

CARIBOU COFFEE / EINSTEIN BAGELS & ASPEN DENTAL

14199 Edgewood Dr N

BAXTER (BRAINERD LAKES), MN



TABLE OF CONTENTS

INVESTMENT OVERVIEW.....	3
RETAIL TRADE AREA.....	5
FINANCIALS AND LEASE.....	7
TENANT DESCRIPTION.....	10
MARKET OVERVIEW.....	12
LEGAL DISCLAIMER.....	14

OFFERING SUMMARY

Mid-America Real Estate Corporation in cooperation with Mid-America Real Estate-Minnesota, LLC, is pleased to present Caribou Coffee / Einstein Bagels & Aspen Dental located at 14199 Edgewood Drive North in Baxter (Brainerd Lakes), MN. The investment is comprised of a 6,050 square foot building situated on a 1.74 acre parcel. Both Caribou Coffee and Aspen Dental are subject to a ten year leases with 10% rental increases every five years throughout the primary term and in the option periods. The site is located along the primary retail corridor of Highway 371 and is surrounded by countless national retailers. The combination of desirable tenancy, strong trade area and recreational destination, make this a great net lease investment opportunity.



INVESTMENT HIGHLIGHTS



RECENTLY CONSTRUCTED BUILDING WITH DESIRABLE TENANCY AND A DRIVE-THRU The building was constructed in 2017 to Aspen Dental and Caribou/Einstein's latest specifications, including a drive-thru window for Caribou/Einstein. This is a combination store featuring Einstein's Bagels further increasing the customer base. The drive-thru window provides ease and convenience for customers and future users. This mixed tenancy is very attractive due to tenant credit and long term leases with attractive rental increases.



VACATION DESTINATION Baxter & Brainerd are vacation destinations for many residents of Minneapolis and northern Minnesota. The population grows by several hundred thousand people in the summer due to its picturesque lakes, hiking & biking trails and countless other activities. The area is also known for the Northland Arboretum and the Brainerd Lakes. The Northland Arboretum encompasses over 500 acres throughout Brainerd / Baxter. Residents and visitors are brought here for its beautiful landscape, walking paths, and skiing. Brainerd Lakes has world-class golfing, fishing and boating, biking, snowmobiling, kayaking and countless other activities. The area boasts more than 500 lakes and rivers as well as beautiful parks and forest.

Price \$3,496,875

Cap Rate 6.40%

Address: [14199 Edgewood Dr N, Baxter, MN 56425](#)

Term Remaining: 9/9 Years

Lease Type: NN

Total Annual Rent: \$223,800

Total Square Footage: 6,050

Total Lot Size: 1.74 Acres

Buildable Area: 1.41 Acres

Year Built: 2017



&





KEY FEATURES



PRIME RETAIL TRADE AREA The subject property is situated at the entrance of the newly renovated Gander Outdoor center along Highway 371. The primary retail corridor is home to Kohl's, Cub Foods, Mills Fleet Farm, Best Buy, Target, Costco, Home Depot, Walmart and countless others. The Costco is also the only location with 90+ miles, drawing customers from a wide. These strong neighboring retailers bring many customers into the retail trade area surrounding the subject site.



EXCELLENT TRAFFIC AND VISIBILITY The subject site is highly visible from Highway 371 and is exposed to 25,000 vehicles per day. There are an additional 20,000 vehicles per day along Highway 210, just south of the site. The site also has excellent left turn access for this market.



STRONG CREDIT RATED COMPANIES Caribou Coffee currently operates more than 450 locations, including 200 franchised outlets. The company was taken private in 2013 after being acquired by JAB Beech \$340 million. JAB Holding Company is a German conglomerate and parent of not only Panera Bread, but also Krispy Kreme Doughnuts, Peet's Coffee and many more. The company boasts an S&P credit rating of "A-". Aspen Dental services 33 states with roughly 600 franchised dental facilities. Every practice is supported by Aspen Dental Management, Inc., a dental support organization that boasts a S&P credit rating of "B".









