

# LITTLE CAESARS & SUBWAY

Multi-Tenant Investment Opportunity



1801 GATEWAY DRIVE  
**GRAND FORKS** NORTH DAKOTA

ACTUAL SITE



Broker of Record: Marvin Greenberg, Dakota Commercial  
ND License No. 68663

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Rent Roll | Brand Profile



SRS National Net Lease Group is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in a drive-thru equipped, two-tenant pad, NN+ leased, Subway and Little Caesars investment property located in Grand Forks, North Dakota. The tenant, Subway, corporate guaranteed, has approximately 3 years remaining on their current term with 2 (5-year) option periods to extend. The tenant, Little Caesars, franchisee guaranteed, has approximately 3 years remaining on their current term with 2 (5-year) option periods to extend. Both tenants feature 10% rental increases at the beginning of each option period, growing NOI and hedging against inflation. The leases are NN+ with landlord responsibilities limited to roof and structure, low-management investment opportunity for a passive investor.

The subject property is located near the signalized, hard corner intersection of U.S. Highway 2 and U.S. Highway 81 with a combined (32,400 VPD). The building is equipped with a drive-thru, providing ease and convenience to consumers. On average, stores with drive-thrus generally experience higher sales than those without. Furthermore, the site is complete with a large pylon sign, providing excellent visibility along U.S. Highway 2. The site is well positioned just 1-mile northeast of the University of North Dakota, a premier education institution with more than 14,000 students currently enrolled. Nearby national/credit tenants include Walmart Supercenter, Aaron's, Home Place, Dollar Tree, Hugo's Family Marketplace, and more. The 5-mile trade area is supported by a population of over 68,000 residents and more than 51,000 employees. Residents within a 5-mile radius of the site have a healthy average household income of \$66,200.





Parcel Map

## Offering

PRICING	\$1,200,000
NET OPERATING INCOME	\$95,704
CAP RATE	8.00%
TENANTS	Subway (Corporate Guaranteed) Little Caesars (Franchisee Guaranteed)
LEASE TYPE	NN+
LANDLORD RESPONSIBILITIES	Roof and Structure
*Tenants pays 15% admin fee on all CAM expenses	

## Property Specifications

RENTABLE AREA	3,624 SF
LAND AREA	1.01 Acres
PROPERTY ADDRESS	1801 Gateway Drive Grand Forks, ND 58203
YEAR BUILT	1978
PARCEL NUMBER	44331500002000
OWNERSHIP	Fee Simple (Land & Building Ownership)



## **2-Tenant Offering | Options To Extend | Rental Increases**

- Multi-tenant building occupied by two fast food restaurants: Subway (Corporate guaranteed) and Little Caesars (Franchisee guaranteed)
- Both tenants have approximately 3 years remaining with 2 (5-year) option periods to extend
- Both tenants feature 10% rental increases at the beginning of each option periods, growing NOI and hedging against inflation

## **NN+ Leased | Fee Simple Ownership | Limited Landlord Responsibilities**

- Tenant pays for CAM, taxes, insurance, 15% admin fee on all CAM expenses, and maintains all aspects of the premises
- Landlord is responsible for roof and structure
- Low management investment for an out-of-state, passive investor

## **Near The Signalized Hard Corner Intersection | Drive-Thru Equipped | Large Pylon Sign**

- The subject property is located near the signalized, hard corner intersection of U.S. Highway 2 and U.S. Highway 81 with a combined (32,400 VPD)
- The building is equipped with a drive-thru, providing ease and convenience to consumers
- The site is complete with a large pylon sign, providing excellent visibility along U.S. Highway 2

## **University Of North Dakota (14,000 Students) | Nearby National/Credit Tenants**

- The site is well positioned just 1-mile northeast of the University of North Dakota, a premier education institution with more than 14,000 students currently enrolled
- Nearby national/credit tenants include Walmart Supercenter, Aaron's, Home Place, Dollar Tree, Hugo's Family Marketplace, and more

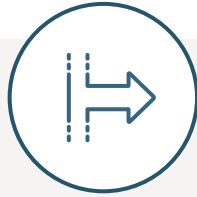
## **Local Demographics In 5-mile Trade Area**

- More than 68,000 residents and 51,000 employees support the trade area
- \$66,200 average household income



### Location

Located in  
Grand Forks County



### Access

Gateway Drive/U.S. Highway 2  
2 Access Points

13th Avenue N  
1 Access Point



### Traffic Counts

Gateway Drive/U.S. Highway 2  
19,800 Cars Per Day

N. Washington Street/ U.S. High-  
way 81 Business  
12,600 Cars Per Day



### Improvements

There is approximately 3,624 SF  
of existing building area



### Parking

There are approximately  
50 parking spaces on the  
owned parcel.

