

# OFFERING MEMORANDUM



**2007, 2009, 2011, 2019 & 2021 PACIFIC AVE.**

Stockton, CA

**FIRST COMMERCIAL**  
REAL ESTATE & PROPERTY SERVICES

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## PROPERTY INFORMATION



# PROPERTY SUMMARY



## PROPERTY DESCRIPTION

This mixed-use property offers investors a compelling value-add opportunity with multiple, clearly defined pathways to increase NOI. The ground floor consists of five retail suites with three current tenants paying below-market rents on Modified Gross leases with property tax pass-throughs. One tenant currently occupying three adjoining spaces as a hair, nail salon, and spa, is in the process of vacating, creating the opportunity to re-lease those units at market rates and restructure them to new NNN leases. Additional upside exists with the remaining tenants through rent adjustments and the potential to transition leases to NNN structures by the end of 2028. The second floor, formerly medical and office space and currently used for storage, presents further income potential through lease-up, redevelopment, or adaptive reuse, subject to Buyer's investigation and city approval. This property provides stable income with meaningful upside through lease restructuring and repositioning.

DEMOGRAPHICS	0.5 MILES	1 MILE	2 MILES
Total Households	2,448	7,746	23,672
Total Population	5,466	20,805	74,745
Average HH Income	\$45,561	\$57,154	\$72,615

## LOCATION DESCRIPTION

Located on Pacific Avenue within Stockton's historic Miracle Mile retail corridor, this property sits in one of the city's most recognizable and well-established shopping, dining, and lifestyle destinations. The site benefits from strong daily traffic, excellent visibility, and a dense surrounding residential base, while being surrounded by a mix of national and regional retailers including Starbucks, Dutch Bros, McDonald's, Walgreens, Jack in the Box, Save Mart, and numerous restaurants and retail service businesses. The property is strategically positioned between El Dorado Elementary School and Stockton Unified's Adult School facilities to the south and the University of the Pacific just a few blocks to the north, with San Joaquin Delta College and major regional retail anchors—including Sherwood Mall and Weberstown Mall—located further north, supporting strong daytime population, education-driven traffic, and consistent consumer activity along the corridor. This highly active Miracle Mile trade area continues to support strong tenant demand and sustained retail vibrancy.

## OFFERING SUMMARY

<b>Sale Price:</b>	<b>\$1,050,000</b>
<b>Bottom Floor (Retail Portion Size):</b>	<b>8,237 SF</b>
<b>Price/SF:</b>	<b>\$127.47</b>
<b>Full Building Size:</b>	<b>16,136 SF</b>
<b>Price/SF:</b>	<b>\$65.07</b>

# HIGHLIGHTS



## INVESTMENT HIGHLIGHTS

- **Clear Value-Add Lease Upside** – Opportunity to restructure existing below-market Modified Gross leases to market rents with NNN structure. One tenant currently occupying three adjoining suites is in the process of vacating, creating a near-term lease-up opportunity potentially as early as 2026, with the ability to re-tenant at market rents and convert to NNN. Additional conversion and rent adjustment opportunities exist with the remaining tenants by 2028.
- **Strong Value-Add Yield Growth** – Operating cap rate improves from **3.21% at acquisition** to approximately **6.11% in Year 2**, reaching **10.11% in Year 3** as rents are brought to market and leases transition to NNN structures.
- **Significant Square Footage + Bonus Basement** – Approximately 8,237 SF of ground-floor retail and 7,899 SF of second-floor space, totaling  $\pm 16,136$  SF, plus a bonus basement providing additional utility and storage functionality.
- **Compelling Price Metrics** – Pricing equates to approximately \$127.47 per SF based on the retail space alone, or just \$65.07 per SF when including the full  $\pm 16,136$  SF—well below replacement cost, representing an exceptional basis that “you can’t even build for.”
- **Individually Metered Utilities** – Building is individually metered for gas, electricity, and even water, supporting efficient expense control and an easier transition to NNN structures.
- **Existing Expense Participation** – Current leases already include property tax pass-throughs, further supporting operating cost recovery.
- **Flexible CG Zoning & Redevelopment Potential** – General Commercial (CG) zoning allows a wide range of uses and creates meaningful upside for the  $\pm 7,899$  SF second floor through potential office, medical, education/training, wellness, community, boutique hospitality, or residential-over-retail concepts, subject to Buyer investigation and city approvals.
- **Parking Convenience** – Street parking along Pacific Avenue plus public parking to the rear, supporting tenant operations and consistent customer activity.
- **Prime Miracle Mile Placement** – Positioned directly on Stockton’s iconic Miracle Mile corridor, surrounded by established retail, dining, educational, and lifestyle demand drivers.
- **Miracle Mile Façade Improvement Grant/Loan Program** – Property owners along the Miracle Mile Corridor may qualify for the newly introduced Miracle Mile Façade Improvement Grant/Loan Program, offering financial assistance for exterior upgrades, aesthetic enhancements, and revitalization efforts—supporting long-term value, tenant appeal, and overall corridor improvement, subject to program guidelines and eligibility.



