

# OFFERING MEMORANDUM

## WALGREENS

### NORTH LAS VEGAS, NEVADA



**24-HOUR LOCATION WITH STRONG STORE SALES AND NEWLY EXTENDED LEASE**

NET LEASE GROUP

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**CUSHMAN &  
WAKEFIELD**



# WALGREENS

N LAS VEGAS, NEVADA

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**Walgreens**  
PHARMACY



*Subject Property*



# Investment Offering & Highlights

## The Offering

- Completed in 1996, a 16,556 square foot freestanding 24 hour Walgreens pharmacy retail building with a double drive-thru and a long term net lease
- **Price: \$5,167,000 – Cap Rate: 6.00%**

## Lease / Tenant Highlights

- Very strong upward trending reported store sales
- 12-year net lease, with recent 10 year extension, demonstrating Walgreens' commitment to the location
- 24 hour store - only 8 of 20 Walgreens in Las Vegas are 24 hour
- Net lease with minimal landlord responsibilities
- S&P rated "BBB" investment grade corporate guaranty
- Walgreens Boots Alliance is #17 on the Fortune 500 with \$136.9 billion in revenues

## Real Estate / Area Strengths

- Hard corner location on the busy intersection of N Las Vegas Blvd, same street as the "Strip", & Civic Center Dr with combined daily traffic counts of over 36,000 VPD
- A new roof was recently installed (20-year warranty) and the exterior of the building repainted, and Walgreens is in the process of resealing and restriping the parking lot
- Near City Hall, City Library and Utilities Department, Smith's Grocery Store, Wells Fargo, CVS, U.S. Bank, Bank of America, Jack in the Box, Carl's Jr. and McDonald's
- Located just 7 miles from the Las Vegas Strip which received more than 42.1 million visitors last year
- Strong surrounding population of 490,000 residents within 5 miles of the property
- The property is located less than a mile from Interstate 15, a major north-south highway that begins near the Mexico border in San Diego and stretches north to Alberta, Canada



Subject Property

# Investment Overview

## Location

2280 N Las Vegas Blvd., North Las Vegas, Nevada

## Lot Size

Approximately 2.36 acres - 102,802± square feet

## Improvements

Completed in 1996, a 16,552 ± square foot freestanding **WALGREENS PHARMACY**, with a two lane prescription drive thru, as well as 61 available on-site parking spaces. Seller recently replaced the roof (new 20 year warranty) and painted the exterior of the building. Walgreens is in the process of resealing and restriping the parking lot.

## Lease

Leased to **WALGREENS** for 12 more years (recently extended for 10 years) ending September 16, 2031 at a net annual rent of \$310,000. Walgreens has five 5-year options to extend at the same rental amount. Walgreens is responsible for taxes, insurance, and maintenance including HVAC repairs and replacement, parking lot maintenance and landscaping. Landlord is responsible for the roof, exterior of the building, structure and parking lot replacement.

**Price: \$5,167,000 - 6.00% Cap Rate**

## Annual Reported Sales\*

2017-18:	\$3,618,232
2016-17:	\$3,584,484
2015-16:	\$3,503,789

*\*These sales do not include proceeds from insurance or medicare on customers prescription purchases, which typically substantiate the majority of total store sales.*

## Possible Financing (as of 10/25/19)

Purchaser may obtain a new 10 year non-recourse fixed rate interest-only loan in the amount of \$3,100,000 with a 3.80% interest rate and annual debt service payments of \$117,800.

## Cash Flow Analysis - New Financing

Price:	\$5,167,000	Rent:	\$310,000
Loan Amount:	\$3,100,000	Debt Service:	\$117,800
Equity Required:	\$2,067,000	Cash Flow:	\$192,200
<b>Cash on Cash Return:</b>			<b>9.30%</b>

## Right of First Refusal

Walgreens shall have the right of first refusal to purchase the property on the same terms and conditions as those of any bonafide offer received by the landlord. Walgreens has indicated they are now not buying stores.

