

DOLLAR GENERAL®

301 W 4th St | Dell Rapids, SD 57022



OFFERING MEMORANDUM

MATTHEWS™
REAL ESTATE INVESTMENT SERVICES

LISTED BY

MICHAEL HAEDER

BROKER OF RECORD

LICENSE NO. 13033 (SD)

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INVESTMENT HIGHLIGHTS

- Brand new 2020 retrofit construction for Dollar General (Rent commencement of 6/7/2020)
- 10-Year NN+ lease (minimal landlord responsibilities)
- Tenant pays an additional \$450 / month as their contribution towards Parking Lot Maintenance
- Attractive 6.50% cap rate for a stabilized investment
- 5-Mile population of 6,401 residents
- Average household income of \$91,444 annually
- Extremely strong corporate guaranty from Dollar General Corporation
- Four, 5-Year renewal options all of which include an attractive 10% rent increase
- One of the highest cap rates Dollar Generals currently on the market
- Dollar General is an essential retailer and has proven to be one of the most profitable companies throughout the COVID-19 pandemic
- Dollar General currently has ±16,750 locations with plans to continue their expansion for the foreseeable future
- Dollar General has an investment-grade credit rating of BBB (S&P) and has reported 34 consecutive quarters of same-store sales growth



WR Creations



SOUTH DAKOTA
DELL RAPIDS
CHAMBER OF COMMERCE



BIG SIOUX RIVER



STATE HWY 115



T & C
CONVENIENCE AND GAS



HIGH PRAIRIE DR



W 4TH STREET



**DOLLAR
GENERAL**

Edward Jones

ACE
Hardware

COUNTY FAIR
Your Hometown Grocer

DR
Dell Rapids
Elementary School

Avera

Dells Nursing & Rehab Center
We Care to Make a Difference

RR
ROCKY RUN
GOLF COURSE

Pizza Ranch

HIGH PRAIRIE DR

BILMAR
INN & SUITES

FASTLINE
EQUIPMENT. FOUND. FAST.

Great Western Bank

WR Creations

T & C
CONVENIENCE AND GAS

H₂Ose it
CAR WASH

SUBWAY

W 4TH STREET

STATE HWY 115

CASEY'S
GENERAL STORE



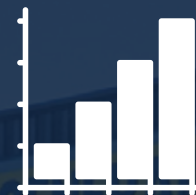
DOLLAR
GENERAL



\$1,311,138
LIST PRICE



\$85,224
NOI



6.50%
CAP RATE

BUILDING INFO

Address	301 W 4th St Dell Rapids, SD 57022
Year Built	2020
GLA	±8,026 SF
Lot Size	±38,624 SF (±0.89 AC)

TENANT SUMMARY

Tenant Trade Name	Dollar General
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NN+
Roof and Structure	LL Responsible
Original Lease Term	10-Years
Lease Commencement Date	6/7/20
Lease Expiration Date	6/30/30
Term Remaining on Lease	±9.5 Years
Increase	10% Every 5-Years in Options
Options	Four, 5-Year Options

ANNUALIZED OPERATING DATA

Lease Years	Monthly Rent	Annual Rent	CAP
Current - 6/30/30	\$7,102	\$85,224	6.50%
Option 1	\$7,812	\$93,744	7.15%
Option 2	\$8,594	\$103,128	7.87%
Option 3	\$9,453	\$113,436	8.65%
Option 4	\$10,398	\$124,776	9.52%

DEBT QUOTE

Loan quote provided by Matthews™ based on market conditions at this time.
Actual rates and terms will vary based on market conditions at closing.

JESSE LILLARD
(956) 564-2922
jesse.lillard@matthews.com

LTV: 65.00%
RATE: 3.95%
AMORTIZATION: 25

TENANT PROFILE

COMPANY NAME

Dollar General
Corporation

OWNERSHIP

Public

INDUSTRY

Dollar Stores

HEADQUARTERS

Goodlettsville, TN

NO. OF EMPLOYEES

±157,000

DOLLAR GENERAL

Dollar General is the fastest-growing retailer which currently boasts roughly 16,750 neighborhood general stores in 46 US states, primarily in the South, East, Midwest, and the Southwest. Roughly 75% of Dollar General's sales are derived from consumables (including refrigerated, shelf-stable, and perishable foods,) in addition to everyday household items such as paper towels, bath tissues, paper dinnerware, laundry, and home cleaning supplies. Dollar General offers some of America's most trusted name brands such as Clorox, Energizer, Proctor & Gamble, Hanes, Coca-Cola, Mars, Nestlé, Kimberly-Clark, Kellogg's, General Mills, Pepsi, and many others. Over the past few years, Dollar General has started to introduce alcohol and tobacco products such as cigarettes into their product mix, which has further driven revenue and increased profitability.

