

Offering  
Memorandum

Walgreens Net-Lease | Low Rent | Recent Extension

1415 West River Road | Tucson, AZ 85704



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**INVESTMENT**  
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Photos are representative

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Investment Property Advisors is pleased to offer for sale a long-term, well-established Walgreens in Tucson, Arizona. The drug store, health and beauty retailer is located on the hard corner of the signalized intersection of La Cañada Dr and West River Rd in Tucson, Arizona. This busy trade area encompasses substantial daily traffic counts, while also servicing a dense residential and employment population.

This ±15,525 square foot building is located on ±1.96 acres at the intersection of La Cañada Dr and West River Rd. Walgreens recently extended their term for an additional 5 years through April of 2021, with the ability to extend through April of 2056. The rental rate for this Walgreens store is below the market average for a Walgreens, which may provide for security and upside potential in the future.

The location benefits from visibility to high traffic counts and direct access on major north/south and east/west roadways of La Cañada Dr and West River Rd, respectively; the intersection boasts ±55,000 cars per day. The property has strong demographics with a population of 197,176 people within a 5-mile radius. Neighboring tenants include Albertsons, Whataburger, Papa John's Pizza, Valero, Snap Fitness, ITT Technical Institute, Veterinary Specialty Center, and many others at the nearby Tucson Mall.



# Investment Highlights

- Long-term, established Walgreens location (20 years)
- First termination option recently extended for 5 years through 4/30/2021
- 60-year base lease term through April 2056
- Hard Corner, Signalized Intersection
- Over 55,000 cars per day at the lighted intersection
- Below market rent for Walgreens store
- Over 15,000 SF on nearly 2 acres
- Close proximity to the Tucson Mall

Offering Summary	
Purchase Price	\$2,836,000
Net Operating Income	\$198,500
Cap Rate	7.00%
Lease Type	NN



Photos are representative

## Tenant Highlights

The Walgreen Company (“Walgreens”) is the largest drug retailing chain in the United States. Walgreens operates 8,309 stores in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. It was founded in Chicago, Illinois, in 1901. The Walgreens headquarters office is in the Chicago suburb of Deerfield, Illinois.

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.

Walgreens vision is to be America’s most-loved pharmacy-led health, well-being and beauty retailer. Its purpose is to champion everyone’s right to be happy and healthy. To meet this vision and purpose, Walgreens is focusing on three core strategies to better serve customers: Offer ultimate convenience, earn customer loyalty, and deliver extraordinary customer and patient care.

Founded with a single store in Chicago in 1901, Walgreens is today continuing to build a seamless customer experience through its more than 8,200 drugstores and its digital businesses that include Walgreens.com, drugstore.com, Beauty.com, SkinStore.com and VisionDirect.com.



Parent Company	Walgreens Boots Alliance Inc
Number of Locations	8,309 (US)
Stock Symbol	WBA
Credit Rating S&P/ Moody's	BBB/Baa2
Exchange	NASDAQ
Total Revenue	\$103.44 Billion
Market Capitalization	\$91.65 Billion
EBITDA	\$6.58 Million
Net Worth	\$31.3 Billion
Founded	1901
Headquarters	Deerfield, IL
Website	www.walgreens.com

# Lease Summary

Location	1415 W. River Rd, Tucson, AZ 85704
Tenant	Walgreens
Building Size	±15,525 SF
Land Size	±1.96 Acres
Base Lease Term	Sixty (60) Years through 4/30/2056
First Termination Option	Recently extended for Five (5) Years through 4/30/2021
Established Location	Tenant has occupied the property for Twenty (20) Years
Annual Rent	\$198,500
Lease Type	NN (Landlord responsible for Roof, Structure, Exterior Building, Parking; recent improvements to Roof and Parking)



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# Tucson Overview

Tucson has been continuously settled for over 12,000 years. It celebrates a diversity of cultures, architecture, and peoples. Yet, it is one of the “Mega-Trend” cities of the 21st Century: the Optics Valley, premier health services center for the Southwest, the astronomy center of the world, home of a premier research institution - University of Arizona, and a tourism destination.

Tucson boasts the best of both worlds...the progress and innovation of a metropolitan community and the friendly, caring atmosphere of a small town.

