

ACTIVE GRAVEL PIT

ZONED FOR SURFACE MINING

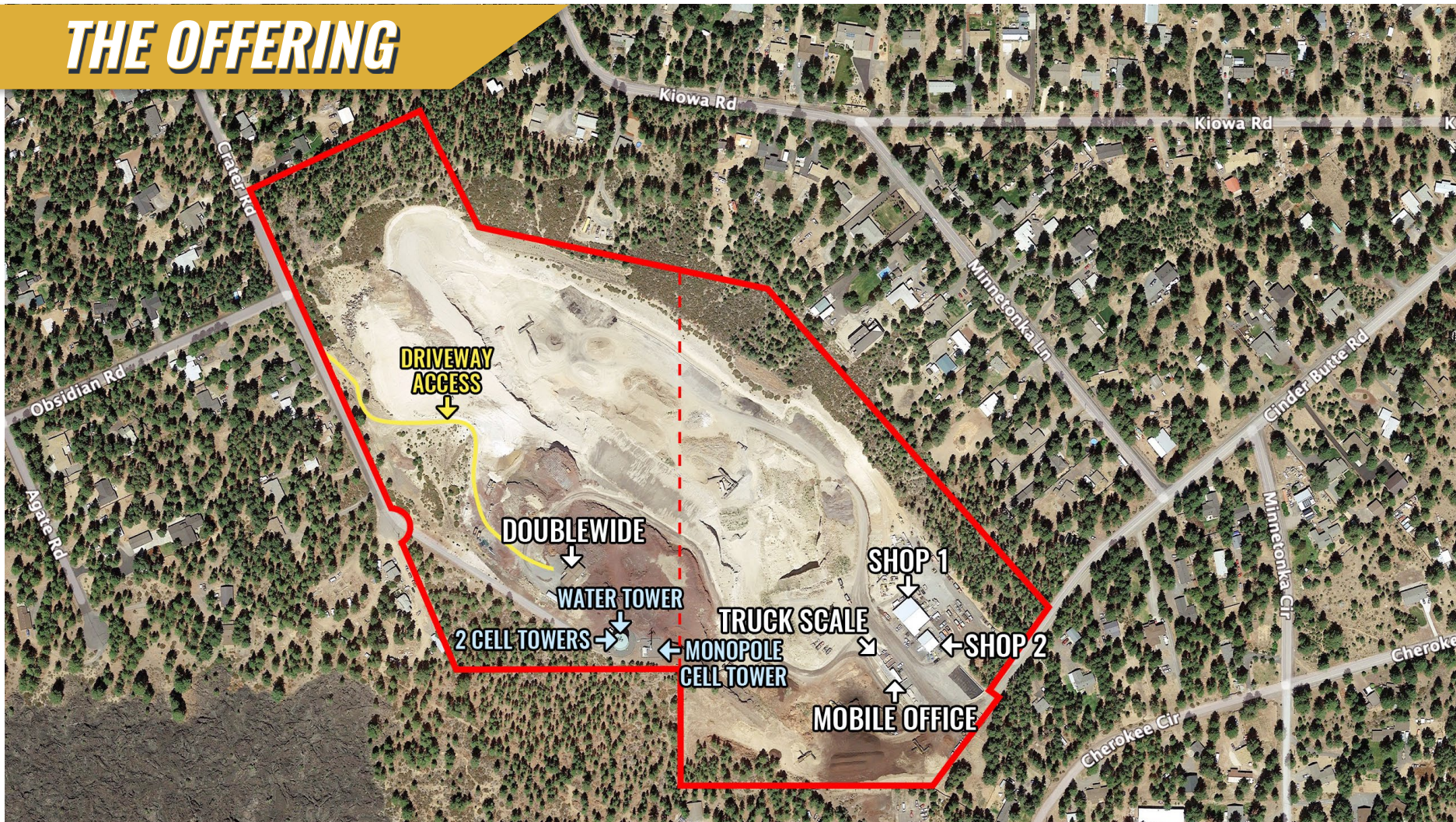


FULLY LEASED WITH MULTIPLE TENANTS
60005 Cinder Butte Rd, Bend, OR 97702

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THE OFFERING



ACTIVE GRAVEL PIT INVESTMENT OPPORTUNITY

60005 CINDER BUTTE RD, BEND, OR 97702

\$3,500,000

Sale Price

4.71%

Cap Rate

48.95

Acres

6

Tenants

SM

Surface Mining



EXECUTIVE SUMMARY

This is a unique opportunity to own an active gravel pit with a solid cashflow from multiple sources. This site is currently leased to six long-term tenants. Extra revenue is also being generated through royalties received from processed dirt and rock as well as other product being mined at the site. Seller financing is available on approved credit.

