

\$8,700,000 | 7.50% CAP

CORE  
COMMERCIAL



COLLEGE SQUARE  
THREE TENANTS  
100% LEASED  
Stockton CA





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# Investment Overview



CORE Commercial is pleased to present a portion of the College Square community shopping center For Sale. The offering includes a 100% leased, three tenant building comprised of 48,128 SF. Tenants include Office Depot, Boot Barn & Carter's Pet Mart.

The subject property is situated in the heart of Stockton's super-regional retail hub, with both the Weberstown and Sherwood Malls located nearby. Additional tenants driving traffic into College Square (but NAP) include Hobby Lobby, Planet Fitness, Fed Ex Office, Big 5 Sporting Goods, Lumber Liquidators, AutoZone and Wells Fargo Bank.

Target is located immediately adjacent to the east of the subject property and San Joaquin Delta College, with an enrollment of approximately 20,000 students, is located immediately north of College Square.

## Highlights

- Excellent visibility and exposure at signalized intersection of W March Lane with ADT of approximately 40,000 vehicles per day.
- Part of a 250,000 square foot community center with strong co-anchors and a synergistic mix of tenants that drive traffic to the center.
- Office Depot has been at this location since 1998 and recently exercised another five-year renewal term.
- Boot Barn recently executed a new ten-year lease.
- Carter's Pet Mart is a strong local tenant with a successful long term history at this location. Carter's recently exercised a ten year extension with increases.
- Three tenant investment equates to relative ease of management.
- Densely populated trade area with a 3-mile population of 160,137.
- Easy access from Interstate 5 via W. March Lane.
- Property to be delivered free and clear of debt. Contact brokers to discuss loan quote provided by Walker & Dunlop.

# Financial Summary

## BOOT BARN | OFFICE DEPOT | PET MART

909, 911, 913 W March Lane, Stockton, CA 95207



Price \$8,700,000

CAP 7.50%

NOI \$652,929

Square Footage 48,128 sf

Lot Size 5.39 acres

APN 108-160-050

Price/SF \$180

# Retail Aerial



## **BOOT BARN®**

- Founded in 1978, **Boot Barn** is the nation's leading lifestyle retailer of western and work-related footwear, apparel and accessories for men, women and children. Boot Barn now operates 265 stores in 36 states, in addition to an e-commerce channel, including both [www.bootbarn.com](http://www.bootbarn.com) and [www.sheplers.com](http://www.sheplers.com).
- For the quarter ended December 26, 2020: Boot Barn Holdings, Inc. (NYSE: BOOT)
- Net sales increased 6.5% to \$302.3 million.
- Same store sales increased 4.6%
- Net income was \$29.6 million, compared to net income of \$24.8 million prior-year period.
- Cash and cash equivalents were \$76.3 million.
- Jim Conroy, CEO, "Our strong Q3 results against a difficult economic backdrop demonstrate the power of our business model. The work we've done over the last several years successfully executing our key strategic initiatives has provided the foundation to navigate the ongoing headwinds from COVID-19 and deliver midsingle digit same store sales growth and a 150-basis point improvement in operating margin. We are encouraged that same store sales have accelerated in the Q4 with continued strength in margin. While the near term is likely to remain volatile, we believe our merchandising strategies, omni-channel capabilities and organizational expertise, combined with the adjustments we've made to our operating model during the pandemic, have us well positioned to build on our recent accomplishments and head into fiscal 2022 with good momentum."
- The stock is up close to 60% in the last 12 months, more than 600% in the last 5 years. "Even with the difficult backdrop of COVID-19 the new stores we opened in new markets, particularly in the Northeast are outperforming expectations, and are expected to pay back within our targeted three year period."

# Tenant Profiles



**Office Depot, Inc. (NASDAQ: ODP)** The ODP Corp. operates as a holding company, which engages in the provision of business services, products, and digital workplace technology solutions. It offers tools and resources to its clients to start, grow, and run their business. It operates through the following brands: Office Depot, OfficeMax, CompuCom. Total Revenue: \$2.54B. Operating Income: \$138M Profit.

Shares of The **ODP Corporation** (NASDAQ: ODP) gained 45.7% in January 2021 and are up over 86% in the past year. The Office Depot parent received an unsolicited buyout offer (Staples), rejected it, and countered with a slightly different merger idea. Investors embraced the whole process. In this updated proposal, ODP suggested that Staples could join forces with Office Depot's consumer-facing retail and e-commerce operations in a new joint venture. The nearest office supply stores: Staples in Lodi (10 miles) and another in Manteca (19 miles). ODP has over 1,300 stores. This store was rightsized to its current SF in 2008.



