



**DOLLAR TREE**



**Marcus & Millichap**

# DOLLARTREE

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## DOLLAR TREE | DILWORTH, MN

601 34<sup>TH</sup> STREET NORTH

01

## FINANCIAL OVERVIEW

**ADDRESS:**  
601 34th Street N, Dilworth, MN 56529

Price: \$875,000

Cap Rate: 8.00%

Gross Leasable Area: 8,000

Price PSF: \$109.38

Year Built: 2011

Lot Size: 1.05 Acres

## Lease Summary

Lease Type: Modified NNN

Roof & Structure: Landlord Responsible

Lease Term: 10 Years

Rent Commencement: November 13, 2011

Lease Expiration: January 31, 2022

Term Remaining: 2.9 Years

Increases: In Each Option

Options: Two, Five-Year

Option to Terminate: None

Right of First Refusal: None



**PRICE**  
\$875,000



**CAP RATE**  
8.00%



**NOI**  
\$70,000



**YEAR BUILT**  
2011



**YEARS LEFT**  
2.9 Years



**OPTIONS**  
(2), Five-Year

## Demographics

|                   | 1-Mile   | 5-Mile   | 10-Mile  |
|-------------------|----------|----------|----------|
| Population        | 3,726    | 37,613   | 105,805  |
| Average HH Income | \$69,241 | \$69,128 | \$66,951 |



| TENANT INFO    |         |           | LEASE TERMS |           | RENT SUMMARY |             |         |                 |               |
|----------------|---------|-----------|-------------|-----------|--------------|-------------|---------|-----------------|---------------|
| Tenant         | Sq. Ft. | % of GLA  | Lease Start | Lease End | Monthly Rent | Annual Rent | Rent/FT | Lease Type      | Option Terms  |
| Dollar Tree    | 8,000   | 100%      | 11/13/2011  | 1/31/2022 | \$5,833      | \$70,000    | \$8.75  | Modified<br>NNN | (2) Five-Year |
|                |         | Option I  | 2/1/2022    | 1/31/2027 | \$7,167      | \$86,000    | \$10.75 |                 |               |
|                |         | Option II | 2/1/2027    | 1/31/2032 | \$7,500      | \$90,000    | \$11.25 |                 |               |
| Current Totals | 8,000   | 100%      |             |           | \$5,833      | \$70,000    | \$8.75  |                 |               |
| Occupied       | 8,000   | 100%      |             |           | \$5,833      | \$70,000    | \$8.75  |                 |               |
| Vacant         |         |           |             |           |              |             |         |                 |               |





**DOLLAR TREE**

**OWNERSHIP:**

PUBLIC

.....

**TENANT:**

CORPORATE

.....

**WEBSITE:**

WWW.DOLLARTREE.COM



# TENANT OVERVIEW

Dollar Tree, Inc. is an American chain of discount variety stores that sells items for \$1 or less. Headquartered in Chesapeake, Virginia, it is a member company of Fortune 500 and operates 13,600 stores throughout the 48 contiguous U.S. states and Canada. Its stores are supported by a nationwide logistics network of eleven distribution centers. The company operates one-dollar stores under the names of Dollar Tree and Dollar Bills. The company also operates multi-price-point variety chains under the names Deals and Family Dollar. Dollar Tree competes in the dollar store and low-end retail markets. Each Dollar Tree stocks a variety of products including national, regional, and private-label brands.

**13,600+**  
LOCATIONS



HEADQUARTERED IN  
**Chesapeake, VA**

**\$8.6 Billion**  
COMPANY  
REVENUE

STOCK SYMBOL  
**NASDAQ:**  
**DTR**

**BB+**  
S&P CREDIT  
RATING

Representative Photo



Representative Photo

|                               |  |
|-------------------------------|--|
| COMMON<br>AREA<br>MAINTENANCE | Tenant shall pay its proportionate share of CAM Charge. Tenant’s share shall be \$0.65psf excluding snow and ice removal. Tenant’s share of CAM shall not increase by more than 3% year over year, excluding snow and ice removal. Landlord shall maintain and repair the common areas, paving, roadways, driveways, and is responsible for the landscaping, snow and ice removal, pest control, parking lot striping, and landscaping. Landlord may charge an administrative fee equal to 6% of the Common Area Maintenance Charge. The administrative fee shall not include real estate taxes, insurance, and utility charges. |
| REAL ESTATE<br>TAXES          | Tenant shall pay Tenant’s Proportionate Share of Real Estate Taxes.  |
| INSURANCE                     | Tenant shall pay Tenant’s Proportionate Share of Property Insurance. Landlord shall also carry Liability insurance at its own cost and expense.  |
| ROOF &<br>STRUCTURE           | Landlord shall keep the foundations, roof, floor slab, and structural portions of the Premises in good repair. Landlord shall also maintain, repair, and replace the parking areas.  |
| HVAC                          | Tenant agrees to maintain a service contract on the HVAC and perform routine maintenance. Landlord warrants the HVAC System for the later of (a) the Original Lease Term or (b) the balance of any applicable warranty period for the HVAC equipment. After the expiration of Landlord’s Warranty Period, Tenant shall be responsible for replacement of the HVAC System when needed.  |
| CO-TENANCY                    | In the event Wal-Mart, its successors, assigns, or replacement tenants (“Co-Tenant”), vacates or ceases to operate, Tenant will begin immediately paying 3% of Gross Sales not to exceed on-half of all rents due.. If the Co-Tenant Space remains unoccupied for a period of 6 months, or is not leased and open for business to a tenant with a similar use, Tenant shall have the right to terminate this Lease with 30 days’ written notice to Landlord.   |

