



FOR SALE

TUTOR TIME

7071 E DOUGLAS POINT ROAD SOUTH • COTTAGE GROVE, MN 55016

CBRE

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# INVESTMENT OVERVIEW

## TUTOR TIME | COTTAGE GROVE, MN

### PRICE

**\$2,326,400**  
**8.45% CAP Rate**

### ADDRESS

7071 E Point Douglas Road South  
Cottage Grove, MN 55016

### APN

08-027-21-33-0011

### NET OPERATING INCOME

\$196,726

### BUILDING SIZE

11,800 SF

### YEAR BUILT/RENOVATED

1999/2017

### LEASE TYPE

NN

### TERM REMAINING

4.5 Years  
As of January 2020

### OPTIONS

Two 5-Year Options

### TYPE OF OWNERSHIP

Fee Simple

### SUMMARY



#### Corporate Tenant with Nearly 200 Locations

This is a corporate tenant with nearly two hundred locations, providing a new owner stability and ease of management.



#### Early Lease Extension in 2019

The tenant executed an early lease extension in 2019, demonstrating continued commitment to this site.



#### Attractive 2.5% Annual Rent Increases

The lease provides attractive 2.5% annual rent increases, further increasing stability and ease of management for new ownership.



#### Excellent Location Adjacent to Major Commute Corridor

The Property enjoys a location convenient and accessible to caregivers commuting into the city centers of both Minneapolis and St. Paul. **Highway 10 carries an average of over 50,000 vehicles** per day. Park High School and Crestview Elementary School are less than two miles away.



#### Surrounded by Traffic Drivers and Dense Housing

**Surrounding retailers include a variety of shops** and experiences, including Walgreens, Kohl's, Hyvee, Starbucks, TJ Maxx, Homegoods, Chipotle, and more. A dense blend of single and multifamily housing developments surround this location on all sides, including the west side of Highway 10.



#### Learning Care Group, Inc. Subsidiary

Tutor Time is a subsidiary of Learning Care Group, Inc., which is the second-largest for-profit child care provider in North America. Learning Care Group has over nine hundred locations and over 130,000 children enrolled in their programs.

# INVESTMENT SUMMARY

## TUTOR TIME | COTTAGE GROVE, MN

RENT SCHEDULE				
	Rent Start	Rent End	Annual Rent	Per SF
Current	10/1/2020	9/30/2021	\$196,726	\$16.67
	10/1/2021	9/30/2022	\$201,644	\$17.09
	10/1/2022	9/30/2023	\$206,685	\$17.52
	10/1/2023	9/30/2024	\$211,853	\$17.95
First Option	10/1/2024	9/30/2025	\$217,149	\$18.40
	10/1/2025	9/30/2026	\$222,578	\$18.86
	10/1/2026	9/30/2027	\$228,142	\$19.33
	10/1/2027	9/30/2028	\$233,846	\$19.82
	10/1/2028	9/30/2029	\$239,692	\$20.31
Second Option	10/1/2029	9/30/2030	\$245,684	\$20.82
	10/1/2030	9/30/2031	\$251,826	\$21.34
	10/1/2031	9/30/2032	\$258,122	\$21.87
	10/1/2032	9/30/2033	\$264,575	\$22.42
	10/1/2033	9/30/2034	\$271,189	\$22.98



# TENANT SUMMARY

## TUTOR TIME | COTTAGE GROVE, MN

TENANT SUMMARY	
Tenant	Tutor Time Learning Centers, LLC
Tenant Trade Name	Tutor Time
Lease Commencement (Estimated)	3/25/1999
Rent Commencement (2nd Amendment)	10/1/2019
Lease Expiration (Estimated)	9/30/2024
Lease Term Remaining	4.5 Years As of January 2020
Renewal Options	2- 5 Year
Notice For Options	365 days
Early Termination Option	N/A
Right of First Refusal	N/A
Guarantee	Corporate. Childtime Childcare, Inc
Estoppel Request Time	Upon request

### TUTOR TIME

Rooted in the proprietary LifeSmart™ curriculum, Tutor Time creates an environment for children that inspires fruitful, hands-on learning. Locations provide constant communication with parents with regular updates (including photos) of their child's experiences.

**Tutor Time was established in 1988** in Boca Raton, Florida. Today there are nearly 200 locations throughout the United States, Hong Kong, and Indonesia. Tutor Time is a subsidiary of **Learning Care Group, Inc.**, the second-largest for-profit provider of child care and educational services in the country. Other brands operated by the Learning Care Group include La Petite Academy, Everbrook Academy, and Childtime Learning Centers.



