

# FRANCISCAN HEALTH CENTER

3723 FRANKLIN ST  
MICHIGAN CITY, IN 46360



INTERACTIVE  
OFFERING MEMORANDUM

# EXCLUSIVELY LISTED BY

## POINT OF CONTACT



## BROKER OF RECORD

*KYLE MATTHEWS*

License No. RC52200195 (IN)





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## FRANCISCAN PHYSICIAN NETWORK

Matthews Real Estate Investment Services™ is pleased to present an opportunity to acquire the fee simple interest in a freestanding primary care center. The property is tenanted by Franciscan Physician Network, a strong regional health system established nearly 150 years ago. The site is a 14,132 square foot property located in Michigan City, Indiana. Known for its beautiful beaches and rich history, Michigan City is an attractive area for locals and tourists and is set to experience rapid growth, with two large redevelopment projects underway. The Franklin Project, which broke ground in March, has a projected economic impact of \$150 million in its first five years. Additionally, the SoLa Development is set to exceed \$680 million in its first fifteen years and has a delivery date of Spring 2026.

### FRANCISCAN PHYSICIAN NETWORK



PRICE  
**\$1,417,000**



NOI  
**\$116,895**



GLA  
**±14,132 SF**



CAP RATE  
**8.25%**



YEAR BUILT/  
REMODELED  
**1954/2018**







## INVESTMENT HIGHLIGHTS

### VERY PASSIVE LEASE STRUCTURE

There are minimal landlord responsibilities throughout the lease term, offering a passive investment for both local and national investors.

### STRATEGIC LOCATION

The property is strategically located less than three miles from the Franciscan Health Michigan City hospital. This newly constructed facility opened in 2019 and features 123 beds, numerous outpatient services, advanced diagnostic imaging capabilities, and technologically advanced life-saving innovations.

### STABLE LONG-TERM INVESTMENT

There are just under 5 years remaining on the lease with 2% annual increases and one, 5-year option to extend. This will provide the owner with guaranteed stability and revenue growth with a built in option to extend the lease even further into the future.

### RETAIL CORRIDOR WITH ACCESS TO MAJOR HIGHWAYS

Franklin Street boasts over 35,600 vehicles per day and is located off US-20 with close proximity to the I-94 interchange. This area has a strong retail presence and is surrounded by notable tenants such as Walmart and Meijer, as well as two neighborhood centers and Lighthouse Place Premium Outlets — an attractive outdoor mall, drawing shoppers from across the Midwest. The clinic is directly across the street from Ivy Tech Community College’s satellite location.

### EXTENSIVE HEALTHCARE SYSTEM

Franciscan Alliance is among the largest and most respected physician networks in the Midwest, with 12 hospital campuses, 850 primary and specialty care providers, and over 260 locations across Indiana and Illinois. Less than an hour’s drive away, Franciscan Health Crown Point Hospital opened to patients this year. This \$200 million hospital is a testament to their standard of care, replacing the former 50-year-old location with state-of-the-art facilities.

### INVESTMENT GRADE TENANCY

Franciscan Health has a “AA” Fitch rating with over 20,000 employees and a number of nationally recognized Centers of Health Care Excellence. Established in Indiana in 1875, Franciscan remains a trusted leader in providing the highest quality of care.

### \$649 MILLION TRAIN LINE BETWEEN MICHIGAN CITY AND CHICAGO

A newly constructed Double Track train line, costing \$649 million, now links Michigan City to the South Shore Line passenger train service, enabling commuters to conveniently travel between Michigan City and Chicago. The project, undertaken by the commuter line, facilitates the addition of 14 weekday trains, decreases travel durations, and introduces new express service with limited stops. This revised schedule will commence on May 14th, 2024.

### \$100 MILLION PROJECT

More than \$100-million was invested into Michigan City in March 2024. The Franklin Project includes apartments, shopping, dining, and more, while further connecting Chicago and Michigan City. An estimated economic impact exceeding \$150-million is anticipated over the first five years. The project will increase job opportunities in Michigan City and surrounding areas, easing the overall need to commute.

### UNIQUE DEVELOPMENT UNDERWAY

Michigan City broke ground late 2023 on the SoLa Development — a 628,000 square-foot mixed use development project featuring two boutique hotels, residences, beachside restaurants, a zoo, and a new park. Expected to open Spring 2026, this advancement is set to generate \$680 million in its first fifteen years. Annually, it is projected to produce \$8.2 million in tax revenues, \$10 million in tourism expenditures, as well as 800 new jobs (292 permanent) and \$18.4 million gross wages earned.

### MEDICAL OFFICE INVESTMENT

Healthcare real estate is increasingly desirable due to its distinct capacity to prosper in tough economic climates. With robust demand, a steady tenant foundation, and resilience against economic slumps, it presents a coveted asset for investors targeting greater investment stability.

