

# Family Dollar

BROWNSVILLE, TX

## OFFERING MEMORANDUM



Marcus & Millichap  
Real Estate Investment Services

# Family Dollar

BROWNSVILLE, TX

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

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.

**By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.**

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BROWNSVILLE, TX

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**PROPERTY DESCRIPTION**

**Family Dollar**  
BROWNSVILLE, TX

## INVESTMENT OVERVIEW

### Investment Highlights

- High Visibility
- Concrete Parking Lot
- Sturdy Construction
- BBB- Rated Tenant



Marcus & Millichap is pleased to present this free-standing Family Dollar located in Brownsville, Texas. The lease has two and one-half years remaining, with five, five-year options. Each option carries a significant rent increase. The lease is NN with minimal landlord responsibilities. The building is 9,360 square feet, and is situated on 0.35 acres.

Family Dollar, the nation's number two dollar store as far as number of locations (behind Dollar General), targets shopping for families in multiple income brackets. Fast-growing, Family Dollar operates over 8,100 stores in 44 states. There have been 2,100 new stores added in the last five years while 300 new stores were added since last year. In an environment where most retailers are struggling, Family Dollar continues to perform well and post profit in this current economic environment.

The location has great demographics for a discount store, with a large population in the low to middle income brackets in the immediate surrounding area.

### PROPERTY SUMMARY

#### The Offering

Property	Family Dollar
Property Address	4465 Paredes Line Road Brownsville, TX 78526

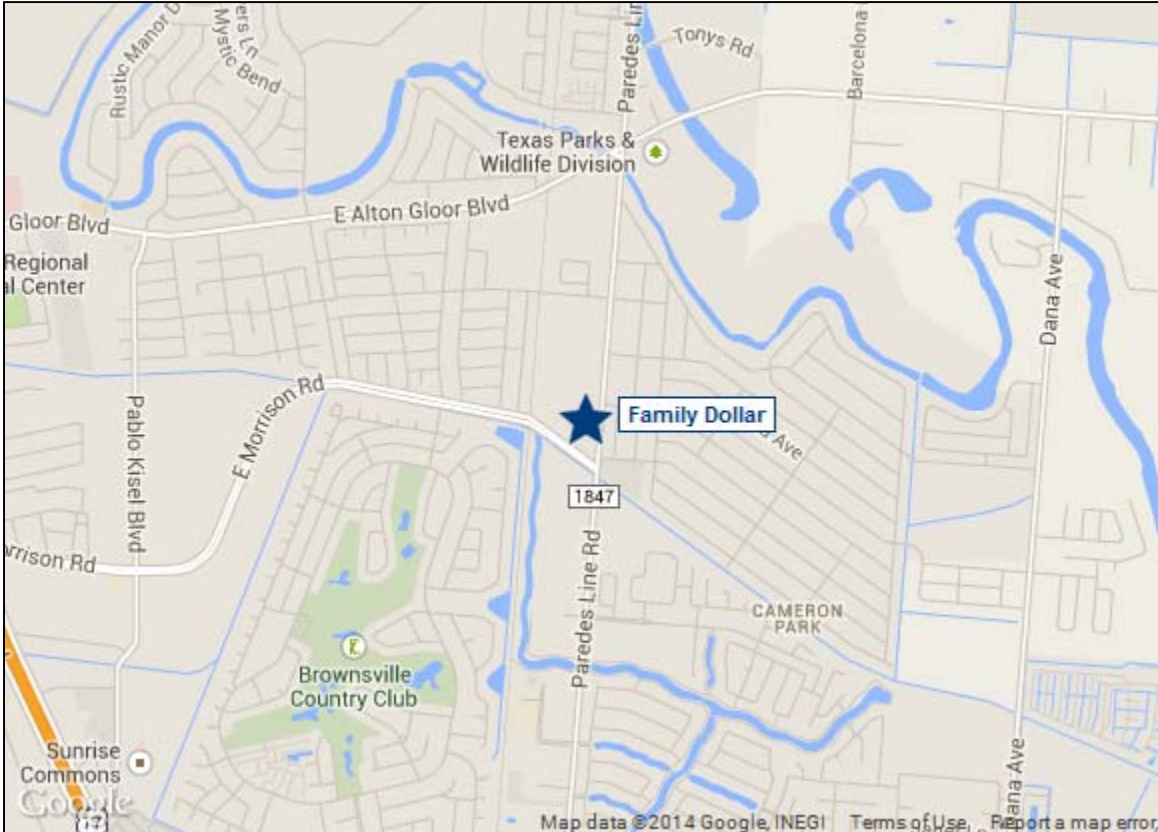
#### Site Description

Number of Stories	1
Year Built	2006
Rentable Square Feet	9,360
Lot Size	0.35 Acres
Type of Ownership	Fee Simple
Parking	28
Landscaping	Minimal

