

# OFFERING MEMORANDUM.



## Rite Aid Murfreesboro, TN | Nashville MSA

TheMaffiaTeam

**\$5,107,000**

**6.75% CAP Rate**

**7.42% CAP Rate End of Year 2**

- ◆ Absolute NNN Lease Guaranteed by Rite Aid Corporation
  - ◆ ~12 Years Remaining
- ◆ Located in One of the Fastest Growing Cities in the Nation
- ◆ Adjacent to Sam's Club
- ◆ Close Proximity to Saint Thomas Rutherford Hospital
- ◆ Excellent Hard Corner Location with Great Visibility & Easy Access
  - ◆ Old Fort Parkway - 21,609 AADT
  - ◆ Signalized Intersection
- ◆ Convenient Access to Interstate 24 - 105,021 AADT



**Newmark  
Cornish & Carey**  
Leased Investment Group

This property is listed in conjunction with Tennessee-licensed real estate broker John A. Sanders.

[www.maffiateam.com](http://www.maffiateam.com)



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Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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# Property Information

## Location

The property is located at 2528 Old Fort Parkway in Murfreesboro, Tennessee.

## Lot Size

Approximately 1.80 acre, or 78,504 square feet.

## Improvements

Construction was completed in September 2008 of an approximately 14,564 square foot drugstore with a prescription drive-thru component for **Rite Aid**. There is ample parking on site.

## Lease

Leased to **Rite Aid of Tennessee, Inc.**, and *guaranteed by Rite Aid Corporation*, for 20 years from September 2008 to September 2028 at a current annual net rent of \$344,701. There are six five-year options to renew the lease. The annual rent increases by 10% every 10 years throughout the initial term and option periods. The next annual rental increase is scheduled on September 1, 2018 to \$379,171. The lease is absolute net with the tenant responsible for taxes, insurance, and all maintenance, including roof and structure.

## Annual Rent

Year	Annual Rent	Return
1-10	\$344,701	6.75%
11-20	\$379,171	7.42%
21-25 (Option 1)	\$417,088	8.17%
26-30 (Option 2)	\$417,088	8.17%
31-35 (Option 3)	\$458,797	8.98%
36-40 (Option 4)	\$458,797	8.98%
41-45 (Option 5)	FMR*	TBD
46-50 (Option 6)	FMR*	TBD

\*Fair Market Rent shall be equal to 110% of the previous year's rent unless landlord or tenant elect to have Fair Market Rent determined by appraisal.

**Price: \$5,107,000 (6.75% Return)**

## Financing

The property will be delivered free and clear of permanent financing.



## Tenant Information



**Rite Aid Corporation**, through its subsidiaries, operates a chain of retail drugstores in the United States. The company sells prescription drugs and a range of other merchandise, including over-the-counter medications, health and beauty aids, personal care items, cosmetics, household items, food and beverages, greeting cards, seasonal merchandise, and other every day and convenience products. It also offers health coaching, shared decision making tools, and health care analytics, including health coaching for medical decisions, chronic conditions, and wellness; population analytic solutions; and consulting services, as well as various photo processing services in its stores. The company offers its products to customers covered by third party payers, such as insurance companies, prescription benefit management companies, government agencies, private employers, and other managed care providers. It has a strategic alliance with GNC. Rite Aid is the largest drugstore chain in the East Coast and the third largest in the United States, with nearly 89,000 employees. The company operates approximately 4,600 stores in 31 states across the U.S. and in the District of Columbia. Rite Aid Corporation was founded in 1927 and is headquartered in Camp Hill, Pennsylvania.

