

# Single Tenant Northern CA Investment Offering

**\$4,687,000**

**6% CAP RATE**

\*20 Year Occupancy History  
\*Recently Extended lease

**1100 RILEY ST.  
FOLSOM CA**



Actual Store





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***ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.***



**Clark Commercial**  
Real Estate Advisors

# 1100 Riley St. Folsom CA

## THE OFFERING

Clark Commercial & The Macke Company, as exclusive advisors, are pleased to present 1100 Riley St. Folsom CA, a net leased investment offering leased to Walgreens on a recently extended lease.

## PRICE SUMMARY

PRICE:	\$4,687,000
Current NOI:	\$281,220
Cap Rate:	6%
Price per SF:	\$323

## INTEREST OFFERED

100% fee simple

## FINANCIAL SUMMARY

The following information is provided herein to assist investors in their initial underwriting of the Property.

- Rent Roll
- Lease Abstract

## PROPERTY TOURS

All property tours must be arranged with the exclusive listing agents. Please do not contact the tenants, on-site management or staff without prior approval. Tours will be conducted only after an initial underwriting has been completed by the potential purchaser and preliminary LOI is submitted with proof of funds, earnest money, due diligence and closing date.







# Investment Overview

The offering includes the opportunity to acquire a ±14,490-square-foot free standing Walgreens situated on ±1.52 acres in Folsom CA, just 25 miles northeast of central Sacramento (MSA Population: 2,445,000), and centrally located 85 miles from Lake Tahoe and 110 miles to San Francisco.

The ±14,490sf building with drive-thru was constructed for Walgreens in 2001. The property is located at a signalized intersection on the southwest corner of Riley St. and Glenn Dr. (combined Traffic Count: 28,000+ VPD), and accessible via three points of ingress and egress on Glenn Dr. and Riley St. The 1.5ac parcel offers excellent street frontage visibility with ±86 parking spaces. Riley St. is a main arterial in Folsom and serves as one of the area’s dominant retail corridors and heaviest traveled arteries connecting to old town historic Folsom. Walgreens has occupied the property for ±20 years, and recently extended the corporate guaranteed lease, providing for ±6.5 years of term, plus seven 5-year options. The property is located 1.3mi to Mercy Hospital of Folsom (Dignity Health), a 106 acute bed facility with 700+ employees, offering Cancer Care, Emergency Services, Heart & Vascular, Nuerology, Orthopedics, and Womens Health, and serving the Folsom community for over 35yrs. The property is also proximate to many national retailers nearby including a Walmart Supercenter, Kohls, Dicks, Lowes, and Petco and central hub to nearly 5 million square feet of retail. The long term operating history of this Walgreens in the growing community of Folsom provides the retailer with access to a substantial built-in customer base generating consistent store sales. Walgreens will continue to benefit from the affluent demographics and strong growth projections for the City of Folsom.

## INVESTMENT SUMMARY

Address:	1100 Riley St. Folsom, CA
Lease Term Remaining:	± 6.5 years
Parcel Size:	± 1.52 ac
Building Size:	± 14,490SF
Parking:	± 86 spaces
Year Built:	2001
Base Rent:	\$281,220
Price:	\$4,678,000
Cap Rate:	6%
Options:	Seven (7) 5 yr.
Option Period Rent Increases:	5% in 2032

## DEMOGRAPHICS

1 Mile Pop	1 Mile AHI	3 Mile Pop	3 Mile AHI	5 Mile Pop	5 Mile AHI	5yr. Growth
12,401	\$96,094	85,427	\$120,416	154,485	\$131,422	Population: 6% Households: 6%



