



**DOLLAR  
GENERAL®**

**DOLLAR GENERAL**

808 S. ATLANTIC AVENUE  
HALLOCK, MN 56728

**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**

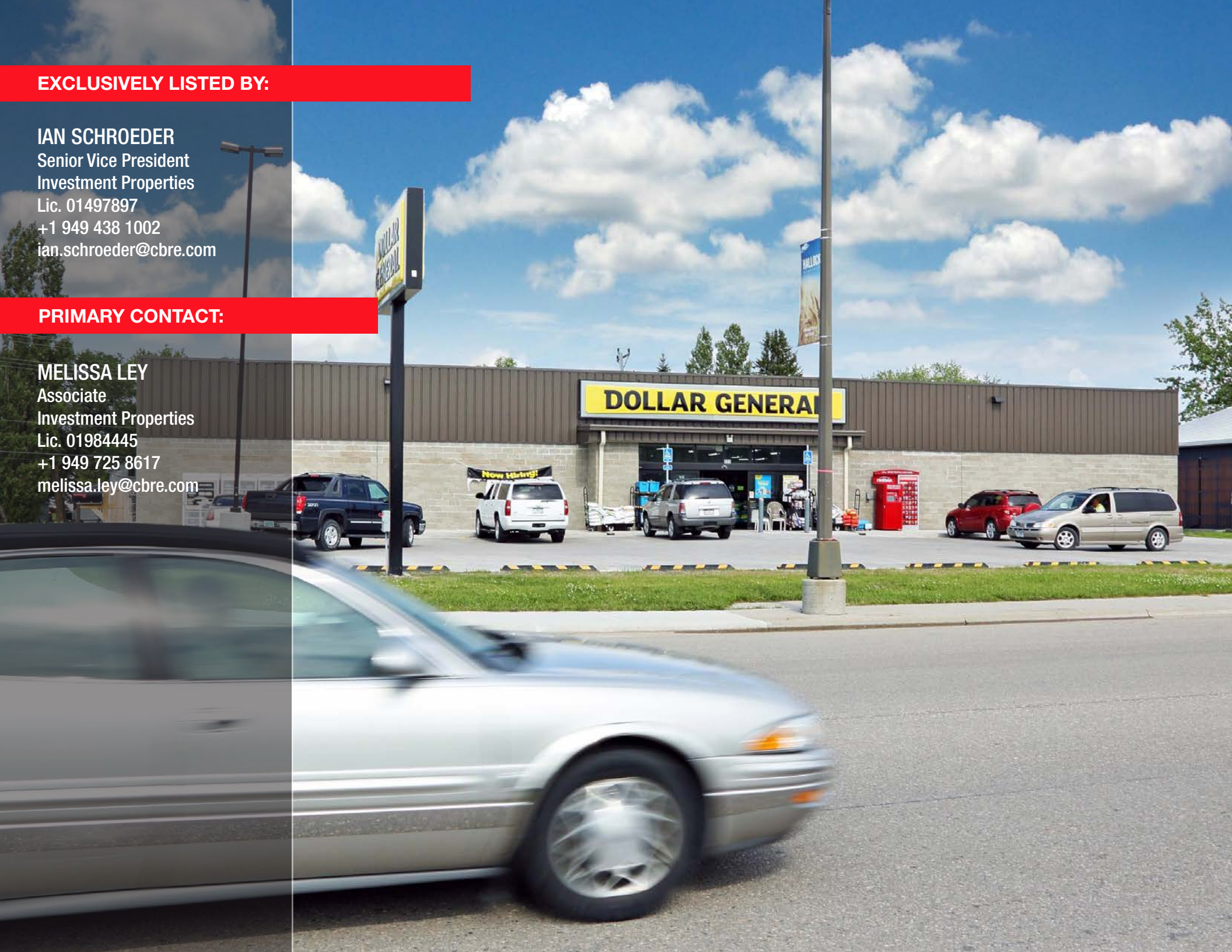
Associate

Investment Properties

Lic. 01984445

+1 949 725 8617

melissa.ley@cbre.com







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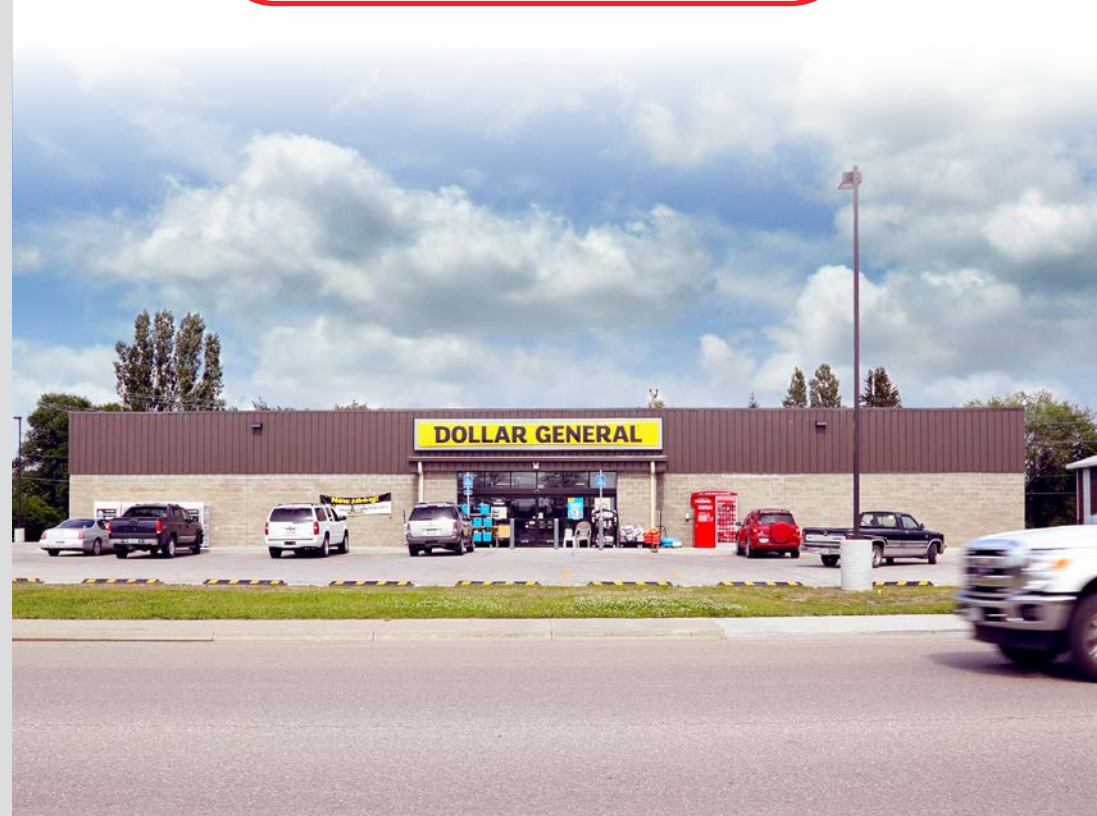
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## INVESTMENT HIGHLIGHTS

- 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 **twelve (12.8) 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).**
- The average household income in the five (5) mile demographic ring is **\$74,727.**
- The City of Hallock 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 **33 miles (37 minutes) from the subject property.**
- **Hallock is the county seat of Kittson County,** the northwestern-most county in Minnesota, and located just 20 miles from the Canadian Border.
- Whether you are looking for a relaxing getaway or an outdoor family adventure, **Hallock is the place to find activities ranging from world-class bird watching, camping, and golfing; to snow shoeing, cross-country skiing, and snowmobiling.**
- Hallock is **home of the Hallock Ice Arena and Hallock Curling Club,** attracting visitors from Winnipeg, MB to St. Paul, MN and **everywhere in between.** Both facilities located within minutes of the subject property.
- Since agriculture is the major industry of the area, farmers depend on Hallock and Hallock depends on farmers. **Farming and its related industries provide a large share of the employment and tax base for the community.**

### INVESTMENT SUMMARY

Offering Price.....	\$1,285,300
Cap Rate.....	7.00%
Price/SF.....	\$141.21
Lease Structure .....	NNN
Current Annual Rent.....	\$89,951
Building GLA .....	9,100 SF
Lot Size.....	1.21 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.

