

OFFERING
MEMORANDUM

Walgreens/Citadel
Federal Credit Union
(TD Bank Sub-Lease)
Kennett Square, PA



TD Bank Guarantee

Representative Photos

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CALKAIN
AMERICA'S NET LEASE COMPANY™

\$ Asking Price
\$10,000,000

% Cap Rate
5.75%

**840-848 E Baltimore Pike
Kennett Square, PA 19348**

Asset Summary

Net Operating Income (NOI)	\$575,000
Rent/Month	\$47,916.67
Land Area	6.70+/- Acres
Tenant	Walgreens & Citadel Federal Credit Union (TD Bank Sub-Lease)
Guarantor	Corporate

Investment Highlights

- Long term corporate credit deal
- Located on Route 1 retail corridor with neighboring tenants including Walmart, T.J. Maxx, Giant and Wawa
- 6+ acre parcel
- Kennett Square is an affluent Philadelphia suburb in the heart of Brandywine Valley
- Rent increase due 12/1/2020



Walgreens Pharmacy | Financial Summary

Asset Summary

Net Operating Income (NOI)	\$410,000
Rent/Month	\$34,166.67
Rent/SF	\$28.16
Rentable Square Feet	14,560+/- SF
Land Area	4+/- Acres
Tenant Name	Walgreens
Credit Rating	S&P: BBB
Stock Symbol	NYSE: WBA
Guarantor	Corporate
Ownership Type	Fee Simple
Lease Type	NNN
Landlord Responsibilities	None
Store Opened	2006
Lease Term Remaining	12+ Years
Rent Commencement	September 25, 2006
Lease Expiration	September 30, 2031
Increases	Remains Flat
Options	Five (5), Five (5) Year



About Walgreens Pharmacy

Walgreens is an American pharmaceutical company which operates the largest drug retailing chain in the United States of America. It specializes in serving prescriptions, health & wellness products, health information and photo services. As of June 28, 2018, the company operated 9,800 stores in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. It was founded in Chicago, Illinois, in 1901. The Walgreens headquarters office is in the Chicago suburb of Deerfield, Illinois.

In December 2014, Walgreens completed its strategic combination with Alliance Boots to establish Walgreens Boots Alliance, Inc., forging the first global pharmacy-led, health and wellbeing enterprise. The combination brought together two leading companies with iconic brands, complementary geographic footprints, shared values and a heritage of trusted health care services through community pharmacy care and pharmaceutical wholesaling. Both companies have more than a century's worth of experience in customer and patient care. Walgreens is today part of the Retail Pharmacy USA division of Walgreens Boots Alliance. Walgreens provides access to consumer goods and services, plus pharmacy, photo studio, health and wellness services in the United States through its retail drugstores, Walgreens Health Services division, and Walgreens Health and Wellness division.



- Walgreens filled 990 million prescriptions (including immunizations) on a 30-day adjusted basis in fiscal 2017
- Total number of Walgreens employees are more than 235,000 people
- Walgreens has more than 78,000 healthcare service providers, including pharmacists, pharmacy technicians, nurse practitioners and other health-related professionals
- As of August 2017, approximately 76% of the population of the USA lives within five miles of a Walgreens or Duane Reade store



Tenant Snapshot

of Locations
9,800

Stock Symbol
NYSE: WBA

Credit Rating
S&P: BBB

2018 Revenue
\$131.54B

Asset Summary

Net Operating Income (NOI)	\$165,000
Rent/Month	\$13,750
Rent/SF	\$61.73/SF
Rentable Square Feet	2,673+/- SF
Land Area	2.04+/- Acres
Tenant Name/s	Citadel Federal Credit Union (TD Bank Sub-Lease)
Credit Rating	TD Bank S&P: AA-
Stock Symbol	TD Bank NYSE: TD
Guarantor	TD Bank
Ownership Type	Fee Simple
Lease Type	Ground Lease
Landlord Responsibilities	None
Store Opens	TBD (Under Construction)
Lease Term Remaining	16+ Years
Rent Commencement	October 15, 2015
Lease Expiration	November 30, 2035
Increases	10% Every 5 Years
Options	One (1) Five (5) Year; One (1) Four (4) Year & Five (5) Months

