325 SOQUEL AVENUE

Santa Cruz, California

OFFERING MEMORANDUM

LONG-TERM NET-LEASED INVESTMENT

Headquarters Facility for Community Television of Santa Cruz County

- ±9,046 SF Building
- ±27,442 SF Site
- Lease Through April 2035
- Annual Rent Increases
- Extensive Expense Reimbursements
- Downtown Santa Cruz Adjacent

CUSHMAN & WAKEFIELD

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Executive Summary

325 Soquel Avenue presents a unique opportunity to acquire a long-term leased investment property located immediately adjacent to Downtown Santa Cruz and blocks from the Santa Cruz County Government Center.

The Property is fully leased to Community Television of Santa Cruz County (“CTV”), a long-established nonprofit organization providing community media, government-access broadcasting, digital media education, coworking services, production facilities, event programming, and public-access television throughout Santa Cruz County. The Property serves as the operational headquarters for these activities and has been occupied by CTV for approximately a decade.

Unlike traditional office investments, the Property benefits from exceptionally high occupancy stickiness resulting from extensive tenant improvements, studio infrastructure, coworking operations, government broadcasting functions, and deep operational integration within the facility.

Pro Forma

Asking Price:	$2,750,000
Building Size (SF):	9,046
Price per SF:	$304
Land Area (SF):	27,442
Price per SF Land:	$100
12-Month Forward NOI*:	$170,623
Cap Rate:	6.20%

**Projected NOI September 2026 - August 2027*

Key Considerations

- Long-term contractual income through April 2035.
- Contractual annual rent growth.
- Extensive reimbursement of operating expenses.
- Significant recent capital improvements.
- A highly adaptable building configuration.
- A strategic urban-infill location within one of California’s most supply-constrainedcoastal markets.

Investment Highlights

Long-Term Lease

Lease expiration April 30, 2035 with two additional five-year extension options.

Market-Supported Rental Rate

Current contractual base rent is generally consistent with prevailing Santa Cruz office market rents for comparable full-building occupancy while providing annual contractual growth.

Mission-Critical Occupancy

Community Television utilizes the facility for community broadcasting, government programming, media production, coworking, education, events, and operational headquarters functions.

Extensive Expense Reimbursements

Tenant reimburses property taxes, insurance, utilities, maintenance, security, management costs, and specified capital expenditures.

Strategic Downtown Location

Adjacent to Downtown Santa Cruz and within walking distance of the County Government Center.

Future Optionality

Large ±27,442 SF site in an area experiencing substantial residential and mixed-use development activity.

Property Overview

PROPERTY INFORMATION

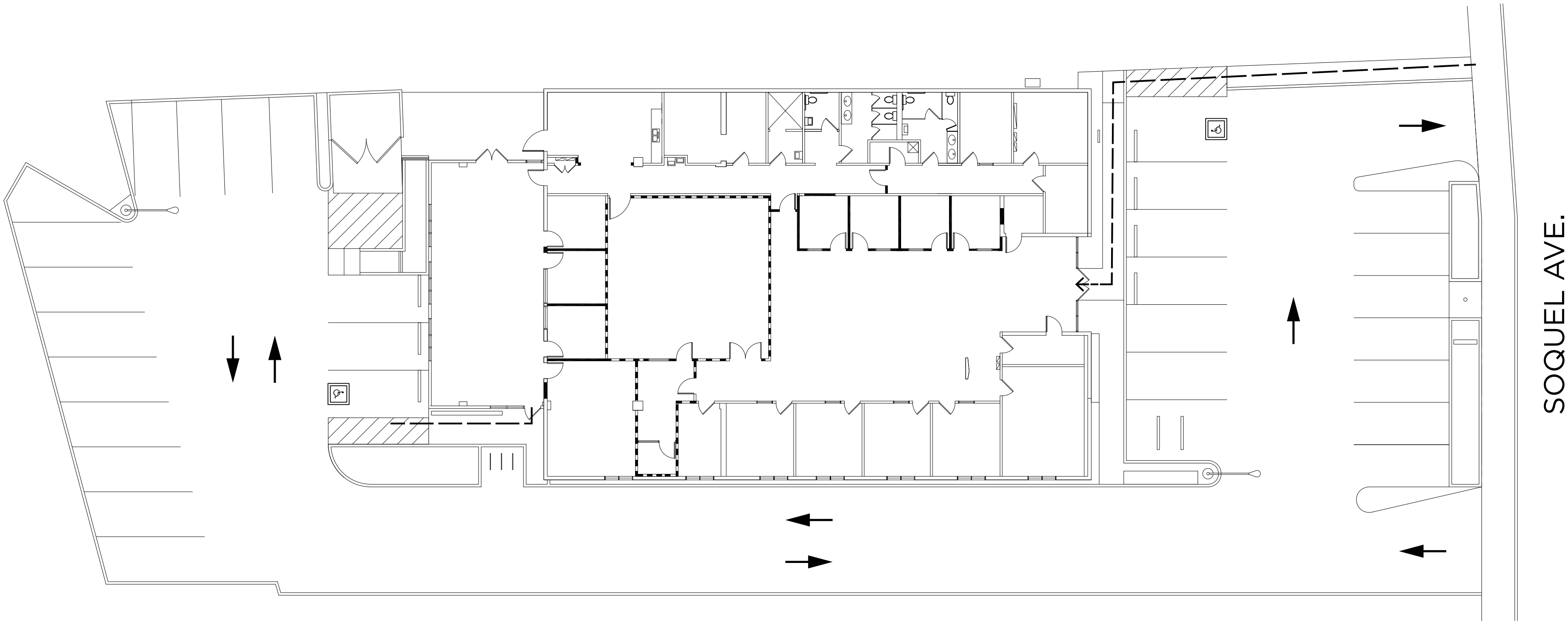
ITEMS	DETAILS
Address	325 Soquel Avenue
Building Area	±9,046 SF
Site Area	±27,442 SF
Parking	29 Spaces
Occupancy	100%
Tenant	Community Television
Lease Expiration	April 2035

