



Bloom Plaza I & II

EXECUTIVE SUMMARY

Fully Leased Neighborhood Retail Center
San Jose, CA

EXCLUSIVE AGENT:

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Bloom Plaza I & II

470-488 Blossom Hill Road
5615, 5625, 5647-5681 Snell Avenue
San Jose, CA 95123



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Confidentiality & Disclosure

Biagini Properties, Inc. ("Broker") has been retained on an exclusive basis to market the property described herein 470-488 Blossom Hill Road • 5615, 5625, 5647-5681 Snell Avenue San Jose, CA ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate. The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. Any pro forma or financial projection provided in this Material is only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding the Material or any projections or pro forma. Purchaser must make its own investigation of the Property and any existing or available financing and must independently confirm the accuracy of the projections contained in the Material or pro forma. Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only through Biagini Properties, Inc. Contact Mark Biagini for additional information.

Offering Highlights

Bloom Plaza I & II

Offering Summary

Asking Price	Bloom Plaza I & II	Best Offer
Existing Annual Absolute NNN Income *		\$1,949,459
Estimated Market Annual NNN Income*		\$3,694,978
Occupancy as of November 1, 2023		95.6%
Total Building Gross Leasable Area (GLA in Sq. Ft.)		<u>106,295</u>
2 Pad Buildings (BoFA & AQUI)		19,188
Shops spaces (Vet to Application Support)		20,000
Courtyard shops between CVS & Pet Club		11,431
2 Anchor Buildings (CVS & Pet Club)		55,676
Land Acreage		11.2288
Year Built		Phase I (CVS to Pet Club) – 1974 Phase II (Vet to AQUI Cal-Mex) – 1985
Zoning – Current		Commercial Neighborhood
2040 General Plan		Urban Village
Tenants		28 separate retail tenants
FAR		22%

Major Tenants

Tenant	GLA	Lease Type
CVS Pharmacy	25,600 SF	Ground Lease
Bank of America**	9,666 SF	Ground Lease
Pet Club	30,076 SF	Ground Lease
Application Support	8,000 SF	NNN
AQUI Mexican Restaurant	3,948 SF	NNN

*As of November 1, 2023. All shop leases are absolute NNN leases whereby Tenants reimburse for Taxes, Insurance, CAM, Roof Surface, HVAC & property management & 10% admin fees. Assume 100% occupancy. **Ownership of B of A Building reverts to Landlord at expiration.



Investment Overview

- ❖ TERMS: Best Offer.
- ❖ GREAT LOCATION
 - Located adjacent to Hwy 85 on the signalized corner of Blossom Hill Road and Snell Avenue. Great signage/visibility to Hwy 85 (127,000 cars per day). 46,300 cars cross the Blossom Hill/Snell Ave intersection daily
- ❖ E-COMMERCE RESISTANT TENANTS
 - 89% of Shops Tenants are service or restaurant Tenants insulated from competition from Amazon & similar E-Commerce Retailers
- ❖ TRANSIT ORIENTED LOCATION
 - VTA Light Rail Park & Ride access point at South corner of the property at Hwy 85 and Blossom Hill off-ramp provides extraordinary access to the Bay Area. Commuters are a short 19 minute train ride to downtown San Jose
- ❖ SIGNIFICANT MARK TO MARKET UPSIDE POTENTIAL
 - Two (2) Existing Anchor Ground Leases are significantly below market value. When the ground leases with SaveMart (Pet Club) & CVS expire and increased to market rents, investors can achieve **+200% increase in annual NNN income**
- ❖ STABLE CASH FLOW
 - Historically high occupancy rate in neighborhood center with 28 Tenants. Five national credit tenants provide consistent income and long term stable occupancy
- ❖ PROFESSIONALLY MANAGED – ABSOLUTE NNN ASSET
 - Absolute NNN leases for Shop Tenants and Ground Leases. Shop Tenant leases are absolute NNN leases with Tenants reimbursing Landlord for all NNN expenses, plus full reimbursement for HVAC repairs & replacements, parking lot & roof surface repairs & replacements, plus a third party property management fee, plus a 10% administrative fee
- ❖ NO DEFERRED MAINTENANCE
 - The Bloom Plaza has been professionally managed for decades and is well maintained with no deferred maintenance.
- ❖ CLEAN ENVIRONMENTAL
 - Completed Phase I & II testing results related to former dry-cleaning plant were below Environmental Screening Levels (ESLs) for commercial uses.



