

OFFERING MEMORANDUM

Rivergate Center | McMinnville, OR



EXCLUSIVELY LISTED BY



DAN KEMP, CCIM

Partner, Broker

Direct 541.848.4076

Cell 541.550.8413

dkemp@compasscommercial.com



RUSSELL HUNTAMER, CCIM

Partner, Principal Broker

Direct 541.848.4049

Cell 541.419.2634

rhuntamer@compasscommercial.com



JEANMARIE KAPP

Broker

Chief Operating Officer

Cell 773.490.3805

jmkapp@renaissancecos.us



TABLE OF CONTENTS



MCMINNVILLE, OR



EXECUTIVE SUMMARY



PROPERTY OVERVIEW



RESIDENTIAL DEVELOPMENTS



CONFIDENTIALITY & DISCLAIMER



MCMINNVILLE, OR

WHY CHOOSE MCMINNVILLE?

It costs less to do business here. You will find the resources, room to grow, and a skilled workforce ready to help you succeed.

THE ECONOMY

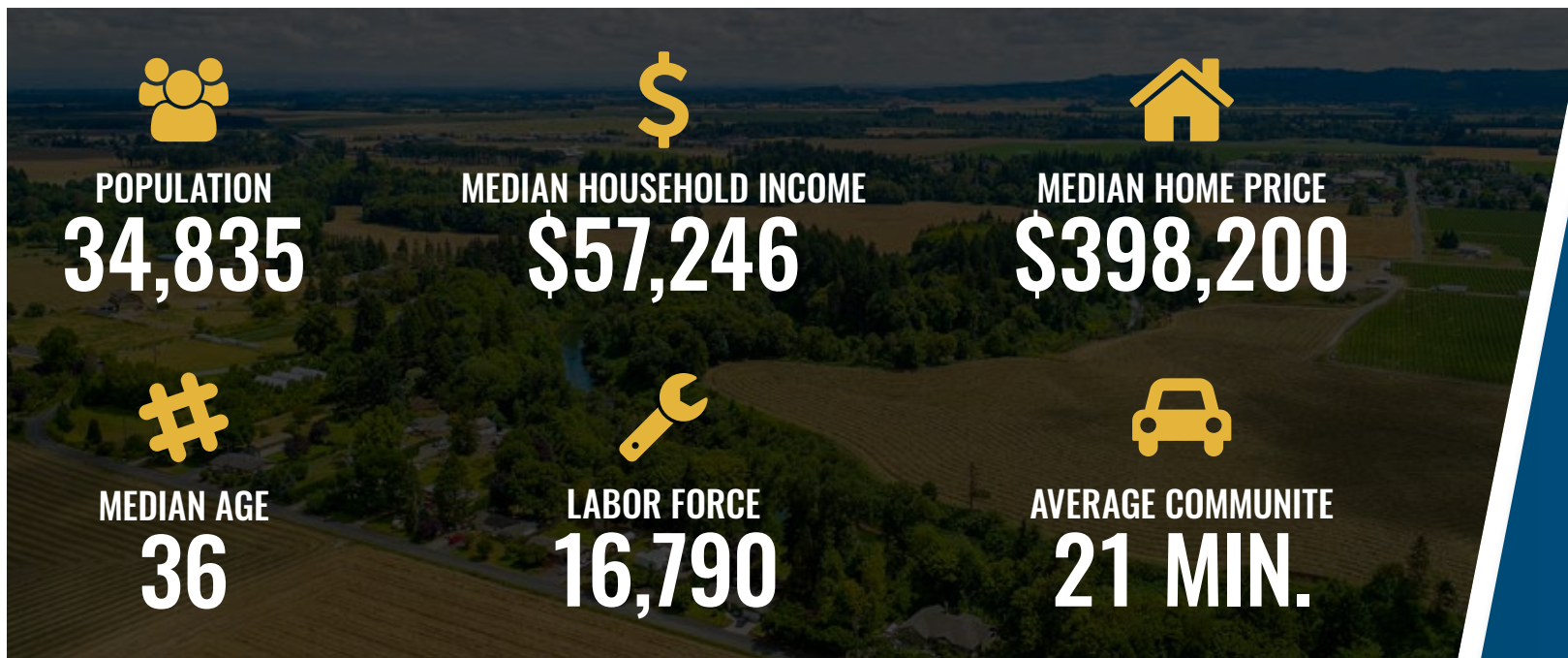
McMinnville offers a diverse economy:

- 21% manufacturing
- 20% education & health
- 10% financial/professional
- 11% leisure/hospitality
- 12.6% retail trade
- 24.57% mining/logging/government/other

The city has 14,000+ employees with more relocating every day. New housing is coming online each month, offering more incentive to businesses and employees to work/live there. It's located on Hwy 99W and close to I-5.



MCMINNVILLE DEMOGRAPHICS



ABOUT MCMINNVILLE

McMinnville, Oregon is a city of 34,835 residents located in the heart of Oregon wine country, not far from Oregon's largest cities, Portland and Salem. The Willamette Valley town is the seat of Yamhill County and officially became a city in 1882. Fast forward to today, McMinnville is a hub for those who appreciate the laid-back style of a small town with great taste.

Known as a wine-lover's heaven and a pinot noir paradise, McMinnville is at the epicenter of Oregon's famous wine valley with over 220 wineries and vineyards ready for touring and tasting.

The city has a mild year-round climate which allows for plenty of outdoor pursuits from road cycling to hiking and picnics in the park interspersed with visits to farmer's markets, outdoor art, and historic sightseeing. Other major attractions include a world-class aviation museum and an indoor waterpark.

