

# \$3,700,000 @ 5.76% Cap

- ❖ Corporate Net Lease with ± 8-Years Remaining
- ❖ Highly Improved ± 9,650 SF Medical Use Building
- ❖ Best-in-Class Dialysis Tenant - 37% US Market Share
- ❖ COVID Resistant - Essential Business for Community
- ❖ Busy Clinic - Open for Service 6 Days Per Week
- ❖ Perfect 1031 Exchange Property for Passive Investors



SUBJECT PROPERTY PHOTO

## 2807 RING ROAD | ELIZABETHTOWN, KENTUCKY



216 N. Coast Hwy 101, Encinitas, CA 92024

PAUL BONANNO  
(760) 452-2402  
[PAUL@NNNSEARCH.COM](mailto:PAUL@NNNSEARCH.COM)



In Association  
with KY Broker :

ERIK SJOLUND  
(760) 452-2401  
[ERIK@NNNSEARCH.COM](mailto:ERIK@NNNSEARCH.COM)

BRIAN BROCKMAN  
(513) 898-1551  
[BOR@BANGREALTY.COM](mailto:BOR@BANGREALTY.COM)



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# OFFERING OVERVIEW



SUBJECT PROPERTY PHOTO



## ***Davita Dialysis in Elizabethtown, KY***

The Elizabethtown DaVita Dialysis Clinic was a build-to-suit for DaVita in 2015. This highly improved medical facility is 100% leased to DaVita Healthcare Partners, Inc. This location provides kidney dialysis services, consists of 9,896 square feet which houses 17 patient stations. The lease currently has 8 years remaining on the initial lease term and includes two 5-year options to renew.

This development is well located in Elizabethtown, Kentucky, in a growing area 44 miles south of Louisville. The subject facility is 4 miles driving distance from a 300-bed Hardin Memorial Hospital. Kentucky is a Certificate of Need (CON) state, which creates significant barriers to entry in this market for any potential competitors of DaVita. CON laws are designed to restrain health care facility costs and allow coordinated planning of new services and construction to give incentives for companies to build and operate health care services where needed.

Other area developments include Fort Knox National Bank, Crowne Point Movie Theater, Wal-Mart, Kroger, Walgreen's, Loew's, Home Depot, Law Offices, Assisted Living, Bluegrass Cellular, US Post Office and several hotels including Wingfield Inn, Hilton Garden Suites, Holiday Inn and Fairfield Inn. Three miles to the north is the Towne Mall. Traffic along Ring-Road is busy and connects to the area freeways. Interstate 65 is in close proximity to the property and connects Elizabethtown to Louisville, Bowling Green and Nashville. SR 9002 also within close proximity connects Elizabethtown to Bardstown and to Lexington.

PRICE: **\$ 3,700,000**

NOI: **\$ 213,211/Year**

Cap Rate: **5.76%**

Remaining Term: **± 8 Years**

- ❖ **Corporate Net Lease with ± 8-Years Remaining** - The property is currently under a Net Lease with minimal Landlord responsibilities, Guaranteed by Davita Healthcare Partners, Inc.
- ❖ **Best-in-Class Dialysis Provider - 37% of US Market share** - Davita Dialysis Clinics are amongst the busiest/most utilized in the United States. - currently Davita has 37% of the US Market Share for Dialysis Services
- ❖ **Busy Clinic - Open 6 Days Per Week** - The subject site is open for operation 6 days per week - which is well above the average days per week of other DaVita clinics and competitors.
- ❖ **COVID Resistant - Essential Business for Community** - Davita Dialysis is a COVID Resistant tenant as they provide essential healthcare services to their communities.

