

State of The Art Cannabis Facility

2751 Land Ave , Sacramento

Approved Cultivation Manufacturing Distribution Center~ State License Applied



OFFERING MEMORANDUM



License # 00915268

State of The Art Cannabis Facility

CONTENTS

01 Executive Summary

Executive Summary
Location Summary

4
5

02 Property Description

Property Features
Aerial Map
Property Images

7
8
9

03 Rent Roll

Rent Roll Details

13

04 Financial Analysis

Income & Expense Analysis
Cash Flow Analysis

15
16

05 Additional Information

Market Projections
Demand Dynamics
California Leading
U.S. Cannabis Retail Sales

19
20
21
22

Exclusively Marketed By



Lu Ann Henderson

Vice President

Lic: DRE# 01912126

Cell 916-798-8559

Lhenderson@thevollmancompany.com



Daniel "Danny" Stevenson

Broker Associate

Lic: DRE# 01507958

916-933-7333

Ldanny@kwcommercial.com



License # 01406150



License # 00915268

1900 Point West Way Suite 161 Office 916-929-2000
Sacramento, CA 95815



STATE OF THE ART CANNABIS FACILITY

01 **Executive Summary**
Offering Summary
Location Summary

OFFERING SUMMARY

AD9800000DRESS	2751 Land Ave Sacramento CA 98515
MARKET	Sacramento
STATE	California
APPROVED BUILD-OUT SF	45,170
LAND SF	72,440 SF
YEAR BUILT	1982
APN	265-0280-046

FINANCIAL SUMMARY

OFFERING PRICE	\$7,800,000.00
NOI (TURN KEY FACILITY)	\$42,998,150

Approved State of the Art Multi-Business Cannabis Facility

This is a major opportunity to own a large-scale Cannabis cultivation, concentrate manufacturing and Distribution license in a pre-approved Build Out of 45,170 s.f. City of Sacramento has already issued the license which is fully transferable to a new owner.

The full build out has yet to happen, and there are a couple options a buyer may wish to explore to get the install completed, The Building already has existing 4,000-amp 480 V, 3 Phase.

This rare, one of a kind two-story facility is designed for 22,000 sf cultivation canopy, complete build out construction to accommodate 600+ lights. Also included under the same roof, is the distribution center, packaging center, extraction facility, kitchen for edibles production, trim room, mixing room, multiple dry rooms, and mother, clone and propagation rooms. Another unique feature the building plans include an air shower and gowning room, making for a neat clean room environment. Other great features in this facility is the employee break room with a locker room, ADA bathrooms, and an elevator for easy access to the second floor. The state-of-the-art security facility is one of the most highly sophisticated designs in the industry.

With a multi-business hub, you can be at ease regarding the safety of your employees knowing there is less change of hands of products outdoors.

This Multi-Million Dollar Producing Facility is available with many turn key options including builders on site, seller financing and existing enough power available. Seller is willing to stay on to provide construction oversight, Management and Employee Supervision from initial construction through ongoing operations after close of escrow.

I'll Entertain most reasonable offers with proof of funds. Buyer should see a 100% + return after 24 months of full scale operation.

- State Of The Art Approved Cultivation, Manufacturing and Distribution Multi Cannabis Business Facility, Entertaining Offers With Poof Of Funds
- Gross Revenue Projection of \$35,000,000.00 - \$43,000,000.00 Annually
- All Building Permits Have Been Approved For 45,170 SF State of The Art Build-Out
- Approved (CUP) Conditional Use Permits Each For Cultivation, Manufacturing And Distribution All under One Roof
- Complete And Approved Engineered Plans
- 4,000 Amps 3 Phase 480 V Already At Building
- Sellers Back Financing Is Available, 10% Annual Interest (3-5 years term) @ 50% LTV,
- Serious Inquiries Only. Creative Deals Involving Real Estate, Buyer Must Have Capital And Proof Of Funds
- The Building Is Positioned Well For A Value-Add Investor, And An Owner-User
- General Contractor And Design Team In Place For Immediate Construction Build-Out
- An Ability To Start Operations Within 3-6 Months, Given All Permits And Business Entitlements In Place And Saving Years Of Municipal Scrutiny With Uncertain Results
- www.HendersonCRE.com for more information

This State Of The Art Multi-Business Facility is Located in the City of Sacramento, State Capital of California.

Access to the most effective and affordable entry point into the most powerful tech economy in the world and the world-class venture capital and top tech accelerators in Silicon Valley.

SACRAMENTO is now the #1 location for Bay Area residents looking to relocate. 24,000 people move to Sacramento from the Bay Area every year. More than Denver, Seattle, Portland, Austin and Phoenix Combined!

36,5240 students currently enrolled in a 4-year university within 100 miles. Stanford-Berkeley-UC Davis-Sacramento State. Nearly a fifth of Sacramento's tech job applicants are from the Bay Area.

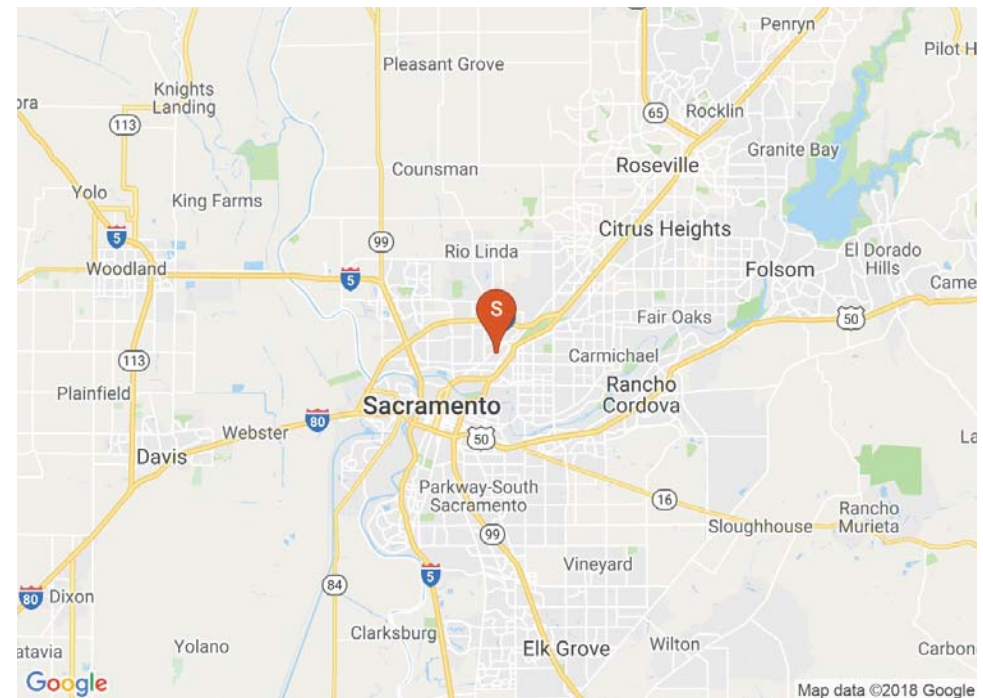
Greater Sacramento is outpacing California in growth of highly qualified workers. 33% higher the California average. We're the 9th highest concentration of bachelor's degree holders in STEM, among the largest 50 US metro areas.

