

NNN LEASE INVESTMENT OFFERING - BMO Harris Bank

3905 WEST 69TH STREET, EDINA, MN



OFFERING MEMORANDUM

KW COMMERCIAL

3464 Washington Drive, #100

Eagan, MN 55122

PRESENTED BY:

THOMAS COMMERFORD

Director Of Investment Services

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3905 WEST 69TH STREET, EDINA, MN

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Executive Summary

KW Commercial is pleased to exclusively market for sale a single tenant NNN leased BMO Harris Bank property located within the Minneapolis MSA in Edina, Minnesota. There are 7 years remaining on the lease which has eight 5-year renewal options. Additionally, there is a 1.5% rent escalation each year. BMO Harris Bank has a one-time right to terminate the lease, to be effective upon the first day of the eighty-fifth (85th) full calendar month (January 1, 2023) following the Commencement Date (December 15, 2015) provided BMO Harris Bank gives written notice no sooner than eighteen (18) months (July 1, 2021) and not later than twelve (12) months (January 1, 2022) prior to the Early Termination Date.

The 6,070 square foot BMO Harris Bank property is located just off of France Avenue (30,000 vpd) which is a primary north-south thoroughfare through the Edina retail area. The Bank is situated in a thriving retail corridor with the Edina Galleria, Southdale Center, Target, Crate & Barrel, a new Restoration Hardware, Apple, Tiffany & Company and Whole Foods. There are over 104,000 people living within three miles of the property with an average household income of \$100,475.

BMO Harris Bank is the 8th largest bank in North America by assets and has more than 12 million customers globally. Founded in 1882, there are over 570 branches in Illinois, Indiana, Arizona, Missouri, Minnesota, Kansas, Florida and Wisconsin. BMO Harris Bank has over \$774 billion in total assets and has built a solid foundation for growth. There are three operating groups within the BMO Harris Bank system: Personal and Commercial Banking, BMO Wealth Management, and BMO Capital Markets. For fiscal year 2018, adjusted net income was up 9%, total net revenue rose by 5%, and adjusted earnings per share grew by 10%. The Edina Southdale branch, with \$96 million in deposits, is a full service branch offering banking and investment services to both personal and commercial customers.



- BMO Harris Bank is the 8th largest bank in North America by assets
- BMO Harris Bank has \$774 billion in total assets
- BMO Harris Bank has over 570 branches across 8 states
- The company is rated A+ by S & P, AA by DBRS, and A1 by Moody's
- Customers ranked BMO the second (#2) most reputable among U.S. banks
- Edina Southdale location has approximately \$96 million in deposits
- The site is prominently situated in an upscale Edina retail area across from the Edina Galleria and Southdale Center

Property Details

SALE PRICE

\$3,600,000

LOCATION INFORMATION

Street Address	3905 West 69th Street
City, State, Zip	Edina, MN 55435
County/Township	Hennepin
Market	Minneapolis-Saint Paul
Cross Streets	Valley View Road
Traffic Count	30,000 vpd France Ave (2016)
Daytime Employment	112,000 Employees within 3 Mile Radius
Total Population	104,741 (3-mile radius)
Average HH Income	\$100,475 (3-mile radius)

BUILDING INFORMATION

Building Size	6,070 SF
Number Of Floors	1
Year Built	1979

PROPERTY DETAILS

Property Type	Bank
Property Subtype	Free Standing Building
Zoning	PCD-3: Planned Commercial District
Lot Size	1.13 Acres
APN#	30-028-24-44-0058
Taxes (2019)	\$56,834
Credit Rating	S&P: A+
Publicly Held	NYSE: BMO
Lease Expiration	December 31, 2025
Renewal Options	Eight 5-Year
Rental Escalations	1.5% Annual
Lease Type	NNN
Net Operating Income	\$168,204
CAP Rate	4.67%

