



324 YELLOWSTONE AVE • CODY, WY 82414

OFFERING MEMORANDUM





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Subject Property





# THE OFFERING



324 YELLOWSTONE AVE • CODY, WY 82414

## OFFERING TERMS

PRICE  
**\$4,934,000**

CAP  
**6.00%**

NET OPERATING INCOME  
**\$296,000**

### FINANCIAL SUMMARY

Building Sq Ft	22,064 Sq Ft
Year Built	2014
Lot Size	+/- 5.10 Acres

### LEASE SUMMARY

Lease Type	Double Net
Tenant	Tractor Supply
Guarantor	Corporate
Roof and Structure	Landlord Responsible
Primary Term	15 Years
Rent Commencement Date	12/27/2014
Lease Expiration Date	12/26/2029
Term Remaining	10+ Years
Rental Increases	Yes
Renewal Options	Four, Five-Year



# LEASE SUMMARY

GLA	LEASE TERM		LEASE YEARS	PAYMENT DATES		ANNUAL	MINIMUM RENT		CAP RATE	OPTIONS
	START	END		START	END		MONTHLY	PSF		
22,064	12/27/2014	12/26/2029	1-5	12/27/2014	12/26/2019	\$296,000	\$24,667	\$13.42	6.00%	Four, Five-Year
			6-10	12/27/2019	12/26/2024	\$325,600	\$27,133	\$14.76	6.60%	
			11-15	12/27/2024	12/26/2029	\$358,160	\$29,847	\$16.23	7.26%	
			16-20	12/27/2029	12/26/2034	\$393,976	\$32,831	\$17.86	7.98%	Option 1
			21-25	12/27/2034	12/26/2039	\$433,374	\$36,114	\$19.64	8.78%	Option 2
			26-29	12/27/2039	12/26/2044	\$476,711	\$39,726	\$21.61	9.66%	Option 3
			31-35	12/27/2044	12/26/2049	\$524,382	\$43,699	\$23.77	10.63%	Option 4

Lease Comments:

# LEASE ABSTRACT

## **Landlord Maintenance:**

Landlord shall maintain at its sole cost and expense, in good condition and shall perform all necessary maintenance, repair, and replacement (including remedying any resulting damage to the improvements); to the structure and exterior of the building, including but not limited to: the roof, drains, gutters and downspouts such that the building remains weather-tight and storm water is directed away from the foundation; the foundation, sub-floors, and exterior and structural walls; to all outdoor elements of the demised premises, including, but not limited to: the integrity of the structure and surface of all paved areas including sealing and striping (except for the fenced outdoor display area and permanent trailer and equipment display area) such that there are no pot holes or other conditions that may compromise its utility and safety, and wheel stops; the base of the tenant's free-standing pylon and/or monument sign(s) and the electrical lines servicing the same; all exterior utility lines and pipes to the point of entry to the building which are not otherwise maintained or operated by a utility company; provided, however, landlord shall be responsible for pursuing a utility company to make any repairs necessary; all other structural portions of the demised premises.

## **Tenant Maintenance:**

Tenant shall be responsible, at its sole cost and expense, for performing the following: Repairing and replacing glass, windows and doors, except when damage is caused by latent defects; maintaining the interior of the building; maintaining, repairing and replacing the HVAC, electrical and plumbing systems and equipment and all utility lines serving the building that are within the building, provided tenant shall have any such obligation during the last three year of the term; maintaining only the following elements of the exterior: replacing lamps and re-painting light poles in the parking lot and display areas and on the exterior of the building; clearing snow and ice from the parking lot, sidewalks and drive lanes; landscape maintenance and repair (including maintenance of the irrigation systems and replacement of sprinkler heads damaged by tenant's negligence, but excluding replacement of the irrigation system); maintaining and repairing the fence in the fenced outdoor display area and the structure and surface of the pavement (including resurfacing, if necessary) in the fenced outdoor display area and permanent trailer and equipment display area; painting of the exterior of the building, if required in tenant's reasonable discretion; maintaining, repairing and replacing tenant's building sign(s) and the pole, lamps, box and sign face(s) of tenant's pylon and/or monument sign; and, necessitated by a casualty event covered by insurance carried, or required to be carried, under this lease; repairs or replacements necessitated by the negligence or intentional misconduct of tenant, and/or its agents, contractors or employees, including items which would be landlord's responsibility under Section 23, but for such negligence or intentional misconduct, or tenant's failure to observe or perform any of its covenants or obligations under this lease.

