

# Harbor Gateway Plaza

1355-1361 W 190th Street, Gardena CA 90248

Net Leased Industrial Investment for Sale



OFFERING MEMORANDUM

# Harbor Gateway Plaza

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405 Freeway

Exclusively Marketed by:

### JUSTIN ALTEMUS

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Please Do Not Disturb Tenants  
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## OFFERING SUMMARY

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ADDRESS	1355-1361 W 190th Street Gardena CA 90248
OPPORTUNITY ZONE	Yes
BUILDING SF	92,640 SF
LAND ACRES	3.66
OWNERSHIP TYPE	Fee Simple

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## FINANCIAL SUMMARY

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OFFERING PRICE	\$23,500,000
PRICE PSF	\$253.67
NOI (CURRENT)	\$972,207
CAP RATE (CURRENT)	4.14 %

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## INVESTMENT OVERVIEW

- The Altemus Company is pleased to present the opportunity to acquire a 100% fee simple interest in 1355-61 W. 190th Street, Gardena, CA 90248. (The "Property") The Property has a Gardena P.O. but is located within the City of Los Angeles as it pertains to Planning/Building and Safety.
- The Property is comprised of two concrete tilt-up buildings totaling 92,640 square feet and divided into the 1355 Building @ 42,323 square feet and the 1361 Building @ 50,317 square feet.
- Both buildings are situated on approximately 3.66 acres of LA-M2 zoned land.
- Year 1 cap rate of 4.14%. Year 3 cap rate of between 5.39% and 6.15%
- This property offers the rare opportunity for an investor to purchase a stabilized net leased industrial investment with 4 tenants (2 tenants in each building) thereby offering the perfect balance between the safety of a diversified tenant mix/income stream with an asset that is not overly management intensive.
- Great 1031 Exchange opportunity



## EXCELLENT TENANT MIX

- Tenants include AutoZone, 3 Day Suit Broker, Off Broadway West, LLC and TAP, LLC dba 4 Wheel Parts
- Over 50% of the tenancy is either publicly traded (AutoZone – Traded under AZO on the NYSE) or a private large credit company (TAP, LLC dba 4 Wheel Parts has nearly 100 retail locations across the United States.

## UPSIDE POTENTIAL

- Realize tremendous future upside with contract rents that are approximately 35% below market. Current blended contract rents are equal to \$1.05/sf Industrial Gross which equates to 35% below market rents (utilizing a conservative estimate of \$1.65/sf Gross market rent).
- In Year 3 of the investment, increase the cap rate to approximately 5.39% by increasing the 3 Day Suit Broker space to market (while realizing other contract rental increases and assuming AutoZone exercises second 5 year option to extend). Further increase cap rate to approximately 6.15% if AutoZone does not exercise second 5 year option and can replace with market rent.
- Given below market rents, the property has been priced at a very competitive and substantially below market price per square foot of \$259/sf.

