



NET LEASE INVESTMENT

- *Corporate Guaranteed – DaVita Healthcare Partners, Inc*
- *Immediate Upside Potential for Double-Digit Returns*

30 25th St SE | Rochester, MN | 55904



OUTPARCEL PAD AT BROADWAY COMMONS

Kohl's, Bed Bath & Beyond, Michael's, Five Below, Petco





PROPERTY OVERVIEW

We are pleased to offer for sale to qualified investors a net leased investment that is 71% occupied by DaVita Dialysis (NYSE: DVA) with a corporate guaranty from DaVita HealthCare Partners, Inc. Located in Rochester, MN the subject property benefits from its location just off Highway 52 along with its outparcel positioning to Kohl's, Bed Bath & Beyond, Michael's, Petco, and Walmart Supercenter (shadow anchored).

Rochester, MN is the birthplace of the world renowned Mayo Clinic and is the largest employer in Rochester with over 35,200 employees. Additionally, Fortune 100 company, IBM (ranked #38), is the second largest employer in Rochester with 2,790 people and has operated here since 1956.

This is an excellent opportunity to purchase a net leased asset, occupied and guaranteed by one of the largest companies in the U.S. (ranked #188 by Fortune) that provides immediate upside potential through lease up of the remaining 2,466 SF of space. This internet resistant use concept provides investors annual inflation hedge protection with minimal landlord responsibilities all while being located in one of the main retail trade destinations with immediate highway access.

Pricing Details	
List Price	\$1,921,000
NOI	\$115,287
CAP Rate	6.00%
Income & Expense	
Annual Rent	\$126,075
Reimbursements w/ 10% Admin Fee	\$30,320
Operating Expenses*	
Taxes	\$27,673
Insurance	\$1,290
CAM	\$2,262
Utilities	\$5,932
Mgmt Fee	\$3,952
NET OPERATING INCOME	\$115,287

*Operating Expenses Based off 2019 Expenses for the Entire Center
Applied the PSF Expenses for the Entire Center to the SF of the Subject Building
Current Base Rent is \$10,298.61/Month through May 2020 | Rent in the Analysis is as of 6/1/2020 | Seller to Credit Buyer at COE

Lease Abstract	
Tenant Trade Name - Unit 1	Davita Dialysis
Lease Start	February 1, 2015
Lease Expiration	June 7, 2025
Term Remaining	6 Years
Base Rent	\$115,287
Rental Adjustments	2% Annual Increases Next Increase: June 2021
Option Periods	3 - 5 Year Options 2% Annual Increases
Unit 2	Vacant (2,466 SF)
Lease Type	NN Lease
Roof & Structure	Landlord Responsible

INVESTMENT HIGHLIGHTS

DaVita Inc. (NYSE: DVA)

- **Credit Rated Tenant** Rated “Ba2” by Moody’s
- Corporate Guaranteed – DaVita Healthcare Partners, Inc. – Ranked #188 by Fortune
- ~6 Years Remaining – 2% Annual Inflation – 3, 5 Year Options
- **Internet Resistant Concept** – Net Leased Investment – Limited Landlord Responsibilities
- **Leading Provider of Kidney Care** in the United States
- Over 200,000 Dialysis Patients Across 9 Countries – 77,700 Employees
- **DaVita Inc. Generates over \$11.3 Billion in Revenues** – Approx. \$416 Million in Profit
- Over 2,660 Outpatient Dialysis Centers – Headquartered in Denver, CO

Shadow Anchored by Walmart Supercenter

- **Immediate Upside Potential** through Lease up of Remaining 2,466 SF
- **Located Directly off Highway 52** – Outparcel to Kohl’s, Bed Bath & Beyond, Michael’s, Petco
- Rochester, MN – **Birthplace of the World Renowned Mayo Clinic**
Employs over 35,200 People in Rochester
- **IBM (#38 Fortune)** – Employs over 2,790 People in Rochester
- Second Largest Employer in Rochester
- Demographics – Over 88,500 Residents within a 5 Mile Radius
- **Over 10% Population Growth** from 2010-2019
- AHHI of \$89,500 within a 5 Mile Radius



Property Description

Address:
30 25th St SE | Rochester, MN | 55904

Market:
Olmsted County (Southeast Minnesota)

Land Use:
Commercial Building

Parcel Info:

APN #	SF	Acres
64.14.41.057792	8,695	-

Access:
Two (2) total access points, one (1) along S. Broadway and one (1) via 28th St. SE.

Traffic Counts:
US Hwy 52 and S Broadway Ave SE 29,198
Hwy 52 S and 11th Ave SE E 20,727



SITE PLAN



City Of ROCHESTER, MN





PROPERTY OVERVIEW

DaVita is a Fortune 500® health care provider focused on transforming care delivery to improve quality of life for patients around the globe. The company is the largest provider of kidney care services in the U.S. and has been a leader in clinical quality and innovation for 20 years. Through DaVita Kidney Care, the company treats patients with chronic kidney failure and end stage renal disease.



