

FAMILY DOLLAR

BRAND NEW 10-YEAR CORPORATE LEASE • 120 MILES FROM CLOSEST COMPETING DOLLAR STORE • 2019 RENOVATION



OFFERING MEMORANDUM
BISHOP, CALIFORNIA



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



OFFERING MEMORANDUM

BISHOP, CALIFORNIA

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OFFERING SUMMARY

FAMILY DOLLAR



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LOCATION

Family Dollar
201 S. Main Street
Bishop, CA 93514

OFFERING SUMMARY

Price:	\$2,925,000
Net Operating Income @ 100% Occupancy:	\$190,000
Capitalization Rate:	6.50%
Price per Square Foot:	\$179
Net Rentable Area:	16,334
Year Built:	1954; R-2019
Lot Size (Acres):	0.38

FINANCING SUMMARY

All Cash or Cash to New Financing

(Contact Hanley Investment Group for Further Details)



FAMILY DOLLAR

DOLLAR TREE

#22B
2018 RECORD SETTING
NET SALES

134
FORTUNE 500
COMPANY

#550
NEW STORES PLANNED
FOR 2019

91%
SHARES OWNED BY
INSTITUTIONAL INVESTORS

29.1%
2018 GROWTH RATE
EARNINGS



INVESTMENT HIGHLIGHTS

FAMILY DOLLAR



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- **Brand New Family Dollar Anchored Investment:**

- Family Dollar recently signed a brand new 10-year lease with four 5-year options
- Recent 2019 renovation
- Corporate guaranteed lease with Family Dollar, Inc.
- Family Dollar Inc. is a subsidiary of Dollar Tree, Inc. (NASDAQ: DTLR; S&P: BBB-)
 - ◆ Largest dollar store chain in the U.S. with 15,237 locations
 - ◆ Record setting 2018 net sales of \$22,82 billion
 - ◆ 44 consecutive quarters of positive same-store sales
 - ◆ 29.1% growth rate earnings in 2018
 - ◆ 91% of shares owned by institutional investors
 - ◆ Ranked #134 in the Fortune 500

- **Zero Dollar Store Competition:** The subject property is the only national dollar store serving the eastern side of the Sierra Nevada mountain range for 120 miles



INVESTMENT HIGHLIGHTS

FAMILY DOLLAR



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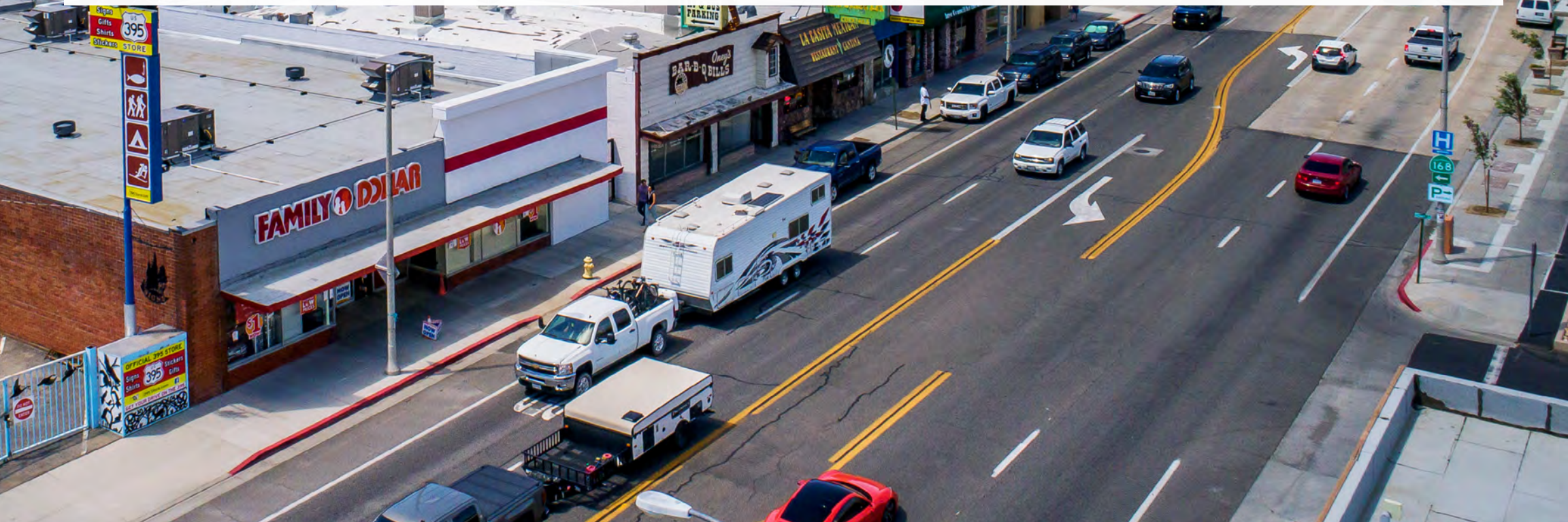
- **Thriving Dollar Store Industry Investment:** Dollar stores represent the biggest shift in brick and mortar retail in the past decade with the largest number of new store openings by category
- **Desirable High-Traffic I-395 Street Front Location:** The property benefits from high visibility and identity on Interstate 395/Main Street, the main transportation and retail corridor in Bishop, with 14,500 cars per day
- **Gateway To/From Iconic Tourism & Recreation Destinations:** Millions of tourists pass through Bishop annually as a vacation destination or en route to Mammoth Mountain (2.5 million annual visitors), Yosemite National Park (4 million annual visitors), and Death Valley National Park (1.6 million annual visitors)
- **Strong Tenant Synergy:** Nearby credit tenants include AT&T, Carl's Jr., Chase Bank, Grocery Outlet, KFC, McDonald's, Smart & Final Extra!, Starbucks, Vons
- **Located in the Heart of Bishop:** Less than ½ mile from the City of Bishop Civic Center and Bishop High School (600 students)
- **Year-Round Tourist Destination:** Bishop is known for its year-round sports, including climbing bouldering, off-roading, fishing, and close access to the Mammoth Mountain Ski Area (40 minutes) benefitting from 70% of Mammoth's annual visitors coming from Southern California



