

INVESTMENT OFFERING | PUEBLO, COLORADO

**SAFEWAY**  TM



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**1017 N MARKET PLAZA, PUEBLO WEST, CO 81007**

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**SAFEWAY**



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## STATEMENT OF CONFIDENTIALITY & DISCLAIMER

Faris Lee Investments (“FLI”) has been engaged as the exclusive financial advisor to the Seller in connection with Seller’s solicitation of offers for the purchase of the property known as Safeway, City of Pueblo West, County of Pueblo, State of Colorado. Prospective purchasers are advised that as part of the solicitation process, Seller will be evaluating a number of factors including the current financial qualifications of the prospective purchaser. Seller expressly reserves the right in its sole and absolute discretion to evaluate the terms and conditions of any offer and to reject any offer without providing a reason therefore. Further, Seller reserves the right to terminate the solicitation process at any time prior to final execution of the Purchase Agreement.

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, and it is not to be used for any other purpose or made available to any other person without the express written consent of Seller or FLI. The material is based in part upon information supplied by the Seller and in part upon financial information obtained

by FLI from sources it deems reasonably reliable. Summaries of any documents are not intended to be comprehensive or all-inclusive, but rather only outline some of the provisions contained therein and qualified in their entirety by the actual document to which they relate.

No representation or warranty, expressed or implied, is made by the Seller, FLI, or any of their respective affiliates as to the accuracy or completeness of the information contained herein. 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, including engineering and environmental inspections, to determine the condition of the Property and the existence of any potentially hazardous material located at the Property site or used in the construction or maintenance of the building at the Property site.

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 FLI 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.

Prospective purchasers are not to construe the contents of this Offering Memorandum or any prior or subsequent communication from FLI or Seller or their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents as legal, tax, or other advice. Prior to submitting an offer, prospective purchasers should consult with their own legal counsel and personal and tax advisors to determine the consequences of an investment in the Property and arrive at an independent evaluation of such investment.



## INVESTMENT SUMMARY

Faris Lee Investments is pleased to offer for sale, the fee simple interest (land & building) in a highly successful, single-tenant, net leased Safeway grocer in Pueblo West, Colorado. The tenant has been at this same location since the property was built in 2000, whereby they signed an original 20-year lease. Safeway recently extended their lease early, exercising their first 5-year option, while also increasing their rent, proving their overall commitment to this location.

The lease is corporately guaranteed, making this a very safe and viable opportunity for a 1031 exchange or a passive long-term hold. Safeway was founded in 1915 and is a subsidiary of Albertsons (Parent Company); they operate over 2,269 retail stores, with 900 stores being operated under the Safeway banner.

The property is ideally located along US Highway 50, which is the main thoroughfare road in the trade area. The site benefits from a lack of competition in the surrounding area and features strong sales, that have been steadily increasing year-over-year. In addition, the property benefits from the robust tenant synergy within the shopping center, with other tenants including Starbucks, Walgreens, McDonald's, Dollar Tree, AutoZone, O'reilly Auto Parts, etc. Furthermore, there are nearly 50,000 residents living within the trade area, with an average household income of \$75,000, providing consistent and reliable customer flow to the shopping center year round.

### PRICING:

**\$9,385,000**

### NET OPERATING INCOME:

**\$469,200**

### CAP RATE:

**5.00%**

### SPECIFICATIONS:

**GLA:** 56,140 SF

**Land Area:** 5.6 Acres  
243,936 SF

### TENANT:

Safeway

### LOCATION:

**1017 N Market Plaza  
Pueblo West, CO 81007**

PROPERTY SPECIFICATIONS  
1017 N Market Plaza, Pueblo West, CO 81007



Land Area  
5.6 Acres (243,936 SF)



Rentable Area  
56,140 SF

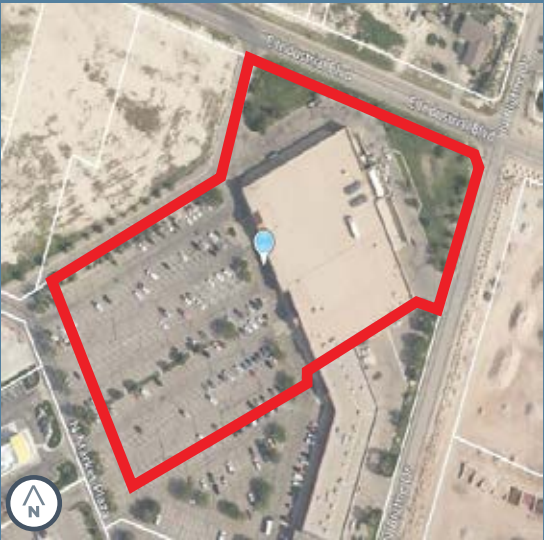


Ownership  
Fee Simple (Land & Building)



Access  
There are (3) access points, (1) along N Purcell Blvd, (1) along N Blythe Drive, and (1) along E Industrial Blvd.