The parking ratio is  
approximately 13.80 stalls per  
1,000 SF of leasable area.



### Parcel

Parcel Number:  
44331500002000  
Acres: 1.01  
Square Feet: 44,130 SF



### Year Built

1978



### Zoning

B3 - General Business

NORTHLAND COMMUNITY  
& TECHNICAL COLLEGE

ANYTIME  
FITNESS



WILDER  
ELEMENTARY SCHOOL



4,200  
CARS PER DAY

U.S. HIGHWAY 2 BUSINESS



GRAND FORKS CENTRAL  
HIGH SCHOOL

3,700  
CARS PER DAY

MILL RD.

U-HAUL

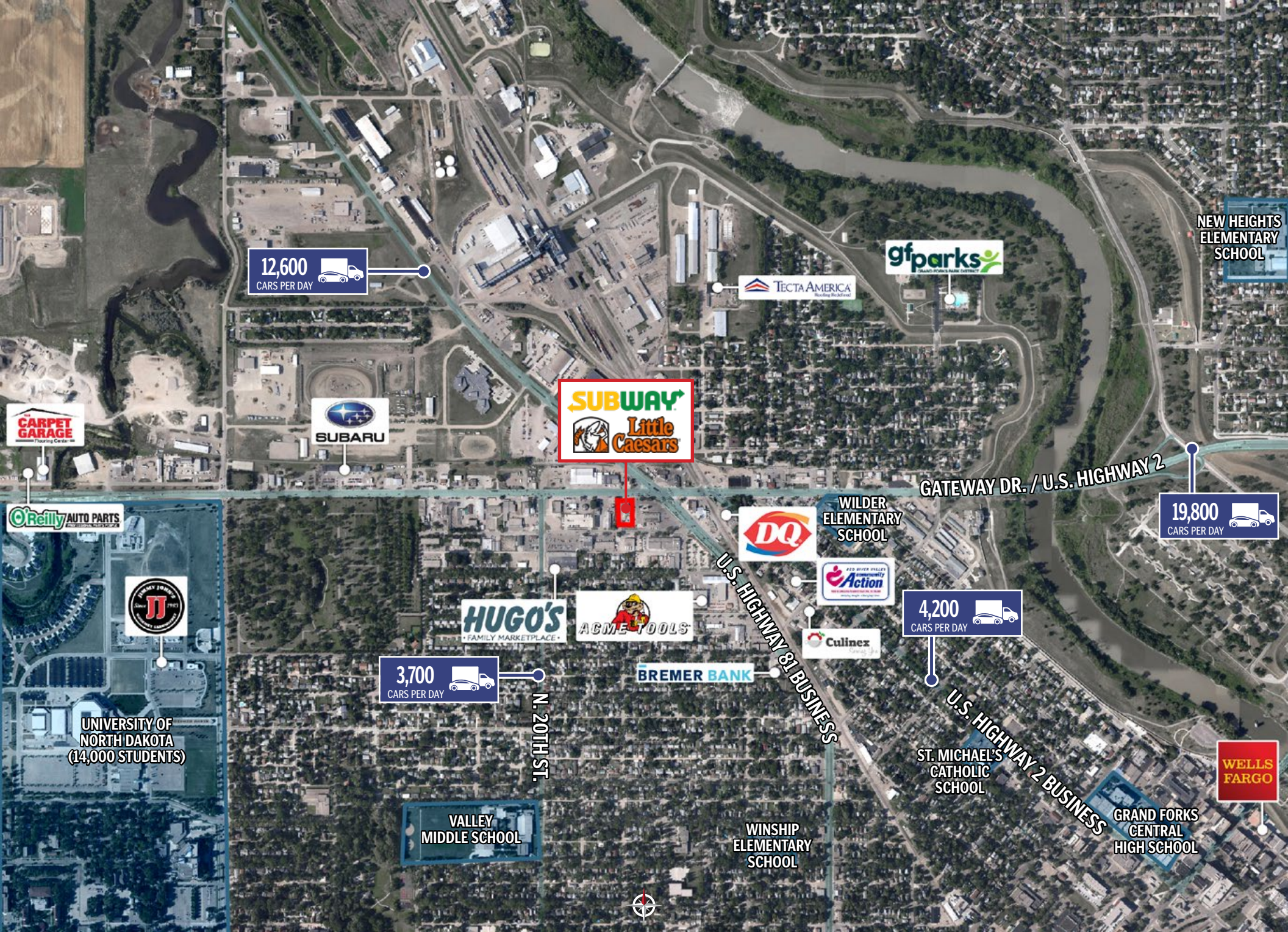
12,600  
CARS PER DAY

GATEWAY DR. / U.S. HIGHWAY 2

19,800  
CARS PER DAY

U.S. HIGHWAY 81 BUSINESS







GATEWAY DR.

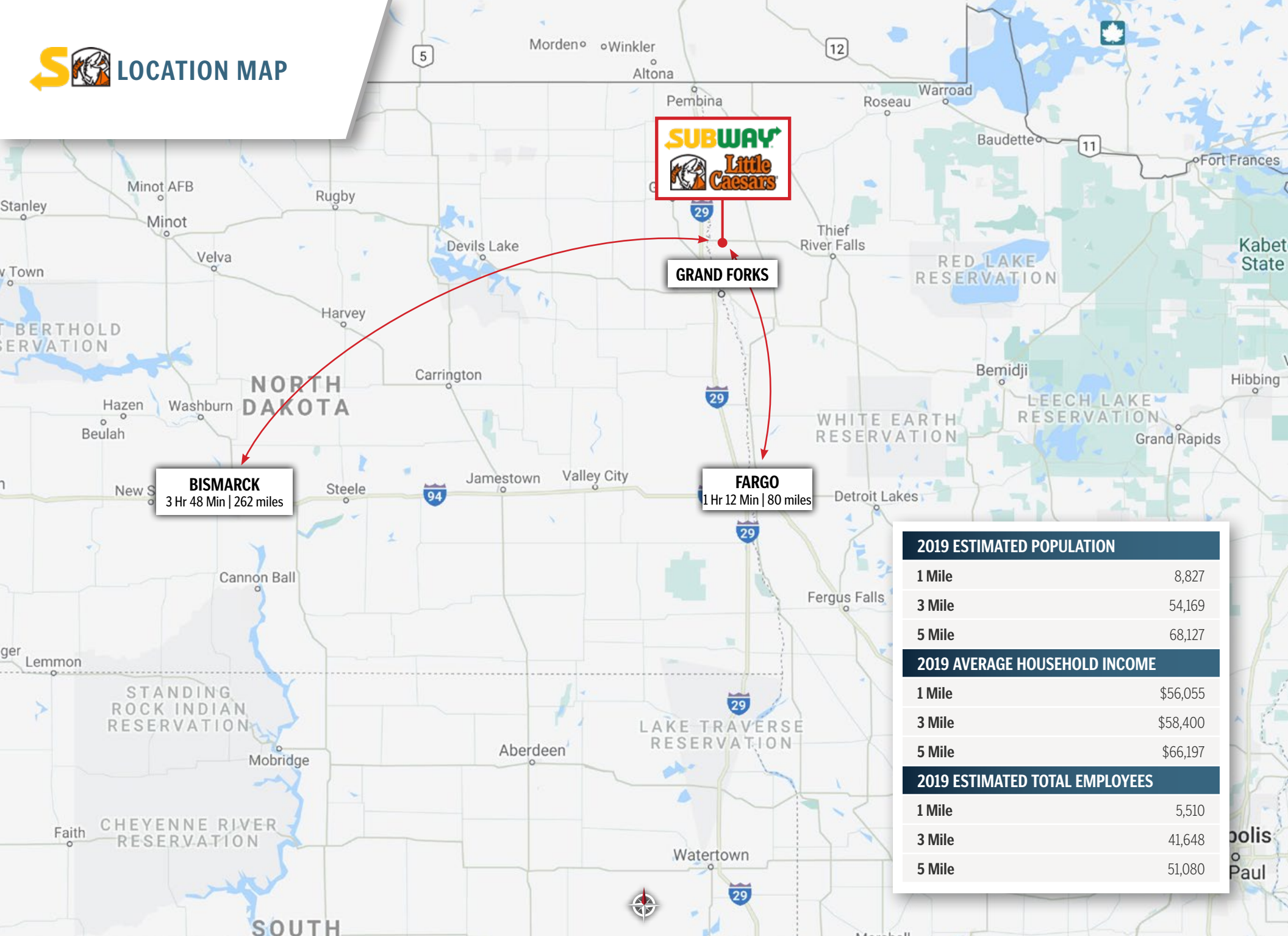
PYLON SIGN

19,800  
CARS PER DAY



13TH AVE. N.





