

OFFERING
MEMORANDUM



Rep Photo

DOLLAR TREE

*1308 TIMBERLAND DRIVE
SAUK CENTRE, MN*

Marcus & Millichap

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Marcus & Millichap

FINANCIAL OVERVIEW



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SECTION 1

01

FINANCIAL OVERVIEW

EXECUTIVE
SUMMARY



DOLLAR TREE

1308 Timberland Drive, Sauk Centre, MN 56378

PRICING

Price:	\$1,156,000
Cap Rate:	7.25%
Gross Leasable Area:	8,600
Price Per Square Foot:	\$134.42
Year Built:	2018
Lot Size:	0.92 Acres



PRICE:
\$1,156,000



CAP RATE:
7.25%



NOI:
\$83,850

LEASE SUMMARY

Lease Type:	Modified NNN
Roof & Structure:	Landlord Responsible
Lease Term:	8 Years
Rent Commencement:	October 14, 2018
Lease Expiration:	January 31, 2026
Term Remaining:	6 Years
Increases:	In Options
Options:	Four, Five-Year
Termination Clause:	None
Right of First Refusal:	Yes



SQUARE FEET:
8,600



LEASE TYPES:
Modified NNN



ACREAGE:
0.92 Acres

DEMOGRAPHICS

	1-Mile	3-Mile	5-Mile
Population	2,087	5,113	6,047
Average HH Income	\$63,356	\$65,341	\$66,888

RENT
ROLL

Tenant	Sq. Ft.	Lease Start	Lease End	Monthly Rent	Annual Rent	Annual PSF	Lease Type	Option Terms
Dollar Tree	8,600	10/14/2018	1/31/2026	\$6,987	\$83,850	\$9.75	Modified NNN	(4), Five-Yr
Option I		2/1/2026	1/31/2031	\$7,167	\$86,000	\$10.00		
Option II		2/1/2031	1/31/2036	\$7,525	\$90,300	\$10.50		
Option III		2/1/2036	1/31/2041	\$7,883	\$94,600	\$11.00		
Option IV		2/1/2041	1/31/2046	\$8,242	\$98,900	\$11.50		
Current Totals	8,600			\$6,987	\$83,850	\$9.75		
Occupied	8,600			\$6,987	\$83,850	\$9.75		
Vacant								

TENANT
PROFILE



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 15,115 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.



STOCK SYMBOL
NASDAQ: "DLTR"



TENANT
CORPORATE

WEBSITE
DOLLARTREE.COM



HEADQUARTERS
Chesapeake, VA



OF LOCATIONS
15,115+



ANNUAL REVENUE
\$8.6 Billion



YEAR FOUNDED
1986

LEASE
ABSTRACT

COMMON AREA MAINTENANCE

Landlord shall operate, maintain, repair, and replace the Common Areas so as to maintain clean, safe and secure conditions. Landlord shall be responsible for the maintenance, repair and replacement of the sidewalks, landscaping, parking areas, lighting. **Tenant shall reimburse Landlord** for these costs subject to a CAM cap of 3% over prior year which will not include uncontrollable expenses such as snow removal and utility rate increases. Landlord may charge an administrative fee.

REAL ESTATE TAXES

Tenant Responsible; Landlord pays and Tenant fully reimburses in monthly installments

INSURANCE

Tenant and Landlord shall both carry commercial general liability insurance at their own expense. Landlord shall also maintain property insurance against fire and such other perils in which **Tenant will reimburse for Property Insurance Premium.**

ROOF & STRUCTURE

Landlord shall keep the foundations, roof, floor slab, and structural portions of the outer walls of the building in good repair and condition. Landlord shall repair and replace the parking areas and parking lot.

HVAC

Tenant, at its sole cost and expense, shall maintain a service contract and perform routine, standard HVAC System maintenance. Landlord shall replace the HVAC System as and when needed at its expense.

CO-TENANCY

Wal-Mart or suitable replacement tenant (meaning a tenant which operates at least 15 stores under a single trade name in at least three contiguous states) must be open and operating. If not, **Tenant can pay the lesser of 1% of gross sales or 50% of Base Rent.** If the co-tenant violation persists for six months, Tenant has the ongoing right to terminate the lease provided 30 days notice.

RIGHT OF FIRST REFUSAL

If Landlord receives a bona fide offer to purchase the Premises that the Landlord intends to accept, then **Tenant will exercise its right to purchase within 10 business days** after Tenant's receipt of Landlord's notice.

INVESTMENT OVERVIEW

SECTION 2



INVESTMENT OVERVIEW

INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- Build to Suit Dollar Tree in 2018 | **Zero Deferred Maintenance**
- Original 7 Year Lease | **Over 5.75+ Year Remaining**
- Perfectly Positioned **next to Walmart**
- Dollar Tree (NASDAQ: "DTR") | **S&P Rated BBB-**
- Modified NNN Lease | **Tenant Reimburses for All Expenses** Including CAM, Taxes, Insurance & Admin Fee
- **Several Retail Traffic Drivers** | Walmart, Coburn's, O'Reilly Auto Parts, McDonald's, Hardee's, among Others
- Four, Five-Year Options with **Rent Increases in Each Option**
- Interstate Access | **I-94 (24,700 VPD)**

INVESTMENT WRITE-UP

Marcus and Millichap is pleased to present for your acquisition review the Dollar Tree in Sauk Centre, Minnesota.