Parcel Map



PARCEL	ACRES	SQ. FT
507105008	5.6	243,936



Parking  
There are approximately 739 dedicated parking stalls on the owned parcel. The parking ratio is approximately 13.16 parking stalls per 1,000 SF of leasable area.



Traffic Counts (Regis 2019)  
US Hwy 50: 33,600 VPD  
Purcell Blvd: 18,000 VPD



Year Built  
2000

## PROPERTY HIGHLIGHTS



### Corporate Lease with Safeway Inc.

- National Tenant – Safeway Inc., which is a subsidiary of Albertsons (Parent Company)
- Creates stability and security for the future investor
- Albertsons Companies is a leading food and drug retailer in the US. As of Feb 2019, the Company operated 2,269 retail stores.
- The Company's stores predominantly operate under the banners Albertsons, Safeway, Von, Jewel-Osco, Shaw's Acme, Tom Thumb, Randalls, United Supermarkets, Market Street, Pavilions, Star Market, Carrs, and Haggen, as well as meal kit company Plated



### Highly Successful Location – Long-Term Operating History at Site with Recent Lease Extension

- Safeway has been operating at this location for over 20 years
- Safeway recently extended their lease early, for an additional 5 years, at the same time increasing their rent; a testament to strength of this location



### Strong Sales / Healthy Rent-to-Sales Ratio

- Strong sales, steadily increasing year-over-year
- Healthy rent to sales ratio
- Contact listing agent for more details



### Limited Grocery Competition in the Trade Area

- The subject store is benefiting from a lack of competition in this quadrant of the Pueblo market
- This store has benefited from the closure of two sister stores in 2016 and the closure of an Albertsons in 2018, leaving only one other Safeway unit in the Pueblo market and one Albertsons
- The subject Safeway is also the newest and larger of the two Safeway units



### Below Market Rent Providing Excellent Investment Protection and Future Upgrade Potential

- Creates excellent future asset appreciation
- Low rent offers the investor an attractive basis to grow rent



### Large Monument Signage / Excellent Street Frontage and Visibility on Main Thoroughfare

- The property features a large monument sign that fronts US Highway 50, which is the main thoroughfare road in the trade area
- Features excellent street frontage and visibility
- Convenient access



### NNN Lease – Ideal 1031 Exchange Investment, Ease of Management

- NNN lease - Tenant is responsible for taxes, insurance, and CAM
- Minimal LL responsibilities (roof & structure)

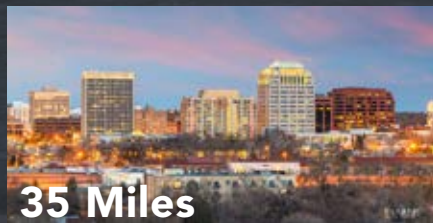
## AREA OVERVIEW

### DISTANCE FROM PUEBLO WEST



**6 Miles**

Pueblo



**35 Miles**

Colorado Springs



**95 Miles**

Denver



**105 Miles**

Denver Int. Airport



**10.9%**

Population growth since 2010



**35.8%**

Predicted job growth over the next 10 years



**1%**

Recent job growth



**11.5%**

Home appreciation in the last 10 years



**46,903**

Estimated population within 5-mile radius



**\$74,205**

Average household income in 5 mile radius



**28 Minutes**

Average commute time



THE CITY OF PUEBLO WEST

Pueblo West is located in Pueblo County, along the southern edge of the Colorado’s major growth corridor, and is situated approximately 7 miles west of the City of Pueblo. Conveniently located within thirty minutes of the Rocky Mountains, Arkansas River water activities and major airports, Pueblo West offers residents and visitors easy access to tourism destinations, upscale and downtown shopping districts, and Colorado’s rich cultural and western history. Since the Pueblo West Metropolitan District officially adopted the 2nd Brigade in May 2011, forming a solid community relationship with the Army’s neighboring mountain post Fort Carson, Pueblo West has embraced Soldiers and their families, offering them a wide variety of much needed support.

