



EXECUTIVE SUMMARY

B. Riley Real Estate is pleased to offer a prime 13.0-acre Inland Empire development site located in Murrieta, CA. This centrally located property has been fully entitled with planning approval for a 9-story, 257-room full-service hotel development on 6.17 acres of the site. Given current zoning, the balance of the site can be developed for an array of complementary commercial uses including retail, health & fitness, office, industrial, and others that should only enhance the overall value of this high-quality property for an investor/developer.

Sitting adjacent to the highway I-15 / I-215 interchange, the property provides excellent accessibility to two of the major roadways within the Inland Empire. With average vehicles per day exceeding 200,000, this high-traffic location is ideal for both hospitality and commercial uses as it provides not only excellent visibility, but also easy access to the surrounding communities of Temecula, Wildomar, Lake Elsinore, and Menifee among others.

With Murrieta’s central Inland Empire location within the Temecula Valley wine region, the city has historically been one of the fastest growing markets in California characterized by significant population growth and associated commercial and residential development. Alongside Murrieta’s permanent residents, given the popularity and strong reputation of the Temecula Valley wine country, the region drives robust wine tourism generating excellent transient and group hospitality demand within the market.

Understanding the long-term potential of the Murrieta/Temecula market, current ownership purchased this site in 2009, and has since invested substantial capital to fully entitle the property and prepare the site for hotel development. As part of this work, ownership worked closely with local government to secure multiple incentives totaling ~\$33M that will facilitate both the development work as well as the ongoing operations of the hotel. These in-place incentives, coupled with the property’s entitlement and additional commercial development opportunities, make this a highly attractive site and a compelling investment opportunity.

INVESTMENT SUMMARY

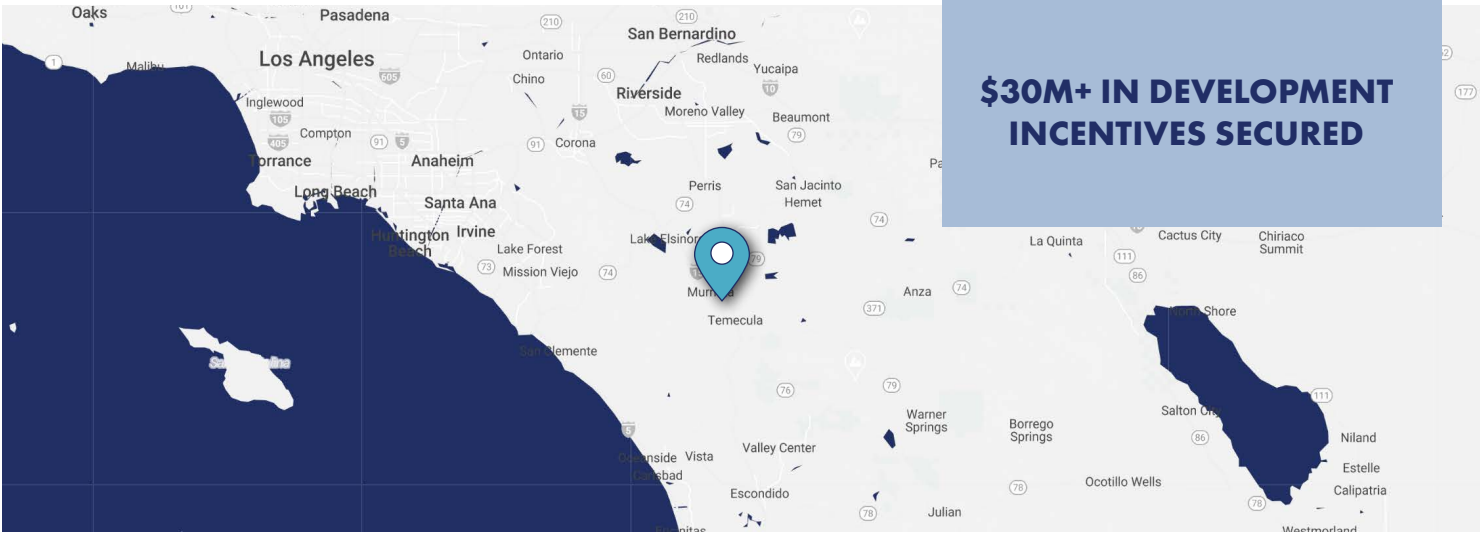
Given the ability to develop the site for both hospitality and commercial uses, it is the strength of the local market and the region’s tourism industry that will be a catalyst for the long-term success of the developed property.