#### Construction

Foundation	Slab
Exterior	Cinderblock
Parking Surface	Concrete
Roof	Metal

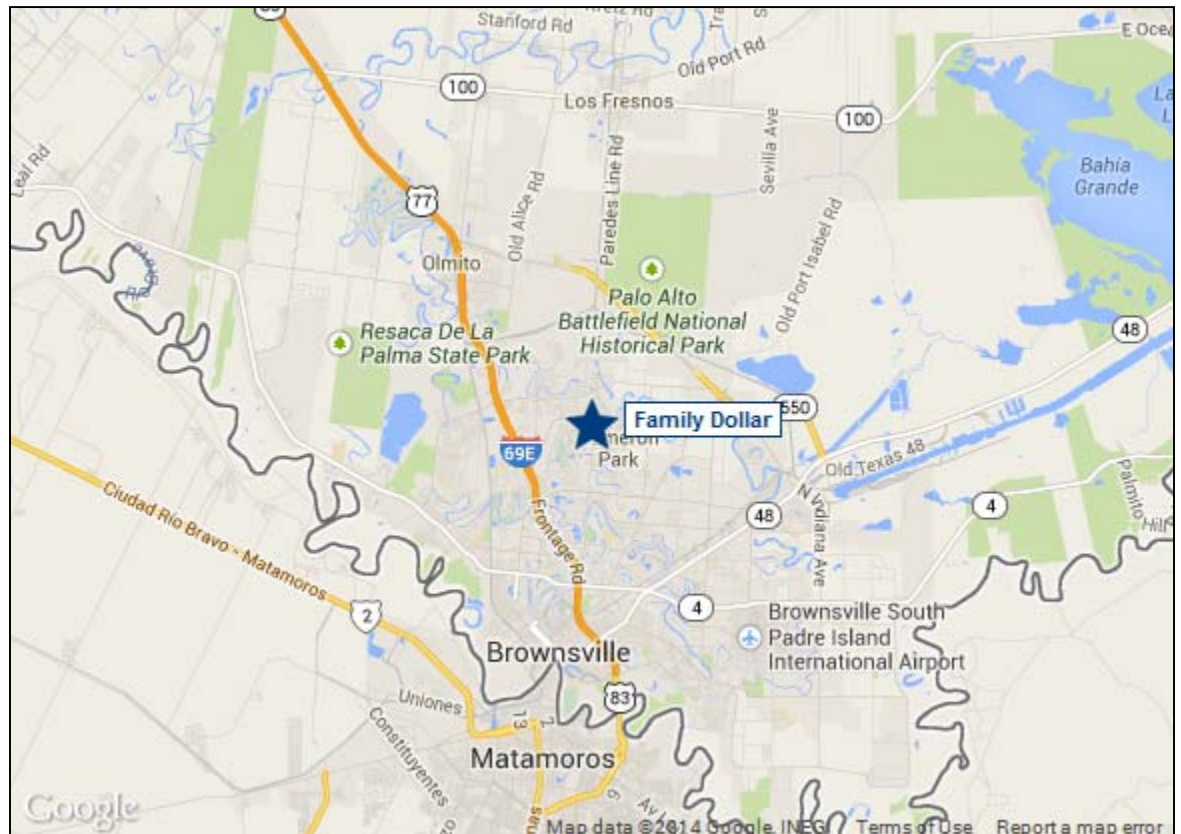




Local Map



Regional Map



This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2014 Marcus & Millichap V0490128

