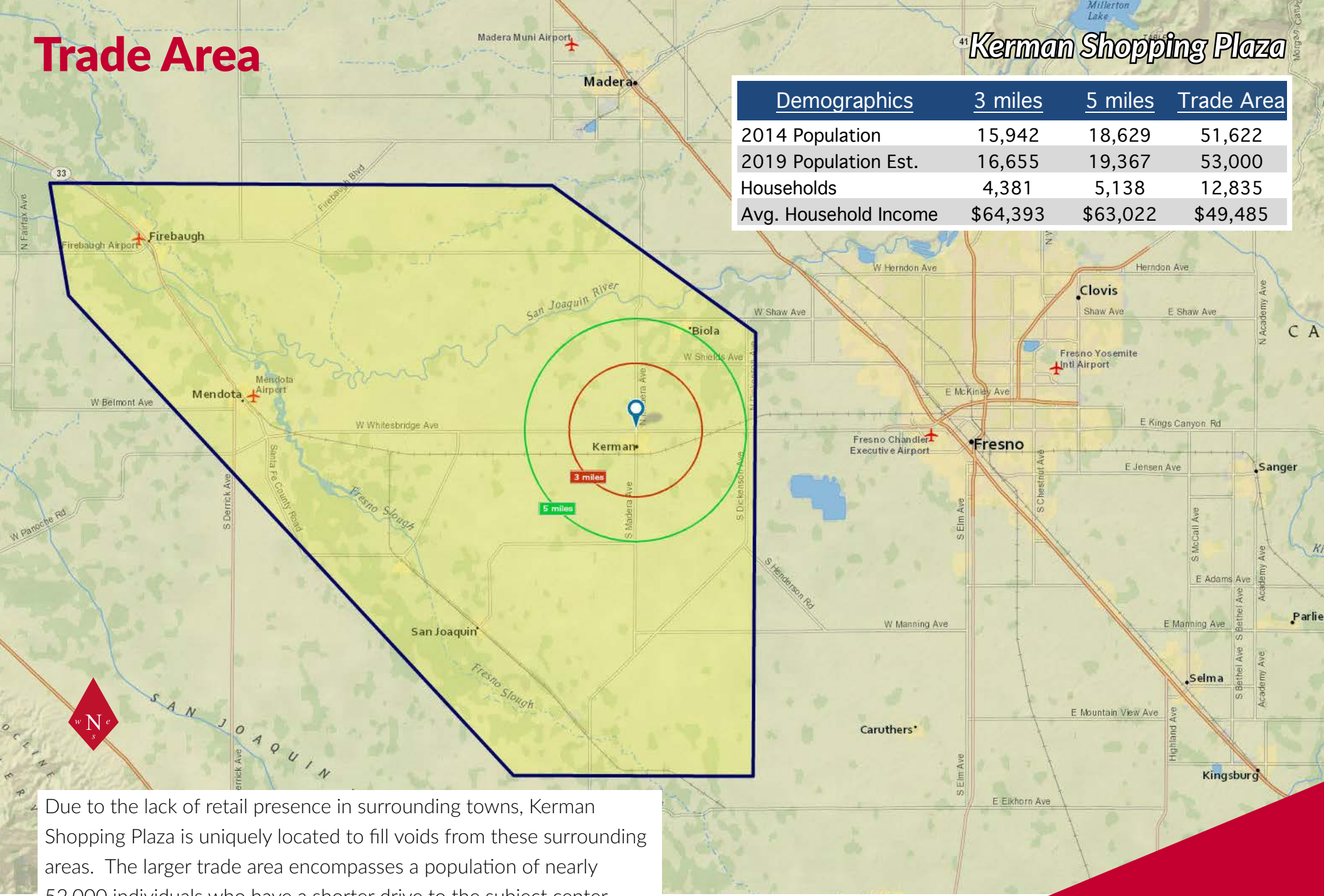
## Parcel Map



# Trade Area

## Kerman Shopping Plaza

Demographics	3 miles	5 miles	Trade Area
2014 Population	15,942	18,629	51,622
2019 Population Est.	16,655	19,367	53,000
Households	4,381	5,138	12,835
Avg. Household Income	\$64,393	\$63,022	\$49,485



Due to the lack of retail presence in surrounding towns, Kerman Shopping Plaza is uniquely located to fill voids from these surrounding areas. The larger trade area encompasses a population of nearly 52,000 individuals who have a shorter drive to the subject center rather than neighboring cities of Fresno or Madera.

