



# DOLLAR GENERAL

A CORPORATE NET LEASED DOLLAR STORE - PROVEN RELOCATION STORE

AUGUSTA, KS



CAPITAL PACIFIC

REPRESENTATIVE PHOTO



## DOLLAR GENERAL

1612 OHIO STREET, AUGUSTA, KS 67010 

**\$1,355,789**

**PRICE**

**6.70%**

**CAP**

LEASEABLE SF

**9,026 SF**

LAND AREA

**0.64 Acres**

LEASE TYPE

**Absolute NNN**

LEASE TERM

**15 Years**

YEAR BUILT

**2018**

PARKING

**32 Spaces**

**New 15-year Absolute NNN lease with four 5-year options**

**Zero Landlord maintenance or expense obligations**

**Corporate Guaranty from Dollar General – BBB credit rating and \$28.8 billion market cap**

**Rare Dollar General in town with many other national retailers including Wal-Mart Supercenter, McDonalds, O'Reilly, Sonic, Taco Bell, Dillons Grocery Store**

**Only 20 miles outside of Wichita**

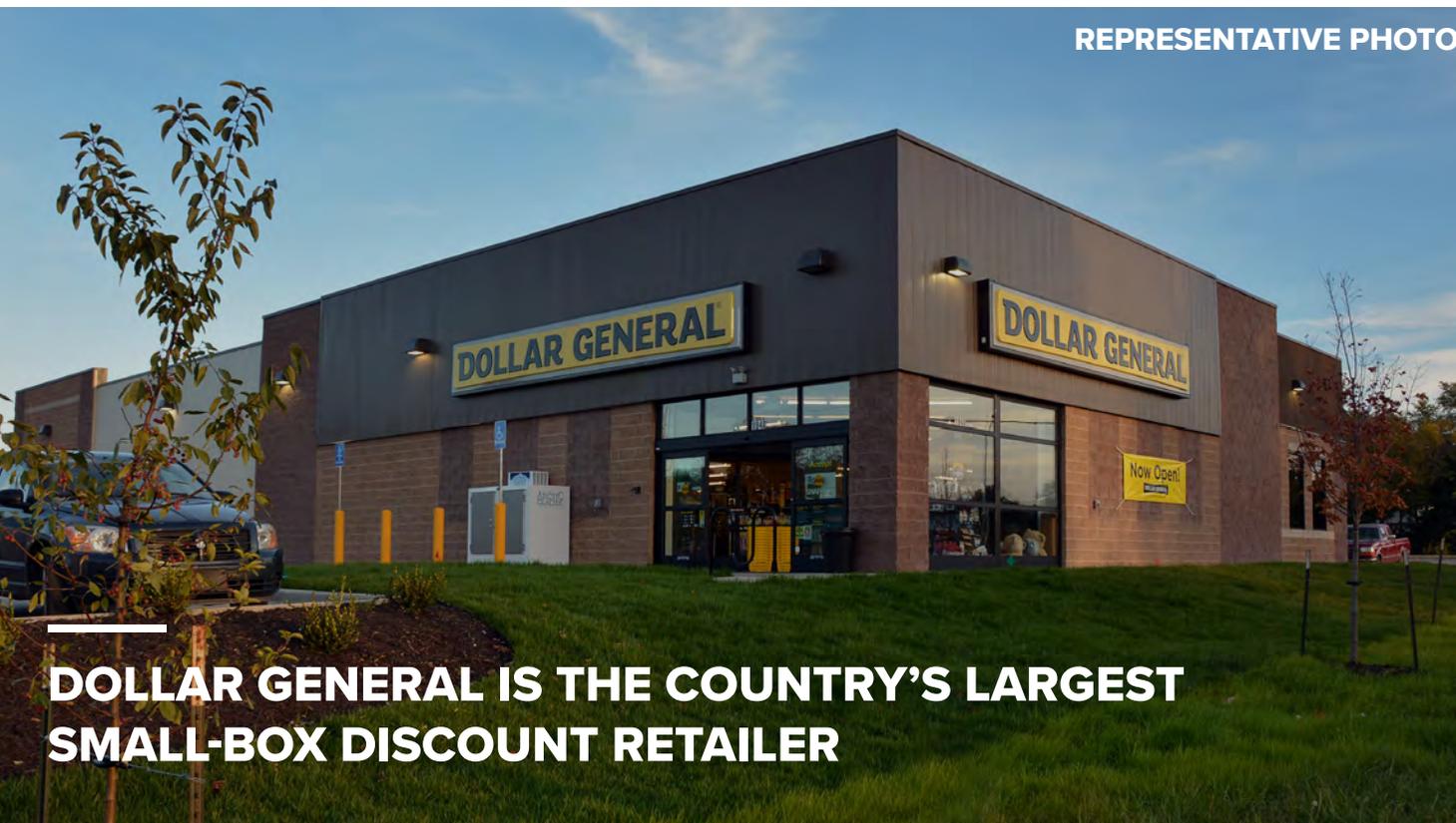
# Investment Highlights

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**THE OFFERING** provides a rare opportunity to acquire an Absolute NNN Dollar General that is a relocation store proving that this is a strong market for the tenant in Augusta, Kansas. The 15-year lease features a Corporate Guaranty, and includes four 5-year options, with rental increases at the start of each option period. This new construction build-to-suit asset has zero landlord maintenance or expense obligations. The city is surrounded by a diverse agricultural industry and oil facilities, which help boost the local economy. During World War II the region became home to a thriving aircraft design and production industry, and to this day Beech, Cessna (Raytheon), Stearman, Lear (Bombardier), and Boeing all have plants nearby.

**DOLLAR GENERAL** generated \$23.5 billion in sales in fiscal 2017 and in excess of \$1.54 billion in net income. Dollar General currently operates over 15,000 stores in 45 states, making it the country's largest small-box discount retailer. The company has an S&P rating of BBB, which has been raised five times since 2009, and is a better credit rating than its main competitors. Over the last 12 months Dollar General's stock price is up nearly 40%.

## REPRESENTATIVE PHOTO



**DOLLAR GENERAL IS THE COUNTRY'S LARGEST  
SMALL-BOX DISCOUNT RETAILER**