McMinnville's close proximity to Portland and the PDX International Airport (36 miles), Salem (25 miles) and the Oregon Coast (50 miles) make it an ideal hub for visits to the beach or city.



AWARD WINNING
MAIN STREET



FARM TO
FORK DINING



2017 WINE REGION
OF THE YEAR





EXECUTIVE SUMMARY

This 28-acre industrial parcel offers opportunities for investors, developers and potential tenants/owners. Rivergate Center is located in the growing city of McMinnville, the seat for Yamhill County and the center of Oregon's world-renowned wine region. The property is one mile from downtown with easy access to major transportation corridors.

McMinnville's M2 zoning allows all uses in the M-L (limited light industrial) and M1 (light industrial) zones. Between these categories, there are more than 50 permitted uses which covers a broad spectrum. Among these is office use, based on the user providing services to the surrounding industrial users. Additionally, residential development is allowed as an accessory use to the primary industrial use. For example, if the entire 28 acres were developed in a PUD, 25% or seven acres would be allowed as residential.

This accessory use option expands the value and attraction of the site. Preliminary site plans and subdivision planning/process documentation is being made available by the Seller (not included in the sale price).

MIXED-USE

- Light industrial
- Commercial flex/office
- Residential - 15 dwelling units per acre
- Park amenities

INDUSTRIAL

- Build-to-suit
- Spec

A 10-lot subdivision plan will be submitted to city of McMinnville prior to 8/31/2020, with an approximate 120-day administrative review timeline.

PROPERTY SUMMARY

Price	\$6,481,073
Price Per Square Foot	\$5.31
Address	Riverside Drive McMinnville, OR 97128
Tax Lots	00306 & 03335
Number of Tax Lots	2
Combined Parcel Size	28 Acres
Zoning	General Industrial Zone (M2)

IDEAL PROPERTY USAGE PLAN

MIXED USE

Residential	94 townhomes, children's playlot, bike trails	90,000 SF
Park/Amenities	Urban food park, sport courts, fenced dog park	131,272 SF
Office/Flex	Small users/manufacturing and assembly	47,000 SF
A2 Industrial	26,250 SF building with one dock and 27 parking spaces	78,000 SF
A1 Industrial	50,000 SF building with two docks and 50 parking spaces	100,000 SF
Manufacturing Storage Distribution	8 parcels, build-to-suit from 100M SF to 158M SF interior road system	1,130,000 SF

LIGHT INDUSTRIAL ZONING - M2

PERMITTED USES

1. Aerospace and aeronautics industries
2. Bottling plant
3. Blueprinting
4. Business, trade school or college
5. Cabinet or carpenter's shop
6. Contractor's equipment storage
7. Caretaker's dwelling whenever the use requires
8. Freight depot
9. Government buildings, including armories, maintenance, repair or storage
10. Laboratory for experiment, research or testing
11. Manufacturing and assembling of precision optics
12. Manufacturing and assembling of precision testing equipment
13. Manufacturing, assembling, testing and repairing of components, devices, equipment and systems of an electronic nature
14. Manufacturing of ceramic products
15. Manufacturing or storage of ice
16. Offices for engineers, architects, landscape architects, surveyors, and those engaged in the practice of designing, drafting, or graphics
17. Parking lot, public or private
18. Photographic processing
19. Printing, publishing, or engraving plant
20. Processing, packaging and storing of food or beverage
21. Sewage pump station
22. Electrical power substation
23. Warehousing of previously prepared materials or products
24. Water reservoir
25. Wholesale distribution and sales facility
26. Hospital, medical office and ancillary hospital uses
27. Wireless communications facilities
28. Tasting room

(See the full zoning code for exclusions to these uses)

INVESTMENT HIGHLIGHTS



**28-AC IN PRIME
INDUSTRIAL DISTRICT**



**MCMINNVILLE IS
OREGON'S WINE CAPITAL**



**ONE MILE FROM DOWNTOWN
MCMINNVILLE**



**OVER 90 MANUFACTURING
COMPANIES IN THE CITY**



**M2 ZONING PERMITS LIGHT
INDUSTRIAL, COMMERCIAL,
OFFICE**



**ACCESS TO WORKERS AND
MAIN TRANSPORTATION
CORRIDORS**



ADJACENT TO YAMHILL RIVER



**THE RIGHT CHOICE
FOR BUSINESS**



PROPERTY OVERVIEW

- #1: 283-UNIT DEVELOPMENT
- #2: 280-UNIT DEVELOPMENT
- #3: 28-LOT DEVELOPMENT
- #4: 108-LOT DEVELOPMENT
- #6: 17-LOT DEVELOPMENT

#5: 551-UNIT DEVELOPMENT

**RIVERGATE
CENTER**

**Downtown
McMinnville**

Opportunity Zone



← **Oregon Coast 50 Miles**

Salem 25 Miles →

RELOCATE TO MCMINNVILLE

IT'S MORE AFFORDABLE HERE

- Third lowest water rates in Oregon.
- Oregon's second lowest electricity rates.

THERE'S ROOM TO GROW AWAY FROM THE CROWDS

- McMinnville has more than 200 acres of industrial property with three large sites - 26, 28, and 90 acres.
- Buildings from 25,000 sq. ft. and up.

