



DOLLAR GENERAL

VIDOR, TEXAS

OFFERING MEMORANDUM

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PRESENTED BY

DREW ISAAC

Senior Vice President Investments
Marcus & Millichap Denver
303.328.2048
drew.isaac@marcusmillichap.com

JAMES RASSENFOSS

Associate
Marcus & Millichap Denver
303.328.2022
james.rassenfoss@marcusmillichap.com

DOLLAR GENERAL
320 S. MAIN STREET, VIDOR, TX 77662

OFFERING PRICE

\$643,000

CAP RATE

7.00%



OFFERING SUMMARY

320 S. MAIN STREET, VIDOR, TX

**DOLLAR
GENERAL®**

PRICING

Price	\$643,000
NOI	\$45,000
CAP Rate	7.00%
Price/SF	\$71

PROPERTY DESCRIPTION

Building Size	9,014 SF
Lot Size	1.225 AC
Year Built	2004
Ownership	Fee Simple

LEASE SUMMARY

Lease Type	Double Net (NN)
Roof & Structure	Landlord Responsible
Lease Guarantor	Corporate
Original Lease Term	10 Years
Lease Commencement Date	10/01/2004
Lease Expiration Date	09/30/2024
Remaining Lease Term	5.5 Years
Increases	In Options
Options	3 X 5-Year Options

ANNUALIZED OPERATING

TERM	ANNUAL RENT	MONTHLY RENT
Current - 09/30/2024	\$45,000	\$3,750
10/01/24 - 09/30/2029 (Option 1)	\$49,500	\$4,125
10/01/29 - 09/30/2034 (Option 2)	\$54,456	\$4,538
10/01/34 - 09/30/2039 (Option 3)	\$59,904	\$4,992
NOI	\$45,000	\$3,750





INVESTMENT OVERVIEW

HIGHLIGHTS

- INVESTMENT GRADE CREDIT
- LEASE GUARANTEED BY DOLLAR GENERAL CORPORATE
- STRATEGIC INVESTMENT OFFERING A LONG-TERM SECURITY OF CASH FLOW
- OVER 5 YEARS REMAINING ON 10 YEAR LEASE
- AMAZON RESISTANT BUSINESS
- LOW RENT PROPERTY

OVERVIEW

Marcus & Millichap is pleased to offer the Dollar General in Vidor, Texas. Dollar General has 5 years remaining on the original 10 year lease. The lease has three five-year options to renew the lease and includes rent increases in the options. As of July 24, 2008, Dollar General operates a chain of over 15,000 discount stores in about 44 states. In 2018, Dollar General reported an annual revenue of \$23.5 billion, making it the largest discount store retailer in the United States.

As investors continue to target internet/Amazon resistant business, the discount store sector provides a compelling business model requiring brick and mortar locations that cannot be duplicated or undercut on price by internet sales. Additionally, Dollar General has positioned itself to grow under all economic conditions.





DOLLAR GENERAL

U-HAUL

UNITED STATES POSTAL SERVICE

FAMILY DOLLAR

SONIC
America's Drive-In

SUBWAY

TACO BELL

Pizza Hut

BURGER KING

CITGO

MCDONALD'S

BBVA
Compass

ANYTIME FITNESS

WAL*MART
SUPERCENTER

Frost

Valero

Domino's

FIRST FINANCIAL BANK

POPEYES

CROSSROADS SHOPPING CENTER
HARBET SAKERY
DOLLAR TREE
LINK CATERERS
cricket
ACE Gas Center
STAGE

Holiday Inn Express
& Suites

EXXON

Best Western
PLUS

DUNKIN'

WHATABURGER

VIDOR
ELEMENTARY

VIDOR
HIGH SCHOOL

Cantex
Continuing Care Network

MAIN STREET

OLD U.S. 90

INTERSTATE
10

90

TENANT OVERVIEW

J.L. and Cal Turner opened the first concept of Dollar General in 1939 in Scottsville, Kentucky under the name J.L. Turner and Son. What was originally a wholesale concept, quickly turned into the current Dollar General idea of a retail store that sold goods for a dollar.

