



# DOLLAR GENERAL

AN URBAN INFILL, CORPORATE NET LEASE DOLLAR STORE

CHICAGO, IL (3RD LARGEST CITY IN THE U.S.)



CAPITAL PACIFIC



# Retail Aerial

**HYDE PARK**

**HAMILTON PARK**



**THE UNIVERSITY OF CHICAGO**

- 16,445 POPULATION
- 2,377 FACULTY
- 217-ACREA CAMPUS
- #3 BEST UNIVERSITY IN U.S. (US NEWS & WORLD REPORT)

**STAGG ELEMENTARY SCHOOL**

**W 74TH STREET**

**LOWE'S**

**Walmart** Supercenter

**THE HOME DEPOT**

**DOLLAR TREE**

**planet fitness**

**Marshalls**

**DOLLAR GENERAL**

**RAIL TRACKS**

**12,600 VPD**

**S RACINE AVENUE**

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# Retail Aerial

# CHICAGO CITY CENTER



WENTWORTH  
ELEMENTARY  
SCHOOL

OGDEN  
PARK

BASS  
ELEMENTARY  
SCHOOL

CITITRENDS  
FAMILY DOLLAR  
FAIRPLAY  
Walgreens

KENNEDY-  
KING  
COLLEGE

EXCEL  
ACADEMY OF  
ENGLEWOOD

FAMILY DOLLAR  
O'Reilly AUTO PARTS  
White Castle

DOLLAR TREE  
planet fitness  
Food 4 Less  
Burlington  
CHASE

12,600  
VPD

Aaron's

CARRIE  
JACOBS BOND  
ELEMENTARY  
SCHOOL

A & A  
GROCERY

WHOLE  
FOODS  
MARKET  
Walgreens  
ALDI  
CHIPOTLE  
MEXICAN GRILL  
STARBUCKS  
WING STOP

W 74TH STREET

Auto  
Zone

S RACINE AVENUE

DOLLAR  
GENERAL







# DOLLAR GENERAL

7443 S RACINE AVENUE, CHICAGO, IL 60636 

**\$1,423,000**  
**PRICE**

**7.00%**  
**CAP**

LEASEABLE SF  
**12,470 SF**

LAND AREA  
**1.13 Acres**

LEASE TYPE\*  
**NN**  
**\*10 year roof warranty**

LEASE TERMS  
**10 Years**

YEAR RENOVATED  
**2019**

PARKING  
**46 Spaces**

**10-year NN corporate lease with guaranty**

**5% rent bump in Year 6 and for each of the three 5-year options**

**New 10-year roof warranty; limited Landlord responsibility**

**Rare urban, high density location – Chicago is the nation's 3rd largest city by population**

**\$25.6B revenue company with BBB Credit Rating**



# Investment Highlights

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**CAPITAL PACIFIC** is pleased to present the opportunity to acquire a rare, urban-infill Dollar General in Chicago, Illinois. The subject property features a corporate guaranty from Dollar General, one of the largest retailers in the U.S. with over \$25 billion in annual revenue. The NN lease limits Landlord obligations to roof (10 year warranty) and structure, with Tenant responsible for all other costs. This is a rare urban Dollar General store that benefits from the dense surrounding population. The property is well located on S. Racine Avenue, one of Chicago's busiest thoroughfares which runs the length of the city, and features excellent visibility and parking.

**DOLLAR GENERAL** generated \$25.6 billion in 2018 fiscal year sales and net income of \$1.6 billion. Dollar General currently operates over 15,000 stores in 44 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. Dollar General's stock is up 45% over the past 24 months.



