

**DOLLAR
GENERAL®**



DOLLAR GENERAL

**OFFERING
MEMORANDUM**

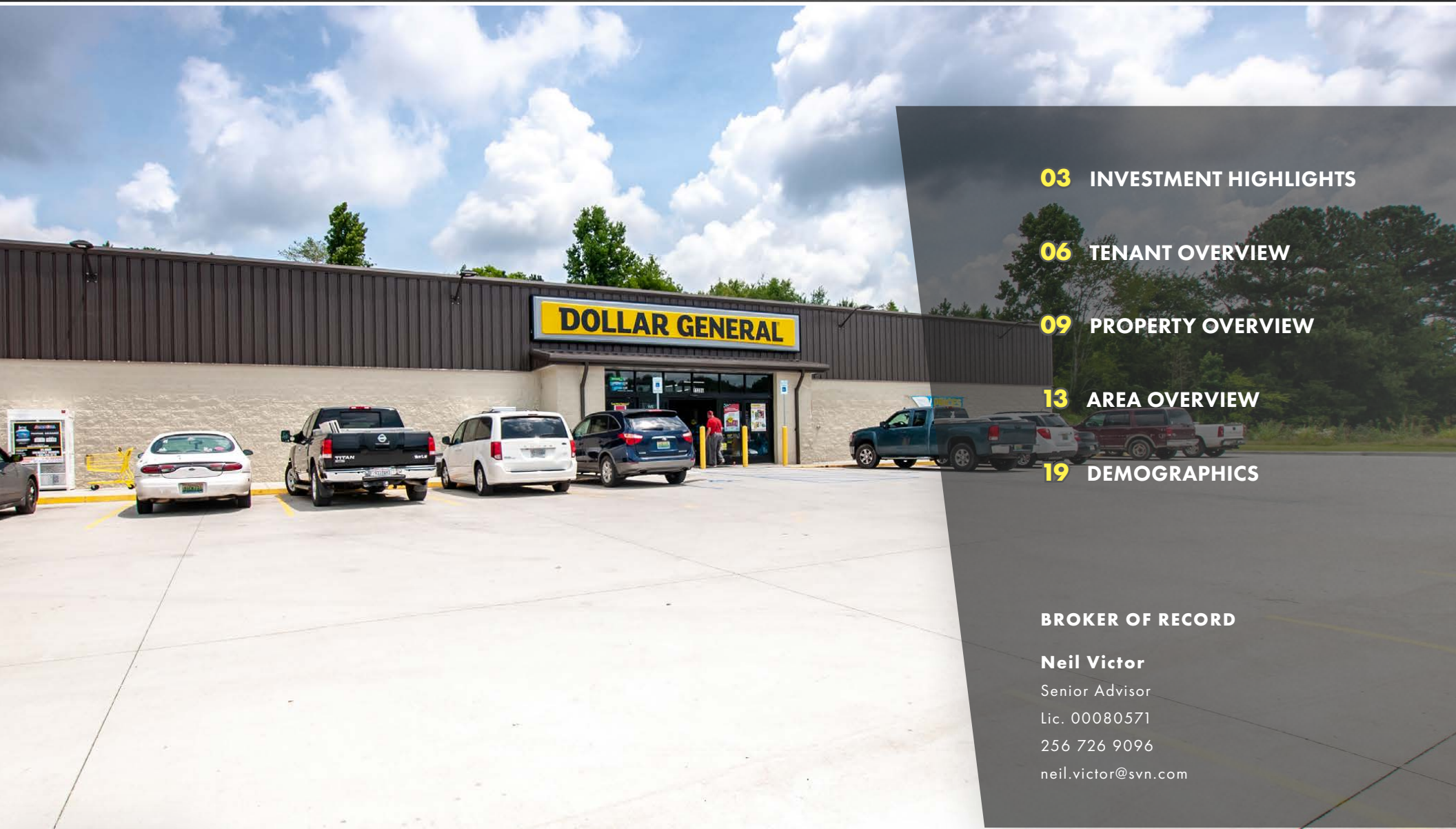
* Actual Property Photo

11286 US-278 W | ATTALLA, AL 35954

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INVESTMENT HIGHLIGHTS

PROPERTY SUMMARY

Offering Price \$1,335,122

Cap Rate 6.75%

Price Per SF \$146.72

Address 11286 US-278 West, Attalla, AL 35954

Ownership Fee Simple

Building GLA 9,100 SF

Lot Size 1.91 AC

Parking 30 Spaces

Year Built 2016

Parcel 103198



NNN LEASE | The lease is NNN, with no landlord responsibilities. The tenant is responsible for maintaining and repairing all aspects of the subject property including the roof, structure parking lots, HVAC, insurance and property taxes.

