



OFFERING MEMORANDUM

# DOLLAR TREE CENTER

KLAMATH FALLS, OREGON



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An aerial photograph of a commercial center in Klamath Falls, OR. The image shows a large parking lot filled with cars, a Dollar Tree store, and other commercial buildings. The image is overlaid with a blue semi-transparent layer containing text and navigation icons.

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An aerial photograph of a town, likely in Idaho, featuring a large Dollar Tree Center in the foreground. The center is a large, multi-story building with a flat roof and a large parking lot filled with cars. The town is surrounded by a mix of residential and commercial buildings, with a prominent mountain in the background. The entire image is overlaid with a blue tint.

DOLLAR TREE CENTER

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# INVESTMENT OVERVIEW

## INVESTMENT OVERVIEW

# 95% OCCUPIED, FIVE-TENANT RETAIL CENTER LOCATED IN KLAMATH FALLS, OREGON

The offering provides the opportunity to acquire the Dollar Tree Center (the "Property"), a 95% occupied, five-tenant retail center anchored by Dollar Tree and Rent-A-Center (RAC) for nearly 20 years. The Property underwent major renovations in 2004, and is currently undergoing facade, painting, parking lot, and landscaping upgrades. In addition to Dollar Tree and RAC, the Property is occupied by Liberty Tax Services, Body Works Physical Therapy, and a Dutch Bros. Near-term rental upside is provided to a buyer upon lease-up of the single 1,800 SF vacancy and increasing Dutch Bros rent to market rent at their upcoming option in 2025, as Dutch Bros is currently paying significantly below-market annual rent - please contact Northmarq for additional information.



SALE PRICE

**\$3,980,000**



CAP RATE

**7.70%**



OCCUPANCY

**95%**



PRICE PER SF

**\$109/SF**

## INVESTMENT OVERVIEW

# INVESTMENT HIGHLIGHTS

Dollar Tree, Rent-A-Center (RAC), and Dutch Bros have occupied the center since major renovation of the building in 2004. The Property is currently undergoing facade, painting, parking lot, and landscaping upgrades, north of \$40,000.

Recent 10 and five-year extensions executed by Dollar Tree and RAC, respectively.

All current tenants have resided at the Property for over 10 years and provide a dynamic mix of drive-thru food and beverage, personal and professional services, and discount retail.

Immediate value-add opportunity provided at Dutch Bros. next option in January 2025; Dutch Bros is currently paying significantly below market rent of \$15,840 annually, whereas annual market rents are typically three to six times higher.

The Property has frontage on the city's main daily-needs retail corridor, situated at the signalized corner of S 6th and Austin Streets.

The majority of destination traffic headed to Crater Lake National Park, north from California, will travel through Klamath Falls as the primary route.





#### ADDRESS

**3045 S 6TH ST,  
KLAMATH FALLS, OR 97603** 

#### LEASABLE SF\*

**36,630 SF**

#### LAND AREA

**174,240 SF / 2.68 ACRES**

#### PARCEL NUMBER

**R525989**

#### YEAR RENOVATED

**2004/2023**

#### AVG. CURRENT RENTS\*

**\$8.96/SF**

#### PARKING

**±119 SPACES; 3.2/1,000 SF**

\*Excludes Dutch Bros

INVESTMENT OVERVIEW

SITE MAP

TENANT	SF
DOLLAR TREE	22,718
RENT-A-CENTER	5,000
LIBERTY TAX SERVICES	1,624
AVAILABLE	1,800
BODYWORKS PT	5,488
DUTCH BROS	-

LAND AREA

174,240 SF / 2.68 ACRES

KEY

PARCEL OUTLINES

AVAILABLE

INGRESS/EGRESS







95%  
OCCUPIED







DOLLAR TREE CENTER

# LOCATION OVERVIEW



## LOCATION OVERVIEW

# KLAMATH FALLS, OREGON

Known as the “City of Sunshine,” Klamath Falls boasts over 300 days of sunshine per year. Klamath Falls offers residents a lower-than-average cost of living with a strong community. The economy is supported by a wide range of industries, yet mostly driven by healthcare, the U.S. Air Force, retail, education, and agricultural. Two of the largest employers are the Sky Lakes Medical Center, and Kingsley Field, a former Naval Air Station just south of Klamath Falls, now home to the training unit of the Lockheed Martin F-35 Lighting II stealth combat aircraft as of May 2023.

