



SINGLE TENANT - INDUSTRIAL INVESTMENT
427 DOHERTY AVENUE
MODESTO, CA
72,540± SF AVAILABLE FOR SALE

Lease Recently extended through January 30, 2030



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- ASKING PRICE: \$5,800,000 (\$79.93 PSF)
- CAPITALIZATION RATE: 6.2%
- EXCELLENT CREDIT TENANT - GEORGIA-PACIFIC CORPORATION

LEASE TERMS & PROPERTY OVERVIEW

LEASE TERMS:

LEASED SPACE:	72,540± SF
LEASE EXECUTION:	12/16/15
LEASE EXPIRATION:	01/31/2030
MONTHLY RENT:	\$36,270.00 (January 2027)
RENT PSF:	\$0.50
ANNUAL ADJUSTMENT:	3.5%
LEASE TYPE:	Gross with Base Year Recaptures
OPTIONS:	One 3 year at FMV

PROPERTY OVERVIEW:

AVAILABLE SF:	72,540± SF on 2.48± AC
OFFICE SF:	1,500± SF (newer two story)
DOORS:	Dock High: One (1) - well Grade Level: Seven (7)
RAIL:	(M&ET), short line rail road
CLEAR HEIGHT:	25'±
POWER:	400 amps, 240/480 v, 3 phase

COMMENTS:

- 27,000± SF concrete yard at south end of building
- Attractive concrete tilt-up construction
- **PRICED AT \$79.93 PER SQUARE FOOT WHICH IS SIGNIFICANTLY LESS THAN REPLACEMENT COST**



OPERATING EXPENSES & PROFORMA

OPERATING EXPENSES:

Expense:	Annual:	Tenant Reimbursement:	Adjusted Operating Expenses:	
Property Taxes*:	\$40,531.30	\$8,177.78	\$32,353.52	2016 Base Year \$32,353.52
Property Insurance*:	\$14,577.86	\$10,259.86	\$4,318.00	2016 Base Year \$ 4,318.00
Fire Sprinklers:	\$625.79	\$625.79	\$0.00	
Phone / fire alarm month:	\$2,255.00	\$2,255.00	\$0.00	
Net Annual Operating Expenses			\$36,671.52	

PROFORMA:

	<u>CURRENT</u>	<u>YEAR 2</u>	<u>YEAR 3</u>	<u>YEAR 4</u>
Scheduled Monthly Rent	\$33,009 (\$0.445 psf)	\$36,270 (\$0.50 psf)	\$37,539 (\$0.5175 psf)	\$38,853 (\$0.5356 PSF)
Scheduled Annual Gross Income	\$396,108	\$435,240	\$450,468	\$466,236
Less Adjusted Operating Expenses	(\$36,671.52)	(\$36,671.52)	(36,671.52)	(\$36,671)
Net Operating Income	\$359,437	\$398,569	\$413,797	\$429,565
Capitalizeon Rate	6.2%	6.87%	7.13%	7.41%

***Any increase in future cost include real property taxes above lease Base Year may be passed onto tenant**

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Georgia-Pacific has occupied 427 Doherty Avenue since 2016. This building is critical infrastructure for Georgia-Pacific as they own and operate a 260,000± square foot corrugated paper facility directly across the street. 427 Doherty Avenue serves as their key distribution center for inventory produced in that facility. Georgia-Pacific and its predecessors have been manufacturing in this adjacent building since 1963 which highlights the long-term stability and importance of this location for their operations.

