



**DOLLAR
GENERAL®**

DOLLAR GENERAL

721 MN-86

LAKEFIELD, MN 56143

CBRE | **OFFERING
MEMORANDUM**



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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)**.
- This location **was recently constructed in 2017**.
- The average household income in the five (5) mile demographic ring is **\$60,961**.
- The City of Lakefield has a limited amount of retail within the city limits. **Dollar General serves as the go-to store for surrounding residents**.
- Since 1976, **Lakefield has been home to Kozy Heat, a leading fireplace manufacturing company** that has created distribution and representation nationwide with a full product line of both wood and gas fireplaces. Kozy Heat's plant is located just over 1 mile (3 minutes) away from the Subject Property.
- The next closest Dollar General is **12 miles (14 minutes) from the subject property**.
- Lakefield supports a retail economy with a **projected opportunity gap of \$6.2M**.

INVESTMENT SUMMARY

Offering Price	\$1,160,200
Cap Rate.....	7.00%
Price/SF	\$128.54
Lease Structure	NNN
Current Annual Rent.....	\$81,214
Building GLA	9,026 SF
Lot Size.....	1.11 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.

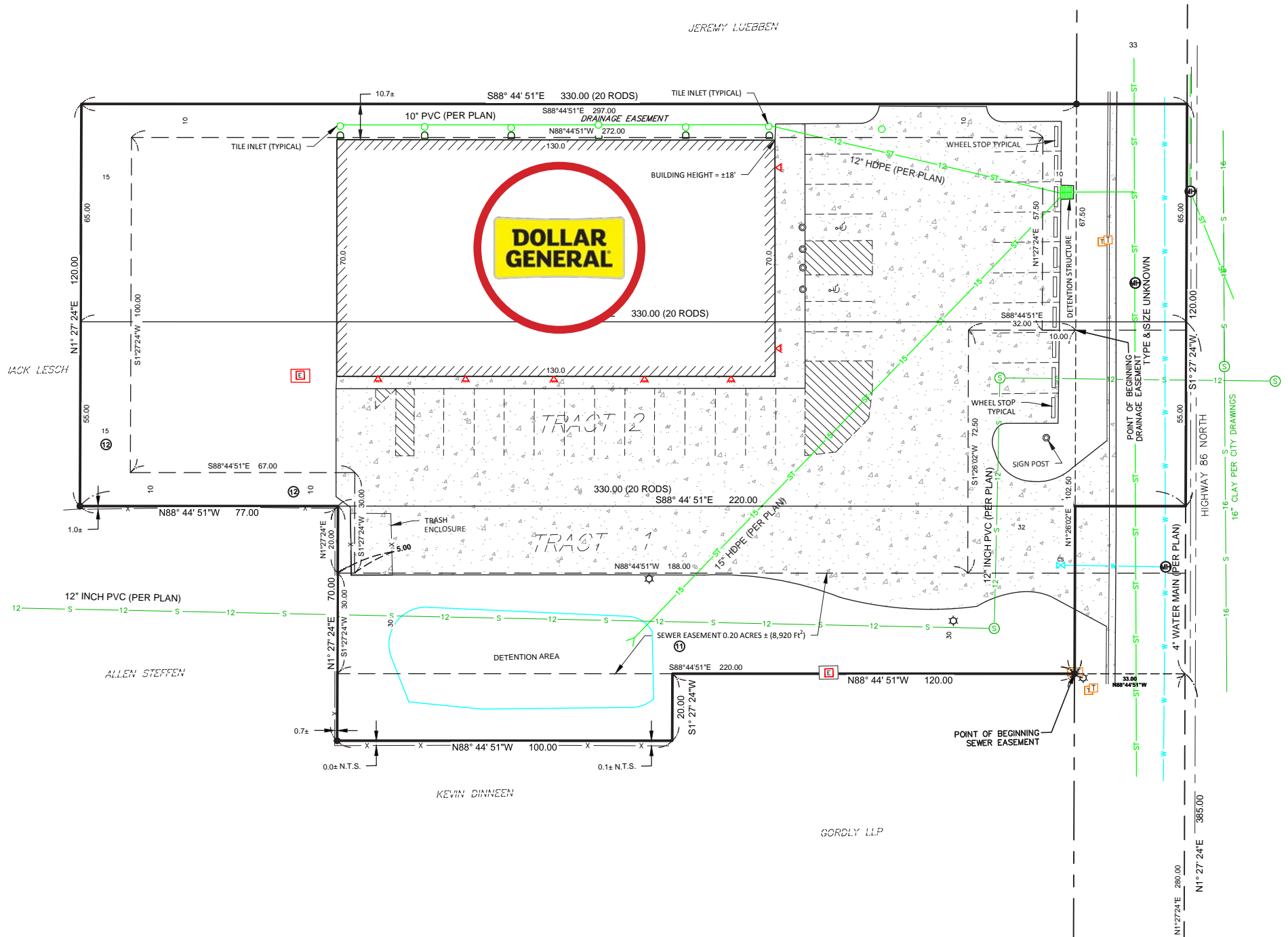
The Goodlettsville, TN-based chain has grown to more than 14,500 stores across 44 states and employs 129,000 people across the country. Dollar General is planning to execute about 2,000 real estate projects in fiscal 2018, comprised of 900 new stores, 1,000 store remodels and 100 store relocations.



