



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

4104 RADIO DRIVE, WOODBURY, MN 55129

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 Woodbury, MN.

\$9,797,159

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)

Prominent Roundabout Location (19,461 VPD) at the Intersection of Radio Dr (8,318 VPD) & Bailey Rd (11,143 VPD) | Located in Newly Constructed Suburban Community of Woodbury

The subject property is easily accessible for all traffic via a designated roundabout at the intersection of Radio Dr and Bailey Rd (19,461 VPD at the roundabout). 7-Eleven is located in the newly constructed suburban community of Woodbury. Several prominent single family developers have master planned communities currently underway in the area, these developments include: Arbor Ridge - Robert Thomas Homes (175 Homes), Oak Hill by Pulte Homes (78 Homes), Lennar at Bridlewood Farms (98 Homes), Lennar at East Pointe (Under-Construction), AirLake by Pulte Homes (Under Construction). 7-Eleven is located in a newly constructed retail node which includes a Jerry's Foods grocery anchored center.

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 or Interstate 494. The Minneapolis-Saint Paul MSA is the 16th largest MSA in the U.S. and home to 3.7 million residents. The City of Woodbury, MN is located 12 miles due East of downtown Minneapolis. There are 57,184 people and 20,379 households with an average household income of \$139,741 within 3 miles of the subject property.



Investment Overview

Price/Cap Rate

Price (PSF)	\$9,797,159 (\$2,033)
Cap Rate	5.50%
Annual Base Rent	\$538,843.74 (\$111.79 PSF)

Executive Summary

Address	4104 Radio Drive Woodbury, MN 55129
Tenant / Lease Guarantor	7-Eleven, Inc. (Corporate) dba Speedway
Use	Retail
Rentable Building Area (SF)	4,820
Acreage	1.66 Acres
Expense Structure	NNN
Rent Increases	2.25% Annually
Lease Commencement	January 1, 2016
Primary Term Expiration	December 31, 2035
Lease Term Remaining	12.6 years remaining
Ownership Interest	Fee Simple (Land & Building)



The Investment



Site Aerial Southwest

← **LENNAR**

Pulte
HOMES
78 Homes

Downtown Minneapolis
St. Paul

ARBOR RIDGE
ROBERT THOMAS
HOMES
175 Homes

HARGIS PKWY.

JERRY'S
Foods
The Neighborhood Place

7-ELEVEN



← East Ridge High School
(1,954 students)

RADIO DR. (8,318 VPD)

Site Aerial West

Downtown Minneapolis
St. Paul





175 Homes



BAILEY RD. (11,143 VPD)



RADIO DR. (8,318 VPD)

HARGIS PKWY.



East Ridge High School
(1,954 students)



Lease Abstract & Property Details

Property Overview

Rentable Building Area (SF)	4,820
Acreage	1.66
Year Built/Renovated	2016
Parcel	2902821110018

Lease Abstract

Address	4104 Radio Drive Woodbury, MN 55129
Tenant Trade Name	7-Eleven (dba Speedway)
Lease Guarantor	7-Eleven, Inc. (Corporate)
Credit Rating	S&P: AA-
Lease Commencement	January 1, 2016
Lease Expiration	December 31, 2035
Lease Term Remaining	12.6 Years
Renewal Options	2 (5-Year)
Annual Rent (PSF)	\$538,843.74 (\$111.79 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
1/1/2016	12/31/2016	\$461,126.00	\$95.67	\$38,427.17	\$7.97	-
1/1/2017	12/31/2017	\$471,501.34	\$97.82	\$39,291.78	\$8.15	2.25%
1/1/2018	12/31/2018	\$482,110.12	\$100.02	\$40,175.84	\$8.34	2.25%
1/1/2019	12/31/2019	\$492,957.60	\$102.27	\$41,079.80	\$8.52	2.25%
1/1/2020	12/31/2020	\$504,049.15	\$104.57	\$42,004.10	\$8.71	2.25%
1/1/2021	12/31/2021	\$515,390.26	\$106.93	\$42,949.19	\$8.91	2.25%
1/1/2022	12/31/2022	\$526,986.54	\$109.33	\$43,915.55	\$9.11	2.25%
1/1/2023	12/31/2023	\$538,843.74	\$111.79	\$44,903.65	\$9.32	2.25%
1/1/2024	12/31/2024	\$550,967.72	\$114.31	\$45,913.98	\$9.53	2.25%
1/1/2025	12/31/2025	\$563,364.49	\$116.88	\$46,947.04	\$9.74	2.25%
1/1/2026	12/31/2026	\$576,040.19	\$119.51	\$48,003.35	\$9.96	2.25%
1/1/2027	12/31/2027	\$589,001.09	\$122.20	\$49,083.42	\$10.18	2.25%
1/1/2028	12/31/2028	\$602,253.61	\$124.95	\$50,187.80	\$10.41	2.25%
1/1/2029	12/31/2029	\$615,804.32	\$127.76	\$51,317.03	\$10.65	2.25%
1/1/2030	12/31/2030	\$629,659.92	\$130.63	\$52,471.66	\$10.89	2.25%
1/1/2031	12/31/2031	\$643,827.27	\$133.57	\$53,652.27	\$11.13	2.25%
1/1/2032	12/31/2032	\$658,313.38	\$136.58	\$54,859.45	\$11.38	2.25%
1/1/2033	12/31/2033	\$673,125.43	\$139.65	\$56,093.79	\$11.64	2.25%
1/1/2034	12/31/2034	\$688,270.75	\$142.79	\$57,355.90	\$11.90	2.25%
1/1/2035	12/31/2035	\$703,756.84	\$146.01	\$58,646.40	\$12.17	2.25%
Option 1		2.25% Annual Increases				
Option 2		2.25% Annual Increases				





Downtown Minneapolis



Frederick Weisman Art Museum



16th
Largest
US MSA



16
Fortune 500
Companies

Market Overview - Woodbury, MN

Woodbury, MN / Minneapolis, MN

Woodbury, MN is a suburb of Minneapolis-Saint Paul, and located in Washington County. Woodbury is located approximately 8 miles due East of downtown Saint Paul, Minnesota and 16 miles due East of downtown Minneapolis. The city is located 12 miles East of Minneapolis-Saint Paul International Airport. The suburban city is connected with the broader Minneapolis region via Interstate 94, Interstate 494, and Hwy 10. The city is primarily residential, with several prominent retail nodes. The bulk of the retail businesses are located along Interstate 494 and Interstate 94. Woodbury is Minnesota's 8th most populous city with a population of just over 75,000. The city has seen tremendous growth over the last 20 years growing from 46,463 in 2000 to 75,102 as of the 2020 census.

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



Demographics	1 Mile	3 Mile	5 Mile
2022 Population	8,079	57,184	150,890
2022 Households	2,560	20,379	55,140
2022 Avg. Household Income	\$173,766	\$139,741	\$120,961

Nearest Major Airport

Minneapolis - Saint Paul International Airport



12 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 - Woodbury, MN

Net Lease Capital Markets

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