

OFFERING MEMORANDUM

WALGREENS

6075 BARNES ROAD | COLORADO SPRINGS, CO 80922



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- » **Ideal 1031 Candidate** – There are still nearly 10 years remaining on a corporate lease.
- » **Extremely Strong Operating History** – Walgreens has been operating at this location for 16 years already and has consistently been performing at a high level - contact broker for details.
- » **Costco and Target Anchored Retail Hub** – This store is next to a 157,000+ SF Costco Wholesale, near a new Sprouts anchored shopping center, across from a Hobby Lobby anchored center, and a only few minutes from both Carmax and Target. Other national tenants in the immediate vicinity include: HomeGoods, O'Reilly Auto Parts, Kum & Go, 7-Eleven, Longhorn Steakhouse and many more.
- » **Robust Traffic Counts** – This store is sandwiched between two extremely busy intersections. To the west is Powers Blvd and Barnes Rd that sees an average traffic count of 89,000+ cars per day and to the east is Barnes Rd and Tutt Blvd that sees 43,000+ cars combined.
- » **Booming Economy** – Driven by the revitalization of downtown Colorado Springs, it is expected to surpass Denver as the largest city in Colorado by 2050. It's labeled as "Fastest Growing City for Millennials" by Brookings Institution, "No. 1 Most Desirable Place to Live" by US News and World Report, and "Top 25 Happiest Cities" by National Geographic.
- » **Ideal Market** – The 1,3, and 5-mile radius is dense with 15k, 123k, and 246k residents respectively who have an average household income between \pm \$85,000 to \pm \$93,000.
- » **Double Digit Growth** – Since 2010, the 1,3, and 5-mile radius has grown by an average of \pm 16.8% and expected to grow another \pm 8% over the next 5 years.
- » **2nd Largest City** – Colorado Springs is the 2nd largest city in the entire state of Colorado behind only Denver
- » **Constant Development** – The 60,000 SF \$75MM U.S Olympic Museum and Hall of Fame will be completed this year; Fairfield Inn Suites is completing a hotel just south of this store on Tutt Blvd; and Colorado Springs Chamber of Commerce likely issued around 4,000 building permits last year and expect a similar number this year.
- » **Large Signalized Corner** – Walgreens sits on a 1.8-acre signalized corner parcel that benefits from Kum & Go and O'Reilly Auto Parts on the other corners, offering good re-purpose or re-development factors in the future.







Financial Overview



Investment Summary

» ADDRESS	6075 Barnes Road Colorado Springs, CO 80922
» LIST PRICE	\$5,733,000
» CAP RATE	6.00%
» GLA	± 14,490 SF

» YEAR BUILT	2003
» NO. OF STORIES	One
» LANDSCAPING	Professional
» LOT SIZE	±1.80 AC (±78,408 SF)



Annualized Operating Data

	Monthly Rent	Annual Rent	Annual Rent/PSF	Cap Rate
Current - 6/30/2028	\$28,667	\$344,000	\$23.89	6.00%

Tenant Summary

Tenant Name	Walgreens
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NNN
Roof, Structure, and Parking Lot	Tenant Responsible
Term Remaining	± 9.5 Years
Original Lease Term	25 Years
Rent Commencement Date	7/1/2003
First Termination Date	6/30/2028
Lease Expiration Date	6/30/2078
Increases	None
ROFR	Yes
Options	10, 5-Year Options





2019 1-Mile Population Demographics



15,381 People



5,590 Households



\$92,786 Avg HH Income

N



THE PLAZA AT
BARNES

WILD BLUE
Car Wash

Tires LES SCHWAB

N Powers Rd ±58,000 VPD

ON THE BORDER
MEXICAN GRILL & CANTINA

FedEx
Ship Center

noodles
company

SIERRA
TRADING POST

OLD NAVY

BED BATH &
BEYOND

M
MARDEL

HOBBY LOBBY

SECURITY
SERVICE
FEDERAL CREDIT UNION

STARBUCKS
COFFEE

±89,000 VPD

Barnes Rd ±31,000 VPD

Walgreens

SUBJECT PROPERTY

Tenant Overview

» Company Name Walgreen Co.	» Industry Drug Store
» Ownership Public	» Headquarters Deerfield, IL
» Year Founded 1901	» Website www.walgreens.com

The nation's #1 drugstore chain, Walgreens, operates close to 8,300 stores in all 50 US states, the District of Columbia, the Virgin Islands and Puerto Rico. Prescription drugs are the focus of the company as they account for close to two-thirds of sales; the rest comes from general merchandise, over-the-counter medications, cosmetics and groceries. Most locations offer drive-through pharmacies and one-hour photo processing, which separates them from competition. Recently, Walgreen Co. fully acquired Alliance Boots, Europe's leading drug wholesaler, to create Walgreens Boots Alliance, of which it is a subsidiary.

