
OFFERING
MEMORANDUM



WALGREENS

7800 North Cortaro Road

TUCSON, AZ 85743

Marcus & Millichap

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Activity ID: ZAB0370545

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Walgreens

PHARMACY

PHOTO





OFFERING SUMMARY

WALGREENS

 *Total Price*
\$4,992,500

CAP Rate	5.70%
Tenant	Walgreen Arizona Drug Co.
Gurantor	Walgreen Co. (Moody's Rating: 'Baa2')
Address	7800 North Cortaro Road, Tucson, AZ 85743
Building Size	13,905 SF
Year Built	1999
Lease Expiration	2/29/2072
Termination Right	Every Five Years Beginning 2/29/2032 With Six Months Notice
Lease Structure	Double Net
Annual Base Rent PSF	\$284,705 \$20.48
Increases	None
Renewal Options	Seven, Five-Year Options
ROFR	Yes; 10 Days
Landlord Responsibilities	Maintain and make repairs to the exterior and structural portions of the building, roof, and all utility lines, including, but not limited to, sewers, sewer connections, pipes, ducts, wires and conduits leading to and from the leased premises and/or the building.

Marcus & Millichap



WALGREENS

7800 North Cortaro Road, Tucson, AZ 85743

Marcus & Millichap is pleased to offer for sale the 100 percent fee simple interest in 7800 North Cortaro Road (The Property), a 13,905 square foot building that is currently leased by Walgreen Co. (Moody's Rating: 'Baa2') with 11.5+ years of term. The Property located in Tucson, Arizona has been occupied by Walgreens since 1999 and recently opted to extend their lease, demonstrating its long-term commitment to this location. The Property sits at the hard corner and signalized intersection of Cortaro Road and Silverbell Road, providing maximum visibility and exposure to the 39,000 vehicles passing on a daily basis. This offering presents the opportunity to acquire a corporately guaranteed Walgreens property with stable, investment grade income and minimal landlord responsibilities within a dynamic and growing Tucson market.

INVESTMENT HIGHLIGHTS

Investment Grade Tenancy (Moody's Rating: 'Baa2') – With Recent Lease Extension in 2020

Hard Corner Location Within Growing Retail Corridor

One-Mile Radius Around Property Boasts 45 Percent Higher Medium Household Income Than Arizona

Arizona Has Been a Top Five Growing State Since 2018





Tucson, AZ // *Walgreens*

Tucson is the second largest city in Arizona with over 551,000 residents. Located 115 miles southeast of Phoenix and 60 miles north of the United States-Mexico border, Tucson's proximity to the border and integrated transportation infrastructure attracts large businesses from a variety of industries, such as bioscience, aerospace, education, mining, and healthcare. Tucson also benefits from its established tourism industry. Known for its vibrant food scene, favorable climate, and hiking and camping trails, Tucson attracts four million visitors that contribute \$2.4 billion toward the local economy each year. Tucson is also home to the University of Arizona, which was established as Arizona's first university in 1885 and has a campus of 50,000 students and 10,000 full time employees from around the world. Tucson students aggregate over \$780 million in annual spending, and the University contributes \$4.1 billion of total economic impact.

Tucson carries a sterling reputation for its world-class culinary scene that has been recognized by the United Nations Educational, Scientific, and Cultural Organization (UNESCO) in 2015 as a "Capital of Gastronomy." Only 18 cities around the world have been given this title, and no other American city has cracked the list yet.

The Tucson International Airport (TUS) serves more than 3.6 million airline passengers annually. Eight airlines offer more than 50 departures per day to 20 nonstop destination airports. Less than 10 miles south of downtown Tucson and the University of Arizona, this airport is convenient to major business and scenic destinations.

LOCATION HIGHLIGHTS

- Since 2008, Downtown Tucson has experienced over \$1.2 billion in public and private investments, and nearly \$400 million in projects currently under construction.
- The Travel Hub of The South West – Tucson International Airport serves more than 3.6 million passengers annually.
- Banner Medical Center, recognized as a "Best Hospital" by US News & World Report, completed a 170 bed expansion last year, estimated as a \$446 million project.
- The Pima County Board of Supervisors just passed a \$165 million in capital project funding – fixing 127 miles of local roads, building local libraries and courthouse renovation. This plan is intending to bolster the local economy by funding jobs in the construction industry.

Demographics | 5-Mile Radius

2020 Population.....	83,207
2024 Population Estimate.....	86,570
Growth 2020-2024.....	4.04%
2020 Households.....	32,065
2020 Avg. Household Income.....	\$82,257
2020 Median Age.....	39.5 Years





TENANT OVERVIEW // *Walgreens*

Founded in 1901, Walgreens Boots Alliance (“Walgreens”) is the global leader in pharmacy-led health and wellbeing retail. Walgreens operates more than 13,800 stores in the 50 states, the District of Columbia, Puerto Rico, the US Virgin Islands, and a large International presence. 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 88,000 healthcare service providers, including pharmacists, pharmacy technicians, nurse practitioners, and other health-related professionals. During FY 2019, Walgreens filled over 1.1 billion prescriptions (including immunizations) on a 30-day adjusted basis.

Walgreens is planning to open hundreds of primary-care clinics in the coming years, per The Washington Post, as the drugstore giant continues to expand into medical care. The pharmacy chain said recently that it has reached a deal with VillageMD to staff and operate 500-700 clinics in 30 U.S. markets, within that period it will claim 30 percent ownership stake in VillageMD. The clinics will offer a host of services, from annual checkups to preventive care to the treatment of chronic diseases. Nurse practitioners, physicians’ assistants and social workers will work out of some locations. At-home visits and telehealth options will also be made available. This investment continues to demonstrate Walgreens’ mindset as a forward-thinking retailer.

Company:	Walgreens Boots Alliance
Year Founded:	1901
Headquarters:	Deerfield, IL
Ownership Type:	Public (NASDAQ: WBA)
Sector:	Retail Pharmacies
Locations:	13,800
Number of Employees:	440,000
Credit Rating (Moody’s):	Baa2 / Stable
Annual Revenue (FY 2019):	\$136.9 Billion
Gross Profit (FY 2019):	\$30.1 Billion
Total Assets:	\$67.59 Billion



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