



ROSANO PARTNERS

commercial real estate services



68364 Comercial Road
Cathedral City, CA 92234

Offering
Memorandum



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The information contained in the Marketing and Value Presentation is confidential, furnished solely for the purpose of a review by a prospective purchaser of the Property, and is not to be used for any other purpose or made available to any other person without the express written consent of the Seller or Advisor. Prospective purchasers should also conduct their own due diligence, including, but not limited to, engineering and environmental inspections, to determine the condition of the Property and the existence of any potentially hazardous material located at the Property or used in the construction or maintenance of the building(s) at the Property.

Property Overview

**ROSANO
PARTNERS**

commercial
real estate services



68364 Commercial Road
Cathedral City, CA 92234



Property Overview



Property Overview / Financial Summary

PRICE	PRO FORMA CAP RATE
\$3,000,000	11.65%
PRICE / SF	GROSS BUILDING SF
\$383.39	7,825 SF
LAND PRICE/SF	LOT SF
\$146.53	20,473 SF
AMPERAGE	
400 Amps	
208V	

Property Overview / Investment Highlights

- Zoned for Medical Marijuana Cultivation
- Tucked Away Location, Near All!
- Parking
- Structure is insulated!
- 17' Warehouse Ceiling Clearance!
- Newer Construction!

Property Overview / Property Description

Rosano Partners is proud to present an opportunity for a property located in Cathedral City's designated zone for medical marijuana business uses. (CUP will be required) This 7,825 SF building is on a 20,473 SF parcel and is a newer construction. The main warehouse has a 17' ceiling clearance and the property has an electric capacity of 400Amps at 208V. This location is tucked away off of Highway 111 in the Commercial Business Park of Cathedral City. The parcel has adequate parking to fulfill Cathedral Cities 1:275 parking ratio and is well suited for cultivation uses.



