

# Net Leased Investment Over 17 Lease Years Remaining

1623 S. Cedar St | Pecos, TX | 79772



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# Investment Overview

We are pleased to present an opportunity to purchase an investment grade single tenant net leased asset occupied by O'Reilly Automotive (NASDAQ: ORLY) with over 17 lease years remaining on the base term and 4, 5 year options. The subject property is positioned next to a Walmart Supercenter and sits on the main north/south corridor through Pecos, TX leading directly to Interstate 20. This is an excellent opportunity to purchase an investment grade credit tenant (rated "Baa1" by Moody's), with over 17 lease years remaining, and minimal landlord responsibilities – roof and structure only – providing long term passive income with rental increases.





PRICING	
List Price	\$2,289,000
CAP Rate	5.00%
Annual Rent	\$114,447
Taxes	NNN
Insurance	NNN
CAM	NNN
LEASE ABSTRACT	
Tenant Trade Name	O'Reilly Auto Parts
Lease Start	June 26, 2017
Lease Expiration	June 30, 2037
Term Remaining On Lease	17 Years
Base Rent	\$114,447
Rental Adjustments	7/1/2027: \$121,314 7/1/2032: \$128,593
Option Periods	4 - 5 Year Options ~6% Increases Each Option 7/1/2037: \$135,708.60 7/1/2042: \$144,487.08 7/1/2047: \$153,156.24 7/1/2052: \$162,345.60
Lease Type	NN Lease
Roof & Structure	Landlord Responsible*
*Buyer to assume transferable roof warranty	
PARCEL DETAILS	
APN	19795
Building Size	7,000 SF
Land Size	1.26 Acres

# Investment Highlights

- **Investment Grade Credit Tenant** – O'Reilly Automotive, Inc. (Moody's Rated "Baa1", Outlook: Stable)
- **Net Leased Investment** – Minimal Landlord Responsibilities (Roof & Structure Only)
- **Over 17 Lease Years Remaining** – 4, 5 Year Options
- 6% Rental Increases Every 5 Years Beginning in 2027 – Including Options
- **Recent Tenant Expansion** Showcases Strong Commitment to the Site
- **Located Just off Interstate 20** – Main East/West Corridor through West Texas
- **Nearby Retailers:** Walmart Supercenter, Sonic Drive-In, Aaron's, Burger King, KFC
- **NASDAQ: ORLY** – Total Revenue of \$10.1B (2019) – Net Income of \$1.39B (2019)
- One of the **Nation's Top Automotive Replacement Part** & Accessories Retailer
- Average Household Income of Over \$65,800 within a 3 Mile Radius



