

Top Transactions



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The owners of Eden Prairie-based Foss Swim School have entered a nearly \$2.7 million sale-leaseback deal for this center at 9455 Garland Lane, Maple Grove, a move designed to help the company continue adding locations in Minnesota and Illinois.

Sale-leaseback fuels Foss Swim School growth

Editor's note: The Top Transactions feature is based on real estate transactions that emerge in data supplied to Finance & Commerce after the deeds are filed. F&C has previously written about some of the top sales based on the filings of the certificates of real estate value used in preparing the deeds. Summaries of previously reported transactions are included in the roundup as needed.

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Special to Finance & Commerce

9455 Garland Lane, Maple Grove

Jon and Sue Foss opened their first private swim school in Eden Prairie in 1994 with just a dozen students. Today Foss Swim School teaches 18,000 students a week in 18 pools at 10 locations in Minnesota and Illinois. In December, Foss will open a new school in South Barrington, Ill., making a total of 11 swimming centers.

To help fuel the company's growth, Foss has sold a 10,487-square-foot center at 9455 Garland Lane in Maple Grove, which opened in 2001. Warm Water Pools of Maple Grove Inc., an entity related to Foss' Eden Prairie-based business, closed June 27 on a \$2.727 million sale-leaseback deal with

STORE Master Funding VI, a fund operated by STORE Capital, a Scottsdale, Ariz.-based real estate investment trust.

"We've just had steady growth for a long period of time," Jon Foss said. Selling the real estate tied to established schools allows the company to continue expanding to meet growing demand. He estimated he now is leasing about half his facilities.

Foss, a competitive swimmer since childhood and an NCAA athlete and swim coach, emphasized that the new schools are designed to meet the company's goal of teaching kids to be safe in the water.

"We're not going to grow past our quality," he said.

The company's website explains that water safety is a passion instilled by his mother, who lost a younger brother to a drowning accident when they were children. She made sure Jon and his siblings were strong swimmers.

STORE Capital, which invests in single-tenant profit center properties, announced in May that it has completed more than \$2 billion in sale-leaseback financing deals since it was formed in 2011. STORE specializes in properties occupied by chain restaurants, supermarkets, health clubs, education centers, and other retail, service and industrial operations, according to company documents.