



FOUNTAIN
REAL ESTATE CAPITAL



Offering Memorandum: 63 St. Anthony Parkway, Minneapolis

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63 St. Anthony Parkway
Minneapolis, MN 55418



PROPERTY ADDRESS: 63 St. Anthony Parkway, Mpls MN 55418

Name of Building:	63 St. Anthony Parkway, Minneapolis MN (also known as All Furniture Warehouse (the "Project"))	
Building Square Footage:	153,928:	30,079 SF Office/Showroom and 123,849 SF warehouse
Purchase Price:	\$12,000,000	\$ 77.96 per sqft
Total Costs:	\$13,300,000	\$ 86.40 per sqft
Proposed Loan Amount:	\$9,992,000	75% of total Costs
Proposed Equity Amount:	\$3,300,000	25% of total Costs
Projected IRR:	30% plus	7.5% CAP Rate on exit
Projected Annual Yield:	%	(on average)
Debt Service Coverage:	2.3:1	(on average)

63 St. Anthony Parkway is in NE Minneapolis just 2 miles from Interstate 94 and 694. The former distribution center for Ford Motor was completely renovated in 2012 and is an exceptional industrial property. The work to convert a single tenant space to two tenant spaces will take approximately 6 months, at which time the 2nd tenant will take occupancy and begin paying rent.

One of the unique attributes of this property, in addition to its great location, is the fact that it contains over four (4) acres of highly sought-after enclosed storage. This represents approximately \$200k annually of additional net revenue.

Sale Price:

\$12,000,000 or \$77.95/ft

2020 Taxes:

\$167,393.28 (\$1.09/ft)

2020 CAM:

\$112,339.20 (\$0.73/ft)

PROPERTY ADDRESS: 63 St. Anthony Parkway, Mpls MN 55418

LAND AREA: 12.36 Acres (538,463 SF)

BUILDING AREA:

Office/Showroom:	30,079 SF
Warehouse:	<u>123,849 SF</u>
Total Sq/FT:	153,928 SF

ZONING: Zoned I2 with outside storage available

YEAR BUILT: 1955

YEAR RENOVATED: 2012

OF DOCKS: 10 All dock and drive-in doors were replaced with Kelly docks in 2012

DRIVE IN TRUCK WELLS: 2

DRIVE IN DOORS: 2

CEILING HEIGHT: 16' to trusses; 22' 10" to deck

COLUUMN SPACING: 60 x 40 in warehouse

SPRINKLERED: 100% sprinklered monthly/yearly service contracts are in place

GENERAL INFORMATION (cont.)

OUTSIDE STORAGE: Approximately 4 acres. Fenced, gated, mostly paved, exterior lighting and security cameras installed.

Back lot contains 50 spaces with electric outlets for plug-in access for vehicle tank heaters.

Current income from month-to-month tenants on outside storage alone is \$131,004/ year (\$10,917 / month)

POWER: 3,000 Amps - 480/277

ROOF: 138,000 SF replaced in 2012 completely replaced to the deck including new insulation
15,000 SF replaced in 2010

MECHANICAL: All new 2012-2013

HVAC: All rooftop mechanicals were replaced in 2012.
All warehouse gas fired heaters were replaced in 2012



ADDITIONAL PROPERTY ITEMS:

8 Skylights were added to office and showroom areas

The penthouse executive office area was constructed in 2015. It includes 2,400 SF of private offices, an open plan conference area, a breakroom and private restrooms

Lighting throughout the warehouse was replaced and updated with motion sensors in 2012. Updated LED lighting was added to the chair room showroom and drive-in garage area in 2020.

Outside fencing and secured access gates were added in 2010 to secure all outside storage areas

The security system was recently updated to include 28 interior/exterior cameras to fully monitor the interior and exterior areas of the premises and outside storage areas

