



Actual Location



**LA|FITNESS.**

1940 COUNTY ROAD D EAST  
MAPLEWOOD, MN | MINNEAPOLIS- ST. PAUL MSA

**CBRE**



**LA|FITNESS®**

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This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the “Owner”), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

Neither the Owner or CBRE, Inc. nor any of their respective directors, officers, Affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.


The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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**LA|FITNESS®**

## UNIQUE NET LEASE INVESTMENT OPPORTUNITY IN THE MINNEAPOLIS - ST. PAUL

The CBRE Net Lease Property Group is pleased to exclusively offer the opportunity to acquire a 36,239-square-foot LA Fitness situated on 3.67 acres in Maplewood, MN (Population: 36,000+). Maplewood is an upscale bedroom community within the Minneapolis MSA (Population: 3.6 million) and is situated just 15 miles east of Downtown Minneapolis. LA Fitness' 15-year net lease features  $\pm 9.3$  years of primary term remaining with rent escalations of the Lesser of CPI and 10% during the initial term and 10% rent escalations in each of the three 5-year options. The property is ideally positioned with excellent access and visibility along County Road D (Traffic Count: 9,500 VPD), just south of the exit ramp of I-694 (Traffic Count: 85,000 VPD) which provides access to Downtown Minneapolis. The property is located immediately adjacent to Chipotle, Jimmy John's, and Buffalo Wild Wings, across the ring road from the 931,000-square-foot Maplewood Mall (Anchors: JCPenney, Kohl's, Macy's), and across County Road D from Midas and Tires Plus. Additionally, the property benefits from its location within the area's primary retail and commercial corridor with 6.5 MSF of retail, 1.8 MSF of office, 3.7 MSF of industrial, and 846 multifamily units within a 3-mile radius. The area is seeing significant retail and commercial development including a CarMax, Honda Dealership, Cubs Foods, Planet Fitness, Northern Tool + Equipment, Starbucks, Great Clips and Culvers. LA Fitness is positively impacted by the employment base of 37,796 and 27,055 households within a 3-mile radius. Additionally, the property benefits from its location within walking distance to the 184-bed St. John's Hospital which employs 1,500 people, providing a substantial built-in customer base. In total, LA Fitness benefits from upscale demographics with a population of 66,931 and an average household income of \$86,119 within a 3-mile radius.

