

# OFFERING MEMORANDUM.

## Family Dollar Kingsport, TN



TheMaffiaTeam



File Photo



**\$1,475,000**  
**7.50% CAP Rate**

- ◆ Brand New 10-Year Lease
  - ◆ Corporate Guaranty
- ◆ Relocation of an Existing Inline Store

- ◆ 2013 Construction
- ◆ Located on a Major Thoroughfare
- ◆ Adjacent to NASCAR Speedway

**Newmark Knight Frank**  
**Cornish & Carey Commercial**  
Leased Investment Group

This property is listed in conjunction with Tennessee-licensed Newmark Knight Frank.

[www.maffiateam.com](http://www.maffiateam.com)



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Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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## Table of Contents

♦ Property Information .....	1
♦ Tenant Information .....	2
♦ About the Area .....	3
♦ Site Plan .....	4
♦ Aerials .....	5
♦ Location Maps .....	8
♦ Demographics .....	11



## Property Information

Location	The property is located at 2837 North John B. Dennis Highway (Highway 93) in Kingsport, Tennessee.		
Lot Size	Approximately 1.50 acres, or 65,340 square feet.		
Improvements	<p>An approximately 8,320 square foot retail building for <b>Family Dollar</b> is under construction with an anticipated completion date in August 2013. There is ample parking on site.</p> <p><i>Family Dollar relocated to this site from an inline space a quarter mile to the north on Highway 93.</i></p>		
Lease	Leased to <b>Family Dollar Stores of Tennessee, Inc.</b> , and <i>guaranteed by Family Dollar Stores, Inc.</i> , for 10 years from an estimated rent commencement date of August 1, 2013, at an annual rent of \$110,588. There are six five-year options to renew the lease, with the rent increasing by 10% at the commencement of each option period. The lease is net, with the tenant responsible for taxes, insurance, and maintenance, except for roof and structure.		
Rent Schedule	<u>Years</u>	<u>Annual Rent</u>	<u>Return</u>
	1-10	\$110,588	7.50%
	11-15 (Option 1)	\$121,647	8.25%
	16-20 (Option 2)	\$133,812	9.08%
	21-25 (Option 3)	\$147,193	9.98%
	26-30 (Option 4)	\$161,912	10.98%
	31-35 (Option 5)	\$178,104	12.28%
	36-40 (Option 6)	\$195,194	13.46%
Price	<b>\$1,475,000 (7.50% Return)</b>		
Financing	The property will be delivered free and clear of permanent financing.		



## Tenant Information



**Family Dollar Stores, Inc.** (NYSE: “FDO”), operates a chain of general merchandise retail discount stores in 45 states, providing consumers with a selection of merchandise in neighborhood stores. The company offers a focused assortment of merchandise in a number of core categories, such as health and beauty aids, packaged food and refrigerated products, home cleaning supplies, house wares, stationery, seasonal goods, apparel, and home fashions. As of August 2012, the company operated 7,442 stores.

For the fiscal year ended August 25, 2012, Family Dollar Stores, Inc., reported revenue of \$9.331 billion, with net income of \$422.240 million and total stockholder equity of \$1.298 billion. The company is rated “BBB-” by Standard & Poor’s.

For additional information, see [www.familydollar.com](http://www.familydollar.com)



## About the Area

### Site Information

The property is located just north of the intersection of Armstrong Drive and North John B. Dennis Highway (Highway 93). Highway 93 is a major thoroughfare running through Kingsport; the traffic count just south of the intersection with Armstrong Drive was 16,880 AADT (TN DOT, 2012). Family Dollar relocated to this site from an inline space a quarter mile to the north of the property, indicating Family Dollar's strong desire to operate in Kingsport.

The property is situated in front of Kingsport Speedway, a historic .375-mile banked concrete oval that hosts weekly NASCAR-sanctioned racing. The property is surrounded by a number of local and national tenants, including IGA, BP, Hardee's, J&J Auto Sales, McCoy Salvage Grocery, Lonesome Dove Country Kitchen, the Bloomingdale Volunteer Fire Department, and others. Sullivan North High School is just south of the property on Highway 93.

