



High Visibility Medical Office
Investment or Owner-User Opportunity

3434 Midway Drive
San Diego, CA 92110
OFFERING MEMORANDUM

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01 Property

Executive Summary



3434 Midway Drive is a 26,500 SF Medical Office Building (MOB) with a Medicare certified Ambulatory Surgery Center (ASC). The building is located in San Diego at the intersection of I-5 and I-8, two of the busiest highways in California, with a combined daily traffic of 330,000+ cars. It is situated adjacent to the Pechanga Arena, a leading sports and entertainment venue in California with \$468 Million annual revenue and over 750,000 visitors. The area is undergoing a **\$2 Billion+** redevelopment that will bring an NBA and hockey team to the new 16,000-seat stadium, create a 130,000 SF shopping and entertainment center, build 4,250 new apartments and 200+ hotel rooms.

The Property was recently renovated at the cost of **\$1,000,000+** and it is 70% occupied by long-term tenants. 7,928 SF available to a new owner. The building presents an ideal owner-user or investment opportunity.

Investment Highlights

- High-Quality Sale Leaseback Investment Opportunity by the Largest Privately owned Pain Management Company in the Southwest with 30+ Multistate Locations
 - Company has been in Operation for 34 Years
 - Institutional Quality Investment in the Rapidly Growing San Diego Healthcare / Life Science Market
 - All Tenants are Long-Term - Surgery Center, Pain Management, Urgent Care and Diagnostic Lab
 - Limited Inventory – Institutional Quality MOB with a Surgery Center as Anchor Tenant
-
- **Value Add Location - \$2 Billion Pechanga Stadium Redevelopment Project**
 - 49 Acres Mixed-Use Entertainment, Retail & Hotel District
 - 16,000 Seat New Stadium
 - Future Home of an NBA or Hockey Team
 - 4,250 Residential Units
 - 200 Hotel Rooms





Property Highlights

- 26,500 SF Medical Office Building with a Surgery Center
- High-Quality Building in Good Condition / \$600,000+ Recent Renovation
- High Visibility – Large Monument Signage
- Dramatic Features Include – High Ceiling with Expansive Skyline Over Lobby, Energy Efficient Windows, Covered Entrance with Spacious Dropp-Off Area
- Convenient Floor Plan with 360 Degree Window Lining
- 2 Story Building with Elevator
- Wheelchair ADA/Access
- Fire Sprinkler System
- Security Key Access/ Motion Sensors / Security Cameras

Surgery Center

- 3 Operating Rooms
- 3 Chair Pre-Op Area
- 4 Bed Recovery Area
- 2 In-Unit ADA Bathrooms & Changing Areas
- Laundry Area – Clean / Dirty / Bio Waste
- Nurse's Station
- Reception / Waiting Area
- Convenient Floor Plan with Independent Exit
- High-Capacity Back-Up Generator
- Medicare and Joint Commission Certified
- 10 Year Lease with 2 x 5 Year Options

Property Details



STADIUM

SITE

PROPERTY DETAILS

Year Built	1993 / 2024 R
Total Building Area	26,500 SF
Parking	55 Surface Parking
Lot Size	37,026 SF
Zoning	CC-1-3 / Commercial / Retail/ Medical Uses Public Standards Transit Priority Area (PSTPA)
APN#	441-650-22-00
For Sale	\$8,950,000

Tenants

Surgery Center of San Diego

A multispecialty Ambulatory Surgery Center focusing on interventional pain management, orthopedic, spine, plastic and neurosurgeries. Synovation Medical Group operates 7 additional Surgery Centers in California, Florida and South Carolina.

Synovation Medical Group

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

Synovation Medical Group is the largest privately held Pain Management group in the Southwest United States. The company has more than 30 locations in 4 states and is contracted to provide integrated pain management services to 1 million+ insured lives. Clients include most major insurance providers and the US Army. The company offers paid fellowship training to physicians; provides Continuing Medical Education (CME) training; and conducts clinical trials to decrease opioid use, healthcare utilization, and improve the treatment of chronic pain. The company was founded in 1990 by Dr. Varga, the former head of anesthesiology at Keck School of Medicine. It has been in operation for 34 years.



