

OFFERING MEMORANDUM

PRIME HARD CORNER IN SOUTHERN OREGON

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Executive Summary

Merit Commercial Real Estate has been exclusively retained to market for sub-lease or assignment 30 Rossanley Drive. The site represents a extraordinarily rare opportunity to develop a Class A+ healthcare or retail building in beautiful Southern Oregon.

30 Rossanley Drive is a prime hard corner, and fronts directly onto the signalized intersection of Highway 62 and Riverside Avenue. The site has unimpeded line-of-sight to 40,000+ VPD.

The site represents a key element of the Northgate Retail Complex. It is among a select few parcels that have been meticulously planned over several years, aiming to establish a cohesive and all-encompassing retail center in the heart of a growing city.

Occupied by a growing list of national brands, the Northgate Complex enjoys the close proximity and shared customer base of Chick-fil-A, Chipotle, Starbucks, Five Guys, Jamba Juice, DaVita, Stanton Optical, and much more.

Originally planned as a Class A medical office building, the COVID-19 pandemic of early 2020 caused construction to be put on hold. Subsequently, the developers decided to focus on other opportunities, which led to the site remaining vacant until now.

The property is now being offered on the open market for the first time, available as a sub-lease under or an assignment of the existing ground lease, with competitive base rent and exceptional opportunity.

While the offering represents a healthcare focused development opportunity, developers are by no means limited to this strategy. 30 Rossanley also lends itself extraordinarily well to a variety of other retail uses.

Completed plans and permits for an 11,000+ SF MOB are included.

Please visit MedfordGroundLease.com for additional info.

Additional information is available. Please contact the listing brokers to submit a completed NDA and view expanded information and offering guidance.

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Transaction Details

Availability:	Sub-lease or assignment of existing GL
Base Rent (GL):	\$125,000/year (see schedule on pg. 3)
Ground Lease Term:	42 of 45 year initial term remaining
Address:	30 Rossanley Drive, Medford OR 97501- Jackson County
Site ID:	37-2W-24 TL 103 APN 11005067
2022-2023 Taxes:	\$19,318.27
Zoning:	C-S/P-RZ (Community-Service/Prof.)
Gross Acreage:	1.64 acres (71,438 SF)
Visibility:	In excess of 40k VPD (combined)
Access:	Site access via south driveway (easement)
Use Restrictions:	Flexible, subject to restrictions (pg. 3)
Utilities:	All utilities stubbed directly to site
Other:	Site includes completed construction plans, entitlements, and permits for 11,450 medical office building, and is nearly shovel ready for a healthcare use. Other uses may also be allowed. Prospective tenants/developers to complete all due diligence.

Ground Lease Abstract

1. Leased Area

30 Rossanley Drive, Medford, OR 97501. Approximately 1.64-acres.

2. Base Rent & Increases

\$125,000/year base. 10% rent increase every 5 years, including extensions, if applicable.

3. Original Term

45 consecutive years from the Rent Commencement Date (03/23/2020). Effective date of 12/24/2019.

4. Extension Options

(3) 5-year extension options with 270 days notice to Landlord.

5. Construction Responsibilities

Tenant solely responsible for design, architecture, permits, utility connections, obtaining approvals, and any other costs associated with constructing desired improvements. All plans and uses to be approved by Landlord prior to construction.

6. Tenant Responsibilities & CAM Charges

Tenant solely responsible for property taxes, insurance, all maintenance of the site, and all costs associated with the site. CAM charges of \$16,400/year are currently assessed.

7. Subletting & Assignment

Tenant ("Lessor", for purposes of this offering) has sublet rights subject to the terms of the existing lease. Tenant may assign its interest subject to Landlord approval and assignee meeting certain criteria.

8. Use Restrictions

Site is subject to certain use restrictions, including no dialysis center, Mexican, hamburger, or blended juice restaurants, and no gas station use allowed.

9. Miscellaneous Provisions

Site has exclusive rights to "Urgent Care and Supporting Services" within the retail center. Landlord has licensed 15 parking spaces for mutual use as further expanded in the Lease.

Copy of existing lease and additional due diligence information may be provided to prospective tenants/developers following completed NDA.