An estimated 30,546 people reside within a three-mile radius of the subject property and the average household income within a one-mile radius is of \$59,260.

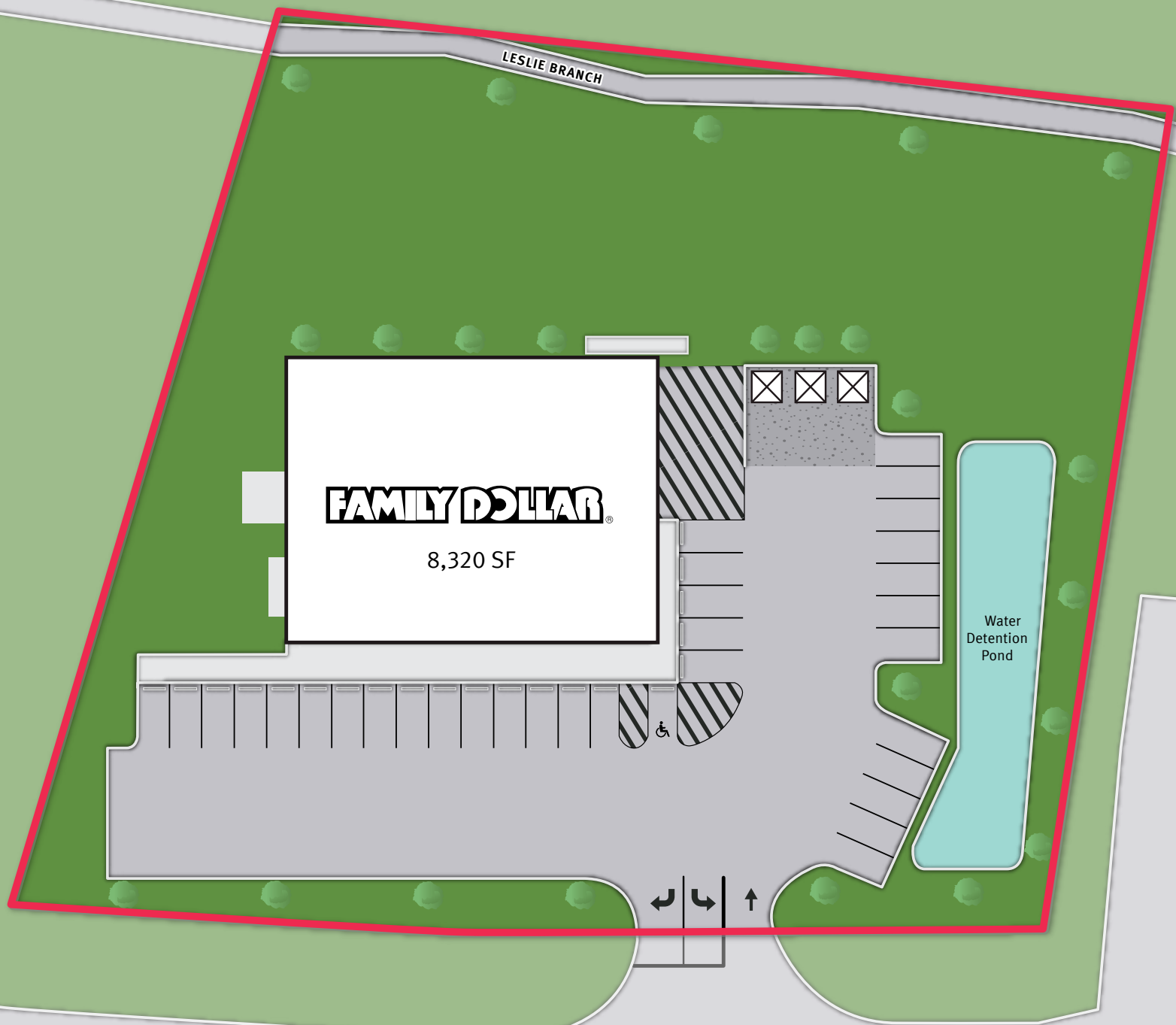
### General Overview

Kingsport is located on the Tennessee-Virginia border in northeastern Tennessee. It is located in both Sullivan and Hawkins counties and as of the 2010 U.S. Census the population of the city was 48,205. Kingsport is the largest city in the Kingsport-Bristol, TN-VA Metropolitan Statistical Area (MSA), which had a population of 309,544 as of the 2010 U.S. Census. This MSA is part of the "Tri-Cities Region" which includes Kingsport, Johnson City, and Bristol and has an estimated population of roughly 500,000. Kingsport is included in what is commonly known as the Mountain Empire, which spans a portion of Southwest Virginia and the mountainous counties in Tennessee to the east.