NNN Investment Overview

Price	\$3,600,000
CAP Rate	4.67%
Net Operating Income	\$168,204
Credit Rating	S&P: A+
Lease Expiration	December 31, 2025
Renewal Option	Eight 5-Year Renewal Options
Rent Escalation	1.5% Annual
Year Built	1979
Lease Type	NNN
Building Size	6,070 Square Feet
Land Size	1.13 Acres

PREMIER TENANT

- BMO Harris Bank is the 8th largest bank in North America by assets
- BMO Harris Bank is rated A+ by Standard & Poors
- BMO Harris Bank Southdale branch has approximately \$96 million in deposits
- Customers ranked BMO the second (#2) most reputable among U.S. banks
- Named one of the World's Most Ethical Companies in 2018 by the Ethisphere Institute

Financial & Lease Data

CURRENT LEASE - OPTION TO TERMINATE

Tenant has one-time right to terminate the lease effective upon the first day of the 85th month (January 1, 2023) provided Tenant gives Landlord written notice to terminate between July 1, 2021 and January 2, 2022

FINANCIAL/LEASE INFORMATION

Price	\$3,600,000
Cap Rate	4.67%
Net Operating Income	\$168,204
Term	10 Years
Rental Increase	1.5% Annual
Lease Commencement / Expiration	December 15, 2015 - December 31, 2025
Termination Right	One time right to terminate upon first day of 85th month of primary lease term
Options	Eight 5-year renewal options
NNN	No landlord responsibilities

LEASE YEAR	ANNUAL RENT	MONTHLY BASE RENT	ANNUAL RENT PER SF
Year 1	\$160,856	\$13,405	\$26.50
Year 2	\$163,269	\$13,606	\$26.90
Year 3	\$165,718	\$13,810	\$27.30
Year 4	\$168,204	\$14,017	\$27.71
Year 5	\$170,727	\$14,227	\$28.13
Year 6	\$173,288	\$14,441	\$28.55
Year 7	\$175,887	\$14,657	\$28.98
Year 8	\$178,525	\$14,877	\$29.41
Year 9	\$181,203	\$15,100	\$29.85
Year 10	\$183,921	\$15,327	\$30.30



Tenant Overview



CORPORATE OVERVIEW

Company:	BMO Harris Bank
Founded:	1882 as N.W. Harris & Co
Branches:	Over 570 in 8 states
Rank:	8th largest bank in North America by assets
Assets:	\$774 Billion
Ticker Symbol:	NYSE: BMO
Headquarters:	Chicago, Illinois
Website:	www.bmoharris.com

EDINA SOUTHDALe BRANCH HIGHLIGHTS

- \$96 million in deposits
- Retail and business dense area across from the Edina Galleria and Southdale Center
- Total population of over 104,000 in 3 mile radius with average HH income of \$104,475

BMO FINANCIAL GROUP

Established as Harris Bank in 1882, BMO Harris Bank N.A. ("BMO") is the U.S. operating arm and subsidiary of the Bank of Montreal ("BMO Financial Group"), a diversified financial services provider. With total assets of \$774 billion and over 46,000 employees, BMO Financial Group provides a broad range of retail banking, wealth management, and investment banking products and services to more than 12 million customers. BMO Financial Group through its two largest subsidiaries - BMO Harris Bank and Bank of Montreal - mainly operates in the United States and Canada. Well regarded by all major credit ratings, BMO holds ratings of A2, A+, and AA- for Moody's, S&P, and Fitch, respectively. All three agencies hold the outlook as "Stable".

Headquartered in Chicago, BMO Harris Bank is one of the largest banks in the Midwest serving more than 2 million customers. BMO boasts a market capitalization of \$48 billion (11/2014), nearly \$73 billion in deposits, and \$93 billion in total assets. The Company provides a broad range of personal banking products and solutions through over 570 branches and approximately 1,300 ATMs in Illinois, Wisconsin, Indiana, Kansas, Missouri, Minnesota, Florida and Arizona

Photographs



Aerial Photos



Looking North



Looking South



Looking West



Looking East

Area Retail



07/16/10 Terms and conditions of *Estate of*, dated April 4, 1977, recorded in 1977-10 Documents 16
121913. Said terms and conditions of *Estate of* affects the subject property and are shown hereon.

