

2005 COURT STREET
PASCO, WA 99301



BRANDON MICHAELS
GROUP

Waldgreens
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THE OFFERING

The Brandon Michaels Group of Marcus & Millichap has been selected to exclusively market for sale Walgreens, a 14,736 square foot building situated on 1.35 acres of land (58,806 SF) ideally located on the NW signalized corner of W Court Street and N 20th Avenue in the Franklin County Tri-Cities submarket of Pasco, WA.

Walgreens has successfully operated at this location for over 17 years since October of 2004. The initial term of their seventy-year lease expires in October of 2029, and they have nine – 5-year options to extend the terms of their lease. Walgreens is on a fixed rate rent of \$28,250 per month (\$1.92 per SF) for the entire term of their lease. Walgreens benefits from excellent visibility and frontage along both W Court Street and N 20th Avenue, with 128' of frontage along N 20th Avenue and 184' of frontage along W Court Street. The site offers 68 surface parking spaces, a parking ratio of 4.62 per 1,000 square feet. The signalized corner has strong daily traffic counts north of 18,000 vehicles per day.

Walgreens is second largest pharmacy store chain in the United States. The company has over 9,000 drugstores, 225,000 employees, and is located in all 50 states. On December 31, 2014, Walgreens and Switzerland-based Alliance Boots merged to form a new holding company, Walgreens Boots Alliance Inc. Walgreens became a subsidiary of the new company, which retained its Deerfield headquarters and trades on the Nasdaq under the symbol WBA

Walgreens Boots Alliance, Inc, is an American holding company that owns Walgreens, Boots, and a number of pharmaceutical manufacturing, wholesale, and distribution companies. As of 2021, Walgreens Boots Alliance is ranked #16 on the Fortune 500 rankings of the largest United States corporations by total revenue.[6] For the fiscal year 2020, Walgreens Boots Alliance reported earnings of US\$456 million, with an annual revenue of US\$139.5 billion, an increase of 2.5% over the previous fiscal cycle. Numbers before 2014 are for Walgreens only.[21] As of 2020, Walgreens Boots Alliance is ranked #19 on the Fortune 500 rankings of the largest United States corporations by total revenue

The combined business has operations in over 25 countries, as of August 31,

Walgreens

2020. Walgreens had formerly operated solely within the United States and its territories, while Alliance Boots operated a more multinational business.

Currently, Walgreens is a BBB credit rating. Walgreens trades on the Nasdaq under the symbol WBA. The company operates through three segments; Retail Pharmacy USA (Walgreens and Duane Reade), Retail Pharmacy International (Boots and other retail operators internationally), and Pharmaceutical Wholesale, incorporating Alliance Healthcare. The combined business has operations in over 25 countries. Walgreens had formerly operated solely within the United States and its territories, while Alliance Boots operated a more international business.

As of August 31, 2016, they had over 13,700 retail stores in operation under the Walgreens and Duane Reade brands in the United States, 7 specialty pharmacy locations, and managed approximately 400 healthcare clinics. The Boots segment operated 4,673 stores under the No. 7, Boots Pharmaceutical, Botanics, Liz Earle, Soap & Glory, and only at Boots brand names in the United Kingdom, Mexico, Chile, Thailand, Norway, the Republic of Ireland, the Netherlands, and Lithuania, and 683 optical practices in the US. Walgreens Boots Alliance was founded in 1901 and is based in Deerfield, Illinois.

Walgreens is located directly off the U.S. Route 395 with direct freeway access, directly across from the Court Street Plaza, home to Albertsons, Rite Aid, Dollar Tree, and a host of additional tenants. The subject property is located just 0.7 of a mile from Columbia Basin College, a public community college accredited by the Northwest Commission on Colleges and Universities and home to over 6,200 students. The site is 1 mile from Tri-Cities Airport, a public airport serving the Tri-Cities metropolitan area in the southeast of the state. It is the fourth largest commercial airport in the state of Washington, and has three runways.

Walgreens benefits from the residents in the immediate area, with over 18,000 people within one mile of the subject property, over 67,000 people within three miles, and over 141,000 people within five miles. Average household income within one, three, and five miles is \$56,149, \$69,771, and \$74,815 respectively with a median income within one, three, and five miles \$39,205, \$52,375, and \$57,073 respectively. There are over 4,800 households within one mile of the subject property, and over 18,000 households within three miles. Average median home values are north of \$151,000 within one mile from the property and over \$216,000 within five miles.



