

Dollar General

EXCLUSIVE NET-LEASE OFFERING

DOLLAR GENERAL

OFFERING
MEMORANDUM

Subject Property

DOLLAR GENERAL®

647 Broadway Avenue, Bedford, OH 44146

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The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

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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Activity ID: Z0330718

DOLLAR GENERAL®

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DOLLAR GENERAL®





Investment Highlights

PRICE: \$1,402,391 | CAP: 6.90% | RENT: \$96,765

DOLLAR GENERAL®

About the Investment

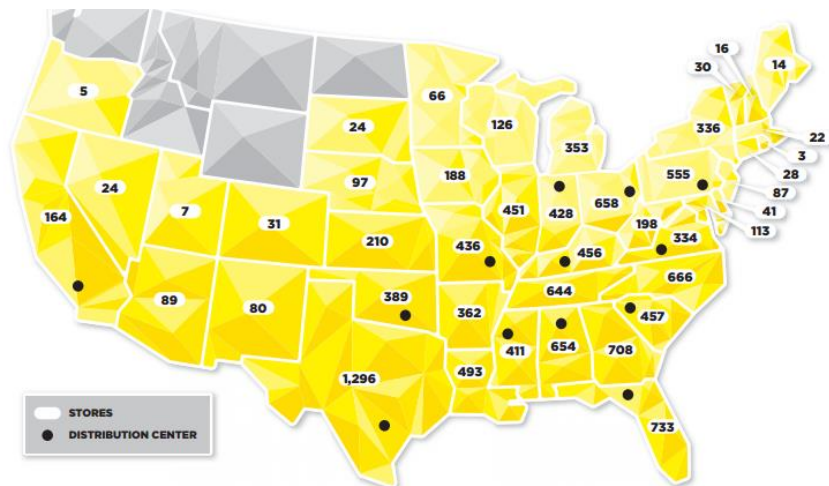
- ✓ Brand New 10-Year Double-Net (NN) Lease; Strategic Investment Offering a Long-Term Security of Cash Flow
- ✓ Rental Increases of 10 Percent In Each Option Period
- ✓ Tenant Renewal Options: Four Periods of Five Years, bringing the Potential Lease Term to 30 Years
- ✓ Corporate Location | Corporate Guarantee

About the Location

- ✓ Just Remodeled in April 2018 | Brand New Roof, Landscaping, and Parking Lot
- ✓ Strong Traffic Counts | Broadway Avenue and Northfield Road | 13,950 and 16,550 Vehicles Respectively Per Day
- ✓ University Hospitals Bedford Medical Center | 88-Bed Acute Care Facility | Located Less Than One Mile From the Subject Property
- ✓ Strong Academic Presence | One Mile From Bedford High School | Over 1,000 Students Enrolled
- ✓ Positive Real Estate Fundamentals | Less Than 15 Miles from Cleveland, Ohio

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
- ✓ Recession and E-Commerce Resistant Tenant
- ✓ 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: \$1,402,391 | CAP: 6.90% | RENT: \$96,765

DOLLAR GENERAL®

PROPERTY DESCRIPTION

Property	Dollar General
Property Address	647 Broadway Avenue
City, State, ZIP	Bedford, OH 44146
Building Size	12,665
Lot Size	+/- 1.142 Acres
Type of Ownership	Fee Simple

The Offering

Purchase Price	\$1,402,391
CAP Rate	6.90%
Net Operating Income	\$96,765
Price / SF	\$110.73
Rent / SF	\$7.64

Lease Summary

Property Type	Net-Lease Dollar Store
Original Lease Term	10.1 Years
Lease Commencement	May 2, 2018
Lease Expiration	May 31, 2028
Lease Term Remaining	9.1 Years
Lease Type	Double-Net (NN)
Roof & Structure	Landlord Responsible
Rental Increases	10% Each Option Period
Options to Renew	Four (4), Five (5)-Year

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Initial Term	\$96,765	\$8,064	-
Option Periods			
Option 1	\$106,442	\$8,870	10.00%
Option 2	\$117,086	\$9,757	10.00%
Option 3	\$128,794	\$10,733	10.00%
Option 4	\$141,674	\$11,806	10.00%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Dollar General located at 647 Broadway Avenue in Bedford, Ohio. The property consists of 12,665 square feet of building space and is situated on a 1.142-acre parcel.

