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DENNY'S - BROOKLYN CENTER

6405 North James Circle • Brooklyn Center, MN 55430

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DENNY'S - BROOKLYN CENTER
Brooklyn Center, MN
ACT ID ZAA0510171

Marcus & Millichap

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Marcus & Millichap

PROPERTY SUMMARY

THE OFFERING	
Property	Denny's
Property Address	6405 North James Circle Brooklyn Center, MN 55430
Price	\$1,609,756
Capitalization Rate	6.15%
Price/SF	\$306.62

PROPERTY DESCRIPTION	
Year Built / Renovated	1996
Gross Leasable Area	5,250 SF
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	1.01 Acres

LEASE SUMMARY	
Property Subtype	Net Leased Restaurant
Tenant	Denny's
Rent Increases	Every 5 years
Guarantor	Personal Guarantee ★
Lease Type	NNN
Lease Commencement	1/25/2006
Lease Expiration	12/31/2034
Lease Term	29
Term Remaining on Lease (Years)	14.8
Renewal Options	Two 5-Year Options
Landlord Responsibility	None
Tenant Responsibility	Everything
Right of First Refusal/Offer	No

ANNUALIZED OPERATING INFORMATION

INCOME	
Net Operating Income	\$99,000

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$99,000	\$8,250	\$18.86	6.15%
2021	\$99,000	\$8,250	\$18.86	6.15%
2022	\$99,000	\$8,250	\$18.86	6.15%
2023	\$99,000	\$8,250	\$18.86	6.15%
2024	\$99,000	\$8,250	\$18.86	6.15%
2025	\$106,200	\$8,850	\$20.23	6.60%
2026	\$106,200	\$8,850	\$20.23	6.60%
2027	\$106,200	\$8,850	\$20.23	6.60%
2028	\$106,200	\$8,850	\$20.23	6.60%
2029	\$106,200	\$8,850	\$20.23	6.60%
2030	\$113,940	\$9,495	\$21.70	7.08%
2031	\$113,940	\$9,495	\$21.70	7.08%
2032	\$113,940	\$9,495	\$21.70	7.08%
2033	\$113,940	\$9,495	\$21.70	7.08%
2034	\$113,940	\$9,495	\$21.70	7.08%



NOTE: Personal guarantee is through 12/31/2025.

EXECUTIVE SUMMARY

OFFERING SUMMARY

Price	\$1,609,756
Net Operating Income	\$99,000
Capitalization Rate – Current	6.15%
Price / SF	\$306.62
Rent / SF	\$18.86
Lease Type	NNN
Gross Leasable Area	5,250 SF
Year Built / Renovated	1996
Lot Size	1.01 acre(s)

FINANCING

Loan Amount	\$1,126,829
Loan Type	Financed - New Loan
Loan to Value	70.00%
Down Payment	30% / \$482,927
Interest Rate / Amortization	4.1% / 20 Years
Annual Loan Payment	\$82,655
Net Cash Flow After Debt Service	3.38% / \$16,345
Cash on Cash Return	3.38%
Total Return	11.08% / \$53,493



MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES *
Medtronic	5,525
NORTH MEMORIAL MEDICAL CENTER	3,300
Goodwill Industries Inc	3,042
Wilsons Leather Experts Inc	2,998
Hy-Vee Food Store 1040	2,884
Smiths Medical Md Inc	2,580
Medtronic Usa Inc	2,500
Medtronic World Trade Corp	2,500
Integrus Metals	2,400
Cummins Power Generation Inc	2,303
Rivervillage North	1,700
Target	1,319

DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2018 Estimate Pop	10,642	108,089	302,919
2010 Census Pop	10,172	103,144	287,506
2018 Estimate HH	3,920	40,023	115,612
2010 Census HH	3,772	38,317	109,960
Median HH Income	\$46,881	\$54,843	\$57,718
Per Capita Income	\$21,882	\$25,420	\$28,172
Average HH Income	\$59,292	\$68,443	\$73,504

