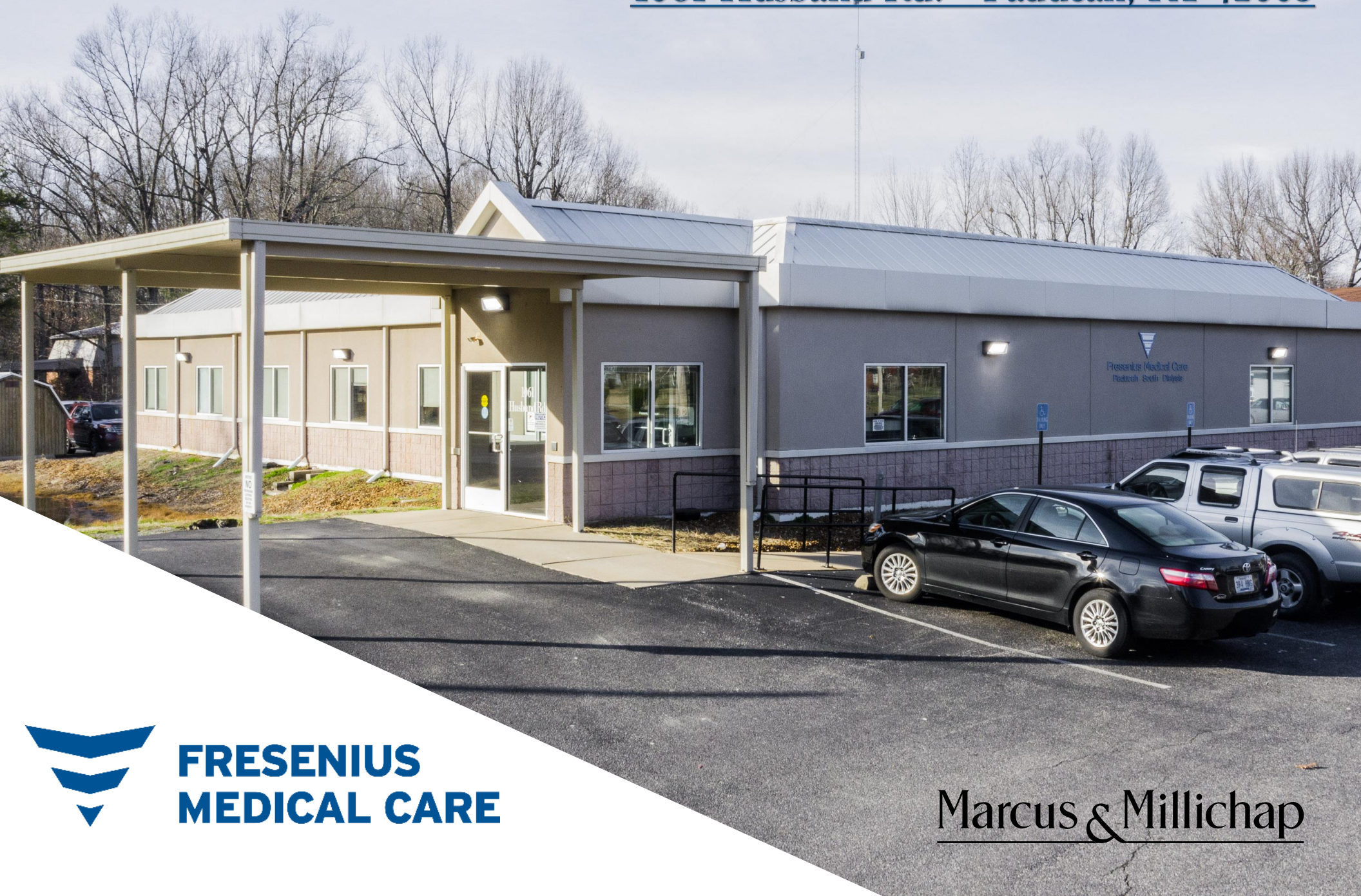


# OFFERING MEMORANDUM

1061 Husband Rd. • Paducah, KY 42003



**FRESENIUS  
MEDICAL CARE**

Marcus & Millichap



# NON-ENDORSEMENT AND DISCLAIMER NOTICE

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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.  
PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

1061 HUSBAND RD  
Paducah, KY  
ACT ID ZAB0310074

Broker of Record  
Colby Haugness  
Lic.# 242197

# Marcus & Millichap



# NET LEASED DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.



Marcus & Millichap



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Fresenius Medical Care  
Paducah South Dialysis

1061

# INVESTMENT OVERVIEW



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Marcus & Millichap is pleased to present the opportunity to acquire the only freestanding dialysis clinic in the city of Paducah, KY. Originally built to suit for Fresenius in 2002, the tenant signed a twenty-year net lease with annual CPI escalations. The lease includes two five-year options to extend with CPI increases continuing annually.

