

DOLLAR GENERAL®

◦ Corporate Guaranteed Lease ◦ Recent Early Lease Extension ◦ Investment Grade Credit ◦



#1 LARGEST DISCOUNT
RETAILER IN U.S.

In Association with JDS Real Estate Services, Inc. | P: 844.446.5366 | A Licensed New York Broker #10991219852

OFFERING MEMORANDUM
ILION, NEW YORK



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS

DOLLAR GENERAL®

OFFERING MEMORANDUM

ILION, NEW YORK

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LOCATION

Dollar General
70-80 Central Plaza
Ilion, NY 13357

OFFERING SUMMARY

Price:	\$1,630,000
Current Net Operating Income (NOI):	\$115,000
Current Capitalization Rate:	7.05%
Price per Square Foot:	\$169
Net Rentable Area:	9,641
Year Built:	1973; R-2012

LEASE TERMS (1)

Lease Commencement:	7/27/2013
Lease Expiration:	7/31/2029
Lease Term Remaining:	9+ Years
Lease Type:	NN
Roof & Structure:	Landlord Responsibility
Monthly Rent:	\$9,583
Annual Rent:	\$115,000 (\$11.93/sf)
Renewal Options:	Three 5-Year Options 1st Option - 12.30% Increase 2nd & 3rd Option - 10% Increases

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.



QUICK FACTS

#1

**LARGEST DISCOUNT
RETAILER IN U.S.**

#119

**ON FORTUNE 500
(2019)**

\$25.6B

**IN SALES
(2019)**

15.5K

**STORES IN
44 STATES**

29YRS

**OF CONSECUTIVE
GROWTH**

INVESTMENT HIGHLIGHTS

DOLLAR GENERAL



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- **Single-Tenant Dollar General:**

- 9+ years of term remaining
- Three 5-year options with increases
- Corporate guaranteed lease
- Dollar General Corporation (NYSE: DG; S&P: BBB) is the largest discount retailer in the U.S. with nearly 15,600 stores across 44 states
- Dollar General opened 900 stores in 2018 and plans to open 975 new stores in 2019, making it the top retail company for expanding in 2019
- Dollar General has reported 29 consecutive years of growth

- **Recent Early Lease Extension:** In the Summer of 2019, the lease was extended for an additional 6 years, demonstrating Dollar General's commitment to the location

- **Target Household Income:** Ideal household income of \$59,000 within 5 miles perfectly positions the long-term success of Dollar General



INVESTMENT HIGHLIGHTS

DOLLAR GENERAL



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- **Located in the Heart of the Village of Ilion:** The property is centrally located within the village of Ilion near several area attractions
 - **Remington Arms Company** – America's oldest gun maker, founded in 1816 by Eliphalet Remington; one of the oldest factories in America that still makes its original product; 3,500 employees worldwide
 - **Several Major Area Schools** – Central Valley Academy (645 students), Ilion Junior Senior High School (730 students), Barringer Road Elementary (500 students), and Remington Elementary (480 students)
 - **Surrounded by National and Regional Retailers** – Rite Aid, McDonald's, Aldi, Dunkin', Ace Hardware, True Value Hardware, and the United States Postal Office among others
- **Ilion a Part of the Utica-Rome MSA:** Consisting of Oneida and Herkimer Counties in central New York
 - MSA population in excess of 300,000 people; 7th largest MSA in New York
 - Major industries include health care, retail trade, and manufacturing
 - Located 40 miles east of Syracuse and 80 miles northwest of Albany



SITE PLAN / PARCEL MAP

DOLLAR GENERAL



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 **SUBJECT PROPERTY**

 **PROPERTY PARCEL**

 **NOT A PART**

 **RECIPROCAL PARKING**

APN: 212801 119.44-4-2



MOHAWK RIVER

149 miles long; flows into the Hudson River in Cohoes, NY

REMINGTON ELEMENTARY SCHOOL
- 480 STUDENTS -

Remington®
Arms Co. Plant

- 3,500 EMPLOYEES -
- FIREARMS,
AMMUNITION,
AND ACCESSORIES -



SUBJECT PROPERTY
DOLLAR GENERAL

VILLAGE OF ILLION

CENTRAL VALLEY THUNDER
Central Valley Academy
- 624 STUDENTS -
- 203 TEACHERS; 190
SUPPORT STAFF AND
ADMINISTRATORS -



