

## OFFERING MEMORANDUM

**FAMILY DOLLAR**

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**PHOENIX  
ARIZONA**

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Rent Escalations Every 3-Years  
Hedges Against Inflation

**NNN**  
**NNN DEAL**  
THE SINGLE TENANT RESOURCE

Marcus & Millichap



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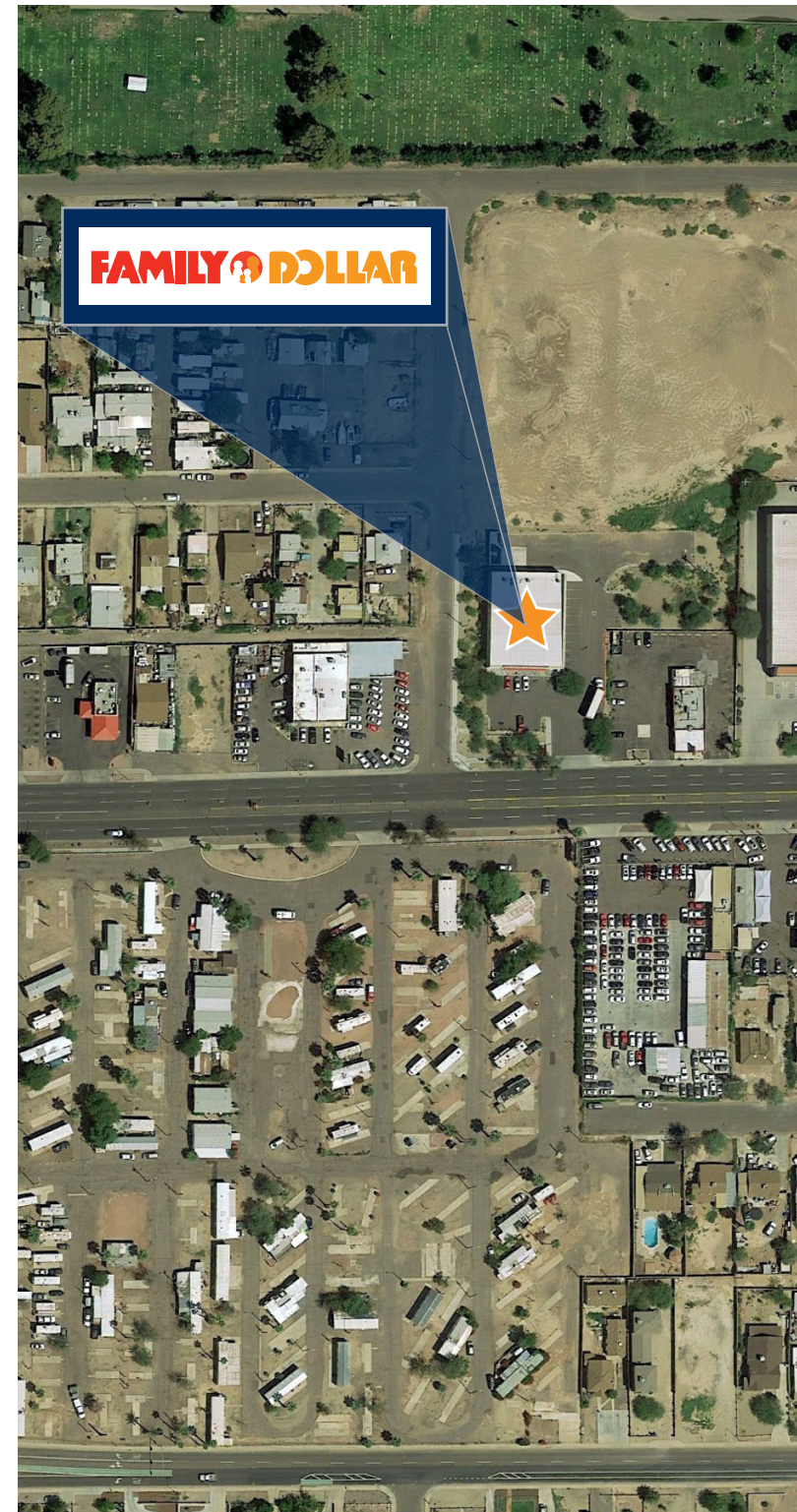
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2550



