

# BANK OF AMERICA

611 W. 98TH STREET, BLOOMINGTON, MN 55420



BANK OF AMERICA



Representative Photo

## 15 Year Ground Lease Investment

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# INVESTMENT OVERVIEW



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# BANK OF AMERICA

## BLOOMINGTON, MINNESOTA

Mid-America Real Estate – Minnesota, LLC is pleased to present Bank of America located at 611 W. 98th Street in Bloomington, Minnesota. The property is in the 5th largest city in Minnesota, Bloomington, which is a southern suburb within the Minneapolis/St. Paul MSA. Bloomington boasts a population of over 84,000 residents and there are 68,813 residents and 52,033 employees within three miles of this site. The property consists of a 4,020 square foot freestanding bank with double drive thru and is situated on an oversized lot of 1.28 acres. Bank of America is subject to a 15-year NNN ground lease with 10% rent increases every 5 years. Bank of America is the second largest banking institution in the United States and the 8th largest bank in the world. Bank of America has been aggressively expanding over the last 10+ years and now operates more than 4300 branches and 17,000 ATMs domestically.

### PROPERTY DETAILS

**PRICE:** \$3,059,000

**LEASE TYPE:** Ground

**SQUARE FOOTAGE:** 4,020 SF

**CAP RATE:** 4.25%

**TERM:** 15 years

**LOT SIZE:** 1.28 Acres

**ANNUAL RENT:** \$130,000

**YEAR BUILT:** 2021

**PARKING SPACES:** 30



# INVESTMENT FEATURES

## LONG TERM NNN GROUND LEASE WITH INCREASES

Bank of America signed a 15-year NNN ground lease with four (4) five (5) year options in July of 2020 for this site with a planned opening in Fall of 2021. Additionally, the lease boasts 10% rental increases every five (5) years throughout the lease and options, bringing an investor increasing yields. The lease is a true triple net lease with tenant responsible for repair and replacement of buildings and improvements.

## NEW CONSTRUCTION

The tenant has gone through the entitlement process and is currently finishing construction work on their building with a planned opening in Fall of 2021. The property will boast the tenant's newest plans and finishes, requiring no near-term capital expenditures for an investor or the tenant.

## DRIVE-THROUGH PROTOTYPE

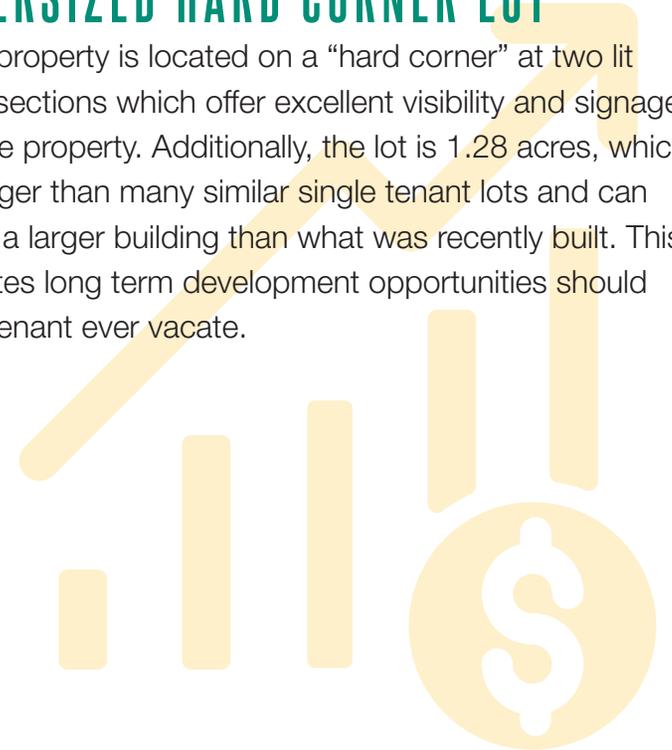
The property boasts the tenant's newest prototype building with a double drive-through. Drive-throughs are increasingly difficult to get municipally approved in Bloomington, creating long term value to both the tenant and any future user should the tenant ever leave. The pandemic has proven that tenants with drive-throughs are considerably more successful and will be in demand more than ever going forward.

## GROCERY ANCHORED DEVELOPMENT

The property is sandwiched between two lit intersections and is anchored by a grocery store and many other national retailers driving daily traffic to the site. This high traffic location with 22,700 vehicles per day at the intersection will continue to be a great retail location for years to come. This trade area is traditionally difficult to penetrate, limiting both competition as well as new retail development in the area.

