

# MAJOR DEVELOPMENT OPPORTUNITY / 78 ACRES IMPERIAL VALLEY, CA



**FOR SALE ASKING \$25,000,000.**  
Sale Subject to Court Confirmation. Call agent for details.

## OFFERING MEMORANDUM



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Sale Subject to Court Confirmation. Contact Phil Seymour for details.

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# 1 INVESTMENT OVERVIEW



## EXECUTIVE SUMMARY

Aerial Tour of Property: [www.imperialvalleycenter.com](http://www.imperialvalleycenter.com)

Elite Properties Realty/ The Seymour Group as exclusive Broker to the Receivership in Imperial County Court case No. ECU000363 presents this Offering Memorandum for the Subject Property located on a 78 Acre parcel of land in Heber City, Imperial County, CA approximately 4.5 miles from the Mexicali border. The site was originally re-imagined as a business and commercial center designed to serve as a location for trade shows, shopping, dining, and entertainment. As of December 2017 only a portion of the original concept had been permitted and developed.

*Among the completed and operational projects are:*

- **AMPM/ARCO** Gas station with 24 pumps.
- **Club Lohoo Steakhouse/ Nightclub:** A 17,000 square-foot steakhouse/nightclub that can also serve as a multipurpose facility.
- Four 9,000 square feet restaurants: **Twin Dragon Chinese Restaurant, Gobi's Mongolian BBQ Restaurant, Joy Seafood Grill Restaurant, Marino's Italian Bistro Restaurant.**
- The **MART; Retail Exhibit Booth Venue** with 82 retail exhibit booths.



# PROJECT OVERVIEW



*The information and calculations presented are deemed to be accurate, but not guaranteed and we are not responsible for its correctness.*



### **Southwest aerial view and Yourman Road and HWY 111**

Pictured above are the concrete slabs slated to have been the foundation for a Wholesale Center, part of the original proposed development project entitled "Imperial Center." The winding road that traverses the development was constructed as part of the initial concept. The two buildings in the middle of the photograph are the two 18,000 Sq. Ft. restaurants.

To the left of the restaurants is a vacant site, planned for a Hotel development to have included 286 rooms. As of the time these photographs were taken (October 2018) no improvements had been made. To the left of the proposed Hotel project, and behind Yourman Road are the following: ARCO Gas Station, AM/PM convenience store, Club Lohoo (Steakhouse and Nighclub) and a Retail center and exhibition booth called the "Mart."

# OPERATIONAL DEVELOPMENTS



**The MART**  
1117 Yourman Road



**Club Lohoo**  
1111 Yourman Road



**Joy Seafood and Marino's Italian Restaurants**  
1147 Yourman Road



**Twin Dragon and Gobi's Mongolian Restaurants**  
1131 Yourman Road



# OPERATIONAL DEVELOPMENTS



**Aerial of the Mart, Club Lohoo, AM/PM/ Arco**



**Club Lohoo**



**ARCO 1105 Yourman Road**



**AM/PM 1105 Yourman Road**

## LEGAL DESCRIPTION AND APNs



### LEGAL DESCRIPTION & ASSESSOR'S PARCEL #s

APN: 054-680-001-000  
APN: 054-680-002-000  
APN: 054-680-003-000  
APN: 054-680-004-000  
APN: 054-680-005-000  
APN: 054-680-006-000  
APN: 054-680-007-000  
APN: 054-680-008-000  
APN: 054-680-009-000  
APN: 054-680-010-000  
APN: 054-680-011-000

#### Parcel 1:

Lots 1 thru 9, inclusive, of Imperial Center Subdivision - Unit No. 1 - Tract 954, in an unincorporated area of the County of Imperial, State of California, according to map on file in book 26, page 78 of Final Maps in the office of the County Recorder of Imperial County.

