



**GROCERYOUTLET**  
*bargain market*

Valley Oaks  
Shopping Center

**OFFERING MEMORANDUM**

**18657 OAK MEADOW DRIVE | MIDDLETOWN, CA 95467**



# FOR SALE >> GROCERY OUTLET

18657 Oak Meadow Drive | Middletown, CA 95467

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# EXECUTIVE SUMMARY

**GROCERYOUTLET**  
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## PROPERTY PROFILE

This newly constructed **Grocery Outlet** in Middletown, CA is the anchor for the ±29.04 acre Valley Oaks Shopping Center project. Proximity to Clearlake, Cobb Mountain, historic Middletown and Mount Saint Helena, along with local equestrian amenities, agricultural resources, large open spaces and the growing wine industry uniquely situates this opportunity.

## OFFERING SUMMARY

Price:	\$5,420,000
Cap Rate:	5.75%
NOI:	\$312,000
Lease Term:	13+ years remaining; expiration May 31, 2037
Lease Options:	(4) 5-year options
Rental Increases:	10% every 5 years
Lease Type:	Corporate guaranteed NNN
Landlord Responsibilities:	Roof and structure
Price/SF:	\$301.11
Rent/SF (year):	\$17.33



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# INVESTMENT HIGHLIGHTS

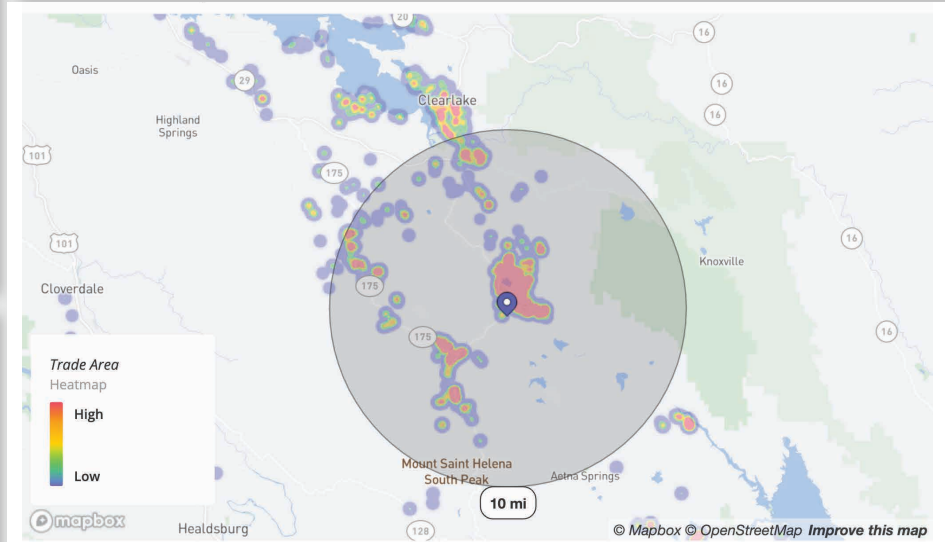
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- New 2022 construction showcasing their 18,000 SF concept.
- Strategically positioned along Hwy 29, the primary thoroughfare from Napa to Clearlake.
- Top-performing location with over 300k annual visits.
- Anchor to 29-acre Valley Oaks Shopping Center and 84-acre residential development.



## 10 MILE TRADE AREA



**311.3K**  
Visitors  
Over the  
Past Year



**49 of 421**  
Ranked  
Nationwide  
Grocery Outlets



**30**  
Minutes  
Average  
Dwell Time

Data provided by Placer Labs Inc. ([www.placer.ai](http://www.placer.ai))

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# INCOME & EXPENSE

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## GROCERY OUTLET

Building Size ±18,000 SF

Lot Size ±2.56 acres

## INCOME PSF TOTAL

Scheduled Rent \$17.33 \$312,000

Effective Gross Income \$17.33 \$312,000

## EXPENSES TOTAL

Taxes NNN \$0.00

Insurance NNN \$0.00

Operating Expenses NNN \$0.00

**NET OPERATING INCOME \$312,000**



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# LEASE ABSTRACT

**GROCERYOUTLET**  
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Shopping Center

## EXPENSES

**Landlord's Obligations:** Landlord will keep, maintain and replace the structural systems and structural exterior portions of the Premises.

