

REDEVELOPMENT | REPOSITIONING
OPPORTUNITY FOR SALE

SPIRIT VALLEY MALL

215 N CENTRAL AVE | DULUTH | MINNESOTA

CBRE

PROPERTY OVERVIEW

DULUTH, MN



FOR SALE

UNPRICED

CBRE is pleased to exclusively offer for sale Spirit Valley Mall, a premier value-add retail investment opportunity located in Duluth, Minnesota. The offering consists of approximately 157,731 square feet of retail space positioned at one of the city's primary gateway locations with exceptional visibility and direct access from Interstate 35. The asset presents investors with a rare opportunity to acquire a large-format retail property at a significant discount to replacement cost while executing a comprehensive leasing and repositioning strategy.

The property is comprised of two distinct components: an 86,479-square-foot former Kmart building and a 71,252-square-foot multi-tenant retail center. The former Kmart space offers exceptional flexibility for redevelopment, adaptive reuse, or a single large-format user, while the existing retail center is approximately 70% occupied by a diverse mix of local and national tenants, including Dollar Tree and the United States Postal Service. Overall property occupancy is approximately 30%, creating substantial upside through lease-up, tenant repositioning, redevelopment, or a combination of strategies designed to unlock long-term value.

Strategically located at the first Interstate 35 exit into Duluth along Central Avenue, the property benefits from outstanding regional accessibility, strong traffic exposure, and an established retail trade area. Surrounding big box retailers including Menards and Super One Foods generate consistent consumer traffic and reinforce the property's position as a highly visible neighborhood retail destination. The combination of an irreplaceable location, significant vacant square footage, and flexible redevelopment potential creates multiple avenues for future value creation.

Duluth serves as the economic, healthcare, educational, and commercial center of northeastern Minnesota and the western Lake Superior region. As Minnesota's fifth-largest city, Duluth has a population of approximately 88,000 residents and serves a much broader regional trade area extending throughout northern Minnesota, northern Wisconsin, and Michigan's Upper Peninsula. The city's diverse economy is anchored by healthcare, higher education, tourism, shipping, manufacturing, and government employment. Home to the Port of Duluth-Superior—the largest port on the Great Lakes and one of the nation's busiest inland ports—as well as the University of Minnesota Duluth, The College of St. Scholastica, and Lake Superior College, Duluth continues to provide a stable and diversified economic foundation. Additionally, the city attracts approximately 6.7 million visitors annually, generating more than $780 million in direct visitor spending and further strengthening the long-term retail demand drivers supporting the investment.

SPIRIT VALLEY MALL

DULUTH, MN

A 157,731 square foot retail property on 10.11 contiguous acres at the first Interstate 35 exit into Duluth.

The Property comprises two connected components: a 71,252 square foot multi-tenant retail center and an adjoining 86,479 square foot former Kmart building. The retail center is leased to 18 tenants, including Dollar Tree, Anytime Fitness and the United States Postal Service. The former Kmart building is vacant.

The annualized base rents for the Property are $610,436 with a net operating income of $234,406.

The site is zoned MU-C, Mixed Use Commercial, which accommodates community and regional commercial development as well as multifamily and mixed use development subject to applicable standards and approvals. The Property lies within the Spirit Valley Core Investment Area, the only Core Investment Area designated by the City of Duluth.

PROPERTY DETAILS

Address	215 N Central Ave Duluth, MN
Total Building Area	157,731 SF Total
Multi-tenant Retail Center	71,252 SF
Former Kmart Building	86,479 SF
Land	10.11 acres (440,392 SF)
Occupied	49,452 SF · 31.4%
Tenants	18
Annualized Base Rent	$610,436
Net Operating Income	$234,406
Zoning	MU-C (Mixed Use Commercial)
Ownership Interest	Fee simple
Year built / Renovated	1984 / 2012

INVESTMENT SUMMARY

SPIRIT VALLEY MALL

PRICE

Unpriced

ADDRESS

215 N Central Ave
Duluth, MN 55807

NET OPERATING INCOME

$234,406

BUILDING / LOT SIZE

157,731 SF / 10.11 Acres

YEAR BUILT / RENOVATED

1984 / 2012

TYPE OF OWNERSHIP

Fee Simple

OCCUPANCY

31%



ESTABLISHED COMMERCIAL ANCHOR

Spirit Valley Mall is recognized as an anchor within the high-traffic West Duluth commercial hub, featuring other major retailers including Menard's and Super One Foods a strong regional grocer in Northern Minnesota.



