

Offering Memorandum

# American Renal MOB

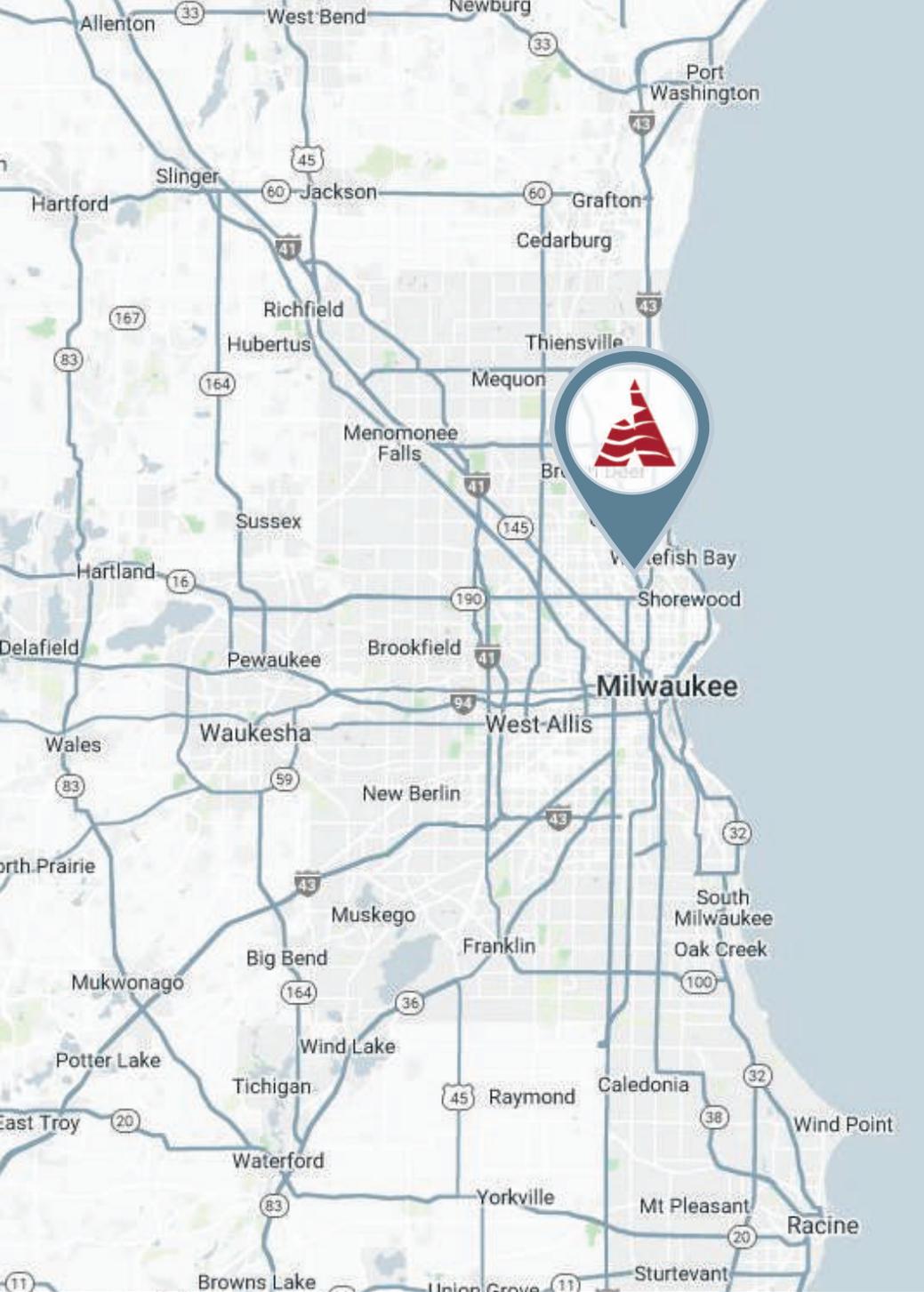
Three-Tenant Medical Office Building



**4775 North Green Bay Avenue | Milwaukee, Wisconsin 53209**

Troy Golden  
630-394-8164 | [troy@goldengroupinc.com](mailto:troy@goldengroupinc.com)  
[goldengrouprealestateinc.com](http://goldengrouprealestateinc.com)





**\$** Offering Price: **\$1.4 million**      **%** Cap Rate: **8.7%**

## Executive Summary

<b>Name:</b>	American Renal MOB
<b>Address:</b>	4775 North Green Bay Avenue   Milwaukee, Wisconsin 53209
<b>Tenants:</b>	ARA-Milwaukee Dialysis, LLC, Meyer Laboratory, & LH Concessions
<b>Parcel ID:</b>	232-0001-110
<b>Stations:</b>	21 Stations
<b>Construction:</b>	Masonry
<b>Roof:</b>	Rubber membrane
<b>Parking:</b>	Asphalt
<b>Land (Acres):</b>	0.75 acres
<b>Built:</b>	1959
<b>Renovated</b>	2005   2021
<b>RBA:</b>	13,287 SF
<b>Occupancy:</b>	100%
<b>Use:</b>	68% Dialysis Clinic, 32% Warehouse Storage
<b>Expense Structure:</b>	NN, Full Service
<b>Rental Increases:</b>	Yes
<b>NOI:</b>	\$121,893
<b>\$/SF:</b>	\$105/SF
<b>Average Rent:</b>	9.87/SF (Below Market Rent)

Troy Golden  
630-394-8164 | troy@goldengroupinc.com  
goldengroupprealestateinc.com



# The Offering

Golden Group Commercial Real Estate is pleased to offer for sale to qualified investors the opportunity to acquire the fee simple interest in the land and building of a multi-tenant medical office clinic located in Milwaukee, Wisconsin (the "Property").

The Property consists of 0.75 acres and a 13,287-square-foot medical clinic that was built in 1959 and has since been renovated multiple times, most recently 2021, to the exact specifications of the primary Tenant. The Property is located at the intersection of West Hampton Avenue and North Green Bay Avenue with over 60,000 views per day. There are over 395,000 in population in the five-mile radius earning almost \$69,000 in average household income.

The primary Tenant, ARA-Milwaukee Dialysis, LLC, moved to the site in 2005 to grow its presence in Milwaukee. The initial term of the lease was for ten (10) years and they have now extended the lease multiple times with the current lease term expiring March 31, 2027. ARA has an to extend for 3 years until 3/31/30; the tenant will likely exercise the extension option. The current rent is \$101,647 with two percent (2%) rental increases annually.

