

# Walgreens

4630 TROOST AVENUE, KANSAS CITY, MO

Actual Location





Actual Location

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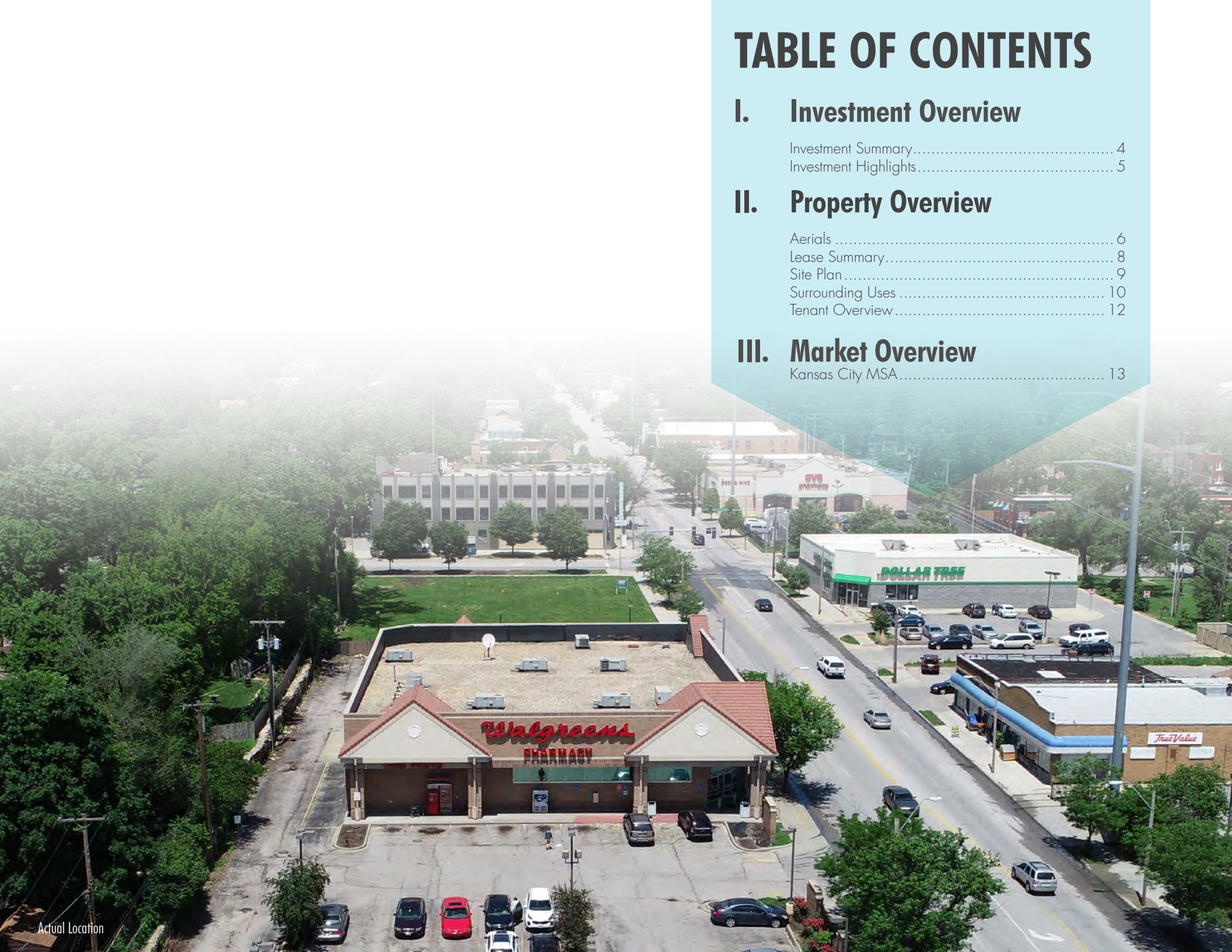
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## Investment Summary

