

Cottonwood Medical Building

Adjacent To The Verde Valley Medical Center Campus

Highly Visible

Convenient Location

Excellent Condition

Fully Leased

Noted Architect

Attractive 6% CAP Rate

FOR SALE

Cottonwood Medical Building

At The Verde Valley Medical Center

199 S. Candy Lane, Cottonwood, Yavapai County, Arizona 86326

Exclusively Offered By

Berkshire Hathaway HomeServices Arizona Properties



3200 E. Camelback Road, Suite 103, Phoenix, Arizona 85018

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Price: \$2,715,000.

Building Area: 10,409 sf.

Bldg. Price/SF: ~ \$261 / sf.

Land Area: 43,203 sf.

Land Price/SF: ~ \$63 / sf.

CAP Rate: 6.00%

Age: 1990.

Address: 199 S. Candy Lane, Cottonwood, Yavapai County, Arizona 86326.

Use: Cottonwood Medical Building, a purpose-built, single story, multi-tenant (3) medical office building, with patient pickup/drop-off lane and shared waiting area.

Leases: 100% leased, with owner occupancy potential.

Condition: Excellent stewardship and condition.

Location: Prominent site adjacent to the Verde Valley Medical Center (V.V.M.C.). Excellent visibility, access, parking and convenience.

Zoning: Planned Area Development zoning is conforming, permanent & transferable.



Executive Summary | Page 2 of 2

Owners: Cottonwood Group, LLC (Original Owners, First Generation Tenants and Property Managers).

History: The subject building was constructed in 1990 by the current owners for their respective medical practices. Over time, undeveloped expansion Suite 3 was incorporated into original Suite 2. Then, the original owners/tenants were replaced by second generation tenants. Retirement planning for the original owners now makes the *Cottonwood Medical Building* opportunity available. This is the first time to market for this property.

Architect: Distinguished architect, Howard A. Perlman, AIA (Phoenix and Las Vegas). See PerlmanArchitects.com.

Contractor: Terry Wiggins Construction, Prescott, AZ.

Developer: Jeremar Corporation, Scottsdale, AZ.

Fee Simple: The subject fee estate site was created when it was excluded, and certain units abandoned, from the adjacent Mountain Terrace Professional Office Complex Condominium regime ('Mountain Terrace').

R.E.A: A Reciprocal Easement Agreement establishes cross access, parking and other matters between the subject property and the adjacent 'Mountain Terrace'. The subject property pays a monthly fee to 'Mountain Terrace' for maintenance of the roads, parking lots, landscaping and waste removal.

Parking: 36 deeded parking spaces on the subject parcel, plus unrestricted cross parking at Mountain Terrace.

Bldg. Code: 1985 UBC. Construction Type VN (wood frame and block). Occupancy B-2.

Showings: As a courtesy to the medical practitioners, staff and patients, all property tours are by confirmed appointment with the listing broker/agent. Please, do not disturb the tenants/staff/patients.

Verde Valley Medical Center
269 S. Candy Lane

Main Entry
To Medical Center

Cottonwood Medical Building
199 S. Candy Lane



Cottonwood Medical Building Description

The Cottonwood Medical Building prioritizes a welcoming and intuitive patient experience with easy accessibility, ample natural light, clear signage and comfortable amenities. It features a flexible and efficient layout designed for seamless patient and staff flow. It is strategically and conveniently located adjacent to the V.V.M.C.

Purpose Built | Soft Contemporary Design | Appealing & Sustainable Block and Stucco Exterior



Aesthetics | Functionality | Occupant Comfort

“Our goal is to provide quality design that balances function and aesthetics while creating an environment that enhances the quality of life for those it serves,”

Howard A. Perlman, AIA, Architect.



The Verde Valley Medical Center is part of the Northern Arizona Healthcare Network and operates a 99-bed non-profit hospital in Cottonwood (Cottonwood Campus), Sedona Campus, Camp Verde Health Center and Village of Oak Creek Health Center that serves North Central Arizona with comprehensive healthcare services, including critical care.

More than 800 professional and support staff are employed at the V.V.M.C. The Medical Staff is comprised of nearly 100 physicians representing 25 medical specialties.

The Verde Valley Medical Center is a standout regional hospital distinguished by diverse, high-quality care and services, including emergency medicine; nuclear medicine; comprehensive surgical services and state-of-the-art non-invasive cardiology. V.V.M.C. has earned platinum, gold, silver, 5-star and 4-star awards 14 years in a row for customer service and quality of care from Professional Research Consultants.



