



CONFIDENTIAL OFFERING MEMORANDUM

2959

MONTEREY-SALINAS HIGHWAY

Monterey, California



FOR SALE

FOR LEASE

OWNER-USER / INVESTOR OPPORTUNITY WITH CARRY INCOME

2959

MONTEREY-SALINAS HIGHWAY

Monterey, California



Disclaimer

Cushman & Wakefield has been engaged as exclusive advisors to the Seller (the "Seller"), in connection with Seller's solicitation of offers for the purchase of the fee simple interest in 2959 Monterey-Salinas Highway, Monterey, CA ("The Property"). The Property is being offered on an "AS-IS" basis. This Offering Memorandum is furnished to prospective purchasers on a confidential basis solely for the purpose of prospective purchasers determining whether or not to submit an offer to purchase the Property. The information contained herein, or any other related information provided by Seller may not be reproduced, redistributed or used in whole or in part for any other purpose. No person has been authorized to give any information or to make any representation or warranty, either express or implied, other than that contained in an executed purchase agreement subject to any disclaimer or limitations set forth therein. Information or representations given or made in any other form, should not be relied upon. While Seller has no reason to believe that the information provided herein, or in the due diligence materials, contains any material inaccuracies, neither Seller nor any of its respective officers, directors, shareholders, owners, employees, agents, members, managers, etc., may make any representations or warranties, express or implied, as to the validity, accuracy or completeness of the information provided or to be provided except as may be set forth in

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01

Executive Summary

Executive Summary

Cushman & Wakefield, as the exclusive advisor, is pleased to present the opportunity to Lease or Acquire the 100% fee simple interest in 2959 Monterey-Salinas Highway, in Monterey, CA (“the Property”), a 75,531 square foot Office Owner/User/Investment opportunity located in highly desirable submarket of Monterey, California. The Property is truly a one-of-a-kind asset located in Monterey near the Monterey Regional Airport. The Property has direct access to Highway 68 which connects to Highway 1 to the west and Highway



75,531 GROSS SF
59,837 RENTABLE SF



**OWNER / USER /
INVESTMENT
OPPORTUNITY**

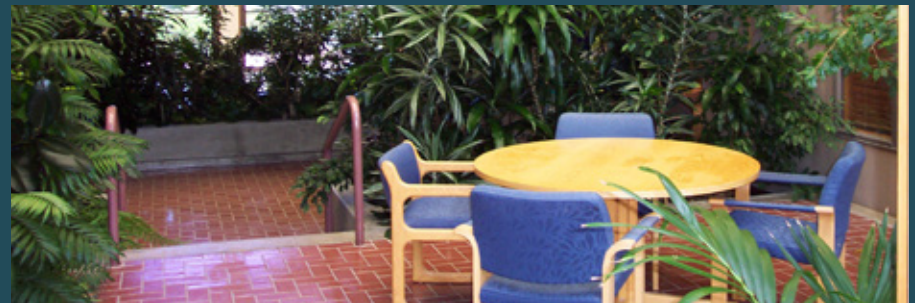
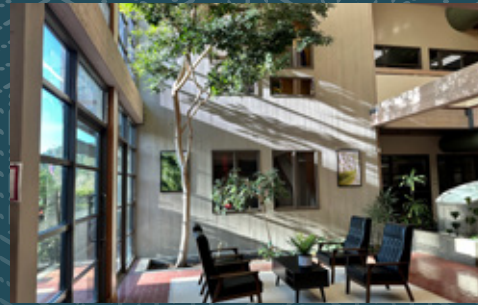


\$14,950,000M **\$2.00 P.S.F, NNN**
PURCHASE PRICE ASKING BASE RENT



Property Expenses (Estimated)

CAM/R&M:	\$4,500
Property Taxes (\$14,950,000 x .011%)	\$13,705
Property Insurance	\$3,500
Utilities	\$22,000
Janitorial	\$8,000
Property Management Fee	\$2,500
	\$54,205 (Monthly \$0.91 p.s.f)
	\$650,040 (Annually \$10.57 p.s.f)



