



DOLLAR GENERAL

10-YEAR NET LEASE DOLLAR STORE WITH REPLACEABLE RENT

TOPEKA, KS



CAPITAL PACIFIC

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DOLLAR GENERAL

2620 NE SARDOU AVENUE, TOPEKA, KS 66616

\$1,350,000
PRICE

7.00%
CAP

NOI: **\$94,500**

LEASE TYPE: **CORPORATE NN***

LEASE TERM: **10 YEARS**

LEASABLE AREA: **8,056 SF**

LAND AREA: **0.77 AC**

YEAR RENOVATED: **2020**

****New 20-year roof warranty in place***

10-YEAR NN LEASE WITH CORPORATE GUARANTY

FOUR 5-YEAR OPTIONS TO EXTEND AT 10% RENT INCREASES

RARE, LARGE CITY LOCATION – 31,363 RESIDENTS WITHIN 3 MILES

\$25.6B REVENUE COMPANY – INVESTMENT GRADE CREDIT

REPLACEABLE RENT - \$11 PER SF



THE OFFERING

Capital Pacific is pleased to present the opportunity to acquire Dollar General in Topeka, Kansas. The subject property features a 10-year lease with a corporate guaranty from Dollar General. Additionally, there are four 5-year option to renew the lease at 10% rent increases at each option. The NN lease limits Landlord's responsibilities to roof & structure. The property is a renovation of an existing store.

Dollar General currently operates over 15,000 stores in 44 states, making it the largest small-box discount retailer in the country. In the 2018 fiscal year, Dollar General generated \$25.6B in revenue and had a net income of \$1.6B, placing it #123 on the Fortune 500 list (by revenue). Dollar General's stock is up 44% over the past 12 months.

Topeka is the capital city of Kansas and 5th largest city in the state, with a population of 127,139. The Topeka metro area encompasses a population of nearly 234,000 residents. The city's economy is driven primarily by state government, as well as healthcare and manufacturing. The area household income is above \$58,000 within a 5 mile radius.

**DOLLAR GENERAL IS
THE COUNTRY'S
LARGEST SMALL-BOX
DISCOUNT RETAILER**

Income & Expense

PRICE		\$1,350,000
Capitalization Rate:		7.00%
Building Size (SF):		8,056
Lot Size (Acres):		0.77
STABILIZED INCOME		PSF
Scheduled Rent	\$11.73	\$94,500
Effective Gross Income	\$11.73	\$94,500
EXPENSES		PSF
Operating Costs	NNN	\$0.00
Taxes	NNN	\$0.00
Insurance	NNN	\$0.00
NET OPERATING INCOME		\$94,500

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Rent Roll

Tenant Info		Lease Terms		Rent Summary				
Tenant Name	Sq. Ft.	Term		Current Rent	Monthly Rent	Yearly Rent	Monthly Rent/Ft	Yearly Rent/Ft
Dollar General	8,056	1/20/2020	1/31/2030	\$94,500	\$7,875	\$94,500	\$0.98	\$11.73
	Option 1	2/1/30	1/31/35		\$8,663	\$103,950	\$1.08	\$12.90
	Option 2	2/1/35	1/31/40		\$9,529	\$114,345	\$1.18	\$14.19
	Option 3	2/1/40	1/31/45		\$10,482	\$125,780	\$1.30	\$15.61
	Option 4	2/1/45	1/31/50		\$11,530	\$138,357	\$1.43	\$17.17
TOTALS:	8,056			\$94,500	\$7,875	\$94,500	\$0.98	\$11.73

Lease Abstract



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RENT

BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
1/20/2020 - 1/31/2030	\$7,875	\$94,500

OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#1. 2/1/2030 - 1/31/2035	\$8,663	\$103,950
#2. 2/1/2035 - 1/31/2040	\$9,529	\$114,345
#3. 2/1/2040 - 1/31/2045	\$10,482	\$125,780
#4. 2/1/2045 - 1/31/2050	\$11,530	\$138,357