Tucson is situated in the Sonoran Desert and is surrounded by five mountain ranges. A trip from the 2,389-foot valley floor to the 9,157-foot Mt. Lemmon summit (home to the southernmost ski area in the continental United States) traverses seven of the world’s nine life zones. It’s like driving from Mexico to Canada. Blessed with the natural beauty of the Sonoran Desert and an unsurpassed climate of 350 sunny days a year, Tucsonans embrace a rare lifestyle and are committed to preserving that quality of life.

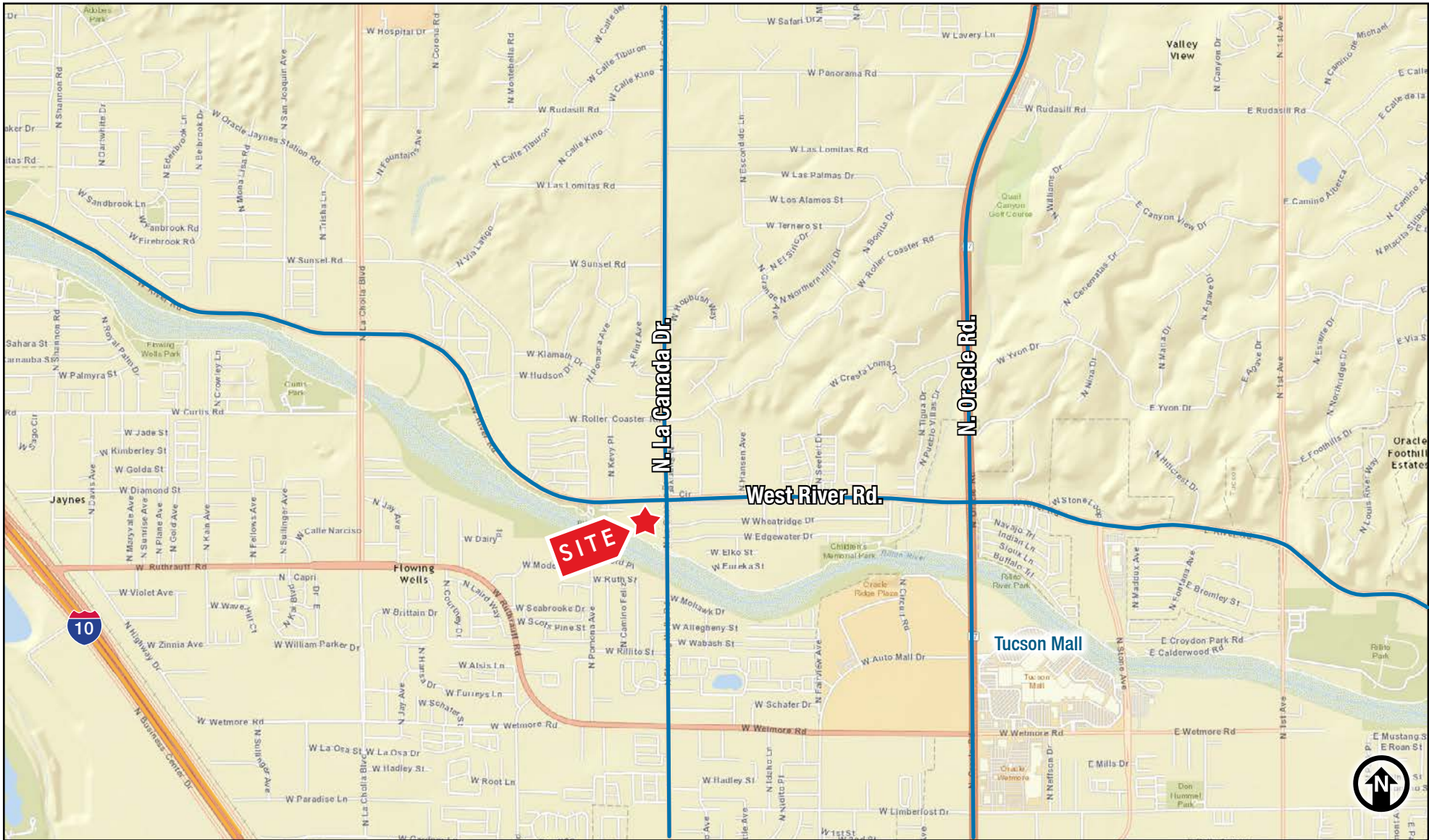
Tucson is a city in and the county seat of Pima County, Arizona, United States. The 2010 United States Census put the population at 520,116, while the 2013 estimated population of the entire Tucson metropolitan statistical area (MSA) was 996,544. Tucson is the second-largest populated city in Arizona behind Phoenix, which both anchor the Arizona Sun Corridor. The city is located 108 miles southeast of Phoenix and 60 miles north of the U.S.-Mexico border. Tucson is the 33rd largest city and the 59th largest metropolitan area in the United States.

