

254 FIRST STREET EAST | SONOMA

FULLY ENTITLED 31 UNIT CONDO DEVELOPMENT, A BLOCK FROM THE HISTORIC DOWNTOWN SQUARE



31 PREMIER FULLY ENTITLED CONDOMINIUMS, A BLOCK FROM THE HISTORIC DOWNTOWN SQUARE

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OFFERING OVERVIEW

OFFERED AT \$6,500,000

North of the Mission LLC is pleased to offer a 100% fee simple interest and associated development rights for 31 luxury condominiums nestled beside Depot Park and the City paths and trails, a stone's throw from the historic Sonoma Plaza.

HIGHLIGHTS:

- A premier location offering a 31 unit Luxury residential condominium project
- Strong residential market fundamentals
- Demand from young professionals and seniors prioritizing quality of life; looking for well designed living spaces or pied-a-terre
- First infill new construction within 3-blocks of the Sonoma Plaza in decades
- Light and bright functionally designed floor space
- Site currently underdeveloped with office/warehouse uses and raw land
- The immediate neighborhood and community as a whole have embraced the project

AESTHETICS:

- Stylistically, the proposed development emulates the mid-century modern architecture of the four neighboring single-family homes on First Street East
- Buildings will be low-profile, two-story structures with 5 units having exclusive third floor roof decks

The Plaza is home to world-famous dining & boutique shopping, brilliant wine tasting rooms, and cultural landmarks with lasting significance on California's vibrant history.

IMPROVEMENTS:

- Project is fully entitled for 31-condominium units
- 32,729 square feet of residential space distributed among 6 buildings
- Mix: (20) 850-sf 1-bedroom units, (2) 800-sf 1-bedroom affordable units, (4) 1,211-sf 2-bedroom units, (5) 1,857-sf 2-bedroom units with third floor view decks
- Significant common open space with pool amenity; most units have large exclusive-use outdoor space
- 41-parking spaces, including EV parking
- Property has easement rights to a 1972 roadway through the Spanish Pueblos to the north, which will be used only as the second point of entry for fire/emergency vehicles.

- Buildings will be rotated in angular fashion, which will allow more light and outdoor space



PROFORMA

Condominiums 31
 Parking Spaces 41

Lot Value \$ 6,500,000

	<u>Sq. Ft.</u>			
Revenue	32,729			\$38,815,000
		Cost of Sales	5%	\$36,874,250
				\$1,186

Project Costs

Acquisition	\$ (6,500,000)		
Construction Direct	\$ (16,442,500)		
Site Development	\$ (1,990,250)		
Permitting	\$ (994,410)		
Taxes	\$ (214,500)		
Professional & Legal	\$ (600,000)		
Financing	\$ (815,917)		
TOTAL COST	\$ (27,557,578)		\$ (27,557,578)

Net Profit		\$ 9,316,672	25.3%
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PROJECTED PRICING

PROJECTED UNIT PRICING

Units	No. of Units	Bdrms	Bath	Size	Projected Average Price	Projected PSF	Average Outdoor SF	Projected Total Revenue
1-Bdrm (Aff)	2	1	1	800	382,500	478	216	765,000
1-Bdrm (Aff)	20	1	2	850	1,127,500	1,326	351	22,550,000
2-Bdrm	4	2	2	1,211	1,412,500	1,166	442	5,650,000
2-Bdrm	5	2	3	1,857	1,970,000	1,061	1,248	9,850,000
								38,815,000

Affordable
850 Balcony
850 Yard
850 Big Yard
1211 Balcony
1211 Yard
1211 Big Yard
1857 Yard
1857 Big Yard