TENANT	SUITE	SQUARE FOOTAGE	LEASE START	LEASE END	CURRENT RENT/SF	CURRENT RENT/MO.	RENTAL INCREASES	LEASE TYPE	RENEWAL OPTIONS
Family Dollar	201	10,143	05/02/19	06/30/29	\$1.40	\$14,167	None	NNN	Four 5-Year: Opt. 1 - \$14,989 Opt. 2 - \$15,811 Opt. 3 - \$16,633 Opt. 4 - \$17,455
Office Tenant (1) (2)	210	6,191	06/01/19	05/31/26	\$0.27	\$1,667	None	NNN	None
TOTAL SQUARE FOOTAGE:		16,334				\$15,833	Total Monthly Rent		
TOTAL AVAILABLE:		0	0%	Vacancy		\$190,000	Total Annual Rent		
TOTAL OCCUPIED:		16,334	100%	Occupancy					

(1) Estimated Lease Start date. Contact Hanley Investment Group for further detail.

(2) Square Footage includes a 922 square foot mezzanine space.





ANNUALIZED OPERATING DATA

	<u>Current</u>
Scheduled Gross Income (SGI):	\$190,000
Expense Reimbursement:	\$41,675
Total Operating Income:	\$231,675
Total Operating Expenses:	(\$41,675)
Net Operating Income (NOI):	\$190,000

OPERATING EXPENSES (1)

	<u>Amount</u>	<u>\$/SF</u>	
Taxes (1.1%):	\$32,175	\$1.97	
Insurance:	\$5,500	\$0.34	
CAM:	\$4,000	\$0.24	
Total Expenses:	\$41,675	\$2.55	Annually Per SF
		\$0.21	Monthly Per SF

(1) Estimated annual expenses.