This investment is subject to a double-net (NN) lease with roughly 9.9 years remaining on an original 10-year lease. The current annual rent is \$96,765 and is scheduled to increase 10 percent in each of the four, five-year renewal options.

*Landlord Maintenance 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.
- Parking Area Maintenance – maintenance, repair and replacement including, but not limited to, all paved and grassed or landscaped areas (including regular mowing and replacement of dead landscaping), and irrigation systems. Landlord will be responsible for snow/ice removal and maintaining Parking Area lighting, paving, and striping. *Tenant shall reimburse Landlord for the actual and reasonable costs of any maintenance and repair to the Parking Areas up to \$300 per month (\$3,600 annually).



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.

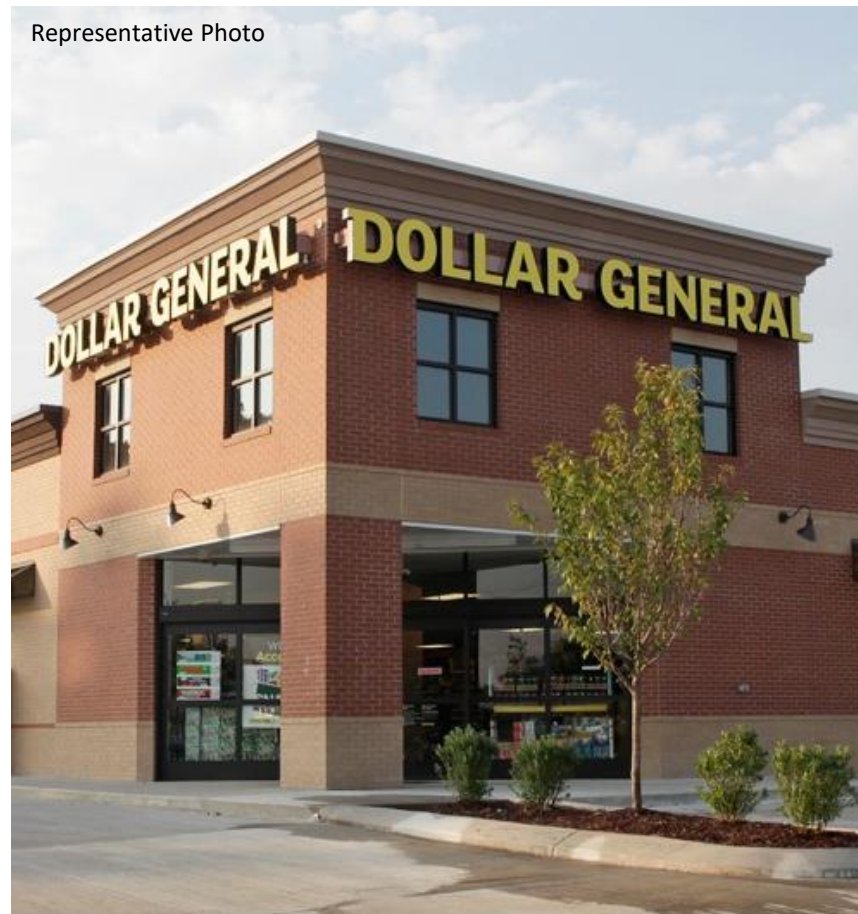
Dollar General often serves communities that are too small for Walmart stores (although many locations are in relatively close driving distance to a Walmart store or in the same communities that Walmart is located). It competes in the dollar store format with national chains Family Dollar and Dollar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

DOLLAR GENERAL®

General Information

Address	Goodlettsville, TN
Website	https://www.dollargeneral.com
Concentration	44 States