RUSSELL PARK

ILLION JUNIOR SENIOR HIGH SCHOOL
- 730 STUDENTS -



\$5
BILLION

**ECONOMIC IMPACT FROM
LOCAL RISING TECH VALLEY**

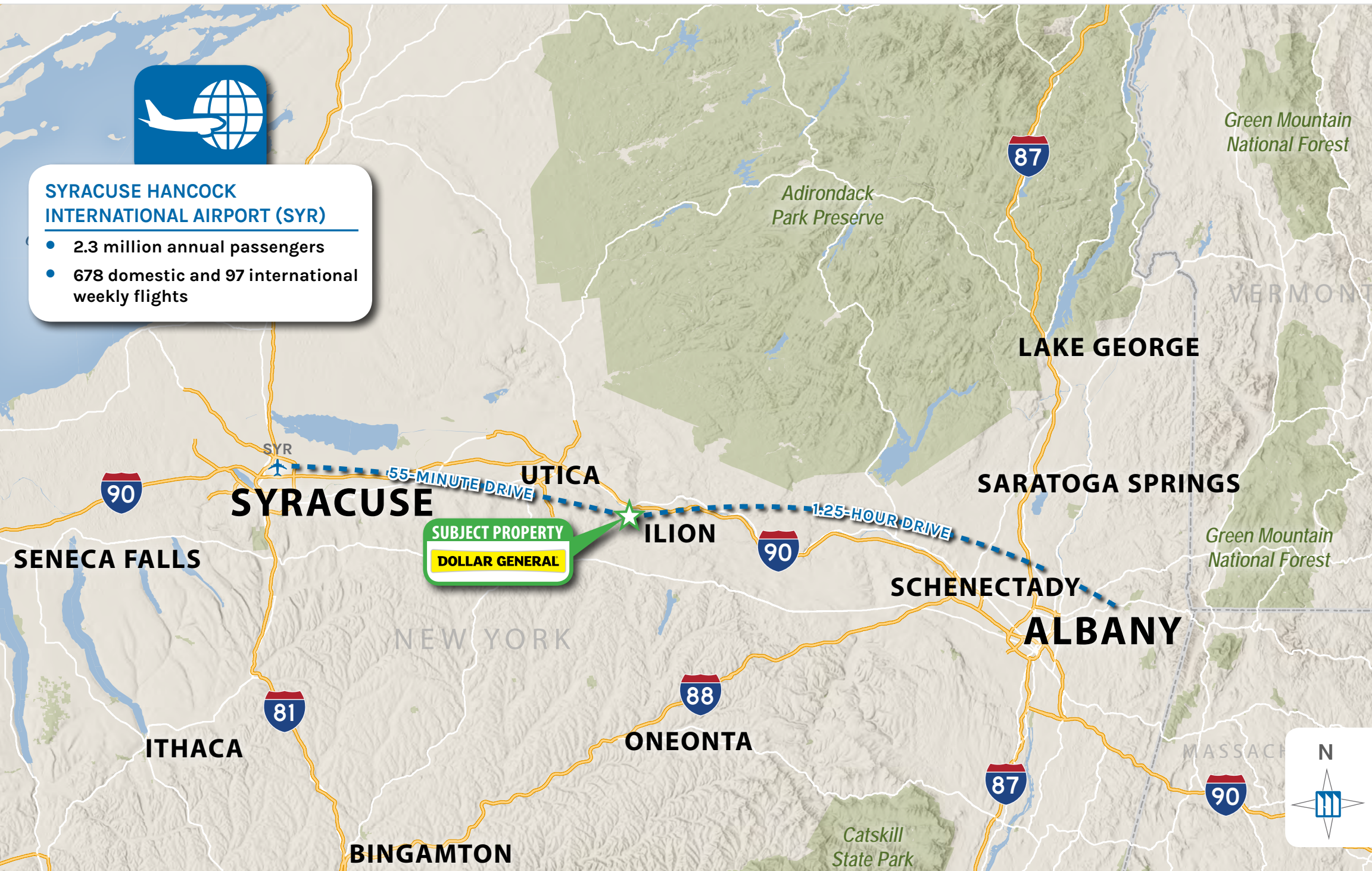
DEMOGRAPHICS

	Population	AHHI
1-Mile Radius	7,668	\$59,783
5-Mile Radius	28,236	\$59,107
10-Mile Radius	54,341	\$63,145



SYRACUSE HANCOCK INTERNATIONAL AIRPORT (SYR)

- 2.3 million annual passengers
- 678 domestic and 97 international weekly flights



Seeking Alpha^α

Dollar General: It Doesn't Get Much Better Than This

August 29, 2019

Following an impressive display by low-price retailers like Burlington Stores (BURL), Walmart (WMT), and Target (TGT) over the past couple of weeks, Dollar General (DG) was the most recent key player in the space to report outstanding results.

