



OFFERING MEMORANDUM

PRESERVE
WEST
CAPITAL



Walgreens
West Rutland, VT

This property is listed in conjunction with Vermont-licensed real estate broker Stuart K. Wichert.

www.preservewestcapital.com



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Disclaimer

MGM Capital Corp dba Preserve West Capital (“Broker”) has been retained on an exclusive basis to market the property described herein (“Property”). Broker has been authorized by the Seller of the Property (“Seller”) to prepare and distribute the enclosed information (“Material”) for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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- Absolute NNN Corporate Lease to Walgreens (NYSE: WBA)
 - Extended Lease with Approximately 4 Years Remaining on Primary Term
 - Rare 5% Rental Increases at the Start of Each Option Period
 - No Landlord Maintenance Responsibilities
 - Sustainable Market Rent of \$1.77/SF
 - "Essential Needs" Tenant Unaffected by COVID-19 Closures
- Investment Grade Tenant Rated BBB by S&P
 - Ranked 17 in the Fortune 500
 - \$136.9 Billion in Revenue for 2019 Fiscal Year
- Excellent Access and Visibility Adjacent to US-4 Arterial
 - Combined AADT of 23,424
- Robust Demographics in Surrounding Area
 - Total Daytime Population of 25,267 within 5 Miles of Site
 - Average Household Income of \$67,898 within 3 Mile Radius
- Strategic Retail Location Neighboring Major Retail Tenants
 - Nearby Anchor Tenants Include Price Chopper, Walmart, ALDI, CVS, and More
- Approximately 19 Miles from Killington Ski Resort
 - Major Tourism Attraction Drawing Thousands of Visitors Each Year
 - Largest Ski Area in Eastern U.S.



PRICE

\$3,363,000
7.00% Return

Location

The property is located at 294 Main Street in West Rutland, Vermont.

Lot Size

Approximately 1.30 acres or 56,765 square feet.

Improvements

An 11,096 square foot retail building for **Walgreens**.

Parking

There are 46 parking spaces available on site.

Lease

Leased to **Walgreen Eastern Co.** (originally leased to **Rite Aid of Vermont, Inc.**, and assigned to Walgreens as part of merger) for 22 years from August 28, 1997 through September 30, 2019, and recently extended for an additional five years through September 30, 2024 at a current annual rent of \$235,402. There are three (3) remaining five-year option to renew the lease, with rent to increase by 5% at the start of each option period. The lease is net with tenant responsible for all taxes, insurance, and maintenance, including roof and structure.

Annual Rent

Years	Annual Rent	Return
Years 23-27 (Current)	\$235,402	7.00%
Years 28-32 (Option 2)	\$246,612	7.33%
Years 33-37 (Option 3)	\$257,822	7.67%
Years 38-42 (Option 4)	\$269,031	8.00%

Right of First Refusal

Walgreens shall have the right of first refusal to purchase the property on the same terms and conditions of those of any bona fide offer received by the landlord within twenty (20) days of notice of such offer.

Financing

This property will be delivered free and clear of permanent financing.



Walgreens

Walgreens (NYSE:WBA) is the largest retail pharmacy, health, and drug store chain in the U.S. and Europe. The company operates 9,277 drugstores in fifty states, the District of Columbia, Puerto Rico, and the US Virgin Islands under the brands Walgreens and Duane Reade. Approximately 400 of these locations also provide in-store healthcare clinics or other provider retail healthcare clinic services. Walgreens and its parent companies together have a presence in more than 25 countries, employ more than 415,000 people, and operate more than 18,750 stores in 11 countries. Walgreens is a market leader in the U.S. retail pharmacy space, with approximately 78% of the country's population living within five miles of a Walgreens, Duane Reade, or acquired Rite Aid retail pharmacy. The company's retail pharmacies fill more than 800 million prescriptions annually in the U.S.