FINANCIAL SUMMARY

PRICING

Price: \$3,496,875
Cap Rate: 6.40%
Square Feet: 6,050

Tenant	Years	Annual Base Rent	Monthly Rent	Total Annual Rent	Rental Increase
Aspen Dental	1-5	\$121,800	\$10,150	\$223,800	-
Caribou Coffee	1-5	\$102,000	\$8,500		-
Aspen Dental	6-10	\$133,980	\$11,165	\$246,180	10%
Caribou Coffee	6-10	\$112,200	\$9,350		10%
Aspen Dental	Option 1	\$147,378	\$12,282	\$270,798	10%
Caribou Coffee	Option 1	\$123,420	\$10,285		10%
Aspen Dental	Option 2	\$162,116	\$13,510	\$297,878	10%
Caribou Coffee	Option 2	\$135,762	\$11,314		10%
Current Annual Rent		\$223,800			
Current Monthly Rent		\$18,650			



LEASE SUMMARY

ASPEN DENTAL - BAXTER, MN

Tenant:	Aspen Dental Management, Inc.
Address:	14199 Edgewood Dr N, Baxter, MN 56425
Lease Type:	NN
Year Built:	2017
Building Size:	3,500 SF
Rent Commencement Date:	October 19, 2017
Expiration Date:	October 31, 2027
Annual Rent:	\$121,800
Monthly Rent:	\$10,150
Rental Increase:	10% every five (5) years.
Renewal Options:	Two (2) – five (5) year options.
Common Area:	Common Areas shall include, but shall not be limited to walkways and patios, sidewalks, exterior walls, service drives, utilities, thruways, loading areas not exclusively reserved to particular tenants, roofs, signs, parking areas, driveways and roads. Landlord shall maintain and repair so as to be in first class condition, reasonably free and clear of all debris, ice, snow and water. Landlord shall be reimbursed by the tenant their pro rata share. Controllable Expenses shall not increase more than 5% from the previous year (excludes utilities and snow and ice removal). Landlord's admin fee may not exceed 5% of CAM Expense.
Tenant Maintenance:	Tenant will keep the interior of the Premises and maintain and replace the HVAC.
Landlord Maintenance:	Landlord's sole repair responsibility is all maintenance, replacement and repair to the roof, common area lights and structural portions of the building, and all exterior and underground utilities. Landlord shall repair and maintain the common areas.
Tenant Insurance:	Tenant agrees to carry commercial general liability insurance and "Special Causes of Loss" property damage insurance. In addition, Tenant shall maintain umbrella policy, employer's liability insurance and workers' compensation insurance and commercial automobile liability insurance.
Landlord Insurance:	Landlord agrees to carry fire and extended coverage insurance. Tenant shall pay to Landlord pro rata share of Landlord insurance premiums monthly.
Taxes:	Landlord is reimbursed.
Utilities:	Tenant pays directly.
Estoppel:	Within twenty (20) days after receipt of written request.



LEASE SUMMARY

CARIBOU COFFEE / EINSTEIN BAGELS - BAXTER, MN

Tenant: Caribou Coffee Company, Inc.
Address: [14199 Edgewood Dr N, Baxter, MN 56425](#)
Lease Type: NN
Year Built: 2017
Building Size: 2,550 SF

Rent Commencement Date: December 4, 2017

Expiration Date: December 31, 2027

Annual Rent: \$102,000

Monthly Rent: \$8,500

Rental Increase: 10% every five (5) years.

Renewal Options: Two (2) – five (5) year options.

Common Area: Common Area Maintenance shall include all expenses, costs, disbursements and charges incurred by Landlord for the operation, maintenance and repair of the common areas, but not limited to landscaping, parking lot paving and restriping, snow removal, pest control, and admin/management fee, common area utilities, sprinkler, removal of common area trash, dumpster fee, fire protection, security, and repainting. Landlord shall be reimbursed by the tenant their pro rata share. Controllable Expenses shall not increase more than 5% from the previous year (excludes garbage removal, utilities and snow and ice removal). Landlord's admin fee may not exceed 5% of CAM Expense.

Tenant Maintenance: Tenant will keep the interior of the Premises and maintain and replace the HVAC.

Landlord Maintenance: Landlord, at its sole cost and expense, shall maintain in good condition and repair the roof, foundation, all structural portions of the premises, and any utilities. Landlord shall repair and maintain the common areas.

Tenant Insurance: Tenant shall maintain commercial general liability insurance, "Special Causes of Loss" property damage insurance, umbrella policy, employer's liability insurance and worker's compensation insurance.

