

CONFIDENTIAL

OFFERING MEMORANDUM

PROPERTY PHOTO — 116 W BROADWAY, CLIMAX MN

116 W Broadway

Climax, Minnesota 56523

\$35,000

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This Offering Memorandum is confidential and intended solely for the use of prospective purchasers.

All information herein is deemed reliable but not guaranteed. Prepared April 2026.

SECTION I

Executive Summary

This Offering Memorandum presents a rare opportunity to acquire a turnkey commercial office building in downtown Climax, Minnesota, at a compelling below-market price point. Located at 116 W Broadway on Highway 220 (Main Street), this 1,496-square-foot concrete block building offers immediate occupancy, dual-suite flexibility, and negligible carrying costs.

The property is offered at **\$35,000** — just \$23.40 per square foot — well below both replacement cost and the 2025 certified assessed value of \$33,200. With annual property taxes of approximately \$1,012, the building represents an exceptionally low-risk entry point for owner-occupants, investors, or entrepreneurs seeking affordable commercial space with strong regional accessibility.

Originally constructed in 1960 as a credit union, the building features solid concrete block and brick veneer construction, a 2016 Trane HVAC system, recently modernized bathrooms, and a natural two-suite layout with separate entrances — ideal for an owner-occupy-plus-rent strategy. The property is move-in ready with no deferred maintenance.

ASKING PRICE

\$35,000

PRICE PER SQ FT

\$23.40

ASSESSED VALUE

\$33,200

2025 Certified

ANNUAL TAXES

~\$1,012

2026 Estimate

SECTION II

Investment Highlights

Priced at just \$23.40 per square foot — well below replacement cost for commercial construction in the region. The 2025 assessed value of \$33,200 confirms immediate equity at the \$35,000 asking price.

Annual property taxes of only \$1,012 keep carrying costs minimal. The dual-suite layout with separate entrances and bathrooms creates a natural owner-occupy-plus-rent scenario, allowing the owner to offset costs or generate passive income from day one.

The building is move-in ready with no deferred maintenance concerns — recent upgrades include modernized bathrooms, new carpet in Suite B (2024), updated roof ventilation, and a reliable 2016 Trane furnace with central air. Concrete block and brick veneer construction provides lasting structural integrity.

Located on Highway 220 (Main Street) with strong regional accessibility — 30 minutes to Grand Forks and 60 minutes to Fargo-Moorhead. Commercial zoning allows flexible use: professional office, remote workspace, retail, studio, or service business.

At this price point, the building is also an ideal buy-and-hold investment with negligible carrying costs and upside potential as remote work continues driving demand for affordable rural commercial space.

Key Value Propositions

- **Below Replacement Cost:** \$23.40/sq ft vs. \$150+/sq ft for new commercial construction
- **Immediate Equity:** Purchase price near 2025 assessed value of \$33,200
- **Minimal Carrying Costs:** Annual taxes of ~\$1,012 (under \$85/month)
- **Income Potential:** Dual-suite layout enables owner-occupy + rental income
- **Move-In Ready:** No renovation needed — recent upgrades throughout

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- **Flexible Zoning:** Commercial zoning supports office, retail, service, and studio uses
-
- **Regional Access:** Highway 220 corridor connecting Grand Forks and Fargo-Moorhead

SECTION III

Property Details

| BUILDING SPECIFICATIONS | |
|-------------------------|----------------------------------|
| Year Built | 1960 |
| Building Size | 1,496 sq ft |
| Building Footprint | Approximately 44' x 34' |
| Stories | Single story (no basement) |
| Construction | Concrete block with brick veneer |
| Foundation | 8" concrete |
| Roof | Asphalt shingle on wood deck |
| Interior Walls | Drywall |
| Ceilings | Suspended drop ceiling |
| Flooring | Carpet throughout |
| Bathrooms | 2 (one per suite) |
| HVAC | Central AC + 2016 Trane furnace |
| LAND & SITE | |
| Address | 116 W Broadway, Climax, MN 56523 |
| Lot Size | 5,250 sq ft (0.121 acres) |
| Lot Dimensions | 37.5' x 140' |
| Street | Paved (W Broadway / Highway 220) |
| Parking | On-site |

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| | |
|------------------------------|---|
| Utilities | City water and sewer |
| Zoning | Commercial |
| Parcel ID | 81.00078.00 |
| Legal Description | Original Townsite Climax City, Lot 011, Block 003 |
| FINANCIAL | |
| Asking Price | \$35,000 |
| Assessed Value | \$33,200 (2025 certified) |
| Annual Property Tax | ~\$1,012 (2026) |
| Price Per Square Foot | \$23.40 |
| PROPERTY STATUS | |
| Property Type | Commercial Office |
| Condition | Turnkey / Move-In Ready |
| Historic Feature | Original credit union vault (Halls Safe & Lock Co, Minneapolis) |

Property data verified with Polk County Assessor records (2025 assessment). Buyers should independently verify all information with the county and conduct professional inspections.

