

Caribou Coffee

ZIMMERMAN, MN



OFFERING MEMORANDUM

Investment *Overview*



NEW BUILD-TO-SUIT CONSTRUCTION WITH OVER 8 YEARS OF TERM REMAINING

- Caribou Coffee's 10 year lease, which includes 10% rent escalations every five years, commenced in December of 2022, leaving over 8 years of term remaining
- In 2022, the building was constructed with modern and distinct design elements according to Caribou's specifications



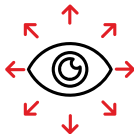
CORPORATE LEASE WITH MARKET DOMINANT COFFEE CHAIN

- Caribou Coffee is the market-dominant coffee chain in Minnesota, with more locations than Starbucks and Dunkin' Donuts combined
- Caribou Coffee is a subsidiary of Panera Brands, which includes other well-known, successful companies such as Panera Bread and Einstein Bros. Bagels



INNOVATIVE CARIBOU “CABIN” CONCEPT

- This site features Caribou Coffee’s new “Cabin” concept, which is a drive-thru and walk-up only design
- This innovative building format minimizes the company use of real estate and maximizes efficiency in service, reducing costs and increasing profitability



HIGH VISIBILITY FROM ARTERIAL ROADWAY

- The property has direct visibility from US Hwy. 169 and 5th Ave. N
- US Hwy. 169 is the primary roadway linking Zimmerman to Minneapolis and is currently being expanded to carry even more traffic to the northwest suburbs of the Twin Cities - [View the Project Overview](#)



SITUATED NEAR TRAFFIC DRIVERS AND NEW DEVELOPMENT

- The property is within walking distance to the local grocer and Zimmerman High School, which are sure to drive traffic to the site
- The site is located directly south of Courtyard Apartments, a 128-unit luxury complex that was completed in 2023



AFFLUENT DEMOGRAPHICS WITH UPWARD GROWTH PROJECTIONS

- Within a three-mile radius, the average household income is \$124,000, 16% higher than the national average
- Within a one, three, and five mile radius, both average household income and population are projected to grow steadily over the next five years



PRICE:

\$1,300,000

7.00% Cap Rate

ADDRESS

12495 5th Ave N

Zimmerman, MN 55398

APN

95-575-0110

NET OPERATING INCOME

\$91,000

BUILDING / LOT SIZE

554 SF / 0.33 Acres

YEAR RENOVATED

2022

Lease Summary



TENANT	Caribou Coffee Operating Company, Inc.
GROSS LEASABLE AREA	554
LEASE COMMENCEMENT	12/1/22
LEASE EXPIRATION	11/30/32
RENEWAL OPTIONS	Three (Five Years)

TAXES	Tenant responsible.
INSURANCE	Tenant responsible.
PARKING LOT	Tenant responsible for repairs. Landlord responsible for replacement.
ROOF	Tenant responsible for repairs. Landlord responsible for replacement.
STRUCTURE	Landlord responsible for repair and replacement.

TENANT SUMMARY				
TYPE	START	END	\$/SF	ANNUAL
CURRENT	12/1/22	11/30/27	\$164.26	\$91,000
	12/1/27	11/30/32	\$180.69	\$100,100
OPTION 1	12/1/32	11/30/37	\$198.75	\$110,110
OPTION 2	12/1/37	11/30/42	\$218.63	\$121,121
OPTION 3	12/1/42	11/30/47	\$240.49	\$133,233