FAMILY DOLLAR

2550

# INVESTMENT SUMMARY

2550 W VAN BUREN STREET, PHOENIX, AZ 85009

**PRICE: \$2,185,100**

**CAP: 6.25%**

**RENT: \$136,568**

## OVERVIEW

Price	\$2,185,100
Gross Leasable Area (GLA)	8,320 SF
Lot Size (approx)	1.28 Acres
Net Operating Income	\$136,568
CAP Rate	6.25%
Year Built	2013

## LEASE ABSTRACT

Lease Type	NNN
Original Lease Term	15 Years
Lease Term Commenced (Estimate)	7/2/2015
Lease Expiration	3/31/2029
Remaining Lease Term	10.7 years
Renewal Options	6x5
Increases	Rent inc every 3-yrs. CPI adjusted, not to exceed 6%
Landlord Obligation	None At All

## ANNUALIZED OPERATING DATA

Lease Term	Annual Rent
Current	\$136,568
8-11*	\$144,762
12-15	\$153,448
Option 1	\$162,655
Option 2	\$172,414
Option 3	\$182,759
Option 4	\$193,724
Option 5	\$205,348
Option 6	\$217,669

\* Escalations based on CPI, not to exceed 6%. For ease of reference, the adjustment here is calculated at 6%, but actual adjustments may vary.

# INVESTMENT HIGHLIGHTS

- ◆ Densely populated suburban area
- ◆ Rental escalations every 3 years hedges against inflation
- ◆ 20 year roof warranty in place
- ◆ Minimal Landlord Responsibilities
- ◆ Investment grade tenant (S&P BBB- rated)

**376,730**

TOTAL  
POPULATION  
WITHIN 5-MILE  
RADIUS

**\$48,929**

AVERAGE  
HOUSEHOLD  
INCOME WITHIN  
5-MILE RADIUS

**23,076 VPD** - W VAN BUREN STREET**19,075 VPD** - N 27TH AVENUE

# INVESTMENT HIGHLIGHTS

This corporate guaranteed Family Dollar (NYSE:FDO) offers a 10.7 year lease with minimal landlord responsibilities with six 5-year options thereafter, and rent escalations during base and option periods. The affluent and strong density surrounding populous creates an inviting passive investment opportunity.

Minimal competition in the immediate area, creates a strong market presence.



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Minimal landlord obligations  
with roof warranty in  
place (through 2034)



Minimal competition in  
immediate area corners the  
neighborhood's business



Newer 2013 construction



Rental escalations  
every 3-years hedges  
against inflation



Strong population density with  
over 377,092 residents within a  
5-mile radius and growing.



10 FWY

Isaac School

**FAMILY DOLLAR**

Central Industrial District

J B Sutton Elementary School

Willow Park

**TITLEMAX**



**Parts Authority**  
Auto Parts Super Stores

W VAN BUREN STREET - 23,076 VPD

William R Sullivan Elementary School



**FOOD CITY**

Saint Matthew Catholic School



N 27TH AVE - 19,075 VPD

17 FWY

Rollfab Metal Products

Feeder's Grain Co

**PULL-N-SAVE**  
SAVING AUTO & TRUCK PARTS

Alexander Park

# TENANT SUMMARY

## FAMILY DOLLAR

Dollar Tree, Inc. operates discount variety retail stores in the United States and Canada through two divisions, Dollar Tree and Family Dollar. A Fortune 200 company, Dollar Tree operates more than 14,800 stores across 48 states and five Canadian provinces. Canadian stores are flagged with the Dollar Tree Canada banner.

As shoppers enter their neighborhood Family Dollar, they'll find great values on the name brands they trust in a clean, well-organized store staffed with friendly team members who are members of the local community. The average size of Family Dollar store is approximately 7,000 square feet, and more stores are operated in leased facilities. This relatively small footprint allows the Company to open new stores in rural areas and small towns, as well as in large urban neighborhoods. Within these markets, the stores are located in shopping centers or as free-standing building and all are convenient to the Company's customer base.

Family Dollar offers a compelling mix of merchandise for the whole family. Ranging from an expanded assortment of refrigerated and frozen foods and health and beauty items to home décor and seasonal items, Family Dollar offers the lowest possible price the name brand and quality private-brand merchandise customers need and use every day.