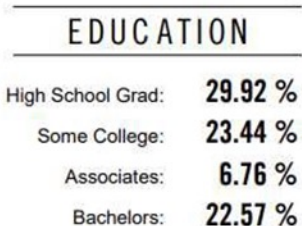
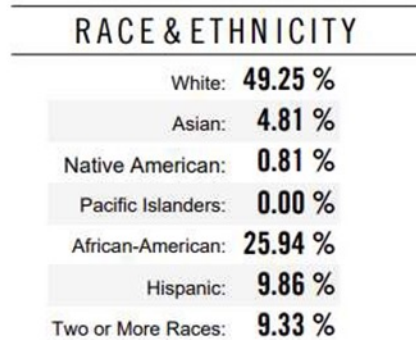
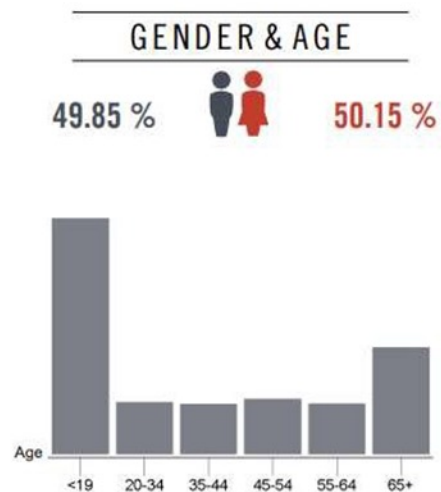
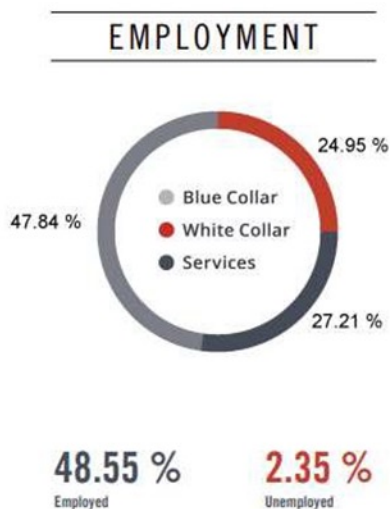
New windows installed throughout the exterior walls of the office showroom areas in 2012



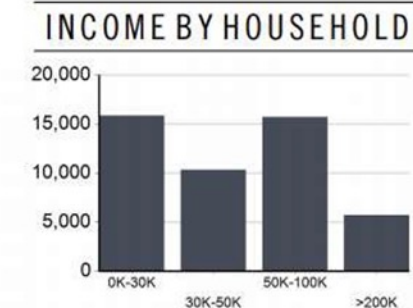
Location Facts & Demographics

Demographics are determined by a 10 minute drive from 63 St Anthony Pkwy, Minneapolis, MN 55418

CITY, STATE	Minneapolis, MN
POPULATION	119,447
AVG. HH SIZE	2.57
MEDIAN HH INCOME	\$49,500
HOME OWNERSHIP	
Renters:	19,379
Owners:	28,155



Catylist Research



This information was compiled from various sources. We have endeavored to provide accurate information, but we do not warrant its accuracy. Prospective Buyer or Tenant should conduct an independent investigation and verification of all material, including, but not limited to, statements of income and expenses. Consult your attorney, accountant, or other professional advisor.

Hennepin County, MN

Hennepin County Treasurer

 A600 Government Center
 Minneapolis MN 55487- 0060

Property ID number: 03-029-24-13-0004 NON - HOMESTEAD
 Property address: 63 ST ANTHONY PKWY
 Owner name: 675 STINSON LLC
 Taxpayer name and address: 675 STINSON LLC
 63 ST ANTHONY PKWY
 MINNEAPOLIS MN 55418

2020 taxes	Tax	Penalty	Totals
1st half tax (due 05/15/2020)	\$83,696.64		
2nd half tax (due 10/15/2020)	\$83,696.64		
Penalty through month end		\$0.00	
Total payable	\$167,393.28	\$0.00	\$167,393.28
Net paid - year to date	\$83,696.64	\$0.00	\$83,696.64
Total Due	\$83,696.64	\$0.00	\$83,696.64

Property ID number: 03-029-24-13-0004	1st half tax due through 09/30/2020	<input type="checkbox"/>	\$0.00
<i>Note: If you are using this page in lieu of Hennepin County payment stub to remit payment; after printing the page, please check the box in front of the payment amount that you are remitting.</i>	2nd half tax due through 10/15/2020	<input type="checkbox"/>	\$83,696.64
	Total due - 2020 tax	<input type="checkbox"/>	\$83,696.64