PREMISE & TERM

TENANT	Dollar General
LEASE GUARANTEED BY	DG Retail, LLC (Corporate)
LEASE TYPE	Corporate NN
INITIAL TERM	10 Years
RENT COMMENCEMENT	January 20, 2020
OPTIONS	Four 5-year options (10% rent bumps for each option)

EXPENSES

PROPERTY TAXES	Tenant's Responsibility
INSURANCE	Tenant's Responsibility
COMMON AREA	Tenant's Responsibility
REPAIRS & MAINTENANCE	Tenant's Responsibility
HVAC	Tenant's Responsibility
UTILITIES	Tenant's Responsibility
ROOF & STRUCTURE	Landlord's Responsibility

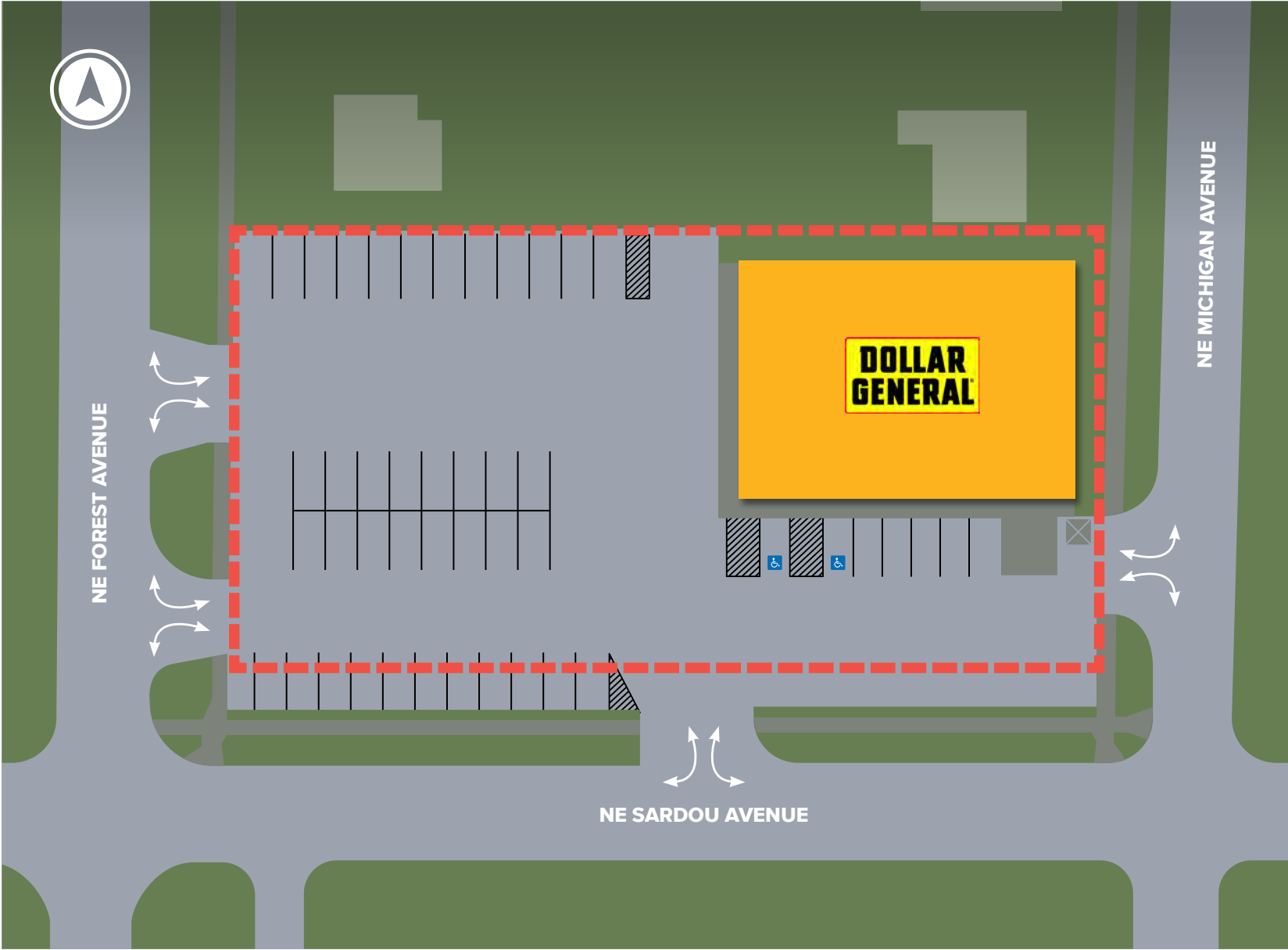
The details contained within the Lease Abstract are provided as a courtesy to the recipient for purposes of evaluating the Property's initial suitability. While every effort is made to accurately reflect the terms of the lease document(s), many of the items represented herein have been paraphrased, may have changed since the time of publication, or are potentially in error. Capital Pacific and its employees explicitly disclaim any responsibility for inaccuracies and it is the duty of the recipient to exercise an independent due diligence investigation in verifying all such information, including, but not limited to, the actual lease document(s).