The site is 48.95 acres and zoned for surface mining. One of the greatest attributes of this property is that the zoning allows for on-site processing of materials including rock crushing. This permits the continual processing of dirt and rock that provides for unlimited high-profit royalties.



**48.95 ACRES ZONED
SURFACE MINING**



**ROYALTIES FROM MINING
AND PRODUCT PROCESSING**



**ON-SITE PROCESSING OF
MATERIALS INCLUDING
ROCK CRUSHING**



**LEASE INCOME FROM
WATER TOWER AND THREE
CELL TOWERS**



**LARGE DEPOSITS OF
TUMALO TUFF USED IN
ODOT PROJECTS**



**WATER TOWER LEASE
PROVIDES FREE WATER FOR
ON-SITE DUST CONTROL**

STRUCTURES & ACCESS

The property includes one doublewide mobile home that is currently used as office space for 7 Peaks Paving. This building is on the top of the hill and has amazing views of the surrounding area including the Cascade Mountains. The property also includes a 4,500 square foot shop building built in 2017, a 1,728 square foot shop built in 2003 and a 320 square foot mobile office with air conditioning and heat. There is also a state certified commercial 70' scale on-site for weighing the full trucks as they leave the property.

The mobile home office is on an inspected and approved septic system. There is no other sewage disposal on the property. Other buildings are served by portable toilets.

The property includes access from Cinder Butte Road and a permitted driveway for commercial and residential off Crater Road.

BUILDINGS

SHOP 1	4,500 SF Built in 2017
SHOP 2	1,728 SF Built in 2003
DOUBLEWIDE	1982 SF Built in 1979
MOBILE OFFICE	320 SF





TENANT INCOME & RESPONSIBILITIES

The cashflow from the property is very consistent with six leases in place along with an agreement to pay royalty for product removed from the property. The leases require very little oversight by the owner. The tenants are responsible for maintaining their areas including buildings, driveways and parking areas. The royalty is paid monthly and there is a base monthly royalty of \$2,000 per month.

All tenants pay for their water and electricity other than water used by 7 Peaks for dust control which is free based on the current agreement with Agate Water Company. High Desert Mulch pays for all their water use. Landlord responsibility is limited and includes property taxes, Oregon Department of Geology and Mineral Industries (DOGAMI) permit, extraction costs and remediation of the vertical walls in the pit area if required by any regulatory agency. All tenants are responsible for all other costs of compliance with regulations related to the business or mining on the property.

***FINANCIALS
AVAILABLE WITH
SIGNED NDA***

MAJOR TENANTS



The main tenant is 7 Peaks Paving. They lease the bulk of the property including the industrial buildings, mobile office, Fuqua manufactured home office and existing excavated pit area.

Their lease also includes a 288 gallon above-ground propane tank, a state certified commercial truck scale, water standpipe and water wash rack station. Their lease includes the right to extract rock and other by-products from the pit area by paying royalties for the amount extracted. They have two, five-year options to extend. All terms stay the same except that the rent and royalty will be reset. The tenant is responsible for keeping the driveways and parking areas in good condition. The tenant is also responsible for maintaining all aspects of the buildings and improvements keeping them in good working order. This includes electric, heating/cooling, doors and windows. The lease is personally guaranteed by multiple parties.

The pit area may be used for the mining, crushing, processing, manufacturing and stock-piling of rock, construction grade overburden and other related by-products, and related uses. The import and export of dirt, rock and other related materials is permitted. The tenant may store equipment related to these activities in the pit area. 7 Peaks Paving's hours of operation are Monday through Saturday from 7:00 am to 6:00 pm and Sunday from 8:00 am to 5:00 pm. Tenant may sublease all or a portion of the pit area with notification to the Landlord. There is also "retained area" not included in the lease that include a future cell tower pad and areas which have natural vegetation and forested areas.



High Desert Mulching leases approximately 3.73 acres. Their premises is used for processing of organic materials for sale, storage, distribution and related uses.



