



Walmart 
At Talavi Town Center

Walmart Ground Lease
5845 West Bell Road
Glendale, AZ 85308
Confidential Offering Memorandum

Summary

Executive Summary



Walmart Ground Lease

Unique investment grade ground lease opportunity with committed tenancy from the world's largest retailer.

INVESTMENT HIGHLIGHTS

INVESTMENT GRADE AND
INDUSTRY LEADING TENANT WITH
25-YEAR OPERATING HISTORY

UNIQUE GROUND LEASE
STRUCTURE INCLUDING WALMART'S
GROCERY MARKET

HIGH-PERFORMING STORE
WITHIN A DENSE RETAIL TRADE
AREA AND 2.2 MILLION ANNUAL
VISITORS

INFILL LOCATION IN RAPIDLY
GROWING GLENDALE MARKET
(117K POPULATION IN 3-MILE
RADIUS)

The Offering

JLL is pleased to offer for sale a Walmart ground lease (the “Property”) located in Glendale, Arizona. The Property is the anchor to Talavi Town Center, a high-performing shopping center within Glendale’s main retail trade area. Walmart has occupied Talavi Town Center since 1995 and constructed a larger 196,671 square foot Supercenter in 2008, demonstrating its strong performance and long-term commitment to this location. The ground leased premises spans 3.4 acres and includes the Grocery Market portion from Walmart’s 2008 building expansion. This offering presents the opportunity to acquire a Property with a passive ground lease structure and a committed, investment grade (S&P: AA), and industry leading tenant within a dynamic and growing Glendale market.

INVESTMENT GRADE AND INDUSTRY LEADING TENANT WITH 25-YEAR OPERATING HISTORY

- The Property is leased to Walmart, the largest company in the United States with \$524 billion in annual revenue and over 5,300 locations across the country. The company also boasts an investment grade ‘AA’ credit rating from Standard & Poor’s.
- Walmart has occupied Talavi Town Center since 1995 and redeveloped the store into a larger 196,671 square foot Supercenter in 2008 to accommodate Glendale’s growing population and high customer traffic volume.

UNIQUE GROUND LEASE STRUCTURE INCLUDING WALMART’S GROCERY MARKET

- Walmart is operating on an absolute NNN ground lease structure with zero landlord responsibilities and five percent rental increases in each renewal option.
- The ground lease encompasses 3.4 acres and includes the Grocery Market portion of the Walmart Supercenter building as well as essential parking, access roads, and the main entrance to the Grocery Market.
 - Walmart’s Grocery Market is an essential component of the Supercenter and ultimately ensures Walmart’s long-term commitment to maintain this ground lease agreement.

HIGH-PERFORMING STORE WITHIN A DENSE RETAIL TRADE AREA AND 2.2 MILLION ANNUAL VISITORS

- The Property sits along Bell Road within the Arrowhead Retail Corridor, Glendale’s main trade area that includes Home Depot, Trader Joe’s, WinCo Foods, Target, Sprouts Farmers Market, and Arrowhead Towne Center.
- Walmart has reported strong unit-level sales for this location, and Placer data reports that approximately 2.2 million customers visited the property over the past 12 months.

INFILL LOCATION IN RAPIDLY GROWING GLENDALE MARKET (117K POPULATION IN 3-MILE RADIUS)

- Glendale is located less than ten miles northwest of Phoenix and sits within Maricopa County, one of the fastest growing counties in the United States.
 - Maricopa County’s has grown by 46% since 2000, and Glendale’s population has increased by 13% over the same period.
- The property sits at the corner of Bell Road and 59th Avenue, a highly-trafficked intersection that has traffic counts of over 72,000 vehicles per day.

Property & Lease Overview

Price	\$16,500,000
Cap Rate	5.50%
Address	5845 West Bell Road Glendale, AZ 85308
Tenant	Wal-Mart Stores, Inc.
NOI	\$907,500
Parcel Size	+/- 3.4 AC
Parking Stalls	+/- 142
Year Built	2008
Lease Term Remaining	7+ Years
Rental Increases	5% in Each Option
Lease Expiration	4/15/2028
Renewal Options	15, 5-Year Options
ROFR	Yes

