

# NET LEASE INVESTMENT OFFERING



**RITE AID (NEW LEASE EXTENSION)**  
**27000 MILLER BAY RD NE**  
**KINGSTON, WASHINGTON (SEATTLE MSA)**

**THE**  
**Boulder**   
**GROUP**

**REF** **REF ADVISORY INC**  
**Real Estate Financial Advisors**



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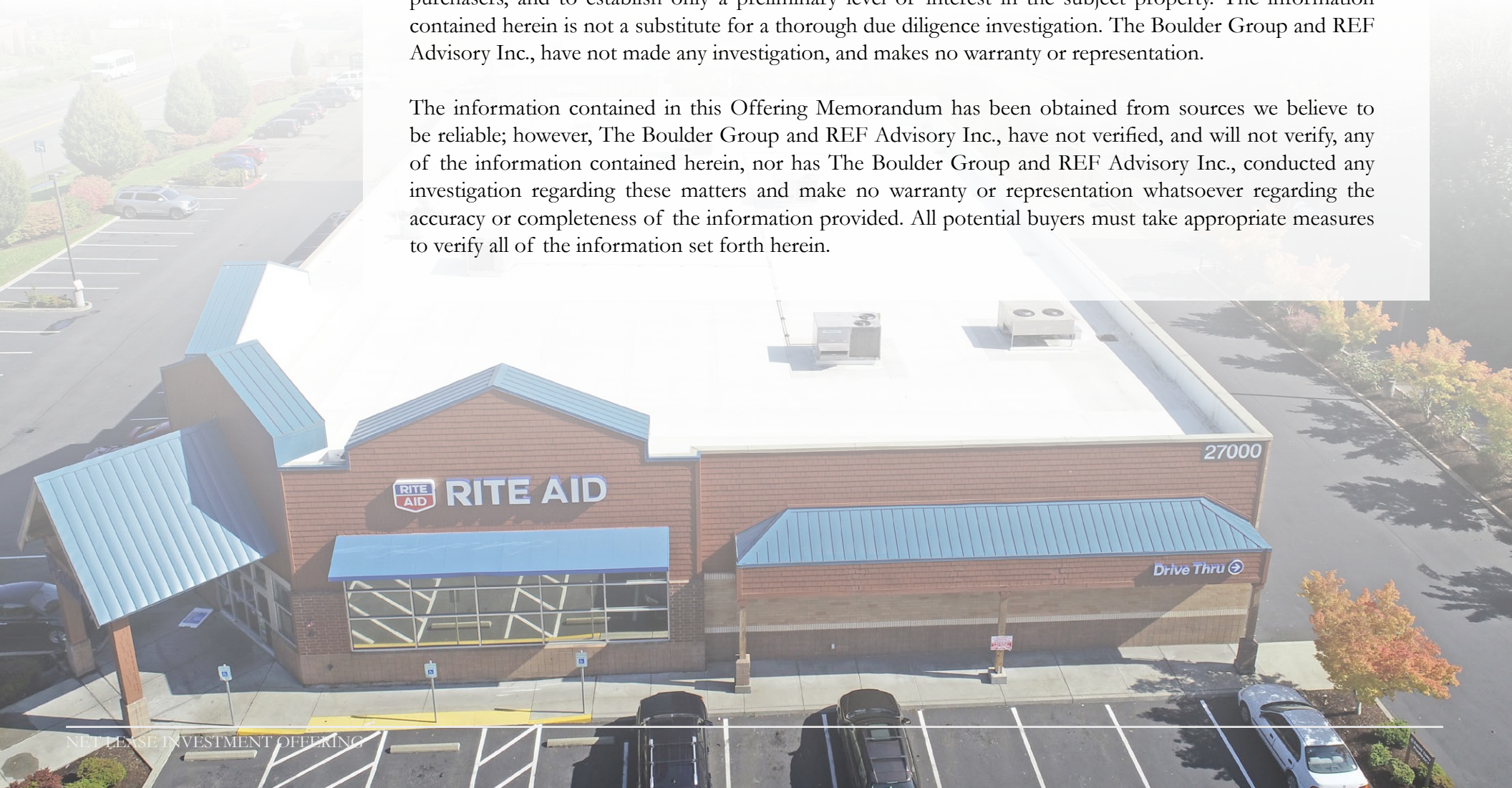


**DISCLAIMER  
STATEMENT:**

The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from The Boulder Group and/or REF Advisory Inc., and should not be made available to any other person or entity without the written consent of The Boulder Group and REF Advisory Inc.

