



Walgreens

4855 Commercial Drive
New York Mills, NY (Utica) 13417

Confidential Offering Memorandum
Absolute NNN 12+ Years | Major Retail Corridor



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Summary

Investment Summary

Walgreens – New York Mills, NY (Utica)



The Offering

JLL is pleased to offer for sale the fee-simple interest in a freestanding Walgreens (the “Property” or “Asset”) located in New York Mills, NY (Utica MSA). The Asset features over 12 years of lease term from Walgreen Co. (the “Tenant”) who is an investment-grade tenant with a ‘BBB’ credit rating from Standard & Poor’s. The Asset sits on over 2 acres of land at the lighted intersection of Commercial Drive and Henderson Road (28,000+ VPD). This area of Utica serves as the primary retail corridor with over 1.7 million square feet of retail space within a 1-mile radius, and over 51,000 residents reside within 3 miles of the Asset.

INVESTMENT HIGHLIGHTS

- The Asset is subject to a long-term, absolute NNN lease with over 12 years remaining before the Tenant has a reoccurring right to terminate the Lease every 5 years.
- Strategically positioned at the lighted intersection of Commercial Drive and Henderson Road that sees over 28,000 VPD. Commercial Drive is one of New York Mills’s major retail thoroughfares where all major retailers and shopping centers reside.
- This area is the retail hub of Utica with over 1.7 million square feet of retail space within a 1-mile radius and over 8 million square feet within a 3-mile radius.
 - Two major retail centers are in close proximity including Sangertown Square, which is a regional mall with over 580,00 SF of retail space. This mall includes retail tenants including Macy’s, Dick’s, Target, H&M and many more.
 - New Hartford consumer square is another major shopping center less than a mile from the Asset and has more than 450,000 SF of retail space with tenants including Wal Mart, PetSmart, Best Buy and more..
- New Hartford is a suburb of the larger Utica, NY MSA that has over 300,000 residents in the metro area. Utica is home to colleges, hospitals and a high-tech sector that all support the city’s abundant economy. Utica College has over 3,000 students and is located less than 2 miles from the Asset.

PROPERTY SUMMARY

Address	4855 Commercial Drive, New York Mills, NY 13417
Price	\$5,450,000
Cap Rate	6.05%
NOI	\$330,000
Lease Type	Absolute NNN
Square Footage	+/- 14,820 SF
Site Size	2.72 AC
Year Built	2007
Guarantor	Walgreen Co.
Owner Interest	Fee-Simple
Rent Commencement	4/1/2007
Lease Expiration	3/31/2082
Termination Right	Every 5 Years, Starting 3/31/2032
Remaining Term	12.7 Years
Rental Increases	None

Property

The Asset is situated on an exceptionally large parcel measuring over 2.5 acres and is adequately parked with around 75 spaces. Additionally, the Property features a drive-thru with access to the pharmacy along the back wall of the Asset. Situated at the lighted intersection of Commercial drive (28,000 VPD) and Henderson Road, directly across from a Mavis Discount Tire and Rite Aid and kitty-corner from a Dunkin' Donuts and gas station. Commercial drive serves as the "retail road" of the area with access to major retail destinations and shopping centers with over 1.7 million square feet of retail space.



BUILDING AND LEASE SPECIFICATIONS

Address	4855 Commercial Drive, New York Mills, NY 13417
Year Built	2007
Ownership Interest	Fee-Simple
Parcel Size (acres)	2.72
Property Type	Freestanding Retail
Property Size (square feet)	+/- 14,820 SF
Drive-Thru	Yes
Parking	+/- 75 spaces
Guarantor	Walgreen Co.
Lease Type	Absolute NNN
Lease Term Remaining	12.7 years
Net Operating Income	\$330,000
Extension Options	5-year options



Property Photography



Location

Location Overview

Walgreens – New York Mills, NY (Utica)



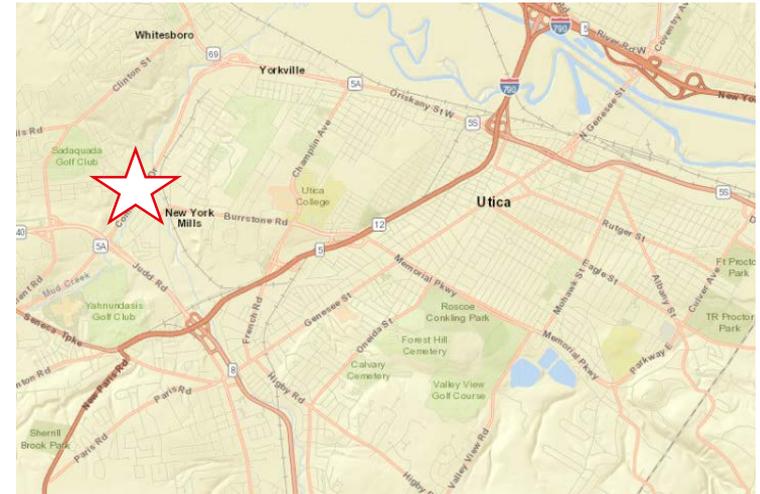
Location

Utica Overview

New York Mills, NY is a western suburb of the larger city of Utica, NY. **The Utica MSA has a population close to 300,000 residents** and is one of the primary metropolitan areas in upstate New York, located in the Mohawk Valley at the foot of the Adirondack Mountains.

