

# Offering Memorandum

## Office of Hearings Operations (OHO) Disability Adjudication Program

*(A Department of the Social Security Administration)*

309 Monroe Ave. | Memphis, TN 38103



Accelerating success.



## Disclaimer

Colliers International Brokerage Company (“Broker”) has been retained as the exclusive advisor and broker for this offering.

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Additional information and an opportunity to inspect the Property will be made available upon written request to interested and qualified prospective Buyers.

By accepting the Offering Memorandum, you agree to indemnify, defend, protect and hold Seller and Broker and any affiliate of Seller or Broker harmless from and against any and all claims, damages, demands, liabilities, losses, costs or expenses (including reasonable attorney’s fees, collectively “Claims”) arising, directly or indirectly from any actions or omissions of Buyer, its employees, officers, directors or agents.

Buyer shall indemnify and hold Seller and Broker harmless from and against any claims, causes of action or liabilities, including, without limitation, reasonable attorney’s fees and court costs which may be incurred with respect to any claims for other real estate commissions, broker’s fees or finder’s fees in relation to or in connection with the Property to the extent claimed, through or under Seller.

The Seller and Broker each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time with or without notice. The Seller shall have no legal commitment or obligations to any entity reviewing the Offering Memorandum or making an offer to purchase the Property unless a written agreement for the purchase of the Property has been fully executed, delivered, and approved by the Seller and its legal counsel, and any conditions to the Seller’s obligation thereunder have been satisfied or waived.

The Offering Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a

confidential nature. By accepting the Offering Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not photocopy or duplicate it, that you will not disclose the Offering Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make an offer and from whom you have obtained an agreement of confidentiality) without prior written authorization of the Seller or Broker, and that you will not use the Offering Memorandum or any of the contents in any fashion or manner detrimental to the interest of the Seller or Broker.

No employee of seller or at the Subject Property is to be contacted without the written approval of the listing agents and doing so would be a violation of this confidentiality agreement.

Broker has created cash flow projections for the Property using Argus Financial Software. Neither Broker nor the Seller make any representation, warranty or guaranty of the economic value of the Property through the cash flow projections contained in this Offering or the associated Argus computer files.

Broker and their prospective buyers agree not to contact the tenants, their employees or customers of any business on the Property without prior permission from the Landlord.



Offering Summary	4
Property Profile	5
Demographics	8
Tenant Profile	9
Cash Flow	11
Pricing	12

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# Offering Summary

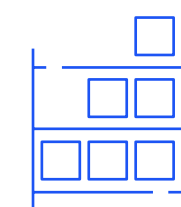
309 Monroe Ave.  
Memphis, TN 38103



The Ficke Team of Colliers has been selected to exclusively market for sale the Office of Hearings Operations (OHO) Field Office in downtown Memphis, Tennessee. This unique judicial courts building has seven (7) different administrative law judges (ALJ) that conduct Social Security Disability (SSD) hearings and Supplemental Security Income (SSI) hearings. This building includes Judges chambers, Administrative Law Judges writers' offices, hearing rooms, and a library are some of the unique features in this specialized building that was built to meet the extensive design specifications of the General Services Administration (GSA). GSA recently extended a 10-year succeeding lease extension with the first 5-years firm and non-cancellable. The lease is backed by the full faith of the U.S. federal government, which maintains a Aaa credit rating through Moody's.

Memphis is a city in the U.S. state of Tennessee. It is the seat of Shelby County, in the southwestern most part of the state, and is situated along the Mississippi River. With a population of 633,104 at the 2020 U.S. census, Memphis is the second-most populous city in Tennessee after Nashville. Memphis is the fifth-most populous city in the Southeast, the nation's 28th-most populous overall, as well as the largest city bordering the Mississippi River and third largest metropolitan statistical area behind Greater St. Louis and the Twin Cities on the Mississippi River.

The city is home to a major professional sports team, the Grizzlies of the NBA and the Memphis Showboats of the USFL. Other attractions include Graceland, the Memphis Pyramid, Sun Studio, the Blues Hall of Fame and Stax Museum of American Soul Music. Memphis-style barbecue has achieved international prominence, and the city hosts the annual World Championship Barbecue Cooking Contest, which attracts more than 100,000 visitors each year. Higher-level educational institutions include the University of Memphis, Christian Brothers University and Rhodes College.