Site Plan

sf
8,056
RENTABLE SF

ac
0.77
ACRES

46
SPACES



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Tenant Overview

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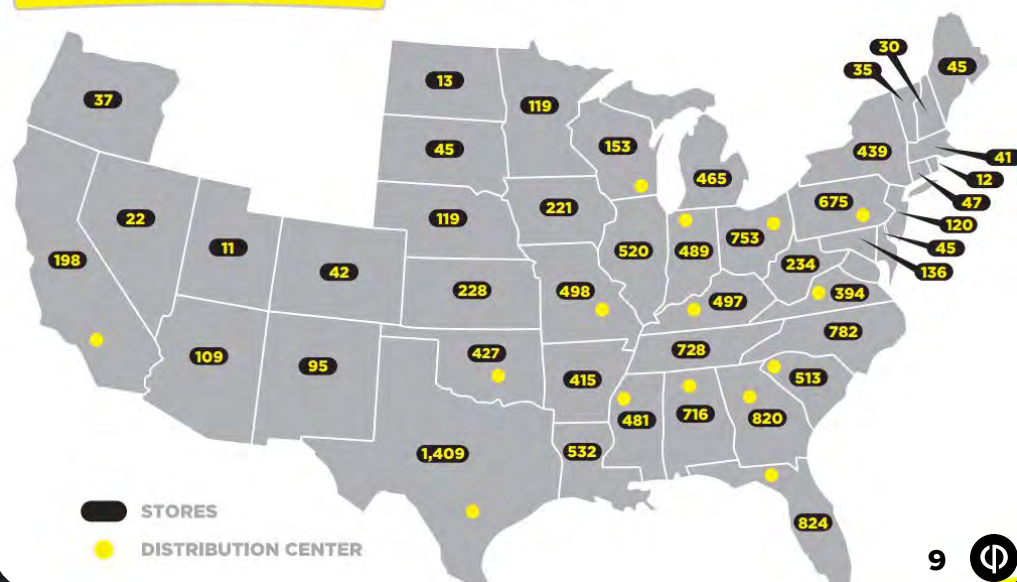
ABOUT DOLLAR GENERAL

Dollar General (NYSE: DG) is a chain of more than 16,000 discount stores in 44 states, primarily in the South, East, Midwest, and Southwest. Offering basic household items, such as cleaning supplies, health and beauty aids, apparel, and food, it targets low, middle, and fixed-income shoppers.

The company has grown to be the country's largest small-box discount retailer. Stores are often located in small towns off the radar of giant discounters. One of Dollar General's main advantages is that it offers prices as low or lower than Walmart but in more convenient locations. Dollar General has more stores than any other retailer and is easily the largest dollar store chain.

\$25.6 Billion in 2018 Sales
16,094+ Locations in 44 States

DOLLAR GENERAL IN 44 STATES



DOLLAR GENERAL IS DOMINATING IN AMERICA. HERE'S HOW IT KEEPS ITS PRICES SO LOW

August 30, 2018 (Business Insider) Dollar General is taking over the United States.

This no-frills, bargain-hunters' paradise is growing at a level that is largely "unthinkable" in retail, Credit Suisse analysts wrote in June.