The 8,600 square foot Dollar Tree is positioned on .92 acres and sits in close proximity to Walmart and Coburn's. The next closest Walmart Supercenter is 24 miles away. Other national retail traffic drivers include McDonald's, Hardee's, and O'Reilly Auto Parts among many others.

The Dollar Tree was built in 2018, providing assurance of no deferred maintenance for a future landlord. The lease is considered triple net, with the tenant reimbursing for all common area maintenance, insurance, real estate taxes and administration expenses. There are scheduled rent increases in each of the four renewal options. Dollar Tree signed an original seven year lease. Currently there are over 5.75+ years of term remaining giving an incoming investor ease of mind and higher yield with a tenant credit rated by S&P 500 as BBB-.

Dollar Tree benefits from a lack of dollar store competition in the market, as well as its interstate access location to I-94 where there are over 24,000 vehicles per day.

Dollar Tree was founded in 1986 and in 34 years has grown to more than 15,115 locations across 48 states. The company is publicly traded on the NASDAQ under the ticker "DLTR".

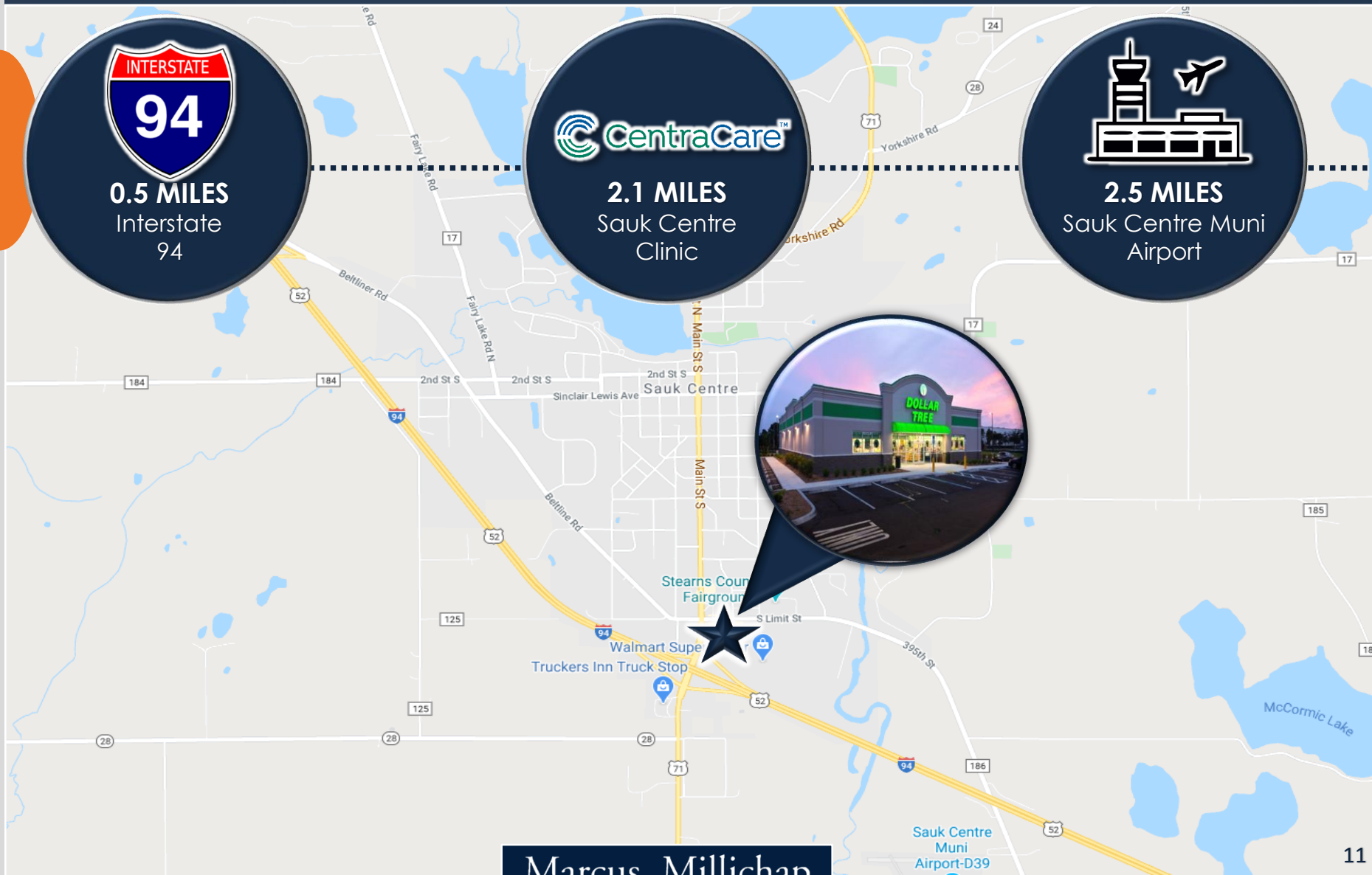
MARKET AERIAL

SECTION 2



LOCAL MAP

SECTION 2



REGIONAL MAP

SECTION 2



MARKET
OVERVIEW

SECTION 3



MARKET
OVERVIEW

MARKET OVERVIEW



Population

In 2019, the population in your selected geography is 6,047. The population has changed by 11.16% since 2000. It is estimated that the population in your area will be 6,366.00 five years from now, which represents a change of 5.28% from the current year. The current population is 48.33% male and 51.67% female. The median age of the population in your area is 40.61, compare this to the US average which is 37.95. The population density in your area is 76.77 people per square mile.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 94.77% White, 1.22% Black, 0.01% Native American and 0.24% 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 5.45% of the current year population in your selected area. Compare this to the US average of 18.01%.



Employment

In 2019, there are 3,731 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 51.65% of employees are employed in white-collar occupations in this geography, and 48.31% are employed in blue-collar occupations. In 2019, unemployment in this area is 4.16%. In 2000, the average time traveled to work was 20.00 minutes.



Households

There are currently 2,462 households in your selected geography. The number of households has changed by 16.41% since 2000. It is estimated that the number of households in your area will be 2,621 five years from now, which represents a change of 6.46% from the current year. The average household size in your area is 2.40 persons.



Income

