

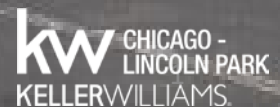
# Offering Memorandum

## DaVita Dialysis – Lake Hallie

3636 East Melby Street, Eau Claire, Wisconsin 54729



JDS Real Estate Services Inc.  
WI License # 57892-90



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### ADDITIONAL PHOTOS



## EXECUTIVE SUMMARY

### PROPERTY DESCRIPTION

**Cook Commercial Healthcare Partners** are pleased to present the DaVita Dialysis Lake Hallie clinic located in Eau Claire, Wisconsin. The subject property is a 5,540 sq. foot, single tenant, double net lease investment offering. The initial lease currently has over five and a half years of term remaining with two, five-year renewal options. This clinic went through an entire gut-remodel in 2012 in order to meet DaVita's increasingly high standard of care.

**DaVita Lake Hallie** is located on Melby Street, a small access road that connects Route 53, the main north-south thoroughfare through Eau Claire. This location is highly visible from Route 53 which has a traffic count of more than 28,000 vehicles daily.



<b>SALE PRICE:</b>	<b>\$906,000</b>
<b>CAP RATE:</b>	<b>7.64%</b>
<b>NOI:</b>	<b>\$69,250</b>
<b>LOT SIZE:</b>	<b>1.66 +/- acres</b>
<b>YEAR BUILT / RENO:</b>	<b>1996 / 2012</b>
<b>BUILDING SIZE:</b>	<b>5,540 sq. ft</b>
<b>PRICE / SF:</b>	<b>\$163.54</b>

### INVESTMENT HIGHLIGHTS

- Full Corporate Guarantee of DaVita, Inc.
- Operates 12 dialysis stations | Open Five Days per Week
- Full Remodel of Facility Completed in 2012 to Meet DaVita's Updated Specifications
- NN Lease Structure | Very Limited Landlord Responsibilities
- Value-Add Offering – Additional Hard Corner Out-lot Included
- Subject Clinic Provides In-Center Hemodialysis, In-Center Peritoneal Dialysis, and Home Hemodialysis Training Services
- Very Limited Competition for Dialysis Services | Subject is the Only DaVita or Fresenius Clinic Within a 50 Mile Radius

## TENANT LEASE SUMMARY & OVERVIEW

<b>LEASE TYPE</b>	<b>NN</b>
<b>LEASE GUARANTOR</b>	<b>DaVita Inc.</b>
<b>LEASE TERM REMAINING</b>	<b>5.8 Years</b>
<b>RENT COMMENCEMENT</b>	<b>05/01/2013</b>
<b>LEASE EXPIRATION</b>	<b>05/1/2025</b>
<b>OPTIONS</b>	<b>2, 5-Year</b>
<b>OPTION TO TERMINATE</b>	<b>None</b>
<b>OPTION TO PURCHASE</b>	<b>None</b>

<b>RESPONSIBLE PARTY</b>		<b>NOTES</b>
<b>ROOF</b>	<b>Landlord</b>	
<b>STRUCTURE</b>	<b>Landlord</b>	
<b>PARKING LOT</b>	<b>Tenant / Landlord</b>	<b>LL responsible for replacement. Tenant responsible for maintenance.</b>
<b>HVAC</b>	<b>Tenant</b>	
<b>TAXES</b>	<b>Tenant</b>	<b>Paid as additional rent</b>
<b>INSURANCE</b>	<b>Tenant</b>	<b>Paid as additional rent</b>
<b>CAM</b>	<b>Tenant</b>	<b>Paid as additional rent</b>



- World's Second Largest Provider of Products and Services For Renal Disease
- More than 201,000 Patients
- Generated Revenues of Around \$11.405 Billion in 2018
- Services Offered Include Both Specialty Treatments and Comprehensive Service

<b>Tenant</b>	<b>Total Renal Care, Inc.</b>
<b>DBA</b>	<b>DaVita Dialysis</b>
<b>Guarantor</b>	<b>DaVita Inc.</b>
<b>Number of Locations</b>	<b>2,580 + (DaVita)</b>

