



Brand New 15-Year Lease Extension | 25+ Year Operating History at the Site | Home Depot Outparcel



OFFERING MEMORANDUM
BEMIDJI, MINNESOTA

Marcus & Millichap
THE SULO GROUP

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OFFERING SUMMARY

PROPERTY ADDRESS

Sherwin-Williams

2405 Middle School Dr NW

Bemidji, MN 56601

OFFERING SUMMARY

Price:	\$1,497,000
Cap Rate:	5.50%
Net Operating Income:	\$82,344
Building Square Footage:	5,000 Sq Ft
Year Built:	1999
Lot Size:	+/- 0.72 Acres

LEASE SUMMARY

Tenant:	The Sherwin-Williams Company
Guaranty:	Corporate
Lease Commencement:	4/8/1999
Rent Commencement:	8/1/2025
Lease Expiration:	7/31/2040
Lease Term Remaining:	14+ Years
Lease Type:	Double Net
Roof, Structure & Parking Lot:	Landlord Responsible
Rental Increases:	10.00% Every Five-Years
Renewal Options:	Two, Five-Year
Right of First Refusal:	None

OPERATING DATA

Year	Start Date	End Date	Annual Rent	Cap Rate
1-5	8/1/2025	7/31/2030	\$82,344	5.50%
6-10	8/1/2030	7/31/2035	\$90,587	6.05%
11-15	8/1/2035	7/31/2040	\$99,636	6.66%
16-20 (Option 1)	8/1/2040	7/31/2045	\$109,600	7.32%
21-25 (Option 2)	8/1/2045	7/31/2050	\$120,560	8.05%

LEASE ABSTRACT

Real Estate Taxes	Tenant shall reimburse Landlord for real estate taxes
Insurance	Tenant shall reimburse Landlord for all insurance costs
Repairs & Maintenance	<p>Tenant is responsible for all non-structural interior repairs and maintenance, including HVAC</p> <p>Sherwin-Williams is responsible for ice/snow removal from the parking and sidewalk areas, mowing the grass and garbage removal</p>
Landlord Responsibilities	<p>Landlord is responsible for roof, structure and parking lot repairs</p> <p>During any one Lease year, Sherwin-Williams will reimburse Landlord \$1,000 worth of work to the parking areas</p>
Capital Improvements	<p>2021 - Roof replacement with 20-year Transferable Firestone Manufacturer Warranty</p> <p>2025 - Parking lot seal-coat and stripe and upgrade of parking lot lighting to LED</p>

INVESTMENT HIGHLIGHTS

- **Investment Grade Credit Tenant (NYSE: SHW | S&P BBB)**
 - Sherwin-Williams is a global company with over 5,400 stores and branches and 64,000 employees.
 - Founded in 1866, The Sherwin-Williams Company is a global leader in the manufacture, development, distribution, and sale of paints, coatings and related products to professional, industrial, commercial, and retail customers.
 - Sherwin-Williams reported revenues of \$23.1 billion in 2024, marking its 14th consecutive year of sales growth.
 - Sherwin-Williams ranks 176th on the Fortune 500 List.
- **Brand New 15 Year Lease Extension with Strong Rental Increases**
 - Sherwin-Williams recently signed a new 15 Year Lease commencing August 1, 2025, displaying their long-term commitment to this location.
 - The Lease offers a strong hedge against inflation with 10% rent increases scheduled every 5 years throughout the base term and option period.
- **25+ Year Operating History in Regional Trade Hub**
 - Bemidji serves as the largest commercial center between Grand Forks and Duluth, offering a robust draw of consumers and businesses. Its metro-area population is over 46,000 with a regional reach approaching 200,000 residents.
 - The presence of Bemidji State University, healthcare institutions like Sanford Health (the largest local employer at roughly 2,200 employees), and public sector employment fosters stable economic drivers.
- **Outparcel to Home Depot in Main Commercial Thoroughfares**
 - The subject property is positioned directly adjacent to Home Depot, one of the most trafficked big box retailers in the U.S.
 - Sherwin-Williams' business aligns perfectly with Home Depot's home improvement traffic base.
 - Located near major thoroughfares including U.S. Route 2, U.S. Route 71, and State Highway 197 ensuring first-rate access and visibility in northern Minnesota.



SITE PLAN



AERIAL OVERVIEW



AERIAL OVERVIEW



TENANT PROFILE

A Global Leader in Paints and Coatings

Founded in 1866 and headquartered in Cleveland, Ohio, our Company has spent the last 155+ years creating a legacy of growth, creativity and innovation to meet the needs of our dedicated workforce and our growing global customer base.

