



dba: **Speedway**

SINGLE-TENANT NET LEASED 7-ELEVEN

Absolute NNN | 12.6 Years of Firm Term Remaining | Dominant Retail Trade Area | MN Location



NEWMARK

Offering Memorandum

1523 COON RAPIDS BOULEVARD NW, COON RAPIDS, MN 55433

Single-Tenant Net Leased 7-Eleven

The Offering

Newmark, as an exclusive advisor, is pleased to present the opportunity to acquire a single-tenant absolute NNN leased 7-Eleven (dba Speedway) in Coon Rapids, MN.

\$8,232,889

ASKING PRICE

5.50%

CAP RATE

NNN

LEASE STRUCTURE

12.6 Years

LEASE TERM REMAINING

Fee Simple

OWNERSHIP INTEREST



Net Lease Capital Markets

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Investment Highlights

Corporately Guaranteed Lease with 7-Eleven, Inc. | Investment Grade Credit (S&P: AA-) | 7-Eleven is the Largest C-Store Retail Chain in the World | 77,000+ Stores Worldwide / 13,000+ Locations in North America

Headquartered in Irving, TX (US operations), 7-Eleven operates a chain of 13,000+ convenience store locations in North America. The global 7-Eleven chain operates 77,000 stores worldwide. For the fiscal year 2022, 7-Eleven generated revenues of \$8.75 Trillion, and net income of \$210.77 Billion (all dollar figures in JPY; 1 JPY = .0073 USD). The parent company (Seven & i Holdings Co., Ltd.) trades on the Japanese Stock Exchange under the symbol SVNDY and is a blue chip of the Japanese stock exchange consistently ranked as a top 50 company by market capitalization. 7-Eleven maintains an investment grade credit rating of AA- from S&P and currently has a stable outlook.

Long-Term Commitment | 12.6 Years of Primary Term Remaining | 2.25% Annual Rental Increases | 2 (5-Year) Options Remaining | Extremely Passive Absolute NNN Lease | Fee Simple Lease, Allowing for Accelerated Depreciation

The property was built-to-suit for Speedway (7-Eleven) in 2016 with the tenant signing a 20-year lease. Currently, approximately 12.6 years of firm term remain, plus two (5) five-year options to extend. The lease calls for fixed 2.25% annual rental increases during the primary and option term(s), providing a secure long-term income stream and a hedge against inflation. The lease is absolute NNN with zero landlord responsibilities regarding repairs and maintenance of the demised premises, ideal for both local and out-of-area investors. Additionally, the lease is Fee Simple (Land & Building Ownership) allowing for accelerated depreciation under the "Tax Cuts and Jobs Act" enacted in 2017. (Consult your CPA)

Easily Accessible and Highly Visible Location along Coon Rapids Blvd (29,012 VPD) | High Density Location, across the Street from Anoka-Hennepin Regional High School

The subject property is easily accessible for car traffic via a designated signalized intersection at Coon Rapids Blvd and Egret Blvd NW (30,802 VPD). The subject property's hard corner location provides tremendous visibility, and the property is easily accessible for car traffic via one (1) curb cut on Egret Blvd NW and one (1) along Coon Rapids Blvd. 7-Eleven is located adjacent to Anoka-Hennepin Regional High School (160 students), and benefits from extremely dense suburban demographics. There are 9,368 people with an average household income of \$75,159 within a 1 mile radius of the subject property.

Minneapolis-Saint Paul MSA Location | Stable & Affluent Suburban Demographics | Close Proximity to Major Employers, Housing & Entertainment Complexes

Located minutes from downtown Minneapolis via Interstate 94, 7-Eleven is convenient and accessible for residents that commute into downtown via Interstate 94. The Minneapolis-Saint Paul MSA is the 16th largest MSA in the U.S. and home to 3.7 million residents. The City of Coon Rapids, MN is located 12 miles due North of downtown Minneapolis. There are 84,277 people and 31,434 households with an average household income of \$94,201 within 3 miles of the subject property.



