



- NEW 10-YEAR LEASE
- 10% INCREASES EVERY 5 YEARS
- TWIN CITIES MSA



REPRESENTATIVE PHOTO

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

OFFERING MEMORANDUM
JORDAN, MINNESOTA



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



OFFERING MEMORANDUM

JORDAN, MINNESOTA

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OFFERING SUMMARY

CARIBOU COFFEE



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LOCATION

Caribou Coffee
225 Triangle Lane
Jordan, MN 55352

OFFERING SUMMARY

Price:	\$1,333,000
Current Net Operating Income (NOI):	\$80,000
Current Capitalization Rate:	6.00%
Price per Square Foot:	\$1,226
Net Rentable Area:	1,087
Year Built:	2019
Lot Size (Acres):	0.34

LEASE TERMS (1)

Lease Commencement:	11/2/2019
Lease Expiration:	11/30/2029
Lease Term:	10 Years
Lease Type:	NNN
Roof & Structure:	Landlord Responsibility
Monthly Rent:	\$6,667 (\$6.13/SF)
Annual Rent:	\$80,000 (\$73.60/SF)
Rental Increases:	10% Every 5 Years
Renewal Options:	Four 5-Year @ 10% Each Option

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.



QUICK FACTS

#1

**NATIONAL
TASTE TESTS**

– Food Editorial (2019)

#8

**TOP 10 COFFEE
COMPANIES IN THE WORLD**

– Food Drink & Franchise (2018)

752

**LOCATIONS
WORLDWIDE**



REPRESENTATIVE PHOTOS



INVESTMENT HIGHLIGHTS

CARIBOU COFFEE



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- **Single-Tenant New Format Caribou Coffee:**

- New 10-year lease with 10% increases every 5 years
- Four 5-year options at 10% increases
- New roof, HVAC, curbing, and landscaping
- Caribou Coffee is the 2nd largest company-operated coffeehouse in the U.S. with over 300 company-owned locations nationwide; the company also has over 120 domestic license locations in 22 states, and over 270 international franchise stores in 11 countries

- **New Format Store:** Caribou Coffee recently introduced a new store concept called “Caribou Cabins”, which feature drive-thru and indoor walk-in only windows with no indoor seating to adapt to today’s coffee consumer, who is focused on the ease, convenience, and speed

- **Close Freeway Proximity:** The subject property is conveniently located off of U.S. Highway 169, the primary freeway connecting Jordan to the Minneapolis/St. Paul metro area and southwestern Minnesota, Iowa, and the Dakotas; two points of access from U.S. Highway 169

- **Strong Midwest Demographics:** Average household incomes in excess of \$107,000 within a 5-mile radius of the subject property
 - 40% increase in the number of households from 2000-2018 within a 1-mile radius; projected to increase an additional 8% over the next 5 years



INVESTMENT HIGHLIGHTS

CARIBOU COFFEE



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- **Favorable Nearby Residential Development:**

- **Bridle Creek (2 miles from the property)** – 164 single-family lots and 24 attached twin home lots; planned
- **Stonebridge (2 miles from the property)** – 59 single-family homes; planned
- **Pineview Townhomes (1.3 miles from the property)** – Five buildings with 28 townhomes; under construction

- **Jordan is Part of the Twin Cities MSA, One of the Strongest Midwest Economies:**

Jordan is only a 40-minute drive to Downtown Minneapolis and a 30-minute drive to the Minneapolis-Saint Paul International Airport (38 million passengers in 2018)

- GDP is the second largest in the Midwest behind only Chicago
- 15th largest economy in the nation
- 10% population increase in Minneapolis since 2010
- Twin Cities rank #1 in Fortune 500 companies per capita
- Strong population growth through a robust job market that is home to 19 Fortune 500 companies such as Target, General Mills, Best Buy, UnitedHealth Group, and 3M



