



DaVita Kidney Care | Sioux City Dialysis Clinic  
5865 Sunnybrook Drive, Sioux City, Iowa, 51106



## OFFERING MEMORANDUM

Prepared by:

Jason T. Lesley, SIOR, CCIM | Principal  
+1.702.499.4661  
jason@perryguestco.com

Ben A. Billings, CPA | Partner  
+1.925.872.1875  
ben@perryguestco.com



# CONFIDENTIALITY & DISCLAIMER

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Perry Guest Companies ("PGC") and it should not be made available to any other person or entity without the written consent of PGC. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to PGC. This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. PGC has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, PGC has not verified, and will not verify, any of the information contained herein, nor has PGC conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property. ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE PGC AGENT FOR MORE DETAILS. By accepting this Marketing Brochure you agree to release PGC 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.

## Exclusively Presented By

Jason T. Lesley, SIOR, CCIM | Principal  
+1.702.499.4661  
jason@perryguestco.com

Ben A. Billings, CPA | Partner  
+1.925.872.1875  
ben@perryguestco.com



<http://perryguestco.com/>



+1 702 499 4661 | +1 702 974 4358



1127 S. Rancho Drive, Las Vegas, Nevada 89102







# CONTENTS

- 4 Investment Summary
- 5 Investment Highlights
- 6 Tenant Profiles
- 10 Property Photos
- 13 Location Overview
- 14 Maps

## INVESTMENT SUMMARY



### THE OFFERING

The subject property is a 2014 stand-alone 6,325 SF DaVita build-to-suit clinic. DaVita signed a 15-year, NNN, corporate guaranteed lease which commenced on January 11, 2014 and expires January 10, 2029 with two five-year options to extend. The lease calls for favorable increases of 10% every five years. The property is subject to a 75-year ground lease which commenced April 26, 2013. All ground lease payments are classified as operating expenses in the NNN lease and are thereby passed through to the tenant. For more than 40 years, DaVita has been on the leading edge of kidney care and continues to innovate and grow in order to save the lives of its patients. DaVita is the country's largest kidney care provider, with a vast renal care network that serves over 27,000 patients every month in over 3,000 dedicated clinics.

### OVERVIEW

Price	\$2,054,409
Gross Leasable Area	6,325 SF
Lot Size	±1.22 AC (Subject to Ground Lease)
Year Built	2014

Annual Base Rent (\$/sf)	\$21.92
Net Operating Income (NOI)	\$138,673
Cap Rate	6.75%
Average Cap Rate (Initial 15 YR Term)	7.16%

### LEASE SUMMARY

Lease Guaranty	DaVita, Inc.	Property Lease Expiration Date	January 10, 2029
Tenant Trade Name	DaVita Kidney Care	Increases	10% Every Five (5) Years
Remaining Lease Term	8.1 Years	Renewal Options	Two (2) Five (5) Year Options
Lease Type	NNN	Ground Lease Term	Subject To Ground Lease Through 2088
Roof & Structure Responsibility	Landlord	Ground Lease Payments	All Ground Lease Payments Passed Through to Tenant
Property Lease Commencement	January 11, 2014		



**YEAR BUILT**  
2014



**PRICE**  
\$2,054,409



**CAP RATE**  
6.75%



**NOI**  
\$138,673

## INVESTMENT HIGHLIGHTS

- 15 YEAR INITIAL LEASE TERM EXPIRES JANUARY 2029
- INVESTMENT GRADE TENANT
- ESSENTIAL DIALYSIS OUTPATIENT SERVICE
- DISASTER RESISTANT INVESTMENT
- ATTRACTIVE RENT GROWTH OF 10% EVERY 5 YEARS DURING THE LEASE TERM
- 2014 BUILD-TO-SUIT FOR DAVITA
- CENTRALLY LOCATED WITH CONVENIENCE TO US INTERSTATE 20
- CLOSE PROXIMITY TO HEALTH CENTER AND NUMEROUS MEDICAL OFFICES
- HEALTHCARE RELATED REAL ESTATE HAS BEEN THE LEAST AFFECTED BY E-COMMERCE
- GOVERNMENT FUNDING HEALTHCARE UNDER THE MEDICARE ESRD PROGRAM
- EXCELLENT ACCESS AND LOCATION
- STRONG MEDICAL DEMOGRAPHICS
- SIOUX CITY IS ONE OF THE MOST BUSINESS FRIENDLY CITIES IN THE COUNTRY



