



1400 1ST STREET

GILROY, CA 95020

OFFERING MEMORANDUM

Exclusive Listing: ABC Commercial Realty /
Top Mission Realty and Investment Inc.



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CA RE License #01270736

INVESTMENT OVERVIEW

ABC Commercial Realty / Top Mission Realty and Investment Inc., are pleased to present 1400 1st Street, Gilroy, CA, a 202 Townhome development project on the corner of First Street and Santa Teresa.

Subject property is 11.26 acres of vacant land. Tentative map for the 202 Townhomes was approved by the City of Gilroy on April 16, 2016. An extension for the tentative map have been extended to April 2026, as a phase map was submitted along with a submission fee paid to the City of Gilroy on June 5, 2023.

Final Map are ready to present to the Gilroy City Council for consent and recordation. Final Map fees and improvements bonds will need to be posted prior to having the presentation of Final Map on City Council Agenda.

Seller currently updating all architectural, mechanical, structural, plumbing and electrical plans to 2024 building codes. Landscaping plans has been completed.

PG&E for underground overhead line on Hecker Pass, electric for new business and gas for new business has been paid by the Seller.

PROPERTY OVERVIEW

Property Details

Address	1400 1 st Street, Gilroy CA 95020 (located at Santa Theresa and Hwy 152)
County	Santa Clara
APNs	808-01-021 , 808-01-022, 808-01-023

Sale Price

Sale Price	\$29,500,000
Total Acres	11.26
Total Gross SF	490,525
Price / AC	\$2,619,893.43
Price / SF	\$60.14

Property Attributes

Tentative Map	Extension to April 2026
Final Map	Ready to submit to City of Gilroy
Public Electricity	PG&E
Water Supply	City Water
Sewer Type	City Sewer

PROPERTY OVERVIEW (CONTINUED)

Property Construction

Number of Townhomes	202 Town Homes to be built in phases
Foundation	Reinforce concrete slab
Construction Type	Wood Frame
Exterior Walls / Finish	Painted stucco with decorative wood finish
Roof Cover	Composition Shingle

Zone Details

Zoning Authority	City of Gilroy
Zoning Code	R4, High Density Residential District
Permitted Uses	Variety of Commercial and residential related uses

PROJECTED UNITS VALUATION

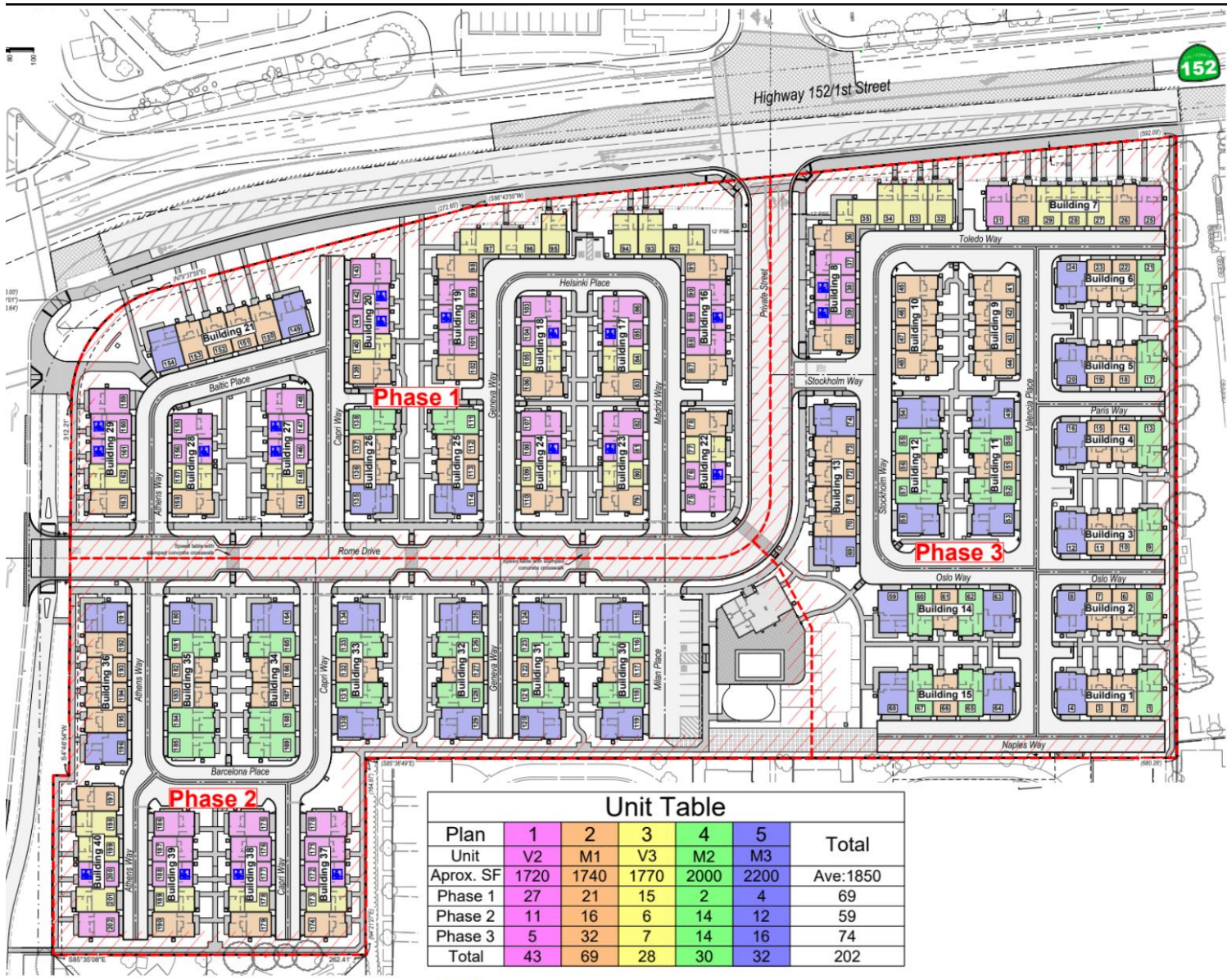
Proposed Units with Values per appraisal dated January 21, 2024, by Adam Hardej, Jr., MAI of BAAR Realty Advisors:

June 2021 VALUES

AGGREGATE OF RETAIL VALUES							
Unit	Unit Description	Sq. Ft.	# of Units	\$/SF	Price/Unit	Total Retail Value	
Plan 1	2-Beds/2-Full & 2 Half Baths	1,720	43	\$450	\$774,000	\$33,282,000	
Plan 2	4-Beds/3 Full & 1 Half Baths	1,740	69	\$450	\$783,000	\$54,027,000	
Plan 3	4-Beds/3 Full & 1 Half Baths	1,770	28	\$450	\$796,500	\$22,302,000	
Plan 4	4-Beds/3 Full & 1 Half Baths	2,000	30	\$440	\$880,000	\$26,400,000	
Plan 5	4-Beds/3 Full & 1 Half Baths	2,200	32	\$430	\$946,000	\$30,272,000	
TOTAL - Aggregate of Retail Values			202			\$166,283,000	
TOTAL - Aggregate of Retail Values (Rounded)						\$166,280,000	
Average Value of Units (Rounded)						\$823,168	


August 2023 VALUES

AGGREGATE OF RETAIL VALUES							
Unit	Unit Description	Sq. Ft.	# of Units	\$/SF	Price/Unit	Total Retail Value	
Plan 1	2-Beds/2-Full & 2 Half Baths	1,720	43	\$470	\$808,400	\$34,761,200	
Plan 2	4-Beds/3 Full & 1 Half Baths	1,740	69	\$470	\$817,800	\$56,428,200	
Plan 3	4-Beds/3 Full & 1 Half Baths	1,770	28	\$470	\$831,900	\$23,293,200	
Plan 4	4-Beds/3 Full & 1 Half Baths	2,000	30	\$460	\$920,000	\$27,600,000	
Plan 5	4-Beds/3 Full & 1 Half Baths	2,200	32	\$450	\$990,000	\$31,680,000	
TOTAL - Aggregate of Retail Values			202			\$173,762,600	
TOTAL - Aggregate of Retail Values (Rounded)						\$173,760,000	
Average Value of Units (Rounded)						\$860,198	



