

1559 7th Street W

ST. PAUL, MN 55102

4 Years of Original Term, Absolute Net Lease



Confidential Offering Memorandum

The Offering

1559 7TH STREET W, ST. PAUL, MN 55102

\$2,450,000

SALE PRICE

6.62%

CAP RATE

\$162,253

NOI

\$ 457

PRICE PSF

Rentable Area	5,353 SF
Land Area	0.44 Acres
Lease Type	Absolute Net
Occupancy	100%
# Of Tenants	1
Guarantor	Total Renal Care, Inc.
Year Built	2007
Property Type	Retail
Parking	21 Surface Spaces
PID	142823220161

Investment Highlights

- Tenant is responsible for **all** costs associated with the property
- 4 Years term remaining with three, 5-year Options
- 2% Annual rent escalations
- Corporate Guarantee | Standard & Poor's Investment Grade (S&P: "BB-") Tenant
- Davita is the leading kidney care provider in the U.S. with 37% market share

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Tenant Overview

LARGEST KIDNEY CARE PROVIDER



Davita Inc. provides kidney dialysis services through a network of **2,816** outpatient dialysis centers in the United States, serving approximately **204,200** patients, and **321** outpatient dialysis centers in **10** other countries serving **3,200** patients.

Davita has a **37%** market share in the U.S. dialysis market. It is organized in Delaware and based in Denver and is ranked **271** on the Fortune 500 list.

In 2020, **68%** of the company's revenues came from Medicare and other government-based health insurance programs. In 2020, **90%** of the company's patients were covered by government-based health insurance programs. Commercial payers, which accounted for **32%** of revenues in 2020, generate all of the company's profit as they reimburse at a much higher rate than government-based health insurance programs.



Lease Abstract



Tenant	Size	% of NRA	Comm. Date	Exp. Date	Tax & OpEx	Current Rent Schedule					Renewal Options	Termination Options
						Start Date	End Date	\$/SF	Monthly	Annual		
Davita	5,353 SF	100%	5/1/2018	4/30/2028	\$4.25	5/1/2022	4/30/2023	\$28.44	\$12,684.65	\$152,215.77	Three, Five (5) Year Options	None
						5/1/2023	4/30/2024	\$29.00	\$12,938.34	\$155,260.09		
						5/1/2024	4/30/2025	\$29.58	\$13,197.11	\$158,365.29		
						5/1/2025	4/30/2026	\$30.18	\$13,461.05	\$161,532.60		
						5/1/2026	4/30/2027	\$30.78	\$13,730.27	\$164,763.25		
						5/1/2027	4/30/2028	\$31.40	\$14,004.88	\$168,058.51		

Comments

Lease SF	5,353 RSF
Lease Type	Absolute Net Lease
Total Term	120 Months
Parking	Twenty-one (21) surface lot stalls
Signage	At Tenant's sole cost and expense, shall have the right to affix Tenant's standard signage, in accordance with the rules and regulations of the building, including a sign on the exterior of the Building or a monument sign.
Taxes	Tenant responsibility
Insurance	Tenant responsibility
Utilities	Tenant responsibility
Operating Expenses	Tenant responsibility including all costs, charges and expenses incurred by Lessor in connection with ownership, operation, security, maintenance, and repairs, including management fees (not to exceed 3%) and capital expenses provided that any such capital expenses are amortized over the useful life of the expenditure or improvement.
Pro-Rata Share	100%
Renewal Option	Lessee shall retain its right and option to renew this Lease for three additional periods of five years each, next immediately ensuing after the expiration of the Extended Term and any subsequent renewal period by notifying Lessor in writing not less than 180 days before the expiration of the immediately preceding Extended Term or subsequent renewal Term of Lessee's intention to exercise its option to renew. Renewal options are at defined rents equal to 2% over the preceding year and include 2% annual escalations, however either the lessor or lessee can make a fair market value rent adjustment for the renewal period that begins in May 2028 but the adjustment shall be limited to no more than 10% more, or 10% less then current base rent paid by lessee prior to the adjustment.
Termination Option	None
Purchase Option	N/A
Gaurantor	Total Renal Care, Inc.
Estoppel	15 Days
Related Documents	Davita Lease, Davita Guaranty 8.11.2016

