

NNN | 10% RENTAL INCREASES EVERY 5 YEARS

GROCERY OUTLET

155

CITY VIEW DRIVE

MOUNTAIN HOME, ID 83647

OFFERING MEMORANDUM

GROCERY OUTLET
bargain market

Wow!
DEALS

OPEN

GET More Kale FOR Less Cabbage

SHOP US FIRST

GET More Pizza FOR Less Dough

GROCERY OUTLET

5.00

5.00

SHOP US FIRST

More Kale FOR Less Cabbage

SHOP US FIRST

More Kale FOR Less Cabbage

SHOP US FIRST

More Kale FOR Less Cabbage

CBRE



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GROCERY OUTLET

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CITY VIEW DRIVE

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01

OFFERING SUMMARY



THE OFFERING

CBRE, INC. HAS BEEN RETAINED AS THE EXCLUSIVE AGENT IN THE SALE OF AN 18,000 SQUARE FOOT GROCERY OUTLET BUILDING LOCATED AT THE INTERSECTION OF AMERICAN LEGION BOULEVARD & INTERSTATE 84 EXIT 95 ON THE MAIN CORRIDOR INTO DOWNTOWN MOUNTAIN HOME, IDAHO.

The property is located adjacent to a Walmart Supercenter (with nearly 2.5 million visitors over the last 12 months and trending upwards) as well as a number of national brand fast food and hotel properties. Dutch Brother's Coffee sits at the front of the Grocery Outlet parcel and shares ingress/egress access at the property's first entrance. Additionally, the property sits directly in front of 157 acres of land that is intended to house the future Shoshone-Bannock casino resort (see page 12). Grocery Outlet - Mountain Home provides the opportunity for an investor to acquire a 100% occupied building while achieving stable cash flow backed by a 15-year corporate triple net lease with multiple renewal options and a 10% jump in rent in less than 3 years.



INVESTMENT HIGHLIGHTS

- › Corporate Guarantee; Grocery Outlet Reports Nearly \$4B in Annual Sales
- › Across the Highway from a Walmart Supercenter With Nearly 2.5M Visitors Annually (CBRE Fast Reports)
- › NNN Lease with Limited Landlord Responsibilities
- › 13 Years Remaining on an Original 15-year Term
- › 10% Rental Increases Every 5 Years; First Rental Increase in January of 2027
- › Barrier to Entry Market; The Only Discount Grocer for 50 Miles
- › The Property Sits Directly in Front of 157 Acres of Land Purchased in 2020 by the Shoshone and Bannock Tribes of Idaho for a Proposed Casino Resort (see page 12)
- › Located Just Off of Interstate 84 Traveling East and West for 770 Miles from Portland, OR to Echo, UT
- › Strong Retail Location Positioned Next to McDonald's, Wendy's, Walmart Supercenter, Dutch Bros Coffee, Taco Bell, Jack in the Box, Hampton Inn & Suites, Best Western, Pilot Travel Center and More
- › Located Just 15 Miles from Mountain Home Airforce Base Housing More than 3K Residents
- › Excellent Visibility and Signage from American Legion Boulevard with Three Ingress/Egress Access Points

**GROCERY
OUTLET**
bargain market™



FINANCIAL ANALYSIS

PRICE:	\$6,480,000
NOI:	\$324,000
CAP:	5.00%
PRICE PER FOOT:	\$360

PROPERTY OVERVIEW

ADDRESS	9155 City View Drive, Mountain Home, ID 83647
MARKET/SUBMARKET	Mountain Home/Boise
SQUARE FOOTAGE	18,000 SF
LOT SIZE	2.614 Acres
YEAR BUILT	2022
OCCUPANCY	100%

LEASE ABSTRACT

RESPONSIBILITIES

Taxes: Tenant to directly pay taxes when due

Insurance: Tenant to carry liability and property insurance coverage and to name landlord as additional insured

CAM: Landlord: (20 Year Roof Warranty Provided in 2021 Can Be Transferred!!)

