



Walgreens
Waco, TX



INVESTMENT OFFERING





Walgreens

1520 S Valley Mills Drive, Waco, TX 76711

EXCLUSIVE INVESTMENT ADVISORS:

Thomas Chichester

Managing Director
tchichester@farislee.com
(949) 221-1820
License No 01915137

Nick D'Argenzio, MRED

Managing Director
nickd@farislee.com
(818) 281-7893
R.E. License No. 0143404

Sean Cox

Associate
scox@farislee.com
(949) 244-9335
R.E. License No. 02114392

BROKER OF RECORD:

Bruce Frankel

Houston, TX
TREC RE License: 9000477

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STATEMENT OF CONFIDENTIALITY & DISCLAIMER

Faris Lee Investments ("FLI") has been engaged as the exclusive financial advisor to the Seller in connection with Seller's solicitation of offers for the purchase of the property known as Walgreens, City of Waco, County of McLennan, State of Texas. Prospective purchasers are advised that as part of the solicitation process, Seller will be evaluating a number of factors including the current financial qualifications of the prospective purchaser. Seller expressly reserves the right in its sole and absolute discretion to evaluate the terms and conditions of any offer and to reject any offer without providing a reason therefore. Further, Seller reserves the right to terminate the solicitation process at any time prior to final execution of the Purchase Agreement.

The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property, and it is not to be used for any other purpose or made available to any other person without the express written consent of Seller or FLI. The material is based in part upon information supplied by the Seller and in part upon financial information obtained

by FLI from sources it deems reasonably reliable. Summaries of any documents are not intended to be comprehensive or all-inclusive, but rather only outline some of the provisions contained therein and qualified in their entirety by the actual document to which they relate.

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A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein

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PRICING:
\$4,696,000

NOI:
\$270,000

CAP RATE:
5.75%

Faris Lee Investments is pleased to offer for sale the fee simple interest (land & building) in a freestanding, single tenant, NNN leased, drive-thru Walgreens located in Waco, TX. This is an established location, as Walgreens has been successfully operating at this site since 1998 (over 22+ years) and extended their lease at the first option period; a testament to their commitment to this location. They currently have 3.5 years remaining on their lease, with 7 (5-Year) options to extend. The store has consistently been a strong sales performer in an area with limited drug store competition.

The subject property is strategically located at the signalized, hard corner intersection of Speight Avenue and the highly trafficked S Valley Mills Drive (36,000 VPD), near the on/off ramp of the Interstate 35 (132,200 VPD), which is the major north/south thoroughfare serving the Waco MSA. The property benefits from its superb location, as it's just down the street from the former Baylor University's Floyd Casey Stadium, which will be redeveloped into a large 105 acre mixed-use project featuring, residential, retail, commercial and office space. In addition, the property is located nearby the famous Magnolia Market Silos (from the TV show "Fixer Upper"), which draws over 50,000 visitors a week to the area.

Furthermore, Walgreens is located within close proximity to other national credit tenants including, Walmart Supercenter, Target, Lowe's, ALDI, Home Depot, and HEB Plus. There are more than 129,000 permanent residents, with 86,000 daytime employees within a 5-mile radius of the subject property.

Walgreens
Waco, TX

SPECIFICATIONS:

GLA: 13,905 SF

Land Area: 2.22 Acres
96,790 SF

TENANT:

Walgreens

LOCATION:

1520 S Valley Mills Drive
Waco, TX 76711

PROPERTY SPECIFICATIONS

1520 S Valley Mills Drive, Waco, TX 76711



Land Area

2.22 Acres (96,790 SF)



Rentable Area

13,905 SF



Ownership

Fee Simple (Land & Building)



Access

There are (3) access points, (1) along S Valley Mills Drive, (1) along Speight Avenue, and (1) along S 29th Street.



Parking

There are approximately 64 dedicated parking stalls on the owned parcel. The parking ratio is approximately 4.65 parking stalls per 1,000 SF of leasable area.