Investment Highlights



Competitive Ground Lease Rate

The ground lease rate for this well-known corner with great visibility is competitive, allowing a developer/user to easily step into a new flagship location.



Flexible Development Opportunities

While not limited to it, the property was planned for health-care/medical clinic use, and includes entitlements and permits for 11,450 SF MOB.



Irreplaceable Location and Visibility

With unmatched visibility, sited on what most agree is the best retail corner in Southern Oregon, the property is nearly irreplaceable.



Rapidly Growing Sub-Market

Medford, and Southern Oregon as a whole, has a growing population with improving fundamentals, becoming a destination on the West Coast.



Nearby Residential Development

350+ apartment units within walking distance of the subject property are slated to be delivered within the next 24 months, significantly improving neighborhood traffic.



Site Aerial



Subject Property

Court Street (14,012 VPD)

McAndrews Road (19,929 VPD)

Rapidly Growing, Walkable Neighborhood

Tentatively titled Northgate Village, Creations NW is currently constructing 350+ luxury apartment units across 2 phases, within direct walking distance of the subject property. The first phase is slated to be delivered within the next 18 months, significantly improving site demographics and visibility. The complex is the first institutional-quality multifamily development in Medford, featuring luxury units, clubhouse, gym, pool, garages, and much more.

(photo taken 11/2023)

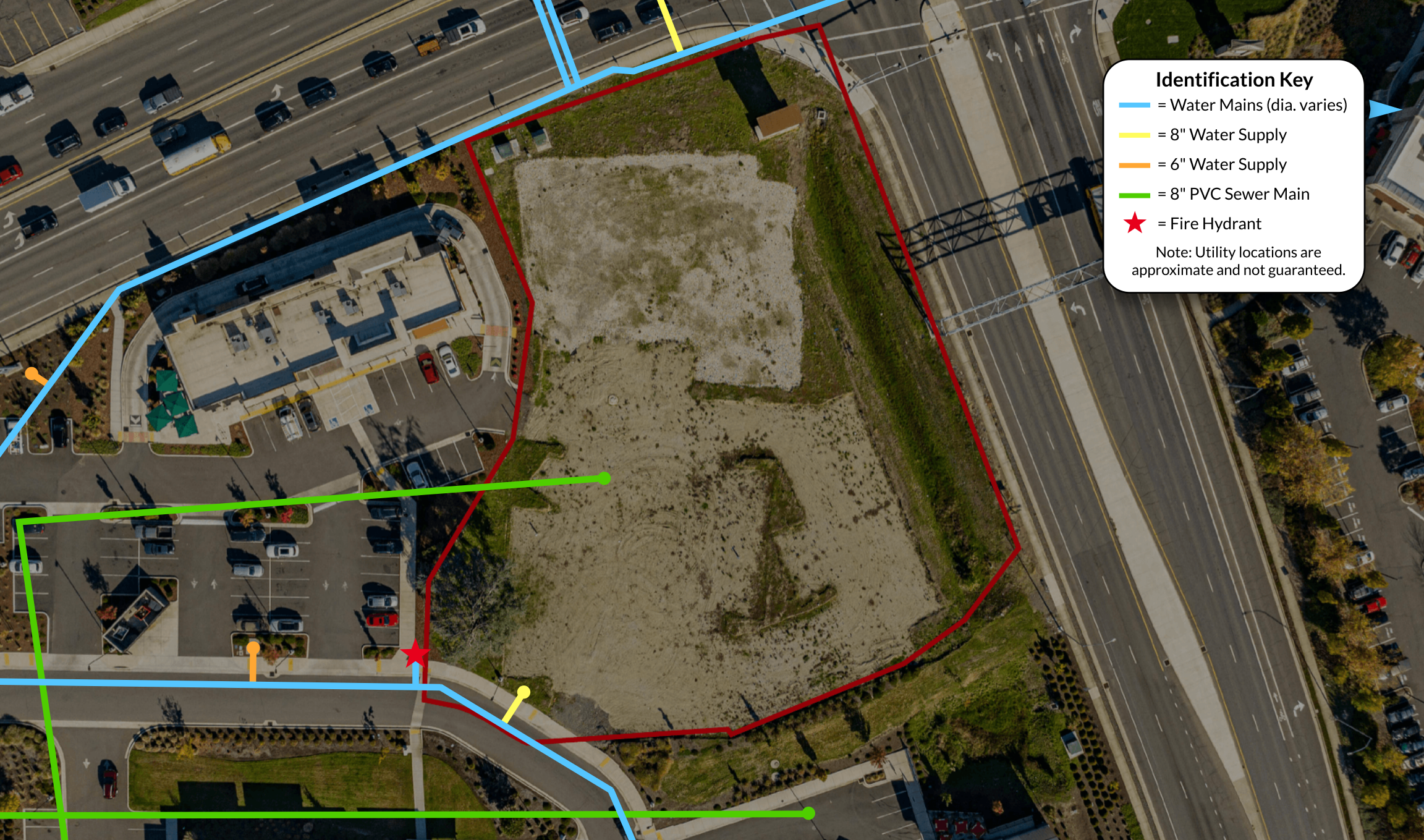
An aerial photograph of a medical office building site. A large, irregularly shaped white area in the center of the image contains a detailed architectural floor plan. The plan shows various rooms, corridors, and a large circular feature on the left side. The building is situated next to a multi-lane highway with several vehicles. To the left of the building is a parking lot with several cars. To the right is a grassy area with trees and a utility crane. The text "ST. JOHN'S WATER FACILITY" is visible on the right side of the building plan.