REPRESENTATIVE PHOTO





Caribou COFFEE® RENDERINGS

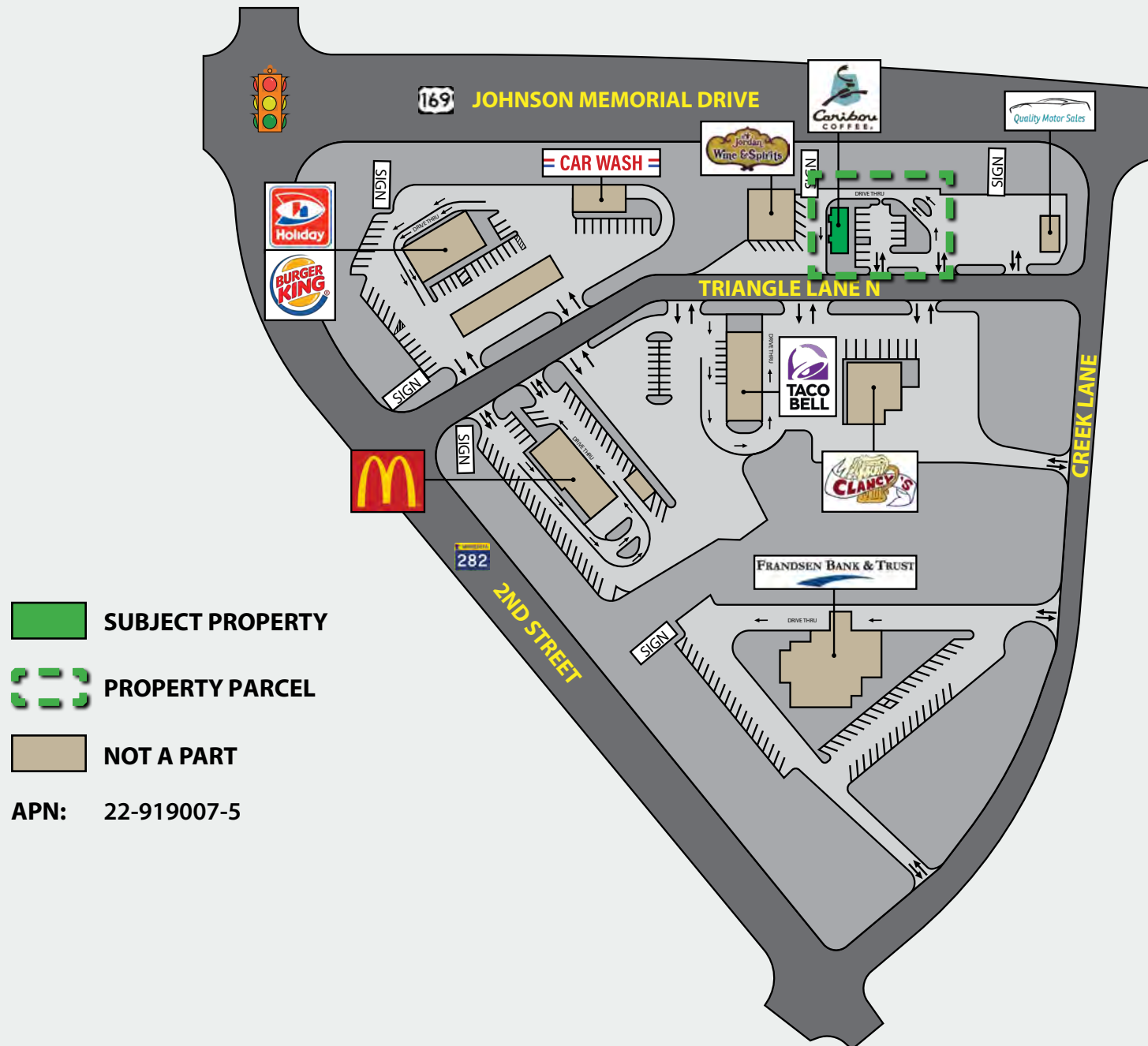


SITE PLAN / PARCEL MAP

CARIBOU COFFEE



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LAGOON PARK

JORDAN ELEMENTARY - 650 STUDENTS -

JORDAN HIGH SCHOOL - 616 STUDENTS -

JORDAN MIDDLE SCHOOL - 550 STUDENTS -

NEW 45,000 SF COMMUNITY CENTER

ANYTIME FITNESS

UNITED STATES POSTAL SERVICE

CITY HALL

PEKARNA PARK

CREEK LANE

MINNESOTA 282

2ND STREET

NEW LIBRARY

Riverland BANK

HOME TOWN BANK

Radermacher's FRESH MARKET

NAPA

SUBWAY

ACE Hardware

Quick Lane TIRE & AUTO CENTER

FRANDSEN BANK & TRUST

SUBJECT PROPERTY
Caribou COFFEE

CLANCY'S

TACO BELL

McDonald's

Ford

TRIANGLE LANE N

Holiday

BURGER KING

169

U.S. HWY 169 - DEDICATED RIGHT TURN LANE -





40%
INCREASE

IN NUMBER OF HOUSEHOLDS
BETWEEN 2000-2018



**DIRECTLY ACCESSIBLE TO U.S.
HWY 169:** Freeway connects
Jordan to Minneapolis/St. Paul

U.S. HWY 169
- DEDICATED RIGHT
TURN LANE -

Quality Motor Sales

**SUBJECT
PROPERTY**



FRANDSEN BANK & TRUST



N





DEMOGRAPHICS

	Population	AHHI
3-Mile Radius	7,953	\$103,327
5-Mile Radius	9,617	\$107,636
Trade Area Radius	81,636	\$112,739