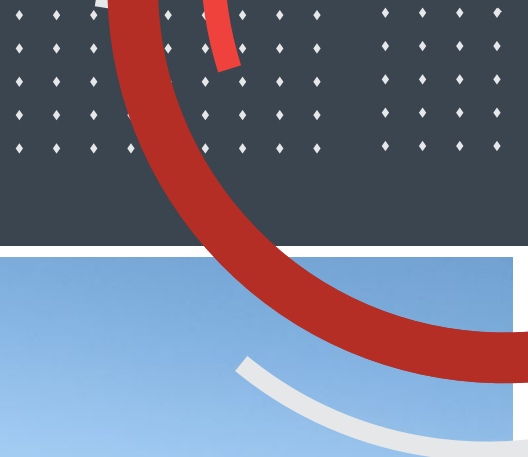
EXPENSE RESPONSIBILITIES	
Real Estate Tax	Tenant responsible and pays direct
Property Insurance	Tenant responsible
Utilities	Tenant responsible and pays direct
Roof & Structure	Landlord responsible for repair and cost of structure. Tenant responsible for repair and cost of roof.
HVAC	Tenant responsible for repair and cost.
Repairs & Maintenance (CAM)	Tenant responsible





# PROPERTY PHOTOS

TUTOR TIME | COTTAGE GROVE, MN





# AERIAL - EAST FACING

TUTOR TIME | COTTAGE GROVE, MN



CRESTVIEW  
ELEMENTARY  
SCHOOL

PARK  
HIGH  
SCHOOL



**TUTOR TIME**  
CHILD CARE / LEARNING CENTERS



22,500 VEHICLES



# AERIAL - NORTH FACING

TUTOR TIME | COTTAGE GROVE, MN

DOWNTOWN ST. PAUL  
14 MILES



52,000 VEHICLES

**TUTOR TIME**  
CHILD CARE / LEARNING CENTERS

**KOHL'S**

**Culver's**



# AERIAL - EAST FACING

TUTOR TIME | COTTAGE GROVE, MN



ACE  
Hardware



FAMILY  
DOLLAR  
Holiday



**TUTOR TIME**  
CHILD CARE / LEARNING CENTERS





# AERIAL

TUTOR TIME | COTTAGE GROVE, MN





# MARKET SUMMARY

## TUTOR TIME | COTTAGE GROVE, MN

### “WHERE PRIDE AND PROSPERITY MEET”

Located in the southeast quadrant of the Twin Cities metro, Cottage Grove is conveniently located for commuters traveling to Minneapolis or St. Paul. With a recently upgraded freeway system, two Class-1 rail lines, and a 600 acre business park, Cottage Grove enjoys access to urban opportunities while still maintaining a close-knit suburban experience. The city is linked by U.S. Highways 10 and 61, providing a comfortable commute to both downtowns.

The city is home to one of the state’s first creameries and historically has enjoyed robust economic growth thanks to its proximity to rail lines and wheat production.

### INCOME

**\$90,649** 2019 Cottage Grove Estimated Median Household Income  
(*\$61,372 2018 National Average, CNBC.com*)

**\$37,345** 2019 Cottage Grove Estimated Per Capita Income  
(*\$31,177 2018 National Average, www.census.gov*)



Cottage  
Grove

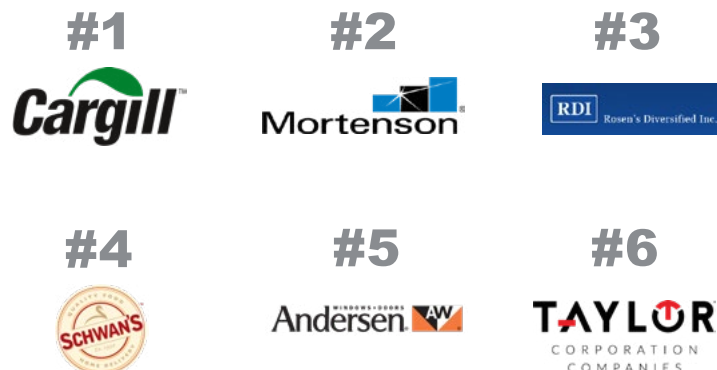
Where Pride and Prosperity Meet



# MSP SNAPSHOT

## TUTOR TIME | COTTAGE GROVE, MN

### TOP FORBES PRIVATE MINNESOTA COMPANIES



### MINNESOTA FORTUNE 500



### TOP TEN MAJOR EMPLOYERS

Minneapolis-St. Paul-Bloomington, MN-WI Metropolitan Statistical Area



### MAJOR RETAIL BRAND HEADQUARTERS



# MSP SNAPSHOT

## TUTOR TIME | COTTAGE GROVE, MN

### MSP AIRPORT TRAFFIC



- "About MSP - MSP by the Numbers", MSPairport.com/about-msp



**163**  
Nonstop  
Markets  
Served



**38M**  
Travelers



**15**  
Commercial  
Passenger  
Airlines

### HEALTHCARE & RESEARCH

Minnesota Has the  
**2nd Highest  
Total Number of  
Medical Device  
Patents**

In the Nation - "Compare Minnesota: Invention  
Patents", MN.gov

Minneapolis - St. Paul MSA is a  
**Top Ten U.S. City**  
for Corporate Innovation