PROPERTY HIGHLIGHTS

- Rare owner / user investment opportunity
- Premier Monterey location
- Dramatic open lobby with high interior ceilings
- Well developed landscaping with sidewalks, balconies and exterior areas with outdoor seating
- Underground parking
- Great access to the Monterey Peninsula and Salinas



The Offering

Cushman & Wakefield, as exclusive marketing advisor, is pleased to present to qualified buyers the unique opportunity to acquire a fee interest in 2959 Monterey-Salinas Highway in Monterey, California. The Property consists of an architecturally unique “Cannery Row” style office building containing 75,531 gross square feet on 5.95 acres. The acquisition includes 0.534 acres of leased land from the Monterey Peninsula Airport District providing on additional 46 parking spaces for the Property.

The Property is located at 2959 Monterey-Salinas Highway in Monterey, California. Monterey is in the northwestern portion of Monterey County, approximately 120 miles south of San Francisco and 65 miles southwest of San Jose. The County’s two major economic generators are agriculture and tourism. The City of Monterey benefits from a location along the Monterey Peninsula, and it affords its residents with a relaxed lifestyle while providing numerous attractions for visitors and tourists from around the world.

The Property is 39% leased to Dole Fresh Vegetables, Inc. (“Dole”) through April 30, 2025, and is the divisional Headquarters for Dole. It houses the company’s executive offices, finance and accounting and sales and marketing operations. The location was chosen because of its strategic proximity to the Company’s farming, production and processing operations in Monterey and Sante Cruz counties.

This is an incredible opportunity for an owner/user buyer to purchase what may be the most beautiful and unique office building on the California Central Coast at 35% of its replacement cost. It also offers an investor buyer the opportunity to reposition the Property to create future upside potential. The Property is conveniently located on Hwy 68 adjacent to the Monterey Airport with easy access to the balance of the Monterey Peninsula and the Salinas Valley.....**Seeing is believing!**