**Carter's Pet Mart**, [HTTPS://CARTERSPETMART.COM/](https://carterpetmart.com/) Carter's recently exercised an extended term of 10 years; displaying their strength and commitment to this location. Carter's Pet Mart has been serving the pet needs of the Stockton community for more than 25 years and is known for their top-notch service and selection. Owned by Ryan and Kelli Carter, their family owned and operated business comes from generations of pet supply expertise. Founded in 1991, Carter's joined the College Square community shopping center in 2006 and has since added a second location in Manteca (2016) and most recently opened a third location in Modesto (2020).

# Proforma Statement

Proforma | College Square | Stockton, CA

<b>Scheduled Base Rental Revenue</b>	700,304	
Reimbursement Revenue		
CAM Estimate	106,640	1
Insurance Estimate	42,960	2
Real Estate Tax Estimate	102,326	3
Total Reimbursement Revenue	251,926	
<b>Gross Potential Income</b>	952,230	
Vacancy / CapEx	(47,612)	4
<b>Effective Gross Income</b>	904,619	
Operating Expenses		5
Cleaning	5,400	
Electricity	14,000	
Water	12,660	
Landscaping-Contract	12,300	
Parking Lot Sweeping	12,000	
Parking Lot Lighting	2,500	
Property Management / Admin Fee	24,129	
Real Estate Tax	102,326	
Earthquake Insurance	19,272	
Liability Insurance	2,934	
Property Insurance	18,714	
Umbrella Insurance	2,040	
Parking Lot Repair & Maint	10,000	
Roof Repair & Maint	11,496	
General Repair & Maint	2,155	
Total Operating Expenses	251,926	
<b>Net Operating Income</b>	652,693	

Footnotes:

1. CAM estimate reflective of 2021 Owner's Budget
2. Insurance estimate reflective of 2021 Owner's Budget
3. Real Estate Taxes estimated at 1.1671% of Asking Price + Direct Charges
4. Vacancy / CapEx calculated at 5% of Gross Potential Income
5. Operating Expenses reflective of 2021 Owner's Budget

Asking Price	Cap Rate	Price PSF
<b>\$8,700,000</b>	<b>7.50%</b>	<b>\$180</b>



# Rent Roll

Suite	Tenant	Sq. Ft.	Term		Increase	Annual	Rent			
			Start	End			\$/SF/Yr.	Monthly	\$/SF/Mo.	
909	Carter's Pet Mart	14,845	6/1/11	5/31/31	Current	\$214,128.00	\$14.42	\$17,844.00	\$1.20	
					6/1/23	\$224,832.00	\$15.15	\$18,736.00	\$1.26	
					6/1/25	\$236,076.00	\$15.90	\$19,673.00	\$1.33	
					6/1/27	\$247,884.00	\$16.70	\$20,657.00	\$1.39	
					6/1/29	\$260,280.00	\$17.53	\$21,690.00	\$1.46	
					Option: 6/1/31	5/31/36	FMV			
<p>Tenant has one five year renewal option at the greater of fair market rent or the then current rent increased by 3%.            Tenant shall pay as additional rent tenant's share of CAM expenses, taxes and insurance, and shall reimburse LL for its share of maintaining the parking lot and roof, plus a management fee equal to 15% of all common area maintenance expenses.            Tenant is responsible for maintenance and replacement, if necessary, of the HVAC system.</p>										
911	Office Depot	19,807	9/25/98	9/30/25	Current	\$277,298.04	\$14.00	\$23,108.17	\$1.17	
					Option: 10/1/25	9/30/30	\$335,332.56	\$16.93	\$27,944.38	\$1.41
					Option: 10/1/30	9/30/35	\$375,540.72	\$18.96	\$31,295.06	\$1.58
<p>Tenant has two remaining five-year renewal options at fixed increases.            Tenant pays its share of taxes, insurance and common area maintenance.            Tenant pays a management fee equal to 15% of the CAM expenses (excluding taxes and insurance).            Tenant is responsible for maintenance and replacement, if necessary of the HVAC System.            LL to reimburse for HVAC replacement cost if under 5 years of lease term remaining.</p>										
911B	Boot Barn	13,476	4/1/20	3/31/30	Current	\$208,878.00	\$15.50	\$17,406.50	\$1.29	
					4/1/25	\$229,765.80	\$17.05	\$19,147.15	\$1.42	
					Option: 4/1/30	3/31/35	\$252,809.76	\$18.76	\$21,067.48	\$1.56
					Option: 4/1/35	3/31/40	\$278,009.88	\$20.63	\$23,167.49	\$1.72
					Option: 4/1/40	3/31/45	\$307,737.96	\$22.84	\$25,644.83	\$1.90
					Option: 4/1/45	3/31/50	\$337,978.08	\$25.08	\$28,164.84	\$2.09
<p>Tenant shall have the option to extend for four periods of five years each.            Tenant shall pay its share of taxes, insurance &amp; utilities, plus a management fee of 10% (excluding taxes).            Regardless of the actual common area operating expenses, tenant shall pay to landlord \$2.64 PSF as additional rent for operating costs (exclusive of Taxes, Insurance &amp; Utilities), increased by 4% on January 1st of each year.            Tenant is responsible for maintenance and replacement, if necessary, of the HVAC system.</p>										

