

WALGREENS PHARMACY

OFFERING MEMORANDUM

NEBRASKA CITY, NEBRASKA



CONTACT:
Bang Realty, Inc
BRIAN BROCKMAN - BROKER
513 898 1551
bor@bangrealty.com
NE Lic #20190317

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WALGREENS PHARMACY

NEBRASKA CITY, NEBRASKA

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Investment Offering & Highlights

The Offering

- A 13,650 ± square foot freestanding Walgreens retail store located in Nebraska City, Nebraska, originally built in 2009. The property is under a 75-year Absolute Triple Net (NNN) lease that began in 2009 and currently runs through October 31, 2034, with the tenant having termination options every 5 years until 2084.
- **Price: \$3,900,000**

Lease / Tenant

- Absolute Triple Net (NNN) lease with approximately 10 years remaining in the current term. Tenant has termination options every 5 years, with stable rent throughout the lease term.
- S&P-rated "BB" investment-grade corporate guaranty.
- Walgreens Boots Alliance guarantees the lease, ensuring long-term reliability.

Real Estate / Area Strengths

- Located on a major intersection in Nebraska City, offering excellent visibility and accessibility.
- Strong demographics with an average household income of over \$72,000 and a population exceeding 7,000 within a 3-mile radius.
- Nearby tenants include McDonald's, Walmart, and Hy-Vee, as well as local shops and services.
- Easy access to Highway 2 and Interstate 29, connecting Nebraska City to Lincoln, Omaha, and other regional destinations.
- Nebraska City's agricultural and historical attractions contribute to a stable consumer base and economic resilience.





Investment Overview

Location

502 S 11th St, Nebraska City, NE 68410

Lot Size

Approximately 1.70 acres – 74,052± square feet

Improvements

Completed in 2009, a 13,650± square foot free standing Walgreens Pharmacy retail store with a drive-thru pharmacy.

Lease

Leased to WALGREENS, with the current lease term beginning October 26, 2009, and ending October 31, 2034, under the primary lease term. Originally signed as a 75-year Absolute Triple Net (NNN) Lease when built in 2009. The annual rent is \$309,318, and the tenant has the right to terminate every 5 years, with the lease expiring on October 31, 2084. The first option to terminate is on October 31, 2034, with a 12-month notice requirement. Under the Absolute Triple Net structure, the tenant is responsible for taxes, insurance, CAM, and all maintenance, including the building exterior and structure.

The lease is guaranteed by Walgreens Corporate, which has a "BB" credit rating. Additionally, percentage rent is applied, with 2% of gross sales (excluding food and prescriptions) plus 0.5% of gross sales from the sale of food and 0.5% from the sale of prescriptions, with a threshold of \$618,636.

