



# Dollar Tree

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**DILLON, MONTANA**



**CAPITAL PACIFIC**



## Overview

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# Dollar Tree

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150 EAST BANNACK STREET, DILLON, MT 59725



# Investment Summary

LEASEABLE SF  
**10,304 SF**

LAND AREA  
**23,000 SF**

LEASE TYPE  
**NNN**

LEASE EXPIRATION  
**5/31/2028**

PRICE PER SF  
**\$102**

YEAR BUILT/REMODELED  
**1986/2018**

**\$1,050,000**

**PRICE**

**6.70%**

**CAP**

**THE OFFERING** provides the opportunity to acquire a newly renovated single tenant NNN Dollar Tree store in Dillon, Montana. The investment grade credit tenant opened in May of 2018 and exhibits 10-years remaining on their initial term.



**Overview**



# Investment Highlights

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## The Highlights

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**10-YEAR INITIAL TERM WITH INVESTMENT GRADE CREDIT  
TENANT, DOLLAR TREE. (STANDARD AND POOR'S: 'BBB-').**

**NNN LEASE STRUCTURE PROVIDES PASSIVE  
INVESTMENT OPPORTUNITY.**

**FULL 2018 REMODEL TO DOLLAR TREE'S  
SPECIFICATIONS AND BRANDING.**



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## PRICED WELL BELOW REPLACEMENT COST

**AT \$102 PER SQUARE FOOT, THE ASSET IS PRICED WELL  
BELOW REPLACEMENT COST.**

**MINIMAL RETAIL COMPETITION IN THE SUBMARKET.**

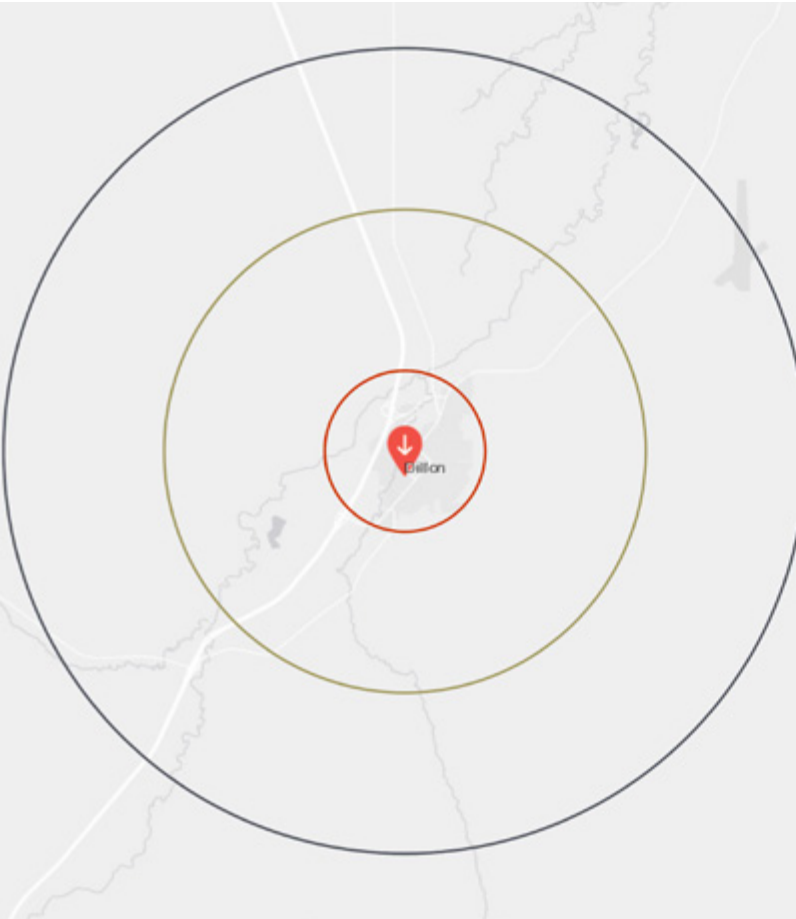
**STRONG CO-TENANCY WITH THE ADJACENT  
PATAGONIA OUTLET.**

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**Investment Highlights**

# Surrounding Amenities

## Business Summary



| TOTAL      | 1-MILE | 3-MILES | 5-MILES |
|------------|--------|---------|---------|
| Businesses | 338    | 441     | 477     |
| Employees  | 2,031  | 2,619   | 2,823   |
| Population | 4,045  | 5,814   | 6,667   |