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

## Contact the team

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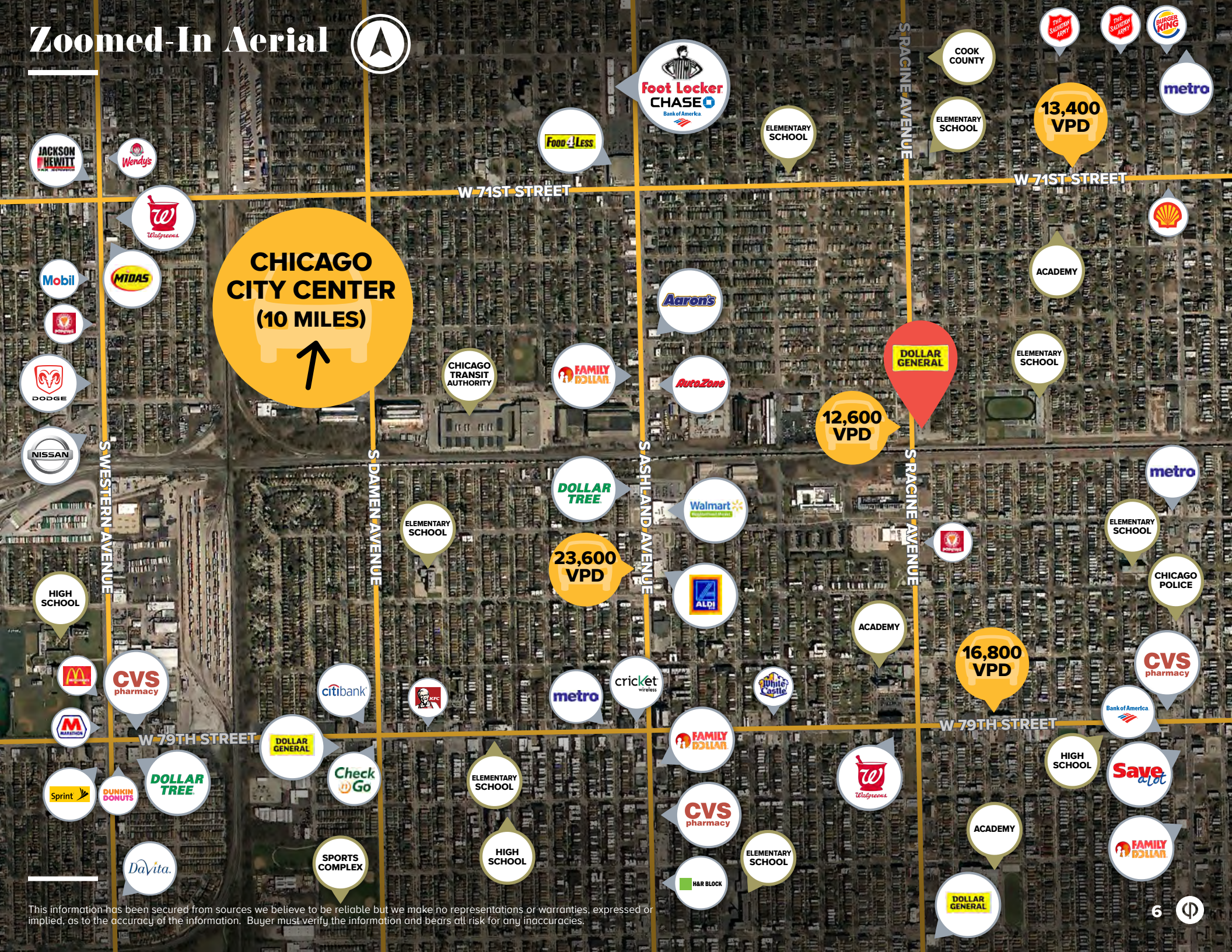
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# Zoomed-In Aerial



**CHICAGO CITY CENTER**  
(10 MILES)



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# Zoomed-Out Aerial



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# Surrounding Retail

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# Income & Expense

<b>PRICE</b>	<b>\$1,423,000</b>	
<b>Capitalization Rate:</b>	<b>7.00%</b>	
Building Size (SF):	12,470	
Lot Size (Acres):	1.13	
<b>STABILIZED INCOME</b>	<b>PER SQUARE FOOT</b>	
Scheduled Rent	\$7.99	\$99,600
Effective Gross Income	\$7.99	\$99,600
<b>LESS</b>	<b>PER SQUARE FOOT</b>	
Taxes	NNN	\$0.00
Insurance	NNN	\$0.00
Total Operating Expenses	NNN	\$0.00
<b>NET OPERATING INCOME</b>	<b>\$99,600</b>	