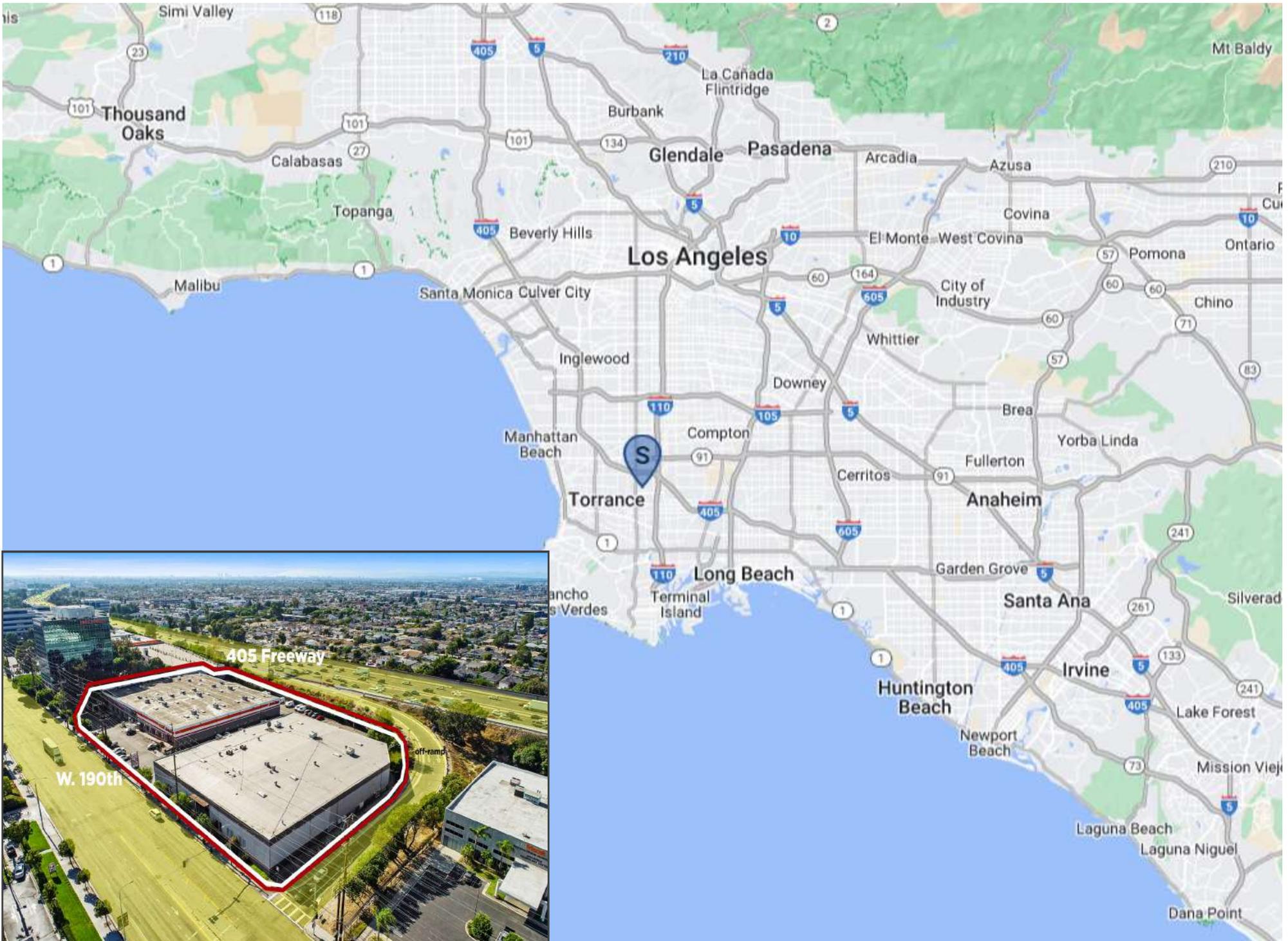
## PROPERTY HIGHLIGHTS

- Minimal office space with no mezzanine office.
- AutoZone did build storage mezzanine which is not calculated in the square footage.
- Minimum 18' – 19' clear height. Fire Sprinkled. Dock Hi Loading
- Good parking count at 2 spaces/1,000 sf. All parking is grade level
- Retailers immediately adjacent to the subject property include Wal Mart, Taco Bell, Starbucks, Extended Stay America, Carl's Jr. and more

## LOCATION OVERVIEW

- Located in an infill, supply constrained submarket of the South Bay (Gardena) with historically low vacancy rates of below 1%. (South Bay was reported to have a Q2 – 2022 .7% vacancy rate according to the LA Business Journal).
- With little to no developable industrial land, supply constrained building materials, record high construction (material and labor) costs and delayed entitlement timelines, the vacancy rates are likely to remain historically low for the foreseeable future.
- The property is located immediately adjacent to the 405 Freeway at the Normandie 405 South off ramp offering approximately 400 feet of superb freeway identity along the heavily travelled 405 freeway. Property also offers approximately 500 feet of frontage along 190th Street.
- Superb visibility/frontage allows property to be used for retail/quasi-retail or wholesale to the public uses.

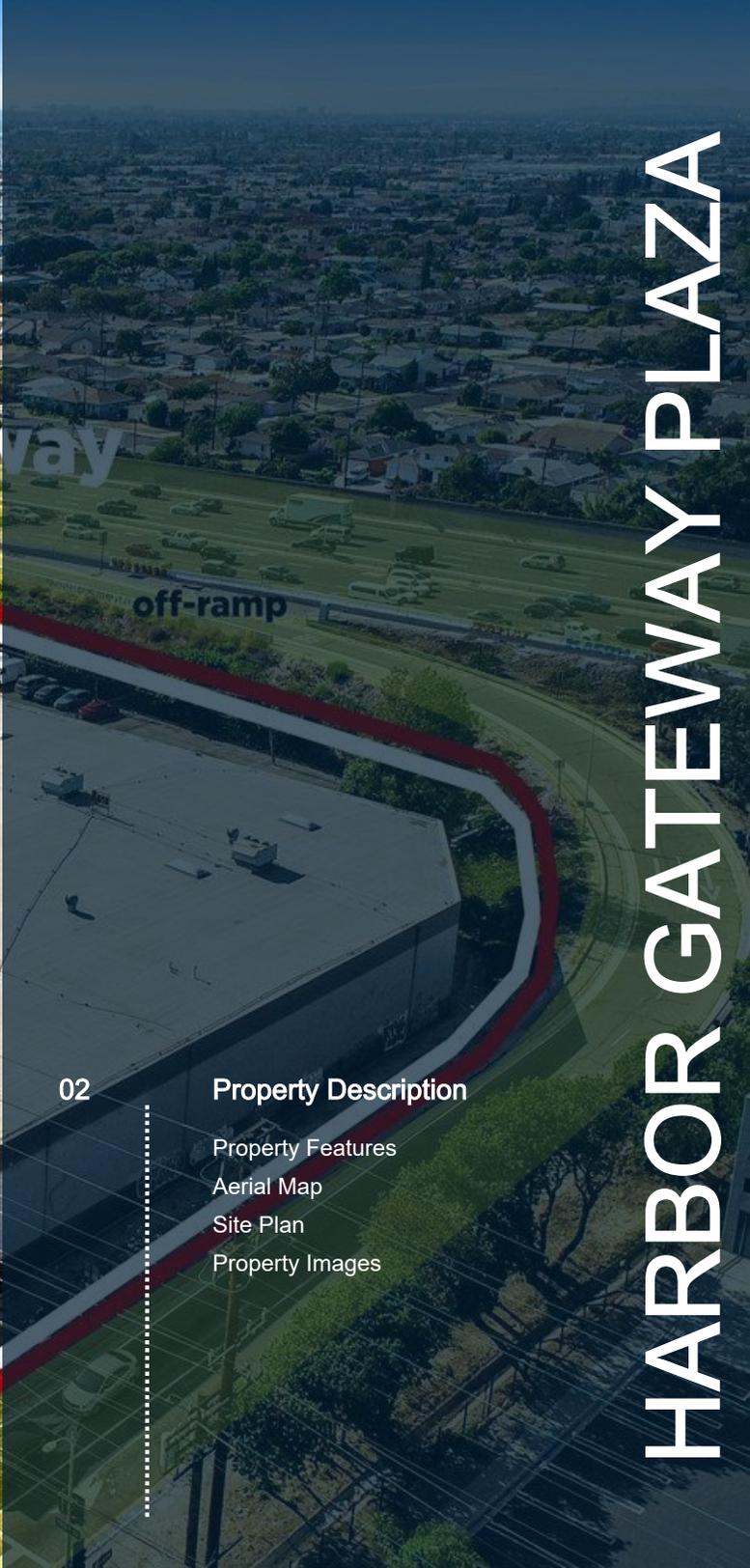






405 Freeway

90th



off-ramp

02

Property Description

Property Features

Aerial Map

Site Plan

Property Images

HARBOR GATEWAY PLAZA

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## 1355-1361 BUILDINGS

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NUMBER OF TENANTS	4
BUILDING SF	92,640
LAND ACRES	3.66
ZONING TYPE	M2
OPPORTUNITY ZONE	Yes
TRAFFIC COUNTS (W 190TH & HARBORGATE WAY W)	33,860

