

*Walgreens*

OFFERING MEMORANDUM

**TYLER, TEXAS**

Absolute NNN Lease | Investment-Grade Tenant

Marcus & Millichap  
THE BATLIN GROUP



ACTUAL LOCATION



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**Marcus & Millichap**

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ACTUAL LOCATION

# WALGREENS

Tyler, Texas

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THE BATLIN GROUP

# WALGREENS

TYLER, TEXAS

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ACTUAL LOCATION



## INVESTMENT OVERVIEW

Marcus & Millichap is pleased to exclusively offer a 15,180-square-foot freestanding Walgreens situated on 1.93 acres in Tyler, Texas. Located 95 miles east of Dallas on Interstate 20, Tyler is the largest community (MSA Population: 218,842) in East Texas. Built-in 2008, Walgreens signed a 25-year absolute NNN lease which has 10+ years of primary term remaining.

The property is ideally positioned at the signalized hard corner intersection of S Southwest Loop 323 and Erwin Street (Combined Traffic Count: 45,370 VPD), which serve as two of the area's preeminent thoroughfares immediately adjacent to a parcel occupied by Chase Bank and McDonald's. All four corners of the immediate intersection are heavily developed, with more than 300,000 square feet of retail, including Walmart Supercenter across SSW Loop 323 and Super 1 Foods across Erwin Street. Other major retailers with a presence in the immediate area include Sherwin Williams, CATO, Payless ShoeSource, Aaron's, CVS, AutoZone, Starbucks, Dollar Tree, Rainbow, Gamestop, McDonald's, Whataburger, Sonic, Church's Chicken, Subway, IHOP, Popeye's, and Verizon among many others. Additionally, the site is situated within one of the area's preeminent retail and commercial corridors with more than 1.9 MSF of retail and 1.4 MSF of office, 1.1 MSF of industrial space, and 2,110 units within a 3-mile radius. Further, the site is within walking distance of the 120-bed Greenbriar Nursing & Rehabilitation Center and a Fresenius Medical Care dialysis facility providing Walgreens with a built-in customer base. The site is also proximate to some of the area's main points of interest, such as John Tyler High School (Enrollment: 2,000+ students)—1.5 miles, Downtown Tyler—3.2 miles, and the 404-bed Mother Frances Hospital—3.3 miles.

### DEMOGRAPHICS

1 Mile Pop	1 Mile AHI	3 Mile Pop	3 Mile AHI	5 Mile Pop	5 Mile AHI	Traffic Count
3,019	\$54,682	41,948	\$56,565	83,589	\$63,619	30,672 VPD on S.S.W Loop 323



### INVESTMENT SUMMARY

ADDRESS:	110 S Southwest Loop 323 Tyler, Texas 75702
PARCEL SIZE:	1.93 acres
BUILDING SIZE:	14,820 square feet
PARKING:	75 spaces
YEAR BUILT:	2008
NOI:	\$493,900
PRICE:	\$8,000,000
CAP RATE:	6.17%

# INVESTMENT HIGHLIGHTS

**Investment-Grade Tenant:** Walgreen Co. (S&P BBB), a subsidiary of Walgreens Boots Alliance Inc. (NASDAQ: WBA), operates 8,100 stores across 50 states, the District of Columbia and Puerto Rico. Walgreens Boots Alliance Inc. produced TTM revenues of more than \$132.5 billion with market capitalization of \$38.75 billion

**Long-Term Absolute NNN Lease:** A corporate guarantee with Walgreens with 10.5 years remaining on a NNN lease - No landlord responsibilities

**Strong Sales:** 10% sales growth in the last two years

**Excellent Visibility:** Strategically located at the signalized hard corner intersection of S Southwest Loop 323 and Erwin Street (Combined Traffic Count: 45,370 VPD), which serve as two of the area's preeminent thoroughfares immediately adjacent to a parcel occupied by Chase Bank and McDonald's

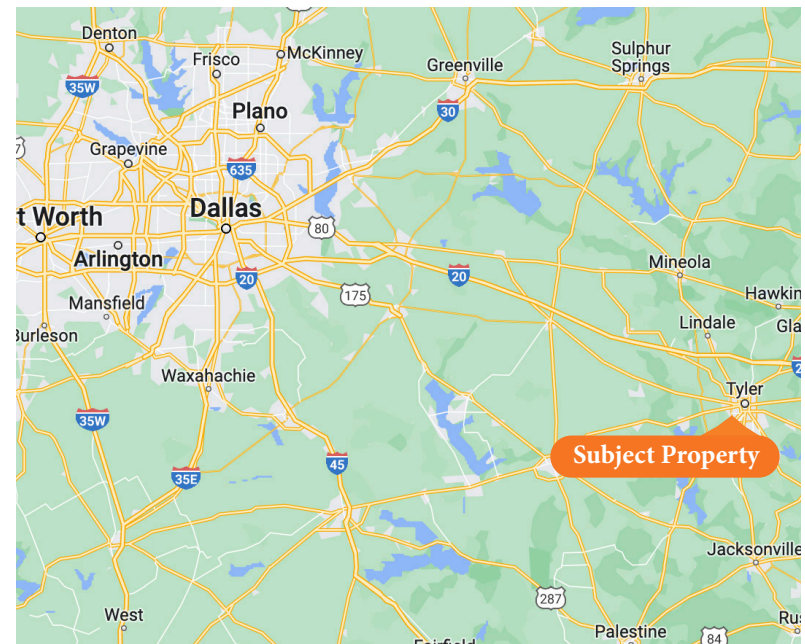
**Dominant Intersection:** All four corners of the intersection are heavily developed with more than 300,000 square feet of retail including Walmart Supercenter directly across SSW Loop 323, and Super 1 Foods directly across Erwin Street

