



# COGENT BAY FUND 1, LLC EXECUTIVE SUMMARY 2025

## OFFERING DETAILS

**OFFERING SIZE:** \$5,000,000

**MINIMUM 1031 INVESTMENT:**

\$100,000 or 10,000 Class A beneficial interests

**MINIMUM CASH INVESTMENT:** \$1,000

**OWNERSHIP OBJECTIVES\*:**

The ownership objectives of the Trust will be (i) distribute to the holders rent, after payment of expenses, and (ii) prepare the Property to be sold in approximately 10 years.

\*Distributions may consist of non-income items such as return of capital.

**BENEFITS TO INVESTOR:**

- Opportunistic Acquisition for Investors
- Properties purchased Below Replacement Cost
- 721 Exchange Rollup as a potential exit strategy

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**FOR THE PPM OR TO BOOK AN  
APPOINTMENT, CONTACT:**

Cogent Bay Realty Inc, Management Company

**David Sowels, Manager**

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[dcsowels@cogentbay.com](mailto:dcsowels@cogentbay.com)

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## INVESTMENT SUMMARY

	1241 ANDERSON	1560. E. PACHECO	1808 DEL PASO	344 N. AMERICAN
<b>Investment Product</b>	Commercial	Commercial	Mixed Use	Multi-Family
<b>Class</b>	A	C	A	C
<b>Description</b>	4 Classrooms 1 multi-Purpose Room 1 Kitchen, 2 Bathrooms Reception area, Office, Breakroom	5 Free Standing Buildings 5 Storage Containers Parking	Commercial building 1bed /1bath Apart. 3 bed /2 bath Home	12 Unit Multi-Family Low Rise Housing
<b># of Buildings</b>	1 Building 1 Playground	4 buildings Storage Containers Covered Storage	2 buildings	1 building
<b># of Stories</b>	1	1	1	2
<b>Parking</b>	Yes	Yes	No	On Street
<b>Construction</b>	Slab on concrete, wood framed with stucco, flat roof with storage	Wood frame and metal	Wood framed slab on concrete with stucco	Wood framed slab on concrete with stucco
<b>Rentable Sq Ft.</b>	4,700 sq ft	19,000 sq ft	4,880 sq ft	5,200 sq ft
<b>Lot Size</b>	.51 acres	2.60 acres	.036 acres	0.13 acres
<b>Address</b>	1241 Anderson Drive, Suisun, CA	1560 E. Pacheco, Los Banos, CA	1808 Del Paso Blvd Sacramento, CA	344 N. American, Stockton, Ca
<b>Occupancy Projections</b>	1 Tenant/Operator + Staff +70 Students	9 Tenants + Storage Rentals + Future EV Stations	1 – 3 Tenants +1 Commercial +2 Residential	12 Tenants
<b>Current Occupancy</b>	1 Tenant/Operator	9 Tenants	Vacant	Vacant
<b>Percentage Leased</b>	100%	100%	0%	0%
<b>Amenities</b>	Built as a childcare facility, washer/dryer, enclosed playground, energy efficient appliances and staff office/break room.	One story commercial facility, 4 buildings, includes 9,978 of retail space, storage, land for future storage expansion, located in a major traffic hub, high profile tenants, Napa Auto Parts, Bimbo Bakeries, and Baker Supplies.	1 story commercial with large community space, 3 office spaces, and a 1 bedroom apartment, with a detached single family home on same property	Prime downtown Stockton location, close to transportation, walkable, adjacent to large, City of Stockton planned work/living/health/ educational community, historic building
<b>Year Built</b>	2023	1980	1983	1920
<b>Value</b>	\$3,600,000	\$4,000,000	\$1,300,000	\$1,160,000
<b>Minimum Investment</b>	1031 Exchange Investor \$100,000 All Cash Investor \$10,000	1031 Exchange Investor \$100,000 All Cash Investor \$10,000	1031 Exchange Investor \$100,000 All Cash Investor \$10,000	1031 Exchange Investor \$100,000 All Cash Investor \$10,000

# C.L.L.A.I.M.M ACADEMY CHILDCARE CENTER

## NEW COMMERCIAL BUILDING

PURPOSE BUILT CHILDCARE CENTER OPENED FOR ENROLLMENT IN FALL 2023

### CHILDCARE CENTER MARKET CONDITIONS

*Market Conditions:* As the workforce slowly recovers with unemployment at an all-time low since the pandemic, the demand for affordable and accessible daycare continues to increase. For parents who must return to a place of work and parents who have transitioned to working from home, childcare has been and continues to be needed and sought after by the workforce.

