



Representative Photo

# Offering Memorandum

## Walgreens

6320 North Oak Trafficway | Gladstone, Missouri 64118

**Absolute NNN Lease | 14+ Years Base Lease Term Remaining | Highly Desired Suburban Kansas City Market**  
**Walgreen Co. (S&P: BBB/Stable)**

- Atlanta
- Chicago
- New York
- Houston
- Los Angeles
- Phoenix
- San Francisco
- Tulsa

# Confidential Disclaimer

This Confidential Memorandum has been prepared by Stan Johnson Company ("SJC") and is being furnished to you solely for the purpose of your review of the commercial property located at 6320 North Oak Trafficway, Gladstone, Missouri 64118 (the "Property"). The material contained in this Offering Memorandum shall be used for the purposes of evaluating the Property for acquisition and shall not be used for any purpose or made available to any other person without the express written consent of Stan Johnson Company ("Broker").

By accepting the Confidential Memorandum, you acknowledge and agree that: (1) all of the information contained herein and any other information you will be receiving in connection with this transaction, whether oral, written or in any other form (collectively, the "Materials"), is confidential; (2) you will not reproduce the Confidential Memorandum in whole or in part; (3) if you do not wish to pursue this matter, you will return this Confidential Memorandum to SJC as soon as practicable together with all other materials relating to the Property which you may have received from SJC; and (4) any proposed actions by you which are inconsistent in any manner with the foregoing agreements will require the prior written consent of SJC.

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## Offered Exclusively By

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**Stan Johnson Company**

THE NET LEASE AUTHORITY®

**Purchase Price: \$6,735,000**

**Cap Rate: 5.85%**

## Investment Summary

**Stan Johnson Company** is pleased to exclusively offer for sale to qualified investors, the opportunity to purchase a 100% fee-simple interest in the Walgreens property located at 6320 North Oak Trafficway in Gladstone, Missouri (the "Property"). The Property was constructed in 2006 as a built-to-suit Walgreens.

The Property is fully leased by Walgreen Co., operating under a seventy-five (75) year base lease term with the option to terminate with 12 months' notice after the 25th year and every five years thereafter. Current annual rent is \$394,000 or \$26.58 PSF. Walgreens' lease is absolute NNN with no landlord responsibilities for maintenance, repair or replacement throughout the term. Following the initial 25 year base term, Walgreens has ten Effective Option Periods of five years each.

The subject property is located at the corner of North Oak Trafficway and NE Shady Lane. Surrounding tenants in this dense retail corridor include: Hy-Vee, Sam's Club, Chipotle, Home Depot, Lowe's, Bank of America and more. The property is located approximately 1.2 miles south of the Kindred Hospital Northland.

Walgreen Co. is a Fortune 500 Company, and had FY2014 (ended August 31, 2014) revenue of \$76.39 billion and net income of \$1.93 billion. As of August 31, 2014, the company had a net worth of \$20.45 billion. Currently, Walgreen Co. holds an BBB/Stable rating by Standard and Poor's.

## Investment Highlights

**14 Years Remaining of Base Lease Term** – The Property features a 25 year base lease with more than 14 years of secured term remaining, which is accompanied by ten, five year renewal options

**Absolute NNN Lease with No Landlord Responsibility** – The Subject Property includes a strong marketable lease, which features no Landlord responsibilities for maintenance or repair of the Property throughout the term and/or option periods

**Best-in-Class Pharmaceutical Operator** – Walgreen Co. holds a BBB/Stable rating by Standard and Poor's, and had FY2014 (ended August 31, 2014) revenue of \$76.39 billion and net income of \$1.93 billion

