

Starbuck's/ Jackson Hewitt/ Subway  
947 W. Olive Ave.  
Porterville, CA 93257



**Prepared for:**  
Buyer

**Presented by:**  
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## Retail

### Property Profile

Property Address:	947 W. Olive Ave. Porterville, CA 93257
Assessor Parcel #:	259-III-01-300
Floors:	1
Year Built:	2007
Building Size:	3,620
Lot Size:	17,392
Zoning:	C3
Parking:	16 Spaces

### Property Description

The subject property is a shopping center built in 2007 located at the signalized corner of West Olive Avenue and South Cloverleaf Street in the city of Porterville. THE PROPERTY IS DIRECTLY ADJACENT TO THE 65 FREEWAY EXIT OFF-RAMP; thus, providing excellent freeway visibility. Porterville is approximately 165 miles northwest of Los Angeles and 225 miles southeast of San Francisco. There is approximately 80 feet of frontage along Olive Avenue. Olive Avenue is considered one of the commercial thoroughfares serving Porterville. The subject is a commercial building with tenants such as: Starbucks with a drive-thru, Jackson Hewitt Tax Service, and Subway. There are approximately 16 on-site parking spaces. This site will appeal to an investor who would like to take advantage of a new shopping center located on a commercial thoroughfare with an excellent credit tenant mix.

### Investment Highlights

- **Adjacent to the 65 Freeway Exit Off-Ramp**
- Approximately 80 feet of frontage along West Olive Avenue
- **Credit Tenants include: Starbucks with drive-thru, Jackson Hewitt Tax Service, and Subway**
- All leases with increases and options
- 7.1% Current CAP Rate and a Potential 8% CAP Rate in 2012
- Signalized Corner Location
- Located on a Commercial Thoroughfare



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## Retail

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### City of Porterville



Nestled against the foothills of California's Sierra Nevada Mountains, Porterville is a bustling city of 52,000 and serves as a trade center to over 100,000 people. The economy is a thriving mixture of agri-business, light industry, and commercial enterprise. Local businesses produce a number of products such as electronic medical instruments, printed forms and specialty documents, and food products.

Porterville is the trade and cultural center for more than 100,000 people in the California Central Valley.

**Downtown** – Downtown, with Main Street at its heart, is home to boutique retailers, antique stores, restaurants, the multicultural art center and several corporate headquarters.

**Shopping Centers** – Henderson Avenue offers restaurants, a movie theater, and shopping. The Porterville Marketplace is anchored by a newly renovated Target, and Porterville Plaza is host to the Galaxy 9 Theater. Located at the intersection of Jaye Street and Highway 190, two new shopping centers are under development. Riverwalk Marketplace is a freestyle shopping center, anchored by Lowe's Improvement Center and Jaye Street Crossing is located in front of Home Depot. Olive Avenue has restaurants and services.

Enjoy the slower pace, casual lifestyle, and friendliness of a small town without sacrificing quality. Porterville has several parks in the community, each with its own unique setting. The Zalud House and Porterville Museum provide a nostalgic glimpse into the past. Porterville schools are noted for their participation in "Odyssey of the Mind" competitions and award-winning high school music programs. Harmony Magnet School is launching their new Engineering Academy. Porterville College serves as a true community partner offering a broad spectrum of career opportunities for local residents. The community hosts a variety of special events, such as the popular Iris Festival, Downtown Car Show, Hot August Bikes, Veteran's Day Parade & Celebration, and much more.



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### Tenant Information



#### **The Starbucks Story**

Our story began in 1971. Back then we were a roaster and retailer of whole bean and ground coffee, tea and spices with a single store in Seattle's Pike Place Market.

Today, we are privileged to welcome millions of customers through our doors every day, in more than 16,000 locations in over 50 countries.

#### **Folklore**

Starbucks is named after the first mate in Herman Melville's *Moby Dick*. Our logo is also inspired by the sea – featuring a twin-tailed siren from Greek mythology.

#### **Starbucks Mission**

Our mission is to inspire and nurture the human spirit – one person, one cup, and one neighborhood at a time.

#### **Our Coffee**

We've always believed in serving the best coffee possible. It's our goal for all of our coffee to be grown under the highest standards of quality, using ethical trading and responsible growing practices. Our coffee buyers personally travel to coffee farms in Latin America, Africa and Asia to select the highest quality arabica beans. Once these quality beans arrive at our roasting plants, Starbucks experts bring out the balance and rich flavor of the beans through the signature Starbucks Roast™.

