



OFFERING MEMORANDUM

CARIBOU CABIN

2721 E 2ND STREET • SUPERIOR, WI

CBRE

Affiliated Business Disclosure

CBRE, Inc. operates within a global family of companies with many subsidiaries and related entities (each an “Affiliate”) engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates, including CBRE Global Investors, Inc. or Trammell Crow Company, may have or represent clients who have competing interests in the same transaction. For example, Affiliates or their clients may have or express an interest in the property described in this Memorandum (the “Property”), and may be the successful bidder for the Property. Your receipt of this Memorandum constitutes your acknowledgment of that possibility and your agreement that neither CBRE, Inc. nor any Affiliate has an obligation to disclose to you such Affiliates’ interest or involvement in the sale or purchase of the Property. In all instances, however, CBRE, Inc. and its Affiliates will act in the best interest of their respective client(s), at arms’ length, not in concert, or in a manner detrimental to any third party. CBRE, Inc. and its Affiliates will conduct their respective businesses in a manner consistent with the law and all fiduciary duties owed to their respective client(s).

Confidentiality Agreement

Your receipt of this Memorandum constitutes your acknowledgment that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property (“Owner”) or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc.

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

Disclaimer

This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented “as is” without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the

Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property’s suitability for your needs. ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

The Owner expressly reserves 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 at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner.

Copyright Notice

© 2021 CBRE, Inc. All Rights Reserved.



INVESTMENT OVERVIEW

CARIBOU CABIN | SUPERIOR, WI

PRICE

\$1,555,000
5.40% CAP Rate

ADDRESS

2215 E 2nd St
Superior, WI 54880

APN

01-801-00697-00

NET OPERATING INCOME

\$84,000

BUILDING/LOT SIZE

605 SF/ 0.88 Acres

YEAR BUILT

2021

TERM REMAINING

10 Years

TYPE OF OWNERSHIP

Fee Simple

SUMMARY



New Drive-Thru, Walk-Up Only Format: "Cabin" Concept

This site is [Caribou Coffee's new "Cabin" concept](#), featuring the new drive-up and walk-up only format. Caribou Coffee has already rolled out many across Minnesota and Western Wisconsin.



Market-Dominant Coffee Chain

Caribou Coffee is the [dominant coffee chain in Minnesota](#) with more locations in the region than Starbucks and Dunkin' Donuts combined.



New 10-Year Lease

Caribou Coffee signed a 10-year lease with attractive 10% rent increases every 5 years, continuing throughout the renewal options.



Brand New Construction

The building is new construction built-to-suit according to Caribou Coffee's specifications.



High Traffic Corridor Location on Highway 53

Highway 53 is the major traffic corridor connecting the Twin Ports cities of Superior and Duluth. Highway 53 provides access for residents of Superior to the major employers of Enbridge Energy and Cenovus to the southwest of this Caribou location, as well as Superior High School directly to the west, and the University of Wisconsin - Superior campus, to the northwest.



Retail and Non-Retail Traffic Drivers Surround This Location

This Caribou Cabin is directly across the street from a [Super One Foods grocer, new in 2014](#); this was Miner's Inc.'s first new-from-the-ground-up store in seventeen years, and replaced two other Super One locations in Superior. Other major traffic drivers include an adjacent McDonalds, and a port access road that connects to major shipping terminals on the Superior Front Channel harbor.

TENANT SUMMARY

CARIBOU CABIN | SUPERIOR, WI

RENT SCHEDULE

	Year Start	Year End	Annual Rent
Current	Year 1	Year 5	\$84,000.00
	Year 6	Year 10	\$92,400.00
Option 1	Year 11	Year 15	\$101,640.00
Option 2	Year 16	Year 20	\$111,804.00
Option 3	Year 21	Year 25	\$122,984.00

LEASE SUMMARY

Lease Commencement	July 13, 2021
Lease Expiration	July 31, 2031
Renewal Options	3 (5) Year Options
Notice For Options	180 days prior to expiration

EXPENSES

Real Estate Tax	Tenant responsible
Property Insurance	Tenant responsible
Roof & Structure	Tenant responsible for upkeep; landlord responsible for replacement
Parking Lot	Tenant responsible for upkeep; landlord responsible for replacement
HVAC	Tenant responsible
Repairs & Maintenance (CAM)	Tenant responsible