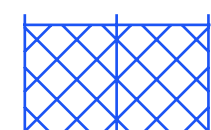
#### 10-Year Lease

New Succeeding 10-Year Lease  
(5-Firm / Non-Cancellable)



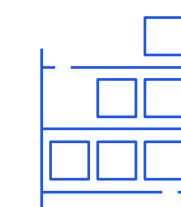
#### Level II Security Facility

Level II Security Facility Constructed to Meet  
GSA's Rigorous Design Specifications



#### Downtown Location

Uniquely Positioned in Downtown Memphis  
Surrounding a Significant Development Boom



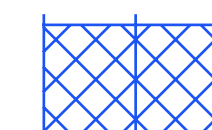
#### Renovate-to-Suit

2008 Renovate-to-Suit, Taken to the Studs with  
a Complete Retrofit



#### Strong Demographics

Per 2020 Census, the Memphis MSA Population  
Boasts over 633,000 Residents



#### AAA Rated Tenant

Moody's AAA Rated Credit Tenant

# Property Profile

**Property Address** 309 Monroe Avenue, Memphis, TN 38103

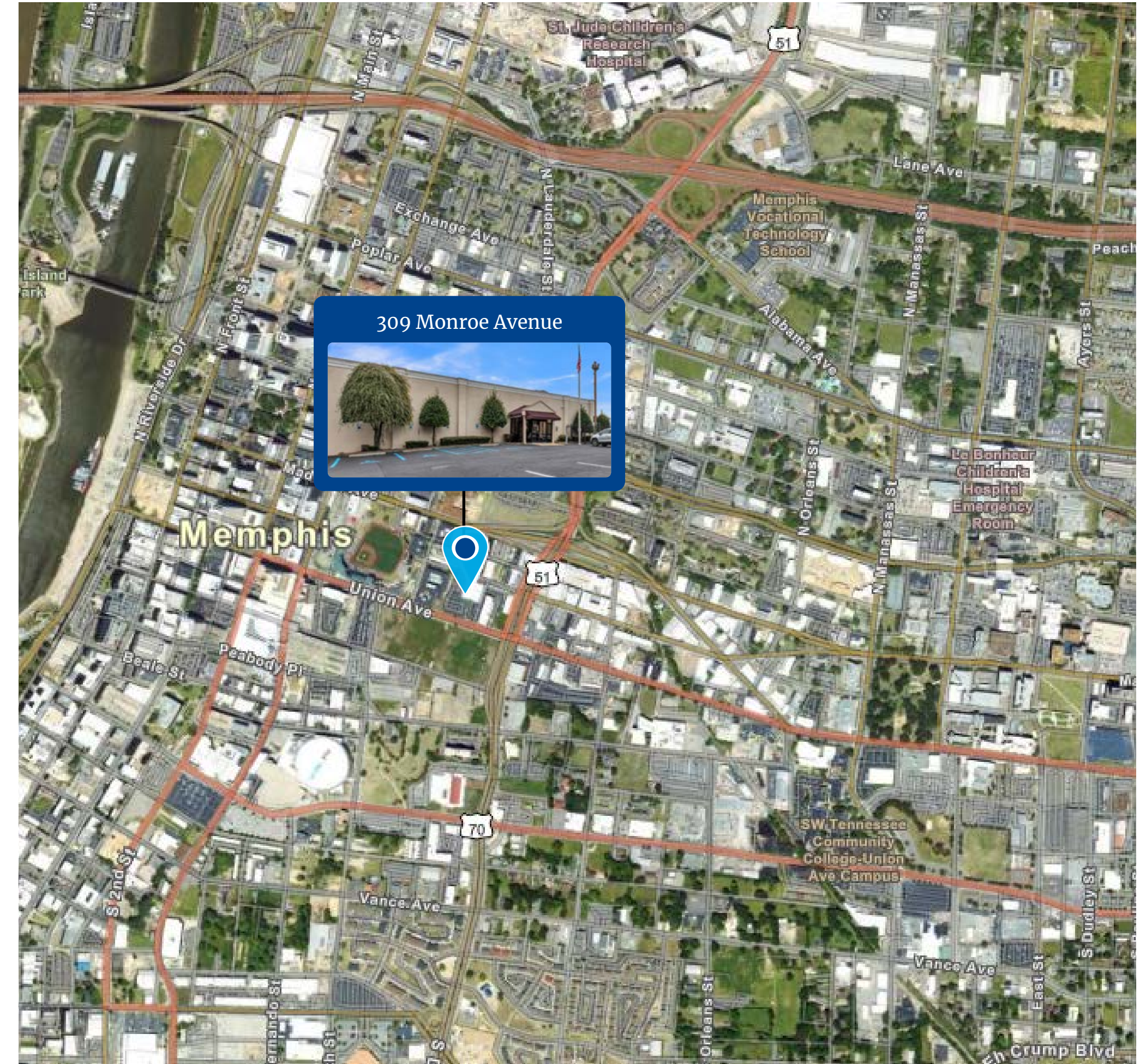
**Lot Size (Acres)** 1.56

**Rentable Square Feet** 22,677

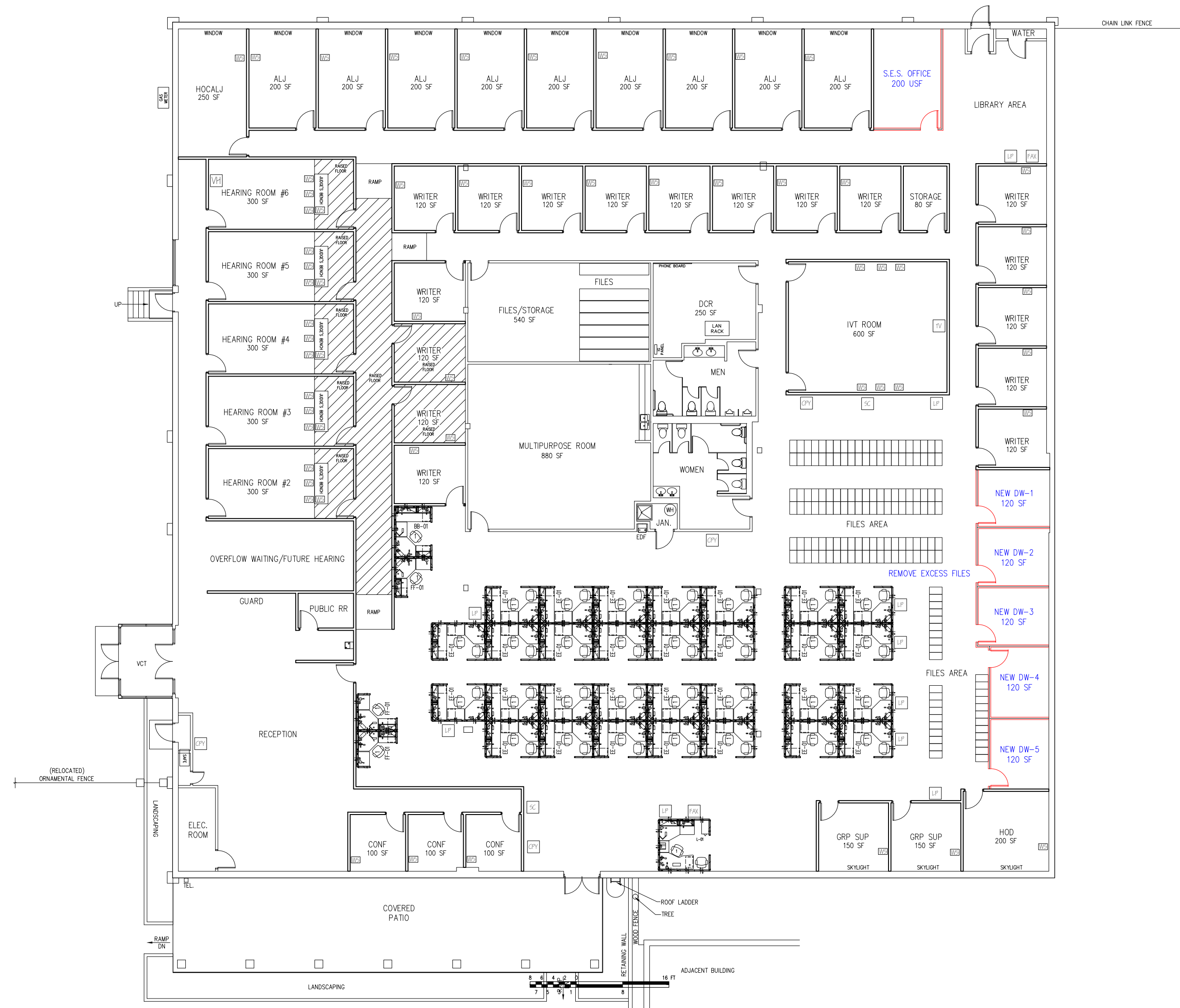
**ANSI/BOMA Occupant Area (ABOA) Square Feet** 19,367

