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RITE
AID

RITE AID

9321 WHITTIER BLVD.

PICO RIVERA, CA 90660

CBRE

**OFFERING
MEMORANDUM**

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INVESTMENT HIGHLIGHTS

- This Rite Aid is a **larger format store (17,933 SF)**, providing expanded product lines and pharmacy.
- The lease is **corporately guaranteed by Rite Aid Corporation (NYSE: RAD)**, the third largest drugstore chain in America.
- There are **nearly eight (7.8) years remaining on the lease term, plus six (6), five (5) year options.**
- The lease provides for **5% rental increases at each option period.**
- The lease structure is **double net (NN), with minimal landlord responsibilities.** Tenant is responsible for HVAC, maintaining CAM and parking, and payment of all taxes and utilities.
- There are **181,167 residents located in the three (3) mile demographic ring, and 515,590 residents located in the five (5) mile demographic ring.**
- There are **over 6,800 households in the one (1) mile demographic ring.**
- **Downtown Los Angeles is just a 14-mile (18 minute) drive** from the subject property, and hosts over 22 million visitors annually.
- Pico Rivera is **located in Los Angeles County, which has the largest population of any county in the nation** - nearly 10 million residents who account for approximately 27 percent of California's population.
- The property is situated on the hard-signalized corner of Whittier Blvd. & Parsons Blvd., **which report strong combined traffic counts of 49,083 cars per day.**
- Rite Aid is situated right off the I-605 freeway, **which reports traffic counts of 258,000 cars per day.**
- Rite Aid is located within a half-mile of four (4) medical centers, **implying a built-in customer base.**
- Rite Aid is located in one of Pico Rivera's retail corridors, which helps drives traffic to the store. Neighboring retailers include **Starbucks, Dollar Tree, The Home Depot, Superior Grocers, In-N-Out Burger, Chipotle, Big 5 Sporting Goods, and Taco Bell among many others**



INVESTMENT SUMMARY

Offering Price.....	\$10,120,000
Cap Rate.....	6.25%
Lease Structure	NN
Current Annual Rent.....	\$632,500
Building GLA	17,933 SF
Lot Size.....	1.51 acres
Ownership	Fee Simple



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TENANT OVERVIEW

About Rite Aid

Rite Aid Corporation (NYSE: RAD) Rite Aid is the third largest retail drugstore chain in the United States based on both revenues and number of stores. With approximately 2,469 stores in 18 states and the District of Columbia, Rite Aid has a strong presence on both the West and East Coasts.

Rite Aid sells prescription drugs and a wide assortment of other merchandise, which they call “front-end” products. Front-end products include over-the-counter medications, health and beauty aids, personal care items, cosmetics, food and beverages, and numerous other every day and convenience products. Over 80%+ of Rite Aid’s revenues come from medications and pharmacy services. They report 175M pharmacy transactions per year and over 500,000 scripts per day.

In March 2020 Rite Aid announced a new corporate strategy known as [Rx Evolution](#), which focuses on 3 main initiatives: 1) becoming the dominant mid-market Pharmacy Benefit Management (PBM); 2) unlocking the value of their pharmacists and 3) revitalizing their retail and digital experience. Rite Aid will be spending approximately \$700 million over the next two years to rehaul their merchandise, upgrade stores, streamline workflow, and re-engineer how the pharmacy team works. They will be re-branding with a new logo to signal this bold change in pharmacy and retail.