Today, Dollar General has more than 14,000 stores in 43 states. The majority of Dollar General's products are priced below \$10, with approximately 25% of the products priced at \$1 or less. Dollar General offers products that are frequently used and replenished, such as food, snacks, health aids, and cleaning supplies. In addition to their high quality private brands, Dollar General sells products from America's most trusted brands such as Clorox, Hanes, Coca-Cola, Kellogg's, and General Mills. In June 2017, Dollar General was ranked #128 on the Fortune 500 list.

In order to further improve their business, Dollar General invested approximately \$70 million in compensation and training for store managers as a strategic initiative to strengthen their position in the long term. Dollar General estimates that by opening 1,000 new stores in 2017, they will create approximately 10,000 new jobs. From 2015 to 2016, Dollar General's net sales increased by 7.9% to \$22 billion. Additionally, their same-store sales grew 0.9%, marking Dollar General's 27th consecutive year of same-store growth sales. In 2016, Dollar General's net income was \$1.25 billion, a jump from the \$1.17 billion recorded in 2015. Cash flow from operations grew 15% in 2016, totaling \$1.6 billion. In 2016 Dollar General's total shareholders' equity was \$5.41 billion. Through share repurchases and dividends, Dollar General returned nearly \$1.3 billion to their shareholders. In the first quarter of 2017, the average price paid per share was \$73.68 with 339,323 individuals buying stock during this time.



LOCATION OVERVIEW

Vidor is located in Western Orange County, Texas. A city of Southeast Texas, Vidor lies at the intersection of Interstate 10 and Farm to Market Road 105, six miles east of Beaumont. As of 2017, Vidor had a population of 10,854 people and is a total of 10.6 square miles. Vidor got its name from Charles Shelton Vidor, owner of the Miller-Vidor Lumber Company and father of director King Vidor. By 1909 the Vidor community had a post office. Four years later a company tram road was built which was the source of income for all Vidor residents. A small settlement for the Miller-Vidor subdivision, Lakeview, was laid out in 1929. Beaumont, Texas is located off the Gulf of Mexico and is one of the nation's largest petrochemical refining areas. It shares borders with the Houston metro to the west and the Lake Charles market in Louisiana to the east. The metro consists of the counties Newton, Hardin, Jefferson, and Orange and contains a total of 413,000 people.



DOLLAR GENERAL

ReddyIce
ReddyIce

BUSINESS FORUM

DEMOGRAPHICS

Vidor, Texas

POPULATION	1-MILE	3-MILES	5-MILES
2022 Projection			
Total Population	5,473	14,637	20,000
2017 Estimate			
Total Population	5,397	14,901	20,565
2010 Census			
Total Population	5,128	14,950	20,922
2000 Census			
Total Population	5,350	15,410	21,286
Current Daytime Population			
2017 Estimate	6,125	13,567	16,452

HOUSEHOLDS	1-MILE	3-MILES	5-MILES
2022 Projection			
Total Households	2,019	5,471	7,498
2017 Estimate			
Total Households	1,964	5,489	7,599
Average (Mean) Household Size	2.7	2.68	2.7
2010 Census			
Total Households	1,890	5,562	7,810
2000 Census			
Total Households	1,985	5,670	7,838
Occupied Units			
2022 Projection	2,019	5,471	7,498
2017 Estimate	2,167	6,026	8,293

HOUSEHOLDS BY INCOME	1-MILE	3-MILES	5-MILES
2017 Estimate			
\$150,000 or More	3.65%	3.90%	4.43%
\$100,000 - \$149,000	5.78%	8.74%	9.54%
\$75,000 - \$99,999	7.42%	8.43%	9.50%
\$50,000 - \$74,999	21.23%	21.25%	20.64%
\$35,000 - \$49,999	11.11%	13.04%	13.58%
Under \$35,000	50.78%	44.64%	42.30%
Average Household Income	\$47,946	\$54,419	\$57,677
Median Household Income	\$34,335	\$40,428	\$42,394
Per Capita Income	\$17,672	\$20,175	\$21,408