The Sherwin-Williams Company delivers the best in paint and coatings products to the world. Every day, our more than 64,000 employees provide the energy and experience to build on our track record of success – enabling us to innovate and grow in new and exciting ways. With our people as the foundation of our Company, we offer industry-leading innovation, value-added service and expertise, and differentiated distribution to our growing base of professional, industrial, commercial and consumer customers.

Sherwin-Williams has one of the industry's most recognized portfolios of branded and private-label products. The Company's Sherwin-Williams® branded products are sold exclusively through a chain of more than 5,000 company operated stores and facilities in the United States, Canada, the Caribbean and Latin America.

Additional brands are sold through leading mass merchandisers, home centers, independent paint dealers, hardware stores, automotive retailers, and industrial distributors across North America and in parts of Europe, China, Australia and New Zealand. We also supply a broad range of highly engineered solutions for the construction, industrial, packaging and transportation markets in more than 120 countries around the world.

Company Type: Public (NYSE: SHW | S&P BBB Investment Grade)
Location: 5,000+ across the United States, Canada, the Caribbean, and Latin America
Website: <https://www.sherwin-williams.com/>

BBB
Investment
Grade Tenant

\$23.10B
2024 FYE
Revenue

5,000+
of
Locations



PROPERTY PHOTOS



REGIONAL MAP



AREA OVERVIEW

BEMIDJI

- **Regional Hub:** County seat of Beltrami and “first city on the Mississippi,” anchoring a 200,000-person trade area with ~16,000 city residents. Young population (median age ~30) and average household income near \$70K.
- **Economic Anchors:** Major employers include Sanford Health (~1,900 jobs, \$75M investment), Bemidji State University & NW Technical College (5,000+ students), Indian Health Service, and multiple government agencies.
- **Industry & Tourism:** Key sectors: healthcare, education, retail, manufacturing, and forestry. Tourism and seasonal residents (lake cabins/second homes) drive significant summer spending—boosting demand for home improvement and paint products.
- **Lifestyle & Amenities:** 400+ lakes within 25 miles, Itasca State Park (Mississippi headwaters), 500 miles of snowmobile trails, cultural landmarks (Paul Bunyan & Babe statues, Watermark Art Center), and an expanding dining scene.
- **Commercial Market:** Primary retail corridor along Paul Bunyan Dr/US Hwy 197, with Home Depot, Walmart, Menards and other national tenants. The subject Sherwin-Williams benefits from this location and seasonal population inflows.
- **Development Pipeline:** Major initiatives include a \$35M YMCA wellness center and downtown rail-corridor redevelopment expected to catalyze \$65M+ in private retail, housing, and office investment, along with ongoing city infrastructure upgrades.
- **Growth Outlook:** New multifamily housing, infrastructure improvements, and workforce initiatives support long-term stability—creating a strong environment for national tenants.

Investment Takeaway: Bemidji’s role as a regional hub—supported by stable employers, seasonal population inflows, and active development—creates a durable environment that underpins long-term performance for national NN tenants like Sherwin-Williams.



BEMIDJI STATE UNIVERSITY



LAKE BEMIDJI STATE PARK




PAUL BUNYAN PLAYHOUSE

DEMOGRAPHICS


POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	2,022	13,470	21,307
2020 Population	2,261	14,045	22,563
2024 Population	2,309	14,589	23,604
2029 Population	2,322	14,956	24,288
HOUSEHOLDS			
2010 Households	992	5,315	8,233
2020 Households	1,176	5,731	8,986
2024 Households	1,211	5,985	9,477
2029 Households	1,237	6,172	9,836
OWNER OCCUPIED HOUSING UNITS			
2010 Owner Occupied Housing Units	31.1%	45.7%	54.3%
2020 Owner Occupied Housing Units	17.3%	39.8%	49.7%
2024 Owner Occupied Housing Units	17.7%	40.3%	50.2%
2029 Owner Occupied Housing Units	17.9%	40.5%	50.3%
RENTER OCCUPIED HOUSING UNITS			
2010 Renter Occupied Housing Units	62.2%	46.7%	37.7%
2020 Renter Occupied Housing Units	76.4%	51.8%	41.7%
2024 Renter Occupied Housing Units	76.0%	51.3%	41.3%
2029 Renter Occupied Housing Units	75.8%	51.1%	41.1%
AVERAGE HOUSEHOLD INCOME	\$55,959	\$66,332	\$74,452

AREA SNAPSHOT




24,288

POPULATION (5-MILE)




32,688

DAYTIME POPULATION (5-MILE)



9,477

HOUSEHOLDS (5-MILE)



\$74,452

AVERAGE HOUSEHOLD INCOME (5-MILE)