# Retail Aerial

**KERMAN SHOPPING PLAZA**  
Garcia's Market

O'Reilly AUTO PARTS  
SUBWAY  
DOLLAR TREE  
Round table PIZZA  
McDonald's

**SUBJECT PROPERTY**



City Hall

WHITESBRIDGE AVE

STANISLAUS AVE

KEARNEY BLVD

G ST

F ST

D ST

MADERA AVE

VINELAND AVE

GOLDENROD AVE

Kerman Union High School

Nova High School

Kerman Middle School

Goldenrod Elementary School

DEL NORTE AVE

MIDDLETON AVE

1ST ST

SUNSET AVE

E ST





# Rent Roll

## Kerman Shopping Plaza

Suite	Tenant Name	Size (±)	Share	Term		Rent				Increases		Options / Comments
				Start	End	Annual	\$/SF/Yr	Monthly	\$/SF/M	On	To	
15000	Martin Oil (Stop N Go) <i>Ground Lease, included</i>	-	N/A	Mar-81	Feb-18	\$36,504	N/A	\$3,042	N/A	Mar-18 Mar-23	\$3,500 \$4,025	1, 5-yr+10-mo, and 1, 5-yr option
15100	McDonald's <i>Ground Lease, included</i>	-	N/A	Nov-79	Jan-20	\$27,756	N/A	\$2,313	N/A	Opt 4 Opt 5	\$2,562 \$2,813	2, 5-yr options remain
15020	Handistop Liquor	1,050	1.0%	Feb-90	MTM	\$17,724	\$16.88	\$1,477	\$1.41	N/A		MTM since 6/11, property manager states tenant has no intention of moving. Tenant since 1990, Landlord keeping MTM to provide for potential larger end-cap tenant
15040	Garcia's Market	23,220	22.8%	Mar-11	Mar-21	\$107,520	\$4.63	\$8,960	\$0.39	Opt 2 Opt 3	\$10,035 \$11,240	2, 5-yr options, tenant recently exercised their 1st option early
15070	Family Dollar Stores	13,500	13.3%	Aug-12	Jun-22	\$89,100	\$6.60	\$7,425	\$0.55	Jul-17 Opt 1 Opt 2 Opt 3	\$8,168 \$8,984 \$9,883 \$10,871	3, 5-yr options
15128	Subway	1,400	1.4%	Jun-92	Jun-17	\$14,280	\$10.20	\$1,190	\$0.85	Jul-15 Jul-16	\$1,260 \$1,330	2, 5-yr options at FMR
15132	Payless Shoes	3,150	3.1%	Aug-96	Aug-16	\$19,200	\$6.10	\$1,600	\$0.51	N/A (% rent)		None remain, Tenant pays % rent only due to co-tenancy provision in lease
15140	Blue Turtle Cafe	1,750	1.7%	Jan-10	Jan-16	\$27,300	\$15.60	\$2,275	\$1.30	N/A		None
15144	Jalisco Jewelry	1,540	1.5%	Dec-94	Apr-18	\$23,904	\$15.52	\$1,992	\$1.29	May-15 May-16 May-17	\$2,062 \$2,134 \$2,209	None
15148	Centravel	1,050	1.0%	Apr-97	Feb-18	\$14,496	\$13.81	\$1,208	\$1.15	Mar-16 Mar-17	\$1,239 \$1,281	None
15152	Launderday	2,100	2.1%	Jun-91	Apr-16	\$32,760	\$15.60	\$2,730	\$1.30	4% Annual Inc. (May)		1, 5-yr option at FMR, tenant also operates Subway
15156	Dollar Tree	8,750	8.6%	Oct-96	Sep-19	\$52,500	\$6.00	\$4,375	\$0.50	Fixed		None remain, recently exercised 5-year renewal option
15164	Cigarette Store	1,400	1.4%	Dec-13	Nov-18	\$17,640	\$12.60	\$1,470	\$1.05	Dec-15 Dec-16 Dec-17	\$1,540 \$1,610 \$1,680	1, 5-yr option at FMR
15168	Super B Salon	1,050	1.0%	Jun-10	MTM	\$16,380	\$15.60	\$1,365	\$1.30	N/A		None
15176	Fresno County	3,850	3.8%	Feb-95	MTM	\$66,636	\$17.31	\$5,553	\$1.44	Option	2%	Ongoing 1-yr options with 2% inc., has been exercising options for past 5-6 years

