

OFFERING MEMORANDUM FRESENIUS MEDICAL CARE

1536 W Center Rd, Essexville, MI 48732



CONTACT US

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CONFIDENTIALITY DISCLAIMER

Landmark Commercial Real Estate Services, LLC d/b/a Landmark Investment Sales ("Broker") has been retained by the Owner to sell 100% fee simple title to this asset. The Broker is the exclusive agent for the sale of this asset. The Broker has prepared the Property Information with information provided by the Owner, from sources deemed to be reliable. The Potential Purchaser will conduct its own due diligence of The Property, independently and without reliance upon Broker or the Owner. Information furnished herein, the Offering Memorandum (the "OM") is intended solely for the Potential Purchaser and its affiliates ("Recipients") for its review of the acquisition of the Fresenius Medical Care at 1536 W Center Rd, Essexville, MI 48732 ("Property").

All information in the OM ("Confidential Information") shall be deemed confidential. Confidential Information shall not include any information which is generally available to the public or which becomes available to the Recipients on a non-confidential basis from a source that is or was under no obligation not to disclose such information.

In consideration of Broker and disclosure of the confidential information, the recipient shall not at any time, attempt in any manner to deal directly in any manner or circumvent Broker.

Unless otherwise agreed in writing or required by law, the Recipients will not use, disclose, or reveal any Confidential Information for any purpose other than in connection with the proposed transaction to any persons or entities other than those employees, officers, directors, bankers, advisors, representatives, or agents (collectively, "Representatives") who clearly need such access to perform their employment, fiduciary or contractual duties to the Recipient and to actively and directly participate in the evaluation of the Confidential Information. Additionally, Recipients shall not directly contact anyone directly associated with the Property, without the express written consent of the Owner or Broker.

Recipients agree not to contact or initiate contact with the Tenants, at any time, either directly or indirectly. Unless such approval is specifically granted in written from the Owner or Broker.

This agreement shall be governed by the laws of the Michigan, and in any action brought to enforce the terms hereof, Recipients hereby irrevocably consents to jurisdiction and venue in the Circuit Court for the County of Oakland, State of Michigan, or the United States District Court, whichever the Owner may elect. The invalidity or unenforceability of any provision of this agreement as applied to a particular occurrence or circumstance shall not affect the validity of or enforceability of any of the other provisions of this agreement or the applicability of such provisions as the case may be. This agreement shall inure to the benefit of and may be enforced by the Owner and its successors and assigns and shall be binding on the Recipients, its officers, directors, partners, agents, members, representatives and successors in interest. If any portion of this agreement becomes the subject of litigation or arbitration, the prevailing party in such suit or proceeding shall be entitled to reimbursement for its reasonable costs, expenses and attorney's fees incurred, including those incurred in connection with any appeals. A copy of this agreement delivered by email or facsimile transmission shall be binding on both parties.



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OFFERING SUMMARY

PROPERTY DETAILS

Address:	1536 W Center Rd, Essexville, MI 48732
Year Built:	1991
Land Area:	1.32 acres
Building Size:	8,994 SF
Taxes:	Tenant responsible
Insurance:	Tenant responsible
CAM:	Tenant responsible
Landlord Responsibilities:	Repair & replace all items as part of "shell construction"
Tenant Responsibilities:	Parking lot, exterior maintenance, HVAC maintenance
Caps on Tax/Ins/CAM:	None

RENT SCHEDULE

Current Term	Annual Rent	PSF
6/1/2019 – 5/31/2026	\$118,271	\$13.15

Options	
6/1/2026 – 5/31/2031	Fair Market Value
6/1/2031 – 5/31/2036	Fair Market Value

PRICING

NOI:	\$118,271
Cap Rate:	6.50%
Asking Price:	\$1,819,554

LEASE DETAILS

Tenant:	Bio-Medical Applications of Michigan, Inc.
Guaranty:	Bio-Medical Applications of Michigan, Inc.
Lease Type:	NN
Least Term:	7 years
Original Rent Commencement:	6/1/1991
Lease Expiration Date:	5/31/2026
Options:	Two (2) options remaining

INVESTMENT HIGHLIGHTS

LONG TERM OPERATING HISTORY/NEW RENEWAL

Tenant has been successfully operating at this location since 1991 and recently executed a new 7-year renewal demonstrating their commitment to this site.

