

# Single Tenant Net Lease Investment - Caribou Coffee

185 CENTURY AVENUE, WOODBURY MN 55125



OFFERING MEMORANDUM

**KW COMMERCIAL**

3464 Washington Drive, #100

Eagan, MN 55122

*PRESENTED BY:*

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## WOODBURY, MN

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## Executive Summary

KW Commercial is pleased to market for sale this fee simple, single tenant, net lease investment property occupied by Caribou Coffee Company and Einstein Bros Bagels. Caribou Coffee is the 2nd largest company-operated premium coffee house in the U.S. Parent company, JAB Holding (S&P A-), owns this Woodbury location. There are 8 1/2 years remaining on the 10 year lease.

The 2,550 square foot Coffee & Bagels property is located at the Century Ave and Interstate 94 interchange (84,000 vpd.) I-94 is a major east-west thoroughfare through the Twin Cities. Customers have easy on and off access from I-94 and a dedicated turn lane is available into the Caribou site. Construction of the building was completed in 2018 and the property is part of a larger mixed-use development that includes a County Inn & Suites by Radisson as well as office, retail and a senior care center. There are over 76,000 people living within three miles of the property with an average household income of \$71,515.

In 2014, Caribou Coffee and Einstein Bros Bagels introduced a new concept for specialty coffee and fresh-baked bagels through the opening of a new coffee and bagels concept. Coffee & Bagel Brands, operator of the Caribou Coffee and Einstein Bros Bagels partnership, has over 4,600 total employees across all of its locations and generates 255 million in sales (USD).



- Caribou Coffee Company and Einstein Bros Bagels formed a partnership in 2014
- This retail building was completed in 2018
- 8 1/2 years remaining on original 10 year corporate lease
- 10% rental increases every five years including the option periods

# Property Details

## SALE PRICE

**\$2,142,000**

### LOCATION INFORMATION

Building Name	Caribou Coffee & Einstein Bros Bagels
Street Address	185 Century Avenue
City, State, Zip	Woodbury, MN 55125
County/Township	Washington
Cross Streets	Interstate 94
Traffic Count - Interstate 94	84,000 vpd
Traffic Count - Century Avenue	16,800 vpd
Daytime Employment	33,754 Employees within 3-mile radius
Total Population	76,085 (3-mile radius)
Average HH Income	\$71,515 (3-mile radius)

### BUILDING INFORMATION

Building Size	2,550 SF
Occupancy %	100%
Tenancy	Single
Number Of Floors	1
Year Built	2018
Roof And Structure	Landlord Responsible - 20 Year Roof Warranty

### PROPERTY DETAILS

Property Type	Retail
Property Subtype	Free Standing Building
Zoning	B2 - General Business District
Lot Size	0.60 Acres
APN#	06-028-21-22-0001
Taxes - 2019	\$16,074
Lease Commences	March 2018
Lease Expiration	February 2028
Lease Term	10 Years
Lease Type	NN
Rent Adjustments	5 Years

## Lease & Investment Overview

Price	\$2,142,000
CAP Rate	5.50%
Current Net Operating Income	\$117,810
Lease Commencement	March 2018
Lease Expiration	February 2028
Lease Term	10 Years
Lease Type	NN Lease
Rent Adjustments	3/01/2022: \$129,591
	3 - 5 Year Options
	10% Increase Each Option
Renewal Options:	3/01/2028: \$142,545
	3/01/2033: \$156,799
	3/01/2038: \$172,482
Roof & Structure	Landlord Responsible (20 year Roof Warranty)

## Tenant Overview



### OVERVIEW

Company:	Coffee & Bagel Brands Caribou Coffee Company Einstein Bros Bagels
Founded:	2014
Total Revenue:	\$255 Million (Estimated)
Headquarters:	Minneapolis, MN and Denver, CO
Website:	coffeeandbagels.com cariboucoffee.com einsteinbros.com

### HIGHLIGHTS

- Einstein Bros Bagels has 346 company owned stores, 330 domestic license locations and 59 franchises in 40 states
- Caribou has 311 company owned stores , 139 domestic license locations in 18 states, and 297 international franchise stores in 11 countries



### CARIBOU COFFEE

Caribou Coffee Company is an American coffee company and coffeehouse chain founded in 1992. Caribou Coffee is a privately held, neighborhood based specialty retailer of high quality coffees, teas, and related merchandise.

