



CARIBOU COFFEE
SAINT PAUL, MN (MINNEAPOLIS, MN)

CONFIDENTIAL OFFERING MEMORANDUM

Disclaimer

This confidential Offering Memorandum, has been prepared by Blue West Capital, LLC ("Blue West Capital") for use by a limited number of qualified parties. This Offering Memorandum has been provided to you at your request based upon your assurances that you are a knowledgeable and sophisticated investor in commercial real estate projects and developments. Blue West Capital recommends you, as a potential buyer/investor, should perform your own independent examination and inspection of the property described herein as Caribou Coffee at 1817 Randolph Avenue, Saint Paul, Minnesota (the "Property") and of all of the information provided herein related to the Property. By accepting this Offering Memorandum, you acknowledge and agree that you shall rely solely upon your own examination and investigation of the Property and you shall not rely on any statements made in this Offering Memorandum or upon any other materials, statements or information provided by Blue West Capital or its brokers.

Blue West Capital makes no guarantee, warranty or representation about the completeness or accuracy of the information set forth in this Offering Memorandum. You are responsible to independently verify its accuracy and completeness. Blue West Capital has prepared the information concerning the Property based upon assumptions relating to the general economy, its knowledge of other similar properties in the market, and on other market assumptions including factors beyond the control of the Blue West Capital and the Owner of the Property. Blue West Capital makes no representation or warranty as to either the accuracy or completeness of the information contained herein, and the information set forth in this Offering Memorandum is not intended to be a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be accurate, Blue West Capital and the Property Owner disclaim any responsibility or liability for any inaccuracies. Further, Blue West Capital and the Property Owner disclaim any and all liability for any express or implied representations and warranties contained in, or for any omissions from, the Offering Memorandum and for any other written or oral communication transmitted or made available to you. Blue West Capital shall make available to you, as a qualified prospective investor, additional information concerning the Property and an opportunity to inspect the Property upon written request.

This Offering Memorandum and the contents are intended to remain confidential except for such information which is in the public domain or is otherwise available to the public. By accepting this Offering Memorandum, you agree that you will hold and treat Offering Memorandum in the strictest confidence, that you will not photocopy or duplicate it, or distribute it. You agree you will not disclose this Offering Memorandum or its contents to any other person or entity, except to outside advisors retained by you and from whom you have obtained an agreement of confidentiality, without the prior written authorization of Blue West Capital. You agree that you will use the information in this Offering Memorandum for the sole purpose of evaluating your interest in the Property. If you determine you have no interest in the property, kindly return the Offering Memorandum to Blue West



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Investment Highlights

- Located within the Minneapolis-Saint Paul MSA which has the 13th largest economy in the US and 2nd largest in the Midwest
- Corporate Caribou Coffee lease with over five years remaining
- Proven location with a 15-year operating history and Caribou Coffee recently exercised a renewal option early
- 19.13% rental escalation in Option 1, 12.5% rental escalation in Option 2
- Densely populated with over 23,000 people living within a one-mile radius and over 150,000 people living within a three mile radius
- Affluent surrounding area with average household incomes in excess of \$123,000 annually
- Dense infill location with major barriers to entry
- Strategic signalized intersection (25,000 VPD) across the street from College of St. Catherine-St. Paul
- College of St Catherine-St. Paul is a private women's liberal arts college with an enrollment of 4,700+ students
- Immediate proximity to numerous universities including University of St. Thomas, Macalester College and Concordia University St. Paul
- Saint Paul is the capital of Minnesota