- › Structural systems
- › Exterior portions of the premises including without limitation the foundations, floors, structural supports, roof, roof structures, roof covering (including interior ceiling if damaged by leakage), load-bearing walls (including without limitation, the canopies, store fronts, plate glass, vestibules and exterior doors serving the premises to the extent damage thereto is caused by a failure or defect in the structural systems of the premises)
- › Exterior utility lines

Tenant:

- › Maintain, repair and replace as necessary the premises interior, including the fixtures and equipment therein
- › The utility systems serving only the premises
- › The HVAC system exclusively serving the premises
- › Any non-structural portions of any storefront of the premises
- › Tenant required to enter into preventative HVAC maintenance agreement
- › Tenant to reimburse landlord for cost of roof maintenance and repair in an amount not to exceed \$5K per year.
- › All other items that are not noted under landlord responsibilities above

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TENANT OVERVIEW

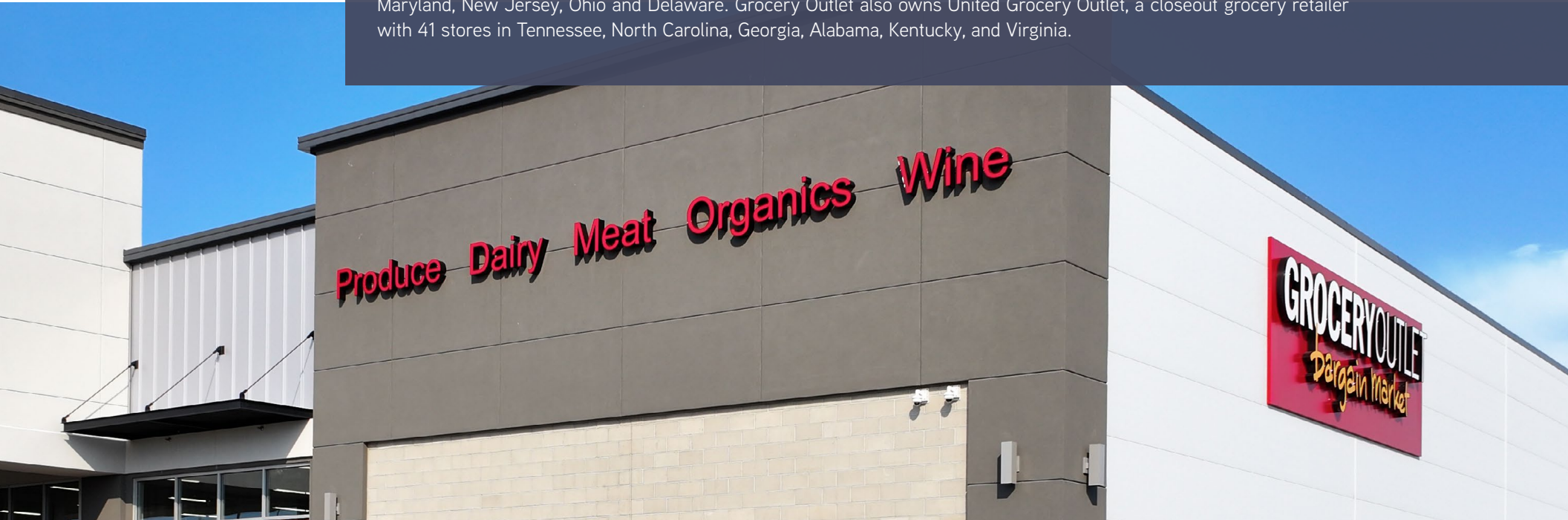


TENANT NAME

Grocery Outlet

BUSINESS SUMMARY

Based in Emeryville, California, Grocery Outlet is a high-growth, extreme-value retailer of quality, name-brand consumables and fresh products sold through a network of independently owned and operated stores. These owners generally live in the community that they serve, creating a neighborhood feel through personalized customer service and a localized product offering. Grocery Outlet has more than 470 stores in California, Washington, Oregon, Pennsylvania, Idaho, Nevada, Maryland, New Jersey, Ohio and Delaware. Grocery Outlet also owns United Grocery Outlet, a closeout grocery retailer with 41 stores in Tennessee, North Carolina, Georgia, Alabama, Kentucky, and Virginia.



Each of their stores offers an easy-to-navigate, small-box format. An ever-changing assortment of “WOW!” deals, complemented by everyday staple products, generates customer excitement and encourages frequent visits from bargain-minded shoppers. Their flexible buying model allows them to offer quality, name-brand opportunistic products at prices significantly below those of conventional retailers.

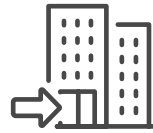
Their founder, Jim Read, pioneered their opportunistic buying model in 1946 and subsequently developed the IO selling approach, which harnesses individual entrepreneurship and local decision-making to better serve customers in their communities. Underlying this differentiated model was a mission that still guides

them today. Since 2006, the third generation of Read family leadership, Eric Lindberg, Jr., Chairman of their Board of Directors (and former Chief Executive Officer), has continued to advance this mission and accelerated growth by strengthening their supplier relationships, introducing new product categories and expanding the store base from 128 stores in 2006 to more than 440 stores in 2023. Their passionate, founding family-led team remains a driving force behind their growth-oriented culture.

IMPORTANT METRICS COMPANY WIDE



NET SALES INCREASED
BY 10.9% TO \$3.97
BILLION



COMPARABLE STORE
SALES INCREASED BY
7.5%



GROSS MARGIN
INCREASED BY 80 BASIS
POINTS TO 31.3%



NET INCOME INCREASED
22.1% TO \$79.4 MILLION,
OR \$0.79 PER DILUTED
SHARE



ADJUSTED EBITDA(1)
INCREASED 17.7% TO
\$252.6 MILLION, OR 6.4%
OF NET SALES



AS OF THE FIRST QUARTER
OF 2024, THE COMPANY
OPENED SIX NEW STORES,
ENDING THE QUARTER WITH
474 STORES IN NINE STATES



ADJUSTED NET INCOME
INCREASED 15.2% TO
\$108.1 MILLION, OR \$1.07
PER ADJUSTED DILUTED
SHARE



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LOCATION OVERVIEW



PROPOSED CASINO AND RESORT



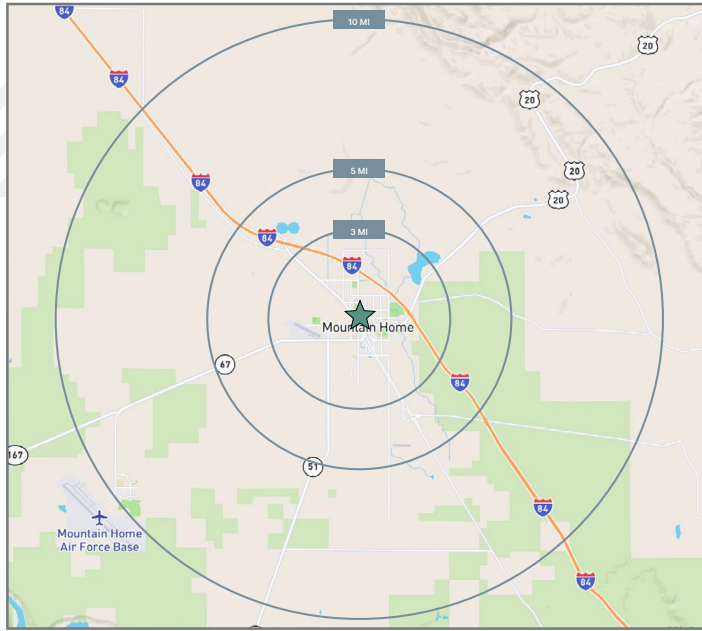
Proposed Casino in Mountain Home, ID

- › In 2020, the Shoshone-Bannock Tribes (Tribes) purchased 157 acres in Elmore County adjacent to the City of Mountain Home for the purpose of economic development projects.
- › Based on a 2021 assessment, the Tribes are proposing a casino resort complex that would include a possible \$311 million, 500,000 square-foot casino on a 157-acre plot of land near Mountain Home with 2,000 electronic gaming machines, a 250-room hotel, six restaurants, a 15,000 square-foot event center, an 8-lane bowling alley, two movie theaters, and an arcade. It also includes a horse racing track with a grandstand. Situated along I-84 at Exit 95.
- › The project is estimated to directly support 1,010 local workers annually, with annual labor income equaling \$41.6 million and total added value to the economy of \$174.9 million. These direct impacts drive a further \$7.4 million in added value to the economy and 145 jobs from indirect and induced effects. In total, the local region is estimated to benefit from annual employment impacts of 1,155 workers, \$45.7 million in labor income and \$182.4 million in total value added. Combining the local and other state impacts, the project is estimated to inject a total value added of \$187.2 million into the local and state economy annually. \$2.3 million of tax revenue would accrue to the State government.
- › On June 8, 2023, the Tribes submitted two applications to the Department of Interior (DOI) for approval.



Just off of Exit 95-Mountain Home interchange of I-84

LOCATION DESCRIPTION



Demographics

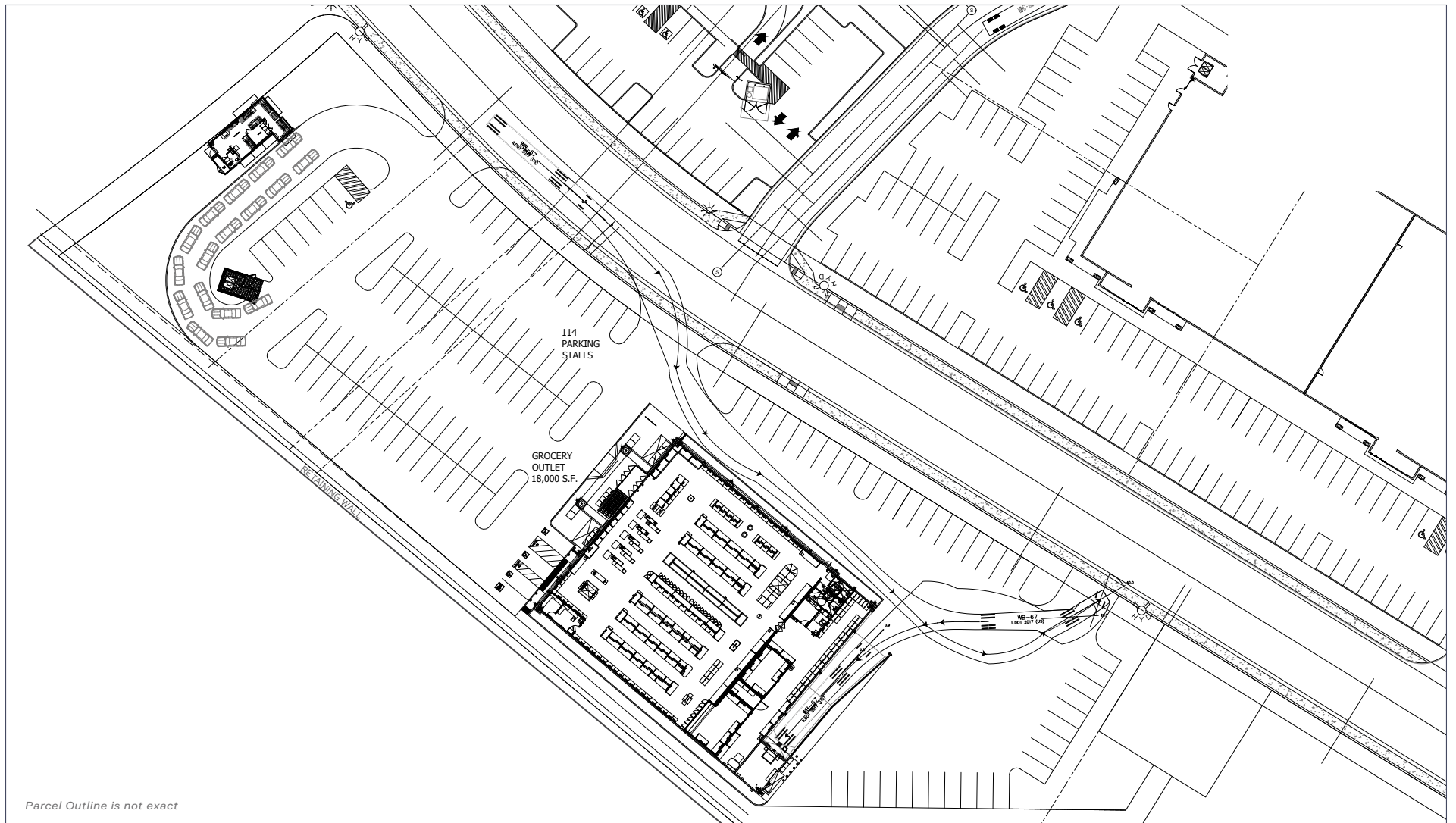
PLACE OF WORK	3 MILE	5 MILES	10 MILES
2023 Employees	5,725	6,098	10,211
POPULATION	3 MILE	5 MILES	10 MILES
2010 Population - Census	17,837	19,385	22,589
2020 Population - Census	19,201	20,912	24,085
2023 Population - Current Year Estimate	19,370	21,159	24,315
2028 Population - Five Year Projection	19,396	21,296	24,452
EDUCATION ATTAINMENT	3 MILE	5 MILES	10 MILES
Bachelor's Degree	1,725 13.6%	1,958 14.1%	2,346 15.3%
Graduate or Professional Degree	719 5.7%	812 5.8%	909 5.9%
AVERAGE INCOME	3 MILE	5 MILES	10 MILES
2023 Average Household Income	\$67,012	\$68,277	\$69,134
2028 Average Household Income	\$76,633	\$78,311	\$79,560
HOUSING VALUE	3 MILE	5 MILES	10 MILES
2023 Average Value of Owner Occ. Units	\$281,664	\$296,023	\$301,921
HOUSING UNITS	3 MILE	5 MILES	10 MILES
2023 Occupied Housing Units	7,594 94.1%	8,257 94.4%	9,280 94.4%
2023 Owner Occupied Housing Units	4,727 58.6%	5,197 59.4%	5,401 54.9%
2023 Renter Occupied Housing Units	2,867 35.5%	3,060 35.0%	3,879 39.5%

