

**DOLLAR  
GENERAL®**



**DOLLAR GENERAL**

**OFFERING  
MEMORANDUM**

\*Actual Property Photo

***25 CHURCH STREET | COFFEEVILLE, AL 36524***

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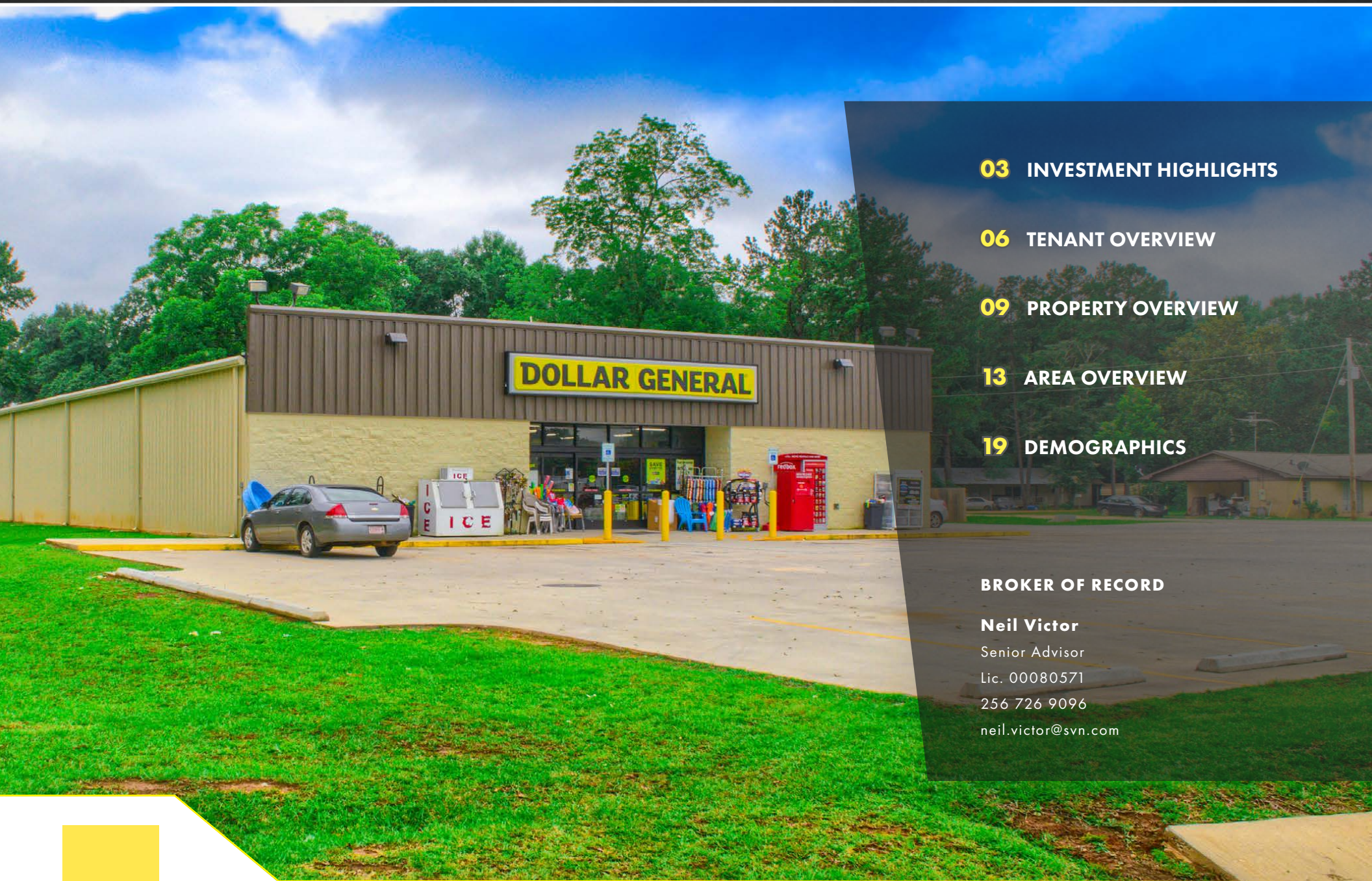
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# INVESTMENT HIGHLIGHTS