In their article, “*Workforce Crimped by Lack of Daycare*”, the Wall Street Journal February 7, 2023, highlighted many of the struggles working parents are facing due to the lack of childcare and returning to work. For those who do not have the option to stay at home, the daycare crisis is severely limiting their ability to remain employable.

The decline in affordable and available childcare is foremost affected by the decline in the pool of quality employees post Covid. Many experienced employees elected to not return to the childcare industry after Covid and it is difficult to fill available jobs to support increased enrollment.

The fallout from the lack of employees at childcare centers are record numbers of families on wait lists. This was discussed in the Wall Street Journal article and voiced by our tenant, who has a waitlist of over 70 kids, and continues to turn families away daily. The impact of this lack of quality, affordable care has rippled through the workforce.



Employers are also struggling to find and keep experienced employees, especially those with families. Parents will overwhelmingly seek out job opportunities which benefit not only their professional goals, but the needs of their families as well. For some, this may mean electing to work nontraditional hours in industries outside of their skill sets and experience.

This is why when we researched this community and realized the need for quality daycare centers had reached critical mass, our investors supported this project. As one parent quoted in the Wall Street Journal article, “...I would not have survived professionally if I had not had access to childcare.” This is an opportunity we could not pass by. When the center opens in the first quarter of 2023, we are proud to report that over 80 children and potentially 80 families will have a place to care for their children while they work.



## DEMOGRAPHICS

Population	1 mile	3 miles	5 miles
2019 Population	4,620	33,705	79,197
2021 Population	5,003	36,577	86,929
2010-2019 Annual Rate	1.35%	1.74%	2.04%
2019-2024 Annual Rate	1.61%	1.65%	1.88%

Households	1 mile	3 miles	5 miles
2019 Households	2,284	13,241	30,030
2021 Households	2,478	14,366	32,873
2010-2019 Annual Rate	1.35%	1.72%	1.96%
2019-2024 Annual Rate	1.64%	1.64%	1.83%

## TENANT OVERVIEW

Our Tenant is a licensed childcare center provider that provides educational readiness, preschool care, before and after school care and summer programs. Our Tenant is interested in expanding their customers into Solano County to capture Bay Area commuters closer to home and provide care where the demand is high. Our tenant is:

- State Licensed with Over 20 years of experience in the daycare provider industry and childcare development
- Has stellar reviews with a solid reputation, including positive reviews from previous or current parents.
- Maintains a caring, stimulating environment with happy kids, in a vibrant, clean, fun space with an encouraging and engaged environment with an interesting and varied schedule or curriculum
- Follows a strong business plan.
- Has established policies and consistent rules.
- Employs qualified caregivers.
- Has robust safety and health protocols in place with trained staff.
- Practices a low child to caregiver ratio and has low employee turnover.

## SPOTLIGHT ON SUISUN CITY

The historic Suisun City is a thriving waterfront city with nearby wetlands. Downtown Suisun City is a sprawling, palm-lined promenade, a marina, and a waterfront park which fringe the basin where shoreline fishing, free jazz concerts and outdoor movie nights, and firework displays draw regional visitors and Suisun City residents year around. The string starts with Vallejo (once a gritty port and navy town), which has transformed because of Bay Area crowding and high home prices into a desirable commuter community. East across a narrow range of mountains, the land flattens again into the towns of Cordelia, Suisun City and the larger Fairfield and Vacaville.

**ECONOMY.** The unemployment rate in Suisun City is 7.5% (U.S. avg. is 6.0%). Recent job growth is Positive. Suisun City jobs have increased by 0.9%. Compared to the rest of the country, Suisun City's cost of living is 30.2% higher than the U.S. average.

**POPULATION.** Suisun City's population is 29,305 people as of the end of 2022. Since 2020, it has had a population growth of 5.5%.

**WEATHER & CLIMATE.** Weather is quite pleasant hovering around 50-60 degrees on average during the winter months. The climate has been described as "Mediterranean" and because of this, Suisun City and Solano County as a whole, has some of the best vineyards and wineries, breweries, and olive oil farms in California.

**ACTIVITIES.** Tourists from across the state enjoy its many shops and eateries as well as outdoor attractions like Rockville Hills Regional Park, Osawulume Trail, various sports such as windsurfing, kayaking, fishing, and boating.