Price: \$3,900,000 – 8.00% Cap Rate

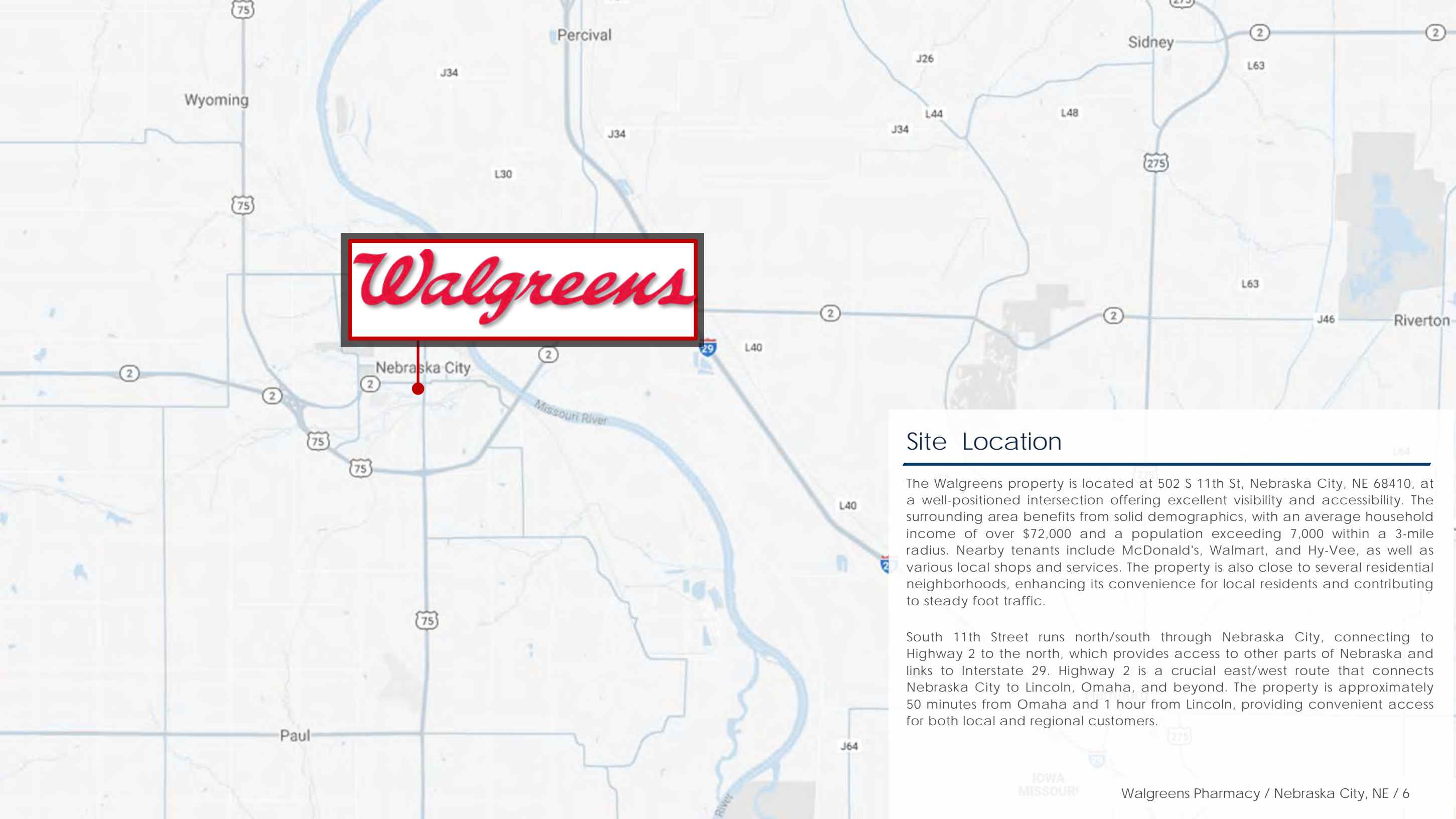
Investment Overview

PROPERTY SUMMARY

Year Built:	2009
Building Size:	13,650 sq. ft.
Lot Size:	1.70 acres

LEASE SUMMARY

Tenant:	Walgreens
Lease Type:	Absolute Triple Net (NNN)
Primary Lease Term:	75 Years
Annual Rent:	\$309,318
Rent PSF:	\$22.66
Taxes, Insurance & CAM:	Tenant Maintains
Building Exterior & Structure:	Tenant Maintains
Lease Start Date:	10/26/2009
Current Term:	10/26/2009 – 10/31/2034
Options:	Tenant has right to terminate every 5-years Expires 10/31/2084 First Option to terminate is 10/31/34 (12-month notices)
Lease Guarantor:	Walgreens Corporate
Lease Guarantor Strength:	BB
% Rent:	2% of Gross Sales except from sale of food and prescriptions, plus 0.5% Gross Sales of food items & 0.5% Gross Sales of prescription items. Threshold of \$618,636



Walgreens

Site Location

The Walgreens property is located at 502 S 11th St, Nebraska City, NE 68410, at a well-positioned intersection offering excellent visibility and accessibility. The surrounding area benefits from solid demographics, with an average household income of over \$72,000 and a population exceeding 7,000 within a 3-mile radius. Nearby tenants include McDonald's, Walmart, and Hy-Vee, as well as various local shops and services. The property is also close to several residential neighborhoods, enhancing its convenience for local residents and contributing to steady foot traffic.

South 11th Street runs north/south through Nebraska City, connecting to Highway 2 to the north, which provides access to other parts of Nebraska and links to Interstate 29. Highway 2 is a crucial east/west route that connects Nebraska City to Lincoln, Omaha, and beyond. The property is approximately 50 minutes from Omaha and 1 hour from Lincoln, providing convenient access for both local and regional customers.



Walgreens
SUBJECT PROPERTY



 **CHI Health**
CHI Health Clinic St. Mary's

Walmart 

Walgreens Pharmacy

Walgreens Boots Alliance, Inc. (NASDAQ: WBA) is a global leader in retail pharmacy, health, and wellness solutions. Together with its subsidiaries, the company operates through two primary segments: United States Retail Pharmacy and International Retail Pharmacy. Walgreens provides pharmacy, health, and wellness services, helping to meet the health needs of millions of individuals across the United States and internationally.

