

FAMILY DOLLAR (WALGREENS GUARANTY)

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



Walgreens

570 Pontiac Ave
Cranston, RI 02910

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Walgreens





Investment Highlights

PRICE: \$3,100,000 | CAP: 7.51% | NOI: \$232,825



Walgreens

About the Investment

- ✓ Walgreens Guarantee | Subleased to Family Dollar
- ✓ **Offering Includes 6,225 SF of Vacant Shop Space that is Upside to a Future Owner | Low Vacancy Corridor**
- ✓ Located Immediately in Front of a High Performing Dave's Fresh Marketplace | Dave's Pays the Landlord \$21,000 Per Year to Accommodate for the Additional Parking Needed by this High Performing Site
- ✓ Area is Very Densely Populated | Nearly 18,000 People Live Within One Mile of this Location!

About the Location

- ✓ Dense Retail Corridor | Walgreens, CVS, Dave's Dollar Tree, Taco Bell, Wendy's, KFC, Dunkin Donuts and Many More
- ✓ Strong Demographics | Population Exceeds 326,000 Individuals Within a Five-Mile Radius
- ✓ Strong Traffic Counts | Over 17,100 Vehicles Per Day Along Pontiac Avenue | Additional 43,200 & 176,700 Vehicles Along Reservoir Avenue and I-95
- ✓ Rhode Island Hospital | Located Six-Mile Away | 719 Staffed Beds
- ✓ Compelling Location Fundamentals | Rhode Island College, Providence College, Johnson & Wales University, and Brown University all Within Seven Miles | Combined Enrollment Exceeding 26,700 Students
- ✓ T.F. Green Airport | Approximately Five-Miles Away | Largest and Most Active Airport Operated by Rhode Island Airport Corporation

About the Tenant / Brand

- ✓ BBB Credit Guaranty (S&P) from Walgreens
- ✓ Publicly Traded on the NYSE Under the Ticker Symbol 'WBA'
- ✓ Family Dollar Operates 15,000 Stores Across 48 States
- ✓ Publicly Traded Entity on the NASDAQ Under the Ticker Symbol "DLTR"





Financial Analysis

PRICE: \$3,100,000 | CAP: 7.51% | NOI: \$232,825

PROPERTY DESCRIPTION

Property	Family Dollar + Vacant Space
Property Address	570 Pontiac Avenue
City, State, ZIP	Cranston, Rhode Island 02910
Building Size (SF)	14,700
Lot Size (Acres)	2.47 Acres
Family Dollar Space:	8,475 SF
Vacant Space:	6,225 SF

LEASE SUMMARY

Property Name	Family Dollar + Vacant Space
Property Type	Net Lease Discount Store
Ownership	Fee Simple
Tenant / Guarantor	Walgreens
Original Lease Term	20 Years
Rent Commencement	10/1/2006
Lease Expiration	09/30/2026
Lease Term Remaining	5 Years
Lease Type	Triple Net Lease
Options to Renew	One, 5 Year Option

ANNUALIZED OPERATING DATA

Current Annual Rent – Walgreens	\$230,944
Vacant Income:	\$0
Dave's Fresh Parking Income:	\$21,000
Total Annual Rent:	\$251,944
RE Taxes Cost to LL:	\$10,629
Insurance Taxes Cost to LL:	\$6,288
CAM Taxes Cost to LL:	\$2,202
NOI:	\$232,825





Tenant Overview



Founded in 1959, Family Dollar operates over 8,000 general merchandise, discount retail locations with a “neighborhood variety store” format. Its merchandise assortment includes consumables, such as batteries, diapers, food products, hardware and automotive supplies, health and beauty aids, household chemicals, paper products, pet food and supplies, home products, and more. In July 2015, Family Dollar completed a \$9.2 billion merger with Dollar Tree. Prior to the merger, Family Dollar Stores, Inc. was the second largest dollar store chain in the United States, operating over 8,000 stores across 46 states. The retailer also reported TTM revenues of \$10.5 billion and had a net worth of approximately \$1.85 billion prior to the merger. Post-merger, the combined company has a net worth of \$4.40 billion, produces annual revenues in excess of \$18.4 billion, and operate more than 13,800 stores across the United States and Canada, making it the largest discount retailer in North America.



