

**DOLLAR
GENERAL®**



DOLLAR GENERAL

**OFFERING
MEMORANDUM**

* Actual Property Photo

20150 AL-127 | ATHENS, AL 35614

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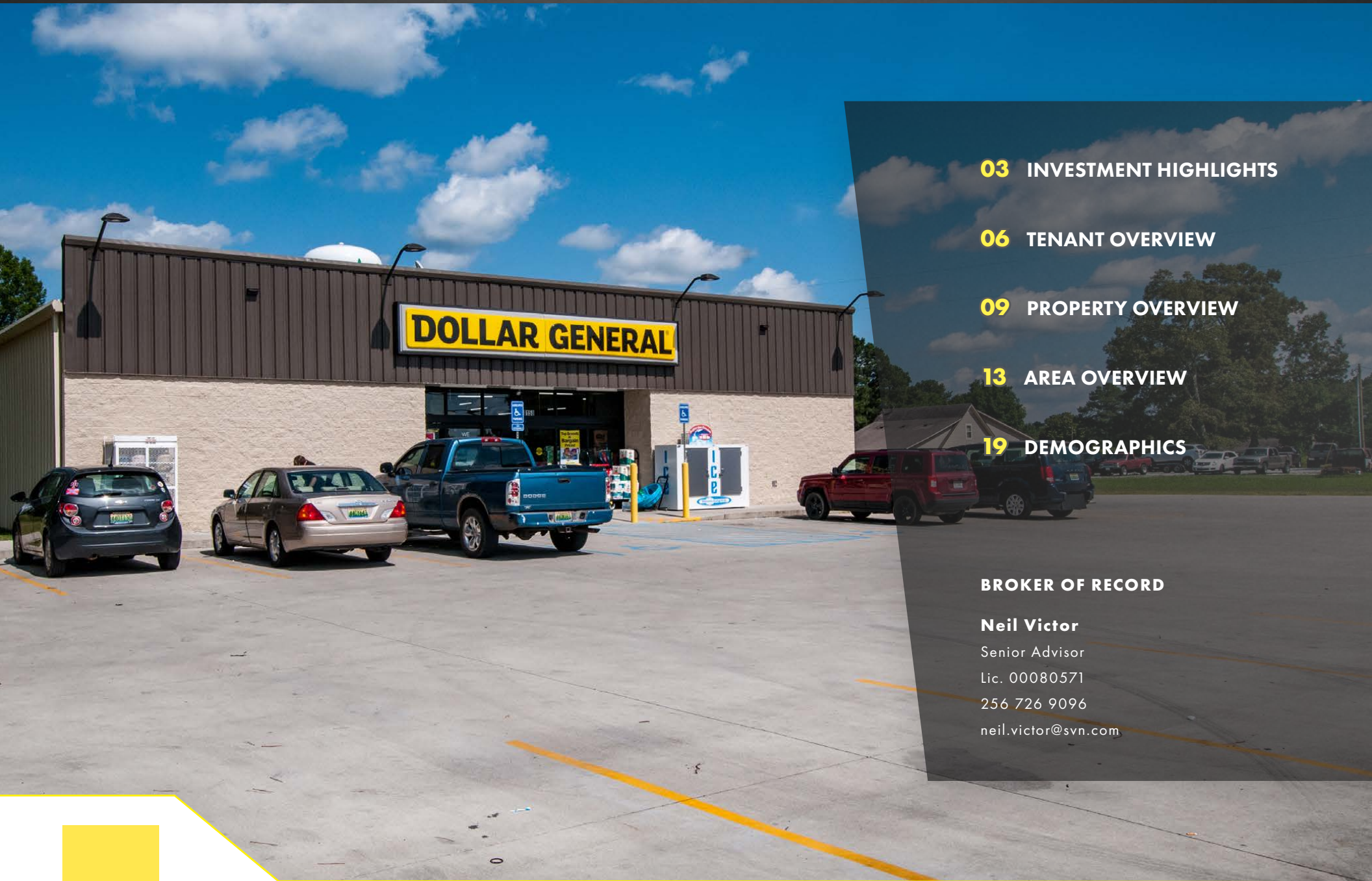
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20150

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INVESTMENT HIGHLIGHTS

PROPERTY SUMMARY

Offering Price \$1,262,155

Cap Rate 6.75%

Price Per SF \$139.84

Address 20150 AL-127, Athens, AL 35614

Ownership Fee Simple

Building GLA 9,026 SF

Lot Size 1.00 AC

Parking 30 Spaces

Year Built 2016

Parcel 07-04-20-0-000-035.005



NNN LEASE | The lease is NNN, with no landlord responsibilities. The tenant is responsible for maintaining and repairing all aspects of the subject property including the roof, structure parking lots, HVAC, insurance and property taxes.

