

PETSMART

HomeGoods

LA|FITNESS

Party City

Famous Footwear



TARGET

SUNRISE  
VILLAGE



HEARTLAND.  
DENTAL

AA-RATED TENANT

Meridian Ave E (40,000 AADT)

156th St E

OFFERING MEMORANDUM

PRESERVE  
WEST  
CAPITAL



Heartland Dental  
Puyallup, WA | Seattle MSA

This property is listed in conjunction with Washington-licensed real estate broker First Western Properties.

[www.preservewestcapital.com](http://www.preservewestcapital.com)





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Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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## PROPERTY HIGHLIGHTS



- Trophy Investment Opportunity in the Pacific Northwest Leased to Best-in-Class Tenant
- New 10-Year Corporate Lease Heartland Dental with Minimal Landlord Obligations
- Scheduled Rental Escalations Providing a Strong Hedge Against Inflation
- Heartland Dental, LLC is the Nation's Largest Dental Support Organization with 2,300 Dentists and 1,500 Offices in 38 States
- Excellent Access and Visibility on Hard Corner of Meridian E and 156th St E with Combined AADT of 42,075
- Robust & Affluent Demographics with Exceptional Purchasing Power within 10-Mile Radius with a Population of 518,997 & Average Household Income of \$122,425 within 5-Mile Radius
- Located in a Dense Retail Corridor with Nearby Notable Tenants Including Target, HomeGoods, PetSmart, LA Fitness, Party City, Starbucks, and Crumbl Cookies
- 1 Mile from Pierce County Airport – Thun Field
- Part of the Seattle MSA – 15th Largest in the U.S.
- Highly Desirable South Hill Community Only 14 Miles from Tacoma & 39 Miles From Seattle



Location

The property is located at 15518 Meridian East in Puyallup, Washington.

Lot Size

Approximately 0.344 acres or 14,985 square feet.

Improvements

A 3,600 square foot retail building for **Heartland Dental**.

Lease

Leased to **Heartland Dental, LLC** for 10 years at an initial annual rent of \$158,400. There are two (2) five-year options to renew the lease. Rent will increase by 12% every 5 years and at each option period. The lease is net with tenant responsible for all taxes, insurance, maintenance excluding roof and structural repairs.

Financing

This property will be delivered free and clear of permanent financing.

PRICE

**\$3,520,000**  
**4.50% CAP Rate**

Annual Rent

Years		Annual Rent	Return
1-5		<b>\$158,400</b>	<b>4.50%</b>
6-10		\$177,408	5.04%
11-15	(Option 1)	\$198,684	5.64%
16-20	(Option 2)	FMV	





**Heartland Dental, LLC** was founded in 1997 in Effingham, Illinois and is in the employment services industry. Today, Heartland Dental owns the nation's largest dental support organization (DSO) providing non-clinical, administrative support services to 2,300 dentists in over 1,500 offices across 38 states and generates \$141.34 million in sales. In 2021, Moody's upgraded the Corporate Family Rating to B3 with a stable outlook. The upgrade reflects Heartland's return of patient volumes to near pre-pandemic levels and reduced debt/EBITDA to around 7.0x. Heartland Dental partners with its supported dentists to deliver high-quality care across the full spectrum of dental services. In January 2022, Heartland Dental became affiliated with LWSS Family Dentistry, bringing an additional seven individual practices to the support network.

Heartland Dental is committed to helping both established practice owners and young professionals further their dental careers whether they are seasoned owners of a thriving practice or a fresh graduate looking to further their professional life.

Heartland Dental, LLC is a portfolio company of KKR & Co., Inc. which acquired its majority interest from Ontario Teachers' Pension Plan in 2018. The Pension Plan retained "sizeable ownership" with current shareholders, Heartland founder and executive chairman Rick Workman, DMD, and Heartland CEO Patrick Bauer. In mid-2021, Heartland Dental acquired American Dental Partners, Inc. (ADPI), also a leading dental support organization, based in Wakefield, Massachusetts. ADPI brought 23 dental group practices into the network.

In the fiscal year 2021, the company reported revenue of \$1.2 billion, net income of \$33.4 billion, and total stockholder's equity of \$138.2 billion.



NOTE: Can be purchased together or individually.



