

Memorial

Memorial Hospital &
Headquarters Gulfport
(328-Bed Acute Care Hospital)



Naval Construction
Battalion Center
(1,100 Acre U.S.
Naval Complex)



NET LEASE INVESTMENT OFFERING

 **MEMORIAL HEALTH SYSTEM**
4300B W RAILROAD STREET
GULFPORT, MS 39501



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EXECUTIVE SUMMARY

The Boulder Group is pleased to exclusively market for sale a single tenant net leased Memorial Health System office located in Gulfport, Mississippi. The tenant exercised their 5-year lease extension early and removed their termination option from the lease which demonstrates immense commitment. The lease runs through January 2027 and features 3% annual rental escalations. The subject property is part of the Memorial Health System and is utilized for nephrology and kidney care. Memorial Health System is an investment grade rated tenant (Fitch: BBB-). ***The Subject property houses nephrologists on staff for the five regional Fresenius clinics.***

The 9,835 square foot Memorial Health System property is positioned in a high traffic area just blocks from the beach. It is within proximity to several highly traveled thoroughfares; West Beach Boulevard (30,000 VPD), 25th Avenue (42,000 VPD), and Interstate 10 (63,000 VPD). The subject property is positioned less than one half mile south of the Memorial Hospital Gulfport, a 328-bed acute care hospital and headquarters that was recognized as the 2022-2023 Best Hospital in Mississippi by U.S. News & World Report. Memorial is also one of the area's top employers second to the Naval Construction Battalion Center (NCBC). The NCBC occupies over 1,100 acres of land and is the home base for Navy's construction battalions. The space is populated by 4,400+ active-duty personnel and 6,400+ retirees. Furthermore, the property is adjacent to the Port of Gulfport which is major economic driver for Mississippi. The Port is the third largest container port on the Gulf of Mexico, among the top 20 U.S. container ports and the second largest importer of fruit in the nation. Lastly, 49,360 people live within five miles of the property and earn an average annual household income of \$61,090.

Memorial serves 13 cities across Mississippi. Memorial Hospital is the city's second largest employer with over 3,331 employees in Gulfport alone. Memorial's expansive footprint includes two hospital facilities, licensed for a total of 328 beds; three outpatient surgery locations; a medical office building; outpatient diagnostic centers; more than 100 Memorial Physician Clinics, and post-acute services including skilled nursing, long-term care, certified Alzheimer/Dementia unit, and continuous care community living; 5,000 employees and 400 physicians, providing care for over 40 specialties.



INVESTMENT HIGHLIGHTS

- Positioned within the Gulfport MSA
- Memorial Health System exercised a 5-year lease extension early and removed their termination option
- The tenant is currently renovating the interior at their own expense
- Memorial Health System is an investment grade tenant (Fitch: BBB-)
- The Subject property houses nephrologists on staff for the five regional Fresenius clinics
- The adjacent property is leased to Fresenius through May 2036
- Memorial has been recognized as a 2022-2023 Best Hospital in Mississippi by U.S. News & World Report
- Adjacent to the tenant's 328-bed hospital/ headquarters
- Utilized for nephrology and kidney care
- 3% annual rental escalations
- Surrounded by the areas major employers and economic drivers; The Naval Construction Battalion Center (NCBC), Memorial Health System, and The Port of Gulfport
- Near several highly traveled thoroughfares; West Beach Boulevard (30,000 VPD), 25th Avenue (42,000 VPD), and Interstate 10 (63,000 VPD)
- 49,360 people live within five miles of the property and earn an AHHI of \$61,090

