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COMMERCIAL INVESTMENT ADVISORS, INC. CIA BROKERAGE COMPANY

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OFFERING MEMORANDUM

CHANDLER, ARIZONA 85249

WALGREENS

3005 EAST RIGGS ROAD

INVESTMENT OVERVIEW

IAME	WALGREENS
OCATION	3005 East Riggs Road Chandler, Arizona 85249
AJOR CROSS STREETS	SEC of E Riggs Rd & S Gilbert Rd
GUARANTOR	WALGREEN CO.
PURCHASE PRICE	\$8,517,000
CAP RATE	6.00%
NNUAL RENT	\$511,000
GROSS LEASEABLE AREA	14,820 SF
RENTAL ESCALATIONS	Flat
EASE TYPE	Absolute NNN
OWNERSHIP	(Building & Land) Fee Simple
EAR BUILT	2008
OT SIZE	±1.813 Acres*
EASE EXPIRATION	January 31, 2034
PTIONS	Fifty (One-Year Renewal Options)

* According to Maricopa County Assessor

POINTS OF INTEREST

RETAIL | SHOPPING | ASSISTED LIVING: Conveniently located across the street from Clarendale of Chandler - a brand new 246unit assisted living facility! Nearby retailers include Albertsons, Basha's, Fry's Marketplace, Sprouts Farmers Market, Goodwill, CVS Pharmacy, Ace Hardware, AutoZone

HIGHER EDUCATION: 7 miles from Chandler-Gilbert Community College (a public community college with a total student enrollment of 4,141); 19 miles from Mesa Community College (a public college offering more than 200 degree & certificate programs with total enrollment 6,223) **HEALTH CARE:** 7 miles from Mercy Gilbert Medical Center (a fullservice, 212-bed, not-for-profit hospital providing healthcare to the East Valley of the Phoenix metropolitan area. Services offered include cardiovascular, emergency, family birth center, gastroenterology, pediatric and adolescent, sleep center, orthopedics, and diagnostic services, among others)

INVESTMENT HIGHLIGHTS

LEASE: 14+ Years Remaining on 25-Year Corporately Guaranteed Absolute NNN Lease (Zero Landlord Responsibilities)!

WALGREENS

CHANDLER, ARIZONA

TENANT: Walgreens Boots Alliance (Parent Company – NASDAQ: WBA | S&P BBB Rating | Moody's Baa2 Rating) has 9,560 Drugstores in the U.S., Puerto Rico & the U.S. Virgin Islands

SEASONED LOCATION: Successfully Open & Operating Since 2008 with Strong Sales Performance ****ASK BROKER FOR** DETAILS**

TRAFFIC COUNTS: Well Positioned at Signalized Intersection (Hard Corner) with Traffic Counts in Excess of 36,700 CPD!

STRONG DEMOGRAPHICS: Total Population (5-MI): 122,934 | Affluent Average Household Income (3-MI): \$129,713 | Population Growth 2010-2019 (3-MI): 31.41%



FINANCIAL ANALYSIS

	and the second sec	
SUMMARY		PROPOSED FINA
GUARANTOR	WALGREEN CO.	All Cash or Buyer to obtain ne
LIST PRICE	\$8,517,000	Loan to Value (70%)
LIST CAP RATE	6.00%	Down Payment (30%)
RENTABLE SQ FT	14,820	Term
YEAR BUILT	2008	Amortization
LOT SIZE	±1.813 Acres	For more information. of BMC Capita
EXPENSE REIMBURSEMENT	This is an Absolute NNN lease . Tenant is responsible for all	of bine capita
	expenses.	

ANCING SUMMARY

ew financing at Close of Escrow.

	on, contact Geoffrey Harri s ital at (214) 207-3002.		
Amortization	30 Years		
Term	Fixed 10 Years – 4.45%		
Down Payment (30%)	\$2,555,100		
Loan to Value (70%)	\$5,961,900		

RENT ROLL

TENANT INFO		LEASE TERMS	RENT SUMMARY		
GUARANTOR	SQ FT	TERM	INCREASE	RENT	ANNUAL INVESTOR RETURN
Walgreen Co.	14,820	Years 1-25: 02/01/09 to 01/31/34	Current Flat during Initial Term	\$511,000	6.00%
OPTIONS		Fifty (One-Year Renewal Periods)	- And the state		
3					1/20/
		WALGREENS	CHANDLER, ARIZO	NA	
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The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.