LONG TERM LEASE | There are fourteen (14.1) years remaining on the lease term, plus five (5), five (5) year options.

RENT INCREASES | The lease provides for 10% rent increases at each option period. This provides a hedge against potential future inflation.

NEW CONSTRUCTION | The building was built in 2016.

STRATEGIC DEMOGRAPHICS | The average household income in the three (3) mile demographic ring is \$50,229, which fits Dollar General's target customer base.

HIGH TRAFFICKED AREA | US HWY 278 W and Rowan Drive reports traffic counts of 7,580 cars per day.

CORPORATE GUARANTEE | The lease is guaranteed by Dollar General Corporation (NYSE: DG), a highly regarded company which has an investment grade credit rating of BBB (S&P) and Baa2 (Moody's). The company operates over 14,600+ Dollar General locations with 130,000 employees throughout the U.S.



A photograph of a Dollar General sign. The sign is rectangular with a yellow background and a black border, mounted on a black pole. It is situated in a grassy field with a dense line of green trees in the background. A wooden fence and a utility pole are visible to the right. A dark grey banner with white text is overlaid at the bottom.

**DOLLAR
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TENANT OVERVIEW

Dollar General

Originally a family-owned business by the name of JL Turner and Son in Kentucky, Dollar General would go on to become a chain of the most profitable variety stores in the rural U.S. As of March 2018, there are 14,609 stores in operation spanning the southern, midwestern, and eastern United States, making Dollar General the country's largest small-box discount retailer. With additional plans to expand in 2018, it is one of the fastest-growing retailers. The stores are typically located in local neighborhoods and small communities deemed "too small" for big-box retailers. Its selection of merchandise ranges from packaged food, perishables, and health and beauty products to houseware, seasonal decorations, and apparel. 75% of its sales are generated from its consumables while 10% stem from its sale of seasonal items. Dollar General's massive store network is supported by 13 distribution centers that are strategically located throughout the United States.

In April 2017, Dollar General acquired all 323 Dollar Express stores contributing to their 28th consecutive year of growth. Net sales increased 6.8% from the year prior, attributed largely to an increase in average transaction amount and increased traffic. According to a report by *The Retail Economist*, dollar stores are far outpacing the broader retail industry. It is no surprise that Dollar General continues to impress, consistently showing growth in all of their key measures year after year and operating more retail locations than any other retailer in the nation. It remains the only dollar store chain with an investment grade rating from S&P and Moody's.

For the 2017 fiscal year, Dollar General saw a 27.1% increase in profit, ending the year ranked 128th within the Fortune 500. There were over 900 new store openings, with an expected additional 1,000 newstores in 2018. With \$23.5 billion in annual sales last year, it was able to generate a profit of \$1.54 billion.



Corporate Overview

Type	Public (NYSE: DG)
Industry	Retail
Corporate HQ	Goodlettsville, TN
Employees	130,000+
Locations	14,600+
Net Revenue	\$23.5 Billion (2017)
Credit	S&P: BBB/Moody's: Baa2
Website	www.dollargeneral.com

How Dollar General Became Rural America's Store of Choice

Evensville, Tennessee - The local Dollar General store, built on a rural highway and surrounded by farmland, sells no fresh meat, greens or fruit. Yet the 7,400 square foot steel-sided store has most of what Eddie Watson needs.

The selection echoes a suburban drugstore chain, from shower curtains to breakfast cereal, toilet paper, plastic toys and camouflage-patterned socks. Refrigerators and freezers on one wall hold milk, eggs and frozen pizza.

Many items are sold in mini bottles or small bags, keeping costs lower than a trip to the Wal-Mart Supercenter down the road. The two registers are staffed by one cashier, except during rush hours after school and after work.

