

# Dollar General

## Exclusive Net-Lease Offering



# OFFERING MEMORANDUM

**DOLLAR GENERAL®**

24 Main Avenue - Hawley, Pennsylvania

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properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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**DOLLAR GENERAL®**

24 Main Avenue - Hawley, Pennsylvania

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**DOLLAR GENERAL®**





# Investment Highlights

PRICE: \$1,396,774 | CAP: 7.75% | RENT: \$108,250

**DOLLAR GENERAL®**

## About the Investment

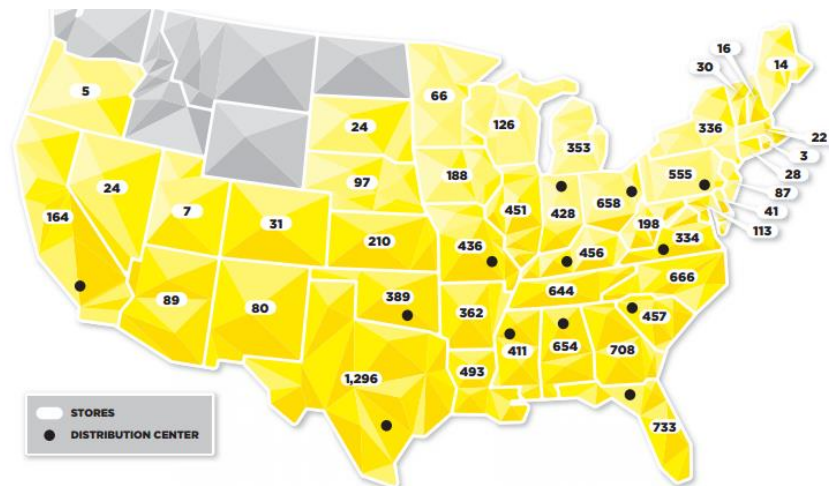
- ✓ There are over 7 Years Remaining on an Original 10-Year Double-Net (NN) Lease; Strategic Investment Offering a Long-Term Security of Cash Flow
- ✓ Rental Increases of 10 Percent In Each Option Period
- ✓ Tenant Renewal Options: Two Periods of Five Years and One Period of Four Years and 11 Months, bringing the Potential Lease Term to nearly 25 Years
- ✓ Corporate Location | Corporate Guarantee

## About the Location

- ✓ Limited Competition: The Nearest Dollar General is Located Approximately 6.5 Miles Away
- ✓ Freestanding Property | Benefits from Excellent Footage
- ✓ Strong Educational Presence | Wallenpaupack Area School District | Total Enrollment Exceeding 3,000 Students | Located Within 2.5-Miles of Subject Property
- ✓ Moses Taylor Hospital and Geisinger Community Medical Center | General and Medical Facilities | Combined Total: 520 Beds | Located Within a 30-Mile Radius
- ✓ Wilkes Barre Scranton International Airport | Annual Passenger Arrival: 250,000 | Fifth-Largest Airport In Pennsylvania | Located 38-Miles From Subject Property

## About the Tenant/Brand

- ✓ Investment Grade Credit (S&P:BBB)
- ✓ Lease Guaranteed by Dollar General Corporate (NYSE: DG)
- ✓ Prime Positioning to Serve its Target Market | Limited to No Competition in the Area
- ✓ Dollar General | Only Dollar Store With Investment Grade Credit
- ✓ As of November 2017, Dollar General Operated Over 14,321 Stores in 44 States





# Financial Analysis

PRICE: \$1,396,774 | CAP: 7.75% | RENT: \$108,250

**DOLLAR GENERAL®**

## PROPERTY DESCRIPTION

Property	Dollar General
Property Address	24 Main Avenue
City, State, ZIP	Hawley, PA 18428
Building Size	12,965
Lot Size	+/- 2.79 Acres
Type of Ownership	Fee Simple

## The Offering

Purchase Price	\$1,396,774
CAP Rate	7.75%
Annual Rent	\$108,250
Price / SF	\$107.73
Rent / SF	\$8.35

## Lease Summary

Property Type	Net-Lease Dollar Store
Original Lease Term	10.0 Years
Lease Commencement	August 9, 2015
Lease Expiration	August 31, 2025
Lease Term Remaining	7.3 Years
Lease Type	Double-Net (NN)
Roof & Structure	Tenant Responsible
Rental Increases	10% Each Option Period
Options to Renew	Three (3), Five (5)-Year

## RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Initial Term	\$108,250	\$9,021	-
Option Periods			
Option 1	\$119,075	\$9,923	10.00%
Option 2	\$130,983	\$10,915	10.00%
Option 3	\$144,081	\$12,007	10.00%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Dollar General located at 24 Main Avenue in Hawley, Pennsylvania. The property consists of 12,965 square feet of building space and is situated on a 2.79-acre parcel.

