

March 24, 2017

Susan McCue Economic Development Manager Alameda County Community Development Agency Economic & Civic Development Department 224 W. Winton Avenue, Room 110 Hayward, CA 94544

RE: Request for Interest for 3295 Castro Valley Blvd.

Dear Ms. McCue,

It was a pleasure speaking with you on Monday afternoon to introduce our team. Please accept this letter and package as our Interest to pursue an exciting redevelopment of the Daughtrey's building in Castro Valley. Our organization has a longstanding proven track record on delivering cohesive projects that meet the needs and goals of the community. We look forward to going through the process and working together soon.

<u>Company Info</u> Gryphon Capital, LLC

500 S. Sepulveda Blvd.; Suite 304 Manhattan Beach, CA 90266 (310) 220-6110 (310) 388-1199 (fax) www.gryphon-capital.com

Chris Shane Managing Partner (424) 277-8026 (650) 400-4030 (cell) cshane@gcapinc.com

Anticipated Legal Structure

Gryphon Capital, LLC is a Delaware limited liability company registered to do business in California and was formed July 20th, 2004.

Gryphon would create a Special Purpose Entity (SPE) as a California limited liability company specifically for developing and operating this project.

Sincerely,

Chris Shane Managing Partner Gryphon Capital, LLC



Development Team Summary

Core Business

Gryphon Capital is a privately-held real estate company that specializes in the acquisition and development of shopping centers and mixed-use projects throughout the Western US. The primary goal of the company is to create high quality shopping destinations that provide long term benefits for the surrounding communities, cities and tenants while maximizing value and investment return for the company and its partners.

Headquartered in Los Angeles, CA, Gryphon is an active developer of lifestyle, regional, mixed-use, specialty and community shopping centers. The company has over seven hundred thousand square feet of retail under development or pre-development throughout the Western US with a combined value in excess of \$150 million.

The company maintains a team of seasoned professionals with successful track records in the commercial real estate industry.

Gryphon prides itself on its entrepreneurial, opportunistic, and forward-thinking approach to acquiring and developing properties and all aspects of its business. As a private company, Gryphon has the ability to create innovative deal structures, respond quickly to new opportunities, and expedite closings. This has enabled the company to take advantage of new and complex development opportunities and consistently perform in a highly competitive market.

Team

Gryphon Capital

Gryphon has been in business for almost 13 years and has 2 full time employees. Gryphon's founder and managing partner will be the lead on this project.

G gryphon capital

Mr. Shane has been involved in a broad spectrum of real estate investments and development. An entrepreneur at heart, Mr. Shane founded Housing4Students (<u>www.housing4students.com</u>) in 1999. The company provides a platform for students to research available housing near their university, builds student housing management software and consults for university housing departments on the development of student housing.

He grew the business to provide services at over 375 schools nationwide and subsequently sold the company 4 years after its inception.

In a natural transition, Mr. Shane moved into real estate development and founded Gryphon Capital (<u>www.gryphon-capital.com</u>) in 2003. Gryphon Capital specializes in the acquisition and development of both single and multi-tenant retail, office, hotel and mixed-use projects. As founder and managing partner, Mr. Shane is responsible for all investments and operations.

In 2005 Gryphon was asked to assist O&S Holdings, LLC acting as a partner to lead all Acquisitions & Development. For over 4 years Gryphon was responsible for all new projects representing a mix of hospitality, retail and office uses. O&S and Gryphon developed approximately 3M sq/ft together at a cost of over \$400M.

From 2009 through present Gryphon developed over \$125M in retail projects and currently has under different stages of development, multiple projects at a completed cost of approximately \$150 Million.

Mr. Shane is on the Board of Directors for multiple companies including Integrity Block, a manufacturer of sustainable building materials and Monaco Pictures (<u>www.monacopicturesusa.com</u>), an upscale cinema company rolling out new locations across the country. He is also a frequent guest speaker at the Lloyd Greif Center for Entrepreneurial Studies at the University of Southern California, the Orfalea Center for Global and International Studies at UC Santa Barbara, Loyola Marymount University's Entrepreneurship Program and is a member of the International Council of Shopping Centers.

A graduate of the University of Southern California, Mr. Shane holds a B.A. in Economics.

