



OFFERING MEMORANDUM

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EL MONTE, CA



NEWMARK
PACIFIC



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Additional information and an opportunity to inspect the Property will be made available upon written request of interested and qualified prospective purchasers. Seller and Agent each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property, and/or terminate discussions with any party at any time with or without notice. Seller reserves the right to change the timing and procedures for the Offering process at any time in Seller's sole discretion. Seller shall have no legal commitment or obligations to any party reviewing this Memorandum, or making an offer to purchase the Property, unless and until such offer is approved by Seller, and a written agreement for the purchase of the Property has been fully executed and delivered by Seller and the Purchaser thereunder.

This Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not forward, photocopy or duplicate it, that you will not disclose this Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Seller or Agent, and that you will not use this Memorandum or any of the contents in any fashion or manner detrimental to the interest of Seller or Agent.





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01

Investment Summary

PRICING SUMMARY

\$35,272,000

Price

\$1,763,639

NOI

5.00%

Cap Rate

* Ownership is finalizing a charging station lease adding \$92,400 annually to the income with 4% annual increases.

THE OFFERING

Newmark Pacific Capital Markets is pleased to present to qualified investors the rare opportunity to acquire the fee simple interest in a new single tenant NNN full-sized Target ("Property") in the dynamic El Monte submarket of Los Angeles. The Property is comprised of a 125,974 square foot full-sized Target store on approximately 8.31 acres of land. Target executed a new 15-year lease with 10% increases every five (5) years and four (4) five (5) year options to extend. Target and the Landlord have made a very large capital investment in this property and the result is stunning. Target opened their new "state-of-the-art" facility on October 13, 2024.

El Monte is located approximately 12 miles from Downtown Los Angeles and considered the hub of the San Gabriel Valley where Interstates 10 and 605 intersect. It is home to a dense and diverse consumer base and daytime population. The outstanding demographic profile of this submarket includes 221,887 people with AHHI exceeding \$96,000 within 3 miles and over 537,000 people with an AHHI of \$105,000 within 5 miles.

This business-friendly city services the San Gabriel Valley and is home to some of the most successful car dealerships in the country. The Property sits adjacent to Longo Lexus and Longo Toyota, the #1 volume & sales auto dealership in the United States. Other notable retailers in El Monte Center include Planet Fitness, Wendy's, Yoshinoya, and three pending national drive-thru tenants. This is a very rare opportunity to acquire a brand new, state of the art Target on a long-term lease located in a very desirable infill, Los Angeles submarket.



**LOCATED IN
THE HEART
OF ONE OF
THE MOST
DYNAMIC
SUBMARKETS
IN LOS
ANGELES
COUNTY.**

PROPERTY SUMMARY

125,974 SF

GLA

2024

Remodeled

8.31 ACRES

Land Area

8567-015-059

APN

INVESTMENT HIGHLIGHTS

NATIONAL INVESTMENT GRADE TENANT

- Target (NYSE: TGT) is the 6th largest retailer in the world with over \$107 billion in sales, 1,956 stores, and 440,000 employees.
- In 2023, Target ranked #32 on the Fortune 500 list of largest U.S. corporations by total revenue and currently has a market cap that exceeds \$66 billion.
- Investment grade credit rating of A2 (Moody's) and A (S&P).

PASSIVE INVESTMENT OPPORTUNITY

- New 15 year lease commencing in 2024 with 10% increases every 5 years and four (4) five (5) year options to extend.
- Passive opportunity with no management and minimal landlord obligations.
- Target is investing significant capital into the redevelopment of this location, further proving their overall commitment and confidence in this location.
- Newly renovated state of the art Target store.
- The landlord is finalizing a 10 year lease with a charging station operator that will add approximately \$92,400 per year to the NOI.



DENSELY POPULATED, INFILL, HIGH INCOME, AND EXPANDED TRADE AREA

- More than 38,000 people within 1 mile with an Average Household Income exceeding \$73,000.
- More than 221,800 people within 3 miles with an Average Household Income exceeding \$96,000.
- More than 537,000 people within 5 miles with an Average Household Income exceeding \$105,000.
- The new density mandated under the State Housing Element law, El Monte's RHNA allocation for 2021-2029 is a total of 8,502 units. This future density will further enhance the overall demand on retail in El Monte.
- Penske's Longo Toyota is the #1 volume and sales dealership in the United States, providing an expanded trade area of consumers that travel over 50-miles to visit this location.