## Contact the team

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# Income & Expense

REPRESENTATIVE PHOTO

<b>PRICE</b>		<b>\$1,355,789</b>
<b>Capitalization Rate:</b>		<b>6.70%</b>
Building Size (SF):		9,026
Lot Size (Acres):		0.64
<b>STABILIZED INCOME</b>		
Scheduled Rent		\$90,672
Effective Gross Income		\$90,672
<b>LESS</b>		
Taxes	NNN	\$0.00
Insurance	NNN	\$0.00
Total Operating Expenses	NNN	\$0.00
<b>EQUALS NET OPERATING INCOME</b>		<b>\$90,672</b>



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# Rent Roll

TENANT INFO		LEASE TERMS		RENT SUMMARY					
TENANT NAME	SQ. FT.	TERM		CURRENT RENT	MONTHLY RENT	YEARLY RENT	MONTHLY RENT/FT	YEARLY RENT/FT	
Dollar General	9,026	11/11/18	11/30/28	\$90,672	\$7,556	\$90,672	\$0.84	\$10.05	
		12/01/28	11/30/33		\$7,783	\$93,396	\$0.86	\$10.35	
		Option 1	12/01/33	11/30/38		\$8,561	\$102,732	\$0.95	\$11.38
		Option 2	12/01/38	11/30/43		\$9,417	\$113,004	\$1.04	\$12.52
		Option 3	12/01/43	11/30/48		\$10,359	\$124,308	\$1.15	\$13.77
		Option 4	12/01/48	11/30/53		\$11,395	\$136,740	\$1.26	\$15.15
<b>TOTALS:</b>	<b>9,026</b>			<b>\$90,672</b>	<b>\$7,556</b>	<b>\$90,672</b>	<b>\$0.84</b>	<b>\$10.05</b>	

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# Lease Abstract

<b>TENANT</b>	Dollar General
<b>GUARANTOR</b>	Dollar General Corporation
<b>BUILDING SF</b>	9,026 SF
<b>LEASE TYPE</b>	Absolute NNN
<b>TERM</b>	15 Years
<b>OPTIONS</b>	Four 5-year Options

## RENT

### BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
11/11/18 - 11/30/28	\$7,556	\$90,672
12/01/28 - 11/30/33	\$7,783	\$93,396

### OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#1. 12/01/33 - 11/30/38	\$8,561	\$102,732
#2. 12/01/38 - 11/30/43	\$9,417	\$113,004
#3. 12/01/43 - 11/30/48	\$10,359	\$124,308
#4. 12/01/48 - 11/30/53	\$11,395	\$136,740

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## EXPENSES

### TAXES

Tenant shall reimburse Landlord for the ad valorem taxes payable with respect to the Property.