## DOLLAR TREE | DILWORTH, MN

601 34<sup>TH</sup> STREET NORTH

02

## INVESTMENT OVERVIEW

## INVESTMENT HIGHLIGHTS

- Walmart Supercenter Outparcel
- Built-to-Suit for Dollar Tree in 2011 | No Deferred Maintenance
- Original 10-Year Lease | 2.9 Years Remaining
- Modified NNN Lease | Minimal Landlord Responsibility | Tenant Responsible for CAM, Taxes & Insurance
- Two, Five-Year Renewal Options Available with Rent Increases in Each
- Investment Grade BB+ Credit Rating (Standard & Poor's)
- Dilworth is just 4 Miles from Fargo (122,000+ Residents)

**Marcus & Millichap** is pleased to exclusively present for your acquisition review the net leased Dollar Tree in Dilworth, Minnesota.

The 8,000 square foot building was built-to-suit for Dollar Tree in 2011, with Dollar Tree signing an original 10 year lease. The current lease expiration is January 31, 2022 leaving almost 3 years of base lease term left with a rent increase in February 2022 with the signing of the first renewal options. There are two, five-year renewal options in total, both having a rent increase. The lease is modified triple net, with the landlord being responsible for the roof and structural components of the building and the tenant responsible for all common area maintenance, real estate taxes and insurance.

The Dollar Tree is ideally positioned as an outparcel to a Walmart Supercenter and sits next to a freestanding Maurices. The building has excellent exposure off 34<sup>th</sup> Street North which intersects with U.S. Route 10 just down the street to the south. U.S. Route 10 is the main thoroughfare in Dilworth and is home to tenants like Target, OfficeMax, Slumberland Furniture, Cash Wise Foods, Runnings, Tractor Supply, CVS, Arby's, McDonald's and several others.

Dollar Tree is a Fortune 150 company and operates more than 14,835 locations across 48 states and Canada. In July 2015, Dollar Tree completed its purchase of Family Dollar after a long-awaited completion of the deal that drew close to a yearlong takeover saga that included a hostile buyout attempt from another discount retailer, Dollar General.





**M**  
MINNESOTA STATE UNIVERSITY  
**MOORHEAD**  
2.9 MILES  
Minnesota State  
University  
Moorehead

**Fargo**  
3.8 MILES  
Fargo,  
North Dakota

**NDSU**  
North Dakota State University  
4.3 MILES  
North Dakota  
State University

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## DOLLAR TREE | DILWORTH, MN

601 34<sup>TH</sup> STREET NORTH

03

## MARKET OVERVIEW

# Demographic Summary | 14



## Population

In 2018, the population in your selected geography is 105,805. The population has changed by 13.74% since 2000. It is estimated that the population in your area will be 108,731.00 five years from now, which represents a change of 2.77% from the current year. The current population is 50.76% male and 49.24% female. The median age of the population in your area is 31.31, compare this to the US average which is 37.95. The population density in your area is 1,342.99 people per square mile.



## Households

There are currently 44,720 households in your selected geography. The number of households has changed by 18.54% since 2000. It is estimated that the number of households in your area will be 46,395 five years from now, which represents a change of 3.75% from the current year. The average household size in your area is 2.20 persons.



## Income

In 2018, the median household income for your selected geography is \$48,057, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 42.52% since 2000. It is estimated that the median household income in your area will be \$57,725 five years from now, which represents a change of 20.12% from the current year.

The current year per capita income in your area is \$29,179, compare this to the US average, which is \$32,356. The current year average household income in your area is \$66,951, compare this to the US average which is \$84,609.



## Race and Ethnicity

The current year racial makeup of your selected area is as follows: 86.10% White, 4.79% Black, 0.06% Native American and 3.16% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 4.22% of the current year population in your selected area. Compare this to the US average of 18.01%.



## Employment

In 2018, there are 62,559 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 61.43% of employees are employed in white-collar occupations in this geography, and 38.63% are employed in blue-collar occupations. In 2018, unemployment in this area is 3.62%. In 2000, the average time traveled to work was 17.00 minutes.

