



**DOLLAR  
GENERAL®**

**DOLLAR GENERAL**

802 DOUGLAS AVENUE  
HENNING, MN 56551

**CBRE** | **OFFERING  
MEMORANDUM**



**EXCLUSIVELY LISTED BY:**

**IAN SCHROEDER**

Senior Vice President  
Investment Properties  
Lic. 01497897  
+1 949 438 1002  
ian.schroeder@cbre.com

**PRIMARY CONTACT:**

**MELISSA LEY**

Associate  
Investment Properties  
Lic. 01984445  
+1 949 725 8617  
melissa.ley@cbre.com



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## INVESTMENT HIGHLIGHTS

- The lease structure is **triple net (NNN), with zero landlord responsibilities**. Tenant is responsible for maintaining, repairing, and replacing all aspects of the property, as well as all required insurances, taxes, and utilities.
- There are **thirteen (13.5) years remaining on the lease term, plus five (5), five (5) year options**.
- The lease provides for **10% rental increases at each option period**.
- The lease is **corporately guaranteed by Dollar General Corporation, which has an investment grade credit rating of BBB (S&P)**.
- This location was **recently constructed in 2017, and is located on a large 2.12 acre site**.
- The average household income in the five (5) mile demographic ring is **\$58,927**.
- The City of Henning has a limited amount of retail within the city limits. **Dollar General serves as the go-to store for surrounding residents**.
- The next closest Dollar General is **15 miles from the subject property**.
- Henning is the **“Gateway to the Lakes”** including fishing, hunting and water recreation in the nearby lakes. Rolling farmland, modern dairies and hardwood forests cover the county. **It is located 90 miles (100 minutes) from Fargo-Moorhead, 92 miles (91 minutes) miles from Moorhead and 165 miles (160 minutes) from Minneapolis**.

### INVESTMENT SUMMARY

Offering Price.....	\$1,307,000
Cap Rate.....	6.75%
Price/SF.....	\$143.63
Lease Structure .....	NNN
Current Annual Rent.....	\$88,218
Building GLA .....	9,100 SF
Lot Size.....	2.12 acres
Ownership.....	Fee Simple



## TENANT OVERVIEW

### About Dollar General

Dollar General is an American chain of variety stores that has been delivering value to shoppers for over 75 years through its branded and private label merchandise. Although it has the word “dollar” in the name, Dollar General is not a traditional dollar store. Typically, the goods are priced at \$10 or less, including consumables, health and beauty aids, seasonal items, home products and apparel.

The stores were founded in 1939 by Cal Turner Sr. and his father J.L. Turner in Scottsville, Kentucky under the name J.L. Turner & Son, Inc. The first official Dollar General store opened in Springfield, Kentucky in 1955. In 1968, the business changed its name to Dollar General Corporation, and in 2009 the company was taken public. That same year the Dollar General Market was created, a new store offering the typical Dollar General products in addition to an expanded selection of groceries.

Dollar General serves their customers with value and convenience, and their employees with career opportunities. Dollar General stores tend to be located in smaller communities than those where Walmart would open a store. In recent years, the chain has been constructing more stand-alone stores, typically in areas not served by another general-merchandise retailer. In addition to high quality private brands, Dollar General sells products from America’s most-trusted brands such as Clorox, Energizer, Procter & Gamble, Hanes, Coca-Cola, Mars, Unilever, Nestle, Kimberly-Clark, Kellogg’s, General Mills, and PepsiCo.