ADDRESS	4630 Troost Avenue, Kansas City, MO
PARCEL SIZE:	1.28 Acres
BUILDING SIZE:	13,767 SF
PARKING:	61 Spaces
NOI:	\$174,000
PRICE:	\$2,485,700
CAP RATE:	7.00%

## Investment Overview

The CBRE Net Lease Property Group is pleased to exclusively offer a 13,767-square-foot freestanding Walgreens situated on 1.28 acres in Kansas City, MO (MSA Population: 2.1M), just 4 miles south of the city's vibrant downtown district. Built in 1999, Walgreens' lease features  $\pm 5.85$  years of primary term remaining with seven 5-year options. The property is ideally located with excellent access and visibility on Troost Avenue (Traffic Count: 11,700 VPD) and is just 0.3 miles from Volker Boulevard (Traffic Count: 14,300 VPD), which is a major west/east street that runs along U.S Route 56 (Traffic Count: 10,100 VPD). Walgreens benefits from its proximity to the nationally acclaimed Saint Luke's Hospital of Kansas City, which is just 1.4 miles west of the site. Saint Luke's Hospital has been recognized by U.S News & World Report as one of the elite hospitals in the nation and was paced among the top 5% of all hospitals nationwide—offering many specialized programs and services with a network of more than 600 physicians. The property is also just 0.6 miles from the Nelson-Atkins Museum of Art—ranked number one on the Time's list of "The 10 Best Architectural Marvels"—as well as the Kemper Museum of Contemporary Art, which attracts visitors from all over the world. In addition, Walgreens benefits from a built-in customer base with the University of Missouri-Kansas City campus (Enrollment: 17,000) just 0.8 miles south of the site and Rockhurst University (Enrollment: 3,043) 0.7 miles to the southeast, as well as the 380-unit Plaza East Apartments and Townhomes which are located 0.4 miles to the east. Walgreens is located within one of Kansas City's primary retail and commercial corridors with 8.8 MSF of retail, 17.4 MSF of office, 8.1 MSF of industrial and 22,317 multifamily units within a 3-mile radius. The nationally renowned 1.2 MSF Country Club Plaza is just 1 mile east of the site and comprises high-end retail establishments, restaurants and entertainment venues, as well as premier office space. Tenants include Apple, Free People, Sephora, Vineyard Vines, Michael Kors, Anthropologie, J. Crew, and upscale restaurants such as Capital Grille, McCormick & Schmick's, BRIO Tuscan Grille and Cooper's Hawk Winery & Restaurant, among many others. An abundance of luxury apartments, condos and hotels, such as the InterContinental (Rooms: 371), Sheraton (Rooms: 257) and Marriott (Rooms: 123), are situated around the Plaza, spurring new development and benefiting surrounding retailers. Other major retailers in the immediate area include Cost Plus World Market, AT&T, Dollar General, Great Clips, CVS, Liberty Bank, Tivoli Cinemas, Raising Cane's Chicken Fingers, Insomnia Cookies, Burger King, Subway, McDonald's, Taco Bell and KFC, among many others. In total, Walgreens benefits from dynamic demographics with a population of 119,729 and an average household income of \$72,607 within a 3-mile radius.

### DEMOGRAPHICS

1 Mile Pop	1 Mile AHI	3 Mile Pop	3 Mile AHI	5 Mile Pop	5 Mile AHI	Traffic Count
17,338	\$68,894	119,729	\$72,607	258,615	\$70,729	11,700 VPD on Troost Avenue 10,100 VPD on Cleaver II Boulevard



## Investment Highlights



**Premier Drug Store Brand:** Walgreen Co. (S&P: BBB), a subsidiary of Walgreens Boots Alliance Inc. (NASDAQ: WBA), operates 9,560 stores across 50 states, the District of Columbia and Puerto Rico. Walgreens Boots Alliance Inc. reported TTM revenues of \$136.1 billion, TTM EBITDA of \$7.67 billion, and TTM net income of \$5.13 billion as of February 28, 2019.



**Net Lease with Options:** Built in 1999, Walgreen's lease features  $\pm 5.85$  years of primary term remaining with seven 5-year options.



