



FOR SALE

CARIBOU COFFEE

520 JEFFERSON BOULEVARD • BIG LAKE, MN 55309

CBRE

## Affiliated Business Disclosure

CBRE, Inc. operates within a global family of companies with many subsidiaries and related entities (each an “Affiliate”) engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates, including CBRE Global Investors, Inc. or Trammell Crow Company, may have or represent clients who have competing interests in the same transaction. For example, Affiliates or their clients may have or express an interest in the property described in this Memorandum (the “Property”), and may be the successful bidder for the Property. Your receipt of this Memorandum constitutes your acknowledgment of that possibility and your agreement that neither CBRE, Inc. nor any Affiliate has an obligation to disclose to you such Affiliates’ interest or involvement in the sale or purchase of the Property. In all instances, however, CBRE, Inc. and its Affiliates will act in the best interest of their respective client(s), at arms’ length, not in concert, or in a manner detrimental to any third party. CBRE, Inc. and its Affiliates will conduct their respective businesses in a manner consistent with the law and all fiduciary duties owed to their respective client(s).

## Confidentiality Agreement

Your receipt of this Memorandum constitutes your acknowledgment that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property (“Owner”) or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc.

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

## Disclaimer

This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented “as is” without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the

Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property’s suitability for your needs. ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

The Owner expressly reserves 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 at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner.

## Copyright Notice

© 2019 CBRE, Inc. All Rights Reserved.



# INVESTMENT SUMMARY

## CARIBOU COFFEE | BIG LAKE, MN

### PRICE

**\$1,350,000**  
**6.00% CAP Rate**

### ADDRESS

520 Jefferson Boulevard  
Big Lake, MN 55309

### APN

65-019-4405

### NET OPERATING INCOME

\$81,000

### BUILDING/LOT SIZE

500 SF/2.07 Acres

### YEAR BUILT

2019-2020

### LEASE TYPE

NNN

### TERM REMAINING

10 Years

### OPTIONS

Four 5-Year Options

### TYPE OF OWNERSHIP

Fee Simple

### SUMMARY



#### New Drive-Thru Small Format “Cabin” Concept

One of the first locations in the Twin Cities featuring the new drive-up and walk-up only format.



#### New 10-Year Lease

Caribou Coffee signed a 10-year lease with attractive 10% rent increases every 5 years, continuing throughout the renewal options.



#### Brand New Construction

The building is new construction built-to-suit according to Caribou Coffee’s specifications.



#### Strong Parent Company

Parent company is **JAB Holding Company**, an international private firm whose house of brands includes Peet’s Coffee, Keurig Dr. Pepper, Panera, and more.



#### Dominant Regional Coffee Brand

Caribou Coffee has more locations throughout the Twin Cities and state of Minnesota than any of its competitors, making it the dominant brand in the market.



#### Strong Travel Corridor

Conveniently located on Highway 10, a major “cabin-bound” travel route for Minneapolis-St. Paul residents driving to second homes located in the Brainerd Lakes Area. Highway 10 is also an alternate route for drivers commuting between St. Cloud and Minneapolis-St. Paul.

# INVESTMENT SUMMARY

CARIBOU COFFEE | BIG LAKE, MN

RENT SCHEDULE				
Rent Start	Rent End	Annual Rent	Monthly Rent	Per SF
2/1/2020	1/31/2025	\$81,000.00	\$6,750.00	\$162.00
2/1/2025	1/31/2030	\$88,000.00	\$7,333.33	\$176.00
2/1/2030 [OPTION 1]	1/31/2035	\$96,800.00	\$8,066.67	\$193.60
2/1/2035 [OPTION 2]	1/31/2040	\$106,480.00	\$8,873.33	\$212.96
2/1/2040 [OPTION 3]	1/31/2045	\$117,128.00	\$9,760.67	\$234.26

# TENANT SUMMARY

## CARIBOU COFFEE | BIG LAKE, MN

TENANT SUMMARY	
Ownership	Private
Tenant	Caribou Coffee Inc.
Systemwide Sales	\$292M (2017)
Lease Guarantor	Corporate
No. of Locations	273 Corporately Owned Stores
Headquartered	Brooklyn Center, MN
Years in the Business	26 Years
Website	<a href="http://www.CaribouCoffee.com">www.CaribouCoffee.com</a>

### CARIBOU COFFEE

Founded in 1992, Caribou Coffee is the second largest company-operated premium coffeehouse in the United States with over 200 company-owned locations nationwide. Caribou Coffee also has over 120 domestic license locations in 22 states, and over 200 international franchise stores in 11 countries. Caribou Coffee provides high quality, handcrafted beverages and food options to fuel life's adventures, both big and small.

