

HERMISTON CITY COUNCIL

Work Session

September 13, 2021

Mayor Drotzmann called the work session meeting to order at 6:00pm. Present were Councilors Hardin, Peterson, Barron, Davis, Spicerkuhn, Duron, and Myers. Councilor Primmer was excused. Staff members in attendance were City Manager Byron Smith, Assistant City Manager Mark Morgan, City Attorney Gary Luisi, Chief Edmiston, Finance Director Mark Krawczyk, and City Recorder Lilly Alarcon-Strong.

City of Hermiston Digital Infrastructure Strategic Planning Roadmap

Retail Strategies (RS) COO, Scott VonCannon, and VP of Development, Joe Strauss gave information (PowerPoint presentation attached) regarding:

- RS's role as a middleman between property owners and retailers to try to help each party come together to make development happen
- Gathering information such as drive times and income levels, to name a couple, for retail and restaurant developers; however, each retailer and restaurant developer look at different demographics, example: coffee shop vs wood retailer/higher priced items, etc. And the help cell phone tracking information is for potential developers to see the density of existing retailers and break down the information even more by demographics, if they choose
 - Stores typically announce how many new stores they will open each year. For example, developers will look at over 100 potential sites in order to open 20 stores.
- The importance of finding gaps/leakage and needs in the market which shows how many people are leaving Hermiston to shop outside of the area. Every city has leakage, but the goal is to get to see what categories are missing the most and find a way to fix it as best as possible wiping out current businesses already established in the community.
- The contract between the City of Hermiston and RS, specifically related to the length of the contract and financial terms
- The work RS has done to bring in the following businesses:
 - Grocery Outlet
 - Panda Express
 - Sherwin Williams
- Due to confidentiality agreements, RS is unable to disclose the retailers and developers they are currently working with, however, they can disclose there are about 8-9 retailers that want to be in Hermiston but need to find the right property. This includes a clothing retailer that is looking for existing space and five restaurateurs
- The impact COVID has had on potential area developments

After much discussion and answering questions from the Council, Mayor Drotzmann adjourned the work session at 6:52pm and stated the City Council would take a short break and convene the regular City Council meeting at 7:00pm.



retail strategies

Hermiston, Oregon

Retail Recruitment Plan

There's a lot of potential here.

Our Partnership

THIS IS A PARTNERSHIP.

The City of Hermiston is the local expert. Retail Strategies is the retail real estate expert.

Retail Strategies is very pleased to partner with Hermiston for a common goal to generate new retail communication that would not otherwise happen. In April 2017 Hermiston engaged Retail Strategies to market the community to key retail real estate industry contacts. Although we cannot guarantee success, we do guarantee you will be better off with us than without us.

Hermiston has multiple dedicated staff members working on behalf of the community in their areas of expertise. A Portfolio Director will serve as the primary Point of Contact (POC) to interact with Hermiston's primary POC. Additional team members include: company executives, retail development team, marketing, research and legal teams. Confidential and non-confidential information will be communicated with the POC. It is Retail Strategies goal to spend our time doing the job you hired us to do and allow the local POC to navigate the local political landscape and communication flow. Local feedback and communication sharing from the primary point of contact working with Retail Strategies is a critical part of the engagement.

The initial 90 business days after engaging in our partnership have been spent on due diligence for the discovery phase. The following information is a highlight of key information collected that will be used as a starting point to begin the proactive marketing to a national network of retailers, brokers, developers and key industry contacts on behalf of the community. Additional materials will be created throughout the course of the engagement. Project specific materials and reports will be created on a case-by-case basis as needed for effective information sharing, data analysis and marketing efforts.

The discovery is an ongoing process that will not stop.

Retail Strategies Overview



We are
retail real estate
professionals. We will
tell your story in a way
that matters to
retailers.

1 Goal

Create Success
for Our Clients

130

Communities Served

4:1

Client to Staff Ratio

44

States Our Team has
Located Retailers

20

Licensed Retail Real Estate
Professionals

34

Team Members

Our Partnership



Byron Smith



Mark Morgan



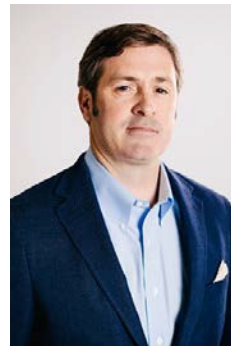
Scott VonCannon
COO



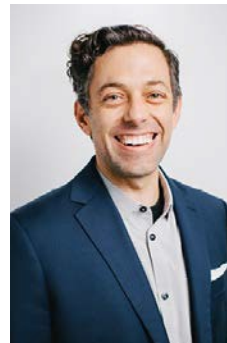
Joe Strauss
VP Development

Our Partnership

Executive Team



Marketing & Research



Accounting



Retail Strategies Process

Market Analysis- Data, Data, Data

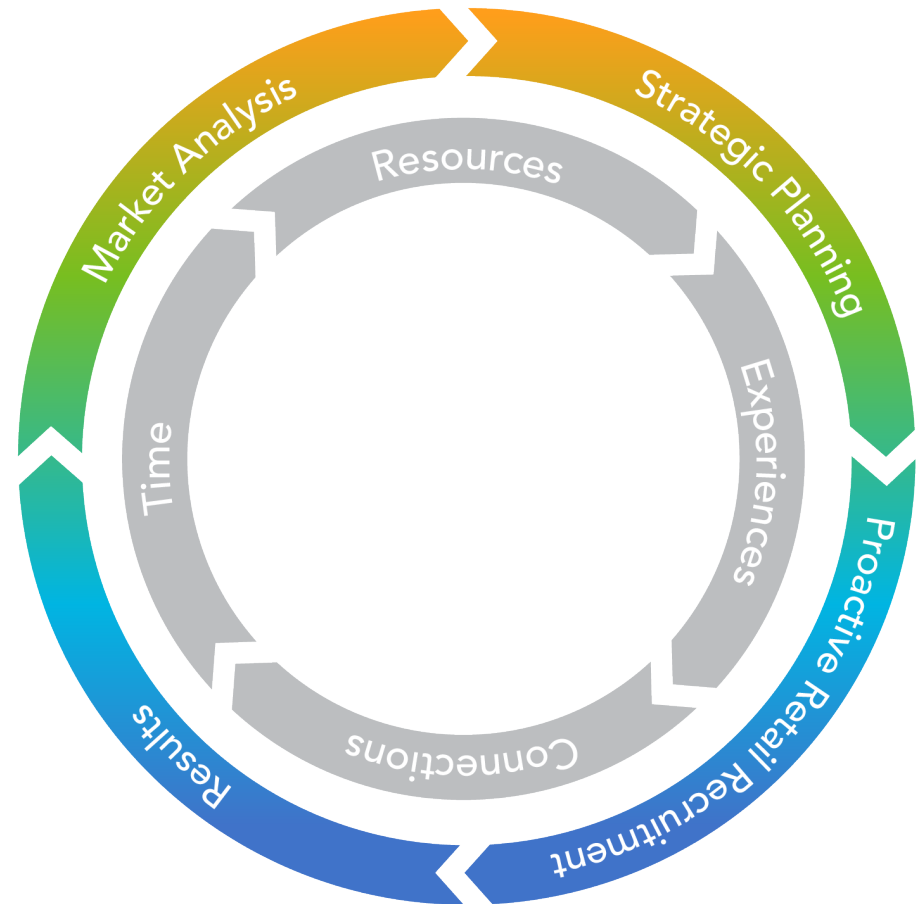
We start where the retailers and landlords start. A retail site will only be chosen if it meets all of a retailers' key criteria. This criteria is two fold: market criteria and site criteria. Each retailer has its own formula for determining what market characteristics are needed to allow for a profitable store. Which is why this first step is central to formulating an effective retail recruitment strategy. Through our comprehensive market analysis process we have evaluated, consumer spending patterns, peer communities, local commercial real estate asset, as well as the demographic and psychographic make-up of your unique consumer trade area. Our partnerships with pioneering data organizations allow us to provide the deepest, most accurate, insight into your community and its consumers to retailers and landlords across the country.

Strategic Planning – The Playbook

Every community offers unique assets and challenges to retailers and developers. Taking the market analysis a step further we have sent a experienced retail real estate team to Hermiston to view the market first hand as a retail site selector would (Boots on the Ground). Then through connecting with local city leadership and key stakeholders in Hermiston's commercial real estate sector we gain the insight and feedback necessary to access the markets strengths and weaknesses. Many times what the data shows is incomplete. Other critical factors such as co-tenancy, sight lines, access and most notable success of existing retail are taken in to account in creating your strategic retail recruitment plan.

Retail Recruitment- Connecting The Dots

This is where the real heavy lifting begins as we put the data and underutilized real estate assets to work by connecting them with targeted businesses. Retail recruitment is a complex business and involves multiple parties. Our team has National connections that we will put to work on your behalf. We currently know who to contact, their expansion plans, and their site criteria for over 9000 retailers nationwide.



Time ⇒ Resources ⇒ Experience ⇒ Connections

Your Research



Discover: Market Research – Research Investment \$176,000

Trade Area Identification

Drive Times
Radius Rings
Customized Trade Area

Psychographic Profile

Data Based Decision Making
Tapestry Segmentation

Market Opportunity Analysis

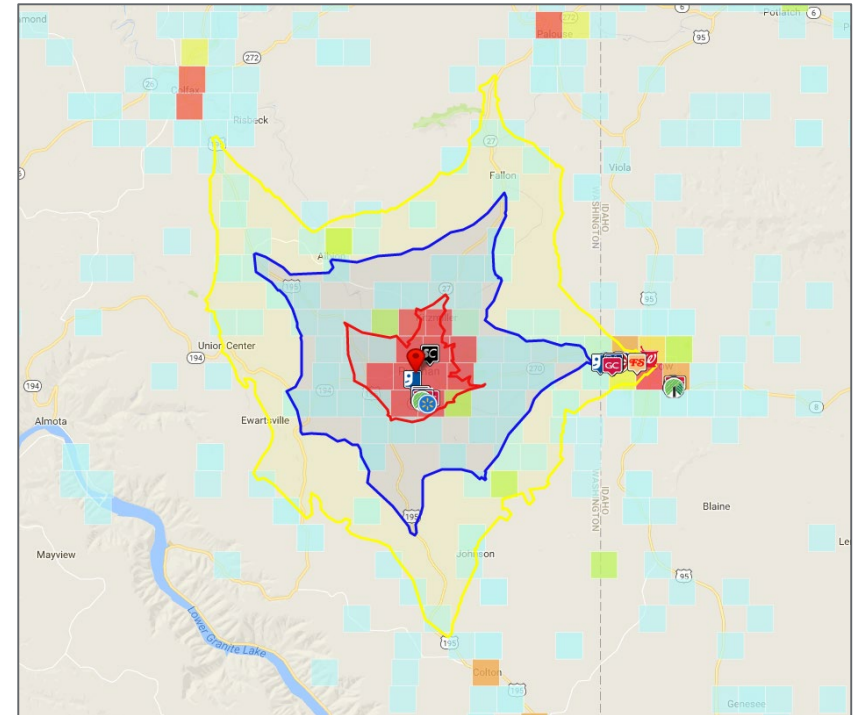
Peer Community Analysis
Void & Distance Tolerance
Gap Analysis

87
specific
reports

23,555
unique
variables

7
geographies
per variable

3,367
variables
to analyze



Mobile Data Collection **\$60,000**

An industry leading report which utilizes cell phone data to identify the home location of consumers that visit a defined shopping area within the trade area.

