

# WALGREENS

7953 CRAIN HIGHWAY | GLEN BURNIE, MD | 21061

OFFERING MEMORANDUM



Actual Location

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CBRE | Net Lease

**CBRE**



## INVESTMENT OVERVIEW

The CBRE Net Lease Property Group is pleased to exclusively offer a 13,650-square-foot freestanding Walgreens situated on 1.15 acres in Glen Burnie, Maryland. Built in 2004, Walgreens signed a 25-year absolute net lease which currently has ±15 years remaining. Glen Burnie, the sixth largest community in Maryland with a population of more than 67,000 people, is a suburban town located just 10 miles south of Downtown Baltimore, 20 miles northwest of Annapolis, and 30 miles northeast of Washington DC. The property is ideally positioned at the signalized hard corner intersection of Crainmont Drive and Crain Highway (Traffic Count: 29,981 VPD), just north of access to Interstate 97 (Traffic Count: 130,068 VPD). Walgreens is also situated immediately adjacent to Target and directly across from a 114,513-square-foot shopping center anchored by Giant Food and Gabe's, which opened for business in April 2014 and backfilled a former Walmart box in the center. The property is also strategically located within the area's preeminent commercial corridor with approximately 2.1 MSF of office, 7 MSF of retail, 4 MSF of industrial space, and 8,700 multi-family units within a 3-mile radius. Other major retailers with a presence in the immediate vicinity include Lowe's Home Improvement, Walmart Supercenter, Tractor Supply, Kohl's, Shoppers, Rite Aid, CVS, Bank of America, Capital One Bank, M&T Bank, Goodwill, Dollar General, Ace Hardware, TD Bank, Sunoco, Goodyear Tire, Burger King, Chick-fil-A, Hardee's, McDonald's, Taco Bell, Wendy's, Sherwin-Williams, Sally Beauty Supply, and Dunkin Donuts. Walgreens is also located proximate to BWI Airport (3 miles), the busiest airport in the Baltimore-Washington MSA, and the UM Baltimore Washington Medical Center (1 mile), a 319-bed facility that services more than 104,000 patients annually. Additionally, Walgreens also benefits from its proximity to four of the city's most prominent schools with a combined enrollment of more than 3,430 students.

This investment gives the qualified investor the opportunity to acquire a 15+-year Absolute NNN asset leased to a "BBB" rated tenant located in a desirable suburban community within the Baltimore-Washington MSA (Population: 9.3 million).

## INVESTMENT SUMMARY

<b>ADDRESS:</b>	7953 Crain Highway South Glen Burnie, MD 21061
<b>BUILDING SIZE:</b>	13,650 SF
<b>PARCEL SIZE:</b>	1.15 AC
<b>YEAR BUILT:</b>	2004
<b>PARKING:</b>	44 Spaces
<b>NOI:</b>	\$415,000
<b>CAP:</b>	5.75%
<b>PRICE:</b>	\$7,217,000



## INVESTMENT HIGHLIGHTS

- **Investment-Grade Tenant:** Walgreen Co. (NYSE: WAG, S&P: BBB), together with its subsidiaries, operates 8,681 stores (as of October 2013) across 50 states, the District of Columbia and Puerto Rico. The company produced total revenues of more than \$74.1 billion, an EBITDA of \$4.9 billion, and net income of \$2.7 billion as of LTM February 2014
- **Long-Term Absolute NNN Investment:** 15+ years of primary lease term remaining; ten 5-year renewal options–No Landlord responsibilities
- **Hard Corner Intersection:** Positioned at the signalized hard corner intersection of Crainmont Drive and Crain Highway (Traffic Count: 29,981 VPD), just north of access to Interstate 97 (Traffic Count: 130,068 VPD)
- **Strategic Location:** Situated immediately adjacent to Target and directly across from a 114,513-square-foot shopping center anchored by Giant Food and Gabe’s, which opened for business in April 2014 and backfilled a former Walmart box in the center
- **Market:** Glen Burnie, Maryland, which is incorporated within the Baltimore-Washington MSA (Population: 9.3 million), is the sixth largest community in Maryland with a population of more than 67,000 people. The city is located just 10 miles south of Baltimore, 20 miles northwest of Annapolis, and 30 miles northeast of Washington DC.
- **Substantial Commercial Corridor:** More than 2.1 MSF of office, 7 MSF of retail, 4 MSF of industrial space, and more than 8,700 multi-family units within a 3-mile radius
- **Surrounding Uses:** Proximate to BWI Airport (3 miles), the busiest airport in the Baltimore-Washington MSA, and the UM Baltimore Washington Medical Center (1 mile), a 319-bed facility that services more than 104,000 patients annually. Additionally, Walgreens also benefits from its proximity to four of the city’s most prominent schools with a combined enrollment of more than 3,430 students.
- **Dynamic Demographics:** 3-mile population and average household income of 79,609 and \$88,997, respectively



