



406 PIKE AVE | COLUMBUS, MT

OFFERING MEMORANDUM

MATTHEWS[™]
REAL ESTATE INVESTMENT SERVICES

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EXECUTIVE OVERVIEW

INVESTMENT HIGHLIGHTS:

- **Extremely Rare Low Price Point** – It's very difficult to find a property leased to a Fortune 500 company such as O'Reilly Auto Parts for less than \$70,000/year. However, due to an old lease and acquisition of a local auto parts company, O'Reilly is benefitting from a mere \$7,080/year rental rate, resulting in a list price of only \$129,000.
- **Quick Approaching Rent Increase** – In 2 years, the rent will increase nearly 6%, increasing the list cap rate to 5.81%.
- **Generational Operating History** – Subject property has been an auto parts store since 1997, so by the end of the current term, that'll total 30 years.
- **Strong Investment Grade Credit** – O'Reilly Auto Parts boast strong investment grade credit of BBB from Standard & Poor's. Retailers with the same credit rating include CVS, Kroger, Darden Restaurants, Sherwin Williams, and Circle K. O'Reilly's current market value is \$40.8 Billion.
- **E-Commerce and Pandemic Resistant** – O'Reilly Auto Parts was one of the few tenants who were allowed to keep their doors open during the COVID-19 pandemic since their service is deemed essential, demonstrating the necessity for this brick-and-mortar location. Auto parts are a tough commodity to switch over to e-commerce.
- **More than tripled historical sales growth** – Despite the struggling economy in 2020, O'Reilly Auto Parts more than tripled their average sales growth rate. They concluded 2020 with \$11.6 billion in sales, which was a nearly 11% boost from 2019, outpacing both AutoZone's and Advance Auto Parts comparable growth rates of 7.4% and 2.4% respectively.





FINANCIAL OVERVIEW



\$129,000
LIST PRICE



5.50%
CAP RATE



\$7,080
NOI



±5 YRS
TERM REMAINING

BUILDING INFORMATION

Address

406 Pike Ave
Columbus, MT 75771

GLA (SF)

±2,200 SF

Year Built

1915

ANNUALIZED OPERATING DATA

| | Monthly | Annual | Annual Rent/SF |
|--------------------|---------|---------|----------------|
| 2/1/22 - 1/31/2024 | \$590 | \$7,080 | \$3.22 |
| 1/1/24 - 1/31/27 | \$625 | \$7,500 | \$3.41 |
| Option 1 | \$660 | \$7,920 | \$3.60 |
| Option 2 | \$700 | \$8,400 | \$3.82 |

TENANT SUMMARY

| | |
|-------------------------|----------------------------------------------|
| Tenant Name | O'Reilly Auto Parts |
| Type of Ownership | Fee Simple |
| Lessee Entity | Corporate |
| Lease Type | NNN |
| Roof and Parking Lot | Tenant Responsibility |
| Term Remaining | 5+ Years |
| Lease Commencement Date | 1/20/97 |
| Lease Expiration Date | 1/31/27 |
| Increases | 5.9% in 2024 and 5.6%+ in Options 1 and 2 |
| Options | Two, 5-Year |

**Please contact a Matthews™
Capital Markets agent for financing
options:**

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GRANITE PEAK PARK
PUBLIC PARK

