



625 Spring Street

Wyomissing, PA



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INVESTMENT SUMMARY

Remax Commercial is pleased to present an investment property located at 625-627 Spring Street, Wyomissing, Pennsylvania. This property includes a 26,860 square feet building on 3.14 acres of land in the Borough of Wyomissing. KPS and FMC have occupied their suites since August of 1996. Recently, both Tenants have extended their leases which shows a strong commitment to the building, and the area for over the last 28 years. The treatment that Fresenius Medical Care provides would be considered an essential need, and both Tenants have a recession-proof business.

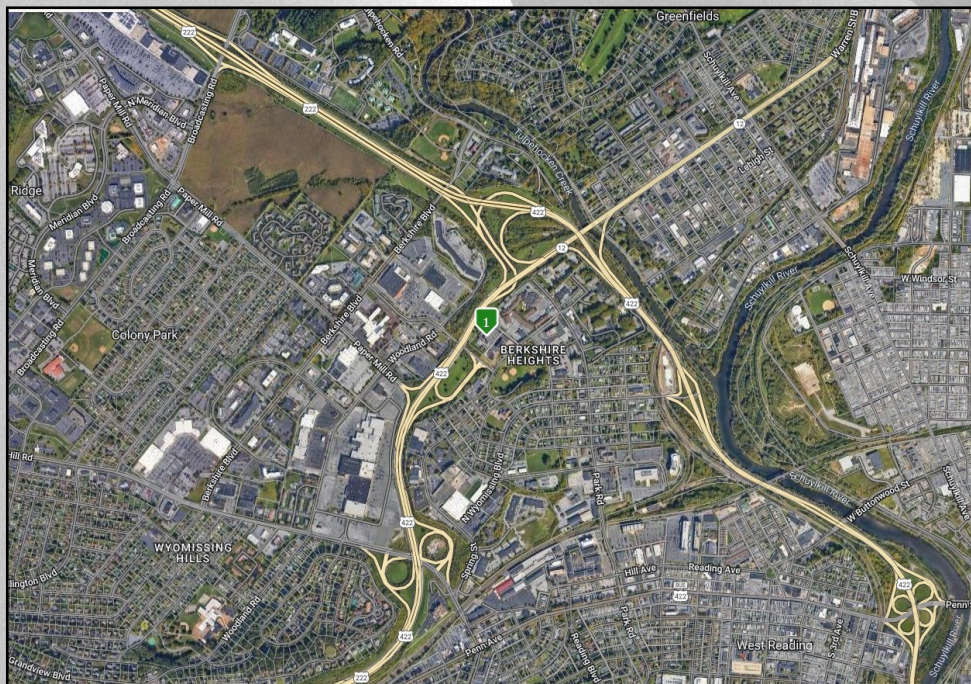
HISTORY OF BERKS

Berks County is a county in the Commonwealth of Pennsylvania. As of the 2020 census, the county's population was 428,849.^[2] The county seat is Reading, the fourth-most populous city in the state.^[3]

The county borders Lehigh County to its north and its east, Schuylkill County to its north, Lebanon and Lancaster counties to its west, and Chester County to its south. The county is approximately 26 miles (42 km) southwest of Allentown, the state's third-largest city, and 64 miles (103 km) northwest of Philadelphia, the state's largest city.

History

Reading developed during the 1740s when inhabitants of northern Lancaster County sent several petitions requesting that a separate county be established. With the help of German immigrant Conrad Weiser, the county was formed on March 11, 1752, from parts of Chester County, Lancaster County, and Philadelphia County.^[4]



OFFERING SUMMARY

PRICE: \$3,990,000.00

CAP RATE: 8.0%

NOI: \$319,521

PRICE PER SF: \$149.00

BUILDING SUMMARY

ADDRESS: 625-627 SPRING STREET
WYOMISSING, PA 19610

COUNTY: BERKS

BUILDING AREA: 26,860 SF

ACRES: 3.14

BUILT:: 625 Spring Street - 1975
627 Spring Street - 1996

ZONING: C-2

BUILDING & UTILITY DETAILS

Roof:

- 625: Rubber membrane, ~63% replaced in 2016 and the balance replaced in 2023.
- 627: Built-up with stone ballast, original in 1996.