Dollar Tree Stores, Inc., formerly known as Only \$1.00, is an American chain of discount variety stores that sells items for \$1 or less. Headquartered in Chesapeake, Virginia, it is a Fortune 150 company and operates 15,273 stores throughout the 48 contiguous U.S. states and Canada. Dollar Tree competes in the dollar store and low-end retail markets. Departments found in a Dollar Tree store include health and beauty, food and snacks, party, seasonal décor, housewares, glassware, dinnerware, household cleaning supplies, candy, toys, gifts, gift bags and wrap, stationery, craft supplies, teaching supplies, automotive, electronics, pet supplies, and books.

On July 6, 2015, Dollar Tree, Inc. (NASDAQ: DLTR), North America's leading operator of discount variety stores selling everything for \$1 or less, announced that it has completed the acquisition of Family Dollar Stores, Inc., a leading national discount retailer offering name brands and quality, private brand merchandise. Dollar Tree, a Fortune 500 Company, now operates more than 15,273 stores across 48 states and five Canadian provinces. Stores operate under the brands of Dollar Tree, Family Dollar and Dollar Tree Canada.

Family Dollar offers a compelling mix of merchandise for the whole family. Ranging from an expanded assortment of refrigerated and frozen foods and health and beauty items to home décor and seasonal items, Family Dollar offers the lowest possible price, the name brand and quality private-brand merchandise customers need and use every day. The average size of a Family Dollar store is approximately 7,000 square feet, and most stores are operated in leased facilities. This relatively small footprint allows the Company to open new stores in rural areas and small town, as well as in large urban neighborhoods. Within these markets, the stores are located in shopping centers or as free-standing building and all are convenient to the Company's customer base.





Tenant Overview

CREDIT RATING: BBB

General Information

Headquarters	Deerfield, IL
Phone	(800) 925-4733
Website	www.walgreens.com

Company Financial Highlights

Store Count (as of 6/31/2020)	9,021
2020 Sales	\$141,700,000,000
Stock Ticker	WBA
Average Store Size	13,500 Square Feet

Walgreens, one of the nation's largest drugstore chains, constitutes the Retail Pharmacy USA Division of Walgreens Boots Alliance, Inc. (Nasdaq: WBA), the first global pharmacy-led, health, and wellbeing enterprise. More than 8 million customers interact with Walgreens each day in communities across America, using the most convenient, multichannel access to consumer goods and services and trusted, cost-effective pharmacy, health and wellness services and advice. Walgreens operates 9,000+ drugstores with a presence in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Walgreens digital business includes Walgreens.com, drugstore.com, Beauty.com, SkinStore.com and VisionDirect.com. Walgreens also manages more than 400 Healthcare Clinics and provider practice locations around the country. Walgreens Boots Alliance reported revenue of \$141.7 Billion in fiscal year 2020 and their credit ranking by Standard and Poor's is BBB.

Walgreens



Walgreens Boots Alliance



Walgreens Boots Alliance (Nasdaq: WBA) is the first global pharmacy-led, health and wellbeing 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 pharmacy care, dating back more than 100 years.