This investment is subject to a double-net (NN) lease and has roughly eight years remaining on an original 10-year lease. This is a corporate location and is guaranteed by Dollar General corporate (NYSE: DG), which has an investment grade credit rating (S&P BBB, Stable). The base rent is \$108,250 and is subject to 10 percent rental escalations in each tenant renewal option. Tenant shall be entitled to extend the term of the lease for three successive periods of five years each.

Founded in Goodlettsville, Tennessee, Dollar General Corporation has been delivering value to shoppers for over 75 years. Dollar General helps shoppers Save time. Save money. Every day!® by offering products that are frequently used and replenished, such as food, snacks, health and beauty aids, cleaning supplies, clothing for the family, housewares and seasonal items at low everyday prices in convenient neighborhood locations. With over 14,321 stores in 44 states Dollar General is among the largest discount retailer.

### \*Landlord Responsibilities:

- Roof and Structure – maintenance, repair and replacement including, but not limited to, the exterior walls (including all patching and painting), foundations, roof, gutters, downspouts, exterior and all structural portions, and plumbing, electrical, gas, sprinkler and sewage systems located below or within the floor slab of the Premises, inside the walls, above the ceiling or not exclusively serving the Premises. \* Tenant shall be responsible for the maintenance and repair of any fire sprinkler system that exclusively serves the Premises.
- HVAC Repairs – in the event of a replacement of the HVAC is necessary during the term of this Lease, the replacement cost will be amortized over 120 months and the Tenant shall be responsible for an amount equal to (i) the number of months remaining in the Term divided by 120, multiplied by (ii) the cost of the replacement of the HVAC. In the event Tenant later exercises Tenant's option to extend the Lease Term, Tenant shall, upon Landlord's request, reimburse Landlord for the difference between Tenant's payment at the time of reimbursement and the amount Tenant would have paid had the remaining Term included the exercised Option Period.



# Tenant Overview

## About Dollar General

Dollar General Corporation has been delivering value to shoppers for over 75 years. Dollar General helps shoppers Save time. Save money. Every day!® by offering products that are frequently used and replenished, such as food, snacks, health and beauty aids, cleaning supplies, clothing for the family, housewares and seasonal items at low everyday prices in convenient neighborhood locations. With over 14,000 stores in 44 states Dollar General is among the largest discount retailers.

The company acquired the 280 stores of the P.N. Hirsh Division of Interco, Inc. (now Heritage Home Group) in 1983, and in 1985 added 206 stores and a warehouse from Eagle Family Discount Stores, also from Interco, Inc. In recent years, the chain has started constructing more stand-alone stores, typically in areas not served by another general-merchandise retailer. In some cases, stores are within a few city blocks of each other.

Dollar General offers both name brand and generic merchandise — including off-brand goods and closeouts of name-brand items — in the same store, often on the same shelf. Although it has the word "dollar" in the name, Dollar General is not a dollar store. Most of its products are priced at more than \$1.00. However, goods are usually sold at set price points the range of .50 to 60 dollars, not counting phone cards and loadable store gift cards. In the United States. In addition to high quality private brands, Dollar General sells products from America's most-trusted manufacturers such as Procter & Gamble, Kimberly-Clark, Unilever, Kellogg's, General Mills, Nabisco, Hanes, PepsiCo and Coca-Cola.

