

OFFERING MEMORANDUM

**484 E SAN FERNANDO ST.,
SAN JOSE, CA 95112**



EXECUTIVE SUMMARY

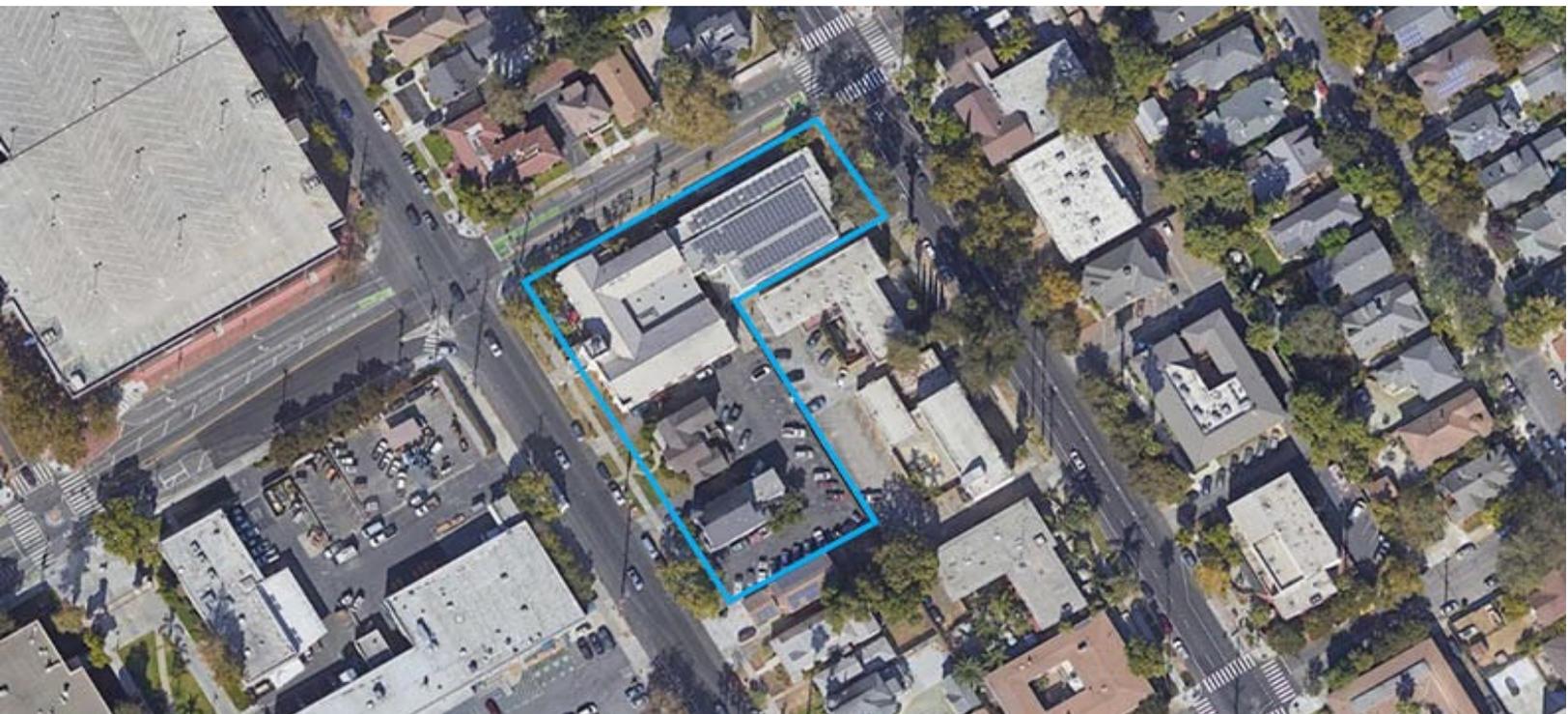
BACKGROUND AND CONTEXT

Grace Baptist Church (the “Church”) has played an integral part of the San Jose community for decades. In addition to serving as a religious ministry, the Church has offered commercial space to community partners to provide essential services, including a shelter for the homeless and housing for vulnerable populations.