Matt Kircher, CBRE (Real Estate Consultant)

A 27-year veteran of retail real estate and San Francisco native, Matt Kircher leads CBRE's retail leasing practice in the San Francisco Bay Area. He has a remarkable brokerage track record in the Bay Area and Northern California, where he has secured 45 locations for Target Corporation as its exclusive agent in Northern California. He has also overseen leasing and marketing for 18 major shopping center projects from development to completion, totaling nearly 8 million square feet.

Matt serves on CBRE's local San Francisco Bay Area Executive Committee and is assisting Anthony Buono, CBRE's Chairman Global Retail Executive Committee, and Mickey Ashmore, CBRE's Retail Services Americas Chairman, in driving our expansive Americas retail strategy in delivering world-class retail outcomes to clients.

Prior to joining CBRE, Mr. Kircher served as Managing Principal at Cushman & Wakefield/Terranomics, where he led more than 30 retail professionals in six Northern California offices for the past 20 years. Prior to joining Cushman & Wakefield predecessor Terranomics in 1994, Mr. Kircher spent the first five years of his career in retail real estate as a professional in CBRE's Bay Area offices. Since then, Terranomics and its successors have ranked Mr. Kircher as one of their top Bay Area retail professionals every year.

He also served as president and chairman of ChainLinks Retail Advisors, a national network of retail real estate professionals, from 2007 to 2013 and was awarded the #5 Power Broker Nationally by Chain Store Age in 2014 in its inaugural edition.



MAJOR TRANSACTIONS

Exclusive agent for new target store locations in the greater san francisco bay area. 45 transactions completed through 2017 ranging from 2-level stores, podium stores, grade level stores, 2 city targets and 8 flex format locations.

MAJOR PROJECTS

- Seritage Northern California Portfolio ±2.5 Million SF Sears/K-Mart recapture opportunities throughout Northern California.
- Windsor Commons, Windsor ±125,000 square foot center. Proposed opening Fall 2017.
- Pinole Square, Pinole 13-acre, 120,000 square foot regional shopping center redevelopment.
 Proposed opening Fall 2017.
- Alameda Landing, Alameda ±291,000 square foot power center anchored by Target and Safeway.
 Opened in October 2013.
- Fallon Gateway, Dublin ±350,000 square foot Power Center, anchored by Target and Dicks Sporting Goods.
- Callan Shopping Center, South San Francisco Redevelopment of a ±200,000 square foot Community Center, anchored by Safeway & Ross.

COMPLETED PROJECTS

- The Block, Fremont ±120,000 square foot center anchored by Target and Century Theatres. The
- Block is the fifth phase of Pacific Commons anchored by Costco, Lowes, Kohls, and Nordstrom
- Rack. Developed by Catellus.
- East Washington Place, Petaluma +/- 380,000 square foot power center, anchored by Target,
- Dick's Sporting Goods, TJ Maxx/HomeGoods, and Sprouts Farmers Market. Center opened July
- 2013. Developed by Regency Centers.
- Lathrop Marketplace, Lathrop +/-300,000 square foot Power Center. Phase I opened Fall 2008.
- Developed by Watt Enterprises.
- San Jose MarketCenter, San Jose ±360,000 square foot Cousins Development. Opened in 2005.
- Bayfair Mall, San Leandro ±850,000 square foot redevelopment of regional center in 2003.
 Developed by M&J Wilkow.
- Ravenswood 101, East Palo Alto ±450,000 square feet shopping center developed by the City of East Palo Alto.
- Crossroads Regional Center, Riverbank/Modesto ±630,000 SF center anchored by Target, Home Depot and Kohls by Browman Development. Opened October 2005.
- Oakland Power Center, Oakland ±259,000 square foot center anchored by Wal-Mart and developed by Simon.
- Serramonte Plaza, Daly City ±220,000 square foot shopping center anchored by Ross and SportsMart.Developed by SPI.
- Mercado Center, Santa Clara ±210,000 square feet anchored by TJ Maxx/HomeGoods and AMC
- Theaters.
- El Monte, Mountain View ±80,000 square feet anchored by CVS Pharmacy developed by Rhodes.
- Morgan Hill Power Center, Morgan Hill ±600,000 square



