



OFFERING MEMORANDUM



Tesla Service Plus

Rogers, MN | Minneapolis MSA

This property is listed in conjunction with Minnesota-licensed real estate broker Ray Yung Real Estate.

www.preservewestcapital.com



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Disclaimer

Michael Maffia (“Broker”) has been retained on an exclusive basis to market the property described herein (“Property”). Broker has been authorized by the Seller of the Property (“Seller”) to prepare and distribute the enclosed information (“Material”) for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

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Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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PROPERTY HIGHLIGHTS



Property Highlights

- Lease To Tesla (NASDAQ: TSLA)
- Tesla Has Been Profitable for Nine Straight Quarters
 - S&P Upgraded Credit Rating to BB in December 2020
 - Component of S&P 500 Index
- Consensus Building that Tesla is the EV Leader and Will Sustain its Growth and Production Levels
- “Service Plus” Design in Line with Tesla’s Long Term Objectives
- Mission-Critical Location for Tesla Serving Minneapolis-Saint Paul MSA
- Robust, Affluent Demographics in Surrounding Area
 - Average Household Income of \$138,279 within 1 Mile Radius
 - Total Daytime Population of 484,287 within 15 Miles of Site
- Excellent Access and Visibility Along I-94/ Highway 54
 - 81,000 AADT
- Prominent Location within Dense Retail Corridor
 - Outparcel to Target & Kohl’s Anchored Center
- Approximately 25 Miles Northwest of Minneapolis



Location

The property is located at 22015 Diamond Lake Road in Rogers, Minnesota.

Lot Size

Approximately 4.86 acres or 211,701 square feet.

Improvements

Redevelopment is expected to be completed in late September 2021 of an 25,125 square foot building for **Tesla**.

Financing

This property will be delivered free and clear of permanent financing.