**BISMARCK**  
3 Hr 48 Min | 262 miles

**FARGO**  
1 Hr 12 Min | 80 miles



**GRAND FORKS**

2019 ESTIMATED POPULATION	
1 Mile	8,827
3 Mile	54,169
5 Mile	68,127
2019 AVERAGE HOUSEHOLD INCOME	
1 Mile	\$56,055
3 Mile	\$58,400
5 Mile	\$66,197
2019 ESTIMATED TOTAL EMPLOYEES	
1 Mile	5,510
3 Mile	41,648
5 Mile	51,080



## Grand Forks, North Dakota

The City of Grand Forks was incorporated in 1881. The City of Grand Forks is located on the eastern border of North Dakota, in the rich Red River Valley, which is one of the most fertile agricultural areas in the world. The City provides its residents and businesses with a full range of services contemplated by statute or charter. This includes Public Safety (Police and Fire), Highways and Streets Construction and Maintenance, Sanitation, Health, Culture and Recreation, Public Improvements, Planning and Zoning, Water, Sewer, Public Transportation, and General Administrative Services. The City of Grand Forks is the 3rd largest city in North Dakota with a population of 58,135 as of July 1, 2019.

Besides the trading, historically, the agriculture industry has been a major factor in the City's continued growth and development of the successful business climate in the region. The Red River Valley boasts some of the United States' richest farmland. The agricultural sector has historically been a catalyst for the Grand Forks region's growth and development. Crops grown in the region support many businesses and manufacturing enterprises. Agriculture, education and medical services provide stability to the economy of the City. Principal employers of the City are University of North Dakota, Altru Health System, Grand Forks Air Force Base, Grand Forks School District, LM Wind Power (USA), Inc, Valley Memorial Home, City of Grand Forks, Development Homes, Hugo's and J. R. Simplot.

One can visit the Turtle River State Park while in Grand Forks. Those interested in the area's history may enjoy a trip to the North Dakota Museum of Art, the Myra Museum or Heritage Village. The Columbia Mall is the local shopping center. Riverside Park, Lincoln Park, University Park, Central Park and Elks Park are some of the local parks. Every year, Grand Forks hosts festivals like the Grand Cities Art Fest, the Rhubarb Festival and the Greater Grand Forks Fair and Exhibition.

Grand Forks and nearby Attractions are Columbia Mall, North Dakota Museum of Art, Splasher's of the South Seas Indoor Water Park, Lincoln Park Golf Course, Turtle River State Park and Myra Museum.

The city is home to the University of North Dakota. Minnesota State University-Moorhead, the North Dakota State College of Science and North Dakota State University also provide higher education in the area.

The nearest major airport is Grand Forks International Airport. This airport has domestic flights and is 8 miles from the center of Grand Forks, ND.

	1 MILE	3 MILES	5 MILES
2019 Estimated Population	8,827	54,169	68,127
2024 Projected Population	8,904	54,924	70,218
2010 Census Population	8,723	52,100	62,287
Projected Annual Growth 2019 to 2024	0.17%	0.28%	0.61%
Historical Annual Growth 2010 to 2019	0.13%	0.42%	0.97%
2019 Estimated Households	3,716	23,035	29,022
2024 Projected Households	3,782	23,540	30,170
2010 Census Households	3,617	21,774	26,074
Projected Annual Growth 2019 to 2024	0.35%	0.43%	0.78%
Historical Annual Growth 2010 to 2019	0.29%	0.61%	1.16%
2019 Estimated White	90.12%	85.75%	87.15%
2019 Estimated Black or African American	2.42%	5.02%	4.60%
2019 Estimated Asian or Pacific Islander	1.53%	3.44%	3.05%
2019 Estimated American Indian or Native Alaskan	3.52%	2.93%	2.59%
2019 Estimated Other Races	1.94%	1.58%	1.40%
2019 Estimated Hispanic	6.02%	5.45%	4.92%
2019 Estimated Average Household Income	\$56,055	\$58,400	\$66,197
2019 Estimated Median Household Income	\$40,732	\$40,192	\$45,700
2019 Estimated Per Capita Income	\$24,411	\$25,124	\$28,416
2019 Estimated Total Businesses	412	2,446	2,940
2019 Estimated Total Employees	5,510	41,648	51,080