BUILDING FEATURES

- Large bullpen workspace
- Flexible office layout
- Private offices
- Conference rooms
- Shared collaboration areas
- Commercial kitchen/break area
- Showers and lockers
- Production studio
- Dedicated control room infrastructure
- Event and gathering spaces

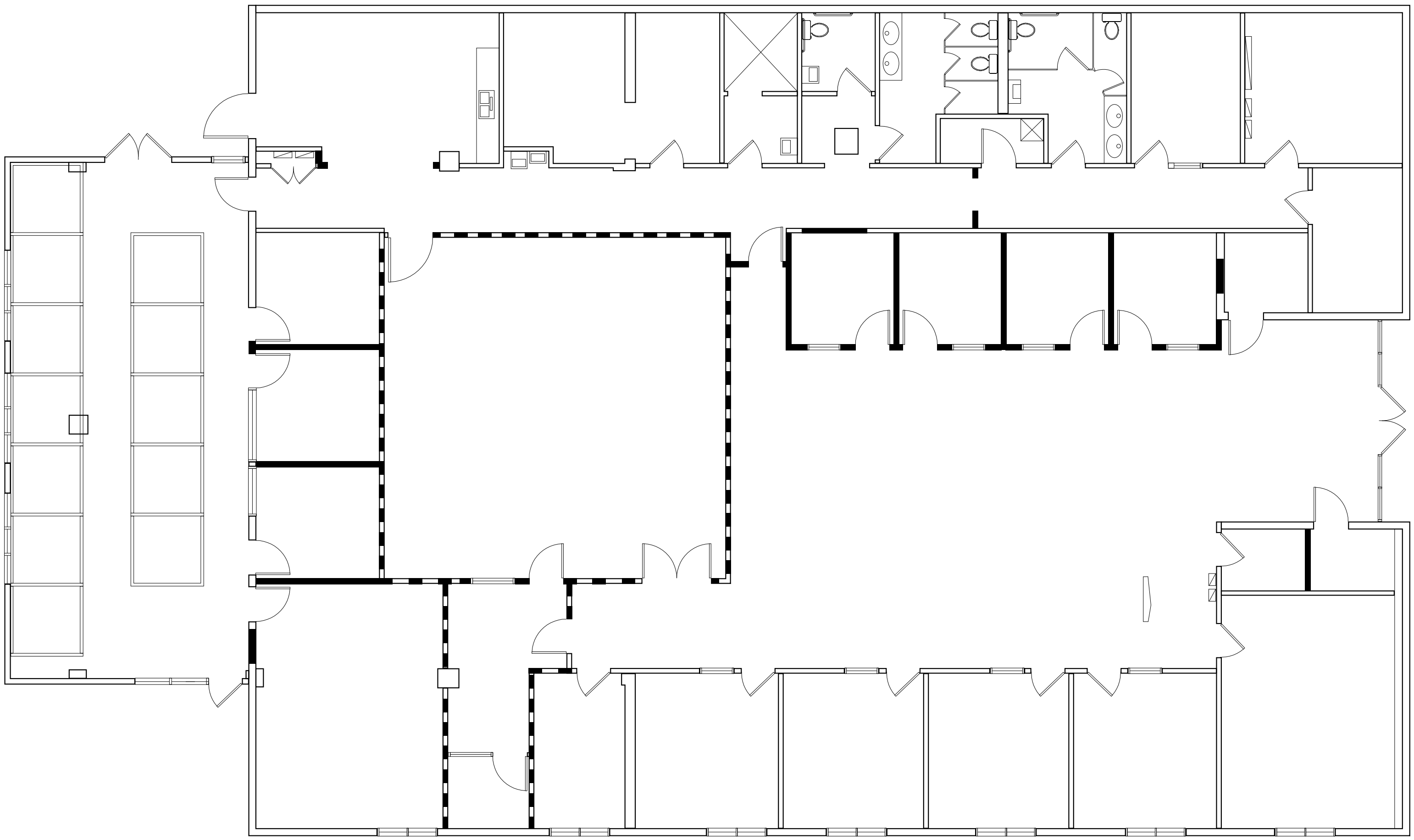
Property Overview

SITE PLAN

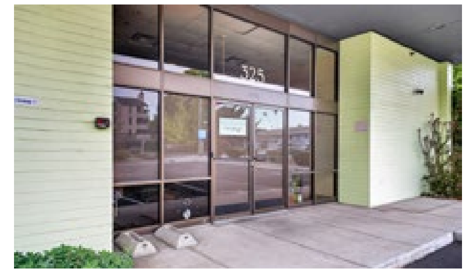


Property Overview