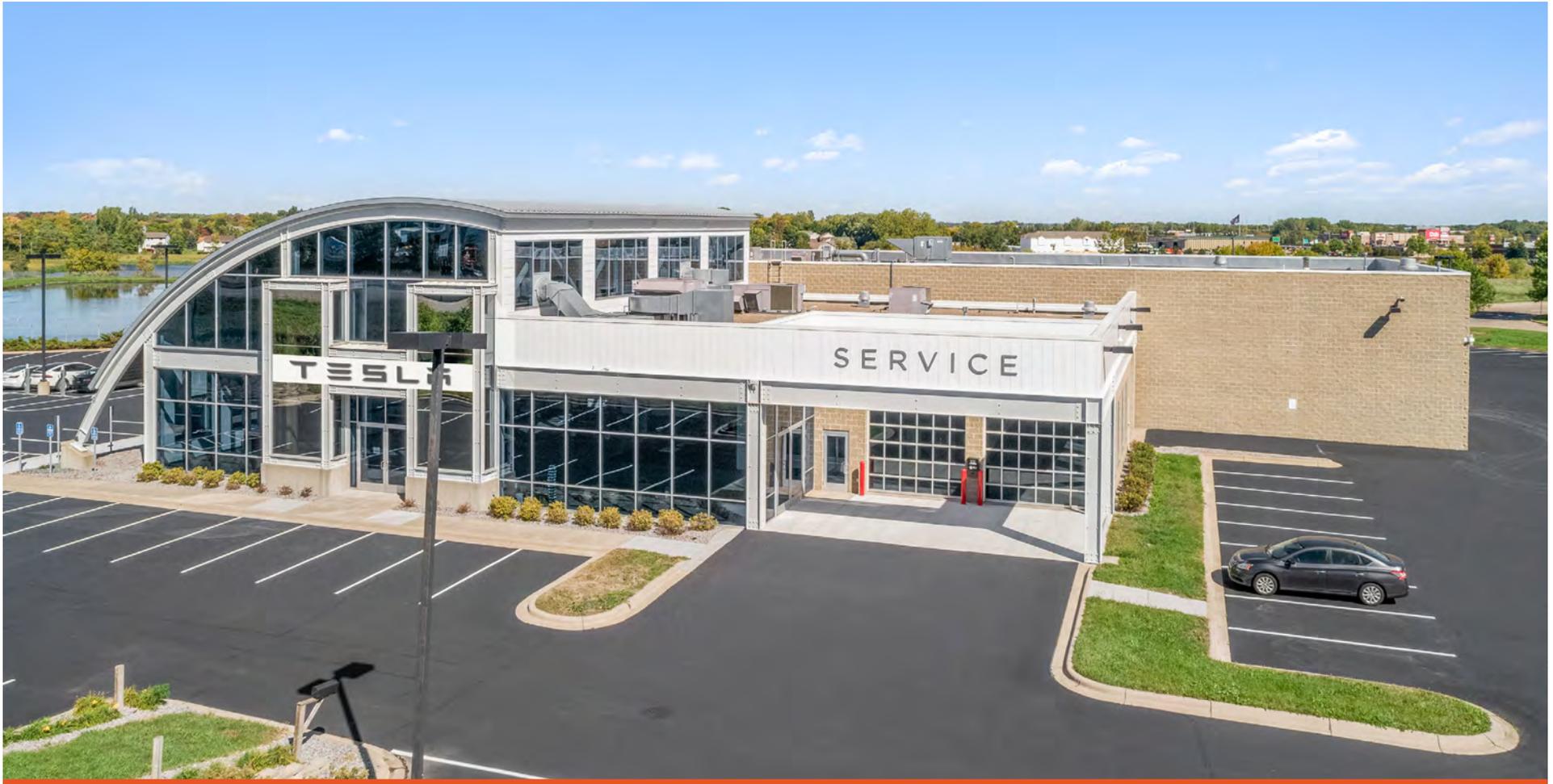
PRICE

\$9,673,000

[CLICK HERE TO EXECUTE CA & ACCESS FULL OM](#)

NOTE

DUE TO THE CONFIDENTIALITY AGREEMENT WITH TESLA, WE ARE UNABLE TO DISCLOSE THE RENT, CAP RATE, OR LEASE INFORMATION. PLEASE EXECUTE THE **NDA** AT THE END OF THIS DOCUMENT TO RECEIVE THE FULL OFFERING MEMORANDUM.



Strong Intrinsic In Line with Long-Term Tesla Strategy

The property is an ideal site for Tesla in line with the company's site selection criteria. The location benefits from strong intrinsic due both to its strategic location outside of Minneapolis and its highly visible location with excellent access along the established I-94 / Highway 52 commercial corridor with over 81,000 AADT. Tesla has found that such locations benefit from high visibility and increased customer traffic and drive increased demand in the markets in which they are located. In addition, Tesla has observed a strong correlation between the addition of new service and "Service Plus" locations such as this property in a market and increased demand for Tesla vehicles.



TESLA

Tesla, Inc. (NASDAQ: TSLA), formerly Tesla Motors, Inc., is an American electric vehicle and clean energy company based in Palo Alto, California. The company specializes in electric vehicle manufacturing, battery energy storage from home to grid scale, and solar panel and solar roof tile manufacturing.

Its main vehicle manufacturing facility is at Tesla Factory in Fremont, California, with other major facilities including Giga Nevada, Giga New York, and Giga Shanghai.

Tesla gained popularity with its first vehicle, the Tesla Roadster, which was the first fully electric sports car. Since then, the company's main products include the Model S, Model 3, Model X, and Model Y cars, and the Powerwall, Powerpack, and Megapack batteries. The company's latest vehicle is the Cybertruck, an all-electric pickup truck style vehicle. In addition, the company has announced plans to begin limited-scale production of their new Tesla Semi design in 2021.

Tesla is ranked as the world's best-selling plug-in and battery electric passenger car manufacturer, with a market share of 16% of the plug-in segment and 23% of the battery electric segment based on 2020 sales. In March 2020, the company surpassed the 1 million mark of electric cars produced, becoming the first auto manufacturer to achieve such a milestone. Tesla is also one of the largest global suppliers of battery energy storage systems, with 3 GWh of battery storage supplied in 2020, and has installed some of the largest battery storage plants in the world.

Tesla markets and sells cars directly to consumers through an international network of company-owned stores and galleries. Its locations are highly visible, premium outlets in major metropolitan markets, some of which combine retail sales and service, operating as "Service Plus" locations. The company now operates more than 598 store and service locations globally and operates a mobile service fleet of 1,091 units. Tesla has also established 2,855 supercharger stations and 26,900 supercharging connectors across the globe. 99% of the U.S. population now lives within 150 miles of a supercharger, with plans to continue adding locations, enabling the company to expand markets for its vehicles nationwide.