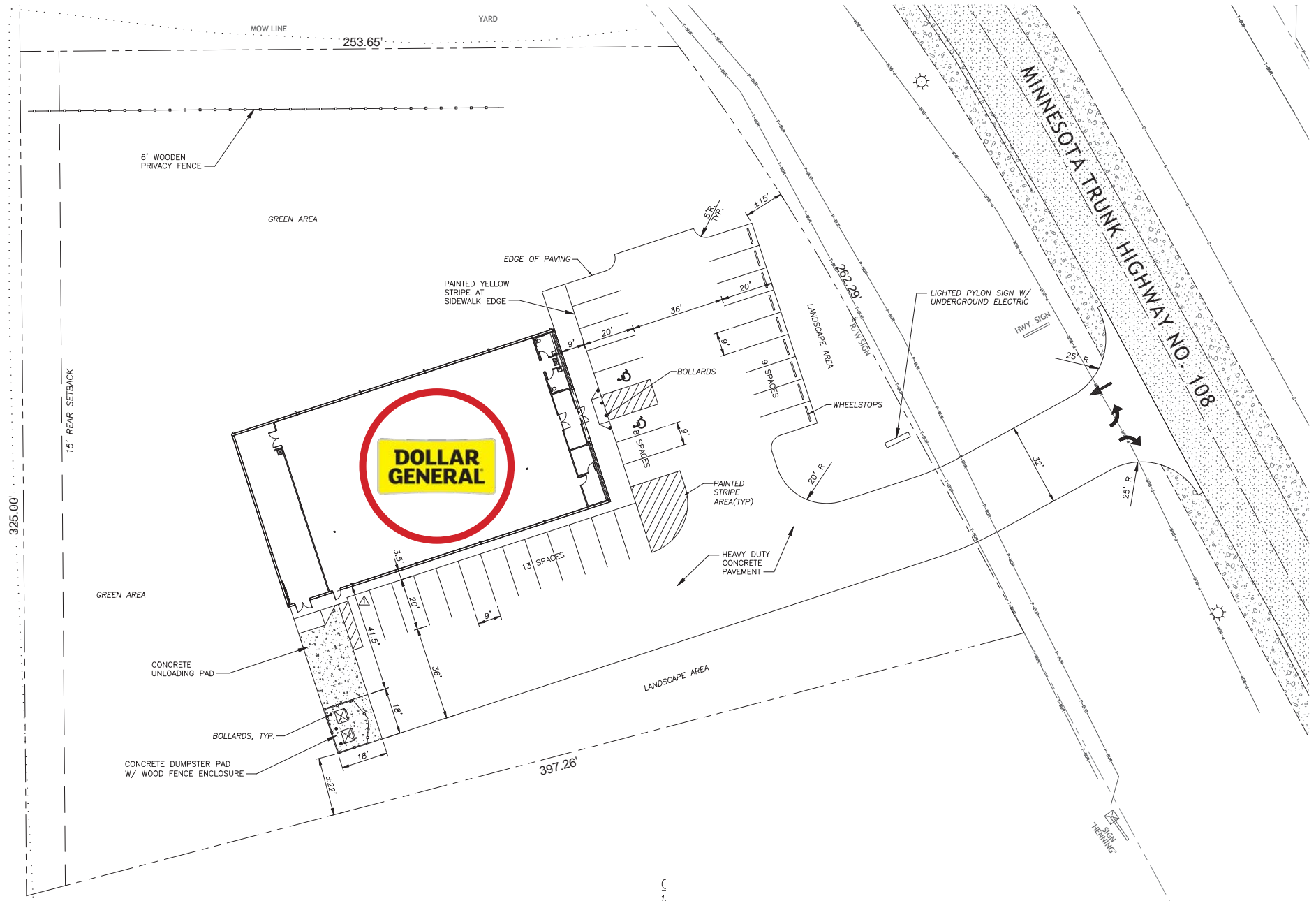
The Goodlettsville, TN-based chain has grown to more than 14,500 stores across 44 states and employs 129,000 people across the country. Dollar General is planning to execute about 2,000 real estate projects in fiscal 2018, comprised of 900 new stores, 1,000 store remodels and 100 store relocations.