In 2017, Dollar General opened new locations at a rate of around four stores a day. In 2018, 900 more stores are slated to open at a rate of about three stores a day.

While competitors have been squeezed by growing competition online and from Amazon, Dollar General and the dollar-store sector, in general, have flourished, swooping in and offering customers prices that are 20% to 40% lower than grocery and drug stores. On Thursday, it continued its 28-year long sales growth streak, reporting a 3.7% increase in same-store sales during the second-quarter of 2018.

Sales at US dollar stores grew to \$45.3 billion from \$30.4 billion between 2010 and 2015. Moody's said it expects this market to grow 8% in 2018, which is about double the growth of what is expected for US retail in general during the same period.

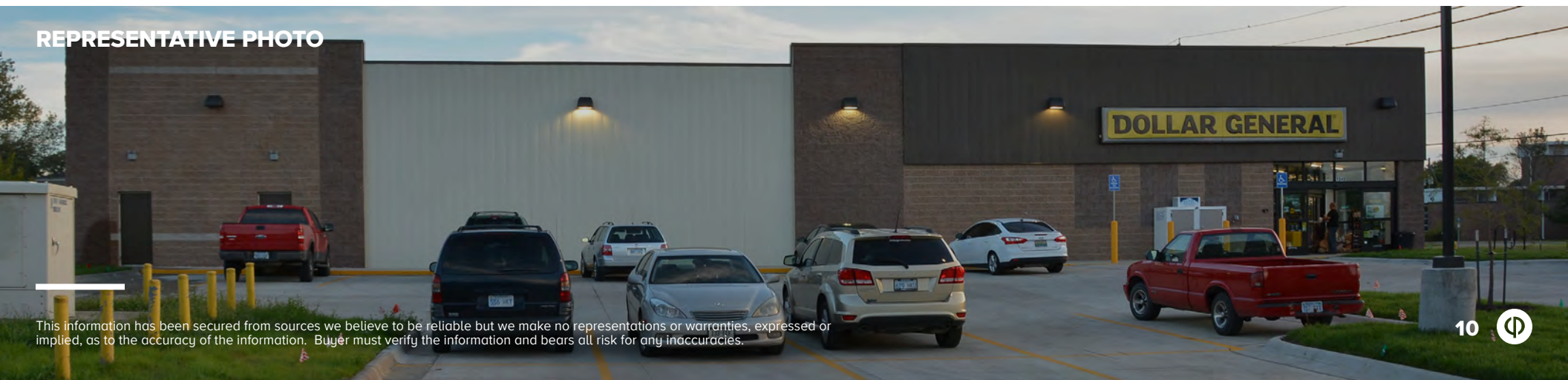
Since it opened its first store in a small town in Kentucky in 1955, Dollar General has stayed true to its roots, predominantly serving rural and suburban low-income customers. The retailer's target shopper comes from a household making \$40,000 or less a year and is often living in areas called "food deserts," meaning they are miles away from access to grocery stores.

In a call with investors on Thursday, Todd Vasos, CEO of the company, said that the chain is also attracting higher-income shoppers and foot traffic to its stores is improving, despite the strength of the economy and customers having more money in their pockets.

"Even in a good economy, she [the customer] is still looking for value and convenience," he said.

[READ THE FULL ARTICLE](#)

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Dollar General Press Release

DOLLAR GENERAL CORPORATION REPORTS 4.0% SAME-STORE SALES GROWTH FOR FOURTH QUARTER 2018

Mar. 14, 2019 (BUSINESS WIRE) Dollar General Corporation (NYSE: DG) today reported financial results for its fiscal year 2018 fourth quarter (13 weeks) and fiscal year (52 weeks) ended February 1, 2019.

