



*Achieve
Ambitions*

Subject Property



Walgreens

51 Dixie Drive
Clute, TX 77531

Confidential Offering Memorandum

Single-Tenant Walgreens

INVESTMENT HIGHLIGHTS

LONG TERM STABLE CASH
FLOW

TENANT COMMITTED TO SITE
FOR 45+ YEARS

FRONTAGE + VISIBILITY IN
STRONG RETAIL SUBMARKET

IMMEDIATE PROXIMITY TO
NOLAN RYAN EXPRESSWAY

NATIONALLY RECOGNIZED
TENANT

THE OFFERING

JLL is pleased to exclusively offer a premier investment opportunity to acquire the fee simple interest in a single-tenant property (the “Property” or the “Asset”) leased to Walgreen Co. (the “Tenant”) in Clute, TX. The Property is situated at the lighted intersection of Plantation Drive and Dixie Drive that sees over 30,000 VPD. The Property is located in a busy Clute location with immediate proximity to the Nolan Ryan Expressway, Brazoswood High School and numerous nationwide tenants. Walgreens, an investment grade tenant (BBB/Stable (S&P)); has **occupied the property since 1973**, with the primary lease term not expiring until 2067.

LONG TERM STABLE CASH FLOW

- The Asset features a long term lease with limited landlord responsibilities.
- Strong operating history from **the tenant dating back to 1973**.

FRONTAGE + VISIBILITY IN STRONG RETAIL MARKET

- Walgreens is prominently located at the intersection of Plantation Drive and Dixie Drive, which provides invaluable visibility with a combined traffic count of over 30,000 VPD.
- Less than a half mile off of the Nolan Ryan in retail hub surrounded by coveted nationally recognized tenants, including McDonalds, Taco Bell, Clarion Hotels and more.
- The average household income within a 5-mile radius is over \$90,000 and expected to grow to over \$100,000 over the next 5 years.

NATIONALLY RECOGNIZED TENANT

- Walgreens is a global pharmacy retailer, wholesaler, and distributor of health and well-being products under the Walgreens, Duane Reade, and Boots Alliance Healthcare brands.
- The Tenant currently operates across approximately 13,200 locations and employs more than 385,000 people.
- Approximately 78% of the U.S. population lives within five miles of a Walgreens, Duane Reade or Walgreens-owned Rite Aid store.

Address	51 Dixie Dr Clute, TX 77531
Price	\$2,781,000
Cap Rate	6.00%
Annual Rent	\$166,860
Building Area	13,950 SF
Site Size	1.4 Acres (62,726 SF)
Year Built	1997
Lease Type	NN
Landlord Responsibilities	Roof + Structure