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## 1355 BUILDING

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BUILDING SF	42,323
YEAR BUILT	1972
POWER	400a/480v 3p
CLEAR HEIGHT	18'-19'
DOCK HIGH LOADING	Two
PARKING RATIO	2/1,000 SF
LAND ACRES	1.34
FENCED LOT	Yes
AIR CONDITIONING	Varies

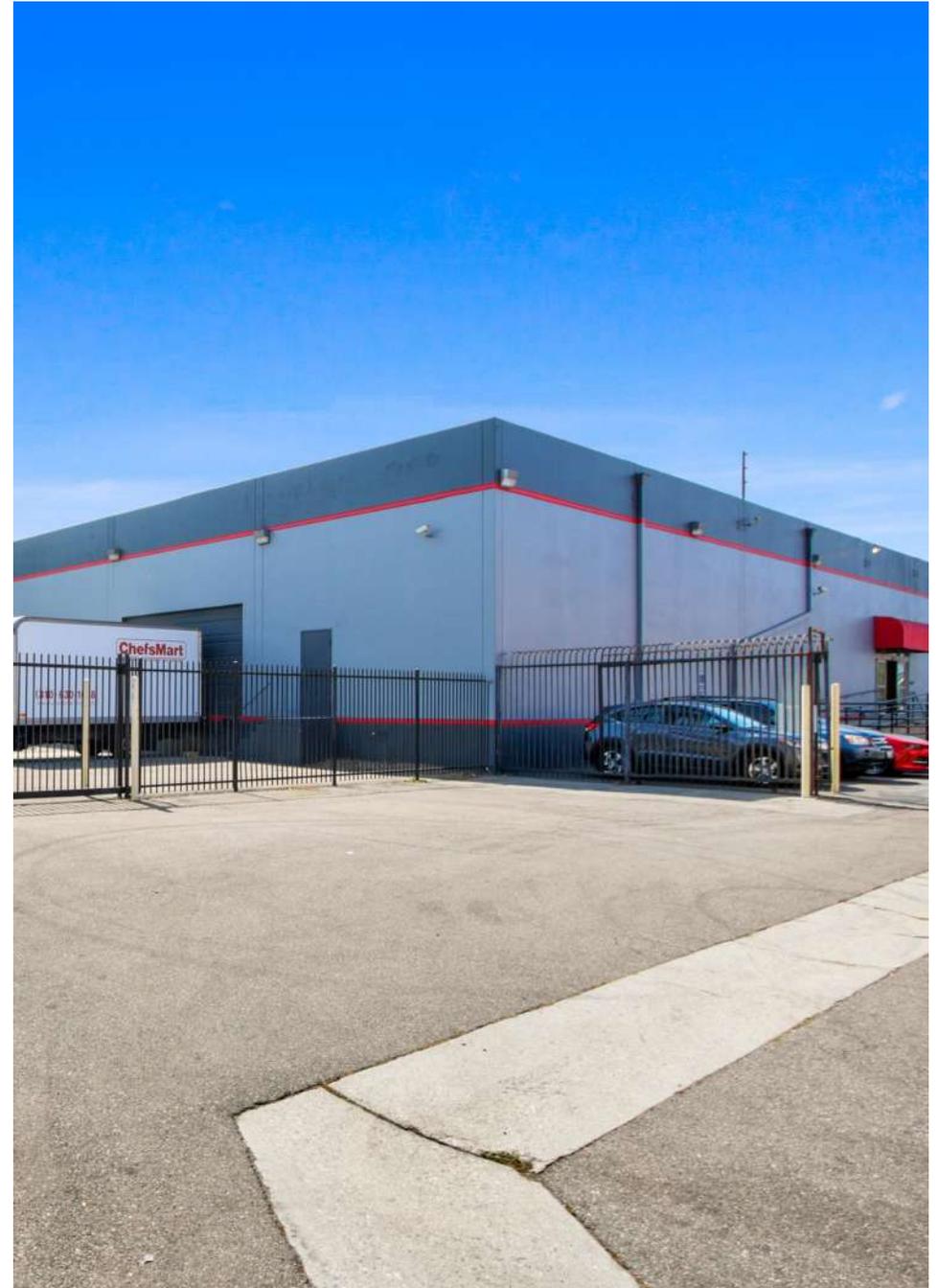
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## 1361 BUILDING

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BUILDING SF	50,317
YEAR BUILT	1971
POWER	400a/480v 3p
CLEAR HEIGHT	18'-19'
DOCK HIGH LOADING	Two (oversized)
PARKING RATIO	2/1,000 SF
FENCED LOT	Yes
AIR CONDITIONING	Yes
LAND ACRES	2.32