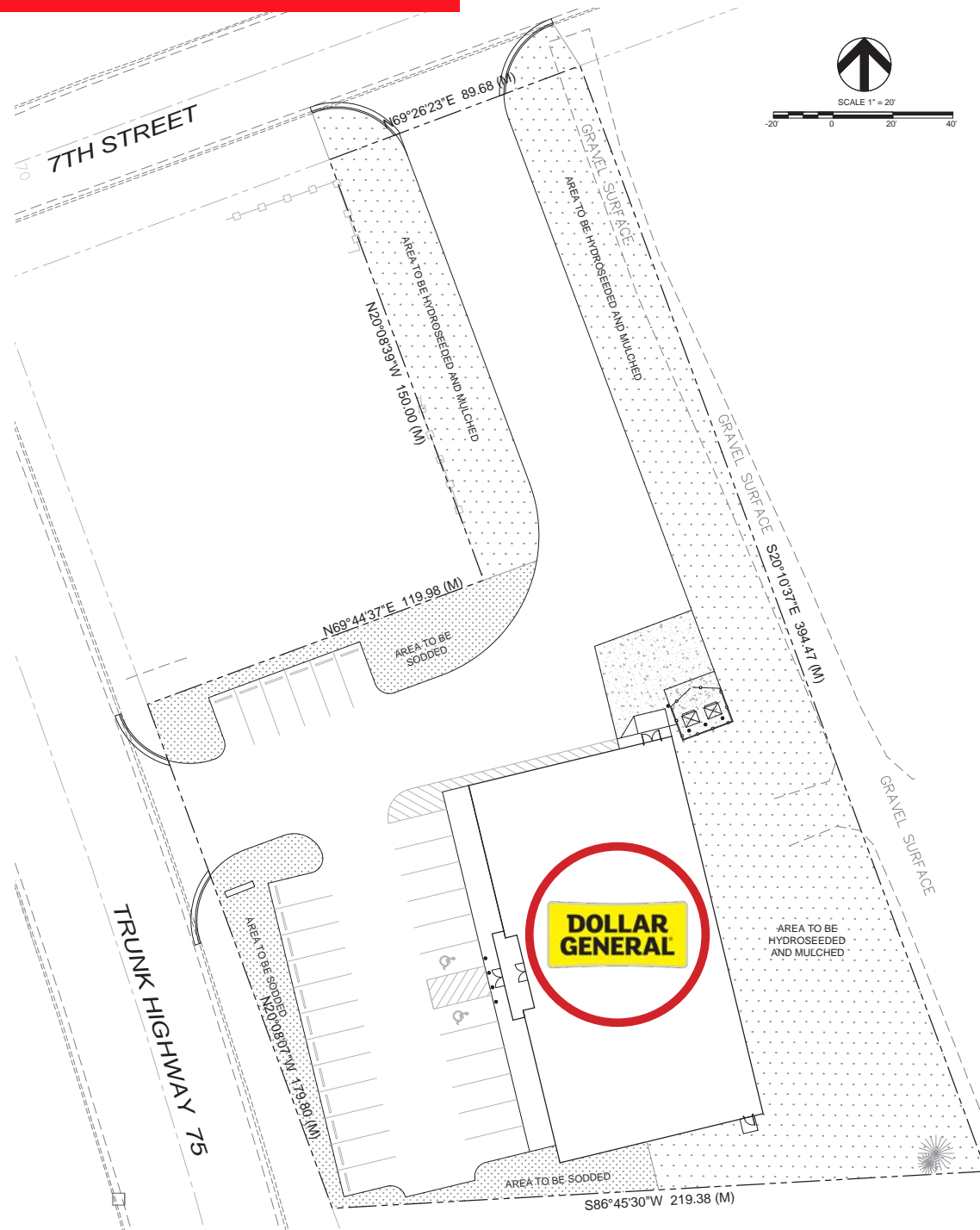
The Goodlettsville, TN-based chain has grown to more than 14,500 stores across 44 states and employs 129,000 people across the country. Dollar General is planning to execute about 2,000 real estate projects in fiscal 2018, comprised of 900 new stores, 1,000 store remodels and 100 store relocations.