### INSURANCE

Tenant shall maintain: (1) Commercial General Liability Insurance with limits no less than \$1 million per occurrence and \$2 million in aggregate; (2) Special Cause of Loss Insurance that insures all improvements on the Property. Landlord shall be named additional insured on both policies.

### UTILITIES

Tenant is responsible for direct payment of all utilities to the appropriate billing authority.

### TENANT'S OBLIGATIONS

Tenant is responsible for all maintenance and repair to the entirety of the Premises, including all interior and exterior, structural and nonstructural repairs and replacement.

### LANDLORD'S OBLIGATIONS

Zero expense obligations.

# Site Plan



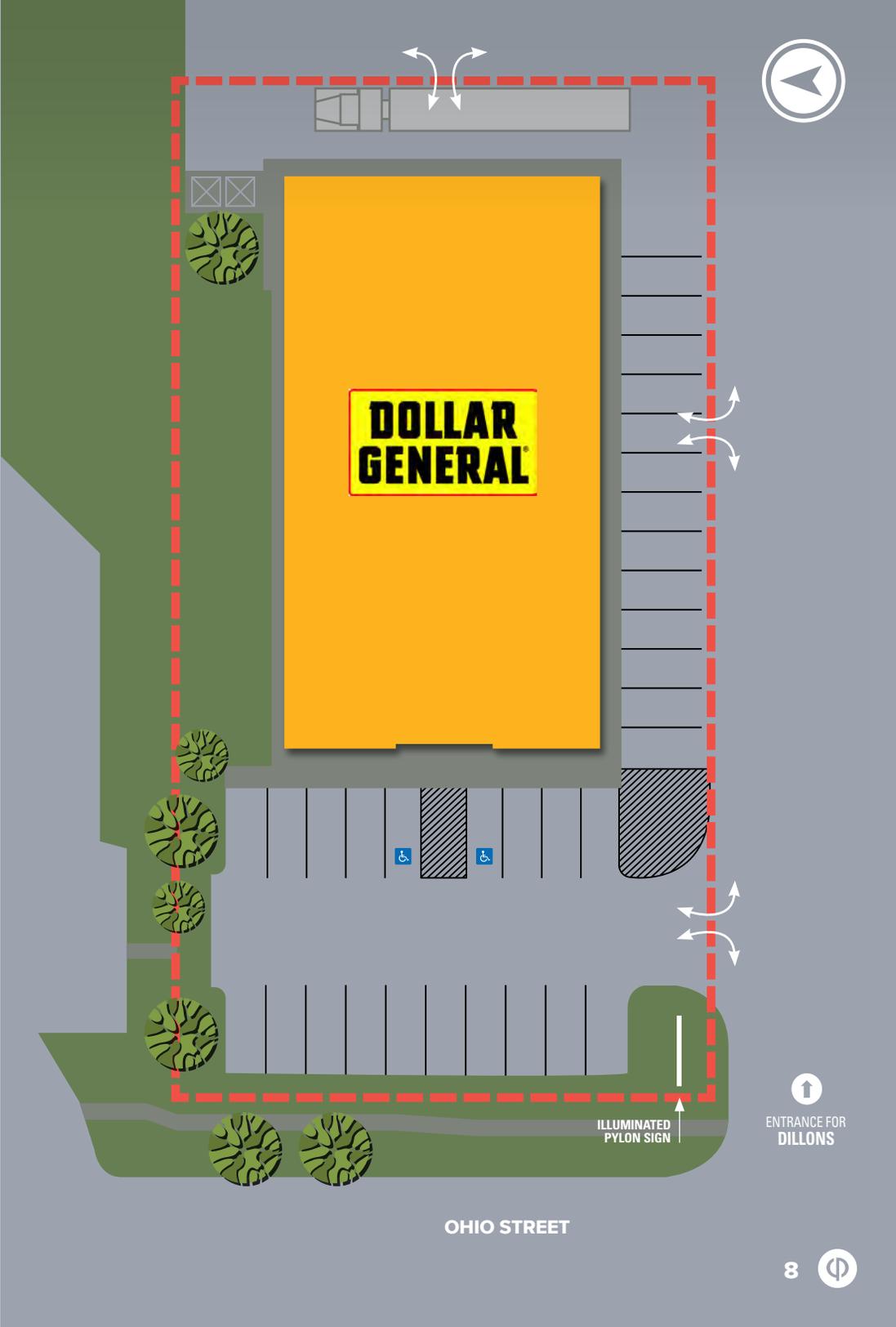
9,026  
RENTABLE SF



0.64  
ACRES



32  
SPACES



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# Tenant Overview

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## ABOUT DOLLAR GENERAL

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Dollar General (NYSE: DG) is a chain of more than 15,000 discount stores in 45 states, primarily in the South, East, Midwest, and Southwest. Offering basic household items, such as cleaning supplies, health and beauty aids, apparel, and food, Dollar General targets low, middle, and fixed-income shoppers.

The company has grown into the country's largest small-box discount retailer. Stores are often located in small towns off the radar of giant discounters. One of Dollar General's main advantages is that it offers prices as low or lower than Walmart but in more convenient locations. Dollar General has more stores than any other retailer and is easily the largest dollar store chain.