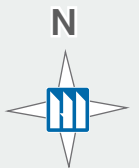
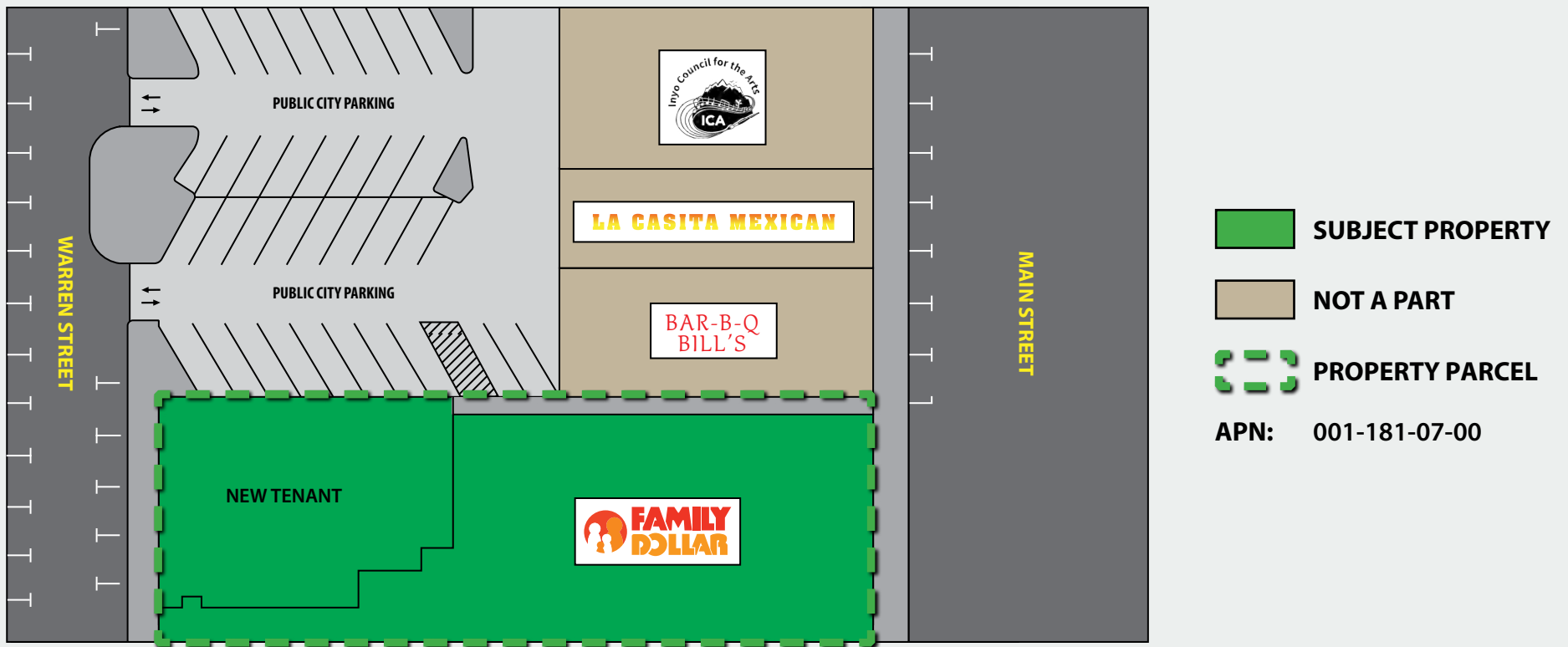


SITE PLAN / PARCEL MAP

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MAMMOTH LAKES

- 40 Minute Drive From Bishop -



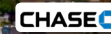
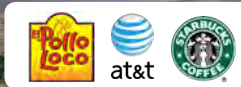
**1 MILLION+ VEHICLES TRAVEL
THROUGH BISHOP ANNUALLY**

70%

**ANNUAL MAMMOTH VISITORS COME
FROM SOUTHERN CA; VEHICLES
MUST TRAVEL THROUGH BISHOP**



ERICK SCHAT'S BAKERY



BISHOP CITY PARK



LINE STREET

SUBJECT PROPERTY



LAGOON STREET

WARREN STREET

MAIN STREET 14,500 CPD



CLARKE STREET

DEMOGRAPHICS



Population:

1-Mile Radius	3,876
3-Mile Radius	10,909
5-Mile Radius	11,075



Household Income:

1-Mile Radius	\$62,857
3-Mile Radius	\$72,548
5-Mile Radius	\$72,862

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REGIONAL MAP

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The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.



Discount Domination: Dollar Stores are Thriving in America

January 31, 2019

The retail landscape is in a constant state of flux.

That said, there is one type of store that's thriving in this unpredictable landscape – dollar stores. Today, we examine data from the Institute of Local Self-Reliance, which puts the scale of the United States' dollar store boom into perspective.

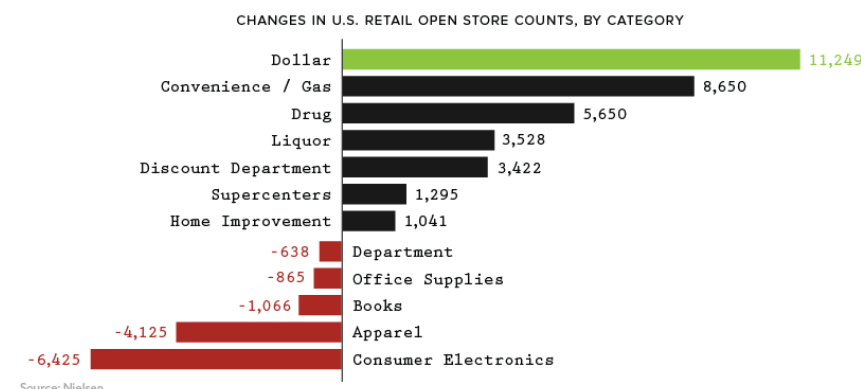
Escaping the Retail Apocalypse

The rise of e-commerce giants like Amazon has led to a relentless wave of closures for brick and mortar retailers. Department stores and consumer electronics are taking hard hits, yet a curious trend emerges through the cracks – dollar stores are multiplying like rabbits.