# FINANCIAL ANALYSIS



## RENT ROLL

SUITE	TENANT NAME	SIZE SF	MONTHLY RENT	% OF BUILDING	PRICE / SF / MONTH	MARKET RENT	MARKET RENT / SF	LEASE START	LEASE END
2007, 2009, & 2011 Pacific Ave.	Kharma: Nail, Hair, & Spa (Vacating)	4,144 SF	\$2,965	25.68%	\$0.72	\$5,180	\$1.25	-	Vacating
2019 Pacific Ave.	NC Bridal	3,197 SF	\$1,605	19.81%	\$0.50	\$4,796	\$1.50	11/1/2023	10/31/2028
2021 Pacific Ave.	Grand Line Barber	896 SF	\$855	5.55%	\$0.95	\$1,568	\$1.75	1/1/2024	12/31/2028
Upstairs	Vacant	7,899 SF	-	48.95%	-	-	-	-	-
<b>TOTALS</b>		<b>16,136 SF</b>	<b>\$5,425</b>	<b>99.99%</b>	<b>\$2.17</b>	<b>\$11,544</b>	<b>\$4.50</b>		

# INVESTMENT ANALYSIS SUMMARY

INVESTMENT OVERVIEW	CURRENT PRO-FORMA	PRO-FORMA: YEAR 2	PRO-FORMA: YEAR 3
Price	\$1,050,000	\$1,050,000	\$1,050,000
Price per SF	\$65	\$65	\$65
GRM	14.23	9.7	6.69
<b>CAP Rate</b>	<b>3.21%</b>	<b>6.11%</b>	<b>10.11%</b>
Total Return (yr 1)	\$33,727	\$64,114	\$106,194
OPERATING DATA	CURRENT PRO-FORMA	PRO-FORMA: YEAR 2	PRO-FORMA: YEAR 3
Gross Scheduled Income	\$73,774	\$108,279	\$157,011
Total Scheduled Income	\$73,774	\$108,279	\$157,011
Vacancy Cost	\$3,689	\$5,414	\$7,851
Gross Income	\$70,085	\$102,865	\$149,160
Operating Expenses	\$36,358	\$38,750	\$42,966
Net Operating Income	\$33,727	\$64,114	\$106,194
Pre-Tax Cash Flow	\$33,727	\$64,114	\$106,194

# INCOME & EXPENSES (CURRENT PRO-FORMA)

INCOME SUMMARY	CURRENT PRO-FORMA
2007, 2009, & 2011 Pacific Ave. -- Kharma: Nail, Hair, & Space (Vacating)	\$35,580
2019 Pacific Ave. -- NC Bridal	\$19,260
2021 Pacific Ave. -- Grand Line Barber	\$10,260
Upstairs	\$0
Pro-Rata Share of Property Taxes - All Three Retail Tenants	\$8,674
Vacancy Cost	(\$3,689)
<b>GROSS INCOME</b>	<b>\$70,085</b>
EXPENSES SUMMARY	CURRENT PRO-FORMA
New Property Taxes + Special Assessment	\$16,384
Property Insurance	\$10,000
Property Maintenance	\$1,302
Property Management Fees (5%)	\$3,255
Water	\$260
Sewer	\$3,510
Common Area Electric - Upstairs	\$205
Storm Drain	\$140
Reserve	\$1,302
<b>OPERATING EXPENSES</b>	<b>\$36,358</b>
<b>NET OPERATING INCOME</b>	<b>\$33,727</b>