**DOLLAR GENERAL**  
**15,000+** | **LOCATIONS IN 44 STATES**

## INVESTMENT GRADE CREDIT

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Dollar General's credit is BBB and the company's credit rating has been raised five times since 2009, most recently in October, 2015. Dollar General has a better credit rating than both of its large competitors.

## REPRESENTATIVE PHOTO

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**\$23.5B**

**2017  
SALES**



## **DOLLAR GENERAL HITS A GOLD MINE IN RURAL AMERICA - IN THE POOREST TOWNS, WHERE EVEN WAL-MART FAILED, THE LITTLE-BOX PLAYER IS TURNING A PROFIT.**

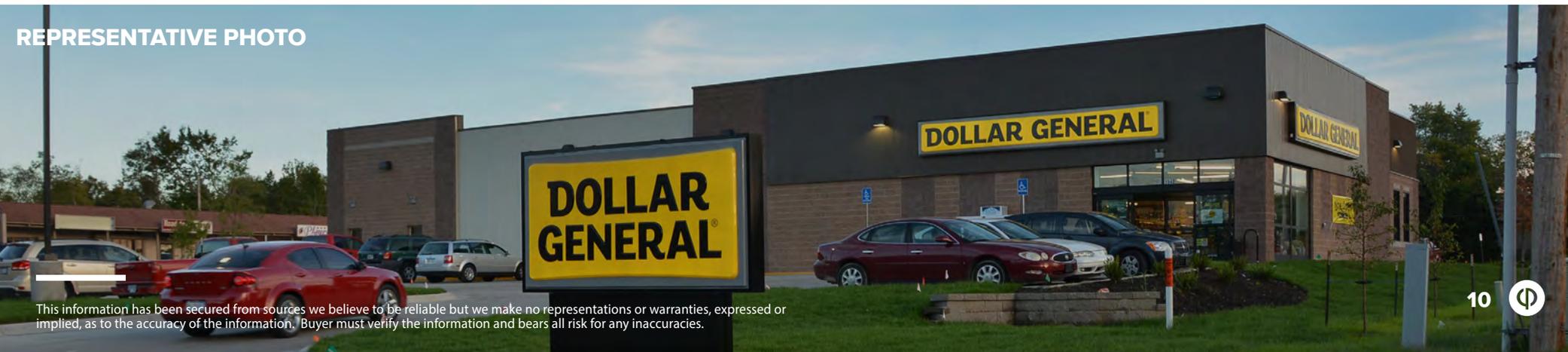
**October 11, 2017 (Bloomberg Businessweek)** On a Friday in April, Bob Tharp, the mayor of Decatur, Ark., takes me to see what used to be the commercial heart of his town. There isn't much to look at beyond the husk of a Walmart Express: 12,000 square feet of cinder block painted in different shades of brown. The glass doors are locked, as they've been for 14 months. "For so many people in this town, to have to see this empty building every day, they couldn't drive by without getting tears in their eyes," Tharp recalls. The store had opened on a frigid morning in January 2015, just days into his mayorship. "Pinch yourself and it is true," he'd posted on Facebook the night before. For the first time in a decade, the 1,788 residents could buy groceries in town. But the reprieve was short. The following January, word came from Wal-Mart Stores Inc.'s corporate headquarters, 18 miles to the east in Bentonville, that within the month the store would be closed. "You rascals!" Tharp remembers telling the executive who called to deliver the news. "You come to these small towns, and you build these stores, and you cause all the mom and pops to close down, and now you're the only ones left standing, and you want to go home? Why would you do that to our community?"