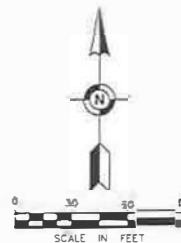
07/16/12 *Estate of* as obligated by Warranty Deed dated September 18, 1979, recorded November 21, 1979
as Document No. 154369.

Note: The recital(s) contained herein have(s) implied
that the instrument(s) referenced in said warranty deed affect the subject property and is a disclosed
matter.

07/16/13 Terms and conditions of *Estate of*, dated April 21, 2003, recorded June 29, 2003 as Document No.
274129. Said terms and conditions of *Estate of* affects the subject property and are shown hereon.

07/16/15 Terms and conditions of *Decedent*, dated October 20, 2009, recorded October 29, 2009 as
Document No. 466656. Said terms and conditions of *Decedent* affects the subject property,
and are shown hereon and shall be deemed to be a disclosed matter.

①	SEALANTY WAND/OLE	SEALANTY WAND/OLE
②	STORIN WAND/OLE	STORIN WAND/OLE
③	CATOR BASH	SIFERN SEVER
④	GALVETIN	DE TUPHIA
⑤	AUTO SPRINKLES	UNDETROUPE ELECTRIC
⑥	PEST IREKATION VALVE	UNDER FROLDY TANK
⑦	ELECTRIC BOX	
⑧	GAS METER	BRITANNIUM SURFACE
⑨	LIGHT	
⑩	BLUING LIGHT	ALUMINATE SURFACE
⑪	CONVANCING-ROCK BURN	
⑫	FIBER OPTIC SIGH	● FOUND IRON WORKMAN
⑬	GAS SIGN	○ SET IRON WORKMAN
⑭	SIGH	WITH LICENSE NUMBER 4411
⑮	FLYMOLE	
⑯	IRILLAND	
⑰	HANDCAMPED PARKING SPACE	
⑱	HANDCAMPED PARKING SIGN	
⑲	PARKING CLOUSE	



To CP Made Leaf 2 LLC, a Delaware limited liability company and its successors and assigns; Starwood Property Mortgage, L.L.C., a Delaware limited liability company and its successors and assigns; and Chicago Title Insurance Company;

THE U.S. GOVERNMENT HAS THE POWER TO TAKE OVER THE AIRWAYS FOR WHICH IT IS DURING WARTIME MADE AN EMERGENCY MATTER. THE 1940 AIRPORTS ACT GIVES THE GOVERNMENT THE AUTHORITY TO TAKE OVER THE AIRWAYS FOR WHICH IT IS DURING WARTIME MADE AN EMERGENCY MATTER. THE 1940 AIRPORTS ACT GIVES THE GOVERNMENT THE AUTHORITY TO TAKE OVER THE AIRWAYS FOR WHICH IT IS DURING WARTIME MADE AN EMERGENCY MATTER.

The field work was completed on August 5th 2015
Date of Plot or NAD August 12th 2015

B. R. R.
Brent R. Peters, Minnesota License Number ed123

[illegible]

No zoning report or letter was received from the issuer pursuant to Option M Table A Items 1(a) and 1(b) as set forth in the 2011 Minimum Mandatory Detail Requirements for ALTA/ACSM Land Title Surveys.