Unit Table

Plan	1	2	3	4	5	Total
Unit	V2	M1	V3	M2	M3	
Aprox. SF	1720	1740	1770	2000	2200	Ave:1850
Phase 1	27	21	15	2	4	69
Phase 2	11	16	6	14	12	59
Phase 3	5	32	7	14	16	74
Total	43	69	28	30	32	202

 =ADA Accessible Unit

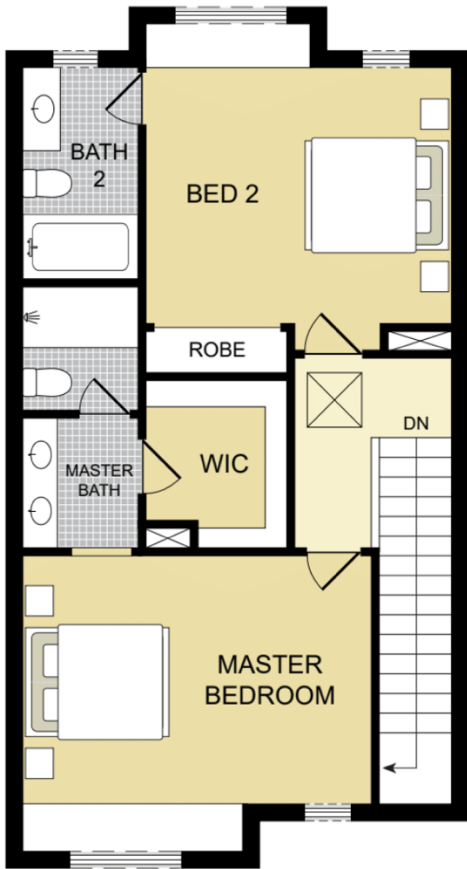
SITE / PHASE MAP



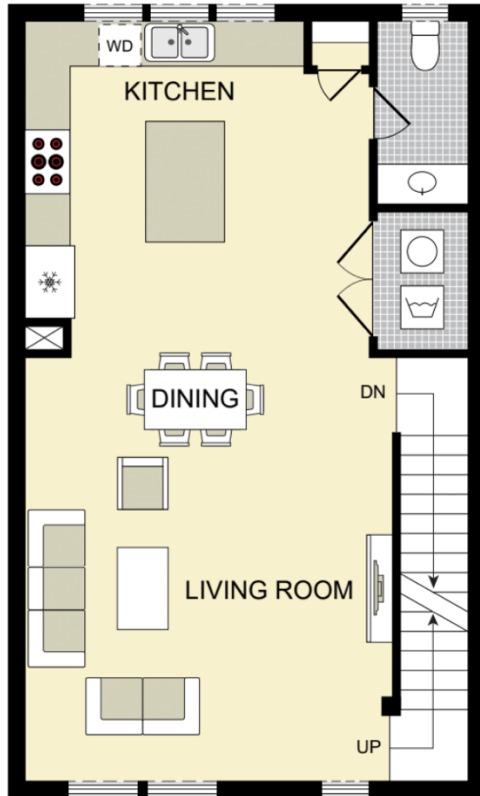
VIEW FROM SANTA TERESA THRU MAIN DRIVE

DRAWINGS

PLAN - 1 (V2)

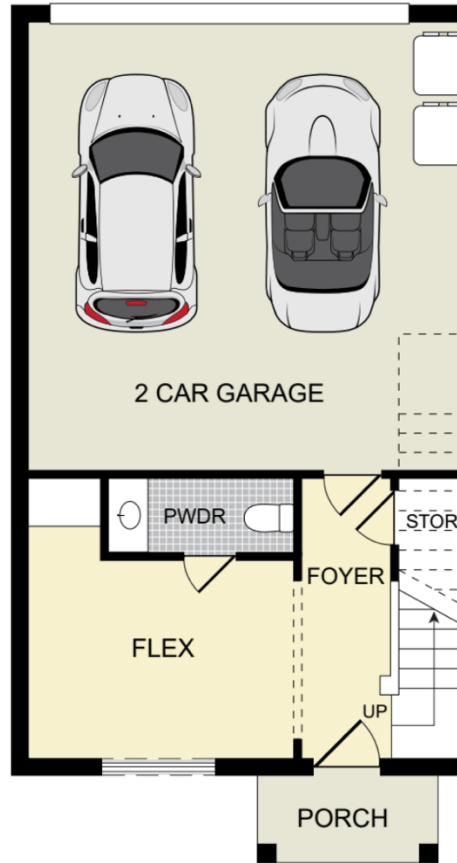


THIRD FLOOR



SECOND FLOOR

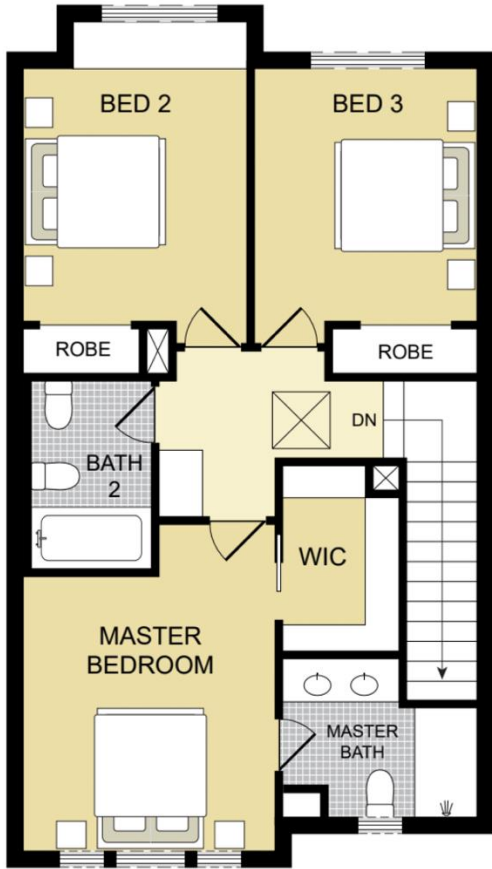
2B/2B/2P



FIRST FLOOR

FLOOR PLANS

PLAN - 2 (M1)