Median home prices in the Sacramento region is around \$350,000. Office space, we're cheaper than the top 20 MSA markets.

We're spending \$3.65 Billion in Sacramento's urban core. Plus, we have access to quality lifestyle with Napa, San Francisco and Lake Tahoe within arm's reach.

The Greater Sacramento region is committed to building a business- friendly market. We are the most profitable state to do business among FORTUNE 500 Companies.

Regional Map



California Market





02

Property Description

Property Features

Aerial Map

Parcel Map

Additional Maps

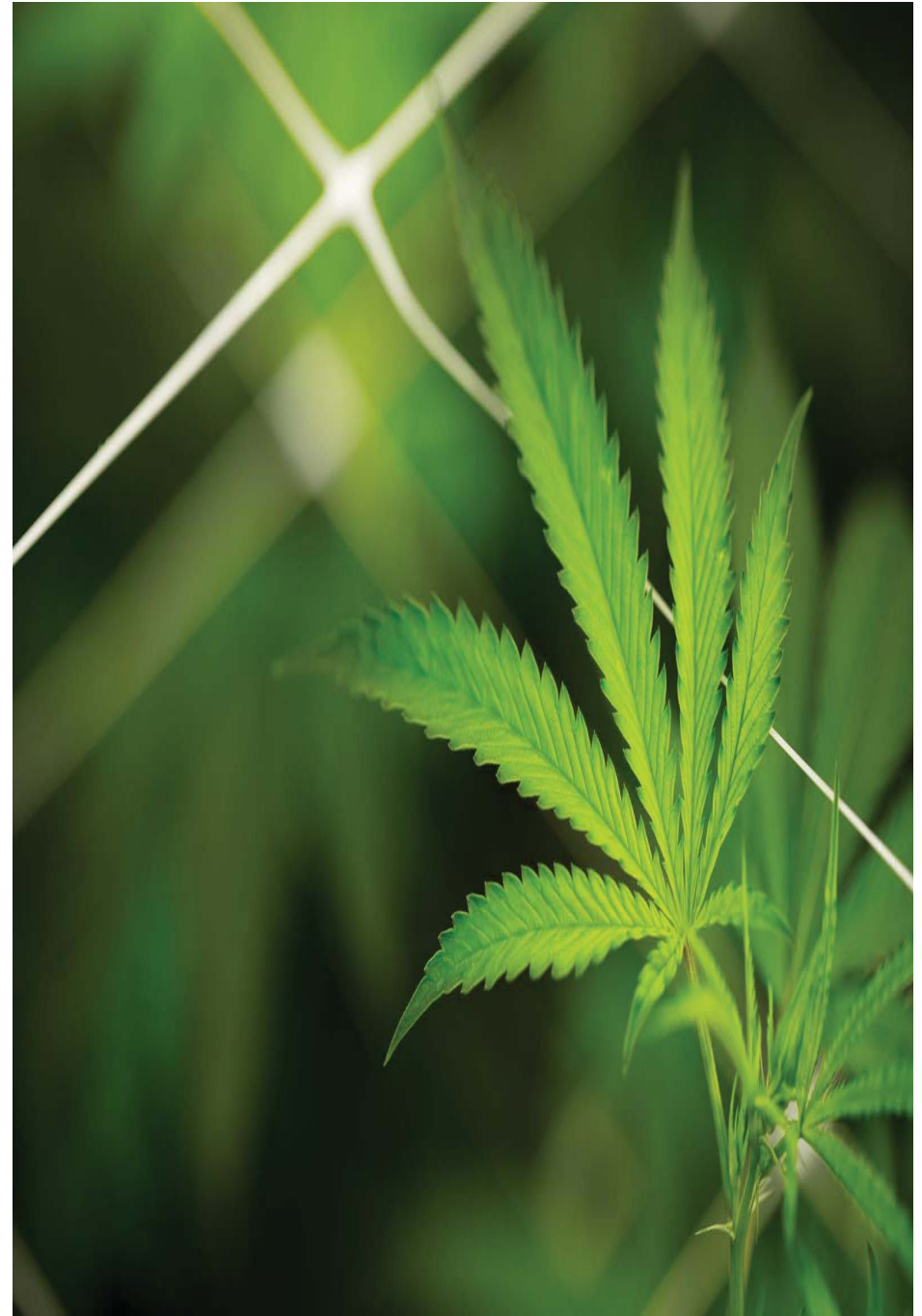
Property Images

Site Description

NUMBER OF UNITS	1
BUILDING SF	37,200
APPROVED BUILD-OUT SF	45,170
LAND SF	72,440
LAND ACRES	1.66
YEAR BUILT	1982
# OF PARCELS	1
ZONING TYPE	M-2
NUMBER OF STORIES	2
NUMBER OF BUILDINGS	1
NUMBER OF PARKING SPACES	40
PARKING RATIO	1.08/1,000
CEILING HEIGHT	18-20
DOCK HIGH DOORS	0
GRADE LEVEL DOORS	1