STRATEGIC INTERSTATE FRONTAGE & UNMATCHED VISIBILITY

Spirit Valley Mall offers direct accessibility and prominent visibility from Interstate Highway 35, the vital northern terminus of a transcontinental route, capturing the attention of both local traffic and regional travelers entering Duluth.



10+ CONTIGUOUS ACRES

Infill West Duluth location sits on 10+ acres of land, with over 157,000 square footage of built space. This allows for immense flexibility and creativity into full redevelopment across the parcels.



VALUE ADD OPPORTUNITY & SIGNIFICANTLY BELOW REPLACEMENT COST

The opportunity provides flexibility to add significant value through lease up, redevelopment & repositioning as well as future rent growth.



ROBUST TOURISM-DRIVEN ECONOMY

Capitalize on Duluth's status as a major tourist destination, welcoming approximately 6.7 million visitors annually who contribute over $780 million in direct economic impact, significantly expanding the potential customer base beyond local residents.



SIGNIFICANT REDEVELOPMENT POTENTIAL

The Spirit Valley district is identified by city officials as ripe for revitalization, with **active planning efforts** and community interest in transforming the area, including potential mixed-use developments and adaptive reuse of existing structures.



THRIVING REGIONAL HUB STATUS

Duluth functions as a critical regional center for banking, retail, and medical care for northern Minnesota, Wisconsin, and Michigan, ensuring a consistent influx of residents seeking services and commerce.



CORE INVESTMENT PLAN

City planners recently previewed the "Spirit Valley Core Investment Area Plan," which establishes a roadmap for future public and private investment. The plan is designed to foster a vibrant neighborhood center by focusing on walkability, local storefronts, and new housing opportunities.

REDEVELOPMENT OPPORTUNITY

SPIRIT VALLEY MALL

Spirit Valley Mall and the adjacent former Kmart site represent one of the most significant redevelopment opportunities in western Duluth. Strategically positioned within the triangular junction of Interstate 35, Central Avenue and Grand Avenue, the Property occupies a prominent location within the heart of the Spirit Valley commercial district. Importantly, the redevelopment opportunity aligns directly with an active City of Duluth planning initiative. Spirit Valley is currently the City's only designated Core Investment Area with an active Core Investment Area Plan, a planning framework specifically intended to guide public and private investment, evaluate future redevelopment opportunities, consider parcel consolidation and subdivision, identify infrastructure needs, and explore resources capable of incentivizing private-sector investment. The Property's scale, contiguous ownership, existing commercial infrastructure and exceptional access provide a unique opportunity for a new owner to participate in the long-term transformation of one of Duluth's most established neighborhood commercial districts.

The former Kmart site has emerged as a central component of the City's vision for Spirit Valley. Following extensive community engagement, including six community meetings and 272 public opinion surveys, the City specifically identified a new vision for the Kmart property incorporating housing, businesses and a public plaza as part of its March 2026 draft recommendations. Earlier community engagement produced a similar result: addressing the Kmart property ranked as the highest-priority issue at the December 2024 community meeting, while subsequent business and property-owner workshops identified redevelopment of the site into a mixed-use district, additional housing, new businesses, public gathering areas and improved pedestrian connectivity as potential catalysts for Spirit Valley. The City's broader vision calls for a cohesive commercial district characterized by active storefronts, walkable streets, economic opportunity and public gathering spaces—creating a compelling framework for redevelopment of the Property.



STUDY AREA MAP

INVESTMENT AREA PLAN



REDEVELOPMENT

FORMER KMART PARCEL



PROPERTY DETAILS	
Building Footprint	86,479 SF, Single Story
Site Area	10.11 Acres in contiguous ownership
Zoning	MU-C permits multifamily and mixed-use
Parking	Existing surface field, in place
Access	I-35
Utilities	City water and sanitary sewer on site

CONTIGUOUS OWNERSHIP AT SCALE

The combined mall and former Kmart ownership provides roughly ten acres within an established urban neighborhood, allowing parcels, circulation, parking and building placement to be reconfigured as part of a single plan.

ZONING ALREADY ACCOMMODATES HOUSING

Duluth's MU-C district is intended for community and regional commercial development and also provides for multifamily and mixed use development, subject to applicable development standards and approvals.

LAND CURRENTLY IN SURFACE PARKING

Large portions of the site are devoted to surface parking supporting a retail configuration built for a previous generation of large format retail.

PHASING IS POSSIBLE

The multi tenant retail center can continue to operate and generate income while the former Kmart parcel is planned, entitled and redeveloped.

WHY REDEVELOPMENT?

