

ARROWHEAD PLAZA



GROCERY ANCHORED MIXED-USE CENTER

OFFERING MEMORANDUM | 81,594 SQUARE FEET | MINOT, ND





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IN COOPERATION WITH DUEMELANDS COMMERCIAL

Duemelands Commercial Real Estate
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EXECUTIVE SUMMARY

THE OFFERING

Colliers International | Minneapolis-St. Paul is pleased to offer to qualified investors the opportunity to acquire Arrowhead Plaza (the "Property"), a grocery anchored mixed-use center located in Minot, North Dakota.

THE PROPERTY

Property Overview	
Address	1600 2nd Avenue SW
City/ State	Minot, ND 58701
Building SF	81,594
Year Built	1961, renovations occurred in 2007 and 2011
Acreage	8.68/378,128 SF acres
Parking Spaces	448
Parking Ratio	5.49:1,000 SF of net rentable area

Arrowhead Plaza is a 96% leased, 81,594 square foot center anchored by Marketplace Foods, Ace Hardware and Enbridge Pipelines. The Property is located at the intersection of 2nd Avenue SW and 16th Street SW near Minot State University and is surrounded by complimentary commercial uses as well as residential housing.

The Property consists of one building that was originally constructed as an enclosed mall in 1961 with renovations that occurred in 2007 and 2011. The building is a single-story structure that is situated on 8.68 acres of land and features an interior common corridor providing primary entrance to many of the tenants.



Marketplace Foods, the Property's largest tenant, representing 41% of the net rentable area, occupies 33,529 square feet combining both the grocery store and liquor store. Marketplace Foods, a tenant since 1981, recently renewed their lease which now expires December 31, 2026 providing stability to the Property's revenue stream. The remaining tenants represent a variety of uses including medical, dental, energy, state government, services, retail and services. First International Bank & Trust is located on an out-parcel and is not a part of the sale offering.

MAJOR TENANTS

Tenant	SF	Expiration
Marketplace Foods	33,529	12/31/2026
Ace Hardware	7,240	08/31/2018
Enbridge Pipelines	7,897	11/30/2022



Arrowhead Mall is a 96% occupied mixed-use center anchored by Marketplace Foods under a long-term lease.

EXECUTIVE SUMMARY

INVESTMENT HIGHLIGHTS

Compelling reasons to purchase Arrowhead Mall include:

GROCERY ANCHORED BY MARKET LEADER

Arrowhead Plaza is anchored by Johanneson's, Inc., doing business as Marketplace Foods, a privately held grocery store operator based in Bemidji, Minnesota. Johanneson's recently extended their lease through December 2026. Marketplace Foods has operated at the Property since 1981.

DIVERSE AND STABLE RENT ROLL

Arrowhead Plaza is 96% occupied by a diverse group of tenants reducing risk associated with a heavy concentration in any one segment.

STRONG AND GROWING MARKET

The City of Minot serves as an economic hub for North Dakota, eastern Montana and the southern provinces of Saskatchewan and Manitoba Canada. The principal economic drivers of the region include agriculture, energy, healthcare and the strong military presence of Minot Air Force Base, employing more than 12,000 people and generating an economic impact of \$586 million. Minot is located at the eastern edge of the Bakken Shale Formation estimated to hold 11 billion barrels of retrievable oil which has driven significant influxes of oil and gas companies, supporting services and population to the area.

EXCELLENT NET OPERATING INCOME GROWTH

NOI is projected to increase more than 23% in the investor's first five year hold.

