

OFFERING MEMORANDUM

# LOAF 'N JUG

4401 CO-165 | COLORADO CITY, CO

## MATTHEWS<sup>TM</sup>

REAL ESTATE INVESTMENT SERVICES



*Representative Photo*









## EXCLUSIVELY LISTED BY

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# EXECUTIVE SUMMARY

## INVESTMENT HIGHLIGHTS

### PROPERTY

- Recently extended lease term – shows commitment to the site
- NN Investment
- Fixed 1.75% annual rental increases – hedge against inflation

### LOCATION

- Strong operating history – Loaf 'N Jug has been a tenant at this location for the past 39 years
- Loaf 'N Jug is backed by The Kroger Co. credit (Standard & Poor's credit rating of BBB)
- Located off the main drag that connects South East Colorado to major ski resorts

### RETAIL TRADE AREA

- Outparceled to the Valley Market Super Store
- In close proximity to Hollydot Golf Club



## LOAF 'N JUG

4401 CO-165

Colorado City, CO 81019

List Price .....\$622,331

CAP Rate - Current.....6.50%

Gross Leasable Area .....± 3,200 SF

Lot Size .....± 0.47 Acres

Year Built.....1979



*Representative Photo*

## Annualized Operating Data

	Monthly Rent	Annual Rent	Rent/SF	Cap Rate
8/1/2017	\$3,370.96	\$40,451.49	\$12.64	6.50%
8/1/2018	\$3,429.95	\$41,159.39	\$12.86	6.61%
8/1/2019	\$3,489.97	\$41,879.68	\$13.09	6.73%
8/1/2020	\$3,551.05	\$42,612.57	\$13.32	6.85%
8/1/2021	\$3,613.19	\$43,358.29	\$13.55	6.97%
8/1/2022	\$3,676.42	\$44,117.07	\$13.79	7.09%
8/1/2023	\$3,740.76	\$44,889.11	\$14.03	7.21%
8/1/2024	\$3,806.22	\$45,674.67	\$14.27	7.34%
Option 1	\$3,872.83	\$46,473.98	\$14.52	7.47%
Option 2	\$4,151.13	\$49,813.56	\$15.57	8.00%
Option 3	\$4,527.29	\$54,327.49	\$16.98	8.73%
Option 4	\$4,937.54	\$59,250.46	\$18.52	9.52%
Option 5	\$5,384.96	\$64,619.53	\$20.19	10.38%
Option 6	\$5,872.93	\$70,475.13	\$22.02	11.32%
Option 7	\$6,405.11	\$76,861.35	\$24.02	12.35%

## Tenant Summary

Tenant Trade Name	Loaf 'N Jug
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NN
Roof and Structure	Landlord Responsible
Lease Commencement Date	8/1/2014
Rent Commencement Date	8/1/2014
Lease Expiration Date	7/31/2024
Term Remaining on Lease	±7 Years
Increases	1.75% Annual Increases
Options	Seven, 5-Year Options



# TENANT SUMMARY



*Representative Photo*



Company Name	Loaf 'N Jug
Parent Company Trade Name	The Kroger Co (NYSE: KR)
Ownership	Public
No. of Locations	± 117
No. of Employees	± 1,600
Headquartered	Pueblo, Colorado
Website	<a href="http://www.loafnjug.com">www.loafnjug.com</a>
Year Founded	1980

## OVERVIEW

Owned by Kroger, Loaf 'N Jug is a full-line convenience store company offering a wide variety of fresh foods, beverages, snacks, groceries, and other convenience products, along with quality fuel products. All Loaf 'N Jug stores are open late, with most locations operating 24 hours a day for customer convenience.

Kroger continues to be the largest traditional grocer in the United States and one of the world's largest grocery retailers. That being said, Kroger spans many states with store formats that include grocery and multi-department stores, convenience stores and jewelry stores. The company operates under a total of two dozen banners, all of which share the belief of building brand loyalty and strong community ties.

## BUSINESS MODEL

The Kroger Co continues to differentiate itself through the analysis of customer shopping habits and behaviors. Years of experience in data analytics have allowed the company to provide personalized shopping experiences to its customers and individualized rewards. This has ultimately allowed Kroger to redefine its business model and make it more sustainable.

In addition to continually increasing the number of loyal households through analytics, Kroger looks to boost existing store sales with remodels, promote organic growth through store openings in under-served markets, and expand its revenue and geographic reach through select store and brand acquisitions.

## GEOGRAPHIC EXPANSE

Loaf 'N Jug operates more than 170 convenience store locations primarily in Colorado and Wyoming with additional stores in North Dakota, South Dakota, Montana, Nebraska, Oklahoma, and New Mexico.

# PROPERTY DETAILS

## THE OFFERING

Property Name	Loaf 'N Jug
Property Address	4401 CO-165 Colorado City, CO 81019
Assessor's Parcel Number	4724110222

Site Description	
Number of Stories	One
Year Built	1979
Gross Leasable Area (GLA)	± 3,200 SF
Lot Size	± 0.47 Acres (20,520 SF)
Type of Ownership	Fee Simple
Landscaping	Professional
Topography	Generally Level

## PARCEL MAP





## SURROUNDING TENANTS





# AREA OVERVIEW



## PUEBLO, CO

The City of Pueblo has a long and colorful history dating back to 1842, when it was called Fort Pueblo. What brought the city from a small fort in southern Colorado to a major city were the ore mines. This area once housed 4 separate towns, Pueblo, South Pueblo, Central Pueblo, and Bessemer. These 4 towns together now make up the City of Pueblo.