## Investment Grade Credit Tenant – O'Reilly Automotive, Inc



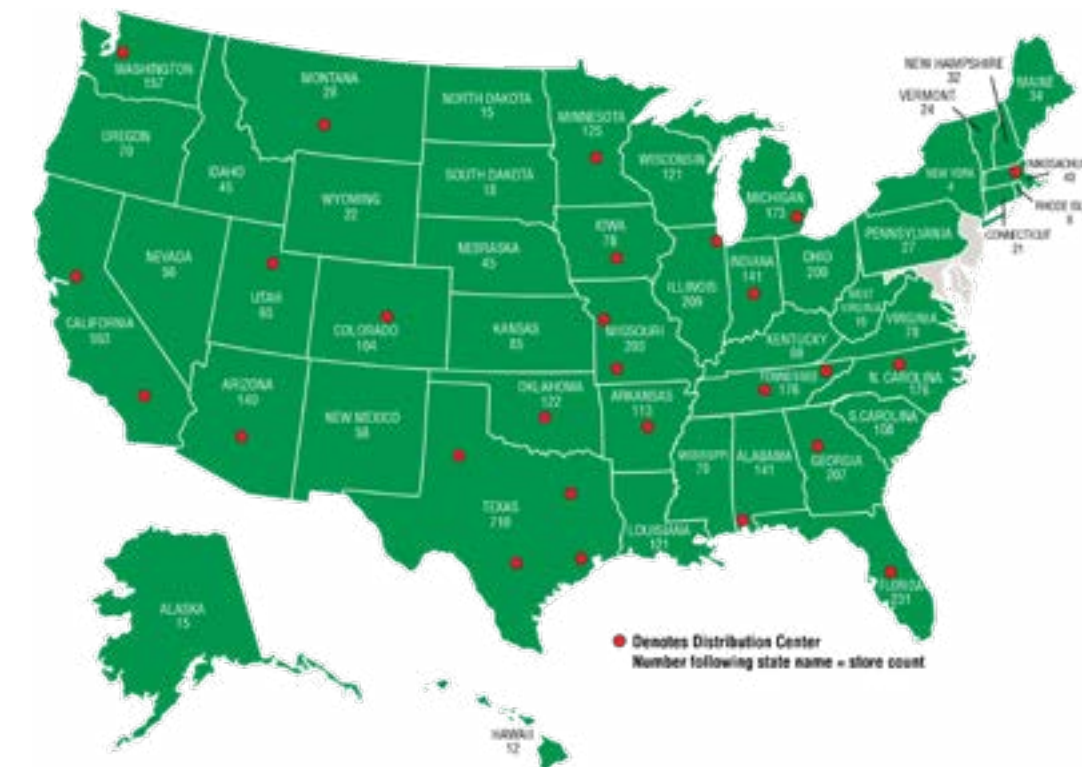


## About O'Reilly Auto Parts

O'Reilly Automotive, Inc. (NASDAQ: ORLY) is one of the largest specialty retailers of automotive aftermarket parts, tools, supplies, equipment, and accessories in the United States, serving both professional service providers and do-it-yourself customers. Founded in 1957 by the O'Reilly family, the Company operated 5,512 stores in 47 states as of March 31, 2020.



O'Reilly's initial public stock offering in April 1993 was well received by investors as a welcome addition to publicly traded companies in the automotive aftermarket industry. This success has continued to date.



