



OFFERING MEMORANDUM



2350 BRIDGEWATER PARKWAY • NORTHFIELD, MN 55057

**CBRE**

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# INVESTMENT SUMMARY

## DOLLAR TREE | NORTHFIELD, MN

### PRICE

**\$1,378,000**

**8.00% CAP Rate**

### ADDRESS

2350 Bridgewater Parkway  
Northfield, MN 55057

### APN

22.11.4.30.002

### NET OPERATING INCOME

\$110,250

### BUILDING/LOT SIZE

9,000 SF/1.16 Acres

### YEAR BUILT

2015

### LEASE EXPIRATION

1/31/2024

### OPTIONS

Two 5-Year

### TYPE OF OWNERSHIP

Fee Simple

### SUMMARY



#### Ranked #131 on Fortune 500

Dollar Tree, Inc. is an American chain of discount variety stores, operating over 15,000 locations across the country. The dollar store segment has proved **resilient in both good and bad economic retail environments**, expanding at rapid rates even as other stores have closed; unique challenges posed by the COVID-19 pandemic are being met by this segment's value proposition, particularly in rural locations with limited retail options.



#### Leading Discount Retailer Chain in the Country

In 2015, Dollar Tree acquired rival Family Dollar for \$8.5B. The transaction, along with continued store expansions, has led to Dollar Tree being recognized as one of the leading discount retailers in the United States.



#### Excellent Location Near Area Grocers and Multifamily Housing

The Property sits across the street from **both Target and Cub Foods**, providing steady customer traffic to the immediate area from Northfield and the surrounding communities. Timberfield Apartments, a new 62-unit apartment complex, is under construction immediately behind Target.



#### College Town, Filled with One of Dollar Tree's Target Demographics

Northfield is home to both **St. Olaf** and **Carleton Colleges**. Together they enroll roughly 5,000 undergraduate students and employ over 1,500 people. Their presence is a significant contribution to the city's economic and cultural vibrancy. Often dealing with tight budgets, **college students turn to dollar stores** for dorm room and college necessities.



#### Just 20 Miles from the Twin Cities

Situated only twenty miles (an approximately **45 minute drive**) from the Twin Cities metro, **Northfield provides a small-town** lifestyle while remaining accessible to the amenities offered by a major MSA. This lifestyle choice has grown in popularity in tandem with the rise of **remote employment**, offering employees greater flexibility in where they live.



#### "Best Small Town" Award Winner

Northfield has been **ranked as a "Best Small City"** on multiple occasions over the last ten years and the city has maintained steady growth over the last 50 years, averaging 18% per decade.

**Text that Looks Like This is Clickable!**





# TENANT SUMMARY

## DOLLAR TREE | NORTHFIELD, MN



**“EVERYTHING YOU NEED FOR EVERY DAY, EVERY HOLIDAY, EVERY OCCASION... AND EVERY SINGLE ITEM IS ONLY \$1 (OR LESS)!”**

Competing in the dollar store and lower-end retail markets, each Dollar Tree store stocks a variety of products including national, regional, and private-label brands. Departments found in Dollar Tree stores encompass a wide variety of goods, including health and beauty, stationery, teaching supplies, pet supplies, and more. Most stores also offer grocery options such as frozen foods and dairy items.

“Dollar General and Dollar Tree are pushing forward with aggressive store expansions, including a focus on food and consumables,” [reports Supermarket News](#), “as coronavirus-related shopping behavior contributed to strong sales gains for both dollar chains in the second quarter.”

The dollar store segment has proved resilient in both good and bad economic retail environments, expanding at rapid rates even as other stores have closed. Their [unique value proposition has created a competitive advantage](#) which has sustained the segment during COVID-19.

