

# VICTORIAN CENTER

630 Tennessee Street | Vallejo, CA 94590



Offering Memorandum





Purchase Price:  
**\$999,000**

NOI:  
**\$62,894**

Price/SF:  
**\$142.47**

Current CAP Rate:  
**6.30%**

Proforma Cap Rate:  
**8.30%**

Rentable Sq. Ft.:  
**7,012**

#### DEMOGRAPHICS

Population

1 Mile	3 Mile	5 Mile
22,000	100,000	164,000







## TABLE OF CONTENTS

EXECUTIVE SUMMARY	4
PROPERTY HIGHLIGHTS	8
FINANCIAL OVERVIEW	12
LOCATION OVERVIEW	18

---

EXCLUSIVELY OFFERED BY:

**BRYAN WEBB**

Senior Vice President

+ 1 415 788 7873

[bryan.webb@colliers.com](mailto:bryan.webb@colliers.com)

Lic: 01826546



# EXECUTIVE SUMMARY

SACRAMENTO / SAN JOAQUIN DELTA



Victorian Center

Walmart

KAISER  
PERMANENTE

INTERSTATE  
80

CALIFORNIA  
29

TENNESSEE STREET

VALLEJO FERRY TERMINAL  
1M TRAVELLERS PER YEAR

USS LCS (LJ) 131-102

NAPA RIVER

CALIFORNIA  
37

MARE ISLAND

Facing East



## EXECUTIVE SUMMARY

Colliers International, as Exclusive Advisor to the Seller, is pleased to present the opportunity to acquire the 100% fee simple interest in **630 TENNESSEE STREET, VALLEJO, CA** (the "Property"), a 7,012 square foot retail and office strip center, also known as Victorian Center.

The property is currently 100% occupied with a mixture of retail tenants, visible along Tennessee Street, and office tenants, located in the rear of the building. The leases are all month-to-month, with the exception of one smaller office tenant, which leaves a significant upside opportunity for a new operator to fine-tune the leases and bring rents up to current market standards. This is an exceptional opportunity to acquire a true value-add property which is fully-leased and is a 6% Cap rate on existing income in the Bay Area.