Site Plan



NORTH FACING AERIAL



ZIMMERMAN, MN | TRADE AERIAL

LAKE FREEMONT

SITE

COURTYARD APARTMENTS

FREMONT VILLAGE SENIOR LIVING

The Bank
OF ELA RIVER

UNITED STATES
POSTAL SERVICE

PAPA'S
ITALIAN RESTAURANT

DQ

Z MARKET
Your Fresh Local Market • Zimmerman, MN

FITNESS
EVOLUTION

FRONTIER
LIQUORS

DOLLAR
GENERAL

SMOKEHOUSE
BAR & GRILL

Holiday

Hardee's
VITA BELLA

FREMONT AVENUE

11,400 VPD

AMERICAN LEGION
POST 560

ADVOCATE
URGENT CARE

Speedway
SUBWAY

Casey's

HARDWARE
HANK

ZBG

ZIMMERMAN
ELEMENTARY SCHOOL

O'Reilly
AUTO PARTS

DOLLAR TREE

Dominos

Starbucks

ZIMMERMAN MIDDLE
/ HIGH SCHOOL

LIONS PARK

ZIMMERMAN CIVIC
CENTER

PUBLIC WORKS
DEPARTMENT

FREMONT WILDLIFE
MANAGEMENT AREA

NELSON
NURSERY INC.
Garden Center



Tenant *Overview*



Brooklyn Center, MN

HEADQUARTERS

770+
US LOCATIONS

22
OF STATES

11
OF COUNTRIES



Founded in 1992, Caribou Coffee provides innovative, high-quality handcrafted beverages, and an all-day menu including gluten-free, vegetarian and plant-based items. As of the end of 2022, Caribou had 339 company-owned and 142 non-traditional locations nationwide, and 288 franchise stores in 11 countries. Caribou Coffee products can also be found in all 50 states across grocery stores, mass retailers, club stores, food service providers, hotels, entertainment venues and online.

Known for a commitment to integrating sustainable practices and making a difference, Caribou serves 100% Rainforest Alliance Certified coffees and espresso. This passion for premium is also why Caribou offers 100% clean label beverages with real ingredients including real chocolate chips, no artificial sweeteners, and no artificial flavors, colors, sweeteners, or preservatives. Caribou Coffee's unwavering commitment to providing an unparalleled consumer experience has translated to an industry leading NPS score. Additionally, the Caribou cabin prototype, debuted in 2019, features a significantly smaller footprint and drive-thru-focused model and has rapidly expanded throughout the Midwest.

Caribou Coffee is part of a portfolio of complementary brands bound by common values, Panera Brands, comprised of Panera Bread®, Caribou Coffee® and Bagel Brands®. Panera Brands' brands are independently operated and united in their mission to be force multipliers for good for their guests, communities, the planet and the shareholders they serve.

Location *Overview*



Zimmerman, located within the Minneapolis-Saint Paul MSA, is a thriving community that offers a favorable business landscape for entrepreneurs and companies alike. Known for its small-town charm and proximity to Minneapolis, Zimmerman has become an attractive destination for both residents and businesses.

The business community in Zimmerman is diverse and steadily growing, encompassing various sectors such as retail, hospitality, healthcare, manufacturing, and services. The presence of a supportive local government and a robust infrastructure further contribute to the town's economic development.

With a population of approximately 6,500 residents, Zimmerman benefits from a strong consumer base that provides ample opportunities for businesses to flourish. The town's strategic location, situated along major transportation routes, including U.S. Highway 169, facilitates easy access and connectivity to neighboring cities, making it an ideal hub for regional businesses.

In recent years, Zimmerman has witnessed notable commercial developments, attracting new investments and fostering the expansion of existing enterprises. The town's affordable real estate options, coupled with a lower cost of living, provide a competitive advantage for businesses seeking to establish a presence in the area.

Neighborhood *Demographics*

1-3-5 Demographics

	1 Mile	3 Mile	5 Mile
Population Summary			
2000 Total Population	2,194	6,642	10,543
2010 Total Population	2,967	10,745	17,141
2023 Total Population	3,225	12,506	19,536
2028 Total Population	3,255	12,734	19,813
2019-2024 Annual Rate	0.19%	0.36%	0.28%
Total Households	1,295	4,367	6,876
Data for all businesses in area			
Total Daytime Population	2,344	7,378	11,095
Daytime Population: Workers	1,097	2,049	2,631
Daytime Population: Residents	1,247	5,329	8,464
Labor Force By Occupation - White Collar	59.4%	58.2%	56.6%
Labor Force By Occupation - Blue Collar	33.2%	30.6%	31.1%
Median Age			
2023 Median Age	34.4	34.7	35.4
Median Household Income			
2023 Median Household Income	\$84,201	\$98,131	\$99,785
2028 Median Household Income	\$98,220	\$111,072	\$110,816
2019-2024 Annual Rate	3.13%	2.51%	2.12%
Average Household Income			
2023 Average Household Income	\$105,958	\$123,766	\$125,970
2028 Average Household Income	\$122,617	\$140,839	\$142,786
2019-2024 Annual Rate	2.96%	2.62%	2.54%
Per Capita Income			
2023 Per Capita Income	\$39,803	\$43,273	\$44,036
2028 Per Capita Income	\$46,362	\$49,519	\$50,239
2019-2024 Annual Rate	3.10%	2.73%	2.67%
2023 Population 25+ by Educational Attainment			
Total	2,066	7,981	12,622
Less than 9th Grade	1.2%	0.7%	0.6%
9th - 12th Grade, No Diploma	4.1%	3.1%	3.0%
High School Graduate	20.3%	20.5%	22.3%
GED/Alternative Credential	6.8%	5.1%	4.2%
Some College, No Degree	30.0%	30.6%	27.9%
Associate Degree	15.2%	14.8%	15.0%
Bachelor's Degree	14.7%	17.7%	19.1%
Graduate/Professional Degree	7.7%	7.5%	7.9%
2023 Population by Sex			
Males	1,611	6,309	9,900
Females	1,614	6,197	9,636