### DOLLAR GENERAL CORPORATE OVERVIEW

Type:	Public (NYSE: DG)
Industry:	Discount & Variety Stores
Locations:	14,534+
Employees:	129,000+
Revenue:	\$23.47 Billion (FY 2017)
Corporate Headquarters:	Goodlettsville, TN
Credit Rating:	S&P: BBB, Moody's: Baa2

# PROPERTY OVERVIEW







# PROPERTY OVERVIEW



## PROPERTY SUMMARY

**Price:** \$1,307,000

**Cap Rate:** 6.75%

**Address:** 802 Douglas Ave.  
Henning, MN 56551

**Ownership:** Fee Simple

**Building GLA:** 9,100 SF

**Lot Size:** 2.12 acres

**Parking:** +/- 30 spaces

**Year Built:** 2017

**Parcel Number:** 72000990405000

## LEASE SUMMARY

**Tenant:** DG Retail, LLC dba Dollar General

**Guarantor:** Dollar General Corporation

**Date of Lease:** July 27, 2016

**Rent Commencement:** August 3, 2017

**Lease Expiration:** August 31, 2032

**Lease Term:** 15 years

**Term Remaining:** 13.5 years (as of 02/2019)

**Renewal Options:** 5 - 5 year options

**Current Annual Rent:** \$88,218

**Rental Increases:** 10% in each option period

**Percentage Rent:** None

**Sales Reporting:** Store does not report sales.



## LEASE SUMMARY CONTINUED

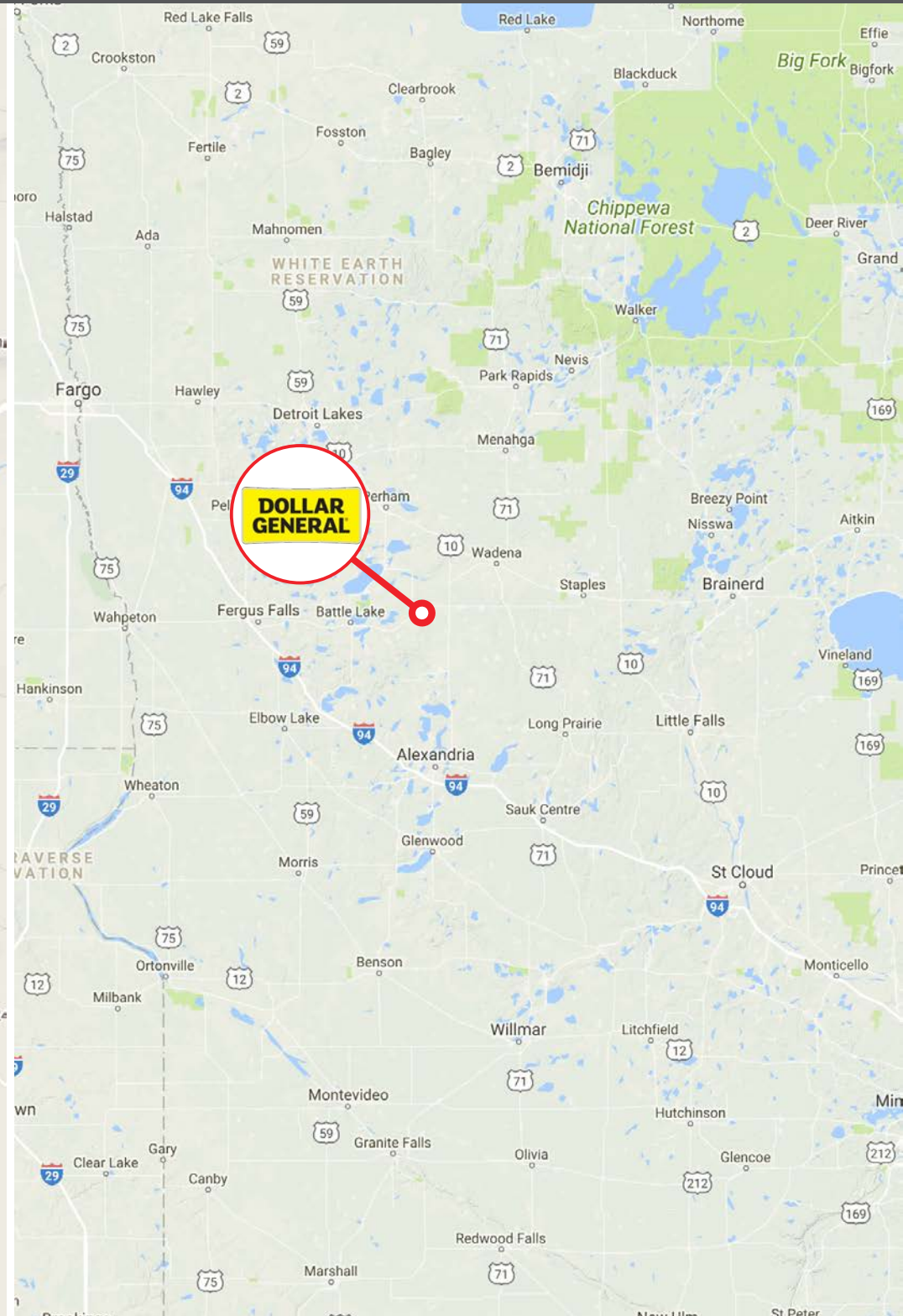
