

SUBJECT PROPERTY



Dollar General

Income Tax Free State

\$1,695,238 | 5.25% CAP

24545 SD-79, Hermosa, South Dakota 57744

- ✓ Brand New 2021 Construction | 15-Year Corporate NNN Lease
- ✓ Absolute NNN Lease - Requiring Zero Landlord Responsibilities
- ✓ Investment Grade - S&P BBB Credit Rating and Ranked #119 on Fortune 500
- ✓ Located 19-Miles West of Mount Rushmore National Monument, which had over 2.53±M recreational tourists in 2021
- ✓ Located on SD-79 (10,685± VPD) which runs north 16-miles into downtown Rapid City, the second largest city in the State

Dollar General Corp. engages in **retailing** of merchandise, including **consumable items, seasonal items**, home products and apparel. Its **brands** include Clorox, Energizer, Procter & Gamble, Hanes, **Coca-Cola, Mars**, Unilever, Nestle, Kimberly-Clark, Kellogg's, General Mills, and **PepsiCo**.



INVESTMENT OVERVIEW

DOLLAR GENERAL HERMOSA, SD

SUBJECT PROPERTY



CONTACT FOR DETAILS

Andrew Dickerson

Associate
(214) 915-8897

adickerson@securenetlease.com

Anthony Pucciarello

Executive Vice President
(214) 915-8896

apucciarello@securenetlease.com

SD Broker: Brian Brockman

License #: 14075
SD@bangrealty.com



\$1,695,238

5.25% CAP

NOI

\$89,000

- ✓ **Brand New 2021 Development with** 14.5± Years remaining on Corporate Guaranteed Absolute NNN Lease - with (5), 5-Year Options to Renew.

Building Area

±9,100 SF

- ✓ **Dollar General has Investment Grade Credit with an S&P BBB rating and is #119 on the Fortune 500 List** - Dollar General has become a shopping staple across the country with over 17,915 stores in the United States.

Land Area

±1.31 AC

- ✓ **Dollar General is the country's largest small-box discount retailer and has achieved 27 consecutive years of same store sales growth** - sales increased 9.2% in fiscal year 2018 to \$25.6 Billion.

Year Built

2021

- ✓ **Amazon resistant retailer experiencing explosive growth,** Dollar General plans to open roughly 1,110 stores in 2022 after opening approximately 1,050 stores in 2021.

Lease Type

Absolute NNN - Fee Simple

- ✓ **Strategically positioned on State Highway SD-79 which sees 10,685+ VPD** and runs directly north into downtown Rapid City.

Occupancy

100%

- ✓ **Located 16 Miles from Downtown Rapid City, the second largest city in South Dakota** with an estimated population of 81,502 residents.
- ✓ **Located 19 miles from Mount Rushmore National Monument** which had over approx. 2,530,000± recreational tourists visit in 2021.

This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.

TENANT OVERVIEW

DOLLAR GENERAL HERMOSA, SD

Dollar General

Dollar General Corporation has been delivering value to shoppers for over 80 years.

REVENUE

\$33.75 B

CREDIT RATING

S&P BBB

STOCK TICKER

DG

LOCATIONS

18,200+

DOLLAR GENERAL

dollargeneral.com

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. Dollar General operates more than **18,100 stores** in **46 states** as of January 2022. In addition to high quality private brands, Dollar General sells products from **America's most-trusted brands** such as Procter & Gamble, Kimberly-Clark, Unilever, Kellogg's, General Mills, Nabisco, Hanes, PepsiCo and Coca-Cola. STRATEGY Dollar General sells similar products as wholesale retailers Wal-Mart (WMT) and Target (TGT), but typically at lower prices. Because of this, during harsh economic conditions, many consumers may make the change of shopping at Dollar General instead of a regular wholesale retailer. Dollar General's (DG) business strategy revolves around driving **profitable top line growth** while enhancing its **low-cost operator** position and capturing new growth opportunities. The company attempts to drive profitable top line growth through strategies like improving the **in-stock position** of its stores and continuously offering products at **competitive prices**.

The company **began in 1939** as a family-owned business called J.L. Turner and Son in Scottsville, Kentucky, owned by James Luther Turner and Cal Turner. In 1955, the name changed to Dollar General Corporation and in **1968** the company went public on the New York Stock Exchange. Fortune **500** recognized Dollar General in **1999 and in 2020 reached #112**. Dollar General has grown to become one of the most profitable stores in the rural United States with revenue reaching around **\$27 billion in 2019**.



