



FOR SALE

O'REILLY AUTO PARTS

1201 PAYNE AVENUE • ST. PAUL, MN 55130

CBRE

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INVESTMENT SUMMARY

O'REILLY AUTO PARTS | ST. PAUL, MN



PRICE

\$2,200,000
6.00% CAP Rate

ADDRESS

1201 Payne Avenue
St. Paul, MN 55130

APN

20-29-22-43-0222

NET OPERATING INCOME

\$132,000

BUILDING/LOT SIZE

8,872 SF/0.45 Acres

YEAR BUILT/RENOVATED

1930/2020

LEASE TYPE

NN
Minimal Landlord Responsibilities

LEASE TERM

10 Years

OPTIONS

Five 5-Year Options

TYPE OF OWNERSHIP

Fee Simple

SUMMARY



New 10-Year Corporately Guaranteed Lease

O'Reilly Auto Parts recently signed a 10-year lease, bolstering their already dominant presence in Saint Paul.



Investment Grade Tenant

O'Reilly Auto Parts carries an S&P investment grade credit rating of "BBB".



Full Building Renovations

Full building renovations, including roof and HVAC, have been completed, leaving the new investor with minimal exposure to any capital expenditures for the foreseeable future.



Urban Infill Location

The Property is situated within the City of Saint Paul, only two miles from the downtown central business district and state capital. Surrounded by dense residential, the property has over 26,000 residents living within a one-mile radius.



High Traffic Signalized Intersection

The Property sits at the intersection of two major commercial corridors running through the north and eastern portions of Saint Paul (collectively carrying nearly 30,000 vehicles per day), making the site easily accessible from many different neighborhoods. Additionally, the Property sits only a half mile from Interstate-35E, giving the Property more accessibility from the broader trade area.

PROPERTY PHOTOS

O'REILLY AUTO PARTS | ST. PAUL, MN



INVESTMENT OVERVIEW

O'REILLY AUTO PARTS | ST. PAUL, MN



| RENT SCHEDULE | | | | |
|---------------|------------|-----------|-------------|---------|
| | Rent Start | Rent End | Annual Rent | Per SF |
| Current | 6/1/2020 | 5/31/2030 | \$132,000 | \$14.88 |
| Option 1 | 6/1/2030 | 5/31/2035 | \$139,920 | \$15.77 |
| Option 2 | 6/1/2035 | 5/31/2040 | \$148,315 | \$16.72 |
| Option 3 | 6/1/2040 | 5/31/2045 | \$157,214 | \$17.72 |
| Option 4 | 6/1/2045 | 5/31/2050 | \$166,647 | \$18.78 |
| Option 5 | 6/1/2050 | 5/31/2055 | \$176,646 | \$19.91 |

| LEASE ABSTRACT | |
|-----------------------|--------------------------------|
| Tenant | O'Reilly Auto Enterprises, LLC |
| Tenant Trade Name | O'Reilly Auto Parts |
| Lease Commencement | January 21, 2020 |
| Rent Commencement | September 1, 2020 |
| Lease Expiration | August 31, 2030 |
| Lease Term Remaining | 10 Years |
| Renewal Options | Five 5-Year Options |
| Notice For Options | 180 Days |
| Estoppel Request Time | Not Specified |

| EXPENSE RESPONSIBILITIES | |
|-----------------------------|---|
| Real Estate Tax | Tenant responsible |
| Property Insurance | Tenants responsible for all property insurance; Landlord to maintain general liability coverage |
| Utilities | Tenant responsible |
| Roof & Structure | Landlord Responsible |
| Parking Lot | Tenant is responsible for repairs; Landlord responsible for replacement |
| HVAC | Tenant responsible |
| Repairs & Maintenance (CAM) | Tenant responsible |

You are solely responsible for independently verifying the information in this Memorandum. ANY RELIANCE ON IT IS SOLELY AT YOUR OWN RISK

TENANT SUMMARY

O'REILLY AUTO PARTS | ST. PAUL, MN



O'REILLY AUTO PARTS

An American auto parts retailer that provides automotive aftermarket parts, tools, supplies, equipment, and accessories in the United States serving both the professional service providers and do-it-yourself customers. The company was founded in 1957 by the O'Reilly family and today operates over 5,200 stores in 47 states. O'Reilly Automotive Inc. has continuing plans for expansion and growth, including the [acquisition of Mayasa Auto Parts](#) which has served the Mexican automotive aftermarket for 65 years.

