

FAMILY DOLLAR.

2038 S WILLOW ST | CHATTANOOGA, TN 37404



INTERACTIVE
OFFERING MEMORANDUM

EXCLUSIVELY LISTED BY

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KYLE MATTHEWS

Broker of Record

License No. 263667 (TN)



INVESTMENT HIGHLIGHTS

- **Rare 10-Year Lease Renewal** – Family Dollar recently renewed its lease for 10 years and 10 months demonstrating further commitment to this specific site. 10-year lease renewals are quite rare in the Family Dollar space.
- **Strong Demographics** – 139,000+ residents live in a 5-mile radius of the subject property serving as a great customer base for Family Dollar. Additionally, the surrounding population is far above the national average for dollar stores.
- **Excellent Location** – Just under 2 miles from downtown Chattanooga, the 4th largest city in Tennessee, the subject property and tenant are poised to benefit from the residual effects of the economic growth occurring in the area.
- **High Traffic Counts** – The subject property is located just off Interstate 24 which sees over 120,000 vehicles per day. Spanning across Illinois, Kentucky, Tennessee, and Georgia, the interstate has facilitated rapid suburban growth due to the high volume of traffic.
- **Dense Retail Corridor** – East 23rd Street serves as a bustling retail corridor with a plethora of regional and national name-brand tenants that drive traffic in the area. Surrounding tenants include Burger King, O’Reilly Auto Parts, Bojangles, Waffle House, Napa Auto Parts, Subway, Captain D’s, and Sherwin Williams.



FINANCIAL OVERVIEW



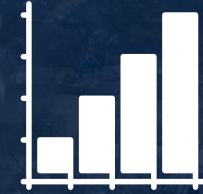
\$1,047,000

LIST PRICE



\$75,912

NOI



7.25%

CAP RATE

BUILDING INFO



Address	2038 South Willow Street Chattanooga, TN 37404
GLA	±9,489 SF
Year Built	1966/2006
Lot Size	±0.82 AC

TENANT SUMMARY

Tenant Trade Name	Family Dollar
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NN
Roof & Structure	Landlord Responsible for Repair & Replacement
Parking	Landlord Responsible for Replacement
Original Lease Term	10 Years
Rent Commencement	4/1/2022
Lease Expiration Date	1/31/2033
Term Remaining on Lease	±9.75 Years
Increase	12.5% in Option
Options	One, Five-Year Option

ANNUALIZED OPERATING DATA

Date	Monthly Rent	Annual Rent	Cap Rate	Rent Per SF
Current 4/1/2022 - 1/31/2033	\$6,326.00	\$75,912	7.25%	\$8.00
Option 1 2/1/2033 - 1/31/2038	\$7,116.75	\$85,401	8.16%	\$9.00

FINANCING INQUIRIES

For financing options reach out to:

Price Butcher
price.butcher@matthews.com
 +1 (615) 216-6223



HIGHLAND APARTMENTS
72 UNITS



± 64,000 VPD



HUNAN WOK 1



S KELLY ST

BEER SPRITS
& WINE

SUBJECT PROPERTY



E 23RD ST





FleetPride
HEAVY DUTY PARTS & SERVICE

FOWLER BROTHERS CO.
HOME PATIO

The Barn Nursery

Hiwassee
builders supply..

FOOD CITY

HercRentals

THE CHATT INN

CashAmerica

O'Reilly
AUTO PARTS

± 64,000 VPD

Waffle House

Bojangles

Exxon

JASON RANDALL'S TRANSMISSION SERVICE

WORLDWIDE EQUIPMENT
THE TRUCK PEOPLE

CHATTANOOGA PIZZA CO

TEXACO

BURGER KING



CHATTANOOGA CHARTER SCHOOL OF EXCELLENCE
415 STUDENTS

BEER SPRITS & WINE

SUBJECT PROPERTY

S WILLOW ST

E 23RD ST



AREA OVERVIEW

CHATTANOOGA, TN

Bordering the state of Georgia, Chattanooga is a charming town in Southeast Tennessee. With a city population of more than 180,000 residents, it is the 4th largest city in the state and has everything to offer from business and economic success to beautiful scenery and activities. The city boasts the most productive affordable housing program in the nation and has been awarded several awards for the redevelopment of the downtown and riverfront area.