# Investment Highlights

- **Investment Grade Credit:** The lease is guaranteed by **Walgreens Boots Alliance Inc.**, (Nasdaq:WBA), investment-grade credit rating of **BBB/Stable** via Standard & Poor's, and a current market capitalization of approximately \$37 billion. Walgreens Boots Alliance is a publicly held company and headquartered in Deerfield IL. Since 1901, the company has grown to become the 2nd largest drug-store chain in the U.S. with over 9,277 locations (as of 2019) throughout the U.S., the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Walgreens Boots Alliance currently employs more than 440,000 people in 25 countries. US Retail Pharmacy Sales for 2019 YE were \$104.5 billion. Walgreens is considered one of the most stable companies in the world.
- **Recently Extended (NN) Lease:** 20yr. operating history at this location. Walgreens recently exercised their first option and extended their lease for additional  $\pm 6.5$  yrs. Further, the annual rent adjustment to current market rents increases the long term sustainability and success of the location. Thereafter, seven (7) five (5) yr. options to renew with 5% rent increases commencing in 2032. With a **new roof in 2017**, landlord responsibilities to roof and structure are minimal.
- **Dominant Retail Corridor:** Walgreens is located in the central retail hub of Folsom and near many leading national retailers including Kohls, WalMart, Petco, Lowes, Dicks Sporting Goods, Dollar Tree, Sprouts Markets, Big 5.
- **Excellent Access/Visibility:** The property is located at a signalized intersection with excellent street frontage on Riley St., a main arterial connecting to Old Town Historic Folsom and Blue Ravine Rd to Highway 50 (95k+ avg vehicles per day).
- **Desirable, Growing Northern CA location:** Only two Walgreens are located in the growing community of Folsom, providing the retailer with existing customer base and proven long term operating history.
- **Sacramento CA MSA:** Sacramento's 2018 estimated population of 501,000 makes it the sixth-largest city in California, the fastest-growing big city in the state, the 35th largest city in the United States. Sacramento is the core cultural and economic center of the Sacramento Metropolitan Area which includes El Dorado, Placer, Sacramento, and Yolo counties and has a combined population of approximately 2,400,000. The Sacramento metropolitan area economy is the fifth largest in California after the Los Angeles metropolitan area, the San Francisco Bay Area, the Inland Empire, and the San Diego metropolitan area, and is the 27th largest in the United States. The area boasts a robust economy with a 3.3% 2018 YE Unemployment rate.
- **Folsom CA Submarket:** The property is located in the heart of the Folsom retail hub, a Sacramento submarket that contains  $\pm 4.79$  million square feet of retail space and is considered one of the most affluent trade areas in the region. The Folsom retail submarket has a current vacancy of  $\pm 5\%$  as of Q4 2019. Overall asking NNN rents range from  $\pm \$15/\text{sf}$  per year to  $\pm \$42/\text{sf}$  per year respectively. The 1100 Riley St. rent of  $\pm \$19.40/\text{sf}$  per year or  $\pm \$1.61/\text{sf}$  NNN per month is lower than \$28/sf avg. NNN rents.
- **Affluent Demographics:** Average HH Incomes over \$96k in 1mi and over \$131k in 5miles.
- **Above Avg. Population Growth** - Folsom population and household growth expected over  $\pm 6\%$  in the next 5 years; and  $\pm 31\%$  population growth over next two decades
- **Growing Community:** Over 1,700 residential, multifamily and senior living units planned and approved. Additional 11,000 housing units planned in Folsom Ranch, a 3,585 acre master planned development

