

BJ's® & Walgreens

TWO-TENANT NET LEASE OFFERING | BJ'S WHOLESALE CLUB + GAS & WALGREENS

Passive Leases | High-Growth Jacksonville, Florida Location



NEWMARK

Offering Memorandum

Two-Tenant Offering | BJ's & Walgreens

The Offering

Newmark, as an exclusive advisor, is pleased to present the opportunity to acquire two (2) single-tenant, net leased properties (BJ's Wholesale Club + Gas and Walgreens) located in Jacksonville, FL.

\$23,943,000

ASKING PRICE

6.00%

CAP RATE

NN

LEASE STRUCTURE

6.7 Years

WALT

Fee Simple

OWNERSHIP INTEREST



Net Lease Capital Markets

Matt Berres

Vice Chairman

t 949-608-2066

matt.berres@nmrk.com

Samer Khalil

Director

t 949-608-2042

samer.khalil@nmrk.com

Karick Brown

Associate

t 949-608-2175

karick.brown@nmrk.com

Investment Highlights

BJ'S WHOLESALE CLUB (NYSE: BJ) | 252 LOCATIONS NATIONWIDE | 5.5+ MILLION MEMBERS | S&P: BB+ CREDIT RATING | CORPORATE LEASE

BJ's Wholesale Club (NYSE: BJ) is a membership-only warehouse club chain which operates on the US East Coast as well as Michigan and Ohio. The **chain is ranked 215th on the Fortune 500 list (2023)**, and **recently reported \$19.9 Billion in Total Sales for the period ending Jan-2024**. BJ's Wholesale Club **operates 252 clubs / 167 gas stations** and has grown their **membership base to more than 5.5 million**. The retailer received a credit rating improvement in September 2022 and currently carries a '**BB+**' rating from S&P.

WALGREENS (NASDAQ: WBA) | 8,250 LOCATIONS NATIONWIDE | S&P: BBB- CREDIT RATING | CORPORATE LEASE

Walgreens Boots Alliance Inc. (NASDAQ: WBA) is one of the nation's largest drugstore chains with a network of **8,250 retail locations across the US**. More than 75% of the US population lives within 5 miles of a Walgreens location, allowing **8 million customers to interact with the company via their stores and online store each day**. The company recently **reported \$139.08 Billion in Total Sales for the period ending Aug-2023**. The retailer carries a '**BBB-**' rating from S&P.

BJ'S HAS A 24-YEAR OPERATING HISTORY AT SUBJECT PROPERTY | RECENT 10-YEAR EXTENSION (2020) | 6.7 YEARS REMAINING | 6 (5-YEAR) OPTIONS WITH 8.00% RENTAL INCREASES AT EACH OPTION | MINIMAL LANDLORD RESPONSIBILITIES | INCLUDES BJ'S WHOLESALE CLUB GAS STATION

BJ's Wholesale Club has **operated at this location since Feb-2000** and recently **extended its lease by 10 years**, demonstrating a deep commitment to the site. Currently, there are **approximately 6.7 years of firm term and six (6), five (5) year options remaining with 8.00% fixed rental increases** at the start of each option for the BJ's parcel. The **double-net (NN) lease structure** requires minimal landlord responsibilities, which are limited to roof and structure.

WALGREENS HAS A 23-YEAR OPERATING HISTORY AT SUBJECT PROPERTY | 6.8 YEARS REMAINING | \$0.03 / 2.1% PSF RENTAL INCREASE APR-2026, \$0.17 / 9.9% PSF RENTAL INCREASE APR-2031 | MINIMAL LANDLORD RESPONSIBILITIES

Walgreens has **operated at this location since Mar-2001**, demonstrating a deep commitment to the site. Currently, there are **approximately 6.8 years of firm term** remaining. The **double-net (NN) lease structure** requires minimal landlord responsibilities, which are limited to roof and structure.

