

DOLLAR GENERAL[®]



CORPORATE
SINGLE-TENANT INVESTMENT

RED BUD
ILLINOIS

Actual Site Photo

Marcus & Millichap
THE KLINK GROUP

OFFERING MEMORANDUM

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EXCLUSIVELY LISTED BY THE KLINK GROUP OF MARCUS & MILLICHAP

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Marcus & Millichap
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EXECUTIVE SUMMARY

THE OFFERING

The Klink Group of Marcus & Millichap has been retained as exclusive advisor to market for sale a single-tenant Dollar General investment property located in Red Bud, Illinois. The offering has extremely attractive real estate fundamentals and has been operating as a Dollar General for 22+ years since originally being built-to-suit for the tenant in 1998.

Dollar General has renewed all of their remaining renewal option periods in the current lease and is paying a very low rental rate of only \$4.65 per square foot, substantially below their same store average rental rates which creates rental rate upside potential upon lease expiration. The price per square foot of the offering is also below replacement cost at \$62 per square foot. The free-standing 8,250-square foot retail building is located in Redbud's main commercial corridor near many national retailers, the local school district & the community's Regional Hospital.

The offering presents an incoming investor a low price point investment with many building and site updates recently completed including parking lot, roof, interior, and HVAC. The site has proven performance and is operated by Dollar General (NYSE:DG) a Fortune 200 recession resistant, essential retailer with more than 16,000 stores across 45 states. At year-end 2019, the company had annual revenue of \$27.7 billion and shareholder equity of \$6.7 billion with an investment-grade corporate credit rating through both, Standard & Poor's and Moody's.

Location

**1525 S. Main Street
Red Bud, IL 62278**

Offering Price

\$512,000

Cap Rate

7.50%

Building Square Footage

8,250

Year Built

1998

RECENT BUILDING & SITE UPDATES

2019

New Parking Lot

2017

New Roof

2017

Interior Store Remodel

2014

New HVAC Equipment

INVESTMENT HIGHLIGHTS

- Corporate Fortune 200 Tenant - Investment-Grade Corporate Credit
- Essential, Recession Resistant Discount Retailer With Long-Term Proven Performance
- 22+ Year Proven Historical Occupancy – Building Built-to-Suit For Dollar General in 1998
- Attractive Real Estate Fundamentals – Offered Below Replacement Cost at \$62 Per Square Foot
- Low Price Point Investment With Minimal Landlord Responsibilities
- Value-Add Upside Potential – Low \$4.65 PSF Rent With No Remaining Renewal Option Periods
- Many Capital Expenditures Recently Completed Including Roof & Parking Lot
- Zero Market Competition – Only Dollar Store/Discount Retailer
- Retailers in the Immediate Area Include McDonald's, Dairy Queen, Pizza Hut, Verizon Wireless, Subway, NAPA Auto Parts, Ace Hardware, IGA and Edward Jones

LEASE SUMMARY

Tenant Name
Dollar General

Lease Type
Double-Net

Guarantor
Corporate

Annual Net Operating Income
\$38,400

Lease Commencement Date
March 1998

Lease Expiration Date
August 31, 2024

Options/Increases
None

Roof & Structure
Landlord



LEASE SUMMARY

ABOUT DOLLAR GENERAL

Dollar General operates more than 16,090 stores in 45 states as of March, 2020, primarily in the Southern and Eastern US, the Midwest, and the Southwest. The company offers basic household supplies including cleaning supplies, health and beauty aids, food and apparel. In addition to high-quality private brands, Dollar General sells products from America's most-trusted manufacturers such as Clorox, Energizer, Procter & Gamble, Hanes, Coca-Cola, Mars, Unilever, Nestle, Kimberly-Clark, Kellogg's, General Mills, and PepsiCo. Dollar General is currently introducing fresh produce into their product mix as well as partnering with FedEx for improved distribution in rural areas. Most merchandise carried in the Dollar General stores is priced between \$1 and \$35.

DOLLAR GENERAL & FEDEX TEAM UP

FedEx Corp. and DG announced a strategic alliance that will offer new, convenient access to FedEx drop-off and pickup at thousands of DG stores designed to increase access for all customers.

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Annual Revenue In Billions
(2019)

\$27.7 B

Billions in Net Worth
(2019)

\$6.7 B

Fortune 500 Ranking

#119

NYSE
(Ticker Symbol)