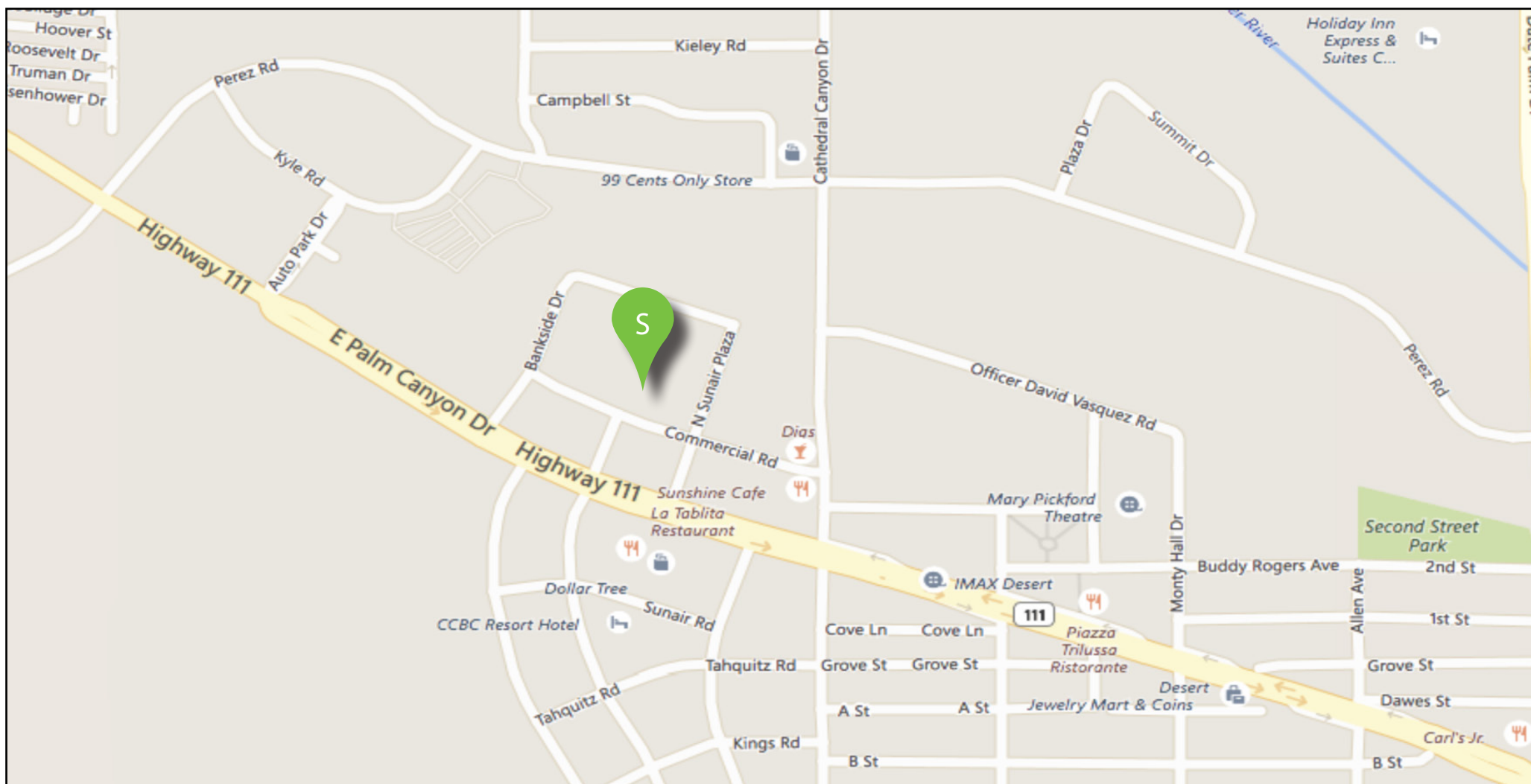
Location Overview



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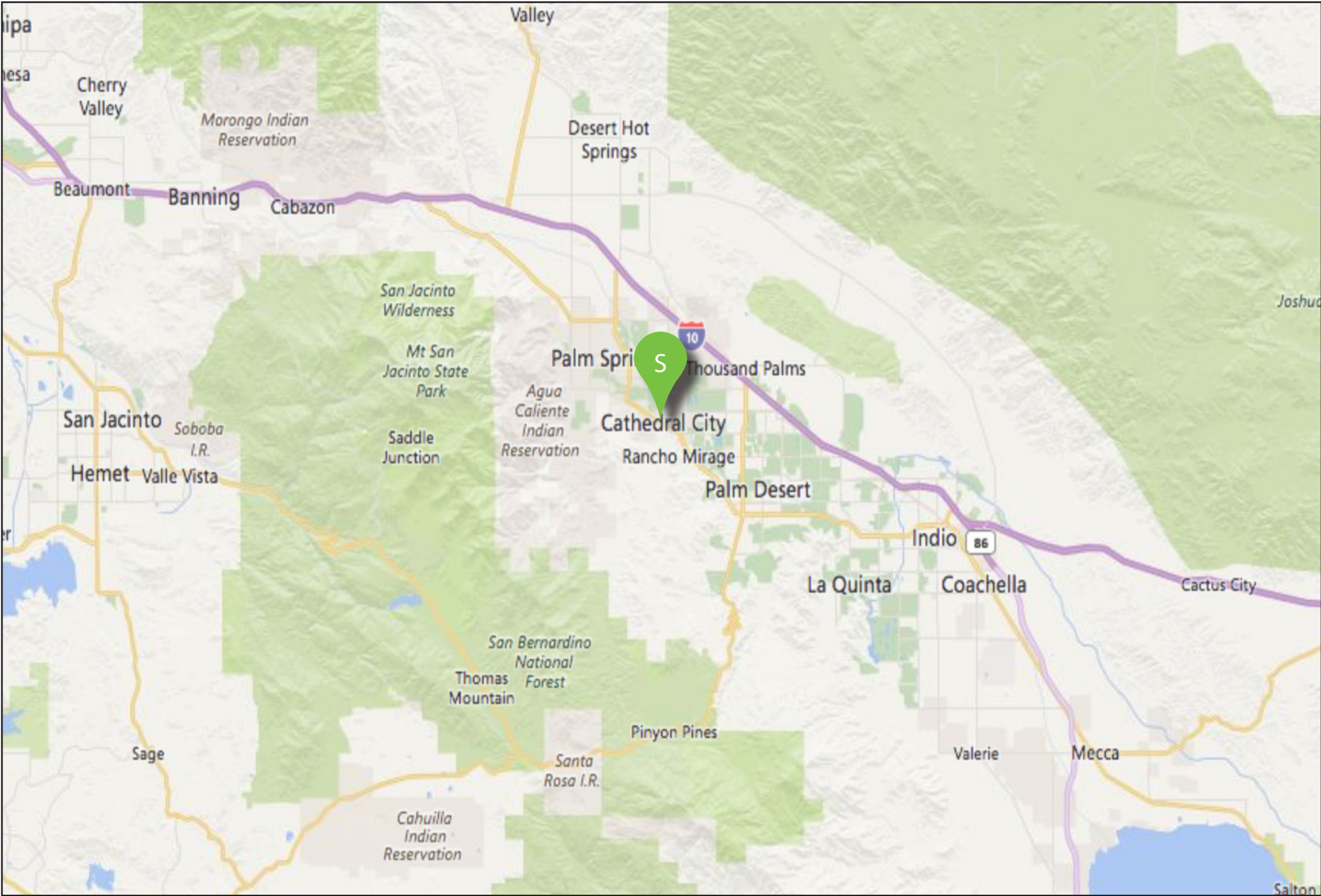


Location Overview / Map



Location Overview / Location Descriptions

Cathedral City is in Riverside County, 7 miles southeast of Palm Springs off the 10 Freeway. It is the second largest City in population in the Coachella Valley, and nicknamed “Cat City” by the locals. Effective in June 2016, the city passed an ordinance to allow medical marijuana uses to include cultivation, dispensing, and in some areas, manufacturing. This is an emerging market for MMJ business, and valuable opportunity to bring your medical marijuana business above board.



