



**RITE AID**

211 WEST BIRCH STREET | CALEXICO, CA

**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES







## CONTENT

- 04 EXECUTIVE SUMMARY
- 06 FINANCIAL OVERVIEW
- 08 TENANT OVERVIEW
- 13 AREA OVERVIEW

## EXCLUSIVELY LISTED BY

**RAHUL CHHAJED**

**Single Tenant Net Lease**

[rahul.chhajed@matthews.com](mailto:rahul.chhajed@matthews.com)

DIR 949.432.4513

MOB 818.434.1106

LIC # 01986299 (CA)

**ARON CLINE**

**SVP & Senior Director**

[aron.cline@matthews.com](mailto:aron.cline@matthews.com)

DIR 949.432.4509

MOB 818.632.0233

LIC # 01904371 (CA)



# EXECUTIVE SUMMARY

## INVESTMENT HIGHLIGHTS

- Rite Aid is on a NN lease and pays for all insurance, utilities and taxes, making this a passive investment requiring very minimal management involvement
- Building is in strong, durable condition and comes equipped with a double drive-thru, allowing the tenant to experience significant pharmaceutical sales at the location
- **Minimal competition with no CVS or Walgreens in market** - Rite Aid dominates the Calexico market as it is the only major retail pharmacy chain within Calexico
- **Strong Performer:** Tenant has approached the Landlord with plans to contribute significant capital to the store - indicating that they are performing well and are committed to this location
- Rite Aid is strategically located under a mile away from Calexico Health Center, Fresenius Medical Care, and Calexico Outpatient Center; These are all major profit drivers that result in patients coming to the nearest major pharmacy to pick up their pharmaceuticals
- Rite Aid is surrounded by a strong tenant mix of retailers, some of which include: Food 4 Less, AutoZone, Carl's Jr., Forever 21, Starbucks, GameStop, T-Mobile, Fresenius Medical Care, 7-Eleven, McDonald's, Jack in the Box, NAPA Auto Parts, Calexico Smart Buy, and more
- Subject property is located just over 1 mile away from Calexico International Airport
- **Extremely dense population:** In addition to Calexico's population, **Mexicali just south of the border has a population of over 1,000,000 people**
- **Stellar traffic counts:** The intersection of Birch Street and Imperial Avenue sees over **85,000 Vehicles Per Day**
- International gateway City: Calexico capitalizes on the trade, commerce, culture and energy that comes with it serving one of the busiest ports of entry in the country
- Calexico has two ports of entry in the Imperial Valley area of California
- **Major bonus for retailers in Calexico, CA:** More than **18,900,000 vehicles and pedestrians cross into the U.S. through Calexico's two Ports of Entry annually**



## RITE AID

211 West Birch Street  
 Calexico, CA 92231

List Price .....	\$7,030,599
CAP Rate - Current.....	5.75%
Gross Leasable Area .....	± 17,272 SF
Lot Size .....	± 2.04 Acres
Year Built.....	2006

### Annualized Operating Data

	Monthly Rent	Annual Rent	Rent/SF	Cap Rate
Current - 1/31/2027	\$33,687.50	\$404,250.00	\$23.40	5.75%
Option 1	\$37,056.25	\$444,675.00	\$25.75	6.32%
Option 2	\$38,909.00	\$466,908.00	\$27.03	6.64%
Option 3	\$40,854.50	\$490,254.00	\$28.38	6.97%
Option 4	\$42,897.17	\$514,766.04	\$29.80	7.32%
Option 5	\$45,042.08	\$540,504.96	\$31.29	7.69%
Option 6	\$47,294.17	\$567,530.04	\$32.86	8.07%

### Tenant Summary

Tenant Trade Name	Rite Aid Pharmacy
Type of Ownership	Fee Simple
Lease Guarantor	Thrifty Payless, Inc.
Lease Type	NN
Roof and Structure	Landlord Responsible
Original Lease Term	20 Years
Lease Commencement Date	10/5/2006
Rent Commencement Date	10/5/2006
Lease Expiration Date	1/31/2027
Term Remaining on Lease	± 9.75 Years
Increases	5.00% in Options
Options	Six (6), Five (5) Year Options





**RITE AID**

PHARMACY

Drive Thru





Property Name	Rite Aid
Parent Company Trade Name	Rite Aid Corporation (NYSE: RAD)
Ownership	Public
Credit Rating (S&P's)	B
Revenue	\$30.74 B
Net Income	\$165.47 M
No. of Locations	± 4,600
No. of Employees	± 88,000
Headquartered	Camp Hill, Pennsylvania
Website	<a href="http://www.RiteAid.com">www.RiteAid.com</a>
Year Founded	1962