## DEMOGRAPHICS

### DEMOGRAPHICS

1 Mile Pop	1 Mile AHI	3 Mile Pop	3 Mile AHI	5 Mile Pop	5 Mile AHI	Traffic Count
20,582	\$75,643	79,609	\$88,997	181,145	\$97,565	29,981 VPD on Crain Highway

## PROPERTY OVERVIEW

### LEASE SUMMARY

<b>TENANT:</b>	Walgreen Co. (NYSE: WAG; S&P: BBB)
<b>LEASE COMMENCEMENT:</b>	11/12/2004
<b>LEASE EXPIRATION:</b>	10/31/2029
<b>ORIGINAL LEASE TERM:</b>	25 Years
<b>TERM REMAINING:</b>	15+ Years
<b>LEASE TYPE:</b>	Absolute NNN
<b>BASE RENT:</b>	\$415,000
<b>INITIAL TERM INCREASES:</b>	Rent remains constant throughout the term
<b>OPTIONS:</b>	Ten 5-year Options
<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.
<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 Leased Premises, commencing with the Rent Commencement Date and continuing for the remainder of the Term.



#### INSURANCE:

Commencing with the Initial Term and continuing until the last day of the 300th full calendar month of the Term, Tenant shall carry special form coverage insurance covering the Building and the other improvements on the Leases Premises to the extent of not less than 100% of full replacement value, less foundations. Commencing on the first day of the 301st full calendar month of the Term, such coverage shall be on an actual cash value basis. Tenant shall also procure and continue in effect public liability and property damage insurance with respect to the operation of the Leased Premises. Such public liability insurance shall cover liability for death or bodily injury in any one incident in a sum of not less than \$2 million.