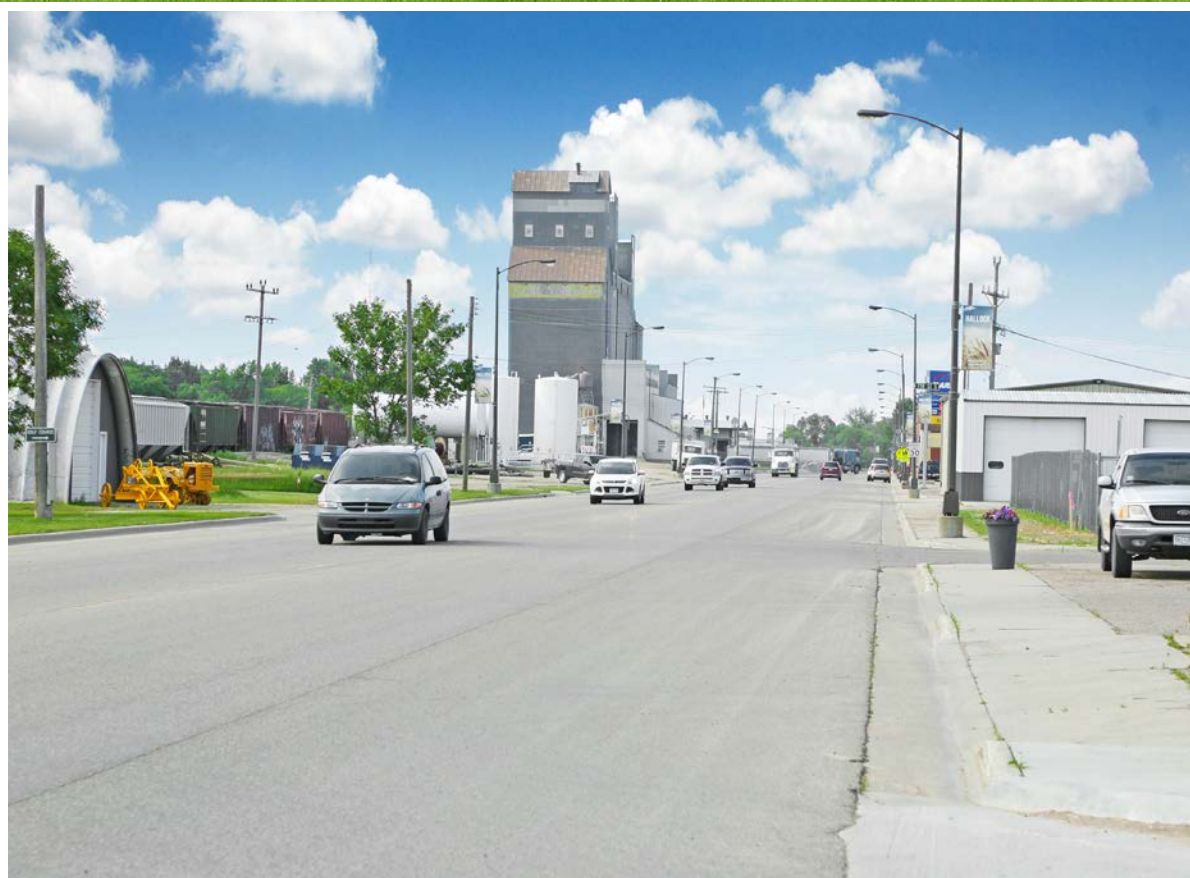
### DOLLAR GENERAL CORPORATE OVERVIEW

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

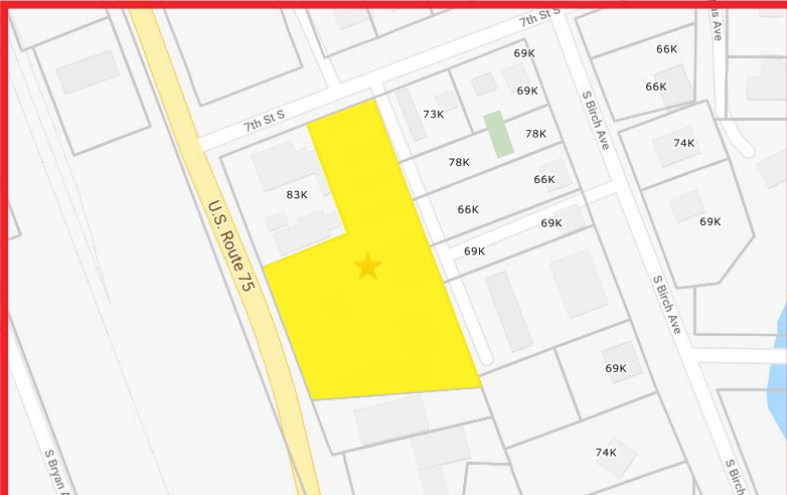
## PROPERTY OVERVIEW







# PROPERTY OVERVIEW



## PROPERTY SUMMARY

**Price:** \$1,285,000

**Cap Rate:** 7.00%

**Address:** 808 S. Atlantic Avenue  
Hallock, MN 56728

**Ownership:** Fee Simple

**Building GLA:** 9,100 SF

**Lot Size:** 1.21 acres

**Parking:** +/- 30

**Year Built:** 2016

**Parcel Number:** 32.01158

## LEASE SUMMARY

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

