

Offering Memorandum

Dollar General



**Essential
Business**

Representative Photo

Highway 29, East Dublin, Georgia 21021

Corner Location | Investment-Grade Tenant | Long-Term NNN Lease | Brand New Construction | Ideal Demographics | Essential Business



Stan Johnson Co.

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Section One

Executive Summary

The Offering

Stan Johnson Company is pleased to offer to qualified investors, a brand new retail property which is 100% leased to Dollar General in East Dublin, Georgia.

Dollar General is operating under a fifteen (15) year NNN lease featuring four (4) five (5) year renewal options and 10% rental increases in each option.

Dollar General Corporation is an investment-grade company currently holding a Standard & Poor's rating of BBB/Stable.

Property Summary

Address	Highway 29 Dublin, GA 21021
Building Size	9,100 SF
Ownership Interest	Fee Simple
NOI	\$83,832



 Offering Price **\$1,289,723**

 Cap Rate **6.50%**

Investment Highlights



Essential Business

Dollar General has been open and operating during the Covid-19 pandemic



Corner Location

This Dollar General location benefits from easy access located on the corner of Highway 29 and Beckham Road



New Long-Term Lease with Attractive Renewal Options

Brand new fifteen (15) year lease with four (4) five (5) year renewal options that feature attractive 10% increases in each option



Absolute NNN

Tenant is responsible for all expenses, including roof, structure, insurance, and common area maintenance



Clear Visibility & Access

Consumers driving through town or who live in the area benefit from ease of sight and route to the property



Growing Business

Dollar General's first quarter sales increased 27.6% up to \$8.4 Billion as a direct result of adding 250 new stores coupled with same store sales seeing an increase of 21.7%



Ideal Location

The property is located in East Dublin, a small community with easy access to major cities: Macon (55 min. drive), Savannah (1.44 hr. drive) and Augusta (1.46 hr. drive). Dublin is home to Middle Georgia State University (700+ students) located ± 6 miles from the property

Section Two

Property Overview



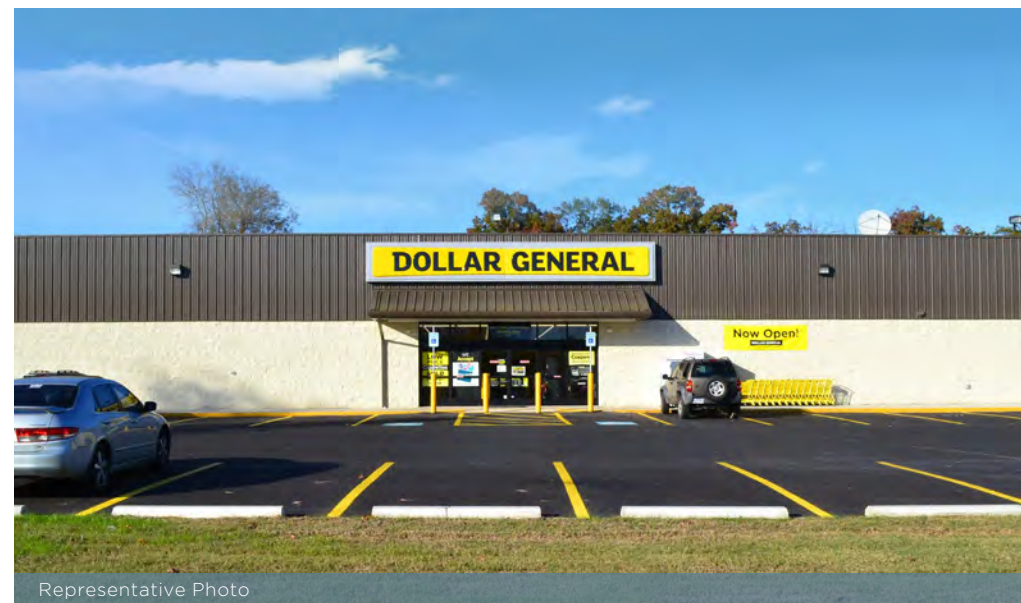
Lease Abstract

Tenant	Dollar General
Address	Highway 29, East Dublin, Georgia 21021
Building Size (SF)	9,100 SF
Lot Size (Acres)	1.90 acres
Year Built	2020
Rent Commencement	October 17, 2020 (approx)
Lease/Rent Expiration	October 16, 2035 (approx)
Lease Term Remaining	15 years
Annual Base Rent	\$83,832
Annual Base Rent PSF	\$9.21
Rental Increases	10% increases every 5 years in options
Renewal Options	Four (4) five (5) year options
Option Increases	10% increases at each option period
Lease Type	Absolute NNN
Ownership Interest	Fee simple



