

WALGREENS JANESVILLE | WI





THE MID-AMERICA NET LEASE INVESTMENT SALES TEAM IS PLEASED TO PRESENT



WALGREENS

2519 KETTERING STREET, JANESVILLE, WI 53546

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OFFERING SUMMARY

Mid-America Real Estate Corporation, in cooperation with Mid-America Real Estate-Wisconsin, LLC, has been retained on behalf of the owner, as the exclusive listing broker to sell the fee simple interest in the Walgreens located at 2519 Kettering Street in Janesville, Wisconsin. The property is comprised of a 14,430 square foot building on a large 2.24 acre parcel. Walgreens has 15 years of term remaining before their first termination option. The site is located off of Highway 26 and is surrounded by large national retailers. The rare combination of an investment grade tenant and a long term lease with no Landlord responsibilities make it an excellent net lease investment opportunity.



INVESTMENT HIGHLIGHTS

DESIRABLE TENANCY WITH AN INVESTMENT GRADE COMPANY AND STRONG REPORTED SALES VOLUMES

Walgreens has established itself as the largest pharmacy chain in the United States, with 9,800+ locations and serving approximately 8 million customers in store and online daily. Walgreens Boots Alliance, Inc. is the parent company of Walgreens and boasts an investment grade S&P credit rating of "BBB." As of August 31, 2018 the company reported revenues of more than \$118 Billion and net income of \$4.08 Billion. The store has strong annual reported sales, exceeding national average (please contact broker for further information).

LONG TERM LEASE, ON A LARGE PARCEL WITH NO LANDLORD RESPONSIBILITIES

The subject offering is a 14,430 square foot building situated on a large 2.24 acre parcel of land. Walgreens is subject to a long term 15 year firm NNN lease with zero landlord responsibilities.

SOLID TRAFFIC, VISIBILITY AND MULTIPLE POINTS OF ACCESS

The subject property is located at the signalized corner of Highway 26 (Milton Avenue) and Kettering Street and benefits from a pylon sign visible from Highway 26. Being located off of Highway 26 exposes Walgreens to 36,500 vehicles per day. In addition, the site is also adjacent to Interstate 90, which carries 60,000 vehicles per day. There are there are two entrances into Walgreens, one on Kettering Street and the other off of Whitney Street, allowing customers to access the site from multiple points of entry.

STRONG DEMOGRAPHIC PROFILE

Within three miles of the site, there are 30,707 people earning an average household income of more than \$75,000. Additionally, there are more than 63,000 people within 5 miles, allowing for a very large customer base.

SURROUNDED BY MANY NATIONAL RETAILERS

Walgreens is surrounded by numerous major national retailers including Walmart, Sam's Club, Menards, The Home Depot, Woodman's Food Market and many others. Walgreens is also located a mile form Janesville Mall, which is anchored by Dick's Sporting Goods, Sears and Kohl's.

Price: \$7,476,189

Cap Rate: 6.35%

Tenant:	Walgreen Co.
Address:	<u>2519 Kettering Street,</u> <u>Janesville, WI 53545</u>
Term Remaining (Before 1 st Termination Option):	15 Years
Annual Rent:	\$474,738
Rental Increases:	Flat
Lease Type:	NNN
Total Square Footage:	14,430 SF
Lot Size:	2.24 Acres
Year Built:	2008