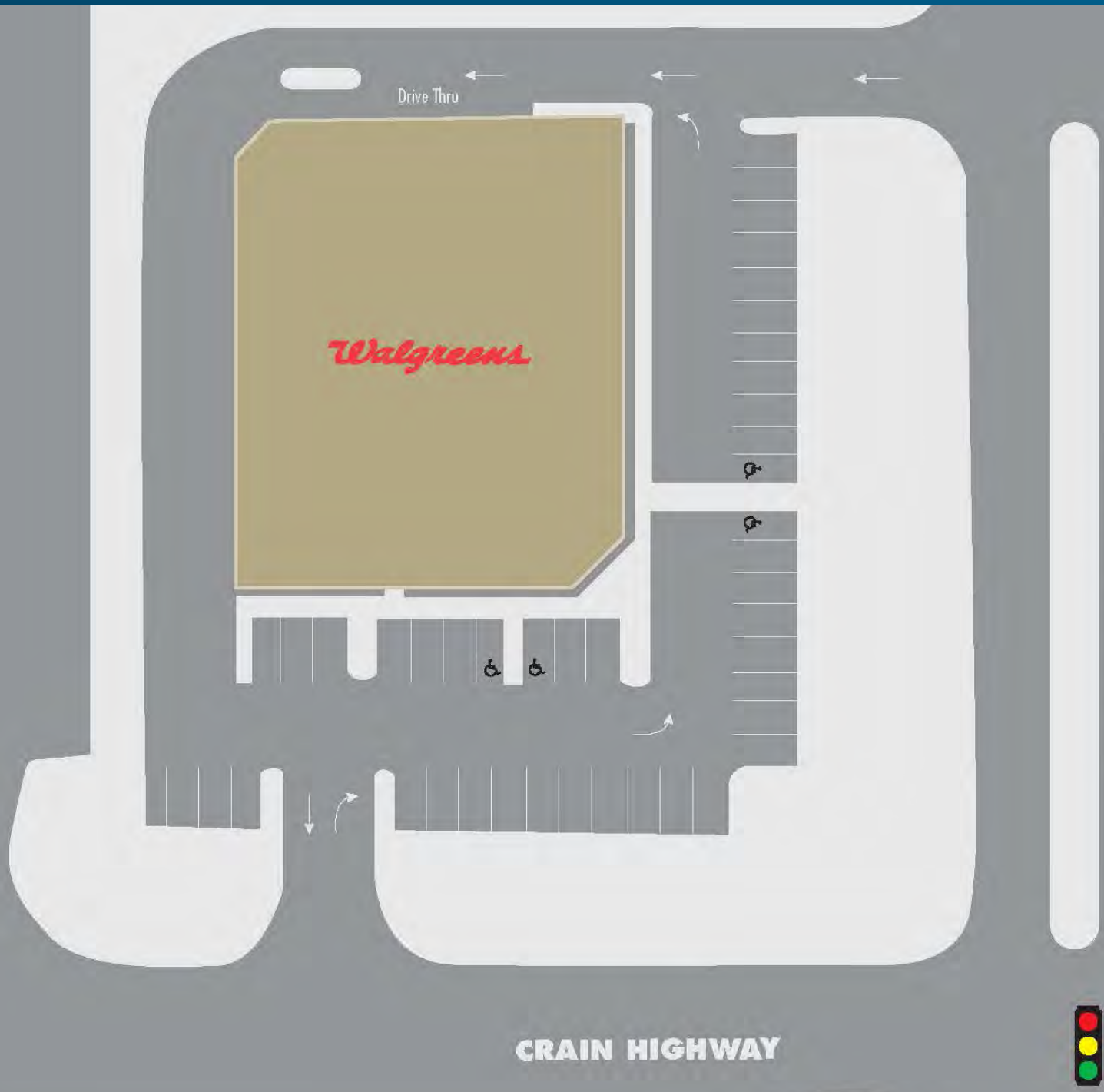
#### REPAIRS & MAINTENANCE:

Tenant, at Tenant's sole cost and expense, shall maintain the Leased Premises and make all necessary repairs and replacements, whether interior or exterior (including all structural elements of the building and the roof).

#### RIGHT OF FIRST REFUSAL:

In the event that Landlord shall receive a Bona Fide Offer to purchase the Leased Premises during the Term of this Lease or any extensions thereof, Landlord shall notify Tenant. Tenant may, at Tenant's option and within 15 days offer to purchase the Leased Premises upon the same terms and conditions as are contained in said Bona Fide Offer.





**CRAINMONT DRIVE**

**CRAIN HIGHWAY**





- Lowe's
- Sam's Club
- Kohl's
- Walmart Supercenter
- at&t
- Rite Aid
- Capital One
- Chick-fil-A
- Shoppers Food & Pharmacy

- Giant
- Bank of America
- Sally Beauty
- Burger King
- Goodyear

- ACE Hardware
- TD Bank

- Sprint
- Subway
- Bank of America
- Big Lots
- Dollar General
- Hardee's

- Gabriel Brothers
- Tractor Supply Co.
- Dunkin' Donuts

- Walgreens

- Target

- Tractor Supply Co.
- McDonald's
- CVS Pharmacy
- Wendy's
- Goodwill
- Shoppers Food & Pharmacy
- M&T Bank
- Subway
- Hallmark

