

# DOLLAR GENERAL

Exclusive Net Lease Offering



# OFFERING MEMORANDUM

**DOLLAR GENERAL**

317 Enterprise Ave  
Colman, SD 57017

# Confidentiality and Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease,

including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

## CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

## NON-ENDORSEMENT NOTICE

Marcus & Millichap Real Estate Investment Services, Inc. ("M&M") is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of

M&M, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of M&M, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

## SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)

**DOLLAR GENERAL**





## Table of Contents

Investment Highlights	4
Financial Analysis	5
Concept Overview	7
Surrounding Area	8
Location Overview	9
Local Map	10
Regional Map	11
Demographics	12
Market Overview	13

**DOLLAR GENERAL**



# Investment Highlights

PRICE: \$1,592,233 | CAP: 5.15% | RENT: \$82,000

**DOLLAR GENERAL**

## About the Investment

- ✓ Brand New Construction | Build-to-Suit Dollar General
- ✓ Newly Executed 15-Year Absolute Triple Net (NNN) Lease; Passive Investment Offering a Long-Term Security of Cash Flow
- ✓ Rental Increases of 10% In Each Option Period
- ✓ Tenant Renewal Options: Five Periods of Five Years, Each bringing the Potential Lease Term Remaining to 40 Years
- ✓ Corporate Location | Corporate Guarantee

## About the Location

- ✓ Population Exceeds 4,200 Individuals Within a Ten-Mile Radius
- ✓ Population Projected to Increase Within A Three, Five, and Ten-Mile Radius
- ✓ Features High Visibility and Ease of Access | Positioned Along 235<sup>th</sup> Street
- ✓ Empire Mall | Located Approximately 35-Miles Away | More Than 180 Shops and Services
- ✓ Sioux Falls Regional Airport | Located Approximately 32-Miles Away
- ✓ Colman-Egan School District | 279 Students
- ✓ Affluent Community | Average Household Income Exceeding \$92,000 Within a Three-Mile Radius

## About the Tenant / Brand

- ✓ Only Dollar Store With Investment Grade Credit (S&P:BBB)
- ✓ Well-Suited against Covid-19 with Grocery-Related Products and Low Price-Points in Recessionary Times
- ✓ Lease Guaranteed by Dollar General Corporate (NYSE: DG) | 17,000+ Locations in 46 States
- ✓ 29 Consecutive Years of Same-Store Sales Growth
- ✓ Dollar General has Opened ~1,000 Stores in Each of the Last Three Years



Representative Photo



Representative Photo



# Financial Analysis

PRICE: \$1,592,233 | CAP: 5.15% | RENT: \$82,000

**DOLLAR GENERAL**

## PROPERTY DESCRIPTION

Property	Dollar General
Property Address	317 Enterprise Ave
City, State, ZIP	Colman, SD 57017
Building Size	9,100
Lot Size	+/- 1.15 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$1,592,233
CAP Rate	5.15%
Annual Rent	\$82,000
Rent / SF	\$9.01

## LEASE SUMMARY

Property Type	Net Lease Dollar Store
Guarantor	Corporate
Original Lease Term	15 Years
Lease Commencement	August 31, 2021
Lease Expiration	August 31, 2036
Lease Term Remaining	14+ Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	10% Each Option Period
Options to Renew	Five (5), Five (5)-Year

## RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Initial Term	\$82,000	\$7,846	-
Option Periods			
Option 1	\$90,200	\$7,517	10.00%
Option 2	\$99,220	\$8,268	10.00%
Option 3	\$109,142	\$9,095	10.00%
Option 4	\$120,056	\$10,005	10.00%
Option 5	\$132,062	\$11,005	10.00%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the broker opinion of value for a Dollar General located at 317 Enterprise Avenue in Colman, South Dakota. The property consists of approximately 9,100 square feet of building space and is situated on roughly 1.15 acres of land.

The Dollar General opened in August of 2021 and is subject to a 15-year absolute triple-net (NNN) lease. This lease commenced on August 23, 2021 and expires on August 31, 2036. The current annual rent is \$82,000 and is scheduled to increase 10% in each of the five, five-year tenant renewal option periods. Founded in Goodlettsville, Tennessee, Dollar General Corporation has been delivering value to shoppers for over 75 years. With over 15,000 stores in 45 states Dollar General is among the largest discount retailer.