Surrounding Area

Property Address: 570 Pontiac Avenue, Cranston, RI 02910



Walgreens





Location Overview

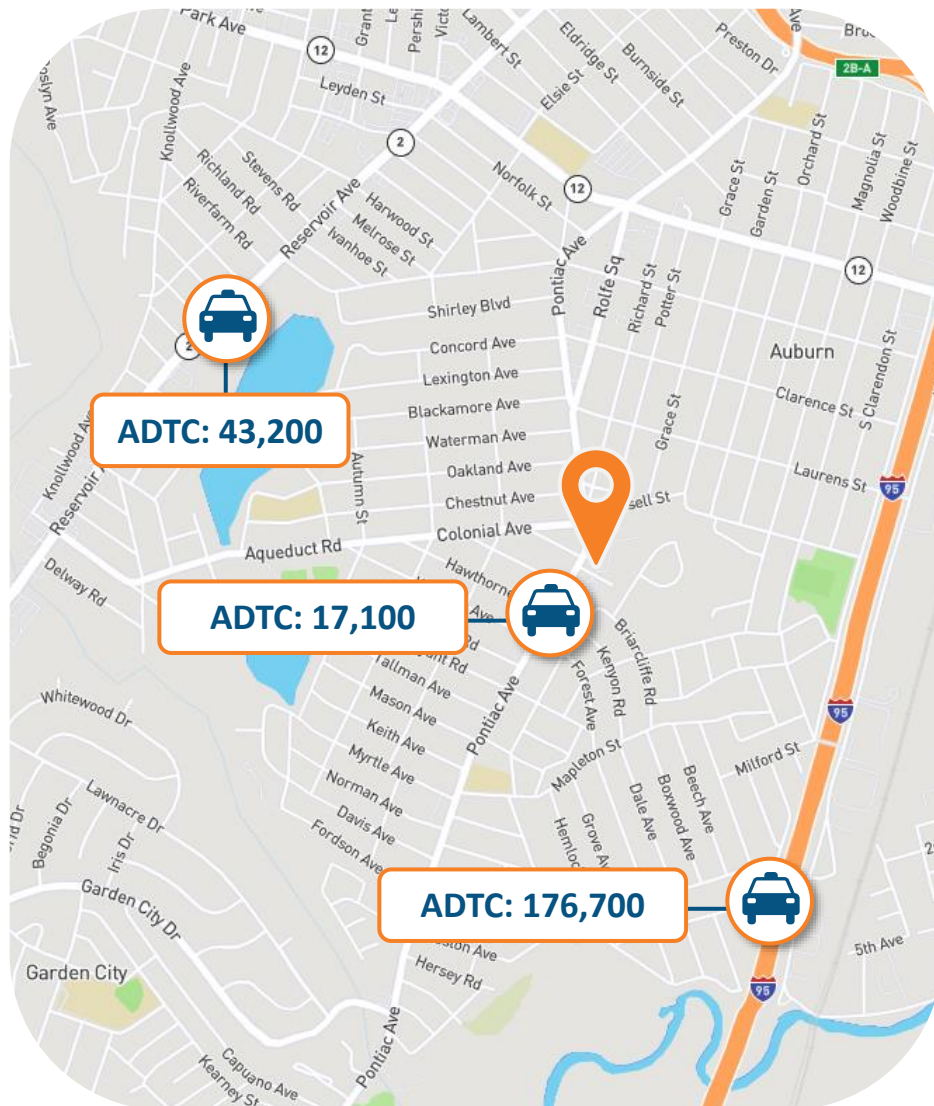
Property Address: 570 Pontiac Avenue, Cranston, RI 02910



This Family Dollar property is situated on Pontiac Avenue which boasts average daily traffic counts of 17,100 vehicles. Pontiac Avenue runs parallel to Reservoir Avenue and I-95, which bring an additional 43,200 and 176,700 vehicles into the immediate area on average daily. There are more than 143,300 individuals residing within a three-mile radius of the property and more than 326,000 individuals within a five-mile radius.

The subject property benefits from being well-positioned near national and local tenants, academic institutions, and hospitals all within close proximity of this property. Major national tenants in the area include Walgreens, CVS, Dave's Dollar Tree, Taco Bell, Wendy's, KFC, Dunkin Donuts and many others. This Family Dollar also benefits from its close proximity to several academic institutions. Rhode Island College, Providence College, Johnson & Wales University, and Brown University are all within a seven miles radius from the subject property and have a combined enrollment exceeding 26,700 students. Rhode Island Hospital is located six miles from the property and has a total of 719 staffed beds. Additionally, T.F. Green Airport is approximately five miles from the subject property.

