



# Dollar General - Hector

NEQ Highway Avenue East & State Highway 4, Hector, Minnesota 55342

\*REPRESENTATIVE IMAGE



# Dollar General - Hector

NEQ Highway Avenue East & State Highway 4  
Hector, Minnesota 55342

**CONFIDENTIAL OFFERING MEMORANDUM**

**EXCLUSIVE LISTING BROKERS**

**James Mangum**

*Senior Associate, Capital Markets*

[jmangum@edge-cm.com](mailto:jmangum@edge-cm.com)

214.545.6941

**Brandon Beeson**

*Principal, Capital Markets*

[bbeeson@edge-cm.com](mailto:bbeeson@edge-cm.com)

214.545.6916

**Sandy Stinson**

*Stinson Real Estate Brokerage*

[stinsonbrokerage@msn.com](mailto:stinsonbrokerage@msn.com)

507.289.5778

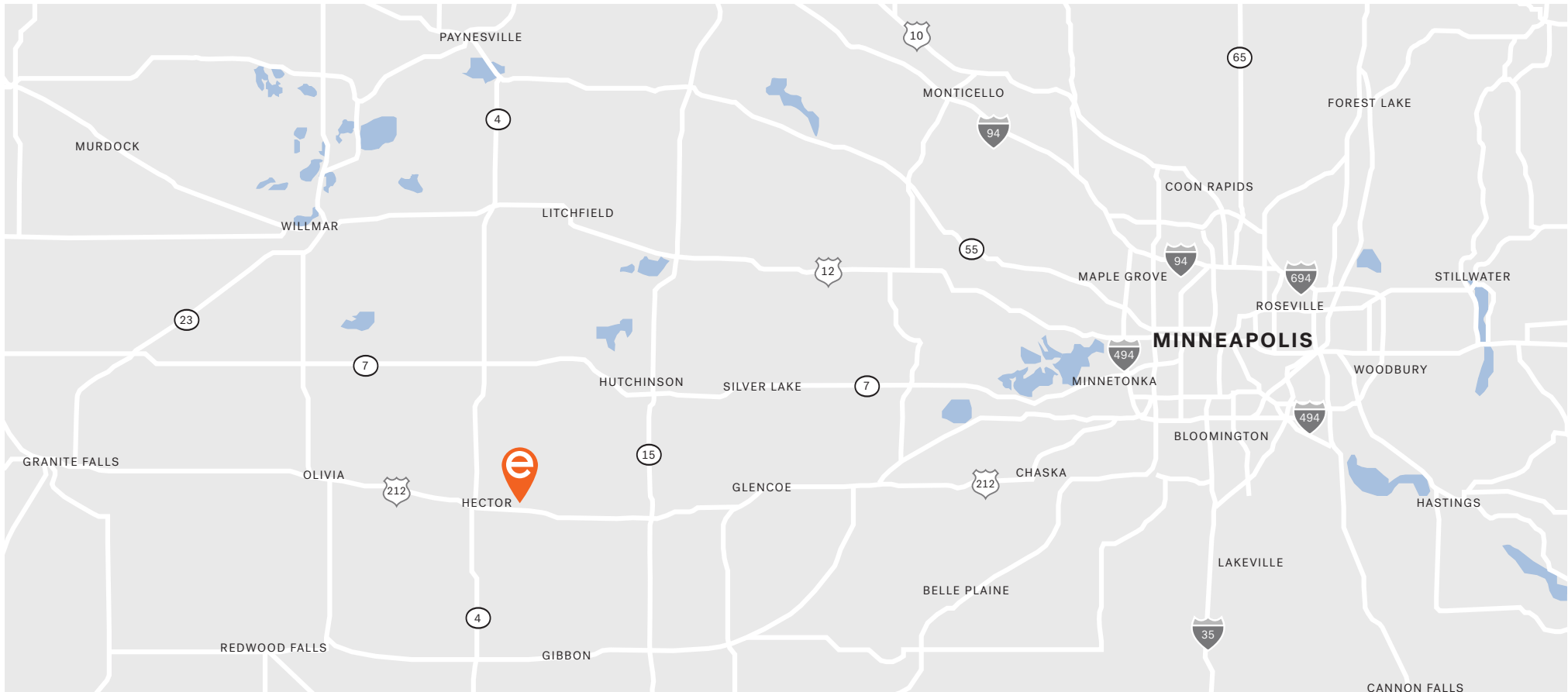
**Edge Realty Capital Markets**

5950 Berkshire Lane, Suite 700, Dallas, Texas 75225

214.545.6900 | [edge-re.com](http://edge-re.com)

<b>THE PROPERTY</b>	<b>4</b>
PROPERTY OVERVIEW	5
EXECUTIVE SUMMARY	6
TENANT PROFILE	7
AERIAL	8
DEMOGRAPHICS	9
<b>THE FINANCIALS</b>	<b>10</b>
FINANCIAL SUMMARY	11
RENT ROLL	12
CASH FLOW	13
LEASE EXPIRATIONS	14
SALE COMPARABLES	15
LEASE ABSTRACT	16
<b>DISCLAIMER</b>	<b>17</b>

PROPERTY	Dollar General - Hector	GLA	9,026 sf
		PRICE	\$1,251,731
LOCATION	751 Highway Avenue East, Hector, Minnesota 55342	CAP RATE	6.50%



- OVERVIEW**
  - Absolute NNN lease - fee simple ownership - zero landlord responsibilities
  - Corporate guaranteed by Dollar General Corp. (NYSE: DG)
  - Dollar General is a strong, nationally recognized company - S&P Investment Grade Credit Rating: BBB
  - Newer construction (built in 2016)
- Excellent visibility along main thoroughfare - located on the corner of State Highway 4 (Main Street) & US Route 212 (Highway Avenue East)
  - Ideal demographics for a family dollar store with no competition in the trade area

PRICE	\$1,251,731
PRICE PSF	\$138.68
CAP RATE	6.50%
ADDRESS	751 Highway Avenue East Hector, Minnesota 55342
GLA	9,026 sf
LAND AREA	1.51 ac
YEAR BUILT	2016
OCCUPANCY	100%
PARKING	40 spaces / 4.43 per 1,000 sf
ZONING	Commercial
BUILDING EXTERIOR	Stucco and metal exterior
ROOF	Flat
HVAC	Central units