Tenants (Continued)

Emergency Care Dynamics

<https://www.urgentcareandmore.com>

Emergency Care Dynamics is a well-known Urgent Care center open 7 days a week. They offer physical examinations by board certified emergency physicians, sport injury and worker's compensation treatments, lab testing and X-rays. They have been at the location for over 25 years and recently renewed their lease for an additional 12 years.



ARC Point Labs

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

ARC Point Labs is a national full-service health screening and lab testing company. 142 locations nationwide / 250 access partners / 1,000,000+ customers.





02 Location



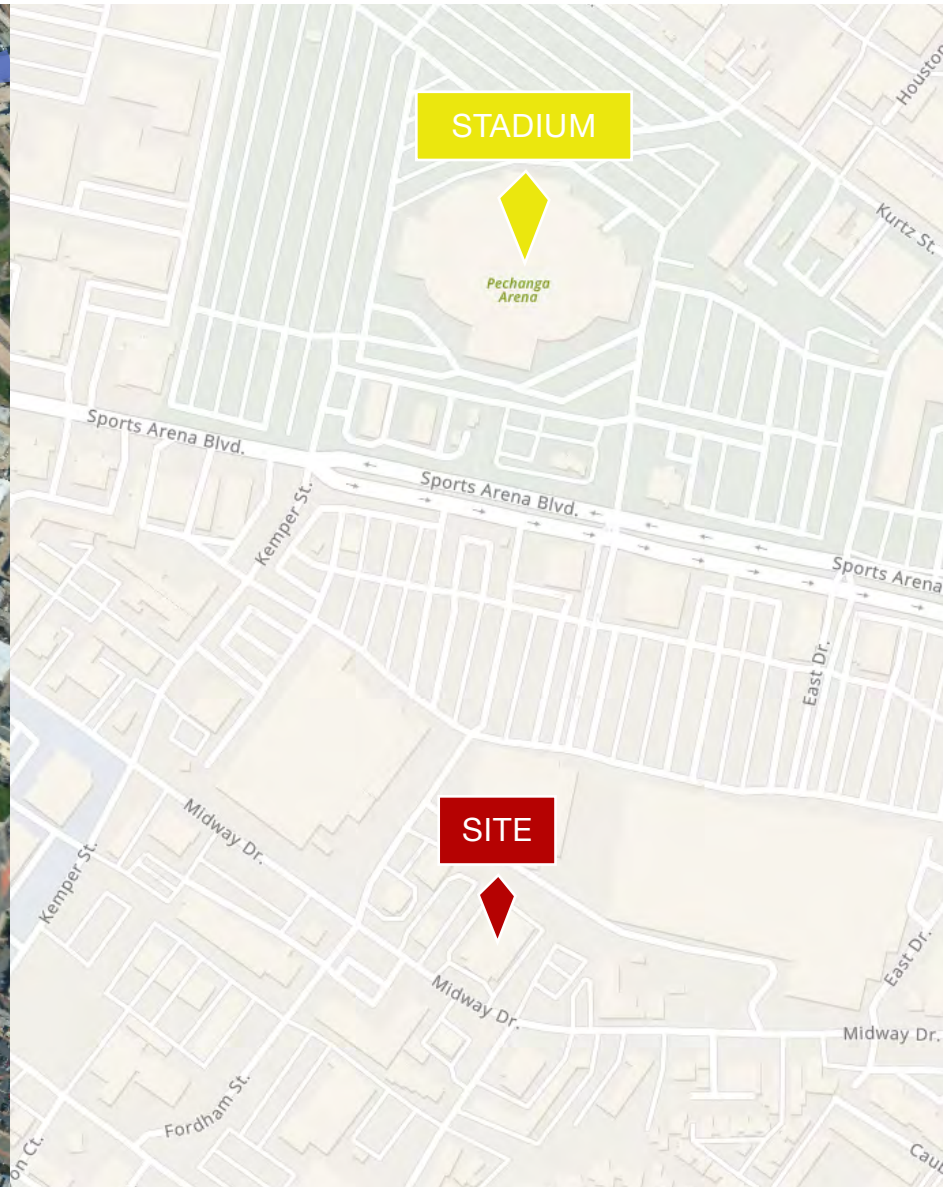
Location

- Desirable Location Just Minutes North of Downtown San Diego Supported by Two the Busiest Highways in California
- Direct Access to I-8 and I-5 / 330,000 Average Daily Traffic
- About 30,000 Average Daily Traffic on Midway Drive
- Signalized Intersection / Dedicated Traffic Lights
- Convenient Patient and Employee Access
- Public Transit Bus Stop in front of Property
- Minutes from the San Diego International Airport
- Gateway to the Greater Medical Markets
- Millions of Square Feet of Retail, Restaurant, Shopping Centers and Office Parks

