

VERNON INDUSTRIAL PROPERTY

INDUSTRIAL LAND

Strategically Located Industrial Property in the City of Vernon



VERNON

S ALAMEDA ST (28,177 ATC)

E 38TH ST (4,548 ATC)

Google Earth

CONFIDENTIAL OFFERING MEMORANDUM

NAI Capital | INVESTMENT
COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE | SERVICES GROUP

Confidentiality Agreement

THIS IS A CONFIDENTIAL MEMORANDUM intended solely for your own limited use in considering whether to pursue negotiations to purchase Vernon Industrial Property (the "Property")(List of Addresses and APNs on the adjacent table) owned by VCW Vernon Properties, LLC (the "Owner"). The Owner has retained NAI Capital, Inc ("NAI") as the exclusive sales broker to sell the Property. No other agent or broker is authorized to offer the Property unless and until that agent or broker has executed a written agreement with NAI Capital, and that agreement has been executed by their interested purchaser.

This confidential memorandum contains brief, selected information pertaining to the business and affairs of the Property and has been prepared by NAI Capital. Although this confidential memorandum has been reviewed by representatives of the Owner, it does not purport to be all-inclusive or to contain all of the information which a prospective purchaser may desire. Neither the Owner nor NAI Capital, nor any of their partners, officers, employees or agents have independently verified the information contained herein and they are not responsible for any errors or inaccuracies in the information. No representation or warranty, express or implied, is made as to the accuracy or completeness of this confidential memorandum or any of its contents, or any other written or oral communication transmitted to a prospective purchaser in the course of its evaluation of the proposed sale of the Property. There is no representation as to the environmental condition of the Property.

You agree that the memorandum and its contents are confidential, that you will hold and treat it in confidence and that you will not disclose this memorandum or its contents to any other firm or entity without prior written authorization. Photocopying or other duplication is prohibited. You will use this confidential memorandum only for the purpose of evaluating the possible acquisition of the Property. All prospective purchasers agree that they will conduct their own independent investigation of those matters which they deem appropriate in order to evaluate this offering.

Owner and NAI Capital, expressly reserve the right at their sole discretion to reject any or all proposals, offers, or expressions of interest in the Property and to terminate discussions with any party at any time with or without notice.

This confidential memorandum shall not be deemed a representation of the state of affairs of the Property or imply that there has been no change in the business or affairs of the Property since the date of preparation of this memorandum. The Property is submitted for sale subject to the right to make changes in any of the terms without notice to anyone.

OFFERING PROPERTY

Address	Parcel #
2050 East 38th Street, Vernon	6302-012-022
	6302-012-025
	6302-017-050
4181 Ross Street, Vernon	6302-017-046



Vernon Industrial Property

Vernon, CA

Exclusive Advisors:

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EXECUTIVE
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Investment Highlights



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Aerial Maps
Parcel Maps
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MARKET
OVERVIEW

LA Central
Vernon, CA



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FINANCIAL
OVERVIEW

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Sales Comp Map
Leaseback Information
& Assumptions



Property Summary

NAI Capital is pleased to present an exceptional opportunity to purchase a prime industrial property located at 2050 E 38th Street, Vernon. This property offers approximately ±374,792 square feet (±8.604 Acres) of land and two industrial/office buildings totaling ±100,576 square feet. The buildings include one food grade warehouse at ±90,401 square feet, a single story office at ±10,175 square feet and a truck wash (±9,275 square feet not included in the overall total) all situated in a highly strategic location within Vernon. The City of Vernon, renowned for its thriving industrial sector, is strategically positioned within Los Angeles County. Vernon provides an ideal environment for industrial activities, with excellent connectivity to major freeways, including the I-710, I-5, and SR-60, facilitating efficient transportation and logistics operations. The property's proximity to downtown Los Angeles and its strategic location near the Ports of Los Angeles and Long Beach further enhance its appeal for businesses involved in distribution and logistics.

Additionally, the property features a reciprocal switch for the railroad, offering a unique logistical advantage for businesses reliant on rail transport. This connectivity, combined with Vernon's status as the city with the lowest cost of power in Los Angeles County, makes this property highly attractive to investors and industrial users. Vernon is a dedicated industrial city, with ongoing developments and improvements that continue to strengthen its position as a leading industrial hub. The city's commitment to economic growth, coupled with its strategic location, robust infrastructure, proximity to key transport hubs, and cost-effective power, makes this property an exceptional opportunity for industrial investors and users alike.

Address	APN	Acres	SF (Land)
2050 East 38th Street	6302-017-050	5.814	253,258
	6302-012-022		
	6302-012-025		
4181 Ross Street	6302-017-046	2.790	121,534
Square Feet based on ALTA Survey		8.604	374,792

Investment Highlights

This well-located property offers a significant opportunity for industrial investors and users seeking a strategic position in a thriving industrial hub.