LEASE TERM:  
15 Year Initial Lease Term  
Expires January 2029



RENT GROWTH:  
10% every Five (5) Years  
during lease term



GUARANTY:  
DaVita, Inc.

### LANDLORD OBLIGATIONS:

- Landlord shall maintain and keep in good order and repair and make any necessary replacements to the roof, roof membrane, roof covering, concrete slab, footings, foundation, structural components, exterior walls (excluding cleaning, painting, and waterproofing, the costs of which shall be considered CAM Charges), exterior doors and windows, flooring (except for floor covering), exterior plumbing, heating, ventilation, cooling and electrical systems of the Building.
- Landlord maintains and makes all necessary repairs for parking areas, sidewalks, driveways, loading areas and surrounding areas. Tenant shall reimburse for actual cost.

### TENANT OBLIGATIONS:

- Tenant shall repair and keep in good order the interior, non-structural portions of the Premises, all HVAC systems installed by Lessee, and the non-structural elements of all doors and entrances
- Tenant shall reimburse for actual cost of landlord maintenance and repairs for parking areas, sidewalks, driveways, loading areas and surrounding areas.
- Landlord shall pay before due all Tax Expenses assessed against the Property. Tenant shall pay Landlord for estimated Tax Expenses with Base Rent and CAM Charges at the beginning of each month.
- Tenant shall reimburse Landlord for Landlord's costs associated with the insurance premiums (but not deductibles).
- Tenant shall pay Base Rent under the Ground Lease ("Ground Lease Rent").



## TENANT PROFILES

### DAVITA KIDNEY CARE SUMMARY

Tenant	DaVita Dialysis, LLC
Ownership	Public
Revenue 2019	±\$10.56 Billion (93% of DaVita Group Total Revenue)
Net Income 2019	±\$916 Million (100% of DaVita Group Net Income)
Credit Rating (S&P's)	BB
Ticker Symbol (NYSE)	DVA
Number of Clinics	3,012+
Number of Employees	±65,000
Number of Dialysis Treatments (YR)	30+ Million
Number of Patients	±206,900
USA Headquarters	Denver, CO
Website	<a href="https://www.davita.com">https://www.davita.com</a>



±67,000

TOTAL EMPLOYEES

Change of -16% from 2018

### DAVITA GROUP - 2019 BY THE NUMBERS

Company	DaVita, Inc.
Founded	1979
Revenue 2019	±\$11.4 Billion
Net Income 2019	±\$811 Million
Market Cap	\$9 Billion
Ticker Symbol (NYSE)	DVA
Number of Employees	±67,000
2020 Projected Net Income Growth	5%-10%
Annual Capital Expenditure Cost	±766 Million
Headquarters	Denver, CO
Website	<a href="https://www.davita.com">https://www.davita.com</a>



TOTAL ±206,900  
PATIENTS

Change of +3% from 2018



## TENANT PROFILES



**Vively Health** partners with health plans and collaborates with local providers to care for the highest-risk, chronically ill members – which the organization refers to as Most Vulnerable Patients (MVPs). Vively is committed to helping MVPs live healthier and more fulfilled lives, while also helping reduce their total cost of care. This supports patients, their existing providers, and our health plan partners.