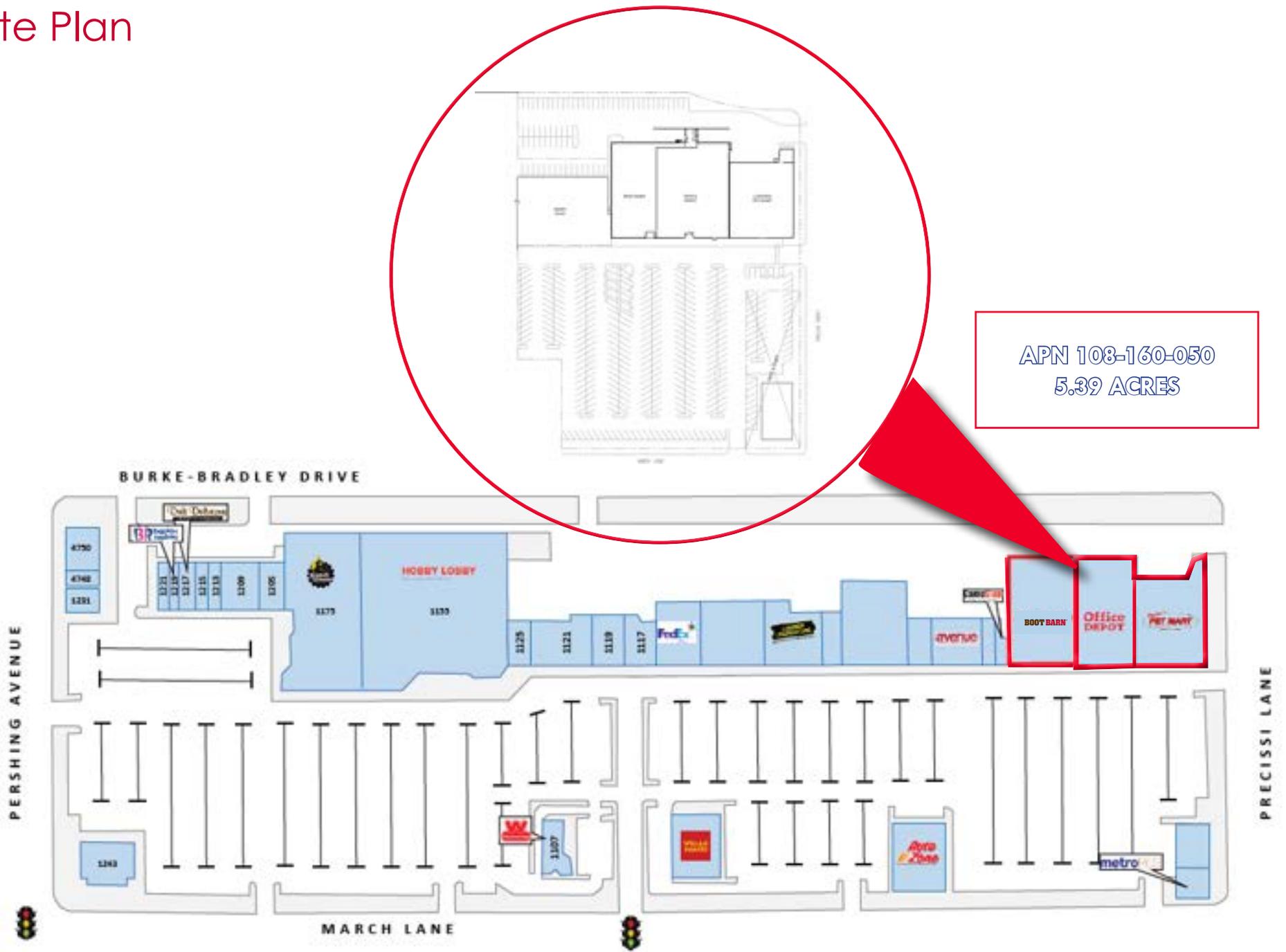
# Financing Options

# WALKER & DUNLOP

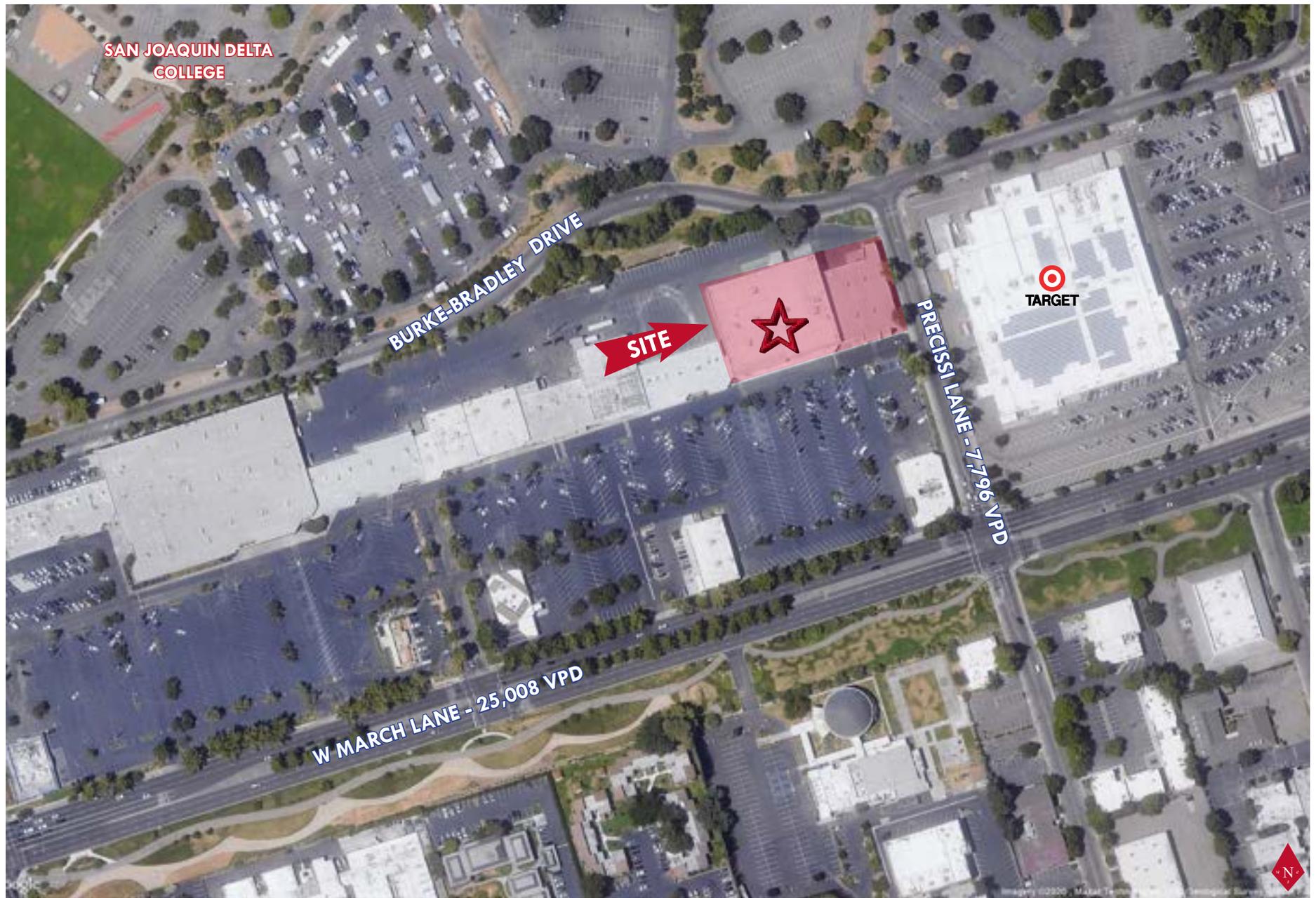
March 11, 2021

Loan Terms	Lender 1	Lender 2	Lender 3
Fixed-Rate Loan Term	<b>5 Years</b>	<b>5 Years</b>	<b>5 + 5 Years</b>
Loan Amount	\$5,400,000	\$5,400,000	\$5,000,000
Amortization	25 Years	25 Years	25 Years
Rate *As of today's UST	3.75%	3.90%	3.85%
Prepayment Penalty	5-4-3-2-1	5-4-3-2-1	5-4-3-2-1
Fixed-Rate Term	<b>7 Years</b>	<b>7 Years</b>	<b>7 Years</b>
