

Gateway Commons

26025-26065 3rd St, Zimmerman, MN 55398

Retail
Investment Opportunity

Offering Memorandum



MATTHEWS™

Exclusively Listed By



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Matthews of Minnesota, LLC



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Property Overview

Gateway Commons

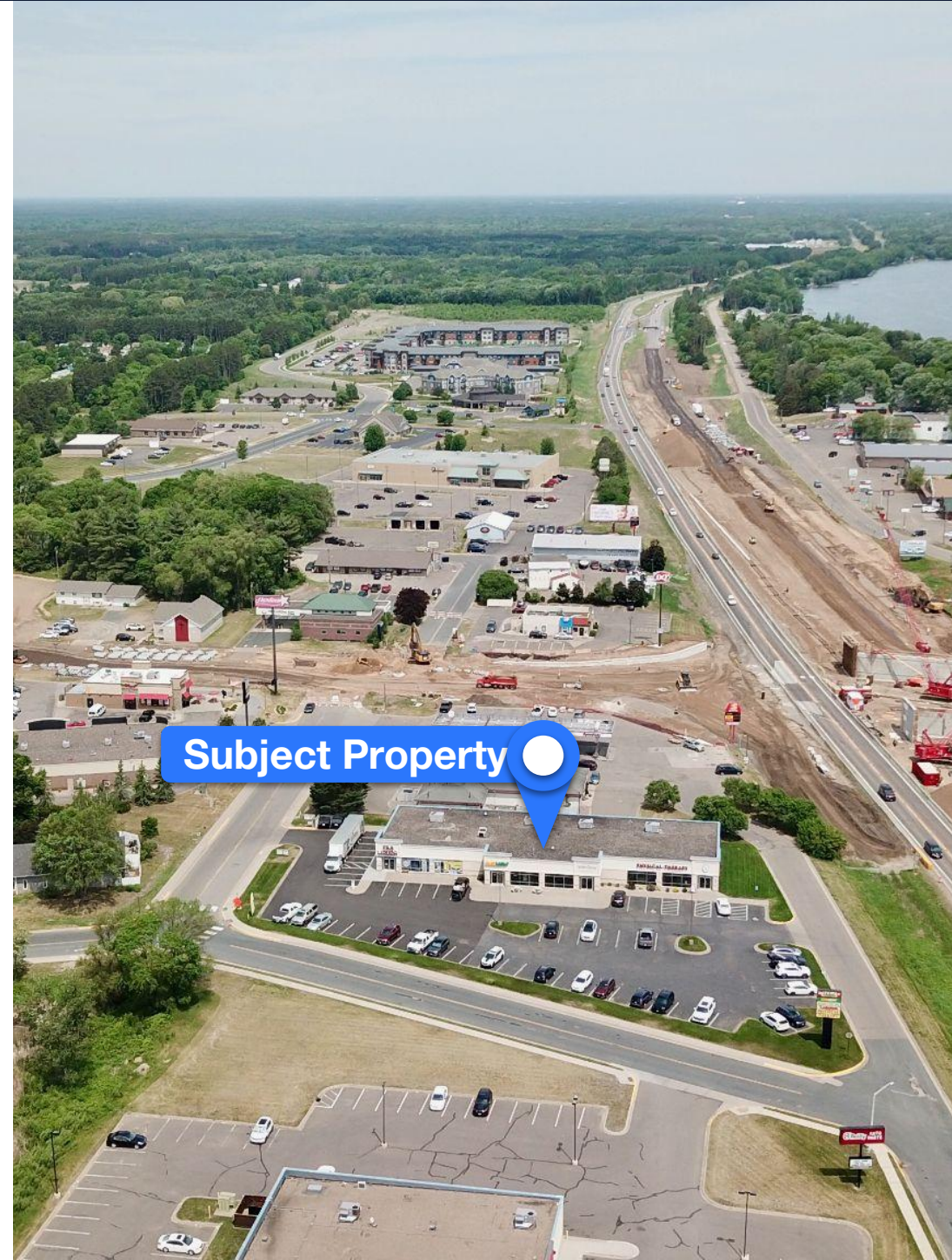
26025-26065 3rd St, Zimmerman, MN 55398



Investment Highlights

Property Highlights

- **Strategic Highway Access:** Conveniently situated along Highway 169, offering easy access to neighboring towns such as Princeton and Elk River, enhancing connectivity for residents and visitors.
- **High Traffic Visibility:** Positioned along Highway 169 with exposure to approximately 25,000+ vehicles per day.
- **Prominent Signage & Ample Parking:** Monument signage and abundant parking provide convenience and strong tenant visibility.
- **NNN Lease Structure:** Tenants operate under triple-net (NNN) leases, minimizing landlord responsibilities.
- **100% Occupied Property:** Fully leased asset with no current vacancy.
- **Growing Market Demographics:** The city is experiencing consistent annual population growth, supporting long-term demand.
- **Value-Add Tenant Mix:** Diverse tenant roster with rental upside and future value-add potential.





