



SLEEP NUMBER

A 10-YEAR CORPORATE LEASE – RELOCATION STORE

FRESNO, CA



CAPITAL PACIFIC

REPRESENTATIVE PHOTO



SLEEP NUMBER

432-438 EAST SHAW AVE, FRESNO, CA 93710

\$3,332,000

PRICE

5.50%

CAP

LEASABLE SF

3,160 SF

YEAR BUILT

2018

LEASE TYPE

**LL Responsible for
Roof & Structure**

LEASE TERM

10 Years

RENT COMMENCEMENT

12/13/2018

10-year corporate lease with 10% rental increases every 5 years

Relocation Store – 10+ year operating history at mall across the street

Infill location directly across from the Fashion Fair Shopping Center (130 stores), and 1.5 miles west of California State University, Fresno (25,000+ students)

Sleep Number posted sales of \$1.44 billion in 2017, up 10% from 2016

More than 391,000 people within a 5-mile radius

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Investment Highlights

THE OFFERING is a new construction Sleep Number store, featuring a 10-year corporate lease and minimal Landlord responsibilities. The Tenant is relocating from the Fashion Fair Mall across the street, where it has been operating for over 10 years. The tenant is relocating from the mall to reduce the rent and CAM charges they were paying which is one of numerous benefits to such a move. Historically, when this tenant relocates from a mall into a new free-standing store, it sees a 30%+ increase in sales given the new site characteristics of parking, signage, and frontage on the primary road, which all drive store traffic. In fact, Sleep Number ranks among the top 20 highest sales per square foot sales of all retailers in the U.S. As a result, Sleep Number had a record year in 2018 posting \$1.4 billion in revenues and very healthy EBITDA of \$130M. The property has huge traffic counts on Shaw Avenue (62,000 VPD), which is just off of CA-41 (130,000 VPD), and is across from the mall, which has a premier roster of 130 retailers.

THE SUBJECT PROPERTY is located in Fresno, the fifth-most populous city in California and the most populous city in the Central Valley. Fresno serves as the economic hub of Fresno County and California's San Joaquin Valley. The Fresno MSA and surrounding area exceeds 1,500,000 people. Sleep Number benefits from its infill location in a strong retail node, as well as its proximity to the Fresno State University campus (25,000+ students). Surrounding retailers include The Cheesecake Factory, Apple Store, Fleming's Prime Steakhouse, Ross, Macy's, and Starbucks.

Contact the team

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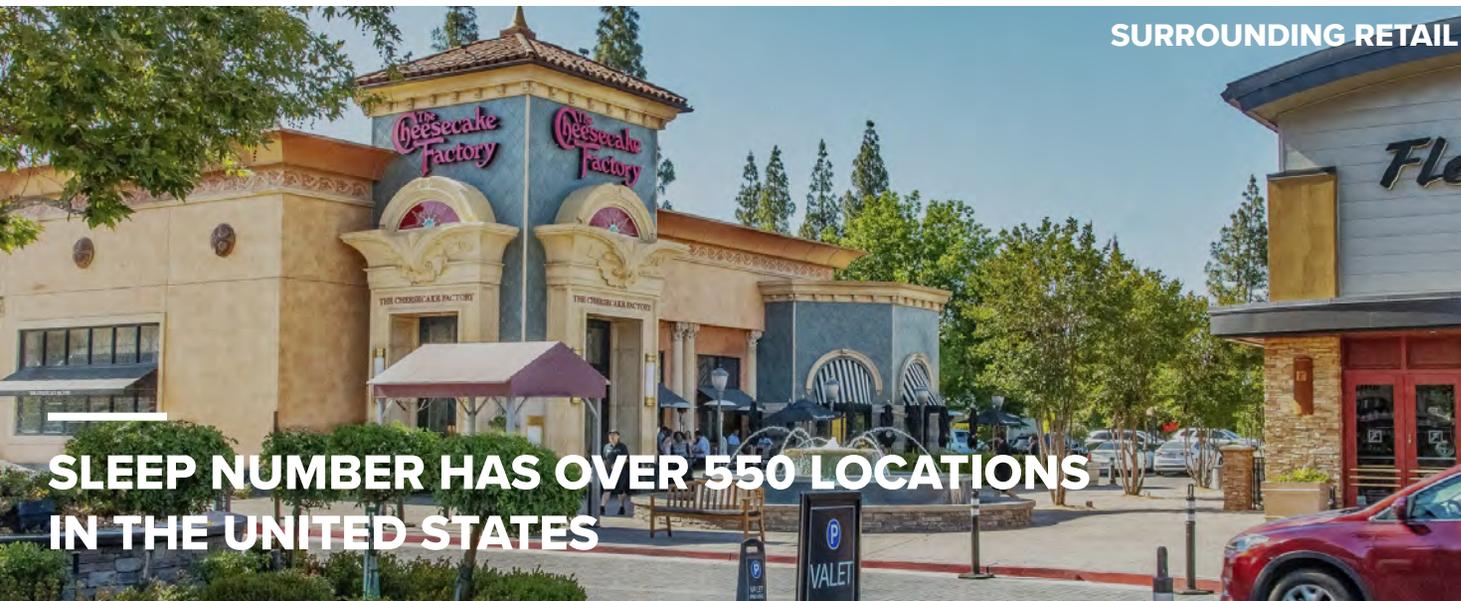
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SURROUNDING RETAIL