TENANT OVERVIEW

| | |
|-------------------|--------------------------------|
| Tenant Trade Name | O'Reilly Auto Parts |
| Tenant | O'Reilly Auto Enterprises, LLC |
| Ownership | Public Company |
| Stock Ticker | ORLY |
| Sale Volume | \$9.98 Billion (2019) |
| Credit Rating | BBB |
| Rating Agency | Standard & Poor's |
| No. of Locations | 5,400+ |
| Headquartered | Springfield, MO |
| Year Founded | 1957 |
| Website | www.O'ReillyAuto.com |

IN THE NEWS

[O'Reilly Auto Automotive Breaks Out After Strong Earnings](#)

www.Investopedia.com, October 2019

[O'Reilly Auto Parts to Acquire Mexico's Mayasa Auto Parts](#)

www.Barrons.com, August 2019



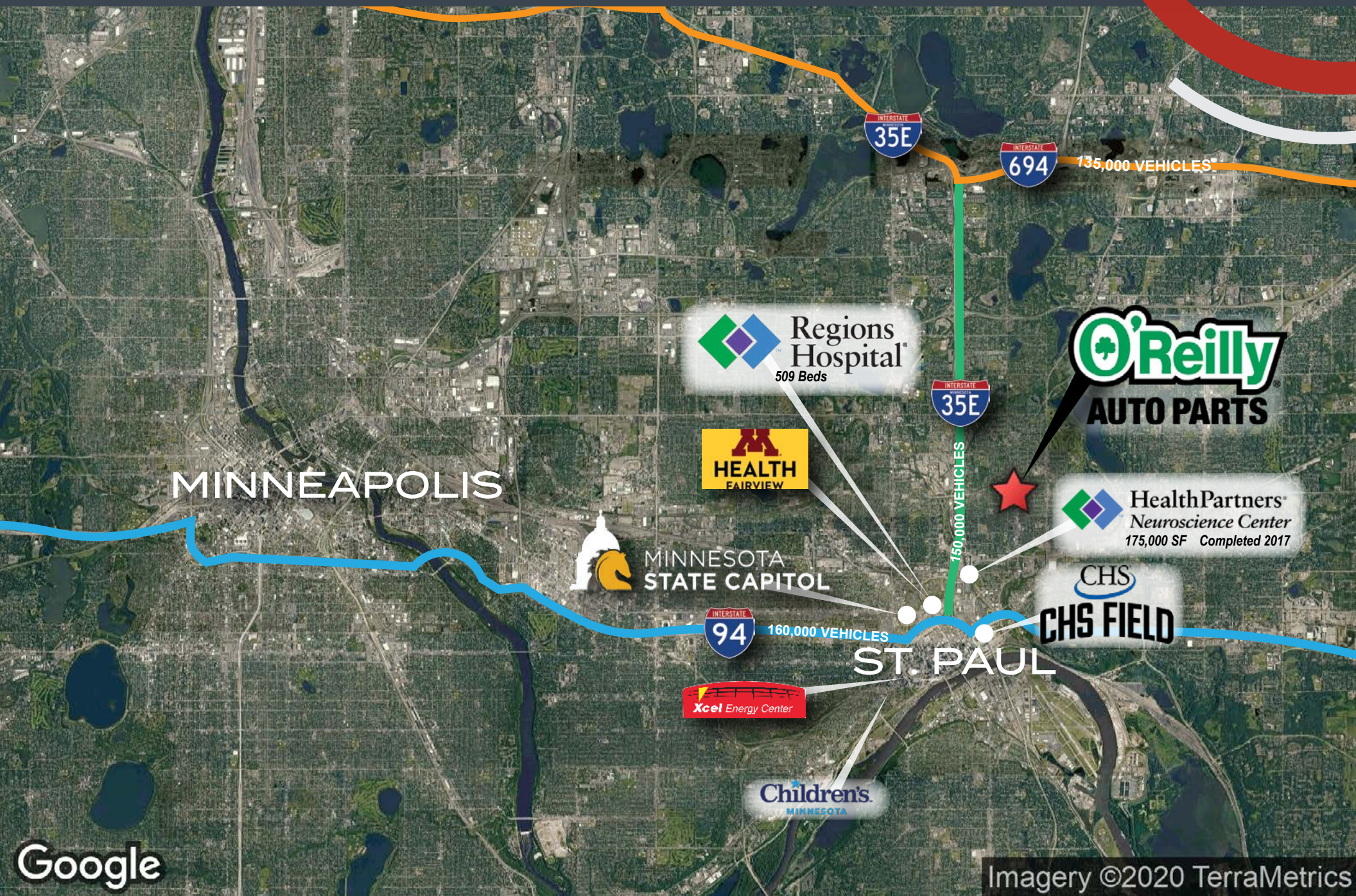
RETAIL AERIAL

O'REILLY AUTO PARTS | ST. PAUL, MN



AREA LANDMARKS

O'REILLY AUTO PARTS | ST. PAUL, MN



MINNEAPOLIS

Regions
Hospital[®]
509 Beds

HEALTH
FAIRVIEW



MINNESOTA
STATE CAPITOL

94

160,000 VEHICLES

35E

150,000 VEHICLES

694

135,000 VEHICLES

O'Reilly
AUTO PARTS

HealthPartners[®]
Neuroscience Center
175,000 SF Completed 2017

CHS

CHS FIELD

ST. PAUL

Xcel Energy Center

Children's
MINNESOTA

Google

Imagery ©2020 TerraMetrics

MARKET SUMMARY

O'REILLY AUTO PARTS | ST. PAUL, MN



ST. PAUL: THE MOST LIVABLE CITY IN AMERICA

The Twin City to Minneapolis, the capital city of St. Paul, Minnesota, is the state's second-most populous. St. Paul is home to the state government and other essential, important institutions. Regionally, the city is known for the Xcel Energy Center, the Science Museum of Minnesota, and CHS Field.

Numerous international firms have a significant or headquarter presence in St. Paul, including US Bank, St. Jude Medical, Securian Financial Group, and Ecolab.

Just minutes from downtown St. Paul, Payne-Phalen is the largest of Saint Paul's 17 designated neighborhoods. It holds commercial corridors, Payne Avenue and Arcade Street, which create parallel north/south backbones of the Payne Phalen neighborhood. Residents and visitors are drawn to the neighborhood's rich architectural history, unique destination businesses, old world charm and the sparkling waters of Lake Phalen. Whatever your tastes: hot coffee and homemade pie, tamales, egg rolls, pizza or chow mein, you'll find a global menu in local shops and restaurants. Strong schools, green parkways, and a spirited, energetic, committed and diverse community make Payne Phalen a vibrant neighborhood.