15 YEAR
Operating History
Proving to be a successful location



Strategic Location
in densely populated area

Situated across the street from
College of St. Catherine-St. Paul



ADDRESS

**1817 Randolph Avenue,
Saint Paul, MN 55105**



PRICE

\$1,275,000¹



CAP RATE

6.01%¹



TENANT

Caribou Coffee



LEASE EXPIRATION

September 30, 2024



RENTAL ESCALATIONS

**19.13% in Option 1
12.5% in Option 2**

Investment Overview

PURCHASE PRICE: \$1,275,000¹

CAP RATE: 6.01%¹

RENT COMMENCEMENT: September 11, 2004

LEASE EXPIRATION: September 30, 2024

NET OPERATING INCOME SCHEDULE:	NOI	Increase	Cap Rate	Date	Period
	\$76,644	-	6.01%	10/1/2019	Current
	\$91,303	19.13%	7.16%	10/1/2024	Option 1
	\$102,716	12.50%	8.06%	10/1/2029	Option 2

RENEWAL OPTIONS: Two 5-Year

RENTAL ESCALATIONS: 19.13% in Option 1, 12.5% in Option 2

LEASE TYPE: NN²

TENANT: Caribou Coffee Company, Inc.

BUILDING SIZE: 1,544 SF

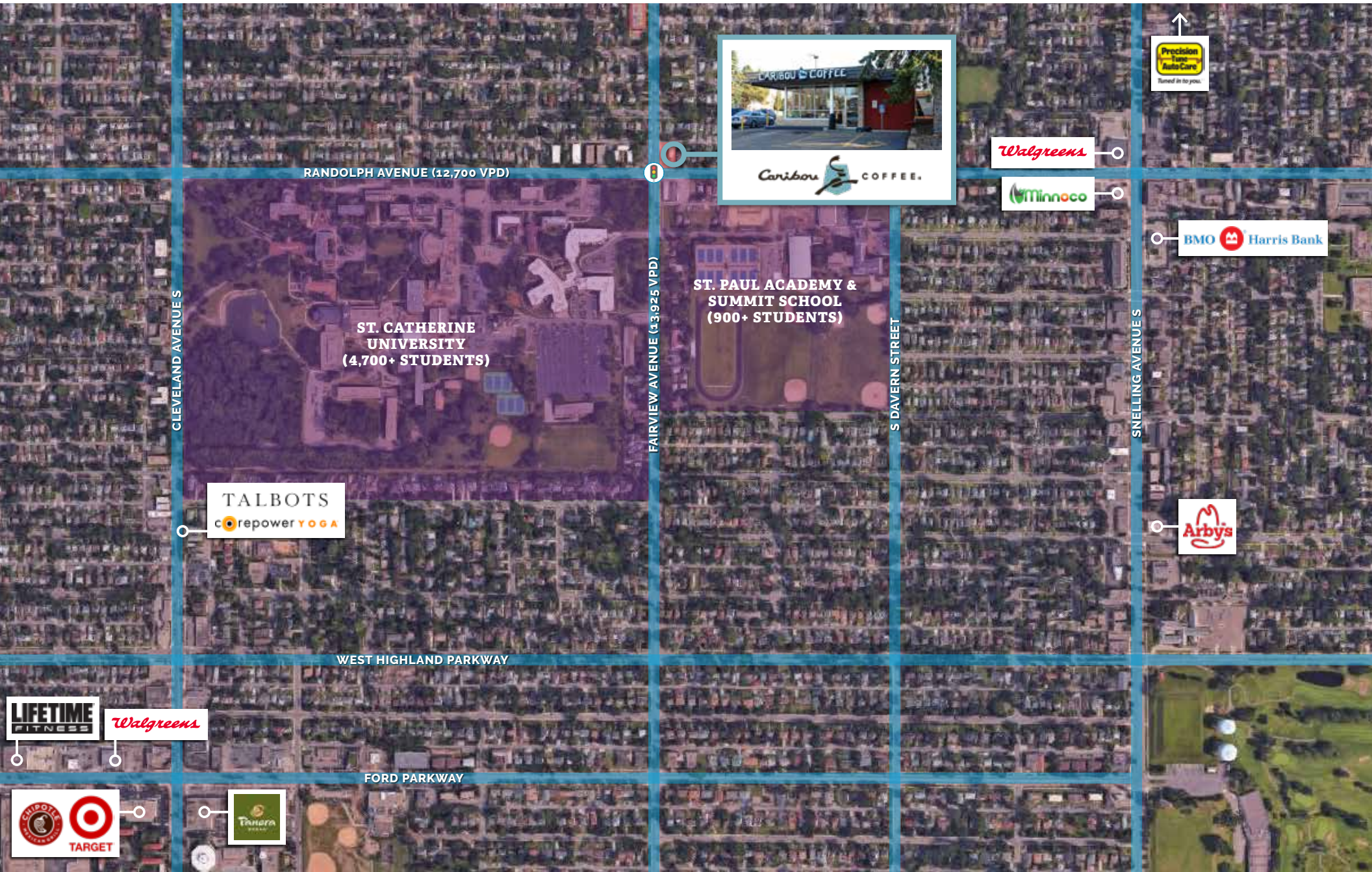