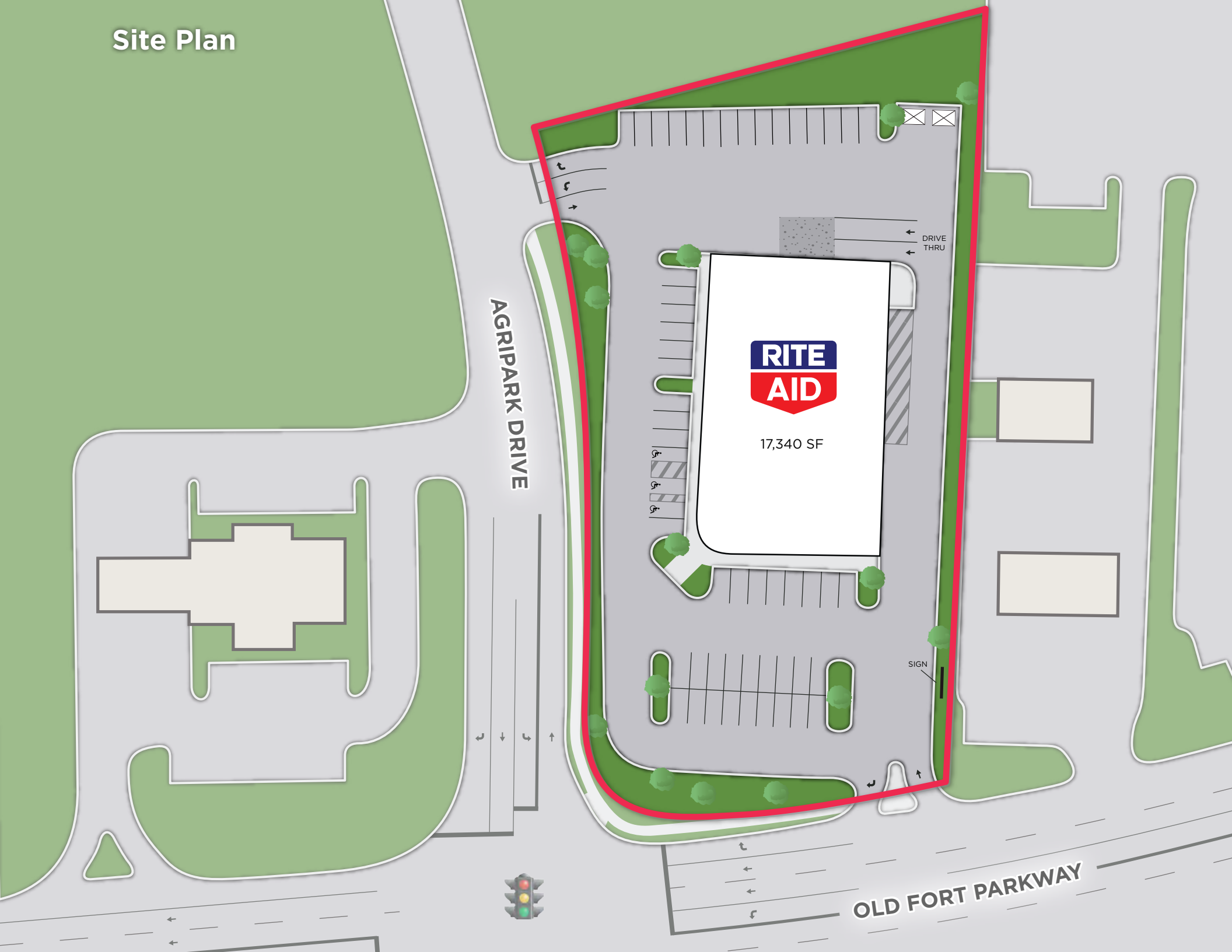
On October 27, 2015, **Walgreens** announced that it would acquire its Rite Aid for \$9.4 billion to widen its footprint in the United States and negotiate for lower drug costs. The acquisition proposal is currently pending regulatory and shareholder approval. The deal will result in a merger of two of the United States' three largest pharmacy chains and will increase Walgreens' footprint by half. Together, Rite Aid and Walgreens will own approximately 200 million square feet of retail space, which equates to nearly 12,900 stores. Walgreen's CEO has stated that there is potentially over \$1 billion in savings to be reaped from the merger through synergies.

For the recent quarter ended August 29, 2015, Rite Aid Corporation reported revenue of \$7.66 billion with net income of \$21.47 million and total stockholder equity of \$429.70 million. Rite Aid is rated "B" by Standard & Poor's.