American Renal Associates Holdings, Inc. is one of the leading kidney care companies in the United States with 249 outpatient clinics in 27 states and the District of Columbia serving more than 16,964 patients. As of 2019, American Renal Associates, Inc. generated over \$822 million in revenue yielding it over \$26 million in net income and it maintains a market cap in excess of \$394 million. American Renal Associates Holdings, Inc. is credit rated B3 by Moody's Investor Services and B- by Standard & Poor's Rating Service.



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# Investment Highlights

**Renewal Option** - Lease includes an option to extend for 3 years until 3/31/30 at 2% annual rent escalations.

**Leading Operator** - American Renal Associates is one of the largest kidney care companies in the U.S. with a network of 249 outpatient dialysis clinics in 27 states serving a total of 16,964 patients

**Corporate Guaranty** - American Renal Associates Holdings, Inc. is an established and strongly capitalized company that holds a B3 credit rating with Moody's and B- rating with S&P

**Growing Industry** - There are over 746,500 ESRD dialysis patients in the U.S. as of 2017, which is a 2.6% increase from the previous year, and there are approximately 125,000 new cases each year

**Insulated from Macroeconomic Changes** - Approximately 90% of ARA's total dialysis patients were covered under some form of government-based program, meaning the company's profitability is somewhat insulated from the ups-and-downs experienced in the broader economy

**Below Market Rents** - The contractual rental rate of \$11.41/SF is substantially below the prevailing market rental rates of \$16 to \$20/SF for comparable properties.

**Likelihood of Renewal** - Tenant has operated at this location since 2005 with strong hours and has extended the lease multiple times demonstrating their commitment to this site

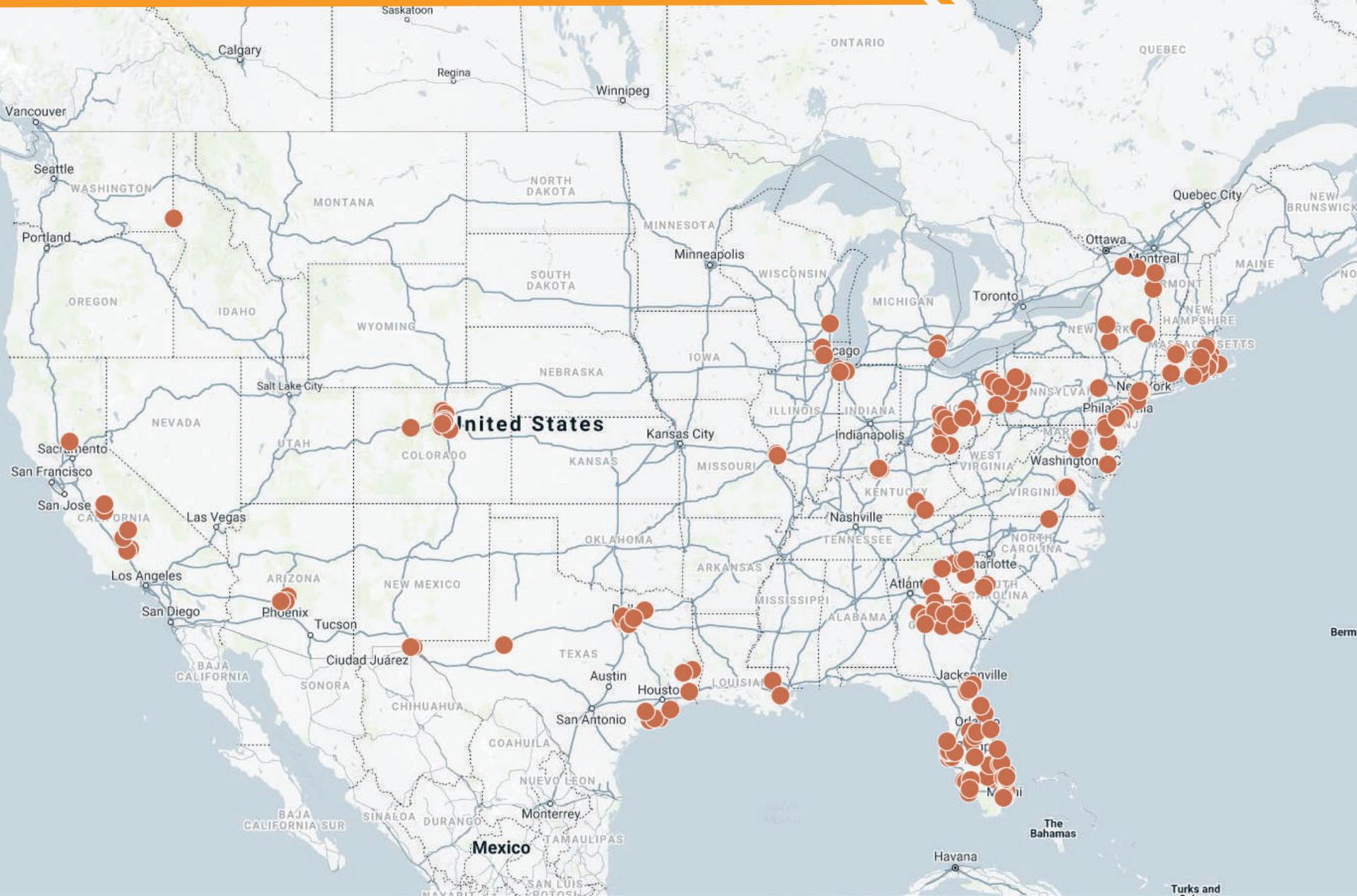
**Rent Growth** - Lease provides for 2% rental increases annually

**Recent Renovation** - Site underwent renovation in 2021 making it more energy efficient and modernized

**Top MSA** - Milwaukee is the 31st largest city in the U.S. (2M MSA population)

**Strong Demographics** - There are over 395,000 people in the five-mile radius earning an average household income of almost \$69,000