SITE LIGHTING	Pole and building mounted lights
PARKING LOT	Good condition. Concrete

## INVESTMENT OVERVIEW

Dollar General - Hector ("Property") is a 9,026 square foot freestanding Dollar Store located along Highway Avenue East in Hector, Minnesota. The Property is a freestanding, fee simple interest, corporate guaranteed, absolute NNN Dollar General. The lease is guaranteed by Dollar General Corporation (NYSE: DG), an investment grade tenant with a credit rating of BBB. There are 11 years remaining on the recently extended 15-year lease, demonstrating Dollar General's long-term commitment to the location.

## PRIME LOCATION

The Property is located on the corner of State Highway 4 (the main north-south thoroughfare) and Highway Avenue East (the main east-west thoroughfare). The Property has ideal demographics for a Dollar Store serving more than 2,100 people within a 5-mile radius with an average household income of \$64,808.

## MARKET OVERVIEW

Hector is a city in Renville County, Minnesota, located about 82 miles west of Minneapolis, the largest MSA in Minnesota. The City of Hector has a population of 1,062 and according to the United States Census Bureau, the city has a total area of 1.56 square miles. US Route 212 and Minnesota State Highway are tow of the main arterial routs in the city.

**DOLLAR GENERAL®**

Founded in 1939 by J.L. Turner and Cal Turner Sr., Dollar General Corporation is an American discount retailer that offers a selection of merchandise, including consumables, seasonal, home products and apparel. The Company sells national brands from manufacturers, such as Procter & Gamble, PepsiCo, Coca-Cola, Nestle, General Mills, Unilever, Kimberly Clark, Kellogg's and Nabisco, which are typically found at higher retail prices elsewhere. Additionally, its private brand consumables offer even greater value with options to purchase value items and national brand equivalent products at substantial discounts to the national brand. Today, Dollar General operates more than 15,000 stores in 44 states, making it the nation's largest small-box discount retailer in the U.S.