ESSENTIAL TENANT

Fresenius Medical Care (NYSE: FMS) is the world's largest dialysis provider with over 4,000 locations across the globe. Lease is guaranteed by Bio-Medical Applications of Michigan, Inc. – a wholly owned subsidiary which covers most of Michigan's Fresenius locations (±50 clinics).

NN LEASE

Minimal Landlord responsibilities.

PREMIER BAY CITY RETAIL CORRIDOR

Subject property is surrounded by national tenants such as Kroger, Meijer, Walgreens, Taco Bell, Wendy's, JoAnn, Subway, Family Dollar, AutoZone, McDonald's, etc.

VIEW NORTHWEST



SUBJECT PROPERTY PHOTOS



FRESENIUS MEDICAL CARE



Representative Photos



**FRESENIUS
MEDICAL CARE**

Fresenius Medical Care Holdings, operating as Fresenius Medical Care North America or FMCNA, operates a network of some 2,100 dialysis clinics located throughout the continent. One of the largest providers of kidney dialysis services, FMCNA offers outpatient and in-home hemodialysis treatments for chronic kidney disease. The company's operating units also market and sell dialysis machines and related equipment and provide renal research, laboratory, and patient support services. FMCNA oversees the North American operations of dialysis giant Fresenius Medical Care AG & Co. Fresenius Medical Care is the world's leading provider of products and services for people with chronic kidney failure. Around 2.8 M patients with this disease worldwide regularly undergo dialysis treatment. Dialysis is a vital blood cleansing procedure that substitutes the function of the kidney in case of kidney failure. The company's strategy is geared toward sustainable growth and aim to continuously improve the quality of life of patients with kidney disease by offering innovative products and treatment concepts of the highest quality