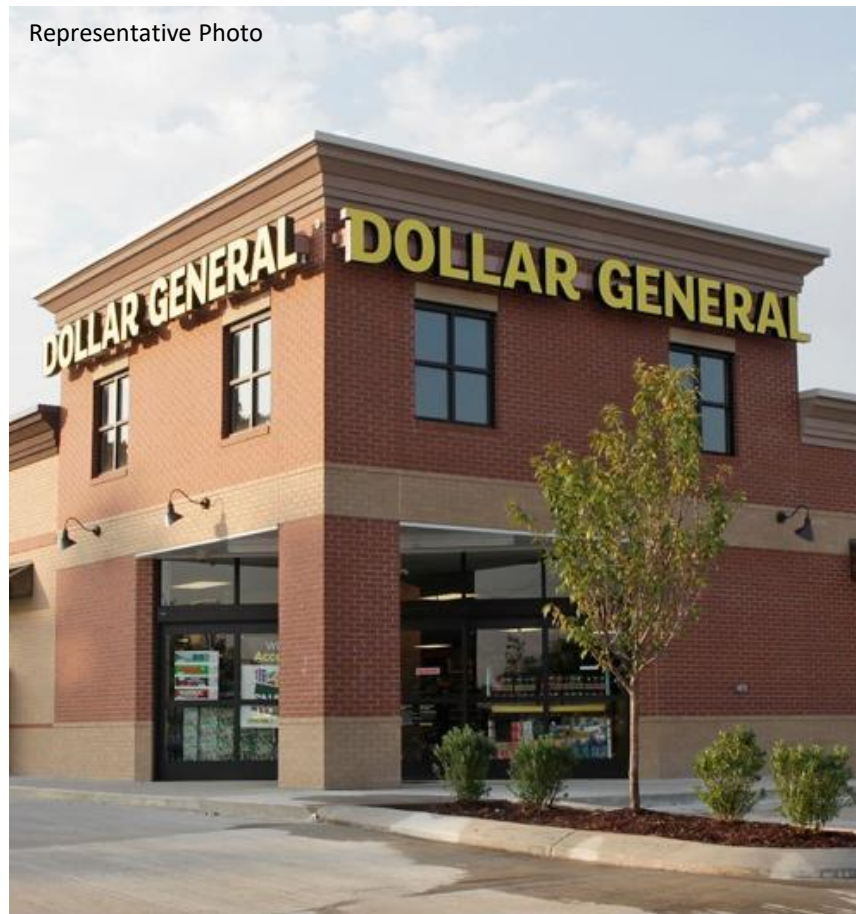
Dollar General often serves communities that are too small for Walmart stores (although many locations are in relatively close driving distance to a Walmart store or in the same communities that Walmart is located). It competes in the dollar store format with national chains Family Dollar and Dollar Tree, regional chains such as Fred's in the southeast, and numerous independently owned stores.

# DOLLAR GENERAL®

## General Information

Address	Goodlettsville, TN
Website	<a href="https://www.dollargeneral.com">https://www.dollargeneral.com</a>
Concentration	44 States

Representative Photo





# Surrounding Area

Property Address: 24 Main Avenue - Hawley, Pennsylvania

**DOLLAR GENERAL®**



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Wallenpaupack  
School



The Hotel  
Belvidere





# Location Overview

Property Address: 24 Main Avenue - Hawley, Pennsylvania

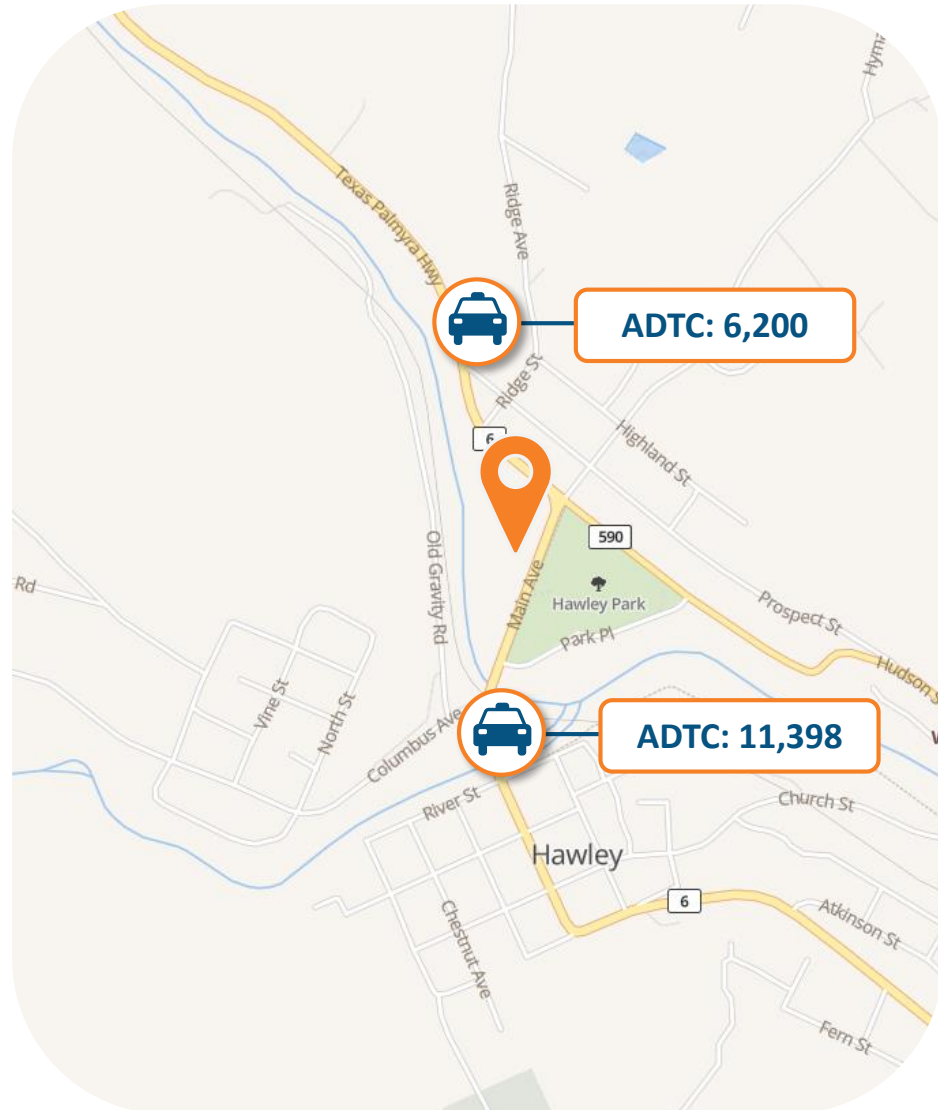
The subject investment property is situated on Main Avenue experiences an average traffic count of over 11,398 vehicles per day. Intersecting with Main Avenue is Hudson Street, which brings in an additional 6,200 vehicles to the immediate area daily. There are approximately 30,050 people within the ten-mile radius with an average income of \$69,548.