INVESTMENT HIGHLIGHTS

FINANCIAL SUMMARY

Price	\$6,110,000
Current CAP Rate	5.55%
Building Size	17,736 SF
Net Cash Flow	5.55% \$339,000
Year Built	2004
Lot Size	58,806 SF

LEASE SUMMARY

Lease Type	Triple-Net (NNN) Lease
Tenant	Walgreens Corporate
Guarantor	Corporate
Roof & Structure	Landlord Responsible
Lease Commencement Date	September 29, 2003
Lease Expiration Date	June 30, 2029
Lease Term Remaining	7.2 Years
Rental Increases	None
Renewal Options	Nine, Five Year Options
Right of First Refusal	Yes

Base Rent	\$339,000
Net Operating Income	\$339,000
Total Return	5.55% \$339,000

WALGREENS PASCO OFFERS A STABLE AND SECURE INCOME STREAM

- Seventy-year lease with Walgreens expires in 2029 with nine – 5-year options
- Walgreens has successfully operated at this location over 17 years since October 2004
- \$339,000 Annual Net Operating Income
- 5.55% CAP Rate
- 1.35 acres of land
- 68 surface parking spaces, a parking ratio of 4.62 per 1,000 square feet of subterranean level

STRONG SIGNALIZED CORNER LOCATION

- Signalized corner location
- Excellent visibility and frontage along two main thoroughfares
- Daily traffic counts exceed 18,000 vehicles per day
- Ideally located directly off the U.S. Route 395 with direct freeway access
- Directly across from Court Street Plaza, an Albertson's and Rite Aid anchored shopping center
- is 1 mile from Tri-Cities Airport, a public airport serving the Tri-Cities metropolitan area in the southeast of the state. It is the fourth largest commercial airport in the state of Washington, and has three runways

WALGREENS — TRUSTED SINCE 1901

- Walgreens Boots Alliance, Inc has business operations in over 25 countries
- As of 2021, Walgreens Boots Alliance is ranked #16 on the Fortune 500 rankings of the largest United States corporations by total revenue
- For the fiscal year 2020, Walgreens Boots Alliance reported earnings of US\$456 million, with an annual revenue of US\$139.5 billion, an increase of 2.5% over the previous fiscal cycle
- Over 13,700 retail stores in operation in the US under the Walgreens and Duane Reade brands
- Boots Segment operated over 4,600 stores internationally
- Walgreens is the second largest pharmacy store chain in the United States
- 2018 sales revenue exceeded \$131 billion
- The company has over 9,000 drugstores, 225,000 employees, and is located in all 50 states



WALGREENS PASCO DIRECTLY CATERS TO THE DAILY NEEDS OF THE SURROUNDING RESIDENTS

- Over 18,000 people within one mile of the subject property, over 67,000 people within three miles, and over 141,000 people within five miles
- Average household income within one, three, and five miles is \$56,149, \$69,771, and \$74,815 respectively with a median income within one, three, and five miles \$39,205, \$52,375, and \$57,073 respectively
- Over 4,800 households within one mile of the subject property, and over 18,000 households within three miles
- Average median home values are north of \$151,000 within one mile from the property and over \$216,000 within five miles