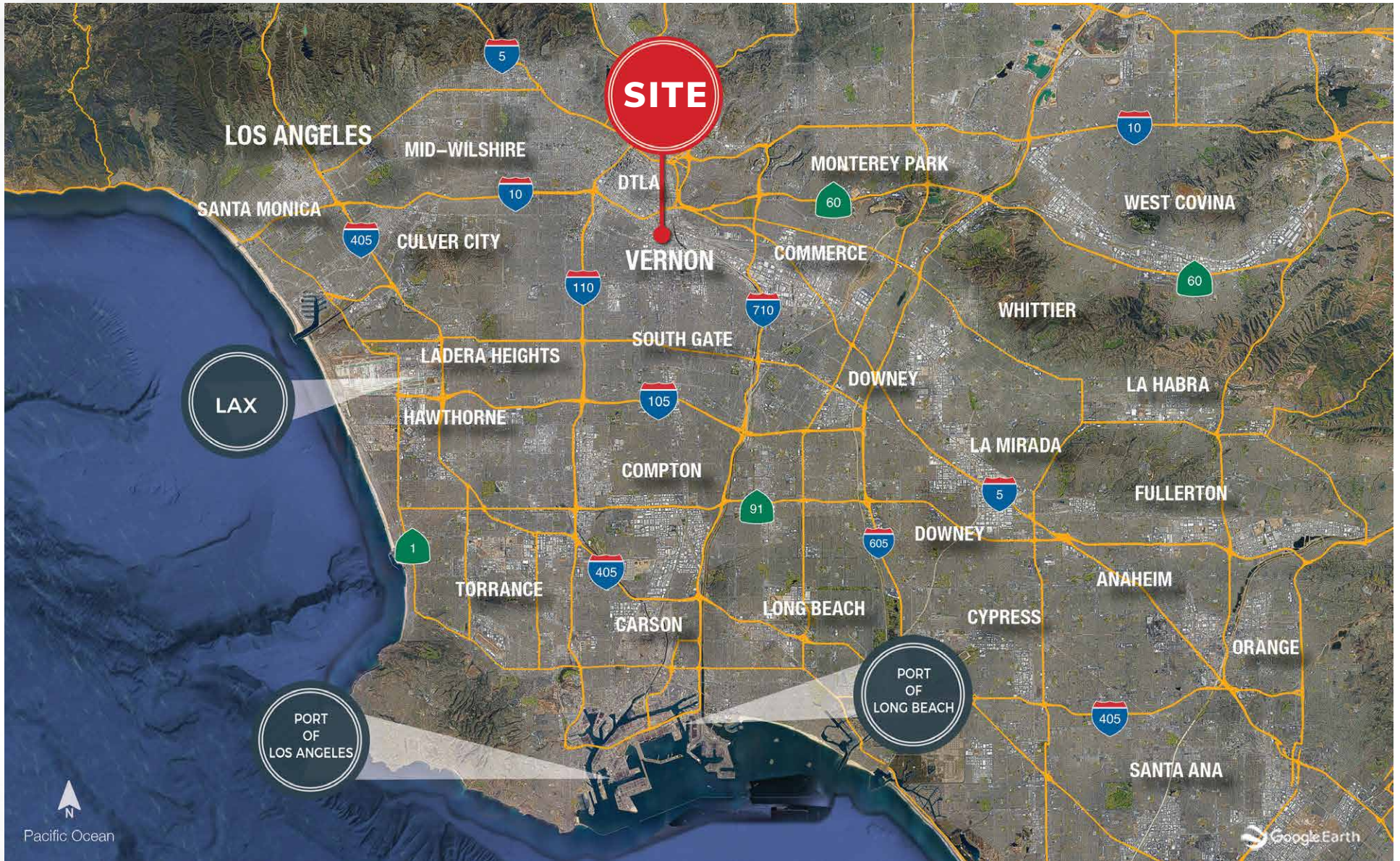
- **Land Size:** Approximately ±374,792 square feet (±8.604 Acres)
- **Building Size:** Two industrial/office buildings totaling ±100,576 square feet
- **Rail Access:** Industrial rail-served land with reciprocal switching by both Union Pacific and BNSF railroads
- **Location:** Strategically located along Alameda Street, with close proximity to Downtown Los Angeles
- **Proximity to Ports:** Near the Ports of Los Angeles and Long Beach, ideal for distribution and logistics operations
- **Utilities:** Provided by the City of Vernon, which offers the lowest cost of power in Los Angeles County
- **Zoning:** Industrial, offering a prime redevelopment opportunity
- **Logistics Advantage:** Excellent access to major freeways, including I-710, I-5, and SR-60, facilitating efficient transportation and logistics operations
- **Grandfathered Status:** Possibly exempt from Truck and Freight Terminal Overlay Zoning regulations**
- **Truck Wash:** Dedicated ±9,275 square foot truck wash facility.

** Research in progress

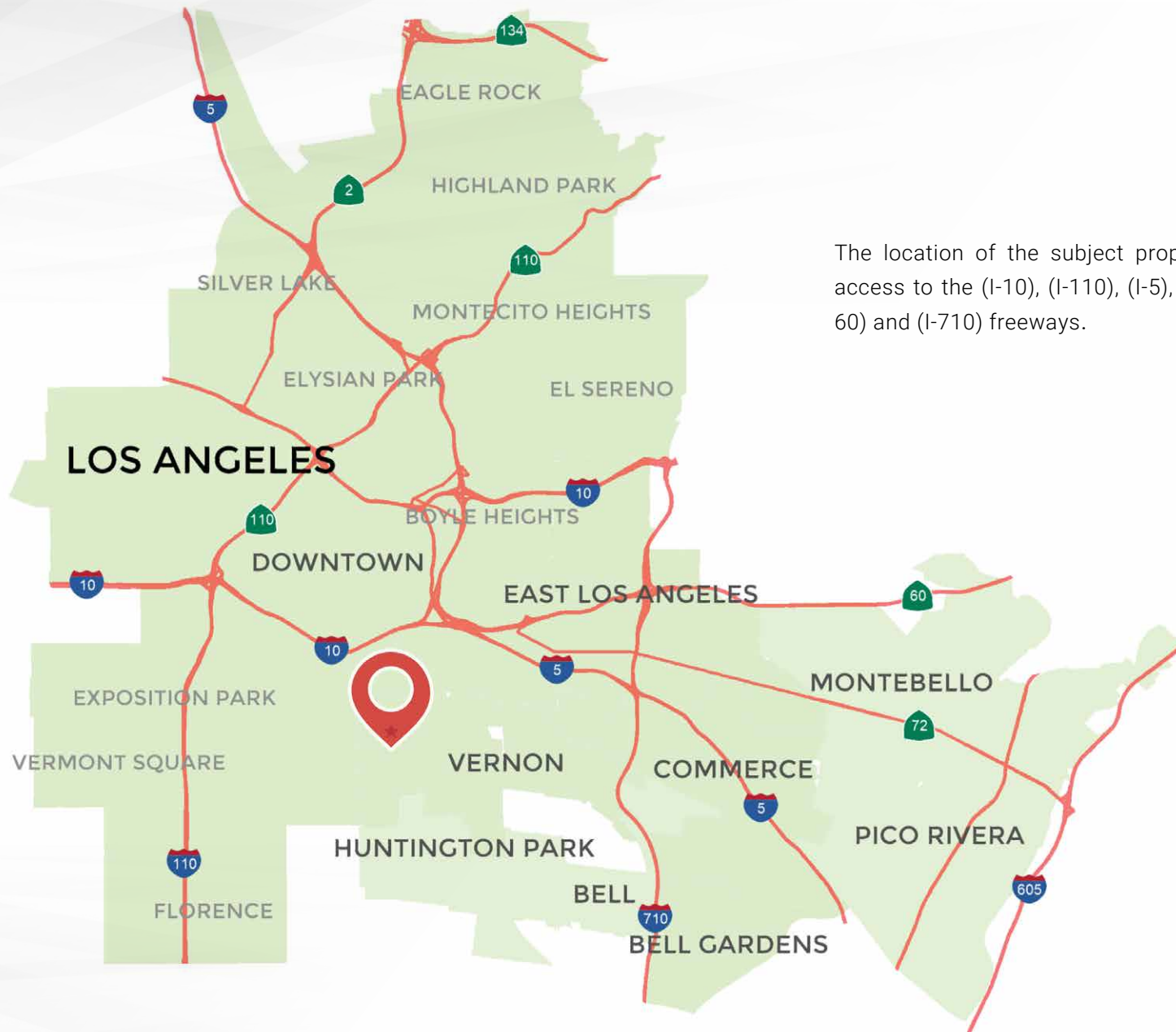
Warehouse (food grade)	±90,401 Square Feet
Office (single story)	±10,175 Square Feet
Truck Wash	±9,275 Square Feet

