

KOHL'S

KOHL'S
ROCHESTER, MINNESOTA

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM

\$9,870,000 | 7.00% CAP RATE

- » Long-Term Net Lease to Investment-Grade Credit Tenant | NYSE: "KSS"
 - » Rated "BBB-" by S&P and "Baa2" by Moody's
 - » Over 1,100 Stores in 49 States | Annual Revenue \$19.1 Billion
- » Irreplaceable Infill Location in a Highly Populated and Affluent Area
 - » 93,653 Residents Within a Five-Mile Radius of the Property
 - » Prominent Location South Broadway Avenue (45,500 Vehicles Per Day)
 - » Average Household Income Within One Mile of the Property is \$111,644
- » Central Location Near Large Employers, Retailers, and Community Hubs
 - » Three Miles From Downtown Rochester and Mayo Clinic (35,249 Employees and Two Million Annual Visitors)
- » Large, 8.61 Acres Lot in a Large Shopping Center Featuring Well-Known National Brands, Including Bed Bath & Beyond, Michaels, Five Below, DSW, Massage Envy, and More



ACTUAL SITE

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Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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**YURAS
AICALE
FORSYTH
CROWLE**

Leased Investment Team

www.YAFteam.com

INVESTMENT SUMMARY

ADDRESS	20 25th Street Southeast, Rochester, Minnesota	
PRICE	\$9,870,000	
CAP RATE	7.00%	
NOI	\$690,883	
TERM	11 years remaining	
RENT COMMENCEMENT	January 30, 2001	
LEASE EXPIRATION	January 30, 2031	
RENTAL INCREASES	YEAR Jan. 2021-Jan. 2031 Jan. 2031-Jan. 2036 (Option 1) Jan. 2036-Jan. 2041 (Option 2) Jan. 2041-Jan. 2046 (Option 3) Jan. 2046-Jan. 2051 (Option 4) Jan. 2051-Jan. 2056 (Option 5) Jan. 2056-Jan. 2061 (Option 6) Jan. 2061-Jan. 2066 (Option 7)	RENT \$690,883 \$700,465 \$700,465 \$700,465 \$700,465 \$700,465 \$721,551 \$742,848
YEAR BUILT	2001	
BUILDING SF	86,584 SF	
PARCEL SIZE	8.61 acres (375,108 SF)	
LEASE TYPE	NNN lease, with tenant responsible for all taxes, utilities, insurance, and maintenance, excluding roof, structure and parking lot replacement	

ACTUAL SITE



LONG-TERM NET LEASE TO ICONIC TENANT WITH STRONG FINANCIALS

- » Kohl's (NYSE: "KSS") is a leading omnichannel retailer with more than 1,100 stores in 49 states
- » Recent 10 Year Lease Extension
- » Listed on both the S&P 500 and the Fortune 500
- » Annual revenue of \$19.1 billion
- » Investment grade tenant, rated "BBB-" by S&P and "Baa2" by Moody's
- » Among the largest department store chains in the U.S.

HIGH-TRAFFIC LOCATION IN DENSE RETAIL CORRIDOR

- » Conveniently located at the signalized intersection of South Broadway Avenue and 25th Street Southeast, with excellent visibility and access to 45,500 vehicles per day
- » Immediate access to U.S. Highway 52, with a high traffic volume of 52,000 vehicles per day near the property
- » The property anchors a large shopping center featuring well-known national brands, including Bed Bath & Beyond, Michaels, Five Below, DSW, Massage Envy, and more
- » Located along one of Rochester's primary retail corridors, the property is surrounded by major retailers, including Walmart Supercenter, Menards, Shopko, Marshalls, Target, Lowe's, and Fleet Farm

CENTRAL LOCATION WITH ROBUST DEMOGRAPHICS

- » Centrally located approximately three miles from Downtown Rochester, where many of Mayo Clinic's facilities are located
- » Forming the core of Rochester's economy, Mayo Clinic employs 35,249 and draws more than two million visitors annually
- » The neighborhood around Mayo Clinic is currently being developed per the Destination Medical Center (DMC) initiative, a unique 20-year economic development plan that is expected to create more than 30,000 new jobs and generate approximately \$7.5 to \$8.0 billion in new net tax revenue over 35 years
- » Supported by affluent demographics; the average household income within one mile of the property is \$111,644, and average household incomes within three- and five-mile radii are above \$96,000
- » Located in a densely populated area, with 93,653 residents living within a five-mile radius