Kingsport is home to the corporate headquarters Eastman Chemical Company (NYSE: "EMN"). On May 29, 2013, Eastman Chairman and CEO Jim Rogers and Tennessee Governor Bill Haslam announced a major economic development project referred to as Project Inspire. As part of this project, over the next seven years, Eastman will invest \$1.6 billion in its Kingsport site and add 300 new jobs in Tennessee. This comprehensive effort will enable the company to invest in, among other things, new growth opportunities, safety and environmental projects, increased warehouse capacity, building renovations, and expansion of its corporate campus.

Other large employers in Kingsport include Domtar Paper Company and the Holston Army Ammunition Plant, operated by BAE Systems' Ordnance Systems, Inc.

Site Plan



©TheMahaTeam

93 / N JOHN B DENNIS HWY



Hardee's

bp



Bloomington Volunteer Fire

J&J Auto Sales

McCoy Salvage Grocery



FAMILY DOLLAR

©TheMaffiaTeam

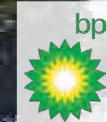
93

N John B Dennis Hwy (16.880 AADT)

KINGSPORT SPEEDWAY

Lonesome Dove Country Kitchen

Morelock St



93 / N John B Dennis Hwy (16,880 AADT)

©TheMaffiaTeam



**FAMILY DOLLAR®**

McCoy Salvage Grocery

J&J Auto Sales

Bloomingdale Volunteer Fire

Innovation Academy of Northeast Tennessee

**KINGSPORT SPEEDWAY**

STONE EAST PLAZA SHOPPING PLAZA

Save  
a lot

BRENDEL

chili's  
GRILL & BAR

BUFFALO WILD WINGS  
GRILL & BAR

INDIAN PATH  
MEDICAL CENTER

INDIAN PATH  
PRIMARY CARE

LONGHORN  
STEAKHOUSE

red  
roof  
inn

EAST STONE COMMONS



Holston Medical Group

LEXUS TOYOTA

Lowe's  
Home Improvement Warehouse

Wexford House

East Stone Office Building

Lee Hwy / East Stone Dr

SULLIVAN NORTH  
HIGH SCHOOL

93

N John B Dennis Hwy (16,880 AADT)