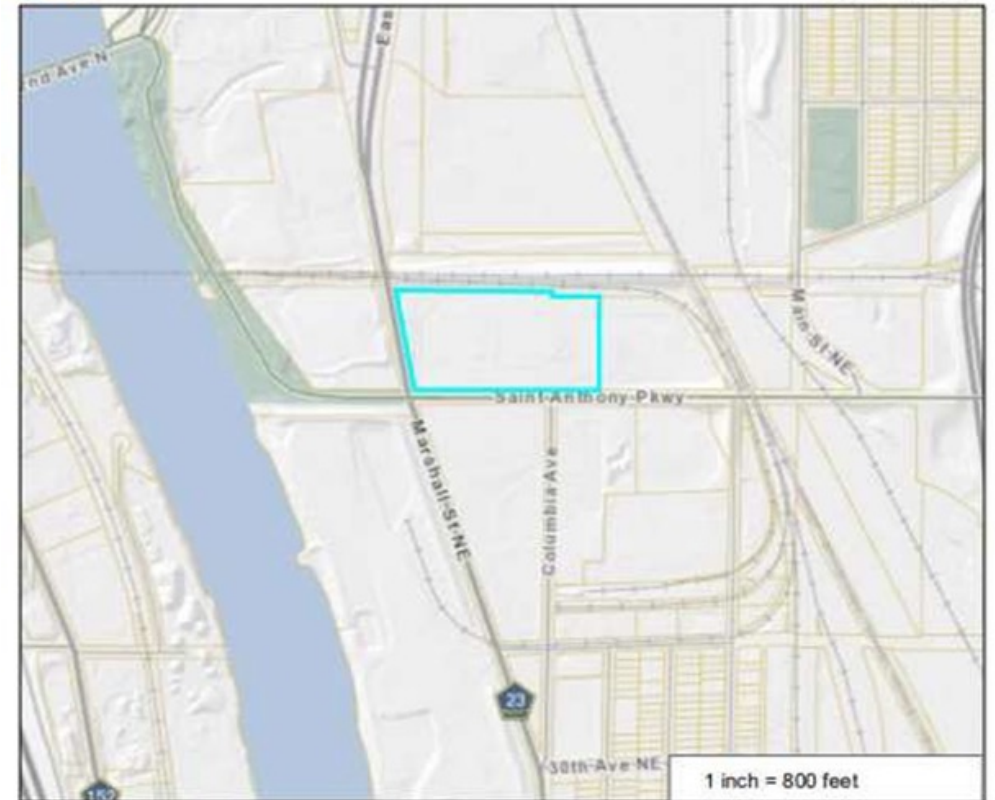
There are no prior year taxes due on this property.

