



# TRACTOR SUPPLY

OFFERING MEMORANDUM | 190 EMERALD PKWY | CRESWELL, OR

**km** Kidder  
Mathews

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01

# INVESTMENT SUMMARY

THE OFFERING

PROPERTY OVERVIEW

AERIALS

SITE PLAN



# THE OFFERING

Kidder Mathews is pleased to offer the opportunity to acquire a single tenant net leased Tractor Supply located in Creswell, Oregon. This is an excellent opportunity for an investor seeking stable cash flow with virtually zero landlord involvement.

This is an excellent opportunity for an investor seeking a well built and meticulously maintained investment with a strong national tenant that provides stable cash flow. The property is strategically located off Interstate 5 and surrounded by residential and retail properties.

## HIGH HOUSEHOLD INCOME

Creswell features an average household income of over \$70,500 within five miles of the city (2019 study), making it over \$10,000 more than the national average.

## EXCELLENT CURB APPEAL

Tractor Supply has been meticulously maintained since being built in 2003 and being renovated in 2018, with a high care for building upkeep and gardening structure, Tractor Supply features excellent curb appeal.

## CORPORATE GUARANTY

Tractor Supply Company (NASDAQ: TSCO) is the largest national farm and ranch retail store brand in the nation. Headquartered in Brentwood, Tennessee, the company operates approximately 1,853 retail stores (under the Tractor Supply Company, Del's and PetSense brands) in 49 states and employs more than 24,000 team members. As of September 30, 2019, Tractor Supply Company had a net worth in excess of \$11.6B and \$8.3B in TTM revenue, which is a 7.28% increase over the prior year.

## LONG-TERM NET LEASE

Tractor Supply's lease has 8+ years of primary term remaining and features four 5-year renewal options with 5% rent increases in each option.

## NEWLY-RENOVATED SITE

As part of the Tractor Supply tenant improvements, a new roof and HVAC system was installed in 2018. The property underwent a major renovation which included gutting the entire building and major repairs to the parking lot. Tractor Supply elected to complete the renovations at its expense in order to keep occupancy costs low and facilitate the location's long-term success.

## EXCELLENT ACCESS & VISIBILITY

The site has excellent frontage at an intersection just east of access to Interstate 5 (35,135 VPD), which is just 13 miles south of Oregon's 3rd most populous city Eugene, and 2 hours South of Portland, Oregon