Savage Demographics

Key Facts

33,817

Population

36.5

Median Age

11,661

Households

\$97,346

Median Disposable Income

Income



3%

No High School Diploma



15%

High School Graduate



29%

Some College



54%

Bachelor's/Grad/Prof Degree

Employment



White Collar

74%



Blue Collar

16%



Services

13%

5.6%

Unemployment Rate

Income



\$120,035

Median Houshold Income



\$54,530

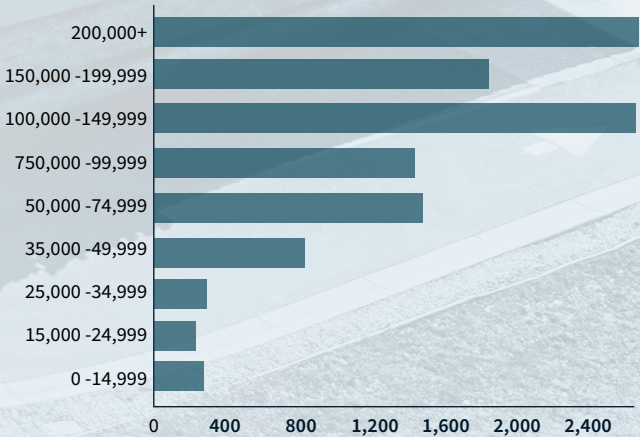
Per Capita Income



\$452,857

Median Net Worth

Household Income



Twin Cities *Market Overview*

A Diversified Economic Base

Minneapolis-St. Paul has one of the largest concentrations of Fortune 1000s in the world. The region is home to numerous international headquarters, American headquarters for foreign firms, and substantial office operations for firms that are headquartered on either coast. Safe and abundant food, clean water, and health solutions will drive the global economy in coming years. Minneapolis-St. Paul is the leader in these technologies and industries, and has the R&D, financial, and business services infrastructure to support them. Heralded as the “Silicon Valley of Water,” innovative companies like Ecolab, Pentair, and GE are investing in R&D to ensure clean and abundant water for the globe. Among both the private and public sectors, Minneapolis-St. Paul is a leader in biotechnology and medical innovation.

The highest concentration of Fortune 500 companies of any major metropolitan area

MARKET/MSA	POPULATION	FORTUNE 500 HQs	FORTUNE 500s PER 1M PEOPLE
Minneapolis-St. Paul	3,693,729	15	4.06
Pittsburgh, PA	2,370,930	9	3.80
Omaha, NE	1,058,000	4	3.78
San Francisco, CA	4,579,599	17	3.71
Denver, CO	2,963,821	11	3.71
Washington D.C.	5,490,000	19	3.46
Seattle, WA	3,519,000	12	3.41
Houston, TX	7,340,000	25	3.41
Chicago, IL	9,459,000	31	3.28
Dallas-Ft. Worth, TX	7,760,000	24	3.09
Charlotte, NC	2,595,027	8	3.08
Boston, MA	4,900,000	15	3.06
Atlanta, GA	6,106,000	17	2.78
Cincinnati, OH	2,316,022	6	2.59
New York City, NY	19,770,000	49	2.48
Philadelphia, PA	5,785,000	12	2.07
Los Angeles, CA	13,310,000	12	0.90

3,764,607

POPULATION
(MSA - 2022)

2,074,579

TOTAL EMPLOYEES
(MSA - 2022)

11.51%

EMPLOYMENT GROWTH
(MSA - SINCE 2010)

12.93%

POPULATION GROWTH
(MSA - SINCE 2010)

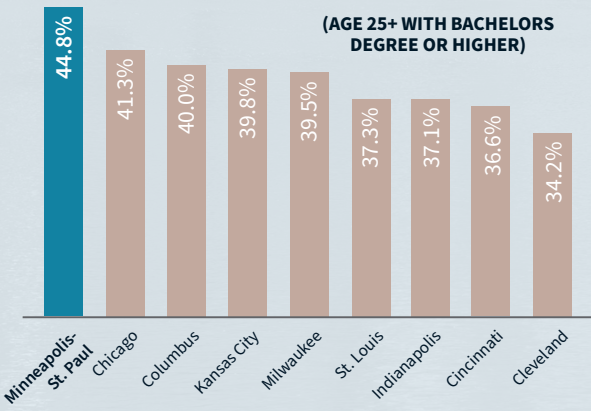
\$123,032

AVERAGE HOUSEHOLD INCOME
(MSA - 2022)

