



# 226

## F STREET DAVIS, CA

6,778 SF NET LEASED PROPERTY  
TIMELESS DESIGN | RARE URBAN CORNER | AAA LOCATION  
226 F STREET | DAVIS CA

FIRST TIME FOR SALE



**TURTON**  
COMMERCIAL REAL ESTATE



# DOWNTOWN DAVIS' ICONIC RESTAURANT PROPERTY

AS EXCLUSIVE ADVISOR TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF DAVIS, TURTON COMMERCIAL REAL ESTATE IS PLEASED TO SHARE FOR SALE 226 F STREET, DOWNTOWN DAVIS' MOST TIMELESS, HISTORIC AND WELL-LOCATED RESTAURANT PROPERTY FOR SALE.

226 F Street is a unique single story building with functional basement totaling 11,000 rentable square feet (RSF) in the heart of Downtown Davis. The building is historically registered and features a Spanish Colonial design of wood framework, paned glass windows, stucco finish, signature design tilework, terracotta tile roof, and an opulent 4,300 square foot outdoor patio that cannot be duplicated anywhere else in Downtown Davis.

The property includes a 6,778 RSF lease with SRO Inc. (dba Bistro 33). The Tenant has occupied the premises since 2005 and is currently in their first lease extension period. Effective September 1st, 2017 the annual base rent is \$192,156 annually (\$28.35 per sf annually). The lease is absolute NNN expiring August 31st, 2020 with one (1) five (5) year option to renew remaining. The next rent increase is scheduled for September 1st, 2019 and is equal to \$201,764 annually (\$29.76 per sf annually). Given the immaculate condition and outstanding location of the property as well as the generous and prominent outdoor seating, few would argue the rent per sf is significantly under market by regional restaurant standards. The lease is personally guaranteed

by the restaurant owners: Matthew and Fred S. Haines. The Haines own several restaurants throughout the Sacramento Region. The lease's remaining five (5) year option to renew calls for a rent rate equal to the rent being paid in the final year of the term with 5% increases in the 2nd and 4th year of the option period. In addition, the property also includes 4,222 sf of functional basement space which could be leased as storage, office space or additional retail/restaurant space were it fully improved.

The interiors of the building are highly functional and in excellent condition featuring two distinct dining / bar areas: One with a more traditional dining area and bar and the other a more informal bar/lounge section providing a more casual entertainment environment.

The impressive, expansive exposed tress ceilings, abundant operable multi-pane glass windows and authentic historical design create an ambiance for a unique and memorable customer experience and conveys a strong company brand for the tenant. The highly exposed corner location, unique art & landscaping and notable building signage make this the most renown property in Downtown Davis.



OUTDOOR PATIO

## PROPERTY INFO

SUGGESTED MIN. OFFER PRICE:	\$3,500,000
CAP RATE:	5.2%
NET OPERATING INCOME:	\$183,012/YR
LEASE TERM:	THROUGH AUGUST 31, 2020 ONE (1) 5 YEAR OPTION
ADDRESS:	226 F STREET, DAVIS, CA
SQUARE-FOOTAGE:	±11,000 TOTAL ±6,778 (FIRST FLOOR) ±4,222 (BASEMENT) ±4,300 (OUTDOOR PATIO)
ZONING:	CC - CENTRAL COMMERCIAL
APN:	070-251-017-000
PARCEL SIZE:	±22,651 SF
PARKING STALLS:	9
YEAR BUILT:	1938 (UPDATED IN 2005)
STORIES:	ONE (WITH BASEMENT)



BAR



RESTAURANT



# LIVE.WORK. STUDY.PLAY.

CALIFORNIA'S COLLEGE TOWN THAT HAS IT ALL.

226 F Street is located in the epicenter of the most thriving part of Davis, just blocks from the University of California Davis.

The City of Davis is a university-oriented town and an active, progressive community. Davis is noted for its quality of life and friendly, small-town feel alongside big-city cultural amenities; energy conservation, environmental programs, parks, and tree preservation; double-decker buses, bicycles, and UC Davis.

The City's population totals more than 68,000 and is a fifteen-minute drive to the east to Downtown Sacramento, or a ninety-minute drive to the west to the San Francisco Bay Area. Davis is an ideal mix of established residential neighborhoods of palpable character combined with an eclectic array of successful national, regional and locally owned businesses and organic youth-infused goods and services.

Davis is considered to be one of the most desirable cities in California (and even the United States) to live in. The demographics are impressive. The median home price in Davis is \$637,000 (up 8.7% over the last year), with an average list price of \$342 per square foot, nearly 50% higher than the Sacramento metro average of \$227 per square foot. They are smaller, predominantly older homes, with architectural and neighborhood character, as Davis has deliberately seen very few new residential developments. Median family household income is \$114,094, with an average unemployment rate of 3.8% in 2016.