The area is near popular outdoor destinations that include Klamath Lake, Lake Ewauna, and is in close proximity to Crater Lake just 60 miles north and the Lava Beds National Park 40 miles south.



# NEARBY RETAIL

39



STEEN SPORTS PARK



**HOLIDAY MARKET**

**DUTCH BROS**  
Coff



SUBJECT PROPERTY



97

**ROSS**  
DRESS FOR LESS



**Coastal**  
FARM & RANCH

**JOANN**



**NATURAL GROCERS**

**petco**

**TJ-maxx**

**Michaels**



**HARBOR FREIGHT**  
QUALITY TOOLS LOWEST PRICES

**BIG LOTS**



KLAMATH COMMUNITY COLLEGE  
±3 MILES SE

**Walmart**  
SUPERCENTER

140



LOCATION OVERVIEW

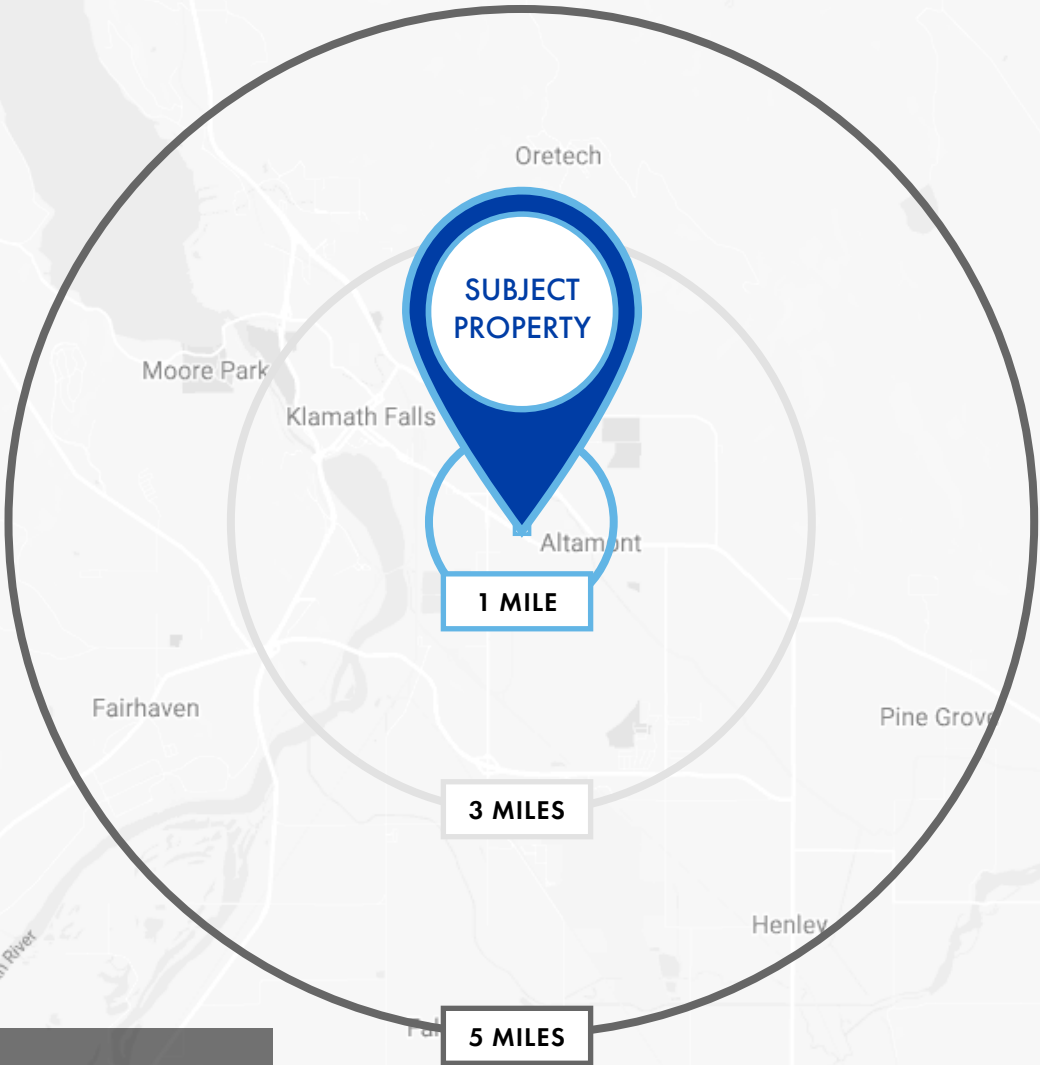
DRIVE TIMES & DEMOGRAPHICS

POPULATION

	1 MILE	3 MILES	5 MILES
BUSINESSES	563	1,733	2,021
EMPLOYEES	5,509	15,386	21,299
POPULATION	6,053	37,580	46,554

HOUSEHOLD INCOMES

	1 MILE	3 MILES	5 MILES
AVERAGE	\$44,399	\$65,611	\$72,250
MEDIAN	\$33,531	\$52,525	\$56,115





DRIVE TIMES

CRATER LAKE  
1 HR 45 MIN

BEND  
2 HRS 30 MIN

MIDLAND  
GRANTS PASS  
2 HRS



A photograph of a Dollar Tree retail store at night, with a blue color overlay. The store has a large glass front and a gabled roof. The address '3045' is visible above the entrance. Several cars are parked in the lot in front of the store. A tall light pole stands to the right of the building. The text 'DOLLAR TREE CENTER' is centered above the store's entrance.

DOLLAR TREE CENTER

# FINANCIAL SUMMARY

## FINANCIAL SUMMARY

# INCOME & EXPENSES

<b>PRICE</b>	<b>\$3,980,000</b>
<b>CAPITALIZATION RATE</b>	<b>7.70%</b>
<b>PRICE PER FOOT</b>	<b>\$109</b>

