



Casa Grande Academy

Behavioral Health

Youth Treatment Center

Casa Grande | Arizona

Offering Memorandum

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This information has been obtained from sources believed reliable. Any projections, opinions, assumptions, or estimates used should be considered speculative and do not represent the current or future performance of the property. The actual financial performance will be affected by a wide variety of factors, known and unknown, the effects of which are impossible to predict. Presentation of any financial information should be in no way construed as a representation, guarantee, or warranty of any particular financial result, nor as a material inducement to invest in Company or the projects.

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REAL ESTATE NOTICE

Sitzman Real Estate Advisors is a licensed real estate broker in the State of Arizona and has entered into a broker agreement with Blueprint pursuant to which all real estate activities relating to this offering are being handled by Sitzman Real Estate Advisors. All questions regarding the real estate transaction should be directed to Amy Sitzman of Sitzman Real Estate Advisors pursuant to Arizona state law.

PRESENTED BY:

ANDREW SFREDDO
Managing Director &
Head of Behavioral Healthcare
773 951 4788
asfreddo@BlueprintHCRE.com

SHANE HARMON
Senior Director,
Behavioral Healthcare
619 757 4975
sharmon@BlueprintHCRE.com

GUNNAR RANEY
Associate, Behavioral Healthcare
813 465 9226
graney@BlueprintHCRE.com

COLIN SEGNER
Transaction Coordinator,
Behavioral Healthcare
773 756 5977
csegner@BlueprintHCRE.com

BROKER OF RECORD:

AMY SITZMAN
Arizona Real Estate Broker
& Listing Agent
Broker
asitzman@BlueprintHCRE.com

Blueprint Healthcare Real Estate Advisors (“Blueprint”) establishes the following process overview for the offering of **Casa Grande Academy**, and interested parties are required to adhere to the process outlined below. The real estate owner (the “Company”) has engaged Blueprint as exclusive advisor to represent the Company in the divestment of the offering presented herein. All offers will be reviewed and considered by the Company as submitted via email to Blueprint representatives listed below:

ANDREW SFREDDO

Managing Director &
Head of Behavioral Healthcare
773 951 4788
asfreddo@BlueprintHCRE.com

SHANE HARMON

Senior Director,
Behavioral Healthcare
619 757 4975
sharmon@BlueprintHCRE.com

GUNNAR RANEY

Associate,
Behavioral Healthcare
813 465 9226
graney@BlueprintHCRE.com

COLIN SEGNER

Transaction Coordinator,
Behavioral Healthcare
773 756 5977
csegner@BlueprintHCRE.com

Interested parties must include the following factors in their offer submissions:

- A company bio or business background. The suggested demonstration of qualifications should include an overview of relevant transactional experience in senior living and/or healthcare real estate investments and other related assets under management, along with financial (both debt and equity) qualifications.
- It is encouraged that interested parties include the key assumptions and basis for their valuation, along with details on strategy to secure debt and equity financing to close the transaction.
- An overview of the proposed transaction structure along with an indication of the estimated timeframes to negotiate a definitive purchase agreement, conduct due diligence, and consummate a transaction.
- Required in any and all offers will be a summary of the capital structure including the anticipated sources for financing the transaction (i.e. lending institutions) as well as a list of potential equity sources, if applicable. Evidence of equity funds available for immediate deployment is highly encouraged.
- Any additional conditions or contingencies necessary to consummate the transaction. For example, offers should include the prospect’s necessary level of review by senior professionals or investment committees in order to transact and the timing of further review and approvals.
- During the process, any and all exchanges of information, whether verbal or electronic, will be coordinated through and facilitated by Blueprint. Interested parties are not permitted to and shall not under any circumstances contact the Company, the facility, nor the facility staff, employees, or personnel, the Lessee, or parent company of Lessee, prior to offer submission and without the express prior written approval of the Company. Unauthorized contact or tours will not be tolerated and will eliminate interested parties from the bidding process.