LAND SIZE: 9,147 SF

YEAR BUILT/RENOVATED: 1957/2004

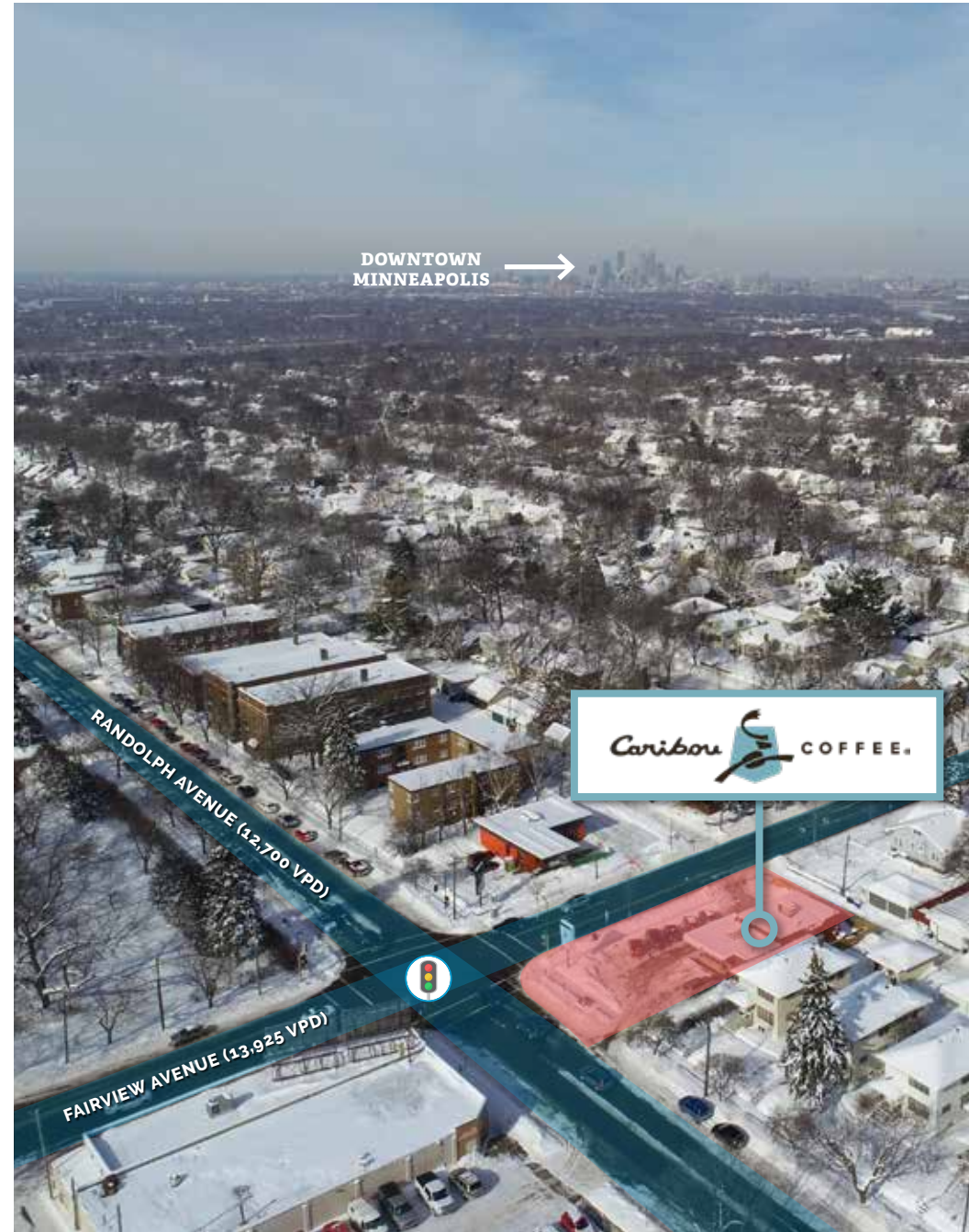
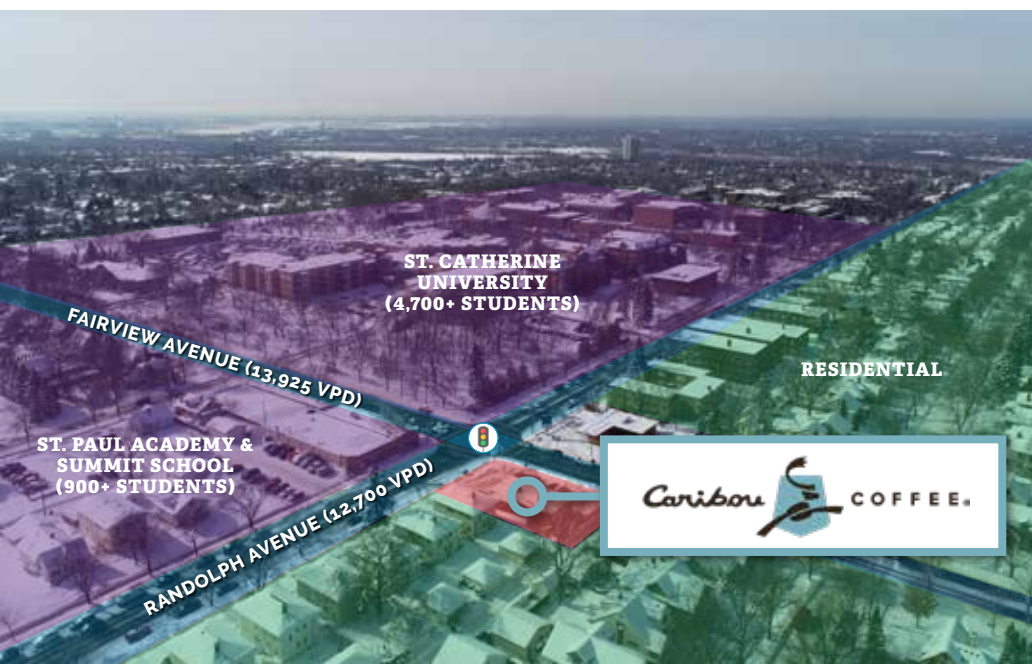
¹Based on the Net Operating Income beginning on October 1, 2019. Seller will provide a credit, at closing, for the difference between the future annual rent (\$76,644) and the current annual rent (\$72,141).

²Landlord is only responsible for structure and foundation. Caribou Coffee is responsible for the roof, parking lot, HVAC, etc.