* # of Employees based on 5 mile radius

INVESTMENT OVERVIEW

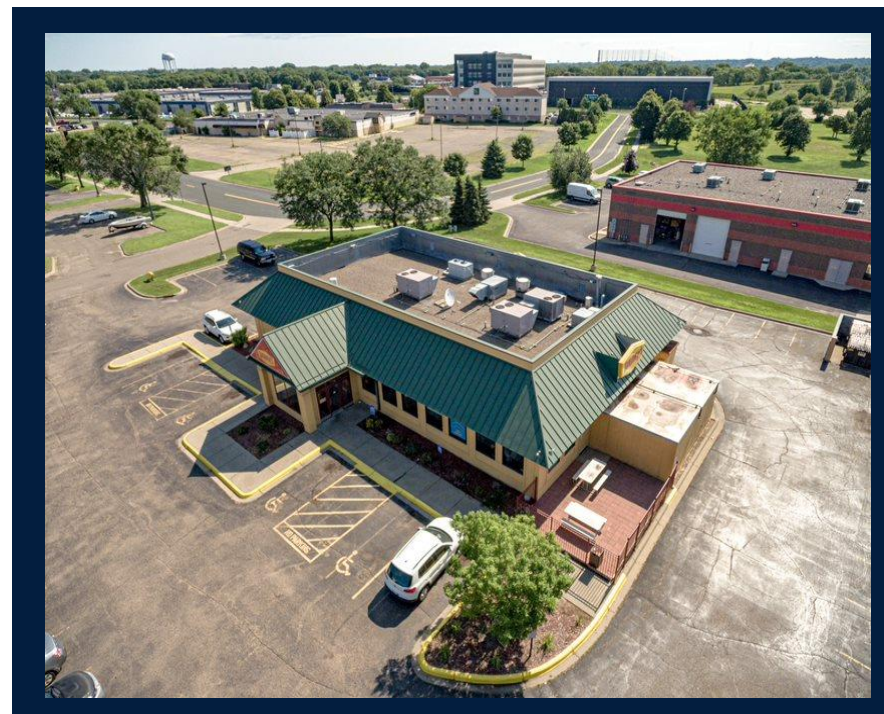
This Denny's asset features an absolute NNN lease that was recently extended to 15 years demonstrating the tenant's commitment to the site. The operator is an experienced Denny's franchisee with several other locations in Minnesota.

The subject property is practically surrounded by Hotels with eight existing hotels and a 9th under construction providing a strong built-in flow of diners.

The property is ideally situated in a densely populated area. Per Costar, population counts for 2019 within five miles of the property are 302,000 with an expected population in 2024 of 314,000, which would be a growth of 3.89%.

Casey's General Store has a new location currently under construction adjacent to the property at the corner of Shingle Creek Parkway and Freeway Boulevard, demonstrating the continued desirability of the location.

The property has direct exposure to Interstate 94 and its 135,000 vehicles per day.