IN THE NEWS

DOLLAR GENERAL HERMOSA, SD

2021 Retailer of the Year: Dollar General

MIKE TROY, NOVEMBER 5, 2021 (PROGRESSIVE GROCER)

Food and consumables accounted for 77% of Dollar General's annual sales last year of \$33.7 billion. The expansion of cooler and freezer capacity at new and remodeled stores has for several years been described as the Goodlettsville, Tenn.-based company's most impactful merchandising initiative.

Dollar General began selling fresh produce at select stores last year, expanded the program to **2,000 locations** this year, and its current plan is to add produce in up to **10,000 stores**. Dollar General now **self-distributes** frozen and refrigerated products from a **network of 12 facilities** after completing a multiyear rollout of its DG Fresh supply chain initiative ahead of schedule during a pandemic.

Dollar General has been defying skeptics for a long time, whether the milestone was the opening of its 5,000th store in 2001, the 10,000th store in 2010 or the 15,000th store in 2018. The company recently crossed the threshold of 18,000 locations, but it keeps finding new expansion opportunities, thanks to a flexible format strategy and a willingness to introduce new concepts.

"Within the last year, we updated what we believe our total number of opportunities to be, and it's another **17,000 locations**," Vasos notes. Embedded in that figure are **3,000 locations of pOpShelf**, a new concept focused on nonconsumable products. The first locations opened last fall, and by the end of this year, there could be as many as **50 pOpShelf stores** selling a variety of attractively priced beauty, seasonal, home décor, and arts and crafts products.

EXPLORE ARTICLE



Dollar General Takes 'First Major Step' Toward Expanding Healthcare Products in Stores

RICHARD LAWSON, JULY 8, 2021 (COSTAR)

Dollar General may have taken the its first step toward adding pharmacy services to its stores, a move that could require the chain to reshuffle some real estate.

The Goodlettsville, Tennessee-based retailer said it will increase healthcare offerings in its **17,426 stores in 46 states**. The move includes cough and cold, dental, nutritional, medical, health aids and feminine hygiene products. Dollar General said it has hired as **chief medical officer** Dr. Albert Wu, who worked for five years at consulting firm McKinsey & Co. and led a team that created a total cost-of-care model for **250,000 rural healthcare** patients.

Dollar General is just the latest national chain to expand into healthcare, a move that has the potential to boost foot traffic at its stores.

Most of Dollar General's stores are in rural areas, and the retailer often notes that **75%** of the U.S. population lives within **about 5 miles** of a Dollar General store.

While Dollar General is **increasing its healthcare** products, drugstore chains Walgreens and CVS are moving into healthcare services. Walgreens is opening **primary-care clinics** with Chicago-based VillageMD in a quest to become a neighborhood health destination. For its part, CVS has been adding HealthHubs and MinuteClinics in stores.

Todd Vasos, Dollar General's CEO, said in the company's statement that "our customers have told us that they would like to see **increased access** to affordable healthcare products and services in their communities" and that the retailer's goal is to "build and enhance affordable **healthcare offerings** for our customers, especially in the rural communities we serve."

EXPLORE ARTICLE



LEASE OVERVIEW

DOLLAR GENERALHERMOSA, SD

Initial Lease Term	15-Years, Plus (5), 5-Year Options to Renew
Rent Commencement	November 2021
Lease Expiration	November 2036
Lease Type	Absolute NNN
Rent Increases	10% Every 5 Years In Options
Annual Rent YRS 1-15	\$89,000
Option 1	\$97,900
Option 2	\$107,690
Option 3	\$118,459
Option 4	\$130,305
Option 5	\$143,335

This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.