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**SUBJECT PROPERTY**

**1355-1361 W 190TH ST**  
GARDENA, CA



SAN DIEGO FWY



Freeway Off-Ramp

1361 W 190TH ST

1355 W 190TH ST

Freeway Off-Ramp

W 190TH ST

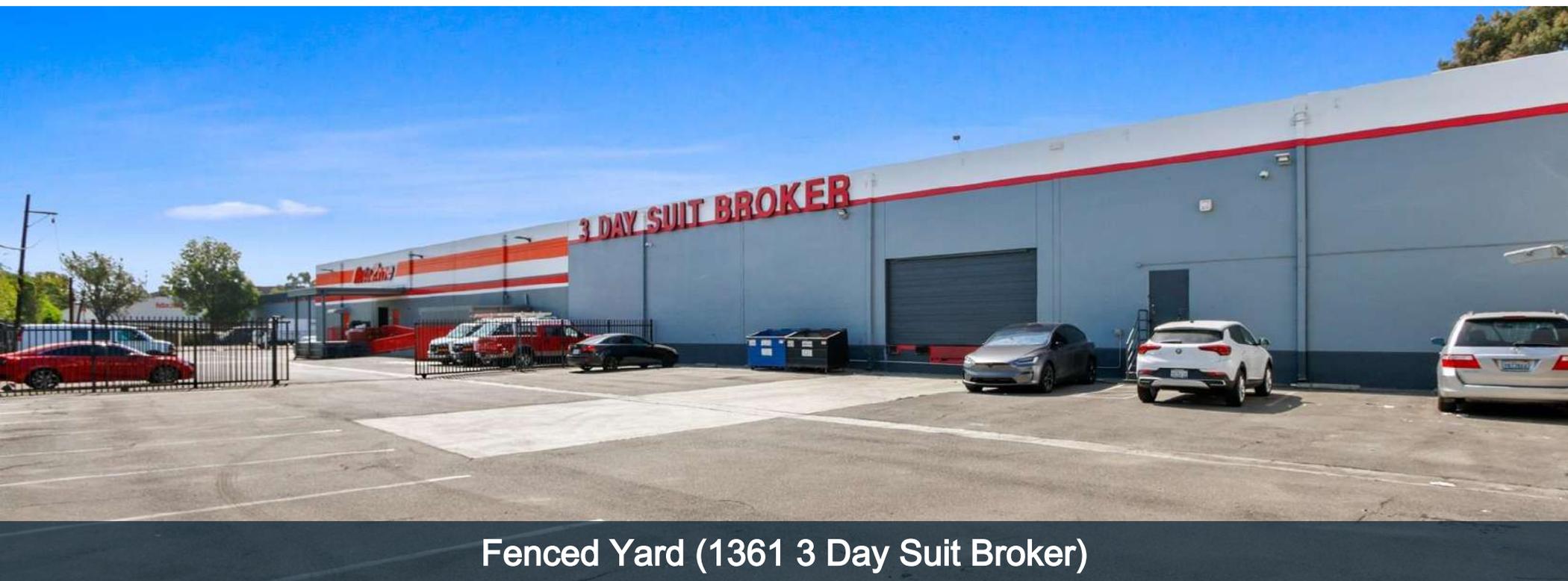




Fenced Yard (1355)



Fenced Yard (1361 Auto Zone)



Fenced Yard (1361 3 Day Suit Broker)