**DaVita Venture Group** invests in, develops and launches products, solutions and businesses that improve care for patients with kidney disease and related conditions. DaVita Venture Group achieves this vision by targeting companies in the primary focus areas of digital health, pharmaceutical & medical devices, and care delivery models.



**DaVita Clinical Research** is a renal research site network with a spectrum of services for clinical drug research and device development. Over a span of 30 years DaVita Clinical Research has helped 500+ clients with their development projects. From centralized research services in an integrated, coordinated care delivery model with primary care and multispecialty physicians, DaVita Clinical Research is a leader in planning and execution of clinical trials.



**DaVita Physician Solutions** supports physicians as they treat patients with chronic kidney disease, end-stage renal disease, and other comorbidities. Our nephrology solutions streamline workflows, integrate clinical and business practices, and ultimately help improve patient care.

## DAVITA OVERVIEW

**DaVita is a leading healthcare provider focused on transforming care delivery to improve quality of life for patients globally. Incorporated in 1994, DaVita is one of the largest providers of kidney care services in the U.S. and has been a leader in clinical quality and innovation for over 20 years. DaVita is committed to bold, patient-centric care models, implementing the latest technologies and moving toward integrated care offerings.**

**DaVita's U.S. dialysis and related lab services business treats patients with chronic kidney failure and end-stage renal disease (ESRD) in the United States, and is the company's largest line of business. As of December 31, 2019, DaVita provided dialysis and related laboratory services throughout the U.S. via a vast network of 2,753 outpatient dialysis centers in 46 states and the District of Columbia, serving a total of approximately 206,900 patients. Furthermore, DaVita provided acute inpatient dialysis services in approximately 900 hospitals. DaVita's robust platform to deliver kidney care services also includes established nephrology and payor relationships as well as home programs.**

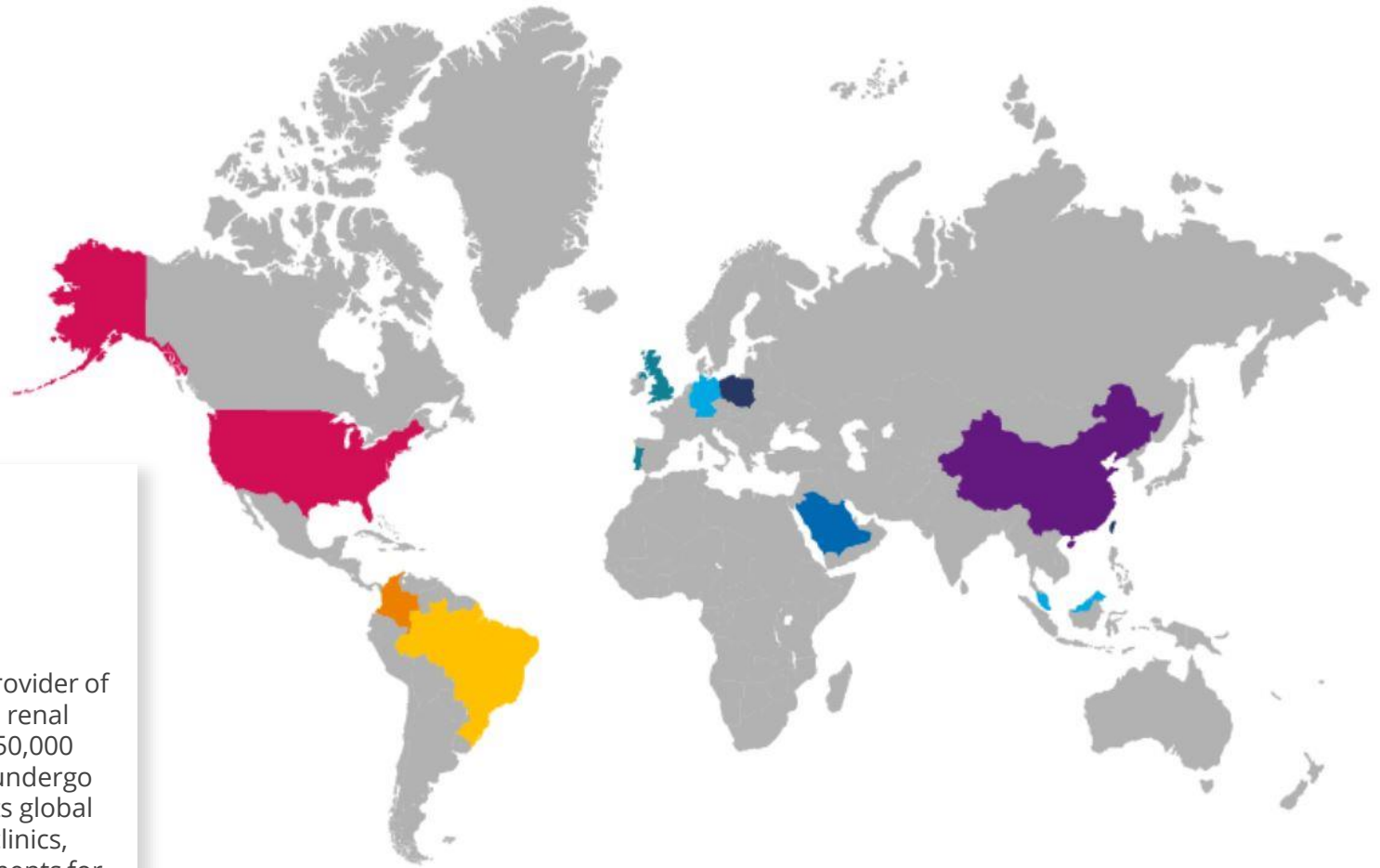
**On a global scale, as of December 31, 2019, DaVita also provided dialysis and administrative services to a total of 259 outpatient dialysis centers located in ten countries outside of the U.S., serving approximately 28,700 patients. The Company also consists of business lines dedicated to ancillary services and strategic initiatives, which include the previously highlighted international operations (collectively, the ancillary services), as well as corporate administrative support.**