This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. The Boulder Group and REF Advisory Inc., have not made any investigation, and makes no warranty or representation.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, The Boulder Group and REF Advisory Inc., have not verified, and will not verify, any of the information contained herein, nor has The Boulder Group and REF Advisory Inc., conducted any investigation regarding these matters and make no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.



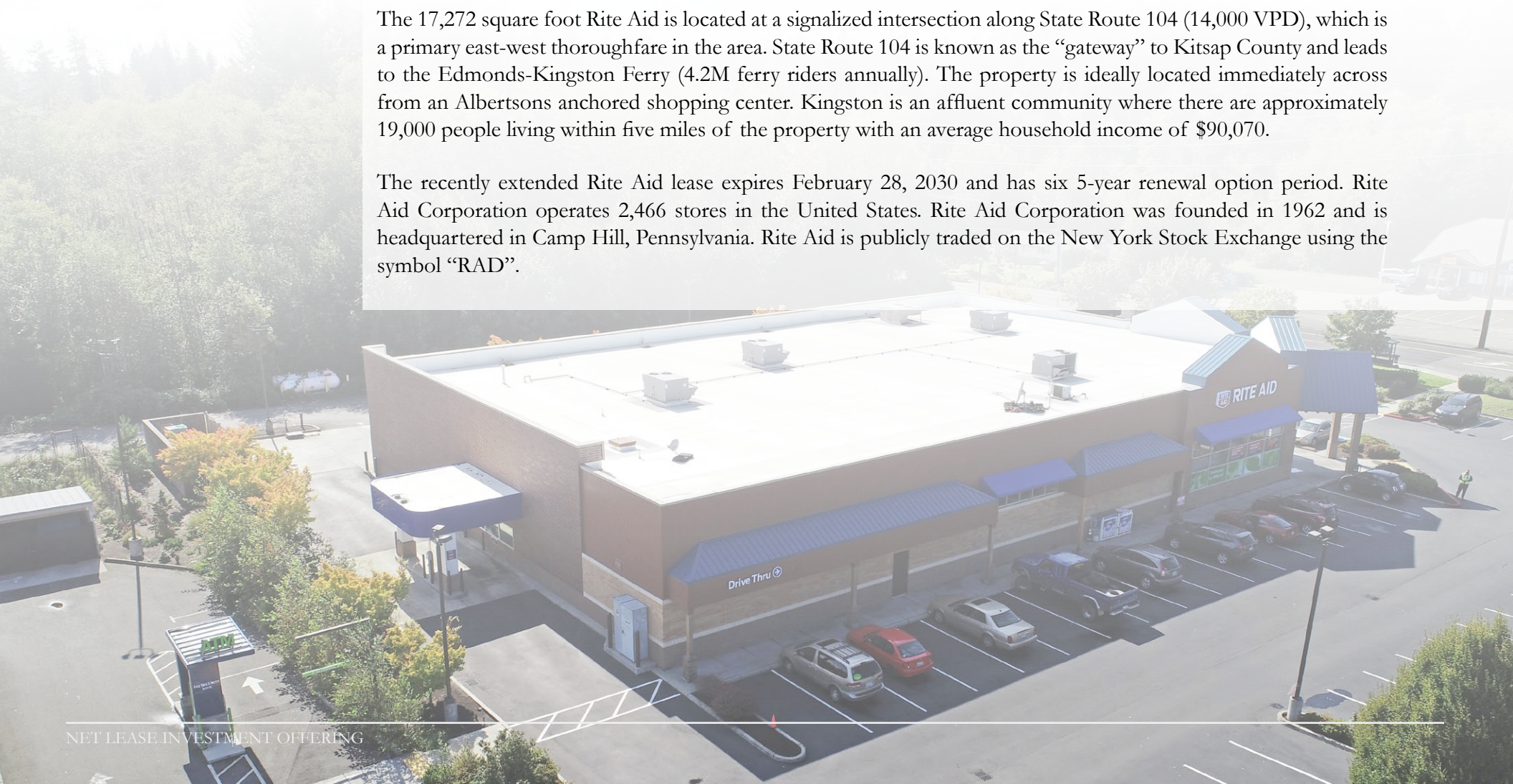


## **EXECUTIVE SUMMARY:**

The Boulder Group and REF Advisory are pleased to exclusively market for sale a single tenant net leased Rite Aid property located within the Seattle MSA in Kingston, Washington. Rite Aid recently extended their lease in 2019, demonstrating the tenant's commitment to the location. The lease has over ten years remaining and six 5-year renewal options with rental escalations. Rite Aid has a long operating history at this location since 2008. The property also features a drive-thru pharmacy. This store has limited competition, as there is no other freestanding drugstore within 8 miles of the property.

The 17,272 square foot Rite Aid is located at a signalized intersection along State Route 104 (14,000 VPD), which is a primary east-west thoroughfare in the area. State Route 104 is known as the "gateway" to Kitsap County and leads to the Edmonds-Kingston Ferry (4.2M ferry riders annually). The property is ideally located immediately across from an Albertsons anchored shopping center. Kingston is an affluent community where there are approximately 19,000 people living within five miles of the property with an average household income of \$90,070.