The Walmart Express had been a pilot store, the smallest ever for the world's largest retailer, designed to test whether a national brand with major supply-chain advantages could wrest a profit from towns long considered too sparsely populated. The answer, it seemed, was no: The company closed more than 100 stores across Arkansas and other southeastern states that day. Tharp did what he could to turn things around, putting out calls to urge a grocer, or any retailer, to move into the vacant building. He found no takers for a year, until at last, Dollar General Corp., which had operated a smaller store on the outskirts of Decatur's downtown since 2001, agreed to relocate to Main Street—and start offering fresh meat, fruit, and vegetables.

The Decatur store is one of 1,000 Dollar Generals opening this year as part of the \$22 billion chain's plan to expand rapidly in poor, rural communities where it has come to represent not decline but economic resurgence, or at least survival. The company's aggressively plain yellow-and-black logo is becoming the small-town corollary to Starbucks Corp.'s two-tailed green mermaid. (Although you can spot her on canned iced coffee at Dollar General, too.) Already, there are 14,000 one-story cinder block Dollar Generals in the U.S.—outnumbering by a few hundred the coffee chain's domestic footprint. Fold in the second-biggest dollar chain, Dollar Tree, and the number of stores, 27,465, exceeds the 22,375 outlets of CVS, Rite Aid, and Walgreens combined. And the little-box player is fully expecting to turn profits where even narrow-margin colossus Walmart failed.

[READ THE FULL ARTICLE](#)

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## DOLLAR GENERAL PROFITS FROM A SHRINKING MIDDLE CLASS; IT'S CHEAP, AMAZON-PROOF, AND ADDING STORES

**January 12, 2018 (Philly)** Even the sign for Dollar General is no frills: black letters on a yellow backdrop.

Bare bones just like the stores' aisles.

Retail analysts say consumers' thrifty attitude from the 2008 recession has remained, propelling value dollar stores like Dollar General to expand like crazy.

But there's another reason for the boom times of dollar stores.

"Dollar stores' core customers are lower-income consumers, which have been unfortunately growing," said Ken Perkins, president at Retail Metrics Inc. He noted that the American middle class has been shrinking for decades.

The Pew Research Center found that 50 percent of the adult population in 2015 was middle class, down from 61 percent in 1971. Perkins' firm found that the middle class had decreased in 203 of 229 metropolitan areas from 2000 to 2014.

The trend has helped make dollar stores one of only five retail sectors projected to have operating income growth above 5 percent this year, a Moody's report found. (The others are online retailers, off-price, home improvement, and supermarkets.)

Leading growth in the sector has been Dollar General, which offers an array of items from food to general merchandise, typically at \$5 or less. The retailer operates about 14,600 stores nationally, including 35 in the Philadelphia region, according to its website. Longer term, it wants to reach 25,000 stores over the next decade.

Dollar General plans to open 900 stores this year, remodel 1,000 existing locations, and relocate about 100 stores, said chief executive officer Todd Vasos during a third-quarter earnings call.

[READ THE FULL ARTICLE](#)