## PROPERTY SUMMARY

Offering Price \$1,171,378

Cap Rate 6.75%

Price Per SF \$129.78

Address 25 Church Street, Coffeeville, AL 36524

Ownership Fee Simple

Building GLA 9,026 SF

Lot Size 1.60 AC

Parking 30 Spaces

Year Built 2017

Parcel 105162000015000.00





**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 thirteen (13.75) 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.

**LIMITED COMPETITION** | Dollar General is located in a strategic area, with no competitor retailers in the vicinity. There are no big box grocery chains, the closest Dollar General location is over 15 miles away.

**NEW CONSTRUCTION** | The building was built in 2017.

**STRATEGIC DEMOGRAPHICS** | The average household income in the three (3) mile demographic ring is \$41,281 which fits Dollar General's target customer base.

**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 over 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.

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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	<a href="http://www.dollargeneral.com">www.dollargeneral.com</a>



## 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

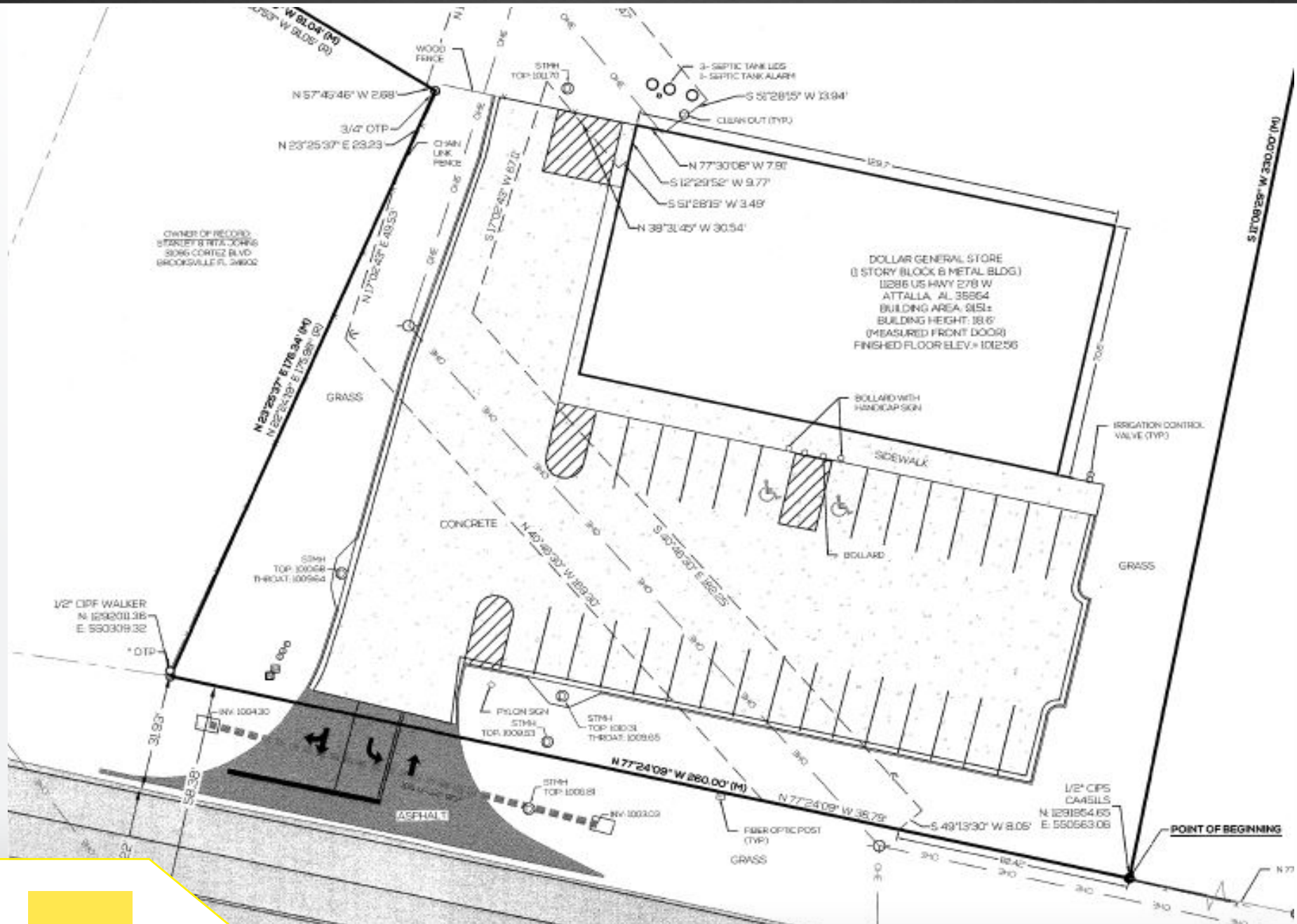
Tenant:	Dollar General
Guarantor:	Dollar General Corporation
Rent Commencement:	4/3/2017
Lease Expiration:	4/30/2032
Lease Term:	15 Years Plus Options
Renewal Options:	Five (5) - Five (5) Year Options
Current Annual Rent:	\$79,068.00
Rental Increases:	10% Every Option Period
Percentage Rent:	None
Sales 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
4/3/2017 - 4/30/2032	\$6,589.00	\$79,068.00	\$8.76	
OPTION 1: 5/1/2032 - 4/30/2037	\$7,248.00	\$86,976.00	\$9.64	10.00%
OPTION 2: 5/1/2037 - 4/30/2042	\$7,973.00	\$95,676.00	\$10.60	10.00%
OPTION 3: 5/1/2042 - 4/30/2047	\$8,770.00	\$105,240.00	\$11.66	10.00%
OPTION 4: 5/1/2047 - 4/30/2052	\$9,648.00	\$115,776.00	\$12.83	10.00%
OPTION 5: 5/1/2052 - 4/30/2057	\$10,612.00	\$127,344.00	\$14.11	10.00%