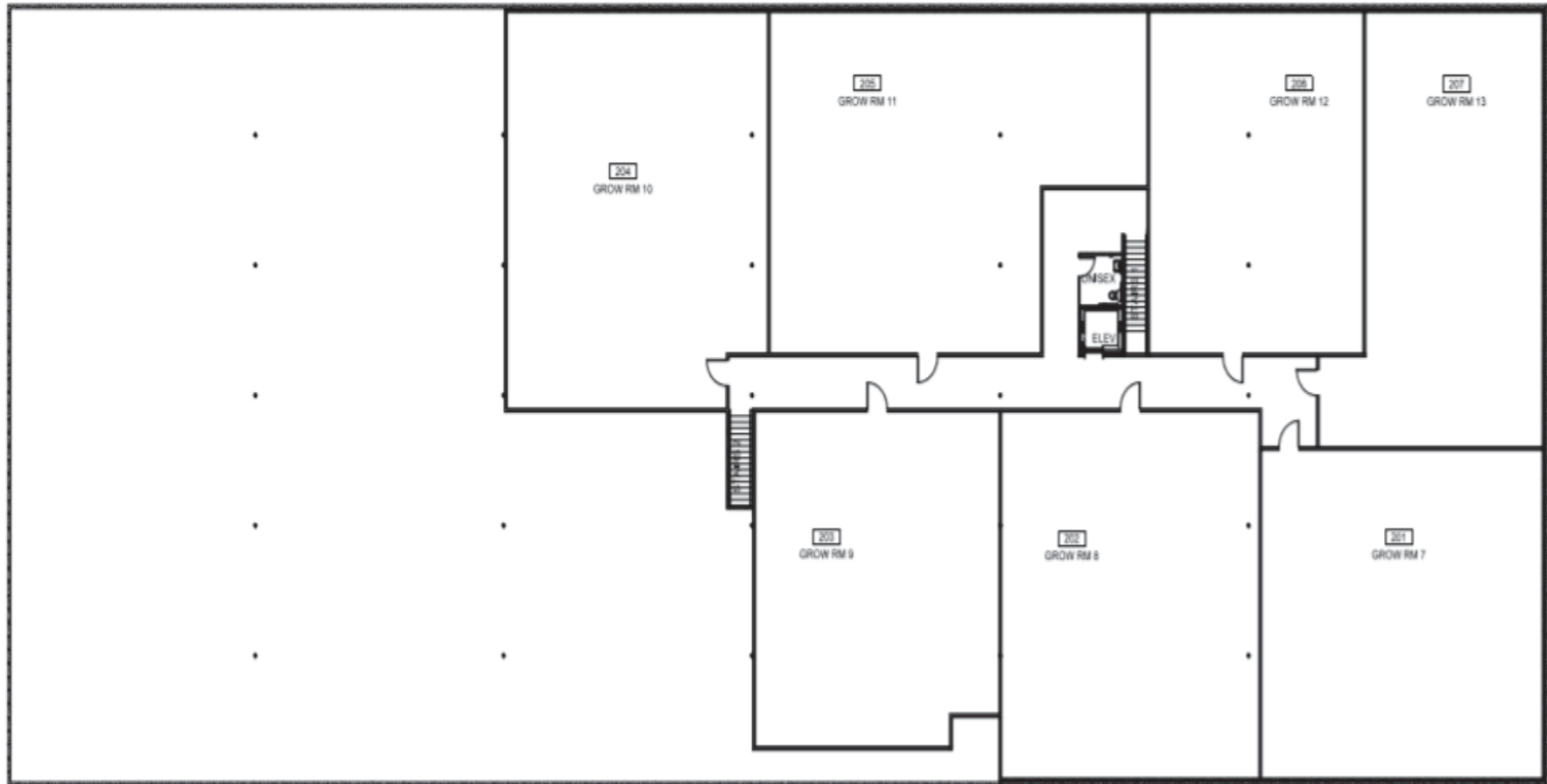
MECHANICAL

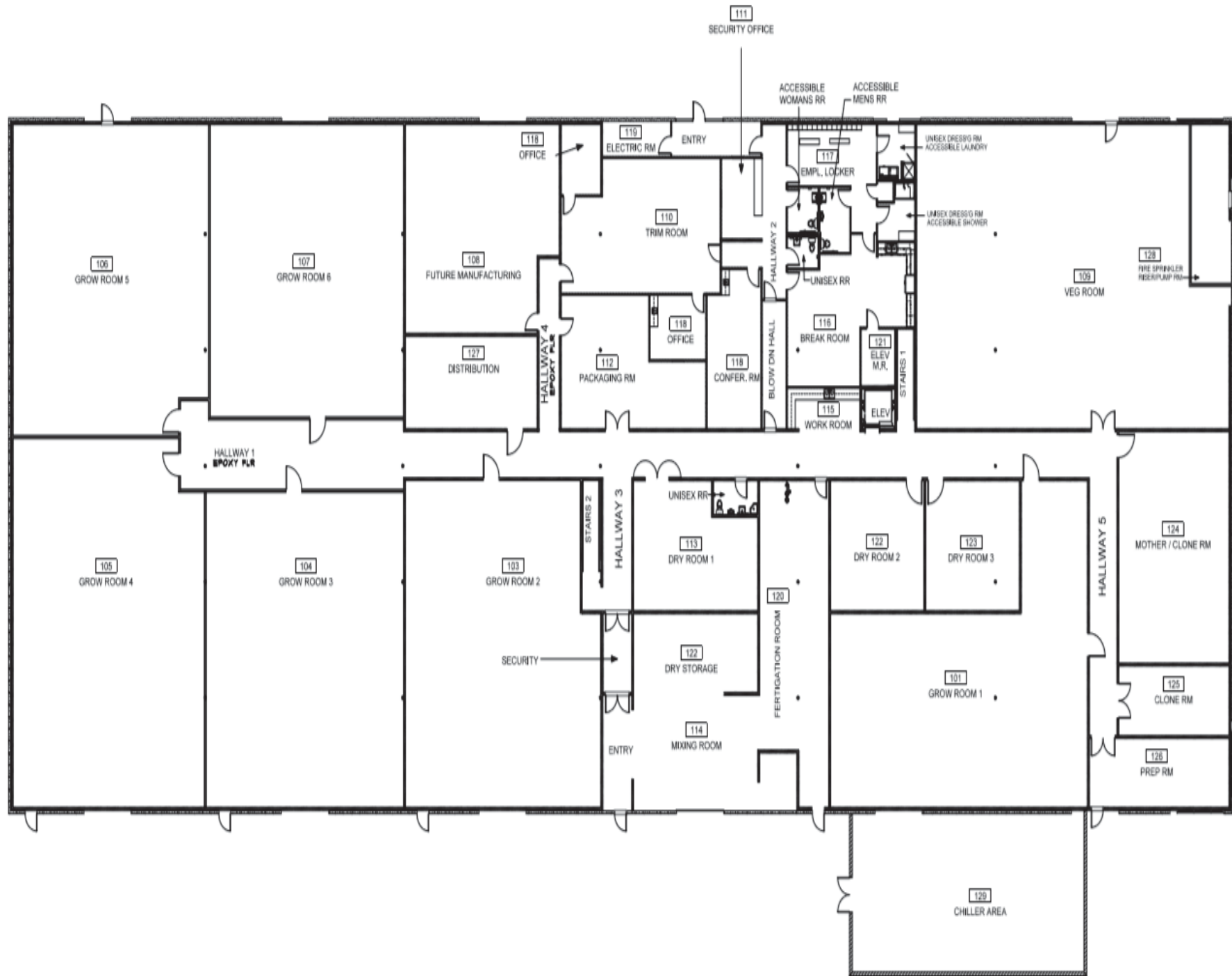
HVAC	Combination System
FIRE SPRINKLERS	Yes
ELECTRICAL / POWER	4,000 Amps 3 Phase 480 V
LIGHTING	TBD