HIGHLY VISIBLE & EASILY ACCESSIBLE | HIGH TRAFFIC RETAIL CORRIDOR ALONG ATLANTIC BLVD / HWY 10 (58,026 VPD) | 5.5 MILES TO ATLANTIC BEACH & 8.9 MILES TO DOWNTOWN JACKSONVILLE | ADJACENT TO ATLANTIC NORTH SHOPPING CENTER

The subject property is **highly visible and easily accessible** via **Atlantic Blvd / Hwy 10 (58,026 VPD)** with direct access via three (3) curb cuts along Atlantic Blvd and two (2) curb cuts along Kernan Blvd S. The subject property is **8.9 miles due West of downtown Jacksonville and 5.5 miles from Atlantic Beach**. The subject property is adjacent to Atlantic North Shopping Center which includes prominent national retailers such as LA Fitness, Belk, Academy Sports + Outdoors, Cinemark, and Tesla. Additional national retailers and tenants in the immediate trade area include Walmart, T.J. Maxx, Shoe Carnival, Petco, Ross Dress for Less, Kohl's, HomeGoods, Dollar Tree, HCA Florida Healthcare, Jollibee, Aspen Dental, Longhorn Steakhouse, Chipotle, Panda Express, 7-Eleven, MD Now Urgent Care.



Investment Overview

Price/Cap Rate

Price (PSF)	\$23,943,000 (\$189)
Cap Rate	6.00%
Annual Base Rent	\$1,436,586 (\$11.36 PSF)

Executive Summary

Address	12200 & 12230 Atlantic Boulevard Jacksonville, FL 32225
Tenants	BJ's Wholesale Club & Walgreens
Use	Retail
Rentable Building Area	123,469
Acreage	9.449 Acres
Expense Structure	NN (LL Responsible for Roof & Structure)
WALT	6.7 years remaining
Ownership Interest	Fee Simple (Land & Building)



Aerial Facing Southwest



Aerial Facing South



TIMBERWOOD
TRACE
(224 Units)



PINWOOD POINTE
APARTMENTS
(136 Units)



Kerman Blvd S (21,326 VPD)



Atlantic Blvd (53,026 VPD)

10



SORREL
(290 Units) LUX
AT SORREL
(265 Units) FORÉNA
LUXURY LIVING
(300 Units
2023 Constr.)



Aerial Facing West



The Investment



Rent Roll

TENANT	SQ. FT	% SF	CURRENT RENT	RENT PSF	% OF RENT	RENT INCREASES						LEASE TERM REMAINING	LEASE STRUCTURE	OPTIONS REMAINING		
						DATE	INCREASE %	RENT	PSF	MONTHLY RENT	PSF	RCD	LXD			
BJ's	108,546	85.80%	\$1,139,586	\$10.50	79%	Option 1: 3/1/2031 - 2/29/2036	8.0%	\$1,230,753	\$11.34	\$102,563	\$0.94	2/11/2000	2/28/2031	6.7	NN (Roof & Structure)	6 (5-Year)
						Option 2: 3/1/2036 - 2/28/2041	8.0%	\$1,329,517	\$12.25	\$110,793	\$1.02					
						Option 3: 3/1/2041 - 2/28/2046	8.0%	\$1,435,878	\$13.23	\$119,657	\$1.10					
						Option 4: 3/1/2046 - 2/28/2051	8.0%	\$1,550,922	\$14.29	\$129,244	\$1.19					
						Option 5: 3/1/2051 - 2/29/2056	8.0%	\$1,674,649	\$15.43	\$139,554	\$1.29					
						Option 6: 3/1/2056 - 2/28/2061	8.0%	\$1,808,143	\$16.66	\$150,679	\$1.39					
Walgreens	14,923	11.80%	\$297,000	\$19.90	21%	4/1/2026	2.12%	\$303,300	\$20.32	\$25,275	\$1.69	12/1/2021	3/31/2031	6.8	NN (Roof & Structure)	6 (5-Year)
						Options 1-6: 4/1/2031 - 3/31/2061	9.90%	\$333,333	\$22.34	\$27,778	\$1.86					
TOTALS	123,469	100%	\$1,436,586	\$11.64	100%									6.7		

(1) No minimum rent (in addition to that payable on account of the Demised Premises) shall be payable on account of the Fueling Facility Premises.



Lease Abstract & Property Details - BJ's

Property Overview

BJ's Wholesale Club	108,546 SF
Acreage	7.629 Acres
Year Built/Renovated	1999
Parcel Number	165265-4060

Lease Abstract

Address	12200 Atlantic Boulevard Jacksonville, FL 32225
Tenant Trade Name	BJ's Wholesale Club
Tenant Entity	BJ's Wholesale Club, Inc.
Lease Start	February 12, 1999
Rent Commencement Date	February 11, 2000
Lease Expiration	February 28, 2031
Lease Term Remaining	6.7 Years
Renewal Options Remaining	6 (5-Year)
Total Annual Rent	\$1,139,586 (\$10.50 PSF)
Rent Increases	8.0% at each option period
Lease Structure	NN
Landlord Responsibilities	Roof & Structure
Utilities	Tenant Responsibility
Taxes	Tenant Responsibility
HVAC	Tenant Responsibility
Insurance	Tenant Responsibility
Common Area	Tenant Responsibility
ROFO	None
ROFR	None