[“Dollar Tree to hire over 25,000 employees nationwide”](#) - Fox Business, October 2020

[“Dollar General, Dollar Tree stay on expansion track”](#) - Supermarket News, August 2020

[“Dollar Stores thriving in COVID environment”](#) - Globest.com, September 2020



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# INVESTMENT SUMMARY

## DOLLAR TREE | NORTHFIELD, MN

### TENANT SUMMARY

<b>Ownership</b>	Public (NASDAQ: DLTR)
<b>Sales Volume</b>	\$23.61 Billion (2020)
<b>Lease Guarantor</b>	Corporate (Family Dollar Stores, Inc.)
<b>Credit Rating</b>	"BBB-" (Standard & Poor's)
<b>No. of Locations</b>	15,000+
<b>Headquartered</b>	Chesapeake, VA

### RENT SCHEDULE

Lease Term	Date Start	Date End	Annual Rent	Per SF
Current	2/1/2021	1/31/2024	\$76,500.00	\$8.50
Underwritten	2/1/2021	1/31/2024	* \$110,250.00	\$12.25
Option 1	2/1/2024	1/31/2029	\$110,250.00	\$12.25
Option 2	2/1/2029	1/31/2034	\$114,750.00	\$12.75

\* Landlord will provide a credit equalling the delta between the current rent and the first option rent beginning 2/1/2024.

### EXPENSES SUMMARY

<b>Real Estate Tax</b>	Tenant is responsible, Landlord pays and is reimbursed monthly by Tenant.
<b>Property Insurance</b>	Tenant is responsible, Landlord pays and is reimbursed monthly by Tenant.
<b>Utilities</b>	Tenant is responsible and pays direct.
<b>Roof &amp; Structure</b>	Landlord is responsible.
<b>Parking Lot</b>	Tenant responsible for routine maintenance, Landlord is responsible for replacement.
<b>HVAC</b>	Landlord is responsible for repair and replacement. Tenant maintains routine maintenance contract.
<b>Repairs &amp; Maintenance (CAM)</b>	Tenant is responsible.

### LEASE SUMMARY

<b>Tenant</b>	Dollar Tree Stores, Inc.
<b>Tenant Trade Name</b>	Dollar Tree
<b>Lease Commencement</b>	3/13/2015
<b>Rent Commencement</b>	10/30/2015
<b>Lease Expiration</b>	1/31/2024
<b>Renewal Options</b>	2-5 Year
<b>Notice For Options</b>	6- months prior notice.
<b>Co-Tenancy</b>	Target or a suitable replacement tenant occupying at least 100% of the shopping center located at 2323 Highway 3 S, Northfield MN 55057. Suitable replacement tenant shall mean a national retail tenant or regional retail tenant which sell goods or services of similar quality and character as those sold by Target. Such tenant shall operate at least 15 shores under a single trade name in a least 3 contiguous state.
<b>Estoppel Request Time</b>	30 days after receipt.
<b>Website</b>	<a href="http://www.dollartree.com">www.dollartree.com</a>

You are solely responsible for independently verifying the information in this Memorandum. ANY RELIANCE ON IT IS SOLELY AT YOUR OWN RISK



