

# NEW DOLLAR GENERAL

15 YEAR ABSOLUTE NNN LEASE

*RARE 3% RENT INCREASE IN YEAR 11*



203 J Ave, Eureka, SD 57437

SIMILAR STORE DESIGN SHOWN - NOT ACTUAL STORE



**FORTIS NET LEASE**  
INVESTMENT REAL ESTATE SERVICES

BRYAN BENDER | MANAGING DIRECTOR  
BBENDER@FORTISNETLEASE.COM  
248.419.3810



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## INVESTMENT OFFERING



## PROPERTY & LEASE



## DOLLAR GENERAL



## LOCATION



## AREA & DEMOGRAPHICS



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PRICE	\$1,249,777
CAP RATE	6.75%
CURRENT NOI	\$84,360
LEASE TYPE:	15 YEAR ABS. NNN
RESPONSIBILITIES:	NONE
TENANT:	DOLLAR GENERAL
GUARANTEE:	CORPORATE
STRENGTH:	S&P: BBB
SQUARE FEET:	9,100

Fortis Net Lease is pleased to present this 9,100 SF Dollar General store located in Eureka, SD. The property is encumbered with a Fifteen (15) Year Absolute NNN Lease, leaving zero landlord responsibilities. The lease contains a rare 3% rent increase in year 11 of the primary term. The lease contains Four (5) Yr. Options to renew, each with a 10% rental rate increase. The lease is corporately guaranteed by Dollar General Corporation which holds a credit rating of "BBB", which is classified as Investment Grade. Construction is under way, with the rent anticipated on 11/26/2017.

This Dollar General is highly visible as it is strategically positioned in Eureka, SD. The ten mile population from the site exceeds 1,100 while the three mile median household income exceeds \$33,100 per year, making this location ideal for a Dollar General. The Subject offering represents an ideal opportunity for a 1031 exchange buyer or a "passive" investor to attain the fee simple ownership of a Dollar General. This investment will offer a new owner continued success due to the financial strength and the proven profitability of the tenant, the nation's top dollar store. List price reflects a 6.75% cap rate based on NOI of \$84,360.



Similar Store Design Shown - Not Actual Store

- Brand New Absolute NNN Lease
- 15 Year Term | Four (5 Year) Options
- Three Mile Household Income \$33,107
- Ten Mile Population Exceeds 1,100
- Rare 3% Rent Increase in Year 11
- Zero Competition
- Only Investment Grade Dollar Store



YEAR BUILT	2017
STORE STYLE	PROTOTYPE CONSTRUCTION
ACREAGE	+/- 1.00 ACRES
SQUARE FEET	9,100
FOUNDATION	CONCRETE BLOCK
ROOF	STANDING SEAM ROOF
HVAC	GROUND MOUNTED
PARKING	ASPHALT
ZONING	COMMERCIAL
STORE STATUS	NEW LOCATION
OWNERSHIP TYPE	FEE SIMPLE

TENANT	DOLGENCORP, LLC
GUARANTOR	DOLLAR GENERAL CORPORATION
TRADE NAME	DOLLAR GENERAL
STOCK SYMBOL	DG (NYSE)
ADDRESS	203 J AVE, EUREKA, SD 57437
LEASE TYPE	ABSOLUTE NNN
PRIMARY TERM	FIFTEEN (15) YEARS
RENT START	11/26/2017
RENT END	11/30/2032
ANNUAL RENT	\$84,360
RENT INCREASES	3% IN YEAR 11
OPTION PERIODS	FIVE (5) FIVE (5) YEAR OPTIONS
WEBSITE	<a href="http://WWW.DOLLARGENERAL.COM">WWW.DOLLARGENERAL.COM</a>

