

SINGLE TENANT NET LEASED INVESTMENT OFFERING  
Oakley (Bay Area), CA





# O'REILLY AUTO PARTS

100 E. CYPRESS ROAD, OAKLEY, CA 94561

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# STATEMENT OF CONFIDENTIALITY & DISCLAIMER

*Faris Lee Investments ("FLI") has been engaged as the exclusive financial advisor to the Seller in connection with Seller's solicitation of offers for the purchase of the property known as O'Reilly Auto Parts, located at 100 E. Cypress Road, in the City of Oakley, County of Contra Costa, State of California. Prospective purchasers are advised that as part of the solicitation process, Seller will be evaluating a number of factors including the current financial qualifications of the prospective purchaser. Seller expressly reserves the right in its sole and absolute discretion to evaluate the terms and conditions of any offer and to reject any offer without providing a reason therefore. Further, Seller reserves the right to terminate the solicitation process at any time prior to final execution of the Purchase Agreement.*

*The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property, and it is not to be used for any other purpose or made available to any other person without the express written consent of Seller or FLI. The material is based in part upon information supplied by the Seller and in part upon financial information obtained by FLI from sources it deems reasonably reliable. Summaries of any documents are not intended to be comprehensive or all-inclusive, but rather only outline some of the provisions contained therein and qualified in their entirety by the actual document to which they relate.*