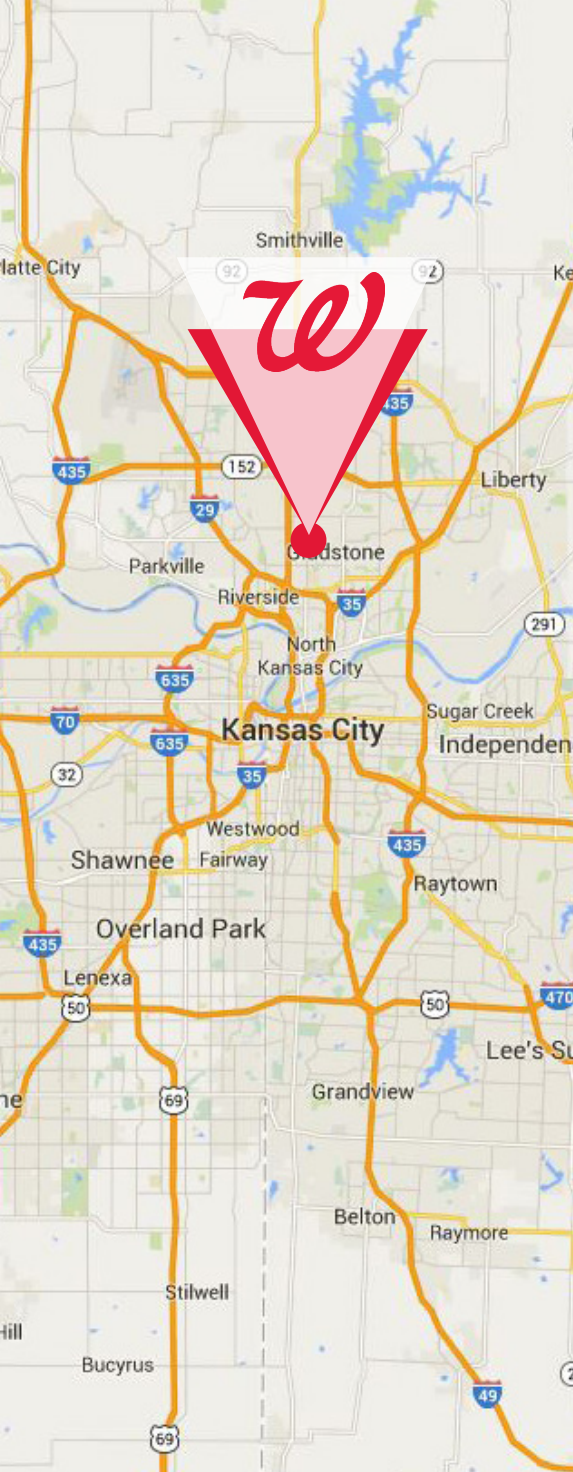
**Hard Corner Location** – The Property is located in Gladstone, MO, a suburban Kansas City market, at the intersection of North Oak Trafficway and NE Shady Lane, which enjoys high traffic counts and strong exposure for the property

**Dense Retail Location** – The Subject Property is well located on North Oak Trafficway in the heart of Gladstone's prime retail corridor. The property is also surrounded by many other national retailers including Hy-Vee, Sam's Club, Chipotle, Home Depot, Lowe's, and Bank of America amongst others

**Excellent Demographics** – Average HH Income of \$70,000 and approximately 155,000 within a 5 mile radius







## Lease Abstract

<b>Address:</b>	6320 North Oak Trafficway, Gladstone, MO
<b>Tenant:</b>	Walgreen Co. (S&P: BBB/Stable)
<b>Ownership Interest:</b>	Fee Simple
<b>Building Size:</b>	± 14,672 SF
<b>Land Area:</b>	± 3.77 acres
<b>Year Built:</b>	2006
<b>Use:</b>	Retail Drug Store Facility with a Drive-Through Pharmacy
<b>Expense Structure:</b>	Absolute NNN
<b>Base Lease Term:</b>	Twenty-Five (25) Years
<b>Lease/Rent Expiration:</b>	October 31, 2029
<b>Annual Rent:</b>	\$394,000
<b>Annual Rent PSF:</b>	\$26.58
<b>Term Remaining:</b>	14 years
<b>Renewal Options:</b>	Ten (10), Five (5) Year Options
<b>ROFR:</b>	Tenant has the option to purchase the Premises on the same terms within fifteen days after receipt of Bona Fide Offer.

## Location Overview

**Gladstone** is a city in Clay County, Missouri, founded in 1952 and is a suburb of Kansas City, Missouri. Like nearby North Kansas City, the city of Gladstone is now completely surrounded by Kansas City proper. The city's population was 25,410 at the 2010 census. The city's informal nickname is Happy Rock, as there is a Happy Rock Park near the northeastern city limits on Old Antioch Road. The city serves as home to Midwestern Baptist Theological Seminary and is conveniently located on the North side of Kansas City, just off U.S. Highway 169.

