



# Rite Aid

**MILTON-FREEWATER, OREGON**



**CAPITAL PACIFIC**



## Overview

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# Rite Aid

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105 SW 2ND AVE, MILTON-FREEWATER, OR 97862



# Investment Summary

LEASEABLE SF  
**13,328 SF**

LAND AREA  
**51,357 SF**

LEASE TYPE  
**NNN**

LEASE EXPIRATION  
**02/28/2025**

YEAR BUILT  
**2000**

PARKING  
**51 Spaces;  
3.8/1,000 SF**

**\$4,240,000**

**PRICE**

**7.00%**

**CAP**

**THE OFFERING** provides the opportunity to acquire a freestanding Rite Aid drive-thru pharmacy with approximately 6 years remaining on a NNN Lease. The Property is a build-to-suit that is well-positioned in the market with frontage on Highway 11, the city's primary thoroughfare. The Property benefits from high visibility and through-traffic headed to the world-renowned Walla Walla wine region just twenty minutes north.



**Overview**



# Investment Highlights

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## NO DRIVE-THRU PHARMACY COMPETITION IN THE TRADE AREA

**IN 2014 RITE AID EXERCISED THEIR FIRST OPTION EXTENDING THEIR TERM THROUGH 2025, OTHERWISE NOT REQUIRED TO BE EXERCISED UNTIL 2020.**

**SCHEDULED RENT INCREASE OF \$2/SF AT NEXT OPTION IN 2025.**

**NNN LEASE PROVIDES LIMITED LANDLORD RESPONSIBILITIES.**

**TENANT HAS FIVE, FIVE-YEAR OPTIONS REMAINING WITH SCHEDULED RENT GROWTH.**

**RITE AID HAS OCCUPIED THE PREMISES FOR 19+ YEARS.**

**PUBLICLY-TRADED NATIONAL TENANT (NYSE: RAD).**

**FRONTAGE ON PRIMARY THOROUGHFARE CONNECTING PORTLAND AND BOISE TO THE WORLD-RENOWNED WALLA WALLA WINE REGION AND WHITMAN COLLEGE.**





## About Rite Aid

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2,500+

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**TOTAL  
LOCATIONS**

51,000+

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**EMPLOYEES  
NATIONWIDE**

107<sup>th</sup>

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**FORTUNE 500  
LIST (2019)**