02

Property Overview

Monterey Salinas Hwy

Salinas Hwy

Salinas Hwy



Property Summary



ADDRESS

2959 Monterey-Salinas
Highway Monterey,
CA 93940



OCCUPANCY

39%



GSF

±75,531



STORIES

2

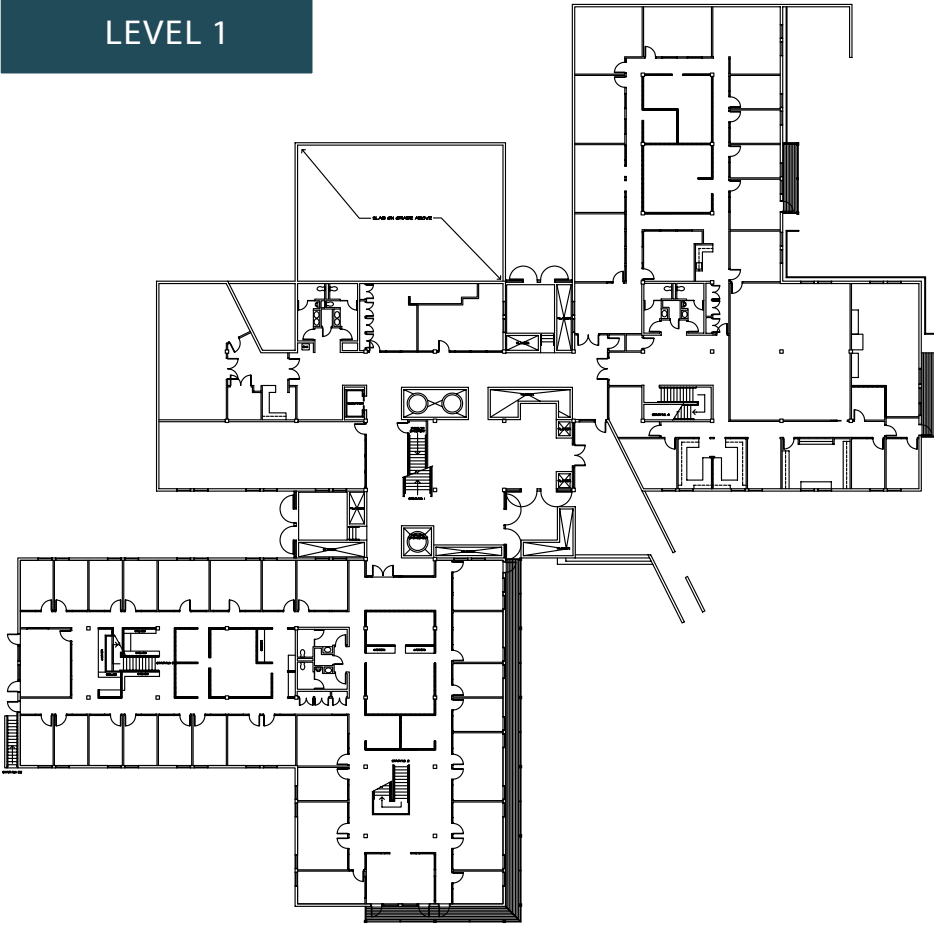


YEAR BUILT

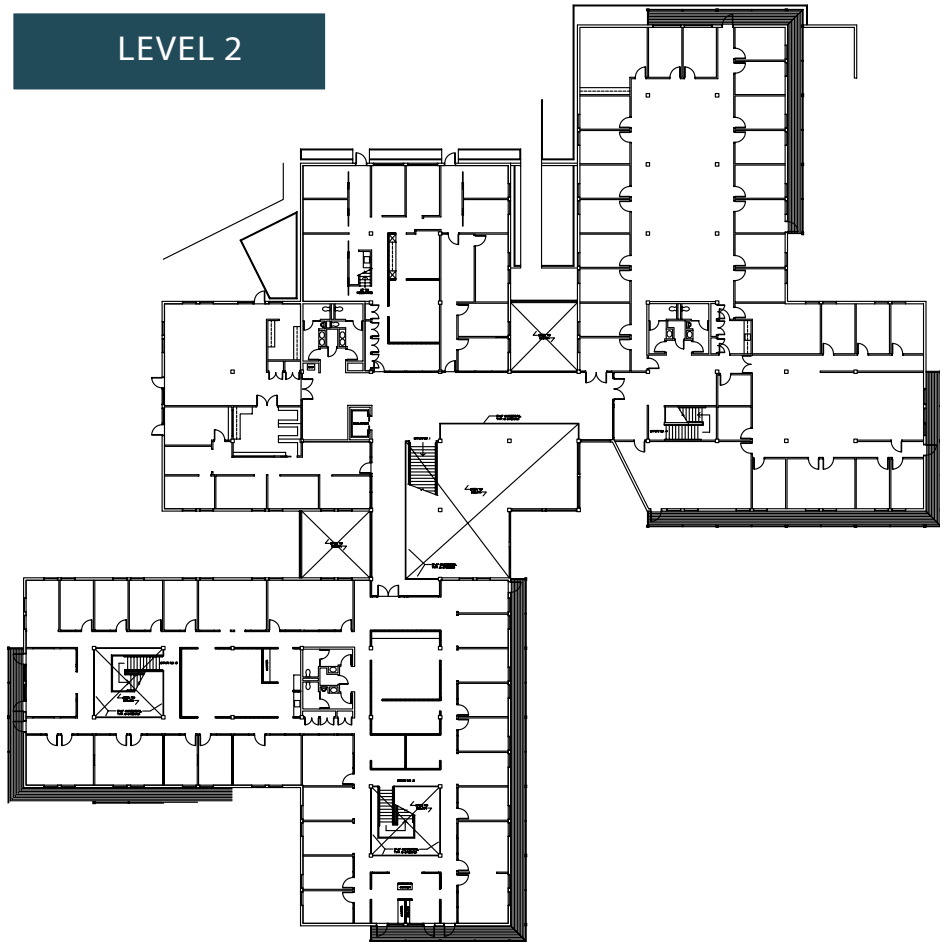
1982

Floor Plan

LEVEL 1



LEVEL 2



Property Overview



PROPERTY ADDRESS
2959 MONTEREY
SALINAS HIGHWAY, MONTEREY
CA 93940



COUNTY
MONTEREY



ASSESSOR'S PARCEL NUMBER
APN# 013-221-019



YEAR BUILT/RENOVATED
BUILT IN 1982, RENOVATED IN 2007



NUMBER OF BUILDINGS
ONE (1)



