



# WALGREENS

OFFERING MEMORANDUM

6505 EAST 71ST STREET | TULSA, OKLAHOMA



OFFERED EXCLUSIVELY BY  
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# THE TEAM

## WALGREENS

6505 EAST 71ST STREET | TULSA, OK

### AFFILIATED BUSINESS DISCLOSURE & CONFIDENTIALITY AGREEMENT

Newmark Knight Frank's Net Lease Practice Group (the "Agent") has been engaged as the exclusive sales representative for the sale of [insert building address here] (the "Property") by 'Ownership' (the "Seller").

The information contained herein has been obtained from sources deemed reliable but has not been verified and no guarantee, warranty or representation, either express or implied, is made with respect to such information. Terms of sale or lease and availability are subject to change or withdrawal without notice.

This Memorandum does not constitute a representation that the business or affairs of the Property or Seller since the date of preparation of this Memorandum have remained the same. Analysis and verification of the information contained in this Memorandum are solely the responsibility of the prospective purchaser.

Additional information and an opportunity to inspect the Property will be made available upon written request of interested and qualified prospective purchasers. Seller and Agent each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property, and/or terminate discussions with any party at any time with or without notice. Seller reserves the right to change the timing and procedures for the Offering process at any time in Seller's sole discretion. Seller shall have no legal commitment or obligations to any party reviewing this Memorandum, or making an offer to purchase the Property, unless and until such offer is approved by Seller, and a written agreement for the purchase of the Property has been fully executed and delivered by Seller and the Purchaser thereunder.

This Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not forward, photocopy or duplicate it, that you will not disclose this Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Seller or Agent, and that you will not use this Memorandum or any of the contents in any fashion or manner detrimental to the interest of Seller or Agent.





PURCHASE PRICE

\$3,402,000

CAP RATE

5.50%

## INVESTMENT HIGHLIGHTS



### ABSOLUTE NNN LEASE

The Subject Property boasts a true Absolute NNN Lease, with zero landlord responsibilities.



### 100% LEASED AND GUARANTEED BY WALGREEN CO. (S&P BBB)

Guaranteed by Walgreen's Co., the subject property boasts an investment grade credit rating.



### EXCEPTIONALLY LOW RENT

At \$17.82 per square foot, the Subject Property boasts well below average rents.



### 18.5 YEARS REMAINING LEASE TERM

The tenant signed a 25 year lease (18.5 years remaining) allowing the investor to capture a long term passive stream of income.



### DENSE RETAIL CORRIDOR

The subject is located in the dense retail corridor of 71st and Sheridan with national credit tenants nearby such as Valero, Arvest, Ross, AT&T, and Burlington, to name a few.

## EXECUTIVE SUMMARY

<b>Address</b>	6505 E 71st Street
<b>Tenant/Guarantor</b>	Walgreens, Co.
<b>Use</b>	Retail
<b>Acreage</b>	0.93
<b>Rentable Building Area</b>	10,500 sf
<b>Expense Structure</b>	NNN
<b>Rent Increases</b>	Flat
<b>Lease Effective Date</b>	September, 2012
<b>Primary Term Expiration</b>	September 2037
<b>Initial Term</b>	25 years (18.5 years remaining)
<b>Current Annual NOI</b>	\$187,110
<b>Interest</b>	Fee simple
<b>Year Built</b>	2008



# THE INVESTMENT

# LEASE ABSTRACT

## Walgreens

<b>ADDRESS</b>	6505 E 71st St, Tulsa, OK 74133
<b>TENANT/ GUARANTOR</b>	May's Drug Stores, Inc./ Walgreen's Co.
<b>LEASE EFFECTIVE DATE</b>	September 2012
<b>PRIMARY TERM EXPIRATION</b>	September, 2037
<b>REMAINING TERM</b>	18.5 years
<b>OPTION PERIODS</b>	Ten (10), Five (5) year options
<b>ANNUAL NOI</b>	\$187,110
<b>RENT INCREASES</b>	Flat
<b>LEASE TYPE</b>	NNN
<b>UTILITIES</b>	Tenant
<b>TAXES</b>	Tenant to pay as additional rent
<b>INSURANCE</b>	Tenant
<b>ACREAGE</b>	0.93
<b>ESTOPPEL</b>	Within 30 days after receipt of request
<b>ROFR</b>	10 day response time





## PROPERTY DETAILS

### Walgreens

<b>RENTABLE BUILDING AREA</b>	10,500 sf
<b>ACREAGE</b>	0.93
<b>YEAR BUILT</b>	2008

## RENT SCHEDULE

<b>Year</b>	<b>Annual Rent</b>
Current - Sept. 2037	\$187,110
Option 1 (5 year period)	\$187,110
Option 2 (5 year period)	\$187,110
Option 3 (5 year period)	\$187,110
Option 4 (5 year period)	\$187,110
Option 5 (5 year period)	\$187,110
Option 6 (5 year period)	\$187,110
Option 7 (5 year period)	\$187,110
Option 8 (5 year period)	\$187,110
Option 9 (5 year period)	\$187,110
Option 10 (5 year period)	\$187,110





# AERIAL MAP





# THE TENANT



# CREDIT OVERVIEW



Walgreens Boots Alliance

**Walgreens Boots Alliance, Inc.** Walgreens Boots Alliance, Inc. operates as a pharmacy-led health and wellbeing company. It operates through three segments: Retail Pharmacy USA, Retail Pharmacy International, and Pharmaceutical Wholesale. The Retail Pharmacy USA segment sells prescription drugs and an assortment of general merchandise, including non-prescription drugs, beauty products, photo finishing, seasonal merchandise, greeting cards, and convenience foods through its retail drugstores and convenient care clinics. It also provides specialty pharmacy services and mail services; and manages in-store clinics. As of August 31, 2018, this segment operated 9,560 retail stores under the Walgreens and Duane Reade brands in the United States; and seven specialty pharmacies, as well as approximately 400 in-store clinic locations.