MCMINNVILLE IS WELL-PLANNED AND WELL-MAINTAINED

- Excellent wastewater collection and treatment system.
- Strong infrastructure of utilities and internet access.
- Well-funded and well-maintained transportation system supported with a \$24 million bond (2014).
- Third most active regional airport in Oregon with \$7.2 million of improvements in the works (2017).

PEOPLE ARE READY TO WORK

- We are surrounded by nationally recognized public and private institutions including Linfield College, one of the U.S. "Best in the West!"

WILLAMETTE VALLEY HAS EXCELLENT WINE

- The region is home to famous large and small production wineries including Willamette Valley Vineyards, Stoller Family Estate, The Eyrie Vineyards, Domaine Drouhin, Domaine Serene, Penner-Ash, Union Wine Company, Adelsheim, Archery Summit Winery, Argyle Winery, Chehalem Winery, Elk Cove Vineyards, Ponzi Vineyards and many more



UTILITIES

3rd lowest water &
2nd lowest electricity
rates in OR



TRANSPORTATION

1 freight rail,
2 highways, 24 miles to
Interstate, 1 airport,
20 airports in 50 miles



SUSTAINABILITY

97% carbon free
with abundant water
resources





WHY LOCATE YOUR BUSINESS IN AN OPPORTUNITY ZONE?

ECONOMIC BENEFITS

- ✓ Qualified Opportunity Fund investors may be able to defer federal capital gains tax from 2019 until 2026, while helping grow a Qualified Opportunity Zone Business (QOZB) at Rivergate Center. Your accountant can advise on the IRS requirements to be a “qualified” business, including:
 - 70% of tangible property owned or leased by the trade or business is QOZB Property.
 - 70% of the use of the tangible property is in a qualified opportunity zone, for 90% of the holding period.
 - 50% of gross income is from business conducted in a qualified opportunity zone.
- ✓ Federal tax owed on gains invested 5 years in a Qualified Opportunity Fund is reduced by 10%. After two more years, it goes down another 5%, for a total 15% reduction in federal tax owed.
- ✓ If a QOZB is sold after 10 years or more, the gain on the initial investment is not taxed federally.
- ✓ There are Qualified Opportunity Funds with investors seeking these tax benefits. You may be able to apply for additional capital from them.

OREGON STATE INCENTIVES

TAX EXPENSES BUSINESS DO NOT PAY IN OREGON

- General sales tax
- Use tax on equipment or any other purchase
- Inventory tax
- Worldwide unitary tax
- Motor vehicle excise tax
- Levies on capital asset tax or intangible properties



PROPERTY TAX ABATEMENT

- Construction-in-Process - Facilities which have unfinished improvements may be exempt from property taxes for up to two years.
- Food Processing Machinery and Equipment - Allows food processors to request a tax exemption on qualified machinery, equipment, and personal property.

STATE INCOME TAX CREDIT

- Qualified Research Activities Credit - A corporate credit given for increases in qualified research expenses. The research must be conducted in Oregon and be in the fields of advanced computing, advanced materials, biotechnology, electronic device technology, environmental technology, or straw utilization.
- More tax credits and information can be found at Oregon Department of Revenue

OTHER INCENTIVES

- Oregon Business Expansion Program - A cash-based incentive (forgivable loan) for companies who already have 150+ employees and who plan to hire

50 or more full-time employees in Oregon. The incentive is equivalent to the estimated increase in income tax revenue from new hiring.

- Small Manufacturing Business Expansion Program - A cash-based forgivable loan for small manufacturers based in Oregon who are completing expansion projects.
- Work Opportunity Tax Credit - A Federal tax credit given to private-sector businesses who hire individuals who face significant barriers to employment.
- Film and Video Incentives - Programs to urge the production of video and film in Oregon.
- ◆ Oregon Production Investment Fund (OPIF) - rebates 20% of goods/ services and 10% of Oregon-based payroll on projects who spend a minimum of \$1M.
- ◆ Greenlight Oregon Labor Rebate - rebates 6.2% of payroll for which Oregon withholding applies on video or film projects who spend a minimum of \$1M in Oregon.

RENEWABLE ENERGY INCENTIVES

- Solar Development Incentive Program - A cash incentive per kilowatt-hour of electricity generated to owners of photovoltaic energy systems with a nameplate capacity of 2 to 10 megawatts.
- Fee in Lieu of Property Taxes - After forming an agreement with a county (and city), any solar project can choose to pay a fee rather than property taxes for up to 20 years. The fee will equal \$7,000 per megawatt of the project's nameplate capacity.
- Alternative Energy Systems (ORS 307.175) - A tax abatement which exempts property equipped with alternative energy systems from ad valorem property taxation.





