

*163-20 Cross Bay Boulevard*  
HOWARD BEACH, NY 11414



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

OFFERING MEMORANDUM



# Opportunity



**\$15,500,000**

ASKING PRICE



**NNN Investment**

PRODUCT TYPE



**Walgreens (Corp. Guarantee)**

MASTER TENANT



**\$1,096,345**

NNN INCOME



**Key Food**

SUBTENANT



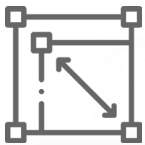
**33,342**

LOT SQUARE FOOTAGE



**23,575**

UNUSED AIR RIGHTS



**9,767**

SQUARE FOOTAGE



**4 / \$402,866**

TAX CLASS / TAXES



# *163-20 Cross Bay Boulevard, Howard Beach, NY*

## *Investment Highlights*

- **The Property** - Developed in 2009, this 9,800 SF retail building sits on a 33,000 SF lot with 180 feet of frontage along Cross Bay Blvd., one of the most popular retail corridors in Queens with 15,000 cars per day. The property offers two driveways and 38 parking spaces in the rear. Additionally, it includes development rights for an extra 20,000+ SF, providing opportunities for further expansion.
- **The History** - The building was developed in 2009 and was immediately occupied by Walgreens on a NNN basis. Following Hurricane Sandy (Oct. 2012), Walgreens vacated the premises, collected their insurance, and chose not to reoccupy. In July 2013, Walgreens sublet the building to Key Food at a discounted rent. Key Food invested \$2 million to convert the space into a food market, which continues to operate to this day.
- **The Guarantee** - In 2009, Walgreens signed a 20-year lease with two ten-year options, with the first option coming due in 2029. The current rent is \$1,090,000 NNN, which is corporate-guaranteed throughout the lease term. Walgreens has no delinquencies and holds a BB credit rating, ensuring reliable cash flow for the new buyer.
- **The Sublet** - Walgreens sublet the building to Key Food, currently collecting \$515,000 in NNN rent. This results in a \$500,000 difference compared to the master lease. The Key Food sublease is set to expire in 2028, creating a six-month gap before the Walgreens lease expiration. Key Food's total revenue was \$4.4B in 2023 (360 Locations) according to financial reports.
- **The Investment Opportunity** - Our asking price indicates a 5-year cap rate of 7.0%, backed by a corporate guarantee. While this represents a strong return, we anticipate a potential market adjustment at lease expiration. Current market rents suggest a reset in the range of \$700,000 to \$850,000 for a corporate tenant. Considering these factors, our 10-year cash flow model predicts an average return of 6.0% to 6.5%.
- **The End-User Opportunity** - There is a significant opportunity for an end-user to occupy the building upon lease expiration, offering strong short-term returns before occupancy. An end-user prepared to launch their business in 2029 could benefit from this timing. Moreover, there may be an option to negotiate an early buyout of the Walgreens lease, allowing for earlier occupancy at a favorable basis.



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# Lease Overview

## Master Lease (Duane Reade / Walgreens)

- **Lease Type:** NNN
- **Lease Term:** 20 years
- **Rent Commencement:** 4/20/2009
- **First Term Expiration:** 4/19/2029
- **Renewal Options:** Two ten-year renewal options
- **Renewal #1:** 4/20/2029 – 4/19/2039: Annual base rent to be 95% of fair market, never less than 112% of last year of initial term
- **Renewal #2:** 4/20/2039-4/19/2044: 112% of increased first renewal option  
4/20/2044-4/19/2049: 125.44% of the increased first renewal option

### Rent schedule

4/20/2009 – 4/19/2014:	\$70,833.33 / month	\$850,000 / year
4/20/2014 – 4/19/2019:	\$72,833.33 / month	\$874,000 / year
4/20/2019 – 3/19/2024:	\$81,573.33 / month	\$978,880 / year
4/20/2024 – 4/19/2029:	\$91,362.08 / month	\$1,096,345 / year