# \$3,500,000

OFFERING PRICE

# 2003/2018

YEAR BUILT/RENOVATED

# 6.0%

CAP RATE

# 42,030

SQUARE FEET

# 100%

OCCUPANCY





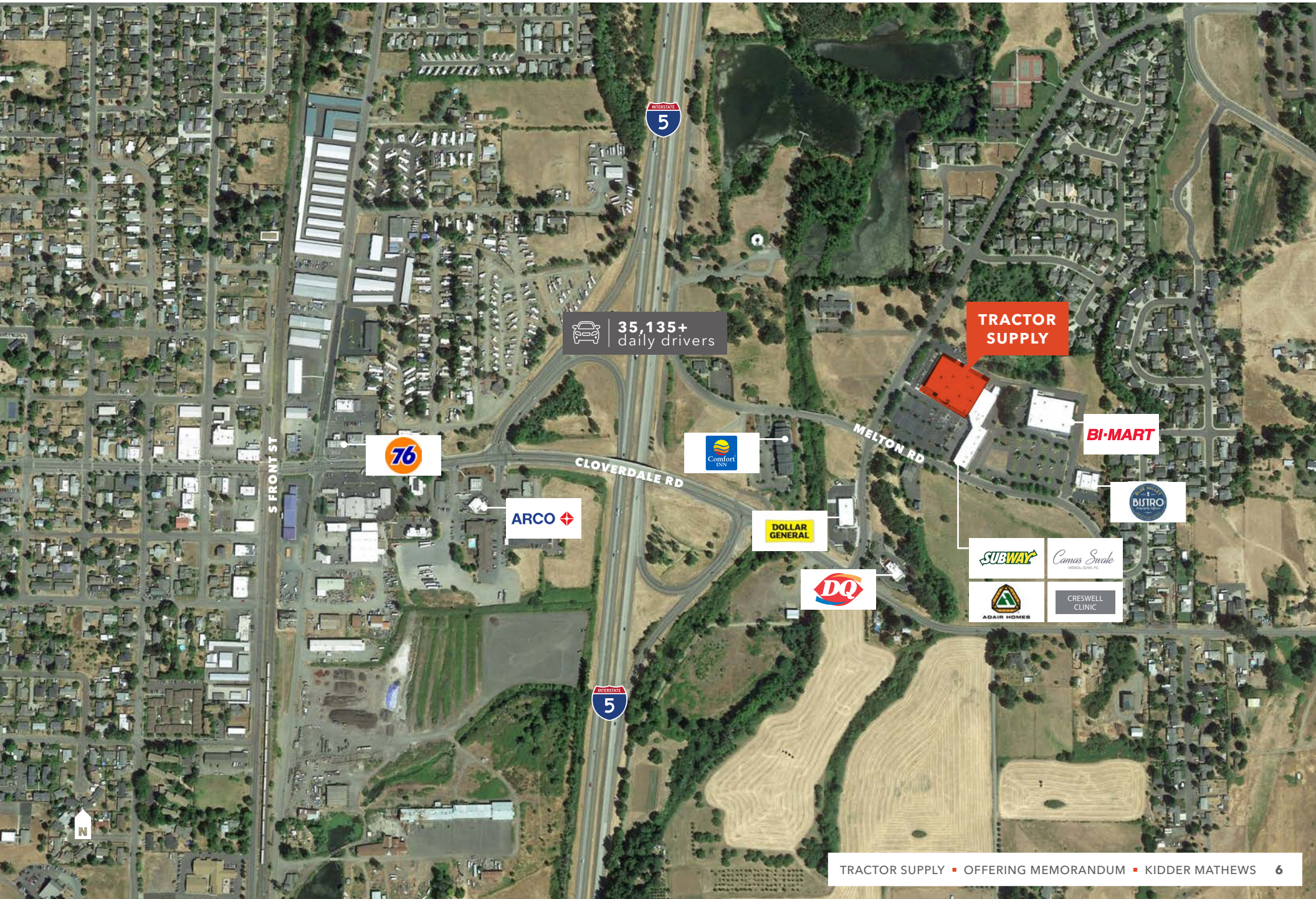


## PROPERTY OVERVIEW

Address	190 Emerald Pkwy, Creswell, OR 97426
Parcel	1710258
County	Lane County
Municipality	City of Creswell
Year Built/Renovated	2003/2018
Total Building SF	±42,030 SF
Gross Leaseable SF	±42,030 SF
Stories	1
Land Area (Acres)	±3.28 Acres
Land Area (SF)	±142,877 SF
Parking Stalls	±225 spaces (shared parking)
Parking Ratio	5.4 Per 1,000 SF
Access	Ingress/Egress Curb Cuts on Emerald Pky & Melton Rd.
Frontage	±439' on Emerald Pky & 638' on Melton Rd.
Zoning	General Commercial (GC)
Signage	Pylon & Building