**PRICE: \$ 8,185,150**  
**CAP: 6.75%**  
**NOI: \$ 552,498**



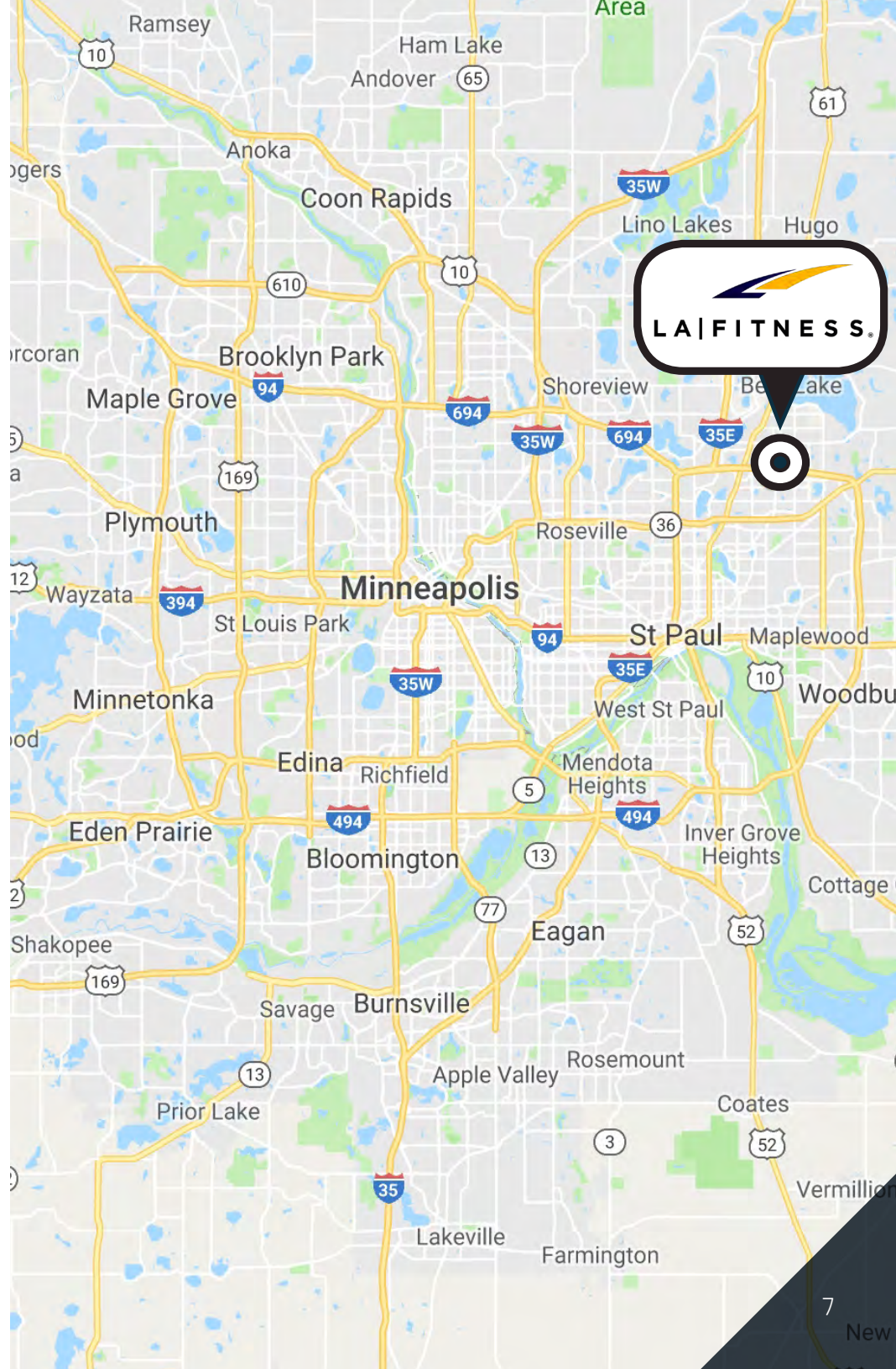


## PROPERTY SUMMARY

NOI:	\$552,498
ADDRESS:	1940 County Road D East, Maplewood, MN 55109
TENANT:	L.A. Fitness International, LLC
PARKING:	206 Spaces
BUILDING SIZE:	36,239 SF
PARCEL SIZE:	3.67 AC

## DEMOGRAPHICS

DEMOGRAPHICS	1 Mile	3 Mile	5 Mile
POPULATION	7,368	66,931	194,792
2018 EST. AVERAGE HOUSEHOLD INCOME	\$81,040	\$86,119	\$84,166







WYNGATE TOWNHOMES  
50 UNITS

Metro  
Dentalcare

PDR MAPLEWOOD INC.



MINNEAPOLIS



HEALTH EAST  
SPINE CENTER

ST JOHN'S HOSPITAL  
184 BEDS



ECUMEN SEASONS  
AT MAPLEWOOD

HERITAGE  
SQUARE

HEALTHLAST MAPLEWOOD CLINIC

MINNEAPOLIS



MAPLEWOOD VA CLINIC

MYTH LIVE

COUNTY ROAD : 9,500 VPD

OSAKA SUSHI  
HIBACHI



MAPLEWOOD  
PEDIATRIC DENTISTRY











## INVESTMENT HIGHLIGHTS

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### PREMIER HEALTH CLUB BRAND

LA Fitness is an American gym chain with more than 700 clubs across the United States and Canada. The privately held company was founded in 1984 and is based in Irvine, California. LA Fitness has expanded by acquiring under-performing fitness clubs and by developing, opening and operating newly constructed properties. They have a strong commitment to understanding and meeting the distinct needs of each community they serve and offer diverse sports club amenities in the gyms they operate.