# AERIAL

# NORTHWEST VIEW

Tacoma  
(~14 Miles)

## MERIDIAN CENTER



## SOUTH HILL MALL



Ballou Junior High School



McCormick Meadows

## SUNRISE VILLAGE



Emerald Pointe at Sunrise

Sunrise Medical Campus

Pierce County Airport  
Thun Field



Stahl Junior High School

Brouillet Elementary

Amber Meadows

Navarro



Ascend Rainier Ridge  
New Apartments

Rainier Ridge  
New Community

The Highlands

Country Hollow

Brookfield



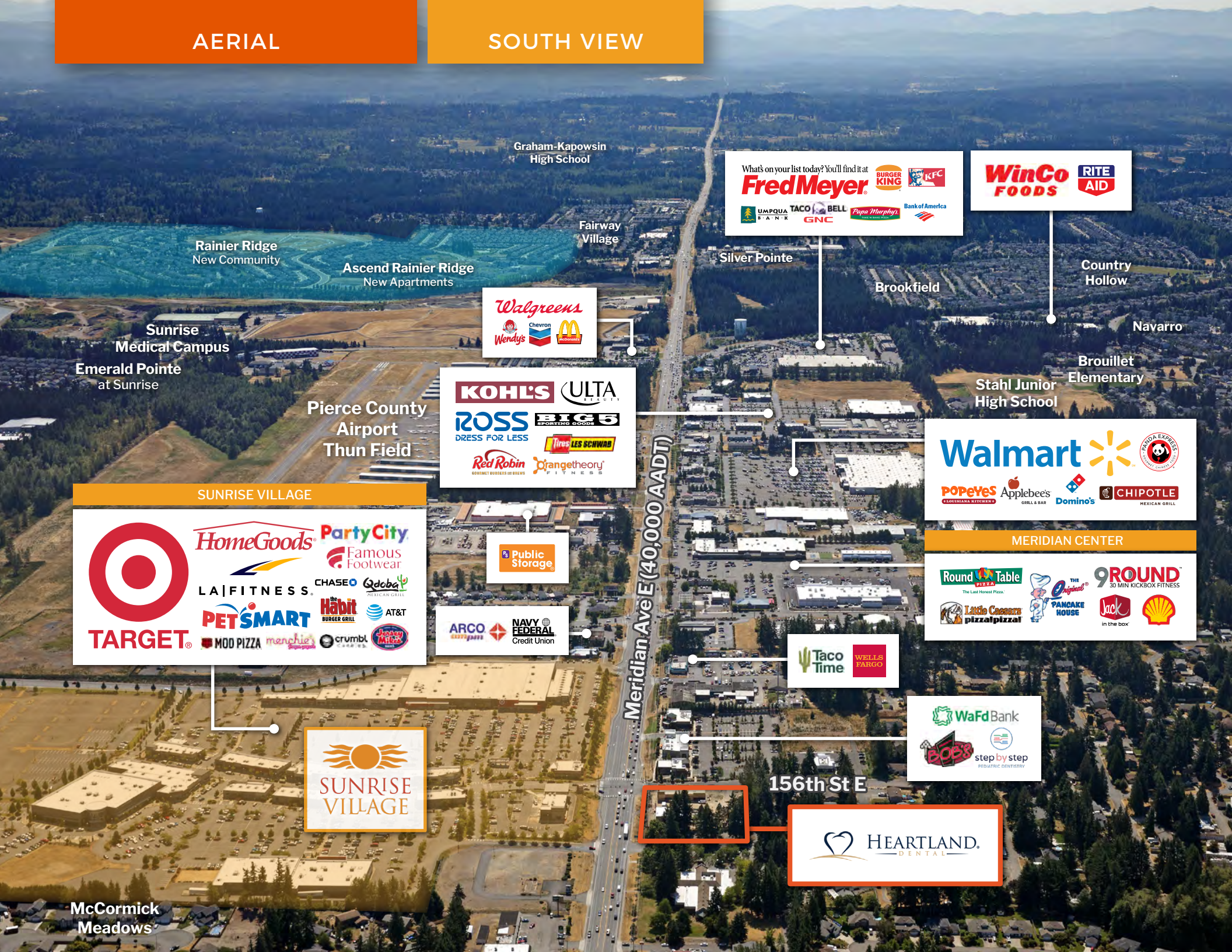
Silver Pointe

Meridian Ave E (40,000 AADT)



# AERIAL

# SOUTH VIEW



Graham-Kapowsin High School

Fairway Village

Rainier Ridge New Community

Ascend Rainier Ridge New Apartments

Silver Pointe

Brookfield

Country Hollow

Navarro

Brouillet Elementary

Stahl Junior High School

Pierce County Airport Thun Field

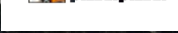
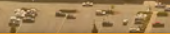
Meridian Ave E (40,000 AADT)