# American Renal Associates Locations



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# Lease Abstracts

Tenant:	ARA-Milwaukee Dialysis, LLC	Meyer Laboratory	LH Concessions, LLC
Guarantor:	American Renal Associates, Inc.	-	-
Credit:	Corporate	-	-
Use	Medical Office	Warehouse Storage	Warehouse Storage
SF Leased:	9,026 SF	2,073 SF	2,188 SF
Occupancy:	68%	16%	16%
Commencement:	March 18, 2005	March 10, 2025	July 1, 2021
Expiration:	March 31, 2027	February 28, 2028	June 30, 2027
Early Termination:	None	None	LL shall have the right to terminate with a 90-day notice
Renewal Options:	One (1), Three (3) Year	One (1), Two (2) Year	One (1), Two (2) Year
Renewal Incentive:	Landlord contributes \$20,000 to TI if Tenant exercises renewal option before 11/25		
Expense Structure:	NN	Full Service	Full Service
Landlord Maintenance:	Landlord shall maintain the parking lot, foundation, structural members, exterior walls, and the roof of the Building in good repair and condition.	Landlord shall maintain in good order, condition and repair the Building and Improvements except the Leased Premises and those other portions of the Building leased, rented or otherwise occupied by persons not affiliated with the Landlord	
Tenant Maintenance:	Tenant shall, at its sole cost and expense, keep the Premises in good and proper repair and clean order and condition. Tenant shall, at its sole cost and expense, perform all maintenance and repairs to the plumbing, heating, ventilation, air-conditioning and electrical equipment servicing the Premises and all pipes, lines and conduits, whether or not same are located within the Premises. Tenant shall be responsible for causing all snow and ice and trash to be removed from the parking lot in a timely manner and to maintain any landscaping located on the Land.	Tenant, at Tenant's sole cost and expense and without prior demand, shall maintain the Leased Premises in good order, condition and repair, reasonable wear and tear excepted; All utilities including electricity, water, gas heating and sewer service in addition to exterior lighting and trash removal along with snow removal service (in conjunction with other tenants in the building).	
Insurance:	Landlord pays, Tenant reimburses monthly as addition rent	Landlord pays	Landlord pays
Taxes:	Landlord pays, Tenant reimburses monthly as addition rent	Tenant Reimburses	Tenant pays fixed amount monthly, Landlord pays remaining

Troy Golden

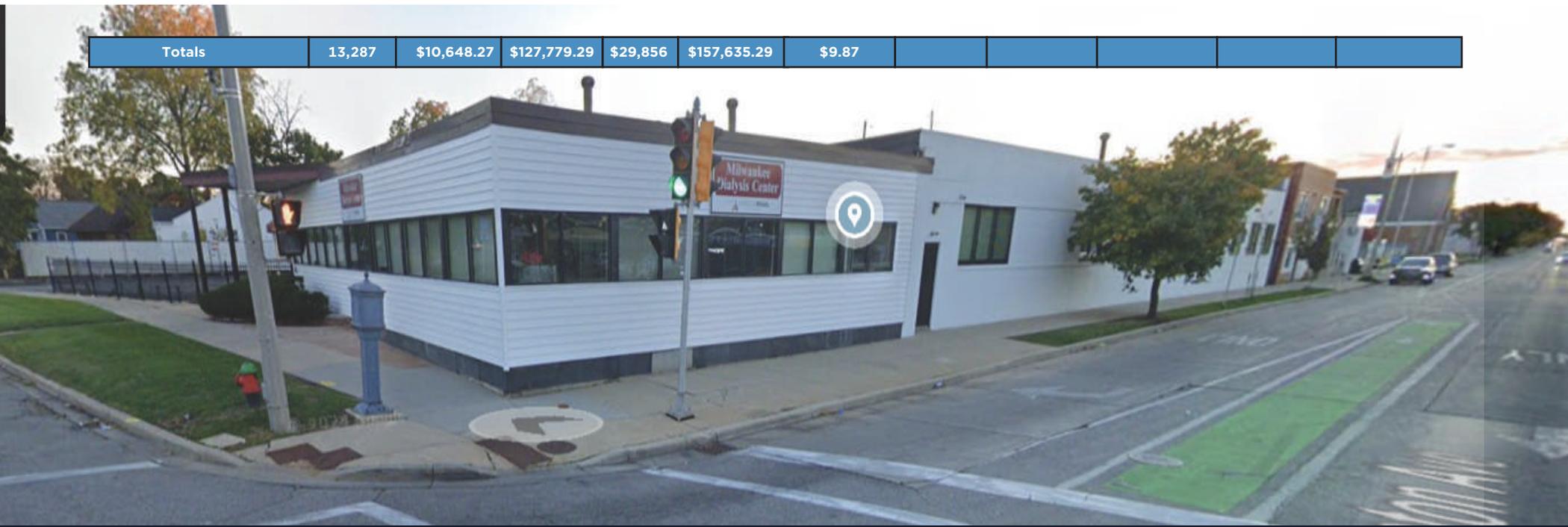
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# Current Rent Roll

Tenant Name	RSF	Monthly Base Rent	Annual Base Rent	Additional Rent (Est.)	Total Rent (Est.)	PSF	Type	Escalations	Tenant Since Year	Lease Expiration	Renewal Options
American Renal Associates	9,026	\$8,304.50	\$99,654.00	\$25,938.00	\$125,592	\$11.41	NN	2%	2005	3/31/2027	YES
Meyer Laboratory	2,073	\$1,184.50	\$14,214.00	\$1,518.00	\$15,732.00	\$6.86	N	3%	2025	2/29/2028	YES
LH Concessions	2,188	\$1,159.27	\$13,911.29	\$2,400.00	\$16,311.29	\$6.36	N	3%	2021	6/30/2027	YES
<b>Totals</b>	<b>13,287</b>	<b>\$10,648.27</b>	<b>\$127,779.29</b>	<b>\$29,856</b>	<b>\$157,635.29</b>	<b>\$9.87</b>					



# Budget

## Scheduled 2025 Income

### REVENUE:

ARA-Milwaukee Dialysis, LLC	\$99,654
Meyer Laboratory	\$14,214
LH Concessions, LLC	\$13,911

<b>Scheduled Base Rent</b>	<b>\$127,779</b>
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ARA-Milwaukee Dialysis, LLC	\$25,938
Meyer Laboratory	\$1,518
LH Concessions, LLC.	\$2,400