FAMILY DOLLAR®

KINGSPORT  
SPEEDWAY

KINGSPORT PAVILION SHOPPING CENTER

TARGET

DICK'S  
SPORTING GOODS

BEST  
BUY

KOHL'S

ULTA  
BEAUTY

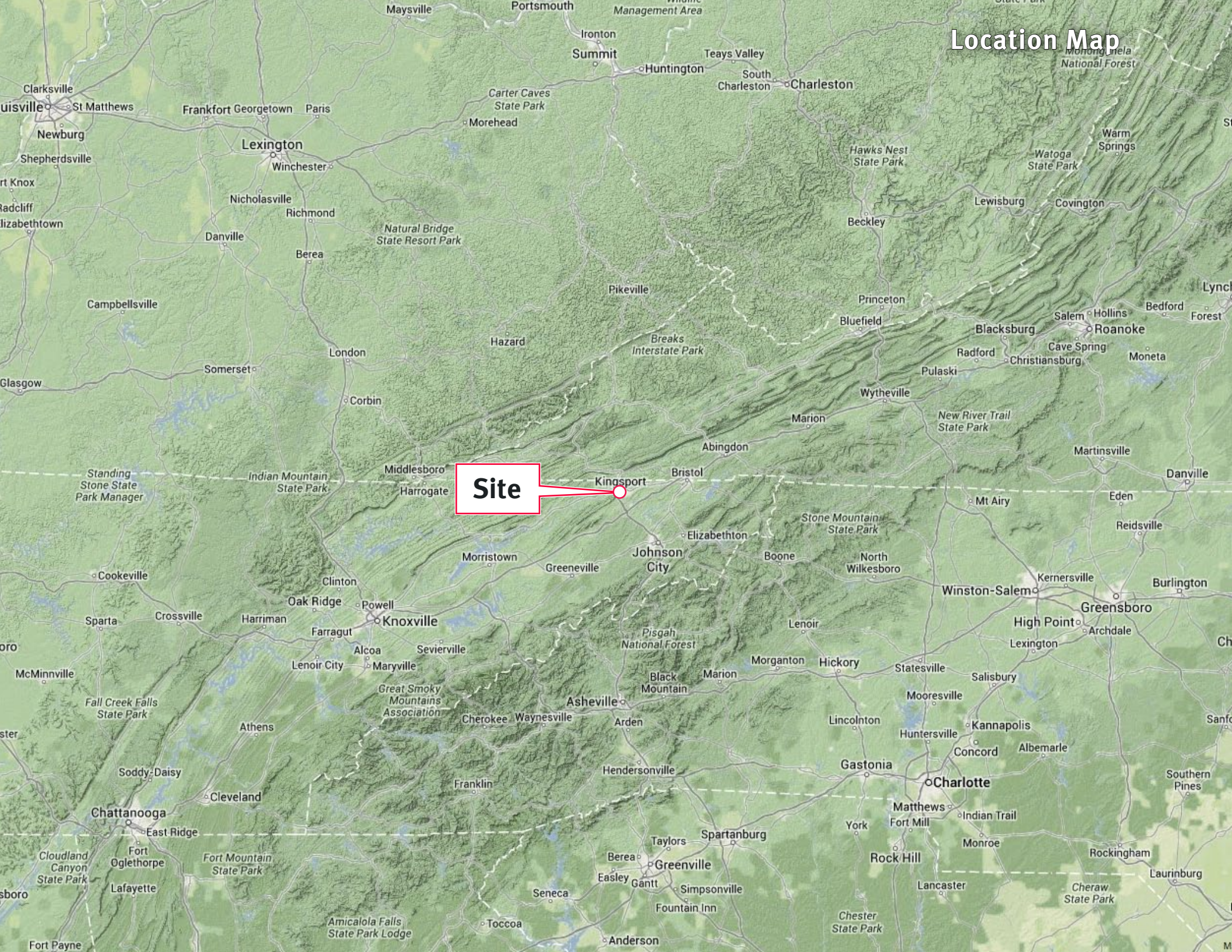
STARBUCKS  
COFFEE

BAM!  
BOOKS-A-MILLION

verizon

ZAXBY'S

# Location Map



# Location Map



# Location Map



Site

Kingsport Speedway

Christian Life Center of the Tri-Cities

Kingsport Pavilion



# Demographics

2837 N John B. Dennis Hwy  
Kingsport, TN 37660

	1 mile	3 miles	5 miles
<b>Population Summary</b>			
2000 Total Population	2,839	29,773	58,434
2010 Total Population	2,894	30,338	59,427
2012 Total Population	2,901	30,546	59,863
2012 Group Quarters	129	608	878
2017 Total Population	2,919	30,953	60,698
2012-2017 Annual Rate	0.12%	0.26%	0.28%
<b>Household Summary</b>			
2000 Households	1,176	12,756	25,131
2000 Average Household Size	2.26	2.27	2.28
2010 Households	1,281	13,245	25,855
2010 Average Household Size	2.16	2.24	2.26
2012 Households	1,282	13,283	25,954
2012 Average Household Size	2.16	2.25	2.27
2017 Households	1,303	13,531	26,469
2017 Average Household Size	2.14	2.24	2.26
2012-2017 Annual Rate	0.32%	0.37%	0.39%
2010 Families	772	8,386	16,490
2010 Average Family Size	2.78	2.82	2.84
2012 Families	763	8,327	16,388
2012 Average Family Size	2.78	2.83	2.85
2017 Families	771	8,466	16,675
2017 Average Family Size	2.77	2.83	2.84
2012-2017 Annual Rate	0.23%	0.33%	0.35%
<b>Housing Unit Summary</b>			
2000 Housing Units	1,311	13,966	27,682
Owner Occupied Housing Units	59.0%	63.7%	63.5%
Renter Occupied Housing Units	30.7%	27.6%	27.3%
Vacant Housing Units	10.3%	8.7%	9.2%
2010 Housing Units	1,427	14,760	29,018
Owner Occupied Housing Units	54.8%	58.4%	58.8%
Renter Occupied Housing Units	35.0%	31.4%	30.3%
Vacant Housing Units	10.2%	10.3%	10.9%
2012 Housing Units	1,427	14,827	29,149
Owner Occupied Housing Units	53.4%	57.3%	57.7%
Renter Occupied Housing Units	36.4%	32.3%	31.3%
Vacant Housing Units	10.2%	10.4%	11.0%
2017 Housing Units	1,445	15,067	29,627
Owner Occupied Housing Units	54.0%	58.1%	58.5%
Renter Occupied Housing Units	36.1%	31.7%	30.9%
Vacant Housing Units	9.8%	10.2%	10.7%
<b>Median Household Income</b>			
2012	\$39,309	\$34,208	\$32,892
2017	\$46,044	\$39,843	\$38,368
<b>Median Home Value</b>			
