

The Albertsons logo is prominently displayed in the lower right quadrant. It features a blue stylized "A" icon to the left of the word "Albertsons" in a bold, blue, sans-serif font, followed by a registered trademark symbol (®).

9650 Airline Highway – Baton Rouge, LA 70815

*Confidential Offering Memorandum*





An aerial photograph of a commercial property. In the foreground, there is a large parking lot with several cars parked. To the left, a building with a brown and white facade features the 'Albertsons' logo. Behind it, another building with a similar facade is visible. In the background, there is a large parking lot filled with many cars, and further back, a multi-story building with a red roof. The entire scene is set against a backdrop of green trees and a clear blue sky.

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# Property

## Property Overview

Albertsons – Baton Rouge, LA

# Absolute NNN lease to Albertsons with over 12 years of term remaining



**BROAD APPEAL TO THE  
NET LEASE INVESTOR  
MARKETPLACE**

12+ YEAR ABSOLUTE NNN  
LEASE



ANCHOR TENANT TO  
HAMMOND AIRE PLAZA



GUARANTEED BY  
ALBERTSON'S LLC



CONTRACTUAL RENTAL  
INCREASES



LOCATED ON HIGHLY  
TRAFFICKED INTERSECTION

# The Offering

JLL is pleased to offer for sale the fee simple interest in a single tenant Albertsons (the “Property” or “Asset”) located in Baton Rouge, Louisiana. The Asset is subject to an absolute NNN lease with Albertson’s LLC (the “Tenant”), and features over 12 years of primary term remaining. In addition, the lease features ten percent rent escalations every five years throughout the primary term. This Asset presents the opportunity to purchase a property leased to one of the country’s largest grocery chains on a long-term basis with contractual rental growth and absolutely zero landlord responsibilities.

## INVESTMENT HIGHLIGHTS

- Over 12 years remaining on an absolute NNN lease requiring zero landlord responsibilities, allowing for a completely passive investment
- Anchor tenant to Hammond Aire Plaza, a shopping center with a robust lineup of national retailers that includes Burlington Coat Factory, Marshalls and Rainbow Shops
- Guaranty from Albertson’s LLC, one of the largest grocery operators in the United States with over 2,300 locations across 33 states under 18 well-known banners
- Ten percent rental escalations every five years throughout the primary term, offering steady income growth and a hedge against inflation
- Strategic location near the hard corner and signalized intersection of Airline Highway and Old Hammond Highway, an intersection that sees a traffic count of 90,000 vehicles per day

## PROPERTY SUMMARY

Address	9650 Airline Highway Baton Rouge, LA 70815
Price / PSF	\$12,665,985 / \$191
NOI / PSF	\$854,954 / \$12.87
Cap Rate	6.75%
Lease Type	Absolute NNN
Square Footage	66,430 SF
Site Size	+/- 5.80 Acres
Year Built	1985
Owner Interest	Fee Simple
Tenant	Albertson’s LLC
Remaining Term	12+ years (Expires 10/31/2030)
Rental Increases	10% Every 5 Years
Options	6 x 5 Year Options







An aerial photograph of a commercial property. In the background, a Burlington store is visible with its name on the facade. The building is a long, single-story structure with a white roof. In the foreground, there is a large parking lot with several cars parked. To the right of the main building, there are smaller structures, one of which has a 'SUBWAY' sign. The background shows a line of trees and a clear blue sky.

# Tenant

## Tenant Overview

Albertsons – Baton Rouge, LA

## Albertsons Overview

Albertsons currently operates 2,300+ stores across 33 states under 18 well-known banners, including Albertsons, Safeway, Vons, Jewel-Osco, Shaw's, Acme, Randalls and United Supermarkets. Albertsons operates in 121 Metropolitan Statistical Areas in the United States and is ranked #1 or #2 by market share in 68 percent of them. The company provides their customers with a service-oriented shopping experience, including convenient and value-added services through nearly 1,700 pharmacies and over 370 adjacent fuel centers. All Albertsons banners focus on superior customer service and operating their stores to the highest standards, which includes delivering fresh offerings, well-stocked shelves and clean and brightly lit departments. Albertsons employs 273,000 people who serve more than 33 million customers each week.

