

City of Hermiston
Retail Market Analysis Update





RETAIL MARKET ANALYSIS UPDATE
HERMISTON, OREGON

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- I. BACKGROUND 1
- II. EXECUTIVE SUMMARY 2
- III. TRADE AREAS 4
- IV. DEMOGRAPHIC, SOCIOECONOMIC, AND PSYCHOGRAPHIC CHARACTERISTICS 8
- V. MACROECONOMIC CHARACTERISTICS 13
- VI. FINDINGS..... 16
- VII. METHODOLOGY 26

APPENDICES

- A Supportable Square-Footage Table
- B Local Trade Area Maps
 - Local Trade Area Map
 - Local Trade Area Map with Core Market
- C Regional Trade Area Maps
 - Regional Trade Area Map
 - Regional Trade Area Map with Core and Extended Markets
- D Demographic and Socioeconomic Characteristics Reports
 - Summary Demographic Benchmark Report (%) – LTA
 - Summary Demographic Benchmark Report (%) – RTA
 - Socioeconomic Benchmark Report (%) – LTA
 - Socioeconomic Benchmark Report (%) – RTA
- E Mileage and Drive Time Map
 - Mileage Map
 - Drive Time Map
- F 2010 Thematic Maps
 - Population Density
 - Median Household Income
 - Percent Income over \$75,000
 - Percent Owner-Occupied Households
 - Percent College Educated
- G Hermiston Retail Map
 - Hermiston Existing Retail Map - North
 - Hermiston Existing Retail Map - South
- H Hermiston Aerial Map
- I Identified Retail Contact Information

I. BACKGROUND

Pitney Bowes Business Insight (PBBI) was retained by the City of Hermiston to evaluate the local market's retail development potential. This evaluation is an update of our previous findings (MI #1603-001, July 2006). This retail market analysis provides a strategic plan for attracting a healthy level of retail for its residents and the surrounding communities, contributing to sustainable retail activity.

Hermiston, Oregon is a city on the western side of Umatilla County, near the intersection of I-82 and I-84, approximately 35 minutes south of the Tri-Cities region of Washington (Kennewick, Pasco, and Richland). Hermiston is one of Oregon's fastest growing and most affordable communities. It has approximately 17,000 residents (approximately 24,000 within 5 miles of the city center). Historically, it had an agriculturally-oriented economy, but with access to two interstate highways, Hermiston is rapidly becoming a logistics hub for eastern Oregon and southeastern Washington. An aerial photograph of the city of Hermiston is presented below:



City of Hermiston (photo credit: Bing Maps)

PBBI analyzed the Hermiston market to determine the appropriate level and type of retail that can be supported. Three primary questions were answered:

1) ***What are the extents of Hermiston's trade areas?***

PBBI defined the geographic extents of Hermiston's trade areas for both convenience-oriented and regional-appeal retailers.

2) ***How much area should be devoted to retail space?***

PBBI determined the gap between retail expenditure potential and retail saturation in the trade areas and estimated the amount of space that could reasonably be devoted to retail development.

3) ***What type of retailers should be targeted?***

PBBI identified the appropriate national retail nameplates for the city.

When appropriate, differences between the 2006 analysis and this update are highlighted.



II. EXECUTIVE SUMMARY

PBBI defined Hermiston's retail trade areas, determined the retail demand potential, and identified the ideal national or regional retail nameplates or categories that would best fill any remaining demand. PBBI also noted the ways in which Hermiston's retail environment has changed since the 2006 retail market analysis. Overall, PBBI found that Hermiston has retail demand potential and can support additional retail development (both new construction and in-fill of existing retail space).

Field Evaluation

PBBI began this project in March 2011 with an on-site field evaluation of the market. During this evaluation, PBBI drove throughout the market, visiting, evaluating, and inventorying the retail concentrations in Hermiston and its surrounding communities. PBBI also evaluated regional accessibility and retail commuting patterns. Field observations collected during this field evaluation were compared to data collected during the April 2006 field evaluation.

Trade Area Definition

PBBI reevaluated the previously defined trade-area definitions. PBBI modified the existing primary and total trade areas to create two general retail trade areas for Hermiston: a local trade area (LTA) and a regional trade area (RTA). The LTA encompasses the geographic area from which neighborhood-oriented retailers (e.g., grocery stores, drug stores, sandwich shops) would likely capture approximately 70% to 75% of their sales. It also defines the general trade area for service retailers (e.g., hair and nail salons, banks, tax-preparation providers), though assessing the potential for service retail types was out of this project's scope. The RTA encompasses the geographic area from which community-oriented retailers (e.g., book shops, craft stores, department stores) would likely capture approximately 75% of their sales. The area captured by the RTA but not within the LTA is expected to provide the neighborhood-oriented retailers with an additional 10% to 15% of their sales.

The LTA is bounded by the Columbia River to the north and the Gilliam County/Morrow County line to the west. It extends east to Pendleton and south to just past Heppner. The LTA includes Hermiston, Umatilla, Irrigon, Boardman, Stanfield, Echo, Lexington, and Heppner. The RTA extends west through Gilliam County along I-84 and north into the state of Washington, just shy of Kennewick. The RTA encompasses all of Umatilla County and Morrow County and therefore includes the entire LTA, the city of Pendleton, and the communities of Arlington, Ukiah, and Athena. Full descriptions of the trade areas are provided in *Section III, Trade Areas*; maps are available in appendices B and C.

Retail Gap Analysis

After the retail trade areas were developed, PBBI conducted a retail gap analysis. The results of this analysis were used to derive estimates of the amount of retail space that the trade areas can support in various retail categories (e.g., general merchandise, computer, furniture). Once PBBI estimated the amount of retail space that was available in each category, a list was compiled of national retail nameplates that were appropriate candidates for the available space. When no national nameplates were deemed appropriate, PBBI offered a general recommendation on the type of locally-owned operator to be recruited. Detailed outcomes of the retail gap analysis are provided in *Section VI, Findings*.



Hermiston's Total Supportable Retail

Hermiston has unmet retail potential in several retail categories. PBBI projects that the draw of Hermiston's LTA and RTA can currently support the addition of approximately 88,500 square feet of new retail development. This additional supportable retail square footage is expected to grow to approximately 104,750 square feet within 5 years (2016). This supportability translates into approximately \$56 million in unmet sales potential by 2016.

The amount of total supportable square footage has decreased since the previous analysis. This is a result of Hermiston's retail expansion over the past 5 years. For example, the addition of the OfficeMax removed the supportability of another office supply retailer. The addition of Big 5 Sporting Goods, Aaron Rents, and Fiesta Food also lowered general supportability in their respective retail categories. However, the supportable square footage in some retail categories has grown since the previous analysis as a result of the trade areas' increased total population and an increase in the overall level of retail synergy created by these new retail nameplates. Appendix A lists the amount of space (in square feet) that is supportable for the various retail categories that are defined in *Section VI, Findings*.

Retailer Matches

PBBI compiled a list of the best retail-nameplate matches for the Hermiston trade areas using qualitative observations garnered through fielded evaluation, the *Retail Tenant Directory*, Claritas Retail Power™ dataset, and trade-area location characteristic information (described in *Section IV, Demographic, Socioeconomic, and Psychographic Characteristics*). The following retailers were identified as the best/most-appropriate matches in their respective retail categories:

- Book, Periodical, and Music – Hastings, The Book Rack
- Hobby, Toy, and Games – GameStop
- Pet – Mini Pet Mart
- Limited-Service/Quick-Service Restaurant – Wendy's, Arby's
- Full-Service Restaurant – Applebee's, Country Kitchen, IHOP, Sizzler

PBBI recommends filling retail voids in the following categories with locally-owned retail establishments:

- Grocery (expansion)
- Beer, Wine, and Liquor
- Computer
- Furniture
- Home Furnishings

Some national retailers may not be an ideal match for Hermiston but may still be deployment candidates:

- General Merchandise – Fred Meyer
- Appliance and Electronics – Batteries Plus
- Jewelry/Luggage – Harry Ritchie's Jewelers
- Children's Clothing – Once Upon a Child
- Family Clothing – Old Navy
- Sports – Play-It-Again Sports



III. TRADE AREAS

PBBI defined Hermiston's retail trade areas by analyzing several factors, including road networks, local retail nodes/competition, demographic and psychographic profiles, physical and psychological barriers, and analogous retail trade areas. Data collected on Hermiston's retail environment during both field evaluations (March 2011 and April 2006) were also incorporated. PBBI additionally reviewed average trade-area extents of our retail clients (both convenience-based and regionally-oriented) in the context of Hermiston's trade-area characteristics.

PBBI redefined the previous (July 2006) report's "Primary Trade Area" and "Total Trade Area", changing them into two general retail trade areas for Hermiston: a local trade area (LTA) and a regional trade area (RTA). Hermiston's LTA is the geographic area from which its convenience-based retailers (e.g., auto parts stores, grocery stores, quick-service restaurants, and gas stations) will typically draw approximately 70% to 75% of their business. This area includes a population base that can support merchandise that is typically purchased on a weekly basis. The RTA encompasses the geographic area from which the more regional retailers (e.g., Walmart Supercenter, The Home Depot) will draw approximately 75% of their business. The area captured by the RTA but not within the LTA will provide the convenience-based retailers with an additional 10% to 15% of their sales.

The trade areas, as currently defined, are "true" trade areas, which means that they were customized and are not merely reflections of mileage rings or drive times. PBBI built these trade areas from census-block groups to better align them with demographic characteristics datasets and the retail supply-and-demand dataset; as a result of this conversion, there are some cases in which the trade-area boundary does not follow a straight line or roadway. The trade-area borders follow block-group boundaries, so although they may not always be intuitive, the borders are more accurate because the potential for error from calculating customized population apportionments is limited. The previously-defined trade areas were freeform and required population-apportionment.

PBBI recognizes that Hermiston splits the Umatilla County retail market with Pendleton (a city of approximately equal size). Hermiston serves the LTA needs of the residents of western Umatilla County; Pendleton serves the eastern side. Although Hermiston has the superior location (near the intersection of I-82 and I-84), Pendleton is the county seat and historic retail anchor of the county. Furthermore, until recently (*Census 2010*), Pendleton had the largest population in eastern Oregon. (Currently, Hermiston is the largest.) Hermiston and Pendleton will probably continue to be the anchors for the day-to-day retail needs of the western and eastern halves of the county, respectively, but Hermiston's growing retail base will enable the city to serve as the primary destination for retail goods purchased less frequently (e.g., weekly, monthly).

The previously-defined "Primary Trade Area" generally matches the LTA defined below, though it was expanded to include the community of Heppner in the south. The previously-defined Total Trade Area was larger than the RTA defined below. Reasons for this change are presented in the "Core Market and Extended Market" section below.

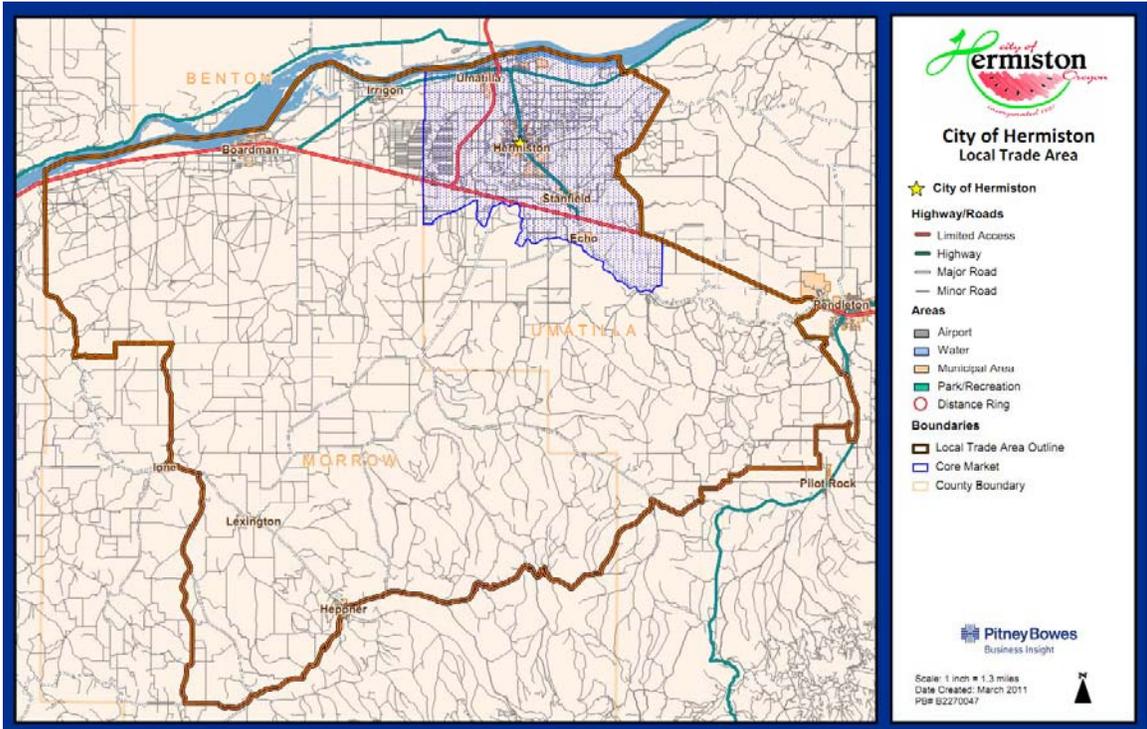
Local Trade Area (LTA)

The LTA is bounded by the Columbia River in the north, the Gilliam County/Morrow County line in the west, Pendleton Airport in the east, and Willow Creek Road (just past Heppner) in the south. The LTA includes Hermiston, Umatilla, Irrigon, Boardman, Stanfield, Echo, Lexington, and Heppner.



The eastern boundary (at the Pendleton Airport) is a function of block-group boundaries. PBBI extended this eastern extent in order to capture the community of Echo. Realistically, the convenience shopping performed by the small population that resides between Hermiston and Pendleton along I-84 will be split between the two markets.

This LTA definition reflects the dearth of retail opportunities in the smaller communities outside of Hermiston. Hermiston, as the largest city in the area, employs a significant number of the area's residents; therefore, many people are already accustomed to regularly commuting to Hermiston. Hermiston is also the primary retail focal point for residents of Morrow County.