# FINANCIAL OVERVIEW



SITE ADDRESS:



**2807 Ring Road,  
Elizabethtown, KY 42701**

ASKING PRICE:

**\$ 3,700,000**

NET INCOME (NOI):

**\$ 213,211 / YEAR**

CAP RATE:

**5.76%**

Rentable Square Feet(RSF):

**9,648 SF (Approx.)**

Lot Size:

**2.192 ACRES**

Ownership Type:

**Fee Simple**

Tenant Trade Name:

**Davita Kidney Care**

Guarantor:

**Davita Healthcare Partners, Inc.**

Credit:

**Corporate**

Lease Type:

**Double Net (NN)**

Rent Commencement:

**May 30, 2015**

Original Lease Term:

**15 Years**

Lease Expiration:

**May 29, 2030**

Remaining Lease Term:

**± 8 Years**

Rental Increases:

**10% Increase @ Every 5 Years**

Tenant Options:

**Two (2) x 5-Year Options**

Right of First Refusal:

**None**

Landlord Responsibilities:

**Roof & Structure**



REPRESENTATIVE PHOTO

**LEASE TERM:**

**NET INCOME/YR:**

May 2015 – May 2020

**\$ 193,828**

May 2020 – May 2025

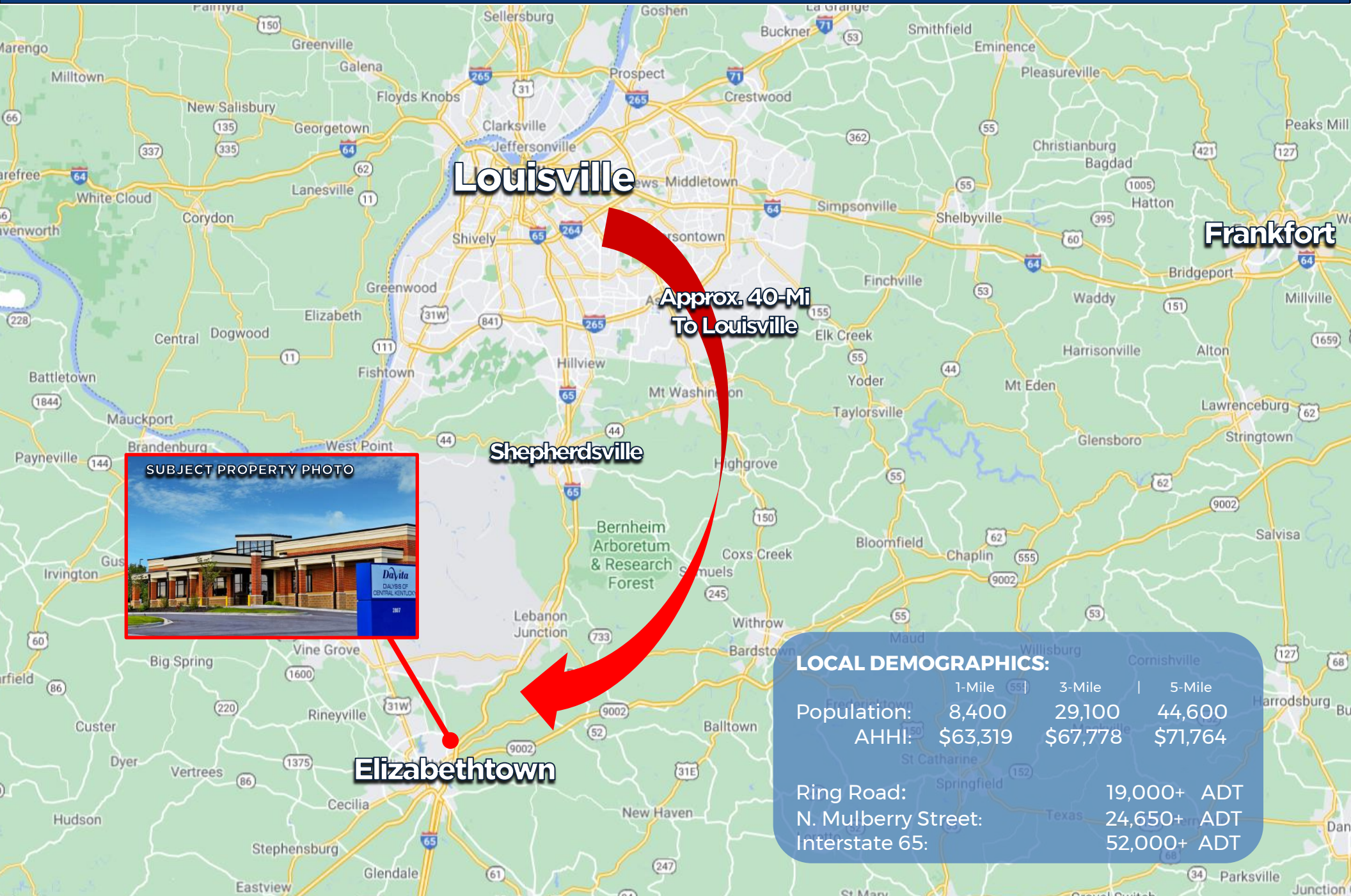
**\$ 213,211**

May 2025 – May 2030

**\$ 234,532**



# REGIONAL MAP



## LOCAL DEMOGRAPHICS:

	1-Mile	3-Mile	5-Mile
Population:	8,400	29,100	44,600
AHHI:	\$63,319	\$67,778	\$71,764

Ring Road:	19,000+	ADT
N. Mulberry Street:	24,650+	ADT
Interstate 65:	52,000+	ADT