FLOOR PLAN



Property Photography



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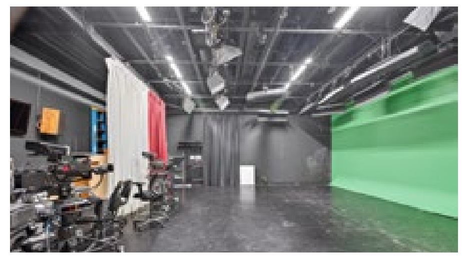
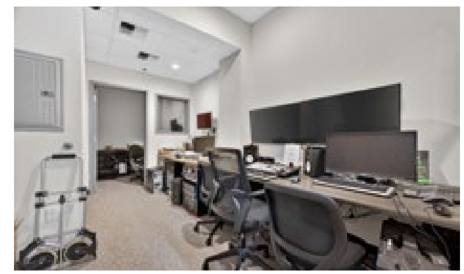
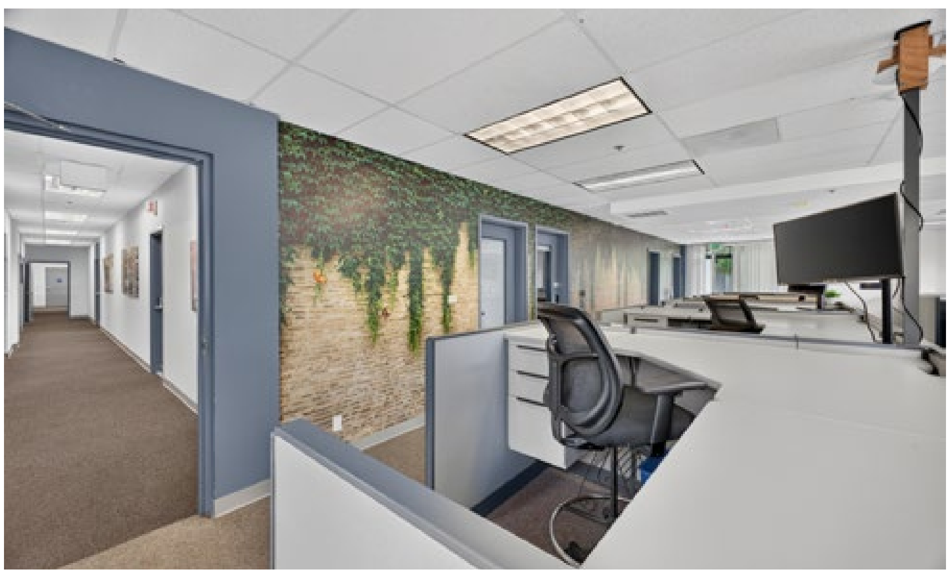
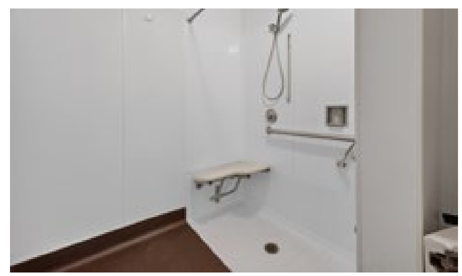








Capital Improvements & Building Systems

Ownership has consistently reinvested into the Property and recently completed significant capital improvements.