# Site Plan

N. LAS VEGAS BLVD. (18,400 VPD)



NORTH LAS VEGAS  
CITY HALL

NORTH LAS VEGAS  
LIBRARY

THE UTILITIES  
DEPARTMENT  
OF NORTH LAS VEGAS

CIVIC CENTER DR. (18,000 VPD)

N. MCDANIEL ST.



# Walgreens Pharmacy

**WALGREENS BOOTS ALLIANCE (NASDAQ: WBA)** was created through the combination of Walgreens and Alliance Boots in December 2014, bringing together two leading companies with iconic brands, complementary geographic footprints, shared values and a heritage of trusted health care services, dating back over 100 years.

The Company is a global leader in pharmacy-led, health and wellbeing retail and, together with its equity method investments, has approximately 18,500 stores in 11 countries as well as one of the largest global pharmaceutical wholesale and distribution networks, with more than 390 distribution centers delivering to more than 230,000 pharmacies, doctors, health centers and hospitals each year in more than 100 countries. On September 19, 2017, Walgreens Boots Alliance (WBA) agreed to

buy 1,932 Rite Aid Corp. (RAD) stores for \$4.4 billion. The sale enables Walgreens to edge past CVS to become the largest U.S. pharmacy chain by number of stores. In addition, Walgreens interacts with approximately 8 million customers in its stores and online each day.

For the twelve months ending August 31, 2019 the company reported \$136.9 billion in revenue with net income of \$4.32 billion and a shareholders' equity of \$24.1 billion. Walgreens Co is rated "BBB" by Standard & Poors.

For more information please visit <https://www.walgreens.com>







## Site Location

The subject property is located at the southwest corner of N. Las Vegas Boulevard and Civic Center Drive, less than 1 miles from Interstate 15 (Las Vegas Freeway), 7 miles northeast of the Las Vegas Strip and McCarran International Airport. The property is adjacent to the under construction Maya Entertainment Center a \$75 million, 67,000 square multiplex theater and retail center that was designed to cater to the population of North Las Vegas. The theater is open, and the retail is under construction.

Major tenants in the immediate area include Smith's Grocery Store, U-Haul, 7-Eleven, Wells Fargo, CVS, U.S. Bank, Sherwin-Williams, Bank of America, Chevron, Jack in the Box, Silver Nugget Casino, Carl's Jr., Arby's, Burger King, Pep Boys, Citibank, Dutch Bros Coffee, McDonald's, Family Dollar, and La Bonita Supermarkets.





