



DOLLAR GENERAL

7436 E HIGHWAY 22 | PANAMA CITY, FL
OFFERING MEMORANDUM



EXCLUSIVELY LISTED BY

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INVESTMENT HIGHLIGHTS

LEASE

- ±7.15 Years remaining on an initial 15-year lease
- Rare 3% rent increase on 9/1/2020; cap rate will increase to 7.47% assuming a purchase at list price
- Tenant pays an additional \$300/month towards parking lot maintenance; tenant will reimburse LL if expenses exceed that amount
- Three, 5-year extension options, all of which include an attractive 10% rent increase
- Tenant pays for Taxes, Insurance, HVAC, & Parking Lot

LOCATION

- Located along Highway-22 which sees more than 22,000 vehicles daily
- Tourist destination Panama City 5 miles from the location — ±17 million visitors annually
- More than 8% population growth over the past 8 years
- Median household income of \$67,000 annually
- 3-mile population in excess of 26,000 residents
- Several national retailers in the immediate vicinity including Advance Auto, Texaco, Chevron, CVS, Burger King, McDonald's, Walgreens and many more
- Located next to Ava Kay Townhomes & Palm Haven Mobile Home Park

TENANT

- Strong investment grade credit tenant; Standard & Poor's rating of BBB, which was recently upgraded from its previous rating of BBB-
- Dollar General is the only dollar store with investment grade credit
- Dollar General currently has ±13,500 locations nationwide with plans to continue expanding over the next several years

FINANCIAL OVERVIEW

Financial Summary

DOLLAR GENERAL

7436 E Highway 22

Panama City, FL 32404

List Price \$1,625,213

CAP Rate - Current..... 7.25%

Gross Leasable Area ±9,014 SF

Lot Size ±1.83 Acres

Year Built..... 2010

Annualized Operating Data

Term	Monthly Rent	Annual Rent	Rent PSF	Cap Rate
Year 1-10	\$9,819	\$117,828	\$13.07	7.25%
Year 11-15	\$10,113	\$121,356	\$13.46	7.47%
Extension 1	\$11,125	\$133,500	\$14.81	8.21%
Extension 2	\$12,237	\$146,844	\$16.29	9.04%
Extension 3	\$13,461	\$161,532	\$17.92	9.94%

Tenant Summary

Tenant Trade Name	Dollar General
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NN
Roof and Structure	Landlord Responsibility
Lease Term	15 Years
Rent Commencement Date	8/8/2010
Lease Expiration Date	8/31/2025
Term Remaining on Lease	±7.15 Years
Increases	3% in Year 11 and 10% At Each Extension
Extensions	Three, 5-Year Extensions

DOLLAR GENERAL®

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



No. of Locations
±13,000 Locations



No. of Employees
± 113,400 Employees



Headquartered
Goodlettsville, TN



Year Founded
1939



Website
www.dollargeneral.com

THE OFFERING

Property Name	Dollar General
Property Address	7436 E Highway 22 Panama City, FL 32404
Site Description	
Number of Stories	One
Year Built	2010
Gross Leasable Area (GLA)	±9,014 SF
Lot Size	± 1.83 Acres
Type of Ownership	NN

PARCEL MAP



SURROUNDING TENANTS





AREA OVERVIEW

AREA DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2023 Projection	5,767	27,316	49,122
2018 Estimate	5,478	26,046	46,842
2010 Census	5,068	24,405	43,883

% GROWTH	1-MILE	3-MILE	5-MILE
2018 - 2023	5.28%	4.88%	4.87%
2010 - 2018	8.09%	6.72%	6.74%

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2023 Projection	2,279	11,014	19,248
2018 Estimate	2,166	10,449	18,285
2010 Census	2,004	9,661	16,973

INCOME	1-MILE	3-MILE	5-MILE
2018 Average HH Income	\$67,035	\$59,769	\$59,155
2018 Median HH Income	\$57,558	\$48,561	\$46,886

PANAMA CITY, FLORIDA

Panama City, FL is located on the panhandle of northwest Florida on beautiful St. Andrew Bay and the Gulf of Mexico. It is the county seat of Bay County.

Located along U.S. Route 98, it is the largest city between Tallahassee and Pensacola. It is the more populated of two principal cities of the Panama City-Lynn Haven, Florida Metropolitan Statistical Area. It is approximately 170 miles east of Mobile, Alabama, 95 miles east of Pensacola, Florida and 100 miles southwest of Tallahassee, Florida.

Panama City's attributes provide a highly attractive living environment compatible with a variety of tastes and lifestyles. Cited most often are: pleasant climate, attractive housing opportunities, fishing and water sports, arts and entertainment, and a pleasing small town environment for raising a family.

St. Andrew Bay surrounds much of Panama City and provides a protected harbor for facilities at the growing Port of Panama City complex. The City-owned Panama City Marina and St. Andrews Marina, located on Florida's intercoastal waterway, provide excellent docking service for vessels up to 130 feet.

The City-owned Marina Civic Center located on the Panama City Marina and nearby Martin Theatre and the Visual Arts Center provide a wide variety of cultural and entertainment opportunities for the citizens of Panama City and the surrounding area. Panama City's qualitative attributes provide a highly attractive living environment compatible with a variety of tastes and lifestyles.





PANAMA CITY ECONOMY

The Panama City Metro Area is **home to over 200,000 people** with tourism being the largest industry followed by aerospace & defense. The Gross Metro Product is approximately **\$9.5 billion**. The Tyndall Air Force Base is the largest employer in the area and has a strong influence on the economy and culture. Panama City has been listed on the following Forbes Lists: #51 in Best Small Places for Business and Careers, #164 in Cost of Doing Business, #47 in Job Growth, and #111 in Education.

Panama City's Tourism Development Council and Panama City Community Development Council are dedicated to boosting tourism in the area to benefit local businesses. These councils have launched an initiative to enhance the visitor experience, develop the area into a year-round destination, effectively market the area, all-the-while protecting the coastlands and beaches.

ANNUAL TOURISM SNAPSHOT



17 million visitors travel to Panama City each year



Tourism supports over **20,000** local jobs in Panama City



Tourism has an economic impact of **\$2.9 billion**



Tourists generate about **\$1.7 billion** in direct spending

CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **Dollar General** located at **7436 FL-22 Callaway, FL 32404 (“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.

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

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