Landlord Insurance: Landlord shall maintain liability insurance and "Special Causes of Loss" property damage insurance. Tenant shall pay to Landlord pro rata share of Landlord insurance premiums monthly.

Taxes: Landlord is reimbursed.

Utilities: Tenant pays directly.

Estoppel: Within twenty (20) days after receipt of written request.

Sales Reporting: Within forty-five (45) days of written request, not more than once per year, Tenant shall provide Landlord with its annual gross sales.



TENANT OVERVIEW



Aspen Dental Management, Inc. provides dental and denture services for short- and long-term oral health needs in the United States. Its services include comprehensive exams, cleanings, extractions, fillings, periodontal treatment, whitening, crown and bridge work, preventive care, general dentistry, and restoration.

Aspen Dental Management, Inc. was formerly known as Upstate Dental Health Services and changed its name to Aspen Dental Management, Inc. in 1998. The company was founded in 1964 and is based in East Syracuse, New York. Aspen Dental Management, Inc. (ADMI), the Dental Support Organization that supports the Aspen Dental brand, was founded in 1998 by Robert Fontana, who continues to serve as chief executive. There is no single provider of dental care called “Aspen Dental”. Each Aspen Dental branded practice is owned and operated by a licensed dentist. Aspen Dental Management, Inc. (“ADMI”) provides administrative and business support services to Aspen Dental branded dental practices. ADMI licenses the “Aspen Dental” brand name to the independently owned and operated dental practices that use its business support services. Aspen Dental practices are committed to treating patients with the compassion and respect they deserve. The practices believe in providing comprehensive care that addresses both your short- and long-term dental care needs, and promise to provide an honest, judgment-free environment where it all comes down to great care.

Company:	Aspen Dental Management, Inc.
Number of Locations:	600+
Stock Symbol:	N/A
Type:	Private
Company Headquarters:	DeWitt, NY
Credit Rating:	S&P "B"



TENANT OVERVIEW



JAB HOLDING COMPANY

Caribou Coffee Company is an American coffee company and coffeehouse chain. Caribou Coffee was founded in Edina, Minnesota, in 1992 by Kimberly and John Puckett. Caribou is currently owned by the German JAB Holding Company. The company operates in three segments: Retail, Commercial, and Franchise. The Retail segment offers premium coffee and espresso-based beverages, food, specialty teas, whole bean coffee, branded merchandise, and related products. The Commercial segment sells whole bean and ground coffee to grocery stores, mass merchandisers, club stores, office coffee and foodservice providers, hotels, entertainment venues, and on-line customers. This segment also sells blended coffees and licenses its Caribou Coffee brand to Keurig, Inc. for sale and use in its K-Cup single serve line of business. The Franchise segment franchises its brand to partners to operate Caribou Coffee branded coffeehouses in domestic and international markets, as well as sells Caribou Coffee branded products to partners for resale in these franchised locations. Caribou Coffee operates more than 600 coffeehouses, including about 125 domestic franchised outlets and more than 200 international franchised locations. It is one of the leading coffee chains (behind Starbucks) with stores in Minnesota and seven other states. The outlets, designed to resemble mountain lodges, offer fresh-brewed coffee along with specialty coffee drinks and baked goods. Caribou Coffee's stores also sell whole bean coffee and brewing supplies. Beyond its coffee shops, the company sells roasted coffee and related supplies to grocery stores and food service operators.

Einstein Noah Restaurant Group is the largest bagel shop operator in the US, with more than 815 company-owned and franchised locations. Its flagship chain, Einstein Bros. Bagels, offers more than a dozen varieties of fresh-made bagels and spreads, along with coffee, pastries, and a menu of sandwiches and salads at its 685 outlets. In addition to Einstein Bros., the company operates the Noah's New York Bagels and Manhattan Bagel chains. Some 460 of the bagel shops are company-owned, while the rest are operated by franchisees or licensees. JAB Holding Company has controlled Einstein Noah Restaurant Group since 2014.

JAB Holding Company is a privately held German conglomerate focused on long term investments in companies with premium brands, attractive growth and strong cash flow. JAB has a solid investment grade Moody's credit rating of "Baa1" and an S&P credit rating of "A-". The company is the parent of Krispy Kreme, Peet's Coffee, Einstein Bros. Bagels, Panera Bread, Pret A Manger, and many others.