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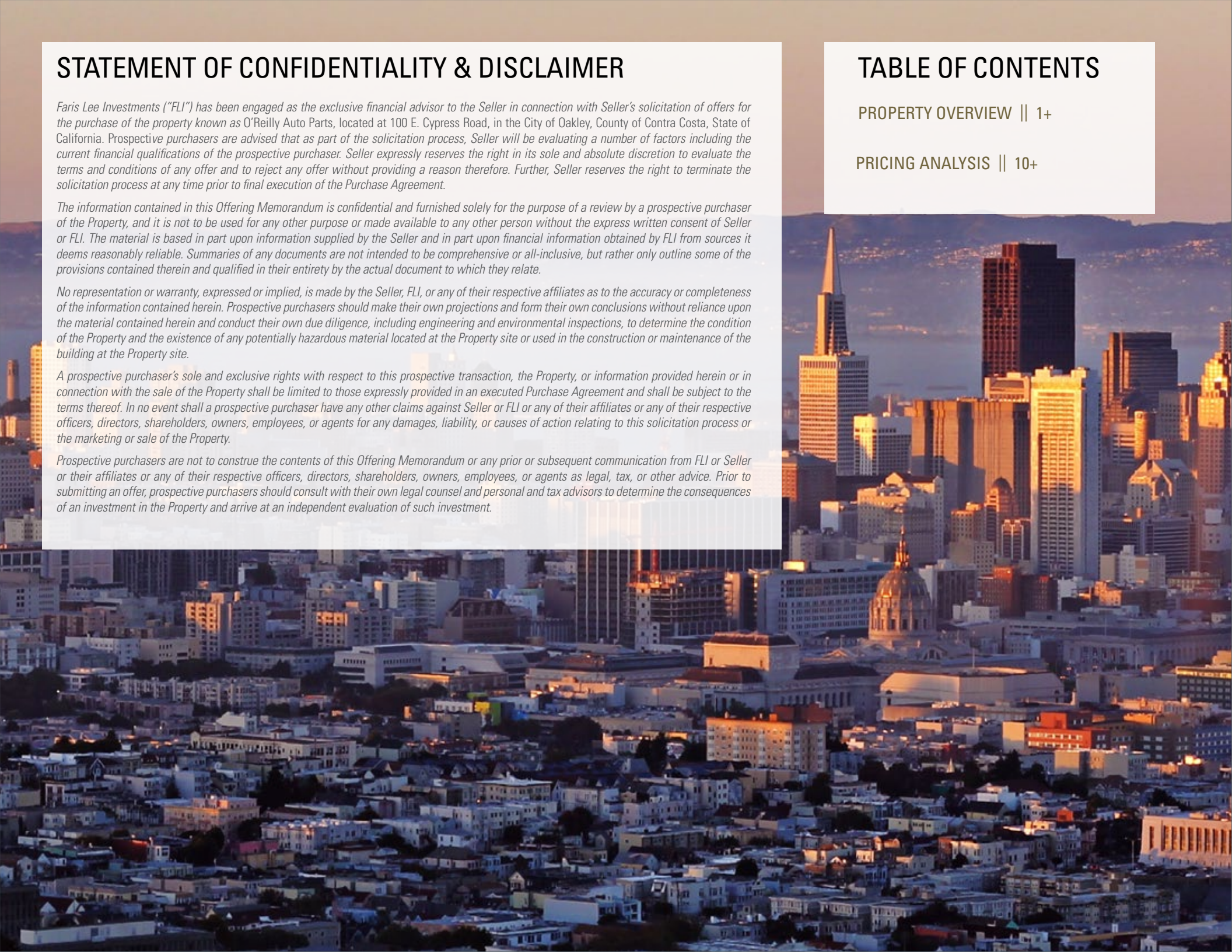
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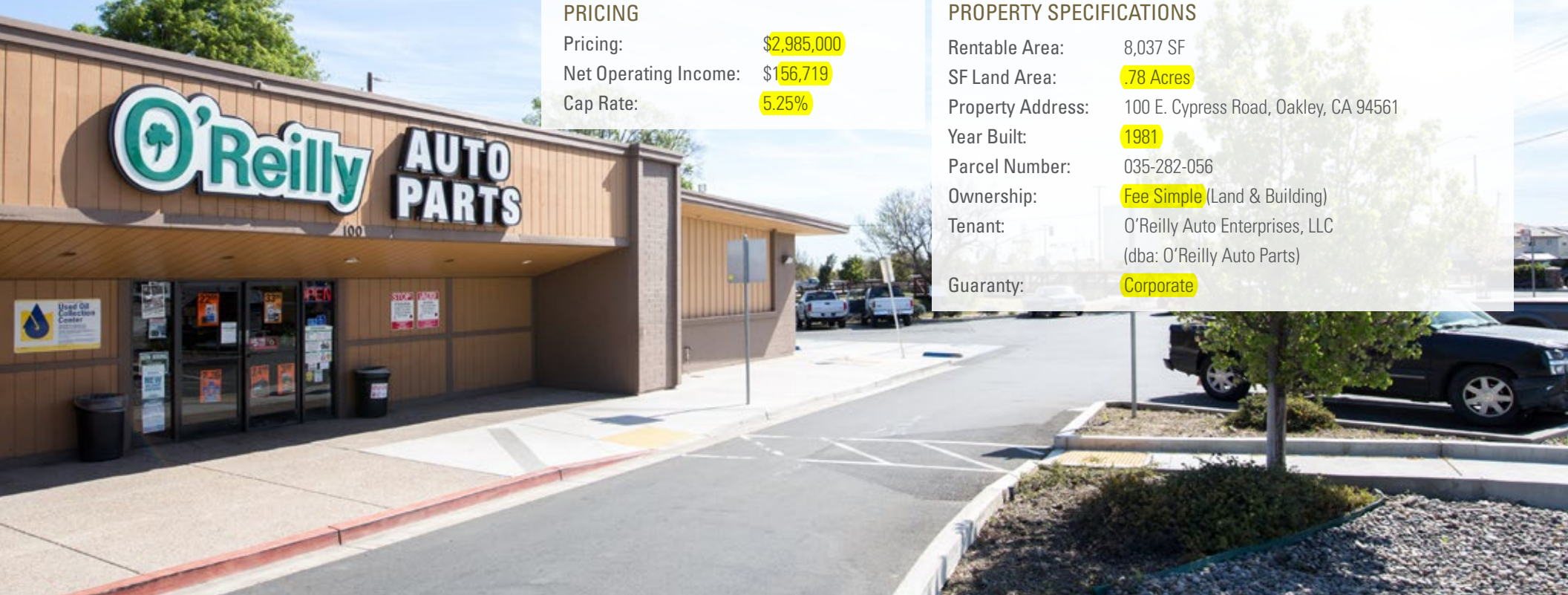