SITE OVERVIEW

DOLLAR GENERAL HERMOSA, SD



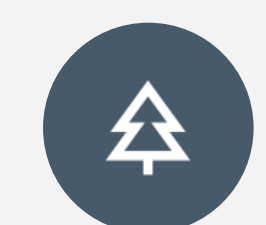
Year Built

2021



Building Area

±9,100 SF

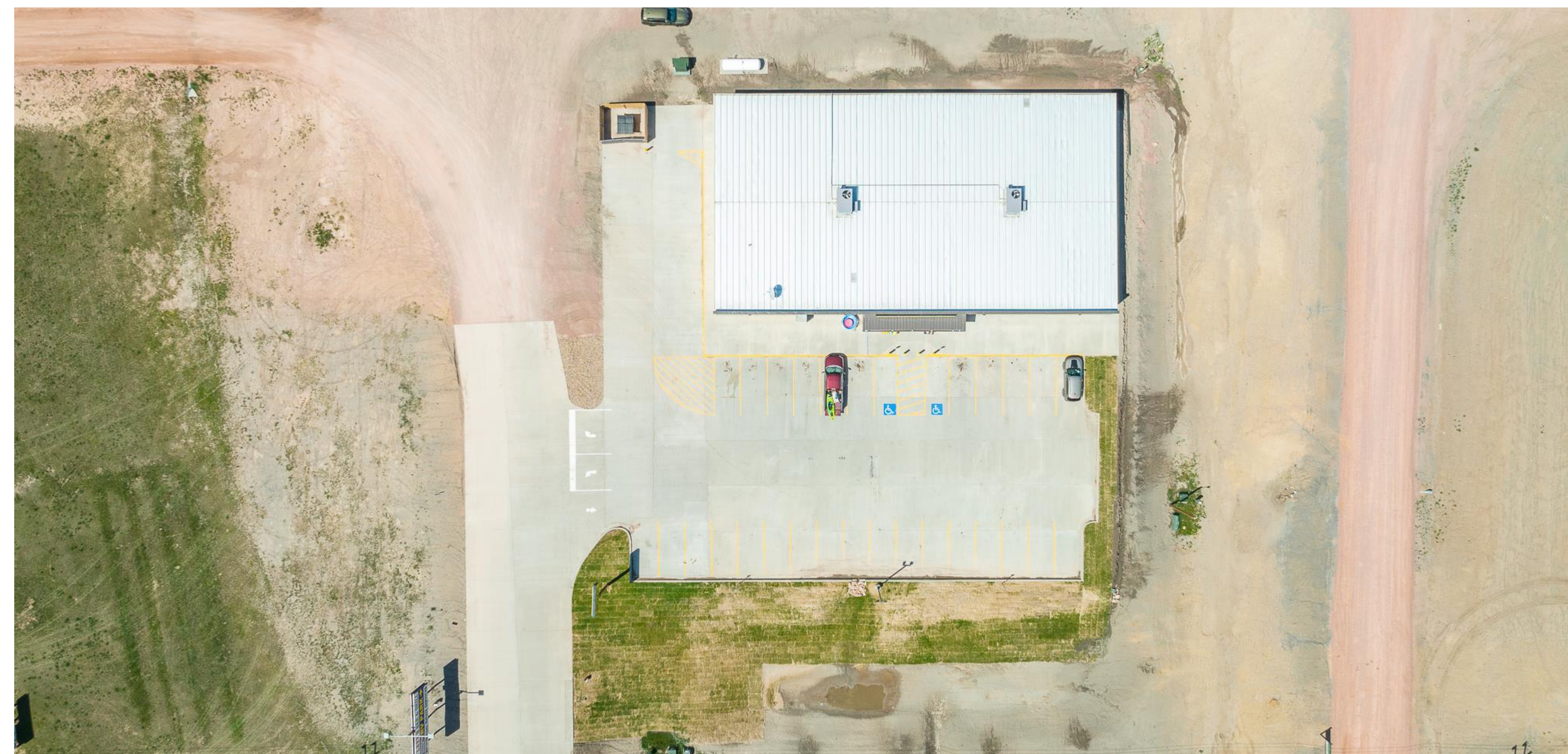
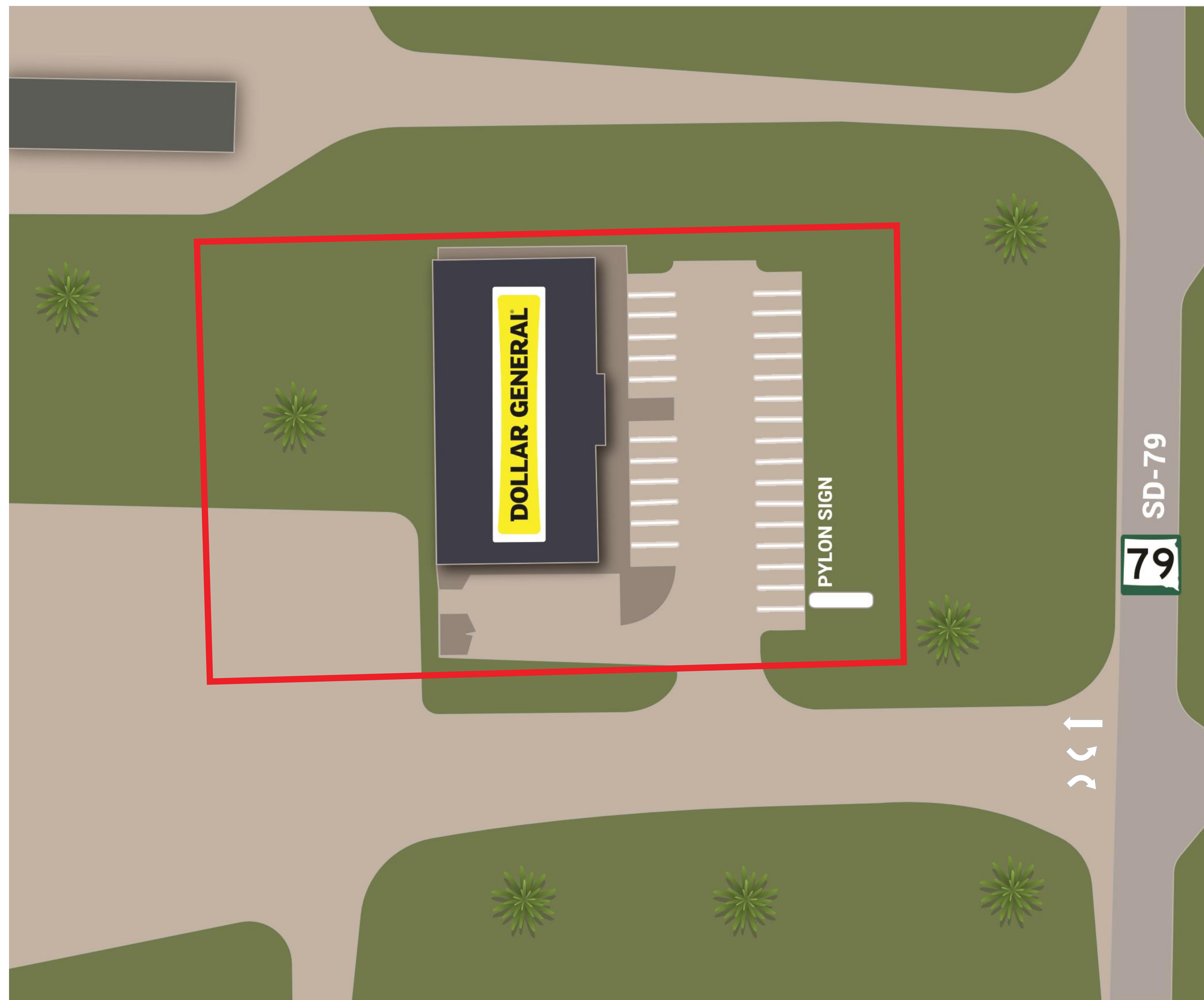