### HIGHLIGHTS

#### ADDRESS



**630 Tennessee St  
Vallejo, CA**

#### BUILDING SIZE



**±7,012 sq. ft.**

#### PARKING



**23 Spaces  
3.3 Parking Ratio**

#### LAND SQ. FT.



**18,727**

#### POWER



**240 Amps  
Single Phase  
3 Separate Util Meters**

#### DIVISIBLE



**Currently Config-  
ured for 4 Retail  
Tenants and 4 Office  
Tenants**

#### SINGLE STORY



**Retail Building**

#### OCCUPANCY

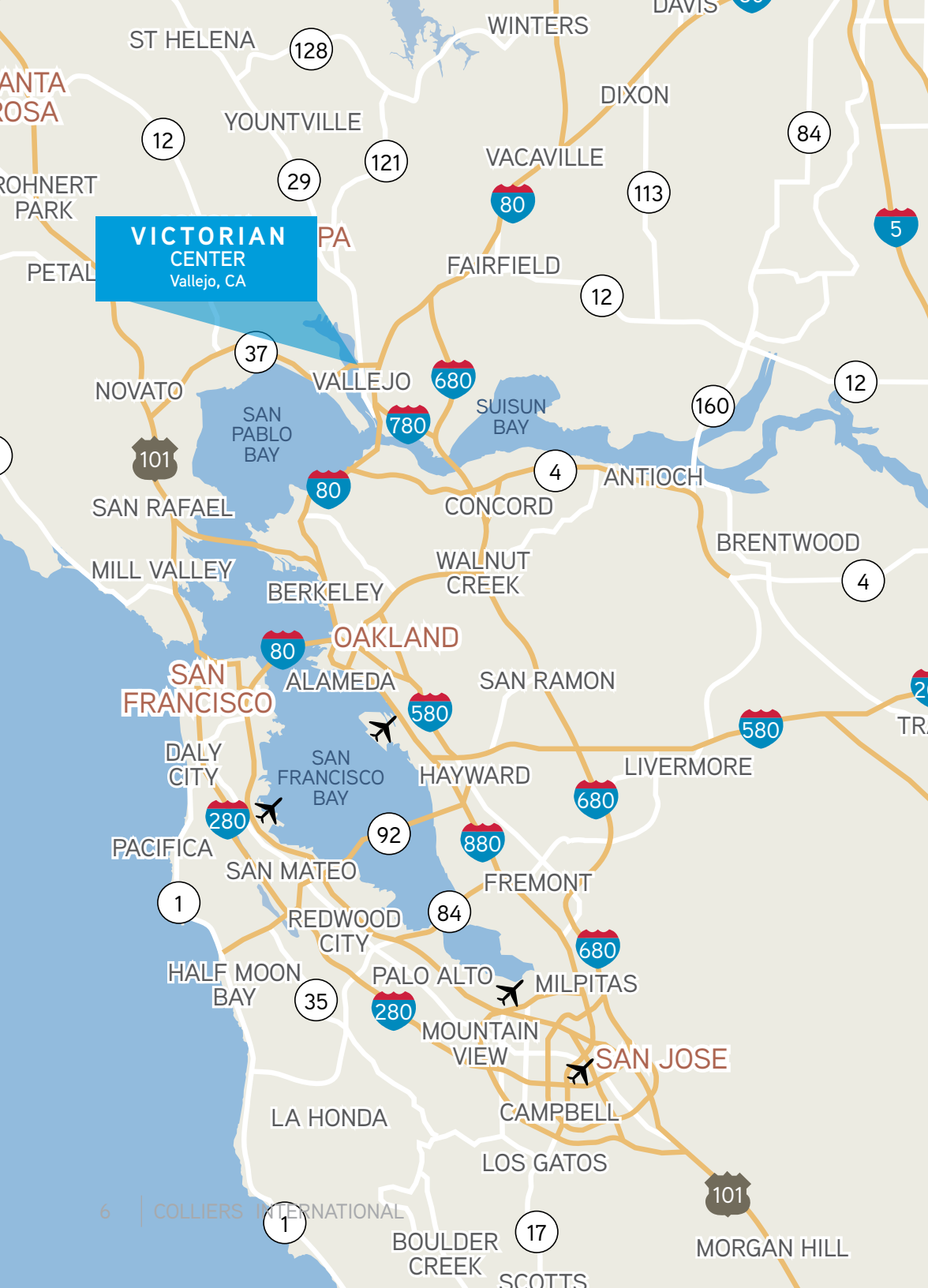


**100%**

#### RECENT UPGRADES



**Landscaping  
Exterior Paint**



## PROPERTY OVERVIEW

The Victorian Center is single-story, freestanding multi-tenant retail and office strip center located on Tennessee Street in Vallejo, CA. The tenant profile consists of local tenants which serve the nearly 22,000 people within a one-mile radius. The tenant mix includes 64% retail and 36% office, with the retail portion well under market rents.

The building has been well maintained and was recently re-painted, and one of the HVAC units has been replaced.

## INVESTMENT HIGHLIGHTS

PROPERTY	VICTORIAN CENTER
ADDRESS	630 Tennessee Street
CITY, STATE, ZIP	Vallejo, CA 94590
ASKING PRICE	\$999,000
TYPE	Retail Center
YEAR BUILT/RENOVATED	1953/2016
PARCEL SIZE	18,727 SF
OWNERSHIP	Fee Simple
RENTABLE SF	7,012
STORIES	One
ZONING	Misc. Commercial
PARKING	23 Spaces



MARIN COUNTY

VALLEJO FERRY TERMINAL

1M TRAVELLERS PER YEAR



TENNESSEE STREET

Victorian Center

Facing West



# PROPERTY HIGHLIGHTS

## PROPERTY SUMMARY

### PROPERTY OVERVIEW

Address	630 Tennessee Street, Vallejo, CA 94590
Cross Street	Napa Street
Highway Access	Highway 29, Interstate 80, Highway 37
APN	0656-652-120
Land Area	18,727 sq. ft.
Topography	Level Adjacent to Street Frontage, slight slope in back Parking Lot
Zoning	Misc. Commercial
Stories	One

Year Built	1953
Roof Type	Flat, Sheeted Bitumen
HVAC	4 Roof-Mounted Package Units
Utilities	Served with all necessary Public Utilities
Heating	Gas Heaters / Furnaces
Plumbing	Gavlanized Piping
Parking Surface	Asphalt

