

**Bank of America**



**CRAVE**  
AMERICAN KITCHEN & SUSHI BAR



ANCHORED BY LUNDS & BYERLYS GROCER

@ the shoppes at **ARBOR LAKES**

• Brand New Construction • 15-Year Lease With Fixed Increases • Trophy Retail Investment •



In Association with JDS Real Estate Services, Inc. | A Licensed Minnesota Broker #40407968

**OFFERING MEMORANDUM**  
MAPLE GROVE, MINNESOTA



**HANLEY INVESTMENT GROUP**  
REAL ESTATE ADVISORS



@ the shoppes at **ARBOR LAKES**

## OFFERING MEMORANDUM MAPLE GROVE, MINNESOTA

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# OFFERING SUMMARY

BANK OF AMERICA & CRAVE



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## LOCATION

**Bank of America | CRAVE**  
**12730 Elm Creek Boulevard**  
**Maple Grove, MN 55369**

## OFFERING SUMMARY

<b>List Price:</b>	\$8,925,000
<b>CRAVE Kitchen Tenant Allowance Reimbursement: (1)</b>	\$1,500,000
<b>Total Offering Price:</b>	\$10,425,000
<b>Net Operating Income:</b>	\$517,651
<b>Capitalization Rate:</b>	5.80%
<b>Net Rentable Area: (2)</b>	11,015
<b>Year Built:</b>	2018
<b>Lot Size (Acres):</b>	1.47

- (1) Landlord provided a Tenant Allowance of \$1,500,000; Tenant shall repay Tenant Allowance amortized over 84 months of equal payments (at 7.50% interest rate) of \$23,007 or \$276,089 annually.
- (2) In addition to the Net Rentable Area, the subject offering also includes a 4,536 square foot rooftop patio and a first floor outdoor dining area.

## FINANCING SUMMARY

**All Cash or Cash to New Financing**

**(Contact Hanley Investment Group for Further Details)**







- **Brand New Construction of Two Freestanding Net Leased Investments:**

- ***Corporate Bank of America***

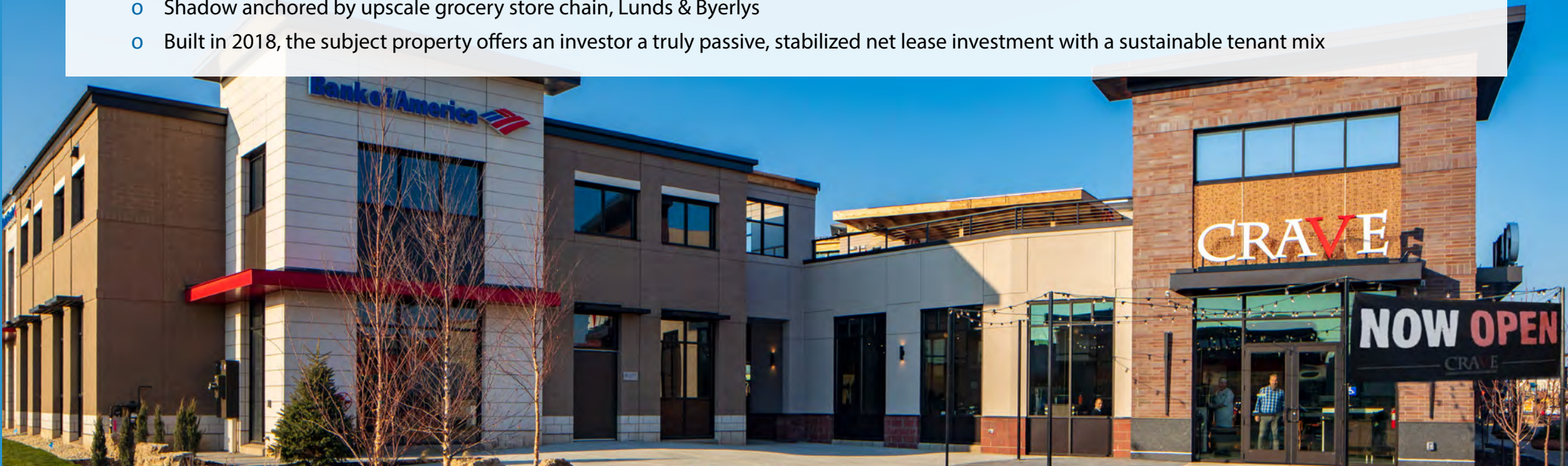
- ◆ Includes ATM drive-thru
- ◆ New 15-year lease
- ◆ 5% increases every 5 years

