

DOLLAR TREE CENTER

RED WING, MINNESOTA



Marcus & Millichap

DOLLARTREECENTER

TABLE OF CONTENTS

01

FINANCIAL OVERVIEW

PAGES 03-09

02

INVESTMENT OVERVIEW

PAGES 10-16

03

MARKET OVERVIEW

PAGES 17-22

DOLLAR TREE CENTER | RED WING, MINNESOTA 210 TYLER ROAD N



FINANCIAL OVERVIEW

10,800 Square-Foot Multi-Tenant Retail Center RED WING, MINNESOTA



*Not drawn to scale

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 ADDRESS:
210 Tyler Road N, Red Wing, Minnesota 55066

Pricing

Price: \$1,692,371

Cap Rate: 7.00%

Gross Leasable Area: 10,800

Price Per Square Foot: \$156.70

Year Built: 1990

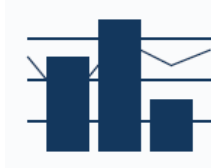
Lot Size: 2.62 +/- Acres

Investment Highlights

- 100% Occupied, 10,800 Square Foot, Three Tenant Center – Outparcel to the Red Wing Mall
- Service Oriented and Recession Proof Tenants – Long Historical Occupancies – Recent Parking Lot Resurface
- Strong Guarantees | Dollar Tree BBB+ Credit Rating, 14,900+ Locations | Ameriprise Financial – AMP (NYSE)
- 88% of the Center Holds NNN Leases | Below Market Rents - \$12.00 Average per Square Foot
- Located in Prime Retail Corridor – Across from Target, Walmart Supercenter, JoAnn Fabrics, Applebee's, Aldi, Walgreens



PRICE
\$1,692,371



CAP RATE
7.00%



NOI
\$118,466



SQ FOOTAGE
10,800



LEASE TYPES
Mostly NNN



ACREAGE
2.62 Acres

Demographics

	1-Mile	3-Mile	5-Mile
Population	838	10,854	18,562
Average HH Income	\$93,901	\$72,922	\$73,808

SUMMARY	
Price:	\$1,692,371
Down Payment (30%):	\$507,711
Current CAP:	7.00%
Cash on Cash:	7.19%
Square Feet	10,800
Cost per Square Feet:	\$156.70
Debt Coverage Ratio:	1.48
Year Built:	1990
Lot Size:	2.62 Acres

CURRENT OPERATING DATA		
Current Annualized Data		
Scheduled Gross Income:	\$129,600	
Tax Reimbursement:	\$32,329	
Insurance Reimbursement:	\$2,304	
CAM Reimbursement:	\$11,232	
Admin/Mgmt Reimbursement:	\$1,685	
Total Income:	\$177,150	
Vacancy Factor:	\$-	
Gross Operating Income:	\$177,150	
Less Expenses:	\$58,684	
Net Operating Income:	\$118,466	7.00%
Capital Reserves:	\$2,160	(\$.20)
Loan Payments:	\$79,826	
Pre Tax Cash Flow:	\$36,480	7.19%
Plus Principal Reduction:	\$25,872	
Total Return Before Taxes:	\$62,352	12.28%

PROPOSED NEW FINANCING		
First Loan Amount:	\$1,184,660	
Terms:	4.60%	Interest
	25 Year	Amortization
	10 Year	Term
Monthly Payment:	\$6,652.15	
Annual Payment:	\$79,825.74	

EXPENSES		
Taxes:	\$3.37	\$36,370
Insurance:	\$0.24	\$2,592
Common Area Maintenance:	\$1.17	\$12,636
Management Fee:	4.00%	\$7,086
TOTAL EXPENSES:		\$58,684
Per Rentable Square Foot		\$5.43

UNDERWRITING ASSUMPTIONS
(1) CAM Expenses based off 3-year average 2016-2018 and allocated to parcel
(2) Dollar Tree and Fantastic Sam's reimburse 15% admin fee on CAM