*For additional information, see [www.riteaid.com](http://www.riteaid.com).*

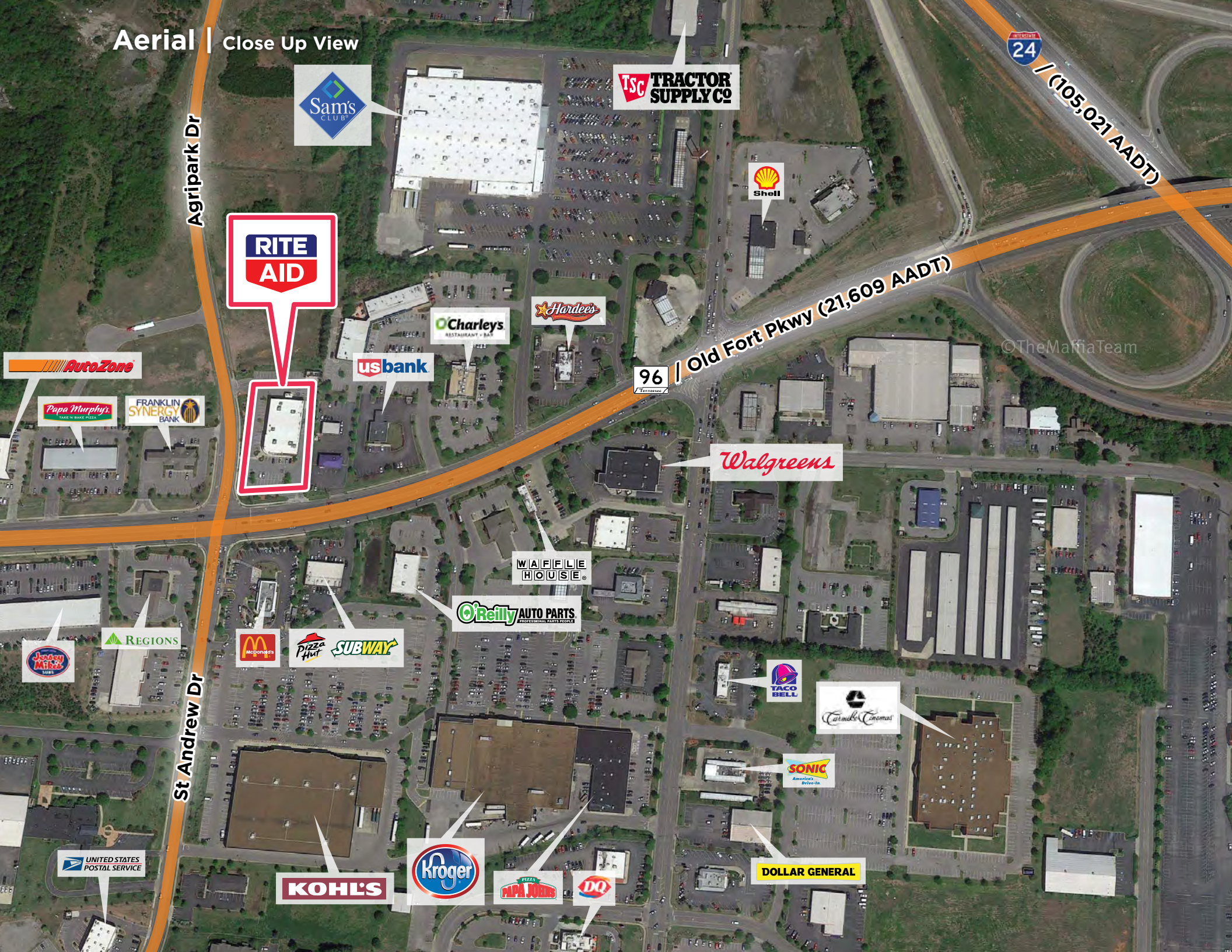


# Site Plan





Aerial | Close Up View



Agripark Dr

St Andrew Dr

96

Old Fort Pkwy (21,609 AADT)

24

(105,021 AADT)

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# Aerial | Distant View

Walgreens

St. Thomas  
Rutherford Hospital

OAKS SHOPPING CENTER

ROSS  
DRESS FOR LESS  
Marshall's  
BED BATH & BEYOND  
CARRABBA'S  
hgregg  
ASHLEY  
Furniture  
Stain Mart  
PETCO  
FIVE GUYS  
BURGERS and FRIES

Old Fort  
Golf Course

THE AVENUE MURFREESBORO

BEST BUY  
KIRKLAND'S  
DICK'S  
SPORTING GOODS  
belk  
BED BATH & BEYOND  
ULTA  
beauty  
PETCO  
Where the pets go.  
MICHAEL'S  
GAP  
CHAMPS  
OLD NAVY  
BARNES & NOBLE  
WORLD MARKET  
carter's  
BJ's  
Starbucks  
chili's  
LONGHORN  
Macaroni  
GRILL  
GNC

TRACTOR  
SUPPLY CO.

