



INVESTMENT GRADE TENANT | INFILL LOCATION | HIGH TRAFFIC LOCATION

O'Reilly AUTO PARTS

In Association with ParaSell, Inc | A Licensed Michigan Broker # 6505425224

OFFERING MEMORANDUM
TAYLOR, MICHIGAN



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



OFFERING MEMORANDUM

TAYLOR, MICHIGAN

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OFFERING SUMMARY

O'REILLY AUTO PARTS



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LOCATION

O'Reilly Auto Parts
13224 Telegraph Road
Taylor, MI 48180



OFFERING SUMMARY

Price:	\$2,620,000
Current Net Operating Income (NOI):	\$170,320
Current Capitalization Rate:	6.50%
Price per Square Foot:	\$324
Net Rentable Area:	8,092
Year Built:	2007
Lot Size (Acres):	1.77

FINANCING SUMMARY

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.



INVESTMENT HIGHLIGHTS

O'REILLY AUTO PARTS



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- **Single Tenant Corporate O'Reilly Auto Parts (Investment Grade BBB; NASDAQ: ORLY)**
 - Over 5 Years Remaining on the Primary Lease Term
 - Three 5-Year Options with 10% Rental Increases
 - Net Lease with Limited Landlord Responsibility (Roof & Structure)
- **Tremendous Traffic/Exposure:** Located Along Telegraph Road – a Main North/South Thoroughfare with Six Lanes of Traffic and Average Daily Traffic Volumes Exceeding 66,000 Vehicles Per Day
- **High Quality Construction:** Built-to-Suit Auto Parts Store Completed in 2007 with High-Quality Split Face Block and Brick Masonry Construction; Large 1.77 Acre Parcel
- **Dense Infill Location:** With Over 185,000 People Residing within 5-Miles of the Subject Property with Average Household Incomes Exceeding \$67,000
- **Proven Location:** With a 13-Year Track Record of Success with the Tenant Previously Agreeing to an Early Lease Extension Back in 2015
- **Recession & Pandemic Proof Tenant:** O'Reilly has Beat Earnings in all Three Quarters of 2020; The Third Quarter saw an Outstanding 16.9% Increase in Comparable Store Sales; Revenue rose to 3.21B from 2.67B a year ago



LEASE SUMMARY (1)

Tenant:	O'Reilly Auto Parts	Rental Increases:	In Options
Lease Commencement:	August 4, 2007	Renewal Options:	Three 5-Year Options with 10% Increases
Lease Expiration:	August 31, 2025	Property Taxes:	Tenant Responsibility
Lease Type:	NN	Insurance:	Tenant Responsibility
Net Operating Income:	\$170,320	Common Area Maintenance:	Tenant Responsibility
Net Rentable Area:	8,092	Repairs & Maintenance:	Tenant Responsibility
Monthly Rent Per Square Foot:	\$1.75	Roof & Structure:	Landlord Responsibility

NOTES

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.