# PROPERTY OVERVIEW







## INVESTMENT SUMMARY

Faris Lee Investments is pleased to offer for sale the fee simple interest (land & building) in a freestanding, single tenant, net leased, investment grade O'Reilly Auto Parts, located in Oakley, CA. The tenant, O'Reilly Auto Parts, has approximately 12-years remaining in the current term. The tenant, which has been at this location since 2007, recently executed a 10-year extension early demonstrating long-term commitment to the location. The lease features an 8% increase in 2022 and at the beginning of each of the 3 (5-Year) option periods, which generates steady NOI growth and hedges against inflation.

O'Reilly Auto Parts is a publicly traded company (NASDAQ: ORLY) with 2014 revenues of \$7.2 billion, 2014 net income of \$778.2 million, 2014 assets of \$6.5 billion and 2014 equity of \$2.0 billion.

The subject property is strategically located at the signalized, hard corner intersection of E. Cypress Road and Main Street (27,900 combined vehicles per day). Main Street is the main thoroughfare through Oakley, CA. There are more than 48,300 permanent residents with an average household income higher than \$91,800 within 3 miles of the subject property. Additionally, the trade area is supported by more than 25,700 daytime employees within a 5 mile radius of the subject property.

## PRICING

Pricing:	\$2,985,000
Net Operating Income:	\$156,719
Cap Rate:	5.25%

## PROPERTY SPECIFICATIONS

Rentable Area:	8,037 SF
SF Land Area:	.78 Acres
Property Address:	100 E. Cypress Road, Oakley, CA 94561
Year Built:	1981
Parcel Number:	035-282-056
Ownership:	Fee Simple (Land & Building)
Tenant:	O'Reilly Auto Enterprises, LLC (dba: O'Reilly Auto Parts)
Guaranty:	Corporate



## DOWNTOWN OAKLEY

### CORPORATE GUARANTY BY INVESTMENT GRADE TENANT - O'REILLY AUTO PARTS

O'Reilly Auto Parts is one of the largest specialty retailers of automotive aftermarket parts, tools, supplies, equipment and accessories in the United States. The company operated 4,311 stores in 43 states as of September 30, 2014.

Company Type:	Public (NASDAQ: ORLY)
Fiscal Year-End:	December
Market Cap (Dec 2014):	\$19.50 Billion
2014 Employees:	67,926
2014 Revenue:	\$7.22 Billion
2014 Net Income:	\$778.18 Million
2014 Assets:	\$6.54 Billion
2014 Equity:	\$2.02 Billion
S&P Rating:	BBB+

### LONG-TERM 20-YEAR CORPORATE GUARANTEED LEASE / 8% RENT INCREASE EVERY 5-YEARS

- » Approximately 12 years remaining in the initial term (O'Reilly recently executed two option terms early demonstrating long-term commitment to the site)
- » There are 3 (5-year) options to extend creating security for the future investor
- » 8% rental increase every 5-years
- » Hedges against inflation
- » Increases buyer's return on investment

### THE OFFERING IS OPEN TO NEW DEBT AT TODAY'S EXCELLENT RATES AND TERMS

- » Allows the new owner to take advantage of today's record low interest rates and favorable terms creating an extremely positive leverage situation for the new owner

### LOCATED AT SIGNALIZED, HARD CORNER INTERSECTION

- » The property is ideally located at the signalized, hard corner intersection of E. Cypress Road and Main Street (27,900 combined vehicles per day)
- » The subject property is located along Main Street, which is the main thoroughfare through Oakley, CA