Cranston is a city in Providence County Rhode Island. Once known as Pawtuxet, Cranston has the second largest population in the state. Cranston was named one of the "100 Best Places to Live" in the United States by *Money Magazine*. It is among the top 25 safest cities in the country, according to CQ Press's research. Cranston is known for the St. Mary's Feast, inspired by the Feast of the Madonna della Civita. Since, 1905 St. Mary's Feast has been a week-long festival celebrated in July in Cranston with vendors, a carnival, fireworks, and a procession from St. Mary's Church on Sunday. Cranston has many historic sites such as the Sprague Mansion, an 18th-century homestead listed on the National Register of Historic Places, and the Thomas Fenner House, built around 1677, is one of the oldest houses in Rhode Island. Cranston is home to the Budlong Pool, one of the largest outdoor swimming pools in the country built in the 1940s as a Works Progress Administration project, it is a staple of the community. The largest industries in Cranston are Health Care & Social Assistance, Retail Trade and Manufacturing.



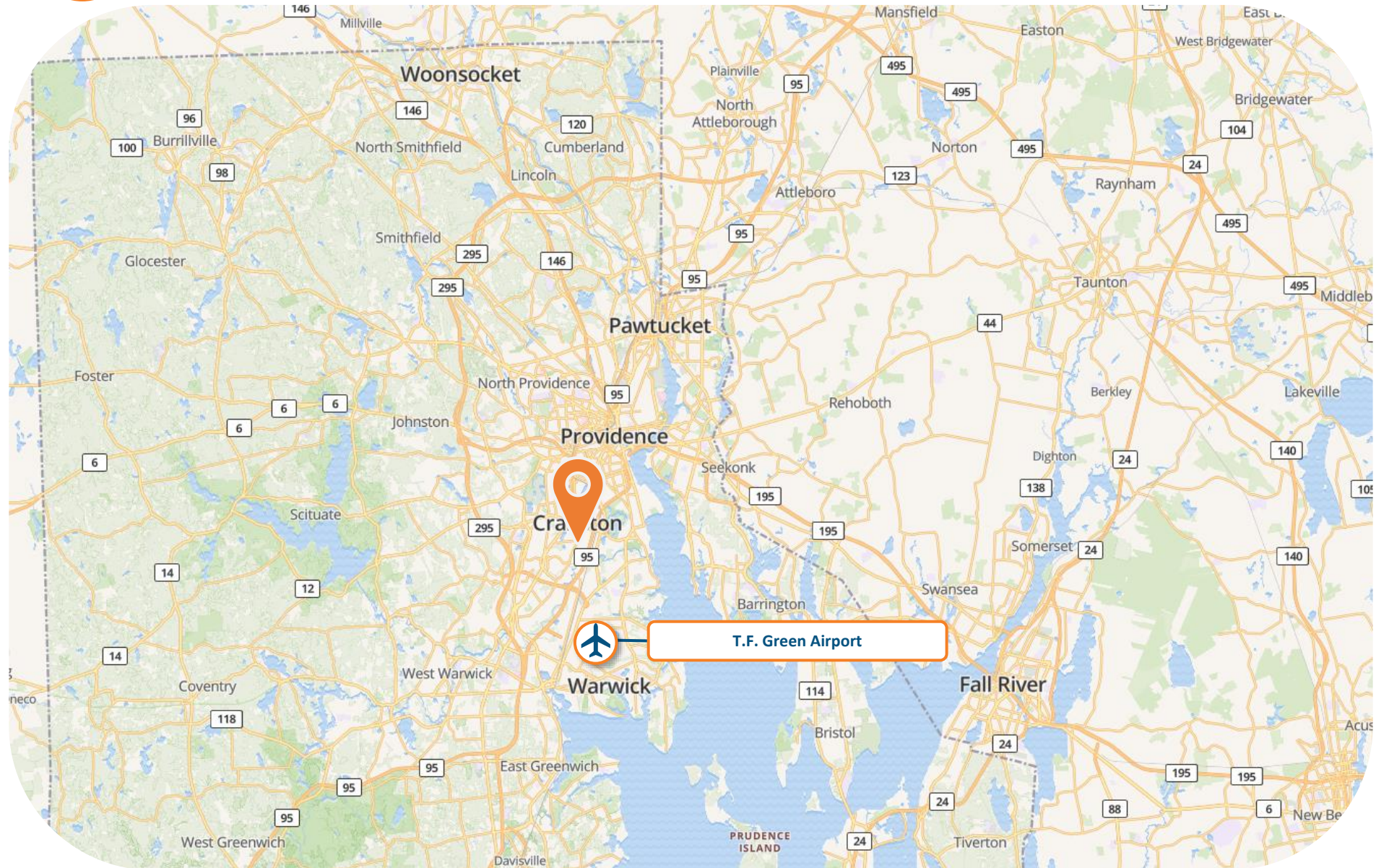


Local Map

Property Address: 570 Pontiac Avenue, Cranston, RI 02910



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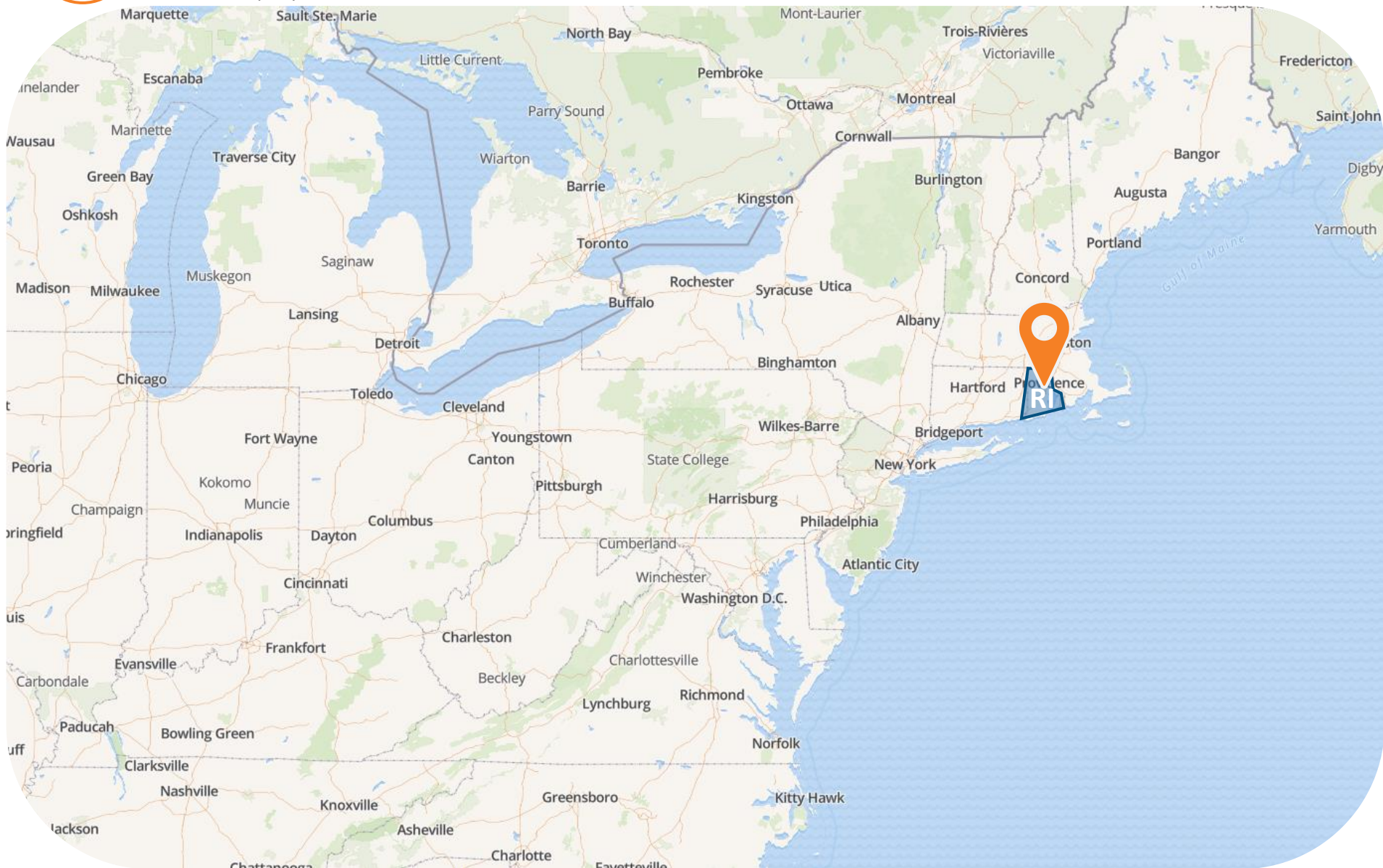