Total Buildings ±100,576 Square Feet (Excluding Truck Wash)

Regional Map



Transportation Routes



The location of the subject properties provide easy access to the (I-10), (I-110), (I-5), (Route 101), (Route 60) and (I-710) freeways.

Aerial Map

2050 E 38th Street, Vernon



Parcel Map

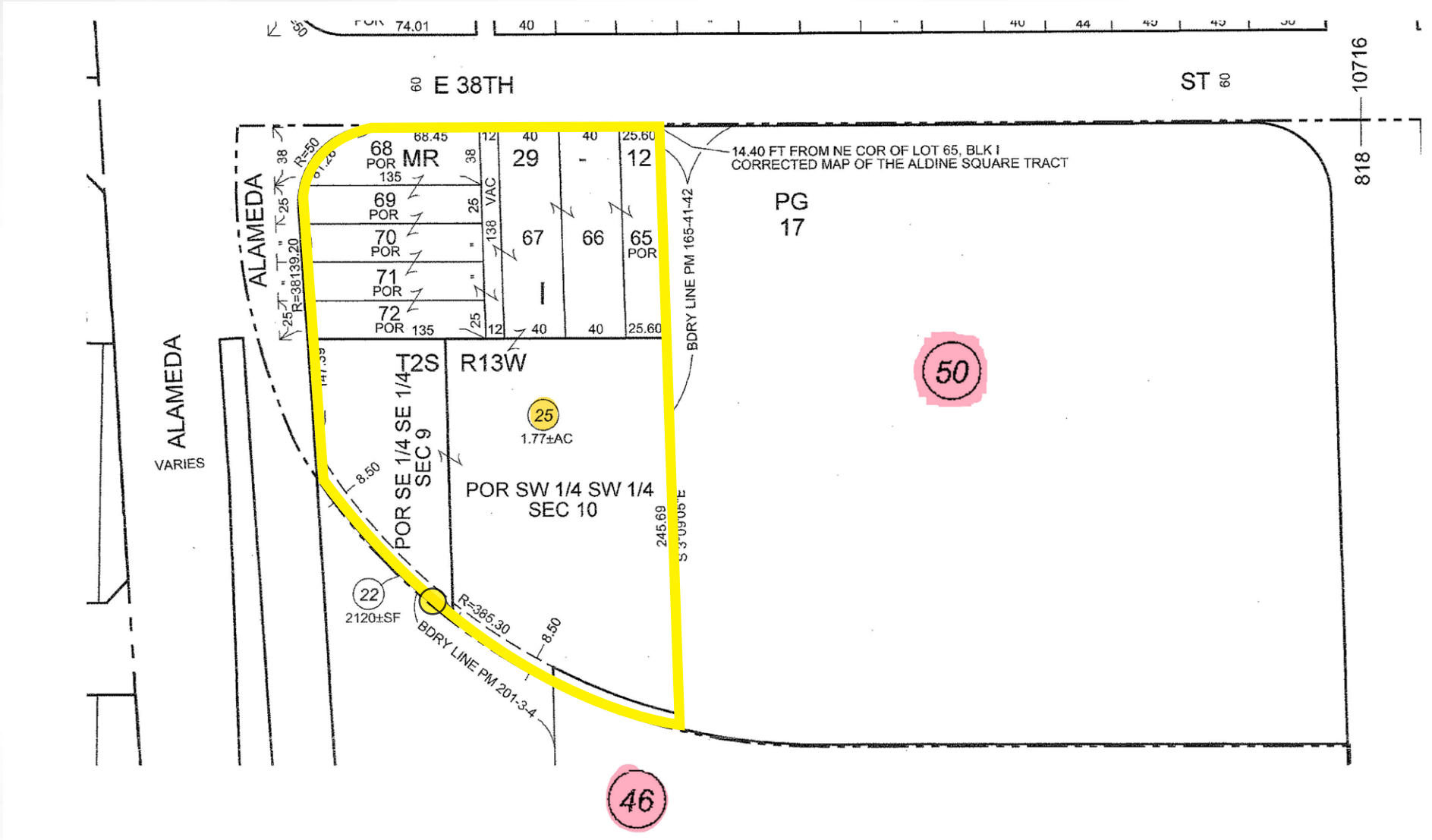
APN #'s 6302-012-022 + 025

APN #'s 6302-017-046 + 050



Parcel Map

APN #'s 6302-012-022 + 025



Parcel Map

APN #'s 6302-017-046 + 050

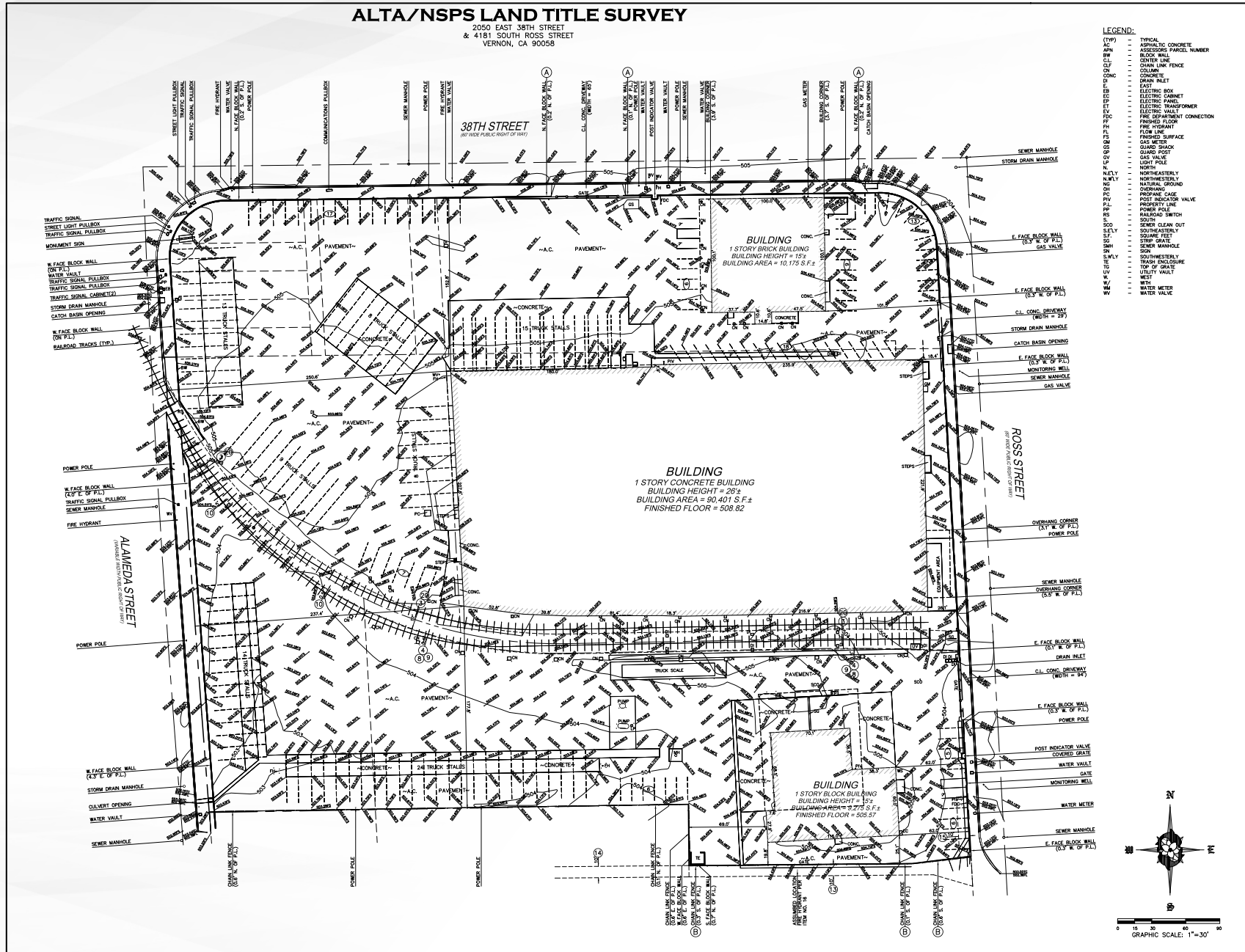


ALTA Survey

2050 E 38th Street, Vernon

ALTA/NSPS LAND TITLE SURVEY