"It's just closer," said Mr. Watson, a 53-year-old construction worker who filled his cart with cans of chicken soup, crackers, cold cuts and toilet paper. "We call this the Evensville Wal-Mart."

The store, 10 miles from the nearest small town, is one of three locations in Rhea County where Dollar General plans to open stores by next year. More than one in five people there receive government food assistance, higher than the U.S. average, and the county has Tennessee's highest unemployment rate.

Dollar General is expanding because rural America is struggling. With its convenient locations for frugal shoppers, it has become one of the most profitable retailers in the U.S. and a lifeline for lower-income customers bypassed by other major chains.

Dollar General Corp's 14,000 stores yielded more than double the profit of Macy's Inc. on less revenue during its most recent fiscal year. And its \$22 billion market value eclipses the largest U.S. grocery chain, Kroger Co., which has five times the revenue.

The retailer relies on rapid store openings to keep revenue climbing and investors happy; 2016 marked its 27th consecutive year of sales growth in stores open at least a year.



While many large retailers are closing locations, Dollar General executives said they planned to build thousands more stores, mostly in small communities that have otherwise shown few signs of the U.S. economic recovery.

The more the rural U.S. struggles, company officials said, the more places Dollar Generals has found to prosper. "The economy is continuing to create more of our core customer," Chief Executive Todd Vasos said...

[CLICK HERE TO READ THE FULL ARTICLE](#)

* Reprinted from the Wall Street Journal, originally published in December 2017;
Written by Sarah Nassauer