19

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**STATES  
WITH STORES**

*strong national presence*

B-

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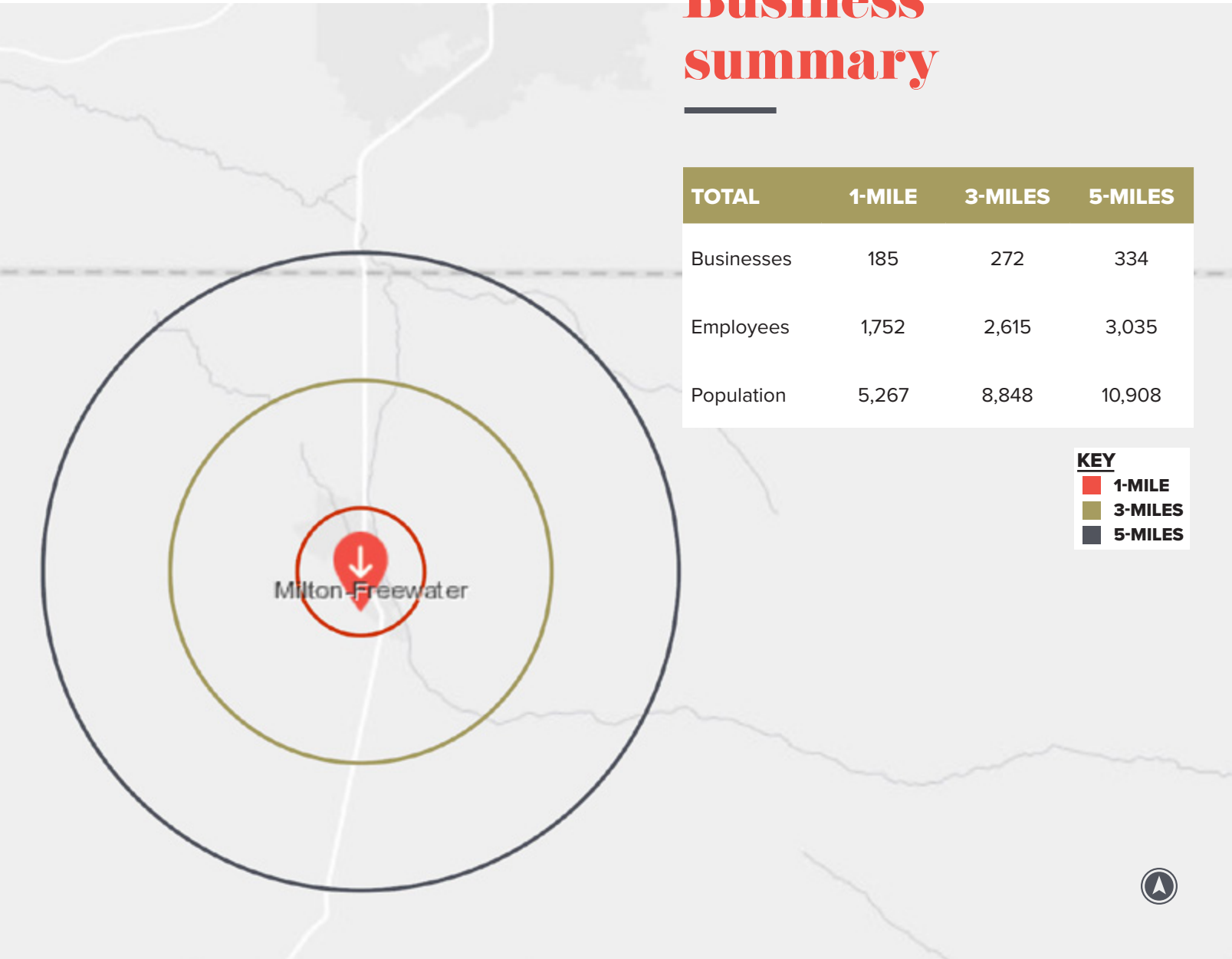
**CREDIT  
RATING (S&P)**

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## Investment Highlights

# Surrounding Retail

## Business summary



### MAJOR RETAIL

Ace Hardware  
Dairy Queen  
Dollar Plus  
Dutch Bros. Coffee

Les Schwab Tire Center  
McDonald's  
Papa Murphy's  
Safeway

Subway  
Verizon Wireless





### WALLA WALLA, WA

Only 20 minutes south of the world-renowned wine and culinary region of Walla Walla, named Best Wine Town 2018 by Sunset Magazine. The wine industry draws thousands of tourists and provides hundreds of millions of dollars in economic impact.