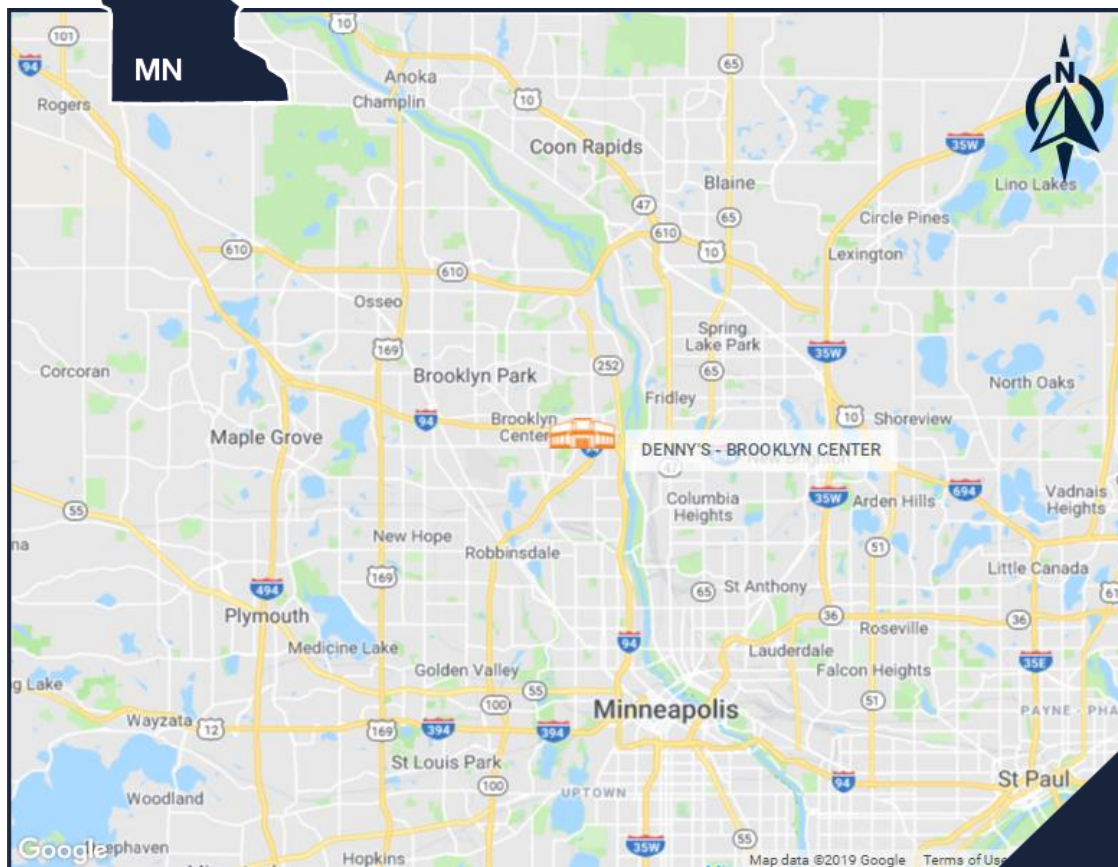
INVESTMENT HIGHLIGHTS

- Consistent Sales Performance & Profitable Location
- Absolute NNN Lease, Recently Extended to 15 Years
- Eight Hotels in Immediate Area With a Ninth Under Construction
- Densely Populated Area With 302K People Within 5 Miles (Per Costar 2019)
- Personal Guarantee From Operator Thru 2025
- Direct Exposure to I-94 and 135K Vehicles Per Day
- New Casey's Currently Under Construction Adjacent to the Property
- Conservative Rent PSF





6405 North James Circle, Brooklyn Center, MN 55430



- Lease Was Recently Extended to 15 Years
- Eight Hotels in immediate Area With a Ninth Under Construction
- Direct Visibility to I-94 Featuring 135K Vehicles Per Day
- Densely Populated Area with 302K People Within 5 Miles Per Costar, 2019
- New Casey's General Store Under Construction Adjacent to the Subject Property
- Across the Interstate from Earl Brown Heritage and Event Center.

Located just off the busy intersection of I-94 and Shingle Creek Parkway.

CLOSE PROXIMITY TO:



Airport



Major Highway



Hotel

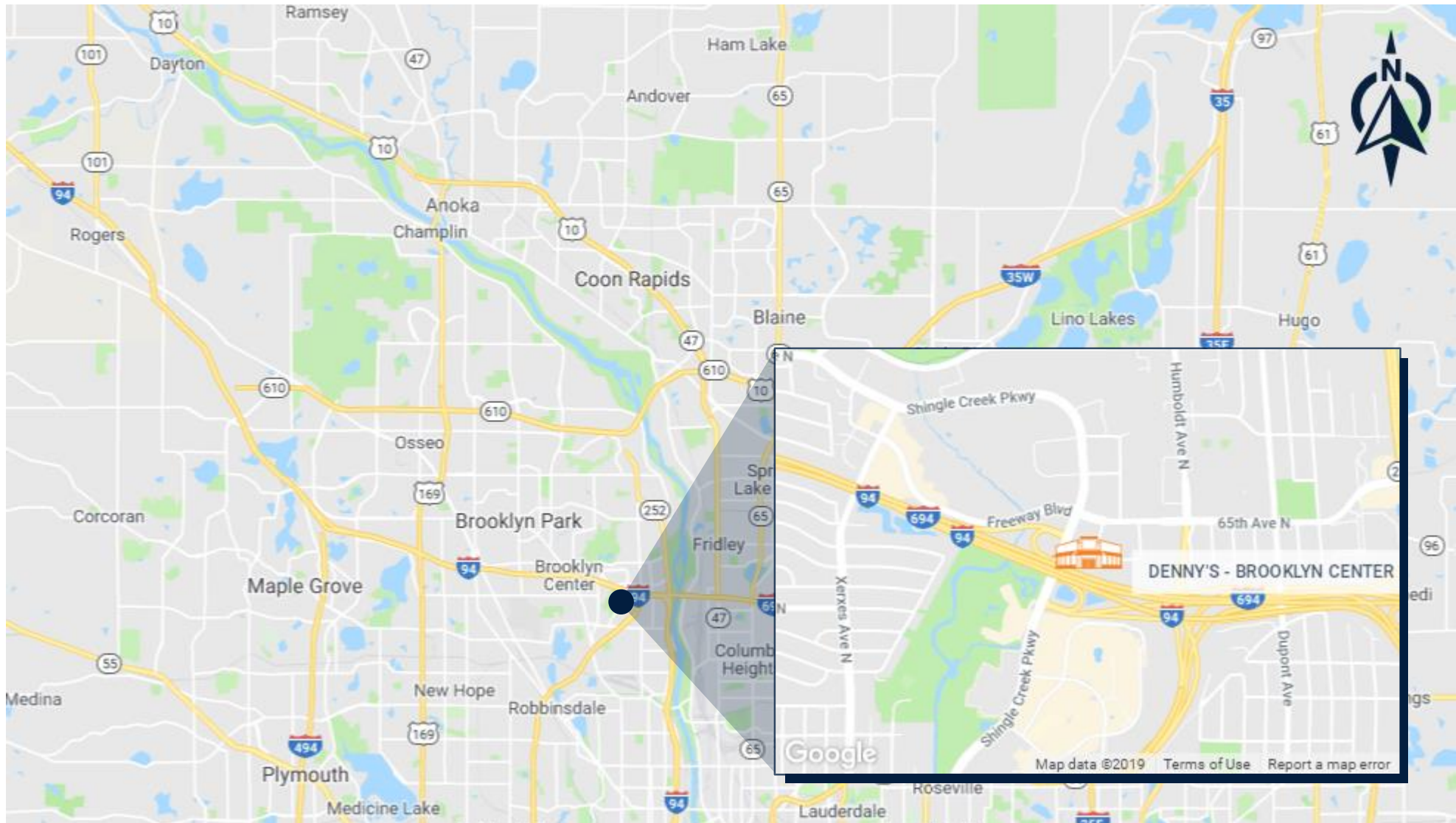


Downtown



Schools

6405 North James Circle, Brooklyn Center, MN 55430



I-94
(135K VPD)



SHINGLE
CREEK PKWY
(16K VPD)

Norwood
Inn & Suites
(RECENT RENO)

