

# EXCLUSIVE INVESTMENT SUMMARY

SINGLE TENANT DOLLAR GENERAL | 11102 PERRY HIGHWAY, MEADVILLE, PA (PITTSBURGH MSA)



**DOLLAR GENERAL**

**HFF**





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# INVESTMENT SUMMARY

DOLLAR GENERAL | MEADVILLE, PA





## INVESTMENT SUMMARY

**Holliday Fenoglio Fowler, L.P. (“HFF”) Net Lease Advisory** is pleased to exclusively offer a premier net lease opportunity to acquire a fee simple interest in a single tenant property leased to **Dollar General** (the “Property”) in Meadville, PA. Dollar General is a Fortune 500 Company with over 15,400 locations throughout the United States. The Company offers an array of discounted merchandise ranging from house supplies to apparel. They have been at this location since 2007 and recently extended their lease term to 10 years, demonstrating a commitment to the area. This unique, all-brick building was repainted in 2018, and new heat exchangers were installed in all 3 HVAC units. Additionally, the parking lot was resealed last fall. With a median household income of approximately \$40,000, the surrounding area’s consumer preference is an ideal match with the Dollar General footprint – a company that embraces substance and simplicity. Lastly, the lease is backed by Dollar General Corporation, an investment grade credit tenant, which has a S&P credit rating of BBB.

**DOLLAR GENERAL®****\$910,000**

ASKING PRICE

**6.86%**

CAP RATE

**\$62,465**

NOI

**9.75 Years**

REMAINING LEASE TERM

\*Pricing based on 2018 NOI



# INVESTMENT HIGHLIGHTS



Long Term Lease with rental increases throughout the primary and option terms



Meadville, PA is conveniently situated in between Pittsburgh, PA and Erie, PA – a combined population of roughly 500,000 people



Dollar General is a Fortune 500 Company and operates over 15,400 locations



Recent 10 Year Lease Extension, showing long term commitment to the site



The rare, all-brick building, sits directly on Perry Highway and has exposure to over 4,500 VPD



The Property is in close proximity to national retailers such as: Walmart, Aldi, Burger King and Tractor Supply Company, driving consumer traffic to the area



# TENANT OVERVIEW

DOLLAR GENERAL | MEADVILLE, PA





## TENANT OVERVIEW



**Dollar General** was founded in 1955 by J.L. Turner who opened the first store in Springfield, Ky. By 1957, annual sales of Dollar General's 29 stores topped \$5 million. Four years later, the company went public as Dollar General Corporation, with annual sales over \$40 million and net income of more than \$1.5 million. Since then, the company (which specializes in discount products) has grown to operate more than 15,400 stores in 44 states. Their convenient, everyday low-price model has survived through the decades. About a quarter of Dollar General's merchandise still sells for a dollar or less. In 2018, Dollar General reported sales of \$25.6 billion, a 9.2% increase over 2017. Not to mention, the company supports an employee base of more than 130,000.

Dollar General ranked #123 on the Fortune 500 list as of June 2018. The Company's merchandise includes national brands from manufacturers, as well as private brand selections. The Company offers its merchandise through its small-box locations. As of March 1, 2019, the Company's stores averaged approximately 7,400 square feet of selling space. These 7,400 stores were also backed by the Company's distribution centers located strategically throughout its geographic footprint.



### CORPORATE OVERVIEW

Tenant Trade Name	Dollar General
US Headquarters	Goodlettsville, TN
Stock Ticker	DG
Credit Rating	BBB (S&P)
Number of Locations	15,400+
Website	dollargeneral.com



# FINANCIAL ANALYSIS

DOLLAR GENERAL | MEADVILLE, PA





## LEASE ABSTRACT



LEASE DETAIL	
Tenant	Dolgencorp, Inc.
Address	11102 Perry Highway, Meadville, PA
Guarantor	Dollar General Corporation
Branded As	Dollar General
Building Size	9,014 SF
Year Built	2007
Parcel Size	0.57 Acres
Parking	44 Spaces
Annual Rent	\$65,500
Lease Type	Fee Simple: NN
Lease Commencement	11/20/2007
Lease Expiration	11/30/2028
Remaining Lease Term	9.75 Years
Remaining Options	Two (2), Five (5) Year Options

RENT SCHEDULE			
Description	Dates	Annual Rent	% Increase
Current Term (Years 11-15)	12/1/2018 – 11/30/2023	\$65,500	
Current Term (Years 16-20)	12/1/2023 – 11/30/2028	\$68,700	4.89%
Option Term (Years 21-25)	12/1/2028 – 11/30/2033	\$71,899	4.66%
Option Term (Years 26-30)	12/1/2033 – 11/30/2038	\$79,129	10.06%

