



PETSMART
925 Disk Drive
Rapid City, SD 57701 (Income Tax Free State)

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**DISCLAIMER
STATEMENT:**

The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from The Boulder Group and should not be made available to any other person or entity without the written consent of The Boulder Group.

This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. The Boulder Group has not made any investigation, and makes no warranty or representation.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, The Boulder Group has not verified, and will not verify, any of the information contained herein, nor has The Boulder Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.



EXECUTIVE SUMMARY:

The Boulder Group is pleased to exclusively market for sale a single tenant net leased PetSmart property located in Rapid City, South Dakota. The PetSmart's lease expires August 31, 2022 and features four 5-year renewal options with 10% rental escalations in each option. In addition, South Dakota is an income tax free state. There are over 72,000 people living within five miles of the property. The Rapid City market boasts a 2.4% vacancy rate and is the second largest market in the state. The trade area is expansive, reaching 200 miles into Nebraska and 150 miles into Wyoming.

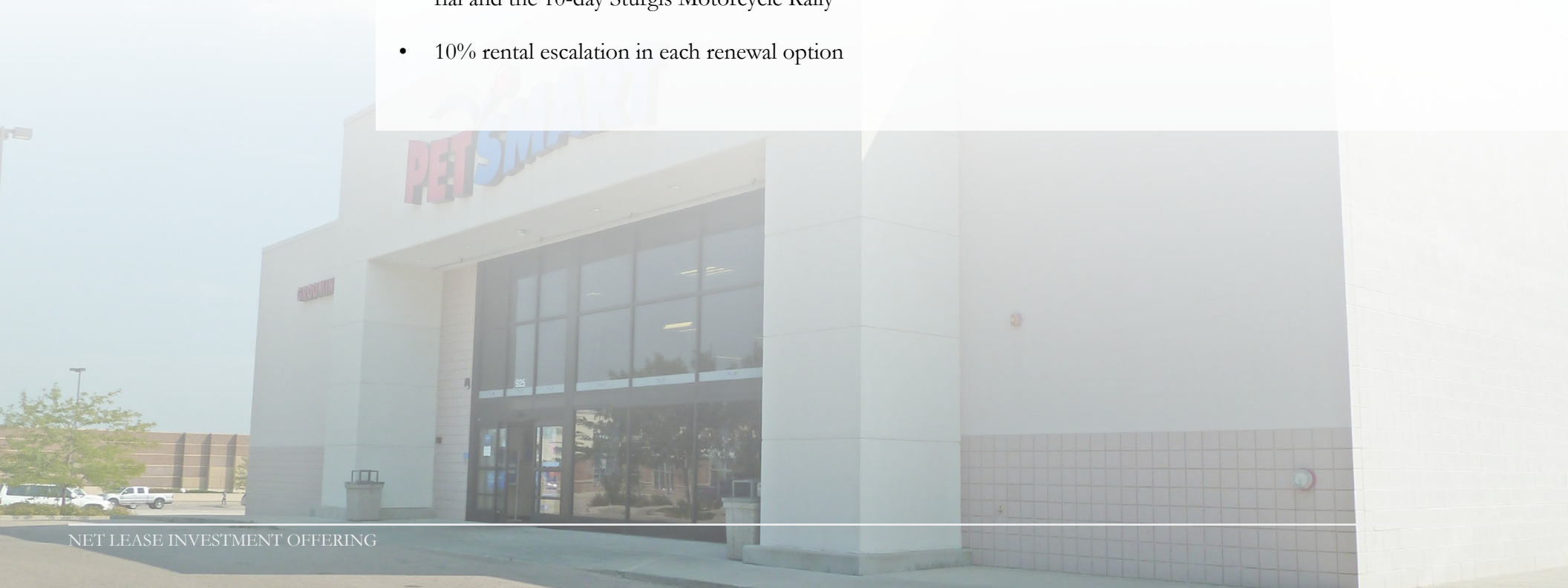
The 20,374 square foot building is located immediately off Interstate 90 (33,090 VPD) in Rapid City's primary retail corridor. The property is just west of Rushmore Mall, which anchored by JCPenney and At Home. Additional retailers in the area include Kohl's, Lowe's, Best Buy, AMC, Sam's Club and Walmart Supercenter. Rapid City is a national tourist destination due to its close proximity to Mount Rushmore National Memorial and the 10-day Sturgis Motorcycle Rally. The largest sector of the Rapid City economy is government services, including local, state, and federal. Major employers include Ellsworth Air Force Base, home of the 28th Bomb Wing flying the B-1B long-range bomber; the Army National Guard based at Camp Rapid and hosting annual exercises in the Black Hills drawing troops from five to ten states; and various federal agencies including the National Park Service, US Forest Service, and Indian Health Service. Ellsworth Air Force Base employs over 5,000 military and civilian personnel and contributes 10% of the total sales to the Rushmore Mall.