PROPERTY OVERVIEW



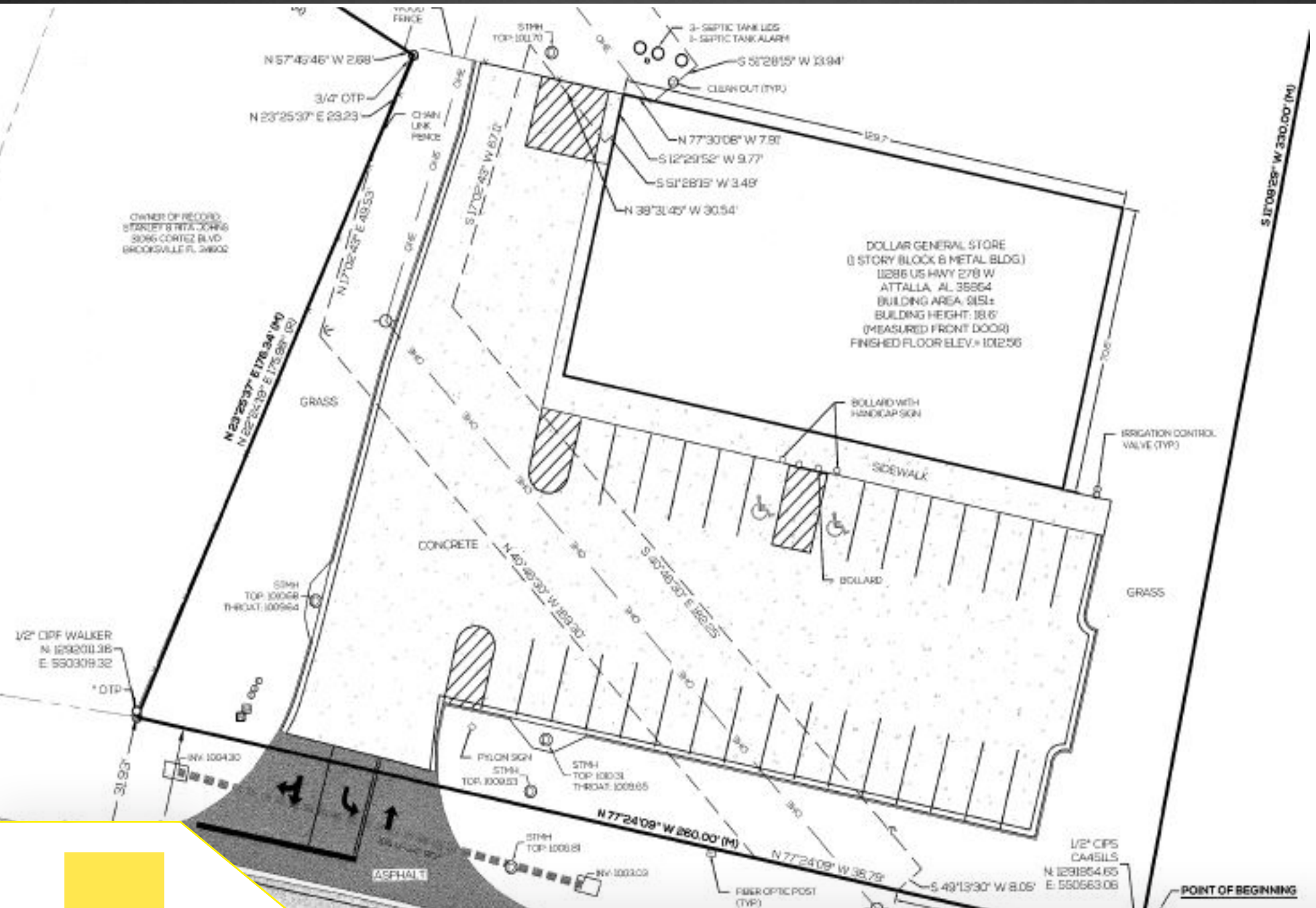


LEASE SUMMARY

Tenant:	Dollar General
Guarantor:	Dollar General Corporation
Rent Commencement:	7/19/2017
Lease Expiration:	7/31/2032
Lease Term:	15 Years Plus Options
Renewal Options:	Five (5) - Five (5) Year Options
Current Annual Rent:	\$90,120.72
Rental Increases:	10% Every Option Period
Percentage Rent:	None
Sales Reporting:	Tenant Does Not Report Sales
Lease Structure:	NNN
Roof & Structure:	Tenant Responsible
HVAC:	Tenant Responsible
Common Area:	Tenant Responsible
Parking:	Tenant Responsible
Property Taxes:	Tenant - Tenant to Reimburse Landlord
Utilities:	Tenant Responsible
Insurance:	Tenant Responsible
Permitted Use:	Any Lawful Retail Purpose
Assignment & Subletting:	No Assignment or Sublet Shall Relieve Tenant of its Obligations Under the Lease
ROFR:	Tenant Does Not Have a ROFR

RENT SCHEDULE

Lease Term	Monthly Rent	Annual Rent	Rent/SF	Rental Increase
7/19/2017 - 7/31/2032	\$7,510.06	\$90,120.72	\$9.90	
OPTION 1: 8/1/2032 - 7/31/2037	\$8,261.06	\$99,132.72	\$10.89	10.00%
OPTION 2: 8/1/2037 - 7/31/2042	\$9,087.16	\$109,045.92	\$11.98	10.00%
OPTION 3: 8/1/2042 - 7/31/2047	\$9,962.88	\$119,554.56	\$13.14	10.00%
OPTION 4: 8/1/2047 - 7/31/2052	\$10,959.16	\$131,509.92	\$14.45	10.00%
OPTION 5: 8/1/2052 - 7/31/2057	\$12,055.08	\$144,660.96	\$15.90	10.00%





AREA OVERVIEW

Attalla, Alabama

Attalla is located in the northeastern part of Alabama, specifically in Etowah County. The town was founded in 1870 and incorporated two years later. It occupies the site of an Indian village which was of considerable importance during the Creek War. It is also the site of the first hydroelectric dam, helping precipitate the city's reputation as a small industrial town. With a total land area of seven square miles, it is part of the Gadsden Metropolitan Statistical Area. Attalla also serves as a midpoint between Birmingham, AL and Chattanooga, TN.

ECONOMY | The economy of Attalla specializes in mining, manufacturing, wholesale trade, and oil/gas extraction. Future job growth estimates over the next ten years are predicted to be at 33.11%.

EDUCATION | Gadsden State Community College: A community college in Gadsden, Alabama with an enrollment of over 7,000 students, of which 4,262 are full-time. The school maintains an open-admissions policy, accepting most first-time undergraduate students as long as they have completed high school and other basic requirements.



Jacksonville State University: A regional public co-ed university in Jacksonville, Alabama, located about 27 miles from Attalla. The university was founded in 1883 and now maintains a current enrollment of about 8,567 students. According to US News, Jacksonville State University is ranked 89th in Regional Universities South. In addition, 40 of its academic programs, varying from applied engineering to family and consumer science, were awarded specialized programmatic accreditations.