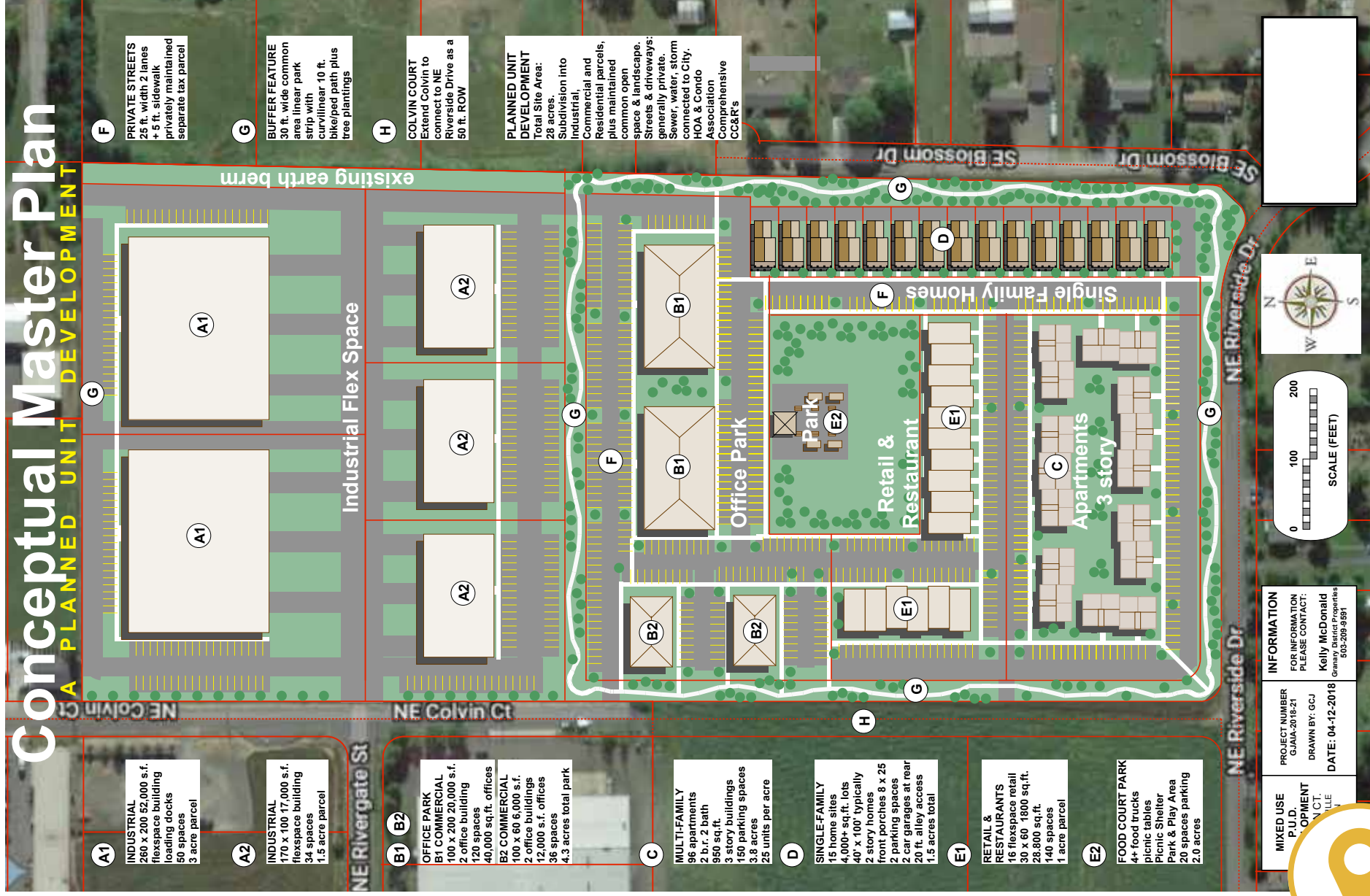
CONCEPTUAL SITE PLANS

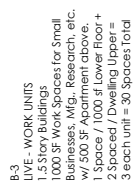
The following renderings and site plans are to show the possibilities available at Rivergate Center. However, the buyer should perform its own due diligence to make sure the desired use is permitted.