GROSS BUILDING AREA
75,531 SQUARE FEET



NET RENTABLE AREA
59,837 SQUARE FEET



NUMBER OF FLOORS
TWO (2)



LAND AREA
5.95 ACRES



ADDITIONAL LAND UNDER GROUND LEASE
0.534 ACRES
CONTAINING 46 PARKING SPACES



ZONING
IR 130-D2 (INDUSTRIAL RESEARCH)



PERMITTED USES
INDUSTRIAL, R&D AND OFFICE



PARKING
TOTAL OF 209 PARKING SPACES, INCLUDING
147 SURFACE SPACES ON THE FEE PARCEL,
16 COVERED UNDERGROUND SPACES AND
46 SPACES ON THE LEASED LAND FROM THE
MONTEREY PENINSULA AIRPORT DISTRICT



UTILITIES
WATER AND SEWER -
CITY OF MONTEREY; ELECTRICITY - PG&E



SITE ACCESS
THE SITE IS ACCESSIBLE FROM MONTEREY/
SALINAS HIGHWAY, BOTH NORTHBOUND
AND SOUTHBOUND



ROOF
FIBERGLASS SHINGLE REPLACED IN 2007



FOUNDATION
REINFORCED CONCRETE



FRAME
CONCRETE/WOOD



EXTERIOR WALLS
WOOD SIDING



INTERIOR WALLS
TEXTURED AND PAINTED DRYWALL



CEILING
A COMBINATION OF OPEN AND
VAULTED CEILINGS WITH EXPOSED
DUCTING AND SUSPENDED
ACOUSTICAL TILE



HVAC SYSTEM
WATER BASED CHILLER SYSTEM
WITH COOLING TOWER.



INTERIOR LIGHTING
RECESSED FIXTURES, SKYLIGHTS AND
HANGING PENDANT FIXTURES IN
THE ATRIUM LOBBY



FLOORING
CARPET, TILE AND TWO STAIRWELLS



ELEVATOR/STAIRWELLS
ONE PASSENGER ELEVATOR AND
TWO STAIRWELLS



FIRE PROTECTION
SPRINKLERS AND SMOKE
DETECTORS THROUGHOUT

Building Lease Summary

The Property is 39% leased to Fresh Vegetables, Inc. (“Dole”) through April 30, 2025. Dole is currently paying \$33,000 per month, NNN and has 2-6 month options to extend the lease upon providing 90 days’ written notice to the Landlord. There is the potential to secure a longer-term lease, depending on if the Property is sold to a user buyer or an investor. The lease is structured as a NNN lease with limited landlord responsibilities. Dole is paying a Base Rent of \$33,000 per month, which would be increased three percent (3%) if they exercise their first 6-month option.

Lessee: Dole Fresh Vegetables, Inc., a California corporation

Property: 2959 Monterey-Salinas Highway Monterey, California 93940

Premises: Approximately 23,400 s.f.

Use: General office purposes and for no other purposes without Landlord’s prior written consent.

Term: Original term was 15 Years

Expiration: April 30, 2025

Base Rent: \$33,000 per month

Lease Type: A NNN structure lease with Dole responsible for all operating expenses and M&R obligations related to the Property, except for certain Building System costs

Renewal Options: 2-6 month options to extend the Term upon providing the landlord with 90 days’ advance written notice; the option Base Rent would be increased by 3%

Landlord Termination Right: Landlord has the right to terminate the lease any time after May 1, 2025, upon providing Tenant with at least 90 days’ notice.

Parking Lot Land Lease: Tenant is responsible to reimburse the Landlord for the parking lot Land Lease Base Rent and expenses, which is currently \$5,688.28 per month.

Taxes: Tenant shall pay and discharge all taxes, levies, and assessments or assessed upon or against the Leased Premises by any governmental agency or authority having jurisdiction, whether foreseen or unforeseen.

Insurance: Tenant shall maintain comprehensive public liability insurance and shall procure, pay for and maintain in effect policies of casualty insurance.

