

FAMILY DOLLAR


1343 10TH STREET, ZAPATA, TEXAS



OFFERING MEMORANDUM

Marcus & Millichap



 **ZAPATA NORTH
ELEMENTARY SCHOOL**
(600 STUDENTS)

 **ZAPATA MIDDLE SCHOOL**
(770 STUDENTS)

 **ZAPATA HIGH SCHOOL**
(920 STUDENTS)



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Executive Summary

1343 10th Street, Zapata, TX 78076

FINANCIAL SUMMARY

Price	\$1,347,500
Cap Rate	7.10%
Building Size	9,180 SF
Net Cash Flow	7.10% \$95,670
Year Built	2019
Land Size	.80 Acres

LEASE SUMMARY

Lease Type	Double-Net (NN) Lease
Tenant	Family Dollar
Lease Guarantor	Family Dollar Stores, Inc.
Roof & Structure	Landlord Responsible
Rent Commencement Date	December 15, 2019
Lease Expiration Date	June 30, 2030
Lease Term Remaining	10 Years
Rental Increases	5% in Each Option
Renewal Options	6, 5 Year Options

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
Current - 6/30/2030	\$95,670.00	7.10%
Lease Years	Annual Rent	Cap Rate
Option 1	\$100,453.50	7.45%
Option 2	\$105,476.18	7.83%
Option 3	\$110,749.98	8.22%
Option 4	\$116,287.48	8.63%
Option 5	\$122,101.86	9.06%
Option 6	\$128,206.95	9.51%

Base Rent	\$95,670
Net Operating Income	\$95,670
Total Return	7.10% \$95,670





Rex Tortilla
Factory



9,680 CPD
W 13TH AVE





 **ZAPATA HIGH SCHOOL**
(920 STUDENTS)

**Rainbow
Upholstery**

Grab & Go

**Diana's
Restaurant**

**Temo's
Tire Center**

DOLLAR GENERAL

FAMILY DOLLAR

10TH STREET

9,680 CPD
W 13TH AVE

Property Description



INVESTMENT HIGHLIGHTS

- » **New 10-Year Corporate Guaranteed Lease**
- » 5% Rental Increases Each 5 Year Option Period
- » **13,255 Residents within a 5-Mile Radius - Growing Zapata Trade Area**
- » Population and Households Projected to Increase 15%+ in the Immediate Area Over the Next Five Years
- » **Located Along West 13th Avenue (Highway 16), the Main Corridor Through the City**
- » Across the Street from the Newly Developed Tractor Supply Co.
- » **Down the Road from Zapata High School, Zapata Middle School, and Zapata North Elementary School (Nearly 3,000 Total Students)**
- » Large Lot (.8 Acres) at the Corner of West 13th Avenue and 10th Street, with Three Points of Access



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2024 Projection	7,373	11,559	14,094
2019 Estimate	6,427	10,641	13,255
Growth 2019 – 2024	14.72%	8.63%	6.33%

Households

2024 Projection	1,991	3,328	4,218
2019 Estimate	1,727	3,073	3,969
Growth 2019 – 2024	15.24%	8.32%	6.28%

Income

2019 Est. Average Household Income	\$45,774	\$50,976	\$53,167
2019 Est. Median Household Income	\$30,588	\$35,711	\$36,915
2019 Est. Per Capita Income	\$12,323	\$14,753	\$15,948



Tenant Overview



Chesapeake, Virginia

Headquarters

Dollar Tree

Parent Company

8,000+

Locations

familydollar.com

Website

As one of the nation's fastest growing retailers, Family Dollar offers a compelling assortment of merchandise for the whole family, ranging from household cleaners to name brand foods, from health and beauty aids to toys, from apparel for every age to home fashions, all for everyday low prices. While shoppers can find many items at \$1 or less, most items in the store are priced below \$10, which makes shopping fun without stretching the family budget.

The relatively small footprint of many Family Dollar stores 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 buildings, all convenient to the Company's customer base.

In 2015, Dollar Tree acquired Family Dollar. Headquartered in Chesapeake, Virginia, Dollar Tree is the largest and most successful single price-point retailer in North America, operating thousands of stores across 48 contiguous U.S. states and five Canadian provinces. Dollar Tree's strategic rationale behind the Family Dollar acquisition include creating a leading discount retailer in North America, targeting a broader range of customers and geographies, leveraging complementary merchandise expertise, generating significant synergy opportunities, and enhancing financial performance and improved growth



Location Overview



Zapata is a census-designated place (CDP) in and the county seat of Zapata County, Texas. The town's estimated population is just over 5,000 people. The leading industries in Zapata County are education, health and social services, natural gas and oil, and retail trade. The County's present economy is centered on oil and gas production, ranching, trading, and services, and tourism. Zapata is conveniently located just south of Laredo, Texas.

Laredo sits on the north bank of the Rio Grande in South Texas, bordering the Mexican city of Nuevo Laredo. Founded in 1755, Laredo grew from a small village to the capital of the brief Republic of the Rio Grande to the largest inland port on the Mexico-United States border. Laredo's economy is based on international trade with Mexico. The city has an approximate population of 236,100, making

it the tenth-most populous city in the state and the third-most populated on the Mexico-United States border, after San Diego, California and El Paso, Texas.

At the southernmost end of I-35 and connecting with Mexico's Highway 85, Laredo is an ideal distribution and crossing point for major markets in Mexico as well as the northeast and midwestern United States. The city features four bustling international bridges, three modern hospitals, a constantly-evolving university (Texas A&M International University), and an expanding system of infrastructure. Laredo's main street, San Bernardo Avenue, boasts a large collection of authentic merchandise along 40-plus city blocks. The streets of downtown are also home to historic architecture, museums, and the Villa de San Agustin Historic District.



11-2-2015

Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

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Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

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CONFIDENTIALITY AGREEMENT

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or

entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

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