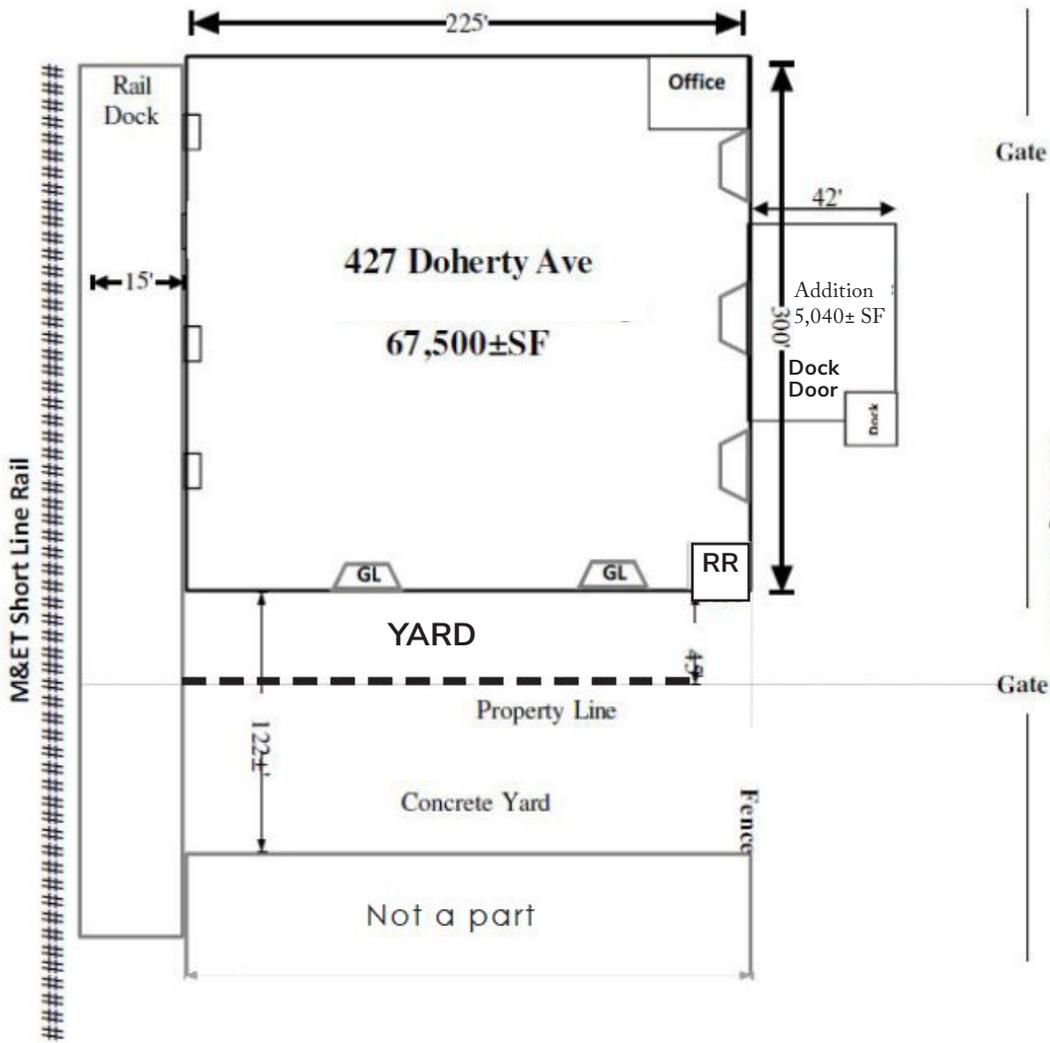
Georgia-Pacific was founded in 1927 as an American pulp and paper company based in Atlanta, Georgia. It is now one of the world's largest manufacturers and distributors of tissue, pulp, paper, packaging, building products and related chemicals. Georgia-Pacific makes a wide variety of household products such as Angel Soft, Quilted Northern, Brawny and Sparkle. Since 2005, it has been a subsidiary of Koch Industries. It is estimated the company employs between 30,000 to 35,000 people at more than 180 locations with \$5b to \$10b in annual revenue produced in their facilities in North America, South America and Europe.

Georgia Pacific California Operations



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FLOOR PLAN



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BEARD INDUSTRIAL DISTRICT LOCATION

The District: The property is located in the Beard Industrial District comprised of over 15 million square feet of prime industrial real estate. The District has attracted many well known manufacturing and food processing users due to the abundance of processing water (sewer) and attractive electrical rates provided by MID (Modesto Irrigation District) who has major hydro power operations. The District is also serviced by M&ET Rail providing short line service to both Union Pacific and BNSF Rail.

Neighbors: Neighboring businesses include Del Monte Foods, Frito Lay, Nestle', Stanislaus Foods, Sysco Foods, Sun Opta Foods, E & J Gallo Wines and Fastenal Corporation. These major manufacturing and processing facilities support many ancillary businesses also in the District including cardboard container companies Pacific Southwest Container and International Paper, metal and plastic container manufacturer, Graham Packaging, Plastipac and Silgan Container.



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MODESTO AREA INFORMATION

Modesto is the county seat and largest city in Stanislaus County. With a population of approximately 219,440, it is the 18th largest city in the state of California and forms part of the Modesto-Merced combined Statistical Area.

Modesto is located in the Central Valley, 90 miles north of Fresno, 40 miles north of Merced, 92 miles east of San Francisco, 68 miles south of Sacramento, 66 miles west of Yosemite National Park, and 24 miles south of Stockton. Modesto is surrounded by 961,838 acres of rich farmland, led by almonds, milk, chickens, and cattle. The county grossed nearly \$3.6 billion in agricultural production in 2019. The farm to-table movement plays a central role in Modesto living.

ECONOMY

Modesto has a large agricultural industry due to the fertile farmland surrounding the city. Modesto is home to the largest winery in the world, E & J Gallo Winery. The Gallo Glass Company, a company of Gallo Winery, is the largest wine bottle manufacturing company in the world. The company provides thousands of office and manufacturing jobs to Stanislaus County residents. Other major privately-owned companies based in Modesto include Foster Farms Dairy, Pacific Southwest Container, international award winner Fiscalini Cheese, Sciabica Olive Oil, Acme Construction, and Aderholt Specialty.

TRANSPORTATION

Highways

Interstate 5 and California State Route 99 provide major highway access to Modesto. California State Route 132 links the city to Interstate 580, providing commuter access to highways into the Bay Area. California State Route 108 connects to Oakdale and east to the foothills.