PROFESSIONAL AFFILIATIONS/ACHIEVEMENTS

- Member, International Council of Shopping Centers (ICSC)
- Chain Store Age #5 Power Broker Nationally 2014
- Top-producing broker for Cushman & Wakefield/Terranomics in '96, '03, '05, '06, '07, '09 '12, '13 and '14
- In 2000, Matt was presented by the executive board of BT Commercial with the "Howard Friedman
- Award" for excellence in management
- In 2012, Matt received the Cassidy Turley EDGE award and was the top retail agent in the nation
- San Francisco Business Times Retail Deal of the Year Finalist 2013
- San Francisco Business Times Retail Deal of the Year 2012
- East Bay Business Times Retail Deal of the Year Finalist 2012
- East Bay Business Times Retail Deal of the Year 2005

EDUCATION

• San Jose State University; Bachelor's Degree



Single Major Tenant (SMT)

The Single Major Tenant, whose identity will be disclosed either in a confidential meeting with the selection committee or in the next phase of the selection process, is a major national general merchandiser with over 1000 locations. It has been in business since 1962 and is generally highly regarded.

The SMT also enjoys having an in house development staff of over 1000 people and includes real estate professionals, civil engineers, development managers, architects, store planners, structural engineers as well as a complete environmental staff.

The SMT has a history of building LEED certified buildings with significant energy upgrades including electric vehicle charging locations as well as roof top solar installations.

The particular development team of the SMT has been involved in California development for over 20 years and have completed over 80 new store projects of a variety of retail development types including retail power centers, urban large developments and smaller (under 30,000 SF) CBD style convenience locations.

As mentioned, given the reputation of the SMT, the specific details on the SMT will be provided in the next phase of selection or in a confidential meeting with the selection committee.



Description of Relevant Experience

Marketplace at El Paseo (see attached site plan and marketing package)

Fresno, CA

Phase 1 is 415,000 SF (Phase 2 is an additional 200,000 SF that breaks ground Fall 2017) Target anchored outdoor Regional Power Center consisting of retail (national and local), restaurant (national and local) and entertainment (Regal Cinema). In addition, many events are held on site including locally operated farmers market.

Phase 1 opened March 2014, Phase 2 will open Fall 2018

Phase 1 Development Cost was approximately \$63M. Financing was structured with a standard construction loan.

The project land was acquired in fee for this project

The Trading Post Shopping Center (see attached site plan and marketing package)

Clovis, CA

127,000 SF

Redevelopment of a vacant SaveMart-CVS anchored shopping center that sat vacant for over 7 years. Invested over \$7M and re-tenanted with Sprouts Farmers Market, Ross, Skechers, Rubio's, Pieology and others

Acquired April 2015 and just finalizing last tenants move in/opening Acquired for approx. \$15M and invested an additional \$7.5M The project land was acquired in fee for this project

THE TRADING POST SHOPPING CENTER SEC Herndon & Clovis Avenues, Clovis CA

SPROUTS & ROSS NOW OPEN!



- Newest Retail Growth Corridor within Close Proximity to Major Traffic Generators and Fwy 168
 - Lewis Smith 559.447.6235 Ismith@retailcalifornia.com DRE Lic. # 01214178



Peter Orlando 559.447.6250 petero@retailcalifornia.com DRE Lic. # 00884946

High Income Demographics

Monument Signage Available

High Traffic Signalized Intersection

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The Trading Post Shopping Center SEC Herndon & Clovis Avenues, Clovis CA Property Summary

Property Description:

The Trading Post Shopping Center is located at the SEC of Herndon & Clovis Avenues with immediate access to Freeway 168. The shopping center is uniquely located to service the Clovis trade area and surrounding foothill communities. Major tenants at the Trading Post include Sprouts Farmer's Market, Ross, Skechers, Dollar Tree, Pieology, Deli Delicious, Taco Bell, Burger King, Baskin Robbins, and Union Bank.

Area Highlights:

The Trading Post Shopping Center will largely benefit from the influence of proven retailers and its ease of access to Herndon Ave., Freeway 168, NWC Clovis community and surrounding trade area. The adjacent Clovis Crossing Regional Shopping Center ensures Herndon Avenue as Clovis' emerging regional retail corridor, anchored by Super Walmart and Dick's Sporting Goods, including Homegoods, Petco, Old Navy, Dress Barn, Maurice's, Ulta, Sleep Train, and more.