GIS Mapping & Data Resources **\$111,000**

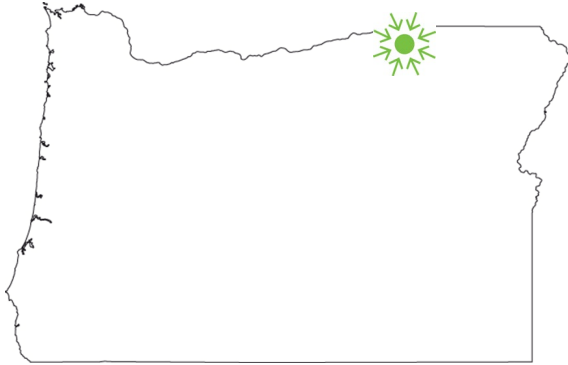
Sitewise, Site to Do Business, REGIS
STI PopStats, ESRI, Applied Geographic Solutions,
Land Vision

Paid Subscriptions and Reports **\$5,000**

Retail Lease Trac, Plain Vanilla Shell, Supermarket
News, Sales Genie, Nation's Restaurant News,
Crittenden Research, Loopnet



Discover: High Level



State of Oregon

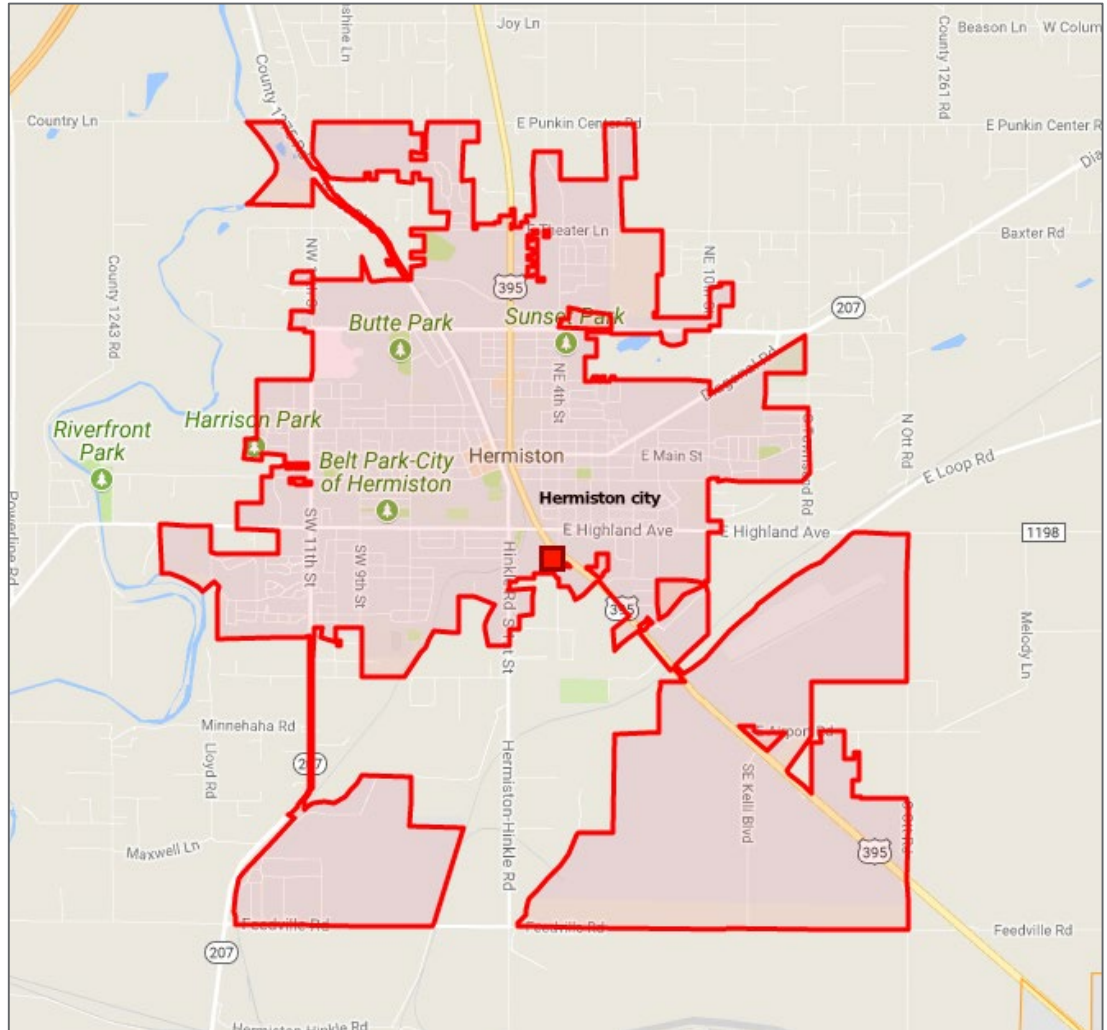
Population 4.14 Million

Hermiston-Pendleton, OR CBSA

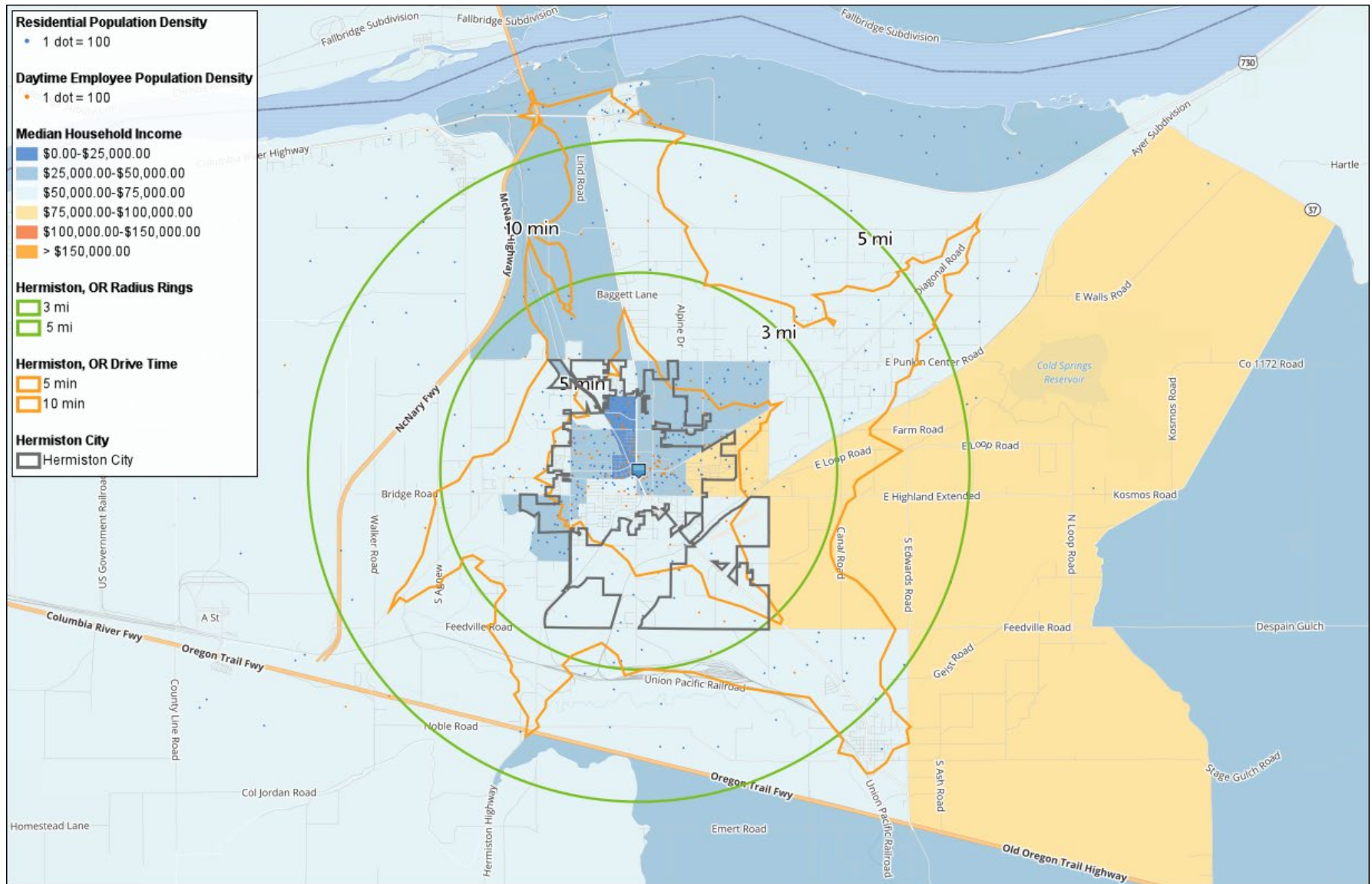
Population 90,284

Hermiston, OR

Population 17,432



Discover: Drive Time & Radius





Drive-Time & Radius

Traditionally when retailers and developers first look at a market for the purpose of evaluating demographic information relevant to market potential they begin with radius rings. This approach can work for a quick simple analysis but fails to take into account the unique aspects necessary for an accurate and complete assessment.