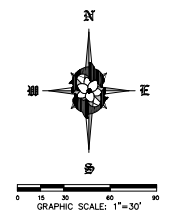
2050 EAST 38TH STREET
& 4181 SOUTH ROSS STREET
VERNON, CA 90058



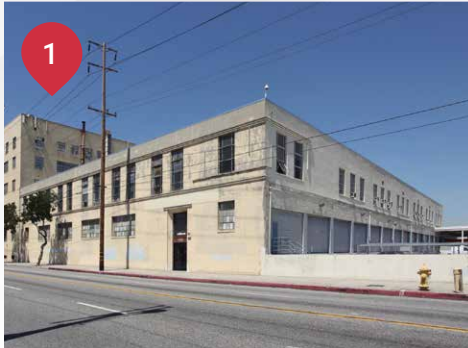
REVISIONS	
11/20/2022	ISSUED ITEM NO. 7 - CA
12/16/2022	PER UPDATED TITLE REPORT - CA

ALTA/NSPS LAND TITLE SURVEY	
JRN CIVIL ENGINEERS	17000 JRN DRIVE, SUITE 100, SAN CLEMENTE, CALIFORNIA 92672
PHONE (949) 248-4655	FAX (949) 248-4657
PROJECT COORDINATOR:	CHARLES ANGELO (cange@jrn.com)

SHEET 2	SCALE: 1" = 30'
OF 2	DATE: 11/20/2022
FILE NO.	DRAWN BY: CA
21794	ADDRESS: 2050 EAST 38TH STREET & 4181 SOUTH ROSS STREET VERNON, CA 90058
CHKD. BY: JLM	CLIENT: NAI CAPITAL