The subject property is well-positioned as a prime retailer on Main Avenue in Hawley, surrounded by many national and regional tenants. Nationally recognized tenants in the area include: PNC Bank, CVS Pharmacy, Wells Fargo Bank, Citgo, USPS, Sunoco, The Dime Bank, Teeters Furniture, The Settlers Inn, as well as many others. Many of the schools in the Wallenpaupack Area School District are located within two and a half miles of the subject property. These schools include: Wallenpaupack North Intermediate, Wallenpaupack Middle, Wallenpaupack North Primary, and Wallenpaupack High School. The schools have a combined enrollment of over 3,000 students.

Located less than a 45-minute drive from the subject property are Moses Taylor Hospital and Geisinger Community Medical Center. These general medical and surgical facilities feature a combined 520-bed count. Additionally, Wilkes-Barre Scranton International Airport, the fifth-largest airport in Pennsylvania with an average exceeding 250,000 passenger arrivals annually, is located approximately 38-miles from the subject property.

Hawley is located approximately 33 miles northeast of Scranton, Pennsylvania. Scranton is the sixth-largest city in the commonwealth of Pennsylvania. It is the county seat of Lackawanna county in Northeastern Pennsylvania's Wyoming Valley and hosts a federal court building. Once a one-industry town, Scranton is still dominated by manufacturing enterprises, primarily in the nondurable goods sector for companies such as Proctor & Gamble and Techneglas. However, between 1995 and 2000, major financial and professional services corporations such as AT&T, Fleet Financial Group, Cigna Health Care, and Alliance Fund Services opened large offices locally. Since that time, there has also been a marked increase in the number of people employed in the health, education, and social services industry—close to 25 percent of Scranton's employed population. Defense contractors also play an important role in the region's diversified economy, and construction, utilities, retail trade, and government make up a large part of the economic base. Tourism is also a growing industry.