The City of Pueblo is also known as “America’s Home of Heroes,” as was proclaimed by the United States Congress in 1993. Pueblo hosts National Medal of Honor Day and has had as many as 4 living Medal of Honor recipients living in their community.

Economically, Pueblo is booming. It is one of the largest steel-producing cities in the United States and is often referred to as the “Steel City”. Additionally, Pueblo has one of the top 5 lowest costs of living when comparing price levels of housing, utilities, transportation, and groceries.



## COMMUNITY DEVELOPMENT

### HISTORIC ARKANSAS RIVERWALK OF PUEBLO

101 South Union Avenue – Downtown Pueblo

Construction of a 460-square-foot building addition including the installation of a new HVAC system. The department staff administered the grant contract and reports on the expenditure of the funds, and secured approval for the release of the grant funds to the city. The overall project totaled \$172,072.

### PORTLAND PARK SHELTERS

1700 Block of East 19 Street – Eastside Neighborhood

Installation of one park shelter and the accompanying ADA accessible route, relocation of irrigation system, electrical service and lighting, installation of new picnic tables.



### SAINT ANNE'S PARK BALL FIELD REHABILITATION

2700 E. 12 Street - Eastside Neighborhood

The project will undertake the rehabilitation of the ballfield to include the removal of substandard structures to provide improved playing conditions to area residents and youth baseball teams. Improvements to be undertaken are construction of the backstop, removal and replacement of broken chain-link fencing, construction of a new announcer's booth and new infield mix.

### INSTALLATION OF STREET LIGHTS

2500 & 2600 Block of East 9th Street & 2600 Block of East 10th Street

Installation of three cobra head streetlights on the above listed streets. At present, there are no streetlights on these blocks. Improvements will provide for safer pedestrian and vehicular transit.





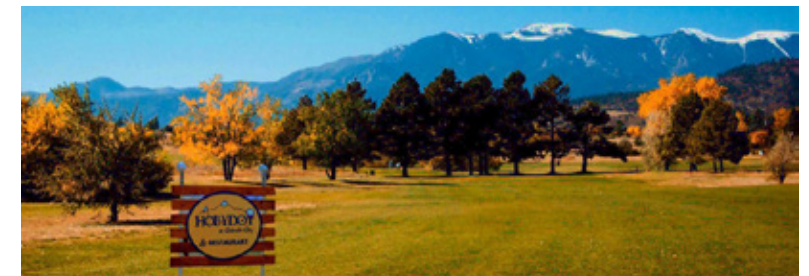


## COLORADO CITY, CO

At a 24-minute drive southwest of Pueblo, Colorado, Colorado City is a town that anchors the southern leg of the Frontier Pathway Scenic Byway, a 104-mile road along the Sangre de Cristo Mountains. It is a part of the Pueblo Metropolitan Statistical Area and the hub of the Greenhorn Valley.

Colorado City sits at an elevation of 6,000 feet, enjoying views of the majestic Greenhorn Mountain to the west. The highest point in the Wet Mountains of southern Colorado. Ascending over an elevation of 12,000, Greenhorn Mountain can be seen from Colorado Springs, Pueblo and Trinidad.

Each year, many visitors are drawn to Colorado City by the breathtaking mountain views as well as the abundance of recreational activities it has to offer, such as golfing hiking, fishing, camping, horseback riding and bird watching. Closer to town, Colorado City provides access to popular hiking areas such as Bartlett, Camp Crockett and the San Carlos trails. Camping enthusiasts can pitch their tents at the KOA in Colorado City or at the Greenhorn Meadows Park Campground.



## THE BISHOP CASTLE

24 miles west of Colorado City along Highway 165, Bishop's Castle is a 160-foot high stone castle boasts several towers, a grand ballroom, stained glass windows and even a fire breathing dragon. Started in 1969 and entirely constructed by area resident Jim Bishop, Bishop's Castle is billed as "The Largest One-Man Construction Project in the Country", quite possibly even in the world.

## PROPERTY DEMOGRAPHICS

POPULATION	3-Mile	5-Mile	10-Mile
2022 Projection	2,394	3,538	5,530
2017 Estimate	2,115	3,146	5,159
Growth 2017 - 2022	13.19%	12.46%	7.19%
Growth 2010 - 2017	29.28%	26.86%	10.97%
HOUSEHOLDS	3-Mile	5-Mile	10-Mile
2022 Projection	914	1,369	2,203
2017 Estimate	811	1,222	2,059
Growth 2017 - 2022	12.70%	12.03%	6.99%
INCOME	3-Mile	5-Mile	10-Mile
2017 Est. Average Household Income	\$81,220.00	\$81,084.00	\$80,539.00



## CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **Loaf 'N Jug** located at **4401 CO-165, Colorado City, CO 81019** (**"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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