Dollar General had fiscal year 2019 net sales of \$27.8 billion, over \$11.6 billion in total assets, and an investment grade rating of "BBB" by Standard and Poors. Their solid credit rating qualifies them as "Investment Grade" allowing even the most conservative REITS and Trusts to purchase real estate leased to this tenant.



**15,000+ locations in the U.S.**



**Loyal and growing customer base for 81 years**

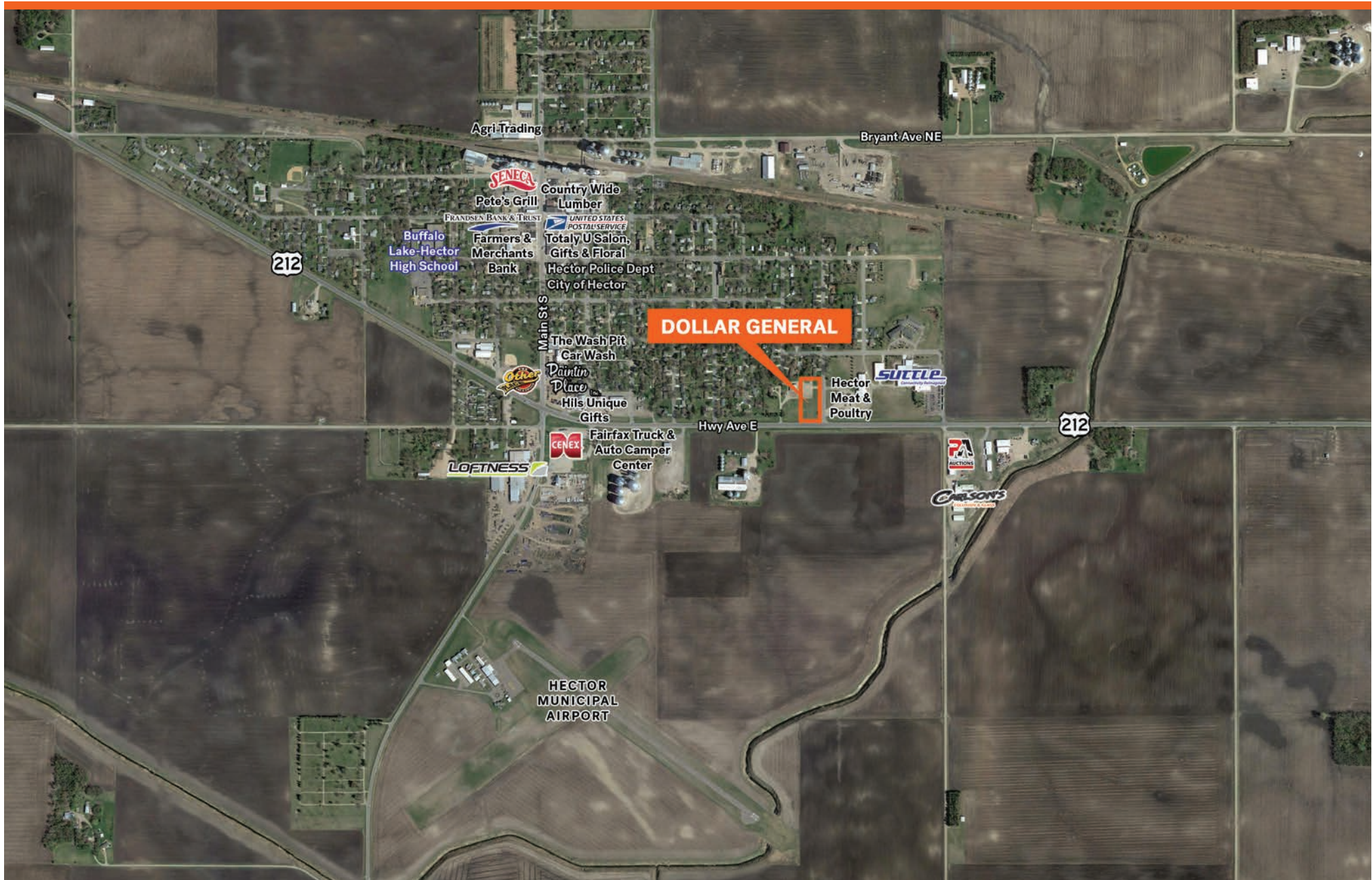


**Annual sales of \$27.8 billion**

### Tenant Overview

<b>COMPANY</b>	Dollar General
<b>TYPE</b>	Public
<b>INDUSTRY</b>	Discount retailer
<b>HEADQUARTERS</b>	Goodlettsville, TN
<b>YEARS IN BUSINESS</b>	81
<b># OF LOCATIONS</b>	2,300+
<b>NET SALES</b>	\$27.8 billion
<b>WEBSITE</b>	dollargeneral.com





	5 MI RADIUS	10 MI RADIUS	20 MI RADIUS
<b>POPULATION</b>			
TOTAL POPULATION	2,191	4,577	31,342
TOTAL DAYTIME POPULATION	1,842	3,614	24,337
PROJECTED ANNUAL GROWTH 2010 TO 2024	-6.74%	-5.88%	-6.75%
2024 PROJECTED POPULATION	2,043	4,308	29,226
% FEMALE POPULATION	50.00%	49.00%	50.00%
% MALE POPULATION	50.00%	51.00%	50.00%
MEDIAN AGE	44.7	46.7	42.7
<b>BUSINESS</b>			
TOTAL EMPLOYEES	1,071	1,841	14,603