**HIGHWAY 11**  
drives traffic from  
Portland, OR and  
Boise, ID – each a  
four-hour drive away.

Blue  
Mountain  
Community  
College

Cascade Valley  
Assisted Living  
& Memory Care



E BROADWAY AVE

MCLOUGHLIN  
HIGH SCHOOL



CENTRAL  
MIDDLE  
SCHOOL

SW 2<sup>ND</sup> AVE

RITE AID

S MAIN ST



14,800  
VPD



11



Surrounding Retail

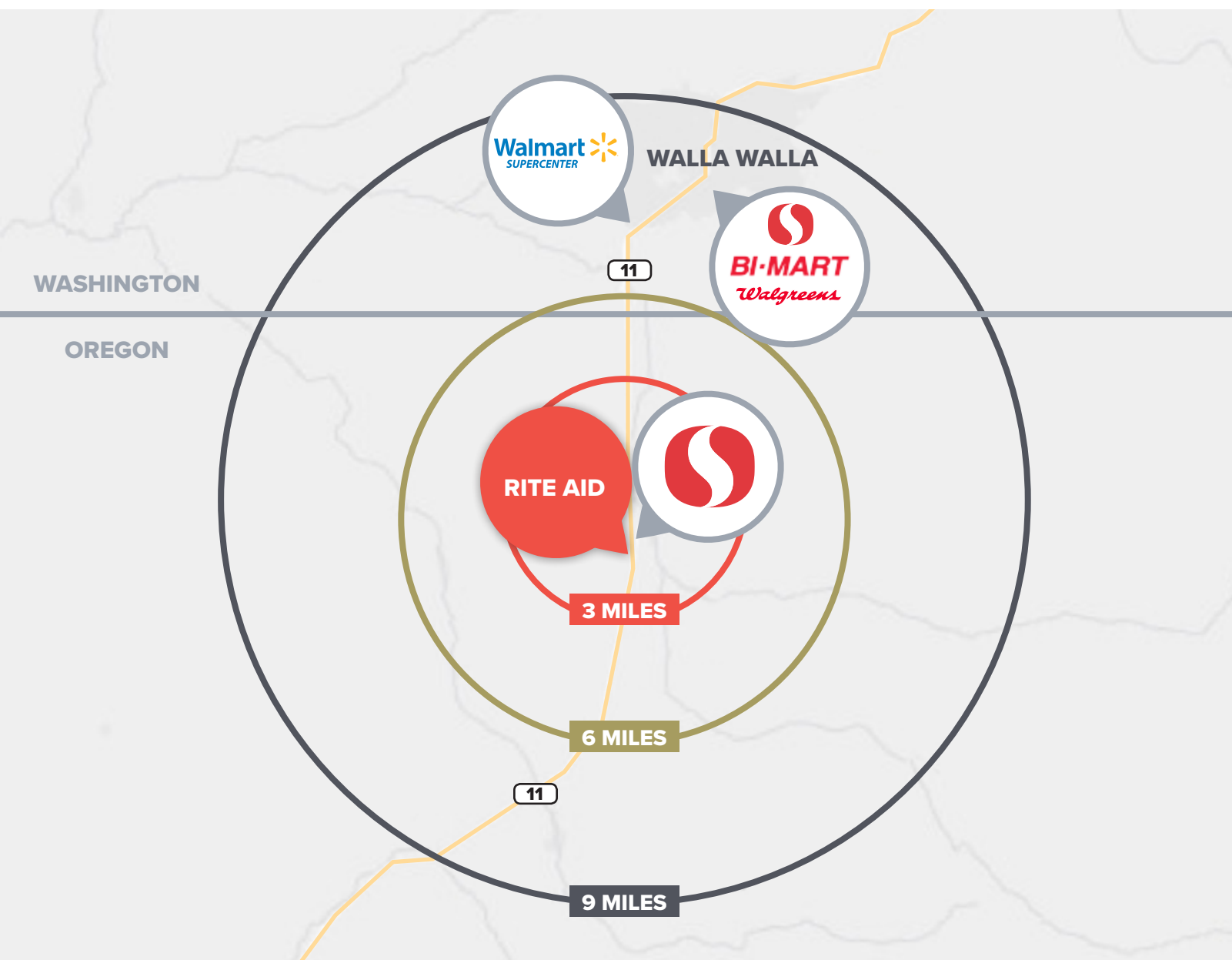


# Surrounding Competition

## Drug Store Competition

**RITE AID HAS LITTLE TO NO COMPETITION** in the trade area as one of only two pharmacies and the only freestanding pharmacy and drug store. The only other pharmacy in the trade area is within the Safeway and is not a drive-thru.