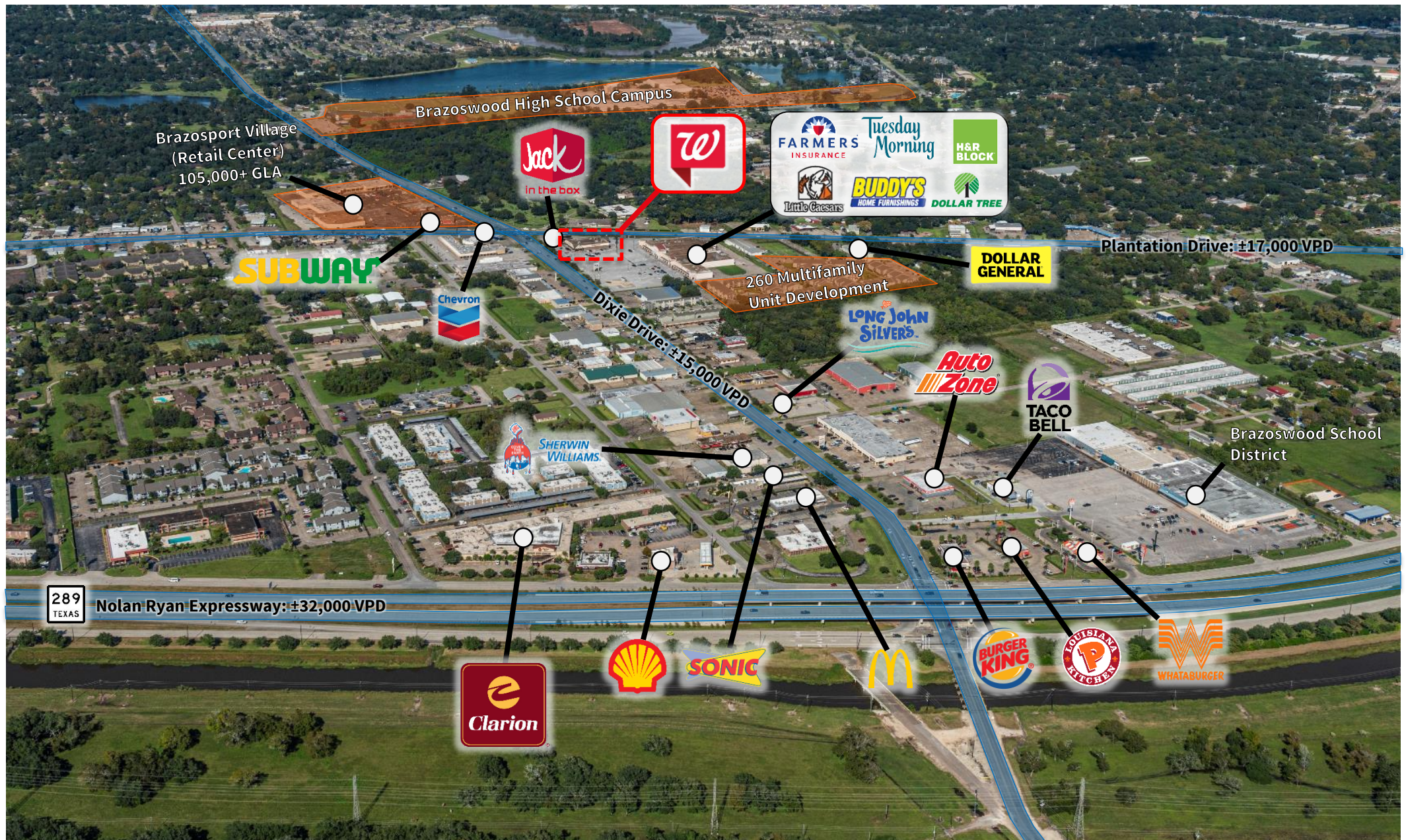
LEASE ABSTRACT & SITE PLAN

Walgreens - Lease Abstract

Tenant	Walgreens Co.
Location	51 Dixie Drive, Clute, TX 77531
Site Area	1.4 Acres (62,726 SF)
Building Size	13,950 SF
Lease Structure	NN
Landlord Responsibilities	Roof + structure
Percentage Rent	If 2.0% of the gross sales, except those from the sale of food and prescription items, which are only subject to 0.5% share, exceed base rent.
Termination Option	Tenant shall have the right to terminate effective as of May 31, 2032 and every 5 years thereafter
Lease Commencement Date	July 28, 1972
Lease Expiration	May 31, 2067



LOCAL AERIAL VIEW



Walgreens

Walgreens

Founded in 1901, Walgreens Boots Alliance (“Walgreens”) is the global leader in pharmacy-led health and wellbeing retail. Walgreens operates more than 13,200 stores in the 50 states, the District of Columbia, Puerto Rico and the US Virgin Islands. With a typical store carrying over 18,000 items, Walgreens’ stores offer a wide range of consumer goods in addition to its pharmacy, health and wellness services.

Bolstering Walgreens’ impressive six million daily customers, an average of 68 million people visit Walgreens’ websites (walgreens.com and drugstore.com) monthly. The company has more than 85,000 healthcare service providers, including pharmacists, pharmacy technicians, nurse practitioners, and other health-related professionals. During FY 2018, Walgreens filled over 1.1 billion prescriptions (including immunizations) on a 30-day adjusted basis.