Rent Schedule

Term	Increases	Annual Rent	Monthly Rent
Currently – 11/30/2020		\$165,000.00	\$13,750.00
12/1/2020 – 11/30/2025	10%	\$181,500.00	\$15,125.00
12/1/2025 – 11/30/2030	10%	\$199,650.00	\$16,637.50
12/1/2030 – 11/30/2035	10%	\$219,615.00	\$18,301.25
12/1/2035 – 11/30/2040 *1st Option	10%	\$241,576.50	\$20,131.37
12/1/2040 – 4/30/2045 *2nd Option	10%	\$265,734.15	\$22,144.51



About Citadel Federal Credit Union



For more than 80 years, Citadel has steadily grown and offered stability to their members, community, and employees. As they continue to expand, they remain committed to providing the very best value to their members.

Today, Citadel is a \$3 billion financial institution, but their success didn't happen overnight. Their humble beginnings took shape more than 80 years ago on the grounds of the Lukens Steel plant in Coatesville, Pennsylvania.

Citadel was founded by 13 Lukens Steel employees in 1937 as the Lukens Employee Federal Credit Union. At a time when banks they're closing and the country was suffering from the Great Depression, they grew. As they provided financial support for the employees of Lukens Steel and their families, the employees of the steel mill they're busy building the infrastructure of their country. Materials from Lukens Steel they're used in the construction of iconic American symbols such as the Golden Gate Bridge and the World Trade Totheyrs.

As the steel industry changed, they did as well. In 1986, they changed their name from Lukens Employee Federal Credit Union to Citadel, which means "fortress of strength." A few years later, they expanded their charter to become a community-based credit union serving the residents of Chester County and the City of Lancaster, Pennsylvania.

Citadel continues to grow. They may have started small, but they're now one of the largest locally owned financial institutions in the Greater Philadelphia area.

In an industry riddled with mergers and acquisitions, Citadel continues to grow and prosper by operating in the best interest of their members. They have remained loyal to their members and have been stretching into new territories while still offering consistently great products and services to help their members save, borrow, and plan for the future.

Today, Citadel Headquarters is located in Exton, Pennsylvania, and, as an organization, they have more than 435 employees. They currently have 22 branches serving more than 200,000 happy customers throughout Bucks, Chester, Delaware, Lancaster, Montgomery, and Philadelphia Counties.

As they continue to grow and prosper, they continue to advocate for their members and their community. Citadel is committed to helping you protect your hard-earned money. All deposits are federally insured up to \$250,000 or more per customer by the NCUSIF (National Credit Union Share Insurance Fund). So, you can rest assured, knowing your deposits are safe and secure.