- ❖ AFFLUENT BAY AREA DEMOGRAPHICS
 - The surrounding neighborhood boasts positive retail demographics with an **average household income of \$169,382 and 168,833 residents** within a 2-mile radius
- ❖ NO EXISTING FINANCING
 - The Property is completely **free and clear of existing debt** - allows Buyer to arrange its ideal capital structure
- ❖ FUTURE HIGH DENSITY URBAN VILLAGE DEVELOPMENT
 - Bloom Plaza is in the 2040 General Plan designation for a significantly higher density use under the Urban Village plan
- ❖ PROVEN REDEVELOPMENT OPPORTUNITY
 - As San Jose's first mixed-use transit-oriented development, Cottle Transit Village (located at the next off-ramp south of Bloom Plaza on Hwy 85 @ Cottle) redeveloped the former low density IBM campus into a high-density transit oriented Urban Village in 2015. Cottle Village includes two retail/commercial centers, a VTA light rail station, green infrastructure with parks, a bike trail, sports fields, and more than 3,000 homes
- ❖ GENERATIONAL PIECE – RARE OPPORTUNITY
 - First time on the market. Same family ownership dates back to the early 1900's

PROPERTY FACTS

Location	470-488 Blossom Hill Road 5615, 5625, 5647-5681 Snell Ave San Jose, CA 95125
Assessor's Parcel Number(s)	687-26-037; 687-26-019; 687-26-018; 687-26-012; 687-26-020; & 687-26-026
Total Gross Leasable Area (SF)	106,295
Land Area	11.2288 Acres
Zoning – Current 2040 General Plan designation	Commercial Neighborhood Urban Village
Floor Area Ratio	22%
Year Built	Bloom Plaza Phase I (CVS to Pet Club) – 1974 Phase II (Vet Hospital to Aqui Cal-Mex) – 1985
Condition	Good. No deferred maintenance; property is well-maintained
Traffic Volume	46,300 vehicles at Blossom Hill / Snell Ave 127,000 vehicles on Hwy 85 @ Blossom Hill

PROPERTY DESCRIPTION & LOCATION

The property is located on the signalized corner of Blossom Hill Road & Snell Avenue @ Hwy 85, adjacent to the Snell Ave VTA Light Rail Park and Ride. It is perfectly positioned to service pedestrian and vehicle commuters. It is a prime location in a lively retail intersection with Walgreens, Smart & Final, Michael's, Dollar Tree, O'Reilly Auto, Dunkin Donuts, McDonald's and other major retailers nearby. The 11.2288 acre, transit-oriented site is leased to a diverse mix of 28 e-commerce resistant service and restaurant Tenants.

As part of the San Jose 2040 General Plan, the property is designated for a significantly higher density mixed-use Urban Village concept. The higher density mixed use will add significant value versus its current low density single story retail use.

BUILDING DESCRIPTION

Street Address	APN	Year Built	Tenancy	Land: Bloom Plaza	Acres	Square Feet	Building Size (SF)
470 Blossom Hill Rd (CVS Pharmacy)	687-26-037	Circa 1974	CVS Pharmacy	CVS Pharmacy	2.577	113,787	25,600
472 - 488 Blossom Hill Rd (Courtyard Shops)	687-26-019	Circa 1974	Blossom Hill Smoke Shop, MVRVMR Clothing Apparel, Doggie Stylezz Grooming, Bacon and Eggs Restaurant, Sushi Express Restaurant, Kitchen Nail Bar, Courtside Cleaners	Phase I Shops	1.2465	54,298	11,431
5625 Snell Ave (Save Mart / Pet Club)	687-26-020	Circa 1975	Save Mart / Pet Club	Save Mart / Pet Club	3.2801	142,881	30,076
N/A	687-26-018	N/A	Access easement behind McDonald's & Chevron	Driveway	0.142	6,186	N/A
5615 Snell Ave (Bank of America)	687-26-012	Circa 1974	Bank of America	Bank of America	0.7669	33,406	9,666
5647 - 5681 Snell Ave (Phase II Shops & Pad)	687-26-026	Circa 1985	PetVet Care Centers, The Golden Oak Tattoo Parlor, Imagine Hair Skin Care, Temaki Japanese Restaurant, Vienna Nails & Lashes, TukTuk Thai Chicken & Rice, Cali Pizza, Alex's Barbershop, The UPS Store, Application Support, Togo's Eatery, Aqui Cal-Mex 4Kids Tea House	Phase II Shops & Pad	3.2163	140,102	29,522
Total Building Square Footage					11.2288	490,659	106,295