**Year Built/Renovated** 1940/2008

**Ownership Type** Fee Simple



# Floor Plan





# Demographics

Memphis, Tennessee's economy is anchored by four major sectors: logistics, healthcare, manufacturing, and emerging technology. As the global headquarters of FedEx, Memphis is a logistics giant, with Memphis International Airport ranking among the busiest cargo airports in the world. This strategic location and infrastructure make it a key distribution hub for national and international trade. Healthcare is another dominant force, with major institutions like St. Jude Children's Research Hospital and Methodist Le Bonheur Healthcare driving both employment and innovation in medical research and services.

The city is also experiencing a surge in economic development, with over \$21 billion in active projects, including the construction of Ford's BlueOval City electric vehicle plant and expansions in biomedical research. These investments are complemented by efforts to modernize infrastructure and revitalize neighborhoods. Memphis is also focusing on inclusive growth, aiming to close racial income gaps and foster equitable prosperity. This combination of legacy industries and forward-looking initiatives positions Memphis as a dynamic and evolving economic center in the southeastern U.S

## Demographics in a 10-Mile Radius



**\$76,733**

**Average Household Income**



**28%**

**Bachelor's/Graduate/Prof Degree**



**\$169,666**

**Median Home Value**



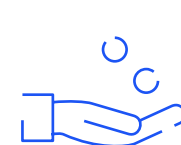
**26%**

**Undergraduate enrollment**



**457,567**

**Current Total Population**



**17,231**

**Total Businesses**



**193,470**

**Current Total Households**



**275,007**

**Total Employees**



# Tenant Overview



## United States Social Security Administration (SSA)

The United States Social Security Administration (SSA) is an independent agency of the U.S. federal government that administers Social Security, a social insurance program consisting of retirement, disability and survivor benefits. To qualify for most of these benefits, most workers pay Social Security taxes on their earnings; the claimant's benefits are based on the wage earner's contributions. Otherwise benefits such as Supplemental Security Income (SSI) are given based on need. SSA offers its services to the public through 1,200 field offices, a website, and a national toll-free number. Field offices, which served 43 million individuals in 2019, were reopened on April 7, 2022 after being closed for two years due to the COVID-19 pandemic.

## Lease Information | OHO

Lease Type	Modified Gross
Rentable Square Feet	22,677
ANSI/BOMA Occupant Area (ABOA) Square Feet	19,367
% Share of SF	100.00%
Lease Commencement	6/1/2023
Lease Expiration (Firm)	5/31/2028
Lease Expiration (Total)	5/31/2033