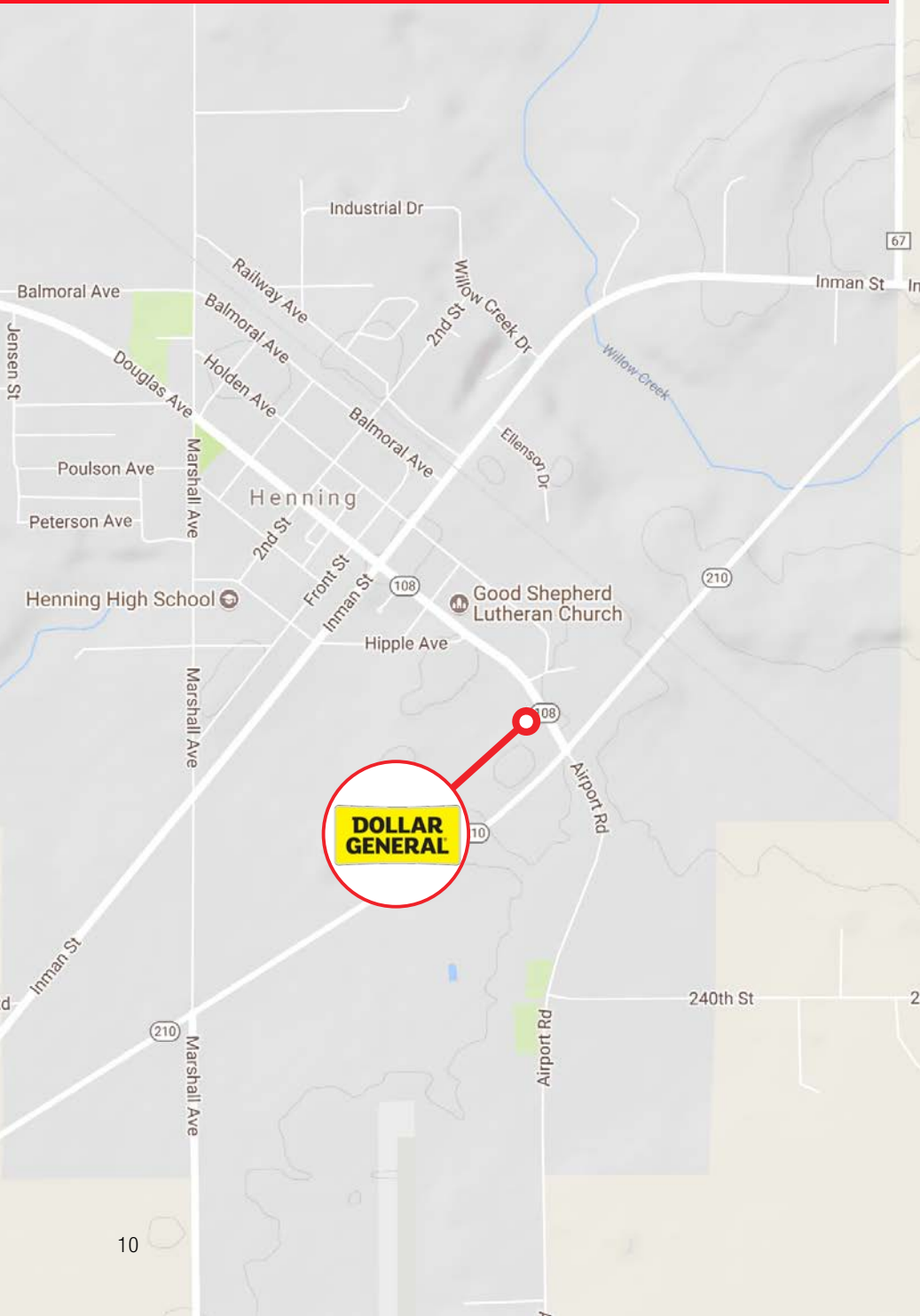
Lease Structure:	NNN - Zero Landlord Responsibility
Roof:	Tenant
Structure:	Tenant
HVAC:	Tenant
Common Area:	Tenant
Parking:	Tenant
Property Taxes:	Tenant - Tenant to reimburse Landlord for payment.
Utilities:	Tenant
Insurance:	Tenant
Permitted Use:	Any lawful retail purpose.
Assignment & Subletting:	No assignment or sublet shall relieve Tenant of its obligations under the lease.
ROFR:	Tenant does not have a ROFR.