## DOLLAR GENERAL®





# Property Photo

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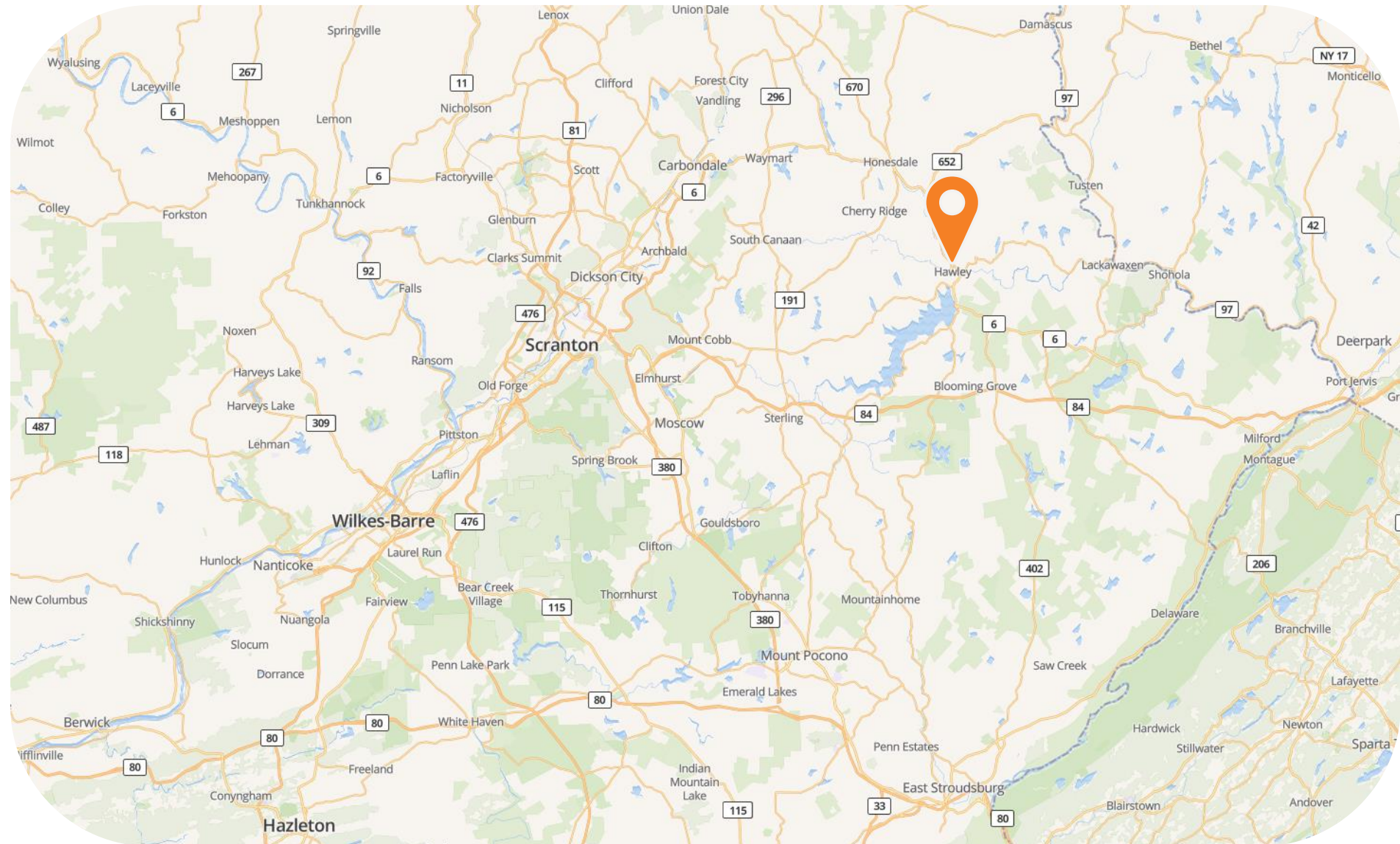