The recently extended Rite Aid lease expires February 28, 2030 and has six 5-year renewal option period. Rite Aid Corporation operates 2,466 stores in the United States. Rite Aid Corporation was founded in 1962 and is headquartered in Camp Hill, Pennsylvania. Rite Aid is publicly traded on the New York Stock Exchange using the symbol "RAD".





**INVESTMENT  
HIGHLIGHTS:**

- Located within the Seattle MSA
- Rite Aid recently extended their lease in 2019, demonstrating the commitment to the location
- Rite Aid has a long operating history at this location since 2008
- This store has limited competition as there is no other freestanding drugstore within 8 miles of the property
- Positioned at a signalized intersection along State Route 104 (14,000 VPD), which is a primary east-west thoroughfare
- State Route 104 is known as the “gateway” to Kitsap County and leads to the Edmonds-Kingston Ferry (4.2M ferry riders annually)
- Ideally located immediately across from an Albertsons anchored shopping center
- Kingston, Washington is an affluent area and there are approximately 15,000 people living within five miles of the property with an average household income of \$90,070
- Rental escalation in each option period
- Drive-thru pharmacy





**PROPERTY  
OVERVIEW:**

Price:	\$6,256,557
Cap Rate:	7.00%
Net Operating Income:	\$437,959
Lease Expiration Date:	February 28, 2030
Renewal Options:	Six 5-Year
Rental Escalations:	\$466,517 – Option 1 \$489,789 – Option 2 \$501,061 – Option 3 \$518,333 – Option 4 \$535,605 – Option 5 \$552,877 – Option 6
Lease Type:	NN (Roof & Structure)
Guarantor:	Rite Aid Corporation
Year Built:	2007
Building Size:	17,272 SF
Land Size:	2.16 Acres