SUBJECT PROPERTY





ECUMEN® Prairie Lodge



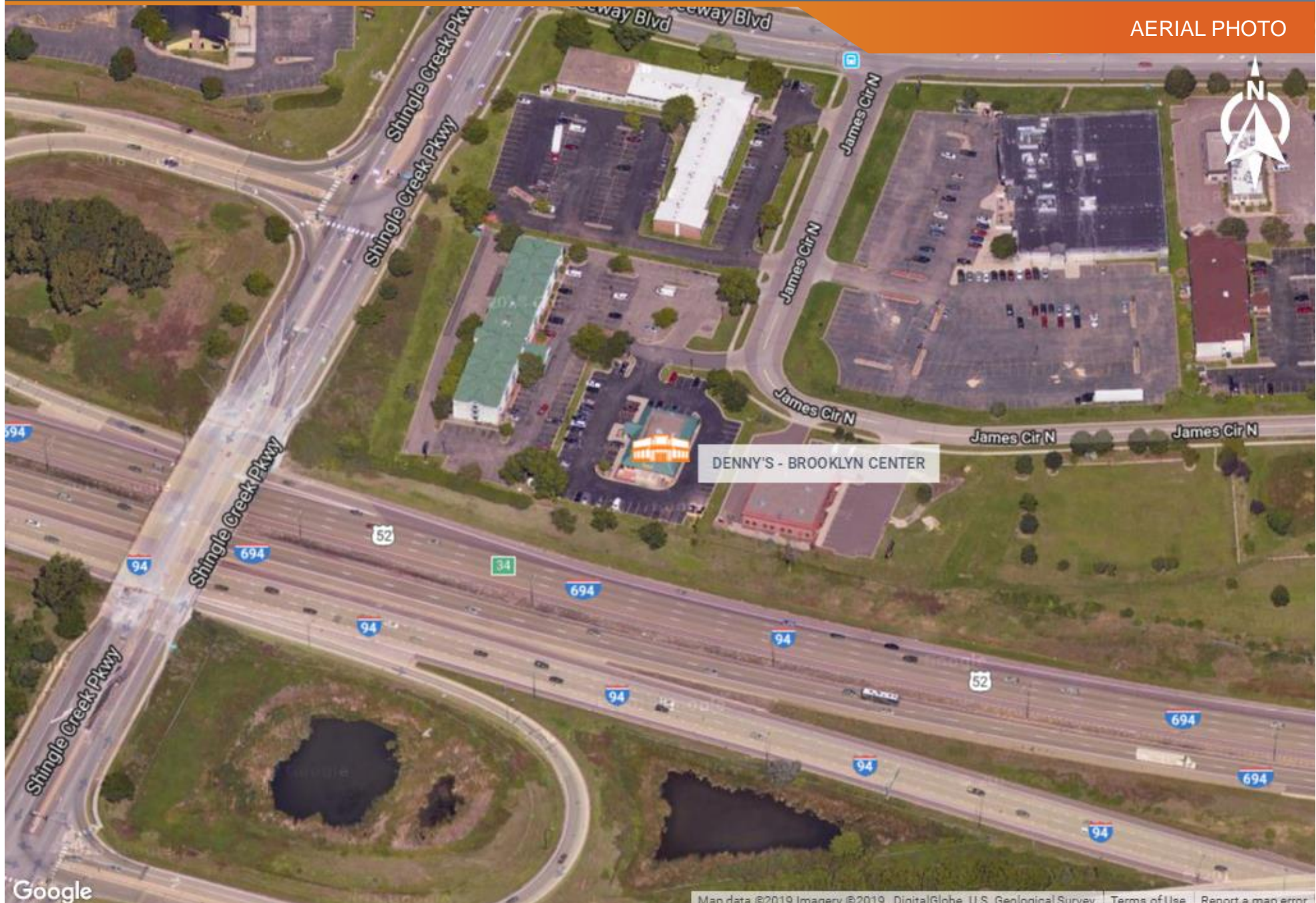
SHINGLE CREEK PKWY
(16K VPD)

I-94
(135K VPD)



Norwood
Inn & Suites
(RECENT RENO)

SUBJECT PROPERTY



Google

Map data ©2019 Imagery ©2019 DigitalGlobe U.S. Geological Survey Terms of Use Report a map error