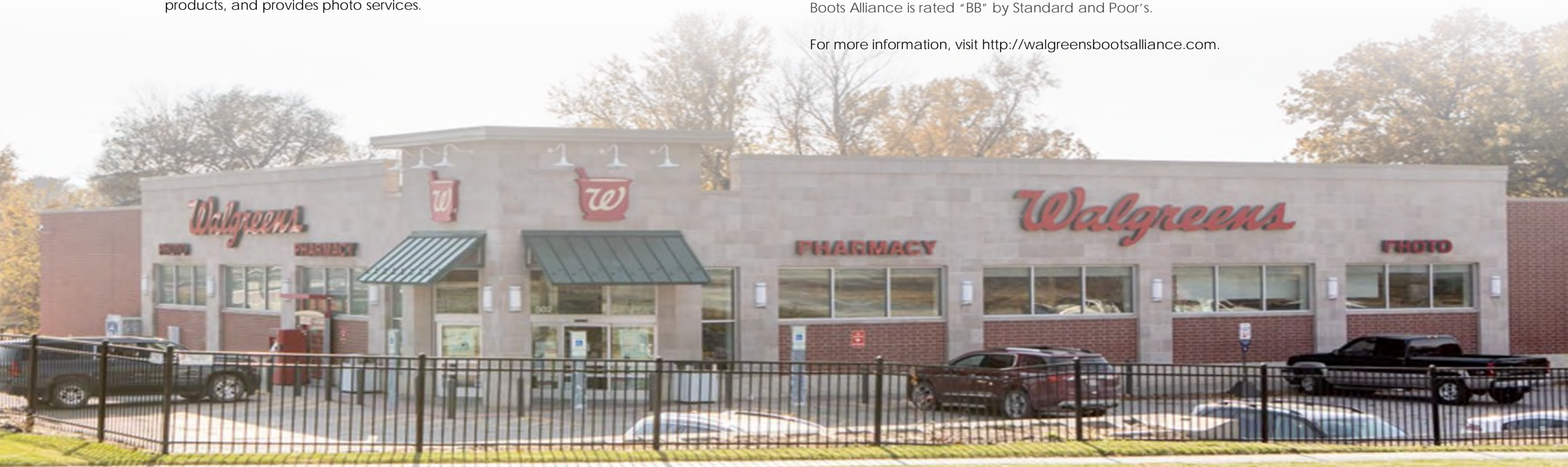
The United States Retail Pharmacy segment offers pharmacy and health services, including prescription drug dispensing, medication adherence support, and pharmacy benefit management (PBM) services. Additionally, Walgreens provides immunizations, clinical and diagnostic services, and operates a growing number of VillageMD co-located clinics. Walgreens serves a broad base of customers, including individuals, insurance companies, employers, and government organizations under the Walgreens and Duane Reade brands. This segment also sells over-the-counter medications, health and wellness products, beauty items, personal care products, seasonal items, household products, and provides photo services.

The International Retail Pharmacy segment operates through Boots UK, a leading health and beauty retailer and pharmacy-led health and wellness chain in the United Kingdom, Ireland, and other countries. Boots provides a comprehensive range of pharmacy services and health-related products, including prescription drugs, vitamins, and wellness products, as well as a wide selection of skincare, beauty, and personal care products under brands such as No7.

As of August 31, 2023, Walgreens operated approximately 8,900 retail stores across the United States and its territories, and over 4,000 stores under the Boots brand internationally. The company was founded in 1901 and is headquartered in Deerfield, Illinois.

For the fiscal year ending August 31, 2023, Walgreens reported net revenues of \$139.5 billion, shareholders' equity of \$21.78 billion, and a net income of \$2.25 billion. Walgreens Boots Alliance is rated "BB" by Standard and Poor's.

For more information, visit <http://walgreensbootsalliance.com>.



Nebraska City, Nebraska

The Walgreens property is located at 502 S 11th St, Nebraska City, NE 68410, at a well-positioned intersection offering excellent visibility and accessibility. The surrounding area benefits from solid demographics, with an average household income of over \$72,000 and a population exceeding 7,000 within a 3-mile radius. Nearby tenants include McDonald's, Walmart, and Hy-Vee, as well as various local shops and services. The property is also close to several residential neighborhoods, enhancing its convenience for local residents and contributing to steady foot traffic.

Nebraska City benefits from its proximity to major transportation routes, including Highway 2 and Interstate 29, which provide easy access to Lincoln, Omaha, and other regional destinations. This accessibility makes Nebraska City an attractive location for both businesses and residents. The area is home to several historical attractions and outdoor recreational opportunities, contributing to its appeal as a community with a high quality of life and a favorable environment for investment.

South 11th Street runs north/south through Nebraska City, connecting to Highway 2 to the north, which provides access to other parts of Nebraska and links to Interstate 29. Highway 2 is a crucial east/west route that connects Nebraska City to Lincoln, Omaha, and beyond. The property is approximately 50 minutes from Omaha and 1 hour from Lincoln, providing convenient access for both local and regional customers.



