

OFFERING MEMORANDUM

Davita®

WYOMING, MN



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LISTED BY



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EXECUTIVE OVERVIEW

Davita
Dialysis





INVESTMENT HIGHLIGHTS

- **Built-to-Suit** for DaVita
- **Rental Increases:** 10% Increase 5 years
- **Busy Clinic:** 12 stations, 2 shifts a day, 6 days a week
- **Corporate Guarantee:** Fortune 500, Publicly Traded, Total Renal Care
- **Strong Location:** Down the street from Fairview Lakes Medical Center and Meadows on Fairview
- **Ability to expand, Additional Opportunity:** Large Parcel - 10.45 Acres



\$2,748,389

LIST PRICE



6.00%

CAP RATE



\$164,903

NOI

An aerial photograph of a Dayita Dialysis center. The building is a single-story structure with a flat roof and large glass windows. A sign on the front of the building reads "Dayita Dialysis". The building is surrounded by a paved parking lot with several cars parked. To the left of the building is a small pond. In the background, there is a large, multi-story building with a red roof, possibly a hotel or a large office building. The sky is blue with some clouds. The text "FINANCIAL OVERVIEW" is overlaid in large, white, sans-serif capital letters across the center of the image.

FINANCIAL OVERVIEW

TENANT SUMMARY

Tenant:	DaVita / with Guaranty from Total Renal Care
Address:	5657 257th St, Wyoming, MN 55092
Parcel:	21.11119.00
Lease Type:	NN Lease
Year Built :	2013
Building Size:	5,500 SF
Leasable Space:	5,500 SF
Land Area:	10.54 AC
Rent Commencement Date:	6/19/13
Rent Expiration Date:	3/3/29
Term Remaining:	10 Years
Current Annual Rent:	\$164,903
Annual Increase:	10% Increase 5 Years
Renewal Options:	Two, 5-Year Options @FMV
Renewal Increases:	\$181,481.73 2025-2029 @ \$33.00 Foot (Years 11-15)
Landlord Responsibilities:	Building structures and systems: concrete slab, footings, foundation, structural components, exterior walls (excluding painting), sidewalks, driveways, loading areas, flooring system (excluding floor coverings), exterior plumbing, and electrical systems of the building. Parking Areas, Roof, HVAC replacement but not maintenance.
Tenant Responsibilities:	Non-structural portions of the interior of the premises
Utilities:	Tenant shall pay directly.
Tenant Insurance:	Tenant maintains general liability insurance eat sole cost and expense.
Taxes:	Reimbursed by Tenant

PARCEL MAP



ANNUALIZED OPERATING SUMMARY

	MONTHLY	ANNUAL	RENT / SF
Years 6-10	\$13,741	\$164,903	\$30
Years 11-15	\$15,123	\$181,481	\$33