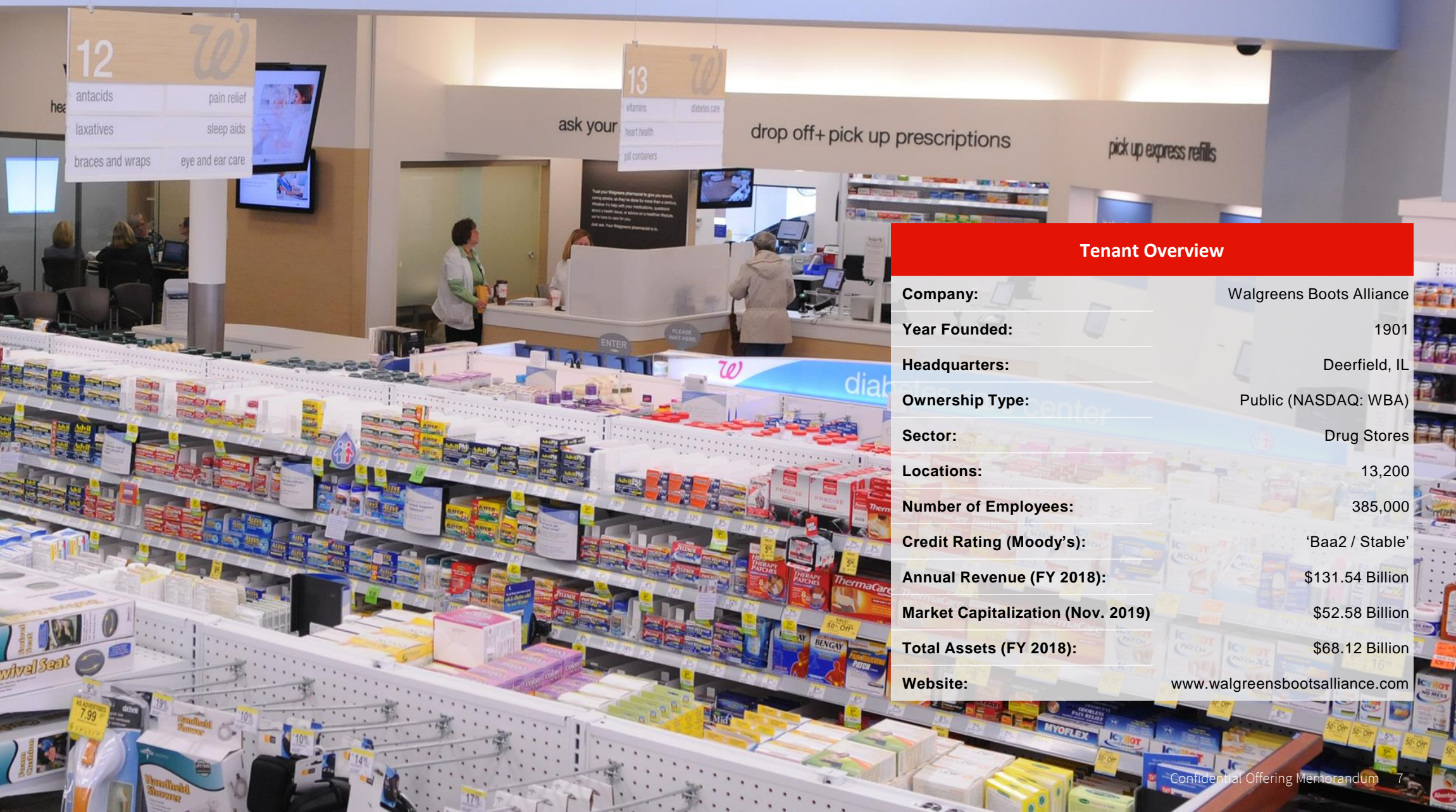
STRONG SALES & FINANCIAL PERFORMANCE

Adjusted fiscal 2019 third quarter sales increased 0.7 percent to \$34.6 billion, compared with the same quarter a year ago. Sales increased 2.9% on a constant currency basis, primarily due to the growth in the Retail Pharmacy USA and Pharmaceutical Wholesale divisions.

Sales in the first nine months of fiscal 2019 were \$102.9 billion, an increase of 4.9% from the same period a year ago, and an increase of 6.8% on a constant currency basis.



neighborhood health center



Tenant Overview

Company:	Walgreens Boots Alliance
Year Founded:	1901
Headquarters:	Deerfield, IL
Ownership Type:	Public (NASDAQ: WBA)
Sector:	Drug Stores
Locations:	13,200
Number of Employees:	385,000
Credit Rating (Moody's):	'Baa2 / Stable'
Annual Revenue (FY 2018):	\$131.54 Billion
Market Capitalization (Nov. 2019)	\$52.58 Billion
Total Assets (FY 2018):	\$68.12 Billion
Website:	www.walgreensbootsalliance.com

