

OFFERING MEMORANDUM

# DOLLAR GENERAL

832 Business 35 S, Rockport, TX 78382



**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES



# EXCLUSIVELY LISTED BY

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# EXECUTIVE SUMMARY

## INVESTMENT HIGHLIGHTS

- **Dollar General performed an EARLY lease extension and approved the 10% rent increase** – one of the strongest attributes to recognize a high performing store
- **Brand 2018 New Construction building with upgraded construction** – This property benefits from an a front brick exterior construction
- **Premier Grocer** – This larger, 9,100 square foot model serves the Rockport market and surrounding area as the premier stop for convenience and affordable groceries and refrigerated goods
- **Incredible market growth** - From 2010 – 2017 , the 1-mile radius experienced a 14.11% population increase and projected growth of 7.29% projected growth in the 1-mile radius over the next 5 years!
- **Remarkable traffic counts** – this Dollar General is perfectly off of Business 32 road that experiences 12,000 VPD
- **Dense Infill Market** - The subject property has more than 14,300 residents in the 3-mile radius
- **Ideal Demographics** – Rockport fits Dollar General’s ideal expansion criteria with their “Sweet Spot” of demographics for their highest performing stores. The site sits just a 1 mile from the waterfront area, where Rockport Beach is famously recognized for top of the line beach resorts

## TENANT HIGHLIGHTS

- Attractive investment grade credit tenant; Standard & Poor’s rating of BBB, which was recently upgraded
- Dollar General is the only dollar store which holds an investment grade credit rating
- Dollar General is the market leader in Dollar Stores, and currently has ±13,320 locations nationwide with plans to open another 900 in 2018
- The dollar stores are one of the few retailers that are expanding while most others are consolidating due to the effects of E-Commerce







# FINANCIAL OVERVIEW

## EXECUTIVE SUMMARY

Address	832 Business 35 S. Rockport, TX 78382
List Price	\$902,400
Gross Leasable Area	9,014 SF
Cap Rate - Current	7.00%
Year Built	2018
Lot Size	±0.80 AC

## ANNUALIZED OPERATING DATA

Lease Commence	Monthly Rent	Annual Rent	Rent PSF	CAP
Current	\$5,264.00	\$63,168.00	\$7.01	7.00%
Option 1	\$5,790.40	\$69,484.80	\$7.71	7.70%
Option 2	\$6,369.44	\$76,433.28	\$8.48	8.47%
Option 3	\$7,006.38	\$84,076.61	\$9.33	9.32%

## TENANT SUMMARY

Tenant Trade Name	Dollar General
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NN
Roof and Structure	Landlord Responsible
Original Lease Term	10 Years
Lease Commencement	12/15/04
Rent Commencemnt	12/15/04
Lease Expiration Date	12/14/24
Term Remaining	6.00 YRS
Increases	10% Increases in Options
Options	Three, 5-Year Options

**DOLLAR GENERAL®**







# TENANT OVERVIEW



Tenant Name	DOLLAR GENERAL (NYSE: DG)
Credit Rating (S&P)	BBB
Locations	±13,000
Employees	± 113,400
Headquartered	Goodlettsville, TN
Year Founded	1939
Website	<a href="http://www.dollargeneral.com">www.dollargeneral.com</a>

Dollar General is the fast-growing retailer that boasts roughly 13,000 discount stores in over 40 US states, mostly in the South, East, the Midwest, and the Southwest. It generates about 75% of its sales from consumables (including refrigerated, shelf-stable, and perishable foods) and another 10% from seasonal items. The stores also offer household products and apparel. Pricing its items at \$10 or less, Dollar General targets low-, middle-, and fixed-income shoppers while selling brand-name products from manufacturers such as Procter & Gamble, Kimberly-Clark, Unilever, Kellogg's, General Mills, Nabisco, Hanes, PepsiCo, and Coca-Cola.

The retailer devotes its dollars to promotional circulars, targeted circulars that support new stores, television and radio advertising, in-store signage, and costs associated with the sponsorship of certain auto racing activities. Because Dollar General's customers typically live in small towns, the company doesn't allocate ample amounts of money to advertising. It has spent increasingly more on advertising in recent years, however, as the company expands its stores' footprint.