# AREA OVERVIEW





## Coffeeville, Alabama

A small town of approximately 360 residents, Coffeeville can be found in Clarke County in the southwest corner of Alabama. Initially, the settlement, a flourishing river town, was originally called Murrel's Landing after one of its early settlers. It was renamed Coffeeville in 1819, in honor of General John Coffee, a hero of the Creek War of 1813-14. Early settlers of the area were either farmers or timber workers; the town is now known for its excellent hunting and fishing.

**ECONOMY** | Coffeeville's economy is in large part driven by its construction and manufacturing sectors. The town is home to the Coffeeville Lock & Dam, which locks hundreds of commercial vessels each year, seeing all types of products such as coal, wood, steel, gas oil, chemicals, and many more.

**EDUCATION** | Coastal Alabama Community College: Coastal Alabama Community College is a public two-year institution that services nearly 9,000 square miles in south Alabama. The school currently offers more than 100 programs of study. It currently serves a current combined enrollment of more than 10,000 students across all of its fifteen satellite locations, with its main campus located in Monroeville.

**AIRPORTS** | Grove Hill Municipal Airport: Roughly 19 miles from the city of Coffeeville, Grove Hill Municipal Airports is a city-owned public-use airport located just southeast of the central business district of neighboring Grove Hill. It is predominately host to private jets and the destination for many chartered flights.

