



Brand New 2024 Construction | Corporate Guarantee (NASDAQ: DLTR) | 8.50% Cap Rate



OFFERING MEMORANDUM

LAKEFIELD, MINNESOTA (OUTSIDE SIOUX FALLS)

Marcus & Millichap
THE SULO GROUP

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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OFFERING SUMMARY

PROPERTY ADDRESS

Family Dollar

103 North Highway 86

Lakefield, MN 56150

OFFERING SUMMARY

Price: \$1,477,000

Cap Rate: 8.50%

Net Operating Income: \$125,475

Building Square Footage: 10,500 Sq Ft

Year Built: 2024

Lot Size: +/- 1.24 Acres

LEASE SUMMARY

Tenant: Family Dollar, LLC

Guaranty: Corporate

Rent Commencement: 7/19/2024

Lease Expiration: 7/31/2034

Lease Term Remaining: 9+ Years

Lease Type: Double Net

Roof and Structure: Landlord Responsible

Rental Increases: \$0.50/SF Every 5 Years in Options

Renewal Options: Five, Five-Year

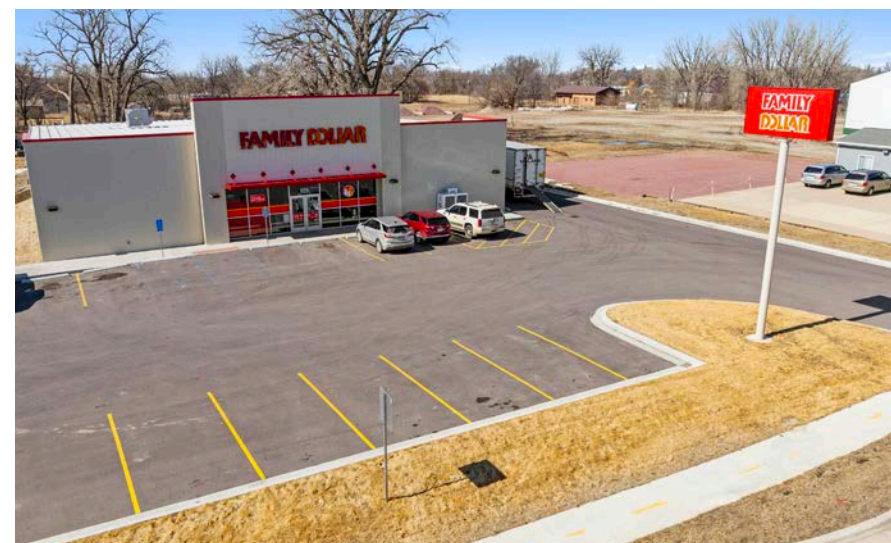
Right of First Refusal: None

OPERATING DATA

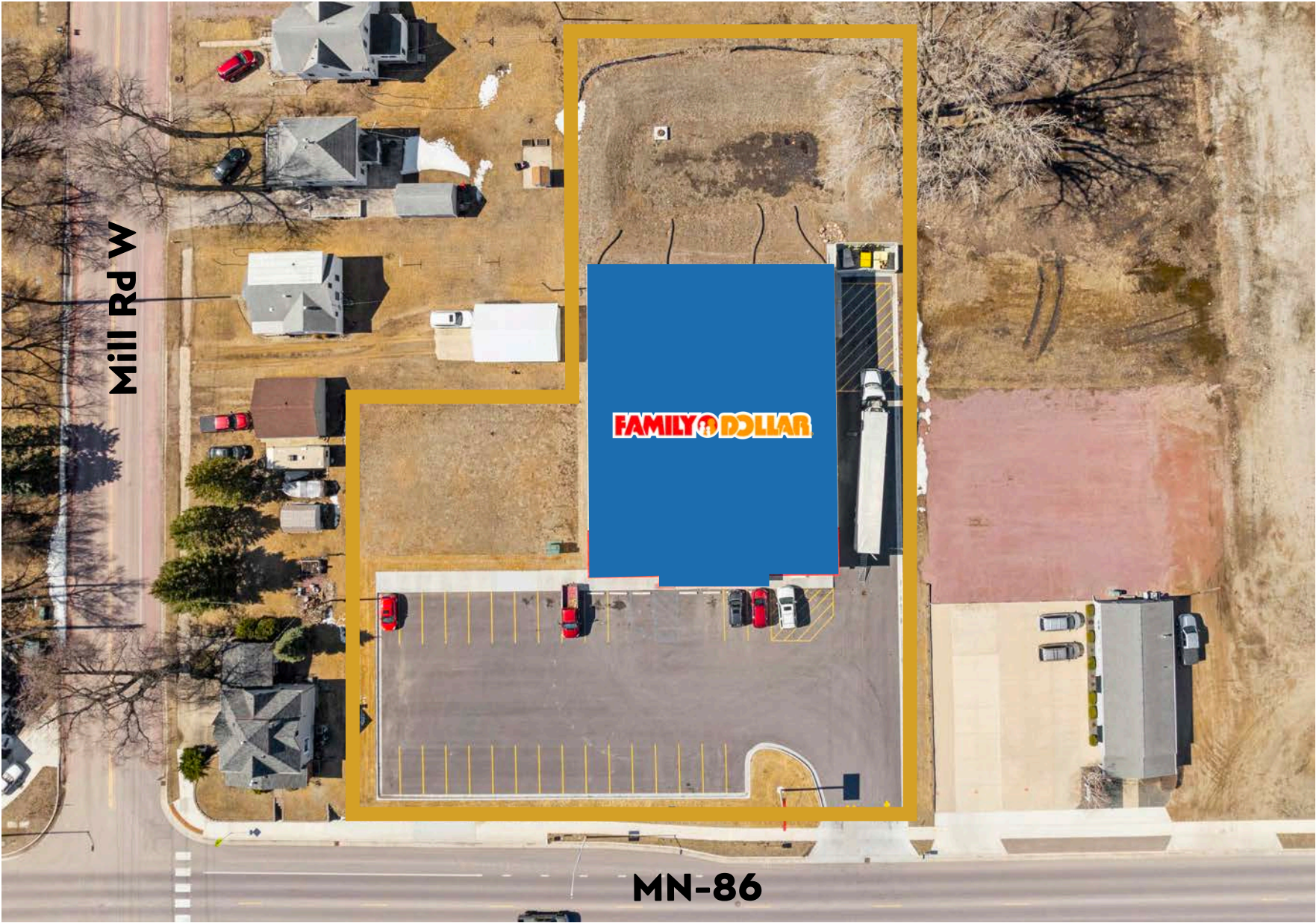
Year	Start Date	End Date	Annual Rent	Cap Rate
1-10	7/19/2024	7/31/2034	\$125,475	8.50%
11-15 (Option 1)	8/1/2034	7/31/2039	\$130,725	8.85%
16-20 (Option 2)	8/1/2039	7/31/2044	\$135,725	9.19%
21-25 (Option 3)	8/1/2044	7/31/2049	\$135,795	9.19%
26-30 (Option 4)	8/1/2049	7/31/2054	\$141,225	9.56%
31-35 (Option 5)	8/1/2054	7/31/2059	\$146,475	9.92%
36-40 (Option 6)	8/1/2059	7/31/2064	\$151,725	10.27%