Rental Schedule

Period	Annual Rent	Rent/AC	% Increase
Current – 4/15/2028	\$907,500.00	\$266,911.76	-
Option 1	\$952,875.00	\$280,257.35	5%
Option 2	\$1,000,518.75	\$294,270.22	5%
Option 3	\$1,050,544.69	\$308,983.73	5%
Option 4	\$1,103,071.92	\$324,432.92	5%
Option 5	\$1,158,225.52	\$340,654.56	5%
Option 6	\$1,216,136.80	\$357,687.29	5%
Option 7	\$1,276,943.63	\$375,571.66	5%
Option 8	\$1,340,790.82	\$394,350.24	5%
Option 9	\$1,407,830.36	\$414,067.75	5%
Option 10	\$1,478,221.86	\$434,771.14	5%
Option 11	\$1,552,132.97	\$456,509.70	5%
Option 12	\$1,629,739.62	\$479,335.18	5%
Option 13	\$1,711,226.60	\$503,301.94	5%
Option 14	\$1,796,787.93	\$528,467.04	5%
Option 15	\$1,886,627.34	\$554,890.39	5%

Leased Premises

Walmart has occupied Talavi Town Center since 1995. In order to accommodate the growing Glendale population and high customer traffic volume, Walmart demolished the old building and constructed a larger 196,671 square foot Supercenter in 2008. The ground lease commenced as a result of Walmart's need to build on the adjacent parcel for its expansion. Upon completion of construction, the ground leased premises gained control to key components of the Walmart Supercenter that ensure the tenant's long-term commitment to this lease. These key components include:

- Walmart's Grocery Market, an essential component of the store's overall business.
- The entrance to the Grocery Market, one of only two entrances into the Walmart Supercenter.
- A portion of the parking lot that includes parking stalls dedicated to online ordering pickup.
- Access to back of the building where cars can enter and exit from W Talavi Boulevard.
- Shared roof with the remainder of the Walmart Supercenter.
- 180 feet of store frontage and 185 feet of depth into the store plus additional space within the building's eastern wall.



Walmart Grocery Market

The leased premises includes the entrance to Walmart's Grocery Market, one of only two entrances for the entire Supercenter. The Grocery Market is an essential component of the store's overall business and includes standard grocery offerings such as fresh produce, dry goods, meat, bakery, deli, and frozen foods.



Market

Location and Market Overview



----- = Leased Premises Boundary

Glendale, AZ

The city of Glendale is a vibrant and welcoming metropolitan city with extraordinary opportunities for its residents to prosper, and connect, which has led to a **population growth rate more than double the national average**.

Incorporated in 1910, Glendale is home to both historic attractions like Sahuaro Ranch Park and **state of the art entertainment facilities** like State Farm Stadium, the home of the NFL's Arizona Cardinals and home to three Super Bowls, including upcoming in 2023.

The city is home to natural preserves such as Thunderbird Conservation Park and **high-tech manufacturers like Conair and Honeywell Aerospace**. The city is also home to Midwestern University, the only veterinary school in the state of Arizona, and Luke Air Force Base, the training home for new F-35 pilots.

The Westgate Entertainment District is **Arizona's premier entertainment destination** offering a vibrant outdoor setting with unique water features and an interactive shopping, dining and entertainment experience. Nearby, the city's Gila River Arena hosts the **NHL's Arizona Coyotes** as well as numerous concerts and other events throughout the year. In total, there is over **\$5 billion worth of consumer expenditure** that goes on annually within Glendale's city limits.