MARKET OVERVIEW

BAXTER (BRAINERD LAKES), MINNESOTA

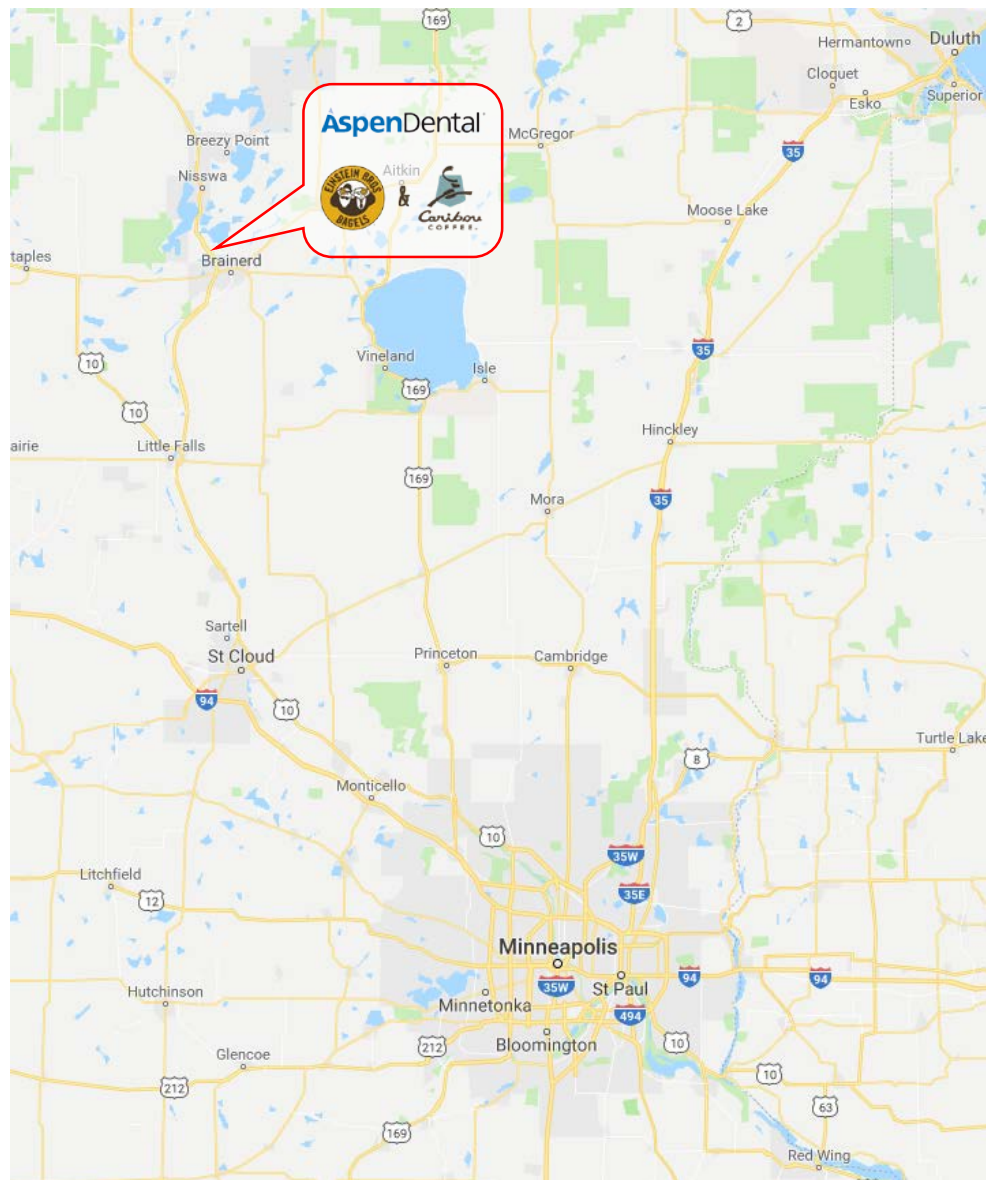
Baxter is a city in Crow Wing County, MM. Baxter is located just north of the geographical center of Minnesota. The city is home to numerous lakes and ponds. Baxter is bordered on the west by Cass County and on the east by Brainerd. Minnesota State Highways 210 and 371 are two of the main routes in the city. Tourism and various service industries have become Baxter's biggest employers, and numerous housing subdivisions have been developed in the wooded area west of Minnesota Highway 371, which passes through the town. Baxter is a fast-growing community along the western border of Brainerd that boasts many large retail stores and attracts customers from many surrounding communities. A green space gem shared by the two cities is the 500-acre Northland Arboretum at the trailhead to the Paul Bunyan State Trail. The Paul Bunyan Trail travels more than 75 miles from Baxter to Bemidji with picturesque views of area lakes. Residents and visitors are brought here for its beautiful landscape, walking paths, and skiing.