**Guarantor:** Dollar General Corporation

**Date of Lease:** March 25, 2016

**Rent Commencement:** February 4, 2017

**Lease Expiration:** February 29, 2032

**Lease Term:** 15 years

**Term Remaining:** 12.8 years (as of 05/2019)

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

**Current Annual Rent:** \$89,951

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

**Percentage Rent:** None

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



## LEASE SUMMARY CONTINUED

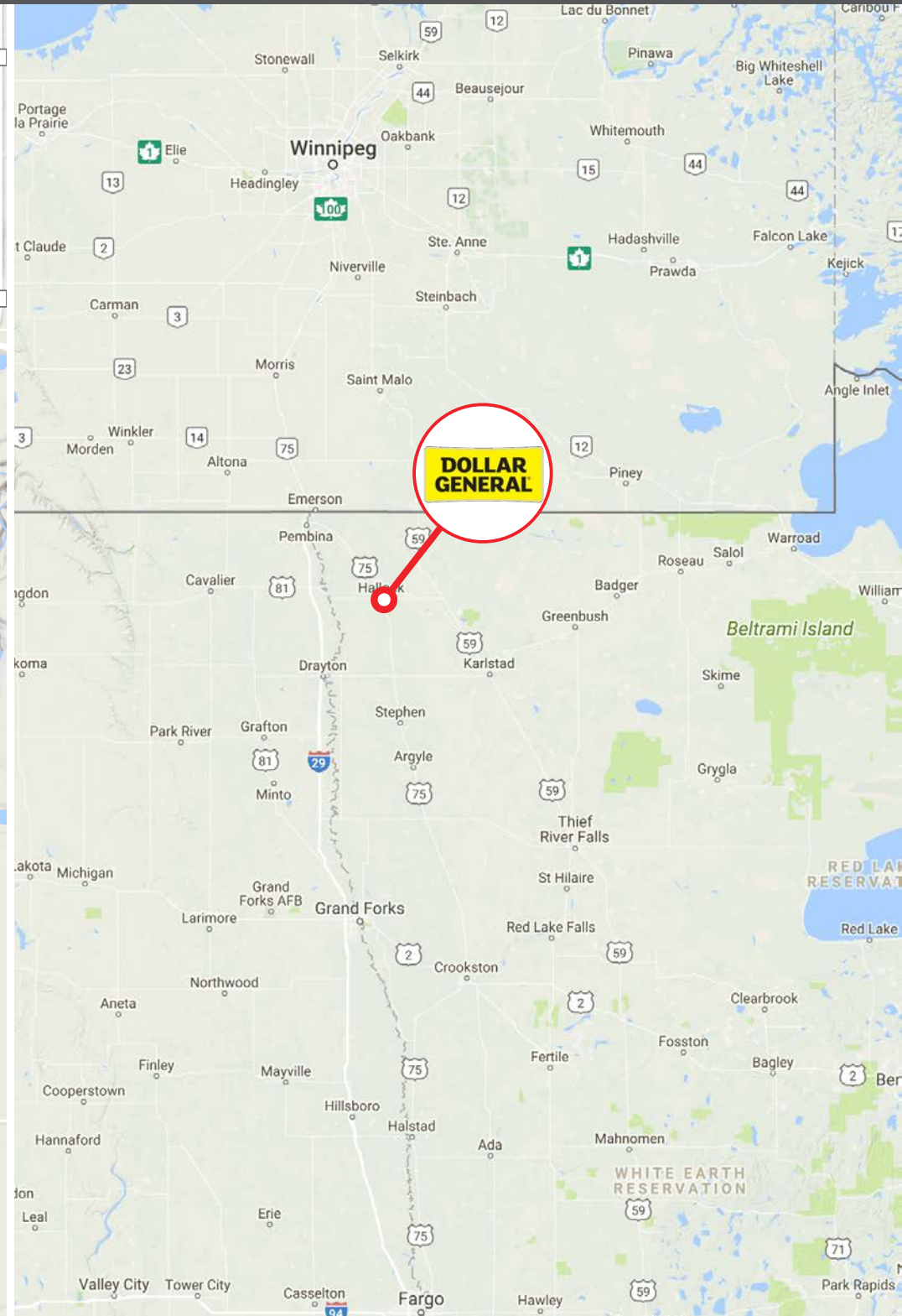
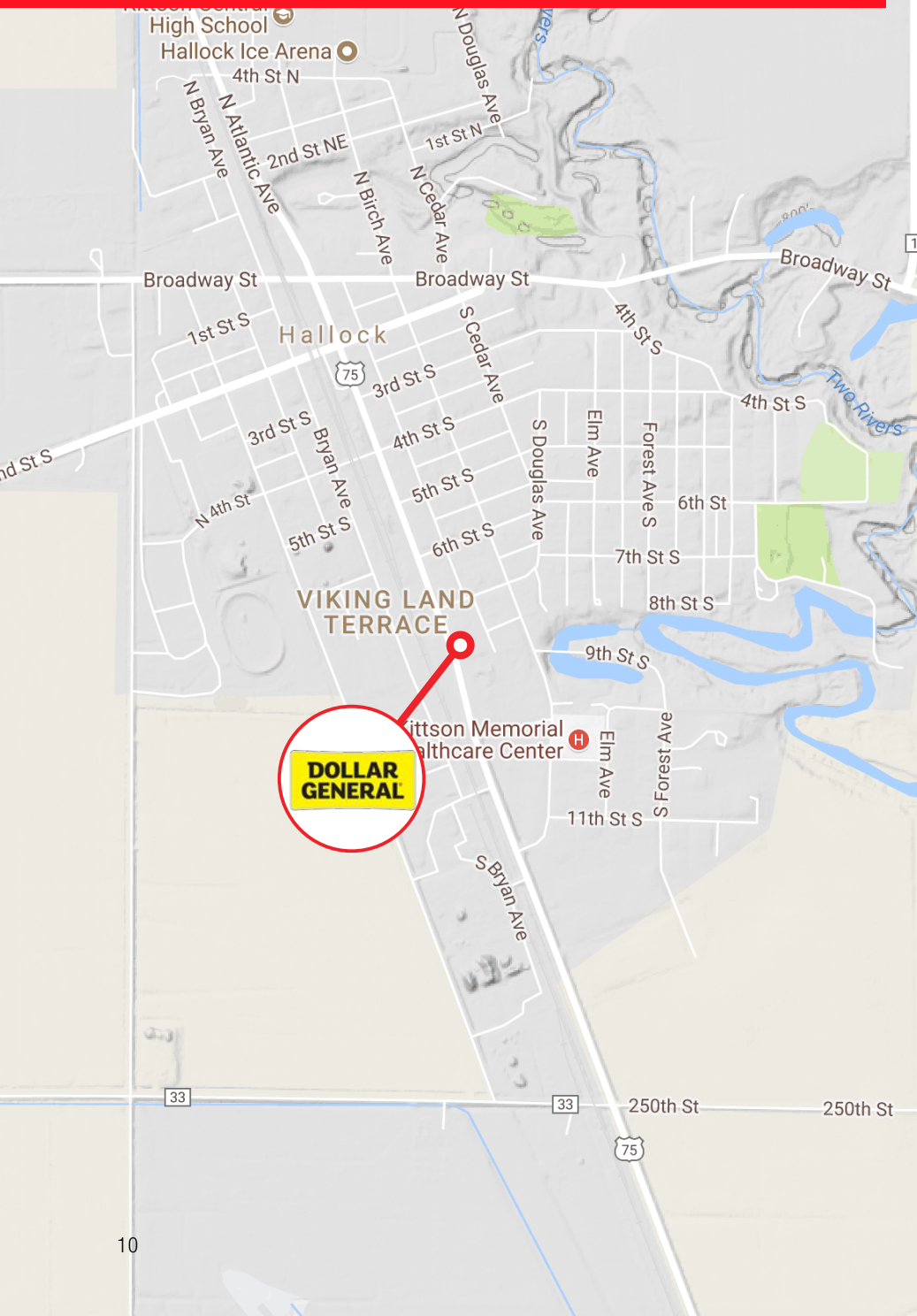
Lease Structure:	NNN - Zero Landlord Responsibility
Roof:	Tenant
Structure:	Tenant
HVAC:	Tenant
Common Area:	Tenant
Parking:	Tenant
Property Taxes:	Tenant - Tenant to reimburse Landlord for payment.
Utilities:	Tenant
Insurance:	Tenant
Permitted Use:	Any lawful retail purpose.
Assignment & Subletting: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