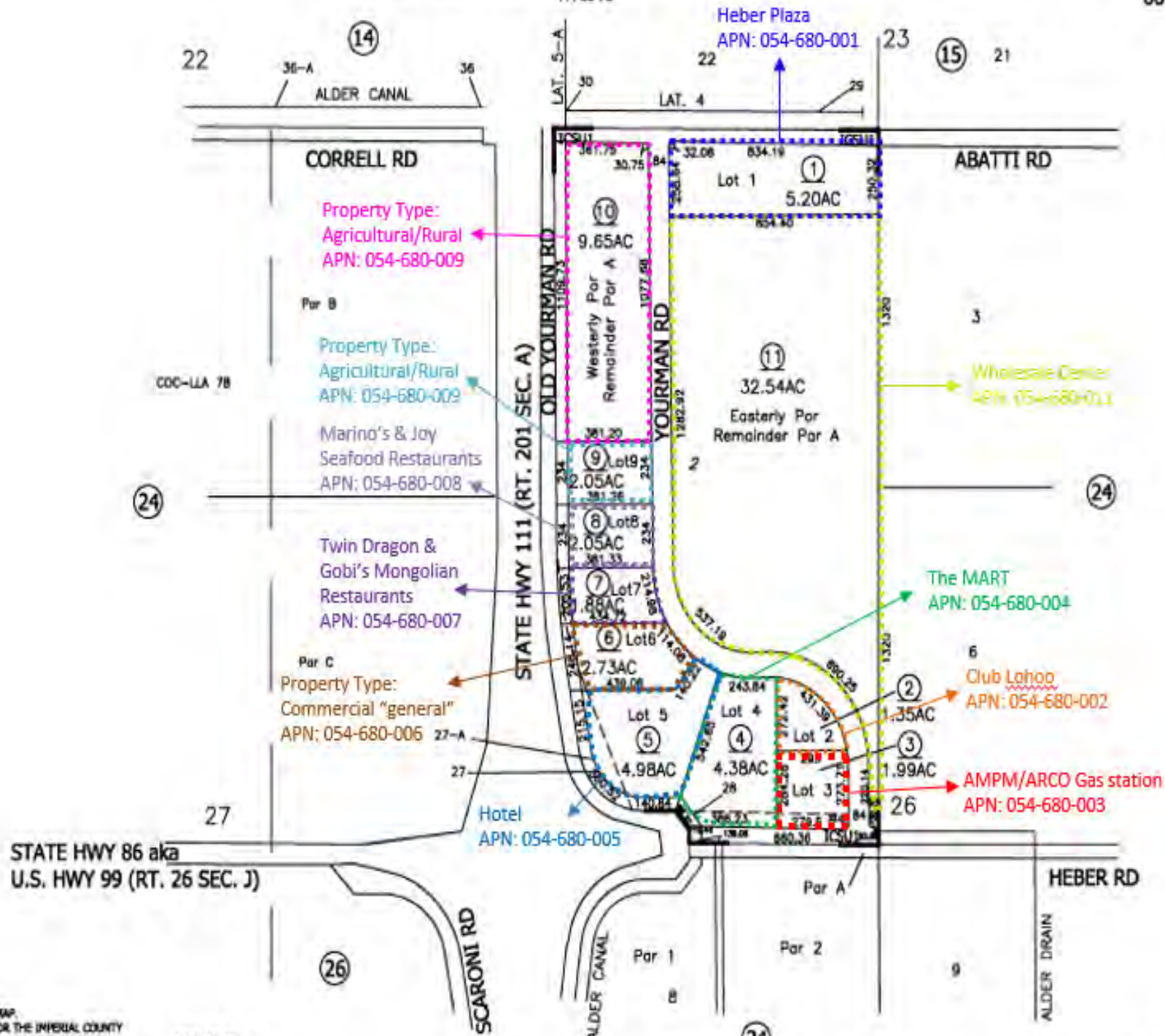
#### Parcel 2:

Those portions of imperial Center Subdivision - Unit No. 1 - Tract 954 in an unincorporated area of the County of Imperial, State of California, according to map on file in book 26, page 78 of Final Maps in the office of the County Recorder of Imperial County. shown and designated as the Westerly and Easterly portions of Remainder Parcel "A".