The communities of Brainerd and Baxter serve as the gateway communities to the Brainerd Lakes Area. Brainerd lakes has world-class golfing, fishing and boating, biking, snowmobiling, kayaking and countless other activities. The area boasts more than 500 lakes and rivers as well as beautiful parks and forest.

More Information:

[Brainerd Lakes](#)

[Northland Arboretum](#)





DEMOGRAPHIC PROFILE

Population	5 Miles	10 Miles	15 Miles
2018 Population	27,769	40,357	51,299
2023 Projected Population	28,805	41,898	53,251
Households	5 Miles	10 Miles	15 Miles
2018 Households	11,290	16,286	20,706
2023 Projected Households	11,699	16,891	21,471
Average Household Size	2.41	2.44	2.45
Income	5 Miles	10 Miles	15 Miles
Average Household Income	\$67,675	\$72,017	\$73,085
Median Household Income	\$48,356	\$53,192	\$54,172
Per Capita Income	\$28,073	\$29,247	\$29,702

DEMOGRAPHIC PROFILE WITHIN 10-MILE RADIUS:



POPULATION

40,347



HOUSEHOLDS

16,286



AVERAGE HH INCOME

\$72,017

LEGAL DISCLAIMER

The Offering Memorandum ("The Memorandum") is intended solely for the limited use of The Potential Purchaser in considering whether to pursue negotiations to acquire 14199 Edgewood Dr N, Baxter, MN 56425 ("The Property"). The Memorandum, prepared by Mid-America Real Estate Corporation, in cooperation with Mid-America Real Estate-Minnesota, LLC. (Hereinafter collectively referred to as "MAREC"), contains brief, selected information pertaining to the operation of The Property and Owner does not purport to be all-inclusive or to contain all the information, which The Potential Purchaser may desire. The Memorandum will be delivered with the understanding that The Potential Purchaser will conduct its own analysis and investigation of The Property, independently and without reliance upon The Owner, MAREC or The Memorandum and based on such documents, information and other matters as The Potential Purchaser, in its sole discretion, deems appropriate in evaluating a purchase of The Property. In furnishing The Memorandum, MAREC and/or The Owner reserve(s) the right to request the return of The Memorandum (including all copies or partial copies), or any other information provided, at any time. Neither The Owner nor MAREC or any of their officers, employees or agents make any representation or warranty, expressed or implied, as to the accuracy or completeness of The Memorandum or any oral or written communication transmitted from MAREC and/or The Owner to The Potential Purchaser and no legal liability is assumed or to be implied with respect thereto. By accepting The Memorandum, The Potential Purchaser agrees that The Memorandum's contents and any other information pertaining to The Property and provided to The Potential Purchaser are confidential and proprietary; that The Memorandum and the information contained therein or provided is the property of The Owner and/or MAREC, that it will hold and treat The Memorandum and information provided in the strictest of confidence; that it will not, directly or indirectly, disclose or permit anyone else to disclose The Memorandum's contents without prior written authorization; and, that it will not use or permit to be used The Memorandum or The Memorandum's contents in any fashion or manner detrimental to the interest of The Owner and/or MAREC or in violation of the obligation to maintain such information and The Memorandum in strict confidence. However, The Potential Purchaser may disclose such confidential information to its employees, auditors, financial advisors, directors and/or counsel to whom it is reasonably necessary for purposes of evaluating The Property provided such disclosure is made pursuant to this agreement, all reasonable precautions are taken to safeguard the information and parties are informed of the need to maintain the information as confidential. The Potential Purchaser agrees that photocopying or other duplication of information provided by The Owner and/or MAREC is strictly prohibited. The Owner expressly reserves the right, at its sole discretion, to reject any or all proposals or expressions of interest in The Property and to commence, participate in, or terminate discussions with any party at any time with or without notice. The Potential Purchaser acknowledges that The Owner has no obligation to discuss or agree to the sale of The Property. Notwithstanding that The Potential Purchaser and The Owner may reach one or more oral understandings or agreements on one or more issues that are being discussed, neither party shall be bound by any oral agreement of any kind and no rights, claims, obligations or liabilities of any kind, either express or implied, shall arise or exist in favor of or be binding upon either party except to the extent expressly set forth in a written agreement signed by both parties. The Memorandum shall not be deemed a representation of the state of affairs of The Property nor constitute an indication that there has been no change in the business or affairs of The Property since the date of its preparation. The Potential Purchaser agrees not to contact the tenants, leasing MARECs or property management staff of The Property in connection with its review of The Property. Any and all questions related to The Memorandum or The Property must be directed to MAREC. In the event The Potential Purchaser decides not to pursue the acquisition of The Property, The Potential Purchaser agrees to return The Memorandum and all copies (including partial copies) to the appropriate representative of MAREC.

