

Investment Opportunity

Truax Marketplace



TRUAX
DEVELOPMENT

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- For additional information regarding Truax Marketplace, Truax Development or other Truax projects, please contact Brett Littlewood, at (858) 925-4909 or by email at blittlewood@truaxgroup.com.

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Executive Summary

- Truax Development builds communities; places to live, work, play and stay.
- Truax Development brings a revitalized vision to Old Town Temecula California, honoring its historic western past and embracing its vibrant future.
- The Truax Marketplace will be a lifestyle retail destination.
- The project includes twin, three-story buildings with walkout basements, modern Spanish-inspired architecture, period appropriate materials and 100,000 sf of food-related, lifestyle inspired retail shops.
- The Truax Marketplace is located one block north of the Truax Carriage House, a 500+ parking space, fully automated garage.
- Total project cost is estimated to be \$44,875,000.
- Construction is expected to begin in Spring 2020.
- Completion is scheduled for 2021.



Borrower/Sponsor & Developer

- The Borrower/Sponsor for Truax Marketplace is the project's Limited Liability Corporation, LLC : Town Square Marketplace, LLC and SPE for the sole purpose of owning all assets, developing, building and operating Truax Marketplace.
- Ranch Development, Inc. (RDI) is the project developer.
- Ranch Development, Inc, Truax Development, Truax Management Group, Inc., and The Truax Group, Inc. are all part of the Truax Family of Companies and provide representation, development managements, owner's administrative management and construction management services to Town Square Marketplace, LLC.

Truax Marketplace



The Opportunity



- Truax Marketplace includes twin, 50,000 sf buildings; 100,000 sf total.
- Spanning three stories above grade and with walkout basements; four stories combined.
- These two-building flank Old Town Temecula's main event area which hosts concerts, holiday festivities, and numerous special events.
- Food-related and lifestyle retail shops will occupy the space with a contemporary take on the last century 1800's Spanish inspired architecture with period appropriate materials and finishes.
- The building site is approximately one acre and is in escrow.
- The funds used for the acquisition are to be from the equity proceeds invested in the project.
- Based on our proforma, the asset will be stabilized in the third full year of operation, will produce an ROI and have a capitalized value using a cap rate.

Location

- Truax Marketplace will be located in the heart of Old Town Temecula, next to City Hall and the Civic Center.
- Temecula Valley is home to
 - Wine Country with almost 50 plus wineries in operation and more coming.
 - Pechanga Resort and Casino, Galway Downs, numerous golf courses and a wide array of outdoor activities boast over 3 million visitors and spend over **\$1.2 Billion**, annually.
- Old Town Temecula is a pedestrian-friendly, historic, 12-block neighborhood popular for arts, entertainment, shopping and dining experiences.
- Visitors enjoy Old Town for its festive special events, relaxed restaurants, upscale bistros, arts and entertainment, welcoming wine-tasting rooms and collection of specialty stores and boutiques.



Truax Marketplace



Regional Demographics

Our regional market includes the cities of Temecula, Murrieta, Menifee, Lake Elsinore, Wildomar, Canyon Lake and unincorporated areas of Riverside County.

Temecula Valley	Population 523,592	Median Household Income; \$74,669	Average Age - 36
Temecula	Population 127,239	Median Household Income; \$87,115	Average Age - 36
Murrieta	Population 127,708	Median Household Income; \$80,373	Average Age - 39
Menifee	Population 91,595	Median Household Income; \$60,808	Average Age - 37.4
Lake Elsinore	Population 66,411	Median Household Income; \$66,032	Average Age - 30.2
Wildomar	Population 36,932	Median Household Income; \$67,510	Average Age - 34.5
Canyon Lake	Population 11,712	Median Household Income; \$104,619	Average Age - 40.4



Regional Demographic Comparison



Demographics	Southwest Riverside	CA	U.S.
Population (Pop)	523,592 1.3% of CA Pop	39,489,707 12.1% of US Pop	326,573,141
Pop Growth (2000 to 2010)	81%	10%	10%
Households (HH)	165,852 1.2% of CA HHs	13,456,058 11% of US HHs	123,611,353
HH Growth (2000 to 2010)	72%	9%	11%
Population <19	29%	26%	25%
Median Income	\$74,669	\$68,739	\$58,754
AvgHH Income	\$96,493	\$102,133	\$84,609
Unemployment	5.1%	5.4%	4.8%
Home Ownership	69%	54%	64%
College Degreed	32%	37%	36%

Market Analysis

- The Temecula Valley and the southwest Riverside County have historically outperformed California and the Nation's economic performance.
- Retail Vacancy Rate: 4.9%
- Ideal Retail Mix:
 - 30% Retail
 - 70% Food, Entertainment, Lifestyle experiences
- 24% of All Temecula Regional Visitors include the following four psychographic types:

Silver Sophisticates
Mature, upscale couples and singles in suburban homes



- Age 66-75
- Empty Nesters
- Experienced Travelers
- Art Connoisseurs
- Email, Direct Mail, Social

Progressive Potpourri
Mature couples with comfortable and active lives in middle-class suburbs



- Age 51-65
- Empty Nesters or Kids <18
- Visit Theme Parks
- Active Lives
- Mobile, Direct Mail, Social

Cosmopolitan Achievers
Affluent middle-aged and established couples and families enjoying dynamic lifestyles in metro areas



- Age 36-45
- Kids Age 13-18
- Two family properties
- Healthy Lifestyle (Yoga)
- TV, Mobile, Email, Social

Aging of Aquarius
Upscale boomer-aged couples living in city and close in suburbs

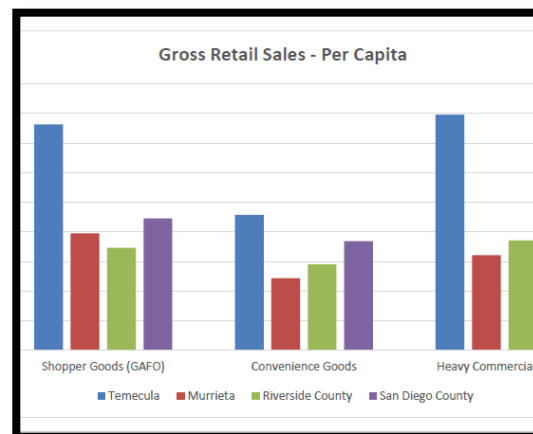


- Age 51-65
- Empty Nesters
- Upscale housing
- Gourmet Restaurants
- Social Media, Email, Direct Mail

Business Strategies

Working with key regional stakeholders, such as the City of Temecula, Southwest Riverside Economic Development Coalition, Temecula Chamber of Commerce and Visit Temecula, the following strategies have been identified:

- Obtain a Management Agreement with a firm having a proven track record of successful lifestyle retail management
- Create tenant programming to maximize occupancy and visitor satisfaction.
- Maintain up to date psychographics and retail analytics every two years for key data on retail strengths, weaknesses, opportunities, threats and trends.
- Regularly attend ICSC ReCON (Las Vegas and Los Angeles) to maintain relationships with national retailers and out of area brokers.
- Actively engage with Riverside County and the City of Temecula for sales tax trends.
- Establish a merchant marketing association to minimize attrition and maximize retail success.



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Contact Us

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