Rail

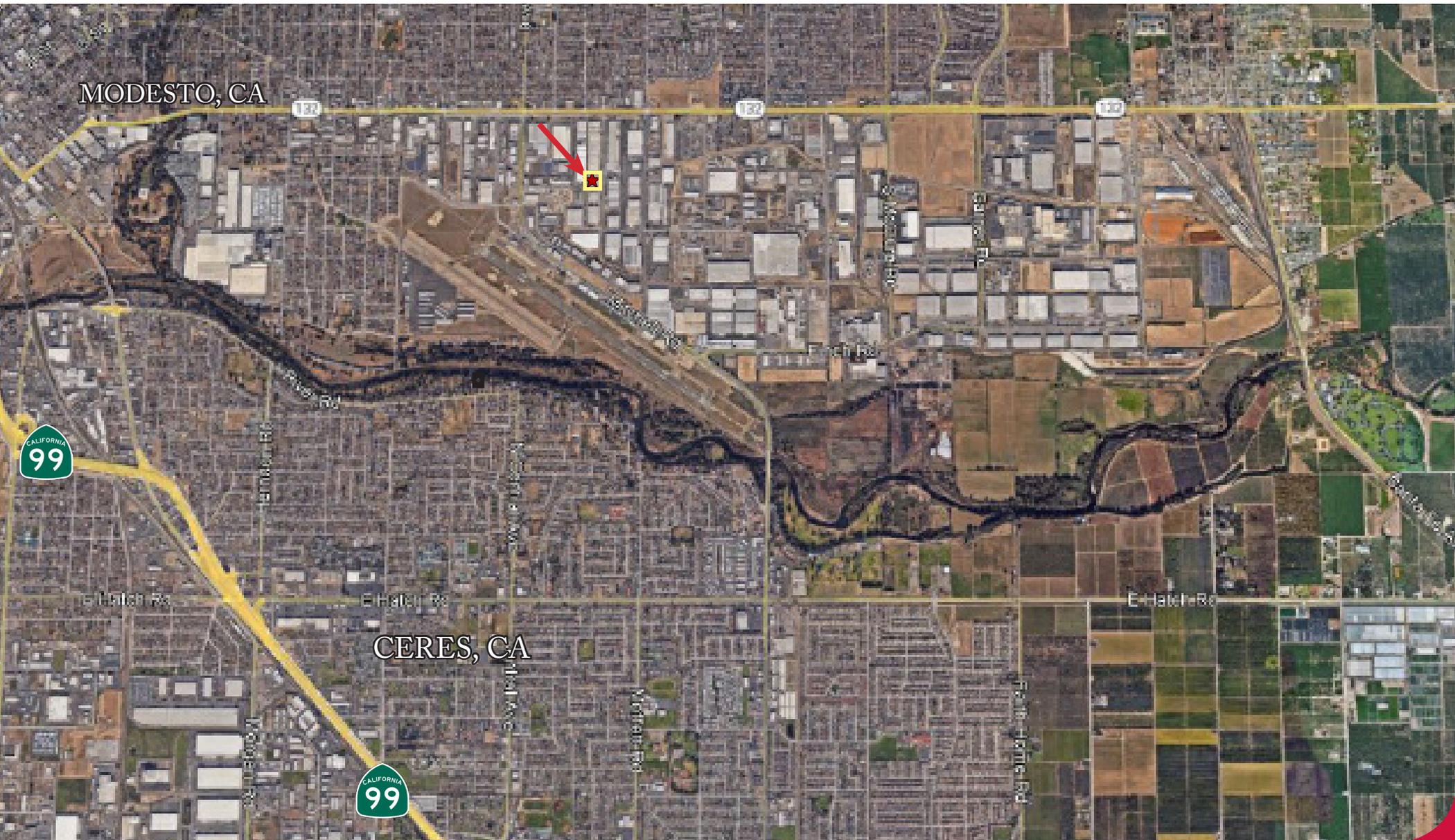
Modesto is served by one of the busiest rail corridors in the country. The Amtrak San Joaquin makes eight daily stops on the route between Oakland and Bakersfield, and four stops daily on the route between Sacramento and Bakersfield.

Air

Modesto is served by the Modesto City-County Airport that lies east of California State Route 99 within the city limits. The airport is used for manufacturing and shipping industries throughout California and the United States. The closest international airport is Oakland (OAK) approximately 73 miles west.



BEARD INDUSTRIAL DISTRICT



This Offering Memorandum contains select information pertaining to the business and affairs of 427 Doherty Avenue, Modesto, CA (“Property”). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Lee and Associates Commercial Real Estate Services – Central Valley (“LEE”). The material and information in the Offering Memorandum are unverified. LEE has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic.

The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

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427 DOHERTY | MODESTO | CA

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Since 1994, Lee & Associates Central Valley Office has focused on providing clients primarily in Stanislaus and San Joaquin Counties with superior service and results. Our professionals are experienced in the sale and leasing of Industrial, Office, Retail, Commercial investment and Land. We utilize the latest marketing tools available to the industry.



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SERVING CLIENTS THROUGHOUT THE CENTRAL VALLEY, INCLUDING:

