

NET LEASE INVESTMENT OFFERING



Natural Grocers by Vitamin Cottage  
8650 Hickman Road (Southwest Corner of Hickman Road & 86th Street)  
Clive, IA 50325 (Des Moines MSA)



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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 Natural Grocers by Vitamin Cottage store located in Clive within the Des Moines metropolitan area. The property is strategically positioned at a signalized intersection along US-6 (Hickman Road) which is the primary east-west thoroughfare in the area for this infill development. Natural Grocers has over 14 years remaining on the lease which expires May 31, 2031. This triple net lease features a rental escalation in the 11th year of the primary term and each four 5-year renewal option periods.

The 15,000 square foot Natural Grocers property is strategically positioned at the signalized intersection of US-6 (Hickman Road) and 86th Street which experiences traffic counts of 54,100 vehicles per day. US-6 is the primary east-west thoroughfare in the trade area. The property has full movement access points on both major arterials. The property benefits from superior visibility, two 2-tenant monument signs at both access points and monument signage at the intersection for the City of Clive along with Natural Grocer's signage. There are over 85,000 people living within a three mile radius of the property and the average annual household income exceeds \$92,000 within a five mile radius of the property.

The property features a 20' x 40' mural on one side, painted by local artist, Chris Vance. Chris Vance resides in Des Moines and has several commissioned works of art on public display in Des Moines and surrounding areas. This original composition is a colorful and welcome addition to the Natural Grocers store.

Clive, according to Forbes magazine when comparing home costs around the country, is the best address in the Des Moines MSA. Clive serves as the axis of the western Des Moines suburbs, being located between Urbandale, Waukee and West Des Moines along the major transportation corridors of Interstate 35, Interstate 80 and Interstate 235. The Natural Grocers property is located within two mile of Interstate 235, Interstate 80 and Interstate 35 with easy interchange access.

The lease is with Vitamin Cottage Natural Food Markets, Inc., a wholly owned subsidiary of Natural Grocers by Vitamin Cottage, Inc. Natural Grocers by Vitamin Cottage is a publicly traded company on the New York Stock Exchange (Symbol: NGVC). Natural Grocers is a rapidly expanding specialty retailer of natural and organic groceries and dietary supplements providing high-quality products at affordable prices. Since 2012, Natural Grocers has seen their annual compound sales grow 24.4%.

**INVESTMENT  
HIGHLIGHTS:**

- Publicly traded company on the New York Stock Exchange (Symbol: NGVC)
- Strong Tenant - Natural Grocers has seen annual compound sales growth of 24.4% since 2012
- Rental escalations in primary and renewal options.
- 2016 Construction
- Long term lease with approximately 14 years remaining
- Triple-Net (NNN) Corporate Lease (Structure Only)
- Positioned along two primary arterials at an intersection which experiences traffic counts of 54,100 vehicles per day
- Approximately 85,000 people living within a three mile radius of the property
- Average annual household income exceeds \$92,000 within a five mile radius of the property
- Clive is the best address in the Des Moines MSA according to Forbes magazine when comparing home costs around the country

**PROPERTY OVERVIEW:**

Price:	\$5,900,475																												
Cap Rate:	6.25%																												
Net Operating Income:	\$368,780																												
Rent Schedule:	<table border="0"> <thead> <tr> <th></th> <th><u>Escalation Date</u></th> <th><u>Yearly Rent</u></th> <th><u>Increase PSF</u></th> </tr> </thead> <tbody> <tr> <td>Primary Term</td> <td>02/01/16</td> <td>\$368,780</td> <td>\$1.00</td> </tr> <tr> <td>Primary Term</td> <td>02/01/26</td> <td>\$383,780</td> <td>\$1.00</td> </tr> <tr> <td>Option 1</td> <td>06/01/31</td> <td>\$398,780</td> <td>\$1.00</td> </tr> <tr> <td>Option 2</td> <td>06/01/36</td> <td>\$413,780</td> <td>\$1.00</td> </tr> <tr> <td>Option 3</td> <td>06/01/41</td> <td>\$428,780</td> <td>\$1.00</td> </tr> <tr> <td>Option 4</td> <td>06/01/46</td> <td>\$443,780</td> <td>\$1.00</td> </tr> </tbody> </table>		<u>Escalation Date</u>	<u>Yearly Rent</u>	<u>Increase PSF</u>	Primary Term	02/01/16	\$368,780	\$1.00	Primary Term	02/01/26	\$383,780	\$1.00	Option 1	06/01/31	\$398,780	\$1.00	Option 2	06/01/36	\$413,780	\$1.00	Option 3	06/01/41	\$428,780	\$1.00	Option 4	06/01/46	\$443,780	\$1.00
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Option 4	06/01/46	\$443,780	\$1.00																										
Rent Commencement Date:	February 1, 2016																												
Lease Expiration Date:	May 31, 2031																												
Renewal Options:	Four 5-Year																												
Tenant:	Vitamin Cottage Natural Food Markets, Inc. d/b/a Natural Grocers by Vitamin Cottage																												
Year Built:	2016																												
Lease Type:	NNN (Structure)																												
Building Size:	15,000 SF																												
Land Size:	1.49 Acres																												

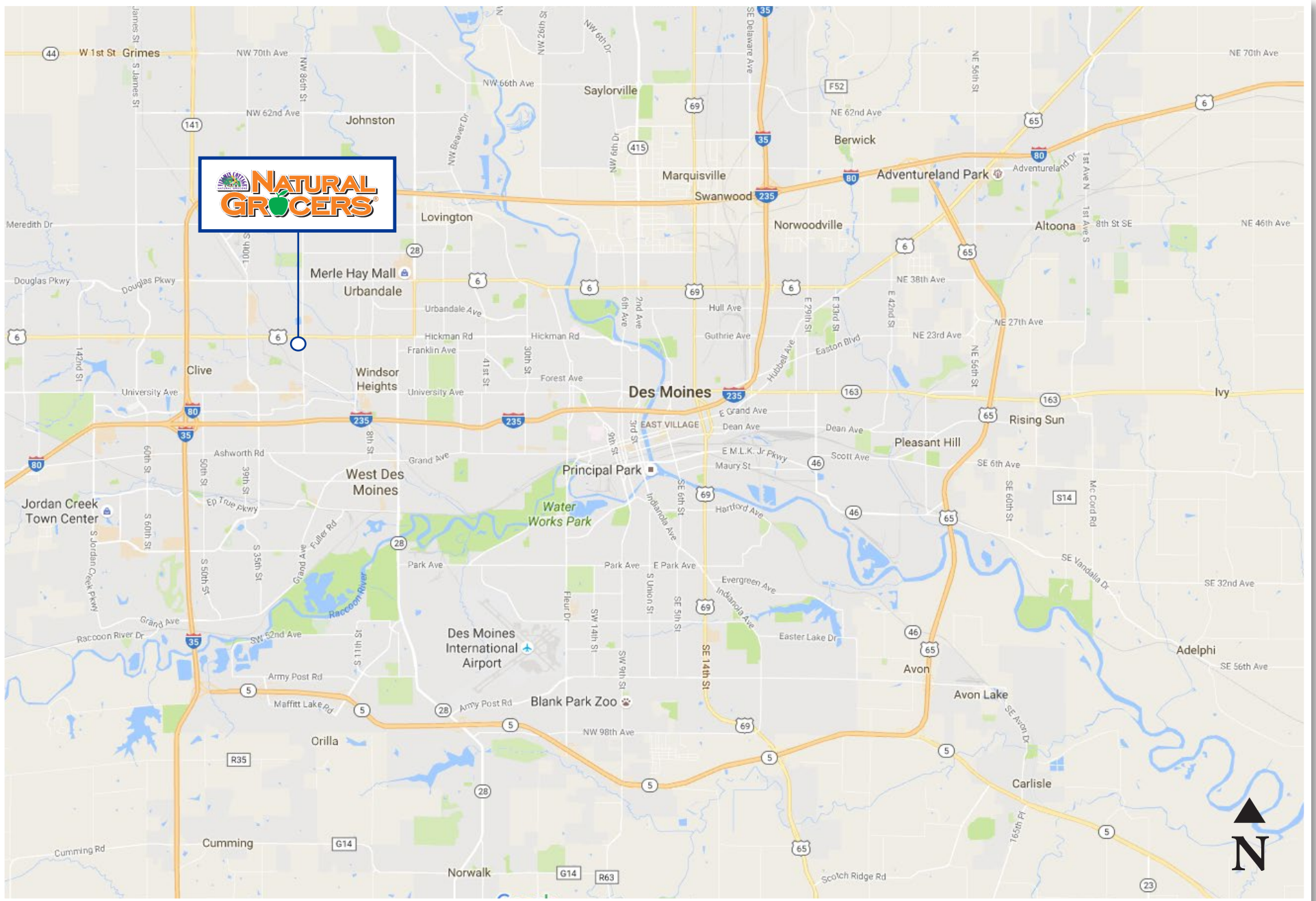
















**TENANT  
PROFILE:**

**Natural Grocers**

Natural Grocers by Vitamin Cottage is a rapidly expanding specialty retailer of natural and organic groceries and dietary supplements providing high-quality products at affordable prices. Natural Grocers sells only USDA certified organic produce and does not sell grocery products that are known to contain artificial colors, flavors, preservatives, sweeteners or partially hydrogenated or hydrogenated oils. In fiscal 2014, Natural Grocers adopted industry-leading dairy standards, requiring that all dairy products be sourced from pasture-raised, non-confinement dairies. The Company also provides extensive free science-based nutrition education programs to help customers make informed health and nutrition choices.

Natural Grocers currently operates 131 stores in 19 states, and has signed leases for 14 additional stores planned to open in 2017 in Arizona, Colorado, Idaho, Iowa, Missouri, Nevada, North Dakota, Oregon, Texas, Utah and Washington. Ten new stores opened in each of fiscal 2011 and 2012, 13 opened in fiscal 2013, 15 opened in fiscal 2014, 16 opened in fiscal 2015 and 28 have opened or are opening in fiscal 2016.

Natural Grocers by Vitamin Cottage, Inc. is a publicly traded company on the New York Stock Exchange (Symbol: NGVC).

Website:	<a href="http://www.naturalgrocers.com">www.naturalgrocers.com</a>
Number of Locations:	130+
Year Founded:	1955
Headquarters:	Lakewood, CO
Owner/Operator:	Natural Grocers by Vitamin Cottage, Inc.
Stock Symbol:	NGVC: NYSE
Market Capitalization:	\$268.79 Million



LOCATION  
OVERVIEW:

**Clive**, population 17,506, is part of the Des Moines–West Des Moines Metropolitan Statistical Area. Clive is known for its Greenbelt Park and trail system running through the entire community. Clive serves as the axis of the western Des Moines suburbs, being located between Urbandale, Waukee and West Des Moines along the major transportation corridors of Interstate 35, Interstate 80 and Interstate 235.



According to Forbes magazine, comparing home costs around the country, Clive is the best address in the Des Moines MSA. Clive is currently developing 1,200 acres for residential and commercial development and is in the process of annexing an additional area for commercial and residential ventures. Clive offers the convenience and amenities of a big city with the lifestyle of living in the country, on the western edge of metro Des Moines.