# AERIAL



35,135+  
daily drivers



MELTON RD

CLOVERDALE RD

TRACTOR  
SUPPLY

BI-MART



Comas Swale  
WATER CONSULTING



CRESWELL  
CLINIC









# SITE PLAN







# 02

# FINANCIAL ANALYSIS

RENT ROLL

LEASE ABSTRACT



# \$3,500,000

OFFERING PRICE

# 6.00%

CAP RATE

# 10 YEAR

INITIAL LEASE TERM

## RENT SCHEDULE

Tenant Name	SF	Monthly Rent	Annual Rent	Annual Rent / SF	Term Start	Term End	% Increase	Comments
Tractor Supply	42,030	\$17,500.00	\$210,000.00	\$5.00	07/01/18	06/30/23		Primary Lease Term Years 1-5
		\$18,375.00	\$220,500.00	\$5.25	07/01/23	06/30/28	5.00%	Primary Lease Term Years 6-10
		\$19,293.75	\$231,525.00	\$5.51	07/01/28	06/30/33	5.00%	First 5 Year Option Lease Years 11-15
		\$20,258.44	\$243,101.28	\$5.78	07/01/33	06/30/38	5.00%	Second 5 Year Option Lease Years 16-20
		\$21,271.36	\$255,256.32	\$6.07	07/01/38	06/30/43	5.00%	Third 5 Year Option Lease Years 21-25
		\$22,334.93	\$268,019.16	\$6.38	07/01/43	07/01/48	5.00%	Fourth 5 Year Option Lease Years 26-30

## LEASE ABSTRACT

### SUMMARY

Tenant	Tractor Supply Company
Lease Type	NNN
Security Deposit	N/A
Renewal Options	Four 5 Year Options

### EXPENSES

Utilities	Tenant pays direct
Taxes	Tenant pays direct
Insurance	Tenant is responsible for maintaining

### MAINTENANCE OBLIGATIONS

Landlord	Roof, structure & utility lines serving the premises
Tenant	Glass, windows, doors, interior of the building, lamps and light poles in the parking lot, clearing snow and ice, landscape, pavement, exterior painting, HVAC, signage.

### TERMS

Exclusives	Items which support a farm/ranch/rural/do-it-yourself lifestyle
Estoppels	Tenant to provide within 30 days of notice.
Tenant Financials	Public (NASDAQ: TSCO)
Right of First Offer	Tenant shall have thirty (30) days from receipt of the Acquisition Notice to exercise Right of First Refusal.
Option to Purchase	N/A
Parking	Reciprocal parking easement in place with adjacent property





# 03

## TENANT PROFILE



# TRACTOR SUPPLY COMPANY

## WHAT IS TRACTOR SUPPLY COMPANY?

Tractor Supply Company is the largest operator of rural lifestyle retail stores in America. Founded in 1938 as a mail order tractor parts business, Tractor Supply Company (also referred to as TSC) owns and operates over 1,700 stores in 49 states supplying basic maintenance products to home, land, pet and animal owners. Based in Brentwood, Tenn., Tractor Supply is a public company whose stock is traded on The NASDAQ National Market 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 is continuing to grow with new stores and improved product offerings. The Tractor Supply mission and values motivate and inspire team members and give the organization a unified focus for the future.

## WHO ARE TRACTOR SUPPLY COMPANY'S CUSTOMERS?

A niche market of farmers, horse owners, ranchers, part-time and hobby farmers, and suburban and rural homeowners, as well as contractors and tradesmen.

## WHERE ARE TRACTOR SUPPLY COMPANY STORES LOCATED?

TSC stores are located primarily in towns outlying major metropolitan markets and in rural communities. The typical Tractor Supply store has about 15,500 square feet of selling space inside, with a similar amount of outside space.

## WHAT CAN YOU BUY AT TRACTOR SUPPLY COMPANY?

Everything except tractors. At TSC, customers find everything they need to maintain their farms, ranches, homes and animals. As the inventors of the "do it yourself" trend, our customers handle practically every chore themselves, from repairing wells to building fences, welding gates together, constructing feed bins, taking care of livestock and pets, repairing tractors and trucks and building trailers for hauling. TSC's products include: clothing, equine and pet supplies, tractor/trailer parts and accessories, lawn and garden supplies, sprinkler/irrigation parts, power tools, fencing, welding and pump supplies, riding mowers and more.

## A TARIFF-RESISTANT BUSINESS MODEL

Don't think for a moment that this is a small mom-and-pop type of business. Revenue for the twelve months ending June 30, 2019, was \$8.19 billion, an 8.19% increase year-over-year. This retail company is continuing to grow at a time when many are closing. By some estimates, 12,000 retail stores are expected to close in 2019, which would be double the number of closings over last year, but TSCO is continuing to expand despite volatile times. Since Tractor Supply is not in the big farm business, it has less tariff exposure than most of its bigger peers -- a positive indicator going forward as trade war tensions continue to climb. With a growing do-it-yourself customer base and a product line that should weather hard times, this company is set for growth in the future.

