



**PAC  
GARDEN**  
ASSETS

# DESERT HOT SPRINGS INDUSTRIAL PARK: CANNABIS CULTIVATION OPPORTUNITY

122,000 SF | Little Morongo Rd | MEP & Cannabis Entitlements Included

**Buy it. Build It. Exit.**

Pac Garden Assets | Ben Hourani | [info@pacgarden.com](mailto:info@pacgarden.com) | 213.722.9577 | DRE #02174506

# Disclaimer

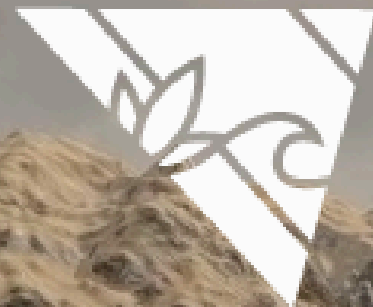


*This presentation is intended solely for the use of the recipient and contains **confidential and proprietary information** regarding the Desert Hot Springs Cannabis Cultivation Campus investment opportunity. By receiving this presentation, you agree not to disclose, distribute, or share any information contained within without prior written consent from the property owner or its representatives.*

*The information contained in this presentation is for informational purposes only and should not be construed as **financial, legal, or investment advice**. While every effort has been made to ensure the accuracy of the information provided, no representations or warranties, express or implied, are made regarding its completeness or suitability for any specific purpose. Any **projections or estimates** are for **illustrative purposes only** and are not guarantees of future performance.*

*By viewing this presentation, you agree to maintain the confidentiality of the materials and to use this information solely to evaluate a potential investment. **Unauthorized use, duplication, or distribution** of this document or any of its contents is strictly prohibited.*

**For Authorized Recipients Only**



# PAC GARDEN ASSETS



# Introduction

The **Desert Hot Springs Cannabis Cultivation Campus** presents a unique, shovel-ready investment opportunity for cannabis industry operators and investors. Priced at **\$1.49 million** for **raw land with entitlements**, this 8+ acre property offers over **122,000 square feet** of customizable space dedicated to cannabis operations. Although not turnkey, the facility is shovel-ready (ready for construction, not fully built) and designed with **MEP systems** (Mechanical, Electrical, Plumbing) for maximum operational efficiency and to meet compliance standards.

Located within a **cannabis-friendly zone**, the property includes **Cannabis Entitlements**, streamlining the process to begin cultivation operations and significantly reducing startup time. Strategically positioned for high-yield productivity, the campus supports **bi-weekly harvest cycles**, enabling operators to optimize scale and maximize returns on investment.

This cultivation campus provides a scalable solution for cannabis entrepreneurs and investors, combining advanced infrastructure with regulatory benefits in a prime Desert Hot Springs location.



# Property Overview

## Location & Size

- **Total Land Area:** ~ 8.48 Acres
- **Rentable Area:** 122,000 SF
- **Prime Location:** Little Morongo Rd, Desert Hot Springs, CA
- **Parcel APNs:** 665-080-006 & 665-080-008