Regional Map

Property Address: 570 Pontiac Avenue, Cranston, RI 02910



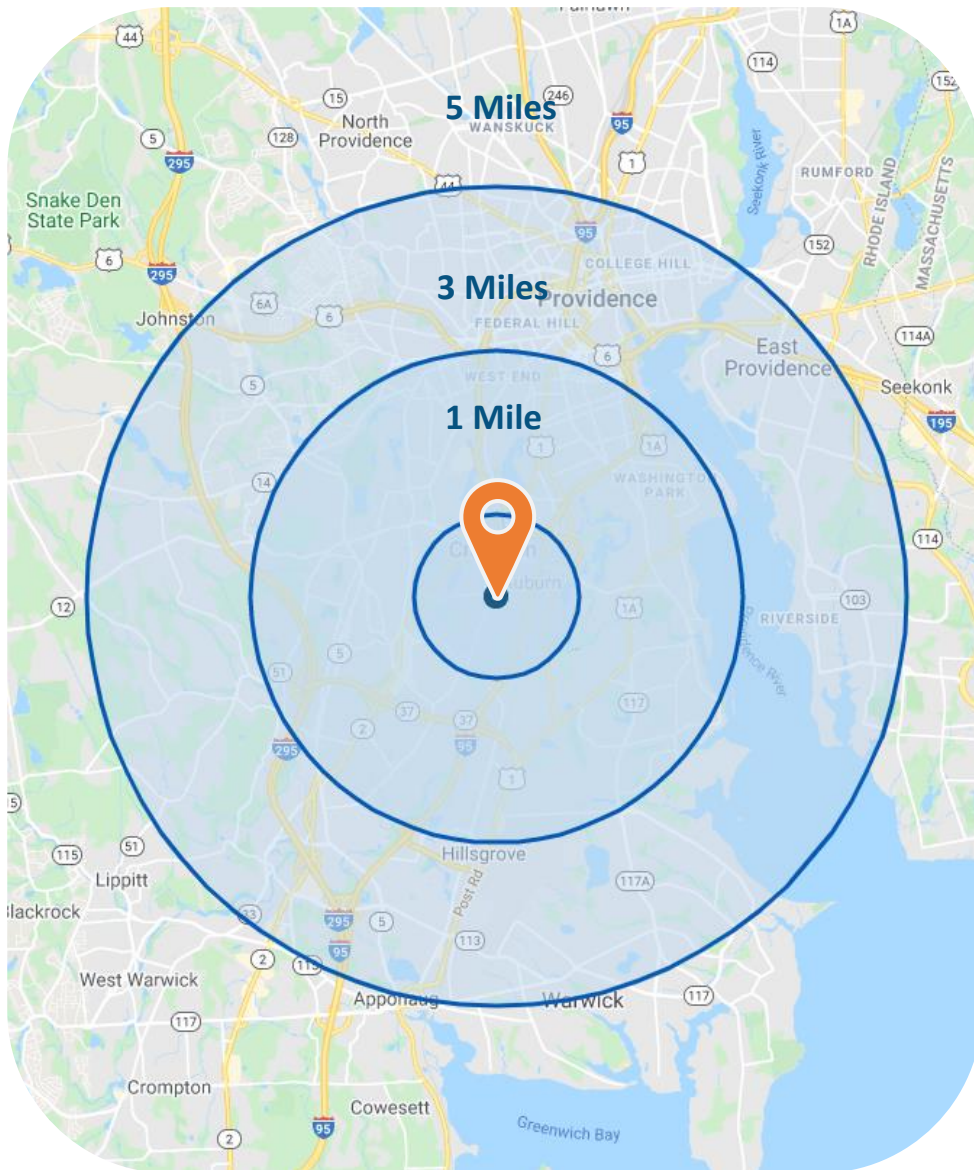
Walgreens





Demographics

Property Address: 570 Pontiac Avenue, Cranston, RI 02910



1 Mile 3 Miles 5 Miles

POPULATION TRENDS

2010 Population	17,651	144,084	324,041
2021 Population	17,825	143,330	326,061
2026 Population Projection	17,963	144,065	328,424
Annual Growth 2010-2021	0.10%	0.00%	0.10%
Annual Growth 2021-2026	0.20%	0.10%	0.10%

POPULATION BY RACE (2020)

White	13,736	102,104	241,648
Black	1,723	23,651	45,934
American Indian/Alaskan Native	149	2,983	5,896
Asian	1,627	9,028	19,894
Hawaiian & Pacific Islander	19	536	1,194
Two or More Races	572	5,027	11,495
Hispanic Origin	3,142	51,161	94,005

HOUSEHOLD TRENDS

2010 Households	7,150	52,313	123,170
2021 Households	7,216	52,104	124,388
2026 Household Projection	7,270	52,364	125,329
Annual Growth 2010-2021	-0.10%	-0.10%	0.10%
Annual Growth 2021-2026	0.20%	0.10%	0.20%

Avg Household Income

Median Household Income

HOUSEHOLDS BY HOUSEHOLD INCOME (2020)

< \$25,000	748	10,659	27,113
\$25,000 - 50,000	1,445	11,108	24,562
\$50,000 - 75,000	1,387	9,775	22,805
\$75,000 - 100,000	1,344	7,603	17,346
\$100,000 - 125,000	1,147	5,395	13,014
\$125,000 - 150,000	596	3,171	6,791
\$150,000 - 200,000	390	2,684	6,862
\$200,000+	157	1,708	5,896



Market Overview

City: Cranston | County: Providence | State: Rhode Island

Providence, RI



Providence is the capital and most populous city of the U.S. state of Rhode Island and is one of the oldest cities in the United States. It was founded in 1636 by Roger Williams, a Reformed Baptist theologian and religious exile from the Massachusetts Bay Colony. He named the area in honor of "God's merciful Providence" which he believed was responsible for revealing such a haven for him and his