IMPERIAL CENTER SUB. UNIT NO.1 - TR 954

Tax Area Code  
66-001

54-6

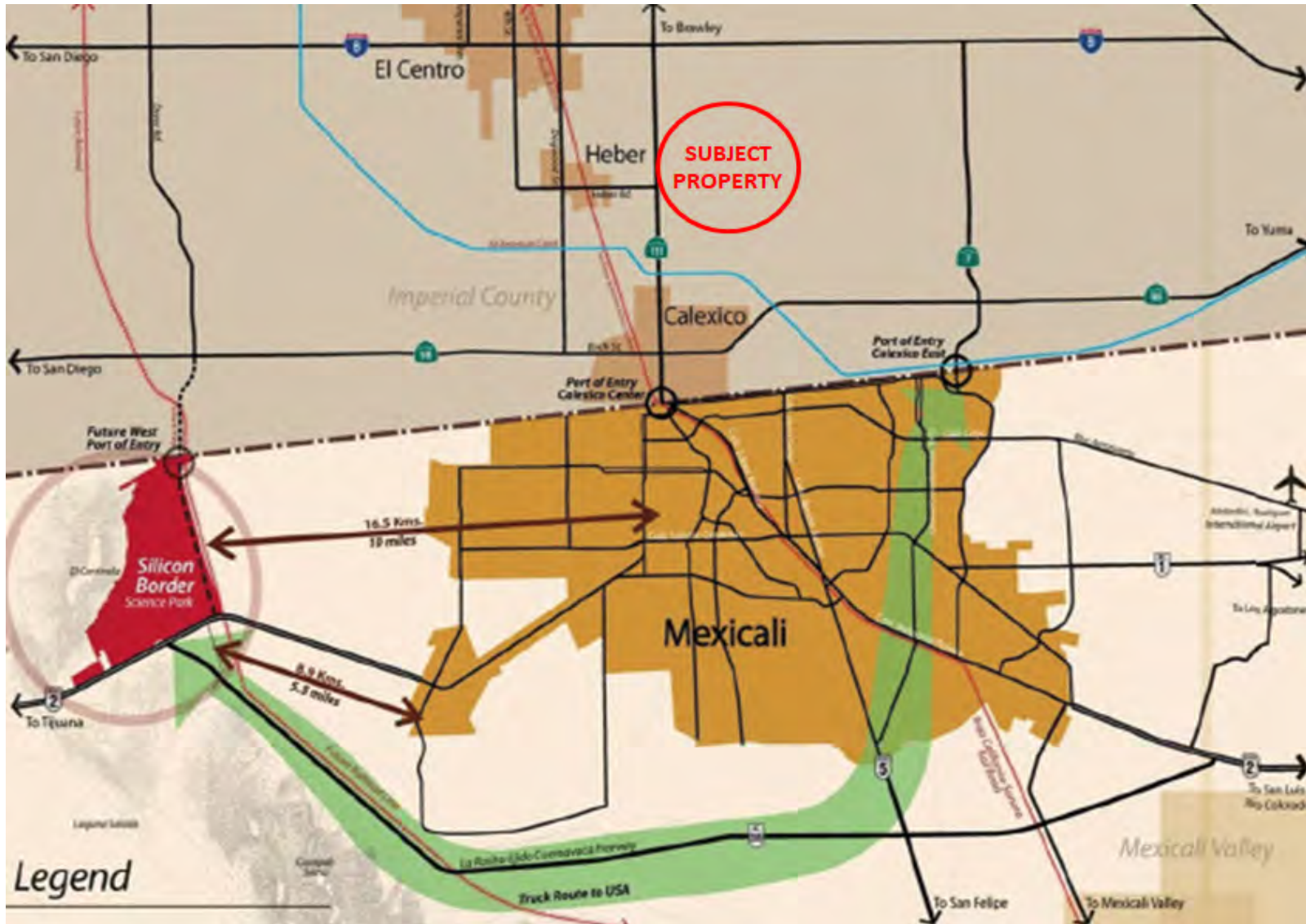


**DISCLAIMER:**  
 THIS IS NOT AN OFFICIAL MAP.  
 THIS MAP WAS CREATED FOR THE IMPERIAL COUNTY  
 ASSESSOR, FOR THE SOLE PURPOSE OF ASSISTING IN  
 THE PERFORMANCE OF THE DUTIES OF THE ASSESSOR.  
 ANY ERRORS OR OMISSIONS IN THIS MAP ARE NOT  
 THE RESPONSIBILITY OF THE COUNTY OF IMPERIAL  
 OR THE ASSESSOR. (REV. & TAX. CODE SEC.327)