By assessing demographic make-up based on drive-time geographies we are able to overcome some of the short falls related to the radius ring method. Using distances along actual streets and highways provides a more narrowly focused way to look at a trade area. This perspective takes in to account natural boundaries (mountains, rivers, lakes, etc.) as well as man-made factors (bridges, railroad tracks, interstate networks etc.) that traditionally affect consumers shopping patterns.

Neither the drive-time nor the radius ring methods are able to take into account certain factors necessary to fully assess a retail trade area. In the next section you will see how we have taken this process a step further by using real consumer data to identify where consumers are actually coming from to shop in your market. By combining mobile tracking data with an assessment of other factors unique to your community we are able to define a custom trade area that goes beyond these predefined boundary methods.

Category	3-Mile Radius	5-Mile Radius	10-Mile Radius	5-Minute Drive Time	10-Minute Drive Time	15-Minute Drive Time
Current Year Estimated Population	23,231	30,046	38,655	13,272	28,249	34,222
Number of Households	8,231	10,422	12,897	4,738	9,814	11,873
Projected Annual Growth (5 YR)	7.64%	7.18%	6.80%	8.14%	7.25%	7.06%
Median HH Income 2016	\$51,222	\$52,014	\$52,268	\$50,539	\$50,989	\$51,822
Current Year Average Age	36.2	36.5	36.8	35.6	36.2	36.5
Average Home Value	\$201,389	\$205,301	\$204,657	\$189,495	\$199,672	\$203,868
Current Year % Bachelor's Degree	16%	15%	15%	14%	15%	15%
Daytime Population	23,678	28,309	34,996	17,350	28,083	33,255
Labor Force	11,615	14,438	18,579	6,863	13,548	16,504

The variables on the chart above are all important variables considered by retail site selectors



Mobile Data Collection

Our mobile tracking study uses data collected from mobile phone users who have agreed within their apps and phone settings to enable location information. By drawing a polygon around a retailer, we are able to gather data about the home and work location of customers who have actively used their mobile device while in the defined area. For this study, we have used mobile GPS tracking data to examine Hermiston's core consumer trade area using the Walmart, Safeway, Bealls and Home Depot stores located in Hermiston, OR. The chosen retailers are large traffic generators that might attract different consumer groups drawn to different categories and levels of retail. The results of this study are

displayed in a color-coded distribution map that indicates the percent of visitors who have travelled to the study area from each square-mile block in a map grid. Once we draw a polygon around a study area, we then specify a time frame in which to measure customer location patterns. The resulting data is gathered from shoppers who visited the defined location during the designated time period. When assessing the results of a mobile study, we must keep in mind that the number of visitors that are tracked is a very small percentage of the overall population who have visited the study area. These data give us accurate insights to the *distribution* of visitors, but not the overall *quantity* of visitors.

Locations Tracked:

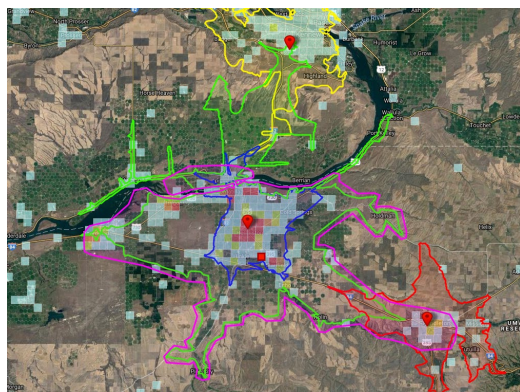
Walmart
Safeway
Bealls
Home Depot

Time Period Tracked:

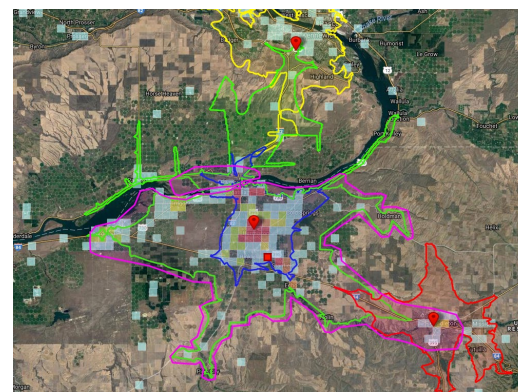
October 31, 2017 –
October 31, 2018

% Distribution

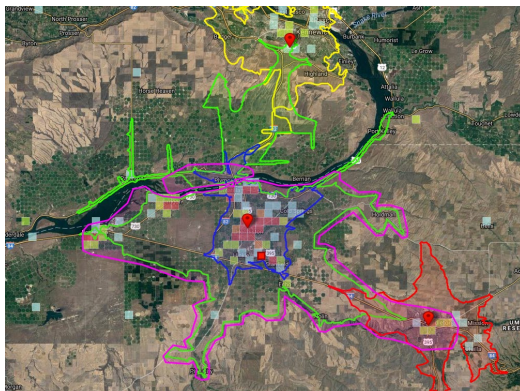
0.01% to 0.25%
0.25% to 0.5%
0.5% to 1%
0.75% to 1%
> 1%



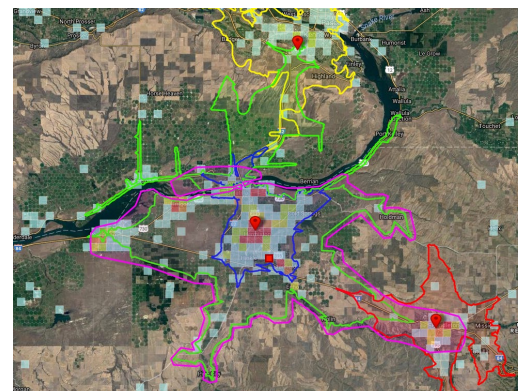
Walmart



Safeway



Bealls



Home Depot

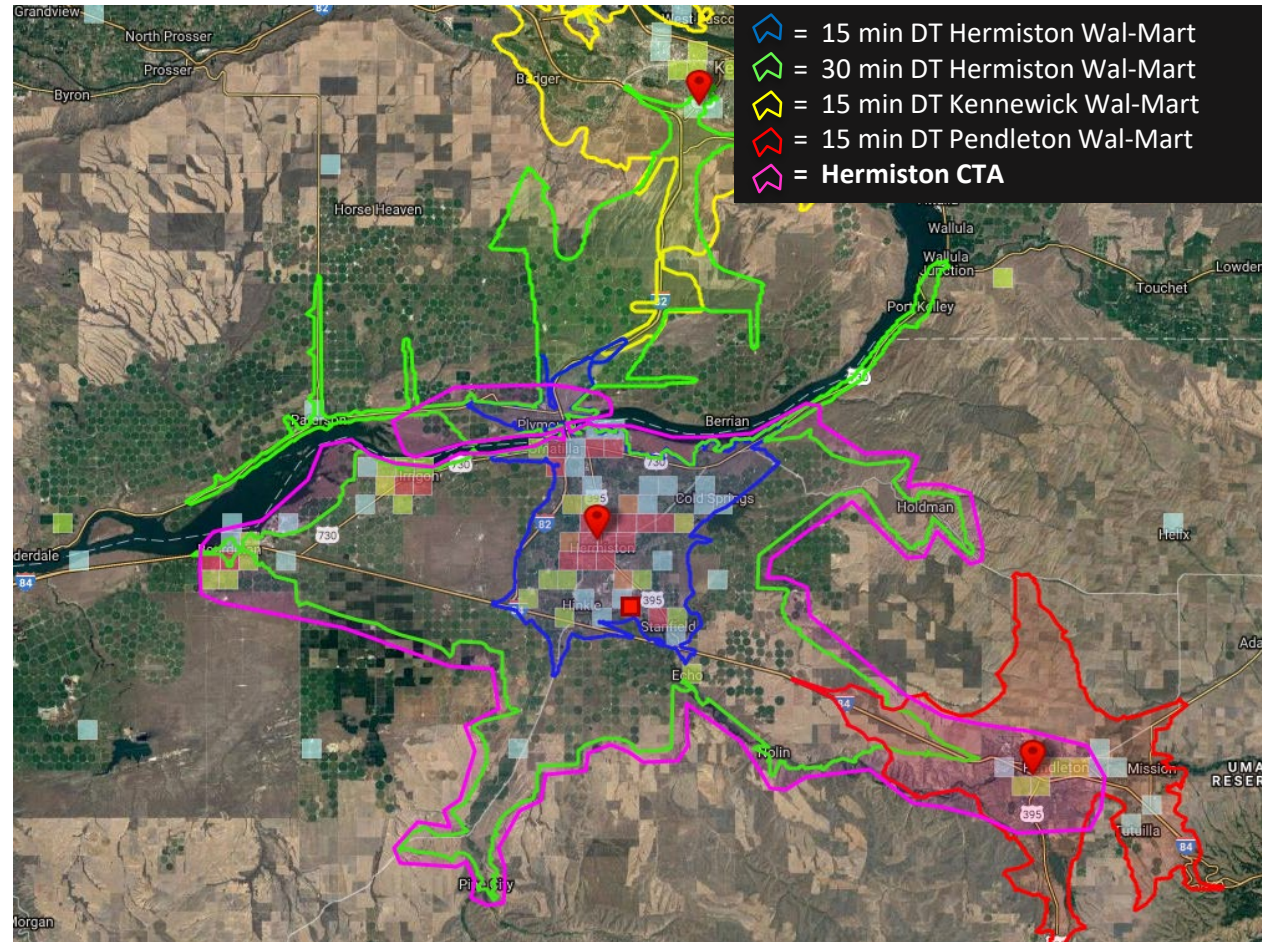


Primary Trade Area

Each retailer has a specific formula of market criteria they use to determine if they will have a profitable store. Understanding your trade area is extremely important because it sets the parameters for measuring demographic criteria and spending potential sought by retailers and developers. Municipal boundaries, radius rings and drive times are a start to evaluating this information. However, these predefined boundaries are unable to take into account the unique aspects affecting the actual consumer pulling power and local geography of your community. For these reasons a customized trade area is the next step to analyzing a market.

A trade area is the geographic area from which a community generates the majority of its customers. A community can have more than one trade area. We define your primary trade area the core base of consumers highly likely to shop and eat in the market at least once a month. Your primary trade area has been created by combining the results from the mobile tracking data with other factors such as: current retail mix in your community, traffic patterns, destination attractions and proximity to competing markets.