- ***CRAVE American Kitchen & Sushi Bar Ground Lease***

- ◆ Extensive 7,029 square foot restaurant buildout with 4,536 square foot rooftop patio and additional first floor outdoor dining patio
- ◆ New 15-year absolute NNN ground lease
- ◆ Over 8% fixed increase in year 6 and over 10% in year 11
- ◆ CRAVE American Kitchen owns and operates 11 locations throughout the Twin Cities including one in the Mall of America; the Mall of America location guarantees the subject property's obligations (contact broker for more information)

- **Pride of Ownership Maple Grove, Minnesota:**

- Rare Main Street and Elm Creek Boulevard signalized intersection with over 35,000 cars per day
- Shadow anchored by upscale grocery store chain, Lunds & Byerlys
- Built in 2018, the subject property offers an investor a truly passive, stabilized net lease investment with a sustainable tenant mix







- **Most Visible Pad to the Shoppes at Arbor Lakes:** Minnesota's first lifestyle center consisting of four blocks of upscale shopping and dining in an outdoor, urban setting and part of the greater Arbor Lakes Retail Center (466,825 square foot power center)
- **Maple Grove is One of the Most Dominant Retail Destinations in the Midwest:**
  - 2nd largest concentration of retail in the state
  - Twin Cities' most successful retail shopping district and a "Top 3" trade area with above average tenant sales
  - 6 million square feet of GLA in open air retail that includes town centers, lifestyle centers, power centers, and community center formats
  - Market occupancy of 97% which is a testimony to the strength of the corridor and the tenants' sales
  - "Must have" market for any national retailer operating multiple locations in the Midwest
  - Regional trade area of over 499,000 residents because of the strategic location near several major expressways; the trade area expected to grow 6% by 2022
- **Extremely Affluent and Dense Demographics:** Over \$124,000 average household income in a 3-mile radius and more than 186,000 people in a 5-mile radius



Lunds & Byerlys is an upscale Grocery Store with over 27 locations in the Twin Cities

NOT A PART



- **Maple Grove is a Highly Desirable Twin Cities Suburb with Huge Growth:**
  - Over 38% growth in the number of households (in a 1- and 3-mile radius) since 2000 and another 8% of scheduled growth by 2023 (in a 3-mile radius)
  - 15 minutes from Downtown Minneapolis
  - 25 minutes from the Minneapolis-Saint Paul International Airport (136 domestic direct flights and 27 international direct flights)
- **The Twin Cities MSA is The 2nd Largest GDP in the Midwest**
  - 13th largest economy in the nation
  - Strong population growth through a robust job market that is home to 19 fortune 500 companies



CRAVE ROOFTOP PATIO; REP PHOTO









TENANT	SQUARE FOOTAGE	LEASE START	LEASE END	FEB. 2019 RENT/SF	FEB. 2019 RENT/YR.	RENTAL INCREASES	LEASE TYPE	RENEWAL OPTIONS
Bank of America	3,986	12/16/18	12/31/33	\$62.72	\$250,000	Year 6 - \$262,000 Year 11 - \$272,625	NNN	Nine 5-Year: Opt. 1 - \$306,000 (12.2% Increase) Opt. 2-9 - 5% Increases
CRAVE American Kitchen & Sushi Bar (Ground Lease) (1) (2)	7,029	02/08/19	02/28/34	\$38.08	\$267,651	Year 6 - \$289,850 Year 11 - \$318,835	NNN	Five 5-Year @ 10% Increases Each Option
<b>TOTAL SQUARE FOOTAGE:</b>	<b>11,015</b>				<b>\$43,138</b>	<b>Total Monthly Rent</b>		
<b>TOTAL AVAILABLE:</b>	<b>0</b>	<b>0%</b>	<b>Vacancy</b>		<b>\$517,651</b>	<b>Total Annual Rent</b>		
<b>TOTAL OCCUPIED:</b>	<b>11,015</b>	<b>100%</b>	<b>Occupancy</b>					

(1) In addition to the 7,029 square feet, Tenant has use of an additional 4,536 square foot rooftop patio as well as a first floor outdoor dining area.