SPIRIT VALLEY MALL

EXISTING MIXED-USE ZONING

The Property is identified as Mixed Use - Commercial (MU-C), a district intended to accommodate community and regional commercial development. Duluth's MU-C framework also provides opportunities for multifamily and mixed-use development, subject to applicable development standards and approvals.

HOUSING AS AN ECONOMIC CATALYST

Adding residential density could create a built-in customer base for Spirit Valley's existing and future retailers, restaurants and service businesses. Public engagement has consistently identified additional housing as a priority, including the city's 2025 community voting in which "Build more housing in Spirit Valley" ranked among the leading implementation priorities.

FROM PARKING FIELD TO PRODUCTIVE REAL ESTATE

Large portions of the Property are currently devoted to surface parking supporting a retail configuration designed for a previous generation of big-box retail. Redevelopment provides an opportunity to convert underutilized land into income-producing uses while creating a more cohesive connection between the Property and the surrounding commercial district.

PUBLIC + PRIVATE INVESTMENT POTENTIAL

Core Investment Area planning specifically directs the city to evaluate infrastructure requirements and identify additional resources that could encourage private-sector redevelopment. While no particular incentives should be assumed, the planning designation creates the potential for coordination between future private investment and broader public improvements.

CITY-SUPPORTED REDEVELOPMENT VISION

Spirit Valley is currently the only Core Investment Area identified on the **city's active CIA planning page.** The city's planning framework specifically contemplates future land development and redevelopment, parcel configurations, infrastructure investment and potential resources to encourage private-sector participation.

KMART SITE IDENTIFIED AS A CATALYST

The former Kmart property is not simply located within the planning area—it has become one of the principal subjects of the city's planning process. Public engagement ranked addressing the Kmart site among Spirit Valley's highest priorities, and the city's March 2026 recommendations specifically envision housing, businesses and a plaza on the property.

APPROXIMATELY 10 ACRES OF CONTIGUOUS OWNERSHIP

The combined Spirit Valley Mall and former Kmart ownership provides substantial scale within an established urban neighborhood. Contiguous control creates flexibility to reconfigure parcels, circulation, parking, building placement and uses as part of a comprehensive redevelopment strategy.

STRATEGIC GATEWAY LOCATION

The Property sits immediately adjacent to I-35 and near Central Avenue and Grand Avenue, placing it at one of the primary gateways into western Duluth. City planning materials specifically recognize Spirit Valley's strong vehicle access and the opportunity to improve the district's visibility from the interstate.

RENT ROLL

TENANT	SIZE (SF)	% OF GLA	INITIAL LEASE START	LEASE EXPIRATION	ANNUAL RENTS	RENT/SF	LEASE TYPE
VACANT	86,479	54.83%	-	-	-	-	-
China King Buffet	5,000	3.17%	1/1/2010	12/31/2029	$69,457	$13.89	Gross
VACANT	13,800	8.75%	-	-	-	-	-
Authority Elite	3,571	2.26%	1/1/2014	5/31/2027	$30,000	$8.40	Gross
Greystar Electronics	3,956	2.51%	8/13/2001	Month to Month	$37,656	$9.52	Modified Gross
Dollar Tree	11,208	7.11%	8/19/2004	1/31/2030	$140,100	$12.50	Modified Gross
USPS	1,728	1.10%	6/1/1998	3/31/2030	$17,930	$10.38	Gross
Tattoo One Eight	1,020	0.65%	11/1/2024	10/31/2027	$14,280	$14.00	MG-RET Reimbursement
Preferred Hearing Aids	1,113	0.71%	8/1/2023	7/30/2026	$17,864	$16.05	MG-RET Reimbursement
Anytime Fitness	5,840	3.70%	7/7/2005	9/30/2030	$70,080	$12.00	Gross
Lake Armory	3,360	2.13%	6/1/2024	5/30/2027	$47,040	$14.00	MG-RET Reimbursement
From Topknots to Tails	1,200	0.76%	10/16/2010	Month to Month	$15,720	$13.10	Modified Gross
Cost Cutters	1,047	0.66%	2/1/2019	2/28/2027	$18,252	$17.43	Modified Gross
Serenity Tax & Bookkeeping	2,923	1.85%	7/1/2018	6/30/2028	$34,800	$11.91	Modified Gross
Soul Sisters	2,483	1.57%	3/1/2018	2/28/2027	$31,128	$12.54	Modified Gross
Haarstad Vet Dermatology	640	0.41%	9/1/2015	7/30/2027	$14,160	$22.13	Modified Gross
Foxstar Delivery	1,120	0.71%	4/15/2026	4/1/2028	$16,800	$15.00	Gross
VACANT	8,000	5.07%	-	-	-	-	-
218 Dance Project	1,920	1.22%	8/1/2024	8/30/2026	$20,379	$10.61	Gross
Bester Painting	837	0.53%	12/1/2025	11/30/2026	$8,370	$10.00	MG-RET Reimbursement
VitaCare	486	0.31%	12/1/2024	11/30/2026	$6,420	$13.21	Gross
Totals	**157,731**	**100%**			**$610,436**		
Vacant	**108,279**	**68.6%**					
Occupied	**49,452**	**31.4%**					

