

DOLLAR GENERAL

106 E EIGHTH STREET | VICI, OK

OFFERING MEMORANDUM



Representative Photo

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

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EXECUTIVE SUMMARY

INVESTMENT HIGHLIGHTS

- Ideal 1031 Exchange property for an investor looking for a stable passive income
- 6.95% Cap Rate for a new construction deal
- New 2016 construction (rent commenced in May 2016)
- ±13 Years remaining on the base term of the lease
- Strong corporate guaranty from Dollar General Corporation
- Absolute NNN lease; Zero management responsibility
- Estimated population growth of nearly 5.30% over the next 5 years
- Five, 5-Year extension periods; all of which include a 10% rent increase
- Average household income exceeds \$62,000 annually; Considered to be Dollar General's "Sweet-Spot"
- Located in the center of town just off Highway 60
- Vici is located in Northwest Oklahoma, just east of the Texas Oklahoma border
- Dollar General holds a strong investment grade credit rating of BBB (recently upgraded from BBB-)
- Dollar General is the only dollar store with investment grade credit
- Dollar General has more than 13,500 locations and has plans to continue expanding over the next several years



FINANCIAL OVERVIEW

DOLLAR GENERAL

106 E Eighth Street
Vici, OK 73859

List Price\$1,054,273
CAP Rate - Current.....6.95%
Gross Leasable Area±9,026 SF
Lot Size ± 1.28 Acres (55,756 SF)
Year Built.....2016

DOLLAR GENERAL®

Annualized Operating Data

	Monthly Rent	Annual Rent	Rent/SF	Cap Rate
6/1/2016 - 5/31/2031	\$6,106.00	\$73,272.00	\$8.12	6.95%
Extension 1	\$6,716.67	\$80,600.04	\$8.93	7.65%
Extension 2	\$7,388.33	\$88,659.96	\$9.82	8.41%
Extension 3	\$8,127.17	\$97,526.04	\$10.81	9.25%
Extension 4	\$8,939.83	\$107,277.96	\$11.89	10.18%
Extension 5	\$9,833.81	\$118,005.72	\$13.07	11.19%

Tenant Summary

Tenant Trade Name	Dollar General
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NNN
Roof and Structure	Tenant Responsible
Original Lease Term	15 Years
Rent Commencement Date	6/1/2016
Lease Expiration Date	5/31/2031
Term Remaining on Lease	± 13 Years
Increases	10% Every 5 Years in Options
Options	Five, 5-Year Options

TENANT OVERVIEW

DOLLAR GENERAL®

Dollar General is the fast-growing retailer that boasts roughly 13,000 discount stores in over 40 US states, mostly in the South, East, the Midwest, and the Southwest. It generates about 75% of its sales from consumables (including refrigerated, shelf-stable, and perishable foods) and another 10% from seasonal items. The stores also offer household products and apparel. Pricing its items at \$10 or less, Dollar General targets low-, middle-, and fixed-income shoppers while selling brand-name products from manufacturers such as Procter & Gamble, Kimberly-Clark, Unilever, Kellogg's, General Mills, Nabisco, Hanes, PepsiCo, and Coca-Cola.

The retailer devotes its dollars to promotional circulars, targeted circulars that support new stores, television and radio advertising, in-store signage, and costs associated with the sponsorship of certain auto racing activities. Because Dollar General's customers typically live in small towns, the company doesn't allocate ample amounts of money to advertising. It has spent increasingly more on advertising in recent years, however, as the company expands its stores' footprint.

STRATEGY

With its small-box stores typically measuring some 9,100 sq. ft, Dollar General targets cost-conscious consumers that prefer easier and quicker access to items than at super-sized competitors such as Wal-Mart and Costco (which are also often much farther away). Indeed, Dollar General's strategy of catering to the value conscious has paid off big, both during and after the recession. The discount retailer boasted its 26th consecutive year of same-store sales growth in 2016 (ended January), attributable to its value and convenience proposition.

OPERATIONS

Dollar General's massive stores network is supported by 13 distribution centers that are strategically located throughout its geographic footprint. Dollar General owns several trademarks, including Dollar General, Dollar General Market, Clover Valley, DG, DG Deals, Smart & Simple, trueliving, Forever Pals, I*Magine, OT Sport, and Sweet Smiles. It also boasts a few licenses, such as Bobbie Brooks and Fisher Price for clothing and Rexall for health and beauty aids.



Dollar General Corporation
(NYSE: DG)



Credit Rating (S&P)
BBB



±13,000 Locations



± 113,400 Employees



Headquartered:
Goodlettsville, TN



Founded: 1939



www.dollargeneral.com

THE OFFERING

Property Name		Dollar General
Property Address	106 E Eighth Street Vici, OK 73859	
Site Description		
Number of Stories	One	
Year Built	2016	
Gross Leasable Area (GLA)	± 9,026 SF	
Lot Size	± 1.28 Acres (55,756 SF)	
Type of Ownership	NNN	
Parking	± 30 Surface Spaces	
Parking Ratio	3.32 : 1,000 SF	
Landscaping	Professional	