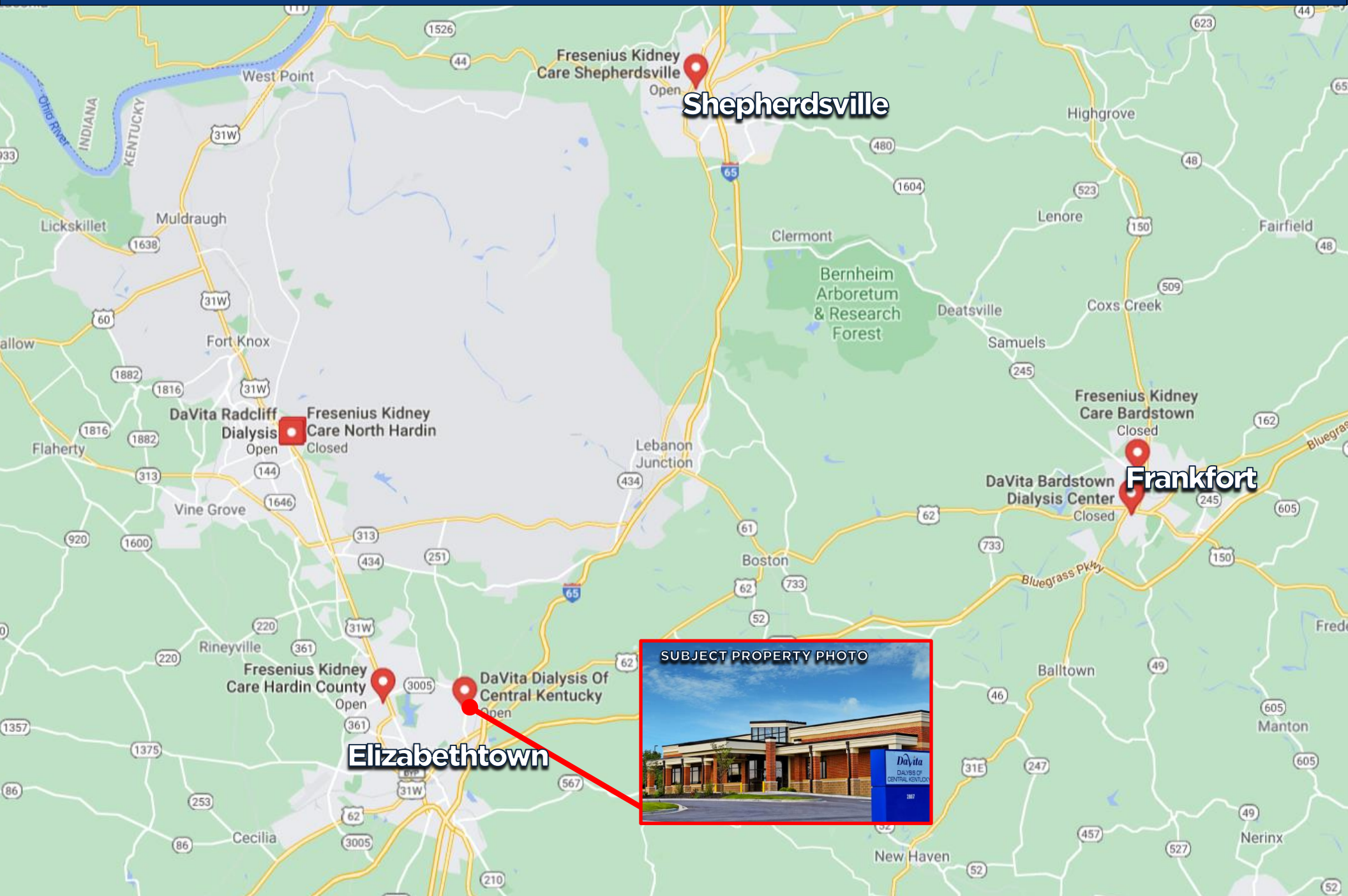


# LOCAL MAP





# DIALYSIS COMPETITORS MAP





# AREA OVERVIEW



## ***Elizabethtown, Kentucky***

Elizabethtown is a city in Hardin County, Kentucky. It serves as the county seat of Hardin County and is part of the Louisville metropolitan area. It is a thriving community and only 45 miles south of downtown Louisville. Interstate 65 runs through the middle of the city making transportation easy and accessible. The city's strong foundations and fun activities make it the perfect place for any business to thrive.

There are various attractions that bring visitors to the streets of Elizabethtown. One of the most exciting things to do in the city is visit the Towne Mall. The mall features over 50 notable retailers such as Bath & Body Works, JCPenny, and many others. It attracts tens of thousands of visitors from all over Kentucky every year and is a big boost to Elizabethtown's economy.

Another popular attraction in the area is the Elizabethtown Sports Park. This large park features more than 150 acres in the heart of Elizabethtown. It includes twelve professional soccer fields, three baseball fields, three large pavilions, and multiple locker rooms. The park is surrounded by dozens of family restaurants and hotels, bringing in thousands of families every year. Downtown Elizabethtown is the place to be on a night out. With high-end eateries and boutiques, there is something for everyone to enjoy.

The city itself has seen a rapid growth in development in the past five years, as hundreds of new residential and commercial developments have been completed. The largest employer in the area is the Hardin Memorial Hospital and employs more than 1,600 people.