\*Pricing based on 2018 NOI

**\$910,000**

ASKING PRICE

**6.86%**

CAP RATE

**\$62,465**

NOI

TENANT RESPONSIBILITY DETAIL	
Maintenance and Repairs	Lessee shall maintain the interior of the premises and the HVAC preventative maintenance contract
Insurance	Lessee shall, at its sole cost, carry and maintain general liability insurance. Lessee shall reimburse lessor for insurance required to be carried under the lease
Taxes	Lessee shall reimburse lessor for taxes on the demised premises
Utilities	Lessee shall pay for all utilities direct to the service providers
CAM	Notwithstanding anything to the contrary in the Lease, Tenant agrees to pay Landlord three hundred eighteen and 12/100 (\$318.12) dollars per month during the Extended Term, three hundred forty-nine and 93/100 (\$349.93) dollars per month during the first Option Period (if exercised), and three hundred eighty-four and 92/100 (\$384.92) dollars per month during the second Option Period (if exercised) as Tenant's sole contribution to Landlord for its cost of care and maintenance of the Parking Lot ("Parking Lot Maintenance Costs") In addition to the fixed CAM amount, Lessee shall reimburse Lessor for Lessor's actual cost of snow removal

LANDLORD RESPONSIBILITY DETAIL	
CAM	Lessor agrees at its own expense to keep such areas clean, and to keep the parking area properly paved and striped
Maintenance and Repairs	Lessor shall maintain at its sole cost and expense in good condition and shall perform all necessary maintenance, repair, and replacement to the exterior of the demised premises including; the roof, all paved and grass or landscaped areas, foundation, floors, walls, all interior and exterior utility lines and pipes, and all other structural portions of the building
Insurance	Lessor agrees to carry comprehensive general liability insurance
Taxes	Lessor shall pay at its cost and expense all taxes for the demised premises



## CASH FLOW

	ACTUAL 2018	PRO FORMA 2019
Revenues:		
Minimum Rent	\$65,500	\$65,500
CAM	\$11,208	\$11,270
Insurance	\$3,441	\$3,441
Real Estate Tax	\$10,217	\$10,217
<b>Total Revenues</b>	<b>\$90,366</b>	<b>\$90,428</b>
Expenses:		
Landscaping	\$1,563	\$1,800
Parking Lot & Maintenance	\$4,942	\$2,800
Snow Removal	\$7,738	\$7,800
Insurance	\$3,441	\$3,441
<b>Total CAM &amp; Insurance Expense</b>	<b>\$17,684</b>	<b>\$15,841</b>
Real Estate Taxes	\$10,217	\$10,217
<b>Total Real Estate Taxes</b>	<b>\$10,217</b>	<b>\$10,217</b>
<b>NET OPERATING INCOME</b>	<b>\$62,465</b>	<b>\$64,370</b>