CREDIT RATING  
**S&P BBB**  
**Moody's Baa1**

 **5,512 Stores**  
**47 States**

**80,000**   
**Team Members**

2019 REVENUE  
**\$10B**  
**\$ Revenue**

TRADED AS  
**NASDAQ: ORLY**  
**\$384.15**

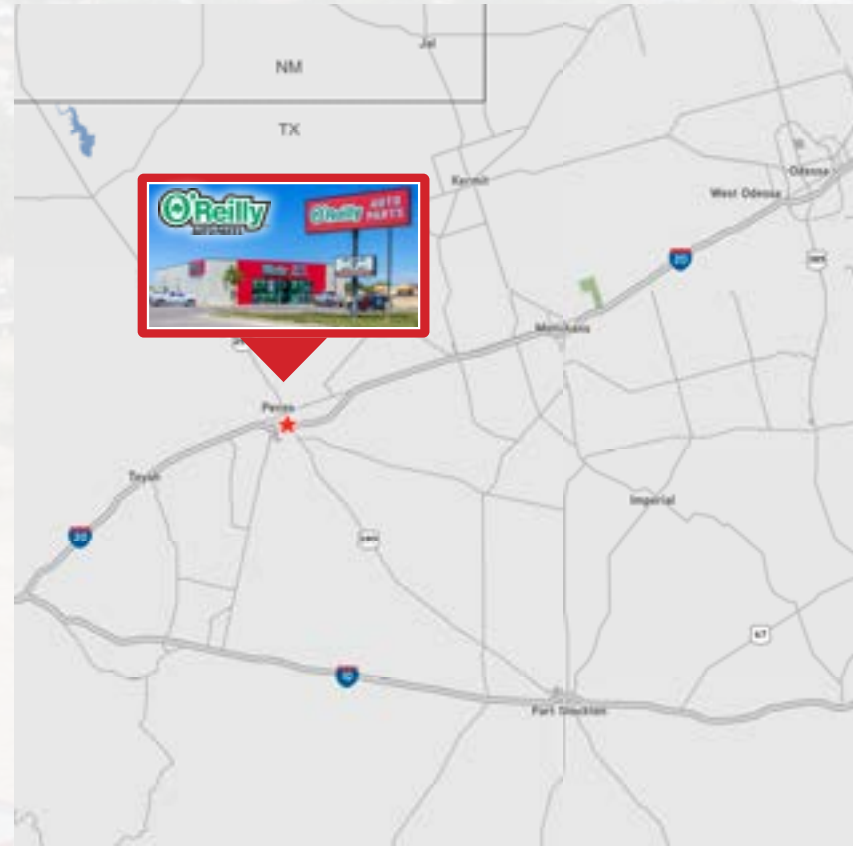
Data as of May 4, 2020



# City of Pecos, TX

Pecos is the largest city in and the county seat of Reeves County, Texas. It is in the valley on the west bank of the Pecos River at the eastern edge of the Chihuahuan Desert, in the Trans-Pecos region of west Texas and just below New Mexico's border. The city is a regional commercial center for ranching, oil and gas production and agriculture. Pecos is well known for delicious cantaloupes and its connection to the renowned character Pecos Bill. But this community might be most recognized as "Home To The World's First Rodeo".

The Town Of Pecos City grew out of its strategic location as a crossroads, with several old cattle and wagon trails nearby, including the Butterfield Route and Loving-Goodnight Trail. These passages naturally brought cowboys to the area, many of which were very talented. Some of their names would circulate, their fans saying this one or that one was the best cowboy around, which spurred a bit of friendly competition among these able men. In 1883 the "title" would be officially decided with an event that would become known as the first rodeo.



## Pecos Economic Development

*Pecos is emerging as a regional retail and services cluster due to its strategic location in the center of the Trans Pecos region.* Pecos is located at the intersection of IH-20 and US-285. IH-20 connects the Dallas/Fort Worth corridor to El Paso and US-285 connects the Trans Pecos region to New Mexico.

*Today, the hospitality industry is realizing significant growth in Pecos.* Five national franchises that include the Holiday Inn Express, Hampton Inn, La Quinta, Comfort Suites and the Baymont Inn are entering the Pecos marketplace. Additionally, two existing hotels, the Best Western and the Oak Tree Inn are also expanding. In total, over \$25 million in new capital investment and over 50 jobs will be created. The HOT tax collections are projected to increase by 189% nearing \$1 million annually at the completion of these new hotels.

The residents of the City of Pecos and Reeves County recently adopted a 2% venue tax that will also contribute to increased HOT taxes that will provide the funding base to redevelop the Reeves County Rodeo Grounds and Convention Center. This new funding base will also facilitate the marketing and promotion of the City of Pecos as the "home of the worlds first rodeo."

*The Pecos Main Street is also realizing growth that is attracting mixed-use developments that will include retail, restaurants, business and personal services, as well as loft housing.* A small business incubator that will encompass over 3,000 square feet of high quality office space is under consideration. This office will also include a number of private offices and conference rooms to be used by tenants and the community. This project is the result of an emerging partnership with the Sul Ross State University.



Other emerging economic clusters include, education, oil/gas and regional entertainment venues. Pecos is focused on diversifying and expanding its economic base, all of which will contribute to the growth of Pecos and its reemergence as a regional hub.