#### **Our Stores**

Our stores are a welcoming third place for meeting friends and family, enjoying a quiet moment alone with a book or simply finding a familiar place in a new city.

**Total stores 16,706 (as of Dec. 27, 2009)**

**8,850 Company-operated stores.**

**7,856 Licensed stores.**

#### **Operating in more than 50 countries**

Argentina, Aruba, Australia, Austria, Bahamas, Bahrain, Belgium, Brazil, Bulgaria, Canada, Chile, China, Cyprus, Czech Republic, Denmark, Egypt, France, Germany, Greece, Hong Kong, Indonesia, Ireland, Japan, Jordan, Korea, Kuwait, Lebanon, Malaysia, Mexico, New Zealand, Netherlands, Northern Ireland, Oman, Peru, Philippines, Poland, Portugal, Qatar, Romania, Russia, Saudi Arabia, Scotland, Singapore, Spain, Switzerland, Taiwan, Thailand, Turkey, United Arab Emirates, United States and Wales.



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## Retail

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### Tenant Information



Jackson Hewitt Tax Service Inc. with more than 6,400 franchised and company-owned offices throughout the United States in the 2010 tax season, is an industry leader providing full service individual federal and state income tax return preparation. Most offices are independently owned and operated. Jackson Hewitt also offers Jackson Hewitt® Online, an online tax preparation product available at [www.jacksonhewittonline.com](http://www.jacksonhewittonline.com). The company is based in Parsippany, New Jersey.

#### Proven system

We've devised a proven system for starting, managing and growing an income tax preparation business. Franchisees are given exclusive rights to do business as Jackson Hewitt Tax Service in protected territories.

#### Support team

Every franchisee has access to a devoted team of Directors of Field Operations (DFOs) and Franchise Service Managers (FSMs) to help make their business a success. We also offer:

- year-round tax and software support
- dedicated support center
- tax school programs to help recruit and train staff

#### Established brand

We are committed to developing the Jackson Hewitt brand and driving business through your doors. Each year, our marketing team creates a multi-million dollar national advertising campaign as well as regional marketing programs to support your goals. When you own a Jackson Hewitt franchise, you're in business *for* yourself, not *by* yourself.



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## Retail

### Tenant Information



SUBWAY® is the undisputed leader in fast, healthy food. Our easy-to-prepare sandwiches are made to order-right in front of the customer - using freshly baked breads, select sauces and a variety of delicious toppings.

Back in 1965, Fred DeLuca set out to fulfill his dream of becoming a medical doctor. Searching for a way to help pay for his education, a family friend suggested he open a submarine sandwich shop. With a loan of \$1,000, the friend—Dr. Peter Buck—offered to become Fred’s partner, and a business relationship was forged that would change the landscape of the fast food industry.

The first store was opened in Bridgeport, Connecticut in August, 1965. Then, they set a goal of having 32 stores opened in 10 years. Fred soon learned the basics of running a business, as well as the importance of serving a well-made, high quality product, providing excellent customer service, keeping operating costs low and finding great locations. These early lessons continue to serve as the foundation for successful SUBWAY® restaurants around the world.

By 1974, the duo owned and operated 16 submarine sandwich shops throughout Connecticut. Realizing they would not reach their 32 store goal in time, they began franchising, launching the SUBWAY® brand into a period of remarkable growth which continues to this day.

Today, the SUBWAY® brand is the world's largest submarine sandwich chain with more than 34,000 locations around the world. We've become the leading choice for people seeking quick, nutritious meals that the whole family can enjoy. From the beginning, Fred has had a clear vision for the future of the SUBWAY® brand. As we continue to grow, we are guided by his passion for delighting customers by serving fresh, delicious, made-to-order sandwiches.