Conceptual Site & Building Plan

±11,450 SF Medical Office Building Concept



Alternative Conceptual Site Plan



Identification Key

- = Water Mains (dia. varies)
- = 8" Water Supply
- = 6" Water Supply
- = 8" PVC Sewer Main
- ★ = Fire Hydrant

Note: Utility locations are approximate and not guaranteed.



Region & Landmark Map

Southern Oregon

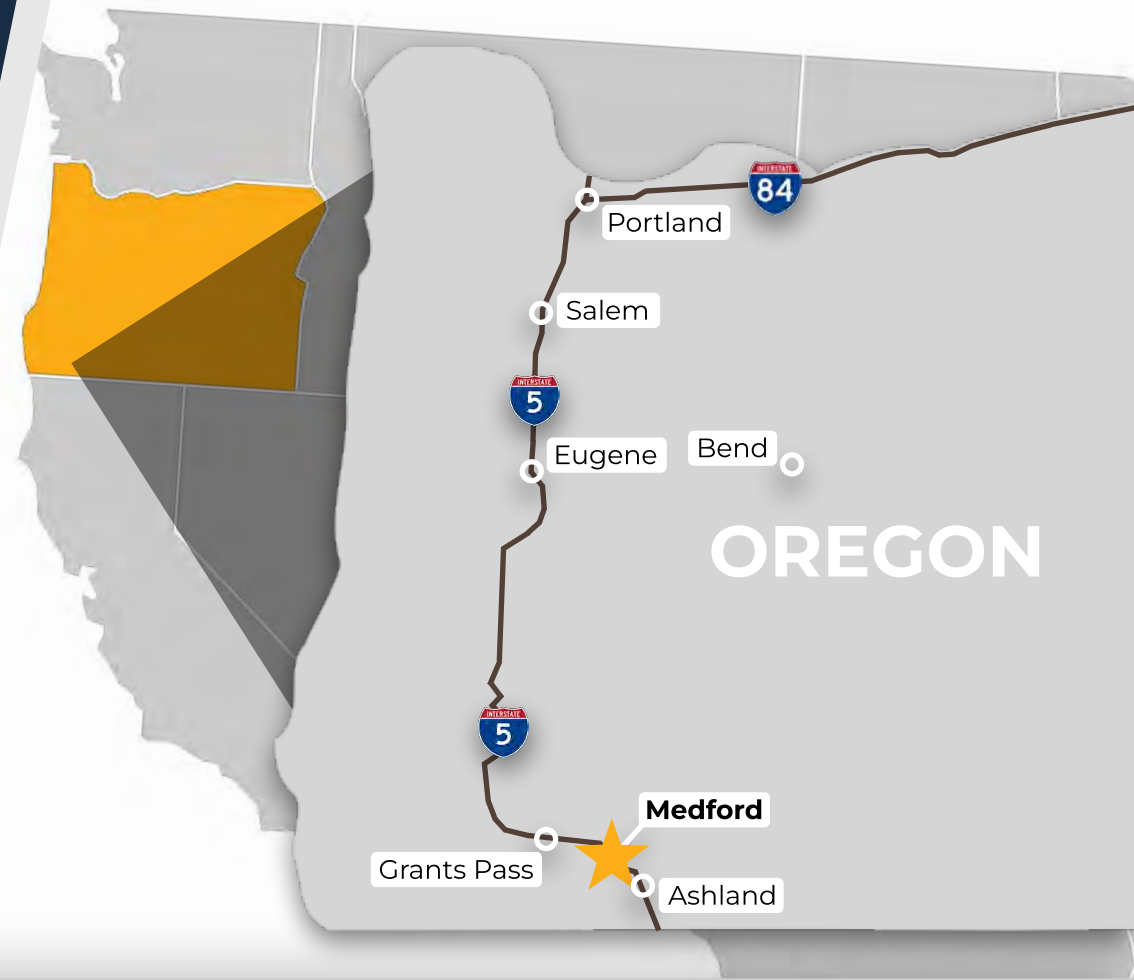
Southern Oregon, largely encompassing Jackson and Josephine Counties, is a world-class gem hiding in plain sight. Anchored by its mild Mediterranean climate, the area boasts the winning combination of being both strategically located between Portland and San Francisco, and having forward-thinking municipal leadership. This combination drives strong economic growth and has created a long runway for development across all asset classes.