SURROUNDING DEMOGRAPHICS			
2023 Summary	1 miles	3 miles	5 miles
Population	3,200	7,800	11,500
Median Age	41	43	45
Median Household Income	\$72,000	\$75,500	\$78,000
Number of Employees	2,200	5,000	8,000
Owner Occupied Housing Units	1,000	2,700	4,000
Renter Occupied Housing Units	600	1,200	1,800

Nebraska City, Nebraska

The Nebraska City, NE Metropolitan Statistical Area (MSA) encompasses parts of southeastern Nebraska, providing a mix of agricultural and commercial influences. With a population of approximately 30,000, the region offers a close-knit community atmosphere while maintaining access to larger nearby cities such as Omaha and Lincoln. The area is known for its scenic views, rich historical attractions, and outdoor recreational opportunities, including parks and trails that enhance the quality of life for residents.

ECONOMY

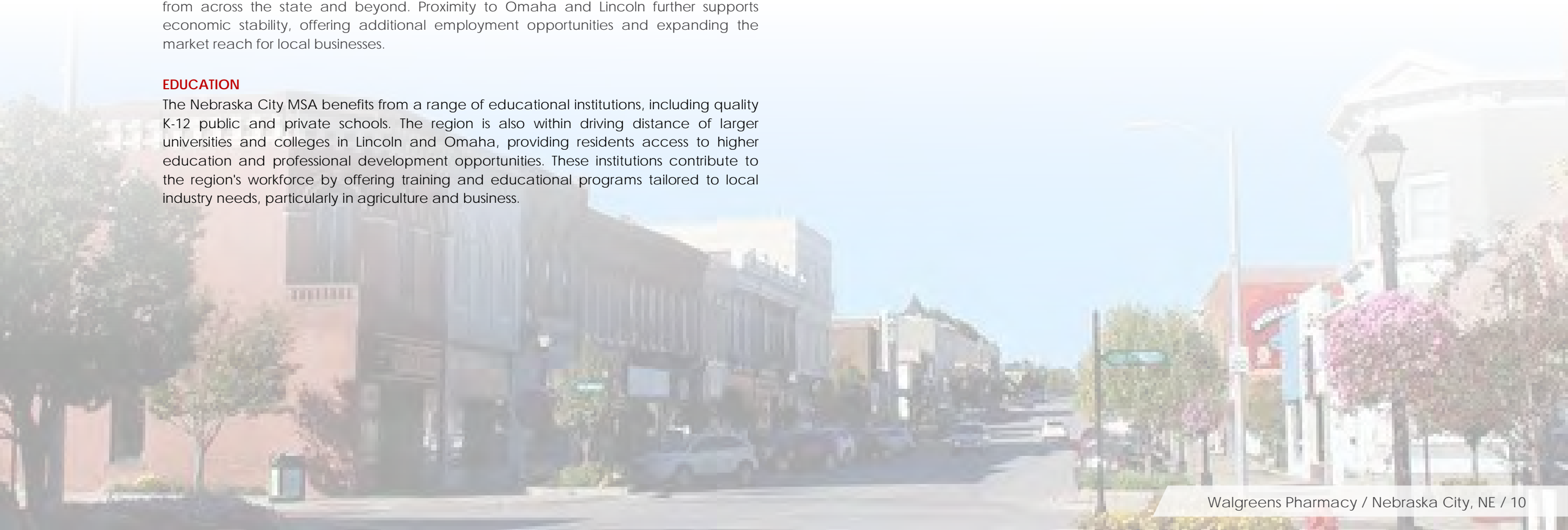
The economy of the Nebraska City MSA is primarily driven by agriculture, agribusiness, and tourism. The region is home to numerous farms, orchards, and food processing facilities that contribute significantly to the local economy. Tourism is also an essential component, with historical sites such as Arbor Lodge State Historical Park attracting visitors from across the state and beyond. Proximity to Omaha and Lincoln further supports economic stability, offering additional employment opportunities and expanding the market reach for local businesses.

EDUCATION

The Nebraska City MSA benefits from a range of educational institutions, including quality K-12 public and private schools. The region is also within driving distance of larger universities and colleges in Lincoln and Omaha, providing residents access to higher education and professional development opportunities. These institutions contribute to the region's workforce by offering training and educational programs tailored to local industry needs, particularly in agriculture and business.

TRANSPORTATION

Transportation in the Nebraska City MSA is facilitated by major highways, including Highway 2 and Interstate 29, which provide convenient access to Omaha, Lincoln, and other regional destinations. This connectivity allows for the easy movement of goods and people, supporting the local economy and making the area accessible for commuters and tourists. Additionally, regional airports in Omaha and Lincoln offer options for domestic and international travel, enhancing the area's connectivity.



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