



OFFERING MEMORANDUM

34,202 SF Single-Tenant Federal Office

120 East Jolly Road | Lansing, Michigan

Nearly Four Decades of Continuous Federal Occupancy | U.S. Government Credit, Full Faith and Credit



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Lansing Military Entrance Processing Station | Lansing, Michigan

Executive Summary

Colliers International is pleased to exclusively offer for sale **120 East Jolly Road, a 34,202 rentable square foot single-story federal office facility in Lansing, Michigan**, leased in its entirety to The **United States of America and operating as the Lansing Military Entrance Processing Station**. The lease is administered by the U.S. General Services Administration on behalf of the U.S. Military Entrance Processing Command, a joint command of the Department of Defense.

The federal government has occupied this site continuously since the building was constructed in 1988 for the United States Government and to its specifications, spanning nearly four decades and multiple successive lease cycles. Lansing MEPS is one of roughly 65 such facilities nationwide and the sole regional station serving central and lower Michigan. Every recruit entering the Army, Navy, Air Force, Marine Corps, Coast Guard, Space Force, and the Reserve components from this region is processed through this building.

The current lease, GS-05P-LMI00248 on GSA Form L100, commenced July 1, 2019, for a fifteen-year term running through June 30, 2034, with a ten-year firm term through June 30, 2029. Rent is paid by the United States Treasury and is backed by the full faith and credit of the United States, the highest credit quality available in commercial real estate. Ownership reports an unbroken payment record across its entire holding period.

The property is offered at \$8,450,000, a 7.26 percent capitalization rate on stabilized net operating income of \$613,148, or \$247 per rentable square foot.

Building Specs

Building name	Lansing Military Entrance Processing Station
Rentable area	34,202 RSF
ABOA area	31,287 ABOA SF
Common area factor	1.0931
Stories	One
Year built	1988, built to U.S. Government specifications
Building class	Class B
Construction type	Brick veneer exterior, single story
Floor area ratio	0.31
HVAC	Zoned commercial systems serving office, medical, and testing areas, plus dedicated 24/7/365 server room cooling
Lot size	2.56 acres / 111,514 SF
Parking	140 surface spaces, 4.09 per 1,000 SF
Government reserved parking	12 surface spaces
Elevators	None, single story
Flood zone	FEMA Zones B and X, moderate to low risk, not in a Special Flood Hazard Area
Occupancy	100 percent federally leased

Specialized improvements

Soundproofed ASVAB academic testing rooms, medical examination suites, controlled-access processing areas with privacy partitioning, and a dedicated 152 ABOA square foot server room maintained at 69 degrees with humidity below 60 percent on a continuous basis under the lease.

Recent capital investment

The interior was substantially rebuilt in 2020 in connection with the current lease, representing \$762,148 of tenant improvement amortized through the lease. The specialized improvements a buyer acquires therefore date from 2020 rather than being original to the 1988 shell. Ownership has since completed a new ADA-compliant ramp system in 2025 and currently has comprehensive exterior repainting and full releveling of site concrete in progress.

Property Aerial



Investment Highlights

United States Government Credit, Full Faith and Credit

Rent is paid by The United States of America through the General Services Administration and funded by the United States Treasury. There is no corporate parent to analyze, no guarantor to evaluate, and no credit rating agency opinion to monitor. This is the strongest credit obligation available to a commercial real estate investor, and it has performed without interruption at this property across nearly four decades.

Built for This Tenant, to Their Specifications

The building was constructed in 1988 for the United States Government and built to its specifications: soundproofed ASVAB testing rooms, medical examination suites, controlled-access processing areas, and a dedicated server room held to strict continuous temperature and humidity tolerances under the lease. The government has occupied it ever since, across multiple successive lease cycles, administrations, budget environments, and rounds of federal space rationalization. Replicating this configuration in another Lansing building would require a multiple seven-figure tenant improvement investment plus twelve to eighteen months of operational disruption to a facility that cannot pause its mission. Few net lease assets of any type can demonstrate this length of continuous single-tenant occupancy, and relocation economics do not favor the tenant.

Mission-Critical Department of Defense Readiness Infrastructure, Not Commodity Federal Office

This distinction drives everything. Military Entrance Processing Stations are operated by the U.S. Military Entrance Processing Command under the Department of Defense and are funded through DoD readiness budgets rather than GSA real estate budgets. No MEPS facility has been closed in the current consolidation cycle.