TOTAL BUSINESSES	89	163	988
% WHITE COLLAR EMPLOYEES	25%	24%	32%
<b>HOUSEHOLD INCOME</b>			
ESTIMATED AVERAGE HOUSEHOLD INCOME	\$64,808	\$68,799	\$68,956
ESTIMATED MEDIAN HOUSEHOLD INCOME	\$55,536	\$58,392	\$58,608
ESTIMATED PER CAPITA INCOME	\$31,971	\$34,248	\$31,523
<b>HOUSEHOLD</b>			
TOTAL HOUSING UNITS	1,030	2,220	14,318
% HOUSING UNITS OWNER-OCCUPIED	10.10%	11.85%	9.01%
% HOUSING UNITS RENTER-OCCUPIED	89.90%	88.15%	90.99%
<b>RACE &amp; ETHNICITY</b>			
% WHITE	93.88%	95.65%	94.91%
% BLACK OR AFRICAN AMERICAN	0.27%	0.26%	0.54%
% ASIAN	0.37%	0.26%	0.65%
% HAWAIIAN OR PACIFIC ISLANDER	5.43%	3.82%	3.90%
% HISPANIC POPULATION	7.49%	5.07%	4.58%
% NOT HISPANIC POPULATION	92.51%	94.93%	95.42%



# The Financials



ANALYSIS SUMMARY

ANALYSIS START DATE	4/1/2020
HOLD PERIOD	10
LAND AREA	65,776
GLA	9,026
OCCUPIED GLA	9,026
IN-PLACE OCCUPANCY	100.00%

PURCHASE SUMMARY

PRICE	\$1,251,731
PRICE PSF (IMPROVEMENTS)	\$138.68
PRICE PSF (LAND)	\$19.03
IN-PLACE NOI	\$81,363
IN-PLACE CAP RATE	6.50%
YEAR 1 NOI	\$81,363
YEAR 1 CAP RATE	6.50%

REVERSION ANALYSIS

YEAR 11 NOI	\$81,363
RESIDUAL CAP RATE	7.00%
SALES PRICE	\$1,162,329
PRICE PSF (IMPROVEMENTS)	\$128.78
PRICE PSF (LAND)	\$17.67