(2) Tenant pays an additional \$276,089 annually for the first 7 years of the initial term as repayment of Landlord funding the Tenant Improvement costs.





ANNUALIZED OPERATING DATA

	Current	
Scheduled Gross Income (SGI):	\$517,651	
Expense Reimbursement:	NNN	
Total Operating Income:	\$517,651	
Total Operating Expenses:	NNN	
Net Operating Income (NOI):	\$517,651	5.80% Capitalization Rate

OPERATING EXPENSES

	Amount
Insurance:	NNN
CAM:	NNN
Total Expenses:	NNN







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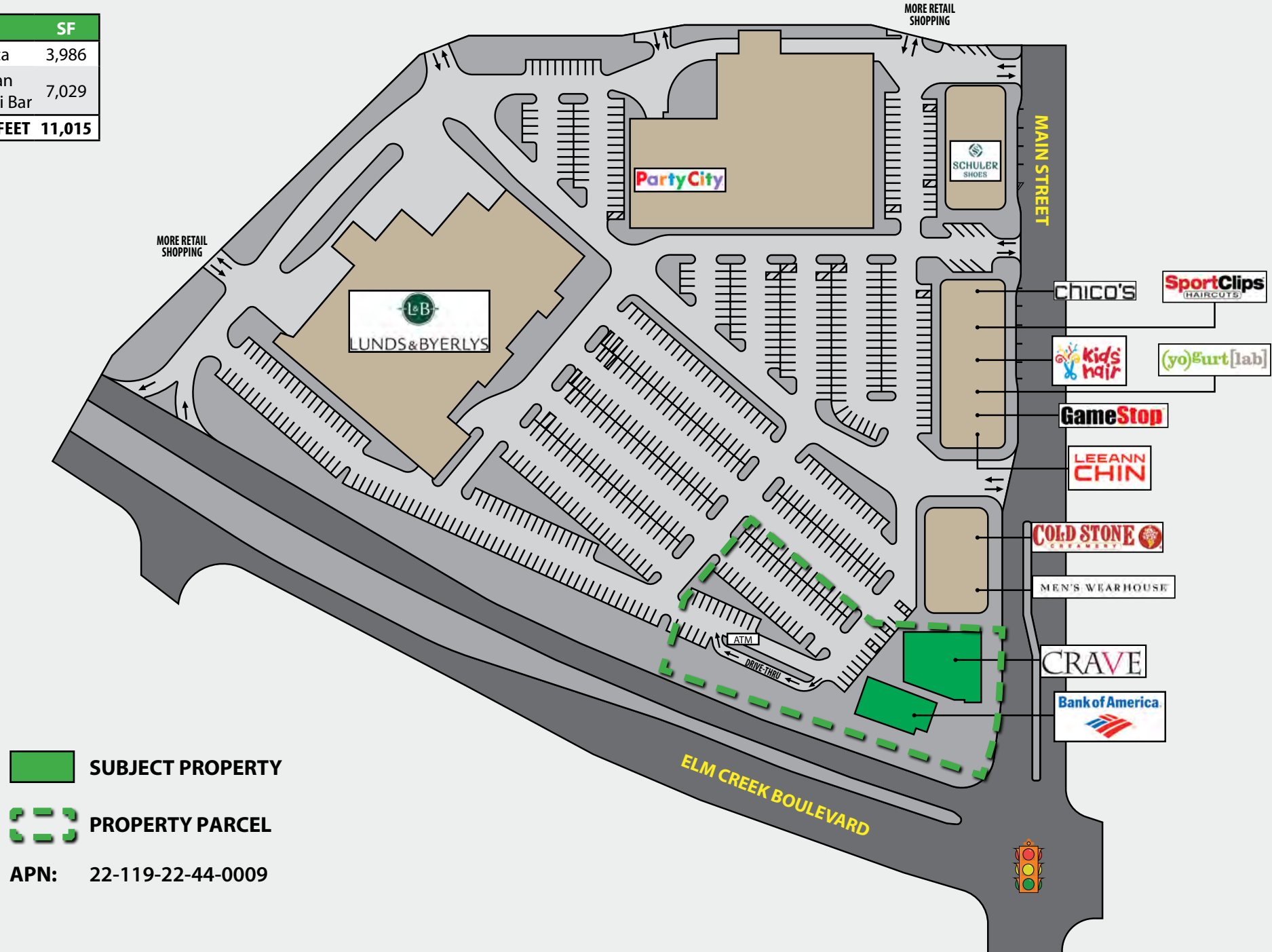
# SITE PLAN / PARCEL MAP