Location Overview / Aerial Map



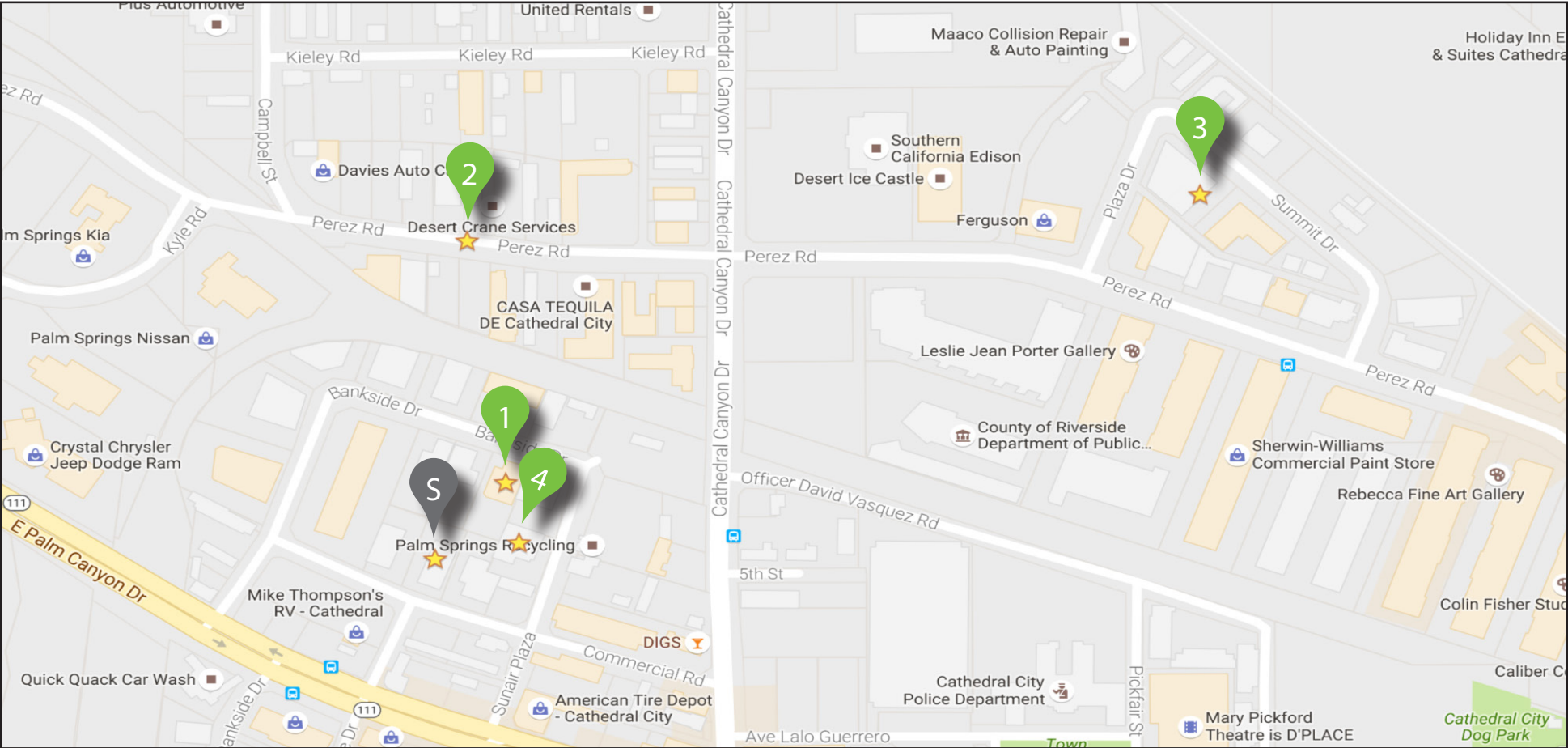
Sales Comparables



68364 Commercial Road
Cathedral City, CA 92234



Sales Comparables / Overview



Price / SF



S. No.	Address	Sale Price	Price per SF
S	68364 Commercial Road	\$3,000,000	\$383.39
1	36450 Bankside Dr	\$2,050,000	\$256.25
2	68351 Perez Road	\$2,000,000	\$100.00
3	68721 Summit Drive	\$1,450,000	\$189.99
4	36655 Sunair Plaza	\$1,575,000	\$176.67



Sale Date 07/20/2016

Sale Price \$2,050,000

Building SF 8,000 SF

Lot Acres 0.48 Acres

Building Price
PSF \$256.25

Building Type Industrial

Year Built 1990





Sale Date	05/18/2016
Sale Price	\$2,000,000
Building SF	20,000 SF
Lot Acres	0.66 Acres
Building Price PSF	\$100.00
Building Type	Industrial
Year Built	1990





Sale Date	06/13/2016
Sale Price	\$1,450,000
Building SF	7,632 SF
Lot Acres	0.73 Acres
Building Price PSF	\$189.99
Building Type	Industrial
Year Built	1965