	Size (SF)	Price	PSF	Bdrms	Bathrooms	Private Outdoor SF	Floor	Open Space Description
Building A								
A1	800	325,000	406	1	1	318	1	Yard
A2	850	1,150,000	1,353	1	1	345	1	Yard
A3	850	1,150,000	1,353	1	1	364	1	Yard
A4	850	1,100,000	1,294	1	1	148	2	Balcony
A5	850	1,100,000	1,294	1	1	135	2	Balcony
A6	800	440,000	550	1	1	114	2	Balcony
Building B								
B1	1,211	1,450,000	1,197	2	1	448	1	Yard
B2	850	1,150,000	1,353	1	1	397	1	Yard
B3	1,857	1,850,000	996	2	2	412	1&2	Yard & Roofdeck
B4	1,211	1,350,000	1,115	2	1	148	2	Balcony
B5	850	1,100,000	1,294	1	1	135	2	Balcony
Building C								
C1	1,211	1,500,000	1,239	2	1	1,023		BIG Yard
C2	850	1,150,000	1,353	1	1	308		Yard
C3	1,857	2,000,000	1,077	2	2	1,345	1&2	BIG Yard & Roofdeck
C4	1,211	1,350,000	1,115	2	1	148	2	Balcony
C5	850	1,100,000	1,294	1	1	135	2	Balcony
Building D								
D1	850	1,150,000	1,353	1	1	1,011		BIG Yard
D2	850	1,100,000	1,294	1	1	308		Yard
D3	1,857	2,000,000	1,077	2	2	1,567	1&2	BIG Yard & Roofdeck
D4	850	1,100,000	1,294	1	1	150	2	Balcony
D5	850	1,100,000	1,294	1	1	134	2	Balcony
Building E								
E1	850	1,200,000	1,412	1	1	939	1	BIG Yard
E2	850	1,150,000	1,353	1	1	308	1	Yard
E3	1,857	2,000,000	1,077	2	2	1,517	1&2	BIG Yard & Roofdeck
E4	850	1,100,000	1,294	1	1	150	2	Balcony
E5	850	1,100,000	1,294	1	1	134	2	Balcony
Building F								
F1	850	1,200,000	1,412	1	1	906	1	BIG Yard
F2	850	1,150,000	1,353	1	1	308	1	Yard
F3	1,857	2,000,000	1,077	2	2	1,401	1&2	BIG Yard & Roofdeck
F4	850	1,100,000	1,294	1	1	150	2	Balcony
F5	850	1,100,000	1,294	1	1	134	2	Balcony

Total 32,729 38,815,000

SITE PLAN



ZONING ANALYSIS

Parcel Info (APN: 018-131-018)		Allowable/Required	Proposed
Acres	1.995		
SF	86,902		
Density		20 units/acre	15.8 units/acre
Unit Count		39.9 units	31 units
Inclusionary Units		2.25 units	2 units
Site Coverage			
Total SF (Building Site + Parking)	37,600	60%	44.1%
FAR			
Total SF (Total Building)	34,086	0.6	0.40
Maximum Height		30 feet	24 feet (typical) 30 feet (max)
Setbacks			
Front (West)		PC Discretion	17-ft. min. 23.5-ft. avg.
Side (North)		8-ft. (2-story)	5-ft. min. 14-ft. avg.
Side (South)		8-ft. (2-story)	5-ft. min. 22-ft. avg.
Rear (East)		20-ft. (2-story)	10-ft. min. 19-ft. avg.
Open Space			
<i>Common</i>			
Total		300 sf/unit	838 sf/unit
Landscape		9,300 sf	25,990 sf
Pool Area			23,198 sf
			2,792 sf
<i>Private</i>			
1-bdrm unit		75 sf/unit	317 sf/unit
1-bdrm Total		1,650 sf	6,966 sf
2-bdrm unit		150 sf/unit	960 sf/unit
Total Required		1,350 sf	8,642 sf
Parking Landscape Area		2,376 sf	4,658 sf
Parking			
1-bdrm unit		1 spc/unit	
2-bdrm unit		1.5 spc/unit	
Total Spaces Required		36 spaces	41 spaces