The Only MEPS Serving Central and Lower Michigan

Approximately 65 MEPS facilities serve the entire United States. Lansing is the sole station for central and lower Michigan. The next nearest facilities are Troy, approximately 85 miles east, then Chicago and Indianapolis. Closing or relocating this station would require either new construction in the same market or rerouting every regional recruit to a facility one and a half hours away, a change that measurably degrades regional recruiting performance. Military recruiting performance is directly sensitive to the distance a recruit must travel to process.

Military Recruiting Is at a Fifteen-Year High and Congress Has Legislated End Strength Higher

Every branch of the armed forces met or exceeded its fiscal 2025 recruiting goal. This was the strongest enlistment performance in more than fifteen years, and fiscal 2026 has continued the trend. The fiscal 2026 National Defense Authorization Act, signed into law in December 2025, increases Department of Defense end strength by approximately 26,100 personnel, including 11,700 additional active duty soldiers and 12,300 additional sailors. Every one of those accessions must be physically processed through a MEPS. Demand at this facility is not merely stable. It is rising, and Congress has now funded it to rise further.

A Substantially Rebuilt Interior on a Purpose-Built Shell

The 2019 lease was accompanied by a comprehensive interior reconstruction completed in 2020 and representing \$762,148 of tenant improvement cost amortized through the lease. A buyer acquires 1988 structural bones with approximately five-year-old specialized improvements, which materially reduces the near-term interior capital exposure typically associated with a building of this vintage.

Rent Grows Every Year Without a Stated Escalation Clause

The operating cost component of rent adjusts annually to CPI-W and has compounded in every year since 2020. Real estate taxes are reimbursed by the Government above an established base at 100 percent occupancy. Both mechanisms survive expiration of the firm term, so income continues to grow into the non-firm period rather than flattening. Very few net lease assets carry an uncapped index adjustment of this kind.

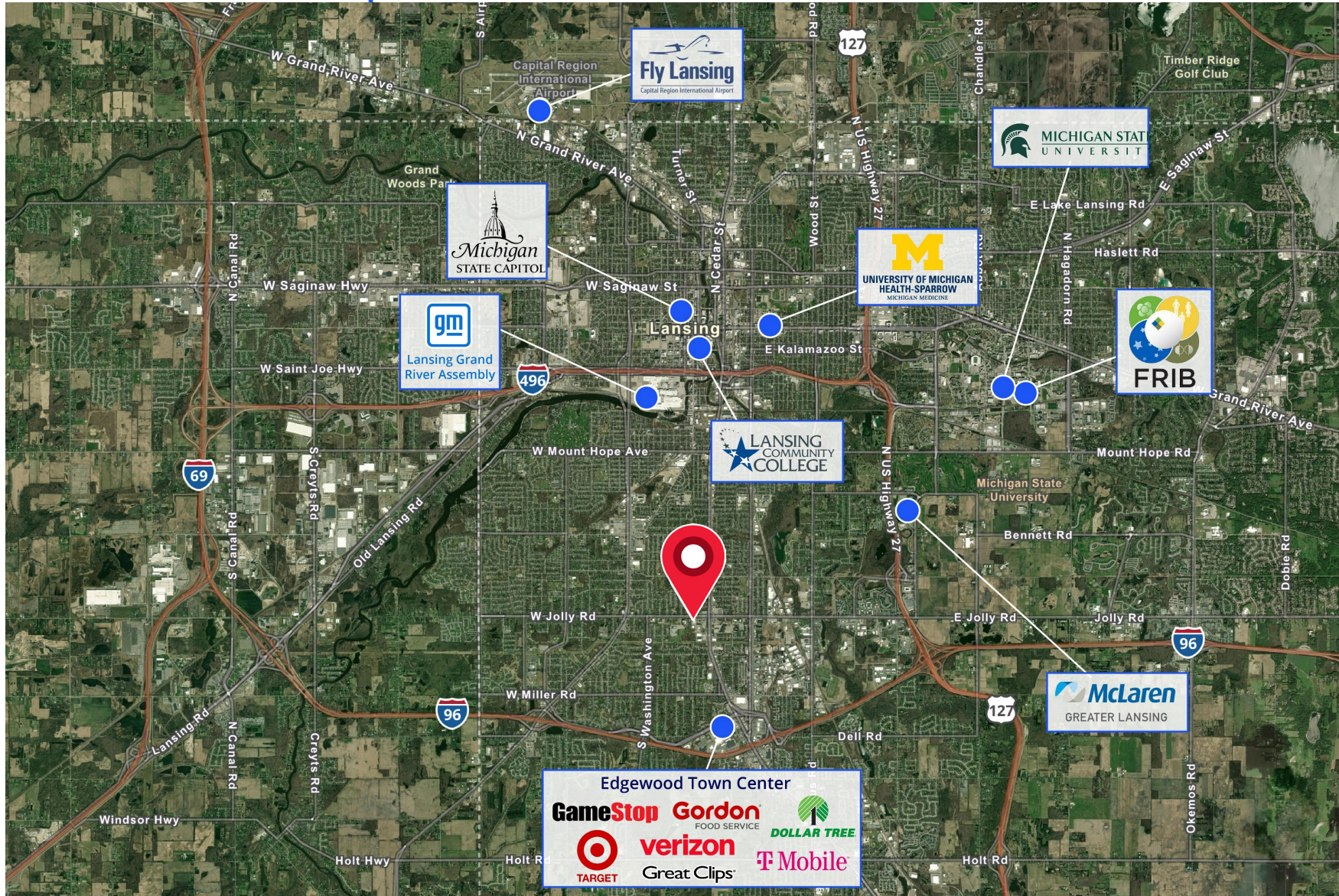
Established Federal and Government Services Corridor