TRADE AREA -SOUTHWEST



TRADE AREA -SOUTHEAST

NORTH





NORTH

SUBJECT
OFFERING



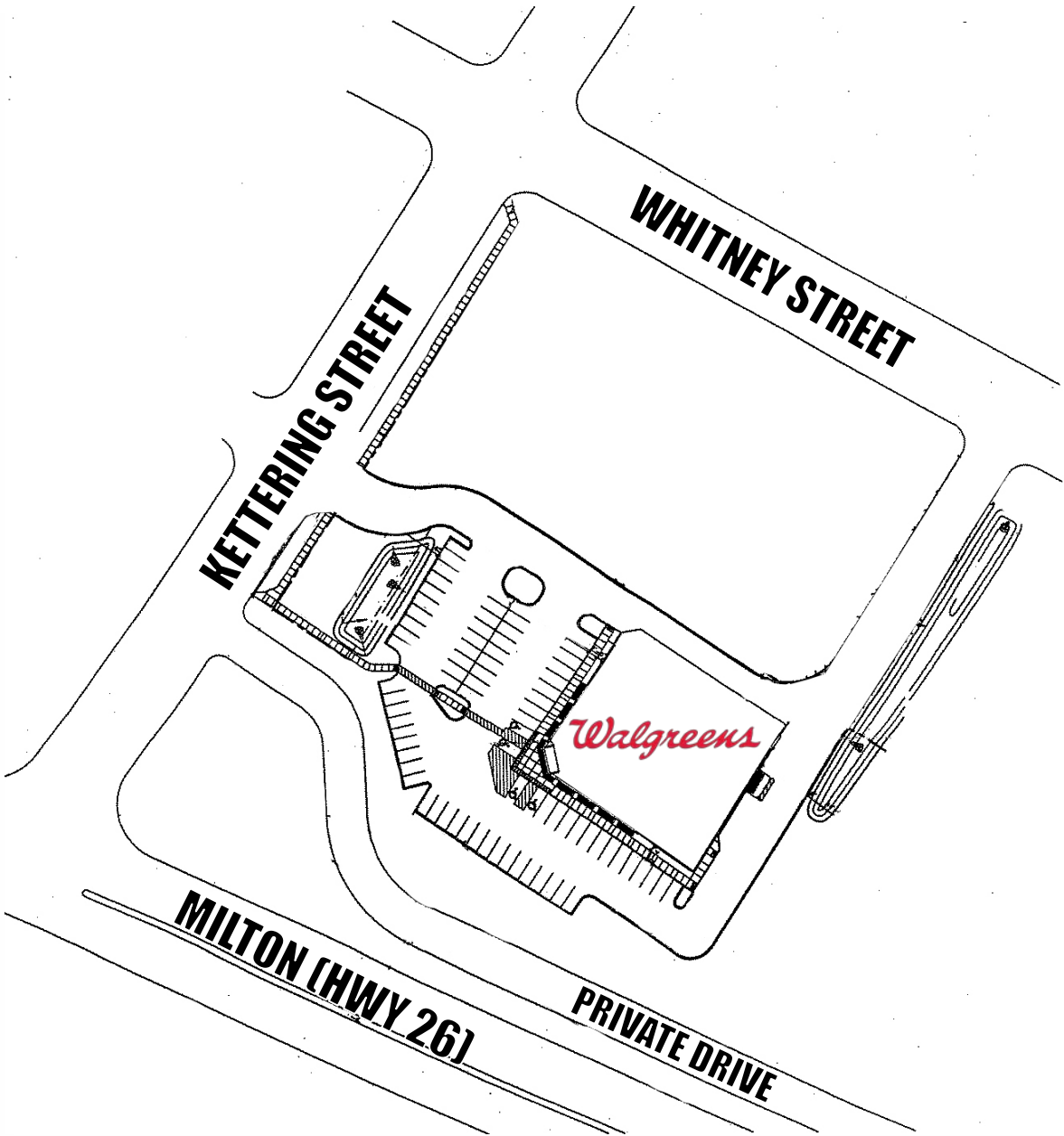
Subject Offering —

KETTERING STREET



SITE PLAN

NORTH

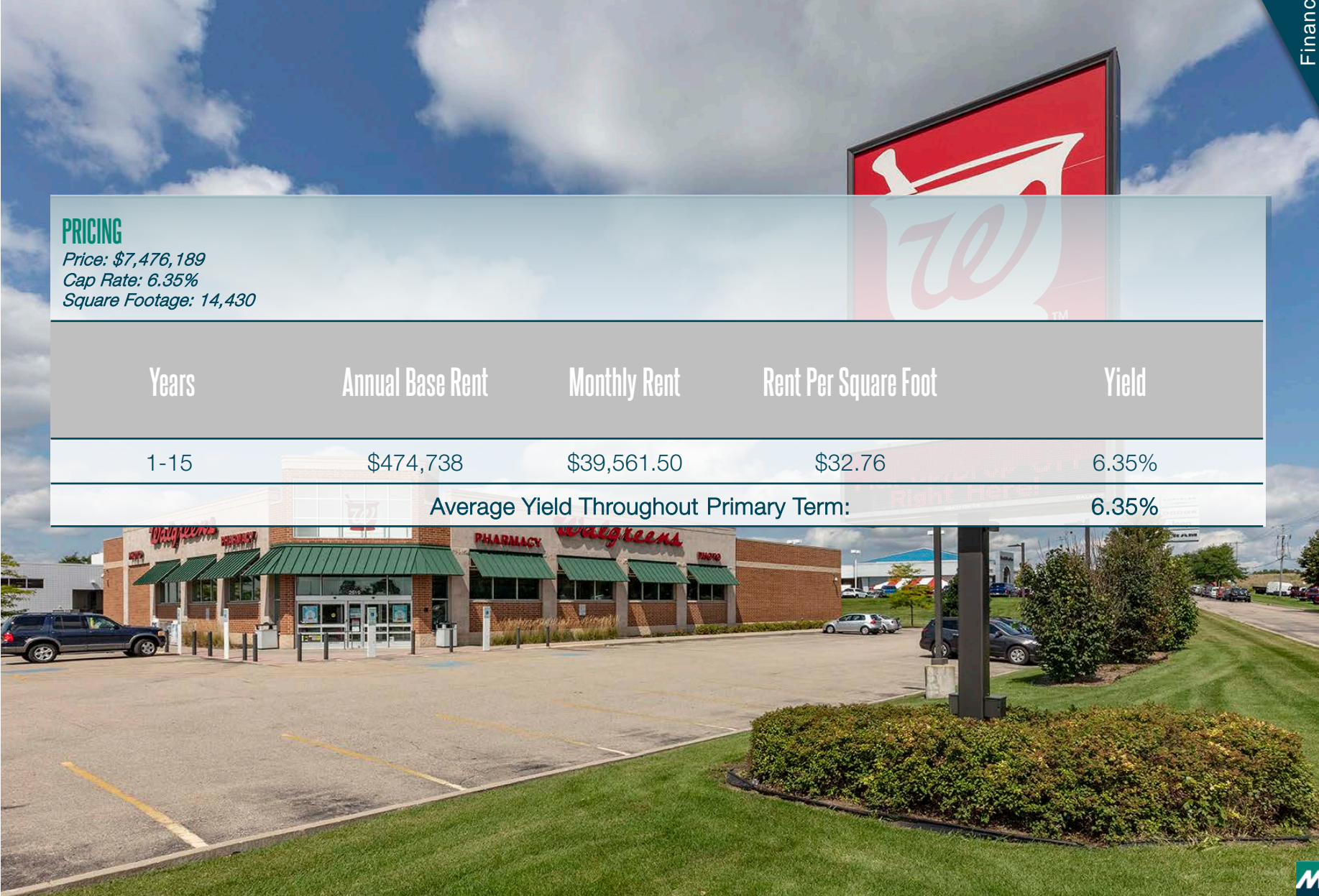


FINANCIAL SUMMARY

PRICING

Price: \$7,476,189
Cap Rate: 6.35%
Square Footage: 14,430

Years	Annual Base Rent	Monthly Rent	Rent Per Square Foot	Yield
1-15	\$474,738	\$39,561.50	\$32.76	6.35%
Average Yield Throughout Primary Term:				6.35%