12-6-12 MF  
 10-17-12 MF  
 10-10-12 MF  
 FROM 54-24

# SUBJECT PROPERTY LOCATION

Imperial Center is located on the northeast corner of the intersection at State Route 111 and East Heber Road in the city of Heber in Imperial County - approximately 5 miles from the US/Mexico Border. Geographically it plays a role in the local and national economies as it benefits from the The Imperial Valley Foreign Trade Zone (FTZ) set up throughout the county. To read more about the Foreign Trade Zones and for more information about the Imperial Center project requirements and overview, please visit the Imperial County Planning & Development Services website at <http://www.icpds.com?pid=991>



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# 2 IMPERIAL CENTER



# IMPERIAL CENTER PROJECT OVERVIEW

IMPERIAL CENTER was conceived in the early 1990s as developer, James Lo, (later Pacificland International Development Inc.) sought to invest in anticipation of business opportunities he expected to be available after the passage of the North American Free Trade Agreement (NAFTA). According to The Imperial Valley Press, after decades of planning, a license to construct improvements was obtained in 2007 and in 2010 a groundbreaking ceremony for Imperial Center took place. As of December 2017, only part of the entire center had been developed and operational.

The project was to be an international business center consisting of Shopping, Dining, and Entertainment. The building area was supposed to be over one million feet with a parking area of over 900,000 square feet. The space behind the center would accommodate over a hundred container trucks and up to 3000 cars for all customers. In addition to the exhibition, distribution, and entertainment centers, the Imperial Center would also consist of a large stage, hotel, interstate gas station, nightclub, and a United States Commodity Center, allowing a total of over one thousand merchants to enter.



Imperial Center is located on the northeast corner of the intersection at State Route 111 and East Heber Road in the city of Heber City of Imperial County - 210 miles away from Los Angeles and 5 miles from Mexico. According to Pacificland International Development Inc., the total area of the center is 78 acres of land.

**A** **ARCO GAS STATION**  
**AM/PM CONVENIENT STORE**

**B** **HOTEL COMPLEX**  
THE FIVE-STAR HOTEL HAS 286 ROOMS AND PRESIDENTIAL SUITES.

**C** **CLUB LOHOO STEAKHOUSE**  
THOUSANDS OF PARTY RESERVATIONS CAN EASILY BE EXPECTED IN VENUES FOR THE INVITING 17,000 SQUARE-FOOT STEAKHOUSE/NIGHTCLUB THAT CAN ALSO SERVE AS A MULTIPURPOSE FACILITY.

**D** **MARINO'S ITALIAN BISTRO**  
**TWIN DRAGON CHINESE RESTAURANT**  
**JOY SEAFOOD GRILL**  
**GOBI'S MONGOLIAN BBQ**  
FOUR 9,000 SQUARE FEET RESTAURANTS, SERVING SEAFOOD, CHINESE, AMERICAN, AND ITALIAN CUISINES THAT CAN SATISFY THE NEEDS OF THOSE WHO VISIT THE IMPERIAL CENTER.

**E** **MART**  
AN 82 EXHIBIT-READY VENUE FOR INTERNATIONAL EVENTS TO LEAD TO MORE ADVANCEMENTS IN LOCAL BUSINESS AND ECONOMIC DEVELOPMENT, AS WELL AS PROMOTE MORE TRADE AND PROFIT. THE MART ACTS AS A SHOWCASE FOR THE FUTURE POSSIBILITIES OF THE WHOLESALE CENTERS.

**F** **SOUTH, CENTRAL, AND NORTH BUILDINGS**  
THREE DISTINCT BUILDINGS THAT ACCOMMODATE 1,500 BOOTHS WITHIN 350,000 SQUARE FEET.

**G** **WEST BUILDING | WHOLESALE CENTER**  
A 300,000 SQUARE FOOT WHOLESALE EXHIBITION CENTER WITH 188 STALLS, EACH WITH 1,200 SQUARE FEET OF STOREFRONT SPACE

**H** **COMMERCIAL BUILDINGS**  
THE 70,000 SQUARE FOOT NIGHT MARKET STALL DESIGN, SIMILAR TO THAT OF YIWU SMALL COMMODITY CENTER, WHICH CAN BE CONVERTED INTO A SPACE WITH 60 SMALL STANDS AT NIGHT IN FRONT OF THE 300,000 SQUARE FOOT WHOLESALE CENTER. THIS CREATES A RETAIL STREET THAT NEVER SLEEPS WITHIN A BUSTLING ECONOMY.