Tenant	Sq. Ft.	% of GLA	Lease Start	Lease End	Monthly Rent	Annual Rent	Rent/FT	Bump Date	New Rent PSF	CTIM Reimb.	Lease Type	Option Terms
Dollar Tree	8,400	77.78%	9/1/2012	8/31/2020	\$7,700.00	\$92,400.00	\$11.00			\$41,605.98	NNN	(1) 5-yr
Fantastic Sam's	1,200	11.11%	3/22/2007	12/31/2027	\$2,100.00	\$25,200.00	Option I	9/1/2020	\$11.50	\$5,943.71	NNN	(1) 5-yr
							Option I	1/1/2023	\$22.50			
							Option I	1/1/2028	\$24.00			
Ameriprise	1,200	11.11%	10/1/2017	12/31/2022	\$1,000.00	\$12,000.00	Option II	1/1/2033	\$25.50		Gross	(1) 5-yr
							Option I	1/1/2023	\$15.00			
Current Totals	10,800	100.00%			\$10,800	\$129,600	\$12.00			\$47,549		
Occupied	10,800	100%			\$10,800	\$129,600	\$12.00			\$47,549		
Vacant												



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.

Headquarters:	Chesapeake, Virginia
No. of Locations:	14,900
Symbol:	NASDAQ: DTR
Website:	www.dollartree.com
Square Footage:	8,400
Lease Start:	September 1, 2012
Lease Expiration:	August 31, 2020

FANTASTIC SAM'S

CUT & COLOR

Fantastic Sams is an American chain of full-service hair-care salons in the United States and Canada. Now with over 1,250 franchised locations, Fantastic Sams is the first national franchised unisex salon chain in the U.S. and it is one of the largest salon chains in the country. Fantastic Sams was founded in 1974 by Sam Ross in Memphis, Tennessee. Franchising began in 1976, under the title "Incredible Sam's" but was later changed in 1981 to Fantastic Sams so that it was easier to say. Fantastic Sams was acquired in 2011 by Dessange International, a European beauty salon chain.

Headquarters:	Memphis, Tennessee
No. of Locations:	1,250
Symbol:	Private
Website:	www.fantasticsams.com
Square Footage:	1,200
Lease Start:	March 22, 2007
Lease Expiration:	December 31, 2027



Ameriprise Financial, Inc. is an American diversified financial services company. It engages in business through its subsidiaries, providing financial planning, products and services, including wealth management, asset management, insurance, annuities and estate planning. Ameriprise Financial, Inc. the holding company, is incorporated in Delaware but the company is headquartered in Minneapolis, Minnesota.

Headquarters:	Minneapolis, Minnesota
Annual Revenue:	\$12.075B
Symbol:	NYSE: "AMP"
Website:	www.ameriprise.com
Square Footage:	1,200
Lease Start:	October 1, 2017
Lease Expiration:	December 31, 2022

DOLLAR TREE CENTER | RED WING, MINNESOTA 210 TYLER ROAD N



INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- 100% Occupied, 10,800 Square Foot, Three Tenant Center – Outparcel to the Red Wing Mall
- Service Oriented and Recession Proof Tenants – Long Historical Occupancy
- Strong Guarantees | Dollar Tree BBB+ Credit Rating, 14,900+ Locations | Ameriprise Financial – AMP (NYSE)
- 88% of the Center Holds NNN Leases | Below Market Rents - \$12.00 Average per Square Foot
- Dollar Tree is Comprised of 78% of the Center – Only Location in the Market
- Located in Prime Retail Corridor – Across from Target, Walmart Supercenter, JoAnn Fabrics, Applebee's, Aldi, Walgreens
- Affluent Area | Average Household Income is \$93,901 within 1 Mile

Marcus & Millichap is pleased to present the fee simple interest in the Dollar Tree Center, located at 210 Tyler Rd N, Red Wing, Minnesota 55066.

The subject property is a three-tenant center anchored by Dollar Tree, Inc. and serves as an outparcel to the fully occupied, Red Wing Mall. The property was built in 1990 and sits on its own 2.62 acre parcel.

The center offers multiple points of ingress and egress, and benefits from foot traffic from Target, and the other surrounding national retailers such as Walmart, JoAnn Fabrics, Slumberland, Dunham's Sports, First Farmers & Merchants Bank, Culver's, Applebee's, Aldi Grocery, Walgreens, Anytime Fitness, Menards and more.

Dollar Tree is comprised of 78% of the center, is corporately guaranteed and has been a tenant since 2012. They are the only Dollar Tree in the market and pay a replaceable rent of \$11.00 per square foot, triple net. Fantastic Sam's has been a tenant since 2007 and extended its lease to December of 2027. Ameriprise Financial is headquartered in Minneapolis, and is publicly traded on the New York Stock Exchange. The property offers a low average rent of \$12.00 per square foot, with service-oriented tenants.