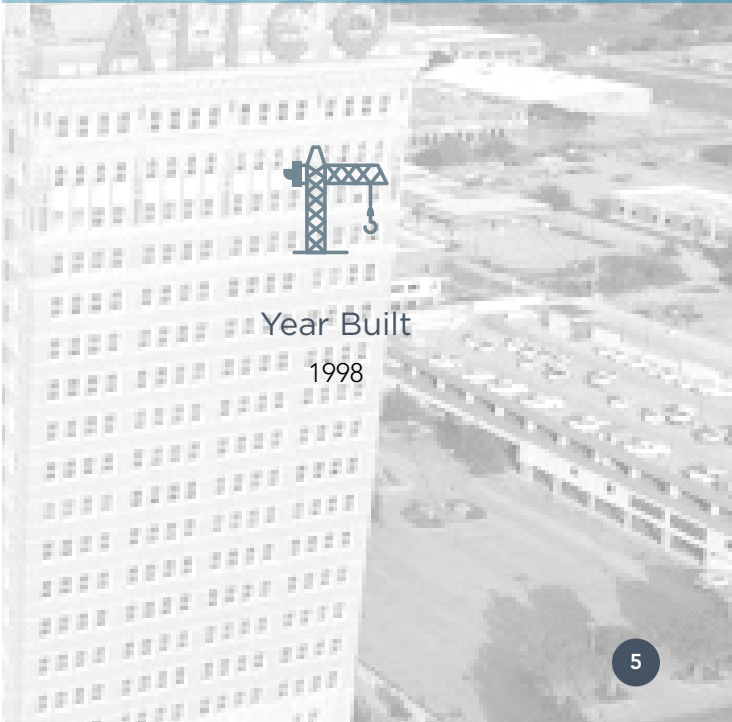
Traffic Counts (Regis 2019)

S Valley Mills Drive: 18,500 VPD
Interstate 35: 132,200 VPD

Parcel Map



PARCEL	ACRES	SQ FT
480440050583006	2.22	96,790



Year Built

1998

WHY INVEST IN WACO, TX?

MASSIVE REDEVELOPMENT NEXT TO WALGREENS

105 Acre Mixed Use (Heavy Residential) Redevelopment commencing this year

GROWING ECONOMY

Home sale prices are up a significant 10% from last year and a 30% increase in housing permits since last year

MAGNOLIA SILOS ARE LESS THAN 2 MILES AWAY

50,000 visitors a week / 2.6 Million people per year

INVESTMENT GRADE TENANT

Walgreens is the nation's #2 drug store chain

IN BETWEEN AUSTIN AND DALLAS

The site is between 2 major cities in Texas and adjacent to Interstate 35 which serves both Austin and Dallas

PROPERTY HIGHLIGHTS



Investment Grade Tenant | Corporate Lease w/ Walgreens (S&P Rated: BBB)

- Strong lease guarantee - Investment grade tenant with Walgreens (S&P Rated: BBB)
- Safe investment - Creates security and stability for the investor
- Walgreens is one of the largest pharmacy store chains in the United States. They specialize in filling prescriptions, health and wellness products, health information, and photo services. As of August 31, 2019, the company operated 9,277 stores in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands.



Highly Successful Location – Recent Lease Extension

- This is an established location, as Walgreens has been successfully operating at this site since 1998 (over 22+ years) and extended their lease at the first option period; a testament to their commitment to this location.