2012	\$130,359	\$113,559	\$110,608
2017	\$170,610	\$140,186	\$133,154
<b>Per Capita Income</b>			
2012	\$27,468	\$21,711	\$20,834
2017	\$30,016	\$24,188	\$23,195
<b>Median Age</b>			
2010	47.8	44.5	43.7
2012	48.6	45.1	44.3



# Demographics

2837 N John B. Dennis Hwy  
Kingsport, TN 37660

	1 mile	3 miles	5 miles
<b>2012 Households by Income</b>			
Household Income Base	1,282	13,283	25,954
<\$15,000	18.9%	23.9%	24.9%
\$15,000 - \$24,999	14.1%	13.8%	14.8%
\$25,000 - \$34,999	12.0%	13.1%	12.4%
\$35,000 - \$49,999	14.0%	14.7%	14.2%
\$50,000 - \$74,999	13.5%	15.9%	15.6%
\$75,000 - \$99,999	6.6%	7.2%	7.4%
\$100,000 - \$149,999	15.5%	8.0%	7.7%
\$150,000 - \$199,999	3.6%	2.2%	1.8%
\$200,000+	1.8%	1.3%	1.1%
Average Household Income	\$59,260	\$48,765	\$47,151
<b>2017 Households by Income</b>			
Household Income Base	1,303	13,531	26,469
<\$15,000	17.7%	22.8%	24.0%
\$15,000 - \$24,999	11.0%	11.0%	12.0%
\$25,000 - \$34,999	9.1%	10.3%	10.0%
\$35,000 - \$49,999	15.4%	14.8%	13.9%
\$50,000 - \$74,999	18.3%	19.5%	18.7%
\$75,000 - \$99,999	7.1%	8.9%	9.3%
\$100,000 - \$149,999	15.3%	8.7%	8.7%
\$150,000 - \$199,999	4.1%	2.5%	2.1%
\$200,000+	2.0%	1.5%	1.3%
Average Household Income	\$64,327	\$54,146	\$52,275
<b>2012 Owner Occupied Housing Units by Value</b>			
Total	762	8,497	16,820
<\$50,000	5.2%	7.1%	7.7%
\$50,000 - \$99,999	34.0%	36.4%	37.0%
\$100,000 - \$149,999	17.7%	23.9%	25.1%
\$150,000 - \$199,999	9.6%	12.1%	12.6%
\$200,000 - \$249,999	7.3%	6.4%	5.9%
\$250,000 - \$299,999	7.7%	4.5%	4.0%
\$300,000 - \$399,999	10.6%	5.0%	4.1%
\$400,000 - \$499,999	4.2%	2.2%	1.7%
\$500,000 - \$749,999	2.8%	1.7%	1.4%
\$750,000 - \$999,999	0.8%	0.6%	0.4%
\$1,000,000 +	0.0%	0.1%	0.1%
Average Home Value	\$183,839	\$151,287	\$142,769
<b>2017 Owner Occupied Housing Units by Value</b>			
Total	781	8,750	17,324
<\$50,000	3.2%	4.7%	5.3%
\$50,000 - \$99,999	25.1%	27.7%	29.4%
\$100,000 - \$149,999	16.0%	21.9%	23.0%
\$150,000 - \$199,999	13.7%	17.5%	17.9%
\$200,000 - \$249,999	11.3%	10.3%	9.4%
\$250,000 - \$299,999	10.1%	6.3%	5.6%
\$300,000 - \$399,999	12.2%	6.2%	5.1%
\$400,000 - \$499,999	3.7%	2.1%	1.7%
\$500,000 - \$749,999	3.7%	2.5%	2.0%
\$750,000 - \$999,999	0.9%	0.8%	0.5%
\$1,000,000 +	0.0%	0.1%	0.1%
Average Home Value	\$207,724	\$175,224	\$163,577