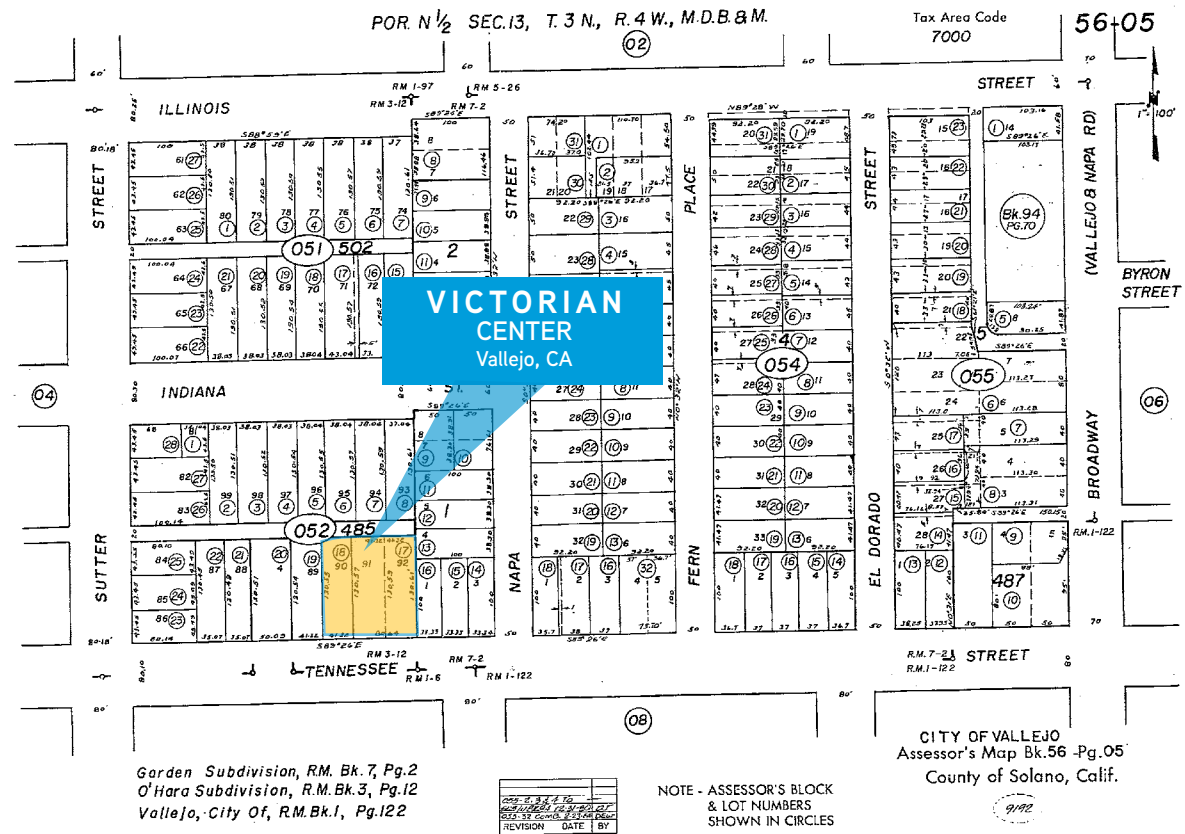
### EXISTING IMPROVEMENTS

Size (SF)	7,012
Occupancy	100%
Number of Tenants	8
Restrooms	5
Landscaping	Mature Trees fronting Tennessee Street



