



705 S MAIN ST | LINDALE, TX

OFFERING MEMORANDUM

LISTED BY

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EXECUTIVE OVERVIEW

INVESTMENT HIGHLIGHTS:

- **Zero Landlord Responsibilities** – O'Reilly Auto Parts is on an absolute NNN Ground Lease where the tenant is responsible for taxes, insurance, and all maintenance
- **Below Market Rent** – Since O'Reilly is only leasing the ground, they are benefitting from an extremely low rent of less than \$4/SF. In comparison, they are accustomed to paying more than triple that rate at their new stores, \$13 - \$15/SF on average. Furthermore, in-line spaces in Lindale, TX are asking \$18 - \$25/SF. Such low rent in relation to both other O'Reilly stores and spaces in the local market is usually a motivating factor to exercise future renewal options
- **Tenant Funded Construction** - The tenant utilized their own capital to construct and own the building, which means that they are more financially committed to this location compared to stores where they lease both the land and building
- **Strong Investment Grade Credit** – O'Reilly Auto Parts boast strong investment grade credit of BBB+ from Standard & Poor's as well as seen a 70%+ increase in their trailing 12-month stock price as of 4/1/21
- **Pandemic Resistant Business Model** - O'Reilly Auto Parts was considered an essential retailer and their stores stayed open for business throughout the COVID-19 pandemic. In fact, the company boosted their same store sales at the end of 2020 by 11%, a three-fold increase from their average pre-pandemic growth of 3.5% annually
- **Tenant Built Building** – O'Reilly auto parts build the building with higher quality brick versus sheet metal
- **More than tripled historical sales growth** – Between 2016 and 2019, comparable store sales increased an average of 3.5% per year; however, despite the severely struggling economy in 2020, O'Reilly Auto Parts more than tripled their average 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
- **Strong Retail Corridor** - Brookshire's, Sonic, AutoZone, Dollar Tree, Whataburger, and other retailers help attract consumers to the local trade area
- **High Growth Area** - Lindale experienced a growth rate of 47.23% and 25.95% within 1 and 5 miles of the store between 2010-2020
- **Proximity to Tyler, TX** - Lindale is just over 13 miles from Tyler, TX
- **Strong Nearby Household Income** - The average household income within a 5 Mile radius is \$85,038





SOUTH MAIN STREET
± 29,000 VPD



HAPPY DONUTS





\$514,000
LIST PRICE



4.50%
CAP RATE



\$23,112
NOI



±6 YRS
TERM REMAINING



\$3.67
RENT PSF

BUILDING INFORMATION

Address

705 S Main St
Lindale, TX 75771

GLA (SF)

±6,300

Lot Size (AC)

±0.77

Year Built

2007

RENT ROLL

	Monthly	Annual	Annual Rent/SF
Current - 5/31/2027	\$1,926	\$23,112	\$3.67
Option 1	\$2,061	\$24,732	\$3.93
Option 2	\$2,205	\$26,460	\$4.20
Option 3	\$2,359	\$28,308	\$4.49

TENANT SUMMARY

Tenant Name	O'Reilly Auto Parts
Type of Ownership	Ground Lease
Lessee Entity	Corporate
Lease Type	Absolute NNN
Roof and Structure	Tenant Responsible
Term Remaining	±6 Years
Lease Commencement Date	7/1/07
Lease Expiration Date	5/31/27
Increases	7% in Each Option
Options	Three, 5-year Options
Right of First Refusal	10 Business Days

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

KEVIN KERN
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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.