Available Space:

6,500± SF; 3,200± SF; 1,600± SF; 1,510± SF; 1,200± SF; 1,200± SF

2016 Demographics:	Total Population: Total Households: Avg HH Income: Total Daytime Pop: Source: Pitney Bowes Software	<u>1 Mile</u> 9,880 3,542 \$77,265 13,889	<u>3 Mile</u> 108,639 37,293 \$82,087 100,659	<u>5 Mile</u> 249,862 85,224 \$79,559 260,920
2016 Traffic Count:	Herndon Ave. @ Clov Clovis Ave. @ Herndo Total: Source: Kalibrate Technologies	on Ave:	46,554 AD ⁻ <u>14,684 AD</u> 61,238 Avg	
Signage:	Monument signage	is available.		



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Proximity Aerial - SEC Herndon & Clovis Avenues, Clovis, CA 93611



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Proximity Zoom - SEC Herndon & Clovis Avenues, Clovis, CA 93611



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Fresno/Clovis Metropolitan Trade Area



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The Trading Post Shopping Center Herndon Ave AT N Clovis Ave Clovis, CA 93611

6 January 2017	Coordinates Longitude: Latitude:		-119.699980 36.837333	
	1 MILE RING 3.14 SQ/MI	3 MILE RING 28.27 SQ/MI	5 MILE RING 78.53 SQ/MI	
Population Trend				
2000 Total Population	8,542	80,741	185,401	
2010 Total Population	9,406	102,100	228,015	
2016 Total Population	9,880	108,639	249,862	
2021 Total Population	10,329	114,374	265,024	
Households Trend				
2000 Total Households	3,114	28,913	67,348	
2010 Total Households	3,490	36,483	81,259	
2016 Total Households	3,542	37,293	85,224	
2021 Total Households	3,710	39,358	90,542	
Population Change Trend				
2000 to 2010 Population Change	10.1%	26.5%	23.0%	
2000 to 2016 Population Change	15.7%	34.6%	34.8%	
2010 to 2021 Population Change	9.8%	12.0%	16.2%	
2016 to 2021 Population Change	4.5%	5.3%	6.1%	
Household Change Trend				
2000 to 2010 Household Change	12.1%	26.2%	20.7%	
2000 to 2016 Household Change	13.7%	29.0%	26.5%	
2010 to 2021 Household Change	6.3%	7.9%	11.4%	
2016 to 2021 Household Change	4.7%	5.5%	6.2%	
2016 Race				
White alone	76.0%	69.7%	64.9%	
Black or African American alone	1.9%	2.9%	4.1%	
American Indian and Alaska Native alone	1.4%	1.3%	1.3%	
Asian alone	7.8%	11.2%	12.6%	
Native Hawaiian and OPI alone	0.2%	0.2%	0.2%	
Some Other Race alone	7.8%	9.3%	11.5%	
Two or More Races	5.0%	5.3%	5.4%	
2016 Income				
Per Capita Income	\$27,376	\$28,337	\$27,427	
Household Income: Median	\$55,435	\$61,262	\$58,847	
Household Income: Average	\$77,265	\$82,087	\$79,559	
Less than \$10,000	5.0%	5.6%	6.5%	

Data Source: Pitney Bowes Software, Inc © 2016 Gadberry Group LLC. All Rights Reserved.

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The Trading Post Shopping Center Herndon Ave AT N Clovis Ave Clovis, CA 93611

6 January 2017	Coordinates Longitude: -119.699980 Latitude: 36.837333		
	1 MILE RING 3.14 SQ/MI	3 MILE RING 28.27 SQ/MI	5 MILE RING 78.53 SQ/MI
\$10,000 to \$14,999	5.8%	5.0%	5.0%
\$15,000 to \$19,999	7.1%	4.4%	4.5%
\$20,000 to \$24,999	5.8%	4.7%	5.1%
\$25,000 to \$29,999	4.4%	5.1%	5.3%
\$30,000 to \$34,999	8.3%	4.8%	4.8%
\$35,000 to \$39,999	3.9%	3.7%	4.0%
\$40,000 to \$44,999	3.0%	3.7%	3.9%
\$45,000 to \$49,999	2.2%	3.8%	4.4%
\$50,000 to \$59,999	8.1%	8.4%	7.4%
\$60,000 to \$74,999	8.0%	9.0%	9.1%
\$75,000 to \$99,999	10.8%	13.3%	13.0%
\$100,000 to \$124,999	9.1%	9.6%	9.3%
\$125,000 to \$149,999	7.3%	7.6%	6.8%
\$150,000 to \$199,999	7.0%	6.4%	6.6%
\$200,000 or more	4.1%	4.8%	4.5%
Average household size	2.8	2.9	2.9
Total Daytime Population	13,889	100,659	260,920
Total Employee Population	7,972	36,456	113,430
Total Daytime at Home Population	5,917	64,203	147,490
Total Employee Population (% of Daytime Population)	57.4%	36.2%	43.5%
Total Daytime at Home Population (% of Daytime Population)	42.6%	63.8%	56.5%