# Rent Roll (continued)

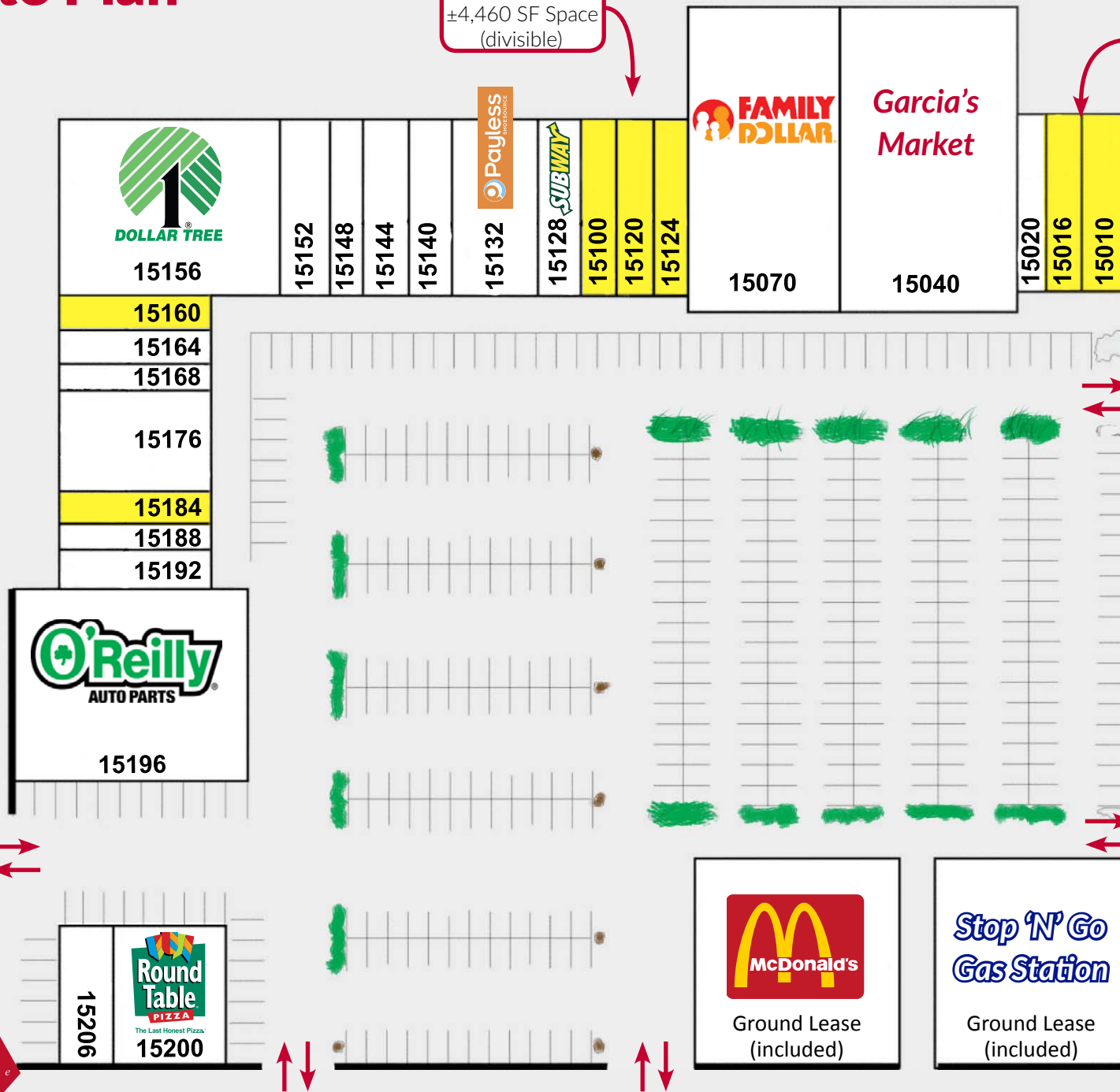
Suite	Tenant Name	Size (±)	Share	Term		Rent				Increases		Options / Comments
				Start	End	Annual	\$/SF/Yr	Monthly	\$/SF/M	On	To	
15188	Eyebrow Threading	1,050	1.0%	Oct-15	Sep-18	\$13,230	\$12.60	\$1,103	\$1.05	Oct-16	\$1,155	
										Oct-15	\$1,208	
15192	Jaliscience Electronics	1,540	1.5%	Dec-12	Nov-15	\$22,176	\$14.40	\$1,848	\$1.20	N/A		None
15196	O'Reilly Auto Parts	17,640	17.3%	Sep-12	Sep-22	\$95,256	\$5.40	\$7,938	\$0.45	Oct-17	\$8,573	3, 5-yr options
										Opt 1	\$9,260	
										Opt 2	\$10,000	
										Opt 3	\$10,800	
15200	Round Table Pizza	4,795	4.7%	Oct-02	Sep-19	\$63,300	\$13.20	\$5,275	\$1.10	Oct-15	\$5,754	1, 5-yr option at FMR
										Oct-17	\$6,234	
15206	The Dance Studio	1,225	1.2%	Dec-13	Feb-17	\$19,848	\$16.20	\$1,654	\$1.35	Feb-16	\$1,715	1, 3-yr option at FMR
Kiosk	Rico's Tacos	0	0.0%	Dec-13	Feb-17	\$8,580	N/A	\$715	N/A	Aug-15	\$740	1, 1-year option at FMR
										Aug-16	\$765	
<b>Subtotal Leased</b>		<b>90,060</b>	<b>88.4%</b>			<b>\$786,090</b>	<b>\$8.73</b>	<b>\$65,508</b>	<b>\$0.73</b>			
15010	Vacant	2,625	2.6%						\$1.25			
15016	Vacant	1,925	1.9%						\$1.15			
15100	Vacant	1,400	1.4%						\$1.25			
15120	Vacant	1,470	1.4%						\$1.25			
15124	Vacant	1,590	1.6%						\$1.25			
15160	Vacant	1,400	1.4%						\$0.85			