## BANK OF AMERICA & CRAVE



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TENANTS	SF
Bank of America	3,986
CRAVE American Kitchen & Sushi Bar	7,029
<b>TOTAL SQUARE FEET</b>	<b>11,015</b>





SURROUNDING TENANTS | NOT A PART



the shoppes at  
**ARBOR LAKES**  
- NOT A PART -





# AERIAL OVERVIEW

BANK OF AMERICA & CRAVE



HANLEY INVESTMENT GROUP  
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SUBJECT  
PROPERTY

## MAPLE GROVE CROSSING

**KOHL'S** **BED BATH & BEYOND** **Cub FOODS**  
**BARNES & NOBLE** **Michael's**  
**The Tile Shop** **petco**  
**OLD NAVY** **five BELOW**  
**Pier 1 Imports** **dressbarn**

**DUNN BROTHERS**  
COFFEE

**noodles**  
WORLD KITCHEN

**FIVE GUYS**

**Panera**  
BREAD

**CHIPOTLE**  
MEXICAN GRILL

**T-Mobile**

**Buca**  
di BEPPO  
Italian Restaurant

**35,000 CPD**  
- INTERSECTION -

**97%** Maple Grove Average  
Market Retail Occupancy





# AERIAL OVERVIEW

BANK OF AMERICA & CRAVE



**HANLEY INVESTMENT GROUP**  
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**2nd  
LARGEST**

Concentration of Retail  
Development in the State

**SUBJECT  
PROPERTY**

**35,000 CPD  
- INTERSECTION -**

## 2018 DEMOGRAPHICS



### Population:

1-Mile Radius	7,218
3-Mile Radius	58,999
5-Mile Radius	176,832



### Household Income:

1-Mile Radius	\$94,354
3-Mile Radius	\$124,235
5-Mile Radius	\$112,272





# AERIAL OVERVIEW

BANK OF AMERICA & CRAVE

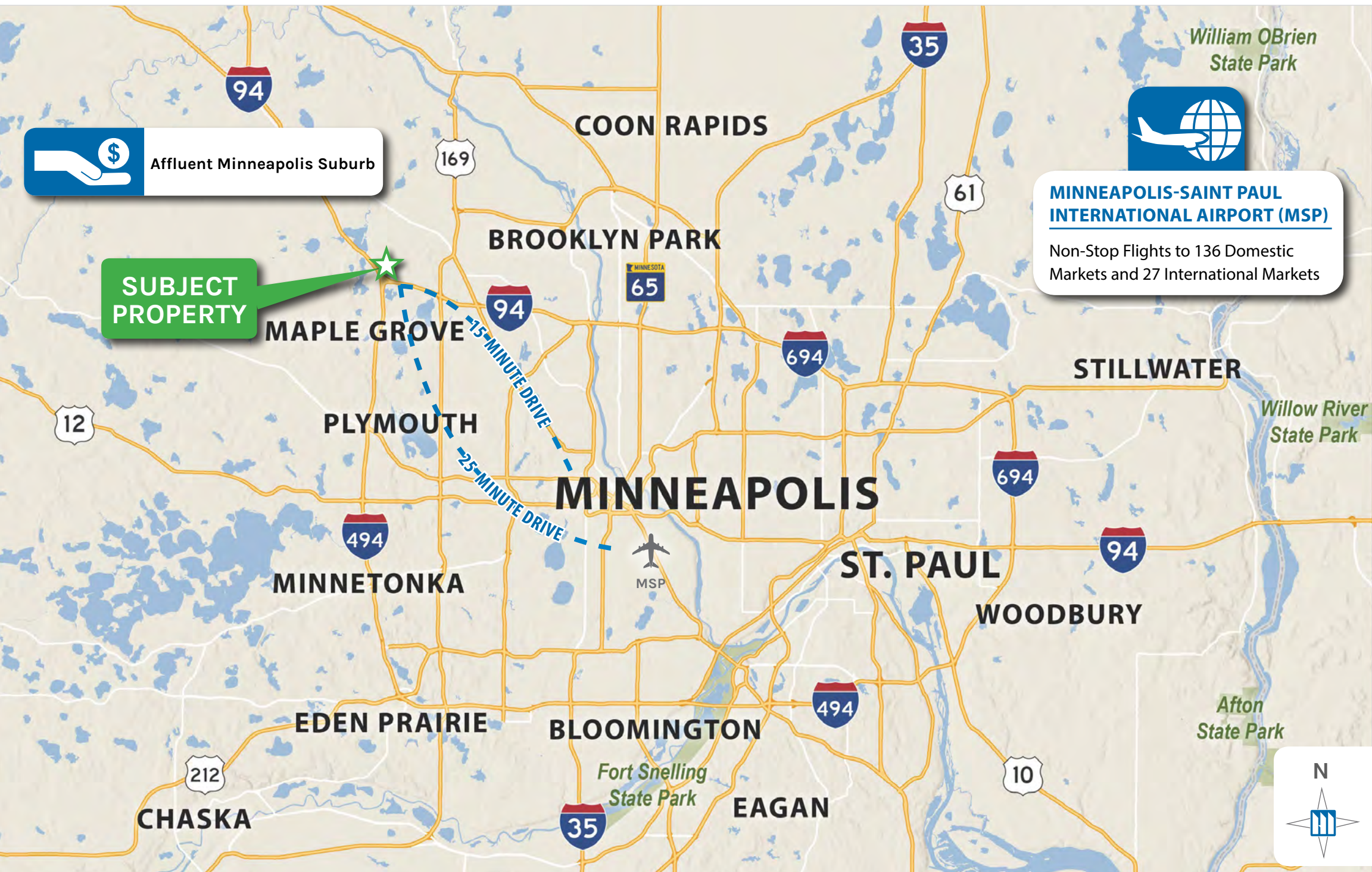


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The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.







# TENANT PROFILES

## BANK OF AMERICA & CRAVE



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Bank of America is one of the world's largest financial institutions, serving individual consumers, small and middle-market businesses, institutional investors, large corporations, and governments with a full range of banking, investing, asset management, and other financial and risk management products and services. It is the 2nd largest bank in the U.S. and earned \$100.3 billion in 2017, a 7% increase from the prior year. The company currently has a total of \$2.3 trillion in assets and employs 209,000 employees.

