



www.orioncp.com

34719 6th Avenue S, Federal Way, WA

Evergreen Eye Center

Ambulatory Surgery Center



Scott Clements

P 206.445.7664

C 206.793.1074

E sclements@orioncp.com

David Butler

P 206.445.7665

C 425.890.7919

E dbutler@orioncp.com

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INVESTMENT HIGHLIGHTS: SUMMARY

INVESTMENT HIGHLIGHTS

Offering Price	\$4,900,000
Cap Rate	5.75%
Total Building Area	10,007 SF
Price Per Square Foot	\$489.65
Total Land Area	37,640 SF
NOI	\$280,992

New 10.5 year NNN Lease
Well established state-of-the-art eye surgery center
Evergreen Eye Center founded in 1989



THE OFFERING

ORION Commercial Partners is excited to offer for sale the highly esteemed Evergreen Eye Surgery Center located in Federal Way, WA. Evergreen Eye Center was originally founded in 1989 by Dr. John Jarstad. Jarstad’s vision of a state-of-the-art surgery center serving the Pacific Northwest was realized in 1995 with the opening of the Evergreen Eye Surgery Center.

Strategically located next to St. Francis Hospital, which is part of the five hospital Franciscan Health System, the Evergreen Eye Center does not have or require a certificate of Need For Operation as a surgical center due to an agreement with Medicare, which requires that the members of the Evergreen Eye Center only use the ambulatory surgery center.

Offered for sale for the first time ever, this investment opportunity is backed by a 10.5 year NNN lease to Evergreen Eye Center Inc. with annual



CPI rental increases. This rare investment opportunity provides the passive investor with a state-of-the-art facility and a strong tenant with a proven track record of success.



INVESTMENT HIGHLIGHTS

»» NNN Lease With Annual CPI Increases

Evergreen Eye Center Inc. recently executed a 10.5 year NNN Lease with (5) five year options to extend.

»» Strong Signature - Evergreen Eye Center, Inc.

Founded in 1989, Evergreen Eye Center has been the leader in comprehensive vision care for the past 26 years. With four locations across the Puget Sound and over 80 dedicated and caring professionals, Evergreen Eye Center will continue its long-standing reputation of delivering cutting edge eye care for years to come.

»» Strong Demographics

Federal Way is a city in King County in the Puget Sound region of Washington State. With a population of nearly 90,000, Federal Way one of Seattle's largest suburbs. Federal Way is home to the US-headquarters of World Vision and Capital One services. With an average household income of around \$80,000 the demographics are perfectly suited for the typical Evergreen Eye Center client base.



ABOUT EVERGREEN EYE CENTER

Care at Evergreen Eye Center is offered by ophthalmologists trained at some of the top eye surgery programs in the nation. With a tradition of caring, competent service, they've developed a long-standing reputation of delivering leading edge eye care with a personal touch. Their doctors are among the leading eye care professionals nationwide, and the entire team is focused on bringing you the most technologically superior care available in our supportive and attentive environment.

Evergreen Eye Center's expertise has been called upon by local TV news, morning shows and radio broadcasts. Their above par staff has been awarded with top rating in service. Founder John S. Jarstad, M.D. completed both his medical residency and his internship at the world-renowned Mayo Clinic in Rochester, Minnesota, and was named one of America's top ophthalmologists by the Consumer Research Council. Recently, according to Seattle Magazine's *July 2015 Top Doctor* issue, Gary W. Chung, of Evergreen Eye Center, made the final *Top Doctors* list out of 459 doctors in the Puget Sound region from a variety of specialties.

EVERGREEN EYE CENTER TESTIMONIAL

"My career in the big leagues hinges on terrific eyesight. That's why I went to Evergreen Eye Center. To play in the majors, I've got to be able to see a 95 mph fastball and have great vision day or night. Dr. Jarstad and Evergreen Eye Center made this happen for me with LASIK eye surgery. I went from playing baseball for Federal Way High School to earning two championship rings playing major ball in San Francisco in 2010 and in 2014. My success took off following LASIK eye surgery with Dr. Jarstad. Just 5 minutes per eye and in 10 minutes I could see great. I wasn't nervous at all; I knew I was going to the very best."