<b>Expense Reimbursements</b>	<b>\$29,856</b>
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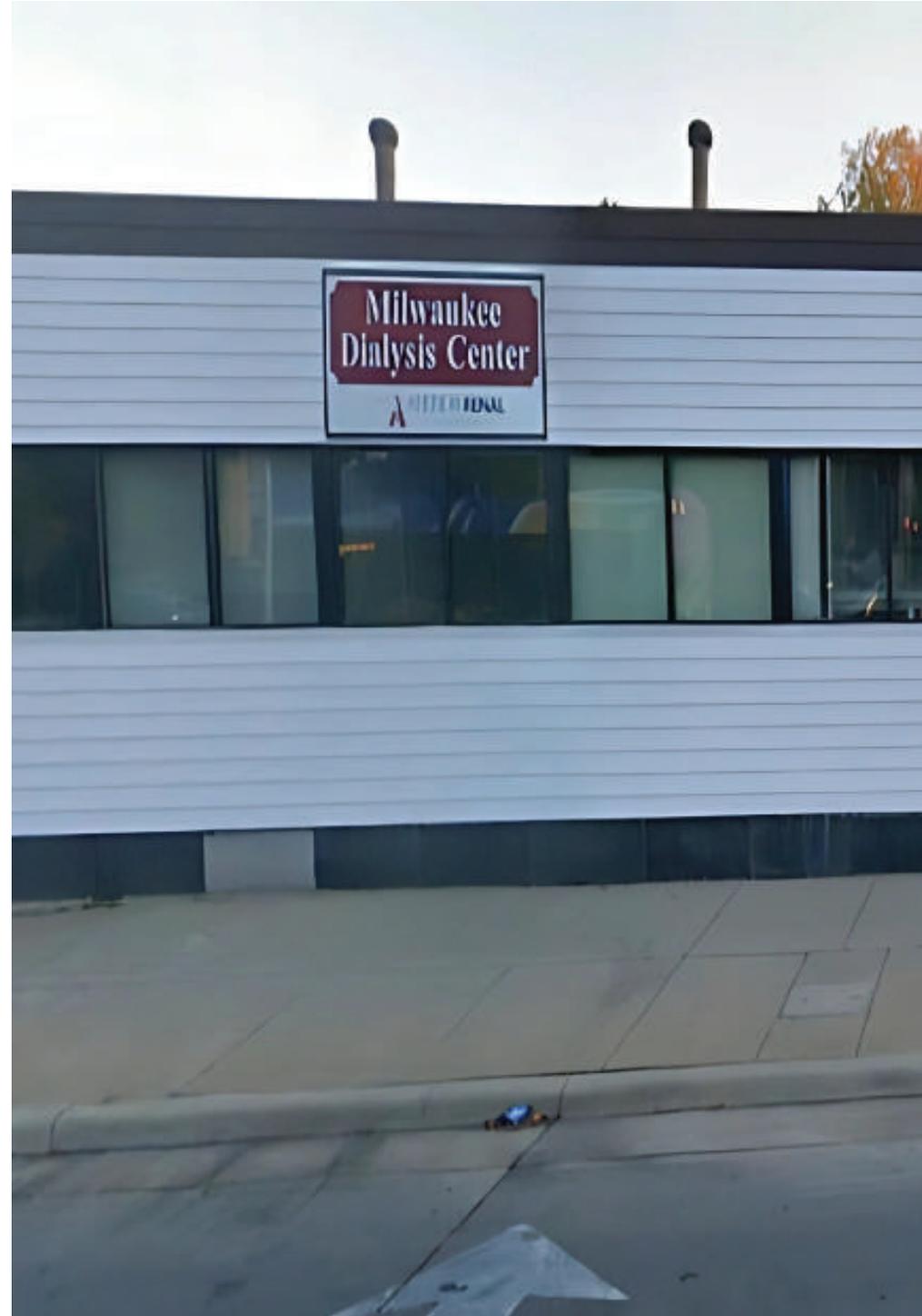
<b>Gross Revenue:</b>	<b>\$157,635</b>
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### EXPENSES:

Real Estate Taxes	\$30,636
Insurance	\$2,856
Maintance	\$2,250

<b>Total Operating Expenses:</b>	<b>\$35,742</b>
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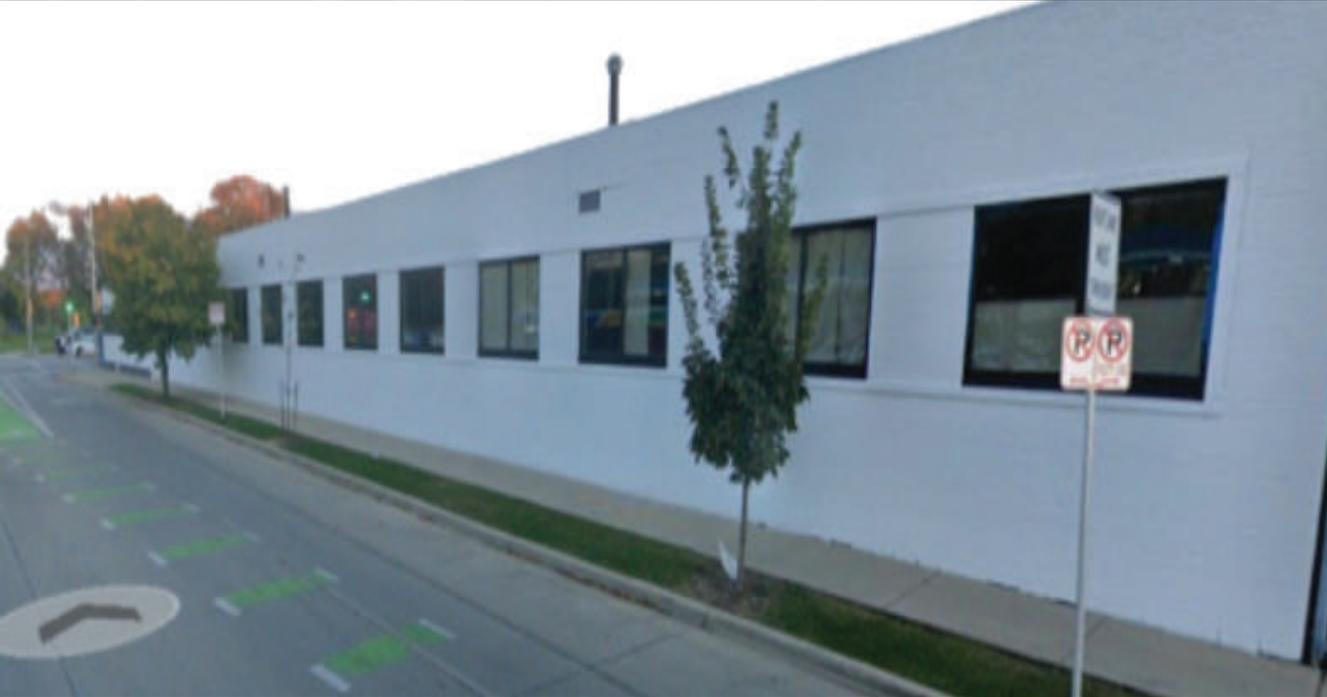
<b>NET OPERATING INCOME:</b>	<b>\$121,893</b>
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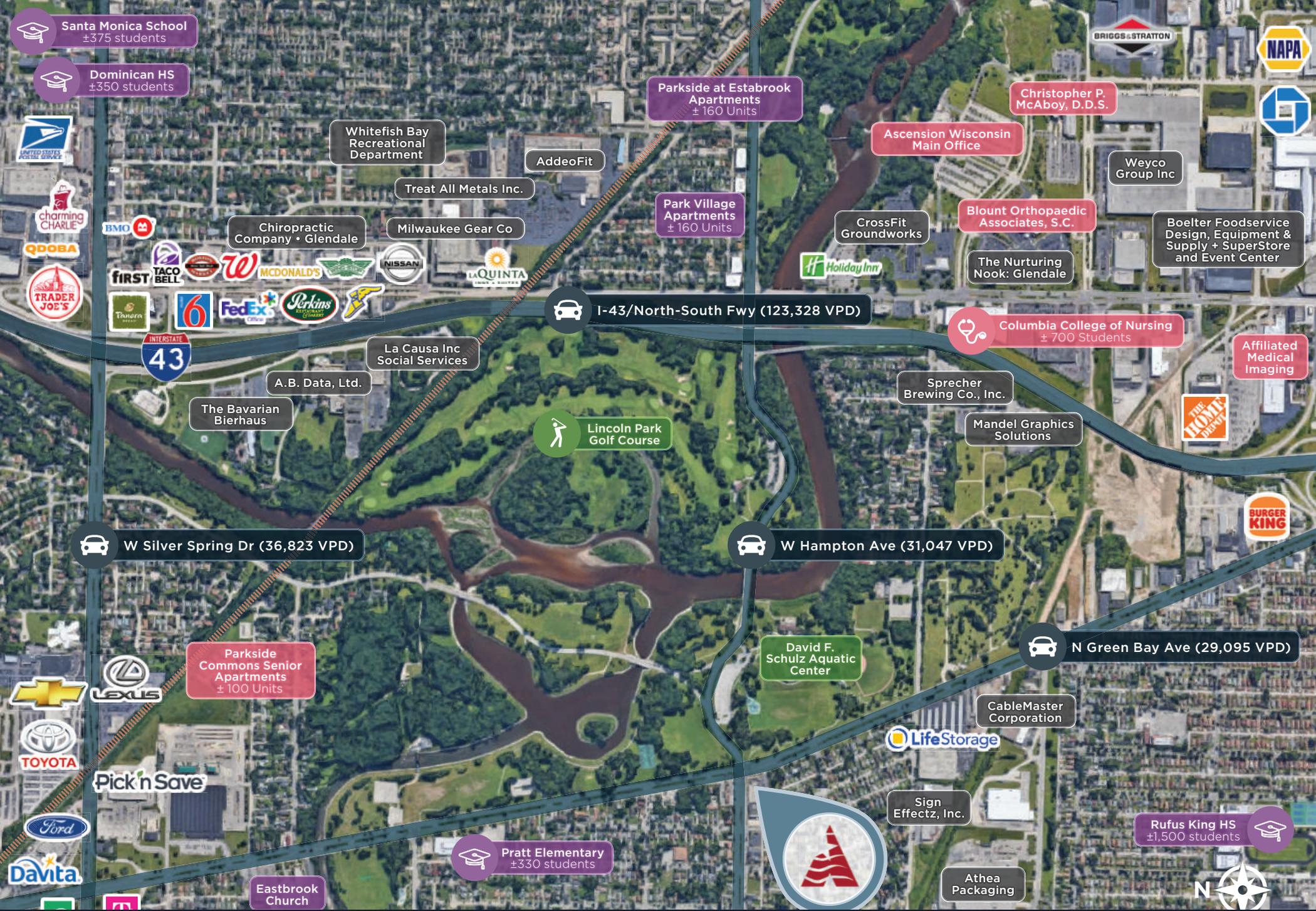
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Zion Hill Missionary  
Baptist Church

Lincoln park  
Lutheran church

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# Demographics



Population	1 mile	3 miles	5 miles
2000 Population	15,803	179,880	407,368
2010 Population	15,264	167,853	393,832
2021 Population	14,847	164,871	395,750
2026 Population	14,764	164,069	398,427
2010-2021 Annual Rate	-0.25%	-0.16%	0.04%



Households	1 mile	3 miles	5 miles
2000 Households	6,269	67,206	159,790
2010 Households	6,173	64,471	157,027
2021 Total Households	6,037	63,631	159,562
2026 Total Households	6,013	63,314	161,107
2010-2021 Annual Rate	-0.20%	-0.12%	0.14%



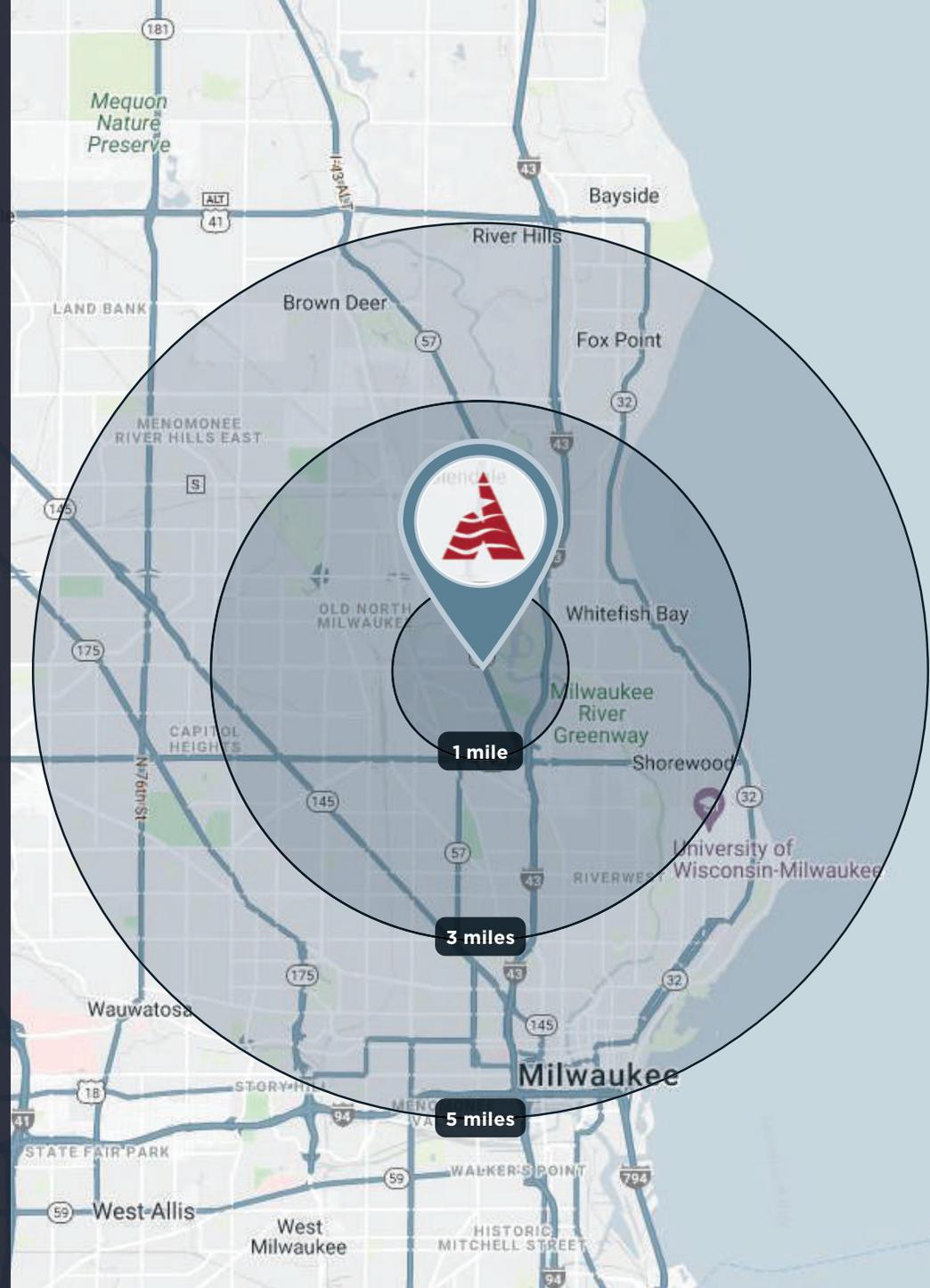
Household Income	1 mile	3 miles	5 miles
2021 Median Household Income	\$34,737	\$40,874	\$44,689
2021 Average Household Income	\$47,499	\$66,501	\$68,511