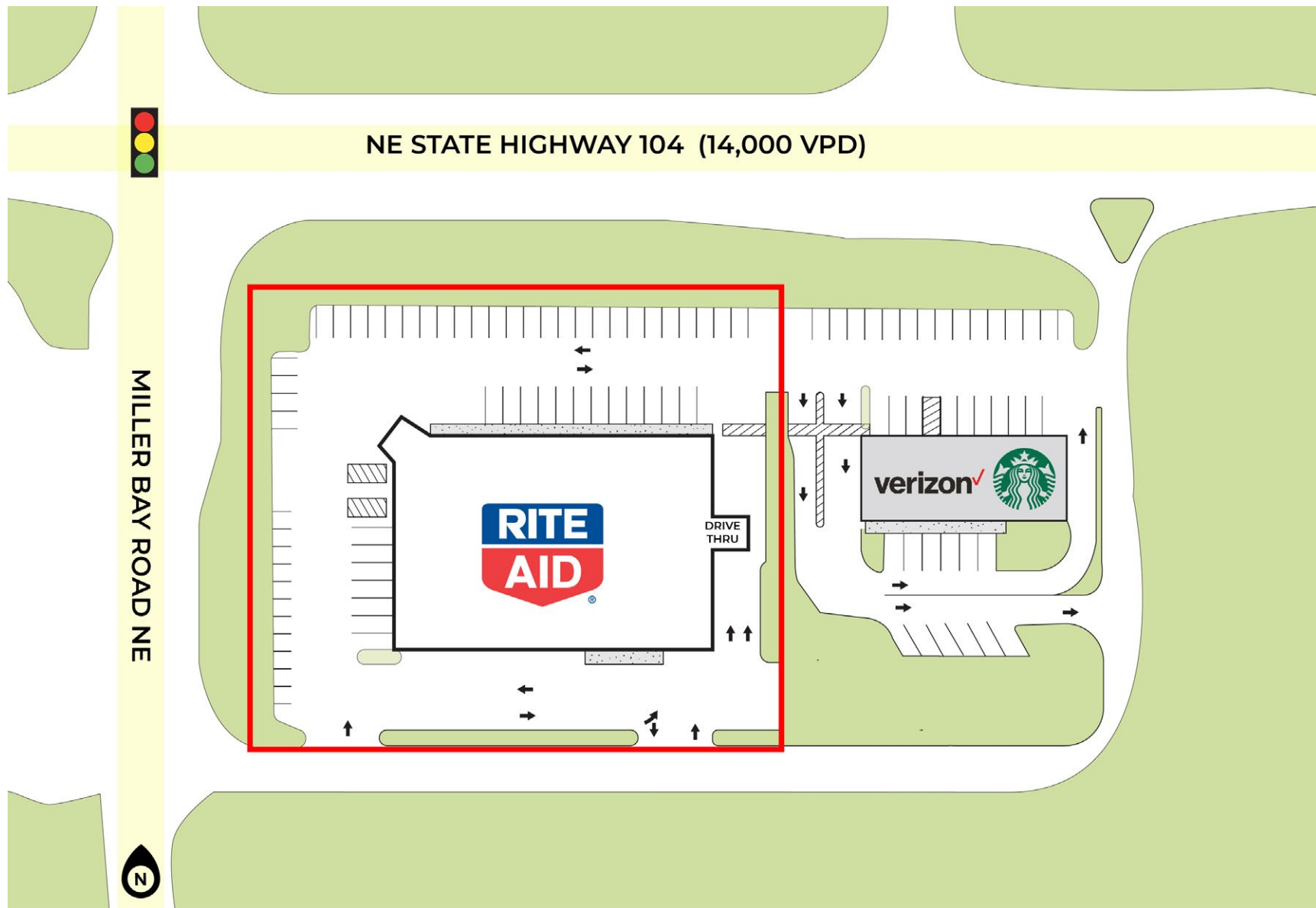




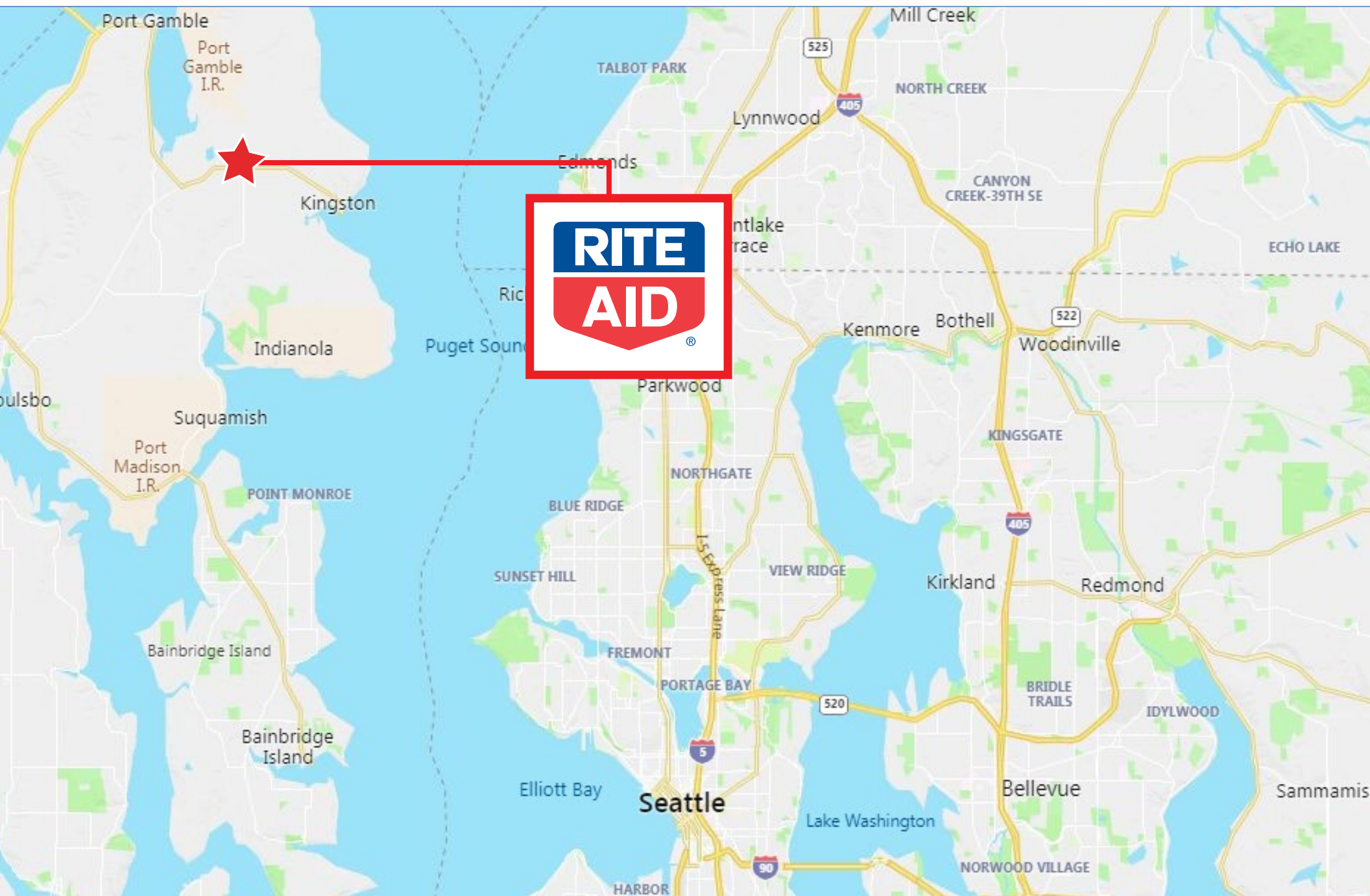














**DEMOGRAPHIC  
REPORT:**

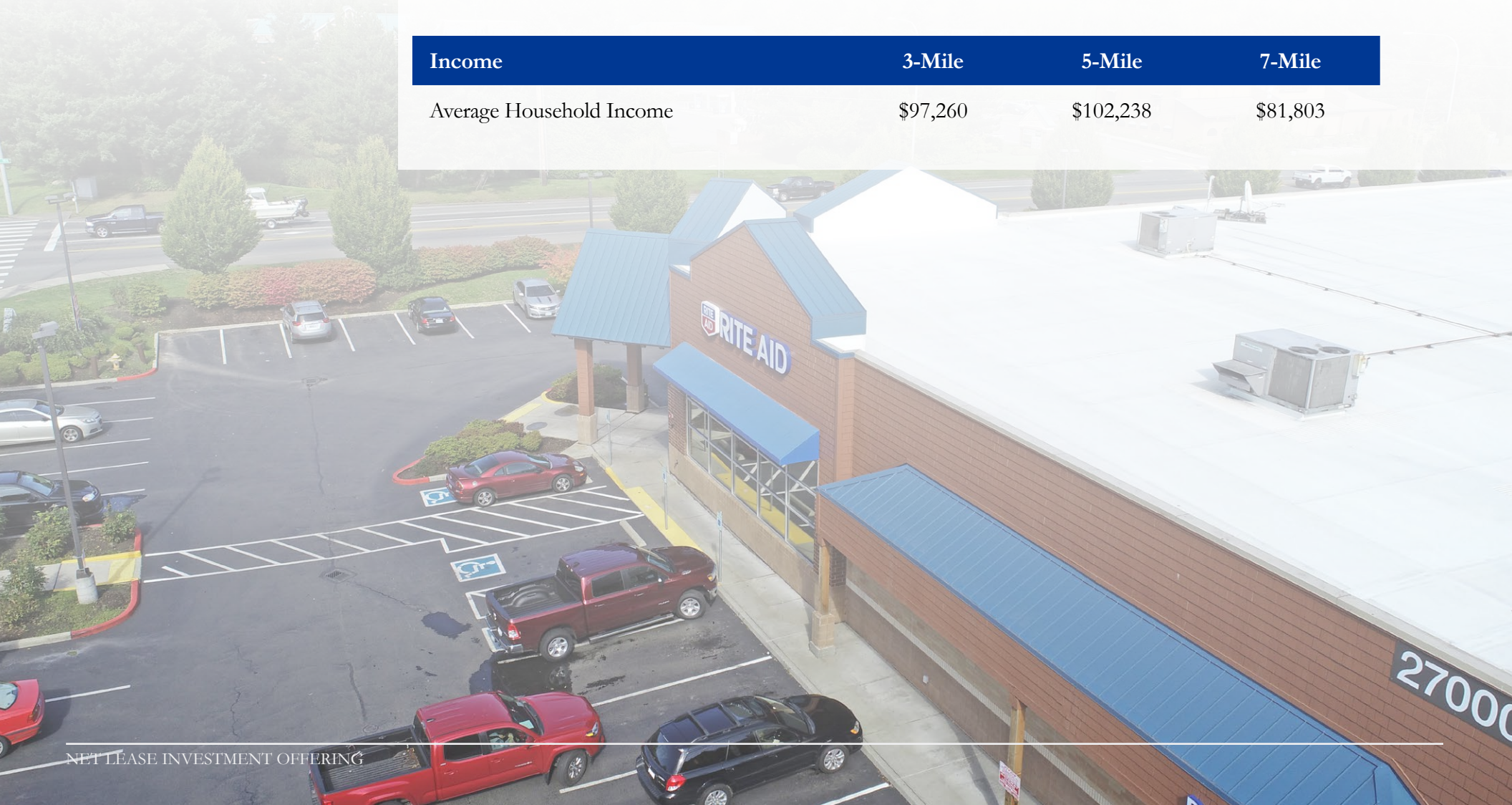
Population	3-Mile	5-Mile	7-Mile
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Total Population 7,523 18,837 39,993

Total Households 2,972 7,426 16,020

Income	3-Mile	5-Mile	7-Mile
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Average Household Income \$97,260 \$102,238 \$81,803





## MARKET OVERVIEW:

### Kingston, Washington

Kingston is an unincorporated community and census-designated place (CDP) in Kitsap County, Washington, United States. The population was 2,099 at the 2010 census. Kingston is along the shores of Appletree Cove and Puget Sound, and is home to a major Washington State Ferry terminal linking it to Edmonds.