Rivergate Amenity Park McMinnville, Oregon

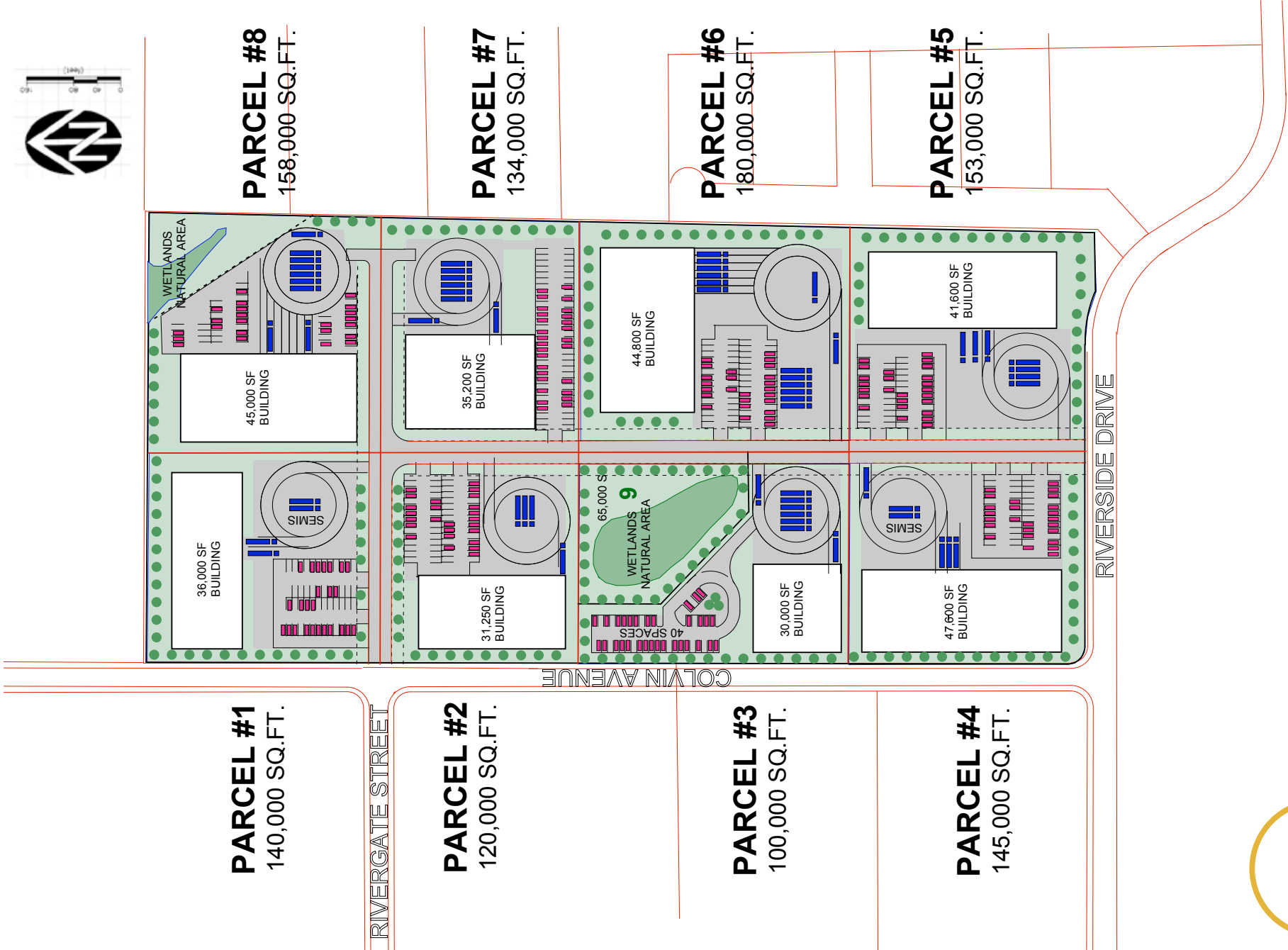


CONCEPTUAL MIXED USE SITE PLAN





CONCEPTUAL INDUSTRIAL SITE PLAN





RESIDENTIAL DEVELOPMENTS

See the map on page 8 to see where each development is located.

#1: BAKER CREEK EAST AND WEST

This project is close to being built with homes. The apartment complex is still under construction. 40 acres of land for development of 213 single-family homes and one multi-family (up to 70 units) development due to the denial of the two zone changes.



West = 125 Lots

East = 83 Lots

#2: BAKER CREEK NORTH

This project was recently approved by the McMinnville City Council. They have submitted construction plans (infrastructure) for review to Engineering Department for review for Phase 1 of Phase 1. 280 single family detached dwelling units, public right-of-way improvements, and open spaces on the proposed 48.7 acres of R-4.



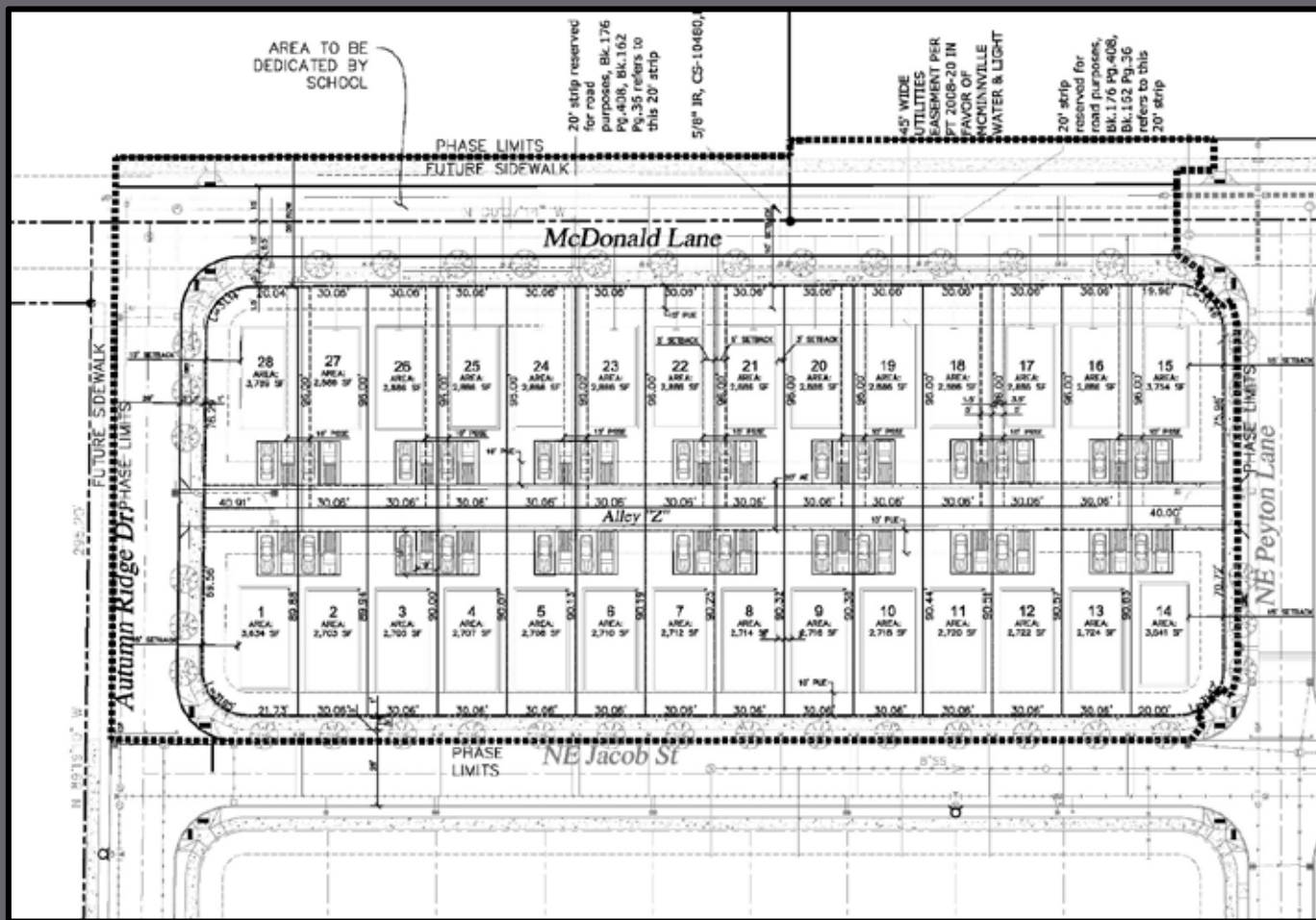
280 Lots
120 Multi Family
5 Acres Commercial