THE "SILVER LINING"

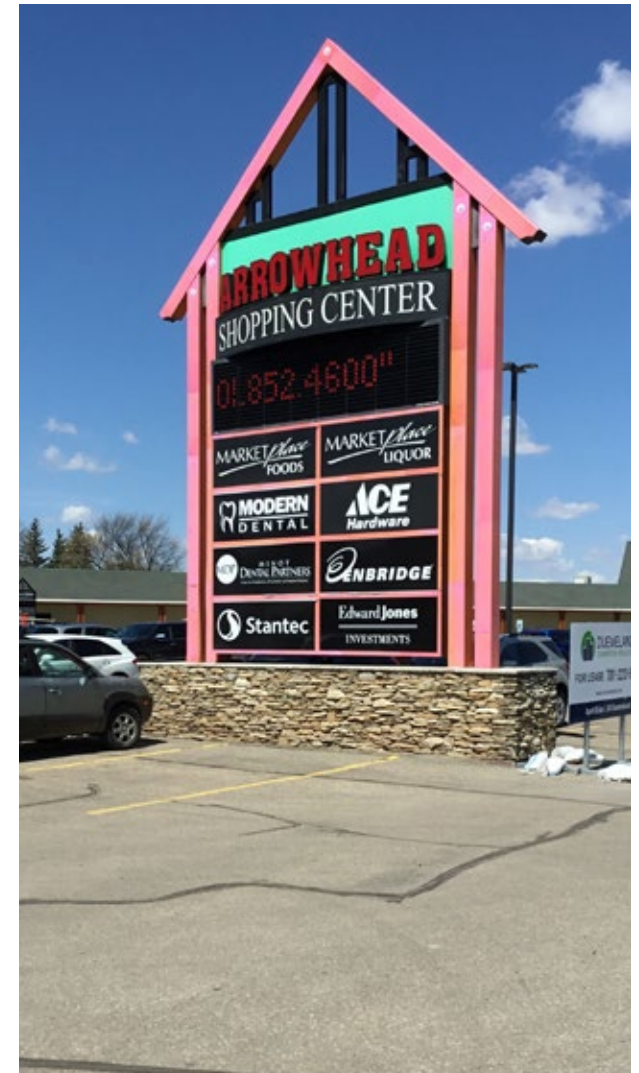
In 2011 an epic flood occurred when the Souris River overran its banks and flooded much of the city and the Property. The owner promptly engaged a remediation company which replaced most of the improvements at the Property including, walls and insulation, ceiling tiles, electrical components and wiring, flooring, interior doors and finishes. The Owner spent more than \$4.6 million in remediation, repairs and replacements. A new owner gets to reap the benefits of these nearly new improvements.

DEBT FREE

The Property is being delivered free and clear of existing debt, allowing investors to take advantage of favorable leverage increase returns and maximize cash flow.

PRICED WELL BELOW REPLACEMENT COST

With an asking price of \$108 per square foot, the Property is priced significantly below replacement cost.



EXECUTIVE SUMMARY

MARKET OVERVIEW

MINOT, NORTH DAKOTA

Minot is located along Highway 2, a primary east-west arterial through North Dakota. It is also adjacent to Highway 83, a main north-south arterial running through the State, connecting the State Capitol of Bismarck to the Canadian border. Minot lies in north-central North Dakota, within the eastern edge of the Bakken Shale Formation. It is the county seat of Ward County and is the 4th largest city in the state with a population of 41,251 people as of the 2014 census. Minot's convenient location makes it an economic hub for North Dakota as well as eastern Montana and southern Saskatchewan and Manitoba. The economic drivers for the state are agriculture, energy and healthcare, all of which are significant businesses in Minot.



DEMOGRAPHICS

	1 Mile Radius	5 Mile Radius	15 Mile Radius
POPULATION			
2020 Projection	11,510	61,784	78,420
2015 Estimate	10,547	53,184	67,627
Growth 2015-2020	9.13%	16.17%	15.96%
HOUSEHOLD INCOME			
2015 Average	\$84,711	\$75,741	\$77,686

FINANCIAL OVERVIEW

Arrowhead Plaza offers an investor the opportunity to acquire a 96% leased, strong performing grocery-anchored, mixed use property in Minot, ND.

Purchase Price:	\$8,850,000
Price PSF:	\$108.46
Year One NOI:	\$711,866
Cap Rate:	8.04%
5-year Leveraged Average Cash Return:	12.74%