TENANT SUMMARY

CARIBOU CABIN | SUPERIOR, WI

TENANT SUMMARY	
Ownership:	Private
Tenant:	Corporate - Caribou Coffee Operating Company, Inc.
Systemwide Sales:	\$700M+
Lease Guarantor:	Corporate
No. of Locations:	400+
Headquartered:	Brooklyn Center, MN
Year Founded:	1992
Website:	www.CaribouCoffee.com

[Text That Looks Like This is Clickable!](#) ✨

CARIBOU COFFEE

Founded in 1992, Caribou Coffee is the second largest company-operated premium coffeehouse in the United States with over 200 company-owned locations nationwide. Caribou Coffee also has over 120 domestic license locations in 22 states, and over 200 international franchise stores in 11 countries. Caribou Coffee provides high quality, handcrafted beverages and food options to fuel life's adventures, both big and small.

Caribou was acquired by German conglomerate JAB Holdings in 2012 for \$340 million. JAB's portfolio includes other well-known national brands such as Peet's Coffee, Dr. Pepper Keurig, and Panera Bread.

The company opened its first "cabin" concept locations in late 2019, offering a faster, low-touch experience that doesn't require patrons to leave their vehicles. With the advent of the COVID-19 pandemic, drive-thru only locations enjoy a unique advantage over in-store retailers and restaurants who have had to retrofit existing facilities to reduce opportunities for contamination and to make customers feel more comfortable.



CARIBOU IN THE NEWS

["Caribou Unveils New No-Seat Small Store Concept, Caribou Cabins"](#) - *Daily Coffee News, August 2019*

["The Growth of Drive-Thru Coffee"](#) - *Perfect Daily Grind, August 2020*

["Restaurants, Developers Line Up for Drive-Thrus"](#) - *LABusinessJournal.com, April 2021*



SUPERIOR TRADE AREA

CARIBOU CABIN | SUPERIOR, WI



DULUTH, MINNESOTA



SUPERIOR FRONT
CHANNEL HARBOR



SUPERIOR, WISCONSIN

UNIVERSITY of WISCONSIN
Superior



cenovus
ENERGY
SUPERIOR REFINERY

SUPERIOR TERMINAL
ENBRIDGE

LAKE SUPERIOR

WEST-FACING AERIAL

CARIBOU CABIN | SUPERIOR, WI

SUPERIOR TERMINAL
ENBRIDGE

cenovus
ENERGY
SUPERIOR REFINERY

LAKE SUPERIOR
COMMUNITY
HEALTH CENTER

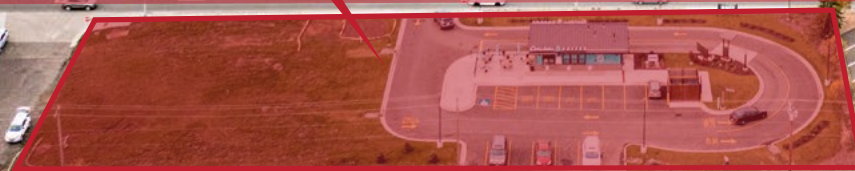
HARDWARE HANK

1 Super One
FOODS

Kwik Trip

Caribou
COFFEE.

18,700 VEHICLES



NORTH-FACING AERIAL

CARIBOU CABIN | SUPERIOR, WI



SPECIALTY MINERALS INC



LAKE SUPERIOR



18,700 VEHICLES



PROPERTY PHOTOS

CARIBOU CABIN | SUPERIOR, WI



MARKET SUMMARY

CARIBOU CABIN | SUPERIOR, WI



HISTORIC LAKESHORE TWIN CITY TO DULUTH

Located at the junction of U.S. Highway 56 and Highway 53, Superior Wisconsin is located on the shore of Lake Superior and just across the bay from Duluth, Minnesota.

Superior enjoys a strong economy underpinned by a variety of industries, including tourism. The city is home to the Superior Entry Lighthouse on Wisconsin Point and is attached to a 10-mile long sand bar stretch.

The private energy sector also plays a large part in the city's economy, home to two major refineries for Enbridge Energy and Cenovus. The [Enbridge Superior Terminal](#) is a control point and transportation hub for the company's pipeline network, and 20 percent of the nation's crude imports pass through this facility every day. The [Cenovus refinery](#) is undergoing a complete rebuild with a target completion of 2023. When the construction is complete, the new capacity for the Cenovus facility will be 49,000 barrels of oil per day.