With its small-box store model typically measuring ± 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 expectation of 29 consecutive years of same-store sales growth in December 2018, attributable to its value and convenience proposition, along with strong consumables and seasonal goods sales.



16,750+

LOCATIONS



\$27.8B

2019 REVENUE



1939

FOUNDED

DELL RAPIDS, SD

With a population of over 3,000 residents, Dell Rapids is a small city in Minnehaha County, SD. The city was named after the rapids of the Big Sioux River that runs through the city.

L.G. Everist Inc, one of the city's major employers, owns two large Sioux Quartzite quarries within the city. Other employers in the city are part of the education, agriculture, and commerce and industry sectors.

Known as a “little city with big attractions”, Dell Rapids has a variety of historical attractions and entertaining annual events. Popular attractions include the historic Downtown Dell Rapids, The Grand Opera House, the Dell Rapids Museum, the Dell Rapids Carnegie Library, and the Sioux River Red Rock Trail. Annual entertainment events include Battle of the Buns, a burger contest, Hop Into Dells, an Easter celebration, and Quarry Days, a celebration of the community's heritage. Located just 20 miles away from Sioux Falls and the state of Minnesota, Dell Rapids is a fine city due to its small-town living with big-city attractions.

PROPERTY DEMOGRAPHICS

POPULATION	3-MILE	5-MILE	10-MILE
2026 Projection	4,926	6,810	10,015
2021 Estimate	4,631	6,401	9,442
2010 Census	4,067	5,628	8,395
Growth 2021-2026	6.37%	6.39%	6.07%
HOUSEHOLDS	3-MILE	5-MILE	10-MILE
2026 Projection	1,871	2,569	3,819
2021 Estimate	1,755	2,410	3,586
2010 Census	1,533	2,106	3,146
Growth 2021-2026	6.61%	6.60%	6.50%
INCOME	3-MILE	5-MILE	10-MILE
Avg. Household Income	\$91,444	\$92,154	\$96,104



**DOLLAR
GENERAL**

±24 MI

**SIOUX
FALLS, SD**



SIOUX FALLS, SD

Sioux Falls “Stone Shatter City” is the most populous city in the U.S. state of South Dakota. It is the county seat of Minnehaha County and extends into Lincoln County to the south, proximate with the Minnesota state line.

As of 2020, Sioux Falls has an estimated population of 195,850 residents. The metropolitan population of 274,914 accounts for more than a quarter of South Dakota’s entire population. Chartered in 1856 on the banks of the Big Sioux River, the city is situated in the rolling hills at the junction of Interstate 90 and Interstate 29.

#1 in Best Small Places for Business and Careers (Forbes, 2019)

#4 in Top 10 Cities for Young Professionals (SmartAsset, 2020)

#10 in 2020 Top 100 Best Places to Live (Livability, 2020)



ECONOMY

Originally centered on quarrying and agriculturally based industries, the economy of Sioux Falls has become diversified and more service-based over the last half-century, making the city a center of financial services, health care, and retail trade.

COMMERCE & INDUSTRY

Partially due to the lack of a state corporate income tax, Sioux Falls is home to several financial companies. The largest employers among these are Wells Fargo and Citigroup. Other important financial service companies in Sioux Falls include Great Western Bank, Western Surety Company (CNA Surety), Total Card Inc., Capital Card Services, Midland National Life Insurance Company, MetaBank, and First Premier Bank.

Sioux Falls is a ***significant regional health care center***. It has four major hospitals: Sanford Health (formerly Sioux Valley), Avera McKennan Hospital, the South Dakota Veterans Affairs Hospital, and the Avera Heart Hospital of South Dakota. Sanford Health and Avera Health are the largest and second-largest employers in the city, respectively. Emergency medical services (EMS) are provided by Paramedics Plus and Sioux Falls Fire Rescue.