### LONG-TERM LEASE WITH ATTRACTIVE RENT ESCALATIONS

LA Fitness' 15-year net lease features  $\pm 9.3$  years of primary term remaining with rent escalations of the Lesser of CPI and 10% during the initial term and 10% rent escalations in each of the three 5-year options.

### NEW SURROUNDING DEVELOPMENT

The area is seeing significant retail and commercial development including a CarMax, Honda Dealership, Cubs Foods, Planet Fitness, Northern Tool + Equipment, Starbucks, Great Clips and Culvers.

### DENSELY DEVELOPED RETAIL CORRIDOR

The property is located immediately adjacent to Chipotle, Jimmy John's, and Buffalo Wild Wings, across the ring road from the 931,000-square-foot Maplewood Mall (Anchors: JCPenney, Kohl's, Macy's), and across County Road D from Midas and Tires Plus. Additionally, the property benefits from its location within the area's primary retail and commercial corridor with 6.5 MSF of retail, 1.8 MSF of office, 3.7 MSF of industrial, and 846 multifamily units within a 3-mile radius.

### EXCELLENT ACCESS/VISIBILITY

The property is ideally positioned with excellent access and visibility along County Road D (Traffic Count: 9,500 VPD), just south of the exit ramp for I-694 (Traffic Count: 85,000 VPD) which provides access to Downtown Minneapolis (16 miles to the southwest).

### BUILT-IN CUSTOMER BASE

LA Fitness is positively impacted by the employment base of 37,796 and 27,055 households within a 3-mile radius. Additionally, the property benefits from its location within walking distance to the 184-bed St. John's Hospital which employs 1,500 people providing a substantial built-in customer base.

### UPSCALE DEMOGRAPHICS

LA Fitness benefits from upscale demographics with a population of 66,931 and an average household income of \$86,119 within a 3-mile radius.

### MINNEAPOLIS-ST. PAUL ADVANTAGE

Located around the Mississippi, Minnesota and St. Croix Rivers, the Minneapolis–St. Paul–Bloomington, MN–WI MSA (Population: 3.6 Million) is commonly referred to as the "Twin Cities" after its two largest cities: Minneapolis, (the state's most populous city) and Saint Paul, (the state capital). The metro area is composed of 16 counties, 14 of which are located within Minnesota and 2 in Wisconsin. Fueled by financial services, high tech and education, Metro Minneapolis boasts a leading economy with above-average growth across jobs, income, and output, and is ranked as the second-largest economy in the Midwest.



