



401 BROADWAY AVE. N - OPPORTUNITY ZONE

401 Broadway Ave N • Rochester, MN 55906

PRESENTED BY

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401 BROADWAY AVE. N - OPPORTUNITY ZONE
Rochester, MN
ACT ID Z0510347

PROPERTY SUMMARY

OFFERING SUMMARY

Price	\$2,600,000
Down Payment	100% / \$2,600,000
Loan Type	All Cash
Lot Size (SF)	48,799
Price/SF	\$53.29
Lot Size (Acres)	1.12 acre(s)
Price/Acre	\$2,321,438
Price/Unit	\$0
Number of Lots	1 (6 parcels)
Type of Ownership	Fee Simple
Parcel ID's:	74.35.42.081854; 74.35.41.018476; 74.35.41.018477; 74.35.41.018478; 74.35.41.018479; 74.35.42.081853.
Zoning	Commercial

INVESTMENT HIGHLIGHTS

- Ideal Opportunity Zone Investment
- Located on Hard Signalized Corner of Broadway & Civic Center Drive With Traffic Counts of 20,000 & 15,000 Vehicles Per day
- Easy Walking Distance to Mayo Clinic's Downtown Campus and an Abundance of Restaurants, Banks, Office and Retail Businesses
- Costar Walk Score of 87 (Very Walkable)
- North Broadway is Scheduled to Undergo Complete Street Redevelopment Spring of 2019, Greatly Enhancing the Appearance and Functionality of Broadway
- Just a Few Blocks from Several Major Redevelopment Projects.
- Located Within Mayo Clinic's \$6 Billion DMC Expansion which is Expected to Bring Unprecedented Growth and Opportunity for Investors
- Great Potential Location for Multi-family, Mixed use, Hospitality or Retail.
- Zoned Commercial

MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES *
Mayo Clinic	30,022
Mayo Clinic Rochester	15,000
Saint Marys Hospital	3,250
IBM	3,000
Olmsted Medical Center	1,244
Benchmark Electronics Inc	1,000
Mayo Clinic Hospital-Rochester	794
Short-Elliott-Hendrickson Inc	718
Walmart	650
Mayoclinic Assoc	555
Crenlo Cab Products Inc	529
New Horizon Enterprises Inc	525

DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2018 Estimate Pop	14,580	74,439	111,118
2010 Census Pop	13,961	70,585	103,860
2018 Estimate HH	7,516	32,384	46,098
2010 Census HH	6,974	29,987	42,258
Median HH Income	\$43,932	\$64,250	\$72,869
Per Capita Income	\$34,272	\$40,070	\$41,567
Average HH Income	\$64,525	\$91,163	\$99,493

INVESTMENT OVERVIEW

The subject property is 1.12 acres of commercial land located in the Opportunity Zone. Being in the Opportunity Zone provides potential for significant Capital Gains savings for the buyer.

With a Costar walk-score of 87 (very walkable), this commercial development site is just a short walk to the downtown business network including Mayo Clinic's downtown campus, The Government Center, Mayo Civic Center, Public Library, parking ramps, University of Minnesota, Shops at University Square, Rosa Parks Pavilion, hotels, banks and restaurants as well as an abundance of retail and professional offices.

Broadway Avenue is scheduled to undergo major reconstruction beginning in the spring of 2019 with portions of the side streets being done first while the main corridor reconstruction is scheduled for 2020. There is a temporary easement with the subject property for the reconstruction of Broadway. See next page for preliminary rendering of Broadway Reconstruction. For more information on the Broadway Avenue Reconstruction project:

<https://clients.bolton-menk.com/reconstructbroadway/>

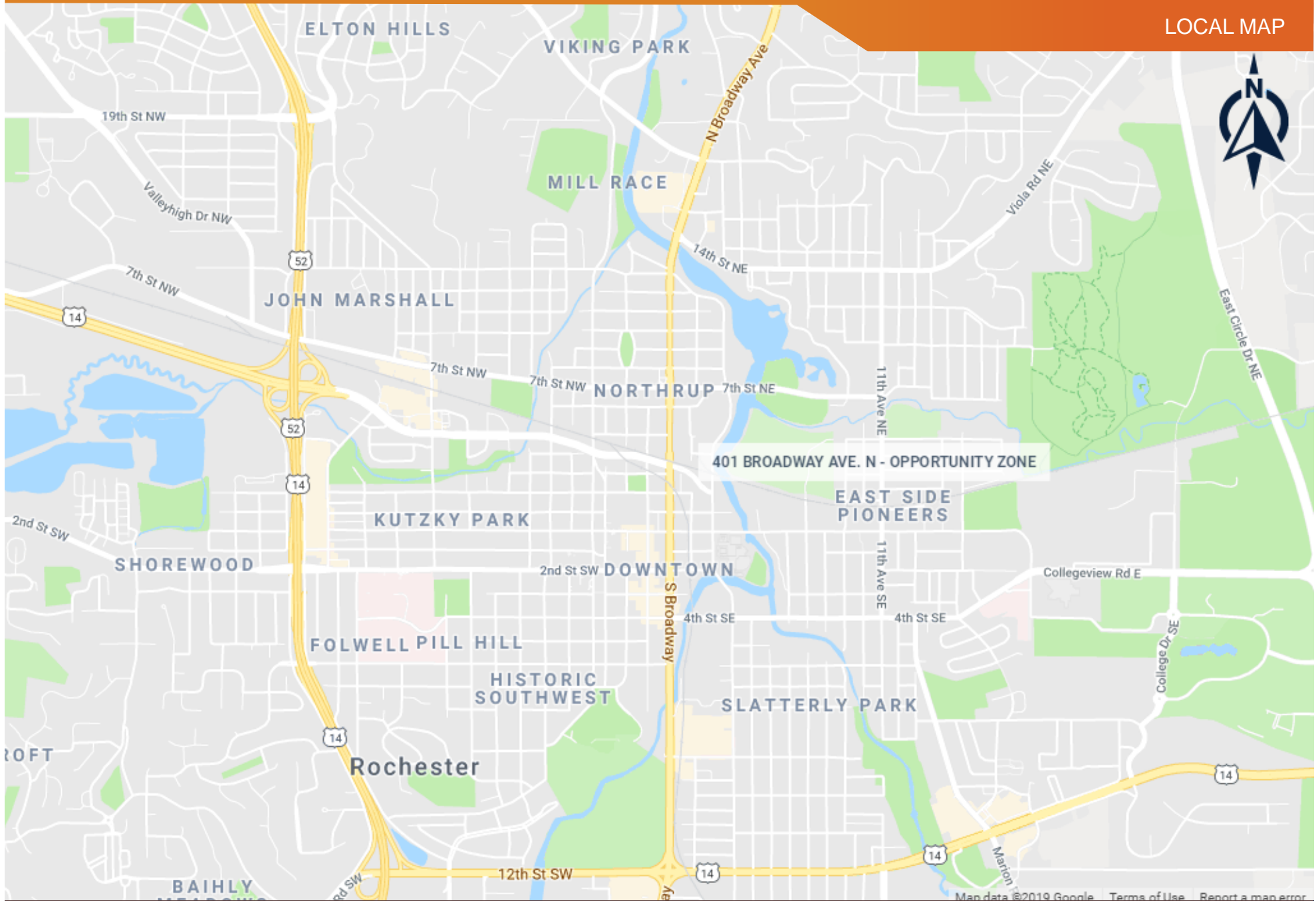
The property is located within Mayo Clinic's Destination Medical Center (DMC) \$6 Billion expansion area, during which Mayo Clinic plans to add in excess of 30,000 new employees by the time DMC is completed. While Rochester's 2016 population was in the range of 114,000, the DMC is expected to result in unprecedented growth for the City of Rochester, which potentially means unprecedented opportunity for investors in the real estate market.

Given the outstanding location of this asset on the hard signaled corner of Broadway and Civic Center Drive in the heart of Rochester, within the DMC area, located in the Opportunity Zone and near several major redevelopment projects, there is tremendous development potential for this location.