SAM'S  
CLUB

at&t

SMASH  
BURGER

Hampton  
Jnn

Walmart  
Supercenter

THE HOME  
IMPROVEMENT

PET SMART  
STAPLES

STONES RIVER MALL

Dillard's  
sears  
H&R BLOCK  
jcpenney  
HANCOCK FABRICS  
crafts & more  
Olive Garden  
GOODY'S  
FedEx  
Krispy Kreme  
FRIDAYS

RITE  
AID

us bank

Hardie's

Shell

96

Old Fort Pkwy (21,609 AADT)

Waffle House

White Castle

McDonald's

baskin-robbins

Tanara

DoubleTree

ihop

Starbucks

KFC

Arby's

Jack  
in the box

Walgreens

Clarion

YACO  
BELL

SONIC

Comet

Best Western

Hampton Express

Days Inn

DOLLAR GENERAL

verizon

Primrose  
School

OLD TIME  
meatery

KOHL'S

Kroger

O'Reilly AUTO PARTS

PIZZA HUT  
SUBWAY

McDonald's

AutoZone

Little Caesars  
pizza

TOWN CENTRE  
Target  
Lowe's  
TJ-maxx  
Toys R Us  
Party City  
DOLLAR TREE  
MATTRESS FIRM  
JOANN  
Wendy's  
Chick-fil-ah



## About the Area

### General Overview

The City of Murfreesboro, with an estimated population of about 117,044, is the county seat of Rutherford County. The city is located at the geographic and population center of Tennessee approximately 30 miles south of Nashville and is included in the Nashville Metropolitan Statistical Area (MSA). It is one of the fastest growing cities in the country, with a population growth of 43% between 2000 and 2014. The City is home to Middle Tennessee State University, the largest undergraduate university in the state of Tennessee, which continuously replenishes the region's highly skilled workforce.

Murfreesboro offers a wide array of residential and commercial development options. It is home to public and private sectors committed to working together to stimulate and encourage new business development and growth. The economic outlook for the city is excellent as employment opportunity continues to expand. As of 2014, Rutherford County boasts a population of 288,906, making it the fifth most populous county in Tennessee. The largest private employer in Rutherford County, Nissan Motor Manufacturing, employs 6,500 workers.