The time and distance consumers are will to travel to shop is not “one size fits all”. Therefore retailers will analyze their own trade areas differently taking in to account things like existing store locations, competition within their retail category, and convenience.



Retail Strategies has created the customized trade area shown in the map above and outlined in **PINK** which is focused on a consumer who might travel for their primary shopping destination within Orange County.



65,706

2020 Estimated Population
Custom Trade Area



37

male average age



38

female average age

67,773

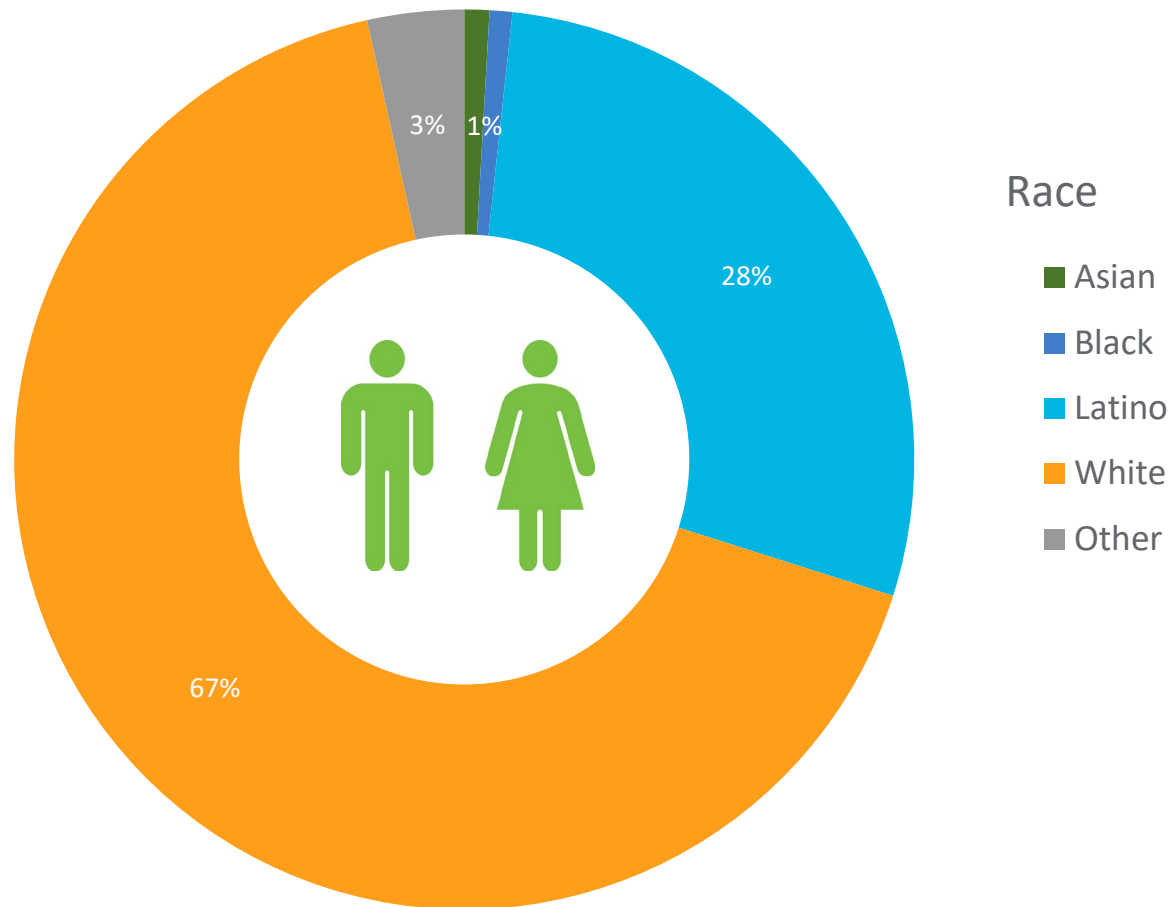
projected 2022 population

6.4%

projected growth rate
2021-2026



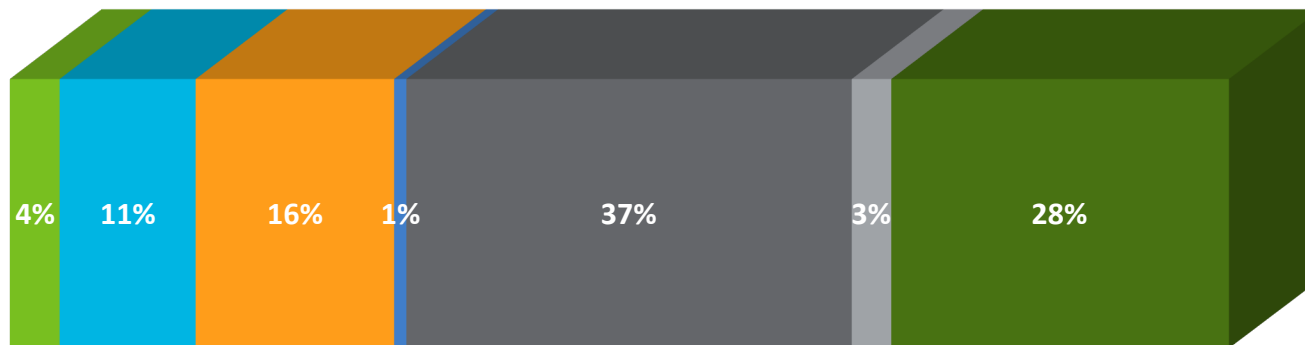
CURRENT YEAR ESTIMATED POPULATION BY RACE





DAYTIME POPULATION

64,939 daytime population



■ Children at home ■ Retired/Disable persons ■ Homemakers ■ Work at Home ■ Employed ■ Unemployed ■ Student Populations

Daytime population is the sum of the following subcategories: retired and disabled people, homemakers and working age people not in the labor force, unemployed people, employed people, persons working at home (both self-employed and employed by a company), children at home (typically preschool), and students (Pre-K to 12th and post-secondary, including college and vocational).

Daytime population data provides a more accurate understanding of the distribution of people during the day within the trade area. As well as a better understanding of the type of persons within the trade area. Some people can be classified as falling within more than one subcategory of daytime population. For example, people working at home who are disabled. As a result, some people may be counted twice. This double-counting results in the daytime population being approximately 6% higher.



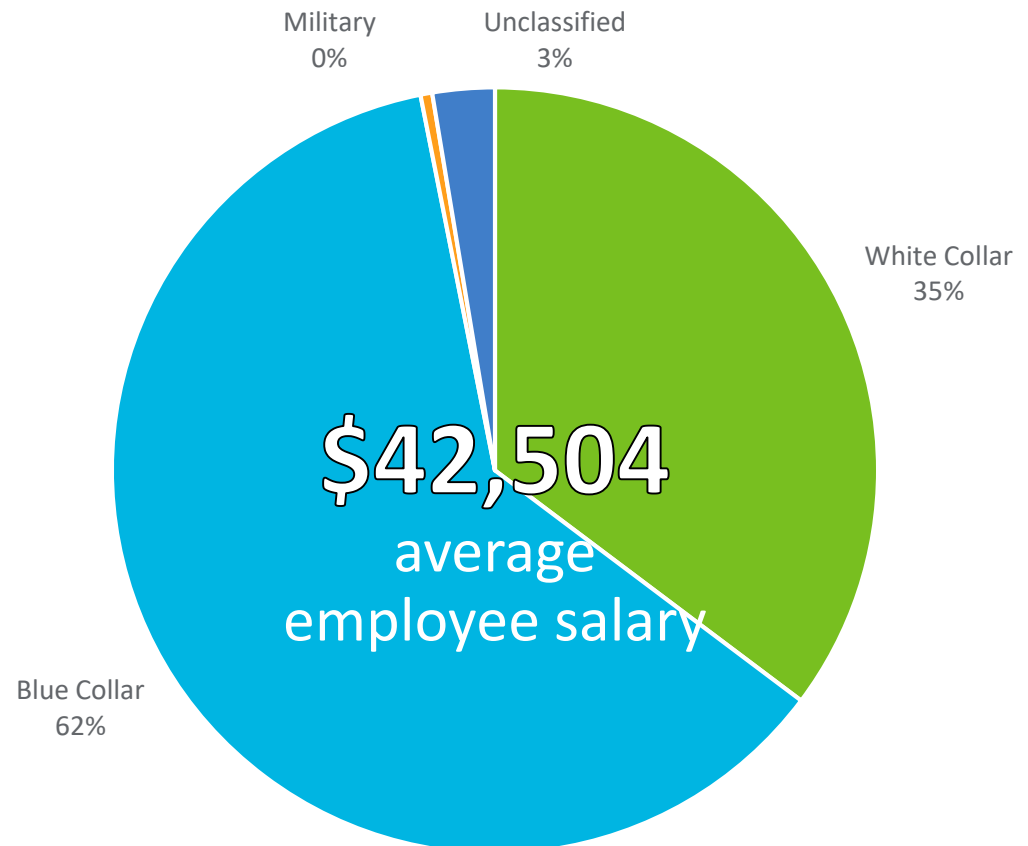
WORKPLACE POPULATION BY OCCUPATION

Occupations included in Blue Collar:

- Protective Services
- Food Preparation and Serving Related
- Building and Grounds Cleaning and Maintenance
- Personal Care and Services
- Sales and Related
- Office and Administrative Support
- Farming, Fishing, and Forestry
- Construction and Extraction
- Installation, Maintenance, and Repair
- Production
- Transportation and Material Moving
- Military
- Unclassified

Occupations included in White Collar:

- Management
- Business and Finance Operations
- Computer and Mathematical Science
- Architecture and Engineering
- Life, Physical, and Social Science
- Community and Social Services
- Legal
- Education, Training, and Library
- Art, Design, Entertainment, Sports, and Media
- Healthcare Practitioners and Technical
- Healthcare Support