## Building Design Specifications

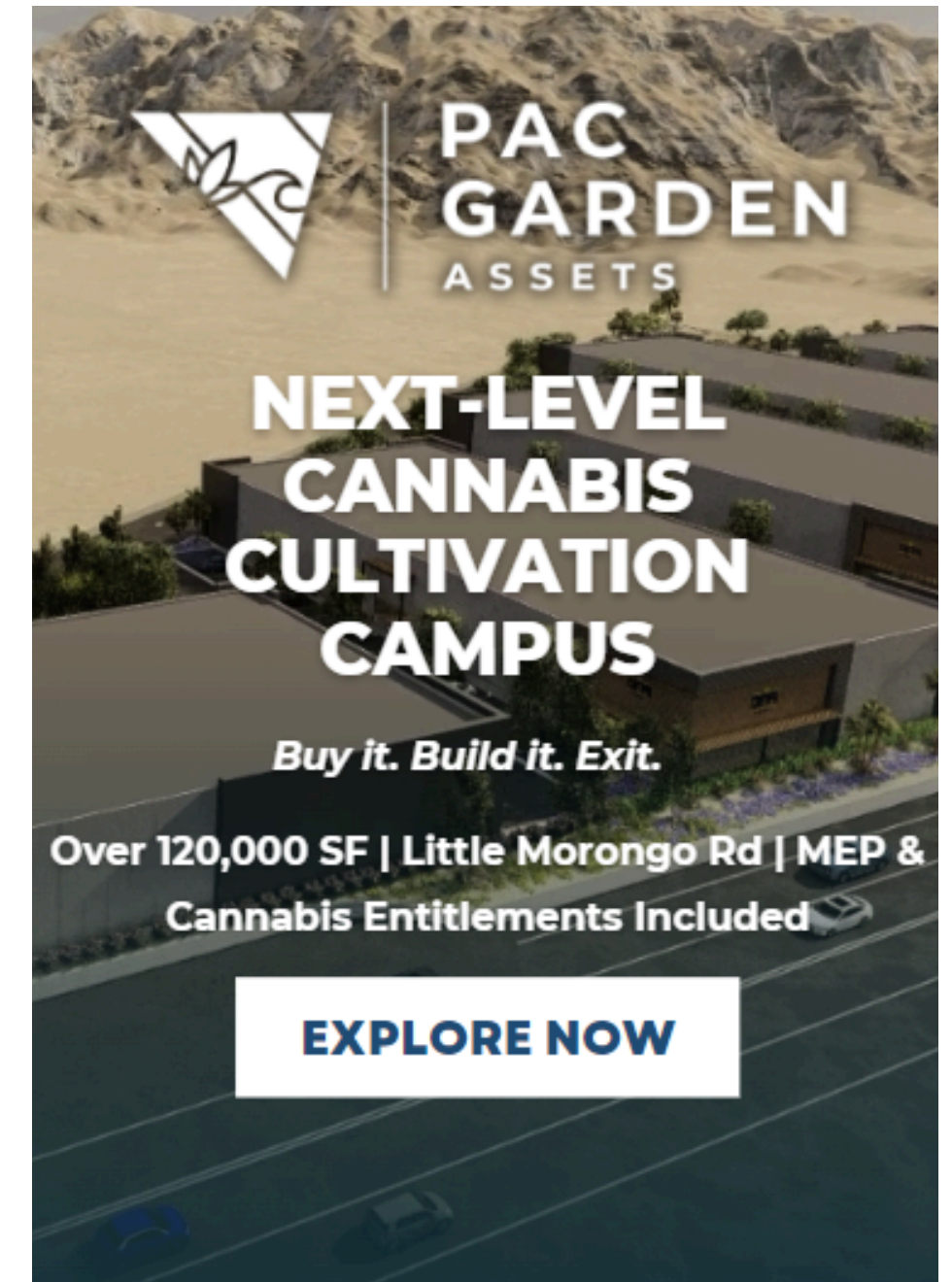
- Each of the five (5) buildings are designed for functionality & efficiency, featuring: dedicated dry rooms, trim rooms, and four (4) flower rooms, with bi-weekly harvesting cycles.
- **Building #1:** 28,100 SF
- **Building #2:** 30,600 SF
- **Building #3:** 24,718 SF
- **Building #4:** 22,440 SF
- **Building #5:** 16,954 SF

## Zoning & Entitlements

- **Cannabis-Compatible Zoning:** Cultivation, manufacturing, & distribution.
- **Significant Tax Incentives:** Competitive tax rates and **Opportunity Zone** status
- **Designed for Cultivation:** MEP specifically designed to support efficient, large-scale cannabis production.

## Utilities & Site Conditions

- **Utilities Ready:** Electricity & water connections are already established; a sewer plant is under construction nearby.
- **Land Topography:** Flat, cleared land.
- **Easy Accessibility:** Situated near the I-10 highway, making logistics straightforward.





# Target Market

This project has major market appeal as the designs are modern and the regulations are beginning to soften. Investors are getting ready for a friendlier (*possibly even legal*) federal cannabis environment.



1

## Cannabis Entrepreneurs & Startups

- Small to mid-sized cannabis businesses looking to establish a footprint in California.
- High-interest in low to medium cost cultivation solutions with supportive local regulations.



2

## Institutional Investors & REITs

- Investment groups interested in high-growth potential properties within the cannabis industry.
- Appeal to those seeking shovel-ready facilities with cannabis entitlements and tax benefits.



3

## Experienced Cultivators and MSOs

- Medium to large cannabis businesses looking to expand or establish a footprint in California.
- High-interest in large scale, highly efficient cultivation spaces for commercial production.