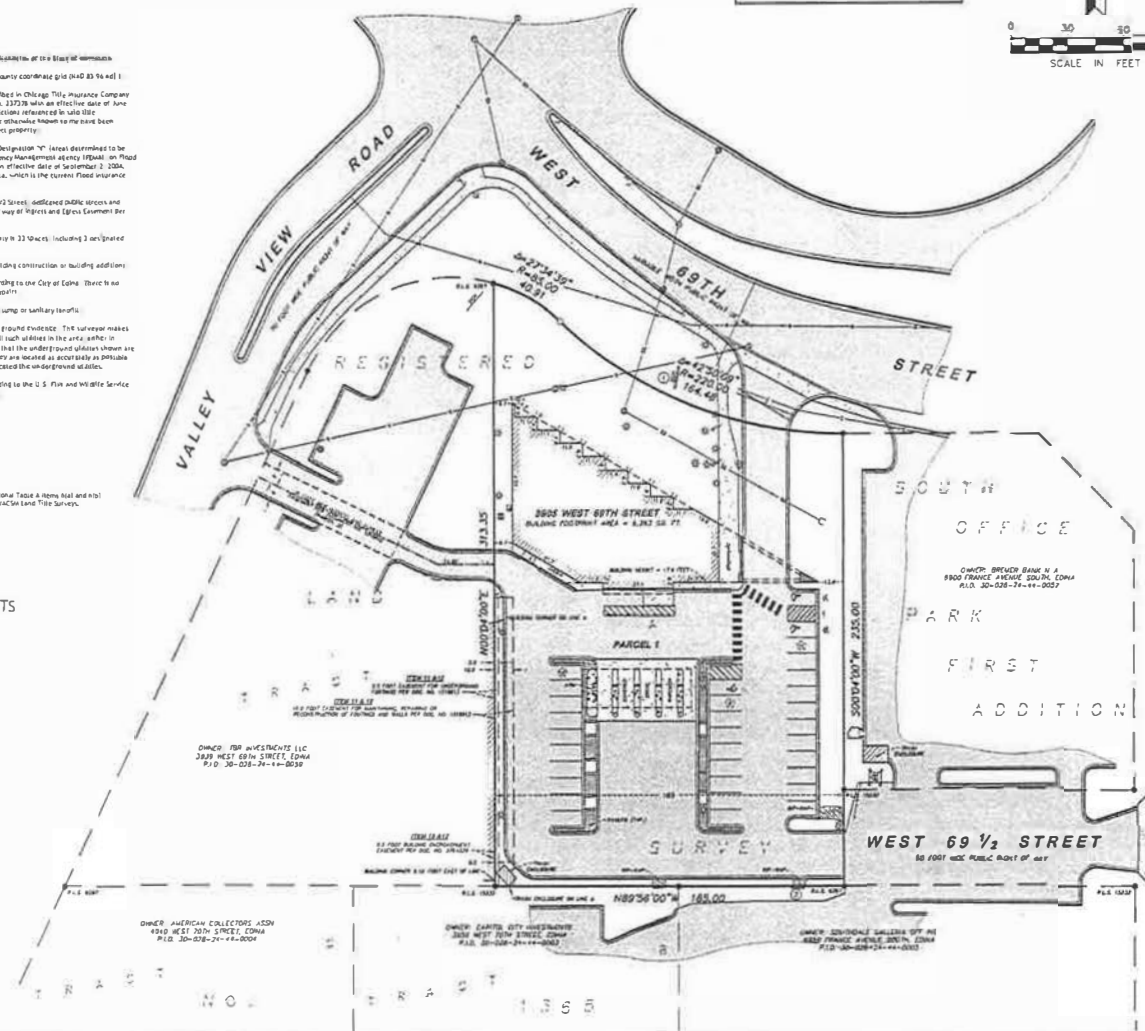
1. Sign within right of way of West 66th Street.
2. Rio road extending south of southerly property line.

The Easterly 185 feet of Tract A: Registered Land Survey No. 1365, Hennepin County, Minnesota, as measured at right angles to the East line of said Tract A.

Parcel 2:

Together with a non-exclusive easement for placement of directional signs and for trees and egress over a part of the balance of Tract A as shown in Deed Document No. 1218912 (see Order Doc No. 1246002).

The total area of plot geometry described through 11 cell files is 40,000 m².