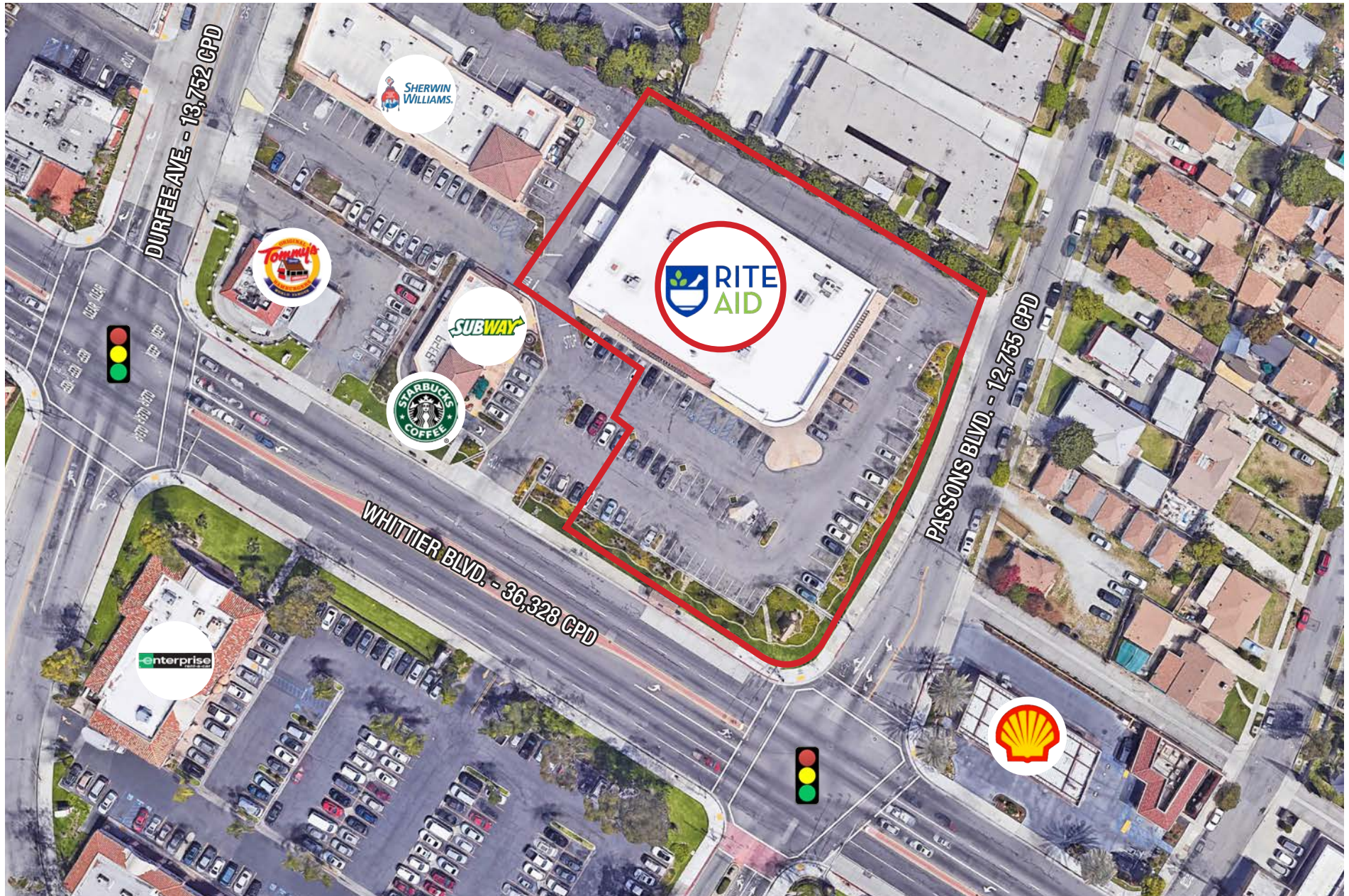
In March 2018 Walgreens paid \$4.38 billion to buy 1,932 Rite Aid stores. A press release by Rite Aid mentions that this “asset sale repositions Rite Aid as an independent, multi-regional drugstore chain and pharmacy benefits manager with compelling footprint in key markets.”



RITE AID CORPORATE OVERVIEW

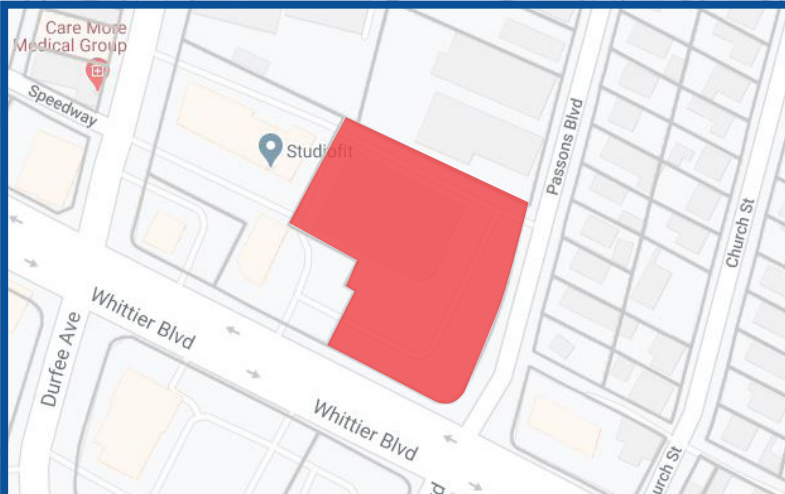
Type:	Public (NYSE: RAD)
Industry:	Drug, Health & Beauty Stores
Locations:	2,469+
Employees:	56,400+
Revenue:	\$21.64 Billion (FY 2019)
Corporate Headquarters:	Camp Hill, PA