CLUTE, TX



General Overview

- Clute, TX is located in the Far South Market, which encompasses one of the Houston Metro's largest geographic areas
- The location is attractive, as it is located only 7 miles from the Gulf Coast and 55 miles from Houston with quick access via Highway 288
- Dow Chemical arrived in the area in 1940 and today it is home to the largest integrated chemical manufacturing site in the world and serves 5,000 employees in Clute and the surrounding communities
- Investments from major oil and gas companies in the submarket has boded well for the real estate market, as vacancy rates and market rent growth have been excellent over the past ten years

Clute Quick Facts

±12K

City Population

71°

Average Daily Temp

23 Miles

Of Public Beach Nearby

72

Acres of City Parks

5,000

Employees at Dow's Chemical Plant

±55

Miles to Houston

\$100k+

Average Household Income by 2024

7

Miles to Gulf Coast

Education

- Clute is served by highly regarded education at all levels
 - Brazosport Independent School District (±13,000 students)
 - Brazosport College is a two year institution involved in academic and vocational curricular. College works closely with locals firms in preparing special training programs
- Other nearby institutions include: Baylor College of Medicine, University of Houston, Rice University, and Texas Southern University

Recreation

- 23 Miles of nearby public beaches, including Surfside, Bryan and Quintana Beaches
- Over 72 acres of city parks and numerous wildlife refuges
- 7 miles from the Gulf of Mexico and 10 miles from the San Bernard and Brazos River providing numerous watersports and activities

Employment

- Dow Chemical has provided stability to the area since the 1940s and currently employees over 5,000 people
- Brazosport Regional Health System houses 165 beds and specialty care, supporting quality of life and jobs across the community
- Proximity to Port Freeport, which is one of the country's top 25 for international cargo tonnage handled



PROPERTY PHOTOGRAPHY



HOUSTON, TX

OUTLOOK

Houston has one of the youngest, fastest-growing, and most diverse populations in the world. People from around the globe relocate here every year to take advantage of the abundant lifestyle and job opportunities the region provides. The Houston MSA is currently the fifth-largest in the nation with a total of 7 million people. Between 2010 and 2018, Houston's population grew by 16.4%, the fastest rate of growth among the nation's largest metros. *(source - houston.org)*

The Houston MSA is expected to outperform the national economy over the coming year with manufacturing and IT leading the way. Residential construction will provide some support to the overall growth. Longer-term, the concentration of upstream and downstream energy industries, above-average population growth, and expansion in housing, transportation, and distribution industries will help propel above-average gains for the metropolitan area. *(source - Moody's Precip Report - 2019)*