### EINSTEIN BROS BAGELS

Einstein/Noah Bagel Corporation is the number one chain of retail bagel stores. The eateries offer a variety of creative bagel breakfast and lunch specialties.

### COFFEE & BAGELS

In 2014, Caribou Coffee and Einstein Noah Restaurant Group came together to combine the power of the greatest bagelrie with the most beloved coffee shop.



## Additional Photos





## Aerial Views



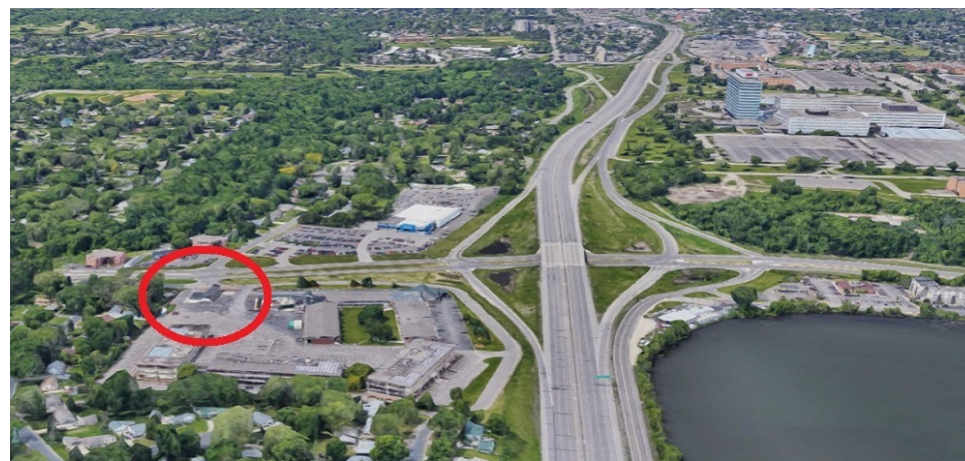
Looking North