DOLLAR GENERAL CORPORATE OVERVIEW

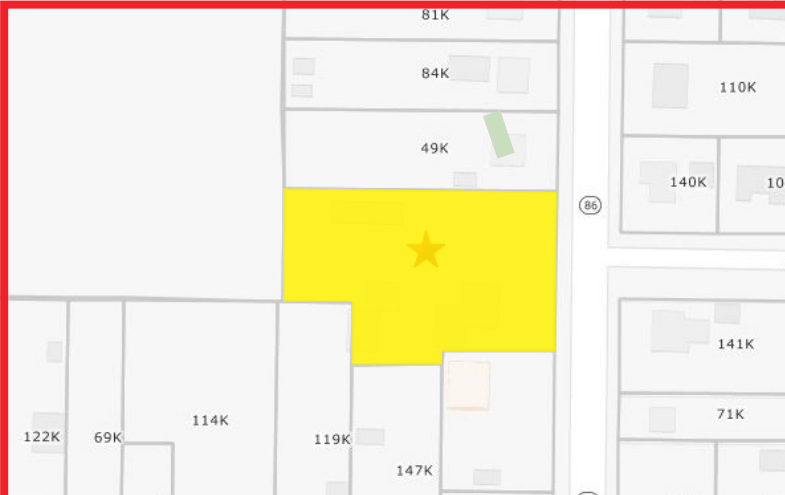
Type:	Public (NYSE: DG)
Industry:	Discount & Variety Stores
Locations:	14,534+
Employees:	129,000+
Revenue:	\$23.47 Billion (FY 2017)
Corporate Headquarters:	Goodlettsville, TN
Credit Rating:	S&P: BBB, Moody's: Baa2

PROPERTY OVERVIEW





PROPERTY OVERVIEW



PROPERTY SUMMARY

Price: \$1,160,200

Cap Rate: 7.00%

Address: 721 MN-86
Lakefield, MN 56143

Ownership: Fee Simple

Building GLA: 9,026 SF

Lot Size: 1.11 acres

Parking: +/- 30

Year Built: 2017

Parcel Number: 24-032-1800

LEASE SUMMARY

Tenant: DG Retail, LLC dba Dollar General

Guarantor: Dollar General Corporation

Date of Lease: March 24, 2016

Rent Commencement: February 15, 2017

Lease Expiration: February 26, 2032

Lease Term: 15 years

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

Renewal Options: 5 - 5 year options

Current Annual Rent: \$81,214

Rental Increases: 10% in each option period

Percentage Rent: None

Sales Reporting: Store does not report sales.