NORTH LAS VEGAS  
MUNICIPAL COURT

NORTH LAS VEGAS  
PUBLIC WORKS

SOUTHWEST MEDICAL  
CENTER URGENT CARE



18,000  
CARS PER DAY

18,400  
CARS PER DAY

CIVIC CENTER DR

N LAS VEGAS BLVD

NORTH LAS VEGAS LIBRARY  
& THE UTILITIES DEPARTMENT  
OF NORTH LAS VEGAS

NORTH LAS VEGAS  
CITY HALL







18,000  
CARS PER DAY

12,000  
CARS PER DAY

18,400  
CARS PER DAY

**Smith's**  
FOOD & DRUG STORES



N LAS VEGAS  
MUNICIPAL  
COURT



N LAS VEGAS  
LIBRARY &  
THE UTILITIES  
DEPARTMENT OF  
N LAS VEGAS

N LAS VEGAS  
CITY HALL



E LAKE MEAD BLVD



NORTH VISTA  
HOSPITAL



College Park  
Shopping Center





# Regional



North Las Vegas

NORTH LAS VEGAS AIRPORT

Nellis Air Force Base

Sunrise Manor

East Las Vegas

LAS VEGAS

Winchester

East Las Vegas

Paradise

McCarran International Airport

MCCARREN INT AIRPORT

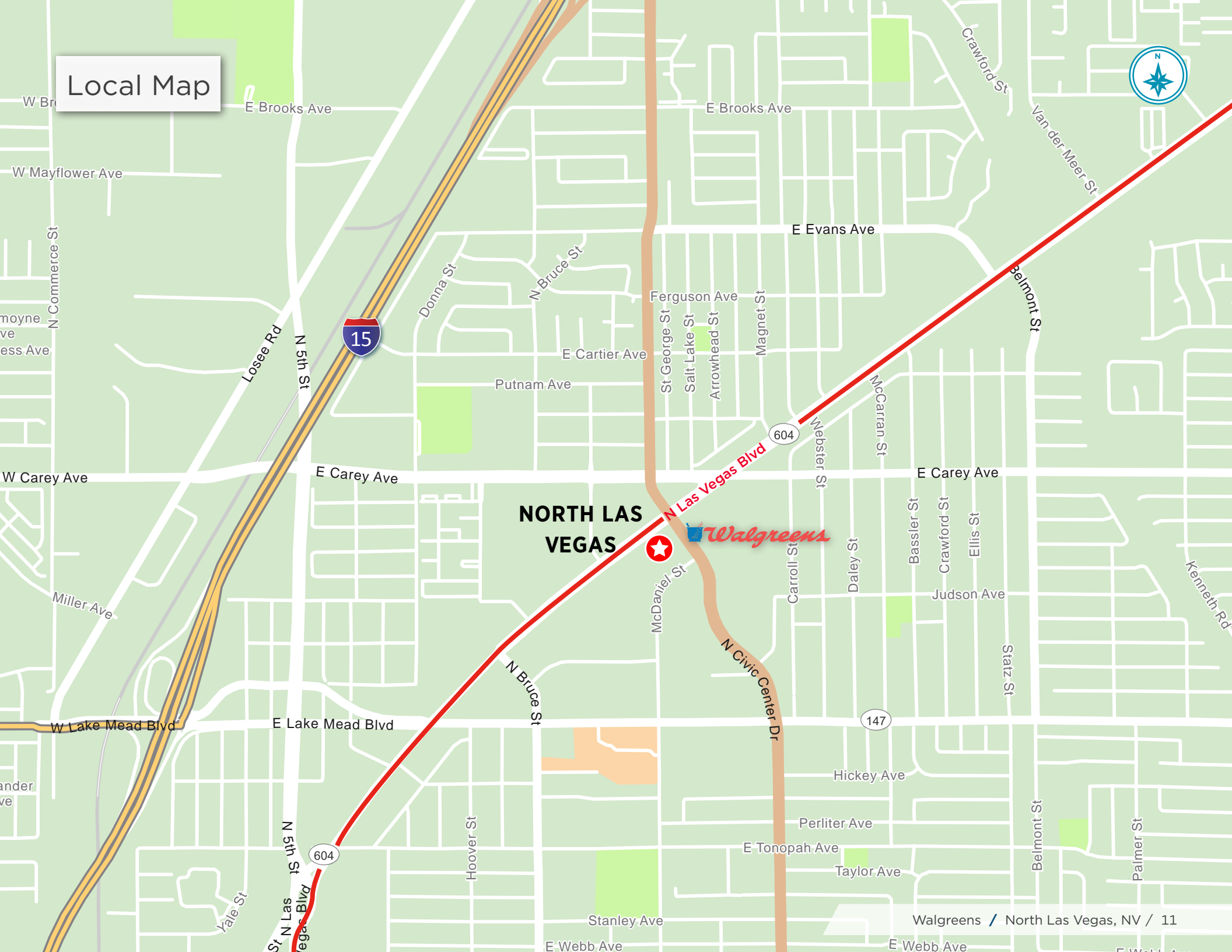
BOULDER CITY MUNICIPAL AIRPORT

Enterprise

Henderson



Local Map





# North Las Vegas, Nevada

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Located at the northern tip of the Las Vegas Valley, North Las Vegas is one of Nevada's fastest growing cities. North Las Vegas is characterized by its friendly atmosphere, development opportunities, civic pride and responsive government. Located in Clark County, the 100.48 square-mile city is surrounded by majestic mountains, desert valleys and an underlying current of dynamic growth.