Casa Grande Academy

OFFERING OVERVIEW



The Offering

- Blueprint is pleased to present the exclusive offering of Casa Grande Academy, a best in class, 34-bed, adolescent treatment center located within the Phoenix MSA. The asset is under a long term NNN lease to a high performing national behavioral health operator
- With an attractive remaining lease term of ~11 years Triple Net, and featuring 3% annual escalators over the initial term and first 5-year extension, the community presents an incoming investor the opportunity to acquire immediate year 1 cash flow of ~\$310,640
- This inpatient community is entirely NNN leased to a subsidiary of Vivant Behavioral Healthcare (guarantor) who has over 23 continuum of care programs including Juvenile Justice, Child Welfare, and Community Based Programs (see page 7). The Casa Grande Academy has been operating since 2020 and boasts strong unit level financial performance:
 - ✓ Jan – Jun 2024 YTDA Rent Coverage Ratio: 2.37x
- Casa Grande Academy is located in Pinal County, the fastest growing county in Arizona, which features high demand for inpatient mental health services (see page 14) as well as above average demographics of:
 - ✓ Median Household Income Pinal County: \$73,313
 - ✓ Population Growth Rate: 4.13%
- This offering presents the opportunity for a wide range of investor profiles interested in acquiring a stabilized asset with long-term, stable cash flow





QUALITY, LONG-TERM TENANT: VIVANT BEHAVIORAL HEALTHCARE

- The building is entirely NNN leased to Vivant Behavioral Healthcare, an operator with behavioral services across the entire country, with focuses on Child Welfare, Community Based Services, and Juvenile Justice
- Vivant Behavioral Healthcare’s main operating regions are Alabama, Arizona, Florida, and the Midwest, where they serve over 900 clients and have a licensed capacity of over 1,400
- A total of “23 programs across the continuum of care” are offered by Vivant, with Casa Grande focusing on “intensive therapeutic services for a wide range of behavioral and psychological issues” for males aged 10-18
- Vivant Behavioral Healthcare took over operations of Casa Grande Academy in 2020 and has been on an upward trend of profitability in recent years
- Vivant Behavioral Healthcare also serves as the corporate guarantor for the lease (Please see data room for corporate level financials)

Vivant Program Overview					
Type	Program	State	Year Opened	Demographic Served	Bed Count
Child Welfare	Casa Grande	Arizona	2020	Male 10 – 18	32
	Forest Ridge	Iowa	1983	Female 13 – 17	71
	Lakeside Kansas	Kansas	2008	Male 13 – 18	45
	Mingus Mountain	Arizona	1985	Female 12 – 18	152
	Sequel Transition	South Dakota	2013	Male 16 – 20	68
	Woodward Academy	Iowa	1995	Co-Ed 12 – 18	280
Community Based Services	SequelCare of Arizona	Arizona	2001	Adolescents & Adults	121
	SequelCare of Florida	Florida	1995	Children & Families	60
	SequelCare of Maine	Maine	1993	Children & Adults	19
	SequelCare of Oklahoma	Oklahoma	1995	Children, Adolescents & Adults	N/A
	Woodward CBS	Iowa	2006	Adolescents & Adults	60
Juvenile Justice	Alachua Academy	Florida	2009	Female 14 – 18	28
	Charles Britt Academy	Florida	2013	Male 14 – 18	28
	Columbus Youth Academy	Florida	2008	Male up to 19	50
	Sequel TSI of Courtland	Alabama	1990	Male 12 – 18	42
	Duval Academy	Florida	2013	Male 14 – 18	28
	Marion Youth Academy	Florida	2014	Male 13 – 18	40
	Sequel TSL of Montgomery	Alabama	2013	Female 12 – 18	20
	Owens Cross Roads	Alabama	1996	Female 12 – 18	62
	Palm Beach Youth Academy	Florida	2006	Male 15 – 21	82
	Pompano Youth Treatment Center	Florida	2014	Male 13 – 18	24
	St. John’s Youth Academy	Florida	2009	Male 14 – 18	72
	Sequel TSL of Tuskegee	Alabama	1998	Male 12 – 18	66



