

DOLLAR GENERAL

OFFERING MEMORANDUM

506 ROUTE 66 | MILAN, NM 87020



EXCLUSIVELY LISTED BY

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REPRESENTATIVE PHOTO

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INVESTMENT HIGHLIGHTS

- **Strong Location** – Situated on Historic Route 66, one of the most famous roads in the United States, drawing tourists from all over the world
- **Extremely Strong Tenant** – Dollar General Corporation reported a 9.18% increase in revenue from 2018 and a Market Cap of \$41.4 Billion. DG (NYSE) stock price has grown 600% since its IPO in 2009
- **Absolute NNN Lease** – the tenant is responsible for all operating expenses of the property including repair of the roof and structure, providing an investor passive income and no management responsibility
- **Rare Rent Increase** – The lease calls for a 3.00% rent increase on 11/1/2021, providing for a hedge against inflation. Additionally, there are 10% rent increases in each of the option periods
- **Dollar General** holds a strong investment-grade credit rating of BBB and is the market leader in dollar stores with roughly 15,000 locations nationwide
- **Dollar General** recently formed a strategic partnership with FedEx and Western Union: the partnership will encourage a more diverse customer base, of which they believe will stick around and shop

The logo for Dollar General is displayed within a yellow, rounded rectangular banner with a grey drop shadow. The text "DOLLAR GENERAL" is written in a large, bold, black, sans-serif font. A registered trademark symbol (®) is located at the top right of the word "GENERAL".

DOLLAR GENERAL®

DOLLAR GENERAL®

Annualized Operating Data

	Monthly Rent	Annual NOI	Rent PSF	Cap Rate
Current - 10/31/2021	\$7,158.33	\$85,900	\$9.52	7.80%
11/1/2021 - 10/31/2026	\$7,373.08	\$88,477	\$9.80	8.03%
Option 1	\$8,110.39	\$97,325	\$10.78	8.84%
Option 2	\$8,921.43	\$107,057	\$11.86	9.72%
Option 3	\$9,813.57	\$117,763	\$13.05	10.69%
Option 4	\$10,794.93	\$129,539	\$14.35	11.76%
Option 5	\$11,874.42	\$142,493	\$15.79	12.94%

Tenant Summary

Tenant Trade Name	Dollar General
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NNN
Original Lease Term	15 years
Lease Commencement Date	10/23/11
Rent Commencement Date	11/1/11
Lease Expiration Date	10/31/26
Term Remaining on Lease	7 Years
Increases	3% in Year 11, 10% in Options
Options	Five, 5-year options



ADDRESS

506 Route 66
Milan, NM 87020



LIST PRICE

\$1,101,282



CAP RATE

7.80%



GLA

± 9,026 SF



LOT SIZE

± 0.96 AC



YEAR BUILT

2011

DOLLAR GENERAL®



PARENT TRADE NAME

Dollar General
Corporation



NO. OF LOCATIONS

± 13,000



YEAR FOUNDED

1939



HEADQUARTERED

Goodlettsville, TN

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.

GEOGRAPHIC REACH

Dollar General operates nearly 13,000 stores in 43 US states in 2015. About 10% of its stores are in Texas and another 20% are spread across Florida, Georgia, Ohio, and North Carolina.

AREA MAP

DOLLAR GENERAL

SANTA FE.....± 140 MI

ALBUQUERQUE.....± 80 MI

ROUTE 66

The subject property is located along the famous U.S. Route 66, also known as the Main Street of America. The highway, which became one of the most famous roads in the United States, originally ran from Chicago, Illinois, through Missouri, Kansas, Oklahoma, Texas, New Mexico, and Arizona before ending in Santa Monica, California. Although the actual route 66 has been replaced by segments of the Interstate Highway System, the towns that it passes through have adopted significant bypassed sections of the former US 66 into their state road networks.



MILAN, NM

Milan is a village in Cibola County, NM. A suburb of Grants, Milan has many new houses and service-oriented businesses are being built. Interstate 40 runs through the village, allowing travelers easy access when passing through. The village of Milan sits approximately 80 miles west of Albuquerque, which is frequently visited by locals. Albuquerque is the most populous city in New Mexico. Albuquerque lies at the center of the New Mexico Technology Corridor, a concentration of high-tech private companies and government institutions along the Rio Grande. Larger institutions whose employees contribute to the population include Sandia National Laboratories, Kirtland Air Force Base, Intel, Rio Rancho, Northrop Grumman, and Tempur-Pedic.

DEMOGRAPHICS

POPULATION	3 Mile	5 Mile	7 Mile
2010 Census	5,962	14,250	14,970
2019 Estimate	5,736	13,669	14,390
2024 Projection	5,656	13,459	14,181

HOUSEHOLDS	3 Mile	5 Mile	7 Mile
2010 Census	1,806	4,747	5,045
2019 Estimate	1,744	4,587	4,881
2024 Projection	1,718	4,522	4,814

INCOME	3 Mile	5 Mile	7 Mile
Average HH Income	\$52,059.00	\$51,723.54	\$51,918.10



ALBUQUERQUE, NM

Albuquerque is home to the University of New Mexico, the largest public flagship university in the state. UNM includes a School of Medicine which was ranked in the top 50 primary care-oriented medical schools in the country. UNM offers bachelor's, master's, doctoral, and professional degree programs in multiple fields. Its Albuquerque campus encompasses over 600 acres, and there are branch campuses in Gallup, Los Alamos, Rio Rancho, Taos, and Los Lunas. The main university campus is located in the lower Heights of Albuquerque just east of Downtown Albuquerque, and is the focal point for the neighborhoods surrounding it; the neighborhoods to the immediate south and west are home to a large population of students. However, the vast majority of UNM's student population live off-campus around the Albuquerque metropolitan area, with only just over 2,000 living in on-campus housing. There are over 400 student-run organizations on campus, which include academic, athletic, ethnic, honorary, political, religious, and service groups, as well as fraternities and sororities. Annually, UNM brings in roughly 18,800 students, and will only continue as time goes on.

CONFIDENTIALITY & DISCLAIMER STATEMENT

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

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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.

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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.

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