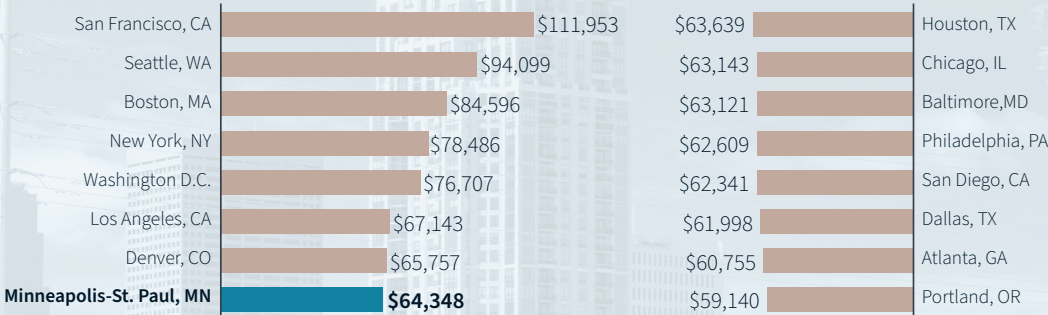
3.10%

UNEMPLOYMENT RATE
(MSA - JULY 2023)

Educational Attainment Surpasses Other Regional Metro Areas

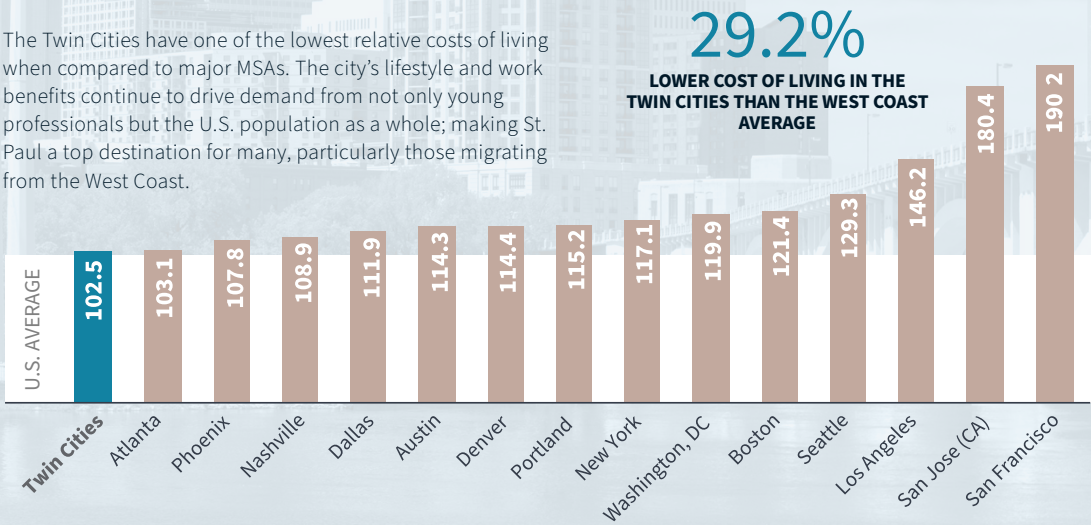


Among the Top Metropolitan Areas in Real GDP Per Capita



Cost of Living Index

The Twin Cities have one of the lowest relative costs of living when compared to major MSAs. The city's lifestyle and work benefits continue to drive demand from not only young professionals but the U.S. population as a whole; making St. Paul a top destination for many, particularly those migrating from the West Coast.



Outstanding Credit

The City of Minneapolis, Hennepin County, and State of Minnesota maintain operating surpluses and maintain AAA credit ratings



AAA
Minnesota S&P

Fitch's AAA rating notes "Minnesota has shown significant financial resilience."



AAA
Hennepin Co S&P

Hennepin County anticipates spending over \$1B on capital expenditures from 2017 to 2021.



AAA
Minneapolis S&P

S&P's AAA rating notes Minneapolis' "strong economy, with access to a broad and diverse metropolitan statistical area."

Thank You

INVESTMENT SUPPORT

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