**Des Moines** is the capital and the most populous city in the state of Iowa. As Iowa's capital city, Des Moines is a hub of government action, business activity and cultural affairs. The Des Moines Metropolitan Statistical Area has a population of 569,633 people. Des Moines consistently has one of the lowest unemployment rates for metropolitan areas. The Des Moines MSA benefits from a 3.2% unemployment rate, ranking it in the top 20 nationally according to the Bureau of Labor Statistics.



Des Moines was credited as the “number one spot for U.S. insurance companies” in a Business Wire article and named the third largest “insurance capital” of the world. The city is the headquarters for the Principal Financial Group, Athene USA insurance, the Meredith Corporation, Ruan Transportation, EMC Insurance Companies, and Wellmark Blue Cross Blue Shield. Other major corporations such as Wells Fargo, Voya Financial, Nationwide Mutual Insurance Company, ACE Limited, Marsh, Monsanto and Pioneer Hi-Bred have large operations in or near the metro area. In recent years Microsoft, Hewlett Packard and Facebook have established data processing and logistical facilities in the Des Moines metro.

The major industries in Des Moines are insurance, government, manufacturing, trade, and health care services. Des Moines area businesses draw employees from a five-county metro area of more than 500,000 residents. Iowa's work force, with an 80 percent high school graduation rate, ranks among the top five states.

Des Moines is served by the Des Moines International Airport, located in the southern part of Des Moines. Interstate-235 cuts through the city and Interstate-35 and Interstate-80 both pass through the Des Moines metropolitan area, as well as the city of Des Moines.

Forbes magazine ranked Des Moines as the “Best Place for Business” in both 2010 and 2013. In 2014, NBC ranked Des Moines as the “Wealthiest City in America” according to its criteria.

**DEMOGRAPHIC REPORT:**

Population	1 Mile	3 Mile	5 Mile
Total Population	10,813	84,854	202,725
Total Households	4,736	36,051	83,185

Income	1 Mile	3 Mile	5 Mile
Median Household Income	\$64,402	\$68,400	\$69,058
Average Household Income	\$82,984	\$88,107	\$92,672





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