The U.S. Social Security Administration's Lansing District Office sits approximately 400 feet from the subject. Ingham County Health and Human Services, Ingham County 911 Central Dispatch, Ingham County Probate Court, and the City of Lansing Elections Office are all within a half mile, three of them on the same street. This is an established government services corridor with the parking, access, security infrastructure, and supporting services that federal uses require, characteristics that are difficult and expensive to assemble elsewhere in the market.

Single Story, 4.09 per 1,000 Parking, No Elevators or Structured Parking

The configuration most preferred by medical, behavioral health, and government service users, and the least expensive of any office format to operate and maintain. There is no elevator equipment, no parking deck, and no structural podium to reserve against.

Area Companies



Lansing Tri-County Area

Federal and county services nearby

Facility	Address	Distance
U.S. Social Security Administration, Lansing District Office	5210 Perry Robinson Circle	Adjacent, approximately 400 feet south
Ingham County Department of Health and Human Services	5303 South Cedar Street	0.4 miles
Ingham County 911 Central Dispatch	710 East Jolly Road	0.6 miles, same street
Ingham County Probate Court, Youth Center	700 East Jolly Road	0.6 miles, same street
City of Lansing Elections Office	701 West Jolly Road	0.6 miles, same street

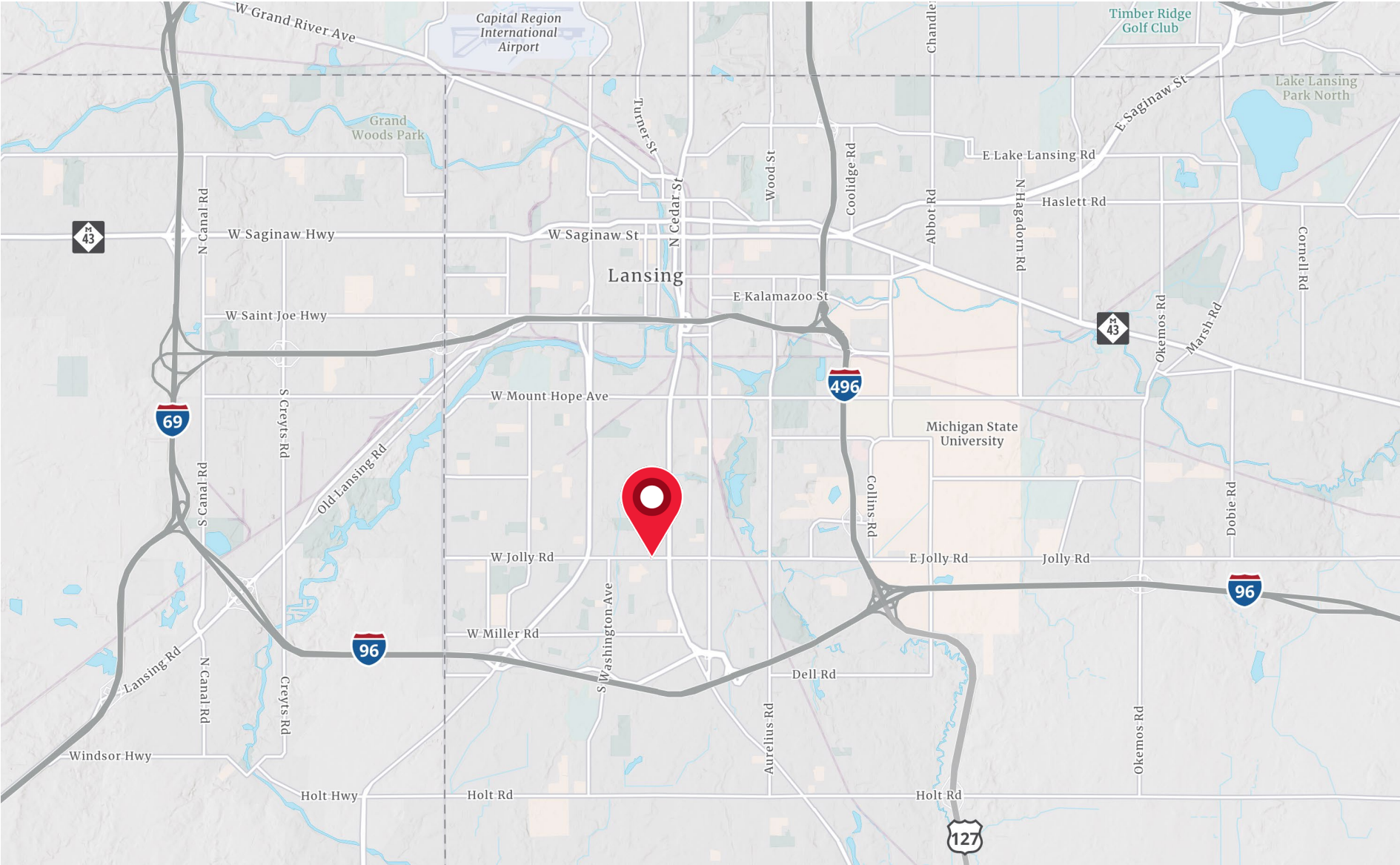
Retail and service context on the Cedar Street corridor: Jolly Cedar Square at Jolly Road and South Cedar Street sits directly across the corridor and anchors daily-needs retail and services. Cedar Street Shopping Center and Edgewood Town Center, the south Lansing regional retail node anchored by Target with a full complement of national restaurant and service tenants, sit within two miles south. Everyday convenience, banking, dining, and fuel are within walking distance of the subject.