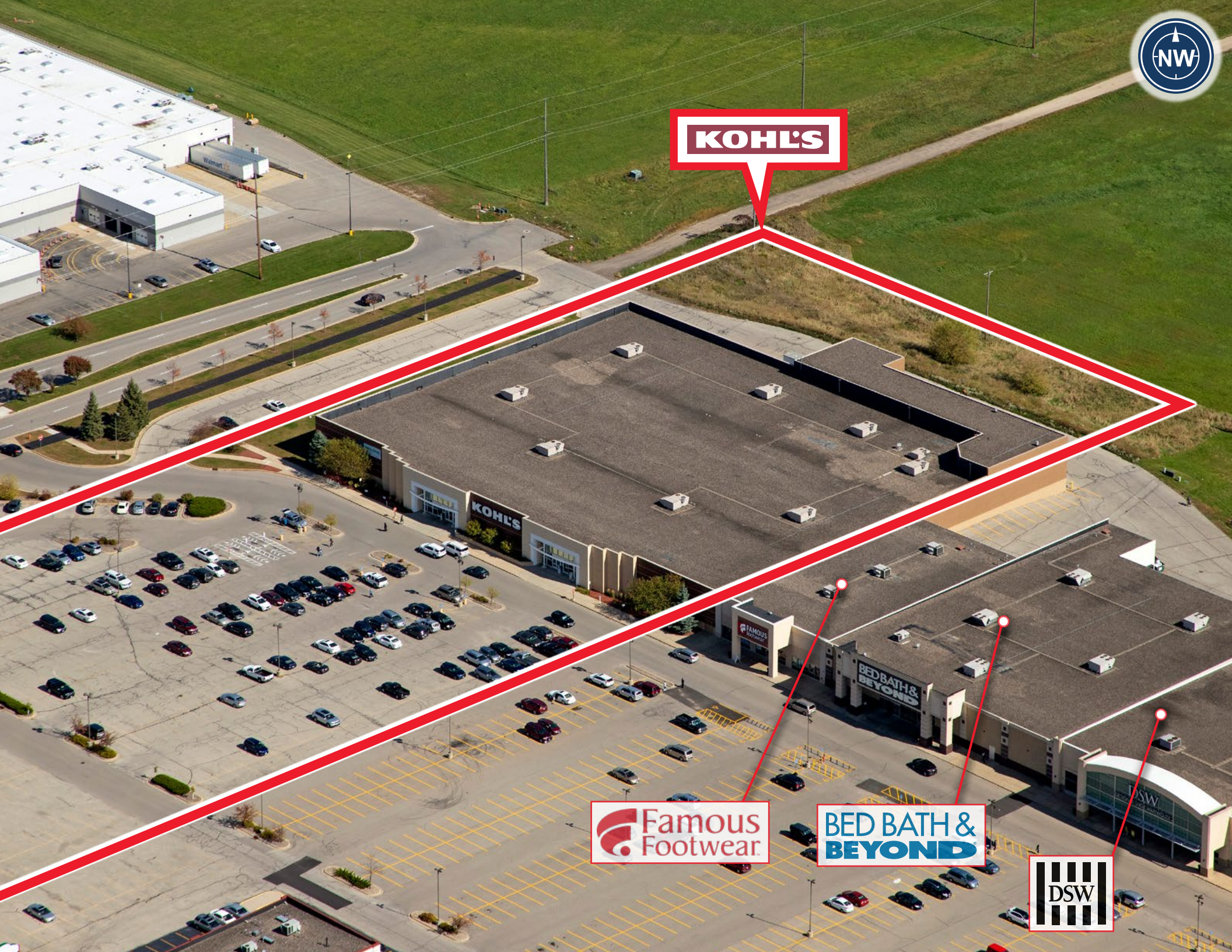
KOHL'S

KOHL'S

**Famous
Footwear**

**BED BATH &
BEYOND**

DSW





MAYO CLINIC
HEALTH SYSTEM
Multiple Locations
(35,249 employees and 2 million annual visitors)

kmart

DOWNTOWN ROCHESTER
(3 miles)