The city is known for its strategic location, as it is right off Interstate 65, which gives it close proximity to Louisville and Nashville. Over 1 million workers are within a 45-minute radius of Elizabethtown, which makes finding workers for your business easy.

Elizabethtown is also located less than twenty minutes south of Fort Knox, one of the United States Army's largest bases. The 109,000-acre site covers multiple counties of Kentucky and has been home of the US Army Armor Center and the US Army Armor School for the past sixty years. More than 40,000 soldiers, family members, and employees reside on the base and thousands more visit every year. The area also hosts the General George Patton Museum of Leadership, where visitors can learn more about the history of Fort Knox, and the Fort Knox Water Park, where visitors can have fun with their family. Fort Knox is also home to the summer training facilities for The Reserve Officer Training Corps, where young adults are trained every year to become officers in the US military.





# TENANT OVERVIEW



**DaVita, Inc.** is one of the leading kidney care companies in the United States with over 2,350 outpatient clinics in 46 states. It also offers acute inpatient dialysis services in approximately 900 hospitals and it guarantees this lease unconditionally. This publicly traded company is number 200 on the Fortune 500. As of December 31, 2020, DaVita, Inc. generated over \$11.550 billion in revenue yielding it over \$773 million in net income and it maintains a net worth in excess of \$1.38 billion. DaVita, Inc. is ranked Ba2 by Moody's Investor Services.

## OUR MISSION:

To be the Provider, Partner, and Employer of Choice.