Ranks in Top 30 Percent of Hospitals in the Country

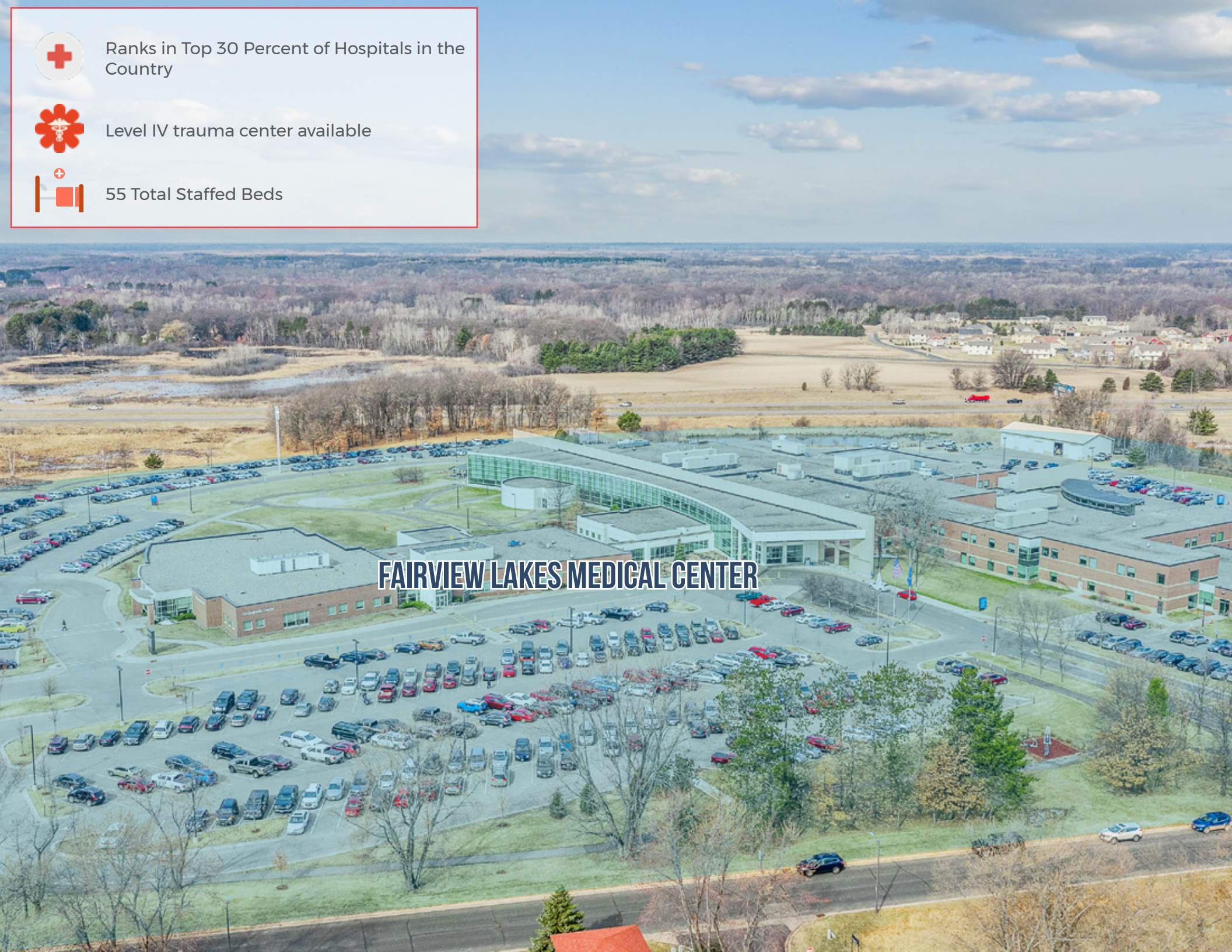


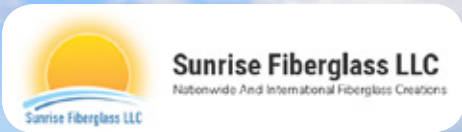
Level IV trauma center available



55 Total Staffed Beds

FAIRVIEW LAKES MEDICAL CENTER





FAIRVIEW LAKES
MEDICAL CENTER

MEADOWS ON
FAIRVIEW

257TH STREET

Forest Blvd N ± 9,000 VPD

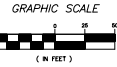
Davita

CERTIFICATE OF SURVEY

prepared for:

FIRST AMERICAN TITLE INSURANCE COMPANY
AND DV WYOMING, LLC

of: 5657 25TH STREET - WYOMING, MN



FLOOD ZONE

PER FLOOD INSURANCE RATE MAP-COMMUNITY PANEL NUMBER 2700000700 EFFECTIVE APRIL 17, 2012, THIS PROPERTY IS LOCATED IN ZONE X. ZONE X IS DEFINED AS AREAS DETERMINED TO BE OUTSIDE THE 500-YEAR ANNUAL CHANCE FLOODPLAIN.