2020

Tesla was able to overcome challenges brought forth by the COVID pandemic and achieved profitability throughout all of 2020, even with its main production factory being closed for nearly half of Q2 2020.

On July 1, 2020, Tesla reached a market capitalization of \$206 billion, surpassing Toyota to become the world's most valuable automaker by market capitalization.



From July 2019 to June 2020, Tesla recorded four profitable quarters in a row for the first time, which made it eligible for inclusion in the S&P 500. Tesla was added to the index on December 21, 2020.

Tesla reported a record number of vehicles produced and delivered in 2020 of over half a million. Tesla cars accounted for 81% of the battery electric vehicles sold in the United States in the first half of 2020.

As of December 2020, S&P upgraded Tesla's credit rating to BB, indicating the company's credit is now close to investment grade.

2021 Third Quarter Financials

In the third quarter of 2021, Tesla reported revenue of \$13.757 billion, net income of \$1.62 billion and total stockholder equity of \$27.053 billion. As of October 26, 2021, Tesla has a market capitalization of \$1.028 Trillion.

This marks Tesla recording nine straight profitable quarters in a row. The company achieved their highest ever production and deliveries in Q3 2021, despite multiple challenges, including seasonality, supply chain instability and the transition to the new Model S and Model X.

Tesla broke notable records in Q3 2021: Delivered over 240,000 vehicles, achieved an operating margin of 14.6% and exceeded \$1.5B of net income for the first time in its history. Tesla also began delivering the new Model S to customers in Q2, along with the successful launch of its Full Self-Driving FSD subscription in July.

For more information, please visit www.tesla.com.



Chinese Market & Shanghai Gigafactory

In April of 2018, China announced a plan to ease restrictions on foreign-owned businesses in China by the end of 2018, paving the way for Tesla to gain a foothold in the massive electric vehicles market in China, by far the largest market in the world. As of December 2019, China had the largest stock of highway legal plug-in passenger cars with 3.4 million units, 47% of the global fleet in use. This change has also allowed Tesla to move forward with plans to open manufacturing facilities in China.

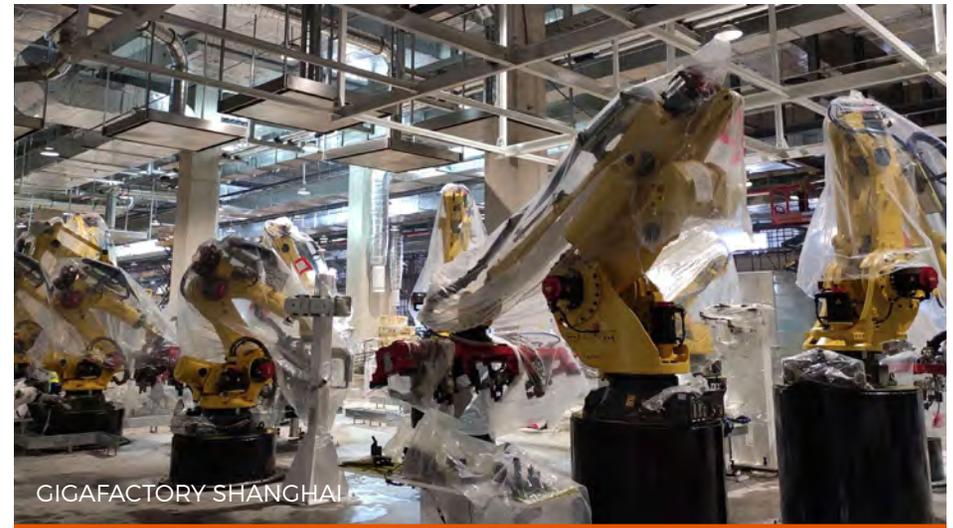
In July of 2018, the company announced plans to construct a new plant in Shanghai (its first Gigafactory outside of the United States), which will enable the company to bypass the 40% import tariff on the vehicles and offset current cost disadvantages in the Chinese market. By the fourth quarter of 2019, fewer than 12 months after breaking ground, the Shanghai Gigafactory had produced nearly 1,000 new vehicles. As of the fourth quarter of 2020, Tesla has ramped Model 3 production in China to over 5,000 cars per week and started production of Model Y at Gigafactory Shanghai less than a year after breaking ground on the expansion. The Model 3 has received a strong reception in China, becoming the best-selling electric vehicle in the country. Model Y production began in late 2020 and is in the process of ramping to full capacity.