Major Employers

Employer	Sector	Employees
State of Michigan	Government	13,880
Michigan State University	Education	11,118
University of Michigan Health-Sparrow	Healthcare	9,000
Auto-Owners Insurance Group	Insurance	5,943
General Motors	Manufacturing	4,183
Jackson National Life Insurance	Insurance	2,907
Peckham Inc.	Manufacturing	2,200
Dart Container Corporation	Packaging	2,000
Lansing Community College	Education	1,800
Meijer Distribution Center	Logistics	1,500
McLaren Health	Healthcare	1,401

Additional corporate and institutional users in the region include Delta Dental, MSU Federal Credit Union, Michigan Farm Bureau, Quality Dairy, Spartan Motors Chassis, Neogen Corporation, Orchid Orthopedic Solutions, Pratt and Whitney, PNC Bank, Gestamp, Accident Fund Insurance, Tecomet, Mahle Engine Components, and Emergent BioDefense Operations.

Location Map



Property Photos



Property Photos



Property Photos



Financial Summary

Offering price	\$8,450,000
Capitalization rate	7.26%
Net operating income	\$613,148 stabilized
Price per rentable SF	\$247
Property type	Single-tenant federal office
Building size	34,202 RSF / 31,287 ABOA SF
Established	1988, built to U.S. Government specifications
Tenant	The United States of America, by and through the General Services Administration, on behalf of the U.S. Military Entrance Processing Command, Department of Defense
Credit	Full faith and credit of the United States
Lease type	Full-service modified gross (landlord responsible for utilities, janitorial, maintenance, HVAC, snow and landscaping, and cyclical interior work)
Lease commencement	July 1, 2019
Firm term through	June 30, 2029
Total term through	June 30, 2034
Renewal options	None
Termination rights	The Government may terminate in whole or in parts at any time after the firm term on not less than 90 days written notice
Parking	140 surface spaces, 4.09 per 1,000 SF
Government reserved parking	12 surface spaces

This is a full service lease. The landlord provides utilities, janitorial, landscaping and snow removal, and maintenance and repair of the building and its systems, and carries real estate taxes and insurance. The operating cost component of rent adjusts annually to CPI-W and real estate taxes are reimbursed above the established base, so both principal expense categories carry contractual offsets.



Rent Structure

Component	Year 1 Annual	\$/SF	Behavior
Shell rent	\$589,300.46	\$17.23	Flat for the full fifteen year term
Operating cost rent	\$172,378.08	\$5.04	Indexed annually to CPI-W beginning Year 2
Tenant improvement amortization	\$106,190.16	\$3.10	Amortized through the firm term, expires June 30, 2029
Total Year 1	\$867,868.70	\$25.37	

Current rent. The operating cost component has been adjusted annually to CPI-W since 2020, so current rent is above the Year 1 schedule shown. Net operating income reflects current recurring revenue.