# Concept Overview

## About Dollar General

Dollar General Corporation has been delivering value to shoppers for over 75 years. Dollar General helps shoppers Save time. Save money. Every day!® by offering products that are frequently used and replenished, such as food, snacks, health and beauty aids, cleaning supplies, clothing for the family, housewares and seasonal items at low everyday prices in convenient neighborhood locations. With over 17,000 stores in 46 states Dollar General is among the largest discount retailers.

The company acquired the 280 stores of the P.N. Hirsh Division of Interco, Inc. (now Heritage Home Group) in 1983, and in 1985 added 206 stores and a warehouse from Eagle Family Discount Stores, also from Interco, Inc. In recent years, the chain has started constructing more stand-alone stores, typically in areas not served by another general-merchandise retailer. In some cases, stores are within a few city blocks of each other.

Dollar General offers both name brand and generic merchandise — including off-brand goods and closeouts of name-brand items — in the same store, often on the same shelf. Although it has the word "dollar" in the name, Dollar General is not a dollar store. Most of its products are priced at more than \$1.00. However, goods are usually sold at set price points the range of .50 to 60 dollars, not counting phone cards and loadable store gift cards. In the United States. In addition to high quality private brands, Dollar General sells products from America's most-trusted manufacturers such as Procter & Gamble, Kimberly-Clark, Unilever, Kellogg's, General Mills, Nabisco, Hanes, PepsiCo and Coca-Cola.

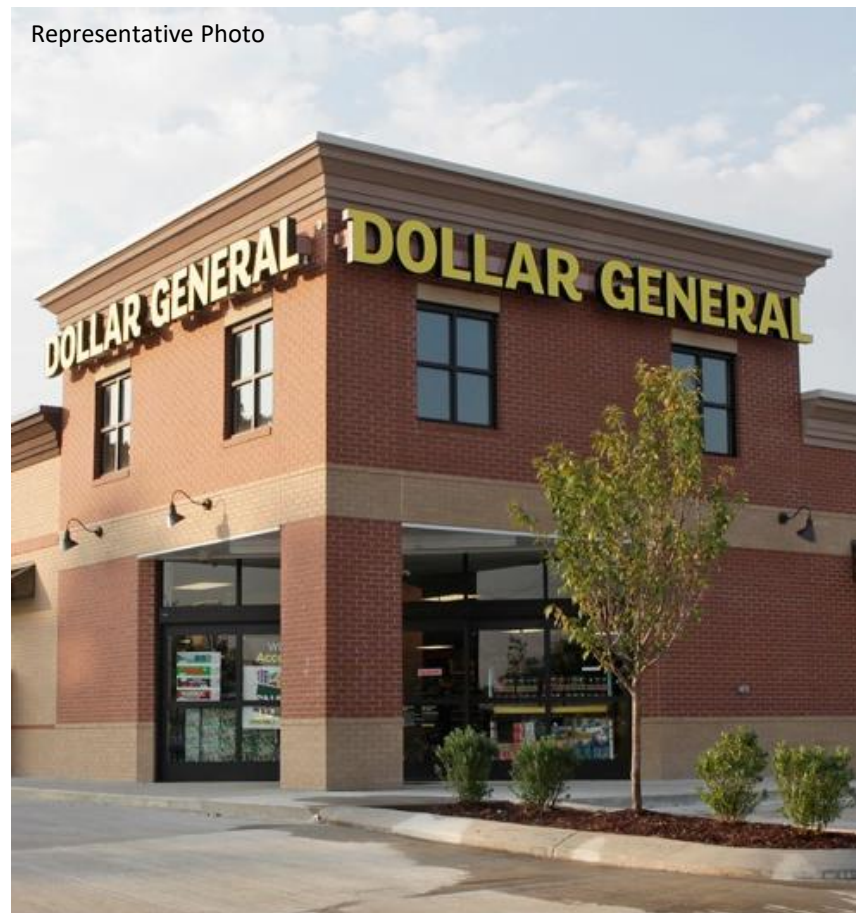
Dollar General often serves communities that are too small for Walmart stores (although many locations are in relatively close driving distance to a Walmart store or in the same communities that Walmart is located). It competes in the dollar store format with national chains Family Dollar and Dollar Tree, regional chains such as Fred's in the southeast, and numerous independently owned stores.