# 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	12,470	1	10	\$99,600	\$8,300	\$99,600	\$0.67	\$7.99	
		Year 6	(increase)		\$8,715	\$104,580	\$0.70	\$8.39	
		Option 1	11	15		\$9,151	\$109,809	\$0.73	\$8.81
		Option 2	16	20		\$9,608	\$115,299	\$0.77	\$9.25
		Option 3	21	25		\$10,089	\$121,064	\$0.81	\$9.71
<b>TOTALS:</b>	<b>12,470</b>			<b>\$99,600</b>	<b>\$8,300</b>	<b>\$99,600</b>	<b>\$0.67</b>	<b>\$7.99</b>	

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# Lease and Site

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<b>TENANT</b>	Dollar General
<b>GUARANTOR</b>	Dollar General Corporation
<b>BUILDING SF</b>	12,470 SF
<b>LEASE TYPE</b>	NN (10-year roof warranty)
<b>TERM</b>	10 Years
<b>OPTIONS</b>	Three 5-year Options

## STORE RENOVATION SCOPE OF WORK:

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- Enhanced landscape
- Patched and restriped parking lot
- Building façade enhancements per DG urban prototype
- New HVAC (RTU's)
- Updated electrical and plumbing, per Dollar General specifications
- Repairs to existing roof with a 10-year warranty

## EXPENSES

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### 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 \$2 million per occurrence and \$2 million in aggregate. Landlord shall be named additional insured on both policies. Additionally, Landlord shall carry commercial general liability insurance of \$2 million per occurrence and \$2 million in aggregate. Landlord further agrees to maintain a “special cause of loss” policy insuring all improvements on the premises. Tenant, at its sole cost and expense, shall pay the insurance provider directly for Landlord’s policy (excluding deductible amounts, which shall be the sole cost of the Landlord.

### UTILITIES

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

### TENANT’S OBLIGATIONS

Tenant is responsible for maintenance and repair for all interior, non-structural portions of building.

### LANDLORD’S OBLIGATIONS

Roof and structure. 10 year roof warranty. Any applicable insurance deductible amounts (see above “insurance”).



# Site Plan



**12,470**  
RENTABLE SF



**1.13**  
ACRES



**46**  
SPACES



S RACINE AVENUE

ALLEY

W 74TH PLACE



PYLON SIGN

ALLEY



This site plan is a rendering that has been created based on sources we believe to be reliable. 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

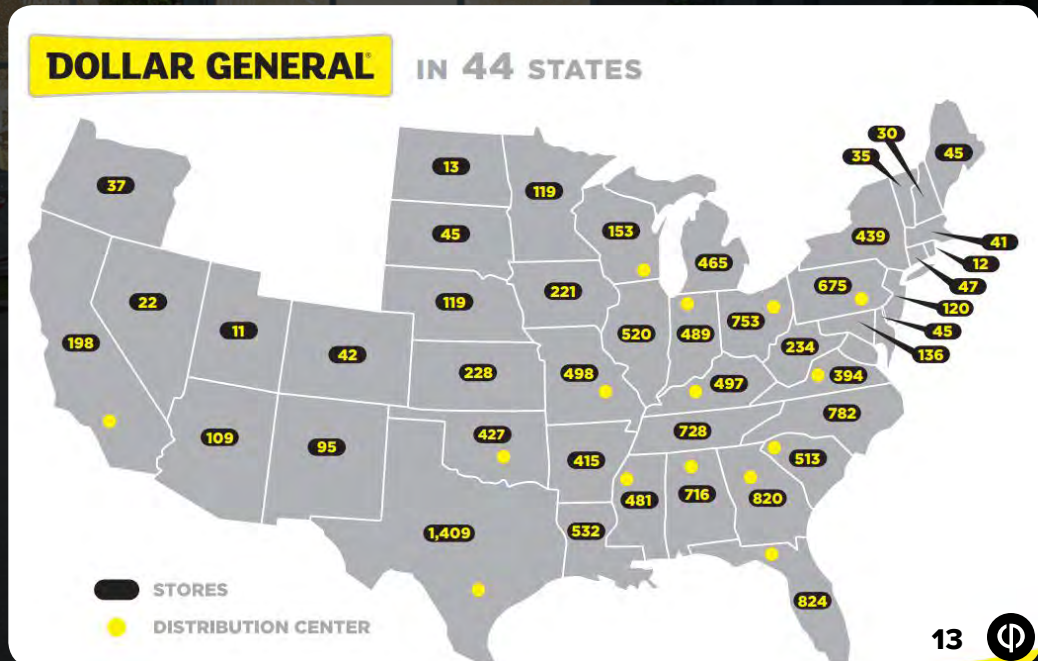


## ABOUT DOLLAR GENERAL

Dollar General (NYSE: DG) is a chain of more than 15,000 discount stores in 44 states, primarily in the South, East, Midwest, and Southwest. Offering basic household items, such as cleaning supplies, health and beauty aids, apparel, and food, it targets low, middle, and fixed-income shoppers.