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

\$11.6 B
2020 Sales

\$1.7 B
2020 Net Income

5,616 +
Stores Worldwide



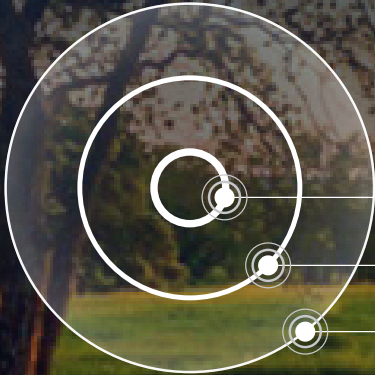
POPULATION



HOUSEHOLDS



INCOME



	2021 ESTIMATE	2026 PROJECTION	2021 ESTIMATE	2026 PROJECTION	2021 AVG. HOUSEHOLD INCOME
1-MILE	5,202 (41.71% ↑)	5,875 (12.93% ↑)	1,854 (42.47% ↑)	2,043 (10.16% ↑)	\$78,600
3-MILE	14,070 (30.21% ↑)	15,934 (13.25% ↑)	5,049 (29.04% ↑)	5,569 (10.29% ↑)	\$78,481
5-MILE	21,220 (28.58% ↑)	23,925 (12.75% ↑)	7,761 (26.47% ↑)	8,515 (9.72% ↑)	\$81,345

**Subject Property Demographics*

LINDALE, TX

Located in northeast Texas, Lindale is a city in Smith County and is part of the Tyler Texas Metropolitan Area. With its proximity to Tyler, Lindale has experienced a growth in residential, retail, and commercial development. Its current growing industries include cattle, hay production, and rose-growing. The city also has several schools including a Tyler Junior College extension campus, which offers general education classes, nursing programs, and a veterinary technician program. The city's location at the intersection of Interstate 20 and U.S. Route 69 gives it convenient access to Tyler, Mineola, Longview, and Dallas. Lindale has great area amenities including Darden Harvest Park, Pool Recreational Park, and The Cannery. Known as the hometown of country singer Miranda Lambert and home to over 7,000 residents, Lindale is a quaint city that exudes Texas culture.

LINDALE, TX ATTRACTIONS

DARDEN HARVEST PARK

- Positioned in Lindale's Cannery district, the Darden Harvest Park occupies 23 acres of land and features walking trails, playground areas, a pavilion, a splash pad, a pond, and a dog park.

POOL RECREATIONAL PARK

- Situated at the heart of Lindale, Pool Park offers a playground, picnic tables, soccer fields, and a pavilion. It also features four baseball fields where the Lindale Summer Baseball & Softball Association plays during the springtime.

THE CANNERY

- The Cannery is the city's premier entertainment, shopping, and dining destination. The district is filled with eateries, retail stores, residential living options, and lots of Texas music. The North Campus of Tyler Junior College is also located on the premises. The Pink Pistol, Miranda Lambert's clothing store is also located here.

MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES
Target Distribution Center	800
Lindale ISD	644
Walmart Supercenter	285
Mercy Ships	207
Youth With a Mission	200
Lowes Home Improvement	165
Brookshires Grocery	110
Mae Nursery	100
FedEx Ground	100
City of Lindale	65





TYLER, TX

With a growing population of over 104,000 residents, the city of Tyler sits about halfway between Dallas and Shreveport in Smith County. Tyler's local economy is supported by its thriving rose-growing industry, its health care industry, its manufacturing industry, and three institutions of higher education: University of Texas at Tyler, Tyler Junior College, and Texas College. According to Forbes, Tyler has a \$13.6 billion gross metro product. As the Rose Capital of America, Tyler visitors and locals can explore the Tyler Rose Garden, the nation's largest municipal rose garden. Other attractions in the city include Tyler State Park and Goodman-LeGrand House & Museum. As the largest community in Northeast Texas, the prosperous city of Tyler offers people and businesses big city amenities while maintaining its small-town charm.



TYLER, TX ECONOMY

Tyler has been nicknamed the “Rose Capital of the Nation” due to the abundant amount of rose bushes in the area, being the location of the nation’s largest rose garden, and being the host of the Texas Rose Festival, which draws thousands of tourists a year to the city.

The city is the health care hub of East Texas. It is home to four hospitals including a Level I trauma center. Support services offered by the city’s health care industry include medical equipment providers, nursing agencies, support groups, and many more.

Tyler is home to several manufacturing operations including Tyler Pipe, Trane Technologies, Delek Refining, and Vesuvius USA. In addition, Tyler is also the location of the Brookshire Grocery Company headquarters and distribution center.