**DOLLAR GENERAL**

## General Information

Headquarters	Goodlettsville, TN
Concentration	17,000+ Stores in 46 States
Website	<a href="https://www.dollargeneral.com">https://www.dollargeneral.com</a>

Representative Photo





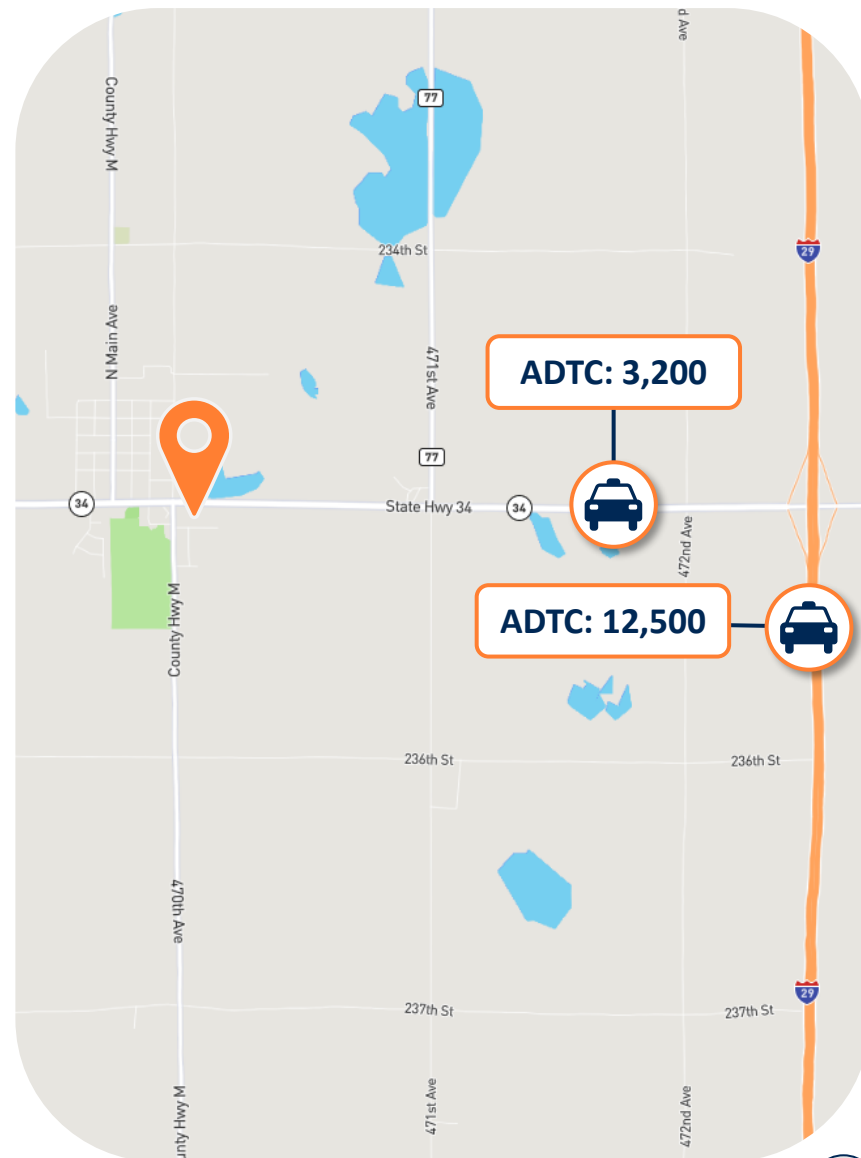
# Location Overview

The Dollar General property is situated along State Highway 34 which experiences an average daily traffic count exceeding 3,200 vehicles. State Highway 34 intersects with Interstate Route 29 which brings an additional 12,500 vehicles into the immediate area on average daily. There are more than 1,100 individuals living within a five-mile radius of the subject property and over 4,200 living within a ten-mile radius. Furthermore, this location benefits from its placement within an affluent suburban community with average household income exceeding \$92,000 within a three-mile radius.