## TENANT OVERVIEW

Rite Aid Corporation, through its subsidiaries, operates a chain of retail drugstores in the United States. The company operates through two segments, Retail Pharmacy and Pharmacy Services. The Retail Pharmacy Segment sells prescription drugs; and a range of other merchandises, such as over-the-counter medications, health and beauty aids, personal care items, cosmetics, household items, and other every day and convenience products. Rite Aid stores generate roughly 70% of their sales from filling prescriptions, while the rest comes from selling health and beauty aids, convenience foods, greeting cards, and more, including some 3,500 Rite Aid brand private-label products. More than 60% of all Rite Aid stores are freestanding and over half have drive-through pharmacies.

## GEOGRAPHIC OUTREACH

Rite Aid operates stores in 31 US states and the District of Columbia. Its largest markets are New York, California, and Pennsylvania, home to more than a third of its drugstores.

## STRATEGY

A key focus of the company's strategy for 2017 is to continue expanding its retail healthcare capabilities to provide a higher level of care to the communities it serves. This includes continuing to introduce unique and integrated offerings to the healthcare marketplace by leveraging its conveniently located retail stores and the capabilities of its 100% owned subsidiaries Health Dialog, RediClinic and EnvisionRx.

## THE OFFERING

<b>Property Name</b>	Rite Aid
Property Address	211 West Birch Street Calexico, CA 92056
Assessor's Parcel Number	058-120-036-000 058-120-037-000
Zoning	CH

<b>Site Description</b>	
Number of Stories	One
Year Built	2006
Gross Leasable Area (GLA)	± 17,272 SF
Lot Size	± 2.04 Acres (88,862 SF)
Type of Ownership	NN
Parking	± 81 Surface Spaces
Parking Ratio	4.69 : 1,000 SF
Landscaping	Professional
Topography	Generally Level

<b>Construction</b>	
Foundation	Concrete Slab
Framing	Wood
Exterior	Masonry
Parking Surface	Asphalt
Roof	Flat

## PARCEL MAP





# SURROUNDING TENANTS

FOREVER 21

FOOD 4 LESS



..T..Mobile..

Imperial Avenue ± 51,000 ADT

Birch Street ± 24,000 ADT

Subject Property





# SURROUNDING AREA







**FOOD 4 LESS**

**FOREVER 21**

Land for Development







Vincent Memorial High School



Birch Street ± 24,000 ADT

Land for Development



## AREA OVERVIEW



### CALEXICO, CA

Calexico is an ethnically and culturally rich and diverse city in Imperial County, California located along the international border with Mexicali, Baja California, Mexico. Positioned in the Cali Baja Bi-National Mega-Region, a globally unique bi-national area that encompasses the entirety of California's U.S.-Mexico border region, Calexico has a bright future and unlimited potential. Its distinguished status as an international gateway city allows it to capitalize on the trade, commerce, culture and energy of the emerging Latin American markets.

AT **6.5 MILLION** RESIDENTS, CALIBAJA'S POPULATION IS THE LARGEST CONCENTRATION OF POPULATION ALONG THE U.S.-MEXICO BORDER.