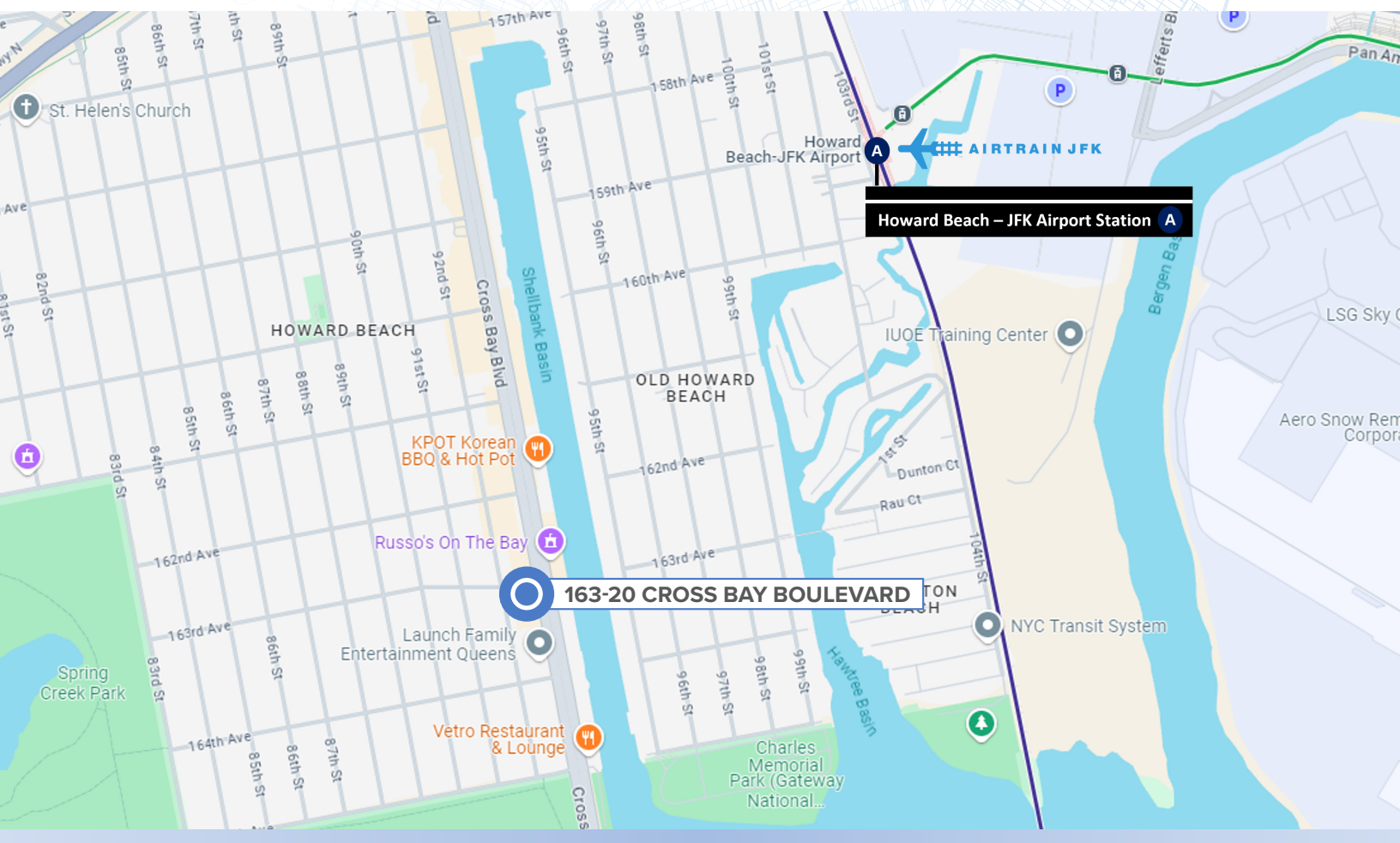
## Sub-Lease (Key Food / Almonte Bay Food Corp.)