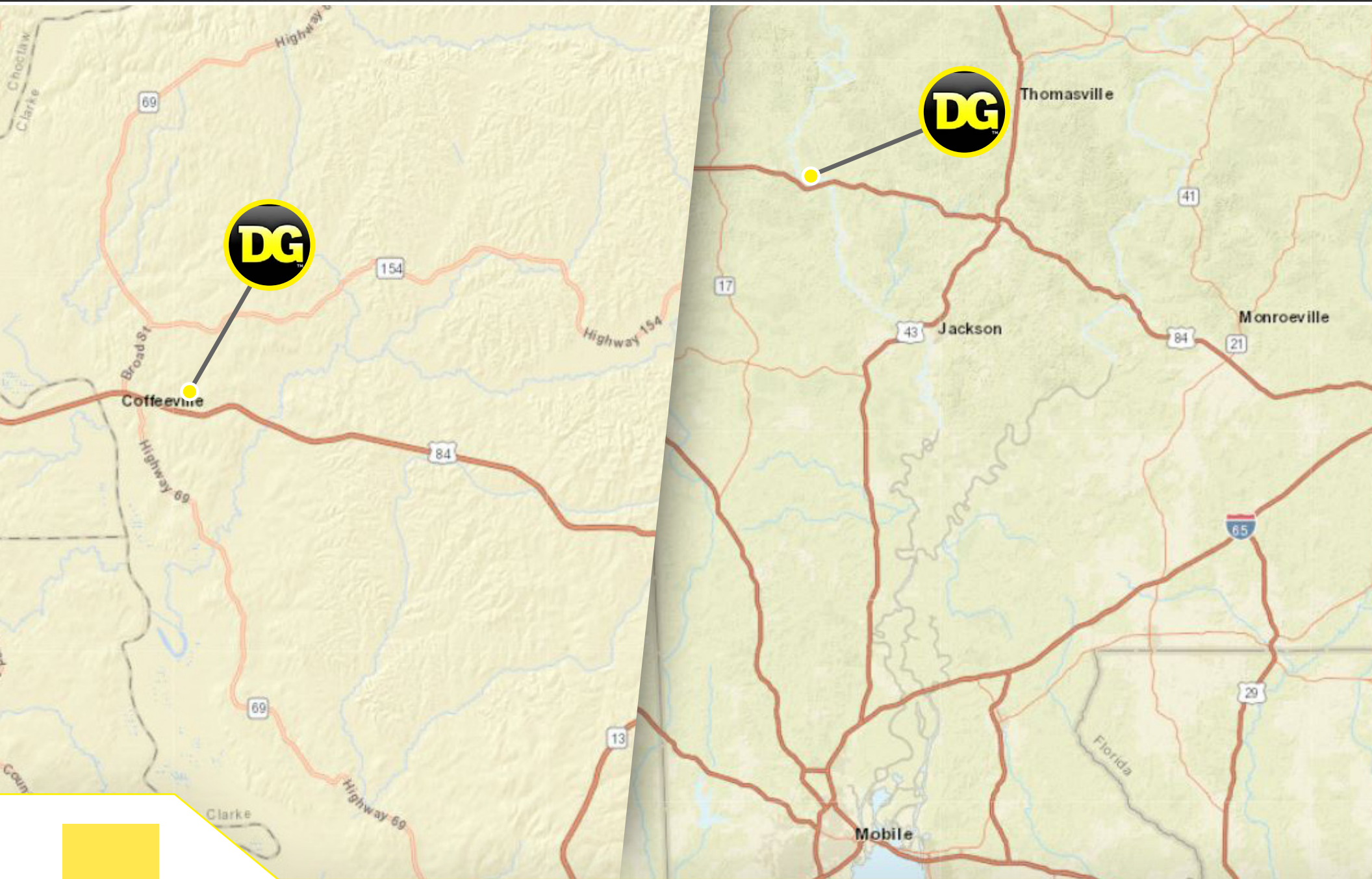


Butler-Choctaw County Airport: Roughly 23 miles from the city of Coffeeville. According to the FAA's National Plan of Integrated Airport Systems for 2009-2013, it is categorized as a general aviation facility.

