



COURTESY PHOTO

Coconut Point, a 1.2 million-square-foot, mixed-use center in Lee County that counts Barnes & Noble, Dillard's, Best Buy and Target among its 140 tenants, also is now home to a pioneering Lee Health center.

More retail landlords than ever before are turning to medical-related tenants to fill their centers, to the delight of both.

As merchants struggle to maintain brick-and-mortar store viability amid a continued onslaught from online shopping, retail landlords and developers are increasingly turning to medical uses to fill centers and offer consumers greater access to services.

Throughout the Gulf Coast, shopping center owners are signing deals with dental and physician practices seeking greater visibility and ample parking for customers.

"Everyone wants exposure and the ability to better brand themselves today, and medical practices are no different," says Ken Hughes, president of CNK Realty, a Bradenton commercial real estate brokerage that specializes in medical office properties.

"Everyone wants to be found easily, and high-volume shopping centers are usually in areas where there are lots of people," he adds.

In Estero, in Lee County, health care provider Lee Health maintains a 5,500-square-foot "Healthy Life Center" in Simon Property Group's Coconut Point Mall, which opened in 2008.

There, consumers can get help finding a doctor, get screened for heart or other diseases and attend classes to learn how to manage chronic ailments — alongside more traditional retailers like Target and Bed, Bath & Beyond.

"It's very non-intimidating for people to come to a shopping center to learn about health rather than in a clinical setting," says Molly Grubbs, director of the Healthy Life Center. "So it's worked out really well for us."

Since opening in December 2015, the numbers of visitors has steadily risen, as well. Last year, roughly 6,000 people visited the center. Through the first eight months of 2017, attendance has already topped 10,000, Grubbs says.

Lee Health also has used the nearly 2-year-old center for physician lectures, healthy cooking demonstrations and in assisting people in enrolling in the Affordable Care Act. The county's second-largest employer has even conducted job fairs at its center.

The shift toward traditional retail outlets comes as health care provid-

ers are attempting to trim costs by moving away from hospitals.

In their place, Lee Health, Sarasota Memorial Hospital, Johns Hopkins All Children's Hospital and others are establishing satellite facilities and urgent care operations in locations away from their base.

For shopping center owners, medical tenants represent another way of diversifying their tenant base and providing critical community-based services.

"What would be considered traditional shopping centers, there aren't many of them left. So what we're seeing today is the continuation of a trend, and we're going to be seeing more of it, with more urgent care and wellness centers going into retail properties," says Steve Althoff, senior vice president of leasing at The Sembler Co., one of the Tampa area's largest shopping center owners.

"I think it's an acknowledgement from the medical community that that they need to be closer to their customers, and it's equally an acknowledgement from landlords and other tenants that medical draws

people in in a new and dynamic way," Althoff adds. "It's a great use for a center, and for us, we've built our business around being grocery-anchored and providing services, so it's a natural fit."

Several Sembler centers contain health care or medical-related tenants, including the St. Petersburg-based company's 61,334-square-foot Shoppes at Trinity Lakes, in Pasco County, which opened in April 2016.

Benderson Development Co., one of the largest shopping center landlords along the Gulf Coast, also has embraced the idea of including health care tenants in its retail properties.

"From a landlord's perspective, we always like to find ways to generate increased traffic, and medical tenants do that," says Mark Chait, the company's director of Florida leasing. "And we've also found that those tenants draw people who tend to cross shop with other tenants."

Benderson has health care-related tenants Center for Sight, orthodontists Carroll & Sutton and Aspen Dental, among others, in several of its Sarasota-area centers, including a Target-anchored property in North Sarasota County.

Lee Health's experience has been so positive that the health care provider is preparing next year to debut an expanded Healthy Life Center as part of a larger project on 31 acres adjacent to the Coconut Point Mall.

Along with the bigger Healthy Life Center — which will contain additional programming and holistic treatment rooms as well as a demonstration kitchen — Lee Health's new property will contain a "comprehensive health and wellness destination with a 24-hour emergency center," outpatient surgery and observation beds, together with imaging, lab and rehabilitation services.

But Grubbs notes that Lee Health may elect to keep the Coconut Point location open — even after its new facility opens — and it also is considering other retail locations.

"It's something we're brainstorming about now," she says.

Chait, too, believes that health care-related tenants will hold a greater place in retail center leasing in the future because they serve the needs of both tenant and landlord.

"With the changing nature of retail, as a landlord, you have to be and remain flexible, and change along with the industry," Chait says. "So if you have more service providers, such as health care tenants, it just adds to a better overall tenant mix."

— K.L. McQuaid