Casa Grande Academy

PROPERTY DETAILS



Property Overview	
Property Name:	Casa Grande Academy
Address:	1120 E 6 th St, Casa Grande, AZ 85122
Operating Capacity:	34 Beds
Rentable Square Feet:	18,165 SF
Year Built:	1972 (Renovated in 2020)
Lot Size:	1.43 AC
Lessor:	Aisle 14 LLC (Developer)
Lessee	Vivant Behavioral Healthcare, LLC
Remaining Term:	~11 years
Renewal Options:	(2) 5-year extension option periods
Annual Escalations:	3% annual rent increases
Recovery Structure:	NNN + Rental Tax
Guarantor:	Vivant Behavioral HealthCare Corporate Guarantee *See Data Room for Guarantor Financials

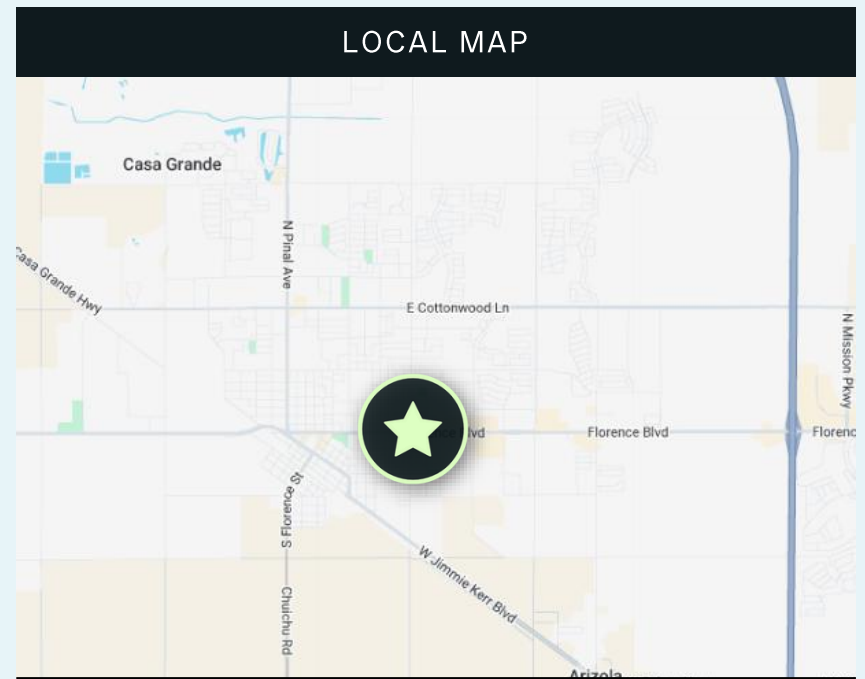
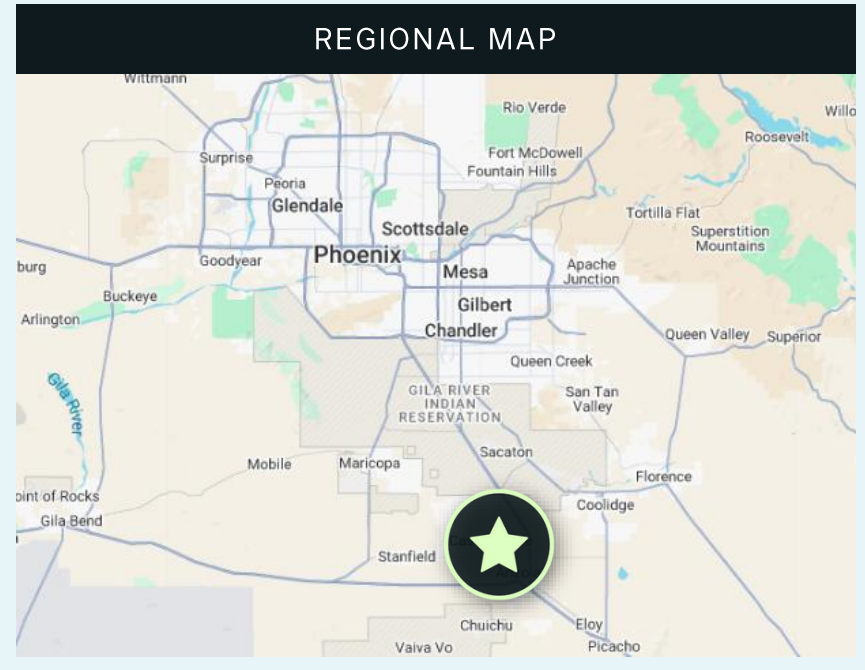
Lease Schedule