Land Area

±1.31 AC

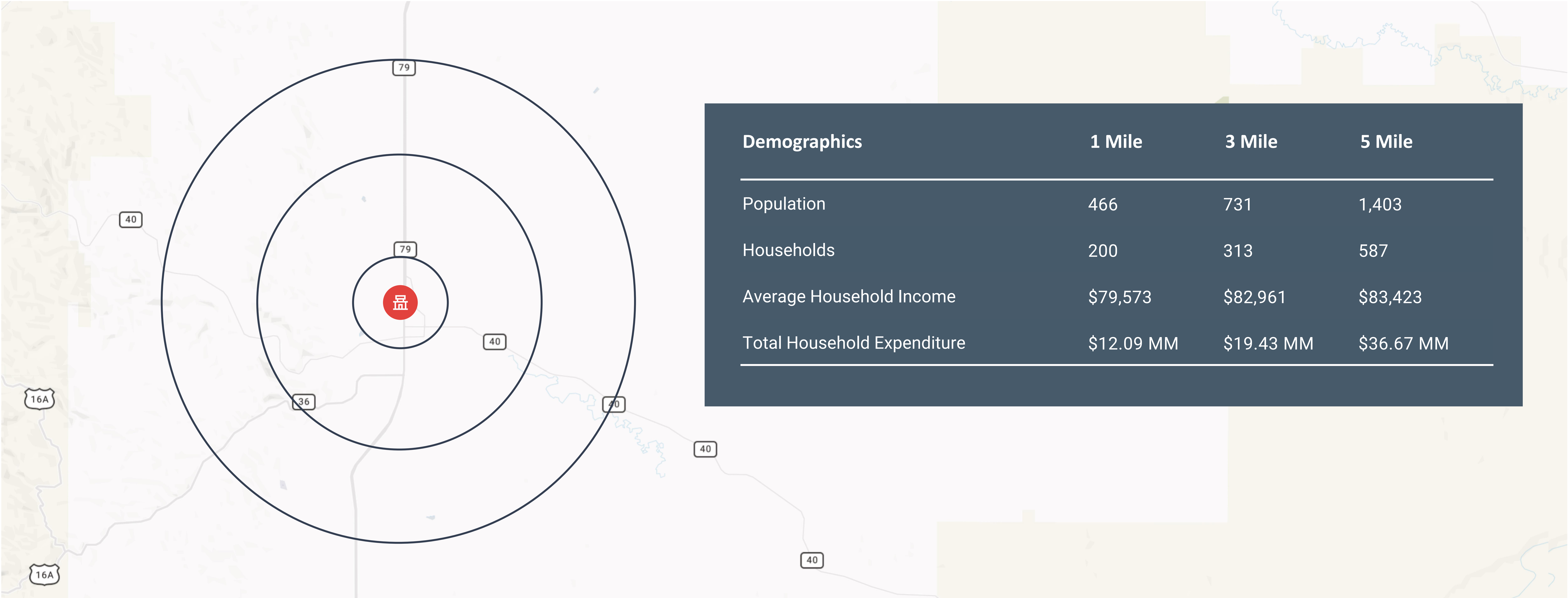
NEIGHBORING RETAILERS

- Roy's Black Hills Twin Drive-In
- Corner Pantry Travel Center
- Farmhouse Vintage & Designs
- Hermosa Elementary & Middle School
- Southern Hills RV Park and Campground
- L&H Industrial
- Hermosa Coffee House
- 3 President Head Statue Museum
- Haas Industries
- Heartland RV Park & Cabins



LOCATION OVERVIEW

DOLLAR GENERAL HERMOSA, SD



ECONOMIC DRIVERS (Rapid City)

1. Monument Health

2. Ellsworth Air Force Base

3. United States Federal Officials

4. Rapid City School District

5. Walmart
6. State of South Dakota

7. VA System Black Hills Healthcare

8. Black Hills Corporation

9. City of Rapid City

10. Pennington County
11. Liv Hospitality

12. Black Hills Special Services

13. Black Hills Works

14. South Dakota School of Mines

15. Black Hills State University

LOCATION OVERVIEW

DOLLAR GENERAL HERMOSA, SD

Hermosa
South Dakota

407
Population

\$67,545
Median Household Income



Mt. Rushmore located 19
miles West

19 MILES

Rapid City is the second
largest city in South
Dakota

2nd Largest

Hermosa is a growing community offering a central location to all the area’s surrounding magnificent sites.

Once dubbed the ‘Hub to History and Adventure’, Hermosa serves as the eastern gateway to the beautiful Black Hills.

Hermosa is not only a great place to visit, but a safe and welcoming place to raise your family.

It is located a mere 20 miles northeast of the Custer State Park entrance and only 15 miles east of the historic Mt. Rushmore.