The persistent growth of dollar stores is the biggest retail trend in the past decade. Between 2007 and 2017, over 11,000 new dollar stores were opened; that's roughly 93 new stores a month, or three per day. Dollar General, in particular, is reaping the rewards: the company has a market cap of over \$30 billion.

Compared to mammoth retailer Walmart, Dollar General is the little store that could. Despite reporting lower sales per square foot, Dollar General outperforms Walmart in 5-year gross profit margins. This whopping difference in launching a new location contributes to the fast and furious spread of dollar stores. Dollar General and Dollar Tree (which now owns Family Dollar) boast 30,000 stores between them, eclipsing the six biggest U.S. retailers combined. Their combined annual sales also rival Apple Stores, including iTunes.

This wave of dollar store openings represents the biggest shift in brick and mortar retail in the past decade.



The Dollar Store Strategy

What makes dollar stores so lucrative? In a nutshell, they're willing to go where others won't. Dollar General focuses on rural areas, while Dollar Tree and Family Dollar are more prominent in urban and suburban areas. But they have one thing in common – all three chains target small towns in rural America, resulting in a high concentration per capita, especially in the South.

America's Grocery Gap

The no-frills shopping experience is also a quintessential trait of dollar stores. Dollar stores focus on a limited selection of private label goods, selling basics in small quantities instead of bulk.

However, there's also a dark underbelly to this trend. Dollar stores often enter areas with no grocery stores at all, called food deserts. In the absence of choice, dollar stores are welcomed with open arms.



[CLICK FOR ARTICLE](#)



Founded in 1959, Family Dollar operates over 8,000 general merchandise retail discount locations with a “neighborhood variety store” format. The retailer offers seasonal merchandise and necessities from both competitively-priced national name brands and equivalent-value, lower-priced private labels. Products include food, health, and beauty products, household goods, home decor, paper products, toys, apparel, and holiday items. Family Dollar stores range from 6,000–8,000 selling square feet, allowing for convenient locations in both metropolitan and rural communities.

In 2018, Family Dollar accelerated its initiative to optimize their real estate portfolio with 522 store renovations. The company also launched a new model for both new and renovated stores known as H2. The H2 model significantly increases merchandise offerings, including Dollar Tree's \$1.00 merchandise sections and its freezer and cooler space. Stores with the H2 format have increased traffic and provided an average comparable store net sales lift in excess of 10% over control stores. Approximately 200 stores now have the H2 format, with plans for another 1,000 in 2019. Family Dollar is also working on a mobile app, creating new ways to connect with and retain customers.

In 2015, Dollar Tree, a fortune 500 company acquired Family Dollar for \$8.5 billion. Together, they are the nation's largest small-box discount retailer. Ranked #134 in the 2018 Fortune 500, the company operates 15,237 stores across 48 states and 5 Canadian provinces, supported by a coast-to-coast logistics network and over 182,000 associates.

familydollar.com | **Company Type:** Public (NASDAQ: DLTR; S&P: BBB-) | **Locations:** 7,001 (15,237 Total Corporate)



Dollar Tree, Inc. is the world's leading operator of \$1 priced-point variety stores. Founded in 1986, the company has been growing steadily the past 32 years. The company's growth surged after acquiring its fellow competitor, Family Dollar, in 2015. In Fiscal Year 2018, the company posted record net sales of \$22.82 billion, with more than 2.2 billion customer transactions. Dollar Tree delivered its 44th consecutive quarter of positive same-store sales and maintained industry-leading margins. Dollar Tree's robust earnings and sales has surprised trends in recent quarters. The company's estimated growth rate earnings for 2018 was 29.1%, which was significantly higher than the industry's projected growth rate of 14.2%. As a result, Dollar Tree was ranked #61 “Growth Champion” by Forbes (2018).