TENANT OVERVIEW

Walgreens	TYPE	PUBLIC	S&P CREDIT RATING	BBB (STABLE) 30-Jun-2017	
	PARENT COMPANY	WALGREENS BOOTS ALLIANCE, INC.	MOODY'S RATING	Baa2 25-Jul-2017	
	TRADED AS	NASDAQ: WBA	MARKET CAP	\$48.97 BILLION	
	INDUSTRY	RETAIL – DRUG STORES	# OF LOCATIONS	9,560 RETAIL STORES	
https://www.walgreens.com/					

Walgreens, one of the nation's largest drugstore chains, is included in the Retail Pharmacy USA Division of Walgreens Boots Alliance, Inc. (NASDAQ: WBA), the first global pharmacy-led, health and wellbeing enterprise. More than 10 million customers interact with Walgreens each day in communities across America, using the most convenient, multichannel access to consumer goods and services and trusted, costeffective pharmacy, health and wellness services and advice.

As of August 31, 2018, Walgreens operates 9,560 drugstores with a presence in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands, along with its omnichannel business, Walgreens.com. Approximately 400 Walgreens stores offer Healthcare Clinic or other provider retail clinic services. Market Summary > Walgreens Boots Alliance Inc NASDAQ: WBA

53.56 USD +0.71 (1.34%) +

Closed: Apr 29, 5:30 PM EDT · Disclaimer After hours 53.65 +0.090 (0.17%)



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WALGREENS | CHANDLER, ARIZONA

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WALGREENS CHANDLER, ARIZONA

LOCATION OVERVIEW



Chandler is a city in Maricopa County, Arizona and is a prominent suburb of the Phoenix, Arizona, Metropolitan Statistical Area. It is bordered to the north and west by Tempe, to the north by Mesa, to the west by Phoenix, to the south by the Gila River Indian Community and to the east by Gilbert. As of 2017, the population was estimated at 253,458 according to the United States Census Bureau.

Intel Corporation is an American multinational corporation and technology company. Intel has an influential role in city growth strategies, with four locations in the municipal area. It is the world's second largest and second highest valued semiconductor chip manufacturer based on revenue after being overtaken by Samsung. Intel ranked No. 46 in the 2018 Fortune 500 list of the largest US corporations by total revenue. Intel supplies processors for compute system manufacturers such as Apple, Lenovo, JP and Dell. They are the top employer of Chandler, with 11,300 employees.

Chandler has <u>five designated employment corridors</u>: Airpark Area, Downtown Chandler, Price Corridor, Uptown Chandler & West Chandler. Chandler's employment corridors are home to 1,909 businesses and 88,450 jobs, representing about 77 percent of all jobs in Chandler. There are a total of 114,430 jobs throughout Chandler.

Chandler has rapidly become a hotbed for the <u>autonomous vehicle industry</u>, serving as a development site and proving ground for the latest automotive technologies with companies such as **Waymo**, **General Motors**, **Microchip Technology**, **Rogers Corporation**, **Garmin**, etc.

Arizona has a rich history in <u>aerospace and defense</u> with the fourth highest concentration of aerospace manufacturing jobs in the nation. Chandler is part of this tradition and home to many companies supporting this thriving industry cluster such as **Northrop Grumman**, **TurbineAero**, **AvAir**, **Aero-Zone**, **& Device Engineering**, Inc.

Known as the "Innovation and Technology Hub of the Southwest," Chandler has a rich history in <u>high-tech manufacturing and development</u> that dates back over 50 years with companies such as **NXP Semiconductors, Microchip Technology, Avnet, Isola, & Everspin Technologies**.

2019 DEMOGRAPHICS					
TAT	1-MI	3-MI	5-MI		
TOTAL POPULATION	12,322	60,377	122,934		
POPULATION GROWTH 2010-2019	21.98%	31.41%	30.45%		
DAYTIME POPULATION	11,237	55,739	109,784		
HOUSEHOLD GROWTH 2010-2019	23.41%	28.71%	28.66%		
AVERAGE HOUSEHOLD INCOME	\$127,863	\$129,713	\$121,743		

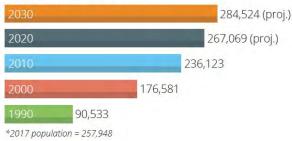
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CHANDLER ECONOMIC DEVELOPMENT

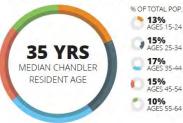
DATA SOURCE: ECONOMIC DEVELOPMENT | CITY OF CHANDLER

CHANDLER: MARKET STATS

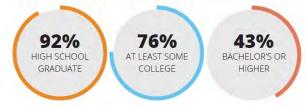
POPULATION GROWTH

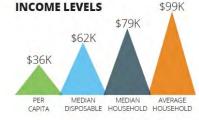


WORKING AGE POPULATION



EDUCATIONAL ATTAINMENT (AGES 25+)



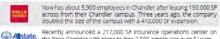


Data Sources: ESRI Business Analyst (2018), U.S. Census Bureau, Arizona Office of Economic Opportunity, Chandler Planning Division

ECONOMIC DEVELOPMENT

CHANDLER: KEY INDUSTRY NEWS

Advanced Business Services



the Price Corridor with plans to hire 2,500 employees over 5 years. Opened a 130.000 SF customer resource center in the Airpark Area