# FAMILY DOLLAR



## CHARLOTTE, NC

HEADQUARTERS

60,000

EMPLOYEES

8,000+

LOCATIONS

PUBLIC

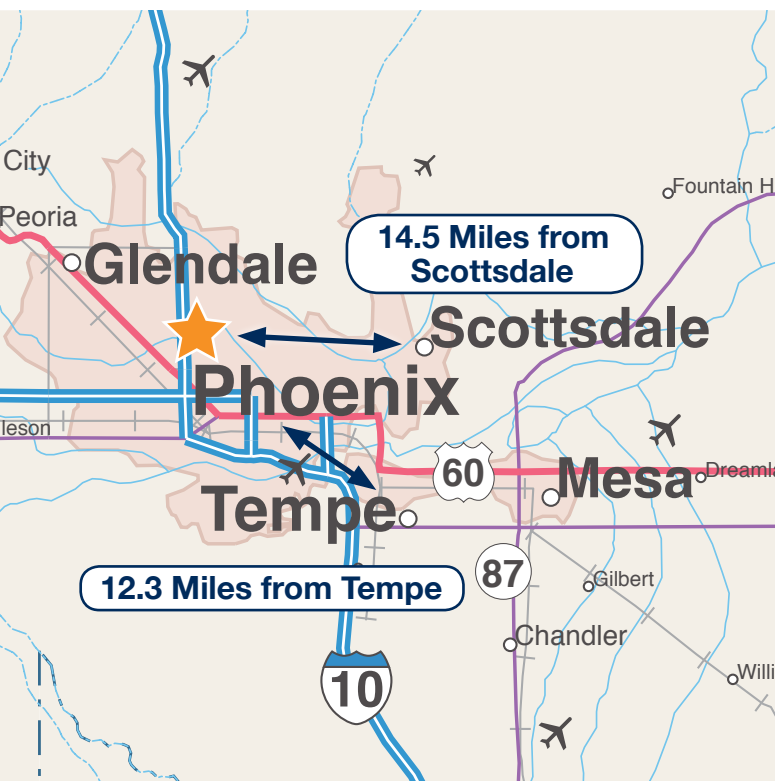
OWNERSHIP

DLTR

TICKER: NYSE

\$10.4B

ANNUAL SALES



### MAJOR EMPLOYERS: PHOENIX, AZ

State of Arizona	49,800
Walmart Stores Inc.	30,634
Banner Health	24,825
City of Phoenix	15,100
Wells Fargo & Co.	13,308
Bank of America	13,300
Maricopa County	12,792
Arizona State University	11,185
Apollo Group	11,000
JP Morgan Chase & Co.	10,600

## LOCATION HIGHLIGHTS

PHOENIX, AZ

GATEWAY TO THE WILD WEST



Minimal competition in the area, with nearest national discount retailer 2+ miles from site



Located just blocks off I-17



Strong infill area with barriers to entry



Just 1.8 miles from downtown Phoenix

# LOCATION OVERVIEW

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## PHOENIX, ARIZONA

### PHOENIX'S CENTRALIZED LOCATION

Known as Arizona's Urban Heart, Phoenix is the capital of and largest city in Arizona, with a population of 1.62 million people in the Phoenix-Mesa-Scottsdale MSA. Phoenix has a median age of 33.4 and a median household income of \$52,062, compared to the U.S. median age of 37.9 and median income of \$57,617. The Phoenix area has a young population because of its many colleges, but as a result has a lower median household income. Phoenix's centralized location within its MSA makes it the perfect location for easy access around Maricopa County. Scottsdale, Tempe and Glendale are all less than 25 minutes from Verde Vista, partly because of the convenient transportation options enjoyed by the community's residents.

### EMERGING TECHNOLOGY HUB

Arizona has emerged as a technology hub as more startup companies are deciding to park themselves in the region. Phoenix is spearheading the boom in the tech sector, attracting companies such as GoDaddy and Carvana. Companies are coming because of the Angel Investment Tax Credit program, a piece of pro-startup legislation that allows angel investors as much as a 35 percent tax credit when investing in qualified startup companies. Arizona also extended the refundable R&D tax credit program, which gives the Arizona Commerce Authority the ability to approve refunds up to \$5 million in any calendar year for companies with fewer than 150 employees. This credit remains a key incentive, as it is the top research and development tax credit in the nation. Both pieces of legislation have helped Arizona lead the way