Rent Schedule

Term	Dates	Annual Rent	Rent PSF	Increase
Base	10/17/2020 - 10/16/2035	\$83,832	\$9.21	-
Option 1	10/17/2035-10/16/2040	\$92,215	\$10.13	10.00%
Option 2	10/17/2040-10/16/2045	\$101,437	\$11.15	10.00%
Option 3	10/17/2035-10/16/2050	\$111,580	\$12.26	10.00%
Option 4	10/17/2050-10/16/2055	\$122,738	\$13.49	10.00%



Representative Photo

Dollar General Tenant Overview

DOLLAR GENERAL®

Dollar General was 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.

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. Many of its offerings are priced at more than one dollar. However, goods are usually sold at set price points of penny items and up to the range of 50 to 60 dollars.

Dollar General has thrived during the economic recovery of the last several years and their stock has continued to increase. Dollar General's 2020 first quarter sales increased 27.6% up to \$8.4 Billion as a direct result of adding 250 new stores coupled with same store sales seeing an increase of 21.7%. As of May 1, 2020, it operated 16,500 stores located in 44 states.

Citing Dollar General's positive operating momentum, healthy sales and expected cash flow growth, the company currently holds an investment grade rating of BBB/Stable with Standard & Poor's. Fiscal year 2019 net sales increased 8.3% to \$27.8 billion, compared to \$25.6 billion in fiscal year 2018.

Tenant Profile	
Company	Dollar General Corp.
Number of Locations	16,500+
Credit Rating	S&P: BBB/Stable
Stock Symbol	DG
Exchange	NYSE
Total Revenue <small>(1/31/2020)</small>	\$27.8 Billion
Net Income <small>(1/31/2020)</small>	\$1.71 Billion
Net Worth <small>(1/31/2020)</small>	\$6.7 Billion
Tenant Business	Discount, Variety store
Founded	1939
Headquartered	Goodlettsville, Tennessee
Website	www.dg.com

Dollar General Hits a Gold Mine in Rural America **Bloomberg Businessweek**

In the poorest towns, where even Walmart failed, the little-box player is turning a profit.
- By Mya Frazier

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 Walmart Stores Inc.'s corporate headquarters, 18 miles to the east in Bentonville, that within the month the store would be closed...

Read full story here: www.bloomberg.com

Discount Department Stores Industry Overview

\$ Companies in the dollar store industry operate physical retail establishments that sell a wide variety of merchandise, including apparel, groceries, household furnishings, and personal care products. Major companies include Kmart, Target, and Walmart (all based in the US), as well as Carrefour and Groupe Auchan (France), Daiso Japan, Lojas Americanas (Brazil), and METRO AG (Germany).

Discount department store sales are strongest in developed parts of the world, including Europe, Japan, and North America. Top emerging markets for discount department stores are China, India, and other regions where middle-class populations are rising. The US discount department store industry has a combined annual revenue of about \$100 billion.

Unlike most traditional department stores, discount department stores typically have a central checkout at the front of the store. Discount department stores generally do not sell fresh, perishable foods, unlike supercenters and warehouse clubs. Some discount retailers, such as Target and Walmart, also operate supercenters or warehouse clubs, which are covered in a separate industry profile.

Competitive Landscape

Discount department stores carry a wide range of merchandise and compete with a diverse set of retailers, including department, drug, grocery, off-price, outlet, and specialty stores; warehouse clubs; and internet and catalog retailers. As consumers migrate to online purchasing, e-commerce has become a battleground for discount department stores and other retailers. Walmart Stores, which in 2016 acquired online retailer Jet.com for \$3.3 billion (its largest-ever purchase), has seen its sales and profits jump since the takeover and appears to be holding its own against Amazon. The deal underscores the importance of e-commerce to Walmart's sales growth and the competitive threat Amazon.com poses to Walmart and the broader retail industry.

To better compete with Amazon and their brick-and-mortar rivals, discount department stores are connecting their physical and online operations to create new services such as next-day (and even same-day) delivery of online orders, as well as offering in-store pickup for online orders.

Industry Indicators

US consumer spending on nondurable goods, an indicator of discount store sales, fell 0.4% in October 2019 compared to the same month in 2018.