Loan Amount	\$5,400,000	\$5,400,000	
Amortization	25 Years	25 Years	
Rate *As of today's UST	3.95%	4.15%	
Prepayment Penalty	5-4-3-2-1-1	5-5-4-4-3-2-1	
Fixed-Rate Term	<b>10 Years</b>	<b>10 Years</b>	<b>10 Years</b>
Loan Amount	\$5,400,000	\$5,400,000	
Amortization	25 Years	25 Years	
Rate *As of today's UST	4.25%	4.45%	
Prepayment Penalty	5-4-3-2-1-1-1-1-1-1	5-5-4-4-3-2-1-1-1	
Max LTV / Min. DSCR	65%/2.0	65%	60%
Loan Fee	0.25%	0.50%	
Recourse	Yes	Yes	Yes
3rd Party Reports	Appraisal, Phase 1, PCR	Appraisal, Phase 1, PCR	Appraisal, Phase 1, PCR
Notes	10 Year would require P&I reserve of some kind	Would need to rebalance loan if any tenant vacated and was not replaced within 6 months	5 year adjustment at 61st month 2.5% over 5 YR T with start rate floor

# Site Plan



# Site Aerial & Traffic



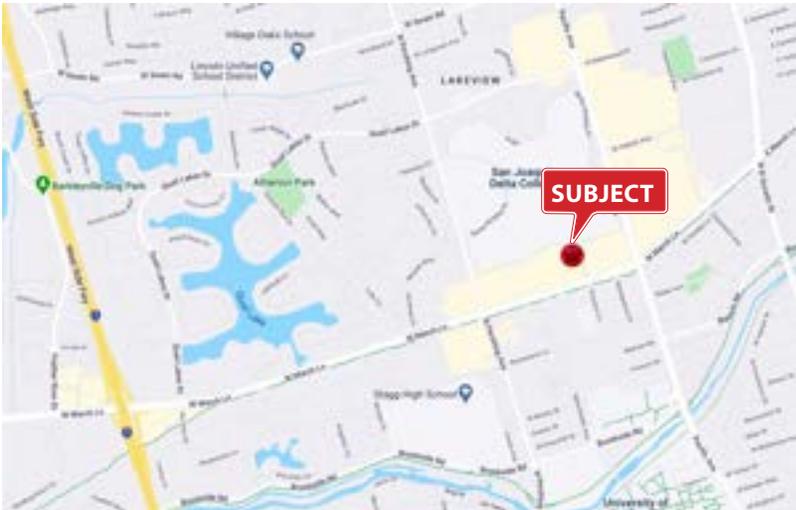
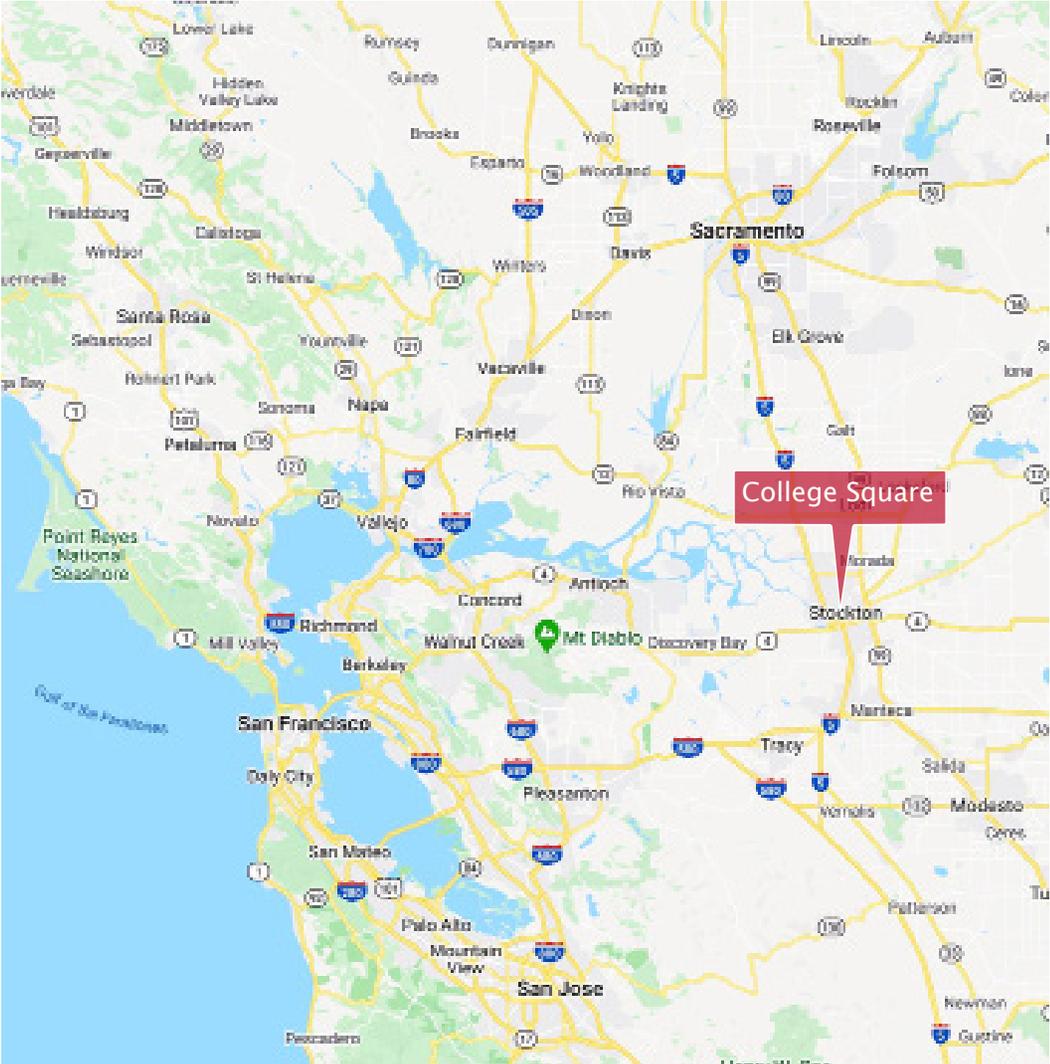
# City of Stockton