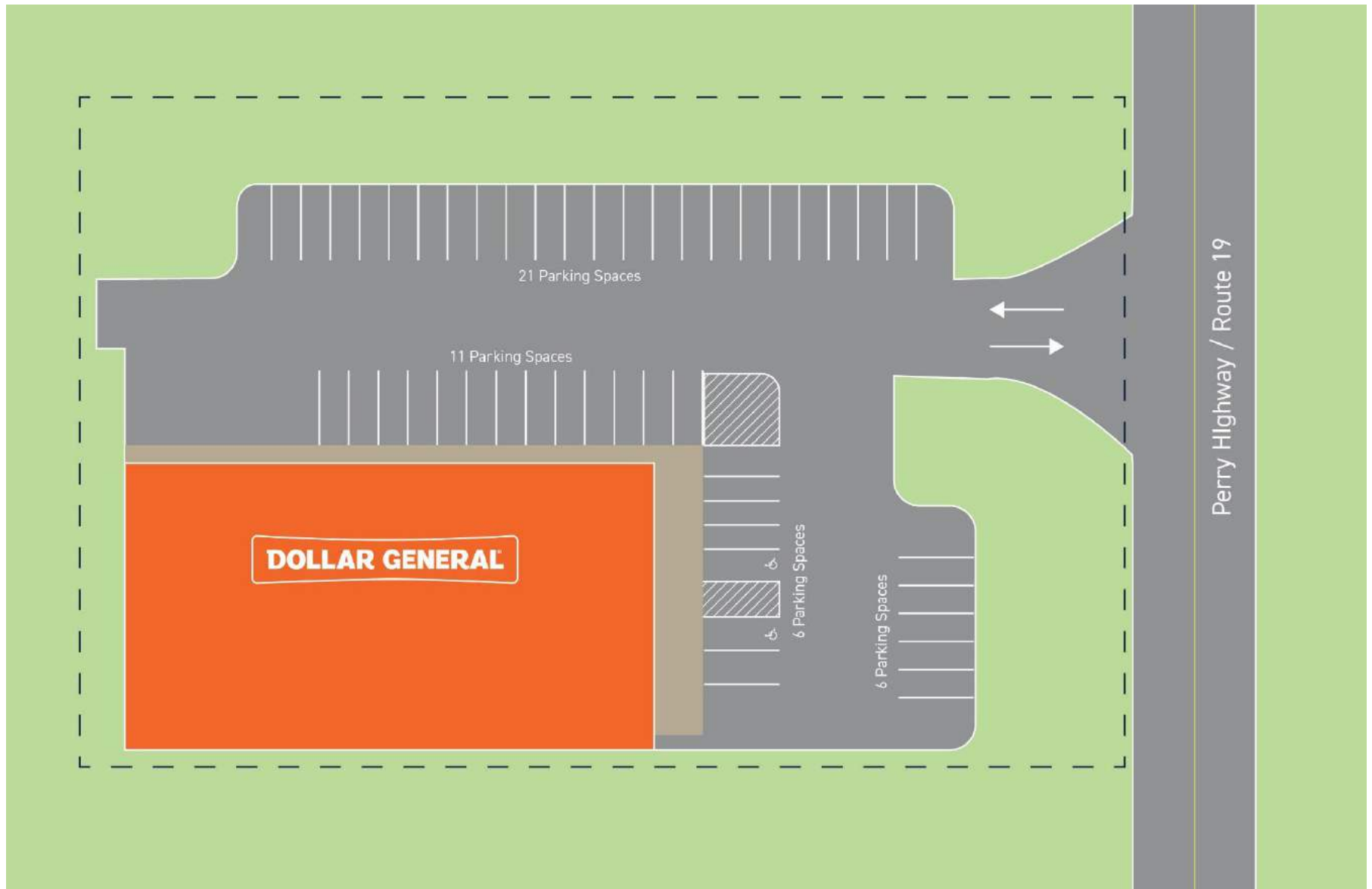
\*Pricing based on 2018 NOI

### Capital Improvements in 2018:

Repaint building	\$5,100.00
New heat exchangers in all 3 HVAC Units	\$5,436.00
<b>Total Capital Improvements</b>	<b>\$10,536.00</b>



## SITE PLAN





## SURROUNDING RETAIL AND AMENITIES





## NEAR FUTURE PLANS FOR DEVELOPMENT



The Property and immediate area will soon benefit from a new two-lane roundabout. The new and upgraded intersection is situated approximately ¼ mile from the Dollar General. Construction on the \$4 million two-lane roundabout at the intersection of routes 322, 98 and 19 (aka “the Big I”) will begin next month with completion expected by the fall. Plans for the project allow for the intersection to remain open during the construction period.

A PennDOT study performed in 2015 estimated that approximately 22,000 vehicles flow through the intersection each day. The study determined that installing a roundabout was an effective solution to reduce congestion and increase safety. National statistics show that roundabouts are safer than signaled intersections and dramatically improve traffic flow, which will benefit the immediate area and Subject Property.



# MARKET OVERVIEW

DOLLAR GENERAL | MEADVILLE, PA





## MEADVILLE, PA OVERVIEW

Founded in the 1788, Meadville was the first, permanent settlement in the Northwestern part of Pennsylvania and is now the County seat of Crawford County. Home to more than 13,000 full time residents and roughly 2,000 college students (Allegheny College), Meadville is an active center for business, industry, education, arts, recreation, service and tourism.

The greater Crawford County is home to almost 90,000 people, with a median income of almost \$50,000. The County covers more than 1,000 square miles and is supported by interstate highways in and around the area. I-79 is used for North/South transportation while I-80 and I-90 are used for transportation to the East/West. Additionally, Meadville is home to its very own airport – Port Meadville Airport. Its citizens are also approximately an hour away from both the Erie National Airport and the Pittsburgh National Airport.

According to the 2018 Q2 report from the PA Department of Labor and Industry Center for Workplace Information and Analysis, some of the top employers in Crawford County include the Meadville Medical Center, State Government, and Wal-Mart Associates Inc. Some of the local educational institutions also rank in the top 10. In regards to the top industries in the County, Restaurants and other eating places are at the top, followed by the metalworking, machinery and manufacturing industry.