Roof-top 625 HVAC / Boiler (services 100% of 2nd floor and 37% of 1st floor):

- Trane 60T Air-Cooler Scroll Chiller, new 2018
- 21,000 cfm Trane Air Handler, new 2022
- Pennant 1.5 million BTU Condensing Boiler, new 2021
- Above systems are maintained by KPS



Heat Pumps (services 63% of the 1st floor):

- One, Model THGD36 York Heat Pump (est. new 1994)
- Four Model THGD60 York Heat Pumps (est. new 1994)
- These systems are maintained by FMC



Natural Gas peak hourly demand:

- Boiler, 1.5 million BTU
- FMC water heaters: 76,000 BTU and 199,000 BTU
- 627 ceiling unit heaters: 2 at 165,000 BTU
- 627 locker room heat: 150,000 BTU
- 130 Kw Generac SG Generator: 1,575,000 BTU



LEASE INFORMATION

- Utility Costs for 2023:
 - The 625 service is split to 1200 amps for Fresenius (direct meter and payment) and 600 amps for KPS. The 625 building is also serviced by a backup 130 Kw generator.
 - The 627 building has a 400 amp service bi-directional service with a 63-panel, 14.5 Kw rooftop solar system.
 - There is a single gas service that services both buildings.
 - There is a single water service that services both buildings and a separate service for the 627 building sprinkler system.
 - The 625 building lacks sprinklers but is protected by a smoke detector system that is linked to a third party monitoring system to comply with borough requirements.
- Current Rent Roll :Kline Dietrich Partnership (KDP) is the owner of the property in which they lease 26,860 SF to KPS. KPS sublets the first floor of building 625 Spring Street, which consists of 11,030 SF to FMC. A Ten (10%) Percent increase was effective on August 1, 2024.
- Operating Expenses 2020 - 2023: These are covered by KPS, with a portion reimbursed by FMC through a CAM sharing agreement.



TENANT OVERVIEW

Kline Process Systems, Inc.

- Privately owned, KPS was established in 1990.
- Business focus is on food manufacturing process design, engineering, equipment procurement and fabrication, process automation, project supervision and commissioning services since 1990.
- KPS is expert in reimagining and updating manufacturing systems to comply with changing customer and product needs, regulatory requirements, with a growing emphasis since 2015 on the development of Greenfield food manufacturing plants.
- KPS has significant long-term customer relationships with clients that span the infant formula, brewing, aseptic beverage, ice cream, cheese, milk concentrates and powders, and dairy beverage industries.
- Relocated from Muhlenberg Township in 1996, as KPS needed more space for the engineering staff and vacant land to build a mechanical fabrication shop.
- The Wyomissing location is central to where the KPS staff lives, and it has great access to the airports that meet our customers needs to routinely travel to remote plant locations. The shop and outside storage areas are ideal for the fabrication of control panels and process skids that are shipped to our customer locations for installation.
- KPS occupies the second floor of the 625 building for its engineering, panel shop and administrative needs and the 627 building for its mechanical fabrication, equipment staging and large control panel assembly needs.
- KPS manages the property per the terms of its triple net lease. The current lease term expires August 1, 2031, with an optional five-year extension.



TENANT OVERVIEW

- FKC is a subsidiary of Fresenius Kidney Care, a worldwide public company operating 4,000 clinics treating 330,000 patients in 150 countries. FMC has forty manufacturing sites producing the machines and supplies utilized in its clinics. Its annual revenues are ~ 20B Euros.
- FKC subleases the first floor of the 625 building for hemo and peritoneal dialysis outpatient services and for clinical evaluations and counseling services for this and a sister outpatient treatment facility at 965 Berkshire Boulevard in Wyomissing.
- The patient treatment capacity of the two FKC outpatient facilities is identical, but the 625 building comes with a lower base rental charge and significantly lower water and sewer charges and real estate taxes.
- PA Dialysis (acquired by FMC in 2020) had been occupying the 1st front of the 625 building since 1986.
- The current FKC lease term expires July 31, 2029, with one five-year extension option.



LEASE SUMMARY

TENANT:	KPS
PREMISES:	625-627 Spring Street, Wyomissing, PA 19610
LEASE COMMENCEMENT:	August 1, 1996
LEASE EXPIRATION:	July 31, 2031
RENEWAL OPTIONS:	1, 5 Year Term Ending July 31, 2036
RENT INCREASES:	10% At Each Option Period
LEASE TYPE:	(NNN)
PERMITTED USE:	Medical, General Office & Warehouse
PROPERTY TAXES:	Tenant's Responsibility
INSURANCE:	Tenant's Responsibility
COMMON AREA:	Tenant's Responsibility
REPAIRS & MAINTENANCE:	Tenant's Responsibility
HVAC:	Tenant's Responsibility
UTILITIES:	Tenant's Responsibility
RIGHT OF FIRST REFUSAL:	NO