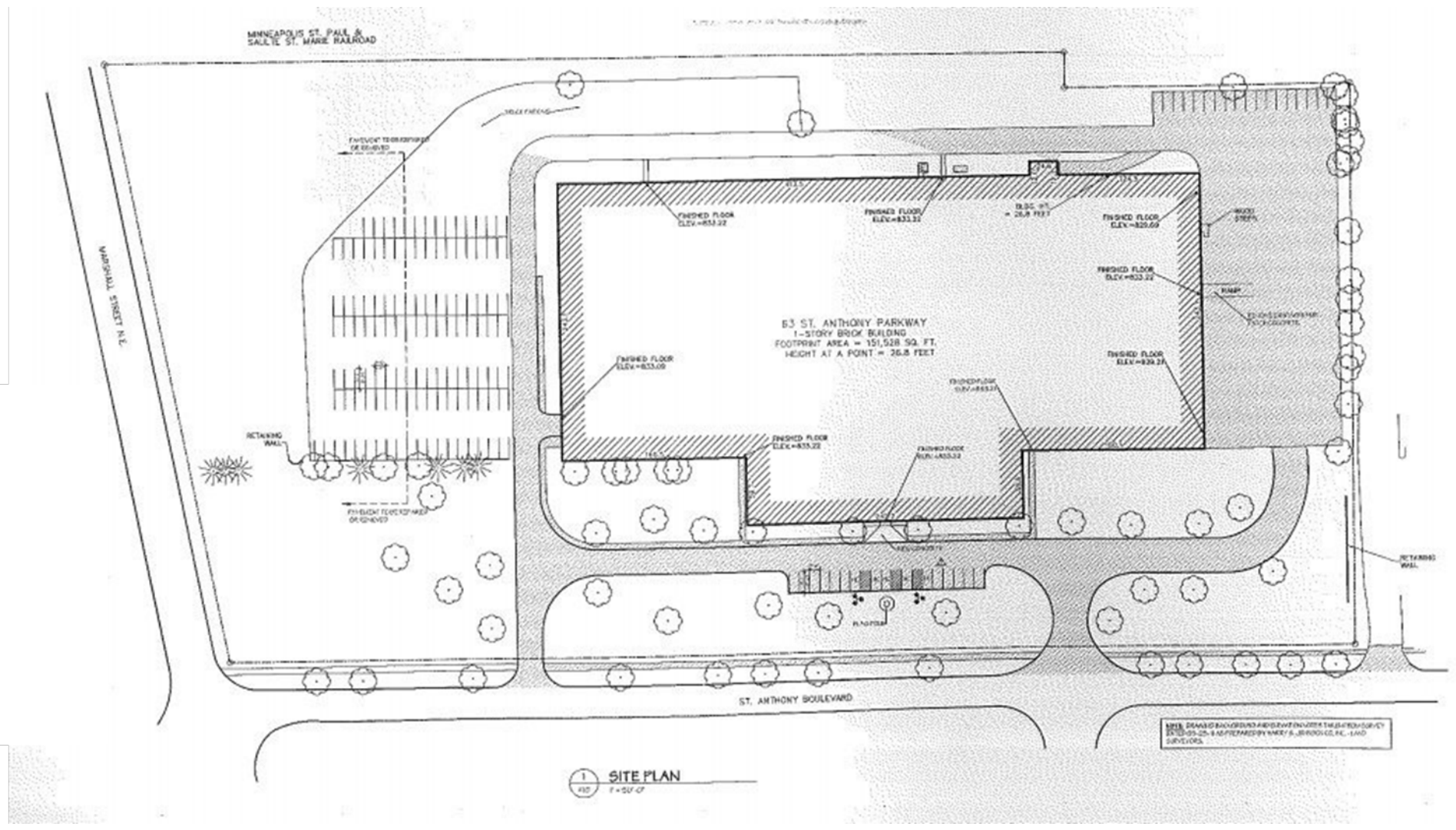


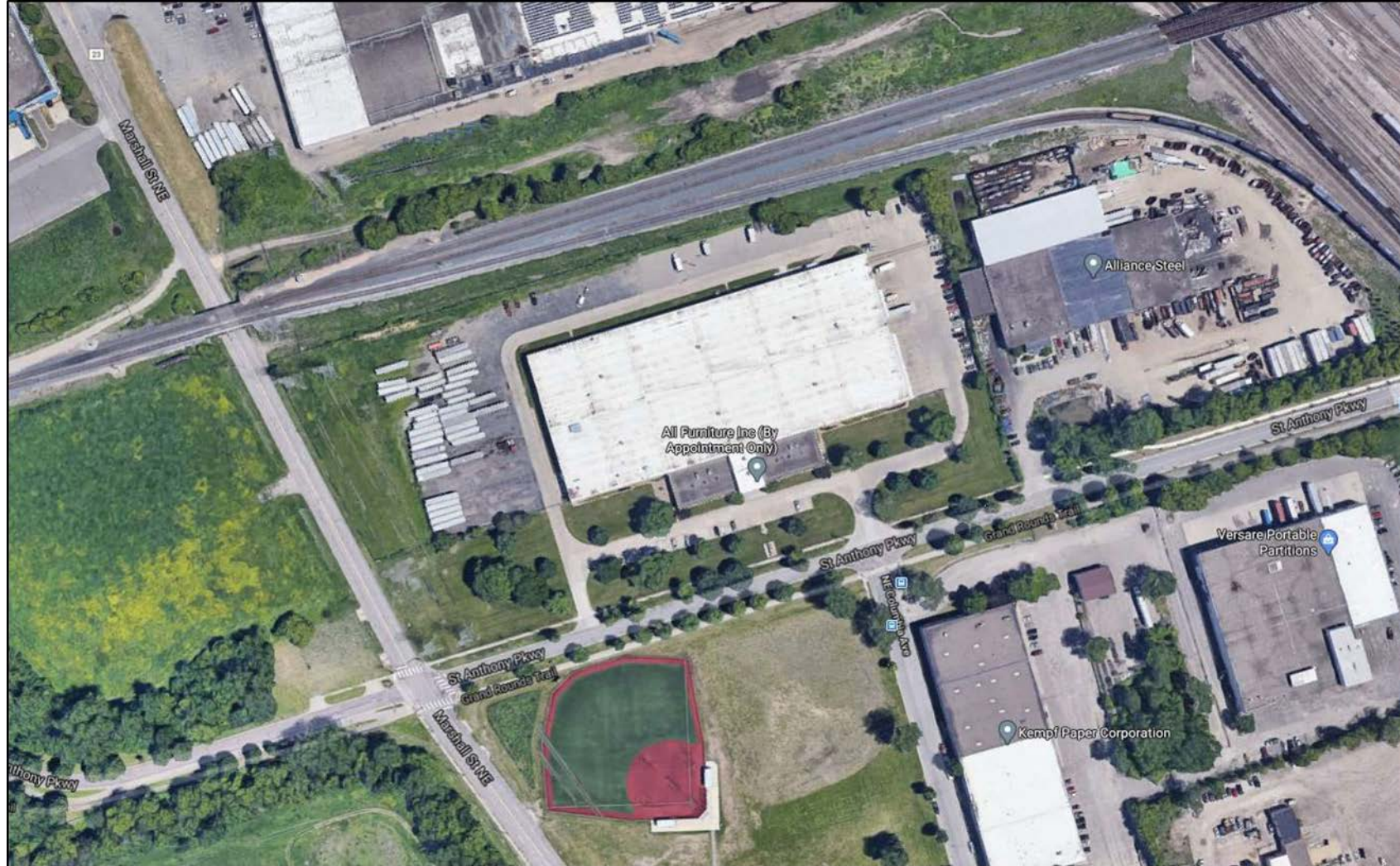