LEASE SUMMARY - WALGREENS

Tenant:	Walgreens Co.
Address:	2519 Kettering Street, Janesville, WI 53546
Lease Type:	NNN
Year Built:	2008
Square Footage:	14,430 SF
Land Area:	2.24 Acres
Rent Commencement Date:	July 7, 2008
Expiration Date:	July 31, 2083
Current Annual Rent:	\$474,738
Monthly Rent:	\$39,561.50
Rental Increases:	Flat
Tenant Responsibilities:	Tenant at its sole cost and expense shall maintain the Leased Premises and make all necessary repairs and replacements, whether interior or exterior, structural or non-structural. Tenant at its sole cost and expense shall also maintain, repair, operate, light, clean and make replacements to the parking areas and landscaping of the Leased Premises.
Tenant Insurance:	Tenant shall carry special form coverage insurance covering the Building and the other improvements on the Leased Premises to the extent of not less than 100% of the full replacement value. Tenant shall also procure and continue in effect public liability and property damage insurance with respect to the operation of the Leased Premises. Public Liability insurance shall cover liability and property damage for death or bodily injury in any one accident in a combined single limit sum of not less than \$2,000,000. Upon written request from Landlord, Tenant shall name Landlord as additional insured on Tenant's insurance.
Taxes:	Tenant pays directly.
Utilities:	Tenant pays directly.
Right of First Refusal:	Tenant may, within twenty-one (21) days after receipt of Landlord's notice of Bona Fide Offer, offer to purchase the Leased Premises at the price and upon the terms and conditions as are contained in said Bona Fide Offer.
Estoppel:	Within thirty (30) days upon request.
Termination Options:	Tenant shall have the right and option, at Tenant's election, to terminate this lease effective as of the last day of the 300 th full calendar month of the term. If Tenant shall elect to exercise any such option, Tenant shall send written notice thereof to Landlord, at least six months prior to the date.





Founded in 1901 as a single drug store in Chicago, Walgreens today is the largest pharmacy chain in the United States. Through constant innovation, Walgreens has a history of breaking new ground to meet its customers' needs and improve their health from offering self-service stores beginning in the 1950's to developing a 5-star rated mobile app today. It specializes in filling prescriptions, health and wellness products, health information and photo services. The drive to innovate led Walgreens to merge with European-based Alliance Boots in 2014 to form Walgreens Boots Alliance, Inc. Walgreens Boots Alliance, Inc. is the first global pharmacy-led, health and well-being enterprise. Besides the Walgreens brand, the unit includes Duane Reade stores and most recently Walgreens completed their acquisition of more than 1,900 Rite Aid drugstores in the U.S.

For the US subsidiary, prescription drugs account for about 70% of sales; the rest comes from general merchandise, over-the-counter medications, cosmetics, and groceries. Most Walgreens stores offer drive-through pharmacies and one-hour photo processing. Additionally, 400 Walgreens locations feature in-store clinics, some of which are operated by Walgreens while others are operated by third parties.

Tenant:	Walgreens, Co.
Parent Company:	Walgreens Boots Alliance, Inc.
Stock Symbol (Nasdaq):	WBA
Credit Rating (S&P):	"BBB"
Company Headquarters:	Deerfield, IL
Number of Stores (2018):	9,800+
Market Cap:	\$68.89 Billion

	<u>8/31/2018</u>	<u>8/31/2017</u>	<u>8/31/2016</u>
Revenue:	\$118.21 B	\$117.35 B	\$103.44 B
Net Income:	\$4.08 B	\$4.17 B	\$4.22 B