Bank of America has operations in all 50 states, the District of Columbia, the U.S. Virgin Islands, Puerto Rico, and more than 35 countries. Its retail banking footprint covers approximately 80% of the U.S. population, serving a total of approximately 47 million consumers and small businesses with 4,500 retail financial centers and 16,000 ATMs.

- **#24 "Fortune 500"** - Fortune (2018)
- **#60 "Fortune Global 500"** - Fortune (2018)
- **#6 "America's Largest Public Companies"** - Forbes (2018)
- **#2 "America's Top 250 Wealth Advisors"** - Forbes (2018)

**Company Type:** Private (NYSE: BAC; S&P: BBB+)  
**Locations:** 4,500  
**Website:** [www.bankofamerica.com](http://www.bankofamerica.com)



CRAVE American Kitchen & Sushi Bar is a Minneapolis based restaurant chain founded in 2006. The restaurant delivers an elevated dining experience with an extensive menu at a value-driven price point.

Menu items range from a full sushi bar and certified Angus beef steaks to fresh seafood, pastas, salads, and fire-baked pizzas that are continually re-mastered with seasonal ingredients. The company has 11 restaurant locations nationwide and was awarded the "Hot Concept Award" by Nation's Restaurant News (2012) and the "Fast 50 Award" by Minneapolis St. Paul Business Journal as the 4th fastest growing company in Minnesota (2013). CRAVE's wine list also won Wine Spectator's 2013 "Award of Excellence" for their globally diverse offerings.

CRAVE American Kitchen & Sushi Bar is a subsidiary of Kaskaid Hospitality a privately held, Twin Cities based restaurant company founded in 2007. Owners Kam and Keyvan Talebi currently operate several businesses at 16 various location nationwide which include CRAVE Catering, Muse Event Center, UNION Rooftop and Bar & Grill, BLVD Kitchen and Bar, Avenida Cocina & Bar, Burger Burger, and REV Ultra Lounge.