# Demographics

2837 N John B. Dennis Hwy  
Kingsport, TN 37660

	1 mile	3 miles	5 miles
<b>2010 Population by Age</b>			
Total	2,895	30,338	59,425
0 - 4	4.7%	5.5%	5.7%
5 - 9	4.9%	5.3%	5.7%
10 - 14	5.2%	6.1%	6.0%
15 - 24	10.7%	11.2%	11.2%
25 - 34	9.2%	10.0%	10.4%
35 - 44	11.6%	12.6%	12.9%
45 - 54	13.8%	14.1%	14.4%
55 - 64	14.7%	13.6%	13.5%
65 - 74	11.0%	10.9%	10.7%
75 - 84	9.1%	7.3%	6.7%
85 +	5.0%	3.4%	3.0%
18 +	81.2%	79.4%	79.0%
<b>2012 Population by Age</b>			
Total	2,900	30,546	59,861
0 - 4	4.7%	5.5%	5.6%
5 - 9	4.8%	5.3%	5.6%
10 - 14	5.1%	5.9%	5.9%
15 - 24	10.5%	10.9%	10.9%
25 - 34	9.3%	10.1%	10.5%
35 - 44	11.2%	12.2%	12.5%
45 - 54	13.3%	13.7%	13.9%
55 - 64	15.3%	14.1%	14.0%
65 - 74	11.7%	11.6%	11.4%
75 - 84	9.0%	7.2%	6.6%
85 +	5.2%	3.5%	3.1%
18 +	81.8%	79.9%	79.4%
<b>2017 Population by Age</b>			
Total	2,920	30,954	60,698
0 - 4	4.5%	5.4%	5.6%
5 - 9	4.6%	5.1%	5.5%
10 - 14	5.1%	5.9%	5.8%
15 - 24	9.6%	10.1%	10.1%
25 - 34	9.2%	10.0%	10.5%
35 - 44	10.7%	11.7%	12.0%
45 - 54	12.1%	12.5%	12.6%
55 - 64	15.8%	14.6%	14.5%
65 - 74	13.8%	13.7%	13.5%
75 - 84	9.2%	7.4%	6.8%
85 +	5.4%	3.6%	3.2%
18 +	82.2%	80.3%	79.8%
<b>2010 Population by Sex</b>			
Males	1,338	14,224	28,025
Females	1,556	16,114	31,402
<b>2012 Population by Sex</b>			
Males	1,345	14,346	28,268
Females	1,556	16,200	31,596
<b>2017 Population by Sex</b>			
Males	1,356	14,546	28,656
Females	1,563	16,407	32,043