## RENT SCHEDULE

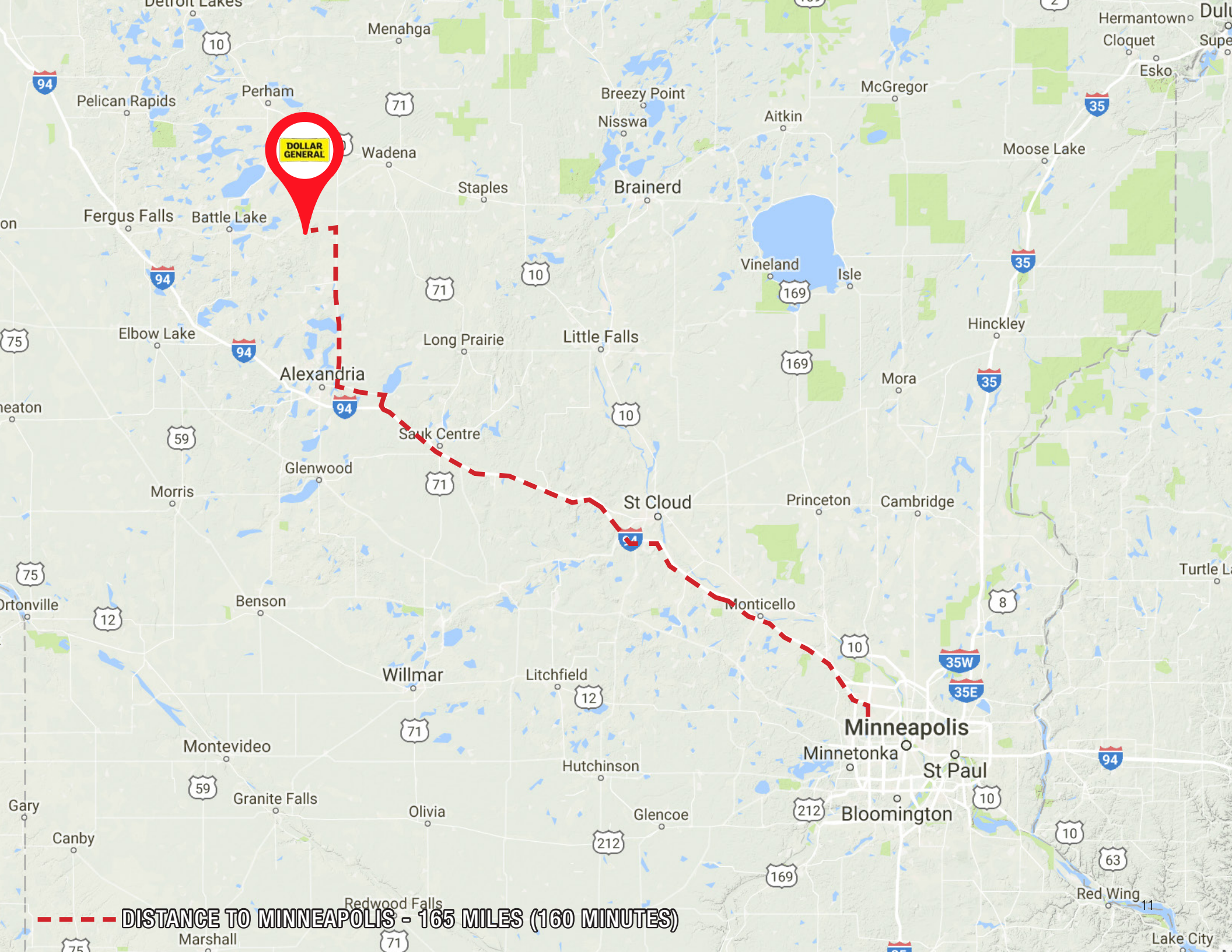
Lease Term	Lease Years	Monthly Rent	Annual Rent	Rent/SF	Increase (%)
Primary:	1 - 15:	\$7,351.49	\$88,218	\$9.69	
Option 1:	16 - 20:	\$8,086.64	\$97,040	\$10.66	10.00%
Option 2:	21 - 25:	\$8,895.31	\$106,744	\$11.73	10.00%
Option 3:	26 - 30:	\$9,784.84	\$117,418	\$12.90	10.00%
Option 4:	31 - 35:	\$10,763.32	\$129,160	\$14.19	10.00%
Option 5:	36 - 40:	\$11,839.65	\$142,076	\$15.61	10.00%