Southern Oregon is a gateway to the entirety of the West Coast, via Interstate 5 north through Eugene, Salem, Portland, and Washington State, and south through Redding, San Francisco, and down to Los Angeles. The local transportation system connects the most populated cities in the region of Medford, Ashland, and Grants Pass, and has dedicated highways northeast to Bend and west to the Oregon Coast.

Multiple billion-dollar companies call Southern Oregon home, such as Lithia Motors (NYSE:LAD), Dutch Bros (NYSE:BROS), Asante Health Systems, Harry & David (NYSE:FLWS), Pacific Retirement Services, and countless small and mid-sized businesses.

Historically, the area's economy was mainly driven by the timber and agricultural industries. In the past few decades, the area has become a healthcare hub, and has a diverse economy supported by the industrial, manufacturing, logistics, retail, senior/retirement living, and finance/professional sectors. Timber and agriculture still play a role, with Timber Products and Roseburg Forest Products facilities located nearby.

The Southern Oregon AVA is a world-famous destination for viticulture, home to over 120 wineries and multiple wine trails. Also a burgeoning golf destination, the area has numerous renowned golf courses, and several other famous courses are within a short drive (Bandon Dunes, Pacific Dunes, Pronghorn Resort). Over 8 casinos are within a 6-hour drive, including Seven Feathers, Three Rivers, Elk Valley, and others.





The Rogue Valley



Downtown Medford



Asante Hospital Expansion



Medford, OR History and Profile

Medford, Oregon - Medford is a vibrant city located in Southern Oregon, known for its unique blend of natural beauty, cultural richness, and economic vitality. It serves as the county seat of Jackson County and is the fourth largest metropolitan area in Oregon. The city is renowned for its picturesque landscapes, including the nearby Rogue River and the Siskiyou and Cascade mountain ranges, which offer a plethora of outdoor activities such as fishing, hiking, and rafting.

Economically, Medford has a diverse base, with healthcare, retail, and manufacturing being significant contributors. The city is home to the Rogue Valley Medical Center and Providence Medford Medical Center, which are major employers in the region. The retail sector has performed increasingly well, anchored by the Rogue Valley Mall, the expanding Northgate Center, and the award-winning Medford Center.

The City has a strong sense of community as well as a diverse economy. Within a 15 minute drive, the Rogue Valley International-Medford Airport is the regional air travel hub for all of Southern Oregon, with well over 1M annual travelers. Breathtaking outdoor recreational activities are moments away; Upper and Lower Table Rock, the Rogue River, dozens of lakes, as well as the Crater Lake National Park are all within an easy drive.