Sale Comparables



**1925 E Vernon Ave
Vernon, CA**

Sale Date:	Aug. 22, 2024
Sale Price:	\$61,500,000
Price/SF (Land):	\$201.69
Acres:	7.00
Square Feet (Land):	304,920



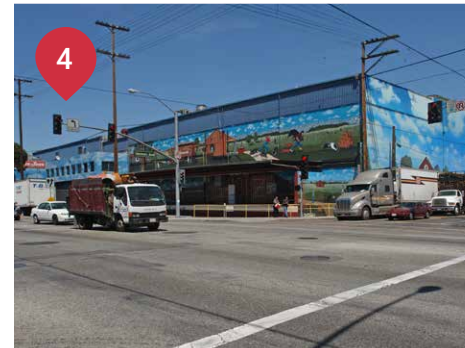
**3300 E 50th St
Vernon, CA**

Sale Date:	May 21, 2024
Sale Price:	\$16,000,000
Price/SF (Land):	\$153.69
Acres:	2.39
Square Feet (Land):	104,108



**4000 Union Pacific Ave
Commerce, CA**

Sale Date:	Aug. 30, 2023
Sale Price:	\$190,000,000
Price/SF (Land):	\$186.30
Acres:	23.41
Square Feet (Land):	1,019,865



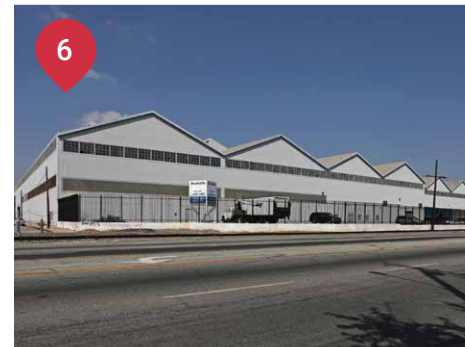
**3049, 3095 & 3163 E Vernon Ave
Vernon, CA**

Sale Date:	Jun. 23, 2023
Sale Price:	\$206,460,000
Price/SF (Land):	\$163.47
Acres:	28.99
Square Feet (Land):	1,262,999



**4010 E. 26th St
Vernon, CA**

Sale Date:	Dec. 28, 2022
Sale Price:	\$57,578,930
Price/SF (Land):	\$190.19
Acres:	6.95
Square Feet (Land):	302,742



**5801-5881 S 2nd St
Vernon, CA**

Sale Date:	Jul. 29, 2022
Sale Price:	\$62,212,000
Price/SF (Land):	\$184.05
Acres:	7.76
Square Feet (Land):	338,026

Sale Comparables (continued)



**2761 Fruitland Ave
Vernon, CA**

Sale Date:	Jul. 21, 2022
Sale Price:	\$45,000,000
Price/SF (Land):	\$178.11
Acres:	5.8
Square Feet (Land):	252,648



**2757-2797 Leonis Blvd
Vernon, CA**

Sale Date:	Jul. 8, 2022
Sale Price:	\$22,170,000
Price/SF (Land):	\$177.96
Acres:	2.86
Square Feet (Land):	124,582



**2429 S Malt Ave
Commerce, CA**

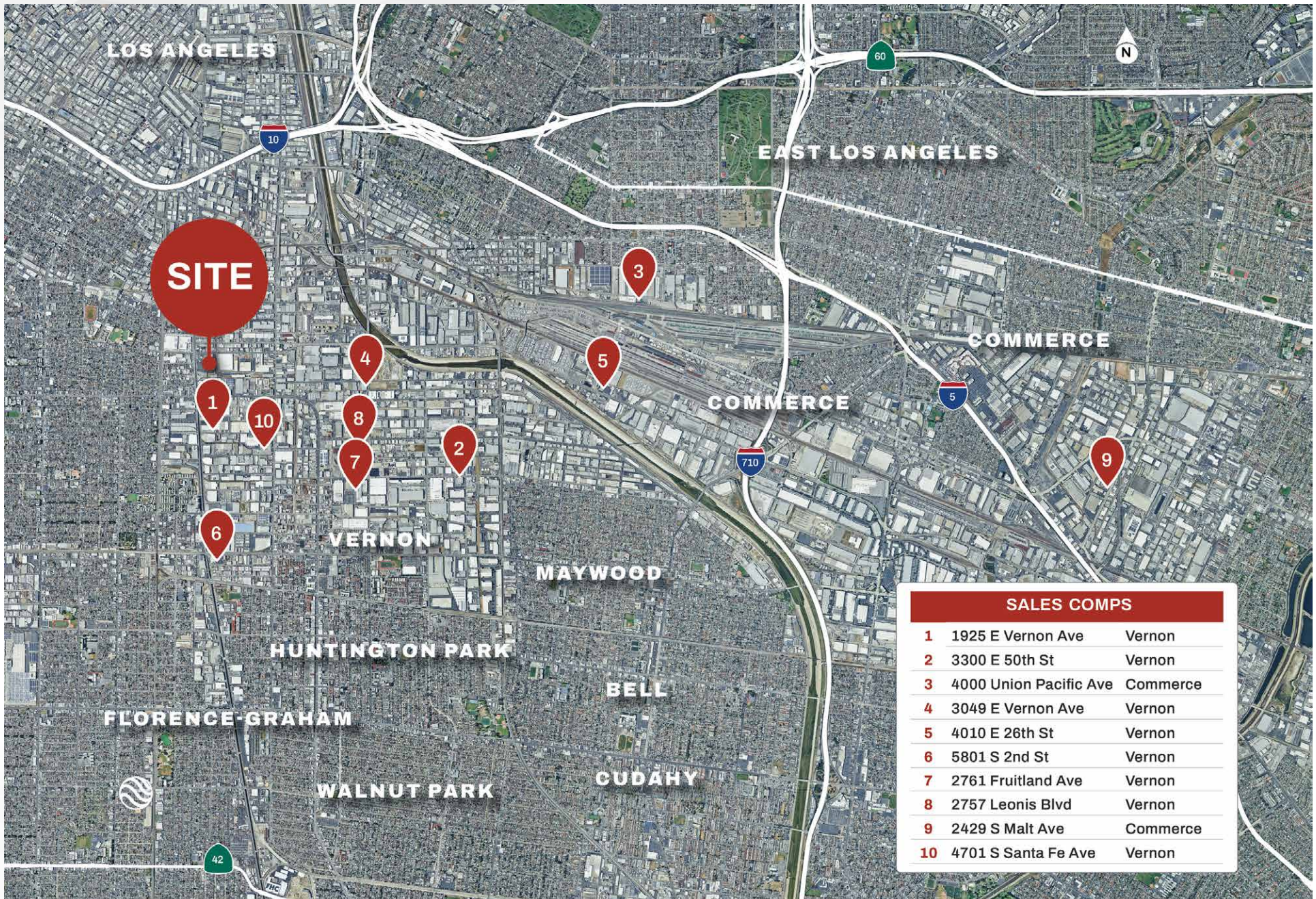
Sale Date:	Jun. 17, 2022
Sale Price:	\$50,300,000
Price/SF (Land):	\$201.52
Acres:	5.73
Square Feet (Land):	249,599