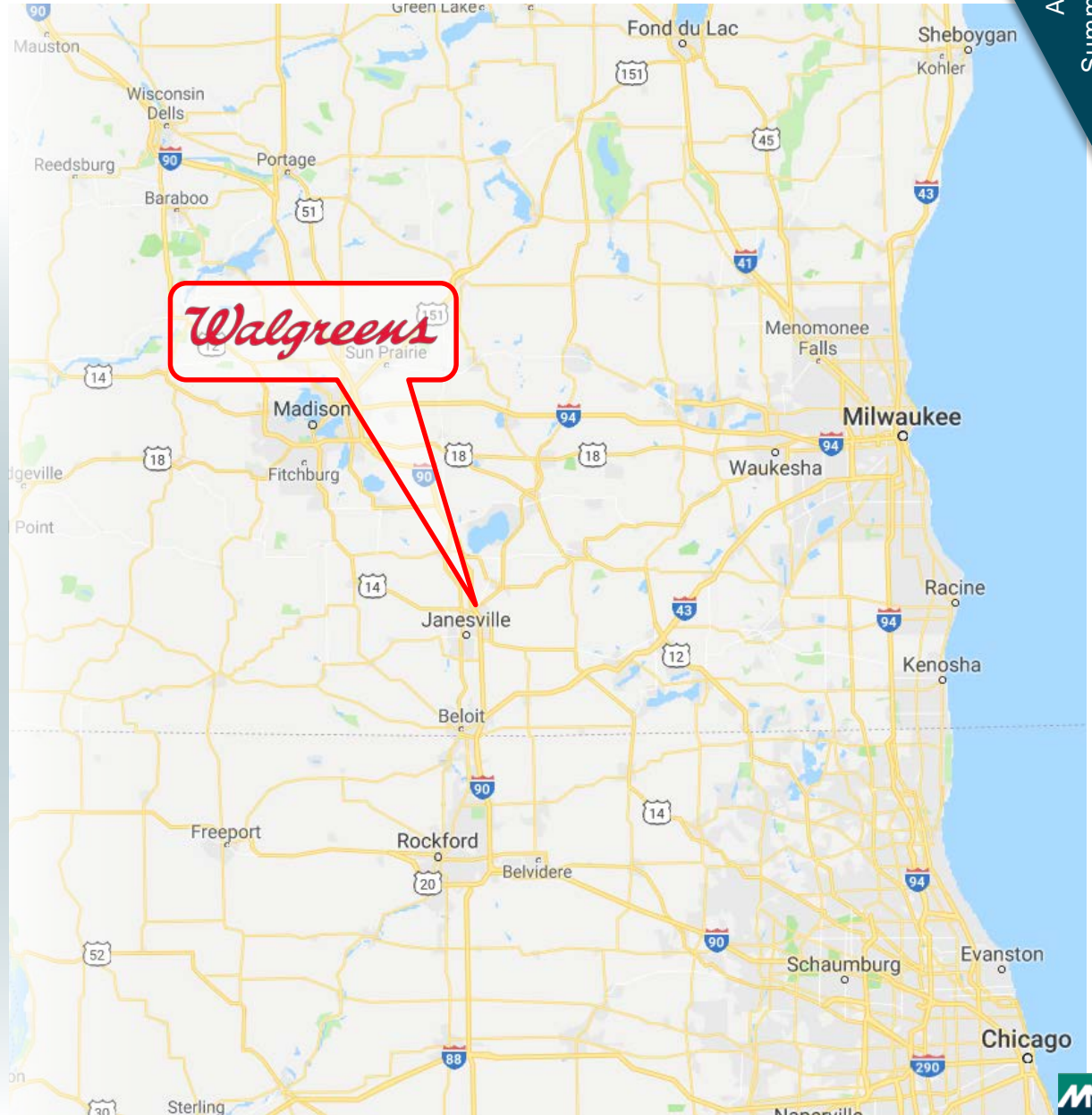


AREA SUMMARY

JANESVILLE

Janesville is the county seat and largest city of Rock County, in southern Wisconsin with a population of 63,880. Janesville is located just north of the Illinois border on I-39/90 and is easily accessible from several major highways including U.S. Highways 14 and 51 and state Highways 26 and 11. The city was founded in 1836 and has a long history of strong industry and economic success which has helped turn Janesville into a major commercial and industrial area. The city of Janesville actively uses TIF for new construction and for the leasing of existing manufacturing or distribution space to help improve the local economy. Janesville is home to many major employers including Mercy Health System and Grainger, and the headquarters of many businesses including Blain's Farm and Fleet, a three-state retail chain; Woodman's Food Market, a regional supermarket chain that built its first store in Janesville; Swing'n'Slide, a maker of wood-and-plastic playground equipment; Hufcor, a manufacturer of room dividers that markets internationally; and Gray's Brewing, maker of boutique beers and soft drinks.