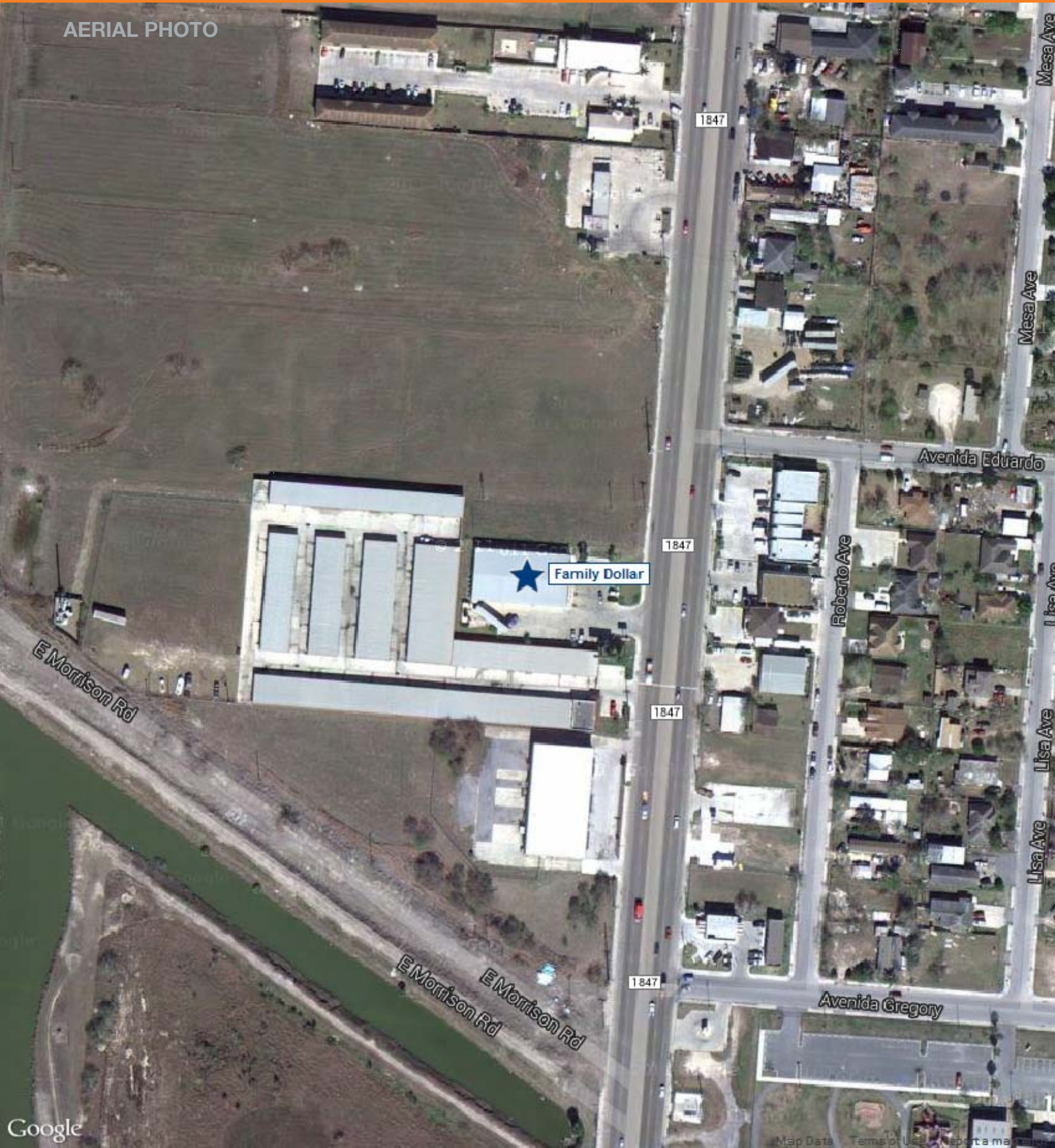


# Family Dollar

BROWNSVILLE, TX

## PROPERTY DESCRIPTION

AERIAL PHOTO



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**PRICING AND FINANCIAL ANALYSIS**

**Family Dollar**

BROWNSVILLE, TX

### FINANCIAL OVERVIEW

#### Location

4465 Paredes Line Road  
Brownsville, TX 78526

Price	\$920,000
Down Payment	100% / \$920,000
Rentable Square Feet	9,360
Price/SF	\$98.29
CAP Rate	7.96%
Year Built	2006
Lot Size	0.35 Acres
Type of Ownership	Fee Simple