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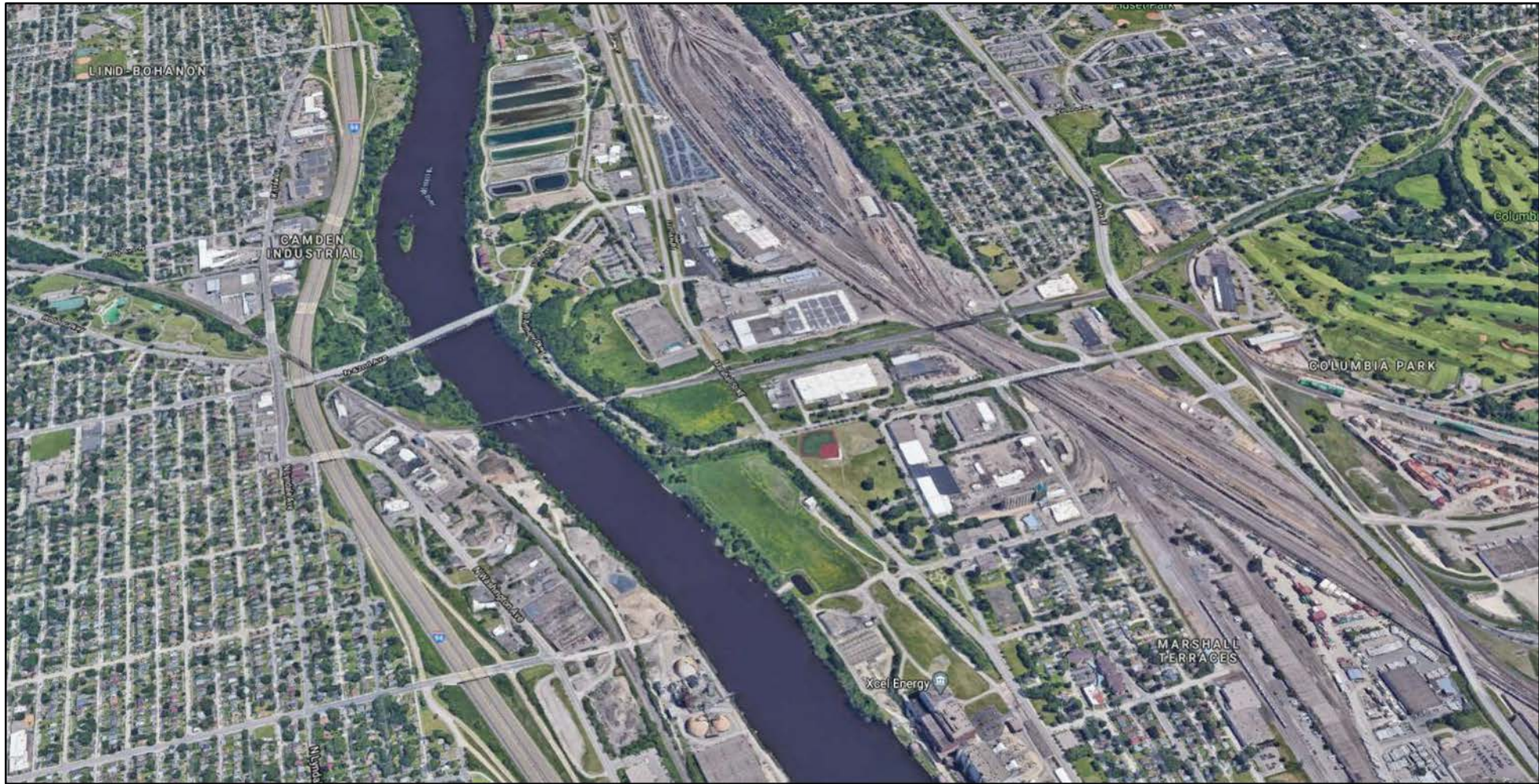