# Site Plan

## Kerman Shopping Plaza

Currently one  
±4,460 SF Space  
(divisible)

Currently one  
±4,550 SF Space  
(divisible)



Unit	Tenant	Size (SF)
15010	AVAILABLE	2,625
15016	AVAILABLE	1,925
15020	Handistop Liquor	1,050
15040	Garcia's Market	23,220
15070	Family Dollar	13,500
15100	AVAILABLE	1,400
15120	AVAILABLE	1,470
15124	AVAILABLE	1,590
15128	Subway	1,400
15132	Payless	3,150
15140	Blue Turtle Juice Bar	1,750
15144	Jalisco Jewellery	1,540
15148	Centravel	1,050
15152	Launderday	2,100
15156	Dollar Tree	8,750
15160	AVAILABLE	1,400
15164	K-City Smoke Shop	1,400
15168	Super B Salon	1,050
15176	Fresno County	3,850
15184	AVAILABLE	1,400
15188	Nail Salon	1,050
15192	Jaliscience Elect.	1,540
15196	O'Reilly Auto Parts	17,640
15200	Round Table Pizza	4,795
15206	Dance Studio	1,225

Leased	90,060 SF
Available	11,810 SF
<b>Total GLA</b>	<b>101,870 SF</b>



WHITESBRIDGE AVE

MADERA AVE

Valuation Summary		In-Place CY 2016	Stabilized Cy 2016
Min. Rent, Leased	90,060 SF	794,902	794,902
Min. Rent, Vacancies	11,810 SF	-	166,440
NNN, Leased		175,320	175,320
NNN, Vacancies		-	35,352
<b>Total Gross Income</b>		<b>\$970,222</b>	<b>\$1,172,014</b>
Vacancy Allowance			5.0% (45,107) <sup>1</sup>
<b>Effective Gross Income</b>		<b>\$970,222</b>	<b>\$1,126,908</b>
<b>Expenses</b>			
Common Area Charges		50,605	50,605 <sup>2</sup>
Property Taxes		118,800	118,800 <sup>3</sup>
Insurance		17,250	17,250 <sup>4</sup>
Mgmt Fees	4.0%	38,809	4.0% 45,076
<b>Total Expenses</b>		<b>(225,464)</b>	<b>(231,731)</b>
<b>Net Operating Income</b>		<b>\$744,758</b>	<b>\$895,176</b>

