

2350 Saratoga Street (Building 8)



Map of 2350 Saratoga Street and Adjacent Uses



2350 Saratoga Street-Lease

- 10-year lease
- 270,000 sf

- | <u>Monthly base rent</u> | <u>Months</u> |
|--------------------------|---------------|
| \$47,034.00 | 1-24 |
| \$65,846.00 | 25-36 |
| \$98,770.00 | 37-48 |
| \$126,991.00 | 49-60 |

- Structured to encourage investment in the building

Initial Tenant Investment

- \$1 million deposit for Essential Capital Repairs during 18 month rent abatement period
- If \$1 million is not documented, abated rent comes due
- \$3 million spent over 36 month period of time



Purchase Price Determination

- Unusual multi-story Industrial Building (Shell Only) \$38/sf
- With Occupancy/Habitability Improvements \$31/sf
Un-inhabitable in current condition
(needs life safety, roof, utilities, accessibility)
- Building 8 total with occupancy improvements **\$69/sf**
- Sales and Listings Comparables range **\$53 to \$69 sf**
- Building 8 is at the high end of the sales range

Sale Comparables | Emery - Alameda - Oak - SL



Prepared By: Ted Anderson

Property Information		Size & Price			Comments & Agent Information	
1	<p>Svenhards 1180 3rd St Oakland CA Zone: West Oakland Major Use: Industrial Building Class:</p> <hr/> <p>Buyer: Advanced Cargo Seller: SVENHARDS PARTNERSHIP</p>	<p>Building SF: 122,240 SF Date Signed: 07/08/2015</p> <p>Office SF: 0 Clear Ht: - Year Built: 0</p> <p>Sale Price: \$8,000,000 Sale Price/SF: \$65,445/SF CAP Rate: 0.00%</p>	<p>Parking Ratio: 0 Site Size: 0 Loading Dock: 0 Grade: 0</p>	<p>General Comments... Seller Leaseback for 6-9 months.</p> <p>Comp #: U368988</p> <p>SL Rep: Newmark Comish & Carey, Emry Jim Bohar BY Rep: Colliers International, Oak Greg Lagomarsino Comp Source: OK-Cunningham</p>		
2	<p>Mother's Cookies 810 81st Ave Oakland CA Zone: Oakland Coliseum/Airport Major Use: Industrial Building Class:</p> <hr/> <p>Buyer: 901 Jefferson Street, LLC Seller: San Francisco Regional Center LLC</p>	<p>Building SF: 192,557 SF Date Signed: 02/02/2015</p> <p>Office SF: 13,956 Clear Ht: 16'-20' Year Built: 0</p> <p>Sale Price: \$10,265,000 Sale Price/SF: \$53,309/SF CAP Rate: 7.20%</p>	<p>Parking Ratio: 11.30 Site Size: 8 Loading Dock: 8 Grade: 3</p>	<p>General Comments... 1st unit occupies 60k SF expanding to 82k SF; remainder is occupied.</p> <p>Comp #: U362841</p> <p>SL Rep: CBRE, Ontario Andrew Briner BY Rep: CBRE, Oakland Kathy Kelleher Comp Source: OK-Fraochia</p>		
3	<p>California Glass Co. 155 98th Ave Oakland CA Zone: Oakland Coliseum/Airport Major Use: Industrial Building Class:</p> <hr/> <p>Buyer: CJ United Food Corp Seller: Silvani, Silvani & Silvani, LP</p>	<p>Building SF: 105,066 SF Date Signed: 08/22/2014</p> <p>Office SF: 12,500 Clear Ht: - Year Built: 1985</p> <p>Sale Price: \$7,350,000 Sale Price/SF: \$69,956/SF CAP Rate: 0.00%</p>	<p>Parking Ratio: 217800 Site Size: 2 Loading Dock: 2 Grade: 5</p>	<p>General Comments... Power: 1000 Amps; 277/480 Volt, 3 phase. Metal bldg with concrete on slab</p> <p>Comp #: U354030</p> <p>SL Rep: Cassidy Turley, Oakland Jay Hagglund, SIOR BY Rep: Cassidy Turley, Oakland Kate Webster Comp Source: Tim Schmid</p>		
4	<p>Pitco 727 Kennedy St Oakland CA Zone: Oakland Fruitvale Major Use: Warehouse Building Class:</p> <hr/> <p>Buyer: Westcore Properties, LLC Seller: Michael Hornstein</p>	<p>Building SF: 234,877 SF Date Signed: 07/01/2015</p> <p>Office SF: 1,200 Clear Ht: 18' Year Built: 1952</p> <p>Sale Price: \$13,850,000 Sale Price/SF: \$58,967/SF CAP Rate: 6.70%</p>	<p>Parking Ratio: 0 Site Size: 0 Loading Dock: 0 Grade: 0</p>	<p>General Comments... Bldg was 98% leased at time of sale; NOI: \$12,000.</p> <p>Comp #: U369318</p> <p>SL Rep: CBRE, Oakland BY Rep: Comp Source: OK-Hagglund</p>		