Lease Term						Rental Rates					
TENANT NAME	SQUARE FEET	LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
Little Caesars (Franchisee Guaranteed)	1,200	Feb 2008	Jun 2022	Current	-	\$3,988	\$3.32	\$47,852	\$39.88	NN	2 (5-Year) Opt 1: \$51,440/Yr Opt 2: \$55,298/Yr
Subway (Corporate Guaranteed)	1,200	Feb 2008	Jan 2023	Current	-	\$3,988	\$3.32	\$47,852	\$39.88	NN	2 (5-Year) Opt 1: \$51,440/Yr Opt 2: \$55,298/Yr
Shared Eating Space	1,224	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,624</b>					<b>\$7,976</b>	<b>\$2.20</b>	<b>\$95,704</b>	<b>\$26.41</b>		

#### FINANCIAL INFORMATION

Price	\$1,200,000
Net Operating Income	\$95,704
Cap Rate	8.00%
Lease Types	NN+

#### PROPERTY SPECIFICATIONS

Year Built	1978
Rentable Area	3,625 SF
Land Area	1.01 Acres
Address	1801 Gateway Drive Grand Forks, ND 58203





Subway

[subway.com](http://subway.com)

**Company Type:** Private

**Locations:** 21,000+



The Subway restaurant chain continues to evolve the dining experience, offering guests in more than 100 countries quality ingredients, as well as robust flavor combinations with nearly 7 million made-to-order sandwiches created each day. The Subway brand provides an alternative to traditional fast food offering guests billions of sandwich, salad and wrap combinations. All Subway restaurants are owned and operated by almost 21,000 Franchise Owners who employ hundreds of thousands of people globally. It was founded in 1965 and headquartered in Milford, Connecticut



Little Caesar Enterprises Inc.

[littlecaesars.com](http://littlecaesars.com)

**Company Type:** Private

**Locations:** 4,332



Little Caesars is the largest carryout-only pizza chain in the United States. Headquartered in Detroit, Michigan and founded in 1959 as a single, family-owned restaurant, Little Caesars has become the third largest pizza chain in the world with stores in 20 countries and territories worldwide, including in each of the 50 U.S. states. Known for its HOT-N-READY pizza and famed Crazy Bread, Little Caesars has been named “Best Value in America” for ten years in a row. Little Caesars products are made with quality ingredients, like fresh, never frozen, mozzarella and Muenster cheese, dough made fresh daily in the stores and sauce made from fresh-packed, vine-ripened California crushed tomatoes.



NATIONAL NET LEASE GROUP

**SRS NATIONAL NET LEASE GROUP IS THE EXCLUSIVE NET LEASE CAPITAL MARKETS TEAM OF SRS REAL ESTATE PARTNERS.**

**275+**

**RETAIL  
PROFESSIONALS**

**25+**

**OFFICES**

**#1**

**LARGEST REAL ESTATE  
SERVICES FIRM**  
in North America  
exclusively dedicated to retail

**1500+**

**RETAIL LISTINGS**  
in 2018

**\$2.6B**

**TRANSACTION  
VALUE**  
in 2018

This Offering Memorandum has been prepared by SRS National Net Lease Group (SRS) and has been approved for distribution by the owner. Although effort has been made to provide accurate information, neither the owner nor SRS can warrant or represent accuracy or completeness of the materials presented herein or in any other written or oral communications transmitted or made available to the purchaser. Many documents have been referred to in summary form and these summaries do not purport to represent or constitute a legal analysis of the contents of the applicable documents. Neither owner nor SRS represents that this offering summary is all inclusive or contains all of the information a purchaser may require. All of the financial projections and/or conclusions presented herein are provided strictly for reference purposes and have been developed based upon assumptions and conditions in effect at the time the evaluations were undertaken. They do not purport to reflect changes in the economic performance of the property or the business activities of the owner since the date of preparation of this Offering Memorandum. The projected economic performance of the property, competitive submarket conditions, and selected economic and demographic statistics may have changed subsequent to the preparation of the package. Qualified purchasers are urged to inspect the property and undertake their own independent evaluation of the property, the market and the surrounding competitive environment.

\*Statistics are for 2018

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