#3: CHEGWYN VILLAGE - SMALL LOTS

This project is in the final subdivision platting stages. 28-lot subdivision, which would replace a similarly sized multi-family development

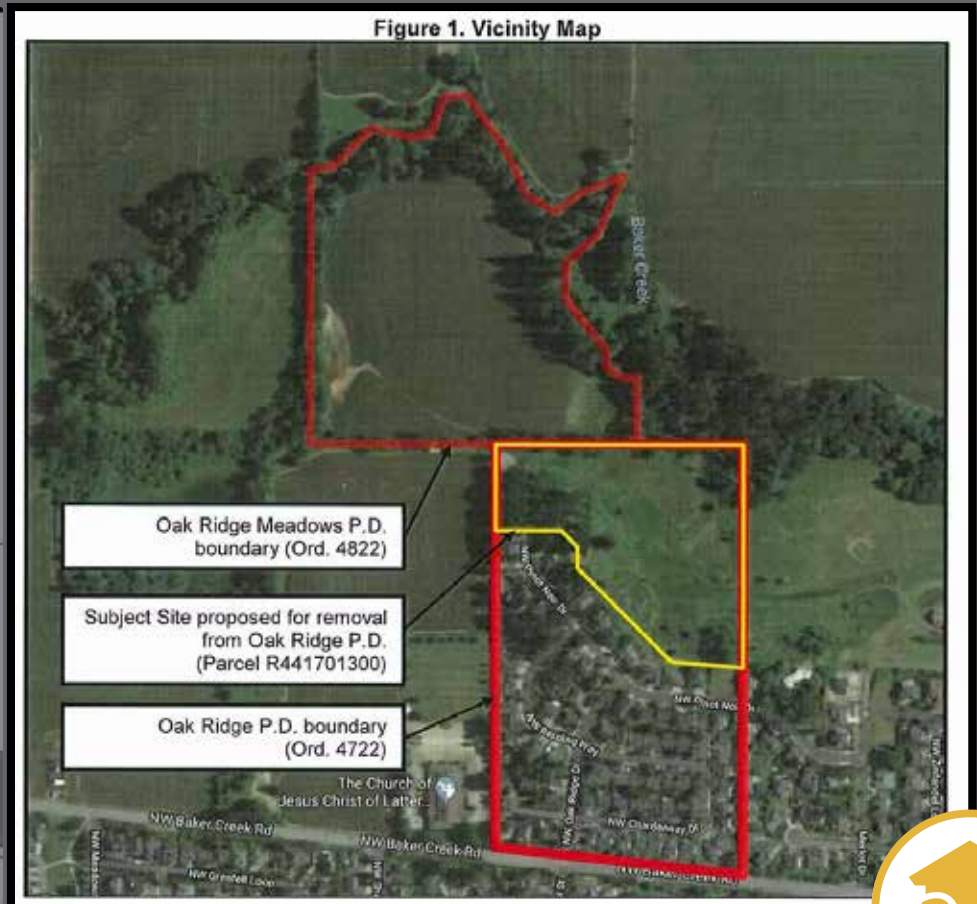
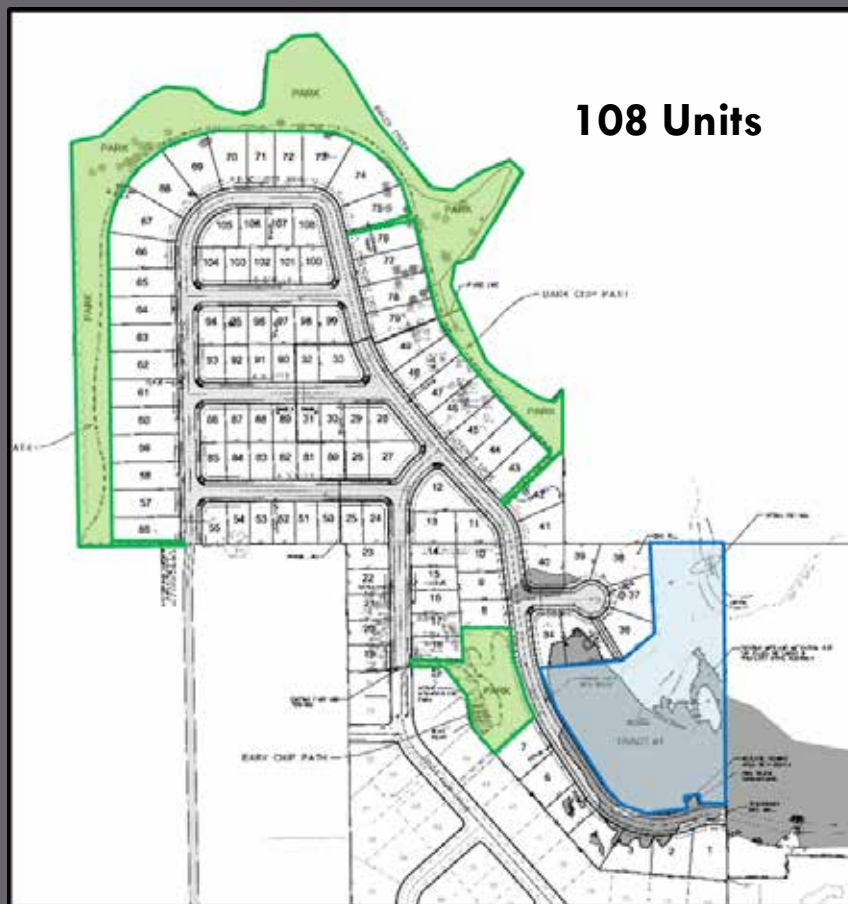