## STRATEGY

With its small-box stores typically measuring some 9,100 sq. ft, Dollar General targets cost-conscious consumers that prefer easier and quicker access to items than at super-sized competitors such as Wal-Mart and Costco (which are also often much farther away). Indeed, Dollar General's strategy of catering to the value conscious has paid off big, both during and after the recession. The discount retailer boasted its 26th consecutive year of same-store sales growth in 2016 (ended January), attributable to its value and convenience proposition.

## OPERATIONS

Dollar General's massive stores network is supported by 13 distribution centers that are strategically located throughout its geographic footprint. Dollar General owns several trademarks, including Dollar General, Dollar General Market, Clover Valley, DG, DG Deals, Smart & Simple, trueliving, Forever Pals, I\*Magine, OT Sport, and Sweet Smiles. It also boasts a few licenses, such as Bobbie Brooks and Fisher Price for clothing and Rexall for health and beauty aids.







# PROPERTY OVERVIEW

## THE OFFERING

Property Name		DOLLAR GENERAL
Property Address		832 Business 35 S Rockport, TX 78382
Site Description		
APN		1575-117-001-000
Number of stories		One
Year built		2018
GLA		9,014
Lot (Acres)		±0.8
Type of Ownership		Fee Simple
Parking		±48
Parking Ratio:1000 sqft		5.33
Landscaping		Professional
Topography		Generally Level
Construction		
Foundation		Concrete Slab
Framing		Steel
Exterior		Brick
Parking Surface		Asphalt
Roof		Slightly Pitched