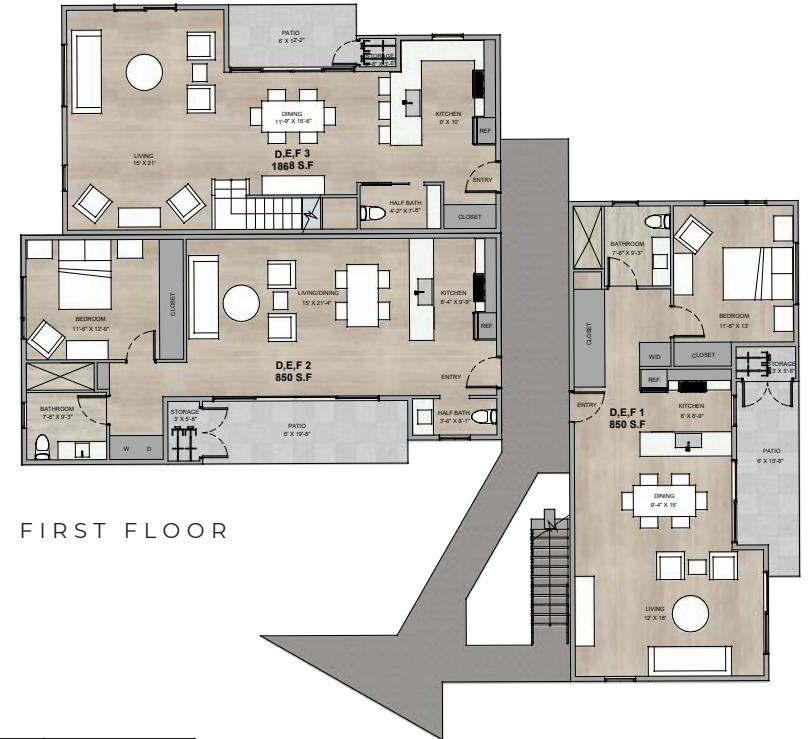
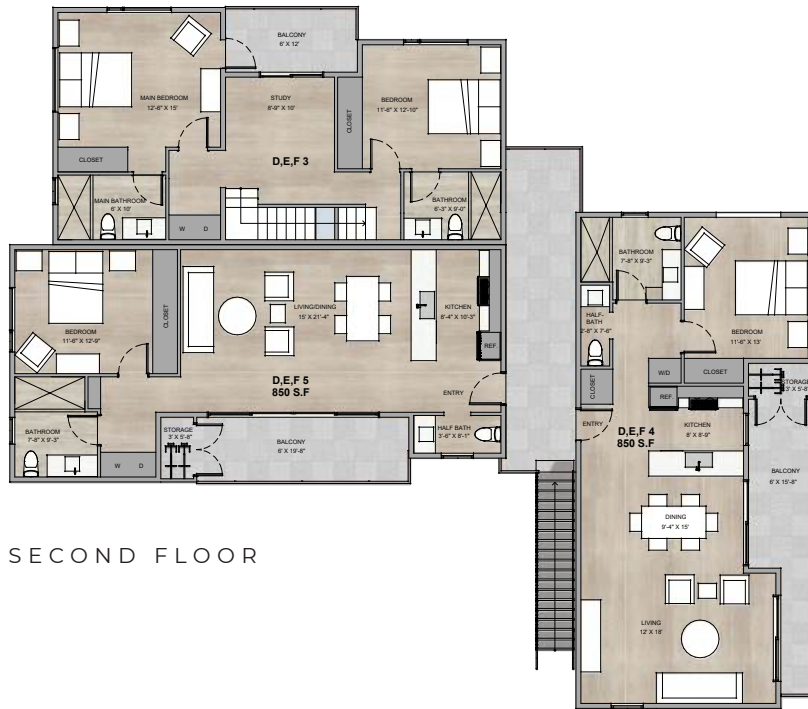






FLOOR PLANS

BUILDINGS D, E & F





LOCATION OVERVIEW

DOWNTOWN SONOMA

These 31-condominium units will be located a stone's throw from the Historic Sonoma Plaza, the heart of Northern California's Sonoma Valley Wine Country. A year-round destination, Sonoma Valley is home to more than 100 wineries, artisan shopping, delicious dining, and state and regional parks.