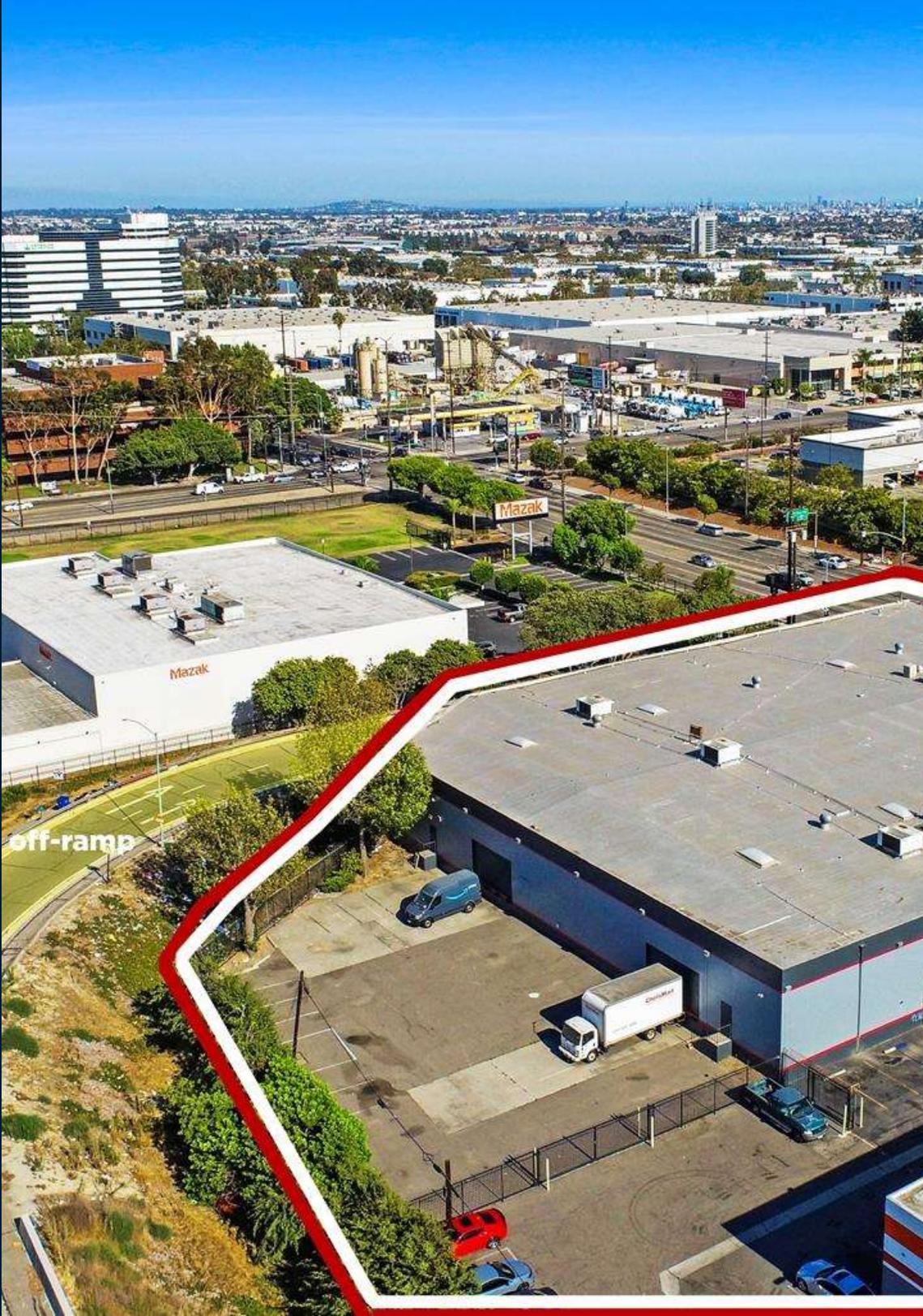
## AutoZone Showroom & Warehouse



3 Day Suit Broker



4 Wheel Parts (pre move-in)



03

Rent Roll

Rent Roll

Tenant Profile

# HARBOR GATEWAY PLAZA

**PROPERTY RENT ROLL**

Address /Suite	Tenant Name	Square Feet	Commencement Date	Expiration Date	Lease Type	Monthly Base Rent Per SF	Monthly Base Rent	Next Rent Increase Date	Increase Type	Next Rent Increase Amount	Security Deposit	Option(s) Remaining	Comments
1355	4 Wheel Parts	21,753	04/01/22	03/31/32	Gross	\$1.29	\$28,004.00	04/01/24	Annual 3%	\$28,004.00	\$0.00	(2) 5-Yr	1st Option - Annual 3% increase / 2nd Option 95% of FMV.
1355	Off Broadway West, LLC	20,570	03/01/22	02/28/26	Gross	\$1.26	\$26,000.00	03/01/24	Annual 3%	\$26,000.00	\$25,245.00	(1) 3-Yr	95% of FMV
1361	AutoZone	25,192	08/01/14	07/31/24	Gross	\$0.93	\$23,492.00	08/01/24	10% every 5 years	\$25,841.00	\$0.00	(2) 5-Yr	Tenant currently in first 5 year option period. Fixed 10% increase every five years.
1361	3 Day Suit Broker	25,125	07/01/00	05/31/25	Gross	\$0.84	\$21,218.00	06/01/23	Annual 3%	\$21,855.00	\$36,682.00	None	
<b>TOTALS</b>		<b>92,640</b>					<b>\$98,714.00</b>				<b>\$61,927.00</b>		

**NOTES**

**1. 4WP Lease and Off Broadway West Lease**

- Single Tenant AIR – Gross Lease Forms
- 4WP and Off Broadway are responsible for paying their pro-rata share of increase over base year property taxes/fire insurance, including an increase in property taxes due to a sale or transfer of the property

**2. AutoZone Lease**

- AutoZone specific tenant lease form
- AutoZone reimburses Landlord \$300/month for CAM during first 5 year option term, \$400/month during second 5 year option term and \$500/month for final and third 5 year option term
- AutoZone is NOT responsible for any increase in real property taxes due to a sale or transfer of the property

**3. 3 Day Suit Broker Lease**

- Single Tenant AIR – Net Lease Form
- 3 Day is responsible for paying their pro-rata share of base year property taxes/fire insurance
- 3 Day is responsible for paying their pro-rata share of increases over base year property taxes/fire insurance, EXCEPT for an increase in property taxes due to a sale or transfer of the property
- 3 Day Suit is NOT responsible for any increase in real property taxes due to a sale or transfer of the property





### Company

Trade Name	4 Wheel Parts
Headquartered	Los Angeles CA
# of Locations	94
Website	4wheelparts.com

### Description

4 Wheel Parts was established in 1961 and is the leading provider of Truck, Jeep and SUV aftermarket accessories to off-road and 4X4 vehicle owners. It is the largest distributor of Jeep and truck parts in the United States. 4WP has 94 retail locations across the U.S. including Southern California locations in Compton, Redondo Beach, Santa Ana, Van Nuys and West Covina. Please note that it is specified in the lease for 1355 W. 190th Street that 4WP is prohibited from engaging in any automotive repair and/or maintenance, including but not limited to oil changes.



### Company

Trade Name	AutoZone, Inc.
Headquartered	Memphis TN
# of Locations	6,400
Website	autozone.com

### Description

AutoZone, Inc. is the largest retailer of aftermarket automotive parts and accessories in the United States. Founded in 1979, AutoZone has approximately 100,000 employees and over 6,400 stores across the United States, Mexico, Puerto Rico, Brazil and the US Virgin Islands. In FY 2021, AutoZone generated approximately \$40.5BB in revenue yielding an EBITDA of approximately \$3.35BB. AutoZone is a publicly traded company on the NYSE (Ticker: AZO) with a market capitalization of \$41.6BB. The location at 1361 W. 190th Street serves as both a retail location as well as a regional distribution center.



### Company

Trade Name	3 Day Suit Broker
Headquartered	Simi Valley, CA
# of Locations	4
Website	3daysuitbroker.com

### Description

3 Day Suit Broker is a men's clothing retailer with 4 locations in Southern California including the location at 1361 W. 190th Street. 3 Day has been at this location for 22 years. 3 Day Suit Broker offers more designer styles, sizes, fabrics and patterns than any other men's store and because they buy in volume from the world's best manufacturers, they are able to sell at extremely low and competitive prices. They sell everything from suits to sport coats, to dress slacks and casual pants, to shirts, shoes and accessories.



### Company

Trade Name	Off Broadway West, LLC
Headquartered	Carson, CA
# of Locations	1
Website	off-broadwaywest.com

### Description

Off Broadway West, LLC is an arts based philanthropic organization which funds the purchase and construction of live theater sets for donation to local/regional theater groups.



04

Financial Analysis

Income & Expense Analysis

INCOME	CURRENT
Gross Rent	\$1,184,568
Property Tax Reimbursement Revenue*	\$129,581
Insurance Reimbursement Revenue	\$10,584
AutoZone CAM Revenue	\$3,600
<b>Effective Gross Income</b>	<b>\$1,328,333</b>
Less Expenses	\$356,126
<b>Net Operating Income</b>	<b>\$972,207</b>