Snead State Community College: Located about 15 miles from Attalla in neighboring Boaz, Snead originally began as a private seminary in 1898. It was officially incorporated into the Alabama Community College System in 1967. The school boasts one of the largest distance education programs in the State, awarding associate's degrees in over 75 programs and certificates in 24 programs.

AIRPORTS | Northeast Alabama Regional Airport (GAD): A publically-owned airport located five miles from the center of Attala, at the intersection of the 1-59 and AL-77. For 2017, the airport saw an average of 65 aircraft operations per day. Its location provides ease of access to Birmingham and Chattanooga, with the Talladega Speedway only being 35 minutes away as well.

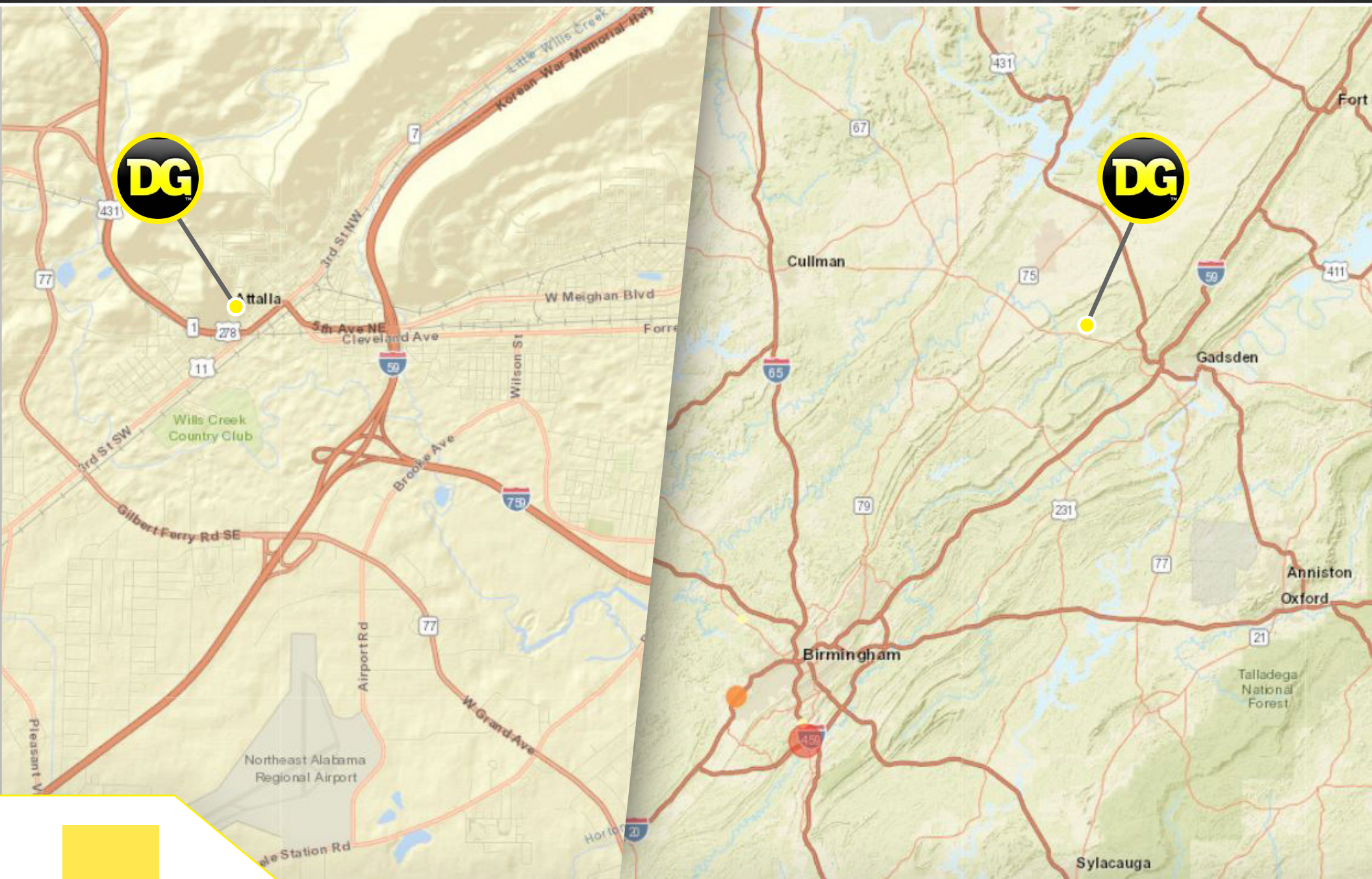
Albertville Regional Airport: Also known as Thomas J. Brumlik Field, it is a city-owned, public-use airport found 23 miles from Attalla in central Albertville. The airport is home to the Alabama Aviation College, BAE Systems, RainAir Aviation, and Mid-South Aviation. An average of 70 aircraft operations occur daily.