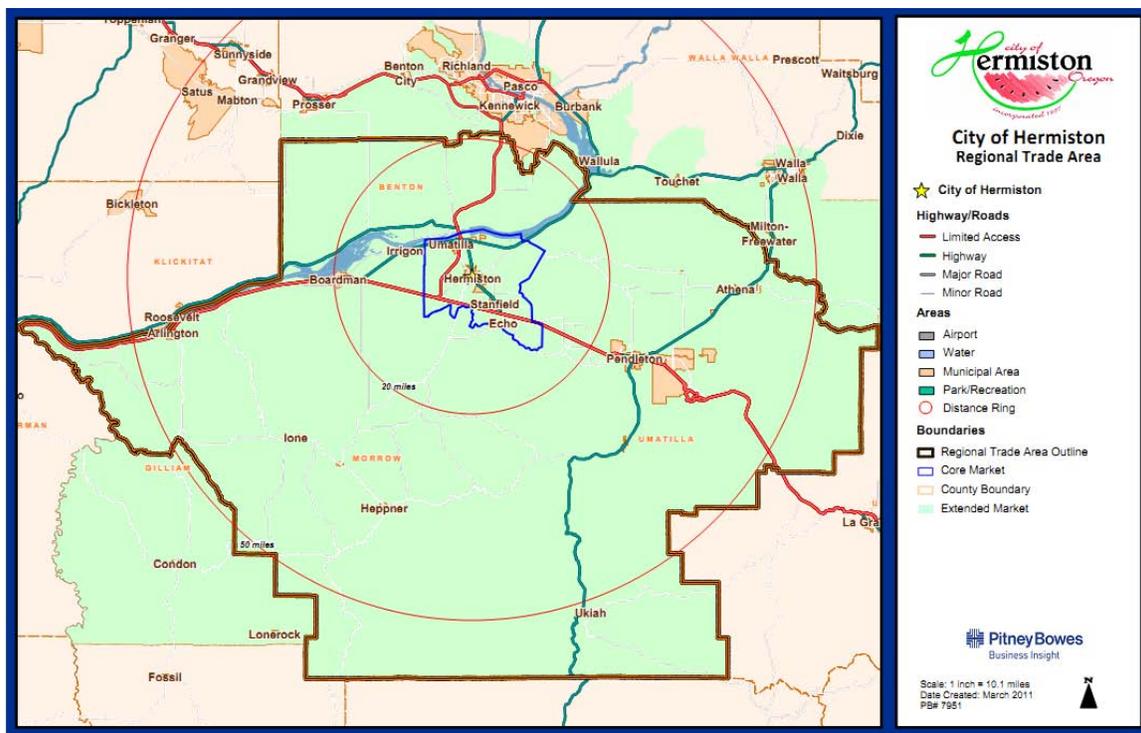
Hermiston's LTA; a larger map is provided in Appendix B



Regional Trade Area (RTA)

The RTA encompasses all of Umatilla County and Morrow County and therefore includes the entire LTA, the city of Pendleton, and the communities of Arlington, Ukiah, and Athena. It extends east to the Union County line, south to the Grant County line, west through Gilliam County along I-84, and north into Washington state, just before the Kennewick city limits. In general, the RTA extends 50 miles to the west, south, and east and 20 miles to the north.

The RTA definition reflects relatively favorable accessibility between Hermiston and other communities in the area. It also reflects the lack of retail options outside of Hermiston for non-daily purchases. Although Pendleton does have many of the same retail offerings as Hermiston, consumers looking for a large home-improvement retailer (The Home Depot), a large office-supply store (OfficeMax), or sporting-goods store (Big 5 Sporting Goods) would need to travel to Hermiston.



Hermiston's RTA; a larger map is provided in Appendix C

Core Market and Extended Market

Hermiston's LTA is geographically very large; still, a majority of its population (approximately 80%) resides within a single, significantly smaller geographic area. PBBI defines this smaller, more densely populated area as the "Core Market." The Core Market, which is also built of block-groups, is the area in which approximately 70% of all LTA sales will be generated. Retailers who consider deploying in Hermiston will want to see strong population density near a proposed site, which is why PBBI identified the Core Market on the LTA map (shaded blue in the map above and in Appendix B).

As a result of the Oregon-Washington sales taxes differential (0% in Oregon, 8.3% in Washington [Kennewick]) and its interstate accessibility, Hermiston is able to attract shoppers from a geographically expansive area. For this reason, PBBI also defined an "Extended Market," which reflects the area that



will account for as much as 90% of all Hermiston's retail sales. The Extended Market (shaded green in the map above and in Appendix C), which includes the LTA and RTA, encompasses the Tri-Cities (Kennewick, Pasco, and Richland) and Walla Walla markets. Hermiston can boast that potential retailers have access to an additional 300,000 residents from just outside the RTA.

Most residents in the outer extents of the Extended Market will shop in Hermiston only infrequently (for large-ticket items, or to save on sales tax), which is why some Extended Market communities were not included in the RTA. Though comparable to the Total Trade Area developed during the 2006 analysis, PBBI believes that the RTA and Extended Market, as currently defined, better represent Hermiston's retail draw.

Retail Sales Potential from Beyond the Trade Area

Some customers will originate from outside Hermiston's LTA and RTA. These customers will shop Hermiston retailers, albeit infrequently. As a result of the sales-tax differential and the city's easily-accessed location directly off I-82 and I-84, Hermiston retailers may capture as much as 30% of their sales from beyond the defined trade areas. This percentage will decrease to approximately 10% outside the Extended Market.



IV. DEMOGRAPHIC, SOCIOECONOMIC, AND PSYCHOGRAPHIC CHARACTERISTICS

This section includes information on the demographic, socioeconomic, and psychographic characteristics of Hermiston and its trade areas; when appropriate, comparisons to the characteristics of other communities will be provided. Retailers choose locations whose populations contain a ready customer base. A city that understands its trade areas' demographic, socioeconomic, and psychographic characteristics may more accurately recruit interested retailers.

Census 2010 Data

Primarily, PBBI used proprietary demographic and psychographic datasets in analyzing the demographic, socioeconomic, and psychographic make-ups of Hermiston and its surroundings areas. PBBI did also incorporate the newly-released (February 2011) *Census 2010* population and household count data.

During PBBI's initial meeting with City of Hermiston, Hermiston officials mentioned their concern that the total population count for their city had been underrepresented in third-party demographic data estimates and in the annual census estimates. PBBI compared the third-party and annual census population and housing estimates for 2010 to the *Census 2010* counts and found that Hermiston had indeed been undercounted. Within the LTA, the difference was greater than 2,200. Further investigation showed that, within Umatilla County, the difference was more extreme in Hermiston than in Pendleton. As a result of such underrepresentation, PBBI used *Census 2010* population and housing counts.

Demographic Data

The table below displays a comparison of selected characteristics that are commonly used by retailers to compare potential retail development sites. These selected demographic and population figures have been included for:

- Hermiston city limits
- Hermiston's LTA and RTA
- Hermiston's Core Market and Extended Market
- 10-mile rings around the city centers of Hermiston, Pendleton, The Dalles, La Grande, and Walla Walla, Washington
- Counties of Umatilla and Morrow in Oregon and Benton and Walla Walla in Washington
- State of Oregon
- The United States

Please see Appendix D for a full list of LTA and RTA demographic characteristics and Appendix F for thematic maps of specific demographic characteristics of the LTA, RTA, and surrounding area.

As indicated in the table below, Hermiston's demographic characteristics compare favorably to those of other selected markets. The data show that Hermiston is just behind Pendleton in median household income levels. This is expected: Pendleton is the county seat, so its residents are more likely to be employed by the local government, which traditionally provides above-average salaries. Further, the lower per-capita income levels and lower median age indicate that Hermiston has generally more families with children. Hermiston also has some of the highest levels of owner-occupied housing, which is more common in communities with a high proportion of families with children.



Geography	2010 Population	2010 Households	2010 per Capita Income	2010 Median Household Income	2010 Owner-Occupied Housing	2010 Median Age (Years)
City Boundary						
City of Hermiston	16,745	6,373	\$20,889	\$33,878	56.6%	30.4
Trade Areas						
Local Trade Area	46,678	16,740	\$19,556	\$36,738	65.5%	30.4
Regional Trade Area	75,923	29,311	\$20,993	\$37,707	63.9%	31.9
Core Market	36,477	12,900	\$20,376	\$37,285	63.8%	30.6
Extended Market	375,820	142,625	\$23,198	\$44,650	67.8%	31.0
Comparative City (10-Mile Rings)						
Hermiston, Oregon	34,286	12,901	\$20,348	\$37,305	63.9%	30.6
Pendleton, Oregon	22,127	8,541	\$23,320	\$39,269	58.7%	33.6
The Dalles, Oregon	21,804	8,918	\$21,279	\$35,811	66.6%	37.6
La Grande, Oregon	16,948	6,998	\$22,591	\$33,898	60.9%	33.7
Walla Walla, Washington	60,745	23,378	\$21,126	\$33,717	61.9%	32.6
Other Regions						
Umatilla County (OR)	75,889	29,693	\$20,709	\$36,177	63.1%	32.4
Morrow County (OR)	11,173	4,442	\$17,992	\$35,747	71.5%	30.3
Benton County (WA)	175,177	68,618	\$26,510	\$55,635	70.2%	32.4
Walla Walla County (WA)	58,781	23,451	\$22,278	\$36,738	62.9%	32.2
Oregon	3,831,074	1,675,562	\$26,592	\$44,566	64.1%	34.8
United States	309 million	132 million	\$27,605	\$48,625	66.9%	33.9

Source: Pitney Bowes Business Insight data (2010), U.S. Census Bureau

This information indicates to retailers that family-oriented and value-oriented retail offerings are ideal for Hermiston. Though the next section of this report will describe growing disposable incomes within the market, Hermiston residents will still be more focused on staple goods and less focused on boutique offerings. Furthermore, when comparing a Hermiston deployment opportunity to one in Pendleton or The Dalles, a retailer will find that the area directly surrounding Hermiston has the highest number of potential customers or households.

The following table provides more-descriptive demographic information within given mileage and drive-time distances from Hermiston’s city center. Although income levels are comparatively modest in and directly around the city, there are higher income levels (proximate to the Tri-Cities, resulting from the higher cost of living) within less than an hour’s drive. Furthermore, with the sales-tax differential and its accessibility, Hermiston is a more compelling retail opportunity than Pendleton or The Dalles.



Geography	2010 Population	2010 Households	2010 per Capita Income	2010 Median Household Income	2010 Median Age (Years)
City Boundary					
City of Hermiston	16,745	6,373	\$20,889	\$33,878	30.4
Mileage Rings					
5 Miles	24,038	7,872	\$22,352	\$37,919	31.0
10 Miles	34,393	10,913	\$20,319	\$37,299	30.6
15 Miles	38,756	12,197	\$19,752	\$36,896	30.5
25 Miles	67,997	19,806	\$23,432	\$46,508	31.7
40 Miles	322,708	91,083	\$23,383	\$47,635	30.5
Drive Times					
10 Minutes	31,357	11,723	\$20,345	\$37,041	30.4
20 Minutes	36,232	13,578	\$20,053	\$37,100	30.5
50 Minutes	244,528	88,113	\$23,067	\$45,763	29.9

Source: Pitney Bowes Business Insight data (2010), U.S. Census Bureau

PSYTE-Cluster (Psychographic/Lifestyle) Data

Psychographic/lifestyle characteristics are a valuable source of information for projecting consumer spending habits and patterns. PSYTE Advantage™, a proprietary system of PBBI, is a compendium of consumer-expenditure data that has been analyzed for similarities between relevant demographic and socioeconomic characteristics and what people are buying. PBBI compiled and evaluated the PSYTE Advantage™ data that pertained to the block-groups included in Hermiston’s LTA . Such evaluation provides a more in-depth measurement of market potential than the study of demographic characteristic data alone. For example, a \$50,000 income in Hermiston may provide a different lifestyle than a \$50,000 income in Kennewick. Further, two people with similar incomes who reside in Hermiston may choose different neighborhoods based on their preferences. The premise here is that people tend to reside in neighborhoods with others whom they believe are similar to them (“clusters”).

By understanding these clusters and their effects, generalizations about people’s buying habits can be developed, enabling Hermiston to target the retailers who would most likely have a strong customer base in the defined trade areas. PSYTE Advantage™ segments have been developed on national and regional bases, and although one community may include several different clusters, there is no single cluster that is specific to a single neighborhood or community. In describing similar groups of people, these descriptions are, by necessity, stereotypical.

Based on the PBBI PSYTE Advantage™ neighborhood clustering database, the predominant lifestyle segmentation group in the LTA is *Agrarian Edge* (47%), followed by *Plow and Plateau* (17%), *Middleburgh* (6%), *Irrigation Nation* (5%), and *Help Wanted* (5%). Cluster descriptions are as follows:



Agrarian Edge – While the family farm may be on the decline, some of America's original farming towns survive, using a variety of strategies. Instead of packing up and heading to Florida or Arizona, the elders in these communities have tended to "age in place." Young families have taken up residence, providing a broader base of economic support in health care, transportation, and various trade capacities. Incomes remain lower than average, however — in part because only 7% of this cluster's workers commute to cities. The average family income is \$43,000.



Plow and Plateau – Farmers, miners, and foresters are found in this broad swath of territory in the Northeast, northern Midwest, and Northwest. Their lifestyle is distinctly tied to Earth's bounty — a fact that likely affects their values and purchasing behaviors. A 65:35 owner-to-renter ratio obscures the relatively high vacancy rates and seasonal occupancies. More than 15% live in mobile homes, and the cluster has a high recreational vehicle index. A high school diploma is the norm, as is the dual-income home. An older age skew represents families with teens and empty nests. Average family income is \$48,000. The cluster is 88% white, non-Hispanic and 12% Hispanic.



Middleburgh – Some lucky small towns have economic staying power because of their proximities to larger metropolitan areas. Others develop the look and feel of suburbs while maintaining their older-village core. These Middleburghs are home to a higher-than-average share of dual-earning couples whose household incomes average \$52,000. This cluster also captures some out-of-the-way country corners. Over 30% of Middleburgh dwellers work in nearby central cities, suffering a longer commute for the benefit of a more idyllic home life than their suburban cousins.



Irrigation Nation – Rain for rent, migrant labor for hire — America's agribusiness communities are social systems unto themselves. Over 30% live in mobile homes, with a 75:25 owner-to-renter ratio. Within the cluster, some relatively new homes dot the landscape because of the western geographic skew. Virginia and the Carolinas typify large-scale farming in the east. Irrigation Nation clusters in the west have a population that is 15% Hispanic; eastern Irrigation Nation clusters have a population that is 15% African-American. Overall, average family income is \$48,000.



Help Wanted – Populated by householders aged 18 to 34, this cluster of singles and young couples is found in every major metro area. This 25% immigrant, 37% Hispanic, and 50% white, non-Hispanic population is the core labor pool that will respond to "help wanted" classifieds — their educations have been limited, but they are eager to work. You see them in many settings, from fast-food restaurants to the corridors of major hospitals. More than 70% live in apartments, indicating a degree of mobility that is consistent with this cluster's search for opportunity. Average household income is \$36,500.

Hermiston's PSYTE Advantage™ profiles reflect the agrarian nature of the area; they also acknowledge the changing economic and employment drivers. The first cluster (*Agrarian Edge*) specifically describes the way in which a younger population is moving to the area and taking jobs that are geared more



towards services and transportation (logistics), in comparison to the older population, which is more traditionally employed in agriculture. The other four clusters also allude to a growing, more youthful population, as well as to a growing Hispanic population. Hermiston's PSYTE Advantage™ profile reflects that, while other industries are growing, the area still has a high degree of economic reliance on agriculture.

Overall, four of the top five clusters are the same as in the 2006 analysis. The top cluster, *Agrarian Edge*, is a new addition to the list, replacing *Backwoods Blues* in the top spot. In general, this is a positive change in the area's psychographic profile: the *Agrarian Edge* cluster describes a transitioning and more diverse economy that is growing (unlike many small towns across the United States). This is the same growth that has been reflected in the *Census 2010* figures, which show the Hermiston market as growing while other eastern Oregon markets are stagnant or in decline.



V. MACROECONOMIC CHARACTERISTICS

Recognizing a market's underlying economic indicators (e.g., economic growth, income changes, population stability) is key to understanding that market's retail potential and how well it compares with analogous (peer) markets. PBBI evaluated Hermiston in the context of several macroeconomic variables. The results of this evaluation can be used by the City of Hermiston in retailer-recruitment materials. For example, if the city wishes to recruit Walgreens, it could present information to the Walgreens real estate team that shows not only its in-profile demographic characteristics but also its strong underlying macroeconomic characteristics.