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# Demographics

## POPULATION

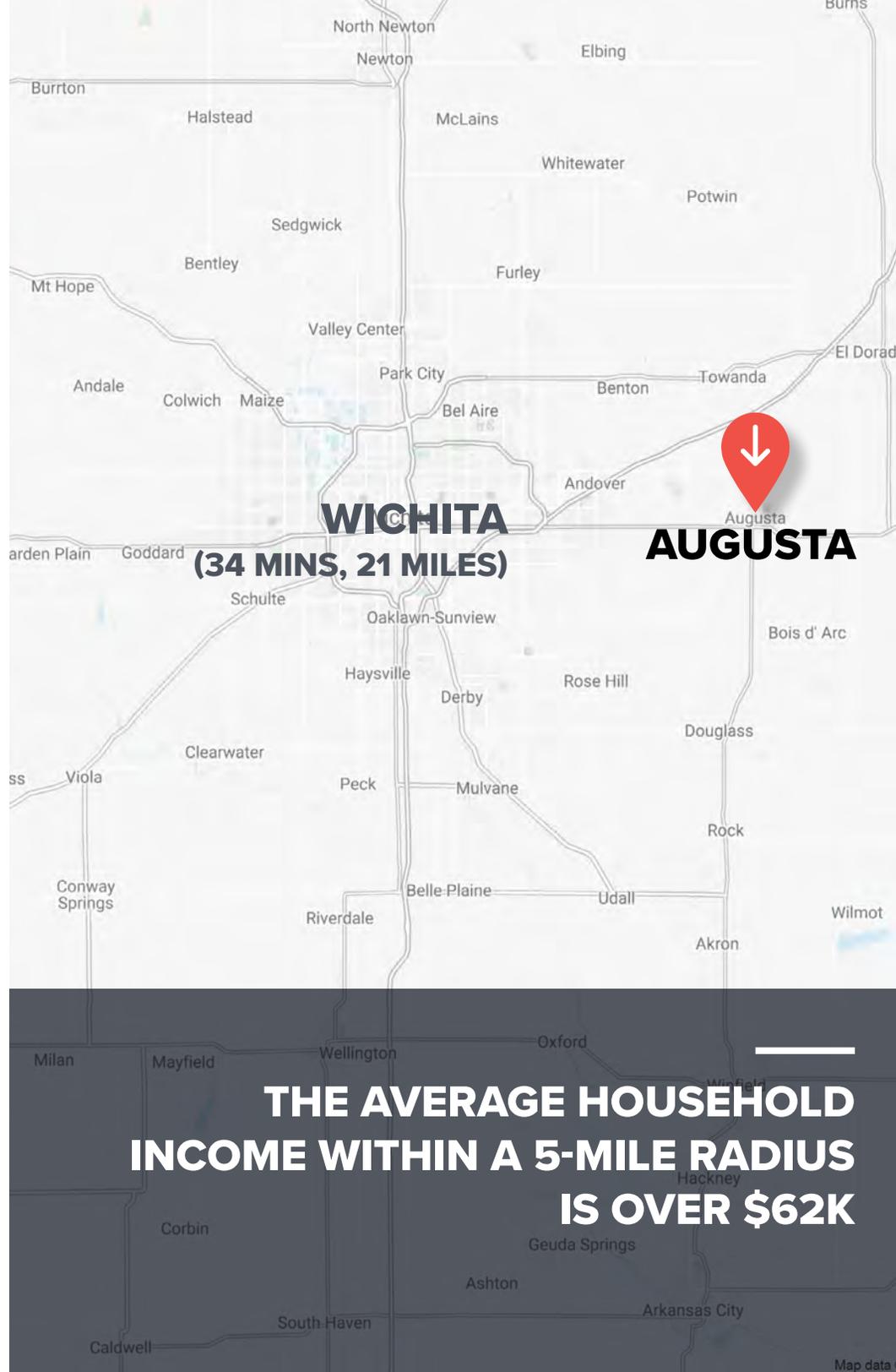
	1-MILE	3-MILES	5-MILES
2018	6,853	10,441	13,087

## 2018 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$53,761	\$57,988	\$62,027
Median	\$43,856	\$48,356	\$51,766

## WICHITA MSA TOP EMPLOYERS

EMPLOYER	# OF EMPLOYEES
Spirit Aerosystems	10,900
Via Christi Health	5,899
Unified School District 259	5,606
Cessna Aircraft Co.	5,400
McConnell AFB	5,094



# AUGUSTA, KANSAS



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**AUGUSTA, KS** lies at the confluence of the Walnut and Whitewater Rivers and falls within the Wichita Metropolitan Area. The city's downtown is in the process of being renovated with improved buildings and adding historic details to the already bustling area full of superb shopping, busy restaurants and lively entertainment. Near town there is also plenty to do for the outdoor enthusiasts, perfect for fishing and swimming.

Augusta is located only 19 miles outside of Wichita. As the industrial hub and largest city in Kansas, Wichita is the center of culture, media, and trade. It hosts several large museums, theaters, parks, and entertainment venues, such as Intrust Bank Arena. Several universities are also located in the city including Wichita State University.

## ABOUT WICHITA MSA

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**WICHITA** is home to two large shopping centers, Towne East Square and Towne West Square, as well as the Century II Performing Arts & Convention Center and Kansas's largest and busiest airport, Wichita Dwight D. Eisenhower National Airport, which has non-stop flights to 10 cities.

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**607,457**

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**WICHITA MSA  
POPULATION  
(ESTIMATED)**

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# We'd love to hear from you.

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