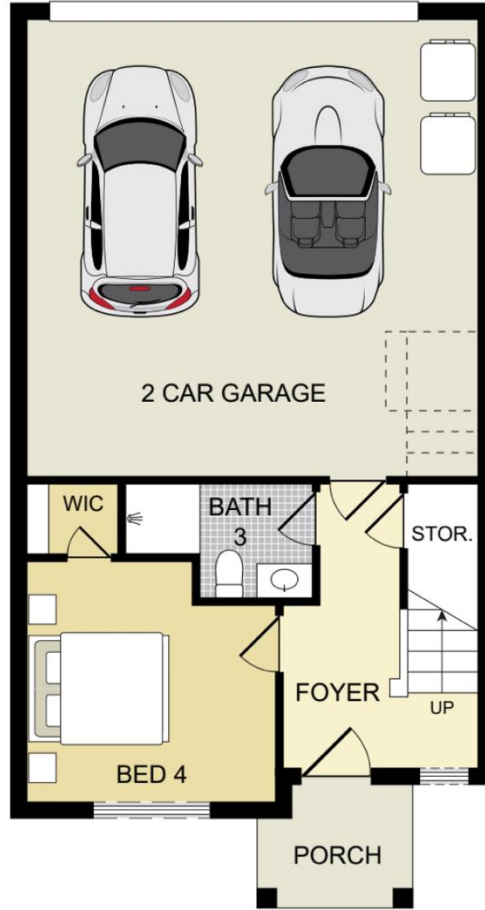


THIRD FLOOR



SECOND FLOOR

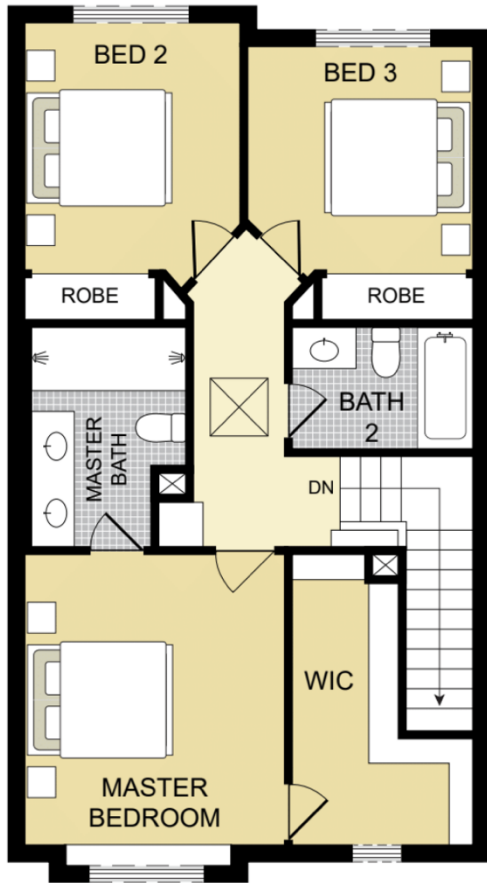
4B/3B/1P



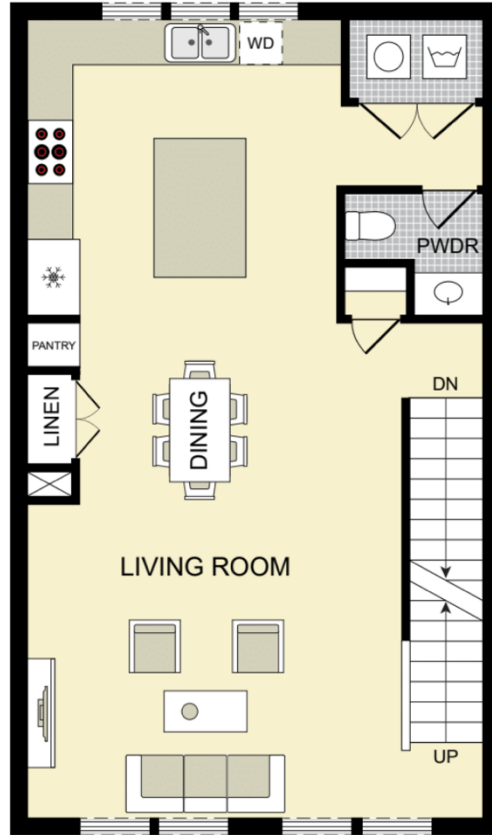
FIRST FLOOR

FLOOR PLANS

PLAN - 3 (V3)

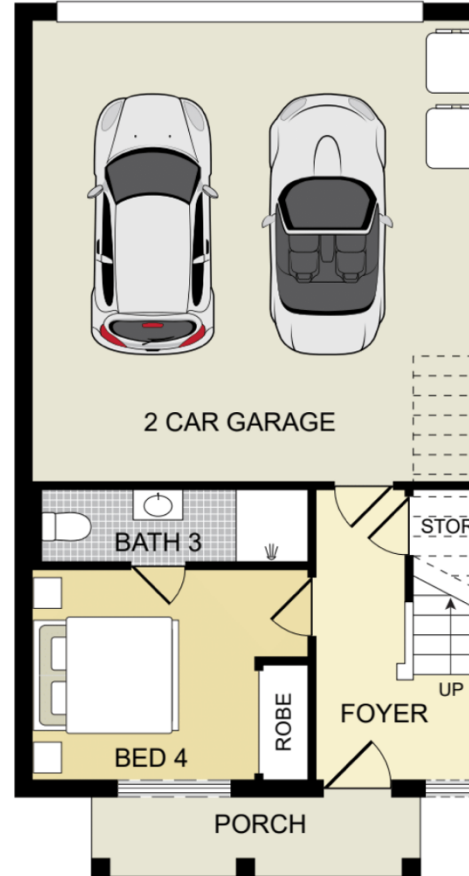


THIRD FLOOR



SECOND FLOOR

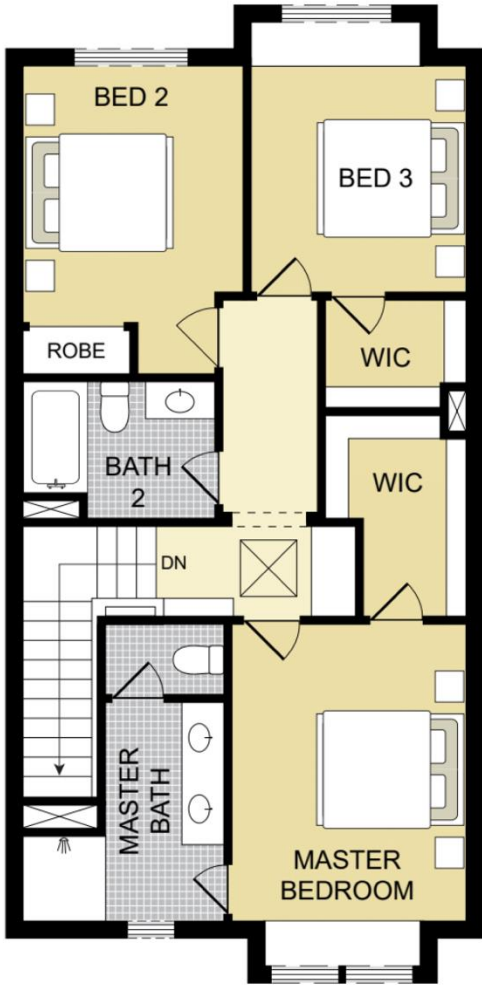
4B/3B/1P



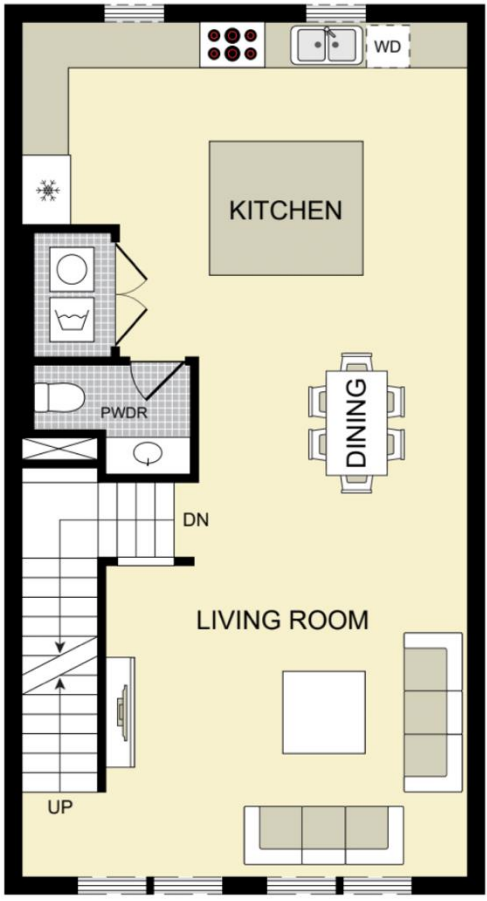
FIRST FLOOR

FLOOR PLANS

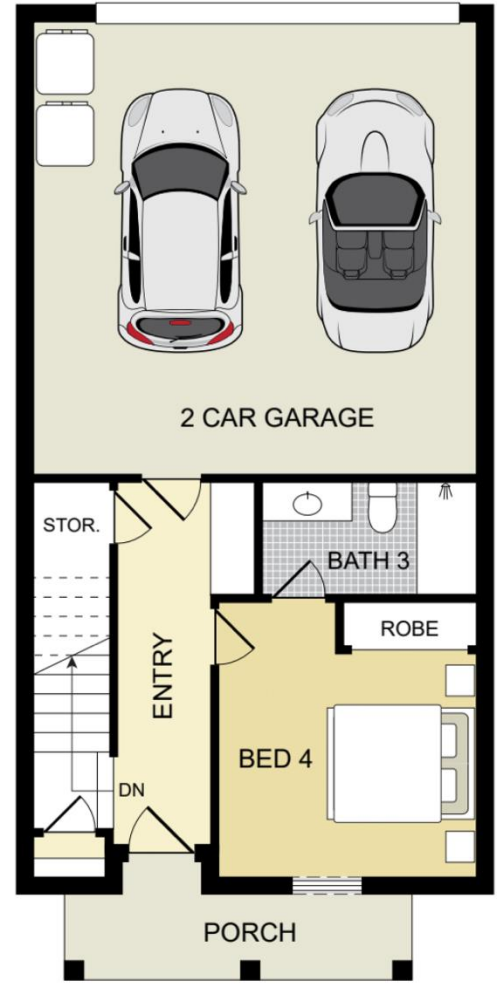
PLAN - 4 (M2)