As a city in and the county seat of Hamilton County, Chattanooga is the middle point for several larger surrounding cities including Atlanta, Knoxville, and Nashville. It is located along the Tennessee River and is a transit hub due to its extensive transportation system. Chattanooga's stable economy, scenic beauty, and strategic location, positions it as one of the most progressive and livable cities in the nation.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2028 Projection	9,678	74,301	139,245
2023 Estimate	9,462	71,217	133,749
2010 Census	9,853	70,430	130,412
Growth 2023-2028	2.29%	4.33%	4.11%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2028 Projection	3,397	31,912	60,903
2023 Estimate	3,218	29,417	56,510
2010 Census	3,304	28,082	53,702
Growth 2023-2028	5.56 %	8.48 %	7.77 %
INCOME	1-MILE	3-MILE	5-MILE
Avg. HH Income	\$48,656	\$58,588	\$65,581



ECONOMY

Known as the birthplace of the tow truck, the local economy of Chattanooga includes a diversified mix of manufacturing and service industries. Notable businesses in the area include Access America Transport, BlueCross BlueShield of Tennessee, and the world's first Coca-Cola bottling plant. It also hosts large branch offices of Cigna, AT&T, T-Mobile USA, and UBS. Notable companies that have manufacturing and distribution facilities in the area include Alstom, Amazon.com, DuPont, Plantronics, Alco Chemical, and many more.

Tourism and hospitality are also growing sectors in the city's economy. Chattanooga has increased its retail shops that have brought visitors in the surrounding area to shop at specific stores that cannot be found anywhere else. According to Forbes, the cost of living is 6% below the national average.

MAJOR EMPLOYERS

Hamilton County Schools	5,325
Erlanger Health System	4,929
BlueCross Blue Shield of Tennessee	4,462
CHI Memorial	3,601
Tennessee Valley Authority	3,566
Volkswagen Group of Chattanooga Operations	3,230
McKee Foods Corporation	3,009
Unum Group	2,812
Amazon.com Services LLC	2,616

