

**DOLLAR GENERAL**

We've  
**REMODELED!**  
Check out our new look!

3350 SW MILITARY DRIVE | SAN ANTONIO | TEXAS

OFFERING MEMORANDUM  
NET LEASE INVESTMENTS

EXCLUSIVELY OFFERED BY:

**MATT MCNEILL**

+1 858 546 5467 | CA Lic #01486968  
matt.mcneill@cushwake.com

LOCAL MARKET BROKER:

**CHRIS HARDEN**

+1 972 663 9680 | TX Lic #0566104  
chris.harden@cushwake.com

**DOLLAR GENERAL**

# CONFIDENTIALITY & DISCLAIMER



ACTUAL PROPERTY

The information contained in this marketing brochure (“Materials”) is proprietary and confidential. It is intended to be reviewed only by the person or entity receiving the Materials from Cushman & Wakefield (“Agent”). The Materials are intended to be used for the sole purpose of preliminary evaluation of the subject property/properties (“Property”) for potential purchase.

The Materials have been prepared to provide unverified summary financial, property, and market information to a prospective purchaser to enable it to establish a preliminary level of interest in potential purchase of the Property. The Materials are not to be considered fact. The information contained in the Materials is not a substitute for thorough investigation of the financial, physical, and market conditions relating to the Property.

The information contained in the Materials has been obtained by Agent from sources believed to be reliable; however, no representation or warranty is made regarding the

accuracy or completeness of the Materials. Agent makes no representation or warranty regarding the Property, including but not limited to income, expenses, or financial performance (past present, or future); size, square footage, condition, or quality of the land and improvements; presence or absence of contaminating substances (PCB’s, asbestos, mold, etc.); compliance with laws and regulations (local, state, and federal); or, financial condition or business prospects of any tenant (tenants’ intentions regarding continued occupancy, payment of rent, etc). A prospective purchaser must independently investigate and verify all of the information set forth in the Materials. A prospective purchaser is solely responsible for any and all costs and expenses incurred in reviewing the Materials and/or investigating and evaluating the Property.

By receiving the Materials you are agreeing to the Confidentiality and Disclaimer set forth herein.

# EXECUTIVE SUMMARY

## DOLLAR GENERAL - SAN ANTONIO, TX

TENANT:	Dollar General (Dolgenercorp of Texas, Inc.)
LOCATION:	3350 SW Military Drive, San Antonio, TX 78211
APN:	11253-001-1610
BUILDING SIZE:	-9,014 square feet
LAND SIZE:	1.125 acres
YEAR BUILT:	2006
RENT COMMENCEMENT:	January 17, 2007
PRIMARY TERM EXPIRATION:	January 31, 2027
OPTIONS:	3 x 5 year
RENT ADJUSTMENT:	2.5% increase on February 1, 2022; 7.31% increase at 1st option; 10% at 2nd & 3rd options
LEASE TYPE:	NN Lease*
ANNUAL RENT:	\$77,288.04
OPERATING EXPENSES:(LANDSCAPING)	\$2,600

\* Landlord responsible for roof, structure, exterior walls, foundation and parking