**SUBWAY® Restaurants Ranked #1 Again by Entrepreneur Magazine for 2010**  
**SUBWAY® Restaurants Again Top Performer in 2010 Zagat® Survey**  
**SUBWAY® Named Most Trusted Brand by Consumers**



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# Retail

## Photos



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## Retail

### Photos



Looking West of Subject Property



Looking East of Subject Property





## Retail

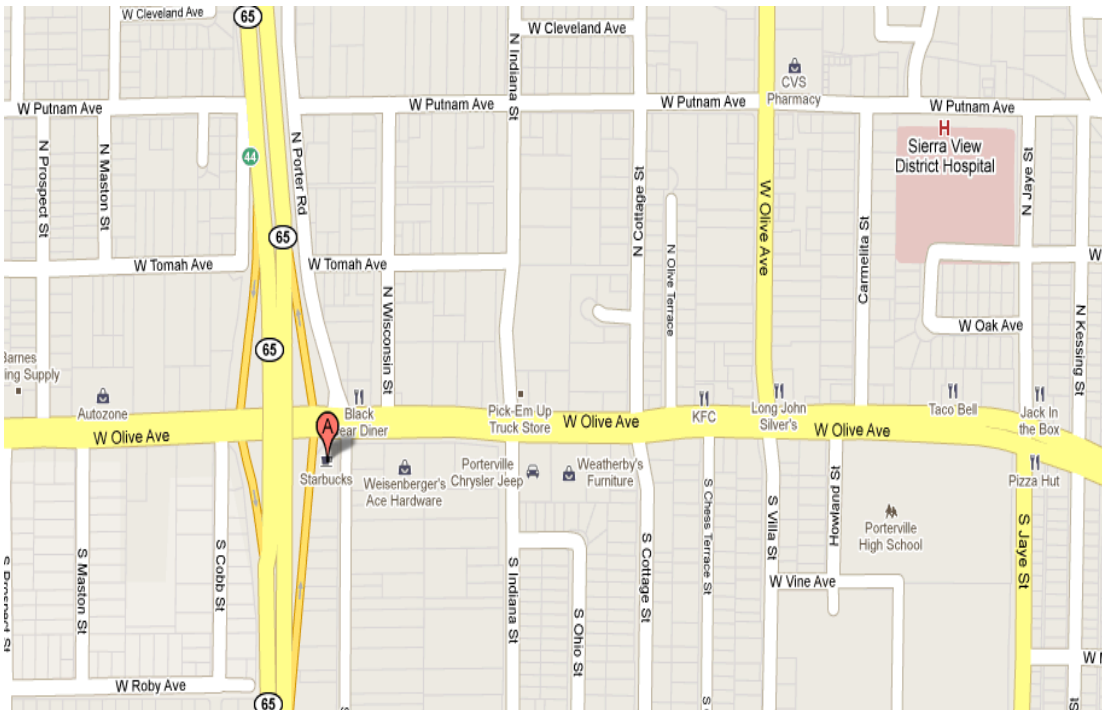
### Photos



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# Retail

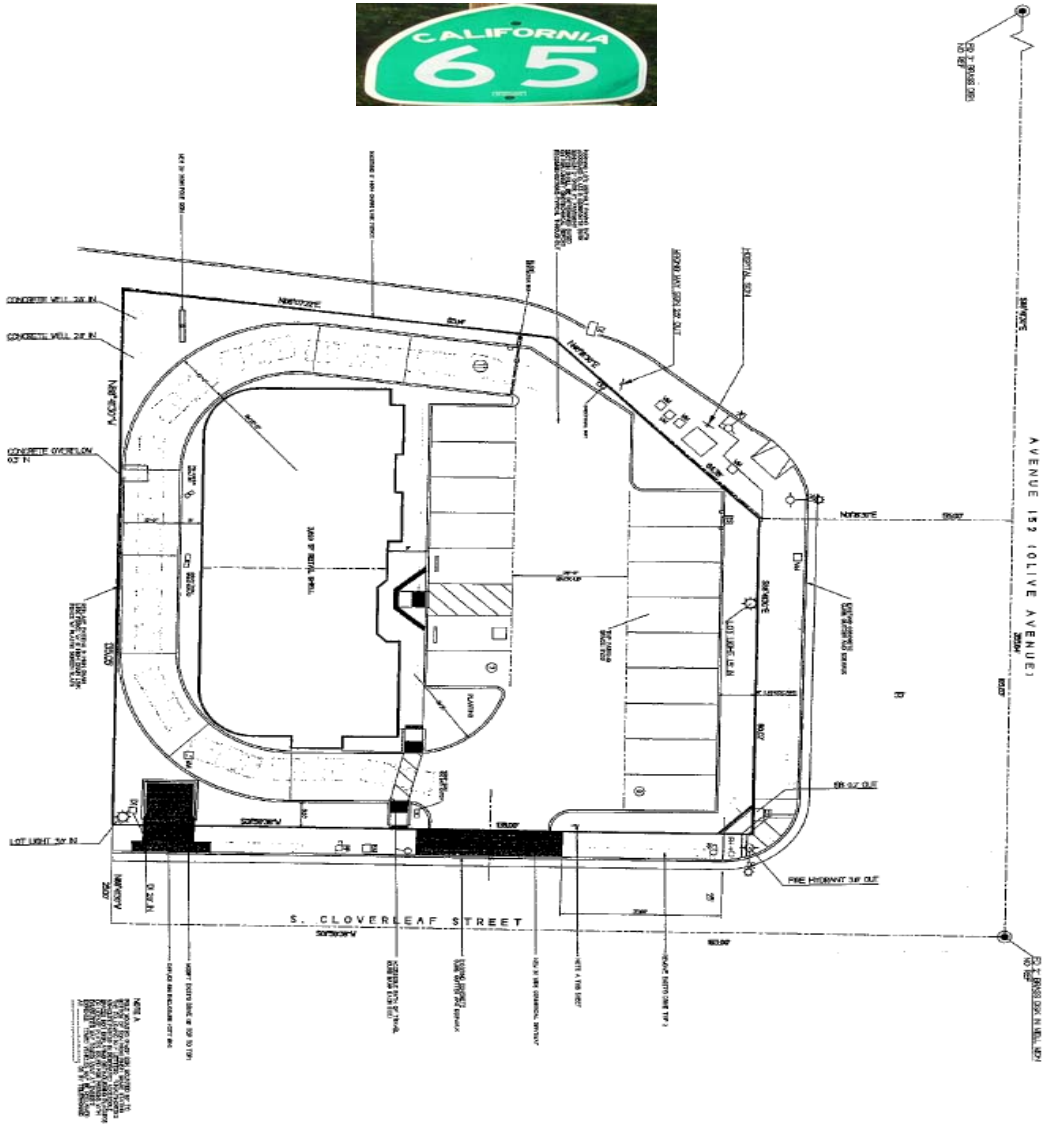
## Maps



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# Retail

## Site Plan



10' SITE DEVELOPMENT PLAN

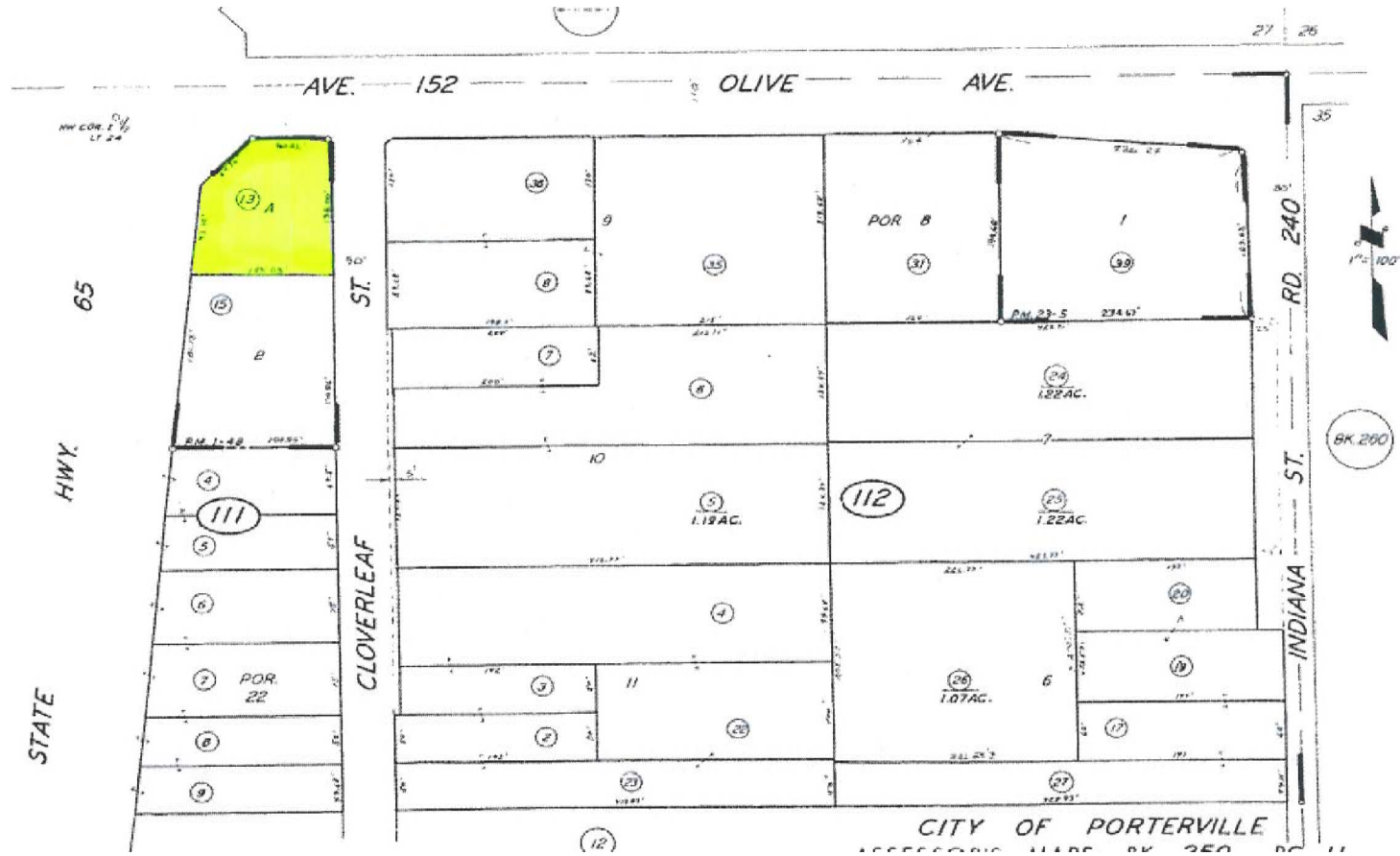
<b>REVISIONS</b> NO. DATE BY DESCRIPTION 1 11/11/11 JY Initial Design 2 11/11/11 JY Final Design 3 11/11/11 JY Final Design		<b>PROJECT</b> <b>21 