## A UNIQUE CUSTOMER BASE








Tractor Supply's customers are not typically urban-based consumers and are less courted by many other big-box retailers because they are not chasing the latest gadgets, electronics, or designer clothing. They are mostly small farmers, ranchers, and community-oriented people who want to improve everything from their lifestyle to their backyards. They tend to be more resistant to aggressive trend marketing and are more likely to return to entrusted standbys like Tractor Supply.

SOURCE: MOTLEYFOOL.COM

### TRACTOR SUPPLY

Locations	1,700+
Ownership	Public (NASDAQ: TSCO)
Employees	29,000+
2018 Revenue	\$7.911 billion
2018 Net Income	\$532.4 million
Market Cap	\$11.09 billion
Credit Rating	Not rated
Founded	1938
Headquarters	Brentwood, Tennessee
Website	tractorsupply.com

# TRACTOR SUPPLY COMPARABLE SALES

	Property	Year Built	SF	Date Sold	Sale Price	Cap Rate	\$/SF	Lease Term Remaining	Notes	
		<b>TRACTOR SUPPLY</b> Creswell, OR	2003/2018	42,030	TBD	\$3,500,000	6.00%	\$83	8.5	Subject property
01		<b>TRACTOR SUPPLY</b> Grants Pass, OR	1986/2018	29,964	08/18/18	\$3,050,000	6.14%	\$102	10	10-year NN deal with 5% increases every five years. Four 5-year options.
02		<b>TRACTOR SUPPLY</b> Lynden, WA	1989/2016	47,503	08/16/16	\$4,057,000	6.10%	\$85	9	9 years remaining on lease at time of closing.
03		<b>TRACTOR SUPPLY</b> San Luis Obispo, CA	2016	19,067	09/27/19	\$7,000,000	5.10%	\$367	12	Newly build to suit construction with 12 years remaining on lease.
04		<b>TRACTOR SUPPLY</b> Turlock, CA	2005	21,755	12/05/17	\$6,500,000	5.75%	\$299	11	11 years left on lease and 3 - 5 year options to renew at the time of sale.
05		<b>TRACTOR SUPPLY</b> Temecula, CA	2017	21,703	11/16/17	\$7,913,000	5.30%	\$365	10	Newly built in 2017 comprised of 21,703 SF on 6.22 acres of land.
06		<b>TRACTOR SUPPLY</b> Porterville, CA	2017	19,097	06/22/17	\$5,600,000	5.70%	\$293	14.5	Construction completed in January of 2017. 19,097 square foot building on approximately 3.27 acres of land and 15,000 square feet fenced outdoor display area.