- Rite Aid
- Popeye's

- 7-Eleven
- Wawa
- Subway
- World Gym

- 7-Eleven
- AutoZone

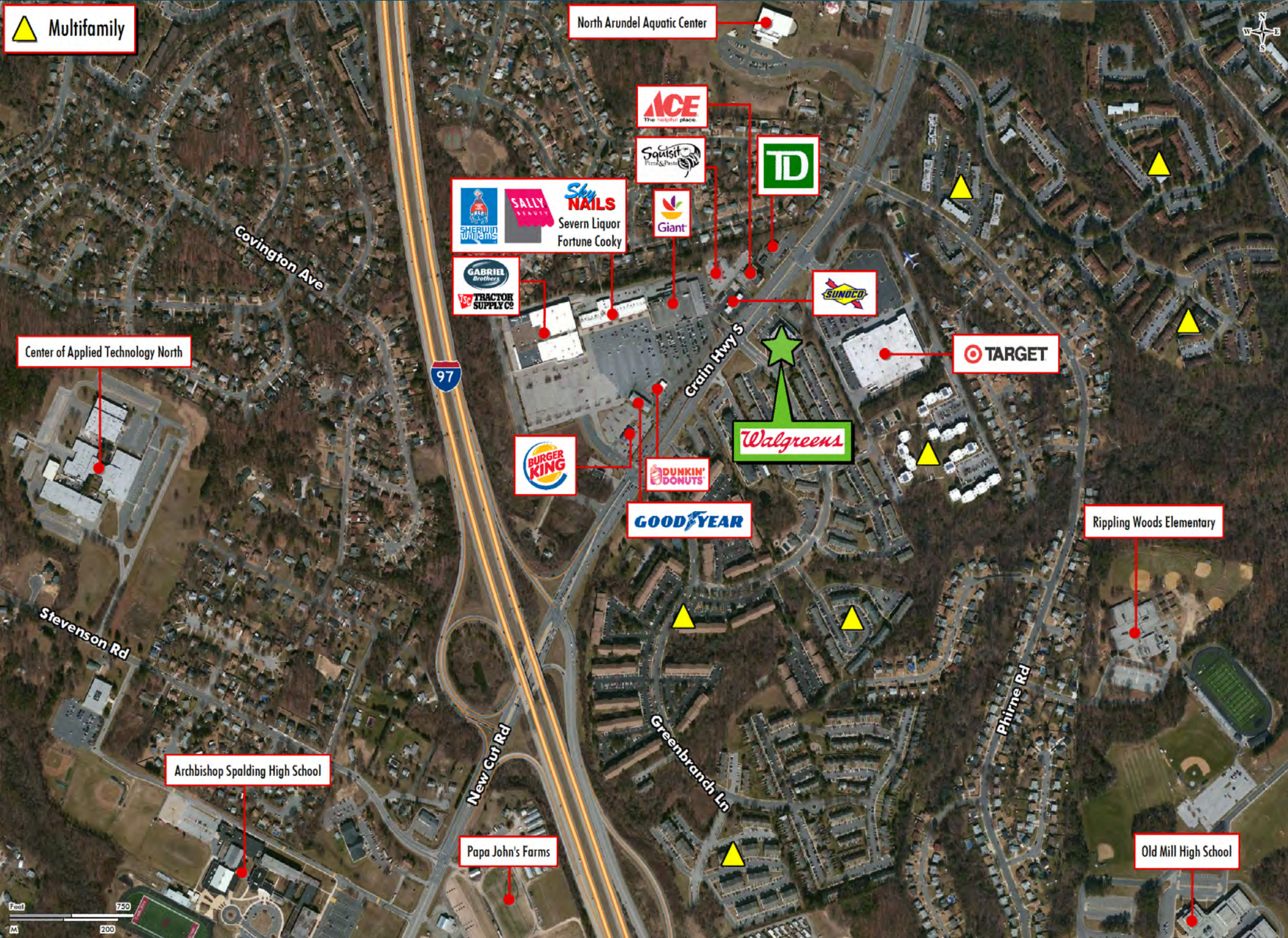
- Gold's Gym
- Macy's
- Sears
- JCPenney
- Regal Cinemas
- AT&T
- AJAY
- Regal Cinemas

- PetSmart
- Bank of America
- The Tile Shop
- Payless Shoe Source
- Value City
- Office Depot
- Michaels
- Marshall's
- Starbucks
- Coca-Cola
- Subway
- Athletic Warehouse
- Burger King
- Capital One
- Mazda
- Lincoln