## PARCEL MAP

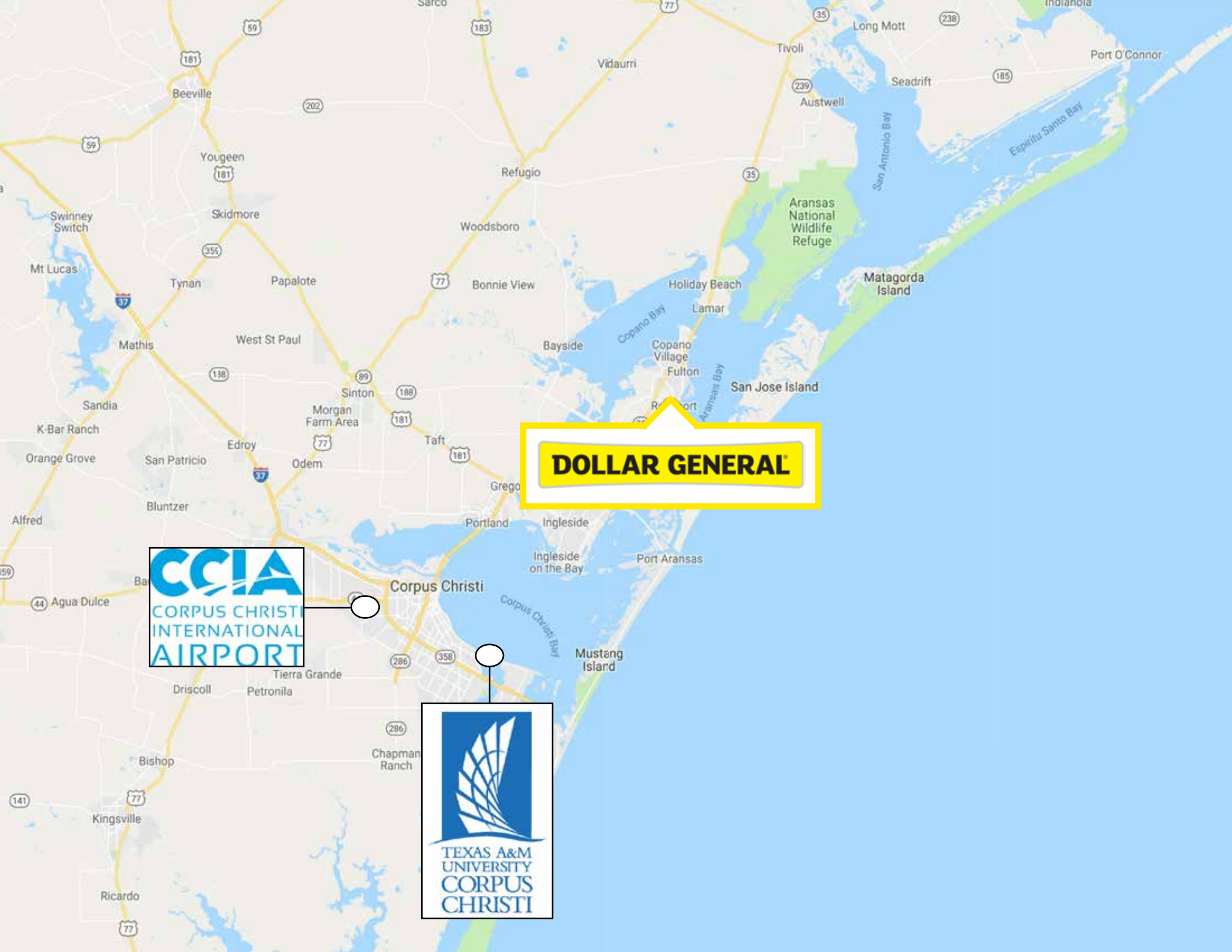




# SURROUNDING TENANTS







**DOLLAR GENERAL**

**CCIA**  
CORPUS CHRISTI  
INTERNATIONAL  
AIRPORT





# AREA OVERVIEW

## Rockport, TX

The city of Rockport, Texas is the seat of Aransas County, Texas. It sits adjacent to the town of Fulton and is often referred to by other nearby communities as “Rockport-Fulton,” even though both of those cities are separate municipalities. The city of Rockport experienced an economic struggle in the early 20th century but was soon revitalized after the shrimping industry grew further, especially with the construction of a harbor in 1935. The shrimping industry grew hand-in-hand with the boating industry and both continue to be a large part of the Rockport economy alongside fishing and tourism.

Rockport, Texas continues to stand as a popular tourist destination for its prime access to various marine recreation and attractions such as boating, fishing, duck hunting, waterskiing, swimming, birdwatching, and seafood. The city offers a large public beach called Rockport Beach Park that is open to an array of communities, as well as easy access to Corpus Christi, Texas. The city has held annual events for its residents since 1970 such as the Oyster Fest, Seafair, and a Wine Festival. Rockport also keeps their residents entertained with an aquarium and multiple historic sites such as the Fulton Mansion, while also providing a wide range of lodging facilities.



## DEMOGRAPHICS

POPULATION	1-Mile	3-Mile	5-Mile
2023 Projection	2,697	17,286	21,908
2018 Estimate	2,567	16,093	20,355
2010 Census	2,464	14,793	18,234
HOUSEHOLDS	1-Mile	3-Mile	5-Mile
2023 Projection	1,034	7,336	9,312
2018 Estimate	1,011	7,037	8,917
2010 Census	950	6,260	7,723
INCOME	1-Mile	3-Mile	5-Mile
Average Household Income	\$79,190	\$71,103	\$68,653



## Corpus Christi, TX

The coastal city of Corpus Christi is located on the southern shore of Texas, just 30 minutes West of Rockport. Corpus Christi is the county seat of Nueces County and expands over to Aransas, Kleberg, and San Patricio County. Corpus Christi is located 130 miles southeast of San Antonio, making it a popular vacation destination for many. The city is the eighth-most populous city in the state of Texas and the Port of Corpus Christi is the fifth-largest port in the country. The majority of the population remains employed by services, wholesale and retail trades, as well as government sectors. On another note, much of the economy is supported by tourism and the oil and petrochemical industry. Besides the beautiful beaches, many are attracted to the Corpus Christi Army Depot, located on NAS Corpus Christi, the largest helicopter repair facility in the world. Visitors also enjoy the North Beach, the Texas State Aquarium, and the USS Lexington Museum on the Bay, which was a part of the set for the 2000 film Pearl Harbor. Sitting just east of the city are Padre Island and Mustang Island, and King Ranch, one of the world's largest ranches.





## CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **DOLLAR GENERAL** located at **832 Business 35 S, Rockport, TX 78382 (“Property”)**. It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.





## Information About Brokerage Services

*Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.*

### TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

### A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

### A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

### TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date



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