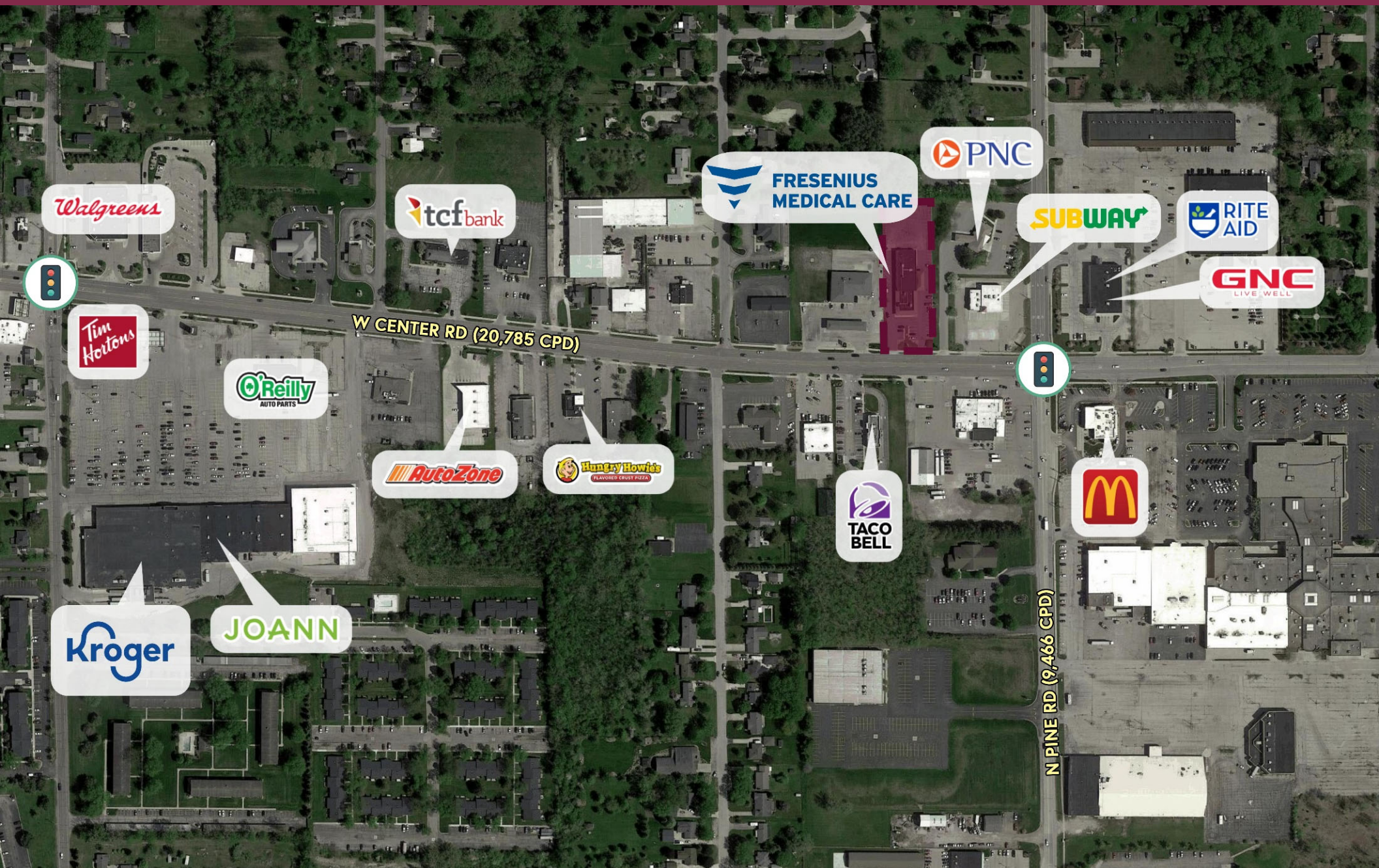
NYSE:	FMS
WEBSITE:	https://fmcna.com/
ANNUAL REVENUE:	\$10.37B
ANNUAL NET INCOME:	\$787.65M

LOCATIONS	TOTAL EMPLOYMENT
4,000	120,659

MACRO AERIAL



MARKET AERIAL



BAY COUNTY, MI

LOCATION

- Bay County is made up of 14 townships and 4 cities including Bay City, Essexville, and Auburn.
- Its name reflects that it "surrounds Saginaw Bay."

EDUCATION

- Bay County is home to Delta College (16,000 students), Saginaw Valley State University (9,550 students), Davenport University (360 students), and Northwood University (2,300 students).

ECONOMY

- The Bay Area has a balanced network of ground, air, and water transportation.
- The industrial base varies from small to large manufacturers.
- Bay County houses the international headquarters for Dow Corning Corporation and locations for S.C. Johnson, GM Powertrain, Carbone of America, and other major corporations.



4.60%

UNEMPLOYMENT RATE
(as of Feb. 2020)



62,201

PEOPLE
(5-mile radius)



\$61K

AVG. HH INCOME
(5-mile radius)



Bay City, MI



Dow Corning Headquarters – Bay City, MI

BAY COUNTY, MI

McLAREN BAY REGION

- McLaren Bay Region is a 404-bed acute care hospital that provides specialty, primary, and preventative care in Bay City, MI.
- The emergency department treats more than 45,000 patients per year.
- As the regional leader in cardiovascular and neuroscience services, the Bay Medical Center cares for patients throughout the Great Lakes Bay Region with a population of nearly 500,000.