### DOUBLE NET (NN) LEASE / FEE SIMPLE OWNERSHIP

- » Minimal cost to maintain land or building
- » Limited landlord management (roof & structure)
- » CAM, insurance and taxes are paid by tenants
- » Ideal, management-free investment for an out-of-state investor

### STRONG DEMOGRAPHICS IN THE TRADE AREA

- » More than 48,300 permanent residents with an annual household income of approximately \$91,800 within a 3-mile radius of the subject property



AERIAL VIEW

CALIFORNIA 4 43,700 VPD

Oakley Town Center  
**RITE AID**  
**Lucky**  
**CHASE**  
**AutoZone**

**7 ELEVEN**

**STARBUCKS COFFEE**

**Bank Street DINER**

Cypress Square Shopping Center

**Raley's**  
**BANK OF THE WEST**  
**goodwill**

Big Break

**ACE Hardware**

**Domino's**

Demographics	1 Mile	3 Mile	5 Mile
2014 Estimated Population	7,992	48,317	114,971
2014 Average Household Income	\$78,816	\$91,820	\$85,496
2014 Estimated Total Employees	824	6,757	25,777

**am pm**

**Chevron**

**ARCO**

**metro PCS**

**SUBWAY**

**O'Reilly**  
**AUTO PARTS**

MAIN STREET 15,600 VPD

E CYPRESS ROAD 12,300 VPD



# LOCATION MAP





# SITE PLAN



# PROPERTY PHOTO



SITE PLAN NOT TO SCALE



PHOTOS





# PROPERTY OVERVIEW

## LOCATION

The subject property is strategically located at the signalized, hard corner intersection of E. Cypress Road and Main Street (27,900 combined vehicles per day). Main Street is the main thoroughfare through Oakley, CA. There are more than 48,300 permanent residents with an average household income higher than \$91,800 within 3 miles of the subject property. Additionally, the trade area is supported by more than 25,700 daytime employees within a 5 mile radius of the subject property.

## PARCELS

PARCEL	ACRES	SQUARE FEET
0352820567	.78	34,003

## ZONING

C: General Commercial

## ACCESS

There are two (2) access points, one (1) along E. Cypress Road and one (1) along Main Street.

## TRAFFIC COUNTS (COSTAR)

	Vehicles Per Day
E. Cypress Road:	12,300
State Highway 4:	43,700
Main Street:	15,600

## IMPROVEMENTS

There is approximately 8,037 SF of existing building area.

## YEAR BUILT

1981

## PARCEL MAP





# DEMOGRAPHICS



DESCRIPTION (WWW.ROL3.SITESUSA.COM)	1 MILE	3 MILE	5 MILE	10 MILE	
<b>POPULATION</b>	2014 Estimated Population	7,992	48,317	114,971	234,343
	2019 Projected Population	8,402	50,794	120,868	246,330
	2010 Census Population	7,665	46,346	110,283	224,793
	2000 Census Population	6,116	30,422	77,151	171,271
	Projected Annual Growth 2014 to 2019	1.0%	1.0%	1.0%	1.0%
	Historical Annual Growth 2000 to 2014	2.2%	4.2%	3.5%	2.6%
	2014 Median Age	31.3	32.5	34.1	35.1
<b>HOUSEHOLDS</b>	2014 Estimated Households	2,330	14,237	34,965	73,858
	2019 Projected Households	2,415	14,764	36,258	76,587
	2010 Census Households	2,276	13,910	34,162	72,158
	2000 Census Households	1,900	9,204	24,306	56,213
	Projected Annual Growth 2014 to 2019	0.7%	0.7%	0.7%	0.7%
	Historical Annual Growth 2000 to 2014	1.6%	3.9%	3.1%	2.2%
<b>RACE AND ETHNICITY</b>	2014 Estimated White	60.4%	62.3%	59.9%	58.1%
	2014 Estimated Black or African American	7.5%	8.0%	10.6%	12.2%
	2014 Estimated Asian or Pacific Islander	6.8%	7.8%	9.3%	9.1%
	2014 Estimated American Indian or Native Alaskan	0.8%	0.8%	0.8%	0.8%
	2014 Estimated Other Races	24.6%	21.0%	19.4%	19.7%
	2014 Estimated Hispanic	41.9%	35.1%	31.2%	31.2%
<b>INCOME</b>	2014 Estimated Average Household Income	\$78,816	\$91,820	\$93,192	\$88,223
	2014 Estimated Median Household Income	\$77,973	\$85,455	\$85,496	\$79,625
	2014 Estimated Per Capita Income	\$22,997	\$27,096	\$28,376	\$27,866
<b>BUSINESS</b>	2014 Estimated Total Businesses	184	1,028	3,131	6,493
	2014 Estimated Total Employees	824	6,757	25,777	54,348
	2014 Estimated Employee Population per Business	4.5	6.6	8.2	8.4
	2014 Estimated Residential Population per Business	43.4	47.0	36.7	36.1





