



CoreCivic Announces Acquisition of 540,566 SF Social Security Administration Facility in Baltimore, MD

August 23, 2018

NASHVILLE, Tenn., Aug. 23, 2018 (GLOBE NEWSWIRE) -- **CoreCivic, Inc.** (NYSE: CXW) (the "Company" or "CoreCivic"), a diversified real estate investment trust and the country's largest private owner of real estate used by U.S. government agencies, announced today that it has acquired a 540,566-square foot Social Security Administration (SSA) office building in Baltimore, Maryland (SSA-Baltimore) for a total purchase price of \$242.0 million, excluding transaction costs and certain closing credits.



Social Security Administration Office Building in Baltimore, MD acquired by CoreCivic

Located at 6100 Wabash Avenue, SSA-Baltimore was purpose built to SSA specifications in 2014 under a 20-year firm term lease expiring in January 2034, which is backed by the full faith and credit of the U.S. government through the General Services Administration (GSA). SSA-Baltimore serves approximately 2,000 SSA employees, is located less than five miles from SSA's federally owned headquarters in Woodlawn, and is the newest of several other properties occupied by the SSA in Baltimore, which we believe further strengthens the durability of the lease.

In connection with the acquisition, CoreCivic has assumed \$157.3 million of in-place financing that was used to fund the initial construction of the property in 2014. The assumed debt carries a fixed interest rate of 4.50% and requires monthly principal and interest payments, with a balloon payment of \$40 million due at maturity in February 2034. The remaining purchase price was funded utilizing liquidity available from the Company's revolving credit facility. We expect this acquisition to contribute \$0.01 to \$0.02 of Funds From Operations per share in 2018.

The SSA-Baltimore property, which was constructed to attain both LEED Silver and Energy Star certifications and has a Level IV U.S. federal building security classification, consists of a main office building made up of two arcing segments with a central arcing atrium. The taller of the two segments is seven levels and the shorter is five levels. The site also contains a seven level precast concrete parking structure, administrative court space and a single level stand-alone SSA field office facility. On-site amenities include a fitness center, a cafeteria and a convenience store.

"We are excited to announce this acquisition as we continue to execute our acquisition strategy to expand our portfolio of government-leased real estate assets," said Damon Hininger, CoreCivic's President and Chief Executive Officer. "SSA-Baltimore is a critical component of SSA's Central Office operations, and provides us with accretive growth and diversification."

Mr. Hininger continued, "The acquisition of SSA-Baltimore expands our CoreCivic Properties portfolio by approximately 36% on a rentable square foot basis. CoreCivic Properties is a rapidly growing business segment that leverages our 35 years of expertise in developing and maintaining real estate solutions for all levels of government, and following this acquisition, this business segment is expected to generate approximately 10% of the Company's facility net operating income on an annualized basis. The leases in the CoreCivic Properties segment produce predictable cash flows from high credit quality government tenants, while generating attractive risk adjusted returns. We believe our current government leased real estate portfolio, coupled with our ongoing acquisitions strategy, will continue to create long term value for our shareholders."

The SSA is a cabinet-level federal agency responsible for administering social security, the largest social welfare program in the United States, providing support to more than 60 million beneficiaries. The SSA employs approximately 60,000 people and has an annual operating budget exceeding \$1.0 trillion.

Including the acquisition announced today, the Company owns 26 properties representing nearly 2.1 million square feet of real estate within its CoreCivic Properties portfolio, all used by government agencies. This portfolio complements the Company's portfolio of 44 correctional and detention facilities within its CoreCivic Safety segment and 26 residential reentry centers within its CoreCivic Community segment, with an aggregate design capacity of approximately 69,000 beds and 13.6 million square feet of real estate. The Company also manages seven correctional facilities it does not own, with a design capacity of approximately 9,000 beds and 1.7 million square feet of real estate.

About CoreCivic

The Company is a diversified government solutions company with the scale and experience needed to solve tough government challenges in flexible cost-effective ways. We provide a broad range of solutions to government partners that serve the public good through corrections and detention management, a growing network of residential reentry centers to help address America's recidivism crisis, and government real estate solutions. We are a publicly traded real estate investment trust (REIT) and the nation's largest owner of partnership correctional, detention and residential reentry

facilities. We also believe we are the largest private owner of real estate used by U.S. government agencies. The Company has been a flexible and dependable partner for government for more than 30 years. Our employees are driven by a deep sense of service, high standards of professionalism and a responsibility to help government better the public good. Learn more at <http://www.corecivic.com/>.

Forward-Looking Statements

This press release contains statements as to our beliefs and expectations of the outcome of future events that are "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made. These include, but are not limited to, the risks and uncertainties associated with: (i) general economic and market conditions, including, but not limited to, the impact governmental budgets can have on our contract renewals and renegotiations, per diem rates, and occupancy; (ii) fluctuations in our operating results because of, among other things, changes in occupancy levels, competition, contract renegotiations or terminations, increases in costs of operations, fluctuations in interest rates and risks of operations; (iii) our ability to successfully identify and consummate future acquisitions and our ability to successfully integrate the operations of completed acquisitions and realize projected returns resulting therefrom; (iv) our ability to obtain and maintain correctional, detention, and residential reentry facility management contracts because of reasons including, but not limited to, sufficient governmental appropriations, contract compliance, negative publicity, and effects of inmate disturbances; (v) changes in the privatization of the corrections and detention industry, the public acceptance of our services, the timing of the opening of new facilities and the commencement of new management contracts, as well as our ability to utilize current available beds; (vi) changes in government policy regarding the utilization of the private sector for corrections, detention, and residential reentry capacity and our services; (vii) changes in government policy and in legislation and regulation of corrections and detention contractors that affect our business, including but not limited to, the continued utilization of the South Texas Family Residential Center by Immigration & Customs Enforcement under terms of the current contract, and the impact of any changes to immigration reform and sentencing laws (Our company does not, under longstanding policy, lobby for or against policies or legislation that would determine the basis for, or duration of, an individual's incarceration or detention.); (viii) increases in costs to develop or expand correctional, detention, and residential reentry facilities that exceed original estimates, or the inability to complete such projects on schedule as a result of various factors, many of which are beyond our control, such as weather, labor conditions, cost inflation, and material shortages, resulting in increased construction costs; (ix) our ability to meet and maintain qualification for taxation as a REIT; and (x) the availability of debt and equity financing on terms that are favorable to us, or at all. Other factors that could cause operating and financial results to differ are described in the filings we make from time to time with the Securities and Exchange Commission.

CoreCivic takes no responsibility for updating the information contained in this press release following the date hereof to reflect events or circumstances occurring after the date hereof or the occurrence of unanticipated events or for any changes or modifications made to this press release or the information contained herein by any third-parties, including, but not limited to, any wire or internet services.

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 [Primary Logo](#)

Source: CoreCivic, Inc.