**KEY**  

1-MILE

3-MILES

5-MILES

### AMENITIES

- Ace Ranch Supply

Beaverhead Brewing

Blue Sky Cinemas

Family Dollar

McDonald's
- Napa Auto

Patagonia Outlet

Pizza Hut

Safeway

Shopko Hometown

Sweetwater Coffee
- Taco John's

Verizon Wireless

YMCA

# Patagonia Outlet

The development of the Patagonia store has boosted tourism in Dillon during the outlet's sales. During sales, the Dillon location attracts crowds from Missoula, Bozeman, and parts of Canada. Due to high volume, the adjacent Patagonia is expanding its store an additional 1,100 SF bringing it to 5,500 SF.





INTERSTATE  
**15**

**9,645  
VPD**



**DOLLAR  
TREE**



**N MONTANA ST**

**E BANNACK ST**

**BEAVERHEAD  
COUNTY  
HIGH  
SCHOOL**



# Surrounding Amenities



## Competition

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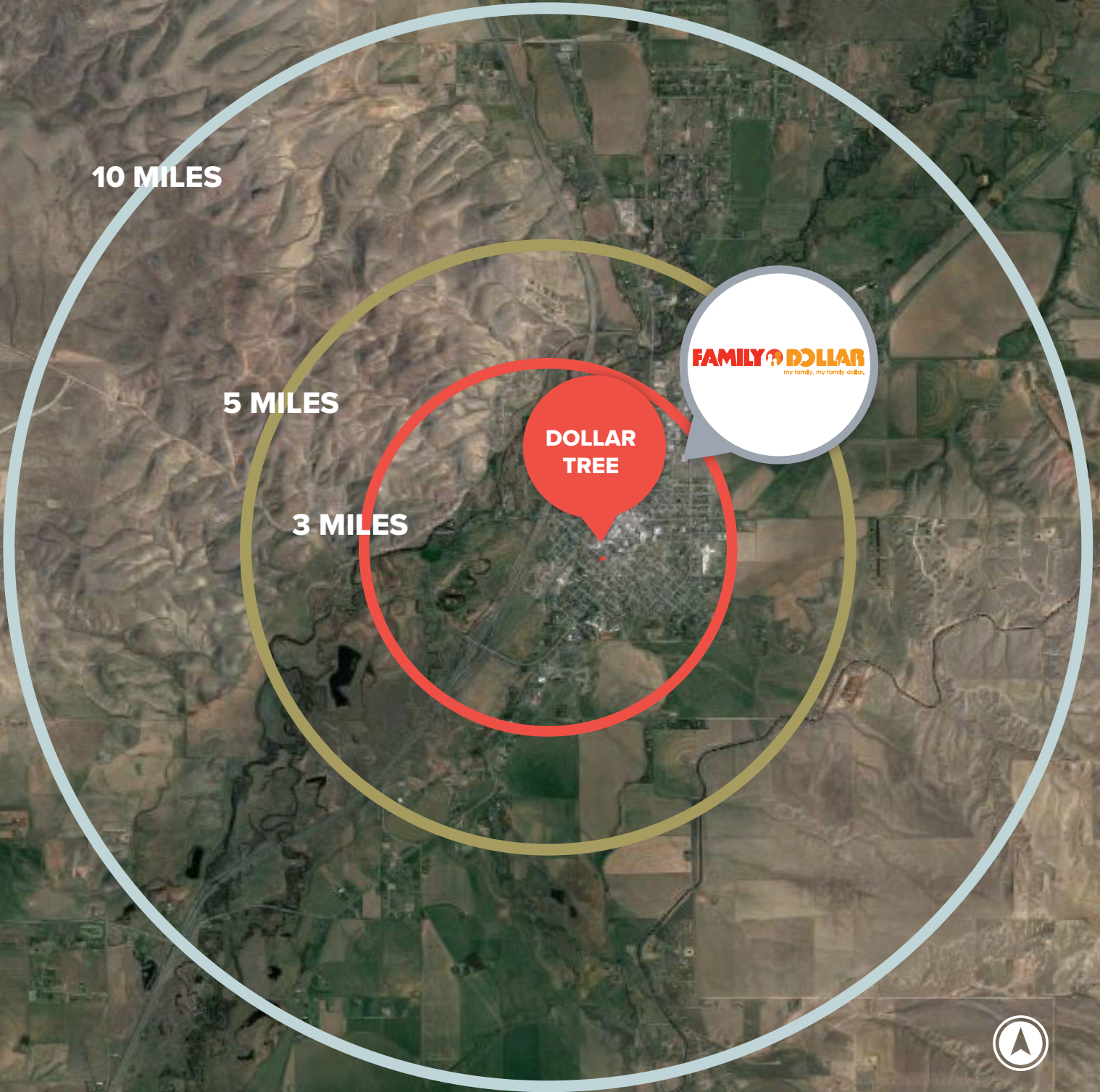
# Limited Competition