S. Cloverleaf Street/ drive-thru retail</b> Parcel A Parcel Map 49 APN 229-011-010 Kernville, California				<b>MICHAEL DHANENS ARCHITECT</b> 0617324-4161 P.O. BOX 82155 BAKERSFIELD, CALIFORNIA 93380 C-M790	
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# Retail

## Parcel Map



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## Retail

### Current Income & Expense Analysis

947 W. Olive Ave.  
Porterville, CA 93257

<u>1</u>	<u>n/a</u>	<u>3,620</u>	<u>17,392</u>	<u>2007</u>	<u>C3</u>
Floors	Construction	Gross Sq. Ft.	Lot Size	Year Built	Zoning

#### CURRENT ANNUALIZED OPERATING INCOME

Income from Leased Space	\$	<u>10,034</u>
Income from Tenant Reimbursements	\$	<u>3,072</u>
Other Income	\$	<u>0</u>
Total Monthly Income	\$	<u>13,106</u>
<b>SCHEDULED GROSS INCOME</b>	\$	<u>157,272</u>
Vacancy Rate	0%	\$ <u>0</u>
<b>GROSS OPERATING INCOME</b>	\$	<u>157,272</u>

#### CURRENT ANNUALIZED OPERATING EXPENSES

<b>Expenses</b>		
Property Taxes	\$	<u>19,500</u>
Insurance	\$	<u>2,242</u>
Utilities	\$	<u>3,738</u>
Water	\$	<u>4,800</u>
Management & Administration Expenses	\$	<u>4,800</u>
Landscape & Lawn Services	\$	<u>1,785</u>
<b>Total Expenses</b>	\$	<u>36,865</u>
Per Foot	\$	<u>10.18</u>

**NET OPERATING INCOME** \$ 120,407



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## Retail

### Current Pricing Analysis and Opinion of Value

947 W. Olive Ave.  
Porterville, CA 93257

<u>1</u> Floors	<u>n/a</u> Construction	<u>3,620</u> Gross Sq. Ft.	<u>17,392</u> Lot Size	<u>2007</u> Year Built	<u>C3</u> Zoning
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#### CURRENT PRICING

<b>PRICE</b>		<b>\$ 1,695,000</b>
Down Payment	100%	<b>\$ 1,695,000</b>

#### PROPOSED FINANCING

All cash or buyer to obtain a new loan at prevailing market rate and terms.

