

**KOHL'S**

KOHL'S  
NOW OPEN



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PROPERTY VIDEO**





# KOHL'S

3

INVESTMENT OVERVIEW

6

TENANT MAP

9

FINANCIAL OVERVIEW

10

TENANT OVERVIEW

11

AREA OVERVIEW & DEMOGRAPHICS

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# INVESTMENT OVERVIEW

**KOHL'S**

**855 N US 287**  
**LAFAYETTE, CO 80026**



**\$5,360,000**  
PRICE



**5.00%**  
CAP RATE



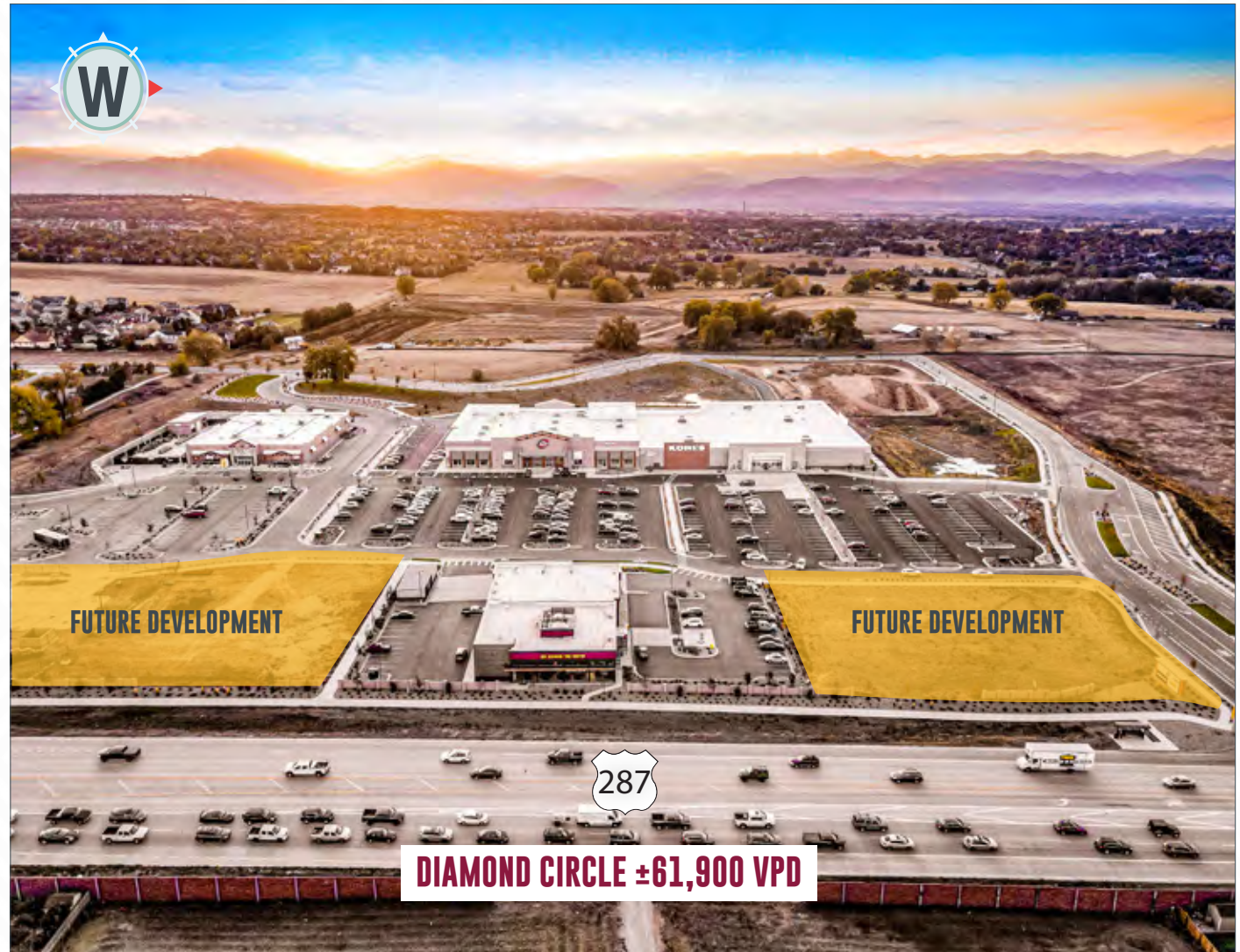
**15 YEARS**  
LEASE TERM



**10% IN OPTIONS**  
INCREASES



**2019**  
YEAR BUILT







# INVESTMENT HIGHLIGHTS

## WEALTHY DENVER SUBURB

The subject property sits to the north of Denver, CO and to the east of Boulder, CO. The average household income in the 1, 3, and 5-mile radii exceeds \$129,000, more than double the United States national average.