### Footnotes

- 1 Not applied to income from McDonald's, Family Dollar, or O'Reilly Auto Parts
- 2 From 2015 Budget
- 3 Assumed reassessed upon sale
- 4 Based on owner's 2015 Budget

# 10-Year Cash Flow

## Kerman Shopping Plaza

For the Years Ending	Year 1 Dec-2016	Year 2 Dec-2017	Year 3 Dec-2018	Year 4 Dec-2019	Year 5 Dec-2020	Year 6 Dec-2021	Year 7 Dec-2022	Year 8 Dec-2023	Year 9 Dec-2024	Year 10 Dec-2025	Year 11 Dec-2026	
Scheduled Base Rental Revenue	825,314	942,871	996,089	1,008,837	1,058,595	1,053,459	1,077,137	1,150,307	1,178,528	1,224,245	1,258,135	
Total Reimbursement Revenue	174,107	194,489	209,567	217,309	230,948	231,675	231,886	252,191	257,472	265,325	260,544	
<b>Total Potential Gross Revenue</b>	<b>999,421</b>	<b>1,137,360</b>	<b>1,205,656</b>	<b>1,226,146</b>	<b>1,289,543</b>	<b>1,285,134</b>	<b>1,309,023</b>	<b>1,402,498</b>	<b>1,436,000</b>	<b>1,489,570</b>	<b>1,518,679</b>	
General Vacancy			(14,196)	(13,547)	(41,647)	(7,561)	(17,746)	(18,941)	(21,204)	(34,803)	(23,469)	
<b>Effective Gross Revenue</b>	<b>999,421</b>	<b>1,137,360</b>	<b>1,191,460</b>	<b>1,212,599</b>	<b>1,247,896</b>	<b>1,277,573</b>	<b>1,291,277</b>	<b>1,383,557</b>	<b>1,414,796</b>	<b>1,454,767</b>	<b>1,495,210</b>	
<b>Operating Expenses</b>												
Utilities	8,220	8,467	8,721	8,982	9,252	9,529	9,815	10,110	10,413	10,725	11,047	
Repairs & Maintenance	42,385	43,657	44,966	46,315	47,705	49,136	50,610	52,128	53,692	55,303	56,962	
Insurance	17,250	17,768	18,301	18,850	19,415	19,997	20,597	21,215	21,852	22,507	23,183	
Property Tax	118,800	121,176	123,600	126,072	128,593	131,165	133,788	136,464	139,193	141,977	144,817	
Management Fee	29,983	34,121	35,744	36,378	37,437	38,327	38,738	41,507	42,444	43,643	44,856	
<b>Total Operating Expenses</b>	<b>(216,638)</b>	<b>(225,189)</b>	<b>(231,332)</b>	<b>(236,597)</b>	<b>(242,402)</b>	<b>(248,154)</b>	<b>(253,548)</b>	<b>(261,424)</b>	<b>(267,594)</b>	<b>(274,155)</b>	<b>(280,865)</b>	
<b>Net Operating Income</b>	<b>782,783</b>	<b>912,171</b>	<b>960,128</b>	<b>976,002</b>	<b>1,005,494</b>	<b>1,029,419</b>	<b>1,037,729</b>	<b>1,122,133</b>	<b>1,147,202</b>	<b>1,180,612</b>	<b>1,214,345</b>	
<b>Leasing &amp; Capital Costs</b>												
Tenant Improvements	84,001	96,688	50,798	67,551		34,996	140,490	37,773	18,955	66,274		
Leasing Commissions	27,747	26,143	22,500	30,249		22,457	57,684	25,068	11,696	26,935		
Capital Reserves	15,281	15,739	16,211	16,698	17,199	17,715	18,246	18,793	19,357	19,938		
<b>Total Leasing &amp; Capital Costs</b>	<b>(127,029)</b>	<b>(138,570)</b>	<b>(89,509)</b>	<b>(114,498)</b>	<b>(17,199)</b>	<b>(75,168)</b>	<b>(216,420)</b>	<b>(81,634)</b>	<b>(50,008)</b>	<b>(113,147)</b>		
Acquisition & Disposition	10,600,000									15,668,968	7.75%	
										(470,069)	3.0%	
											Reversion Cap	
											Cost of Sale	
<b>Cash Flow Before Debt</b>	<b>(10,600,000)</b>	<b>655,754</b>	<b>773,601</b>	<b>870,619</b>	<b>861,504</b>	<b>988,295</b>	<b>954,251</b>	<b>821,309</b>	<b>1,040,499</b>	<b>1,097,194</b>	<b>16,266,364</b>	10.9%
												Unleveraged IRR