#### Tenant Summary

Tenant Trade Name	Family Dollar
Ownership	Public
Tenant	Corporate Store
Lease Guarantor	Corporate Guarantee
Lease Type	Double Net
Roof and Structure	Landlord Responsible
Lease Term	10 Years
Lease Commencement Date	2006
Rent Commencement Date	2006
Lease Expiration Date	2017
Term Remaining on Lease	2.5 Years
Increases	10% In Options
Options	5, 5-Year Options

#### Annualized Operating Data

Rent Increases	Annual Rent	Monthly Rent
Current Term (2014-	\$73,260.00	\$6,105.00
Option 1 (2017-2022)	\$80,595.00	\$6,716.25
Option 2 (2022-2027)	\$88,654.08	\$7,387.84
Option 3 (2027-2032)	\$97,520.04	\$8,126.67
Option 4 (2032-2037)	\$107,272.08	\$8,939.34
Option 5 (2037-2042)	\$117,999.00	\$9,833.25
Base Rent (\$7.83/SF)		\$73,260
<b>Net Operating Income</b>		<b>\$73,260</b>



**TENANT OVERVIEW**

Property Name	Family Dollar
Property Address	4465 Paredes Line Road Brownsville, TX 78526
Property Type	Net Leased Discount
Rentable Square Feet	9,360
Tenant Trade Name	Family Dollar
Ownership	Public
Tenant	Corporate Store
Sales Volume	\$9,331,005,000
Net Worth	\$3,373,065,000
Lease Guarantor	Corporate Guarantee
Credit Rating	BBB-
Rating Agency	S&P
Stock Symbol	FDO
Board	NYSE
Lease Commencement Date	2006
Lease Expiration Date	2017
Term Remaining on Lease	2.5 Years
Lease Type	Double Net
Roof and Structure	Landlord Responsible
Lease Term	10 Years
Year 1 Net Operating Income	\$73,260
Increases	10% In Options
Options to Renew	5, 5-Year Options
Options to Terminate	None
Options to Purchase	None
First Right of Refusal	None
No. of Locations	8,100
Headquartered	Charlotte, NC
Web Site	www.familydollar.com

Family Dollar Stores, Inc. is a regional chain of variety stores in the United States. It opened in 1959 and operates approximately 7,400 stores in 45 states and the District of Columbia. It is headquartered in Charlotte, North Carolina.

**FAMILY DOLLAR CORPORATE INFORMATION**

**Family Dollar**  
BROWNSVILLE, TX

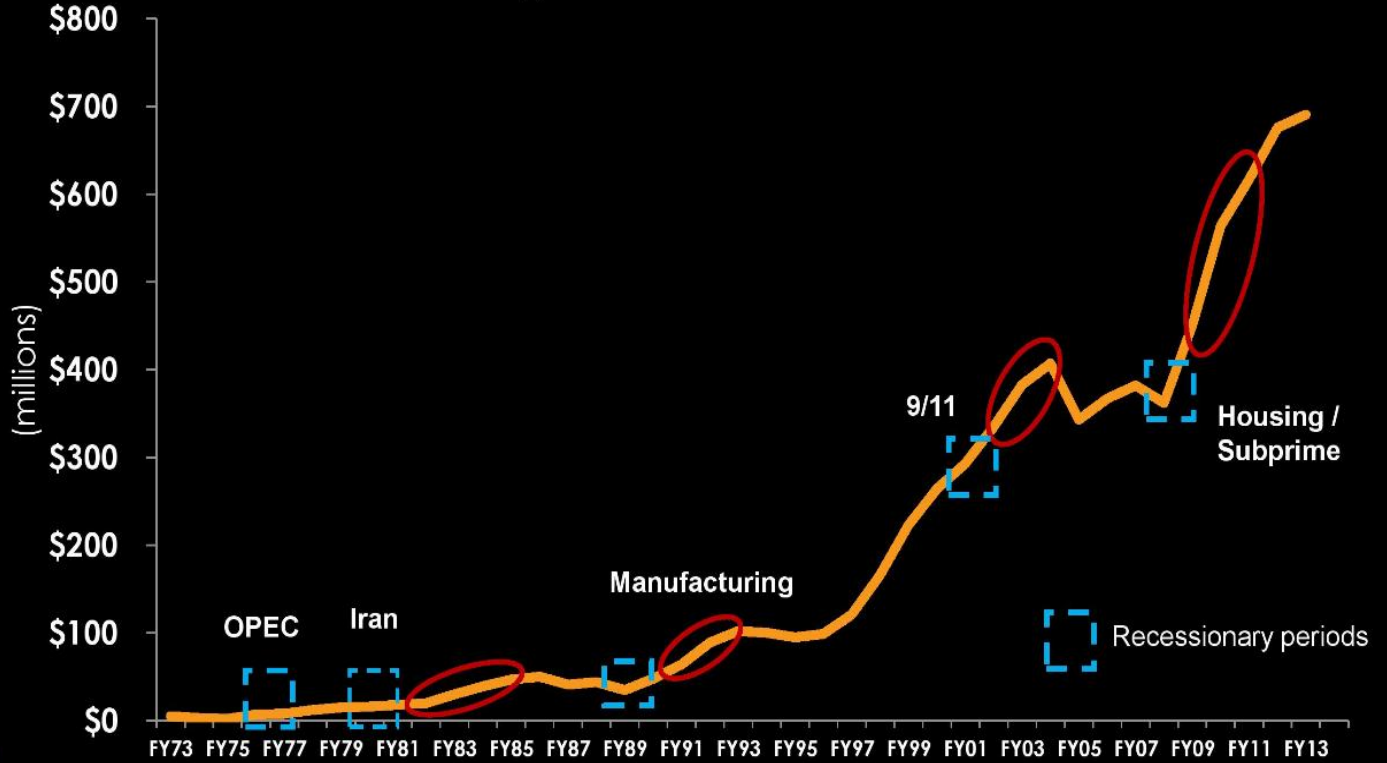
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HISTORY OF SUCCESS