Utilities: Tenant shall pay all utilities

Ground Lease Summary

The Ground Lessee has leased 0.534 acres of land from the Monterey Peninsula Airport District. The ground is improved with a parking lot which provides on additional 46 parking spaces for the Property. The lease expires October 31, 2024, and there are five (5) five-year renewal options. The Ground Lessor pays the base ground rent, operating expenses and utilities, and the Tenant is responsible to reimburse the Ground Lessor.

Property Location: 2959 Monterey-Salinas Highway, Monterey, California 93940

Ground Lessee: Gunilda Acquisitions, LLC

Ground Lessor: Monterey Peninsula Airport District

Improvements: A parking lot expansion containing 46 spaces

Land Size: ±0.534 acres

Lease Date: October 8, 1999

Lease Term: 25 Years

Commencement Date: November 1, 1999

Expiration Date: October 31, 2024

Base Ground Rent: Currently \$5,688.28 per month

Ground Rent Increases: The ground rent increases annually on July 1st based on CPI. In no event will the new rent be less than the current rent or more than 7% greater than the current rent. If a CPI adjustment is negative or greater than 7%, then the difference will be carried over and applied the following year. In the event this lease is assigned, the ground rent may be readjusted to fair market value.

Lease Extensions: Five (5) five-year options. 2 months’ notice required (Ground Lessee does plan to exercise its first option right)

Rent During Lease Extensions: Base Ground Rent will be agreed upon by both parties, or if parties are unable to agree, then the Base Ground Rent would be based on fair market value as agreed to by Arbitration. In the second and subsequent years of any lease extension, the Base ground Rent would increase at CPI in the same manner as during the initial Lease Term.

Sublease: Subleasing is not allowed

Utilities: The Landlord pays for utilities and the Tenant is responsible to reimburse the Landlord.

Maintenance Costs: The Landlord pays M&R costs and Tenant is responsible to reimburse the Landlord.

Insurance Coverage: The Landlord shall maintain comprehensive public liability insurance and property damage insurance and the Tenant is responsible to reimburse the Landlord.

Possessory interest Tax: In the event a possessory interest tax is levied by the County of Monterey or the State of California, Landlord would be responsible for payment and the Tenant is responsible to reimburse the Landlord.

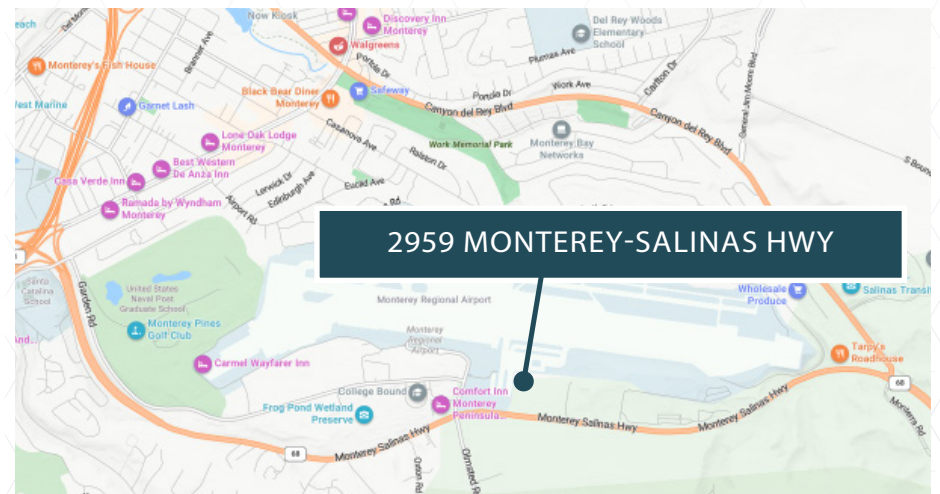
Guaranty of Lease: Gunilda Acquisitions, LLC guarantees all provisions of the lease.

03

Location & Market Analysis



Regional & Local Area Maps



Monterey Peninsula

Cushman & Wakefield, as the exclusive advisor, is pleased to present the opportunity to acquire the 100% fee simple interest in 2959 Monterey-Salinas Highway, in Monterey, CA (“the Property”), a 75,531 square foot Office investment opportunity located in a highly desirable submarket of Monterey, California. The Property is truly a one-of-a-kind asset located in Monterey near the Monterey Regional Airport. The Property has direct access to Highway 68 which connects to Highway 1 to the west and Highway 101 to the east.