Data Source: Pitney Bowes Software, Inc © 2016 Gadberry Group LLC. All Rights Reserved.

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Kirkland's.

NOW LEASING!

SWC HERNDON & RIVERSIDE AVENUES · FRESNO, CA





559.447.6235 Ismith@retailcalifornia.com BRE # 01214178





ULTA



Mike Kennedy 559.447.6271

O Payless **petco**

mkennedy@retailcalifornia.com BRE # 01496337

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High Visibility Freeway 99 Pylon Signage

The distinctive exterior design of Marketplace at El Paseo offers aesthetic integrity while projecting the visual brands of the nation's most popular and successful retailers.

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C RETAIL CALIFORNIA Commercial Real Estate Brokerage



EAST ELEVATION LOOKING WEST



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Proposed Marketplace at El Paseo Site Plan & Tenant Lineup





600 N. Tustin Ave. # 150 Santa Ana, CA. 92705 T. (714) 835-3311

Marketplace at El Paseo - Development, Circulation, & Subdivision Activity



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Marketplace at El Paseo Planned Circulation Overview



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Marketplace at El Paseo & Shaw Avenue Retail Competition



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Fresno & Clovis, CA Area Retail Centers



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Marketplace at El Paseo Location



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Marketplace at El Paseo Trade Area & Regional Draw



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•AnySite[®]

Marketplace at El Paseo Regional Trade Area W Herndon Ave & N Riverside Dr, Fresno, CA 93722

3 February 2017	Coordinates Longitude: Latitude:	-119.793999 36.783095
	CUSTOM BOUNDARY 1416.18 SQ/MI	
Population Trend		
2000 Total Population	375,776	
2010 Total Population	448,137	
2016 Total Population	466,165	
2021 Total Population	488,842	
Households Trend		
2000 Total Households	108,992	
2010 Total Households	126,496	
2016 Total Households	129,195	
2021 Total Households	135,816	
Population Change Trend		
2000 to 2010 Population Change	19.3%	
2000 to 2016 Population Change	24.1%	
2010 to 2021 Population Change	9.1%	
2016 to 2021 Population Change	4.9%	
Household Change Trend		
2000 to 2010 Household Change	16.1%	
2000 to 2016 Household Change	18.5%	
2010 to 2021 Household Change	7.4%	
2016 to 2021 Household Change	5.1%	
2016 Race		
White alone	49.5%	
Black or African American alone	6.2%	
American Indian and Alaska Native alone	2.0%	
Asian alone	7.4%	
Native Hawaiian and OPI alone	0.1%	
Some Other Race alone	29.7%	
Two or More Races	5.0%	
2016 Income		
Per Capita Income	\$15,915	
Household Income: Median	\$39,602	
Household Income: Average	\$55,711	
Less than \$10,000	10.1%	

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Marketplace at El Paseo Regional Trade Area W Herndon Ave & N Riverside Dr, Fresno, CA 93722

3	February	2017
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Coordinates Longitude: -119.793999 Latitude: 36.783095

CUSTOM BOUNDARY 1416.18 SQ/MI			
\$10,000 to \$14,999	7.8%		
\$15,000 to \$19,999	6.3%		
\$20,000 to \$24,999	7.2%		
\$25,000 to \$29,999	6.9%		
\$30,000 to \$34,999	6.3%		
\$35,000 to \$39,999	5.7%		
\$40,000 to \$44,999	5.0%		
\$45,000 to \$49,999	4.2%		
\$50,000 to \$59,999	7.3%		
\$60,000 to \$74,999	9.5%		
\$75,000 to \$99,999	9.6%		
\$100,000 to \$124,999	6.2%		
\$125,000 to \$149,999	3.2%		
\$150,000 to \$199,999	3.0%		
\$200,000 or more	1.7%		
Average household size	3.5		
Total Daytime Population	501,772		
Total Employee Population	183,949		
Total Daytime at Home Population	317,823		
Total Employee Population (% of Daytime Population)	36.7%		
Total Daytime at Home Population (% of Daytime Population)	63.3%		