MINNEAPOLIS

- 40-Minute Drive -







Caribou Coffee Company, Inc. is a neighborhood-based, specialty retailer of high quality coffees, teas, bakery goods, and related merchandise.

Founded in December of 1992 by Kimberly and John Puckett. The Caribou Coffee concept was created after the company's founders backpacked through Alaska. On the summit of Sable Mountain in Denali Park, they decided they wanted to build a company to capture the spirit of accomplishment they felt during the climb. They began plans to build a special company that would bring the mountain experience into local neighborhoods where customers could find a place to "escape the daily grind" each and every day. On the descent, they saw a herd of wild caribou. The beauty and incessant movement of these caribou seemed to be a fitting name for a company that aspired to both rapid growth and high quality. The company was founded with the intent of building a leading national specialty retailer in the high growth industry of gourmet coffee.

Caribou works hard to ensure customers get not only the highest-quality coffee, but also the peace of mind that their coffee is sourced in an environmentally, socially, and economically sustainable manner. Every year, Caribou travels the globe to find the finest coffees available. Once selected, these beans are handcrafted in small batches and rigorously tasted at multiple points throughout their journey to ensure the finest flavors. Every coffee Caribou sells is 100 percent Rainforest Alliance Certified, ensuring it is produced using water conservation methods and sustainable farming practices while protecting forests and wildlife habitat. This certification also promotes the strength and growth of coffee-producing regions, so the lives of farm workers, their families, and communities continue to be improved.

Owned by JAB Holding Company, the Minneapolis-based company currently has 455 domestic locations in 19 states and 297 internationally franchised stores in 9 countries. Retail experts estimate that Caribou likely exceeds \$500 million in annual revenue.

- #8 "Top 10 Coffee Companies in the World" - *Food Drink & Franchise* (2018)
- #9 "The Best Coffee Chains in America" - *TheDailyMeal.com* (2018)

Company Type:	Private
Locations:	752
Website:	www.cariboucoffee.com

BEVNET®



Caribou Coffee Extends RTD Business with Sparkling Caffeinated Waters

By Brad Avery | Aug 26, 2019

Seeking to move from coffee into the broader energy space, Minnesota-based Caribou Coffee announced today a new line of caffeinated sparkling beverages set to launch this fall across its 600-plus cafe locations nationwide.

The line, called Bou-Sted, features two low calorie “sparkling caffeinated waters” — in Grapefruit and Wild Berry varieties made with natural flavors — and two sweetened, fruit-infused “sparkling caffeinated beverages” available in Dragon Fruit and Passion Fruit Orange Guava. All products contain 120 mg of caffeine sourced from coffee and will be available in 11.5 oz slim cans. Details on pricing for the line was not disclosed.

According to Matt Reiter, senior director of merchandising for Caribou, the sparkling products come as the business looks to “evolve” its coffeehouse business through new innovations.

BRING ME  THE NEWS



Caribou Coffee Rolls Out New "Cabin" Concept

By Madeline Deninger | August 27, 2019

The stores will be drive-thru and walk-up only. Minnesota-based Caribou Coffee will roll out new store concepts in multiple cities throughout the state.

“Caribou Cabins” will feature drive-thru a walk-up windows, with no indoor seating. The cabins will be in Caribou’s recognizable blue color and resemble the company’s “Northwoods” feel.

The Cabins will also feature new menu items including “flavor-infused” drink items, like sparkling waters, juices and sodas, made from coffee beans .

The first locations will pop up in Jordan, Burnsville, St. Peter, Big Lake and Willmar. But you won’t see any Caribou Cabins in Minneapolis, which banned the construction of any new drive-thrus in the city earlier this month.