PROPERTY OVERVIEW





PROPERTY OVERVIEW



PROPERTY SUMMARY

Price: \$10,120,000

Cap Rate: 6.25%

Address: 9321 Whittier Blvd.
Pico Rivera, CA 90660

Ownership: Fee Simple

Building GLA: 17,933 SF

Lot Size: 1.51 acres

Parking: 80

Year Built: 2008

Parcel Number: 6375-018-018

LEASE SUMMARY

Tenant: Thrifty Payless, Inc.

Guarantor: Rite Aid Corporation

Date of Lease: June 12, 2006

Rent Commencement: January 24, 2008

Lease Expiration: January 31, 2028

Lease Term: 20.0 years

Term Remaining: 7.8 years (as of 04/2020)

Renewal Options: 6 - 5 year options

Current Annual Rent: \$632,500

Rental Increases: 5% at each option

Percentage Rent: None

Sales Reporting: No

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LEASE SUMMARY CONTINUED

Lease Structure:	NN - Some Landlord Responsibility
Roof & Structure:	LANDLORD - Landlord to maintain and repaint the structural elements, including the structural components of the interior and exterior walls; roof and roof membrane; slab, footings and foundation; and plumbing, pipes, and tubes
HVAC:	TENANT
Common Area & Parking:	TENANT - Landlord to maintain all common facilities. Tenant to reimburse Landlord for cost of maintaining common facilities monthly.
Property Taxes:	TENANT - Tenant pays direct. Note: Property tax increase resulting from a change of ownership may only be passed through to tenant once during each 10 year period.
Utilities:	TENANT - Tenant pays direct.
Insurance:	TENANT & LANDLORD - Landlord to maintain commercial general liability insurance. Tenant to maintain additional separate insurance.
Assignment & Subletting:	No assignment or sublet shall relieve tenant of its obligations under the lease.
ROFR:	Tenant does not have a ROFR.