MUSEUM
OF THE BEAR TOOTH

RV PARK
MOUNTAIN RANGE


Billings Clinic

STILLWATER COUNTY
JUSTICE OF THE PEACE



Exxon 

HIGH SCHOOL
COLUMBUS

 **± 16,000 VPD**





ELEMENTARY SCHOOL
COLUMBUS

STILLWATER ABSTRACT & TILE
LOCAL BUSINESS



 **UNITED STATES**
POSTAL SERVICE

YELLOWSTONE BANK

STILLWATER GYM
FITNESS CENTER


Stillwater Lumber
BUILDING CENTER



GRAND FORTUNE
CHINESE FOOD

EAGLE'S NEST
FLORAL & GIFTS



E. PIKE AVE ± 2,000 VPD



± 16,000 VPD

BIG FAT LUNCHBOX
LOCAL DINING

First Interstate Bank

FIRE DEPARTMENT
OF COLUMBUS

STILLWATER TOP SHOP
COUNTERTOP STORE

STILLWATER GYM
FITNESS CENTER

COLUMBUS AIRPORT

STILLWATER GOLF
GOLF COURSE

AXMEN COLUMBUS
ANIMAL FEED STORE

BILLINGS, MT
± 40 MILES AWAY

FAMILY DOLLAR

YELLOWSTONE BANK

78

± 6,000 VPD

ACE
Hardware

EAGLE'S NEST
FLORAL & GIFTS

UNITED STATES
POSTAL SERVICE

IGA

O'Reilly
AUTO PARTS

Stillwater Lumber
BUILDING CENTER

Ford

E PIKE AVE
± 2,000 VPD

GRAND FORTUNE
CHINESE FOOD

STILLWATER ABSTRACT & TILE
LOCAL BUSINESS



| | |
|----------------|---------------------|
| COMPANY NAME | O'Reilly Auto Parts |
| YEAR FOUNDED | 1957 |
| HEADQUARTERS | Springfield, MO |
| OWNERSHIP | Public |
| INDUSTRY | Auto Parts |
| # OF EMPLOYEES | ±77,000 |

O'REILLY AUTO PARTS

The fast-growing company sells automotive aftermarket parts (both new and remanufactured), maintenance supplies, professional service equipment, tools, and accessories through some 5,616 stores across 47 US states and online. Many O'Reilly stores also offer customers a range of services, including oil and battery recycling, battery testing, paint mixing, and tool rental. The family founded and operated company wheels and deals with automotive professionals, as well as do-it-yourself customers.

\$11.6 B
2020 Sales

\$1.7 B
2020 Net Income

5,616 +
Stores Worldwide









POPULATION



HOUSEHOLDS



INCOME

| | 2021 ESTIMATE | 2026 PROJECTION | 2021 ESTIMATE | 2026 PROJECTION | 2021 AVG. HOUSEHOLD INCOME |
|--------|-------------------------------------------------------------------------------------------------|--------------------|---------------------------------------------------------------------------------------------------|--------------------|-------------------------------|
| 1-MILE | 2,207 (1.0% ) | 2,308 | 940 (1.0% ) | 940 | \$79,397 |
| 3-MILE | 2,742 (1.0% ) | 2,866 | 1,172 (1.0% ) | 1,172 | \$81,894 |
| 5-MILE | 3,221 (1.0% ) | 3,364 | 1,379 (1.0% ) | 1,379 | \$83,758 |

