



10-YEAR NNN SALE-LEASEBACK

OFFERING MEMORANDUM | 125 N FIRST STREET | HERMISTON, OR



PROPERTY OVERVIEW

The offering is a single-tenant NNN restaurant and brewery in the heart of Hermiston, Oregon.

Nookie's Restaurant has been a longstanding local fixture since 2005, and in 2013 expanded to incorporate Hermiston Brewing Co. The Tenant will lease back from an investor on a new 10-year lease with 3, 5-year options to renew.

Nookie's Restaurant & Brewery and The Hermiston Brewing Co. offer

investors the chance to acquire a stable, West Coast investment property in a rapidly growing area and along a critical trade route for Eastern Washington and Oregon. The property and tenancy provide pride of ownership in a centralized downtown location, community recognition, all located within a city experiencing tremendous employer and economic growth. **The Businesses, Nookie's Restaurant & Brewery and the Hermiston Brewing Co., are not included in the sale of the real estate.**



INVESTMENT SUMMARY

\$3,000,000 PRICE

6.00% CAP RATE

10 YEARS LEASE TERM

NNN LEASE STRUCTURE

3X5 YEAR RENEWAL OPTIONS

NEGOTIABLE RENT ESCALATIONS

GUARANTOR PETAL PUSHER & MORE, LLC

INVESTMENT HIGHLIGHTS

10-YEAR Sale-Leaseback

NNN LEASE (Landlord responsible for roof and structure)

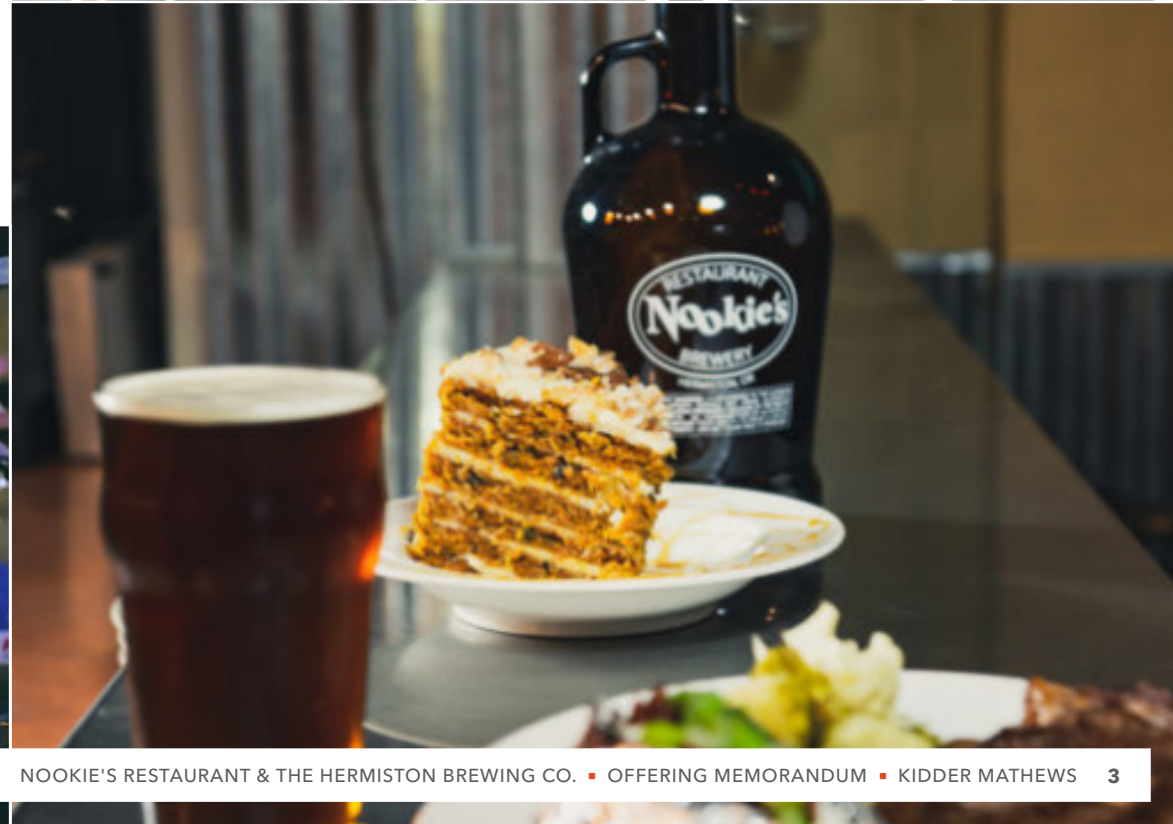
RECENTLY expanded in 2016, high quality construction