# History of Success

## Earnings Before Income Taxes\*

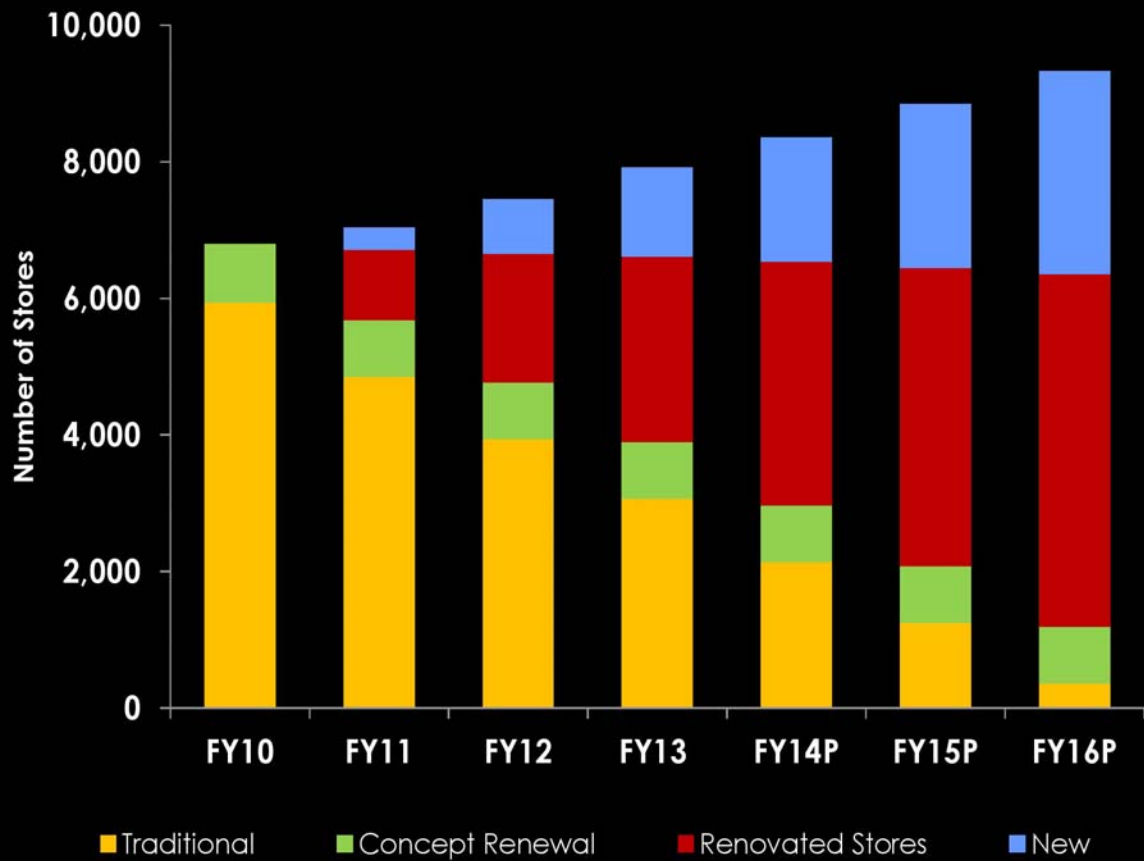


\*FY06 excludes litigation charge of \$45 million or \$0.18 per share  
 \*FY12 excludes litigation charge of \$11.5 million or \$0.06 per share  
 \*FY13 is a 53-week year