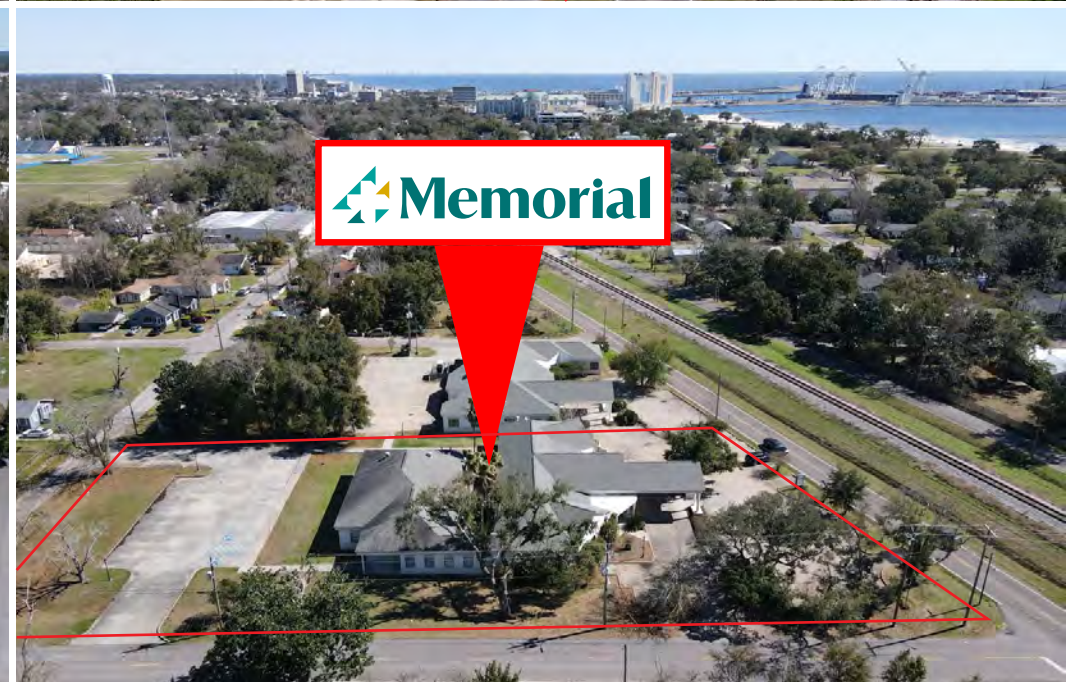


PROPERTY OVERVIEW

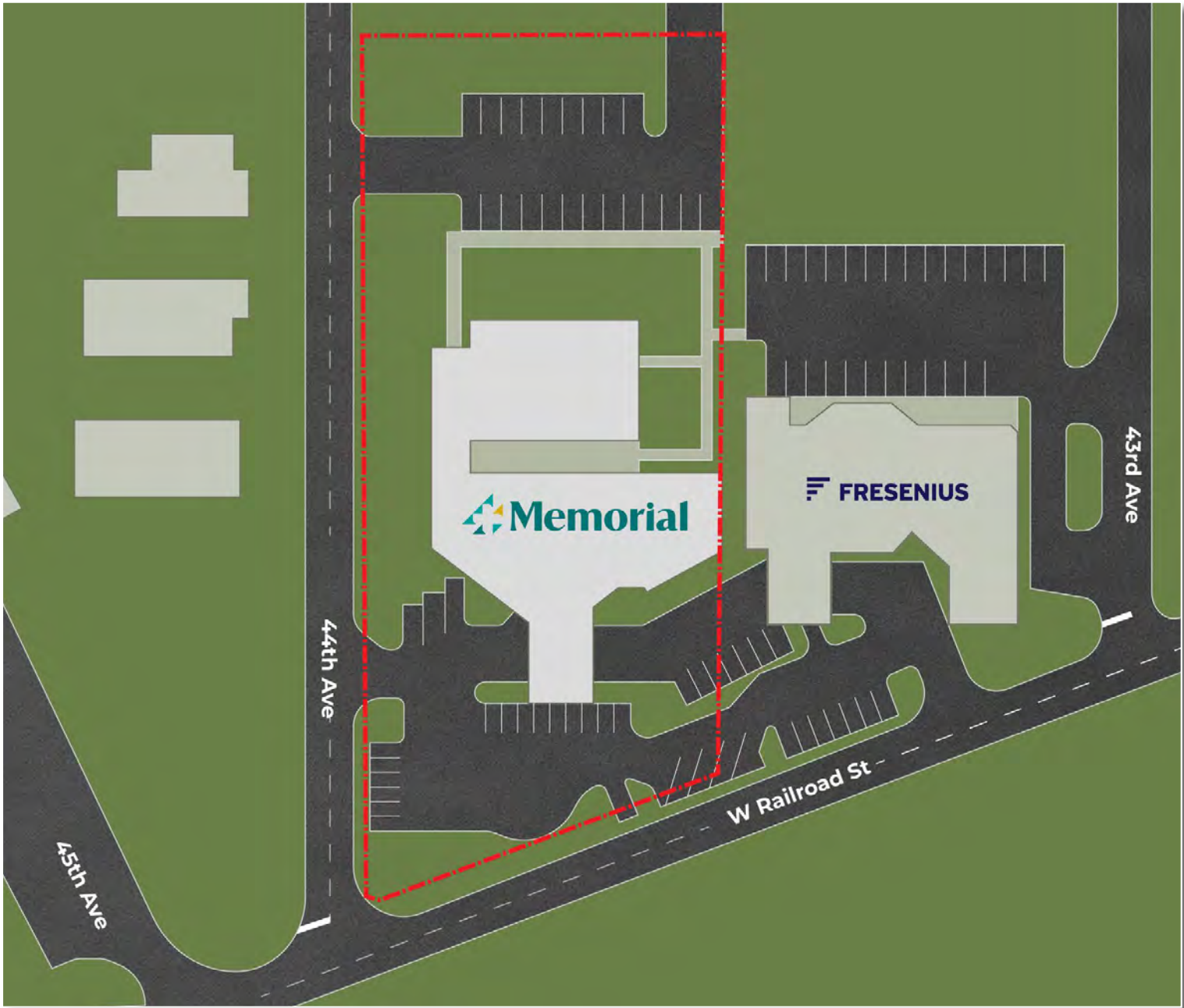
Price:	\$3,725,613
Cap Rate:	7.50%
Net Operating Income:	\$279,421
Rent Commencement Date:	9/30/2019
Lease Expiration Date:	1/31/2027
Tenant:	Memorial Hospital at Gulfport
Lease Type:	NN – Roof & Structure ¹
Rental Escalations:	3% annual
Renewal Options:	Four 5-year ²
Year Built:	1993/2008 (addition added in 2008)
Building Size:	9,835 SF
Land Size:	0.90 AC