28 Lot
Subdivision

Small
Cottages

#4: OAK RIDGE MEADOWS

This project was approved by the McMinnville City Council. They have not started infrastructure construction yet. Approval of a 108 lot tentative two-phased single-family residential subdivision plan on approximately 35.47 acres of land





TAX LOT 702
TAX MAP 4 S 24

TAX LOT 701
TAX MAP 4 S 24

TAX LOT 800
TAX MAP 4 S 24

TAX LOT 906
TAX MAP 4 S 24

TAX LOT 901
TAX MAP 4 S 24

TAX LOT 905
TAX MAP 4 S 24

TAX LOT 900
TAX MAP 4 S 24

TAX LOT 904
TAX MAP 4 S 24

TAX LOT 902
TAX MAP 4 S 24

TAX LOT 903
TAX MAP 4 S 24

TAX LOT 1001
TAX MAP 4 S 24

TAX LOT 1002
TAX MAP 4 S 24

TAX LOT 1004
TAX MAP 4 S 24

TAX LOT 1005
TAX MAP 4 S 24

TAX LOT 1000
TAX MAP 4 S 24

CONCEPTUAL FUTURE ROADWAY EXTENSIONS AND CONNECTIONS TO ADJACENT PROPERTIES (TYP)

TAX LOT 809
TAX MAP 4 S 24

TAX LOT 2100
TAX MAP 4 S 24

LEGEND

- 15.00% ROAD GRADE
- 12.01-14.99% ROAD GRADE
- 10.01-12.00% ROAD GRADE

LEGEND

- EXISTING GROUND CONTOUR (2 FT)
- EXISTING GROUND CONTOUR (10 FT)
- FINISHED GRADE CONTOUR (2 FT)
- FINISHED GRADE CONTOUR (10 FT)

NOTES:

- THIS MAP IS FOR PRELIMINARY MAPPING PURPOSES ONLY AND IS NOT CONSIDERED A BOUNDARY SURVEY.
- THIS IS A CONCEPTUAL LAYOUT AND IS SUBJECT TO CHANGE BASED ON CITY REQUIREMENTS, UTILITY SERVICES, TRANSPORTATION REQUIREMENTS, NATURAL RESOURCES, SURVEY DATA, TOPOGRAPHIC CONSTRAINTS AND OTHER ITEMS. PROPERTY LINES AND TOPOGRAPHIC INFORMATION IS BASED ON AVAILABLE GIS INFORMATION AND ARE APPROXIMATE.
- PRELIMINARY DESIGN IS BASED ON LIDAR CONTOURS AND IS SUBJECT TO CHANGE BASED ON TOPOGRAPHIC SURVEY AND CITY ENGINEERING REQUIREMENTS.