## LEASE SUMMARY

LEASE COMMENCEMENT	February 28, 2013
LEASE EXPIRATION	August 31, 2028
PRIMARY LEASE TERM	15 Years
TERM REMAINING	±9.3 Years
LEASE TYPE	Net Lease
INITIAL TERM RENT	\$552,498
RENT ESCALATIONS	Lesser of CPI and 10% Every 5 Years
OPTIONS	Three 5-year Options
OPTION RENT INCREASES	10% in Each Option
TAXES	Tenant will pay directly to the levying authority the Taxes due and payable against the Premises during the Term.
INSURANCE	<p>Tenant, at Tenant's sole cost and expense, will obtain and maintain in effect insurance policies providing for the following coverage:</p> <p>(a) "broad form" "all risk" or "special perils" property insurance against fire, theft, vandalism, malicious mischief, sprinkler leakage and such additional perils as now are or hereafter may be included in a standard extended coverage endorsement from time to time in general use in the State, insuring the Building and all other improvements and alterations upon the Premises and Tenant's merchandise, trade fixtures, furnishings, equipment and all items of personal property of Tenant located in, on or about the Building and the Premises, and the amount of such insurance will be set forth in an "agreed value endorsement" to the policy of such insurance, not less than 100% of the full replacement value thereof without deduction for depreciation.</p> <p>(b) a commercial general liability policy, naming Landlord and any mortgagee of the Premises and any other party in interest designated by Landlord as hereinafter set forth as additional insureds, protecting against any and all claims for injury to person or property occurring in the Building and Premises and protecting against assumed or contractual liability under this Lease with respect to the Building and the operations of Tenant and any subtenant of Tenant in, on or about the Building and Premises, with such policy to be in the minimum amount of \$1,000,000 per occurrence, and with an aggregate limit of at least \$5,000,000, of which \$4,000,000 may be so-called "umbrella" or "excess liability" coverage.</p>
REPAIRS AND MAINTENANCE	<p><b>TENANT</b></p> <p>Tenant will at its expense repair and maintain (i) the interior, nonstructural portions of the Building and (ii) the nonstructural portions of the remainder of the Premises for which Landlord is not obligated below in good and tenantable condition and make all needed repairs and replacements thereto including, without limitation, (a) the glass windows, plate glass doors and all fixtures or appurtenances composed of glass that are located in, on or about the Building, (b) Tenant's signs, (c) the floors and floor coverings, doors and door frames, windows and window frames, interior walls, storefront, including security gates, grilles or enclosures, locks and closing devices, partitions and ceilings in the Building, (d) heating, ventilating, air conditioning, mechanical, electrical and plumbing system(s), equipment and fixtures which are installed by Tenant or which exclusively serve the Building, (e) equipment and personal property of Tenant within the Building, (f) parking lot, sidewalks, landscaping, site lighting, utility lines, meters, pipes, conduits, sprinkler systems, gutters and downspouts exterior to the Building. Tenant is responsible for maintenance on the sprinklers and fire extinguisher.</p> <p><b>LANDLORD</b></p> <p>Landlord will, at its sole cost and expense, (a) keep, maintain, repair and replace in good and tenantable condition, and perform any repairs, improvements or alterations to structural elements of the Building, including, but not limited to, the foundation, floor slab, footings, roof and roof membrane, exterior walls and other structural portions of the Building and the remainder of the Premises and (b) perform any capital improvements or replacements required to be made to the Building and the remainder of the Premises</p>
CAM	Tenant shall comply with the terms of the REA and the AROA and be responsible for any obligation imposed upon Landlord with respect to the Premises including, without limitation, financial obligations.





## COMPANY OVERVIEW

YEAR FOUNDED:	1984
HEADQUARTERS:	Irvine, CA
LOCATIONS:	700+
WEBSITE	<a href="http://www.lafitness.com">www.lafitness.com</a>

## TENANT OVERVIEW

LA Fitness is an American gym chain that was founded in 1984 with one location in a suburb of Los Angeles, California. Today, there are more than 700 clubs across the United States and Canada and they are continuing to expand by acquiring under-performing fitness clubs and by developing, opening and operating newly constructed properties. LA Fitness was built on the notion of seeking innovative ways to enhance the physical and emotional well-being of an increasingly diverse membership base. They have a strong commitment to understanding and meeting the distinct needs of each community they serve. LA Fitness features diverse sports club amenities, typically including cardio & strength equipment, personal training, indoor cycling, group exercise classes, pool, spa, basketball courts and racquetball.

Actual Location





COUNTY ROAD D EAST

MAPLEWOOD MALL ROAD

RING ROAD

**LA|FITNESS®**

36,239 SF





## MAPLEWOOD, MN

The City of Maplewood is ideally located in the eastern portion of Ramsey County. The city is approximately 6 miles north of the Saint Paul Central Business District (CBD) and 15 miles from the Minneapolis CBD, while also only minutes away from the Minneapolis/St. Paul International Airport. Maplewood's central location within the Twin Cities metro area helps ensure consistent business growth and economic stability.