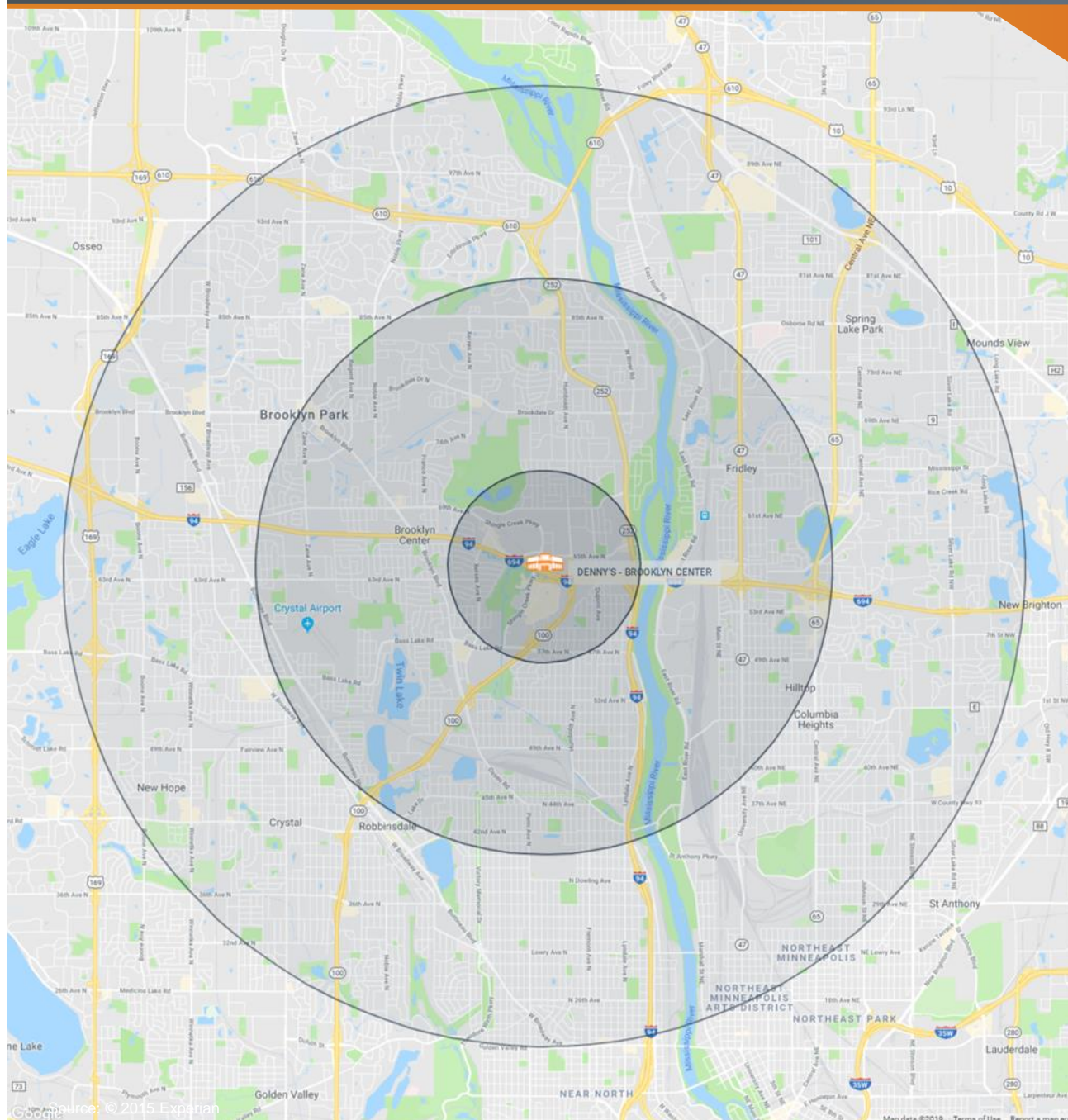


DENNY'S - BROOKLYN CENTER

DEMOGRAPHICS



CREATED ON JULY 11, 2019



	1 Miles	3 Miles	5 Miles
POPULATION			
2023 Projection	10,336	105,617	299,372
2018 Estimate	10,642	108,089	302,919
2010 Census	10,172	103,144	287,506
2000 Census	10,338	102,512	289,519
INCOME			
Average	\$59,292	\$68,443	\$73,504
Median	\$46,881	\$54,843	\$57,718
Per Capita	\$21,882	\$25,420	\$28,172
HOUSEHOLDS			
2023 Projection	3,940	40,190	117,191
2018 Estimate	3,920	40,023	115,612
2010 Census	3,772	38,317	109,960
2000 Census	4,096	40,062	112,156
HOUSING			
2018	\$168,572	\$173,145	\$184,152
EMPLOYMENT			
2018 Daytime Population	13,694	86,436	267,445
2018 Unemployment	3.75%	3.87%	4.13%
2018 Median Time Traveled	27	26	26
RACE & ETHNICITY			
White	39.24%	49.19%	56.63%
Native American	0.01%	0.05%	0.04%
African American	32.87%	25.95%	22.13%
Asian/Pacific Islander	15.56%	13.70%	11.28%



Denny's Corporation



CREDIT RATING: C2

www.fdreports.com | www.creditintell.com | March 27, 2019

General Information

Address	203 East Main Street , Spartanburg, South Carolina, 29319, United States
Phone	864-597-8000
Website	www.dennys.com

Key Personnel

Chief Financial Officer	Mark Wolfinger
President & CEO	John C. Miller
Chairman	Brenda J. Lauderback

Store Base

Store Count	1,705
TTM Sales	\$626,317,000

Financial Markets

Stock Ticker	DENN
Current Price	\$21.65 as of 7/22/19
52 Week High/Low	\$22.00 / \$13.32

Feel like getting slammed for breakfast? The home of the Grand Slam Breakfast, Denny's is one of the leading full-service, family-style restaurant chains in the US, with more than 1,710 of its signature eateries located across the country. Typically open 24 hours a day, the chain is best known for its menu of breakfast items, including eggs, pancakes, and combination plates carrying such names as All-American Slam, Lumberjack Slam, and the aforementioned Grand Slam Breakfast. Denny's also serves standard American fare (burgers, sandwiches, steak) for lunch and dinner. The company owns and operates about 165 of its restaurants, while the rest are franchised or operate under licensing agreements.