**Subject Property Demographics*

COLUMBUS, MT

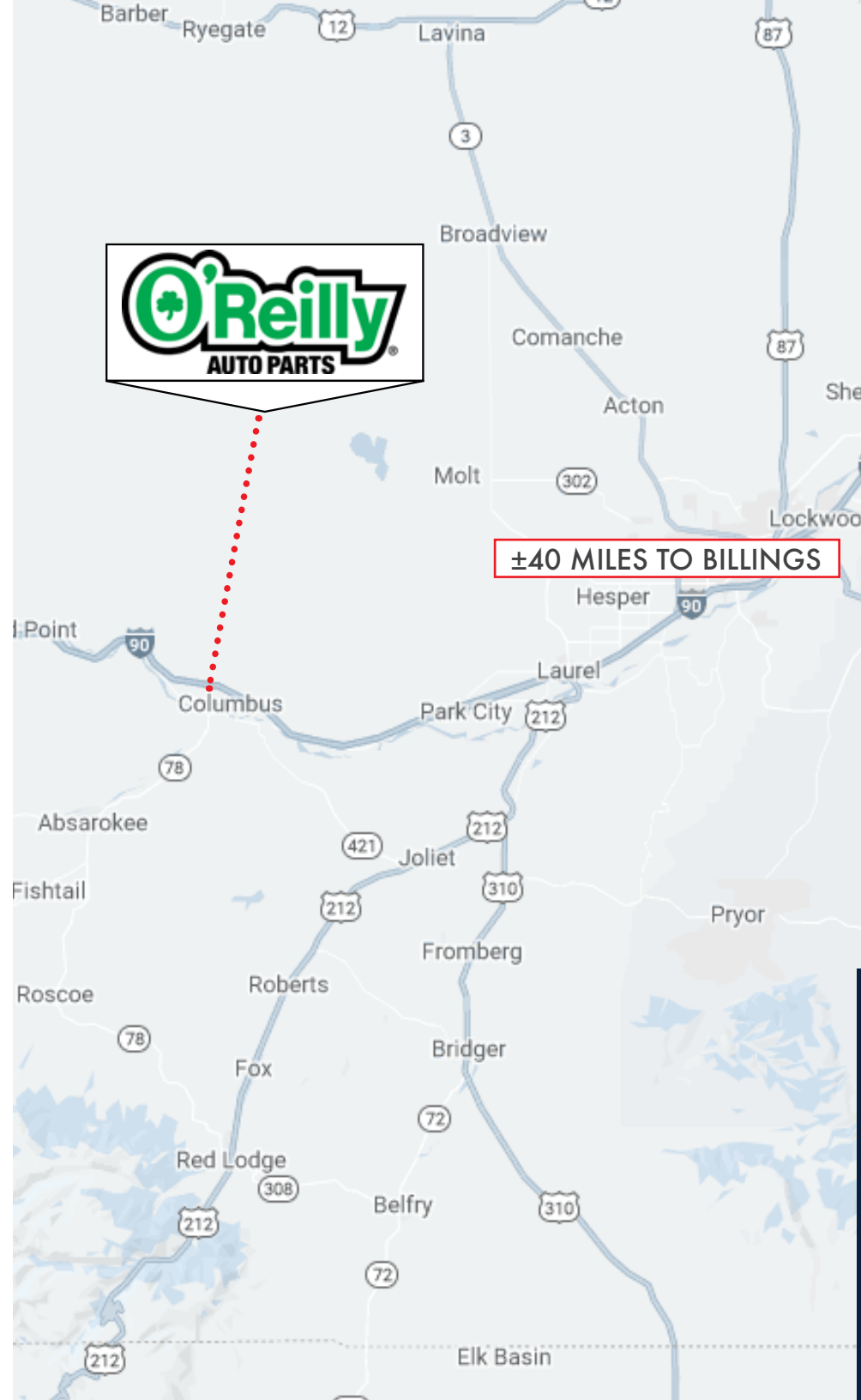
Columbus, Montana is a full service community of approximately 2000 people. It is situated on the north bank of the Yellowstone river and is located about 40 miles West of Montana's largest city, Billings. This quiet community boasts many recreational activities and is a fisherman's paradise. Columbus also serves as a gateway to the Absaroka-Beartooth Mountains and Yellowstone National Park. Located within the city limits are numerous amenities that include city parks, a golf course, a hospital; elementary, middle and high schools, an airport, railroad, library and a museum. There are also a variety of eateries, casinos, bars, lodging and retail stores.

BILLINGS, MT

Billings is the largest city in the U.S. state of Montana. Billings is the trade and distribution center for much of Montana east of the Continental Divide, Northern Wyoming, and western portions of North Dakota and South Dakota. It is also the largest retail destination for much of the same area.

The city is experiencing rapid growth and a strong economy; it has had and is continuing to have the largest growth of any city in Montana. Parts of the metro area are seeing hyper growth. From 2000 to 2010 Lockwood, an eastern suburb, saw growth of 57.8%, the largest growth rate of any community in Montana. With more hotel accommodations than any area within a five-state region, the city hosts a variety of conventions, concerts, sporting events, and other rallies. With the Bakken oil development in eastern Montana and western North Dakota, the largest oil discovery in U.S. history, as well as the Heath shale oil discovery just north of Billings, the city's growth rate stayed high during the shale oil boom. Although the city is growing, its growth rate has diminished markedly with oil price declines in recent years.