INVESTMENT HIGHLIGHTS

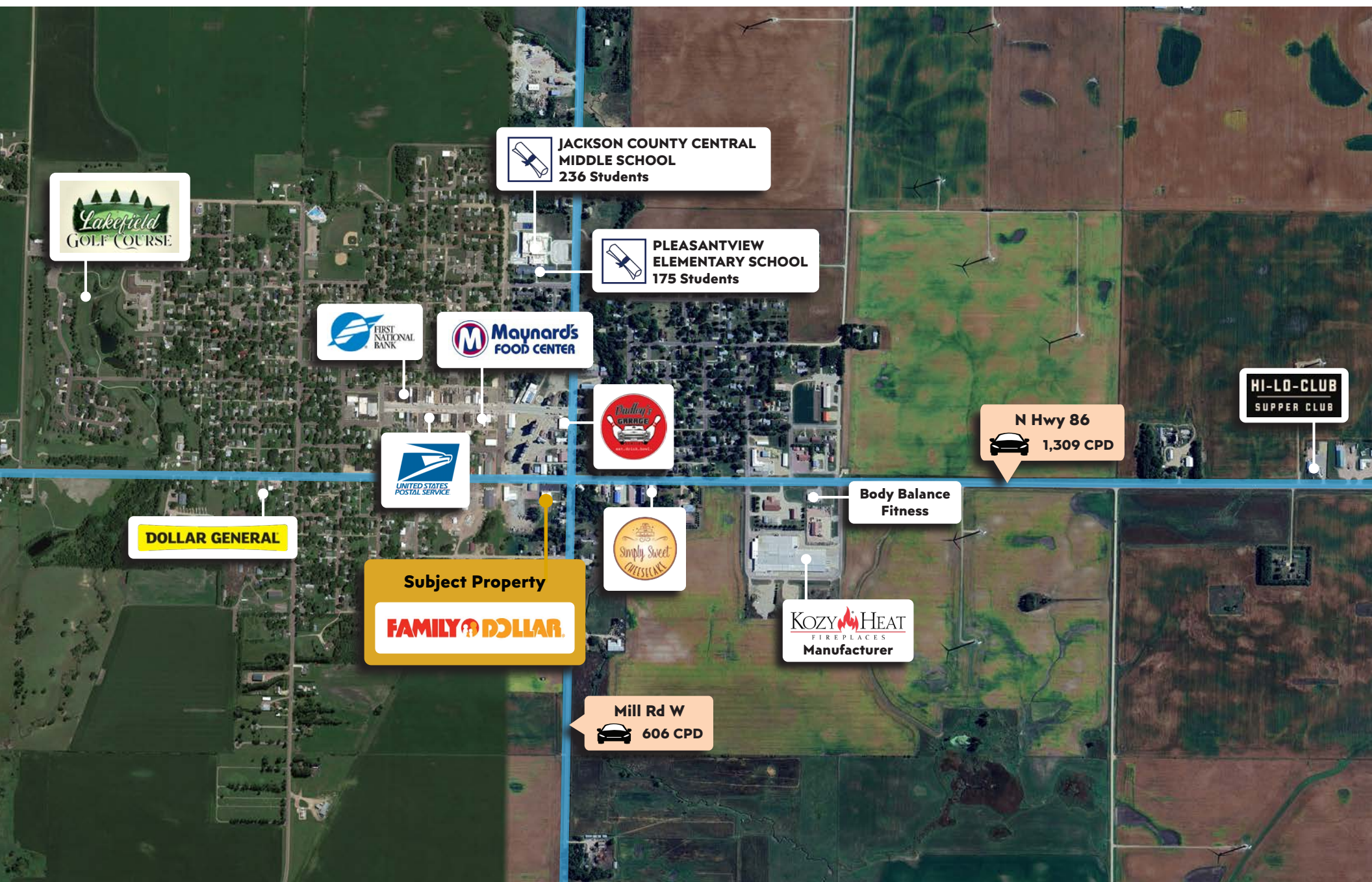
- 2024 Built-to-Suit Construction with Transferrable Roof Warranty**
 - The subject property is brand-new, 2024 construction featuring the latest built-to-suit design for the tenant.
 - The newly built asset also comes with a 20-year roof warranty that is transferrable to a new owner.
 - The property opened for business and rent commenced in July of 2024.
- New, 10-Year Lease**
 - The tenant has entered into a new, 10-year lease with five, five-year options to extend.
 - The lease is Double Net in nature, with the tenant being responsible for parking lot maintenance, HVAC, utilities, insurance and taxes. The landlord is responsible for the roof, structure, and parking lot replacement.
 - Providing a hedge against inflation, the lease also calls for rental increases of \$5,250 (\$.50/sf) in each of the five, five-year options.
- Investment Grade Credit**
 - Dollar Tree/Family Dollar is a publicly traded (NASDAQ: DLTR) Fortune 500 company with an S&P investment grade credit rating of 'BBB'.
 - In 2015, Dollar Tree (NASDAQ: DLTR) acquired Family Dollar in a deal valued at roughly \$9.2 Billion, making them the second-largest discount retailer in the United States with more than 16,000 locations.
 - Dollar Tree/Family Dollar generated \$30.6 Billion in revenue in 2023, which was an 8% increase over 2022 revenue (\$28.33 billion).
 - Dollar Tree has been in business for 70+ years with a current net worth of over \$33 billion.
- Internet-Resistant and Essential Business Model**
 - Family Dollar/Dollar Tree are amongst the few retailers that thrived through the COVID pandemic and witnessed a sharp increase in same-store sales and profitability.
 - Dollar Tree/Family Dollar same-store net sales increased by 5.8% in 2023 and gross profit's increased by 4.3% to \$9.31 Billion. Dollar Tree/Family Dollar continues to expand their footprint nationwide, opening 641 new stores in 2023.
 - The brand also continues to evolve their business model through new offerings such as frozen and refrigerated items in 6,500+ stores and with initiatives like the "More Choices" Program in 3,000+ locations.