SECTION IV

Suite Configuration

The building features a natural dual-suite layout, originally designed to accommodate two independent occupants. Each suite has its own street-facing entrance, dedicated bathroom, and self-contained layout — providing maximum flexibility for owner-occupants, investors, or shared-use arrangements.

Suite A — Primary Suite (Larger)

Suite A is the larger of the two spaces, accessed through the main front entrance and vestibule. The suite features a generous open floor plan suitable for professional offices, a reception area, or flexible workspace. Key features include:

- **Large open interior** with ample natural light and flexible layout options
- **Front vestibule and entryway** providing a professional welcome area
- **Dedicated bathroom** with modernized fixtures
- **Furnace room** housing the 2016 Trane HVAC system
- **Historic vault** — original Halls Safe & Lock Co (Minneapolis) credit union vault with disabled door, suitable for secure storage or unique architectural feature

Suite B — Secondary Suite (Sublet Potential)

Suite B occupies the smaller portion of the building with its own separate street entrance, making it ideal for subletting to offset ownership costs or operating as an independent business space. Key features include:

- **Separate front entrance** from the street — fully independent access
- **New 2024 carpet** throughout the entire suite — fresh, professional finish
- **Private office room** enclosed for confidential work or meetings
- **Dedicated bathroom** with modernized fixtures
- **Back hallway** connecting the main area, office, and bathroom

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Owner-Occupy + Rent Strategy: An owner can occupy Suite A for their own business while renting Suite B to a tenant. Even modest rent from Suite B would fully offset the \$84/month tax burden, making net occupancy costs effectively zero.

SECTION V

Recent Improvements

The current owner has made targeted improvements to ensure the building is in move-in ready condition with no deferred maintenance. These upgrades address safety, comfort, and professional appearance.

- **Power Line Safety (Tree Removal):** Removed a large tree that had grown into the overhead power lines, eliminating a significant safety hazard and preventing future utility issues.
- **Modernized Bathrooms (Both Suites):** Both restrooms upgraded with modern toilet fixtures — clean, functional, and ready for immediate occupancy.
- **New Carpet — Suite B (2024):** All of Suite B has been carpeted with brand-new 2024 carpet, providing a fresh, professional finish throughout the entire smaller suite.
- **Replaced Roof Ventilation Caps:** Both roof whirlybird ventilation caps replaced with new units, ensuring proper airflow and eliminating a common point of deferred maintenance.

Move-In Ready: With these improvements completed, the building requires no immediate capital expenditure. A new owner can begin occupying or leasing the space on day one.

Existing Building Systems

| System | Details |
|------------|---|
| Heating | 2016 Trane furnace, installed by Grove Mechanical — approximately 10 years of remaining useful life |
| Cooling | Central air conditioning |
| Electrical | Standard commercial service, power lines clear of vegetation |
| Plumbing | City water and sewer, modernized fixtures in both bathrooms |
| Roof | Asphalt shingle on wood deck, new ventilation caps |
| Structure | Concrete block with brick veneer — durable, low-maintenance construction |

SECTION VI

Financial Overview

| | |
|--|--|
| ASKING PRICE \$35,000 | PRICE PER SQ FT \$23.40 |
| 2025 ASSESSED VALUE \$33,200 <small>Polk County Certified</small> | ANNUAL PROPERTY TAX ~\$1,012 <small>2026 Estimate (~\$84/month)</small> |

Cost of Ownership Analysis

| Expense Category | Annual Estimate |
|---|---------------------------|
| Property Tax | ~\$1,012 |
| Insurance (estimated) | ~\$800 – \$1,200 |
| Utilities (estimated, varies by use) | ~\$1,800 – \$2,400 |
| Total Estimated Annual Carrying Cost | ~\$3,612 – \$4,612 |
| Monthly Carrying Cost | ~\$301 – \$384 |

Investor Perspective: At a purchase price of \$35,000 and estimated annual carrying costs under \$4,600, the building requires minimal capital commitment. Even a modest rental rate for one or both suites would generate positive cash flow. The near-zero basis makes this an attractive hold for long-term appreciation as rural commercial demand grows.

Comparable Context

New commercial construction in the region typically costs \$150 – \$250+ per square foot, placing the replacement cost of a comparable 1,496-square-foot building at approximately \$224,400 – \$374,000. At \$23.40 per square foot, this acquisition represents a fraction of replacement value.