The operating cost component is indexed gross rent rather than an expense reimbursement. The government pays the indexed amount regardless of actual landlord spend, with no reconciliation in either direction, and that component has escalated with CPI-W in every year since Year 2. Real estate taxes pass through above an established base year under Section 2.07.

Period	Shell rent	Operating cost rent	TI amortization
Through June 30, 2029	\$589,300.46	\$172,378.08 as indexed	\$106,190.16
July 1, 2029 through June 30, 2034	\$589,300.46	\$172,378.08 as indexed	Concluded

Tenant improvement amortization of \$106,190 per year concludes June 30, 2029 upon full repayment of the \$762,148 improvement allowance. Shell rent continues unchanged for the balance of the term and the operating cost component continues to index annually to CPI-W, so scheduled figures shown at the base operating cost rate understate rent actually payable in later years.





Lansing Military Entrance Processing Station | Lansing, Michigan

Tenant Profile

Details	
Legal tenant entity	The United States of America
Contracting agency	U.S. General Services Administration
Occupying agency	U.S. Military Entrance Processing Command (USMEPCOM)
Department	U.S. Department of Defense
Operating name	Lansing Military Entrance Processing Station
Credit backing	Full faith and credit of the United States
Payment source	United States Treasury
Facilities nationwide	Approximately 65 MEPS

Continuous occupancy at site Since original 1988 construction

Facility role: The U.S. Military Entrance Processing Command is a joint command reporting through the Department of Defense that operates every MEPS in the country. MEPS facilities perform the complete enlistment process for all branches of the armed forces: ASVAB academic aptitude testing, full medical examination and physical fitness assessment, background and security clearance interviews, the oath of enlistment ceremony, and transportation coordination to basic training. No person enters the United States military without processing through a MEPS.

Processing is conducted in person over one to two days per applicant and frequently includes an overnight stay coordinated by the station. The medical examination suites, soundproofed testing rooms, and controlled-access processing areas exist in this building because the mission requires them physically on site.



Location Overview

Lansing is the capital of Michigan and the third largest metropolitan area in the state, with approximately 480,200 residents across the Lansing-East Lansing MSA. It sits on Interstate 96 roughly midway between Detroit and Grand Rapids, positioning it at the center of the Lower Peninsula's population and transportation network. The regional economy is anchored by three substantial and largely uncorrelated employment bases: state government, which employs 13,880 people and headquarters every major Michigan agency here; Michigan State University in adjacent East Lansing, which employs 11,118 people and enrolls roughly 50,000 students; and advanced manufacturing, led by General Motors' Lansing Grand River and Lansing Delta Township assembly plants and a 2.8 million square foot electric vehicle battery cell facility representing approximately \$2.6 billion of investment. Healthcare and insurance provide further depth, with University of Michigan Health-Sparrow at 9,000 employees, Auto-Owners Insurance at 5,943, Jackson National Life at 2,907, and McLaren Health at 1,401. This structure gives Lansing a materially more stable employment profile than auto-dependent peer markets in Michigan.

The region's federal and research footprint extends well beyond the subject. Michigan State University operates the Facility for Rare Isotope Beams, a U.S. Department of Energy Office of Science national user facility housing the world's most powerful rare isotope accelerator, built at a cost approaching \$1 billion and projected to add more than \$4 billion to the state economy across twenty years.

FRIB also hosts a chip testing facility funded by the U.S. Department of Defense. Federal investment of this scale reflects a market that the government has repeatedly chosen to build in rather than withdraw from.

The subject occupies the Cedar Street and Jolly Road corridor in south Lansing, approximately four miles from downtown with direct access to Interstate 496 and Interstate 96. The corridor functions as the region's government services district. The U.S. Social Security Administration's Lansing District Office sits roughly 400 feet from the property, and Ingham County Health and Human Services, Ingham County 911 Central Dispatch, Ingham County Probate Court, and the City of Lansing Elections Office are all within a half mile. East Jolly Road carries approximately 16,500 vehicles per day across the property frontage, and South Cedar Street, one block west, carries between 21,200 and 24,700 vehicles per day. Capital Region International Airport is 8.2 miles and roughly fifteen minutes from the site, a functional advantage for a facility that coordinates recruit transportation to basic training, and the East Lansing Amtrak station is 6.1 miles away. Daily-needs retail is immediately adjacent at Jolly Cedar Square, and the Edgewood Town Center regional retail node lies two miles south. The corridor offers the large single-story floor plates, surface parking, and access characteristics that federal and institutional users require and that are difficult to replicate in downtown Lansing or the East Lansing university corridor.

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