Headquartered in Chesapeake, VA, Dollar Tree is the largest and most successful single-price-point retailer in North America. In June 2015, Dollar Tree acquired Family Dollar Stores, Inc. and it's more than 8,200 stores, which made Dollar Tree Inc., leading operator of discount variety retail stores. Today Dollar Tree operates over 14,900 locations across the U.S.

Red Wing is an affluent town of the Minneapolis/St. Paul MSA which boasts a population of over 3,551,036 residents. Red Wing is designated in an opportunity zone. This tax benefit is geared towards bringing investment, construction, and ultimately jobs into the local economy.







Marcus & Millichap





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DOLLAR TREE CENTER | RED WING, MINNESOTA 210 TYLER ROAD N



MARKET OVERVIEW



MINNEAPOLIS-ST PAUL OVERVIEW

The Minneapolis-St. Paul metro consists of 16 counties, 14 in the southeastern portion of central Minnesota and two in western Wisconsin. The metro has a population of almost 4 million people and covers 6,364 square miles. Nearly 1,000 of Minnesota’s 10,000 lakes are located within the metro, along with the Mississippi, Minnesota and St. Croix rivers. The Twin Cities of Minneapolis and St. Paul straddle the Mississippi River, with Minneapolis located upstream from St. Paul. The Twin Cities metro area encompasses the seven core counties of the region, the most populous being Hennepin County with 1.2 million residents. Minneapolis is the most populated city in the state with more than 400,000 citizens, followed by St. Paul, the capital city, which has approximately 300,000 people.

METRO HIGHLIGHTS



DIVERSE ECONOMIC BASE

The metro’s economy includes food production and delivery, information technology, biomedical technology, retail, finance, and logistics.



ATTRACTIVE BUSINESS ENVIRONMENT

Companies are drawn to the region’s high quality of living, skilled and growing labor force, as well as the strong work ethic.



ABUNDANCE OF HIGHER EDUCATION

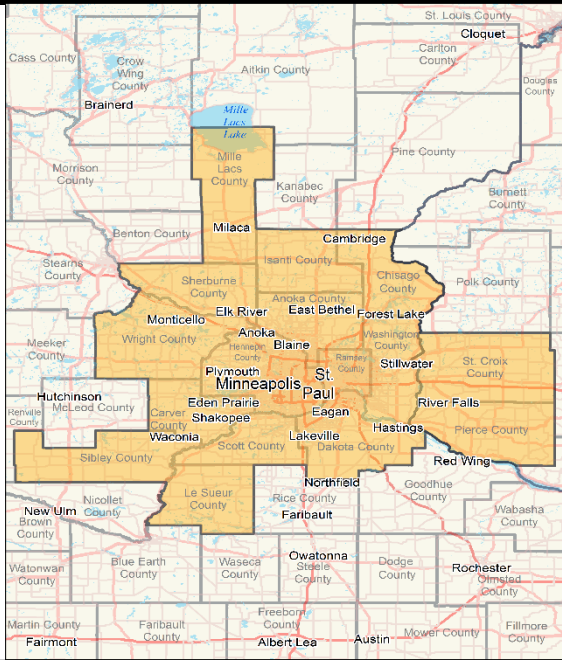
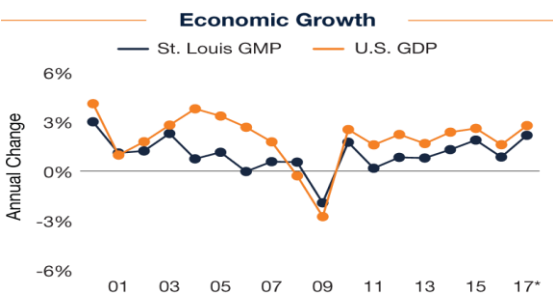
There are more than 20 colleges and universities in the Twin Cities, producing a highly educated pool of workers.