# PROPERTY PHOTO

DOLLAR TREE | NORTHFIELD, MN





# PROPERTY PHOTOS

DOLLAR TREE | NORTHFIELD, MN





# AERIAL

DOLLAR TREE | NORTHFIELD, MN

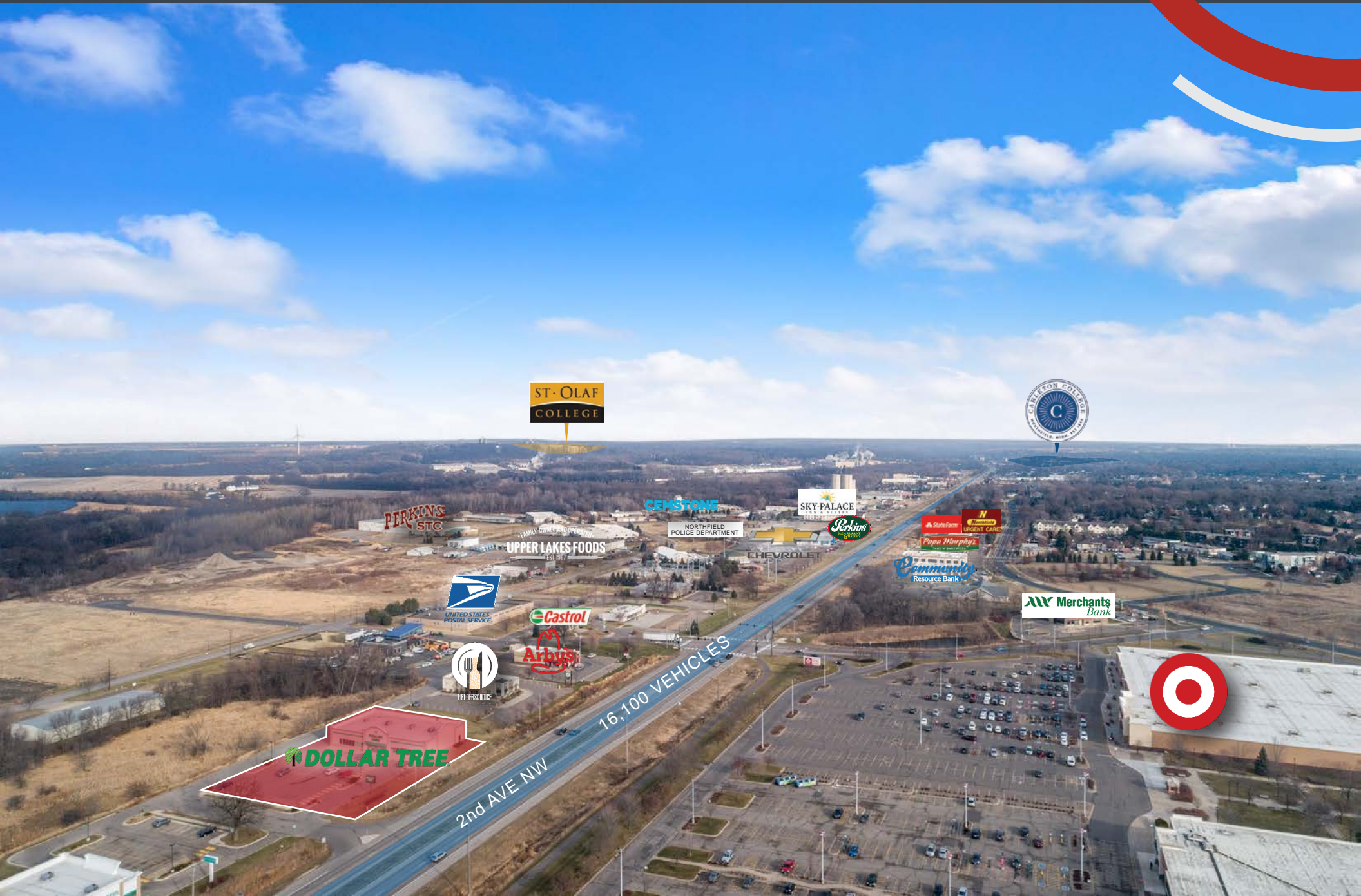


Google



# AERIAL - NORTHWEST FACING

DOLLAR TREE | NORTHFIELD, MN





# AERIAL - SOUTH FACING

DOLLAR TREE | NORTHFIELD, MN





# AERIAL - EAST FACING

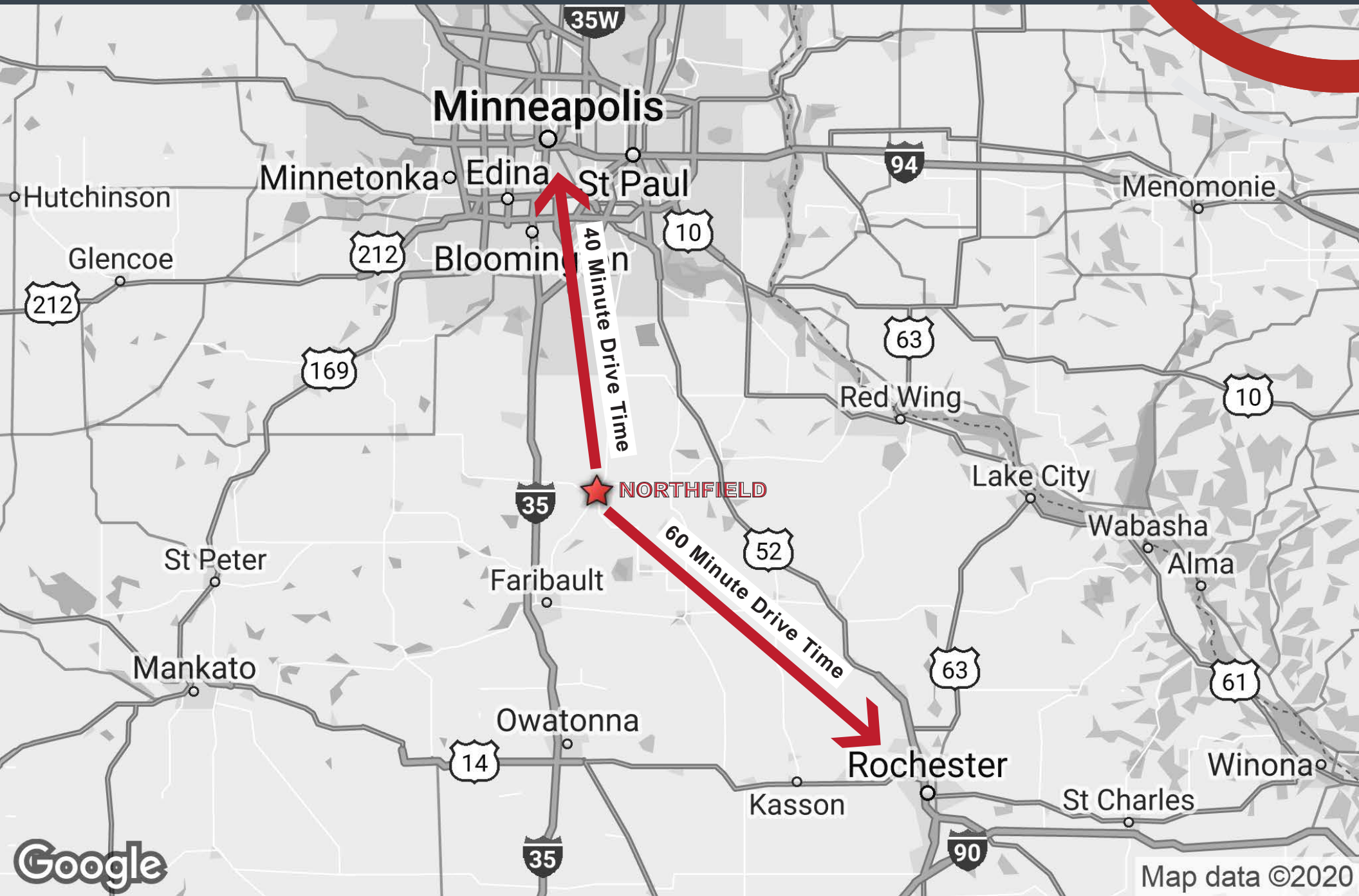
DOLLAR TREE | NORTHFIELD, MN





# CLOSE TO MAJOR MINNESOTA METROS

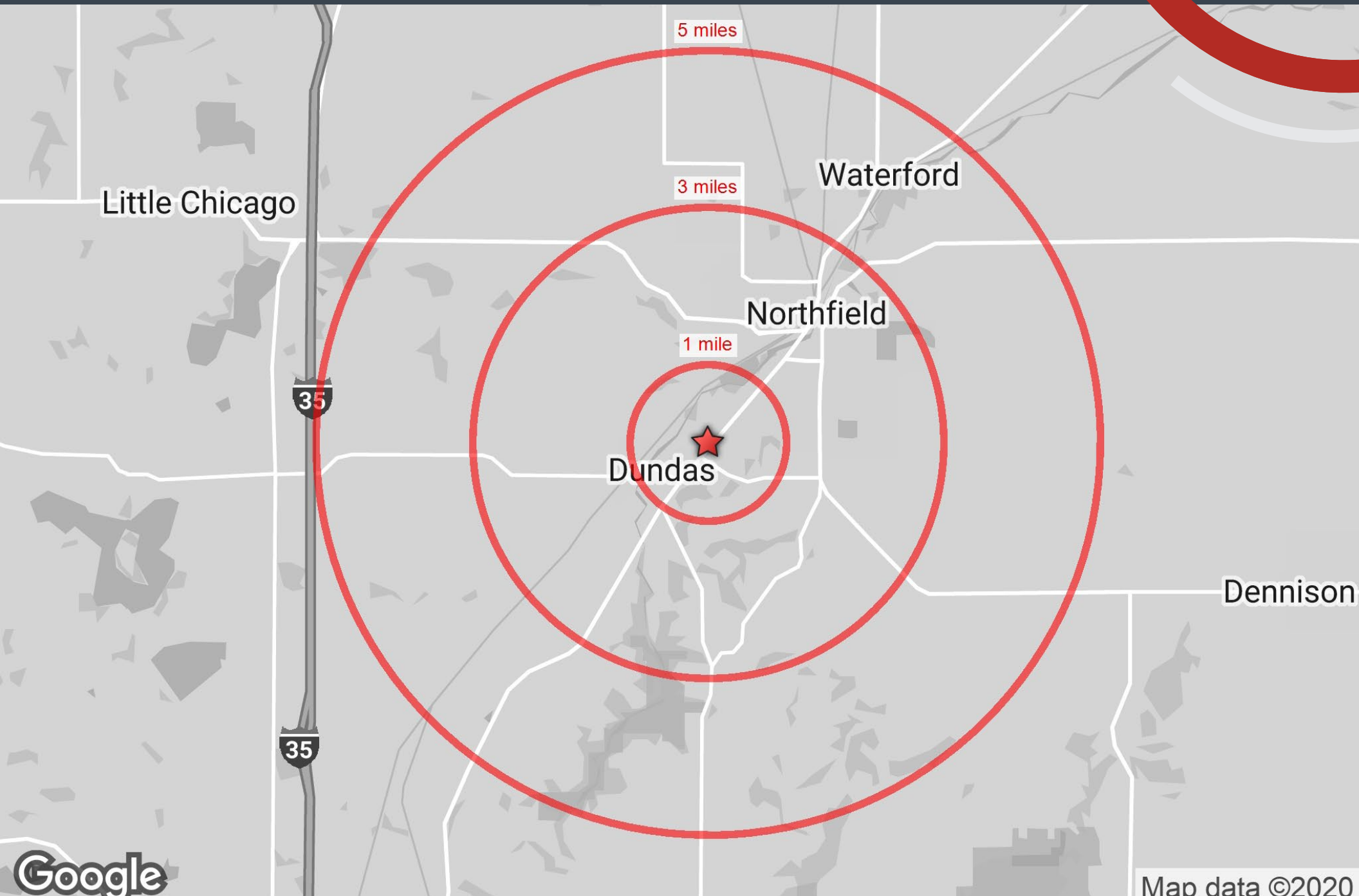
DOLLAR TREE | NORTHFIELD, MN





# DEMOGRAPHICS

DOLLAR TREE | NORTHFIELD, MN



# DEMOGRAPHICS

## DOLLAR TREE | NORTHFIELD, MN

	1 MILE	3 MILES	5 MILES
POPULATION			
2020 Population - Current Year Estimate	3,770	23,452	25,448
2025 Population - Five Year Projection	3,898	24,092	26,189
2020 - 2025 Projected Annual Population Growth Rate	0.67%	0.54%	0.58%
GENERATIONS			
Generation Z (Born 1999-2016)	22.9%	34.8%	33.8%
Millennials (Born 1981-1998)	25.7%	21.1%	21.0%
Generation X (Born 1965-1980)	19.8%	15.6%	16.0%
Baby Boomers (Born 1946-1964)	20.9%	17.5%	18.3%
HOUSEHOLD INCOME			
2020 Average Household Income	\$80,984	\$85,779	\$89,037
2025 Average Household Income	\$87,351	\$92,574	\$96,408