## RETAIL HUB OF CITY

Kohl's sits between King Soopers (Kroger) to the south and Safeway to the north. The property sits next to a newer Walmart Supercenter and 24 Hour Fitness with shared access to and from the Walmart center. The single tenant Kohl's is part of a larger project that includes a brand-new Tractor Supply and 24 Hour Fitness along with a number of out-parcels.



## HIGH GROWTH AREA

The population has grown to nearly 100,000 people in the 5-mile radius, a staggering 23%+ increase since 2010. Explosive growth is expected to continue with new residential home projects, including:

- Markel Homes at Silver Creek
- Urban Collection at Parkdale
- Toll Brothers at Flatiron Meadows
- Lennar at Flatiron Meadows
- Lennar at Compass
- Creekside by Meritage Homes
- Peakview Collection by Shea Homes
- Anthem Highlands by Richmond American Homes
- Steel Ranch by Ryland Homes



# INVESTMENT HIGHLIGHTS

## **LOCATED ON MAIN THOROUGHFARE**

The property sits on Hwy 287 with average traffic counts around  $\pm 61,900$  vehicles per day. Highway 287 is a main thoroughfare through Lafayette and connects Lafayette to Denver, CO.

## **VERY RARE KOHL'S GROUND LEASE**

The property operates under an absolute NNN ground-lease, meaning Kohl's built and owns the improvements of the property. With ground-leased assets, it's not uncommon for the value of the asset to actually increase over time, unlike most traditional net-leased properties where the value is tied to the lease term. For example, the 40,000 square-foot 24 Hour Fitness next door is paying approximately three times more in rent.

## **EXTREMELY SAFE INVESTMENT WITH HUGE UPSIDE**

The ground lease offers an extremely safe investment vehicle with tremendous upside. Current rent PSF is just  $\pm \$0.40$  monthly and under  $\$5$  PSF annually which is significantly below market. In the event Kohl's were to vacate the premises, an investor would be able to significantly increase the rent, return and overall value of the investment.

## **STRONG CORPORATE TENANT WITH INVESTMENT-GRADE CREDIT**

Kohl's has an investment-grade credit rating of BBB (S&P), similar to Walgreens, CVS, and Lowe's. Kohl's has a market cap of  $\pm \$8.5B$  with more than  $\$20B$  in annual revenue, an increase of 2% over the prior year.





# TENANT MAP



287

DIAMOND CIRCLE  
± 61,900 VPD

FUTURE  
DEVELOPMENT

FUTURE  
DEVELOPMENT

**KOHL'S**

LESS THAN 1 MILE

<b>FIREHOUSE SUBS</b>	<b>H&amp;R BLOCK CHASE</b>	<b>AutoZone</b>
<b>menchie's</b>	<b>ANYTIME FITNESS</b>	<b>NATURAL GROCERS</b>
<b>DOLLAR TREE</b>	<b>GameStop</b>	<b>cricket</b>
<b>SPROUTS</b>	<b>Quiznos</b>	<b>Wendy's</b>
<b>Starbucks</b>	<b>GREASE MONKEY</b>	<b>CIRCLE K</b>
<b>goodwill</b>	<b>O'Reilly</b>	<b>TACO BELL</b>
<b>PIZZA HUT</b>	<b>noodles</b>	<b>FIREHOUSE SUBS</b>
<b>CHIPOTLE</b>	<b>Shell</b>	<b>SPRINT</b>
<b>goodwill</b>	<b>O'Reilly</b>	<b>TACO BELL</b>





# NEW HOMES & COMMUNITIES - IMMEDIATE TRADE AREA

**KOHL'S**

LENNAR AT FLATIRON MEADOWS

TOLL BROTHERS INC.

WILLIAM LYON HOMES  
FLATIRON MEADOWS

TOLL BROTHERS AT  
FLATIRON MEADOWS

LENNAR  
AT COMPASS

MARKEL HOMES  
AT SILVER CREEK

URBAN COLLECTIVE AT  
PARKDALE BY RICHMOND  
AMERICAN HOMES

CALATLANTIC HOMES  
AT ANTHEM HIGHLANDS

STEEL RANCH BY  
RYLAND HOMES

CORNERSTONE  
HOMES

ANTHEM  
HIGHLANDS

VISTAS BY RICHMOND  
AMERICAN HOMES

BOULDER CREEK  
NEIGHBORHOODS

TRAILS AT COAL CREEK  
BY MERITAGE HOMES

STANDARD PACIFIC  
HOMES

ELACORA



**KOHL'S**

**24 FITNESS**

**TSC TRACTOR  
SUPPLY CO.**

**Tires LES SCHWAB**

**FUTURE  
DEVELOPMENT**

**FUTURE  
DEVELOPMENT**

**MURPHY  
USA**





# FINANCIAL OVERVIEW



## INVESTMENT SUMMARY

» OFFERING PRICE	\$5,360,000
» CAP RATE	5.00%
» TOTAL BUILDING AREA	± 55,000 SF
» TOTAL LAND AREA	± 4.10 Acres (± 179,453 SF)