## OVERSIZED HARD CORNER LOT

The property is located on a "hard corner" at two lit intersections which offer excellent visibility and signage to the property. Additionally, the lot is 1.28 acres, which is larger than many similar single tenant lots and can hold a larger building than what was recently built. This creates long term development opportunities should the tenant ever vacate.



# RETAIL TRADE AREA



Representative Photo

# EAST FACING





# NORTH FACING



# SOUTH FACING



OXBORO CENTER

**festival**  
FOODS



**home choice**  
furniture • appliances  
computers • electronics

**H&R  
BLOCK**

**ACE CASH EXPRESS**

**Great Clips**

**MGM**  
WINE & SPIRITS

Summer House  
Senior Living

Lyndale Avenue S | 9,700 VPD

**SUBJECT PROPERTY**

**DULUTH**  
TRADING  
CO.

Old Shakopee Road | 22,700 VPD  
W 98th Street



# SOUTHWEST FACING



# LEASE & FINANCIAL SUMMARY



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# LEASE ABSTRACT

<b>TENANT</b>	Bank of America National Association, a national Banking association
<b>ADDRESS</b>	611 West 98th Street Bloomington, MN 55420
<b>LEASE TYPE</b>	Ground
<b>TERM</b>	15 Years
<b>OPTIONS</b>	Four (4) – Five (5) Year Options
<b>LEASE EXPIRATION</b>	9/30/2036
<b>YEAR BUILT</b>	2021
<b>BUILDING SIZE</b>	4,020 SF
<b>LAND AREA</b>	1.28 Acres
<b>PARKING SPACES</b>	30
<b>ANNUAL RENT</b>	\$130,000
<b>MONTHLY RENT</b>	\$10,833.33
<b>RENTAL INCREASES</b>	10% Increases every 5 years

<b>TAXES</b>	Tenant pays directly
<b>UTILITIES</b>	Tenant pays directly
<b>TENANT RESPONSIBILITIES</b>	Tenant maintains the entire premises
<b>LANDLORD RESPONSIBILITIES</b>	None
<b>ESTOPPEL</b>	Within 15 days after request
<b>COMMON AREAS</b>	Tenant shall maintain, at its sole cost and expense, the Common Areas located on the premises
<b>TENANT INSURANCE</b>	Tenant shall maintain all risks insurance coverage equal to the full replacement cost value and with replacement cost endorsement for the building and all fixtures and other improvements installed by Tenant in the building. Tenant must also maintain commercial general liability insurance, written on an occurrence basis as well as worker's compensation insurance if and to the extent required by law, and automobile liability insurance
<b>OPERATING EASEMENT AGREEMENT</b>	Existing OEA with adjacent parcel owners available upon request.



# FINANCIAL SUMMARY

YEARS	ANNUAL BASE RENT	MONTHLY RENT	YIELD	RENTAL INCREASE
1-5	\$130,000	\$10,833.33	4.25%	-
6-10	\$143,000	\$11,916.67	4.67%	10%
11-15	\$157,300	\$13,108.33	5.14%	10%

**Average Yield Throughout Primary Term** **4.69%**

16-20 (Option 1)	\$173,030	\$14,419.17	5.66%	10%
21-25 (Option 2)	\$190,333	\$15,861.08	6.22%	10%
26-30 (Option 3)	\$209,366	\$17,447.17	6.84%	10%
31-35 (Option 4)	\$230,302	\$19,191.83	7.53%	10%

**Average Yield Throughout Option Periods** **6.56%**

<b>PRICE</b>	<b>CAP RATE</b>
\$3,059,000	4.25%



# TENANT OVERVIEW



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## BANK OF AMERICA COMPANY OVERVIEW

Bank of America is one of the world's leading financial institutions, serving individual consumers, small and middle-market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk management products and services. The company provides unmatched convenience in the United States, serving approximately 66 million consumer and small business clients with approximately 4,300 retail financial centers, including approximately 2,700 lending centers, 2,600 financial centers with a Consumer Investment Financial Solutions Advisor and approximately 2,400 business centers; approximately 17,000 ATMs; and award-winning digital banking with approximately 40 million active users, including approximately 31 million mobile users. Bank of America is a global leader in wealth management, corporate and investment banking and trading across a broad range of asset classes, serving corporations, governments, institutions and individuals around the world. Bank of America offers industry leading support to approximately 3 million small business households through a suite of innovative, easy-to-use online products and services. The company serves clients through operations across the United States, its territories and approximately 35 countries. Bank of America Corporation stock (NYSE: BAC) is listed on the New York Stock Exchange.