2nd

**Cost of Living in Top 10
U.S. Cities Hiring for Jobs**

Refinery29, July 2018

24.9%

**Part of local digital tech firms that
focus on information technology**

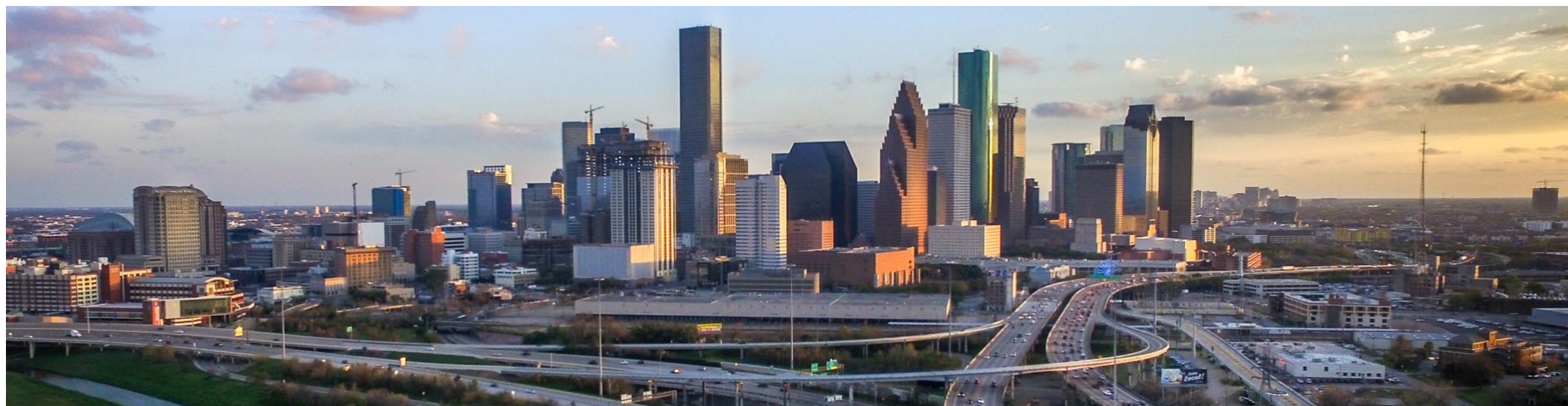
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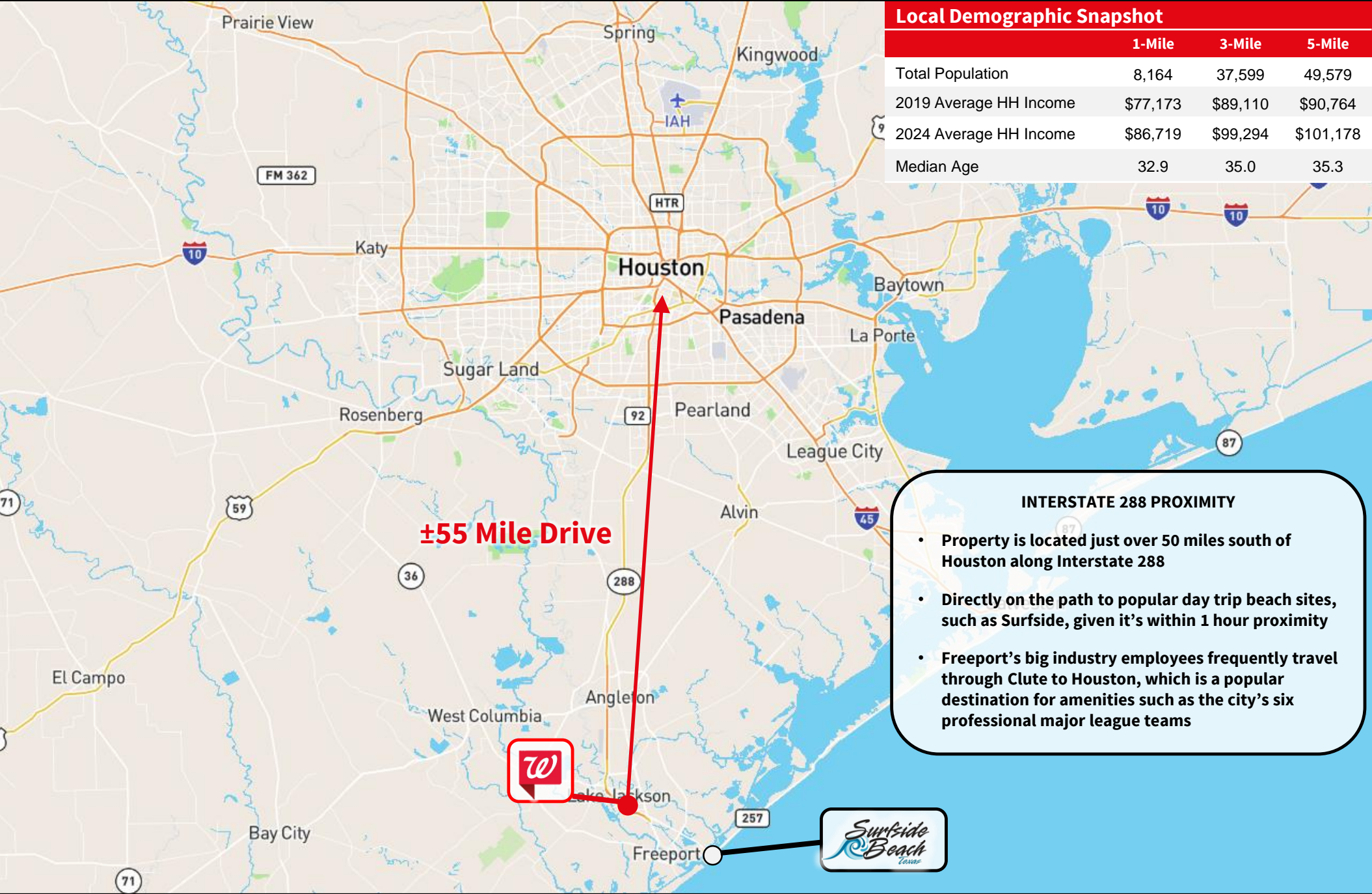
**Top Metro for Economic
Growth Potential**

Business Facilities, July 2018

500+

**Houston is home to over 500
digital technology companies**





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