LONG TERM LEASE | There are thirteen (13.75) years remaining on the lease term, plus five (5), five (5) year options.

RENT INCREASES | The lease provides for 10% rent increases at each option period. This provides a hedge against potential future inflation.

NEW CONSTRUCTION | The building was built in 2016.

STRATEGIC DEMOGRAPHICS | The average household income in the three (3) mile demographic ring is \$59,845, which fits Dollar General's target customer base.

HIGH TRAFFICKED AREA | Elkmont Road and Cross Key Road reports traffic counts of 4,680 cars per day.

CORPORATE GUARANTEE | The lease is guaranteed by Dollar General Corporation (NYSE: DG), a highly regarded company which has an investment grade credit rating of BBB (S&P) and Baa2 (Moody's). The company operates over 14,600+ Dollar General locations with 130,000 employees throughout the U.S.



A photograph of a Dollar General sign. The sign is rectangular with a yellow background and a black border, mounted on a black pole. It is situated in a grassy field with a dense line of green trees in the background. A wooden fence and a utility pole are visible to the right. A dark grey banner with white text is overlaid at the bottom.

**DOLLAR
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TENANT OVERVIEW

Dollar General

Originally a family-owned business by the name of JL Turner and Son in Kentucky, Dollar General would go on to become a chain of the most profitable variety stores in the rural U.S. As of March 2018, there are 14,609 stores in operation spanning the southern, midwestern, and eastern United States, making Dollar General the country's largest small-box discount retailer. With additional plans to expand in 2018, it is one of the fastest-growing retailers. The stores are typically located in local neighborhoods and small communities deemed "too small" for big-box retailers. Its selection of merchandise ranges from packaged food, perishables, and health and beauty products to houseware, seasonal decorations, and apparel. 75% of its sales are generated from its consumables while 10% stem from its sale of seasonal items. Dollar General's massive store network is supported by 13 distribution centers that are strategically located throughout the United States.

In April 2017, Dollar General acquired all 323 Dollar Express stores contributing to their 28th consecutive year of growth. Net sales increased 6.8% from the year prior, attributed largely to an increase in average transaction amount and increased traffic. According to a report by *The Retail Economist*, dollar stores are far outpacing the broader retail industry. It is no surprise that Dollar General continues to impress, consistently showing growth in all of their key measures year after year and operating more retail locations than any other retailer in the nation. It remains the only dollar store chain with an investment grade rating from S&P and Moody's.

For the 2017 fiscal year, Dollar General saw a 27.1% increase in profit, ending the year ranked 128th within the Fortune 500. There were over 900 new store openings, with an expected additional 1,000 newstores in 2018. With \$23.5 billion in annual sales last year, it was able to generate a profit of \$1.54 billion.



Corporate Overview

Type	Public (NYSE: DG)
Industry	Retail
Corporate HQ	Goodlettsville, TN
Employees	130,000+
Locations	14,600+
Net Revenue	\$23.5 Billion (2017)
Credit	S&P: BBB/Moody's: Baa2
Website	www.dollargeneral.com

How Dollar General Became Rural America's Store of Choice

Evensville, Tennessee - The local Dollar General store, built on a rural highway and surrounded by farmland, sells no fresh meat, greens or fruit. Yet the 7,400 square foot steel-sided store has most of what Eddie Watson needs.

The selection echoes a suburban drugstore chain, from shower curtains to breakfast cereal, toilet paper, plastic toys and camouflage-patterned socks. Refrigerators and freezers on one wall hold milk, eggs and frozen pizza.

Many items are sold in mini bottles or small bags, keeping costs lower than a trip to the Wal-Mart Supercenter down the road. The two registers are staffed by one cashier, except during rush hours after school and after work.

"It's just closer," said Mr. Watson, a 53-year-old construction worker who filled his cart with cans of chicken soup, crackers, cold cuts and toilet paper. "We call this the Evensville Wal-Mart."

The store, 10 miles from the nearest small town, is one of three locations in Rhea County where Dollar General plans to open stores by next year. More than one in five people there receive government food assistance, higher than the U.S. average, and the county has Tennessee's highest unemployment rate.

Dollar General is expanding because rural America is struggling. With its convenient locations for frugal shoppers, it has become one of the most profitable retailers in the U.S. and a lifeline for lower-income customers bypassed by other major chains.

Dollar General Corp's 14,000 stores yielded more than double the profit of Macy's Inc. on less revenue during its most recent fiscal year. And its \$22 billion market value eclipses the largest U.S. grocery chain, Kroger Co., which has five times the revenue.