The city of Paducah, Kentucky is located in the heart of McCracken county and is conveniently situated off Interstate 24 directly in between the cities of Nashville and St. Louis. Paducah is home to nearly 40,000 residents, all of which live within a five-mile radius of the subject property.

This investment offers an attractive yield to the investor looking for a specialized medical office with a national tenant. The clinic is easily accessible for all residents of Paducah. With so many contributing factors, the business presents itself as a necessary service to the community, which bodes well for years to come.

## INVESTMENT HIGHLIGHTS

- ✓ Only Dialysis Clinic in Paducah, KY
- ✓ Annual CPI Increases
- ✓ Original Twenty-Year Net Lease
- ✓ Two Five Year Options to Renew
- ✓ 16 Dialysis Stations
- ✓ Three Shifts Monday, Wednesday, Friday
- ✓ Two Shifts Tuesday, Thursday, Saturday



## The Offering

Property	Fresenius Paducah, KY
Property Address	1061 Husband Road Paducah, Kentucky 42003
Price	\$2,030,000
Capitalization Rate	8.59%
Price/SF	\$371.79

## Property Description

Year Built / Renovated	2002
Gross Leasable Area	5,460 SF
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	1.47 Acres

## Lease Summary

Property Subtype	Single Tenant Office Medical
Tenant	NNA of Paducah LLC
Rent Increases	Annual CPI Increases
Guarantor	Subsidiary of a Corporation
Lease Type	NN
Lease Commencement	9/1/2002
Lease Expiration	8/31/2022
Lease Term	20
Term Remaining on Lease (Years)	2.5
Renewal Options	Two Five Year Options
Landlord Responsibility	Roof, Structure, Landscaping
Tenant Responsibility	Taxes, Insurance, HVAC

## FINANCIAL OVERVIEW

### Annualized Operating Information

Net Operating Income	\$174,348
Rent Per Square Foot	\$32.05

### Rent Schedule

Year	Annual Rent	Monthly Rent	Cap Rate
Current	\$174,998	\$14,583	8.59%
9/1/2020 - 8/31/2021	\$178,498	\$14,875	8.76%
9/1/2021 - 8/31/2022	\$182,068	\$15,172	8.94%



\*Rent schedule is based on 2% increase. Annual landscaping fee of \$650 has been subtracted from current rent to show NOI.



## Offering Summary

Price	\$2,030,000
Net Operating Income	\$174,348
Capitalization Rate – Current	8.59%
Price / SF	\$371.79
Rent / SF	\$32.05
Lease Type	NN
Gross Leasable Area	5,460 SF
Year Built / Renovated	2002
Lot Size	1.47 acre(s)

## Financing

Loan Amount	\$1,421,000
Loan Type	Financed - New Loan
Loan to Value	70.00%
Down Payment	30% / \$609,000
Interest Rate / Amortization	4.5% / 25 Years
Annual Loan Payment	\$94,781
Net Cash Flow After Debt Service	13.17% / \$80,217
Cash on Cash Return	13.17%
Total Return	18.34% / \$111,697



## OFFERING SUMMARY

### Demographics

	1 Miles	3 Miles	5 Miles
<b>POPULATION</b>			
2023 Projection	3,344	16,208	39,013
2018 Estimate	3,459	16,819	39,655
2010 Census	3,419	16,822	39,542
2000 Census	3,742	18,393	40,915
<b>INCOME</b>			
Average	\$37,328	\$40,888	\$57,593
Median	\$29,642	\$27,122	\$39,114
Per Capita	\$16,429	\$18,580	\$25,741
<b>HOUSEHOLDS</b>			
2023 Projection	1,480	7,219	17,399
2018 Estimate	1,518	7,436	17,513
2010 Census	1,503	7,444	17,450
2000 Census	1,622	8,116	17,907
<b>HOUSING</b>			
2018	\$59,428	\$71,054	\$105,734
<b>EMPLOYMENT</b>			
2018 Daytime Population	3,972	25,261	54,173
2018 Unemployment	13.38%	11.23%	8.53%
2018 Median Time Traveled	18	18	18
<b>RACE &amp; ETHNICITY</b>			
White	85.20%	76.76%	78.79%
Native American	0.00%	0.02%	0.02%
African American	9.74%	17.43%	15.85%
Asian/Pacific Islander	0.40%	0.75%	0.92%





## TENANT PROFILE

### Tenant Profile

Entity	Fresenius Medical Care AG & Co. KGaA
Ticker	NYSE: FMS
Headquarters	Bad Homburg, Germany
Revenue	\$18.53 Billion
EBITDA	\$2.41 Billion
Net Income	\$2.22 Billion
Total Cash	\$2.40 Billion
Total Debt	\$5.62 Billion
Net Worth	\$14.45 Billion
Credit Rating	S&P BBB-   Moody's Baa3

