



# **Memorial Hospital at Gulfport Physicians' Clinic & Diagnostic Imaging Center**

**6 Years remaining with 2% annual rent increases**



*Confidential Offering Memorandum*



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# INVESTMENT HIGHLIGHTS

- 6 YEARS OF LEASE TERM REMAINING WITH 2% ANNUAL INCREASES AND RECENT EARLY LEASE RENEWAL BY TENANT
- 10+ YEAR OPERATING HISTORY BY TENANT AT THE SITE WITH MULTIPLE LEASE EXTENSIONS, SHOWING COMMITMENT TO THE LOCATION
- STRONG TENANCY BY LEADING OPERATOR, MEMORIAL HOSPITAL AT GULFPORT (“MHG”), ONE OF THE LARGEST HOSPITAL SYSTEMS IN THE GULF COAST REGION
- NET LEASED PROPERTY WITH MINIMAL LANDLORD OBLIGATIONS
- MULTI-SPECIALITY CLINIC PROVIDING FAMILY MEDICINE, WALK-IN CLINIC, A VARIETY OF DIAGNOSTIC IMAGING AND TESTING SERVICES AND OTHER SPECIALITIES FOR PATIENTS
- CLINIC IS ONE OF ONLY 8 “SPOKE” LOCATIONS OUT OF 100 IN THE HOSPITAL SYSTEM THAT OFFERS DIAGNOSTIC IMAGING, CREATING A MISSION-CRITICAL ELEMENT TO THE PROPERTY WITH THE HOSPITAL’S OPERATIONS IN THE REGION
- STRATEGICALLY LOCATED IMMEDIATELY OFF INTERSTATE 10 (60,000 VPD) EXIT, THE PRIMARY EAST/WEST INTERSTATE IN THE SOUTHEAST
- MHG HAS LEADING MARKET SHARE AND SERVES MORE THAN 67% OF HOUSEHOLDS IN THE GULFPORT MSA, HOME TO OVER 422,000 RESIDENTS
- MHG SEES ± 13,000 PATIENTS ANNUALLY AND GENERATES MORE THAN \$600 MILLION IN ANNUAL REVENUE

**Price: \$3,950,000**

**Cap Rate: 6.35%**



# THE OFFERING



Jones Lang LaSalle Americas, Inc. (“JLL”) is pleased to offer the fee-simple interest in a net leased single-tenant medical office in the Gulfport, MS MSA (the “Property”), tenanted by Memorial Hospital at Gulfport (“MHG”, “Tenant”). The facility has operated as a multi-specialty clinic since 2011, providing family medicine, a walk-in clinic, a variety of diagnostic imaging and testing services, and other specialties for patients. The Tenant recently executed an early lease extension, extending their lease term to August 2027, featuring attractive 2% annual rent increases. As the largest hospital system in southern Mississippi, the Tenant generates over \$680M in annual operating revenue and has over 100 spoke clinic locations in the coastal Mississippi region, offering a secure parent credit guarantee to the lease. The Property is one of 8 out of 100+ spoke clinic locations within the MHG system to offer diagnostic imaging care, providing a complete range of specialized tests and diagnostic procedures including Open Bore MRIs, PET/CT Scan, X-Rays, DEXA (bone density) exams, etc. Located in the Gulfport MSA, the Property is strategically situated right off an Interstate 10 exit seeing over 60,000 VPD and with ease of access to the over 420,000 residents that live in the local region. Additionally, situated on a 2.12-acre parcel with ample parking on site, the Property is well positioned to serve the local patient base that drive from throughout the region to the location.