2751 Land Ave









August 7, 2018

Project:

Land Ave Tenant Improvement

2751 Land Ave

Sacramento, CA 95815

This location has had a preliminary design study conducted by our team members. The location is well suited for an ultra-high efficiency hydronic process cooling system that controls both space temperature and humidity. Some systems only control Vapor Pressure Deficit, forcing growers to lose control of temperature in a space. Our system is able to independently control both temperature and humidity in each room over the entire grow cycle, and even have different set points for different strains. The system is substantially more energy efficient than the equipment traditionally used in cannabis production, which means both lower operating costs as well as being eligible for multiple types of governmental incentives. This system is also inherently flexible, allowing the HVAC system to be modified for virtually any form of building occupancy in the future at relatively little cost. This combination of a much longer expected useful equipment life and the ability to modify buildings with this type of system to virtually any future use means that this system is attractive to financiers, reducing or eliminating first cost.

The preliminary design for the system at Land Ave. is complete, and our team is ready to begin developing a permittable set plans when called upon, with equipment that can be delivered in weeks, not months.

Daniel M. Stevenson,
Managing Member



03

Rent Roll

Rent Roll Details

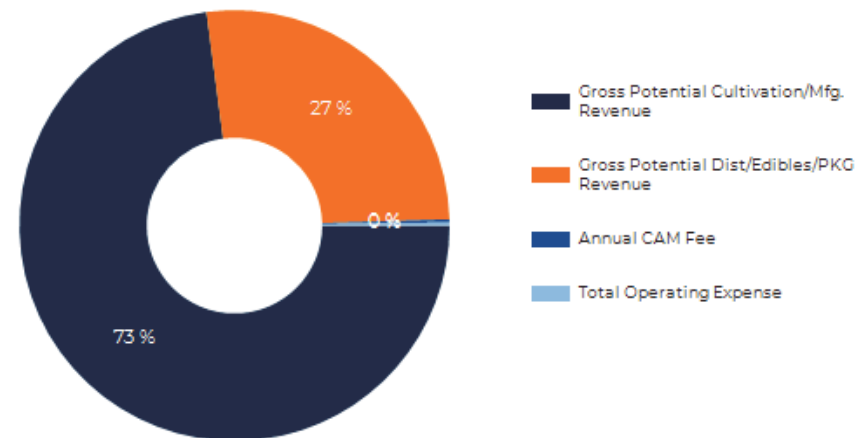
Tenant Profile

Suite	Tenant Name	Square Feet	% of NRA	Lease Term		Rental Rates					Lease Type	Options/Notes
				Lease Start	Lease End	Begin Date	Monthly Base Rent	Monthly PSF	Annual Base Rent	Annual PSF		
1	Packaged Product	504	1.12%	10/01/19	10/31/23	FUTURE	\$2,016	\$4.00	\$24,192	\$48.00	NNN	
						10/01/2019	\$2,076	\$4.12	\$24,918	\$49.44		
						10/01/2020	\$2,139	\$4.24	\$25,665	\$50.88		
						10/01/2021	\$2,203	\$4.37	\$26,435	\$52.44		
						10/01/2022	\$2,269	\$4.50	\$27,228	\$54.00		
						10/01/2023	\$2,337	\$4.64	\$28,045	\$55.68		
2	Distribution Facility	794	1.76%	10/01/19	10/31/23	FUTURE	\$3,176	\$4.00	\$38,112	\$48.00	NNN	
						10/01/2019	\$3,271	\$4.12	\$39,255	\$49.44		
						10/01/2020	\$3,369	\$4.24	\$40,433	\$50.88		
						10/01/2021	\$3,471	\$4.37	\$41,646	\$52.44		
						10/01/2022	\$3,575	\$4.50	\$42,895	\$54.00		
						10/01/2023	\$3,682	\$4.64	\$44,182	\$55.68		
3	Extraction	2,160	4.78%	10/01/19	10/31/23	FUTURE	\$8,640	\$4.00	\$103,680	\$48.00	NNN	
						10/01/2019	\$8,899	\$4.12	\$106,790	\$49.44		
						10/01/2020	\$9,166	\$4.24	\$109,994	\$50.88		
						10/01/2021	\$9,441	\$4.37	\$113,294	\$52.44		
						10/01/2022	\$9,724	\$4.50	\$116,693	\$54.00		
						10/01/2023	\$10,016	\$4.64	\$120,194	\$55.68		
4	Cultivation Canopy	40,000	88.55%	10/01/19	10/31/23	FUTURE	\$160,000	\$4.00	\$1,920,000	\$48.00	NNN	
						10/01/2019	\$164,800	\$4.12	\$1,977,600	\$49.44		
						10/01/2020	\$169,744	\$4.24	\$2,036,928	\$50.88		
						10/01/2021	\$174,836	\$4.37	\$2,098,036	\$52.44		
						10/01/2022	\$180,081	\$4.50	\$2,160,977	\$54.00		
						10/01/2023	\$185,484	\$4.64	\$2,225,806	\$55.68		
5	Edibles	613	1.36%	10/01/19	10/31/23	FUTURE	\$2,452	\$4.00	\$29,424	\$48.00	NNN	
						10/01/2019	\$2,526	\$4.12	\$30,307	\$49.44		
						10/01/2020	\$2,601	\$4.24	\$31,216	\$50.88		
						10/01/2021	\$2,679	\$4.37	\$32,152	\$52.44		
						10/01/2022	\$2,760	\$4.50	\$33,117	\$54.00		
						10/01/2023	\$2,843	\$4.64	\$34,110	\$55.68		
Totals		44,071					\$176,284		\$2,115,408			