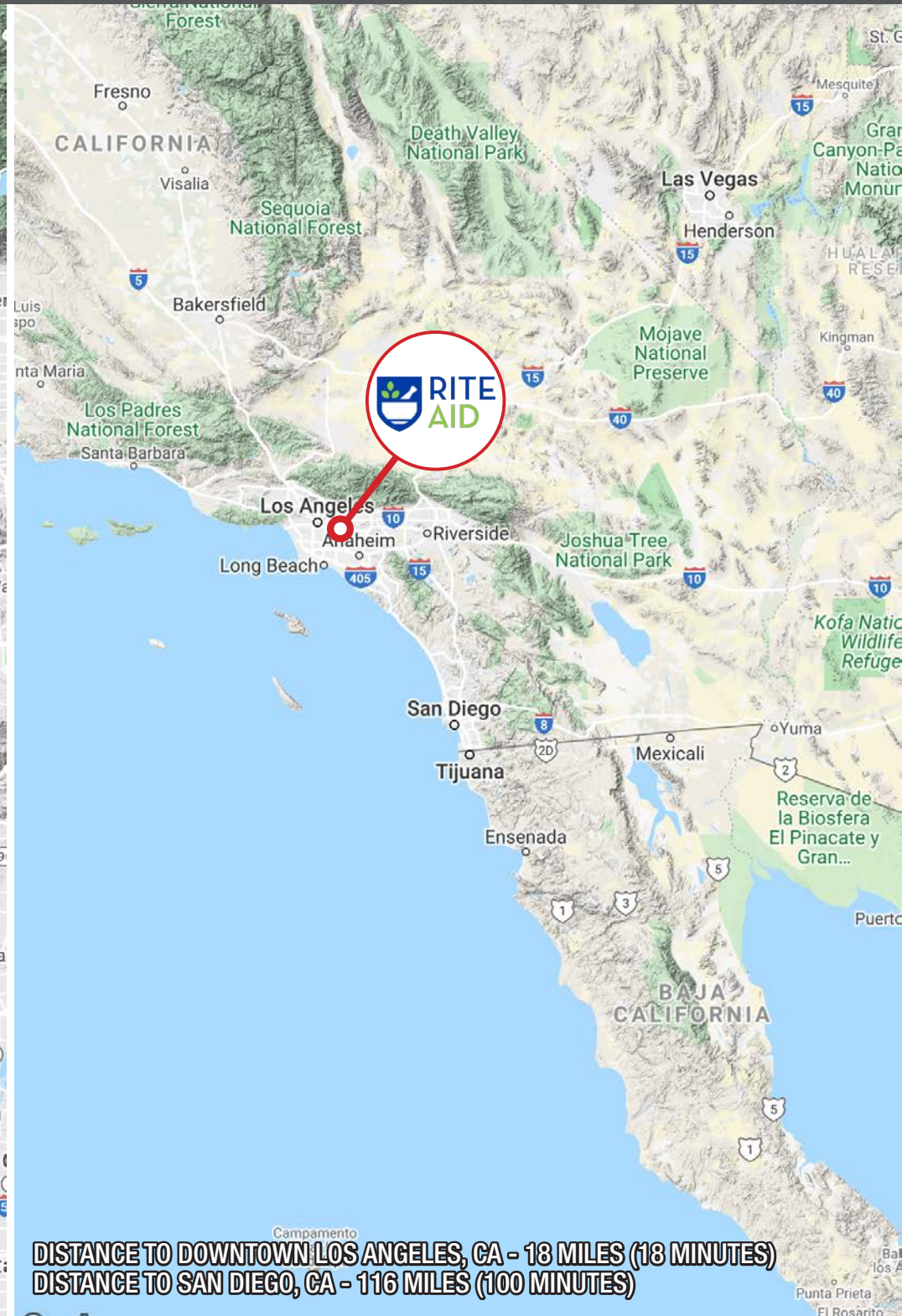
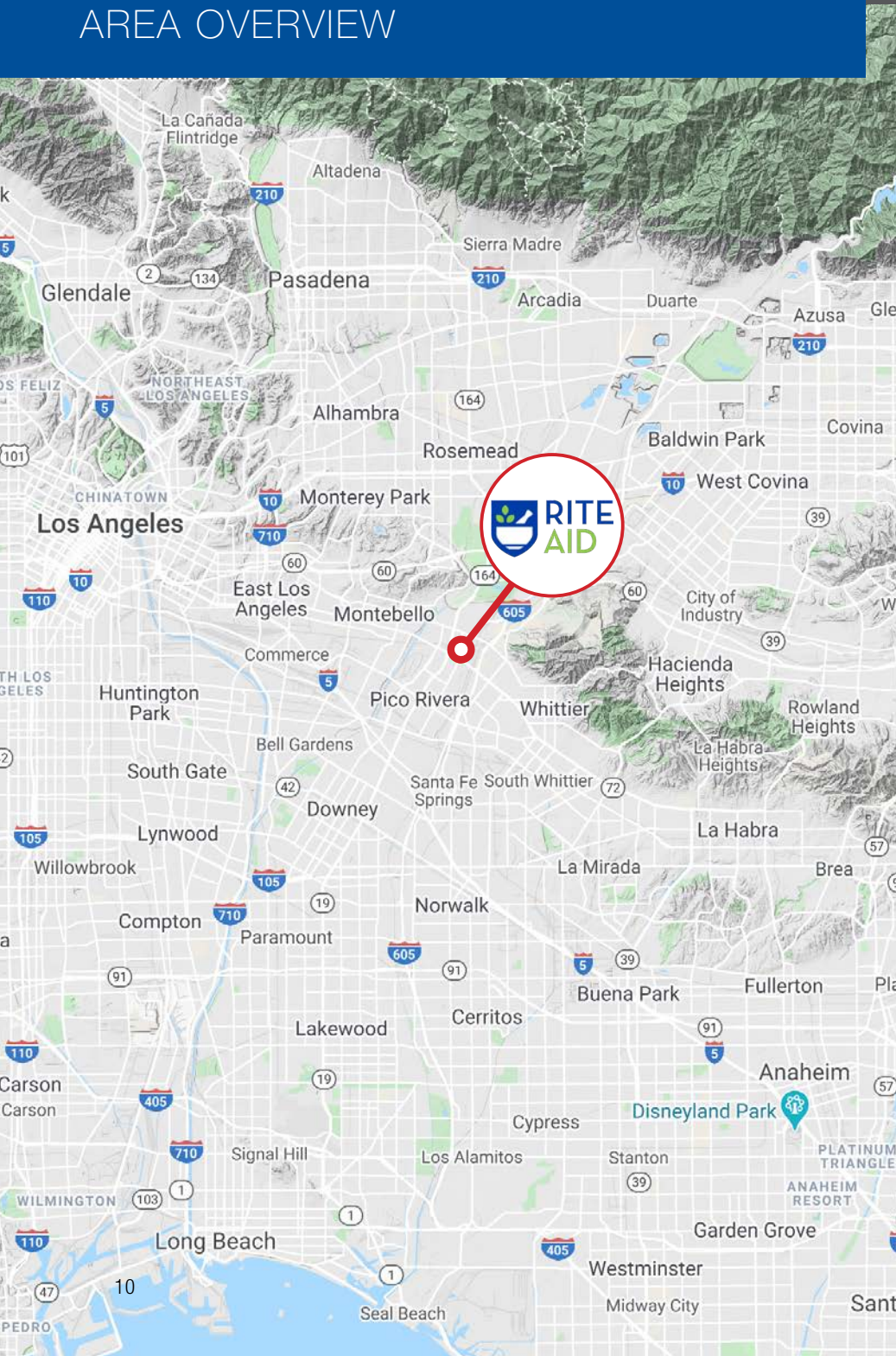
RENT SCHEDULE