Tenant Snapshot

Founded
1937

of Members
194,665

BBB Rating
A+

Total Assets
\$3B

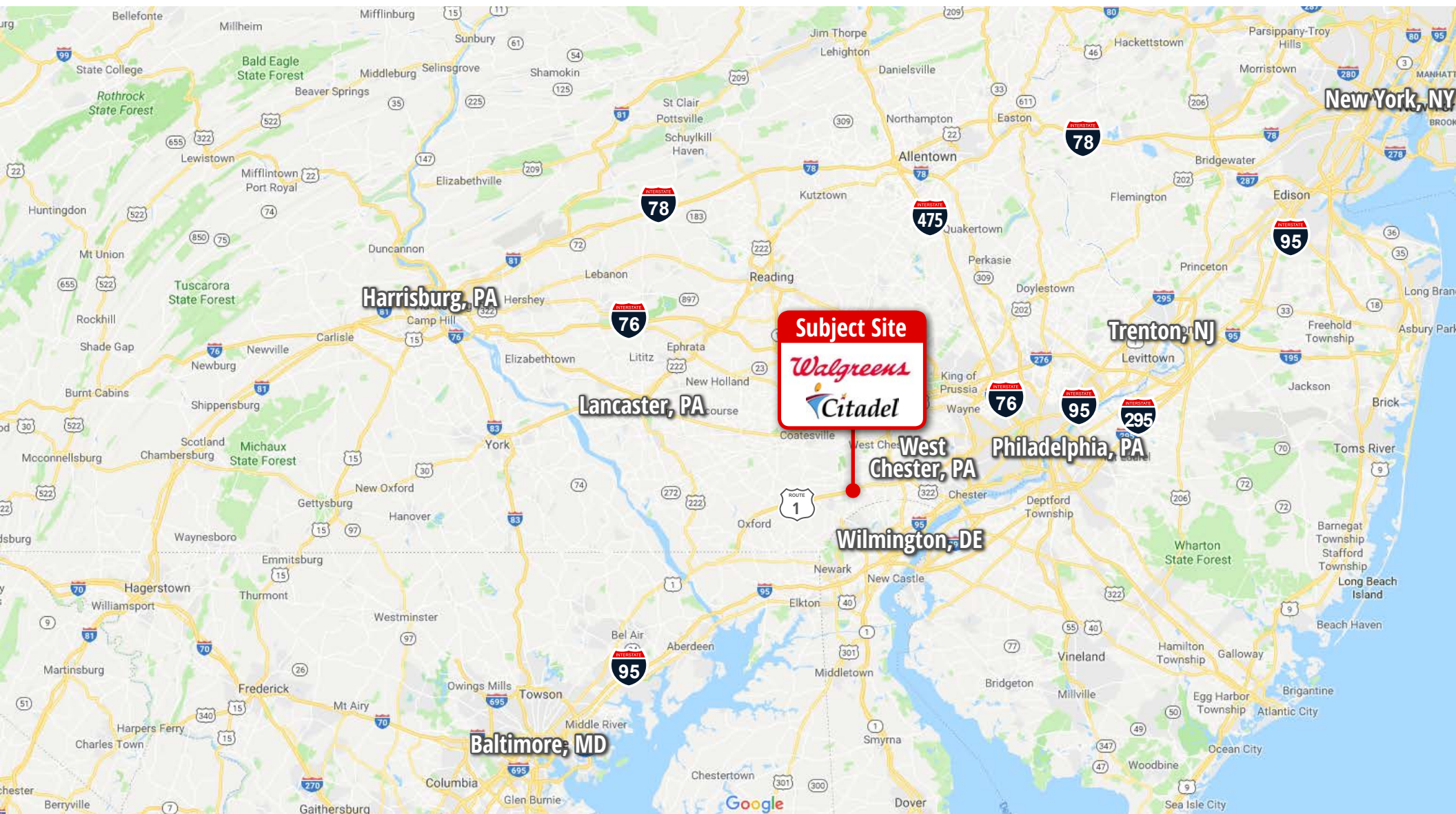


E Baltimore Pike 37,000 VPD

Surrounding Retail



Location Overview




Distance To

Wilmington, DE **17 miles**
Philadelphia, PA **36 miles**

Trenton, NJ **67 miles**
Lancaster, PA **35 miles**

West Chester, PA **10 miles**
New York, NY **132 miles**



HISTORIC KENNETT SQUARE

The Creamery, Victory Brewing, Talula's Table, Kennett Brewing Company, Lily Asian Cuisine, Market at Liberty Place, Nomadic Pies, Philter Coffee, Portabello's, Victory at Magnolia, State Street Pizza, La Michoacana, Alexis Kletjian, Carlin Academy, Holly Peters, Mamie Boutique, Marche, No. 109, State & Union, Square Pear, Treetops, Works

Shoppes at Longwood Village

ROSS
DRESS FOR LESS
TJ-maxx
Famous Footwear
Hallmark
JOS. A. BANK
Starbucks
GNC

Longwood Gardens

DUNKIN' DONUTS

Wawa

CVS pharmacy

Marlborough Square

GIANT
KUMON
CHINA GARDEN
FRANKLIN MINT
FEDERAL CREDIT UNION
Flaga Party
SKY CLEANERS
PALM-A-BAGEL
ZYNG NAILS
KeyBank
Use the red key.

Subject Site
Walgreens
Citadel

Walmart

E Baltimore Pike 37,000 VPD

Kennett Oxford Bypass 31,000 VPD

DUNKIN' DONUTS
McDonald's
QUIK'S OUTLET
GOOD STUFF CHEAP
Habitat for Humanity
ReStore
SNEAKER DEN
BIG LOTS!
metro
by T-Mobile
Citizens Bank
TACO BELL

Auto Zone
SUNOCO

Chiquita

Country Fresh
MUSHROOM CO.