# Local Map

Property Address: 24 Main Avenue - Hawley, Pennsylvania

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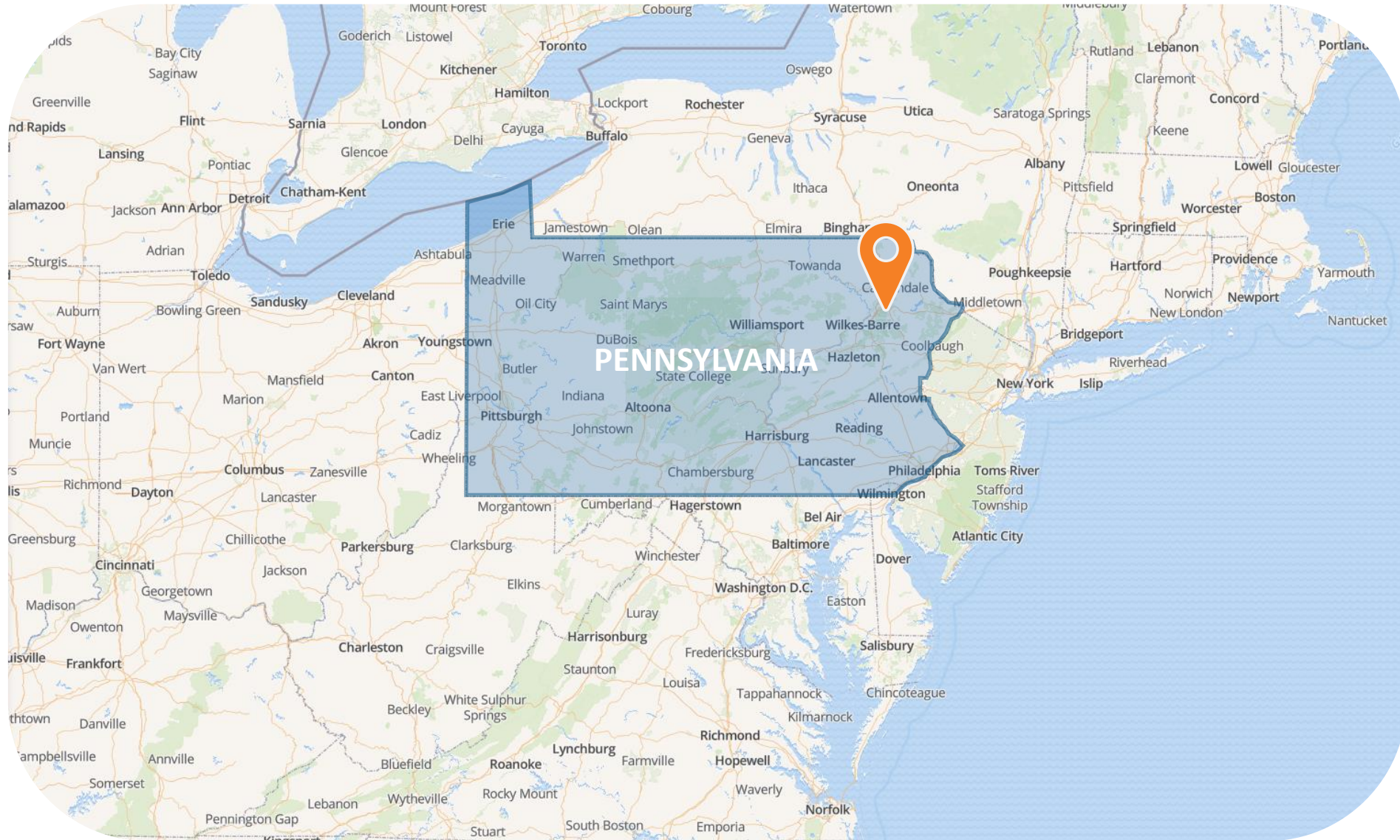




# Regional Map

Property Address: 24 Main Avenue - Hawley, Pennsylvania

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# Demographics

Property Address: 24 Main Avenue - Hawley, Pennsylvania

## DOLLAR GENERAL®

**5 Miles 10 Miles**

### Population Trends:

2023 Projection	7,456	29,613
2018 Estimate	7,498	30,050
2010 Census	7,413	31,056
Growth 2018 - 2023	-0.56%	-1.45%
Growth 2010 - 2018	1.15%	-3.24%
2018 Population Hispanic Origin	297	1227

### Population by Race (2018):

White	7,262	28,858
Black	90	583
American Indian & Alaskan	11	65
Asian	58	212
Hawaiian & Pacific Island	2	7
Other	74	324

### Household Trends:

2023 Projection	3,163	12,271
2018 Estimate	3,182	12,454
2010 Census	3,150	12,875
Growth 2018 - 2023	-0.60%	-1.47%
Growth 2010 - 2013	1.02%	-3.27%
Owner Occupied	2614	9935
Renter Occupied	568	2519