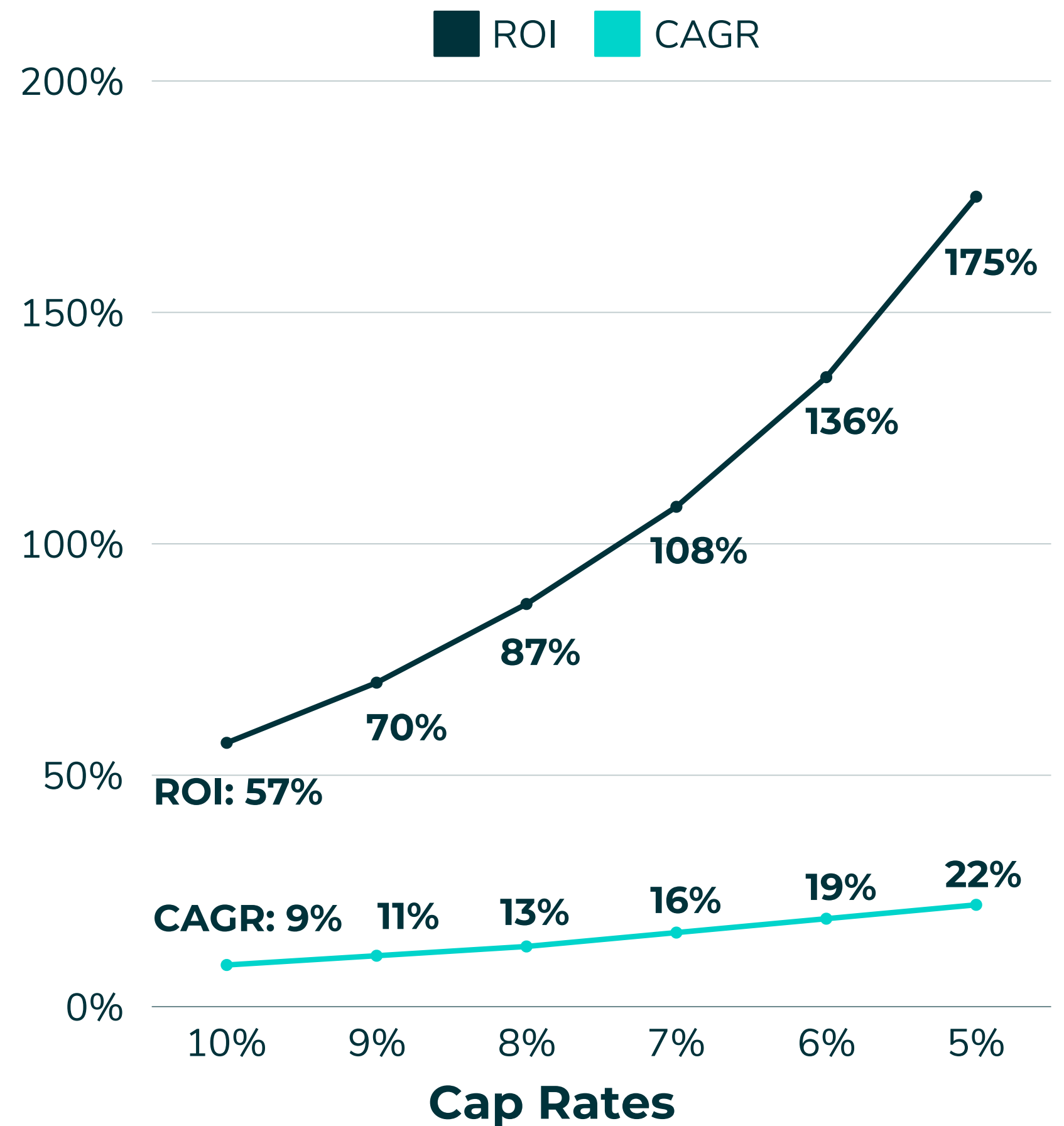


## Cap Rate Analysis (10% - 5%)

Lower cap rates enhance both ROI and CAGR, highlighting the value of a favorable exit in the cannabis industry.