**I** **HEBER PLAZA**  
A KILOMETER-LONG RIVER, A STAGE, A LARGE SWIMMING POOL, A CHILDREN'S PLAYGROUND, AND RETAIL SPACE ON BOTH SIDES OF THE RIVER THAT CAN ATTRACT CROWDS TO WHOLESALE CITY.

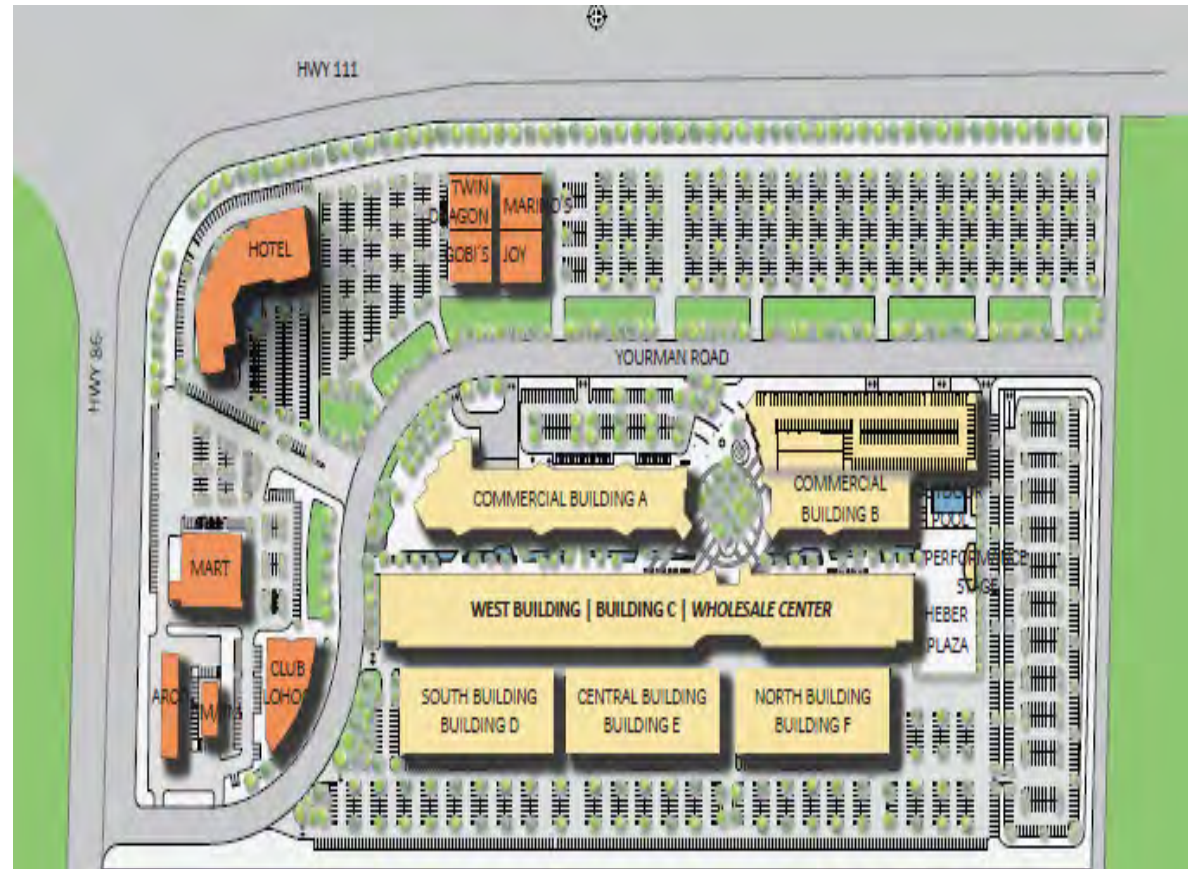


As of December 2017, the following projects are completed and operational:

- **AMPM/ARCO** Gas station with 24 pumps.
- **Club Lohoo Steakhouse/ Nightclub:** A 17,000 square-foot steakhouse/nightclub that can also serve as a multipurpose facility.
- Four 9,000 square feet restaurants: **Twin Dragon Chinese Restaurant, Gobi's Mongolian BBQ Restaurant, Joy Seafood Grill Restaurant, Marino's Italian Bistro Restaurant.**
- The **MART; Retail Exhibit Booth:** venue with 82 retail exhibit booths.