Sale Date 06/06/2016

Sale Price \$1,575,000

Building SF 8,915 SF

Lot Acres 0.48 Acres

**Building Price
PSF** \$176.67

Building Type Industrial

Year Built Unknown



Financial Analysis



68364 Commercial Road
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Financial Analysis / Setup

Pricing Summary

Offering Price:	\$3,000,000
Approx Cost to Upfit Space for cultivation ~ Included in NOI (Cost does not include grow equipment)	\$150,000
Down Payment:	80% \$2,400,000
Pro Forma Cap:	11.65%
Price / Bldg sq/ft:	\$383.39
Price / Land sq/ft:	\$146.53

Deal Notes

Property Power: 400 amps 208V

Property Description

Leasable Area (sq/ft):	7,825
Lot Size (sq/ft):	20,473
Year Built:	UNKNOWN

Financing

Loan Amount:	\$600,000
Terms (Years):	30
Interest Rate:	10.00%
Monthly Payment:	(\$5,265)
Yearly Payment:	(\$63,185)

Please Contact Rosano Partners for more information at 213.802.0300

Annualized Operating Data

	Pro Forma	
Pro Forma Gross Income:	\$375,600	
Expense Reimbursements: NNN	\$49,000	
Other income / Percentage Rent:	\$0	
Gross Potential Income:	\$424,600	
Vacancy Allowance:	(\$8,492)	2.0%
Effective Gross Income:	\$416,108	
Less Expenses:	(\$49,000)	
Net Operating Income:	\$367,108	88.2%
Less Loan Payments:	(\$63,185)	
Cash Flow/CoC Return:	\$303,923	12.66%
First Yr Principal Reduction:	\$3,335	
Total Return Before Taxes:	\$307,258	12.80%

NOTES: * As a percent of Effective Gross Income. ** As a percent of Down Payment.

Annualized Expenses

		PRO FORMA
Taxes	1.30%	\$39,000
Insurance	\$ 1.28	\$10,000
Utilities	\$ -	\$0
Landscaping	\$ -	\$0
Maintenance/Repairs	\$ -	\$0
Garbage	\$ -	\$0
Off-Site Management	\$ -	\$0
Total Expenses		\$49,000
Monthly/SF		\$0.52

This information has been secured from sources we believe to be reliable, however we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify all information.



Financial Analysis / Rent Roll

Suite	Tenants	Approx. Rentable Sq. Ft.	% of Prop	Lease Commence (Mo/Yr)	Lease Expiration (Mo/Yr)	Pro Forma Rent	Pro Forma Rent/SqFt	Pro Forma NNN PSF
A	Cultivation Warehouse	7,825	100%	TBD	TBD	\$31,300	\$4.00	\$0.52

MONTHLY TOTALS:

7,825

100%

\$31,300

\$4,083.33

Vacant 0.0%

Occupied 100.0%

Total Monthly Rent: \$31,300 NNN \$4,083.33

Total Annual Rent: \$375,600 NNN \$49,000

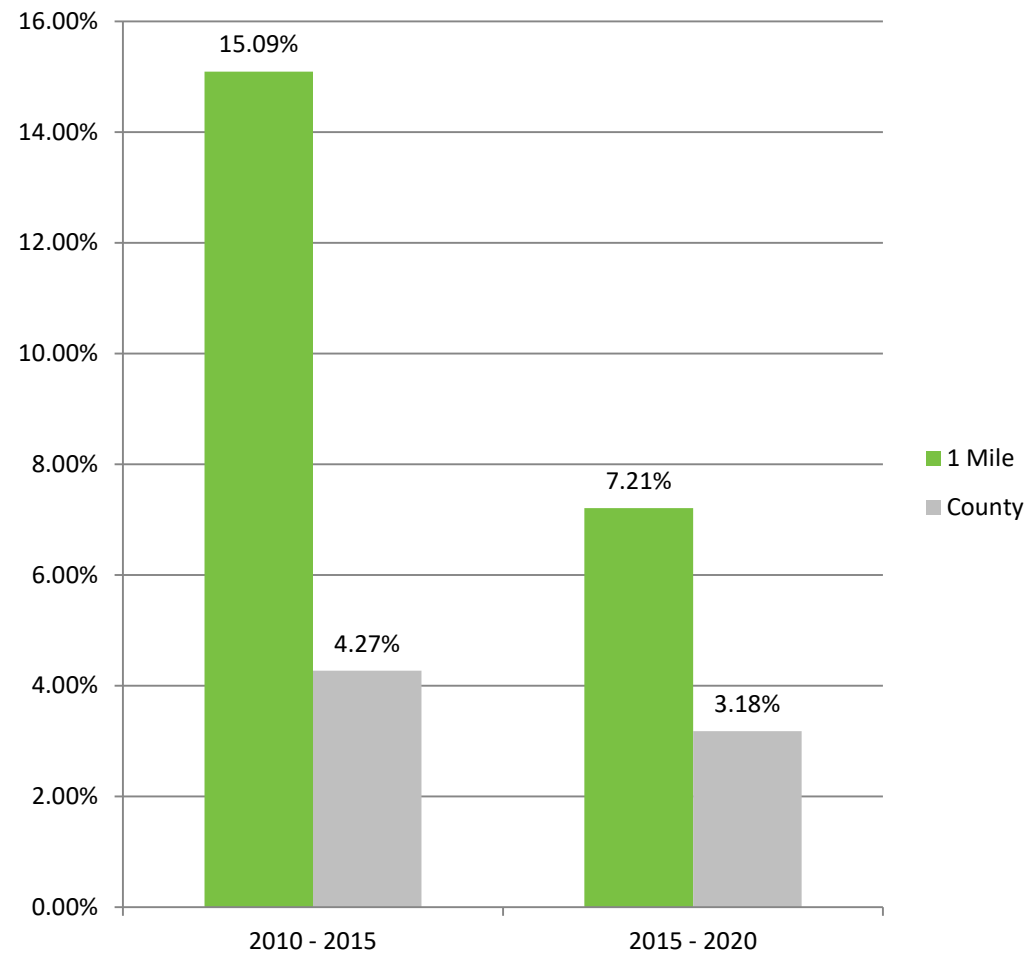
Current Dollar Vacancy: \$0

% Vacancy from Total Rent: 0.0%

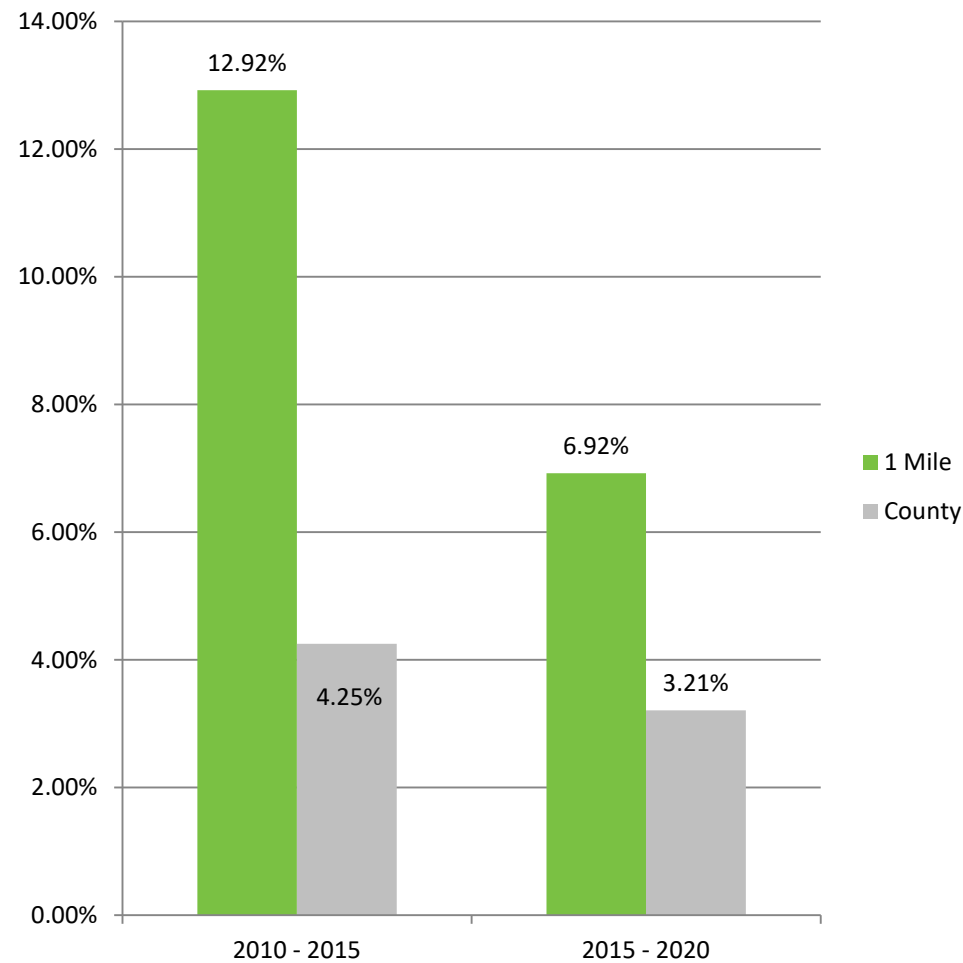
**Pro forma rents based on 60% of stabilized rents achieved for cultivation facilities in Colorado*