Rent Schedule

Lease Year	Annual Rent	PSF	Monthly Rent	PSF	% Increase
2/12/2020 - 2/28/2031	\$1,139,586	\$10.50	\$94,966	\$0.87	-
Option 1: 3/1/2031 - 2/29/2036	\$1,230,753	\$11.34	\$102,563	\$0.94	8.0%
Option 2: 3/1/2036 - 2/28/2041	\$1,329,517	\$12.25	\$110,793	\$1.02	8.0%
Option 3: 3/1/2041 - 2/28/2046	\$1,435,878	\$13.23	\$119,657	\$1.10	8.0%
Option 4: 3/1/2046 - 2/28/2051	\$1,550,922	\$14.29	\$129,244	\$1.19	8.0%
Option 5: 3/1/2051 - 2/29/2056	\$1,674,649	\$15.43	\$139,554	\$1.29	8.0%
Option 6: 3/1/2056 - 2/28/2061	\$1,808,143	\$16.66	\$150,679	\$1.39	8.0%

* **Bold = Current Term**



Lease Abstract & Property Details - Walgreens

Property Overview

Rentable Building Area	14,923 SF
Acreage	1.82 Acres
Year Built/Renovated	2001
Parcel Number	165265-4550

Lease Abstract

Address	12230 Atlantic Boulevard Jacksonville, FL 32225
Tenant Trade Name	Walgreens
Tenant Entity	Walgreens Co.
Lease Start	March 15, 2001
Rent Commencement Date	December 1, 2021
Early Termination Date	March 31, 2031
Lease Expiration	March 31, 2061
Lease Term Remaining	6.8 Years
Renewal Options Remaining	6 (5-Year)
Tenant Termination Options	Early termination every 5 yrs after early termination date (3/31/2031)
Total Annual Rent	\$297,000 (\$19.90 PSF)
Percentage Rent	0.5% Gross Food & Prescription Sales + 2% All Other
Rent Increases	2.1% Apr-2026, 9.9% Apr-2031
Lease Structure	NN
Landlord Responsibilities	Roof & Structure
Utilities	Tenant Responsibility
Taxes	Tenant Responsibility
HVAC	Tenant Responsibility
Insurance	Tenant Responsibility
Common Area	Tenant Responsibility
ROFO	Yes (10 Days)
ROFR	None

Rent Schedule

Lease Year	Annual Rent	PSF	Monthly Rent	PSF	% Increase
3/15/2001 - 3/31/2026	\$297,000	\$19.90	\$24,750	\$1.66	-
4/1/2026- 3/31/2031	\$303,300	\$20.32	\$25,275	\$1.69	2.12%
Options 1-6: 4/1/2031 - 3/31/2061	\$333,333	\$22.34	\$27,778	\$1.86	9.90%

* Bold = Current Term



Property Photos - BJ's



Property Photos - Walgreens



Market Overview



Jacksonville MSA

1.76 Million People

Market Overview - Jacksonville, FL

Jacksonville, FL

#1 - CITY FOR TALENT ATTRACTION (EMSI)

#4 - BEST TAX CLIMATE IN THE U.S. (Tax Foundation)

- No Corporate Franchise Tax
- No Personal Income Tax
- No Taxes on Inventories
- No Taxes on Foreign Income
- No Taxes on Manufacturing Equipment

#5 - FASTEST-GROWING CITY IN AMERICA (FORBES)

\$117.16 BILLION - GDP OF JACKSONVILLE MSA (FRED 2022)

Jacksonville (JAX), Florida, is home to over 1.76 million residents and offers a superior quality of life in a business conscious city. Jacksonville is poised for continued growth with a low median age of 38.8 years for its 845,000 person workforce. Net developments such as Nocatee will add an additional 12,000 master planned homes, 1 million square feet of retail space, and 4 million square feet of office space and 9 additional schools.

Jacksonville is recognized as "America's Logistics Center", with same-day southeast access to 61+ million consumers via 3 railroads, 3 major interstates (75,10, and 95). In 2018, Jacksonville's 3 major public marine terminals handle cargo totaling 10.4 million tons. Furthermore, Jacksonville recently spent \$300 million overhauling the Jacksonville International Airport (JAX) to accommodate 100+ daily flights.