BROADWAY AVE RECONSTRUCTION RENDERING (SUBJECT TO CHANGE)







Downtown Dining Includes:

PITTSBURGH BLUE STEAKHOUSE
Victoria's Ristorante & Wine Bar
Newt's GREAT BURGERS COLD BEER
pescara
THE REDWOOD ROOM Gourmet Pizza, Pasta & Live Music

TACO BELL
DQ
Great Harvest Bread Co.
SHERWIN WILLIAMS
kismet

Mayo Clinic's Downtown Campus including Gonda, Charlton & Plummer Buildings

HONKERS BASEBALL
 MINNESOTA'S ROCHESTER **MAYO CIVIC CENTER** CONVENTIONS & EVENTS

WELLS FARGO
Associated Bank
Think MUTUAL BANK
Hilton Garden Inn
DOUBLE TREE BY HILTON

- ❖ University of MN
- ❖ Shops at University Square
- ❖ Pease Plaza
- ❖ Rosa Parks Pavilion
- ❖ DMC Office

- ❖ Government Center
- ❖ Rochester Public Library
- ❖ Fontaine Towers

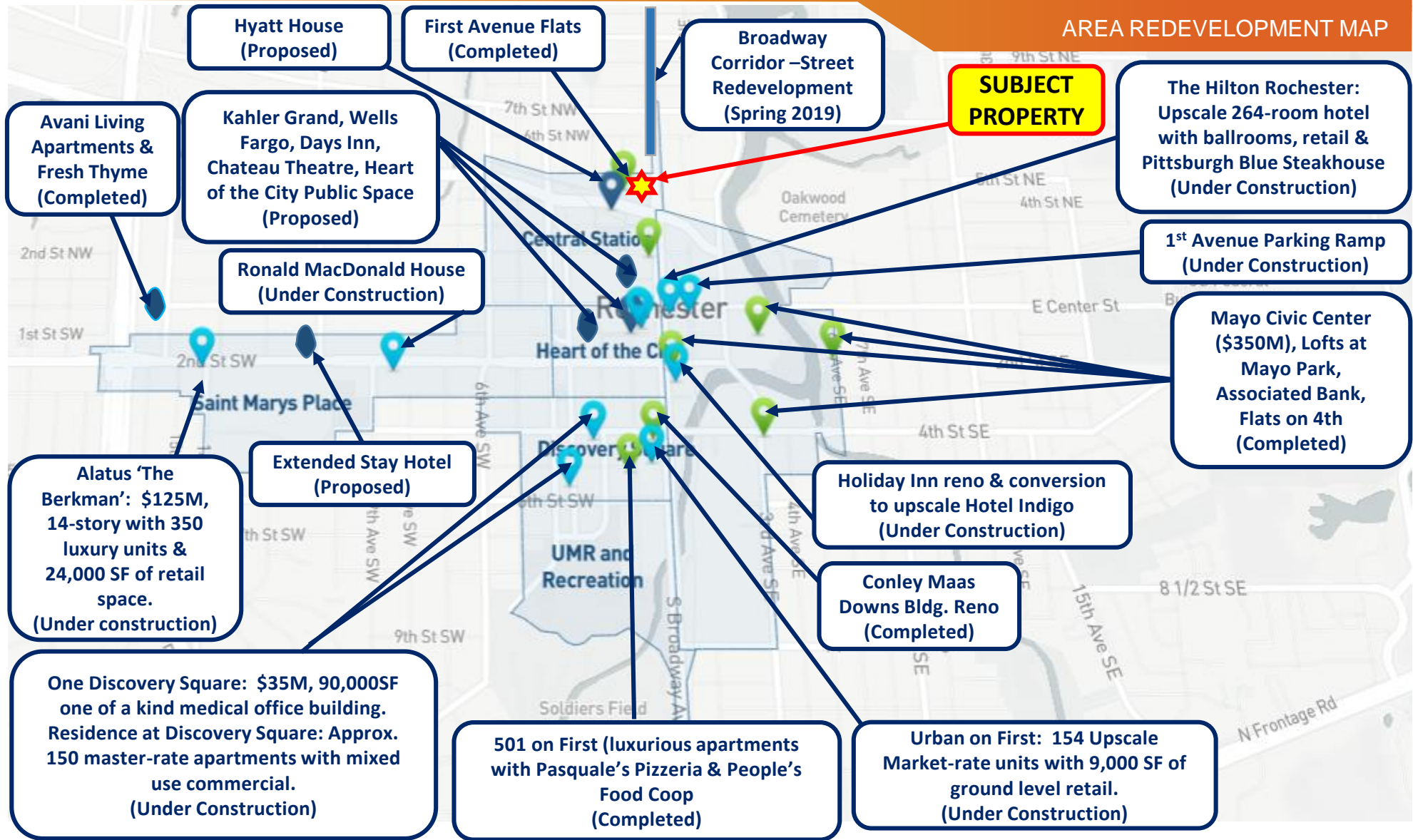
AREA REDEVELOPMENT SUMMARY (SEE MAP ON NEXT PAGE)