**SLEEP NUMBER HAS OVER 550 LOCATIONS
IN THE UNITED STATES**

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Zoomed-In Aerial

SAN JOSE
150 MILES

41
130,000
VPD

-
-
-
-
-
-
-
-
-
-
-
-
-
-
-
-
-

E SHAW AVENUE

E SHAW AVENUE

N BLACKSTONE AVENUE

**62,000
VPD**

**34,940
VPD**

41

-
-
-
-
-
-
-
-
-
-

**WOLTERS
ELEMENTARY**

**CVS
pharmacy**

**metroPCS
AMERICA'S
TIRE
DAVID'S BRIDAL**

**BURGER
KING**

**BANK OF
WEST**

UnionBank

BJS

Chick-fil-A

ACE CASH EXPRESS

**STARBUCKS
COFFEE**

**WING
BONNERS**

**TIOGA
MIDDLE
SCHOOL**

**LANE BRYANT
ROSS
PLATO'S**

The Cheesecake Factory

SWAROVSKI

macy's

Foot Locker

SEPHORA

Abercrombie & Fitch

VICTORIA'S SECRET

ULTA BEAUTY

TILLY'S

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Zoomed-Out Aerial

41



SAN JOSE
150 MILES



168

WHOLE FOODS MARKET
Eddie Bauer
Bath & Body Works
BANANA REPUBLIC
J. CREW
CVS pharmacy
WILLIAMS-SONOMA
CHICO'S

Office DEPOT
Orchard

Smart & Final
Burlington Coat Factory
TARGET

BIG 5 SPORTING GOODS
HobbyTown USA
FOOD MAX

BIG LOTS!

Guitar Center
AutoZone



Bank of America
CHASE

Starbucks
Denny's

Wendy's
macy's

62,000 VPD

THE HOME DEPOT
MAYA CINEMAS
TOYOTA
Chevrolet

W SHAW AVENUE

E SHAW AVENUE

WAWONA MIDDLE SCHOOL

34,940 VPD

N BLACKSTONE AVENUE

HOLLAND ELEMENTARY

LANE BRYANT
ROSS PLATOS

TIOGA MIDDLE SCHOOL

THOMAS ELEMENTARY

McDonald's
BLACK ANGUS
Jamba Juice
COSTCO

VINLAND ELEMENTARY

The Cheesecake Factory
SWAROVSKI
macy's
Foot Locker
SEPHORA
Abercrombie & Fitch
VICTORIA'S SECRET
ULTA
TILLY'S

25,558 VPD

80,000 VPD

DOLLAR TREE

VIKING ELEMENTARY

ASHLAN AVENUE

ASHLAN AVENUE

ASHLAN AVENUE

POWERS-GINSBURG ELEMENTARY

PETCO
Walmart Supercenter
6

GROCERY OUTLET
FERGUSON

130,000 VPD

TARGET

CENTENNIAL ELEMENTARY

DUNCAN POLYTECHNICAL HIGH SCHOOL

FRESNO YOSEMITE INTERNATIONAL AIRPORT

sally
Sears
DOLLAR TREE

CVS pharmacy
Foods Co

FRESNO COUNTY

Walmart Market

RITE AID

SCANDINAVIAN MIDDLE SCHOOL

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About Fashion Fair

Opened: 1970

Expanded: 1983 & 2005

REGIONAL DRAW

Fashion Fair is one of the premier shopping destinations in the Fresno metropolitan area, which features an open air plaza that draws visitors from around the region. The mall was originally opened in 1970 and went through two expansions in 1983 and 2005. After its latest expansion, the mall grew to nearly 1 million square feet and now features over 130 stores. The mall is part of an upscale trade area, where over 21% of population earn more than \$100,000 and 20% of shoppers hold a bachelor's degree or higher.