### PROPERTY DEMOGRAPHICS

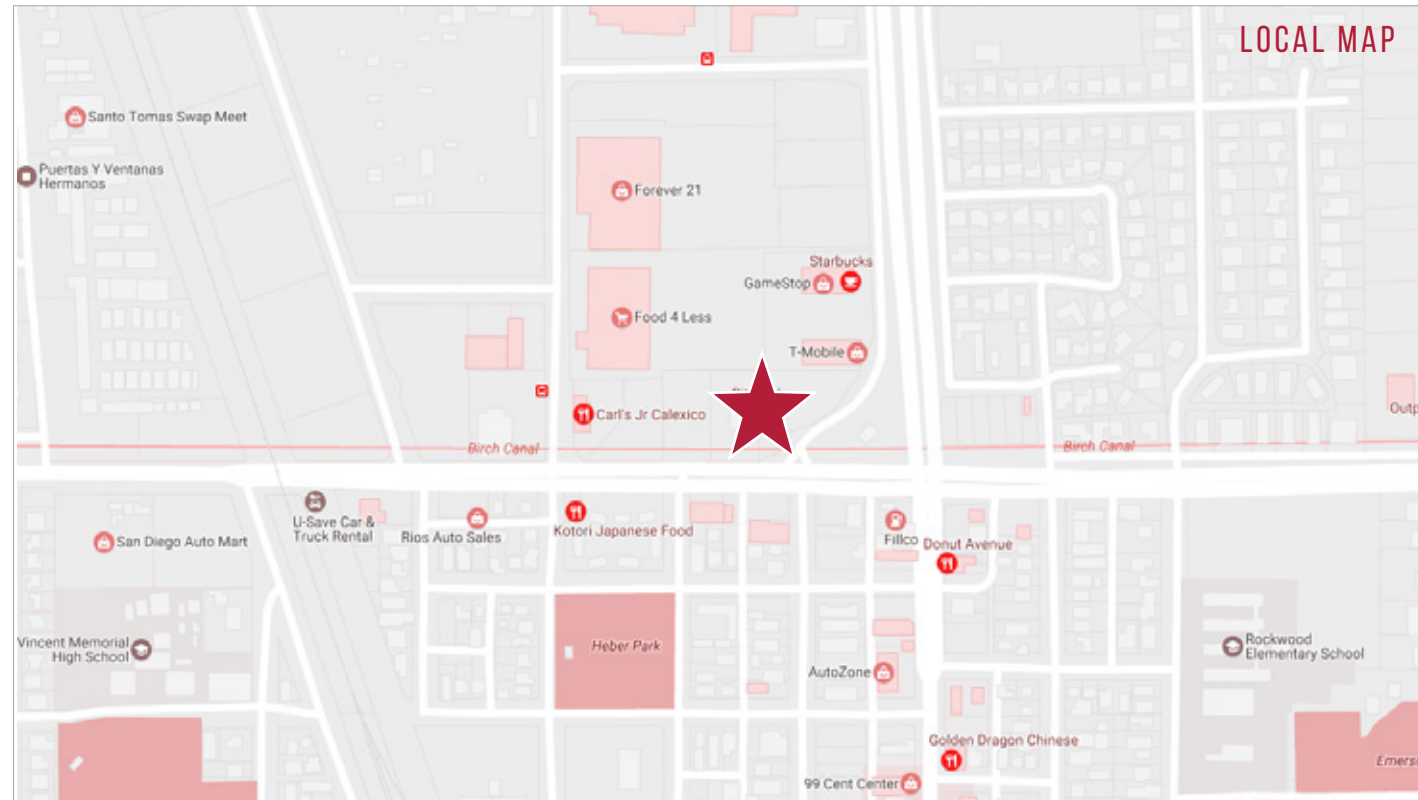
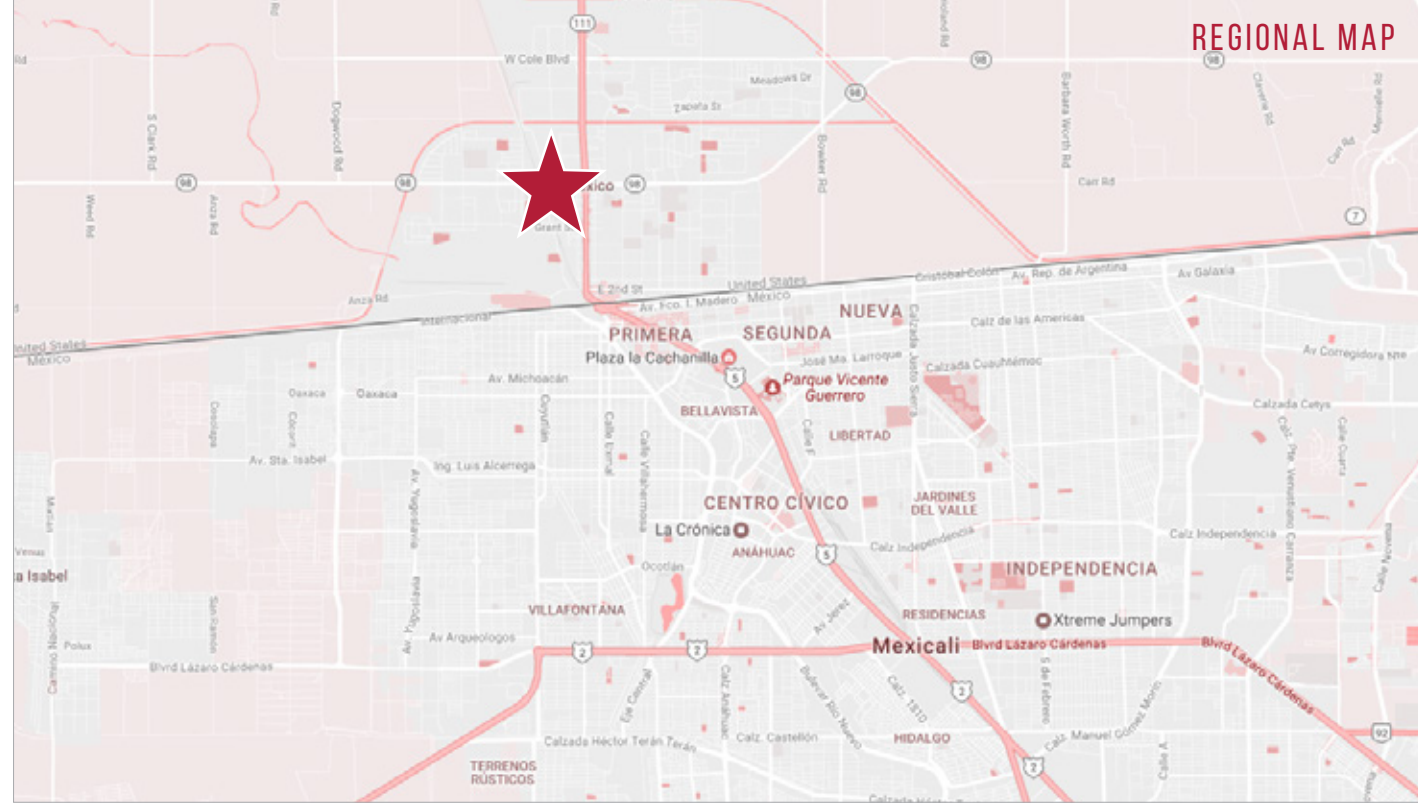
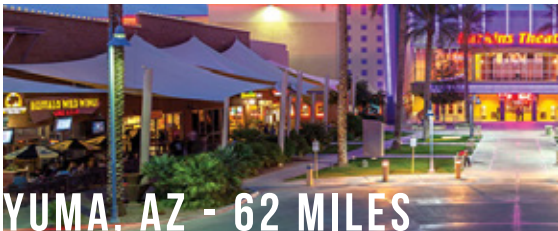
POPULATION	1-Mile	3-Mile	5-Mile
2022 Projection	19,061	43,191	51,313
2017 Estimate	18,409	41,176	48,639
Growth 2017 - 2022	3.54%	4.89%	5.50%
Growth 2010 - 2017	4.66%	7.30%	8.47%