As of March 31, 2019, DaVita served 203,000 patients at 2,664 outpatient dialysis centers in the United States. The company also operated 241 outpatient dialysis centers in nine countries across the world.

DAVITA INC.

Website	www.davita.com
Company Size	2,664 Centers (U.S.)
Headquarters	Denver, CO
Ownership	Public
Traded as	NYSE: DVA
Area Served	Worldwide
Employees	55,000 +



>200,000
DIALYSIS PATIENTS



9
COUNTRIES SERVED
OUTSIDE THE U.S.



55,000
DAVITA TEAMMATES IN
THE U.S.



\$11 Million
DONATIONS FROM
DAVITA TEAMMATES TO
LOCAL NONPROFITS
SINCE 2011



180,000
HOURS OF VOLUNTEER
WORK BY DAVITA
TEAMMATES, FAMILY &
FRIENDS SINCE 2006



12
YEARS ON FORTUNE'S
WORLD'S MOST
ADMIRRED COMPANIES
LIST



CITY OF ROCHESTER, MN

Rochester is a city founded in 1854 in the State of Minnesota and is the county seat of Olmsted County located on the Zumbro River's south fork in Southeast Minnesota. It is Minnesota's third-largest city and the largest city located outside the Minneapolis-St. Paul Metropolitan Statistical Area. As of 2018, the Rochester metropolitan area had a population estimated at 219,802. It is the home of the Mayo Clinic and a major IBM facility, one of the company's largest at its peak. The city has long been rated as one of the best places to live in the United States by multiple publications such as Money.

Demographics

In 2017, Rochester, MN had a population of 113K people with a median age of 35.5 and a median household income of \$68,574. Between 2016 and 2017 the population of Rochester, MN grew from 111,396 to 112,683, a 1.16% increase and its median household income grew from \$65,195 to \$68,574, a 5.18% increase.



113,000

Population



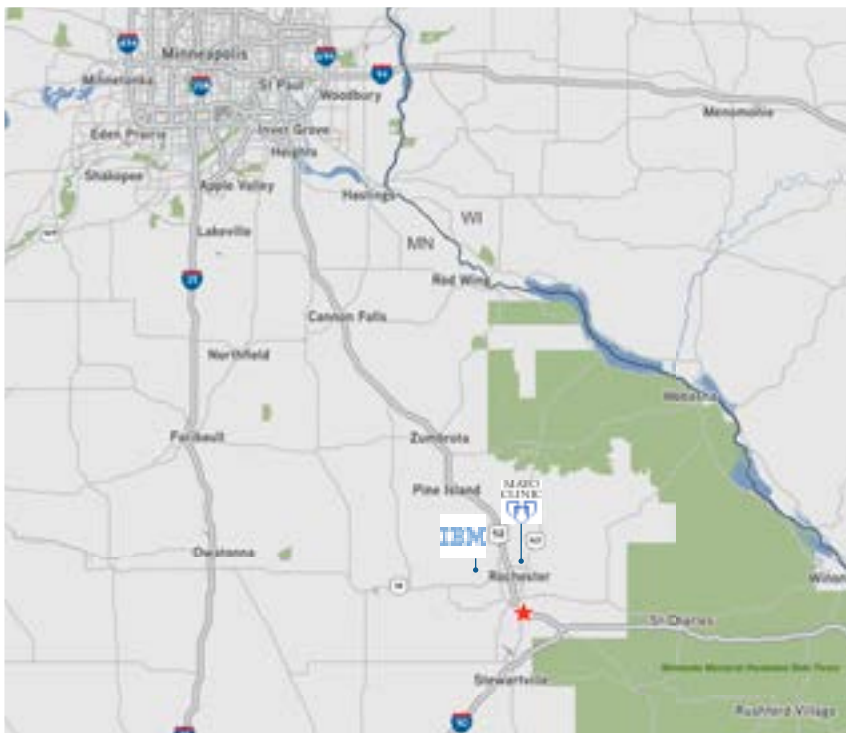
35.5

Median Age



\$68,574

Median HH Income



Economy

Mayo Clinic forms the core of Rochester's economy. As of 2016, it employs 34,180 people and draws more than 2 million visitors annually. The clinic's many facilities, along with hotels, restaurants and retail stores, comprise nearly all of the city's downtown. Excluding the state government, Mayo Clinic is the largest employer in Minnesota. Other care providers, including the Rochester Federal Medical Center, are significant employers.

IBM's Rochester campus is one of the company's most important R&D and manufacturing centers. It has produced the System i series, been home to the first Blue Gene prototype, and contributed the servers for Roadrunner. Seven employees at the Rochester IBM campus created IBM Employees Credit Union, which is now Think Mutual Bank, a chain of banks in the Rochester and Twin Cities metropolitan areas.

The economy of Rochester is also influenced by the agricultural nature of the region. There are multiple dairy producers such as Kemps that are active in the area. In addition, Kerry Flavours and Ingredients, a subsidiary of the global Irish company called Kerry Group, maintains a production plant in Rochester that specializes in fermented ingredients, found in breads, meats and other processed foods.