With DMC initiative being in full swing, there is an abundance of major redevelopment projects happening, many of which are within just a few blocks of this property. Some of the major projects underway, in the works or already completed include:

- The Berkman: A \$125M, 14-story, 350-unit tower at 217 14th Ave. SW being developed by Alatus. It includes 350 luxury apartments, a street-level best-in-class restaurant and 24,000-square feet of retail space.
- The Hilton Rochester: An upscale, luxury 264 room hotel including two grand ballrooms, conference rooms, retail space and Pittsburgh Blue Steakhouse 5-Star restaurant.
- One Discovery Square: A \$35M, 90,000-square foot, four-story, one-of-a-kind medical office building is THE ONLY place where tenants have the ability to collaborate with Mayo Clinic and other leading scientists. According the Star Tribune, as of October 8th, 2018, 60% of the building is leased with another 30-35% spoken for.
- Holiday Inn Downtown: Undergoing renovation and conversion to high-end Hotel Indigo boutique hotel concept.
- Urban on 1st: 154 Upscale market rate apartments with 9,000 square feet of retail, dining and/or office space.
- Residence at Discovery Square: estimated 150 market rate apartments with mixed-use commercial space.
- Mayo Civic Center: recently completed \$350M renovation.
- Wells Fargo Building is scheduled to undergo a major face lift.
- Former American Legion: Reportedly to undergo \$35M project for new hotel.
- Day's Inn Hotel: Site has been razed and plans for site are reportedly in the works for the site to be redeveloped.
- Former Virgil's Towing 2nd St SW Site: to become extended stay hotel.
- Former Michael's Restaurant: to be redeveloped.

See page 7 for DMC map showing the location of many of these projects in relation to the. Given the outstanding location of this asset on the hard signalized corner of Broadway and Civic Center Drive in the heart of Rochester, within the DMC area, located in the Opportunity Zone and near several major redevelopment projects, there is tremendous development potential for this location.





ABOVE MAP SHOWS DMC SUBDISTRICTS WITH NOTABLE CONSTRUCTION PROJECTS.

■ = PROPOSED

■ = UNDER CONSTRUCTION

■ = COMPLETED

Rochester is the county seat of Olmsted county and is the third-largest city in Minnesota. The city has been frequently recognized by Money Magazine, since the 1980's as one of the best places to live in the United States ranging from the best overall to the best in the Midwest. In addition, Rochester was just named by Livability as the top City in America for 2017. According to the United States Census Bureau the estimated population in 2016 was 114,011.

Mayo Clinic forms the core of Rochester's economy. As of 2016, it employed 34,180 people and draws more than 2 million visitors annually. The clinic's many facilities, along with hotels, restaurants and retail stores, comprise nearly all of the city's downtown. Excluding the state government, Mayo Clinic is the largest employer in the state of Minnesota.

Mayo Clinic is in the early stages of their Destination Medical Center (DMC) expansion which is expected to add over 30,000 employees by completion. DMC is a robust 20-year \$5.6 billion economic development initiative. The largest in Minnesota's history, DMC is designed to position Mayo Clinic as a global center for the highest quality medical care and to generate high-value jobs, new tax revenue, and businesses. This long-term growth plan makes Rochester a very attractive market for businesses and investment opportunities both now and in the long term.

