



1250 S. POKEGAMA AVENUE | GRAND RAPIDS, MN

EXCLUSIVELY MARKETED BY

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Spokegama Ave

Minnesota WorkForce Center





Investment Summary

OFFERING PRICE	\$2,200,000
LEASE TERM	15 (Dec. 2016 - Dec. 2031)
CAP RATE (IN-PLACE)	5.0%
NOI (IN-PLACE)	\$110,000
CURRENT OCCUPANCY	100%
TOTAL BUILDING AREA	18,539 SF
TOTAL LAND AREA	76,230 SF (1.75 Acres)

Investment Highlights

STRONG CREDIT, SINGLE-TENANT NET LEASED (STNL) INVESTMENT

- **Long Term, 15 Year Corporate, Single Tenant Ground Lease (ALDI Inc.)**
 - Recently signed 15 year ground lease and opens in December.
- **Investment Quality Tenant**
 - ALDI is a Private Company with over 10,000 stores worldwide and although it is privately owned, the company is assumed to be investment quality credit.
- **Low Price Per Pound**
 - Priced at only \$108 PSF, the property is priced far below replacement cost.

CARE FREE REAL ESTATE INVESTMENT

- **Zero Landlord Responsibilities**
 - ALDI is responsible for procuring and paying for all operating expense, capital repairs, and capital replacement. Perfect for "coupon clipper" investors
- **New 2016 Construction**
 - The building was recently constructed by the tenant and the store opens in December of 2016.

EXCELLENT LOCATION FOR ALDI

- ALDI thrives in areas with younger growing families. The demographic profile for this store fits perfectly within their model. Also, Minnesota is consistently one of their top performing markets in the US.

PERFECT 1031 OPPORTUNITY

- Everything is set up perfectly for 1031 buyers: Debt Free, 15 Year Term, Ground Lease, High Credit Tenant, Low Price Per Pound.

Grand Rapids, MN

The city of Grand Rapids is situated at the junction of Highway 2 and 169. Highway 2, a major transportation arterial, runs easterly to towards Duluth and west to Bemidji. Highway 169 goes south to Minneapolis and north up to the Mesabi Range, passing through Hibbing, all major population centers.

The city of Grand Rapids was named for the 3.5-mile long local rapids in the Mississippi River, which was the uppermost limit of practical steamboat travel during the late 19th century. Today, the rapids are hidden underneath the dam of Blandin Paper Mill. Grand Rapids was originally a logging town, as the Mississippi River provided optimal log shipment to population centers.

Historically, the local economy was based on timber harvesting, and to this day, Blandin Paper Mill, now Finnish-based UPM paper company, has its papermaking facilities in the heart of Grand Rapids.

Tourism has a large footing in Grand Rapids' current economy, with many local resorts, four golf courses, over one million acres of public and industrial forestlands that provide excellent regional hunting, and more than 1,000 lakes for fishing. It also is the service center for 46,000 people due to a large seasonal and weekend population of summer residences on surrounding lakes, and a number of smaller communities located near Grand Rapids. Annual tourism events include: Itasca Vintage Car Show, Tall Timber Days, Goods From the Woods, National Ruffed Grouse Society Annual Hunt, White Oak Classic Dog Sled Race, Judy Garland Festival, and more.

For more information please visit:

www.grandrapidseda.com and wikipedia.org/wiki/Grand_Rapids,_Minnesota

DEMOGRAPHICS:	3-Mile	5-Mile	10-Mile
2016 Population	12,728	16,393	26,456
2021 Population	13,196	16,927	27,259
Percent Pop Change: 2010 to 2016	4.05%	3.32%	3.01%
Percent Pop Change: 2016 to 2021	3.68%	3.26%	3.04%
2016 Average Age	42.82	42.91	42.61
Percent HH Change: 2010 to 2016	5.41%	4.93%	4.52%
Percent HH Change: 2016 to 2021	4.44%	4.16%	3.89%
Average Household Size	2.21	2.26	2.32
2016 Average Household Income	\$56,834	\$60,914	\$62,039



BEST PLACE TO START A BUSINESS

NERDWALLET RANKED GRAND RAPIDS THE 16TH BEST PLACE TO START A BUSINESS IN MINNESOTA.

SMALL CITIES DEVELOPMENT GRANT

GRAND RAPIDS HAS RECEIVED OVER \$600,000 IN GRANT FUNDING FOR COMMERCIAL AND RESIDENTIAL REDEVELOPMENT FROM MN DEED.