Zimmerman High School
±750 Students and Teachers

DOLLAR GENERAL



Courtyard Apartments
±158 Units



Zimmerman Middle School
±560 Students and Teachers

Depot On Main Apartments
±65 Units



STORAGE STABLES

SUBWAY



Subject Property



169
±25,068 VPD



3rd St E



P & A
Liquor

SUBWAY

Ashley Taylor
SALON • SPA

Zimmerman
Physical Therapy

Gateway Dr



26025-26065 3rd St
Zimmerman, MN 55398

±11,400 SF
GLA

2000
Year Built

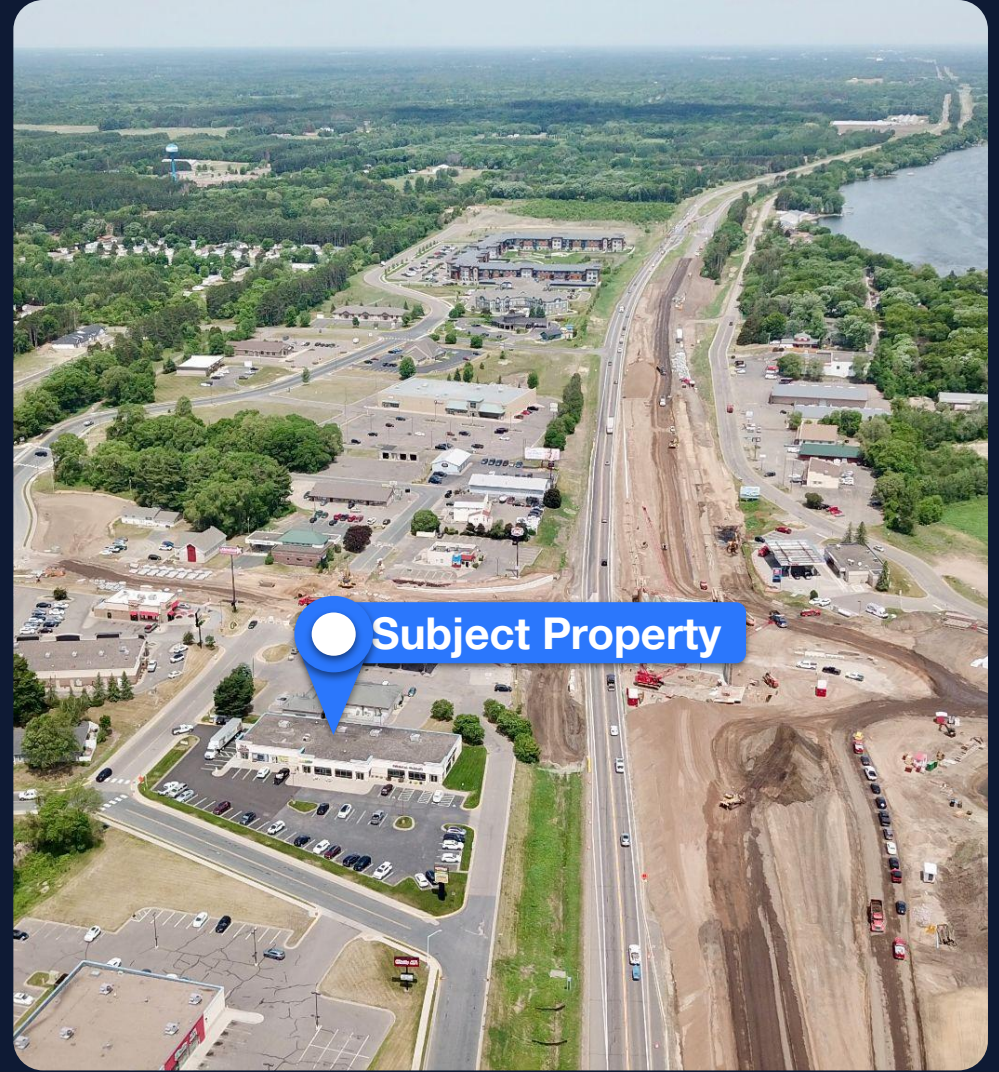
±25,058 VPD
Highway 169

100%
Current Occupancy

\$118.71
Price Per SF



Property Photos



Financial Overview

Gateway Commons

26025-26065 3rd St, Zimmerman, MN 55398



Financial Summary

\$1,353,305

List Price



Property Details

Property Name	Gateway Commons
Address	26025 3rd St E
City	Zimmerman
State	MN
APN	95-00436-0105
Zoning	C2-Community Commercial