Known for a commitment to sustainability, the Company was the first major U.S. coffeehouse to serve 100% Rainforest Alliance Certified™ coffees and espresso. Caribou Coffee products can also be found in grocery stores, mass retailers, club stores, foodservice providers, hotels, entertainment venues and online.

Caribou was acquired by German conglomerate JAB Holdings in 2012 for \$340 million. JAB's portfolio includes other well-known national brands such as Peet's Coffee, Dr. Pepper Keurig, and Panera Bread.



"Caribou Coffee is proud to announce John Butcher has been appointed President & CEO. Butcher has served as President of Caribou Coffee since joining the company in June of 2017."

"Caribou Coffee names John Butcher CEO", [www.franchising.com](http://www.franchising.com) January 21, 2019

EXPENSE RESPONSIBILITIES	
Real Estate Tax	Tenant responsible.
Property Insurance	Tenant responsible.
Utilities	Tenant responsible and pays direct.
Roof & Structure	Landlord responsible for roof and structure.
Parking Lot	Landlord responsible for resurfacing. Landlord responsible for snow removal.
HVAC	Tenant responsible.
Repairs & Maintenance (CAM)	Tenant responsible.



# AERIAL - EAST FACING

CARIBOU COFFEE | BIG LAKE, MN

MINNEAPOLIS-ST.PAUL 45 MILES





# AERIAL - NORTHWEST FACING

CARIBOU COFFEE | BIG LAKE, MN





# EXCELLENT CORNER VISIBILITY

CARIBOU COFFEE | BIG LAKE, MN





# AERIAL

CARIBOU COFFEE | BIG LAKE, MN





# MARKET SUMMARY

## CARIBOU COFFEE | BIG LAKE, MN

A rapidly growing enclave located between the metropolitan areas of St. Cloud and Minneapolis-St. Paul, Big Lake, Minnesota, has experienced rapid growth since 2000. The population is forecasted to grow by over 80% between 2000 and the year 2024.

Big Lake is conveniently located 25 miles from the St. Cloud Airport and 45 miles from the Minneapolis-St. Paul International Airport, making the city the perfect location for commuters desiring lower cost of living in more pastoral, suburban settings.

Sherburne County supports an **array of major employers**, including two telecommunications centers for Target and United Health Care. Cargill's poultry processing plant and Remmele Engineering Inc. are Big Lake's largest employers.

### INCOME

**\$68,836** 2019 Big Lake Estimated Median Household Income

*(\$61,372 2018 National Average, CNBC.com)*

**\$36,335** 2019 Big Lake Estimated Per Capita Income

*(\$31,177 2018 National Average, www.census.gov)*

### POPULATION

**6,864** 2000 Census, Big Lake City Population

**12,503** 2024 Projection, Big Lake City Population

**82% PROJECTED INCREASE**





# MSP MARKET SNAPSHOT

## CARIBOU COFFEE | BIG LAKE, MN

### TOP FORBES PRIVATE MINNESOTA COMPANIES



### MINNESOTA FORTUNE 500



### TOP TEN MAJOR EMPLOYERS

Minneapolis-St. Paul-Bloomington, MN-WI Metropolitan Statistical Area

<b>#1</b> Allina Health System 27,635 Employees	<b>#2</b> Target Corporation 26,694 Employees	<b>#3</b> University of Minnesota 26,436 Employees	<b>#4</b> HealthPartners 22,500 Employees	<b>#5</b> Fairview Health System 22,000 Employees
<b>#6</b> Wells Fargo & Co. 20,000 Employees	<b>#7</b> UnitedHealth Group 15,750 Employees	<b>#8</b> CHS Inc. 12,157 Employees	<b>#9</b> U.S. Bancorp 12,010 Employees	<b>#10</b> Land O'Lakes Inc. 10,000 Employees