**Kansas City** is a city of 464,310 people and is the largest municipality in the state of Missouri. It is the central city of the Kansas City metropolitan area (population 2.34 million), which spans the Kansas–Missouri border.

The federal government is the largest employer in the Kansas City metro area. More than 146 federal agencies maintain a presence there as Kansas City is one of ten regional office cities for the US government.

Ford Motor Company operates a large manufacturing facility in Claycomo at the Ford Kansas City Assembly Plant and one of the largest US drug manufacturing plants is the Sanofi-Aventis plant located in south Kansas City on a campus developed by Ewing Kauffman's Marion Laboratories.




# Tenant Overview

**Walgreen Co.**, a subsidiary of Walgreens Boots Alliance, Inc., (NASDAQ: WBA), operates the largest drugstore chain in the United States. Founded in 1901 and incorporated in 1909, Walgreens has provided the most convenient access to pharmacy, health and wellness services, as well as consumer goods and services for over 100 years. For fiscal year ended August 31, 2014, the company reported net sales of \$76.4 billion, the 36th consecutive year of record sales.

Walgreens pharmacy, along with health and wellness services, sells prescription and non-prescription drugs, and on-site pharmacists provide drug consultations and administer flu vaccines and other immunizations. Stores also offer general merchandise including convenience and fresh foods, household items, personal care, photofinishing and beauty care.

As of August 2014, approximately 76% of the United States population lived within five miles of a Walgreens and an average of 6.2 million shoppers visited stores daily. In addition to store traffic, Walgreens websites, including walgreens.com and drugstore.com, received an average of approximately 59.7 million visits per month.

Beyond the traditional retail consumer model, Walgreens also markets products and services to employers, governments, managed

 TENANT PROFILE	
<b>Company:</b>	Walgreens
<b>No. of Locations:</b>	8,206 (as of 01/31/14)
<b>Credit Rating:</b>	S&P: BBB/Stable
<b>Stock Symbol:</b>	WBA (NASDAQ)
<b>Total Revenue (as of 08/31/14):</b>	\$76.39 billion*
<b>Net Income (as of 08/31/14):</b>	\$1.93 billion*
<b>Net Worth (as of 08/31/14):</b>	\$20.45 billion*
<b>Tenant Business:</b>	Retail/Pharmacy
<b>Founded:</b>	1901
<b>Headquarters:</b>	Deerfield, IL
<b>Website:</b>	<a href="http://www.walgreens.com">www.walgreens.com</a>

\*Financial numbers from latest Walgreens filing (08/31/14) which was prior to Alliance Boots merger.