GIANT
Peebles
Pats
Signature Style
ATTEND

BB&T
cricket
wireless

South Mill

Kennett High School

R.L. Irwin
Company

PHILLIPS
MUSHROOM FARMS, L.P.



Location
Highlights



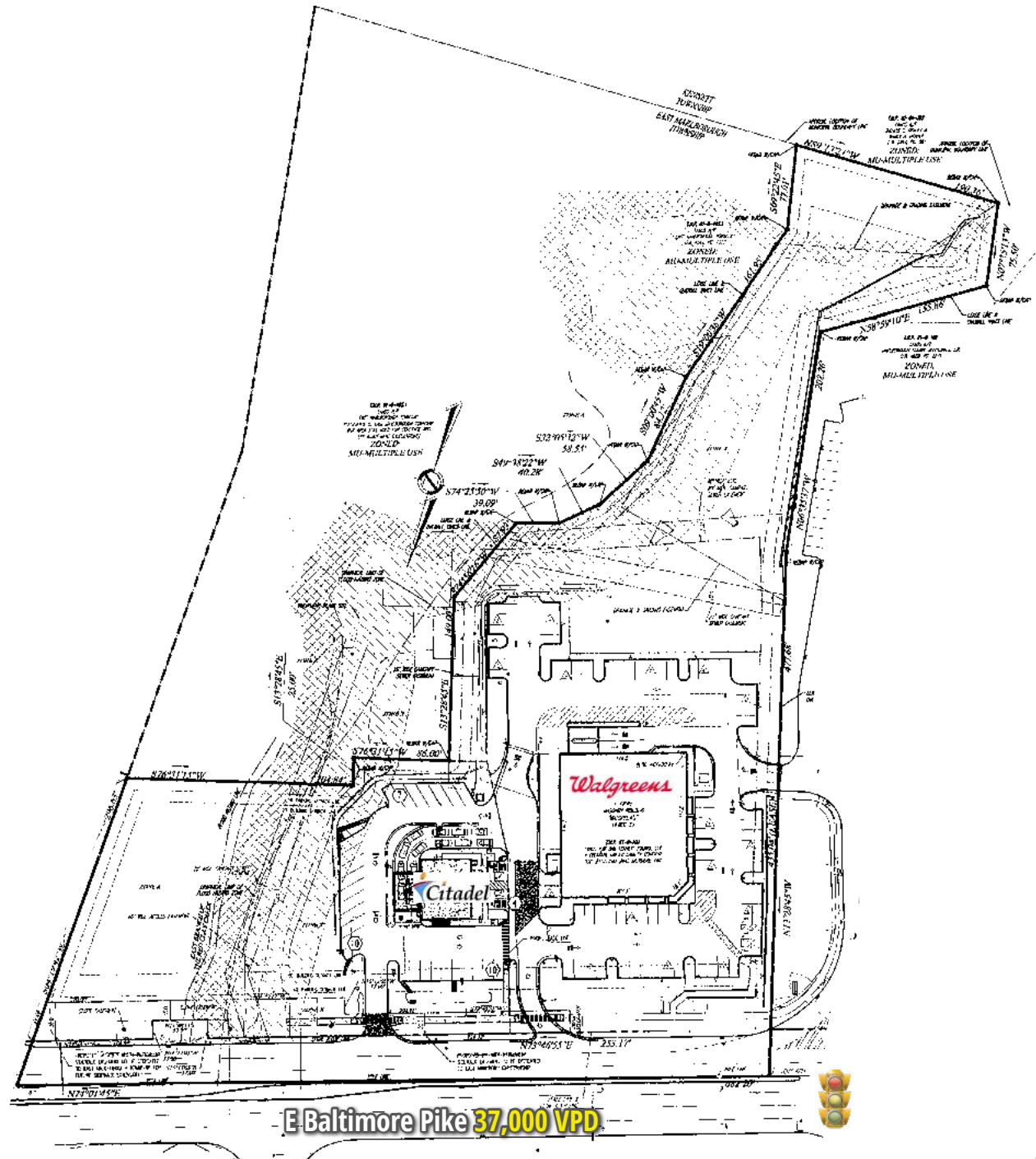
Located off Kennett
Oxford Bypass



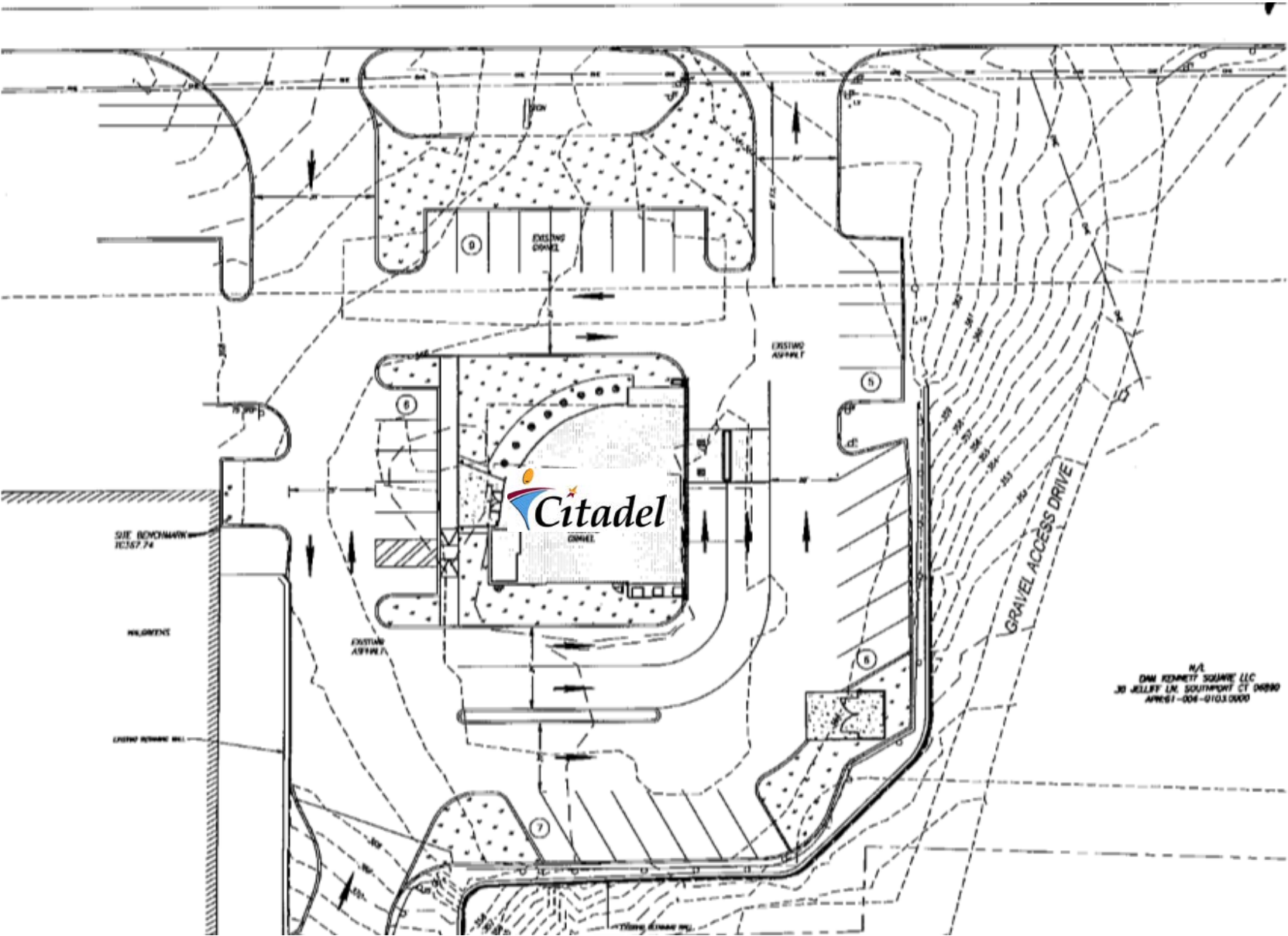
37,000 VPD
Pass the Site



Accessible from Giant
Anchored Shopping Center

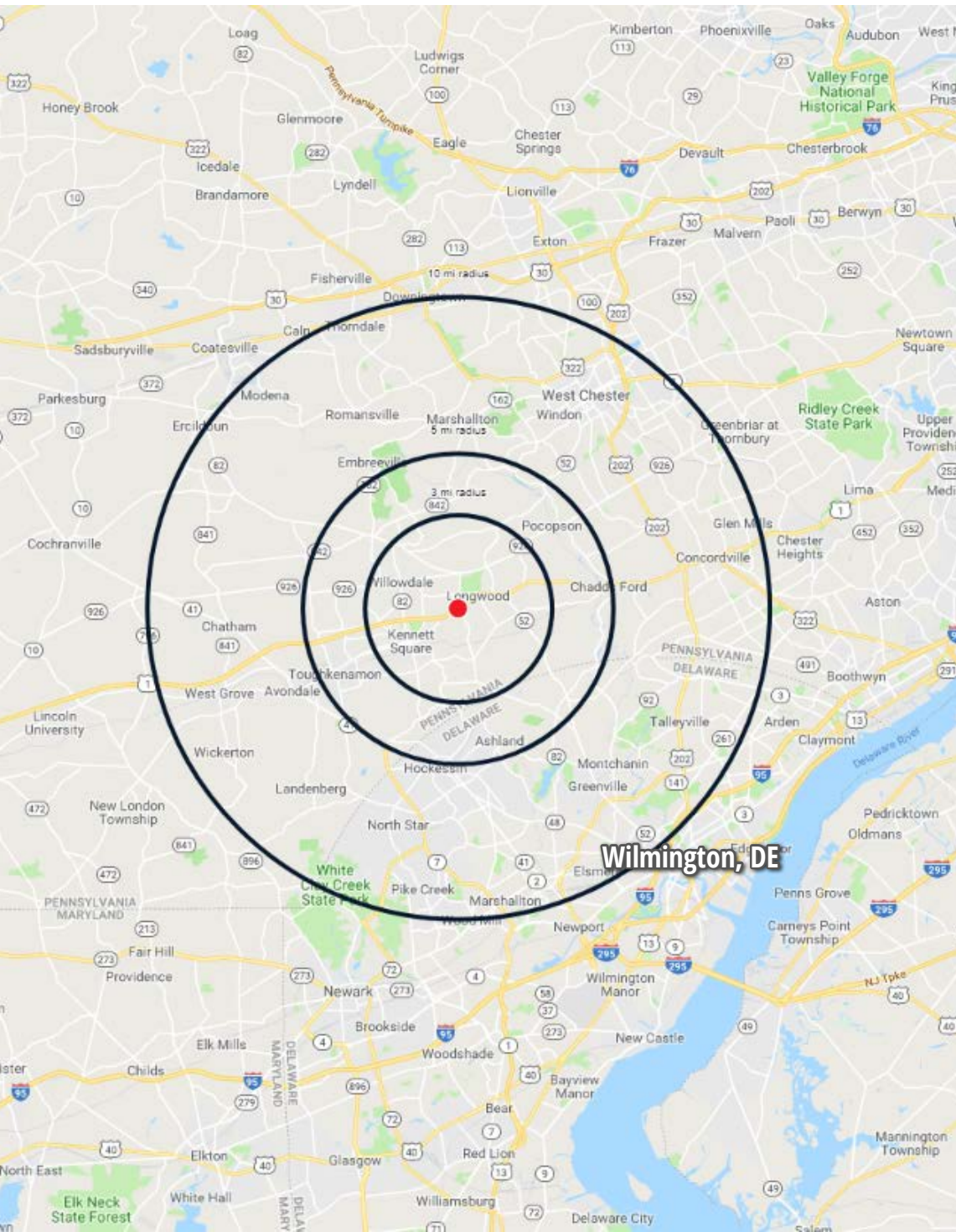


E Baltimore Pike 37,000 VPD



N/A
DAN KOPPEL SQUARE LLC
30 JELLY LN. SOUTHPORT CT 06890
APR151-004-0103.0000

Location Overview, 3/5/10 Miles



3 Miles 5 Miles 10 Miles

Population

2018 Population	23,350	43,358	313,066
2023 Population	23,911	44,346	318,186
2018 Median Age	43.3	42.7	41.0

Households

2018 Total Households	8,839	15,436	119,948
2023 Total Households	9,778	17,435	122,320

Median Household Income

2018 Median HH Income	\$111,151	\$115,048	\$130,595
2023 Median HH Income	\$129,137	\$132,282	\$151,098

Average Household Income

2018 Average HH Income	\$148,328	\$153,908	\$175,864
2023 Average HH Income	\$181,790	\$189,361	\$216,656

5 Mile Radius | Demographics



Population
42,923



Avg HH Income
\$175,864



Total Businesses
1,766



Total Employees
19,872

Kennett Square, PA