McLaren Bay Region – Bay City, MI

MICHIGAN SUGAR

- Michigan Sugar Company is headquartered in Bay City, Michigan and has processing facilities in Bay City, Caro, Croswell, and Sebawaing, Michigan.
- The sugar is sold to industrial, commercial and retail customers under Pioneer and Big Chief brands.
- Michigan Sugar Company has 930 year-round employees and an additional 1,100 seasonal workers.
- The company's annual local economic impact is about \$500M.
- Michigan Sugar Company is the third largest of nine sugarbeet processing companies in the US and Michigan is one of 11 states where sugarbeets are grown in the country.



Michigan Sugar – Bay City, MI



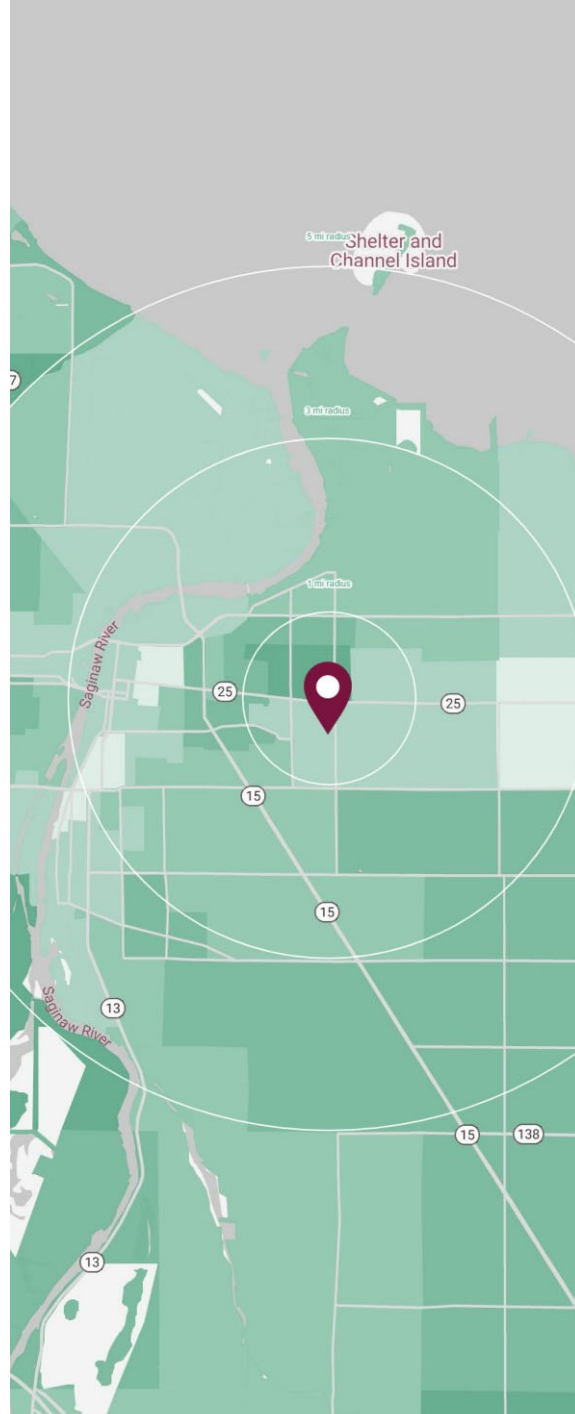
BAY COUNTY, MI



COMPANY	# OF EMPLOYEES
McLaren Bay Region	1,748
Dow Corning Corporation	1,271
Michigan Sugar Company	1,152
Delta College	1,000
Bay City Public Schools	922
Meijer Incorporated	565
Bay County	525
Consumers Energy	491
SC Johnson – A Family Company	398
City of Bay City	345

DEMOGRAPHICS

ESSEXVILLE, MI



POPULATION

	1 MILE	3 MILE	5 MILE
2021 Estimated Population	4,689	31,956	62,201
2026 Projected Population	4,595	30,872	60,010
2010 Census Population	4,861	33,627	65,636
2000 Census Population	4,847	35,141	68,215
Projected Annual Growth 2021 to 2026	-0.4%	-0.7%	-0.7%
Historical Annual Growth 2000 to 2021	-0.2%	-0.4%	-0.4%