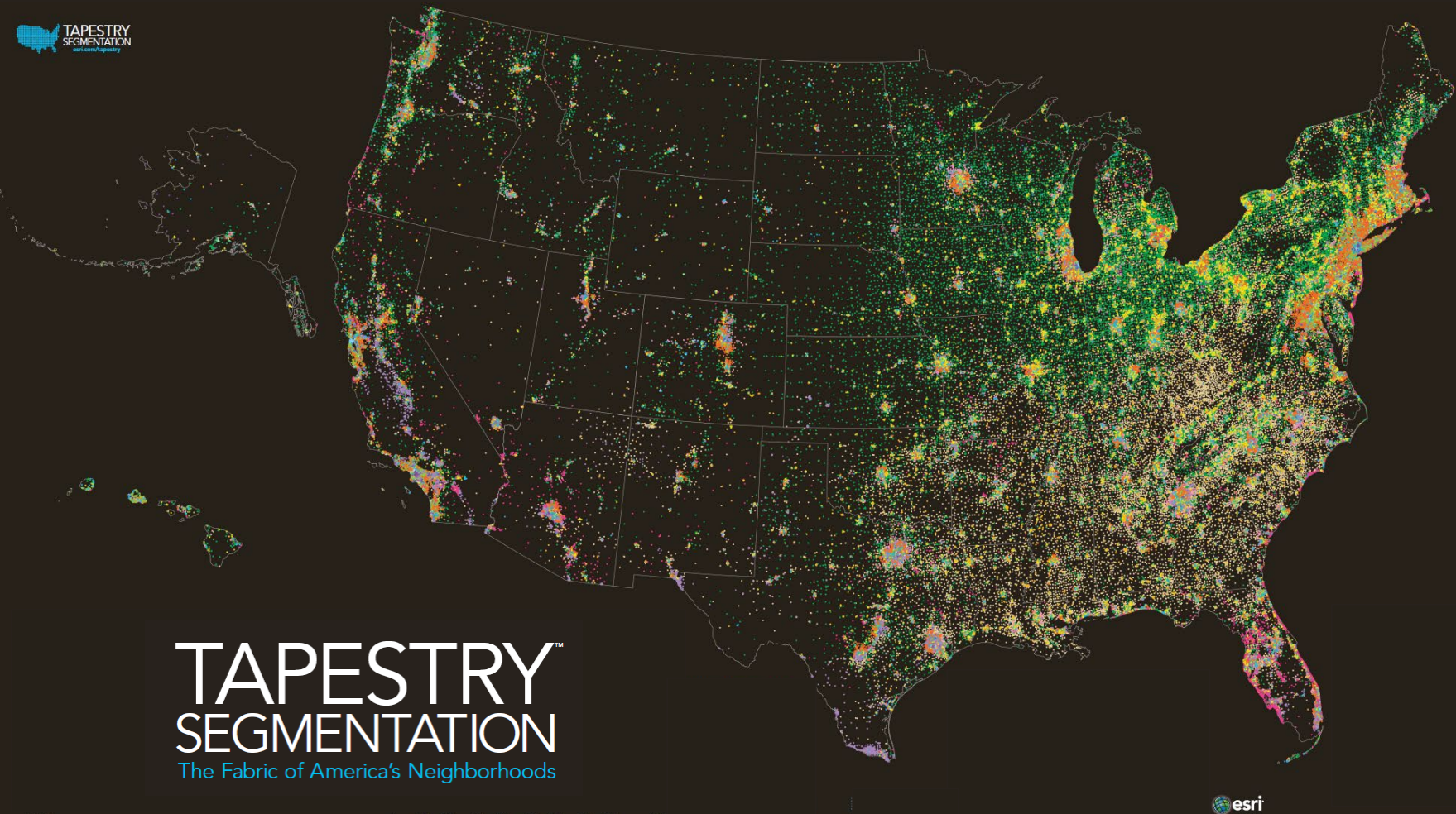
Lifestyle reports allow BIG DATA to be summed up into a simple narrative on the personality of the majority of your households.

Just because two people fall within the same group demographically does not mean they are identical consumers. It is for this reason that demographic information alone does not provide a complete picture of your trade area's potential. We must go beyond the demographics to understand consumer lifestyles and spending behavior based on personality in order to better align

our retail prospects with the purchasing patterns of the consumers in your market. Esri Tapestry Segmentation is a geodemographic segmentation system that integrates consumer traits with residential characteristics to identify markets and classify US neighborhoods. Neighborhoods with the most similar characteristics are grouped together, while neighborhoods with divergent characteristics are separated. Internally homogenous, externally heterogeneous market segments depict consumers' lifestyles and life stages. Tapestry Segmentation combines the "who" of lifestyle demography with the "where" of local geography to create a classification model with 67

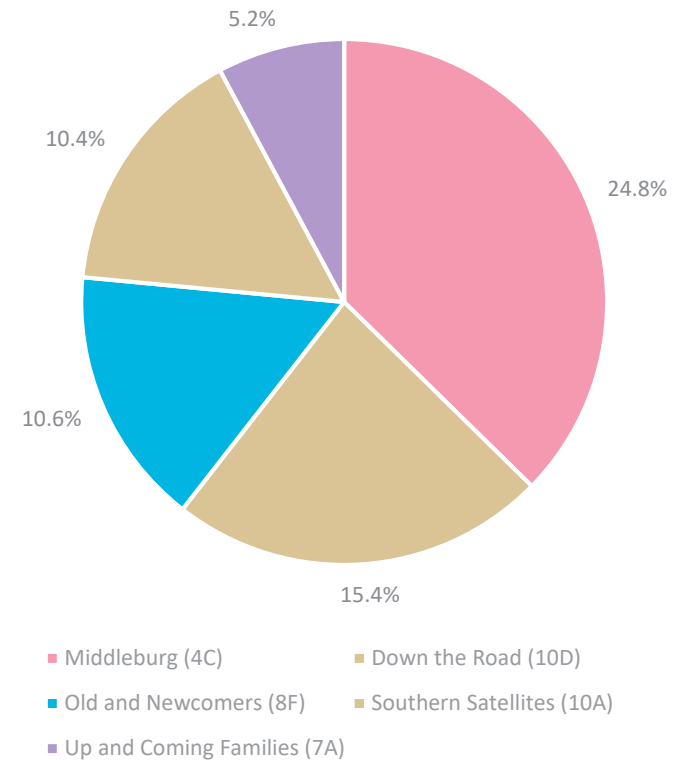
distinct, behavioral market segments. Selection of the variables used to identify consumer markets begins with data that includes household characteristics such as single person or family, income, relationships (married or multigenerational), and tenure; personal traits such as age, sex, education, employment, and marital status; and housing characteristics like home value or rent, type of housing (single family, apartment, town house, or mobile home), seasonal status, and owner costs relative to income. In essence, any characteristic that is likely to differentiate consumer spending and preferences is assessed for use in identifying consumer markets.

Discover: Tapestry Segmentation



Tapestry includes 67 distinct market segments and 14 summary groups
Tapestry profiles enable the comparison of consumer markets across the country for any area

5 mile Radius – Hermiston, OR



25



LifeMode Group: Family Landscapes

Middleburg

4C

Households: 3,511,200

Average Household Size: 2.75

Median Age: 36.1

Median Household Income: \$59,800

WHO ARE WE?

Middleburg neighborhoods transformed from the easy pace of country living to semirural subdivisions in the last decade, when the housing boom reached out. Residents are conservative, family-oriented consumers. Still more country than rock and roll, they are thrifty but willing to carry some debt and are already investing in their futures. They rely on their smartphones and mobile devices to stay in touch and pride themselves on their expertise. They prefer to buy American and travel in the US. This market is younger but growing in size and assets.

OUR NEIGHBORHOOD

- Semirural locales within metropolitan areas.
- Neighborhoods changed rapidly in the previous decade with the addition of new single-family homes.
- Include a number of mobile homes (Index 150).
- Affordable housing, median value of \$175,000 (Index 84) with a low vacancy rate.
- Young couples, many with children; average household size is 2.75.

SOCIOECONOMIC TRAITS

- Education: 65% with a high school diploma or some college.
- Unemployment rate lower at 4.7% (Index 86).
- Labor force participation typical of a younger population at 66.7% (Index 107).
- Traditional values are the norm here—faith, country, and family.
- Prefer to buy American and for a good price.
- Comfortable with the latest in technology, for convenience (online banking or saving money on landlines) and entertainment.



LifeMode Group: Middle Ground

Old and Newcomers

8F

Households: 2,859,200

Average Household Size: 2.12

Median Age: 39.4

Median Household Income: \$44,900

WHO ARE WE?

This market features singles' lifestyles, on a budget. The focus is more on convenience than consumerism, economy over acquisition. *Old and Newcomers* is composed of neighborhoods in transition, populated by renters who are just beginning their careers or retiring. Some are still in college; some are taking adult education classes. They support charity causes and are environmentally conscious. Age is not always obvious from their choices.

OUR NEIGHBORHOOD

- Metropolitan city dwellers.
- Predominantly single households (Index 148), with a mix of married couples (no children); average household size lower at 2.12.
- 55% renter occupied; average rent, \$880, (Index 85).
- 45% of housing units are single-family dwellings; 45% are multiunit buildings in older neighborhoods, built before 1980.
- Average vacancy rate at 11%.

SOCIOECONOMIC TRAITS

- Unemployment is lower at 5.1% (Index 93), with an average labor force participation rate of 62.6%, despite the increasing number of retired workers.
- 32% of households are currently receiving Social Security.
- 31% have a college degree (Index 99), 33% have some college education, 9% are still enrolled in college (Index 121).
- Consumers are price aware and coupon clippers, but open to impulse buys.
- They are attentive to environmental concerns.
- They are more comfortable with the latest technology than buying a car.

Focus Categories





Utilizing a strategic approach to determine where your market can support sustainable growth is the key to focused retail recruitment

Retail Strategies' approach to retail recruitment begins by identifying four focus retail categories. Using a process that combines: market supply and demand, peer community comparison, industry insight, as well as our own experience and intuition, we are able to identify the specific categories of retail where your market is most likely to support growth. However, it is important to keep in mind that our outreach on behalf of your community will never be strictly limited to retailers within the resulting categories. Our strategic approach to identifying your focus categories can be broken down into the following 3 steps:

Step 1: Gap Analysis

Performing a gap analysis is the first step because it provides a direct comparison between annual retail sales and consumer spending on a categorical level.