Friedell Middle School
(460 students)



Walgreens

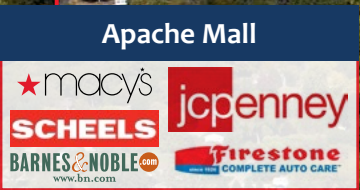


INDUSTRIAL REGION

SENECA
(241 regular employees and 327 seasonal employees)

Econo Lodge
(62 rooms)

Super 8
(69 rooms)



Marshalls



South Broadway Avenue
(45,500 AADT)

KOHL'S

BED BATH & BEYOND



Michaels
Where Creativity Happens™



52 / U.S. Highway 52
(52,000 AADT)

Pinewood
Elementary School
(292 students)

Willow Creek
Middle School
(800 students)

Walmart
Supercenter

KOHL'S

**Famous
Footwear**

dressbarn

Michaels
Where Creativity Happens™

**BED BATH &
BEYOND**

five BELOW

**S Sterling
State Bank**



Massage Envy

DSW

COLD STONE
CREAMERY

**BURGER
KING**

South Broadway Avenue
(45,500 AADT)



ROCHESTER
INTERNATIONAL AIRPORT
(6 miles)

Fleet Farm

LOWE'S
BEST BUY

NOODLES
& COMPANY

TSC
TRACTOR
SUPPLY CO

TARGET
OLD NAVY
PETSMART

COUNTRY
INN & SUITES
(104 rooms)



52 / U.S. Highway 52
(52,000 AADT)

SHOPKO
Hometown
Payless
SHOESOURCE

extended
STAY
AMERICA
(98 rooms)

Wendy's

Goodwill

SHERWIN
WILLIAMS

five BELOW

dressbarn

COLD STONE
CREAMERY

Culver's
Welcome to delicious

Michaels
Where Creativity Happens

DSW

BURGER
KING

Massage Envy

BED BATH &
BEYOND

Famous
Footwear

KOHL'S

Walmart
Supercenter

Sterling
State Bank

South Broadway Avenue
(45,500 AADT)

SITE PLAN



KOHL'S

86,584 SF

Famous
Footwear

BED BATH &
BEYOND

DSW

Michaels
Where Creativity Happens

dressbarn

FIVE BELOW

Dayita

Sterling
State Bank

Massage Envy
DUNN
BROS
COFFEE

BURGER
KING

COLD STONE
CREAMERY

Walmart
Supercenter

25TH STREET SOUTHEAST

SOUTH BROADWAY AVENUE

TENANT SUMMARY



Kohl's (NYSE: "KSS") is a leading omnichannel retailer with more than 1,100 stores in 49 states. The company operates specialty department stores in the United States, selling apparel, footwear, accessories, and home products. In addition to the company's strong portfolio of proprietary brands, Kohl's stores offer a deep assortment of top national brands, including Nike, Levis, Under Armour, Carter's, Dockers, KitchenAid, FitBit, NutriBullet, and more. The company is listed on both the S&P 500 and the Fortune 500. Kohl's is rated "BBB-" by Standard and Poor's and "Baa2" by Moody's.

For more information, please visit www.kohls.com.

TICKER	NYSE: "KSS"	LOCATIONS	1,100+
REVENUE	\$19.1B	EMPLOYEES	140,000+

LEASE ABSTRACT

TENANT	Kohl's Illinois, Inc.	
GUARANTOR	Kohl's Corporation	
ADDRESS	20 25th Street Southeast, Rochester, Minnesota	
RENT COMMENCEMENT	January 30, 2001	
LEASE EXPIRATION	January 30, 2031	
RENEWAL OPTIONS	Seven (7) five (5) year options	
RENTAL INCREASES	YEAR Jan. 2021-Jan. 2031 Jan. 2031-Jan. 2036 (Option 1) Jan. 2036-Jan. 2041 (Option 2) Jan. 2041-Jan. 2046 (Option 3) Jan. 2046-Jan. 2051 (Option 4) Jan. 2051-Jan. 2056 (Option 5) Jan. 2056-Jan. 2061 (Option 6) Jan. 2061-Jan. 2066 (Option 7)	RENT \$690,883 \$700,465 \$700,465 \$700,465 \$700,465 \$700,465 \$721,551 \$742,848
COMMON AREA COSTS	Tenant is responsible for maintaining the Kohl's Tract.	
REAL ESTATE TAXES	Tenant is responsible for taxes levied and assessed against the Kohl's Tract.	
INSURANCE	Tenant is responsible for maintaining insurance on the Kohl's Tract.	
REPAIR & MAINTENANCE	Tenant is responsible for maintenance of the nonstructural portions of the Building and Kohl's Tract, regular maintenance of the parking lot on the Kohl's Tract, and HVAC repairs and replacements costing less than \$10,000.	
MAINTENANCE BY LANDLORD	Landlord shall maintain the structural and exterior components of the Building and shall be responsible for replacing the parking lot on the Kohl's Tract.	
RIGHT OF FIRST REFUSAL	None	