## INCOME & EXPENSES (PRO-FORMA YEAR 2)

INCOME SUMMARY	PRO-FORMA: YEAR 2
2007, 2009, & 2011 Pacific Ave. -- Market Rent (1.25/SF/Month) + NNN	\$62,160
2019 Pacific Ave. -- NC Bridal	\$19,260
2021 Pacific Ave. -- Grand Line Barber	\$10,260
Upstairs	\$0
Year 2 -- Pro-Forma NNN Reimbursement	\$16,599
Vacancy Cost	(\$5,414)
<b>GROSS INCOME</b>	<b>\$102,865</b>
EXPENSES SUMMARY	PRO-FORMA: YEAR 2
New Property Taxes + Special Assessment	\$16,384
Property Insurance	\$10,000
Property Maintenance	\$1,834
Property Management Fees (5%)	\$4,584
Water	\$260
Sewer	\$3,510
Common Area Electric - Upstairs	\$205
Storm Drain	\$140
Reserve	\$1,834
<b>OPERATING EXPENSES</b>	<b>\$38,750</b>
<b>NET OPERATING INCOME</b>	<b>\$64,114</b>

# INCOME & EXPENSES (PRO-FORMA YEAR 3)

INCOME SUMMARY	PRO-FORMA: YEAR 3
2007, 2009, & 2011 Pacific Ave. -- Market Rent (1.25/SF/Month) + NNN	\$62,160
2019 Pacific Ave. -- Market Rent (1.50/SF/Month) + NNN	\$57,546
2021 Pacific Ave. -- Market Rent (1.75/SF/Month) + NNN	\$18,816
Upstairs	\$0
Year 3 -- Pro-Forma NNN Reimbursement	\$18,489
Vacancy Cost	(\$7,851)
<b>GROSS INCOME</b>	<b>\$149,160</b>
EXPENSES SUMMARY	PRO-FORMA: YEAR 3
New Property Taxes + Special Assessment	\$16,384
Property Insurance	\$10,000
Property Maintenance	\$2,770
Property Management Fees (5%)	\$6,926
Water	\$260
Sewer	\$3,510
Common Area Electric - Upstairs	\$205
Storm Drain	\$140
Reserve	\$2,770
<b>OPERATING EXPENSES</b>	<b>\$42,966</b>
<b>NET OPERATING INCOME</b>	<b>\$106,194</b>