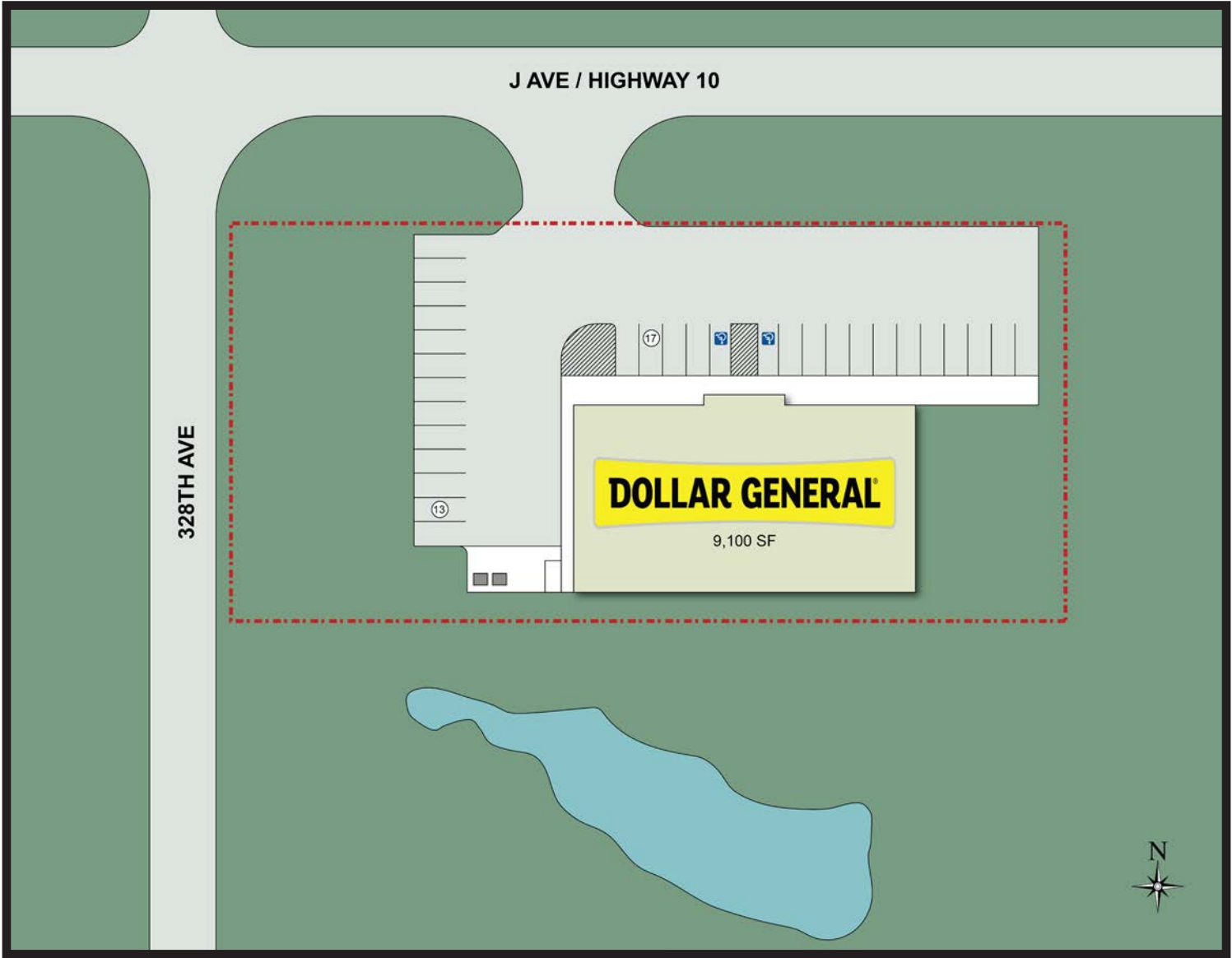
RENT SCHEDULE

LEASE YEARS	ANNUAL RENT	MONTHLY RENT	BUMP	YIELD
1-10	\$84,360.00	\$7,030.00	-	6.75%
11-15	\$86,892.0	\$7,241.00	3%	6.95%
16-20 (OPTION 1)	\$95,580.00	\$7,965.00	10%	7.64%
21-25 (OPTION 2)	\$105,144.00	\$8,762.00	10%	8.41%
26-30 (OPTION 3)	\$115,656.00	\$9,638.00	10%	9.25%