The city is home to three colleges: University of Texas at Tyler, Tyler Junior College, and Texas College. All three institutions offer degrees that are in high demand and prepares their students to become talented workers that will one day join the workforce.

TYLER, TX ATTRACTIONS

TYLER ROSE GARDEN AND ROSE MUSEUM

The 14-acre Tyler Municipal Rose Garden is filled with 35,000 rose bushes and over 500 varieties of roses. Popular areas of the garden include Ida Garden, Heritage Garden, and the camellia and day lily collections. Just right next to the rose garden is the Tyler Rose Museum and Gift Shop, where visitors can learn about Tyler's thriving rose industry and the pageantry of the Texas Rose Festival. Exhibits include memorabilia, costumes, and accessories from previous festivals. There is also a Rose Garden Center Meeting Space that can be rented for weddings, reunions, meetings, and other special events.



TYLER STATE PARK

Situated north of the city, Tyler State Park offers a 64-acre spring-fed lake, 100-foot trees, and historic attractions. Outdoor enthusiasts will have endless amounts of fun fishing, hiking, picnicking, and engaging in lots of other recreational activities at this peaceful get-away.



GOODMAN-LEGRAND HOUSE & MUSEUM

Located in downtown Tyler, the Goodman-LeGrand House & Museum is a historic estate featuring its original furnishings, photographs, and memorabilia from the Civil War era. The estate also has a well-maintained lawn that encompasses almost an entire city block. The lawn has a variety of shade trees, flowers, and benches for visitors to relax.



UNIVERSITY OF TEXAS AT TYLER

The University of Texas at Tyler is part of the prestigious University of Texas System that includes 14 institutions throughout the state of Texas. Offering over 80 academic degree programs, around 10,000 students currently attend UT Tyler. These students represent 167 Texas counties, 45 states, and 58 nations. UT Tyler is a young, fast-growing university and continues to grow and prosper.

The University of Texas System in February 2020 announced its intention to establish a medical school in Tyler – the first in East Texas – to increase access to health care in the region.

Leaders from the UT System and the two UT institutions in Tyler joined together at Plaza Tower in downtown Tyler to announce a plan to elevate the region's higher education and health care opportunities. They optimistically explained their case to a group of regional business, civic, educational, and medical leaders and elected officials at a morning news conference.

Under the new plan, with established medical residencies already in place, future physicians could complete their entire education and training in Tyler, ultimately providing more top health care professions who will live and serve in the region.



TYLER JUNIOR COLLEGE

TJC is one of the largest community colleges in Texas, with 306 full-time faculty members and 248 part-time faculty members, and nearly 13,000 students enrolled. For 94 years, TJC has embodied the true sense of the term “community college,” as reflected in its foundational promises to provide students with quality education, a vibrant student life, and opportunities for service to the community.

With more than 115 degree and certificate programs, plus extensive training and technical programs, TJC is the best first step for any student, whether they plan to transfer to a four-year institution or gain the skills they need to go directly into the workforce.

When students step onto the 145-acre campus, they are immediately part of the TJC experience, which includes rigorous academics, 62 national championships in athletics, stellar fine and performing arts programs, modern residential facilities, and organizations and clubs that reflect student diversity.

TEXAS COLLEGE

Texas College is a Historically Black College founded in 1894, by a group of CME ministers. Their mission continues to embody the principles of the Christian Methodist Episcopal Church. Founded over 127 years ago, Texas College offers 12 degree programs with ±1,044 students currently enrolled. The College takes pride in preparing its students with competencies in critical and creative thinking related to the knowledge, skills, and abilities as defined in areas of study. Additionally, Texas College provides an environment to inspire intellectual, spiritual, ethical, moral, and social development, which empowers graduates to engage in life-long learning, leadership, and service.

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **O'Reilly Auto Parts** located at **705 S Main St, Lindale, TX 52246** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. 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. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
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.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services 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 the Property 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 Matthews Real Estate Investment Services 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.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



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BROKER OF RECORD

LIC #. 9005919 (TX)



Information About Brokerage Services

11-2-2015

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - o that the owner will accept a price less than the written asking price;
 - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date