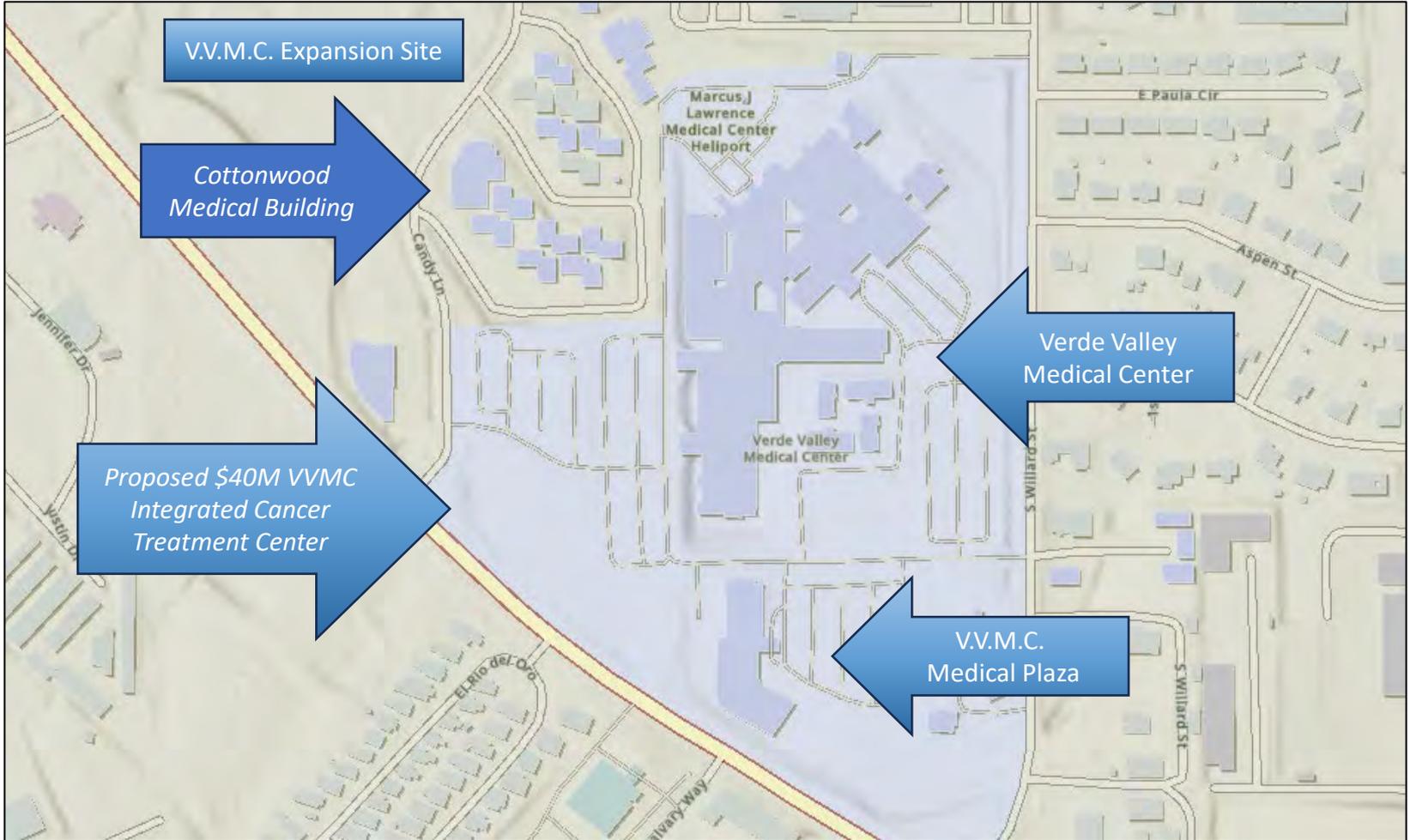
Northern Arizona Healthcare is building a new, nearly \$40 million integrated cancer-treatment center on the Verde Valley Medical Center (V.V.M.C.) campus.

Construction is set to start in late winter 2026 and open in fall 2027. This expansion will centralize all of NAH's cancer services, including surgical, chemotherapy, and radiation care, into one facility to provide better and more seamless experiences for patients.

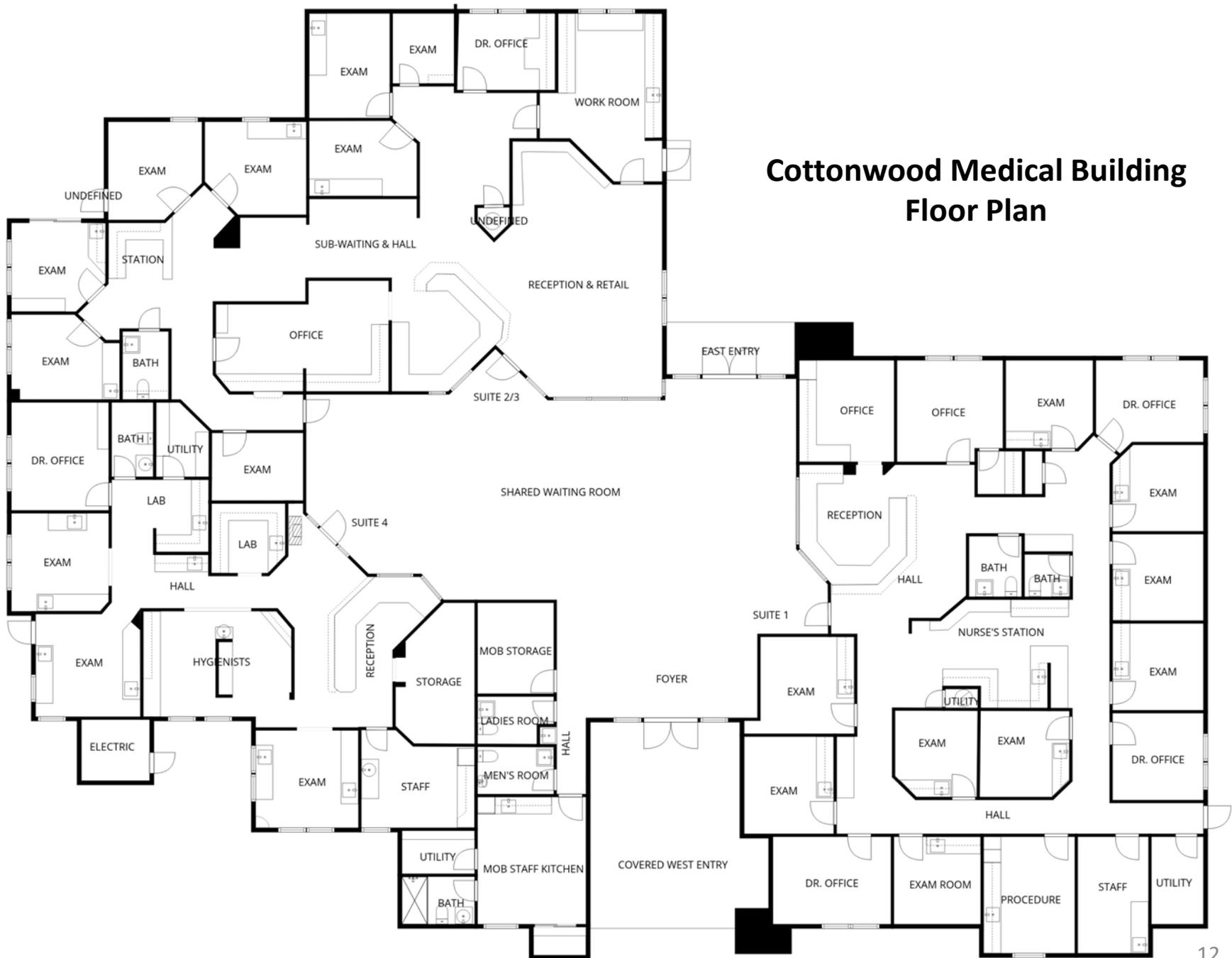
Verde Valley Medical Center Aerial Photo