Overall, Medford is a city that blends its historical roots with a forward-looking perspective, making it a desirable destination for businesses and residents alike.



Southern Oregon Market

Strategic, Central Location

Southern Oregon is perfectly positioned nearly exactly halfway between Portland and San Francisco. The region's main airport, Rogue Valley International-Medford Airport (MFR) serves as both a high-traffic regional airport with dozens of direct-access and layover routes as well as a bustling private aviation hub. Well over 1m annual travelers come through MFR, with that number growing alongside the addition of several new commuter and travel routes to Portland and Salem, Arizona, California, and many others.

MFR is home to 2 Fixed-Base Operators (FBOs) - Million Air and Jet Center MFR. Both are highly-active, highly-rated FBOs serving countless private aircraft owners and military personnel. Million Air prides itself on being the only FBO on the West Coast that can hangar a Boeing business jet.

The airport's low relative parking fees, combined with it's strategic, central location, has proven the region as one of the most prominent private aviation destinations in Oregon for corporations and private individuals alike.

The region's dryer, sunnier climate allows for easier air travel for most of the year, compared to the rest of the State. MFR also serves as the region's air-based fire-fighting hub during the Summer months.

Erickson Air-Crane, Inc's main facility is located nearby, a global OEM aircraft company specializing in heavy-lift aerial operations in both civilian and military use.

Overall, the region is a burgeoning aviation destination, with the perfect blend of economical, weather, and geographical tailwinds spurring growth.





Bandon Dunes

World-Class Golfing Destination

Southern Oregon and golf go hand-in-hand. 3 full seasons of play are available across dozens of distinctly beautiful courses. From the rugged Running Y Resort in Klamath Falls all the way to the world-renowned and Top 20 Golf Course in the World, Bandon Dunes, there are multiple choices to tailor to each player's skill level and speed of play. Within the immediate area, the Robert Trent Jones Jr.-designed Eagle Point Golf Club as well as the expansive, John Fought-designed Centennial Golf Club stand out as local favorites. Other highlights is the quintessential, stunning private Rogue Valley County Club, the unique Stone Ridge Golf Course, as well as the shorter Stewart Meadows, Quail Point, and Bear Creek, all of which have recently received extensive investment and improvements. Several annual golf championships and competitions take place, including the Southern Oregon Golf Championships - on its 94th year!



Eagle Point Golf Club



Pacific Dunes



Centennial Golf Club

Southern Oregon AVA & Wine Trails

The Southern Oregon AVA (American Viticultural Area) encompasses the Rogue, Applegate, Umpqua and Illinois Valleys. The area is world famous for its countless vineyards and wineries, and has a diverse and unique terroir. Varietals that thrive in Southern Oregon's Mediterranean climate are Cabernet Sauvignon, Merlot, Syrah, Chardonnay, Pinot Noir, Tempranillo, and Viognier, among others. There are 4 distinctly unique semi-organized wine trails, all within a short drive - the Upper Rogue Wine Trail, to the North, features 4 renowned wineries. The Jacksonville and Bear Creek wine trails, both near the center of the Rogue Valley, include dozens of award-winning wineries and vineyards. A short drive Southwest, the Applegate Wine Trail runs alongside the Applegate River, and truly captures the heart and beauty of Southern Oregon. A trip to Southern Oregon is on every wine lover's bucket list!



Transaction Guidelines

30 Rossanley is offered for sub-lease under or an assignment of the existing ground lease. Prospective tenants/developers should rely on their own assumptions and base their LOI/offer on the "As-Is, Where-Is" condition of the Property. Merit Commercial Real Estate ("MCRE") will be available to assist prospective purchasers with their review of the offering and answer questions within their scope of practice. Site tours of the property and tours of the market, for qualified prospective tenants/developers, may be arranged with MCRE upon request. MCRE and the Lessor request that all initial meetings requested by prospective purchasers be arranged and coordinated through MCRE. There is not currently a definitive date for offers to be submitted. When a prospective buyer prepares an LOI/offer for 30 Rossanley, such offers should, at a minimum, include the following:

- Lessor's desired use
- Sources of capital (equity and debt) for the transaction
- Lessor's due diligence period, extension options, and internal approval process
- Desired closing date
- Breakdown of closing expenses to be paid by lessee and lessor, if differing from local customs

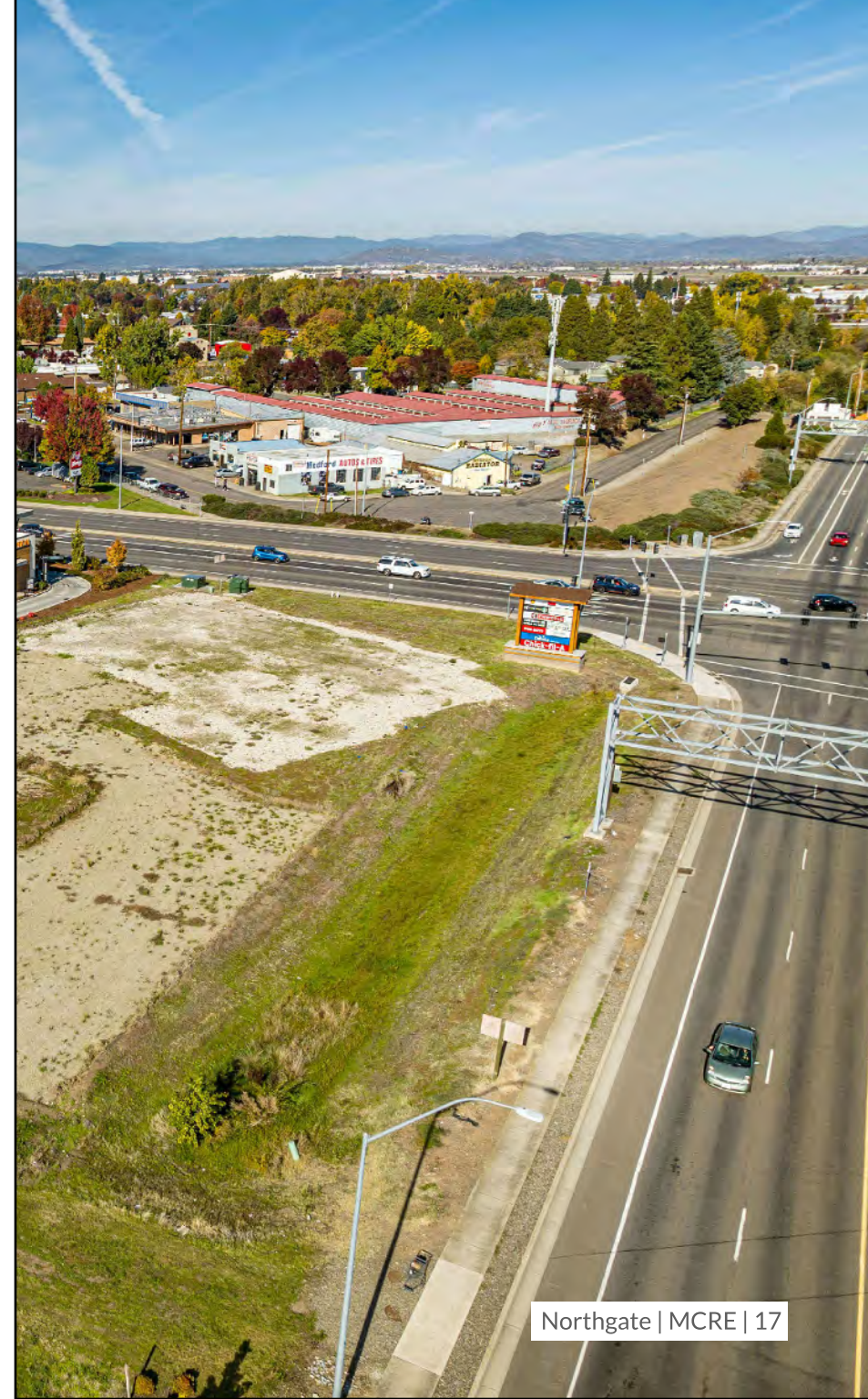
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