PROPERTY OVERVIEW

LOCATION

The property is conveniently located at the signalized intersection of South Broadway Avenue and 25th Street Southeast, with excellent visibility and access to 45,500 vehicles per day. The property enjoys immediate access to U.S. Highway 52, with a high-traffic volume of 52,000 vehicles per day near the property. The property anchors a large shopping center featuring well-known national brands, including Bed Bath & Beyond, Michaels, Five Below, DSW, Massage Envy, and more. Located along one of Rochester's primary retail corridors, the property is surrounded by major retailers, including Walmart Supercenter, Menards, Shopko, Marshalls, Target, Lowe's, and Fleet Farm.

The property is centrally located approximately three miles from Downtown Rochester, where many of Mayo Clinic's facilities are located. Forming the core of Rochester's economy, Mayo Clinic employs 35,249 and draws more than two million visitors annually. The neighborhood around Mayo Clinic is currently being developed per the Destination Medical Center (DMC) initiative, a unique 20-year economic development plan that is expected to create more than 30,000 new jobs and generate approximately \$7.5 to \$8.0 billion in new net tax revenue over 35 years. The site's strong customer base is created by the property's proximity to Downtown Rochester and by the affluent residential neighborhoods with robust demographics surrounding the area. The average household income within one mile of the property is \$111,644, and average household incomes within three- and five-mile radii are above \$96,000. Additionally, the property is located in a densely populated area, with 93,653 residents living within a five-mile radius.

ACCESS

Access from 25th Street Southeast and interparcel access from South Broadway Avenue and 28th Street Southeast

TRAFFIC COUNTS

South Broadway Avenue: 45,500 AADT
U.S. Highway 52: 52,000 AADT

PARKING

496 parking stalls in parcel, including ten (10) handicap stalls, plus ample additional parking throughout the shopping center

NEAREST AIRPORT

Rochester International Airport (RST)

ACTUAL SITE



496

PARKING
STALLS



45K

TRAFFIC
COUNT (AADT)