THIRD FLOOR



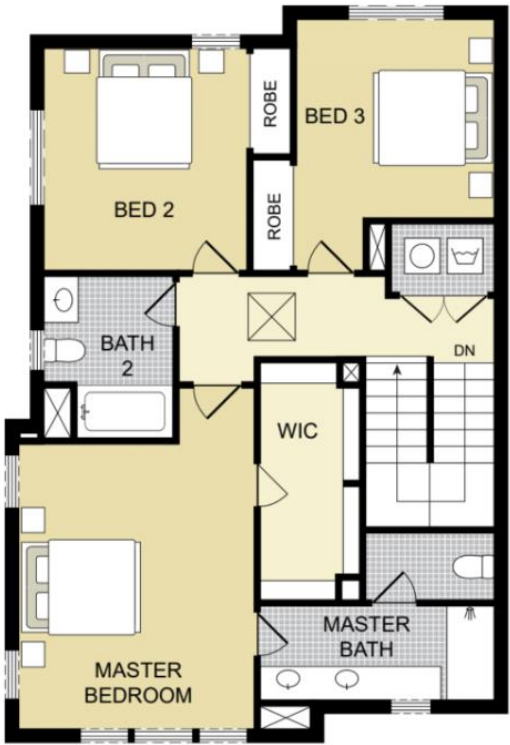
SECOND FLOOR



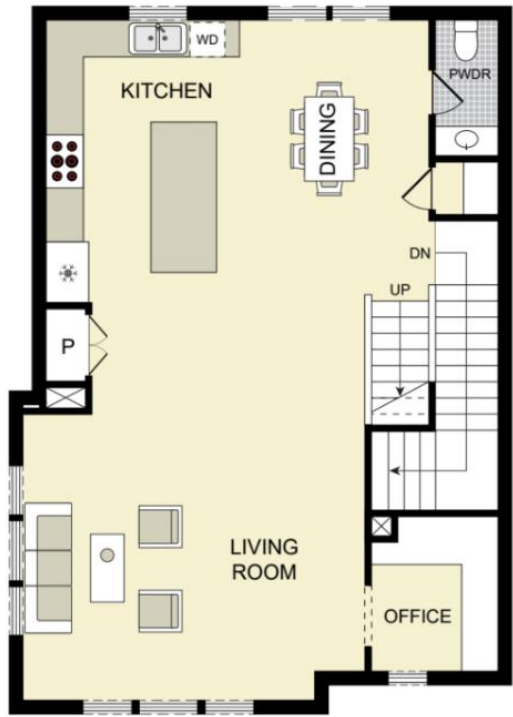
FIRST FLOOR

FLOOR PLANS

PLAN - 5 (M3)



THIRD FLOOR



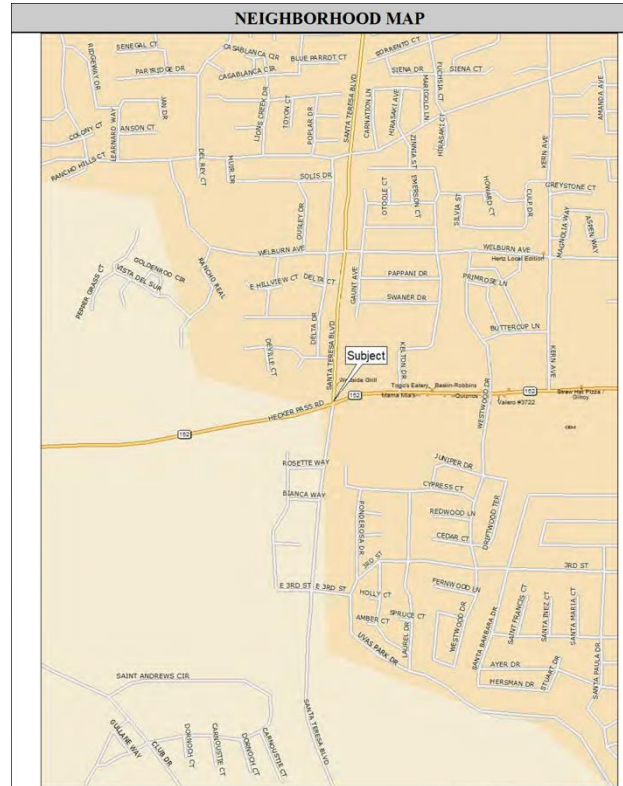
SECOND FLOOR



FIRST FLOOR

FLOOR PLANS

NEIGHBORHOOD



NEIGHBORHOOD

The subject is located in the eastern portion of the incorporated City of Gilroy. The subject is located just north of Highway 152 (Hecker Pass Road) and Santa Teresa Boulevard. 1st Street has a variety of commercial uses along it. Uses to the north and south include residential uses.

The downtown area is populated by single and multi-family residential uses and small retail and mixed-use buildings in the downtown area that were built in the late 1800s and early 1900s. The vast majority of the downtown buildings are one or two story masonry buildings that typically range in size from 2,000 to 6,000 square feet and one to four units. The city has identified 28 buildings in the downtown area that are unreinforced masonry buildings (UMB). The residential uses in the neighborhood are predominantly wood-framed construction.

We estimate that the vacancy rate in the immediate area is between 3% and 5% for commercial and residential uses. The properties in the area generally reflect average to good levels of maintenance and condition and the market appeal and acceptance of the properties is good. The neighborhood is in the stable stage of its life cycle.

NEIGHBORHOOD RATINGS					
	Ex	Gd	Av	Fr	Pr
MAINTENANCE / CONDITION			X		
PROPERTY COMPATIBILITY			X		
APPEAL / APPEARANCE			X		
PROTECTION / ADVERSE INFLUENCE			X		
DEVELOPMENT POTENTIAL		X			
RENTAL DEMAND		X			
TRANSPORTATION / ACCESS		X			
POLICE / FIRE PROTECTION			X		

Conclusion

The neighborhood has features and qualities, which contribute to a positive demand for real estate. All utilities are available throughout the neighborhood and the improvements in the area are generally in average condition. The streets and other public areas are also in fair to average condition, and parking is adequate. The subject property benefits from the features of the neighborhood. The subject is conveniently located and sufficiently supported by nearby uses.

PROPERTY DETAILS

Location:	The subject is located at 1400 1 st Street, Gilroy, Santa Clara County, CA 95002.															
Assessor's Parcel Number:	808-01-021, 808-01-022 and 808-01-023.															
Land Area																
Net Area:	<table border="1"> <thead> <tr> <th>APN</th> <th>Land SF</th> <th>Acres</th> </tr> </thead> <tbody> <tr> <td>808-01-021</td> <td>336,803</td> <td>7.73</td> </tr> <tr> <td>808-01-022</td> <td>79,604</td> <td>1.83</td> </tr> <tr> <td>808/01/023</td> <td>74,118</td> <td>1.70</td> </tr> <tr> <td>Totals</td> <td>490,525</td> <td>11.26</td> </tr> </tbody> </table>	APN	Land SF	Acres	808-01-021	336,803	7.73	808-01-022	79,604	1.83	808/01/023	74,118	1.70	Totals	490,525	11.26
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808-01-021	336,803	7.73														
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808/01/023	74,118	1.70														
Totals	490,525	11.26														
Excess Land Area	None.															
Shape and Frontage:	The site is comprised of three contiguous parcels that include frontage along the south side of 1 st Street and the east side of Santa Teresa Boulevard. The site is irregular in shape.															
Topography and Drainage:	The topography is mildly rolling throughout the site. Our investigation did not reveal any significant drainage problems.															
Soils:	No soils report was provided; it is assumed that soils are adequate for the existing use.															

PROPERTY DETAILS (CONTINUED)

Easements and Encroachments:	The Preliminary Report was reviewed but did not contain reference to easements of record other than those for typical public utilities. No easements other than the potential for public utility easements were noted during inspection. Additionally, there may be easements created with the townhome development. This valuation assumes that the market value of the subject property is not adversely affected by any easements, encroachments or other special conditions.
Covenants, Conditions, and Restrictions:	The Preliminary Report did not contain reference CC&Rs of record but was not provided for review. CC&Rs are typical for properties like the subject when it is eventually developed. . The appraiser assumes there are no liens or encumbrances affecting the utility, marketability, or value of the subject property. If questions arise regarding restricting covenants affecting the development, other than zoning, further research is advised.
Utilities:	All public and available to the site.
Earthquake Hazard:	The subject is not located in an Alquist Priolo special studies zone. However, Gilroy is located near active fault lines and has seismic risks. The properties in the region are under a similar influence.