## **TENANT OVERVIEW - Continued**

### **What is dialysis?**

*Dialysis is the process of removing waste and excess fluid from the blood when the kidneys are not able to do it on their own.*

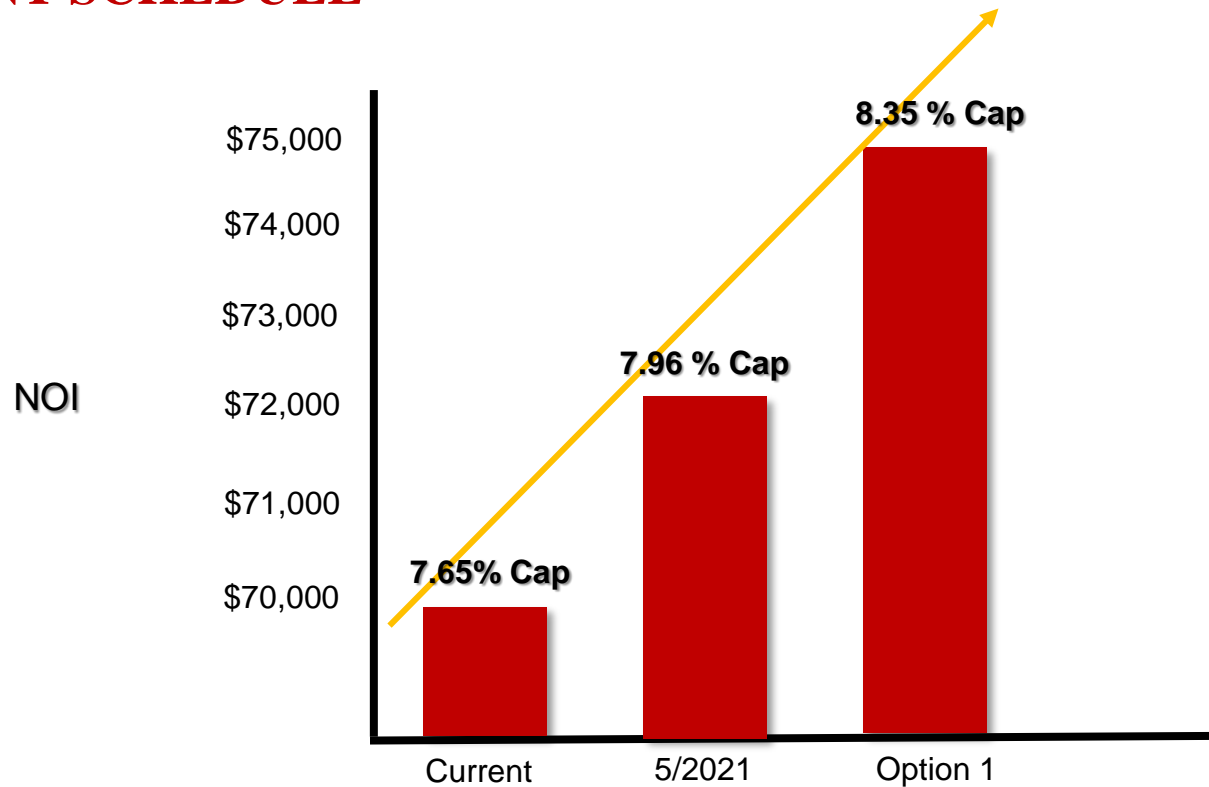
- A Fortune 200 Company and the world's second largest provider of kidney dialysis services for patients with chronic kidney failure or end state renal disease
- Berkshire Hathaway owns 23% share of DaVita Inc., as of August 2019
- As of December 31, 2018, the company operates a network of 2,664 outpatient dialysis centers within the United States, as well as, 241 centers located in 9 countries outside of the US
- DaVita Inc, has provided services to over 210,000 patients throughout the country as of Sept 2018
- DaVita controls more than 33% of the US dialysis market and they treat 42.2% of all dialysis patients within the United States
- For fiscal year ending December 31, 2018, total revenues were \$11.41 billion, with a credit rating of "BB" by Standard and Poor's
- In 2018 alone, DaVita, Inc. developed and opened 121 new centers in the United States.