## **NORTH LAS VEGAS ECONOMY**

Traditionally, manufacturing and warehouse distribution companies have dominated the North Las Vegas Market. However, high-tech businesses, including solar and green technology; and custom manufacturing facilities are moving to North Las Vegas. Additionally, Amazon recently opened a four floor, 850,000 square foot fulfillment center in North Las Vegas, hiring over 1,300 North Las Vegas residents in the process.

## **NELLIS AIR FORCE BASE ("NELLIS")**

Nellis is a United States Air Force installation located 5 miles northeast of the Walgreens with military schools and more squadrons than any other USAF base. Nellis hosts air combat exercises such as Red Flag and close air support exercises such as Green Flag-West flown in "Military Operations Area (MOA) airspace" associated with the nearby Nevada Test and Training Range (NTTR). The base also has the Combined Air and Space Operations Center-Nellis, a command center used by the United States Air Force. The Nellis work force of about 9,500 military and civilians makes it one of the largest single employers in Southern Nevada. The total military population numbers more than 40,000, including family members and military retirees in the Las Vegas area.

## **LAS VEGAS**

Las Vegas is the 28th-most populated city in the United States, the most populated city in the state of Nevada, and the county seat of Clark County. The city anchors the Las Vegas Valley metropolitan area and is the largest city within the greater Mojave Desert. Las Vegas is an internationally renowned major resort city, known primarily for its gambling, shop-

ping, fine dining, entertainment, and nightlife. The Las Vegas Valley as a whole serves as the leading financial, commercial, and cultural center for Nevada.

The city bills itself as The Entertainment Capital of the World and is famous for its mega casino-hotels and associated activities. It is a top three destination in the United States for business conventions and a global leader in the hospitality industry, claiming more AAA Five Diamond hotels than any other city in the world. Today, Las Vegas annually ranks as one of the world's most visited tourist destinations with over 42.1 million visitors recorded in 2018. The city's tolerance for numerous forms of adult entertainment earned it the title of "Sin City", and has made Las Vegas a popular setting for literature, films, television programs and music videos.

The Las Vegas-Henderson-Paradise MSA is also one of the fastest-growing metros in the nation. The population of nearly 2.2 million people ranks it among the top 50 most populous metros in the U.S. In conjunction with rising wages, the metro's median household income recently surpassed the national average by 1.4 percent as it climbed 5.1 percent. This increase allows residents to make more discretionary spending.

## **LAS VEGAS ECONOMY:**

With all 10 of the nation's largest hotels located in Las Vegas, tourism and entertainment are the most significant drivers of the Las Vegas economy; however, the economy is diversifying into distribution, back-office operations and manufacturing.

The metro's business-friendly environment, access to Western markets, large labor force, and availability of high-speed data attract companies such as Switch, Amazon, K2 Energy, Scientific Games, Sunprime, Tectonics, Virtual Guard, VadaTech and Zappos.

The 2.3 million-square-foot Las Vegas Convention Center is one of the largest in the world and draws more than 6 million attendees annually.



# Las Vegas, Nevada

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## **LAS VEGAS RAIDERS**

The economic impact of the Raiders moving to Las Vegas has already started to take effect on the city. Not surprisingly, the economic impact in the past year has been most visible in the construction industry and vendors who provide equipment and other necessities for those projects. Nearly 10,000 jobs have said to be created from the Raider's move. The promise of a new sports team has bolstered the real estate scene, which has been on an upward trend in recent years.

