



Keith Zanni
kzanni@dollartree.com
(757) 321-5899 Direct Line
(757) 321-5949 Fax Line

December 29, 2020

Via Email: Matthew.Lascheid@toledo.oh.gov

Mr. Matthew Lascheid
Toledo Plan Commissions
One Government Center, Suite 1620
Toledo, OH 43604

Dear Mr. LaScheid,

We would like to continue our conversation about Dollar Tree, Inc., which operates stores in the U.S. under the brands of Dollar Tree and Family Dollar. The company would like to partner with the City and continue to invest in the communities we both serve.

The Stores

The economic model for each banner is different, as are, of course, the product lines, brands, and customers. Dollar Tree stores have served customers for more than 30 years with the fixed price of \$1 per item and the product lines are designed and procured for this purpose. Dollar Tree is a celebration/occasion destination and also delivers essentials at incredible values, with an unmatched "thrill-of-the-hunt" shopping experience. The design is for value shoppers from across a wide range of household income levels. Dollar Tree stores offer a broad assortment of merchandise ranging from seasonal decor, household and cleaning essentials, Hallmark greeting cards, party and craft supplies, dinnerware, food, teaching and school necessities, health and beauty essentials, toys, books and much more. Dollar Tree is a unique business that is distinct from all other retailers.

Family Dollar stores sell a broader range of products, at discounted pricing, without being limited to a \$1 price point. Family Dollar serves as the neighborhood discount store and offers a broad assortment of products including household essentials, diapers, frozen and refrigerated food, beauty products, pet food, electronics, hardware and automotive supplies, apparel and seasonal items. The offerings include value priced popular name brands and quality private label merchandise. Our company recognizes that we sometimes open stores in markets where other retailers chose not to operate and Family Dollar is proud to serve these underserved communities.

Dollar Tree and Family Dollar stores were both deemed essential businesses throughout the pandemic and Family Dollar experienced increases in sales. The company has made significant investments to ensure our customers and associates are able to shop and work in a safe environment during the pandemic, and we are proud of our frontline workers, our "unsung heroes," who are serving the communities at this critical time. Additionally, the overwhelming feedback we received was that municipalities wanted Dollar Tree and Family Dollar stores open during the pandemic. We believe this fact demonstrates value to Dollar Tree and Family Dollar customers across all income levels. In an

CORPORATE HEADQUARTERS

500 Volvo Parkway Chesapeake, Virginia 23320 Tel 757-321-5000 Fax 757-321-5292 www.dollartree.com

environment where individuals are concerned about their 'health and exposure', their 'income and jobs', and 'not knowing what is next', we firmly believe that Dollar Tree and Family Dollar are "part of the solution" for our customers.

Customers want Dollar Tree and Family Dollar stores in their neighborhoods now more than ever. Dollar Tree has been named #17 in America's Most Loved Brands by Morningstar Consult; #10 in America's Most Popular Stores by 24/7 Wall Street; and #15 in Most Engaged Companies by Forbes. In addition, 62% of adults surveyed by Morning Consult say Dollar Tree "has a positive effect on my community" -- compared to 51% for Starbucks and 59% for Target.

Renovations and Relocations

As part of its investment in Toledo, Family Dollar renovated four stores in 2019, totaling approximately \$750,000. When stores are renovated or relocated, the store upgrades typically include more product offerings, increased freezer/cooler capacity, energy-efficient lighting and enhanced security camera installations.

We would like to work with the City to continue to invest in current stores, relocating stores, and new stores. Our company deeply understands the concerns of many local officials regarding the changing nature of our shared communities and we are always looking for new ways to help our neighborhoods be healthier, safer, and more prosperous.

Dollar Tree and Family Dollar stores' real estate model is, by and large, to rent commercial space from other owners, rather than constructing new or renovated stores from the ground up. Often, the renovation and upgrade of a store uses existing vacant space and replaces it with more attractive, upgraded storefronts. The City and its citizens are actually receiving higher visual amenities in this renovation and relocation process.

Investing in Our People

Store growth has enabled the company to continue to hire and promote thousands of workers every year. Our stores provide a great first job experience for individuals who are interested in a retail career. In fact, many of the leaders within our company started their careers in hourly-paid positions at Dollar Tree and Family Dollar stores. At our Toledo stores alone, where we employ over 300 people from the communities, over 65 associates were internally promoted into their current management positions. Other associates who may be on a different path, such as a parent with children at home or a senior citizen seeking another source of income, enjoy the flexible hours and part-time benefits.

We continually invest in the most important element of our organization: our people. Along with a total rewards package, the Company continues its commitment to ongoing training and talent development and there are numerous opportunities for career growth.

Food Deserts

Dollar Tree and Family Dollar stores are not the cause of, nor do they contribute to creating food deserts. Dollar Tree and Family Dollar stores complement and operate side-by-side with larger grocery stores. In fact, out of the 17 Family Dollar stores in Toledo, only 3 are located more than 1 mile away from a grocery store, and none of them are more than 2 miles from a grocery store. Out of 11 Dollar

Tree stores in Toledo, only 2 stores are located more than 1 mile from a grocery store and none of them are more than 1.2 miles from a grocery store. In serving as that fill-in shopping trip between grocery visits, the stores provide many healthy food options such as bread, milk, eggs, 100% fruit juices, and frozen fruits and vegetables (see attached), along with today's critical cleaning supplies and paper goods. These stores provide families with food and essentials at low prices they can afford, along with accepting SNAP and EBT in many locations.

We have also attached a map of a store currently operating in Toledo to show how its market share interacts with grocery stores located 2 and 3 miles away. As you can see from the slide, the Family Dollar market share is very narrow and close as compared to the market share of the grocery stores located approximately 2 miles away. In fact, the grocery stores' markets cover the Family Dollar market, while the Family Dollar market does not cover the grocery stores' market. This exemplifies the broad markets that grocery stores serve as compared to the much narrower markets Family Dollar stores serve. It also shows how a sweeping ordinance with 1 mile restrictions does not address the complexities in market shares and is significantly overbroad for many markets.

Summary

A ban or restriction on Dollar Tree stores and/or Family Dollar stores does not serve the communities and would actually hurt these already underserved areas. We believe a better approach is for our company to work with the City so we can address the concerns it may have with existing stores, and for us to continue to invest in the City. And, as we have discussed, not only are we opposed to the proposed ban as it greatly impairs investment in the communities, but it also does not take into consideration actual trading markets, the ability to relocate an existing store, the differences between the store models and the customers they serve, nor does it provide the ability to get a variance that would allow for the significant investment of a new store.

Our customers are at the core of all we do. Dollar Tree and Family Dollar proudly provide the communities we serve with affordable products at convenient locations, all while creating jobs and partnering with community leaders to encourage economic and social growth.

Thank you for the opportunity to meet and we welcome the opportunity to continue our discussion on these important issues.

Respectfully,

/s/ *Keith Zanni*

Keith Zanni

Vice President, Merchandise and Operations Law Group