Stockton is located within California's Central Valley along the banks of the San Joaquin Delta. Serving as the 13th largest city in California with an approximate population of 310,000, Stockton continues to attract residents due to its high quality of life and affordable cost of living. The city also benefits from its close proximity to both the San Francisco Bay Area (60 miles west) and Sacramento (45 miles north). The city is conveniently accessible to and from Interstate 5, Highway 99 and Highway 4 allowing for easy travel to the nearby cities of Lodi, Modesto, Mountain House, Lathrop and Manteca. Stockton's location is especially compelling in today's business climate, as the Central Valley has become a hub for the growing need of companies to expand their footprint for manufacturing and distribution facilities. Additionally as more firms allow employees to work from home either on a permanent basis or flex type schedule, suburban communities will continue to be attractive for both individuals and families who desire or require more space and more affordable home prices.

The City has seen a significant resurgence from the economic downturn nearly a decade ago. According to Truth in Accounting, a nonprofit, nonpartisan organization that evaluates the financial documents of large US Cities, Stockton is listed as the 4th fiscally healthiest city in the nation in its Financial State of the Cities 2021 report. Stockton has been at the top of the list for three years, up from 6th in both 2019 and 2020. As part of the Truth in Accounting valuation, it was determined that Stockton has \$552.3M in assets to offset the \$290.7M in bills, resulting in a city surplus of approximately \$262M. Also according to a 2017 US News and World Report, Stockton was voted the 98th Best Place to live in the United States. The report pointed to the revitalization of downtown Stockton which brought new life to the city.



# Regional & Local Area Maps



# Demographic Data



Population



Households



Average HH Income



Total Businesses



Total Employees

Distance	Population	Households	Average HH Income	Total Businesses	Total Employees
1 mile	23,348	8,471	\$56,853	1,655	12,899
3 mile	169,137	60,273	\$76,370	6,836	61,784
5 mile	302,654	98,340	\$75,584	10,284	103,676



# Nearby Retail (NAP)



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