**This offering represents an opportunity to own a single-tenant medical office with one of the largest hospital systems in Mississippi as the Tenant, and attractive annual rent increases. With occupancy dating back to 2011 and multiple lease extensions, the Tenant has shown a history of commitment to the location due to the mission-criticality of the diagnostic imaging services offered at the Property.**





# LEASE ABSTRACT & PROPERTY OVERVIEW

## Lease Summary

Address	4300 Leisure Time Drive
City, State	Diamondhead, MS
MSA	Gulfport, MS
Tenant	Memorial Hospital at Gulfport
Lease Type	NN
Building Size	11,400 SF
Year Built	2011
Site Size	2.12 Acres
In-Place Rent	\$250,800
Lease Commencement	8/20/2012
Lease Expiration	8/10/2027
Remaining Term	6 years
Options	Two (2) 5-year options w/ 12 months notice
Rent Increases	2% annually

## Repairs & Maintenance

Common Area Maintenance	<b>Tenant reimburses</b> all, except exterior structure & roof
Roof & Structure	Landlord Responsibility
Taxes & Insurance	Tenant reimburses

Year	Year Ending	Annual Base Rent	Annual Rent / SF	Rent Escalation
1	8/10/2022	\$250,800	\$22.00	-
2	8/10/2023	\$255,816	\$22.44	2.00%
3	8/10/2024	\$260,932	\$22.89	2.00%
4	8/10/2025	\$266,151	\$23.35	2.00%
5	8/10/2026	\$271,474	\$23.81	2.00%
6	8/10/2027	\$276,903	\$24.29	2.00%







**Memorial**  
Memorial Physicians  
Clinic & Diagnostic  
Imaging Center

**FRESENIUS  
MEDICAL CARE**



# TENANT OVERVIEW



## Memorial Hospital at Gulfport

Memorial Hospital at Gulfport is a not-for-profit medical complex in Gulfport, Mississippi, jointly owned by the City of Gulfport and Harrison County. Memorial's mission is Building a Healthier Community. Memorial is one of the most comprehensive healthcare systems in the state, licensed for 328 beds, including a state-designated Level II Trauma Center, three nursing centers, three outpatient surgery centers, satellite outpatient diagnostic and rehabilitation centers and more than 100 Memorial Physician Clinics.

Memorial offers several of the region's most comprehensive clinical programs, such as emergency medicine; women and children services; orthopedic services; cardiovascular services; neurosciences and oncology. Additionally, Memorial provides medical specialties unique to the coast which include a Level III Neonatal ICU and Mississippi's first nationally certified Primary Stroke Center. Memorial offers 3D imaging and advanced surgical techniques, including the robotic assisted Specialty Surgery System. Memorial is accredited by The Joint Commission, the Commission on Cancer, the College of American Pathologists and the American College of Radiology.

## Memorial Hospital at Gulfport - Main Hospital



### Summary

<b>Tenant</b>	Memorial Hospital at Gulfport
<b>Years of Operation</b>	75+ Years
<b># of Hospital Beds</b>	350+
<b>Ownership Type</b>	City of Gulfport and Harrison County
<b>Employees</b>	5,000+
<b># of Physicians Clinics Locations</b>	100+ across 4 counties



# TENANT OVERVIEW



## Memorial Hospital Clinics



- ❖ There are over 100 physicians' clinic locations in the Memorial Hospital system. The services include primary care and numerous medical specialties, in addition to some of region' highest rated clinical programs
- ❖ The subject clinic is a family medicine and walk-in clinic, providing primary care services including lab and x-ray, in addition to a diagnostic imaging center, one of eight within the hospital system.
- ❖ As a Diagnostic Imaging Center, the Property offers a complete range of specialized tests and diagnostic procedures including the following:

- Open Bore MRI
- PET/CT Scan
- Ultrasounds
- DEXA (bone density) exams
- Neurodiagnostic studies

## Awards & Accreditations

❖ **Best Regional Hospitals in 2021 – Coastal Mississippi** by *U.S News*





# MARKET – COASTAL MISSISSIPPI

Gulfport – Biloxi MSA



The Mississippi Coast is a 3-county region along the central coast of the northern Gulf of Mexico. It is known for its unique location with many geographic advantages and ease of access. The region has a population of over 420,000 people and a strong and supportive business environment.