INCOME

\$55,910 2019 St. Paul Estimated Median Household Income

\$31,279 2019 St. Paul Estimated Per Capita Income

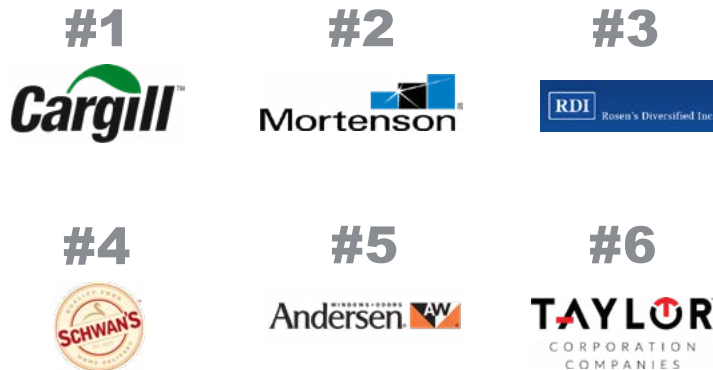


MSP MARKET SNAPSHOT

O'REILLY AUTO PARTS | ST. PAUL, MN



TOP FORBES PRIVATE MINNESOTA COMPANIES



MINNESOTA FORTUNE 500



TOP TEN MAJOR EMPLOYERS

Minneapolis-St. Paul-Bloomington, MN-WI Metropolitan Statistical Area

| | | | | |
|---|---|--|---|---|
| #1 Allina Health System 27,635 Employees | #2 Target Corporation 26,694 Employees | #3 University of Minnesota 26,436 Employees | #4 HealthPartners 22,500 Employees | #5 Fairview Health System 22,000 Employees |
| #6 Wells Fargo & Co. 20,000 Employees | #7 UnitedHealth Group 15,750 Employees | #8 CHS Inc. 12,157 Employees | #9 U.S. Bancorp 12,010 Employees | #10 Land O'Lakes Inc. 10,000 Employees |

MAJOR RETAIL BRAND HEADQUARTERS



MSP MARKET SNAPSHOT

O'REILLY AUTO PARTS | ST. PAUL, MN



MSP AIRPORT TRAFFIC



- "About MSP - MSP by the Numbers", MSPairport.com/about-msp



163

Nonstop
Markets
Served



38M

Travelers



15

Commercial
Passenger
Airlines

HEALTHCARE & RESEARCH

Minnesota Has the
**2nd Highest
Total Number of
Medical Device
Patents**

In the Nation - "Compare Minnesota: Invention
Patents", MN.gov

Minneapolis - St. Paul MSA is a
Top Ten U.S. City
for Corporate Innovation



- "Top 10 Cities for Corporate Innovation",
Innovation Leader Magazine, May 2017

MSP DEMOGRAPHICS

3,628,856

Minneapolis-St. Paul, Bloomington Population
- U.S. Census Bureau, 2018

#2 in the Nation

#2 State in Percentage of the Population with Associate Degree or Higher
- MN Office of Higher Education, http://www.ohe.state.mn.us/sPages/educ_attain.cfm

93.6%

of Persons Age 25+ Hold High School Diploma or Higher | 88% National Average
- U.S. Census Bureau, 2018

3% Unemployment

3.8% National Average, January 2019
- U.S. Census Bureau, 2018

LIFE & RETAIL IN MSP

\$2 Billion

in Economic Activity
Generated for Minnesota by
Mall of America



"Mall of America: By the Numbers."
Mall of America, 2016,
[www.mallofamerica.com/upload/
FactSheets_2016.pdf](http://www.mallofamerica.com/upload/FactSheets_2016.pdf)

#3 Best State

Overall in the United States
Based on 70 Metrics, 2019



"Best States Rankings."
U.S. News, 2019,
<https://www.usnews.com/news/best-states/rankings>

\$59,736

Average Per Capita Personal
Income (2017), \$53,658 National
Average (2018)



"Per Capita Personal Income in Minneapolis-St. Paul Bloomington MSA", Federal
Reserve Bank of St. Louis, Economic
Research

Best Parks

System in the Nation
According to The Trust for
Public Land's ParkScore®
Index



"Minneapolis Repeats as
Nation's Best Park System."
Minneapolis Park & Recreation Board, May 23,
2018, www.MinneapolisParks.org