## RENT SCHEDULE

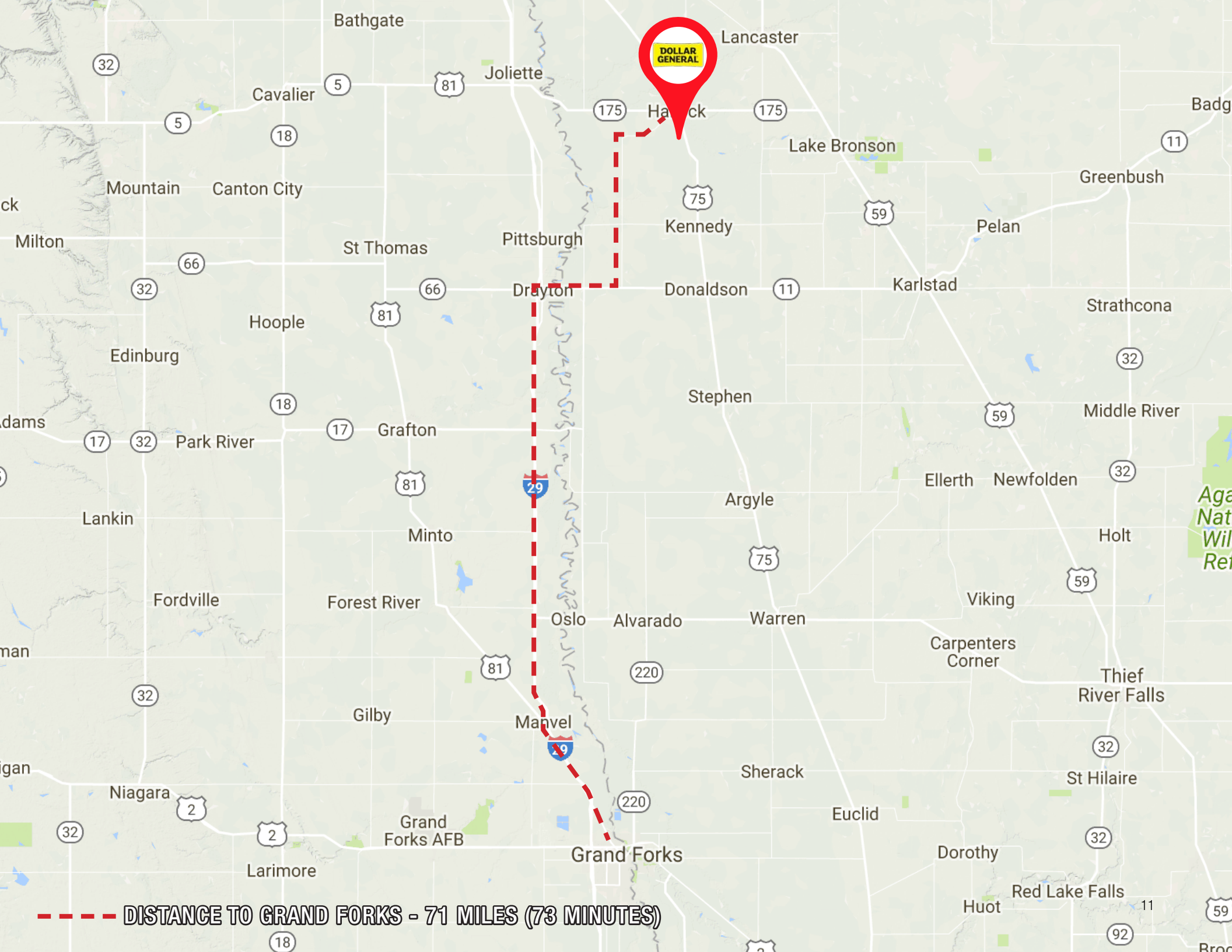
Lease Term	Lease Years	Monthly Rent	Annual Rent	Rent/SF	Increase (%)
Primary:	1 - 15:	\$7,495.91	\$89,951	\$9.88	
Option 1:	16 - 20:	\$8,245.50	\$98,946	\$10.87	10.00%
Option 2:	21 - 25:	\$9,070.05	\$108,841	\$11.96	10.00%
Option 3:	26 - 30:	\$9,977.05	\$119,725	\$13.16	10.00%
Option 4:	31 - 35:	\$10,974.76	\$131,697	\$14.47	10.00%
Option 5:	36 - 40:	\$12,072.23	\$144,867	\$15.92	10.00%



## AREA OVERVIEW











**C&M Ford**  
HALLOCK, MINNESOTA

KITTSON CENTRAL  
HIGH SCHOOL

HALLOCK  
ICE ARENA

HALLOCK  
CITY CLERK

**Budget  
Host.**

**CARIBOU**  
BAR & GRILL  
HALLOCK, MINNESOTA

**Food Pride**

**CENEX**

**American  
Federal**  
Banking • Insurance • Investment

BROADWAY ST. - 1,950 CPD

KITTSON COUNTY  
COURTHOUSE & DMV

HALLOCK  
CURLING CLUB

**U-HAUL**  
AUTHORIZED DEALER

**DOLLAR  
GENERAL**

SATURNIC AVE - 2,330 CPD

**H**  
KITTSON MEMORIAL  
HEALTHCARE CENTER

TWO RIVERS  
GOLF CLUB

JOHNSON  
OAK GROVE

250TH STREET

MORRISON  
EQUIPMENT, INC.

HALLOCK MUNICIPAL  
AIRPORT



## AREA OVERVIEW

# HALLOCK, MINNESOTA

## HISTORY

- Hallock is the county seat of Kittson County, the northwestern-most county in Minnesota. Located just 20 miles from the Canadian Border, Hallock is one of the most beautiful places on the prairie – a relaxed and inviting place where you can feel at home. Within one-half hour's drive are the northern tall-grass prairie, Aspen park-land, and northern Minnesota forested areas. Because of its location, Hallock is a diverse community with many different opportunities and activities. For its small size, Hallock still enjoys many wonderful and well-kept facilities, which anchor the small community: a K-12 school with nearby ice arena, public library, hospital and nursing home and Kittson County Courthouse.

## ECONOMY

- In recent years, the City of Hallock has had success in assisting commercial and residential development within the city. Through a Tax Increment Financing plan, the City has helped develop a hardware store, eye clinic, motel and bank. The Hallock Economic Development Authority (EDA) was created in 1995 and has helped to develop a motel, restaurant, and apartment complex while also participating, on a smaller scale, with several other business expansions. The City of Hallock currently supports 31,306-square feet of retail space.
- Since agriculture is the major industry of the area, farmers depend on Hallock and Hallock depends on farmers. Located in the heart of the productive Red River Valley, farming and its related industries provide a large share of the employment and tax base for the community. Recently, soybeans have become the largest acreage crop in the area. Wheat and barley are the major small grains grown as well as some rye. Sugar beets, canola and sunflowers are also well suited for this area. Hallock is conveniently located for marketing and processing of raw products.