**CLOSEST DRIVE-THRU PHARMACY IS 15-MINUTES NORTH**







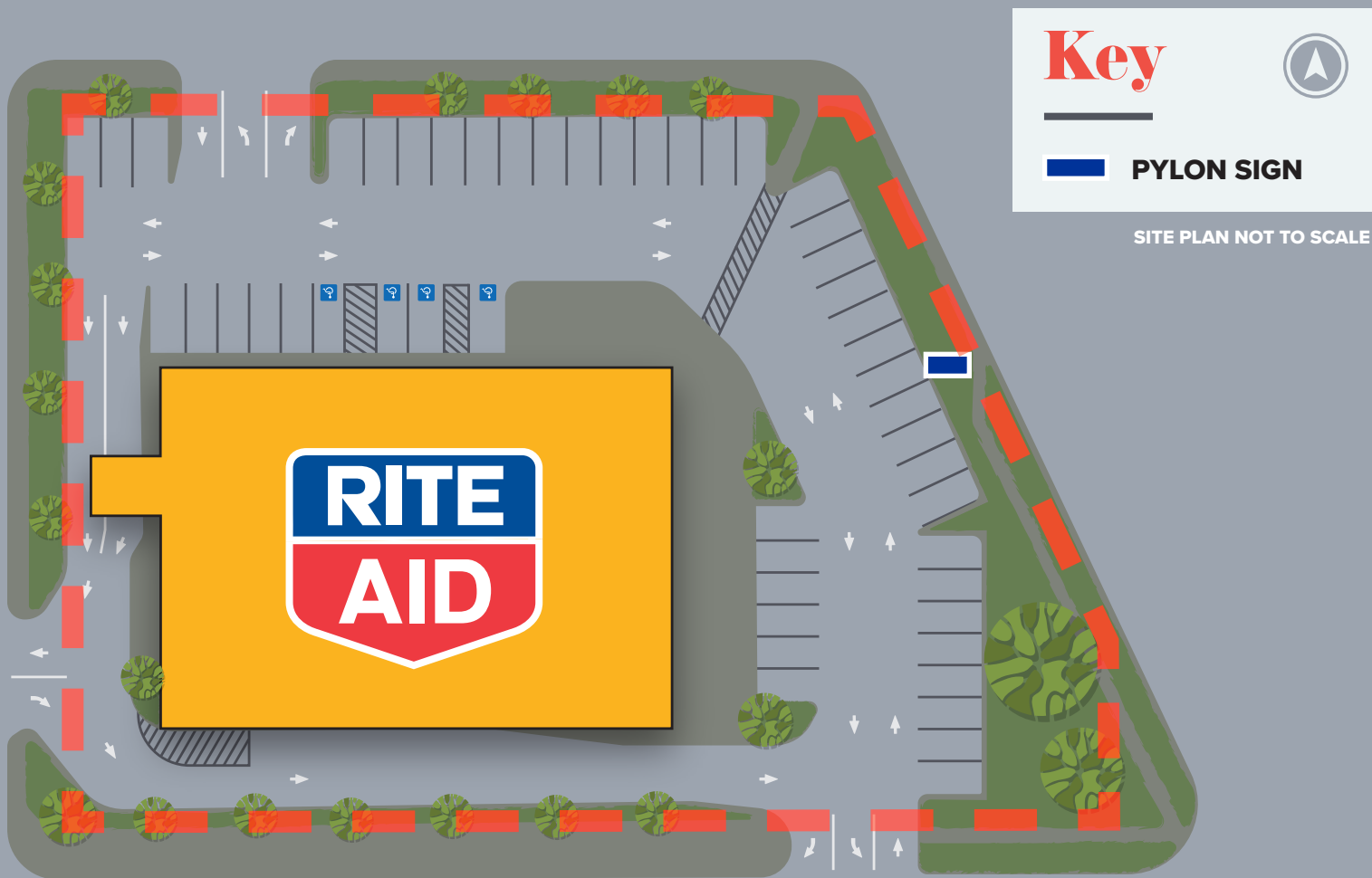
**Surrounding Competition**



# Site Plan







## Q&A

### **Q: DOES RITE AID REPORT SALES?**

A: No, Rite Aid is not required to provide a statement of gross sales or financial statement. Contact Capital Pacific for more detailed sales discussions.