Carmel Valley is a combination of sunshine and countryside. The valley retains the agricultural character of its history: rustic barns, fields of vineyards and grazing animals. Carmel Valley Village is 12 miles east of Carmel and is home to Garland Ranch Regional Park.

Carmel-by-the-Sea, with a population of 5,000 residents, plays host to thousands of visitors each year. By the 1920’s Carmel had already achieved its international reputation as an artists’ colony. Its attractions include the downtown shopping district, specialty shops, boutiques, art and photography galleries, great restaurants and beautiful beaches.

Pebble Beach is an unincorporated community on the Monterey Peninsula in Monterey County. It lies at sea level. Pebble Beach is a small coastal residential community of mostly single-family homes and resort destinations. It is home to the famous golf facilities-Cypress Point Club, Monterey Peninsula Country Club, and of course, Pebble Beach Golf Links.

Pacific Grove, self-proclaimed as “America’s last hometown,” is known for its thriving population of Monarch butterflies. A walk through the residential neighborhoods reveals many well-preserved, turn of the century, Victorian homes.

Seaside, Sand City, and Marina are the fastest-growing cities on the Peninsula. Within their borders are the California State University at Monterey Bay, Seaside State Beach, Marina State Beach and two championship golf courses.



Location & Market Analysis

The Location

The Property is located at 2959 Monterey-Salinas Highway in the City of Monterey approximately 5 miles southeast of downtown Monterey on Highway 68, a two-lane major thoroughfare that is the predominant link between Monterey and Salinas. The Property is located adjacent to the Monterey Airport and consists of mostly, office, R&D and light industrial properties. The potential for new development in the future is very limited because of a water moratorium in effect for most of the Monterey Peninsula.

The Property is situated between two premier office parks in the area, The Ryan Ranch and The Garden Road Business Park. The Ryan Ranch is located approximately 1/2-mile northeast of the Property and is generally considered the premier business park on the Monterey Peninsula. The development includes office and light industrial facilities that have been built within the last 25 years.

The Garden Road Business Park is an older business park located approximately 1/4 mile west of the Property along Garden Road adjacent to the Monterey Airport. These two business parks house virtually all of Monterey County's national & regional companies. Larger tenants in the immediate area include Montage Healthcare, Fenton & Keller Law Firm, CIG Insurance, Ameriprise Financial, Language Line Services and numerous medical companies. The Del Rey Oaks industrial park is also in the immediate vicinity. Overall, between 5,000 - 6,000 employees work within a one-mile radius of the Property.

Monterey County

The Monterey County economy is a combination of two geographic areas and three economy influences. The two areas are the Monterey Peninsula and the Salinas Valley. Salinas Valley is primarily agricultural with its supporting services. The Monterey Peninsula has a large tourism industry, primarily in the coastal communities.

Agriculture is Monterey County's leading industry and the mainstay of the local economy. Monterey County consistently ranks as one of the leading agriculture-producing counties in the State of California. By adapting technology, farmers have been able to produce more fresh vegetables than any other county in the United States and have pioneered the market for pre-packaged salad and pre-cut vegetables. The County also boasts over 60,000 acres of wine grapes, making it one of the largest premium grape-growing regions in California.

The Monterey Peninsula has been called the greatest meeting of land, sea and sky and is recognized as an ideal vacation and business destination. This beautiful seaside community combines all the charm of small-town America with an endless variety of recreational and cultural activities. Monterey's rich history, the saga of California's Mission Trail, historic Fisherman's Wharf and Cannery Row, 20 world-class golf courses including the internationally renowned Pebble Beach Resort, the world's best aquarium, hotels, a unique variety of shops and galleries and a spectacular assortment of parks and natural areas to provide a truly unrivaled combination.

Thanks to tourism, Monterey boasts world-class dining and accommodations, as well as an outstanding array of scenic parks, beaches, and recreation facilities. The Association of Monterey Bay Area Governments (AMBAG) estimates that 15% of total employment in the county and about 45% of all services and trade employment in the county are supported by tourism.