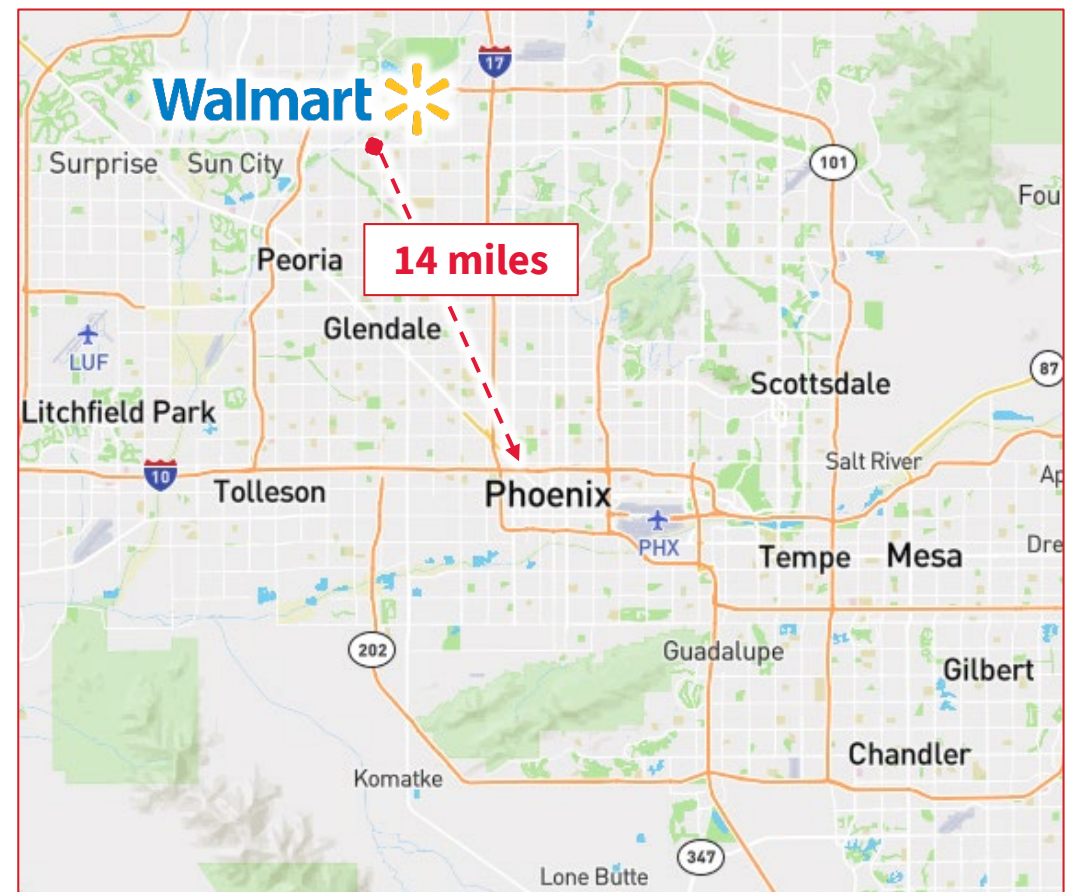
Home to a population of over 225,000 people, and more than **348,000 within a 5-mile radius**, Glendale is the **sixth largest city in Arizona** and provides its residents the amenities of a metropolis while maintaining a suburban living environment.

The city is only **ten miles northwest of the Phoenix CBD**, providing its residents substantial employment opportunities and additional metropolitan benefits.

Glendale is well-supported by a **rapidly growing healthcare sector**, generating over 6,000 jobs to the residents of Glendale. **1.9 Million people live within a 30-minute commute to the City's geo hub** - The Greater Glendale Westgate Sports & Entertainment District. Employers can successfully and consistently attract **top-quality workforce** in the numbers they need. Optimal location and proximity of abundant workforce eliminates like-employer competition for skilled workers.

Local Demographic Snapshot

	1-Mile	3-Mile	5-Mile
Total Population	12,188	116,918	348,855
Total Households	4,462	44,139	133,324
Average HH Income	\$83,366	\$94,015	\$84,665
10-Year Population Growth	5.50%	5.48%	7.52%



Phoenix, AZ

Known as “The Valley of the Sun,” Greater Phoenix area sees more sunshine than any other metro area in the country. Phoenix is the sixth largest city in the United States and consistently outpaces the United States population growth rate. Phoenix is well known for its warm climate, beautiful setting, great cultural and recreational amenities and low cost of living.

Phoenix is the best place to get a sampling of all the state has to offer. Its downtown area may be characterized by sleek, ultramodern office buildings, but the city center is not all about work. Phoenix also contains ample opportunities to play. Recently built sports stadiums, along with updated arts and shopping districts fringe downtown, as do some of the area's finest eateries.

Over the last 35 years, the population of Metro Phoenix has nearly tripled, growing from 1.6 million people in 1980, to approximately 4.7 million residents today. The population is projected to grow more than 42% over the next 13 years, surpassing 6.5 million residents by 2030.

Phoenix Population Growth

42% Phoenix is projected to grow more than 42% over the next 15 years.

Job Growth

#2 State with the fastest job growth - Kiplinger

Top 10 Busiest Airport

43 million+ passengers passed through Phoenix Sky Harbor International Airport in 2019

Economy

4.9%
corporate
income tax rate

2.2% projected job growth in 2020
(compared to U.S. annual project growth of 0.8%) –
Moody's

+30%
of population holds
bachelor degrees or
higher

Center for Higher Education

300K+ students in Metro Phoenix, lead by
Arizona State University

4.7 million

Residents call Phoenix metro home. It has tripled in size over the last 35 years.