RETAIL

GLA (sq. ft.) 963,000; 130+ stores

SELECT TENANTS

Aeropostale, Aldo, Apple Store, American Eagle Outfitters, Auntie Anne's, bareMinerals, Baskin Robbins, Bath & Body Works, Buckle, Build-A-Bear Workshop, Charlotte Russe, Charming Charlie, Chick-Fil-A, Chipotle, Cinnabon, Disney, Express, Five Guys, Foot Locker, Fleming's, Forever 21, H&M, Hollister Co., Jay's, JCPenney, Kay Jewelers, Lucky Brand, Lush, Macy's, Michael Kors, Pacsun, Panda Express, Q, Regis Salon, Rocky Mountain Chocolate Factory, Sephora, Sunglass Hut, Starbucks, The Body Shop, The Cheesecake Factory, Tillys, Ulta Beauty, Vans, Victoria's Secret, Wetzel's Pretzels, Windsor, Zales, Zumiez



Surrounding Retail



Income & Expense

PRICE **\$3,332,000**

Capitalization Rate: **5.50%**

Total Rentable Area (SF): 3,160

Lot Size (AC): 0.32

STABILIZED INCOME PER SQUARE FOOT

Scheduled Rent \$58.00 \$183,280

Effective Gross Income \$58.00 \$183,280

LESS PER SQUARE FOOT

Taxes NNN \$0.00

Insurance NNN \$0.00

Total Operating Expenses NNN \$0.00

NET OPERATING INCOME \$183,280

INTERIOR REPRESENTATIVE PHOTO



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Rent Roll

TENANT INFO		LEASE TERMS		RENT SUMMARY			
TENANT NAME	SQ. FT.			CURRENT RENT	MONTHLY RENT	YEARLY RENT	
Sleep Number	3,160	1*	5	\$183,280	\$15,273	\$183,280	
			6	10	\$16,801	\$201,608	
			Option 1	11	15	\$18,481	\$221,769
			Option 2	16	20	\$20,329	\$243,952
TOTALS:	3,160			\$183,280	\$15,273	\$183,280	

*Store scheduled to open and rent commencement projected to be 12/13/18.



INTERIOR REPRESENTATIVE PHOTO

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Lease Abstract

PREMISE & TERM

TENANT	Sleep Number
BUILDING SF	3,160 SF
LEASE TYPE	Corporate NN
TERM	10 years
RENT COMMENCEMENT	12/13/2018
OPTIONS	Two 5-year options

RENT

BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
1 - 5	\$15,273	\$183,280
6 - 10	\$16,801	\$201,608

OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#1. 11 - 15	\$18,481	\$221,769
#2. 16 - 20	\$20,329	\$243,952

EXPENSES

TAXES

Tenant is responsible for all Real Estate Taxes during the Term. Tenant shall reimburse Landlord for the Real Estate Taxes on a monthly basis.

TENANT'S OBLIGATIONS

Tenant is responsible for all maintenance and repair of the nonstructural portions of the premises and HVAC.

LANDLORD'S OBLIGATIONS

Landlord is responsible for roof and structure. 20 year roof warranty will be delivered to buyer.

UTILITIES

Tenant is responsible for the payment of all utility charges, and shall pay directly to the utility provider.

INSURANCE

Tenant shall carry the following policies: (1) Commercial General Liability Insurance with limits no less than \$1 million per occurrence and \$2 million in aggregate; (2) Special Causes of Loss insurance for the full replacement of leasehold and building improvements constructed by Tenant, as well as all fixtures, contents and personal property therein; (3) Insurance against fire and such other risks.

Landlord shall carry the following policies: (1) Insurance against fire and such other perils, together with insurance against other risks, including loss of rent. Tenant shall reimburse Landlord for its pro rata share of Landlord's Insurance.

CAM

Tenant shall pay Landlord each month, as additional rent, its pro rata share of the Common Area Maintenance Expense.