# 04

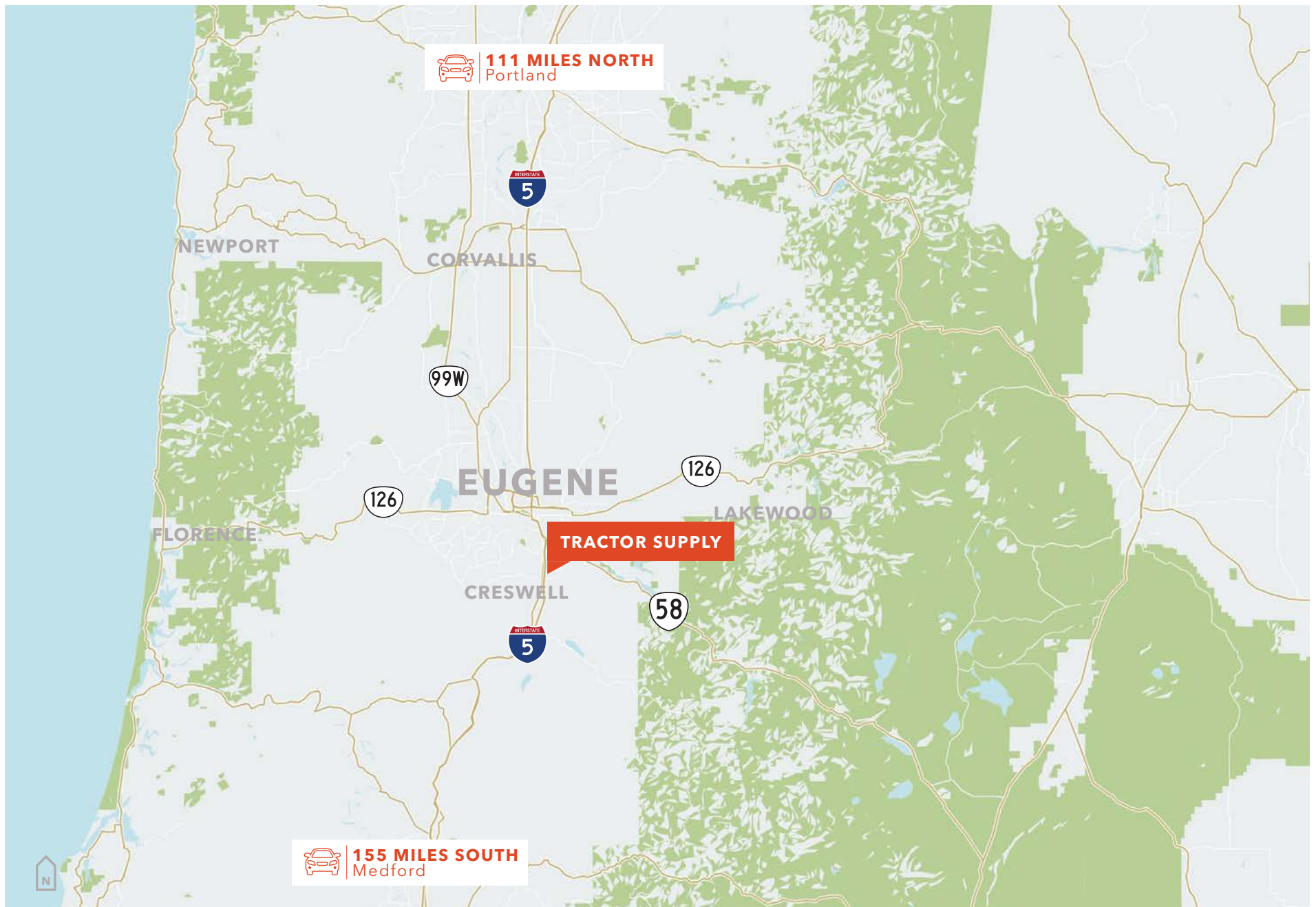
# MARKET OVERVIEW

LOCATION MAP

LOCATION OVERVIEW

DEMOGRAPHICS

# LOCATION MAP





# LOCATION OVERVIEW

## CRESWELL OVERVIEW

Creswell is tucked conveniently between Eugene and Cottage Grove along the Interstate 5 corridor. Early on agriculture was the primary industry with wheat, orchards, cattle and pig farms. Creswell continues to be a farming community but has expanded its repertoire to numerous outdoor recreational pursuits.

The City of Creswell is comprised of a small downtown district, a few big box stores and shopping strips, and several residential neighborhoods abutting farmlands and crowned by Creswell Butte.