Hennepin County Property Map

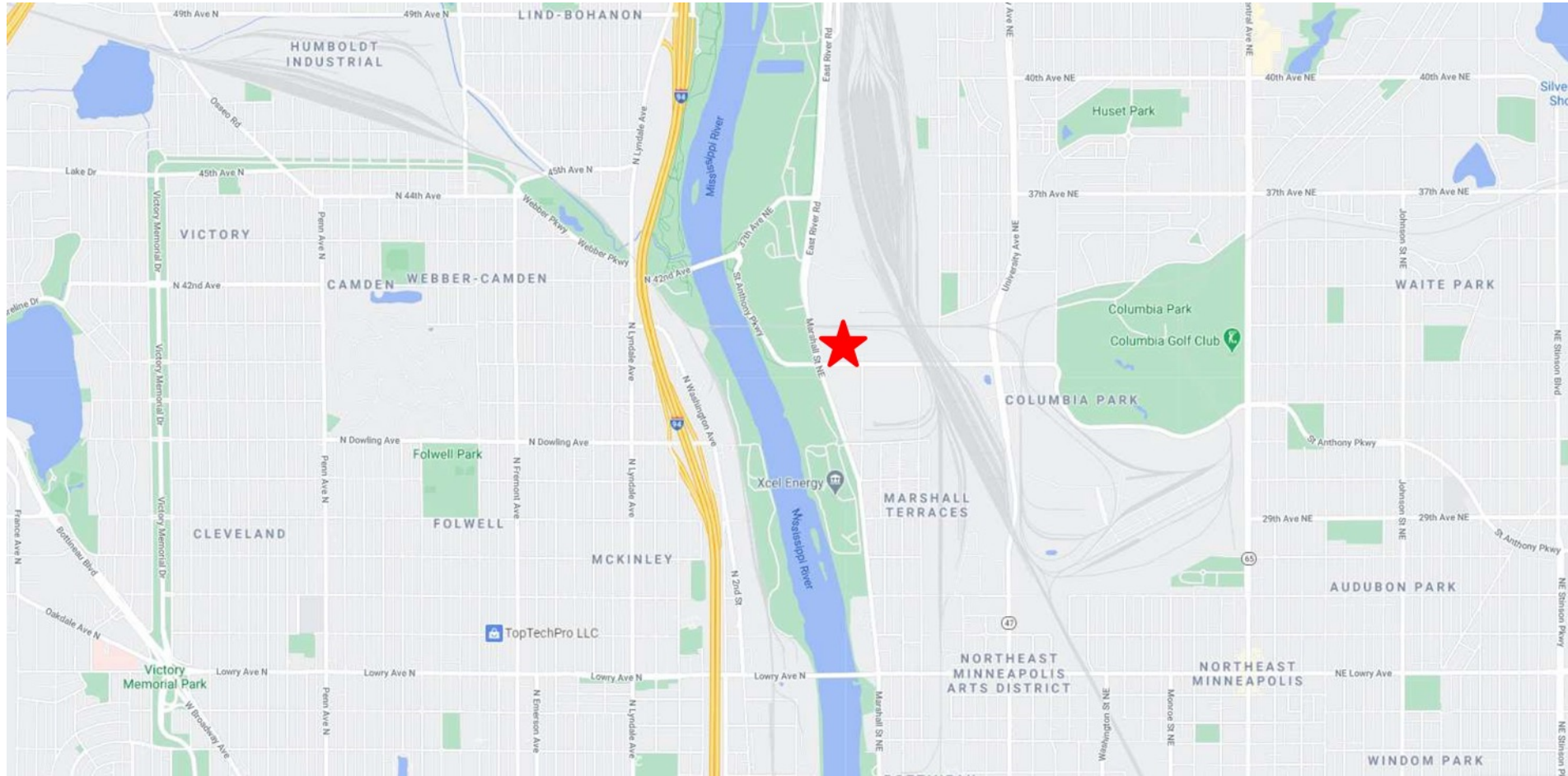
Date: 9/24/2020





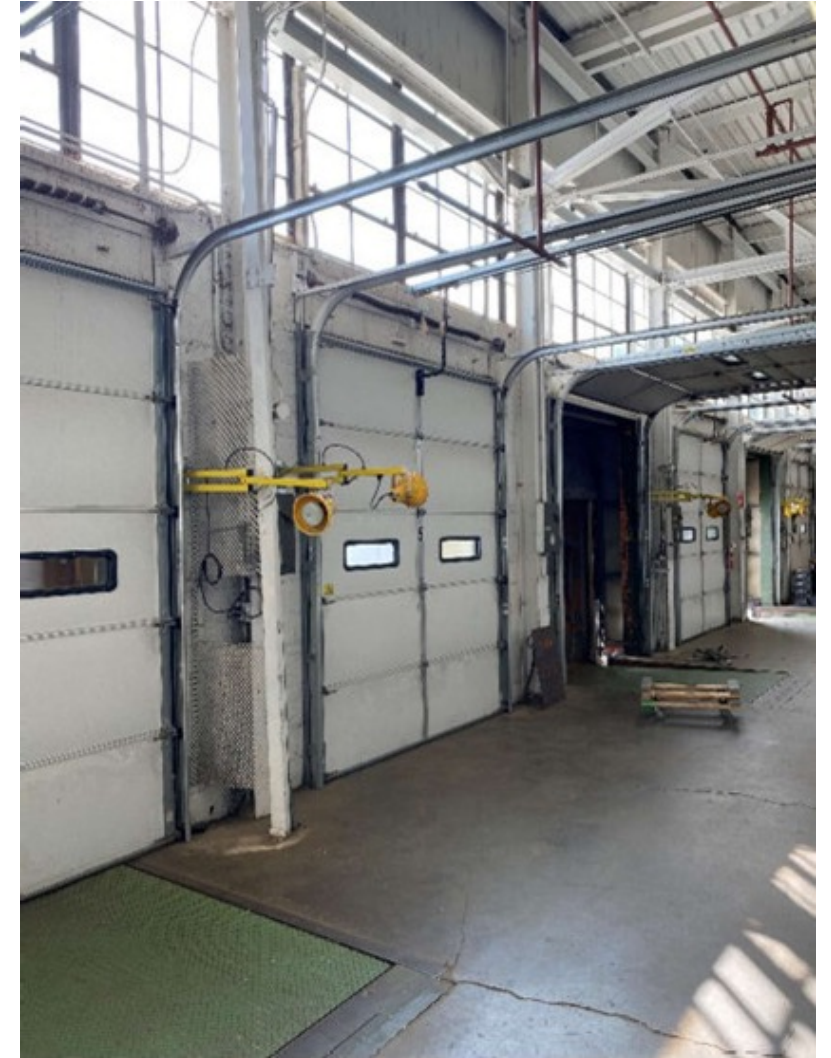
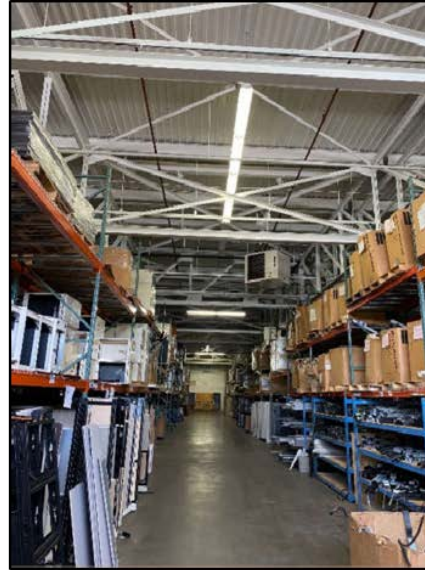
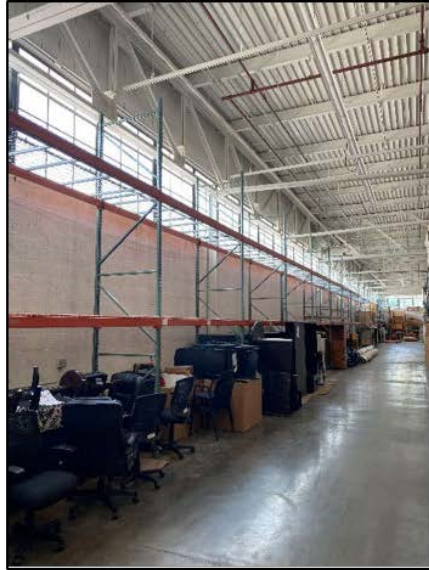
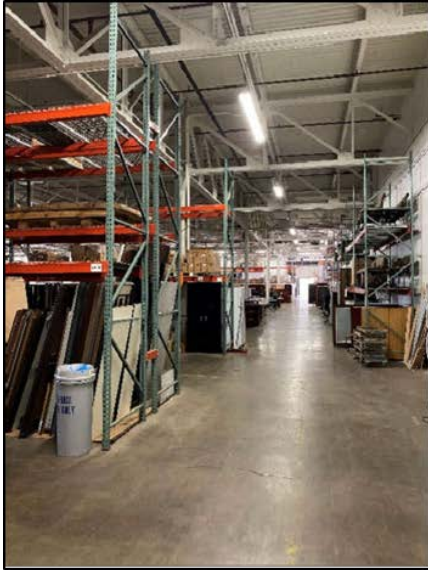
















SALE COMPARABLES

Property Name	Address	Sale Date	Sale Price	SF	Sale Price/SF	Year Built/ Renovated	Occupancy
1. Archway Distribution Center	20000 S Diamond Lake Road Rogers, MN 55374	Feb. 2019	\$20,000,000	280,577	\$71.28	2004	100%
2. Former BlueLinx Building	8175 Jefferson Highway North Maple Grove, MN 55369	Jun. 2019	\$9,942,368	108,868	\$95.72	1974/2019	100%
3. Metro Mold & Design Medical	6835 Winnetka Circle Brooklyn Park, MN 55428	Nov. 2019	\$11,470,000	99,921	\$114.79	1994	100%
4. Parsons Electric	5960 Main Street NE Fridley, MN 55432	Dec. 2019	\$5,850,000	59,570	\$98.20	1961/1980	100%
5. Hamon Deltak	13330 12th Avenue N Plymouth, MN 55441	Dec. 2020	\$6,100,000	86,000	\$70.93	1976	100%
6. Vicksburg Business Center	2800 Vicksburg Lane N Plymouth, MN 55447	Aug. 2018	\$18,471,049	152,627	\$121.02	1987/2016	100%
7. Oakdale Interstate Center	550 Hale Avenue N Oakdale, MN 55128	Apr. 2019	\$9,000,000	100,600	\$89.46	1996	100%
8. Nesbitt Distribution Center	6150 W 110th Street Bloomington, MN 55438	Dec. 2019	\$9,900,000	115,200	\$85.94	1996	89%
9. Lone Oak Business Center	1030 & 1060 Lone Oak Road Eagan, MN 55121	Dec. 2020	\$12,150,000	166,798	\$72.84	1987/1988	89%