Lease Term	Lease Years	Monthly Rent	Annual Rent	Rent/SF	Increase (%)
Primary:	1 - 10:	\$47,916.67	\$575,000.00	\$32.06	
	11 - 20:	\$52,708.33	\$632,500.00	\$35.27	10.00%
Option 1:	21 - 25:	\$55,343.75	\$664,125.00	\$37.03	5.00%
Option 2:	26 - 30:	\$58,110.94	\$697,331.25	\$38.89	5.00%
Option 3:	31 - 35:	\$61,016.48	\$732,197.81	\$40.83	5.00%
Option 4:	36 - 40:	\$64,067.31	\$768,807.70	\$42.87	5.00%
Option 5:	41 - 45:	\$67,270.67	\$807,248.09	\$45.01	5.00%
Option 6:	46 - 50:	\$70,634.21	\$847,610.49	\$47.27	5.00%



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AREA OVERVIEW



DISTANCE TO DOWNTOWN LOS ANGELES, CA - 18 MILES (18 MINUTES)
DISTANCE TO SAN DIEGO, CA - 116 MILES (100 MINUTES)



COMMERCE

DOWNTOWN
LOS ANGELES

MONTEBELLO

BEVERLY
HOSPITAL

ESTIMATED POPULATION	
3 Mile	181,167
5 Mile	515,590
10 Mile	2,653,207































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AREA OVERVIEW

PICO RIVERA, CALIFORNIA

HISTORY

- Pico Rivera is a thriving community that offers opportunities to all who live, work and relax in the City. Situated on the eastern edge of the Los Angeles basin and the southern edge of the area known as the San Gabriel Valley, Pico Rivera is approximately 13 miles southeast of downtown Los Angeles. Formed through the merging of two historic communities, Pico and Rivera, the City was officially incorporated in January 1958 as the 61st city in Los Angeles County. Originally an agricultural area, the community evolved into a residential and industrial area following the end of World War II. Pico Rivera is located in Los Angeles County, which is one of the largest counties with 4,804 square miles. LA county has the largest population of any county in the nation - nearly 10 million residents who account for approximately 27 percent of California's population.



ECONOMY

- Within the City's nine square miles, more than 120 acres are devoted to recreational uses, including just under 100 acres of local parks. The City as it is known today has come from a long and distinguished past in the annals of history in Southern California. From a once humble agricultural landscape with acres of avocado and citrus groves that stretched across Pico and Rivera, to a modern community of businesses and vibrant long-time locals who take serious pride in their City.
- Industrial and commercial uses continue to be attracted to Pico Rivera, thanks in large part to the easy access provided by three freeways, major railroads and the close proximity of world-class port and airport facilities. Since its incorporation more than 50 years ago, the City has embraced progress while honoring its heritage. As the community looks forward to the next 50 years, several recent and pending projects will help ensure Pico Rivera continues to be a great place to live, work and play. These include the recently completed projects such as the Passons Boulevard railroad underpass project, the new Pico Rivera Library on Mines Avenue and the completion of the Parks Renovation project, which provided much-needed improvement and expansion of city parks and recreational facilities throughout the community.
- For over 60 years, Pico Rivera has been the home of some of the largest companies in the country. The Ford Motor Company operated a manufacturing plant in Pico Rivera, where the one millionth Ford Thunderbird was built in 1972. Northrop Grumman, the aerospace and defense company that manufactures the B-2 Spirit, A.K.A. the Stealth Bomber, replaced the Ford Plant and operated in that location for 18 years. Today, many popular retailers and restaurant chains continue to serve the community at the Pico Rivera Towne Center. Much like the City, the Towne Center has transformed throughout the years and ultimately serves as a reflection of how far Pico Rivera has come since its incorporation.