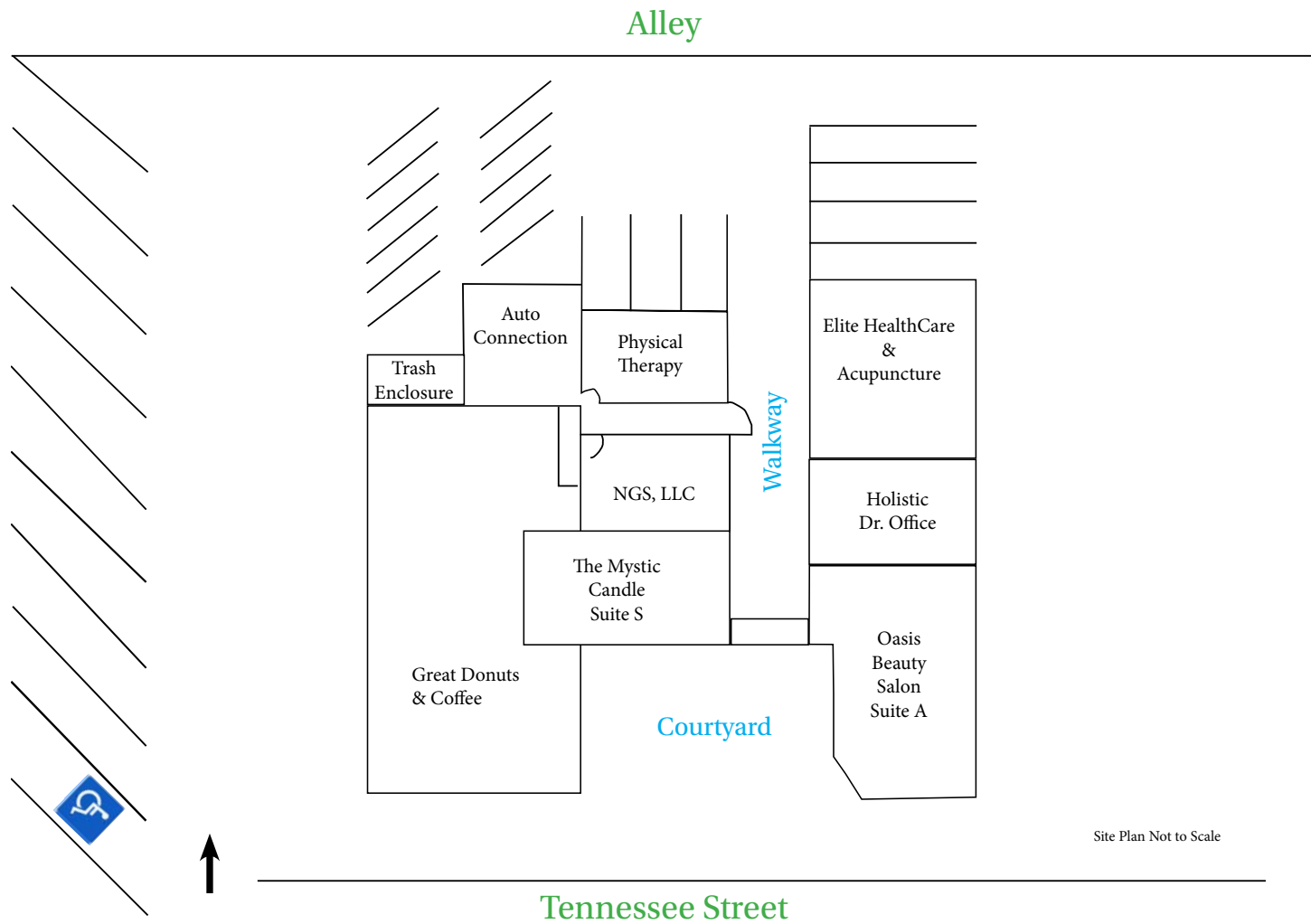


## PARCEL MAP





## SITE PLAN









# FINANCIAL OVERVIEW

## Current Income & Expense

TENANT	SF	\$/MO	\$/SF/MO	Annual Rent	Market Annual Rent
Coffee	1,500	\$1,375.00	\$0.92	\$16,500	20700
Candle Store	1,050	\$1,300.00	\$1.24	\$15,600	14490
NGS LLC	625	\$775.00	\$1.24	\$9,300	9000
Physical Therapy	425	\$550.00	\$1.29	\$6,600	6600
Autoconnect	382	\$425.00	\$1.11	\$5,100	4800
Beauty Salon	1,150	\$1,390.00	\$1.21	\$16,680	16680
Accupuncture	1,050	\$1,175.00	\$1.12	\$14,100	14805
Holistic MD	830	\$775.00	\$0.93	\$9,300	9000
<b>Gross Rental Income</b>	7,012	\$7,765	\$1.09	\$93,180.00	\$96,075.00
<b>Vacancy Factor (3%)</b>				<b>(\$2,696.00)</b>	<b>(\$2,882.00)</b>
CAM Reimbursements*					\$17,448.00
<b>Effective Gross Income</b>				<b>\$90,484.00</b>	<b>\$110,641.00</b>



OPERATING EXPENSES	\$/MO	TOTAL AMOUNT	Pro-Forma
Property Tax (1.1135% + 1295 Special Assessments)	\$5.29	\$12,481	\$12,481
Management	\$0.86	\$2,500	\$2,500
PG&E	\$0.29	\$4,600	\$4,600
Water	\$0.42	\$1,560	\$1,560
Janitorial	\$0.17	\$1,200	\$1,200
Landscape Maintenance	\$0.38	\$780	\$780
City Garbage	\$1.58	\$1,800	\$1,800
HVAC Maintenance	\$0.00	\$350	\$350
Insurance	\$0.33	\$2,319	\$2,319
<b>Total Operating Expenses</b>	<b>\$9.33</b>	<b>\$27,590</b>	<b>\$27,590</b>
<b>Current NOI</b>		<b>\$62,894</b>	<b>\$83,051</b>
<b>Current Cap Rate</b>		<b>6.30%</b>	<b>8.3%</b>
<b>Purchase Price</b>	<b>\$142.47</b>	<b>\$999,000</b>	<b>\$999,000</b>

Victorian Center is being offered on an “as-is” basis. All investors should base their offer under the current conditions present at the Property.

\* Proforma Column assumes recapturing 64% of the expenses from the retail portion of the building which is currently not being collected.



# RENT ROLL

SUITE	TENANT	SF	COMMENCEMENT DATE	EXPIRATION DATE	RENT INCREASE DATE	MO. BASE RENT
A	Elite Health Care Acupuntcture	1,050	1/1/07	MTM	Current Rent	\$1,175.00
B	NGS Group LLC	625	5/3/16	MTM	Current Rent	\$775.00
C	Physical Therapy	425	9/1/16	MTM	Current Rent	\$550.00
	Holistic Dr Office	830	5/25/16	MTM	Current Rent	\$775.00
6	Oasis Hair Salon	1,150	12/2/16	MTM	Current Rent	\$1,390.00
	Auto Connection	382	7/3/17	7/31/20	Current Rent	\$425.00
6	Candle Store	1,050	1/1/16	1/1/19	Current Rent	\$1,300.00
	Coffee Shop	1,500	1/1/08	MTM	Current Rent	\$1,375.00
Leased SF:		7,012				
Available SF:		0				Average Rent PSF
Total SF:		7,012	100% Occupancy			



MONTHLY BASE RENT (\$/SF)	ANNUAL BASE RENT	SECURITY DEPOSIT	LEASE TYPE	BUILDING PRO RATA %	OPTIONS	COMMENTS
\$1.12	\$14,100	\$3,025	MG	14.97%	None	Tenant Responsible for any excessive PG&E LL pays PG&E, garbage, water
\$1.24	\$9,300	\$2,100	FS	8.91%	None	LL pays PG&E, garbage, water
\$1.29	\$6,600	\$1,200	MG	6.06%	None	LL pays PG&E, garbage, water
\$0.98	\$9,300	\$2,100	FS	11.84%	None	LL pays PG&E, garbage, water
\$1.21	\$16,680	\$2,050	FS	16.40%	1 X 2	LL pays PG&E, garbage, water
\$1.11	\$5,100	\$800	FS	5.45%	1X 2	LL pays PG&E, garbage, water
\$1.24	\$15,600	\$3,300	MG	14.97%	None	LL pays PG&E, garbage, water
\$0.92	\$16,500	\$3,500	MG	21.39%	None	LL Pays 50% of Trash Per Month Tenant pays PG&E
<b>\$1.13</b>	<b>\$93,180</b>					