## **Utilities:**

Tenant shall pay for all utilities used by it in the demised premises as of the acceptance date and during the term.

## **Taxes and Assessments:**

Tenant shall pay or discharge directly to the applicable taxing authority, all real estate taxes lawfully imposed against the demised premises during the term. Upon landlord's written request, tenant agrees to furnish to landlord evidence of payment of all taxes within 30 days after the date taxes are due and payable. Taxes shall be prorated between landlord and tenant at the beginning and the end of the term. Tenant shall be responsible for the timely payment of installments for special assessments, impositions, duties or charges, which are lawfully imposed against the demised premises for the permanent benefit or improvement of the demised premises and which are identified as a permitted encumbrance. Tenant's obligation for installments of special assessments shall be prorated at the beginning and end of the term. Landlord shall pay the taxes and special assessments for the first and last partial tax years of the term and bill tenant for that portion of the taxes and special assessments for which tenant is liable. Tenant shall reimburse Landlord within 60 days after receipt of statement from landlord.

## **Insurance:**

Commercial General Liability Insurance - Landlord shall carry and maintain, at its sole cost and expense, commercial general liability insurance.

Commercial General Liability - Tenant shall carry and maintain, at its sole cost and expense, commercial general liability insurance.

Property Insurance - Tenant shall carry and maintain property insurance insuring the demised premises, including any structural alterations and any permanent improvements installed by tenant and affixed to the building for perils covered by the causes of loss – special form (all risk) including building ordinance coverage, loss of rents and flood.

## **Assignment and Subletting By Tenant:**

Tenant may sublet the demised premises or assign this lease at any time. Tenant shall notify landlord with the name of the subtenant or assignee within 15 days of any subletting or assignment.

## **Estoppel Certificates:**

Upon the reasonable request of either party, but not more than four times per calendar year, landlord and tenant agree to execute and deliver to the other within 10 business days after receipt of the request.



# INVESTMENT HIGHLIGHTS



**Strong Corporate Guarantee from Publicly Traded Company**



**Desirable Long-Term Net Lease with Attractive Rental Increases**



**Income Tax Free State**



**64.4 Miles from Yellowstone National Park - 3.8+ Million Visitors (2018)**



**Positioned Directly Across from Walmart Supercenter**



**2014 Build-to-Suit Construction**



# TENANT OVERVIEW



Tractor Supply Company is the largest operator of rural lifestyle retail stores in the United States. The company operates over 1,700 retail stores in 49 states, employs more than 29,000 team members and is headquartered in Brentwood, Tennessee. Its stock is traded on the NASDAQ exchange under the symbol "TSCO".

The company was founded in 1938 as a mail order catalog business offering tractor parts to America's family farmers. Today Tractor Supply is a leading edge retailer with annual revenues of approximately \$7.91 billion. Tractor Supply stores are located primarily in towns outlying major metropolitan markets and in rural communities.

Stores supply the unique products to support their customers' rural lifestyle, from welders and generators to animal care products and men's and women's workwear. You can also find pet supplies, animal feed, power tools, riding mowers, lawn and garden products and more. Each store team includes welders, farmers and horse owners who collectively provide an exceptional depth of knowledge and resources.

## Corporate Profile

As of December 29, 2018, the company operated 1,765 Tractor Supply stores in 49 states. The Company's stores are focused on supplying the lifestyle needs of recreational farmers and ranchers and others who enjoy the rural lifestyle, as well as tradesmen and small businesses. Stores are located primarily in towns outlying major metropolitan markets and in rural communities.

The company offers the following comprehensive selection of merchandise: equine, livestock, pet and small animal products, including items necessary for their health, care, growth and containment; hardware, truck, towing and tool products; seasonal products, including heating, lawn and garden items, power equipment, gifts and toys; work/recreational clothing and footwear; and maintenance products for agricultural and rural use.