04 Financial Analysis
Income & Expense
Multiyear Cash Flow Projections

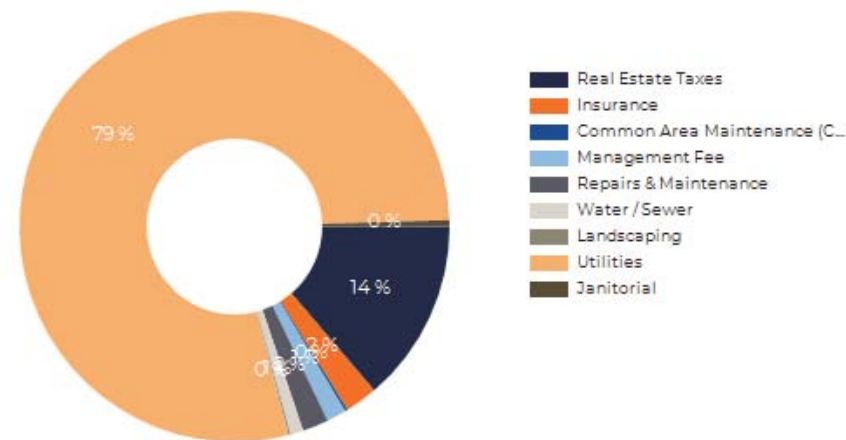
INCOME	TURN KEY FACILITY
Gross Potential Cultivation/Mfg. Revenue	\$31,500,000
Gross Potential Dist/Edibles/PKG Revenue	\$11,500,000
Annual CAM Fee	\$100,000
Effective Gross Income	\$43,100,000
Less: Expenses	\$101,850
Net Operating Income	\$42,998,150

REVENUE ALLOCATION



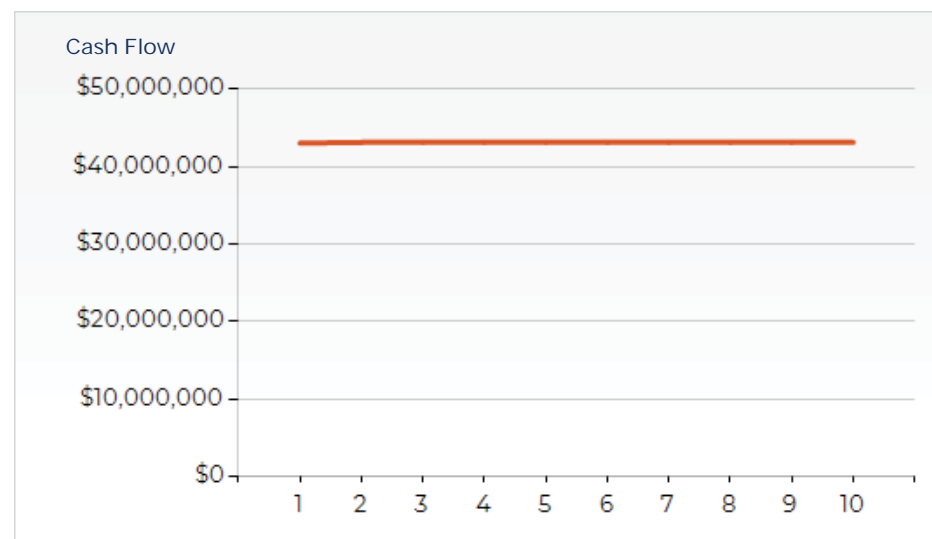
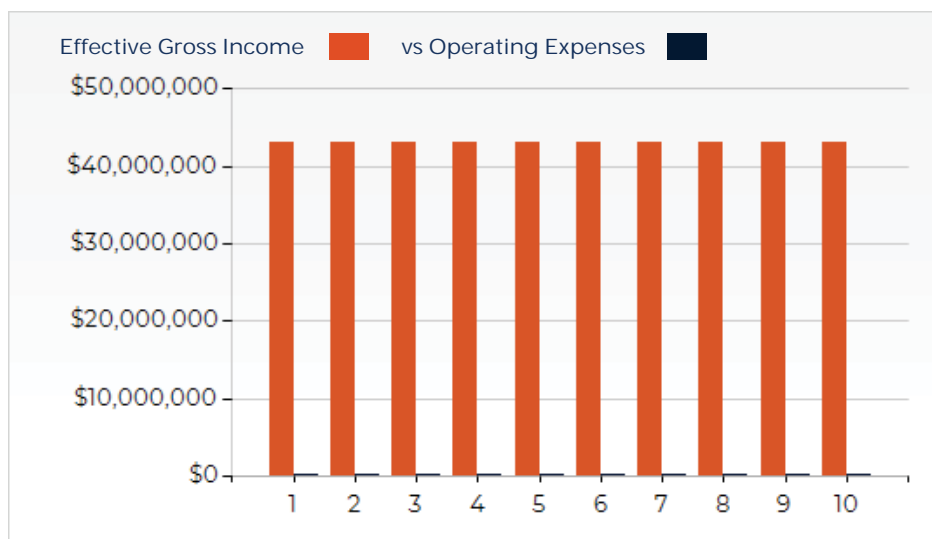
EXPENSES	TURN KEY FACILITY
Real Estate Taxes	\$14,000
Insurance	\$2,500
Common Area Maintenance (CAM)	\$200
Management Fee	\$1,500
Repairs & Maintenance	\$2,000
Water / Sewer	\$1,000
Landscaping	\$150
Utilities	\$80,000
Janitorial	\$500
Total Operating Expense	\$101,850
Expense / SF	\$2.25
% of EGI	0.24 %

DISTRIBUTION OF EXPENSES



CASH FLOW

Calendar Year	Turn Key Facility	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Potential Revenue										
Gross Potential Cultivation/Mfg. Revenue	\$31,500,000	\$31,500,000	\$31,500,000	\$31,500,000	\$31,500,000	\$31,500,000	\$31,500,000	\$31,500,000	\$31,500,000	\$31,500,000
Gross Potential Dist/Edibles/PKG Revenue	\$11,500,000	\$11,500,000	\$11,500,000	\$11,500,000	\$11,500,000	\$11,500,000	\$11,500,000	\$11,500,000	\$11,500,000	\$11,500,000
Annual CAM Fee	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Effective Gross Income	\$43,100,000	\$43,100,000	\$43,100,000	\$43,100,000	\$43,100,000	\$43,100,000	\$43,100,000	\$43,100,000	\$43,100,000	\$43,100,000
Operating Expenses										
Real Estate Taxes	\$14,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Common Area Maintenance (CAM)	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Management Fee	\$1,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repairs & Maintenance	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Water / Sewer	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Landscaping	\$150	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$80,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Janitorial	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Total Operating Expense	\$101,850	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700
Net Operating Income	\$42,998,150	\$43,096,300	\$43,096,300	\$43,096,300	\$43,096,300	\$43,096,300	\$43,096,300	\$43,096,300	\$43,096,300	\$43,096,300