Aerial Overview



Property Photos

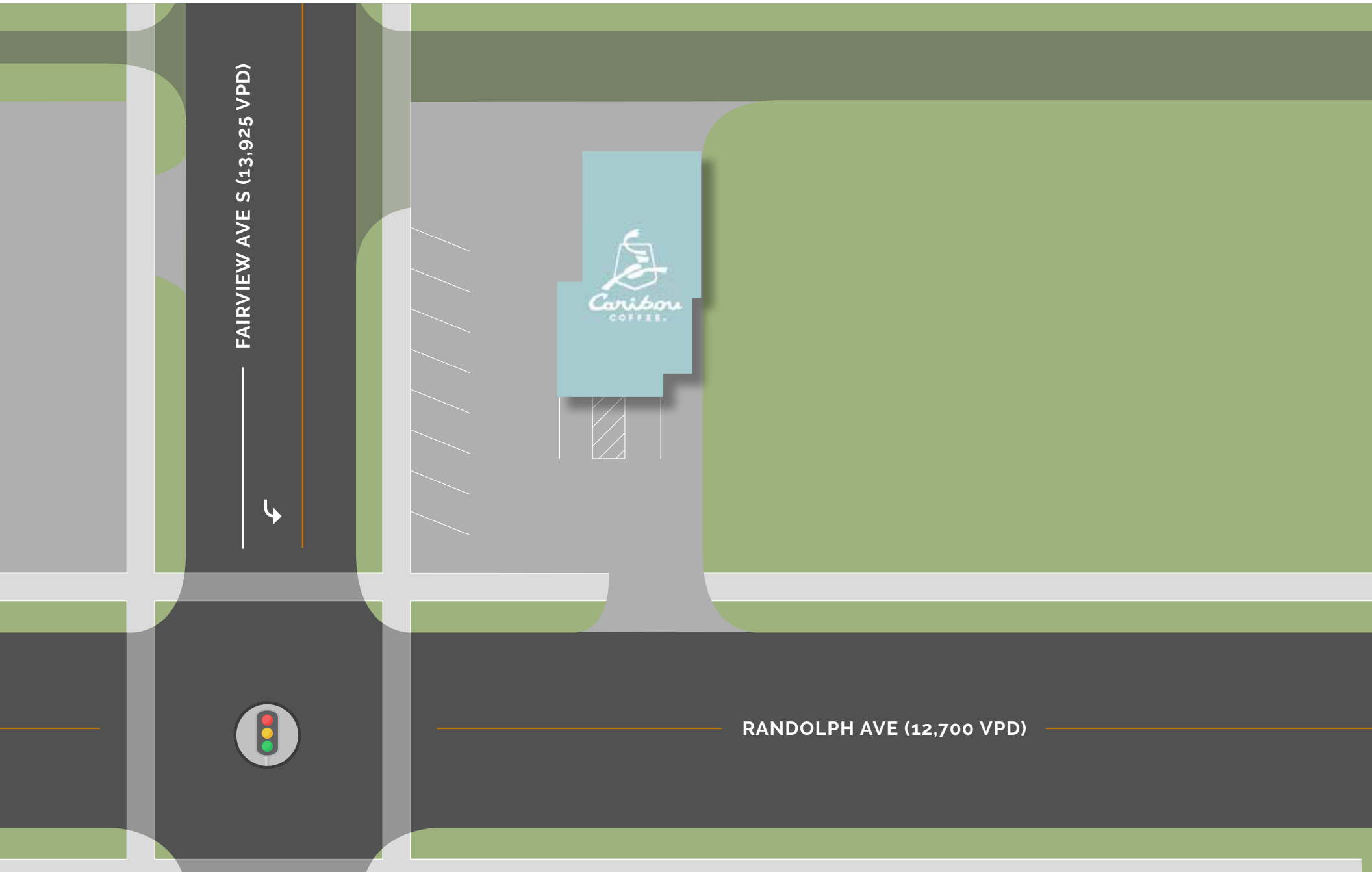


DOWNTOWN