156th St E

SUNRISE VILLAGE

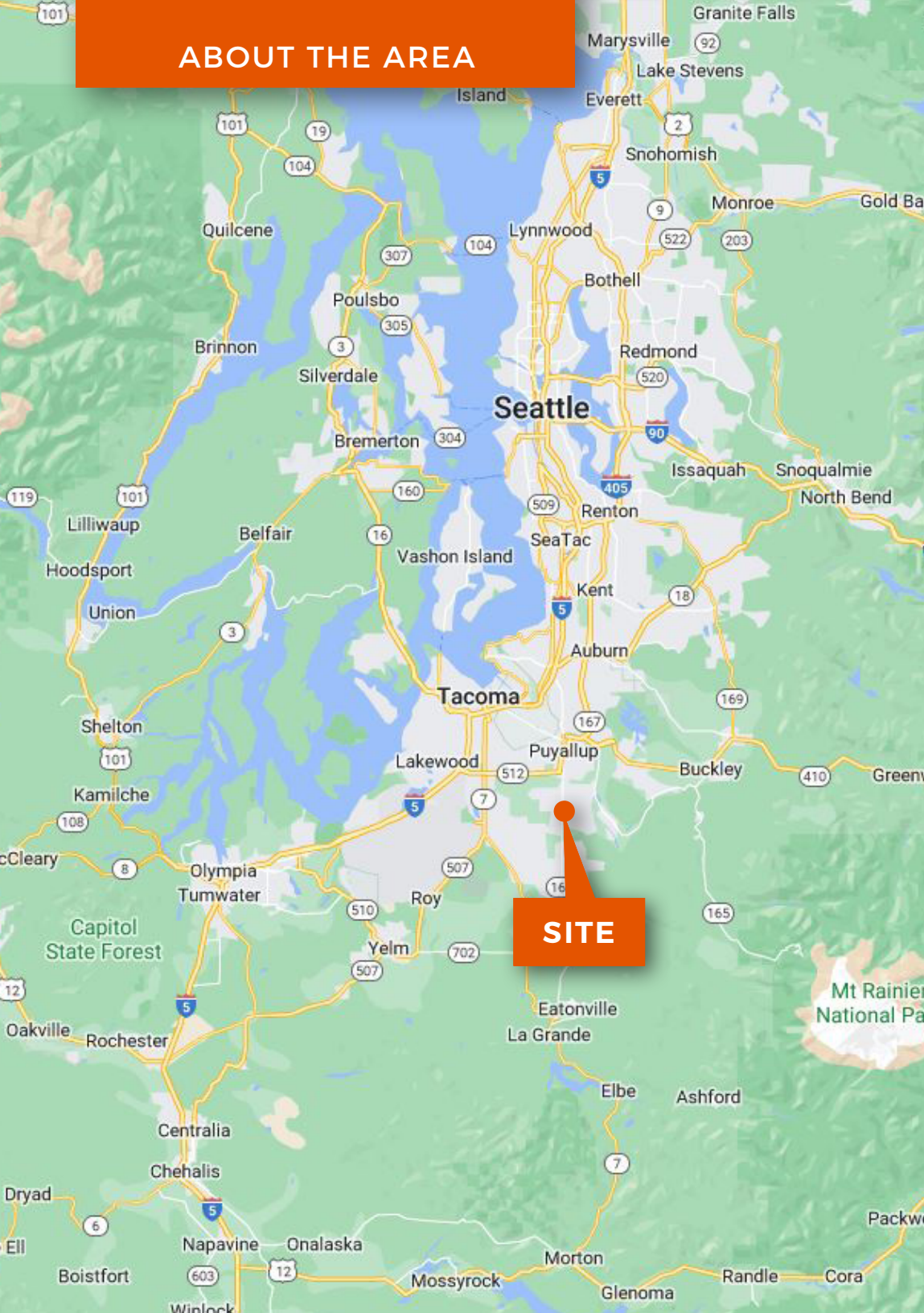
McCormick Meadows

## SUNRISE VILLAGE





## ABOUT THE AREA



## General Overview

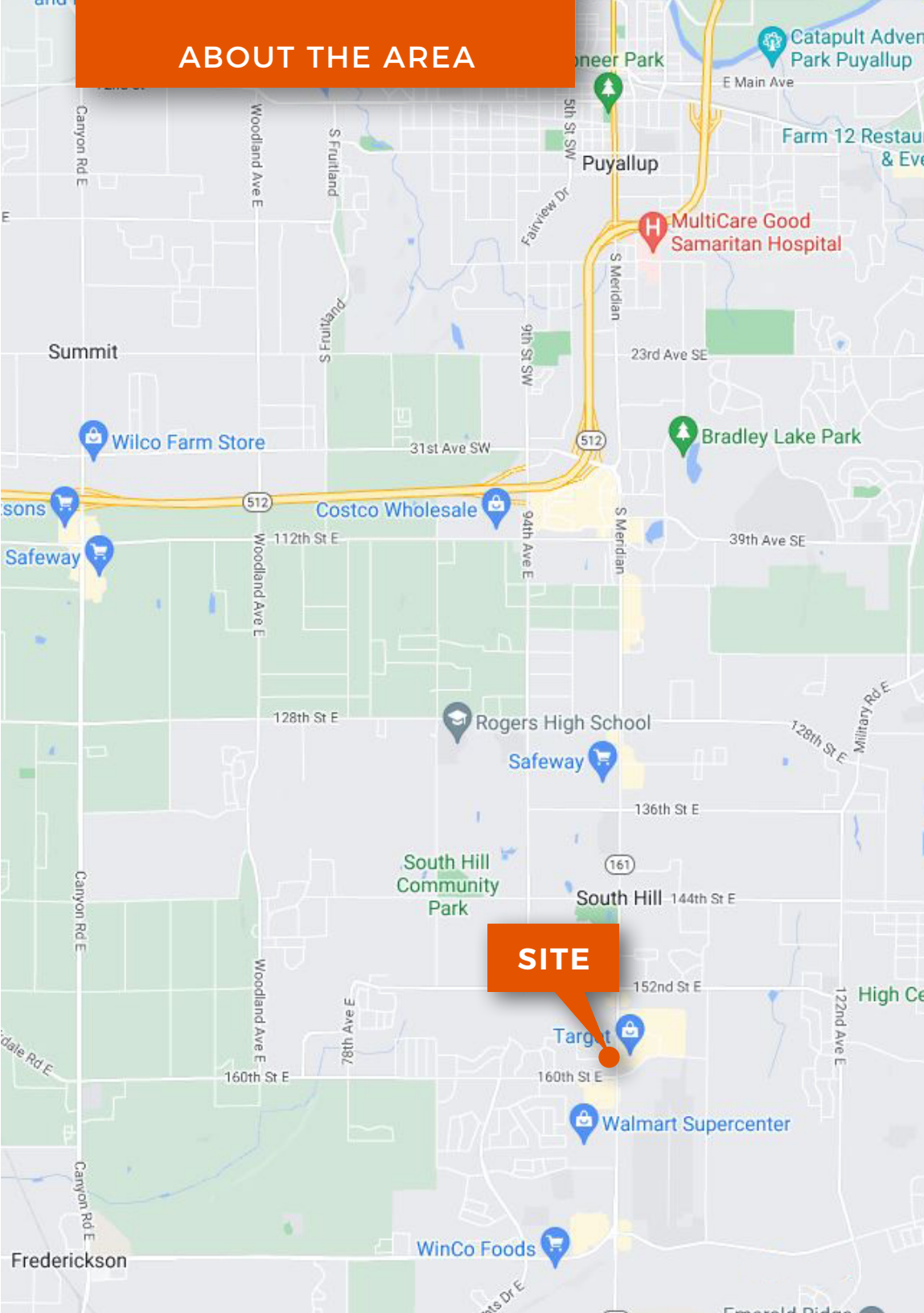
Puyallup, Washington (population 44,163) is a city in Pierce County approximately 10 miles from Tacoma and 35 miles from Seattle. The city benefits from its close proximity to Tacoma, the second largest city in the Puget Sound region and is part of the Seattle Metropolitan Statistical Area, which has a total population of 4,102,400. The region is the nation's 15th largest metropolitan area and is known for its strong business climate and highly skilled workforce.

Puyallup sits at the foot of Mount Rainier. It's an easy commute on Sound Transit's Sounder train to Tacoma, Seattle and many cities in between. The city has a reputation for environment conservation and received a LEED gold designation. Tacoma, only 10 miles from Puyallup, is home to one of the largest deep water container ports in the U.S. It handles 80% of marine cargo between Alaska and 48 other states. It consists of 150 acres of industrial land to assist transportation activities for business development as well as many other facilities. U.S. Oil and Refining runs an oil refinery in the port and is currently refining 39,000 barrels of petroleum daily. Tacoma is home to the University of Washington-Tacoma with over 5,000 students enrolled.