05 Additional Information

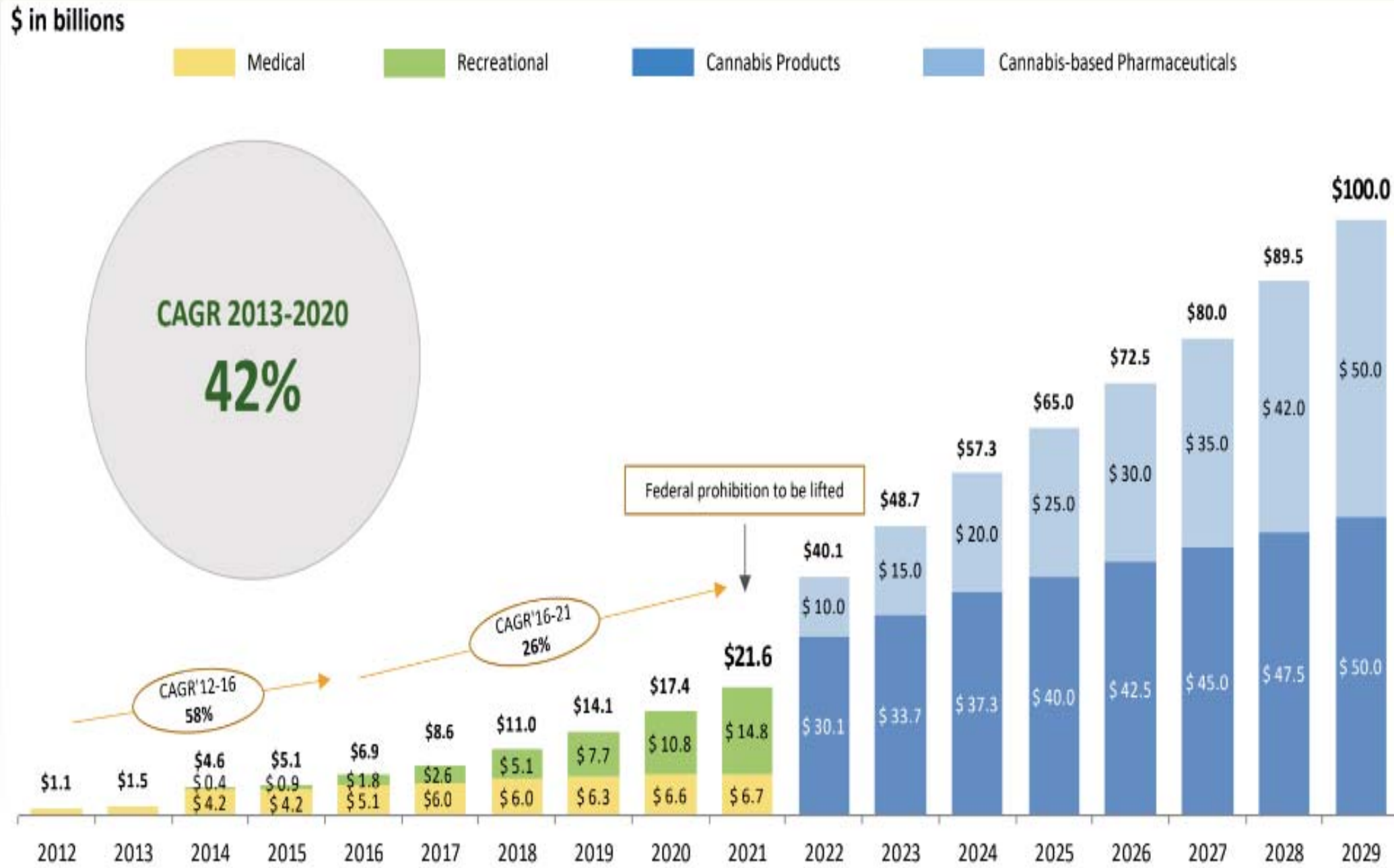
Market Projections

Demand Dynamics

California Leading

U.S. Cannabis Retail Sales