## AREA OVERVIEW



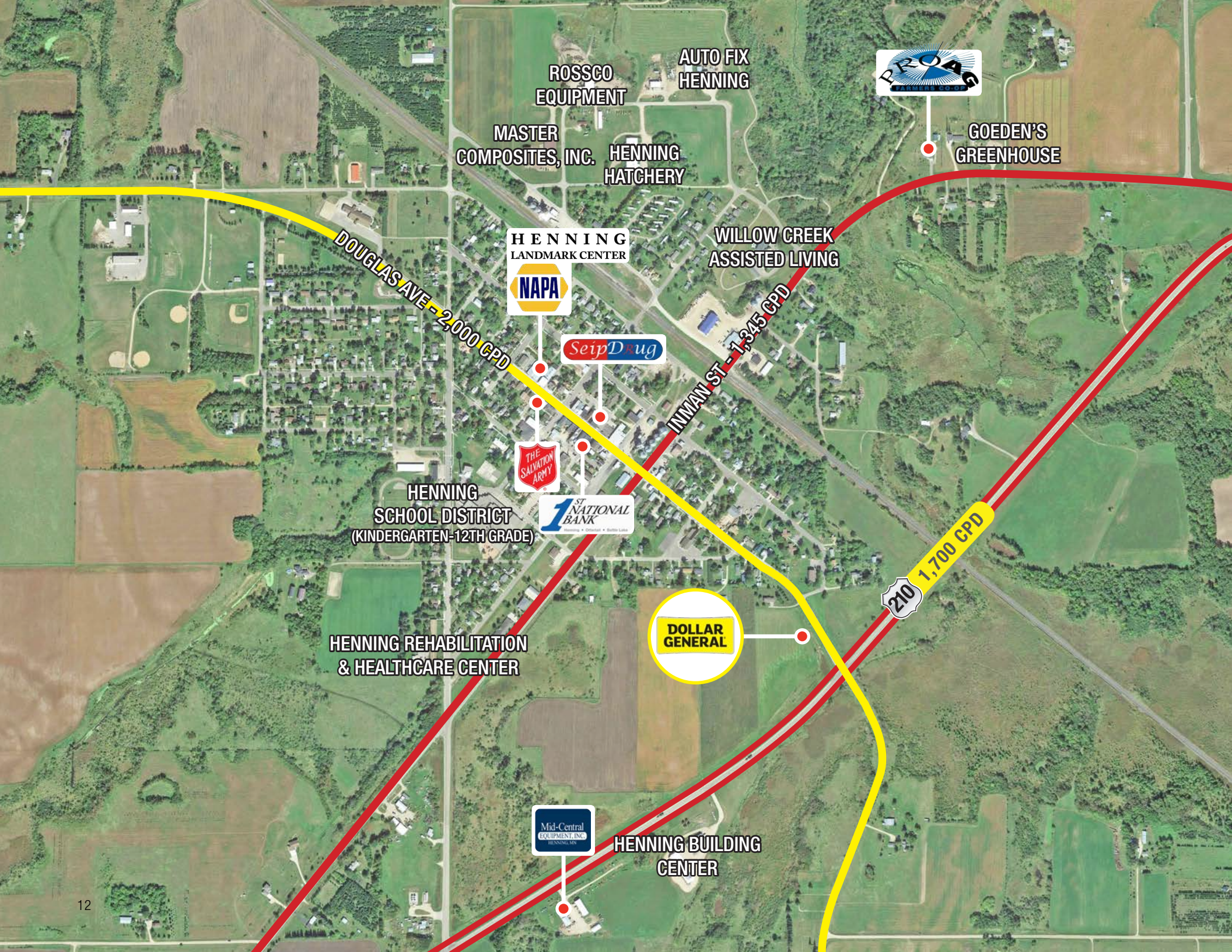




DOLLAR  
GENERAL

--- DISTANCE TO MINNEAPOLIS - 165 MILES (160 MINUTES)





ROSSCO  
EQUIPMENT

AUTO FIX  
HENNING



GOEDEN'S  
GREENHOUSE

MASTER  
COMPOSITES, INC. HENNING  
HATCHERY

HENNING  
LANDMARK CENTER



WILLOW CREEK  
ASSISTED LIVING



DOUGLAS AVE - 2,000 CPD

INMAN ST - 1,345 CPD



HENNING  
SCHOOL DISTRICT  
(KINDERGARTEN-12TH GRADE)

HENNING REHABILITATION  
& HEALTHCARE CENTER



210 1,700 CPD



HENNING BUILDING  
CENTER



## AREA OVERVIEW

# HENNING, MINNESOTA

## HISTORY

- Nestled in the heart of Otter Tail County's 1,048 lakes, Henning has much to offer the many tourists who frequent the area and keep returning year after year. The community enjoys the small town rural life with the benefits of beautiful scenery, quality medical services, excellent retail stores, great schools and churches and wonderful neighbors.
- Henning is the gateway to fishing, hunting and water recreation in the nearby lakes. Rolling farmland, modern dairies and hardwood forests cover the county. It is located 90 miles from Fargo-Moorhead and 175 miles from Minneapolis in Otter Tail County in the west central part of Minnesota. Willow Creek Senior Housing opened in 2004. There are 16 assisted living units and 12 independent living units.