EDUCATION			
High School Diploma	19.9%	17.6%	17.9%
Some College - No Degree	19.1%	19.1%	19.2%
Associate`s Degree	13.3%	10.7%	10.9%
Bachelor`s Degree	25.0%	25.5%	25.6%
Graduate or Professional Degree	15.4%	20.4%	19.9%
DAYTIME POPULATION			
Daytime Workers	2,318	12,928	13,845
Daytime Residents	1,793	11,308	12,317



# CONSUMER BASE - 5 MILE RADIUS

## DOLLAR TREE | NORTHFIELD, MN

### DOMINANT LIFE SEGMENT

**24.2%** IN STYLE

- Urbane lifestyle that includes support of the arts, travel, and extensive reading
- Connected and make full use of the advantages of mobile devices
- Professional couples or single households without children
- Attentive to price, they use coupons, especially mobile coupons
- Meticulous planners, both well insured and well invested in retirement savings
- Generous support of various charities and causes

### DOMINANT LIFEMODE GROUP

**31.1%** GEN X URBAN

- Gen X in the middle age; families with fewer kids and a mortgage
- Own older single-family homes in urban areas with 1 or 2 vehicles
- Live and work in the same county
- Invest, wisely, well-insured, comfortable banking online or in person
- Enjoy reading, dining out, renting movies, walking for exercise