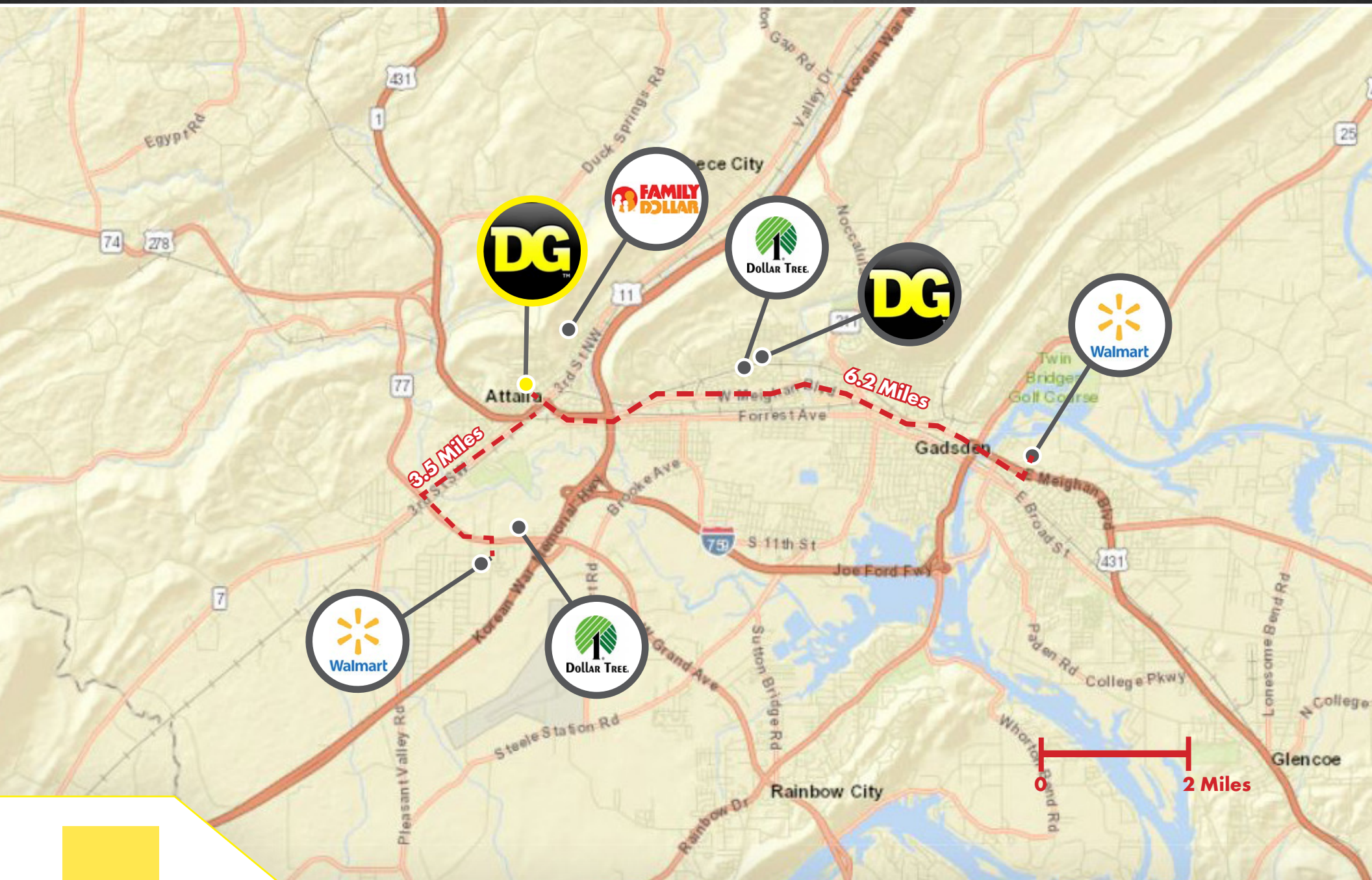


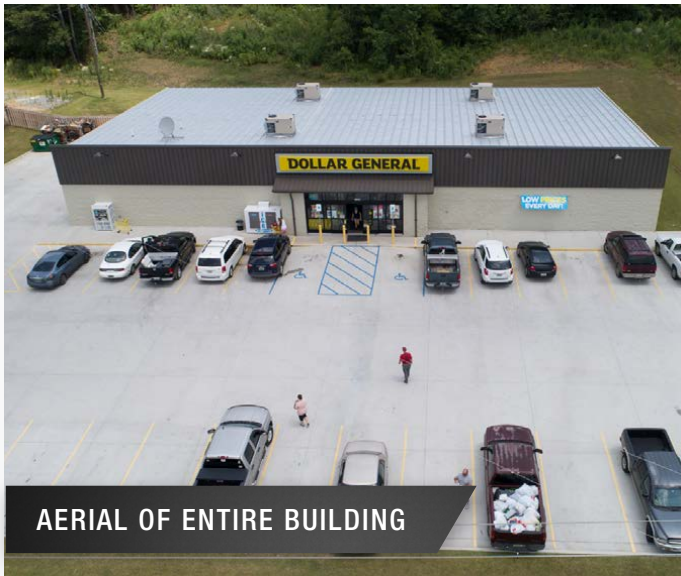
TOURISM | Noccalula Falls Park & Campground: Noccalula Falls Park and Campground's great location, easy access, low prices, and great events make this a year-long attraction. The campground offers over 120 sites from primitive tent camping to pull-through with complete hookups. A swimming pool, laundry facility, picnic pavilions, rec room, playground, and rental cabins are available. In the park are beautiful rocks and gardens that may be viewed as you walk the park's paved trail system. Children can get up-close to the animals in the Petting Zoo and learn about life in the past in the Pioneer Village.

Tigers for Tomorrow: Tigers for Tomorrow at Untamed Mountain is a non-profit Wild Animal Preserve and Environmental Educational Center. It is home to over 160 animals, among which are tigers, mountain lions, African lions, bears, wolves, black leopards, etc. As a wild animal preserve and rescue, it is open to the community as an environmental education learning center and recreational destination for the entire family.

Martin Wildlife Park Trail: The James D. Martin Wildlife Park offers exceptional facilities for exploring an extensive backwater of Neely Henry Lake, on the Coosa River in Gasden, AL. In addition to a walking trail along the shoreline, a network of boardwalks allows visitors to walk out into the 300-acre lake, and even to visit a series of wooded islands situated along the mouth of Black Creek, providing superb views of the birdlife of this rich and varied ecosystem.







AERIAL OF ENTIRE BUILDING



OUTSIDE OF BUILDING



ACROSS THE STREET VIEW



FRONT VIEW OF BUILDING



Save
time.

Save
money.

Every
day!

DG DEALS

DG DEALS

DG DEALS

Save even more!
Pick up this
week's ad
below

Quick dash. Save cash!