- Walgreens
- Wendy's

- Cheesburger Paradise
- Carrabba's
- Bob Evans
- Dunkin' Donuts
- AME
- Kmart
- Party City
- Rugged Warehouse
- Babies R Us
- LA Fitness
- Shoppers Food & Pharmacy
- Peppboys Auto Parts
- Hancock Fabrics
- Deals
- Weis
- Pier 1 Imports
- Verizon
- Goodwill
- Chick-fil-A
- Arby's
- Advance Auto Parts

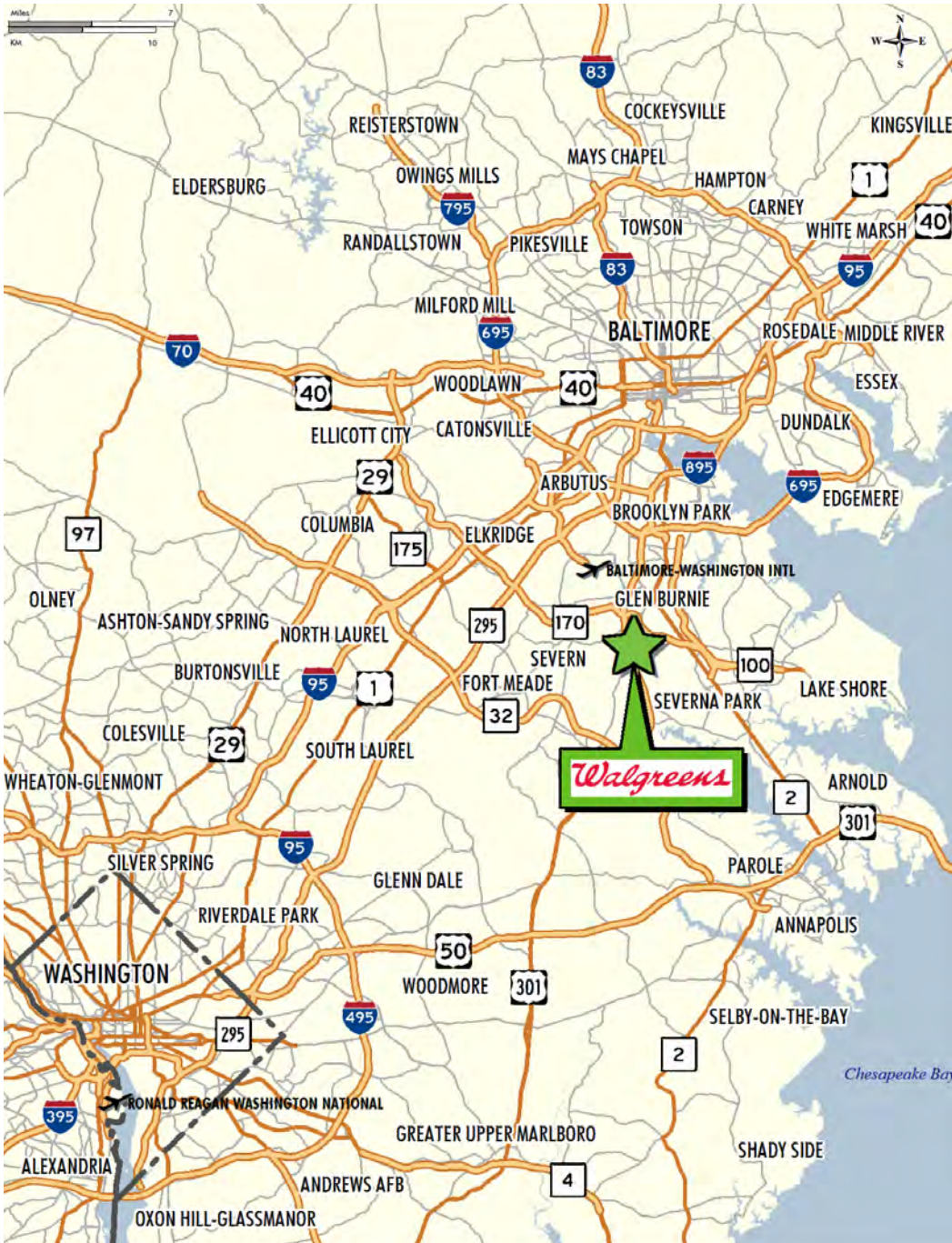






SURROUNDING USES





## TENANT OVERVIEW



### WALGREEN CO.

Walgreen Co. (S&P Rating: BBB), together with its subsidiaries, operates a network of drugstores in the United States. It provides consumer goods and services, pharmacy and health and wellness services through drugstores, as well as through mail and by telephone and online. The company sells prescription and non-prescription drugs; and general merchandise, including household products, convenience and fresh foods, personal care, beauty care, photofinishing and candy products, as well as home medical equipment, contact lenses, vitamins and supplements and other health and wellness solutions. It also provides specialty pharmacy services for managing complex and chronic health conditions; customers infusion therapy services consisting of administration of intravenous medications for cancer treatments, chronic pain, heart failure and other infections and disorders; and clinical services, such as laboratory monitoring, medication profile review, nutritional assessments and patient and caregiver education. In addition, the company operates Take Care Clinics to treat patients, give prescriptions and administer immunizations and other vaccines.

Walgreen Company, founded in 1901, is based in Deerfield, Illinois. As of February 14, 2014, it operated 8,681 drugstores in 50 states, the District of Columbia and Puerto Rico. The company also operates approximately 750 worksite health and wellness centers and in-store convenient care clinics in the United States. As of February 2014, Walgreens reported TTM revenues of \$74.19 billion, which included a 5.1% year-over-year increase in sales in the second quarter. The company also has a current Net Worth of \$20.78B with a Market Cap equal to \$64.21B.



## AREA OVERVIEW

### GLEN BURNIE, MARYLAND

Glen Burnie is a suburban coastal town in Anne Arundel County, Maryland. With 16 constituent neighborhoods, Glen Burnie is the sixth largest community in Maryland. A suburb of Baltimore, the town is located just 10 miles south of Baltimore, 20 miles northwest of Annapolis, and 30 miles northeast of Washington. As of 2010, the town had a population of more than 67,000 people.