The stadium project is estimated to come at a cost of around \$1.9 billion. It's a state-of-the-art facility that neighbors the Las Vegas Strip and is being designed by Kansas City-based MANIAC Architecture. The site is located on a 63-acre piece of land on Russell Road, on the west side of Interstate 15. The plan is for it to be a domed, air-conditioned stadium with a capacity of 65,000 spectators. If a Super Bowl were to come to Las Vegas — which seems highly likely — the stadium can increase its capacity to 72,000 seats. The design of the stadium currently includes a retractable, natural turf field and giant glass walls that open for a better view of the strip.

## **TRANSPORTATION**

Las Vegas offers multiple forms of transportation, consisting of roads/highways, bridges, public transit, railway and airports. In terms of highways, Interstates 15, 515 and US 95 lead out of the city in four directions. Two major freeways — Interstate 15 and Interstate 515/U.S. Route 95 — cross in downtown Las Vegas. I-15 connects Las Vegas to Los Angeles, and heads northeast to

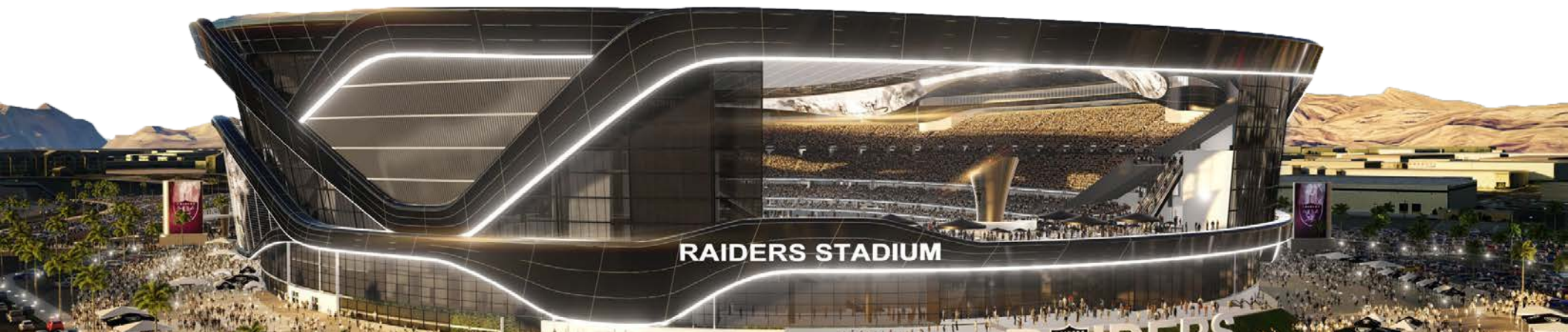
Salt Lake City and beyond. RTC Transit is a public transportation system providing bus service throughout Las Vegas, Henderson, North Las Vegas and other areas of the valley. Inter-city bus service to and from Las Vegas is provided by Greyhound, BoltBus, Orange Belt Stages, Tufesa, and several other smaller carriers. McCarran International Airport handles international and domestic flights into the Las Vegas Valley. Most general aviation traffic uses the smaller North Las Vegas Airport and Henderson Executive Airport.

## **EDUCATION:**

Las Vegas is also home to numerous forms of education. Primary and secondary public education is provided by the Clark County School District, which is the fifth most populous school district in the nation. In 2014, over 314,000 students were enrolled in grades K-12. The College of Southern Nevada (the third largest community college in the U.S. by enrollment) is the main higher education facility in the city. The University of Nevada, Las Vegas and Nevada State College are also educational opportunities that exist around the city.

## **PARKS AND RECREATION:**

Las Vegas has 68 parks. The city owns the land for, but does not operate, four golf courses: Angel Park Golf Club, Desert Pines Golf Club, Durango Hills Golf Club, and the Las Vegas Municipal Golf Course. It is also responsible for 123 playgrounds, 23 softball fields, 10 football fields, 44 soccer fields, 10 dog parks, six community centers, four senior centers, 109 skate parks, six swimming pools and more.





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**Smith's**  
FOOD & DRUG STORES

**U-HAUL**

**T-Mobile**



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