followers. The city is situated at the mouth of the Providence River at the head of Narragansett. Providence was one of the first cities in the country to industrialize and became noted for its textile manufacturing and subsequent machine tool, jewelry, and silverware industries. Today, the city of Providence is home to eight hospitals and seven institutions of higher learning which have shifted the city's economy into service industries, though it still retains some manufacturing activity. The city was once nicknamed the "Beehive of Industry"; it began rebranding itself as the "Creative Capital" in 2009 to emphasize its educational resources and arts community.

Rhode Island mixes the urban sophistication of a big city with the graceful charm of a small town. Known for its thriving arts scene, Providence is also recognized as one of the nation's hottest culinary destinations. As the capital of Rhode Island, Providence has a strong government service sector. The state of Rhode Island is one of the largest employers in the Providence metropolitan area, with nearly 15,000 employees. Other key industries include healthcare, education, logistics, manufacturing, and financial services. Providence is home to eight hospitals, eight institutions of higher learning, and second largest deep-water seaport in New England. Prominent companies headquartered in Providence include Fortune 500 Textron, an advanced technologies industrial conglomerate, and United Natural Foods, a distributor of natural and organic foods, as well as Citizens Banks, the 15th largest bank in the country. In 2017, mayor Jorge Elorza announced major plans to transform Kennedy Plaza from a transportation hub to a public space that would serve as a "true civic heart" of Providence.



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