PROPERTY DETAILS (CONTINUED)

Flood Zone:	According to maps published by the Federal Emergency Management Agency (FEMA), the subject lies within Zone X as indicated on FEMA Community Map Panel 06085C0638H, dated May 18, 2009. Flood Zone X is defined as “Areas of 500-year flood; areas of 100-year flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 100-year flood. An area inundated by 0.2% annual chance flooding.” Flood insurance is not required in this zone but coverage is available.
Environmental Issues:	<p>No evidence of hazardous waste or toxic materials was visible. The appraiser has appraised the subject property as if clean. If any other reports, such as any other Environmental Site Assessment Reports were to conclude that toxic remediation or abatement of hazardous materials is required for the subject property, this would represent an appropriate deduction to the valuation and a revision of the appraisal will be required.</p> <p>No evidence of hazardous waste or toxic materials was visible. BAAR has no knowledge of the existence of these substances on or in the subject property. However, BAAR is not qualified to detect hazardous waste or toxic materials.</p>
Adjacent Properties	

PROPERTY DETAILS (CONTINUED)

North:	Retail & Religious
South:	Residential Subdivision
East:	Retail
West:	Public Park
Conclusion:	<p>The site consists of three parcels totaling 11.26 acres that has a corner orientation along 1st Street and Santa Teresa Boulevard both of which are primary commercial thoroughfares that are fully improved streets with sidewalks and storm drains. Access is good. Visibility/exposure is considered similar for most uses in the area. There are no adverse soils conditions of which BAAR is aware. The shape of the site is irregular but results in no specific development limitation. The topography is rolling but poses no specific development limitation. In conclusion, from a physical standpoint, the site is considered adequate for most types of development allowed under the zoning code. The subject will be improved with a 202 unit townhome development.</p>

DEMOGRAPHICS

Demographics

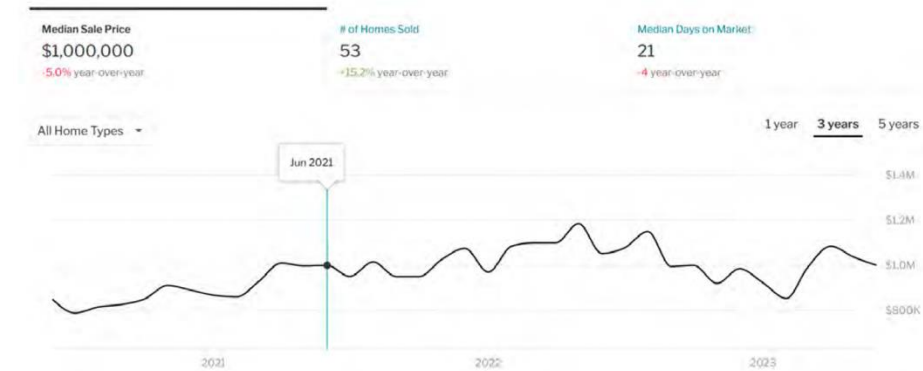
According to the 2020 United States Census, Gilroy is growing with a population standing at 59,520 and 17,023 households. This represents about 3% of Santa Clara County's population. The city's demographic breakdown stands at 58.3% Hispanic or Latino, 26.7% Caucasian, 9.9% Asian, 1.8% African American, 0.5% Native American and 19.8% from two or more races. The median household income was \$116,206 and per capita income was \$41,393. The average cost of a home was \$778,300.¹

LAND USE

According to the California Department of Housing and Community Development, there is still land available for future development in Santa Clara County. The rapid pace of development in the county, however, has resulted in a growing "anti-development" sentiment. Large portions of the county are being included in green belt areas and zoned for agricultural use in order to slow growth. The South County area has substantial land still available for commercial and residential development. In the rest of the county the majority of land available for development consists of infill and redevelopment parcels. In addition, with the escalating price of land and buildings, sites that were once considered marginal are also being developed. This includes bay lands and steep hillside parcels.

HOUSING

The typical home value of homes in Gilroy is \$901,151. This value is seasonally adjusted and only includes the middle price tier of homes. Gilroy home values have gone up 13.5% over the past year.



SUMMARY

The San Francisco region has numerous attributes that include a diversified economic base, high-paying jobs, an educated populace, excellent distribution infrastructure, and a mild climate.

DEMOGRAPHICS

(CONTINUED)

Radius	1 Mile		3 Mile		5 Mile	
Population						
2028 Projection	19,452		59,544		65,620	
2023 Estimate	19,765		59,834		66,295	
2010 Census	18,212		51,529		59,018	
Growth 2023 - 2028	-1.58%		-0.48%		-1.02%	
Growth 2010 - 2023	8.53%		16.12%		12.33%	
2023 Population by Age						
	19,765		59,834		66,295	
Age 0 - 4	1,165	5.89%	3,570	5.97%	3,903	5.89%
Age 5 - 9	1,165	5.89%	3,588	6.00%	3,915	5.91%
Age 10 - 14	1,310	6.63%	4,048	6.77%	4,413	6.66%
Age 15 - 19	1,434	7.26%	4,419	7.39%	4,825	7.28%
Age 20 - 24	1,393	7.05%	4,312	7.21%	4,726	7.13%
Age 25 - 29	1,509	7.63%	4,713	7.88%	5,187	7.82%
Age 30 - 34	1,549	7.84%	4,844	8.10%	5,332	8.04%
Age 35 - 39	1,422	7.19%	4,394	7.34%	4,817	7.27%
Age 40 - 44	1,278	6.47%	3,874	6.47%	4,234	6.39%
Age 45 - 49	1,244	6.29%	3,710	6.20%	4,066	6.13%
Age 50 - 54	1,260	6.37%	3,705	6.19%	4,098	6.18%
Age 55 - 59	1,231	6.23%	3,578	5.98%	4,008	6.05%
Age 60 - 64	1,115	5.64%	3,221	5.38%	3,657	5.52%
Age 65 - 69	905	4.58%	2,617	4.37%	3,011	4.54%
Age 70 - 74	696	3.52%	2,020	3.38%	2,350	3.54%
Age 75 - 79	485	2.45%	1,412	2.36%	1,651	2.49%
Age 80 - 84	310	1.57%	910	1.52%	1,062	1.60%
Age 85+	296	1.50%	899	1.50%	1,038	1.57%
Age 65+	2,692	13.62%	7,858	13.13%	9,112	13.74%
Median Age	36.30		35.50		35.90	
Average Age	37.50		37.00		37.40	

DEMOGRAPHICS

(CONTINUED)

Radius	1 Mile	3 Mile	5 Mile
2023 Households by HH Income	6,353	17,855	19,763
<\$25,000	493 7.76%	1,403 7.86%	1,498 7.58%
\$25,000 - \$50,000	708 11.14%	2,145 12.01%	2,333 11.80%
\$50,000 - \$75,000	929 14.62%	2,311 12.94%	2,596 13.14%
\$75,000 - \$100,000	747 11.76%	2,068 11.58%	2,250 11.38%
\$100,000 - \$125,000	732 11.52%	2,147 12.02%	2,330 11.79%
\$125,000 - \$150,000	489 7.70%	1,491 8.35%	1,645 8.32%
\$150,000 - \$200,000	1,026 16.15%	2,572 14.40%	2,770 14.02%
\$200,000+	1,229 19.35%	3,718 20.82%	4,341 21.97%
2023 Avg Household Income	\$136,456	\$138,711	\$141,126
2023 Med Household Income	\$110,228	\$111,650	\$112,923
2023 Occupied Housing	6,351	17,854	19,763
Owner Occupied	4,035 63.53%	10,968 61.43%	12,236 61.91%
Renter Occupied	2,316 36.47%	6,886 38.57%	7,527 38.09%
2010 Housing Units	6,946	19,185	21,405
1 Unit	5,159 74.27%	14,771 76.99%	16,881 78.86%
2 - 4 Units	473 6.81%	1,396 7.28%	1,486 6.94%
5 - 19 Units	933 13.43%	2,146 11.19%	2,165 10.11%
20+ Units	381 5.49%	872 4.55%	873 4.08%
2023 Housing Value	4,035	10,968	12,237
<\$100,000	17 0.42%	63 0.57%	66 0.54%
\$100,000 - \$200,000	2 0.05%	24 0.22%	27 0.22%
\$200,000 - \$300,000	35 0.87%	105 0.96%	105 0.86%
\$300,000 - \$400,000	36 0.89%	156 1.42%	160 1.31%
\$400,000 - \$500,000	131 3.25%	408 3.72%	422 3.45%
\$500,000 - \$1,000,000	2,888 71.57%	7,863 71.69%	8,178 66.83%
\$1,000,000+	926 22.95%	2,349 21.42%	3,279 26.80%
2023 Median Home Value	\$811,028	\$800,648	\$826,393
2023 Housing Units by Yr Built	6,987	19,794	22,155
Built 2010+	1,061 15.19%	4,082 20.62%	4,167 18.81%
Built 2000 - 2010	1,252 17.92%	2,649 13.38%	3,015 13.61%
Built 1990 - 1999	1,062 15.20%	2,692 13.60%	2,919 13.18%
Built 1980 - 1989	1,255 17.96%	2,875 14.52%	3,202 14.45%
Built 1970 - 1979	1,463 20.94%	3,432 17.34%	3,937 17.77%
Built 1960 - 1969	598 8.56%	1,608 8.12%	1,826 8.24%
Built 1950 - 1959	208 2.98%	1,111 5.61%	1,309 5.91%
Built <1949	88 1.26%	1,345 6.79%	1,780 8.03%
2023 Median Year Built	1988	1987	1986