MarketPulse™ Analysis

PBBI used proprietary MarketPulse™ methods to incorporate Moody's Analytics economic trend data at a local level. With MarketPulse™, PBBI was able to forecast the economic indicators' rate of change between the current year (2011) and the 5-year projection (2016). (This is the same period of time for which the retail gap analysis was conducted.) PBBI reviewed several macroeconomic variables that influence gross county product, personal income growth, and housing turnover, including:

- Disposable Personal Income Change
- Existing Homes Turnover Change
- Gross County Product Change
- Median Household Income Change
- Personal Bankruptcies Change
- Personal Income Change
- Residential Housing Permit Change
- Unemployment Change

The United States is recovering from the 2008-2010 recession, but not all communities are recovering at the same rate. PBBI evaluated Hermiston's retail potential by comparing the rate of change of the macroeconomic variables to those of selected similar markets. These markets are smaller markets (markets with populations ranging from 1 to 175,000 residents) that are in the U.S. northwest (Oregon, Washington, and Idaho). PBBI used core-based statistical areas (CBSAs), as defined by the U.S. Census Bureau. The nearby larger market of Kennewick-Pasco-Richland was also chosen for comparative purposes. The peer markets chosen for this analysis include:

- Blackfoot, Idaho
- Burley, Idaho
- City of The Dalles, Oregon
- Coeur d'Alene, Idaho
- Coos Bay, Oregon
- Ellensburg, Washington
- Kennewick-Pasco-Richland, Washington
- Klamath Falls, Oregon
- La Grande, Oregon
- Lewiston, Idaho-Washington
- Moscow, Idaho
- Moses Lake, Washington

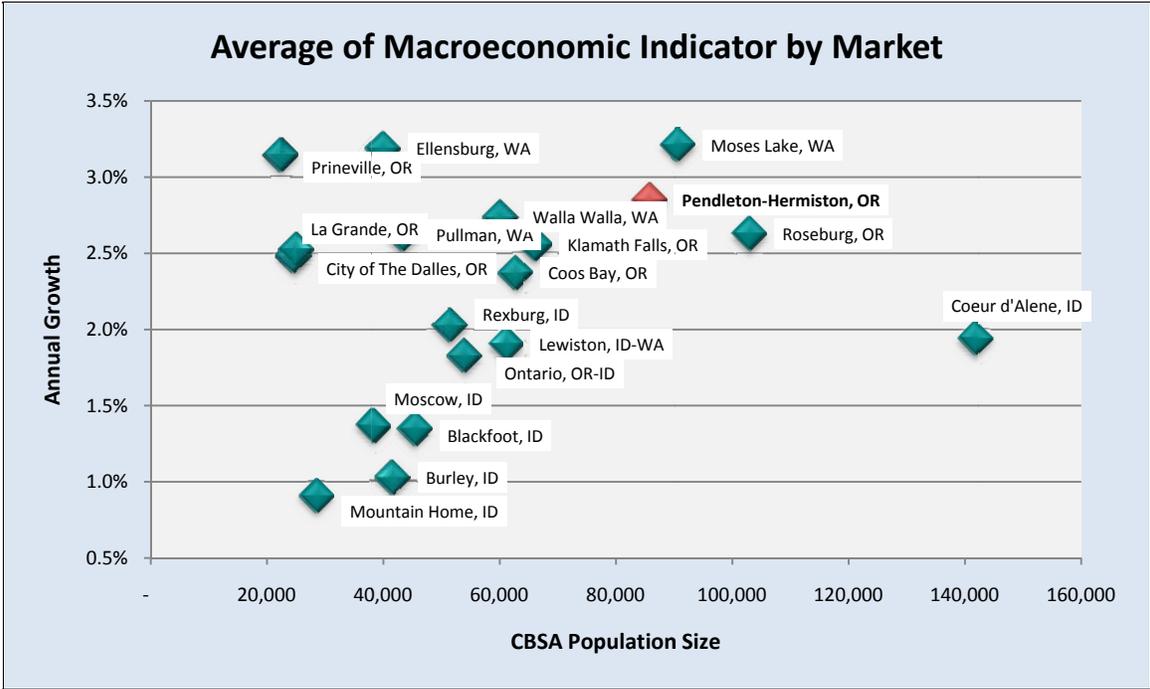


- Mountain Home, Idaho
- Ontario, Oregon-Idaho
- Pendleton-Hermiston, Oregon
- Prineville, Oregon
- Pullman, Washington
- Rexburg, Idaho
- Roseburg, Oregon
- Walla Walla, Washington

For the MarketPulse™ analysis, PBBI analyzed the combined Pendleton-Hermiston CBSA (which is the way in which it is defined by the U.S. Census Bureau). PBBI cannot view the Pendleton-Hermiston market more granularly (i.e., PBBI cannot precisely calculate how much of any given forecast goes to Pendleton and how much goes to Hermiston), but it is assumed that, as a result of Hermiston’s comparatively stronger population and income growth over the past several years, Hermiston will realize stronger economic growth than will Pendleton.

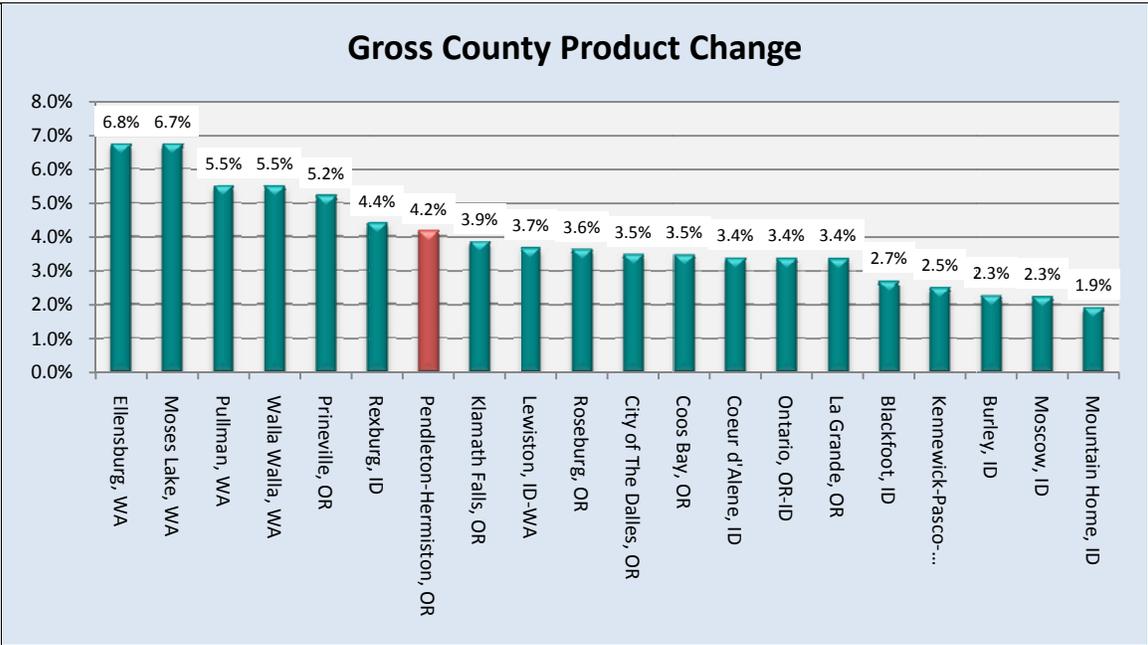
Analysis Results

The Pendleton-Hermiston CBSA is expected to perform and grow at a rate that places it in the top 25% of its peer markets. The graph below shows the average annual change of the macroeconomic indicators among peer markets. The Pendleton-Hermiston market appears near the top, with an annualized 2.9% positive rate of change (5-year total change of 21.3%). This information can be used in Hermiston’s retail marketing materials to illustrate the market’s (and, by extension, a new retail deployment’s) economic strength. Note: This chart does not include the Kennewick-Pasco-Richland CBSA because its population base far exceeds those of the peer group.





The graph below shows that the Pendleton-Hermiston CBSA’s gross county product is expected to grow 4.2% annually between 2011 and 2016 (a 5-year total change of 27.8%). With a rate of 5.2% annually, the Pendleton-Hermiston market is within the top 30% of its peer markets. The gross county product is similar to the gross domestic product (GDP), which is used at the national level to measure the value of all goods and services produced within an entity. The gross county product is measured and projected at the county level by Moody’s Analytics.





VI. FINDINGS

PBBI analyzed the city of Hermiston to determine the amount of retail space that is supportable, the most appropriate retail types to occupy this space, and the most suitable retail nameplates to be targeted for recruitment. This section details the results of that analysis.

Total Supportable Retail (Retail Gap Analysis)

The Hermiston trade areas can currently support an estimated 88,500 square feet of new retail development. In 5 years (by 2016), this number is projected to increase to 104,750 square feet. PBBI generated the following square-footage supportability estimates, listed by retail category, for 2011 and 2016.

Retail Category	Supportable Square Footage	
	2011	2016
Full-Service Restaurant	5,800	6,400
Quick-Service Restaurant	1,500	1,750
Total Restaurant	7,300	8,150
Jewelry/Luggage	2,500	2,900
Children's Clothing	3,300	3,800
Family Clothing	11,500	13,000
Total Apparel/Accessories	17,300	19,700
Beer, Wine, and Liquor	1,500	1,750
Grocery	12,000	13,000
Pharmacies and Drugs	14,000	16,000
Total Food/Convenience Related	27,500	30,750
Appliance and Electronics	8,200	13,000
Book, Periodical, and Music	5,800	7,200
Computer	1,500	2,000
Furniture	3,400	4,000
Hobby, Toys and Games	6,500	7,050
Home Furnishings	3,000	3,400
Pet	5,000	5,500
Sporting Goods	3,000	4,000
Total Other Retail	36,400	46,150
Total	88,500	104,750

The “supportable square footage” estimates represent the total unmet demand in the trade areas for each retail category and not necessarily the ideal square footage for a single proposed retail development. The supportable square footage for many of the retail categories may not justify new construction; retail categories that can support 1,000 to 5,000 square feet of retail space may be better served with an in-fill deployment in existing strip centers or in the downtown area.



Retailer Matches

Using criteria described more fully in *Section VII, Methodology*, PBBI identified appropriate retailer nameplate matches for Hermiston's available supportable square footage. Generally, an ideal retail nameplate would:

- Have an appropriate trade-area draw
- Comprise a customer mix whose demographic and psychographic characteristics are similar to those of the trade areas
- Have a deployment pattern that regularly deploys units
 - in similar locations (in this case, smaller communities in the U.S. northwest with interstate accessibility and a relatively expansive trade-area draw)
 - with similar store spacing (i.e., the distance between stores in the same chain)
 - with similar accessibility and visibility characteristics to those available in Hermiston
- Be considering expansion within this market

PBBI employed its knowledge of and experience with the real-estate and market-research departments of a variety of retail and restaurant chains to compile these recommendations for the most suitable retail nameplates. Some retail categories could be filled by a recommended national retailer; others are better filled by local entrepreneurs and operators, either because the supportable space is too limited for a national chain or because an appropriate retail nameplate is already present in the marketplace. There are also retail categories whose supportable retail space is so limited that the appropriate deployment option may be the expansion of an existing retailer.

The following pages highlight supportable retail categories. Information on supportable new square footage, the recommended retail nameplate match(es), the nearest location of this retail nameplate, and existing competition in the market are provided. If no retail nameplates are recommended, the table will show that "A local operator would work best in this category." A general recommendation will be provided, giving a rationale for the operator recommendation. When appropriate, PBBI has provided general comments regarding the results of this update in comparison to those from the previous analysis.

The following list of supportable retailers is not exhaustive. PBBI endeavors to provide a comprehensive screening of possible retail nameplates; however, there may be times when specific retail nameplates are not provided but would still be viable for recruitment and deployment.



FULL-SERVICE RESTAURANT	
Supportable Square Footage	5,800 – 6,400
Recommended Retail Chain	Applebee’s, Country Kitchen, IHOP, Sizzler
Nearest Location of Recommended Retailer	Applebee’s (Kennewick, WA), Country Kitchen (Ontario, OR), IHOP (Kennewick, WA), Sizzler (Ontario, OR)
Existing Competition	Fuddruckers, Denny’s, and Shari’s (national chains); Hales Tavern and Nookies (local establishments)
Recommendation	Our analysis indicated that there is sufficient demand for a moderately-priced sit-down restaurant. PBBI noted that this demand existed in our previous analysis, and although Fuddruckers has entered the market, potential remains for an additional establishment like Applebee’s, especially because the community has grown. We also noted that this demand could be filled by a “diner”-style restaurant, like Country Kitchen or IHOP.

QUICK-SERVICE RESTAURANT	
Supportable Square Footage	1,500 – 1,750
Recommended Retail Chain	Wendy’s, Arby’s
Nearest Location of Recommended Retailer	Wendy’s (Pendleton, OR), Arby’s (Kennewick, WA)
Existing Competition	McDonald’s, Burger King, Taco Bell, Jack In The Box, Dairy Queen, KFC, Quizno’s, Subway
Recommendation	PBBI understands that most communities are not considering quick-service or fast-food restaurant additions to their retail base and that several chains are already represented in Hermiston; however, we found that quick-service/fast-food restaurant potential still exists. Wendy’s is a national nameplate that is not represented in Hermiston (there is one in Pendleton); a Wendy’s unit would be ideal, followed by an Arby’s unit.



JEWELRY/LUGGAGE	
Supportable Square Footage	2,500 – 2,900
Recommended Retail Chain	Harry Ritchie's Jewelers
Nearest Location of Recommended Retailer	College Place, WA
Existing Competition	IJ Gems
Recommendation	The recommend jeweler, Harry Ritchie's Jewelers, is a traditionally mall based operator, and therefore maybe a challenging fit for Hermiston. This Eugene, Oregon-based retailer has several deployments in smaller markets throughout the state and would be the most ideal chain-retail candidate.

CHILDREN'S CLOTHING STORE	
Supportable Square Footage	3,300 – 3,800
Recommended Retail Chain	Once Upon A Child
Nearest Location of Recommended Retailer	Salem, OR
Existing Competition	Walmart, Bealls
Recommendation	Once Upon A Child is a national franchise operator. They traditionally deploy in mid-sized and large markets (population of 200,000+). As a result of Hermiston's size, this may be a challenging candidate to recruit, but because they offer franchise opportunities, they may be ideal for a local entrepreneur.

FAMILY CLOTHING STORE	
Supportable Square Footage	11,500 – 13,000
Recommended Retail Chain	Old Navy
Nearest Location of Recommended Retailer	Kennewick, WA
Existing Competition	Bealls, Murices, Rue 21, and Walmart (national chains); Roe Mark's Mens and Western Wear and Andee's Boutique (local operators)
Recommendation	Old Navy is the best candidate to fit this category because they sell comparatively expensive clothing for all ages (with special emphasis on youths). With the sales-tax differential, families wishing to make large shopping trips for back-to-schools sales may find it worth the drive from the Tri-Cities. Old Navy has only a few small-market deployments (e.g., Kearney, NE; Wenatchee, WA) and no deployments in a market as small as Hermiston, so Old Navy recruitment will be challenging.



BEER, WINE, AND LIQUOR	
Supportable Square Footage	1,500 – 1,750
Recommended Retail Chain	A local operator would work best in this category.
Nearest Location of Recommended Retailer	N/A
Existing Competition	Safeway, Fiesta Foods, Mercado Los Gavilanes, local convenience stores, local restaurants
Recommendation	There were no national operators that matched the criteria for this category. Ideally, this demand would be filled by a wine-and-spirits store opening in a center like the 395 Plaza.