The Retail Pharmacy International segment sells prescription drugs; and health, beauty, toiletry, and other consumer products through its pharmacy-led health and beauty stores and optical practices, as well as through boots.com and an integrated mobile application. This segment operated 4,767 retail stores under the Boots, Benavides, and Ahumada in the United Kingdom, Thailand, Norway, the Republic of Ireland, the Netherlands, Mexico, and Chile; and 618 optical practices, including 167 on a franchise basis. The Pharmaceutical Wholesale segment engages in the wholesale and distribution of specialty and generic pharmaceuticals, health and beauty products, and home healthcare supplies and equipment, as well as provides related services to pharmacies and other healthcare providers. This segment operates in France, the United Kingdom, Germany, Turkey, Spain, the Netherlands, Egypt, Norway, Romania, the Czech Republic, and Lithuania. Walgreens Boots Alliance, Inc. was founded in 1901 and is based in Deerfield, Illinois.

*Walgreens*



Stock Symbol:  
NASDAQ: WBA



Year Founded:  
1901



Headquarters:  
Deerfield, IL



Employees in 2018:  
235,000



2018 Revenue:  
\$131 Billion

2017 Net Income:  
\$5.02 Billion

2017 Stockholders Equity:  
\$26 Billion



S&P Rating:  
BBB



Website:  
[www.walgreens.com](http://www.walgreens.com)



# TULSA, OKLAHOMA



# LOCATION & DEMOGRAPHICS

**Tulsa** is the second-largest city in the state of Oklahoma and 47th-most populous city in the United States. It is the principal municipality of the Tulsa Metropolitan Area, a region with 981,005 residents in the MSA and 1,151,172 in the CSA.

Tulsa is located in the northeastern corner of Oklahoma, 99 miles (159 km) northeast of Oklahoma City. It is situated on the Arkansas River between the Osage Hills and the foothills of the Ozark Mountains in northeast Oklahoma, a region of the state known as "Green Country". Considered the cultural and arts center of Oklahoma, Tulsa houses two art museums, full-time professional opera and ballet companies, and one of the nation's largest concentrations of art deco architecture.

Though the oil industry has historically dominated Tulsa's economy, efforts in economic diversification have created a base in the sectors of aerospace, finance, technology, telecommunications, high tech, and manufacturing. Tulsa has 15 institutions of higher education, including two private universities: The University of Tulsa and Oral Roberts University, both of which have NCAA Division I level sports programs.

The Gathering Place, a public space that is a recreational, civic and cultural destination, broke ground in the Fall of 2014. The first phase a 66.5-acre centralized park was completed in September 2018. The park is a world-class attraction for Tulsans and visitors, offering gardens, skateparks, water features, sports courts, and child-friendly adventure zones. It is estimated that the park will attract over 500,000 visitors in its first full year of being open.

POPULATION	1 MILE	3 MILE	5 MILE
<b>2023 PROJECTION</b>	11,652	95,070	237,090
<b>2018 ESTIMATE</b>	11,274	91,480	228,062
<b>2010 CENSUS</b>	11,300	88,756	220,842
<b>GROWTH 2018-2023</b>	3.35%	3.92%	3.96%
<b>GROWTH 2010-2018</b>	-0.23%	3.07%	3.27%
HOUSEHOLDS			
<b>2023 PROJECTION</b>	5,337	42,300	101,209
<b>2018 ESTIMATE</b>	5,159	40,656	97,279
<b>2010 CENSUS</b>	5,146	39,253	93,943
<b>GROWTH 2018 - 2023</b>	3.45%	4.04%	4.04%
<b>GROWTH 2010 - 2018</b>	0.25%	3.57%	3.55%
<b>2018 AVG HOUSEHOLD IN-COME</b>	\$84,094	\$82,978	\$82,357
<b>2018 MED HOUSEHOLD IN-COME</b>	\$56,813	\$57,526	\$55,684





**Montereau** is a non-profit continuing care retirement community serving high net-worth residents who are looking for a vibrant, active place to call home. Situated on a wooded, rolling landscape high atop a hill and located in the heart of Tulsa, Oklahoma, it is country living close to all the amenities the city has to offer. The Montereau community features both apartments and garden homes for independent living. Montereau offers assisted living, alzheimer's, and skilled nursing services designed to maximize the independence and safety of individuals who need assistance with the activities of daily living. Currently construction is underway to add custom homes, giving residents an additional way to make the Montereau lifestyle theirs.

Founded in 2003 by The William K. Warren Foundation, Montereau is a locally owned and dedicated to serving older adults and those who care for them. It offers life-enriching independent living with first-class services and amenities, the financial protection and value of Life Care, and priority access to a continuum of 5-Star-rated\* short- and long-term care. Enhanced levels include assisted living, memory support, skilled nursing and rehabilitation.



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