Fiscal Year Ended December 26, 2018

Credit Rating Chart Comparison Creditintell | F&Dreports

Please note that our rating model is our own proprietary model and is not meant to align with other rating agency models. This comparison was compiled purely for informational purposes based on a representative sampling of ratings on various retailers.

RATING	CREDIT QUALITY	EST. S&P
A1	Excellent	AAA
A2	Excellent	AA (+/-)
B1	Good	A (+/-)
B2	Good	BBB (+/-)
C1	Satisfactory	BB(+/-)
C2	Satisfactory	B+
D1	Below Satisfactory	B
D2	Below Satisfactory	B-
E1	Poor	CCC+/CCC
E2	Poor	CC
F1	Critical	C
F2	Critical	D

BROOKLYN CENTER OVERVIEW

Brooklyn Center, MN is located in Hennepin County. The city is on the west bank of the Mississippi River on the northwest border of Minneapolis. Brooklyn Center is one of the original inner-ring suburbs of Minneapolis-St. Paul, the sixteenth largest metropolitan area in the United States, with about 3.63 million residents.

Formed as the center of local trade in the former Brooklyn Township since 1873, the rural area farmed market gardening for the nearby growing population of Minneapolis.

The village of Brooklyn Center incorporated in 1911, splitting from Brooklyn Township, to avoid annexation from the expanding city of Minneapolis. It incorporated as a city in 1966. The city became a bedroom community and industrial job center following postwar growth. It was the site of the regional mall Brookdale Center. The headquarters of Caribou Coffee moved into the city in 2004.

The city contains the site of the historic Earle Brown farm, home to Earle Brown, founder of the Minnesota State Patrol and first Sheriff of Hennepin County. The farm has been refurbished and now contains a bed and breakfast, event center, and office spaces.

Brooklyn Center is also home the FBI's Minneapolis field office, a \$61M facility constructed in 2010/11.



MINNEAPOLIS-ST. PAUL OVERVIEW

The Minneapolis-St. Paul metro is a hub for corporate headquarters, consisting of 16 counties, 14 in the southeastern portion of central Minnesota and two in western Wisconsin. The metro has a population of almost 3.6 million people and covers 6,364 square miles. Nearly 1,000 of Minnesota's 10,000 lakes are located within the metro, along with the Mississippi, Minnesota and St. Croix rivers. The Twin Cities of Minneapolis and St. Paul straddle the Mississippi River. The Twin Cities metro area encompasses the seven core counties of the region, the most populous being Hennepin County with more than 1.2 million residents. Minneapolis is the most populated city in the state with more than 413,000 citizens, followed by St. Paul, the capital city, which has approximately 303,000 people.

METRO HIGHLIGHTS



DIVERSE ECONOMIC BASE

The metro's economy includes food production and delivery, information technology, biomedical technology, retail, finance, and logistics.



ATTRACTIVE BUSINESS ENVIRONMENT

Companies are drawn to the region's high quality of living, skilled and growing labor force, as well as the strong work ethic.



ABUNDANCE OF HIGHER EDUCATION

More than 20 colleges and universities are located throughout the metro, producing a highly educated pool of workers.