**#3 Fittest
City**

Ranked by the American
Fitness Index Summary
2019



"ACSM American Fitness Index", American
Fitness Index, May 2019,
www.americanfitnessindex.org

**#2 Ticket
Sales**

In the Nation, Theater Tickets
Sold Per Capita (NYC #1)



Meet Minneapolis - Things To Do, [https://
www.minneapolis.org/things-to-do/arts-cul-
ture/theaters/](https://www.minneapolis.org/things-to-do/arts-culture/theaters/)

DEMOGRAPHICS

O'REILLY AUTO PARTS | ST. PAUL, MN



| | 1 Mile | 3 Miles | 5 Miles |
|--|----------|----------|----------|
| POPULATION | | | |
| 2020 Population - Current Year Estimate | 25,915 | 155,303 | 337,455 |
| 2025 Population - Five Year Projection | 26,496 | 160,105 | 347,472 |
| 2020-2025 Annual Population Growth Rate Projection | | | |
| GENERATIONS | | | |
| Generation Z (Born 1999-2016) | 30.6% | 26.2% | 23.7% |
| Millennials (Born 1981-1998) | 29.6% | 29.9% | 28.7% |
| Generation X (Born 1965-1980) | 16.3% | 17.1% | 18.0% |
| Baby Boomers (Born 1946-1964) | 12.7% | 15.6% | 18.2% |
| HOUSEHOLD INCOME | | | |
| 2020 Average Household Income | \$63,033 | \$65,815 | \$77,913 |
| 2025 Average Household Income | \$68,903 | \$72,930 | \$86,079 |
| EDUCATION | | | |
| High School Diploma | 22.9% | 20.2% | 19.2% |
| GED or Alternative Credential | 5.8% | 4.5% | 3.8% |
| Some College - No Degree | 20.6% | 20.0% | 19.5% |
| Associate`s Degree | 9.7% | 9.4% | 9.1% |
| Bachelor`s Degree | 12.4% | 18.1% | 22.3% |
| DAYTIME POPULATION | | | |
| Daytime Workers | 6,122 | 82,031 | 176,007 |
| Daytime Residents | 15,824 | 88,809 | 179,724 |
| VEHICLES | | | |
| 1 Vehicles | 33.9% | 39.5% | 38.5% |
| 2 Vehicles | 33.5% | 29.2% | 33.9% |

DEMOGRAPHICS

O'REILLY AUTO PARTS | ST. PAUL, MN



CONSUMER BASE - 3 MILE RADIUS

O'REILLY AUTO PARTS | ST. PAUL, MN



DOMINANT TAPESTRY SEGMENT

12.5% METRO FUSION

- Young, diverse market
- Hard-working market with residents that are dedicated to climbing the ladders of their professional and social lives
- Highly mobile and over three quarters of households are occupied by renters
- Take pride in their appearance
- Many households have young children

OTHER TOP SEGMENTS

12.4% FRONT PORCHES

- Composed of a blue collar work force with strong labor participation rates
- Limited incomes mean these are not adventurous shoppers
- Just over half of the homes are occupied by renters
- Participate in leisure activities that include sports, playing board games, and video games

DOMINANT LIFEMODE GROUP

26.4% MIDDLE GROUND

- Lifestyles of thirtysomethings
- Millennials in the middle: single/married, renters/homeowners, middle class/working class
- Household have ditched their landlines for cell phones
- Online all the time

DOMINANT URBANIZATION GROUP

34.2% METRO CITIES

- Consumers include college students, affluent Gen X couples, and retirement communities
- Residents share an interest in city life and its amenities, from dancing and clubbing to museums and concerts
- Average monthly rents and home values below the US average
- Mix of single family and multiunit housing

9.5% FRESH AMBITIONS

- These young families, many of whom are recent immigrants, focus their life and work around their children
- Unemployment is high for these recent immigrants
- Price-conscious consumers
- Most households have at least one vehicle, and commuters drive alone to work

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