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OFFERING  
MEMORANDUM



RITE AID

890 E MICHIGAN AVE, BATTLE CREEK, MI 49014

Marcus & Millichap



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**DOWNTOWN  
BATTLE CREEK**



**Cliff St**

**Raymond Rd**

**Michigan Ave**

**E Columbus Ave**



# OFFERING SUMMARY

890 E Michigan Ave, Battle Creek, MI

## RITE AID

 <i>Total Price</i>	<b>\$1,500,000</b>	<b>9.30%</b> <i>CAP RATE</i>
Base Rent	\$140,000	
Square Feet	11,180*	
Lot Size	2.09 Acres*	
Ownership	Fee Simple	

\*Building and lot size information per RealQuest. Buyer will need to verify the accuracy of this during the due diligence period.





## LEASE SUMMARY

Lease Type	Double Net
Roof & Structure	Landlord Responsible
Tenant	Rite Aid of Michigan, Inc.
Lease Term	20 Years*
Rent Commencement	August 17, 1998
Lease Expiration	August 16, 2021
Term Remaining	2 years
Percentage Rent	Yes
Increases	In Options
ROFR	None
Options	Six, 5-year

\*Tenant recently executed a lease extension for 3 years until August 16, 2021 with an annual rent of \$140,000

## ANNUAL RENT

<b>Current NOI</b>	<b>\$140,000</b>
Option 1	\$200,290
Option 2	\$208,585
Option 3	\$216,880
Option 4	\$225,175
Option 5	\$233,470
Option 6	\$241,765
Rent (\$12.50/SF)	\$140,000
NET OPERATING INCOME	9.30%/\$140,000
TOTAL RETURN	\$140,000



## TENANT OVERVIEW // *Rite Aid*

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 **2,500+**  
LOCATIONS

 HEADQUARTERED IN  
**Camp Hill, PA**

 STATE LOCATIONS  
**30**

STOCK SYMBOL  
**NYSE: RAD**

FOUNDED IN  
**1962**

MORE THAN  
**89,000**  
EMPLOYEES



WEBSITE  
**[www.riteaid.com](http://www.riteaid.com)**

Rite Aid Corporation is a retail drugstore chain in the United States and a Fortune 500 company. It is headquartered in Camp Hill, Cumberland County, Pennsylvania. The Company's segments include Retail Pharmacy and Pharmacy Services. The Company operates under The Rite Aid name. It operates approximately 2,525 stores in over 30 states across the country and in the District of Columbia. Rite Aid is the largest drugstore chain on the East Coast and the third largest in the United States, employing roughly 89,000 associates. The company is publicly traded on the New York Stock Exchange under the ticker symbol RAD.



## INVESTMENT HIGHLIGHTS

- Corporate Lease with Rite Aid of Michigan, Inc.
  - Low price point
  - Low rent at \$12/sf
- Sales approximately \$3 million in 2018

## PROPERTY HIGHLIGHTS

- Located at the 4-way signalized intersection of E Michigan Ave and N Raymond Rd
  - Adjacent to the Emmett Township Fire Department
- Surrounding tenants include Burger King, Dollar General, Dairy Queen, Family Dollar
  - Two miles off of Interstate 194 and Route 66









**GRAND RAPIDS**



**DETROIT**





## BATTLE CREEK // *Overview*

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- Battle Creek is located within Calhoun County and is the principal city of the Battle Creek, Michigan MSA (population approx. 136,000)
- Approximately 60 miles south of Grand Rapids
- Nicknamed “Cereal City”, Battle Creek is headquarters to Kellogg’s cereal, the largest employer in the city
- Home to the Binder Zoo, one of the largest in Michigan and is ranked amongst the top zoological parks in the U.S.
- Approximately 60 miles south of Grand Rapids
- Battle Creek hosts the Field of Flight Air Show and Balloon Festival which attracts thousands each year from all over the Midwest



POPULATION	1 MILE	3 MILES	5 MILES
2023 Projection	10,933	67,446	163,932
2018 Estimate	10,924	66,956	161,656
2010 Census	10,823	66,361	160,407
2000 Census	10,476	64,307	155,094

INCOME	1 MILE	3 MILES	5 MILES
Average	\$69,392	\$82,809	\$82,699
Median	\$50,862	\$62,874	\$63,821
Per Capita	\$26,822	\$30,091	\$30,787

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2023 Projection	4,223	24,630	61,649
2018 Estimate	4,181	24,154	59,968
2010 Census	4,138	23,968	59,559
2000 Census	4,124	23,127	56,496

EMPLOYMENT	1 MILE	3 MILES	5 MILES
2018 Daytime Population	13,295	63,542	140,638
2018 Unemployment	5.33%	5.07%	4.98%
2018 Median Time Traveled	28	30	30

## HOUSING

2018	\$183,698	\$212,191	\$214,634
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**Steve Chaben**

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