

# SATELLITE HEALTHCARE

4207 Bangs Avenue, Modesto, CA



## OFFERING MEMORANDUM

Single Tenant Absolute NNN Leased Investment

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This Offering Memorandum (“Memorandum”) is being delivered for the sole purpose of evaluating the possible investment in **4207 Bangs Avenue, Modesto, California** (the “Project”), and is not to be used for any other purpose or made available to any other party without the prior written consent of Cushman & Wakefield. This Memorandum was prepared by Cushman & Wakefield based primarily on information supplied by Seller. It contains select information about the Project and the real estate market but does not contain all the information necessary to evaluate the Project. The financial projections contained herein are for general reference only. Various documents have been summarized herein to facilitate your review; these summaries are not intended to be a comprehensive statement of the terms or a legal analysis of such documents. While the information contained in this Memorandum is believed to be reliable, neither Cushman & Wakefield nor Seller guarantees its accuracy or completeness. Because of the foregoing and since the investment in the Project is being offered on an “As Is, Where Is” basis, a prospective investor or other party authorized by the prospective investor to use such material solely to facilitate the prospective purchaser’s investigation, must make its independent investigations, projections and conclusions regarding the investment in the Project without reliance on this Memorandum. Although additional Information, which may include engineering, environmental or other reports, may be provided to qualified parties as the marketing period proceeds, prospective purchasers should seek advice from their own attorneys, accountants, engineers and environmental experts. Cushman & Wakefield does not guarantee the accuracy or completeness of the information contained in this Memorandum or any other Information provided by Cushman & Wakefield. Seller expressly reserves the right, at its sole discretion, to reject any offer to invest in the Project or to terminate any negotiations with any party at any time with or without written notice. Seller shall have no legal commitment or obligations to any prospective investor unless and until a written sale agreement has been fully executed, delivered and approved by Seller and any conditions to Seller’s obligations thereunder have been satisfied or waived. Seller has retained Cushman & Wakefield as its exclusive broker and will be responsible for any commission due to Cushman & Wakefield in connection with a transaction relating to the Project pursuant to a separate agreement. Cushman & Wakefield is not authorized to make any representation or agreement on behalf of Seller. Each prospective investor will be responsible for any claims for commissions by any other broker in connection with an investment in the Project if such claims arise from acts of such prospective investor or its broker. This Memorandum is the property of Seller and all parties approved by Seller and may be used only by parties approved by Seller. No portion of this Memorandum may be copied or otherwise reproduced or disclosed to anyone except as permitted by Cushman & Wakefield.

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SATELLITE  
HEALTHCARE



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PERMANENTE

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11,094 SF  
TOTAL BUILDING SIZE

4207 Bangs Avenue, Modesto, CA  
ADDRESS

2000  
YEAR BUILT

1.04 Acres  
LOT SIZE

## EXECUTIVE SUMMARY & INVESTMENT OVERVIEW

Cushman & Wakefield is pleased to offer the opportunity to acquire a freestanding medical office building in Modesto, California, fully leased to a single tenant, Satellite Healthcare, Inc.

### The Offering

- A free-standing building totaling 11,094 square feet and located on 1.04 acres of land (the “Property”)
- Asking Price: \$3,980,000

### Tenant & Lease Summary

- Tenant: Satellite Healthcare, Inc.
- Initial Lease Term: 12 years
- Lease Commencement: April 1, 2013
- Lease Expiration: March 31, 2025
- Options: Two (2) 5-Year Option Periods Remaining
- Current Net Operating Income: \$249,561.75 (including 3% management fee)
- Cap Rate: 6.27%
- Rent Bumps: 10% every Five (5) Year
- Annual Base Rent Schedule (inclusive of 3% management fee):