Building Details

Land Area	±1.26 AC
Year Built	2000
Total Square Foot	±11,400 SF
Total Tenants	4
Current Occupancy	100%
Parking Spaces	±63

Financial Summary

\$1,353,305
List Price

Cap Rate	7.15%
Current NOI	\$96,761
PPSF	\$118.71
Lease Type	NNN
Occupancy	100%
Property Tax	\$29,230 (2025)

Year 1

Income	Total	PSF/Yr
Potential Base Rent (+)	\$97,338	\$9.02
Gross Potential Rent	\$97,338	\$9.02
CAM (Expense Reimbursements)	\$33,719	\$3.12
Insurance	\$9,427	\$0.87
Real Estate Taxes	\$27,097	\$2.51
Management Fee	\$5,183	\$0.48
Total Expense Reimbursements	\$75,426	\$6.99
Gross Potential Income	\$172,764	\$16.00
CAM (Expenses)	\$27,097	\$2.51
Insurance	\$9,427	\$0.87
Real Estate Taxes	\$33,719	\$3.12
Management Fee (3.0% of EGR)	\$5,183	\$0.48
Total Operating Expenses	\$75,426	\$6.99
Net Operating Income	\$97,338	\$9.02

Financial Summary

\$1,353,305

List Price



Tenant Name	P&A Liquor	Subway	Ashley Taylor	Physical Therapy
Square Foot Occupied	±3,600 SF	±1,637 SF	±3,552 SF	±2,008 SF
Inception	August 2000	July 2000	January 2002	February 2014
Expiration	August 2034	July 2029	January 2030	February 2031
Term	10 yrs	5 yrs	5 yrs	5 yrs
% of Building	29.05%	13.21%	28.66%	16.20%
Monthly Base Rent	\$2,100.00	\$1,922.11	\$2,368.00	\$1,673.33
Monthly CAM/Tax	\$1,839.00	\$836.23	\$1,814.48	\$1,025.75
Annual Rent	\$47,268.00	\$33,100.14	\$50,189.76	\$32,389.04
Rent Increase	\$1 base increase Aug 2030	2.5% per yr	\$0.50 base increase Jan 2028	n/a
Options	One 2-yr term	Two 3-yr then Five 2-yr	n/a	n/a

Tenant Summary

Year Founded
2000

Headquarters
Zimmerman, MN

Ownership Status
Privately Held

Employees
3-10

Locations
1

P&A LIQUOR

Tenant Overview

P&A Liquor is a locally owned and operated liquor retailer serving the Zimmerman, Minnesota community. The store has established itself as a neighborhood destination for beer, wine, spirits, mixers, and other beverage-related products, benefiting from a convenient location within a growing exurban market northwest of Minneapolis–St. Paul. As an independent operator, P&A Liquor offers a personalized customer experience and maintains a loyal local customer base, supported by a reputation for friendly service and a well-curated product selection.

Why Invest in P&A Liquor?

- **Established Local Operator with Long Term Community Presence:** P&A Liquor has operated in Zimmerman for over two decades, demonstrating durability and local brand recognition. Longstanding occupancy often translates into customer loyalty, operational stability, and a reduced likelihood of relocation.
- **Essential Retail Category:** Liquor stores benefit from consistent consumer demand across economic cycles. Alcohol sales have historically proven more resilient than many discretionary retail categories, helping support stable tenant operations and rent-paying ability.
- **Limited E-Commerce Disruption:** Unlike many traditional retailers, liquor stores remain largely insulated from online competition due to regulatory requirements, age-verification laws, and the convenience-driven nature of purchases. Physical locations continue to play a critical role in customer acquisition and fulfillment.