## CASH FLOW SUMMARY

### SCHEDULED INCOME

Base Rent for the Period of:	5/1/2024 - 4/30/2025	<b>PER SF</b>	
		\$8.96	\$328,210
Operating Expense Reimbursement		\$1.88	\$69,039
Equals: Scheduled Gross Income		\$10.84	\$397,250
Current Vacancy	5%		

<b>Total Effective Gross Income (EGI)</b>	<b>\$10.84</b>	<b>\$397,250</b>
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### OPERATING EXPENSES

CAMS		<b>PER SF</b>	
		\$0.60	\$21,909
Property Taxes		\$1.16	\$42,466
Insurance		\$0.29	\$10,766
Management Fee	4.0% of EGI	\$0.43	\$15,882
<b>Total Operating Expenses</b>		<b>\$2.48</b>	<b>\$91,023</b>

<b>NET OPERATING INCOME</b>	<b>\$8.36</b>	<b>\$306,226</b>
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FINANCIAL SUMMARY

RENT ROLL

TENANT INFORMATION						RENT DETAILS				
Tenant	Leased SF	%	Rent Start	Lease Expiration	Lease Type	Current Rent (Monthly)	Current Rent PSF (Annual)	Rent Inc. Date (Firm Term)	Rent Inc. (Firm Term)	Options
Dollar Tree	22,718	62.02%	10/28/03	4/30/34	NNN	\$14,123	\$7.46			1, 5-YR; 10% Inc.
Rent-A-Center	5,000	13.65%	9/1/04	8/31/28	NNN	\$4,171	\$10.01			1, 5-YR; 5% Inc.
Comments: Tenant has a rent abatement for three months not reflected in Analysis (September 2023, 2025, and 2027).										
Liberty Tax Services	1,624	4.43%	8/15/10	4/30/26	NNN	\$2,028	\$14.99			-
Available	1,800	4.91%								
BodyWorks PT	5,488	14.98%	12/2/11	12/31/27	NNN	\$5,709	\$12.48			1, 5-YR; 10% Inc.
Dutch Bros			1/31/00	12/31/24	GL	\$1,320				2, 5-YR; FMR
TOTALS	36,630	100%				\$27,351	\$8.96			
Occupied	34,830	95%				\$27,351	\$9.42			
Leasable	1,800	5%								