The subject property benefits from having excellent frontage and ease of access along State Route 34. The city of Colman and the neighboring town of Egan are served by the Colman-Egan School District which has an elementary, middle, and high school with a combined total enrollment of approximately 279 students. Colman is located approximately 30-Miles north of the Capital City of Iowa, Sioux Fall which is home to the Sioux Falls Regional Airport which serves over 580,000 passengers per year.

Sioux Falls is the most populous city in the U.S. state of South Dakota and the 131st-most populous city in the United States. It is the county seat of Minnehaha County and also extends into Lincoln County to the south, proximate with the Iowa state line. As of 2020, Sioux Falls had a population of 192,517, which was estimated in 2022 to have increased to 202,600. The Sioux Falls metro area accounts for more than 30% of the state's population. Partially due to the lack of a state corporate income tax, Sioux Falls is home to a number of financial companies. The largest employers among these[31] 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. Companies based in Sioux Falls include Raven Industries, retailers Lewis Drug, POET, and Sunshine Foods, and communications companies SONIFI Solutions and Midco. Due to 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 the city.

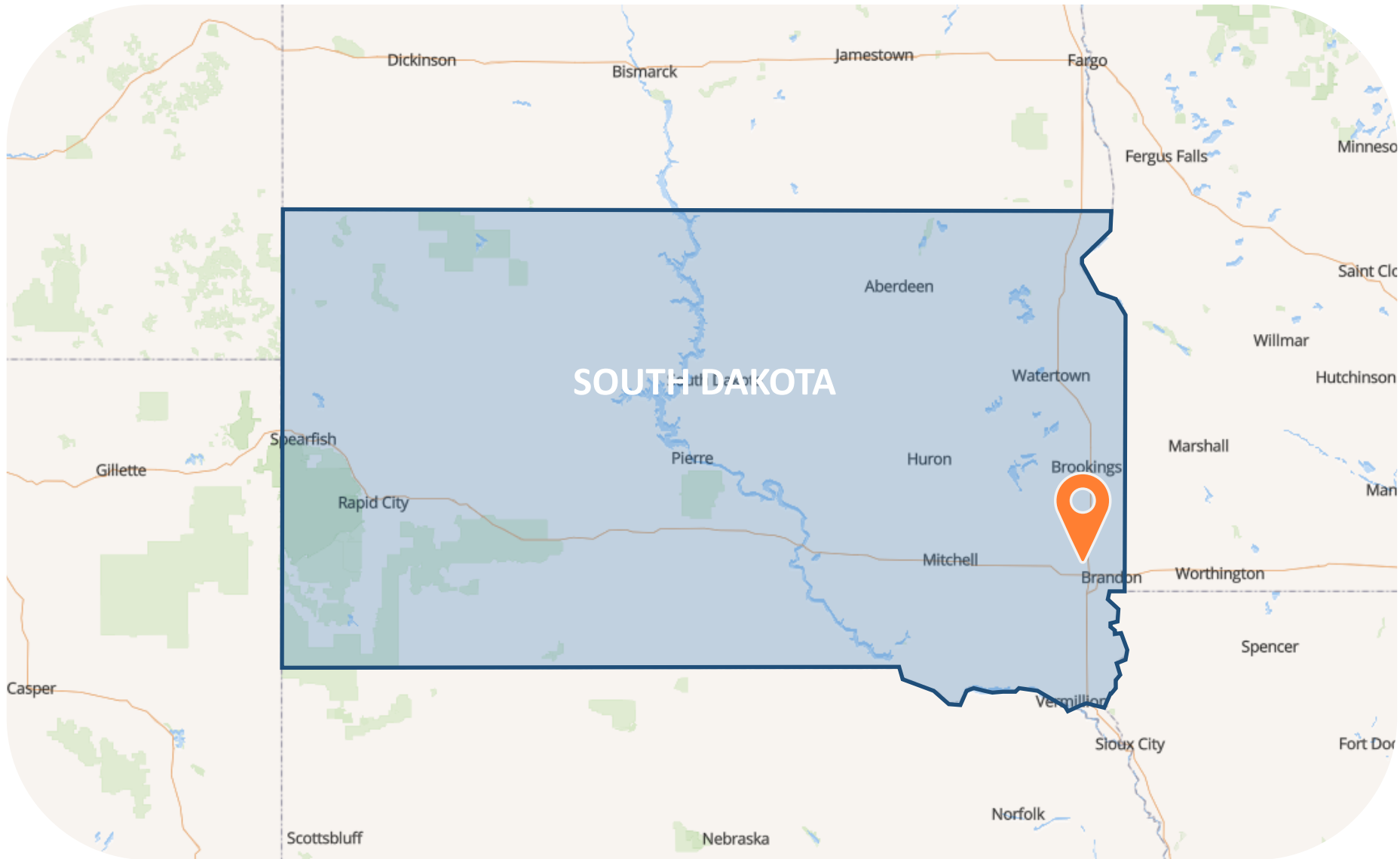
**DOLLAR GENERAL**





# Regional Map

**DOLLAR GENERAL**

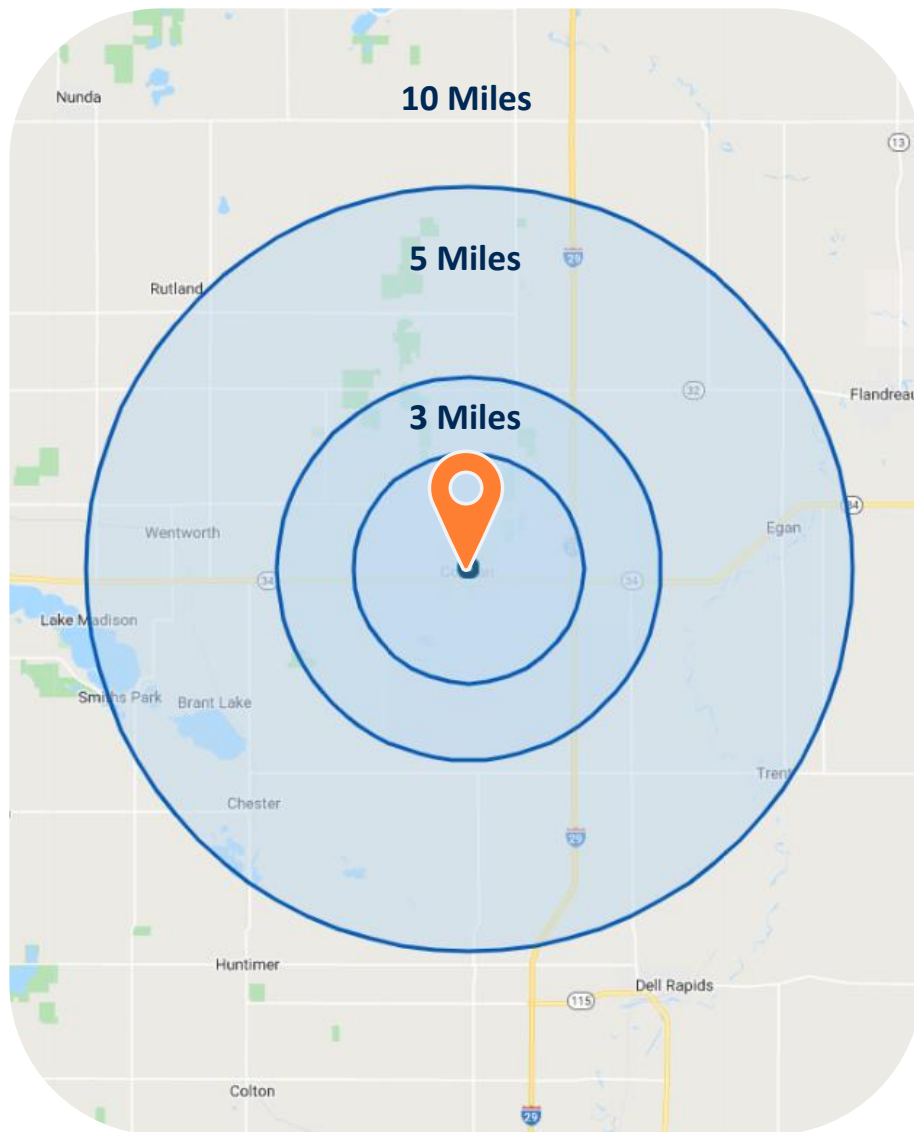