Key Location Benefit

The property is well situated just off of Interstate 84, an east/west interstate connecting Oregon, Idaho and Utah (770 miles). Given the property's location directly off of the interstate and given Mountain Home's location between the major markets of Boise (40 miles northwest) and Twin Falls (85 miles southeast), as well as their extremely close proximity to the proposed Shoshone-Bannock Casino site, the property is well positioned to take advantage of sales not only from their population of more than 16,000 but also the commuters and tourists looking for equitable snacks and groceries on their travels. The property is surrounded by many national retail brands, is located just 15 miles from the Mountain Home Air Force Base and is the only discount grocer for 50 miles in any direction. As such, this tenant is well positioned for long term stability and growth in this location.



SITE PLAN



PHOTOS



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AMENITY MAP



- Retail
- Employer
- Education
- Lodging
- Recreational

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MARKET OVERVIEW

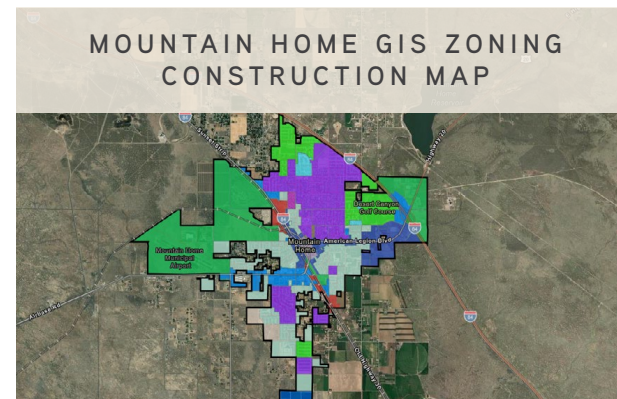
Market Overview

Mountain Home is the largest city, and county seat, of Elmore County, Idaho. As of 2022, the city's population was 16,469. Mountain Home is the principal city of the Mountain Home Micropolitan Statistical Area, which includes Elmore County. Mountain Home Air Force Base, housing 3,184 residents, is an Air Combat Command installation located 12 miles southwest of the city. Opened in 1943 during World War II, it was originally a bomber training base and later an operational Strategic Air Command bomber and missile base (1953–65). It switched to Tactical Air Command and fighters in January 1966, which was succeeded by Air Combat Command in 1992.

Tourism has played an important role in Mountain Home's growth. Visitors and residents alike enjoy a wide variety of local recreational activities offered by Mountain Home's surroundings. Their city has a strong sense of family values and community that you can experience firsthand at their many local events. Mountain Home is also a haven for outdoor lovers visiting the sand dunes, hiking along mountain-side back trails, casting a line at one of their many fishing destinations, or setting up camp and enjoying the remarkable scenic views.

New local entrepreneurs are opening businesses, established businesses are expanding and outside businesses are looking their way! The City of Mountain Home is taking full advantage of all these positive changes by making changes of their own to improve its community.

Explore These Informative Links



PROXIMITY MAP



CITY	DISTANCE
Boise, ID	44 Miles
Twin Falls, ID	84 Miles
Pocatello, ID	190 Miles
Idaho Falls,	236 Miles
Rexburg, ID	263 Miles
Ogden, UT	260 Miles
Salt Lake City, UT	295 Miles

Source: Google Maps

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