Mayo Clinic

more than **2 MILLION**
Visitors Annually

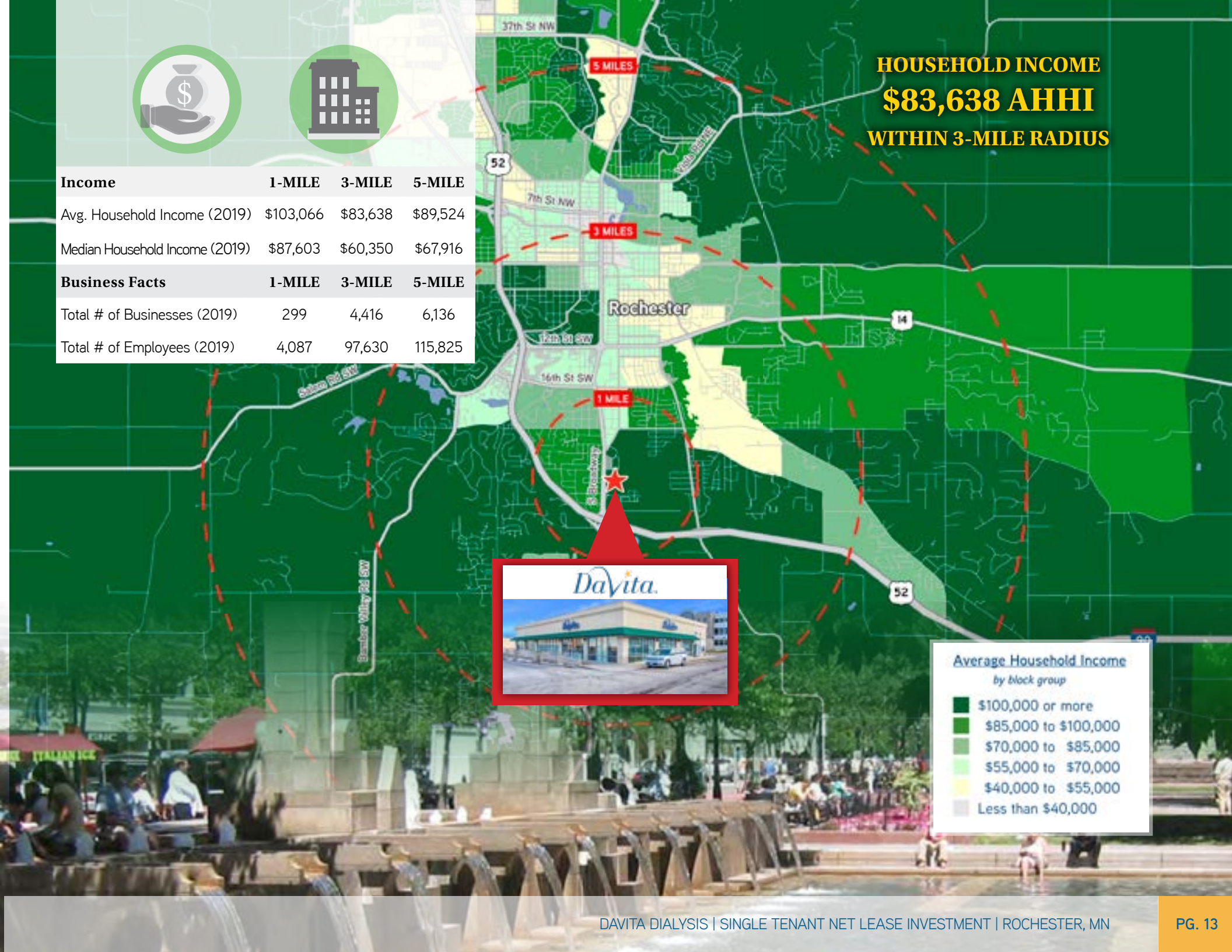




Population	1-MILE	3-MILE	5-MILE
Estimated Population (2019)	6,115	42,241	88,582
Projected Population (2024)	6,430	44,660	93,204
Households	1-MILE	3-MILE	5-MILE
Estimated Households (2019)	2,285	17,901	36,598
Projected Households (2024)	2,398	18,996	38,563



Income	1-MILE	3-MILE	5-MILE
Avg. Household Income (2019)	\$103,066	\$83,638	\$89,524
Median Household Income (2019)	\$87,603	\$60,350	\$67,916
Business Facts	1-MILE	3-MILE	5-MILE
Total # of Businesses (2019)	299	4,416	6,136
Total # of Employees (2019)	4,087	97,630	115,825



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INVESTMENT CONTACTS

ERIC CARLTON
Executive Vice President
License No. 01809955
949.724.5561
eric.carlton@colliers.com

JEREME SNYDER
Executive Vice President
License No. 01360233
949.724.5552
jereme.snyder@colliers.com

JEFF BUDISH
Vice President
License No. 40136386
952.897.7755
jeff.budish@colliers.com

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