- "Top 10 Cities for Corporate Innovation",  
Innovation Leader Magazine, May 2017

### MSP DEMOGRAPHICS

**3,628,856**

Minneapolis-St. Paul, Bloomington Population  
- U.S. Census Bureau, 2018

**#2 in the Nation**

#2 State in Percentage of the Population with Associate Degree or Higher  
- MN Office of Higher Education, [http://www.ohe.state.mn.us/sPages/educ\\_attain.cfm](http://www.ohe.state.mn.us/sPages/educ_attain.cfm)

**93.6%**

of Persons Age 25+ Hold High School Diploma or Higher | 88% National Average  
- U.S. Census Bureau, 2018

**3% Unemployment**

3.8% National Average, January 2019  
- U.S. Census Bureau, 2018

### LIFE & RETAIL IN MSP

**\$2 Billion**

in Economic Activity  
Generated for Minnesota by  
Mall of America



"Mall of America: By the Numbers."  
Mall of America, 2016,  
[www.mallofamerica.com/upload/  
FactSheets\\_2016.pdf](http://www.mallofamerica.com/upload/FactSheets_2016.pdf)

**#3 Best State**

Overall in the United States  
Based on 70 Metrics, 2019



"Best States Rankings."  
U.S. News, 2019,  
<https://www.usnews.com/news/best-states/rankings>

**\$59,736**

Average Per Capita Personal  
Income (2017), \$53,658 National  
Average (2018)



"Per Capita Personal Income in Minneapolis-St. Paul Bloomington MSA", Federal  
Reserve Bank of St. Louis, Economic  
Research

**Best Parks**

System in the Nation  
According to The Trust for  
Public Land's ParkScore®  
Index



"Minneapolis Repeats as  
Nation's Best Park System."  
Minneapolis Park & Recreation Board, May 23,  
2018, [www.MinneapolisParks.org](http://www.MinneapolisParks.org)

**#3 Fittest  
City**

Ranked by the American  
Fitness Index Summary  
2019



"ACSM American Fitness Index", American  
Fitness Index, May 2019,  
[www.americanfitnessindex.org](http://www.americanfitnessindex.org)

**#2 Ticket  
Sales**

In the Nation, Theater Tickets  
Sold Per Capita (NYC #1)



Meet Minneapolis - Things To Do, [https://  
www.minneapolis.org/things-to-do/arts-cul-  
ture/theaters/](https://www.minneapolis.org/things-to-do/arts-culture/theaters/)