Tenant Summary

Year Founded
1965

Headquarters
Shelton, Connecticut

Ownership Status
Roark Capital Group

Employees
±400,000

Locations
37,000

Credit Rating
A3

2024 Revenue
±\$9.5 B



Tenant Overview

Subway is one of the world's largest quick-service restaurant brands and a leading provider of made-to-order submarine sandwiches, wraps, salads, and related menu offerings. Founded in 1965 by Fred DeLuca and Dr. Peter Buck, the company has grown into a globally recognized franchise system serving millions of customers annually across more than 100 countries. Subway's emphasis on customization, convenience, value, and healthier menu alternatives has enabled the brand to maintain broad consumer appeal and significant market penetration within the highly competitive fast-food sector.

Why Invest in Subway?

- **Financial Resilience:** Subway achieved its second consecutive year of positive net global growth by the end of 2024, with over 1,000 new openings and on track to more than double new restaurant openings in 2024 compared to 2019 levels.
- **Expansion and Modernization:** Subway has been actively pursuing a global modernization program called the "Fresh Forward" initiative and adding locations internationally, an initiative modernized restaurants with bright designs, better ingredient displays, digital menu boards, self-order kiosks, USB ports, and a new logo to create a fresh, welcoming, tech-friendly, and consistent guest experience, emphasizing their fresh ingredients and evolving store image.
- **Strong Brand and Market Position:** With 99% brand awareness and over 60 years of operational expertise, Subway® offers investors the strength of a trusted, globally recognized brand.

Tenant Summary

Year Founded
2002

Headquarters
Zimmerman, MN

Ownership Status
Privately Held

Employees
10+

Locations
1

AshleyTaylor

Tenant Overview

AshleyTaylor Salon Spa is a full-service salon and spa for women and men, serving the Zimmerman, Minnesota area since 2002. Its talented stylists, estheticians, nail technicians, and massage therapists offer clients the most up-to-date techniques, trends, and products in a welcoming and relaxing setting. The spa is connected to Aveda's ongoing educational programs and its commitment to give clients the most expert personal care available, all with a commitment to its local community and a sustainable environment.

Why Invest in AshleyTaylor?

- **Service-Based Business Resistant to E-Commerce Disruptio:** Unlike many retail categories, salon and spa services require in-person delivery and cannot be replicated online. This creates a business model that remains fundamentally tied to the physical location and supports tenant retention.
- **Recurring Customer Revenue Model:** Haircare, skincare, nail services, and massage therapy generate repeat visits throughout the year. This recurring demand helps create stable business operations and long-term occupancy potential.
- **Premium Brand Association Through Aveda:** The salon's connection to Aveda enhances its professional credibility and provides access to nationally recognized products, training resources, and sustainability initiatives that resonate with modern consumers.
- **Diversified Service Offerings:** Multiple revenue streams—including salon services, spa treatments, massage therapy, and retail product sales—help reduce reliance on any single service category and support operational resilience.

Tenant Summary

Year Founded
1997

Headquarters
Zimmerman, MN

Ownership Status
Privately Held

Employees
55+

Locations
6



Tenant Overview

Physical Therapy Consultants is a well-established outpatient rehabilitation provider serving communities throughout north-central Minnesota since 1997. As a community-based healthcare practice, the company has built a strong regional presence by delivering comprehensive physical therapy and rehabilitation services focused on improving patient mobility, function, and quality of life. With multiple clinic locations and a multidisciplinary team of healthcare professionals, Physical Therapy Consultants has developed a reputation for personalized care, clinical expertise, and strong referral relationships within the healthcare community.