- **Background:** With Landlord's consent, Walgreens Co. subleased the property to Almonte Bay Food Corp (Key Food)
- **Lease Type:** NNN
- **Lease Term:** ~15 years
- **Lease Commencement:** July 22, 2013
- **Lease Termination:** October 31, 2028
- **Renewal Options:** None

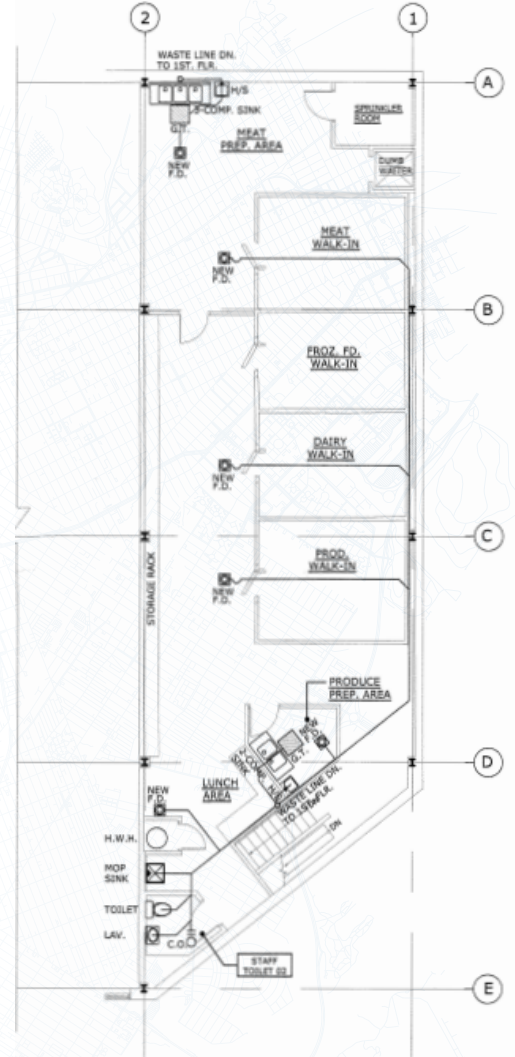
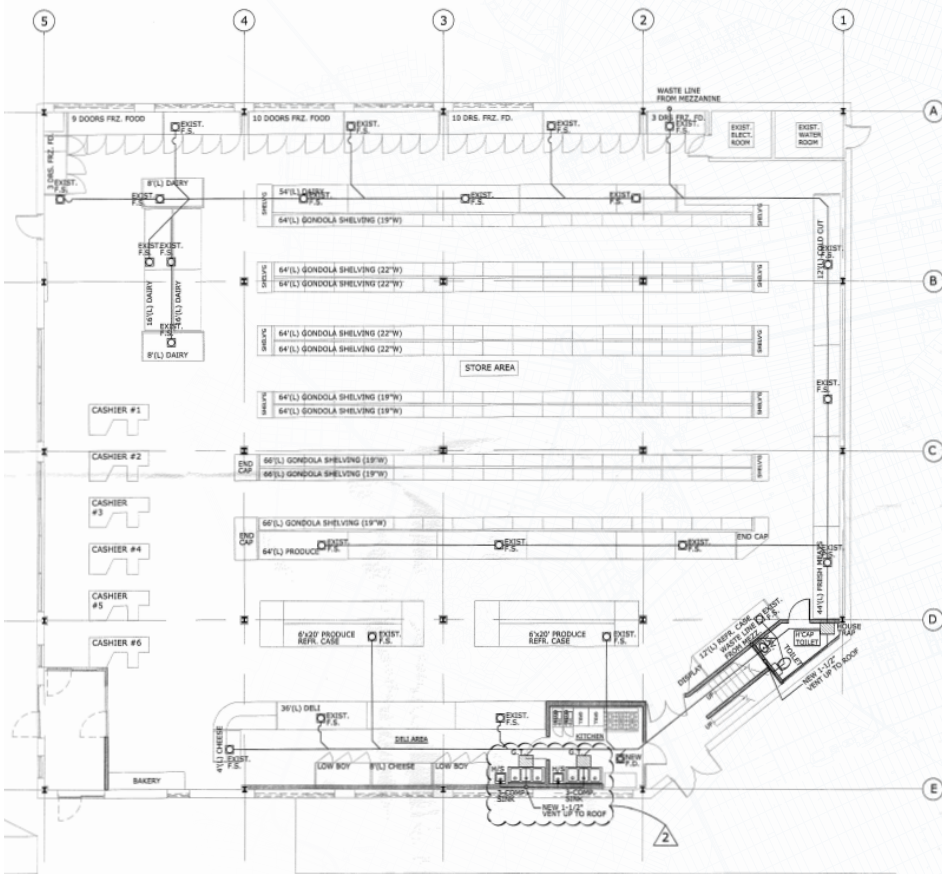
### Rent schedule