Kingston is located in northeastern Kitsap County at on the east side of the Kitsap Peninsula. Washington State Route 104 runs through the community from the Washington State Ferry terminal, leading northwest 7 miles to Port Gamble. Bremerton is 26 miles to the southwest by highway.

### Seattle MSA

The Seattle metropolitan area is an urban conglomeration in the U.S. state of Washington that includes Seattle and its surrounding satellites and suburbs. It includes the three most populous counties in the state—King, Snohomish, and Pierce—and is considered a component of the greater Puget Sound region. The United States Census Bureau defines the metropolitan area as the Seattle–Tacoma–Bellevue, WA Metropolitan Statistical Area. With an estimated population of 3,867,000 as of 2017, it is the 14th largest Metropolitan Statistical Area in the United States, with almost half of Washington's population. In July 2016, Seattle was again the fastest-growing major U.S. city, with a 3.1% annual growth rate. Seattle is the northernmost large city in the United States.



The city is situated on an isthmus between Puget Sound (an inlet of the Pacific Ocean) and Lake Washington, about 100 miles south of the Canada–United States border. A major gateway for trade with Asia, Seattle is the fourth-largest port in North America in terms of container handling as of 2015.

Logging was Seattle's first major industry, but by the late 19th century, the city had become a commercial and shipbuilding center as a gateway to Alaska during the Klondike Gold Rush. Growth after World War II was partially due to the local Boeing company, which established Seattle as a center for aircraft manufacturing. The Seattle area developed into a technology center from the 1980s onwards with companies like Microsoft becoming established in the region; Microsoft founder Bill Gates is a Seattleite by birth. Internet retailer Amazon was founded in Seattle in 1994, and major airline Alaska Airlines is based in SeaTac, Washington, serving Seattle's international airport, Seattle–Tacoma International Airport. The stream of new software, biotechnology, and Internet companies led to an economic revival, which increased the city's population by almost 50,000 between 1990 and 2000. Owing largely to its rapidly increasing population in the 21st century, Seattle and the state of Washington have some of the highest minimum wages in the country, at \$15 per hour for smaller businesses and \$16 for the city's largest employers.



## TENANT OVERVIEW:

### Rite Aid

Rite Aid Corporation, through its subsidiaries, operates a chain of retail drugstores in the United States. The company sells prescription drugs and a range of other merchandise, including over-the-counter medications, health and beauty aids, personal care items, cosmetics, household items, food and beverages, greeting cards, seasonal merchandise, and other every day and convenience products. It also offers health coaching, shared decision making tools, and health care analytics, including health coaching for medical decisions, chronic conditions, and wellness; population analytic solutions; and consulting services. The company offers its products to customers covered by third party payers, such as insurance companies, prescription benefit management companies, government agencies, private employers, and other managed care providers. It has a strategic alliance with GNC.

Rite Aid Corporation operates 2,466 stores in the United States. Rite Aid Corporation was founded in 1962 and is headquartered in Camp Hill, Pennsylvania. Rite Aid is publicly traded on the New York Stock Exchange using the symbol “RAD”.

Website:	<a href="http://www.riteaid.com">www.riteaid.com</a>
Founded:	1962
Number of Locations:	2,466
Stock Symbol:	RAD (NYSE)
Headquarters:	Camp Hill, Pennsylvania







# THE Boulder GROUP

**Randy Blankstein**

President

847.562.0003

[randy@bouldergroup.com](mailto:randy@bouldergroup.com)

**John Feeney**

Senior Vice President

847.562.9280

[john@bouldergroup.com](mailto:john@bouldergroup.com)

3520 Lake Avenue, Suite 203  
Wilmette, IL 60091

[www.bouldergroup.com](http://www.bouldergroup.com)

**REF** REF ADVISORY INC  
Real Estate Financial Advisors

**Michael R. Katz**

Lic: BK3366474

804.339.3662

[mkatz@refadvisory.com](mailto:m Katz@refadvisory.com)

5621 Strand Blvd, Suite 209  
Naples, FL 34410

[www.REFadvisory.com](http://www.REFadvisory.com)