

# FAMILY DOLLAR

2305 W Michigan Street | Indianapolis, IN 46222



OFFERING MEMORANDUM

**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES

## LISTED BY

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## INVESTMENT HIGHLIGHTS

- 12-Years remaining on the base term of an initial 15-Year lease
- 10% rent increase in the base term of the lease (Cap Rate will increase to 6.22% on 4/1/2028)
- 2017 build-to-suit construction for Family Dollar
- Upgraded construction building (no metal sides)
- Extremely rare Absolute NNN lease with zero management responsibilities
- Corporately guaranteed lease
- 3-Mile population of 92,899 residents
- 5-Mile population of 268,602 residents
- Traffic counts on W Michigan Street exceed 16,000 vehicles daily
- The subject property is located in the heart of Indianapolis and is across the street from a Kroger anchored Shopping Center
- Dollar Tree acquired Family Dollar in 2015 and they are considered to be the second-largest discount retailer in the United States with more than 15,000 locations combined
- Family Dollar has thrived through the COVID pandemic with a sharp increase in same-store sales and profitability
- Investment Grade Credit tenant (S&P rated BBB-)



N BELMONT AVE



DICKEY & SON  
MACHINE AND TOOL CO.



ACOUSTIC SUPPLY INC



W MICHIGAN ST  
± 16,000 VPD



N BELMONT AVE



W MICHIGAN ST  
± 16,000 VPD



COMMERCIAL SERVICES



**\$2,126,885**

**LIST PRICE**



**\$120,169**

**NOI**



**5.65%**

**CAP RATE**

## BUILDING INFO

Address	2305 W Michigan Street Indianapolis, IN 46222
GLA	±9,048 SF
Cap Rate	5.65%
Year Built	2017
Lot Size	±56,889 SF (1.31 Acres)

## TENANT SUMMARY

Tenant Trade Name	Family Dollar
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	Absolute NNN
Roof and Structure	Tenant Responsible
Original Lease Term	15 -Years
Lease Commencement Date	10/31/17
Lease Expiration Date	3/31/33
Term Remaining on Lease	12-Years
Increase	10% in Year 11 and Options
Options	Six, 5-Year Options

## ANNUALIZED OPERATING DATA

Lease Years	Monthly Rent	Annual Rent	Cap Rate
Current - 3/31/2028	\$10,014.09	\$120,169.08	5.65%
4/1/2028 - 3/31/2033	\$11,015.50	\$132,186.00	6.22%
Option 1	\$12,117.09	\$145,405.08	6.84%
Option 2	\$13,328.75	\$159,945.00	7.52%
Option 3	\$14,661.67	\$175,940.04	8.27%
Option 4	\$16,127.84	\$193,534.08	9.10%
Option 5	\$17,740.59	\$212,887.08	10.01%
Option 6	\$19,514.67	\$234,176.04	11.01%

Loan quote provided by Matthews™ based on market conditions at this time. Actual rates and terms will vary based on market conditions at closing.

**LTV:** 65.00%  
**Rate:** 3.85%  
**Amortization:** 30

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**FAMILY DOLLAR**

Indianapolis

## TENANT PROFILE

### COMPANY NAME

Dollar Tree, Inc.

### OWNERSHIP

Public

### INDUSTRY

Dollar Stores

### HEADQUARTERS

Chesapeake, VA

### NO. OF EMPLOYEES

±60,000



## A DOLLAR TREE COMPANY

Dollar Tree, Inc. (NASDAQ: DLTR), North America's leading operator of discount variety stores, announced that it would buy Family Dollar for \$8.5 billion. On January 22, 2015, Family Dollar shareholders approved the Dollar Tree bid.

Dollar Tree, a Fortune 500 Company, now operates more than ±15,115 stores across 48 states and five Canadian provinces. Stores operate under the brands of Dollar Tree, Dollar Tree Canada, and Family Dollar.

## FAMILY DOLLAR OVERVIEW

When it comes to getting value for everyday items for the entire family in an easy to shop, neighborhood location, Family Dollar is the best place to go. 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.

## GEOGRAPHIC REACH

Family Dollar serves families in more than 8,000 neighborhoods in 46 states. The Dollar Tree merger with Family Dollar now creates a combined organization with sales exceeding \$23 billion annually with more than 15,115 stores across 48 states and five Canadian Provinces. The merger has allowed Family Dollar to grow offering broader, more compelling merchandise assortments, with greater values, to a wider array of customers.

## STRATEGY

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.