# Demographic Report | 15

| POPULATION                    | 1 Miles  | 3 Miles  | 5 Miles  |
|-------------------------------|----------|----------|----------|
| ■ 2023 Projection             |          |          |          |
| ■ 2018 Estimate               |          |          |          |
| Total Population              | 3,726    | 37,613   | 105,805  |
| ■ 2010 Census                 |          |          |          |
| Total Population              | 3,507    | 36,722   | 98,271   |
| ■ 2000 Census                 |          |          |          |
| Total Population              | 2,618    | 34,413   | 93,023   |
| ■ Current Daytime Population  |          |          |          |
| 2018 Estimate                 | 3,640    | 53,152   | 144,011  |
| HOUSEHOLDS                    | 1 Miles  | 3 Miles  | 5 Miles  |
| ■ 2023 Projection             |          |          |          |
| Total Households              | 1,683    | 15,557   | 46,395   |
| ■ 2018 Estimate               |          |          |          |
| Total Households              | 1,492    | 14,929   | 44,720   |
| Average (Mean) Household Size | 2.47     | 2.31     | 2.20     |
| ■ 2010 Census                 |          |          |          |
| Total Households              | 1,384    | 14,146   | 40,654   |
| ■ 2000 Census                 |          |          |          |
| Total Households              | 1,009    | 12,879   | 37,727   |
| ■ Occupied Units              |          |          |          |
| 2023 Projection               | 1,683    | 15,557   | 46,395   |
| 2018 Estimate                 | 1,587    | 15,972   | 47,331   |
| HOUSEHOLDS BY INCOME          | 1 Miles  | 3 Miles  | 5 Miles  |
| ■ 2018 Estimate               |          |          |          |
| \$150,000 or More             | 8.62%    | 6.64%    | 6.55%    |
| \$100,000 - \$149,000         | 10.69%   | 12.69%   | 11.68%   |
| \$75,000 - \$99,999           | 14.72%   | 15.94%   | 13.83%   |
| \$50,000 - \$74,999           | 19.32%   | 18.76%   | 16.51%   |
| \$35,000 - \$49,999           | 10.28%   | 12.02%   | 12.94%   |
| Under \$35,000                | 36.37%   | 33.95%   | 38.47%   |
| Average Household Income      | \$69,241 | \$69,128 | \$66,951 |
| Median Household Income       | \$56,803 | \$56,404 | \$48,057 |
| Per Capita Income             | \$27,842 | \$28,581 | \$29,179 |

| HOUSEHOLDS BY EXPENDITURE                  | 1 Miles  | 3 Miles  | 5 Miles  |
|--|----------|----------|----------|
| Total Average Household Retail Expenditure | \$66,355 | \$65,495 | \$60,960 |
| ■ Consumer Expenditure Top 10 Categories   |          |          |          |
| Housing                                    | \$16,548 | \$16,511 | \$15,547 |
| Transportation                             | \$11,653 | \$11,537 | \$10,803 |
| Shelter                                    | \$9,694  | \$9,621  | \$9,043  |
| Food                                       | \$6,363  | \$6,328  | \$6,036  |
| Personal Insurance and Pensions            | \$6,250  | \$6,380  | \$5,858  |
| Health Care                                | \$4,200  | \$4,352  | \$4,061  |
| Utilities                                  | \$3,494  | \$3,511  | \$3,373  |
| Entertainment                              | \$3,185  | \$3,028  | \$2,737  |
| Cash Contributions                         | \$2,012  | \$2,161  | \$1,735  |
| Household Furnishings and Equipment        | \$1,611  | \$1,639  | \$1,523  |
| POPULATION PROFILE                         | 1 Miles  | 3 Miles  | 5 Miles  |
| ■ Population By Age                        |          |          |          |
| 2018 Estimate Total Population             | 3,726    | 37,613   | 105,805  |
| Under 20                                   | 29.53%   | 26.65%   | 25.05%   |
| 20 to 34 Years                             | 23.42%   | 28.19%   | 30.23%   |
| 35 to 39 Years                             | 7.82%    | 6.38%    | 6.10%    |
| 40 to 49 Years                             | 10.81%   | 9.80%    | 9.66%    |
| 50 to 64 Years                             | 15.80%   | 16.09%   | 16.08%   |
| Age 65+                                    | 12.61%   | 12.90%   | 12.88%   |
| Median Age                                 | 33.27    | 31.64    | 31.31    |
| ■ Population 25+ by Education Level        |          |          |          |
| 2018 Estimate Population Age 25+           | 2,371    | 22,638   | 63,903   |
| Elementary (0-8)                           | 4.18%    | 2.22%    | 2.05%    |
| Some High School (9-11)                    | 4.42%    | 3.59%    | 3.75%    |
| High School Graduate (12)                  | 31.62%   | 24.79%   | 24.12%   |
| Some College (13-15)                       | 20.17%   | 22.77%   | 22.51%   |
| Associate Degree Only                      | 10.97%   | 11.52%   | 11.64%   |
| Bachelors Degree Only                      | 19.59%   | 23.66%   | 23.60%   |
| Graduate Degree                            | 8.32%    | 10.96%   | 11.63%   |

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# DOLLAR TREE | DILWORTH, MN

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P:0519767

# EXCLUSIVE OFFERING

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