Jordan, Minnesota

- A suburban city just outside Minneapolis in Scott County; located conveniently along U.S. Highway 169 making the city easily accessible to the metro area and Southwest Minnesota, Iowa, and the Dakotas
- 20 minutes from Bloomington and 40 minutes from downtown Minneapolis
- 3.6M+ people in the metropolitan statistical area (MSA)
- 30 minute drive to Minneapolis-Saint Paul International Airport

ECONOMY

- Diversified economy with major contributions from retail trade, construction, accommodation, and food services
- Top employers include Jordan Public School District, Minnesota River Valley Special Ed. Coop., and S.M. Hentges and Sons
- 30 acres of industrial park
- 58.4% population growth rate from 2000-2010 which makes it the fastest growing county in Minnesota
- 7.6% projected population growth from 2018-2030
- \$97,183 average household income (AHHI) verses U.S. \$59,039 AHHI

DEVELOPMENTS

- *Pineview Townhomes* - 28 units in five buildings, situated between two new city parks; under construction
- *Bridle Creek* - 164 single family lots and 24 twin home lots; planned
- *Stonebridge* - 59 new single family lots this year; planned

- *Grassman Park Ninja Challenge Course* - Highly anticipated Challenge Course by Gametime is the first of its kind, offering a pro and a youth American Ninja type course; opened August 2019

TOURISM

- *Lagoon Park* - 30 acres including a 19-acre lake with swimming and fishing, a river with water fall, and numerous areas of playground equipment; home to the city's annual old-world German Heimatfest
- *Minnesota Valley Trails State Park* - Camping, recreation, and outdoor activities; 25 miles of trails for hiking, biking, snowmobiling, and horseback riding
- *Ridges at Sand Creek* - Champion golf course, nominated as one of the nation's best public courses in Golf Digest and #1 by Twin Cities Golf Guide
- *Renaissance Festival* - 300,000 annual visitors
- *Mystic Lake Casino Hotel* - 2nd largest hotel in the Minneapolis-Saint Paul area; 766 rooms
- *Valley Fair - 125-acre amusement park*

City of Jordan Highlights

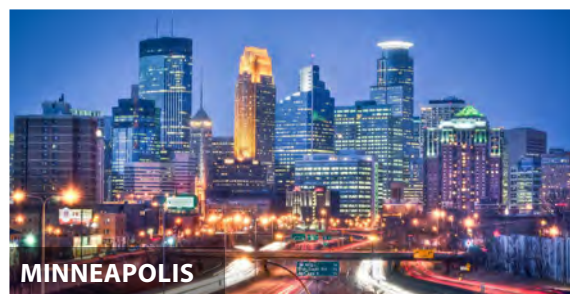
\$97,183
AVERAGE HOUSEHOLD
INCOME

3.6M+
POPULATION IN THE MSA

40
MINUTES FROM DOWNTOWN
MINNEAPOLIS



LAGOON PARK



MINNEAPOLIS



GRASSMAN PARK





	<u>3-Mile</u>	<u>5-Mile</u>	<u>Trade Area</u>
Population			
2023 Projection	8,598	10,455	92,179
2018 Estimate	7,953	9,617	81,636
2010 Census	6,818	8,303	72,835
2000 Census	4,898	6,232	50,030
Growth 2000-2010	39.20%	33.23%	45.58%
Growth 2010-2018	16.65%	15.83%	12.08%
Growth 2018-2023	8.11%	8.71%	12.91%
Households			
2023 Projection	2,985	3,668	32,503
2018 Estimate	2,737	3,345	28,488
2010 Census	2,359	2,899	25,361
2000 Census	1,684	2,148	17,105
Growth 2000-2010	40.08%	34.96%	48.27%
Growth 2010-2018	16.02%	15.38%	12.33%
Growth 2018-2023	9.06%	9.66%	14.09%
2018 Est. Population by Single-Classification Race			
White Alone	7,340	8,915	70,672
Black or African American Alone	60	70	2,327
American Indian and Alaska Native Alone	52	59	678
Asian Alone	104	139	3,355
Native Hawaiian and Other Pacific Islander Alone	2	4	24
Some Other Race Alone	196	208	2,514
Two or More Races	171	193	1,843
2018 Est. Population by Ethnicity (Hispanic or Latino)			
Hispanic or Latino	489	519	5,257
Not Hispanic or Latino	7,464	9,098	76,379
2018 Est. Average Household Income	\$103,327	\$107,636	\$112,739

CONFIDENTIALITY AGREEMENT

CARIBOU COFFEE



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\$6+ BILLION
retail sales nationwide



SHARED DATABASE
collaborative proprietary database



TOP BROKERAGE GLOBALLY
in investment sales



COSTAR POWER BROKER
top sales brokers & firm in OC



NATIONWIDE REACH
retail & investors across the U.S.