DONUTS



Great Donuts & Cafe  
Serving  
BREAKFAST  
LUNCH

PROUDLY  
SERVING  
ESPRESSO  
CROISSANT  
MUFFINS

2 HOUR  
PARKING  
7a-6p

**AUTO  
VENTA**  
800-794-3822  
Financiamiento  
El cliente  
debe pagar  
el impuesto  
de venta







# LOCATION OVERVIEW

## SOLANO COUNTY

Solano County comprises the Vallejo-Fairfield Metropolitan Statistical Area, which is also included in the San Jose-San Francisco-Oakland Combined Statistical Area. Solano County is the northeastern county in the nine-county San Francisco Bay Area Region.

Situated midway between San Francisco and Sacramento, Solano County is home to rolling hillsides, waterfronts and fertile farmland. Due to its mild climate, abundant open space, proximity to lakes, rivers and mountains, recreational activities such as fishing, boating, hiking and biking can be enjoyed year-round.

Solano County is a growing community that reaps the benefit of its ideal location for those who live and work in the area. The blend of agriculture, corporate business and pleasant lifestyle enhance the attraction of Solano County. The County limits residential and commercial development outside of cities, thus preserving approximately 80 percent of the land for open space or agricultural uses.

## SOLANO COUNTY ECONOMIC OVERVIEW

The Solano County economy has many positive aspects. Construction has made an employment comeback. Commercial square feet under construction was up by 41.6 percent, 94 percent for industrial space, and 6 percent for office space. From 2010 to 2016 Solano County employers added a total of 16,400 jobs.

Business attraction, retention, and expansion efforts by Solano County's cities help fill available commercial real estate and determine occupancy and industry mix. Industrial space, including manufacturing space and warehousing, had 6.0 percent vacancy as of Q3 2016. Prices were basically flat for both Class A and B space during 2016. The passing of Proposition 64 (recreational use of cannabis become legal in 2018) may change commercial real estate demand through 2020.

*Source: Solano County 2016 Index of Economic and Community Progress,  
April 2017*



## KEY FACTS

- ▶ Solano County private sector employers hired **3,700 more workers in 2016**; a 2.8% increase from 2015.
- ▶ Housing prices **increased 15.3 percent in 2016**, and housing affordability increased slightly, a sign of income growth.
- ▶ The jobs-housing ratio in Solano County was **0.95 in 2016**, a sign that Solano County employment is rising faster than housing units.
- ▶ Solano and Sacramento counties are forecasted to be fast-growing counties from 2016 to 2040.



## SOLANO COUNTY MAJOR EMPLOYERS

(Listed Alphabetically)

CALIFORNIA MEDICAL FACILITY	Vacaville	Hospital
COMCAST CABLE	Vallejo	Television-Cable TV
FLATIRON CONSTRUCTION	Benicia	General Contractors
FORD LINCOLN FAIRFIELD	Fairfield	Automobile Dealers
GBG CORP	Vacaville	Wellness Programs
GENENTECH INC	Vacaville	Pharmaceutical Products
GUITTARD CHOCOLATE CO	Fairfield	Chocolate & Cocoa
JELLY BELLY CANDY CO	Fairfield	Candy Manufacturer
KAISER PERMANENTE VALLEJO MC	Vallejo	Hospital
M&G DURA VENT INC	Vacaville	Building Materials
MIKE'S AUTO BODY	Vallejo	Auto Body Repair & Painting
NORTH BAY MEDICAL CENTER	Fairfield	Hospital
NUT TREE	Vacaville	Real Estate Developers
SIX FLAGS	Vallejo	Amusement Park
TRAVIS AIR FORCE BASE	Fairfield	Military Base
VACAVILLE CITY HALL	Vacaville	Government
VALERO BENICIA REFINERY	Benicia	Oil Refiners



*The USS LCS(L) 102 is the last surviving ship of the 130 originally made. These ships, called "Mighty Midgets," provided close-fire support in the Pacific during World War II. In September 2007 the LCS(L) -102 became a museum ship at Mare Island, at the site of the former Mare Island Naval Shipyard.*



## MARIN COUNTY

### PLANNED CENTRAL WATERFRONT DEVELOPMENT

- APPROX 426 CONDOMINIUMS
- OVER 37,000 SF OF RETAIL
- 63,000 SF OF OFFICE SPACE
- UP TO 200,000 SF FOR A 200 ROOM HOTEL, RESTAURANT, AND CONFERENCE CENTER