### CORPORATE GUARANTEE

INVESTMENT GRADE  
TENANT | NYSE: DG

**\$25B**  
IN REVENUE

 **SAN ANTONIO  
MSA**



**STRONG TRAFFIC LOCATION**  
**27,390** VPD WITH CLOSE  
PROXIMITY TO I-35  
**110,000+** VPD



### RECENT LEASE EXTENSION

EVIDENCE OF TENANT'S  
COMMITMENT TO THE SITE



### FIXED RENTAL INCREASES

NEXT TO OCCUR IN

**2022**



### DENSE IN-FILL DEMOGRAPHICS

**84,718**

3 MILE RADIUS  
POPULATION



PRICE  
**\$1,106,489**



CAP RATE  
**6.75%**



NOI  
**\$74,688.04**

# INVESTMENT HIGHLIGHTS



ACTUAL PROPERTY

- » **Corporate Guarantee** (NYSE: DG) – Investment Grade Credit Tenant (S&P: BBB). \$25 billion in revenues for 2019.
- » **Long-term net lease** with minimal landlord responsibilities
- » **Recent 2019 lease extension** illustrates Dollar General's commitment to the site – the tenant also previously extended the Lease in 2013
- » **Fixed rent increases** provide a hedge against inflation
- » **Highly desirable location** in Southwest San Antonio within the 410 Loop situated on SW Military Drive – a highly trafficked east-west retail corridor close to major retailers such as Sam's Club, Target, Home Depot & Lowe's.
- » **Dense In-fill Demographics** with 84,718 population within a 3-mile radius. Population has increased by just under 6% since 2010.
- » **High-Traffic Location** with an average daily traffic (ADT) volume of 27,390 and close proximity to Interstate 35, with ADT volume over 110,000
- » **Location Highlights**
  - » **1.6 miles** from South Park Mall, which serves as the only Regional Shopping Center on the south side of the San Antonio MSA, and draws 11 million visitors per year. Anchored by Macy's, JCPenney, Old Navy, Bed Bath & Beyond, American Eagle & Dicks Sporting Goods, the Mall offers over 790,000 square feet of retail space.
  - » Less than **1 mile northwest** of Southwest General Hospital, a 325-bed facility providing high-quality medical care for nearly 40 years that is the only health care facility in southwest San Antonio  
<https://www.southwestgeneralhospital.org/about-us>
  - » Less than **2 miles east** of Joint Base San Antonio (JBSA), a US military facility with a population of 80,000 and annual budget of \$800 million. JBSA is the single largest DoD installation  
<https://www.sanantonio.gov/oma/sabases>
  - » Less than **1 mile north** of South San Antonio High School (-2,546 students)
  - » 10 miles south of **Downtown San Antonio**

SOUTH PARK MALL

EAST FACING

★ macy's  
BED BATH & BEYOND  
JCPenney  
OLD NAVY  
DICK'S SPORTING GOODS  
AMERICAN EAGLE OUTFITTERS

THE HOME DEPOT

LOWE'S

SOUTHWEST GENERAL HOSPITAL

SOUTH SAN ANTONIO HIGH SCHOOL

TARGET

Burlington Coat Factory

Sams Club

TACO BELL

DQ

O'Reilly AUTO PARTS

Advance Auto Parts

DOLLAR GENERAL

SW MILITARY DR

27,390

CARS PER DAY



4,158

CARS PER DAY



KELSEY AVE

WEST FACING

JBSA TRAINING ANNEX

JOINT BASE SAN ANTONIO



WELLS FARGO



Bill Miller Bar-B-Q

4,158 CARS PER DAY

KELSEY AVE

SW MILITARY DR

27,390 CARS PER DAY

DOLLAR GENERAL

Advance Auto Parts



# NORTH FACING

DOWNTOWN  
SAN ANTONIO

4,158  
CARS PER DAY



PRICE ELEMENTARY  
SCHOOL

27,390  
CARS PER DAY



LifeStorage

SW MILITARY DR

Bill Miller  
Bar-B-Q

Advance  
Auto Parts

O'Reilly  
AUTO PARTS

KELSEY AVE

DOLLAR GENERAL

SOUTH FACING

SOUTH SAN ANTONIO HIGH SCHOOL

27,050 CARS PER DAY

Walmart Supercenter

4,158 CARS PER DAY

SOMERSET RD

DOLLAR GENERAL

O'Reilly AUTO PARTS

Advance Auto Parts

Bill Miller Bar-B-Q

27,390 CARS PER DAY

KELSEY AVE

SW MILITARY DR



# TENANT PROFILE

## DOLLAR GENERAL

Website: [www.dollargeneral.com](http://www.dollargeneral.com)