- \$18.5 BILLION IN REVENUE / \$14.5 BILLION NET WORTH (2018)
- AVERAGE ANNUAL GROWTH OF 15% OVER THE LAST 20 YEARS
- INVESTMENT GRADE TENANT - S&P RATED BBB- / MOODY'S RATED BAA3(2)
- FRESENIUS MEDICAL CARE EMPLOYS MORE THAN 112,658 PEOPLE, INCLUDING OVER 60,000 IN NORTH AMERICA
- FRESENIUS MEDICAL CARE SERVES 333,331 PATIENTS IN MORE THAN 50 COUNTRIES ACROSS 3,928 CLINICS


Fresenius Medical Care is the world's largest provider of products and services for individuals with renal diseases of which around 3.4 million patients worldwide regularly undergo dialysis treatment. Through its network of 3,928 dialysis clinics, Fresenius Medical Care provides dialysis treatments for 333,331 patients around the globe. Fresenius Medical Care has over 112,658 employees in more than 50 countries. Fresenius Medical Care is also the leading provider of dialysis products such as dialysis machines or dialyzers. Along with the core business, the company focuses on expanding the range of related medical services in the field of Care Coordination. Fresenius Medical Care is listed on the Frankfurt Stock Exchange (FME) and on the New York Stock Exchange (FMS).



**2,200+**  
U.S DIALYSIS CLINICS



**190,000+**  
U.S PATIENTS SERVED



**26M**  
ANNUAL  
HEMODIALYSIS  
TREATMENT  
EQUIVALENTS IN  
NORTH AMERICA



**50+**  
STATES AND  
TERRITORIES IN OUR  
NETWORK



**60,000+**  
U.S. EMPLOYEES

(1) All financial data shown above is for Fresenius Medical Care.  
Sources: [www.freseniusmedicalcare.com](http://www.freseniusmedicalcare.com), Yahoo Finance, Standard & Poor's, Moody's.  
(2) S&P Credit Rating is for Fresenius Medical Care Holdings, Inc.,



## LOCATION & MARKET OVERVIEW



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**Walmart**  
Save money. Live better.