Upcoming Austin, TX and Berlin, Germany Gigafactories

Tesla is currently in the process of building two additional Gigafactory facilities located in Berlin, Germany and in the Austin, Texas area.

Tesla first announced its plans for Gigafactory Berlin in November 2019. The company recently finished the land preparation phase and is in the construction phase for its Gigafactory project in Berlin. They are on track to start the first Model Y deliveries from this factory in 2021.

On July 23, 2020, Tesla picked Austin, Texas as the site of its Gigafactory 5. Tesla's Gigafactory in Travis County will encompass 2,000 acres and will be roughly 15 minutes from downtown Austin. The facility will be used to build the company's Cybertruck, its Semi and the Model 3 and Model Y for the eastern half of North America. Buildout of Gigafactory Texas continued to progress in Q2 with commissioning having begun in some areas of the factory.



GIGAFACTORY SHANGHAI



TESLA FILE PHOTO (ROADSTER)

Battery Day

On September 22, 2020, Tesla hosted Battery Day where it described a path to reducing battery pack cost per kWh by 56%, enabling production of a profitable \$25,000 vehicle. Additionally, due to a simpler cell manufacturing process, the company believes its capex per GWh of battery capacity should decline by 69% compared to today's production process.



About the Model 3

The Model 3 is a compact luxury sedan aiming to reduce the entry price for electric vehicles with a price point starting around \$35,000. In January 2019, the Model 3 passed the Model S to become the top selling all-electric car in the U.S. ever, and in the following month it surpassed the Chevrolet Volt to become the all-time best-selling plug-in electric car in the U.S. The Tesla Model 3 ended 2020 as the world's best-selling plug-in electric car for the third consecutive year, with more than 800,000 delivered through December 2020. In early 2020, the Model 3 surpassed the Nissan Leaf to become the world's all-time best-selling plug-in electric car, with more than 500,000 units delivered. The Model 3 also ranked as the best-selling plug-in car in Europe in 2019, with over 95,000 units delivered during its first year in that market.

The Model 3 received Automobile Magazine's 2018 Design of the Year Award and has achieved a 93% customer satisfaction score according to company assessments, among numerous other accolades

Model 3 Production

Tesla has made significant progress ramping up Model 3 production in recent quarters, overcoming well-publicized production challenges. The company has continued to increase production rates and achieved their goal of producing 5,000 Model 3 Vehicles per week in the second quarter of 2018. Modifications to the Model 3 production line in late April 2018 and changes intended to address supply bottlenecks increased the production rate dramatically.

The company has learned from its production challenges and has experienced substantial success ramping up new production lines and processes throughout 2019, with production expected to continue to grow into 2020 and 2021. Less than 12 months after breaking ground at Gigafactory Shanghai, the facility has produced approximately 1,000 vehicles and demonstrated capacity to produce more than 5,000 units per week. Q4 2020, Model 3 and Model Y production at Gigafactory Shanghai has increased to 450,00 units a year.

As the volume of Model 3 production and deliveries increase, the company's operating margins continue to improve. Tesla recently installed additional machinery at the Fremont Factory, which has now increased total Model 3 and Model Y production capacity from 400,000 to 500,000 units per year. Production should reach full capacity toward the end of 2020 or at the beginning of 2021.



TESLA FILE PHOTO (MODEL 3)

Model 3 Deliveries

Tesla delivered 509,737 Model 3 and Model Y vehicles in 2020. In the second quarter of 2021, Tesla produced 204,081 Model 3 and Model Y vehicles and delivered a total of 201,304 vehicles. In the third quarter of 2021, Tesla produced 228,882 Model 3 and Model Y vehicles and delivered a total of 241,391 vehicles.

Model 3 & Tesla Profitability

Tesla has now been profitable for nine straight quarters. For the third quarter of 2021, the company reported net income of \$1.62 billion, revenue of \$13.757 billion, and total stockholder equity of \$27.053 billion.

The company anticipates continued increases in Model 3 volumes due to continuing high production rates and entry into international markets.



Model Y

In March 2019, Tesla announced plans for a new all-electric compact SUV with up to 300 miles of range priced at approximately \$48,000 – nearly \$20,000 less than comparable all-electric SUVs currently on the market. Given the performance, equipment, size, and increased range of the vehicle, the company anticipates the Model Y will become its most popular vehicle, with sales surpassing those of the Model S, Model X, and Model 3 combined.