**Substantial Retail Corridor:** Situated within the area's preeminent retail and commercial corridor with more than 1.9 MSF of retail and 1.4 MSF of office, 1.1 MSF of industrial space, and 2,110 units within a 3-mile radius. Other major retailers with a presence in the immediate area include: Sherwin Williams, CATO, Payless ShoeSource, Aaron's, CVS, Autozone, Starbucks, Dollar Tree, Rainbow, Gamestop, McDonald's, Whataburger, Sonic, Church's Chicken, Subway, IHOP, Popeye's, and Verizon among many others

**Built-in Customer Base:** Site is walking distance to the 120-bed Greenbriar Nursing & Rehabilitation Center and a Fresenius Medical Care dialysis facility providing Walgreens with a built-in customer base

**Strategic Location:** Walgreens is just 2.6 miles north of the recent \$11 million development consisting of +/- 80,000 square foot two-story office facility for Fresenius Medical Care, which added approximately 300-350 jobs in Tyler. The site is also proximate to some of the area's main points of interest such as John Tyler High School (Enrollment: 2,00+ students) - 1.5 miles, Downtown Tyler - 3.2 miles, and the 404-bed Mother Frances Hospital - 3.3 miles

**Tyler Market:** Located 95 miles east of Dallas on Interstate 20, Tyler is the largest community (MSA Population: 218,842) in East Texas. The city has a robust economy based on advanced manufacturing and retail, and is a top healthcare hub in the state. Leading employers including Trinity Mother Frances Health System, East Texas Medical Center, Brookshire Grocery Company, Tyler Independent School District, Trane, SuddenLink, Walmart and The University of Texas at Tyler



# PROPERTY OVERVIEW

## LEASE SUMMARY

<b>PROPERTY NAME:</b>	Walgreens
<b>TENANT:</b>	Walgreens Co. (S&P: BBB)
<b>LEASE COMMENCEMENT:</b>	10/20/2008
<b>LEASE EXPIRATION:</b>	10/31/2033
<b>TERM REMAINING:</b>	10.5 Years
<b>LEASE TYPE:</b>	Absolute NNN
<b>BASE RENT:</b>	\$493,900
<b>RENT INCREASES:</b>	Flat During Initial Term
<b>OPTIONS:</b>	Up to Fifty-Five 1-year renewal options
<b>OPTION INCREASES:</b>	Flat During Option Periods
<b>SALES:</b>	\$2,247,734 (2021 Sales)
<b>PERCENTAGE RENT:</b>	If a sum equal to 2% of Gross Sales (except food and prescription items), and 0.5% of food and prescription items (excluding prescription items sold through Third Party Prescription Plans) exceeds fixed rent in a year, Tenant will pay to Landlord the amount in excess in Percentage Rent. Percentage Rent cannot exceed twice the amount of fixed rent. Other customary Walgreens exclusions are also excluded from the calculation of Percentage Rent.
<b>TAXES:</b>	Tenant shall pay, when due and before delinquency, the ad valorem real estate taxes (including all special benefit taxes and special assessments) levied and assessed against the Lease Premises, commencing with the Possession Date and continuing for the remainder of the term.

## INSURANCE:

Commencing with the Possession Date and continuing until the last day of the 25th lease year, Tenant shall carry property insurance with special form coverage, covering the Building and the other improvements on the Leased Premises to the extent of not less than 100% of replacement value, less foundations. Commencing with the first day of the 26th lease year, such coverage shall be on an actual cash value basis. Tenant shall also procure and continue in effect public liability insurance with a combined single limit of not less than \$3 million. Tenant, at its option, may self-insure provided tenant's tangible net worth is at least \$300 million.

## REPAIRS & MAINTENANCE:

Tenant, at Tenant's sole cost and expense, shall maintain the Building and Leased Premises in good, safe, and clean condition and make all necessary repairs and replacements, whether interiior or exterior, to all parts of the same.

Tenant, at Tenant's sold cost and expense, shall maintain in a good, clean, safe condition, repair and replace the parking areas and landscaped areas of the Leased Premises.

Tenant shall, during the Term, pay and perform as the case may require all obligations of the Landlord under the REA as the owner of the Leased Premises.