### MAJOR RETAIL BRAND HEADQUARTERS



# MSP MARKET SNAPSHOT

## CARIBOU COFFEE | BIG LAKE, MN

### MSP AIRPORT TRAFFIC



- "About MSP - MSP by the Numbers", MSPairport.com/about-msp



**163**

Nonstop  
Markets  
Served



**38M**

Travelers



Commercial  
Passenger  
Airlines

### HEALTHCARE & RESEARCH

Minnesota Has the  
**2nd Highest  
Total Number of  
Medical Device  
Patents**

In the Nation - "Compare Minnesota: Invention  
Patents", MN.gov

Minneapolis - St. Paul MSA is a  
**Top Ten U.S. City**  
for Corporate Innovation



- "Top 10 Cities for Corporate Innovation",  
Innovation Leader Magazine, May 2017

### MSP DEMOGRAPHICS

**3,628,856**

Minneapolis-St. Paul, Bloomington Population  
- U.S. Census Bureau, 2018

**#2 in the Nation**

#2 State in Percentage of the Population with Associate Degree or Higher  
- MN Office of Higher Education, [http://www.ohe.state.mn.us/sPages/educ\\_attain\\_cfm](http://www.ohe.state.mn.us/sPages/educ_attain_cfm)

**93.6%**

of Persons Age 25+ Hold High School Diploma or Higher | 88% National Average  
- U.S. Census Bureau, 2018

**3% Unemployment**

3.8% National Average, January 2019  
- U.S. Census Bureau, 2018

### LIFE & RETAIL IN MSP

**\$2 Billion**

in Economic Activity  
Generated for Minnesota by  
Mall of America



"Mall of America: By the Numbers."  
Mall of America, 2016,  
[www.mallofamerica.com/upload/  
FactSheets\\_2016.pdf](http://www.mallofamerica.com/upload/FactSheets_2016.pdf)

**#3 Best State**

Overall in the United States  
Based on 70 Metrics, 2019



"Best States Rankings."  
U.S. News, 2019,  
<https://www.usnews.com/news/best-states/rankings>

**\$59,736**

Average Per Capita Personal  
Income (2017), \$53,658 National  
Average (2018)



"Per Capita Personal Income in Minneapolis-St. Paul Bloomington MSA", Federal  
Reserve Bank of St. Louis, Economic  
Research

**Best Parks**

System in the Nation  
According to The Trust for  
Public Land's ParkScore®  
Index



"Minneapolis Repeats as  
Nation's Best Park System."  
Minneapolis Park & Recreation Board, May 23,  
2018, [www.MinneapolisParks.org](http://www.MinneapolisParks.org)

**#3 Fittest  
City**

Ranked by the American  
Fitness Index Summary  
2019



"ACSM American Fitness Index", American  
Fitness Index, May 2019,  
[www.americanfitnessindex.org](http://www.americanfitnessindex.org)

**#2 Ticket  
Sales**

In the Nation, Theater Tickets  
Sold Per Capita (NYC #1)



Meet Minneapolis - Things To Do, [https://  
www.minneapolis.org/things-to-do/arts-cul-  
ture/theaters/](https://www.minneapolis.org/things-to-do/arts-culture/theaters/)