DEMOGRAPHICS

(CONTINUED)

Radius	1 Mile		3 Mile		5 Mile	
2023 Population by Occupation	19,549		59,181		65,276	
Real Estate & Finance	400	2.05%	1,362	2.30%	1,501	2.30%
Professional & Management	4,995	25.55%	14,370	24.28%	16,049	24.59%
Public Administration	476	2.43%	1,264	2.14%	1,372	2.10%
Education & Health	2,580	13.20%	6,886	11.64%	7,480	11.46%
Services	2,190	11.20%	6,481	10.95%	7,052	10.80%
Information	215	1.10%	628	1.06%	719	1.10%
Sales	2,306	11.80%	6,945	11.74%	7,549	11.56%
Transportation	152	0.78%	666	1.13%	716	1.10%
Retail	1,163	5.95%	4,076	6.89%	4,346	6.66%
Wholesale	442	2.26%	1,035	1.75%	1,183	1.81%
Manufacturing	1,425	7.29%	3,557	6.01%	3,872	5.93%
Production	1,153	5.90%	3,562	6.02%	3,937	6.03%
Construction	1,047	5.36%	3,864	6.53%	4,210	6.45%
Utilities	363	1.86%	1,053	1.78%	1,200	1.84%
Agriculture & Mining	218	1.12%	1,057	1.79%	1,361	2.08%
Farming, Fishing, Forestry	208	1.06%	919	1.55%	1,120	1.72%
Other Services	216	1.10%	1,456	2.46%	1,609	2.46%
2023 Worker Travel Time to Job	10,240		30,523		33,458	
<30 Minutes	4,341	42.39%	13,581	44.49%	14,971	44.75%
30-60 Minutes	3,300	32.23%	9,089	29.78%	9,860	29.47%
60+ Minutes	2,599	25.38%	7,853	25.73%	8,627	25.78%
2010 Households by HH Size	5,642		14,988		17,255	
1-Person Households	912	16.16%	2,262	15.09%	2,619	15.18%
2-Person Households	1,503	26.64%	3,779	25.21%	4,469	25.90%
3-Person Households	969	17.17%	2,504	16.71%	2,892	16.76%
4-Person Households	1,120	19.85%	2,895	19.32%	3,249	18.83%
5-Person Households	610	10.81%	1,695	11.31%	1,900	11.01%
6-Person Households	289	5.12%	867	5.78%	984	5.70%
7 or more Person Households	239	4.24%	986	6.58%	1,142	6.62%
2023 Average Household Size	3.10		3.30		3.30	
Households						
2028 Projection	6,282		17,822		19,605	
2023 Estimate	6,350		17,854		19,763	
2010 Census	5,642		14,988		17,257	
Growth 2023 - 2028	-1.07%		-0.18%		-0.80%	
Growth 2010 - 2023	12.55%		19.12%		14.52%	

AREA ANALYSIS

The dynamic nature of economic relationships within a market area has a direct bearing on real estate values and the long-term quality of a real estate investment. In the market, the value of a property is not based on the price paid for it in the past or the cost of its creation, but on what buyers and sellers perceive it will provide in the future. Consequently, the attitude of the market toward a property within a specific neighborhood or market area reflects the probable future trend of that area.

Since real estate is an immobile asset, economic trends affecting its location quality in relation to other competing properties within its market area will also have a direct effect on its value as an investment. To accurately reflect such influences, it is necessary to examine the past and probable future trends, which may affect the economic structure of the market and evaluate their impact on the market potential of the subject. This section of the report is designed to isolate and examine the discernible economic trends in the region and neighborhood, which influence and create value for the subject property.

THE BAY AREA

The Bay Area consists of nine counties surrounding the San Francisco Bay Area and covers 7,502 square miles of which 6,990 square miles are land. The Bay Area consists of a population of approximately 6.8 million people, and is the fourth largest metropolitan area in the United States. The economic base is widely diversified, and does not depend on any single industry or occupation. Shipping and transportation, tourism, government, professional services, technology, agriculture and construction all play major economic roles. The Bay Area has adequate infrastructure, higher education facilities, exceptional natural and cultural resources, a moderate climate, and good transportation system.

In 1990, the Bay Area's total population was 6 million people. In the year 2000, the population increased to 6.7 million persons, representing a compound annual increase of 1.20%. Current growth in this region is primarily in the East Bay-Contra Costa County, the southern and eastern areas of Alameda County, and the Peninsula because San Francisco remains one of the least affordable areas in the Nation. The Bay Area economy as a whole can be characterized as a service-orientated economy. The University of California, Berkeley and Stanford University have fostered close relationships between academic research and businesses within high technology and biotechnology fields.

AREA ANALYSIS

SANTA CLARA COUNTY DESCRIPTION

Santa Clara County encompasses a land area of 1,300 square miles and extends from Palo Alto/Menlo Park in the north to Gilroy in the south. It includes the cities of San Jose, Sunnyvale, Cupertino, Campbell, Saratoga, Milpitas, Mountain View, Palo Alto, Santa Clara, Morgan Hill, and Gilroy. Santa Clara County is bordered by San Mateo County to the north; San Francisco Bay and the Diablo Mountain Range to the east; the Santa Cruz Mountains to the west; and San Benito County to the south.

Most urban development is within the northwestern portion of the county, known as the Santa Clara Valley or Silicon Valley. Much of the rest of the county is hilly or mountainous open space or in agricultural use. The Association of Bay Area Governments estimates there are 29,000 acres of available land in the county; only Napa and San Francisco counties have a smaller percentage available for development. Consistent with past patterns, most of the land (18,900 acres or 65%) will be put to residential use.

Traditionally, employment in Santa Clara County has been concentrated in the City of San Jose, providing heavy industrial jobs and white-collar positions, with the remaining areas being agricultural in orientation. In the last twenty-five years agriculture was replaced by residential housing to support a growing industrial base centered on the development of the computer and the creation of Silicon Valley. This fueled the development of high concentrations of well-paying technology and office jobs.

Santa Clara County is part of the Silicon Valley, which is the epicenter of computer development in the United States. It includes companies such as Apple Computer, IBM, Microsoft and Intel Corporation. In addition to high technology oriented companies, aerospace industries such as Lockheed and Martin Aerospace are located at the former naval air station of Moffet Field in Mountain View. Health care and government are the top employers in the County with Stanford University and the Stanford Medical Center in Palo Alto being major educational and research centers for advanced medical treatments.

There has been a tremendous shift in housing in Santa Clara County over the past decade. San Jose was the primary residential area for the county with modest homes that provided housing for the primarily blue-collar industrial workers. However, as previously indicated, the conversion of the county from an agrarian to an industrial base, fueled by the development of the computer, created the conversion of orchards to industrial business parks and residential subdivisions. With the shift to high-tech jobs, wages have increased and housing prices and quality has also climbed. In addition, the lack of land near the Bay has resulted in urban sprawl, particularly in the once rural areas of Morgan Hill and Gilroy to the south, extending as far as Hollister in San Benito County.

Santa Clara County has an excellent freeway system, although traffic congestion is increasing. Three major airports: San Francisco International, Oakland International and San Jose International, along with smaller, community airfields located in San Jose and San Martin in the south of the county, provide air transportation. All major rail lines service the area, and the deepwater ports of San Francisco and Oakland provide significant sea shipping lines and facilities.