The retailer relies on rapid store openings to keep revenue climbing and investors happy; 2016 marked its 27th consecutive year of sales growth in stores open at least a year.



While many large retailers are closing locations, Dollar General executives said they planned to build thousands more stores, mostly in small communities that have otherwise shown few signs of the U.S. economic recovery.

The more the rural U.S. struggles, company officials said, the more places Dollar Generals has found to prosper. "The economy is continuing to create more of our core customer," Chief Executive Todd Vasos said...

[CLICK HERE TO READ THE FULL ARTICLE](#)

* Reprinted from the Wall Street Journal, originally published in December 2017;
Written by Sarah Nassauer



PROPERTY OVERVIEW

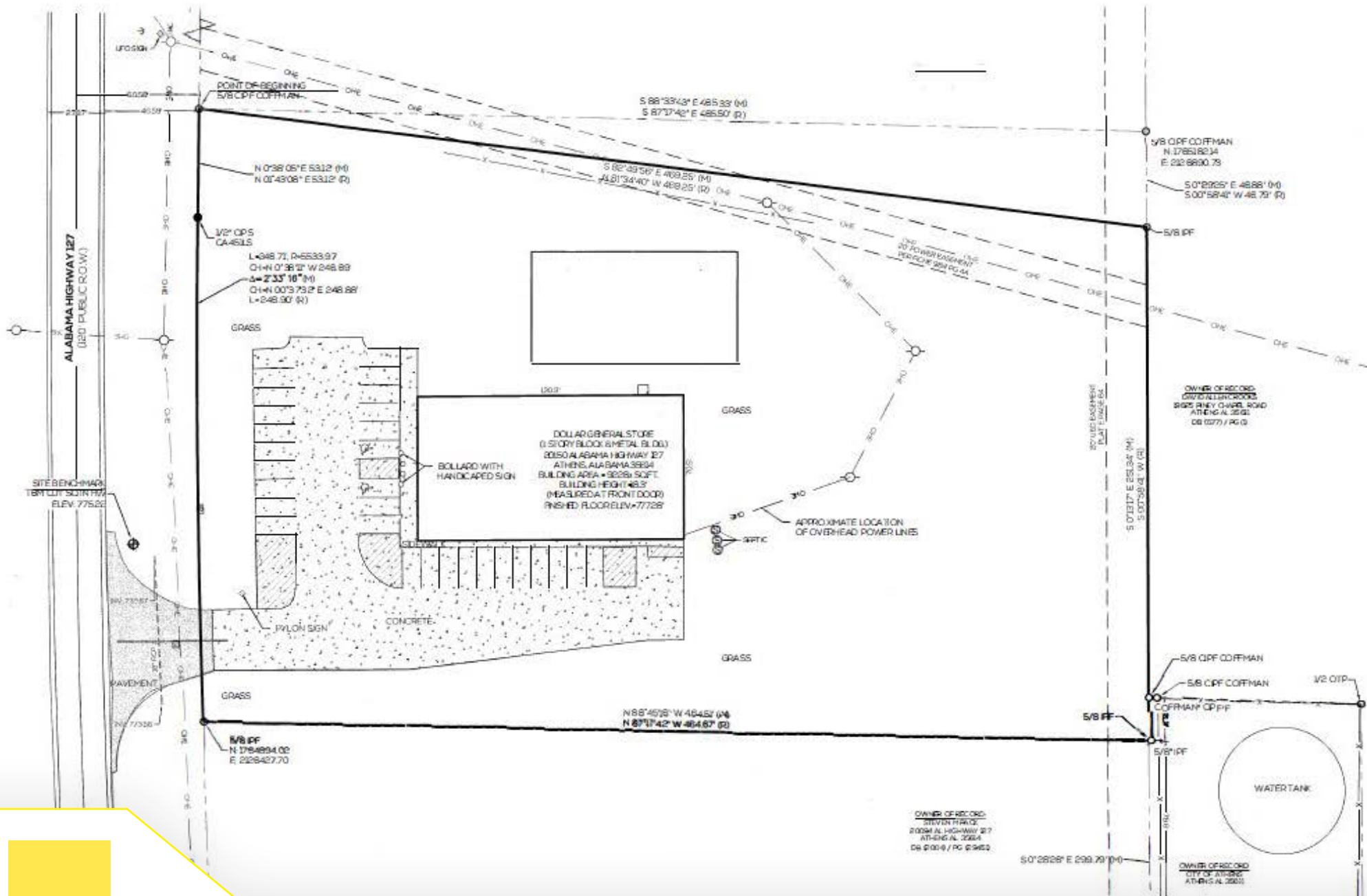


LEASE SUMMARY

Tenant:	Dollar General
Guarantor:	Dollar General Corporation
Rent Commencement:	4/19/2017
Lease Expiration:	4/30/2032
Lease Term:	15 Years Plus Options
Renewal Options:	Five (5) - Five (5) Year Options
Current Annual Rent:	\$85,195.44
Rental Increases:	10% Every Option Period
Percentage Rent:	None
Sales Reporting:	Tenant Does Not Report Sales
Lease Structure:	NNN
Roof & Structure:	Tenant Responsible
HVAC:	Tenant Responsible
Common Area:	Tenant Responsible
Parking:	Tenant Responsible
Property Taxes:	Tenant - Tenant to Reimburse Landlord
Utilities:	Tenant Responsible
Insurance:	Tenant Responsible
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	Monthly Rent	Annual Rent	Rent/SF	Rental Increase
4/19/2017 - 4/30/2032	\$7,099.62	\$85,195.44	\$9.44	
OPTION 1: 5/1/2032 - 4/30/2037	\$7,809.58	\$93,714.96	\$10.38	10.00%
OPTION 2: 5/1/2037 - 4/30/2042	\$8,590.54	\$103,086.48	\$11.42	10.00%
OPTION 3: 5/1/2042 - 4/30/2047	\$9,449.59	\$113,395.08	\$12.56	10.00%
OPTION 4: 5/1/2047 - 4/30/2052	\$10,394.56	\$124,734.72	\$13.82	10.00%
OPTION 5: 5/1/2052 - 4/30/2057	\$11,434.01	\$137,208.12	\$15.20	10.00%





AREA OVERVIEW

Athens, Alabama

Athens holds the distinction of being one of the oldest incorporated cities in Alabama, founded in 1818 and incorporated the following year. Located in Limestone County in northern Alabama, it is a perfect midway point between Nashville and Birmingham. The city's area spans 39.4 square miles and hosts a population of 24,461 residents (as of 2017). Since 2000, it has had a population growth of 47.72%, with a prediction for continued growth in the next five years.