### **Industry Facts**

- Medicare spending for beneficiaries aged 65+ who have CKD exceeded \$50B in 2014, representing 20% of all Medicare spending in this age group
- According to the United States Renal Data System, there were approximately 495,000 ESRD dialysis patients in the US in 2015....a population that has grown at an approximate compound rate of 3.8% from 2000 to 2015.
- 1 in 7 US adults has kidney disease and many do not even know it.
- Kidney disease is the 9<sup>th</sup> leading cause of death in the US
- The average wait time for a kidney donor match in the US is 3.5 years

## RENT SCHEDULE



\*The rent in the option periods shall be equal to the greater of either (a) 105% of the rent rate for the lease year prior: or (b) 95% of the annual fair market rental value of the premises.

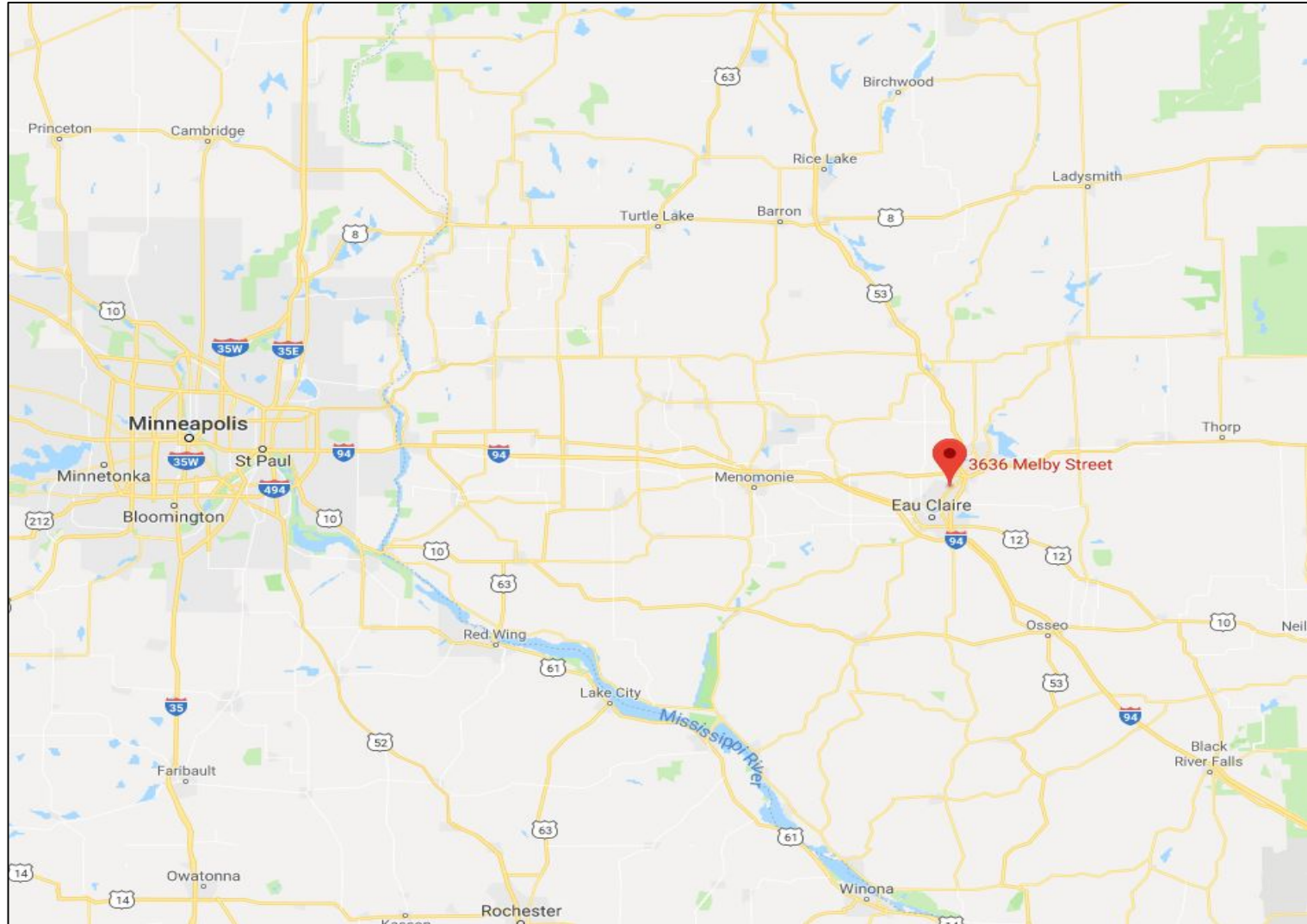
TERM	PERIOD	ANNUAL RENT	RENT / SF
Current		\$69,250	\$12.50
	5/1/2021	\$72,020	\$13.00
	Option 1	\$75,621	\$13.65