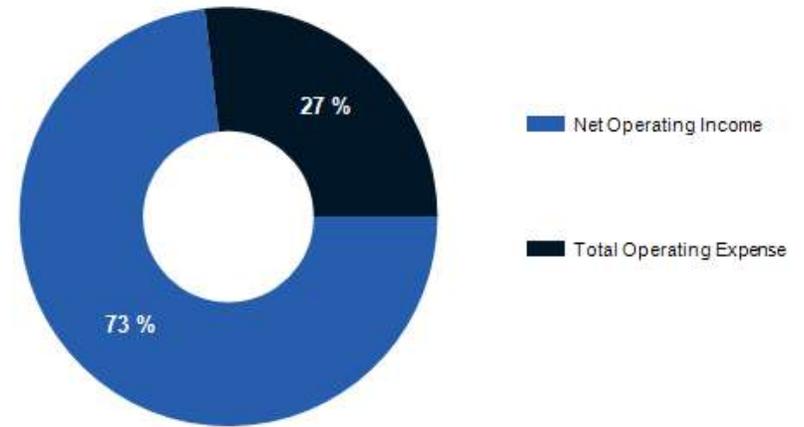
- Income Notes:**
- 1) Off Broadway and 4WP have NO Prop 13 Protection. (This equates to 45.69% of the increase in property taxes).
  - 2) AutoZone and 3 Day DO have Prop 13 Protection. This equates to 54.31% of the square footage of the property. New owner will be responsible for 54.31% of the increase in property taxes.
  - 3) Off Broadway Rent is as of 3/1/23 and 4WP Rent is as of 4/1/23.
  - 4) In year 3, with 3 Day Suit Broker (or replacement tenant) at \$1.65/sf Net, the cap rate will increase to 5.39% if Autozone extends their lease.
  - 5) In year 3, with 3 Day Suit Broker (or replacement tenant) at \$1.65/sf Net and if Autozone vacates and the replacement tenant signs at \$1.65/sf (under same basis as Autozone), cap rate increases to 6.15%.

**\*PROPERTY TAX REIMBURSEMENT**

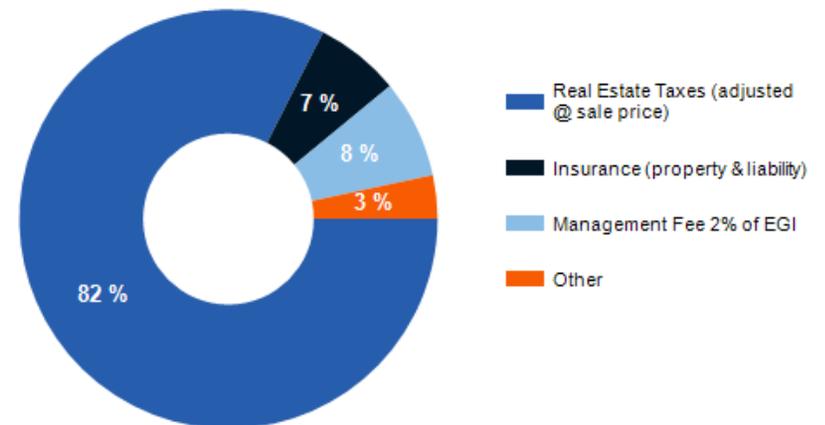
\$114,572 (4 Wheel Parts & Off Broadway West increase over base year due to sale)  
 \$15,009 (3 Day Suit Broker increase over base year)  
**\$129,581 TOTAL**

EXPENSES	CURRENT
Real Estate Taxes (adjusted @ sale price)	\$293,750
Insurance (property & liability)	\$23,388
Management Fee 2% of EGI	\$27,000
LA DWP	\$1,800
AT&T Alarm Line	\$4,284
Ins F/P - Quarterly Monitoring	\$840
Landscaping	\$5,064
<b>Total Operating Expense</b>	<b>\$356,126</b>
Expense / SF	\$3.84
% of EGI	26.81 %

REVENUE ALLOCATION  
CURRENT



DISTRIBUTION OF EXPENSES  
CURRENT





05

## Demographics

Demographics

Demographic Charts

POPULATION	1 MILE	3 MILE	5 MILE
2000 Population	9,216	194,109	602,581
2010 Population	9,512	199,340	620,765
2022 Population	10,306	208,082	640,870
2027 Population	10,136	204,304	626,963
2022 African American	790	27,451	103,326
2022 American Indian	100	2,243	8,318
2022 Asian	4,335	66,043	135,924
2022 Hispanic	3,476	75,360	259,172
2022 Other Race	1,876	44,723	158,008
2022 White	1,636	38,635	143,965
2022 Multiracial	1,509	27,066	86,425
2022-2027: Population: Growth Rate	-1.65 %	-1.85 %	-2.20 %

2022 HOUSEHOLD INCOME	1 MILE	3 MILE	5 MILE
less than \$15,000	266	4,836	14,119
\$15,000-\$24,999	175	3,993	12,013
\$25,000-\$34,999	206	3,920	12,378
\$35,000-\$49,999	326	6,506	19,961
\$50,000-\$74,999	519	11,091	34,162
\$75,000-\$99,999	430	9,512	28,665
\$100,000-\$149,999	615	14,157	42,125
\$150,000-\$199,999	552	8,174	23,474
\$200,000 or greater	575	8,027	26,803
Median HH Income	\$93,642	\$85,776	\$85,669
Average HH Income	\$128,687	\$114,004	\$117,889

HOUSEHOLDS	1 MILE	3 MILE	5 MILE
2000 Total Housing	3,357	67,224	207,894
2010 Total Households	3,361	66,408	204,828
2022 Total Households	3,665	70,218	213,702
2027 Total Households	3,624	69,091	209,657
2022 Average Household Size	2.80	2.88	2.95
2000 Owner Occupied Housing	2,218	36,138	106,743
2000 Renter Occupied Housing	1,032	29,122	94,479
2022 Owner Occupied Housing	2,565	38,505	113,637
2022 Renter Occupied Housing	1,100	31,712	100,065
2022 Vacant Housing	174	2,747	7,890
2022 Total Housing	3,839	72,965	221,592
2027 Owner Occupied Housing	2,550	38,165	112,123
2027 Renter Occupied Housing	1,074	30,926	97,534
2027 Vacant Housing	241	4,078	12,244
2027 Total Housing	3,865	73,169	221,901
2022-2027: Households: Growth Rate	-1.10 %	-1.60 %	-1.90 %



Source: esri

2022 POPULATION BY AGE	1 MILE	3 MILE	5 MILE
2022 Population Age 30-34	661	14,843	46,124
2022 Population Age 35-39	672	14,234	43,542
2022 Population Age 40-44	577	13,370	41,213
2022 Population Age 45-49	610	13,393	40,619
2022 Population Age 50-54	639	13,558	41,100
2022 Population Age 55-59	711	13,529	40,858
2022 Population Age 60-64	768	13,101	38,219
2022 Population Age 65-69	652	11,063	31,405
2022 Population Age 70-74	529	8,961	24,955
2022 Population Age 75-79	504	6,563	18,254
2022 Population Age 80-84	342	4,605	12,174
2022 Population Age 85+	398	4,917	12,382
2022 Population Age 18+	8,432	165,521	498,314
2022 Median Age	45	40	38