**Company Type:** Private  
**Locations:** 11  
**Website:** [www.craveamerica.com](http://www.craveamerica.com) | [www.kaskaidhospitality.com](http://www.kaskaidhospitality.com)







# CRAVE

AMERICAN KITCHEN & SUSHI BAR  
• ROOFTOP REP PHOTOS •







CRAVE

AMERICAN KITCHEN & SUSHI BAR

• INTERIOR REP PHOTOS •





## Maple Grove, Minnesota

- 10th largest city in Minnesota
  - 20 miles northwest of Minneapolis in Hennepin County
- 71,000+ population that is projected to grow 8.9% between 2018-2023
- Home to Minneapolis-St. Paul Metropolitan Statistical Area (MSA)
  - Excellent access to Minneapolis-St. Paul metropolitan region via highways I-94, I-494, and I-694
- Home of the largest Hindu temple in the state
- #13 "Safest Suburbs in Minnesota" – Niche (2018)
- #20 "Best Places to live in Minnesota" – Wallet Hub (2018)

### ECONOMY

- Diverse economy ; largest industries are manufacturing, retail trade, healthcare, and social assistance
  - \$134,656 average household income projected to grow 11.6% citywide between 2018-2023
  - 1.2% increase in the job market in 2017; 39.4% future job growth over the next 10 years
  - Low unemployment rate; 1.8% as of May 2018
- Home to 6,188 companies in 2017
  - Major employers include Independent School District (3,021 employees), United Parcel Service (700 employees), and Upsher-Smith laboratories (600 employees)
  - Headquarters to Boston Scientific Method, a medical device manufacturer who earned \$9 billion in revenue in 2017
    - ◆ Largest private employer (3,000 employees)
  - Illume, candle and fragrance maker, announced this year that it will move its headquarters into the city, spending \$10.6 million
    - ◆ Illume's products are sold all across the country including in big-box chains such as Anthropologie, Target, and Whole Foods



MAPLE GROVE CENTRAL PARK



BOSTON SCIENTIFIC HEADQUARTERS



CITY OF MAPLE GROVE



# AREA OVERVIEW

## BANK OF AMERICA & CRAVE



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### PREMIER RETAIL TRADE AREA

- 2nd largest concentration of retail in the state (2nd to Mall of America)
- Estimated to have nearly 6 million square feet of commercial development at build-out
- 97% occupancy rates and abundance of category leading retail
- Top 3 trade area in the Twin Cities with above average tenant sales
- Must-have market for any retailer operating in the Midwest

### DEVELOPMENT

- Residential and commercial/industrial construction continued to be strong, with total construction exceeding \$182.4 million
- New construction of 269 single-family homes and 360 units in multi-unit dwellings added approximately \$111.7 million of new market value for the year
- Non-residential activity continued to be strong; \$32.0 million of new construction started in 2017
- Remodeling and additions to residential properties added \$38.8 million in market value
- **The Grove** - 210-acre, mixed-use project area consisting of approximately 1.4 million square feet of high quality retail, medical, office, and hospitality functions including a multi-story hospital
  - 140-bed anchor medical facility, Maple Grove Hospital, is operated by North Memorial
  - Several regional medical facilities have located next to or expanded within The Grove
  - Park Nicollet - a 25,600 square foot medical office building; recently opened in early 2017
  - Grove Circle Medical Building - 2-story, 24,000 square foot medical building; approved in 2017
- Development includes several big box and small retail, office, and hotel buildings
  - 13,000 square foot high-end service station and convenience store (completed 2017)

### ARBOR LAKES DEVELOPMENT

- The City's Gravel Mining Area (GMA) is rapidly becoming an urban town center
  - The GMA Special Area Plan projects that approximately 4,500 dwelling units will occupy this central geographic area
  - Residential development to date has produced or created 2,255 units through construction and development approvals
  - That amount of housing adjacent to the Arbor Lakes retail areas will provide a good core for the supporting the downtown of Maple Grove