Looking South



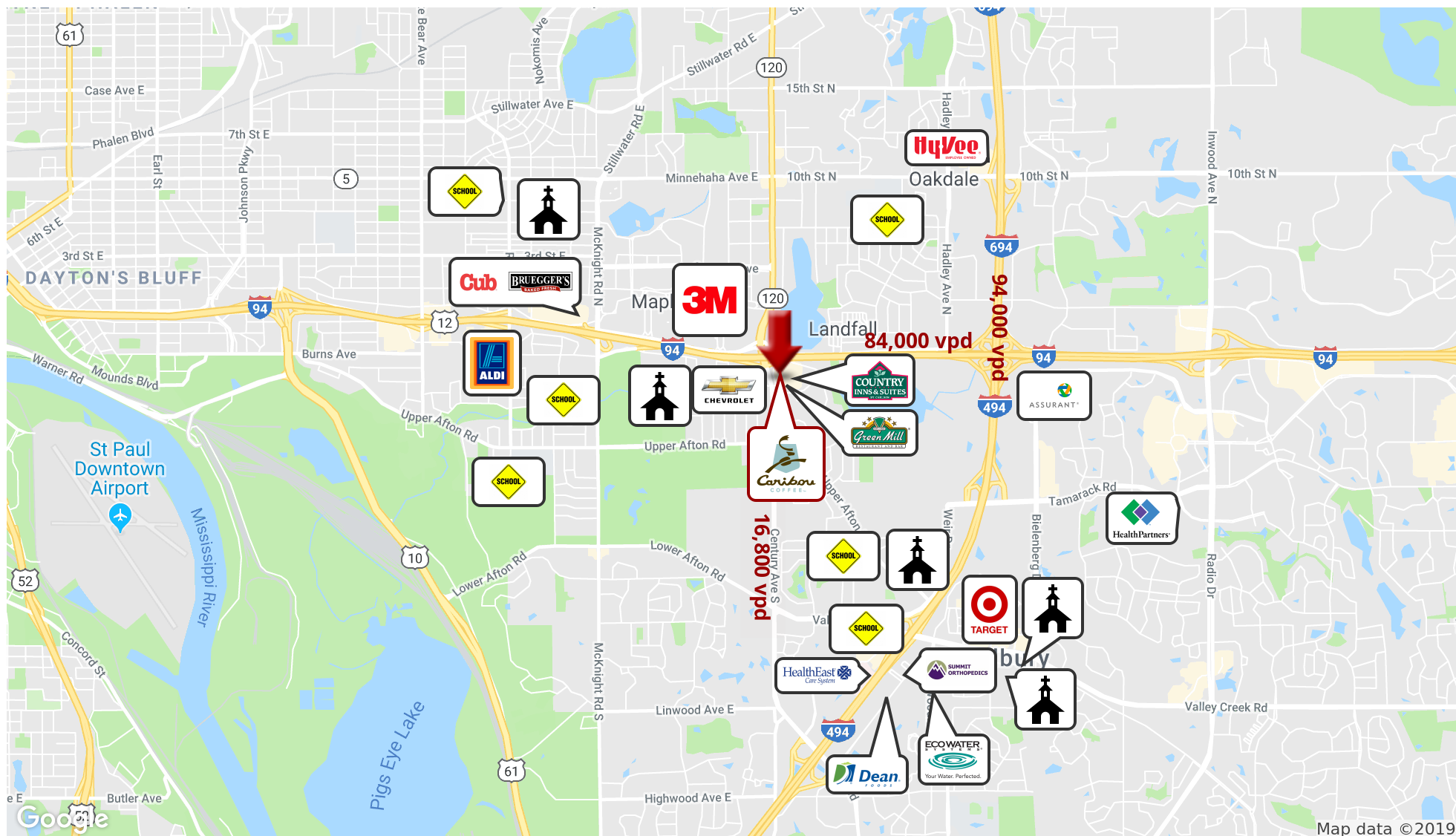
Looking East



Looking West



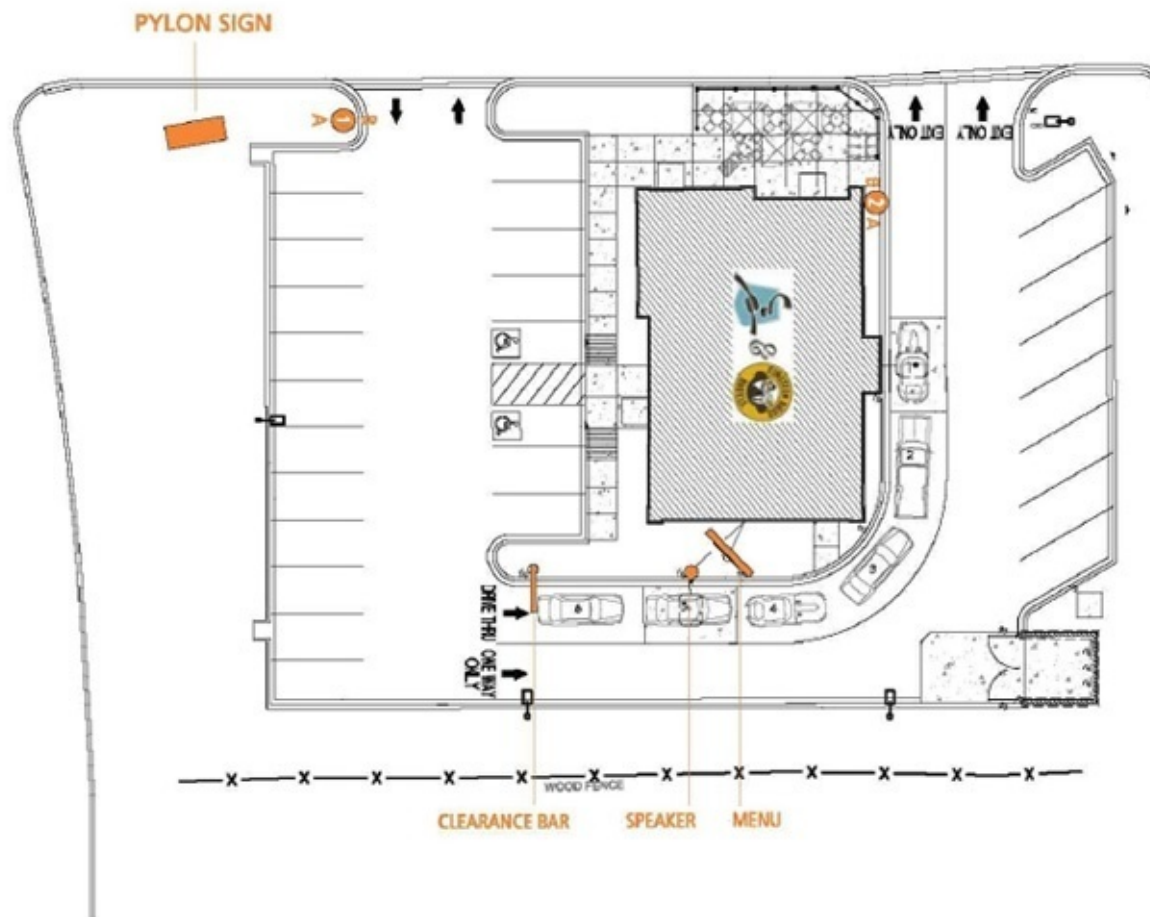