## DISTANCES FROM CRESWELL

Eugene, OR	10 miles
Salem, OR	72 miles
Portland, OR	111 miles
Medford, OR	155 miles



## DEMOGRAPHICS

### POPULATION

	1 Mile	3 Miles	5 Miles
Est Population (2019)	4,212	8,562	11,442
Proj Population (2024)	4,443	9,031	12,081
Census Population (2010)	3,831	7,872	10,587
Proj Annual Growth (2019-2024)	232 (1.1%)	469 (1.1%)	639 (1.1%)
Hist Annual Growth (2010-2019)	318 (1.0%)	690 (0.9%)	855 (0.8%)

### HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
Est Avg HH Income (2019)	\$78,411	\$83,420	\$90,938
Proj Avg HH Income (2021)	\$87,662	\$95,433	\$104,938
Proj Annual Change (2019-2024)	\$9,251 (2.4%)	\$12,013 (2.9%)	\$14,000 (3.1%)
Historical Annual Change (2000-2019)	\$40,272 (5.6%)	\$37,746 (4.3%)	\$39,871 (4.1%)
Housing Units Owner-Occup (2019)	1,224 (76.2%)	2,456 (75%)	3,353 (76.3%)
Housing Units Renter-Occup (2019)	383 (23.8%)	819 (25%)	1,039 (23.7%)
Est Median HH Income (2019)	\$68,435	\$69,078	\$70,320
Proj Median HH Income (2024)	\$79,030	\$79,110	\$80,455
Est Per Capita Income (2019)	\$29,958	\$31,976	\$34,978
Census Per Capita Income (2010)	\$21,130	\$22,512	\$26,982

### 5-Mile Trade Area

11,442

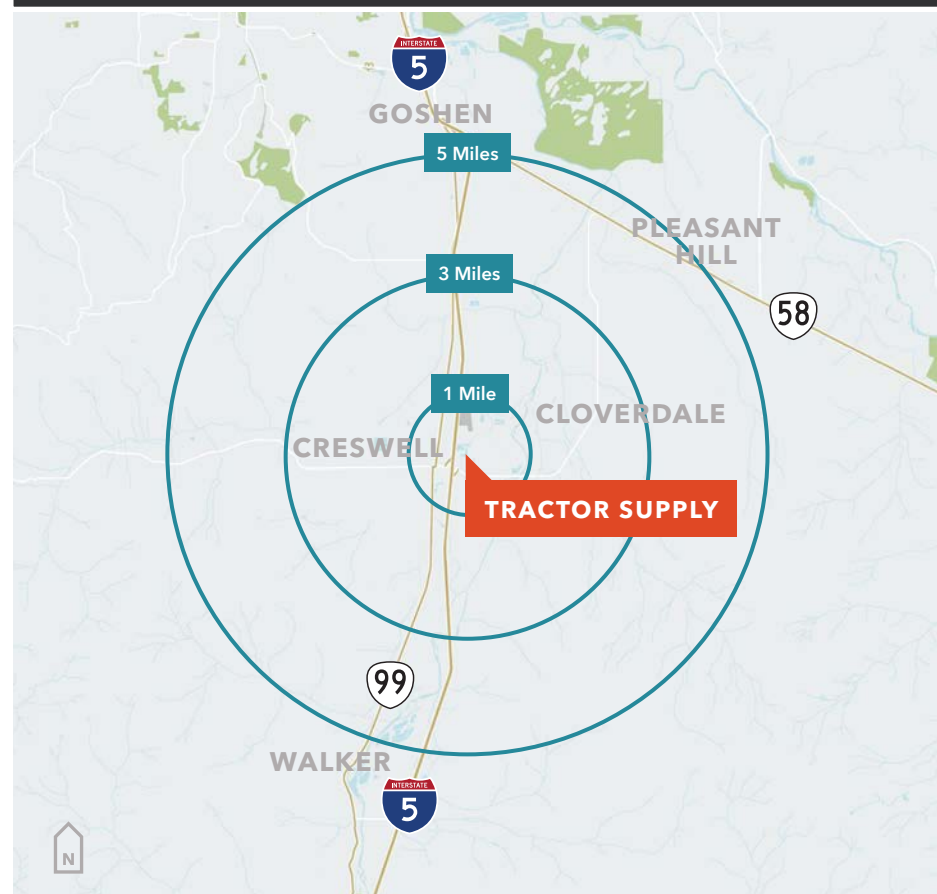
POPULATION (2019)

1.1%

PROJECTED ANNUAL GROWTH

12,081

ESTIMATED POPULATION (2024)





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