### PLANNED MARE ISLAND DEVELOPMENT

- APPROX 1,400 HOMES
- APPROX 7M SF COMMERCIAL & INDUSTRIAL SPACE
- APPROX 1,200 JOBS

## SAN PABLO BAY

### PLANNED NORTH WATERFRONT DEVELOPMENT

- 16,000 SF OF WATERFRONT COMMERCIAL
- 6,000 SF OF WATERFRONT RETAIL
- 175 TOWNHOMES

## MARE ISLAND

NAPA RIVER

VALLEJO FERRY TERMINAL

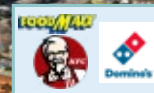
TENNESSEE STREET

VALLEJO HIGH SCHOOL

Victorian Center

29

INTERSTATE  
80



Denny's

Facing West



# VALLEJO OVERVIEW

Vallejo is a port city in Solano County, located on the northern end of the San Francisco Bay Area. It is the most populous city in Solano County, and is the 10th most populous city in the Bay Area with approximately 120,000 people spanning roughly fifty square miles.

Vallejo neighbors the famous Sonoma and Napa wine countries, but also boasts its own attractions such as the San Francisco Bay Ferry, which is part of Vallejo's public transportation system that runs regular ferry service from downtown to San Francisco's Ferry Building, Six Flags Discovery Kingdom theme park, Mare Island Historic Park, and the Solano County Fairgrounds, which hosts the annual Solano County Fair.

As of August 2017, realtor.com ranked Vallejo the **#1 hottest market for residential real estate**. Currently, the market has the **shortest time** on market for properties and has bid-asks **higher** than normal. The old naval yard is now a hotspot for growth with a new 650-acre development led by Lennar Mare Island LLC.



## PLANNED DEVELOPMENT

### Central Waterfront Development:

The City of Vallejo plans to develop over **37,000 square feet** of retail, **63,000 square feet** of office space as well as multiple condominium buildings totaling over **420 units**. The project also includes plans for a **200,000 square foot** hotel, restaurant, and conference center with approximately 200 rooms.

### North Waterfront Development:

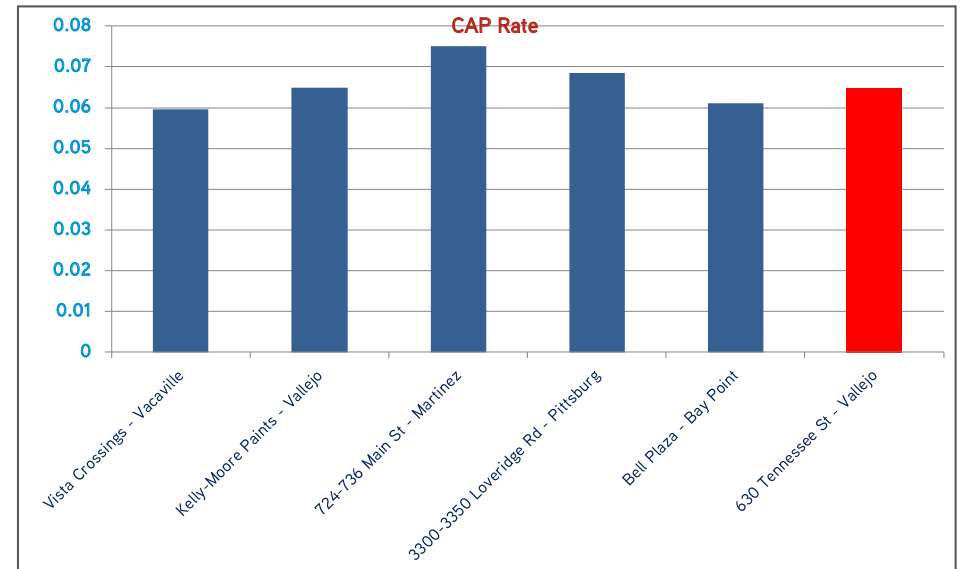
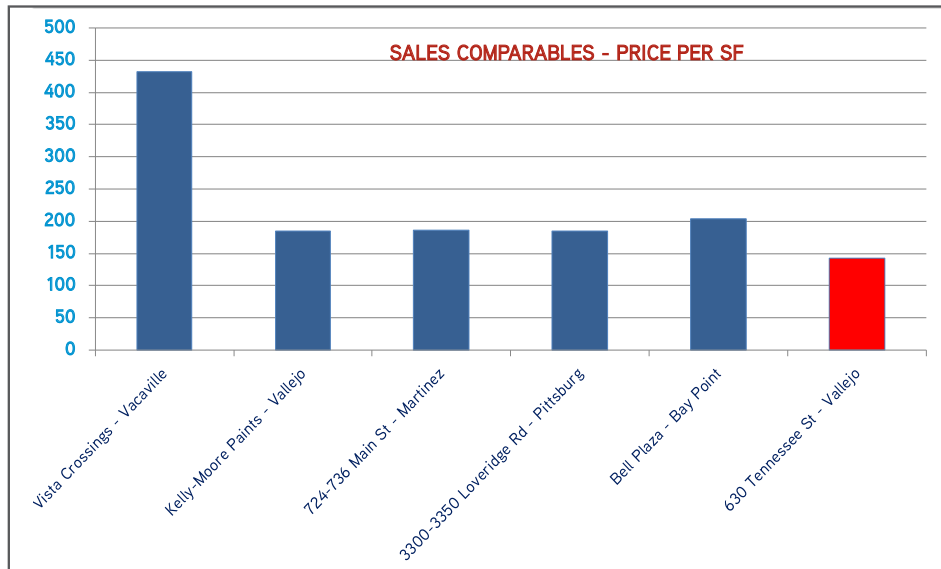
The North Waterfront development encompasses over **16,000 square feet** of commercial space, **6,000 square feet** of retail and over **175 townhomes** split into two neighborhoods.