**4701 S Santa Fe Ave
Vernon, CA**

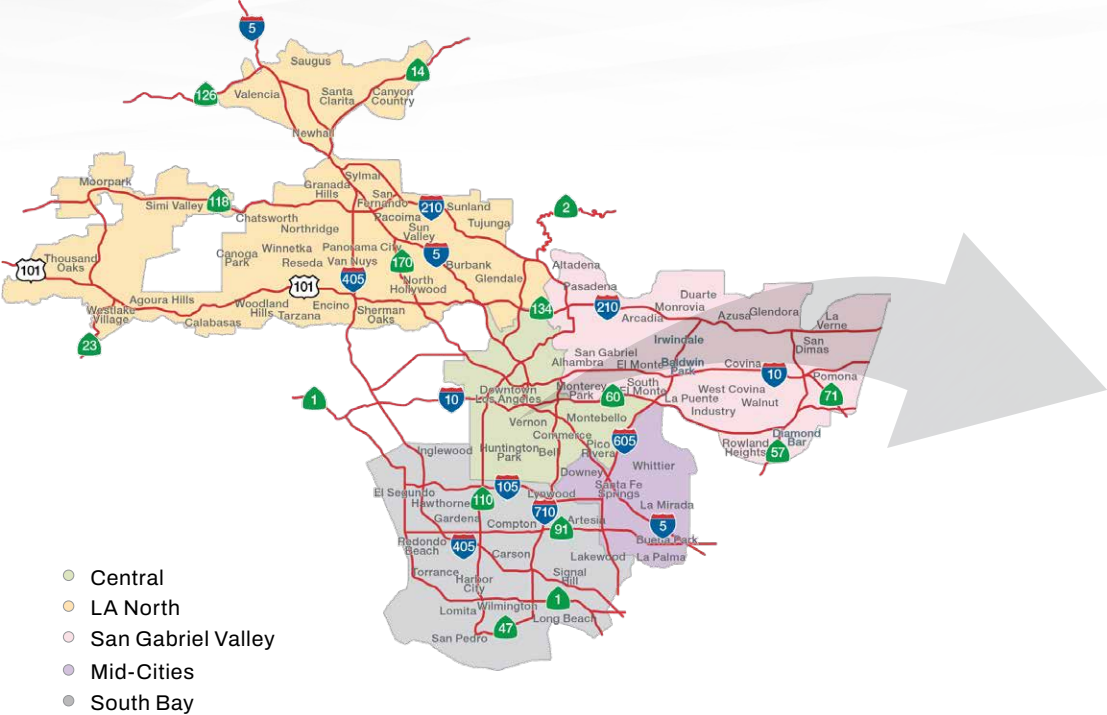
Sale Date:	May 27, 2022
Sale Price:	\$35,400,000
Price/SF (Land):	\$183.45
Acres:	4.43
Square Feet (Land):	192,971

Sale Comparables Map

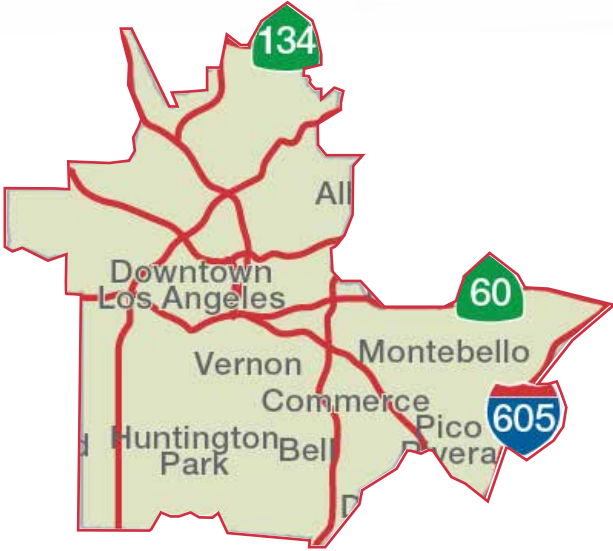


Market Overview

LOS ANGELES COUNTY INDUSTRIAL MARKET



Commerce Vernon Industrial Submarket



Market Overview

LOS ANGELES INDUSTRIAL MARKET OVERVIEW

The Los Angeles Central Industrial marketplace is the oldest industrial market in the Western US. With over 242,772,401 square feet, this market incorporates parts of Los Angeles and includes the cities of Vernon, Commerce, Montebello, South Gate, Bell, Bell Gardens, Maywood, Huntington Park and Pico Rivera.

The Central Market is bordered by the Harbor (110) Freeway at Downtown to the west, the San Gabriel River (605) Freeway to the east, the Century (105) Freeway to the south, the Pomona (60) Freeway on the north.