Liberty Matual will consolidate up to 1,000 Phoenix area jobs

Has leased 150,000 SF on the Price Corridor to establish a financial operation center that is anticipated to create more than 1,000 jobs. Selected Chandler for its first location outside of California two years

ago. Has expanded into a larger space with plans to grow to 100 jobs. Relocating their headquarters to a 52,000 SF space in the Airpark

CASCADE Area to accommodate growth up to an anticipated 325 jobs Leased 130,000 SF in the Airpark Area with plans to move into the bridgepoint'

space in spring 2019. The office will house up to 800 jobs. Relocating their headquarters to 40,000 SF in the Airpark Area in

Offerpad. spring 2019. The company has about 150 employees in Arizona.

Automotive Technology

WAYND	Selected Chandler as one of four test sites nationally for their self- driving car project. The company most recently expanded their West Chandler testing and maintenance facility to about 68,000 SF
ROGERS	The engineered materials solutions firm relocated their headquarters to Chandler two years ago. Rogers has acquired additional facilities on the Price Corridor to expand their manufacturing footprint.
GM	The company's Arizona IT Innovation Center is one of only four in the U.S. The 170,000 SF facility houses approximately 890 employees.
	Has retooled its Chandler area factory to serve as its main Olli build

floor. The driverless shuttles are being deployed in select locations. Provides software and product development for automotive and GARMIN aviation applications from a 60,000 SF office with 150 employees.

ECONOMIC DEVELOPMENT



- Relocating and expanding to 617,000 SF in two buildings on a 47-acre campus in the Price Corridor with 500 net new jobs. The company currently has more than 1,600 employees in Chandler.
- Headquartered in Chandler, the aviation parts supplier has expanded TURBO and consolidated their operations into a new 250,000 SF building in Jotown Chandler
- Headquartered in Chandler, the aviation parts supplier completed Ano-Zoon construction on a 44,000 SF building adjacent to their existing facility.

Healthcare & Life Sciences

- Announced plans to construct a four-story, 240,000 SF hospital. It will 2 open with about 120 beds with potential for expansion as needed. Announced expansion plans at Chandler Regional Medical Center,
- He Dignity Health which include a five-story, 96-bed tower and a new parking garage.
- Has leased 40,000 SF on the Price Corridor for a medical billing and TILLER POLICE medical referral services facility that will house up to 200 jobs.

Semiconductors/High-Tech Manufacturing

- Plans to invest \$7 billion to complete their Fab 42 facility, making it (intel) the world's most advanced semiconductor factory. The project will add 3,000 employees to the 11,000 employees now in Chandler. Relocated 800 employees to their manufacturing and R&D campus in Chandler, bringing NXP's total to 1,700 employees. NP
- Headquartered in Chandler, Microchip recently expanded their local 5 operations by building a four-story, 272,000 SF building.
- The multinational company has expanded into a 20,000 SF space on ARM the Price Corridor. The larger office will allow for further job growth
- he developer of ultra small display subsystems has leased a 74,000 COMPOUND SF space in West Chandler to house 80 R&D employees.

Expanding and relocating to a 48,000 SF building in West Chandler CANNACED CIRCUITS with plans to double its regional workforce to 150 employees

SUBCLUSTER

Financial

Health Care

Semiconductors

Semiconductors

Financial

Aerospace

Financial

Distribution

Financial

Financial

Education

Financial

Health Care

Life Sciences

*Allstate recently established an insurance operations center with plans to grow to 2,500 jobs over five years **Voya Financial has announced the creation of a financial operation center that is anticipated to open in Q2 2020 Data Source: City of Chandler Economic Development Division. The employment estimates provided above are

Semiconductors

Business Support Services

Advanced Business Services

Advanced Business Services

Business Support Services

Business Support Services

Advanced Business Services

Electronic Components & Services

CHANDLERAZ GOV/ED

JOBS

11,000

5,900

3.800

2,500

2,500

1,700

1,650

1.625

1.550

1.540

1,100

1.100

1.060

1.000

900

890

820

700

700

600 600

550

CHANDLER: | FADING FMPI OYERS

COMPANY

Wells Fargo

Allstate NXP Semiconductors

PayPal

Avnet

Intel Corporation

Bank of America

Northrop Grumman

Microchin Technology

Verizon Wireless

Voya Financial**

GM Financia

CVS Health

Keap

Liberty Mutual Insurance

Toyota Financial Services

Arizona Nutritional Supplements

Safelite Auto Glass

Chandler Regional Medical Center

Bashas' HO & Distribution Center

Education Management Corp. (EDMC)

General Motors IT Innovation Center





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ECONOMIC DEVELOPMENT



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CHANDI FRAZ GOV/FD

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