### Top Employers:



#### Allegheny College



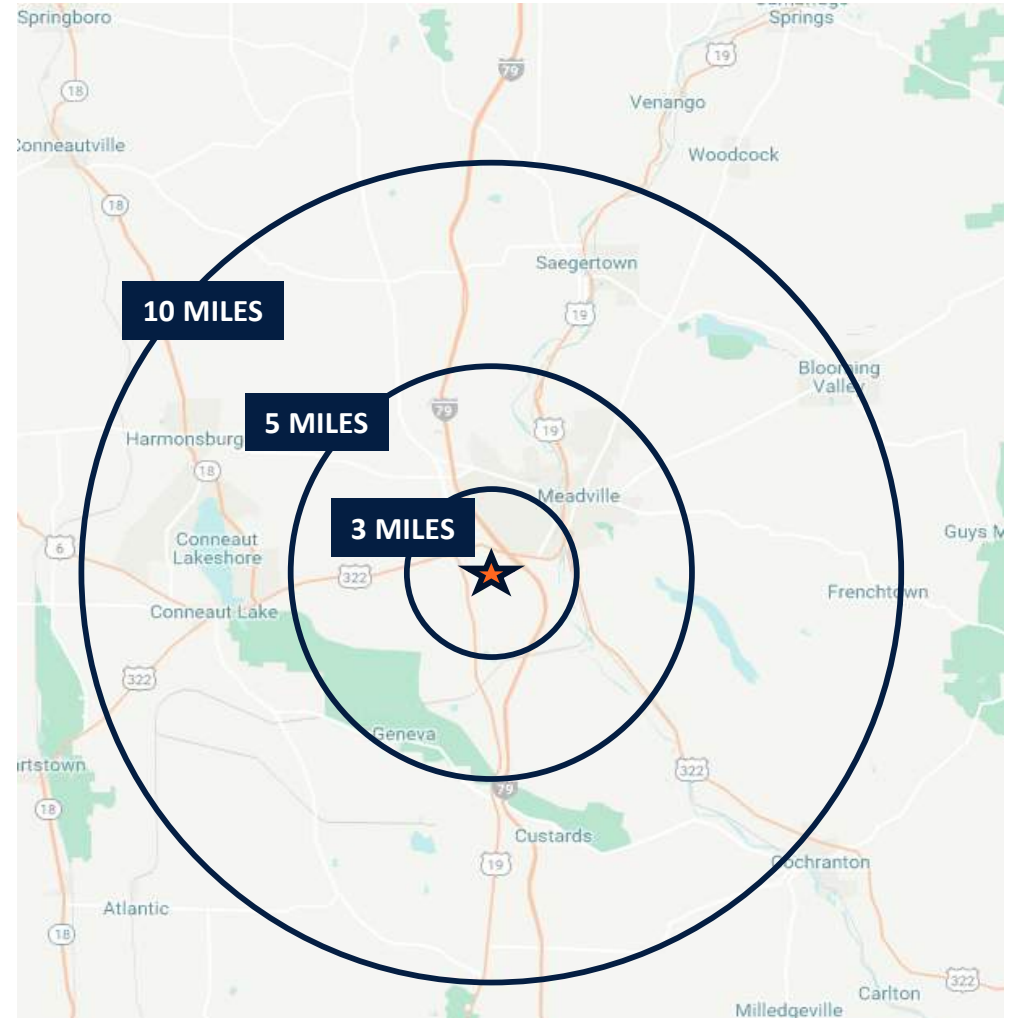
#### Meadville Medical Center





## DEMOGRAPHICS: 11102 PERRY HIGHWAY, MEADVILLE, PA

POPULATION			
	3 MILES	5 MILES	10 MILES
2010 Census	9,034	26,559	44,283
2019 Estimate	8,696	25,760	42,781
2024 Projection	8,586	25,495	42,282
POPULATION GROWTH			
Historical Growth: 2010 to 2019	-3.74%	-3.01%	-3.39%
Projected Growth: 2019 to 2024	-1.26%	-1.03%	-1.17%
HOUSEHOLD INCOME			
2019 Average Household Income	\$59,993	\$66,995	\$67,982
2019 Median Household Income	\$38,263	\$45,806	\$49,074
HOUSEHOLDS			
2010 Census	2,396	6,603	11,558
2019 Estimate	2,344	6,498	11,340
2024 Projection	2,329	6,463	11,266
HOUSEHOLD GROWTH			
Historical Growth: 2010 to 2019	-2.17%	-1.59%	-1.89%
Projected Growth: 2018 to 2024	-0.64%	-0.54%	-0.65%







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