Because of the production efficiencies developed during the Model 3 manufacturing process, the company believes it will be able to rapidly deploy production lines for the Model Y that will offer both cost savings and faster production timelines. The Model Y is ahead of schedule with production having started at its Fremont plant in January 2020 and started deliveries in March 2020.

The Model Y production line was operating for only four months in the first half of 2020 due to COVID-19 related shutdowns, but was still able to exit the second quarter with Model Y production running at installed capacity. This ramp-up was significantly faster than the initial Model 3 ramp up, which took more than nine months to reach the same weekly rate. The Fremont Factory is expected to increase total Model 3 and Model Y production capacity from 400,000 to 500,000 units per year.

Tesla continues to build capacity for Model Y lines at Gigafactory Shanghai and Gigafactory Berlin and remains on track to start deliveries from both locations in 2021.

Tesla Semi & Cybertruck

Tesla unveiled plans to develop an all-electric heavy-duty truck with a range of 300 to 500 miles, the Tesla Semi, in late 2017, drawing approximately 2,000 pre-orders by the end of Q1 2018. Though the company's manufacturing efforts have largely been focused on Model 3 production and preparations for production of the Model Y, the company plans to begin production of the Tesla Semi in 2021.

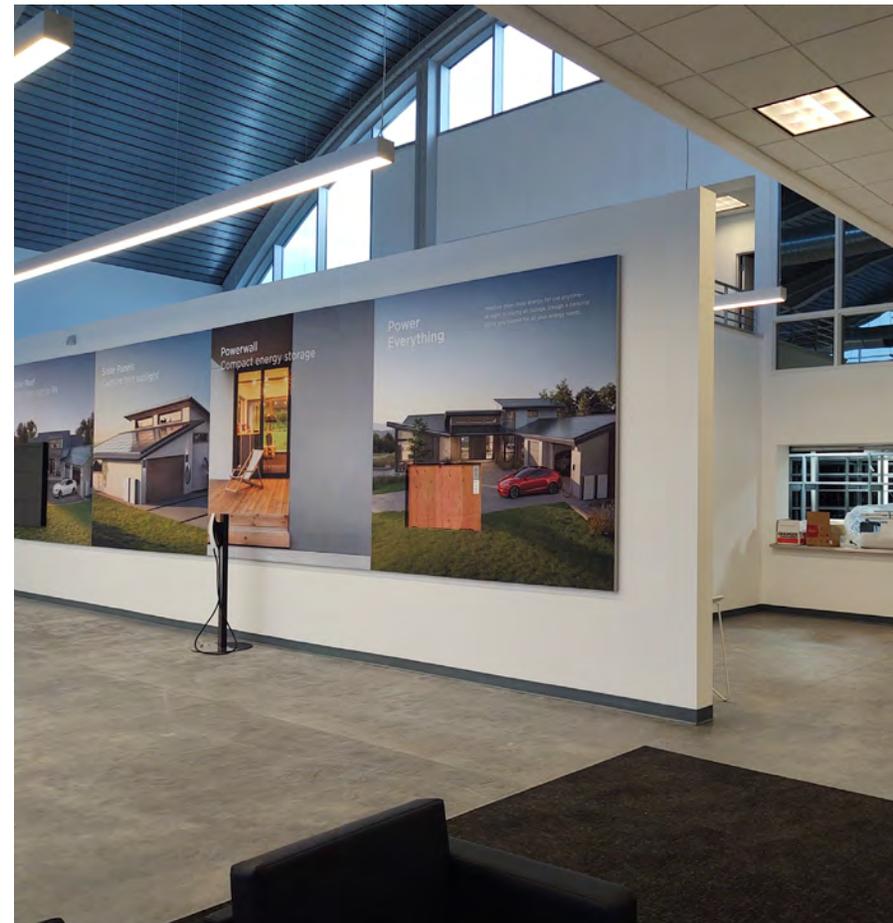
In addition, Tesla has developed an all-electric pickup truck style vehicle, known as the "Cybertruck", with a steel "exoskeleton" and 7,500+ lb towing capacity. Production of the Cybertruck is expected to begin in 2021, and the company has already received substantial interest and preorders for the vehicle. Tesla received over 250,000 reservations within a week of unveiling the vehicle. On September 22, 2020, Elon Musk revealed that Tesla had received roughly 600,000 Cybertruck preorders.