Companies based in Sioux Falls include Raven Industries, retailers Lewis Drug and Sunshine Foods, and communications companies SONIFI Solutions and Midco.

MANUFACTURING

While no longer as economically dominant as it once was, the ***manufacturing and food processing sector remain an important component of the economy of Sioux Falls***. The Smithfield Foods/John Morrell meatpacking plant is the city's third-largest employer. Other important manufacturing companies include Orion foods systems, Wheeler Tank, Maguire Iron, Amesbury Group, Raven Industries, Bell Incorporated, and Gage Brothers.

The USGS Center for Earth Resources Observation and Science is approximately 10 miles north of Sioux Falls. It houses one of the largest computer complexes in the Department of the Interior. EROS has approximately 600 government and contractor employees.

ECONOMIC DEVELOPMENT: CJ FOODS USA INC. PLANT

CJ Foods USA Inc., a U.S.-based affiliate of South Korean global lifestyle company CJ CheilJedang, is constructing a 700,000-sq.-ft. plant in Sioux Falls which will include production lines for Asian-style foods and a warehouse and distribution center that will add over 600 new jobs to the city by 2025.

TOURISM

SHOPPING & DINING

Because of the relatively long distances between Sioux Falls and larger cities, Sioux Falls has emerged as an important regional center of shopping and dining. The Empire Mall, with over 180 stores, anchors one of the primary retail zones in the southwest section of the city. This area, centered mainly around the intersection of 41st Street and Louise Avenue, contains many large national chain stores and restaurants.

In Central Downtown, shops line Phillips Avenue, and in the “EastBank” shops and restaurants fill a boardwalk-style center called “8th and Railroad.” “The Bridges” is an outdoor shopping center at the intersection of 57th Street and Western Avenue on the south side of the city that contains over 30 restaurants, boutiques, and private businesses. Dawley Farm Village is another shopping center on the east side of the city at the intersection of Arrowhead Parkway (SD Highway 42) and Veterans Parkway (SD Highway 11, previously known as Powder House Road).

ATTRACTIONS

Sioux Falls has several tourist attractions. Falls Park, a 123-acre park located north of downtown and along the Big Sioux River, features a variety of waterfalls, an observation tower, the Falls Overlook Café, the Queen Bee Mill, and a variety of sculptures. Washington Pavilion is the cultural, education, and entertainment center of Sioux Falls. It features the Husby Performing Arts Center, the Kirby Science Discovery Center, the Washington Pavilion’s Visual Arts Center, and the Wells Fargo CineDome Theater. Hit the slopes at the Great Bear Recreation Park, the largest park in the Sioux Falls Parks & Recreation Department. The park features over 220 acres of recreational space for winter sports which include 14 downhill trails, a terrain park, the Kirby Family Tubing Park, and cross country and snowshoeing trails. The park is also open during the summer for hiking, bird watching, and picnicking along the 4-mile trail system.

EVENTS

Sioux Falls know how to entertain. The city hosts a variety of annual events and festivals each year. The Sioux Empire Livestock Show is attended by over 30,000 people each year as it is the best place to see purebred livestock from across the country. It is regarded as one of the greatest livestock shows in the upper Midwest. The Sidewalk Arts Festival brings together over 240 vendors to the streets that surround Washington Pavilion for a celebration of folk art, fine art, and Dakota cuisine. During the summer, the downtown community hosts Levitt at the Falls, which are 50 free outdoor music concerts.



HIGHER EDUCATION

AUGUSTANA UNIVERSITY

Augustana University is a private Lutheran university in Sioux Falls. Over 2,100 students currently attend the university. The university offers over 100 majors, minors, and pre-professional specializations. Popular majors include nursing, biology, and business administration. It is also the largest private university in South Dakota.



UNIVERSITY OF SIOUX FALLS

University of Sioux Falls is a private Christian university in Sioux Falls. Over 1,600 students currently attend the university. The university offers over 90 undergraduate academic programs and several graduate programs. Popular majors include biology, chemistry, and medicine.



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Dollar General** located at **301 W 4th St | Dell Rapids, SD 57022** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

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

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
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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If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

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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MATTHEWSTM
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