

Leased Investment or Redevelopment Opportunity

515 3rd Street, San Rafael, California

Downtown San Rafael



101

4th St

3rd St

Second St

Grand Ave

OFFERING MEMORANDUM

NEWMARK

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Supermarket Sale Comps

https://f.tlcollect.com/fr2/325/25654/Supermarket_Sales.pdf?cbcachex=713744

Demographics

<https://f.tlcollect.com/fr2/625/61505/Demographics.pdf?cbcachex=452136>

01 Executive Summary

515 3rd Street is a high identity, standalone commercial building that has been the home of United Markets since its construction in 1955. Located in the heart of San Rafael between 3rd Street and 2nd Street, on Grand Avenue, the Property is close to the Montecito Shopping Center. Both Whole Foods and Trader Joe's are within a short walk, as is the Transit Center and downtown San Rafael. Nearby are many eateries and amenities.

Totaling ±28,318 square feet, the tenant in the building recently did over \$3,000,000 of improvements in 2016 to the store. The lot is approximately 80,563 SF. United Markets is on a NNN lease to December 31, 2029, with one option to renew of 10 years.

It has been reported the trade area does over \$100,000,000 in annual grocery sales, with Trader Joe's being one of the most successful stores in the chain.

The property features 107 on-site parking spaces. It has an unbeatable location, with major signage visible to the patrons of Montecito Shopping Center, as well as great demographics with many high net-worth individuals who reside in the surrounding communities.

Any Buyer will need to ascertain what UM's plans are for the future. United Markets has been at the site for 70 years. The founder passed about 6 years ago, and the next generation has been managing the company since then. They are open to discussing United's future at the property with any potential buyer that makes business sense for United Markets and its 120 employees.



02

Overview



PRICE: Unpriced - Best offer



BUILDING SIZE: ± 28,318 SF



LEASE: To United Markets, a corporation. Leased to December 31, 2029, with one 10-year option to renew



RENT: Scheduled Net Income for 2025 is \$697,950. Has an annual increase of 2% to 5%



APN#: 014-126-06



YEAR BUILT: 1955



LOT SIZE: ±80,563 SF



ZONING DISTRICT: Was C/O, Commercial Office. Now T5N 40/60



PARKING: 107 on-site



IMPROVEMENTS: Building is ±24,318 SF on the ground floor. It has a ±3,349 SF mezzanine and an ±890 SF garden center



The Property is in the AE Flood Zone

03 Location Aerial



Whole Foods Market

Trader Joe's
Jasmin Market

Montecito
Shopping Plaza

Asian Market

Grand Ave

Second St

DEMOGRAPHICS

- San Rafael Med. Home Price: \$1.3M
- Median HH Income: \$130,000

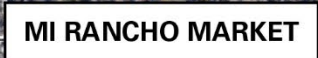


04

Amenities Map



1-mile



4th St.

1st St.

3rd St.

Second St.

A St.

B St.

Lincoln Ave.

101

SAN RAFAEL

580 58

05 Photos



06 Redevelopment Opportunity

The State has mandated local cities and counties provide additional housing. In San Rafael, this is 3,220 housing units by 2031. 515 3rd Street can be redeveloped for residential housing. Again, any Buyer will need to confirm with United Markets as to its intentions.

From the city of San Rafael:

The purpose of the San Rafael 2023-2031 Housing Element is to meet the housing needs of all San Rafael's residents, particularly those with lower-incomes or special housing needs. The Element affirms the City's commitment to increasing housing choices and production, ending homelessness, ensuring the long-term habitability of the existing housing stock, and promoting fair housing and fair housing choice in San Rafael. State law requires that all cities and counties in California have a compliant Housing Element as part of their General Plan. The Element must analyze housing needs, evaluate factors that could potentially constrain housing production, and identify sites for new residential development.

Each city and county must submit their Housing Element to the California Department of Housing and Community Development (HCD) for review and certification to ensure that it meets the minimum requirements under State Housing Element law. The prior Housing Element Update covered the 2015-2023 period, while this Housing Element covers the 2023-2031 period. The Housing Element reinforces the guiding principles of the 2040 San Rafael General Plan. These principles envision a thriving city in which fewer residents are burdened by high housing costs and challenges such as overcrowding and displacement.