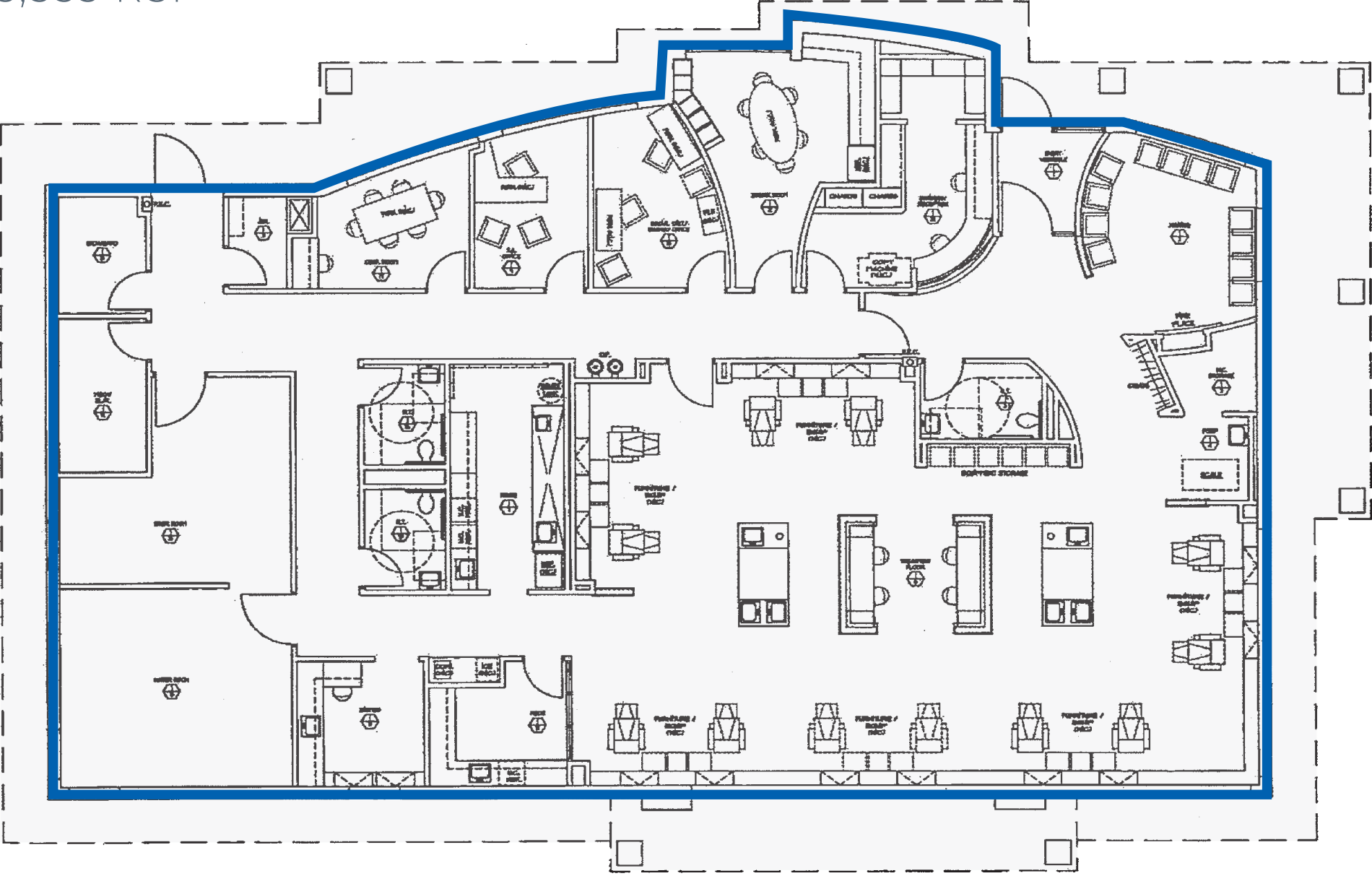
Site Plan

0.44 ACRES

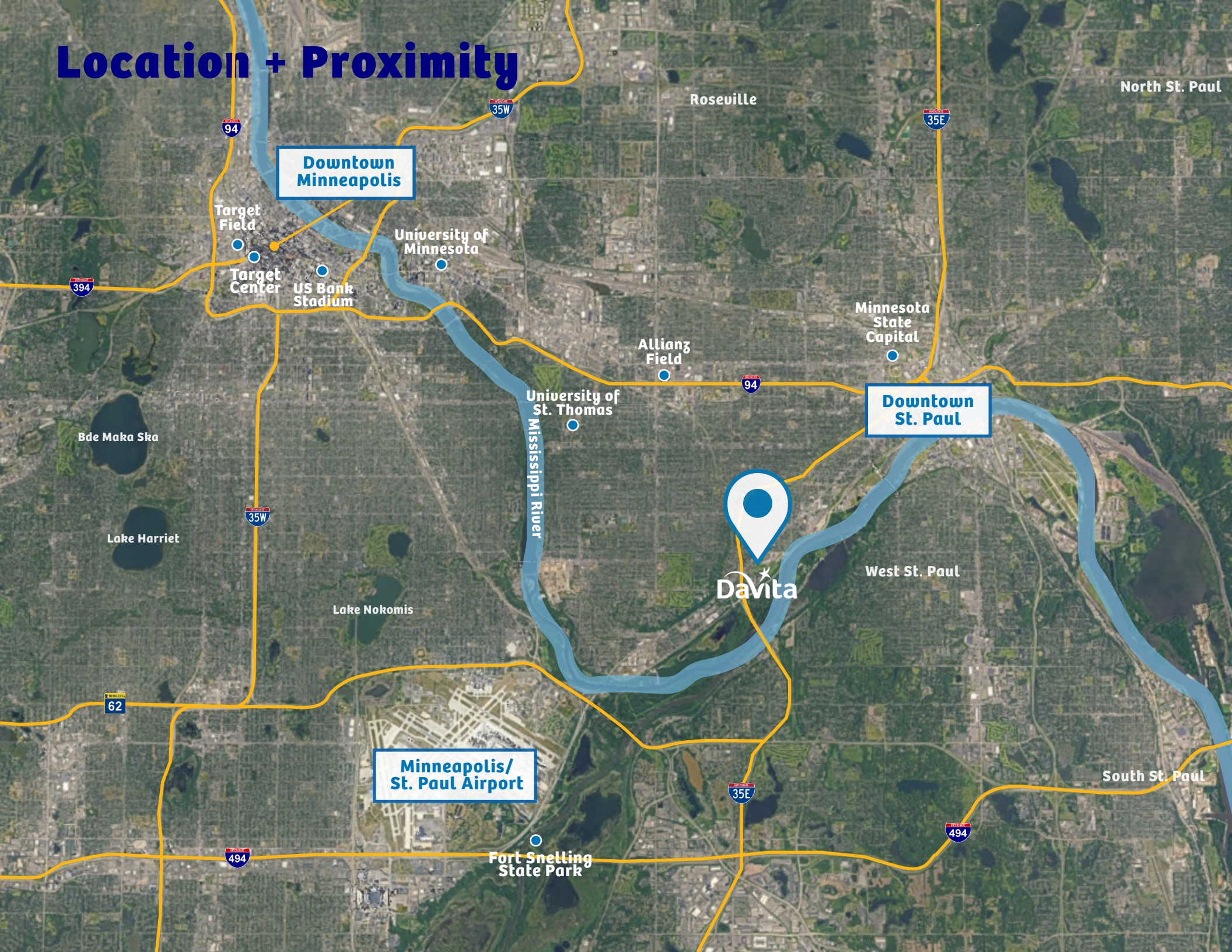


Floorplan

5,353 RSF



Location + Proximity



**Downtown
Minneapolis**

**Downtown
St. Paul**

**Minneapolis/
St. Paul Airport**

Davita

Mississippi River

Nearby Retailers

+ DEMOGRAPHICS



Daytime Population

1-MILE	3-MILE	5-MILE
10,426	140,122	375,416



Median Household Income

1-MILE	3-MILE	5-MILE
\$81,517	\$80,596	\$75,240



Population With Bachelors

1-MILE	3-MILE	5-MILE
33.2%	32.7%	29.9%



Median Age

1-MILE	3-MILE	5-MILE
41	37	36



Minneapolis-St. Paul

OVERVIEW

The Twin Cities are consistently ranked as one of the world's best places to live, work and play.

Being routinely recognized for providing one of the highest quality places to live in the nation—by *Forbes*, *Business Facilities Magazine*, *Outdoors Magazine*, *C. Q. Press*, *CNN Money*, *BizJournals* and *Expansion Magazine*, just to name a few—the Twin Cities are one of the best places to call home.

Minnesota ranks **#1 as the happiest state** in the country, the tenth best state to retire in and for over six years in a row, Minneapolis ranked **#1** and St. Paul ranked **#2** for **best park systems** in U.S. cities by *Park-Score*. Whether in rain, snow or shine, the beauty and livability of Minnesota is unparalleled.



Minnesota ranks **#1** in the U.S. for **charitable giving**.



Minnesota is ranked as the **third safest state** in the U.S.



The Twin Cities have the **fifth most vibrant art community** among U.S. metropolitan areas.