**\$7.91B**  
2018 SALES



**80+ YEARS**  
OF SERVICE



**1,700+ STORES**  
IN 49 STATES



**OVER 29,000**  
TEAM MEMBERS



**S&P 500**  
COMPANY



# TENANT OVERVIEW

## PERFORMANCE

### Record Net Sales

Net sales increased by 9.0 percent to reach a record \$7.9 billion.

### 10+ Years of Comparable Store Transaction Count Increases

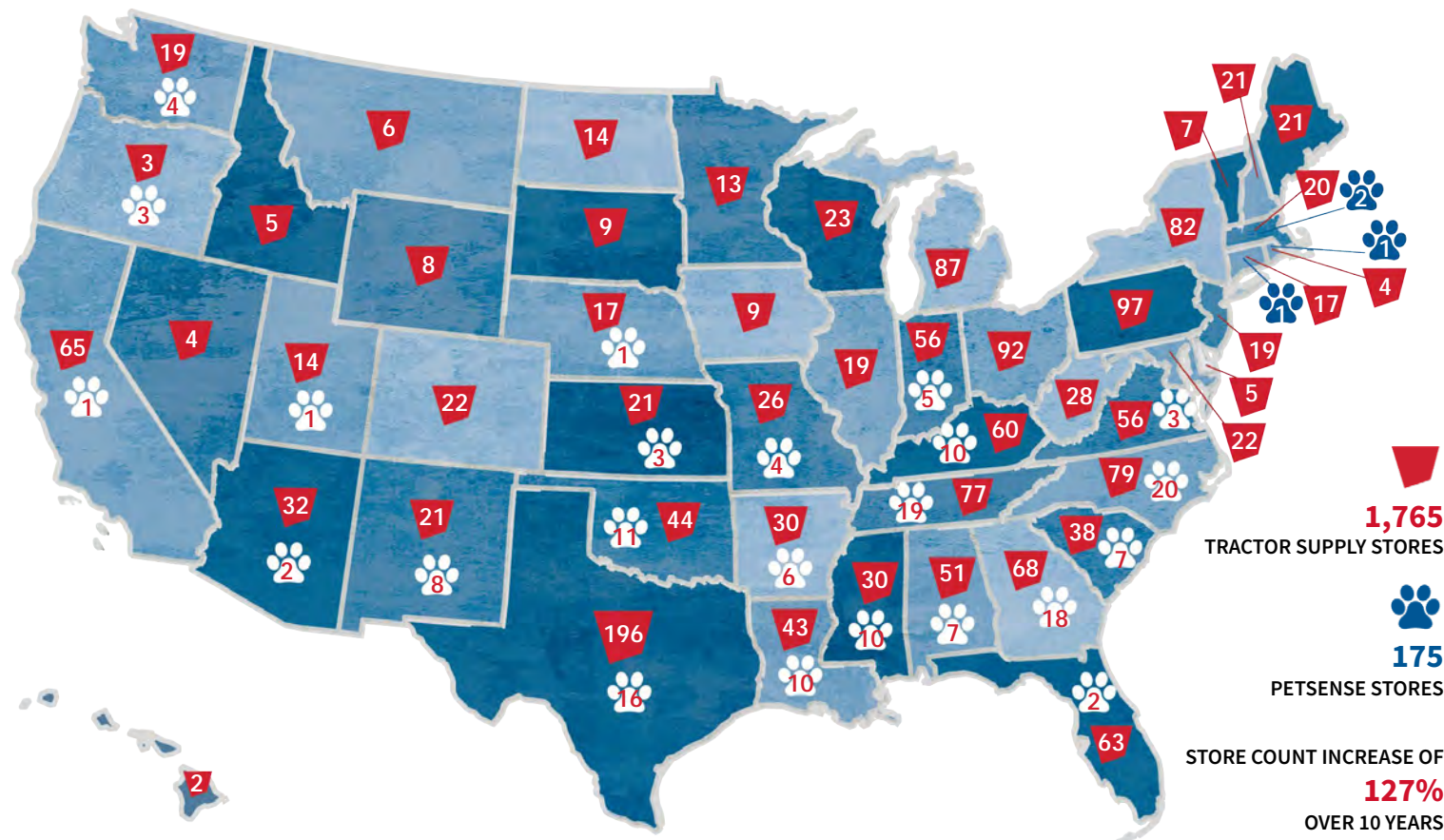
Comparable store sales increased 5.1 percent for the year, with both transaction count and average ticket increasing. This was our best annual comparable store sales growth in six years. For 42 out of 43 quarters, our customer transaction count has been positive.