Much of Tucson’s economic development has been centered on the development of the University of Arizona, which is currently the second largest employer in the city. Davis-Monthan Air Force Base, located on the southeastern edge of the city, also provides many jobs for Tucson residents. Its presence, as well as the presence of the US Army Intelligence Center (Fort Huachuca), has led to the development of a significant number of high-tech industries, including government contractors, in the area. The city of Tucson is also a major hub for the Union Pacific Railroad’s Sunset Route that links the Los Angeles ports with the South/Southeast regions of the country.

The City of Tucson, Pima County, the State of Arizona, and the private sector have all made commitments to create a growing, healthy economy with advanced technology industry sectors as its foundation. Raytheon Missile Systems, Texas Instruments, IBM, Intuit Inc., Universal Avionics, Honeywell Aerospace, Sunquest Information Systems, Sanofi-Aventis, Ventana Medical Systems, Inc., and Bombardier Aerospace all have a significant presence in Tucson. Roughly 150 Tucson companies are involved in the design and manufacture of optics and optoelectronic systems, earning Tucson the nickname “Optics Valley”.

Tourism is another major industry in Tucson, bringing in \$2 billion per year and over 3.5 million visitors annually due to Tucson’s numerous resorts, hotels, and attractions.

# Property Location



# Property Aerial





# Demographics

	1 Mile 2015	3 Mile 2015	5 Mile 2015
<b>Summary</b>			
Population	11,033	82,391	197,176
Households	4,626	35,609	85,841
Families	2,573	18,960	44,801
Average Household Size	2.34	2.28	2.25
Owner Occupied Housing Units	2,842	17,497	40,533
Renter Occupied Housing Units	1,784	18,112	45,307
Median Age	42.8	37.4	36.5

<b>Trends: 2015 - 2020 Annual Rate</b>	<b>State</b>	<b>State</b>	<b>State</b>
Population	1.12%	1.12%	1.12%
Households	1.14%	1.14%	1.14%
Families	1.06%	1.06%	1.06%
Owner HHs	1.12%	1.12%	1.12%
Median Household Income	2.79%	2.79%	2.79%

<b>Households by Income</b>	2015		2015		2015	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	718	15.5%	7,432	20.9%	17,332	20.2%
\$15,000 - \$24,999	870	18.8%	6,116	17.2%	12,055	14.0%
\$25,000 - \$34,999	696	15.0%	5,054	14.2%	11,135	13.0%
\$35,000 - \$49,999	646	14.0%	4,726	13.3%	11,402	13.3%
\$50,000 - \$74,999	650	14.1%	5,259	14.8%	13,284	15.5%
\$75,000 - \$99,999	481	10.4%	3,072	8.6%	8,182	9.5%
\$100,000 - \$149,999	467	10.1%	2,658	7.5%	7,906	9.2%
\$150,000 - \$199,999	56	1.2%	658	1.8%	2,250	2.6%
\$200,000+	42	0.9%	634	1.8%	2,295	2.7%

Median Household Income	\$35,485	\$32,986	\$37,422
Average Household Income	\$49,990	\$49,820	\$56,518
Per Capita Income	\$22,127	\$21,747	\$24,870

<b>Population by Age</b>	2015		2015		2015	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	616	5.6%	5,111	6.2%	11,128	5.6%
5 - 9	589	5.3%	4,719	5.7%	10,479	5.3%
10 - 14	579	5.2%	4,483	5.4%	9,933	5.0%
15 - 19	572	5.2%	4,717	5.7%	11,779	6.0%
20 - 24	701	6.4%	6,911	8.4%	20,648	10.5%
25 - 34	1,504	13.6%	13,002	15.8%	31,400	15.9%
35 - 44	1,215	11.0%	9,318	11.3%	21,573	10.9%
45 - 54	1,312	11.9%	9,655	11.7%	22,933	11.6%
55 - 64	1,486	13.5%	10,640	12.9%	25,681	13.0%
65 - 74	1,184	10.7%	7,472	9.1%	17,801	9.0%
75 - 84	777	7.0%	4,028	4.9%	8,811	4.5%
85+	499	4.5%	2,334	2.8%	5,012	2.5%