Tenant	Square Feet	Building Share %	Lease Commencement	Lease Expiration (Firm)	Lease Term Remaining (Firm)	Lease Expiration (Total)	Lease Term Remaining (Total)	Annual Rent PSF	Total Rent Per Month	Total Rent Per Year	Lease Type
OHO	22,677	100.00%	6/1/2023	5/31/2028	2.61	5/31/2033	7.62	\$27.57	\$52,100.41	\$625,204.89	Modified Gross
<b>Total</b>	<b>22,677</b>	<b>100.00%</b>		<b>WALT</b>	<b>2.61</b>	<b>WALT</b>	<b>7.62</b>	<b>\$27.57</b>	<b>\$52,100.41</b>	<b>\$625,204.89</b>	

# Rent Schedule

<b>Total Square Feet</b>	22,677
<b>Real Estate Tax Base</b>	62,181.98
<b>Real Estate Tax Percentage</b>	100.00%

<b>6/01/2023 - 5/31/2028 (Firm Term)</b>	<b>\$/SF</b>	<b>Annual</b>	<b>Monthly</b>
Shell Rent	\$21.00	\$476,328.89	\$39,694.07
OpEx Rent	\$6.57	\$148,876.00	\$12,406.33
<b>Total</b>	<b>\$27.57</b>	<b>\$625,204.89</b>	<b>\$52,100.41</b>

<b>6/01/2028 - 5/31/2033 (Soft Term)</b>	<b>\$/SF</b>	<b>Annual</b>	<b>Monthly</b>
Shell Rent	\$21.00	\$476,328.89	\$39,694.07
OpEx Rent	\$6.57	\$148,876.00	\$12,406
<b>Total</b>	<b>\$27.57</b>	<b>\$625,204.89</b>	<b>\$52,100.41</b>

# Cash Flow

For the Years Ending		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Total	
		Jan-2026	Jan-2027	Jan-2028	Jan-2029	Jan-2030	Jan-2031	Jan-2032	Jan-2033	Jan-2034	Jan-2035	Jan-2036		
<b>Rental Revenue</b>		<b>\$/SF</b>												
OHO - Shell Rent	[1]	\$21.00	476,329	476,329	476,329	476,329	476,329	476,329	476,329	504,115	523,962	523,962	523,962	5,410,302
<b>Total Rental Revenue</b>		<b>\$21.00</b>	<b>476,329</b>	<b>476,329</b>	<b>476,329</b>	<b>476,329</b>	<b>476,329</b>	<b>476,329</b>	<b>476,329</b>	<b>504,115</b>	<b>523,962</b>	<b>523,962</b>	<b>523,962</b>	<b>5,410,302</b>
<b>Other Tenant Revenue</b>														
OHO - OpEx Rent	[2]	\$6.93	157,096	162,594	168,285	174,175	180,271	186,581	193,111	199,870	206,865	214,106	221,599	2,064,554
OHO - RE Tax Reimbursement	[3]	\$0.81	18,302	20,716	23,203	25,765	28,403	31,120	33,920	36,803	39,772	42,831	45,981	346,814
<b>Total Other Tenant Revenue</b>		<b>\$7.73</b>	<b>175,398</b>	<b>183,310</b>	<b>191,488</b>	<b>199,940</b>	<b>208,674</b>	<b>217,701</b>	<b>227,031</b>	<b>236,673</b>	<b>246,638</b>	<b>256,936</b>	<b>267,581</b>	<b>2,411,369</b>
<b>Effective Gross Revenue</b>		<b>\$28.74</b>	<b>651,726</b>	<b>659,639</b>	<b>667,817</b>	<b>676,269</b>	<b>685,003</b>	<b>694,030</b>	<b>703,360</b>	<b>740,787</b>	<b>770,599</b>	<b>780,898</b>	<b>791,542</b>	<b>7,821,671</b>
<b>Operating Expenses</b>	[4]													
Administrative		\$0.05	1,157	1,192	1,227	1,264	1,302	1,341	1,382	1,423	1,466	1,510	1,555	14,819
Management Fees	[5]	\$0.36	8,100	8,343	8,593	8,851	9,117	9,390	9,672	9,962	10,261	10,569	10,886	103,743
Insurance		\$0.68	15,507	15,972	16,451	16,945	17,453	17,977	18,516	19,072	19,644	20,233	20,840	198,610
Cleaning		\$1.20	27,099	27,912	28,749	29,612	30,500	31,415	32,358	33,328	34,328	35,358	36,419	347,080
HVAC Contract		\$0.35	8,043	8,284	8,532	8,788	9,052	9,324	9,603	9,891	10,188	10,494	10,809	103,007
Extermination		\$0.03	652	672	692	712	734	756	779	802	826	851	876	8,351
Fire-Life Safety		\$0.10	2,355	2,426	2,498	2,573	2,651	2,730	2,812	2,896	2,983	3,073	3,165	30,162
Landscaping		\$0.21	4,734	4,876	5,022	5,173	5,328	5,488	5,653	5,822	5,997	6,177	6,362	60,632
Trash Removal		\$0.10	2,317	2,387	2,459	2,532	2,608	2,687	2,767	2,850	2,936	3,024	3,114	29,681
Parking Lot Cleaning		\$0.26	5,992	6,171	6,357	6,547	6,744	6,946	7,154	7,369	7,590	7,818	8,052	76,741
Repairs and Maintenance		\$0.40	8,976	9,245	9,522	9,808	10,102	10,405	10,717	11,039	11,370	11,711	12,062	114,958
Electricity		\$1.42	32,177	33,142	34,136	35,160	36,215	37,302	38,421	39,573	40,760	41,983	43,243	412,112
Water and Sewer		\$0.09	2,123	2,187	2,252	2,320	2,389	2,461	2,535	2,611	2,689	2,770	2,853	27,191
Natural Gas		\$0.24	5,490	5,655	5,824	5,999	6,179	6,364	6,555	6,752	6,954	7,163	7,378	70,313
Property Taxes		\$3.55	80,484	82,898	85,385	87,946	90,585	93,302	96,102	98,985	101,954	105,013	108,163	1,030,816
<b>Total Operating Expenses</b>		<b>\$9.05</b>	<b>205,204</b>	<b>211,361</b>	<b>217,701</b>	<b>224,232</b>	<b>230,959</b>	<b>237,888</b>	<b>245,025</b>	<b>252,376</b>	<b>259,947</b>	<b>267,745</b>	<b>275,778</b>	<b>2,628,217</b>
<b>Net Operating Income</b>		<b>\$19.69</b>	<b>446,522</b>	<b>448,279</b>	<b>450,116</b>	<b>452,036</b>	<b>454,044</b>	<b>456,142</b>	<b>458,335</b>	<b>488,412</b>	<b>510,652</b>	<b>513,153</b>	<b>515,765</b>	<b>5,193,454</b>