Local Map

American Legion Memorial Park

Hale Lake

NW 7th St

NE 7th St

NE 6th St

Grand Rapids

169

2

169

NW 3rd St

2

Paper Mill Reservoir

Pleasant St

La Prairie Ave

La Prairie



SE 2nd Ave

River

SE 10th St

169

SE 13th St

SE 17th St

Grand Rapids - Itasca County Airport



Shoe Lake Rd

Davis Rd



Property Description

LOCATION

1250 S. Pokegama Ave
Grand Rapids, MN 55744

SITE

The subject is located on the east side of South Pokegama Avenue, north of L&M Supply, and across the street from McDonald's.

LAND AREA

The Property consists of one (1) parcel (APN: 91-711-0115 totaling approximately 1.75 acres or 76,230 SF of land area.

BUILDING AREA

The subject consists of one (1) retail building totaling approximately 18,539 SF of net rentable area.

FRONTAGE & ACCESS

Access points into the center include two (2) entrances off SE 13th Street and one (1) entrances off S. Pokegama Avenue.

PARKING

The Property provides 103 parking stalls which equates to 5.56:1,000 SF parking ratio.

TRAFFIC COUNTS

S. Pokegama Avenue ±18,200 CPD

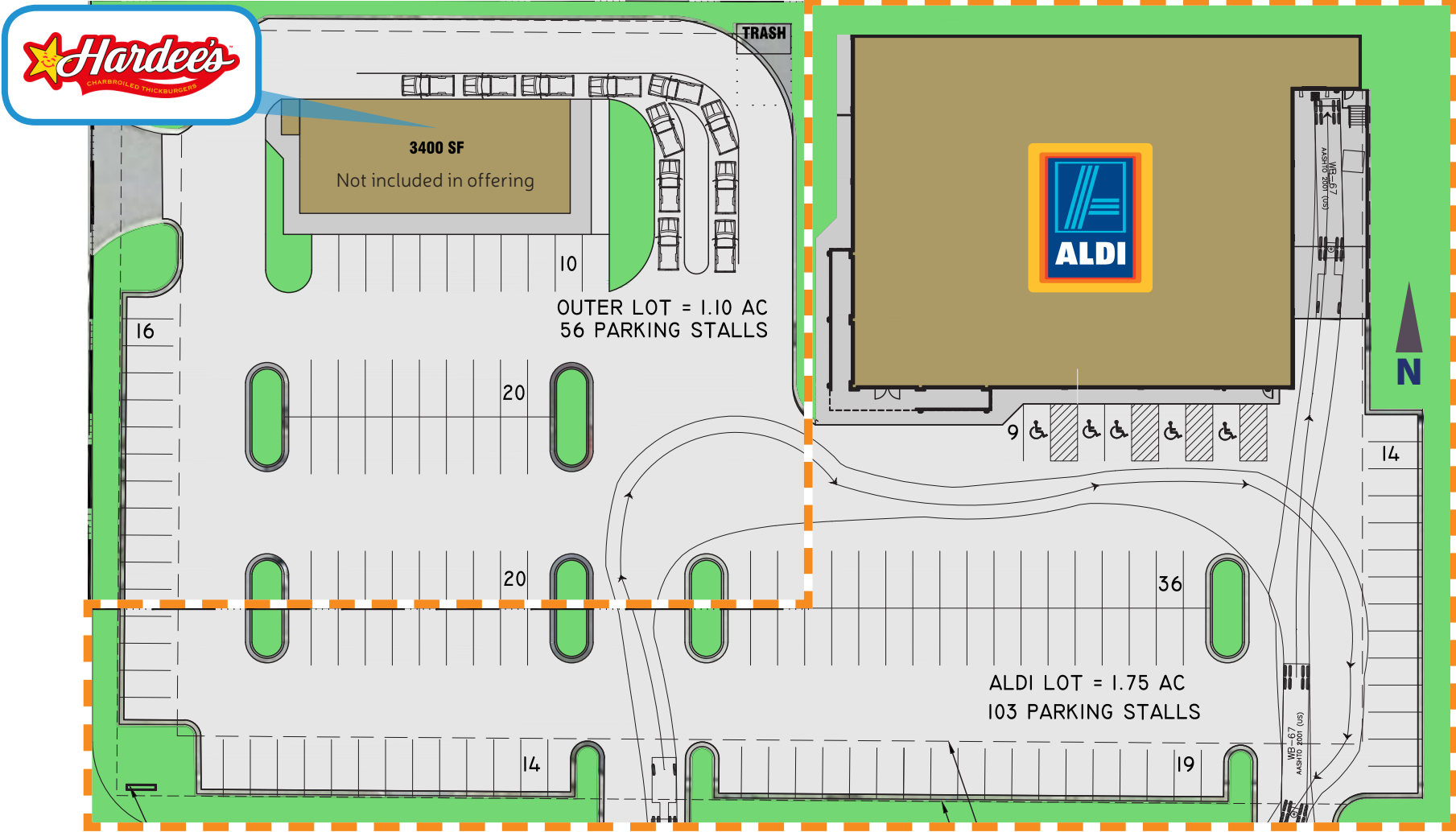
BUILT

The subject building was built in 2016.