In thirty minutes or less you could be driving through the Badland Lands National Park or it’s out skirting National Grass Lands, walking through Rushmore Cave, sitting in the healing waters of the hot springs, gazing at the abundant wildlife in the Black Hills, hunting for fossils or Fairburn agates, indulging yourself in the rich history of the Native American Sioux Tribe, or enjoying a day of shopping in Keystone, Hill City, or Rapid City. In addition to being a central location, Hermosa also offers several locally owned dining options; whether it’s one of many delicious specialty pizzas from the famous Lintz Brothers Pizza, burgers or chicken from Lazy R Bar & Grill, the daily lunch special at the Community Senior Center, or just a quick bite from the Corner Pantry Deli. If you plan on sticking around for the plentiful hunting or fishing opportunities nearby, consider staying at either of our campgrounds; the Heartland RV Park & Campground or the Southern Hills RV & Campground; both provide cabin rentals, tent sites, and accommodations for campers and RVs. Hermosa elementary/middle school boasts an impressive student/teacher ratio along with a newly constructed gymnasium inclusive with exercise equipment. A local grocery store, several churches and various local watering holes are some of the many other amenities Hermosa has to offer. Whether you’re visiting, relocating your family or expanding your business, Hermosa really is the most accommodating and convenient place surrounding the Black Hills, offering one of the lowest mill levies in the state with plenty of room for residential or commercial expansion.

IN THE NEWS

DOLLAR GENERAL HERMOSA, SD

South Dakota’s rural real estate market is booming

BRIDGET BENNETT, MAY 12, 2022 (KELO)

The real estate market in South Dakota’s largest cities has exploded over the past two years with a more than 20 percent increase in prices since last year. Inventory remains incredibly low which has houses selling fast, often with dozens of offers.

While the competition is the **highest in Sioux Falls** and Rapid City, the rural real estate market is also changing. “It just seems like these days it doesn’t really matter where it is, homes values are **increasing** and they’re selling and people are looking to move and they like to move to South Dakota,” Fischer **Rounds Real Estate Broker** Micah Volmer said.

The increased competition from more out-of-state buyers has caused usually steady rural housing prices to see a 20 to 25 percent increase in just one year.

Small farming communities of just a **few hundred people** are scattered all across South Dakota, homes that historically had trouble finding a buyer. “Historically buyers had a lot of the **negotiating power** in that market too, now it’s completely different,” Priority Real Estate & Development Broker/owner Christa Helma said. “We had **multiple offers** within a week of listing,” Volmer said of a recent listing in Kimball. That was unheard of just two years ago for listings in rural South Dakota, but Fischer Rounds Broker, Micah Volmer, says her rural listings near Pierre and Mitchell are now seeing far more competition. “It relisted just recently at **\$185,000** and after five days on the market, it’s already sale pending,” Volmer said. That price tag is a **big change** for rural South Dakota where buyers used to be able to find plenty of housing options between **\$50,000 and \$100,000**, even just two years ago.

EXPLORE ARTICLE

Crazy Horse Memorial: what to see and what’s coming up

CHRISTINA HOLIDAY, SEPTEMBER 6, 2021 (NEWSCENTER)

Besides being part of the 2021 Labor Day weekend, September 5th holds extra historical significance.

In one famous part of his life, when asked by a cavalry soldier “Where are your lands now,” Crazy Horse responded “My lands are where my dead lay buried.” **134 years later**, his legacy is **forever captured** and celebrated at the Crazy Horse Memorial in Custer County. Here visitors can learn about him and **indigenous peoples nationwide**.