Verde Valley Medical Center Site Map



Cottonwood Medical Building Floor Plan



Cottonwood Medical Building Space Program



Building Space Program

Suite 1	3,418 sf
Suite 2/3	2,967 sf
Suite 4	1,734 sf
<u>Common Area</u>	<u>2,290 sf</u>
Total	10,409 sf



Suite 1 Description

Suite 1 is leased to Northern Arizona Healthcare Corporation, the parent of the Verde Valley Medical Center (V.V.M.C.). It was anticipated the suite would be used as a satellite facility but has remained unoccupied as growth has been accommodated in other V.V.M.C. facilities.

The Suite is 3,418 SF and the Leased Premises are 4,378 SF.

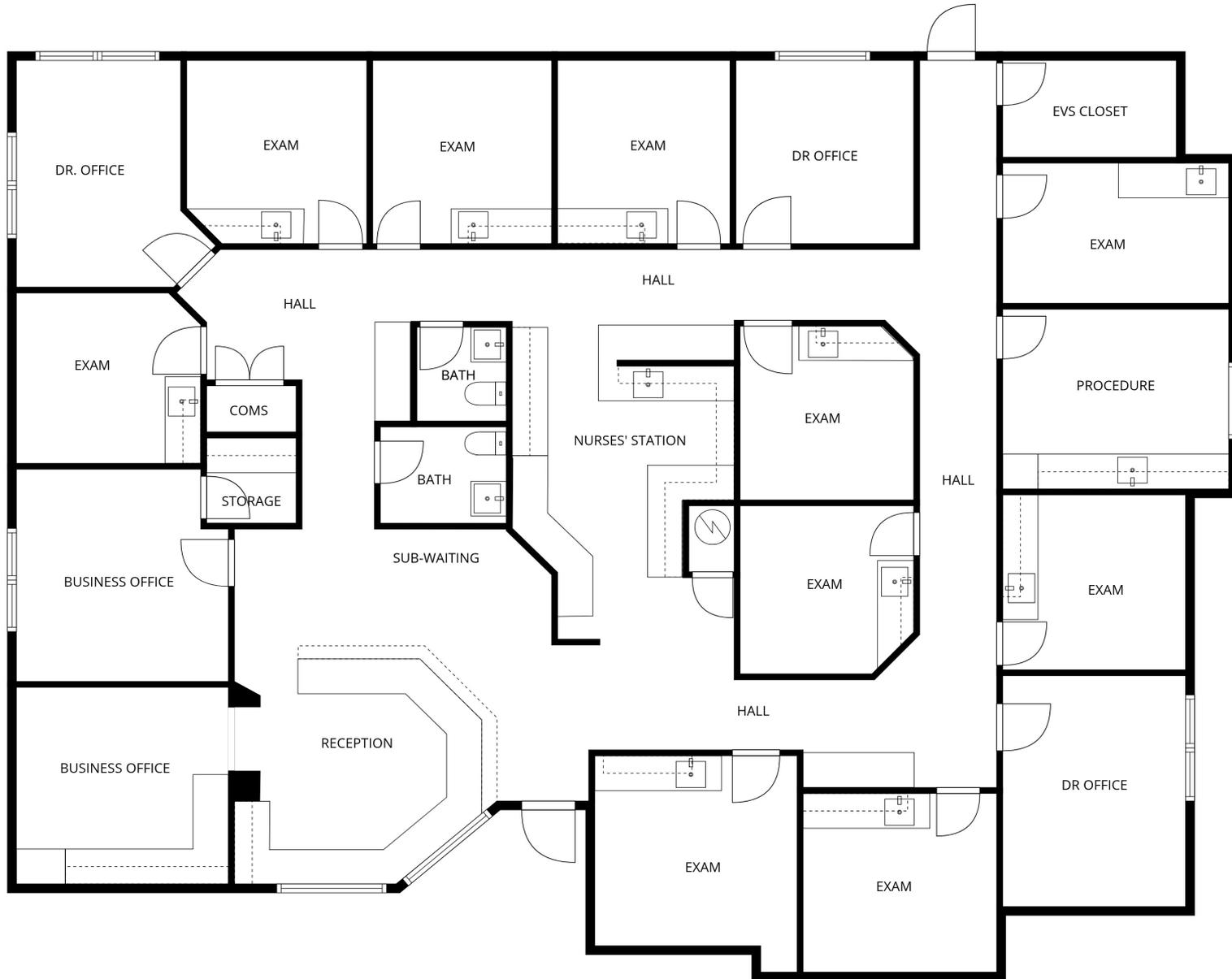
The lease is a gross lease. Tenant pays suite electric and janitorial. The rent escalates each year pursuant to a lease exhibit.

The lease commenced September 2020 and expires August 2027. The lease features automatic, one-year renewals, unless terminated by either party.

The suite is fully built-out, was remodeled prior to the commencement of the lease, and is in excellent condition.



Suite 1 Floor Plan



Suite 2/3 Description

Suite 2/3 is leased to Jason W. Fornara, OD, dba Fornara Eye Center, P.C.

The Suite is 2,967 SF and the Leased Premises are 3,790 SF, which includes the original Suite 2, plus an expansion Suite 3.