- **Exit Valuation Impact:** A lower cap rate results in a higher exit valuation, enhancing overall returns.
- **Projected Year 5 Exit:** Assuming a 7% cap rate, this investment achieves a **projected ROI of 108%** and a **Compounded Annual Growth Rate (CAGR) of 16%** over five years.
- **Market Positioning:** As cannabis assets become more mainstream and perceived as less risky, they are likely to be valued at lower cap rates, offering a substantial premium over traditional, risk-free investments.

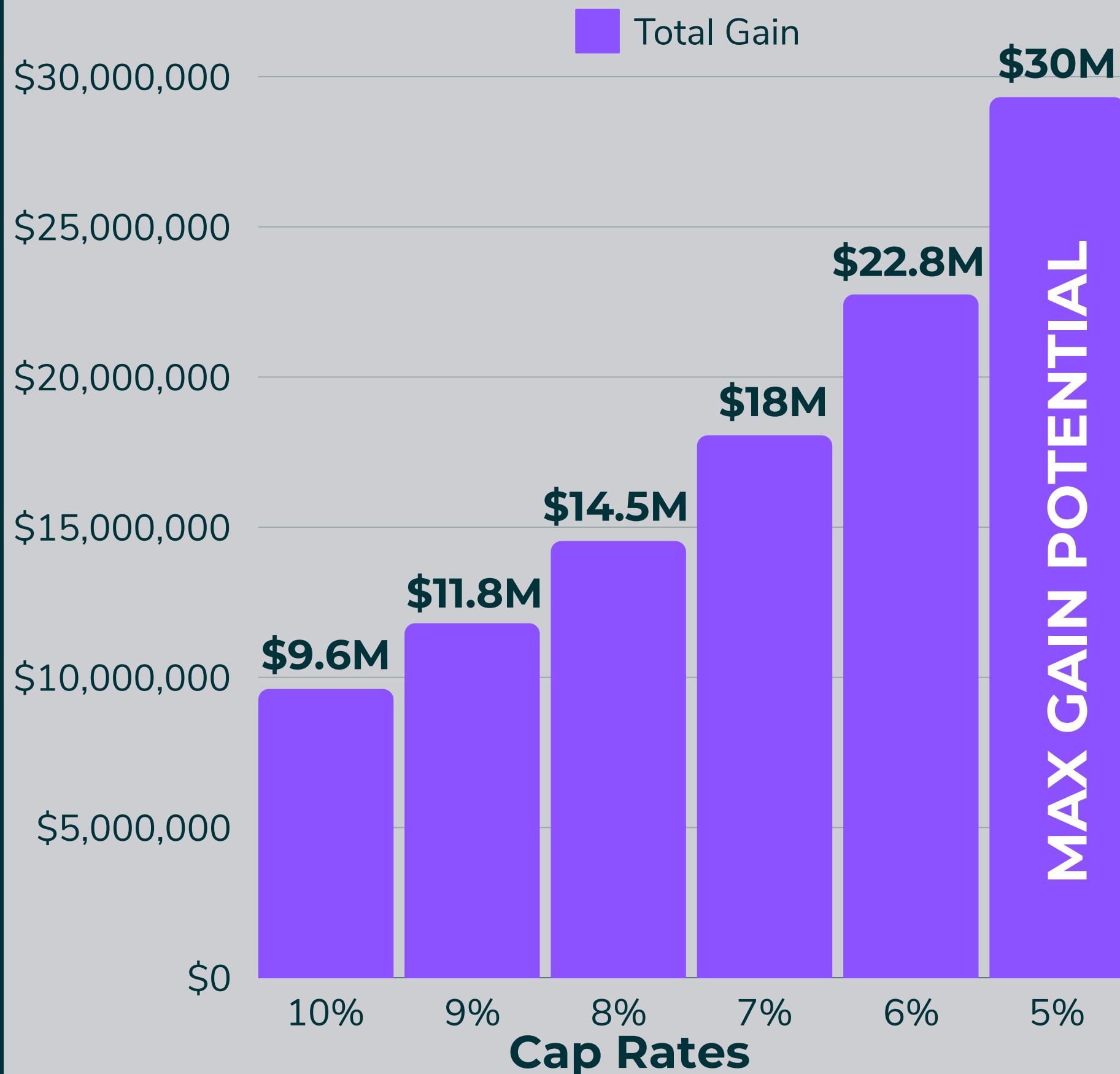
## ROI and CAGR Across Cap Rates







# Projected Total Gain by Cap Rates



## Targeting a 7% Cap Rate for Strong ROI and High Returns



**7% Cap Rate Projected Gain:** At a 7% cap rate, this investment yields a **total gain of \$18M**, reflecting a balanced approach to risk and return.