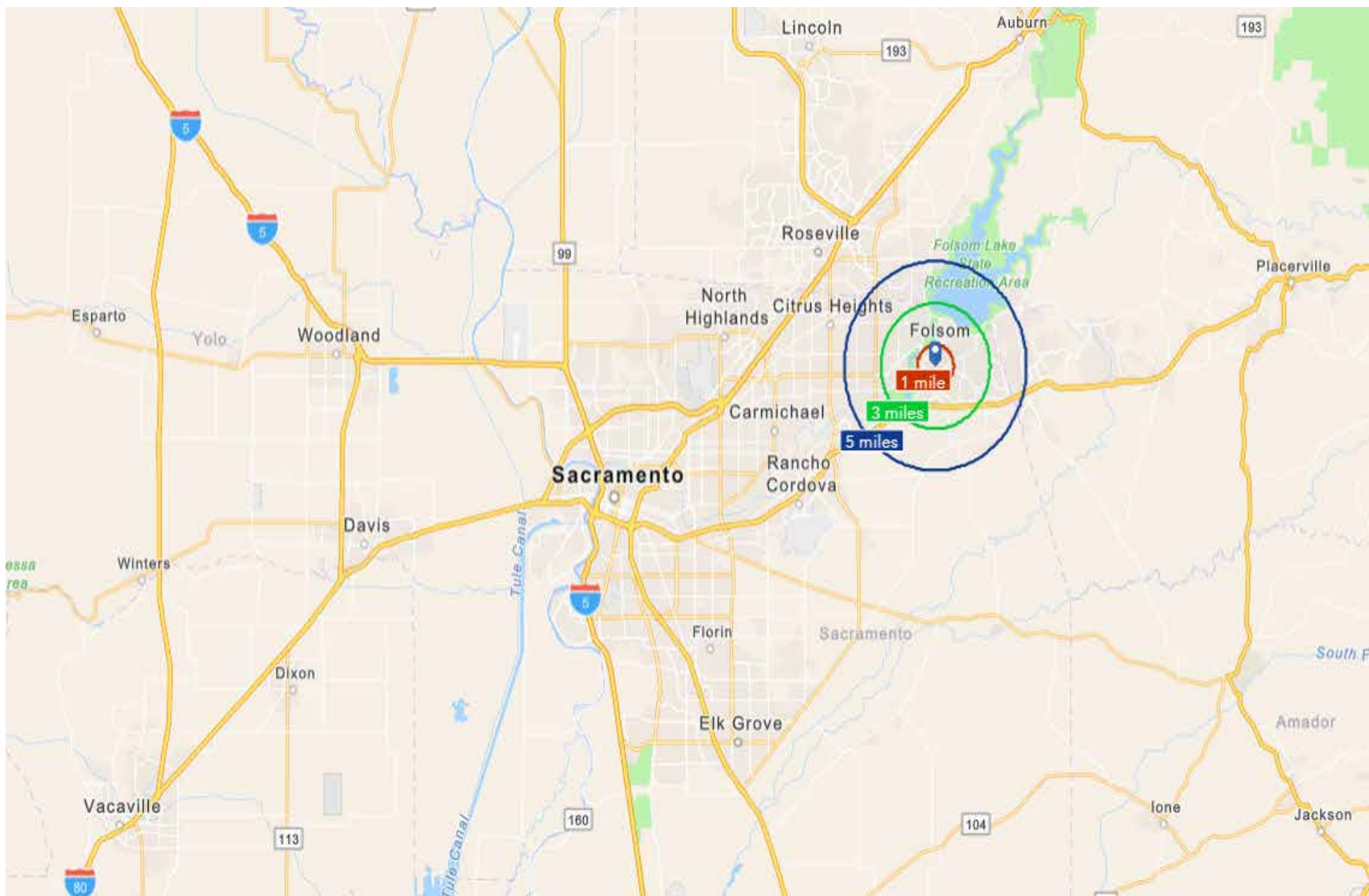




Actual Store

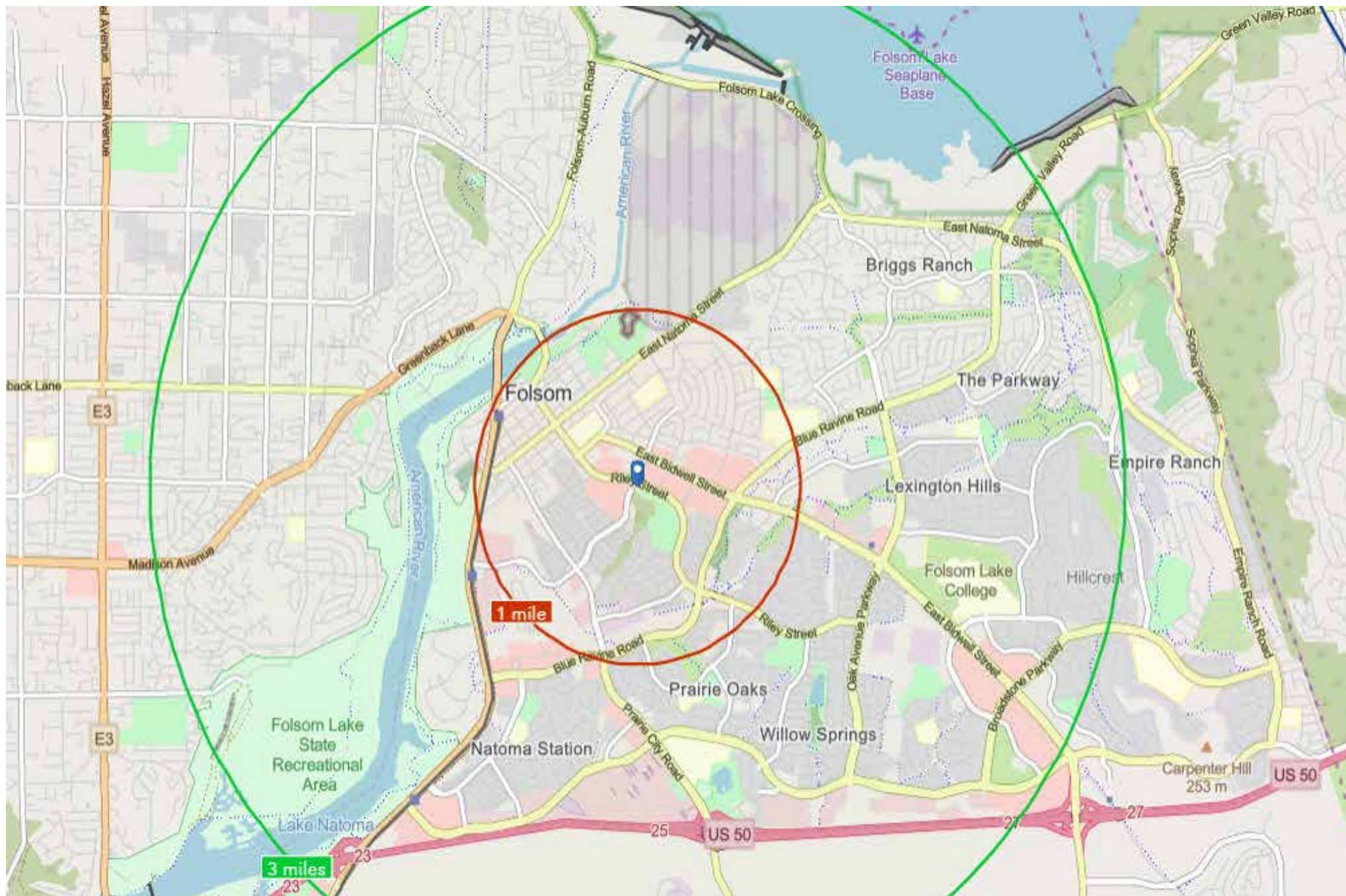


# Regional Map



The information contained herein has been obtained from sources we deem reliable. CCRE and The Macke Co. makes no representation and cannot assume any responsibility for its accuracy.

# Local Map



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# Folsom CA

- **Sacramento MSA:** The City of Folsom is located within the Sacramento MSA (Population: 2,445,000), centrally located 25 miles northeast, 85 miles from Lake Tahoe and 110 miles to San Francisco, the City is part of a four-county robust regional economy.

- **Rapid Growth:** The City of Folsom population has increased by more than 60 percent in the past decade. Now home to over 79,000 residents, the population estimations are projected to continue to increase over the next five years.

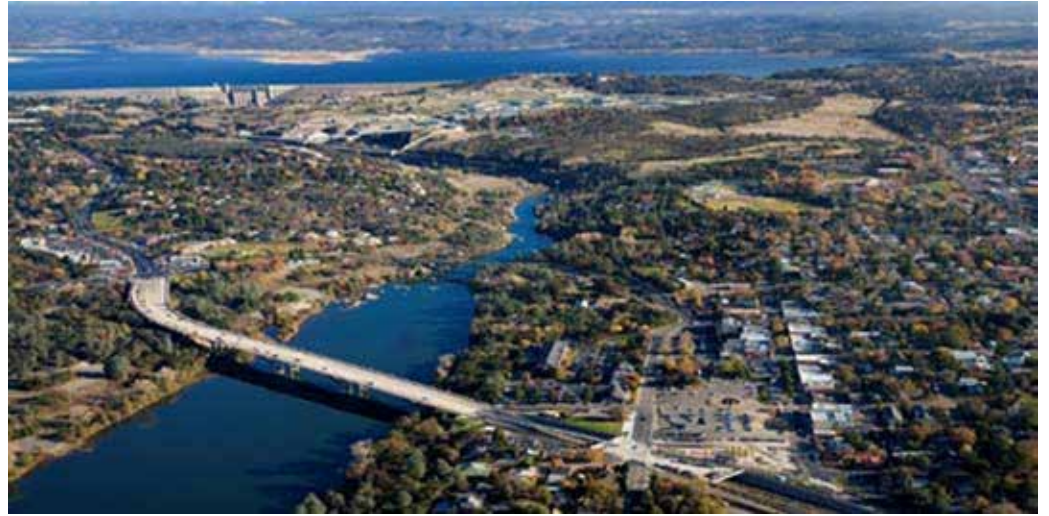
- **Highly educated workforce:**  $\pm$  40,000 employees, Avg. HH Incomes over \$108,000,  $\pm$  47% Bachelor Degrees. It is a high-tech town as well, with firms ranging from small to large international corporations. Top employers include Intel, California ISO, Mercy Hospital, Folsom State Prison, Micron Technology.

- **Safe, family-oriented community with a low crime rate:** (one of the lowest per capita crime rates in Sacramento County). Folsom is served by the Folsom Cordova Unified School District; one of the highest rated districts in the region, and is home to Folsom Lake Community College, one of the fastest growing colleges in the nation.

- **Outdoor recreational activities:** Enthusiasts enjoy water activities on Folsom Lake-the 18,000-acre park is the most popular multi-use year round unit in the California State Park System, waters of the American River, and over 36 miles of paved pedestrian/bike trails. The historical district and old town with their landmarks, great scenery and wonderful shopping are located just above the shores of Lake Natoma on the American River.