# PRICING ANALYSIS

NEW HOME CONSTRUCTION NEAR OAKLEY VINEYARDS



# RENT ROLL

Tenant	Size (SF)	Current Monthly Rent	Monthly Rent \$/SF	Current Annual Rent	Annual Rent \$/SF	Rental Increases						CAM Recovery Type	Lease Start	Lease Expires	Lease Options
						Increase Date	Increase	Monthly Rent	Monthly \$/SF	Annual Rent	Annual \$/SF				
O'Reilly Auto Parts	8,037	\$13,060	\$1.62	\$156,719	\$19.50	Feb-2022	8%	\$14,105	\$1.75	\$169,256	\$21.06	NN	2/1/2007	1/31/2027	3 (5-Year) Option 1: \$182,797 Option 2: \$197,421 Option 3: \$213,214

## TENANT SYNOPSIS



### O'REILLY AUTOMOTIVE, INC.

O'Reilly Automotive, Inc. and its subsidiaries are one of the largest specialty retailers of automotive aftermarket parts, tools, supplies, equipment and accessories in the United States, selling the products to both do-it-yourself (DIY) and professional service provider customers, the dual market strategy. The company operated 4,366 stores in 43 states as of December 31, 2014. The business was founded in 1957 by Charles F. O'Reilly and his son, Charles H. "Chub" O'Reilly, Sr. and initially operated from a single store in Springfield, Missouri. Its common stock has traded on The NASDAQ Global Select Market under the symbol ORLY since April 22, 1993..

Company Type: Public - NASDAQ: ORLY

2014 Employees: 67,926

2014 Net Income: \$778.18 Million

2014 Equity: \$2.02 Billion

Fiscal Year End: December

2014 Revenue: \$7.22 Billion

2014 Assets: \$6.54 Billion

S&P Ranking: BBB+

Rankings: #390 in FORTUNE 500 (June 2014)

Website: [www.oreillyauto.com](http://www.oreillyauto.com)





# TRANSACTION SUMMARY

## Financial Information

**Price:** \$2,985,000

**Lease Type:** NN

Tenant is responsible for taxes, insurance, and CAM. Landlord is responsible for roof and structure.

## Property Specifications

**Rentable Area:** 8,037 SF

**Land Area:** 0.78 Acres

**Year Built:** 1981

**Address:** 100 E. Cypress Road

Oakley, CA 94561

**APN:** 035-282-056

**Tenant:** O'Reilly Auto Parts

## Estimated Operating Information

	<u>In-Place</u>
Gross Potential Rent	\$156,719
Plus Recapture	NNN
Effective Gross Income	\$156,719
Less Expenses	(NNN)
<b>Net Operating Income</b>	<b>\$156,719</b>

**Cap Rate:** 5.25%





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INVESTMENTS

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