Years 1 – 4:	\$33,333.33 / month	\$400,000 / year
Years 5 – 8:	\$36,666.66 / month	\$440,000 / year
Years 9 – 12:	\$40,333.33 / month	\$484,000 / year
Years 13 – termination:	\$44,366.66 / month	\$532,400 / year

# Tax & Transportation Maps



# Floor Plans



## 1st

FLOOR PLAN

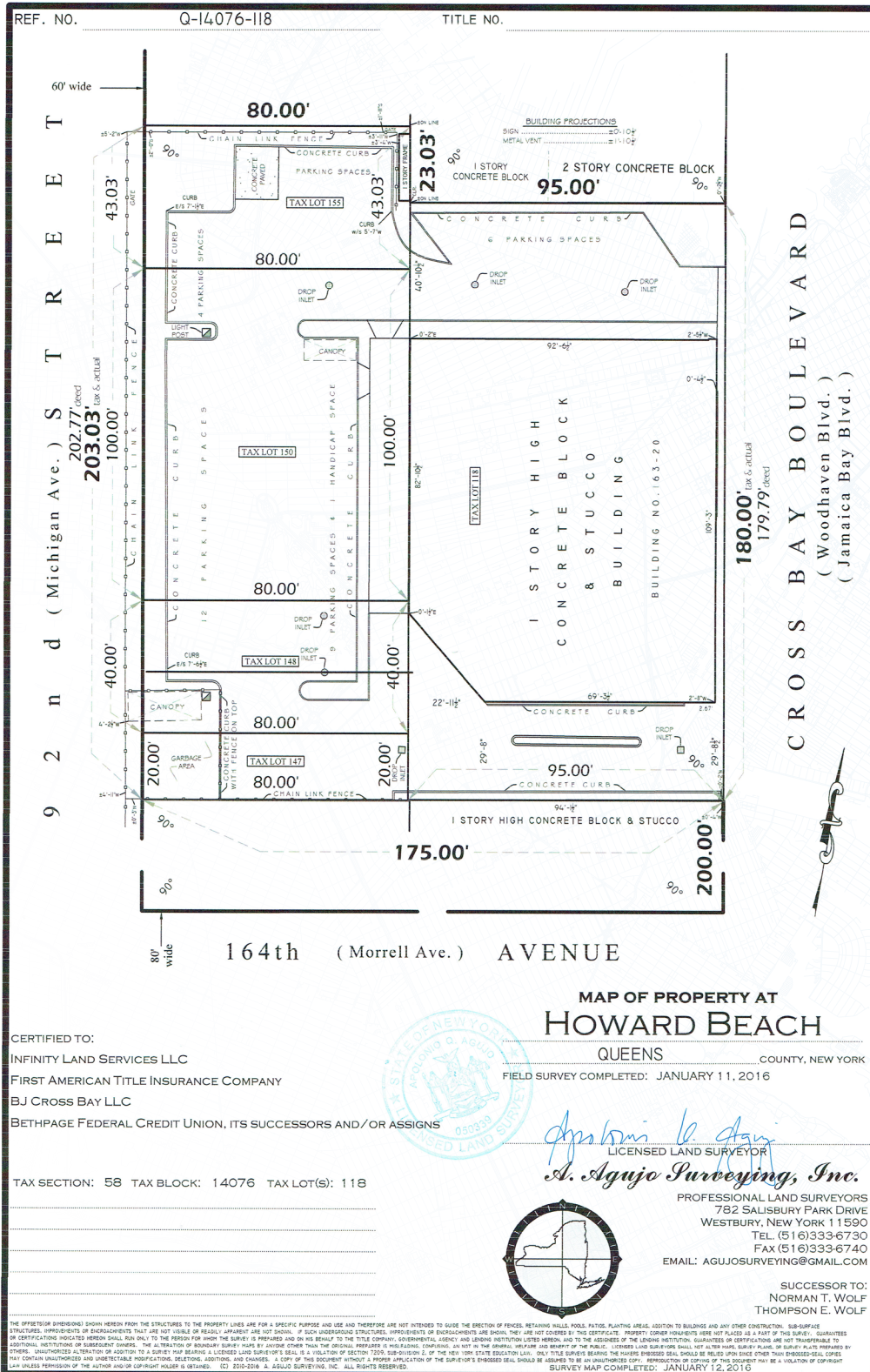
## Mezzanine

FLOOR PLAN



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# Survey



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# NEIGHBORHOOD OVERVIEW

## HOWARD BEACH, NY:

A CHARMING NEIGHBORHOOD WITH A UNIQUE CHARACTER

Nestled in the southwestern part of Queens, New York City, Howard Beach is a vibrant and diverse neighborhood renowned for its suburban charm, strong community spirit, and convenient access to both urban and natural amenities.

### NEIGHBORHOOD OVERVIEW

Howard Beach is characterized by its blend of residential tranquility and bustling local life. The neighborhood offers a mix of single-family homes, well-maintained apartment complexes, and a variety of local businesses. Its tree-lined streets and well-kept lawns give it a suburban feel while still being a part of the dynamic fabric of New York City.

### COMMUNITY AND LIFESTYLE

One of Howard Beach's defining features is its close-knit community. Residents often describe it as friendly and welcoming, with a strong sense of local pride. The neighborhood hosts various community events throughout the year, fostering connections among neighbors. From street fairs and local festivals to sports leagues and volunteer opportunities, there's always something happening in Howard Beach.

### PARKS AND RECREATION

For those who enjoy outdoor activities, Howard Beach offers several green spaces. The neighborhood is adjacent to Jamaica Bay, providing residents with access to scenic views and recreational opportunities such as fishing, kayaking, and bird-watching. The nearby Gateway National Recreation Area is another highlight, offering expansive natural landscapes, hiking trails, and picnicking spots.

# NEIGHBORHOOD OVERVIEW

## DINING AND SHOPPING

Howard Beach features a range of dining options, from casual eateries to more upscale restaurants. The local cuisine is diverse, reflecting the multicultural nature of the neighborhood. Whether you're in the mood for classic Italian, fresh seafood, or international flavors, there's a spot to satisfy your cravings.