Sonoma has received many accolades, including:

- "Best Small Town to Visit in the U.S." (US News)
- "Happiest Place in California" (Gallup Index)
- "Number One Wine Destination" (TripAdvisor)
- "Best Town for the Holidays"
- "Best Small Town for the 4th of July"
- "Friendliest"
- "Prettiest"
- "Greenest"
- "Most Historic"
- "Slowest"
- "Most Romantic"

Demand for Sonoma far exceeds supply and has been exacerbated over recent years by "amenity migrants" (residents who select places to live, or have a second home, based on attractive landscapes, a favorable climate, and interesting social, cultural and tourist infrastructure, with the expectation their quality of life will be enhanced.)





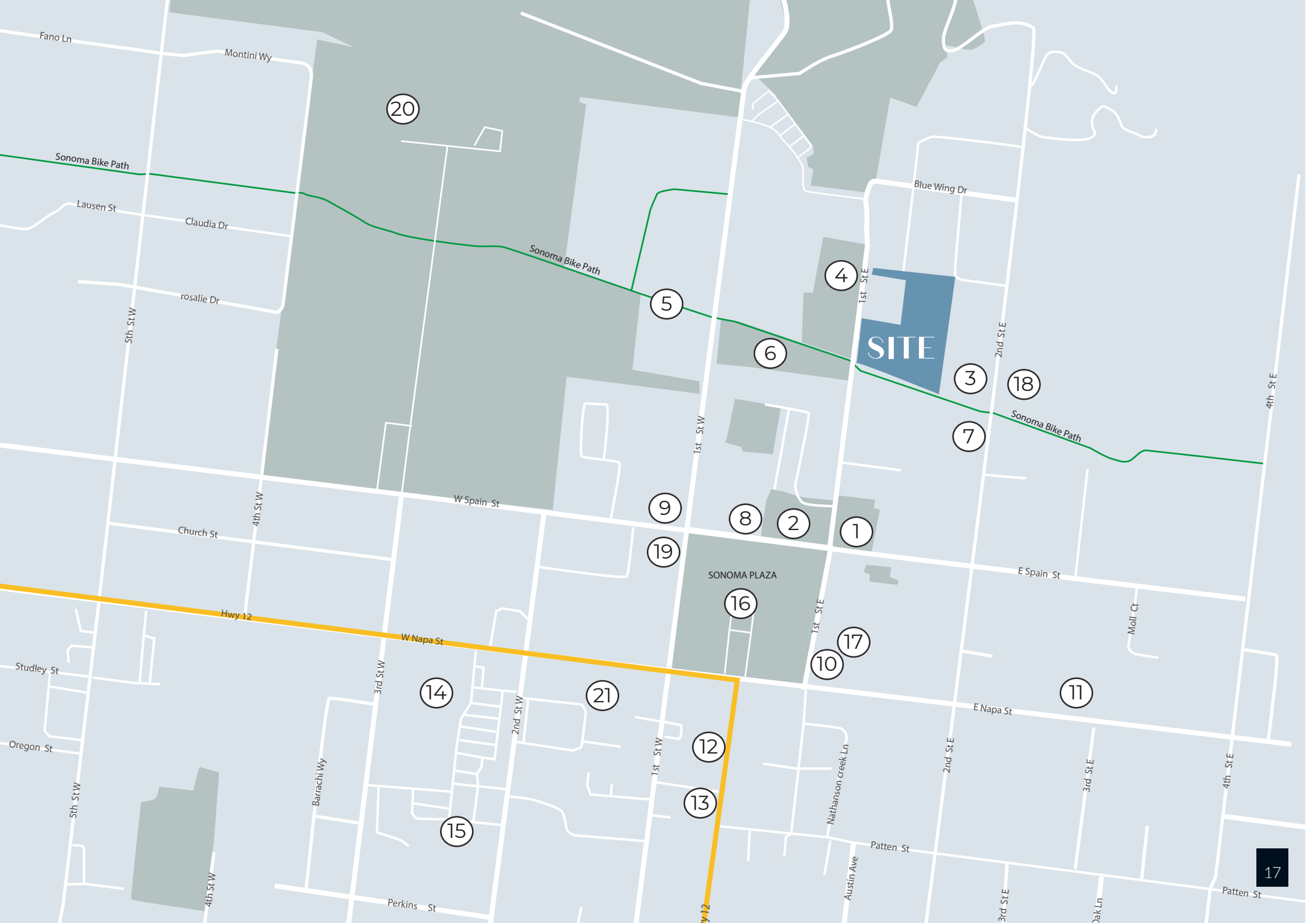
SITE



POINTS OF INTEREST



1. Sonoma Mission
2. Sonoma State Historic Park
3. Vintage House (Seniors)
4. Little League Fields
5. Sonoma Bike Path
6. Depot Park/Bocce/Petanque
7. Vella Cheese Factory
8. Swiss Hotel and Restaurant
9. Girl & The Fig and the Fig Restaurant
10. Sebastiani Theatre
11. Community Center
12. Sonoma Museum of Art
13. Peet's Coffee
14. Whole Foods Market
15. CVS
16. City Hall
17. Murphy's Irish Pub
18. The Patch (farmstand)
19. El Dorado Kitchen & Hotel
20. General Vallejo's Home
21. Approved Luxury Hotel