ECONOMIC HIGHLIGHTS

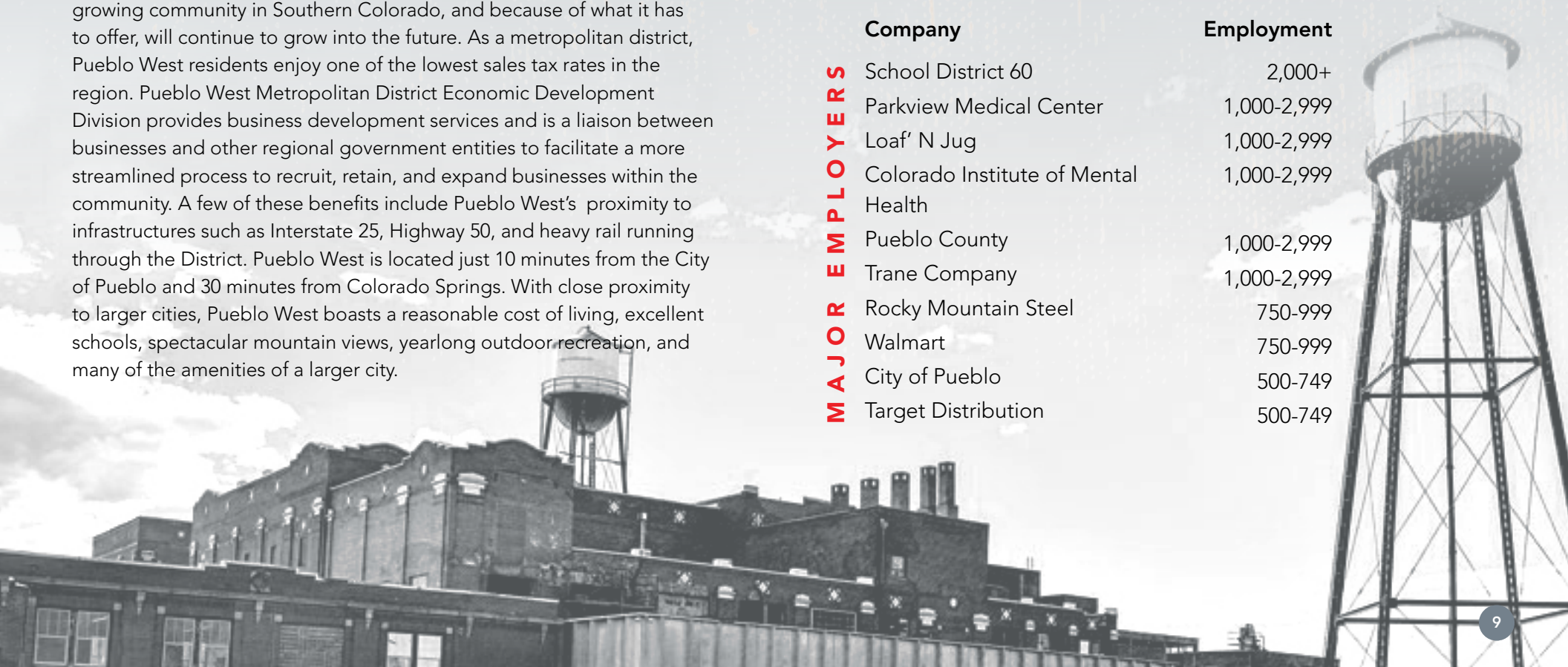
Still considered a small town in many ways, Pueblo West is the fastest growing community in Southern Colorado, and because of what it has to offer, will continue to grow into the future. As a metropolitan district, Pueblo West residents enjoy one of the lowest sales tax rates in the region. Pueblo West Metropolitan District Economic Development Division provides business development services and is a liaison between businesses and other regional government entities to facilitate a more streamlined process to recruit, retain, and expand businesses within the community. A few of these benefits include Pueblo West’s proximity to infrastructures such as Interstate 25, Highway 50, and heavy rail running through the District. Pueblo West is located just 10 minutes from the City of Pueblo and 30 minutes from Colorado Springs. With close proximity to larger cities, Pueblo West boasts a reasonable cost of living, excellent schools, spectacular mountain views, yearlong outdoor recreation, and many of the amenities of a larger city.