## SALE COMPARABLES



# SALE COMPS

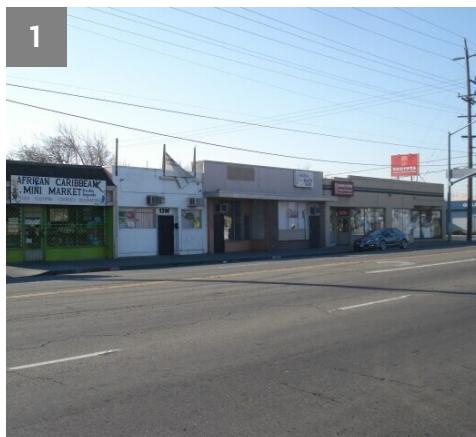


## 2007, 2009, 2011, 2019 & 2021 PACIFIC AVE.

Stockton, CA

Price: \$1,050,000 Bldg Size: 16,136 SF

Price/SF: \$65.07

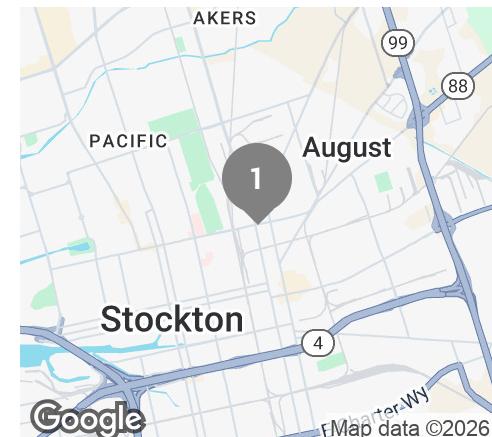


## 1302-1322 E HARDING WAY

Stockton, CA 95205

Price: \$725,000 Bldg Size: 5,939 SF

Price/SF: \$122.07

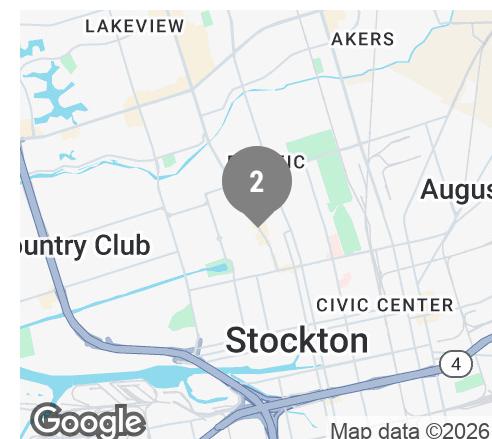


## 2363 PACIFIC AVE

Stockton, CA 95204

Price: \$940,000 Bldg Size: 5,300 SF

Price/SF: \$177.36



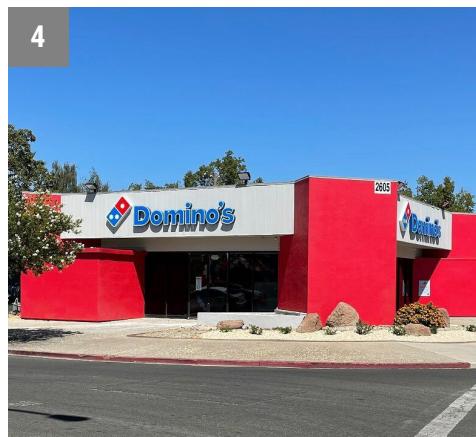
## SALE COMPS



### 230-250 DORRIS PL

Stockton, CA 95204

Price: \$975,000 Bldg Size: 5,367 SF  
Price/SF: \$181.67



### 2605 PACIFIC AVE

Stockton, CA 95204

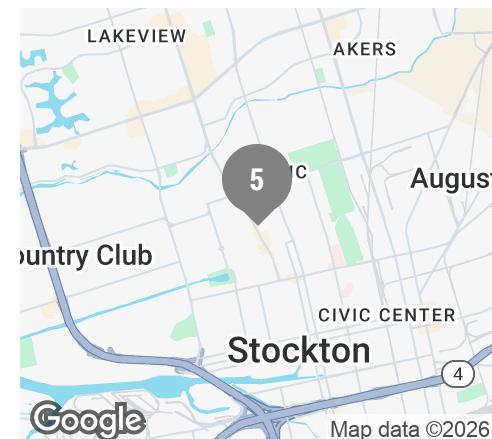
Price: \$680,000 Bldg Size: 2,688 SF  
Price/SF: \$252.98



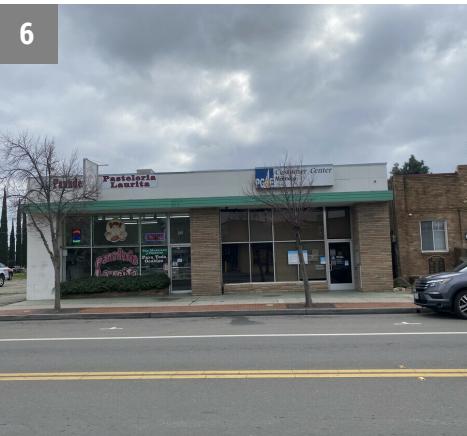
### 2562 PACIFIC AVE

Stockton, CA 95204

Price: \$1,055,000 Bldg Size: 3,371 SF  
Price/SF: \$312.96



## SALE COMPS



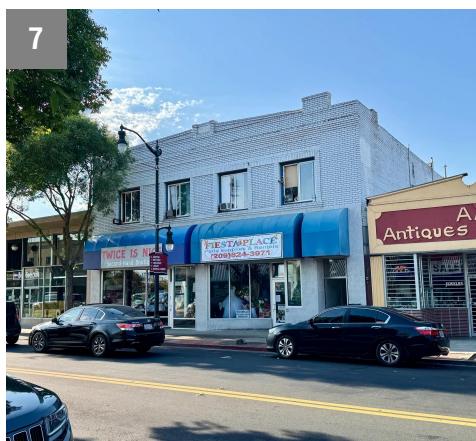
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### 228 E YOSEMITE AVE