[www.bankofamerica.com](http://www.bankofamerica.com)



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**BANK OF AMERICA**







# MARKET OVERVIEW

# BLOOMINGTON OVERVIEW

Bloomington is the fifth-largest city in the state of Minnesota, located on the north bank of the Minnesota River, 10 miles south of downtown Minneapolis. Established as a post-World War II housing boom suburb connected to the urban street grid of Minneapolis, the city today is undergoing expansion and development, due in proximity to the Interstate 35W and Interstate 494 Interchange. According to the 2020 U.S. Census estimate, the city's population was 84,943.

Bloomington has more jobs per capita than either Minneapolis or St. Paul, primarily because it's home to the largest enclosed shopping center in the United States – the Mall of America. Located just south of Minneapolis and just east of the Subject Property, the Mall of America encompasses nearly eight million square feet of commercial space with over 520 stores and services, including an indoor theme park and aquarium. It is Minnesota's most recognized attraction and is the number one tourist destination in the Midwest, welcoming more than 40 million annual visitors and generating more than \$1.9 billion in economic impact annually. The Mall recently underwent an expansion, which included the addition of new hotels, entertainment venues, restaurants and retailers, as well as additional parking. The annual economic impact from this is estimated to be \$4.3 billion.

Beyond Mall of America, Bloomington is home to the headquarters of Ceridian, Donaldson Company, Great Clips, HealthPartners, Best Buy, Thermo King and Toro, as well as major operations for Express Scripts, Seagate Technologies and Wells Fargo Bank.

According to the City's 2019 Comprehensive Annual Financial Report, the top employers in Bloomington are:

#	EMPLOYER	# OF EMPLOYEES
1	Mall of America (tenants and corporate)	13,000
2	HealthPartners	3,735
3	Bloomington School District #271	1,875
4	Seagate Technology	1,400
5	Donaldson Company	1,073
6	Toro	961
7	General Dynamics	678
8	NCS Pearson	765
9	Normandale Community College	631
10	City of Bloomington	585



# DEMOGRAPHIC OVERVIEW

	1 MILE	3 MILES	5 MILES
<b>POPULATION</b>			
2021 Population	10,359	68,813	193,260
2026 Projected Population	11,261	74,588	214,606
Daytime Population	14,707	86,652	248,746
<b>HOUSEHOLDS</b>			
2021 Households	5,011	30,143	88,493
2026 Projected Households	5,070	30,907	92,115
Persons per Household	2.91	3.03	2.99
<b>INCOME</b>			
Average Household Income	\$80,297	\$92,889	\$98,669
Median Household Income	\$64,607	\$74,609	\$77,077
Per Capita Income	\$35,881	\$38,845	\$42,355