**Tenant's Obligations:** Tenant responsible for maintaining and repairing the interior non-structural portions and components of the Premises.

**Taxes:** Tenant pays pro-rata share of property taxes.

**Insurance:** Tenant pays pro-rata share of insurance.

**Utilities:** Tenant shall pay directly to the provider for all utility charges in Premises.

**CAM:** Tenant pays pro-rata share of common area expenses.

## ADDITIONAL LEASE TERMS

**Assignment / Subletting:** Requires Landlord's written consent not to be unreasonably withheld.

**Exclusive Use:** Tenant has the exclusive right to sell grocery items, beer, and wine in the Shopping Center.

**Estoppels:** Landlord and Tenant to deliver estoppel certificate within 20 days of written request by either party.



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# TENANT OVERVIEW

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## A HIGH-PERFORMING, VALUE-DRIVEN RETAIL BRAND

**Grocery Outlet** is a reputable and rapidly expanding discount grocery chain with a strong track record of success in the retail industry. The brand has been in operation for over 70 years, boasting more than 421 stores across the United States. With a focus on providing exceptional value and a unique shopping experience, Grocery Outlet has established itself as a leader in the discount grocery space.



Representational Photo  
Not Actual Store



Representational Photo  
Not Actual Store

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# KEY BRAND STRENGTHS

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**EXCEPTIONAL VALUE PROPOSITION:** Grocery Outlet's core mission is to offer a wide variety of quality, name-brand products at deeply discounted prices. This allows customers to save up to 40-70% off conventional retail prices, making it an attractive shopping destination for budget-conscious consumers in today's competitive market.

**FLEXIBLE AND EFFICIENT SUPPLY CHAIN:** The company's opportunistic buying model enables it to source excess inventory and overstocks from a vast network of suppliers. This allows Grocery Outlet to consistently stock its shelves with a diverse range of products while maintaining lower operational costs and passing the savings onto consumers.

**INDEPENDENT OPERATOR MODEL:** Grocery Outlet's unique business model empowers independent operators to run their stores, fostering a strong entrepreneurial spirit and local community engagement. This approach helps to create a personalized shopping experience that sets the brand apart from conventional grocery chains.

**STRONG FINANCIAL PERFORMANCE:** The brand has demonstrated impressive growth and profitability, with consistent increases in store count, sales, and market share. Grocery Outlet's successful expansion strategy has led to a robust, nationwide presence, positioning the company for continued success in the retail landscape.

**COMMITMENT TO SUSTAINABILITY AND COMMUNITY:** Grocery Outlet is dedicated to reducing food waste and supporting local communities through various initiatives, including food donations, partnerships with local non-profits, and environmental stewardship. This commitment to corporate responsibility enhances the brand's reputation and strengthens its connection with consumers.



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# REGIONAL DEMOGRAPHICS

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## DEMOGRAPHICS

3 MILES 5 MILES 10 MILES

### POPULATION

2023 Estimated Population	6,360	8,023	13,689
2028 Projected Population	6,246	7,917	13,627
2020 Census Population	6,437	8,029	13,541
2010 Census Population	5,800	7,532	13,714
2023 Median Age	39.9	40.4	42.5

### HOUSEHOLDS

2023 Estimated Households	2,454	3,123	5,497
2028 Projected Households	2,314	2,961	5,255
2020 Census Households	2,446	3,080	5,364
2010 Census Households	2,226	2,910	5,556

### INCOME

2023 Estimated Average Household Income	\$108,534	\$121,501	\$117,381
2023 Estimated Median Household Income	\$81,323	\$90,654	\$83,300
2023 Estimated Per Capita Income	\$41,884	\$47,330	\$47,181