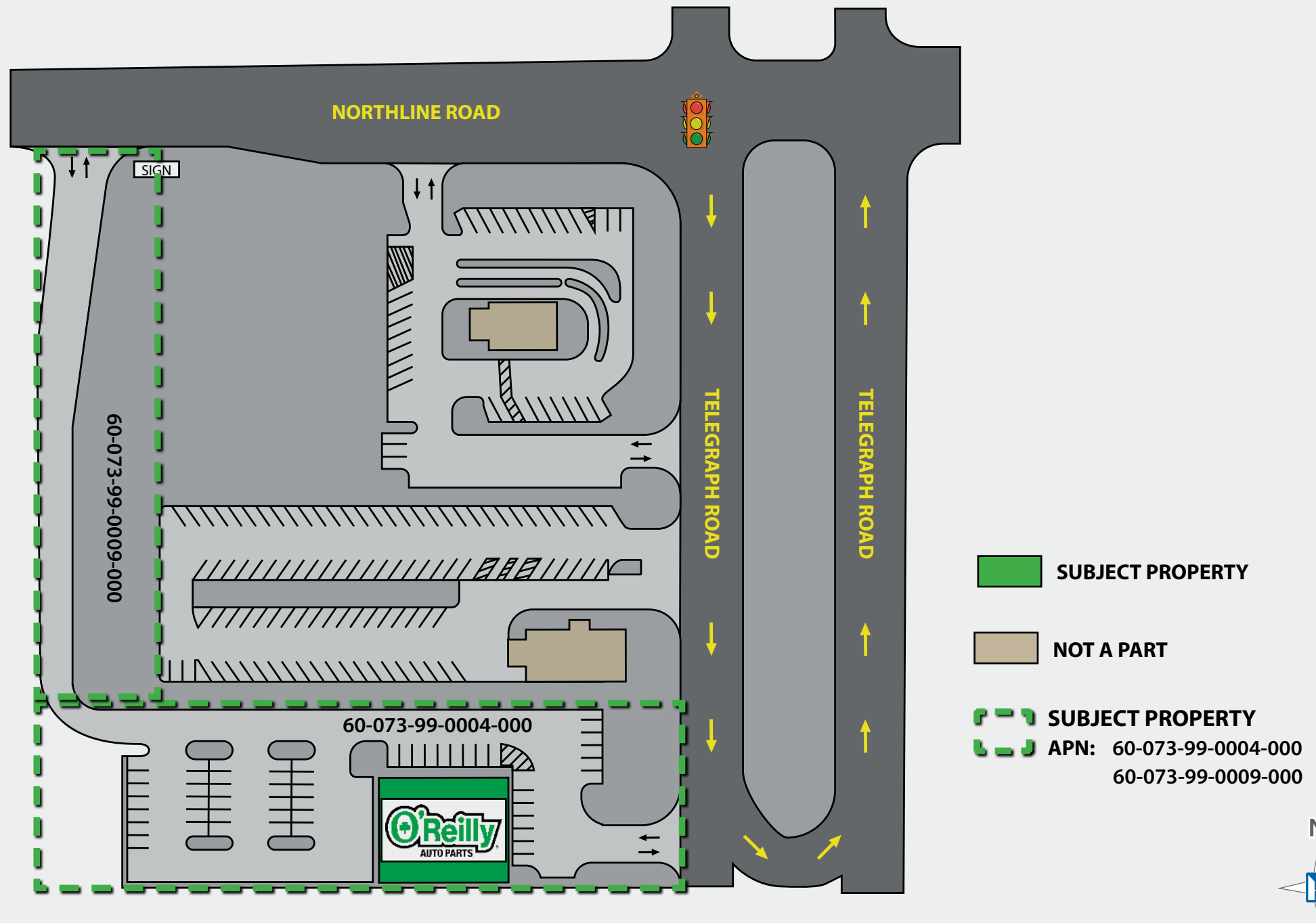


SITE PLAN / PARCEL MAP

O'REILLY AUTO PARTS



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AERIAL OVERVIEW

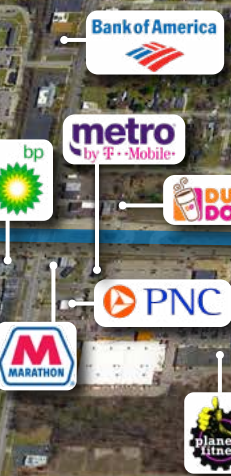
O'REILLY AUTO PARTS



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DEMOGRAPHICS

Population:	
1-Mile Radius	6,090
3-Mile Radius	60,573
5-Mile Radius	188,266
Household Income:	
1-Mile Radius	\$56,923
3-Mile Radius	\$65,094
5-Mile Radius	\$66,857