#### CURRENT SCHEDULED INCOME

<b>SCHEDULED GROSS INCOME</b>		<b>\$ 157,272</b>
Less Vacancy	0.0%	\$ -
Gross Operating Income		\$ 157,272
Less Operating Expenses	23.4%	\$ 36,865
<b>NET OPERATING INCOME</b>		<b>\$ 120,407</b>
Less Debt Service		\$ -
<b>PRE-TAX CASH FLOW</b>		<b>\$ 120,407</b>
Return %		7.1%
Capitalization Rate		7.1%
Price per Square Foot		\$ 468.23



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## Retail

### Current Pricing Analysis and Opinion of Value

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<u>1</u> Floors	<u>n/a</u> Construction	<u>3,620</u> Gross Sq. Ft.	<u>17,392</u> Lot Size	<u>2007</u> Year Built	<u>C3</u> Zoning
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#### PRICING

	Current	Proforma
<b>PRICE</b>	<b>\$ 1,695,000</b>	<b>\$ 1,695,000</b>
Down Payment	100% <b>\$ 1,695,000</b>	<b>\$ 1,695,000</b>

#### PROPOSED FINANCING

All cash or buyer to obtain a new loan at prevailing market rate and terms.

#### SCHEDULED INCOME

	Current	Proforma
<b>SCHEDULED GROSS INCOME</b>	<b>\$ 157,272</b>	<b>\$ 176,448</b>
Less Vacancy	0.0% \$ -	5.0% \$ 8,822
Gross Operating Income	\$ 157,272	\$ 157,272
Less Operating Expenses	23.4% \$ 36,865	\$ 36,865
<b>NET OPERATING INCOME</b>	<b>\$ 120,407</b>	<b>\$ 130,761</b>
Less Debt Service	\$ -	\$ -
<b>PRE-TAX CASH FLOW</b>	<b>\$ 120,407</b>	<b>\$ 130,761</b>
Return %	7.1%	7.7%
Capitalization Rate	7.1%	7.7%
Price per Square Foot	\$ 468.23	\$ 468.23



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## Retail

### Proforma Income & Expense Analysis

947 W. Olive Ave.  
Porterville, CA 93257

<u>1</u> Floors	<u>n/a</u> Construction	<u>3,620</u> Gross Sq. Ft.	<u>17,392</u> Lot Size	<u>2007</u> Year Built	<u>C3</u> Zoning
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#### PROFORMA ANNUALIZED OPERATING INCOME

Income from Leased Space	\$	<u>11,632</u>
Income from Tenant Reimbursements	\$	<u>3,072</u>
Other Income	\$	<u>0</u>
Total Income	\$	<u>14,704</u>
<b>Annualized Gross Income</b>	\$	<u>176,448</u>

#### PROFORMA ANNUALIZED OPERATING EXPENSES

<b>SCHEDULED GROSS INCOME</b>		\$	<u>176,448</u>
Vacancy Rate	5%	\$	<u>8,822</u>
<b>GROSS OPERATING INCOME</b>		\$	<u>167,626</u>
<b>Expenses</b>			
Property Taxes		\$	<u>19,500</u>
Insurance		\$	<u>2,242</u>
Utilities		\$	<u>3,738</u>
Water		\$	<u>4,800</u>
Management Fees		\$	<u>4,800</u>
Landscape & Lawn Services		\$	<u>1,785</u>
<b>Total Expenses</b>	20.9%	\$	<u>36,865</u>
	Per Square Foot	\$	<u>10.18</u>
<b>PROFORMA NET OPERATING INCOME</b>		\$	<u>130,761</u>



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## Retail

### Proforma Pricing Analysis and Opinion of Value

947 W. Olive Ave.  
Porterville, CA 93257

<u>1</u> Floors	<u>n/a</u> Construction	<u>3,620</u> Gross Sq. Ft.	<u>17,392</u> Lot Size	<u>2007</u> Year Built	<u>C3</u> Zoning
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#### PROFORMA PRICING

<b>PRICE</b>		<b>\$ 1,695,000</b>
Down Payment	100%	<b>\$ 1,695,000</b>

#### PROPOSED FINANCING

All cash or buyer to obtain a new loan at prevailing market rate and terms.