**Significant Profit Potential:** Achieving a **7% cap rate exit** provides a substantial premium over higher cap rates, making it an attractive target for market conditions.



**Enhanced Investor Appeal:** As cannabis assets mature and gain credibility, a 7% cap rate becomes increasingly achievable, positioning this investment for robust growth and profitability.



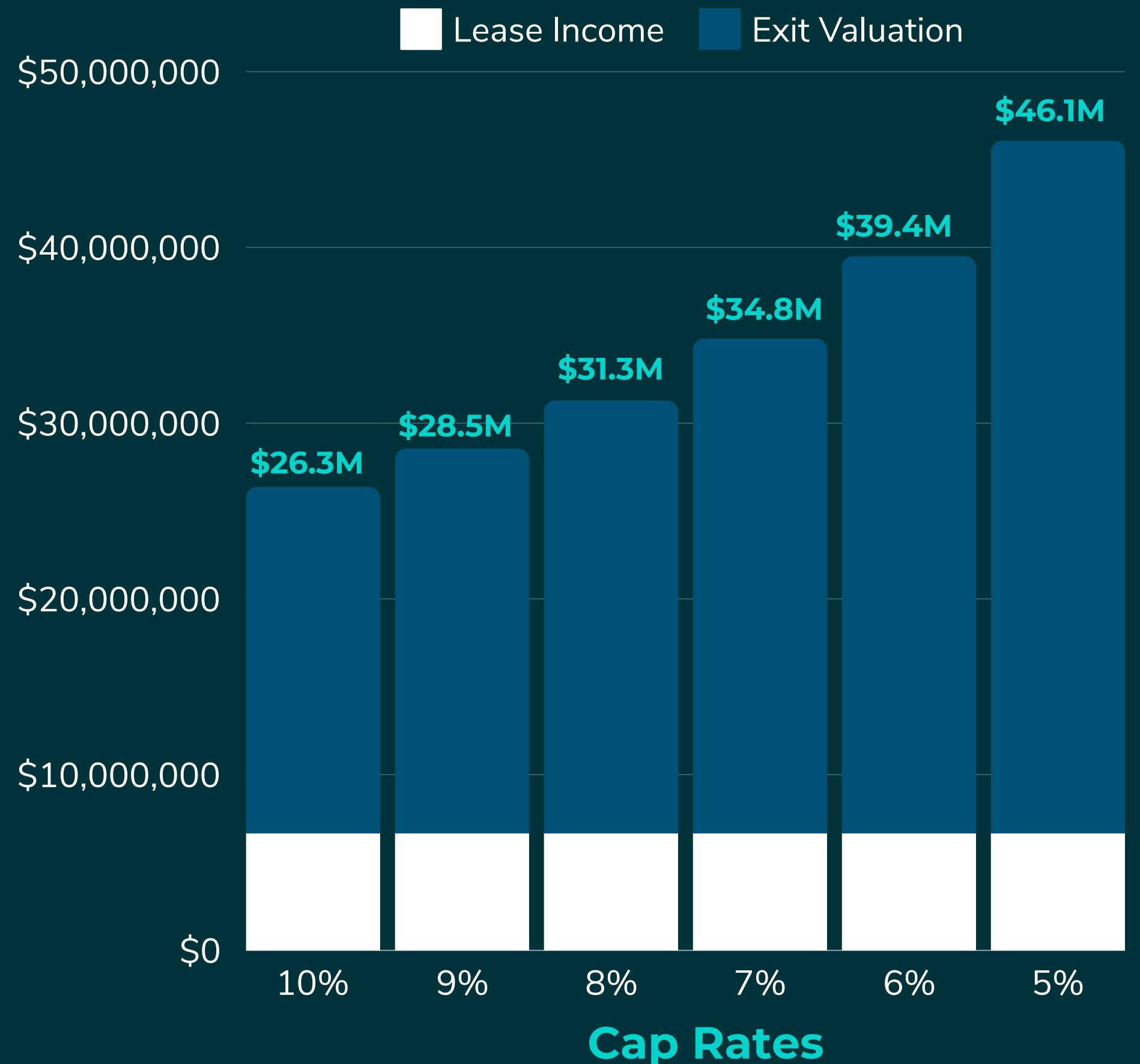
**Strategic Market Positioning:** A 7% exit offers strong ROI while accounting for the potential risks associated with the cannabis market, aligning with industry trends toward reduced risk perception.