Recent Improvements

- **Replacement of all eight HVAC units**
- **Roof replacement and ongoing maintenance**
- **Interior office and conference room improvements**
- **Existing backup power generation system**
- **ADA upgrades and accessibility improvements**
- **Building infrastructure improvements supporting media and broadcasting functions**

Infrastructure Highlights

- **Studio electrical systems**
- **Broadcast infrastructure**
- **Control room facilities**
- **Security systems**
- **Generator-supported continuity**

Tenant Overview

COMMUNITY TELEVISION OF SANTA CRUZ COUNTY

Community Television of Santa Cruz County ("CTV") is a 501(c)(3) nonprofit organization dedicated to fostering dialogue, civic engagement, education, and self-expression through television, digital media, and community programming.

CTV OPERATES:

- Public-access television
- Community media services
- Government broadcasting
- Digital media education
- Production services
- Coworking operations
- Public events and programming

The organization has occupied the Property for approximately a decade and recently committed to a new 10-year direct lease.

Community Infrastructure & Occupancy Stickiness

CTV's operations are deeply integrated into the Property.

The facility serves as:

- Community television headquarters
- Government-access broadcasting platform
- Public-access broadcasting platform
- Production and studio facility
- Coworking and workspace facility
- Educational platform
- Event venue
- Community resource center

Relocation would require:

- Replacement studio infrastructure
- Replacement coworking operations
- New conference facilities
- Significant technology investments
- Ongoing operational disruption

This creates substantially greater occupancy commitment than typical office tenants.

Lease Overview

LEASE SUMMARY

ITEMS	DETAIL
Lease Commencement	May 1, 2025
Lease Expiration	April 30, 2035
Remaining Lease Term	Approx. 8.5 Years
Renewal Options	Two (2) Five-Year Options
Tenant	Community Television of Santa Cruz County
Occupancy	Entire Building
Current Contract Rent	$1.56/SF/Mo. NNN
Forward NOI*	$170,623

*Forward NOI based on projected rent September 2026-August 2027

KEY LEASE FEATURES

- Entire property leased
- Long-term occupancy
- Annual rent increases
- Tenant reimbursement of operating expenses
- Capital reimbursement provisions
- Strong occupancy history

Rent Escalation Schedule

CONTRACTUAL BASE RENT SCHEDULE

TERM	ANNUAL BASE RENT
2025-26	$169,213
2026-27	$173,444
2027-28	$177,780
2028-29	$182,224
2029-30	$186,780
2030-31	$191,449
2031-32	$196,236
2032-33	$201,142
2033-34	$206,170
2034-35	$211,324

Expense Reimbursement Structure

Unlike a conventional office lease, the Tenant reimburses substantially all operating costs associated with ownership and operation of the Property.

Reimbursable Items Include

- Property taxes
- Property insurance
- Flood insurance
- Utilities
- Janitorial
- Landscaping
- Security
- Building maintenance
- Parking lot maintenance
- Roof maintenance
- HVAC maintenance
- Management fees
- Reserves
- Capital expenditures subject to amortization provisions

HVAC Reimbursement

The lease specifically provides for reimbursement of HVAC replacement expenditures through agreed amortization provisions.

This structure provides an added layer of protection against future operating-cost inflation.

Pricing & Investment Summary

PRICING SUMMARY

ITEMS	DETAIL
Asking Price	$2,750,000
Building Size (SF)	9,046
Price per SF	$304
Current Rent	$1.56/SF/Mo. NNN
12-Month Forward NOI*	$170,623 ($1.57/SF/Mo.)
Cap Rate	6.20% (based on 12-Month Forward NOI)
Lease Expiration	April 30, 2035
Remaining Lease Term	±8.5 Years

*Projected September 2026-August 2027

INVESTMENT HIGHLIGHTS

Long-Term Income Stability

- Lease expiration April 2035
- Two additional five-year extension options
- Annual contractual rent growth

Occupancy Stickiness

- Tenant has occupied the property for approximately a decade
- Studio, broadcasting, coworking, and event infrastructure integrated into the facility
- Significant relocation costs and operational disruption associated with moving

Downside Protection

- Extensive expense reimbursements
- HVAC replacement reimbursement provisions
- Strategic ±27,442 SF site adjacent to Downtown Santa Cruz

Office Leasing Market

Recent Santa Cruz office lease transactions exhibit rental rates generally ranging from approximately:

$1.31/SF to $2.00/SF

PROPERTY	LEASE DATE	BUILDING TYPE	SIZE (SF)	LEASE RATE
1538 Pacific Avenue, Santa Cruz	May 2026	Multi-tenant Office	5,337	$1.38/SF NNN
133 Mission Street, Santa Cruz	Mar. 2026	Multi-tenant Office	3,489	$1.31/SF NNN
415 River Street, Santa Cruz	Oct. 2025	Multi-tenant Office	4,888	$2.05/SF (Renewal)
550 Water Street, Santa Cruz	Jul. 2025	Multi-tenant Office	2,480	$2.00/SF Mod. Gross
2103 N. Pacific Avenue, Santa Cruz	Apr. 2025	Single-tenant Office	7,461	$1.40/SF Mod. Gross
1101 Pacific Avenue, Santa Cruz	Mar. 2025	Multi-tenant Office	3,323	$1.35/SF NNN
3050 Paul Sweet Road, Santa Cruz	Jan. 2025	Single-tenant Office	4,052	$1.65/SF Mod. Gross
1200 Pacific Avenue, Santa Cruz	Dec. 2024	Multi-tenant Office	2,437	$1.60/SF NNN

*Forward NOI based on projected rent September 2026-August 2027

Office Sales Market

Selected sales demonstrate continued investor demand for well-located Santa Cruz office assets.

PROPERTY	SALE DATE	SIZE (SF)	PRICE	PRICE/SF	CAP RATE
30 Garden Court, Monterey	Aug. 2026	17,756	$7,000,000	$394	-
13350 W. Park Avenue, Boulder Creek	Apr. 2026	4,465	$1,140,000	$255	5.97%
1661 Soquel Drive, Santa Cruz	Sep. 2025	5,729	$3,995,000	$697	5.30%
5521 Scotts Valley Drive, Scotts Valley	Sep. 2025	5,172	$1,650,000	$319	-
3050 Paul Sweet Road, Santa Cruz	Aug. 2025	4,052	$1,300,000	$321	5.29%
550 Water Street, Santa Cruz	Aug. 2025	5,259	$2,075,000	$395	6.35%
3013-3035 Porter Street, Soquel	Aug. 2025	5,250	$2,830,000	$539	3.30%
926 Mission Street, Santa Cruz	Jul. 2025	3,802	$1,750,000	$460	-
201-203 Calle del Oaks, Del Rey Oaks	Feb. 2025	11,853	$2,800,000	$236	6.00%
5435 Scotts Valley Drive, Scotts Valley	Dec. 2024	5,400	$1,300,000	$241	7.00%
550 Water Street, Building I, Santa Cruz	Oct. 2024	5,494	$2,192,000	$399	6.25%
3601 Caldwell Drive, Soquel	Under Contract	7,541	$3,450,000	$455	-
2880 Soquel Avenue, Santa Cruz	Under Contract	18,000	$4,850,000	$269	-
Minimum:		3,802		$236	3.30%
Average:		7,675		$383	5.68%
Maximum:		18,000		$697	7.00%
Subject:		**9,046**	**$2,750,000**	**$304**	6.20%