## Notes to Cash Flow

- OHO Base Rental Rate assumed 110% shell rent increase upon lease expiry.
- OHO OpEx Base is \$148,876/annum - Subject to CPI Increases, figure illustrated above includes any year previous increases. Future CPI growth schedule is assumed: 3.5% Y-o-Y.
- OHO RE Tax Base is \$62,181.98 - The Lessee shall pay the Lessor any overage above this amount.
- Operating expense source: Property 2025 Income Statements - Analysis assumed 3.0% YoY Growth.
- Management Fees is assumed to be \$675/mo.

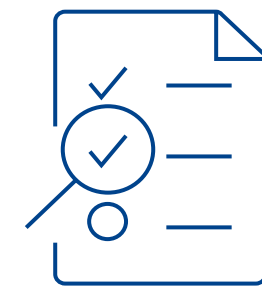
# Pricing

Sale Price  
**\$5,253,000**

CAP Rate  
**8.50%**

Current NOI  
**\$446,522**

Please contact our Investment Sales Team for questions or more information.



## Offering Instructions

Offers should be submitted via email to:

**[Geoff.Ficke@colliers.com](mailto:Geoff.Ficke@colliers.com)** & **[Zack.Ficke@colliers.com](mailto:Zack.Ficke@colliers.com)**

Please include the following:

1. Purchase price
2. Source of debt and equity
3. Earnest money deposit
4. Due diligence and closing timelines
5. Detailed list of contingencies including investment committee, appraisal, and/or Lender approval that may be required
6. Detailed list of closing cost responsibilities

# Reach out to get started.



Accelerating success.

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