BUILDING DESCRIPTION

A dry-cleaning plant (Courtside Cleaners) was located at 478 Blossom Hill Rd in the space currently occupied by Doggie Stylezz Grooming (in the courtyard area between Pet Club & CVS Pharmacy). On or about 2010, the dry-cleaning plant was closed and all its the equipment removed.

Hazardous Substance

The seller recently completed a Phase I Environmental Site Assessment (ESA) and Phase II testing and sampling work relative to the former dry-cleaning plant. Testing results were below Environmental Screening Levels (ESLs) for commercial uses. Courtside Cleaners now operates a pick-up station only having relocated to 488 Blossom Hill Road.

The Chevron Gasoline Station (not included in this sale) completed its own Phase I ESA and Phase II testing and sampling work several years ago. It was issued case closure from regulatory authorities.

American with Disabilities Act ("ADA")

In 2015/2016 the common area asphalt parking lot was patch/repared, re-sealed and re-striped. In addition, in 2017 and 2019 exterior asphalt/concrete alterations were completed to comply with the Americans With Disabilities ACT (ADA). Those alterations included a public path of travel, ramps, parking spaces, signage, truncated domes and other accessibility requirements. However, Seller did not complete a CAsp study. The shops leases with the Tenants require Tenants, at their expense, to modify their interiors to comply with ADA if required as a result of their permitted use. ADA work in the Common Area is a common area operating expense, and the shop leases and ground leases (except Bank of America's who pays for its own parcel) require tenants to reimburse their pro rata share of the cost of any additional ADA exterior asphalt/concrete alterations that may be required.

Heating Ventilating and Air Conditioning ("HVAC")

Any repairs, replacements or preventative maintenance to the HVAC units for ALL tenants, including the anchor tenants are at Tenants expense. For the shop tenants, Landlord provides the HVAC repairs & maintenance & replacement and back bills the tenants who reimburse. The anchor tenants perform their own repairs & maintenance & replacements at their expense. All HVAC units for the shops tenants are in proper operating condition.

Roof

The roof surface at Bloom Plaza I (shops between CVS & Pet Club) was replaced new 10/2006.

The roof surfaces at both buildings at Bloom Plaza II (Pad Bldg with Aqui's et. al. & the shops spaces between & including Application Support and Pet Club) were replaced new 11/2011.

The roof surfaces for Bank of America, Pet Club (SaveMart) and CVS are the responsibility of Tenants, so they pay for any & all repairs or replacements.

ALL of the shop leases require Tenants to reimburse Landlord their pro-rata share of the cost of the roof surface repairs & replacements.