Similar Store Design Shown - Not Actual Store

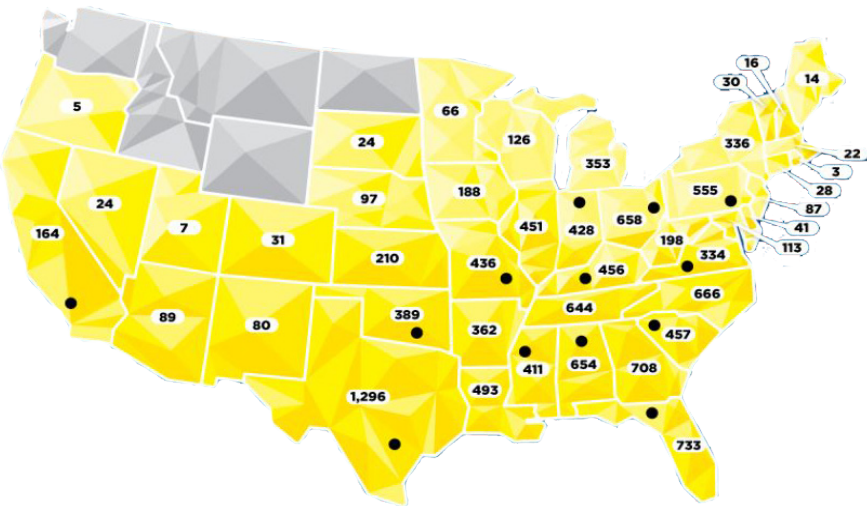






Dollar General is the largest “small box” discount retailer in the United States. Headquartered in Goodlettsville, TN, the company was established in 1939. As of March 16th, 2017, there are more than 13,320 stores with more than 114,000 employees, located across 43 states. Dollar General has more retail locations than any retailer in America. The Dollar General store format has typically been in rural and suburban markets, now they are expanding into more densely populated areas. Opening over 837 stores in 2016, with an expected 1,000 opening for 2017. The Dollar General strategy is to deliver a hassle-free experience to consumers, by providing a carefully edited assortment of the most popular brands in both retail and consumer products.

The company launched a successful IPO in 2009 (NYSE: DG). In March, 2014 Dollar General reported record sales, operating profit and net income. Most recently the first quarter 2017 sales rose by 6.50%, in comparison to Q1 2016. During the same time period, same store sales continued their growth trend, with an increase of 0.70% Dollar General's net income and diluted earnings per share (EPS) for Q1 2017 was \$279 million and \$1.02, respectively. The Company's earnings, adjusted for non-recurring costs totaled \$1.03 per share, topped Wall Street's expectations of \$0.99 per share. Dollar General is ranked #128 on the Fortune 500, an 11 spot jump from the previous year ranking.