# Demographics

## DOLLAR GENERAL



	3 Miles	5 Miles	10 Miles
<b>POPULATION TRENDS</b>			
2010 Population	844	1,113	3,796
2021 Population	869	1,153	4,203
2026 Population Projection	883	1,173	4,298
Annual Growth 2010-2021	0.30%	0.30%	1.00%
Annual Growth 2021-2026	0.30%	0.30%	0.50%
<b>POPULATION BY RACE (2020)</b>			
White	809	1,075	3,879
Black	20	26	57
American Indian/Alaskan Native	13	17	155
Asian	11	14	32
Hawaiian & Pacific Islander	0	0	0
Two or More Races	15	20	80
Hispanic Origin	23	29	79
<b>HOUSEHOLD TRENDS</b>			
2010 Households	319	420	1,469
2021 Households	329	436	1,637
2026 Household Projection	335	444	1,677
Annual Growth 2010-2021	0.30%	0.30%	0.40%
Annual Growth 2021-2026	0.40%	0.40%	0.50%
<b>Avg Household Income</b>	\$92,067	\$92,009	\$95,614
<b>Median Household Income</b>	\$72,954	\$72,968	\$78,244
<b>HOUSEHOLDS BY HOUSEHOLD INCOME (2020)</b>			
< \$25,000	49	62	204
\$25,000 - 50,000	45	59	235
\$50,000 - 75,000	75	103	345
\$75,000 - 100,000	43	56	262
\$100,000 - 125,000	30	44	237
\$125,000 - 150,000	41	52	141
\$150,000 - 200,000	26	33	81
\$200,000+	20	26	131



# Market Overview

**DOLLAR GENERAL**

*Sioux Falls, SD*



**Sioux Falls** is the most populous city in the U.S. state of South Dakota and the 131st-most populous city in the United States. It is the county seat of Minnehaha County and also extends into Lincoln County to the south, proximate with the Iowa state line. As of 2020, Sioux Falls had a population of 192,517, which was estimated in 2022 to have increased to 202,600. The Sioux Falls metro area accounts for more than 30% of the state's population. Chartered in 1856 on the banks of the Big Sioux River, the city is situated in the rolling hills at the junction of interstates 29 and 90.