Retail Strategies uses STI: Market Outlook to provide accurate and reliable supply-demand insight used to identify the consumer demand gaps in your trade area. The data for STI: Market Outlook is derived from annual retail sales and expenditures from the following three major sources of information: **U.S. Bureau of Labor Statistics' Consumer Expenditure (CE) Survey** - Demand data is derived from this source. **U.S. Census Bureau's Census of Retail Trade (CRT) reports** - These annual and monthly reports contribute to Market Outlook's supply data. **U.S. Census Bureau's Economic Census** - Supply data is also derived from this source, which provides an even more detailed view than the CRT reports. Industries for the consumer expenditures survey are categorized and defined by the North American Industry Classification System (NAICS).

Step 2: Peer Analysis

Identification and comparison of similar communities to measure your retail base and identify opportunities from a categorical perspective is the next step in our process.

Our Peer Analysis begins by running a demographic profile based on a specified drive-time from the major retail node in your market. Then comparing certain variables (i.e. residential population, daytime population, median household income, and market supply) to the same drive-time geography from the major retail node in other markets within your region of the country. Taking it a step further we then assess the retail currently located within the peer markets with the retail as it exists in your market today. The last step of this phase is to perform a void analysis to identify the specific retailers located within those markets that are not currently located within Hermiston.

Step 3: What We Know

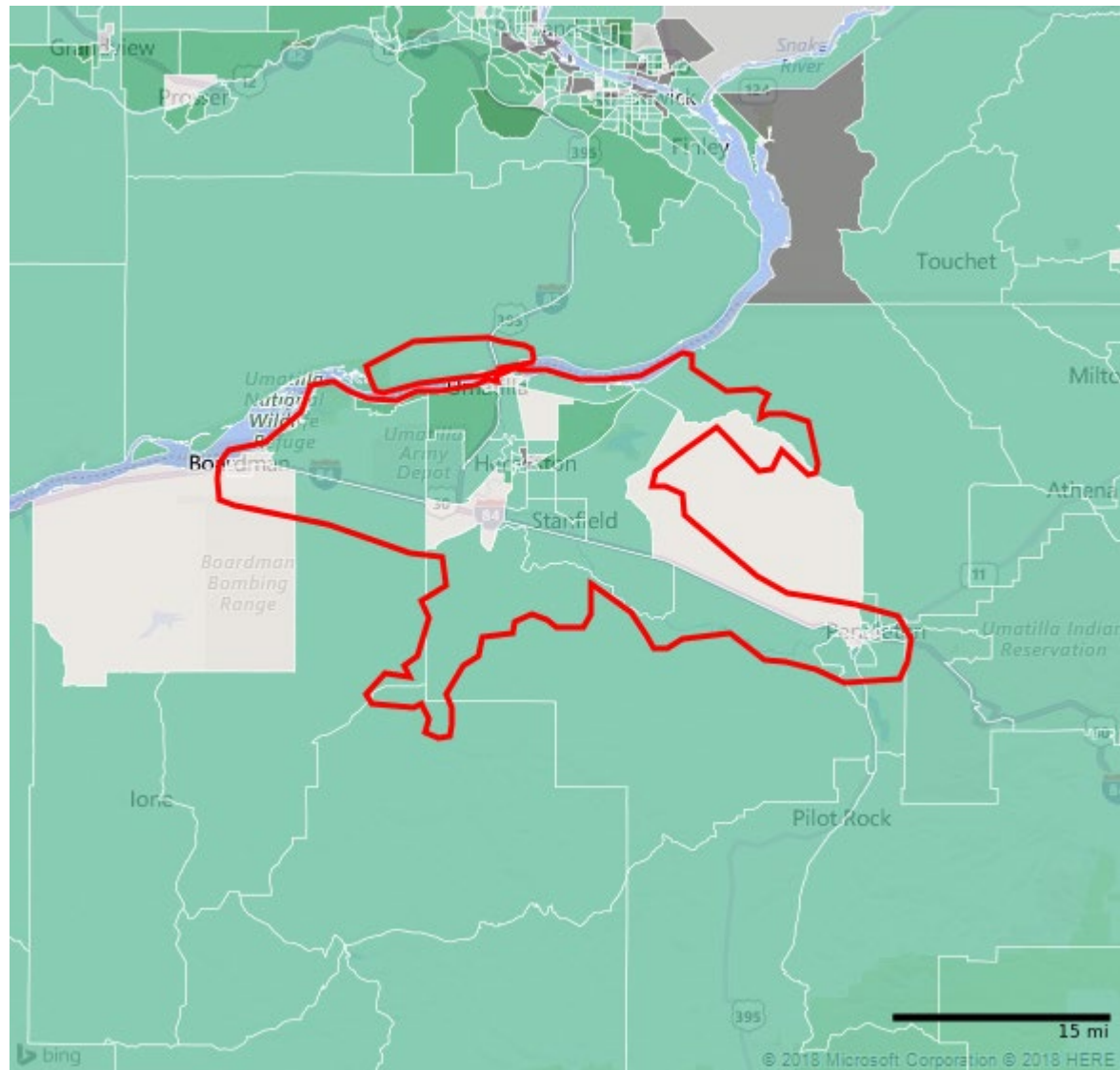
Our approach would not be complete without this last step. This is because if we were to base our efforts solely on what the data tells us we would be leaving out the many variables influencing retailers actual growth aspirations. Retailer's strategies are constantly changing and our team is actively tracking expansions and closures of retailers on a national, regional and local level. By monitoring the latest as it relates to these important industry trends we are able to combine what the data tells us with real world insight to focus on expanding concepts looking for markets just like yours.

Discover: Opportunity Gap



Total Market Leakage
\$80,634,652

This means more people purchase items outside of the defined Hermiston trade area than in the Hermiston defined trade area for their consumer goods and services. Finding the specific categories where they are leaving the market is the key.





Discover: Peer Analysis

CITY COMPARISON REPORT

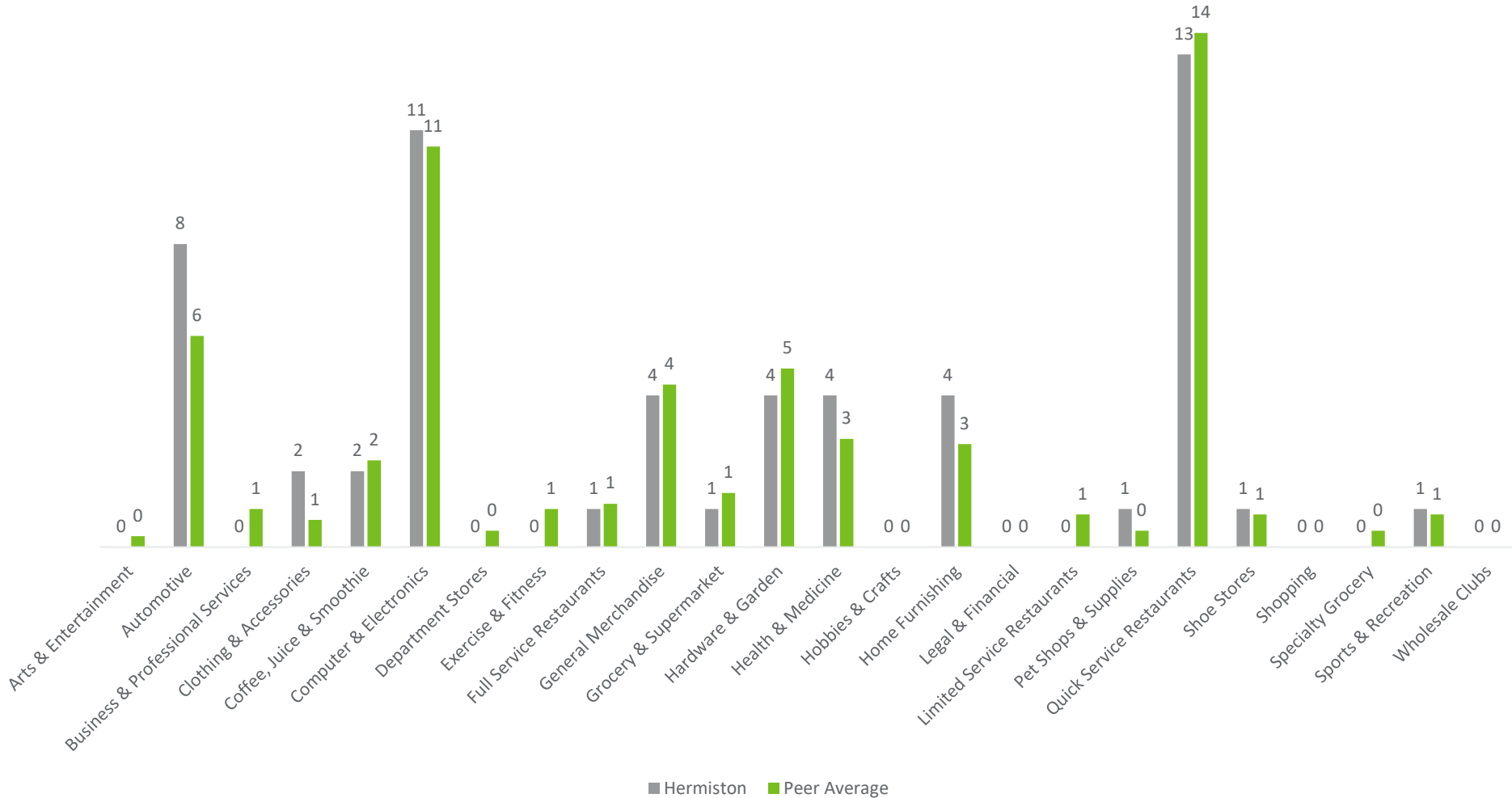
10 Min Drive Time

City	State	Residential Pop	Total Daytime Population	Median Household Income	Median Age	Market Supply
Hermiston	OR	25,567	25,708	\$51,644	34.4	\$476,472,929
Sandy	OR	24,196	23,040	\$66,396	40.8	\$236,671,584
Sunnyside	WA	21,765	21,364	\$41,128	28.9	\$143,527,657
Cottonwood	AZ	28,702	28,924	\$42,609	45.1	\$483,640,639
Culpeper	VA	26,060	27,564	\$60,548	36.6	\$425,614,551
Monroe	WA	26,250	26,437	\$82,172	36.9	\$553,128,047
Poulsbo	WA	22,390	23,439	\$70,943	44.7	\$353,643,423
Canon City	CO	24,214	25,803	\$38,975	42.9	\$236,514,116



Discover: Peer Analysis

PEER ANALYSIS



Real Estate Analysis





Boots on the Ground

Purpose

To identify and record the primary real estate opportunities within the market.