- Travis Ishikawa, Professional Baseball Player

EVERGREEN EYE CENTER PROCEDURES

Visian™ Implantable Collamer Lens (ICL)

For most patients seeking correction of their refractive error, LASIK is a safe and effective method of correcting nearsightedness, farsightedness and astigmatism. It is still the most common procedure to help those wishing to eliminate their dependence on eyeglasses and contact lenses.

Cataract Surgery

Evergreen Eye Center have a dedicated cataract surgical facility staffed with caring professionals who are dedicated to anticipate one's needs and provide a calm, low-stress surgical experience.

LASIK Laser Eye Surgery

LASIK - Laser-assisted In Situ Keratomileusis - is an outpatient procedure that can be used to correct myopia, hyperopia and astigmatism. LASIK surgery uses a small laser to reshape the cornea, improving its ability to focus light on the back of the eye, reducing or eliminating the need for corrective lenses.

Premium Intraocular Lenses

Intraocular lenses (IOLs) are artificial lenses that can be used to replace a patient's natural ones. Evergreen Eye Center offers several types of premium IOLs that can be used to treat a range of vision problems.

Macular Degeneration Treatment

Evergreen Eye Center offers fluorescein angiography and digital photography of the fundus, which aids in the diagnosis of the disease and helps them understand its progression over time.

Corneal Transplant

At Evergreen Eye Center, they combine the latest in innovative technology with thorough and compassionate care. Helping patients of vision loss due to injury, infection, scarring, congenital defect, including conditions such as keratoconus or Fuchs' dystrophy, a corneal transplant may help to restore sight - and quality of life.

TENANT OVERVIEW

PHOTOS



SITE OVERVIEW



SITE OVERVIEW

PARCEL MAP



FINANCIAL ANALYSIS



RENT ROLL

Tenant	Rentable Sq. Ft.	Term Begins	Term Ends	Rent/SF	Annual Rent	Rent Increases	Option Periods	Expenses
Evergreen Eye Center Inc. PS	10,007	09/01/2015	02/28/2026	\$28.08	\$280,992	Annual CPI	(5) 5 year	NNN

VALUATION ANALYSIS

Price:		4,900,000	
Proposed Down Payment:	30.00%	\$1,470,000	
Current Cap Rate:		5.73%	
Approximate Net Rentable SF:		10,007	sf
Approximate Lot Size:		37,640	sf
Year Built:		1995	
Cost Per Net Rentable SF:		\$489.66	
Rent Per Net Rentable SF:		\$28.08	NNN
2015 Annualized Data			
Gross Potential Rental Income:		\$280,992	
Plus Recaptured Operating Expenses:		\$81,000	
Gross Operating Income:		\$361,992	
Less Operating Expenses:		(\$81,000)	
Net Operating Income:		\$280,992	
Less Annual Debt Service:		\$(211,616)	
Pre-Tax Cash Flow:	4.72%	\$69,376	
Plus Principal Reduction:		\$84,433	
Pre-Tax Return:	10.46%	\$153,808	
Pre-Tax Return:			

Loan Information	
Proposed First Loan Amount:	\$3,430,000
Interest Rate:	3.75%
Amortization:	25
Annual Debt Service:	\$(211,616)
Due in 5 years	
2015 Operating Expenses	
Real Estate Taxes (2015):	Tenant Paid
Insurance:	Tenant Paid
Repairs:	Tenant Paid
Maintenance:	Tenant Paid
Utilities:	Tenant Paid
Total Non-Recaptured Expenses:	\$-
Total Estimated Property Expenses:	\$81,000
Property Expenses/Net RSF:	\$8.09