HOUSEHOLD BY EXPENDITURE	1-MILE	3-MILES	5-MILES
Total Average Household Retail Expenditure	\$49,804	\$54,165	\$56,383
Consumer Expenditure Top 10 Categories			
Housing	\$12,987	\$14,188	\$14,776
Transportation	\$10,056	\$10,936	\$11,410
Shelter	\$7,102	\$7,716	\$8,026
Food	\$5,344	\$5,760	\$5,972
Personal Insurance and Pensions	\$3,607	\$4,238	\$4,569
Utilities	\$3,297	\$3,566	\$3,685
Health Care	\$3,079	\$3,443	\$3,605
Entertainment	\$2,035	\$2,250	\$2,369
Household Furnishings and Equipment	\$1,237	\$1,385	\$1,469
Apparel	\$1,217	\$1,340	\$1,405

POPULATION PROFILE	1-MILE	3-MILES	5-MILES
Population By Age			
2017 Estimate Total Population	5,397	14,901	20,565
Under 20	29.33%	27.79%	27.78%
20 to 34 Years	22.32%	20.93%	19.94%
35 to 39 Years	6.64%	6.64%	6.63%
40 to 49 Years	10.83%	11.50%	11.97%
50 to 64 Years	17.71%	18.85%	19.12%
Age 65+	13.18%	14.29%	14.57%
Median Age	33.86	35.94	36.7
Population 25+ by Education Level			
2017 Estimate Population Age 25+	3,455	9,824	13,599
Elementary (0-8)	3.58%	2.83%	2.69%
Some High School (9-11)	10.66%	11.00%	10.83%
High School Graduate (12)	50.59%	48.04%	47.58%
Some College (13-15)	20.76%	21.22%	21.50%
Associate Degree Only	7.69%	7.93%	8.15%
Bachelors Degree Only	4.45%	6.06%	6.18%
Graduate Degree	1.53%	2.11%	2.12%

SUMMARY OF TERMS

INTEREST OFFERED

Marcus & Millichap is marketing for sale to qualified investors an opportunity to acquire 100 percent fee simple Interest in the subject property. Seller shall assign to purchaser all leases encumbering the property at Closing.

OFFERING PROCESS

The property is being offered on an open bid basis. Prospective purchasers will be notified if a call for offers or best and final date is set; however, Seller intends to review offers as they are submitted and will respond promptly to all offers. Please contact the listing brokers to discuss submitting a Letter of Intent to purchase.

FINANCING

The property is being offered free and clear of any existing debt and prospective purchasers shall be afforded the opportunity to obtain a new financing for acquisition. Prospective purchasers are encouraged to submit proof of funds, expected loan terms, and a preliminary approval from lender with a Letter of Intent. Marcus & Millichap Capital Corporation has also sourced potential lenders for this acquisition and the listing brokers can provide terms upon request.

COOPERATIVE BROKERAGE COMMISSION

Marcus & Millichap is offering a cooperative brokerage commission equal to 50 percent of the gross commission by seller to brokers that represent purchasers that were not directly contacted by the listing brokers and that successfully close on the property at terms acceptable to seller.

PROPERTY TOURS

Prospective purchasers are encouraged to visit the subject property prior to submitting a Letter of Intent; however, all property tours must be arranged with the listing broker or landlord only. Under no circumstances should any prospective purchaser or related entity contact the tenant, on-site management, or employees. Recipients of this offering memorandum acknowledge that such contact may damage the tenant's operations which may impair the financial results. The landlord/seller reserves the right to seek legal redress for any damage that may occur from such interference with their relationship with tenant.

CONFIDENTIALITY & DISCLAIMER

NON-DISCLOSURE NOTICE

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

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DO NOT CONTACT TENANT

All property showing are by appointment with the listing broker or landlord only. Under no circumstances, should any prospective purchaser or related entity contact the tenant or any of the employees at these stores. Recipients of this offering memorandum acknowledge that such contact may damage the tenant's operation which would impair the financial results. Landlord reserves the right to seek legal redress for any damage that may occur from such interference with landlord's relationship with tenant.

NET LEASE DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

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.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

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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VIDOR, TEXAS

Exclusively Listed By

DREW ISAAC

First Vice President Investments

Senior Director, Net Leased Properties Group

Marcus & Millichap

303.328.2048

drew.isaac@marcusmillichap.com

JAMES RASSENFOSS

Associate

National Retail Group

Marcus & Millichap

303.328.2022

james.rassenfoss@marcusmillichap.com