### DOMINANT URBANIZATION GROUP

**34.7%** METRO CITIES

- Affordable city life including smaller metropolitan cities that feature a mix of single family and multiunit housing
- Consumers include college students, affluent Gen X couples, and retirement communities
- Residents share an interest in city life and its amenities

### OTHER TOP SEGMENTS

**16.2%** GREEN ACRES

- Country living and self-reliance
- Older market, primarily married couples, most with no children
- Cautious consumers with a focus on quality and durability
- Homeowners favor DIY home improvement projects and gardening
- Avid do-it-yourselfers, maintaining and remodeling their homes with all the necessary power tools to accomplish the job
- Self-described conservatives

**15.8%** SOCCER MOMS

- Affluent, family-oriented market with a country flavor
- Life in this suburban wilderness offsets the hectic pace of two working parents with growing children
- Favor time-savings devices and family-oriented pursuits
- Connected with a host of wireless devices
- Carry a higher level of debt
- Family-oriented purchases and activities dominate

# MARKET SUMMARY

## DOLLAR TREE | NORTHFIELD, MN

### BUCOLIC COLLEGE TOWN

An early agricultural center with many wheat and corn farms, the city also boasted numerous lumber and flour mills powered by the Cannon River. Today, Northfield's economy remains strongly rooted in corn and soybean crops, as well as pork farms.

The city is also home to Carleton College and St. Olaf College. Over five thousand students attend these two private colleges. Northfield is located just forty-five minutes to the south of the Twin Cities, linked directly via both Interstate 35 and Highway 52. The city has enjoyed many accolades including one of the state's safest cities, a top city for college students, and more.

- [www.co.rice.mn.us](http://www.co.rice.mn.us); [www.ci.northfield.mn.us](http://www.ci.northfield.mn.us)

### NORTHFIELD POPULATION

<b>20,968 Citizens</b>	<b>2020 Population Estimate</b>
<b>29 Years Old</b>	<b>2020 Median Age</b>
<b>\$64,772</b>	<b>2020 Average Disposable Income</b>

### MAJOR AREA EMPLOYERS

Carleton College

St. Olaf College

**Northfield Hospital**

**Post Consumer Brands**

**Allina Health Care/District One Hospital**

**Jennie-O Turkey Store**



City Of  
**Northfield**  
Minnesota



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