- **Housing Growth:** Over 1,700 residential, multifamily and senior living units planned and approved. Additional 11,000 housing units planned in Folsom Ranch, a 3,585 acre master planned development adding  $\pm$  25,000 ( $\pm$ 31% increase) more residents during the next two decades.

- **Lifestyle:** High quality of lifestyle for new residents while attracting major employers. Folsom has been recognized by Money Magazine, Newsweek, and Business Week as one of the best places in America to live, work, and play.



# CITY OF FOLSOM

 **79,783** CURRENT POPULATION

 **\$108,152** MEDIAN HOUSEHOLD INCOME

 **3.9%** CITY OF FOLSOM UNEMPLOYMENT

 **47%** BACHELOR DEGREE

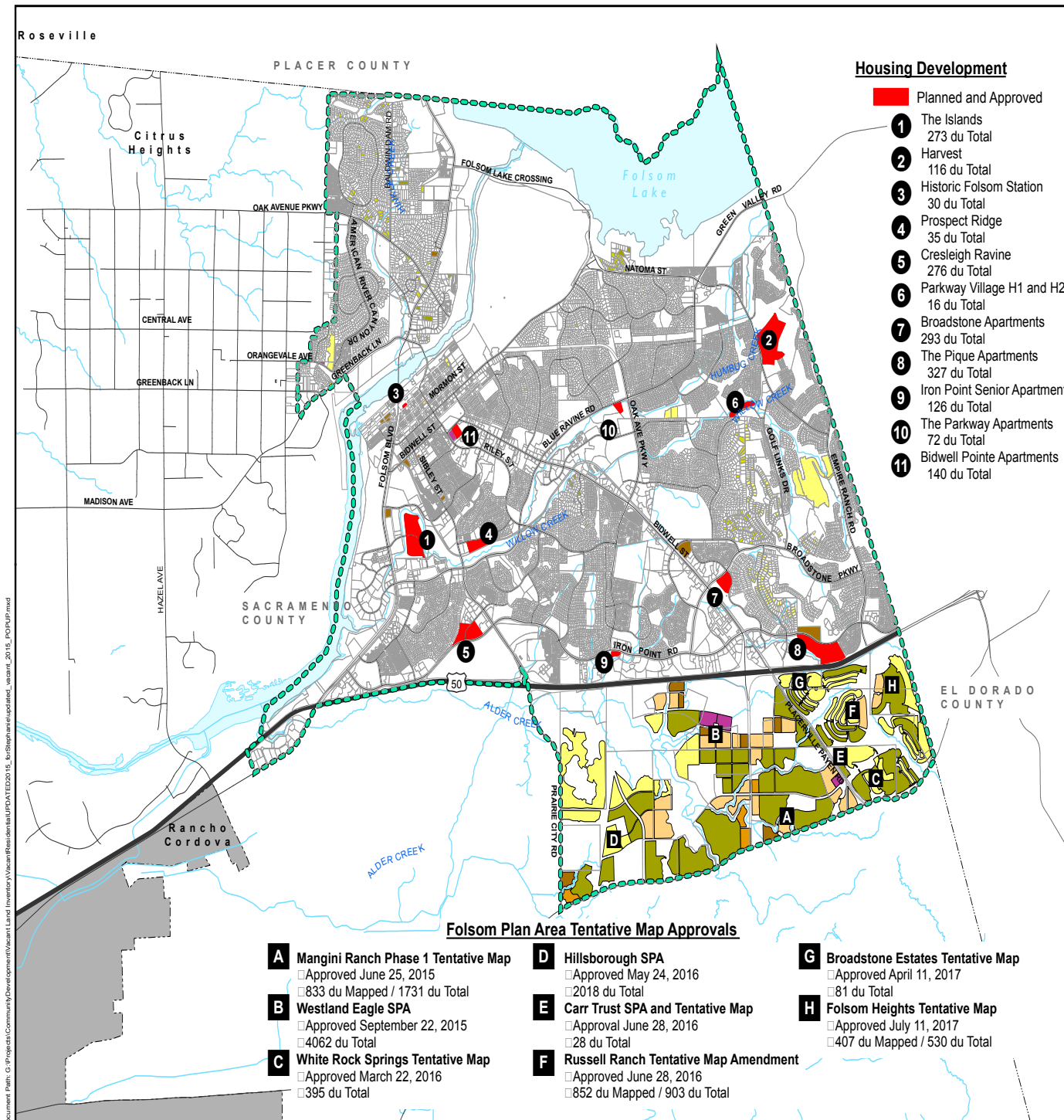


## MAJOR EMPLOYERS

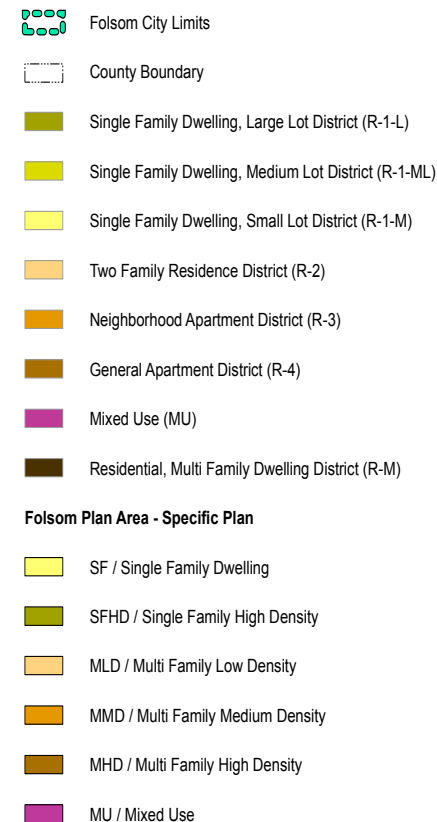
Private Sector Employers		Employees	Public Sector Employers		Employees
Intel		6,000	CA State Prison		1,726
Mercy Folsom		720	Folsom Prison		1,044
Cal Iso		600	FCUSD*		802
Maximus		600	City of Folsom		387
Voxpro		500	* Folsom Cordova Unified		
Vsp One		475	School District		
Powerschool		425			
Micron		425			



# Folsom Housing Units



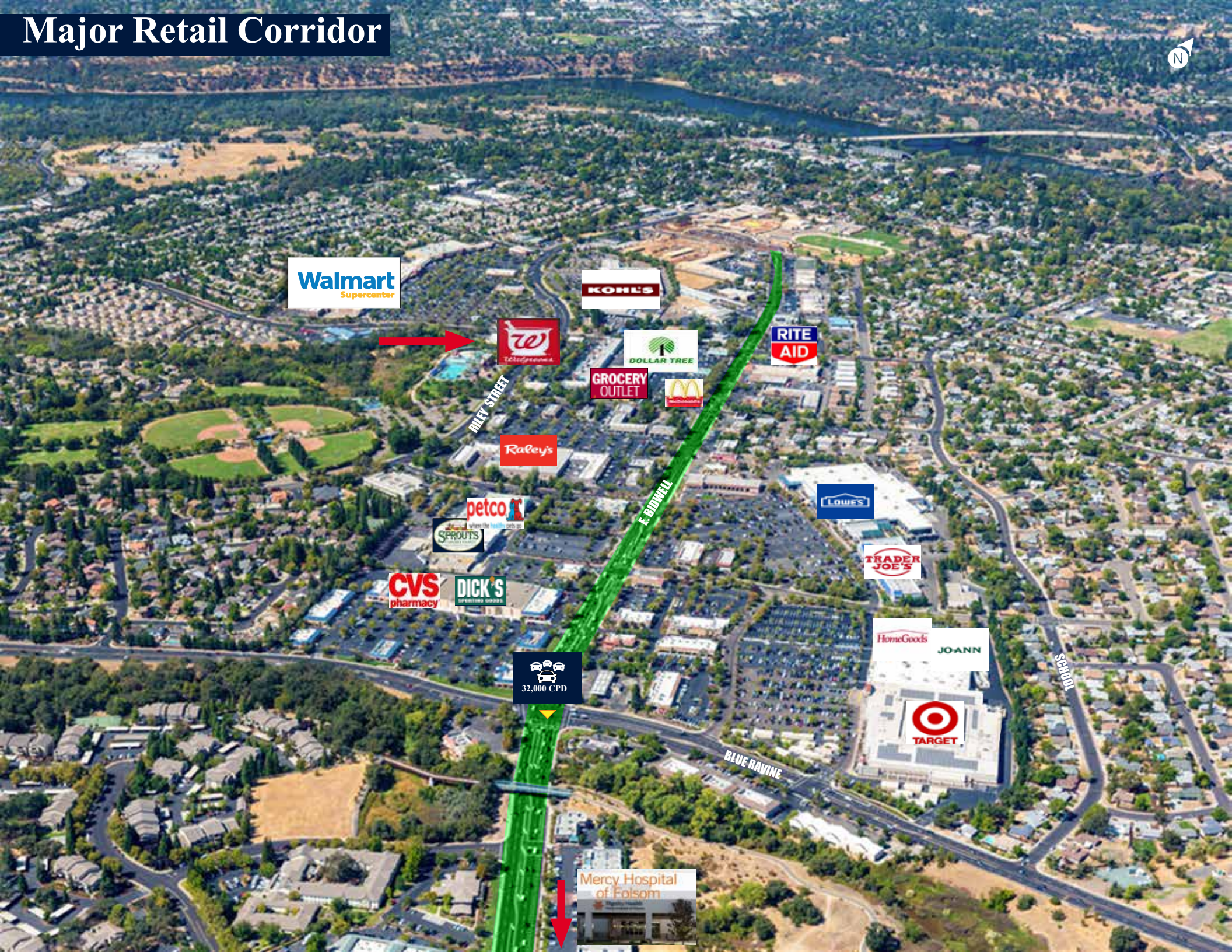
## City of Folsom Residential Sites Inventory