**1560 EAST PACHECO BLVD**  
RETAIL STORE FRONT, WAREHOUSING AND COMMERCIAL STORAGE  
IN LOS BANOS CALIFORNIA#



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## SITE IMPROVEMENT PLAN

Our 3-year improvement plan for this site includes:

- Adding relocatable storage units for passive income. The benefits of relocatable storage units are:
  - Relocatable self-storage can be installed without the need for extensive construction.
  - Often, permits are not required.
  - They can be relocated easily and effortlessly.
  - The number of units can be easily expanded or reduced depending on demand.
  - Low cost, easy maintenance.



- Investigate adding electric charging stations along this very busy highway

## COMMERCIAL MARKET CONDITIONS

### Los Banos is committed to a healthy and vibrant economy.

The City aims to provide quality jobs for its growing population, maintain a vibrant downtown, and ensure fiscal and financial balance. To achieve this, the City will work closely with both private and public sectors to attract new businesses. It also will provide sites for development and strive to maintain a healthy supply of skilled labor. The City has a focused economic development strategy.

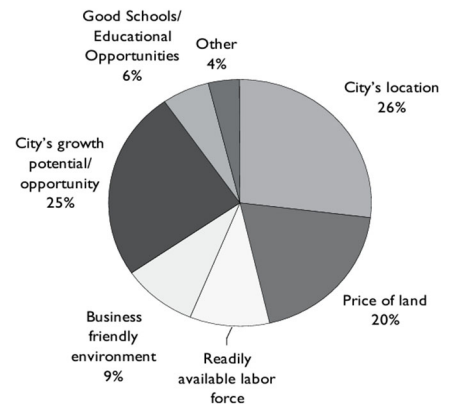
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The General Plan recognizes that future growth must be guided by a vision that will help maintain Los Banos' special character. This vision includes a strong and vibrant downtown that is the pride of community, supported by a network of neighborhood commercial centers that serve the needs of nearby residents.

A positive business climate will support the continued expansion of business, professional offices, and entertainment uses throughout the city. New business parks will accommodate manufacturing, processing, research and development, and office uses, providing a diverse mix of job opportunities. Los Banos Community College and other technical institutes will provide job training courses to match those needed by the local job market. New employers will be drawn to Los Banos because of its educated population, positive business climate, quality of life and its rising reputation as a pulsating economic hub in the San Joaquin Valley.

Los Banos' residents are generally satisfied with existing economic conditions. However, they also expressed a desire to see moderate to significant levels of economic development in the future. A vast majority of respondents thought that the City should attract high tech businesses and light industries to Los Banos in view of the employment opportunities they bring.

Retail businesses were also desired by many residents as current retail opportunities. The City's highly accessible location and its growth potential is listed as its chief asset in attracting businesses.

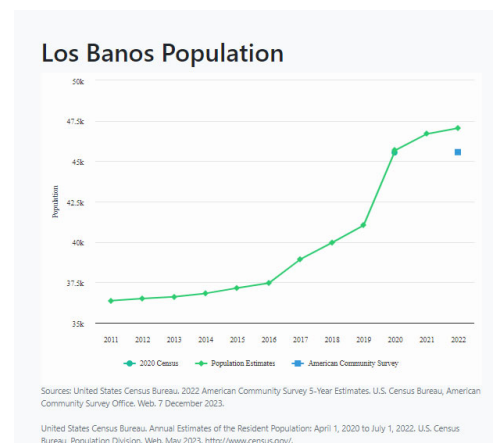


*Community response to the question: "What do you think attracts business to Los Banos?"*

## DEMOGRAPHIC TRENDS

Over the life of this General Plan, Los Banos will continue to grow, creating demand for new housing, generating important market support for local retail and services, and providing a growing workforce that can support business expansion.

Between 2010 and 2020, the average household size in Los Banos became smaller, the population aged 55 and over grew more quickly than the remaining population, and the number of nonfamily households and renters increased. These changes point to the need for a more diverse housing stock, to meet more varied household needs, and to be an attractive location for employers and workers.



### Workforce Characteristics

According to the Census Bureau, the City of Los Banos is adding residents with higher levels of educational attainment at a faster rate than the state

In addition, Los Banos is home to the full-service Los Banos Campus of Merced Community College. Within 100 miles of Los Banos, there are eight additional vocational colleges and two four-year universities, the University of California at Merced, and California State University Stanislaus.

Additional investment in local education and training may offer important opportunities in terms of workforce readiness, the attractiveness of the local labor pool to employers seeking a more highly educated and highly skilled workforce, and consumer spending power that typically accompanies workers with higher educational attainment.