The Central Market is “centrally” located within the one billion square foot Los Angeles County Industrial Base. The San Fernando, Valencia, Tejon Ranch Marketplace is located to the north, the South Bay market to the west, the Inland Empire to the east and Orange County to the south. The skilled labor pool is unsurpassed in the region and its desirable location offers direct non-stop rail access to the ports of Los Angeles and Long Beach via the Alameda Corridor. The cities included in this submarket are pro-business and pro industry, many of them having been chartered as manufacturing cities.

As the oldest industrial base in Southern California, the Central Market has been through many changes. Recently along with the renaissance of downtown Los Angeles there has been a significant increase in industrial property values as users and developers rush to this infill market. Today the supply of land is limited and only the redevelopment of old manufacturing plants such as the former Northrop site bring new projects to the area. This is one reason why values have increased substantially in the past five years. Industrial facilities 10,000 square feet or larger in Q2 2024 sold on average for \$250 per square foot. Along with the ever-present local entrepreneurs (including users and developers), who have driven values and demand, the submarket has seen a steady influx of institutional investors to the market.

The Central Submarket has historically shown resiliency and stability during slow economic times. Additionally, this submarket takes full advantage of a growing economy providing significant upside to its property owners. This is largely due to the incredible diversity of industries located within its borders.

From national corporations, to long standing local companies, to the ever-present entrepreneur companies. The Central industrial submarket includes users in the produce and food processing industry, textile, and garment manufacturing, heavy manufacturing, light manufacturing, warehousing, distribution, overnight delivery, trucking, and logistics providers. This diversity makes the Central Los Angeles submarket a truly unique Industrial location. The industrial vacancy rate in Central Los Angeles remained low at 6.2 percent as of the second quarter of 2024. With just 570,929 square feet of industrial space under construction, demand is expected to stay steady, helping to sustain the current average asking rent of \$1.35 per square foot per month (NNN). Rents reached historic highs and plateaued in 2024, and although there has been a recent increase in available space for sale or lease, prices have moderated. Nevertheless, the submarket continues to experience appreciation and rental rate stability.

Leasing activity is projected to rise, as owner/users identify suitable purchase opportunities. Demand for warehouse space remains strong, driven by e-commerce and a consistent flow of inbound container traffic from the ports of Los Angeles and Long Beach. The Central Los Angeles industrial market benefits from its convenient access to these ports, making the area increasingly attractive and valuable.

Central Los Angeles Industrial Market Q2 2024

Existing Total RBA (SF)	242,772,401
Under Construction (SF)	570,929
Total Available (%)	8.7%
Total Vacancy (%)	6.2%
Leasing Volume YTD (SF)	4,573,227
Sales Volume YTD (SF)	619,159
Average Asking Rent \$/PSF NNN	\$1.35
Average Sale Price \$/PSF	\$244

Market Overview

Vernon, CA

The City of Vernon is a 5.2-square-mile industrial city located just southeast of Downtown Los Angeles. Founded in 1905 to create jobs in California, Vernon has become a vital economic powerhouse. Today, it is home to more than 1,800 businesses that collectively employ approximately 50,000 people, making it a crucial economic engine for the region. Vernon contributes over \$330 million in state income and sales taxes annually and generates \$1.1 billion in taxable spending. The city's businesses provide more than \$4.4 billion in salaries and wages each year to workers throughout Los Angeles County.

With a uniquely business-friendly environment, Vernon supports a wide range of industries, including food and agriculture, apparel, steel, plastics, logistics, and home furnishings. The City also maintains strong philanthropic ties with neighboring communities, where much of its workforce lives, providing significant financial support for essential public services like health care and education. Your description of Vernon's location and development plans is detailed and provides a clear picture of the city's benefits for businesses and its future growth. To enhance the flow and make it even more engaging, I suggest a few adjustments for clarity and impact.

Here's a revised version:







Vernon is strategically bordered by Downtown and East Los Angeles to the north, Commerce to the east, Huntington Park to the south, and South Los Angeles to the west. This central location offers significant advantages for industrial-sector businesses, with excellent access to key transit routes.

Vernon is served by the Alameda Corridor freight rail system, UP Intermodal Railyard, and several major interstates, including I-5, I-10, I-105, I-110, I-605, and I-710, as well as highways 60 and 101. Additionally, it is just 16 miles northeast of Los Angeles International Airport and 25 miles north of the Port of Los Angeles in San Pedro.

Vernon is undergoing a transformation. The City is developing a mixed-use specific plan, leveraging its proximity to the Arts District and Downtown Los Angeles to drive revitalization. The plan's key goals include:

- Increasing the residential population in Vernon
- Expanding goods and services available to the community
- Creating a strong sense of identity and place
- Providing new employment and housing opportunities, including Veterans' Housing
- Establishing Vernon as a unique destination that attracts shoppers and diners from outside the community
- Updating the City's Housing Element
- Strengthening the City's tax and voter base

The City is actively inviting the development community to invest in Vernon through initiatives like "Project West Side," which will incorporate clean commerce, retail, and housing for professionals.

VERNON (5 MILE RADIUS)		LA COUNTY
POPULATION 1.23 M		POPULATION 9.69 M
MEDIAN HOUSEHOLD INCOME \$61,201		MEDIAN HOUSEHOLD INCOME \$66,610
NUMBER OF EMPLOYEES 451,563		NUMBER OF EMPLOYEES 4M
MEDIAN PROPERTY VALUE \$625,725		MEDIAN PROPERTY VALUE \$806,073
MEDIAN AGE 33.0		MEDIAN AGE 37.3
TOTAL BUSINESSES 49,729		TOTAL BUSINESSES 501,681