2022 INCOME BY AGE	1 MILE	3 MILE	5 MILE
Median Household Income 25-34	\$96,729	\$85,348	\$82,614
Average Household Income 25-34	\$132,511	\$109,679	\$107,465
Median Household Income 35-44	\$127,644	\$101,069	\$97,438
Average Household Income 35-44	\$160,475	\$128,798	\$130,013
Median Household Income 45-54	\$132,068	\$104,985	\$105,512
Average Household Income 45-54	\$159,048	\$133,050	\$140,891
Median Household Income 55-64	\$113,104	\$98,442	\$100,112
Average Household Income 55-64	\$144,160	\$124,124	\$131,979
Median Household Income 65-74	\$81,587	\$75,216	\$75,579
Average Household Income 65-74	\$111,507	\$101,937	\$103,684
Average Household Income 75+	\$87,712	\$75,471	\$76,953

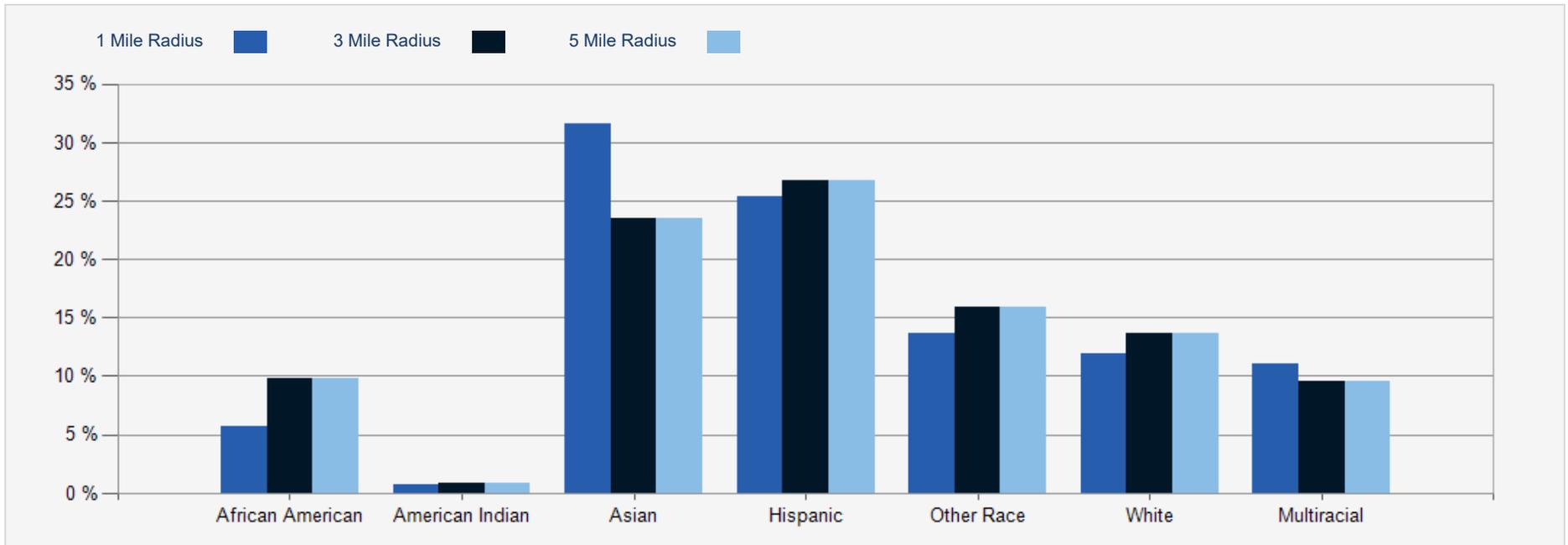
2027 POPULATION BY AGE	1 MILE	3 MILE	5 MILE
2027 Population Age 30-34	655	14,882	47,172
2027 Population Age 35-39	672	14,783	45,298
2027 Population Age 40-44	626	13,849	42,020
2027 Population Age 45-49	566	12,991	39,625
2027 Population Age 50-54	601	12,773	38,219
2027 Population Age 55-59	633	12,815	38,324
2027 Population Age 60-64	695	12,244	36,227
2027 Population Age 65-69	699	11,676	33,408
2027 Population Age 70-74	615	9,739	27,111
2027 Population Age 75-79	530	7,453	20,549
2027 Population Age 80-84	384	5,224	14,168
2027 Population Age 85+	395	5,264	13,453
2027 Population Age 18+	8,313	164,305	493,464
2027 Median Age	45	41	39

2027 INCOME BY AGE	1 MILE	3 MILE	5 MILE
Median Household Income 25-34	\$113,477	\$100,944	\$98,893
Average Household Income 25-34	\$157,222	\$131,446	\$130,426
Median Household Income 35-44	\$156,271	\$119,111	\$114,137
Average Household Income 35-44	\$192,538	\$156,991	\$155,814
Median Household Income 45-54	\$153,308	\$120,098	\$120,644
Average Household Income 45-54	\$185,014	\$158,338	\$165,065
Median Household Income 55-64	\$139,723	\$113,880	\$114,947
Average Household Income 55-64	\$175,374	\$150,520	\$157,556
Median Household Income 65-74	\$102,123	\$92,652	\$94,316
Average Household Income 65-74	\$137,133	\$128,957	\$131,701
Average Household Income 75+	\$119,494	\$101,696	\$104,256