The Tennessee-based company delivered an all-around beat and guidance bump in the second quarter, despite recognizing the adverse impact of increased tariff rates on its bottom line through the end of the year at least.

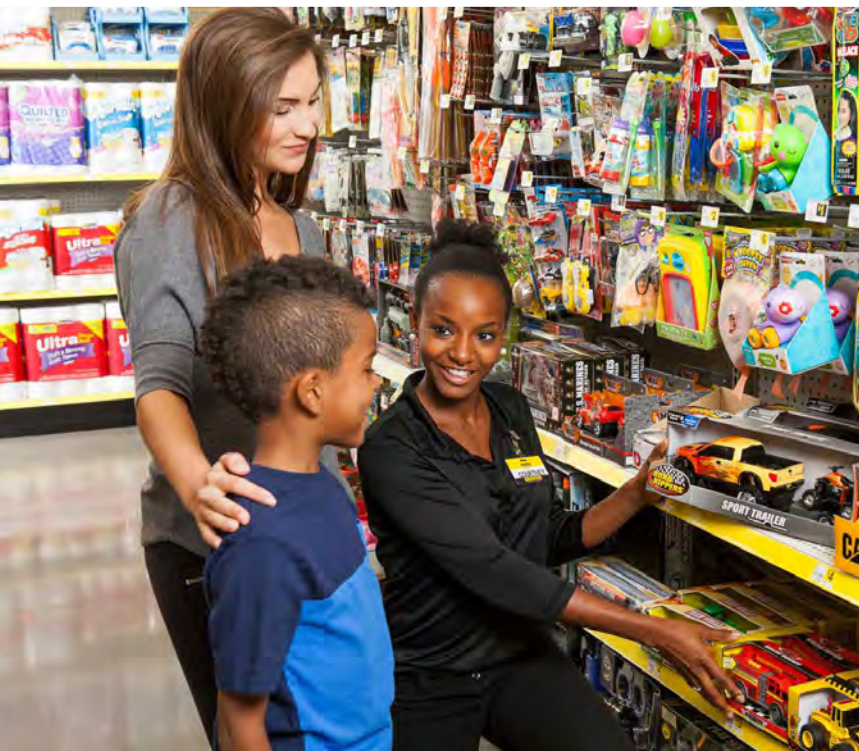
Revenues of \$6.98 billion topped even my more optimistic estimate by \$46 million, despite comps of 4% having matched my expectations (see chart below). Not much of a surprise, the sizable consumables business (now at almost 78% of total revenues) led the charge, growing the most among all segments at nearly 9%. Apparel advanced by only 2%, in line with my de-risked projections and with the company's strategy to focus its efforts on higher growth product categories.

I was impressed by Dollar General's ability to expand gross margin by 13 bps, when I originally expected increased transportation and other supply chain-related costs to cause profitability to shrink slightly. The margin tailwinds may in part also explain the top-line beat: a reduction in markdowns and higher initial markups on inventory purchases.



DOLLAR GENERAL®

- *Dollar General was the most recent player in the low-price retail space to report outstanding second quarter results*
- *Comps matched my more aggressive projections, but margin expansion was an unexpected (but very welcome) surprise*
- *DG's "storm-resistant growth" feature that allows it to thrive in almost any economic environment makes me a high-conviction shareholder*
- *Revenues of \$6.98 billion topped even my more optimistic estimate by \$46 million*



DOLLAR GENERAL®

Dollar General Corporation is a discount retailer offering a range of merchandise comprising consumables, seasonal, home products, and apparel. Originally founded as a family-owned business in Scottsville, Kentucky in 1939, the company changed its name to Dollar General Corporation when it went public on the NYSE in 1968. As of March 2019, the company has approximately 135,000 employees in 15,597 retail stores located in 44 states.

The company reported annual sales of \$25.6 billion for 2018. Same store sales increased 3.2% from the prior year—the company's 29th straight year with an increase. Dollar General is ranked #119 on the Fortune 500 rankings of the largest U.S. corporations by total revenue.

In Q1 2019, the company's revenue increased by 8.2% (\$400 million) compared to Q1 2018. Comparable sales expanded by 3.8%, also exceeding management's full-year outlook, which calls for 2.5% growth. Dollar General closed the Q1 2019 quarter with a store count of 15,597, which equates to a net new store growth rate of 5.6% against the prior-year quarter.

Dollar General plans to execute approximately 2,075 real estate projects estimated in fiscal 2019. This expansion plan includes opening 975 new stores and remodeling 1,000 existing stores to enhance store sections such as beauty and health food. Dollar General also plans to test an initiative that allows shoppers to buy online and pick up at stores. The company believes this will increase store traffic as well as provide a boost in online sales.