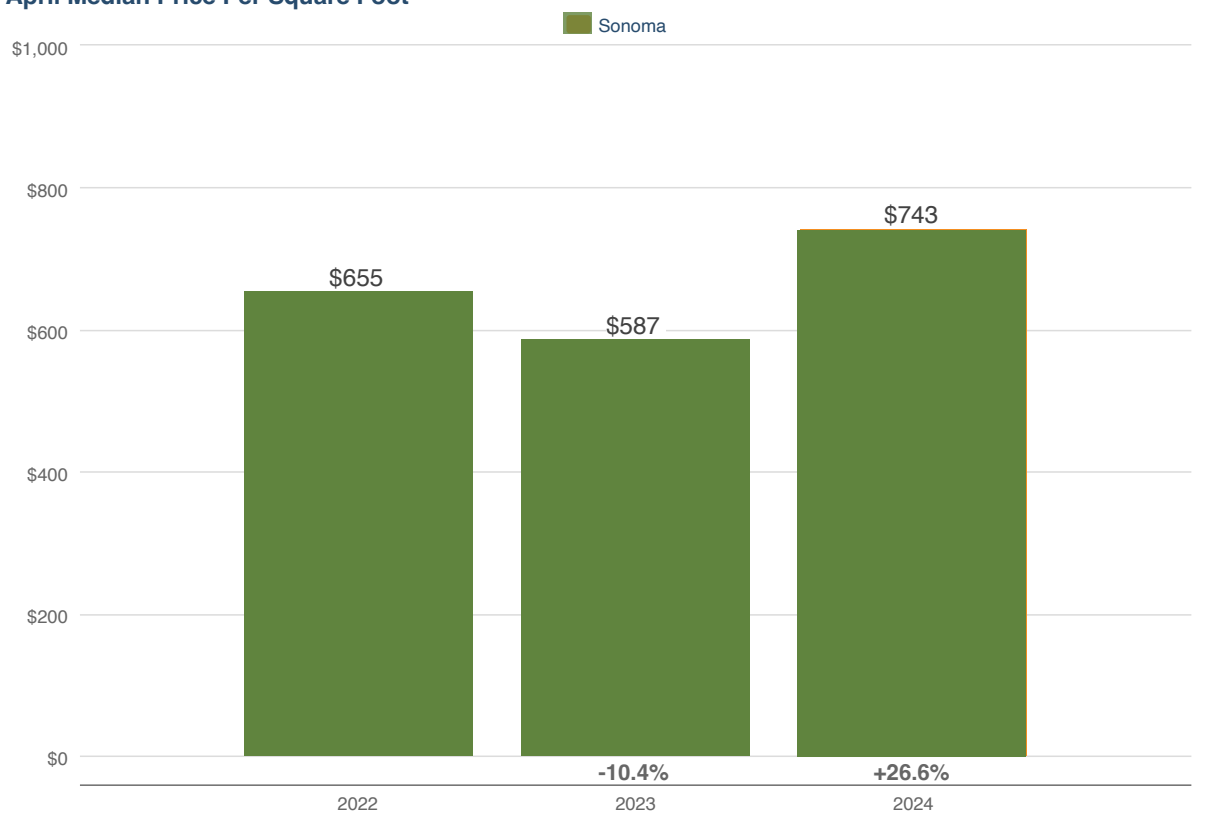


MARKET OVERVIEW

SONOMA & SONOMA VALLEY: STRONG FUNDAMENTALS

- In the last half of 2022, only 4 Bay Area zip codes saw value increases (according to Zillow), and all 4 were in Sonoma County, including the zip code that increased the most
- Sonoma 95476 (up 1.8%)
- “For the Bay Area, the North Bay does stand out” – Jeff Tucker, Zillow economist
- Why? Inventory is low, but most importantly, demand is driven by desirability
- With many tech employees working from home, and those still going into the office facing uncertainty, many have begun to reconsider their surroundings and prioritize quality of life
- The need for proximity to the Silicon Valley and Peninsula has fallen post-pandemic
- Demand in the North Bay is tied to natural amenities and historic character – hillsides, mountains, ocean, and town squares
- Sonoma County, and Sonoma Valley in particular, still feels less densely populated; unique within the Bay Area
- Even with the North Bay being an attractive place to live, Sonoma County is still considered a “bargain” and more affordable compared to other counties (compared to the tech-heavy region of Santa Clara & San Mateo)

April Median Price Per Square Foot



Sonoma*: Condominium

Each data point is three months of activity. Data is from May 22, 2024.

* User-defined area. All data from the San Francisco MLS. InfoSparks © 2024 ShowingTime.