Investment Overview

Price/Cap Rate

Price (PSF)	\$8,232,889 (\$1,708)
Cap Rate	5.50%
Annual Base Rent	\$452,808.87 (\$93.94 PSF)

Executive Summary

Address	1523 Coon Rapids Boulevard NW Coon Rapids, MN 55433
Tenant / Lease Guarantor	7-Eleven, Inc. (Corporate) dba Speedway
Use	Retail
Rentable Building Area (SF)	4,820
Acreage	1.59 Acres
Expense Structure	NNN
Rent Increases	2.25% Annually
Lease Commencement	February 1, 2016
Primary Term Expiration	January 31, 2036
Lease Term Remaining	12.6 years remaining
Ownership Interest	Fee Simple (Land & Building)



The Investment



Site Aerial Southeast

Downtown Minneapolis
St. Paul



ANOKA-HENNEPIN
SCHOOLS
A future without limits

160 Students



EGRET BLVD/ NW (30,802 VPD)

COON RAPIDS BLVD. (28,012 VPD)

Site Aerial South

↑
Downtown Minneapolis
St. Paul



ANOKA-HENNEPIN
SCHOOLS
A future without limit
160 Students

COON RAPIDS BLVD. (29,012 VPD)



EGRET BLVD/ NW (30,802 VPD)

Lease Abstract & Property Details

Property Overview

Rentable Building Area (SF)	4,820
Acreage	1.59
Year Built/Renovated	2016
Parcel(s)	23-31-24-33-0038, 23-31-24-33-0037

Lease Abstract

Address	1523 Coon Rapids Boulevard NW Coon Rapids, MN 55433
Tenant Trade Name	7-Eleven (dba Speedway)
Lease Guarantor	7-Eleven, Inc. (Corporate)
Credit Rating	S&P: AA-
Lease Commencement	February 1, 2016
Lease Expiration	January 31, 2036
Lease Term Remaining	12.6 Years
Renewal Options	2 (5-Year)
Annual Rent (PSF)	\$452,808.87 (\$93.94 PSF)
Rent Increases	2.25% Annually
Lease Structure	NNN
Landlord Responsibilities	None
Utilities	Tenant Responsibility
Taxes	Tenant Responsibility
CAM	Tenant Responsibility
HVAC	Tenant Responsibility
Insurance	Tenant Responsibility
ROFR	None

Rent Schedule

Period Start Date	Period End Date	Annual Rent	PSF	Monthly Rent	PSF	% Increase
2/1/2016	1/31/2017	\$387,500.00	\$80.39	\$32,291.67	\$6.70	-
2/1/2017	1/31/2018	\$396,218.75	\$82.20	\$33,018.23	\$6.85	2.25%
2/1/2018	1/31/2019	\$405,133.67	\$84.05	\$33,761.14	\$7.00	2.25%
2/1/2019	1/31/2020	\$414,249.18	\$85.94	\$34,520.77	\$7.16	2.25%
2/1/2020	1/31/2021	\$423,569.79	\$87.88	\$35,297.48	\$7.32	2.25%
2/1/2021	1/31/2022	\$433,100.11	\$89.85	\$36,091.68	\$7.49	2.25%
2/1/2022	1/31/2023	\$442,844.86	\$91.88	\$36,903.74	\$7.66	2.25%
2/1/2023	1/31/2024	\$452,808.87	\$93.94	\$37,734.07	\$7.83	2.25%
2/1/2024	1/31/2025	\$462,997.07	\$96.06	\$38,583.09	\$8.00	2.25%
2/1/2025	1/31/2026	\$473,414.50	\$98.22	\$39,451.21	\$8.18	2.25%
2/1/2026	1/31/2027	\$484,066.33	\$100.43	\$40,338.86	\$8.37	2.25%
2/1/2027	1/31/2028	\$494,957.82	\$102.69	\$41,246.49	\$8.56	2.25%
2/1/2028	1/31/2029	\$506,094.37	\$105.00	\$42,174.53	\$8.75	2.25%
2/1/2029	1/31/2030	\$517,481.49	\$107.36	\$43,123.46	\$8.95	2.25%
2/1/2030	1/31/2031	\$529,124.82	\$109.78	\$44,093.74	\$9.15	2.25%
2/1/2031	1/31/2032	\$541,030.13	\$112.25	\$45,085.84	\$9.35	2.25%
2/1/2032	1/31/2033	\$553,203.31	\$114.77	\$46,100.28	\$9.56	2.25%
2/1/2033	1/31/2034	\$565,650.38	\$117.35	\$47,137.53	\$9.78	2.25%
2/1/2034	1/31/2035	\$578,377.51	\$120.00	\$48,198.13	\$10.00	2.25%
2/1/2035	1/31/2036	\$591,391.00	\$122.70	\$49,282.58	\$10.22	2.25%
Option 1		2.25% Annual Increases				
Option 2		2.25% Annual Increases				