PetSmart Inc. is an American retail chain operating in the United States, Canada, and Puerto Rico that is engaged in the sale of pet animal products and services such as dog grooming and dog training, cat and dog boarding facilities, and daycare. PetSmart has over 1,700 locations and 5,300 employees.



**INVESTMENT
HIGHLIGHTS:**

- Located immediately off Interstate 90 (33,090 VPD) in Rapid City's primary retail corridor
- Retailers in the area include Kohl's, Lowe's, Best Buy, AMC, Sam's Club and Walmart Supercenter
- South Dakota is an income tax free state
- The Rapid City market boasts a 2.4% vacancy rate and is the second largest market in the state
- The Rapid City trade area is expansive, reaching 200 miles into Nebraska and 150 miles into Wyoming.
- Over 72,000 people living within five miles of the property
- Rapid City is a national tourist destination due to its close proximity to Mount Rushmore National Memorial and the 10-day Sturgis Motorcycle Rally
- 10% rental escalation in each renewal option



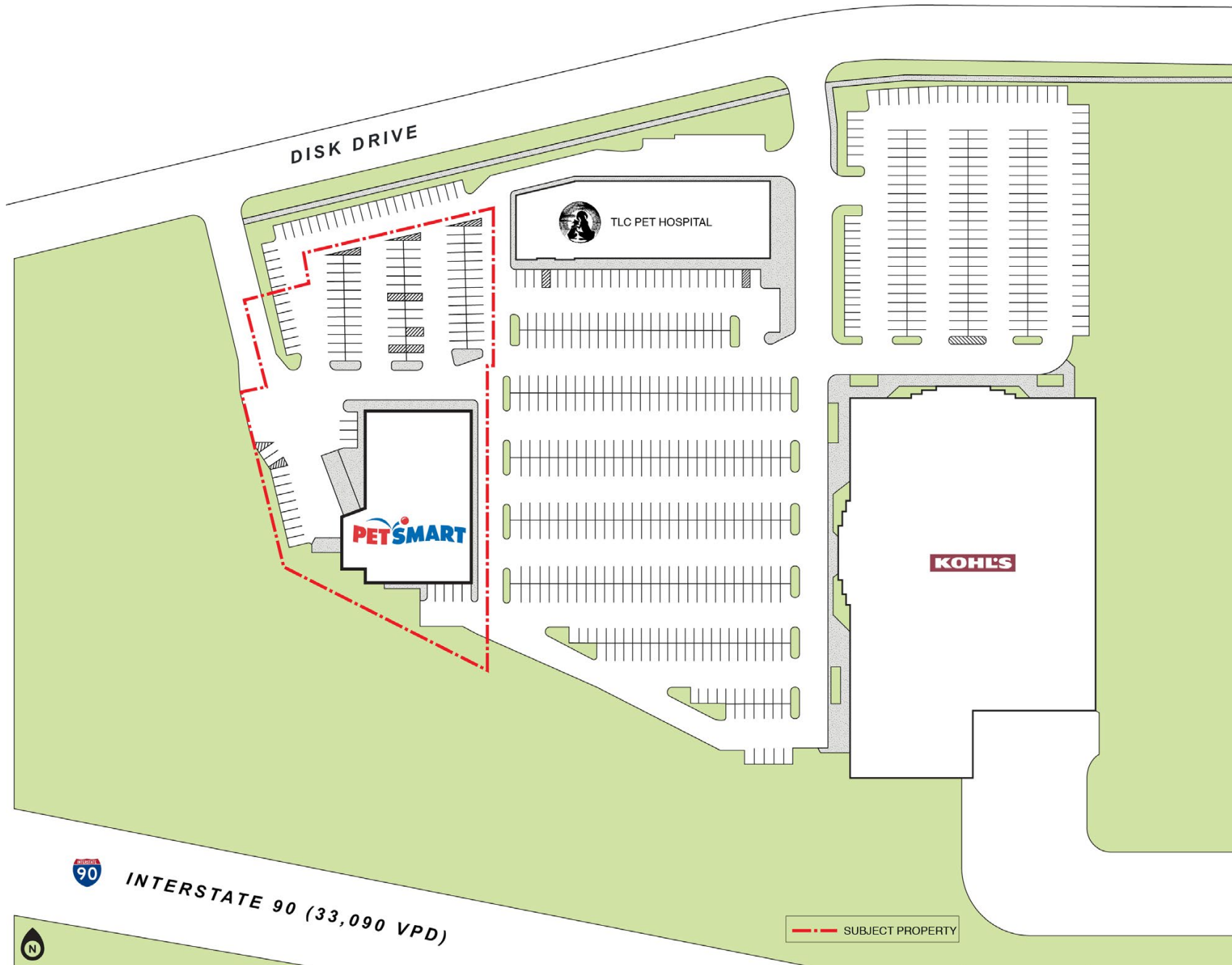
PROPERTY OVERVIEW:

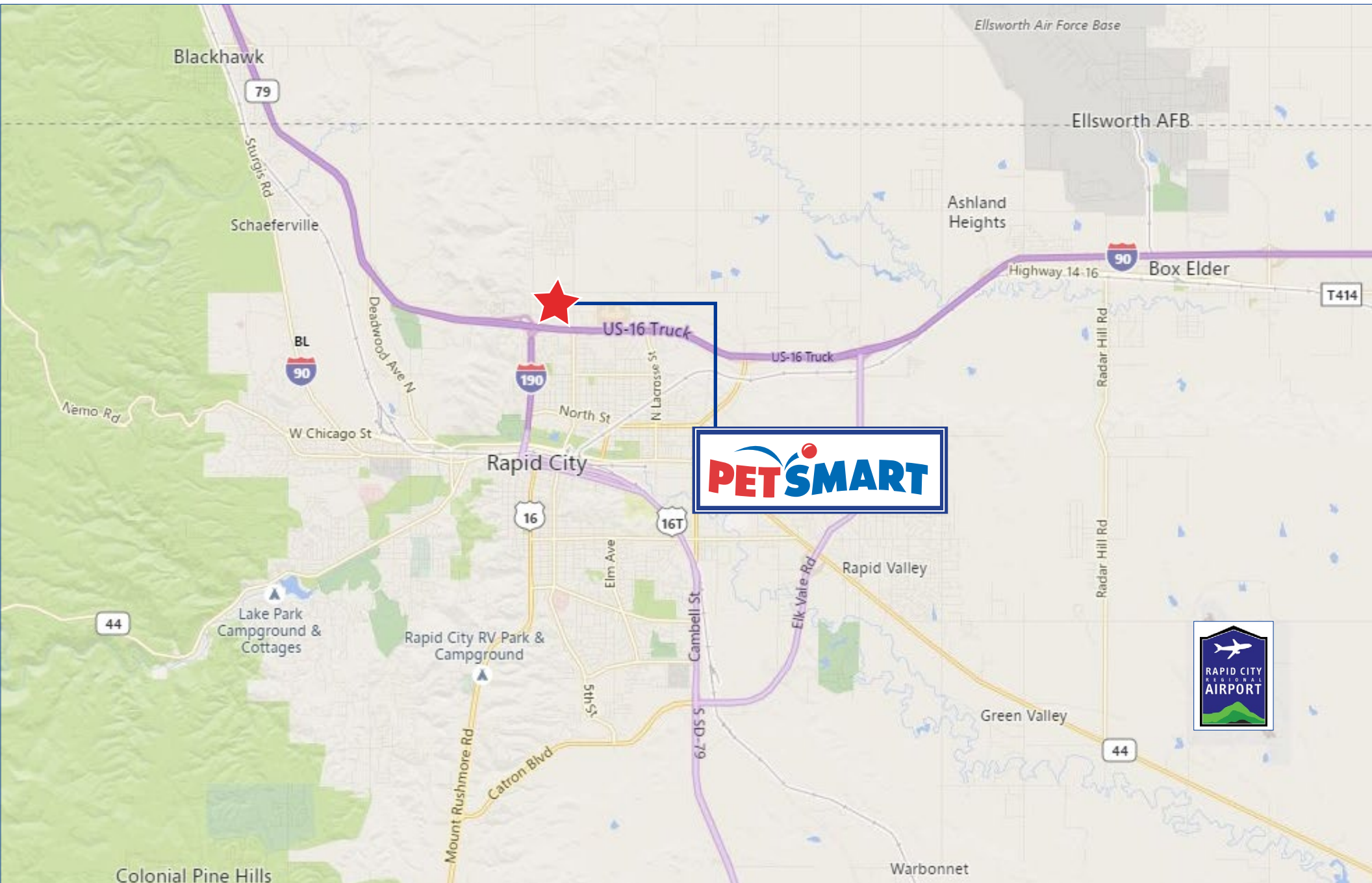
Price:	\$4,047,224
Cap Rate:	8.55%
Net Operating Income:	\$346,001
Rental Escalations:	10% in each option
Renewal Options:	Four 5-Year
Lease Expiration Date:	8/31/2022
Tenant:	PETSMART, Inc.
Lease Type:	NN (Roof, Structure & Parking Lot Replacement)*
Year Built:	2007
Building Size:	20,374 SF
Land Size:	2.12 AC