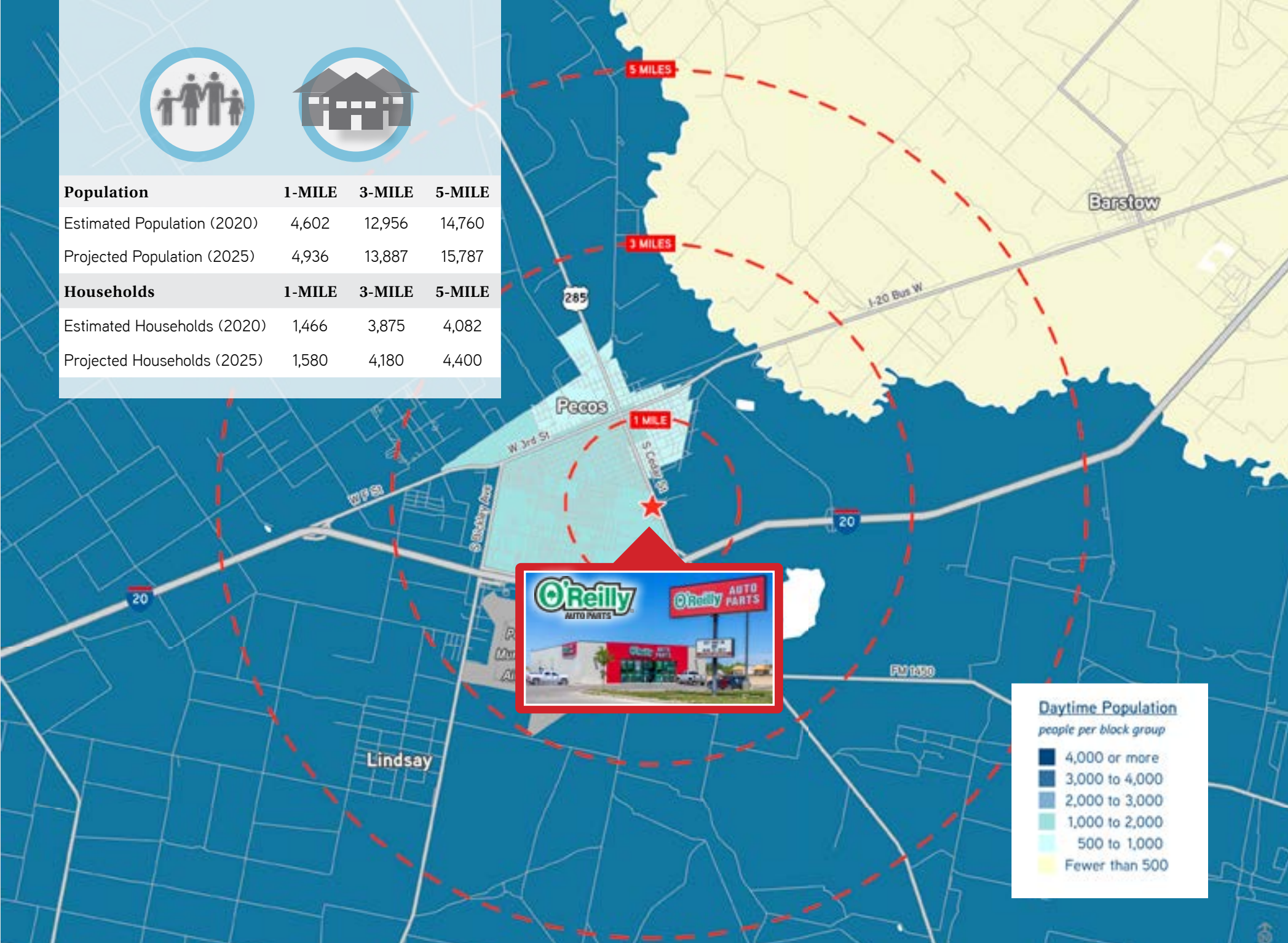
The City of Pecos is focused at managing its growth and assuring the development and delivery of high quality public services. The City is also focused on enhancing its partnerships with Reeves County, Reeves County Hospital District, Pecos Barstow Toyah ISD and the Pecos Area Chamber of Commerce. These strategic partnerships will be the foundation to produce continued growth and prosperity for the Trans Pecos region.