US personal income, which drives consumer decision making to buy from discount stores, rose 4.4% in October 2019 compared to the same month in 2018.

US retail sales for general merchandise stores, a potential measure of consumer spending at discount stores, increased 1.4% in the first eleven months of 2019 compared to the same period in 2018.

Source: www.hoovers.com

The US discount department store industry includes a combined annual revenue of about \$100 billion.

- Global Market Insights

Section Three

Location Overview



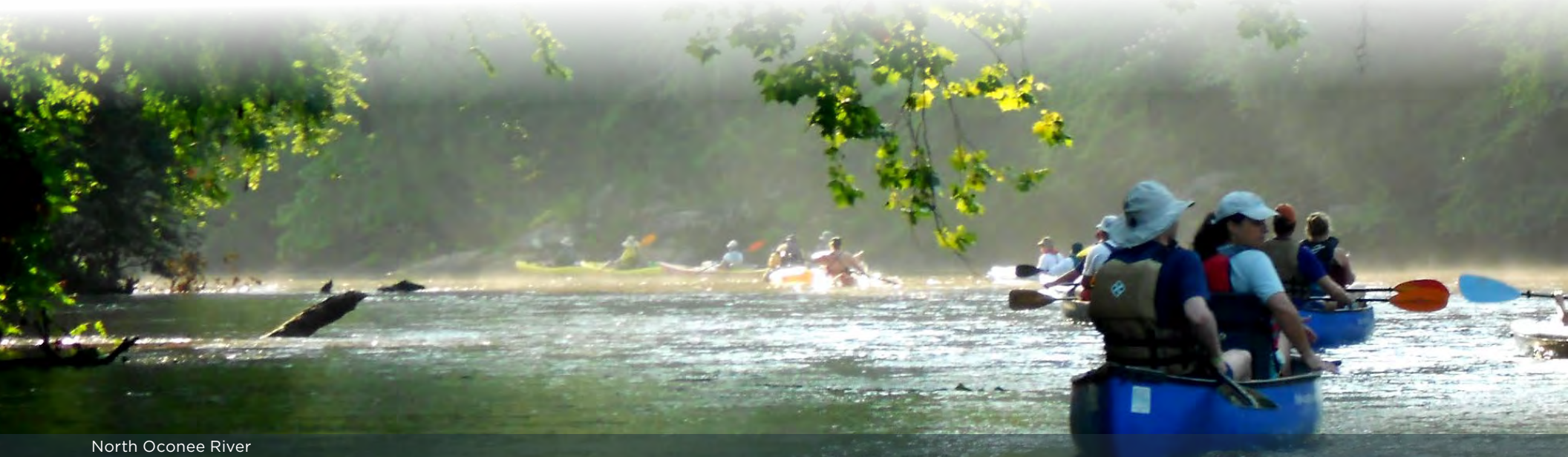
Location Overview

Centrally located in Middle Georgia, **Dublin**, chosen as a “City of Excellence” by Georgia Trend Magazine in January 2000, is strategically situated at the junction of Interstate 16 and U.S. Highway 441 and 319. U.S. 80 provides easy access from both east and west. The network of highways makes travel pleasant to major Georgia cities: 55 Minutes to Macon, 1 hour 55 minutes to the Atlanta Airport, and 1 hour 45 minutes to Savannah. Dublin was also selected as a Signature Community in January of 2007 by the Georgia Department of Community Affairs.

In October 2019, Dublin was named a Georgia’s Exceptional Main Street community, or better known as GEMS, which represents some of the best of the best Main Street Programs that the state has to offer. These Main Street Programs have gone above and beyond expectations by making a strong and positive impact in their communities as measured by the Monthly Reporting and the Annual Assessment Process. GEMS level communities are entitled to special one on one technical services offered through the Office of Downtown Development as well as discounted training opportunities.

Dublin-Laurens County offers something for everyone. The wonderfully mild climate of Middle Georgia creates a haven for the sportsman who enjoys tennis, golf, fishing, or hunting. If you enjoy shopping, you’ll find plenty of opportunities to do so at over 400 stores, including Dublin Mall. The historic downtown is a busy retail center filled with shops, new parking areas, a plaza area with fountains, restaurants, the renovated Theatre Dublin and the Dublin-Laurens County Historical Museum.

East Dublin is a town located in Laurens County, Georgia with a population of approximately 2,725. Located on the Oconee River, East Dublin offers visitors plenty of activities and lodging. Local attractions include fishing at Hugh Gillis Public Fishing Area or floating the Oconee River at Buckeye Park.