CORPORATE HEADQUARTERS IN BILLINGS





ECONOMY

Billings' location was essential to its economic success. Billings's future as a major trade and distribution center was basically assured from its founding as a railroad hub due to its geographic location. As Billings quickly became the region's economic hub, it outgrew the other cities in the region. The Billings trade area serves over a half million people. A major trade and distribution center, the city is home to many regional headquarters and corporate headquarters. With Montana having no sales tax, Billings is a retail destination for much of Wyoming, North and South Dakota as well as much of Montana east of the Continental Divide. \$1 out of every \$7 spent on retail purchases in Montana is being spent in Billings. The percentage of wholesale business transactions done in Billings is even stronger: Billings accounts for more than a quarter of the wholesale business for the entire state (these figures do not include Billings portion of sales for Wyoming and the Dakotas). Billings is an energy center; Billings sits amidst the largest coal reserves in the United States as well as large oil and natural gas fields.

BILLINGS ATTRACTIONS

ZOOMONTANA

ZooMontana is a 70-acre wildlife park located in Billings, Montana and is Montana's only zoo and botanical park. It currently maintains nearly 100 animals, representing 58 species. These animals all live in habitats designed to imitate their natural habitats. The zoo was incorporated and established as a non-profit organization in 1982. It focuses on year-round wildlife native to Montana, the Rocky Mountains, and other cold temperature regions at or above the 45th Parallel. Indoor habitats include animals from around the world. The zoo hosts over 80,000 visitors per year. Canyon Creek runs through the center of the zoo's grounds, creating a natural and tranquil park-like setting. 2018 marked the establishment of the Yellowstone Arboretum located on the ZooMontana grounds, containing a large selection of native and non-native trees.



METRAPARK

MetraPark Arena, currently known as First Interstate Arena due to sponsorship, and colloquially known as The Metra, is a multi-purpose arena located at MetraPark, the fairgrounds of Billings, Montana, USA. The arena has capacity for an audience of 12,000. The arena hosts a variety of local sporting, musical, and other events. It has also hosted professional sporting competitions. The arena was renovated in 2010 and 2011 at a cost of \$27 million.



LAKE ELMO STATE PARK

Lake Elmo State Park is a public recreation area located on the northeast side of Billings, Montana. The state park occupies 123 acres and is at an elevation of 3,199 feet. It offers non-motorized boating on a 64-acre reservoir, three beach-front areas, fishing pier, grassed multi-use areas, two group-use shelters, playground, and fenced-in dog park on the lake's west side.



MONTANA STATE UNIVERSITY BILLINGS

Montana State University Billings (or MSU Billings) is a public university in Billings, Montana. It is the state's third largest university. Its campus is located on 110 acres in downtown Billings. Currently, the university offers over 100 specialized programs for certificates, associate, bachelor's, and master's degrees through the University's five colleges. The five colleges of Montana State University Billings are Liberal Arts & Social Sciences, Business, Health Professions and Science, Education, and City College.

With the main campus in the downtown core of Billings many cultural, service, athletic or educational activities are within walking distance of the campus. The school is host to a mix of traditional and nontraditional students. Approximately 400 students live on campus in the residence halls.

The athletic teams are nicknamed the Yellowjackets and compete in the NCAA Division II level, primarily in the Great Northwest Athletic Conference (GNAC). Montana State Billings has an active athletic department, including men's and women's basketball, cross country, golf, soccer, cheerleading, softball, volleyball, indoor and outdoor track, and women's triathlon.



ROCKY MOUNTAIN COLLEGE

Rocky Mountain College (Rocky or RMC) is a private college in Billings, Montana. It offers 50 liberal arts and professional majors in 24 undergraduate disciplines. In fall 2020, the college had 1069 enrolled students. It is affiliated with the United Methodist Church, the Presbyterian Church (USA), and the United Church of Christ.

Rocky Mountain College is accredited through the Northwest Commission on Colleges and Universities and the Office of Public Instruction for the State of Montana for the preparation of elementary and secondary teachers. The Accreditation Review Commission on Education accredits the physician assistant program for the Physician Assistant ARC-PA, while the Aeronautical Science major and Aviation Management major at Rocky Mountain College are both accredited by the Aviation Accreditation Board International (AABI).

Rocky Mountain teams, nicknamed athletically as the Battlin' Bears, are part of the National Association of Intercollegiate Athletics (NAIA) Division I level, primarily competing in the Frontier Conference. Men's sports include basketball, cross country, football, golf, ski racing, soccer and track & field; while women's sports include basketball, cheerleading, cross country, golf, ski racing, soccer, track & field and volleyball.

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