The 2025 certified assessed value of \$33,200 — set by the Polk County Assessor based on market analysis — confirms that the \$35,000 asking price is aligned with fair market value, offering the buyer near-immediate equity relative to the tax basis.

SECTION VII

Location & Market

The property is located in the heart of downtown Climax, Minnesota, on W Broadway (Highway 220), the community's main commercial corridor. Climax is a small, close-knit community in Polk County situated between two significant metro areas, offering the benefits of rural affordability with practical access to urban services and markets.

Regional Accessibility

| Destination | Distance / Drive Time |
|---|-----------------------|
| Grand Forks, ND / East Grand Forks, MN | ~30 minutes |
| Fargo, ND / Moorhead, MN | ~60 minutes |
| Crookston, MN | ~20 minutes |
| Grand Forks International Airport (GFK) | ~35 minutes |
| Hector International Airport, Fargo (FAR) | ~65 minutes |

Site Characteristics

- **Main Street frontage** on Highway 220 with high local visibility
- **Paved street access** with on-site parking available
- **Downtown location** within the commercial core of Climax
- **City water and sewer** — no well or septic concerns
- **Commercial zoning** allowing diverse business uses

Market Opportunity

The growing trend toward remote and hybrid work has created increasing demand for affordable rural commercial spaces. Professionals seeking alternatives to home offices are drawn to small-town properties that offer low overhead, quiet environments, and quality of life benefits — all at a fraction of metro commercial lease rates.

Climax's strategic position between Grand Forks and Fargo-Moorhead places it within commuting range of two university cities and their associated professional services markets. The building's flexible zoning and dual-suite layout position it well to capture demand from remote workers, small businesses, professional practices, and creative enterprises.

Small-Town Appeal: Climax offers the charm and community connection of small-town life with practical access to regional amenities. For investors and entrepreneurs, the combination of ultra-low acquisition cost, minimal taxes, and growing rural demand creates an asymmetric opportunity with limited downside.

SECTION VIII**Material Disclosures**

Asbestos Floor Tiles

This building, constructed in 1960, contains original asbestos floor tiles — a common feature in commercial buildings of this era. The tiles are properly sealed throughout: covered by carpet in all occupied spaces, and in near-perfect, undisturbed condition in the safe room.

Asbestos floor tiles in sealed, undisturbed condition pose no health hazard. Fibers are released only if tiles are pulled up dry and ground into powder — conditions not present here. Carpet serves as a legal and proper sealant.

Prospective buyers should consult a licensed asbestos inspector and follow applicable state and local regulations prior to any renovation work that may disturb the tiles. Encapsulation and enclosure (the current condition) are accepted management practices under EPA and Minnesota guidelines.

General Disclaimers

All information contained in this Offering Memorandum has been obtained from sources believed to be reliable. However, no warranty or representation, express or implied, is made as to the accuracy or completeness of the information contained herein.

Prospective purchasers should conduct their own independent investigation of the property, including but not limited to: professional building inspection, environmental assessment, title search, survey, and review of all applicable zoning and land-use regulations.

Financial projections, estimates, and comparable data presented herein are for informational purposes only and should not be relied upon as guarantees of future performance. Actual results may vary based on market conditions, property management, and other factors.

This offering is subject to prior sale, withdrawal, or modification without notice. The property is being sold "as-is, where-is" with no warranties expressed or implied.

SECTION IX

Contact & Next Steps

We welcome inquiries from qualified buyers, investors, and business owners interested in this property. The building is available for private showings by appointment and can be viewed at your convenience.

Schedule a Showing or Inquiry

PHONE

(701) 642-0010

EMAIL

winfred@hey.com

PROPERTY WEBSITE

116wbroadway.com

Visit the website for additional photos, interactive map, and online showing scheduler.

Next Steps for Interested Buyers

- **Schedule a Showing:** Contact us by phone or email, or book directly through the website at 116wbroadway.com to tour the property in person.
- **Review Property Records:** Polk County Assessor records are publicly available. Parcel ID 81.00078.00 provides tax history, assessed values, and property data.
- **Conduct Due Diligence:** We encourage all prospective buyers to engage professional inspectors, legal counsel, and financial advisors prior to making an offer.
- **Submit an Offer:** Offers can be submitted directly to the owner. No broker commission applies — this is a direct, for-sale-by-owner transaction.

No Broker Commission: This property is being sold directly by the owner. There is no listing agent or broker commission, which means 100% of the purchase price goes toward the property — maximizing value for the buyer.

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