Shopping in Howard Beach is convenient, with a variety of local shops, boutiques, and larger retail stores. The neighborhood also boasts several well-loved bakeries and delis, perfect for picking up a quick bite or indulging in some local treats.

## TRANSPORTATION

Getting around is relatively easy in Howard Beach. The neighborhood is well-served by public transportation, including the A train line which connects residents to Manhattan and other parts of Queens. Additionally, Howard Beach is connected to major roadways, making it accessible by car. The Howard Beach-JFK Airport station offers convenient access to the airport, a plus for frequent travelers.

## EDUCATION

Howard Beach is served by several public and private schools, providing families with a range of educational options. The neighborhood places a strong emphasis on education, with schools often noted for their dedicated staff and supportive learning environments.

## CONCLUSION

Howard Beach is a neighborhood that embodies the best of both suburban serenity and urban convenience. Its welcoming community, access to natural beauty, and vibrant local life make it a distinctive and appealing place to call home. Whether you're considering a move or just exploring the area, Howard Beach offers a unique blend of characteristics that cater to a diverse range of lifestyles and preferences.

# CERTIFICATE OF OCCUPANCY



## Certificate of Occupancy

**CO Number: 410130923T002**

This certifies that the premises described herein conforms substantially to the approved plans and specifications and to the requirements of all applicable laws, rules and regulations for the uses and occupancies specified. No change of use or occupancy shall be made unless a new Certificate of Occupancy is issued. *This document or a copy shall be available for inspection at the building at all reasonable times.*

<b>A. Borough:</b> Queens <b>Address:</b> 163-20 CROSS BAY BOULEVARD <b>Building Identification Number (BIN):</b> 4294473	<b>Block Number:</b> 14076 <b>Lot Number(s):</b> 118  <b>Building Type:</b> New	<b>Certificate Type:</b> Temporary <b>Effective Date:</b> 11/16/2015 <b>Expiration Date:</b> 02/14/2016
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*For zoning lot metes & bounds, please see BISWeb.*