LEASE COMPARABLES

Property Name	Address	# Buildings/ Floors	SF	Occupancy	Year Built/ Renovated	Asking Rate
1. Staging Concepts	7008 Northland Drive Brooklyn Park, MN 55428	1/2	71,463	100%	1972/2018	\$6.68 PSF
2. Metro Mold & Design Medical	6835 Winnetka Circle Brooklyn Park, MN 55428	1/1	99,921	100%	1994	\$8.50 PSF
3. Parsons Electric	5960 Main Street NE Fridley, MN 55432	1/1	59,570	100%	1961/1980	\$6.75 PSF
4. Mid-City Business Center East	451 Industrial Boulevard NE Minneapolis, MN 55413	1/1	167,879	100%	1972	\$5.00-\$10.00 PSF

Multi-Tenant Scenario:

All Furniture:

- Will require that the current tenant sign a 5-year lease for approximately 13,000 sq/ft office/showroom and 52,000 sq/ft of warehouse. They currently lease 100% of the building but wish to downsize.
- This will represent approximately \$380,000 annually before CAM and RE Taxes (for which tenant will be responsible)
- A very successful privately owned company for since 1995 that provides comprehensive moving / relocation services for the commercial market.

Anonymous Tenant:

- We are in negotiations to lease the balance of the 88,000 sq/ft of vacant space which consists of 12,000 sq/ft of office space and 76,000 sq/ft of warehouse space along with replacing the outdoor storage area rent revenue with a 10-year lease.
- Outdoor Storage: There are currently 50 spaces being rented to various tenants – Fountain will expand the number of spaces for the new tenant an additional 15 spaces.
- Details on this tenant are not able to be disclosed at this time, but the company is a \$12 billion enterprise.

**All Furniture Warehouse
 Minneapolis, MN
 Rent Roll:**

Tenant	Sq Ft	% NRA	Lease Start	Lease End	Annual	Monthly Rent	PSF / Yr	Annual Rent Increase	Lease Type
All Furniture	65,682	42.67%	04/01/21	03/31/26	\$388,181	\$32,348	\$5.91	2.5%	NNN
Anonymous	88,246	57.33%	07/01/21	03/30/31	\$529,476	\$44,123	\$6.00	2.5%	NNN
Outdoor Storage	50 Spaces				\$200,000	\$16,667			
TOTALS:	153,928	100%			\$1,117,657	\$104,071		2.5%	

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>
Gross Potential Rent	1,117,657	1,145,598	1,174,238	1,203,594	1,233,684	1,264,526	1,296,139
Expense Reimbursements	346,339	356,729	367,431	378,453	389,807	401,501	413,546
Gross Potential Income	1,463,996	1,502,327	1,541,669	1,582,048	1,623,491	1,666,028	1,709,686
Loss from Absorption & Downtime	(506,415)	0	0	0	0	(312,735)	0
Abatement	(218,954)	0	0	0	0	(110,838)	0
Effective Gross Income	738,627	1,502,327	1,541,669	1,582,048	1,623,491	1,242,455	1,709,686
Expenses Operating Expenses	348,070	358,512	369,267	380,345	391,756	403,509	415,614
Structural Reserves	7,696	7,696	7,696	7,696	7,696	7,696	7,696
Total Expenses	355,766	366,209	376,964	388,042	399,452	411,205	423,310
Net Operating Income	382,860	1,136,119	1,164,705	1,194,006	1,224,039	831,250	1,286,376
Debt Payment	370,000	690,000	690,000	690,000	690,000	690,000	690,000
Net Cash flow after DS	12,860	446,119	474,705	504,006	534,039	141,000	596,376

Assumptions:

- Year 1 Revenue reflects projected lease-up timeframe
- Net Revenue from All Furniture will be approximately: \$400,000
- Net Revenue from New Tenant will be approximately: \$600,000
- Net Revenue from Outside Storage will be approximately \$200,000

Uses:

Purchase Price: \$ 12,000,000

Closing Costs: * \$ 250,000

Tenant Improvements: \$ 550,000

Commissions: \$ 500,000

Total Budget: \$ 13,300,000

Sources:

Secured Loan: \$ 10,000,000

Equity: \$ 3,300,000

Total: \$ 13,300,000

* Closing Costs

Legal \$ 35,000

Survey \$ 5,000

Appraisal/Env/PCR \$ 15,000

Title / Survey \$ 10,000

Debt Broker Fee \$ 100,000

Acquisition Fee \$ 60,000

Misc. \$ 25,000

\$ 250,000

Fountain Real Estate Capital

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