### **Q: HAS THERE BEEN ANY ENVIRONMENTAL TESTING CONDUCTED AT THE PROPERTY?**

A. Yes, a Phase I Environmental Site Assessment (ESA) was conducted by Kleinfelder in November 1998. No Recognized Environmental Conditions (RECs) were discovered and no further testing required.

**Site Plan**

# Financial Summary

PRICE	\$4,240,000
CAPITALIZATION RATE	7.00%

## CASH FLOW SUMMARY

SCHEDULED INCOME		PER SF	
Base Rent for the Period of:	9/1/2019 - 8/31/2020	\$22.37	\$298,114
<b>Total Effective Gross Income (EGI)</b>		<b>\$22.37</b>	<b>\$298,114</b>

OPERATING EXPENSES	Per SF	
CAMS		NNN
Property Taxes		NNN
Insurance		NNN
Reserves		\$1,333
<b>Total Operating Expenses</b>	<b>NNN</b>	<b>\$1,333</b>

<b>NET OPERATING INCOME</b>	<b>\$296,781</b>
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## NNN LEASE PROVIDES LIMITED LANDLORD RESPONSIBILITIES



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# Rent Roll

RITE AID						
Lease Term:		2/10/2000 - 2/28/2025				
Size (SF):		13,328				
RENT SUMMARY						
DATE		MONTHLY BASE RENT	% INCREASE	ANNUAL RENT	PSF	CAP RATE
2/1/2010		\$24,843		\$298,114	\$22.37	7.00%
OPTIONS						
1	3/1/2025	\$27,064	\$2/SF Inc.	\$324,770	\$24.37	7.66%
2	3/1/2030	\$28,175	\$1/SF Inc.	\$338,098	\$25.37	7.97%
3	3/1/2035	\$29,286	\$1/SF Inc.	\$351,426	\$26.37	8.29%
4	3/1/2040	\$30,396	\$1/SF Inc.	\$364,754	\$27.37	8.60%
5	3/1/2045	\$31,507	\$1/SF Inc.	\$378,082	\$28.37	8.92%
CURRENT		\$24,843		\$298,114	\$22.37	7.00%

Lease Notes

Comments: NNN Lease - Landlord is responsible for the roof membrane and building structure. Tenant has 5, 5-year options remaining to be exercised with 180 day's prior notice. Guaranty provided by Rite Aid Corporation.

## Lease Abstract

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# Premise & Term

<b>TENANT</b>	Thrifty Payless, Inc. (Rite Aid)
<b>BUILDING SF</b>	13,328 SF
<b>LEASE TYPE</b>	NNN
<b>LEASE COMMENCEMENT</b>	February 10, 2000
<b>LEASE EXPIRATION</b>	February 28, 2025
<b>OPTIONS</b>	5, 5-Yr Options; 180-Day Notice
<b>OPTION RENT</b>	Option 1 rent increases \$2/SF with \$1/SF for Options 2-5.
<b>GUARANTY (CORPORATE)</b>	Rite Aid Corporation

## Expenses

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### TAXES

Tenant pays directly to the County Assessor.

### CAMS

Tenant is directly responsible for all exterior maintenance and repair and pays utilities directly to the billing authority.

### INSURANCE

Tenant to maintain general liability insurance and property insurance directly.



# Maintenance Responsibilities

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## TENANT'S OBLIGATIONS

Tenant is responsible for all non-structural interior/exterior maintenance, repair, and replacement, in addition to all aspects of the parking lot and landscaping areas, sidewalks, aisles driveways, plate glass and doors, store entry, drive-up area, and all mechanical, electrical, HVAC, and plumbing systems, whether beneath the slab or not.

## LANDLORD'S OBLIGATIONS

Landlord to repair, maintain, and replace all aspects of the roof and structure, including exterior walls, and foundation.

## Misc.

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## EXCLUSIVE USE

Landlord is prohibited from leasing or selling property owned directly/indirectly within a 1-mile radius to a business of a similar use – including but not limited to those who sell health and/or beauty aids and prescriptions drugs.