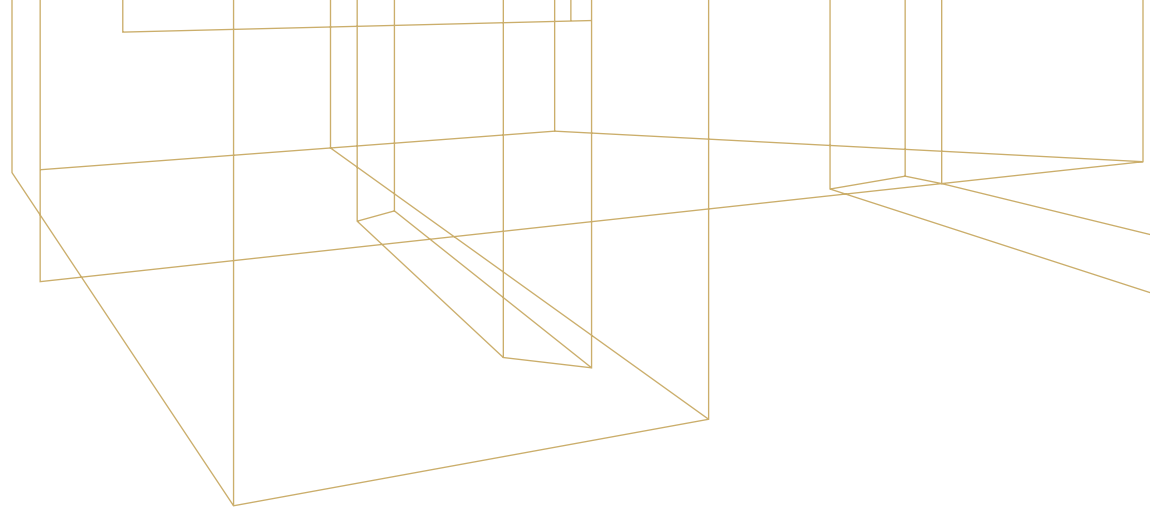
LOCATED at the confluence of five major transportation routes & adjacent to a new Holiday Inn Express & Suites, two new event centers, in the heart of downtown Hermiston. Nookie's owns and manages the two event centers and exclusively provides room-service at the neighboring Holiday Inn Express & Suites.

HISTORICAL retail sales data is available - proposed rent structure offers an attractive rent-to-sales ratio

SPECIFIC lease terms, including rental escalations and term are negotiable

PETAL PUSHER & MORE, LLC, the parent company, is member-managed by Mitchell Myers, a successful local developer and businessperson with strong business community and family ties dating back 120 years.





ABOUT THE TENANT

The tenant, Petal Pusher & More, LLC, is member-managed by Mitchell Myers, owner and founder of Nookie's Restaurant & The Hermiston Brewery. Mr. Myers is a 4th generation lifelong Hermiston resident with significant ties and investment in the city of Hermiston. In the 1970's, along with his father, they started [Epha Inc.](#), and the entrepreneurialism didn't stop there. For the past 50+ years, Myers has been dedicated to Hermiston development and restoring historical parts of the city.

Of his major contributions to the community, Myers renovated the oldest building in Hermiston, a former bank, into offices and B&B lodging, runs the Maxwell Farmer's

Market, restored the [Maxwell Event Center](#), and in 2019, completed the 500-person capacity [Pavillion Event Center](#), a covered open air space. Both event centers are exclusively owned and managed by Nookie's. **Nookie's is also the exclusive provider of room-service at the neighboring Holiday Inn & Suites.** Together, Nookie's, The Pavillion Event Center and the Maxwell Event Center are the largest employers in downtown Hermiston.

NOOKIE'S RESTAURANT

Since 2005, Nookie's has been one of downtown Hermiston's favorite eateries and gathering places. Serving contemporary American fare, the no frills menu has something for everyone. In addition to providing managing and catering

services to the two community event centers, Nookie's is **the sole room service provider to the Holiday Inn Express across the street.**

Located at the "Red Dot," where all five major roads that feed into Hermiston lead to the same intersection. Nookie's & The Hermiston Brewery is literally in the heart of downtown.