In 2019, the median household income for your selected geography is \$49,581, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 31.90% since 2000. It is estimated that the median household income in your area will be \$55,723 five years from now, which represents a change of 12.39% from the current year.

The current year per capita income in your area is \$27,437, compare this to the US average, which is \$32,356. The current year average household income in your area is \$66,888, compare this to the US average which is \$84,609.

MARKET OVERVIEW

POPULATION	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Population	2,147	5,373	6,366
■ 2018 Estimate			
Total Population	2,087	5,113	6,047
■ 2010 Census			
Total Population	2,063	5,045	5,952
■ 2000 Census			
Total Population	1,997	4,640	5,440
■ Current Daytime Population			
2018 Estimate	4,166	6,835	7,460
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Households	928	2,267	2,621
■ 2018 Estimate			
Total Households	894	2,135	2,462
Average (Mean) Household Size	2.30	2.35	2.40
■ 2010 Census			
Total Households	885	2,108	2,426
■ 2000 Census			
Total Households	828	1,855	2,115
■ Occupied Units			
2023 Projection	928	2,267	2,621
2018 Estimate	939	2,312	2,686
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2018 Estimate			
\$150,000 or More	4.26%	4.89%	5.22%
\$100,000 - \$149,000	6.37%	8.66%	9.07%
\$75,000 - \$99,999	10.43%	13.10%	13.48%
\$50,000 - \$74,999	25.65%	21.95%	21.81%
\$35,000 - \$49,999	18.66%	16.17%	15.86%
Average Household Income	\$63,356	\$65,431	\$66,888
Median Household Income	\$47,149	\$48,683	\$49,581
Per Capita Income	\$27,208	\$27,543	\$27,437

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$58,527	\$62,743	\$64,029
■ Consumer Expenditure Top 10 Categories			
Housing	\$14,679	\$15,690	\$16,046
Transportation	\$9,474	\$10,037	\$10,325
Shelter	\$8,594	\$9,181	\$9,381
Food	\$5,342	\$5,621	\$5,752
Personal Insurance and Pensions	\$4,611	\$4,750	\$4,595
Health Care	\$4,563	\$5,054	\$5,293
Utilities	\$4,518	\$4,888	\$4,974
Entertainment	\$3,137	\$3,293	\$3,358
Cash Contributions	\$2,415	\$2,677	\$2,774
Apparel	\$1,373	\$1,505	\$1,552
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2018 Estimate Total Population	2,087	5,113	6,047
Under 20	26.34%	26.53%	26.87%
20 to 34 Years	21.24%	18.18%	17.63%
35 to 39 Years	4.13%	4.76%	4.88%
40 to 49 Years	10.45%	10.30%	10.47%
50 to 64 Years	18.91%	18.93%	19.21%
Age 65+	18.93%	21.32%	20.91%
Median Age	37.90	40.55	40.61
■ Population 25+ by Education Level			
2018 Estimate Population Age 25+	1,372	3,434	4,050
Elementary (0-8)	4.83%	6.12%	6.21%
Some High School (9-11)	4.56%	4.13%	4.14%
High School Graduate (12)	36.76%	36.65%	36.78%
Some College (13-15)	25.91%	23.07%	22.95%
Associate Degree Only	13.79%	12.80%	12.83%
Bachelors Degree Only	11.74%	12.75%	12.49%
Graduate Degree	2.14%	4.16%	4.27%

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DOLLAR TREE | SAUK CENTRE, MN

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EXCLUSIVE OFFERING

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