\*Information Taken from 2013 Annual Shareholder Meeting Presentation

IMPROVING THE SHOPPING EXPERIENCE

# Improving the Shopping Experience

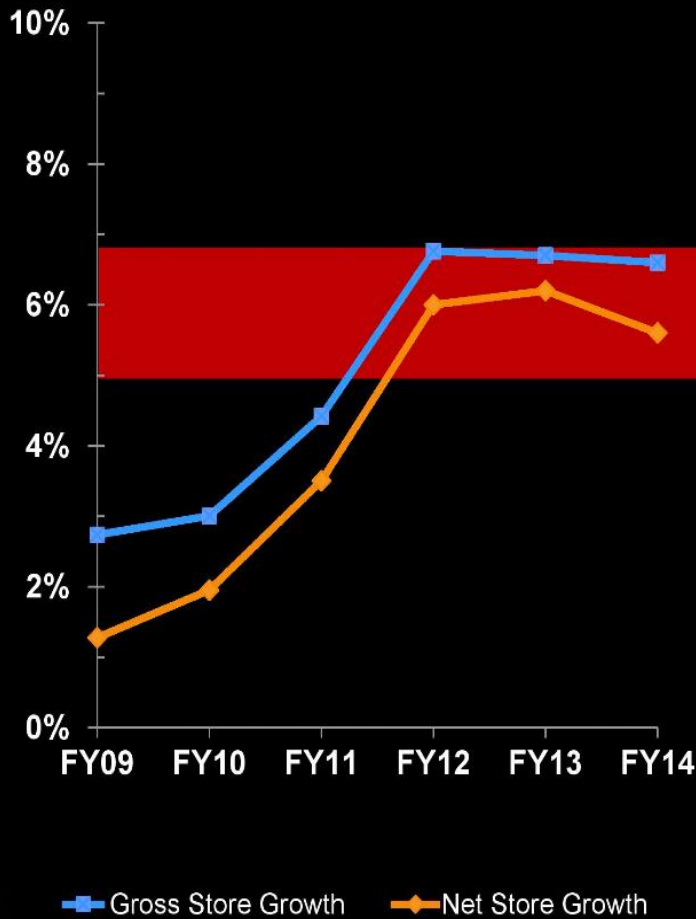


\*Information Taken from 2013 Annual Shareholder Meeting Presentation



TARGETING 5%-7% NET STORE GROWTH

# Targeting 5% - 7% Net Store Growth



- Opened 500 new stores in fiscal 2013
- Plan to open 525 new stores in fiscal 2014