SITE PLAN



AERIAL OVERVIEW



TENANT PROFILE

When it comes to delivering quality and value on family essentials in a convenient location, Family Dollar is the place to shop. The stores are conveniently located in neighborhoods, and often in “food deserts” where other stores choose not to locate, providing a convenient, close-to-home option where customers can shop for essentials. By locating stores in places where others won’t, Family Dollar is improving the affordability and availability of essential goods.

The stores focus on delivering top value for family essentials with merchandise that generally ranges from \$1 to \$10. They offer competitively-priced national brands from leading manufacturers alongside brand-name, equivalent-value, lower-priced private labels.

They’re expanding our product offerings on FamilyDollar.com where customers can buy thousands of items. Customers can ship their orders for free to their local store for pick up, or can choose to pay to ship orders directly to their home or business. They are also offering customers same-day local delivery from more than 7,300 store locations. In addition, Family Dollar offers an app that customers can use to join our Smart Coupons® program, view our weekly store ads and lookbooks, and browse our product selection.

They’re expanding their “Combo” store format, bringing the best of Family Dollar and Dollar Tree together under one roof for a convenient shopping experience. They ended fiscal 2023 with approximately 1,200 Combo stores and plan to add hundreds more in the coming years.

Company Type: Wholly Owned Subsidiary of DLTR
Location: Charlotte, North Carolina (8,359+ - YE 2023)
Website: <https://www.familydollar.com/>