**While 90%+ of DaVita's operations are focused on kidney care and treatments, the Company also focuses resources on its other business segments which include Vively Health, DaVita Venture Group, DaVita Clinical Research, and DaVita Physician Solutions. The business segments are owned and controlled by DaVita, Inc. and operate as branches of the parent company or, in some cases, as separate legal entities.**

## TENANT OPERATIONS



DaVita is the nation's largest provider of services for individuals with renal diseases of which around 750,000 patients nationally regularly undergo dialysis treatment. Through its global network of 3,000+ dialysis clinics, DaVita provides dialysis treatments for 206,900 patients around the globe. Along with its core business of dialysis treatment and care, DaVita has ancillary services in the fields of caregiving technology investment, clinical research, physician support, and health plan partnerships for high-risk kidney care patients.



### CORPORATE AWARDS:

- Forbes Global 2000 – World's Largest Public Companies, 2017-2019
- Forbes America's Largest Public Companies, 2018
- FORTUNE World's Most Admired Companies, 12 consecutive years



## TENANT PROFILES

DAVITA IS A LEADING HEALTHCARE PROVIDER FOCUSED ON TRANSFORMING CARE DELIVERY TO IMPROVE QUALITY OF LIFE FOR PATIENTS GLOBALLY.



DaVita prides itself in being on the leading edge of development in its kidney care treatments, and accordingly places a high level of emphasis on the quality of its facilities. Every year, DaVita dedicates nearly a billion dollars to improve, renovate and maintain its facilities throughout the world.