1) Landlord is responsible for administering CAM in which the tenant reimburses their proportionate share (100%).
 2) Rent for the renewal options shall be fair market rental value in the first year with 3% renewal escalations thereafter.











DEMOGRAPHICS

POPULATION

	1-Mile	3-Mile	5-Mile
Total Population:	5,629	26,735	49,360
Total Households:	2,299	10,613	20,013

INCOME

	1-Mile	3-Mile	5-Mile
Median Household Income:	\$27,193	\$32,925	\$39,712
Average Household Income:	\$43,844	\$52,429	\$61,090



CITY OF GULFPORT, MISSISSIPPI

Gulfport is the second largest city in Mississippi second to only the state capital of Jackson. It is the co-county seat of Harrison County. The area was occupied by indigenous cultures for thousands of years. The city of Gulfport was incorporated on July 28th, 1898. The city was founded by William H. Hardy, the president of the Gulf and Ship Island Railroad which served as a main connection between inland lumber mills and the coast. One of the most notable features of Gulfport is the Naval Construction Battalion Center which employs 5,500 people.

From its beginnings as a lumber port, Gulfport evolved into a diverse city. It became a premier tourist destination thanks to its 6.7 miles of white sand beaches along the Gulf of Mexico. Another draw to the area are the coastal casinos and the popular annual cultural events such as the “World’s Largest Fishing Rodeo,” “Crusin’ the Coast” and many other festivals. The city offers a great variety of eateries, entertainment, recreation adventures, and industry pillars. Some of the most notable staples of the area include the Port of Gulfport, Gulfport/Biloxi International Airport, Gulfport Sportsplex, Mississippi Aquarium and many others. The region’s main economic driving forces include gaming and tourism, military endeavors, petroleum, and ship building. Each of these have established an impactful identity in the area and billions of dollars are spent on each in Mississippi each year.



MEMORIAL

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Website:	https://wearememorial.com
Locations:	110
Employees:	5,000
Providers:	400
Headquarters:	Gulfport, MA



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The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from The Boulder Group and should not be made available to any other person or entity without the written consent of The Boulder Group.

This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. The Boulder Group has not made any investigation, and makes no warranty or representation.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, The Boulder Group has not verified, and will not verify, any of the information contained herein, nor has The Boulder Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

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