Aerial View



Trade Area Retailers



The City of Monterey

Named “one of America’s most beautiful cities” by Forbes Magazine, Monterey is a scenic city located on Monterey Bay along the central portion of the California Pacific Coast, roughly an hour south of the San Francisco Bay Area. The year round population of Monterey averages approximately 29,000, however that number swells to more than 70,000 during the peak “visitor season” from May through October, with a total of over eight million visitors to the Monterey Bay annually.

The city is well known for its rich history, from its past resident artists to its famed fishery. The city is home to incredible attractions such as the Monterey Bay Aquarium, Cannery Row, and Fisherman’s Wharf, as well as annual events like The Monterey Jazz & Blues Festivals, the Monterey Wine Festival, the Monterey Car Week & Concours d’Elegance, as well as other major automobile and motorcycle races at nearby Laguna Seca Raceway.

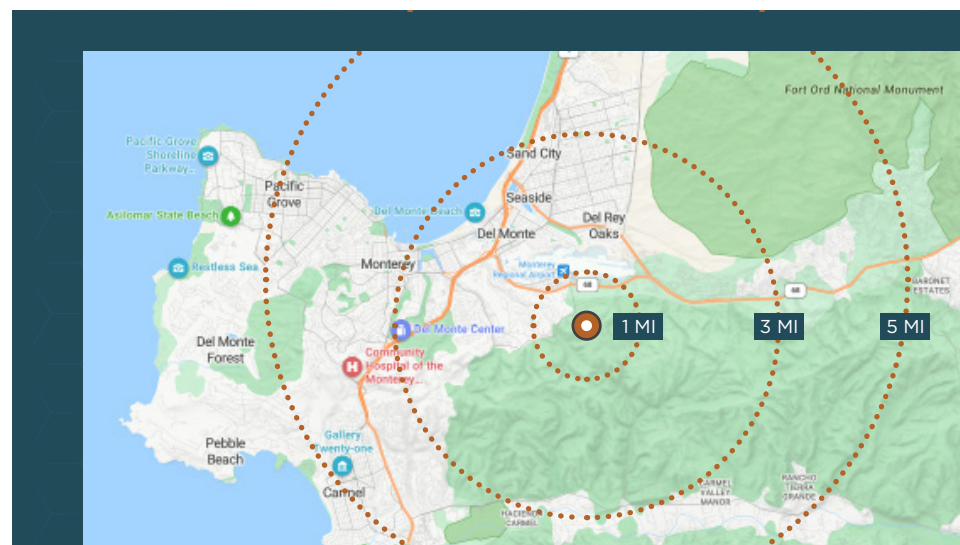
Additionally, the city’s attractive amenities include world class dining and shopping, and countless recreational and leisure activities. Monterey’s many attractions and lifestyles are all enjoyed in the presence of a Mediterranean climate with average temperatures of between 50° and 70°.

Population and Economy

As of the census of 2010, there were 27,810 people and 13,584 households in the city. The population and average household income for the 3-mile radius surrounding the Property is 54,059 and \$93,816, respectively. While much of the high affluence resides in the suburbs surrounding Monterey, there is a significant lack of retail in these areas, and as a result, the retail in Monterey serves a much larger community than just its immediate trade area. The economy in Monterey thrives not only from tourism revenues, but also from vast network of education institutions that serve as some the city’s largest employers.

Transportation

Monterey is primarily served by Highway 1, the highway that parallels the California coast. Additionally, the Monterey Peninsula Airport, located less than two miles from the Property, serves the California Central Coast, with over 40 daily flights available to both northern and southern regions of the state, as well as Arizona and Colorado. The city is served by an extensive public transportation network, the Monterey-Salinas Transit (MST), which serves the greater Monterey Bay, and areas as far south as Paso Robles and Big Sur, and as far north as Watsonville and San Jose. The network is utilized by droves of tourists as well as residents.



	1-MILE	3-MILES	5-MILES
Total Population	872	40,156	75,258
Average Household Income	\$189,137	\$136,585	\$153,230
Median Household Income	\$115,504	\$85,999	\$93,311
Number of Households	390	15,326	29,440



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2959

MONTEREY-SALINAS HIGHWAY

Monterey, California