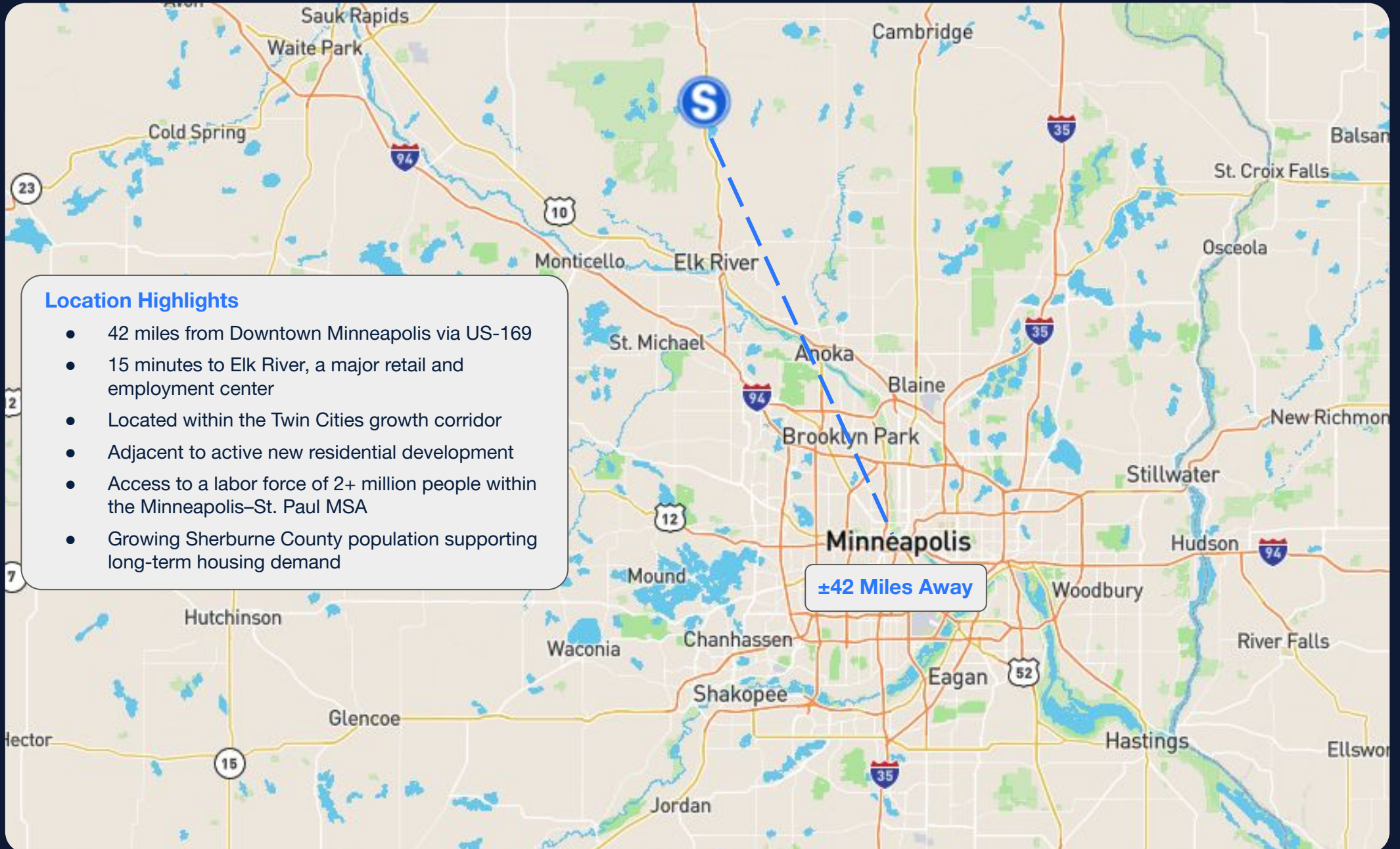
Why Invest in Physical Therapy Consultants Inc?

- **Demographic Tailwinds:** An aging population, increased focus on non-invasive treatment options, sports medicine demand, and post-surgical rehabilitation needs continue to support growth within the outpatient physical therapy industry.
- **Strong Referral-Based Business Model:** Physical Therapy Consultants benefits from referral relationships with physicians, healthcare systems, orthopedic specialists, employers, and insurance providers, helping generate a recurring stream of patients and reducing reliance on traditional retail traffic.
- **Limited E-Commerce Exposure:** Physical therapy services require in-person evaluation and treatment, making the business highly resistant to online disruption and reinforcing the importance of the physical clinic location.
- **Recession-Resistant Healthcare Category:** Healthcare-related tenants are often viewed favorably by investors due to their essential nature, recurring patient demand, and historically stable occupancy characteristics.

Market Overview

Gateway Commons

26025-26065 3rd St, Zimmerman, MN 55398



Location Highlights

- 42 miles from Downtown Minneapolis via US-169
- 15 minutes to Elk River, a major retail and employment center
- Located within the Twin Cities growth corridor
- Adjacent to active new residential development
- Access to a labor force of 2+ million people within the Minneapolis–St. Paul MSA
- Growing Sherburne County population supporting long-term housing demand

Zimmerman, MN

Market Demographics

±7,034

Total Population

\$88,808

Median HH Income

84%

Homeownership Rate

\$330,013

Median Property Value



Local Market Overview

Zimmerman, located in Sherburne County, offers a blend of small-town charm and natural beauty known for its residential areas, parks, and recreational opportunities, the city has seen recent growth. The city is situated along Highway 169, providing easy access to neighboring towns like Princeton and Elk River.