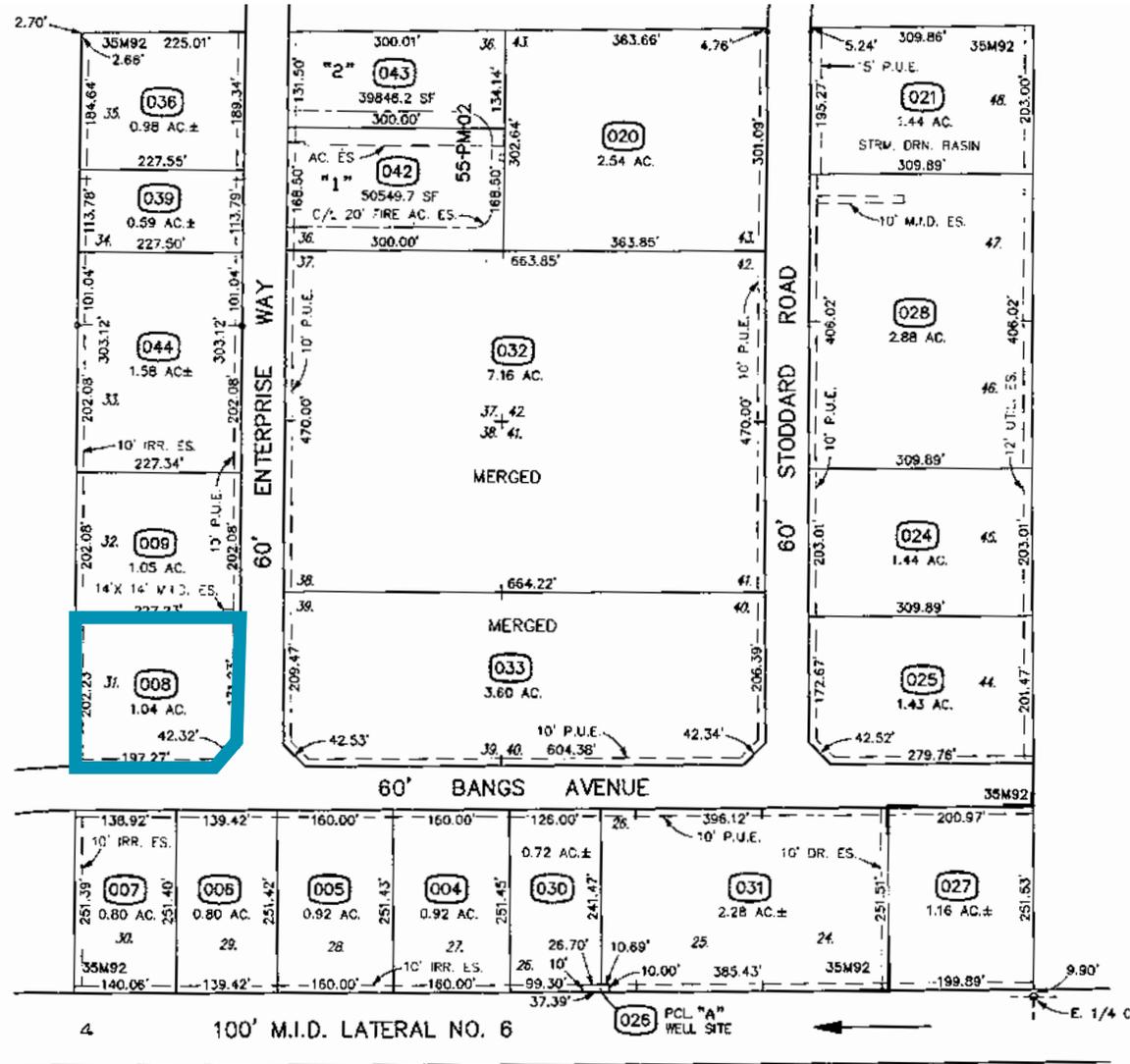
Years 1-5 (4/1/2013-3/31/2018):	\$226,251.04
Years 6-10 (4/1/2018-3/31/2023):	\$249,561.75
Years 11-12 (4/1/2023-3/31/2025):	\$274,243.68
Years 13-17 (Option 1):	95% of FMV, but not less than prior year
Year 18-22 (Option 2):	95% of FMV, but not less than prior year

# PROPERTY DESCRIPTION

Address;	4207 Bangs Avenue, Modesto, California
Building Size:	Approximately 11,094 SF
Site Area:	Approximately 1.04 acres
Shape:	Rectangle
Stories:	Two (2)
Access:	Two driveways provide access to employee and visitor parking
Parking Spaces:	Surface Parking - 55 spaces
Service Doors:	1 Grade Level Door
Utilities:	Water, Sewer, Electric, Telephone and Natural Gas
Topography:	Surrounding topography is generally level
Existing Use:	Medical office and Dialysis Center
Roof:	New. Replaced in 2018
Improvements:	Approximately \$2.5 million in tenant improvements completed in 2013



# Parcel Map





# A Shared Commitment to *Personalized* Patient Care

## SATELLITE HEALTHCARE

### **Making Life Better for Those Living with Kidney Disease**

For more than 40 years, our mission has remained unchanged. From the patient chair side to the boardroom, this powerful yet practical principle guides our daily clinical work as well as our leadership decisions.

### **A History of Patient Care**

By the 1960s, patients often traveled great distances to a regional medical center for life saving dialysis treatments.