300+

Phoenix enjoys over 300 days of sunshine per year

5 Teams

5 Professional sports teams call Phoenix home: Cardinals (NFL), Diamondbacks (MLB), Suns (NBA), Coyotes (NHL) Mercury (WNBA)

75°

Phoenix has an average year-round temperature of 75°

#1

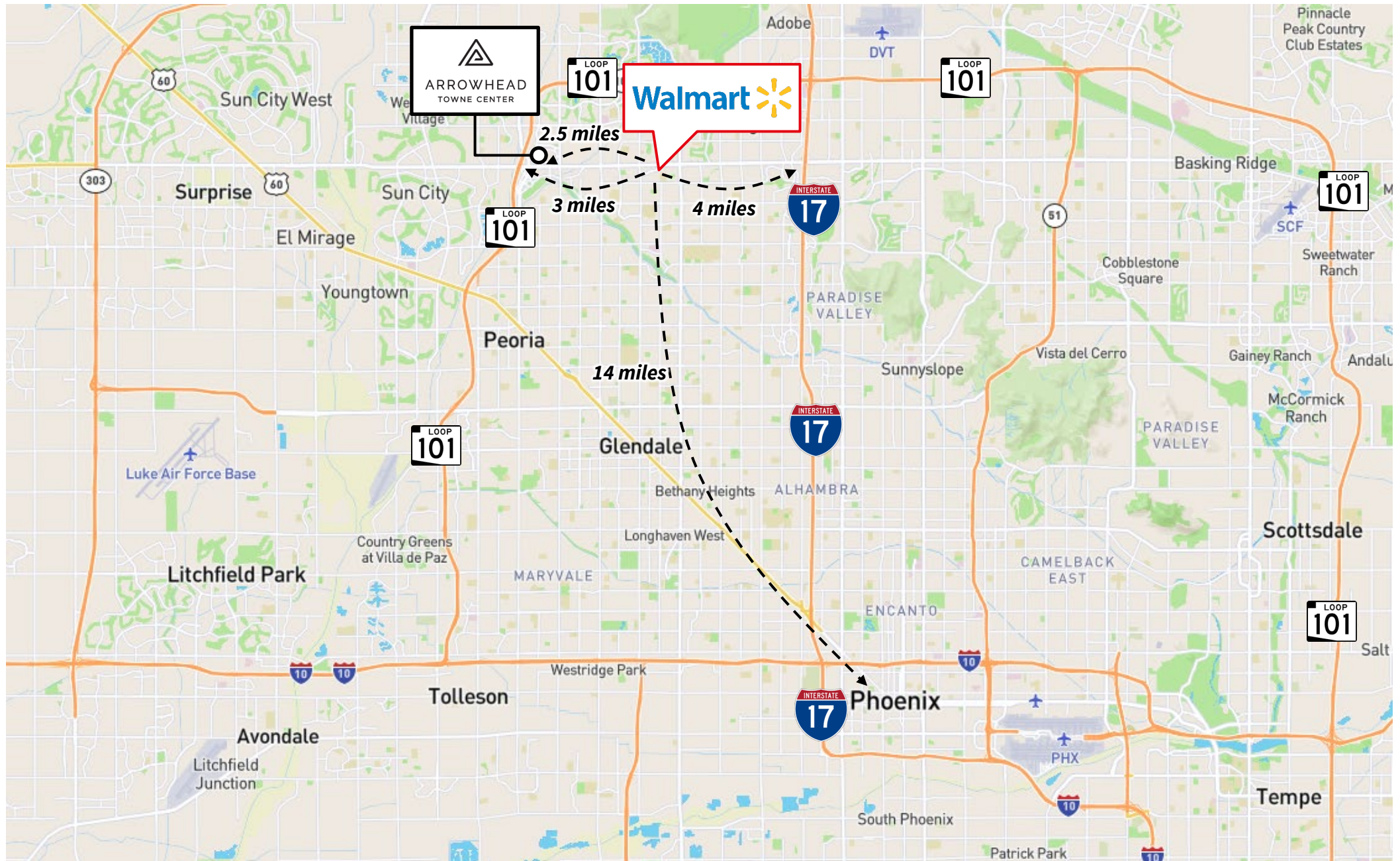
Arizona State University – Tempe is ranked the “Most Innovative School in America” – US News

Arrowhead Retail Corridor

The Property is strategically located between Highway 17 and Highway 101 along the Arrowhead Retail Corridor, Glendale's main retail arterial that includes a robust lineup of national tenants such as WinCo Foods, Sprouts, Kohl's, Home Depot, and Arrowhead Towne Center, a 1.2 million square foot retail destination anchored by Macy's JCPenney, Dick's Sporting Goods, and Dillard's. Walmart is the anchor to Talavi Town Center, a newly-renovated and high- performing shopping center that includes a Dollar Tree and Mor Furniture.