LEASE SUMMARY CONTINUED

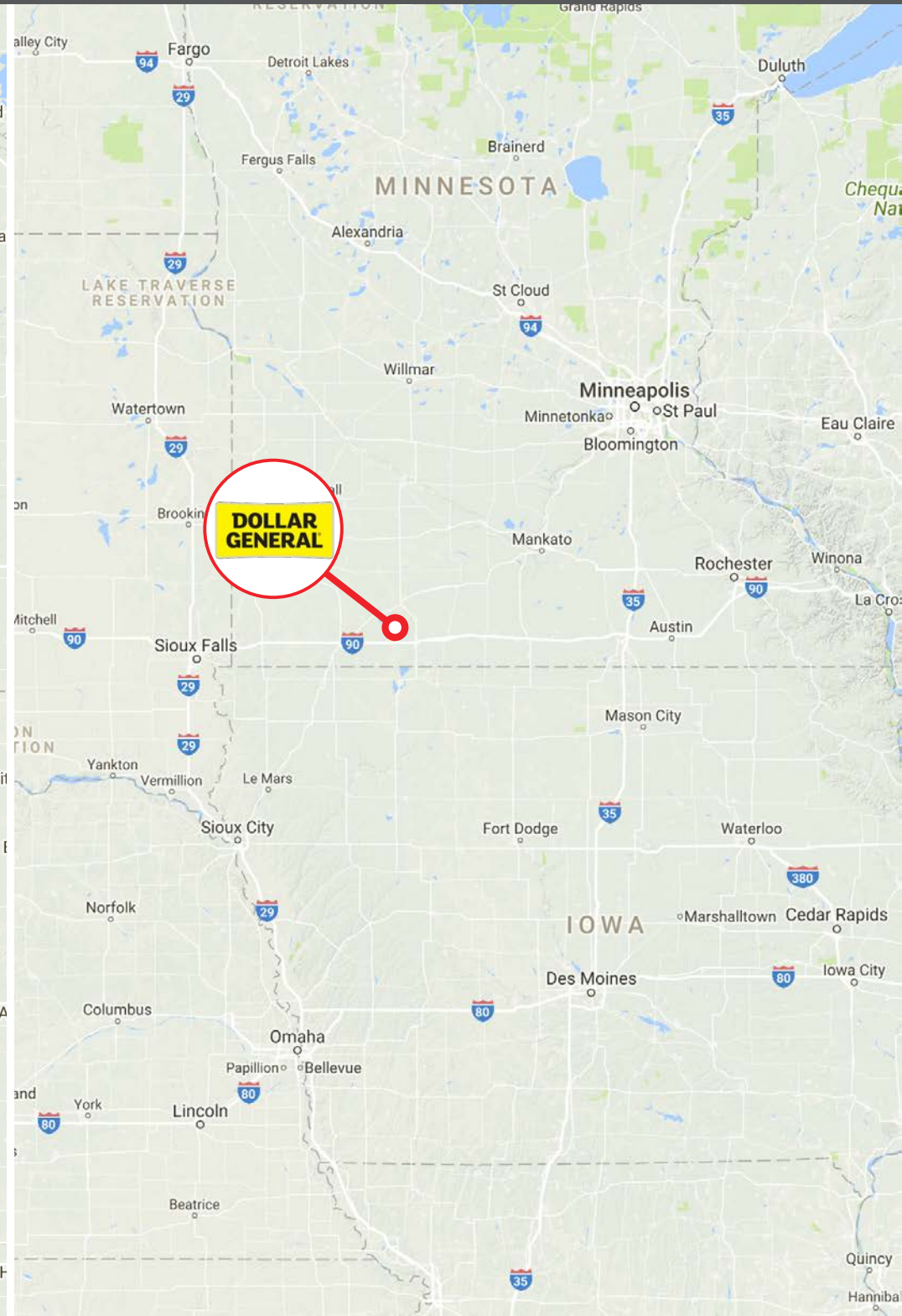
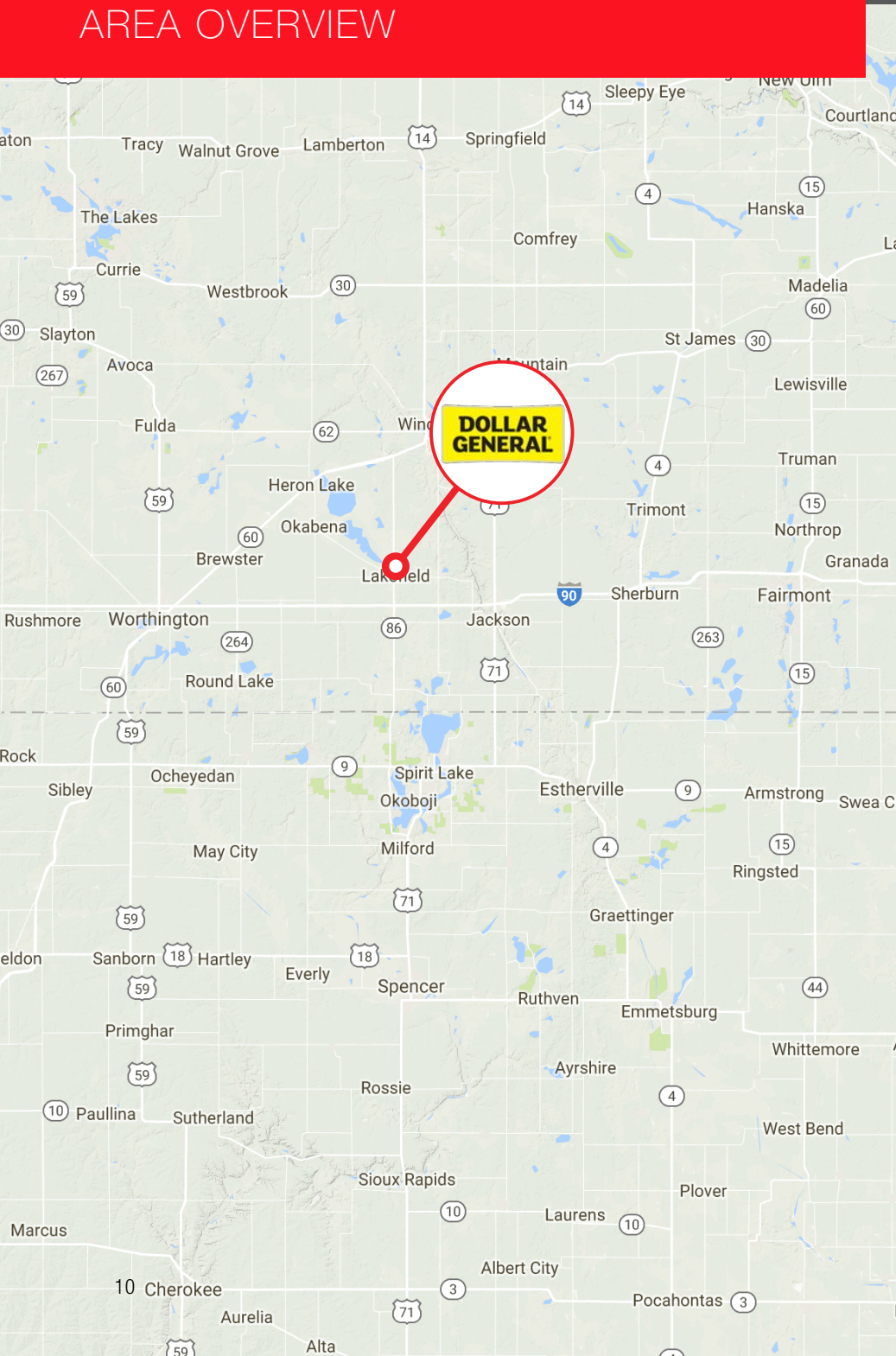
Lease Structure:	NNN - Zero Landlord Responsibility
Roof:	Tenant
Structure:	Tenant
HVAC:	Tenant
Common Area:	Tenant
Parking:	Tenant
Property Taxes:	Tenant - Tenant to reimburse Landlord for payment.
Utilities:	Tenant
Insurance:	Tenant
Permitted Use:	Any lawful retail purpose.
Assignment & Subletting: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