RETURNS (SEE PROPOSED DEBT STRUCTURE)

	ALL-CASH	LEVERAGED
AVERAGE CASH ON CASH / YIELD ON EQUITY	6.50%	8.11%
IRR	5.66%	8.82%
MULTIPLE	1.54x	1.92x

PROPOSED DEBT STRUCTURE

LOAN AMOUNT	\$876,212
LTV	70.00%
INITIAL LOAN AMOUNT	\$876,212
INTEREST RATE	4.00%
TERM (YEARS)	10 years
AMORTIZATION (YEARS)	30 years
INTEREST ONLY (MONTHS)	0 months
MONTHLY PAYMENT	\$4,183
ANNUAL PAYMENT	\$50,198
LOAN FEE	1.00%
EQUITY REQUIRED	\$375,519
IN-PLACE DSCR (AMORTIZING)	1.62x
DEBT YIELD*	4.78%
DEBT CONSTANT	5.73%



TENANT	SUITE	SF	% OF GLA	LEASE START	LEASE EXPIRATION	DATE	MONTHLY RENT	ANNUAL RENT	RENT PSF	EXPENSE REIMBURSEMENT METHOD	OPTIONS
Dollar General	100	9,026	100.00%	7/14/2016	7/31/2031	CURRENT	\$6,780.21	\$81,363	\$9.01	Absolute Net	5x5 Year Options w/ 10% Escalations
	OCCUPIED SF	9,026	100.00%								
	VACANT SF	0	0.00%								
	TOTAL AREA	9,026	100.00%								
							TOTAL IN-PLACE RENT	\$81,363			



## Cash Flow

	IN-PLACE PSF	IN-PLACE	PRO FORMA PSF	YEAR 1 YE 3/31/2021	YEAR 2 YE 3/31/2022	YEAR 3 YE 3/31/2023	YEAR 4 YE 3/31/2024	YEAR 5 YE 3/31/2025	YEAR 6 YE 3/31/2026	YEAR 7 YE 3/31/2027	YEAR 8 YE 3/31/2028	YEAR 9 YE 3/31/2029	YEAR 10 YE 3/31/2030	YEAR 11 YE 3/31/2031
REVENUE														
BASE RENTAL REVENUE	\$9.01	\$81,363	\$9.01	\$81,363	\$81,363	\$81,363	\$81,363	\$81,363	\$81,363	\$81,363	\$81,363	\$81,363	\$81,363	\$81,363
ABSORPTION & TURNOVER VACANCY		-		-	-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS REVENUE	\$9.01	\$81,363	\$9.01	\$81,363	\$81,363	\$81,363	\$81,363	\$81,363	\$81,363	\$81,363	\$81,363	\$81,363	\$81,363	\$81,363
NET OPERATING INCOME		\$81,363		\$81,363	\$81,363	\$81,363	\$81,363	\$81,363	\$81,363	\$81,363	\$81,363	\$81,363	\$81,363	\$81,363
DEBT SERVICE														
INTEREST				(\$34,768)	(\$34,139)	(\$33,485)	(\$32,804)	(\$32,095)	(\$31,358)	(\$30,590)	(\$29,791)	(\$28,960)	(\$28,094)	-
PRINCIPAL				(\$15,430)	(\$16,059)	(\$16,713)	(\$17,394)	(\$18,103)	(\$18,840)	(\$19,608)	(\$20,407)	(\$21,238)	(\$22,104)	-
CASH FLOW AFTER DEBT SERVICE		\$81,363		\$31,165	\$31,165	\$31,165	\$31,165	\$31,165	\$31,165	\$31,165	\$31,165	\$31,165	\$31,165	\$81,363