The Sioux Falls Metropolitan Statistical Area consists of four South Dakota counties: Lincoln, McCook, Minnehaha, and Turner. The estimated population of this MSA in 2017 was 259,094, an increase of 13.51% from the 2010 census. According to recent estimates, Lincoln County is the 16th-fastest-growing county in the United States. In addition to Sioux Falls, the metropolitan area includes Canton, Brandon, Dell Rapids, Tea, Harrisburg, Worthing, Beresford, Lennox, Hartford, Crooks, Baltic, Montrose, Salem, Renner, Rowena, Chancellor, Colton, Humboldt, Parker, Hurley, Garretson, Sherman, Corson, Viborg, Irene, and Centerville.

Partially due to the lack of a state corporate income tax, Sioux Falls is home to a number of financial companies. The largest employers among these[31] 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 are provided by Paramedics Plus and Sioux Falls Fire Rescue. Companies based in Sioux Falls include Raven Industries, retailers Lewis Drug, POET, and Sunshine Foods, and communications companies SONIFI Solutions and Midco. Due to 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.

Daniel Price  
dprice@nnnpro.com  
(918) 510-6765  
NY: 10401306175

Marcus & Millichap

## EXCLUSIVE NET-LEASE OFFERING

**DOLLAR GENERAL**

SD Broker of Record  
Jon Ruzicka  
1350 Lagoon Ave., Ste. 840  
Minneapolis, MN 55408  
P: (952) 852-9700  
Lic #: 17724