For more information on Destination Medical Center please visit <https://dmc.com>



Rochester, MN & DMC

- Rochester, MN Consistently One of the 'Top Places to Live in America'
- Rochester's 2016 Population was 114,011 (USCB)
- Mayo Clinic's DMC Project is Expected to add 30,000+ Employees
- Subject Property is located on the corner of Broadway & Civic Center Drive

Created on March 2019

POPULATION	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Population	14,360	76,520	117,461
■ 2018 Estimate			
Total Population	14,580	74,439	111,118
■ 2010 Census			
Total Population	13,961	70,585	103,860
■ 2000 Census			
Total Population	15,582	68,357	92,825
■ Daytime Population			
2018 Estimate	57,202	134,619	157,044
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Households	7,488	33,657	49,244
■ 2018 Estimate			
Total Households	7,516	32,384	46,098
Average (Mean) Household Size	1.90	2.24	2.36
■ 2010 Census			
Total Households	6,974	29,987	42,258
■ 2000 Census			
Total Households	7,366	28,212	36,691

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2018 Estimate			
\$250,000 or More	1.79%	4.00%	4.66%
\$200,000 - \$249,999	1.60%	3.13%	3.34%
\$150,000 - \$199,999	3.54%	5.53%	6.88%
\$125,000 - \$149,999	3.60%	5.96%	6.99%
\$100,000 - \$124,999	6.05%	9.82%	11.15%
\$75,000 - \$99,999	11.54%	14.85%	15.65%
\$50,000 - \$74,999	16.31%	16.79%	16.47%
\$35,000 - \$49,999	14.26%	12.61%	11.36%
\$25,000 - \$34,999	10.56%	8.52%	7.78%
\$15,000 - \$24,999	13.68%	9.14%	7.59%
Under \$15,000	17.07%	9.64%	8.11%
Average Household Income	\$64,525	\$91,163	\$99,493
Median Household Income	\$43,932	\$64,250	\$72,869
Per Capita Income	\$34,272	\$40,070	\$41,567

Source: © 2018 Experian

Created on March 2019

POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population by Age			
0 to 4 Years	6.79%	6.71%	7.09%
5 to 14 Years	9.06%	11.98%	13.03%
15 to 17 Years	2.30%	3.21%	3.55%
18 to 19 Years	1.39%	1.78%	1.93%
20 to 24 Years	7.09%	6.34%	6.19%
25 to 29 Years	10.17%	8.04%	7.50%
30 to 34 Years	10.17%	8.34%	8.13%
35 to 39 Years	7.21%	6.70%	6.82%
40 to 49 Years	10.08%	10.47%	11.02%
50 to 59 Years	11.18%	13.08%	13.52%
60 to 64 Years	4.83%	6.01%	5.83%
65 to 69 Years	3.82%	4.85%	4.53%
70 to 74 Years	3.29%	3.68%	3.38%
75 to 79 Years	3.58%	3.17%	2.76%
80 to 84 Years	3.46%	2.57%	2.18%
Age 85+	5.59%	3.08%	2.54%
Median Age	36.90	37.55	36.78

POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population 25+ by Education Level			
2018 Estimate Population Age 25+	10,698	52,096	75,796
Elementary (0-8)	2.45%	1.56%	1.28%
Some High School (9-11)	5.51%	4.18%	3.72%
High School Graduate (12)	25.70%	21.30%	20.09%
Some College (13-15)	19.12%	20.01%	19.60%
Associate Degree Only	10.97%	11.03%	10.95%
Bachelors Degree Only	19.62%	23.10%	24.69%
Graduate Degree	15.37%	17.98%	18.72%

Source: © 2018 Experian



Population

In 2018, the population in your selected geography is 14,580. The population has changed by -6.43% since 2000. It is estimated that the population in your area will be 14,360.00 five years from now, which represents a change of -1.51% from the current year. The current population is 48.52% male and 51.48% female. The median age of the population in your area is 36.90, compare this to the US average which is 37.95. The population density in your area is 4,629.80 people per square mile.



Households

There are currently 7,516 households in your selected geography. The number of households has changed by 2.04% since 2000. It is estimated that the number of households in your area will be 7,488 five years from now, which represents a change of -0.37% from the current year. The average household size in your area is 1.90 persons.



Income

In 2018, the median household income for your selected geography is \$43,932, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 37.14% since 2000. It is estimated that the median household income in your area will be \$47,927 five years from now, which represents a change of 9.09% from the current year.

The current year per capita income in your area is \$34,272, compare this to the US average, which is \$32,356. The current year average household income in your area is \$64,525, compare this to the US average which is \$84,609.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 78.47% White, 7.89% Black, 0.04% Native American and 6.26% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 8.15% of the current year population in your selected area. Compare this to the US average of 18.01%.