Dr. Norm Coplon, Satellite's founder, believed it was possible to provide personalized dialysis care in a friendlier, more comfortable environment closer to where patients lived. With only six patients, the first Satellite dialysis center opened March 1st, 1974.

Today, Satellite Healthcare's staff of over 1500 work to improve the quality of life for more than 6500 patients, across 80 centers and six states.

And, this is just the beginning. Our next 40 years promise to be just as exciting as our first.

### **Our Values**

Formalized by direct patient care employees, our shared company values are summarized in ICARE, an acronym employees across our organization embrace as an expression of our commitment to patients and each other. ICARE stands for Innovation, Community, Accountability, Respect & Excellence.

Home dialysis patients live longer, enjoy better outcomes and reduce the cost of healthcare. That is why Satellite Healthcare created Satellite WellBound, the first healthcare services company to focus on personalized self-care training for home dialysis patients as well as on expert pre-dialysis patient wellness education.

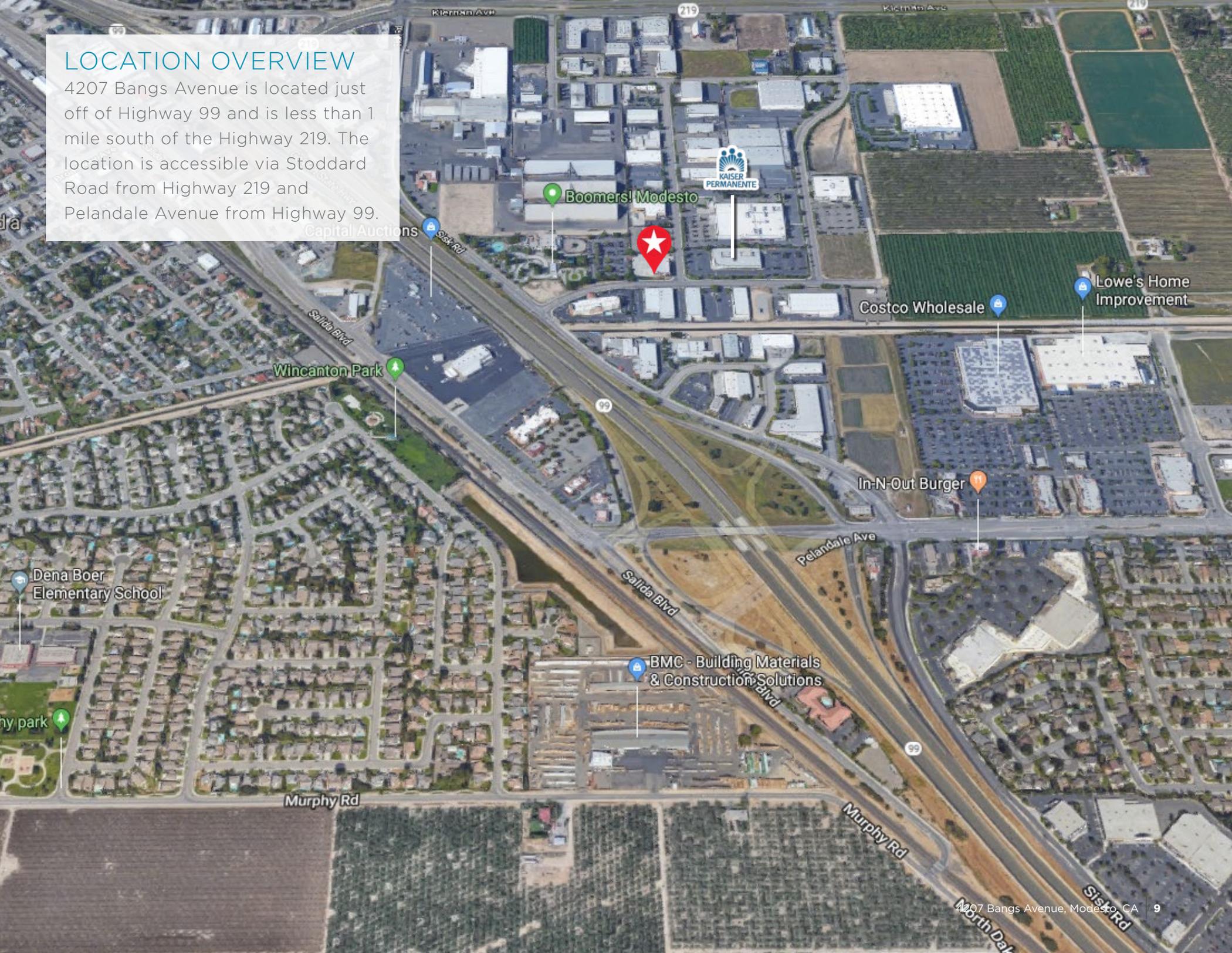
**Satellite WellBound Centers** are staffed with highly qualified physician partners and certified nephrology nurses who educate and support patients who perform their own dialysis treatments at home. In fact, the percentage of Satellite patients self-dialyzing at home is three times higher than with other providers. WellBound Centers support the full spectrum of home treatments and provide 24/7 availability to patients and their families.