PARKING

27 STANDARD STALLS
2 HANDICAPPED STALLS

OWNER

ENT NO. NCS-646566-MPLS;
LC
1ST
55391

WITHIN THE CITY OF
15 AND IS LOCATED IN
IND. DISTRICT
1 HEALTH CARE

13- 40 FEET FROM R.O.W. OF A LOCAL
LECTOR, OR ARTERIAL STREET
UND. 15 FEET FROM ALL R.O.W.
VAL BUILDING: 15 FEET
ORY BLDG. ABUTTING "R" DISTRICT: 6 FEET
G: 15 FEET
PAL BUILDING: 20 FEET
SORY BLDG.: 3 FEET
SORY BLDG. ABUTTING "R" DISTRICT: 6 FEET
40: 15 FEET
OPAL BLDG.: 45 FEET
SSORY BLDG.: 25 FEET

BEARING NOTE

FOR THE PURPOSES OF THIS SURVEY THE
WEST LINE OF THE NORTHEAST QUARTER OF
THE SOUTHWEST QUARTER OF SECTION 26,
TOWNSHIP 33, RANGE 21, CHASAGO COUNTY,
MINNESOTA, IS ASSUMED TO BEAR NORTH 00
DEGREES 21 MINUTES 33 SECONDS WEST.

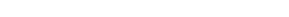
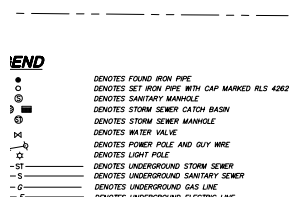
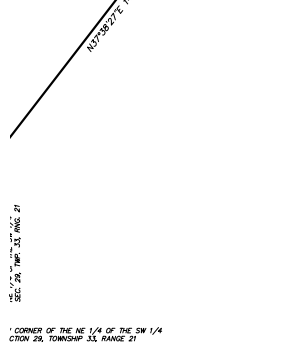
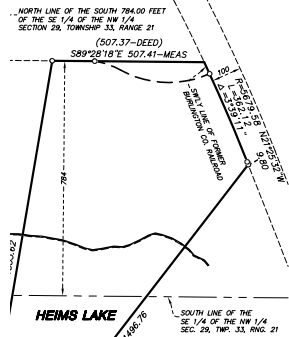
SITE AREA

Total Site Area:
632,972 sq. ft.
14.53 acres

Area Above Current Waterline:
370,260 sq. ft.
8.5 acres

OVERALL PARCEL DETAIL

1"=200'



NOTES

1. THE LOCATION OF THE UNDERGROUND SANITARY, WATERMAIN, AND STORM SEWER PIPES ARE SHOWN PER THE CONSTRUCTION PLANS DATED 6/11/13.
2. UNDERGROUND SANITARY UTILITIES ARE SHOWN BASED ON VISIBLE SURFACE FEATURES EVIDENT AT THE TIME OF THE SURVEY.
3. AT THE TIME OF THE SURVEY, THERE WAS SIGNIFICANT SNOW COVER, BUT THERE DID NOT APPEAR TO BE ANY VISIBLE EVIDENCE OF CURRENT EARTH MOVING WORK, BUILDING CONSTRUCTION, OR REMOVING ADDITIONS.
4. AT THE TIME OF THE SURVEY, THERE WAS SIGNIFICANT SNOW COVER, BUT THERE DID NOT APPEAR TO BE ANY VISIBLE EVIDENCE OF THIS SITE BEING USED AS A SOLID WASTE DUMP, SWAMP, OR SANITARY LANDFILL.
5. THE EXISTING DRIVEWAY ALONG THE SOUTHEASTERN LINE OF THE SUBJECT PROPERTY EXTENDS APPROXIMATELY 2 FEET OVER THE PROPERTY LINE AS SHOWN HEREON.

CERTIFICATION

To DV Wyoming, LLC and First American Title Insurance Company:

This is to certify that this map or plot and the survey on which it is based were made in accordance with the 2011 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, jointly established and adopted by ALTA and NSPS and includes Items 1, 2, 3, 4, 6a, 7a, 16(1), 7c, 4, 9, 11a, 13, 16, 17, 18, and 20. The field work was completed on February 7, 2014.