**Lease Abstract**

# Featured Photography

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## Location

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# Milton-Freewater, Washington

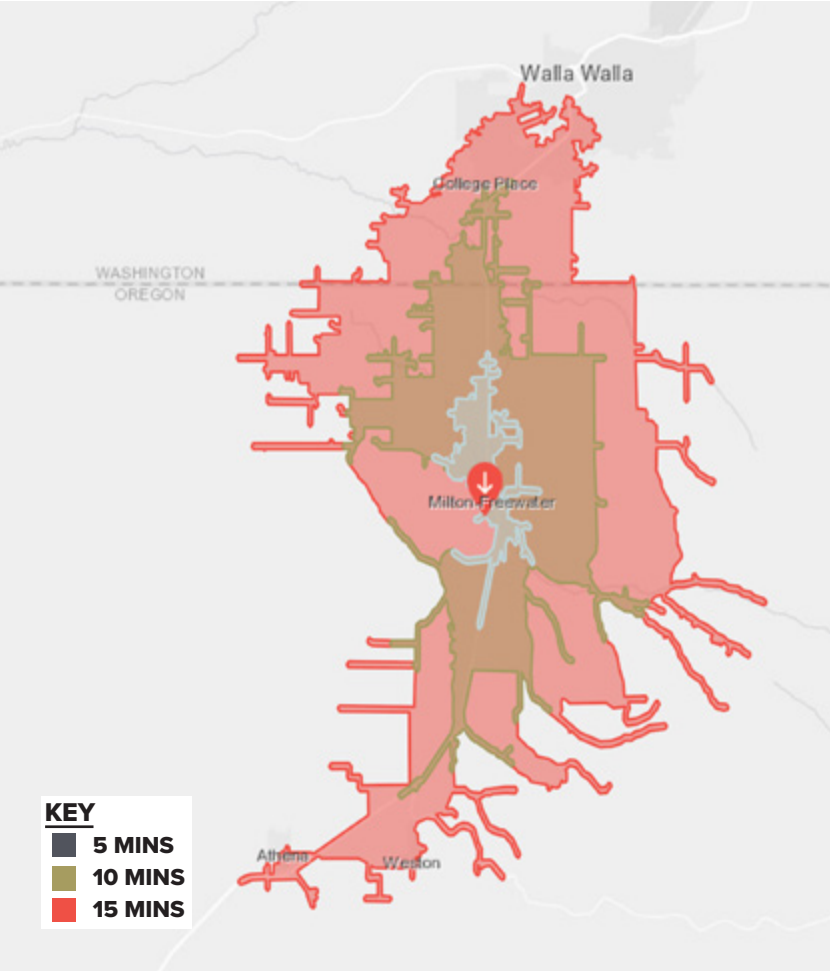


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**MILTON-FREEWATER** is a city in Umatilla County and part of the Pendleton–Hermiston Micropolitan Statistical Area. Located in the backdrop of the Blue Mountains, Milton-Freewater is comprised of fertile land, orchards, wheat fields, and is home to a growing wine industry. The vineyards here cross state borders to form the Walla Walla American Viticultural Area (AVA) in Oregon and Washington.

# The Rocks District

**THE ROCKS DISTRICT** contains 39 vineyards and is nested within the Walla Walla Valley AVA, situated along the Walla Walla River, and is entirely on the Oregon side of the Valley. The grapes grown at The Rocks District are recognized internationally for their varietals, especially the Syrah, unique to the region.



## Drive Time

### POPULATION

	5 MINS	10 MINS	15 MINS
2010	6,861	10,556	26,871
2018	6,757	10,518	28,026
2023	6,727	10,533	28,736

### 2018 HH INCOME

	5 MINS	10 MINS	15 MINS
Average	\$50,315	\$56,091	\$66,368
Median	\$40,127	\$42,308	\$49,703



## Distance to

## Location



# Contact Us

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# We'd love to hear from you.

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## Contact Us





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