The company has grown to be 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.

**\$25.6 Billion in 2018 Sales**  
**15,000+ Locations in 44 States**



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## DOLLAR GENERAL IS DOMINATING IN AMERICA. HERE'S HOW IT KEEPS ITS PRICES SO LOW

**August 30, 2018 (Business Insider)** Dollar General is taking over the United States.

This no-frills, bargain-hunters' paradise is growing at a level that is largely "unthinkable" in retail, Credit Suisse analysts wrote in June.

In 2017, Dollar General opened new locations at a rate of around four stores a day. In 2018, 900 more stores are slated to open at a rate of about three stores a day.

While competitors have been squeezed by growing competition online and from Amazon, Dollar General and the dollar-store sector, in general, have flourished, swooping in and offering customers prices that are 20% to 40% lower than grocery and drug stores. On Thursday, it continued its 28-year long sales growth streak, reporting a 3.7% increase in same-store sales during the second-quarter of 2018.

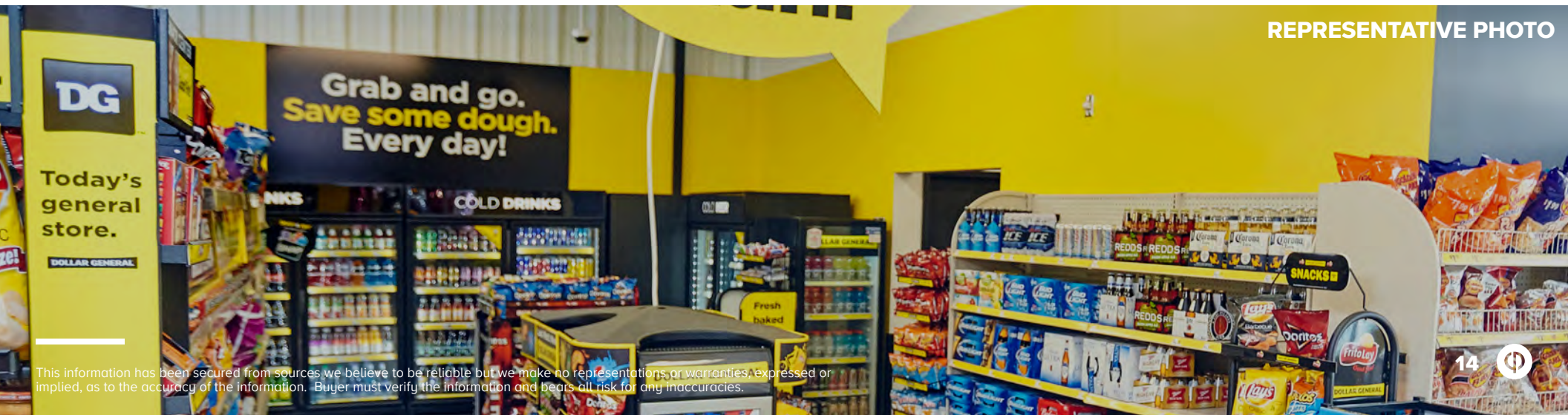
Sales at US dollar stores grew to \$45.3 billion from \$30.4 billion between 2010 and 2015. Moody's said it expects this market to grow 8% in 2018, which is about double the growth of what is expected for US retail in general during the same period.

Since it opened its first store in a small town in Kentucky in 1955, Dollar General has stayed true to its roots, predominantly serving rural and suburban low-income customers. The retailer's target shopper comes from a household making \$40,000 or less a year and is often living in areas called "food deserts," meaning they are miles away from access to grocery stores.