The **Mohawk Valley Region boasts a 4.0% unemployment rate (June 2019)** due to its major employers which include major colleges, hospitals and a high-tech sector that all support the city's abundant economy. In Utica, a project aiming at replacing two major hospitals – both part of the Mohawk Valley Health System – with one brand new downtown hospital is in the early stages of development. **The State awarded a \$300 million grant in 2017** and has an estimated completion date of 2022.

The City has a mix of public and private colleges and universities including the **The State University of New York Polytechnic Institute, a 850-acre research university with over 3,000 students**. SUNY Poly is recognized as having the first college in the United States entirely devoted to nanotechnology, The Colleges of Nanoscale Science and Engineering. The City also has **Utica College, a four-year private liberal arts college with over 3,000 students and located a mere 2 miles from the Asset**.



Demographic Information			
	1-Mile	3-Mile	5-Mile
Population			
2019 Population	5,074	51,583	104,676
2019 Number of Households	2,436	22,063	41,518
2019 Daytime Population	7,130	63,189	120,520
Income			
Average HH Income	\$68,298	\$68,462	\$64,623
Median HH Income	\$51,415	\$51,931	\$47,678
Less than \$35,000	35.0%	35.2%	38.2%
\$35,000 - \$49,999	13.4%	12.7%	12.3%
\$50,000 - \$74,999	18.8%	18.8%	18.5%
\$75,000 - \$99,999	13.7%	12.6%	11.6%
More than \$100,000	19.1%	20.7%	18.4%

Local Aerial



Local Aerial



Tenant

Tenant Overview

Walgreens – New York Mills, NY (Utica)



The Tenant



Walgreens

Founded in 1901, Walgreens Boots Alliance (“Walgreens”) is the global leader in pharmacy-led health and wellbeing retail. Walgreens operates more than 8,175 stores in the 50 states, the District of Columbia, Puerto Rico and the US Virgin Islands. With a typical store carrying over 18,000 items, Walgreens’ stores offer a wide range of consumer goods in addition to its pharmacy, health and wellness services.

Bolstering Walgreens’ impressive six million daily customers, an average of 68 million people visit Walgreens’ websites (walgreens.com and drugstore.com) monthly. As of August 2017, approximately 76 percent of the United States population lived within five miles of a Walgreens store.

ACTIVE GROWTH STRATEGY

In September 2017, Walgreens purchased 1,932 Rite Aid stores across the country, strengthening Walgreens’ national presence as the largest pharmacy chain in the United States. This portfolio acquisition followed the company’s two-year bid to purchase the Pennsylvania-based competitor outright, which was ultimately thwarted by federal regulators.

STRONG SALES & FINANCIAL PERFORMANCE

Adjusted fiscal 2019 third quarter sales increased 0.7 percent to \$34.6 billion, compared with the same quarter a year ago. Sales increased 2.9 percent on a constant currency basis, primarily due to the growth in the Retail Pharmacy USA and Pharmaceutical Wholesale divisions.

Sales in the first nine months of fiscal 2019 were \$102.9 billion, an increase of 4.9 percent from the same period a year ago, and an increase of 6.8 percent on a constant currency basis.

Tenant Overview	
Company:	Walgreens Boots Alliance
Year Founded:	1901
Headquarters:	Deerfield, IL
Ownership Type:	Public (NASDAQ: WBA)
Stock Index Membership:	S&P 500 Component
Sector:	Drug Stores
Locations:	9,200+
Number of Employees:	235,000+
Credit Rating (Moody’s):	‘Baa2 / Stable’
Annual Revenue (FY 2018):	\$131.54 Billion
Market Capitalization (July 2019)	\$49.76 Billion
Total Assets (FY 2018):	\$68.12 Billion
Website:	www.walgreensbootsalliance.com

Contact Information

Peter Furest

JLL Capital Markets

+1 212 812 5802

peter.furest@am.jll.com

Alex Sands

Associate

+1 212 812 6563

alex.sands@am.jll.com

Joseph Lopresti

Senior Vice President

+1 631 962 7384

joseph.lopresti@am.jll.com

Daniel J. Flynn

Vice President

+1 631 962 7387

Danj.flynn@am.jll.com

Analyst Support:

Eric Cline

Senior Analyst

+1 312 228 2195

eric.cline@am.jll.com



3131 Camelback Road, Suite 400 | Phoenix, AZ 85018

www.us.jll.com/capitalmarkets

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