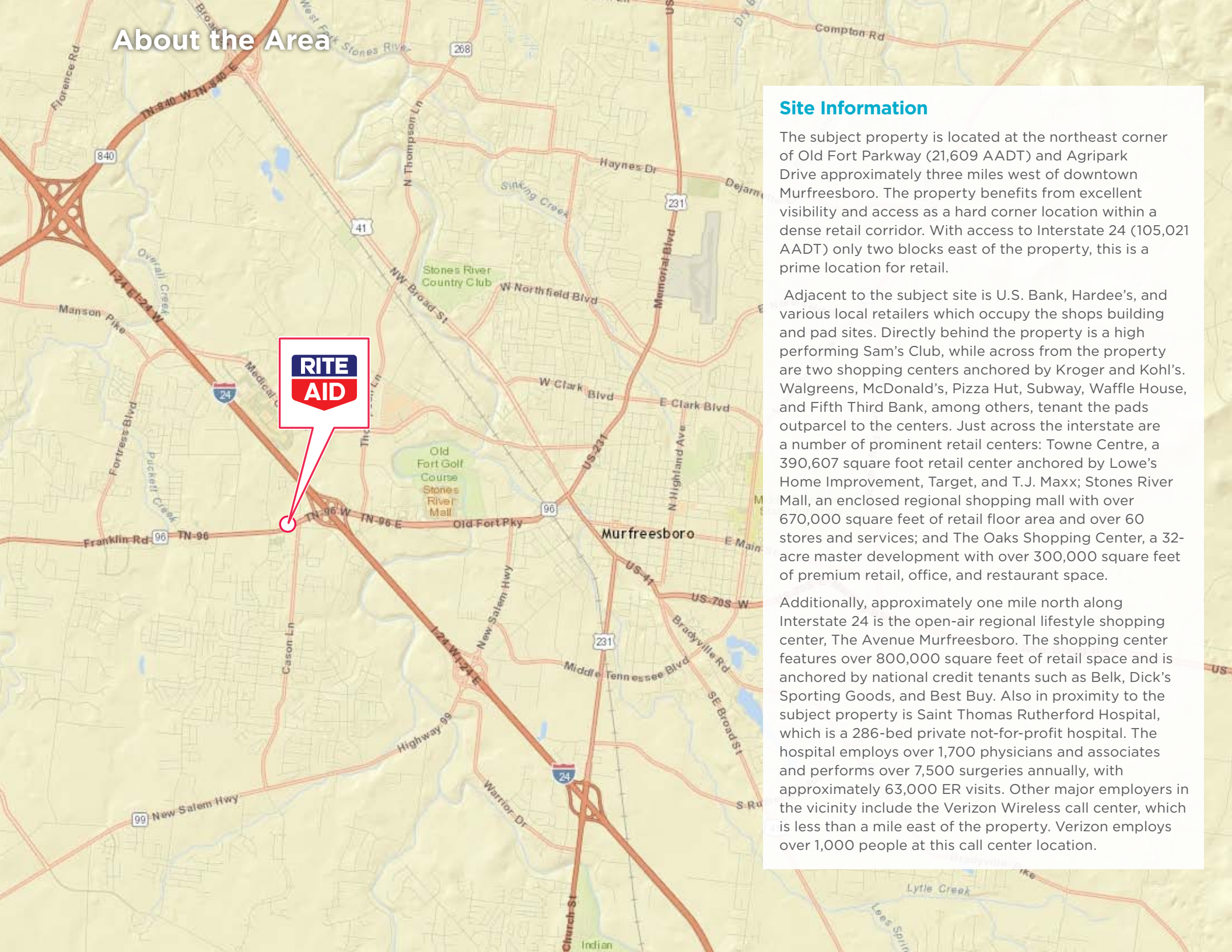


A map of the Nashville, Tennessee area. The map shows major highways (Interstates 24, 40, 75, 70, 41, 55, 58, 44, 240, 252, 258, 259, 265, 266, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000). A red callout points to Murfreesboro, which is marked with a red dot. The callout contains the text "RITE AID".

**RITE  
AID**



## About the Area



### Site Information

The subject property is located at the northeast corner of Old Fort Parkway (21,609 AADT) and Agripark Drive approximately three miles west of downtown Murfreesboro. The property benefits from excellent visibility and access as a hard corner location within a dense retail corridor. With access to Interstate 24 (105,021 AADT) only two blocks east of the property, this is a prime location for retail.

Adjacent to the subject site is U.S. Bank, Hardee's, and various local retailers which occupy the shops building and pad sites. Directly behind the property is a high performing Sam's Club, while across from the property are two shopping centers anchored by Kroger and Kohl's. Walgreens, McDonald's, Pizza Hut, Subway, Waffle House, and Fifth Third Bank, among others, tenant the pads outparcel to the centers. Just across the interstate are a number of prominent retail centers: Towne Centre, a 390,607 square foot retail center anchored by Lowe's Home Improvement, Target, and T.J. Maxx; Stones River Mall, an enclosed regional shopping mall with over 670,000 square feet of retail floor area and over 60 stores and services; and The Oaks Shopping Center, a 32-acre master development with over 300,000 square feet of premium retail, office, and restaurant space.

Additionally, approximately one mile north along Interstate 24 is the open-air regional lifestyle shopping center, The Avenue Murfreesboro. The shopping center features over 800,000 square feet of retail space and is anchored by national credit tenants such as Belk, Dick's Sporting Goods, and Best Buy. Also in proximity to the subject property is Saint Thomas Rutherford Hospital, which is a 286-bed private not-for-profit hospital. The hospital employs over 1,700 physicians and associates and performs over 7,500 surgeries annually, with approximately 63,000 ER visits. Other major employers in the vicinity include the Verizon Wireless call center, which is less than a mile east of the property. Verizon employs over 1,000 people at this call center location.



# Demographics



2528 Old Fort Pkwy, Murfreesboro, TN 37128

	5 miles	10 miles	15 miles
<b>Population Summary</b>			
2010 Total Population	5,619	35,193	101,833
2015 Total Population	6,512	40,027	110,075
2020 Total Population	7,288	44,929	120,824
2015-2020 Annual Rate	2.28%	2.34%	1.88%
<b>Average Household Income</b>			
2015	\$72,318	\$69,146	\$66,043
2020	\$79,388	\$77,039	\$74,588
<b>Median Home Value</b>			
2015	\$182,134	\$185,894	\$190,822
2020	\$197,718	\$206,763	\$219,900

Major Employers in Murfreesboro	# of Employees
Nissan North America, Inc.	6,350
Rutherford County Government	6,073
Middle Tennessee State University	2,205
National Healthcare Corporation	2,071
State Farm Insurance Companies	1,662
Ingram Content Group	1,500
Alvin C. York Veterans Administration Medical Center	1,461
Asurion	1,250
Amazon.com	1,200
Middle Tennessee Medical Center	1,100





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