MINNEAPOLIS →

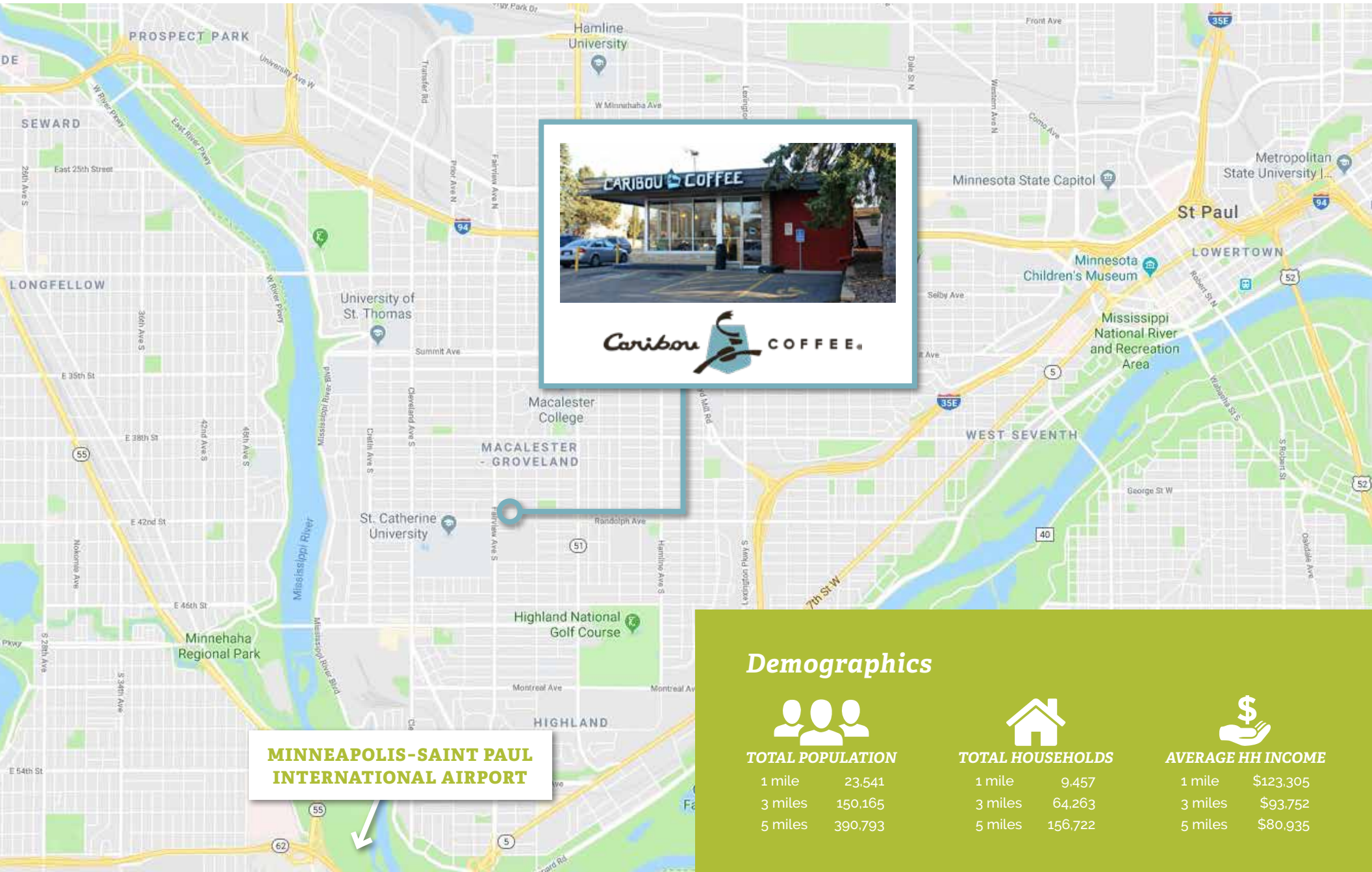
Caribou COFFEE.

Caribou COFFEE.