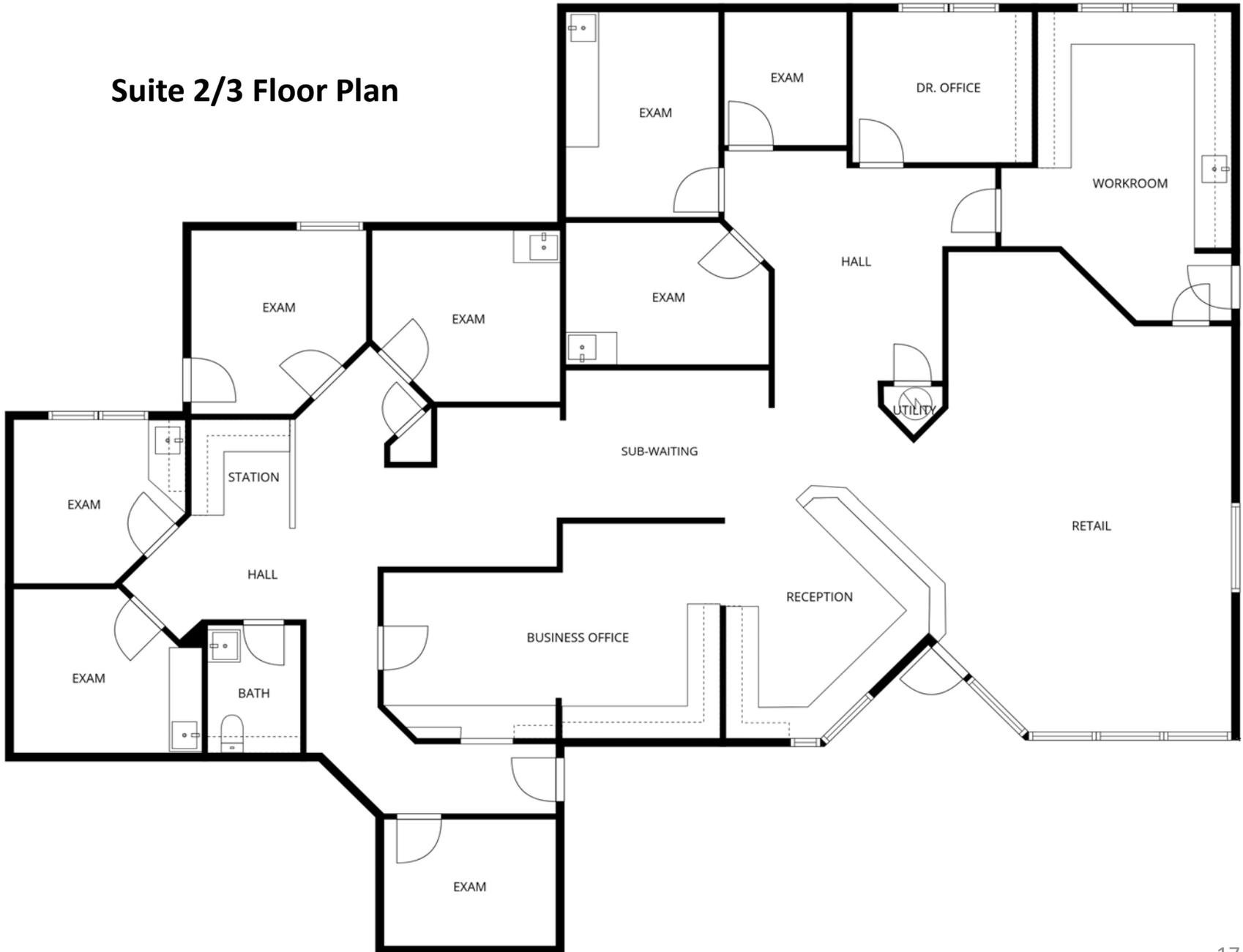
The lease is a modified gross lease. Tenant pays suite electric, janitorial and a portion of the CAM.

The lease commenced in July 2016 and expires February 28, 2031. The tenant has one five-year option to extend the lease until 2036.

The suite is fully built-out and is in very good condition.



Suite 2/3 Floor Plan



Suite 4 Description

Suite 4 is leased to David Herald, DDS, PLLC.

The Suite is 1,734 SF and the Leased Premises are 2,221 SF.

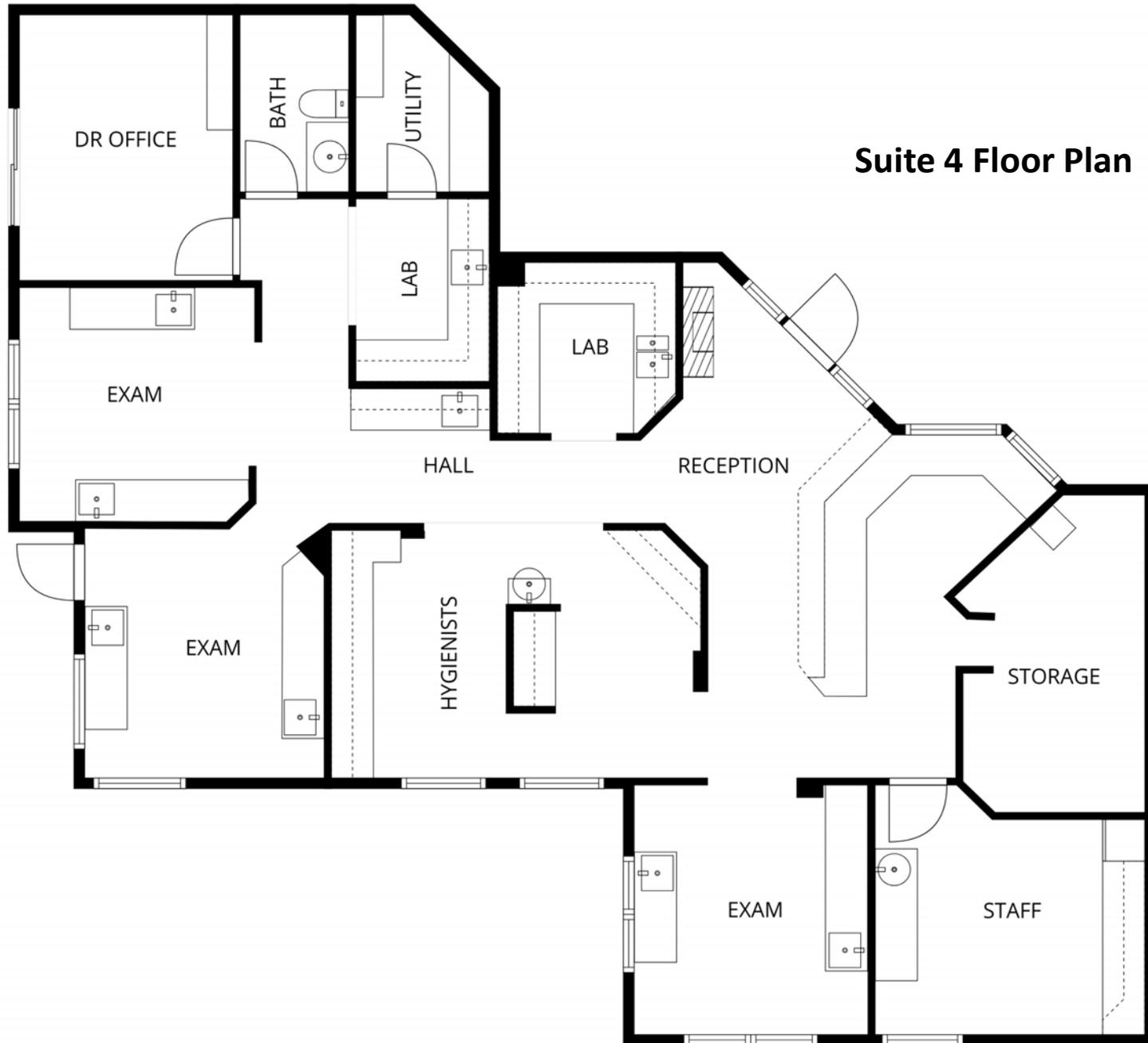
The lease is a modified gross lease. Tenant pays suite electric, janitorial and a portion of the CAM.