# PAGE HEADER

## CARIBOU COFFEE | BIG LAKE, MN

	1 Mile	3 Miles	5 Miles
POPULATION			
2019 Population - Estimate	4,423	16,011	39,168
2024 Population - Five Year Projection	4,714	17,283	42,851
2019-2024 Annual Population Growth Rate Projection	1.28%	1.54%	1.81%
GENERATIONS			
Generation Alpha (Born 2017 or Later)	5.3%	5.0%	4.8%
Generation Z (Born 1999-2016)	27.3%	28.7%	27.7%
Millennials (Born 1981-1998)	27.9%	24.7%	25.0%
Generation X (Born 1965-1980)	20.7%	22.3%	22.2%
Baby Boomers (Born 1946-1964)	15.1%	15.7%	16.6%
HOUSEHOLD INCOME			
2019 Average Household Income	\$86,498	\$95,243	\$96,983
2024 Average Household Income	\$99,315	\$107,284	\$109,634
EDUCATION			
High School Diploma	22.0%	23.6%	23.3%
Some College - No Degree	24.1%	23.7%	23.8%
Associate's Degree	11.8%	12.2%	13.8%
Bachelor's Degree	24.6%	23.1%	21.6%
Graduate or Professional Degree	5.7%	7.0%	7.7%
EMPLOYMENT			
2019 Employed Civilian Population (16+)	98.7%	98.4%	98.0%
2019 Unemployed Population (16+)	1.3%	1.6%	2.0%
COMMUTE TIMES			
45-59 Minutes	15.8%	15.5%	13.8%
60-89 Minutes	13.8%	14.6%	11.6%



# DEMOGRAPHICS

CARIBOU COFFEE | BIG LAKE, MN





# CONSUMER BASE

CARIBOU COFFEE | BIG LAKE, MN

## DOMINANT TAPESTRY SEGMENT

### 40.5% UP AND COMING FAMILIES

- Ambitious, working hard to get ahead
- More ethnically diverse, more mobile, and younger than previous generations
- Seek the latest and best in technology
- Careful shoppers, aware of prices
- Young families still feathering the nest and establishing their style
- Busy with work and family

## OTHER TOP SEGMENTS

### 20.2% SOCCER MOMS

- Affluent, family-oriented market with a country flavor
- Well insured and invested in a range of funds
- Family oriented purchases and activities dominate
- Outdoor activities and sports are characteristic
- Favor time-saving devices like online banking or housekeeping services and family-oriented pursuits

## DOMINANT LIFEMODE GROUP

### 40.9% FAMILY LANDSCAPES

- Successful young families in their first homes
- Two workers in the family, prosperous married couple families
- Do-it-yourselfers who work on home improvement projects, as well as their lawns and gardens
- Eat out frequently at fast food or family restaurants

## DOMINANT URBANIZATION GROUP

### 62.1% SUBURBAN

- Urban expansion: commuters value low density living but demand proximity to jobs, entertainment and amenities of an urban center
- Well-educated, two-income households accept long commutes to raise children in family-friendly neighborhoods
- Invest for the future, insure themselves against unforeseen circumstances, but also enjoy fruits of their labor

### 19.3% MIDDLEBURG

Residents are conservative, family-oriented consumers  
Prefer to buy American and travel in the US  
Young couples, many with children  
Traditional values are the norm here: faith, family, and country

## CONTACT US

### SEAN DOYLE

First Vice President  
+1 612 336 4324  
sean.doyle2@cbre.com  
Lic. 20588764

### MATT HAZELTON

First Vice President  
+1 612 336 4328  
matt.hazelton@cbre.com  
Lic. 40449423

### AJ PRINS

First Vice President  
+1 612 336 4322  
aj.prins@cbre.com  
Lic. 20395954

### CORY VILLAUME

First Vice President  
+1 612 336 4323  
cory.villaume@cbre.com  
Lic. 20591922

SEE ALL LISTINGS AND LEARN MORE ABOUT US AT  
[WWW.CBRE.US/INVMINNEAPOLISRETAIL](http://WWW.CBRE.US/INVMINNEAPOLISRETAIL)

© 2019 CBRE, Inc. All rights reserved. This information has been obtained from sources believed reliable, but has not been verified for accuracy or completeness. You should conduct a careful, independent investigation of the property and verify all information. Any reliance on this information is solely at your own risk. CBRE and the CBRE logo are service marks of CBRE, Inc. All other marks displayed on this document are the property of their respective owners, and the use of such logos does not imply any affiliation with or endorsement of CBRE. Photos herein are the property of their respective owners. Use of these images without the express written consent of the owner is prohibited.

**CBRE**