NYSE: DG

<b>S&amp;P CREDIT RATING:</b>	BBB (Stable)
<b>2019 REVENUE (\$ BIL):</b>	\$25.62
<b>2019 NET INCOME (\$ BIL):</b>	\$1.59
<b># OF LOCATIONS (2019):</b>	15,472
<b># OF EMPLOYEES (2019):</b>	~135,000

Dollar General Corp. is a U.S. chain of variety stores headquartered in Goodlettsville, Tennessee. The stores were founded in 1939 by Cal Turner in Scottsville, Kentucky as J.L. Turner & Son, Inc. In 1968 the business changed its name to Dollar General Corporation. In 2007 the company was acquired by the private equity firm Kohlberg Kravis Roberts & Co. (KKR), which took the company public in 2009, and in December 2013 the entity controlled by investment funds affiliated with KKR sold its remaining shares of Dollar General common stock.

Dollar General is among the nation's largest discount retailers, offering a carefully edited assortment of the most popular brands at low everyday prices in small, convenient locations. As of March 1, 2019, there are 15,472 retail locations in 44 states. In 2018, Dollar General achieved its 29th consecutive year of positive same-store sales growth.

Dollar General offers merchandise at everyday low prices (typically \$10 or less) through our convenient small-box locations, with selling space averaging approximately 7,400 square feet. Approximately 75% of its stores are located in towns of 20,000 or fewer people. The company competes in the discount retail 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'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 Dollar Tree (BBB vs BBB-).