Fourth Quarter Net Sales Increased 8.5%; Fiscal Year Net Sales Increased 9.2%

Fourth Quarter Same-Store Sales Increased 4.0%; Fiscal Year Same-Store Sales Increased 3.2%

Fourth Quarter Diluted Earnings Per Share (“EPS”) of \$1.84; Fiscal Year Diluted EPS of \$5.97

Annual Cash Flows From Operations Increased 18.9% to \$2.1 Billion

\$1.3 Billion Returned to Shareholders in the Fiscal Year through Share Repurchases and Cash Dividends

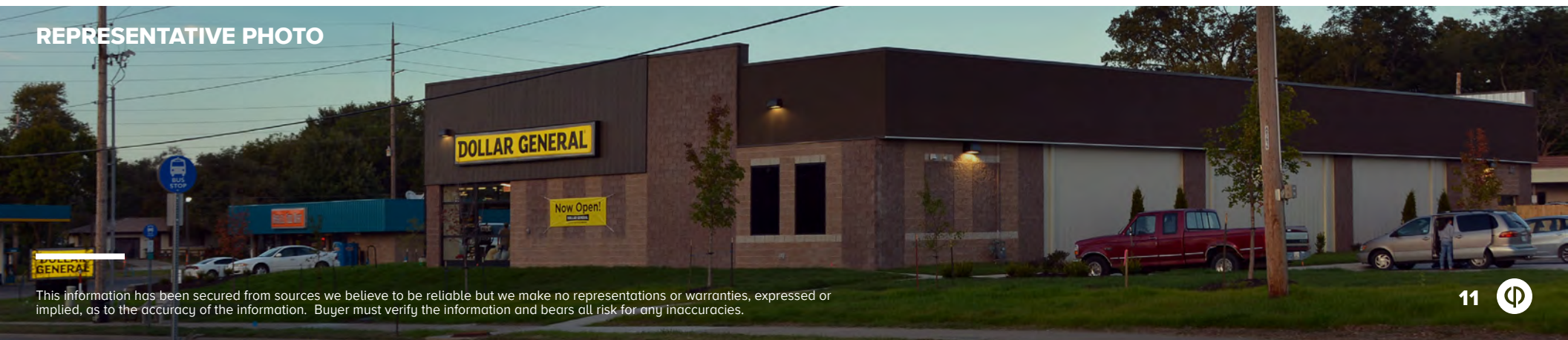
Board of Directors Declares Increased Quarterly Cash Dividend of \$0.32 Per Share; Increases Share Repurchase Program Authorization by \$1.0 Billion. This comes on top of the 830 stores it opened last year and dozens it updated with new fixtures and better products to improve customer experience.

“DG is aggressively moving into rural, low-income, food deserts that are either underserved or not served at all by mom-&-pop shops or grocers,” Perkins said. “They sell low-cost goods typically in smaller sizes and packages to keep costs lower than bulk products sold in grocers, discounters, and warehouse clubs. As they are generally closer to low-income consumers, they better serve consumer fill-in trips during the week and saving a trip out to a grocery store, a Walmart or a Target.”

[READ THE PRESS RELEASE](#)