Value-Add Location

- **\$2Billion+** Pechanga Stadium Redevelopment Project Headed by Stan Kroenke's Owner of Los Angeles Rams
- City Council Approval (2022)
- **16,000 Seat New Stadium** / 125 Events / 750,000+ Visitors
 - Annual Revenue: **\$500 Million+**
 - Future Home to an NBA or Hockey Team
 - Top Sport and Concert Venue in California
 - **Top 5 Facility** in the US (Venues 10,001 – 15,000 Seats)
 - **Top 10 Facility** in the World (Venues 10,001 – 15,000 Seats)
 - 59 Years at Historic Location
- 49 Acres Mixed-Use Retail & Entertainment:
 - 130,000 SF Mall – Entertainment / Shopping / Restaurants
 - 4,250 New Residential Units
 - 200+ Hotel Rooms
 - 14.5 Acres of Park

Location



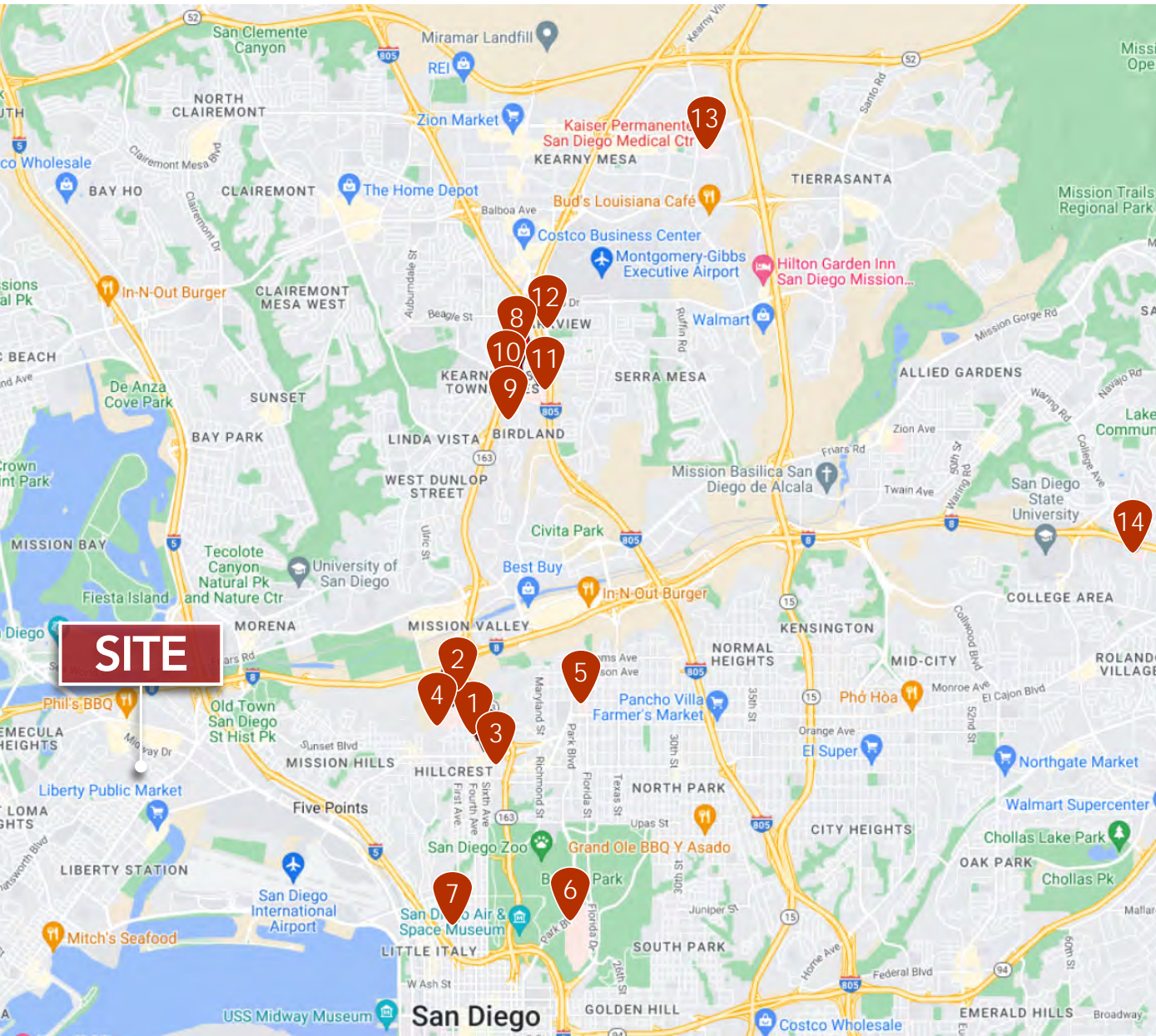
Brand Name Hotels in the District

- Hilton Garden Inn
- Hilton San Diego Mission Valley
- Hilton Homewood Suites
- Hilton Double Tree
- Hyatt Regency
- Sheraton Hotel & Marina
- Sheraton Mission Valley
- Wyndham Garden SeaWorld
- Wyndham Super 8
- Wyndham Days Inn
- Wyndham Ramada Suites
- Wyndham Howard Johnson
- Best Western Inn Zoo World
- Best Western Plus Hacienda
- Holiday Inn Sea World
- Holiday Inn Old Town
- Holiday Inn Mission Valley
- Holiday Inn Express
- Extended Stay America
- Travelodge
- Town and Country
- Comfort Inn
- Fairfield Inn
- Cosmopolitan Hotel and Restaurant
- Legacy Resorts Hotel & Spa
- Baha'i Resort Hotel



Hospital Area Map

Hospital Revenues \$28 Billion+ / Hospital Beds 3500+



1. Scripps Mercy Hospital San Diego
Patient Revenue: \$5,717,517,916
Beds: 523
2. UC San Diego Medical Center
Patient Revenue: \$10,831,377,502