PARCEL MAP



SURROUNDING TENANTS

DOLLAR GENERAL

STEVEN'S
HARDWARE



B - MART

VICI
GROCERY



ERIC'S
AUTO
REPAIR



 **BANK OF WESTERN OKLAHOMA**
"More Right Than Real"



VICI
CITY
HALL

VICI
QUICK
STOP

MINDELLS

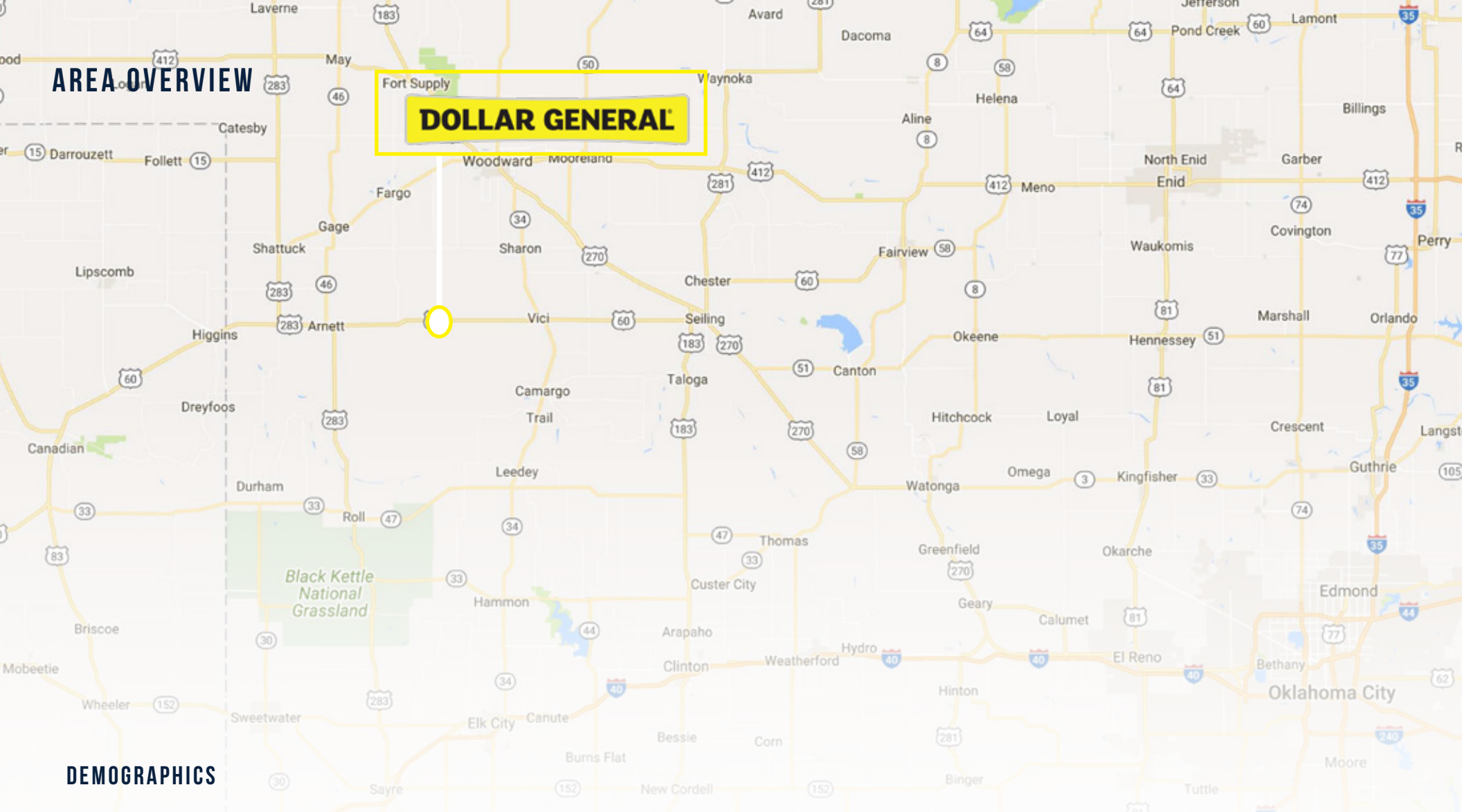


VICI ELEMENTARY SCHOOL



VICI
MUNICIPAL
AIRPORT

AREA OVERVIEW



DEMOGRAPHICS

POPULATION	3 Mile	5 Mile	7 Mile
2022 Projection	1,038	1,268	1,474
2017 Estimate	1,050	1,281	1,486
Growth 2010 - 2017	5.24%	5.30%	5.28%

INCOME	3 Mile	5 Mile	7 Mile
2017 Est. Average Household Income	\$62,099	\$63,436	\$64,817
HOUSEHOLDS	3 Mile	5 Mile	7 Mile
2022 Projection	396	484	564
2017 Estimate	407	496	576
Growth 2010 - 2017	1.02%	1.29%	1.45%

VICI, OK

Vici is in Dewey County, Oklahoma. The county economy has centered around agriculture since it was first settled. Principal crops include corn, cotton, wheat, broomcorn, Kaffir corn, and oats. Truck farmers in the eastern part of the county grew tomatoes, watermelons, apples, blackberries, and other small fruits. Livestock (cattle, horses, mules, sheep, and goats) raising had become important by the 1930s. These products were still economically important by the turn of the 21st Century.

Vici Oklahoma is home to Iochem Corporation's Iodine Processing Plant. Iochem Corporation is the largest producer of medical-grade iodine in North America. They pride themselves on "Sustainable Development," sustaining economic growth without harming the planet and exhausting its resources.



CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **Dollar General** located at **2381 Dawes Road Vici, OK 73859 (“Property”)**. It has been prepared by Matthews Retail Advisors. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Retail Advisors. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Retail Advisors expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Retail Advisors or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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