Date of Plot or Map: _____

Kyle J. Roddy, MN RLS No. 42627

LEGAL DESCRIPTION (PER DOC. NO. A560123)

That part of the Southeast Quarter of the Northeast Quarter and the Northeast Quarter of the Southwest Quarter of Section 26, Township 33, Range 21, Chasago County, Minnesota described as follows:

Commencing at the Southeast corner of the Northeast Quarter of the Southwest Quarter of said Section 26, thence North 21 minutes 33 seconds West, on an assumed bearing along the West line of said Northeast Quarter of the Southwest Quarter of Section 26, to the point of beginning of the land to be described, thence North 9 degrees 38 minutes 27 seconds East, a distance of 1,553.62 feet to the North line of the South 784.00 feet of the Southwest Quarter of the Northeast Quarter, thence South 88 degrees 18 minutes East, along said North line of the South 784.00 feet, a distance of 1,553.62 feet to the Southwesterly line of former Burlington Northern Railroad, per the Chicago County Railroad Authority Property Map, thence Southwesterly along said Southwesterly line to its intersection with a line bearing North 37 degrees 38 minutes 27 seconds East from the point of beginning, thence South 37 degrees 38 minutes 27 seconds West, along said line a distance of 1/4 mile to the point of beginning.

Subject to any easements, restrictions, or reservations of record, if any.

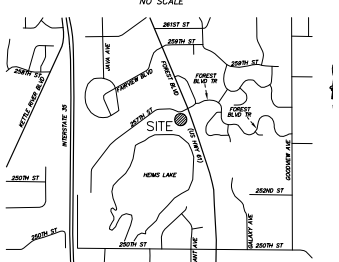
NOTES CORRESPONDING TO TITLE INSURANCE COMPANY SCHEDULE B - SECTION II EXCEPTIO

COMMITMENT NUMBER: NCS-646566-MPLS
COMMITMENT DATE: December 13, 2013 at 7:30a

12. Easement for communication system purposes, together with any incidental rights, in favor of A of the Midwest, Inc., as contained in the GRANT, dated May 23, 1990, recorded June 7, 1990 as 25488.
13. Easement for public roadway and utility purposes, together with any incidental rights, in favor of Wyoming, Minnesota, as contained in the PUBLIC ROADWAY AND UTILITY EASEMENT AGREEMENT, dated October 20, 2009 as Document No. A515366.
14. Terms, conditions, covenants, restrictions, provisions, and easement as contained in the GARAGE EASEMENT, dated April 1, 2010, recorded July 16, 2013 as Document No. A560121.
15. Terms, conditions, covenants, restrictions, obligations and provisions as contained in the DEVELOPMENT, dated July 17, 2013, recorded July 16, 2013 as Document No. A560124.
16. Terms, conditions, covenants, restrictions, obligations, provisions and license as contained in the FACILITIES OWNERSHIP AND MAINTENANCE LICENSE AND AGREEMENT, dated July 11, 2013, recorded Document No. A560125.
17. MORTGAGE, SECURITY AGREEMENT AND FUTURE FINANCING STATEMENT executed by DV Wyoming, limited liability company, as mortgagee, in favor of TCF National Bank, as mortgagee, dated July 16, 2013 as Document No. A560126, securing the original amount of \$1,417,500.00, and any debt may become due and payable under the terms thereof.
18. ASSIGNMENT OF LEASES AND RENTS executed by DV Wyoming, LLC, a Minnesota limited liability company, in favor of TCF National Bank, as assignee, dated July 16, 2013, recorded July 16, 2013 as Document No. A560127.
19. Terms, conditions, covenants, restrictions, obligations and provisions as contained in the MAINTENANCE, dated July 17, 2013, recorded July 16, 2013 as Document No. A560124.
20. Terms and conditions of the conditional use permit as contained in RESOLUTION NO. 13-06-41, dated July 17, 2013, recorded July 16, 2013 as Document No. A560124.

VICINITY MAP

"NO SCALE"



ANDERSON PASSE
ASSOCIATES

200 THIRD AVENUE, SUITE 100
CAMDEN, MINNESOTA 55005
(763) 688-4042 PH. (763) 688-6881 FAX

CIVIL ENGINEERS LAND SURVEYORS PLANNERS

DAVITA
WYOMING, MN

TENANT OVERVIEW

DaVita
Dialysis





COMPANY NAME
DaVita Inc.