Located Near Baylor University & Nationally Renowned Magnolia Market at the Silos / Large Draw to the Area

- Less than a mile away is Baylor University, a nationally recognized University and home to 17,000+ students and 1,250 employees
- Less than 2 miles away is the Magnolia Market Silos, which sees more than 50,000 tourists a week and is a major influence and draw in the Waco community



Situated Next to Large 105 Acre Mixed-Use Redevelopment Project

- The property is located next to the former Floyd Casey Football Stadium for Baylor University
- The stadium was torn down in 2016; there is currently plans by the city of Waco and a developer to turn the site into a massive 105 acre mixed-use redevelopment project featuring: residential, retail, commercial and office space



Ease of Management NNN Lease / Fee Simple Ownership

- CAM, insurance, and taxes paid by Walgreens
- Landlord is responsible for roof and structure



Limited Drug Store Competition within the Trade Area

- Only 1 other Walgreens within a 5-mile radius of the subject property
- Substantially increases the likelihood Walgreens will renew the lease



Drive-Thru Building

- The feature provides ease and convenience for customers
- On average, stores with drive-thrus have higher sales than stores without drive-thrus



Located on the Highly Trafficked S Valley Mills Drive & Adjacent to Interstate 35

- Walgreens sits on S Valley Mills Drive (36,000 VPD)
- The subject property features easy on/off ramp access to the main thoroughfare serving the Waco MSA; Interstate 35 (132,200 VPD)
- Interstate 35 connects Waco with the heart of Downtown Austin and Fort Worth



Strong Infill Demographics

- More than 129,000 permanent residents and an AHHI of over \$55,000 within a 5-mile radius
- Over 86,000 employees and 6,500 businesses within a 5-mile radius
- Infill demographics support the strength of this location

MAGNOLIA
1.8 Miles Away

FORMER FLOYD
CASEY STADIUM
(BAYLOR UNIVERSITY)

FUTURE 105 ACRE MIXED-USE
DEVELOPMENT FEATURING
RESIDENTIAL,
RETAIL, COMMERCIAL AND OFFICE

HARMONY SCHOOL
OF INNOVATION WACO

Walgreens

ORSCHELN
FARM & HOME

chili's

Bubba's

verizon

STARBUCKS
COFFEE

INTERSTATE 35 (132,200 VPD)

35

Magnolia
Table

S VALLEY MILLS DRIVE (36,000 VPD)

Advance
Auto Parts

CVS

HOME2
SUITES BY HILTON

H-E-B

DOLLAR TREE

DISTANCE FROM WACO



1.8 Miles

Baylor University



2 Miles

Magnolia



85 Miles

Dallas



95 Miles

Austin



8.0%

Population growth since 2010



38%

Predicted job growth over the next 10 years



1.1%

Recent job growth



9.1%

Home appreciation in the last 10 years



76,979

Estimated population within a 3-mile radius



\$55,994

Average household income in 5 mile radius



17 Minutes

Average commute time



CITY OVERVIEW

The City of Waco

Waco is a city in central Texas and is the county seat and largest city of McLennan County, Texas, United States. It is situated along the Brazos River and I-35, halfway between Dallas and Austin. The city offers a full line of city services typical of an American city this size, including: police, fire, Waco Transit buses, electric utilities, water and wastewater, solid waste, and the Waco Convention and Visitors Bureau. The Waco Mammoth National Monument is a paleontological site that many tourists visit each year. Other museums in Waco include the Dr Pepper Museum, Texas Sports Hall of Fame, Texas Ranger Hall of Fame and Museum, and the Mayborn Museum Complex.

Downtown Waco is home to Magnolia Market, a shopping complex containing specialty stores, food trucks, and event space, set in repurposed grain silos originally built in 1950 for the Brazos Valley Cotton Oil Company. The Magnolia Market, operated by Chip and Joanna Gaines of the HGTV TV series Fixer Upper, saw 2.6 million visitors in 2019.