In 2014, the company agreed to purchase the remaining 55% of Switzerland-based Alliance Boots that it did not already own to form a global business. Under the terms of the purchase, the two companies merged to form a new holding company, **Walgreens Boots Alliance Inc.**, on December 31, 2014. Walgreens became a subsidiary of the new company, which retains its Deerfield headquarters and trades on the Nasdaq under the symbol "WBA". On October 27, 2015, Walgreens announced that it would acquire its rival Rite Aid for \$17.2 billion to widen its footprint in the United States and gain an advantage in negotiating for lower drug costs. However, following regulatory feedback, the companies terminated the merger agreement in June 2017, instead entering into a real estate purchase agreement by which Walgreens acquired 1,932 existing Rite Aid stores and three distribution centers for \$4.375 billion in cash and other consideration. These store transfers have allowed Walgreens to expand its U.S. footprint as desired.

In March 2017, Walgreens Boots Alliance and pharmacy benefit manager Prime Therapeutics LLC closed a transaction to form a combined central specialty pharmacy and mail services company, AllianceRX Walgreens Prime. The merger was intended to promote greater efficiency, provide cost-saving opportunities for patients, and improve care coordination.

Walgreens Boots Alliance carries a credit rating of BBB by Standard and Poors and Baa2 from Moody's. For the 2019 fiscal year, the company reported revenue of \$136.9 billion, net income of \$3.99 billion, and total stockholder equity of \$23.5 billion. The company is ranked #17 in the Fortune 500.

Walgreen Eastern Co., the lease entity is a wholly owned subsidiary of **Walgreens Boots Alliance, Inc.**

For additional information, see www.walgreens.com.

SITE PLAN



AERIAL

SOUTHWEST VIEW

Walgreens

West Rutland
Park



(13,697 AADT)



SUBWAY



Main St (9,727 AADT)

Stewart's
Shops

AERIAL

EAST VIEW

RUTLAND PLAZA

Rutland
Country Club

Downtown
Rutland



Walgreens



Main St (9,721 AADT)