GROCERY	
Supportable Square Footage	12,000 – 13,000
Recommended Retail Chain	An existing operator would work best in this category.
Nearest Location of Recommended Retailer	N/A
Existing Competition	Safeway, Fiesta Foods, Mercado Los Gavilanes
Recommendation	The supportable space within this category does not justify a new traditional grocery operator. A specialty grocer (e.g., bulk foods, local farming/organics) could fill this category. A specialty grocery store may be able to be combined with the supportable beer, wine, and liquor store.

PHARMACIES AND DRUG	
Supportable Square Footage	14,000 – 16,000
Recommended Retail Chain	Walgreen's
Nearest Location of Recommended Retailer	Kennewick, WA
Existing Competition	Rite Aid, Hermiston Drug, Walmart, Bi-Mart, Safeway
Recommendation	As with our original analysis, PBBI maintains that Walgreens is an ideal candidate. Walgreens currently operates in smaller communities like The Dalles, OR; Hood River, OR; and Scottsbluff, NE; and Hermiston is a larger market than any of them. The primary challenge for Hermiston is that Walgreens has recently scaled back their real-estate expansion program.



APPLIANCE AND ELECTRONICS	
Supportable Square Footage	8,200 – 13,000
Recommended Retail Chain	Batteries Plus
Nearest Location of Recommended Retailer	Kennewick, WA
Existing Competition	RadioShack, Aaron Rents, Rent-A-Center, Walmart
Recommendation	Batteries Plus is a national franchise operator. They traditionally deploy in mid-sized markets (population of 200,000+), but they do operate in some smaller communities, like Coeur D' Alene, ID and Washington, UT. As a result of Hermiston's size, this may be a challenging candidate to recruit, but because they offer franchise opportunities, they may be ideal for a local entrepreneur.

BOOK, PERIODICAL, AND MUSIC	
Supportable Square Footage	5,800 – 7,300
Recommended Retail Chain	Hastings, The Book Rack
Nearest Location of Recommended Retailer	Hastings (Kennewick, WA), The Book Rack (Oak Harbor, WA)
Existing Competition	Branch and Wonders Bookstore
Recommendation	Hastings, a corporate-owned operator, currently operates in smaller markets throughout the northwest, including in Rock Springs, WY; Montrose, CO; and Gillette, WY. Alternatively, The Book Rack is a franchise operator. As a franchise operator, The Book Rack may be ideal candidate for a local entrepreneur.

COMPUTER	
Supportable Square Footage	1,500 – 2,000
Recommended Retail Chain	A local operator would work best in this category.
Nearest Location of Recommended Retailer	N/A
Existing Competition	P4 & More Computers, Pro-Tech Computers
Recommendation	There are no national chains that operate units in markets of Hermiston's size; therefore, the retail space in this category would best be filled by a local operator. Alternatively, this demand could be filled through the expansion of one of the existing computer stores.



FURNITURE	
Supportable Square Footage	3,400 – 4,000
Recommended Retail Chain	A local operator expansion would work best in this category.
Nearest Location of Recommended Retailer	N/A
Existing Competition	Wilcox Furniture
Recommendation	There are no national chains that operate units in markets of Hermiston's size at the current supportability level; therefore, this category would best be filled by an expansion of a local operator.

HOBBY, TOYS, AND GAMES	
Supportable Square Footage	6,500 – 7,050
Recommended Retail Chain	GameStop
Nearest Location of Recommended Retailer	Pendleton, OR
Existing Competition	Walmart
Recommendation	GameStop is a rapidly expanding video-game chain. They operate in many smaller communities, including in nearby Pendleton, and in communities that are half Hermiston's size, like Island City, OR (outside La Grande). This operator is ideal for catering to Hermiston's large youth population.

HOME FURNISHINGS	
Supportable Square Footage	3,000 – 3,400
Recommended Retail Chain	A local operator would work best in this category.
Nearest Location of Recommended Retailer	N/A
Existing Competition	No direct competition; indirect competition includes Walmart, Bi-Mart, Big Lots, The Home Depot
Recommendation	There are no national chains that operate units in markets of Hermiston's size at the current supportability level; therefore, this category would best be filled by a local operator or through the expansion of a furniture store.



PET	
Supportable Square Footage	5,000 – 5,500
Recommended Retail Chain	Mini Pet Mart
Nearest Location of Recommended Retailer	North Bend, OR
Existing Competition	Dyer's Pet Store
Recommendation	Mini Pet Mart is a regional chain that is based in Eugene, Oregon and that has several units in small markets throughout the state. Although the square-footage supportability in this category has increased since our previous analysis, the space is still best filled by a smaller operator. With only one direct competitor, Mini Pet Mart is an ideal match.

SPORTING GOODS	
Supportable Square Footage	3,000 – 4,000
Recommended Retail Chain	Play-It-Again Sports
Nearest Location of Recommended Retailer	Salem, OR
Existing Competition	Big 5 Sporting Goods, Scott's Cycle and Sports
Recommendation	<p>In our previous analysis, we recommended that Hermiston recruit a sports store like Big 5 Sporting Goods. PBBI is very pleased with Hermiston's success in recruiting this retailer. During this update, PBBI found that, even with the addition Big 5 Sporting Goods, there is still unmet potential.</p> <p>Play-It-Again Sports is a national franchise operator. They traditionally deploy in mid-sized and large markets (population of 200,000+). Though Hermiston is smaller than their typical markets, PBBI believes that this operator may be a good candidate for recruitment. Additionally, because they are a franchise operator, they may be ideal for a local entrepreneur.</p>



GENERAL MERCHANDISE	
Recommended Retail Chain	Fred Meyer
Nearest Location of Recommended Retailer	Kennewick, WA
Existing Competition	Walmart, Bi-Mart, Big Lots, Goodwill
Recommendation	Because of Hermiston’s unique ability to attract customers as a result of the sales-tax differential and its interstate accessibility, Hermiston should be a good candidate for a small-market expansion of Fred Meyer. Fred Meyer has proven that it can operate in small markets (The Dalles, OR; Tillamock, OR; Florence, OR; and Ellenburg, WA), and even in a market shared by Walmart (Coos Bay, OR), but the Walmart units in Hermiston and Pendleton will present a strong competitive challenge. Although there is no supportable-square-footage estimate listed for general merchandise, Fred Meyer’s product offerings cover several supportable retail categories; therefore, if Fred Meyer were to deploy Hermiston, it would fill many of the retail gaps listed above.

Deployment Locations within Hermiston

In general, most national retailers will want to locate new units on either the northern end of U.S. Highway 395, proximate to the Walmart and The Home Depot, or on the southern end of U.S. Highway 395, near Hermiston Plaza. In the opinion of PBBI, this current north/south clustering works well for Hermiston retailers. Having two pockets of retail concentration creates retail synergy and enables Hermiston to appear to have a significant retail presence. If the retail were scattered throughout the city, the average consumer (and potential retailers evaluating possible deployments) would perceive the city’s offerings as limited.

During meetings with Hermiston officials, there was discussion regarding the deployment of retail further south along U.S. 395, proximate to the Best Western and Denny’s. Only the deployment of a large, anchor retailer like Fred Meyer would make this area truly viable for retail development. (A Fred Meyer unit could create the retail synergy necessary to attract other retailers.) It is more likely, however, that future retailers will want to deploy near the Walmart because that area benefits from Walmart’s synergy, is proximate to the newer residential housing near Pumpkin Center Road, and is in the position to intercept customers who are entering Hermiston from Umatilla, Irrigon, and the Tri-Cities region.

Retail Deployment Factors

There are myriad factors that retailers or retail developers (independent or national) consider when choosing to deploy a new store or retail center – location characteristics, real-estate availability and cost, competitive positioning, and chain-expansion planning, to list a few. There are several positive and negative factors associated with Hermiston that retailers will weigh when considering deployment, some of which the city can control, others that it cannot.

Upon completing quantitative and qualitative assessments, PBBI determined the top five factors that



most retailers/retail chains would consider when evaluating a deployment opportunity in Hermiston. These factors influence financial performance, which is ultimately every retailer's primary concern. In order of importance, they are:

1. Trade-area demographic and psychographic composition (e.g., population size)
2. Existing competition within the market
3. Regional accessibility
4. Retail synergy
5. Sales-tax differential

The order of importance of items 3, 4, and 5 may change according to the needs of the retailer. For example, a retailer that sells primarily big-ticket items may find that the benefit of locating in Hermiston (which has no sales tax) may be more important than its interstate accessibility connecting Hermiston to the Tri-Cities. For a retailer that sells small-ticket items or everyday staple goods, retail synergy might be the strongest factor.

Concluding Comments

Hermiston continues to support retail development, especially by national nameplates. Hermiston has several positive attributes contributing to its retail potential: its stronger economic position (compared to other smaller markets across the northwest), its population and household growth rate, its proximity to two interstate highways, its access to a large market, the Oregon-Washington sales tax differential, and its recent successes in attracting national retailers. Effective retail recruitment is a long-term process; in most cases, the time it takes from a retailer being contacted and becoming interested in the community as a deployment opportunity to a store being opened can be several years. And though retailers are recovering from our nation's deep recession, many remain cautious of retail expansion, especially in higher-risk small markets.

Because past performance is often the best predictor of future performance, Hermiston is in a great place to see growth and success. Hermiston should continue to tout its growing population and employment and its recent retail openings in its retailer-recruitment materials to show how Hermiston works for retail and how the city is a great place in which to live, shop, and dine.



VII. METHODOLOGY

In February 2011, the City of Hermiston commissioned PBBI to update the retail market analysis that was conducted in July 2006 (under the MapInfo name). In this update, the city's retail potential was reevaluated. PBBI assessed the city and its surrounding communities in order to determine what, if any, new retail development would be sustainable in Hermiston. PBBI determined the most appropriate retail nameplate candidates (or provided a recommendation on the type of independent operator to be recruited), and provided general observations and recommendations. The results of this analysis are based on the following assumptions:

- Housing and population growth will occur as projected herein.
- No new retail or commercial development beyond that which is specified in this report will occur.
- General macroeconomic conditions will either remain unchanged or will improve over the 5-year time period.

PBBI evaluated several retail categories in this market analysis; service categories (e.g., banks, financial planners, drycleaners), hotels and motels, automobile dealerships, and entertainment venues (e.g., movie theater, bowling alley) were not included in the scope of this project.

Field Evaluation

The first component of the retail assessment was a detailed field evaluation of the marketplace by collecting current information and updating the retail inventory created in 2006. Furthermore, this field evaluation was used to validate the retail supply and demand dataset, purchased from Claritas (which was used in the retail gap analysis). The assessment of the marketplace consisted of driving major and minor roadways in Hermiston and major roadways in the surrounding communities to visually evaluate nodes of retail activity, the quality of retail offerings, and traffic trends and patterns, as well as to determine (in part) the appropriate trade-area extents.

Trade Area

Using documentation from the 2006 analysis and information garnered during the March 2011 field evaluation, PBBI developed retail trade areas. Two trade areas were ultimately developed for Hermiston. The initial customized trade areas were then altered to reflect the boundaries of the underlying block-groups. These trade areas were compared to those trade areas created for the 2006 analysis. Trade-area definitions were created in consideration of local accessibility patterns and the market's competitive retail nodes. PBBI also used its resources from outside engagements to validate trade-area extents.

Retail Gap Analysis

Population counts and demographic characteristics were collected by block-group and were updated based *Census 2011* data (released by the U.S. Census Bureau in February 2011), supplemented with PBBI demographic and psychographic estimates and projections. PBBI obtained Claritas' 2010 Retail Market Power™ dataset (which provides retail supply-and-demand estimates) and validated the data therein with field-observation inventories.



Based on the calculated retail supply-and-demand estimates, PBBI developed a quantitative assessment of retail potential. Retail potential refers to the total dollar amount that is expected to be available for a retail category (e.g., furniture, women’s clothing, books), as published by the U.S. Census Bureau and supplemented by data from Claritas. Existing sales figures from a variety of retail categories, converted into square footage, were analyzed against each category’s retail demand potential to determine the retail categories that are underrepresented. This analysis resulted in two retail-demand-potential forecasts: a current-year (2010) forecast and a 5-year (2015) forecast. The supply potential, which did not include a 2015 projection, was grown out to 2015 at the same rate as demand growth. Using PBBI demographic data, the 2010 and 2015 remaining demand potential projections were grown out to 2011 and 2016 projections.

For any given retail category, retail expenditure potential will not increase as more competitors are introduced into a market; rather, the market share for each category will be redistributed. Retail expenditure potential increases as population and household income levels grow. By calculating the proportion of the area’s retail expenditure potential that is already accounted for by existing retail, the retail categories that have sufficient potential remaining can be determined. This methodology assumes no “over-storing” in a market – in other words, each retail category will approach the limit of its expenditure potential but will not go beyond it.

When calculating trade-area retail-expenditure potential, it is assumed that there will be some sales that originate from beyond the trade-area boundaries. The amount of the sales generated from beyond the trade area will vary between retail categories and is dependent on the drawing power of the retailer. Additionally, credit was given to those categories whose retail draw would be enhanced by the sales-tax differential between Oregon and Washington. Neighborhood- and convenience-based retail will have a greater proportion of their sales coming from within the trade area than will a larger-format operator that is capable of drawing customers from farther away. Ultimately, the retail potential of any category is dependent on how much of the overall sales potential an operator within the city could be expected to capture, which, in turn, is dependent on overall amount of supply within the trade area. The difference between the retail supply and retail potential is the retail gap – the trade area’s remaining potential for sustainable new retail development.

The final step of this retail market analysis was the determination of retail nameplates that are suitable candidates for consideration and recruitment by the City of Hermiston. PBBI screened appropriate retailers using an internal chain-retailer database and available online information. The retail database was filtered by retail category and location. Retail nameplates that were selected had (a) prototypical deployment sizes (as listed in the *Retail Tenant Directory*) that fit within the supportable square footage, and (b) current locations in/plans to expand to the region (as described in the *Retail Tenant Directory*; the region in this case was defined as all of Oregon). Candidate retailers were then mapped and high-level profile defining demographic, location, and competition characteristics was developed for each mapped unit. This profile was compared a similar high-level profile of Hermiston and showed how a potential site in Hermiston would compare to those in other markets in which the retail nameplate already operates. This allowed PBBI to control for population size and density, regional accessibility, general competitive intensity, and geographic location. By visualizing their existing locations PBBI qualitatively analyzed store spacing and anticipated cannibalization levels. Nameplates whose deployments appeared to produce unacceptable sister-store sales-cannibalization levels were removed from the list. As a final screening method, PBBI reviewed any identified retailers about which it had firsthand knowledge of their sales and operations in the context of a Hermiston deployment.

