



Complex Challenges, Smart Solutions
For Healthcare Real Estate



URGENT CARE FACILITY



CONE HEALTH

CASE STUDY

MEDCENTER MEBANE GREENSBORO, NC

HIGHLIGHTS

Facility Size
68,206 square feet

Project Type
Surgery Center,
Imaging, Lab, Urgent
Care & Physician
Offices

Project Structure
Owned in LLC with
Cone Health, Public
REIT & Physician
Investors

Client Reference

John Miller
*Treasurer & Chief
Investment Officer*
336.832.9515
john.miller@conehealth.com

Realty Trust Group (“RTG”) represented Cone Health in acquiring the balance of the partnership interests in MedCenter Mebane, a 68,206 square foot strategic asset, which was owned in an LLC. The MedCenter was originally developed by a public REIT in conjunction with Alamance Regional Medical Center (which later merged with Cone), and the REIT maintained the managing member status in the LLC. Cone clinical services in the building included a surgery center, imaging, lab, urgent care and physician office space.

The MedCenter was originally constructed in 2008, but was only about 80% occupied at the time Cone decided to attempt to acquire the other interests in the LLC. However, the MedCenter provided significant positive cash flow to the LLC, and the REIT resisted selling its interest to Cone. In addition to the public REIT, there were physician investors who owned a minority interest in the LLC, which then required Cone to adhere to all regulatory standards under the Stark Law and the Anti-Kickback Statute in the proposed acquisition.

RTG served as Cone’s advisor throughout the process, initially reviewing all pertinent documents and analyzing different scenarios to determine the financial impact for Cone to acquire and control the MedCenter. RTG also negotiated directly with the public REIT and the physician investors to understand their positions and needs in a transaction. RTG further analyzed various pricing scenarios for the tangible and intangible assets which Cone ultimately successfully acquired in the transaction. Today, after acquiring 100% control of the assets, Cone has been able to modify the business plan for the MedCenter and the surrounding campus, and has successfully leased up the facility to over 90% occupancy. With full ownership, Cone is now able to realize additional significant economic benefits with the cash flows from the property.