SANTA CLARA COUNTY

CITY OF GILROY

Gilroy is a city in Northern California's Santa Clara County, south of Morgan Hill and north of San Benito County. The city's population was 48,821 at the 2010 United States Census. Gilroy is located approximately 16 miles south of San Jose on Highway 101 and 19 miles inland from the Pacific Coast. It is bounded by the Santa Cruz Mountains to the west and the Diablo Range to the east. According to the United States Census Bureau, the city has a total area of 16.2 square miles.

Gilroy is known for its garlic crop and the annual Gilroy Garlic Festival, featuring various garlicky foods such as garlic ice cream, leading to the city's nickname, the Garlic Capital of the World. Gilroy also produces mushrooms in considerable quantity. It is also known for boutique wine production, which is a large part of Gilroy's western portion, mostly consisting of family estates around the base of the Santa Cruz Mountains to the west.

There are a number of extant historical buildings dating from the mid-19th century. Built in 1857, the Christian Church at 160 Fifth Street is the oldest wood-framed church in continuous use in Santa Clara County. Blacksmith George Eustice's house at 213 Fifth Street was constructed in 1869; Eustice was an American Civil War veteran who fought at Gettysburg. Samuel Moore was a long-time Gilroy postmaster, whose home was built in the 1870s at 7151 Church Street. Nearby in the foothills of the Diablo Range to the northeast is the historic resort site Gilroy Yamato Hot Springs, developed in the late 19th century (now closed to the public).

Gilroy is approximately 16 miles south of San Jose, California (Bailey Avenue (37.206770, -121.729150) to Monterey/Day Road (37.038210, -121.584480)) on U.S. Route 101 and 19 miles inland from the Pacific Coast. Despite its apparent close proximity to San Jose, it is important to note that Gilroy City Hall lies at a distance of 33.3 miles (53.6 km) from San Jose City Hall. Lying in a southern extension of the Santa Clara Valley at an elevation of about 200 feet (61 m) above MSL, it is bounded by the Santa Cruz Mountains to the west and the Diablo Range to the east. According to the United States Census Bureau, the city has a total area of 16.2 square miles (42 km²), of which 16.1 square miles is land and 0.06% is water. Primary contributors to environmental noise include U.S. Route 101, El Camino Real, Leavesley Road and other major arterials. The number of people exposed to sound levels above 60 CNEL is approximately 4,000.

CITY OF GILROY

SITE IMPROVEMENT ESTIMATES

Summary per MH Engineering Estimated 9/9/24

MH Engineering Quote Dated 9/9/24 -Attachment 217055 Eagle Garden Dated 9/9/24: \$12,938,060

City Impact Fee Attachment File_1625-9-9-24: \$11,837,477.79

Additional MH Engineering Quote Dated 9/9/24 (217055 Estimate (Santa Teresa Blvd./ Sunrise Drive): \$1,915,260
(fair-share reimbursement)

The condition No. 41 on page 13 of 40 on the attached conditions of approval talks about the required off-site improvements of Intersection 4 (Santa Teresa Blvd./ Sunrise Drive) and discuss the traffic impact fee reimbursement less project fair-share contribution. This intersection improvements as stated in the condition No. 41 requires that the construction shall commence prior to issuance of the 100th. Building permit and construction shall be completed prior to issuance of the 150th. Building permit. Since this is a later condition, applicant still has time to request justification for the project fair-share reimbursement amount at later date.

PG&E

Seller's advance to PG&E as follows in the total amount of \$618,515.51:

1. \$384,257.88 Paid (PM 35298601) for Electric Rule 20 (Underground overhead line on Hecker Pass)
2. \$173,908.03 Paid (PM 35298602) for Electric New Business
3. \$60,349.60 Paid (PM 35298256) for Gas New Business

Note: If Buyer wishes to apply for the above directly with PG&E instead of Seller assigning the contract over to Buyer, Seller will cancel the agreement with PG&E and will receive the refund from PG&E. Reason: Seller paid this, as PG&E fee were increasing by 25% and to apply will take 1 year.

PROJECT COST BREAKDOWN

Total Cost for improvement including Landscaping (Attachment 217055 Dated 9/9/24: \$12,938,060 (See attached estimated from MH Engineering)

City Impact Fees including PG&E and Final Map: \$11,275,540.02 (See Attached Impact Fee Attachment)

Additional MH Engineering Quote Dated 9/9/24 (217055 Estimate): \$1,915,260

Construction Vertical Cost Estimated: \$68,447,490 (See attached Spreadsheet)

Total Cost: \$94,576,350 Estimated

Land Cost (Purchase Price): \$29,500,000 estimated

Value per appraisal dated 1/1/24: \$173,760,000 (See attached)

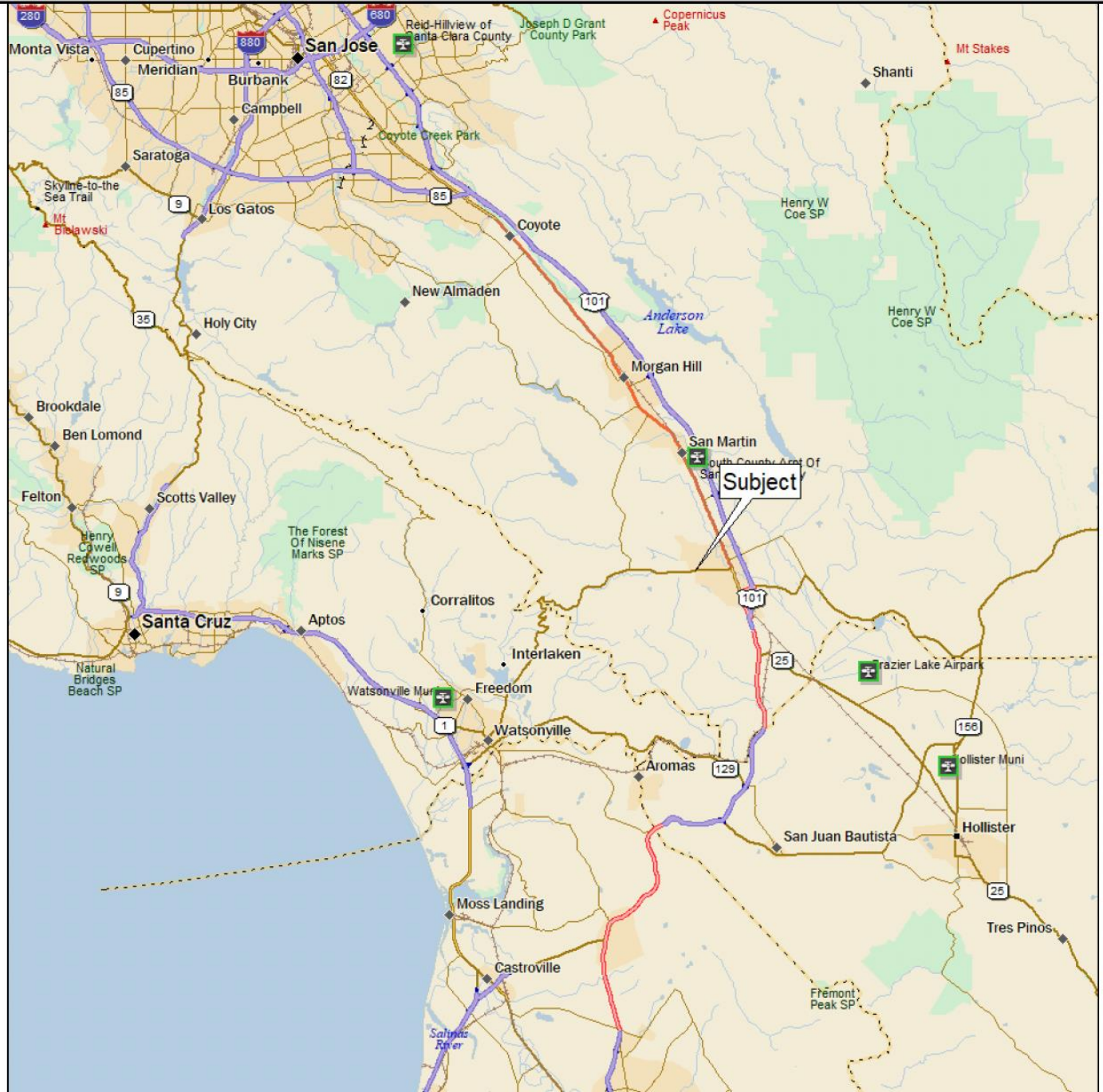
Estimated Profit: \$49,683,650 (Does not include carrying cost and misc.)