\*Information Taken from 2013 Annual Shareholder Meeting Presentation

**DEMOGRAPHIC ANALYSIS**

**Family Dollar**

BROWNSVILLE, TX

**DEMOGRAPHIC REPORT**

	1 Mile	3 Miles	5 Miles
2000 Population	10,913	42,081	123,247
2010 Population	15,663	62,617	155,454
2013 Population	16,435	65,756	162,659
2018 Population	18,206	73,927	175,619
2000 Households	2,657	12,459	34,371
2010 Households	4,038	18,749	44,929
2013 Households	4,238	19,724	47,181
2018 Households	4,842	22,464	51,723
2013 Average Household Size	3.88	3.35	3.42
2013 Daytime Population	2,437	19,118	49,876
2000 Median Housing Value	\$29,143	\$51,047	\$51,474
2000 Owner Occupied Housing Units	71.21%	58.47%	54.88%
2000 Renter Occupied Housing Units	22.08%	32.66%	35.06%
2000 Vacant	7.12%	8.36%	9.81%
2013 Owner Occupied Housing Units	74.37%	63.70%	61.58%
2013 Renter Occupied Housing Units	25.63%	36.30%	38.42%
2013 Vacant	4.41%	5.22%	5.79%
2018 Owner Occupied Housing Units	74.48%	64.59%	62.67%
2018 Renter Occupied Housing Units	25.52%	35.41%	37.33%
2018 Vacant	3.87%	4.49%	5.02%
\$ 0 - \$14,999	20.6%	20.1%	24.7%
\$ 15,000 - \$24,999	14.9%	12.7%	15.1%
\$ 25,000 - \$34,999	14.1%	12.5%	12.9%
\$ 35,000 - \$49,999	16.0%	17.0%	16.1%
\$ 50,000 - \$74,999	17.1%	17.3%	15.0%
\$ 75,000 - \$99,999	7.4%	8.7%	7.1%
\$100,000 - \$124,999	4.2%	5.2%	4.1%
\$125,000 - \$149,999	2.8%	2.8%	2.1%
\$150,000 - \$199,999	2.0%	2.0%	1.6%
\$200,000 - \$249,999	0.3%	0.6%	0.5%
\$250,000 +	0.6%	1.2%	0.8%
2013 Median Household Income	\$35,335	\$39,242	\$32,996
2013 Per Capita Income	\$12,411	\$16,271	\$13,677
2013 Average Household Income	\$48,124	\$53,872	\$46,766

Demographic data © 2012 by Experian.

## SUMMARY REPORT

**Geography: 5 Miles****Population**

In 2013, the population in your selected geography was 162,659. The population has changed by 31.97% since 2000. It is estimated that the population in your area will be 175,619 five years from now, which represents a change of 7.96% from the current year. The current population is 47.2% male and 52.7% female. The median age of the population in your area is 29.9, compare this to the U.S. average which is 37. The population density in your area is 2,647.50 people per square mile.

**Households**

There are currently 47,181 households in your selected geography. The number of households has changed by 37.26% since 2000. It is estimated that the number of households in your area will be 51,723 five years from now, which represents a change of 9.62% from the current year. The average household size in your area is 3.41 persons.

**Income**

In 2013, the median household income for your selected geography is \$32,996, compare this to the U.S. average which is currently \$53,535. The median household income for your area has changed by 34.81% since 2000. It is estimated that the median household income in your area will be \$36,419 five years from now, which represents a change of 10.37% from the current year.

The current year per capita income in your area is \$13,677, compare this to the U.S. average, which is \$28,888. The current year average household income in your area is \$46,766, compare this to the U.S. average which is \$75,373.

**Race & Ethnicity**

The current year racial makeup of your selected area is as follows: 87.53% White, 0.66% African American, 0.40% Native American and 0.87% Asian/Pacific Islander. Compare these to U.S. averages which are: 72.20% White, 12.65% African American, 0.96% Native American and 5.01% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 92.70% of the current year population in your selected area. Compare this to the U.S. average of 16.55%.

**Housing**

The median housing value in your area was \$51,474 in 2000, compare this to the U.S. average of \$110,781 for the same year. In 2000, there were 20,919 owner occupied housing units in your area and there were 13,364 renter occupied housing units in your area. The median rent at the time was \$340.

**Employment**

In 2013, there are 49,876 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 53.3% of employees are employed in white-collar occupations in this geography, and 46.6% are employed in blue-collar occupations. In 2013, unemployment in this area is 6.37%. In 2000, the median time traveled to work was 18.1 minutes.

Demographic data © 2012 by Experian.

BROKERAGE SERVICES

**Approved by the Texas Real Estate Commission for Voluntary Use**  
*Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.*

## Information About Brokerage Services

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

### IF THE BROKER REPRESENTS THE OWNER:

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written - listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

### IF THE BROKER REPRESENTS THE BUYER:

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

### IF THE BROKER ACTS AS AN INTERMEDIARY:

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License

Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- (1) shall treat all parties honestly;
- (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- (4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property. With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

If you choose to have a broker represent you, you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

Real estate licensee asks that you acknowledge receipt of this information about brokerage services for the licensee's records.

Buyer, Seller, Landlord or Tenant

Date

Texas Real Estate Brokers and Salespersons are licensed and regulated by the Texas Real Estate Commission (TREC). If you have a complaint regarding a real estate licensee, you should contact TREC at P.O. Box 12188, Austin, Texas 78711-2188 or 512-465-3960.



# Family Dollar

BROWNSVILLE, TX

## OFFERING MEMORANDUM

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