Pueblo, Colorado

Company	Employment
School District 60	2,000+
Parkview Medical Center	1,000-2,999
Loaf’ N Jug	1,000-2,999
Colorado Institute of Mental Health	1,000-2,999
Pueblo County	1,000-2,999
Trane Company	1,000-2,999
Rocky Mountain Steel	750-999
Walmart	750-999
City of Pueblo	500-749
Target Distribution	500-749

MAJOR EMPLOYERS



# DEMOGRAPHICS



## Population

Pueblo West, CO (REGis 2019)	1 Mile	3 Mile	5 Mile
2019 Estimated Population	1,567	14,315	46,903
2024 Projected Population	1,607	14,723	48,008
2010 Census Population	1,489	13,186	43,215
2000 Census Population	762	8,310	29,618
Projected Annual Growth 2019 to 2024	0.5%	0.6%	0.5%
Historical Annual Growth 2000 to 2019	5.6%	3.8%	3.1%
2019 Median Age	32.7	34.8	37.0



## Income

2019 Estimated Households	559	5,342	17,894
2024 Projected Households	569	5,452	18,183
2010 Census Households	520	4,804	16,126
2000 Census Households	260	2,932	10,621
Projected Annual Growth 2019 to 2024	0.3%	0.4%	0.3%
Historical Annual Growth 2000 to 2019	6.1%	4.3%	3.6%

## Households



2019 Estimated Average Household Income	\$78,539	\$71,808	\$74,205
2019 Estimated White	82.0%	82.3%	80.9%
2019 Estimated Black or African American	2.4%	2.1%	2.7%
2019 Estimated Asian or Pacific Islander	1.3%	1.4%	1.7%
2019 Estimated American Indian or Native Alaskan	1.6%	1.4%	1.5%
2019 Estimated Other Races	12.7%	12.7%	13.2%