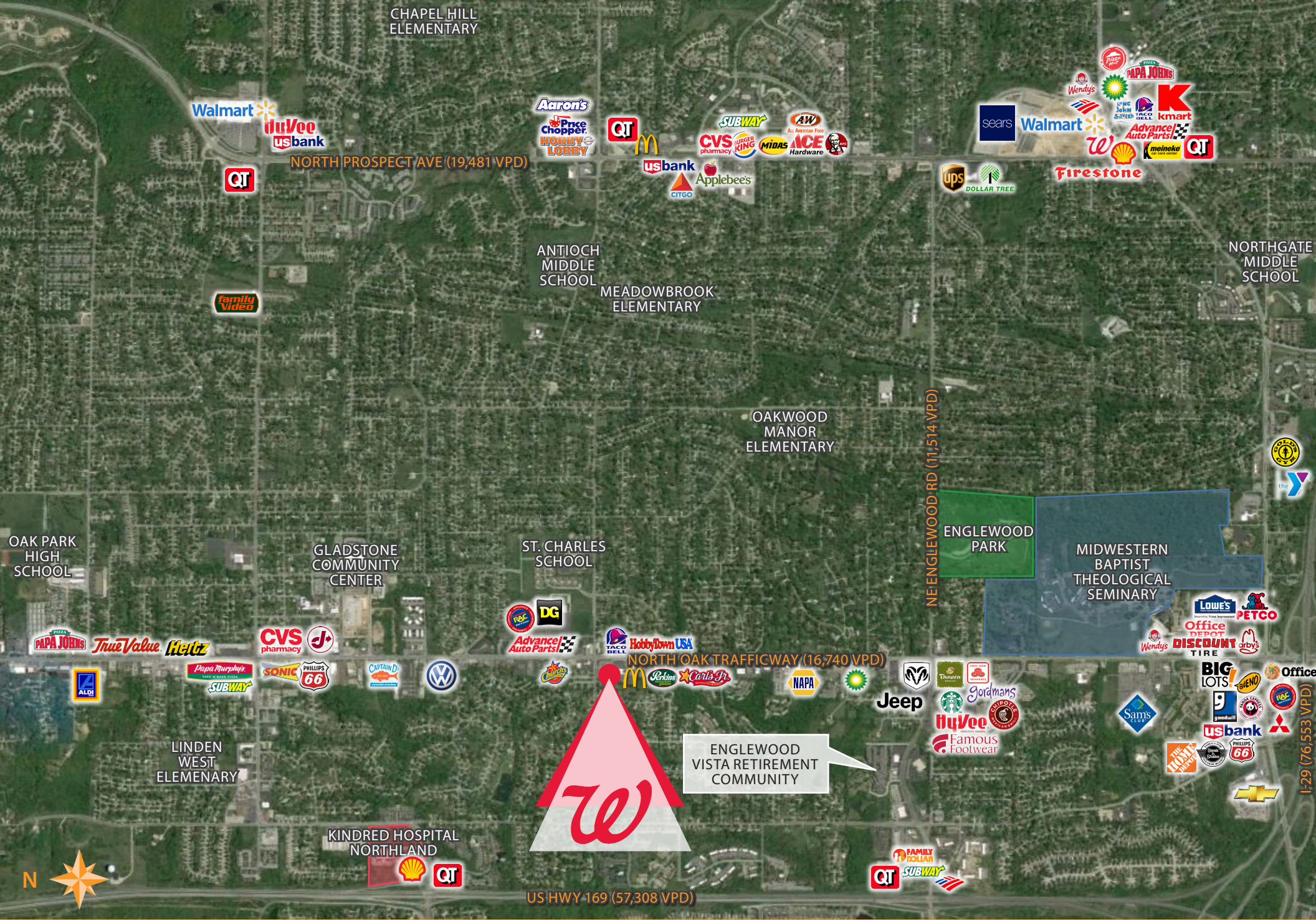
care organizations and pharmacy benefit managers. Through the more than 70,000 health care providers including pharmacists, pharmacy technicians, nurse practitioners and other health related professionals.

Walgreens also offers convenient access to medical services through its Healthcare Clinic located in more than 400 select Walgreens throughout the country. Healthcare Clinics are staffed by board-certified family nurse practitioners who are specially trained to diagnose and treat a wide variety of illnesses and chronic conditions, order diagnostic tests and provide preventive care.