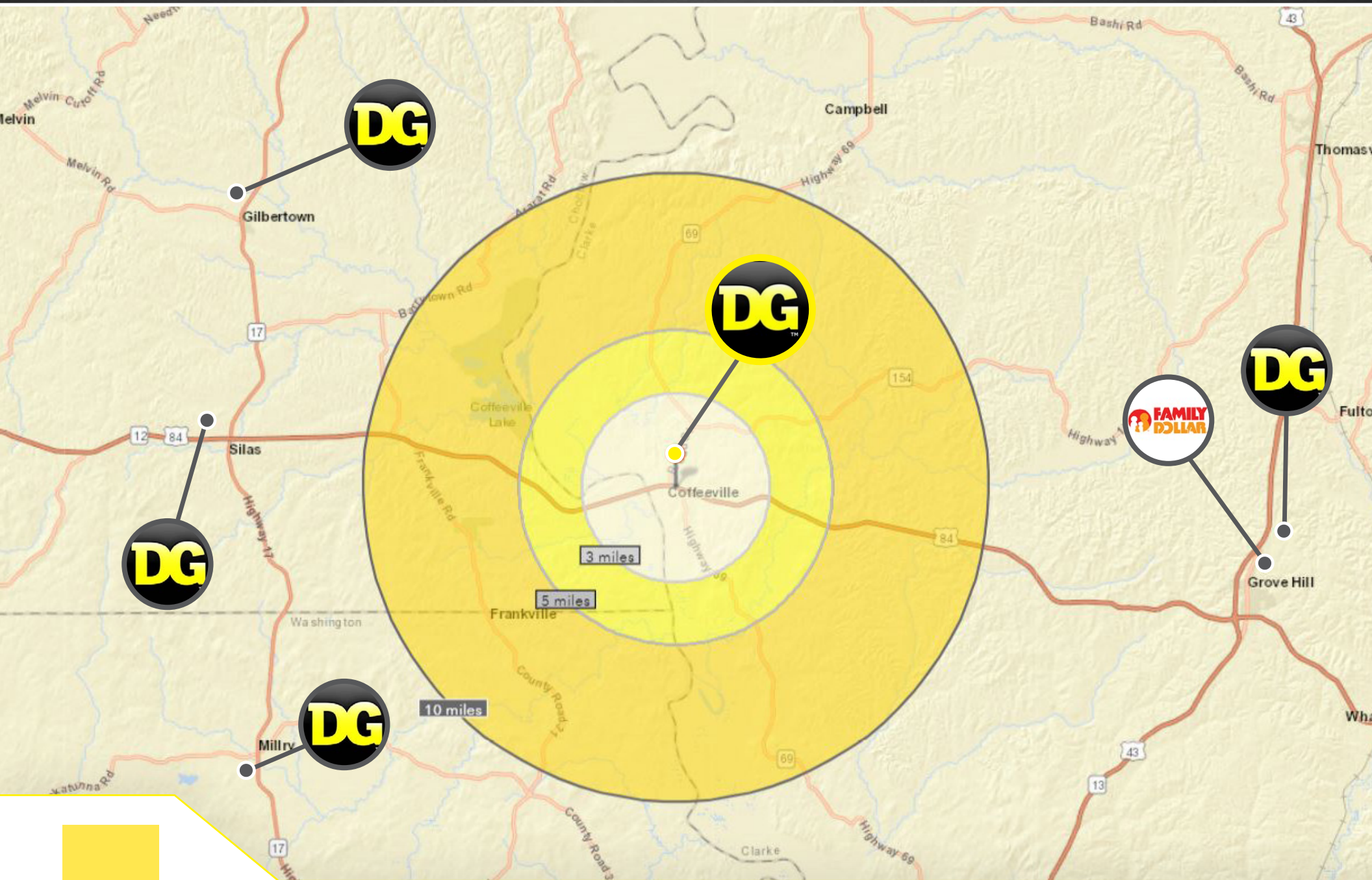
**TOURISM** | Bladon Springs State Park: When it first opened as a private spa in 1838, visitors from all over the country would travel to benefit from the rumored "restorative" properties of the park's four mineral wells. In 1846, a large Greek Revival hotel, once referred to as the "Saratoga of the South", was built to accommodate the influx of visitors. The State of Alabama purchased the property in 1934 and converted the location to a state park.