Demographics

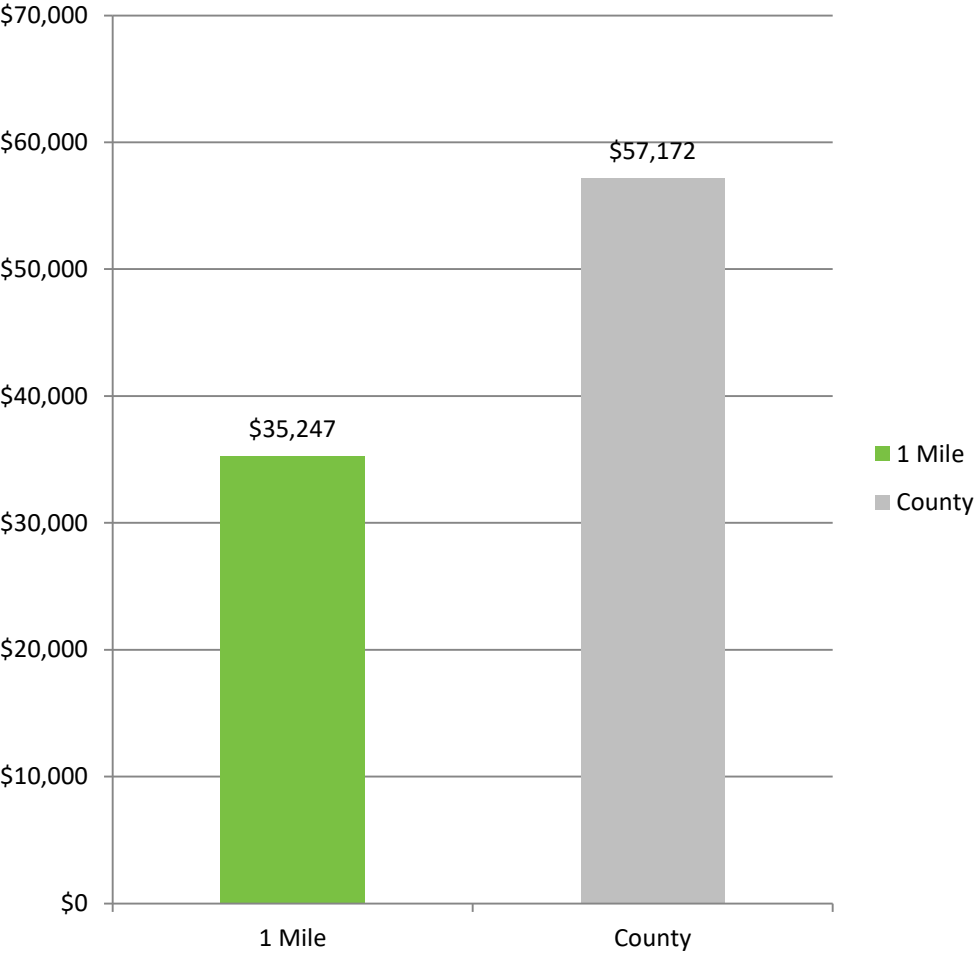
Population Growth



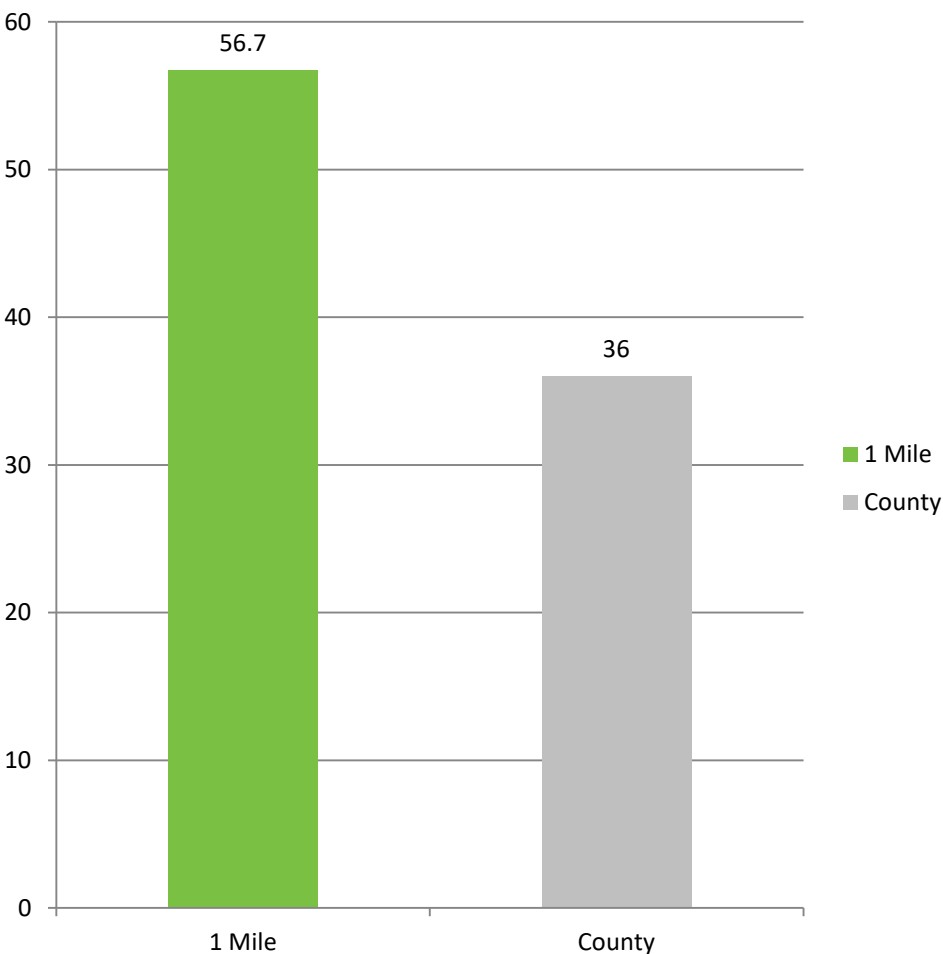
Household Growth



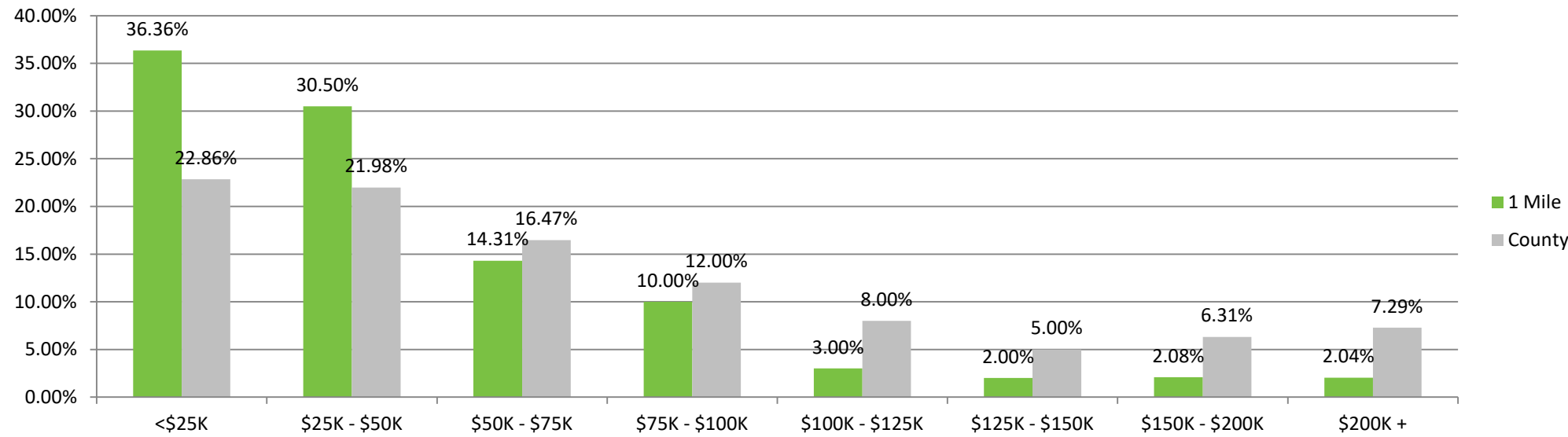
2016 Med Household Inc