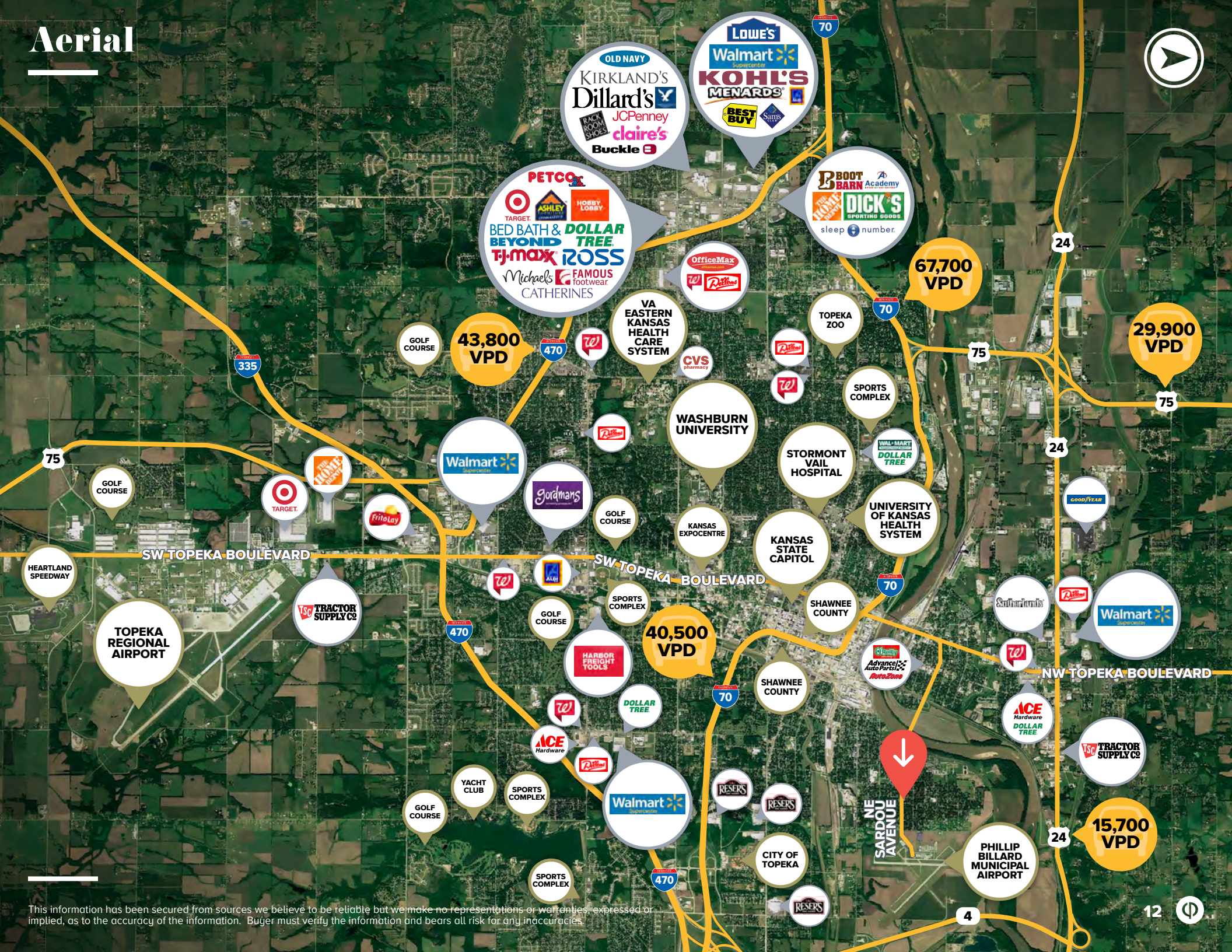
**FISCAL YEAR 2018
WAS THE 29TH
CONSECUTIVE YEAR
OF SAME-STORE
SALES GROWTH**

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Aerial



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Demographics



POPULATION

	1-MILES	3-MILES	5-MILES
2019	5,333	31,363	85,179

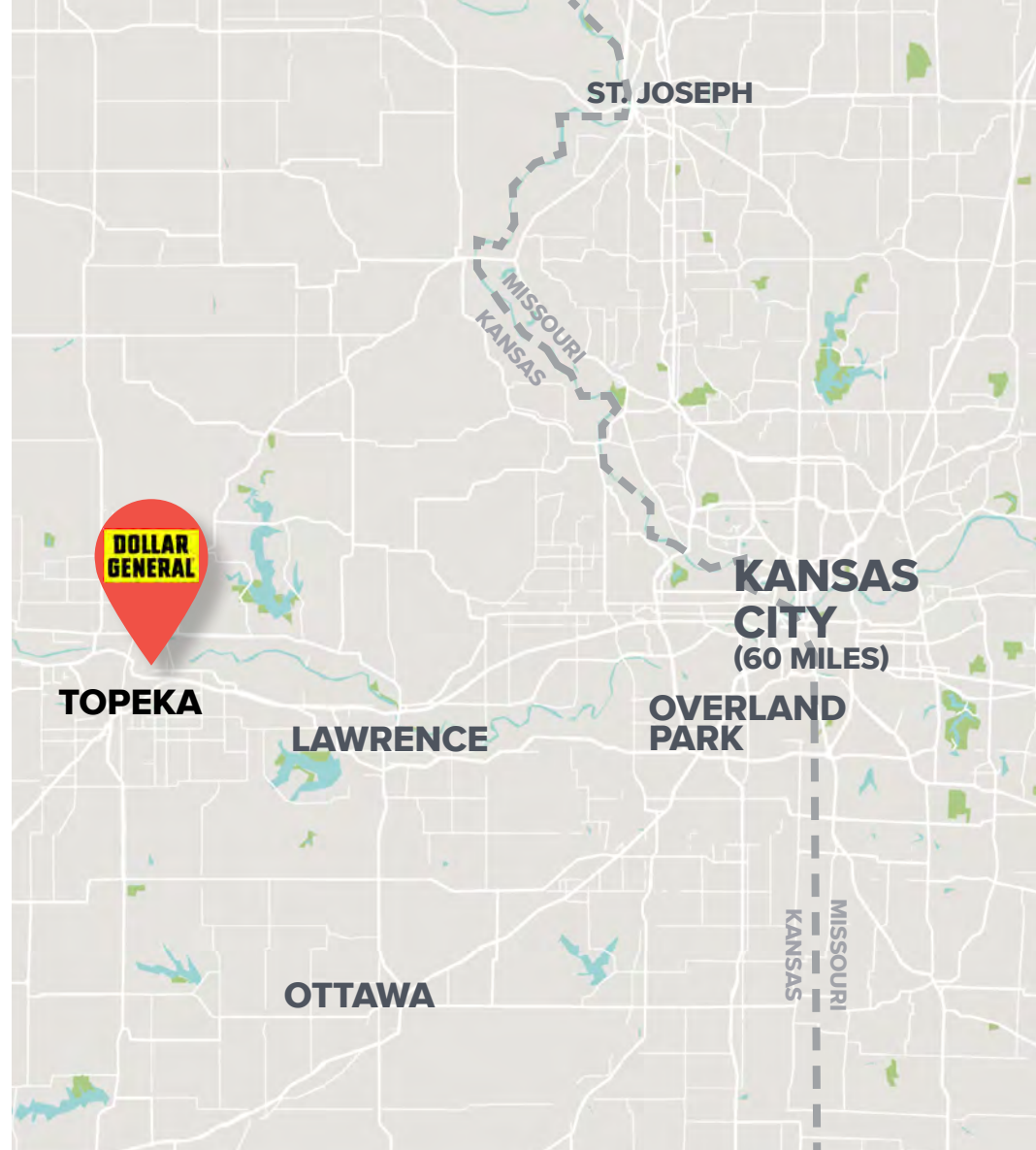


2019 HH INCOME

	1-MILES	3-MILES	5-MILES
Average	\$50,031	\$47,548	\$58,646

TOP EMPLOYERS

EMPLOYER	# OF EMPLOYEES
State of Kansas	8,402
Stormont-Vail HealthCare	3,100
Topeka USD #501	2,538
Blue Cross and Blue Shield of Kansas	1,817
St. Francis Health Center	1,800
Washburn University	1,651



**THE AVERAGE HOUSEHOLD
INCOME WITHIN A 5-MILE RADIUS
IS OVER \$58K**



TOPEKA, KANSAS

KANSAS STATE CAPITOL BUILDING

TOPEKA, the capital city of Kansas and the county seat of Shawnee County, is situated along the Kansas River 60 miles west of Kansas City.

Topeka's regional medical community is nationally recognized for offering high-quality, low cost care. A multitude of community outreach services, including neighborhood clinics, prevention programs, and services for children and low income individuals, are provided by two general hospitals and five specialized hospitals that collectively employ over 8,000 people.

Topeka's largest employer is the State of Kansas - employing about 8,400 people. The city's four school districts employ nearly 4,700 people, and Washburn University employs an additional 1,200 faculty with a student population of approximately 8,000.

Topeka is situated at the crossroads of several major highways and interstates, six of which converge in Topeka, providing easy access to on and off ramps and to all points in the city. In addition, I-70 is a major east-west interstate highway spanning most of the country, from Pennsylvania to Utah.

The city served by the Topeka Regional Airport, and is also only an hour drive from the Kansas City International Airport.



**TOPEKA MSA
POPULATION
(ESTIMATED)**

234,195

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