This Element lays out the goals, policies, and programs to become a more equitable and inclusive city, and to remove barriers that have created unequal access to housing among certain racial and ethnic groups in the past and present. The other elements of the General Plan support and advance these goals while addressing issues such as climate change, environmental quality, transportation, and economic vitality.



07 Zoning Map



A. Intent

A walkable neighborhood environment of large footprint, high-intensity mixed-use buildings, supporting and within short walking distance of neighborhood shopping, services, and transit.

B. Sub-Zone(s)

T5N 40/60 Open and T5N 50/70 Open. The open sub-zone allows more uses, additional signage and sometimes additional frontages, within the same form and character of the base zone.

The following are generally appropriate form elements in the zone.

- Primarily Block-Form Buildings **A**
- Building Height 40' to 70', as per Regulating Plan **B**
- Primarily Attached Buildings **C**
- Small-to-No Front Setbacks **D**
- No Side Setbacks **E**
- Porch Projecting, Porch Engaged, Dooryard, Stoop, Forecourt, Shopfront, Terrace Frontage Types **F**

C. Building Placement

Setback (Distance from ROW/ Lot Line)

Front (Facade Zone) ²	0' min.; 15' max.	C
Side Street (Facade Zone) ³	0' min.; 15' max.	H
Total length of facade required within or abutting the 'Facade Zone, exclusive of setbacks'		
Front	70% min.	
Side Street	60% min.	
Side ²	0' min.	I
Rear ²	0' min.	J

Civic Space

Site Size (sf) or Lot Width	Required Area (min.)
15,000 to 30,000 or 100' - 150'	200 sf
> 30,000 or 150' - 250'	1,000 sf
Lot Width >250'	5% of Site

¹ Facades facing a street or civic space shall be designed in compliance with DTFCB Division 3.2 (Massing and Facade Articulation Standards).

² See Sub-Section G (Adjacency Standards) of this Section for additional refinements.

D. Encroachments¹

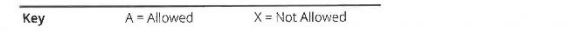
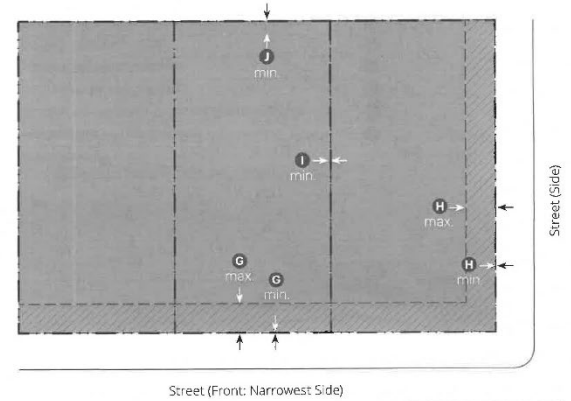
Encroachment Type	Front	Side St.	Side	Rear
Frontage Types ²	A	A	X	A
Steps to Building Entry ³	3' max.	3' max.	-	5' max.
Canopies/ Overdoors,	4' max.	4' max.	2' max.	3' max.
Signage ⁴				
Balconies, Bay Windows ⁴	4' max.	4' max.	-	5' max.
Corner Elements	3' min. to 4' max.	n/a	n/a	n/a

¹ Includes encroachments into building setbacks and facade zone.

² See Sub-Section F (Frontages) of this Section for allowed types and standards.

³ Requires building setback.

⁴ May also encroach into required setbacks.



08

Major Residential Planning Projects

Downtown San Rafael residential development projects in process, approved, or under construction



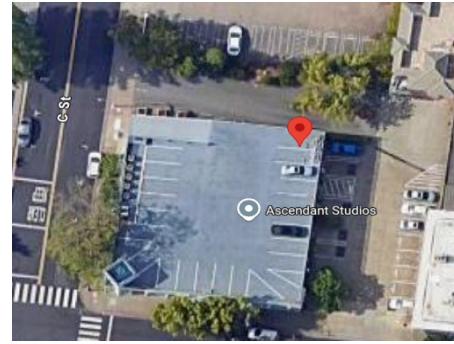
Address 800 Mission Avenue at Lincoln Ave
Status Under Construction

Notes:
Aegis Living San Rafael. 103 suites for seniors. Includes memory care capabilities. ±75,489 SF of improvements. Site is ±29,875 SF.