In a call with investors on Thursday, Todd Vasos, CEO of the company, said that the chain is also attracting higher-income shoppers and foot traffic to its stores is improving, despite the strength of the economy and customers having more money in their pockets.

"Even in a good economy, she [the customer] is still looking for value and convenience," he said.

[READ THE FULL ARTICLE](#)



REPRESENTATIVE PHOTO



# Dollar General Press Release

## DOLLAR GENERAL CORPORATION REPORTS 4.0% SAME-STORE SALES GROWTH FOR FOURTH QUARTER 2018

**Mar. 14, 2019 (BUSINESS WIRE)** Dollar General Corporation (NYSE: DG) today reported financial results for its fiscal year 2018 fourth quarter (13 weeks) and fiscal year (52 weeks) ended February 1, 2019.

- Fourth Quarter Net Sales Increased 8.5%; Fiscal Year Net Sales Increased 9.2%
- Fourth Quarter Same-Store Sales Increased 4.0%; Fiscal Year Same-Store Sales Increased 3.2%
- Fourth Quarter Diluted Earnings Per Share (“EPS”) of \$1.84; Fiscal Year Diluted EPS of \$5.97
- Annual Cash Flows From Operations Increased 18.9% to \$2.1 Billion

\$1.3 Billion Returned to Shareholders in the Fiscal Year through Share Repurchases and Cash Dividends

Board of Directors Declares Increased Quarterly Cash Dividend of \$0.32 Per Share; Increases Share Repurchase Program Authorization by \$1.0 Billion. This comes on top of the 830 stores it opened last year and dozens it updated with new fixtures and better products to improve customer experience.

“DG is aggressively moving into rural, low-income, food deserts that are either underserved or not served at all by mom-&-pop shops or grocers,” Perkins said. “They sell low-cost goods typically in smaller sizes and packages to keep costs lower than bulk products sold in grocers, discounters, and warehouse clubs. As they are generally closer to low-income consumers, they better serve consumer fill-in trips during the week and saving a trip out to a grocery store, a Walmart or a Target.”

[READ THE PRESS RELEASE](#)