Area Demographics

DEMOGRAPHICS & ECONOMY WITHIN 5 MILES OF THE PROPERTY



POPULATION
1.23 M



HOUSEHOLDS
378,579



**AVERAGE
HOUSEHOLD INCOME**
\$81,208



**MEDIAN
HOME VALUE**
\$625,725



**MEDIAN
AGE**
30.0



**TOTAL
BUSINESSES**
49,729



**TOTAL
EMPLOYEES**
451,563



**UNEMPLOYMENT
RATE**
4.6%



**ANNUAL HH
RETAIL EXPENDITURES**
\$10.84B



**MONTHLY HH
RETAIL EXPENDITURES**
\$2,386

Population	1 Mile	3 miles	5 Miles
Estimated Population (2024)	39,985	273,621	767,833
Projected Population (2029)	37,826	261,239	737,475
Census Population (2020)	42,733	287,502	797,730

Households	1 Mile	3 miles	5 Miles
Estimated Households (2024)	10,315	70,046	211,798
Projected Households (2029)	9,905	67,805	206,243
Census Households (2020)	10,634	72,127	216,628

Daytime Demos	1 Mile	3 miles	5 Miles
Total Businesses (2024)	886	7,135	21,497
Total Employees (2024)	7,641	78,674	217,645

Income	1 Mile	3 miles	5 Miles
Est. Avg. Household Income (2024)	\$82,525	\$90,277	\$96,739
Proj. Avg Household Income (2029)	\$85,397	\$93,644	\$100,665
Census Avg. Household Income (2010)	\$45,058	\$50,174	\$52,378

Source: Applied Geographic Solutions

Leaseback Information and Assumptions

About the Tenant

Sweetener Products Company has been an innovator and industry leader in sweetener storage and handling since 1923. Located near Los Angeles in the City of Vernon, California, Sweetener Products Company operates state-of-the-art food processing facilities for manufacturing, warehousing, transportation and distribution of food products, supplying a large variety of nutritive sweeteners, starches, salts, soy products, shortenings, and other specialty food-grade items. From bagged items to bulk truck quantities, Sweetener Products Company offers a unique combination of products and services to the western region.

Sweetener Products Company is the recipient of the 2022 Corporate Citizen Award presented by the City of Vernon Chamber of Commerce recognizing them for their leadership and philanthropic work in the City of Vernon and the surrounding communities.

LEASEBACK ASSUMPTION

Tenant



Sweetener Products

Lease Term

Close of Escrow to
September 30, 2026
(To Be Determined)

Premises

All Properties outlined
in this offering memorandum

Estimated Lease Commencement Date

Close of Escrow

About NAI Capital ISG

With over \$3 billion in closed transactions, we provide our clients with creative ideas, knowledgeable advisory services and transaction experience on asset dispositions, acquisitions, opinions of value, due diligence and consulting. ISG has tremendous expertise/experience in marketing, negotiating and successfully closing transactions for our clients.

NAI Capital Investment Services Group (ISG) is the largest affiliate/member of NAI Global Capital Markets with access to more than 300 offices strategically located throughout North America, Latin America, Europe, Africa and Asia Pacific, with over 5,100 local market professionals, managing in excess of 1.15B square feet of property. Annually, NAI Global completes in excess of \$20 billion in commercial real estate transactions throughout the world.

We are an interconnected real estate advisory firm, focused on investment sales and generating quantifiable value through our thorough knowledge of product type and industry trends. Our success is derived from understanding the capital stack (debt and equities), emerging market trends, strong

investor relationships, property management, industry drivers and a keen and timely sense to listen and act. We share our client's goals to execute transactions at the highest possible price, meet our client's deadlines, and exceed expectations.

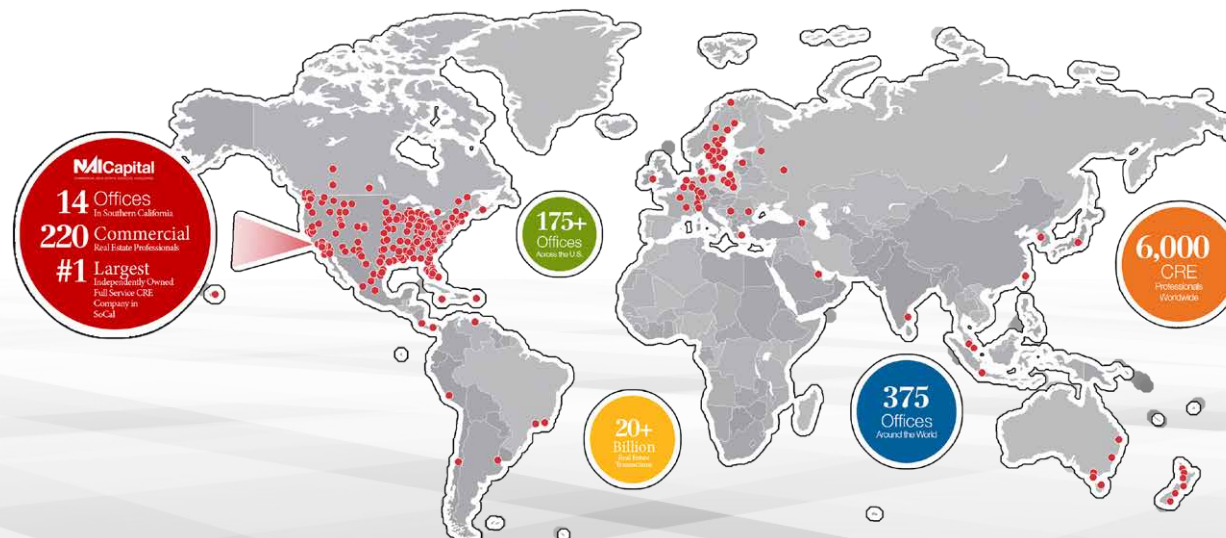
Services

Investment Sales

NAI Capital provides asset disposition services nationally for institutional, high net worth and private equity investors. Through unparalleled access to capital and local market knowledge, the NAI Capital ISG team provides custom strategies for every asset designed to maximize value for the seller.

Acquisition Advisory

NAI Capital provides our clients with acquisition advisory services both directly and through its affiliated relationships. Exchange expertise, Asset identification, underwriting, market research and contract negotiations are just a few of the services provided.



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