Beds: 750
3. Select Specialty Hospital of San Diego
Patient Revenue: \$661,005,923
Beds: 110
4. UC San Diego IPCE Unit
5. Kindred Hospital of San Diego
Patient Revenue: \$153,734,756
Beds: 418
6. Naval Medical Center
7. Sonic-Blaze-Mighty Medical Center
8. Sharp Memorial Hospital
Patient Revenue: \$7,003,297,779
Beds: 775
9. Sharp Mesa Vista Hospital
Patient Revenue: \$402,254,737
Beds: 159
10. Sharp Mary Birch Hospital for Women & Newborns
11. Rady Children's Hospital - San Diego
12. Coast Medical Center
Patient Revenue: \$3,620,354,352
Beds: 425
13. Kaiser Permanente San Diego Medical Center
14. UC San Diego Health East Campus Medical Center
Patient Revenue: \$505,111,659
Beds: 306



03 Economy

Economy



With a population of over 1.3 million residents, San Diego is the 2nd Most Populous Metro Area in California after Los Angeles:

- Home to several University Systems Including UC San Diego, San Diego State University, and the University of San Diego.
- San Diego International Airport - the Busiest Single-Runway Airport in the World
- The Main Economic Drivers - Defense Spending, Tourism, International Trade, Biotech Research and Manufacturing

San Diego Metro:

Population:	3.3 Million
Households:	1.18 Million
Metro GDP:	\$315 Billion
Unemployment Rate:	3.9%
Average HH Income:	\$111,700
Healthcare Spending:	\$5,700 per HH
Hospital Revenues:	\$28 Billion+

Economy

TECH ECOSYSTEM

- #1 City for Entrepreneurship
- 2nd Highest Tech Talent Concentration in the Country Attracting Apple, Google, Amazon, Microsoft, Dell, Broadcom, Expedia etc. Who Quickly Outgrew Their Current Locations