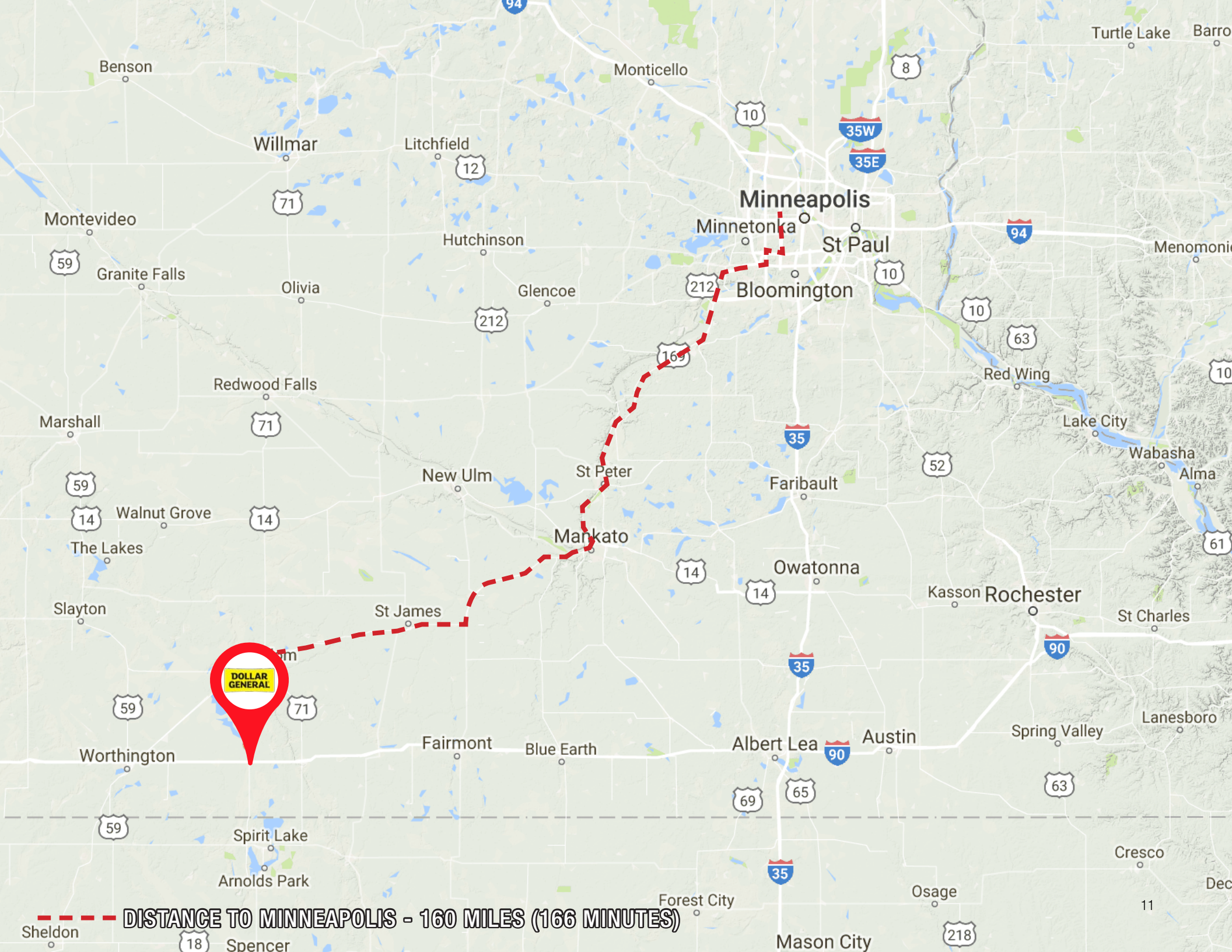
RENT SCHEDULE

Lease Term	Lease Years	Monthly Rent	Annual Rent	Rent/SF	Increase (%)
Primary:	1 - 15:	\$6,767.87	\$81,214	\$9.00	
Option 1:	16 - 20:	\$7,444.66	\$89,336	\$9.90	10.00%
Option 2:	21 - 25:	\$8,189.13	\$98,270	\$10.89	10.00%
Option 3:	26 - 30:	\$9,008.04	\$108,096	\$11.98	10.00%
Option 4:	31 - 35:	\$9,908.84	\$118,906	\$13.17	10.00%
Option 5:	36 - 40:	\$10,899.73	\$130,797	\$14.49	10.00%