HOUSEHOLDS	1-Mile	3-Mile	5-Mile
2022 Projection	5,237	11,135	13,172
2017 Estimate	5,044	10,644	12,505
Growth 2017 - 2022	3.83%	4.61%	5.33%
INCOME	1-Mile	3-Mile	5-Mile
2017 Est. Average Household Income	\$46,263	\$50,799	\$52,140

## IDEAL LOCATION

Calexico's strategic location is seen by many as the prime link between the interior of Mexico and the major markets along the west coast of the U.S. and Canada. The city provides the area easy overnight trucking access to all transportation hubs plus the ports of Long Beach and Ensenada, Baja California, Mexico. Calexico offers the most affordable prime commercial/ industrial sites, and energy resources in the state; There are numerous industrial park sites ready for occupancy or construction.

## DISTANCE TO:





## IMPERIAL VALLEY

With an extensive amount of renewable resources, a wide-range of cultural and outdoor recreational activities, Imperial County has much to offer residents and tourists alike. The county has a rich agricultural heritage as thousands of acres of prime farmland have transformed this desert region into one of the most productive farming regions in California: Annual crop production exceeds \$1 billion. Responsible for producing half of the United States' winter vegetables, Imperial County's largest industry is agriculture, which accounts for 48% of all employment.

Tourism is the secondary industry of the Imperial Valley. Visitors are drawn to the area by the Salton Sea and its neighboring mud pots and volcanoes, the Algodones Dunes and the Imperial Sand Dunes Recreation Area. A recent growing interest in the area as a filming location has spurred growth in servicing the film industry. Attributed to the county's desert environment and proximity to Los Angeles, several movies have been filmed in the sand dunes outside the agricultural portion of the county: Return of the Jedi, Stargate, The Scorpion King, Into the Wild and some portions of Jarhead.

**9<sup>TH</sup>** LARGEST COUNTY IN  
CALIFORNIA

**± 180,000** COUNTY  
RESIDENTS



## CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **Rite Aid** located at **211 West Birch Street, Calexico, CA 92231** (“**Property**”). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



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