In an effort to utilize their property to its fullest potential and provide ongoing revenue to the Church, the property is currently being marketed for sale or long-term ground lease.

The site consists of four adjacent parcels, totaling approximately 1.29 acres in size and encompassing two corner lots. Immediately adjacent to San Jose State University, the property is in the walkable East Campus neighborhood of San Jose, home to tens of thousands in the San Jose State University campus community. The site offers a unique opportunity for a high-quality redevelopment (residential, retail, education, or a mixture of uses) that can seamlessly integrate itself into the neighborhood and be a community asset for years to come.

The goal of this Offering Memorandum is to identify a buyer, or long-term ground lease tenant, willing to develop the property to its higher potential and collaborate with the Church to ensure they can continue providing religious ministry and other services in a portion of the new development. All proposals must account for the Church and community programs to retain a portion of commercial space on the ground floor of the property.



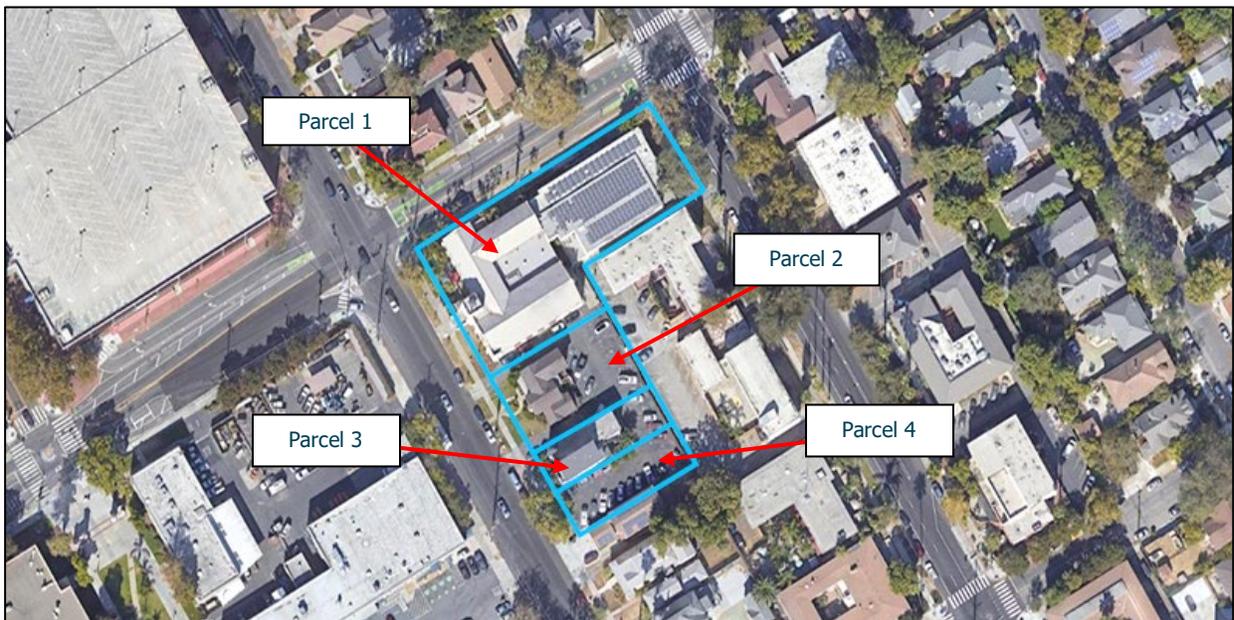
OBJECTIVES

While it is important for the Church to find a buyer or ground lease tenant to maximize the site’s potential, the buyer or lessee must also be willing to uphold the Church’s desire to continue their long-term presence in the community. To be considered, any new or redevelopment should accommodate space for the Church to continue serving their community and achieving their mission.