**\$30.6
Billion**

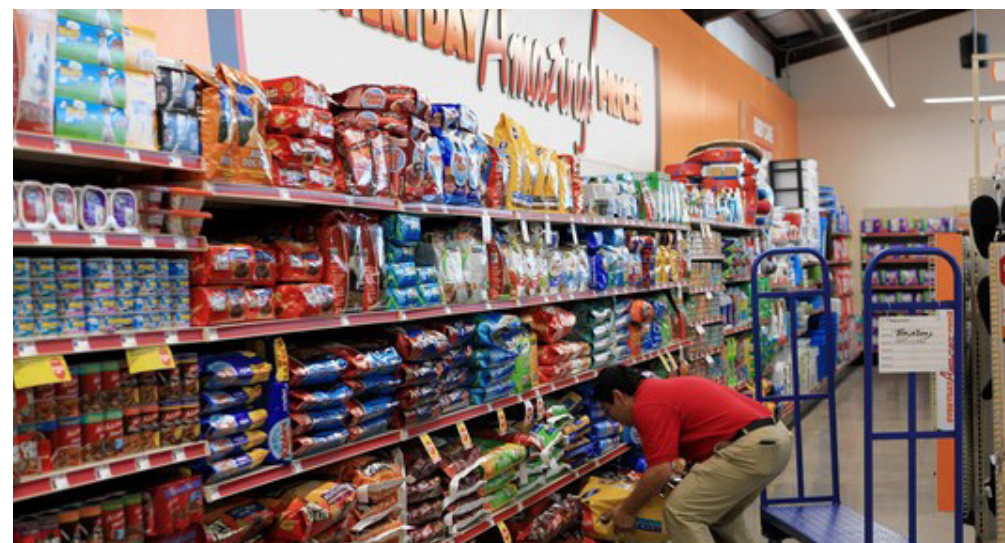
2023 Revenue

**Publicly Traded
Guarantee
(NASDAQ: DLTR)**

Dollar Tree, Inc Guarantee

**16,774+
Locations**

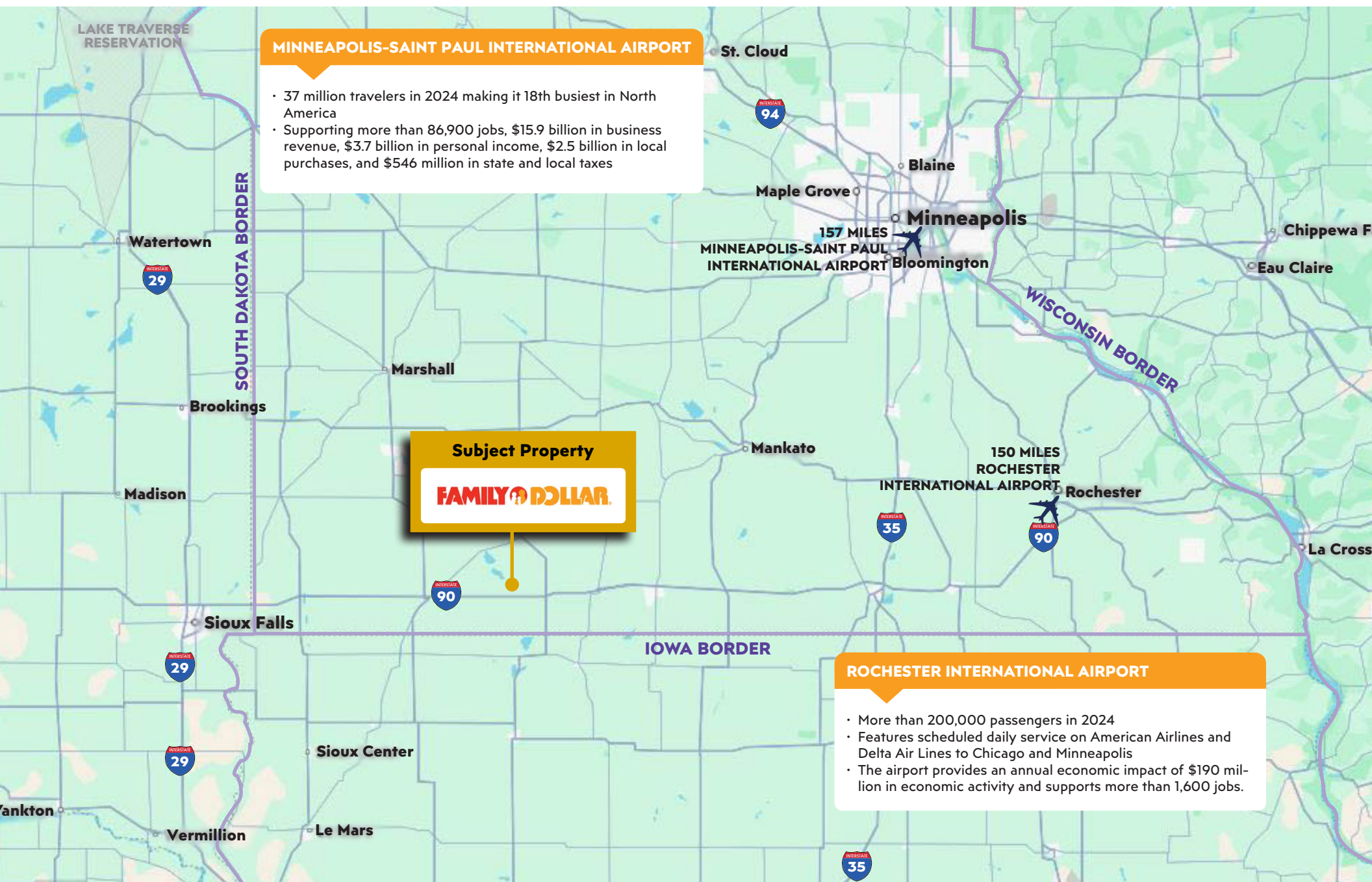
Year End 2023



PROPERTY PHOTOS



REGIONAL MAP



AREA OVERVIEW

LAKEFIELD

- Founded in 1879 when the railroad was completed to that point, the town of Lakefield in Jackson County lies near Heron Lake which got its name from the vast colonies of nesting black-crowned night herons that its first visitors found here over a century ago.
- The 228-acre Kilen Woods State Park just northeast of Lakefield is a bird-watching paradise with over 226 bird species inhabiting the area.
- Lakefield has three city parks sprinkled throughout the town with playground equipment, a shelter house, skateboard facilities, softball and baseball diamonds, a tennis court and a sand volleyball court.
- Lakefield's wonderful aquatic center offers four water slides, waterspouts and a zero-depth pool for little ones.
- Lakefield's residents are proud of their strong business community and invite visitors to enjoy one of their annual celebrations which include Summerfest in June, the Pork Chop Open golf outing in July and their Holiday Fest in November.

SIoux FALLS

- Sioux Falls runs on fun and adventure 24/7. Our never-ending flow of energy and enthusiasm for our many outdoor spaces and indoor adventures makes Sioux Falls a unique experience you won't forget.
- Explore the Kirby Science Discovery Center in the Washington Pavilion, experience the habitat of over 800 free-flying butterflies at the Butterfly House & Aquarium, meet the Great Plains Zoo's hundreds of animals or walk through tall prairie grasses at the Outdoor Campus.
- Sioux Falls has all-season sports events for amateurs, pros, college, and kids. Watch from one of our state-of-the-art stadiums or embrace your own athleticism with many indoor and outdoor sports and recreation offerings around town. Downhill ski at Great Bear Park in the winter, or swim year-round at our indoor and outdoor swimming pools and water parks.