The growth and quality of the Murrieta market and its stable long-term outlook is not only seen by the quantity of major retail and residential development over the past decade, but also the long-term expansion planning for major healthcare providers, including Kaiser Permanente and Loma Linda University Medical Center which are both actively engaged in large-scale expansions to more effectively service the growing community population.

Assessing the regional tourism market, this area has experienced a strong recovery post-pandemic with 2022 annual visitor counts almost returning to the record levels experienced pre-pandemic in 2019. With the increasing popularity of the Temecula Valley wine region, this growth trend should only enhance hospitality demand moving forward.

With limited full-service hotel and conference center operations within the region, there exists a significant void within the Murrieta/Temecula hospitality market. Given this opportunity and the attractiveness of the broader Murrieta/Temecula market, multiple major hotel brands have expressed serious interest in this development for their 4-star, full-service concepts.

Given strong interest from numerous national hotel brands, alongside local government’s active engagement and the site’s financial incentive and entitlement cost advantages, this opportunity presents investor/developers the ability to efficiently and cost-effectively complete development with limited downside risk due to the initial work completed by current ownership.



INVESTMENT HIGHLIGHTS

CENTRAL INLAND EMPIRE MARKET POSITIONING

STRONG TOURISM INDUSTRY DRIVES HOSPITALITY DEMAND

FULLY ENTITLED & PLANNING APPROVED SITE

CONFIRMED INTEREST FROM MULTIPLE MAJOR HOTEL BRANDS

HIGHWAY-ADJACENT HIGH-TRAFFIC LOCATION

\$30M+ IN DEVELOPMENT INCENTIVES SECURED

MARKET OVERVIEW

Built upon its double-digit growth over the past several decades, the Murrieta/Temecula area has become a residential and commercial hub within the Inland Empire. With both its growing residential population and a vibrant tourism industry centered around the Temecula Valley wine region, this market supports an array of residential and commercial development including more than 7M SF of major retail development.

With its central location between the Los Angeles and San Diego metro areas, the area’s wine country has become an increasingly popular draw for both Southern California residents and visitors to the state. With more than 90 vineyard and winery operations in the region, Temecula Valley drives almost 900,000 tourist visits annually and generates more than \$2.7 billion in economic activity within the community. Now approaching the record visitor levels seen prior to the pandemic, this industry should provide a stable demand base for Murrieta’s local hotel operations moving forward.

Looking ahead, with more than 10,000 additional single-family and multi-family units planned or under construction and additional expansion projected for the Temecula Valley wine industry, the Murrieta/Temecula market is well positioned for sustained long-term growth.



DEVELOPMENT SITE SUMMARY

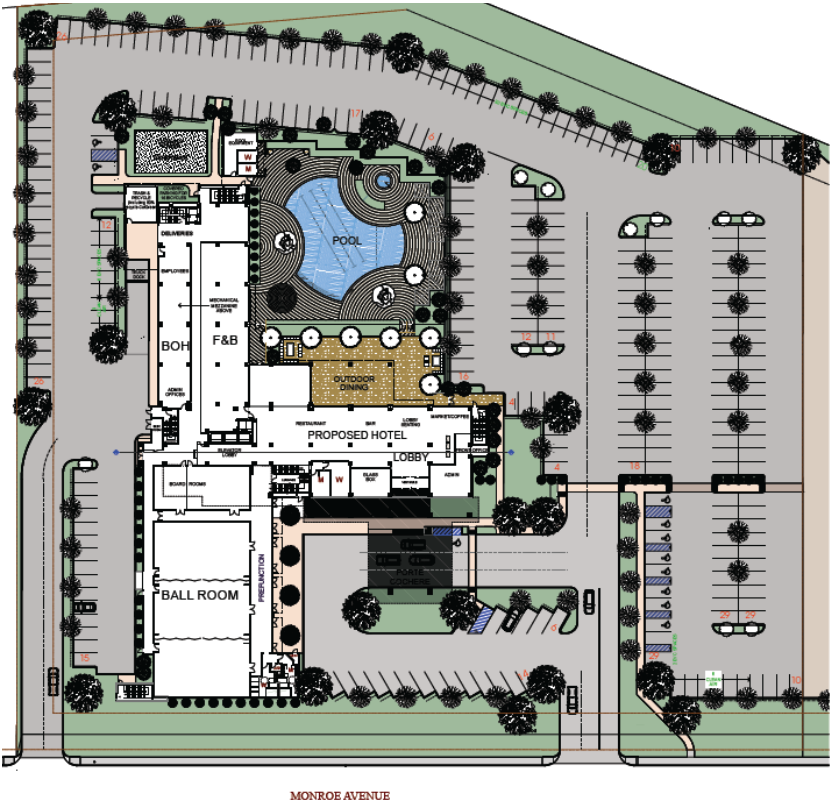
This ~13.0-acre development site is composed of two parcels measuring 10.6 acres and 2.4 acres. As part of the approval process, ownership has invested ~\$7.0M to fully entitle the site and has successfully secured approval to redraw the existing parcel lines to creating the ~6.2-acre hotel development site and an additional developable ~6.8-acre parcel.