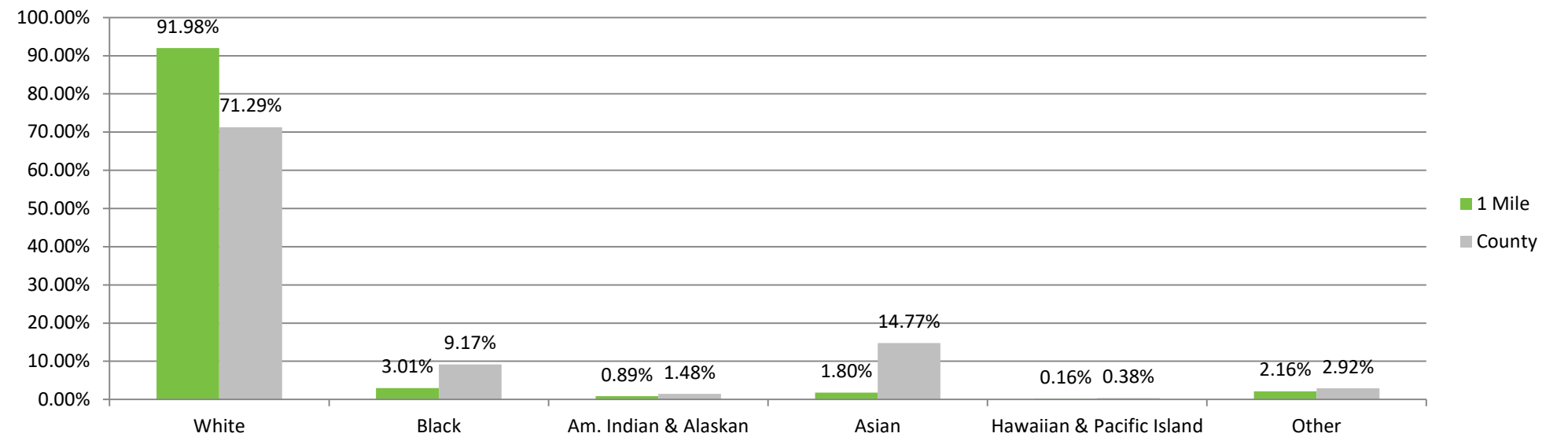
2016 Med Age



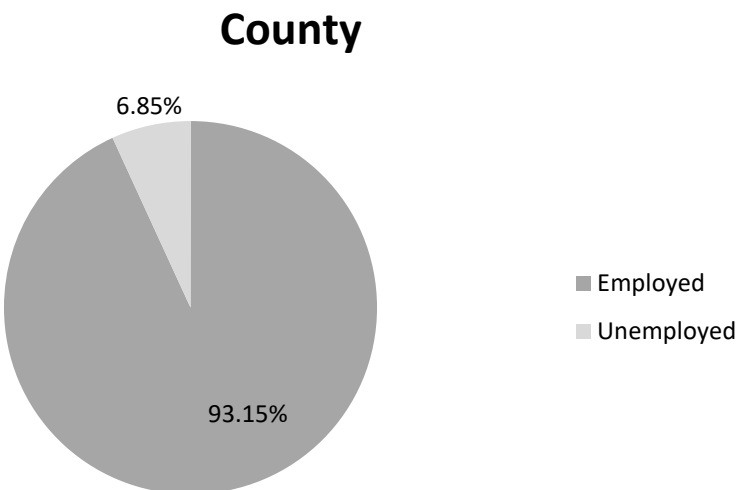
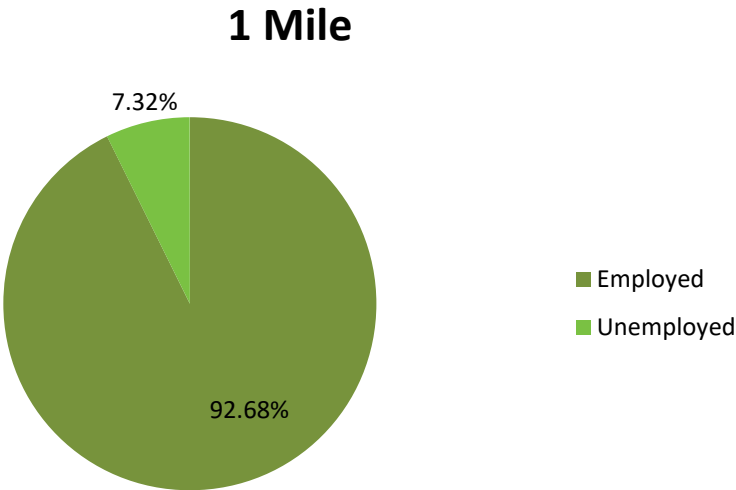
2016 Households by Household Income