HERMISTON BREWING CO.

In 2013, Nookie's expanded the restaurant to incorporate Hermiston's first brewery, Hermiston Brewing Company. Mitch Myers enlisted [TurnKey Brewery Consulting Group](#) of Portland, OR to ensure the brewery's success with 20+ beers on tap. The brewery uses ingredients from all over the world as well as local ingredients, such as sagebrush and lavender from a nearby farm to showcase the area's local flavors.



➔ **NEW BREW ON TAP FOR HERMISON**

➔ **YELP REVIEWS 3.5/4 STARS**

PROPERTY DESCRIPTION



PROPERTY SUMMARY

Address	125 N First Street Hermiston, OR 97838
Price	\$3,000,000
Cap Rate	6.00%
Annual Rent	\$180,000
Lease Term	10 Years
Lease Structure	NNN
Lease Guarantee	Petal Pusher & More, LLC
Year Built	1940 / 2016
Tenant	Nookie's Restaurant & Hermiston Brewing Co.
Lease Commencement	COE
Lease Expiration	10 years
Renewal Options	3 x 5-years @ Market
Escalations	Negotiable
Building Size	6,622 SF
Site Size	28,677 SF*
Parking Ratio	11 spaces / 1,000 SF
Property Condition	Excellent
Construction Type	Poured in place concrete
Zoning	C-1, Central Commercial
County	Umatilla
Signage	Monument
Traffic Counts	22,900 combined VPD

*In addition to the 28,667 SF of land area, the tenant also leases an additional 25,700 SF of site area from the Union Pacific Railroad Company on a long-term lease that has been pre-paid and is automatically renewed. All properties in downtown Hermiston developed adjacent to the rail lines lease from UPRC, including the adjacent Holiday Inn Express. Please see the exhibit on the following page for more information.

SITE PLAN



RETAIL AERIAL



ABOUT THE AREA



CITY OF HERMISTON: WHERE LIFE IS SWEET

Hermiston is the largest and fastest-growing city in Eastern Oregon with a population of 18,200, 8.7% larger than the county seat of Pendleton, OR, and serves as the anchor urban area for more than 87,000 people.

LOGISTICS AND DATA CENTER HUB

The region has significant transportation infrastructure, including two interstates highways, extensive rail and barge links. These

attributes, as well as a location that allows for single day access to the Portland, Seattle and Boise metro areas, have contributed to the region establishing itself as a major distribution hub. The area has established a concentration of electrical power generation facilities, both traditional as well as wind farms. At the junction of I-84 and I-82, the city is a hub for logistics and data center activity and is considered the Pacific Northwest's fiber optic backbone. Distribution and data centers are the largest employer and developers along the Columbia River and Umatilla County. Amazon recently completed a 120-acre data center bringing their

Northeastern Oregon presence to a tally of 8 centers either existing or under construction.

TRADE ROUTE

In addition to Fed Ex and UPS centers, food packaging and product distribution, the 26-acre Wal-Mart distribution center, which has been open since 1998, runs more than 1,400 semis per day locally.

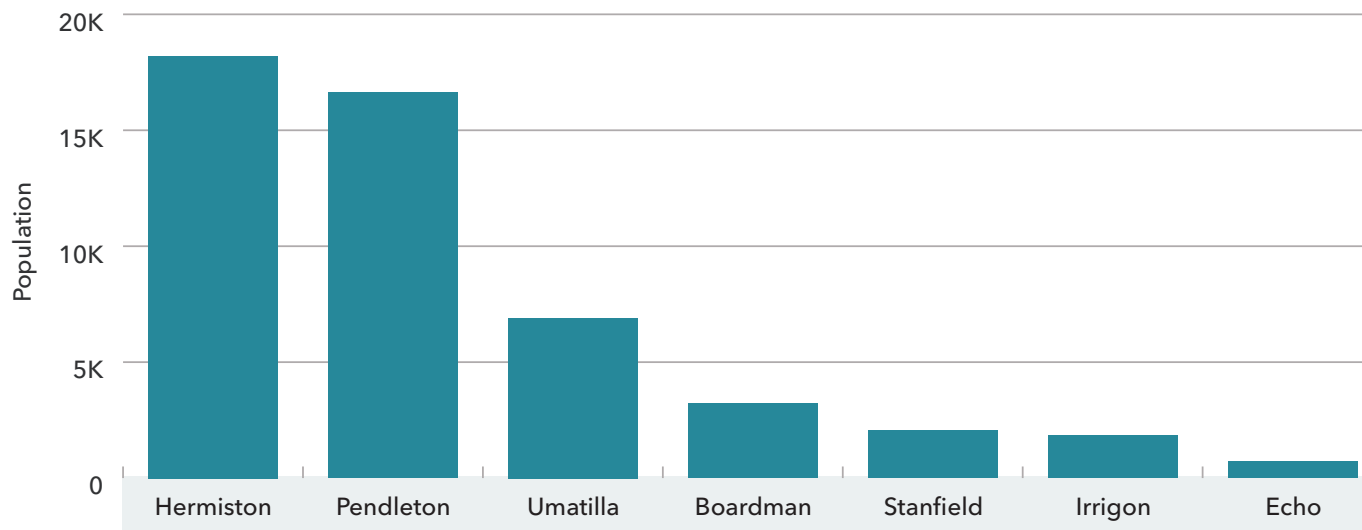
Hermiston is approximately 6.5 miles from the banks of the Columbia River and the Port of Umatilla,