New Tesla Roadster

Tesla has also announced plans to release a new generation of its original Roadster model in 2020, with 0-60 acceleration in 1.9 seconds, a top speed exceeding 250 miles per hour, and 620 miles of range. Additional alleged features including the "SpaceX package" of cold air thrusters installed on the vehicle, up to 3G of thrust, and possibly the ability to hover or fly. The company anticipates that production and delivery of the new Roadster model will begin in 2020, though likely not before Model Y production and deliveries commence.



SITE PHOTOS



SITE PLAN

S DIAMOND LAKE RD



AERIAL

EAST VIEW

Cub FOODS **HOM FURNITURE** **First National Bank** **JIMMY JOHN'S**

UIMO Harris Bank **DOCK 86** **Papa Murphy's**

Starbucks **NOODLES @ COMPANY**

TIRE/PLUS **CHIPOTLE MEXICAN GRILL**

EMAGINE THE MAGIC OF MOVIES & MORE **AT&T** **WELLS FARGO**

Fantastic Sams **Hampton** **DQ** **H Holiday Inn Express & Suites**

Arby's

Wendy's

NAPA AUTO PARTS

TACO BELL

Denny's

TARGET

Shell **McDonald's**

FREEWAY MOTORS

Rogers High School Rogers Middle School

North Community Park

Diamon Lake Industrial Center

Main St (47,500 AADT)