Site Plan



3,160
RENTABLE SF



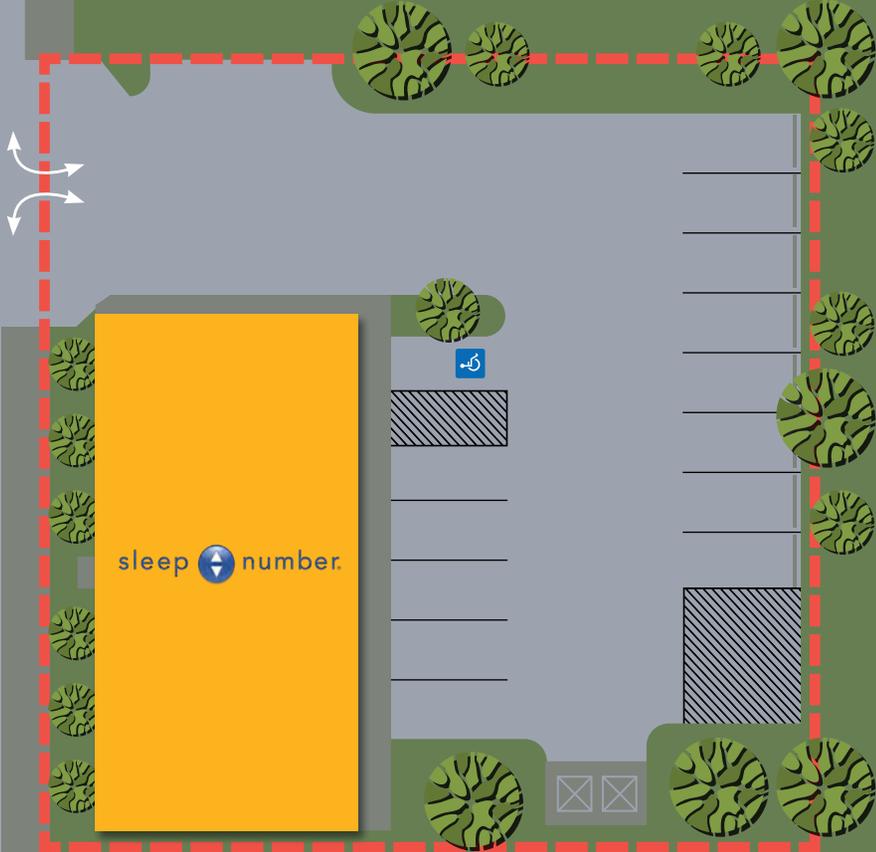
0.32
ACRES



14
SPACES



EAST SHAW AVENUE



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Tenant Overview

Know. Adjust. Sleep.

ABOUT SLEEP NUMBER

Founded 30 years ago and based in Minneapolis, Sleep Number Corporation, together with its subsidiaries, provides sleep solutions and services in the United States. It designs, manufactures, markets, retails, and services beds, bases, and bedding accessories under the Sleep Number name. The company is known for its revolutionary Sleep Number 360® smart bed which has been designed to automatically adjust the bed's firmness, comfort, and support, and biometric sleep tracking to ensure their customers' best night sleep. Sleep Number products are sold throughout the approximately 556 company-owned stores located across all U.S. states; select bedding retailers and direct marketing operations.

The company has had continued growth. In 2017, Sleep Number saw net sales increasing by 10% to \$1.44 billion, operating income increasing by 20% to \$92 million, and earnings per diluted share increasing 41% to \$1.55.