This analysis is performed by licensed real estate professionals with more than 15 years of experience with development, leasing, and redevelopment.

Information Collected

Address

Property Description

Coordinates

Listing Agent (if possible)

Contact Info for Agent or Owner

Web Address for Agent or Owner

Link to Property Info on Agent or Owner's Website

Google Earth Link to Aerial Photo

Google Earth Link to Ground Photo

Total Size of Center (if existing)

Available Space in Center

Parcel Size (if vacant land)

Existing Tenants (if existing)

Traffic Count at Property

Summary of Recruitment

Opportunities Specific to Property

Specific Prospects for Property

Overall Strategy for Property

General Comments

Real Estate Analysis: Current Real Estate Overview



Real Estate Analysis

Retail Focus Properties

Retail Strategies can and will support retail growth and development in all areas within the city limits of Hermiston. However, based on our analysis, experience, and the current retail synergy as it exists in the market today, we feel the most immediate retail real estate opportunities are the following properties below. Therefore, our efforts will be primarily focused on these properties.



EXISTING REAL ESTATE / UNDER CONSTRUCTION



Hermiston Plaza
800 S Hwy 395



Former Stet's Steakhouse
1619 N 1st St



Dutch Bros. Strip Center
650 N 1st Street

DEVELOPMENT / HIGHER & BETTER USE



Vacant Land
NEC of Hwy 395 & 4th Street



Talery Plaza
1000 S Hwy 395

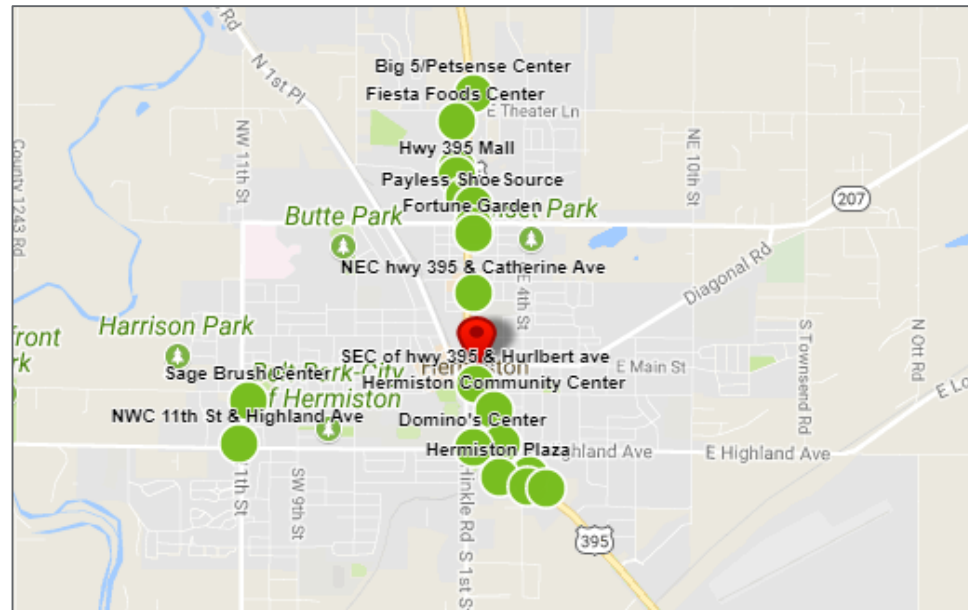


Community Center
415 S Hwy 395



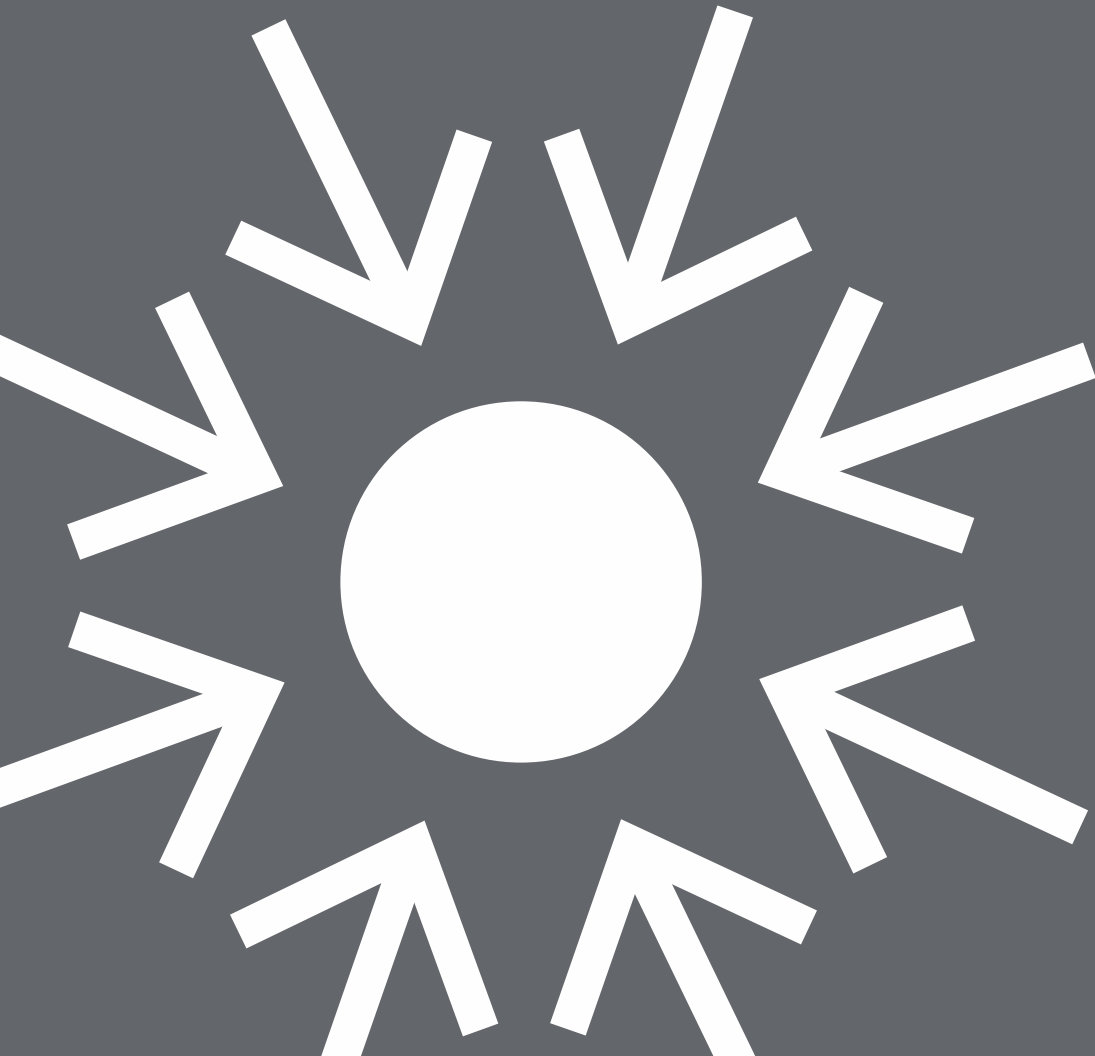
19+ Retail Real Estate Opportunities

Shopping Center /Intersection	Address	Property Type
Cornerstone Court	709-751 S Hwy 395	Vacant Land
Vacant Land	415 SE 2nd St	Strip Center
Talery Plaza	870 S Hwy 395	Strip Center
NEC of Hwy 395 & Highland Ave	205-253 S Hwy 395	Strip Center
Hermiston Community Center	115-135 E Highland Ave	Strip Center
Hermiston Plaza	650 N 1st St	Strip Center
SEC of Hwy 395 & Hurlbert Ave	1200 N 1st St	Strip Center
Domino's Center	1240 N 1st St	Building
NEC Hwy 395 & Catherine Ave	1390 N 1st St	Strip Center
Fortune Garden	1475 N 1st St	Building
SE Corner of 395 & 207	1565-1599 US-395	Strip Center
Payless Shoe Source	1619 N 1st St	Building
EOT Building	2183 S Hwy 395	Vacant Land
Hwy 395 Mall	1845 N 1st St	Strip Center
Former Stet's Steakhouse	968 NE Tracy Ln	Building
Vacant Land	315 SW 11th St	Strip Center
Fiesta Foods Center	730 SW 11th St	Vacant Land
Big 5/Petsense Center	2223-2247 S Hwy 395	Vacant Land
Sage Brush Center	709-751 S Hwy 395	Vacant Land
NWC 11th St & Highland Ave	415 SE 2nd St	Strip Center
Vacant Land	870 S Hwy 395	Strip Center



Retail Strategies has cataloged many different retail real estate opportunities within the city limits of Hermiston. Each opportunity has been mapped as well as categorized for quick reference with other key information (i.e. co-tenancy, available space, asking rates, etc.). Building relationships with the land owners, property managers, and commercial brokers will allow this list to be constantly updated to ensure the most accurate and relevant information is available for retailers and developers that are looking for opportunities in Hermiston.

Retail Prospects





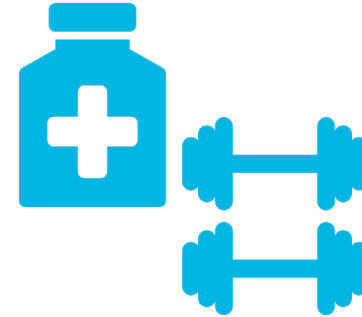
Time to source and open a retailer in a new market takes approximately 18 to 36 months or more, which is one reason we seek at least a three year contract with our clients. Ultimately, we cannot determine where a retailer will locate. Our goal is to market sites and opportunities they may have never heard of or considered in the past. We're a matchmaker of opportunity in the industry. If they determine a market is not in their strategic plan currently, our mission will be to supply them with research and marketing materials that will entice them to keep the community in mind as they expand and grow.