FRANCE AVENUE SOUTH

No	Detail	Unit
1	1.000 kg of 100% pure	1.000 kg
2	1.000 kg of 100% pure	1.000 kg

COORDINATED BY:
 SMITH-ROBERTS
NATIONAL CORPORATION
100 NE 5th Street
OKLAHOMA CITY OK 73104
800 411 2010
www.smith-roberts.com

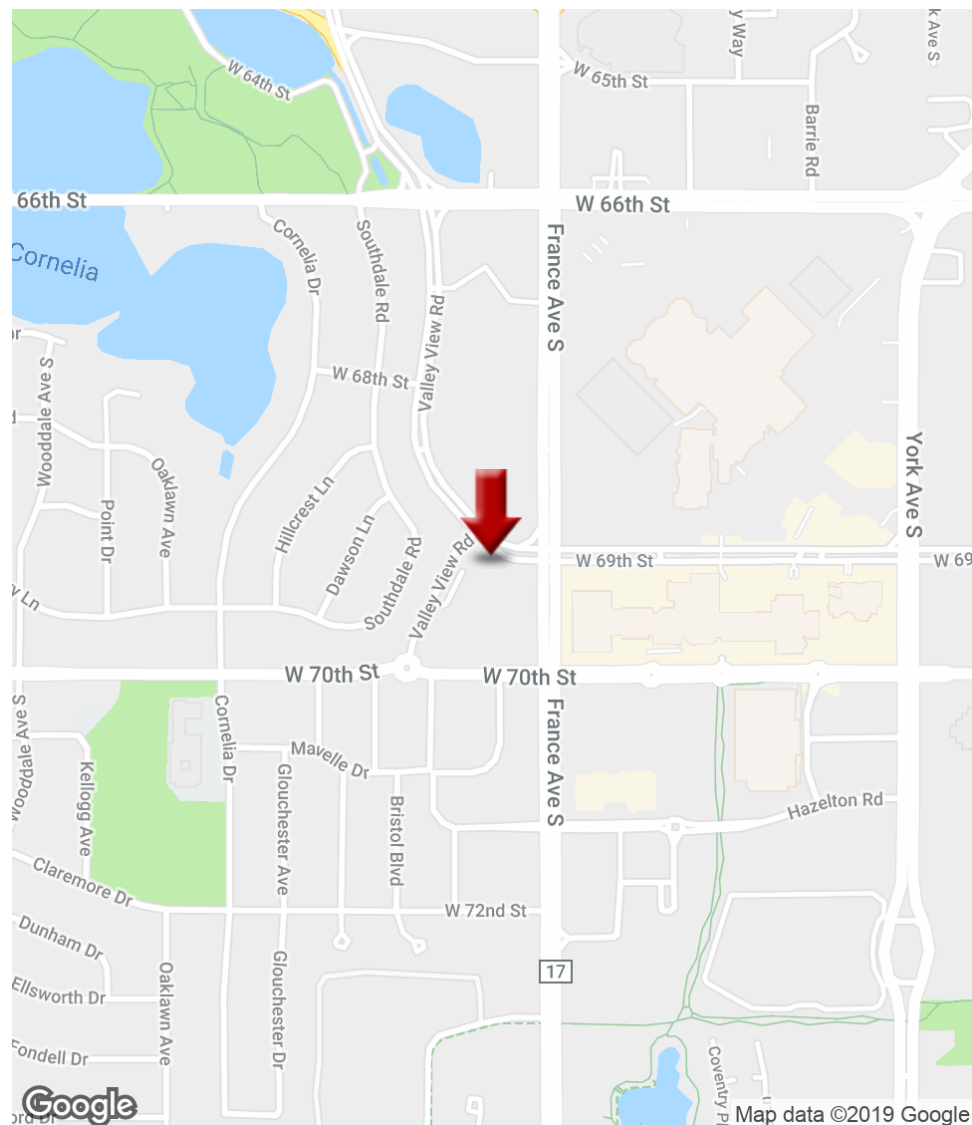
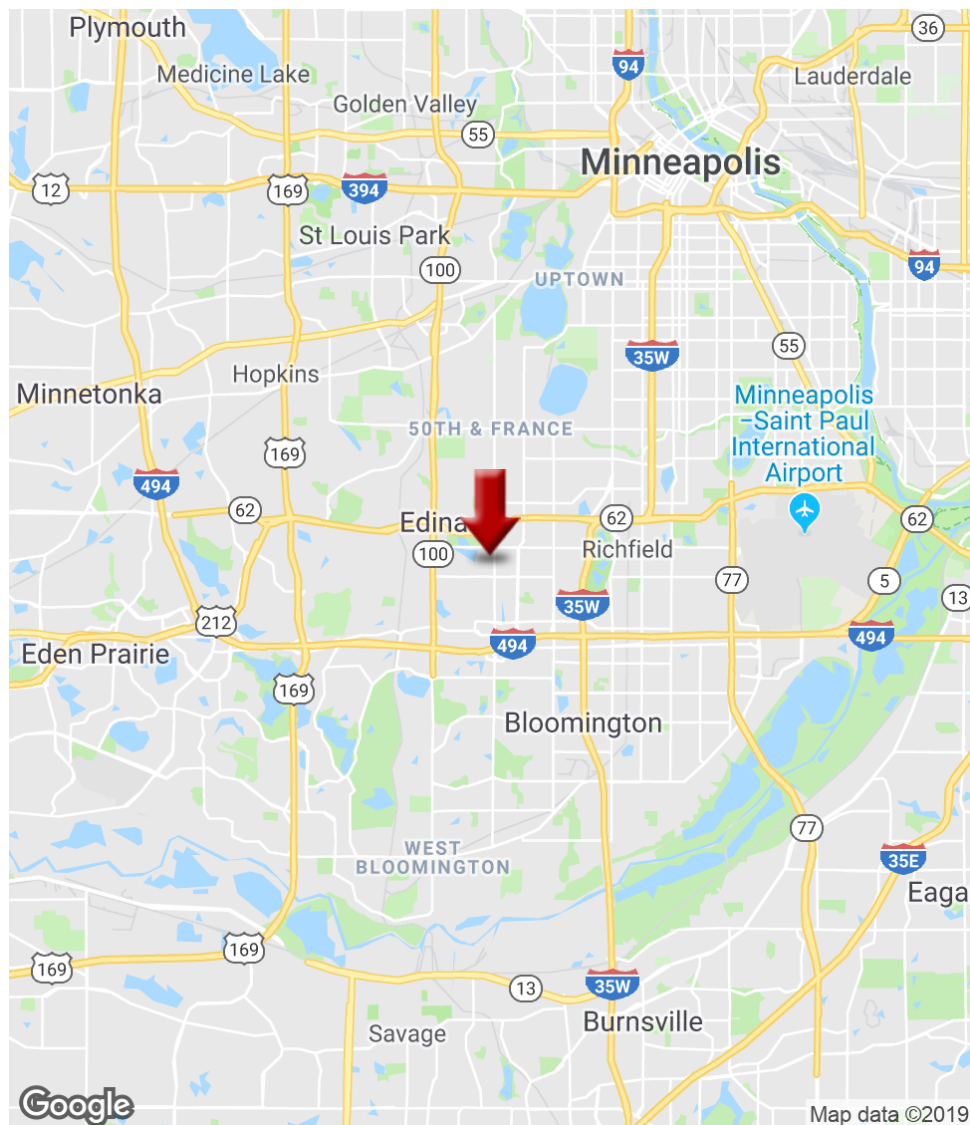
BMO - Edina
SITE # 18004
3905 West 69th Street
Edina, Hennepin County, Minnesota