MARKET  
CAP **\$9B**

CREDIT  
RATING **BB**

YEAR  
FOUNDED **1979**

## PROPERTY PHOTOS





## PROPERTY PHOTOS





## PROPERTY PHOTOS





## LOCATION OVERVIEW

ADJACENT AND  
VISIBLE FROM  
INTERSTATE 20



Adjacent and visible from Interstate 20, this property features great visibility, convenience, and easy access with exposure to high traffic counts. The site is located within a short distance of a major retail corridor of Sioux City, which includes major retailers such as Target, Starbucks, CVS, Lowe's Home Improvement, Marshalls, Bed Bath & Beyond, Ulta Beauty, Panda Express, Sherwin-Williams, McDonald's, and Hobby Lobby. The property is also situated in the Sunnybrook Medical Plaza – home of St. Luke's Sunnybrook, one of the largest UnityPoint Health centers in the entire Sioux City metropolitan area. With such proximity to a major health center, the clinic is located in one of the primary medical corridors of Sioux City which is home to regionally well-known medical office buildings such as BioLife Plasma Services and the Wadzinski Eye Clinic.

Sioux City MSA  
POPULATION  
169,405+



The Sioux City MSA is a tri-state metropolitan area with one of the most pro-business climates in the nation. Sioux City has experienced consistent population growth, with an increase of nearly 10% since 1990. Located within 100 miles of 33 different colleges and universities, Sioux City is an educational haven and adds highly educated members to its workforce year-in and year-out. The regular influx of highly educated graduates has propelled development in the area, particularly in the medical field where St. Luke's has a strong presence both in higher education and in regional health centers. Sioux City is also known as one of the most business-friendly cities in the country, ranking in the top 60 in Forbes Small Places for Business and Careers in the United States.

5.9%  
UNEMPLOYMENT



The Sioux City unemployment rate is 5.9%, more than four percent below the national average, and roughly 14.2% of the workforce is dedicated to the healthcare industry. Other major industries in the region include education, retail trade, and manufacturing. Combine these high growth industries with Sioux City's business-friendly regulatory environment, it's easy to see why businesses and residents continue to thrive.