THE GROVE



THE VILLAGE AT ARBOR LAKES



THE FOUNTAINS AT ARBOR LAKES





# AREA OVERVIEW

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- The present core development of the GMA, known as Arbor Lakes is nearly complete
  - Arbor Lakes is a commercial and residential district located in downtown Maple Grove
  - Houses 3 major centers including the Shoppes at Arbor Lakes, the Fountains at Arbor Lakes, and the Village at Arbor Lakes
- Arbor Lakes has added 1.8+ million square feet of retail space over the years
  - Other developments include: 3-story medical office building; Great River Energy corporate headquarters; 998 units of rental housing; and 454 units of senior housing in 3 senior living facilities, with another 100 units expected to be approved in 2018
- Houses city's government center, community center, Town Green area, Central Park, and library
- **The Village at Arbor Lakes** - mixed-used development that consists of hotel, office, medical and retail/service, and residential housing
  - Residential component is called The Reserve at Arbor Lake – 2 buildings with 700 residential units and clubhouse; 257-units recently opened in August 2018
  - The business and retail uses will be completed in 2 phases
    - ◆ 53,000 square feet of retail and 215,000 square feet of non-retail (hotels, office, and medical office)
    - ◆ 32,000 square feet of retail; construction began in 2017
    - ◆ 4-story, 180-room dual branded Springhill Suites/Residence Inn; construction began 2018
- **Skye at Arbor Lakes** - 466-unit upscale multi-family residential; 2nd phase of 208 units (2017)
- **Arbor Lakes Business Park** - 4-building business park development with 540,042 square feet combined located at 1081 77th Avenue North; under construction
  - One of the first two buildings to be constructed will be headquarters for Illume Holding Co.
- Silver Creek on Main and Applewood Pointe of Maple Grove – 100-unit senior living cooperative with independent living and long-term care facility; under construction
- **Donegal South** – 133 detached townhome development located at 82nd Avenue & Hemlock Lane
- Approximately 3,300 acres (5 square miles) remains for development within the city as of 2017
  - ◆ The population of Maple Grove is approximately 89,700



SKYE AT ARBOR LAKES



ARBOR LAKES BUSINESS PARK



DONEGAL SOUTH







	<u>1-Mile</u>	<u>3-Mile</u>	<u>5-Mile</u>
<b>Population</b>			
2023 Projection	7,565	63,088	186,004
2018 Estimate	7,218	58,999	176,832
2010 Census	5,904	51,443	157,966
2000 Census	5,310	44,870	139,199
Growth 2000-2010	11.19%	14.65%	13.48%
Growth 2010-2018	22.26%	14.69%	11.94%
Growth 2018-2023	4.81%	6.93%	5.19%
<b>Households</b>			
2023 Projection	3,493	24,656	71,282
2018 Estimate	3,294	22,743	66,747
2010 Census	2,670	19,784	59,686
2000 Census	2,270	16,001	51,513
Growth 2000-2010	17.62%	23.64%	15.87%
Growth 2010-2018	23.37%	14.96%	11.83%
Growth 2018-2023	6.04%	8.41%	6.79%
<b>2018 Est. Population by Single-Classification Race</b>			
White Alone	5,939	48,910	124,401
Black or African American Alone	472	3,221	23,377
American Indian and Alaska Native Alone	17	183	584
Asian Alone	458	4,596	18,532
Native Hawaiian and Other Pacific Islander Alone	4	24	53
Some Other Race Alone	81	525	4,209
Two or More Races	201	1,353	5,055
<b>2018 Est. Population by Ethnicity (Hispanic or Latino)</b>			
Hispanic or Latino	267	1,602	8,750
Not Hispanic or Latino	6,951	57,397	168,082
<b>2018 Est. Average Household Income</b>	<b>\$94,354</b>	<b>\$124,235</b>	<b>\$112,272</b>



# CONFIDENTIALITY AGREEMENT

BANK OF AMERICA & CRAVE



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The information contained herein does not purport to provide a complete or fully accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective buyers may need or desire. All financial projections are based on assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Broker and, therefore, are subject to material variation. This Marketing Package does not constitute an indication that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the information herein. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective buyers.

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In Association with JDS Real Estate Services, Inc. | A Licensed Minnesota Broker #40407968



**\$6 BILLION**  
retail sales nationwide



**SHARED DATABASE**  
collaborative proprietary database



**#5 TOP RETAIL BROKER**  
of top 25 nationwide



**COSTAR POWER BROKER**  
top sales brokers & firm in OC



**NATIONWIDE REACH**  
retail & investors across the U.S.