24 TELEGRAPH ROAD 66,000 CPD



NORTHLINE ROAD 21,000 CPD

JOHN F. KENNEDY HIGH SCHOOL
- 573 Students -



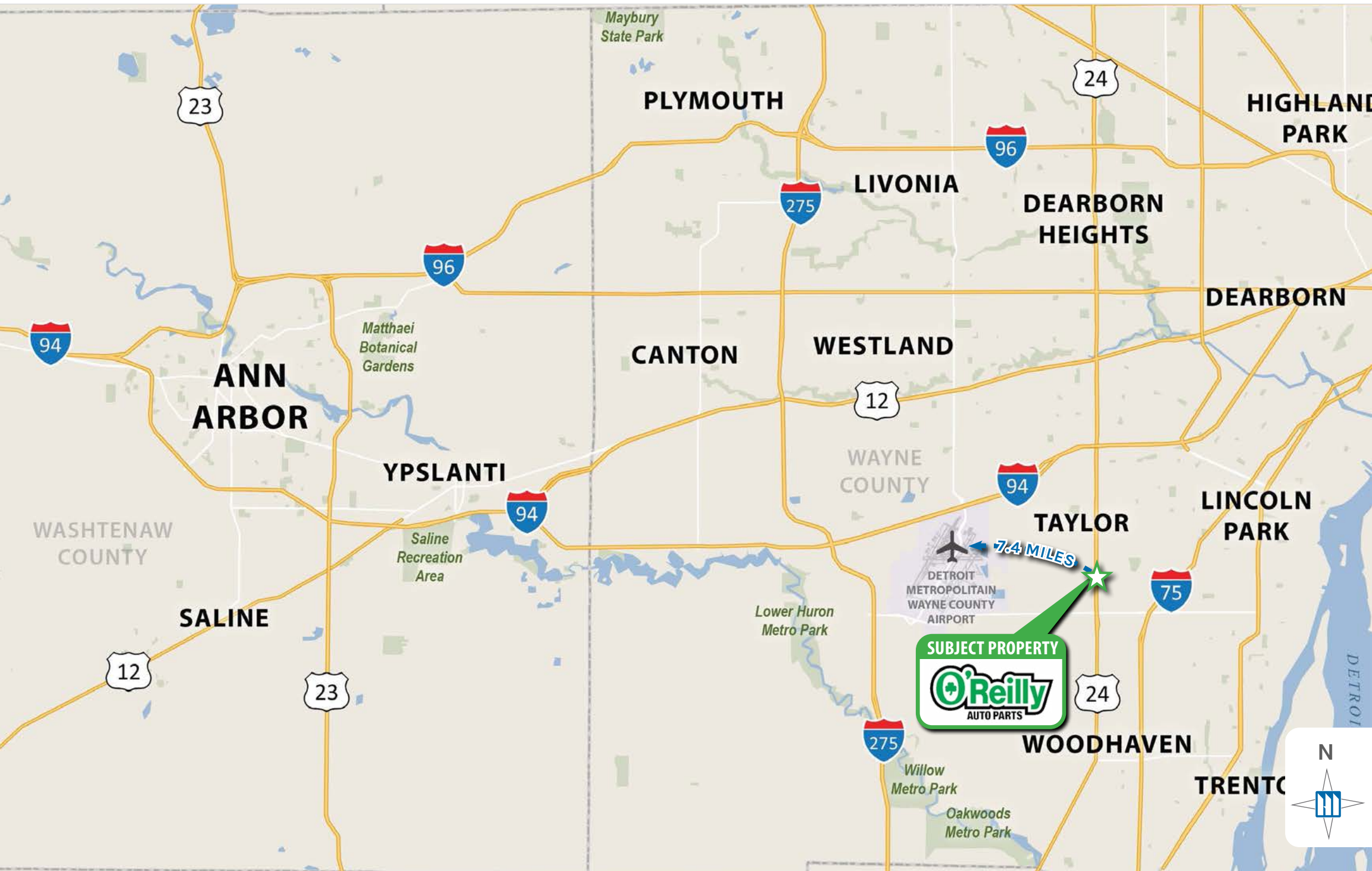
AERIAL OVERVIEW

O'REILLY AUTO PARTS



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O'Reilly Automotive, Inc. is one of the largest specialty retailers of automotive aftermarket parts, tools, supplies, equipment, and accessories. Serving both professional service providers and do-it-yourself customers, O'Reilly Auto Parts stores carry an extensive product line consisting of new and remanufactured automotive hard parts, maintenance items, accessories, auto body paint, related painting materials, automotive tools, and professional service equipment. Their extensive product line includes an assortment of products that are differentiated by quality and price. O'Reilly Auto Parts stores also offer enhanced services and programs to their customers including used oil, oil filter recycling, battery recycling, battery replacement, wiper replacement, bulb replacement, battery diagnostic testing, electrical testing, module testing, and check engine light code extraction. O'Reilly conducts ongoing initiatives focused on marketing and training to educate customers on the advantages of ongoing vehicle maintenance.

O'Reilly Automotive, Inc. has strategically positioned itself for continued growth since its first store opening in 1957 in Springfield, Missouri. Over the last 63 years, O'Reilly Automotive, Inc. has acquired multiple auto supply chains allowing it to climb to one of the Top 3 auto parts chains in the country. As of March 2020, O'Reilly Auto Parts operates 5,512 stores in 47 U.S. states and 21 stores in Mexico. O'Reilly posted revenues of \$3.09 billion for the quarter ending June 2020. O'Reilly has had 27 consecutive years of comparable store sales growth and record revenue and operating income since becoming a public company in April 1993. They currently have 82,000+ employees worldwide. O'Reilly Automotive has been on the Forbes Fortune 500 list for 10 consecutive years.

TOP HONORS

- **#314 "Fortune 500"** - Forbes (2020)
- **#385 "Best Employers for Diversity"** - Forbes (2019)
- **#143 "Best Employers for New Grads"** - Forbes (2018)

Company Type: Public (NASDAQ: ORLY)
Locations: 5,512
Website: www.oreillyauto.com

The Motley Fool



Why This Key Indicator Bodes Well for O'Reilly Automotive

By Neil Patel | June 2, 2020