**Guarantor:**  
**Ownership Type:**  
**Traded As:**  
**Majority Owner:**  
**# of Locations:**  
**# of Employees:**  
**Revenue:**  
**Founded:**  
**Headquarters:**  
**Website:**

**Davita Healthcare Partners, Inc.**  
**Public**  
**NYSE: DVA** ([Current Quote](#))  
**Berkshire Hathaway**  
**2,350+**  
**67,000+**  
**\$11.550 billion (2020)**  
**1979**  
**Denver, Colorado**  
[www.Davita.com](http://www.Davita.com)



# LANDLORD RESPONSIBILITIES DETAILED



**18. Repairs and Maintenance.** Lessor shall be responsible for maintaining, repairing, and replacing the systems and structures of the Building in accordance with the following:

(a) Maintenance, Repair, and Replacement at Lessor's Sole Cost. Lessor shall, at Lessor's sole cost and expense, maintain and keep in good order and repair and make any necessary replacements to the following Building structures and systems: concrete slab, footings, foundation, structural components, exterior walls (excluding painting), sidewalks, driveways, loading areas, flooring system (excluding floor covering), exterior plumbing, and electrical systems of the Building.

(b) Maintenance, Repair and Replacement Subject to Lessee Reimbursement.

(i) Parking Areas. Lessor shall maintain and keep in good order and repair and make any necessary replacements to the parking areas, provided that Lessee shall reimburse Lessor for the reasonable and actual cost thereof on an amortized basis, as more fully described below in this Section 18.

(ii) Roof. Lessor shall maintain and keep in good order and repair and make any necessary replacements to the roof, roof membrane, and roof covering, provided that (A) with respect to repairs and maintenance, Lessee shall reimburse Lessor for actual and reasonable costs not to exceed \$1,000 per Lease Year, and (B) with respect to replacement, Lessee shall reimburse Lessor for the reasonable and actual cost thereof on an amortized basis.

(iii) HVAC. Lessor shall make any necessary replacements to, but shall not be responsible for maintenance and repairs of, the heating, ventilation, and cooling systems ("HVAC") of the Building, provided that Lessee shall reimburse Lessor for the reasonable and actual cost of such replacements on an amortized basis.

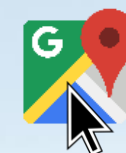
If Lessor shall not commence the foregoing repairs within the fifteen (15) days following written notice from Lessee that such repairs are necessary, and if Lessee's use of the Premises is materially and adversely affected by the need for such repairs, then Lessee may, at its option, cause such Lessor's repairs to be made and shall furnish Lessor with a statement of the cost of such repairs upon substantial completion thereof. Lessor shall reimburse Lessee for the reasonable and actual cost of such repairs plus a service charge to cover Lessee's expenses in an amount equal to 10% of the cost of such repairs within ten (10) days of the date of the statement from Lessee setting forth the amount due, provided, however, should Lessor fail to reimburse Lessee with said ten (10) day period, then Lessee may, at its option, offset such amount against subsequent Rent and additional rent due under this Lease.

As used above in this Section 18, "amortized basis" shall mean allocation of the subject cost over the useful life of the capital item with a return on capital at the then current market rate per annum on the unamortized balance or at such lower rate as may have been actually paid by Lessor on funds borrowed for the purpose of making such repairs or replacements, and only the annual amortized amount shall be the amount Lessee is required to reimburse Lessor during each Lease Year. The "useful life" for purposes of replacements of the roof, roof membrane, or roof covering shall be twenty (20) years, and for purposes of replacements of the Buildings HVAC shall be fifteen (15) years. The "useful life" for all other items shall be determined in accordance with generally accepted accounting principles consistently applied.

Except for Lessor's obligations set forth above and except for any damage caused by the acts of negligence by Lessor or its agents within the Premises, Lessee shall maintain said Premises and any and all HVAC systems installed by Lessee in the same condition, order and repair as they are at the commencement of said Term, excepting only normal wear and tear arising from the use thereof and damage by fire or other casualty. Lessee shall maintain a contract for the routine and periodic maintenance and regular inspection of such HVAC systems servicing the Premises, the replacement of filters as recommended and the performance of other recommended periodic servicing in accordance with applicable manufacturer's standards and recommendations.



# 2807 RING ROAD, ELIZABETHTOWN, KENTUCKY



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