Representative Photo

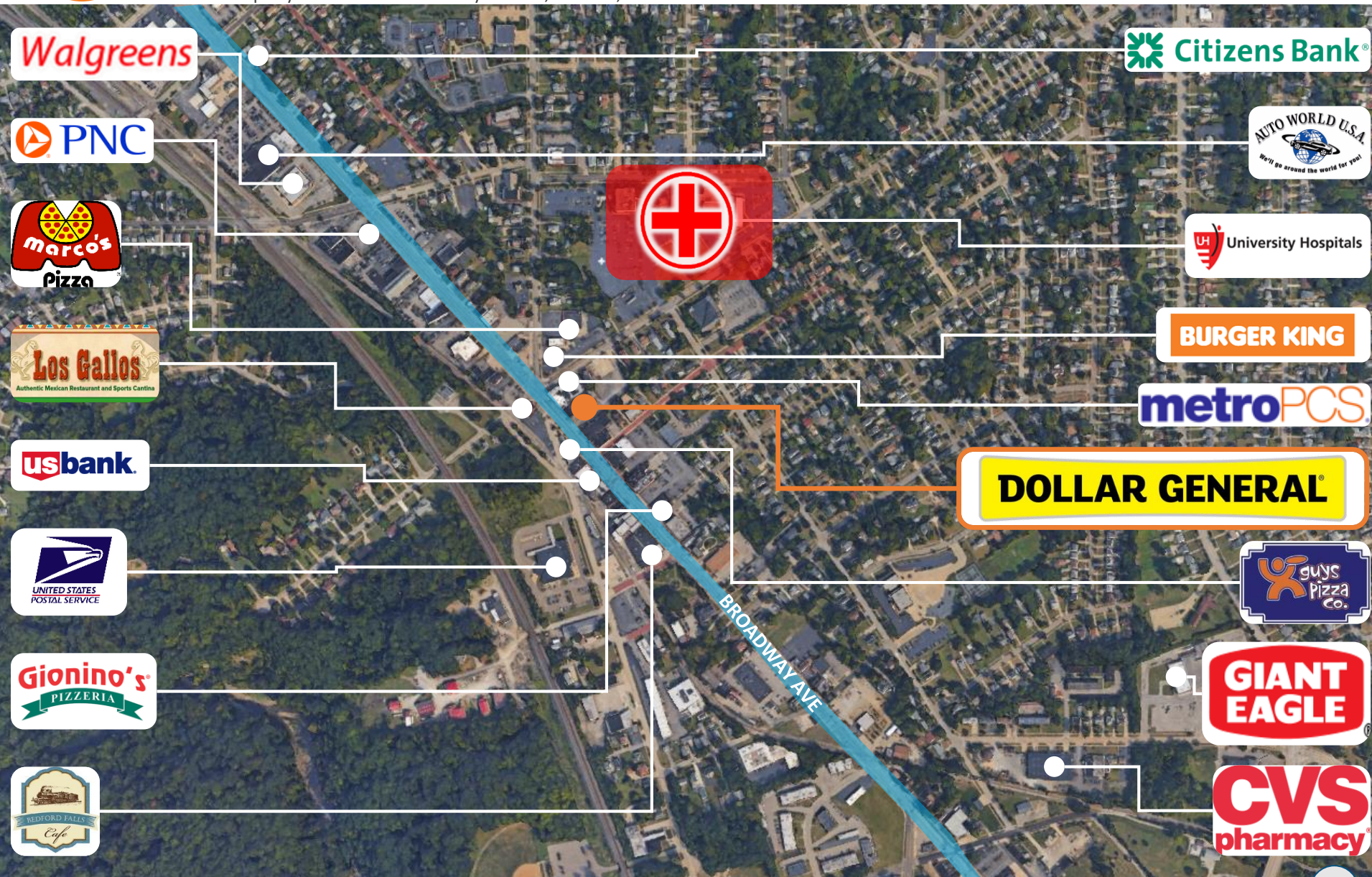




Surrounding Area

DOLLAR GENERAL®

Property Address: 647 Broadway Avenue, Bedford, OH 44146





Location Overview

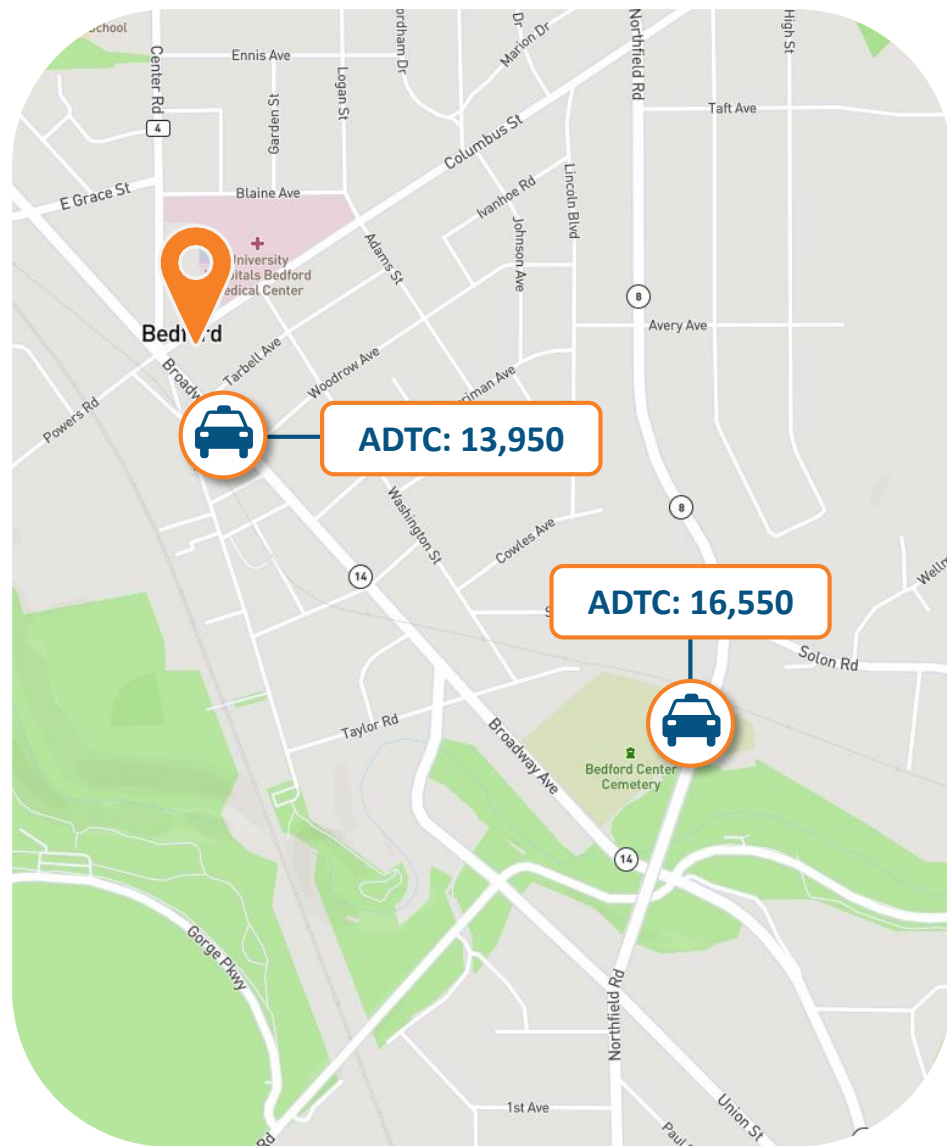
Property Address: 647 Broadway Avenue, Bedford, OH 44146

This Dollar General is situated at 647 Broadway Avenue in Bedford, Ohio. Broadway Avenue experiences average daily traffic counts exceeding 13,950 vehicles. Broadway Avenue intersects with Northfield Road, which brings an additional 16,550 vehicles into the immediate area daily. The subject property benefits from being located in a heavily populated area. There are more than 152,397 individuals residing within a five-mile radius of this Dollar General property.

The subject property is well-positioned in a dense retail corridor consisting of major national and local tenants, hotels, and hospitals. Major national tenants include: Walgreens, CVS Pharmacy, Giant Eagle, Burger King, U.S. Bank, Citizens Bank, as well as many others. Additionally, this Dollar General property benefits from its close proximity to several academic institutions. Most notable is Bedford High School, which has a total enrollment exceeding 1,064 students and is located within a one-mile radius. The University Hospitals Bedford Medical Center, a 88-bed, private, full service acute-care community hospital is located less than one mile from the subject property.