# DEMOGRAPHICS



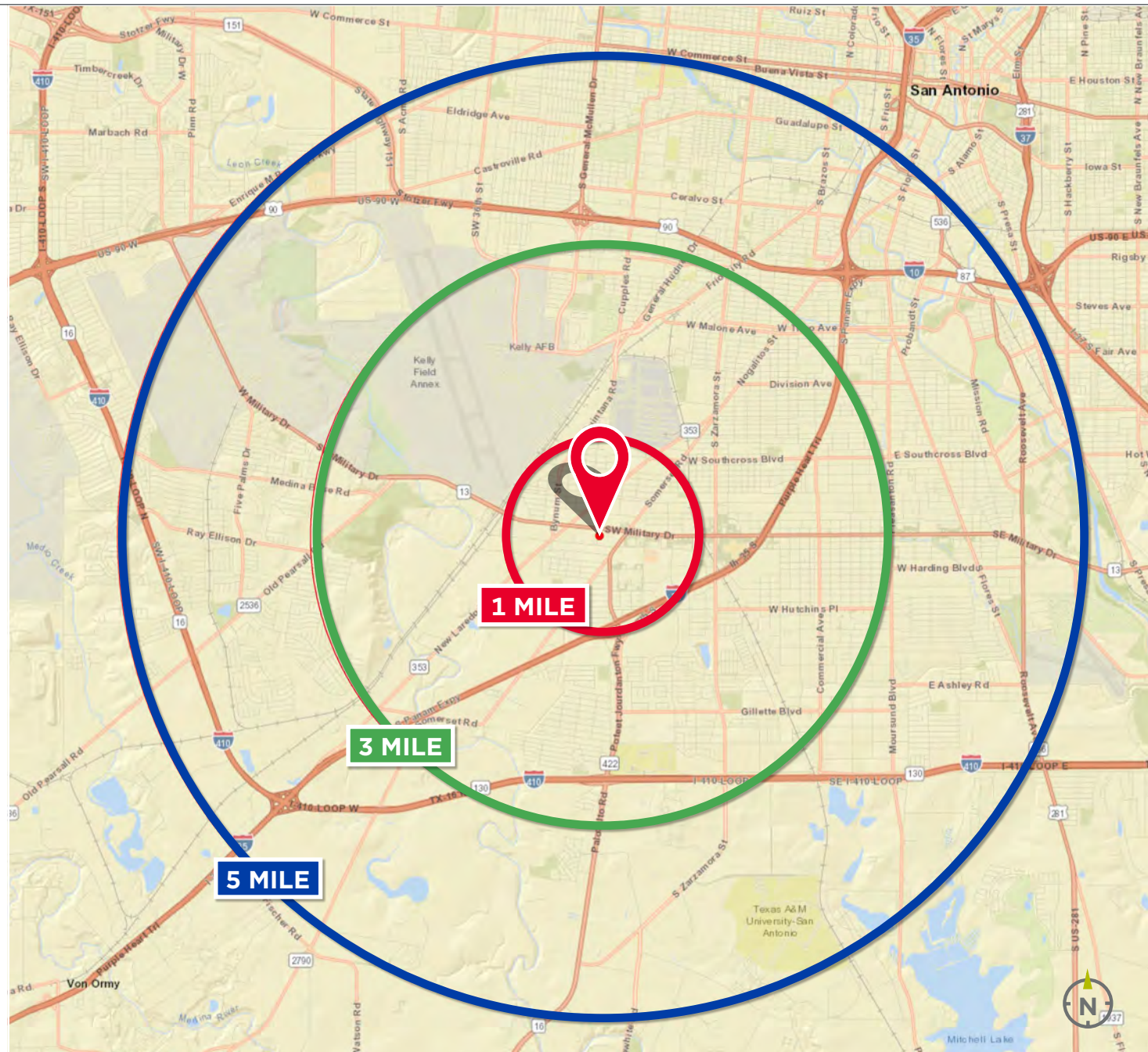
POPULATION  
**84K+**  
3 MILE RADIUS

## POPULATION

1 MILE	3 MILE	5 MILE
13,514	84,718	241,943

## AVERAGE HH INCOME

1 MILE	3 MILE	5 MILE
\$47,190	\$52,141	\$51,419





# MARKET OVERVIEW

## SAN ANTONIO, TEXAS

San Antonio, officially the City of San Antonio, is the seventh most populated city in the United States of America and the second most populated city in the state of Texas, with a population of 1,409,019. It was the fastest growing of the top 10 largest cities in the United States from 2000 to 2010 (16.0%), and the second from 1990 to 2000 (22.3%). The city is located in the south-central region of Texas, and the southwestern corner of an urban region known as the Texas Triangle.

San Antonio serves as the seat of Bexar County. The city has characteristics of other western urban centers in which there are sparsely populated areas and a low-density rate outside of the city limits. San Antonio is the center of the San Antonio–New Braunfels Metropolitan Statistical Area. Commonly referred to as Greater San Antonio, the metropolitan area has a population of over 2.47 million based on the 2017 US Census

estimate, making it the 24th-largest metropolitan area in the United States and third-largest in the state of Texas. Growth along the Interstate 35 and Interstate 10 corridors to the north, west and east make it likely that the metropolitan area will continue to expand.

San Antonio is a model city for the new face of America—a diverse, progressive and globally competitive city with a solid vision for national and international economic development. In 2012, San Antonio was named an All-America City by the National Civic League. The City of San Antonio maintains a strong financial position with a “AAA” general obligation bond rating from all three major rating agencies. The Milken Institute has ranked San Antonio No. 1 on its Best-Performing Cities list.

# ECONOMY

# MARKET OVERVIEW

San Antonio has a diversified economy with a metropolitan Gross Domestic Product of approximately \$96.8 billion. This ranks the city 4th among Texas metropolitan areas and 38th in the United States. San Antonio's economy is focused primarily within military, health care, government civil service, financial services, oil and gas and tourism sectors. Within the past twenty years, San Antonio has become a significant location for American-based call centers and has added a significant manufacturing sector centered around automobiles. In 2013, San Antonio ranked No. 11 on Forbes' list of the Best Places for Business and Careers, with a ranking of 9th best market for job growth.