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**DOLLAR TREE BENEFITS FROM LIMITED RETAIL COMPETITION** in the submarket and is one of only two general merchandise retailers within 40 miles of the Property.







**Competition**



# Site Plan



**10,304  
LEASEABLE SF**



**0.53  
ACRES**



**39 SPACES;  
3.8/1,000 SF**







SITE PLAN NOT TO SCALE

 PYLON SIGN

# Financial Summary

|                            |                    |
|----------------------------|--------------------|
| <b>PRICE</b>               | <b>\$1,050,000</b> |
| <b>CAPITALIZATION RATE</b> | <b>6.70%</b>       |
| <b>PRICE PER FOOT</b>      | <b>\$102</b>       |

| <b>CASH FLOW SUMMARY</b>                  |                      |               |                 |
|---|----------------------|---------------|-----------------|
| <b>SCHEDULED INCOME</b>                   |                      | <b>PER SF</b> |                 |
| Base Rent for the Period of:              | 6/1/2019 - 5/31/2020 | \$6.80        | \$70,067        |
| <b>Total Effective Gross Income (EGI)</b> |                      | <b>\$6.80</b> | <b>\$70,067</b> |

| <b>OPERATING EXPENSES</b>       |  | <b>Per SF</b> |     |
|---------------------------------|--|---------------|-----|
| CAMS                            |  |               | NNN |
| Property Taxes                  |  |               | NNN |
| Insurance                       |  |               | NNN |
| <b>Total Operating Expenses</b> |  | <b>NNN</b>    |     |

|                             |                 |
|-----------------------------|-----------------|
| <b>NET OPERATING INCOME</b> | <b>\$70,067</b> |
|-----------------------------|-----------------|





# Rent Roll

## Dollar Tree - Dillon

Lease Term: 5/3/2018 - 5/31/2028

Size (SF): 10,304

### RENT SUMMARY

| DATE     | MONTHLY<br>BASE RENT | \$/PSF<br>INCREASE | ANNUAL<br>RENT | PSF    | CAP RATE |
|----------|----------------------|--------------------|----------------|--------|----------|
| 5/3/2018 | \$5,839              |                    | \$70,067       | \$6.80 | 6.70%    |