Property Photos





Downtown Minneapolis



Frederick Weisman Art Museum



16th
Largest
US MSA



16
Fortune 500
Companies

Market Overview - Coon Rapids, MN

Coon Rapids, MN / Minneapolis, MN

Coon Rapids, MN is a suburb of Minneapolis-Saint Paul and is the largest city in Anoka County, located approximately 12 miles due North of downtown Minneapolis, Minnesota and 17 miles due Northwest of downtown Minneapolis. The subject property is located 18 miles Northeast of Minneapolis-Saint Paul International Airport. The suburban city is connected with the broader Minneapolis region via Interstate 94. The city is primarily residential, with several prominent retail nodes with the bulk of the retail businesses being located along the Hwy 610 / Hwy 10 intersection. Coon Rapids is Minnesota's 15th most populous city with just over 63,000 residents. The city continues to grow and has a strong economic base with Mercy Health (Allina Health System) serving as the largest employer 1,860 employees.

The Minneapolis-St. Paul-Bloomington, MN-WI (MSP) MSA is home to approximately 3.7 million people and is the 16th largest MSA in the United States, larger than the San Diego, Tampa, Denver, and Baltimore MSAs. There are 15 Fortune 500 companies headquartered in the greater Minneapolis-St. Paul metro including: United Health Group, Target, Best Buy, 3M, CHS Inc., U.S. Bancorp, General Mills, C.H. Robinson, Land O'Lakes, Ecolab, Ameriprise Financial, Xcel Energy, Thrivent Financial, Polaris Industries, Securian Financial Group, Patterson Cos. Inc. The MSA offers a 10% tax credit for increasing research activities and a populous where 41% have a bachelor's degree or higher. The MSP MSA is known for its relative affordability, strong suburban communities, and schools. The MSP MSA is projected to grow by roughly 12% over the next 20 years.

Fortune 500 Companies in MN

Company	Rank
United Health Group	No. 7
Target	No. 37
Best Buy	No. 75
3M	No. 103
CHS	No. 105
U.S. Bancorp	No. 113
General Mills	No. 192
C.H. Robinson Worldwide	No. 208
Ecolab	No. 213
Land O' Lakes	No. 232
Ameriprise Financial	No. 245
Xcel Energy	No. 276
Hormel Foods	No. 337
Thrivent Financial for Lutherans	No. 368
Polaris	No. 442
Securian Financial Group	No. 455

Demographics



Downtown Minneapolis



Minneapolis-Saint Paul International Airport

Demographics	1 Mile	3 Mile	5 Mile
2022 Population	9,368	84,277	217,532
2022 Households	3,709	31,434	80,480
2022 Avg. Household Income	\$75,159	\$94,201	\$98,349

Nearest Major Airport

Minneapolis - Saint Paul International Airport



18 Miles
from the subject property



3,400
Acres



±40 Million Passengers
served annually

Largest Universities in Minnesota

University	Number of Students
University of Minnesota Twin Cities	52,017
Minnesota State University Mankato	14,761
Saint Cloud State University	11,841
University of Minnesota Duluth	10,275
Normandale Community College	9,420
Anoka Ramsey Community College	8,482
Century Community and Technical College	8,203
Metropolitan State University	7,552
Southwest Minnesota State University	7,259
Winona State University	7,106

7-Eleven, Inc. - (JPX: SVNDY)

Seven & i Holdings Co., Ltd. (JPX: SVNDY) is a diversified convenience store operator with 13,000+ locations in the US/Canada.

7-Eleven, Inc., a subsidiary company of Seven & i Holdings Co., Ltd., is the premier name and largest chain in the convenience-retailing industry. US operations for 7-Eleven are headquartered in Irving, TX, responsible for overseeing operations, franchise agreements, construction, licensing, and more for the entire US 7-Eleven portfolio. Each 7-Eleven location offers signature products including Slurpee, Big Bite, and Big Gulp. 7-Eleven has expanded their food offering to include salads, side dishes, cut fruit, and protein boxes, pizza, chicken wings, cheeseburgers, and hot chicken sandwiches. 7-Eleven stores offer industry-leading private brand products under the 7-Select brand including health options, decadent treats and everyday favorites, at an outstanding value.



Representative Photo



Tenant Synopsis

Website	7-Eleven.com
Company Type	Subsidiary
Parent	Seven & I Holdings Co., Ltd.
2023 Employees	83,635
Number of Locations	13,000+
2022 Revenue	\$8.75 Trillion
2022 Net Income	\$210.77 Billion
2022 Assets	\$8.74 Trillion
2022 Equity	\$2.98 Trillion
Credit Rating	S&P: AA-

* All Dollar Figures in JPY (1 JPY = .0073 USD)

Single-Tenant Net Leased 7-Eleven - Coon Rapids, MN

Net Lease Capital Markets

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