Defined by its setting on both the east and west sides of the Rock River, Janesville's downtown business district is a walkable commercial neighborhood with retailers, services and plenty of dining and entertaining options. Whether a person chooses to walk, run or bike, Janesville has 30 miles of paved trails along with plenty of parks, recreation and cultural attractions.



DEMOGRAPHIC PROFILE

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Demographics

Population	1 Mile	3 Mile	5 Mile
Q1 2017 Estimated Population	2,727	30,707	63,323
2022 Projected Population	2,805	31,238	64,164
Workplace Establishments	410	1,281	2,718
Estimated Daytime Population	7,863	31,624	67,154
Households	1 Mile	3 Mile	5 Mile
Q1 2017 Estimated Households	971	12,519	25,937
2022 Projected Households	1,005	12,784	26,371
Persons per Household	2.81	2.42	2.41
Income	1 Mile	3 Mile	5 Mile
Average Household Income	\$107,876	\$75,647	\$71,415
Median Household Income	\$92,349	\$59,493	\$54,907



LEGAL DISCLAIMER

The Offering Memorandum ("The Memorandum") is intended solely for the limited use of The Potential Purchaser in considering whether to pursue negotiations to acquire the 2519 Kettering St., Janesville, WI 53546 ("The Property"). The Memorandum, prepared by Mid-America Real Estate Corporation, in cooperation with Mid-America Real Estate-Wisconsin, LLC (Hereinafter collectively referred to as "MAREC"), contains brief, selected information pertaining to the operation of The Property and Owner does not purport to be all-inclusive or to contain all the information, which The Potential Purchaser may desire. The Memorandum will be delivered with the understanding that The Potential Purchaser will conduct its own analysis and investigation of The Property, independently and without reliance upon The Owner, MAREC or The Memorandum and based on such documents, information and other matters as The Potential Purchaser, in its sole discretion, deems appropriate in evaluating a purchase of The Property. In furnishing The Memorandum, MAREC and/or The Owner reserve(s) the right to request the return of The Memorandum (including all copies or partial copies), or any other information provided, at any time. Neither The Owner nor MAREC or any of their officers, employees or agents make any representation or warranty, expressed or implied, as to the accuracy or completeness of The Memorandum or any oral or written communication transmitted from MAREC and/or The Owner to The Potential Purchaser and no legal liability is assumed or to be implied with respect thereto. By accepting The Memorandum, The Potential Purchaser agrees that The Memorandum's contents and any other information pertaining to The Property and provided to The Potential Purchaser are confidential and proprietary; that The Memorandum and the information contained therein or provided is the property of The Owner and/or MAREC, that it will hold and treat The Memorandum and information provided in the strictest of confidence; that it will not, directly or indirectly, disclose or permit anyone else to disclose The Memorandum's contents without prior written authorization; and, that it will not use or permit to be used The Memorandum or The Memorandum's contents in any fashion or manner detrimental to the interest of The Owner and/or MAREC or in violation of the obligation to maintain such information and The Memorandum in strict confidence. However, The Potential Purchaser may disclose such confidential information to its employees, auditors, financial advisors, directors and/or counsel to whom it is reasonably necessary for purposes of evaluating The Property provided such disclosure is made pursuant to this agreement, all reasonable precautions are taken to safeguard the information and parties are informed of the need to maintain the information as confidential. The Potential Purchaser agrees that photocopying or other duplication of information provided by The Owner and/or MAREC is strictly prohibited. The Owner expressly reserves the right, at its sole discretion, to reject any or all proposals or expressions of interest in The Property and to commence, participate in, or terminate discussions with any party at any time with or without notice. The Potential Purchaser acknowledges that The Owner has no obligation to discuss or agree to the sale of The Property. Notwithstanding that The Potential Purchaser and The Owner may reach one or more oral understandings or agreements on one or more issues that are being discussed, neither party shall be bound by any oral agreement of any kind and no rights, claims, obligations or liabilities of any kind, either express or implied, shall arise or exist in favor of or be binding upon either party except to the extent expressly set forth in a written agreement signed by both parties. The Memorandum shall not be deemed a representation of the state of affairs of The Property nor constitute an indication that there has been no change in the business or affairs of The Property since the date of its preparation. The Potential Purchaser agrees not to contact the tenants, leasing MARECs or property management staff of The Property in connection with its review of The Property. Any and all questions related to The Memorandum or The Property must be directed to MAREC. In the event The Potential Purchaser decides not to pursue the acquisition of The Property, The Potential Purchaser agrees to return The Memorandum and all copies (including partial copies) to the appropriate representative of MAREC.