**HILLCREST PLANNED
DEVELOPMENT
MASTER PLAN UPDATE**
MCMINNVILLE OREGON

**STREET PLAN WITH ROAD
GRADE**

DESIGNED BY: C
DRAWN BY: C
CHECKED BY: P
SCALE: AS NOTED
DATE: 03/29/2017

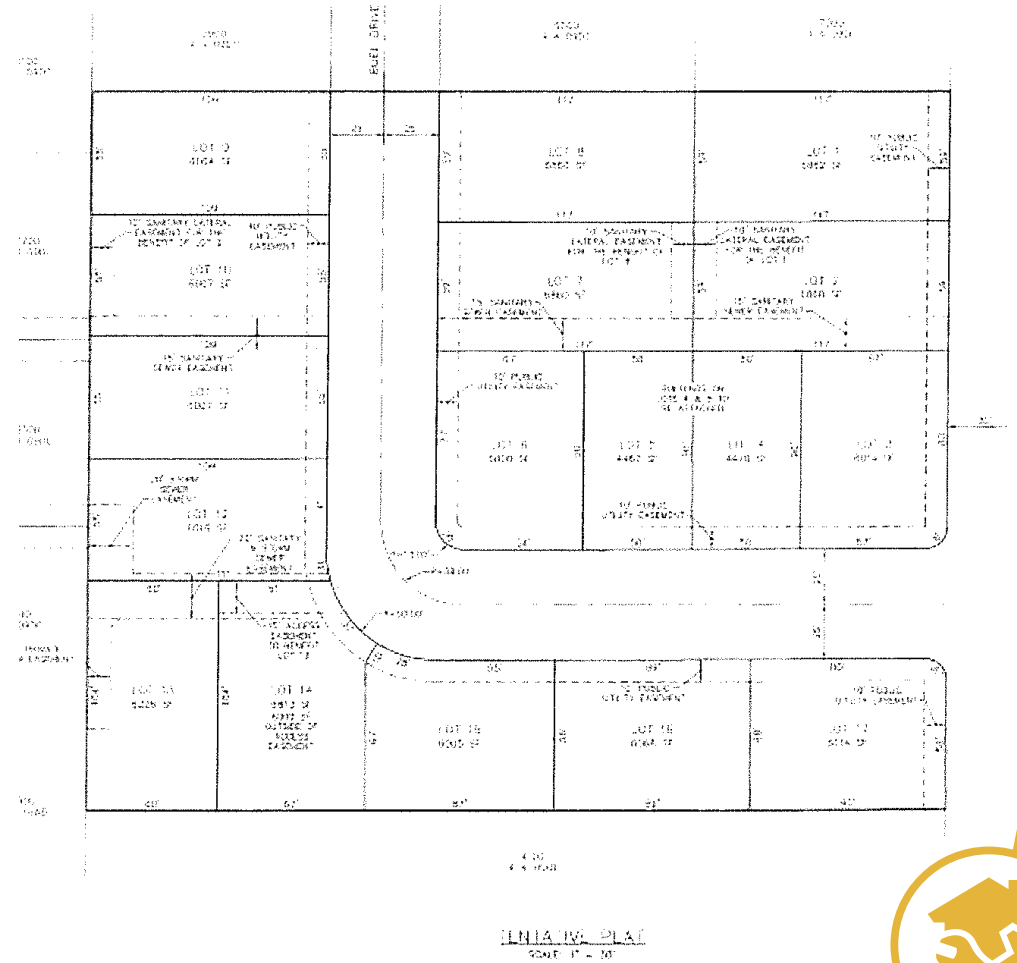
REGISTERED PROFESSIONAL
PRELIMINARY
NOT FOR CONSTRUCTION
03888902
03/29/2017
ALL A SELKS

RENEWAL DATE: 6/30/18

REVISIONS

#6: MONIKA SUBDIVISION

This project was approved by the McMinnville City Council. They have not started infrastructure construction yet. A 17-lot R-1 subdivision request to R-3.









CONFIDENTIALITY & DISCLAIMER

DISCLAIMER: This marketing package has been prepared by Compass Commercial Real Estate Services (Compass Commercial) in full cooperation with the Seller of the Property solely for the purposes of providing preliminary information to prospective purchasers. It is not intended as the sole source of property and operational data and should not be relied on in place of appropriate due diligence activities. Neither Compass Commercial nor its agents can guarantee accuracy and no liability is assumed for financial, operational, physical, or other information provided herein including, but not limited to, errors and omissions, transmittal of inaccuracies, prior sale, price adjustments, or removal from marketplace without notice. Any indicated value of this investment is based upon assumptions, projections and estimates, which are variable by nature and subject to changing economic conditions. The value of this investment to you will also depend on tax and other factors, which should be evaluated by your tax and legal experts or advisors. It is your responsibility to independently confirm information received about the property to your satisfaction and you are urged to seek advice from your own attorney, CPA, design consultant, franchise representative, and/or other qualified professionals in your investigation of this opportunity.

CONFIDENTIALITY: The enclosed information is to be treated as non-public confidential business information and is to be held in strict confidence by all prospective purchasers and/or their legal agents. In no event will prospective purchasers and/or their legal agents use or reproduce for distribution any of the enclosed information for any purposes other than analysis and evaluation of the proposed sale.

DISCLOSURE: Compass Commercial reserves the right to accept referral fees, finder's fees and supplementary payments from lenders, real estate brokers, appraisers and other professional services to which we refer clients. We suggest that when you contact a professional service referred to by Compass Commercial, you ask if this referral fee will affect the final cost that you will pay.

EXCLUSIVE: The property represented herein is exclusively listed for sale by Compass Commercial Real Estate Services and Renaissance Realty Group. All negotiations for the purchase shall be conducted through the listing agents.





CONDITION OF SALE

Rivergate Center is being offered for sale on an “as-is, where-is” basis.

Detailed due diligence information can be requested from the listing team. In order to view confidential information, all parties will be required to execute a Confidentiality Agreement.

All property tours must be scheduled in advance through Compass Commercial or Renaissance Realty Group.

OFFERING TERMS

Please submit offers via email to the listing team.

Interested parties must submit a written Letter of Intent (“LOI”) or a Purchase & Sales Agreement (“PSA”) outlining the terms and conditions under which they propose to purchase the Property. Such terms must include the following:

- Purchase price
- Company background and financial capability
- Source of capital (Equity/Debt)
- Amount and form of earnest money deposit(s)
- Required contingency periods (inspection, financing, etc.), including any extension(s)
- Closing timeline





RIVERGATE CENTER

Riverside Drive, McMinnville, OR 97128

OFFERING MEMORANDUM

EXCLUSIVELY LISTED BY:

DAN KEMP, CCIM

Partner, Broker

Direct 541.848.4076

Cell 541.550.8413

dkemp@compasscommercial.com

RUSSELL HUNTAMER, CCIM

Partner, Principal Broker

Direct 541.848.4049

Cell 541.419.2634

rhuntamer@compasscommercial.com



JEANMARIE KAPP

Broker

Chief Operating Officer

Cell 773.490.3805

jmkapp@renaissancecos.us