As the seventh-largest city in the United States, San Antonio is experiencing solid economic growth in 21st century industries such as bioscience and healthcare, aerospace, IT and cybersecurity and green technologies. Biotech companies and healthcare systems in San Antonio contribute billions to the local economy. The Aerospace industry remains a dominant economic strength in San Antonio with the presence of several aviation and aerospace corporations, including the military. The military has had a significant relationship with San Antonio for more than 200 years and is home to several military commands. The city is also a cybersecurity hub; nationally recognized as a leader in the field of information security. San Antonio is positioning itself to be at the forefront of the New Energy Economy in the United States, committed to investing and creating employment opportunities in green industries.

San Antonio's economy has remained steady and prosperous by successfully attracting new businesses and helping existing companies grow. The City has focused on creating new employment opportunities in 21st century industries, maintaining a great quality of life, and facilitating business growth at the local and international level.

Over twenty million tourists visit the city and its attractions every year, contributing substantially to the city's economy, primarily due to The Alamo and the River Walk. The Henry B. Gonzalez Convention Center alone hosts more than 300 events each year with over 750,000 convention delegates from around the world. Tourism provides over 130,000 jobs and makes an economic impact of over \$13.6 billion in the local economy as revealed in the Economic Impact Study conducted in 2015 by the San Antonio Tourism Council and the research team of Dr. Richard Butler and Dr. Mary Steff of Trinity University. Tourism also brings new annual revenues to the City of San Antonio and other governmental entities with the hotel & motel tax, sales taxes and other revenues from hospitality agreements and contracts.

San Antonio is the headquarters of six Fortune 500 companies: Valero Energy, Andeavor (formerly Tesoro Corp), USAA, iHeartMedia, NuStar Energy, and CST Brands, Inc. H-E-B, the 13th-largest private company in the U.S. is also based in San Antonio.

# EDUCATION

# MARKET OVERVIEW

San Antonio hosts over 100,000 students in its 31 higher-education institutions. Publicly supported schools include the University of Texas Health Science Center at San Antonio, the University of Texas at San Antonio, Texas A&M University-San Antonio, and the Alamo Community College District. The University of Texas at San Antonio is San Antonio's largest university.

Private universities include top-rated Trinity University, St. Mary's University, Our Lady of the Lake University, University of the Incarnate Word, Webster University, Wayland Baptist University - San Antonio, Baptist University of the Americas, and the Southwest School of Art which brought in its first BFA class in 2014. The San Antonio Public Library serves all of these institutions along with the 19 independent school districts within the Bexar County/ San Antonio metropolitan area.

The city is also home to more than 30 private schools and charter schools. These schools include: Central Catholic Marianist High School, Incarnate Word High School, Saint Mary's Hall, The Atonement Academy, Antonian College Preparatory High School, San Antonio Academy, Holy Cross High School, Providence High School, The Carver Academy, Keystone School, TMI — The Episcopal School of Texas, St. Anthony Catholic High School, Lutheran High School of San Antonio, and Harmony Science Academy.

San Antonio is also home to U.S. Air Force Basic Military Training (AFBMT). The Air Force only has one location for enlisted basic training: the 737th Training Group, at Lackland Air Force Base. All new Air Force recruits go through the same basic training at Lackland. Each year, over 35,000 new recruits go through AFBMT. In addition, METC (Military Education and Training Campus), which provides the medical training for the US military at Fort Sam Houston, hosts 30 programs and over 24,000 annual graduates. It is the largest medical education center in the world.





3350 SW MILITARY DRIVE | SAN ANTONIO | TEXAS

OFFERING MEMORANDUM  
NET LEASE INVESTMENTS

EXCLUSIVELY OFFERED BY:

**MATT MCNEILL**

+1 858 546 5467 | CA Lic #01486968  
matt.mcneill@cushwake.com

LOCAL MARKET BROKER:

**CHRIS HARDEN**

+1 972 663 9680 | TX Lic #0566104  
chris.harden@cushwake.com

**DOLLAR GENERAL**