LEGAL DISCLAIMER

Representation The Potential Purchaser understands and agrees that MAREC is not representing The Potential Purchaser in this Proposed Sale. MAREC is only representing The Owner in this Proposed Sale.

Americans with Disabilities Act The United States Congress has enacted the Americans With Disabilities Act. Among other things, this act is intended to make business establishments equally accessible to persons with a variety of disabilities. As such, modifications to real property may be required. State and local laws also may mandate changes. Neither The Owner nor MAREC is qualified to advise The Potential Purchaser as to what, if any, changes may be required now, or in the future. The Potential Purchaser should consult the attorneys and qualified design professionals of its choice for information regarding these matters. Neither The Owner nor MAREC can determine which attorneys or design professionals have the appropriate expertise in this area.

Hazardous Materials Disclosure Various construction materials may contain items that have been or may in the future be determined to be hazardous (toxic) or undesirable and as such may need to be specifically treated, handled or removed. Due to prior or current uses of The Property or the area, there may be hazardous or undesirable metals, minerals, chemicals, hydrocarbons or biological or radioactive items (including electric and magnetic fields) in soils, water, building components, above or below-ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Neither The Owner nor MAREC has expertise in the detection or correction of hazardous or undesirable items. Expert inspections are necessary. Current or future laws may require clean up by past, present and/or future owners and/ or operators. It is the responsibility of The Potential Purchaser to retain qualified experts to detect and correct such matters.

Remedies If there is a breach or threatened breach of any provision of these Conditions of Offering, The Owner and/or MAREC shall be entitled to seek redress by court proceedings in the form of an injunction restraining The Potential Purchaser without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy and/or a decree for specific performance without any bond or other security being required. Nothing herein shall be construed as prohibiting The Owner and/or MAREC from pursuing any other remedies at law or in equity, which it may have. If The Owner and/or MAREC is involved in a court proceeding to enforce the covenants contained in these Conditions of Offering and The Owner and/or MAREC prevails in such litigation, The Potential Purchaser shall be liable for the payment of The Owner and/or MAREC's reasonable attorneys' fees, court costs and ancillary expenses together with such other and further relief as available under any applicable statute.

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies.

For further information contact the owner's exclusion representatives:

Wes Koontz, CCIM

Mid-America Real Estate Corp.
Vice President, Net Lease Director
Direct: 630.954.7395
WKoontz@MidAmericaGrp.com

Christian Tremblay

Mid-America Real Estate Corp.
Broker
Direct: 630.481.4010
CTremblay@MidAmericaGrp.com

Mark Robinson

Mid-America Real Estate – Minnesota, LLC
Principal
Direct: 952.563.6664
MRobinson@MidAmericaGrp.com



410 N. Michigan Avenue, Suite 1100
Chicago, IL 60611



5353 Wayzata Boulevard, Suite 650
Minneapolis, MN 55416

www.MidAmericaGrp.com