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Marketplace at El Paseo Regional Trade Area W Herndon Ave & N Riverside Dr, Fresno, CA 93722

3 February 2017	Coordinates Longitude: Latitude:		-119.915730 36.834060	
	3 MILE RING 28.27 SQ/MI	5 MILE RING 78.53 SQ/MI	10 MILE RING 314.11 SQ/MI	
Population Trend				
2000 Total Population	25,124	71,834	347,226	
2010 Total Population	39,385	94,236	384,821	
2016 Total Population	44,093	102,611	405,965	
2021 Total Population	48,471	110,516	421,590	
Households Trend				
2000 Total Households	8,479	25,188	121,426	
2010 Total Households	12,460	31,686	131,667	
2016 Total Households	13,399	33,180	133,657	
2021 Total Households	14,792	35,830	139,156	
Population Change Trend				
2000 to 2010 Population Change	56.8%	31.2%	10.8%	
2000 to 2016 Population Change	75.5%	42.8%	16.9%	
2010 to 2021 Population Change	23.1%	17.3%	9.6%	
2016 to 2021 Population Change	9.9%	7.7%	3.8%	
Household Change Trend				
2000 to 2010 Household Change	47.0%	25.8%	8.4%	
2000 to 2016 Household Change	58.0%	31.7%	10.1%	
2010 to 2021 Household Change	18.7%	13.1%	5.7%	
2016 to 2021 Household Change	10.4%	8.0%	4.1%	
2016 Race				
White alone	52.3%	54.5%	54.2%	
Black or African American alone	8.1%	8.4%	7.2%	
American Indian and Alaska Native alone	1.3%	1.4%	1.7%	
Asian alone	15.0%	12.4%	10.3%	
Native Hawaiian and OPI alone	0.2%	0.2%	0.2%	
Some Other Race alone	16.4%	17.2%	20.9%	
Two or More Races	6.7%	5.9%	5.5%	
2016 Income				
Per Capita Income	\$23,818	\$25,248	\$21,606	
Household Income: Median	\$65,853	\$59,477	\$44,794	
Household Income: Average	\$78,389	\$78,078	\$64,590	
Less than \$10,000	5.0%	5.7%	9.9%	

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\$10,000 to \$14,999	3.9%	4.5%	7.1%
\$15,000 to \$19,999	3.9%	4.0%	5.5%
\$20,000 to \$24,999	3.9%	4.3%	6.1%
\$25,000 to \$29,999	4.5%	4.9%	6.3%
\$30,000 to \$34,999	4.8%	6.0%	5.7%
\$35,000 to \$39,999	3.1%	4.7%	5.1%
\$40,000 to \$44,999	4.9%	4.8%	4.5%
\$45,000 to \$49,999	2.8%	4.1%	4.6%
\$50,000 to \$59,999	7.8%	7.5%	7.1%
\$60,000 to \$74,999	13.9%	12.3%	9.1%
\$75,000 to \$99,999	16.0%	13.4%	10.2%
\$100,000 to \$124,999	11.3%	9.1%	7.2%
\$125,000 to \$149,999	5.0%	4.2%	3.9%
\$150,000 to \$199,999	6.1%	6.2%	4.6%
\$200,000 or more	3.1%	4.4%	3.1%
Average household size	3.3	3.1	3.0
Total Daytime Population	34,536	90,616	480,658
Total Employee Population	9,102	29,508	225,674
Total Daytime at Home Population	25,434	61,108	254,984
Total Employee Population (% of Daytime Population)	26.4%	32.6%	47.0%
Total Daytime at Home Population (% of Daytime Population)	73.6%	67.4%	53.0%

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Preliminary Design Concept

The Developer and its team is proposing to retain the existing structure and complete a major remodel of the building. This remodel is estimated to cost in excess of \$5,000,000.