# Area Businesses



## Aerial Map

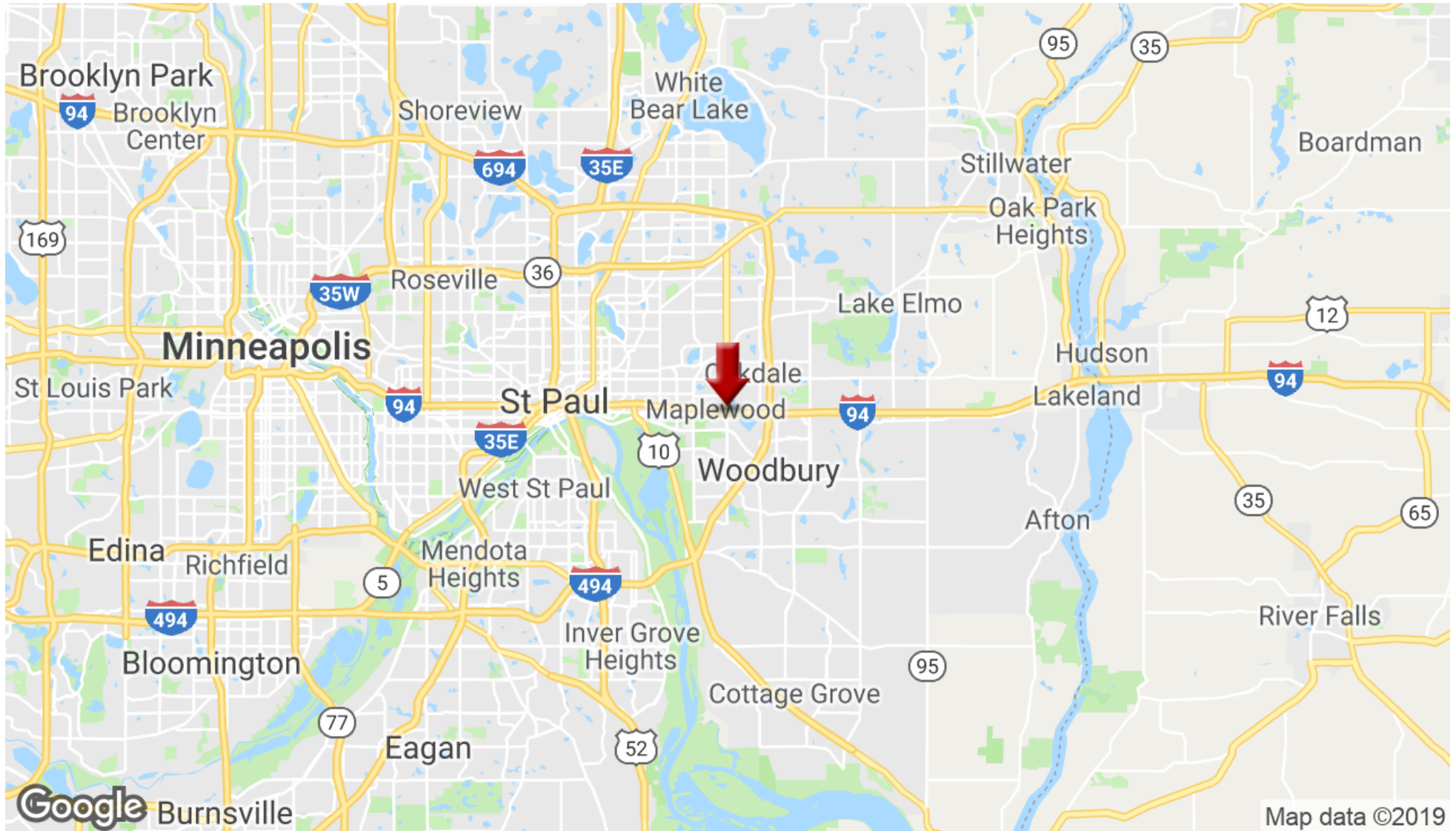


# Site Plan



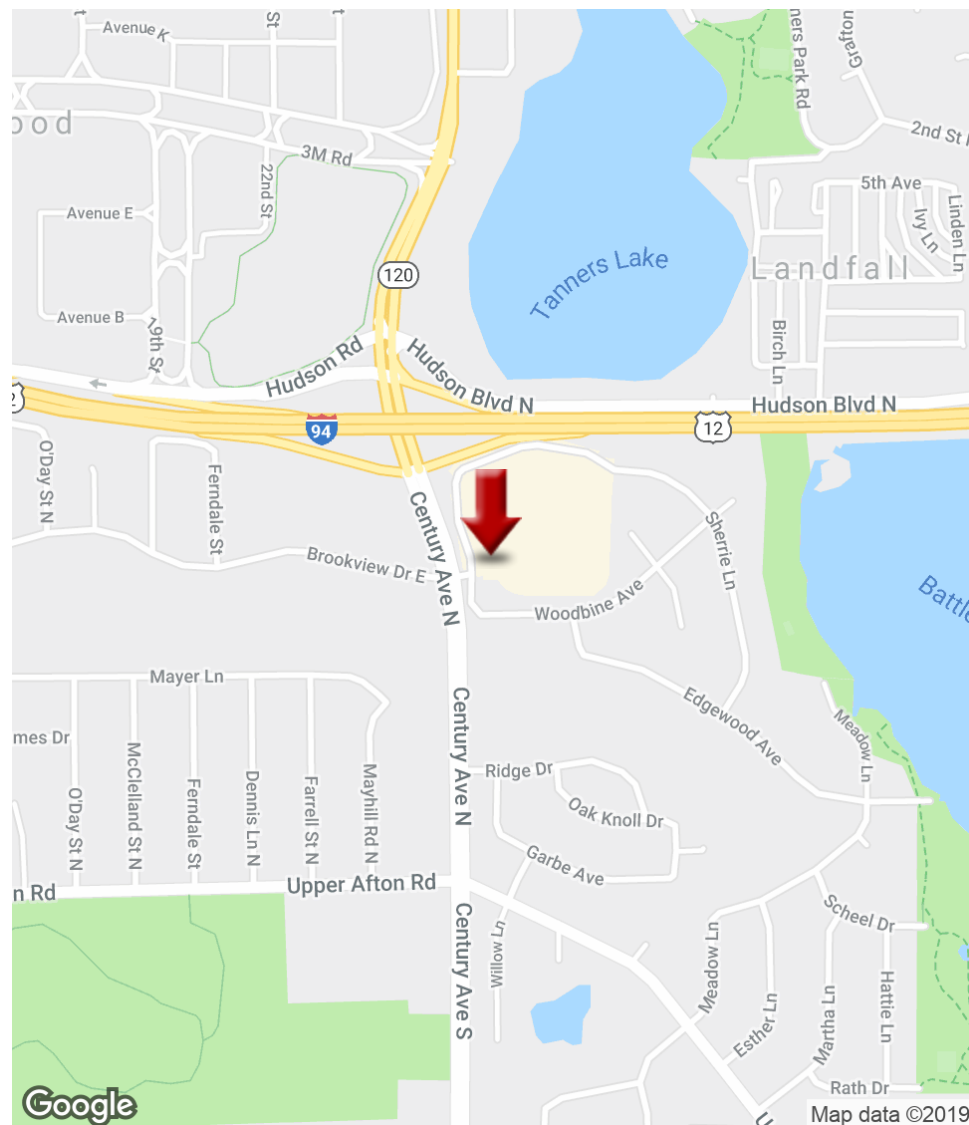
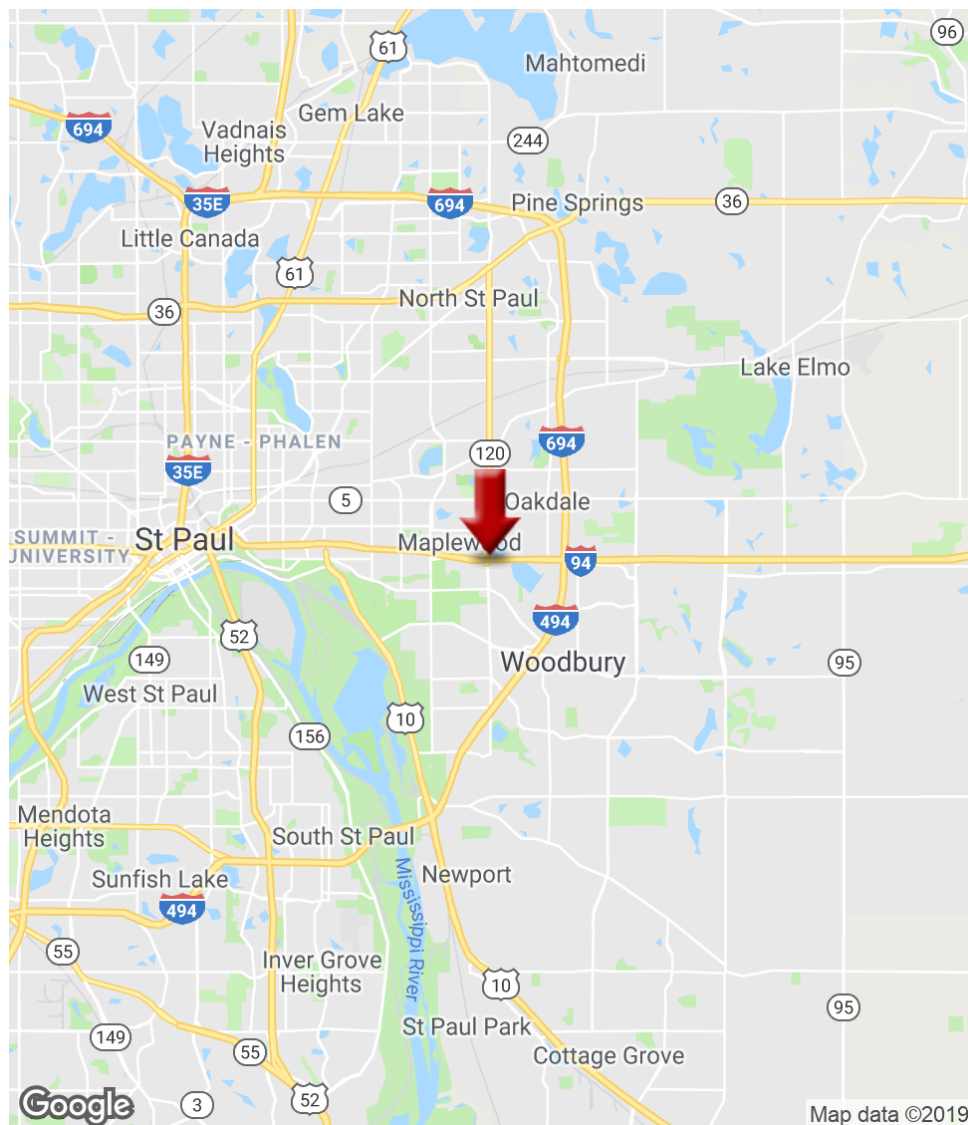