ECONOMY

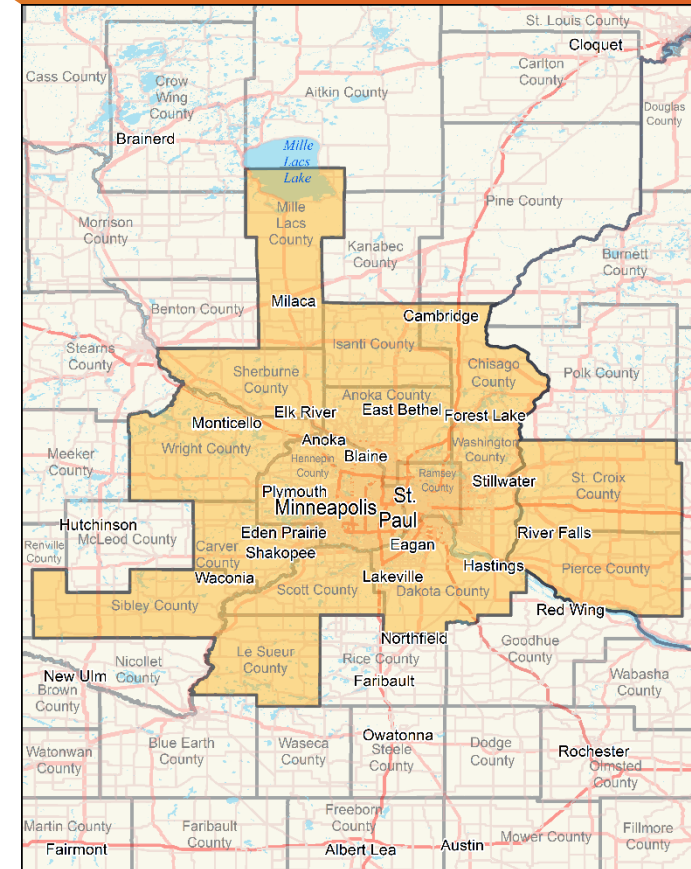
- The metro's diverse economic base includes 18 Fortune 500 companies such as Target, UnitedHealth Group, 3M, Ameriprise Financial, Ecolab, U.S. Bancorp and General Mills.
- A strong manufacturing sector encompasses both traditional and high-tech manufacturing.
- Medical institutions including the University of Minnesota and the Mayo Clinic underpin a growing biomedical research and development sector.
- Minneapolis, with its strong financial base, houses the Ninth Federal Reserve District, which services Minnesota, the Dakotas, Montana and portions of Michigan and Wisconsin.

MAJOR AREA EMPLOYERS

Target Corp.
University of Minnesota
Allina Health
Fairview Health Services
Best Buy Co., Inc.
Wells Fargo
3M Co.
United Health Group, Inc.
HealthPartners
U.S. Bancorp



MARKET OVERVIEW



SHARE OF 2018 TOTAL EMPLOYMENT

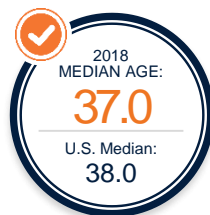




DEMOGRAPHICS

- The metro is expected to add nearly 166,000 people through 2023, resulting in the formation of approximately 83,000 households and generating demand for housing. Vacancy rates in the metro consistently rank among the nation's lowest.
- Incomes above the national average contribute to a homeownership rate of 70 percent, compared with 64 percent for the U.S.
- Roughly 39 percent of the population hold a bachelor's degree, and 13 percent of those residents also have obtained a graduate or professional degree.

2018 Population by Age



QUALITY OF LIFE

The growing urban region is home to six professional sports teams: the Minnesota Vikings, the Minnesota Twins, the Minnesota Timberwolves, the Minnesota Lynx, the Minnesota Wild and the Minnesota United. College sports are enjoyed at the University of Minnesota Twin Cities campus. The Vikings new facility (US Bank Stadium) held Super Bowl 52 in 2018 and is set to host this year's Men's NCAA Final Four. The area is noted for the array of orchestras, art museums and gardens. With more than 100 theater venues, the region is the third-largest theater market in the country. Strong arts education is supported by the Minneapolis College of Arts and Design, the Children's Theatre Company, MacPhail Center for the Arts and the Perpich Center for Arts.

* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



SPORTS



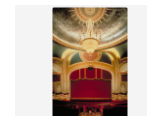
EDUCATION



MACALESTER
COLLEGE



ARTS & ENTERTAINMENT



MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources providing the most competitive rates and terms.

We leverage our prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues to the benefit of our clients.



Closed 1,678
debt and equity
financings
in 2018



National platform
operating
within the firm's
brokerage offices



\$6.24 billion
billion total
national
volume in 2018



Access to more
capital sources
than any other
firm in the
industry

WHY MMCC?

Optimum financing solutions to enhance value

Our ability to enhance buyer pool by expanding finance options

Our ability to enhance seller control

- Through buyer qualification support
- Our ability to manage buyers finance expectations
- Ability to monitor and manage buyer/lender progress, insuring timely, predictable closings
- By relying on a world class set of debt/equity sources and presenting a tightly underwritten credit file