Note: MH Engineering estimates are based on union pricing which carries about 20% higher in cost.

All estimates and data will be provided upon request after signed NDA to Seller.

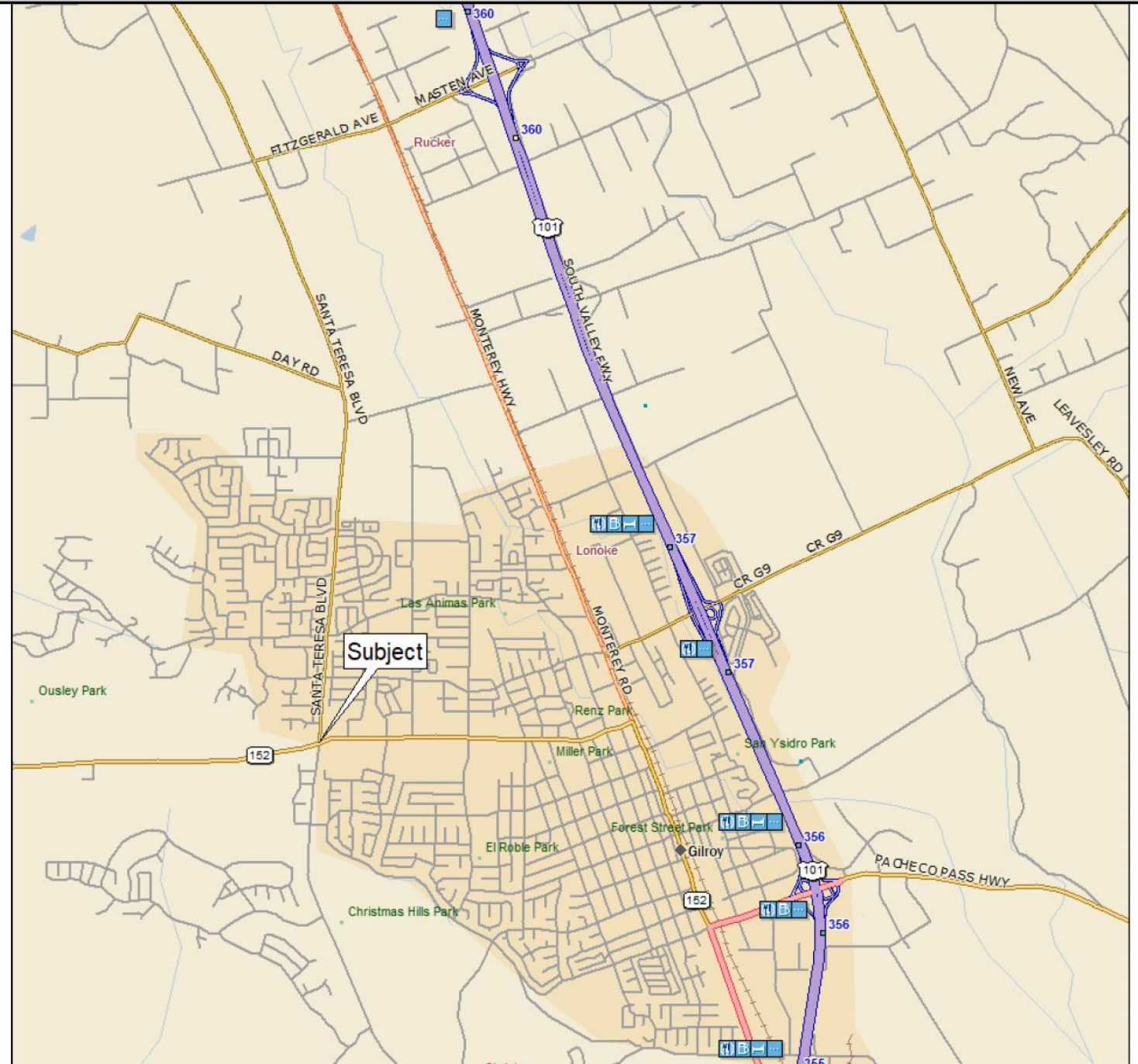
REGIONAL MAP

REGIONAL MAP



CITY MAP

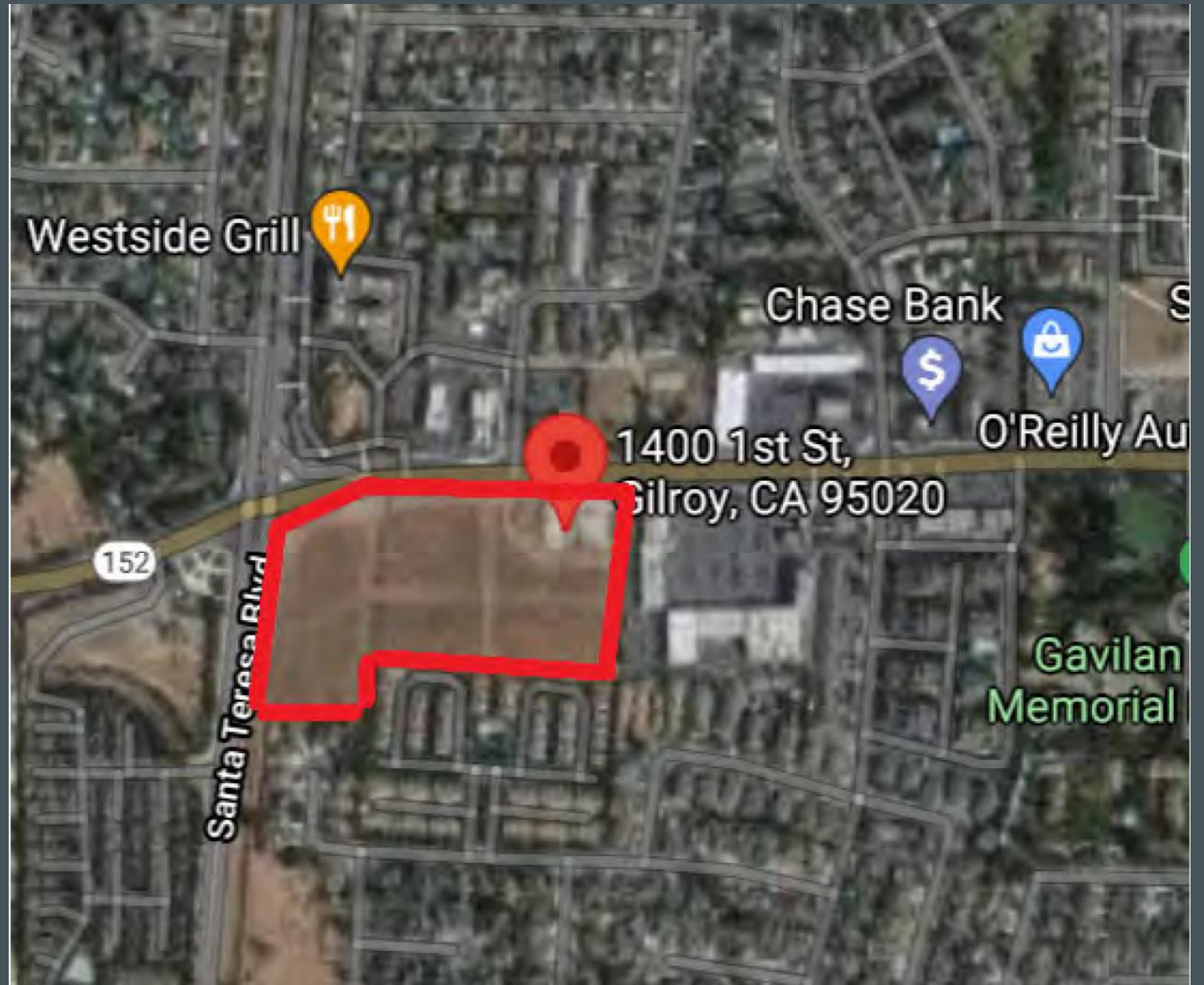
CITY MAP



AIRIAL MAP



ARIAL PHOTOGRAPH



SUBJECT PHOTOS – AS OF MOST RECENT JANUARY 21, 2024 INSPECTION



PHOTOS



PHOTOS

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