# DEMOGRAPHICS

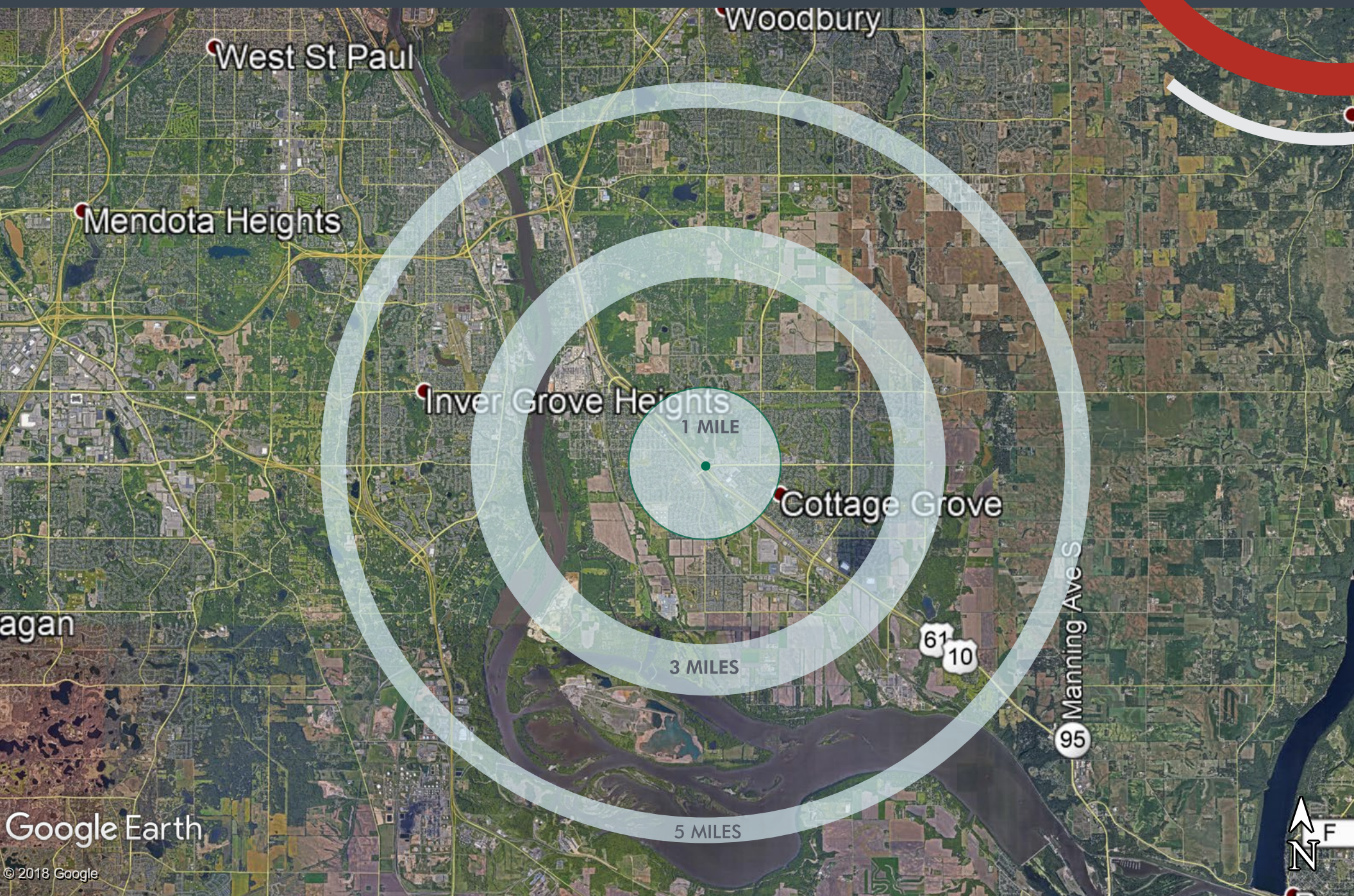
## TUTOR TIME | COTTAGE GROVE, MN

	1 Mile	3 Miles	5 Miles
POPULATION			
2019 Population - Estimate	9,748	45,349	88,493
2024 Population - Five Year Projection	10,345	47,736	92,484
2019-2024 Annual Population Growth Rate Projection	1.20%	1.03%	0.89%
GENERATIONS			
Generation Z (Born 1999-2016)	23.9%	24.7%	24.4%
Millennials (Born 1981-1998)	25.2%	24.9%	23.5%
Generation X (Born 1965-1980)	20.4%	21.7%	21.8%
Baby Boomers (Born 1946-1964)	19.1%	19.9%	21.2%
HOUSEHOLD INCOME			
2019 Average Household Income	\$93,221	\$106,682	\$109,021
2024 Average Household Income	\$106,464	\$121,195	\$123,348
EDUCATION			
High School Diploma	23.8%	21.8%	20.5%
Some College - No Degree	27.1%	24.8%	22.8%
Associate's Degree	10.6%	12.7%	11.5%
Bachelor's Degree	19.6%	22.2%	24.8%
Graduate or Professional Degree	8.5%	9.5%	11.7%
EMPLOYMENT			
2019 Employed Civilian Population (16+)	96.3%	96.8%	96.8%
2019 Unemployed Population (16+)	3.7%	3.2%	3.2%



# DEMOGRAPHICS

TUTOR TIME | COTTAGE GROVE, MN





# CONSUMER BASE

TUTOR TIME | COTTAGE GROVE, MN

## DOMINANT TAPESTRY SEGMENT

**17.2%** PARKS & REC

- Many of these families are two-income married couples approaching retirement age, but do not plan on retiring or moving any time soon
- Well-established neighborhoods attracting a new generation of young couples
- Financially shrewd
- Diverse work force

## OTHER TOP SEGMENTS

**13.6%** SOCCER MOMS

- Singles' lifestyles on a budget
- Neighborhoods in transition, populated by renters who are either just beginning their careers or retiring
- Support charity causes
- Price aware and are coupon clippers, but are open to impulse buys
- Food features convenience, frozen, and fast food

## DOMINANT LIFEMODE GROUP

**26.1%** GEN X URBAN

- Gen X in middle age; families with fewer kids and a mortgage
- Own older single-family homes in urban areas, with 1 or 2 vehicles
- Live and work in the same county, creating shorter commutes
- Invest wisely, well-insured, comfortable banking online or in person

## DOMINANT URBANIZATION GROUP

**66.1%** SUBURBAN

- Single-family and mobile homes in the country, but still within reach of some amenities
- Fast food and frozen meals are much more common than fine dining
- Time off is spent visiting nearby family rather than flying to vacation destinations

**13.2%** GREEN ACRES

- Young, educated, working professionals
- Labor force participation is high, generally white-collar work
- Up to date on the latest technology
- Median household income, median home value, and average rent are close to the US values



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