#### PROFORMA SCHEDULED INCOME

<b>SCHEDULED GROSS INCOME</b>		<b>\$ 176,448</b>
Less Vacancy	5.0%	\$ 8,822
Gross Operating Income		\$ 167,626
Less Operating Expenses	20.9%	\$ 36,865
<b>NET OPERATING INCOME</b>		<b>\$ 130,761</b>
Less Debt Service		\$ -
<b>PRE-TAX CASH FLOW</b>		<b>\$ 130,761</b>
Return %		7.7%
Capitalization Rate		7.7%
Price per Square Foot		\$ 468.23
Potential Capitalization rate in 2012 ( see rent roll)		8.0%



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## Retail

### Rent Roll

Suite	Tenant Name	GLA Occupied	Lease Commence	Lease Expire	Monthly Rent	Rent/SF	Proforma Monthly Rent	Proforma Rent/SF	Increases	Options	Lease Type
A	Starbuck's	1,700	9/8/06	8/31/17	\$5,150.00	\$3.03	\$6,545.00	\$3.85	27% On 9/1/12	(2) five year at 10% every 5 years	NNN
B	Jackson Hewitt Tax Services *	720	3/1/09	2/29/12	\$1,475.00	\$2.22	\$1,575.00	\$2.37	6.8% On 3/1/11	(2) three year at 3.5% yearly	NNN
C	Subway	1,200	8/21/07	8/21/13	\$3,409.00	\$2.84	\$3,512.00	\$2.93	3% yearly	(3) five year at 3% yearly	NNN
<b>Total Square Feet</b>		<b>3,620</b>			<b>\$10,034.00</b>		<b>\$11,632.00</b>				

Note: Starbuck's rent to be \$6,545 on 9/2012, Subway's rent to be \$3,617.36 on 8/2012 and should Jackson Hewitt exercise their option on 3/2012, (rent to be \$1,630.13), a potential 8% CAP Rate would be in effect!



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# Summary Demographic Profile