The original lease commenced in June 1989 and, through twelve amendments, now expires January 31, 2031. The tenant has one three-year option to extend the lease, at market rent, through January 31, 2034.

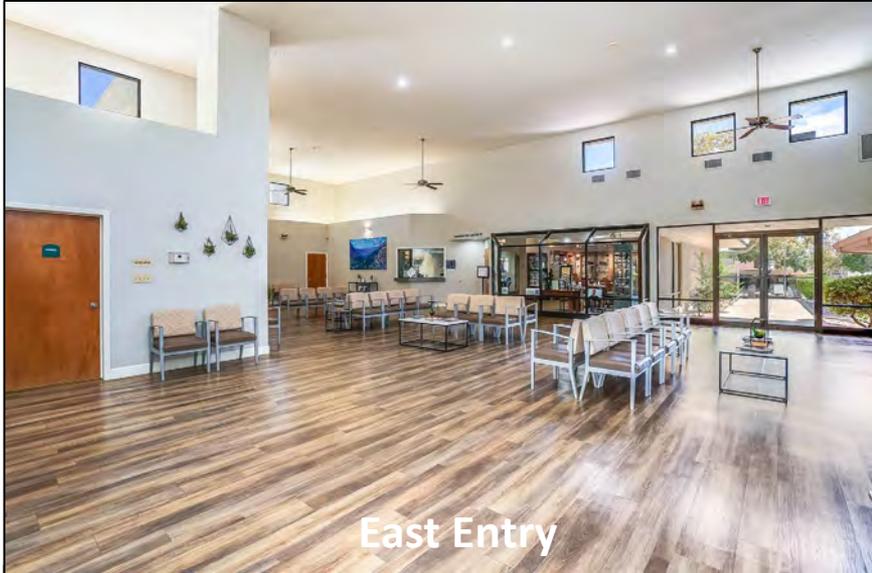
The suite is fully built-out and is in good condition.