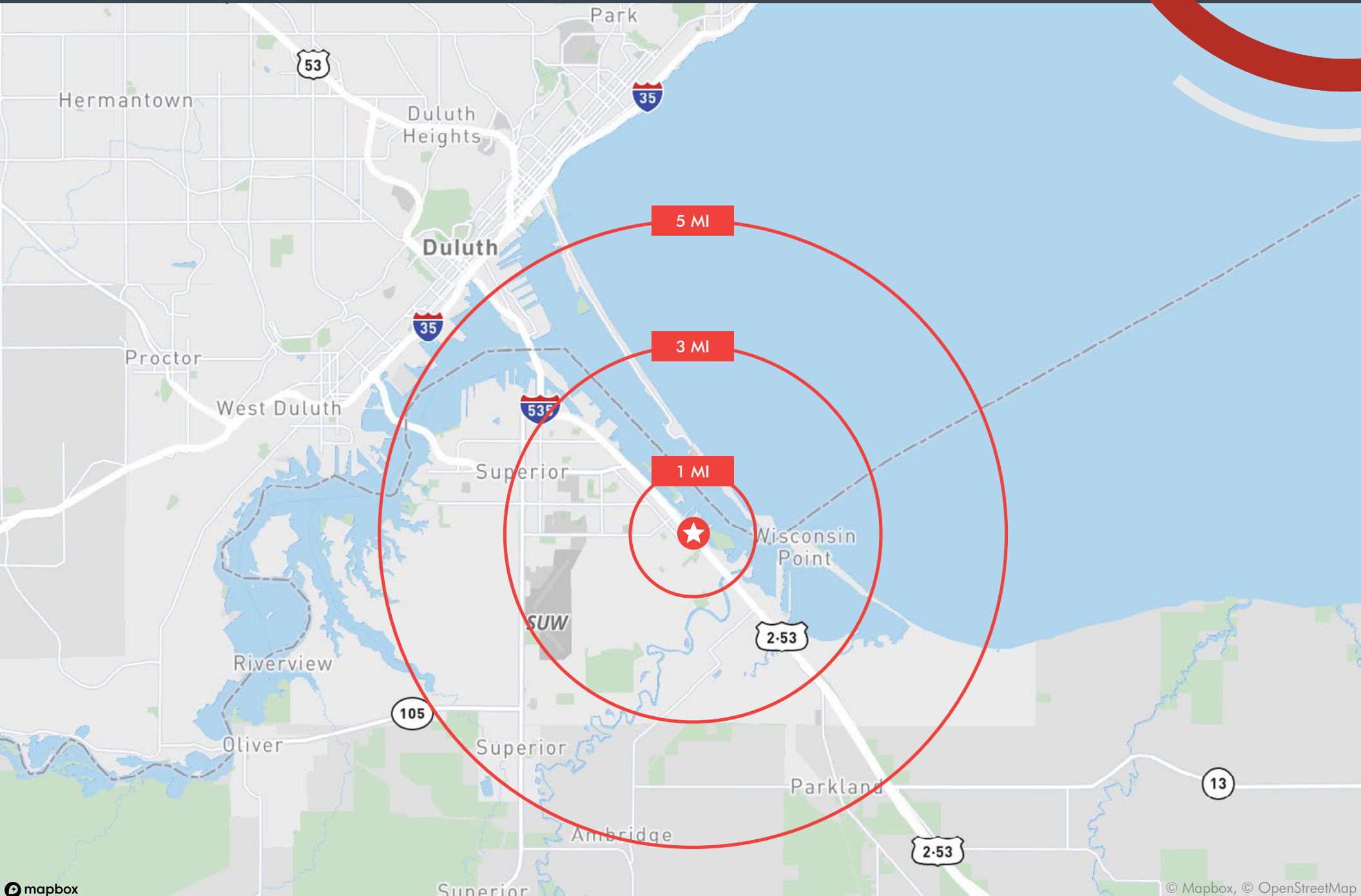
CITY OF SUPERIOR

Estimated 2021 Average Household Income	\$63,863
Estimated 2021 Average Home Value	\$170,048
Estimated 2021 City Population	27,068
Estimated 2021 Median Age	37.6 Years