## Ethnicity

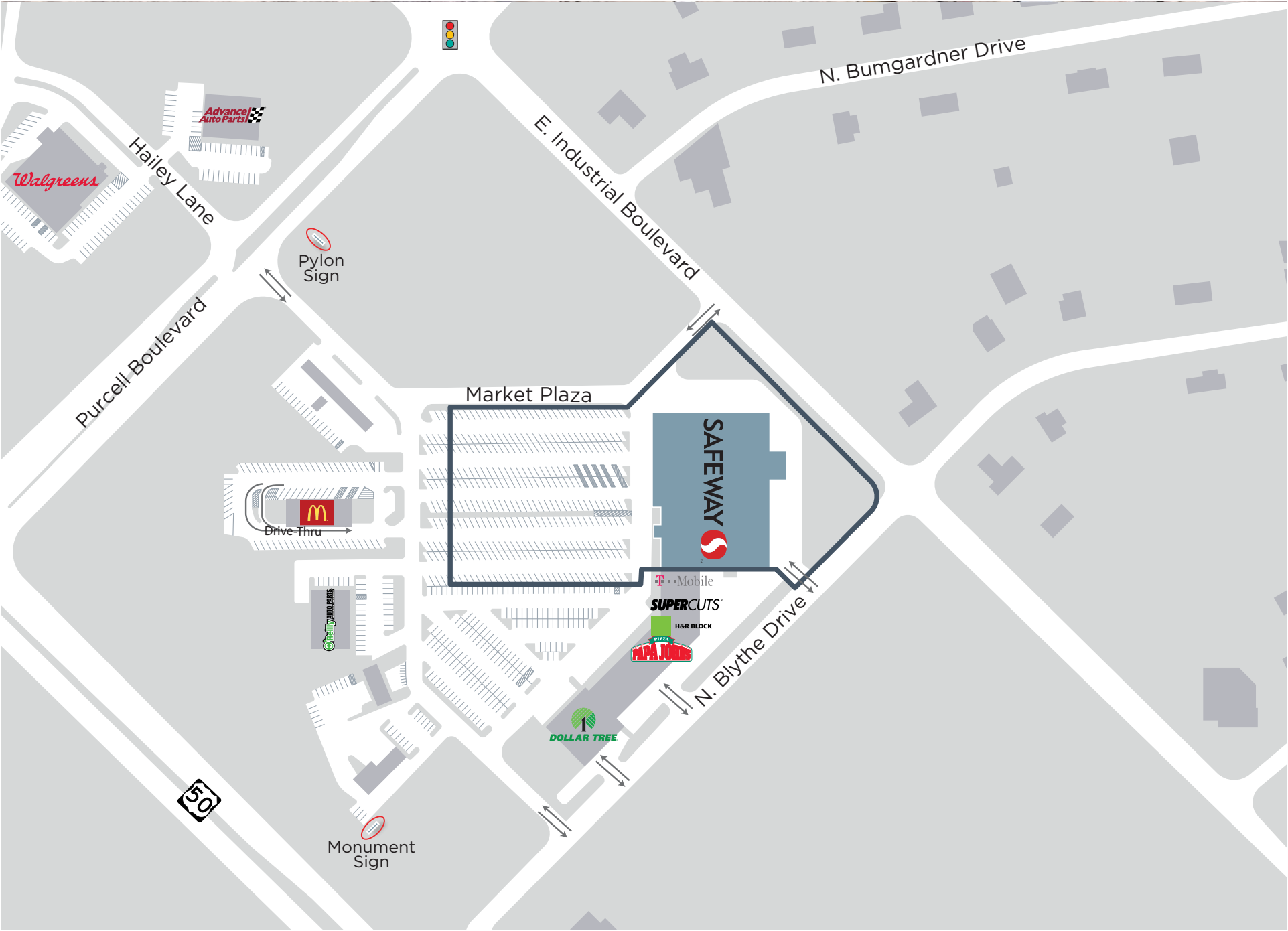


## Business

2019 Estimated Hispanic	30.0%	29.5%	32.2%
2019 Estimated Total Businesses	180	668	1,665
2019 Estimated Total Employees	1,496	5,798	16,082



SITE PLAN



SITE PLAN NOT TO SCALE

# RENT ROLL

Tenant	Size (SF)	% of Total (SF)	Date	Increase	Rental Rates				% of Total (Rent)	Recovery Type	Lease Start	Lease Expiration	Lease Options
					Monthly Rent	Monthly \$/SF	Annual Rent	Annual \$/SF					
1017 N Market Plaza, Pueblo West, CO													
Safeway	56,140	100%	Current Sep-2020	6%	\$36,800 \$39,100	\$0.66 \$0.70	\$441,600 \$469,200	\$7.87 \$8.36	100%	NNN	9/9/2000	9/8/2025	9 (5-Year) 6% Increase
Total Occupied	56,140	100%	Total Occupied		\$36,800	\$0.66	\$441,600	\$7.87	100%				
Total Vacant	0	0%	Total Vacant		\$0		\$0		0%				
Total / Wtd. Avg	56,140	100%	Total / Wtd. Avg:		\$36,800	\$0.66	\$441,600	\$7.87	100%				



## TRANSACTION SUMMARY

### Financial Information

Price: \$9,385,000

Price/SF: \$167

### Property Specifications

Rentable Area: 56,140 SF

Land Area: 5.6 Acres

Year Built: 2000

Address: 1017 N Market Plaza  
Pueblo West, CO 81007

APN: 507105008

Major Tenants: Safeway

### Operating Information

	<u>Sep-20</u>	<u>Sep-25</u>
Gross Rent	\$469,200	\$496,800
Plus Recapture	NNN	NNN
Effective Gross Income	\$469,200	\$496,800
Less Expenses	(NNN)	(NNN)
Net Operating Income	\$469,200	\$496,800
Cap Rate	5.00%	5.29%



**Safeway**  
www.safeway.com

Safeway is an American supermarket chain founded in April 1915 in American Falls, Idaho by Marion Barton Skaggs. It is a subsidiary of Albertsons after being acquired by private equity investors led by Cerberus Capital Management in January 2015. Safeway's primary base of operations is in the west with some stores located in the Mid-Atlantic region of the Eastern Seaboard. The subsidiary is headquartered in Pleasanton, California, with its parent company headquartered in Boise, Idaho. Stores may have a deli counter, a meat department, a produce section, a flower department, a bakery, a pharmacy, a liquor section, and/or many aisles of nonperishable items. The stores offer many in-house private label brands as well as name brands across all product categories.

**Company Type:** Subsidiary (Albertsons)  
**Locations:** 900  
**2019 Employees:** 250,000+





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