

# OFFERING MEMORANDUM



 **FRESENIUS**

716 Grand Avenue  
Yazoo City, MS 39194

Marcus & Millichap

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

Marcus & Millichap



Marcus & Millichap is pleased to present the Fresenius Medical Care Dialysis Clinic in Yazoo City, Mississippi. Located within the Jackson MSA, the property is approximately 45 minutes Northeast of the capital. This is the only dialysis clinic in the city and has been in operation since 1992. Due to an increased demand in the area, the building underwent an expansion in 2004, including an addition of 2,150 square feet and a new roof. The property sits catty corner to a 25 bed critical access hospital which is operated by Baptist Health Systems.

This offering represents an excellent opportunity for an investor to acquire a longstanding successful clinic in Mississippi, operated by an investment grade tenant and the leader in dialysis services worldwide. Mississippi is a Certificate of Need (CON) state which creates a high barrier to entry, providing an extra level of security for the investor.

## INVESTMENT HIGHLIGHTS

- Recently Executed Five Year Lease Extension
- Strong Historical Occupancy Since 1992
- Expansion & Renovation in 2004
- Barrier to Entry | Certificate of Need State
- 100% Market Share | Only Dialysis Clinic in Yazoo City



## THE OFFERING

Property	Fresenius Yazoo City
Property Address	716 Grand Ave Yazoo City, Mississippi 39194
Price	\$1,100,000
Capitalization Rate	7.40%
Price/SF	\$194.69

## PROPERTY DESCRIPTION

Year Built / Renovated	1992/2004
Gross Leasable Area	5,650 SF
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	0.66 Acres

## LEASE SUMMARY

Property Subtype	Single Tenant Office Medical
Tenant	Fresenius Medical Care
Rent Increases	Three Percent after Year Two
Guarantor	Subsidiary of a Corporation
Lease Type	Net Leased
Lease Commencement	11/1/2019
Lease Expiration	10/31/2024
Lease Term	5
Term Remaining on Lease (Years)	5.4
Renewal Options	Two Five Year Options
Landlord Responsibility	Insurance, Roof, Structure, Parking Lot, Major HVAC Repairs
Tenant Responsibility	Taxes, HVAC Maintenance
Right of First Refusal/Offer	No

## ANNUALIZED OPERATING INFORMATION

## INCOME

Net Operating Income	\$81,359 *
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## RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$81,359	\$6,780	\$14.40	7.40%
11/1/2019-10/31/2020	\$81,359	\$6,780	\$14.40	7.40%
11/1/2020-10/31/2021	\$81,359	\$6,780	\$14.40	7.40%
11/1/2021-10/31/2022	\$83,891	\$6,991	\$14.85	7.63%
11/1/2022-10/31/2023	\$83,891	\$6,991	\$14.85	7.63%
11/1/2023-10/31/2024	\$83,891	\$6,991	\$14.85	7.63%



**FRESENIUS  
MEDICAL CARE**



\*Landlords' 2018 insurance cost of \$3,024 was deducted from the actual annual income of \$84,383

## EXECUTIVE SUMMARY

### OFFERING SUMMARY

Price	\$1,100,000
Net Operating Income	\$81,359
Capitalization Rate – Current/Pro Forma	7.4% - Current   7.63% - Pro Forma
Price / SF	\$194.69
Rent / SF	\$14.94
Lease Type	Net
Gross Leasable Area	5,650 SF
Year Built / Renovated	1992 / 2004
Lot Size	0.66 acre(s)

### FINANCING

Loan Amount	\$825,000
Loan Type	Financed - New Loan
Loan to Value	75.00%
Down Payment	25% / \$275,000
Interest Rate / Amortization	4.57% / 25 Years
Annual Loan Payment	\$55,422
Net Cash Flow After Debt Service	9.43% / \$25,937
Cash on Cash Return	9.43%
Total Return	16.01% / \$44,032

### EXPENSES

	CURRENT	\$/SF
Insurance	\$3,024	\$0.54
<b>Total Expenses</b>	<b>\$3,024</b>	<b>\$0.54</b>



## OFFERING SUMMARY

### MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES *
Terra Mississippi Nitrogen Inc	459
Woolfolk Elementary	400
Fci Yazoo City	300
Miss Dept Transportation	300
Yazoo Co School District	250
Fci Yazoo City Medium	245
CF Industries Inc	214
Kdh Primary Care	160
MAYORS OFFICE	160
Kaye Grocery Holdings Inc	118
Yazoo City High School	100
McDonalds	98

### DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2018 Estimate Pop	7,237	16,589	17,815
2010 Census Pop	7,408	16,866	18,121
2018 Estimate HH	2,448	4,499	4,971
2010 Census HH	2,509	4,621	5,104
Median HH Income	\$24,950	\$28,615	\$30,892
Per Capita Income	\$13,171	\$12,645	\$13,489
Average HH Income	\$37,418	\$42,604	\$44,378

\* # of Employees based on 5 mile radius



General Information	
Tenant Name	Fresenius Medical Care
Website	<a href="https://fmcna.com/">https://fmcna.com/</a>
Parent Company	Fresenius Medical Care
Headquartered	Bad Homburg, Germany
Rentable Square Feet	5,650 SF
Percentage of RBA	100%
Lease Commencement	4/14/1992
Lease Expiration	10/31/2024
No. of Locations	2,200 (North America)

Fresenius Medical Care is the world's largest provider of products and services for individuals with renal diseases of which around 3.4 million patients worldwide regularly undergo dialysis treatment. Through its network of 3,928 dialysis clinics, Fresenius Medical Care provides dialysis treatments for 333,331 patients around the globe. Fresenius Medical Care has over 112,658 employees in more than 50 countries. Fresenius Medical Care is also the leading provider of dialysis products such as dialysis machines or dialyzers. Along with the core business, the company focuses on expanding the range of related medical services in the field of Care Coordination. Fresenius Medical Care is listed on the Frankfurt Stock Exchange (FME) and on the New York Stock Exchange (FMS).


- \$18.5 BILLION IN REVENUE / \$11.5 BILLION NET WORTH (2018)
- AVERAGE ANNUAL GROWTH OF 15% OVER THE LAST 20 YEARS
- INVESTMENT GRADE TENANT - S&P RATED BBB- / MOODY'S RATED BAA3(2)
- FRESENIUS MEDICAL CARE EMPLOYS MORE THAN 112,658 PEOPLE, INCLUDING OVER 60,000 IN NORTH AMERICA
- FRESENIUS MEDICAL CARE SERVES 333,331 PATIENTS IN MORE THAN 50 COUNTRIES ACROSS 3,928 CLINICS