UC Davis, which first opened in 1908, is a highly regarded nationally ranked university best known for solving problems related to food, health, the environment and society. The



campus is more than 5,300 acres and currently has more than 35,000 enrolled students. It offers more than 104 different majors, 99 graduate programs, is an NCAA Division 1 school and receives more than \$700 million in research funding each year. It is known worldwide to be one of the finest universities for veterinary medicine, and was named the most sustainable university in the world in 2016 by the UI GreenMetric World University Ranking.

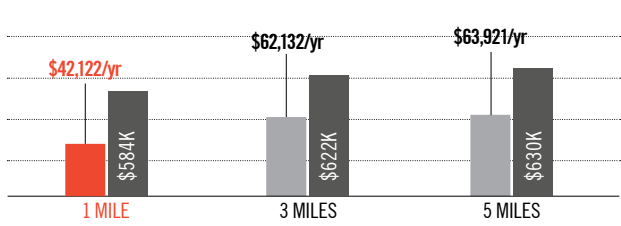
Downtown Davis, where the property is located, has seen a true renaissance over the last decade. It is truly a live, work and play environment.

Just blocks from the property at the Davis Farmers Market, open year-round, rain or shine, you will find a wide range of fruits and vegetables, including certified organic produce, as well as fresh meat, fish, cheese, wine, dried fruit & nuts, jams, baked goods, flowers, plants and specialty gifts.

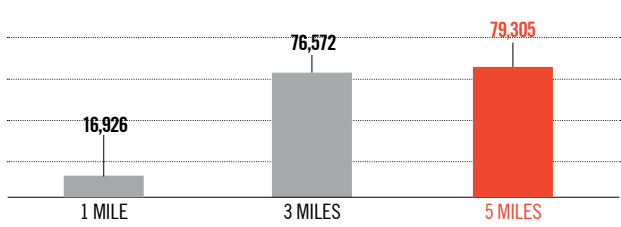
Afterwards, visitors and residents can spend the afternoon sipping an espresso at Temple Coffee, shop for the perfect antique or gift at Himalaya Gift Shop, then top off your water bottle at Davis Wheelworks before heading out on one of many fun and challenging cycling or running routes. After working up a healthy appetite, stop for a late dinner and drink at Bistro 33 Davis and the City Tavern.

While regarded as one of California's most desirable college towns, Davis' economy is not adversely impacted when school lets out for the summer. Many of the students remain as residents throughout the summer and virtually all restaurants and retail establishments report steady sales during the summer months.

AVERAGE HOUSEHOLD INCOME & HOME VALUE WITHIN VARYING RADII:



POPULATION WITHIN VARYING RADII:







# BUILDING HISTORY

The building, originally built in 1938, was the original home for all City of Davis departments including the police and fire departments, city jail and the court room. The building housed city departments until approximately 2001, with the most recent municipal use of the building being the City's police station.

When the City's police moved to a new location in 2001, the City determined the best way to protect the exterior and interior historical integrity of the building was to retain ownership. The National Register of Historic Places only protects the exterior of the listed buildings, and there are no rules or regulations protecting the interior of the buildings. Over the years, the City hired architects with expertise in National Registered buildings to oversee all remodels, thus, the remodeling over the decades protected many of the original building details including woodwork, light fixtures, historical doorways, decorative/structural beams, flooring etc.

On July 25, 1984, the City Council adopted an ordinance that designated the Historic City Hall Building as an historic landmark. Its listing as a landmark on the City's Register of Historical Resources (and thereby on the State of California's Register of Historical Resources) protects the building's exterior features.

Prior to considering any reuse of the Historic City Hall Building by SRO Inc., the Historic Resources Management Commission and City Council adopted the "Historic City Hall Goals and Policies Rehabilitation," which provides clear direction on protecting the

interior of the building. While this document would not be enforceable to a private party who might own the building in the future, the City of Davis will require a deed restriction that will protect the historic interior elements.

The City, in partnership with the current tenant (SRO Inc.) remodeled the building into a restaurant in 2005. To do so, the building was transferred to the Redevelopment Agency of the City of Davis to allow for greater flexibility in funding and to accommodate private improvements in the building. The tenant was required to still follow the Historic City Hall Goals and Policies for Rehabilitation previously adopted, which included, but not limited to, the preservation of open space areas on the parcel and protection of views of the building. The result of the public private partnership earned recognition as the Best Rehabilitation Project by the Sacramento Business Journal, based on the project's ability to protect and incorporate the historic features of the building into the restaurant.

While the City of Davis will retain ownership of selected art pieces located in the landscape areas and above the secondary entrance, there is no intent to relocate them. The decorative iron art attached to the patio wall is included with the property.

The tenant occupies the entire ground floor portion of the building (approximately 6,778 square feet), as well as a portion of the basement. The basement consists of approximately 4,222 total square feet.