## INVESTMENT SUMMARY

List Price	\$1,417,000
NOI	\$116,895
Cap Rate	8.25%
Price PSF	\$100.27
Rent PSF	\$8.27
Lot Size	±1.06 AC

## LEASE ABSTRACT

Tenant Name	Franciscan Health
Ownership Type	Fee Simple
Lease Guarantor	Franciscan Physician Network, a division of Franciscan Alliance, Inc.
SF Leased	±14,132 SF
Occupancy	100%
Initial Term	10 Years
Rent Commencement	12/1/2018
Lease Expiration	11/30/2028
Lease Term Remaining	±4.60 Years
Base Rent	\$123,513.68
Rental Increases	2.00%
Renewal Options	One, 5-Year Option
Expense Structure	NN
Landlord Responsibilities	Roof, Parking Lot, HVAC
Tenant Responsibilities	Utilities and Interior Maintenance
Insurance	Landlord
Taxes	Tenant
ROFR/ROFO	No

## FINANCIAL OVERVIEW

INCOME	TOTAL	\$ PSF
Rental Income	\$123,514	\$8.74
Additional Income	\$11,710	\$0.83
<b>EFFECTIVE GROSS REVENUE</b>	<b>\$135,224</b>	<b>\$9.57</b>
<b>EXPENSES</b>		
Property Tax	\$11,710	\$0.83
Insurance	\$6,619	\$0.47
<b>TOTAL OPERATING EXPENSES</b>	<b>\$18,329</b>	<b>\$1.30</b>
<b>NET OPERATING INCOME</b>	<b>\$116,895</b>	<b>\$8.27</b>

## FINANCING OPTIONS

For financing, please contact:

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 gregory.kavoklis@matthews.com





MICHIGAN CITY PLAZA

**HARBOR FREIGHT**  
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SHERWIN WILLIAMS

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TJ-MAXX

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OfficeMax

ROSS DRESS FOR LESS

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FOOD SOLUTIONS

**AMC**

**LOWE'S**

**meijer**

**CASTLE**  
Ford LINCOLN

**White Castle**

**Auto Zone**

Starbucks

INTERSTATE 94 ± 54,700 VPD

20 ± 26,200 VPD

**Walgreens**

**SUBWAY**

**Goodwill**

**TACO BELL**

Buffalo Wild Wings

Midwest ExpressClinic

ups

planet fitness

BRIGHT BEGINNINGS ACADEMY, INC.

**MIDAS**

**IVY TECH COMMUNITY COLLEGE**  
86,100 STUDENTS

FRANKLIN ST ± 35,600 VPD

**SUBJECT PROPERTY**



**SOLA DEVELOPMENT**  
628,000 SQUARE-FOOT  
MIXED USE DEVELOPMENT



**Wendy's**

## MICHIGAN CITY, IN

Michigan City, Indiana, nestled along the southern shore of Lake Michigan, embodies a unique blend of natural beauty, rich history, and modern amenities. Known for its picturesque beaches, such as Washington Park Beach and Indiana Dunes National Park, it offers residents and visitors alike the opportunity to enjoy outdoor recreation and stunning vistas. The city’s maritime heritage is celebrated through attractions like the Old Lighthouse Museum, which stands as a beacon of the area’s past. Beyond its shores, Michigan City boasts a vibrant downtown area, featuring eclectic shops, cozy cafes, and a thriving arts scene. With its welcoming community spirit and diverse cultural offerings, Michigan City invites exploration and promises unforgettable experiences for all who visit.

DEMOGRAPHICS			
POPULATION	1-MILE	3-MILE	5-MILE
2020 Census	7,117	22,385	36,754
2024 Estimate	7,055	22,086	36,441
2029 Projection	7,068	22,385	36,754
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2020 Census	3,331	9,582	14,893
2024 Estimate	3,325	9,570	14,826
2029 Projection	3,349	9,675	14,930
INCOME	1-MILE	3-MILE	5-MILE
Avg. Household Income	\$68,839	\$65,914	\$75,805



## CHICAGO, IL

Chicago, the Windy City, stands as a vibrant tapestry of culture, history, and innovation. Nestled on the shores of Lake Michigan, its skyline is punctuated by iconic skyscrapers like the Willis Tower and John Hancock Center. The city pulses with energy, fueled by its diverse neighborhoods, each with its own distinct character and charm. From the bustling streets of downtown to the artistic enclaves of Wicker Park and Pilsen, Chicago embraces creativity and expression. Its rich cultural heritage is evident in its world-class museums, such as the Art Institute of Chicago and the Field Museum, which house treasures from around the globe. Sports fanatics find solace in the fervor of Soldier Field and Wrigley Field, where the spirit of competition thrives. Yet, beyond the urban landscape, Chicago boasts serene green spaces like Millennium Park and Lincoln Park, offering respite amidst the hustle and bustle. With a culinary scene as diverse as its population, from deep-dish pizza to gourmet hot dogs, Chicago tantalizes taste buds and satisfies cravings. This city, with its resilient spirit and unwavering pride, continues to captivate and inspire all who encounter its magnetic allure.



## CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **3723 Franklin St, Michigan City, IN 46360** (“Property”). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity’s name or logo, including any commercial tenant’s name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews Real Estate Investment Services, the property, or the seller by such entity.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

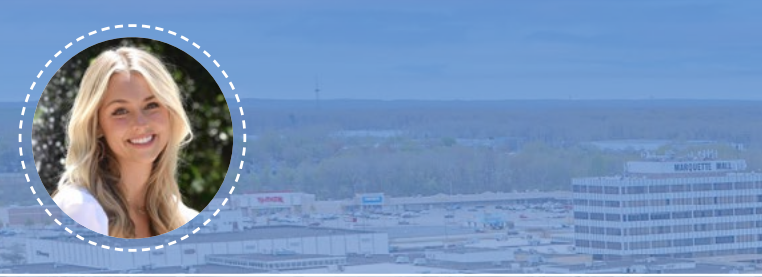
A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

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