### Mare Island Development:

Mare Island is a redevelopment project by Lennar Mare Island LLC. The plan includes **1,400 new homes** on the island and over **7,000,000 square feet** of commercial and industrial space.

## SALES COMPS

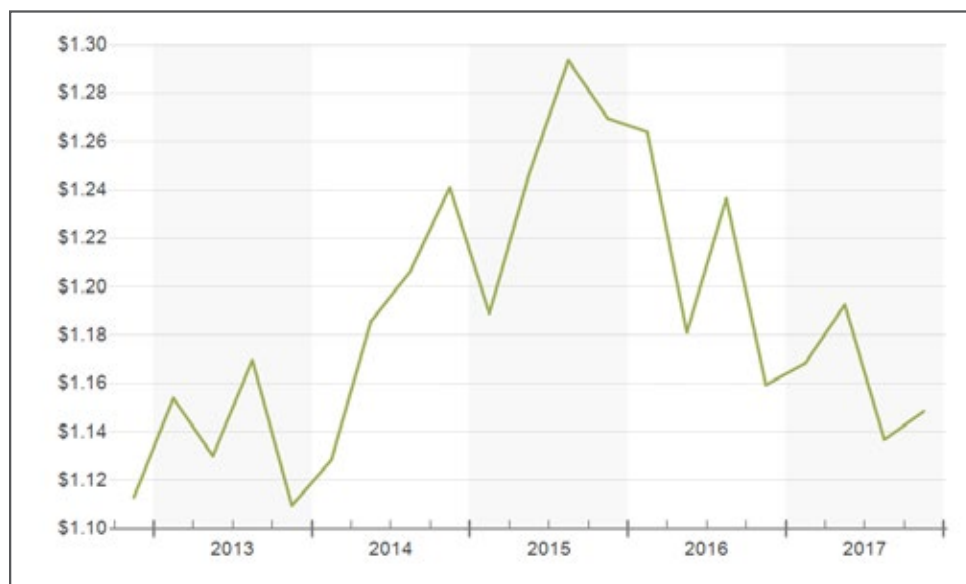
NAME	ADDRESS	CITY	BUILT	BLDG SF	LAND SF
Vista Crossings	741-747 E Monte Vista Ave	Vacaville	1989	4,560	16,117
Kelly-Moore Paints	815 Tennessee St	Vallejo	N/A	7,120	19,602
724-736 Main St	724-736 Main St	Martinez	2017	7,985	10,019
3300-3350 Loveridge Rd	3300-3350 Loveridge Rd	Pittsburg	1976	6,622	13,000
Bell Plaza	2711 Willow Pass Rd	Bay Point	1986	5,400	18,857
AVERAGES			1992	6,337	14,685
VICTORIAN CENTER	630 Tennessee St	Vallejo	1953	7,012	10,533





COE	PRICE	\$/SF	CAP RATE	COMMENTS
12/22/2016	\$1,967,500	\$431.47	5.95%	Superior tenant mix strip center
2/29/2016	\$1,314,500	\$184.62	6.50%	Single Tenant Kelly Moore
9/22/2016	\$1,488,000	\$186.35	7.50%	Better credit tenants, inferior location
11/4/2016	\$1,225,000	\$184.99	6.86%	Small 4 tenant strip center w/ 7 Eleven store
4/26/2017	\$1,100,000	\$203.70	6.10%	Similar Center, Newly renovated, Little Caesar's as tenant
	\$1,419,000	\$238	6.74%	
<b>SUBJECT</b>	<b>\$999,000</b>	<b>\$142.47</b>	<b>6.00%</b>	

#### VALLEJO RETAIL ASKING RENTS - NNN



The Property is currently at an average rent of \$1.09 Full Service, which equates to (\$0.75 NNN).