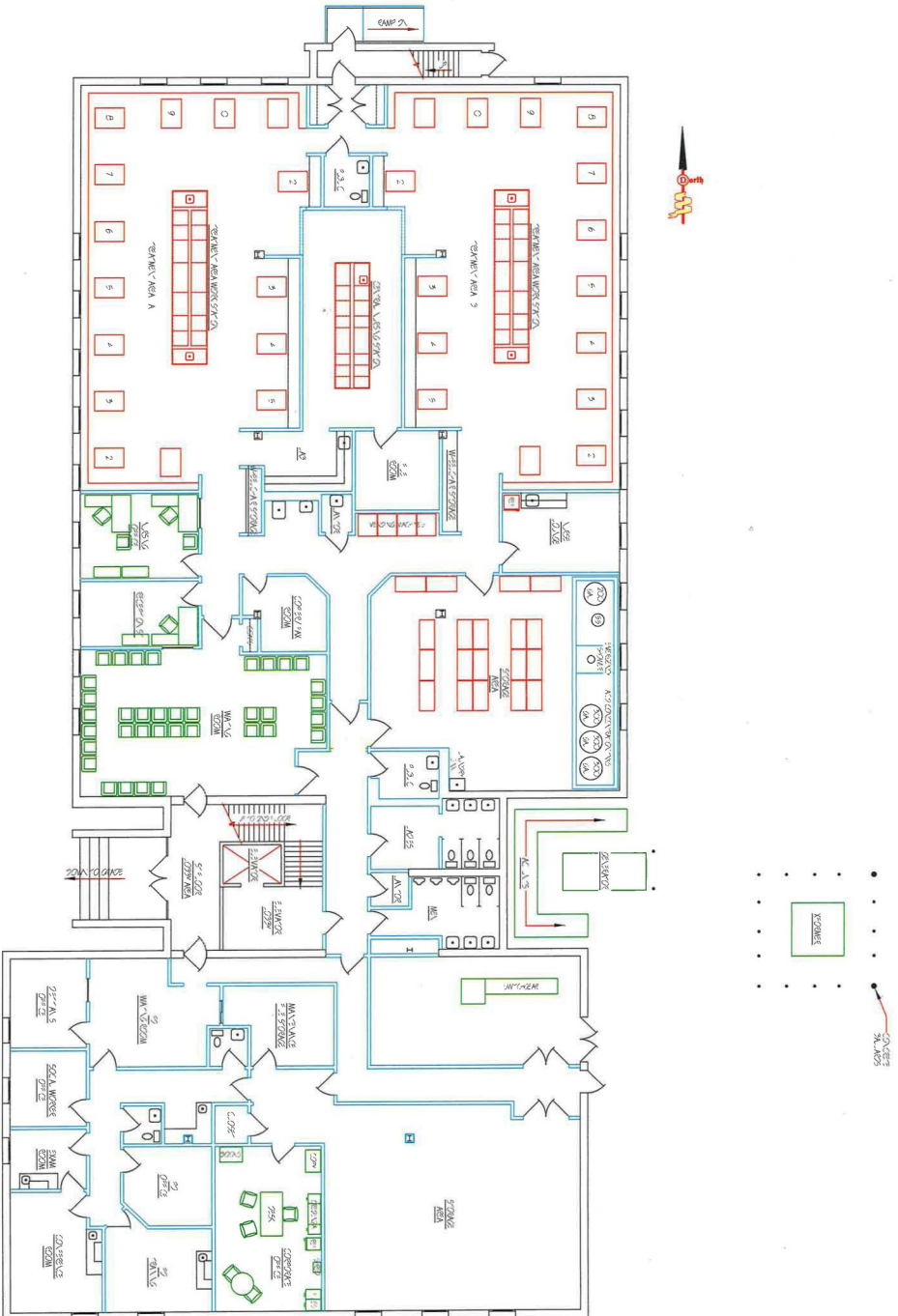
SQUARE FOOTAGE	ANNAUAL BASE RENT	RENT PER SF
OFFICE: 11,030 SF	\$146,817.00	\$13.31
WAREHOUSE: 4,800	\$45,914.00	\$9.56

LEASE SUMMARY

TENANT:	FMC
PREMISES:	625 Spring Street, Wyomissing, PA 19610
LEASE COMMENCEMENT:	August 1, 1996
LEASE EXPIRATION:	July 31, 2029
RENEWAL OPTIONS:	1, 5 Year Term Ending July 31, 2034
RENT INCREASES:	10% At Each Option Period
PERMITTED USE:	Medical, General Office & Warehouse
PROPERTY TAXES:	Tenant's Responsibility
INSURANCE:	Tenant's Responsibility
COMMON AREA:	Tenant's Responsibility
REPAIRS & MAINTENANCE:	Tenant's Responsibility
HVAC:	Tenant's Responsibility
UTILITIES:	Tenant's Responsibility
RIGHT OF FIRST REFUSAL:	NO