If I asked you to name a stock that has increased more than eightfold over the past decade, you'd probably begin searching within the tech sector. A boring, stable company like O'Reilly Automotive (NASDAQ:ORLY) has done just that. The automotive aftermarket parts supplier has historically been a fantastic company to own, but recent developments require a reassessment of the investment thesis.

O'Reilly Automotive possesses outstanding financials. Earnings have risen at a compounded annual rate of 12.3% from fiscal 2014 through fiscal 2019. In fact, 2019 was the company's 27th consecutive year of same-store sales growth. During the last five years, diluted shares outstanding have decreased more than 26%. This is extremely advantageous, as it boosts the per share earnings applicable to existing shareholders. Although the buyback program was temporarily suspended in March because of the coronavirus pandemic, it's always good to partner with a management team focused on utilizing free cash flow to reduce share count. Furthermore, CEO Greg Johnson

does a great job at being very clear and transparent about the company's capital allocation strategy in his annual shareholder letters.

Impact of COVID-19

O'Reilly Automotive is essentially recession-proof, as consumers use and extend the life of their existing automobiles instead of purchasing a new car during times of economic stress. This raises the need for maintenance and repair parts, a boon for the company. However, a robust economic environment is good for business as well. As new automobile sales climb, the total population of vehicles on the road goes up.

While it's no surprise that a growing and aging vehicle fleet is beneficial to O'Reilly Automotive, probably the most important factor to the company's success is the number of miles driven in the U.S. With the country under stay-at-home orders since the onset of the pandemic, this metric has declined substantially. Comparable store sales fell 13% during the four-week period from mid-March through mid-April. Deemed an essential business, the company has kept stores open and maintained operations to support those people who still need to get from one place to another.

An imminent recovery

With restrictions easing in various states across the country, driving could be making a huge comeback. For investors who shunned O'Reilly Automotive's stock with the belief that miles driven would take a material hit and could possibly take years to recover, it might be time to reconsider.