**2,200+**  
U.S DIALYSIS CLINICS



**190,000+**  
U.S PATIENTS SERVED



**26M**  
ANNUAL  
HEMODIALYSIS  
TREATMENT  
EQUIVALENTS IN  
NORTH AMERICA



**50+**  
STATES AND  
TERRITORIES IN OUR  
NETWORK



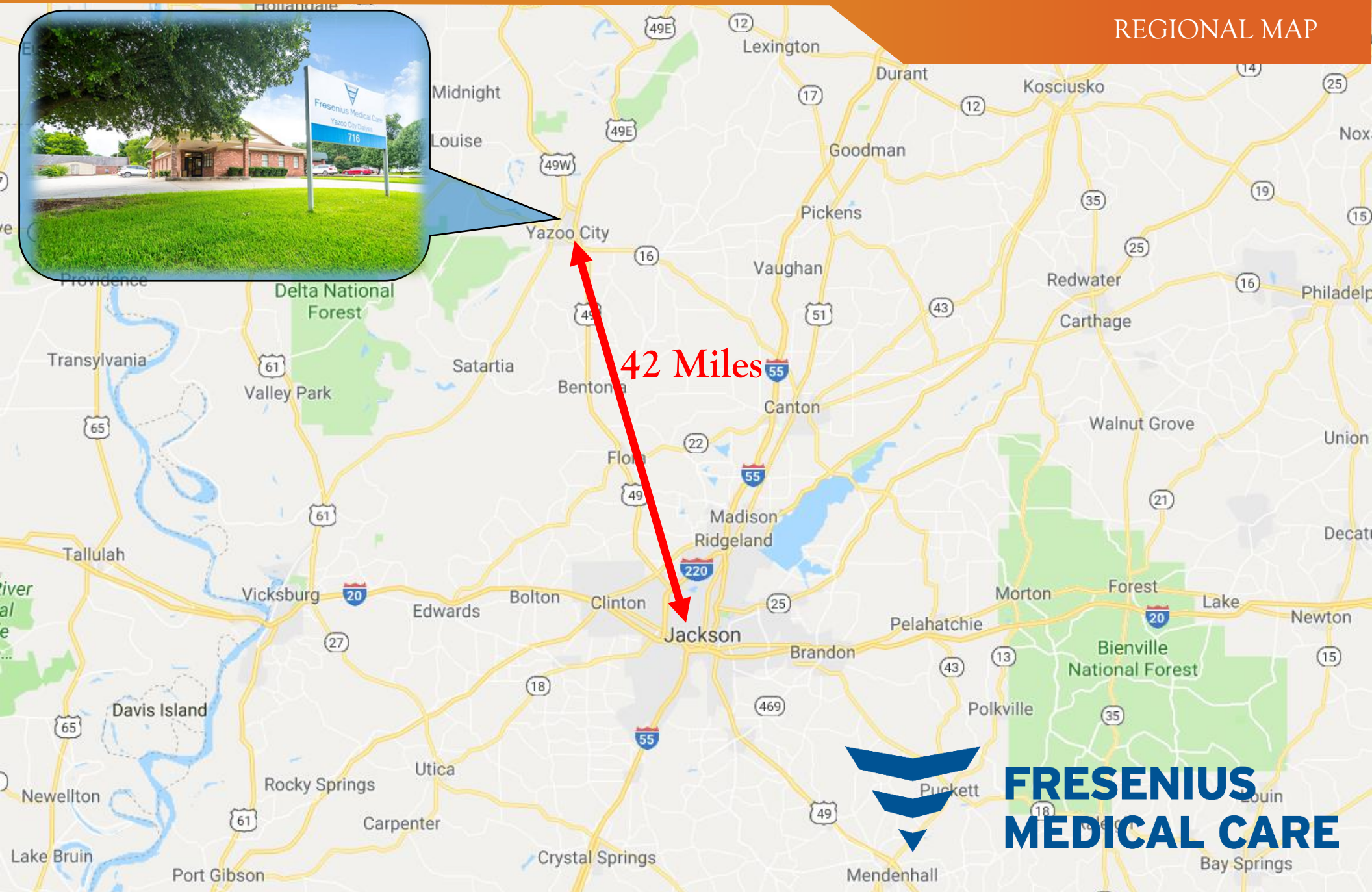
**60,000+**  
U.S. EMPLOYEES

(1) All financial data shown above is for Fresenius Medical Care, which does not guarantee the Lease. Lease is under Bio-Medical applications, which is a subsidiary of Fresenius Medical Care

Sources: [www.freseniusmedicalcare.com](http://www.freseniusmedicalcare.com), Yahoo Finance, Standard & Poor's, Moody's.

(2) S&P Credit Rating is for Fresenius Medical Care Holdings, Inc.,





**FRESENIUS  
MEDICAL CARE**



**Baptist**  
HEALTH SYSTEMS



**FRESENIUS  
MEDICAL CARE**





### Geographic Highlights

Located Less Than One  
Mile From Baptist Medical  
Center Yazoo

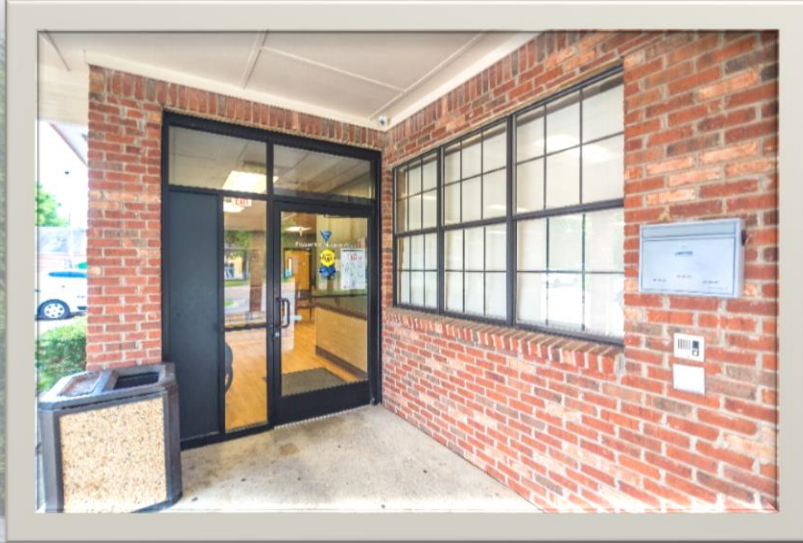
Only Dialysis Clinic in the  
City of Yazoo City, MS

### Traffic Counts

	20,000
	9,700









## MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources providing the most competitive rates and terms.

We leverage our prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues to the benefit of our clients.