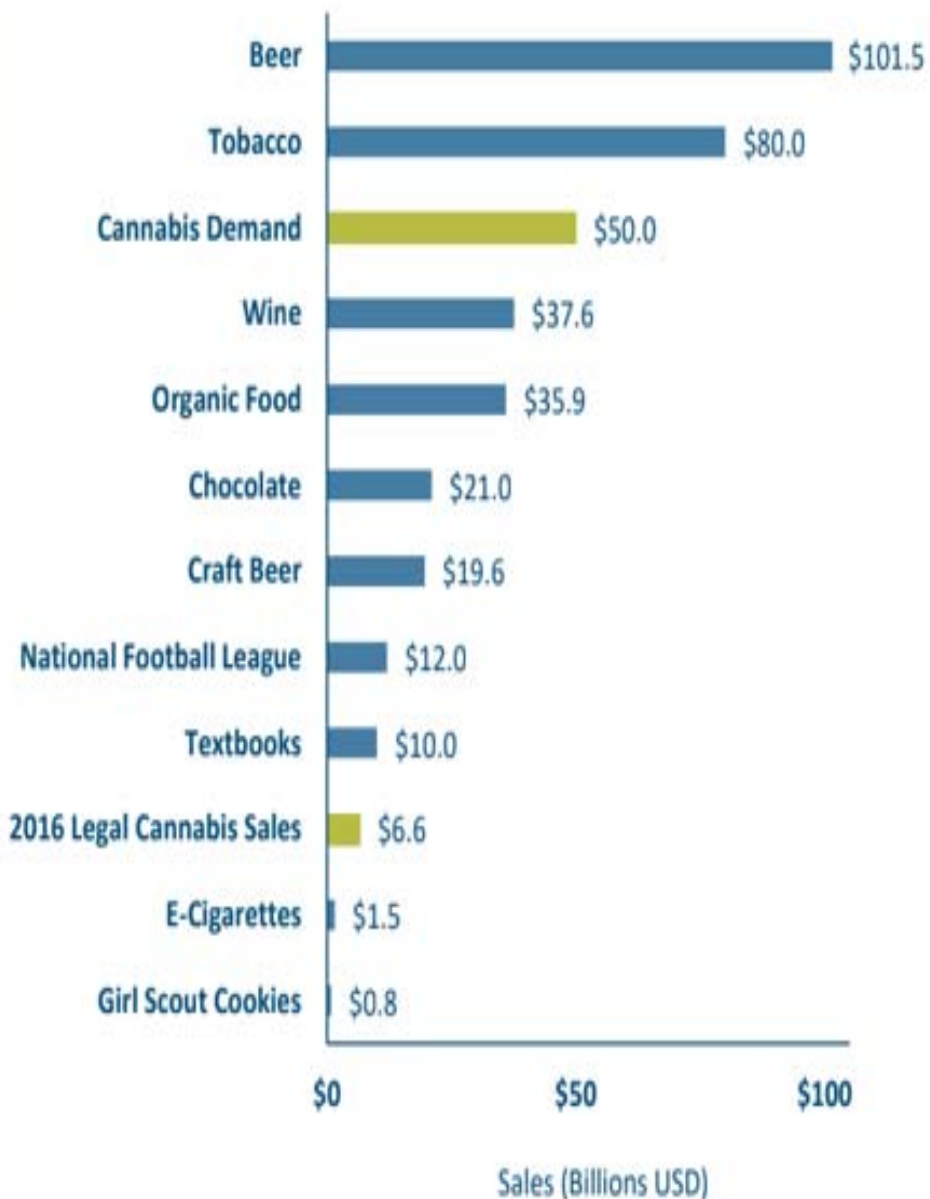
CANNABIS MARKET PROJECTIONS



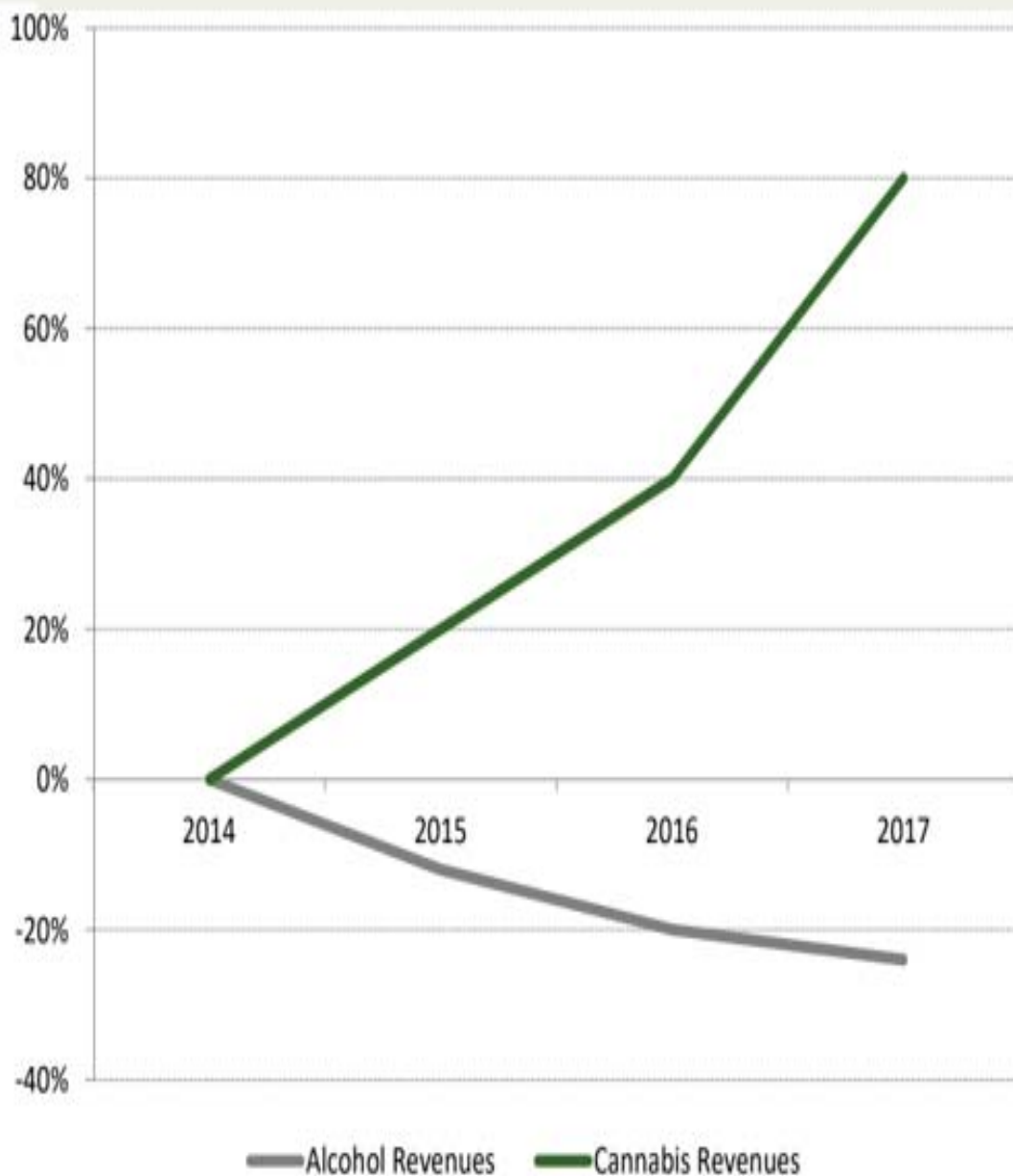
Sources: ArcView 2012 to 2021, Ackrell Capital Thereafter