Site Plan



Map & Demographics



**MINNEAPOLIS-SAINT PAUL
INTERNATIONAL AIRPORT**

Demographics



TOTAL POPULATION

1 mile	23,541
3 miles	150,165
5 miles	390,793



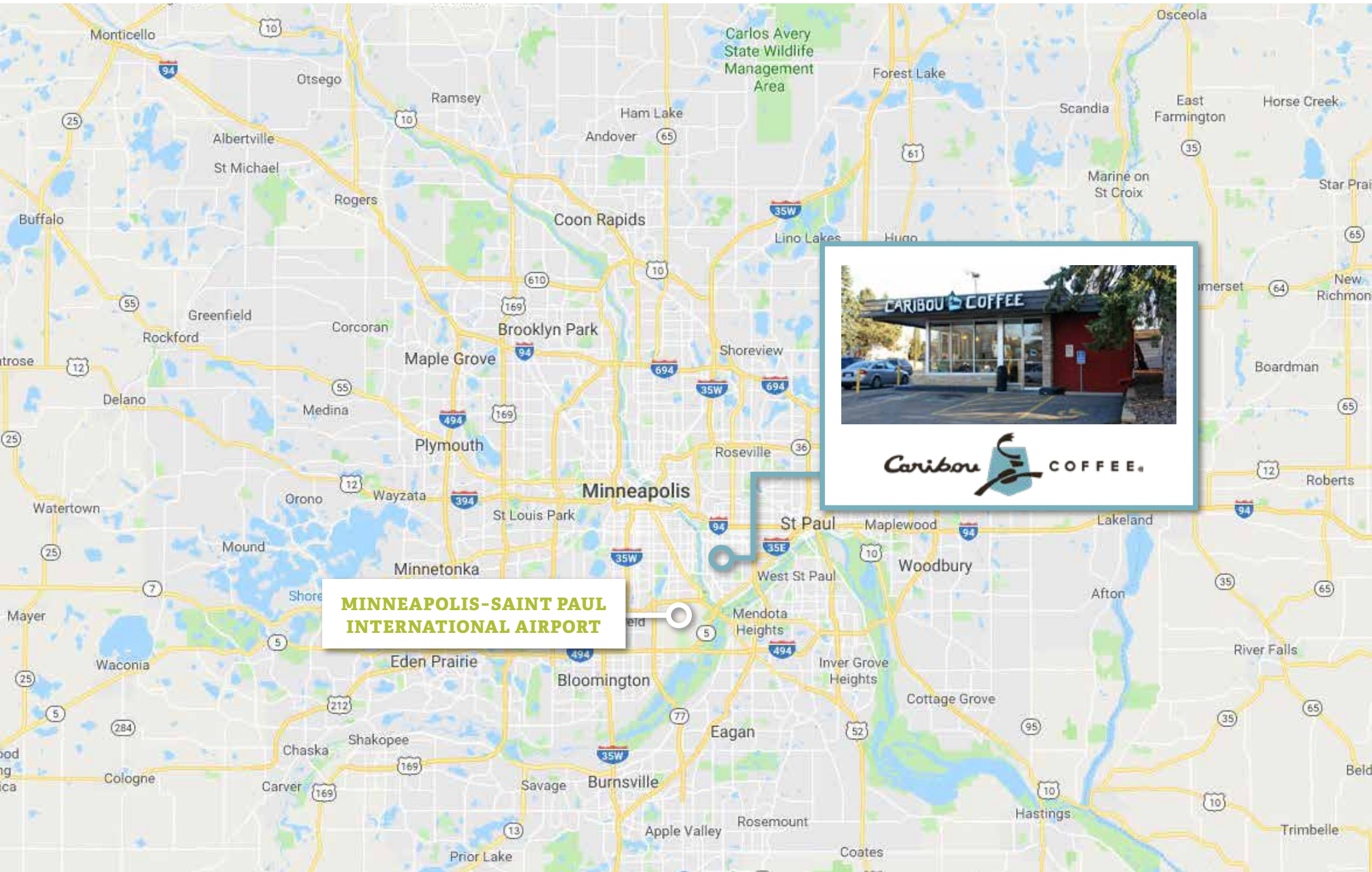
TOTAL HOUSEHOLDS

1 mile	9,457
3 miles	64,263
5 miles	156,722



AVERAGE HH INCOME

1 mile	\$123,305
3 miles	\$93,752
5 miles	\$80,935



Location Overview

Saint Paul is the capital and second-most populous city in Minnesota. Saint Paul is the county seat of Ramsey County which is the smallest and most densely populated county in the state. The city lies mostly on the east bank of the Mississippi River, and adjoins Minneapolis, the state's largest city. Known as the "Twin Cities", the two form the core of Minneapolis–Saint Paul, the 16th-largest metropolitan area in the United States, with about 3.6 million residents. Saint Paul is home to the Xcel Energy Center which hosts the Minnesota Wild NHL team. Saint Paul is served by Interstate 35E and Interstate 94.

Minneapolis-Saint Paul is a major metropolitan area built around the Mississippi, Minnesota and St. Croix rivers in east central Minnesota. Despite the Twin moniker, both cities are independent municipalities with defined borders. Minneapolis is somewhat younger with more modern skyscrapers downtown, while Saint Paul has been likened to an East Coast city, with quaint neighborhoods and a vast collection of well-preserved late-Victorian architecture.

The Twin Cities have an economy that is the 13th largest in the US and the 2nd largest in the Midwest. The MSA is home to 18 Fortune 500 headquarters and a number of substantial private companies. UnitedHealth Group, Target, Best Buy, CHS, 3M, US Bancorp, Supervalu, General Mills, Land O'Lakes, Ecolab, CH Robinson Worldwide, Ameriprise Financial, Xcel Energy, Thrivent Financial, Mosaic, Patterson, Securian Financial, Polaris Cargill, Carlson, Radisson Hotel Group, Mortenson, Holiday Stationstores, and Andersen call the MSA home. The Minneapolis-Saint Paul International Airport (MSP) was the 17th busiest airport in the US in 2017 and serves as a major hub for Delta Airlines.