DEFENSE SECTOR

- The Largest Segment of the Economy (+/-25% of GDP)
- 350,000+ Jobs / 140,000+ Active Duty & Civilian Employees
- The Navy Continues to be the Leading Employer in the Midway District with 3 Major Facilities:
- Naval Base Point Loma (NBPL),
- Naval Information Warfare Systems Command (NAVWAR)
- U.S. Marine Corps Recruit Depot (MCRD) - a 400-Acre Campus
- The Navy's Renewed Focus on the Pacific Theater Solidifies San Diego's Status as a Leading Navy Hub



Economy

SAN DIEGO RESEARCH AND DEVELOPMENT DISTRICT (RaDD)

- **\$1.5 Billion / 10+ acres / 6 City Blocks / 3 Million+ SF** Mixed-Use Life Science, Creative Office, and Retail Space
- Largest Urban Commercial Waterfront Site on the California Coast

BIOTECHNOLOGY

- **\$3 Billion+** in New Life Science and Mixed-Use Developments
- **80+ Research Institutes and 5 Major Universities** in the Golden Triangle Created One of the Top Life Science Sectors in the Country
- Scripps Research Institute (1st to decode the DNA) Announced a **\$2.6 Billion** Facility Investment
- The Salk Institute is a **Top 5** Internationally Recognized Biotech Innovator that Focuses on Neuroscience, Cancer, Anti-Aging and Immunotherapies





04 Financials

Income & Expense Summary

NOI SUMMARY					
REVENUES	SIZE (SF)	MONTHLY RENT	\$ AMOUNT	\$/SF	%PGI
Contract Rent	24,,540	70,224	848,987	2.81	80.7%
Vacant	1,090	3,270	39,240	3.00	3.7%
Rental Income	25,196 SF	\$ 73,239	\$ 888,987		84.4%
Reimbursement Income			164,009	6.19	16.1%
POTENTIAL GROSS INCOME			\$ 1,052,236	39.71	100.0%
Vacancy & Collection Loss (3%)			(31,567)	(1.19)	-3.0%
EFFECTIVE GROSS INCOME			\$ 1,020,669	\$ 38.52	97.0%
OPERATING EXPENSES					
Real Estate Taxes			107,400	4.26	10.2%
Insurance			17,438	0.69	1.7%
Maintenance			42,491	1.69	4.0%
Janitorial			12,563	0.50	1.2%
Landscape			9,553	0.38	0.9%
Security			17,807	0.71	1.7%
Utilities			148,036	5.88	14.1%
TOTAL OPERATING EXPENSES			\$ 355,288	\$ 5.88	33.8%
NET OPERATING INCOME			\$ 665,381	\$ 26.41	63.2%
DIRECT CAPITALIZATION					
OVERALL RATE			7.43	\$ 338	\$ 8,950,000
PURCHASE PRICE			\$ 8,950,000	\$ 338	

KW Commercial Southern California Office Locations

Headquarters
12711 Ventura Blvd #110
Studio City, CA 91604

Calabasas
23975 Park Sorrento
Calabasas, CA 91302

Larchmont
118 N. Larchmont Blvd
Los Angeles, CA 90004

West Hollywood
9000 W. Sunset Blvd Suite
1100

Inglewood
208 S. La Brea Ave
Inglewood, CA 90301

Cerritos
17785 Center Ct. DR. N #120
Cerritos, CA 90703

Beverly Hills
439 N. Canon Dr. 3rd Floor
Beverly Hills, CA 90210

Bakersfield
5601 Truxtun Ave Ste 150
Bakersfield, CA 93309

Long Beach
6621 E. Pacific Coast Highway Ste 150 Long
Beach, CA 90803

Westwood
10960 Wilshire Blvd Unit 100
Los Angeles, CA 90024

Newport Beach
680 Newport Center Dr. Ste 250
Newport Beach, CA 92660

El Segundo
830 S, CA-1 Ste 200
El Segundo, CA 90245

Los Feliz
1660 Hillhurst Ave
Los Angeles, CA 90027

La Mirada
14241 Firestone Blvd Ste
100 La Mirada, CA 90638

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