SITE DESCRIPTION

<p>Property Address: Parcel 1: 484 E San Fernando St. Parcel 2: 132 S 10th St. Parcel 3: 146 S 10th St. Parcel 4: 156 S 10th St.</p> <p>San Jose, CA 95112</p>	<p>Assessor’s Parcel Numbers: Parcel 1: 467-25-099 Parcel 2: 467-25-098 Parcel 3: 467-25-097 Parcel 4: 467-25-096</p>	<p>Zoning: R-M – Multiple Residence District</p>
<p>Property Size*: Parcel 1: 32,788 SF (0.75 Acres) Parcel 2: 12,789 SF (0.29 Acres) Parcel 3: 6,268 SF (0.14 Acres) Parcel 4: 4,918 SF (0.11 Acres)</p> <p>Total: 56,763 SF (1.29 Acres)</p>	<p>Total Building Size*: Parcel 1: Unknown Parcel 2: 2,880 SF Parcel 3: 3,308 SF Parcel 4: N/A</p> <p><i>*Building sizes are per online records</i></p>	<p>General Plan: Parcel 1: PQP – Public Quasi Public Parcel 2-4: Urban Residential</p>
<p>Property Class: Parcel 1: Religious/Institutional Parcel 2: Residential Parcel 3: Residential Parcel 4: Religious/Institutional</p>	<p>Current Use: Parcel 1: Church Sanctuary Parcel 2: Residential Parcel 3: Residential Parcel 4: Parking Lot</p>	

**Property sizes and building sizes are per online records and should be verified by proposer.*



PROPERTY OVERVIEW

PROPERTY DESCRIPTION

The property is located on the corner of E San Fernando Street and S 10th Street, directly across the street from San Jose State University. Located in San Jose’s East Campus neighborhood, the site is comprised of four adjacent parcels containing various improvements including a religious facility, residential buildings and a paved parking lot. The four parcels total approximately 1.29 acres in size.

ZONING

The site is zoned in the R-M (Multiple Residence) District. The purpose of the Multiple Residence District zoning is to reserve land for the construction, use and occupancy of higher density residential development and higher density residential-commercial mixed-use development. Below details the permitted uses, and conditionally permitted uses, and those that require a special use permit in the R-M District:

Permitted Uses: One-family dwelling, accessory dwelling unit (ADU), two-family dwelling, multiple dwelling, residential care facility (6 or less persons), sororities, fraternities, and dormitories, elementary and secondary school (public), and more.

Conditionally Permitted Uses: Guesthouse, residential care facility (7+ persons), residential service facility, (7+ persons), elementary and secondary school (private), off-street parking establishment, private club or lodge, and more.

Special Use: Mixed-use residential/commercial, day-care center, off-site, alternating use and alternative use parking arrangements, and more.