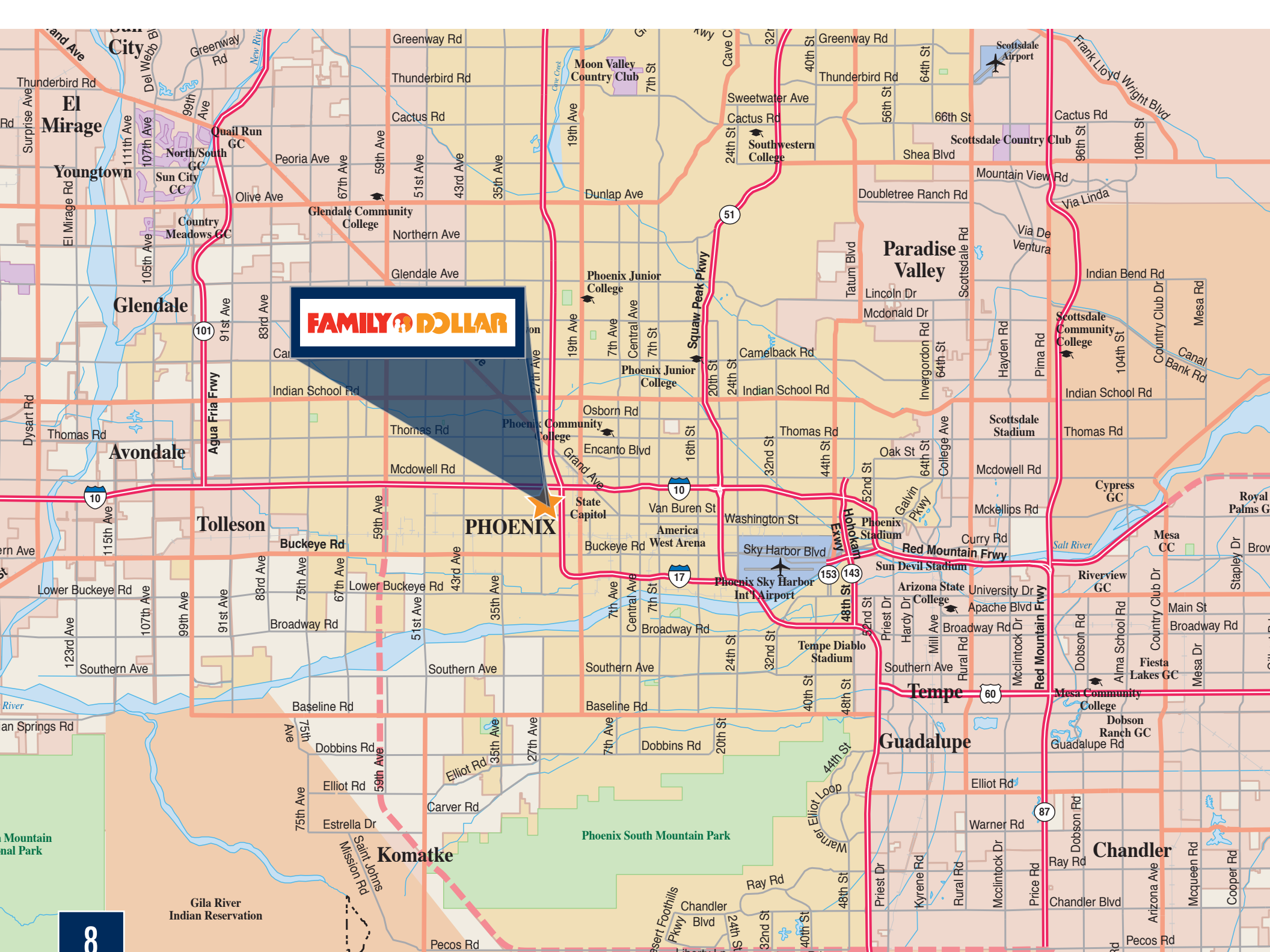
in niche technology sectors like 3D printing, artificial intelligence & machine learning, autonomous vehicles, and financial technology. The boom in Phoenix's technology sector will fuel population growth and high occupancy as talent flocks to Phoenix for the typically high-paying technology jobs.

### PLETHORA OF OUTDOOR OPTIONS

Phoenix's desert terrain and weather make it the perfect spot for nature enthusiasts. Its rustic landscape has spectacular mountains for climbing, biking and other outdoor activities. Phoenix is home to some of the nation's biggest parks, including South Mountain Park, Phoenix Mountains Preserves, and hundreds of other beautiful hiking destinations. All of Arizona's professional sports teams, NFL's Arizona Cardinals, NBA's Phoenix Suns and MLB's Arizona Diamondbacks, are in Phoenix and within 30 minutes of Verde Vista.