## DEMOGRAPHICS

POPULATION		1 Mile	3 Mile	5 Mile
	2000 Total Population	22,233	98,668	141,151
	2010 Total Population	20,289	95,093	147,435
	2017 Total Population	21,191	99,956	156,041
	2022 Total Population	21,772	104,004	163,733
	Population Change 2000 to 2010	-8.7%	-3.6%	4.5%
	Population Change 2000 to 2017	-4.7%	1.3%	10.5%
	Population Change 2010 to 2022	7.3%	9.4%	11.1%
	Population Change 2017 to 2022	2.7%	4.0%	4.9%

HOUSEHOLDS		1 Mile	3 Mile	5 Mile
	2000 Households	8,870	33,949	48,181
	2010 Households	8,343	33,666	50,928
	2017 Households	8,448	34,323	52,300
	2022 Households	8,527	35,181	54,115
	Household Change 2000 to 2010	-5.9%	-8%	5.7%
	Household Change 2000 to 2017	-4.8%	1.1%	8.5%
	Household Change 2010 to 2022	2.2%	4.5%	6.3%
	Household Change 2017 to 2022	.9%	2.5%	3.5%

INCOME		1 Mile	3 Mile	5 Mile
	up to \$24,999	40.0%	25.4%	20.6%
	\$25,000 to \$49,999	21.9%	23.2%	19.9%
	\$50,000 to \$74,999	13.4%	17.7%	17.3%
	\$75,000 to \$124,999	16.6%	22.3%	23.8%
	\$125,000 to \$199,999	6.7%	9.2%	13.6%
	\$200,000 or more	1.5%	2.2%	4.8%
	2017 Median HH Income	\$35,441	\$51,697	\$66,396
	Median Income Change 2000 to 2017	7.6%	14.5%	22.7%
	Median Income Change 2010 to 2022	1.8%	.5%	1.9%
	Median Income Change 2017 to 2022	8.3%	6.3%	5.3%





## CONFIDENTIALITY AGREEMENT

This Confidential Offering Memorandum (the “Memorandum”) has been prepared and presented to the recipient (the “Recipient”) by Colliers International (“Colliers”) as part of Colliers’ efforts to market for sale the real property located at 630 Tennessee Street, Vallejo, CA (the “Property”). Colliers is the exclusive agent and broker for the owner(s) of the Property (the “Owner”). Colliers is providing this Memorandum and the material contained in it to the Recipient solely to assist the Recipient in determining whether the Recipient is interested in potentially purchasing all or part of the Property. Colliers also is providing this Memorandum and the material in it to the Recipient with the understanding that the Recipient will independently investigate those matters that it deems necessary and appropriate to evaluate the Property and that the Recipient will rely only on its own investigation, and not on Colliers, the Owner or this Memorandum, in determining whether to purchase the Property. The Recipient’s use of this Memorandum and the material in it is strictly governed by the terms and conditions of the Registration and Confidentiality Agreement that the Recipient previously executed and delivered to Colliers.

PLEASE NOTE THE FOLLOWING: Colliers, the Owner and their respective agents, employees, representatives, property managers, officers, directors, shareholders, members, managers, partners, joint venturers, corporate parents or controlling entities, subsidiaries, affiliates, assigns and predecessors and successors-in-interest make no representations or warranties about the accuracy, correctness or completeness of the information contained in this Memorandum. The Recipient is urged not to rely on the information contained in this Memorandum and to make an independent investigation of all matters relating to the Property.

This Memorandum includes statements and estimates provided by or to Colliers and/or the Owner regarding the Property. Those statements and estimates may or may not be accurate, correct or complete. Nothing contained in this Memorandum should be construed as a representation or warranty about the accuracy, correctness or completeness of such statements and estimates. Further, nothing contained in this Memorandum should be construed as representation or warranty about any aspect of the Property, including, without limitation, the Property’s (1) past, current or future performance, income, uses or occupancy, (2) past, current or prospective tenants, (3) physical condition, (4) compliance or non-compliance with any permit, license, law, regulation, rule, guideline or ordinance, or (5) appropriateness for any particular purpose, investment, use or occupancy. Again, the Recipient is urged not to rely on this Memorandum and the statements and estimates in it and to make an independent investigation regarding the Property and the statements and estimates contained herein.

This Memorandum may include statements regarding, references to, or summaries of, the nature, scope or content of contracts and/or other documents relating to the Property. Those statements, references or summaries may or may not be accurate, correct or complete. Additionally, Colliers may not have referenced or included summaries of each and every contract and/or other document that the Recipient might determine is relevant to its evaluation of the Property. Nothing contained in this Memorandum should be construed as a representation or warranty about the accuracy, correctness or completeness of such statements, representations or summaries. On request and as available, and subject to the Owner’s consent, Colliers will provide the Recipient with copies of all referenced contracts and other documents. Colliers assumes no obligation to supplement or modify the information contained in this Memorandum to reflect events or conditions occurring on or after the date of its preparation of this Memorandum. More detailed information regarding the anticipated terms, conditions and timing of any offering by the Owner relating to the Property will be provided in due course by separate communication. Colliers and/or the Owner reserve the right to engage at any time in discussions or negotiations with one or more recipients of this Memorandum and/or other prospective purchasers of the Property without notice or other obligation to the Recipient.







Accelerating success.



EXCLUSIVELY MARKETING BY:

**BRYAN WEBB**

Senior Vice President

+ 1 415 288 7873

[bryan.webb@colliers.com](mailto:bryan.webb@colliers.com)

Lic: 01826546

COLLIERS INTERNATIONAL | 101 SECOND STREET, 11TH FLOOR

SAN FRANCISCO, CA 94105

[www.colliers.com](http://www.colliers.com)