**Landlord can collect an administrative fee not to exceed 5% of the common area costs.*









**DEMOGRAPHIC
REPORT:**

Population	3-Mile	5-Mile	7-Mile
Total Population	32,613	72,366	96,492
Total Households	13,594	30,388	39,589

Income	3-Mile	5-Mile	7-Mile
Average Household Income	\$50,890	\$64,006	\$68,983

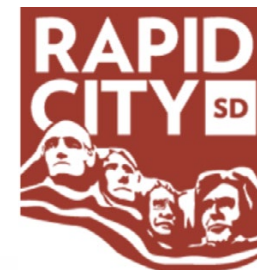


MARKET OVERVIEW:

Rapid City, South Dakota, Illinois

Rapid City is the second most populous city in South Dakota and the county seat of Pennington County. Named after Rapid Creek, on which the city is established, it is set against the eastern slope of the Black Hills mountain range. The population was 67,956 as of the 2010 Census.

Known as the “Gateway to the Black Hills” and the “City of Presidents”, it is split by a low mountain ridge that divides the western and eastern parts of the city. Ellsworth Air Force Base is located on the outskirts of the city. Camp Rapid, a part of the South Dakota Army National Guard, is located in the western part of the city. The historic “Old West” town of Deadwood is nearby. In the neighboring Black Hills are the popular tourist attractions of Mount Rushmore, the Crazy Horse Memorial, Custer State Park, and Wind Cave National Park.



The largest sector of the Rapid City economy is government services, including local, state, and federal. Major employers include Ellsworth Air Force Base, home of the 28th Bomb Wing flying the B-1B long-range bomber; the Army National Guard based at Camp Rapid and hosting annual exercises in the Black Hills drawing troops from five to ten states; and various federal agencies including the National Park Service, US Forest Service, and Indian Health Service. Tourism is also a major portion of the Rapid City economy, due to the proximity of Mount Rushmore, Sturgis, home of the Sturgis Motorcycle Rally, Deadwood, and other attractions in the Black Hills. Rapid City is the major source of services for the Motorcycle Rally, and the Rally’s demand for motel rooms, camp sites, and other services for tourists during the first week of August means that Rapid City has the capacity to host large conventions and large numbers of tourists year-round. Various minor tourist attractions, including wildlife parks, specialty shops, caves, water parks, private museums, and other businesses are found in and near Rapid City.

TENANT OVERVIEW:

Petsmart

PetSmart Inc. is an American retail chain operating in the United States, Canada, and Puerto Rico that is engaged in the sale of pet animal products and services such as dog grooming and dog training, cat and dog boarding facilities, and daycare. PetSmart also offers a variety of small animals for sale and adoption, such as small birds, fish, amphibians, reptiles, and several different pocket pets, like rats, guinea pigs, chinchillas, gerbils, many different species of hamster, and mice.

Website:	www.PetSmart.com
Locations:	1,500+
Employees:	53,000
Year Founded:	1986
Headquarters:	Phoenix, Arizona
Type:	Private





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