The remodel will complete building exterior elevation upgrades to include new entrances in several locations, improved exterior building elements to include the addition, as appropriate of brick and stucco veneers, and significantly larger and more numerous glazing treatments. Such exterior improvements will allow the existing building to be architecturally more compatible with the proposed larger project area including the Creamery building. The Developer is not at this time proposing significant exterior additions or building demolition of the structure.

New formalized entrances will be presented that better addresses available parking and site access as well as allowing the Single Major Tenant occupant the ability to integrate with the proposed outdoor seating area between the subject building and the creamery.



The Developer offers to complete architectural upgrades substantially similar to those shown below:

G gryphon capital

Single Major Tenant (SMT)

The Developer intends to enter into a long term lease agreement with a Single Major Tenant ("SMT") to complete the entire construction project described above as to the exterior elevations and further described below on the interior of the structure.

The SMT is a major national retailer with more than 1000 locations nationwide. It is a general merchandise retail store that focuses primarily on fashion, home goods, and health and beauty products. In addition, it generally provides pharmacy services as well as a significant convenience food operation although not considered to be a full line grocery store. The SMT is extremely well regarded with significant local philanthropic partnerships with both governmental and non-profit organizations.

The SMT has a significant property development operation with in-house real estate, architectural and construction abilities. It has completed store sizes from 3,000 square feet to over 140,000 Square feet and is imminently capable of completing the proposed construction project. The SMT has a net worth well in excess of \$250,000,000.



G gryphon capital

The SMT will complete an interior remodel of the entire structure. At this time the SMT intends to retain all of the floor elements currently within the structure. The SMT will occupy the entire structure of the building. The SMT concept plans preliminarily propose to open a general merchandise retailer with public spaces on the first floor of 15,000.

It is currently considering whether the mezzanine can be retained as a public area as such use will require additional vertical transportation from the first floor to the mezzanine level. Additional structural analysis as well as retail feasibility will need to be completed to understand the viability of the public use of this space. In the alternative support office areas will be designed for the mezzanine space.

The SMT intends to use the entire basement area for stock room and other supporting services.

The SMT is proposing, as discussed above, to complete an extensive remodel of the first floor of the building and is considering additional retail services on the mezzanine area as well. At this time sales performance for this location is currently being evaluated however it believes the taxable retail sales to exceed \$9-10,000,000 from this building.



Key features of the resulting new store plan will include:

•Café / Coffee Services immediately adjacent to the both front facing glazing on Castro Valley Boulevard and will provide both indoor and outdoor seating. Outdoor seating is proposed to be located in the new promenade area which is currently the alley separating this building and The Creamery building.

•Replace existing and add significant new glazing on Castro Valley Boulevard as well as facing the west parking areas.

- •New Guest entry areas to the West parking areas.
- •New Guest entry to the Café / Coffee service area.





Market Overview and Land Value Estimates

Valuation based on:

Parcel size of 44,900 sf with access to Castro Valley Blvd with Shared access parking and new Paseo.

Retail useable square footage of 25,000 sf -max per the RFI (15,000 sf at grade and an additional 10,000 sf between Mezzanine and basement space) the balance to be used for Storage and office space, totaling 44,900 sf.

Value Estimation:

Due to the lack of similar sales comparables we have valued this building using a COST APPROACH.

Cost Approach is essentially calculated as the cost of construction new less "accrued obsolesce".

The current market conditions would only construct the above surface area and not the basement. This is in line with the Usable SF as noted above.

Current above grade square footage of approximately 24,000 sf (15,000 sf at grade and 9,000 sf on mezzanine)

New construction of \$200 sf for above grade improvements (24,000 sf x \$200= \$4,800,000).

There are three types of obsolesce to be considered. Two are impactful in this location:
 PHYSICAL DETERIORATION – This type is just what it sounds like – deterioration to the physical structure itself. The two primary causes of physical deterioration are age and wear & tear. Both causes result in the depreciation of the value of the property from what it was valued before the deterioration took place.
 FUNCTIONAL OBSOLESCENCE – If a commercial property is no longer able to function in the way that it was originally intended, such as an apartment building that is no longer fit for human residence then it loses value. Another form of functional obsolescence is a technical component in which the function becomes obsolete and the operating costs are more than the incoming capital.
 We estimate this building to be approximately 80-85% obsolete when considering the

two types of obsolesce above.

Based on the above we believe the Fair Market Value of the property with accrued Obsolesce to be: \$850,000.00



References

Financial Sources

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Governmental

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