Zimmerman is currently undergoing considerable economic growth improving safety, mobility, infrastructure capacity and housing choice while positioning the community for continued growth. From highway and street improvements to utility upgrades and new housing plays a coordinated role in strengthening connectivity, supporting essential services and enhancing quality of life for residents, businesses and visitors.

Property Demographics

Population	1-Mile	3-Mile	5-Mile
Five-Year Projection	4,391	14,440	21,051
Current Year Estimate	4,131	13,672	20,124
2020 Census	3,671	12,558	18,616
Growth Current Year-Five-Year	6.30%	5.62%	4.61%
Growth 2020-Current Year	12.53%	8.87%	8.10%
Households	1-Mile	3-Mile	5-Mile
Five-Year Projection	1,767	5,341	7,722
Current Year Estimate	1,624	4,964	7,258
2020 Census	1,319	4,317	6,421
Growth Current Year-Five-Year	8.80%	7.58%	6.39%
Growth 2020-Current Year	23.13%	15.00%	13.05%
Income	1-Mile	3-Mile	5-Mile
Average Household Income	\$108,944	\$126,857	\$131,316

Interchange Project



<https://www.bolton-menk.com/resources/th-169-and-csah-4-preliminary-and-final-design-project/>

The Property benefits from its proximity to the ongoing Highway 169 and County Road 4 interchange project, a significant infrastructure investment being completed through a partnership between Sherburne County, the City of Zimmerman, and MnDOT. The project will replace the existing at-grade intersection with a grade-separated interchange, improving traffic flow, safety, and regional connectivity throughout the Highway 169 corridor. Construction is currently underway and is scheduled for completion in November 2026, with final improvements possibly extending into 2027.

The new interchange is expected to provide uninterrupted traffic movement along Highway 169, reduce congestion, improve ingress and egress, and enhance access for residents, commuters, and businesses. The project also includes roadway, pedestrian, and infrastructure improvements designed to support future residential and commercial growth in the Zimmerman trade area.

For more information please refer below:

Project Outline:

https://zimmerman.govoffice.com/vertical/sites/%7BE3C534B1-3B55-4FDD-B367-44985F320A41%7D/uploads/169_CO_RD_4_Project_Outline.pdf

Project Site: <https://clients.bolton-menk.com/hwy169andcr4/>

4.4B+

Sherburne County GDP

**±42
Miles**

Distance to Minneapolis

36 M+

**Annual Passengers-Minneapolis St.
Paul International Airport**

Zimmerman's key strength is its position within a growing northwest Twin Cities trade area supported by high homeownership, commuter activity, and Sherburne County's expanding employment base.

Its' location along U.S. Highway 169 provides regional access to Minneapolis, Elk River, Big Lake, Princeton, and St. Cloud.

Sherburne County's economy is anchored by production, distribution, retail, healthcare, energy, and data-center activity. Major county assets include Fortune 50 data centers, telecommunications infrastructure, manufacturing employers, logistics users, and healthcare providers.

Minneapolis, MN | ±42 Miles



Minneapolis, MN MSA

Minneapolis, together with Saint Paul as the “Twin Cities,” is a thriving metropolitan area known for its strong economy, cultural diversity, and high quality of life. As a key Midwest hub, it offers a blend of Fortune 500 headquarters, world-class healthcare systems, renowned universities, and a robust arts and music scene. Its central U.S. location provides exceptional connectivity for commerce, while its mix of highly educated residents and strong household incomes supports vibrant retail and investment activity.

Retailers in Minneapolis benefit from a loyal and diverse consumer base, a strong tourism market, and significant year-round pedestrian and commuter traffic across the metro. The region’s extensive highway network and highly ranked public transit system enhance accessibility, while development-friendly policies and steady economic growth support long-term retail and real estate value. Known for resilience and innovation, Minneapolis consistently outperforms broader Midwest trends, fueled by its strong economic fundamentals and high standard of living.

Total Population
3.7 Million

Annual Visitors
33 Million

Tourism Economic Impact
\$10.0 Billion

GDP
\$282 Billion



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Matthews of Minnesota, LLC

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **26025-26065 3rd St, Zimmerman, MN, 55398** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews™. The material and information in the Offering Memorandum is unverified. Matthews™. has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

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2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

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If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

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