| OPTIONS |          | 5-YR TERM | 6-MO NOTICE |          |        |       |
|---------|----------|-----------|-------------|----------|--------|-------|
| 1       | 6/1/2028 | \$6,268   | \$0.50      | \$75,219 | \$7.30 | 7.16% |
| 2       | 6/1/2033 | \$6,698   | \$0.50      | \$80,371 | \$7.80 | 7.65% |
| 3       | 6/1/2038 | \$7,127   | \$0.50      | \$85,523 | \$8.30 | 8.15% |
| 4       | 6/1/2043 | \$7,556   | \$0.50      | \$90,675 | \$8.80 | 8.64% |

|                |                |  |                 |               |              |
|----------------|----------------|--|-----------------|---------------|--------------|
| <b>CURRENT</b> | <b>\$5,839</b> |  | <b>\$70,067</b> | <b>\$6.80</b> | <b>6.70%</b> |
|----------------|----------------|--|-----------------|---------------|--------------|

### Lease Notes

Comments: Tenant not to reimburse in excess of \$0.75/SF in real estate taxes and \$0.25/SF in Insurance in the first lease year. 2018 taxes are \$1.18/SF and Insurance is budgeted at \$0.28/SF. First lease year ends May 2019. Tenant is on a NNN lease with Landlord responsible for roof, structure, and fire sprinkler systems, as well as parking lot maintenance in excess of routine sweeping.

# Lease Abstract

## Premise & Term

|                    |   |
|--------------------|---|
| TENANT             | Dollar Tree Stores, Inc.                          |
| BUILDING SF        | 10,304 SF   |
| LEASE TYPE         | NNN   |
| LEASE COMMENCEMENT | May 3, 2018                                       |
| EXPIRATION         | May 31, 2028                                      |
| OPTIONS            | Four (4), 5-YR Options;<br>Six (6) Months' Notice |

## Rent

| DATE RANGE           | MONTHLY RENT | ANNUAL RENT |
|----------------------|--------------|-------------|
| 5/3/2018 – 5/31/2028 | \$5,838.93   | \$70,067    |

**OPTIONS**  
Four (4), 5-YR Options with \$0.50/SF Increases Every 5 years.



## **TAXES**

Tenant is responsible for reimbursing 100% of Real Estate Taxes to Landlord. Tenant has first-year cap on reimbursements of \$0.75/SF.

## **INSURANCE**

Tenant responsible for liability policy as well as reimbursing Landlord for Property Insurance. Tenant has a first-year cap on reimbursements of \$0.25/SF.

## **UTILITIES**

Tenant is responsible for direct payment of all utilities.

## **TENANT'S OBLIGATIONS**

Tenant shall be responsible to maintain their signage and keep in good order and repair any exterior and interior doors, windows, glass, the building, electrical, plumbing, and sewer systems. For the exterior, tenant shall perform routine maintenance of the parking lot and sidewalks including sweeping, seasonal plowing and maintenance of landscaping. Tenant shall also be responsible for light bulb replacement in all exterior lighting, and all HVAC maintenance and repair, unless replacement is required within two years of lease expiration, in which tenant will only be required for an amortized portion of the HVAC cost.

## **LANDLORD'S OBLIGATIONS**

Landlord is responsible for the maintenance and repair of the roof, foundation, building structure, fire sprinkler systems, parking lots excluding routine maintenance, and to annually inspect the basement for moisture related issues.

## Demographics

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# Dillon, Montana



**DILLON** is located in Southwest Montana about sixty miles north of the Idaho border along Interstate 15. The city has a total area of 1.76 square miles and was founded in 1880 as a railroad town. Dillon is also the county seat, and primary business town, of Beaverhead County. In 2010, Forbes listed Dillon as one of “America’s Prettiest Towns.”

## Beaverhead County

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**BEAVERHEAD COUNTY IS ONE OF THE LARGEST CATTLE AND HAY PRODUCING AREAS OF MONTANA.** The county is also home to Barrett’s Minerals, one of the world’s largest talc mines. The University of Montana Western in Dillon is also located in Beaverhead.