Kennett Square is located in southern Chester County and encompasses approximately 15.6 miles of land area. It borders the state of Delaware on its southern border and the townships of New Garden, East Marlborough, and Pennsbury. The Borough of Kennett Square was formed from the Township and incorporated in 1855. The original village in the Township served as the nucleus of the Borough. The Borough itself comprised a little over one square mile of land and included 606 inhabitants at the time of its formation.

Kennett Square sits in the heart of lush Brandywine Valley. At the center of town, locals gather to shop and dine. Beyond, surrounding farms produce roughly 60% of the country's mushrooms, earning the area its well-earned nickname — the Mushroom Capital of the World.

Originally occupied by Lenape tribe members, the area now known as Kennett Square served an important role in the nation's history. British soldiers camped here during the Revolutionary War, the town served as a military encampment during the War of 1812 and many prominent Kennett Square citizens aided with the Underground Railroad. This rich heritage earned Kennett Square a spot on the National Register of Historic Places in 1999.



Employees
19,872

In Kennett Square, action centers around State Street. This energetic thoroughfare showcases an array of locally owned businesses, charming shops, farm-fresh eateries and plenty of small-town charm.

Founded by Pierre S. du Pont, Longwood Gardens features 1,077 acres of exquisitely manicured gardens, woodlands, meadows, fountains and exhibits. Horticultural classes, live entertainment and special events throughout the year make this awe-inspiring oasis one of the Philadelphia region's most visited attractions.

Longwood Gardens is one of the world's great gardens is nestled in the Brandywine Valley, in Kennett Square and just minutes away from downtown. With over a thousand acres of meticulously cared for gardens, meadows and woodlands, a grand Conservatory filled with horticultural artistry, and year-round cultural entertainment, the experience will be one to remember. Longwood Gardens is open every day of the year.

About Us

Calkain Companies LLC is a boutique commercial real estate investment banking firm that provides consulting and brokerage services to both private and institutional clientele with a focus on single tenant net lease investments. We pride ourselves on being an innovative leader by providing our clients a full array of commercial real estate investment brokerage and asset management solutions, including advisory, research, debt and equity placement and wealth management.

Calkain has built solid, lasting relationships that have been the cornerstone of how we do business. Calkain approaches each assignment with an eye toward each client's individual needs. Whether private or institutional investors, Calkain delivers real estate solutions that maximize value while building wealth for all of our clients.

At Calkain, our foresight and innovation are leading the net lease investment industry.



\$12 Billion
in Closed Transactions

\$400 Million
in Active Listings

Building a solid foundation for your investment portfolio
calkain.com

Washington, DC
12930 Worldgate Dr
Ste 150 | Herndon, VA
Tel: 703.787.4714

Fort Lauderdale
200 SW 1st Ave
Ste 880 | Fort Lauderdale, FL
Tel: 813.282.6000

Atlanta
111 Village Pkwy, Bldg 2
Ste 202 | Marietta, GA
Tel: 404.900.5629

Boston
101 Federal St
Ste 1900 | Boston, MA
Tel: 617.261.8584

Philadelphia
3477 Corporate Pkwy
Ste 100 | Center Valley, PA
Tel: 610.410.5410

New York
450 Lexington Ave
4th Fl | New York, NY
Tel: 703.787.4714

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