North Oconee River



Demographics



Population	3 miles	5 miles	10 miles
2019 Population	5,270	15,501	35,340
2024 Population	5,238	15,342	35,185



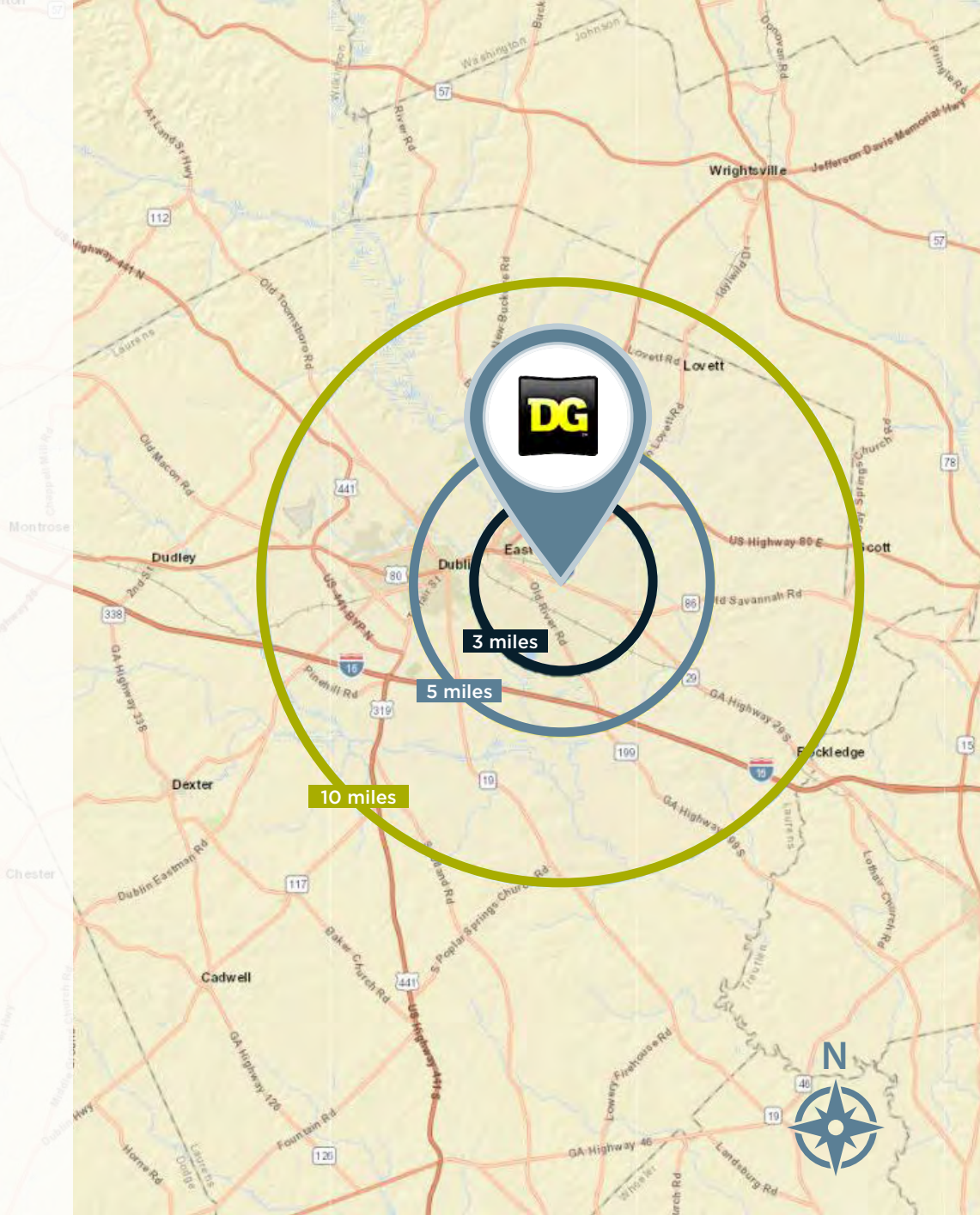
Households	3 miles	5 miles	10 miles
2019 Total Households	1,985	6,002	13,770
2024 Total Households	1,973	5,942	13,711



Household Income	3 miles	5 miles	10 miles
2019 Average Household Income	\$39,964	\$38,433	\$50,979


35K
 population
 (10 miles)


\$50K
 avg. HH inc.
 (10 miles)



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