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Start:	6/1/2024	6/1/2025	6/1/2026	6/1/2027	6/1/2028	6/1/2029	6/1/2030	6/1/2031	6/1/2032	6/1/2033	6/1/2034
End:	5/31/2025	5/31/2026	5/31/2027	5/31/2028	5/31/2029	5/31/2030	5/31/2031	5/31/2032	5/31/2033	5/31/2034	5/31/2035
Base Rent:	\$310,640	\$319,960	\$329,558	\$339,445	\$349,629	\$360,117	\$370,921	\$382,049	\$393,510	\$405,315	\$417,475
NNN Expenses:	\$45,409	\$45,409	\$45,409	\$45,409	\$45,409	\$45,409	\$45,409	\$45,409	\$45,409	\$45,409	\$45,409
Rental Tax:	\$8,189	\$8,403	\$8,624	\$8,852	\$9,086	\$9,327	\$9,576	\$9,832	\$10,095	\$10,367	\$10,646
Total Rent:	\$364,239	\$373,772	\$383,592	\$393,706	\$404,123	\$414,854	\$425,906	\$437,289	\$449,014	\$461,091	\$473,530

- Vivant Behavioral Healthcare generated consistent revenue growth during fiscal years 2022 – 2024, growing from ~\$71M to \$76M
- Vivant’s 2022 fiscal year EBITDA run rate from October – April was ~\$8.1 M annualized
- Vivant recently added an ABA division to the company to continue growth trajectories while diversifying revenue streams