# Demographics

2837 N John B. Dennis Hwy  
Kingsport, TN 37660

	1 mile	3 miles	5 miles
<b>2010 Population by Race/Ethnicity</b>			
Total	2,894	30,337	59,427
White Alone	95.5%	93.7%	93.5%
Black Alone	0.9%	2.8%	3.0%
American Indian Alone	0.1%	0.3%	0.3%
Asian Alone	2.2%	0.9%	0.7%
Pacific Islander Alone	0.0%	0.0%	0.0%
Some Other Race Alone	0.2%	0.8%	0.8%
Two or More Races	1.0%	1.6%	1.7%
Hispanic Origin	0.8%	1.8%	1.9%
Diversity Index	10.2	15.2	15.8
<b>2012 Population by Race/Ethnicity</b>			
Total	2,901	30,546	59,864
White Alone	95.0%	92.8%	92.5%
Black Alone	1.1%	3.5%	3.8%
American Indian Alone	0.1%	0.3%	0.3%
Asian Alone	2.5%	1.0%	0.8%
Pacific Islander Alone	0.0%	0.0%	0.0%
Some Other Race Alone	0.2%	0.9%	0.9%
Two or More Races	1.0%	1.6%	1.7%
Hispanic Origin	0.9%	1.9%	2.1%
Diversity Index	11.3	17.1	17.8
<b>2017 Population by Race/Ethnicity</b>			
Total	2,918	30,952	60,697
White Alone	93.5%	90.4%	90.1%
Black Alone	1.9%	5.3%	5.6%
American Indian Alone	0.1%	0.3%	0.3%
Asian Alone	3.1%	1.2%	0.9%
Pacific Islander Alone	0.0%	0.0%	0.0%
Some Other Race Alone	0.3%	1.2%	1.2%
Two or More Races	1.1%	1.7%	1.8%
Hispanic Origin	1.2%	2.6%	2.8%
Diversity Index	14.5	22.1	22.9
<b>2010 Population by Relationship and Household Type</b>			
Total	2,894	30,338	59,427
In Households	95.5%	98.0%	98.5%
In Family Households	75.7%	79.8%	80.6%
Householder	26.7%	27.6%	27.7%
Spouse	20.2%	19.9%	20.0%
Child	24.8%	27.8%	28.3%
Other relative	2.4%	2.6%	2.7%
Nonrelative	1.6%	1.9%	1.8%
In Nonfamily Households	19.9%	18.2%	17.9%
In Group Quarters	4.5%	2.0%	1.5%
Institutionalized Population	4.5%	1.8%	1.2%
Noninstitutionalized Population	0.0%	0.2%	0.3%



# Demographics

2837 N John B. Dennis Hwy  
Kingsport, TN 37660

	1 mile	3 miles	5 miles
<b>2010 Households by Type</b>			
Total	1,281	13,245	25,855
Households with 1 Person	35.1%	32.5%	32.0%
Households with 2+ People	64.9%	67.5%	68.0%
Family Households	60.3%	63.3%	63.8%
Husband-wife Families	45.7%	45.8%	46.0%
With Related Children	15.1%	15.8%	16.4%
Other Family (No Spouse Present)	14.5%	17.5%	17.8%
Other Family with Male Householder	4.0%	4.2%	4.3%
With Related Children	2.4%	2.3%	2.3%
Other Family with Female Householder	10.5%	13.4%	13.5%
With Related Children	6.2%	8.2%	8.3%
Nonfamily Households	4.7%	4.2%	4.3%
All Households with Children	23.9%	26.6%	27.4%
Multigenerational Households	3.2%	3.4%	3.4%
Unmarried Partner Households	4.4%	5.0%	5.0%
Male-female	4.0%	4.5%	4.5%
Same-sex	0.4%	0.4%	0.5%
<b>2010 Households by Size</b>			
Total	1,280	13,244	25,853
1 Person Household	35.1%	32.5%	32.0%
2 Person Household	36.3%	36.0%	35.8%
3 Person Household	14.3%	15.3%	15.6%
4 Person Household	8.7%	9.8%	10.3%
5 Person Household	4.3%	4.2%	4.2%
6 Person Household	1.0%	1.4%	1.5%
7 + Person Household	0.4%	0.7%	0.7%
<b>2010 Households by Tenure and Mortgage Status</b>			
Total	1,281	13,245	25,855
Owner Occupied	61.0%	65.0%	66.0%
Owned with a Mortgage/Loan	32.2%	36.3%	36.7%
Owned Free and Clear	28.7%	28.8%	29.2%
Renter Occupied	39.0%	35.0%	34.0%