## ECONOMY

- Henning is home to the economy-boosting Henning Rehabilitation & Healthcare Center, which offers a variety of services including short term, transitional care, respite care, rehabilitation, long term care and hospice care. Major employers of the community are Tri County Clinic, Golden Living Center, which is a skilled care and memory care facility, Henning Public Elementary and Secondary School, Earl B Olson Feed Mill and Turkey Hatchery, First National Bank, Mid Central Equipment, Henning Pro Ag Service, Willow Creek Senior Housing and Master Composites. Henning is a community of agricultural related industries.
- The City of Henning supports 22,900-square feet of retail space. The unemployment rate in Henning is 3.9% (U.S. avg. is 5.2%), and recent job growth is positive. The economy of Henning, MN is specialized in Agriculture, Forestry, Fishing, Hunting; Manufacturing; and Construction. Compared to the rest of the country, Henning's cost of living is 11.90% lower than the U.S. average.

## EDUCATION

- Henning Public School provides high quality education for Kindergarten through Grade 12 students, and offers an Early Childhood Family Education and School Readiness (preschool) program during the school year. Henning Public School is located in the rural area of central Minnesota in the lakes region.
- Henning is a small independent school district that includes the communities of Henning, Ottertail and Vining. The district provides a quality program that is rich in technology and provides a very comprehensive curriculum in Language Arts, Reading, Math, Science, Social Studies, Speech, Spanish, Music, Business Education, Art and Industrial Technology. In addition to this curriculum, students are also offered college level courses in English, Speech, Algebra, Computer and Accounting. Numerous extracurricular activities are available for participation by the student body as well as community education opportunities.





DOLLAR  
GENERAL

DOUGLAS AVE  
HOLDEN AVE

DOLLAR GENERAL

802



## DEMOGRAPHICS

POPULATION	5 Mile	10 Mile	15 Mile
Estimated Population (2017)	1,694	5,451	14,734
Census Population (2010)	1,599	5,176	14,211
Projected Population (2022)	1,742	5,599	15,034
HISTORICAL ANNUAL GROWTH			
2000-2010	0.16%	0.12%	0.11%
2010-2017	0.80%	0.72%	0.50%
PROJECTED ANNUAL GROWTH			
2017-2022	0.56%	0.54%	0.40%
HOUSEHOLDS	5 Mile	10 Mile	15 Mile
Estimated Households (2017)	712	2,287	6,171
Census Households (2010)	674	2,178	5,973
Projected Households (2022)	733	2,349	6,290
HISTORICAL ANNUAL GROWTH			
2000-2010	0.21%	0.53%	0.66%
2010-2017	0.76%	0.68%	0.45%
PROJECTED ANNUAL GROWTH			
2017-2022	0.58%	0.54%	0.38%

2017 POPULATION BY RACE	5 Mile	10 Mile	15 Mile
White	95.9%	96.4%	96.3%
Hispanic	1.6%	1.5%	1.3%
Black or African American	0.5%	0.5%	0.5%
Asian	0.9%	0.4%	0.2%
2017 AGE BY GENDER	5 Mile	10 Mile	15 Mile
MEDIAN AGE			
Male	49.30	50.30	48.10
Female	54.70	52.00	50.50
HOUSEHOLD INCOME	5 Mile	10 Mile	15 Mile
2017 Average	\$58,927	\$66,416	\$66,475
2017 Median	\$44,295	\$50,590	\$50,108
VALUE OF HOUSING UNITS	5 Mile	10 Mile	15 Mile
2017 Average	\$194,061	\$240,526	\$228,683
2017 Median	\$138,806	\$190,426	\$182,615

## AFFILIATED BUSINESS DISCLOSURE AND CONFIDENTIALITY AGREEMENT

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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.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

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The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any 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.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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## CONTACT US

Exclusively Listed By:

Primary Contact:

**IAN SCHROEDER**

Senior Vice President

Investment Properties

Lic. 01497897

+1 949 438 1002

ian.schroeder@cbre.com

**MELISSA LEY**

Associate

Investment Properties

Lic. 01984445

+1 949 725 8617

melissa.ley@cbre.com

Broker of Record:

**JAMES LEARY**

CBRE - Minneapolis, MN

Lic. 382718

**CBRE**