OWNERSHIP
Public (NYSE: DVA)

YEAR FOUNDED
1999

INDUSTRY
Healthcare

HEADQUARTERS
Denver, CO

NO. OF EMPLOYEES
±74,500

TENANT OVERVIEW

DaVita Inc., a Fortune 500® company, is the parent company of DaVita Kidney Care and HealthCare Partners. DaVita Kidney Care is a leading provider of kidney care in the United States, delivering dialysis services to patients with chronic kidney failure and end-stage renal disease. DaVita Kidney Care consistently differentiates itself from other kidney care companies and surpasses national averages for clinical outcomes. Through its Kidney Care division, the firm is one of the US' largest providers of dialysis, providing administrative services to more than 2,200 outpatient centers across the US; it serves some 180,000 patients. The company also offers home-based dialysis services, as well as inpatient dialysis in about 900 hospitals. It operates two clinical laboratories that specialize in routine testing of dialysis patients and serve the company's network of clinics. Subsidiary HealthCare Partners (HCP) operates primary care clinics and physician practices in several states.

STRATEGY

While DaVita has primarily grown through acquisitions over the years, it also expands its operations through joint ventures and partnerships. In 2015 DaVita merged two of its business units -- DaVita Clinical Research and HealthCare Partners Clinical Research -- to further expand its extensive clinical research and data analytics services, specifically in patients with chronic kidney disease and ESRD, as well as primary care and chronic disease patients treated in an integrated care organization. A long-term strategy to expand into overseas markets for growth is in play. Through acquisitions and partnerships, DaVita was able to enter the Chinese, Brazilian and Saudi Arabian markets in 2015.

GEOGRAPHIC REACH

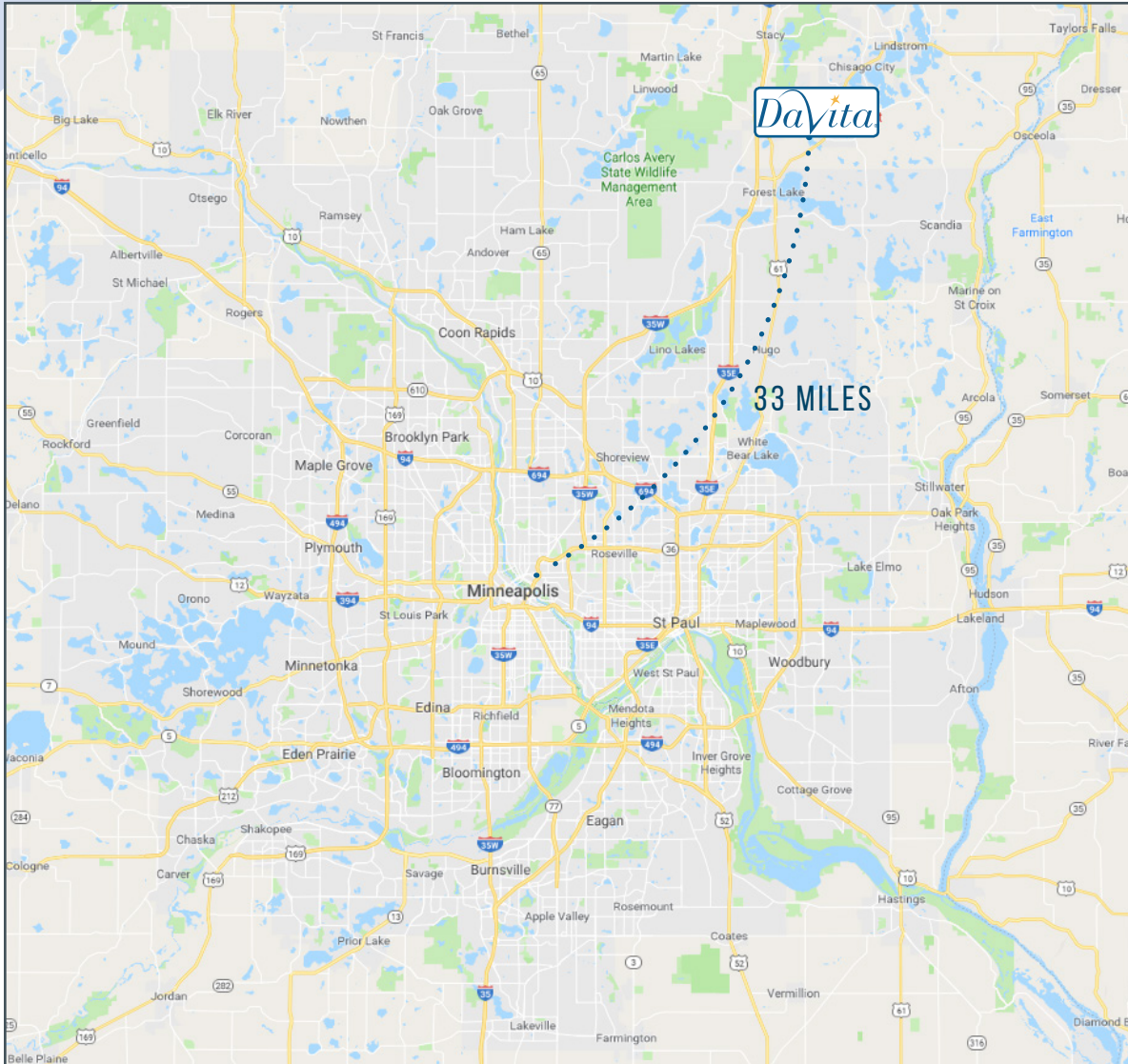
California, Florida, and Texas are home to about 30% of all DaVita dialysis centers, though the firm has locations in more than 45 US states and Washington, DC. Nearly all of the company's outpatient dialysis centers are either wholly owned or majority-owned by DaVita. Currently, the company's international operations comprise a small fraction of its total business at 118 outpatient dialysis centers in 10 countries. The company has established a presence in select international markets, including Europe, Latin America, the Middle East, and the Asia/Pacific region. Colombia, Germany, India, and Malaysia together account for more than 70% of DaVita's outpatient dialysis centers outside of the US.