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## SPOTLIGHT ON LOS BANOS



The City of Los Banos recognizes that a strong and vibrant downtown is the pride of a city.

Downtown Los Banos is an important community focal point, providing goods and services for local residents, businesses and their employees, and visitors. While there are other shopping and dining areas in Los Banos, downtown is unique, known for important local destinations like Wool Growers, Los Banos Drug Store, Santa Fe Foods, and City Hall.

Centrally located at the “Crossroads of California”, Los Banos is much more than meets the eye. From bird watching to water skiing, fishing to elk watching, Los Banos offers thousands of acres of recreational fun and enjoyment opportunities for the young and young at heart. The City of Los Banos, population 46,639, is situated on the west side of Merced County and is the county’s second largest city.

The City is conveniently located in the center of California and is about two hours from the cities of San Francisco, Oakland and Sacramento, as well as Yosemite National Park. California’s Monterey Peninsula and the Pacific Ocean are accessible in one and a half hours, as well as the Valley’s major cities of Stockton and Fresno.

San Luis Reservoir State Recreation Area, consisting of San Luis Reservoir, O’Neill Forebay, and Los Banos Creek Reservoir offers a wide variety of outdoor recreational activities. Nestled in the grassy hills beneath the Pacheco Pass, the Reservoir is noted for boating, sailing, board sailing, camping and fishing. Other sports activities include fishing, equestrian trails, ATV and off-road motorcycle trails, dirt biking and more.



## **334 N. AMERICAN MULTI-FAMILY HOUSING STOCKTON, CA**



### **UNDER ACQUISITION**

Cogent Bay Real Estate Investment Trust has entered into an agreement to acquire an apartment building in Downtown Stockton California comprising of 12 units, 9 Studios and 3 One Bedroom Units. The plan for this acquisition is to complete the renovations, stabilize, and hold the property for the term of the REIT. At that time, the property will be sold.

### **622 EAST LINDSEY STREET DEVELOPMENT**

The city of Stockton has entered into an agreement with a developer to construct what they call their 622 East Lindsey Street Development, located directly beside and behind the property at 334 N. American, on adjacent vacant land. The development will be a low-cost, long-term ground lease for residential construction. The proposed development will be an inter-generational residential development which will bring housing, supportive services, and a sustainable community located in downtown Stockton for seniors and families. This 94-unit complex will also feature commercial space for medical and educational services.

The property at 334 N. American will stand to benefit from being situated adjacent to this development.

### **COMMERCIAL MARKET CONDITIONS**

During the last decade, the median gross residential rent in Stockton CA has shown an average of \$1,059. Investors can contrast that to the state's median during the same time which is \$1,429. For the whole country, the median throughout that time was \$1,023. The populace in Stockton in the previous decade has seen a growth rate of 6.58%. The rate of change in the size of the population for the state during that period was 6.85%. Contrast that with the country's rate of 6.23%.

Digging further into the data, we find that the population in Stockton changed each year by 0.73%. The yearly average population growth rate for the state is 0.76%. To see how Stockton stacks up nationally, consider the nation's annual average of 0.69%.



Property values in the Stockton community reveal an average annual growth rate of -0.17. You can measure that against the state's annual appreciation rate of 0.06. And the national annual average is 0.13.

The median home value in Stockton is \$248,000. The median value for the entire state is \$475,900, and the country's median home value is \$204,900.

## **ECONOMY**

A study of the economy in Stockton illustrates that the unemployment rate is 10.2%. The statewide unemployment rate is 6.7%. Throughout the US, it is 5.9%.

Stockton has an average salary of \$53,103 in contrast with the state's average of \$73,105, and the average salary nationwide which is \$65,069.

Income data for Stockton illustrates a per capita income amount of \$22904. Throughout the state, it is \$35021. Compare this with the nation's per capita income of \$35672.

Median income is used to calculate income level status in the US. Stockton has a median income of \$51,318. This can conveniently be compared to the statewide median income of \$71,228 along with the median income of \$60,293.

20.5% is the combined poverty rate in Stockton. 14.3% is the combined indicator for the whole state, while the country as a whole has a rate of 14.1%.

## **POPULATION TRENDS**

Stockton has a population of 306,283 of a median age of 33.

The average yearly growth speed of the populace is 0.73% in a state that has a rate of 0.76%. Throughout the US, the growth rate is 0.69%.

The previous ten year period shows a populace growth rate of 6.58% in the city. Meanwhile, the statewide growth rate for the identical ten years was 6.85%, and the nationwide indicator was 6.23%.