### Average Household Income (2018):

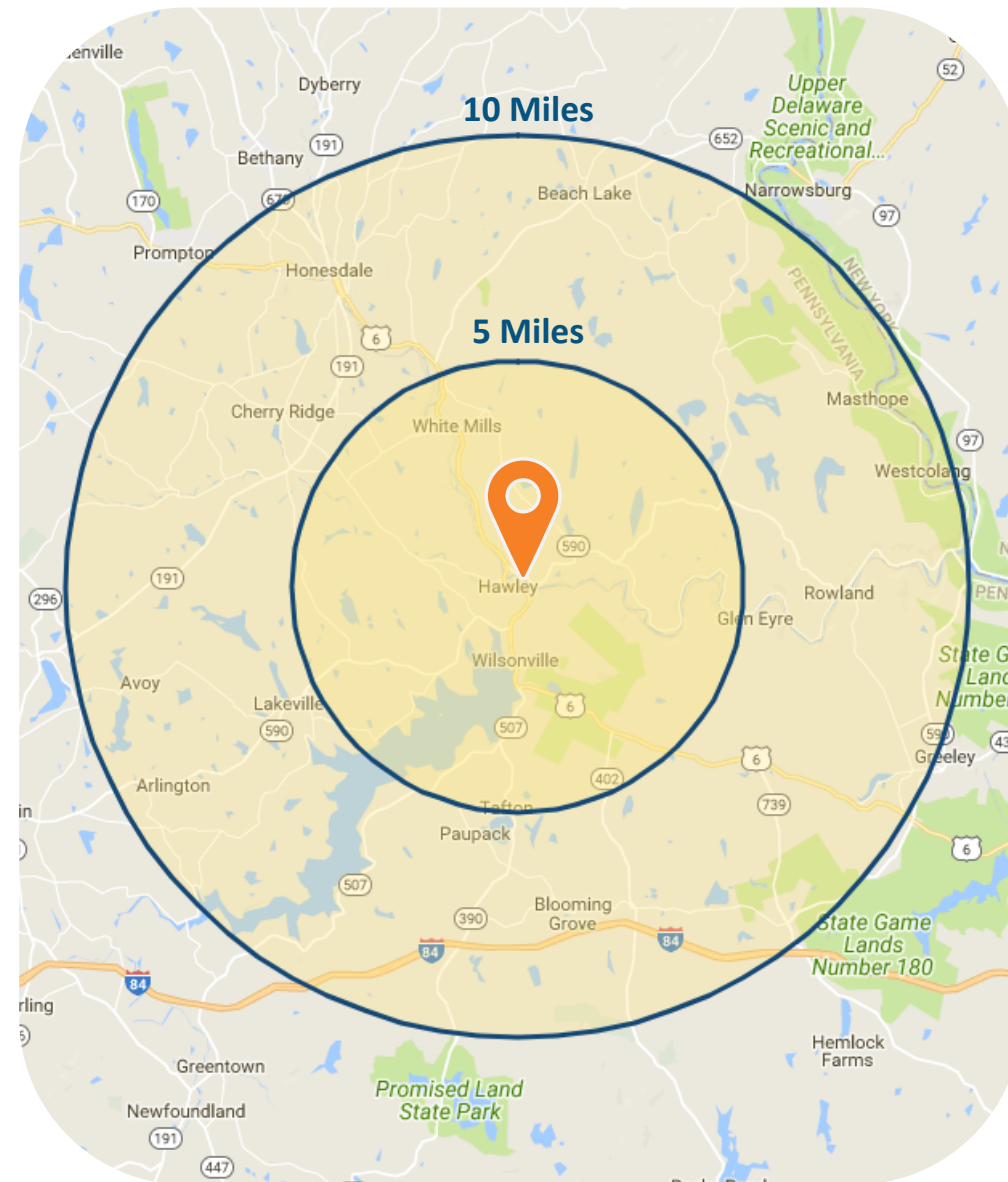
\$75,849 \$69,548

### Households by Household Income (2018):

<\$25,000	643	2793
\$25,000 - \$50,000	703	3191
\$50,000 - \$75,000	582	2352
\$75,000 - \$100,000	445	1570
\$100,000 - \$125,000	347	996
\$125,000 - \$150,000	143	542
\$150,000 - \$200,000	204	583