### \$694 Million Cash from Operations

Diluted EPS was \$4.31, representing growth of 30.6 percent.

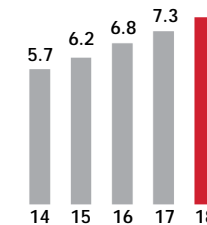
### 8th Consecutive Year of Increased Dividends

We generated cash from operations of \$694 million, while returning \$497 million to shareholders through the combination of share repurchases and quarterly cash dividends. 2018 marked the eighth consecutive year we increased our quarterly cash dividend for shareholders.



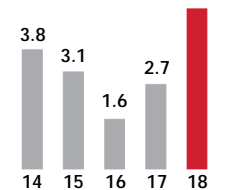
### NET SALES

**\$7.9**  
BILLION



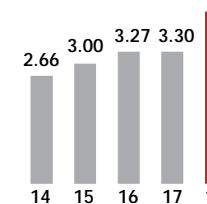
### COMPARABLE STORE SALES INCREASE

**5.1%**



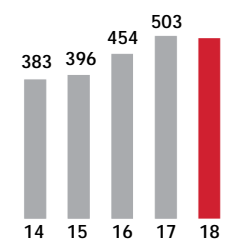
### NET INCOME PER DILUTED SHARE

**\$4.31**



### CASH RETURNED TO SHAREHOLDERS

**\$497**  
MILLION





# LOCATION OVERVIEW

## CODY, WYOMING

Cody, Wyoming is located approximately 60 miles from Yellowstone National Park's east entrance. Served by Yellowstone Regional Airport, Cody is a thriving community focused on serving the needs of the stable population base, as well as the hundreds of thousands of annual visitors who travel from around the world to experience the beauty and culture of this mountainous area. Cody was ranked by the National Council for Home Safety and Security as the fourth safest city in Wyoming in the year 2017.

Cody is the "Rodeo Capitol of the World." From the turn of the century, rodeos and parades have been part of the 4th of July here in Cody, Wyoming. Outdoor adventure includes rock climbing, mountain biking, hiking, kayaking, fly-fishing, horseback riding or river rafting. Three scenic byways offer opportunities to view wildlife and see some of the most beautiful landscapes anywhere. Cody's downtown includes fine restaurants, art galleries, unique shopping and the historic Irma Hotel.

Cody's retail community is built on being a regional trade center for the Bighorn Basin and a strong tourism base. At the heart of outdoor America, their retailers appeal to a broad spectrum of folks looking to buy that "special something." Wander through art and photo galleries; linger in bookstores with an emphasis on regional history, natural history and area authors; take in the talent of world class saddle and leather artisans. Cody has a long history of being home to some of the world's finest craftsmen in western design furniture and accessories. Their work proves that the art of furniture making is alive and well here.

Source: <https://www.cityofcody-wy.gov/>  
<https://www.travelwyoming.com/cities/cody>