Jacksonville, FL prides itself on a competitive cost of living, highly skilled talent, and premium quality of life. The region is home to 5 Fortune 1000, 3 Fortune 500 companies and 80+ National or Divisional Headquarters.



Downtown Jacksonville

Largest Employers in Jacksonville Florida

Company	# of Employees
Duval County Public Schools	13,110
Baptist Health	12,000
Mayo Clinic	8,450
Bank of America	8,000
Amazon	8,000
City of Jacksonville	7,260
UF Health Jacksonville	6,600
Florida Blue	5,700
Southeastern Grocers	5,700
Fleet Readiness Center Southeast	5,350

Demographics



Demographics

	1 Mile	3 Mile	5 Mile
2023 Population	11,299	86,442	192,030
2023 Avg. Household Income	\$91,849	\$94,745	\$93,122

Nearest Major Airport



Jacksonville International Airport



17 Miles
from the subject property



7,911
acres



±7.45 Million Passengers
served annually

Largest Universities in Jacksonville Florida

University	Number of Students
Florida State College at JAX	17,329
University of North Florida	13,862
St. John's State College	3,818
Flagler College	2,631
Jacksonville University	2,627
Edward Waters University	1,079
Trinity Baptist College	341

Tenant Synopsis

Tenant Synopsis

BJ's Wholesale Club is a leading membership-only warehouse club operator on the East Coast, as well as Michigan and Ohio. BJ's is committed to delivering value to their members and consistently offers 25% or more savings on a representative basket of manufacturer-branded groceries compared to a traditional supermarket.

BJ's Wholesale Club's credit rating was upgraded to BB+ in September of 2022 and has continued on an upward fiscal trajectory since. BJ's Wholesale Club exemplifying the retailer's positive outlook moving forward and physical real estate expansion.

BJ's Wholesale Club Financials: (Source: finance.yahoo.com)

- Total Revenue: \$19.97 Billion (Jan-2024)
- EBITDA: \$1.03 Billion (Jan-2024)
- Total Assets: \$6.35 Billion (Jan-2024)
- Number of Members: 5.5+ Million



YEAR FOUNDED
1984



COMPANY TYPE
Public (NYSE: BJ)



HEADQUARTERS
Westborough, MA



WEBSITE
bjs.com



LOCATIONS
252 Clubs /
167 Gas Stations



S&P CREDIT RATING
BB+

BJ'S

Trade Name	BJ's Wholesale Club
Credit Rating	S&P: BB+ / Stable
Number of Locations	252 Clubs / 167 Gas Stations
Geographic Dispersion	17 States
Fortune 500 (2023)	No. 215
Number of Members	5.5+ Million



Tenant Synopsis

Tenant Synopsis

Walgreens is one of the nation's largest drugstore chains with a network of 8,250 retail locations across the US and approximately 13,532 retail locations globally. Walgreens' drugstores are part of the retail pharmacy USA division of Walgreens Boots Alliance, Inc. (NASDAQ: WBA).

More than 75% of the US population lives within 5 miles of a Walgreens location, allowing 8 million customers to interact with the company via their stores and online store each day. Additionally, Walgreens locations filled 287.6 million prescriptions, on a 30-day adjusted basis in fiscal 2020.

Walgreens Financials: (Source: finance.yahoo.com)

- Total Revenue: \$139.08 Billion (Aug-2023)
- Total Assets: \$96.63 Billion (Aug-2023)



YEAR FOUNDED
1901



COMPANY TYPE
Public
(NASDAQ: WBA)



HEADQUARTERS
Deerfield, IL



WEBSITE
Walgreens.com



LOCATIONS
13,532 Globally



S&P CREDIT RATING
BBB-

BJ'S

Trade Name	Walgreens
Credit Rating	S&P: BBB-
Number of Locations	8,250 Across the US & 13,532 Internationally
Geographic Dispersion	Nationally



BJ's Wholesale Club & Walgreens

Jacksonville, FL

Net Lease Capital Markets:

Matt Berres
Vice Chairman
t 949-608-2066
matt.berres@nmrk.com

Samer Khalil
Director
t 949-608-2042
samer.khalil@nmrk.com

Karick Brown
Associate
t 949-608-2175
karick.brown@nmrk.com

Broker of Record: Bert Sanders | FL RE Lic. #BK3534896

Corporate Lic. #01355491

The information contained herein has been obtained from sources deemed reliable but has not been verified and no guarantee, warranty or representation, either express or implied, is made with respect to such information. Terms of sale or lease and availability are subject to change or withdrawal without notice.