Manteca, CA 95336

Price: \$722,500 Bldg Size: 5,500 SF

Price/SF: \$131.36



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### 116 W. YOSEMITE AVE., Manteca, CA 95336

Price: \$1,450,000 Bldg Size: 10,508 SF

Price/SF: \$137.99



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### 14 S SCHOOL ST Stockton, CA 95240

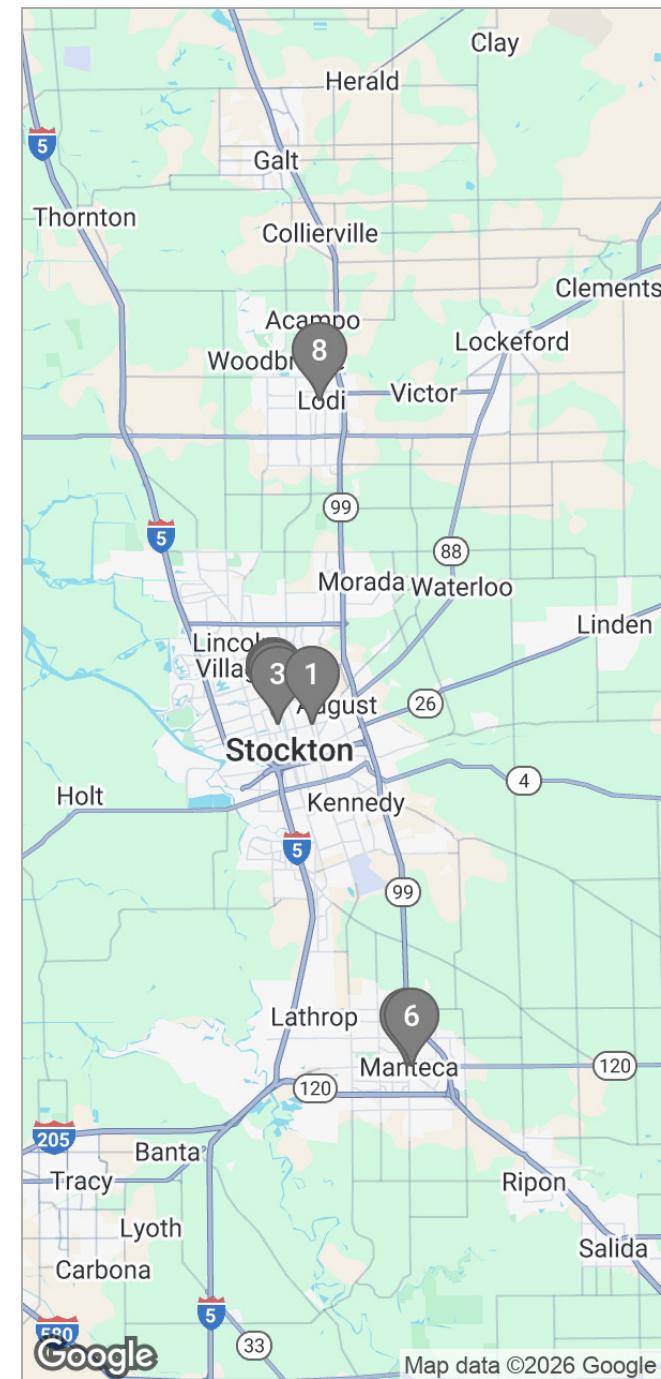
Price: \$1,200,000 Bldg Size: 8,000 SF

Price/SF: \$150.00



# SALE COMPS MAP & SUMMARY

NAME/ADDRESS		PRICE	BLDG SIZE	PRICE/SF
★ 2007, 2009, 2011, 2019 & 2021 Pacific Ave.	Stockton, CA	\$1,050,000	16,136 SF	\$65.07
1 1302-1322 E Harding Way	Stockton, CA	\$725,000	5,939 SF	\$122.07
2 2363 Pacific Ave	Stockton, CA	\$940,000	5,300 SF	\$177.36
3 230-250 Dorris Pl	Stockton, CA	\$975,000	5,367 SF	\$181.67
4 2605 Pacific Ave	Stockton, CA	\$680,000	2,688 SF	\$252.98
5 2562 Pacific Ave	Stockton, CA	\$1,055,000	3,371 SF	\$312.96
6 228 E Yosemite Ave.	Manteca, CA	\$722,500	5,500 SF	\$131.36
7 116 W. Yosemite Ave.,	Manteca, CA	\$1,450,000	10,508 SF	\$137.99
8 14 S School St	Stockton, CA	\$1,200,000	8,000 SF	\$150.00
AVERAGES		\$968,438	5,834 SF	\$183.30



# CITY INFORMATION & DEMOGRAPHICS





## LOCATION DESCRIPTION

Stockton represents one of Northern California's most strategically positioned business and investment markets, benefiting from its central location in the Central Valley and exceptional access to major logistics infrastructure. The city is served by Interstate 5, Highway 99, key regional rail lines, and the Port of Stockton, making it a critical hub for distribution, commerce, healthcare, education, and services. These advantages continue to support business expansion, employment growth, and ongoing regional economic activity.

The city's business environment is strengthened by local economic development initiatives, supportive municipal programs, and a cost advantage compared to coastal California markets. This combination has helped attract new companies and support established businesses, contributing to a stable economic base and sustained commercial demand. For investors, Stockton offers the opportunity to capture strong risk-adjusted return potential while benefiting from both affordability and growth momentum.