According to the official **IMPERIAL CENTER** project description, the following projects were permitted or under construction as of December 2017:

- Building C: A 300,000 square foot wholesale exhibition Center with 188 exhibition spaces, each with 1,200 square feet to allow exhibitors the chance to show fixed displays of quality products. **(Permit Received, foundation completed.)**
- D, E and F occupies three buildings allowing for 1,500 standard booths within 350,000 square feet. **(Permit Received, foundation completed.)**
- Building A: The 70,000 sq. ft. night market stall design, which can be converted into a space with 60 small stands at night in front of the 300,000 square foot wholesale center. This creates a Retail Street that never sleeps within a bustling economy. **(Permit Received, foundation completed.)**
- Heber Plaza: A kilometer-long river, a stage, a large swimming pool, a children's playground, and night market stalls on both sides of the river that can attract crowds to wholesale city.
- Building B: Food court consisting of 35,000 sq. ft., containing 25 snack centers by the river. **(Permit Received, grading completed.)**
- A five-star hotel has 286 rooms and presidential suites. **(In preparing progress)**





# SUMMARY OF COMPLETION *as of December 2017*

Imperial Center (updated at December, 2017)				
Item	Name	Function	SIZE (SQFT)	NOTE
1	ARCO Gas station	<i>The gas station and convenience store (3,500 sq.ft) can reach a annual turnover rate of \$20 million from 2013</i>	35,000	OPEN
2	<del>Club Lohoo</del> <del>Steakhouse   Nightclub</del>	<i>Hundreds of party reservations can easily be and have been reserved; can also serve as a multipurpose facility</i>	17,000	OPEN
3	Twin Dragon Chinese Restaurant	<i>Twin Dragon Chinese restaurant serves Chinese cuisine that can satisfy the needs of those who visit the Imperial Center; can also serve as a multipurpose facility</i>	9,000	OPEN
4	Gobi's Mongolian BBQ Restaurant	<i>Gobi's Mongolian BBQ restaurant serves American cuisine that can satisfy the needs of those who visit the Imperial Center; can also serve as a multipurpose facility</i>	9,000	OPEN
5	Joy Seafood Grill Restaurant	<i>Joy seafood Grill restaurant serves seafood cuisine that can satisfy the needs of those who visit the Imperial Center; can also serve as a multipurpose facility</i>	9,000	OPEN
6	Marino's Italian Bistro Restaurant	<i>Marino's Italian Bistro restaurant serves Italian cuisine that can satisfy the needs of those who visit the Imperial Center; can also serve as a multipurpose facility</i>	9,000	OPEN
7	MART Retail Exhibit Booth	<i>A 82 retail exhibit booth venue, vying for international events, can also serve as logistics offices and Banks.</i>	20,000	OPEN
8	Retail Stores - A Building	<i>Auction Center</i>	70,000	Permit Received. Infrastructure and Grading completed
9	Indoor Food Court - B Building	<i>Consist of McDonald, Subway and Starbucks or other fast food</i>	35,000	Permit Received. Infrastructure and Grading completed
10	Wholesale Exhibition Center- C Building	<i>The wholesale exhibition with 188 exhibition spaces, each with 1,200 square feet, allows exhibitors the chance to show fixed displays of quality products.</i>	300,000	Permit Received. Infrastructure, Grading, Foundation completed
11	Exhibition Booth - D Building	<i>500 standard booths</i>	107,000	Permit Received. Infrastructure, Grading, Foundation completed
12	Exhibition Booth - E Building		107,000	Permit Received. Infrastructure and Grading completed
13	Exhibition Booth - F Building		107,000	Permit Received. Infrastructure and Grading completed
14	Performance Stage	<i>Performance Center. Besides of many events, the students of the communities will be invited for performance and contests.</i>	10,000	Under Construction
15	A kilometer-long river, a large swimming pool, a children's playground, and night market stalls	<i>These amenities, located alongside the man-made river, can attract crowds to the wholesale city and create a vibrant retail wholesale shopping environment and nightlife.</i>		Under Construction
16	Hotel	<i>A five-star hotel that consists of 286 rooms, including presidential suites.</i>	150,000	In Preparing Progress