**FISCAL YEAR 2018  
WAS THE 29TH  
CONSECUTIVE YEAR  
OF SAME-STORE  
SALES GROWTH**






# Demographics

## POPULATION

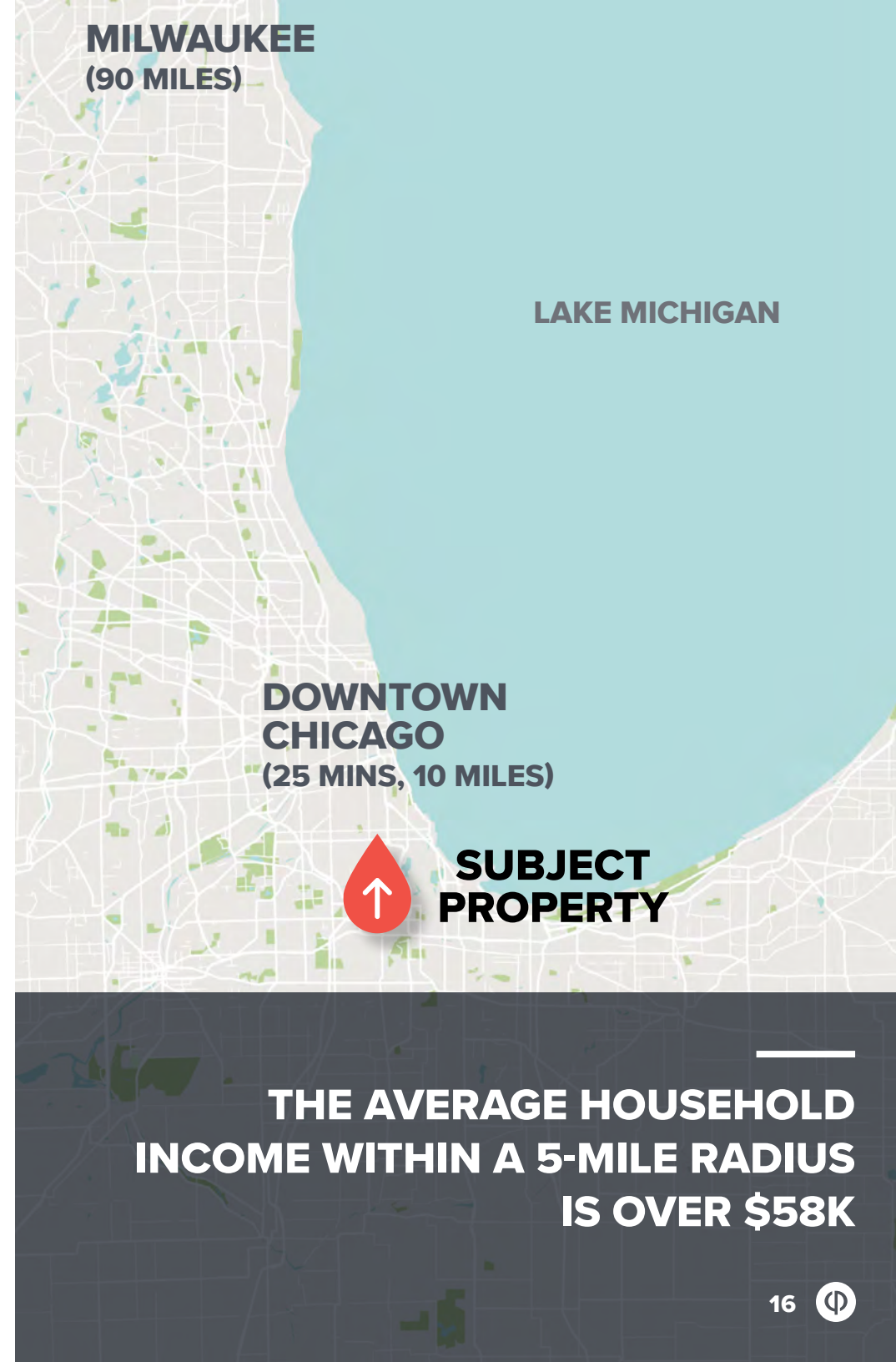
	1-MILE	3-MILES	5-MILES
2010	4,399	302,012	810,597
2018	42,337	297,449	815,306
2023	41,739	295,330	815,080

## 2018 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$40,380	\$49,102	\$58,056
Median	\$26,300	\$33,420	\$39,632

## FORTUNE 500 COMPANIES IN CHICAGO

EMPLOYER	# OF EMPLOYEES
United Airlines	90,600
JLL	77,300
Aon	49,800
Hyatt Hotels	45,000
RRD	44,360



MILWAUKEE  
(90 MILES)

LAKE MICHIGAN

DOWNTOWN  
CHICAGO  
(25 MINS, 10 MILES)



**SUBJECT  
PROPERTY**

**THE AVERAGE HOUSEHOLD  
INCOME WITHIN A 5-MILE RADIUS  
IS OVER \$58K**



# CHICAGO, ILLINOIS



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**CHICAGO** is the third most populous city in the U.S. and the most populous city in the American Midwest, with approximately 2.7 million residents. Located on the western shores of Lake Michigan, the Chicago metropolitan area (also called “Chicagoland”), which extends into Indiana and Wisconsin, is the third-largest in the U.S.

The city is an international hub for finance, commerce, telecommunications, and transportation. Chicago is home to world-class shopping, 8 major league sports teams, over 8,300 acres of green spaces, and a variety of cultural and historical attractions, including world famous museums. Over 57.6 million people visited Chicago in 2018, supporting more than 146,000 jobs. O’Hare International Airport being the fourth-busiest airport in the world with over 83.4 million passengers in 2018.

### ABOUT THE MSA

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**CHICAGOLAND** is one of the largest economic centers in the world boasting a population of 9.5 million, 4.5 million jobs, and a \$500 billion economy. There are over 160 company headquarters, 30 Fortune 500 headquarters, 12 Fortune Global 500 and 10 Financial Times Global 500 companies. It is a hub for agribusiness, life sciences and manufacturing. Employment in Chicago is projected to grow by 16% between 2012 and 2022.

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**9.5 MILLION**



**CHICAGO MSA  
POPULATION  
(ESTIMATED)**

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# We'd love to hear from you.

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**CHRIS PETERS**

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