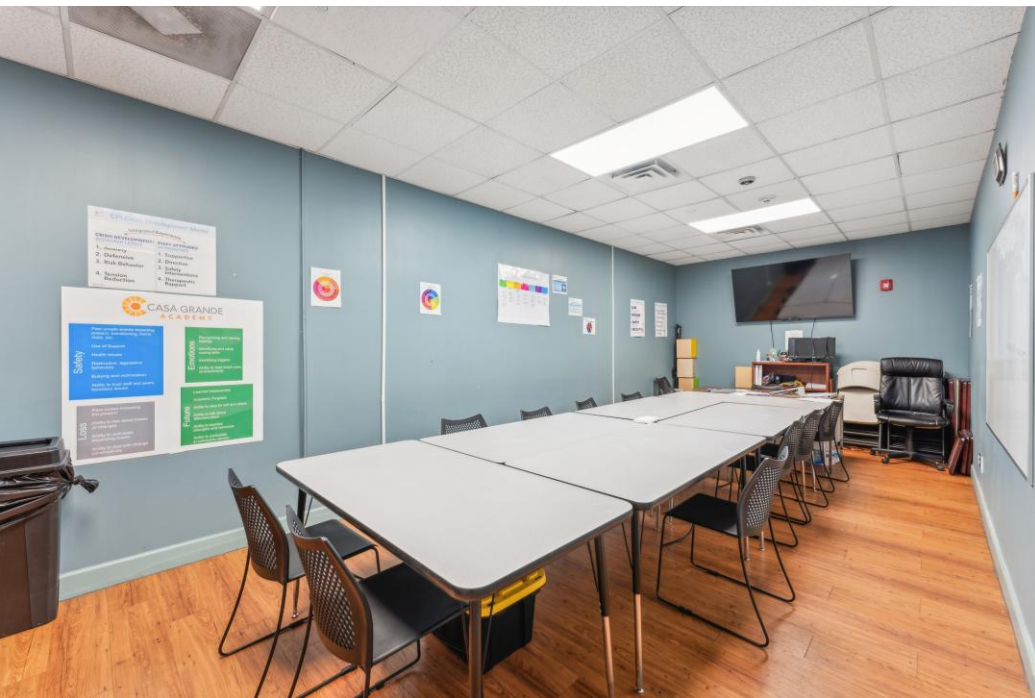
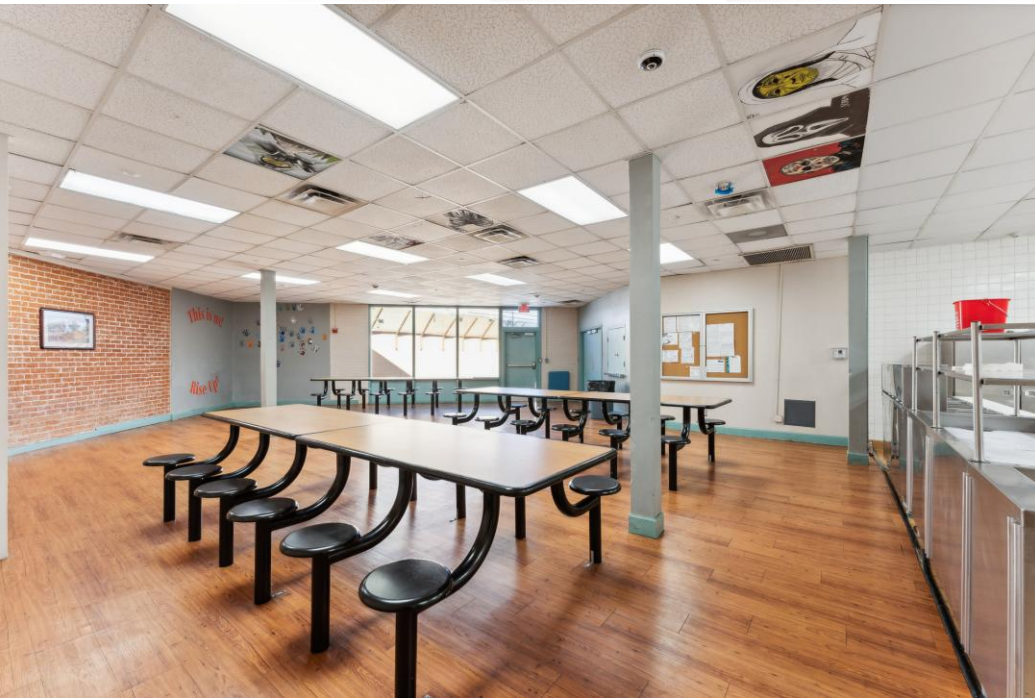




Casa Grande Academy

MARKET OVERVIEW







2023 Total Population



Population Growth-Rate



Median Household Income

US Census Bureau
World Population Review
2022 KFF Statistics
Arizona Youth Risk Behavior Survey

22.0%

Adolescents experiencing 4+ Adverse Childhood Experiences

24.0%

Adolescents who thought about taking their own life

10.1%

Children Aged 3-17 who received mental health care in the last year

28.0%

Teens who reported self-harming in the last year

ANDREW SFREDDO

Managing Director
773 951 4788
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SHANE HARMON

Senior Director
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