Fresh
baked
bread

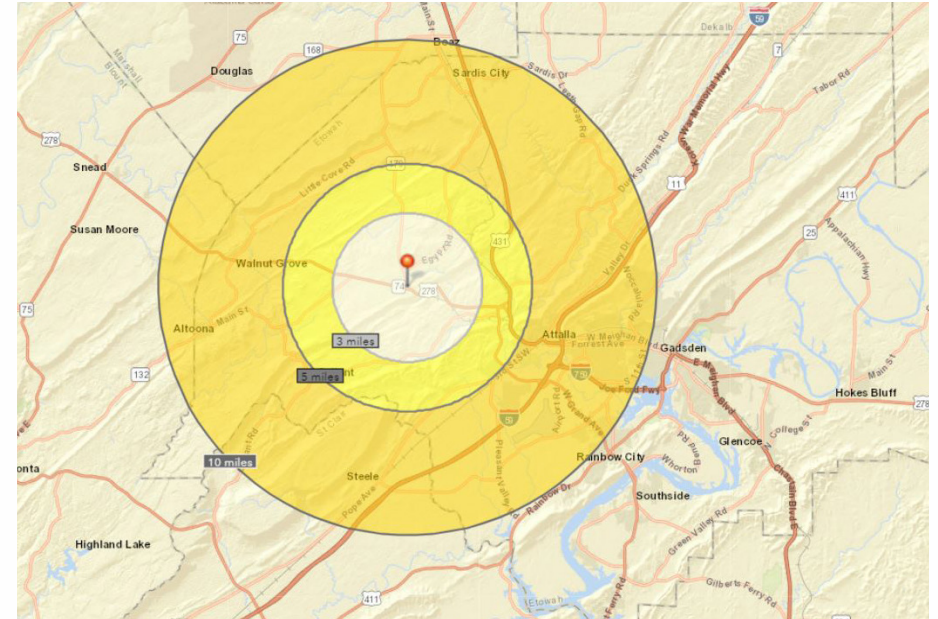
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DEMOGRAPHICS

POPULATION	3 Miles	5 Miles	10 Miles
Estimated Population (2018)	2,167	5,040	38,245
Census Population (2010)	2,228	5,238	38,938
Projected Population (2023)	2,127	4,930	37,750
PROJECTED ANNUAL GROWTH			
2018-2023	-1.84%	-2.18%	-1.29%

HOUSEHOLDS	3 Miles	5 Miles	10 Miles
Estimated Households (2018)	867	2,001	15,141
Census Households (2010)	888	2,071	15,419
Projected Households (2023)	854	1,958	14,945
PROJECTED ANNUAL GROWTH			
2018-2023	-1.49%	-2.15%	-1.29%

HOUSEHOLD INCOME	3 Miles	5 Miles	10 Miles
2017 Average	\$50,229	\$51,913	\$48,201
2017 Median	\$39,332	\$38,954	\$35,002



POPULATION BY RACE	Census 2010	2018	2023
White	93.8%	92.4%	91.2%
Black	2.2%	2.5%	2.6%
American Indian	0.8%	0.9%	0.9%
Asian	0.2%	0.2%	0.2%
Pacific Islander	0.0%	0.0%	0.0%
Other Race	1.5%	1.9%	2.4%
Two or More Races	1.5%	2.0%	2.5%
Hispanic	2.6%	3.4%	4.2%

Savills Inc., representative of the Seller, is solely authorized to present this property investment offering (the "Offering"). This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of (the "Property").

Prior to submitting an offer to purchase the Property, interested parties should perform and rely upon their own investigations, analyses, estimates and projections and otherwise satisfy any concerns regarding material aspects of the proposed transaction including, but not limited to legal, municipal, environmental, operational, seismic, financial and physical issues, and all other matters affecting or pertaining to the Property. The Seller will be offering the Property including all appurtenances and tenant improvements, solely on an "As-Is, With-All-Fault" basis, without any representations or warranties. No person is authorized to make any representations or warranties on behalf of the Seller regarding the Property. Any and all information regarding the Property provided to any interested party by the Seller or Savills Inc., including all information contained in the Offering, is provided without any representation or assurance express or implied, regarding the accuracy, completeness or current status of applicability of such information. Each interested party is expected to undertake such reviews and investigations and make such inquiries as such party may believe to be necessary, appropriate or advisable for the purpose of forming a decision to make an offer to acquire the Property.

The Owner expressly reserves the right, as its sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or to terminate discussions with an entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to

purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

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This Offering is submitted subject to errors, changes, omissions, changes in price, market and other conditions. It contains selected information pertaining to the Property and does not purport to be all-inclusive or to contain all of the information that prospective purchasers may desire. It should be noted that any and all market analyses, estimates, and projections contained in this Offering are provided for general reference purposes only and are based on assumptions related to the general economy, competitions, real estate market trends, and other factors beyond the control of the Seller or Savills Inc.

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