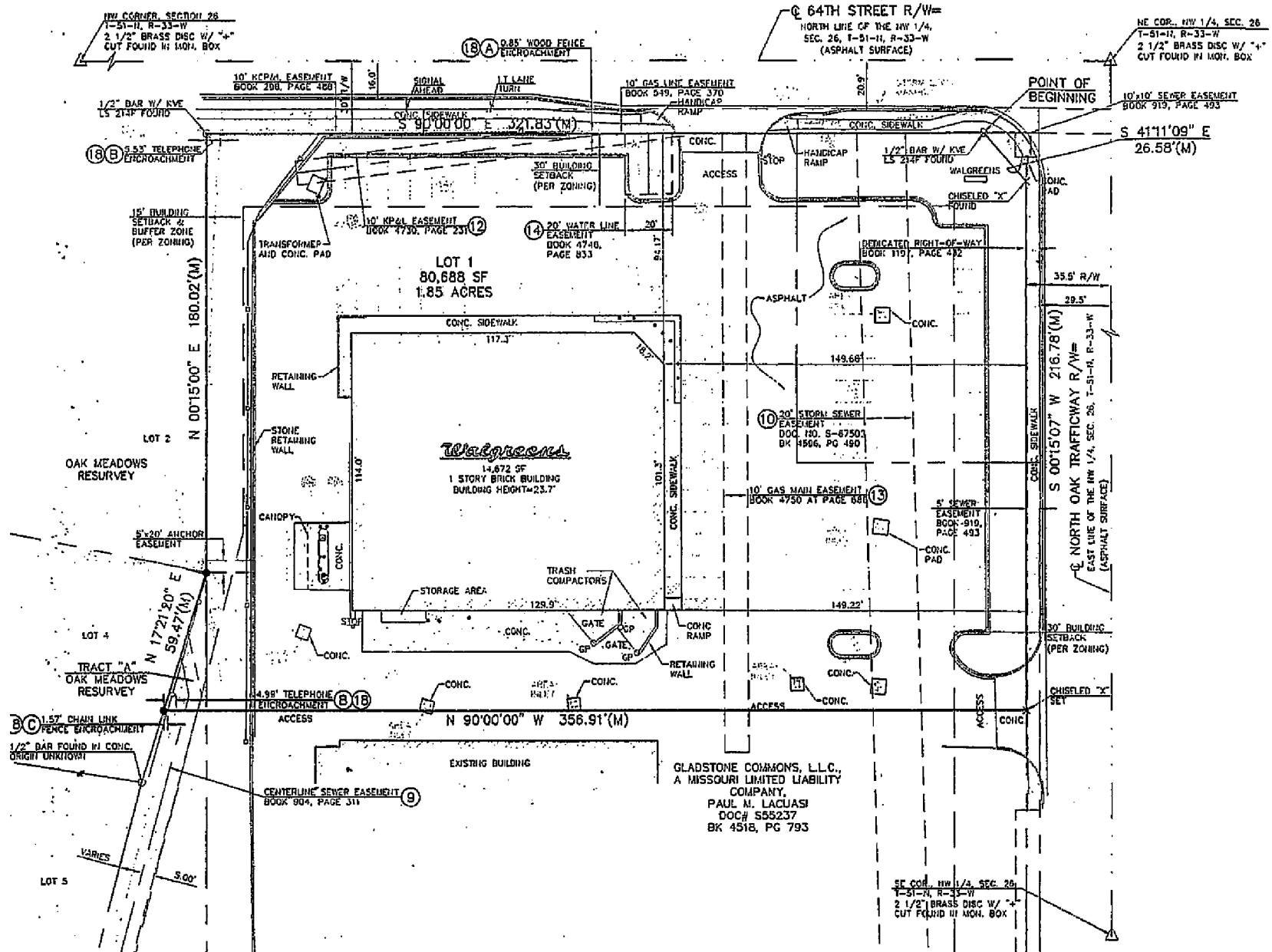
On the last day of 2014, Walgreen Co. took full ownership of European drugstore chain Alliance Boots for more than \$15 billion in cash and stock. The deal created a network of nearly 13,000 stores across two dozen countries, with Walgreen Co. becoming a subsidiary of newly formed Walgreens Boots Alliance. **Walgreens Boots Alliance** is the first global pharmacy-led, health and wellbeing enterprise in the world. This transaction brought 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 each.













Subject Property



Subject Property



Subject Property



# Demographics

6320 N. Oak Trafficway, Gladstone, MO 64118	0 - 1 mi.	0 - 3 mi.	0 - 5 mi.
<b>Population</b>			
2000 Population	11,420	70,296	137,423
2010 Population	11,003	72,654	151,342
2014 Population	11,065	73,753	155,089
2019 Population	11,375	76,332	161,818
2010-2014 Annual Rate	0.13%	0.35%	0.58%
<b>Households</b>			
2000 Households	4,976	29,686	57,742
2010 Households	4,815	30,963	64,006
2014 Total Households	4,846	31,442	65,696
2019 Total Households	4,979	32,526	68,586
2010-2014 Annual Rate	0.15%	0.36%	0.62%
<b>Race and Ethnicity</b>			
2014 White Alone	79.1%	80.7%	81.3%
2014 Black Alone	8.3%	8.5%	8.5%
2014 American Indian/Alaska Native Alone	0.8%	0.7%	0.6%
2014 Asian Alone	2.1%	3.3%	3.1%
2014 Pacific Islander Alone	0.7%	0.5%	0.5%
2014 Other Race	4.5%	2.9%	2.6%
2014 Two or More Races	4.5%	3.5%	3.4%
2014 Hispanic Origin (Any Race)	10.6%	8.3%	8.1%
2014 Median Household Income	\$41,724	\$51,762	\$53,167
2014 Average Household Income	\$52,694	\$67,443	\$69,776



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