The town is home to the Baltimore-Washington International Thurgood Marshall Airport (BWI), a 3,596 acre campus that encompasses a 1.9 MSF passenger terminal (5 concourses and 68 jet gates). BWI is the busiest airport in the Baltimore-Washington MSA and the 24th busiest airport in the United States, experiencing more than 21.9 million passengers in 2010. Amongst other airports of its size (15-25 million annual passengers), BWI was ranked as the best airport by the Airports Council International in 2010. Additionally, the BWI business district is a hub of commercial and industrial development supporting 50% of all jobs and 57% of all companies in Anne Arundel County.

The University of Maryland Baltimore Washington Medical Center (UM BWMC), Glen Burnie's and surrounding communities' primary healthcare facility, is conveniently located proximate to Marley Station Mall. The 319-bed hospital, opened in 1965, is home to more than 2,700 employees and 600 physicians. One of the largest and best-equipped medical centers in the state and within the Top 5% of North America's hospitals nationwide, UM BWMC is amongst the busiest hospital in Maryland, serving more than 104,000 patients annually. The hospital is well-known for its leading program in neurology and neurosurgery, as well as its Aiello Breast Cancer center that was made UM BWMC the first hospital in Maryland to receive accreditation from the National Accreditation Program for Breast Cancer.

Regional passenger rail service is provided by Amtrak and the MARC Commuter Rail connecting Baltimore with Washington DC. Additionally, the Light Rail Ferndale Station is located approximately five miles north of the property.



## AREA OVERVIEW

### ANNE ARUNDEL COUNTY

Anne Arundel County, Maryland is a part of the Baltimore Metropolitan Statistical Area (MSA) which is the 20th largest MSA in the country. The Baltimore MSA is part of the greater Washington/Baltimore Combined Statistical Area (CSA), the fourth largest CSA in the United States.

Located within the heart of Anne Arundel County is Fort Meade, the home of the National Security Agency as well as the center of electronic intelligence and cyber operations for the nation. With the creation of U.S. Cyber Command in 2010 and relocation of the Defense Information Systems Agency in 2011, growth in and around Anne Arundel County has boomed. Between 2005 and 2013, over 23,500 employees were added at Fort Meade and the population of Anne Arundel County grew by 14.1% since 2000. Fort Meade is the largest employer in Anne Arundel County providing stability and continued growth throughout the area well into the foreseeable future.