~ Tiffany Kilpatrick, Hibbett Sporting Goods

Discover: Top Categories for Recruitment



Restaurants



Health, Fitness, & Personal Care



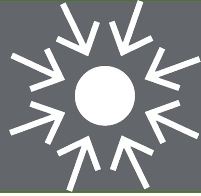
Pet Stores &
General Merchandise



Grocery

**** For the purpose of this study Focus Categories identify where the market can support the most significant growth with market conditions as they exist today. However, Retail Strategies recruitment efforts will in no way be solely limited to retailers that fall within the top four categories.*

Retail Prospects



Representative Brands:



Restaurants

~1,200 - 7,000 sq. ft. (per)

20+ Prospects



Fast Casual and Fast Food Restaurants account for the majority of the Restaurant sector.

This growth is due to value and convenience. The ability to control the time and quality at a value has changed the way we eat out. In tandem Limited Service Eating Restaurants provide lower-to-moderate price points and there is typically no tip involve. Approximately 40% of all expansion among publically traded retail and restaurant companies will be in this category. You will see a great deal of Retail Strategies efforts reflect this with a heavy focus on this category.



Representative Brands:



DOLLAR GENERAL

Fred Meyer



General Merchandise & Pet Stores

~5,000 – 125,000 sq. ft.

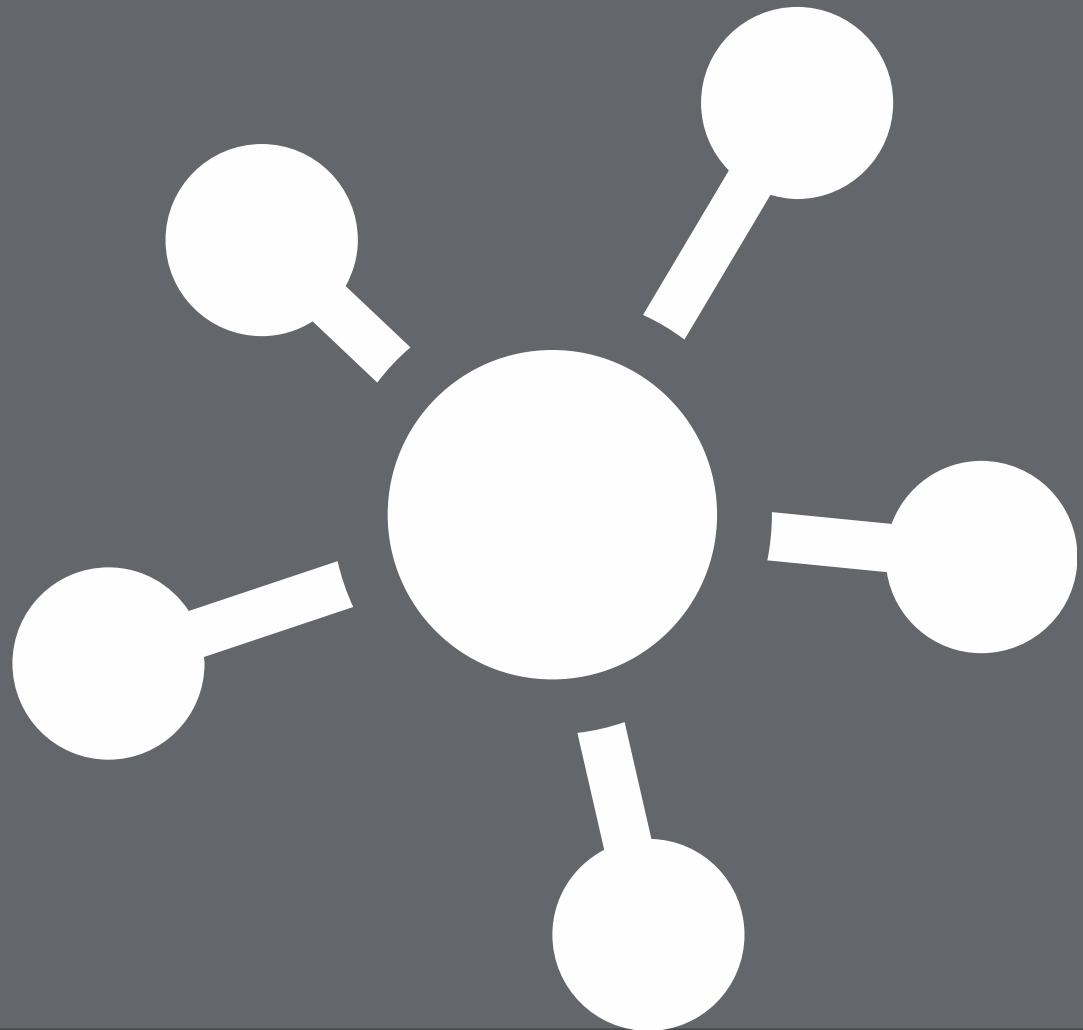
4+ Prospects



We continue to see solid growth within the General Merchandise & Pet Store categories. Primarily because they are a great option for second generation space and have proven to be some of the more recession proof categories within the industry.

All generations from Millennials to Boomers enjoy spoiling their pets and of course need their household essentials. The Millennials are reaching the age to buy a house and start a family which is a primary driver for the continued expansion for these two categories. With the Millennial consumer group being price cautious it is no surprise the majority of the players within the General Merchandise category are value oriented. The majority of the end users within these two categories have stable to strong credit making them ideal candidates for backfilling medium to large sized vacancies. Although the consumer is more price conscious than ever before, we do not see th

Outreach



Retail Recruitment: Conference Representation



Building
relationships locally,
regionally,
NATIONALLY on
behalf of Hermiston

The International Council of Shopping Centers (ICSC) and Retail Live are the leading global trade associations for the retail industry. ICSC and Retail Live help the public and private sectors understand the industry through educational programs, publications, certification programs, and (most popular) Deal Making Conventions. Each year these two organizations put on over twenty conferences for real estate professionals to connect to discuss deals. Hermiston will be invited to all networking events and will have access to a table at our booth.



Conferences

Nashville	Las Vegas
Austin	Atlanta
Chicago	Dallas
New Orleans	New York City
Washington DC	Los Angeles
Charlotte	Orlando

Who We Connect With On Your Behalf

Retail recruitment is a complex business and involves multiple parties. To ensure we are creating the best environment for deals to happen Our team will be contacting those parties necessary to get deals done:

Local property owners

Brokers

Developers

Investors

Directors of real estate

Franchisees

Local business owners

Many other decision makers



Marketing Guide



retailstrategies.com



retail strategies

HERMISTON, OREGON

Market Guide

City Contact Information



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City Manager
bsmith@hermiston.or.us
180 NE 2nd Street
Hermiston, OR 97838
541.567.5521 office
www.hermiston.or.us

Mark Morgan
Assistant City Manager
mmorgan@hermiston.or.us
541.567.5521 office

Focus Properties

Retail Strategies has a catalogue of retail commercial real estate properties in this market.



For more information, please contact the Portfolio Director and/or Retail Development Director listed on the front of this guide.

Demographics

(10 Minute Drive Time)



Population
34,222



Average Age
36.5



Household Income (Median)
\$51,822



Number of Households
11,873



Growth Rate
7.06%



Household Income (Average)
\$61,925

Peer Analysis

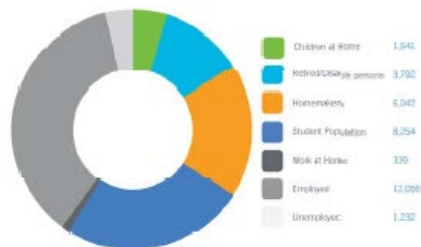
The Peer Analysis, built by Retail Strategies along with our analytics partner (Tetrad), identifies analogue retail nodes within a similar demographic and retail makeup. The Peer Analysis is derived from a 5 or 10 minute drive time from major comparable retail corridors throughout the country. The variables used are population, income, daytime population, market supply and gross leasable area. The following are retail areas that most resemble this core city:

Peer Trade Areas

Sandy, OR
Sammamish, WA
Cottonwood, AZ
Culpeper, VA
Mesa, WA
Puyallup, WA
Garden City, CO
12001 Hwy 36
41 S 64th St
1600 E Cottonwood Ln
300 S G Street Shopping Ctr
16001 Hwy 2
15000 13th Ave NE
1400 Main St

Daytime Population 33,255

(10 Minute Drive Time)



There's a lot of potential here.



DEMOGRAPHIC PROFILE	10 Mile Radius	15 Mile Radius	25 Mile Radius
2017 Estimated Population	38,512	42,282	100,004
Daytime Population	34,995	37,452	84,222
Median HH Income	\$52,235	\$52,695	\$63,781
Number of Households	12,646	14,156	34,503

	10 Minute DT	15 Minute DT	30 Minute DT
2017 Estimated Population	26,249	34,222	42,689
Daytime Population	28,083	33,255	41,056
Median HH Income	\$50,989	\$51,822	\$53,252
Number of Households	9,814	11,873	14,890

Source: DT Radius



Bear Burnett
Retail Development Director
bburnett@retailstrategies.com
265.905.5703 office



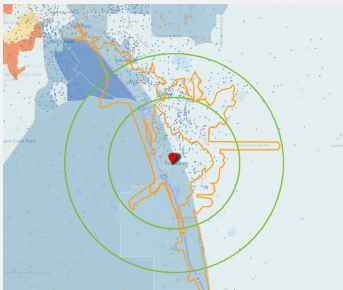
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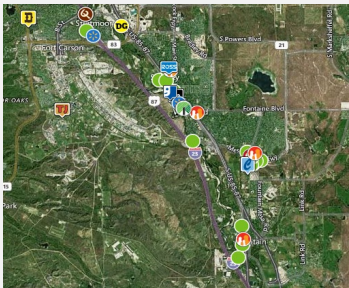
Implementing your Strategy



Discover

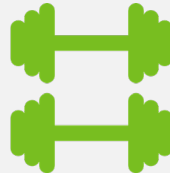


Focus



Prepared for Hermiston OR by Retail Strategies

Connect



Implement



Contact developers, retailers, tenant representatives and franchisee groups both regionally and nationally



Make direct and indirect connections through conference representation, in person meetings, phone calls and emails



Coordinate and communicate our efforts with local brokers, property owners, and city staff on an on going basis



Follow industry trends as well as changes in your local market to continuously adjust our strategy and improve our efforts to maximize the retail potential in your community



Thank you!

There's a lot of potential here.



retail strategies

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retailstrategies.com