# OPERATING EXPENSES

	PROJECTED OPERATING EXPENSES			REIMBURSEMENTS
	TOTAL	PER SF	NOTES	IN-PLACE
CAMS	\$21,909	\$0.60	1	\$21,780
PROPERTY TAXES	\$42,466	\$1.16	2	\$39,840
INSURANCE	\$10,766	\$0.29	1	\$7,219
MANAGEMENT	\$15,882	\$0.43	3	\$200
<b>TOTAL EXPENSES</b>	<b>\$91,023</b>	<b>\$2.48</b>		<b>\$69,039</b>

**NOTES:**

- 1) Based on 2022 P&L.
- 2) Based on 2022 Klamath County Tax Assessment.
- 3) Based on 4% of EGI. Reimbursements include Admin Fees.

## FINANCIAL SUMMARY

# REIMBURSEMENTS

TENANT NAME	%	CAMS	TAXES	INSURANCE	MANAGEMENT	ADMIN FEE	ADMIN COLLECTED	NOTES	TENANT TOTALS
<b>EXPENSE TOTAL</b>		<b>\$21,909</b>	<b>\$42,466</b>	<b>\$10,766</b>	<b>\$15,882</b>				
<b>Dollar Tree</b>	62.02%	\$13,588	\$25,547	\$3,169	\$0	0%	\$0	1, 2, 3	\$42,304
<b>Rent-A-Center</b>	13.65%	\$2,991	\$5,623	\$1,470	\$0	10%	\$200	1, 2, 4	\$10,283
<b>Liberty Tax Services</b>	4.43%	\$971	\$1,883	\$477	\$0	0%	\$0		\$3,331
<b>Available</b>	4.91%								
<b>BodyWorks PT</b>	14.98%	\$3,283	\$6,362	\$1,613	\$0	0%	\$0		\$11,258
<b>Dutch Bros</b>	0.00%	\$948	\$425	\$490	\$0	0%	\$0	5	\$1,863
<b>TOTAL</b>	<b>100%</b>	<b>\$21,780</b>	<b>\$39,840</b>	<b>\$7,219</b>	<b>\$0</b>		<b>\$200</b>		<b>\$69,039</b>

### NOTES:

- 1) CAM is capped at a 5% annual increase.
- 2) Tenant receives a 3% discount on taxes.
- 3) Tenant reimburses property taxes only.
- 4) Admin Fee based on CAM excluding utilities.
- 5) Tenant reimburses fixed share.



