

# CPA:17 - Global Acquires \$88 Million Bon-Ton Department Store Portfolio

Sale-leaseback proceeds funds repayment of existing mortgage



W. P. CAREY

CPA:17 - Global acquires a portfolio of six retail properties from The Bon-Ton Stores, Inc. for approximately \$88 million. Three of the properties are located in Milwaukee, Wisconsin, and the remaining three are located in Green Bay, Wisconsin; Fargo, ...

NEW YORK, June 29, 2015 /PRNewswire/ -- W. P. Carey Inc., a global net-lease REIT specializing in corporate [sale-leaseback financing](#), [build-to-suit financing](#) and the acquisition of single-tenant net lease properties, announced today that CPA<sup>®</sup>:17 – Global has acquired a portfolio of six retail properties. Three of the properties are located in Milwaukee, Wisconsin, and the remaining three are located in Green Bay, Wisconsin; Fargo, North Dakota; and Joliet, Illinois. The facilities are leased to an affiliate of The Bon-Ton Stores, Inc. (Bon-Ton) for a period of 20 years. The total acquisition price was approximately \$88 million, including acquisition fees. Bon-Ton will use the sale proceeds to repay an existing mortgage on the properties acquired.

## Key Facts

- **Strong retail tenant:** Bon-Ton operates department stores offering brand-name apparel and accessories for women, men and children, as well as cosmetics, home furnishings, footwear and other goods. The company operates 270 stores, including nine furniture galleries and four clearance centers in 26 states in the Northeast, Midwest and upper Great Plains. Bon-Ton has a market capitalization of \$100 million and is rated B3 and B- by Moody's and S&P, respectively.
- **Critical stores with top sales in strong mall locations:** Each store anchors a high-quality mall or lifestyle center and is ranked in the top 25% of all Bon-Ton stores in terms of total sales. The malls are in prime locations along interstates and in close proximity to major metropolitan areas and have exhibited sales per-square-foot ranging from \$350 to \$595.
- **Guaranteed long-term triple-net lease:** The 20-year master lease covers all six department stores, is guaranteed by Bon-Ton and includes annual CPI escalations.

## Management Commentary

W. P. Carey Managing Director, Gino Sabatini, commented: "Bon-Ton has built a strong track record of tenancy with W. P. Careysince our first transaction 18 years ago. We are delighted to extend our long relationship with the company by providing them with capital to refinance these properties. Given the criticality of these retail stores to Bon-Ton's ongoing operations, an attractive yield on the

investment and the inclusion of annual CPI adjustments, we believe the investment is a valuable addition to the CPA®:17 – Global portfolio."

Kathryn Bufano, President and Chief Executive Officer of The Bon-Ton Stores, Inc., added: "Having had a successful relationship with W. P. Carey for many years, we are pleased to be expanding our relationship with the sale of these properties to CPA®:17 – Global."

#### **W. P. Carey Inc.**

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*This press release contains forward-looking statements within the meaning of the Federal securities laws. The statements of Mr. Sabatini are examples of forward looking statements. A number of factors could cause CPA®:17 – Global's actual results, performance or achievement to differ materially from those anticipated. Among those risks, trends and uncertainties are the general economic climate; the supply of and demand for office and industrial properties; interest rate levels; the availability of financing; and other risks associated with the acquisition and ownership of properties, including risks that the tenants will not pay rent, or that costs may be greater than anticipated. For further information on factors that could impact CPA®:17 – Global, reference is made to its filings with the Securities and Exchange Commission.*

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