Apple provides data on direction requests via its Maps application, broken down by walking, driving, and public transit. As of June 1st, requests for driving directions on Apple Maps in the United States were up 24% since January 13th -- fully recovered since the lockdown and then some. Some surmise this could be the reinvention of the role of the automobile in our lives. It all makes sense intuitively. Why risk my family's health and safety by flying in an airplane or taking public transportation when I have the safety, protection, and convenience of my own shelter-on-wheels?



[CLICK FOR ARTICLE](#)



Taylor, Michigan

- A city in Wayne County and within the Downriver Community, a conglomerate of 18 cities and townships that lie south of Detroit along the western shore of the Detroit River
 - 15 miles southwest of Downtown Detroit
- 60,765 population in the city; 360,000 population in the Downriver Community
 - 1,749,150 population in Wayne County; the 19th most populous county in the U.S.

ECONOMY

- Manufacturing (19.3%), retail trade (14%), and health care and social assistance (13.5%) dominate the local economy
 - Worthington Industries, Windsor Machine Group, SMW Manufacturing, Dolphin Manufacturing, Co-Pipe Products, and others comprise the manufacturing sector
 - The retail trade area is concentrated along Eureka Way and is predominately housed within Trader's Point and Southland Center developments which each house many national retailers
 - ◆ This area has become a premier regional one-stop shopping, dining, and entertainment destination
 - **Beaumont Hospital - Taylor** - A 180-bed hospital with 1,270 employees, 550 of which are physicians
 - ◆ Part of Michigan's largest health care system (Beaumont Health) which earned \$4.7 billion in revenue in 2018
- Health care services, administrative support, and leisure/hospitality are industry sectors are on the rise
- 10-year projected job growth is expected to outpace the U.S. average
- \$58,505 is the average household income; nearly 30% of households earn over \$75,000
 - The cost of living is 14% below the U.S. average
- Home to 3 industrial parks: 90-acre Metro-Telegraph Industrial Park, 80-acre Metropolitan Industrial Park, and 144-acre Trolley West Industrial Park



ANNUAL "HOT AIR BALLOON GLOW"



HERITAGE PARK



BEAUMONT HOSPITAL - TAYLOR



**COST OF LIVING IS 14%
BELOW U.S. AVERAGE**



**10-YEAR JOB GROWTH
TO OUTPACE U.S. GROWTH**



**LARGEST EMPLOYMENT
SECTOR IS MANUFACTURING**



**HOME TO A REGIONAL
RETAIL CORRIDOR**

DEVELOPMENTS

- **The Eureka Way!** - A regional retail and entertainment corridor located on Eureka Way that has become one of Michigan's most sought-after investment locations, attracting many national retailers; concentrated in Southland Center and Trader's Point, the biggest investments in the entire Downriver region
- **Detroit Region Aerotropolis** - A public-private economic development partnership to bring global companies to a primed 6,000-acre area spanning 4 communities, centered in a world-class network of transportation infrastructure
 - Access to 2 world-class airports, 3 major interstates, 5 Class-A rail lines, and the American Center for Mobility
 - ◆ **American Center for Mobility** - A collaborative effort comprised of government, industry, and academic organizations focused on accelerating the mobility industry
- **Kudos Taproom and Fieldhouse** - A unique "eat-retainment" concept featuring street food, craft beer, axe throwing, fowling, retro arcade, corn hole fields, a children's play area, 70 large-screen TVs, corporate VIP space, and more
 - Expected to open in 2021 and create 50+ new full- and part-time jobs