- **#119 "Largest U.S. Companies by Total Revenue"** - Fortune (2019)
- **#40 "Top U.S. Importers"** - Jc.com (2019)

Company Type: Public (NYSE: DG; S&P: BBB)
Locations: 15,597
Website: www.dollargeneral.com



Herkimer County, New York

- Located in central New York state, northwest of Albany, and east of Syracuse
- 64,500 population; 25% of the U.S. and Canadian populations are located within a 300-mile radius
- 4-hour drive to New York City, Niagara Falls, Buffalo, Toronto, Boston, and Montreal
- Part of the Utica-Rome MSA; 7th largest MSA in New York with a population in excess of 300,000 people

ECONOMY

- The largest industries are health care, social assistance, manufacturing, and retail trade
- Top employers include Remington Arms, Herkimer County Government & Agencies, Wal-Mart Superstore, Herkimer Area Resource Center, and Little Falls Hospital
- **Tech Valley** - A 19-county region in eastern New York State; home to 1,000+ technology companies with a \$5 billion annual economic impact
- Consistently ranked among the counties with the lowest per-capita local taxes in the state
 - No local income taxes; no local or state taxes on personal property or inventory; 8.25% combined state and local sales tax
- **Herkimer Diamonds** - World-famous, beautifully doubly terminated quartz crystals faceted by nature that are unique to the area
- **The Adirondacks** - One of the nation's largest parks; offers recreational opportunities year-round, including skiing, camping, and hiking the high peaks
- **Herkimer County Community College** - 3,000 undergraduates
 - Named by the Aspen Institute as one of the nation's top 150 community colleges, eligible to compete for the 2019 Aspen Prize

DEVELOPMENT

- **Quad-C at SUNY POLY Utica Power Electronics Manufacturing Consortium** - \$500 million renovation that will produce the next generation of power electronics; 300 new jobs created
- **Tractor Supply Company** - \$97 million distribution center in Frankfort, NY; 350 planned new hires; completed
- **JBK Stainless** - Manufacturer of stainless-steel equipment for food and cosmetic industries; located in Frankfort, plans to complete a new facility that will employ up to 70 people

Ilion, New York

- #28 "Places with Lowest Cost of Living in New York" – Niche (2019)
- **Mohawk River** - 149-mile long river; largest tributary of the Hudson River; flows into the Hudson in Cohoes, NY
- **Remington Arms** - Top employer and largest U.S. manufacturer of shotguns and rifles; America's oldest gunmaker celebrated 200 years of operation in 2016
- Major industries include health care, social assistance, manufacturing, and educational services
- 4.5% increase in average household income last year



\$5B

**ECONOMIC IMPACT
FROM LOCAL RISING
TECH VALLEY**

25%

**OF ALL U.S. & CANADIAN
POPULATIONS ARE
WITHIN 300 MILES**

4.5%

**INCREASE IN AVERAGE
HOUSEHOLD INCOME
LAST YEAR**





	<u>1-Mile</u>	<u>5-Mile</u>	<u>10-Mile</u>
Population			
2023 Projection	7,616	28,208	54,450
2018 Estimate	7,668	28,236	54,341
2010 Census	7,921	29,090	55,525
2000 Census	8,233	29,037	54,984
Households			
2023 Projection	3,147	11,709	22,357
2018 Estimate	3,148	11,618	22,046
2010 Census	3,260	12,005	22,604
2000 Census	3,291	11,825	21,934
2018 Est. Population by Single-Classification Race			
White Alone	7,253	26,635	50,657
Black or African American Alone	136	649	1,652
American Indian and Alaska Native Alone	27	88	130
Asian Alone	48	195	478
Native Hawaiian and Other Pacific Islander Alone	-	6	16
Some Other Race Alone	48	167	391
Two or More Races	161	515	1,038
2018 Est. Population by Ethnicity (Hispanic or Latino)			
Hispanic or Latino	262	844	1,766
Not Hispanic or Latino	7,406	27,392	52,575
2018 Est. Average Household Income	\$59,783	\$59,107	\$63,145

CONFIDENTIALITY AGREEMENT

DOLLAR GENERAL



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The information contained herein does not purport to provide a complete or fully accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective buyers may need or desire. All financial projections are based on assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Broker and, therefore, are subject to material variation. This Marketing Package does not constitute an indication that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the information herein. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective buyers.

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\$6+ BILLION
retail sales nationwide



SHARED DATABASE
collaborative proprietary database



TOP BROKERAGE GLOBALLY
in investment sales



COSTAR POWER BROKER
top sales brokers & firm in OC



NATIONWIDE REACH
retail & investors across the U.S.