ECONOMY | The economy of Athens specializes in Utilities, Construction, and Accommodation & Food Service. Its largest industries are Manufacturing, Retail Trade, and Hospitality. 2,248 firms are located within the city's boundaries.

EDUCATION | Calhoun State Community College: For over 70 years, Calhoun Community College has served the community, providing educational and training opportunities across north Alabama. With approximately 10,000 credit students, Calhoun remains Alabama's largest two-year college and the 6th largest higher education institution in the state. It has been recognized as one of the nation's "Top 150 Community Colleges" by The Aspen Institute.



Alabama A&M University (AAMU): Reflecting its heritage as a traditional 1890 land-grant institution, Alabama A&M University functions as a teaching, research, and public service institution. AAMU is a dynamic and progressive institution with a strong commitment to academic excellence. The serene, intimate campus is situated on "The Hill," only a short distance from downtown Huntsville, the site of the school's founding. The campus has the unique distinction of being laid out by Frederick Law Olmsted, Sr., designer of New York's Central Park. It serves 4,940 undergraduates and 874 graduate students.

Athens State University: Founded in 1822, Athens State is a two-year upper level university in northern Alabama. It has a total undergraduate enrollment of 3,025 students. 33 different majors are offered to junior and senior students, dispersed among the school's three colleges – Education, Arts and Sciences, and Business. The school boasts a commitment to primarily serve transfer students as well as students from other accredited institutions of higher education.

AIRPORTS | Huntsville International Airport (HSV): A public airport ten miles southwest of downtown Huntsville, roughly 23 miles from downtown Athens. It is the largest commercial airport in North Alabama, serving more than 1.2 million passengers annually. Along with its role as a hub for Atlas Air, the airport is served by four airlines (American, Delta, Silver Airways, and United). There is nonstop service to ten destinations – Atlanta, Charlotte, Chicago, Dallas, Denver, Detroit, Houston, Orlando, and two airports in Washington DC.