<b>B. Construction classification:</b>	1-E	(1968 Code)
<b>Building Occupancy Group classification:</b>	C	(1968 Code)
<b>Multiple Dwelling Law Classification:</b>	None	
<b>No. of stories:</b> 1	<b>Height in feet:</b> 22	<b>No. of dwelling units:</b> 0

**C. Fire Protection Equipment:**  
 Fire alarm system, Sprinkler system

**D. Type and number of open spaces:**  
 Parking spaces (43), Loading berths (1)

**E. This Certificate is issued with the following legal limitations:**  
 None

**Outstanding requirements for obtaining Final Certificate of Occupancy:**  
 There are 10 outstanding requirements. Please refer to BISWeb for further detail.  
**Borough Comments:** None

### Permissible Use and Occupancy

**All Building Code occupancy group designations are 1968 designations, except RES, COM, or PUB which are 1938 Building Code occupancy group designations.**

Floor From To	Maximum persons permitted	Live load lbs per sq. ft.	Building Code occupancy group	Dwelling or Rooming Units	Zoning use group	Description of use
001 001	389	100	C		6	RETAIL STORE

**END OF SECTION**

# DOB OVERVIEW

## NYC Department of Buildings Property Profile Overview

<b>163-20 CROSS BAY BOULEVARD</b>	<b>QUEENS 11414</b>	<b>BIN# 4294473</b>
CROSS BAY BOULEVARD 163-20 - 163-30	Health Area : 3611	Tax Block : 14076
	Census Tract : 892.01	Tax Lot : 118
	Community Board : 410	Condo : NO
	Buildings on Lot : 1	Vacant : NO

[View DCP Addresses...](#) [Browse Block](#)

[View Zoning Documents](#) [View Challenge Results](#) [Pre - BIS PA](#) [View Certificates of Occupancy](#)

Cross Street(s): 163 AVENUE, 164 AVENUE  
DOB Special Place Name:  
DOB Building Remarks:  
Landmark Status: Special Status: N/A  
Local Law: NO Loft Law: NO  
SRO Restricted: NO TA Restricted: NO  
UB Restricted: NO  
Environmental Restrictions: N/A Grandfathered Sign: NO  
Legal Adult Use: NO City Owned: NO  
Additional BINs for Building: NONE  
Additional Designation(s): MS4 - MS4 AREA  
HPD Multiple Dwelling: No

Special District: UNKNOWN

This property is located in an area that may be affected by the following:

Tidal Wetlands Map Check:	No	
Freshwater Wetlands Map Check:	No	<a href="#">Click here for more information</a>
Coastal Erosion Hazard Area Map Check:	No	
Special Flood Hazard Area Check:	Yes	

Department of Finance Building Classification: K1-STORE BUILDING

Please Note: The Department of Finance's building classification information shows a building's tax status, which may not be the same as the legal use of the structure. To determine the legal use of a structure, research the records of the Department of Buildings.

	Total	Open	Elevator Records
<a href="#">Complaints</a>	10	0	<a href="#">Electrical Applications</a>
<a href="#">Violations-DOB</a>	10	1	<a href="#">Permits In-Process / Issued</a>
<a href="#">Violations-OATH/ECB</a>	11	0	<a href="#">Illuminated Signs Annual Permits</a>
<a href="#">Jobs/Filings</a>	42		<a href="#">Plumbing Inspections</a>
<a href="#">ARA / LAA Jobs</a>	1		<a href="#">Open Plumbing Jobs / Work Types</a>
Total Jobs	43		<a href="#">Facades</a>
<a href="#">Actions</a>	24		<a href="#">Marquee Annual Permits</a>
OR Enter Action Type: <input type="text"/>			<a href="#">Boiler Records</a>
OR Select from List: <input type="text" value="Select..."/>			<a href="#">DEP Boiler Information</a>
AND <input type="button" value="Show Actions"/>			<a href="#">Crane Information</a>
			<a href="#">After Hours Variance Permits</a>

# CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **163-20 Cross Bay Boulevard, Howard Beach, NY 11414** ("Property"). The 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 and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services™ has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, 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.

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.

Matthews Real Estate Investment Services™ is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity's name or logo, including any commercial tenant's name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews Real Estate Investment Services™, the property, or the seller by such entity.

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 Owner 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 of this Offering Memorandum.

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HOWARD BEACH, NY 11414



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