NEAREST
AIRPORT
ROCHESTER
INTERNATIONAL
AIRPORT

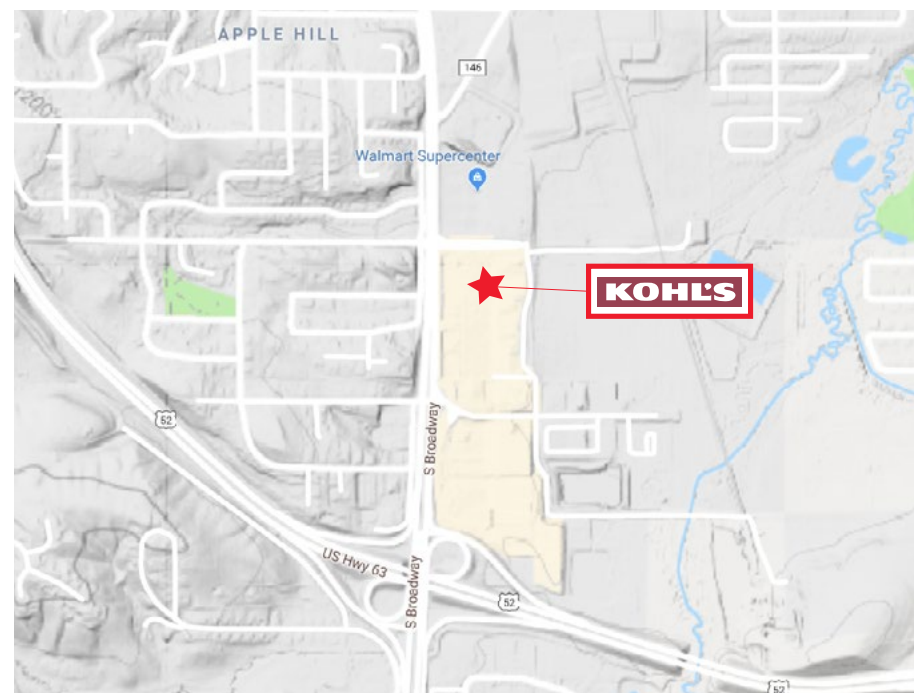
AREA OVERVIEW

Rochester is a city in and the county seat of Olmsted County, located in Southeast Minnesota. With a 2018 population of 116,961, Rochester is Minnesota's third largest city and the largest city located outside the Minneapolis-St. Paul Metropolitan Statistical Area (MSA). Rochester is home to Mayo Clinic, among the largest and most well-respected medical facilities in the world. Mayo Clinic forms the core of Rochester's economy. As of 2018, it employs 35,249 people and draws more than 2 million visitors annually. The clinic's many facilities—along with hotels, restaurants, and retail stores—comprise nearly all of the city's downtown. Excluding the state government, Mayo Clinic is the largest employer in Minnesota. In 2013, Rochester began the Destination Medical Center (DMC) initiative, a unique 20-year economic development plan. The \$5.6 billion plan—which will support the development and expansion of Mayo Clinic and the surrounding neighborhoods—is the largest in the state's history and is expected to create more than 30,000 new jobs and generate approximately \$7.5 to \$8.0 billion in new net tax revenue over 35 years.

Rochester anchors the Rochester MSA, a four-county area with a population of more than 219,000 people. The Rochester MSA continually ranks high in polls relating to quality of life and employee productivity. The Rochester area's diverse economy is built around healthcare, computer technology, manufacturing, food processing, and tourism. The Rochester region boasts a strong labor pool, highly educated workforce, and access to over 45 two- and four-year higher education institutions within a 90-mile radius.