In 2019, Dollar Tree plans to renovate 1,000 Family Dollar locations and convert 200 locations into Dollar Tree stores. The company also plans to keep expanding until there are 26,000 Dollar Tree and Family Dollar locations across the nation. Dollar Tree's shares are 91% owned by institutional investors, which is an indication that large money managers, endowments, and hedge funds believe that the company is poised for long-term growth.

dollartree.com | **Company Type:** Public (NASDAQ: DLTR; S&P: BBB-) | **Locations:** 8,236 (15,237 Total Corporate)



Bishop

- Resort town just 40 minutes from Mammoth Lakes; Considered the "Gateway to the Sierras"
- Known as a "Small Town with a Big Backyard"
- Situated between the Sierra Nevadas, Yosemite, and Death Valley
- "#25 Best Towns of 2017" - Outside Magazine
- Known for its year-round sports including climbing, bouldering, skiing, off-roading, backpacking, and fishing

ECONOMY

- Commercial hub in the Eastern Sierra and is the last city before Mammoth Lakes
- Major industries include hospitality, retail, arts, entertainment, recreation, and education
- Largest employers in the area are government offices (1,000 employees), health services (600 employees), Northern Inyo Hospital (400 employees), Paiute Palace Casino (250 employees), and retail (350 employees)

TOURISM & RECREATION

- Millions of tourists visit Bishop annually as a vacation destination or travel through to Mammoth, Yosemite, and Death Valley
 - \$22 million in hotel sales annually
 - \$2.6 million in transient occupancy tax
- **Mammoth Lakes** - 2.5 million visitors and \$15.7 million in transient occupancy tax annually
- **Yosemite National Park** - 4 million annual visitors
- **Death Valley National Park** - 1.6 million annual visitors
- Bishop Tourism Improvement District (BTID) promotes Bishop as a year-round vacation destination through major media advertising, trade shows, digital marketing, and social media
 - 7% increase in hotel occupancy
- The abundance of boulders and mountains in the Bishop area attracts climbers from all over the world
- World-class trout fishing destination; fishing derbies held from March to November each year
- Coyote Flat, Silver Canyon, and Sand Canyon trails offer scenic off-roading opportunities
- 14+ annual events and festivals in Bishop draw thousands of attendees
 - Bishop Mule Days attracts 30,000 people over 6 days of events
 - Other events include Blake Jones Trout Derby, Eastern Sierra Tri-County Fair, CHSRA Rodeo, and Millpond Music Festival



NORTHERN INYO HOSPITAL



YOSEMITE NATIONAL PARK



BOULDERING AT THE BUTTERMILKS

YEAR-ROUND DESTINATION

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YEAR-ROUND DESTINATION

- ◆ California's premier four-season mountain resort
- ◆ Top skiing and snowboarding destination
- ◆ Variety of year-round activities including biking, fishing, hiking, camping, and golfing
- ◆ Annual beer, film, food & wine, and music festivals



 [Click here to view all of Mammoth's annual events](#)



40
MINUTE

DRIVE TO
MAMMOTH LAKES

“365 DAYS
of awesome”






	<u>1-Mile</u>	<u>3-Mile</u>	<u>5-Mile</u>
Population			
2023 Projection	3,904	10,973	11,141
2018 Estimate	3,876	10,909	11,075
2010 Census	3,901	10,868	11,037
2000 Census	3,588	10,582	10,737
Growth 2000-2010	8.72%	2.70%	2.79%
Growth 2018-2023	0.72%	0.59%	0.60%
Households			
2023 Projection	1,777	4,741	4,810
2018 Estimate	1,752	4,665	4,733
2010 Census	1,764	4,650	4,718
2000 Census	1,693	4,493	4,558
Growth 2000-2010	4.19%	3.49%	3.51%
Growth 2018-2023	1.43%	1.63%	1.63%
2018 Est. Population by Single-Classification Race			
White Alone	2,719	7,755	7,894
Black or African American Alone	30	55	62
American Indian and Alaska Native Alone	133	1,292	1,297
Asian Alone	79	201	203
Native Hawaiian and Other Pacific Islander Alone	1	7	7
Some Other Race Alone	764	1,200	1,207
Two or More Races	150	399	403
2018 Est. Population by Ethnicity (Hispanic or Latino)			
Hispanic or Latino	1,328	2,532	2,554
Not Hispanic or Latino	2,548	8,377	8,521
2018 Est. Average Household Income	\$62,857	\$72,548	\$72,862

CONFIDENTIALITY AGREEMENT

FAMILY DOLLAR



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The information contained herein does not purport to provide a complete or fully accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective buyers may need or desire. All financial projections are based on assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Broker and, therefore, are subject to material variation. This Marketing Package does not constitute an indication that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the information herein. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective buyers.

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\$6+ BILLION
retail sales nationwide



SHARED DATABASE
collaborative proprietary database



TOP BROKERAGE GLOBALLY
in investment sales



COSTAR POWER BROKER
top sales brokers & firm in OC



NATIONWIDE REACH
retail & investors across the U.S.