**396k**  
population  
(5 miles)

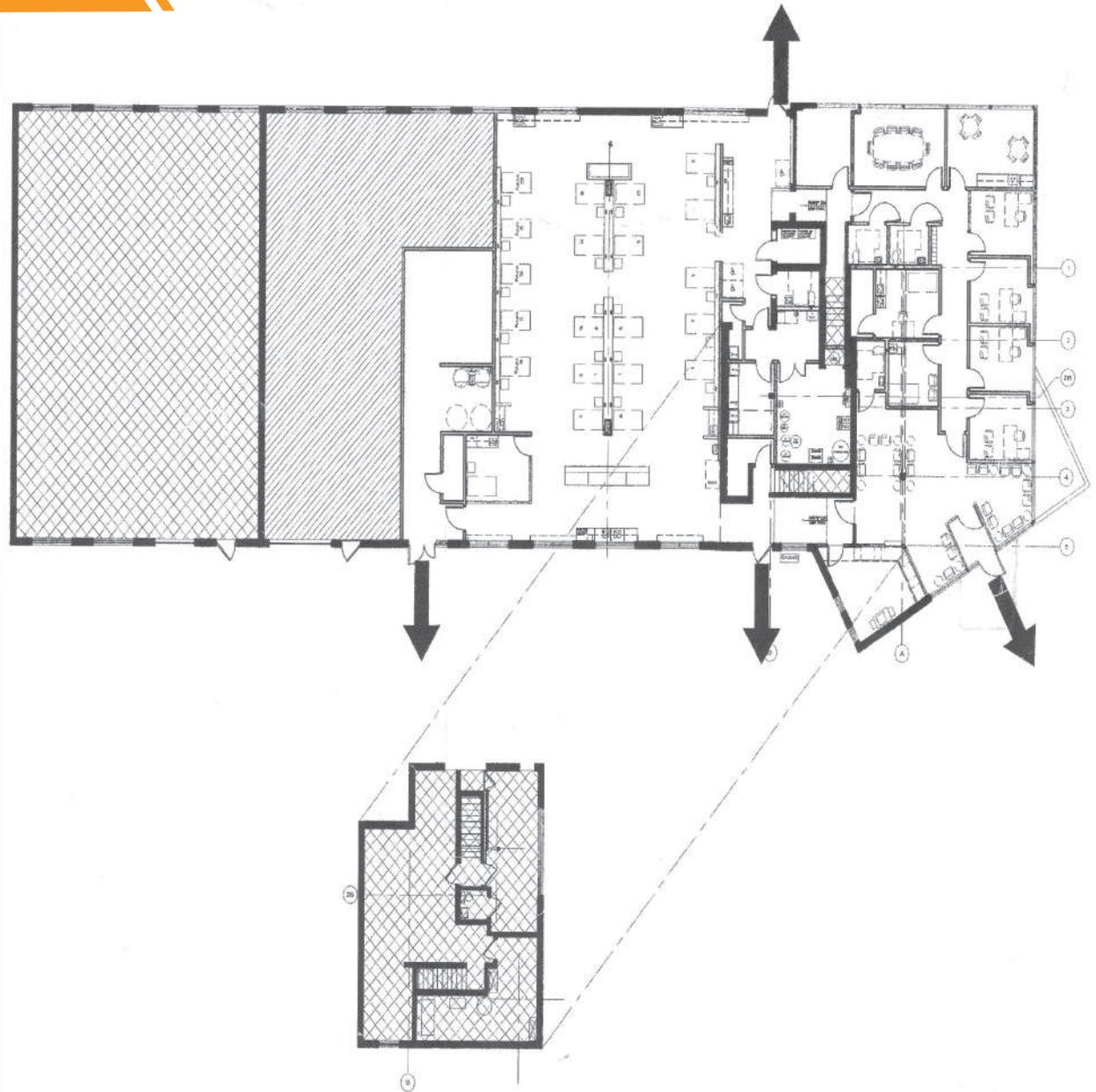
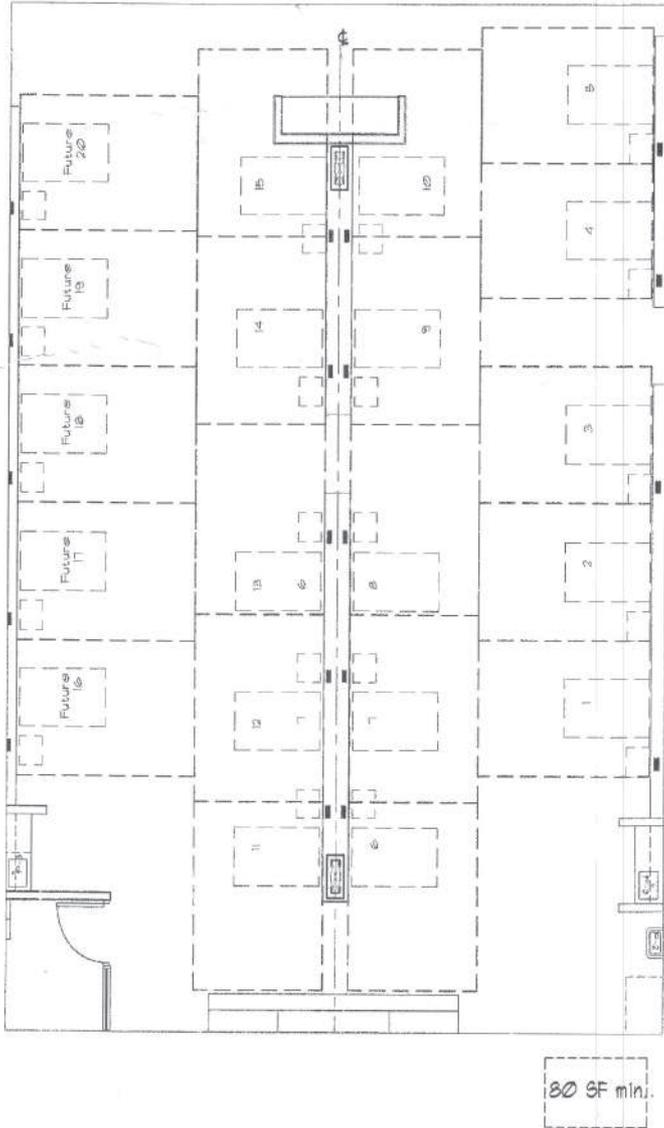