**Closed 1,678  
debt and equity  
financings  
in 2018**



**National platform  
operating  
within the firm's  
brokerage  
offices**



**\$6.24 billion  
billion total  
national  
volume in 2018**



**Access to  
more capital  
sources than  
any other firm  
in the industry**

## WHY MMCC?

**Optimum financing solutions  
to enhance value**

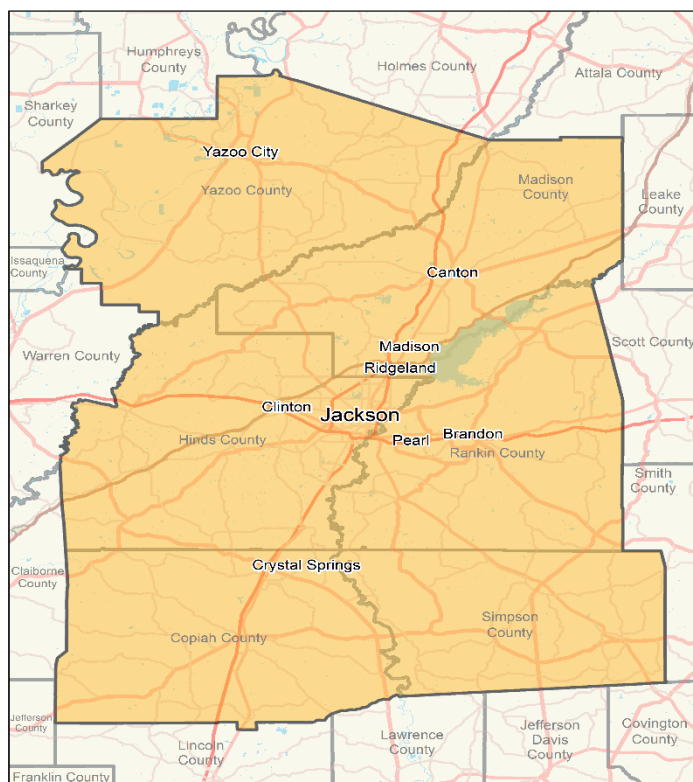
**Our ability to enhance buyer  
pool by expanding finance  
options**

**Our ability to enhance  
seller control**

- **Through buyer qualification support**
- **Our ability to manage buyers finance expectations**
- **Ability to monitor and manage buyer/lender progress, insuring timely, predictable closings**
- **By relying on a world class set of debt/equity sources and presenting a tightly underwritten credit file**

### JACKSON OVERVIEW

The city of Jackson is the capital city of Mississippi and is equidistant between New Orleans and Memphis. The Jackson metro consists of Copiah, Hinds, Madison, Rankin, Simpson and Yazoo counties. A low cost of living along with a skilled manufacturing workforce are driving growth in the local auto industry. Even though the median income here falls far below the national average, the homeownership rate of 68 percent surpasses the U.S. level.



### METRO HIGHLIGHTS



#### MANUFACTURING INDUSTRY

Manufacturing plays an important role in the economy. Nissan has a workforce of more than 6,000 workers at the Nissan Canton Vehicle Assembly Plant.



#### STATE CAPITAL

Jackson is the capital city of Mississippi and the state's largest urban center, supporting a broad base of public sector employment.



#### AUTOMOTIVE INDUSTRY CONTRACTORS

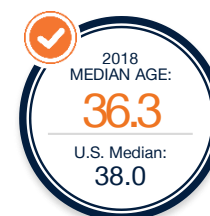
The presence of Nissan supports the existence of other manufacturing and automotive suppliers in the metro, such as Delphi Auto Systems.



### ECONOMY

- The area's largest industry is the local, state and federal governments, which account for more than 38,000 jobs. The public education and higher-education sectors are also strong contributors to the workforce. The largest institution of higher learning in the metro is Jackson State University.
- A broad base of manufacturing talent is present in the Jackson metro. Experienced workers here have engineering, production manufacturing, computer technology and materials handling skills. The Nissan yearly payroll is more than \$400 million.

### DEMOGRAPHICS



\* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

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