#3 BEST PLACES TO LIVE IN TENNESSEE

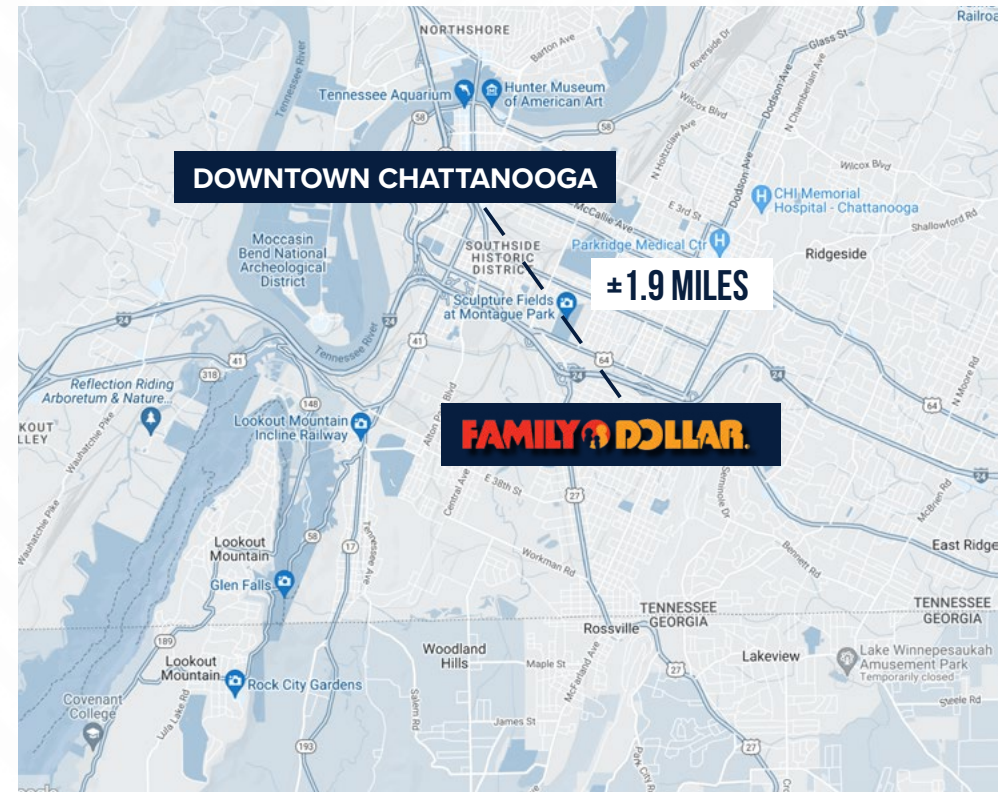
- US NEWS & REPORTS, 2022-2023

ANNUAL GDP OF 342.45B DOLLARS

- STATISTA, 2022

#2 BEST PLACE FOR YOUNG PROFESSIONALS IN HAMILTON COUNTY

- NICHE, 2022



TOURISM

Nicknamed “Scenic City”, Chattanooga has something for everyone! If visitors are looking for an outdoor adventure, Chattanooga offers everything from hang-gliding and bass fishing to mountain climbing and caving expeditions. The Smoky Mountains and Tennessee River offer a great base for any outdoor adventure. Other great attractions include the Tennessee Aquarium, African American Museum, and Civil War battlefield sites. The city also holds several large events throughout the year including the Riverbend Festival, Bessie Smith Strut, Fall Color Cruise, and the Southern Writers Conference. Chattanooga has a great music scene where you can always catch a live concert every night of the week. The best way to experience Chattanooga is walking around beautiful downtown, experiencing amazing southern dishes, while listening to the hottest new bands.



RUBY FALLS

Located just minutes away from the downtown Chattanooga, Ruby Falls is the tallest and the deepest underground waterfall open to the public in the nation. Visitors can explore the beautiful cavern and 145 ft waterfall located 1,120 feet underground. Breathtaking views of Tennessee Valley and Tennessee River can be seen from Lookout Mountain Tower, Blue Heron Overlook, and the Village Plaza. More than half a million people visit the waterfall attraction each year.



TENNESSEE AQUARIUM

Positioned near the Tennessee River, the Tennessee Aquarium is home to a variety of aquatic animals that are commonly seen in rivers and oceans. Featured animals at the aquarium include otters, penguins, turtles, sharks, and many more. The aquarium has an annual economic impact of \$146 million to the city of Chattanooga and Hamilton County. It also supports over 1,370 jobs in the region.



SOUTHERN BELLE RIVERBOAT

Situated on the Tennessee River, the Southern Belle Riverboat provides picturesque views of the city of Chattanooga. Visitors can book a variety of different cruises along the river such as dinner cruises, lunch cruises, sightseeing cruises, holiday cruises, and many more. The riverboat can also be booked for private events. More than 100,000 people cruise the Tennessee River on the Southern Belle Riverboat each year.

TENANT OVERVIEW

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 ±16,000 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 price 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.



16,000+

LOCATIONS



\$27.69B

2022 REVENUE



1959

FOUNDED

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **2038 S Willow St, Chattanooga, TN 37404** (“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. Neither 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.

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 Retail Group Inc.

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 Owner 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 of this Offering Memorandum.



OFFERING MEMORANDUM

EXCLUSIVELY LISTED BY

BROKER OF RECORD

Kyle Matthews

License No. 263667 (TN)