DEMOGRAPHICS

CARIBOU CABIN | SUPERIOR, WI



DEMOGRAPHICS

CARIBOU CABIN | SUPERIOR, WI

	1 Mile	3 Miles	5 Miles
POPULATION			
2021 Population - Current Year Estimate	3,818	20,490	28,960
2026 Population - Five Year Projection	3,777	20,415	28,843
EMPLOYMENT			
2021 # of Businesses	87	794	1,210
2021 Employed Civilian Population 16+	98.4%	95.2%	95.7%
2021 Unemployed Population 16+	1.6%	4.8%	4.3%
GENERATIONS			
Generation Z (Born 1999-2016)	18.0%	23.2%	22.0%
Millennials (Born 1981-1998)	22.8%	27.0%	25.5%
Generation X (Born 1965-1980)	18.5%	17.4%	17.8%
Baby Boomers (Born 1946-1964)	25.4%	20.1%	21.9%
HOUSEHOLD INCOME			
2021 Average Household Income	\$67,832	\$61,472	\$65,633
2026 Average Household Income	\$76,075	\$67,905	\$72,906
EDUCATION			
High School Diploma	28.0%	24.0%	25.5%
Some College - No Degree	22.0%	27.4%	25.9%
Associate's Degree	13.1%	12.7%	12.9%
Bachelor's Degree	18.9%	17.6%	17.5%
Graduate or Professional Degree	10.3%	8.4%	8.7%
DAYTIME POPULATION			
Daytime Workers	1,125	10,995	15,913
Daytime Residents	1,941	10,030	14,683

CONSUMER BASE - 3 MILE RADIUS

CARIBOU CABIN | SUPERIOR, WI

DOMINANT LIFE SEGMENT

34.6% SET TO IMPRESS

- Residents of this segment are educated and mobile
- Many are enrolled in college
- Prefer name brands, but will buy generic when it is a better deal
- Quick meals on the run are a reality of life
- Image-conscious consumers that dress to impress and often make impulse buys
- Tapped into popular music and the local music scene

DOMINANT LIFEMODE GROUP

34.6% MIDTOWN SINGLES

- Millennials on the move - single, urban
- Single parents with very young children
- Brand-savvy shoppers select budget-friendly stores
- Embrace the internet for social networking and downloading content
- Work in service and unskilled positions

DOMINANT URBANIZATION GROUP

65.1% METRO CITIES

- Affordable city life including smaller metropolitan or satellite cities
- Consumers include college students, affluent Gen X couples, and retirement communities
- Residents share an interest in city life and its amenities
- Convenience and mobility favor cell phones over landlines

OTHER TOP SEGMENTS

15.7% RUSTBELT TRADITIONS

- Large market of stable, hard-working consumers with modest incomes
- Family oriented consumers who value time spent at home
- Budget aware shoppers that favor American-made products
- Favorite family restaurants include Applebee's, Arby's, and Texas Roadhouse
- Watching television is a common pastime

15.7% OLD AND NEWCOMERS

- Singles' lifestyles on a budget
- Neighborhoods in transition, populated by renters who are just beginning their careers or retiring
- Consumers are price aware and coupon clippers but open to impulse buys
- Attentive to environmental concerns
- Food features convenience, frozen and fast food

CONTACT US

PATRICK GALLAGHER

WI Broker of Record
patrick.gallagher@cbre.com

SEAN DOYLE

First Vice President
+1 612 336 4324
sean.doyle2@cbre.com

MATT HAZELTON

First Vice President
+1 612 336 4328
matt.hazelton@cbre.com

AJ PRINS

First Vice President
+1 612 336 4322
aj.prins@cbre.com

CORY VILLAUME

First Vice President
+1 612 336 4323
cory.villaume@cbre.com

**SEE ALL LISTINGS AND LEARN MORE ABOUT US AT
WWW.CBRE.US/INVMINNEAPOLISRETAIL**

© 2021 CBRE, Inc. All rights reserved. This information has been obtained from sources believed reliable, but has not been verified for accuracy or completeness. You should conduct a careful, independent investigation of the property and verify all information. Any reliance on this information is solely at your own risk. CBRE and the CBRE logo are service marks of CBRE, Inc. All other marks displayed on this document are the property of their respective owners, and the use of such logos does not imply any affiliation with or endorsement of CBRE. Photos herein are the property of their respective owners. Use of these images without the express written consent of the owner is prohibited.

CBRE