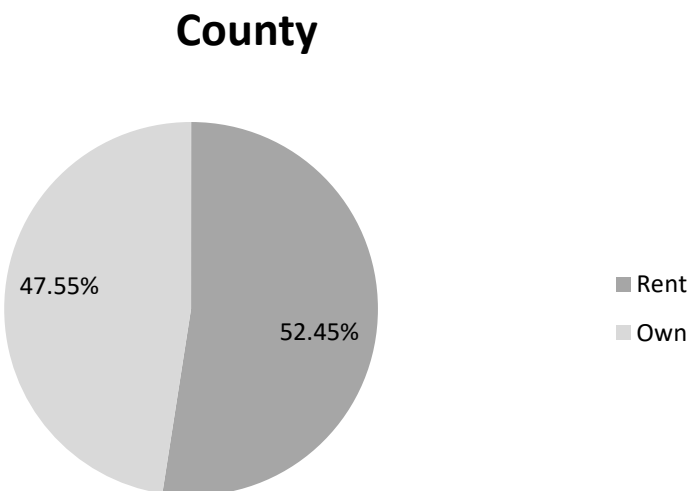
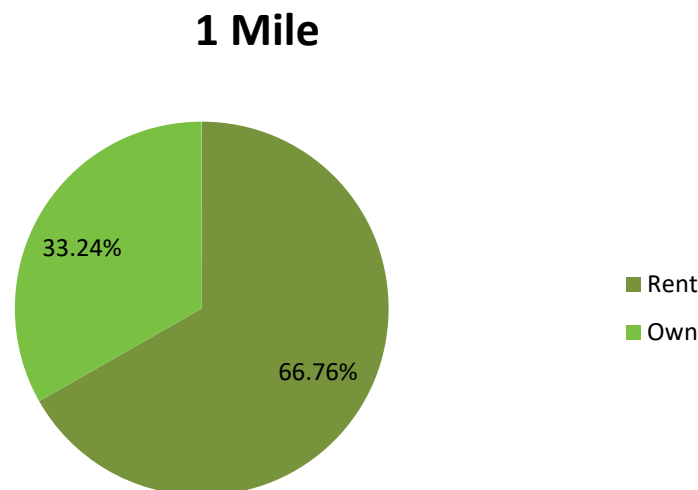
2016 Population by Race



2016 Employed vs Unemployed



2016 Renter vs Owner





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