Suite 4 Floor Plan



Interior Photos | Entrances, Lobby & Shared Waiting



East Entry



Suite 2/3



17'6" Ceiling in Waiting Area



West Entry

Exterior Photos



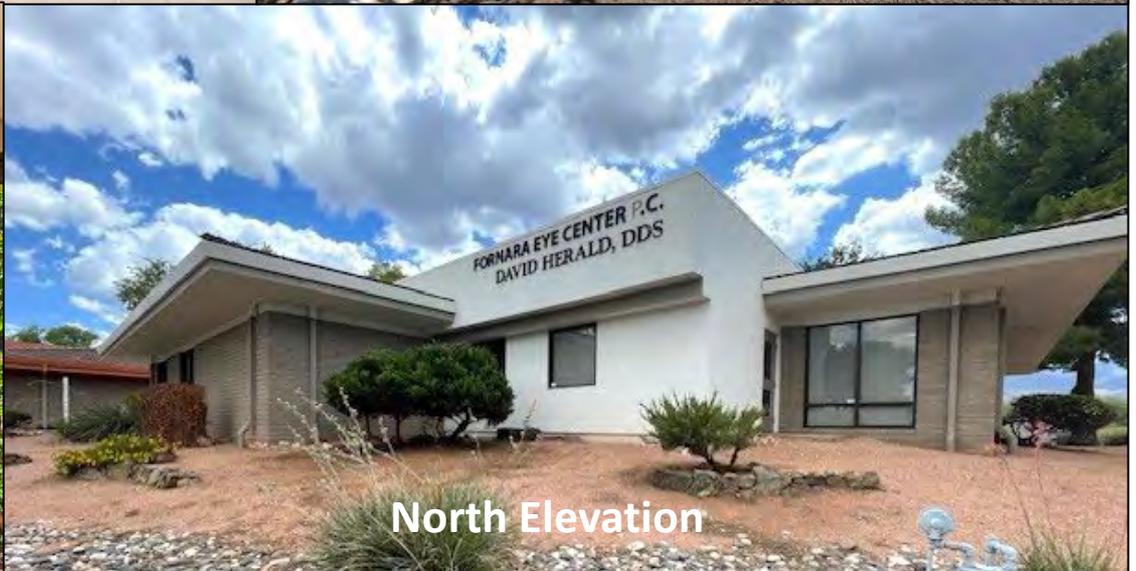
West Elevation



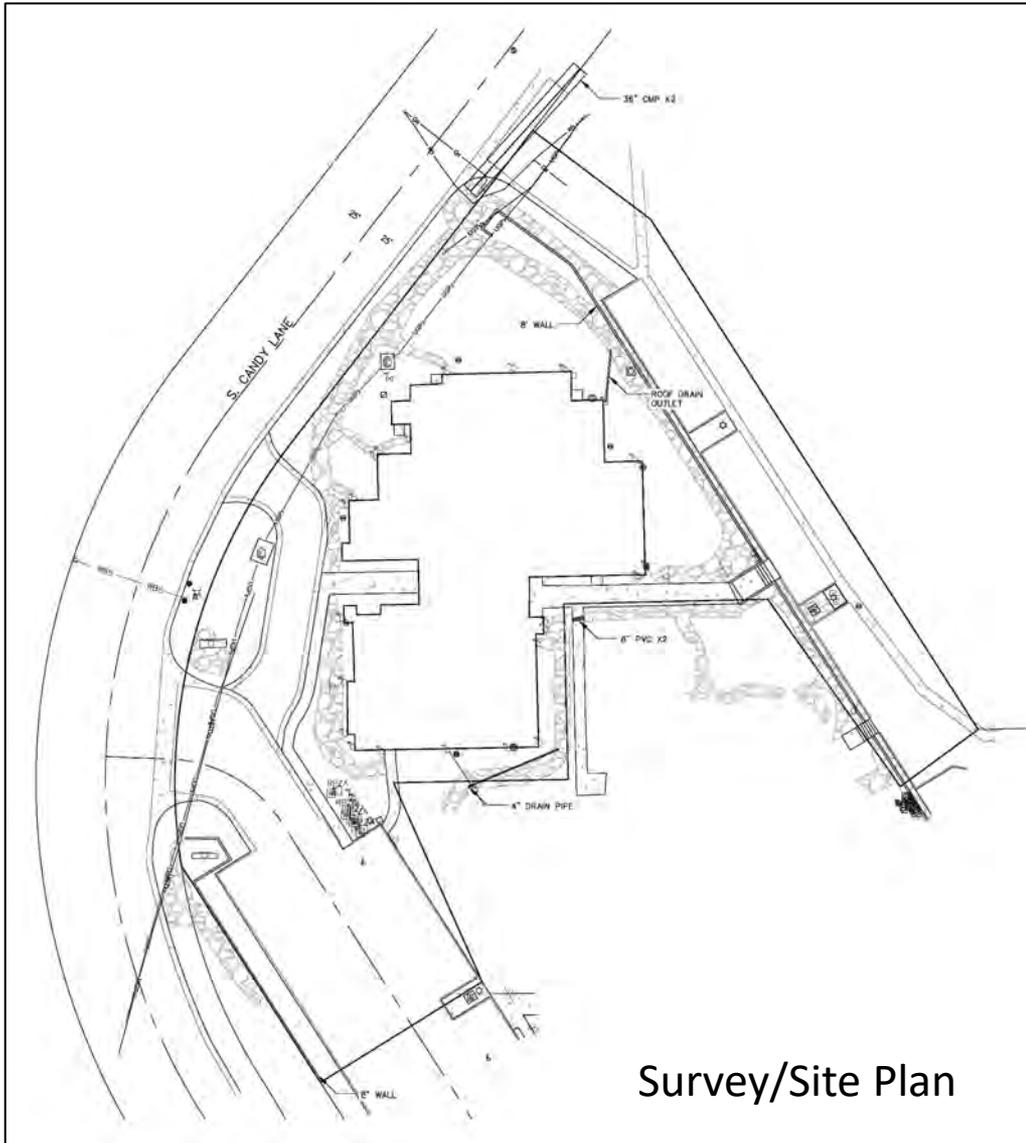
West Elevation & Patient Drop Off



East Entry



North Elevation



Title & Survey

Fee Simple Estate: Currently vested in the Cottonwood Group, LLC, an Arizona limited liability company.

Tax ID: The Yavapai County Tax Parcel Number is 406-33-131.

Legal Description: See Title Commitment for metes and bounds legal description.

Mountain Terrace: The adjacent Mountain Terrace Professional Office Complex Condominiums ('Mountain Terrace') features 24 similar buildings, each 1,508 sf, or a total of 36,192 sf. Mountain Terrace has a single 'parent' owner and, accordingly, the units are leased, not sold, or re-sold. The Cottonwood Medical Building is a fee simple estate and is not part of the Mountain Terrace condominium regime.

Operating Data, Disclosures & Due Diligence

Annual Property Operating Data

Gross Operating Income **\$210,575.**

Expenses

Back-Flow Test	\$ 70.
Electric	\$ 3,012.
Gas	\$ 940.
HOA (Adjacent)	\$ 8,521.
Insurance	\$ 3,821.
Janitorial	\$ 5,808.
Maintenance	\$ 2,750.
Management	\$ 4,000.
Security	\$ 4,780.
RE Taxes	\$10,446.
Water/Sewer	\$ 2,506.
Window Cleaning	\$ 600.

Total Expenses **\$ 47,254.**

Net Operating Income **\$162,321.**

Seller Disclosures & Due Diligence

ALTA Survey
Construction Plans
Environmental Report (Phase I)
Leases
Seller Disclosure Statement
Title Commitment
Zoning Verification Letter

Improvements

2015 R.T.U. (#6)
2016 R.T.U. (#2) & Flat Roof
2018 R.T.U. (#4) & Lobby Remodel
2020 Tile Roof
2020 Flat Roof Elastomeric
2020 Suite 1 Refresh
2023 R. T. U. (#1, #3)
2023 Gutter Repairs/Maintenance
2024 R.T.U. (#5 & # 7)
2024 Exterior Paint

Utility & Community Services

Water (Domestic): The City of Cottonwood Utility Department provides water service.