### CULTURAL AND DESIGN HUB

Phoenix is known for a thriving cultural, artistic and architectural scene. The Phoenix Symphony Hall is home to the Phoenix Symphony Orchestra, the Arizona Opera and the Ballet Arizona. Phoenix also boasts museums such as the Phoenix Art Museum, Arizona Capitol Museum and the Musical Instrument Museum. Phoenix has some of the most innovative architecture schools and studios in the nation and is close to the School of Architecture at Taliesin and several esteemed architecture studios like the Paolo Soleri (who created Arcosanti), Al Beadle and Blank Studio.



**FAMILY DOLLAR**

# DEMOGRAPHICS / PHOENIX, AZ



 **376,730**

Total Population Within 5-Mile Radius



**\$48,929**

Average Household Income  
Within 5-Mile Radius



**\$33,922**

Median Household Income  
Within 5-Mile Radius

 **116,440** →  **14.29%**  
Total Households Within 5-Mile Radius From 2000



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THE SINGLE TENANT RESOURCE

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POPULATION	1 MILE	3 MILES	5 MILES
2023 Projection			
Total Population	13,323	112,795	376,730
2018 Estimate			
Total Population	14,054	113,780	372,304
2010 Census			
Total Population	12,752	101,750	338,036
2000 Census			
Total Population	15,734	109,240	341,981
Current Daytime Population			
2018 Estimate	14,462	204,497	540,040
HOUSEHOLDS	1 MILES	3 MILES	5 MILES
2023 Projection			
Total Households	3,637	33,783	116,440
2018 Estimate			
Total Households	3,637	32,890	111,394
Average (Mean) Household Size	3.79	2.96	3.09
2010 Census			
Total Households	3,371	29,747	102,206
2000 Census			
Total Households	3,706	30,641	101,875
Occupied Units			
2023 Projection	3,637	33,783	116,440
2018 Estimate	4,281	37,706	126,583
HOUSEHOLDS BY INCOME	1 MILES	3 MILES	5 MILES
2018 Estimate			
\$150,000 or More	2.28%	4.50%	3.36%
\$100,000 - \$149,000	4.51%	6.80%	6.64%
\$75,000 - \$99,999	5.69%	7.20%	8.17%
\$50,000 - \$74,999	13.22%	13.13%	15.44%
\$35,000 - \$49,999	12.15%	14.11%	15.11%
Under \$35,000	62.14%	54.27%	51.27%
Average Household Income	\$39,334	\$50,139	\$48,929
Median Household Income	\$25,687	\$30,807	\$33,922
Per Capita Income	\$10,232	\$16,315	\$15,325

HOUSEHOLDS BY EXPENDITURE	1 MILE	3 MILES	5 MILES
Total Average Household Retail Expenditure	\$44,101	\$50,182	\$51,718
Consumer Expenditure Top 10 Categories			
Housing	\$12,562	\$14,061	\$14,409
Transportation	\$7,329	\$8,108	\$8,299
Shelter	\$7,225	\$8,037	\$8,317
Food	\$4,734	\$5,373	\$5,489
Personal Insurance and Pensions	\$3,062	\$3,947	\$4,133
Utilities	\$2,866	\$3,169	\$3,249
Health Care	\$2,529	\$3,038	\$3,019
Entertainment	\$1,644	\$2,103	\$2,108
Apparel	\$1,397	\$1,471	\$1,534
Household Furnishings and Equipment	\$1,187	\$1,417	\$1,463

POPULATION PROFILE	1 MILES	3 MILES	5 MILES
Population By Age			
2018 Estimate Total Population	14,054	113,780	372,304
Under 20	37.14%	31.78%	33.38%
20 to 34 Years	23.85%	27.43%	25.66%
35 to 39 Years	7.12%	6.84%	7.38%
40 to 49 Years	12.60%	12.25%	12.56%
50 to 64 Years	12.76%	13.90%	13.65%
Age 65+	6.52%	7.80%	7.38%
Median Age	27.82	29.25	29.49
Population 25+ by Education Level			
2018 Estimate Population Age 25+	7,713	65,400	216,012
Elementary (0-8)	28.98%	18.07%	16.46%
Some High School (9-11)	17.02%	15.37%	15.20%
High School Graduate (12)	26.43%	27.01%	28.00%
Some College (13-15)	13.24%	16.64%	18.04%
Associate Degree Only	2.32%	4.08%	5.01%
Bachelors Degree Only	3.64%	8.27%	8.52%
Graduate Degree	1.45%	5.76%	4.94%



**FAMILY DOLLAR**

**PHOENIX  
ARIZONA**

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