STRONG DEMOGRAPHICS AND LOCATION

- Outstanding Freeway adjacent to Longo Lexus and Longo Toyota, the nation's highest volume automotive dealership.
- High quality demographics in the surrounding area with average household incomes in excess of \$105,000 per year.







Now Open





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02

Property Overview

PROPERTY SUMMARY

125,974 SF

GLA

8.31 ACRES

Land Area

2024

Remodeled

8567-015-059

APN

EMC3

Zoning





PENDING LEASE - National Fast Food Tenant

PENDING LEASE - National Coffee Tenant

SITKA STREET

ADJUSTED LOT 1 7.51 AC. ADJUSTED LOT 2 8.31 AC.



NAP



NAP

SITKA STREET

PECK ROAD

STEWART AVENUE



LONGO'S NAP



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03

Area Overview

EL MONTE OVERVIEW

Located approximately 12 miles east of downtown Los Angeles, El Monte is the hub of the San Gabriel Valley, where two major freeways - Interstates 605 and 10 - intersect in Los Angeles County with a population of approximately 102,500. The land uses within its 10 square mile area are 58% residential, 11% retail, 10% industrial, 7% office/retail, and 14% other of amenities. El Monte also has an ethnically diverse and dynamic population with 72% Hispanic, 18% Asian, and 7% White.

As the San Gabriel Valley continues to grow so does the City of El Monte through new businesses and quality housing. Many public improvements are underway to provide an attractive and safe environment for its economic growth. El Monte has maintained a reputation for a “business friendly attitude” by attracting commercial and retail businesses as well as international corporations through its Foreign Trade Zone. Other business tools include business financing through Grow El Monte, a pro-active Chamber of Commerce, and a Recycling Market Development Zone. Several trade and professional colleges are also located in the city, providing workforce education to support local businesses.

El Monte is also home to Longo Toyota, the number one auto dealer in the United States by sales and volume. Other major retail businesses include Home Depot, and Sam’s Club. Major industries include the Von’s Distribution Warehouse, Wells Fargo Operations Center, and regional offices for East West and Cathay Banks.

With the growing population in El Monte, community and educational facilities continue to improve. New parks are being built to serve the growing population with many active sports programs. A brand new Aquatic Center with three pools is located along the Tyler Avenue Heritage District, which includes the City’s Community and Senior Centers, museums, and a public library.



CITY OF EL MONTE



RIO HONDO COLLEGE



LONGO TOYOTA



CITY OF EL MONTE

DOWNTOWN LOS ANGELES

GLENDALE

PASADENA

ALHAMBRA

SAN MARINO



ROSEMEAD



EL MONTE CITY HALL



TARGET

LONGO
Lexus

LONGO
TOYOTA



EL MONTE IS HOME TO LONGO TOYOTA, THE #1 AUTO DEALER IN THE US BY SALES & VOLUME

DEMOGRAPHICS

POPULATION

38,937

1 Mile

221,887

3 Miles

537,463

5 Miles

EMPLOYEES

38,937

1 Mile

221,887

3 Miles

537,463

5 Miles

FAMILIES

8,887

1 Mile

50,625

3 Miles

125,879

5 Miles

TRAFFIC COUNTS

214,000 CARS PER DAY

San Bernardino Fwy (I-10)

30,350 CARS PER DAY

Peck Rd.

19,550 CARS PER DAY

Ramona Rd.