# Drive Time

## POPULATION



5 MINS

10 MINS

15 MINS

|      |       |       |       |
|------|-------|-------|-------|
| 2018 | 2,697 | 3,228 | 4,227 |
| 2023 | 5,803 | 7,629 | 9,764 |

## 2018 HH INCOME

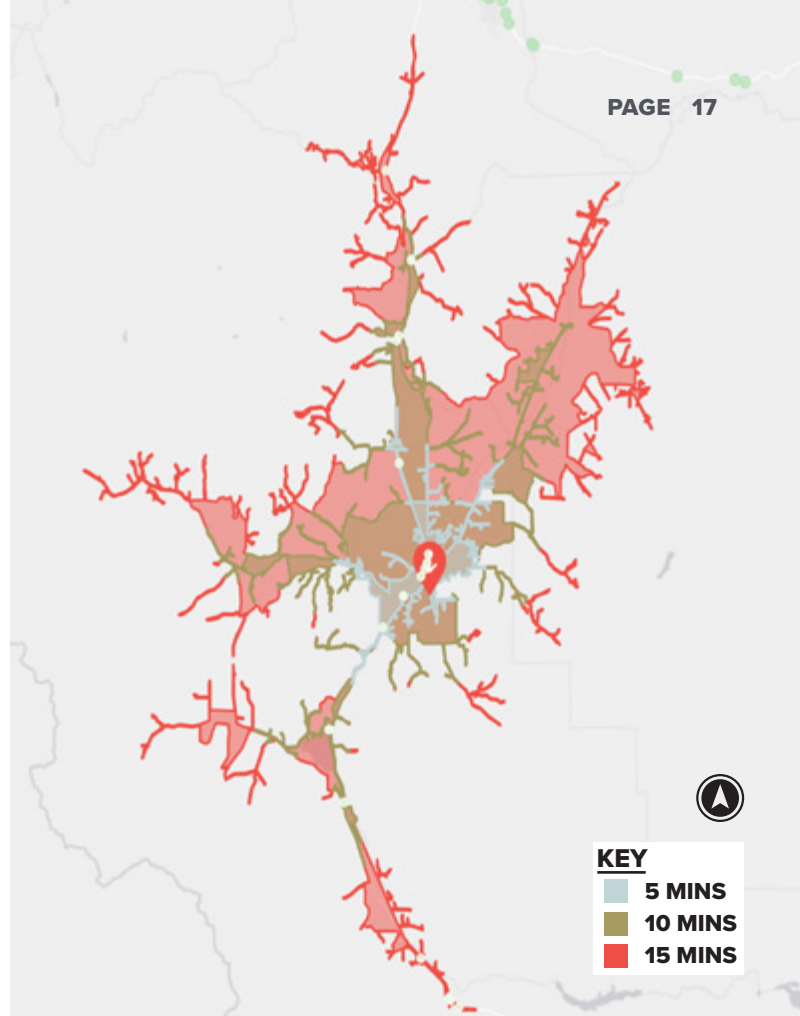


5 MINS

10 MINS

15 MINS

|         |          |          |          |
|---------|----------|----------|----------|
| Average | \$55,771 | \$58,630 | \$60,387 |
|---------|----------|----------|----------|



# Tourism

**DILLON RECEIVES MANY VISITORS DUE TO ITS EXCELLENT LOCATION FOR OUTDOOR PURSUITS.** The Beaverhead, River Big Hole River, Madison River, and the Ruby River are known as some of the most famous Southwestern Trout streams in the United States and create a remarkable fly fishing draw to the area.

## University of Montana Western

**DILLON IS HOME TO THE UNIVERSITY OF MONTANA WESTERN.** Founded in 1893, the university has an enrollment of 1,500+ and became part of the Montana University System in 2000.

# Contact Us

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# We'd love to hear From you.

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