Appendix A

Supportable Square-Footage Table

Appendix A

Hermiston, Oregon Retail Gap Analysis

2011 and 2016 Total Supportable Square Feet and Unmet Expenditure Potential

	Supportable Square Feet		Estimated Sales per Square Foot	Unmet Expenditure Potential	
	2011	2016		2011	2016
Full-Service Restaurant	5,800	6,400	\$450	\$2,610,000	\$2,880,000
Quick-Service Restaurant	1,500	1,750	\$300	\$450,000	\$525,000
Total Restaurant	7,300	8,150		\$3,060,000	\$3,405,000
Jewelry/Luggage	2,500	2,900	\$325	\$812,500	\$942,500
Children's Clothing	3,300	3,800	\$255	\$841,500	\$969,000
Family Clothing	11,500	13,000	\$280	\$3,220,000	\$3,640,000
Total Apparel/Accessories	17,300	19,700		\$4,874,000	\$5,551,500
Beer, Wine, and Liquor	1,500	1,750	\$535	\$802,500	\$936,250
Grocery	12,000	13,000	\$390	\$4,680,000	\$5,070,000
Pharmacies and Drugs	14,000	16,000	\$455	\$6,370,000	\$7,280,000
Total Food/Convenience Related	27,500	30,750		\$11,852,500	\$13,286,250
Appliance and Electronics	8,200	13,000	\$295	\$2,419,000	\$3,835,000
Book, Periodical, and Music	5,800	7,200	\$225	\$1,305,000	\$1,620,000
Computer	1,500	2,000	\$480	\$720,000	\$960,000
Furniture	3,400	4,000	\$265	\$901,000	\$1,060,000
Hobby, Toys and Games	6,500	7,050	\$285	\$1,852,500	\$2,009,250
Home Furnishings	3,000	3,400	\$170	\$510,000	\$578,000
Pet	5,000	5,500	\$195	\$975,000	\$1,072,500
Sporting Goods	3,000	4,000	\$175	\$525,000	\$700,000
Total Other Retail	36,400	46,150		\$9,207,500	\$11,834,750
Total	88,500	104,750		\$48,780,500	\$56,320,250

Appendix B

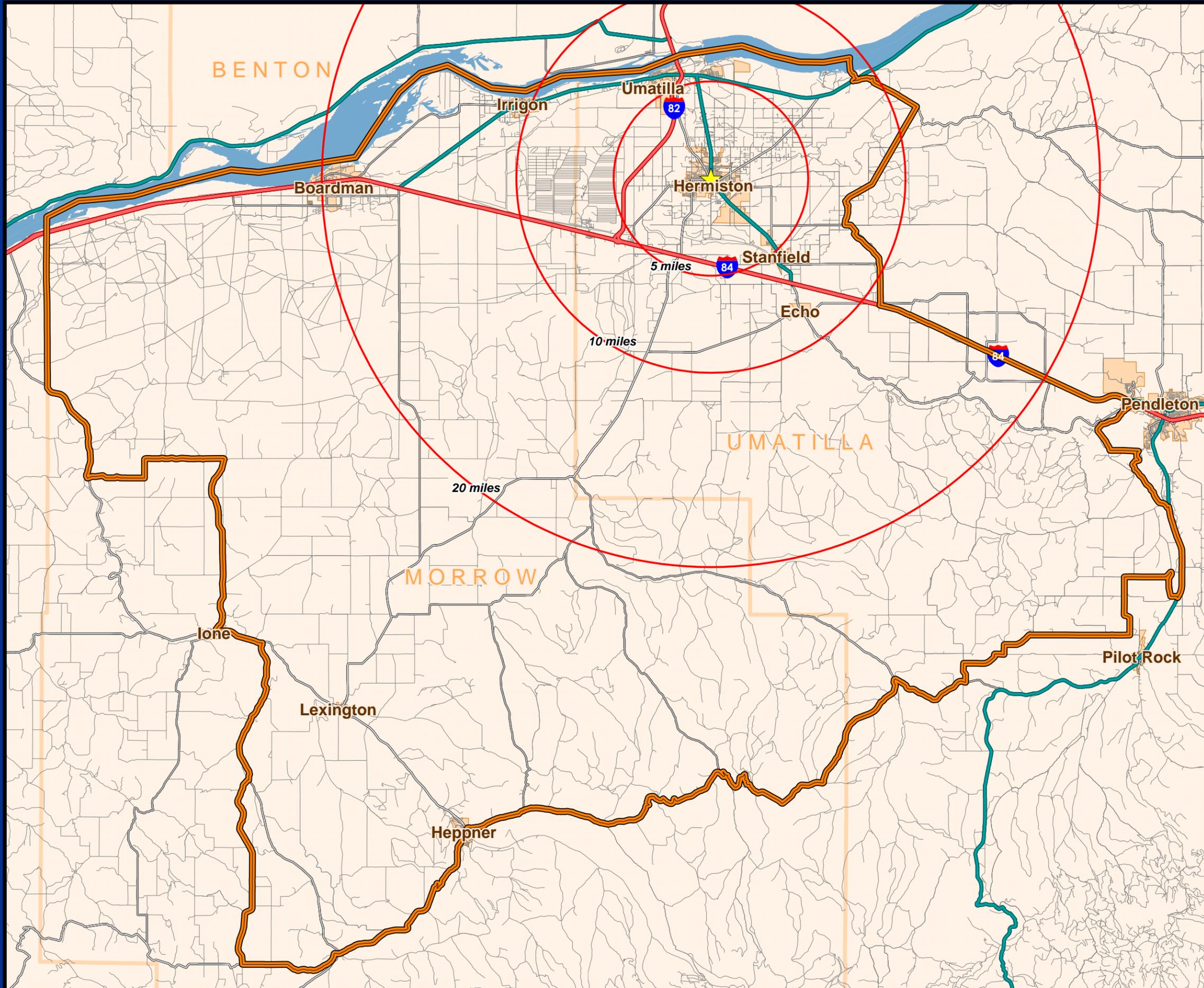
Local Trade Area (LTA) Maps

Appendix B



City of Hermiston
Local Trade Area

- ★ City of Hermiston
- Highway/Roads**
 - Limited Access
 - Highway
 - Major Road
 - Minor Road
- Areas**
 - Airport
 - Water
 - Municipal Area
 - Park/Recreation
 - Distance Rings
- Boundaries**
 - ▭ Local Trade Area Outline
 - ▭ County Boundary



Scale: 1 inch = 5.0 miles
Date Created: May 2011
PB #7951

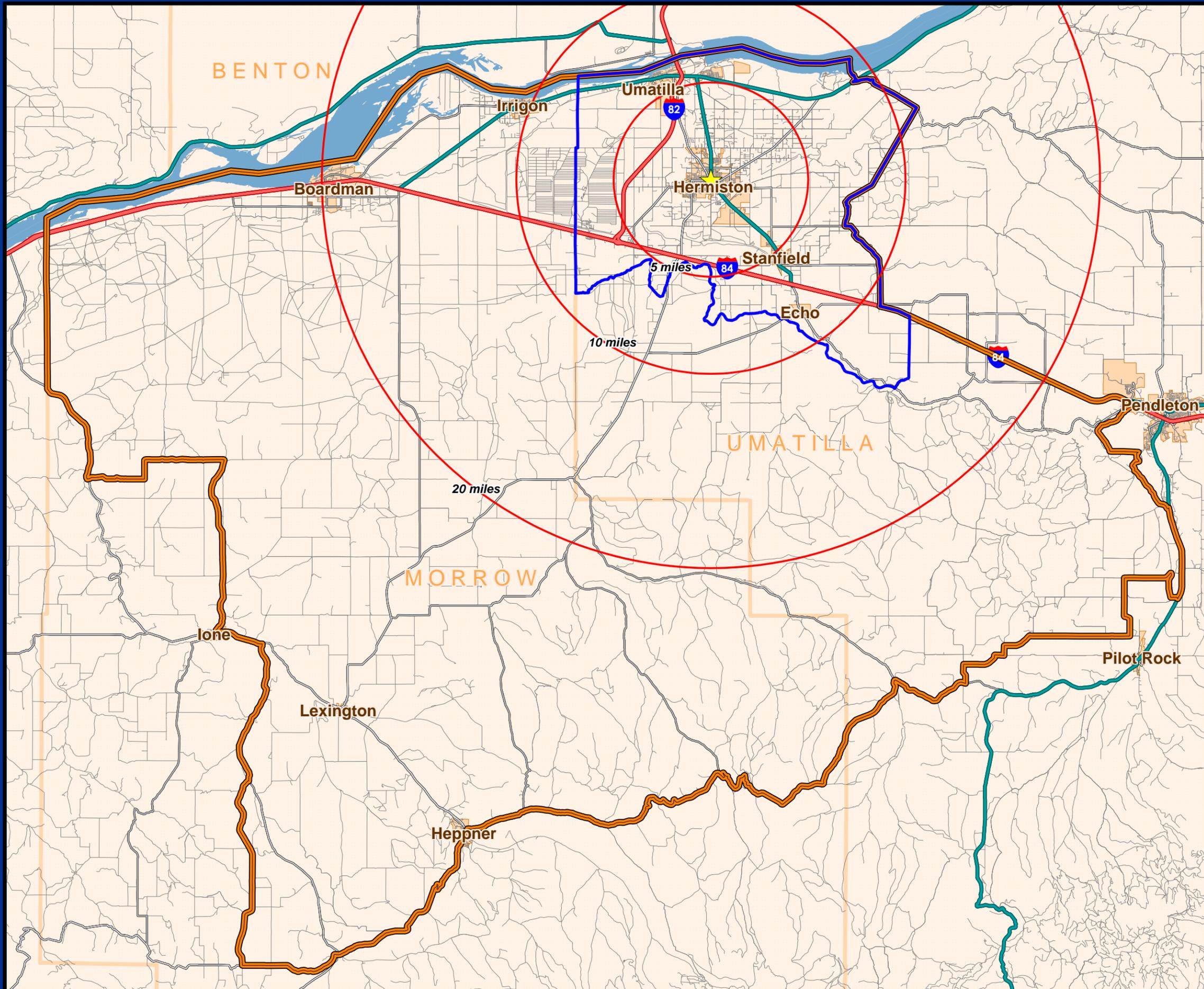


Appendix B



City of Hermiston
Local Trade Area
with Core Market

- ★ City of Hermiston
- Highway/Roads**
 - Limited Access
 - Highway
 - Major Road
 - Minor Road
- Areas**
 - Airport
 - Water
 - Municipal Area
 - Park/Recreation
 - Distance Rings
- Boundaries**
 - ▭ Local Trade Area Outline
 - ▭ Core Market
 - ▭ County Boundary



Scale: 1 inch = 5.0 miles
Date Created: May 2011
PB #7951



Appendix C

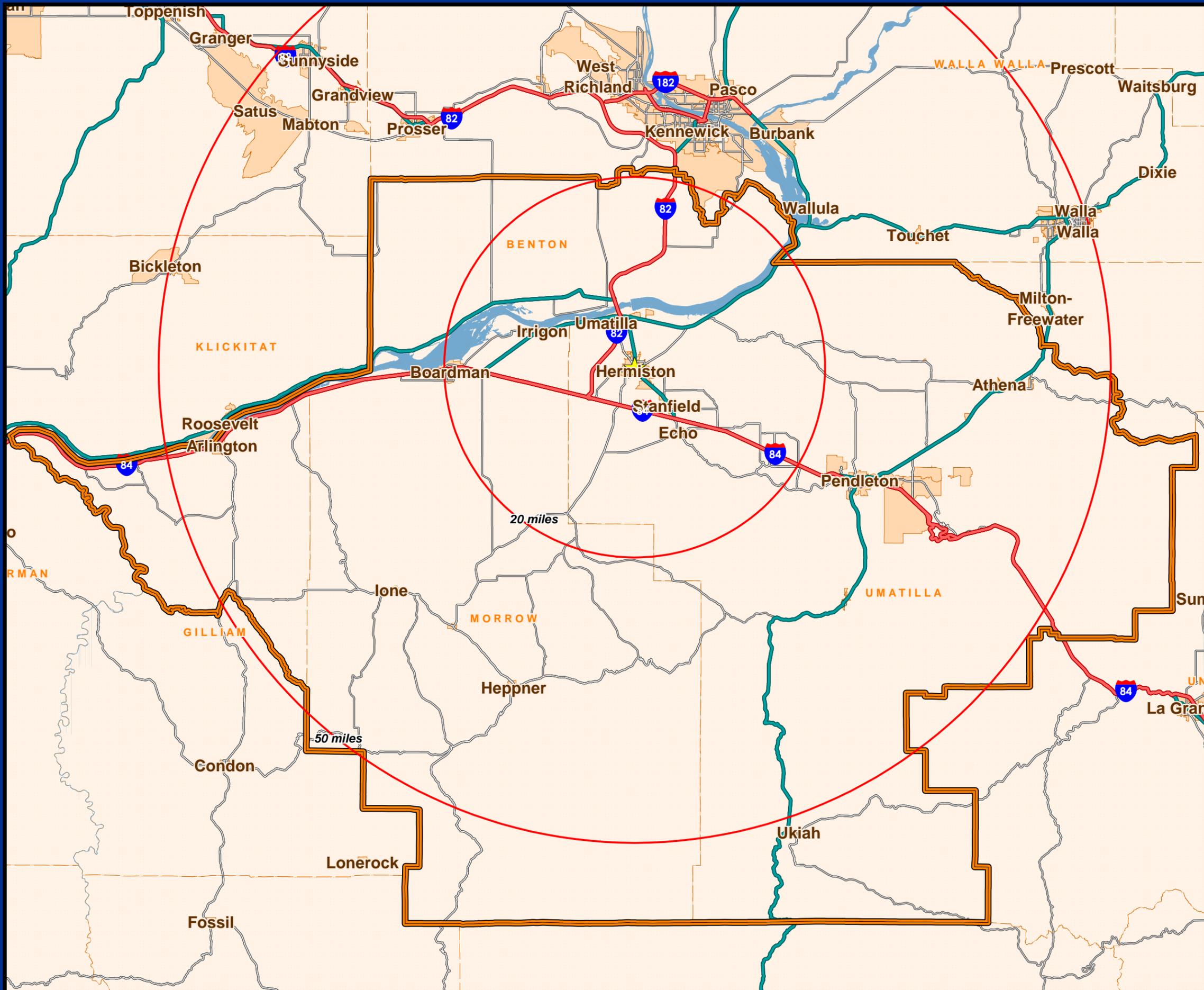
Regional Trade Area (RTA) Maps

Appendix C



City of Hermiston Regional Trade Area

- ★ City of Hermiston
- Highway/Roads
 - Limited Access
 - Highway
 - Major Road
 - Minor Road
- Areas
 - Airport
 - Water
 - Municipal Area
 - Park/Recreation
 - Distance Rings
- Boundaries
 - ▭ Regional Trade Area Outline
 - ▭ County Boundary