HH INCOME

\$73,243

1 Mile

\$96,645

3 Miles

\$105,661

5 Miles

HOMEOWNERS

3,831

1 Mile

31,787

3 Miles

84,560

5 Miles

MEDIAN AGE

32.3

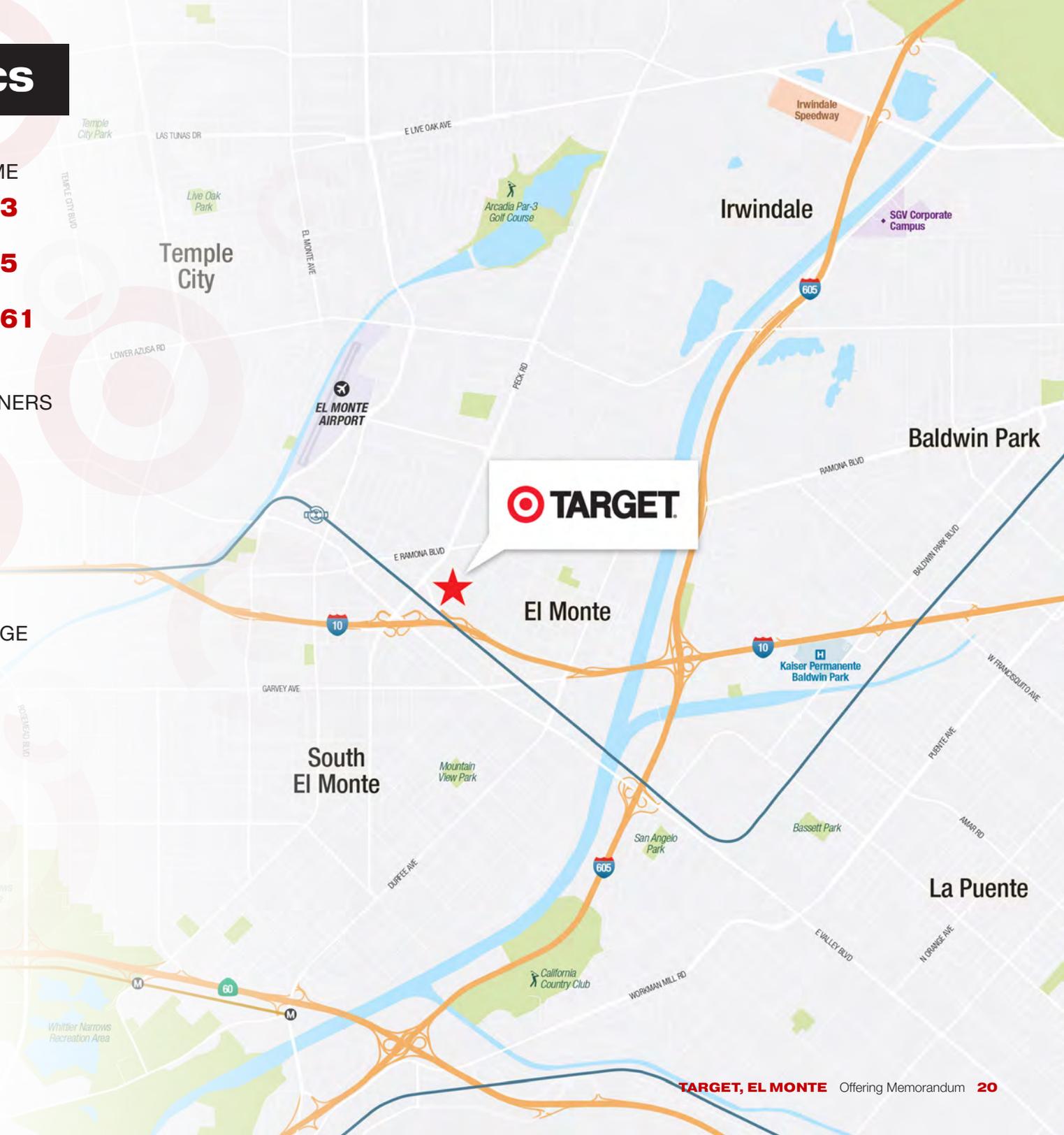
1 Mile

35.0

3 Miles

37.0

5 Miles



TARGET



EL MONTE, CA

LOS ANGELES

County



LOS ANGELES METRO

Metro



SAN GABRIEL VALLEY

Region

AREA EMPLOYMENT

Manufacturing	14.2%	Other Services, Except Public Administration	7.56%
Health Care & Social Assistance	11.9%	Transportation & Warehousing	7.53%
Retail Trade	10.7%	Administrative, Support & Waste Management Services	5.99%
Accommodation & Food Services	9.85%	Educational Services	5.84%
Construction	7.82%	Professional, Scientific & Technical Services	2.73%

THE HUB OF THE SAN GABRIEL VALLEY



EAST
PASADENA



SIERRA
MADRE



MONROVIA



RAMONA BLVD.



PECK RD.

SITKA ST.



STEWART ST.