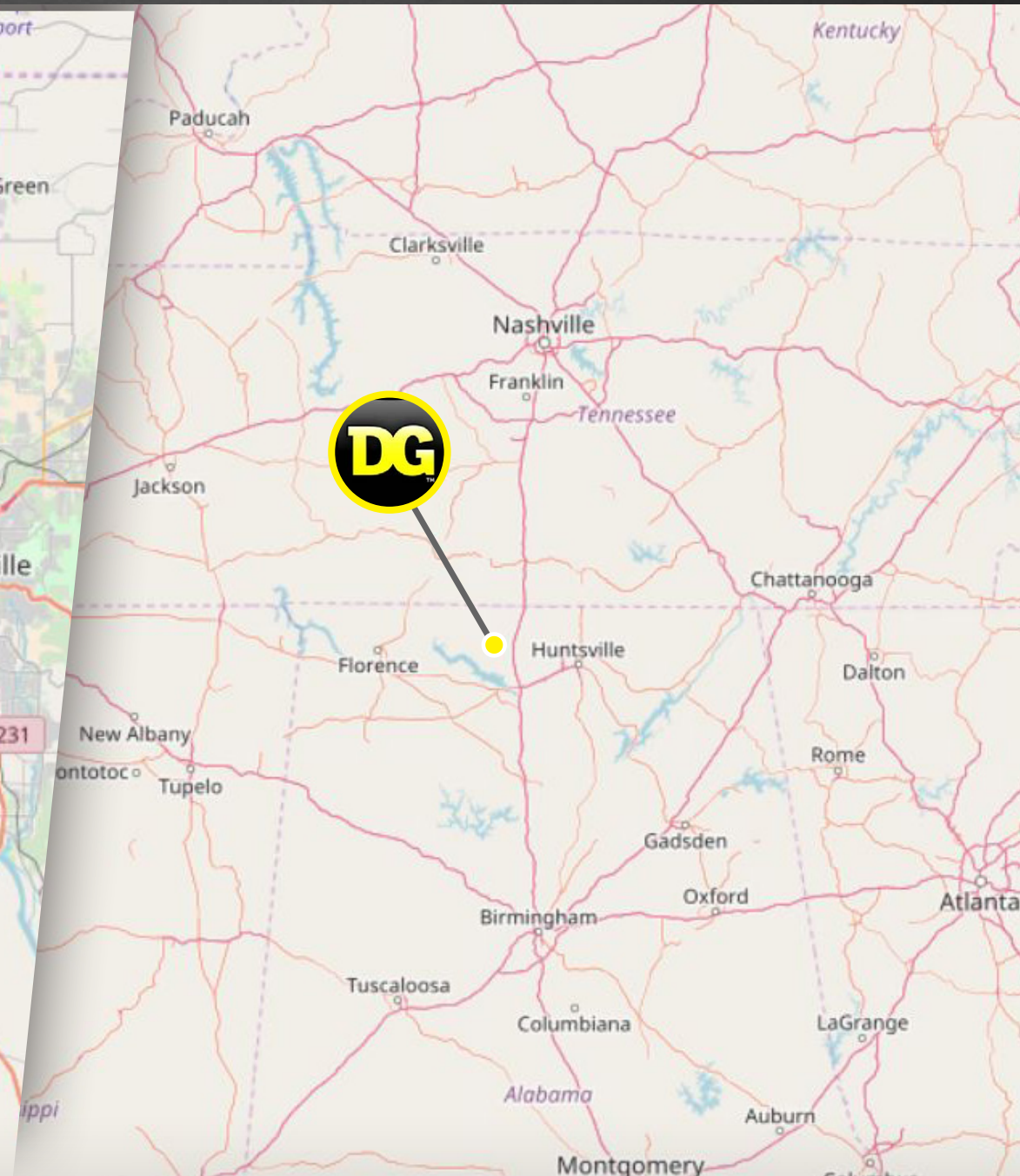
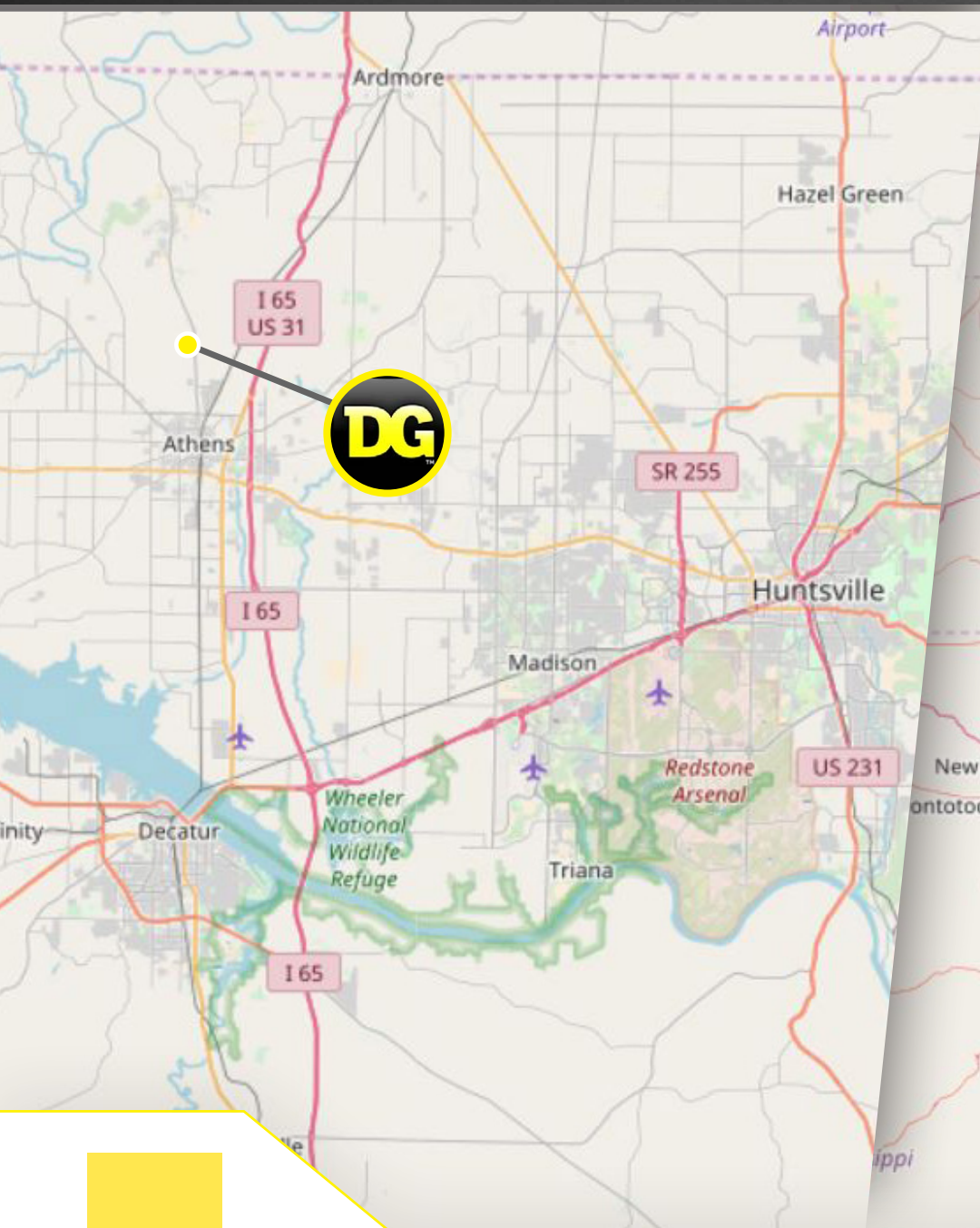
Pryor Field Regional Airport: A public airport found towards the south end of Athens. Situated next to Calhoun Community College, it serves the western portion of the Huntsville-Decatur area. In 2017, it was awarded \$783k by the Federal Aviation Administration as part of its Airport Improvement Program.