Proximity to Phoenix & Major Highways



Tenant

Tenant Overview

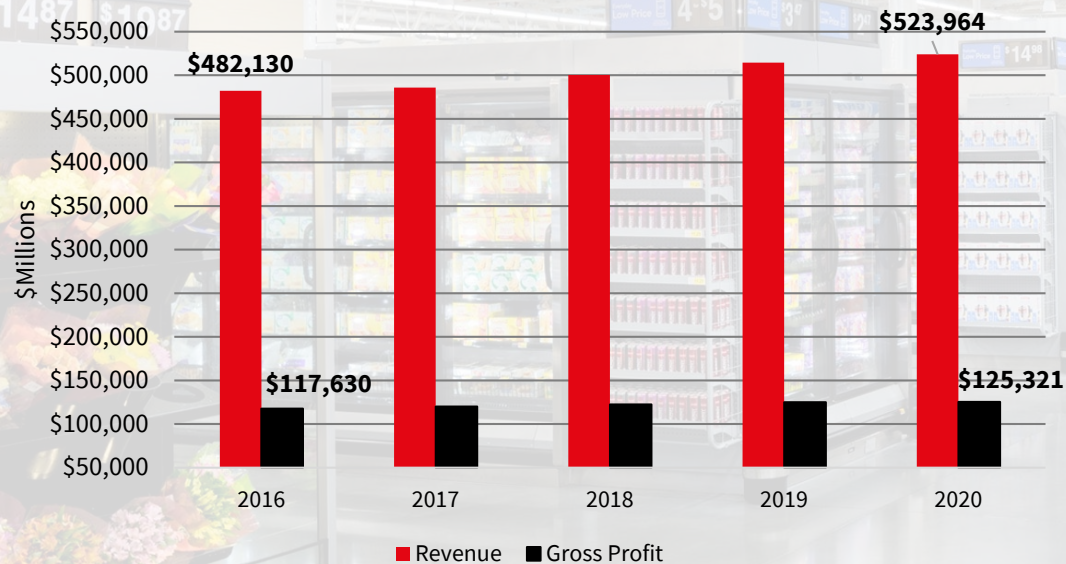


Walmart

Founded in 1962 in Bentonville, Arkansas, Walmart has grown into Fortune's No. 1 company by revenue and the largest private employer in the United States. In fiscal 2020, Walmart achieved revenues of \$524 billion, marking a 1.8 percent increase from the previous year. Globally, the company has over 11,500 retail locations under 58 banners in 27 countries and 2.2 million employees. Walmart serves approximately 265 million customers every week.

The company currently operates several divisions including Walmart, Walmart Supercenter, and Walmart Neighborhood Market. There are over 3,000 Walmart Supercenters featuring full grocery stores, making Walmart the largest grocery retailer in the U.S. In addition, Walmart owns Sam's Club, which had revenues of over \$57.8 billion for the fiscal 2020. Walmart's U.S. locations also provide an omni-channel experience for customers by offering pickup and delivery services at 2,100 Walmart locations.

Walmart Revenue & Gross Profit



Corporate Overview

Company:	Walmart
Ownership Type:	Public (NYSE: WMT)
Locations:	11,500+
Number of Employees:	2,200,000+
Credit Rating (S&P):	'AA'
Annual Revenue (FYE 1/31/2020):	\$524.0 Billion
Market Capitalization (November 2020):	\$396.4 Billion
Total Assets (FYE 1/31/2020):	\$236.5 Billion
Total Debt (FYE 1/31/2020):	\$49.7 Billion



Ranked #1 on *Fortune 500* list



265 million weekly customers



5 consecutive years of revenue growth



2.2 million employees

Contact Information

ADVISORS

Adam Friedlander

Director

+1 949 527 4978

adam.friedlander@am.jll.com

Patrick Dempsey

Managing Director

+1 602 648 8709

patrick.dempsey@am.jll.com



2398 E Camelback Road, Suite 520

Phoenix, AZ 85016

www.us.jll.com/capitalmarkets

Copyright © Jones Lang LaSalle IP, Inc. 2020

This publication is the sole property of Jones Lang LaSalle and must not be copied, reproduced or transmitted in any form or by any means, either in whole or in part, without the prior written consent of Jones Lang LaSalle. The information contained in this publication has been obtained from sources generally regarded to be reliable. However, no representation is made, or warranty given, in respect of the accuracy of this information.

We would like to be informed of any inaccuracies so that we may correct them. Jones Lang LaSalle does not accept any liability in negligence or otherwise for any loss or damage suffered by any party resulting from reliance on this publication. Jones Lang LaSalle Americas, Inc., California license # 01223413. Jones Lang LaSalle Americas, Inc. License # 19262.