SPACE COMPOSITION

157,731 SQUARE FEET IN THREE COMPONENTS

49,452 SF leased · 21,800 SF available in the multi-tenant center · 86,479 SF former Kmart building



54.8% **31.4%** **13.8%**

AVAILABLE - Former Kmart Building

86,479 SF of single story, large format space with a dedicated parking field and direct frontage on Interstate 35. Currently vacant. Available for lease, single user occupancy or redevelopment.

LEASED - Multi-Tenant Center

49,452 SF across 18 tenants. Annualized base rent of $610,436, an average of $12.34 per square foot of occupied area. National and government tenants account for 37% of base rent.

AVAILABLE - Multi-Tenant Center

21,800 SF in two suites of 13,800 SF and 8,000 SF. Measured on its own 71,252 square feet, the multi tenant retail center is 69.4% leased.

All square footages are approximate. Percentages are stated on total building area of 157,731 SF.

TENANT LAYOUT

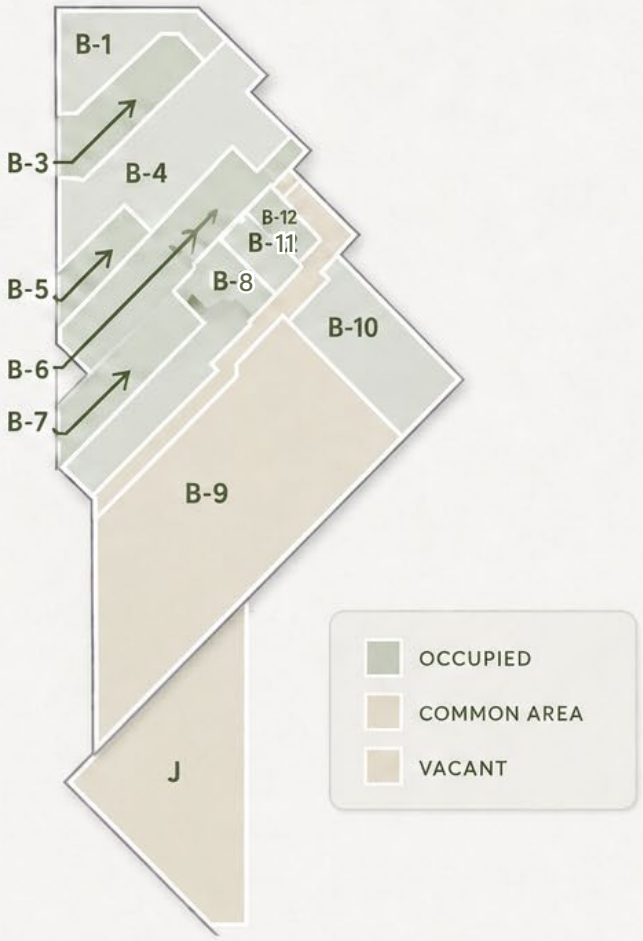
SITE PLAN



SUITE ROSTER

SUITE	TENANT	SF
J	Vacant (former Kmart)	86,479
H	China King	5,000
A-1(a)	Vacant	13,800
A-1(b)	Authority Elite	3,400
I	Greystar Electronic	4,000
A-2	Dollar Tree	11,200
A-3	U.S.P.S.	1,700
A-4	TattoOnEight	1,020
A-4b	Preferred Hearing Aids	1,113
A-8	Anytime Fitness	5,840
A-10	Lake Armory	3,360

SUITE	TENANT	SF
B-1	Topknots to Tails	1,200
B-3	Cost Cutters	1,050
B-4	Serenity Tax & Bookkeeping	2,900
B-5	Soul Sisters	2,483
B-6	Soul Sisters	(combined with B-5)
B-7	Haarstad Vet Dermatologist	700
B-8	Foxstar Delivery	1,120
B-9	Vacant	8,000
B-10	218Dance	1,950
B-11	Bester Painting	837
B-12	VitaCare	486



*All square footages are approximate. B-5 and B-6 are combined.