**\$69k**  
avg. HH inc.  
(5 miles)



# Floor Plan

# EGRESS PLAN



# ALTA/NSPS LAND TITLE SURVEY

**CLIENT**  
Seakay Construction Corporation

**SITE ADDRESS**  
4775 North Green Bay Avenue, City of Milwaukee, Milwaukee County, Wisconsin.

**LEGAL DESCRIPTION**  
Lots 18, 19, 1, 2, 3, 4, 5, 6 and the North 11 feet of Lot 7, in Block 1, in Adam's Subdivision No. 2, being a part of the Northeast 1/4 of Section 6, Township 7 North, Range 22 East, in the City of Milwaukee, County of Milwaukee, State of Wisconsin, EXCEPT those portions thereof taken for street purposes.

**BASIS OF BEARINGS**  
Bearings are referenced to the South line of West Hampton Avenue which is assumed to bear N85°52'40"E.

**TITLE COMMITMENT**  
This survey was prepared based on Chicago Title Insurance Company Commitment No. CO-10042, effective date of May 22, 2020 which lists the following easements and/or restrictions from schedule B-II:

- 1, 5, 6, 7 & 8 visible evidence shown, if any.
- 3, 4, 9, 12, 13 & 14 not survey related.
- Easement for the purposes shown below and rights incidental thereto, as granted in a document to Milwaukee Light, Heat & Traction Company for utility purposes, recorded on November 19, 1915, as Document No. 854220. *Affects property by location, general in nature, cannot be plotted.*
- Easement for the purposes shown below and rights incidental thereto, as granted in a document to Wisconsin Electric Power Company and Wisconsin Telephone Company for utility purposes, recorded on November 5, 1958 as Document No. 3695719. *Affects property by location, shown.*

**TABLE "A" ITEMS**  
11. Utility lines are shown from visible surface evidence, municipal plans and from plans and markings provided by Diggers Hotline, the One-call Utility Marking System (Wisconsin Statute 182.0175), Ticket Number 20202402285.

**PARKING SPACES**  
There are 31 regular parking spaces and 4 handicap space marked on this site.

**FLOOD NOTE**  
According to the flood insurance rate map of the County of Milwaukee, Community Panel No. 55079C0081E, effective date of September 26, 2008, this site falls in Zone X (Areas determined to be outside the 0.2% annual chance floodplain).

**MUNICIPAL ZONING**  
The zoning information noted below is taken from the municipal code ordinance. It does not reflect all zoning restrictions that may apply. It is not intended to be used in lieu of a comprehensive zoning report as stated in ALTA Table A item 6(a) nor to be relied on for site development purposes.

Municipal Code: Sec. 295-602-2.  
Site is zoned: LB-1 (Local Business District)  
Front setback: 70 feet  
Side street setback: 25 feet  
Rear street setback: none  
Side setback: none  
Rear setback: none  
Maximum building height: 45 feet

**LAND AREA**  
The Land Area of the subject property is 32,528 square feet or 0.7467 acres.

**ENCROACHMENT TABLE**

A	B	C	D	E	F
BRICK WALL 0.4' OVER PROPERTY LINE	CONCRETE WALK 0.3' OVER PROPERTY LINE	BUILDING 0.2' OVER PROPERTY LINE	GATE 3.5' OVER PROPERTY LINE	CHAIN LINK FENCE 5.3' OVER PROPERTY LINE	

TO: Seakay Construction Corporation  
Chicago Title Insurance Company

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2016 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items 1, 2, 3, 4, 7(a), 7(c), 8, 9, 11, 20 and 22 of Table A thereof. The field work was completed on 07/09/2020.

Date of Map: July 09, 2020.