## WITHIN 1-MILE RADIUS



# LEGAL DISCLAIMER

# LEGAL DISCLAIMER

The Offering Memorandum (“The Memorandum”) is intended solely for the limited use of The Potential Purchaser in considering whether to pursue negotiations to acquire 611 W. 98th Street in Bloomington, MN 55420 (“The Property”). The Memorandum, prepared by Mid-America Real Estate – MN, LLC (Hereinafter collectively referred to as “MAREM”) contains brief, selected information pertaining to the operation of The Property and Owner does not purport to be all-inclusive or to contain all the information, which The Potential Purchaser may desire. The Memorandum will be delivered with the understanding that The Potential Purchaser will conduct its own analysis and investigation of The Property, independently and without reliance upon The Owner, MAREM or The Memorandum and based on such documents, information and other matters as The Potential Purchaser, in its sole discretion, deems appropriate in evaluating a purchase of The Property. In furnishing The Memorandum, MAREM and/or The Owner reserve(s) the right to request the return of The Memorandum (including all copies or partial copies), or any other information provided, at any time. Neither The Owner nor MAREM or any of their officers, employees or agents make any representation or warranty, expressed or implied, as to the accuracy or completeness of The Memorandum or any oral or written communication transmitted from MAREM and/or The Owner to The Potential Purchaser and no legal liability is assumed or to be implied with respect thereto. By accepting The Memorandum, The Potential Purchaser agrees that The Memorandum’s contents and any other information pertaining to The Property and provided to The Potential Purchaser are confidential and proprietary; that The Memorandum and the information contained therein or provided is the property of The Owner and/or MAREM, that it will hold and treat The Memorandum and information provided in the strictest of confidence; that it will not, directly or indirectly, disclose or permit anyone else to disclose The Memorandum’s contents without prior written authorization; and, that it will not use or permit to be used The Memorandum or The Memorandum’s contents in any fashion or manner detrimental to the interest of The Owner and/or MAREM or in violation of the obligation to maintain such information and The Memorandum in strict confidence. However, The Potential Purchaser may disclose such confidential information to its employees, auditors, financial advisors, directors and/or counsel to whom it is reasonably necessary for purposes of evaluating The Property provided such disclosure is made pursuant to this agreement, all reasonable precautions are taken to safeguard the information and parties are informed of the need to maintain the information as confidential. The Potential Purchaser agrees that photocopying or other duplication of information provided by The Owner and/or MAREM is strictly prohibited. The Owner expressly reserves the right, at its sole discretion, to reject any or all proposals or expressions of interest in The Property and to commence, participate in, or terminate discussions with any party at any time with or without notice. The Potential Purchaser acknowledges that The Owner has no obligation to discuss or agree to the sale of The Property. Notwithstanding that The Potential Purchaser and The Owner may reach one or more oral understandings or agreements on one or more issues that are being discussed, neither party shall be bound by any oral agreement of any kind and no rights, claims, obligations or liabilities of any kind, either express or implied, shall arise or exist in favor of or be binding upon either party except to the extent expressly set forth in a written agreement signed by both parties. The Memorandum shall not be deemed a representation of the state of affairs of The Property nor constitute an indication that there has been no change in the business or affairs of The Property since the date of its preparation. The Potential Purchaser agrees not to contact the tenants, leasing MAREMs or property management staff of The Property in connection with its review of The Property. Any and all questions related to The Memorandum or The Property must be directed to MAREM. In the event The Potential Purchaser decides not to pursue the acquisition of The Property, The Potential Purchaser agrees to return The Memorandum and all copies (including partial copies) to the appropriate representative of MAREM.



## REPRESENTATION

The Potential Purchaser understands and agrees that MAREM is not representing The Potential Purchaser in this Proposed Sale. MAREM is only representing The Owner in this Proposed Sale.

## AMERICANS WITH DISABILITIES ACT

The United States Congress has enacted the Americans With Disabilities Act. Among other things, this act is intended to make business establishments equally accessible to persons with a variety of disabilities. As such, modifications to real property may be required. State and local laws also may mandate changes. Neither The Owner nor MAREM is qualified to advise The Potential Purchaser as to what, if any, changes may be required now, or in the future. The Potential Purchaser should consult the attorneys and qualified design professionals of its choice for information regarding these matters. Neither The Owner nor MAREM can determine which attorneys or design professionals have the appropriate expertise in this area.

## HAZARDOUS MATERIALS DISCLOSURE

Various construction materials may contain items that have been or may in the future be determined to be hazardous (toxic) or undesirable and as such may need to be specifically treated, handled or removed. Due to prior or current uses of The Property or the area, there may be hazardous or undesirable metals, minerals, chemicals, hydrocarbons or biological or radioactive items (including electric and magnetic fields) in soils, water, building components, above or below-ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Neither The Owner nor MAREM has expertise in the detection or correction of hazardous or undesirable items. Expert inspections are necessary. Current or future laws may require clean up by past, present and/or future owners and/ or operators. It is the responsibility of The Potential Purchaser to retain qualified experts to detect and correct such matters.

## REMEDIES

If there is a breach or threatened breach of any provision of these Conditions of Offering, The Owner and/or MAREM shall be entitled to seek redress by court proceedings in the form of an injunction restraining The Potential Purchaser without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy and/or a decree for specific performance without any bond or other security being required. Nothing herein shall be construed as prohibiting The Owner and/or MAREM from pursuing any other remedies at law or in equity, which it may have. If The Owner and/or MAREM is involved in a court proceeding to enforce the covenants contained in these Conditions of Offering and The Owner and/or MAREM prevails in such litigation, The Potential Purchaser shall be liable for the payment of The Owner and/or MAREM's reasonable attorneys' fees, court costs and ancillary expenses together with such other and further relief as available under any applicable statute.



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