Location Advantage

DOWNTOWN SANTA CRUZ AMENITIES

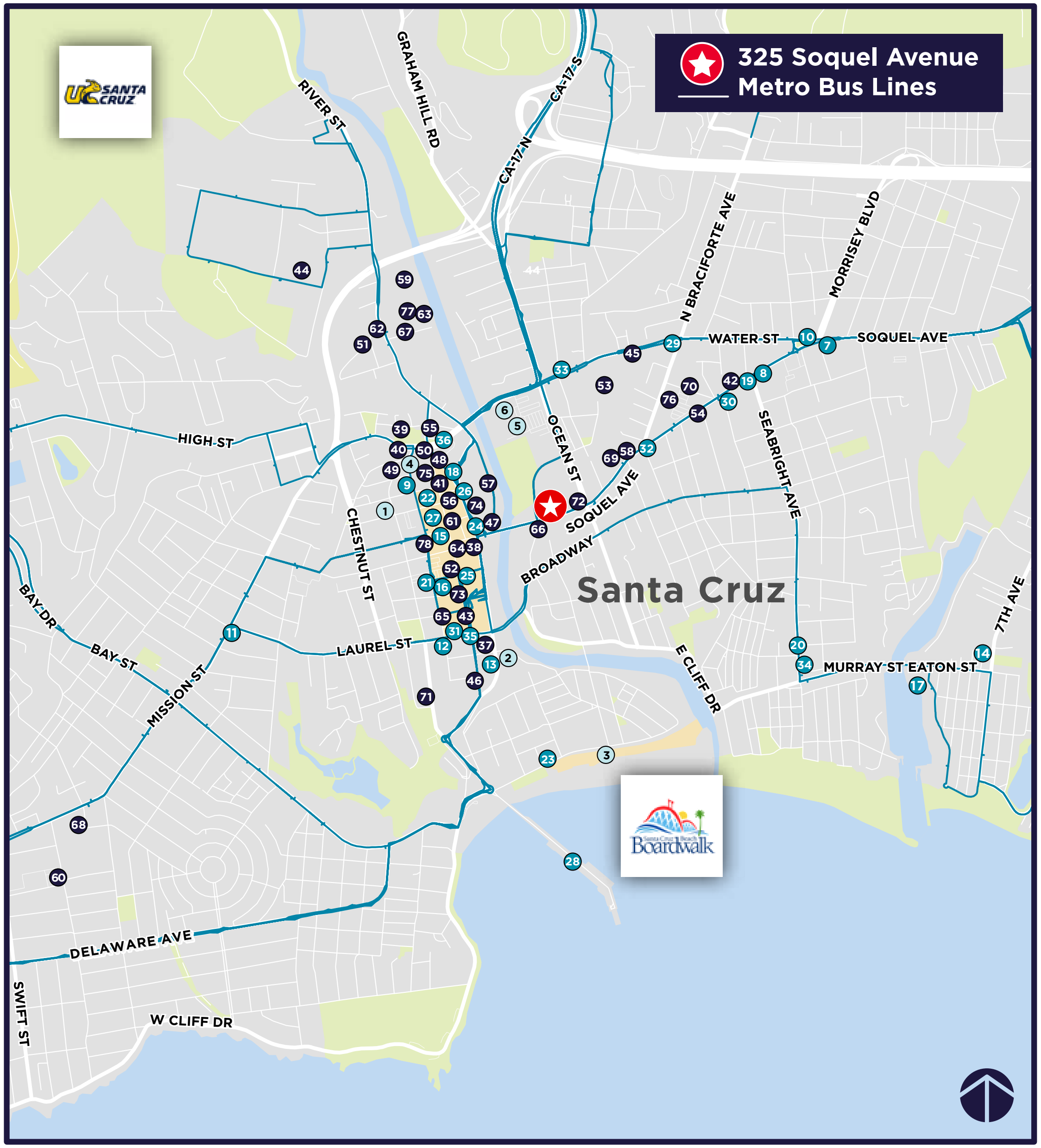
CIVIC
1. City Hall
2. Kaiser Permanente Arena
3. Santa Cruz Boardwalk
4. Santa Cruz Cinema
5. Santa Cruz Governmental Center
6. Superior Court of Santa Cruz

RESTAURANTS
7. Achilles by the Sea
8. Akira
9. Bad Animal
10. 1Bookie's Pizza
11. Copal
12. Far West Fungi
13. Firefly Coee House
14. Harbor Cafe
15. Hook & Line
16. Hula's Island Grill - Santa Cruz
17. Johnny's Harborside
18. Laili Restaurant
19. Lillian's Italian Kitchen
20. Linda's Seabreeze Cafe
21. Lupulo Craft Beer House
22. Mozaic
23. Namaste Grill & Bar
24. Oswald
25. Oyuki Sushi
26. Pana Venezuelan Food
27. Pretty Good Advice - Santa Cruz
28. Riva Fish House
29. Sampa Brazilian Kitchen
30. Sugo Italian Pasta Bar
31. The Alley Oop
32. The Buttery
33. The Water Street Grill
34. Tramonti
35. Zachary's Restaurant
36. Zoccoli's Delicatessen

SHOPPING
37. Ace Hardware
38. Anthropologie
39. Atlantis Fantasyworld
40. Bad Animal
41. Bunny's Shoes
42. Childish Toy Shop
43. Cognito Clothing
44. Costco
45. Covewater Paddle Surf
46. Current eBikes
47. CVS
48. FreeStyle Clothing Exchange
49. Game Santa Cruz
50. Indigo Vintage
51. Leatherwise
52. Mattress Nation - Santa Cruz
53. Midtown Optometry
54. Midtown Tattoo & Piercing
55. Miss Jessie May's Antiques
56. Moon Kissed
57. Mythic Games
58. Natural Selection Furniture
59. New Leaf Market
60. New Leaf Market
61. Pacific Garden Mall
62. Patagonia
63. PetSmart
64. PipeLine
65. Redwood Records
66. Riverside Lighting & Electric
67. ROSS
68. Safeway
69. Santa Cruz Coin Exchange
70. Santa Cruz Electronics
71. Skateworks
72. Terra and Self
73. The Starving Musician
74. Trader Joes
75. Urban Outfitters
76. Whole Foods
77. World Market
78. Yarn Shop Santa Cruz