Within this broader regional framework, the Miracle Mile stands out as one of Stockton's most iconic, established, and culturally significant commercial corridors. Known for its historic identity and pedestrian-oriented layout, the Miracle Mile is home to a dynamic mix of restaurants, boutique retailers, lifestyle services, professional offices, nightlife destinations, and specialty tenants that draw customers from across the city and surrounding areas. Its unique character continues to support strong brand recognition and enduring tenant appeal.

The Miracle Mile Community Improvement District plays a key role in protecting and enhancing the corridor's long-term success. The district provides structured corridor management, coordinated branding and marketing initiatives, business support resources, beautification programs, and safety-focused efforts to improve lighting, walkability, and overall visitor experience. Through coordinated leadership and ongoing collaboration with business owners, property owners, and community partners, the district helps ensure stability, ongoing activation, and a well-maintained environment that supports tenant performance and investment value.

The corridor is further supported by substantial public investment, including a major state-funded revitalization initiative focused on pedestrian safety enhancements, upgraded lighting, improved landscaping, mobility improvements, and streetscape beautification. Its proximity to the University of the Pacific adds another layer of strength, generating continuous foot traffic, local spending, and ongoing programming and events. Together, Stockton's economic foundation, the Miracle Mile's identity and revitalization momentum, and the structured oversight of the Improvement District create a highly compelling platform for long-term investment stability, tenant demand, and future value growth.

## LOCATION DETAILS

County

San Joaquin

# DEMOGRAPHICS MAP & REPORT

POPULATION	0.5 MILES	1 MILE	2 MILES
Total Population	5,466	20,805	74,745
Average Age	38	37	36
Average Age (Male)	38	37	36
Average Age (Female)	38	37	37