on the state's shared border with Washington, and a major trade area for containers, bulk and breakbulk, petroleum and grain for over 3,200 square miles, and 12 municipalities.

GROWTH

The city of Hermiston and Umatilla County brokered a \$4.1 million project to build a new water tower and 2 miles of water main, which would open up 300 acres of land for residential development, an estimated 1,000 new houses over the next 10 years.

HERMISTON-PENDLETON MICROPOLITAN SERVICE AREA POPULATION



Hermiston	18,200
Pendleton	16,612
Umatilla	6,906
Boardman	3,220
Stanfield	2,043
Irrigon	1,826
Echo	699
Umatilla County	77,895

ABOUT THE AREA

POINTS OF INTEREST

Umatilla County offers a plethora of activities & tourist attractions, including the Pendleton Round-Up, Pendleton Woolen Mills, Old Town Pendleton, County Historical Society, Pendleton Underground, McNary Dam and Recreation Area, Echo Museum and Historic Area, Hat Rock, Battle Mountain and Emigrant Springs State Parks, Weston Historic District, Frazier Farmstead Museum in Milton-Freewater, North Fork Umatilla Wilderness Area, TollgateSpout Springs Recreation Area,

Courthouse Clock Tower, Stateline Wind Project, Confederated Tribes of the Umatilla Indian Reservation's Wildhorse Casino and Tamastlikt Cultural Center.

AGRIBUSINESS, AGRITOURISM, & FARM LOOPS

Hermiston is also known for its agribusiness, and home to the Oregon State University Agricultural Research and Extension Center and the DuPont Pioneer Hi-Bred

research center. Hermiston is most famously known for being a top producer of watermelons, and along with many other top local products is featured in the of the area's Farm Loops as part of the Eastern Oregon AgriTourism industry.



TOP CROPS PRODUCED IN HERMISTON



WATERMELON



CORN



GRASS SEED



POTATOES



CANTALOUPE



ONIONS



MINT



CARROTS



BEANS



ALFALFA



CANOLA OIL



WHEAT

AREA EMPLOYERS



HERMISTON'S TOP EMPLOYERS

#	Employer	Employees
1	Lamb Weston Food Processing Co.	1,320
2	Walmart Distribution Center	1,082
3	Amazon Data Center	N/A
4	Confederated Tribes of Umatilla Indian Reservation	1,200
5	Riverpoint Farms	650
6	Union Pacific Railroad	300
7	Good Shepherd Health Care System	572
8	Shearer's Foods	200
9	Walmart Supercenter	400
10	Hermiston School District	519