“Investment Grade” S&P Rating of BBB



\$20.3 Billion in Sales in Fiscal 2016



1st Quarter 2017 Net Sales Increased 6.50%



Same-Store Sales Increased 0.7% Q1 16-17



Gross Profit Rate was 30.3% in Q1 2017



Ranked #128 on Fortune 500



**TOTAL POPULATION**

3 MILES ..... 913

5 MILES ..... 975

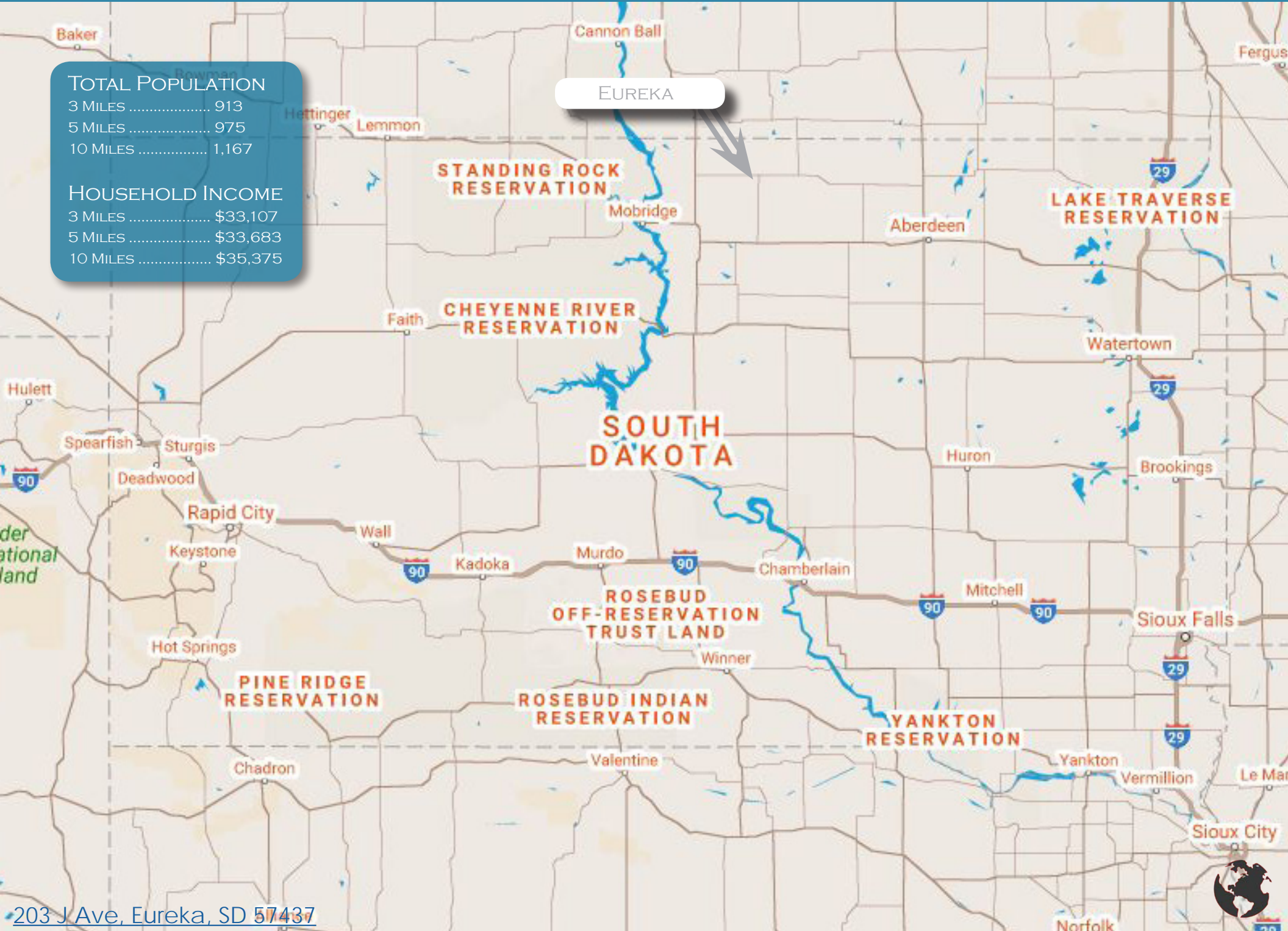
10 MILES ..... 1,167

**HOUSEHOLD INCOME**

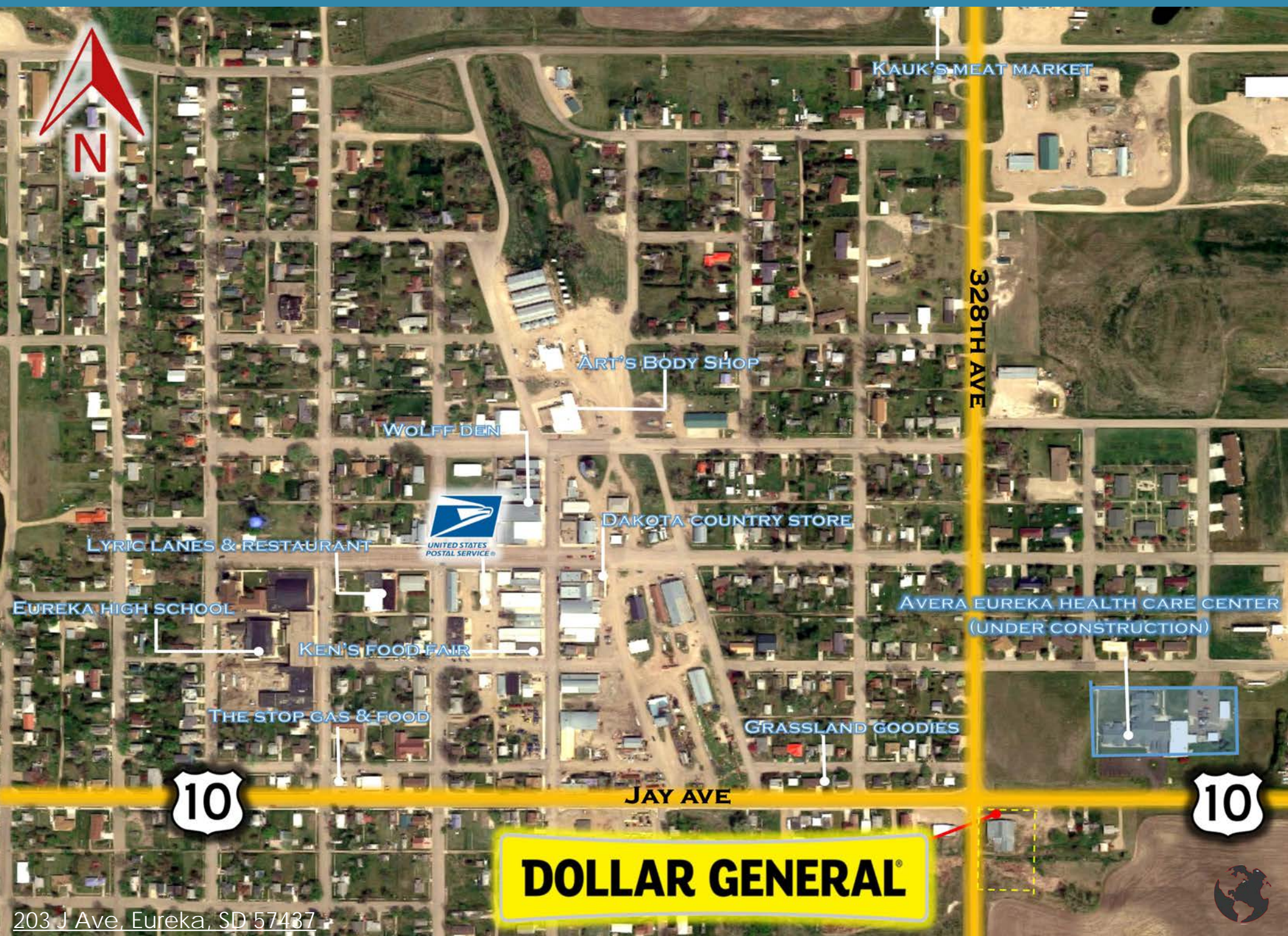
3 MILES ..... \$33,107

5 MILES ..... \$33,683

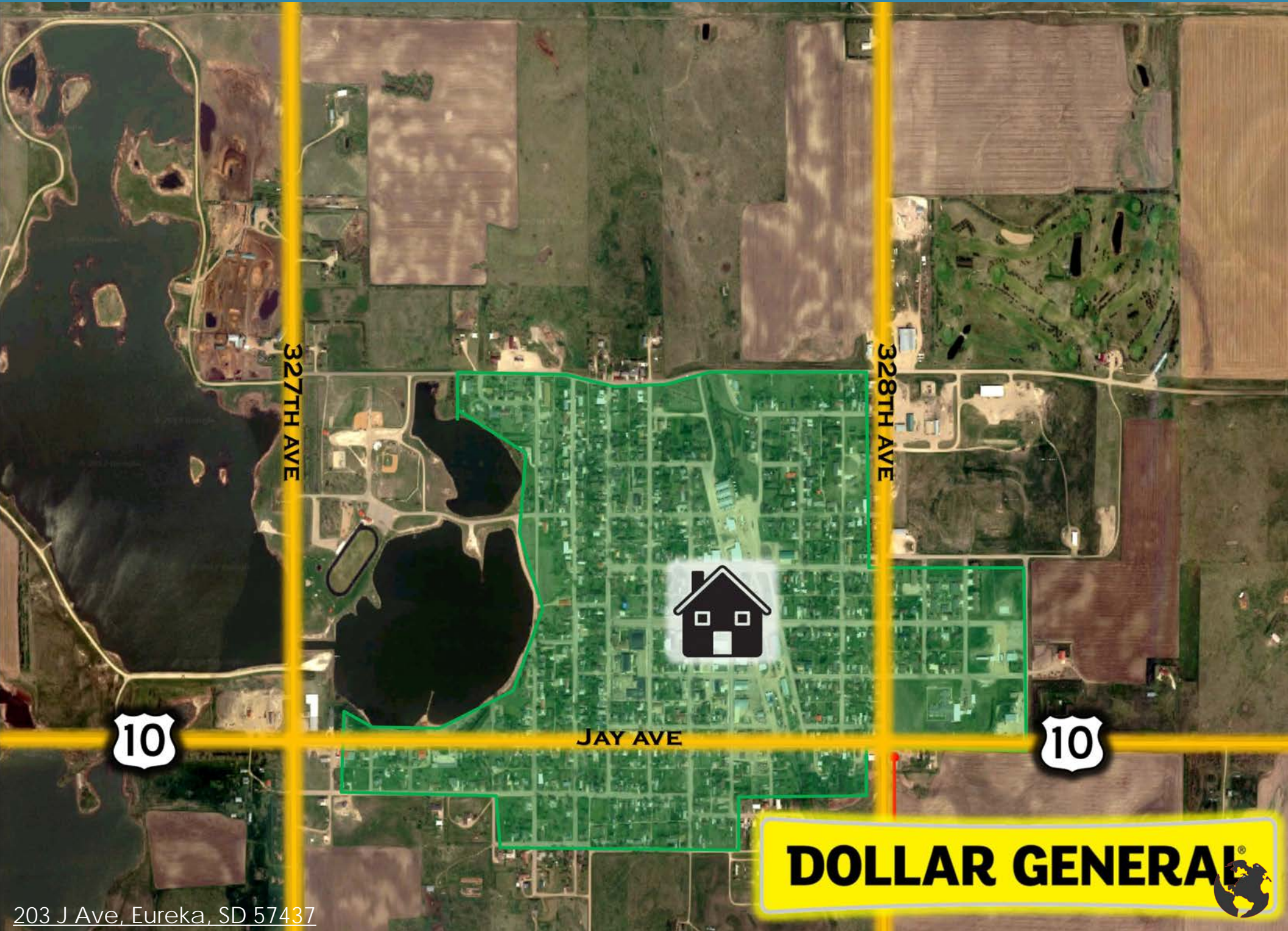