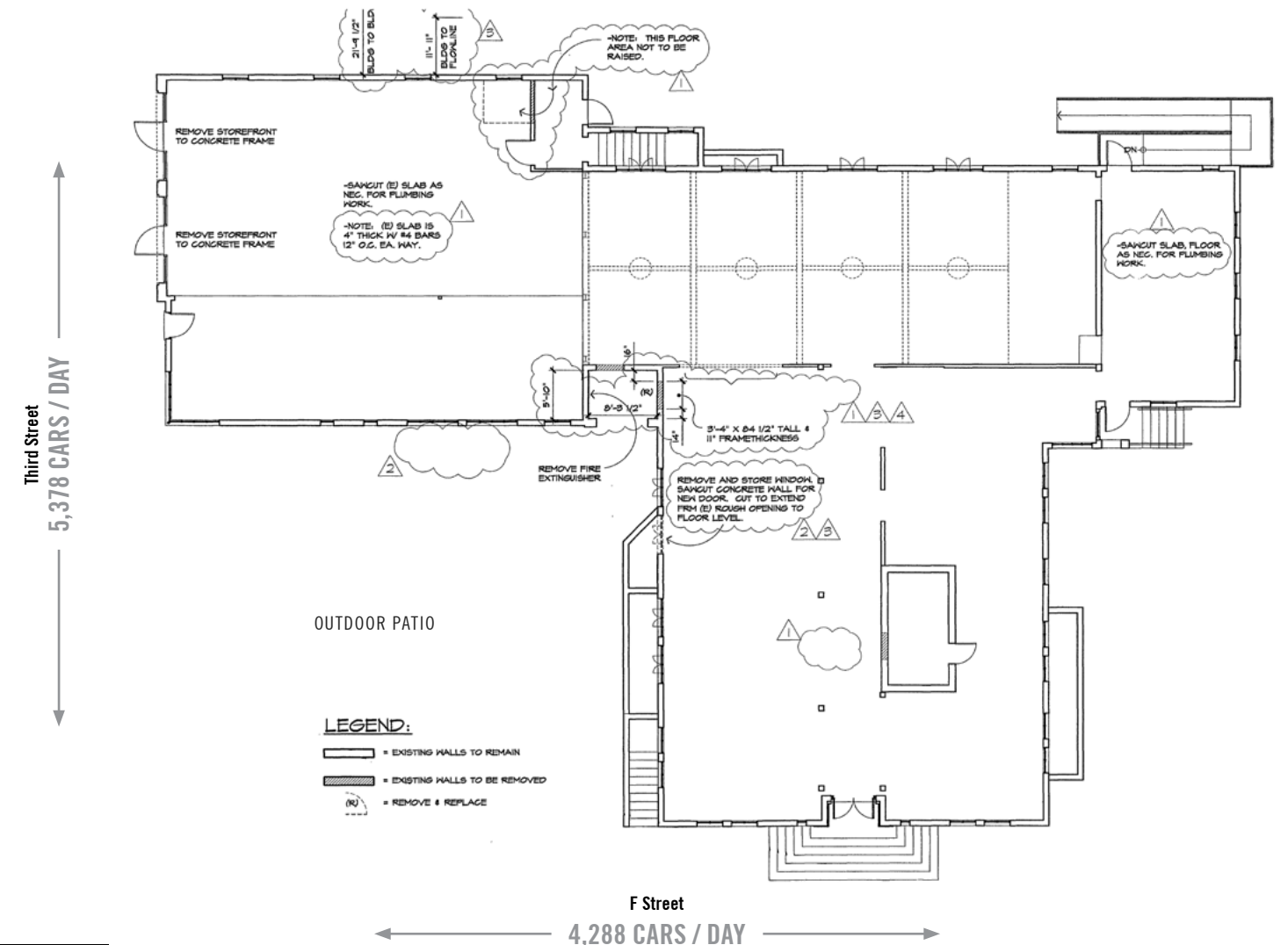
## TENANT PROFILE:

*SRO, Inc.*

SRO, Inc. is an owner/operator of six (6) restaurants in the greater Sacramento region. These restaurants include Bistro 33 Davis (at the subject property), 33rd Street Bistro in East Sacramento, Bistro 33 El Dorado Hills, Wildwood Kitchen & Bar at the Pavilions, Riverside Clubhouse in Land Park and Suzie Burger in Midtown Sacramento.

# FLOOR PLAN

±6,778 SF (FIRST FLOOR)  
±4,222 SF (BASEMENT)  
±4,300 SF (OUTDOOR PATIO)



## THE PROCESS:

All interested buyers shall receive an Offering Memorandum, link to all due diligence materials, boiler-plate Letter of Intent for buyer to complete, boiler-plate Purchase and Sale Agreement for the Property from the Successor Agency to the Redevelopment Agency for the City of Davis for buyer to provide comments and at least one property walk-thru.

Offers are due no later than 5:00 PM, PST, Friday, October 27th, 2017.

Offers should include the following with their submittal:

- Completed Letter of Intent including:
  - Best Offer Price
  - Initial Deposit
  - Minimum Property Investigation Period
  - Any finance contingencies
  - Any additional contingencies
  - Maximum non-refundable deposit upon waiver of contingencies
  - Minimum close of escrow period upon waiver of contingencies
- Buyer Resume including experience with historical properties
- Proof of funds
- Letter of Credit from a lending institution that may be used for financing
- Any partners that may be involved in the purchase



DAVIS

226  
F STREET



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