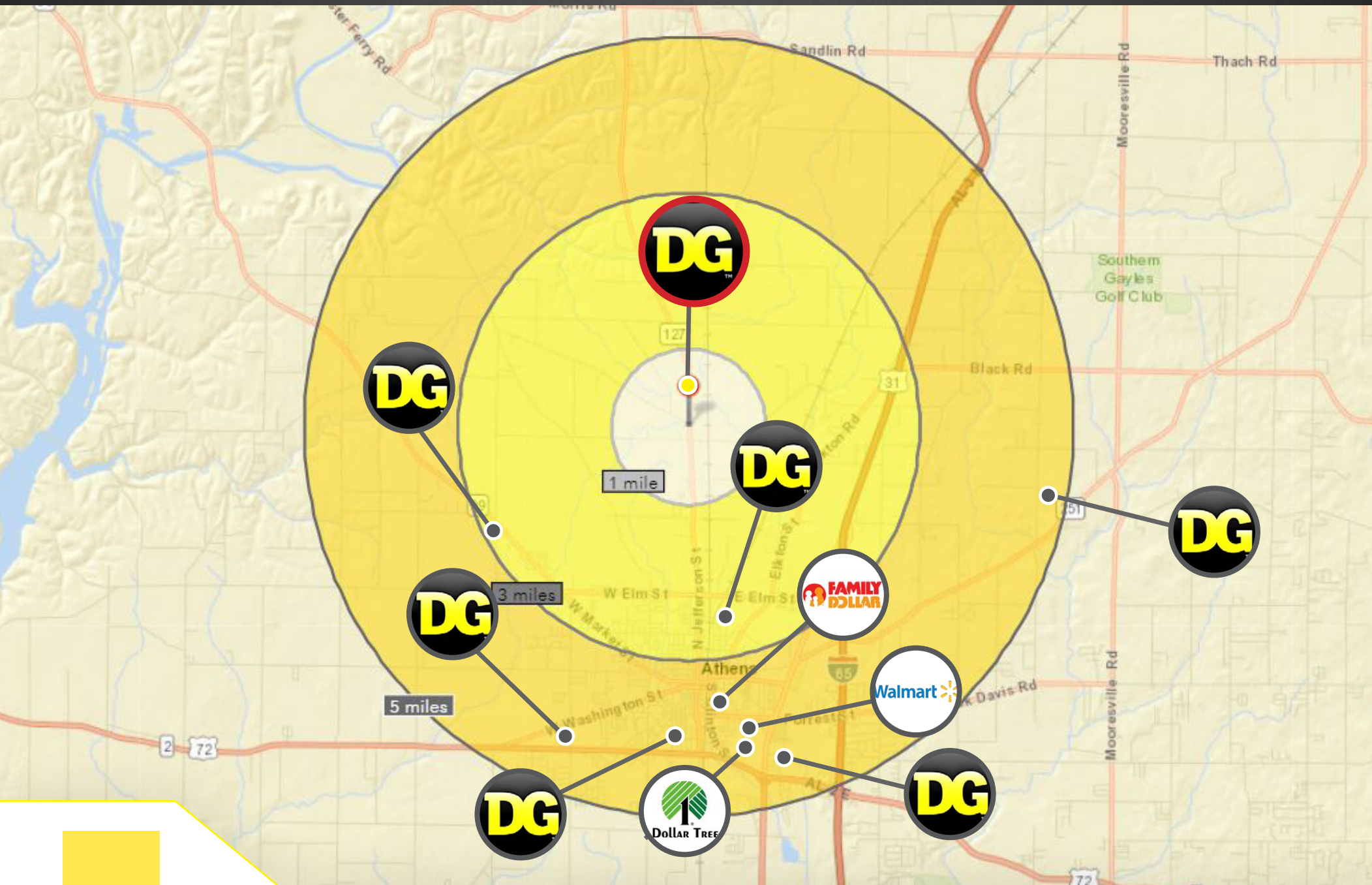


TOURISM | Alabama Veterans Museum & Archives: Located in downtown Athens, the Alabama Veterans Museum & Archives boasts a large exhibit center, guided tours provided by local veterans, a gift shop, and meeting facilities. There is also an impressive display of artifacts from the Revolutionary War until present day. Visitors can walk among the actual uniforms, medals, photos, and weapons and hear stories and experiences about the nation's wars from men and women who were present. With over 10,000 visitors last year, it has become a vital part of Athens.

Richard Martin Trail: Named after Richard Martin, who led a 25-year effort with volunteers and various community organizations to establish the continuous 10.2 mile trail in Limestone County, Alabama, the trail accesses outstanding natural, cultural, and historic resources. Natural features include beautiful wetlands and flora and fauna that are indigenous to the Tennessee Valley. The trail winds its way past the site of the Battle of Sulphur Creek Trestle. There are many events which take place all during the year that everyone can participate in.

Athens-Limestone County Nature & Heritage Trail: Consisting of interlacing trails, Athens-Limestone County Nature & Heritage trails takes visitors through various parks and recreational areas in the city. The trails include the Civil War Trail, the 89-Mile Noah Bike Trail, the Antebellum Trail, and other historic pathways.







ENTRANCE TO PARKING LOT



OUTSIDE OF BUILDING



AERIAL OF FRONT OF BUILDING



AERIAL VIEW OF ENTIRE BUILDING



Save
time.

Save
money.

Every
day!

DG DEALS

DG DEALS

DG DEALS

Save even more!
Pick up this
week's ad
below

Quick dash. Save cash!