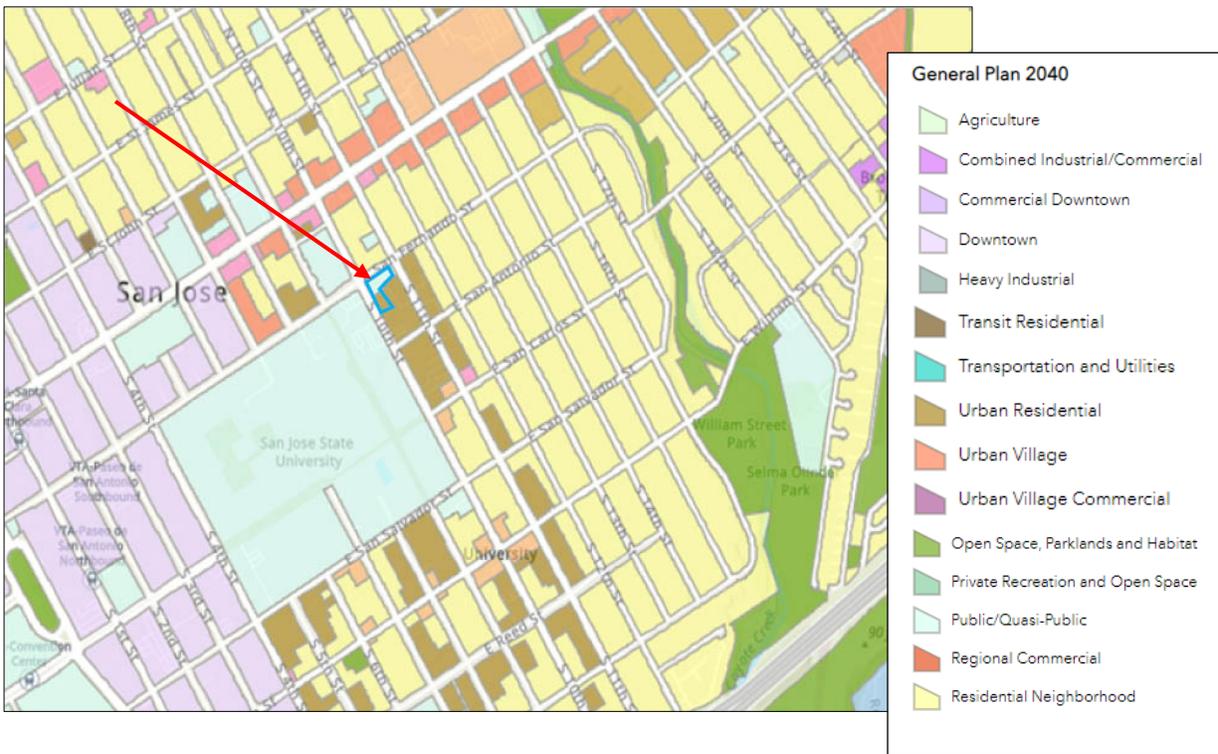


GENERAL PLAN

In the Envision San Jose 2040 General Plan, Parcel 1 is designated Public Quasi Public and Parcels 2, 3, and 4 are designated Urban Residential.

Public Quasi Public: This designation is used to designate public land uses, including schools, colleges, corporation yards, homeless shelters, permanent supportive housing, libraries, fire stations, water treatment facilities, convention centers and auditoriums, museums, governmental offices and airports. Joint development projects which include public and private participation are allowed. The appropriate intensity of development can vary considerably depending on potential impacts on surrounding uses and the particular Public and Quasi Public use developed on the site.

Urban Residential: This designation allows for medium density residential development and a broad range of commercial uses, including retail, offices, hospitals, and private community gathering facilities, within identified Urban Villages, Specific Plan areas, and other areas within San Jose that have existing residential development built at this density. Urban villages are walkable, bicycle-friendly, transit-oriented, mixed-use settings that provide both housing and jobs. Developments in this designation would typically be three to four stories of residential or commercial uses over parking.



HISTORIC STATUS

The church sanctuary located on Parcel 1 and the two residential structures located on Parcel 2 and Parcel 3 are estimated to be built in 1935, 1880 and 1900 respectively. The church sanctuary is included on San Jose’s Historic Resources Inventory list and considered a Structure of Merit. The residential structure on Parcel 2 was previously determined to be eligible for listing in the California Register of Historical Resource and as a Candidate City Landmark, and the structure on Parcel 3 was previously determined to be eligible for listing in the National Register of Historic Places, California Register of

Historical Resource and as a Candidate City Landmark. The structures would be subject to evaluation by a qualified historic resource consultant and further review prior to redevelopment.

OPPORTUNITIES & CONSTRAINTS

Potential opportunities of the site include, but are not limited to, (1) Located in the convenient East Campus neighborhood of San Jose, immediately adjacent to the San Jose State campus; (2) The property allows multiple points of access, with frontage on E San Fernando Street and S 10th Street, and; (3) Convenient access to the Interstate 280 and Highway 87.