Waste Water: The City of Cottonwood Utility Department provides sewer service.

Electric: Arizona Public Service provides electric service. Primary and secondary conduits are buried. Transformers are pad mounted. The 1,000 AMP service entrance service is located in a utility closet.

Natural Gas: Unisource Energy Services provides natural gas service.

Trash: The adjacent HOA provides waste/trash service.

Hospital: The Verde Valley Medical Center (VVMC) is located at 269 S. Candy Lane, just east of the subject property. The distance is 0.3 miles and the travel time is 2 minutes. The VVMC is a Level 4 Trauma Center. The VVMC operates an Emergency Department for medical emergencies 24-hours a day, 365 days a year.

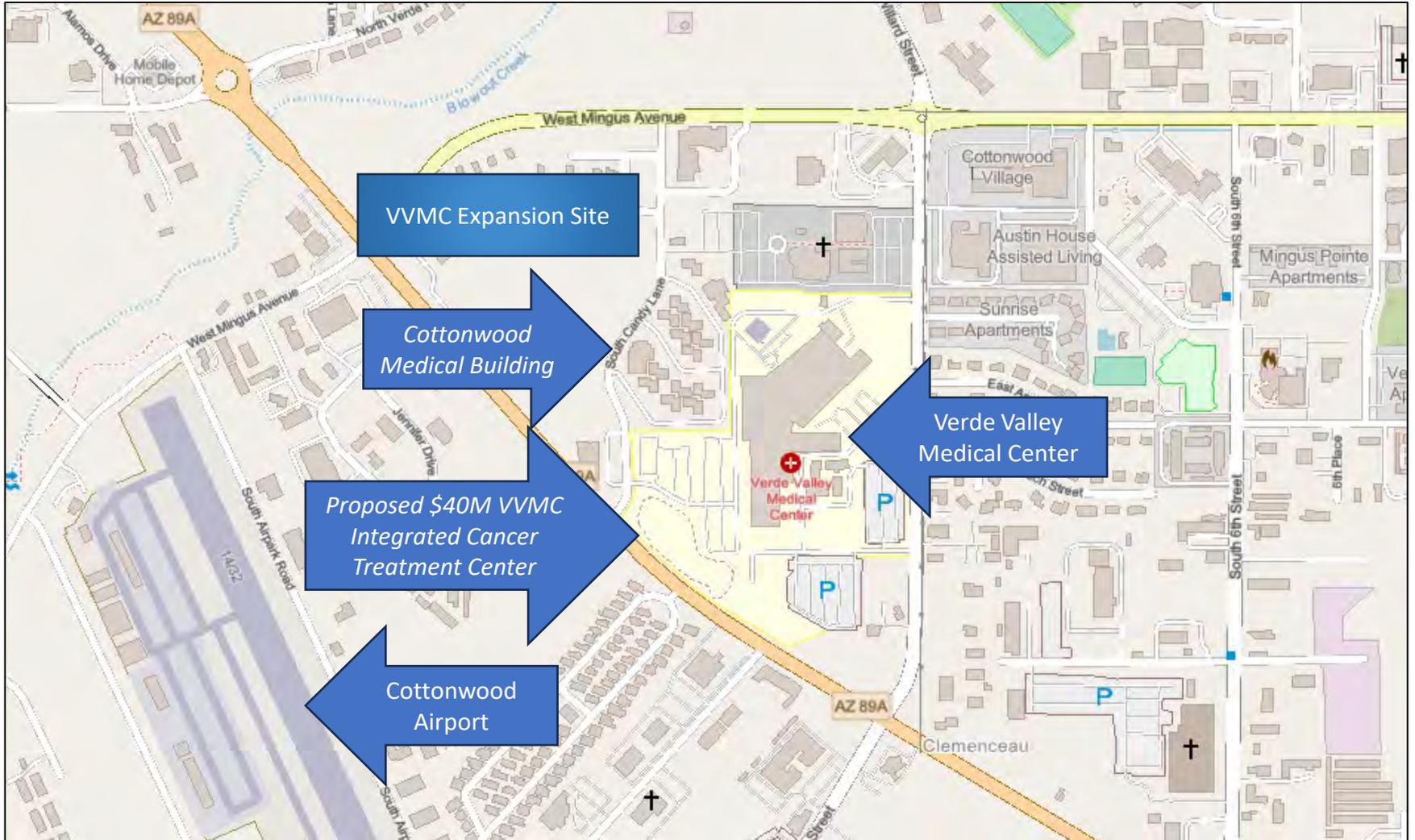
Fire & Emergency Service: The City of Cottonwood Fire Department is located at 191 S. 6th Street, just east of the Verde Valley Medical Center. The distance is 1.3 miles and the travel time is about 4 minutes (non-emergency). The Fire Department provides fire, EMS, rescue, hazardous materials and disaster response and mitigation.

Police: The City of Cottonwood Police Department is located at 199 S. 6th Street, also just east of the Verde Valley Medical Center. The distance is about 1.3 miles and the travel time is about 4 minutes (non-emergency).

Neighborhood Aerial



Neighborhood Map





Cottonwood, AZ

The City of Cottonwood is located adjacent to the Verde River at elevations ranging from 3,300 feet to 3,900 feet above sea level and experiences a mild climate which, together with its proximity to an abundance of natural amenities such as the Grand Canyon, Sedona, Dead Horse Ranch State Park, Tuzigoot National Monument and the historic mining communities of Clarkdale and Jerome, continues to attract steady growth and tourism.

Verde Valley residents enjoy a casual lifestyle with a rural feel complimented by a wide variety of recreational opportunities, including hiking, biking, camping, horseback riding, golfing and kayaking. The area has become a regional destination for its growing wine industry, now home to ten wineries.



Verde Valley

The Verde Valley includes about 720 square miles located in the geographic center of Arizona, about 100 miles north of the Phoenix metropolitan area.

The Verde Valley stretches from Mingus Mountain, just east of Prescott Valley, to the Mogollon Rim, south of Flagstaff. The Verde Valley encompasses the towns and cities of Cottonwood, Clarkdale, Jerome, Camp Verde, Sedona, Cornville, the Village of Oak Creek, Lake Montezuma, Rimrock and the Verde Villages, a large unincorporated community.