ME MINNESOTA EQUIPMENT

SUBWAY **Domino's Pizza** **Culver's**

KOHL'S

BEDROCK MOTORS

BIG TIRES **Valvoline**

TESLA

Great Clips IT'S GONNA BE GREAT **DISCOUNT TIRE** **ups**

CAMERON ASHLEY BUILDING PRODUCTS

S Diamond Lake Rd

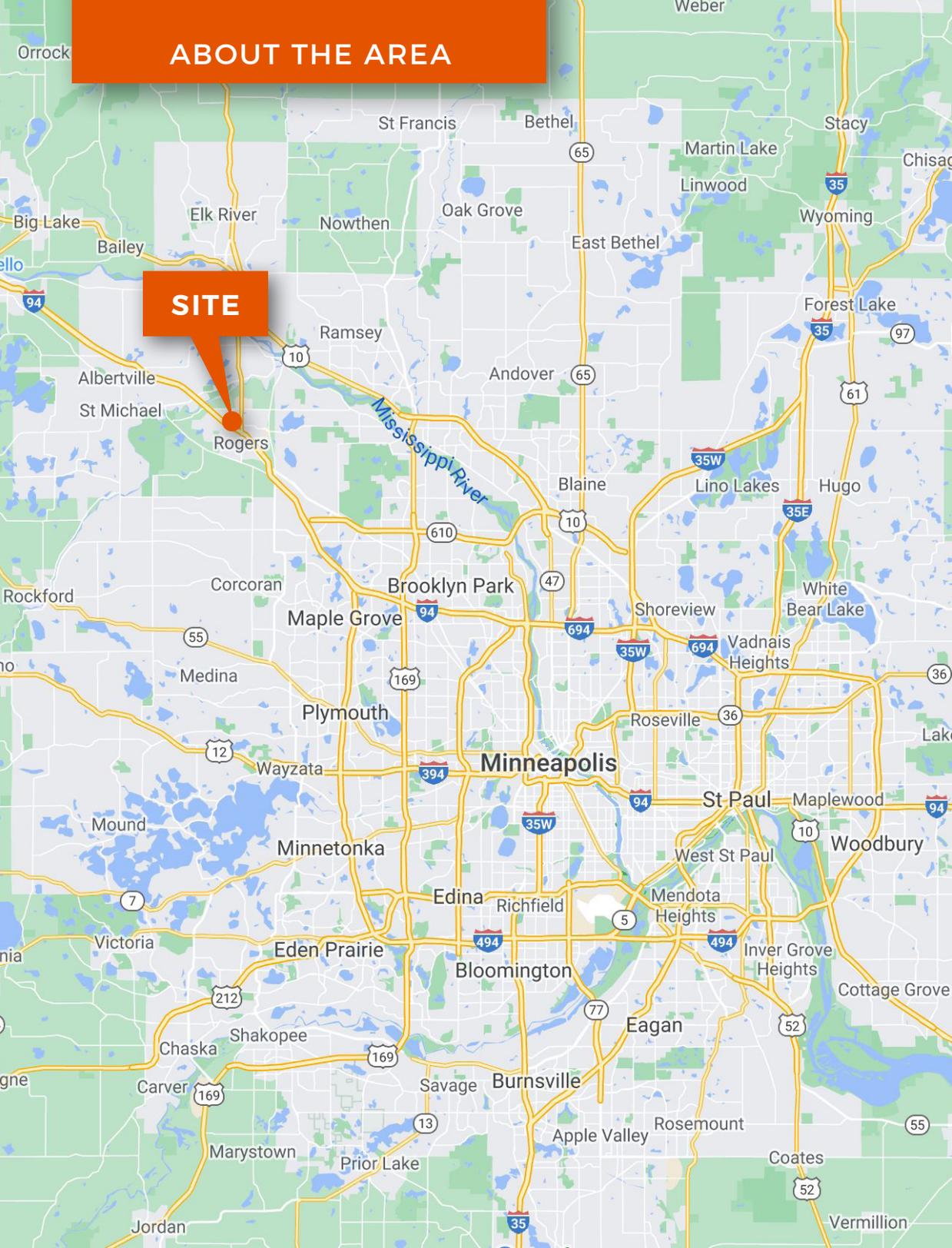
City of Rogers

INTERSTATE 94 **52** (81,000 AADT)



ABOUT THE AREA

SITE



General Overview

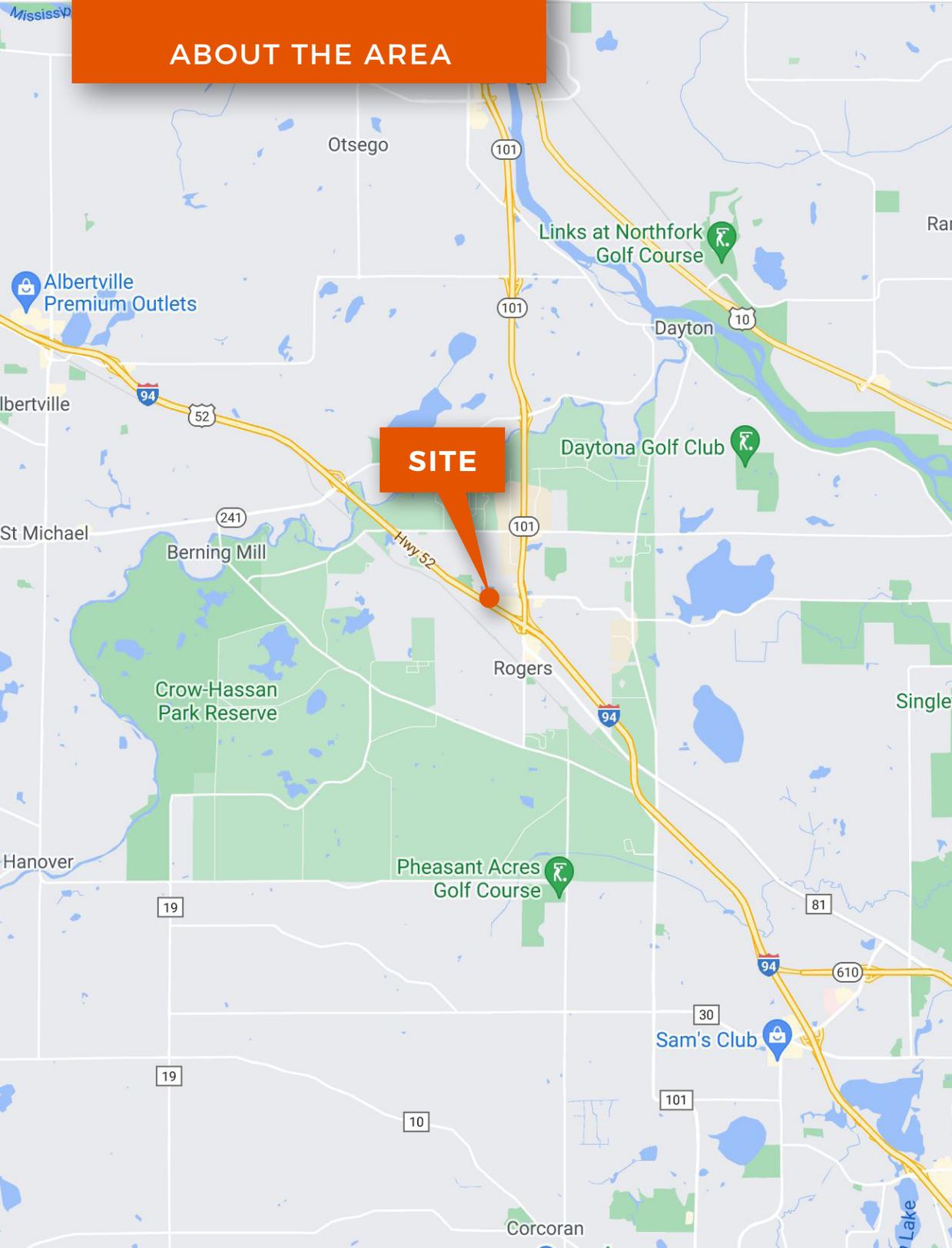
Rogers is a northwest suburb of the Minneapolis–Saint Paul metropolitan area (population 12,971). Rogers is a vibrant, growing suburban community in Hennepin County and the seven-county Twin Cities metropolitan area. Located on either side of Interstate 94, with Minnesota State Highway 101 running north, Rogers has been rapidly growing for the past 20 years. The 2000–2010 population growth rate was +139.6%.