COURT STREET PLAZA



22TH AVENUE

20TH AVENUE



19TH AVENUE

COURT STREET





DEMOGRAPHICS



POPULATION



72,899

Total Population



29.5

Median Age



51.12

Male



48.88

Female

EDUCATION



28%

Some High School



27%

Some College



7%

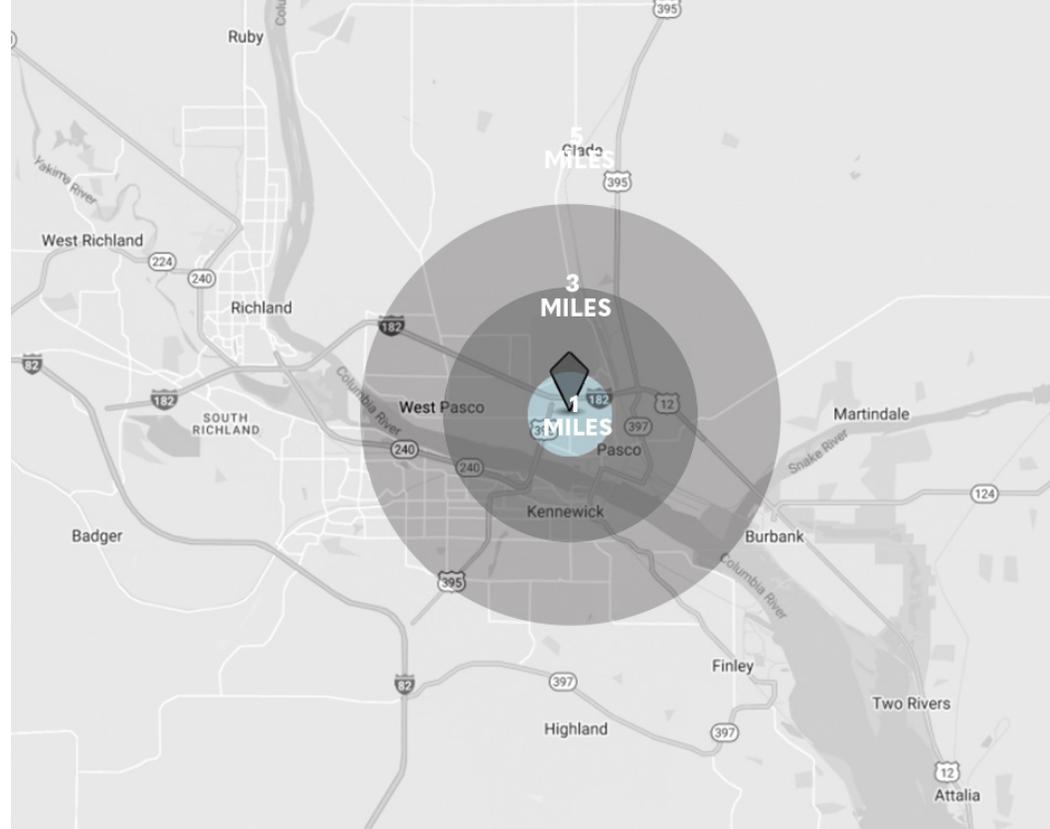
Associate Degree



8%

Bachelor's Degree

Demographics	1 Mile	3 Mile	5 Mile
2021 Population	18,353	67,158	141,089
2021 Households	4,799	18,078	39,742
2021 Avg. Household Size	3.4	3.2	3
Annual Growth 2021-2026	1.2%	1.3%	1.4%
2021 Median Age	28.6	29.9	31.3
2021 Owner Occupied Households	2,680	12,878	31,509
2021 Renter Occupied Households	2,793	9,159	18,240
2021 Avg. Household Income	\$56,149	\$69,771	\$74,815
2021 Median Household Income	\$39,205	\$52,375	\$57,073
Businesses	523	2,107	4,048



\$69,771

Average HH income within a 3-mile radius



141,089

Population within a 5-mile radius



31,509

Owner Occupied Housing within a 5-mile radius



39,742

Households within a 5-mile radius



4,048

Businesses within a 5-mile radius



18,240

Renter Occupied Housing within 5-mile radius





230,000+
EMPLOYEES
9,000+
US RETAIL LOCATIONS
1901
FOUNDED

Walgreens Boots Alliance (NASDAQ: WBA) is the first global pharmacy-led, health and wellbeing enterprise in the world. The company was created through the combination of Walgreens and Alliance Boots in December 2014, bringing together two leading companies with iconic brands, complementary geographic footprints, shared values and a heritage of trusted health care services through pharmaceutical wholesaling and community pharmacy care, dating back more than 100 years. The Alliance is organized into three segments: Retail Pharmacy USA, Retail Pharmacy International and Pharmaceutical Wholesale. Walgreens itself is organized under Retail Pharmacy, USA. Walgreens interacts with roughly 8-million customers in its stores or online each day.

Walgreens® operates 9,277 drugstores across all 50 U.S. states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. As of August 2019, approximately 78 percent of the US population lives within five miles of a Walgreens. The company has more than 88,000 healthcare service providers, including pharmacists, pharmacy technicians, nurse practitioners and other health-related professionals. Founded in 1901 with a single store in Chicago, Walgreens continues to build a seamless customer experience through its drugstore and digital business. It has a current credit rating of BBB from Standard & Poor's.



LEASE SUMMARY

TENANT NAME	Walgreens
LEASE COMMENCEMENT DATE	9/29/2003
RENT COMMENCEMENT DATE	6/30/2004
LEASE EXPIRATION DATE	6/30/2029
OPTIONS	9 - 5 Year Options
RENT	\$339,000 annually
RENT INCREASE	None
COMMON AREA MAINTENANCE	Landlord shall maintain and make all repairs to the exterior and structural parts of the Building, roof, and to pipes, ducts, wires and conduits leading to and from the Leased Premises and/or Building. Landlord shall make all repairs required by causes the fault of Landlord, or by fire, casualty or the elements, or by dry rot or termites. Tenant shall repair and replace heating and cooling equipment serving the Building, shall make plate glass replacements required other than by fault of Landlord, and shall make repairs to the interior of the Building.
INSURANCE	Tenant Responsible (see Lease Sec. 10)
TAXES	Tenant Responsible
PERCENTAGE RENT	If a sum equal to 2.0% of the Gross Sales (except from sale of prescriptions, alcoholic beverages, and food) plus 0.5% of Gross Sales of prescriptions made by Tenant in the operation of Tenant's store in any lease year exceeds the total fixed rent for that year, then Tenant within forty-five (45) days after the end of such lease year shall pay to Landlord the amount of such excess as additional rent; but in no event shall the total of fixed rent plus additional percentage rent payable by Tenant in any lease year exceed \$540,720.00 per lease year. Within forty-five (45) days after the end of each lease year the Tenant shall furnish to Landlord a statement of the total amount of such Gross Sales for such lease year. [Lease- Sec. 2(b)]
RIGHT OF FIRST REFUSAL	Yes

FINANCIAL SUMMARY

RENT ROLL

Tenant	SF	Lease Start	Lease Exp	Term Remaining	Options	Rent	Rent/SF	Lease Type
Walgreens	14,736	10/9/2004	10/8/2029	7.2 Years	9-5 year	\$28,250.00	\$1.92	NNN
Total	14,736					\$28,250.00		

ANNUALIZED OPERATING DATA

Income And Expense	Current
Scheduled Lease Income	\$339,000
Net Operating Income	\$339,000

Walgreens

FINANCIAL SUMMARY

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