**15,115+**

LOCATIONS



**\$23B**

2019 REVENUE



**1959**

FOUNDED

## INDIANAPOLIS, IN

Indianapolis is the capital and most populated city in Indiana. With a population of over 864,000 residents within the city, it is the economic and cultural center of the Indianapolis MSA and is the 33rd most populated MSA in the nation. The city covers 368 square miles, making it the 16th largest city in the US. The area is known for its one-of-a-kind culture with six distinct culture districts. Indianapolis stays true to its history and savors its historically significant neighborhoods. These districts include Broad Ripple Village, Canal and White River State Park, Fountain Square, Indiana Ave, Mass Ave, and Wholesale. Whether you are looking for sports, arts, dining, or excitement, Indianapolis has something for everyone.

## PROPERTY DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2025 Projection	19,140	97,425	278,438
2020 Estimate	18,071	92,899	268,602
Growth 2020-2025	1.2%	1.0%	0.7%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2025 Projection	6,866	41,126	111,794
2020 Estimate	6,459	39,036	107,651
Growth 2020-2025	1.3%	1.1%	0.8%
INCOME	1-MILE	3-MILE	5-MILE
Avg. Household Income	\$34,487	\$53,430	\$53,370

## ECONOMY

As of 2021, three Fortune 500 companies are headquartered in Indianapolis: Anthem Inc., Eli Lilly, and Simon Property Group. Biotechnology, life science, and healthcare have played a major role in Indianapolis' economy. The North American headquarters for Roche Diagnostics and Dow AgroSciences are located in the city. Eli Lilly and Company have become the largest private employer in the city with over 11,000 workers.

The city is also home to the second-largest FedEx Express hub in the world. Indianapolis' location and extensive highway make the city an important logistics center. Indianapolis International Airport is ranked the sixth busiest U.S. airport by air cargo transport.

The hospitality industry is also an increasingly vital sector for the area. Indianapolis is in its fourth year of record growth, generating \$4.9 billion in the hospitality industry. Convention centers have also brought in profits with the Indiana Convention Center and Lucas Oil Stadium being two of the most popular sites for tourism.





## INDIANAPOLIS TOURISM

Tourism and hospitality are an increasingly vital sector of the Indianapolis economy. The Indiana Convention Center is connected to 12 hotels and 4,700 hotel rooms, the most of any U.S. convention center. Beyond the conventions, there are many other reasons for visitors to visit Indianapolis. The city is home to dozens of annual festivals and events showcasing and celebrating Indianapolis culture. Notable events include the “Month of May” (a series of celebrations leading to the Indianapolis 500), Circle City IN Pride, Indiana Black Expo, Indiana State Fair, and Historic Irvington Halloween Festival.

From the legendary Indianapolis 500 to the Pacers and the Colts, the city offers ample opportunities to view professional and amateur sporting events, take part in athletic events and visit sports museums. At the Indianapolis Motor Speedway and Hall of Fame Museum, you can tour the famous track or visit the museum dedicated to automobiles and auto racing. Other sporty museums include the NCAA Hall of Champions. To get in on some of the action, visitors can head to SportZone which features six acres of indoor athletic facilities the whole family will enjoy.

*BEST PLACES TO GO IN 2021 (CONDE NAST TRAVELER)*

*BEST PLACES TO TRAVEL IN 2021 (TRAVEL + LEISURE)*

*AIRBNB’S TOP DESTINATIONS FOR 2021 (USA TODAY)*



## INDIANA UNIVERSITY-PURDUE UNIVERSITY INDIANAPOLIS (IUPUI)

Located along White River and Fall Creek, Indiana University-Purdue University Indianapolis is a combination of two higher education institutions: Indiana University and Purdue University. IUPUI is a core campus of Indiana University that also offers degrees from Purdue University. Over 29,390 students enrolled at IUPUI in Fall 2020.

The university offers over 550 undergraduate, graduate, and professional programs from Indiana University and Purdue University. Popular areas of study include medicine and law, as both have highly competitive graduate programs. The university has a partnership with IU Health, the largest employer in Indianapolis, which is located near the campus in Downtown Indianapolis. The university also contains the first-ever school of philanthropy in the world. IUPUI is known for its commitment to research and community engagement. In FY 2019-2020, \$630 million in research funding and 2,097 research grants were awarded to the university. The campus contains about 100 research centers, 11 of which are Signature Centers. IUPUI works with more than 700 community organizations through research, service learning, volunteer projects, and experiential learning. The student body spends more than 1,000,000 hours each year engaging with community partners through their courses.



**29,390**  
TOTAL STUDENTS



**550+**  
PROGRAMS OFFERED



**\$630M**  
IN RESEARCH FUNDING  
FOR 2019-2020

# CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Family Dollar** located at **2305 W Michigan Street, Indianapolis, IN 46222** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



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