AREA OVERVIEW

RETAIL ACTIVITY

- Pico Rivera supports a thriving retail economy and is currently home to 2.47 million square feet of retail space and 34 major retail centers. The largest centers in the city include the 580,000-square foot Pico Rivera Towne Center, the 286,000-square foot Pico Rivera Plaza, and the 239,510-square foot Crossroads Plaza.

AIRPORTS

- Los Angeles International Airport (LAX) is located just 25 miles (26 minutes) from the subject property. LAX is the fourth busiest airport in the world and second busiest in the United States, based on number of passengers. In 2019, a record-breaking 88.1 million passengers travelled through the airport.

SURROUNDING ACTIVITY

- The City of Pico Rivera is a close-knit community of over 63,000 residents. Within the City limits, there are plenty of things to do for both residents and visitors alike. Adjacent to Bicentennial Park is the 6,000-seat Pico Rivera Sports Arena. Famous for its Mexican rodeos (chareadas) and Latin entertainment, the Sports Arena is a popular entertainment venue for the Los Angeles area and is reputed to be the largest Mexican rodeo ring in the country. An average of 25 shows are held at the Sports Arena every year.



PICO RIVERA SPORTS ARENA



DOWNTOWN LOS ANGELES

- Throughout the City, there are several shopping centers that have just about everything you could be looking for. Pico Rivera boasts a wide range of restaurants with different types of cuisine, from fast food to table service. The City maintains over 120 developed acres of park space with everything from playgrounds to an Olympic size pool. Programs such as instructional classes, special events, sports leagues, and community celebrations are offered year-round at any one of the parks in the City. There's so much more to find and explore in Pico Rivera, from a 9-hole executive golf course to a Sports Arena hosting year-round entertainment.
- A variety of regional entertainment and sporting venues, along with beach and mountain areas, are located within easy driving distance of the City. Downtown Los Angeles (DTLA) is located just 14 miles (18 minutes) from the subject property, and hosts over 22 million visitors annually. DTLA is the city center of Los Angeles and arguably the coolest neighborhood of the City of Angels.

DEMOGRAPHICS

POPULATION	3 Mile	5 Mile	10 Mile
Estimated Population (2019)	181,167	515,590	2,653,207
Census Population (2010)	177,039	499,963	2,571,940
Projected Population (2024)	182,890	521,581	2,687,808
HISTORICAL ANNUAL GROWTH			
2000-2010	-0.01%	0.01%	0.05%
2010-2019	0.25%	0.33%	0.34%
PROJECTED ANNUAL GROWTH			
2019-2024	0.19%	0.23%	0.26%
HOUSEHOLDS	3 Mile	5 Mile	10 Mile
Estimated Households (2019)	52,472	144,266	727,839
Census Households (2010)	51,654	140,935	710,948
Projected Households (2024)	52,746	145,287	734,503
HISTORICAL ANNUAL GROWTH			
2000-2010	0.04%	0.05%	0.14%
2010-2019	0.17%	0.25%	0.25%
PROJECTED ANNUAL GROWTH			
2019-2024	0.10%	0.14%	0.18%

2019 POPULATION BY RACE	3 Mile	5 Mile	10 Mile
Hispanic	84.4%	75.3%	67.8%
Asian	5.8%	14.6%	18.5%
White	8.3%	8.5%	9.8%
Black or African American	1.0%	1.1%	3.0%
2019 AGE BY GENDER	3 Mile	5 Mile	10 Mile
MEDIAN AGE			
Male	33.90	33.90	33.00
Female	36.60	36.50	35.30
HOUSEHOLD INCOME	3 Mile	5 Mile	10 Mile
2019 Average	\$80,608	\$80,590	\$82,015
2019 Median	\$62,083	\$61,316	\$60,188
VALUE OF HOUSING UNITS	3 Mile	5 Mile	10 Mile
2019 Average	\$555,789	\$593,679	\$641,428
2019 Median	\$496,543	\$532,721	\$550,745

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