Strategically situated on the I-10 Corridor, the Mississippi Coast is home to a vast array of industry, including aerospace and defense, shipbuilding, specialty chemical, and polymer/plastics companies. The Mississippi Coast is also home to three international airports, two deep water ports, and a robust highway infrastructure, giving these industries flexibility for logistics and sourcing. Additionally, the population contains a high concentration of military bases and commands, and the area's continued support and partnership with the U.S. Military helps transition military personnel to the civilian workforce.

With a substantial amount of private sector investments (almost \$750 million in industry projects in development) and impending disbursements, such as funding from the Gulf Coast Restoration Fund and Gulf of Mexico Security Act (GOMESA), Coastal Mississippi is set up for prosperous years to come for the local economy.

Port of Gulfport

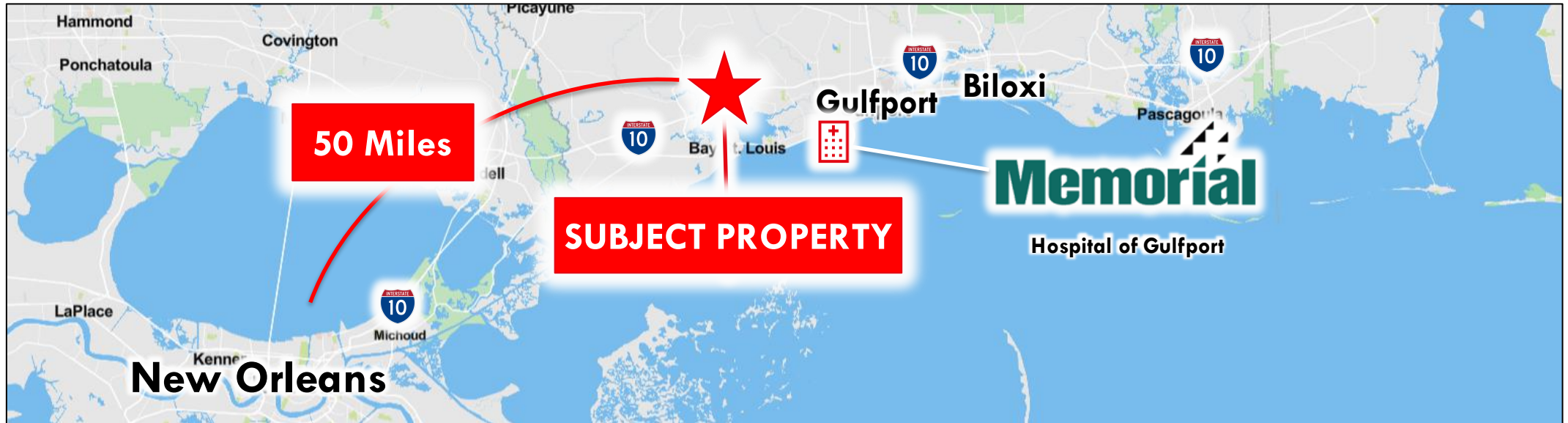


## *Economic Highlights*

- Strategically situated on the I-10 Corridor
- A right to work state and pro-business climate
- 12 local colleges provide a well-educated, trainable workforce
- Low cost of business
- Packaged and specialized workforce training programs and funds
- High-level quality of life that helps attract new talent



# MARKET – COASTAL MISSISSIPPI





# LOCATION

View: Southeast

60,000  
VPD



Gex Drive: 20,000 VPD

**ROUSES  
MARKETS**

**FAMILY DOLLAR**

**WAFFLE  
HOUSE**

**CIRCLE K**

**BURGER  
KING**

**Chevron**

**DQ**

**Domino's  
Pizza**

**LazyVillage**

**EconoLodge  
Inn & Suites**

**RAMADA  
BY WYNDHAM**

**Memorial**

	3-mile	5-mile	Gulfport-Biloxi MSA
Population	9,752	21,789	422,559
Average HHI	\$91,707	\$75,700	\$69,093
Growth Since 2010	13.2%	15.5%	8.7%
Median Age	44.4	48.3	38.7
% of Family Households	69.8%	67.3%	67.2%



# Property Photography





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