Representation

The Potential Purchaser understands and agrees that MAREC/Mid-America Real Estate – Wisconsin, LLC is not representing The Potential Purchaser in this Proposed Sale. MAREC/Mid-America Real Estate – Wisconsin, LLC is only representing The Owner in this Proposed Sale.

Americans with Disabilities Act

The United States Congress has enacted the Americans With Disabilities Act. Among other things, this act is intended to make business establishments equally accessible to persons with a variety of disabilities. As such, modifications to real property may be required. State and local laws also may mandate changes. Neither The Owner nor MAREC/Mid-America Real Estate – Wisconsin, LLC is qualified to advise The Potential Purchaser as to what, if any, changes may be required now, or in the future. The Potential Purchaser should consult the attorneys and qualified design professionals of its choice for information regarding these matters. Neither The Owner nor MAREC/Mid-America Real Estate – Wisconsin, LLC can determine which attorneys or design professionals have the appropriate expertise in this area.

Hazardous Materials Disclosure

Various construction materials may contain items that have been or may in the future be determined to be hazardous (toxic) or undesirable and as such may need to be specifically treated, handled or removed. Due to prior or current uses of The Property or the area, there may be hazardous or undesirable metals, minerals, chemicals, hydrocarbons or biological or radioactive items (including electric and magnetic fields) in soils, water, building components, above or below-ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Neither The Owner nor MAREC/Mid-America Real Estate – Wisconsin, LLC has expertise in the detection or correction of hazardous or undesirable items. Expert inspections are necessary. Current or future laws may require clean up by past, present and/or future owners and/ or operators. It is the responsibility of The Potential Purchaser to retain qualified experts to detect and correct such matters.

Remedies

If there is a breach or threatened breach of any provision of these Conditions of Offering, The Owner and/or MAREC/Mid-America Real Estate – Wisconsin, LLC shall be entitled to seek redress by court proceedings in the form of an injunction restraining The Potential Purchaser without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy and/or a decree for specific performance without any bond or other security being required. Nothing herein shall be construed as prohibiting The Owner and/or MAREC/Mid-America Real Estate – Wisconsin, LLC from pursuing any other remedies at law or in equity, which it may have. If The Owner and/or MAREC/Mid-America Real Estate – Wisconsin, LLC is involved in a court proceeding to enforce the covenants contained in these Conditions of Offering and The Owner and/or MAREC/Mid-America Real Estate – Wisconsin, LLC prevails in such litigation, The Potential Purchaser shall be liable for the payment of The Owner and/or MAREC/Mid-America Real Estate – Wisconsin, LLC's reasonable attorneys' fees, court costs and ancillary expenses together with such other and further relief as available under any applicable statute.

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies.



RELY ON THE MIDWEST'S RETAIL REAL ESTATE EXPERTS.

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