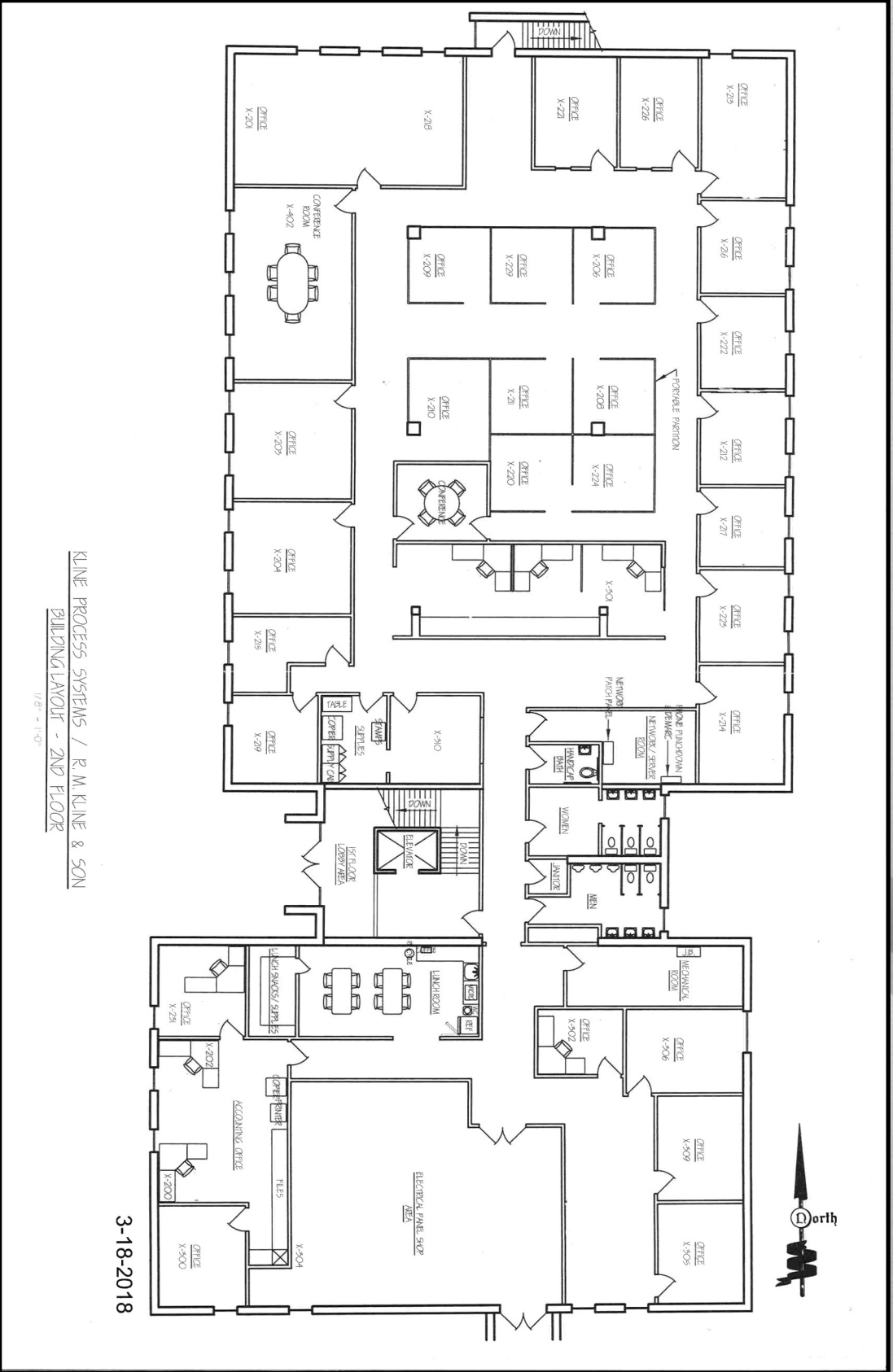
<u>SQUARE FOOTAGE</u>	<u>ANNAUAL BASE RENT</u>	<u>RENT PER SF</u>
11,030 SF	\$126,790	\$11.50

FLOOR PLAN - 1st Floor



KLINE - DIETRICH PARTNERSHIP
BUILDING LAYOUT - 1ST FLOOR
18 - 0

FLOOR PLAN - 2nd Floor



KLINE PROCESS SYSTEMS / R. M. KLINE & SON
 BUILDING LAYOUT - 2ND FLOOR

1/8" = 1'-0"

3-18-2018