## ROFR:

In the event that Landlord receives a Bona Fide Offer to purchahse the Leased Premises during the term of this Lease, Tenant may, at Tenant's option and within 10 days after receipt of notice from Landlord, offer to purchahse the Leased Premises at the price and upon the terms and conditions as are contained in said Bona Fide Offer.



## TENANT OVERVIEW

# Walgreens



## BY THE NUMBERS

Walgreens Boots Alliance (Nasdaq: WBA) is an integrated healthcare, pharmacy and retail leader serving millions of customers and patients every day, with a 170-year heritage of caring for communities.

A trusted, global innovator in retail pharmacy with approximately 13,000 locations across the U.S., Europe and Latin America, WBA plays a critical role in the healthcare ecosystem. The company is reimagining local healthcare and well-being for all as part of its purpose – to create more joyful lives through better health. Through dispensing medicines, improving access to a wide range of health services, providing high quality health and beauty products and offering anytime, anywhere convenience across its digital platforms, WBA is shaping the future of healthcare.

WBA has more than 325,000 team members and a presence in nine countries through its portfolio of consumer brands: Walgreens, Boots, Duane Reade, the No7 Beauty Company, Benavides in Mexico and Ahumada in Chile. Additionally, WBA has a portfolio of healthcare-focused investments located in several countries, including China and the U.S.

The company is proud of its contributions to healthy communities, a healthy planet, an inclusive workplace and a sustainable marketplace. WBA has been recognized for its commitment to operating sustainably: the company is an index component of the Dow Jones Sustainability Indices (DJSI) and was named to the 100 Best Corporate Citizens 2022.

**BBB**

CREDIT RATING  
(S&P)

**Baa2**

CREDIT RATING  
(MOODY'S)

**PRESENCE  
IN 9**

COUNTRIES  
WORLDWIDE

**325,000+**

TEAM MEMBERS

**31,000+**

PHARMACISTS

**8,886**

DRUGSTORES

**3,989**

RETAIL STORES  
INTERNATIONALLY

**\$132.7B**

IN COMPANY  
REVENUE

**\$33.4B**

1Q23 SALES  
VOLUME

Source: [Walgreensbootsalliance.com](https://www.walgreensbootsalliance.com),  
[Walgreens.com](https://www.walgreens.com), [Forbes.com](https://www.forbes.com), [Moody's.com](https://www.moody.com)



# LOCATION MAP





# WALGREENS

110 S SOUTHWEST LOOP 323  
TYLER, TEXAS 75702



Super1Foods<sup>™</sup>  
& Discount Pharmacy



ERWIN STREET - 17,630 VPD

S SW LOOP 323 - 27,740 VPD

Walgreens

Walmart

CHASE

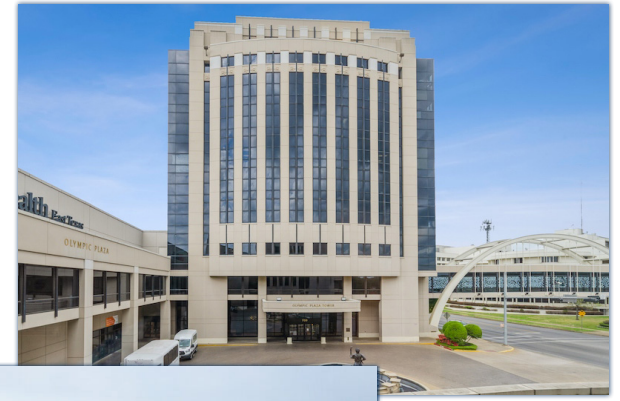




# MARKET / AREA OVERVIEW

## Tyler, Texas Area Overview

Tyler is the county seat of Smith County, located in east-central Texas, United States. The city of Tyler has long been Smith County's major economic, educational, financial, medical, and cultural hub. Tyler has the nickname "Rose Capital of the World". It gained this name due to the large quantity of rose bushes processed through the area, along with hosting America's largest rose garden. As a regional educational and technological center, Tyler is the host for more than 20,000 higher education students, a College of Engineering, and a University Health Science Center, two regional, billion-dollar hospital systems, and a variety of technology startups. Tyler State Park is a few miles away where visitors can camp, canoe, and paddle boats on the lake. Activities include picnicking, camping, boating, fishing, birding, and hiking amongst others. Tyler is a nexus of several major highways. Interstate 20 runs along the north edge of the city going east and west, U.S Highway 69 runs north-south through the center of town and State Highway 64 runs east-west through the city. Tyler also has access to U.S. Highway 271, State Highway 31, State Highway 155, and State Highway 110. The largest industries in Tyler are Health Care & Social Assistance, Retail Trade, and Accommodation & Food Services. The highest paying industries include: Mining, Quarrying & Oil & Gas Extraction, Agriculture, Forestry, Fishing & Hunting, and Scientific & Technical Services.







**Offering Memorandum**

**WALGREENS**

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Tyler, Texas

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