# IMPERIAL CENTER RENDERINGS

For a complete overview of the Imperial Center project please visit: <http://www.icpds.com?pid=991>



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# 3 LOCATION OVERVIEW



# Imperial County

- Imperial County is located in the southeast corner of California. It is bordered on the north by Riverside County, on the east by the Colorado River (which also forms the boundary of Arizona) and on the south by the International boundary with Mexico (Baja California). The County oversees an area of 4,482 square miles and over 180,000 inhabitants, as of 2015.
- The County has an arid climate with hot, dry summers and mild winters. Typically, temperatures of 100 degrees occur more than 100 days each year with freezing temperatures averaging less than 10 days per year. The average annual air temperature is 72 degrees, the average frost-free season is about 300 days, and the average rainfall is about 2.8 inches.
- Imperial County is comprised of seven incorporated cities and numerous communities with El Centro being the County Seat.
- Imperial County's economy is heavily based on agriculture due to irrigation, supplied wholly from the Colorado River via the All-American Canal.







# Enterprise Zones

Imperial County has two Enterprise Zones.

An Enterprise Zone is a specific geographic area targeted for economic revitalizing. The purpose of the IVEZ is to encourage job creation and capital investment in areas of economic distress. Incentives available to new and existing businesses in the IVEZ include:

- Tax credits for sales and use taxes paid on machinery purchases;
- Tax credits for hiring qualified employees;
- Interest deductions for lenders on loans to firms within the areas;
- Fifteen year net operating loss carry-forward;
- Accelerated expensing deduction;
- Priority for various State Programs, such as State Contracts; and
- Fast Track Permitting program.

These types of tariff and tax relief's are designed to lower the operation costs and enhance cost-competitiveness for U.S.-based companies engaged in international trade.

- The predominant economic base in the Imperial County is agricultural and its related industries. Other significant contributors to the local economy are government, geothermal plants, prisons, retail trade and services.
- Located immediately adjacent to the Imperial County along the “Mexican” border is the City of Mexicali with a population at or near one million and numerous international businesses, such as the “maquiladora” industry, and other cultural facilities. The maquiladora industry typically refers to a Mexican corporation, wholly or predominately owned by foreigners, which assemble products for export mainly to the United States as well as other foreign countries.



### growth industries

1. Food Processing
2. Energy Generation
3. Distribution, Warehousing, Transportation
4. Inbound Call Centers
5. Construction Materials
6. Specialized Manufacturing/Assembly
7. Tourism
8. Applied Biotechnology

# PROJECTS

- Keystone Planning Area (Mesquite Lake)
- Gateway of the Americas Specific Plan
- Imperial Center
- Coyote Wells Specific Plan
- Residential Master Plan Communities
  - Rancho Los Lagos
  - 🌐 101 Ranch
  - 🌐 Mosaic
  - 🌐 McCabe Ranch II
  - 🌐 Procalamos
- Geothermal Facilities (in production)
- Solar facilities (in permitting process)
- Ethanol production (in permitting process)
- Transportation Projects



# MEXICALI

Mexicali is the capital city of the Mexican state of Baja California and seat of the Municipality of Mexicali. The City of Mexicali has a population of 689,775, according to the 2010 census, while the population of the entire metropolitan area reaches 996,826; making the city and metropolitan area the second most populous in Baja California.

The city maintains a highly educated and skilled population, as it has modernized and become an important population center in the desert region.

Mexicali's economy has been historically based on agricultural products, and it remains a large sector of the economy. However, its economy has gradually gone from being agricultural to include industry, mainly **maquiladoras—duty-free factories in which parts from the United States are imported, assembled, and then returned to the United States as finished products**. International companies including Honeywell, GKN Aerospace, Kellogg's, Gulfstream, UTC Aerospace Systems, SunPower, Rockwell Collins, LG Electronics, National Oilwell Varco, Mitsubishi, Autolite, Nestlé, Coca-Cola, Robert Bosch, and Goodrich Corporation have built maquiladora plants in the city.