Scale: 1 inch = 10.2 miles
Date Created: May 2011
PB #7951



Appendix C



**City of Hermiston
Regional Trade Area
with Core and Extended Market**

★ City of Hermiston

Highway/Roads

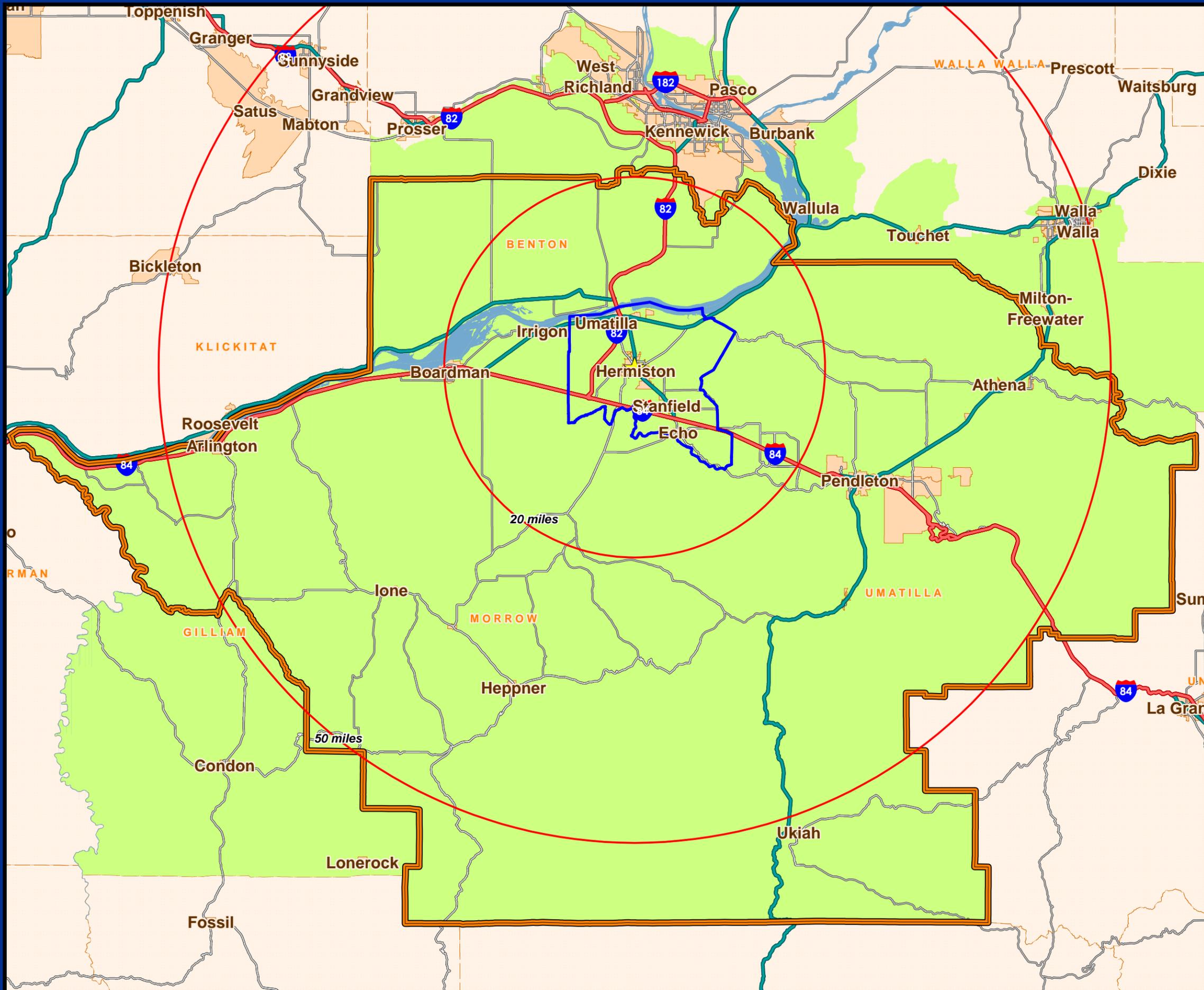
- Limited Access
- Highway
- Major Road
- Minor Road

Areas

- Airport
- Water
- Municipal Area
- Park/Recreation
- Distance Rings

Boundaries

- Regional Trade Area Outline
- Core Market
- Extended Market
- County Boundary



Scale: 1 inch = 10.2 miles
Date Created: May 2011
PB #7951



Appendix D

Demographic and Socioeconomic Characteristics Reports

Appendix D
Summary Demographic Benchmark Report (%)
Local Trade Area

Demographic	2000	2010	2015
Total Population*	40,963	46,678	49,853
% Group Quarters Population	1.5%	1.3%	1.3%
% 2000 Population in Family Households	86.4%	--	--
% 2000 Population in Non-Family Households	11.4%	--	--
Total Households*	14,133	16,740	18,160
% Households 1 Person	20.7%	22.6%	22.5%
% Households 2 Persons	33.0%	36.0%	36.2%
% Households 3 Persons	16.5%	16.0%	16.5%
% Households 4 Persons	14.5%	14.8%	15.3%
% Households 5 Persons	8.3%	5.9%	6.0%
% Households 6 Persons	4.0%	2.9%	2.3%
% Households 7+ Persons	3.0%	1.8%	1.2%
Race and Ethnicity			
% White Population Alone	77.8%	80.8%	78.8%
% Black Population Alone	0.7%	0.9%	0.9%
% American Indian/Alaska Native Alone	1.1%	1.3%	1.3%
% Asian/Hawaiian/Pacific Islander	0.9%	1.1%	1.1%
% Other Population (Including 2+ Races)	19.5%	15.9%	17.9%
% Hispanic Population	24.4%	28.4%	32.2%
% Non-Hispanic Population	75.6%	71.6%	67.8%
Population by Age			
% Age 0-5	10.2%	10.6%	10.7%
% Age 6-13	13.2%	14.0%	14.4%
% Age 14-17	6.5%	6.2%	5.6%
% Age 18-20	4.5%	4.2%	4.1%
% Age 21-24	5.4%	5.9%	5.9%
% Age 25-29	7.1%	7.3%	7.3%
% Age 30-34	6.5%	6.8%	7.2%
% Age 35-39	7.2%	6.7%	6.7%
% Age 40-44	7.5%	7.0%	6.6%
% Age 45-49	7.3%	6.8%	6.1%
% Age 50-54	5.9%	6.0%	5.8%
% Age 55-59	4.7%	5.1%	5.4%
% Age 60-64	3.7%	3.8%	4.1%
% Age 65-69	3.0%	2.9%	3.5%
% Age 70-74	2.6%	2.3%	2.6%
% Age 75-79	2.1%	1.9%	1.9%
% Age 80-84	1.5%	1.3%	1.2%
% Age 85+	1.1%	1.1%	1.1%
Median Age Total Population	31.4	30.4	30.4
Median Age Adult Population	41.9	41.7	41.7

Appendix D
Summary Demographic Benchmark Report (%)
Local Trade Area

Demographic	2000	2010	2015
Male Population By Age			
% Male Age 0-17	29.8%	--	--
% Male Age 19-44	39.3%	--	--
% Male Age 45-64	21.9%	--	--
% Male Age 65-84	8.3%	--	--
% Male Age 85+	0.7%	--	--
Median Age Male Population	30.8	--	--
Median Age Adult Male Population	41.2	--	--
Female Population By Age			
% Female Age 0-17	30.1%	--	--
% Female Age 18-44	36.9%	--	--
% Female Age 45-64	21.2%	--	--
% Female Age 65-84	10.2%	--	--
% Female Age 85+	1.5%	--	--
Median Age Female Population	32.0	--	--
Median Age Adult Female Population	42.7	--	--
Housing			
% Occupied Housing Units*	92.4%	92.3%	--
% Vacant Housing Units*	7.6%	7.7%	--
% Owner-Occupied Housing Units	61.7%	--	--
% Renter-Occupied Housing Units	30.7%	--	--

Appendix D
Summary Demographic Benchmark Report (%)
Regional Trade Area

Demographic	2000	2010	2015
Total Population*	71,704	75,923	79,382
% Group Quarters Population	4.2%	5.1%	5.1%
% Population in Family Households	83.2%	--	--
% Population in Non-Family Households	12.5%	--	--
Total Households*	25,379	29,311	31,083
% Households 1 Person	22.8%	24.9%	24.8%
% Households 2 Persons	34.0%	36.3%	36.9%
% Households 3 Persons	15.9%	16.3%	16.6%
% Households 4 Persons	14.4%	14.2%	14.1%
% Households 5 Persons	7.4%	4.9%	4.9%
% Households 6 Persons	3.2%	2.1%	1.7%
% Households 7+ Persons	2.3%	1.4%	1.0%
Race and Ethnicity			
% White Population Alone	81.4%	82.9%	81.6%
% Black Population Alone	0.8%	1.0%	1.0%
% American Indian/Alaska Native Alone	3.5%	3.6%	3.5%
% Asian/Hawaiian/Pacific Islander	0.8%	1.0%	1.0%
% Other Population (Including 2+ Races)	13.5%	11.4%	12.9%
% Hispanic Population	16.4%	19.7%	22.8%
% Non-Hispanic Population	83.6%	80.3%	77.2%
Population by Age			
% Age 0-5	9.2%	9.7%	9.8%
% Age 6-13	12.6%	13.1%	13.5%
% Age 14-17	6.5%	6.2%	5.6%
% Age 18-20	4.3%	4.1%	4.1%
% Age 21-24	5.2%	5.8%	5.7%
% Age 25-29	6.7%	7.1%	7.1%
% Age 30-34	6.6%	6.8%	7.2%
% Age 35-39	7.5%	7.0%	6.9%
% Age 40-44	7.7%	7.3%	6.8%
% Age 45-49	7.5%	7.1%	6.3%
% Age 50-54	6.2%	6.3%	6.0%
% Age 55-59	4.8%	5.1%	5.4%
% Age 60-64	3.9%	4.1%	4.4%
% Age 65-69	3.2%	3.1%	3.7%
% Age 70-74	2.9%	2.5%	2.8%
% Age 75-79	2.4%	2.1%	2.1%
% Age 80-84	1.6%	1.5%	1.3%
% Age 85+	1.3%	1.3%	1.3%
Median Age Total Population	33.2	31.9	31.9
Median Age Adult Population	42.6	42.2	42.4

Appendix D
Summary Demographic Benchmark Report (%)
Regional Trade Area

Demographic	2000	2010	2015
Male Population by Age			
% Male Age 0-17	28.1%	--	--
% Male Age 19-44	39.5%	--	--
% Male Age 45-64	22.6%	--	--
% Male Age 65-84	9.0%	--	--
% Male Age 85+	0.8%	--	--
Median Age Male Population	32.5	--	--
Median Age Adult Male Population	41.7	--	--
Female Population by Age			
% Female Age 0-17	28.5%	--	--
% Female Age 18-44	36.4%	--	--
% Female Age 45-64	22.1%	--	--
% Female Age 65-84	11.2%	--	--
% Female Age 85+	1.8%	--	--
Median Age Female Population	34.0	--	--
Median Age Adult Female Population	43.6	--	--
Housing			
% Occupied Housing Units*	91.5%	90.3%	--
% Vacant Housing Units*	8.6%	9.7%	--
% Owner-Occupied Housing Units	59.9%	--	--
% Renter-Occupied Housing Units	31.5%	--	--

Appendix D
Socioeconomic Benchmark Report (%)
Local Trade Area

Demographic	2000	2010	2015
Population*	40,963	46,678	49,853
% Population Change 1990-2000	34.7%	--	--
% Population Change 2000-2010	--	14.0%	--
% Population Change 2010-2015	--	--	6.8%
Households*	14,133	16,740	18,160
% Households Change 1990-2000	27.2%	--	--
% Households Change 2000-2010	--	18.4%	--
% Households Change 2010-2015	--	--	8.5%
Average Household Size*	2.8	2.8	--
Families			
% Family Households	74.0%	--	--
% Non-Family Households	5.3%	--	--
% Population in Family Households	86.4%	--	--
% Population in Non-Family Households	11.4%	--	--
Income			
Per Capita Income	\$15,944	\$19,556	\$26,139
Average Household Income	\$46,135	\$52,819	\$69,504
Median Household Income	\$37,170	\$36,738	\$48,538
Aggregate Income (\$ Million)	\$653	\$870	\$1,241
Household Income			
% Household Income <\$10,000	8.1%	6.6%	3.8%
% Household Income \$10,000-\$14,999	7.0%	6.8%	3.9%
% Household Income \$15,000-\$19,999	8.3%	8.1%	4.6%
% Household Income \$20,000-\$24,999	7.7%	8.4%	4.6%
% Household Income \$25,000-\$29,999	7.9%	7.7%	5.5%
% Household Income \$30,000-\$34,999	8.0%	9.3%	7.5%
% Household Income \$35,000-\$39,999	7.0%	8.9%	7.6%
% Household Income \$40,000-\$44,999	6.2%	8.6%	7.6%
% Household Income \$45,000-\$49,999	5.7%	7.2%	7.0%
% Household Income \$50,000-\$59,999	10.6%	11.9%	15.6%
% Household Income \$60,000-\$74,999	9.2%	8.1%	16.2%
% Household Income \$75,000-\$99,999	8.5%	3.9%	10.7%
% Household Income \$100,000-\$124,999	2.8%	2.0%	2.6%
% Household Income \$125,000-\$149,999	1.2%	1.0%	1.2%
% Household Income \$150,000-\$199,999	0.7%	0.7%	0.7%
% Household Income \$200,000+	1.2%	0.9%	1.0%
Education			
Total Educational Attainment Age 25+	24,874	26,280	--
% No Schooling Completed	2.4%	2.4%	--
% Nursery School through 4th Grade	1.5%	1.9%	--
% 5th or 6th Grade	4.0%	3.6%	--
% 7th or 8th Grade	4.3%	3.6%	--
% 9th Grade	3.1%	3.0%	--

Appendix D
Socioeconomic Benchmark Report (%)
Local Trade Area

Demographic	2000	2010	2015
% 10th Grade	3.3%	2.9%	--
% 11th Grade	3.8%	3.3%	--
% 12th Grade, No Diploma	5.0%	2.9%	--
% High School Graduate (Includes Equivalency)	31.7%	33.1%	--
% Some College <1 Year	7.8%	7.3%	--
% Some College 1+ Years, No Degree	15.6%	16.2%	--
% Associate Degree	6.3%	7.9%	--
% Bachelor's Degree	7.2%	7.8%	--
% Master's Degree	2.6%	0.4%	--
% Doctorate Degree	0.7%	2.8%	--
% Professional School Degree	1.0%	1.1%	--
Marital Status			
Marital Status Age 15+	30,655	32,856	--
% Never Married	22.7%	29.3%	--
% Now Married	60.6%	53.3%	--
% Divorced	11.5%	15.1%	--
% Widowed	5.2%	2.3%	--
Household by Type			
% Family Households	74.0%	--	--
% Non-Family households	5.3%	--	--
% 1 Person Households	20.7%	--	--
% 2+ Person Households	79.3%	--	--
% Married Couple Family	57.4%	--	--
% Married Couple Family with Child <18	27.1%	--	--
% Married Couple Family with No Child <18	30.3%	--	--
Employment Status			
Population by Employment Status	30,067	--	--
% Employed Civilians	60.2%	--	--
% in Armed Forces	0.1%	--	--
% Not in Labor Force	34.3%	--	--
% Unemployed Civilians	5.4%	--	--
Employment by Occupation			
% White-Collar Occupations	43.0%	--	--
% Blue-Collar Occupations	57.0%	--	--
% Management/Professional/Related	21.5%	--	--
% Service Occupation	15.4%	--	--
% Sales/Office	21.6%	--	--
% Farming/Fishing/Forestry	4.9%	--	--
% Construction/Extraction/Maintenance	11.6%	--	--
% Production/Transportation/Material Moving	25.0%	--	--
Vehicles Available			
Total Vehicles	28,550	33,199	--
Average Vehicles per Household	2.0	2.0	--