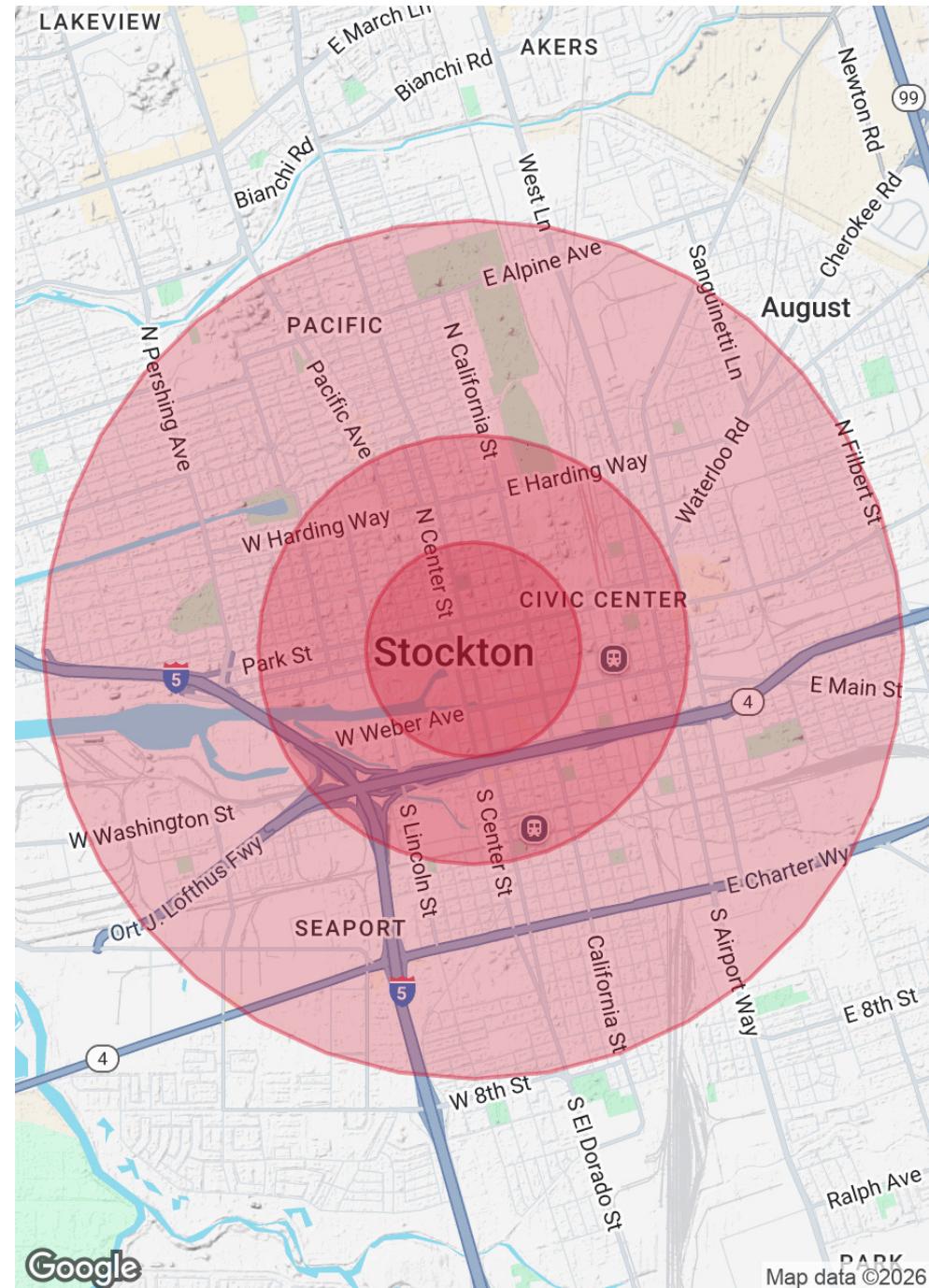
  

HOUSEHOLDS & INCOME	0.5 MILES	1 MILE	2 MILES
Total Households	2,448	7,746	23,672
# of Persons per HH	2.2	2.7	3.2
Average HH Income	\$45,561	\$57,154	\$72,615
Average House Value	\$393,809	\$423,632	\$402,983

RACE	0.5 MILES	1 MILE	2 MILES
Total Population - White	1,097	4,758	17,441
% White	20.1%	22.9%	23.3%
Total Population - Black	1,450	3,403	7,130
% Black	26.5%	16.4%	9.5%
Total Population - Asian	288	1,510	6,316
% Asian	5.3%	7.3%	8.5%
Total Population - Hawaiian	14	78	342
% Hawaiian	0.3%	0.4%	0.5%
Total Population - American Indian	137	562	1,958
% American Indian	2.5%	2.7%	2.6%
Total Population - Other	1,672	7,427	29,804
% Other	30.6%	35.7%	39.9%

Demographics data derived from AlphaMap





EXCLUSIVELY LISTED BY:



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