Mexicali became the national center for the aerospace industry in Mexico when Rockwell Collins established an operation there in 1966. Rockwell Collins is the oldest company under the maquiladora program nationwide.

Founded on March 14, 1903, Mexicali is situated on the Mexico–United States border adjacent to its sister city Calexico, California, with which it forms a dual-state, international population center, Calexico–Mexicali.



## CALEXICO / MEXICALI border crossing & spending trends

### Per Imperial Valley Border Economic Impact Study dated March 2017

According to the US Bureau of Transportation Statistics, the average number of daily Calexico/Mexicali border crossers in personal vehicles and on foot in 2015 was 52,357. A total of 1,045 cross-border travelers from the City of Mexicali to the Imperial Valley participated in the survey. This represents 2% of the daily number of border crossings.

Survey respondents spend an average of \$63 on groceries and \$77 on retail items (for a combined \$140) per week in the Imperial Valley, which equals \$3,276 on groceries and \$4,004 on retail items (for a combined \$7,280) per person per year.

If the survey sample is representative of typical Calexico/Mexicali border crossers in personal vehicles and on foot, then annually this group accounts for a total of approximately \$380 million in spending, broken into the following two major categories:

- \$171,128,412 in spending on groceries in the Imperial Valley.
- \$209,156,948 in spending on retail items in the Imperial Valley.

In addition, of the 52,357 people that cross the Calexico/Mexicali border every day, approximately:

- 31,400 do so with the purpose of shopping.
- 36,400 visit the United States at least once a week.
- 30,150 shop in retail stores in the Imperial Valley at least once a week.

The top four purchases targeted by these cross-border shoppers, in order of demand, are clothing, food, footwear, and electronics. According to Esri (2017), the total spending in Imperial County in 2016 on retail, food, and drink (spending in restaurants and bars was excluded, while spending on groceries was included) was \$1.93 billion. As noted above, Calexico/Mexicali border crossers annually spend approximately \$380 million on retail items and groceries in Imperial Valley. This means that Calexico/Mexicali border crossers contribute approximately 20 percent of the total spending in Imperial County in 2016 on retail and groceries. The Imperial County economy, while not completely dependent on visitor sales, would be noticeably impacted by changes in visitor spending or trip habits.



# 4 FINANCIALS



# PROFORMA and ACTUAL

## RESTAURANTS PROFORMA INCOME:

*All restaurants currently being offered for lease at \$1.00/ Sq. Ft, Triple Net.		
	Square Footage/ Net Rentable	Projected Triple Net Annual Income
Club Lohoo Steakhouse/Nightclub	17,000 Sq. Ft.	\$204,000
Twin Dragon Chinese Restaurant	9,000 Sq. Ft.	\$108,000
Gobi's Mongolian Restaurant	9,000 Sq. Ft.	\$108,000
Joy Seafood Restaurant	9,000 Sq. Ft.	\$108,000
Marino's Italian Restaurant	9,000 Sq. Ft.	\$108,000
	<b>Annual Total Net Income</b>	<b>\$636,000</b>

## AM/PM ARCO ACTUAL INCOME:

The development includes an ARCO AM/PM C-store that was built in 2012 which sits on a 1.99 acres parcel. The improvements are 3,500 Sq. Ft. with one canopy and 12 MPD's and 24 fueling dispensers, 4 of which are diesel. The store has generous parking as well as an ABC license. Sales for 2017 were approximately \$821,010 gross profit for fuel and \$396,000 for C-store sales for a combined gross profit of approx. \$1,218,000. The property includes the business and all improvements along with the fee interest. Additionally this sits on its own legal parcel.

The acquisition of this partially completed project affords the Developer an opportunity to take advantage of an established income stream (ARCO- AM/PM) and the potential income from the restaurants. This Offering Memorandum presents to a Buyer a broad range of options to reposition the project's overall development concept.

## Receivership Sale, subject to Court Confirmation.

**Asking Price: \$25,000,000.**

Contact agent for Confidentiality Agreement to obtain Due Diligence material.



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