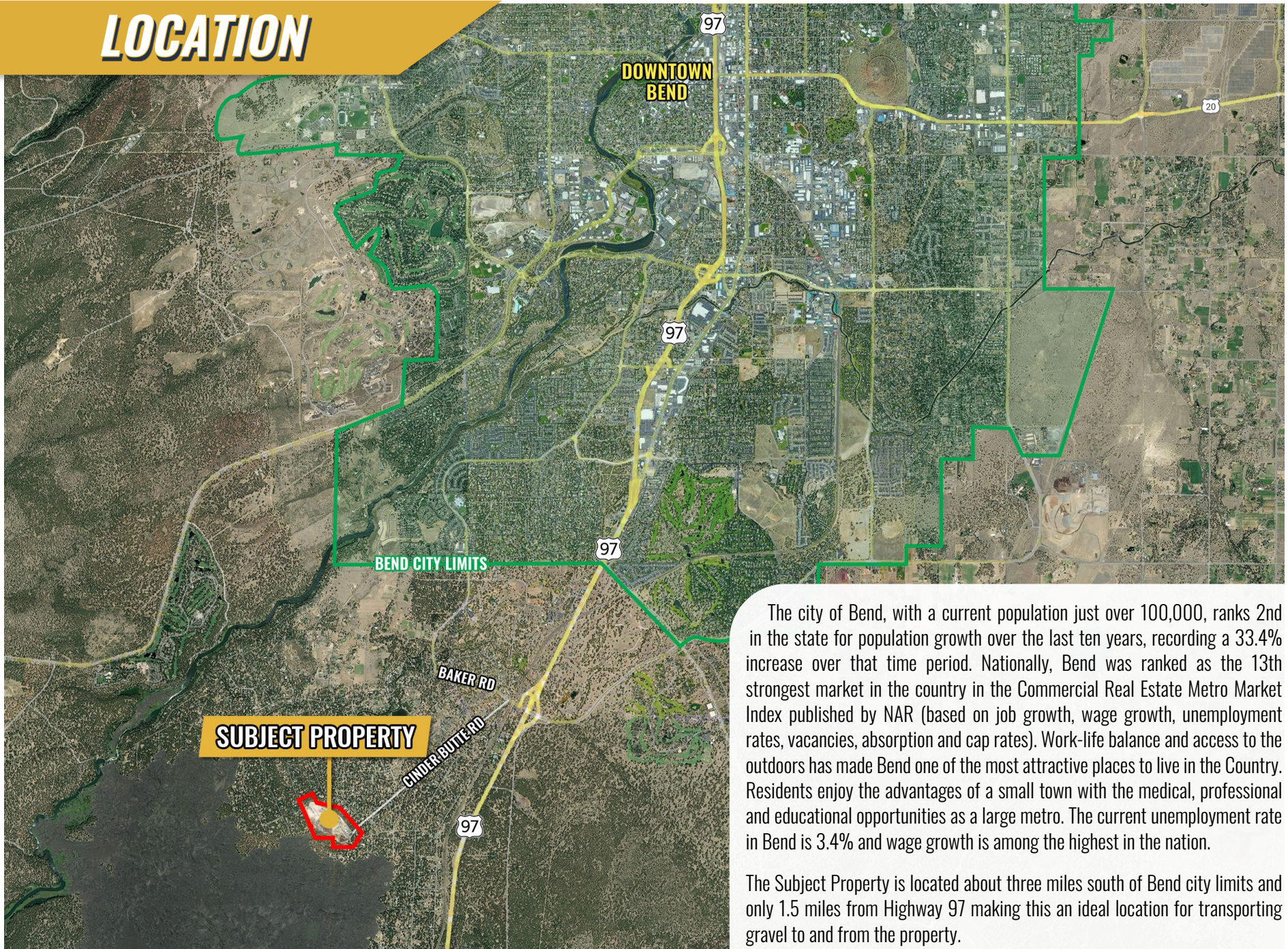
EVALUATION STUDY

Aggregate resource evaluation from 2001 is available for review. The owner is willing to split a new aggregate resource evaluation study with the buyer. The current report states that the site contains significant resources of topsoil, silty-sand Tumalo Tuff (fill material), higher grade commercial pumice and cinders. The site is also very active for processing dirt, rock and other products.

The Seller has test results and correspondence describing the materials analysis of the available material on the property. Tumalo Tuff has been used in numerous ODOT and local projects in the City of Bend. The pit has good deposits of both Tumalo Tuff and Bend Pumice.



LOCATION



The city of Bend, with a current population just over 100,000, ranks 2nd in the state for population growth over the last ten years, recording a 33.4% increase over that time period. Nationally, Bend was ranked as the 13th strongest market in the country in the Commercial Real Estate Metro Market Index published by NAR (based on job growth, wage growth, unemployment rates, vacancies, absorption and cap rates). Work-life balance and access to the outdoors has made Bend one of the most attractive places to live in the Country. Residents enjoy the advantages of a small town with the medical, professional and educational opportunities as a large metro. The current unemployment rate in Bend is 3.4% and wage growth is among the highest in the nation.

The Subject Property is located about three miles south of Bend city limits and only 1.5 miles from Highway 97 making this an ideal location for transporting gravel to and from the property.



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DAN KEMP, CCIM
Partner, Principal Broker
Direct 541.848.4076
Cell 541.550.8413
dkemp@compasscommercial.com



PETER MAY, CCIM
Partner, Principal Broker
Direct 541.848.4057
Cell 541.408.3888
pmay@compasscommercial.com

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