Bedford is a city in Cuyahoga County, Ohio and is a suburb of Cleveland. Bedford is located less than 15 miles south-east of the bustling city of Cleveland. Cleveland is the second largest city in Ohio and the 51st largest city in the United States. The city is located on the southern shore of Lake Erie and is the county seat of Cuyahoga County. It became a manufacturing center due to its location on both the river and the lake shore, as well as being connected to numerous canals and railroad lines. Cleveland's economy relies on diversified sectors such as manufacturing, financial services, healthcare, and biomedicals. Cleveland is home to the corporate headquarters of many large companies such as Applied Industrial Technologies, NACOO Industries, Sherwin-Williams Company, and many others. The Cleveland Clinic is the city's largest private employer with a workforce of over 37,000. It carries the distinction as being among America's best hospitals with top ratings published in U.S. News & World Report. Cleveland offers a strong concentration of cultural and educational events. The Cleveland International Film Festival held annually since 1977, draws over 60,000 people. It consists of more than 170 features and 130 short films from approximately 60 countries. In addition to the many annual festivals and events that Cleveland offers, it is also home to the Cleveland Indians, two-time World Series champions and NFL team, the Cleveland Browns.

DOLLAR GENERAL®

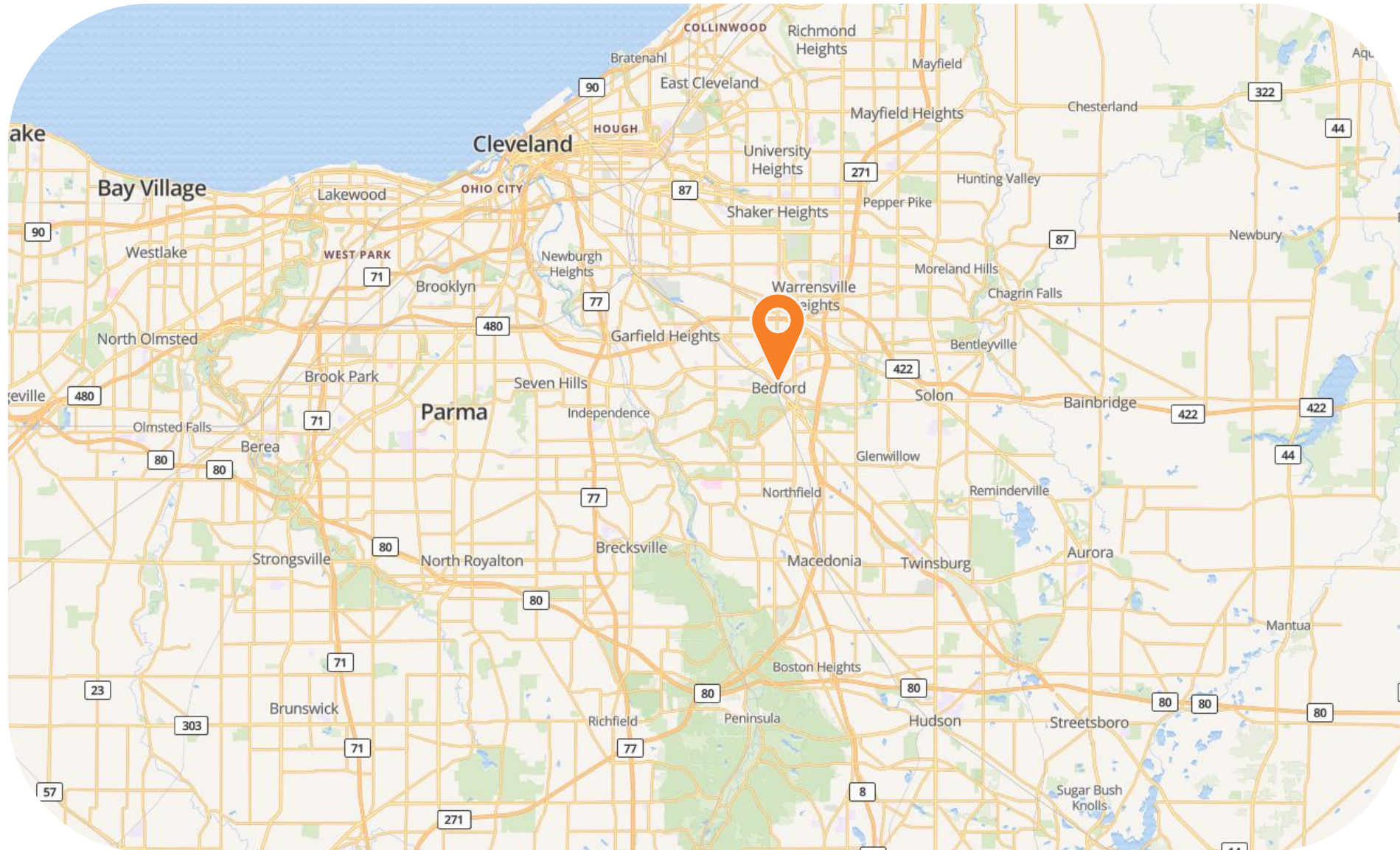




Local Map

Property Address: 647 Broadway Avenue, Bedford, OH 44146

DOLLAR GENERAL®





Regional Map

Property Address: 647 Broadway Avenue, Bedford, OH 44146