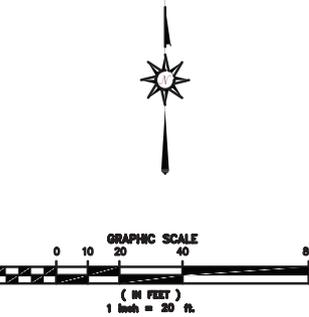
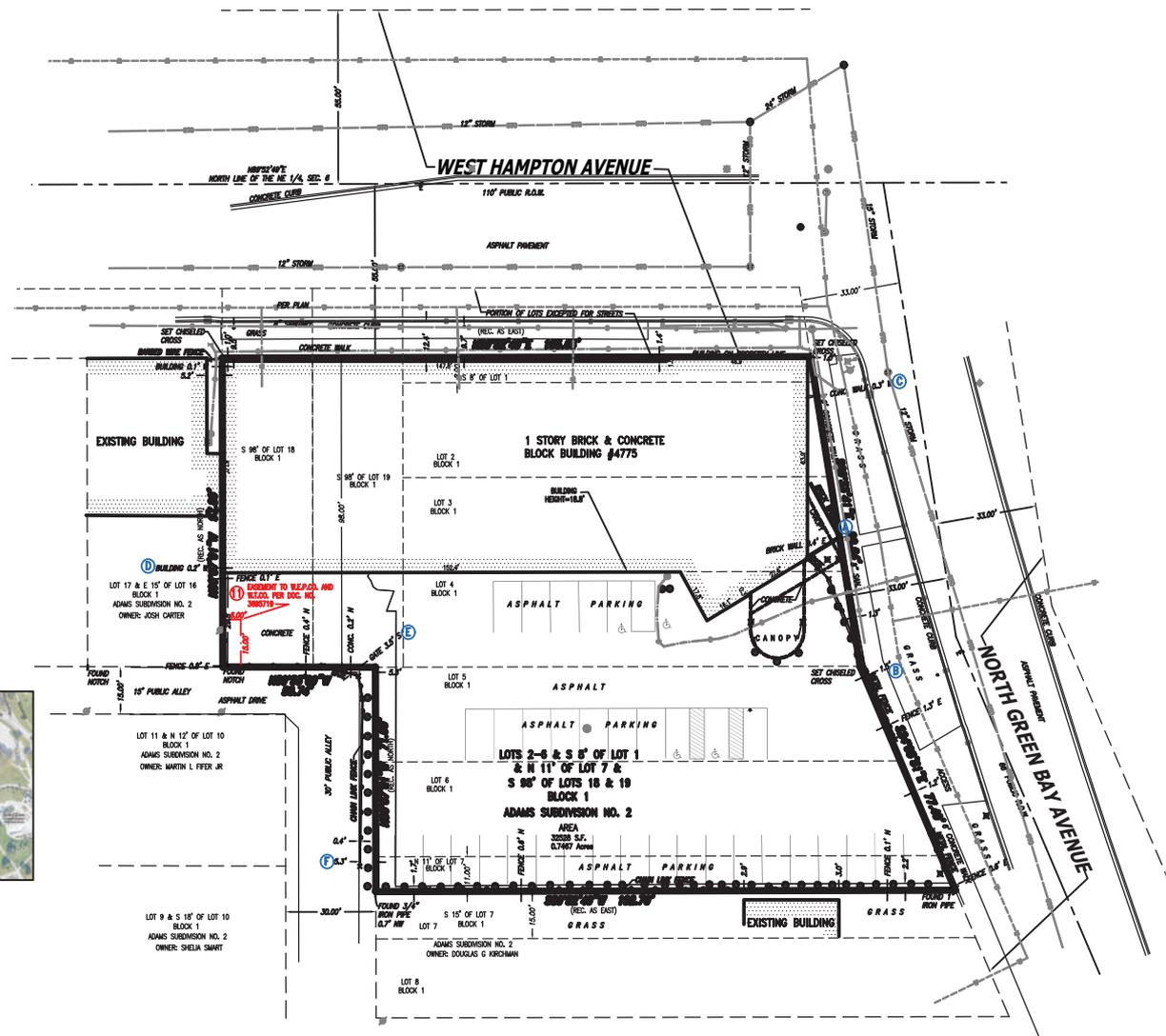
**WI SCHOONS IN CHAPUT**  
DONALD C. CHAPUT  
S-1316  
MILWAUKEE, WI

Donald C. Chaput  
Professional Land Surveyor  
Registration Number S-1316

CHAPUT LAND SURVEYS	Revision description
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**CHAPUT LAND SURVEYS**  
214 W. Florence Street  
Milwaukee, WI 53204  
414-238-6058  
www.chaputlandsurveys.com

This document is an instrument of professional service, and may be governed by the provisions which provide protection to a consumer. Client approval. The information shown herein is intended solely for the use of the client. Drawing No. 3536-dtb



**LEGEND**

<ul style="list-style-type: none"> <li>INDICIES FOUND 1" IRON PIPE</li> <li>INDICIES SET 1" IRON PIPE</li> <li>INDICIES FOUND CHISELED CROSS</li> <li>SAWDRY MANHOLE</li> <li>SAWDRY CLEANOUT OR VENT</li> <li>SEPTIC TANK ACCESS COVER</li> <li>M.S. MANHOLE</li> <li>UNKNOWN MANHOLE</li> <li>STORM MANHOLE</li> <li>INLET (ROUND)</li> <li>INLET (SQUARE)</li> <li>CURB INLET</li> <li>STORM SEWER END SECTION</li> <li>GAS VALVE</li> <li>GAS METER</li> <li>WATER VALVE</li> </ul>	<ul style="list-style-type: none"> <li>HYDRANT</li> <li>WATER MANHOLE</li> <li>WATER SERVICE CURB STOP</li> <li>WELL HEAD</li> <li>STAND PIPE</li> <li>WALL INDICATOR VALVE</li> <li>POST INDICATOR VALVE</li> <li>LIGHT POLE</li> <li>SPOT/WIND LIGHT</li> <li>UTILITY POLE</li> <li>GUY WIRE</li> <li>ELECTRIC MANHOLE</li> <li>ELECTRIC PEDESTAL</li> <li>ELECTRIC METER</li> <li>TELEPHONE MANHOLE</li> </ul>	<ul style="list-style-type: none"> <li>TELEPHONE PEDESTAL</li> <li>CABLE PEDESTAL</li> <li>CONTROL BOX</li> <li>FIBER OPTIC PEDESTAL/SIGN</li> <li>TRAFFIC LIGHT</li> <li>COMMUNICATION MANHOLE</li> <li>BOLLARD</li> <li>SOIL BODING/MONITORING WELL</li> <li>WATER SURFACE</li> <li>WETLANDS FLAG</li> <li>MARSH</li> <li>FLAGPOLE</li> <li>PARKING METER</li> <li>SON</li> <li>MANHOLE</li> <li>RAILROAD CROSSING SIGNAL</li> </ul>	<ul style="list-style-type: none"> <li>HANDICAP SPACE</li> <li>CONSPICUOUS TREE</li> <li>DECEADUOUS TREE</li> <li>SAWDRY SEWER</li> <li>STORM SEWER</li> <li>SHRUBBERY</li> <li>SHRUBBED GAS MAIN</li> <li>SHRUBBED ELECTRIC</li> <li>SHRUBBED WATER</li> <li>SHRUBBED TELEPHONE</li> <li>SHRUBBED CABLE BY LINE</li> <li>SHRUBBED FIBER OPTIC</li> <li>SHRUBBED ELECTRIC SERVICE</li> <li>SHRUBBED GAS SERVICE</li> <li>CHAIN LINK FENCE</li> <li>WIRE FENCE</li> </ul>
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CHAPUT LAND SURVEYS

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