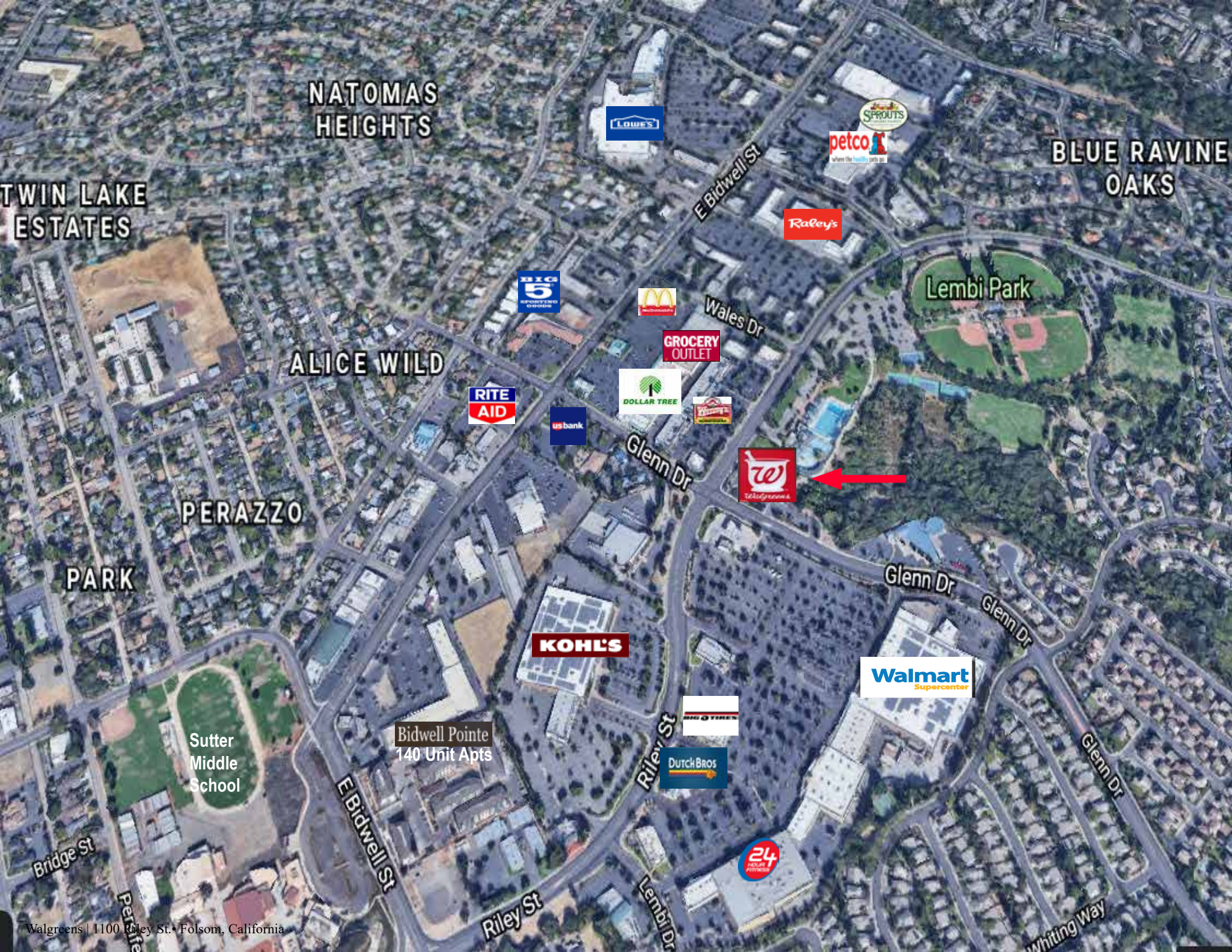
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# Major Retail Corridor