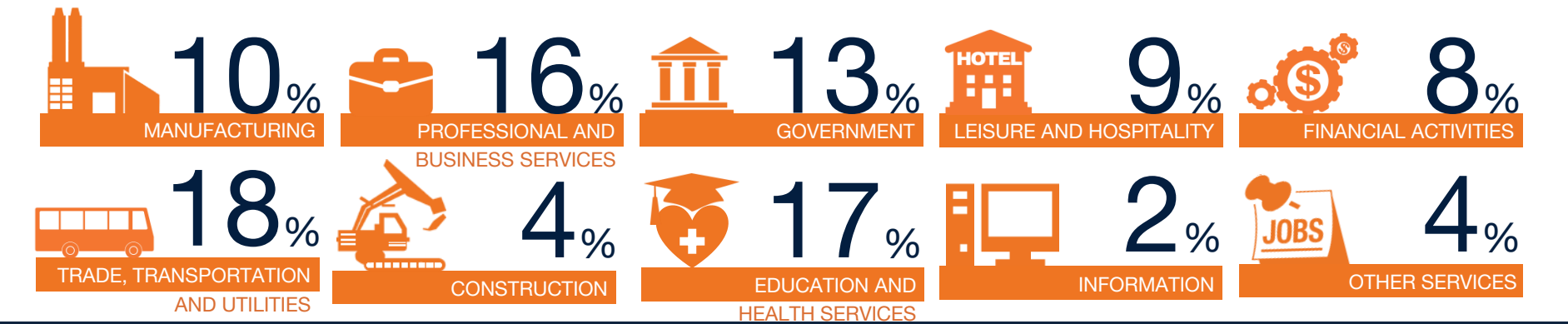
ECONOMY

- The metro’s diverse economic base includes 16 Fortune 500 companies such as Target, UnitedHealth Group, 3M and General Mills.
- A strong manufacturing sector encompasses both traditional and high-tech manufacturing.
- Medical institutions including the University of Minnesota and the Mayo Clinic underpin a growing biomedical research and development sector.
- Minneapolis, with its strong financial base, houses the Ninth Federal Reserve District, which services Minnesota, the Dakotas, Montana and portions of Michigan and Wisconsin

MAJOR AREA EMPLOYERS	
Target Corp.	
University of Minnesota	
Allina Health System	
Fairview Health Services	
Best Buy Co., Inc.	
Wells Fargo Minnesota	
3M Co.	



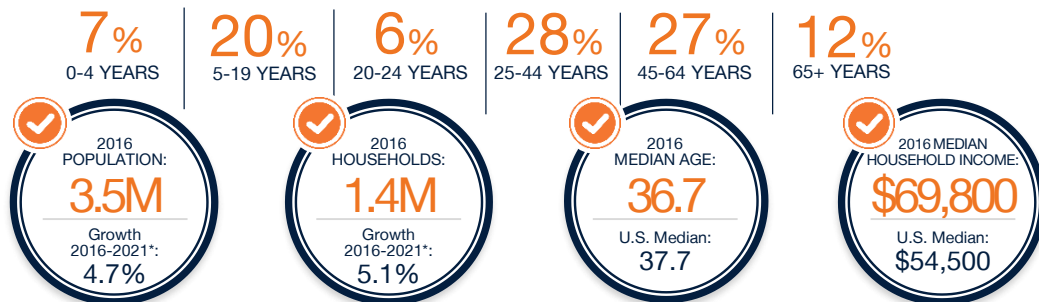
SHARE OF 2016 TOTAL EMPLOYMENT



DEMOGRAPHICS

- The metro is expected to add nearly 170,000 people through 2021, resulting in the formation of approximately 70,000 households and generating demand for housing.
- Incomes above the national average contribute to a homeownership rate of 70 percent, compared with 64 percent for the U.S.
- Roughly 39 percent of the population hold a bachelor's degree, and 13 percent of those residents also have obtained a graduate or professional degree.

2016 Population by Age



QUALITY OF LIFE

The growing urban region is home to professional sports teams: the Minnesota Vikings, the Minnesota Twins, the Minnesota Timberwolves, the Minnesota Wild and the Minnesota United. College sports are also enjoyed at the University of Minnesota Twin Cities campus. The Vikings completed a new facility (US Bank Stadium) in 2016. The facility is scheduled to host Super Bowl 52 in 2018 and the Men's NCAA Final Four in 2019. The area is noted for the array of orchestras, art museums and gardens. With more than 100 theater venues, the region is the third-largest theater market in the country. Strong arts education is supported by the Minneapolis College of Arts and Design, the Children's Theatre Company, MacPhail Center for the Arts and the Perpich Center for Arts.