Minneapolis ranks as the fourth most green city and **Minnesota** ranks as the **sixth most green state**.

ARTS & CULTURE



1. US Bank Stadium 2. Guthrie Theatre & Mill City Museum 3. Mall of America 4. Minnesota Orchestra 5. Como Park 6. Minnesota Institute of Art 7. Weisman Art Museum 8. Minneapolis Sculpture Garden 9. Minnesota State Fair 10. First Avenue 11. Cathedral of St. Paul 12. Minnesota History Center

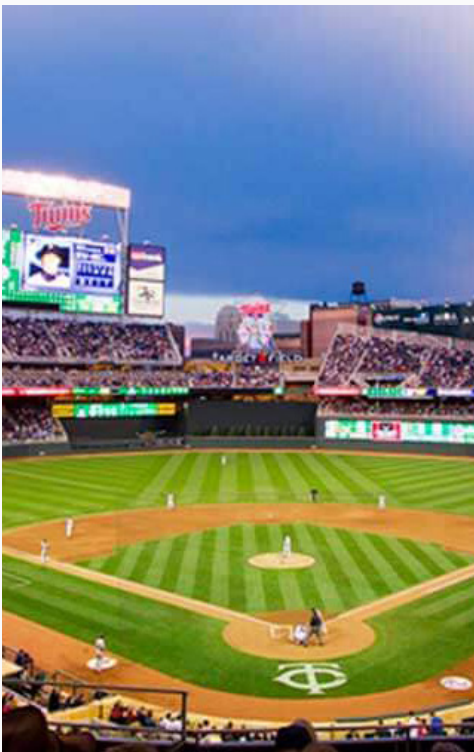
Land of 10,000 Lakes

Minnesota is home to 11,842 lakes over 10 acres in size, according to Explore Minnesota. Within the Minneapolis-St. Paul metro alone, there are nearly 1,000 lakes, including the Chain of Lakes in Minneapolis—Cedar Lake, Lake of the Isles, Bde Maka Ska and Lake Harriet. The Mississippi River also winds its way through the cities and has historically contributed to the successful economy. The Twin Cities are also home to countless entertainment venues and museums, such as the Minneapolis Institute of Art, Walker Art Center, Ordway, Guthrie Theater, Science Museum of Minnesota, First Avenue, Palace Theatre, Orpheum Theatre, Roy Wilkins Auditorium and Dakota Jazz Club, just to name a few. Minneapolis is also home to the original Jucy Lucy (or Juicy Lucy, depending who you ask), new and historic craft beer breweries and many award-winning restaurants.



Team Pride

The Twin Cities are home to many professional sports teams and venues, including U.S. Bank Stadium, home to the Vikings (NFL); Target Center, home to the Timberwolves (NBA) and the Lynx (WNBA), as well as the Twins (MLB) who play at neighboring Target Field, all in Minneapolis. The Wild (NHL) play at Xcel Energy Center and the MNUFC Loons (MLS) play at Allianz Field in St. Paul.



Confidentiality and Conditions

The sale of 1559 7th Street W, St. Paul, Minnesota (the “Property”), for sale by the Owner (the “Seller”).

The Property is being offered for sale in an “as-is, where-is” condition and the Seller and the Agent make no representations or warranties as to the accuracy of the information contained in this information package. The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective Purchasers of the interest described herein. Neither the enclosed materials, nor any information contained herein, are to be used for any other purpose, or made available to any other person without the express written consent of the Seller.

The enclosed materials are being provided solely to facilitate the prospective investor’s own due diligence for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by the Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners or directors, as to the accuracy or completeness of the information contained herein. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. The Seller shall have no liability whatsoever for the accuracy or completeness of the information contained herein, or any other written or oral communications, or information transmitted, or made available, or any action taken, or decision made by the recipient with respect to the Property. Interested parties are to make their investigations, projections and conclusions without reliance upon the material contained herein.

The Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from being marketed for sale at any time and for any reason. The Seller expressly reserves the right, at their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time, with or without notice. This Offering Memorandum is made subject to omissions,

corrections or errors, change of price or other terms and prior sale or withdrawal from the market without notice.

The Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered and approved by the Seller and any conditions to the Seller’s obligations there under have been satisfied or waived.

By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents are of a highly confidential nature and will be held and treated in the strictest confidence and shall be returned to Seller promptly upon request; and (b) the recipient shall not contact employees or tenants of the Properties directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of the Seller or as otherwise provided in the Confidentiality and/or Registration Agreement executed and delivered by the recipient(s).



**For more information or to schedule
a tour, please contact:**

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