FINANCIAL SUMMARY

SPIRIT VALLEY MALL

ANNUALIZED OPERATING DATA

	CURRENT	PER SF
Base Rent	$610,436	$3.87
Other Lease Income	$1,800	$0.01
Expense Reimbursements		
Real Estate Taxes	$8,180	$0.05
Insurance	$0	$0.00
CAM	$0	$0.00
Management Fee	$0	$0.00
Total Expense Reimbursements	$8,180	$0.05
Effective Gross Income	**$620,416**	**$3.93**
Total Expenses	$386,010	$2.45
Net Operating Income	**$234,406**	

EXPENSES

	CURRENT	PER SF
RE Tax	$170,794	$0.05
INSURANCE	$46,416	$0.00
CAM		
Electricity	$47,000	$0.30
Water/Sewer	$52,000	$0.33
Janitorial	$1,500	$0.01
Heat	$8,300	$0.05
Fire/Life Safety	$1,500	$0.01
Snow Removal	$12,000	$0.08
Repairs and Maintenance	$25,000	$0.16
Waste Removal	$4,500	$0.03
Total CAM	$151,800	$0.96
Management Fee/Admin	$17,000	$0.11
Total Expenses	**$386,010**	

AREA MAP

DULUTH, MN



BUILDING DETAILS

Address:	215 N Central Ave Duluth, MN 55807
Square Footage:	157,731 SF Total
Access Interstate:	I-35

CENTRAL AVENUE AT INTERSTATE 35

LOCATION AND ACCESS

The Property occupies the triangle formed by Interstate 35, Central Avenue and Grand Avenue, at the first Interstate 35 exit into Duluth. Frontage along the interstate embankment is continuous and unobstructed.

32,907

I-35

VEHICLES PER DAY

12,241

GRAND AVE

VEHICLES PER DAY

NEARBY BIG BOX RETAILERS

Surrounding retail includes Menards, Super One Foods, Whole Foods Co op, Walgreens, O'Reilly Auto Parts, McDonald's, KFC, Pizza Hut, Taco John's and Kwik Trip. Sofidel America Corp. and J&RS are located immediately across the interstate.




TRADE AREA
DULUTH, MN
KWIK TRIP
Walgreens
taco john's
WHOLE FOODS CO-OP
SPIRIT VALLEY MALL
O'Reilly AUTO PARTS
MENARDS
Pizza Hut
KFC
Super One FOODS
J&RS
Sofidel
Sofidel America Corp.
ST. LOUIS BAY
INTERSTATE 35
32,907 VPD
Grand Ave
12,241 VPD
Cody St
Wadena St
Ramsey St
Greene St
Bristol St
Nicollet St
Main St
Polk St
Raleigh St
Redruth St
N 65th Ave W
N 64th Ave W
N 63rd Ave W
S 63rd Ave W
S 61st Ave W
S 60th Ave W
Grand Ave
23


TRADE AREA
DULUTH, MN
Kwik Trip
Walgreens
taco john's
Whole Foods Co-op
O'Reilly Auto Parts
MENARDS
Pizza Hut
KFC
ST. LOUIS BAY
Super One Foods
SPIRIT VALLEY MALL
Grand Ave
12,241 VPD
INTERSTATE 35
32,907 VPD
Duluth Public Library
Duluth Fire Dept.


TRADE AREA
DULUTH, MN
ST. LOUIS BAY
Pizza Hut
MENARDS
KFC
J&RS
Super One Foods
Sofidel
Sofidel America Corp.
INTERSTATE
35
32,907 VPD
Grand Ave
12,241 VPD
Duluth Fire Dept.
Duluth Public Library

DEMOGRAPHICS

DULUTH, MINNESOTA

DULUTH, MN	1 Mile	3 Miles	5 Miles
POPULATION			
2010 Population	6,411	25,940	59,626
2020 Population	6,303	25,658	60,311
2026 Current Year Estimate	6,199	25,375	60,388
HOUSEHOLDS			
2010 Households	2,849	11,259	25,846
2020 Households	2,876	11,312	26,634
2026 Current Year Estimate	2,863	11,346	27,094
HOUSEHOLD INCOME			
2026 Average Household Income	$78,079	$84,170	$80,497
2026 Median Household Income	$61,217	$64,902	$60,324
EDUCATION			
HS and Associates Degrees	63.2%	63.8%	63.5%
Bachelor's Degree or Higher	32.4%	31.8%	31.6%

PHOTOGRAPHS

SPIRIT VALLEY MALL





PHOTOGRAPHS

ADJACENT TO I-35







SPIRIT VALLEY MALL

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