Tenant Overview



Caribou Coffee is an American coffee company and coffeehouse chain. Caribou Coffee was founded in Edina, Minnesota in 1992 by John Puckett who remains the President and CEO. Caribou operates over 460 locations in 18 states and has over 7,000 employees. Caribou has 285 locations in Minnesota. Caribou Coffee is owned by JAB Holding Company.

Designed to resemble mountain lodges, Caribou Coffee locations offer fresh-brewed coffee along with specialty coffee drinks and baked goods. The stores also sell whole beans and brewing supplies. Beyond its coffee shops, the company sells roasted coffee and related supplies to grocery stores and foodservice suppliers. Caribou Coffee is a proud recipient of the Rainforest Alliance Corporate Green Globe Award and is committed to operating practices that promote sustainability and environmental protection.

JAB Holding Company is a privately held German conglomerate that includes investments of companies operating in the arenas of consumer goods, forestry, coffee, luxury fashion, and fast food, among others. In addition to Caribou Coffee, JAB Holding Company owns Einstein Bros. Bagels, Panera Bread, Krispy Kreme, Peet's Coffee, Bruegger's, Keurig Dr. Pepper (87%), and Coty, Inc (38.1%). The company was founded in 1828 and is headquartered in Luxembourg, Germany.



WEBSITE	www.cariboucoffee.com
LOCATIONS	460+
EMPLOYEES	7,000
YEAR FOUNDED	1992
HEADQUARTERS	Edina, MN
PARENT COMPANY WEBSITE:	www.jabholco.com
PARENT COMPANY TYPE:	Private
PARENT COMPANY YEAR FOUNDED:	1828
PARENT COMPANY HEADQUARTERS:	Luxembourg, Germany

The logo for Blue West Capital, featuring the words "BLUE", "WEST", and "CAPITAL" stacked vertically in white, bold, sans-serif capital letters. Each word is contained within its own blue rectangular background block.

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