Appendix D
Socioeconomic Benchmark Report (%)
Regional Trade Area

Demographic	2000	2010	2015
Population*	71,704	75,923	79,382
% Population Change 1990-2000	23.2%	--	--
% Population Change 2000-2010	--	5.9%	--
% Population Change 2010-2015	--	--	4.6%
Households*	25,379	29,311	31,083
% Households Change 1990-2000	18.5%	--	--
% Households Change 2000-2010	--	15.5%	--
% Households Change 2010-2015	--	--	6.0%
Average Household Size*	2.7	2.6	--
Families			
% Family Households	71.8%	--	--
% Non-Family Households	5.5%	--	--
% Population in Family Households	83.2%	--	--
% Population in Non-Family Households	12.5%	--	--
Income			
Per Capita Income	\$16,120	\$20,993	\$27,690
Average Household Income	\$45,434	\$55,569	\$72,268
Median Household Income	\$37,584	\$37,707	\$49,434
Aggregate Income (\$ Million)	\$1,156	\$1,590	\$2,192
Household Income			
% Household Income <\$10,000	8.8%	7.2%	4.4%
% Household Income \$10,000-\$14,999	7.0%	6.7%	3.9%
% Household Income \$15,000-\$19,999	7.4%	7.4%	4.2%
% Household Income \$20,000-\$24,999	7.4%	8.2%	4.8%
% Household Income \$25,000-\$29,999	8.2%	7.7%	5.6%
% Household Income \$30,000-\$34,999	7.6%	8.5%	7.0%
% Household Income \$35,000-\$39,999	7.0%	8.0%	7.1%
% Household Income \$40,000-\$44,999	6.8%	8.2%	7.3%
% Household Income \$45,000-\$49,999	5.5%	6.6%	6.6%
% Household Income \$50,000-\$59,999	10.5%	12.1%	14.6%
% Household Income \$60,000-\$74,999	10.0%	9.2%	15.5%
% Household Income \$75,000-\$99,999	8.4%	5.6%	12.7%
% Household Income \$100,000-\$124,999	2.7%	2.2%	3.5%
% Household Income \$125,000-\$149,999	1.1%	1.0%	1.5%
% Household Income \$150,000-\$199,999	0.7%	0.6%	0.6%
% Household Income \$200,000+	1.0%	0.9%	0.9%
Education			
Total Educational Attainment Age 25+	44,869	46,215	--
% No Schooling Completed	1.8%	1.8%	--
% Nursery School through 4th Grade	1.0%	1.2%	--
% 5th or 6th Grade	2.7%	2.5%	--
% 7th or 8th Grade	3.3%	2.8%	--
% 9th Grade	2.6%	2.5%	--

Appendix D
Socioeconomic Benchmark Report (%)
Regional Trade Area

Demographic	2000	2010	2015
% 10th Grade	3.1%	2.7%	--
% 11th Grade	3.6%	3.1%	--
% 12th Grade, No Diploma	4.2%	2.4%	--
% High School Graduate (Includes Equivalency)	30.3%	31.8%	--
% Some College <1 Year	8.4%	7.8%	--
% Some College 1+ Years, No Degree	16.2%	16.6%	--
% Associate Degree	7.6%	9.3%	--
% Bachelor's Degree	9.2%	9.6%	--
% Master's Degree	3.7%	0.7%	--
% Doctorate Degree	1.3%	3.9%	--
% Professional School Degree	1.2%	1.3%	--
Marital Status			
Marital Status Age 15+	54,907	57,278	--
% Never Married	22.1%	27.3%	--
% Now Married	61.0%	56.3%	--
% Divorced	11.6%	14.2%	--
% Widowed	5.4%	2.3%	--
Household by Type			
% Family Households	71.8%	--	--
% Non-Family households	5.5%	--	--
% 1 Person Households	22.8%	--	--
% 2+ Person Households	77.2%	--	--
% Married Couple Family	56.0%	--	--
% Married Couple Family with Child <18	25.6%	--	--
% Married Couple Family with No Child <18	30.5%	--	--
Employment Status			
Population by Employment Status	53,727	--	--
% Employed Civilians	58.8%	--	--
% in Armed Forces	0.1%	--	--
% Not in Labor Force	36.4%	--	--
% Unemployed Civilians	4.7%	--	--
Employment by Occupation			
% White-Collar Occupations	47.7%	--	--
% Blue-Collar Occupations	52.3%	--	--
% Management/Professional/Related	25.3%	--	--
% Service Occupation	16.7%	--	--
% Sales/Office	22.3%	--	--
% Farming/Fishing/Forestry	3.9%	--	--
% Construction/Extraction/Maintenance	11.3%	--	--
% Production/Transportation/Material Moving	20.4%	--	--
Vehicles Available			
Total Vehicles	50,946	57,464	--
Average Vehicles per Household	2.0	2.0	--

Appendix E

Mileage and Drive Time Maps

Appendix E

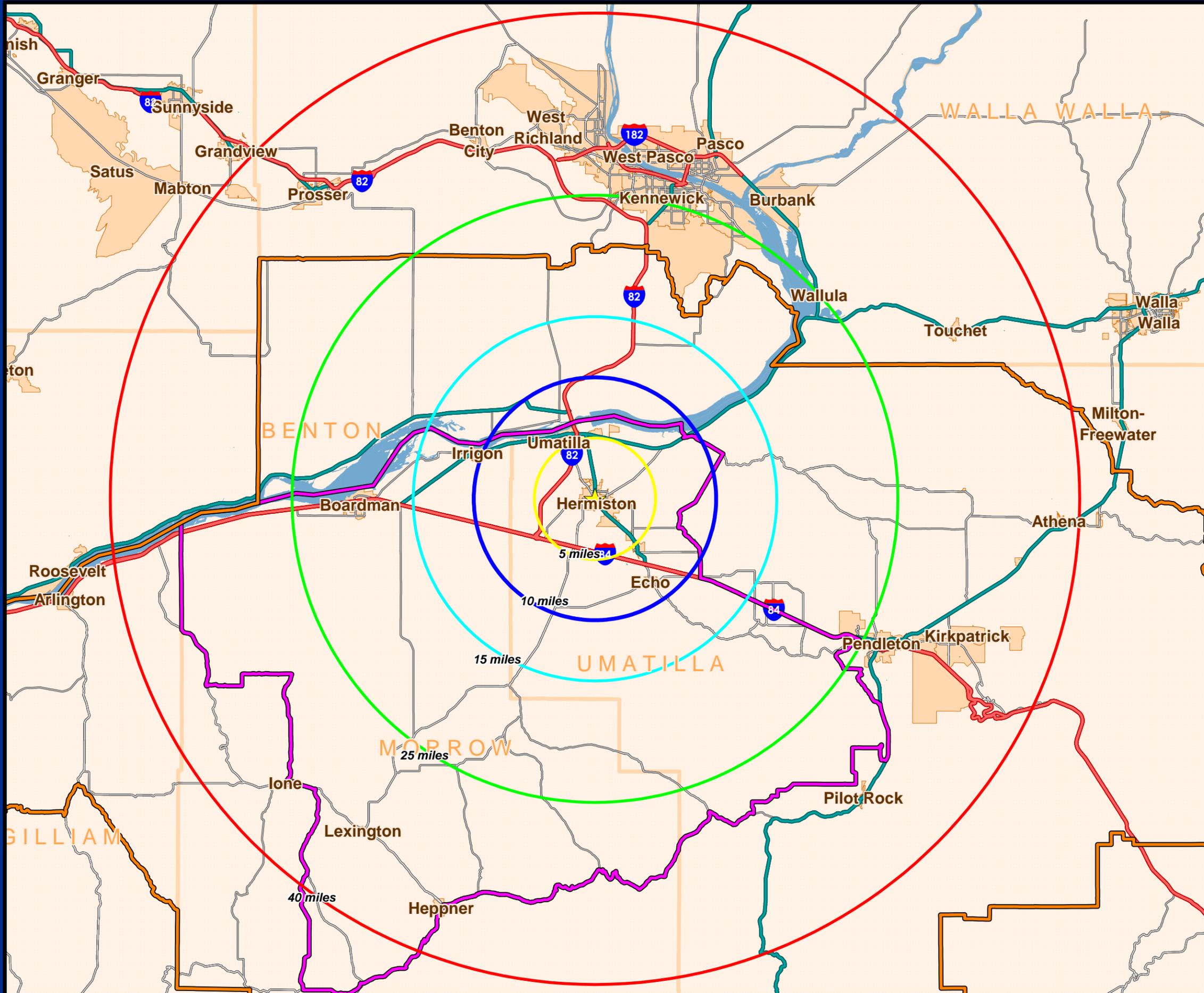


City of Hermiston
Mile Rings

- ★ City of Hermiston
- Highway/Roads**
 - Limited Access
 - Highway
 - Major Road
 - Minor Road
- Areas**
 - Airport
 - Water
 - Municipal Area
 - Park/Recreation
 - Distance Ring - 5 Miles
 - Distance Ring - 10 Miles
 - Distance Ring - 15 Miles
 - Distance Ring - 25 Miles
 - Distance Ring - 40 Miles
- Boundaries**
 - ▭ Regional Trade Area Outline
 - ▭ Local Trade Area Outline
 - ▭ County Boundary



Scale: 1 inch = 8.0 miles
Date Created: May 2011
PB #7951

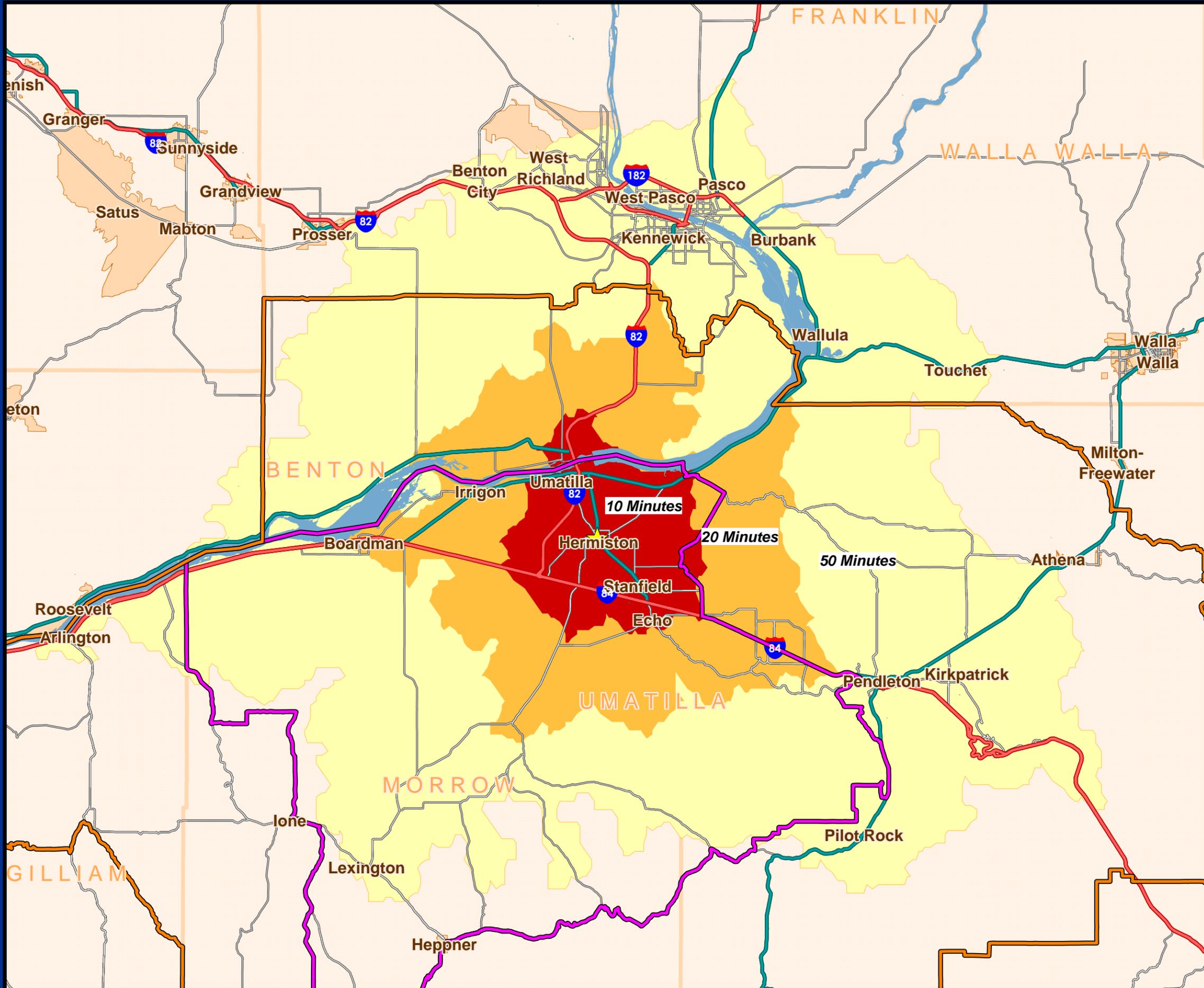


Appendix E



City of Hermiston Drive Times

- ★ City of Hermiston
- Highway/Roads**
 - Limited Access
 - Highway
 - Major Road
 - Minor Road
- Areas**
 - Airport
 - Water
 - Municipal Area
 - Park/Recreation
 - Drive Time - 10 Minutes
 - Drive Time - 20 Minutes
 - Drive Time - 50 Minutes
- Boundaries**
 - Regional Trade Area Outline
 - Local Trade Area Outline
 - County Boundary



Scale: 1 inch = 8.0 miles
Date Created: May 2011
PB #7951



Appendix F

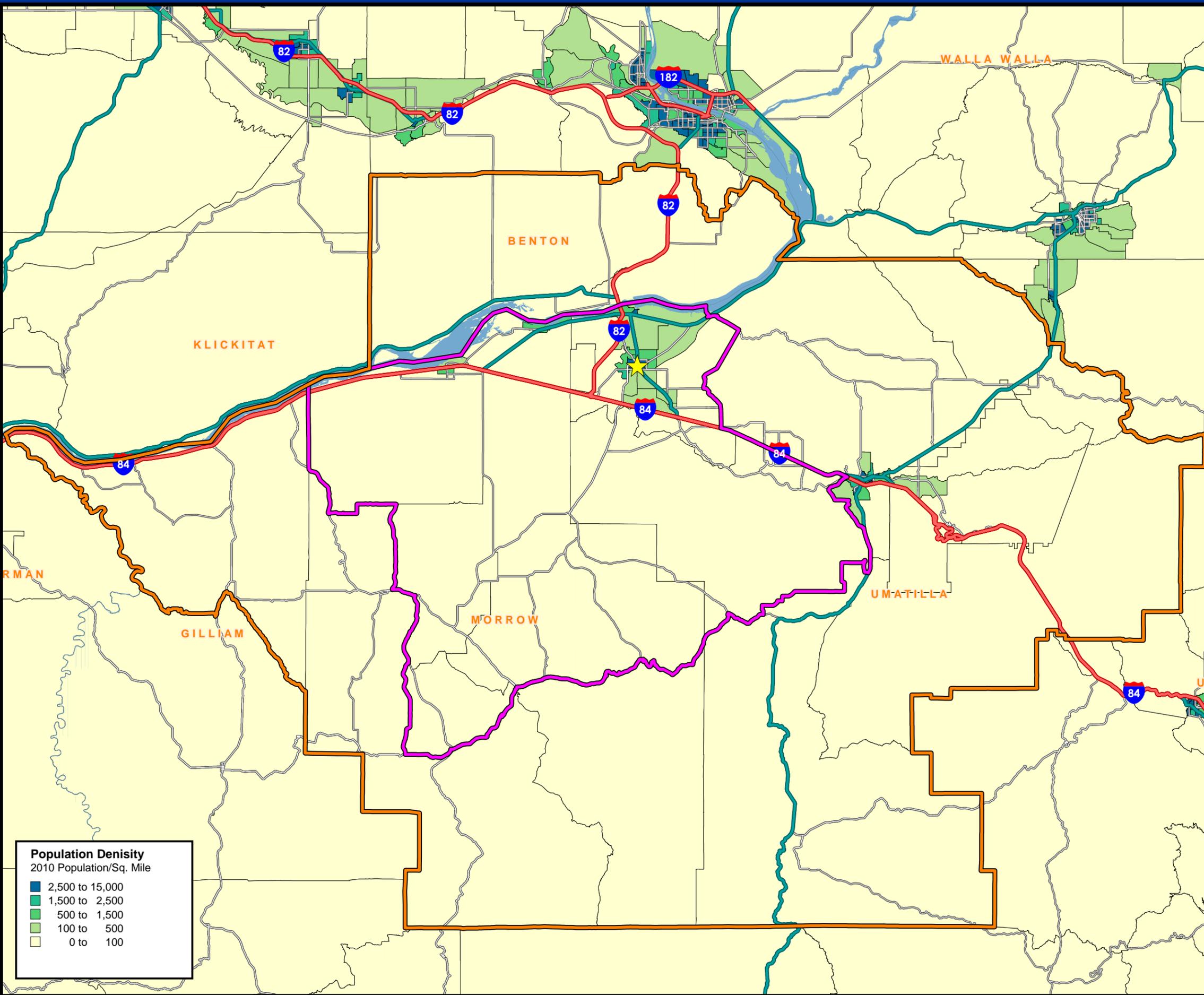
2010 Thematic Maps

Appendix F



**City of Hermiston
Population Density**

- ★ City of Hermiston
- Highway/Roads**
 - Limited Access
 - Highway
 - Major Road
 - Minor Road
- Areas**
 - Airport
 - Water
 - Municipal Area
 - Park/Recreation
 - Distance Rings
- Boundaries**
 - Regional Trade Area Outline
 - Local Trade Area Outline
 - County Boundary