WALGREENS HEALTH FOCUS

Walgreens' overall value proposition differentiates it from competitors in valuable ways. Specifically, a focus on health gives Walgreens a competitive advantage over other pharmacies. By putting health at the forefront of all aspect of the business and reducing customers' shopping time, Walgreens has achieved placement in a league of its own as competition aims their focus on things such as convenience, design, or low prices.

MARKETING STRATEGY

Walgreens focuses on customer need and satisfaction. For example, the curbside pick-up service stemmed from the needs of working mothers who don't have the time to go into the store and shop. Creating loyalty amongst patrons is a priority for the company as it keeps them coming back and spending money.



Area Overview

COLORADO SPRINGS, CO

Colorado Springs is a home rule municipality that is the largest city by area in Colorado as well as the county seat and the most populous municipality of El Paso County, Colorado. Colorado Springs is located in the east central portion of the state. It is situated on Fountain Creek and is located 60 miles south of the Colorado State Capitol in Denver. At 6,035 feet, the city stands over 1 mile above sea level, though some areas of the city are significantly higher and lower. Colorado Springs is situated near the base of Pikes Peak, which rises 14,000 feet above sea level on the eastern edge of the Southern Rocky Mountains. The city is home to 24 national governing bodies of sport, including the United States Olympic Committee, the United States Olympic Training Center, and USA Hockey.

Demographics

POPULATION	1 - MILE	3 - MILE	5 - MILE
2010 Census	12,920	106,985	216,369
2019 Estimate	15,381	123,848	246,947
2024 Projection	16,721	133,513	264,051
Growth 2010-2019	19.05%	15.76%	14.13%
Growth 2019-2024	8.71%	7.80%	6.93%
HOUSEHOLDS	1 - MILE	3 - MILE	5 - MILE
2010 Census	4,692	40,557	82,546
2019 Estimate	5,590	47,084	95,275
2024 Projection	6,080	50,795	102,348
Growth 2010-2019	19.14%	16.09%	15.42%
Growth 2019-2024	8.77%	7.88%	7.42%
INCOME	1 - MILE	3 - MILE	5 - MILE
Average Household Income	\$92,786	\$88,541	\$84,748

A nighttime photograph of a cityscape in Colorado Springs. In the foreground, several multi-story office buildings are visible, their windows glowing with interior lights. The buildings are set against a backdrop of dark, rugged mountains under a twilight sky with soft orange and blue hues. A red semi-transparent box is overlaid on the lower left portion of the image, containing the section header and a paragraph of text.

ECONOMY

Colorado Springs' economy is driven primarily by the military, the high-tech industry, and tourism, in that order. The city is currently experiencing some growth mainly in the service sectors. The defense industry plays a major role in the Colorado Springs economy, with some of the city's largest employers coming from the sector. A large segment of this industry is dedicated to the development and operation of various projects for missile defense. With its close ties to defense, the aerospace industry has also influenced the Colorado Springs economy. A large percentage of Colorado Springs' economy is based on manufacturing high tech and complex electronic equipment. High tech corporations with connections to the city include Verizon Business, Hewlett-Packard, and SAN storage engineering center.



US AIR FORCE ACADEMY

The US Air Force Academy, located north of Colorado Springs, is an institution for the undergraduate education of officers in the United States Air Force. The academy is open to visitors daily and is considered one of the largest tourist attractions in Colorado, welcoming more than one million visitors each year. Visitors can enjoy several trails from 5 am until sundown daily, and the academy is best known for its stunning chapel. Soaring 150 feet toward the Colorado sky, the chapel is designed to meet the spiritual needs of cadets. It was recently named one of CNN's most epic churches in America. The US Air Force Academy has a wide variety of attractions ranging from the chapel overlook to Falcon Stadium.



ATTRactions

Colorado Springs offers more than 55 area attractions, incredible scenery for endless outdoor adventures and a vibrant culture filled with arts, entertainment and rich history. You'll find no shortage of things to do in Colorado Springs, where the adventures range from mild to wild. Whether you're looking for outdoor thrills or educational and cultural activities, the number of things to do in Colorado Springs are limitless. Attractions include the 4th Infantry Division Museum, Colorado Springs Flea Market, Broadmoor Pikes Peak COG Railway, Glen Eyrie Castle, May Natural History Museum, Gold Belt Tour Scenic Byway, Cheyenne Mountain Zoo, and many others.

Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **Walgreens** located at **6075 Barnes Road | Colorado Springs, CO 80922** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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EXCLUSIVELY LISTED BY

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