10 MILES ..... \$35,375







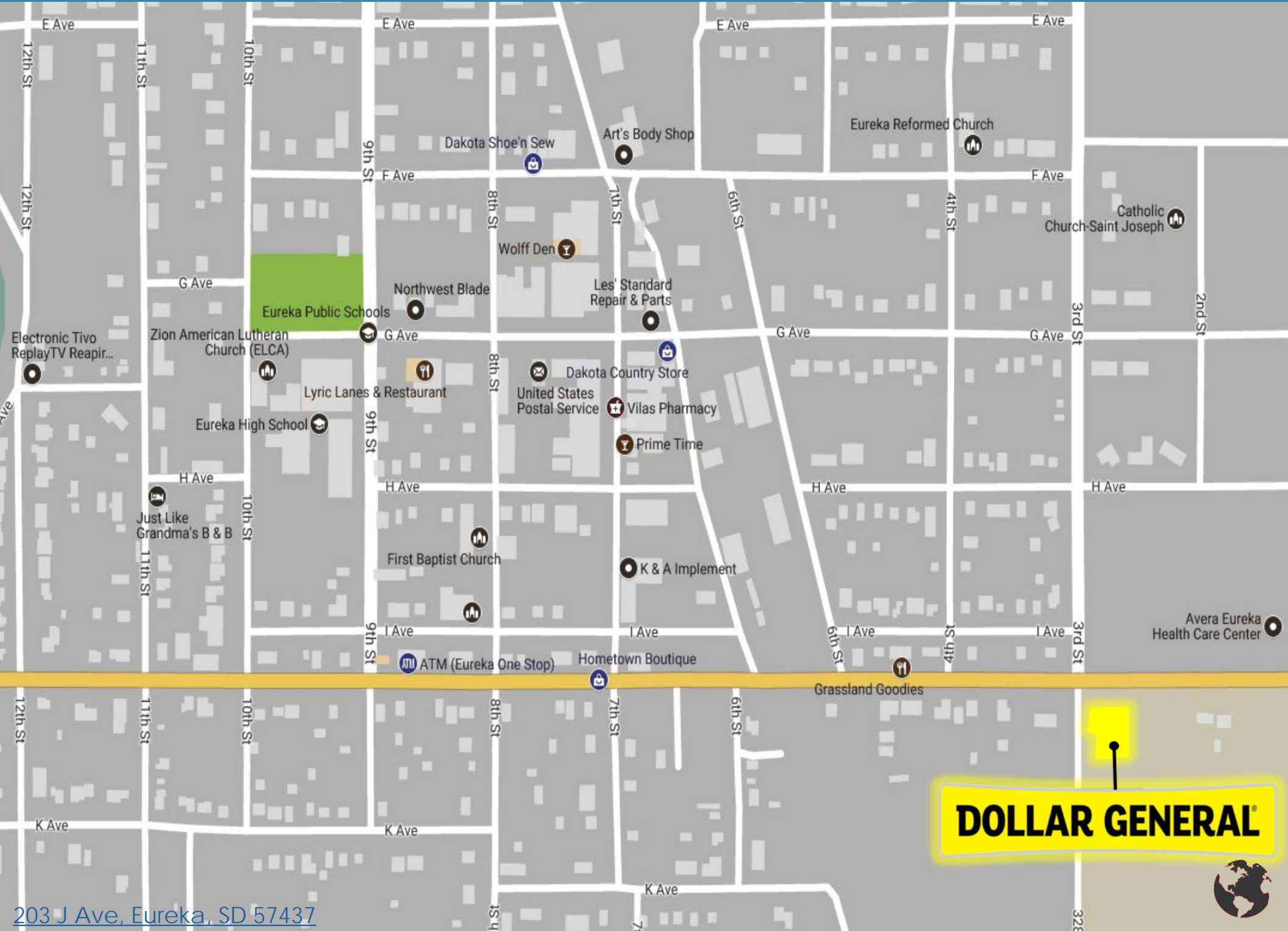




**DOLLAR GENERAL®**







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# Eureka, SD

The city of Eureka is located in north central South Dakota, and has a population of 868. Eureka has a beautiful lake and park area which are used for recreation, fishing, swimming, camping, and boating. Eureka has numerous sporting opportunities including a 9-hole golf course, softball and baseball fields, a tennis court, a basketball court, a football field, and an all weather track complex that is open to the public for exercising purposes. Eureka has many hunting opportunities and has a shooting range just outside of town. Eureka is the birthplace of Al Neuharth, the founder of U.S.A. Today. Eureka's population consists mostly of German-Russian descent.

There are over 101 businesses within ten miles of the site, with three top industries being Health Care, Retail, and Agriculture. Residents living within a 10 mile radius are expected to spend over \$12.513 Million on consumer products in the calender year of 2017. Given that this Dollar General will have very little competition, this site is expected to be a very profitable location for Dollar General.



POPULATION	3 MILE	5 MILE	10 MILE
2017 TOTAL POPULATION	913	975	1,167
CONSUMER SPENDING	\$9,729M	\$10,392M	\$12,513M
AVERAGE AGE	52.80	52.20	50.90
HOUSEHOLDS			
2017 TOTAL HOUSEHOLDS	468	491	566
TOTAL BUSINESSES	91	92	101
MEDIAN HOUSEHOLD INCOME	\$33,107	\$33,683	\$35,375
AVERAGE HH SIZE	1.80	1.80	1.90
HOUSING			
MEDIAN HOME VALUE	\$60,927	\$62,824	\$66,765