## ANNUALIZED OPERATING DATA

	Monthly Rent	Annual Rent	Rent PSF	CAP
Years 1-15	\$22,333.33	\$268,000	\$4.87	5.00%
Option 1	\$24,566.67	\$294,800	\$5.36	5.50%
Option 2	\$27,023.33	\$324,280	\$5.90	6.05%
Option 3	\$29,725.67	\$356,708	\$6.49	6.66%
Option 4	\$32,698.23	\$392,379	\$7.13	7.32%
Option 5	\$35,968.06	\$431,617	\$7.85	8.05%
Option 6	\$39,564.86	\$474,778	\$8.63	\$0.09
Option 7	\$43,521.35	\$522,256	\$9.50	\$0.10
Option 8	\$47,873.48	\$574,482	\$10.45	\$0.11
Option 9	\$52,660.83	\$631,930	\$11.49	\$0.12
Option 10	\$57,926.91	\$695,123	\$12.64	\$0.13



## TENANT OVERVIEW

# KOHL'S

## EXPECT GREAT THINGS

**BBB***CREDIT RATING***1,150***NO. OF LOCATIONS***32,000***NO. OF EMPLOYEES***\$20.8 B***REVENUE***1962***YEAR FOUNDED***MENOMONEE FALLS, WI***HEADQUARTERS*

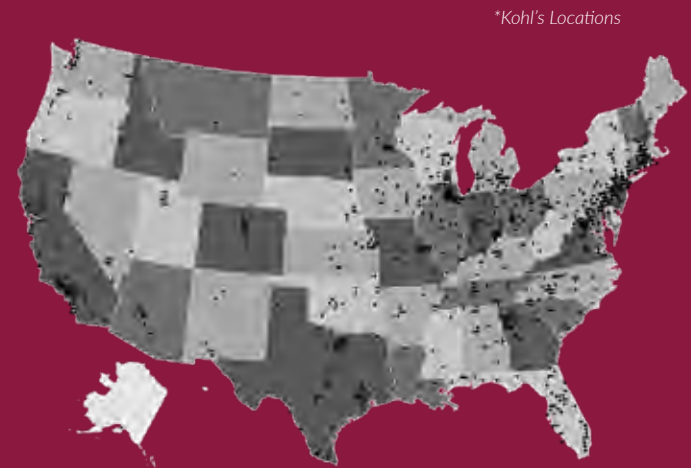
### TENANT OVERVIEW

Kohl's operates about 1,150 discount department stores in 49 states. Nearly half of its stores are in the Midwest and West, where Kohl's continues to grow while rapidly expanding into other markets. Moderately priced name-brand and private-label apparel, shoes, accessories, and housewares are sold through centrally located cash registers, designed to speed checkout and keep staff costs down. Kohl's competes with discount and mid-level department stores. Merchandising relationships allow Kohl's to carry top brands (NIKE, Levi's, OshKosh B'Gosh) not typically available to discounters.

To support its brick-and-mortar and online businesses, Wisconsin-based Kohl's maintains a network of more than a dozen distribution centers nationwide. During the important holiday selling season, the apparel chain ships selected online orders from its store distribution centers rather than its e-commerce fulfillment centers. The company also operates design studios in New York City and in Santa Monica, California.

### PARTNERSHIP WITH AMAZON

As of April 2019, Kohl's announced it will start accepting returns for items purchased on Amazon at all of its stores across the country, starting in July. Its shares surged nearly 10% by afternoon trading on the news. This marks an extension of a partnership between Kohl's and Amazon that dates to the spring of 2017, when Kohl's began selling Amazon gadgets — like its smart-home products — at some stores, and started handling Amazon returns at about 80 locations. That more recently grew to 100 Kohl's stores and it will now roll out to more than 1,150 locations across the U.S.



\*Kohl's Locations



# AREA OVERVIEW

## LAFAYETTE, CO

Lafayette is located in southeast Boulder County and offers the perfect blend of small town hospitality and charm with today's sophisticated capabilities. From its beginning as a coal mining community in 1889, Lafayette now combines the best of both worlds...urban amenities without urban hassles. Lafayette offers the best in education, recreation, climate, health care, cultural and community services. Lafayette's location, accessibility, and high quality of life combine to make the City a desirable location for residential, commercial, and light-industrial development. The city lies north of Denver, and east of Boulder and the Rocky Mountains.