AREA OVERVIEW

WYOMING, MN

The city of Wyoming, Minnesota sits in Chisago County - just 33 miles north from one of the twin cities, Minneapolis. Minneapolis, MN is the larger of the Twin Cities, part of the 16th largest metropolitan area in the United States. The twin cities metropolitan area is made up of Minnesota and St Paul. Minneapolis has a surplus of water outlets with 13 lakes, wetlands, the Mississippi River, creeks and waterfalls can all be found in Minneapolis.



DEMOGRAPHICS

POPULATION	3-MILE	5-MILE	7-MILE
2010 Census	1,872	14,924	35,527
2019 Estimate	1,988	15,650	38,150
2024 Projection	2,072	16,193	39,845
Growth 2018-2023	4.22%	3.47%	4.44%

HOUSEHOLDS	3-MILE	5-MILE	7-MILE
2023 Projection	697	5,398	13,061
2018 Estimate	760	5,783	14,368
2010 Census	800	6,028	15,134
Growth 2018-2023	5.26%	4.24%	5.33%

INCOME	3-MILE	5-MILE	7-MILE
2018 Average Household Income	\$108,641	\$105,291	\$101,64

TRAFFIC COUNT

9,900 VPD 1 mile radius on Forest Blvd
19,400 VPD 5 mile radius on Forest Blvd
17,300 VPD Wyoming Trail
72,000 VPD I-35

WORKING IN MINNEAPOLIS

Minneapolis has America's 10th highest concentration of Fortune 500 companies. Target, U.S. Bancorp, Xcel Energy, Ameriprise Financial and Thrivent Financial are all headquartered in Minneapolis. As of 2015, the city's largest employers downtown are Target, Wells Fargo, HCMC, Hennepin County, Ameriprise, U.S. Bancorp, Xcel Energy, City of Minneapolis, RBC Wealth Management, the Star Tribune, Capella Education Company, Thrivent, CenturyLink, ABM Industries, and the Federal Reserve Bank of Minneapolis. Because of its location, being central to Chicago and Seattle, Minneapolis is categorized as a global city with strengths in business, medicine, sports, manufacturing, culture, education, and research.



MINNEAPOLIS CULTURE

Minneapolis has a strong music and arts presence. The city is home to both the award-winning Guthrie Theater and the historic First Avenue nightclub. This city is known for starting the careers of icons such as Bob Dylan and Prince. The city is second only to New York City in terms of live theater per capita and is the third-largest theater market in the U.S., after New York City and Chicago.



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **DaVita** located in **5657 257th Street Wyoming, MN 55092** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

OFFERING MEMORANDUM

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WYOMING, MN



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