Choctaw National Wildlife Refuge: Located along the Tombigbee River near Coffeeville, The Choctaw National Wildlife Refuge is composed of over 4,000 acres of rivers, sloughs, bottomland hardwood forest, and a small amount of tall-grass cropland. The refuge is divided into three parts by the two creeks that flow through it. Four hundred nest boxes are maintained for wood ducks resulting in the hatching of approximately 2,500 birds each year.













PYLON SIGN



GAS STATION ACROSS THE STREET



AERIAL OF FRONT OF BUILDING



FRONT OF BUILDING





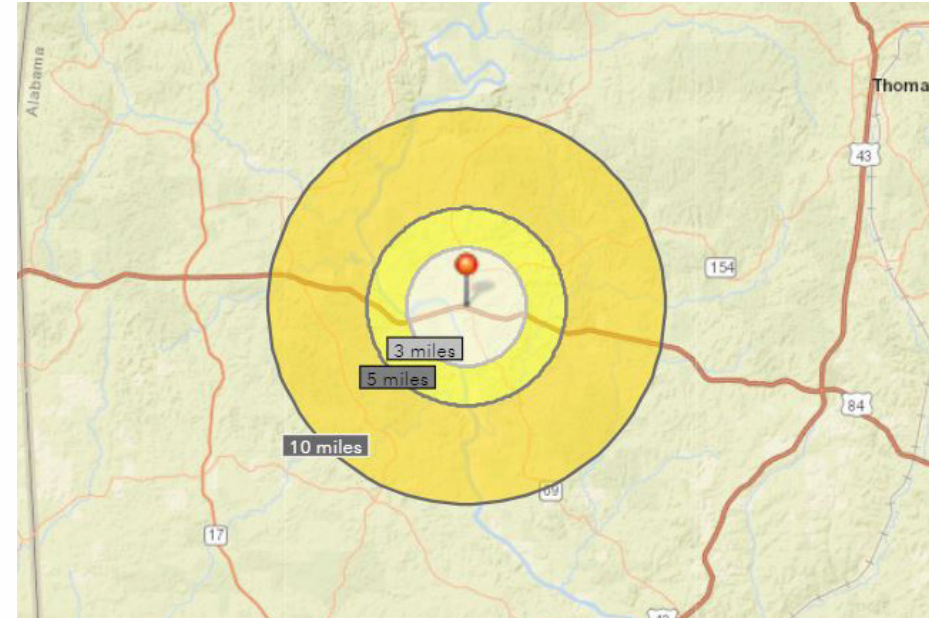
# DEMOGRAPHICS



POPULATION	3 Miles	5 Miles	10 Miles
Estimated Population (2018)	598	259	1,514
Census Population (2010)	571	115	1,490
Projected Population (2023)	593	254	1,491
PROJECTED ANNUAL GROWTH			
2018-2023	-0.08%	-0.02%	-0.02%

HOUSEHOLDS	3 Miles	5 Miles	10 Miles
Estimated Households (2018)	269	117	618
Census Households (2010)	256	115	602
Projected Households (2023)	269	116	612
PROJECTED ANNUAL GROWTH			
2018-2023	0.00%	-0.01%	-0.01%

HOUSEHOLD INCOME	3 Miles	5 Miles	10 Miles
2017 Average	\$41,281	\$41,940	\$47,541
2017 Median	\$28,305	\$29,475	\$35,066



POPULATION BY RACE	Census 2010	2018	2023
White	56.0%	54.5%	53.5%
Black	42.4%	42.8%	43.1%
American Indian	0.2%	0.2%	0.2%
Asian	0.0%	0.2%	0.2%
Pacific Islander	0.0%	0.0%	0.0%
Other Race	0.0%	0.0%	0.0%
Two or More Races	1.4%	2.3%	3.0%
Hispanic	0.2%	0.2%	0.2%



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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

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