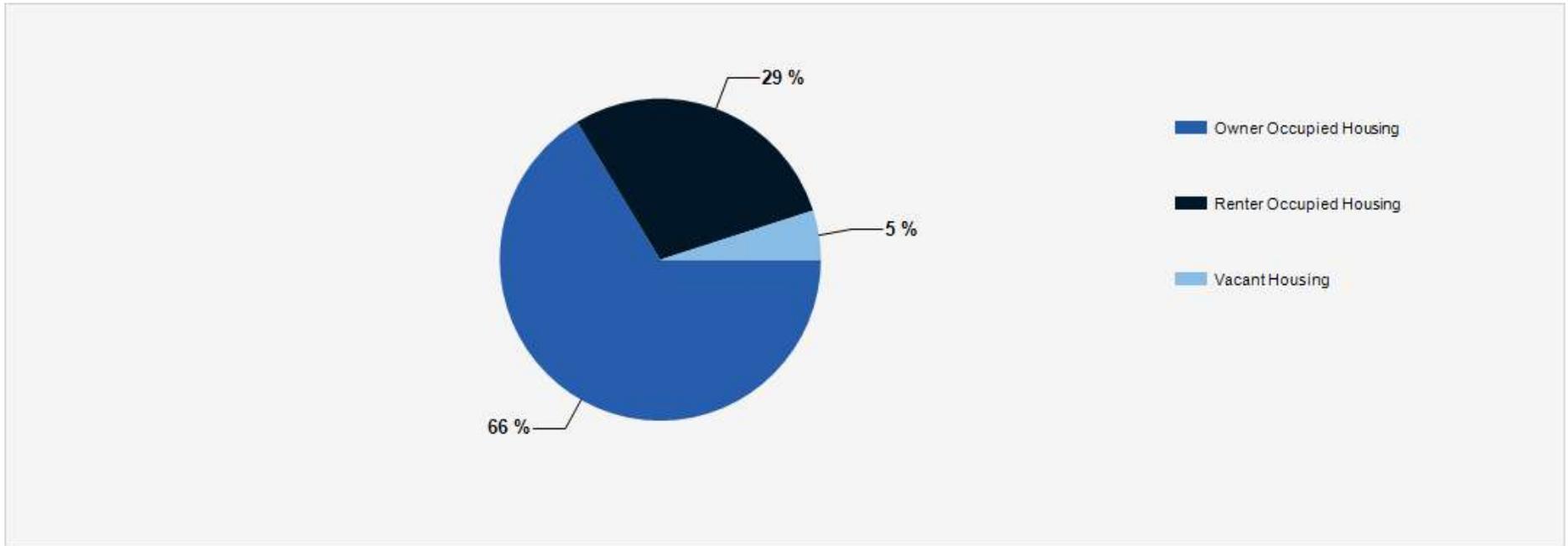
## 2022 Household Income



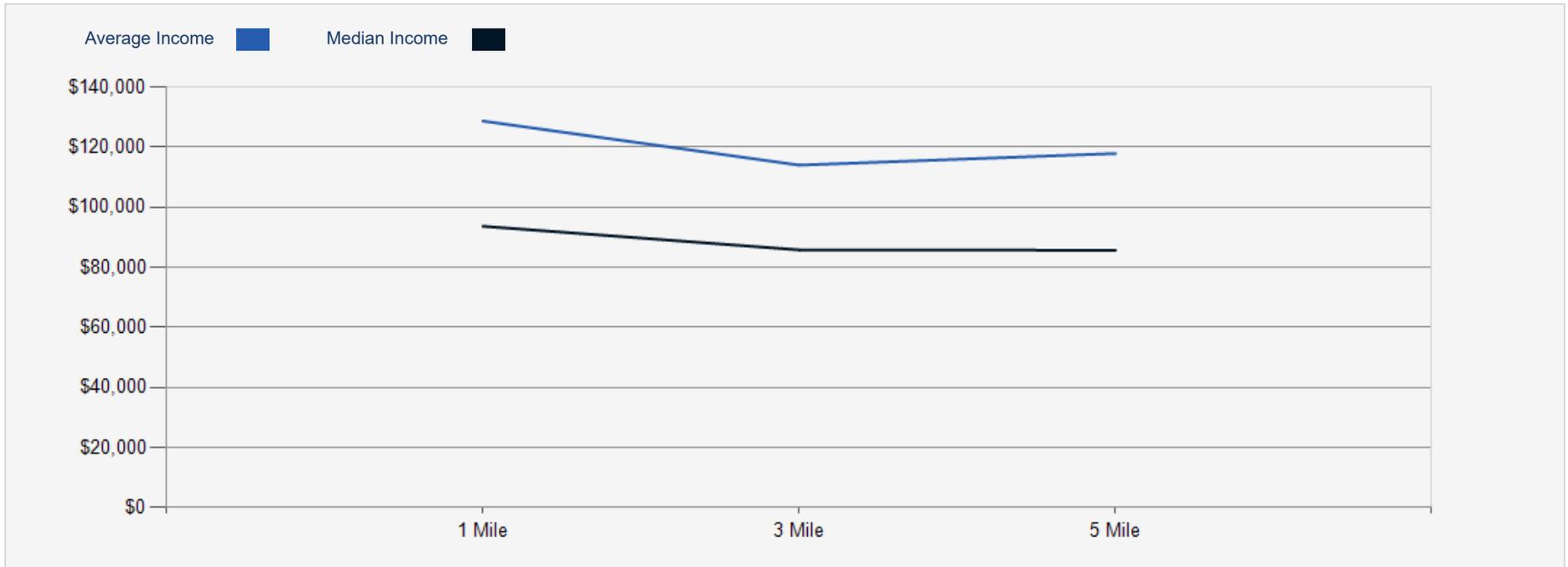
## 2022 Population by Race



## 2022 Household Occupancy - 1 Mile Radius



## 2022 Household Income Average and Median



# Harbor Gateway Plaza

## CONFIDENTIALITY and DISCLAIMER

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from THE ALTEMUS COMPANY and it should not be made available to any other person or entity without the written consent of THE ALTEMUS COMPANY.

By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property, please promptly return this offering memorandum to THE ALTEMUS COMPANY. This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property.

The information contained herein is not a substitute for a thorough due diligence investigation. THE ALTEMUS COMPANY has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property.

The information contained in this offering memorandum has been obtained from sources we believe reliable; however, THE ALTEMUS COMPANY has not verified, and will not verify, any of the information contained herein, nor has THE ALTEMUS COMPANY conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

*Exclusively Marketed by:*

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