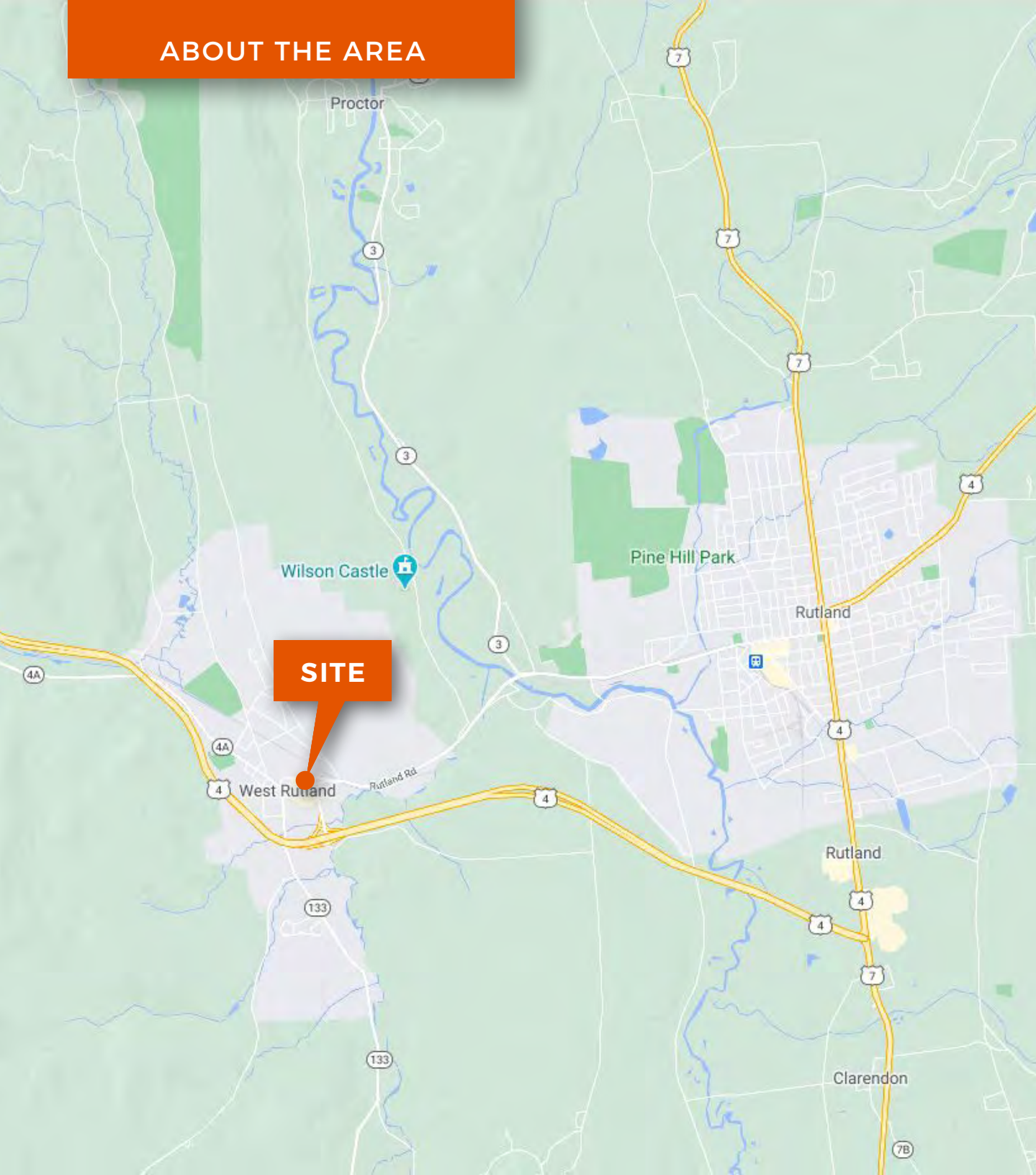
ABOUT THE AREA

SITE

General Overview

Rutland (population 15,577) is the third-largest city in Vermont and the seat of Rutland County. The region benefits from a strategic location within easy reach of the major population centers of the eastern U.S. and Canada and is located in close proximity to tourist attractions including Killington Ski Resort, Pine Hill Park, and Lake Bomoseen. The city is located approximately 162 miles from Montreal, 170 miles from Boston, and 260 miles from New York City. Rutland county benefits from a broad, established economic base in education, aviation, specialty food, wood products, mining, manufacturing, technology, and more.

ABOUT THE AREA



Site Information

The subject property benefits from a prominent retail location across the street from a Price Chopper and Family Dollar anchored retail center, with excellent access and visibility along Main Street (9,727 AADT) less than half a mile from the US-4 arterial (13,697 AADT). The property benefits from robust demographics with a total daytime population of 25,267 within a five mile radius. Average household income within 3 miles of the site is \$67,898.

The property benefits from a strategic location within a regional retail hub approximately 4 miles from downtown Rutland. Nearby retail centers include Rutland Plaza, with tenants including Walmart, Price Chopper, TJ Maxx, & Dollar Tree and Green Mountain Shopping Plaza, featuring Hannaford Supermarket, Petco, Dick's Sporting Goods, and Staples. Other major retail tenants in the surrounding area include CVS, Walgreens, ALDI, Dollar General, and more.

DEMOGRAPHICS



294 Main St | West Rutland, VT 05777



2020 POPULATION

22,220



AVG. HOME VALUE

\$189,240



AVG. HOUSEHOLD INCOME

\$67,898

Population Summary

	1 Mile	3 Miles	5 Miles
2010 Total Population	1,628	4,987	23,004
2020 Total Population	1,536	5,026	22,220
2025 Total Population	1,517	4,960	21,621

Average Household Income

2020	\$63,807	\$67,898	\$65,396
2025	\$66,640	\$72,029	\$69,100

Average Home Value

2020	\$182,066	\$187,964	\$189,240
2025	\$193,406	\$199,277	\$198,013

Major Employers in Rutland

of Employees

Rutland Regional Medical Center	1,500
GE Aircraft Engines	1,100
Killington Pico Ski Resort Partners	800
Casella Waste Systems	600
Green Mountain Power	600
Community Care Network	400
Castleton University	300
Vermont Country Store	300
VNA & Hospice of the Southwest Region	250
Hubbardton Forge Corp	250



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