*as a percentage of down payment

MARKET OVERVIEW

ABOUT FEDERAL WAY

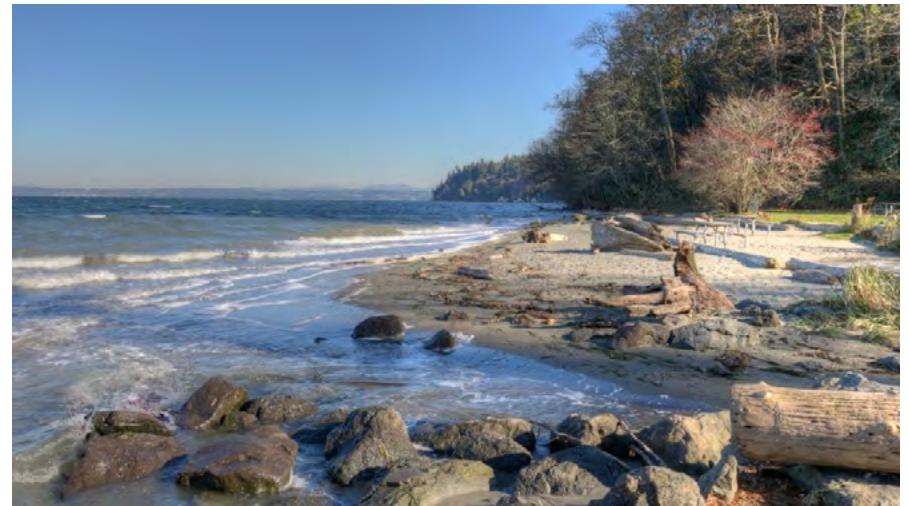
Federal Way is located 25 minutes south of downtown Seattle and 15 minutes north of Tacoma. Located 10 minutes from SeaTac airport, along Interstate 5 –serving the Pacific Coast states from Canada to Mexico.

The City of Federal Way, and numerous venues around the city, promote tourism to Federal Way for the purposes of sharing its unique and inviting attractions. The city allows one to explore nature in an urban setting at the Botanical Garden and the Pacific Rim Bonsai Collection or zoom on a roller coaster at Wild Waves Amusement Park or swim and dive at the King County Aquatics Center.

Federal Way creates a welcoming situation for industry. World Vision's US office headquarters has called Federal Way home for years. The city's ever growing economy has a slew of major companies that have expanded their presence in Federal Way, a few of which include: Davita, Devry University, Morpho Trak, Kiewit Construction, Rockwell Collins, Tommy Bahama and Capital One.

The City of Federal Way is locally identified by its 1990s semi-urban development, characterized by landscaped off-street multi-structure apartment complexes and shopping centers. Located on South 320th Street (one of the busiest streets in the state of Washington), The Commons Mall is a 767,997-square-foot regional shopping center anchored by Macy's, Sears, Kohl's, Target, Century Theatres and Dick's Sporting Goods. The mall hosts many free events and serves as a community and family gathering place.

Nestled between two mountain ranges, the Cascades to the east with the majestic Mt. Rainer looming over the city and the Olympic Range to the west. Federal Way hugs the shoreline of the picturesque Puget Sound inlet offering amazing views and outdoor activities, lending itself to an unparalleled quality of life.



DEMOGRAPHICS

FEDERAL WAY DEMOGRAPHICS

Radius	1 Mile	3 Mile	5 Mile
Population:			
2020 Projection	6,669	99,297	198,267
2015 Estimate	6,152	92,769	185,707
2010 Census	5,714	89,843	180,260
Growth 2015-2020	8.40%	7.04%	6.76%
Growth 2010-2015	7.67%	3.26%	3.02%
2015 Population Hispanic Origin	901	13,102	26,312
2014 Population by Race:			
White	3,757	61,337	128,950
Black	588	8,282	14,737
Am. Indian & Alaskan	71	1,320	2,869
Asian	1,170	13,739	24,153
Hawaiian & Pacific Island	180	2,313	4,089
Other	386	5,779	10,910

Radius	1 Mile	3 Mile	5 Mile
Households:			
2020 Projection	2,667	36,708	73,470
2015 Estimate	2,456	34,238	68,720
2010 Census	2,268	33,027	66,432
Growth 2015 - 2020	8.59%	7.21%	6.91%
Growth 2010 - 2015	8.29%	3.67%	3.44%
Owner Occupied	816	20,059	41,736
Renter Occupied	1,639	14,179	26,984
2015 Avg Household Income	\$66,510	\$75,632	\$78,428
2015 Med Household Income	\$49,303	\$60,675	\$62,154
2015 Households by Household Inc:			
Less than \$25,000	549	6,157	12,097
\$25,000 - \$50,000	698	7,698	15,076
\$50,000 - \$75,000	461	6,742	13,413
\$75,000 - \$100,000	300	5,102	9,880
\$100,000 - \$125,000	129	3,420	7,192
\$125,000 - \$150,000	138	1,992	4,120
\$150,000 - \$200,000	109	2,052	4,180
\$200,000+	71	1,075	2,762