Strategic Access

- Highway 1 access
- Regional transportation routes
- Downtown pedestrian network



Santa Cruz Market Overview

Santa Cruz remains one of California's most constrained real estate markets due to:

- Geographic limitations
- Coastal development constraints
- Limited land supply
- Strong quality-of-life drivers
- Consistently high housing demand

The market continues to attract:

- Technology workers
- University-related employment
- Government employment
- Tourism-related industries
- Entrepreneurial businesses

Santa Cruz Market Overview

Demographics - 1 Mile

KEY FACTS

26,396
Population

2.2
Household Size Average

37.2
Median Age

$96,875
Median Household Income

ANNUAL LIFESTYLE SPENDING

$4,237
Travel

$178
Theatre/Operas/ Concerts

$101
Movies/Museums/ Parks

$121
Sports Events

$15
Online Games

ANNUAL HOUSEHOLD SPENDING

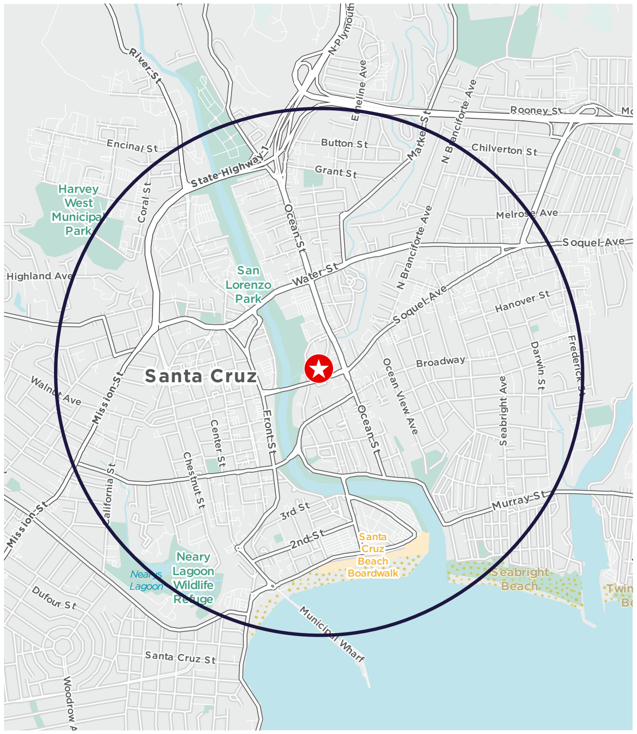
$3,110
Apparel & Services

$283
Computers & Hardware

$5,414
Eating Out

$9,145
Groceries

$8,237
Health Care



EDUCATION

4%
No High School Diploma

13%
High School Graduate

27%
Some College

56%
Bachelor's/Grad/Prof Degree

EMPLOYMENT

White Collar	79%
Blue Collar	10%
Services	12%

4.2%
Unemployment Rate

HOUSING STATS

$1,285,674
Median Home Value

$13,446
Average Spent on Mortgage & Basics

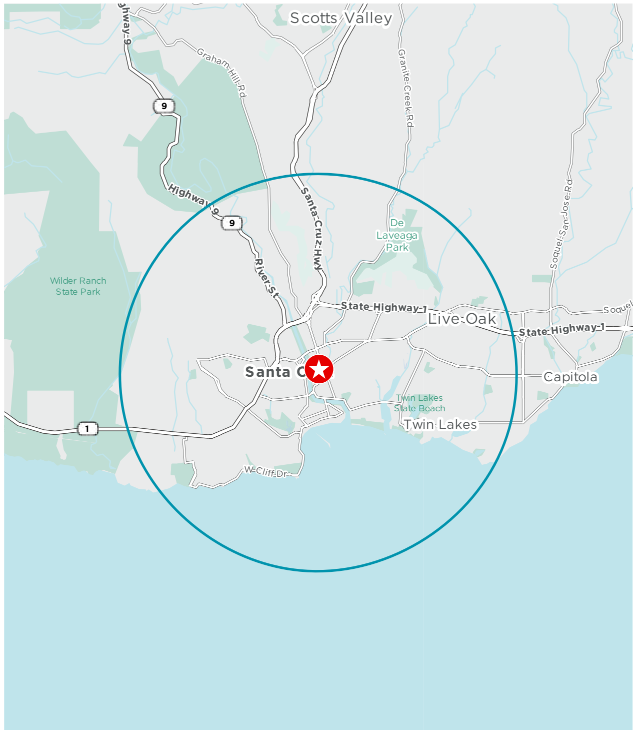
$2,091
Median Contract Rent

Santa Cruz Market Overview

Demographics - 3 Miles

KEY FACTS

89,964	2.3	38.0	$110,965
Population	Household Size Average	Median Age	Median Household Income