MAJOR EMPLOYERS

Company	Employment
Baylor University	2,675
Waco School District	2,500
Providence Health Center	2,397
L3 Technologies	2,300
Walmart	1,656
City of Waco	1,506

The City of Waco - Areas of Interest



Baylor University



Magnolia



Kelly Slater Surf Ranch



Dr. Pepper Museum

DEMOGRAPHICS



Population

Waco, TX (REGis 2019)	1 Mile	3 Mile	5 Mile
2019 Estimated Population	11,567	76,979	129,746
2024 Projected Population	12,306	82,644	139,298
2010 Census Population	10,653	69,676	117,817
2000 Census Population	10,590	68,310	113,442
Projected Annual Growth 2019 to 2024	1.3%	1.5%	1.5%
Historical Annual Growth 2000 to 2019	0.5%	0.7%	0.8%
2019 Median Age	29.8	28.1	31.7



Income

2019 Estimated Households	3,843	28,363	50,080
2024 Projected Households	3,989	29,806	52,549
2010 Census Households	3,416	24,504	43,584
2000 Census Households	3,420	24,017	42,389
Projected Annual Growth 2019 to 2024	0.8%	1.0%	1.0%
Historical Annual Growth 2000 to 2019	0.7%	1.0%	1.0%

Households



2019 Estimated Average Household Income	\$49,025	\$45,392	\$55,994
2019 Estimated White	47.3%	53.4%	56.2%
2019 Estimated Black or African American	8.7%	19.5%	21.2%
2019 Estimated Asian or Pacific Islander	0.6%	2.5%	2.1%
2019 Estimated American Indian or Native Alaskan	0.8%	0.8%	0.7%
2019 Estimated Other Races	42.5%	23.9%	19.8%

Ethnicity



Business

2019 Estimated Hispanic	73.8%	41.9%	35.0%
2019 Estimated Total Businesses	380	4,268	6,855
2019 Estimated Total Employees	4,088	51,448	86,981

S I T E P L A N



SITE PLAN NOT TO SCALE

S. Valley Mills Drive



RENT ROLL

Tenant	Size (SF)	Rental Rates						Recovery Type	Lease Start	Lease Expiration	Lease Options
		Date	Increase	Monthly Rent	Monthly \$/SF	Annual Rent	Annual \$/SF				
Walgreens	13,905	Current		\$22,500	\$1.62	\$270,000	\$19.42	NNN	8/1/1998	7/31/2023	7 (5-Year)
Total Occupied	13,905	Total Occupied		\$22,500	\$1.62	\$270,000	\$19.42				
Total Vacant	0	Total Vacant		\$0		\$0					
Total / Wtd. Avg	13,905	Total / Wtd. Avg:		\$22,500	\$1.62	\$270,000	\$19.42				

TRANSACTION SUMMARY

Financial Information

Price: \$4,696,000

Price/SF: \$338

Lease Type: NNN

Tenant is responsible for taxes, insurance, and CAM. Landlord is responsible for roof & structure.

Property Specifications

Rentable Area: 13,905 SF

Land Area: 2.22 AC; 96,790 SF

Year Built: 1998

Address: 1520 S Valley Mills Drive
Waco, TX 76711

APN: 48-044005-058-300-6

Ownership: Fee Simple (Land & Building)

Tenant: Walgreens

Operating Information

In-Place

Gross Potential Rent \$270,000

Plus Recapture NNN

Effective Gross Income \$270,000

Less Expenses (NNN)

Net Operating Income \$270,000

Cap Rate 5.75%



Walgreens

www.Walgreens.com

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 retail products, including health, wellness, beauty, personal care, consumable, and general merchandise products 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, 2019, this segment operated 9,277 retail stores under the Walgreens and Duane Reade brands in the United States; and 6 specialty pharmacies. Walgreens Boots Alliance, Inc. was founded in 1901 and is based in Deerfield, Illinois.

Company Type:	Public: (NASDAQ WBA)
2019 Locations:	9,277+/-
Fiscal 2019 Net Income:	\$3.98 Billion
Fiscal 2019 Revenue:	\$136.87 Billion
Fiscal 2019 Assets:	\$67.60 Billion
Fiscal 2019 Equity:	\$23.51 Billion





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