## **1808 DEL PASO BOULEVARD**

### **MIXED USE COMMERCIAL AND RESIDENTIAL**



## **COMMERCIAL MARKET CONDITIONS**

With the City of Sacramento focused on revitalizing urban areas in the city, now is the time to invest in property in these areas in Sacramento. The commercial market data in these areas is currently marginal, however with the influx of grant money, there has been an explosion of revitalization. The communities are now experiencing new businesses moving into the area, which in turn offers services and recreation which benefit both the residents and the city. Catching onto these tailwinds is the current business strategy of Cogent Bay. With a long-term tenant lease already in place, and rental income coming in, this is a prime business and investment opportunity.

## **ECONOMY**

White-collar workers make up 70.58% of the working population in Del Paso Heights, while blue-collar employees account for 29.42%. There are also 1,268 entrepreneurs in Del Paso Heights (7.44% of the workforce); 11,965 workers employed in private companies (70.17%); and 2,964 people working in governmental institutions (17.38%).

The average annual household income in Del Paso Heights is \$76,618, while the median household income sits at \$58,253 per year. Residents aged 25 to 44 earn \$67,656, while those between 45 and 64 years old have a median wage of \$63,985. In contrast, people younger than 25 and those older than 65 earn less, at \$54,460 and \$41,756, respectively.

## **POPULATION TRENDS**

There are 41,311 residents in Del Paso Heights, with a median age of 32.4. Of this, 51.16% are males and 48.84% are females. US-born citizens make up 75% of the resident pool in Del Paso Heights, while non-US-born citizens account for 13.73%. Additionally, 11.27% of the population is represented by non-citizens. A total of 36,254 people in Del Paso Heights currently live in the same house as they did last year.

## **DEMOGRAPHIC TRENDS**

There is considerable ethnic diversity, particularly in Del Paso Heights, where many Southeast Asian families have taken up residence in the last decade. In the 1990 census, for example, the population of Del Paso Heights was 49% African American (13,213) and 16% Asian/Pacific Islander (4,319). The neighborhood has a population of 34,879.

## SPOTLIGHT ON NORTH SACRAMENTO

### **City of Sacramento to Push to Revitalize Commercial corridors and support Economic Growth in North Sacramento.**

*Published by: Public Information Officer, City of Sacramento, CA January 9, 2025.*

The City of Sacramento is now accepting applications from eligible businesses and property owners in North Sacramento's key commercial corridors to receive up to \$240,000 in funding for tenant improvements, equipment purchases, and business consulting.

Led by the City Council District 2 Office and managed by the Office of Innovation and Economic Development, the North Sacramento Business Investment Program was created to help the North Sacramento small business and real estate community recover from the negative economic impacts caused by the COVID-19 pandemic.

"The North Sacramento Business Investment Program represents a significant step toward revitalizing our community and supporting local businesses that are the backbone of our economy," said Councilmember Roger Dickinson, who represents the district. "This initiative will help create opportunities for growth, foster innovation, and bring renewed vibrancy to our commercial corridors, ensuring that North Sacramento continues to thrive."

Divided into three tiers to address different needs, the North Sacramento Business Investment Program includes:

**Storefront Retailer Improvements** - This grant supports for-profit businesses with street-front retail locations on Del Paso Boulevard between Lampasas Avenue/Evergreen Street and Highway 160. Eligible businesses can apply for grants ranging from \$100,000 to \$240,000 for tenant improvements and equipment purchases or repairs to stabilize and grow operations. Recipients are also required to complete at least five hours of complimentary business technical assistance.

**Storefront Retailer Equipment Assistance** - This grant supports for-profit businesses operating commercially zoned, storefront retail locations within District 2. Eligible businesses can apply for grants ranging from \$5,000 to \$50,000 for equipment purchases or repairs to scale operations or create new revenue streams. Recipients are also required to complete at least five hours of complimentary business technical assistance.

**Restoration of Vacant Buildings for Tenancy** - This funding supports property owners of commercially zoned, vacant buildings or parcels with street frontage on Del Paso Boulevard between Lampasas Avenue/Evergreen Street and Highway 160. Eligible applicants can receive forgivable loans ranging from \$100,000 to \$240,000 for tenant improvements and equipment purchases to prepare spaces for occupancy. Properties must secure a tenant operating a retail storefront within one year of completed improvements.

Approximately \$1.6 million is available from a \$5 million Federal American Rescue Plan (ARP) allocation set aside for the "North Sacramento Economic Recovery Plan," which was approved as part of the City Council's ARP spending framework.