POPULATION  
101,510+



HOUSEHOLD  
56,521



AVG HH INCOME  
\$74,593



MEDIAN AGE  
34.8



EMPLOYEES  
54,179



BUSINESSES  
3,784





**BEST BUY** **PETSMART**  
**HARBOR FREIGHT**  
QUALITY TOOLS LOWEST PRICES

**Michaels** **Hardee's** **USPS**

**UPS** **Panera** **WELLS FARGO** **Red Robin**  
BREAD® GOURMET BURGERS AND BEERS

WHISPERING CREEK  
GOLF CLUB

MEMORIAL PARK  
CEMETERY

Unity Point St. Luke's  
Regional Medical Center

DaVita Kidney Care  
Sioux City Dialysis Clinic

**Walmart**

**Days Inn** BY WYNDHAM **Ford** **NISSAN** **SIOUXLAND**  
GYMNASTICS, DANCE & CHEER ACADEMY

**SUDO** **TOYOTA** **EXPLORE** **sam's club**

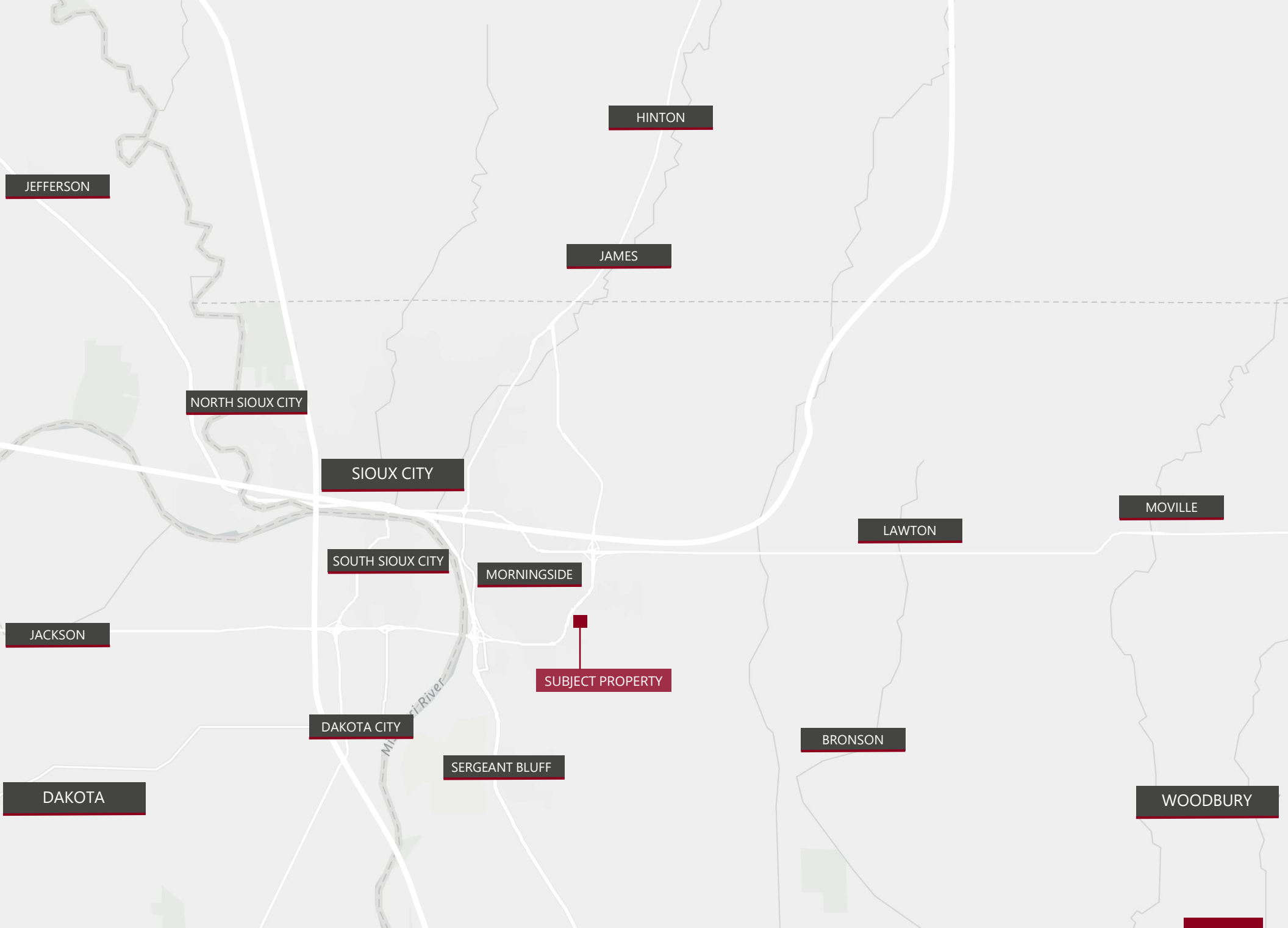
**TARGET** **PANDA EXPRESS** **HOBBY LOBBY**  
**McDonald's** **LOWE'S**

**Marshalls** **CVS**

**Hampton** **Family Dental Care**  
of Sioux City

GREEN VALLEY  
GOLF COURSE







PERRY GUEST  
COMPANIES



TEXAS OFFICE

2517 Thomas Avenue  
Dallas, Texas 75201



+1 214 528 9250  
+1 214 528 8018



NEVADA OFFICE

1127 S. Rancho Drive  
Las Vegas, Nevada 89102



+1 702 499 4661  
+1 702 974 4358

<http://perryguestco.com>

Jason T. Lesley, SIOR, CCIM | Principal  
+1.702.499.4661  
[jason@perryguestco.com](mailto:jason@perryguestco.com)

Ben A. Billings, CPA | Partner  
+1.925.872.1875  
[ben@perryguestco.com](mailto:ben@perryguestco.com)