- The economy-boosting Kittson Memorial Healthcare Center is located just 0.4 miles (1 minute) from the subject property. Established in 1922, the main medical campus consists of a fifteen-bed hospital, medical clinic, a sixty-bed nursing home (with a dedicated memory care unit), home health/public health care agency, and assisted living center. Within the campus is also a community fitness center and independent dental clinic. The Healthcare Center also operates an ambulance service that serves the community and surrounding communities.

## EDUCATION

- The Kittson Central School (K-12) is located just 0.8 miles (4 minutes) from the subject property in Hallock, MN. It is a school district combining the communities of Hallock, Humboldt, St. Vincent, and Kennedy. They have 23 teachers serving 240 students, along with a preschool comprised of 37 three- and four-year-olds.

## AREA OVERVIEW

### AIRPORTS

- Burlington Northern Railroad's main north/south line runs through Hallock and connects with the Canadian National Railway at the international boundary. Hallock's Municipal Airport has a 4,000-foot paved runway and fueling for both Jet A and 100 low lead fuels. Is located just 1.4 miles (4 minutes) from the subject property.

### SURROUNDING ACTIVITY

- Tucked away in the Northwest corner of Minnesota along the Canadian border, Hallock, Minnesota is an outdoor paradise. Whether you are looking for a relaxing getaway or an outdoor family adventure, Hallock is the place to find activities ranging from world-class bird watching, camping, and golfing; to snow shoeing, cross-country skiing, and snowmobiling. The city has two beautiful campgrounds along the river, Horseshoe Park and the Gilbert Olson Park. The Gilbert Olson Park is family-friendly with a swimming pool, playground and a path across to the Golf Course. As the county seat, Hallock hosts the County Fair in July and in late summer the community celebrates Rib Fest.



- In addition to the many outdoor activities and beautiful scenery, Hallock has unique shopping, a vibrant night life and great places to eat. Every Thursday, all summer long, you can shop the local Farmer's Market set up along highway 75. The Hallock Curling Club hosts multiple events per year including the Spring Open bonspiel that has had 30 teams in the past competing from Winnipeg, MB to St. Paul, MN and everywhere in between. The Club is located just 0.6 miles (2 minutes) from the subject property.
- The Two Rivers, which passes through town, provides excellent northern pike, walleye, sauger and other fishing opportunities. A public access is located in town for boating. Nearby is the Red River of the North which offers world class cat-fishing as well as other game fish. To the east lies Lake Bronson State Park and Lake Bronson for all your fishing and water sports needs. The Two River Golf Club features nine-holes, grass greens, a newly constructed clubhouse with full kitchen, and is situated along the scenic south branch of the Two Rivers. The Two Rivers, which passes through town, provides excellent northern pike, walleye, sauger and other fishing opportunities.



## DEMOGRAPHICS

POPULATION	5 Mile	10 Mile	15 Mile
Estimated Population (2017)	1,091	1,980	2,945
Census Population (2010)	1,190	2,098	3,077
Projected Population (2022)	1,028	1,892	2,830

HOUSEHOLDS	5 Mile	10 Mile	15 Mile
Estimated Households (2017)	493	891	1,302
Census Households (2010)	538	942	1,357
Projected Households (2022)	465	851	1,252

VALUE OF HOUSING UNITS	5 Mile	10 Mile	15 Mile
2017 Average	\$124,007	\$114,932	\$109,495
2017 Median	\$93,843	\$86,837	\$81,337

2017 POPULATION BY RACE	5 Mile	10 Mile	15 Mile
White	94.6%	95.3%	95.1%
Hispanic	3.4%	2.8%	2.9%
Asian	0.7%	0.7%	0.6%
Black or African American	0.2%	0.2%	0.4%

2017 AGE BY GENDER	5 Mile	10 Mile	15 Mile
MEDIAN AGE			
Male	50.00	49.80	49.60
Female	54.80	52.90	52.00

HOUSEHOLD INCOME	5 Mile	10 Mile	15 Mile
2017 Average	\$74,727	\$74,326	\$71,846
2017 Median	\$58,541	\$56,371	\$54,643

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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**

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Lic. 01984445

+1 949 725 8617

melissa.ley@cbre.com

Broker of Record:

**JAMES LEARY**

CBRE - Minneapolis, MN

Lic. 382718

# CBRE