ANNUAL LIFESTYLE SPENDING

$5,113
Travel

$199
Theatre/Operas/Concerts

$118
Movies/Museums/Parks

$147
Sports Events

$16
Online Games

ANNUAL HOUSEHOLD SPENDING

$3,431
Apparel & Services

$316
Computers & Hardware

$6,095
Eating Out

$10,216
Groceries

$9,649
Health Care

EDUCATION

6%
No High School Diploma

12%
High School Graduate

26%
Some College

57%
Bachelor's/Grad/Prof Degree

EMPLOYMENT

White Collar	75%
Blue Collar	11%
Services	14%

4.5%
Unemployment Rate

HOUSING STATS

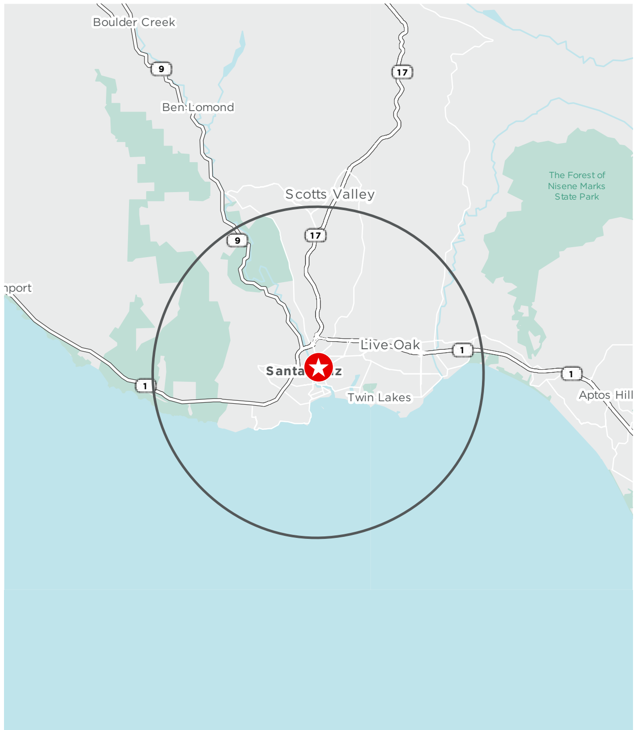
$1,290,203	$17,897	$2,217
Median Home Value	Average Spent on Mortgage & Basics	Median Contract Rent

Santa Cruz Market Overview

Demographics - 5 Miles

KEY FACTS

119,357	2.3	40.0	$112,489
Population	Household Size Average	Median Age	Median Household Income



ANNUAL LIFESTYLE SPENDING

- $5,185 Travel
- $199 Theatre/Operas/Concerts
- $118 Movies/Museums/Parks
- $150 Sports Events
- $15 Online Games

ANNUAL HOUSEHOLD SPENDING

- $3,426 Apparel & Services
- $316 Computers & Hardware
- $6,082 Eating Out
- $10,265 Groceries
- $9,875 Health Care

EDUCATION

- 5% No High School Diploma
- 12% High School Graduate
- 26% Some College
- 56% Bachelor's/Grad/Prof Degree

EMPLOYMENT

- White Collar 75%
- Blue Collar 11%
- Services 14%
- 4.3% Unemployment Rate

HOUSING STATS

- $1,263,401 Median Home Value
- $18,440 Average Spent on Mortgage & Basics
- $2,219 Median Contract Rent

Housing Elements & Downtown Growth

The City of Santa Cruz has prioritized housing production through:

- Housing Element implementation
- Downtown Expansion Plan
- Multifamily housing initiatives
- Affordable housing incentives
- Transit-oriented development policies

The City currently has thousands of housing units approved, proposed, or in process.

Why This Investment Is Different

Long-Term Contractual Income

Lease through 2035 with annual rent growth.

High Occupancy Stickiness

Mission-critical tenant operations integrated into the Property.

Downtown Santa Cruz Location

Walkable urban location adjacent to government and commercial amenities.

Strong Residual Utility

Flexible building design supporting multiple future uses.

Strategic Urban Infill Position

Large site located within an active development environment.

Offering Summary

OFFERING HIGHLIGHTS

±9,046 SF Building

±27,442 SF Site

Long-Term Lease

Annual Rent Growth

Extensive Expense Reimbursements

Downtown Santa Cruz Location

Community Infrastructure Tenant

Future Development Optionality

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