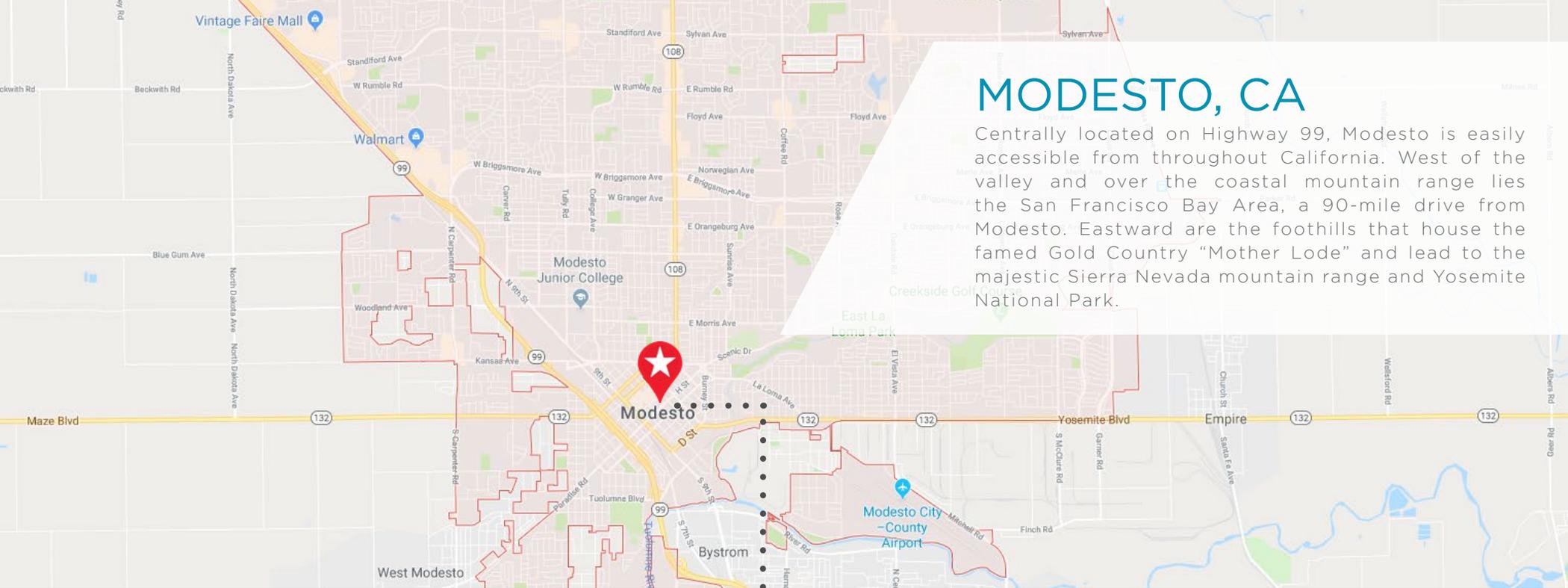
WellBound also offers free comprehensive Better LIFE™ Wellness Education classes to pre-dialysis CKD patients and their families. The information presented in these classes focuses on how patients can slow the progression of their kidney disease, delay their need for dialysis, and, if the need arises, smooth the transition to dialysis. This emphasis on CKD health literacy results in more engaged patients who are more proactive in managing their health.

**Leading the  
Industry in  
Home Dialysis and  
Pre-Dialysis  
Patient Education**

## LOCATION OVERVIEW

4207 Bangs Avenue is located just off of Highway 99 and is less than 1 mile south of the Highway 219. The location is accessible via Stoddard Road from Highway 219 and Pelandale Avenue from Highway 99.





# MODESTO, CA

Centrally located on Highway 99, Modesto is easily accessible from throughout California. West of the valley and over the coastal mountain range lies the San Francisco Bay Area, a 90-mile drive from Modesto. Eastward are the foothills that house the famed Gold Country “Mother Lode” and lead to the majestic Sierra Nevada mountain range and Yosemite National Park.