DOLLAR GENERAL®

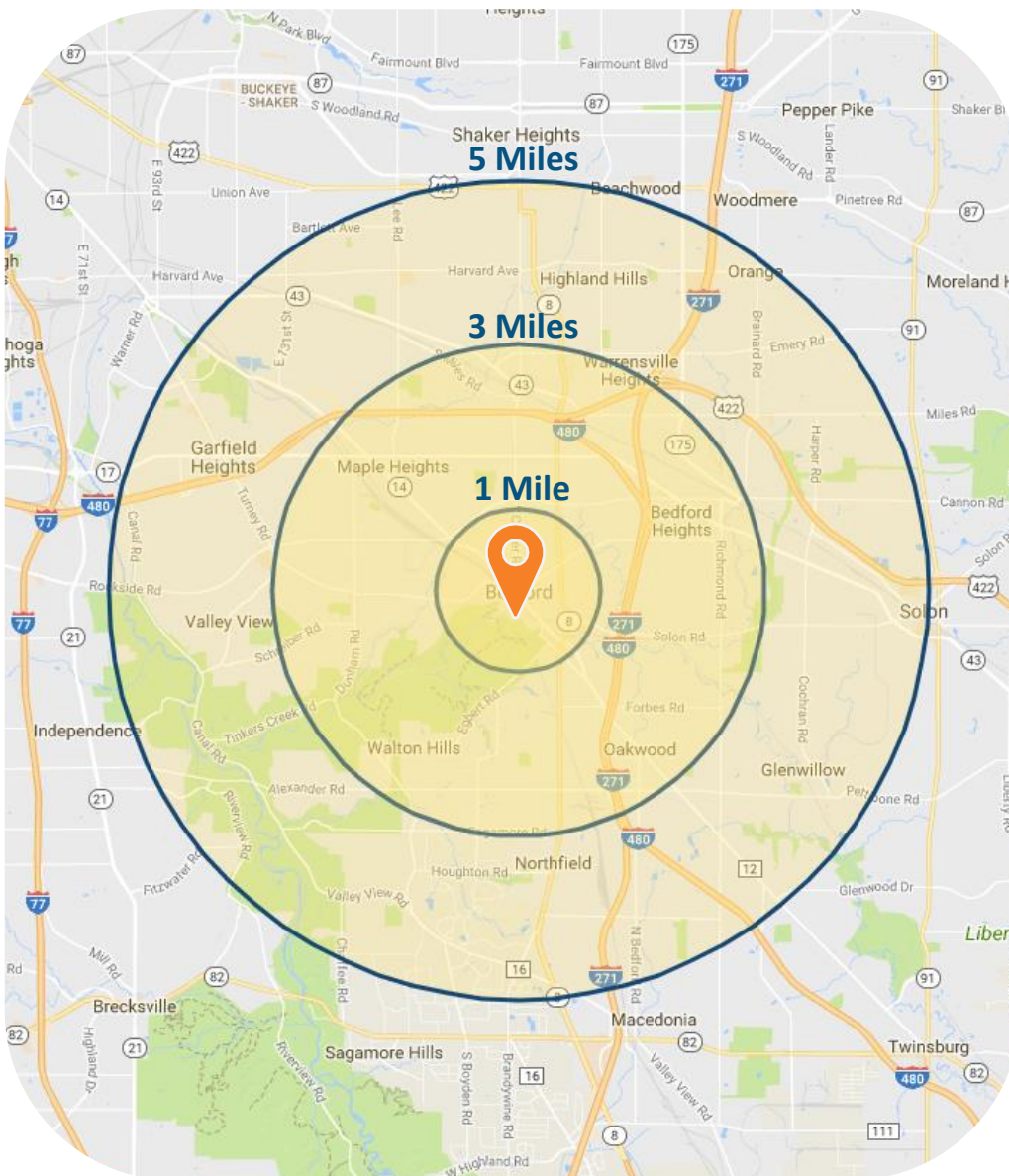




Demographics

Property Address: 647 Broadway Avenue, Bedford, OH 44146

DOLLAR GENERAL®



Population:

	1 Miles	3 Miles	5 Miles
2023 Projection	7,097	59,064	150,952
2018 Estimate	7,195	59,637	152,397
2010 Census	7,508	61,075	156,207
2018 Population Hispanic Origin	193	1,426	3,126

2017 Population by Race:

	1 Miles	3 Miles	5 Miles
White	3,842	21,060	59,822
Black	3,055	36,260	85,808
Am. Indian & Alaskan	18	125	282
Asian	85	824	3,378
Hawaiian & Pacific Island	2	9	25
Other	193	1,358	3,082

U.S. Armed Forces:

0 14 18

Households:

	1 Miles	3 Miles	5 Miles
2023 Projection	3,273	25,742	62,963
2018 Estimate	3,315	25,996	63,604
2010 Census	3,452	26,645	65,369
Owner Occupied	2,009	16,874	42,980
Renter Occupied	1,306	9,123	20,623

2018 Avg Household Income

\$57,940 \$54,069 \$62,334

2018 Med Household Income

\$43,948 \$42,089 \$45,194

2018 Households by Household Inc:

	1 Miles	3 Miles	5 Miles
<\$25,000	820	6,981	17,044
\$25,000 - \$50,000	1,004	7,915	17,180
\$50,000 - \$75,000	587	4,955	11,373
\$75,000 - \$100,000	428	3,037	7,672
\$100,000 - \$125,000	209	1,477	3,988
\$125,000 - \$150,000	73	771	2,317
\$150,000 - \$200,000	186	623	2,092
\$200,000+	10	238	1,938



Market Overview

Cleveland, Ohio



Bedford is a city in Cuyahoga County, Ohio and is suburb of Cleveland. Cleveland is the second largest city in Ohio and the 51st largest city in the United States. The city is located on the southern shore of Lake Erie and is the county seat of Cuyahoga County. Cleveland's location on the Cuyahoga River and Lake Erie has been key to its growth. The Ohio River and Erie Canal coupled with rail links helped the city become an important business center. Steel and many other manufactured goods emerged as leading industries.