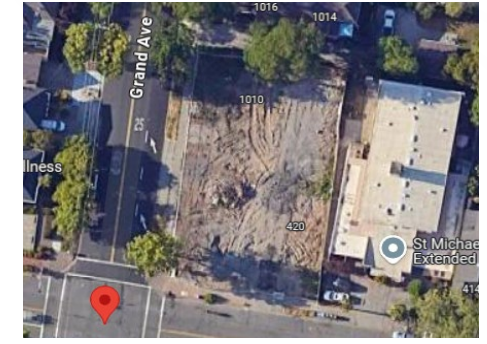
Address 700 Irwin Street at 2nd Street
Status In Process

Notes :
A 16 story, 180-unit apartment building across street from United Markets. Projected to be 201,900 Sf of improvements, including ±5,000 SF of commercial space. Site is ±25,547 SF.



Address 1230 Fifth Avenue
Status In Process

Notes :
A 13 story, 165-unit apartment building. ±157,101 SF of improvements and includes ±4,075 SF of ground floor retail space. Site is ±28,358 SF.



Address 4th Street at Grand Avenue
Status In Process

Notes :
Application in for six story residential development on a ±11,325 SF lot. For sale.



Address 519 4th Street
Status In Process

Notes:
Owned by the City of San Rafael. Proposed affordable housing development of 56 units. 28 units are planned to be set aside for permanent supportive housing and people experiencing homelessness. The proposal includes 14 units set aside for households making 20% Area Median Income (AMI) or less, 15 units set aside for households making under 30% AMI or less, 14 units for households making under 50% AMI, 12 units for households making under 60% AMI, and one manager's unit. Site is ±13,278 SF.



Address 1515 4th Street
Status Approved

Notes :
Fully entitled for 162-unit luxury apartments or a 183-unit senior living and residential care facility. Includes underground parking. Currently for sale. Site is ±35,521 SF.



Address 930 Irwin Street
Status In Process

Notes :
The construction of an 8-story multifamily residential building supporting 210 residences, with ancillary uses on the ground floor available to residents, and a garage containing 232 vehicle parking spaces. Access to the project site is proposed via 4th Street. The project includes a 10 percent affordable housing component of 18 units affordable to low-income households and a density bonus with requested waivers to height, setbacks, and civic spaces. The project also includes the demolition of three existing commercial structures and merging three existing lots into one lot. Site size is ±40,200 SF.

09 About San Rafael

Downtown San Rafael serves as the county seat of Marin County and is a hub for economic activities in the region. The area boasts a diverse economy with key industries such as retail, professional services, healthcare, and technology. Small businesses and startups are a critical part of the local economy, supported by a network of local chambers and business associations. The presence of various business incentives and easy access to San Francisco also fosters economic growth.

Demographics:

San Rafael is a culturally diverse city with a population characterized by a blend of different ethnicities and age groups. The area attracts a mix of young professionals, families, and retirees, drawn by its vibrant community and beautiful natural surroundings. Housing is varied, accommodating different income levels and lifestyle preferences, contributing to a diverse demographic landscape.

Downtown San Rafael is known for its vibrant arts and entertainment scene. Visitors and residents can enjoy various activities, such as:

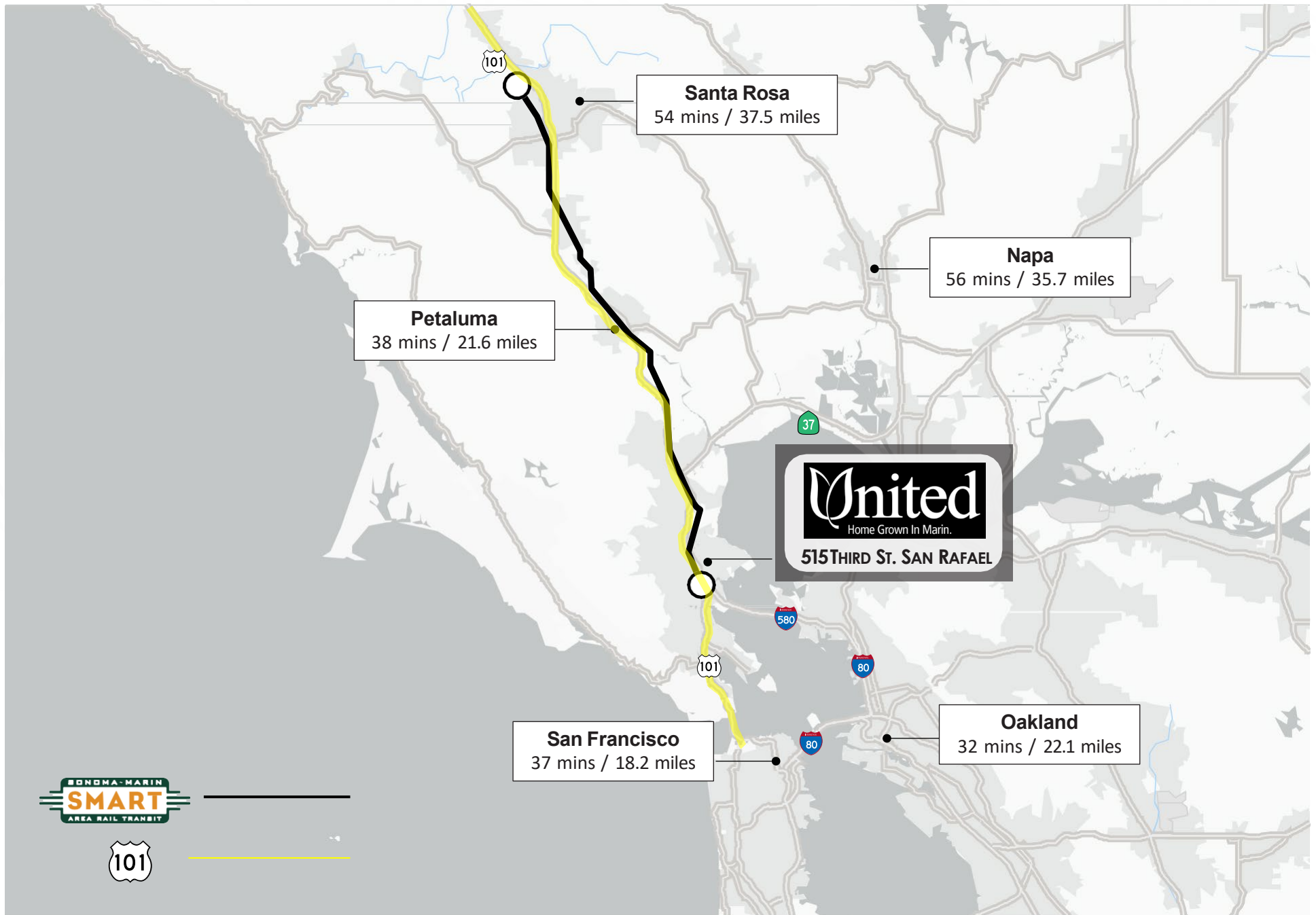
•**Art Works Downtown:** A multi-disciplinary art center featuring galleries, art studios, and classrooms. **Rafael Film Center:** A historic theater showcasing a range of films from independent features to major motion pictures. **Marin History Museum:** Offers insights into the rich historical tapestry of Marin County through its exhibits. **Lively Dining Scene:** The area offers numerous restaurants, cafes, and eateries catering to a wide range of palates. **Street Fairs and Farmers Markets:** Regular community events featuring local products and live entertainment.