# Lease Expirations

TENANT	SUITE	SF	% OF GLA	EXPIRATION	ANALYSIS YEAR 1 3/31/2021	ANALYSIS YEAR 2 3/31/2022	ANALYSIS YEAR 3 3/31/2023	ANALYSIS YEAR 4 3/31/2024	ANALYSIS YEAR 5 3/31/2025	ANALYSIS YEAR 6 3/31/2026	ANALYSIS YEAR 7 3/31/2027	ANALYSIS YEAR 8 3/31/2028	ANALYSIS YEAR 9 3/31/2029	ANALYSIS YEAR 10 3/31/2030	THEREAFTER
Dollar General	100	9,026	100.00%	7/31/2031											9,026 sf
ANNUAL SF EXPIRING % of GLA					0 sf 0.00%	0 sf 0.00%	0 sf 0.00%	0 sf 0.00%	0 sf 0.00%	0 sf 0.00%	0 sf 0.00%	0 sf 0.00%	0 sf 0.00%	0 sf 0.00%	9,026 sf 100.00%
NO. OF TENANTS															1
CUMULATIVE SF EXPIRED % of GLA					0 sf 0.00%	0 sf 0.00%	0 sf 0.00%	0 sf 0.00%	0 sf 0.00%	0 sf 0.00%	0 sf 0.00%	0 sf 0.00%	0 sf 0.00%	0 sf 0.00%	9,026 sf 100.00%





## Sale Comparables

	PROPERTY	ADDRESS	CITY, ST	YEAR BUILT	BUILDING SIZE	OCCUPANCY AT SALE	PRICE	PSF	CAP RATE	DATE OF SALE
SUBJECT	Dollar General	751 Hwy Ave E	Hector, MN	2016	9,026	100.0%	\$1,251,731	\$138.68	6.50%	-
1	Dollar General	307 Main Ave W	Deer River, MN	2017	9,100	100.0%	\$1,244,978	\$136.81	6.75%	3/22/2018
2	Dollar General	22452 Country Road 3	Merrifield, MN	2017	9,026	100.0%	\$1,256,183	\$139.17	6.70%	9/28/2018
3	Dollare General	714 E Cedar St	Houston, MN	2019	7,500	100.0%	\$1,200,000	\$160.00	6.38%	11/7/2019
4	Dollar General	10127 N County Hgwy K	Hayward, WI	2017	7,500	100.0%	\$1,128,297	\$150.44	6.50%	10/3/2018
5	Dollare General	715 S Lake Ave	Phillips, WI	2017	9,100	100.0%	\$1,207,703	\$132.71	6.50%	4/26/2018
6	Dollar General	5 W South St	Manly, IA	2016	9,026	100.0%	\$1,169,000	\$129.51	6.75%	7/9/2018
7	Dollar General	59 N sunset Dr	Saint Anne, IL	2019	9,100	100.0%	\$1,509,141	\$165.84	6.40%	OTM
AVERAGES				2017	8,622	100.0%	\$1,245,043	\$144.93	6.57%	