The County is quickly becoming a major center for national and international company headquarters. As of May 2014, the unemployment rate in Arundel County measured 5.2%, lower than the State of Maryland at 5.6% and the national average of 6.3% during the same period.

### TOP 10 PUBLIC & PRIVATE SECTOR EMPLOYERS IN ANNE ARUNDEL COUNTY

#	EMPLOYER	# OF EMPLOYEES
1	Fort Meade	49,132
2	Anne Arundel County Public Schools	14,000
3	BWI Thurgood Marshall Airport	9,717
4	State of Maryland	9,578
5	Northrop Grumman	6,500
6	Anne Arundel County Government	5,190
7	Anne Arundel Health System	4,000
8	Southwest Airlines	3,200
9	Maryland Live! Casino	3,000
10	Baltimore Washington Medical Center	2,800

\*(Source AAEDC: Anne Arundel Economic Development Corp.)



Anne Arundel County is known as the “land of pleasant living” and has something for everyone. The county borders the Chesapeake Bay and has over 534 miles of shoreline. Anne Arundel County continues to attract businesses and new residents because of its central location between Baltimore and Washington and its superior transportation networks. Anne Arundel County’s location along the Atlantic seaboard allows overnight truck access to one-third of the nation’s population and buying income therefore creating a large job force around the shipping and port industries.

Anne Arundel County is home to the City of Annapolis, the state capital of Maryland, which has been named one of the “100 Best Places to Live in the United States” by Money Magazine. Annapolis is the sailing capital of the country attracting major water events as well as cultural events throughout the city. The county is home to the famous Baltimore & Annapolis Trail, a 13-mile trail which connects Baltimore and Annapolis. The trail is popular for walking, jogging and biking. The flowerbed lined trail also features a Planet Walk sponsored by NASA, a linear museum with educational displays of the solar system.



## GREATER WASHINGTON D.C.

Glen Burnie - Anne Arundel County, Maryland is part of The Greater Washington region which includes the jurisdictions of Washington, DC, Northern Virginia and Suburban Maryland with a combined population of approximately 6.3 million people. The region has remained one of the best-performing economies in the US and is positioned to prosper in the years ahead. This is largely helped by being one of the most dynamic economies in the US. The Greater Washington region has gained more than 275,000 jobs from 2001 through 2011, which is the greatest number of any metropolitan region in the country and has maintained unemployment rates consistently below the US average.

According to the Dow Jones & Co.’s MarketWatch: “An ability to be resilient in tough times, aided by its proximity to the world’s most powerful government helped vault [Greater] Washington, DC to the top of MarketWatch’s list of US ‘Best Cities for Business’.”

### *Greater Washington benefits from:*

#1 in the US, for having the most highly educated workforce with 22% of the residents in the region having a graduate or professional degree and 48% having a bachelor’s degree

#1 real estate market for three consecutive years according to the Urban Land Institute’s Emerging Trends in Real Estate report

#1 for growth in Gross Regional Product and in overall Per Capita Gross Regional Product against other major metropolitan areas; outperforming all other major regions according to the Brookings Institution

#1 on the Inc.’s 500 fastest-growing private businesses than any other region in the country – for the past 15 consecutive years

Home to 20 Fortune 500 company headquarters including 5 major corporate headquarter relocations since 2008 – CSC, Volkswagen Group of America, Hilton Worldwide, SAIC and Northrop Grumman

#2 in US in job growth of Professional & Business services jobs over the last decade

The only metropolitan region in the US with three world-class airports: Washington Dulles International Airport (IAD), Baltimore/Washington International Thurgood Marshall Airport (BWI) and Ronald Reagan Washington National Airport (DCA)

## Affiliated Business Disclosure & Confidentiality Agreement

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### CONFIDENTIALITY AGREEMENT

This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition

and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

Neither the Owner or CBRE, Inc, nor any of their respective directors, officers, Affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this

Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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**Walgreens**  
DRIVE-THRU PHARMACY



DA SANI \$2.99  
with card  
Water 24 Pack

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