# Projected Lease Income & Exit Valuations

- **Projected Lease Income Commencement:** Lease income is anticipated to begin in **month 18**, allowing for completion of the building construction and establishing leases with prospective tenants.
- **Projected Lease Rate Growth:** Starting at an **expected \$1.25 per SF** with a **3% projected annual increase**, lease income is forecasted to grow steadily, driving stable cash flow.
- **Expected Exit Valuation at Favorable Cap Rate:** By targeting a projected **cap rate of 7%**, we maximize exit valuation, benefiting from anticipated market conditions and asset appreciation.

This combined income approach balances ongoing cash flow with capital appreciation, maximizing returns under favorable cap rates.

# Total Proceeds Breakdown Across Cap Rates





# Desert Hot Springs Location







**THANK YOU!**

**CONTACT US**

**213.722.9577**

**[www.pacgarden.com](http://www.pacgarden.com)**

**[info@pacgarden.com](mailto:info@pacgarden.com)**

**1041 Market St #163  
San Diego, CA 92101**

**Pac Garden Assets | Ben Hourani | [info@pacgarden.com](mailto:info@pacgarden.com) | 213.722.9577 | DRE #02174506**



# APPENDIX



## Lease Income and ROI Worksheet

Yr	SF	Lease Rate	Increases	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Full Year
				Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Sum
1	122,000	0	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	122,000	\$1.25	-	\$0	\$0	\$0	\$0	\$0	\$0	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$915,000
3	122,000	\$1.29	3%	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$157,075	\$157,075	\$157,075	\$157,075	\$157,075	\$157,075	\$1,857,450
4	122,000	\$1.33	3%	\$157,075	\$157,075	\$157,075	\$157,075	\$157,075	\$157,075	\$161,787	\$161,787	\$161,787	\$161,787	\$161,787	\$161,787	\$1,913,174
5	122,000	\$1.37	3%	\$161,787	\$161,787	\$161,787	\$161,787	\$161,787	\$161,787	\$166,641	\$166,641	\$166,641	\$166,641	\$166,641	\$166,641	\$1,970,569

Total Lease Income (5 Years) \$6,656,192

Exit Valuation (5 Cap) \$39,411,374

### Valuation & ROI Matrix

CAP RATE	10	9	8	7	6	5
Exit Valuation	\$19,705,687	\$21,895,208	\$24,632,109	\$28,150,982	\$32,842,812	\$39,411,374
Lease Income	\$6,656,192	\$6,656,192	\$6,656,192	\$6,656,192	\$6,656,192	\$6,656,192
<b>TOTAL PROCEEDS</b>	<b>\$26,361,879</b>	<b>\$28,551,400</b>	<b>\$31,288,301</b>	<b>\$34,807,174</b>	<b>\$39,499,004</b>	<b>\$46,067,566</b>
Land Acquisition	\$1,499,000	\$1,499,000	\$1,499,000	\$1,499,000	\$1,499,000	\$1,499,000
Construction (\$125/SF)	\$15,250,000	\$15,250,000	\$15,250,000	\$15,250,000	\$15,250,000	\$15,250,000
<b>INITIAL INVESTMENT</b>	<b>\$16,749,000</b>	<b>\$16,749,000</b>	<b>\$16,749,000</b>	<b>\$16,749,000</b>	<b>\$16,749,000</b>	<b>\$16,749,000</b>
<b>TOTAL GAIN</b>	\$9,612,879	\$11,802,400	<b>\$14,539,301</b>	<b>\$18,058,174</b>	\$22,750,004	\$29,318,566
<b>ROI</b>	57%	70%	<b>87%</b>	<b>108%</b>	136%	175%
<b>CAGR</b>	9%	11%	<b>13%</b>	<b>16%</b>	19%	22%

Type	Amount
Land Cost	\$1,499,000
\$/SF	\$125
Square Feet	122,000
Construction Cost	\$15,250,000
Lease Income	\$6,656,192
Initial Investr	\$16,749,000



# APPENDIX - Links

Will Serve Letter

MEP Plans

Video #1

Video #2

Video #3

Recorded CUP