The Puget Sound region benefits from a broad economic base in technology, aerospace and defense, healthcare, research and development, manufacturing, logistics, and more. Major companies based in the region include Amazon, Starbucks, Nordstrom, Costco, Microsoft, Blue Origin, Weyerhaeuser, Expeditors International of Washington, T-Mobile, Nintendo of America, Expedia Group, Paccar, Alaska Airlines, Providence Health, Seattle's Best Coffee, and more. The region benefits from a robust, rapidly growing high-tech economy, with the greater Seattle area ranked only behind the San Francisco Bay Area for tech industry employment; prominent technology companies and startups based in the region include Tableau, Redfin, Zillow, Smartsheet, Payscale, Moz, Avvo, Rover, Valant, and Niantic. Other major companies operating in the region include Boeing, and State Farm. In addition, the region benefits from close proximity to Joint Base-Lewis McChord, a U.S. military installation home to I Corps and the 62nd Airlift Wing, which employs more than 25,000 military personnel and civilians.



## ABOUT THE AREA



## Site Information

The subject property is ideally situated with excellent visibility and access at the junction of East Meridian and 156 St E (combined AADT of 42,075) approximately 12 miles from downtown Tacoma, 31 miles from downtown Seattle, and 32 miles from downtown Olympia. The site benefits from robust demographics with a population of 518,997 within a 10-mile radius. The average household income within five miles of the site exceeds \$122,425.

The property is located within Puyallup's South Hill neighborhood, one of two designated "Regional Growth Centers" in the city. Its comprehensive plan focuses on higher-density development of residences, jobs, retail, services, education, and entertainment for the community. Emphasis is placed on being pedestrian-friendly with access to both open space and multi-modal transportation. South Hill has a steadily growing, high-income population due to its central location and desirability as a place to live, work, visit, shop, and do business.

The property benefits from a prominent location within an established retail corridor adjacent to Sunrise Village, anchored by Target, LA Fitness, Party City, HomeGoods, and PetSmart; Rainier View Marketplace, featuring Kohl's, Big 5, Ross, Ulta, and Red Robin; Meridian Town Center, with tenants including Safeway, JoAnn, and Tuesday Morning; Meridian Place with tenants featuring Michaels, Grocery Outlet, Starbucks, McDonald's, and Chipotle; Willows Shopping Center featuring T.J. Maxx and Petco; South Hill Center with Ross and Bed Bath & Beyond; and South Hill Village featuring Walmart, Home Depot, Total Wine & More, and PetSmart. Other major tenants in the area are Costco, Walgreens, and Chick-fil-A. South Hill Mall is located less than 3 miles from the site and consists of over one million square feet with more than 100 stores.

The site is 5 miles from MultiCare Good Samaritan Hospital, a recently expanded 359-bed hospital which employs more than 2,800. There are several schools nearby bringing students, parents, and staff to the area. The property is less than 2 miles from Brouillet Elementary (618 students), Stahl Junior High (823 students), Firgrove Elementary School (590 students), Ballou Junior High School (897 students). In addition, the property is located approximately 4 miles from the Puyallup campus of Pierce College (approximately 6,500 enrolled). The property is near the Washington State Fairgrounds, host of the 21-day Washington State Fair, which consistently ranks among the top attended state fairs in the country, drawing more than a million attendees per year. In addition, it neighbors Pierce County Airport-Thun Field, a public use county-owned airport.





# 15518 Meridian E | Puyallup, WA 98375



2022 TOTAL POPULATION

**518,997**



AVERAGE HOME VALUE

**\$442,809**



AVG. HOUSEHOLD INCOME

**\$122,425**

## Population Summary

	3 Miles	5 Miles	10 Miles
2010 Total Population	71,908	140,916	424,559
2022 Total Population	97,609	182,676	518,997
2027 Total Population	99,844	186,834	533,123
2022-2027 Annual Rate	0.45%	0.45%	0.54%

## Average Household Income

2022	\$122,036	\$122,425	\$ 111,595
2027	\$145,839	\$145,501	\$132,721

## Average Home Value

2022	\$428,762	\$442,809	\$438,532
2027	\$564,959	\$587,398	\$592,630

## Top Employers in Puyallup

## # of Employees

Federal Government	56,810
Local Government	39,017
MultiCare Health System	8,264
Franciscan Health System	5,682
Safeway & Albertsons	2,153
Emerald Queen Casino	2,146
Fred Meyer Stores	1,802
Amazon Distribution Centers	1,800
Boeing	1,550
Costco	1,318





**AA-RATED TENANT**

**HEARTLAND<sup>®</sup>**  
DENTAL

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**PRESERVE  
WEST  
CAPITAL**