ZONING

Per the city of Grand Rapids the subject site is currently zoned as GB - General Business







ALDI is the nation's low-price grocery leader with a store model built on creating efficiencies at every level. Every aspect of ALDI's operations has been rethought and reinvented to maximize the quality of their products and savings for our customers.

ALDI, which entered the Minnesota market in 2003, now has more than 40 stores in the state. The Grand Rapids location is part of ALDI's plan to roll out stores in the Northwest part of Minnesota. In time, ALDI's distribution run will stretch further to markets like Fargo, North Dakota.

ALDI U.S.

Ownership: **Private**

Credit Rating: **Not Rated**

Year Founded: **1976**

U.S. Headquarters: **Batavia, IL**

Employees: **22,000**

Locations: **1,500**

www.aldi.com

ALDI, THE GROUP

Ownership: **Private**

Credit Rating: **Not Rated**

Year Founded: **1913**

Headquarters: **Germany**

Employees: **116,500**

Locations: **10,000**

unternehmen.aldi-sued.de

www.aldi-nord.de

Founded in Germany in 1914 by Anna Albrecht, ALDI has since grown from a single location to now having over 10,000 locations worldwide. In 1962, "Albrecht Discount" was shortened to "ALDI" and by 1967, there were more than 200 ALDI locations.

ALDI began their U.S. operations in 1976 with the first store in southeastern Iowa. They have since grown into a multi-billion-dollar retail business with more than 1,300 locations in 32 states. By focusing on the integrity of their business plan and the satisfactions of their customers, employees and partners, they've become the nation's low-price grocery leader.



Downtown Grand Rapids

NE 4th St

Grand Rapids Retail Corridor

S Pokegama Ave



Lease Abstract

Tenant	ALDI Inc. (Minnesota)	
Lease Type	Ground Lease	
Commencement Date	December 1, 2016	
Expiration Date	November 30, 2031	
Lease Term	15 Year Lease	
Rent Per Square Foot	\$5.93	
Annual Basic Rent	\$110,000.00	
Rent Escalations	Years 6-10:	\$115,500 (5%)
	Years 11-15	\$121,275 (5%)
Renewal Options	Years 16-20	\$127,338.75 (5%)
	Years 21-25	\$133,705.69 (5%)
	Years 26:30	\$140,390.97 (5%)
	Years 31:35	\$147,410.52 (5%)
	Years 36-40	\$154,781.05 (5%)
Right of First Refusal	None	
Option to Purchase	None	
Termination Option	None	
Operating Costs	<p>Repairs (8.1): Tenant shall, at its sole cost and expense, maintain and repair the Premises and the building and other improvements located thereon...</p> <p>Utilities (11.1): Tenant shall pay before delinquency all charges for water, gas, heat, air cooling, electricity, power, telephone and other utility services used by Tenant on the Premises from and after the Delivery Date and during the Term...</p> <p>Insurance (12.1): Tenant shall at all times during the Term keep in force a policy of commercial general liability insurance, which may be through an endorsement on a blanket liability insurance policy...</p> <p>Taxes (13.1): ...Tenant shall pay before delinquency any and all real property taxes and assessments, whether ordinary or extraordinary, which shall be due and payable against the Premises and allocable to the Term (collectively, "Taxes")...</p>	
Landlord Improvement Contribution	Only site work (as defined in the lease), which shall be completed prior to commencement	
Assignment & Subletting	Tenant shall have the right to assign this Lease, or sublet the Premises, or any portion thereof. Upon any such assignment, transfer or sublease, Tenant shall not be relieved of its obligations hereunder and shall remain primarily liable under this Lease.	





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CONFIDENTIALITY AGREEMENT

This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the property or the owner of all Property (the "Owner"), to be all-inclusive or to contain all or part of the information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors being the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner. Neither the Owner or CBRE, Inc., nor any of their respectful directors, officers, Affiliates or representatives make an representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest

or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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