DEMOGRAPHICS



POPULATION

	1 Mile	3 Miles	5 Miles
2019	10,214	22,775	27,123
2024	10,393	23,308	27,762



HOUSEHOLDS

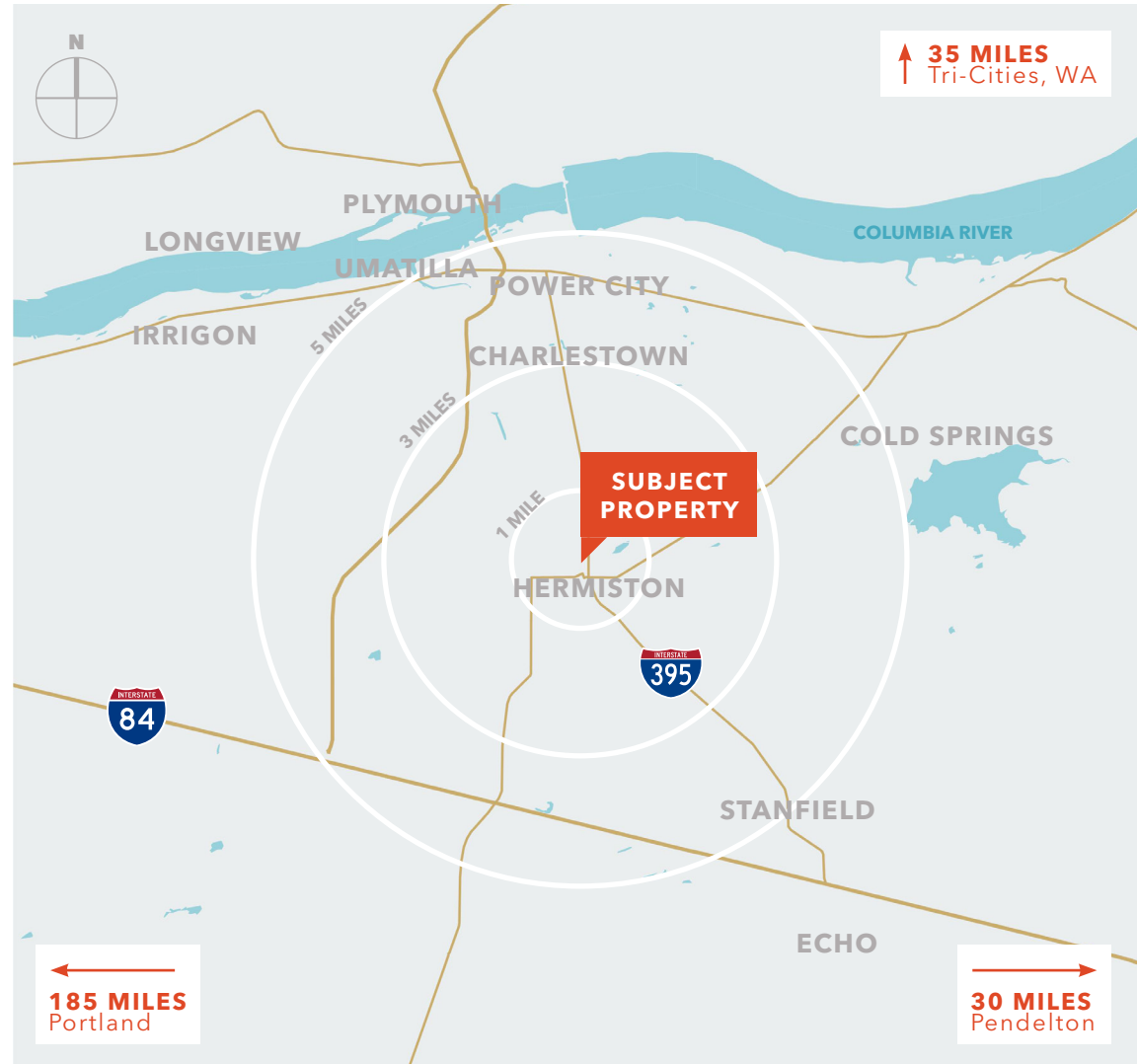
	1 Mile	3 Miles	5 Miles
2019	3,765	7,961	9,452
2024	3,814	8,111	9,635



AVERAGE HOUSEHOLD INCOME

	1 Mile	3 Miles	5 Miles
2019	\$56,882	\$64,730	\$66,680
2024	\$63,951	\$73,636	\$75,662

The Umatilla County economy is centered around agriculture, food processing, forest products, tourism, manufacturing, recreation, aggregate production, and power generation. The top industries in employment for Umatilla County are led by Government (23.9%), Manufacturing, (11.1%), Education and Health Service (10.9%), Natural Resources and Mining, (10.0%), and Leisure and Hospitality (8.1%).



EXCLUSIVELY REPRESENTED BY

RYAN O'LEARY
503.221.2294
ryan.oleary@kidder.com

REBECCA LIDDELL, CCIM, MAI
503.221.2279
rebecca.liddell@kidder.com



KIDDER.COM