Elevations in the Verde Valley range from approximately 3,000 feet in historic Camp Verde, to more than 5,000 feet in the former mining town and now thriving artist community of Jerome.

The Verde River runs through the valley from northwest to southeast and is augmented by flows from Sycamore Canyon, Oak Creek, Beaver Creek and West Clear Creek. The area is unsurpassed in its variety of physical beauty with the red rocks and Mogollon Rim to the north and east and the Black Hills and Mingus Mountain dominating the western and southern portions of the valley.

The Verde Valley American Viticultural Area was established in 2021 and the area has become a regional destination for its growing wine industry. The Cottonwood area now features ten wineries.



Yavapai County

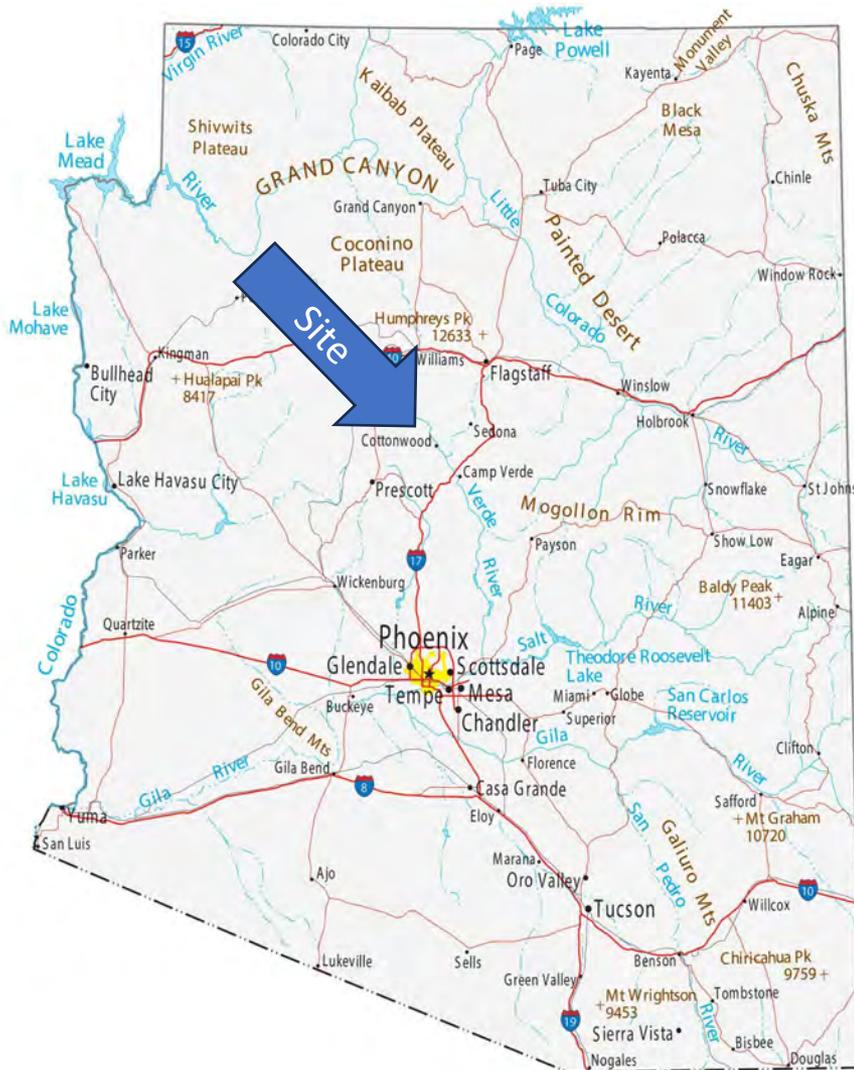
With an area of 8,125 square miles, Yavapai County is larger than Connecticut, Delaware, Rhode Island and New Jersey. Yavapai County is approximately the same size as Massachusetts.

The terrain of the County varies from an elevation of 1,900 feet at its desert low to just under 8,000 feet on its mountain peaks. The diverse terrain includes grasslands, picturesque rock formations, high desert streams and mountain valleys. The major vegetation types in the County are grasslands, pinion-juniper, chaparral, desert grassland and desert scrub.

Only 26 percent of the land in the County is in private hands (individuals or corporations). Thirty-eight percent of the land is administered by the U. S. Forest Service, nine percent by the U.S. Bureau of Land Management, 27 percent by the State of Arizona, and less than 0.5 percent is held in trust as Indian reservations. There are three Indian reservations located in the County – the Yavapai-Prescott Indian Reservation, the Clarkdale and the Camp Verde Indian Reservation.

The bulk of the population and the labor force are located in the eight incorporated towns and cities which include Camp Verde, Chino Valley, Clarkdale, Cottonwood, Jerome, Prescott, Prescott Valley and Sedona.

Directions



Showings: Please, do not disturb the tenants, staff and patients. All property tours are by confirmed appointment with the listing broker/agent.

GPS | Mailing Address

199 S. Candy Lane, Cottonwood, AZ 86326.

From Phoenix Sky Harbor Airport (PHX):

199 S. Candy Lane is 114 miles, or 110 minutes, north of Phoenix Sky Harbor Airport (PHX). North on Interstate 17, then West on AZ 260. PHX features 24 airline carriers, but no general aviation.

From Flagstaff Pulliam Airport (FLG):

199 S. Candy Lane is 60 miles, or 65 minutes, south of Flagstaff Pulliam Airport (FLG). South on Interstate 17, then West on AZ 260. FLG features American Airlines and general aviation.

From Prescott Regional Airport (PRC):

199 S. Candy Lane is 36 miles, or 60 minutes, northeast of Prescott Regional Airport (PRC). North on AZ 89A, then North on AZ 169. PRC features United Airlines and general aviation.

Cottonwood Medical Building

To express your interest, discuss this opportunity, or request additional information, please contact:

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