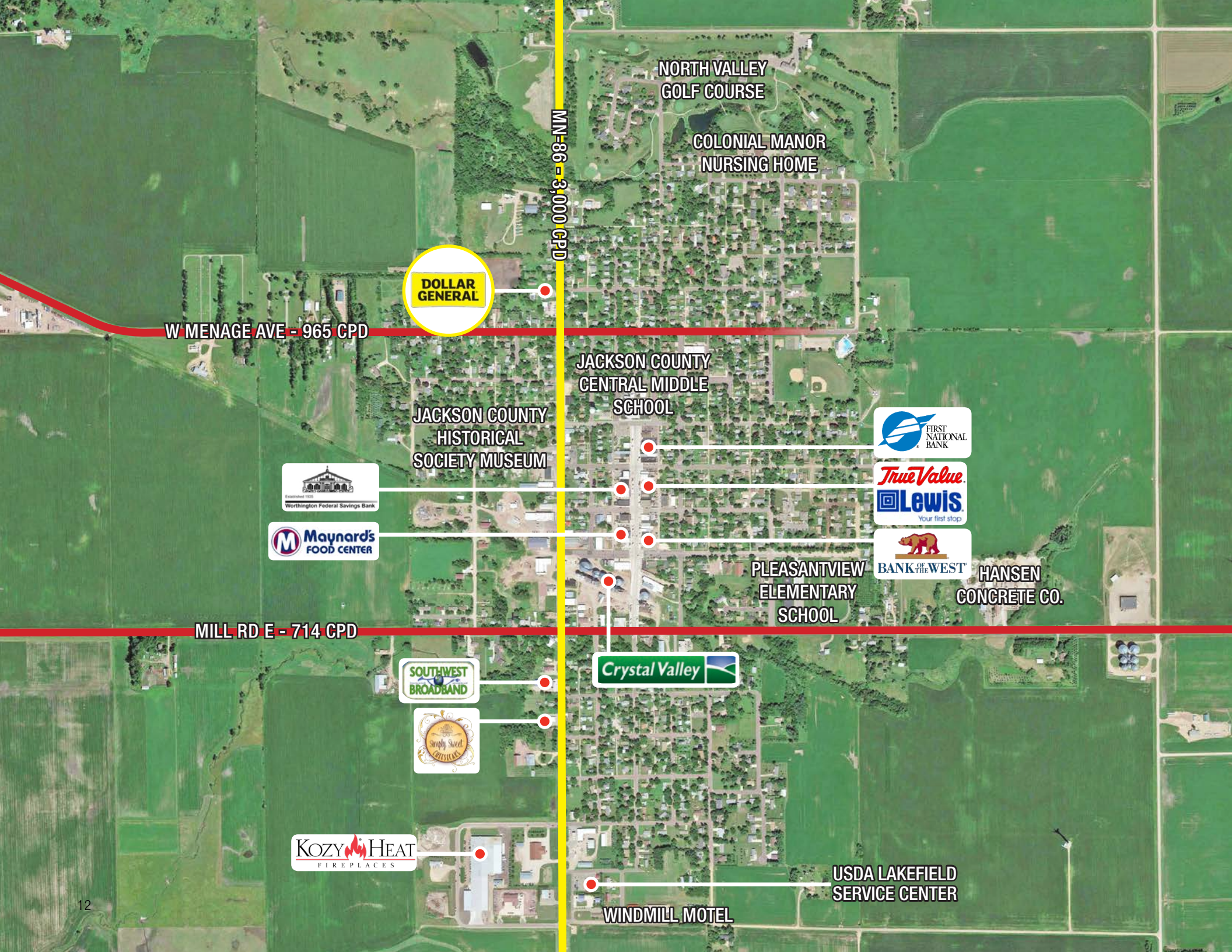


AREA OVERVIEW





DISTANCE TO MINNEAPOLIS - 160 MILES (166 MINUTES)



NORTH VALLEY
GOLF COURSE

COLONIAL MANOR
NURSING HOME

MN-86 - 3,000 CPD

DOLLAR
GENERAL

W MENAGE AVE - 965 CPD

JACKSON COUNTY
CENTRAL MIDDLE
SCHOOL

JACKSON COUNTY
HISTORICAL
SOCIETY MUSEUM



PLEASANTVIEW
ELEMENTARY
SCHOOL

HANSEN
CONCRETE CO.

MILL RD E - 714 CPD



USDA LAKEFIELD
SERVICE CENTER

WINDMILL MOTEL

AREA OVERVIEW

LAKEFIELD, MINNESOTA

HISTORY

- Lakefield is a city in Jackson County, Minnesota, United States, located at the border of Heron Lake and Hunter Townships. Lakefield was laid out in 1879, when the railroad was extended to that point. The city was incorporated in 1887, and it was named for its location near Heron Lake. Minnesota State Highway 86 is the main route through the city. Exit 64 of Interstate 90 is about two miles south. At the state level, Lakefield is located in Senate District 22, represented by Republican Doug Magnus, and in House District 22B, represented by Republican Rod Hamilton.