**LOWE'S**

**CVS**  
pharmacy

**Wendy's**



**BIG!**LOTS

**Aaron's**

**Auto  
Zone**





PARCEL OUTLINE







BAPTIST HEALTH®

PADUCAH



Assisted Living  
Facilities

MORNINGSIDE  
OF PADUCAH



Stonecreek

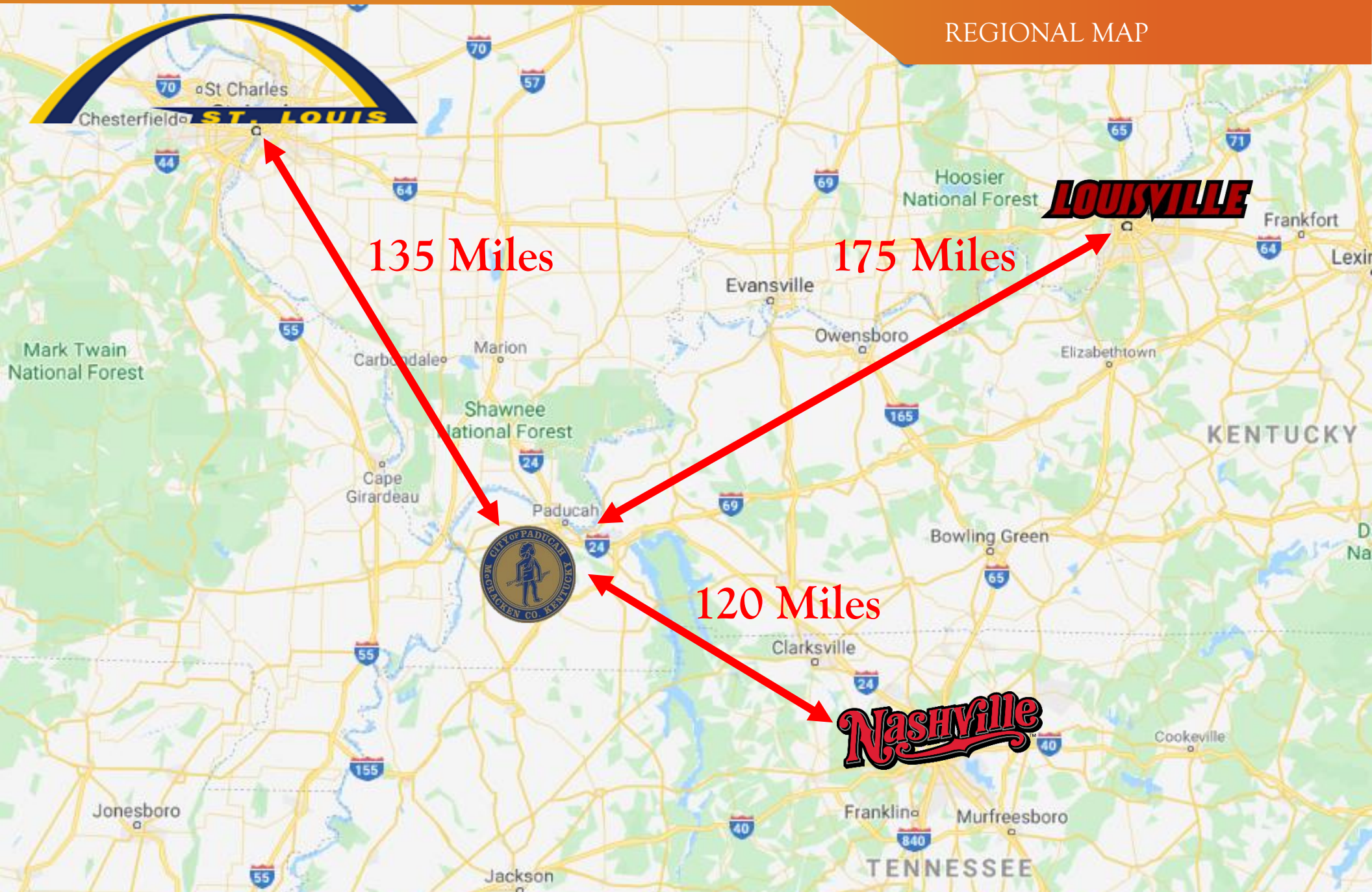
HEALTH AND REHABILITATION



MERCYHEALTH









Baptist Health Paducah has a total of 373 staffed beds and is a regional medical and referral center, serving about 200,000 patients a year from four states. The hospital provides a full range of services. The main campus covers eight square blocks, plus off-site outpatient rehab, occupational medicine, primary care, school clinics, imaging and lab. Overall, Baptist Hospital Paducah offers 20 points of care to make healthcare more convenient for area residents. Baptist Health Paducah has about 2,000 employees, making it one of the region's largest employers; and about 260 physicians representing more than 40 medical specialties.

<https://www.baptisthealth.com/paducah/Pages/about-baptist-health-paducah.aspx>



James Marine, Inc. is headquartered in Paducah Kentucky employing over 900 workers. JMI strives to be the leading full-service inland river repair company. Our teams of professionals are committed to setting the standard in innovation, safety & development, using green technology whenever possible. Our goal is to exceed customer expectation in production and turn-around time, always with the highest regards to safety.

<https://jamesmarine.com/about/>

For additional information about the Paducah, KY click below.

<http://www.thinkkentucky.com/cmnty/BusInd.aspx?cw=096>

## ECONOMIC OVERVIEW



Mercy Health — Lourdes Hospital has a total of 306 staffed beds and serves as a regional referral center for a wide geographic region, including more than a dozen counties in western Kentucky, southern Illinois, southeast Missouri, and northwest Tennessee. Mercy Health — Lourdes Hospital offers an extensive array of medical specialties and technologies typically found in much larger urban settings.

<https://www.mercy.com/locations/hospitals/paducah/lourdes-hospital>



Marquette Transportation Company employs over 900 workers in the City of Paducah. Ray Eckstein founded what is now the River Division of Marquette Transportation Company, LLC in 1978. Throughout the years we joined forces with two other family-owned businesses, Eckstein Marine Services and HLC Tugs, to add our Gulf-Inland and Offshore divisions, respectively. Each of our divisions has grown over the years, surviving grain embargoes, fluctuating fuel costs, and other challenges that led us to adapt, innovate, and prosper. Today, we're the only fully-integrated, seamless transportation provider in the industry.

<https://www.marquettettrans.com/>



## MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources providing the most competitive rates and terms.

We leverage our prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues to the benefit of our clients.



**Closed 1,678  
debt and equity  
financings  
in 2018**



**National platform  
operating  
within the firm's  
brokerage offices**



**\$6.24 billion  
total national  
volume in 2018**



**Access to more  
capital sources  
than any other  
firm in the  
industry**

### WHY MMCC?

**Optimum financing solutions  
to enhance value**

**Our ability to enhance  
buyer pool by expanding  
finance options**

**Our ability to enhance  
seller control**

- Through buyer qualification support
- Our ability to manage buyers finance expectations
- Ability to monitor and manage buyer/lender progress, insuring timely, predictable closings
- By relying on a world class set of debt/equity sources and presenting a tightly underwritten credit file



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