Yellowstone National Park



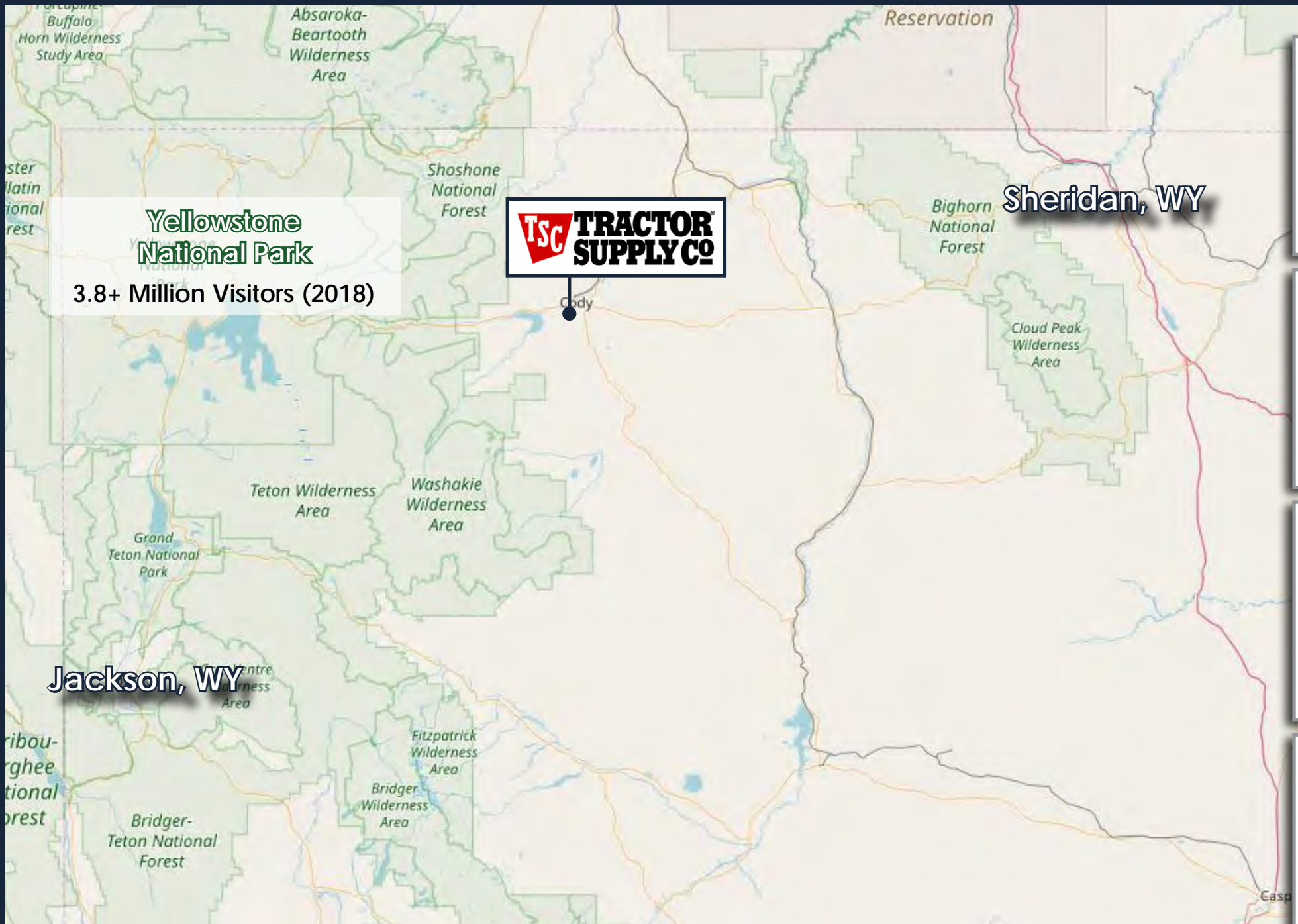
Grand Teton National Park



Cody Stampede Rodeo



# AREA MAP



**299 MILES**  
NORTHEAST OF  
JACKSON, WY



**5.0 MILES**  
YELLOWSTONE  
REGIONAL AIRPORT



**64.4 MILES**  
YELLOWSTONE  
NATIONAL PARK



**26.7 MILES**  
NORTHWEST  
COLLEGE



# PROPERTY PHOTOS





# AERIAL - NORTHWEST



Yellowstone Ave

Subject Property





# AERIAL - EAST



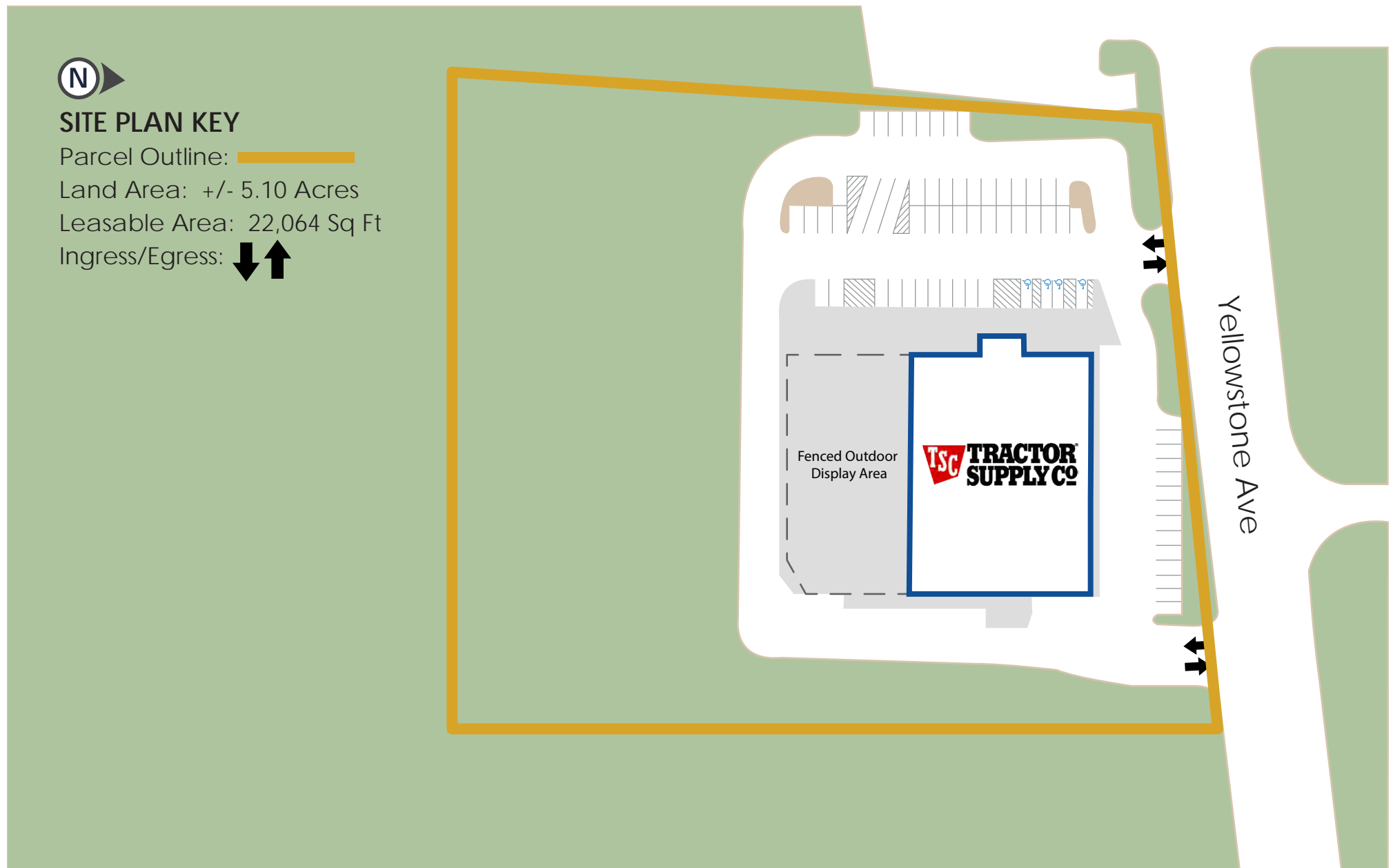


# AERIAL





# SITE PLAN





# DEMOGRAPHICS

## 2018 Population



1-MILE	3-MILE	5-MILE
1,319	8,504	11,339

## 2018 Households



1-MILE	3-MILE	5-MILE
575	3,931	5,118

## Average Household Income



1-MILE	3-MILE	5-MILE
\$82,854	\$64,755	\$68,474

## POPULATION

	1-MILE	3-MILE	5-MILE
2010 Population	1,303	8,317	11,003
2018 Population	1,319	8,504	11,339
2023 Population	1,330	8,688	11,782

## HOUSEHOLDS

	1-MILE	3-MILE	5-MILE
2010 Households	558	3,765	4,870
2018 Households	575	3,931	5,118
2023 Households	586	4,072	5,383

## INCOME

	1-MILE	3-MILE	5-MILE
Median Household Income	\$65,153	\$51,562	\$53,986
Per Capita Income	\$36,291	\$30,144	\$31,073
Average Household Income	\$82,854	\$64,755	\$68,474