Sale Comparables | Emery - Alameda - Oak - SL



Prepared By: Ted Anderson

Property Information		Size & Price		Comments & Agent Information	
5	Bimbo Bakery 955 Kennedy St Oakland CA Zone: Oakland Fruitvale Major Use: Industrial Building Class:	Building SF: 111,697 SF Sale Price: \$7,650,000 Sale Price/SF: \$68.489/SF CAP Rate: 0.00%	Date Signed: 02/02/2016 Office SF: 10,000 Clear Ht: - Year Built: 1968 Parking Ratio: Site Size: 201,400 Loading Dock: 7 Grade: 0	General Comments... SL Rep: CBRE, Oakland BY Rep: CBRE, Oakland Comp Source: OAK_Jones	Comp #: U377774 Doug Norton Doug Norton
Buyer: HPP Acquisitions LLC Seller: Earthgrains Baking Companies Inc					

PURCHASE PRICE ANALYSIS

Best Comparative Building on Market Now

3-Story, Oakland
w/ current tenants

277,491 sf listed \$15.85 million
\$57/sf

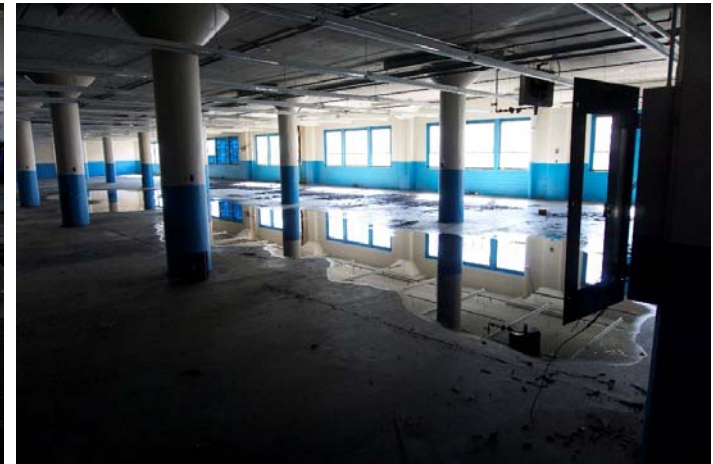


PURCHASE PRICE ANALYSIS (cont'd)

Building 8: 3-Story, Alameda 270,000 sf Purchase price
no tenants or utilities \$38.14 sf \$10.30 million

With required \$8.5 million \$69 sf
for habitability

Building 8: 3-Story, Alameda 270,000 sf Purchase price
no tenants or utilities \$38.14 sf \$10.30 million



Future Land Use Control

- Once Sold, Private Property Becomes Like the Rest of City
- All City Ordinances and Regulations Apply to Property
- Building 8 Falls within Adaptive Reuse Sub-District
- Adaptive Reuse Sub-District Prioritizes Historic Preservation
- Building 8 Proposed Uses Require Conditional Use Permit (CUP)
- CUP Can Preclude Certain Uses
- City Council Can Also Amend Zoning

Leasing Structure

- Lease Approval - March 15, 2016
- Second Reading April 5, 2016
- Lease Commencement Date May 6, 2016
- Lease has Two 10-year options to renew
- Lease Termination (if all options are exercised) May 6, 2046

Lease Purchase Option

- Option Term commences on the EARLIER of Notice of Completion of Subdivision Map or Lease Month 25 (June 2018)
- Notice DOES NOT BIND THE TENANT TO PURCHASE
- Tenant has 2 years to exercise purchase option
- Tenant must Close on the Purchase 90 days after giving Option Notice
- If Option Period Expires, Tenant has the Right of First Offer Before the City can offer to a Third Party Offer.

Why Support Alameda Point Redevelopers?

- Project Estimates up to 480 New Permanent Jobs; 110 temporary jobs during design/engineering and construction
- Project not only creates new jobs but also creates “industry” with maker spaces
- \$36.8 million investment in Alameda Point Adaptive Reuse Area
- Incubator for Employment Growth and location for potentially displaced existing Alameda businesses.