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### LOCATION OVERVIEW – Regional Map

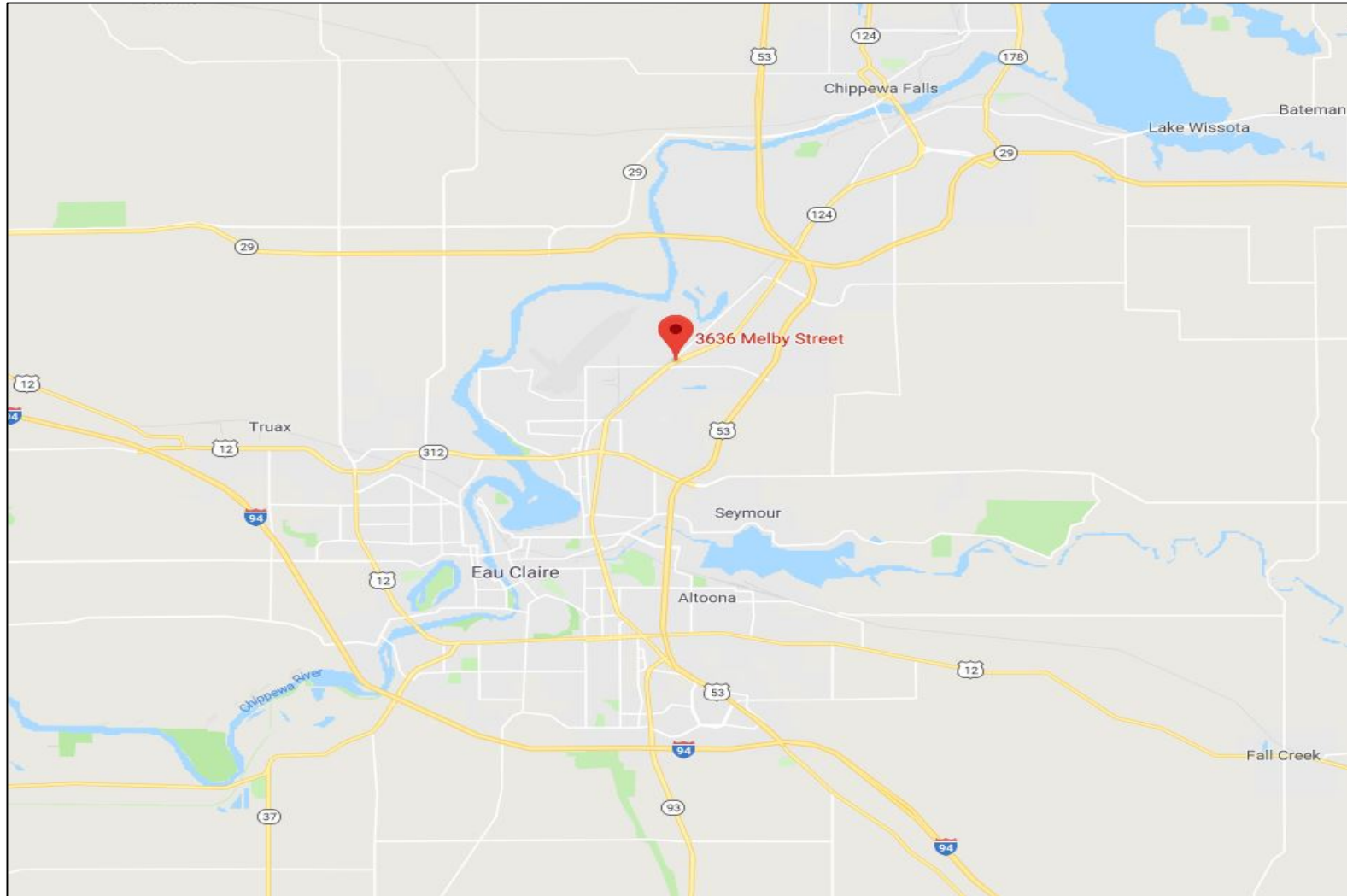




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### LOCATION OVERVIEW - Local



## AERIAL





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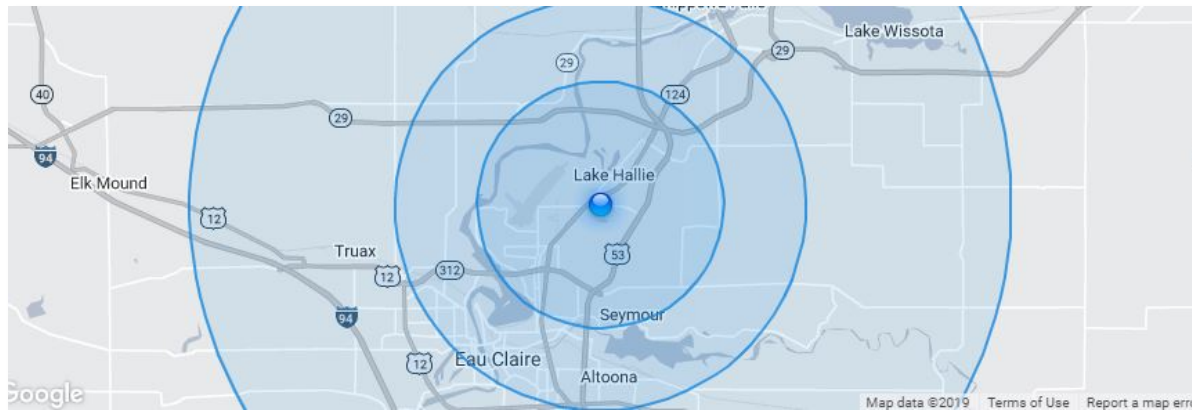
## AERIAL



## LOCATION HIGHLIGHTS & DEMOGRAPHICS

- Eau Claire is located in the west-central part of Wisconsin and is the ninth largest city in the state.
- Eau Claire is home to several national and regional companies including Menards, Cascades Tissue Group, National Presto Industries, Midwest Manufacturing, among others.
- Located within the Chippewa Valley, approximately 90 minutes East of Minneapolis/St. Paul
- The city of Eau Claire prides itself on being a safe community with very low crime rate, great public schools, and home to the University of Wisconsin - Eau Claire and the Chippewa Valley Technical College

Population	3 Miles	5 Miles	10 Miles
<b>2019 Population</b>	<b>17,481</b>	<b>49,644</b>	<b>144,944</b>
<b>2019 Households</b>	<b>6,726</b>	<b>20,595</b>	<b>59,327</b>
<b>2019 Avg Household Income</b>	<b>\$62,361</b>	<b>\$56,923</b>	<b>\$58,547</b>





**Jennifer D Stein | Broker of Record**

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