Fresh
baked
bread

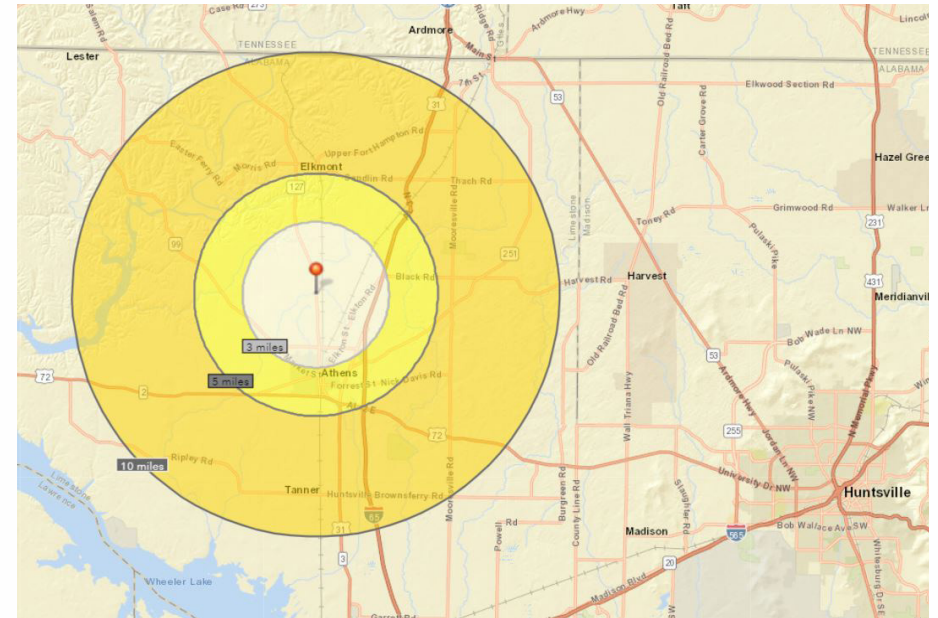
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DEMOGRAPHICS

POPULATION	3 Miles	5 Miles	10 Miles
Estimated Population (2018)	9,916	17,559	36,069
Census Population (2010)	9,626	16,735	33,161
Projected Population (2023)	10,149	18,185	38,341
PROJECTED ANNUAL GROWTH			
2018-2023	2.34%	3.56%	6.30%

HOUSEHOLDS	3 Miles	5 Miles	10 Miles
Estimated Households (2018)	4,079	7,127	14,010
Census Households (2010)	3,949	6,723	12,735
Projected Households (2023)	4,182	7,412	14,934
PROJECTED ANNUAL GROWTH			
2018-2023	2.53%	4.00%	6.60%

HOUSEHOLD INCOME	3 Miles	5 Miles	10 Miles
2017 Average	\$59,845	\$59,875	\$56,867
2017 Median	\$44,885	\$45,485	\$43,796



POPULATION BY RACE	Census 2010	2018	2023
White	74.6%	72.3%	70.7%
Black	10.2%	10.5%	10.8%
American Indian	0.7%	0.6%	0.6%
Asian	0.4%	0.4%	0.5%
Pacific Islander	0.1%	0.1%	0.1%
Other Race	12.0%	13.3%	14.2%
Two or More Races	2.1%	2.8%	3.1%
Hispanic	16.6%	18.2%	19.4%

Savills Inc., representative of the Seller, is solely authorized to present this property investment offering (the "Offering"). 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").

Prior to submitting an offer to purchase the Property, interested parties should perform and rely upon their own investigations, analyses, estimates and projections and otherwise satisfy any concerns regarding material aspects of the proposed transaction including, but not limited to legal, municipal, environmental, operational, seismic, financial and physical issues, and all other matters affecting or pertaining to the Property. The Seller will be offering the Property including all appurtenances and tenant improvements, solely on an "As-Is, With-All-Fault" basis, without any representations or warranties. No person is authorized to make any representations or warranties on behalf of the Seller regarding the Property. Any and all information regarding the Property provided to any interested party by the Seller or Savills Inc., including all information contained in the Offering, is provided without any representation or assurance express or implied, regarding the accuracy, completeness or current status of applicability of such information. Each interested party is expected to undertake such reviews and investigations and make such inquiries as such party may believe to be necessary, appropriate or advisable for the purpose of forming a decision to make an offer to acquire the Property.

The Owner expressly reserves the right, as its sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or to terminate discussions with an 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.

The material contained herein is confidential and is presented strictly as information for the exclusive use of the prospective purchaser. Receipt and review of this Offering by the prospective purchaser constitutes an agreement not to divulge, share or distribute the information to any other party, except the prospective purchaser's legal counsel and financial advisors, without the prior specific written authorization of the Seller or Savills Inc. Each prospective purchaser shall also agree to and comply with the provisions of the confidentiality agreement executed by such prospective purchaser prior to receipt of this Offering.

This Offering is submitted subject to errors, changes, omissions, changes in price, market and other conditions. It contains selected information pertaining to the Property and does not purport to be all-inclusive or to contain all of the information that prospective purchasers may desire. It should be noted that any and all market analyses, estimates, and projections contained in this Offering are provided for general reference purposes only and are based on assumptions related to the general economy, competitions, real estate market trends, and other factors beyond the control of the Seller or Savills Inc.

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