Potential constraints include but are not limited to, (1) Potential challenging development entitlement environment as it relates to the historic status of the buildings; and (2) Construction logistics: Timing and impacts may need to be negotiated with multiple parties, such as the City of San Jose and San Jose State University.



DISCLAIMER

While the information contained herein has been provided in good faith and in an effort to provide prospective respondents with relevant property data, it is not binding on the Church and DCG Strategies and should not be considered a substitute for thorough due diligence investigation by prospective developers.

The Church and DCG Strategies have not made any investigation, and make no warranty or representation, with respect to the income or expenses for the property, the future projected financial performance of the property, the property's development potential, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos (or any other hazardous materials or substances), the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant.

The information contained herein has been obtained from sources we believe to be reliable; however, the Church and DCG Strategies have not verified, and will not verify, any of the information contained herein, nor has the Church and DCG Strategies conducted any conclusive investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided.

All potential proposers must take appropriate measures to verify all of the information set forth herein.

LETTERS OF INTENT

PROPOSERS RESPONSIBILITIES

The selected proposer will be responsible for payment of all costs and expenses in connection with the project including, but not limited to: any costs associated with preparing their proposal and supporting material; costs associated with securing necessary entitlements and environmental documentation and approval; demolition, rehabilitation, or relocation of existing buildings, ground clearing, site preparation, and construction of new buildings; maintenance; underground utilities; insurance and taxes; permits and inspection fees; costs and mitigation fees associated with the development including school impact fees; and architectural, environmental, engineering, and other related work. The selected proposer will be required, if necessary, to:

- Select the necessary multi-disciplinary team;
- Obtain all necessary entitlements and permits;
- Undertake the CEQA submittal process;
- Coordinate, manage, and facilitate the review of the project by City of San Jose; and
- Manage the work effort of the entire entitlement team, the architect, land planner, civil and other engineers, etc.

LETTER OF INTENT

Letters of Intent must contain proposed purchase/lease terms and agreement structure. A sample Letter of Intent should include, but certainly is not limited to, the terms and conditions below.

The following terms and conditions are proposed for this transaction:

1. Purchase Price / Lease Rate:

- **Purchase Price:** \$ _____, payable in full in cash at Closing, less deposits, as described below.
- **Lease Rate:** \$ _____ per month, \$ _____ annually. Lease payments will begin _____ (describe milestone) and be subject to _____% of annual increases.

2. Close of Escrow:

 Shall occur on _____. *(if applicable)*

3. Initial Deposit:

 Developer will make an initial deposit of \$ _____ at the time a Purchase and Sale / Ground Lease Agreement is agreed and executed.

4. Additional Deposits:

 The proposed deposit structure is as follows: _____ (describe amount and timing of deposits).

- 5. Inspections:** Developer shall be provided with the opportunity to enter the property and conduct whatever physical inspections Developer deems necessary and desirable subject to reasonable notice and noninterference with current users of the site. Developer shall have the right to review any and all documents relating to the property, and the Church shall promptly deliver to Developer copies of all such documents in its possession, custody, or control, subject to entry into a Purchase and Sale Agreement / Ground Lease Agreement. Church staff and agents will cooperate fully with Developer in providing such information as Developer may reasonably require, regarding the history, use, and condition of the property.
- 6. Other Provisions:** Developer understands that the Church has retained DCG Strategies as its real estate agent in connection with this transaction, and that the Church will be solely responsible for any compensation due to DCG Strategies based on its arrangements with the firm. Any compensation due to other real estate agents or brokers engaged or retained by Developer in connection with this transaction will be the sole responsibility of the Developer.

CONTACT

The Church's contacts for all matters regarding the property is DCG Strategies. For questions, please contact DCG Strategies at 925-237-9059. Letters of Intent should be submitted via email to the DCG Team at listings@dcgstrategies.com.