Given the property’s highway-adjacent location, the site will offer both excellent visibility and easy access to the broader region. The planned 9-story hotel will be the tallest building in the area with 3 levels below the highway grade and 6 levels above. Additionally, the site will include at least 314 standard parking spaces and 11 ADA spaces and will require development of certain roadway infrastructure to facilitate ingress/egress. As part of the development incentives secured, the city has allocated and approved ~\$7.5M to fund infrastructure needs along the corridor that runs adjacent to the property.

The planned 268,702 SF full-service hotel is entitled for up to 257 rooms, a lobby bar & restaurant, 10,000 SF of conference space, a resort spa, rooftop bar, and other amenities, addressing a major void in the full-service hotel market within Murrieta/Temecula. Ownership has completed a development cost study for a 190-room format within the same 268,702 SF building, setting total development cost at ~\$430K per door, inclusive of \$20-25M in project soft costs and \$8.5M in off-site infrastructure construction.

While this development cost is in line with other full-service hotel developments in the region, understanding the level of investment required to deliver a full-service hotel to Murrieta and the need for the in the community, local government has provided a 15-year Transient Occupancy Tax (TOT) revenue sharing arrangement to help facilitate property development. This incentive should total ~\$25M over the agreement term.

REPRESENTATIVE SITE PLAN



**\$7.0M INVESTED TO
SECURE SITE ENTITLEMENT**



**\$25M LOCAL TAX REVENUE
SHARING AGREEMENT IN-PLACE**



**\$7.5M OFF-SITE INFRASTRUCTURE
INCENTIVES COMMITTED**



**6.8 ACRES AVAILABLE FOR
COMPLEMENTARY DEVELOPMENT**



OFFER PROCESS & TIMELINE

Ownership interest offered will be fee-simple interest. Potential purchasers are encouraged to make property visits, which may be scheduled through B. Riley Real Estate following offer submission.

Offers should be submitted in writing and must specifically address:

- Purchaser Entity
- Purchase Price & Escrow Deposit
- Due Diligence Period Timeline
- Closing Timeline
- Financing Considerations
- Any Other Offer Contingencies

OFFERS REQUESTED BY OCTOBER 17TH

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\$6B+

IN ASSETS SOLD

25M+ SF

IN REAL ESTATE DISPOSED

\$1B+

IN LEASE SAVINGS

ABOUT B. RILEY FINANCIAL

B. Riley Financial (NASDAQ: RILY) provides collaborative financial services solutions tailored to fit the capital raising, business, operational, and financial advisory needs of its clients and partners. B. Riley Financial operates through several subsidiaries that offer a diverse range of complementary end-to-end capabilities spanning investment banking and institutional brokerage, private wealth and investment management, financial consulting, corporate restructuring, operations management, risk and compliance, due diligence, forensic accounting, litigation support, appraisal and valuation, real estate sales and restructuring, and auction and liquidation services. B. Riley Financial is headquartered in Los Angeles with offices in major U.S. markets as well as an international footprint. For more information on B. Riley Financial, please visit www.brileyfin.com.

25+ YR

OPERATING HISTORY

8

CORE CAPABILITIES

2,000+

GLOBAL PERSONNEL

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