# Lease Abstract

<b>TENANT:</b>	<b>DG Retail, LLC dba Dollar General</b>			
<b>SQUARE FOOTAGE:</b>	9,026			
<b>ORIGINAL SQUARE FOOTAGE:</b>	9,026			
<b>ADDITIONAL SQUARE FOOTAGE:</b>	N/A			
<b>SPECIFIC USE:</b>	Tenant shall use the leased premises for lawful retail purposes			
<b>DOCUMENTATION:</b>	Lease dated June 23, 2015			
<b>RENT COMMENCEMENT DATE:</b>	July 14, 2016			
<b>LEASE EXPIRATION DATE:</b>	July 31, 2031			
<b>TERM:</b>	15 years			
<b>SECURITY DEPOSIT:</b>	\$0.00			
<b>BASE RENT:</b>	<b>Period</b>	<b>Per Month</b>	<b>Annual</b>	<b>PSF</b>
	July 14, 2016 - July 31, 2031	\$6,780.21	\$81,362.52	\$9.01
	<b>Renewal Options:</b>			
	August 1, 2031 - July 31, 2036	\$7,458.23	\$89,498.76	\$9.92
	August 1, 2036 - July 31, 2041	\$8,204.06	\$98,448.72	\$10.91
	August 1, 2041 - July 31, 2046	\$9,024.46	\$108,293.52	\$12.00
	August 1, 2046 - July 31, 2051	\$9,926.91	\$119,122.92	\$13.20
	August 1, 2051 - July 31, 2056	\$10,919.60	\$131,035.20	\$14.52
<b>RENEWAL OPTION(S):</b>	5, 5 year renewal options with defined base rental rates			
<b>CAM PAYMENTS:</b>	Tenant is responsible for all maintenance to the premises. Landlord has no obligation			
<b>INSURANCE PAYMENTS:</b>	Tenant will carry its own liability and casualty insurance on the premises. Landlord does not have to hold a concurrent policy			
<b>RE TAX PAYMENTS:</b>	Tenant shall reimburse landlord for any real estate tax expenses associated with ownership of the property			
<b>UTILITIES:</b>	Tenant will pay all charges related to the use of any and all utilities			
<b>TENANT MAINTENANCE:</b>	Tenant shall, at all times during the term of this lease, and at its own cost and expense, keep and maintain or cause to be kept or maintained in good repair and condition the demised premises and all buildings and improvements at any time erected thereon			
<b>LANDLORD MAINTENANCE:</b>	Landlord shall not be required to furnish any maintenance, services, or facilities, or to make any improvements, repairs, or alterations in or to the demised premises			
<b>PERCENTAGE RENT:</b>	N/A			
<b>BREAKPOINT:</b>	N/A			
<b>EXECUTOR:</b>	DG Retail, LLC			
<b>GUARANTOR:</b>	Dollar General Corporation			
<b>ASSIGNEE:</b>	N/A			
<b>CO-TENANCY/TERMINATION:</b>	N/A			
<b>EXCLUSIVES / RESTRICTIONS:</b>	N/A			
<b>ESTOPPEL CERTIFICATE:</b>	Tenant will deliver a signed estoppel certificate within 20 business days of receipt of a written request and a payment of \$500 from the landlord or 5 business days and a payment of \$1,000 from the landlord			
<b>ADDITIONAL INFORMATION:</b>	N/A			



Edge Realty Capital Markets exclusively presents the listing of Dollar General - Hector ("Property") for your acquisition. The owner is offering for sale the Property through its exclusive listing with the team.

Edge Realty Capital Markets and owner provides the material presented herein without representation or warranty. A substantial portion of information must be obtained from sources other than actual knowledge and not all sources can be absolutely confirmed. Moreover, all information is subject to changes by the parties involved as to price or terms before sale, to withdrawal of the Property from the market, and to other events beyond the control of Edge Realty Capital Markets or owner. No representation is made as to

the value of this possible investment other than hypothetical scenarios. It is encouraged that you or any of your affiliates consult your business, tax and legal advisors before making a final determination of value or suitability of the Property for acquisition.

As a condition of Edge Realty Capital Markets' consent to communicate the information contained herein—as well as any information that may be communicated to you subsequently either verbally or in writing by Edge Realty Capital Markets, owner or agents of either of these parties regarding the Property—it is required that you agree to treat all such information confidentially.



# Dollar General - Hector

NEQ Highway Avenue East & State Highway 4  
Hector, Minnesota 55342

**CONFIDENTIAL OFFERING MEMORANDUM**

**EXCLUSIVE LISTING BROKERS**

**James Mangum**

*Senior Associate, Capital Markets*

[jmangum@edge-cm.com](mailto:jmangum@edge-cm.com)

214.545.6941

**Brandon Beeson**

*Principal, Capital Markets*

[bbeeson@edge-cm.com](mailto:bbeeson@edge-cm.com)

214.545.6916

**Sandy Stinson**

*Stinson Real Estate Brokerage*

[stinsonbrokerage@msn.com](mailto:stinsonbrokerage@msn.com)

507.289.5778

**Edge Realty Capital Markets**

5950 Berkshire Lane, Suite 700, Dallas, Texas 75225

214.545.6900 | [edge-re.com](http://edge-re.com)