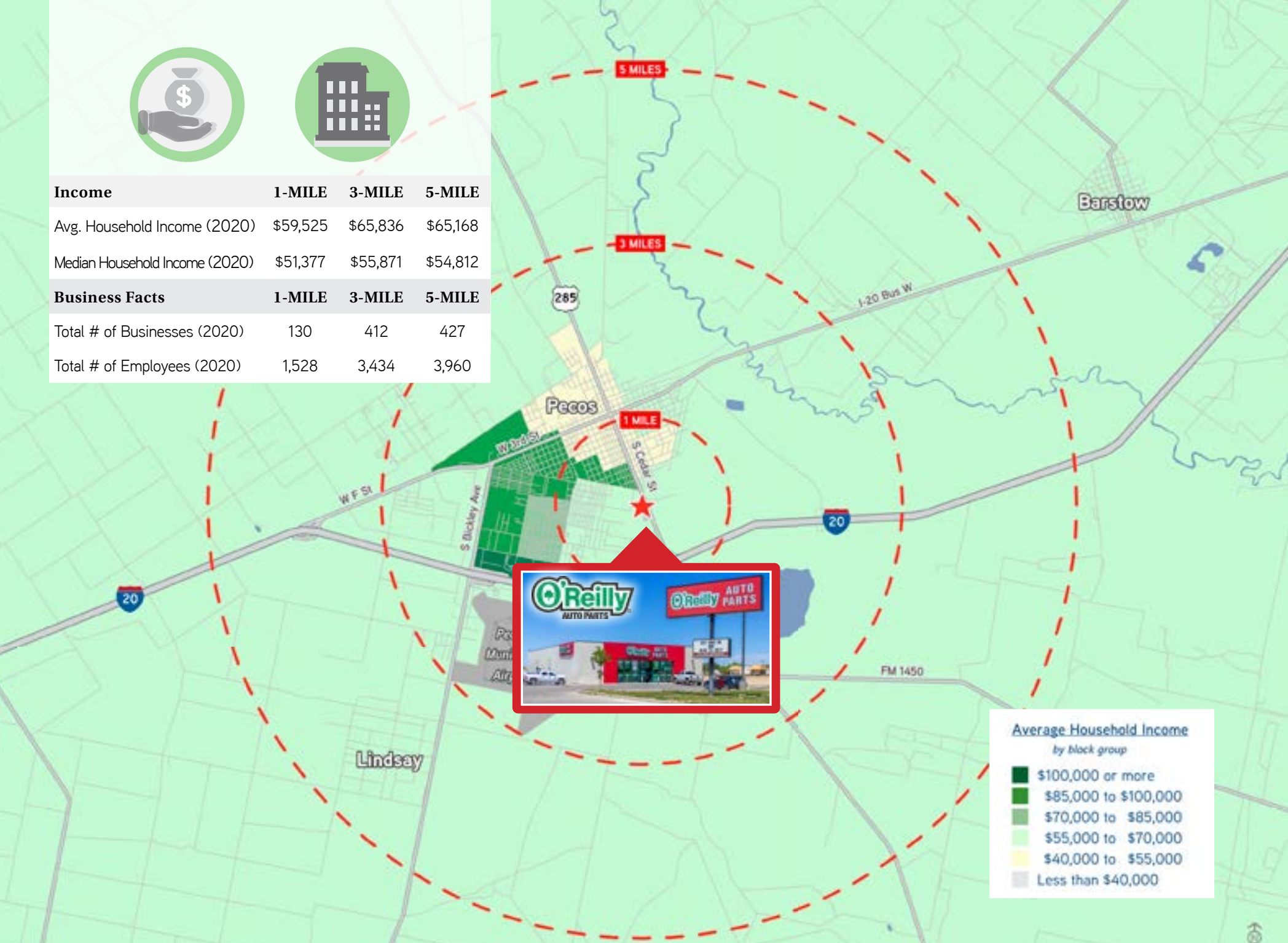




Population	1-MILE	3-MILE	5-MILE
Estimated Population (2020)	4,602	12,956	14,760
Projected Population (2025)	4,936	13,887	15,787
Households	1-MILE	3-MILE	5-MILE
Estimated Households (2020)	1,466	3,875	4,082
Projected Households (2025)	1,580	4,180	4,400



Income	1-MILE	3-MILE	5-MILE
Avg. Household Income (2020)	\$59,525	\$65,836	\$65,168
Median Household Income (2020)	\$51,377	\$55,871	\$54,812
Business Facts	1-MILE	3-MILE	5-MILE
Total # of Businesses (2020)	130	412	427
Total # of Employees (2020)	1,528	3,434	3,960





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3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Colliers International expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of O'Reilly Auto Parts - Pecos, TX or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Colliers International or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

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