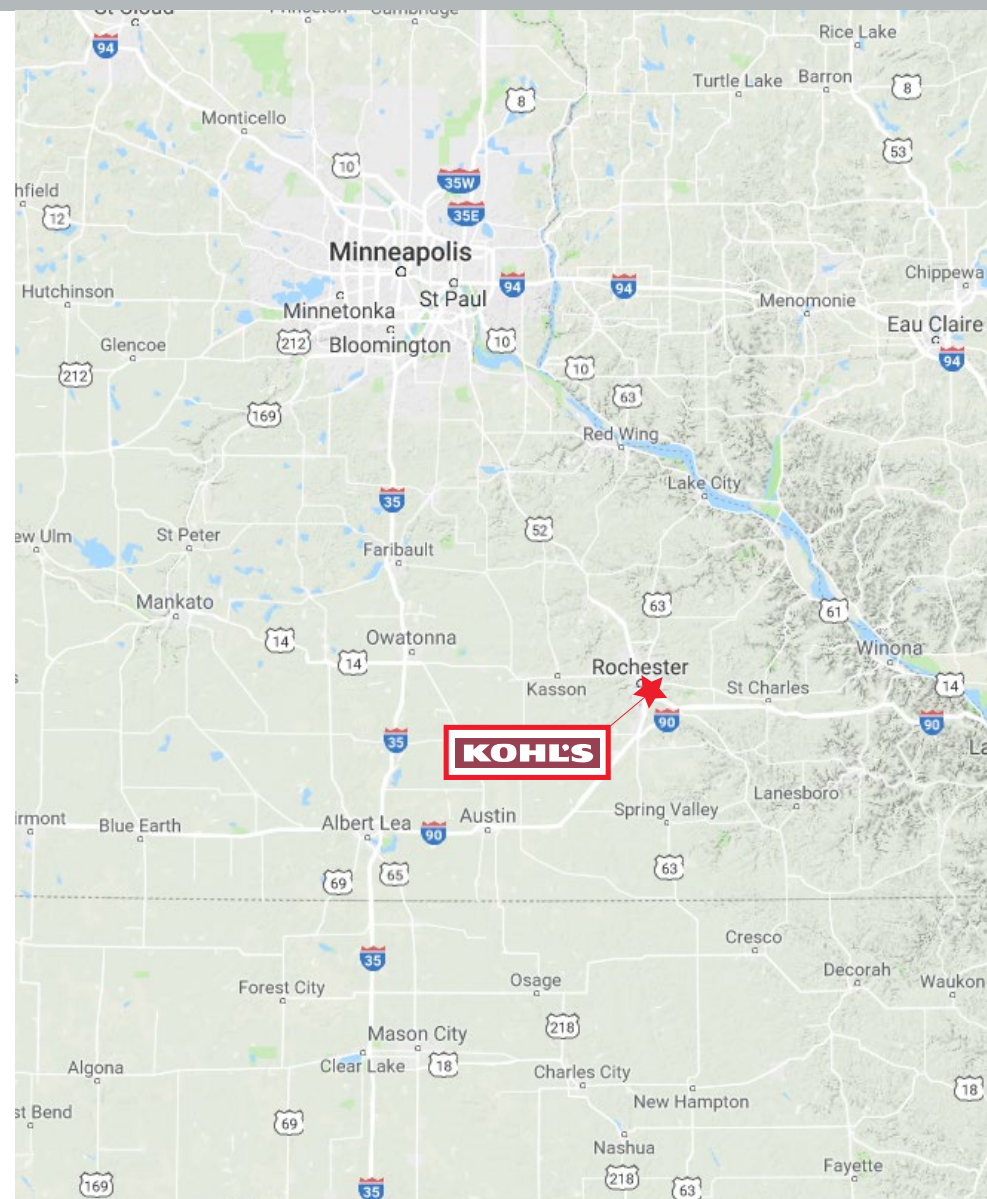
- » The DMC Initiative serves as a public-private partnership, combining private development by Mayo Clinic and other developers, as well as public funding from the City of Rochester, Olmsted County, and the State of Minnesota to facilitate and support public infrastructure. DMC promotes Rochester as a world destination medical center, while providing extended economic development and opportunities for the city, region, and state.
- » Rochester International Airport, located seven miles south of Downtown Rochester, is the second busiest commercial airport in Minnesota.
- » *Inc. Magazine* rated Rochester one of the top entrepreneurial cities in the country.
- » The Rochester region ranks third in the nation for patent filings per capita.
- » The Rochester area is home to national and global industry leaders such as Mayo Clinic, Hormel, IBM, Red Wing Shoes, Federated Insurance, Fastenal, and Seneca Foods.
- » IBM's Rochester campus is one of the company's most important R&D and manufacturing centers.

MAJOR EMPLOYERS IN ROCHESTER MSA	# OF EMPLOYEES
MAYO CLINIC	35,249
ROCHESTER PUBLIC SCHOOLS	2,830
IBM	2,791
CITY OF ROCHESTER	1,328
OLMSTED MEDICAL CENTER	1,296
OLMSTED COUNTY	1,283
MCNEILUS TRUCK & MANUFACTURING	1,200
CHARTER COMMUNICATIONS	896
CRENLO	600
SENECA FOODS	568



DEMOGRAPHIC PROFILE

2020 SUMMARY	1 Mile	3 Miles	5 Miles
Population	6,527	46,555	93,653
Households	2,507	19,483	38,554
Families	1,825	11,453	23,527
Average Household Size	2.57	2.35	2.38
Owner Occupied Housing Units	2,020	11,618	24,710
Renter Occupied Housing Units	487	7,864	13,844
Median Age	41.3	38.4	39.1
Average Household Income	\$111,644	\$96,269	\$99,237
2025 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	7,015	50,712	100,338
Households	2,688	21,247	41,329
Families	1,949	12,391	25,071
Average Household Size	2.58	2.35	2.38
Owner Occupied Housing Units	2,154	12,442	26,289
Renter Occupied Housing Units	534	8,805	15,040
Median Age	42.1	39.2	39.9
Average Household Income	\$122,970	\$105,863	\$109,646



AVERAGE HOUSEHOLD INCOME OF \$111,644
WITHIN ONE MILE



POPULATION OF 93,653
WITHIN FIVE MILES

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