CANNABIS DEMAND DYNAMICS

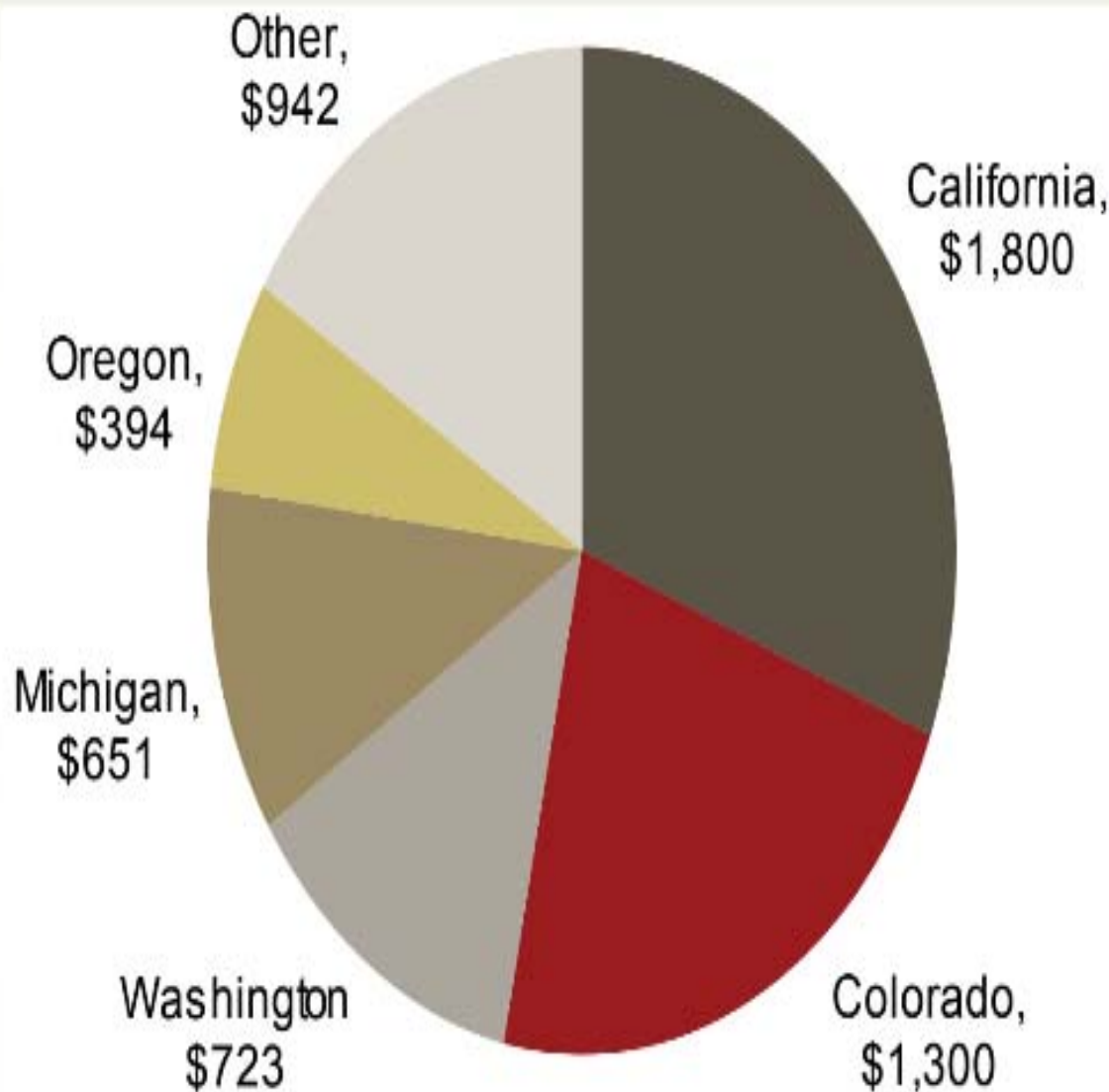
Comparative Demand for Consumer Goods (2017)



Alcohol Vs. Cannabis Sales (Example of Colorado)



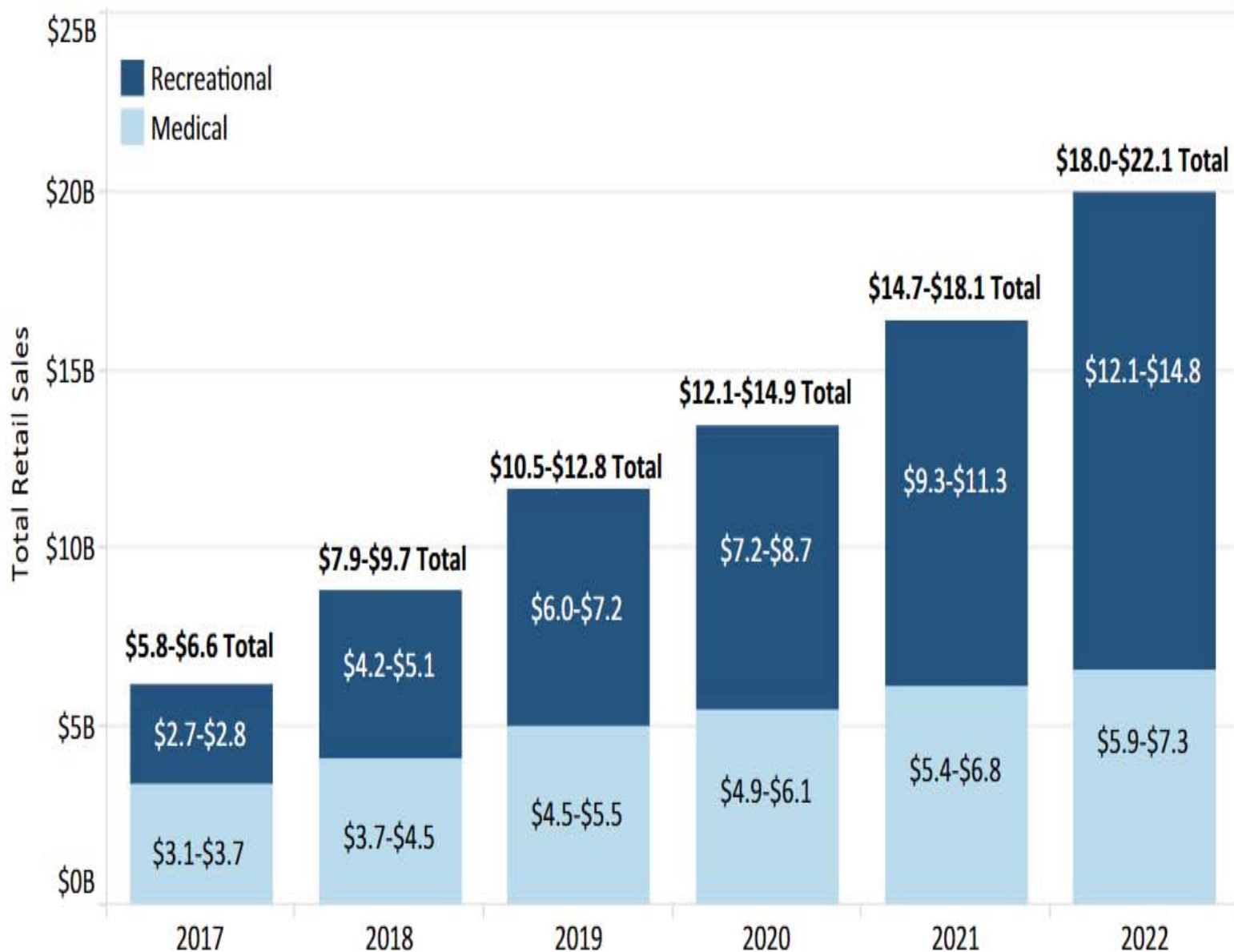
US REGIONAL SALES



- *It is estimated that the US cannabis industry generated \$5.8bn in legal sales in 2016, led by California*

U.S. Cannabis Retail Sales Estimates: 2017 - 2022

(In Billions Of U.S. Dollars)



State of The Art Cannabis Facility



Exclusively Marketed By



Lu Ann Henderson

Vice President

Cell 916-798-8559

License # DRE# 01912126

Lhenderson@thevollmancompany.com

www.hendersoncre.com

Daniel "Danny" Stevenson

Broker Associate

916-933-7333

License # DRE# 01507958

Danny@kwcommercial.com



License # 01406150



License # 00915268