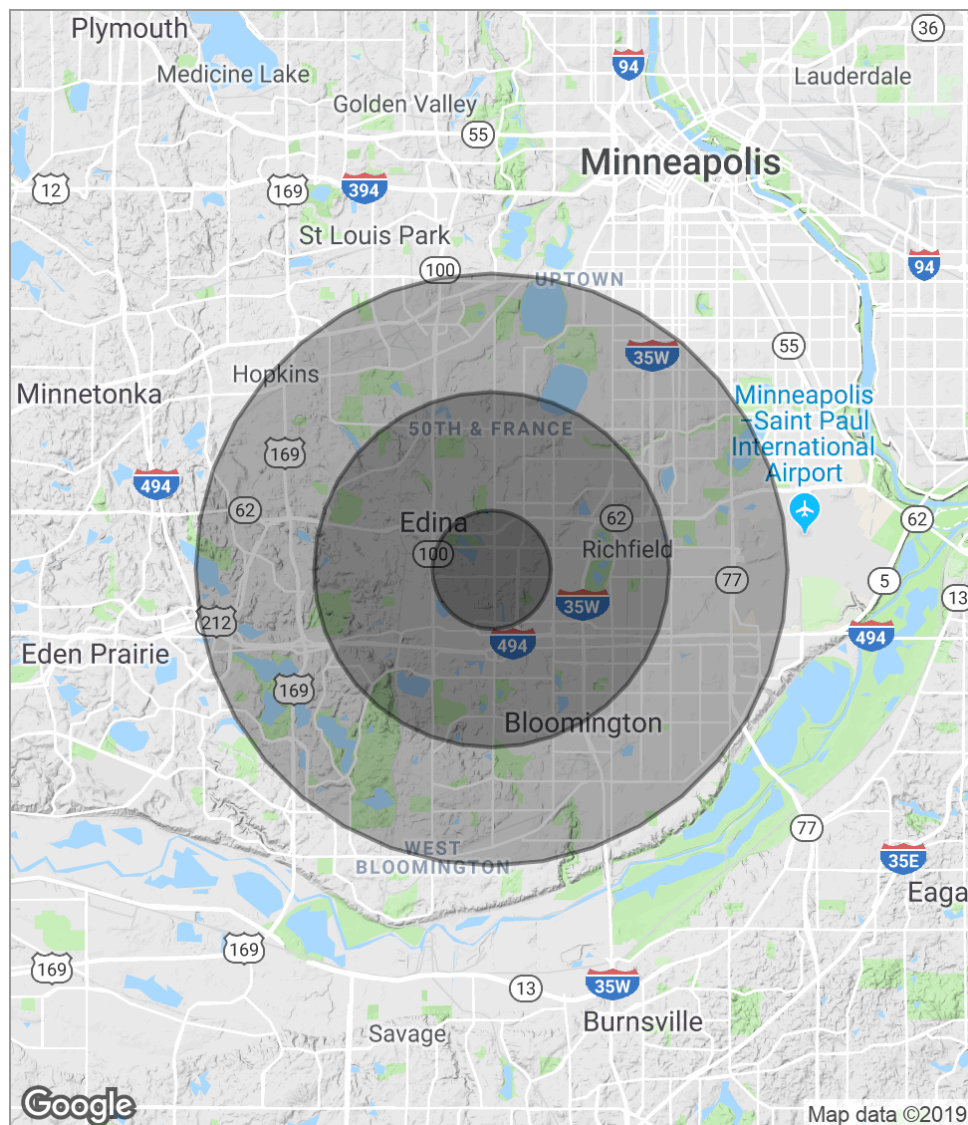
Egon. Field & Nowak, Inc.