Albertsons embodies the powerful combination of strong local presence and national scale. The company has leading positions in many of the largest and fastest-growing MSAs in the United States. Given the long operating history of its banners, many of their stores form an important part of the local communities and neighborhoods in which they operate and occupy "First-and-Main" locations. The combination of local presence and national scale provides Albertsons with competitive advantages in brand recognition, customer loyalty and purchasing, marketing and advertising and distribution efficiencies.

Albertsons is owned and controlled by Cerberus Capital Management ("Cerberus") and a consortium of retail real estate investors and operators with deep vertical experience in the grocery space. Cerberus is a best-in-class private equity sponsor and turnaround expert that has been successful in aggregating a portfolio of well-respected grocery banners and achieving both cost synergies (\$800 MM by 2018) and top line revenue growth. The \$800 million in annual cost reductions come from its merger with Safeway and integrating Albertson's and Safeway's IT systems, distribution centers and its industry leading rewards program. Further, the merger with Safeway has many other financial benefits, including better working capital management and the ability to negotiate favorable deals with vendors through large economies of scale.

COMPANY OVERVIEW	
Company	Albertsons
Founded	1939
Headquarters	Boise, ID
Stores	2,300
Employees	273,000
2017 Net Sales	\$59.7 Billion













An aerial photograph of an Albertsons supermarket and its large parking lot. The parking lot is filled with many cars, mostly parked in neat rows. The supermarket building is a long, low structure with a white roof and brown accents. There are some trees and greenery around the building. The background shows more trees and some other buildings.

# Market

## Market Overview

Albertsons – Baton Rouge, LA

# Market

## Baton Rouge, LA

Baton Rouge is the capital city of Louisiana and is the second largest city in the state with a population of 227,715 people. As the capital city, Baton Rouge is Louisiana's political hub, but it is also one of the major industrial, chemical, medical, research and technology employers in the south. The city's top employers include the State of Louisiana, Turner Industries, ExxonMobil, CB&I and JP Morgan Chase. Also, Baton Rouge is only 81 miles northwest of New Orleans, Louisiana's largest city. New Orleans is a major port city that is considered to be a commercial hub that contributes to the economic success in Baton Rouge. Baton Rouge also has a strong art and theater presence. The city has an expanding visual arts scene with a collection of different venues. The most popular of those venues are the Shaw Center of the Arts and the LSU Museum of Art.

The city of Baton Rouge is home to the well renowned Louisiana State University ("LSU"). LSU is a public coeducational university and the largest university in Louisiana with an enrollment of over 30,000 students. While being a highly-rated academic university, LSU is also a major football school. The university has the sixth largest stadium in the country, holding 102,321 people. Fans from all over the country sell out the stadium every Saturday during the season, creating an influx of people traveling to Baton Rouge every fall.



### Demographic Information

	1-mile radius	3-mile radius	5-mile radius
<b>POPULATION</b>			
2018 Estimate	7,429	78,965	210,477
2018 Number of Households	3,035	33,948	86,148
<b>ESTIMATED HH INCOME</b>			
Less than \$35,000	22.7%	35.0%	33.9%
\$35,000 - \$49,999	17.3%	15.0%	14.0%
\$50,000 - \$74,999	17.5%	16.9%	16.6%
\$75,000 - \$99,999	11.0%	9.9%	10.3%
More than \$100,000	31.6%	23.1%	25.4%
Average HH Income	\$89,975	\$74,173	\$77,646
Median HH Income	\$62,050	\$49,980	\$52,348



## Local Aerial



## *Contact Information*

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