In its early days, Rogers benefitted from the expansion of the railroad to spur growth and industry, and drew people to the rich, productive land and the beauty of the surrounding natural landscapes – thereby forming the foundation of the community.

Today, transportation remains an important factor drawing people and industry to Rogers. The community enjoys the benefits of its unique location at the intersection of two regional roadway systems – Interstate 94 (I-94) and Trunk Highway 101 (TH 101) – that connect the community to employment centers and amenities of the Twin Cities and the recreational destinations of northern Minnesota.

Situated as a key gateway between the Twin Cities and Greater Minnesota, Rogers delivers the best combination of urban services and amenities with rich rural landscapes and wide open natural areas, and an abundance of parks and recreational destinations. This has made Rogers a hub for business and distribution, and an attractive community for raising families, as is evidenced by the community being named, in 2013, as the “Best Place to Raise Kids in Minnesota” by Bloomberg BusinessWeek.

ABOUT THE AREA



Site Information

The subject property is prominently located with excellent access and visibility along the established I-94 / Highway 52 commercial corridor (81,000 AADT) less than 1 mile from the Minnesota State Highway 101 arterial (47,500 AADT). It is approximately 25 miles northwest from Minneapolis. The site benefits from dense, affluent demographics with a total daytime population of 484,287 within 15 miles of the site and average household income of \$138,279 within 1 mile of the site. 26.2% of households within a 1 mile radius earn more than \$100,000 annually, with 15.6% of households earning \$200,000 or more each year.

The property benefits from a strategic location neighboring numerous automobile dealerships, retail and industrial tenants, in line with Tesla's long-term real estate strategy. The site is adjacent to a large Target and Kohl's anchored shopping center with a large regional draw.



22015 N Diamond Lake Rd | Rogers, MN 55374



2020 TOTAL POPULATION
1,141,152



AVERAGE HOME VALUE
\$324,617



AVG. HOUSEHOLD INCOME
\$119,025

Population Summary	10 Miles	15 Miles	20 Miles
2010 Total Population	213,323	561,347	1,025,171
2020 Total Population	249,402	630,865	1,141,152
2025 Total Population	265,715	662,715	1,196,615
2020-2025 Annual Rate	1.28%	0.99%	0.95%
Average Household Income			
2020	\$119,025	\$112,225	\$107,164
2025	\$134,372	\$135,589	\$119,132
Average Home Value			
2020	\$324,617	\$312,195	\$313,985
2025	\$164,160	\$349,904	\$353,009

Top Employers in Hennepin County	# of Employees
University of Minnesota	18,000
Target Stores Inc	10,000
Pharmacy at Park Nicollet	9,000
Park Nicollet Methodist Hospital	8,200
Park Nicollet Clinic	8,000
M Health Fairview University of Minnesota Medical Center	8,000
M Health Fairview University of Minnesota Masonic Children's Hospital	7,658
Ameriprise Financial Inc	7,000
Park Nicollet Urgent Care	7,000
Best Buy Inc	6,000



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