RECENT NEIGHBORHOOD SALES

- 254 FSE is surrounded by multifamily condominium developments built in the late 1960s through mid 1970s.
- These projects are generally 2-bed, 2-bath units, with congregate parking and pool amenities, and sell close to \$700/sq. ft. range. Along with new construction premium, the Eastside location and proximity to the Plaza will drive value.
- A review of property records show many of these are second homes.
- The market demands small format 1-bdrm units in Sonoma where few exist, and our projected price per square foot can be easily supported due to both a new product premium and smaller unit size.

Residential CMA Report

Listings as of 5/22/24 at 11:20am

Property Type Residential Include Property Subtype Condominium City Sonoma Status Closed (11.24.2023 or after)

Closed Properties

Address	D/S	BD	BA	SQFT	\$/SQFT	SD	HOA\$	DOM	Original \$	Sale \$	SP%LP
779 W Spain St	Sonoma	1	1 (1 0)	2 696	660.92	05.02.24	420	77	460,000	460,000	100.00
225 E 2nd St #1	Sonoma	2	2 (2 0)	0 984	743.39	03.28.24	444	11	725,000	731,500	100.90
752 1st St W #13	Sonoma	1	2 (2 0)	1 912	747.81	04.09.24	347	16	675,000	682,000	101.04
355 W Thomson Ave	Sonoma	2	1 (1 0)	1 760	677.63	05.20.24	564	30	498,000	515,000	103.41
Listing Count	4	Averages		838				34	589,500	597,125	101.29
Report Count	4	High	731,500	Low	460,000.00	Median	598,500.00				

MARKET OVERVIEW

THE TIME IS NOW!