The primary economic drivers for Maplewood are the financial and insurance industries, healthcare and social assistance, manufacturing, and retail trade. Top employers include 3M, the Maplewood school district, and St. John's Hospital. Maplewood is a thriving community that boasts an excellent public-school system, competitive business incentives, a central location, and close proximity to a major metroplex,



## MINNEAPOLIS-ST. PAUL MSA

Located around the Mississippi, Minnesota and St. Croix Rivers, the Minneapolis–St. Paul–Bloomington, MN–WI MSA (Population: 3.6 Million) is commonly referred to as the “Twin Cities” after its two largest cities: Minneapolis, (the state’s most populous city) and Saint Paul, (the state capital). The metro area is composed of 16 counties, 14 of which are located within Minnesota and 2 in Wisconsin. Despite its nickname, both cities are independent municipalities and are distinctly different. While St. Paul enjoys a broad collection of late-Victorian architecture, Minneapolis boasts modern skyscrapers. Further, Minneapolis was influenced by Scandinavian and Lutheran heritage, whereas St. Paul was mostly influenced by early French, Irish, and German Catholic heritage.

### Economy

Fueled by financial services, high tech and education, Metro Minneapolis boasts a leading economy with above-average growth across jobs, income, and output, and is ranked as the second-largest economy in the Midwest. Minneapolis is currently undergoing expansion in all sectors and as a result, healthcare and industrial sectors are rapidly hiring to maintain the pace. Strong population growth and rising household income anchor residential real estate, while also contributing to apartment construction. Moody’s Analytics projects that high tech will play a much bigger role in the economy going forward as 3M is bringing in more employees at its new \$150 million R&D campus. Additionally, computer systems design, which is responsible for a quarter of the area’s high tech jobs, has been the most reliable source of growth and will continue to pave a path towards job gains in order to accommodate the increasing demand for mobile healthcare software. Minneapolis’ dynamic economy is anchored by its highly educated labor force, healthy consumer balance sheets, stable net migration and an abundance of major research institutions and corporate headquarters, such as UnitedHealth Group, Target, Best Buy, 3M, General Mills and Ecolab, among several others. Minneapolis is also home to Cargill, ranked the #1 Largest Private Company in America by Forbes, and multiple foreign companies with headquarters within the metro area, including Aimia, Allianz, Canadian Pacific, Pentair and RBC.





## Transportation

As the Twin Cities area expanded outward in the 20th century, the reliance on automobiles increased. To accommodate the abundance of vehicles in the area, Minneapolis has implemented several initiatives to monitor traffic and alleviate commute times. The use of HOV express lanes and MNPASS allows for convenient travel during peak times. The area features 7 interstate highways: Interstates 35, 35E, 35W, 94, 394, 494 and 694. The region's main airport is the Minneapolis – St. Paul International Airport, which serves as a major hub for Delta Air Lines and Sun Country Airlines. Public transit is provided by Metro Transit, which is responsible for 95% of the public transit rides in the area, making it the largest bus service provider in the metro area.

## Saint Paul, MN

Located along the east bank of the Mississippi River, the city of St. Paul (Population: 304,055) is the capital and second-most populous city of Minnesota. The city is also the seat of Ramsey County, which is the most densely populated county in the state. Further, St. Paul is the smaller principal city in the Minneapolis–St. Paul–Bloomington, MN–WI MSA (Population: 3.60 million). The city is known for the Xcel Energy Center (Capacity: 18,568), home of the Minnesota Wild professional hockey team, and the Science Museum of Minnesota. St. Paul serves as a business hub of the Upper Midwest and is home to several major corporate headquarters, such as Ecolab and Securion Financial Group Inc. Major St. Paul highways include Interstates 35E and 94; US Highways 10, 52 and 64; and Minnesota Highways 5, 51 and 280. The city is ranked second in the United States in the number of higher education institutions per capita, where it is home to three public and eight private colleges and universities. The Saint Paul Public Schools District serves the city and is the state's second-largest school district with over 42,000 students.

## Higher Education

The Minneapolis – St. Paul region boasts a multitude of post-secondary institutions, including the University of Minnesota (Enrollment: 51,580)—the state's largest university. Other colleges and universities consist of Minnesota State University (18,000+), St. Cloud State University (13,236), University of St. Thomas – St. Paul (9,983) and the University of Northwestern – St. Paul (3,241), among an abundance of others. The majority of Minnesota's post-secondary institutions are accredited by the North Central Association of Colleges and Schools, and several are accredited by multiple agencies. The significant higher education presence provides a steady stream of highly qualified, new entrants into the local workforce.





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