The city diversified its economy in addition to its manufacturing sector. Cleveland is home to the corporate headquarters of many large companies such as Applied Industrial Technologies, Cliffs Natural Resources, Forest City Enterprises, NACCO Industries, Sherwin-Williams Company, and KeyCorp. NASA maintains a facility in Cleveland, the Glenn Research Center. Jones Day, one of the largest law firms in the US, was founded in Cleveland. The Cleveland Clinic is the city's largest private employer with a workforce of over 37,000. It carries the distinction as being among America's best hospitals with top ratings published in U.S. News & World Report. Cleveland's healthcare sector also includes University Hospitals of Cleveland, a renowned center for cancer treatment, MetroHealth medical center, and the insurance company Medical Mutual of Ohio. Cleveland is also noted in the fields of biotechnology and fuel cell research, led by Case Western Reserve University, the Cleveland Clinic, and University Hospitals of Cleveland. The city is among the top recipients of investment for biotech start-ups and research.

Major Employers

Employer	Estimated # of Employees
Mentor REM	5,013
Sherwin-Williams Auto Finishes Corp	3,000
Dots LLC	2,500
Michigan Equipment Corporation	2,294
Nestle	1,917
Area Temps Inc	1,596
Swagelok Company	1,130
Dominion Energy Ohio	1,101
University Hospitals	960
Ohio Department Transportation	900
Servicelink Field Services LLC	826

Marcus & Millichap
EXCLUSIVE NET LEASE OFFERING

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