- With over 700 restaurants, Sioux Falls can cater to everyone's taste. Enjoy elegant, eclectic, and ethnic options—or sample regional specialties like hearty Midwestern steaks, gourmet game, or locally grown produce. From award-winning local favorites to casual breweries.
- Sioux Falls is host to a variety of events at locations like Falls Park, downtown, Denny Sanford PREMIER Center, W.H. Lyon Fairgrounds, and more.
- Not only does Sioux Falls offer an exceptional business climate, gorgeous park systems and endless entertainment, it also has one of the most competitive educational environments in the country. From public and private preschools to post-secondary opportunities in technical education, four-year degrees and advanced degrees, the area school systems offer quality education for every learning pathway.



KILEN WOODS STATE PARK



GREAT PLAINS ZOO



JACKSON COUNTY FAIRGROUNDS

DEMOGRAPHICS

POPULATION	10-MILE	15-MILE	20-MILE
2010 Population	6,038	15,608	27,884
2020 Population	5,918	15,495	28,261
2023 Population	5,853	15,232	28,129
2028 Population	5,826	15,187	28,530
HOUSEHOLDS			
2010 Households	2,594	6,802	12,099
2020 Households	2,523	6,574	12,117
2023 Households	2,517	6,570	12,248
2028 Households	2,503	6,548	12,469
OWNER OCCUPIED HOUSING UNITS			
2010 Owner Occupied Housing Units	70.5%	66.8%	59.2%
2020 Owner Occupied Housing Units	69.8%	65.8%	59.5%
2023 Owner Occupied Housing Units	70.3%	66.7%	59.6%
2028 Owner Occupied Housing Units	70.2%	66.5%	59.4%
RENTER OCCUPIED HOUSING UNITS			
2010 Renter Occupied Housing Units	18.8%	20.3%	17.0%
2020 Renter Occupied Housing Units	18.2%	19.8%	16.9%
2023 Renter Occupied Housing Units	17.7%	18.8%	16.6%
2028 Renter Occupied Housing Units	17.6%	18.6%	16.5%
AVERAGE HOUSEHOLD INCOME	\$75,697	\$77,424	\$83,197

AREA SNAPSHOT



5,853
POPULATION (10-MILE)



6,259
DAYTIME POPULATION (10-MILE)



2,517
HOUSEHOLDS (10-MILE)



\$75,697
AVERAGE HOUSEHOLD INCOME (10-MILE)