\$1.44B

2017 NET SALES

INTERIOR REPRESENTATIVE PHOTO

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Demographics

POPULATION

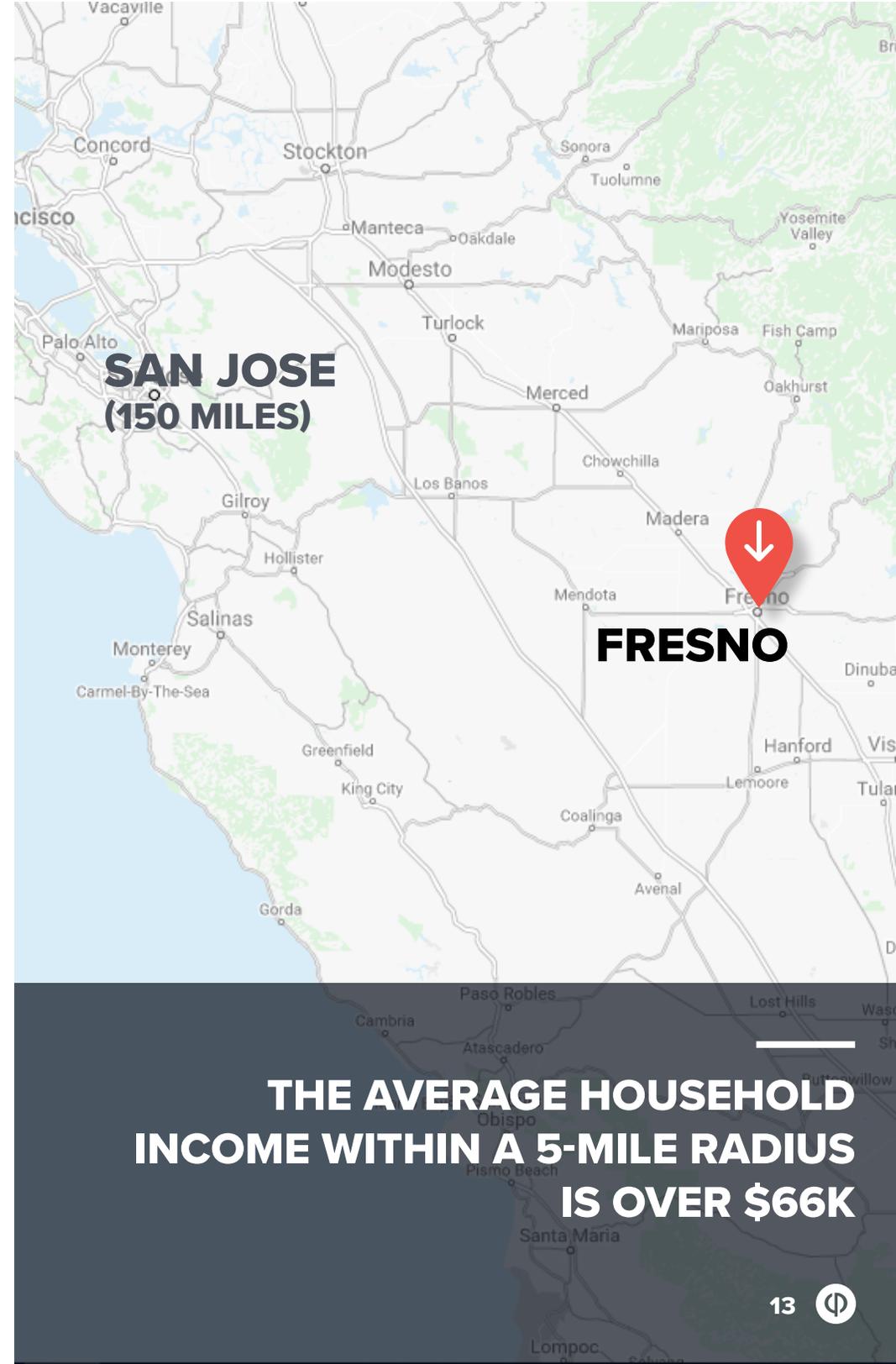
	1-MILE	3-MILES	5-MILES
2010	17,850	145,832	381,736
2017	18,420	149,174	391,520
2022	18,994	153,017	402,910

2017 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$ 52,195	\$60,957	\$66,654

TOP EMPLOYERS

EMPLOYER	# OF EMPLOYEES
Fresno United School District	9,586+
Community Medical Center	4,500+
City of Fresno	2,894
Saint Agnes Medical Center	2,547
Kaiser Permanente Fresno	2,350



THE AVERAGE HOUSEHOLD INCOME WITHIN A 5-MILE RADIUS IS OVER \$66K

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FRESNO, CALIFORNIA



FRESNO is located in central California, within a three hour drive from Los Angeles, the San Francisco Bay Area, and Sacramento. Fresno is California's 5th largest city.

The unincorporated area and rural cities surrounding Fresno remain predominantly tied to large-scale agricultural production. Fresno County is known as the Agricultural Capital of the World producing 350 crops worth approximately \$6.8 billion.

Fresno County is home to several universities, such as California State University - Fresno, University of Phoenix, National University, Fresno Pacific University, Fresno City College, West Hills Community College, as well as an abundance of trade and technology institutions.

ECONOMIC HUB

FRESNO SERVES AS THE ECONOMIC HUB of Fresno County and California's San Joaquin Valley. Since the 2010 census, the population of Fresno County has grown by 3.6 percent. According to the California Department of Finance population projections, the county will grow to over 1 million residents by the year 2020.

972,297



**FRESNO COUNTY
POPULATION**
(ESTIMATED)

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We'd love to hear from you.

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