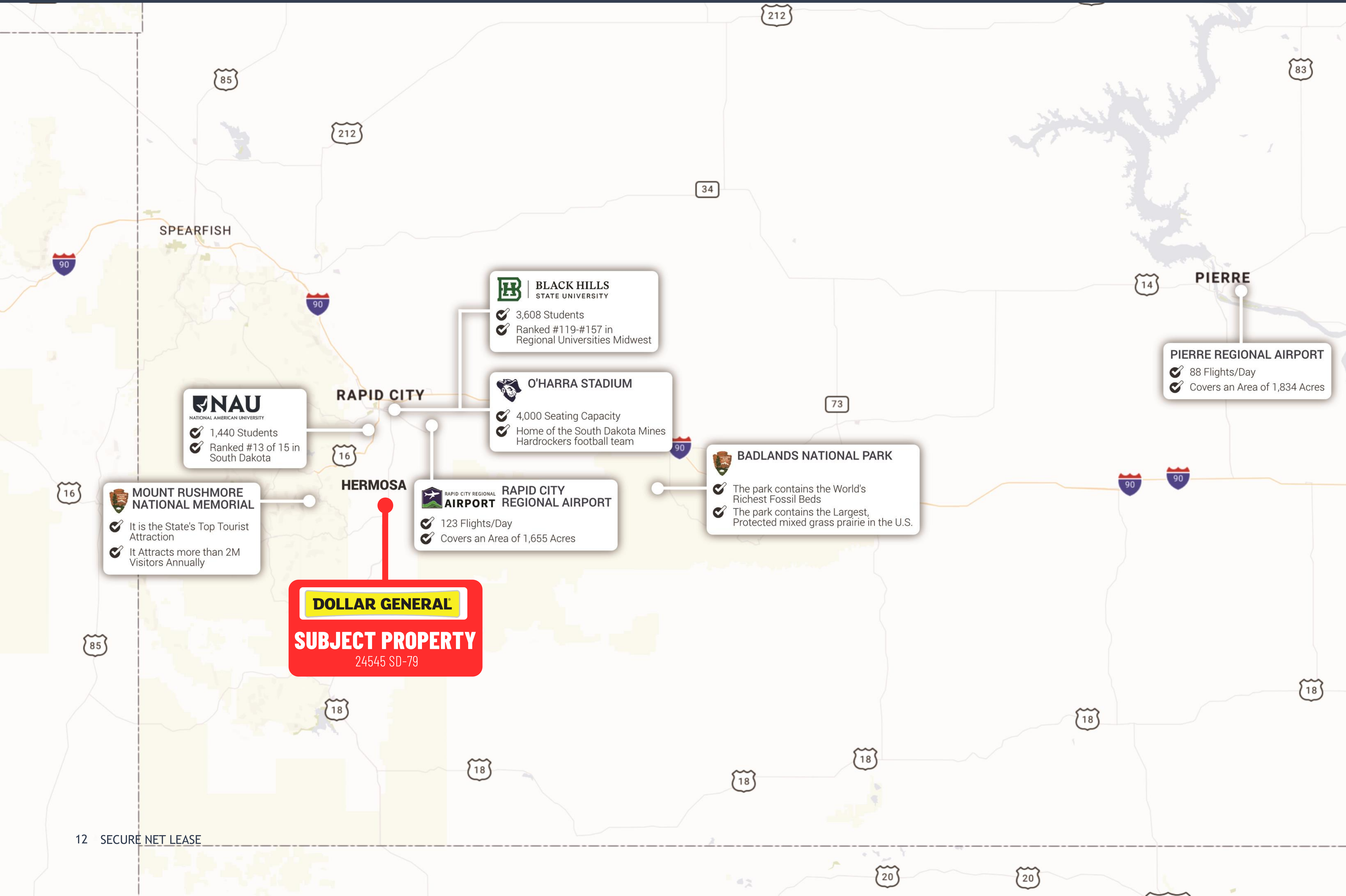
Visitors from many different places come to see the monument. Once complete, it will stand over 560 feet tall and more than 640 feet in length as the world’s largest sculpture.

Terry de Rouchey, Cheyenne River Sioux Tribe member and Crazy Horse Vice President of Visitor Services, spoke of the person Crazy Horse was. The idea for the monument came about in the ending days of **World War II**. Oglala Lakota Chief Henry Standing Bear contacted sculptor Korczak Ziolkowski about building a monument to Crazy Horse in the Black Hills. The project started in the **late 1940’s** and continues today. On top of seeing the monument, guests can also check out some of the other points of interest on the property. These include: the **Indian Museum of North America**, the Laughing Water Restaurant, and the veranda, where cultural performances occur May through September. Upcoming events scheduled for fall include **artists in residence**, Remembrance Day, the Legends in Light laser show, and the Volksmarch at the end of the

EXPLORE ARTICLE

RAPID CITY, SD

DOLLAR GENERAL HERMOSA, SD



CALL FOR ADDITIONAL INFORMATION

Dallas

Office

10000 N Central Expressway
Suite 200
Dallas, TX 75231
(214) 522-7200

Los Angeles

Office

123 Nevada Street
El Segundo, CA 90245
(424) 224-6430

CALL FOR ADDITIONAL INFORMATION

Andrew Dickerson

Associate
(214) 915-8897

adickerson@securenetlease.com

Anthony Pucciarello

Executive Vice President
(214) 915-8896

apucciarello@securenetlease.com

SD Broker: Brian Brockman

License#:14075
SD@bangrealty.com