NATOMAS  
HEIGHTS

TWIN LAKE  
ESTATES

BLUE RAVINE  
OAKS

ALICE WILD

PERAZZO

PARK

Sutter  
Middle  
School

Bidwell Pointe  
140 Unit Apts

Bridge St

Perille

E Bidwell St

Riley St

Riley St

Lembi Dr

E Bidwell St

Wales Dr

Glenn Dr

Glenn Dr

Glenn Dr

Glenn Dr

Whiting Way

Lembi Park





# Property Aerial



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**WINDY TOWN**



FEB 1st, 2017

Walgreens | 1100 Riley St. • Folsom, California



Actual Store





Actual Store





Actual Store





## RENT ROLL

TENANT	SUITE	SF	LEASE START	LEASE EXP.	RENT / SF	RENT / MO.	ANNUAL RENT	LEASE TYPE	INCREASES	ANNUAL OPTION RENT
WALGREENS	1	14,490	12/8/2001	12/31/2061 <sup>1</sup>	\$1.61	\$23,435.00	\$281,220	NN <sup>2</sup>	7 (5yrs) <sup>3</sup>	1 - \$281,220 2 - \$295,281 3 - \$310,045 4 - \$325,547 5 - \$341,825 6 - \$358,916 7 - \$376,862

TOTAL SQUARE FEET:	14,490	
TOTAL AVAILABLE:	0	0% Vacancy
TOTAL OCCUPIED:	14,490	100% Occupancy

- NOTE:
- <sup>1</sup> Tenant has option to terminate the lease on Dec. 31st 2026, and every five (5) yrs. thereafter with twelve (12) months advance notice.
  - <sup>2</sup> Limited Landlord responsibilities to roof (new roof in 2017) & structure. Tenant pays all utilities and taxes directly. Tenant maintains and repairs parking lot.
  - <sup>3</sup> 5% rent increases starting in 2032 and each 5yr. option period thereafter.

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## Tenant Profile

### WALGREENS BOOTS ALLIANCE (WBA) NASDAQ (S&P RATED “BBB”)

Walgreens Boots Alliance (NASDAQ: WBA) is the first global pharmacy-led, health and well being enterprise in the world. The company 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 through pharmaceutical wholesaling and community pharmacare, dating back more than 100 years.

The company employs over 440,000 people and has a presence in more than 25 countries, making it the largest retail pharmacy, health and daily living destination in the USA and Europe. Additionally, Walgreens Boots Alliance is the world’s largest purchaser of prescription drugs and many other health and wellbeing products.

Walgreens Boots Alliance is organized into three segments: Retail Pharmacy USA, Retail Pharmacy International and Pharmaceutical Wholesale. Walgreens itself is organized under Retail Pharmacy USA along with Duane Reade, the most recognized drugstore chain in metropolitan New York that became part of the Walgreens family of companies in 2010.

As Walgreens and Duane Reade, the Retail Pharmacy USA division operates 9,277 drugstores (as of August 2019) across all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands, boasting a footprint that placed a store within 5 miles of approximately 78% of the U.S. population and making Walgreens the largest drugstore chain in the U.S. The Retail Pharmacy USA segment of Walgreens Boots Alliance reported Fiscal 2019 sales of \$104.5 Billion.

Founded with a single store in Chicago in 1901, Walgreens today is continuing to build a seamless customer experience through its drugstores and its digital businesses. These include Walgreens.com, drugstore.com, Beauty.com, SkinStore.com, and VisionDirect.com in addition to own branded general merchandise, such as NICE!, DeLish, Soap & Glory, No7 and Well at Walgreens and more than 400 Healthcare Clinic branded in-store clinics.

## Lease Abstract

Rentable Square Feet	± 14,490 SF
Year Built	2001
Lot Size	± 1.52 Acres
Type of Ownership	Fee Simple
Parcel#:	071-0690-060
Zoning:	C-2 (PD)
Tenant	<b>WALGREENS BOOTS ALLIANCE (Nasdaq:WBA)</b>
Guarantor	Walgreens Corp.
Lease Type	Double Net (NN)
Roof & Structure	Landlord Responsibility
HVAC	Tenant Responsibility
CAM/Parking	Tenant Responsibility
Insurance	Tenant Responsibility
Utilities	Tenant Pays Direct
Property Taxes	Tenant Pays Direct
Original Lease Term	20 Years
Annual Base Rent	\$281,220
Term Remaining on Lease	±6.5 years
Right of First Refusal	30 days
Renewal Options	Seven (7) Five (5) Year
Increases	5% increase every 5yrs. starting in 2032



# WALGREENS

1100 RILEY ST. FOLSOM CA

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## OFFERING MEMORANDUM

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