- For multifamily development; there's a saying in the real estate development business: "ENTITLED THROUGH THE DOWNTURN." We're doing that very thing.
- For many developers and builders, there will exist a gap in the pipeline, where new projects won't start construction for 1-2 years from now, and won't deliver units for another 2-4 years.
- Our project's timing couldn't be better: with full entitlement new construction could start by late 2024/early 2025, with units on the market within 2 years, perfectly timing the real estate cycle by delivering units into an even more supply constrained market.
- Today's conditions will create a major hole in new supply a few years from now; leading one to conclude that come 2025, very little new supply will be on the market, especially in a supply-constrained market like Sonoma's.
- If new home prices are a function of supply and demand, and conservatively we hold demand relatively constant over the next few years, operators entitling today may well see well above-average returns a few years from now.
- Also important: supply reduction can only ease construction cost dynamics.

NEW PRODUCT OFF A WINE COUNTRY PLAZA: THE MILL DISTRICT IN HEALDSBURG

- The Mill District is a new luxury residential and commercial development under construction just a short walk from Healdsburg's Historic Plaza
- When completed, the district will include a 53-room luxury hotel, high-end restaurant, and over 200-homes, mixed between apartments and luxury condominiums
- Ground was broken on the first phase in mid-2022, 43-luxury condominium units
- This is the only new product in wine country offering 1-bedroom units, similar to the majority of units offered at 254 FSE.

CURRENT PRICING FOR 1-BDRMS

- 792sf: \$1,800,000 / \$2,272/psf
- 908sf: \$1,900,000 / \$2,092/psf

Our high-end production lies in a premium location, a stone's throw from the Sonoma Plaza and on the preferred Eastside, will easily command at least 50% of the price per square foot that the Mill District has received. Comparable to Healdsburg, Sonoma's overall market lies in a much closer location to other Bay Area cities. The town of Sonoma has become a popular location for celebrities in recent years - many have purchased their own city escapes in close proximity to the town.





CONFIDENTIALITY & DISCLAIMER STATEMENT

NORTH OF THE MISSION LLC EXCLUSIVE OFFERING

This offering memorandum has been provided by North of the Mission LLC for the use of the intended recipient.

North of the Mission LLC ("NOTM LLC") has provided the unverified information to prospective purchasers only to establish a preliminary interest in the property. Furthermore, NOTM LLC does not guarantee that the information provided herein has not changed since the date the offering memorandum was prepared.

It is the sole responsibility of the recipient to analyze, verify and conclude that the information provided herein is accurate and meets the recipient's investment criteria. NOTM LLC, and their respective officers, directors, employees, equity holders and agents expressly disclaim any and all liability that may be based upon or relate to the use of the information contained within this Offering Memorandum.

NOTM LLC expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers regarding the property and/or terminate discussions with any entity at any time with without notice.

NOTM LLC shall have no legal commitment or obligations to any recipient reviewing the offering memorandum or making an offer to purchase the property unless and until such offer is approved by NOTM LLC, a written agreement for the purchase of the property has been fully executed, delivered and approved by NOTM LLC and its legal counsel, and any obligations set by NOTM LLC thereunder have been satisfied or waived.

The recipient agrees that (a) the Offering Memorandum and its contents are confidential information, except for such information contained in the Offering Memorandum that is a matter of public record or is provided from sources made available to the public, (b) the Recipient will hold and treat it in the strictest of confidence, and the Recipient and the need to know parties will not directly or indirectly, disclose or permit anyone else to disclose its contents to any other person, firm, or entity without prior written authorization of NOTM LLC.



VANGUARD PROPERTIES

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