ECONOMY

- Lakefield supports a retail economy with a projected opportunity gap of \$6.2M. The city is currently home to 9,410 square feet of retail space. Compared to the rest of the country, Lakefield's cost of living is 18.1% lower than the U.S. average.
- The economy-boosting Colonial Manor Nursing Home is a 37-bed skilled nursing facility located in the beautiful Lakefield, MN. The nursing home holds a rich history of caring for people for over 40 years, and they pride themselves on providing dignity, comfort and quality care to their residents. The nursing home is located just 0.5 miles (2 minutes) from the subject property.
- Since 1976, Lakefield has been home to Kozy Heat, a leading fireplace manufacturing company that has created distribution and representation nationwide with a full product line of both wood and gas fireplaces. Kozy Heat's plant is located just over 1 mile (3 minutes) away from the Subject Property.
- Crystal Valley, a leading farm supply and grain marketing cooperative focused on servicing the needs of crop farmers and livestock producers in Southern Minnesota and northern Iowa, is located a half of a mile (2 minutes) away from the Dollar General.



AREA OVERVIEW

EDUCATION

- Jackson County Central Middle School serves Jackson County, which includes Jackson, Lakefield, Okabena, Wilder, Heron Lake and Alpha cities. The public school teaches 6-8th grade, choir & band electives, extra-curricular activities including speech, knowledge bowl, and sports. The school is located just 0.3 miles (2 minutes) from the subject property.

SURROUNDING ACTIVITY

- Summerfest is an annual week-long event held in Lakefield that is packed with fun activities for residents and visitors alike. Each year the event has a different theme, and hosts several activities including a craft fair, car show and cruise, parade, watermelon feed and street dance. There is a Little Miss and Mr. pageant in North City Park, along with free games, and a lip-sync battle hosted by Ladies of Lakefield. The festival is full of fun activities for all.
- The Jackson County Historical Society is a not-for-profit organization dedicated to preserving the written, oral, and physical legacy of the county. They do this by maintaining physical collections and promoting the study, appreciation, and interpretation of local and regional history. The Jackson County Historical Society also maintains the 1859 Jail and Marshal's Home Museum where Frank James and William Clarke Quantrill were incarcerated. The Historical Society is located 0.3 miles (1 minute) from the subject property.
- Kilen Woods State Park is located just 8 miles (14 minutes) from the subject property. At Kilen Woods State Park, trails wind through the park's oak forest, sunny river bottom meadows, flood plain forest, oak savanna and prairie. Oak trees grow on the steep river valley slopes. Visitors enjoy camping, canoeing, fishing, picnicking and hiking. The popular North Valley Golf Course is located 0.7 miles (3 minutes) from the subject property.



DEMOGRAPHICS

POPULATION	5 Mile	10 Mile	15 Mile
Estimated Population (2017)	2,161	5,137	15,232
Census Population (2010)	2,219	5,152	15,419
Projected Population (2022)	2,109	5,049	14,957

HOUSEHOLDS	5 Mile	10 Mile	15 Mile
Estimated Households (2017)	944	2,193	6,569
Census Households (2010)	971	2,199	6,655
Projected Households (2022)	920	2,154	6,449

VALUE OF HOUSING UNITS	5 Mile	10 Mile	15 Mile
2017 Average	\$120,538	\$151,581	\$147,296
2017 Median	\$88,438	\$109,144	\$106,730

2017 POPULATION BY RACE	5 Mile	10 Mile	15 Mile
White	94.7%	94.0%	90.1%
Hispanic	3.4%	2.8%	5.6%
Asian	0.3%	1.2%	1.7%
Black or African American	0.9%	0.8%	1.0%

2017 AGE BY GENDER	5 Mile	10 Mile	15 Mile
MEDIAN AGE			
Male	41.50	43.50	43.50
Female	46.80	48.00	46.80

HOUSEHOLD INCOME	5 Mile	10 Mile	15 Mile
2017 Average	\$60,961	\$66,993	\$66,168
2017 Median	\$44,969	\$50,018	\$49,719

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.

Disclaimer

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