### BUSINESS

2023 Estimated Total Businesses	97	152	237
2023 Estimated Total Employees	453	925	1,795

Demographic Source: Applied Geographic Solutions 04/2023, TIGER Geography - RS1



## DISTANCE FROM GROCERY OUTLET | MIDDLETOWN, CA

Sacramento, CA.....	±113 miles
Redding, CA.....	±157 miles
San Francisco, CA.....	±98 miles

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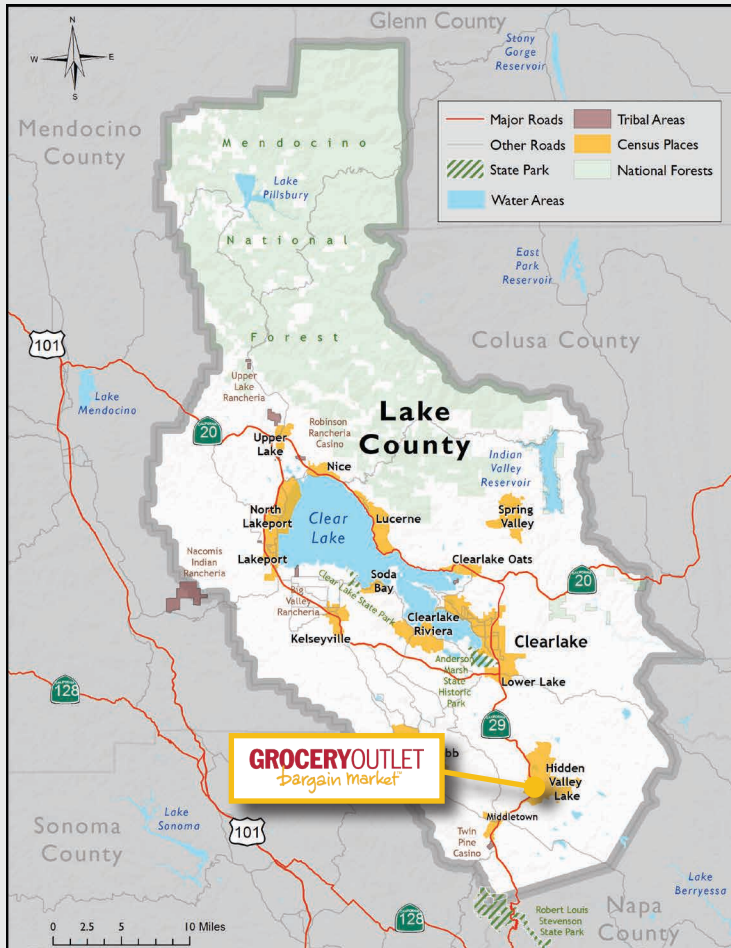
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# LOCAL OVERVIEW

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## LAKE COUNTY

Hidden Valley Lake is located in Northern California, in the southern part of Lake County. Nestled in the beautiful hills of historic Coyote Valley, it is 22 miles north of Calistoga, between Lower Lake and Middletown. Residents enjoy the enviable small town quality of life, yet are about two hours from either Sacramento or San Francisco.

- Valley Oaks is a planned development with  $\pm 380$  single-family dwelling units on approximately 84 acres adjacent to the subject property.
- A  $\pm 16,000$ -acre ultra-luxury resort in Guenoc Valley off Highway 29 near Middletown was recently approved.
- The Hidden Valley Lake Homeowners Association won approval of the  $\pm 12,483$  square foot Hartmann Complex adjacent to the Greenview restaurant and golf pro shop.
- A 70-room Comfort Inn & Suites hotel is being built at 1842 Todd Road in Lakeport with a target opening date of June 2023.
- An 80-room La Quinta Inns & Suites location is being planned in Clearlake.
- Lake county is home to over 30 wineries and 9,000 acres of vineyards.
- There are over 1,700 slot machines, poker rooms, bingo halls and dozens of table games throughout Lake County's casino facilities.

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# RESIDENTIAL AREA

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## VALLEY OAKS RESIDENTIAL DEVELOPMENT

The residential component of Valley Oaks features ±380 single-family dwelling units on ±84 acres of land with approximately 53 senior living/multi-family residential units, a residential care facility and 55 medium-density residential units with each of these project components clustered on smaller parcels.

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