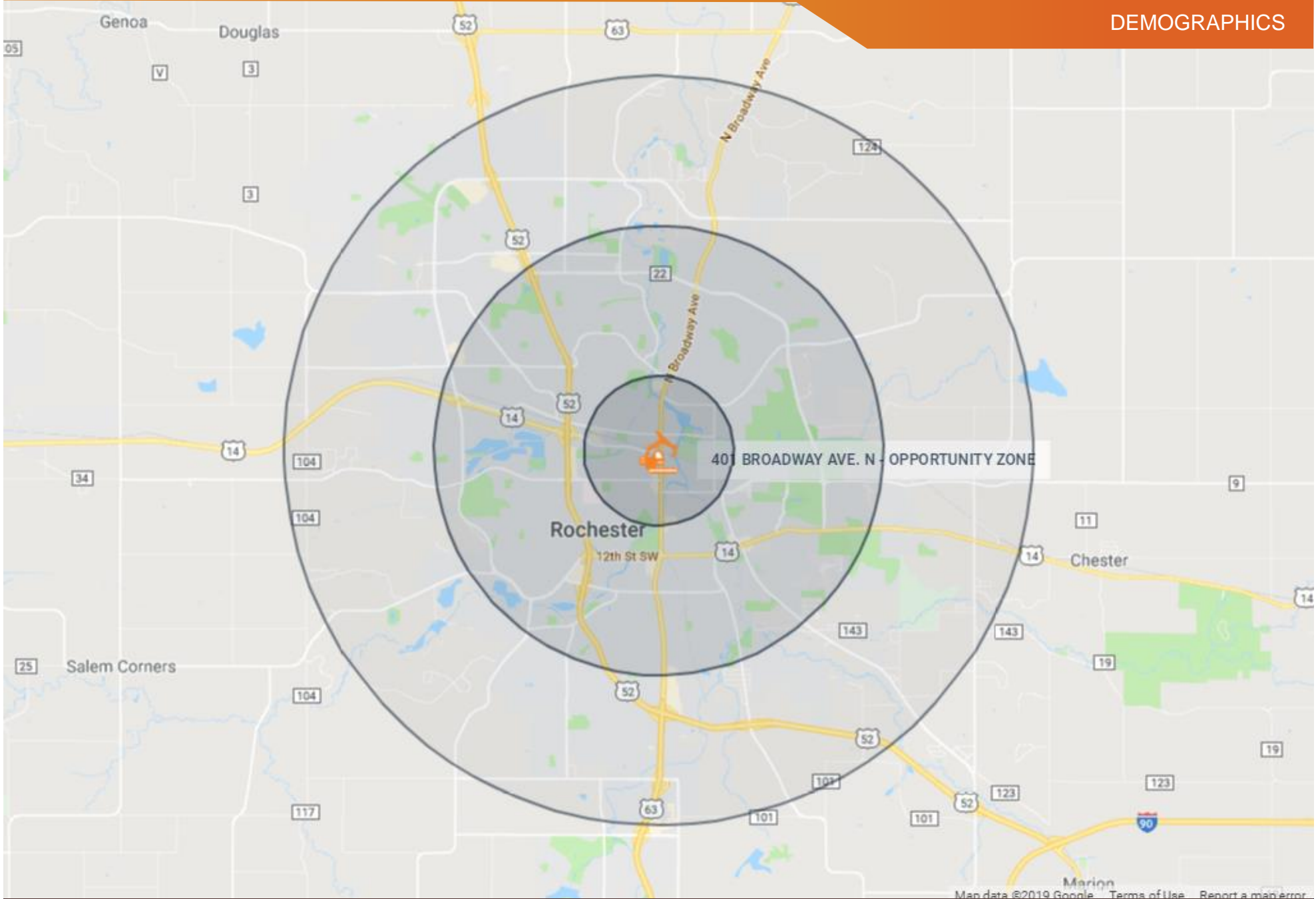
Housing

The median housing value in your area was \$141,744 in 2018, compare this to the US average of \$201,842. In 2000, there were 3,707 owner occupied housing units in your area and there were 3,658 renter occupied housing units in your area. The median rent at the time was \$439.



Employment

In 2018, there are 29,030 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 61.92% of employees are employed in white-collar occupations in this geography, and 37.40% are employed in blue-collar occupations. In 2018, unemployment in this area is 5.65%. In 2000, the average time traveled to work was 17.00 minutes.



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