SPORTS



EDUCATION



ARTS & ENTERTAINMENT





Population

In 2018, the population in your selected geography is 18,562. The population has changed by 3.33% since 2000. It is estimated that the population in your area will be 19,094.00 five years from now, which represents a change of 2.87% from the current year. The current population is 49.17% male and 50.83% female. The median age of the population in your area is 42.77, compare this to the US average which is 37.95. The population density in your area is 235.74 people per square mile.



Households

There are currently 7,894 households in your selected geography. The number of households has changed by 9.35% since 2000. It is estimated that the number of households in your area will be 8,211 five years from now, which represents a change of 4.02% from the current year. The average household size in your area is 2.29 persons.



Income

In 2018, the median household income for your selected geography is \$58,486, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 30.31% since 2000. It is estimated that the median household income in your area will be \$67,888 five years from now, which represents a change of 16.08% from the current year.

The current year per capita income in your area is \$31,785, compare this to the US average, which is \$32,356. The current year average household income in your area is \$73,808, 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: 90.80% White, 2.11% Black, 0.04% Native American and 0.78% 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 3.92% of the current year population in your selected area. Compare this to the US average of 18.01%.



Employment

In 2018, there are 11,013 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 50.27% of employees are employed in white-collar occupations in this geography, and 49.75% are employed in blue-collar occupations. In 2018, unemployment in this area is 4.07%. In 2000, the average time traveled to work was 23.00 minutes.

POPULATION	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Population	893	11,191	19,094
■ 2018 Estimate			
Total Population	838	10,854	18,562
■ 2010 Census			
Total Population	811	10,777	18,406
■ 2000 Census			
Total Population	698	10,592	17,964
■ Current Daytime Population			
2018 Estimate	2,230	16,181	22,920
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Households	482	5,121	8,211
■ 2018 Estimate			
Total Households	441	4,912	7,894
Average (Mean) Household Size	2.22	2.21	2.29
■ 2010 Census			
Total Households	423	4,841	7,769
■ 2000 Census			
Total Households	326	4,485	7,219
■ Occupied Units			
2023 Projection	482	5,121	8,211
2018 Estimate	461	5,204	8,350
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2018 Estimate			
\$150,000 or More	11.77%	7.30%	7.38%
\$100,000 - \$149,000	17.14%	13.77%	14.62%
\$75,000 - \$99,999	12.04%	13.69%	14.89%
\$50,000 - \$74,999	18.46%	17.63%	18.40%
\$35,000 - \$49,999	11.95%	14.12%	13.45%
Under \$35,000	28.61%	33.51%	31.27%
Average Household Income	\$93,901	\$72,922	\$73,808
Median Household Income	\$65,483	\$54,282	\$58,486

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$83,060	\$75,892	\$78,039
■ Consumer Expenditure Top 10 Categories			
Housing	\$21,410	\$19,464	\$19,984
Transportation	\$14,032	\$12,973	\$13,484
Shelter	\$12,435	\$11,464	\$11,744
Personal Insurance and Pensions	\$8,586	\$7,664	\$8,051
Food	\$7,435	\$6,814	\$7,064
Health Care	\$6,204	\$5,441	\$5,563
Utilities	\$4,220	\$3,838	\$3,949
Entertainment	\$4,131	\$3,803	\$3,998
Cash Contributions	\$3,947	\$3,554	\$3,307
Household Furnishings and Equipment	\$2,313	\$2,002	\$2,062
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2018 Estimate Total Population	838	10,854	18,562
Under 20	21.64%	22.41%	24.05%
20 to 34 Years	15.57%	17.34%	17.01%
35 to 39 Years	4.84%	5.67%	5.83%
40 to 49 Years	11.24%	11.00%	11.25%
50 to 64 Years	23.28%	22.06%	21.98%
Age 65+	23.43%	21.50%	19.89%
Median Age	47.39	44.22	42.77
■ Population 25+ by Education Level			
2018 Estimate Population Age 25+	616	7,828	13,069
Elementary (0-8)	1.01%	2.60%	2.44%
Some High School (9-11)	5.13%	5.43%	5.54%
High School Graduate (12)	34.19%	32.43%	31.96%
Some College (13-15)	18.77%	22.28%	22.58%
Associate Degree Only	11.37%	12.64%	12.84%
Bachelors Degree Only	19.61%	16.41%	16.89%
Graduate Degree	9.78%	7.79%	7.32%

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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DOLLAR TREE CENTER | RED WING, MN

Minnesota BOR

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EXCLUSIVE OFFERING

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