Commercial Real Estate:

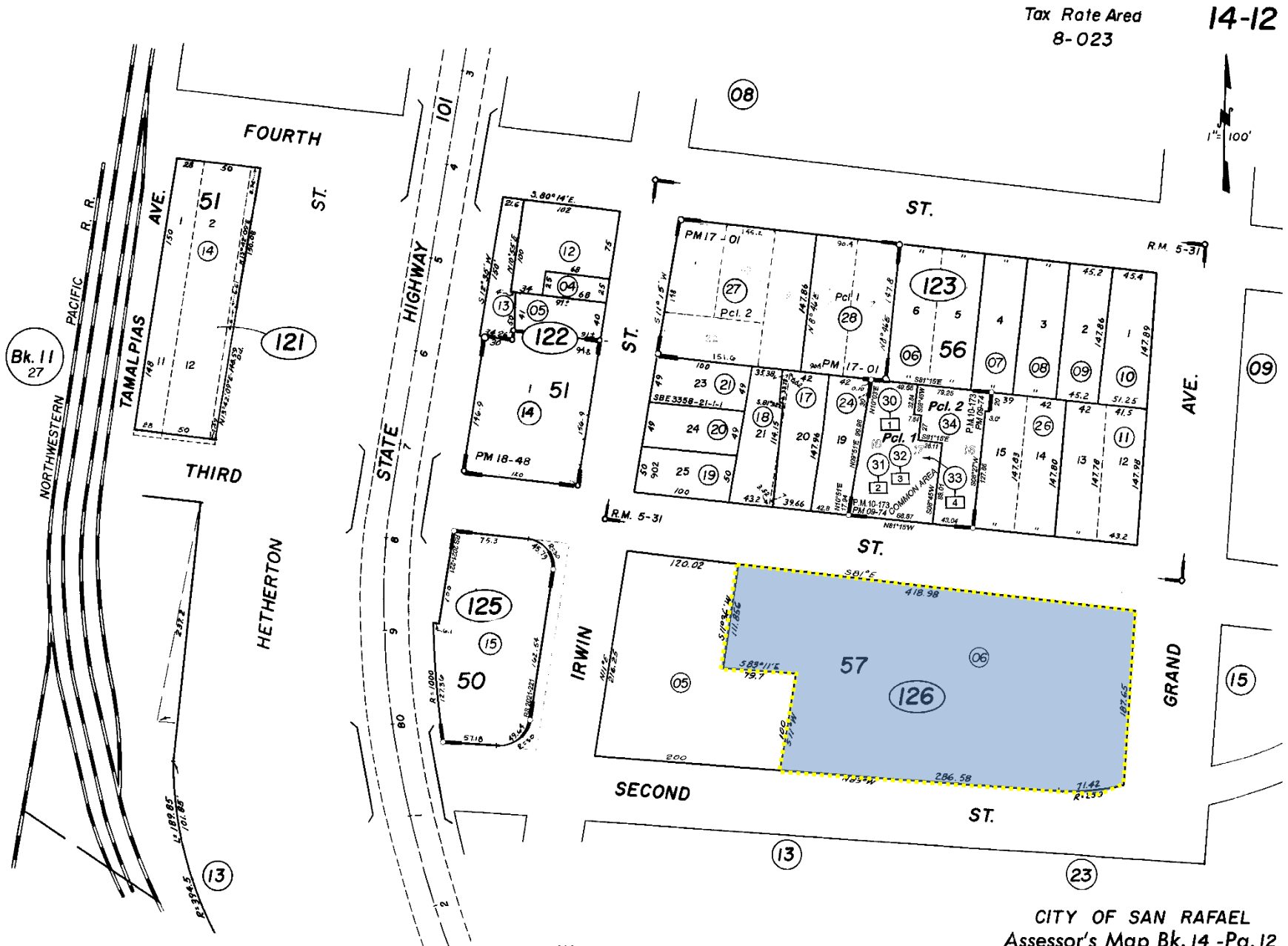
Downtown San Rafael's commercial real estate market is vibrant, with a mixture of retail spaces, office buildings, and mixed-use developments. The area has seen growth in co-working spaces, catering to the increasing demand for flexible office solutions. The commercial sector benefits from its central location and accessibility, with properties ranging from historic buildings to modern developments. The demand for retail spaces remains strong, supported by both local clientele and visiting tourists. Overall, Downtown San Rafael offers a unique combination of economic opportunities, cultural diversity, and recreational activities, making it a bustling area for business and leisure alike.



10 Transportation Map



11 Parcel Map



Tax Rate Area
8-023

14-12



NOTE - Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.

CITY OF SAN RAFAEL
Assessor's Map Bk. 14 -Pg. 12
County of Marin, Calif.

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