**Excellent Access/Visibility:** The property is ideally located with excellent access and visibility on Troost Avenue (Traffic Count: 11,700 VPD) and is just 0.3 miles from Volker Boulevard (Traffic Count: 14,300 VPD), which is a major west/east street that runs along U.S Route 56 (Traffic Count: 10,100 VPD). The site is also just 4 miles south of Kansas City's central business district, which has been undergoing a massive boom in renovations and new construction.



**Proximity to Country Club Plaza:** The nationally renowned 1.2 MSF Country Club Plaza is just 1 mile east of the site and comprises high-end retail establishments, restaurants and entertainment venues, as well as premier office space. Tenants include Apple, Free People, Sephora, Vineyard Vines, Michael Kors, Anthropologie, J. Crew, and upscale restaurants such as Capital Grille, McCormick & Schmick's, BRIO Tuscan Grille and Cooper's Hawk Winery & Restaurant, among many others. An abundance of luxury apartments, condos and hotels, such as the InterContinental (Rooms: 371), Sheraton (Rooms: 257) and Marriott (Rooms: 123), are situated around the Plaza, spurring new development and benefiting surrounding retailers.



**Built-in Customer Base:** Walgreens benefits from a built-in customer base with the University of Missouri–Kansas City campus (Enrollment: 17,000) just 0.8 miles south of the site and Rockhurst University (Enrollment: 3,043) 0.7 miles to the southeast, as well as the 380-unit Plaza East Apartments and Townhomes which are located 0.4 miles to the east. The area also boasts over 22,000 multifamily units within a 3-mile radius. In addition, numerous hotels, such as the InterContinental (Rooms: 371), Sheraton (Rooms: 257) and Marriott (Rooms: 123), are all situated less than 1 mile from Walgreens.



**Strategic Location with Dominant Retailers:** Major retailers within the immediate area include Cost Plus World Market, AT&T, Dollar General, Great Clips, CVS, Liberty Bank, Tivoli Cinemas, Raising Cane's Chicken Fingers, Insomnia Cookies, Burger King, Subway, McDonald's, Taco Bell and KFC, among many others. Walgreens benefits from dynamic demographics with a population of 119,729 and an average household income of \$72,607 within a 3-mile radius.



**Kansas City MSA Advantage:** The Kansas City metropolitan area is home to a population of 2.1 million and ranks as the second largest metropolitan area centered in Missouri (after Greater St. Louis). Kansas City features the nation's 24th largest retail market with an estimated \$24.3 billion in annual retail sales and more than 44 million square feet of retail space (Source: CBRE Econometric Advisors). The area's low business costs, central location and high quality of life have combined to help Kansas City become one of the country's hot beds for entrepreneurial investment and business growth.





Downtown Kansas City

DOLLAR GENERAL

CVS pharmacy

Auto World

Walgreens

DOLLAR TREE

True Value

The Rockhill Gallery Apartments

McDonald's

Lucky Dynasty

BURGER KING

Cleaver II Boulevard (10,100 VPD)

TROOST AVENUE (11,700 VPD)

LIBERTY BANK

BLVD 816 Clothing Store

SUBWAY

KFC

BLACQUE ONYX APPAREL

The Promise Wedding & Event Space

Anita B. Gorman Conservation Discovery Center

Fabulously Dazzled Kids Spa

pinklipps COSMETICS

## Lease Summary

<b>TENANT:</b>	Walgreen Co.
<b>LEASE COMMENCEMENT:</b>	October 1, 1999
<b>LEASE EXPIRATION:</b>	March 31, 2025
<b>LEASE TERM REMAINING:</b>	±5.85 Years
<b>LEASE TYPE:</b>	NN
<b>INITIAL TERM RENT:</b>	\$174,000
<b>RENEWAL OPTIONS:</b>	Seven 5-year Options
<b>OPTION RENT:</b>	Flat
<b>2018 SALES:</b>	\$1.2M
<b>TAXES:</b>	Tenant shall pay, when due and before delinquency, the ad valorem real estate taxes (including all special benefit taxes and special assessments) levied and assessed against the Leased Premises, commencing with the Rent Commencement Date and continuing for the remainder of the Term.