DG

S&P Credit Rating

BBB

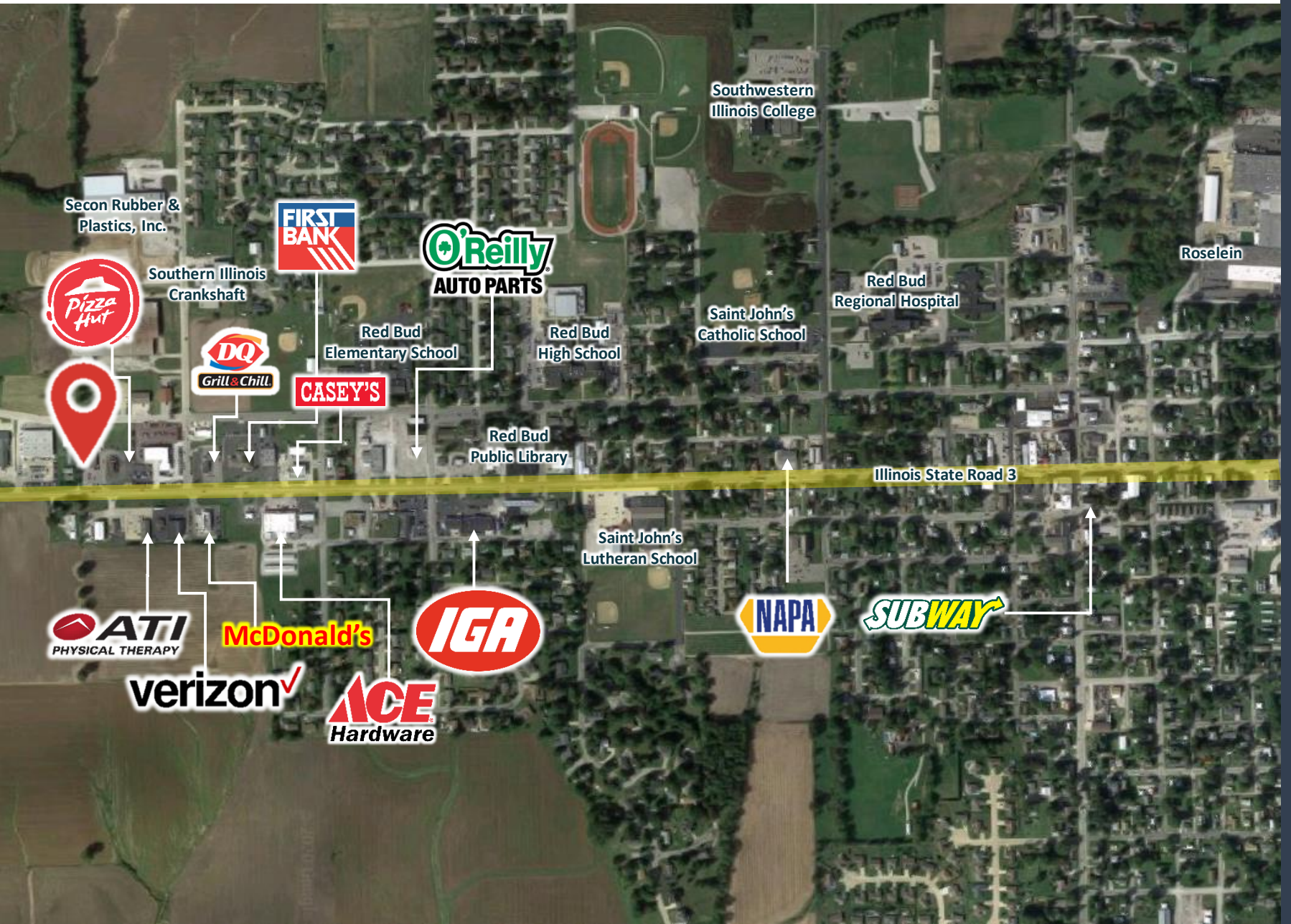
Headquarters

Goodlettsville, TN

LEASE SUMMARY

LOCATION OVERVIEW

AERIAL



LOCATION OVERVIEW

ABOUT RED BUD, ILLINOIS

- **Red Bug Regional Hospital:** Red Bud Regional Care's Rehabilitation and Senior Living is a 115-bed, Joint Commission accredited and Medicare-certified skilled nursing facility that offers both short- and long-term care.
- **Red Bud Public Schools:** Red Bud High School contains approximately 375 students between the grades 9-12 and Red Bud Elementary School has approximately 619 students between pre-kindergarten and 8th grade.
- **Downtown Red Bud:** Red Bud, Illinois offers a unique blend of small-town living, great schools, retail establishments, services, and industry that is often found in much larger communities. Red Bud is a city in Randolph County with a population of approximately 4,300 residents. The city itself encompasses an area of 2.45 square miles and has a variety of local and regional retail tenants as well as manufacturing and warehousing companies.
- **Southwestern Illinois College:** Southwestern Illinois College is a public community college in Illinois with campuses in Belleville, Granite City, and Red Bud. It also has off-campus sites throughout the district, including Scott Air Force Base and the East St. Louis Community College Center. The college offers associate degrees and certificates.



DEMOGRAPHICS

<u>Radius</u>	3 Mile	5 Mile	10 Mile
Population:			
2025 Projection	4,269	5,787	12,604
2020 Estimate	4,331	5,860	12,679
2010 Census	4,548	6,176	13,199
Growth 2020-2025	(1.43%)	(1.25%)	(0.59%)
Growth 2010-2020	(4.77%)	(5.12%)	(3.94%)
2020 Population Hispanic Origin	55	69	148
Households:			
2025 Projection	1,753	2,341	4,981
2020 Estimate	1,779	2,372	5,016
2010 Census	1,869	2,502	5,230
Growth 2020 - 2025	(1.46%)	(1.31%)	(0.70%)
Growth 2010 - 2020	(4.82%)	(5.20%)	(4.09%)
Owner Occupied	1,332	1,833	4,102
Renter Occupied	448	540	914
2020 Avg Household Income	\$78,417	\$80,413	\$79,630
2020 Med Household Income	\$59,847	\$65,250	\$64,945
2020 Households by Household Inc.:			
<\$25,000	309	358	680
\$25,000 - \$50,000	354	486	1,170
\$50,000 - \$75,000	325	446	996
\$75,000 - \$100,000	360	469	853
\$100,000 - \$125,000	181	245	470
\$125,000 - \$150,000	107	172	377

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