## Regional Map

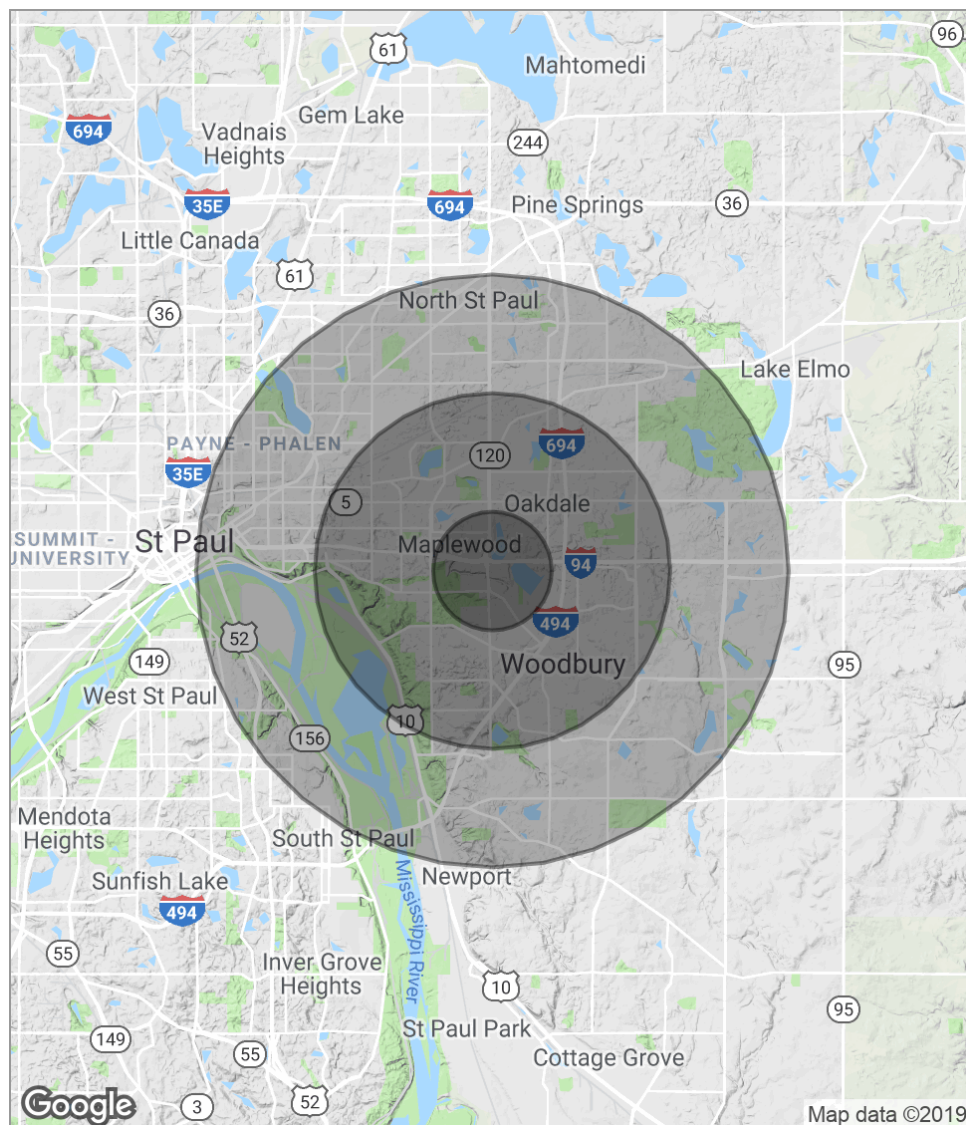




## Location Maps



# Demographics Map



POPULATION	1 MILE	3 MILES	5 MILES
Total Population	6,672	76,085	202,377
Median Age	36.8	34.7	34.2
Median Age (Male)	35.1	33.2	32.9
Median Age (Female)	38.0	36.2	35.3
HOUSEHOLDS & INCOME	1 MILE	3 MILES	5 MILES
Total Households	2,719	30,362	76,667
# Of Persons Per HH	2.5	2.5	2.6
Average HH Income	\$76,302	\$71,515	\$72,391
Average House Value	\$239,662	\$231,234	\$233,862

\* Demographic data derived from 2010 US Census

# Market Overview



## LOCATION DESCRIPTION

Located five miles from downtown St. Paul MN and positioned just off Interstate 94, this offering is well located with 84,000 vpd on I-94 and 16,800 vpd on Century Avenue. The property is part of a larger mixed-use development that includes a Country Inn & Suites by Radisson as well as office, retail and a senior care center.

## WOODBURY, MINNEAPOLIS - ST PAUL

One of Minnesota's fastest growing cities, Woodbury is now the state's 9th largest city. The population of close to 70,000 (26,000 households) is projected to reach 88,000 by 2040 and is expected to continue attracting new residents for years to come. One of the city's goals is to ensure professional employment opportunities exist within the city. One of the major job sectors within the city is healthcare, including employers such as HealthEast, HealthPartners, Summit Orthopedics and Allina. Woodbury is also home to a number of major employers including 3M, Assurant, Dean Foods, EcoWater Systems and Target.

Minneapolis, the larger of the Twin Cities (St. Paul being the other) is the 14th largest metropolitan area in the United States. As of 2014, Minneapolis was the largest city in the state of Minnesota and 46th largest city in the U.S. Minneapolis and St. Paul anchor the second largest economic center between Chicago and Seattle, with Minneapolis proper containing America's fifth highest concentration of Fortune 500 companies.

## WOODBURY DETAILS

County	Washington County
Major Interstates	I-94, I-494, I-694
Interstate 94	84,000 vpd
Century Avenue	16,400 vpd
Minnesota City of the Year	2018
Best Place to Live	2018 Money Magazine
Best City to Raise Kids	2017 NCHSS
All American City	2016 Civic League