### INSURANCE:

Tenant shall carry fire and extended 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, less foundations. Tenant shall also procure and continue in effect public liability and property damage insurance with respect to the operation of the Leased Premises. Such public liability insurance shall cover liability for death or bodily injury in any one accident, mishap or casualty in a sum of not less than \$3,000,000 and shall cover liability for property damage in one accident, mishap or casualty in the amount of not less than \$300,000.

Any insurance carried or required to be carried by Tenant, at Tenant's option, may be carried under an insurance policy(ies) of self-insurance (provided that Tenant maintains a net worth of \$100,000,000)

### REPAIRS & MAINTENANCE:

Tenant shall repair and replace heating and cooling equipment serving the Building, make plate glass replacements required by fault of Tenant, and make repairs to the interior of the Building. Tenant shall also maintain the parking areas of the leased premises.

Landlord, at Landlord's sole cost and expense, shall maintain and make all repairs to the exterior (including, but not limited to painting, tuckpointing and cleaning) and structural portions of the Building, roof, and all utility lines. Landlord shall also make any replacements of the light poles, parking areas, or other improvements thereon.

### ROFR:

Yes (30 Days)



CLEAVER II BOULEVARD (TRAFFIC COUNT: 10,100 VPD)



TROOST AVENUE (TRAFFIC COUNT: 11,700 VPD)



## Surrounding Uses



## Surrounding Uses



Nelson-Atkins Museum of Art  
(0.6 miles from site)



Country Club Plaza  
(1 mile from site)



University of Missouri-Kansas City  
(0.8 miles from site)



Saint Luke's Hospital  
(1.4 miles from site)



## Tenant Overview

Walgreen Co. (S&P: BBB), a subsidiary of Walgreens Boots Alliance Inc. (NASDAQ: WBA), operates 9,560 drug stores in 50 states, the District of Columbia and Puerto Rico. Domestically, the company also operates approximately 500 worksite health and wellness centers and in-store convenient care clinics. Walgreens Boots Alliance Inc. reported TTM revenues of \$136.1 billion, TTM EBITDA of \$7.67 billion, and TTM net income of \$5.13 billion as of February 28, 2019. Walgreens provides consumer goods and services in addition to pharmacy and health and wellness services through drugstores, by mail, by telephone and online. In addition to prescription and non-prescription drugs, the company sells household products, convenience and fresh foods, personal care and beauty care items, photofinishing and candy products, home medical equipment, contact lenses, vitamins and supplements and other health and wellness solutions. Walgreens also provides specialty pharmacy services and operates Take Care Clinics to treat patients, write prescriptions and administer immunizations and other vaccines. Walgreens was founded in 1901 and is based in Deerfield, Illinois.

## Walgreens Boots Alliance

In 2014, Walgreens formed a global business by purchasing the remaining 55% of Switzerland-based Alliance Boots (Walgreens already owned 45% of Alliance Boots) for \$5.3B. Under the terms of the purchase, the two companies merged to form a new holding company, Walgreens Boots Alliance Inc. (NASDAQ: WBA, S&P: BBB), on December 31, 2014. The tenant under the lease is Walgreen Co., which is now a direct subsidiary of Walgreens Boots Alliance Inc.

## Rite Aid Transaction

In Spring 2018, Walgreens finalized their purchase of 1,932 stores and 3 distribution centers from Rite Aid for approximately \$4.4 billion. Walgreens will spend \$750 million to integrate all of the locations by end of the 2020 fiscal year, as well as an additional \$500 million on store improvements.

## Company Overview

TTM Revenue:	\$136.1 Billion (as of 2/28/2019)
Number of Locations	9,560
Number of Employees	415,000
Headquarters	Deerfield, IL
Fortune 500	#19



## Kansas City MSA

The Kansas City metropolitan area is home to a population of 2,105,000 and ranks as the second largest metropolitan area centered in Missouri (after Greater St. Louis). Kansas City features the nation's 24th largest retail market with an estimated \$24.3 billion in annual retail sales and more than 44 million square feet of retail space (Source: CBRE Econometric Advisors). The area's low business costs, central location, and high quality of life have combined to help Kansas City become one of the country's hot beds for entrepreneurial investment and business growth.