HOUSEHOLDS

2021 Estimated Households	2,297	14,114	27,446
2026 Projected Households	2,323	14,107	27,401
2010 Census Households	2,271	14,169	27,646
2000 Census Households	2,106	14,524	28,009
Projected Annual Growth 2021 to 2026	0.2%	-	-
Historical Annual Growth 2000 to 2021	0.4%	-0.1%	-

RACE

2021 Est. White	93.1%	89.5%	90.6%
2021 Est. Black	1.7%	3.8%	3.0%
2021 Est. Asian or Pacific Islander	1.0%	0.7%	0.7%
2021 Est. American Indian or Alaska Native	0.5%	0.6%	0.6%
2021 Est. Other Races	3.7%	5.5%	5.1%

INCOME

2021 Est. Average Household Income	\$70,172	\$63,639	\$61,561
2021 Est. Median Household Income	\$51,265	\$44,955	\$46,721
2021 Est. Per Capita Income	\$34,500	\$28,405	\$27,360

BUSINESS

2021 Est. Total Businesses	169	1,120	2,186
2021 Est. Total Employees	1,904	15,174	26,190

OUR TEAM

**FOUNDED IN DETROIT. BUILT NATIONWIDE.
8 MILLION SQUARE FEET AND OVER \$1 BILLION SOLD**



MAXWELL E. LIPPITT

SENIOR ASSOCIATE | maxlippitt@landmarkcres.com

Maxwell Lippitt graduated from Michigan State University in 2016 with a Bachelor of Science degree in Economics. Max was an intern in Landmark's Investment Sales department during the summer of 2015. Upon graduating, Max became an associate broker at CBRE specializing in the disposition of single tenant medical, retail, and office properties. While at CBRE, Max researched, sourced, and tracked thousands of investment properties while building strong relationships with a wide variety of property owners all across the country. Since joining Landmark in 2018, Max has closed on over \$200,000,000 of investment deals across the country. In 2020, Max was promoted to Senior Associate where he continues to specialize in the representation of both buyers and sellers in retail, medical, industrial and grocery anchored assets.



DANIEL H. KUKES

PRINCIPAL | dkukes@landmarkcres.com

Daniel Kukes is a Principal and Co-Founder of Landmark Investment Sales. Daniel specializes in the sale of retail shopping centers, medical office, and single tenant net lease investment properties across all property types. He currently represents some of the nation's largest institutional real estate funds, private equity group, and high net worth investors in acquiring and listing investment properties all over the country. Since 2010, Daniel has closed deals totaling over 8,000,000 SF valued at over \$1,000,000,000. Daniel joined Landmark in 2009 as an Associate Broker. He began his real estate career at NAI Farbman where he focused on shopping center leasing and retail tenant representation. After five years at NAI Farbman, Daniel joined DAP Investments as a partner responsible for retail development, acquisitions and leasing. While there, he developed several single tenant and shopping center projects in Michigan and Illinois. Daniel is a graduate of Michigan State University with a Bachelor of Arts degree in Pre-Law & Society.



JASON GREENSPAN

DIRECTOR | jgreenspan@landmarkcres.com

Jason Greenspan graduated from the University of Michigan in 2012 with a Bachelor of Arts degree in Political Science and Sociology. Jason also received a Juris Doctor in 2015 from Michigan State University College of Law where he concentrated in business and corporations. He passed the Michigan Bar Examination in July 2015. Starting in 2011, and while in law school, Jason interned at Landmark Investment Sales identifying, sourcing, and underwriting investment grade properties. With law school behind him and six years of experience in real estate investment sales, Jason has participated in the closing of over \$150,000,000 and continues to source investment opportunities across the country. Jason specializes in the representation of buyers and sellers of institutional grade single tenant properties, high profile unanchored retail centers, grocery anchored centers, and power centers.