## FINANCIAL SUMMARY

# LEASE ABSTRACT

### PREMISE & TERM

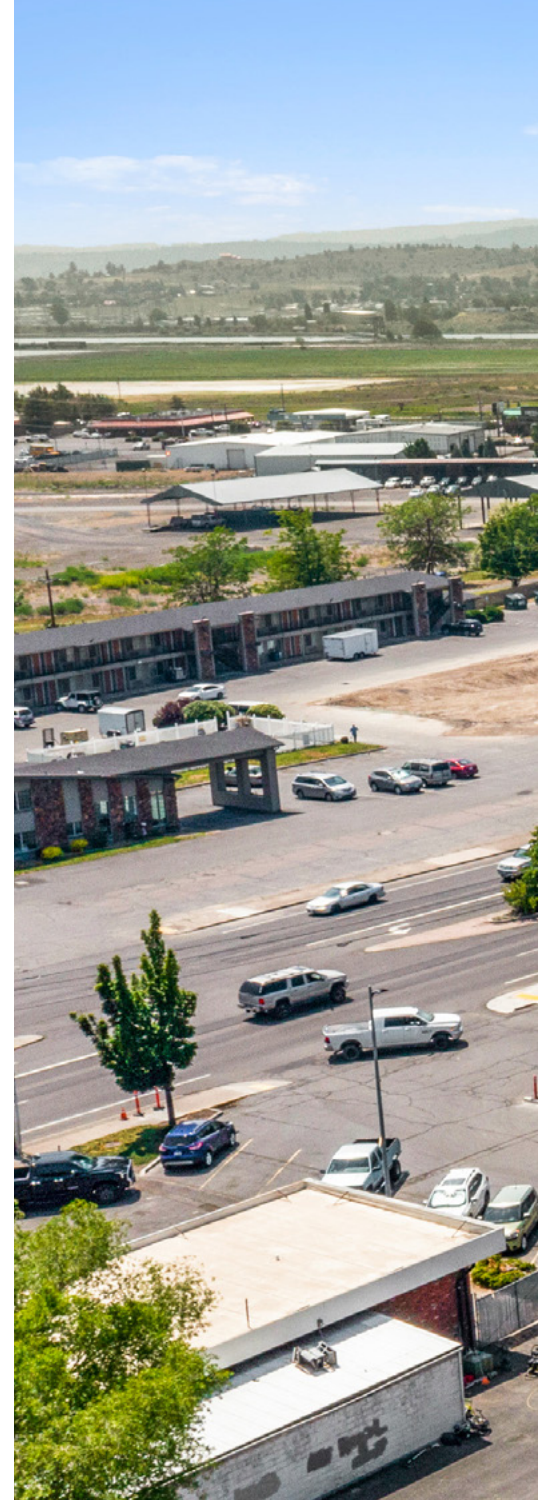
TENANT **Dollar Tree Stores, Inc.**

### EXPENSES

CAMS	<b>Tenant reimburses Landlord CAM is capped at an annual 5% increase</b>
TAXES	<b>Tenant reimburses Landlord Tenant reimburses the discounted tax amount</b>
INSURANCE (GENERAL LIABILITY)	<b>Landlord pays directly</b>
INSURANCE (PROPERTY)	<b>Tenant reimburses Landlord</b>
UTILITIES	<b>Tenant pays directly</b>
MANAGEMENT OR ADMIN FEE	<b>Lease is silent on third party management; current owner does not bill for management</b>
INTERIOR R&M	<b>Tenant pays directly</b>
EXTERIOR & NONSTRUCTURAL R&M	<b>Tenant reimburses Landlord</b>
STRUCTURAL REPAIR & MAINTENANCE	<b>Landlord pays directly</b>

### MISCELLANEOUS

**EXCLUSIVE USE:** Tenant is granted the exclusive right to operate as a single price point variety store.





An aerial photograph of a Dollar Tree retail center, featuring a large building with multiple entrances and a vast parking lot filled with cars and trucks. The scene is set against a backdrop of a forested hillside under a clear sky. The entire image is overlaid with a semi-transparent blue filter.

DOLLAR TREE CENTER

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# QUESTIONS & ANSWERS

## QUESTIONS & ANSWERS

### DO ANY TENANTS PROVIDE SALES OR A FINANCIAL STATEMENT?

No tenants are required to provide a statement of gross sales; however, Liberty Tax and Body Works are required to provide a financial statement to Landlord, within certain parameters outlined in their lease.

### DO ANY TENANTS HAVE A TERMINATION RIGHT OR CO-TENANCY CLAUSE?

Liberty Tax provides tax preparation services, and has the right to terminate if the number of returns doesn't hit or exceed 800 in any tax year of April 16th–April 15th of the following year; notice to be provided to Landlord between April 16th–May 31st of that given tax year, with the lease to terminate on the upcoming July 31st. The Property is not encumbered by any co-tenancy clauses, yet RAC does have an ongoing inducement that requires at least 50% of the property to be open and operating.

### DO ANY TENANTS HAVE AN EXCLUSIVE USE?

All tenants are provided the exclusive right to operate at the center per their approved use.

### HAS THERE BEEN ANY ENVIRONMENTAL TESTING PERFORMED?

Yes, a Phase I ESA was conducted by Partner Engineering and Science in 2013; no further testing was required.







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