## Census, Estimates & Projections

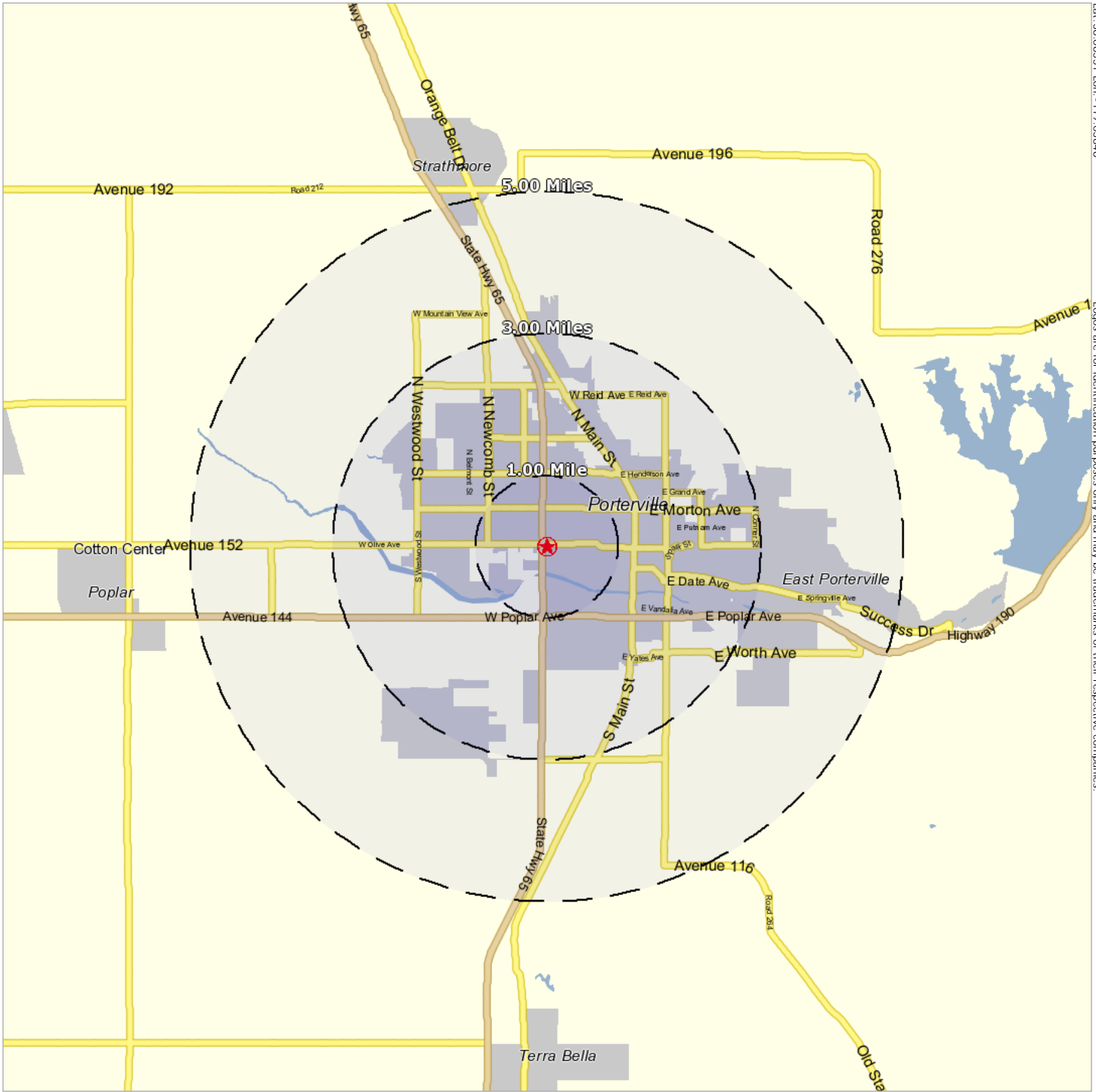
Lon: -119.038464 / Lat: 36.065515

October 2010

947 W. Olive St. Porterville, CA	1.00 Mile	3.00 Miles	5.00 Miles
<b>Population</b>			
(2010) Estimated Population	13,416	58,048	68,484
(2015) Projected Population	13,703	61,442	72,071
(2000) Census Population	12,095	50,243	59,426
(1990) Census Population	9,796	40,169	47,932
Historical Annual Growth 1990 to 2010	2.5 %	3.0 %	2.9 %
Projected Annual Growth 2010 to 2015	0.4 %	1.2 %	1.0 %
(2010) Median Age	28	28	29
<b>Households</b>			
(2010) Estimated Households	4,092	17,150	20,016
(2015) Projected Households	4,206	18,254	21,237
(2000) Census Households	3,784	15,219	17,724
(1990) Census Households	3,371	13,071	15,294
Historical Annual Growth 1990 to 2010	1.4 %	2.1 %	2.1 %
Projected Annual Growth 2010 to 2015	0.6 %	1.3 %	1.2 %
<b>Race &amp; Ethnicity (Estimated)</b>			
(2010) White	89.6 %	89.6 %	89.7 %
(2010) Black or African American	1.6 %	1.6 %	1.6 %
(2010) Asian & Pacific Islander	4.6 %	4.5 %	4.4 %
(2010) American Indian & Native Alaskan	2.1 %	2.3 %	2.3 %
(2010) Other Races	2.1 %	2.0 %	1.9 %
(2010) Hispanic	61.9 %	60.0 %	58.6 %
<b>Income (Estimated)</b>			
(2010) Average Household Income	\$44,097	\$50,040	\$51,606
(2010) Median Household Income	\$33,862	\$40,048	\$40,815
(2010) Per Capita Income	\$14,110	\$15,182	\$15,690
<b>Education (Age 25 +)</b>			
(2010) Elementary	24.7 %	21.9 %	21.3 %
(2010) Some High School	12.1 %	12.5 %	12.7 %
(2010) High School Graduate	27.0 %	27.0 %	27.0 %
(2010) Some College	20.1 %	21.7 %	21.6 %
(2010) Associates Degree Only	6.0 %	5.8 %	6.0 %
(2010) Bachelors Degree Only	6.8 %	7.8 %	8.0 %
(2010) Graduate Degree	3.3 %	3.4 %	3.4 %
<b>Business</b>			
Number of Businesses	464	1,597	1,771
Total Number of Employees	4,981	17,001	19,355
Employee Population per Business	10.7	10.6	10.9
Residential Population per Business	28.9	36.4	38.7

Demographic Source: Applied Geographic Solutions / TIGER Geography

This report was produced using data from private and government sources deemed to be reliable. The information herein is provided without representation or warranty.



Demographic Source: Applied Geographic Solutions / TIGER Geography

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*947 W. Olive St.  
Porterville, CA*

*October, 2010*