POPULATION	1 MILE	3 MILES	5 MILE
2018 Population	9,414	45,125	113,560
2023 Population	9,812	47,167	119,051
Pop Growth 2018-2023	4.23%	4.53%	4.84%
Average Age	34.40	36.30	37.80



HOUSEHOLDS	1 MILE	3 MILES	5 MILE
2018 Households	2,804	14,997	39,330
HH Growth 2018-2023	4.32%	4.54%	4.84%
Median Household Income	\$69,127	\$64,905	\$65,114
Avg Household Size	3.30	3.00	2.90
Median Home Value	\$251,963	\$269,492	\$285,613
Median Year Built	1989	1986	1979

# Market Overview

## Modesto Office Submarket

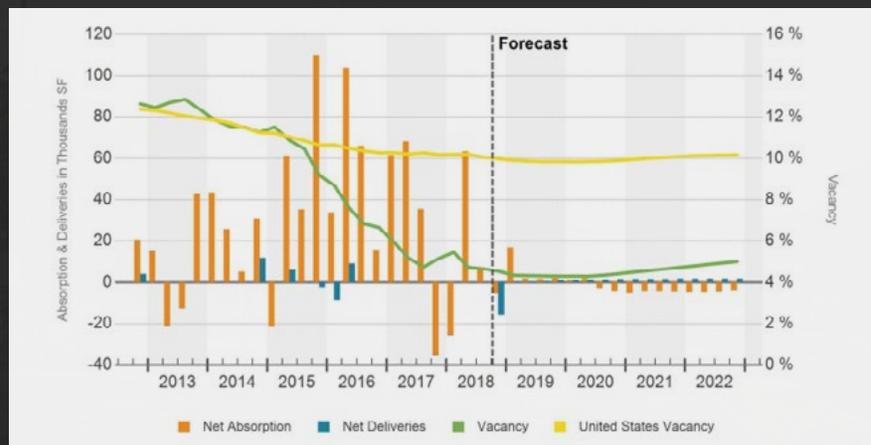
Modesto’s economy and job growth is largely driven by agriculture and manufacturing. Demand for large office space, therefore, is primarily limited to government and medical tenants. The latter has received a nice bump this cycle, as the Education/Health Services sector is one of the metros leaders in post-recession employment growth. Similar dynamics are widespread throughout Central Valley metros. Examples of tenants with large office footprints includes Modesto Irrigation District, Kaiser Permanente, and Stanislaus County Superior Court.

The lack of demand outside of these types of tenants has resulted in a finite amount of development this cycle. Additionally, vacancies have compressed sharply since

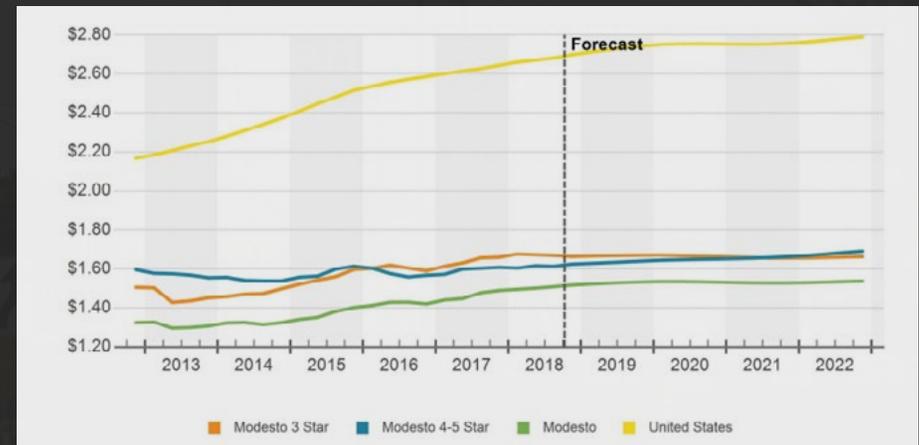
2014, due to the strong lease-up of spaces that are 2,000 SF or smaller, a signal of Modesto’s economy moving past its recovery phase. The vacancy rate is currently 4.2%.

Some of the larger deals of the past couple years includes Novo Technologies leasing almost 20,000 SF in March 2018, Opportunity Stanislaus signing for nearly 10,000 SF in September 2017, and San Joaquin County taking more than 10,000 SF in July 2017. Each of the aforementioned leases were in the Modesto Submarket, which includes approximately 80% of the metro’s office inventory, along with the bulk of the area’s population and jobs.

NET ABSORPTION, NET DELIVERIES & VACANCY



MARKET RENT PER SQUARE FOOT



# 4207 Bangs Avenue, Modesto, California

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NNN Leased Investment

## INVESTMENT CONTACTS

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