1229 Tyler Street NE, Suite 100
Minneapolis, Minnesota 55413
PHONE: (612) 468-3300
FAX: (612) 468-3383
WWW.EFNSURVEY.COM

Location Maps



Demographics Map



POPULATION

	1 MILE	3 MILES	5 MILES
Total Population	12,826	104,741	277,998
Median Age	49.0	41.3	40.3
Median Age (Male)	48.1	40.4	39.2
Median Age (Female)	49.5	42.4	41.6

HOUSEHOLDS & INCOME

	1 MILE	3 MILES	5 MILES
Total Households	7,007	46,606	124,870
# Of Persons Per HH	1.8	2.2	2.2
Average HH Income	\$79,968	\$100,475	\$94,159
Average House Value	\$364,635	\$394,324	\$388,135

* Demographic data derived from 2010 US Census

Market Overview - Edina



LOCATION DESCRIPTION

The site is located in one of the primary commercial corridors in suburban Minneapolis. Situated immediately southwest of Minneapolis, Edina is a first-ring suburb known for its shopping and dining, its parks and recreational facilities and the excellent quality of life for its residents. From golfing and paddleboats to hockey and skating; from art fairs and biking trails to farmers markets and the latest fashion, Edina offers something for everyone. With great health care, educational opportunities, reasonable cost of living, and entertainment for work-life balance, Edina has attracted successful employers and 50,000+ residents. Edina is just a few minutes' drive from downtown Minneapolis and is easily reached via I-494; Highway 62/Crosstown; Highways 100 and 169.

EDINA RETAIL & BUSINESS

Major shopping nodes close by include 50th and France, Southdale Center, and Edina Galleria, an upscale shopping mall connected to the Westin Galleria Hotel. A new three story Restoration Hardware with rooftop dining is slated to open late 2019.

More people work in Edina than actually live there resulting in a daytime population of more than 50,000. Major employers in the City include SpartanNash, BI Worldwide, Fairview Southdale Hospital, Regis Corporation, Twin Cities Orthopedics, among others

EDINA HIGHLIGHTS

- Edina, a first-ring Minneapolis suburb, is well situated in the southwest metro six miles from the MSP International Airport and 10 minutes from downtown Minneapolis
- Situated along several major highways, including MN State Hwy 62 and Hwy 100, US Hwy 169 and Interstate I-494
- Popular retail centers including the Edina Galleria, Southdale Center and 50th & France
- Thriving healthcare and professional office complexes including Fortune 500 companies and regional headquarters

Market Overview - Minneapolis



TWIN CITIES

Minneapolis, the larger of the Twin Cities (Saint Paul being the other), is the 14th largest metropolitan area in the United States, containing approximately 3.8 million residents. As of 2014, Minneapolis was the largest city in the state of Minnesota and 46th largest city in the U.S. with 407,207 residents. Minneapolis and Saint Paul anchor the second largest economic center in the Midwest, behind Chicago. Today Minneapolis is the primary business center between Chicago and Seattle, with Minneapolis proper containing America's fifth highest concentration of Fortune 500 companies. As an integral link to the global economy, Minneapolis is categorized as a global city.

The Minneapolis-Saint Paul area is home to 16 of Minnesota's 17 Fortune 500 headquarters - UnitedHealth Group, Target, Best Buy, Supervalu, CHS, 3M, US Bancorp, General Mills, Land O'Lakes, Xcel Energy, Ameriprise Financial, CH Robinson Worldwide, Mosaic, Thrivent Financial, Ecolab, and St. Jude Medical. Large private companies include Cargill, Carlson, Andersen, Holiday Stationstores. Foreign companies with U.S. headquarters in the Twin Cities include Aimia, Allianz, Canadian Pacific, Coloplast, Medtronic, Pearson VUE, Pentair and RBC.

The area is commonly known as the Twin Cities for its two largest cities, Minneapolis and Saint Paul. Minneapolis lies on both banks of the Mississippi River, just north of the river's confluence with the Minnesota River, and adjoins Saint Paul, the state's capital. The city is abundantly rich in water, with twenty lakes and wetlands, the Mississippi River, creeks and waterfalls, many connected by parkways in the Chain of Lakes and the Grand Rounds National Scenic Byway.