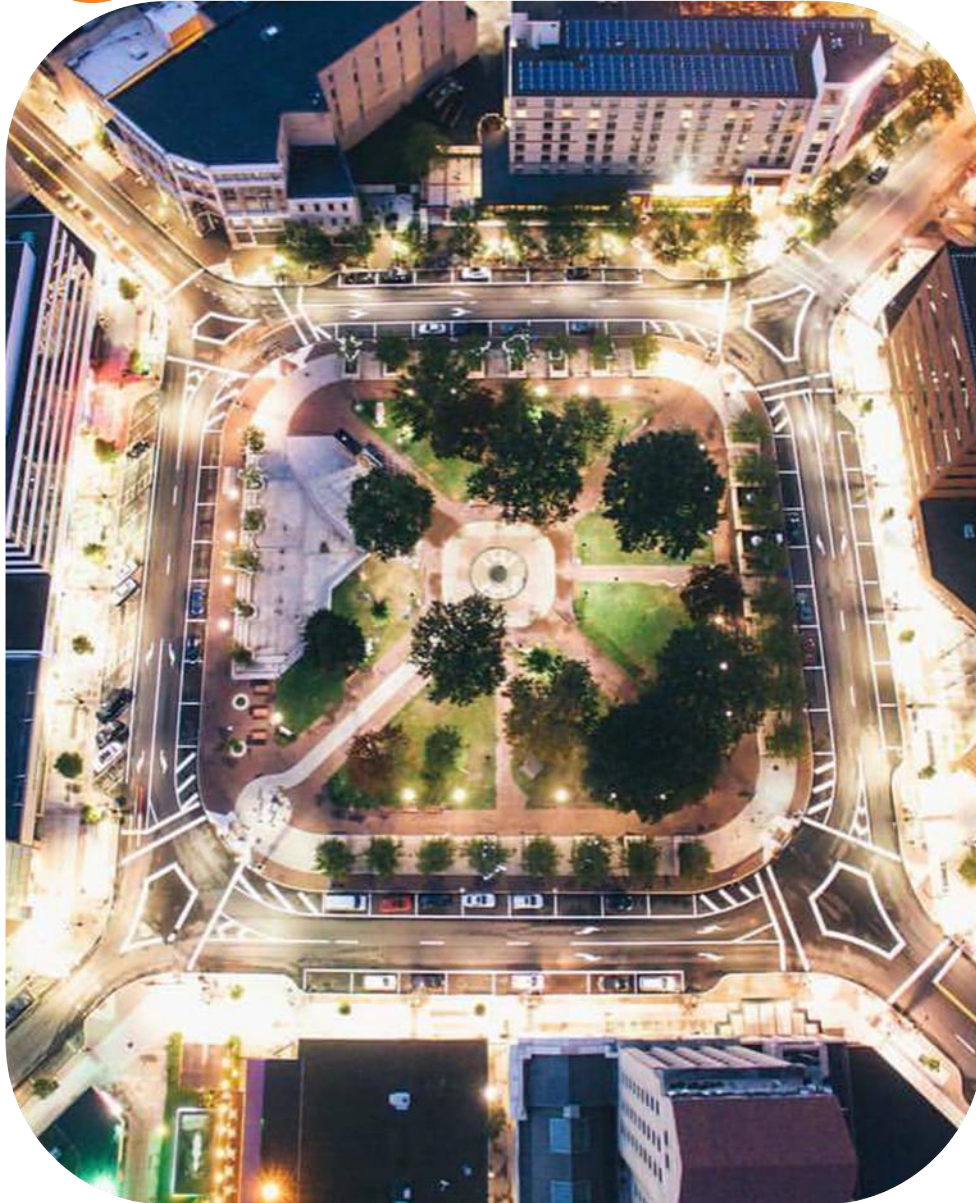
### Median Household Income (2018):

\$58,553 \$52,290





# Market Overview



**Wilkes-Barre** is a city in the Commonwealth of Pennsylvania and the county seat of Luzerne County. It has the 4th-largest downtown workforce in the state of Pennsylvania. Wilkes-Barre has become revitalized into an 18-hour destination with a “Walk-To-Everything” lifestyle. The downtown offers a wide variety of dining and shopping options for residents and visitors. Both locally-owned and nationally recognized restaurants, such as Rodano’s Pizza, Katana and Thai Tai are within walking distance from Public Square and the movie theater. Retail shops are easily accessible to downtown patrons including Boscov’s and Barnes & Noble along South Main Street. The vision of downtown living has become a reality as the strategic conversion of inactive bank buildings to luxury apartment units has added a lively, spectacular presence to the city.

Wilkes-Barre’s has strengths in transportation, education, sports and local attractions. Five international airlines are currently stationed at the Wilkes-Barre International Airport which experiences an average of 250,000 passenger arrivals annually. Also, there is a strong presence of education in the city with four high schools in the Wilkes-Barre Area School District and prestigious universities such as: Kings College, Penn State Wilkes-Barre, Luzerne County Community College, and several others. Wilkes-Barre is also home to many tourist attractions. The Mohegan Sun at Pocono Downs and the Luzerne County Museum are two of several local attractions that bring in people from all around local areas.

## Major Employers

Employer	Estimated # of Employees
Benton Foundry Inc	250
International Inspection Ctrl	130
Bonham Nursing Center	94
Appleman Elementary School	50
Benton Area Middle School	50
Benton Jr Sr High School	50
Lake Silkworth Vol Fire Co Soc	50
Uswa	50
Rado Enterprises Inc	40
Ross Elementary School	39
Kabata Transportation Inc	36

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