POPULATION	1-MILE	3-MILE	5-MILE
GROWTH 2020-2025	7.72%	7.43%	7.51%
GROWTH 2010-2020	15.36%	20.88%	23.15%
2025 PROJECTION	9,080	51,954	106,000
2020 ESTIMATE	8,429	48,360	98,599
2010 CENSUS	7,307	40,007	80,064

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
GROWTH 2020-2025	9.01%	8.13%	7.80%
GROWTH 2010-2020	19.47%	23.53%	24.62%
2025 PROJECTION	3,813	20,955	41,078
2020 ESTIMATE	3,498	19,380	38,106
2010 CENSUS	2,928	15,688	30,578

INCOME	1-MILE	3-MILE	5-MILE
AVERAGE HOUSEHOLD INCOME	\$129,038	\$129,641	\$146,005
MEDIAN HOUSEHOLD INCOME	\$93,280	\$97,738	\$113,159





## BOULDER, CO

Tucked into a picturesque valley below the iconic Flatirons, Boulder hosts thriving tech and natural foods industries, supports a renowned entrepreneurial community, has some of the region's best restaurants, and is home to many federal research labs and a world-class university. No wonder this Rocky Mountain town of approximately 107,000 people is a world-class destination.

There are endless ways to enjoy Boulder's 300-plus days of sunshine a year — from the hundreds of miles of hiking and biking trails to some of the best rock climbing spots in America. Take a simple stroll with the family down the historic Pearl Street Mall, rent a BCycle bike and ride along the 300-plus miles of bike paths, or hang out by Boulder Creek. Boulder has preserved more than 45,000 acres of open space, much of which surrounds the city and helps maintain its

geographical boundaries. Chautauqua Park, on the west end of Baseline Road, is one of the remaining few functioning Chautauquas left in the country following that historic adult education movement. The city also boasts more than 60 urban parks, including one of the most unique and diverse bike parks in the nation, Vailmont Bike Park.

Boulder is known as a "foodie town." You can grab a bite to eat at any one of the many award-winning, innovative restaurants after a long day's hike. In Boulder alone, there are dozens of some of the country's finest microbrews. The city also has nearly 50 coffee and tea shops. Stroll-worthy Downtown Boulder is a great place to start exploring.



# THE UNIVERSITY OF COLORADO

As one of only 36 public research institutions in the Association of American Universities (AAU), the University of Colorado Boulder is all about realizing the positive impacts of new knowledge. From offering dozens of exciting programs in a range of academic fields, to serving as one of the world's most dynamic research and innovation hubs, to working closely through hundreds of public outreach efforts with communities across Colorado and the world, we take pride in helping our students, faculty, staff and partners turn new ideas into productive outcomes that change lives.



**3,900+**

Academic Courses Offered  
Across 150 Fields Of Study



**20**

CU Boulder Students Have  
Received The Rhodes Scholarship



**TOP 25**

College For Students Who  
Want To Change The World



**7,000+**

Degrees Awarded Each Year, The  
Most Of Any University in CO





# TOP YEAR-ROUND DESTINATION



## DENVER, CO

Denver is the capital and most populous municipality of the U.S. state of Colorado. Denver is in the South Platte River Valley on the western edge of the High Plains just east of the Front Range of the Rocky Mountains. Denver is nicknamed the Mile-High City because its official elevation is exactly one mile above sea level, making it the highest major city in the United States.

Denver's neighborhoods are alive with tasty chef-owned restaurants, art galleries, and one-of-a-kind boutiques. Whether you visit RiNo, LoDo, LoHi, Uptown, Five Points, Cherry Creek, Highlands, Golden Triangle, South Gaylord, South Pearl or Antique Row, you will find charming cafes, bookstores, artists, big name shopping, brewpubs, and a wide assortment of restaurants serving all cuisines.

Denver is ranked as a Beta-World city by the Globalization and World Cities Research Network. With an estimated population of 693,060 in 2016, Denver is the 19th-most populous U.S. city, and with a 15.48% increase since the 2010 United States census. Denver was named 2018 3rd best place to live in the United States by US News & World Report.

**#1**

BEST PLACES FOR BUSINESS  
AND CAREER -FORBES

**2<sup>ND</sup>**

LARGEST ECONOMY IN  
THE UNITED STATES

**±3M**

10-COUNTY METRO  
POPULATION

**2.4%**

PROJECTED JOB  
GROWTH -FORBES

**18<sup>TH</sup>**

BEST PLACE TO LIVE  
-US NEWS & WORLD REPORT

**3.5%**

HOUSEHOLD INCOME  
GROWTH -FORBES



## CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Kohl's** located at **855 N. US 287, Lafayette, CO 80026** ("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.



# KOHL'S

## LISTING AGENTS

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