10 222,000 CARS PER DAY

TOP AREA EMPLOYERS



HOUSING MARKET

\$725K

Median listing home price

\$523

Median listing home price/SF

\$690K

Median sold home price





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04

Financial Analysis

LISTING TERMS

\$35,272,000

Price

\$1,763,639

NOI

5.00%

Cap Rate

* Ownership is finalizing a charging station lease adding \$92,400 annually to the income with 4% annual increases.



RENT ROLL

LEASE	SF	LEASE FROM	LEASE TO	TERM MONTHS	MO RENT	ANNUAL RENT	ANNUAL RENT PER AREA	RENTAL SCHEDULE	MO RENT FROM	MO RENT TO	MO RENT AMT	RENEWAL OPTION	RENEWAL OPTION NOTICE DATE
Target Corp.	125,974	10/01/2023 ⁽¹⁾	09/30/2039	192	\$1.17	\$1,763,636	\$14.00	Current	10/01/2024	09/30/2029	\$146,970	Four (4) Five (5) Year	
									10/01/2029	09/30/2034	\$161,667		
									10/01/2034	09/30/2039	\$177,833		
								1 of 4 Options	10/01/2039	09/30/2044	\$195,617		03/30/2039
								2 of 4 Options	10/01/2044	09/30/2049	\$215,178		03/30/2044
								3 of 4 Options	10/01/2049	09/30/2054	\$236,696		03/30/2049
								4 of 4 Options	10/01/2054	08/31/2059	\$260,366		03/30/2054
TOTALS	125,974				\$1.17	\$1,763,636	\$14.00						

LEASE ABSTRACT

Tenant	Target
Guarantor	Target Corporation
Lease Type	Fee Simple
Building Size (SF)	125,974
Lot Size	8.31 Acres
Lease Commencement	10/1/2023
Lease Expiration	9/30/2039
Options	Three (3) Five (5) Year; One (1) Four (4) Year 11 months

ANNUAL RENT SCHEDULE

10/1/2024	\$1,763,636
10/1/2029	\$1,940,000
10/1/2034	\$2,134,000
Option 1	\$2,347,399
Option 2	\$2,582,139
Option 3	\$2,840,353
Option 4	\$3,124,389

Option Notification	9 Months
Property Taxes	Tenant Pays Direct
Common Elements	Pro-rata. TT has option to self-maintain TT protected area per the lease.
Common Elements Exclusions	Promotional, marketing, seasonal or holiday activities. Any costs of operating or repairing portions of the Property exclusive to other Occupant.
Admin Fee	CAM charges (less utilities) x 4%, TT pays pro-rata
HVAC	TT Responsibility
Utilities	Tenant Pays Direct
LL Insurance	Commercial General Liability of \$1,000,000 and \$4,000,000. "Special Form" or "All Risk"
TT Insurance	Commercial General Liability of \$5,000,000 naming LL as additional insured
Landlord Obligation	Certain structural elements not noted in Sec. 7.1 (TT obligations)
Tenant Obligation	Maintain, repair, and replace, the Premises, including Tenant Improvements, storefront glass and doors, roof and roof membrane, and Tenant Systems as defined in the lease. TT has the option to self maintain TT controlled and protected Common Area.
Estoppel	30 Days



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05

Tenant Summary



TARGET

Target is an American big box department store chain headquartered in Minneapolis, Minnesota. It is the seventh largest retailer in the US. Target was established as the discount division of Dayton's department store of Minneapolis in 1962. It began expanding the store nationwide in the 1980s, and introduced new store formats under the Target brand in the 1990s. The company has found success as a cheap-chic player in the industry.

As of 2023, Target operates 1,948 stores throughout the United States, and is ranked No. 32 on the 2022 Fortune 500 list of the largest U.S. corporations by total revenue. Their retail formats include the discount store Target, the hypermarket Super Target, and "small-format" stores previously named City Target and Target Express before being consolidated under the Target branding.

125,974 SF

Space Occupied

2/28/2039

Lease Expiration

2X5 YR, 1X4 YR

Options

MINNEAPOLIS, MN

Headquarters

1962

Founded

TGT

Stock Symbol



FINANCIAL HIGHLIGHTS

TGT

Traded As

107.86B

Revenue (TTM)

8.53B

EBITDA

75.52B

Market Capitalization

17.93B

Total Debt (MRQ)

#9

PEOPLE Companies
that Care[®] 2023

5%

of their profits go back
into communities

16,000+

team members have enrolled in programs
and gained new, in-demand skills

Nearly 50%

of Target stores are run by women





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