### ECONOMY

Kansas City is home to a thriving economy driven by thousands of small businesses, tech start-ups, medical research organizations, and large corporations. Greater Kansas City is home to the headquarters of a number of large corporations including Cerner Corporation (which employs nearly 13,000 people across several office campuses around the area), Sprint Corp. (6,300 local employees), Hallmark Cards Inc. (4,600 local employees), Garmin International Inc. (3,723 local employees), and DST Systems (3,500 local employees) among many others. Other major corporations also maintain

operations in the area, including Ford, General Motors, Home Depot, and Farmers Insurance, each of which employs more than 3,000 people in Kansas City. T-Mobile US Inc and Sprint Corp. announced their new addition to the existing Overland Park headquarters as a result of their proposed \$26.5 billion merger. The combined company plans to employ 7,500 more customer care representatives by 2024. In addition, Kansas City is also one of ten regional office cities for the United States Government, making the federal government the metro's largest employer with more 28,200 people employed by the 146 federal agencies that maintain a presence in the city.

The manufacturing and logistics sectors are also important to the area's economy. Thanks to its central location and outstanding transportation networks, Kansas City is a natural manufacturing hub. Furthermore, the metro is one of the busiest trucking centers in the U.S. and is the largest railway hub in the country by tonnage, as it sits at the center of a rail corridor spanning coast-to-coast across the U.S. and extending from Canada to Mexico. Accordingly, Kansas City boasts more Foreign Trade Zone space than any other U.S. city.



# Kansas City MSA

## TRANSPORTATION

Kansas City’s inherent location advantages are enhanced by its position at the crossroads of some of the nation’s most strategic highways and interstates. Most notably, Interstate 70, one of the country’s major east-west highways, and Interstate 35, one of the country’s major north-south highways, both pass directly through the city. Interstate 29, which begins in Kansas City, also extends north to the Canadian border. Interstate 435 encircles the city and is the nation’s second longest beltway. The Kansas City International Airport is home to 13 airlines which provide non-stop service to 51 cities in the US, Canada and Mexico. The airport is one the Top 50 busiest airports in the country serving more than 11.8 million passengers annually.

## EDUCATION

Kansas City is home to 13 institutions of higher learning, highlighted by the University of Missouri-Kansas City, which has a current enrollment of 17,000 students. These schools provide the city’s employers with access to a workforce that is more than 1 million strong. Overall, more than 90% of the area’s residents are high school graduates and 34% have a four-year degree, which is 4% higher than the national average.



## CULTURAL AND RECREATIONAL

Kansas City is a dynamic city backed by a vibrant arts scene and world-class attractions. The city is well known for its contributions to the musical styles of jazz and blues, as well as to cuisine, notably Kansas City-style barbecue. Kansas City is nicknamed “The City of Fountains” because it has more fountains than any city in the world except Rome, Italy. Kansas City’s historic Country Club Plaza, modeled after its sister city of Seville, Spain, features dozens of upscale shops and restaurants. The Kansas metro is also home to three major art museums, 214 urban parks, 5 casinos, and 3 major professional sports teams. In addition, Kansas City was selected as one of America’s Best downtowns by Forbes magazine.

Employer	Number of Employees
Cerner Corp	12,890
HCA Midwest Health System	9,924
Saint Luke’s Health System	8,123
Children’s Mercy Hospital & Clinics	8,200
Ford Motor Co.	7,320
Sprint Corp.	6,300
Hallmark Cards Inc.	4,600
Burns & McDonnell	3,960
Garmin International Inc.	3,723
DST Systems Inc.	3,500
General Motors Corp.	3,500
Truman Medical Center	3,175
Home Depot	3,153
Black & Veatch LLP	3,107
Farmers Insurance	3,000
United Parcel Service Inc.	2,852

Source: Kansas City Business Journal Book of Lists

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This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions

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By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and

treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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