Parking Lot

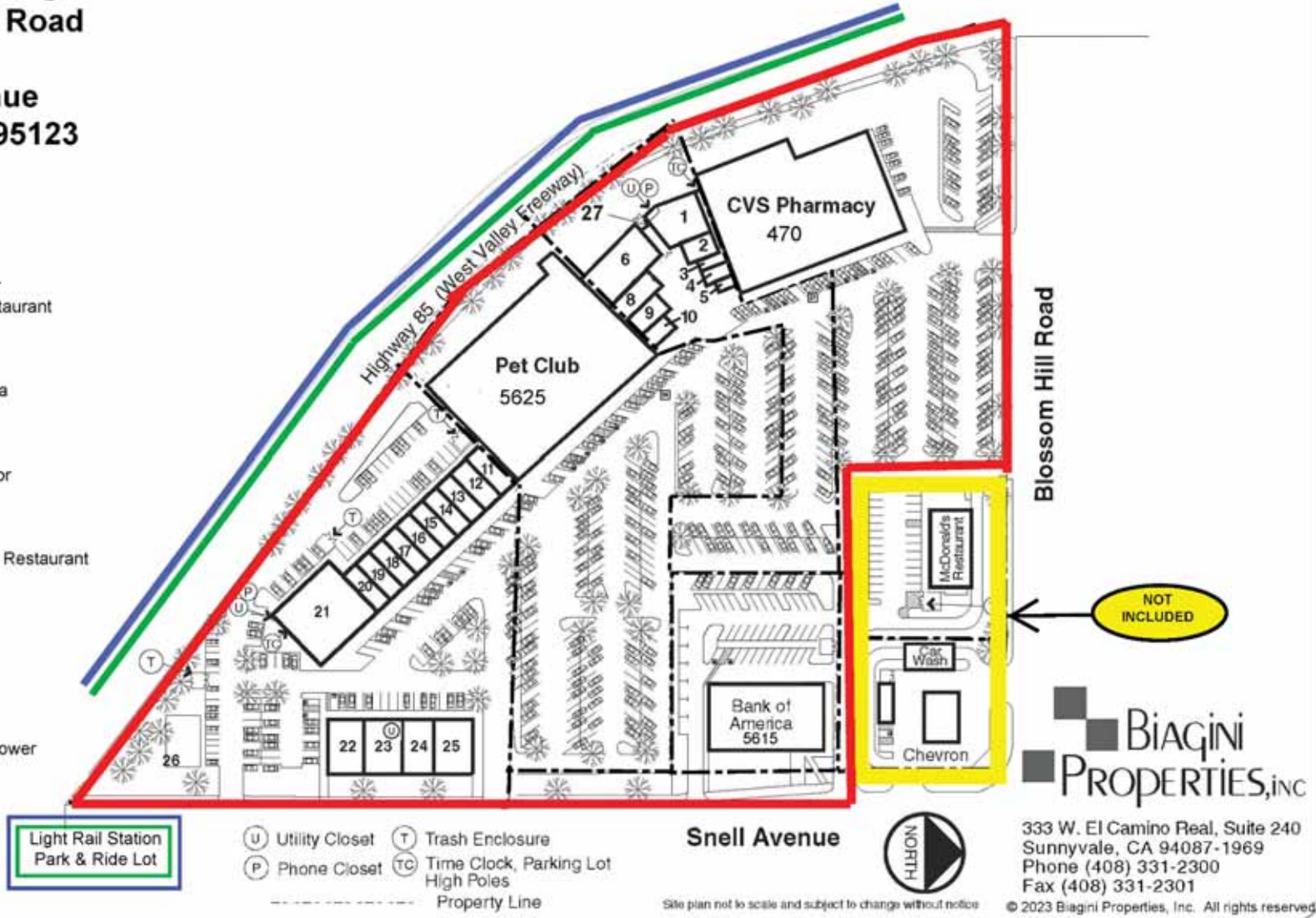
The asphalt surface in the common areas for Phase 1 & Phase 2 were sealed and stripped in 2016.

ALL of the shop leases require Tenants to reimburse Landlord their pro-rata share of the cost of the asphalt surface repairs & replacements.

Bloom Plaza Shopping Center
470-488 Blossom Hill Road
5625 Snell Avenue
5647-5681 Snell Avenue
San Jose, California 95123

- Phase 1**
- 1. 480-A 1,460 Square Feet
 - 2. 478 Doggie Stylezz
 - 3. 474 MVRVMV Clothing Apparel
 - 4. 476 1,450 Square Feet
 - 5. 472 Blossom Hill Smoke & Vapor
 - 6. 480 Bacon and Eggs Family Restaurant
 - 8. 484 Sushi Express Restaurant
 - 9. 486 Kitchen Nail Bar
 - 10. 488 Courtside Cleaners
 - 27. T-Mobile Cell Tower-Roof Top Antenna

- Phase 2**
- 11. 5647 PetVet Care Centers
 - 12. 5651 1,800 Square Feet
 - 13. 5653 The Golden Oak Tattoo Parlor
 - 14. 5655 Imagine Hair Salon
 - 15. 5657 Temaki Restaurant
 - 16. 5661 Vienna Nails & Lashes
 - 17. 5663 TukTuk Thai Chicken & Rice Restaurant
 - 18. 5665 Cali Pizza
 - 19. 5667 Alex's Barbershop
 - 20. 5669 The UPS Store
 - 21. 5675 Application Support Center
 - 22. 5681 2,400 Square Feet
 - 23. 5681-#1 4Kids Tea House
 - 24. 5679 Aqui's Cal-Mex Restaurant
 - 25. 5677 Togo's Eatery
 - 26. Sprint Spectrum Cell Tower-Cellular Tower



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