# Assumptions

## GLOBAL

Analysis Period	
Commencement Date	January 2016
Term (Yrs)	10
Area Measures	
Subject GLA	101,870
Total GLA Owned & Managed	101,870
General Vacancy (after absorption & turnover)	5%
Exclusions	McDonald's, Family Dollar, O'Reilly
Annual Growth Rates	
Market Rent Growth	
Yrs 1-2	2%
Yrs 3+	3%
General	3%
Property Taxes	2% (per Prop 13)
Management Fees (non-reimbursed)	
% of Eff. Gross Income	4%
Capital Reserves	\$0.15 PSF
Expense Recovery Type(s)	
General Shops	NNN
Operating Expense Source	2015 Budget
Property Taxes	
Reassessed	Yes

## CURRENT VACANCIES AND SECOND GENERATION LEASING

Retention Ratio	75%
Lease Term	5 Yrs
Monthly Market Rent	See schedule
Rent Adjustments	3% annually
Expense Recovery Type	NNN
Tenant Improvements	\$15, globally
Leasing Commissions	5% Yrs 1-5 + 2.5% Yrs 6-10
Downtime	6 months

## MARKET RENT FOR CURRENT VACANCIES

Suite	Size	Start Mo	Rate (\$/SF)	
15010	2,625 SF	6	\$1.25 PSF	NNN
15016	1,925 SF	9	\$1.15 PSF	NNN
15100	1,400 SF	13	\$1.25 PSF	NNN
15120	1,470 SF	16	\$1.25 PSF	NNN
15124	1,590 SF	19	\$1.25 PSF	NNN
15160	1,400 SF	22	\$.85 PSF	NNN
15184	1,400 SF	25	\$1.15 PSF	NNN



# Kerman, California

The city of Kerman is predominantly agricultural based and is located in the heart of the San Joaquin Valley, approximately 16 miles west of Fresno and 16 miles south of Madera. The city prides itself on having one of the lowest crime rates in Fresno County, and is a place “Where Community Comes First.” Kerman has an extensive parks system of over 47 acres and offers a wide variety of both youth and senior citizen recreational activities, programs and transit services. Kerman is one of the fastest growing cities in Fresno County, with a 2.23% increase in population from 2012 - 2013. The city’s diverse population has a majority of Hispanic and East Indian residents. Major employers in the city of Kerman include Kerman Unified School District (475 employees), Mid Valley Disposal (170) and Panoche Creek Packing (140). The city of Kerman continues to focus on diversified growth through the development of additional industrial and commercial properties. The city is building a strong base for its future while remaining true to its agricultural roots and local history.

## Trade Area:

Kerman is located just 16 miles west of Fresno and 16 miles south of Madera in the heart of California’s San Joaquin Valley. Additional tenants located within close proximity to the subject property include: CVS, AutoZone, Carl’s Jr, Burger King, KFC and Valley Food Grocer.

## Population Growth:

Kerman has grown by approximately 60% over the last decade and realized a 2.23% increase in population from 2012 - 2013. The city continues to attract families seeking opportunity in the farming and industrial sector.



# Kerman Shopping Plaza



## Adjacent Retailers





Listed for Sale Exclusively by:

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