TRANSPORTATION

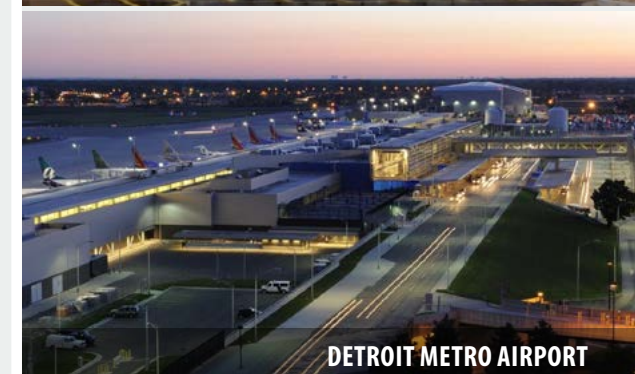
- Intersected by 2 interstate highways
 - I-94 runs east-west through the northern part of the city; I-75 travels through the southwest corner of the city
- **Detroit Metro Airport (DTW)** - A record 36,769,279 passengers traveled through the airport in 2019; located 4.7 miles away
 - #1 "Mega Airport in North America by Customer Satisfaction" - J.D. Power (2019)

EDUCATION

- **Wayne County Community College District - Downriver Campus** - A public, 2-year, comprehensive college offering 23 different degrees and certificates; 1 of 5 campuses that serves 32 cities and townships in Wayne County
 - A \$15 million Horticulture Education Center is currently under construction at the Downriver campus
- Taylor School District operates 1 high school, 2 middle schools, 8 elementary schools, the Taylor Virtual Learning Academy, and the Career Technology Center; employs 740 full- and part-time faculty and staff



MENARDS AT TRADER'S POINT



DETROIT METRO AIRPORT



HORTICULTURE EDUCATION CENTER AT WCCCD



**PART OF THE DETROIT
REGION AEROTROPOLIS**



**#1 MEGA AIRPORT
IN NORTH AMERICA**



**INTERSECTED BY
2 INTERSTATES**

23

**DEGREES & CERTIFICATES
OFFERED AT LOCAL COLLEGE**



	<u>1-Mile</u>	<u>3-Mile</u>	<u>5-Mile</u>
Population			
2024 Projection	5,980	60,015	186,114
2019 Estimate	6,090	60,573	188,266
2010 Census	6,332	61,831	192,015
2000 Census	5,437	63,212	196,730
Households			
2024 Projection	2,318	24,034	74,358
2019 Estimate	2,344	24,110	74,736
2010 Census	2,421	24,611	76,341
2000 Census	2,012	24,367	76,834
2019 Est. Population by Single-Classification Race			
White Alone	4,061	45,000	156,487
Black or African American Alone	1,326	10,122	17,076
American Indian and Alaska Native Alone	17	315	1,073
Asian Alone	280	2,041	4,500
Native Hawaiian and Other Pacific Islander Alone	2	12	38
Some Other Race Alone	162	1,108	3,916
Two or More Races	252	2,016	5,300
2019 Est. Population by Ethnicity (Hispanic or Latino)			
Hispanic or Latino	470	4,166	14,803
Not Hispanic or Latino	5,620	56,407	173,463
2019 Est. Average Household Income	\$56,923	\$65,094	\$66,857

CONFIDENTIALITY AGREEMENT

O'REILLY AUTO PARTS



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The information contained herein does not purport to provide a complete or fully accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective buyers may need or desire. All financial projections are based on assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Broker and, therefore, are subject to material variation. This Marketing Package does not constitute an indication that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the information herein. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective buyers.

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Owner and Broker expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or terminate discussions with any entity at any time with or without notice. Owner has no legal commitment or obligations to any entity reviewing this Marketing Package or making an offer to purchase the Property unless and until such sale of the Property is approved by Owner in its sole discretion, a written agreement for purchase of the Property has been fully delivered, and approved by Owner, its legal counsel and any conditions to the Owner's obligations thereunder have been satisfied or waived.

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\$7.6 BILLION
retail sales nationwide



SHARED DATABASE
collaborative proprietary database



GLOBEST. INFLUENCERS
in retail & net lease sales



COSTAR POWER BROKER
top sales brokers & firm in OC



NATIONWIDE REACH
retail & investors across the U.S.