Population Density
2010 Population/Sq. Mile

Dark Blue	2,500 to 15,000
Medium Blue	1,500 to 2,500
Light Blue	500 to 1,500
Yellow-Green	100 to 500
Light Yellow	0 to 100



Scale: 1 inch = 10.1 miles
Date Created: May 2011
PB #7951



Appendix F



**City of Hermiston
Median Household Income**

★ City of Hermiston

Highway/Roads

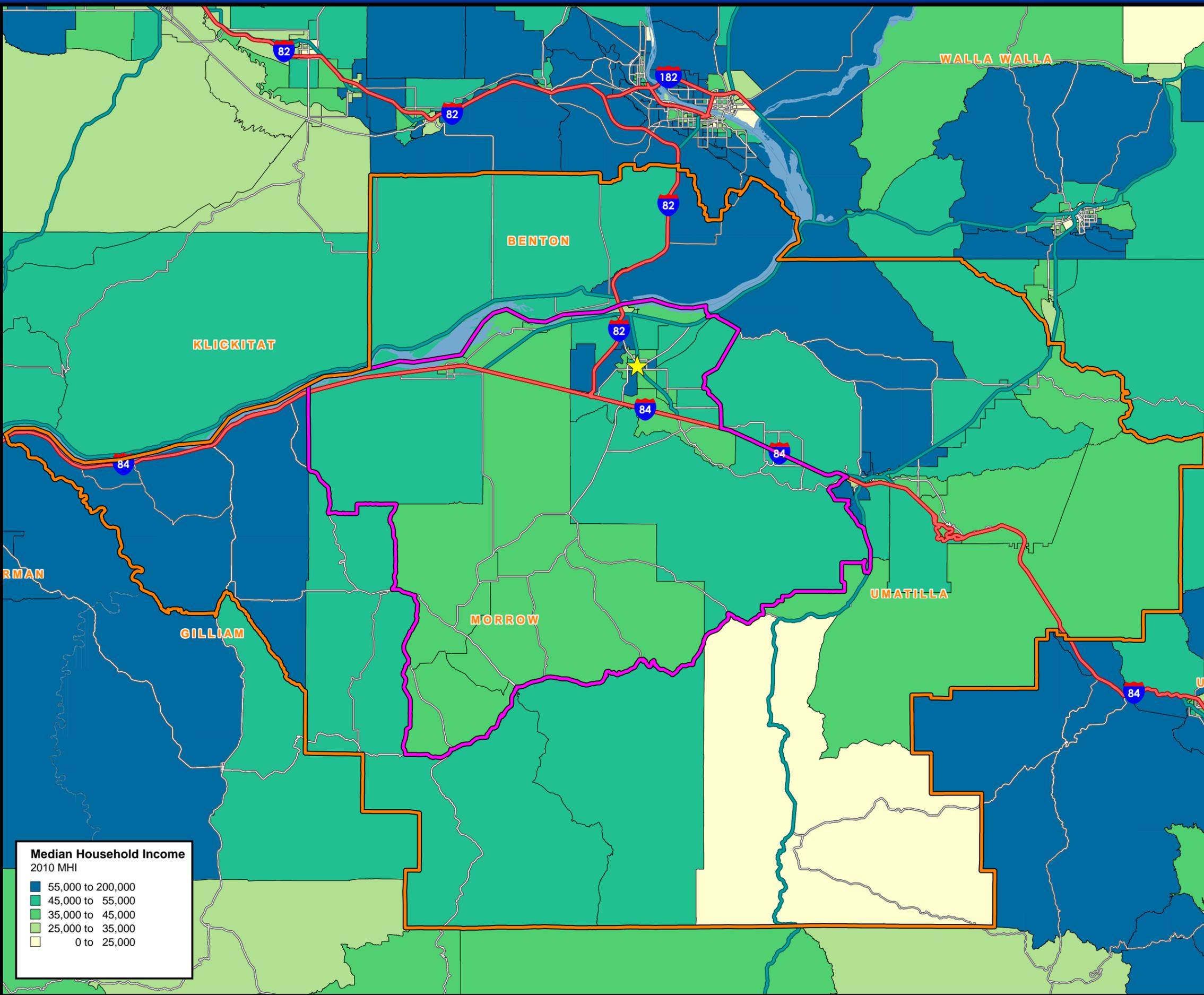
- Limited Access
- Highway
- Major Road
- Minor Road

Areas

- Airport
- Water
- Municipal Area
- Park/Recreation
- Distance Rings

Boundaries

- Regional Trade Area Outline
- Local Trade Area Outline
- County Boundary



Median Household Income
2010 MHI

	55,000 to 200,000
	45,000 to 55,000
	35,000 to 45,000
	25,000 to 35,000
	0 to 25,000



Scale: 1 inch = 10.1 miles
Date Created: May 2011
PB #7951



Appendix F



**City of Hermiston
Percent of Incomes
\$75,000 and Above**

★ City of Hermiston
Highway/Roads

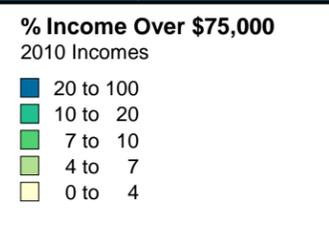
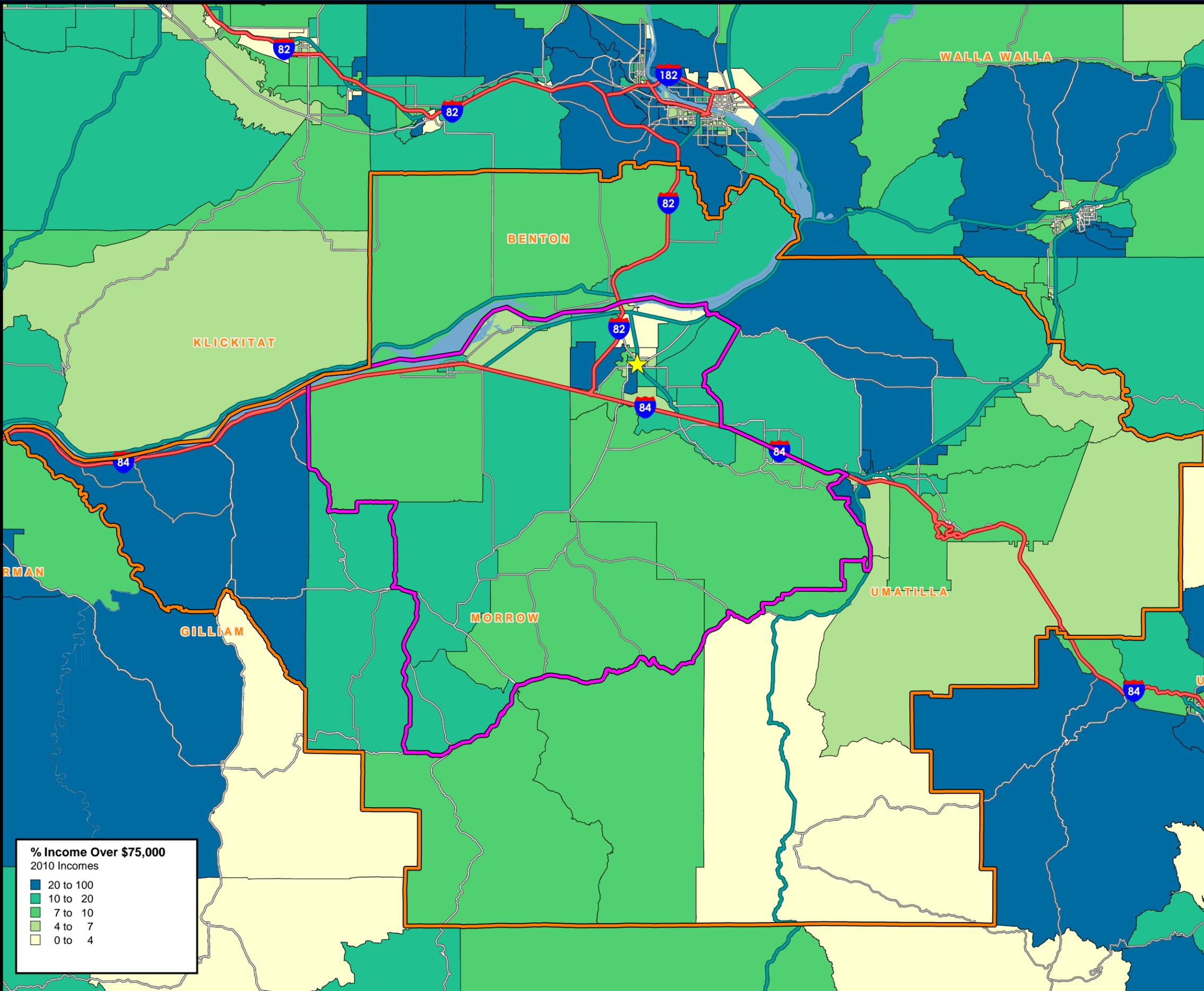
- Limited Access
- Highway
- Major Road
- Minor Road

Areas

- Airport
- Water
- Municipal Area
- Park/Recreation
- Distance Rings

Boundaries

- Regional Trade Area Outline
- Local Trade Area Outline
- County Boundary



Scale: 1 inch = 10.1 miles
Date Created: May 2011
PB #7951



Appendix F



**City of Hermiston
Percent of Housing
Owner Occupied**

★ City of Hermiston
Highway/Roads

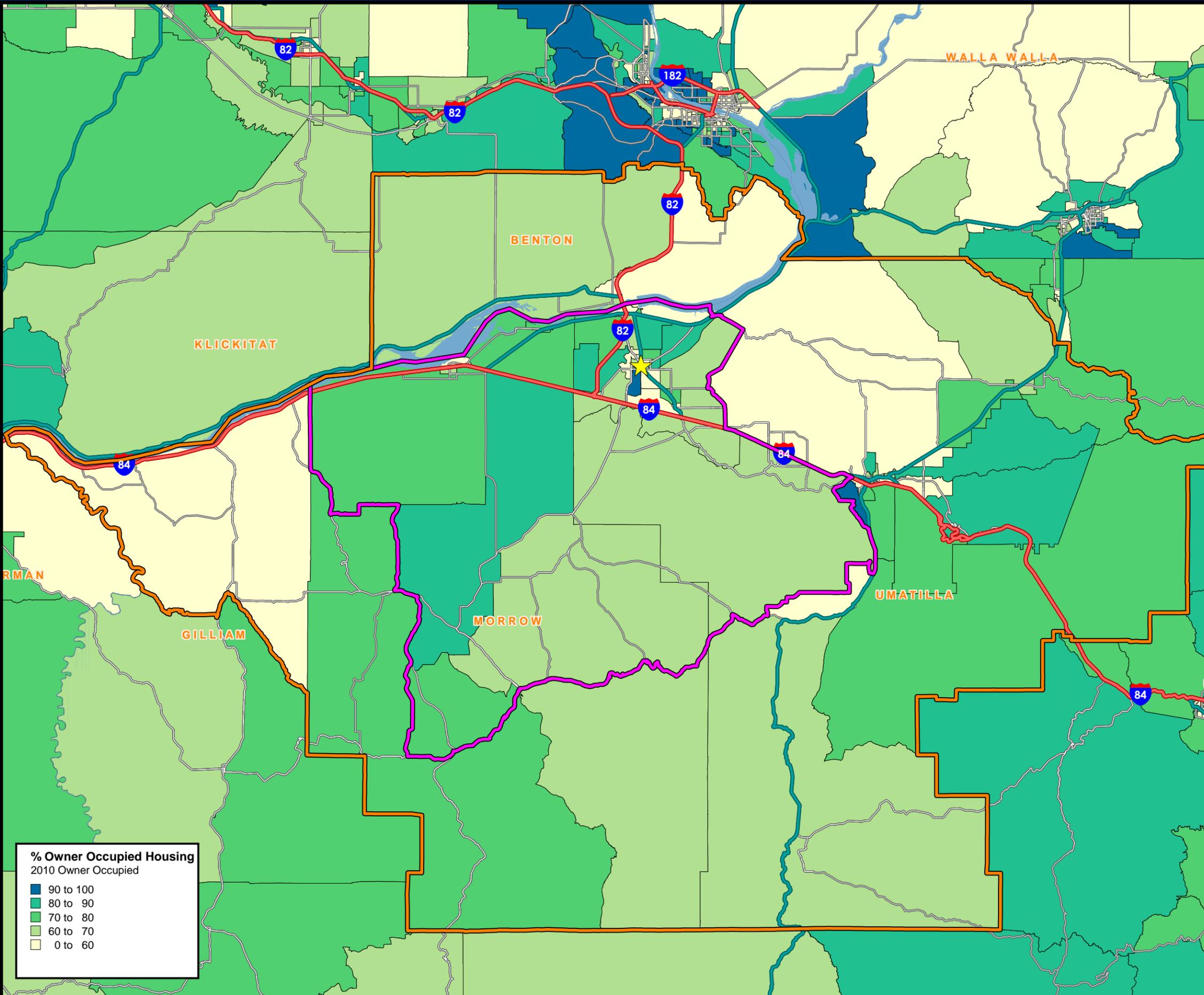
- Limited Access
- Highway
- Major Road
- Minor Road

Areas

- Airport
- Water
- Municipal Area
- Park/Recreation
- Distance Rings

Boundaries

- Regional Trade Area Outline
- Local Trade Area Outline
- County Boundary



% Owner Occupied Housing 2010 Owner Occupied	
	90 to 100
	80 to 90
	70 to 80
	60 to 70
	0 to 60



Scale: 1 inch = 10.1 miles
Date Created: May 2011
PB #7951



Appendix F



**City of Hermiston
Percent of College Educated
Some Level of College Education**

★ City of Hermiston

Highway/Roads

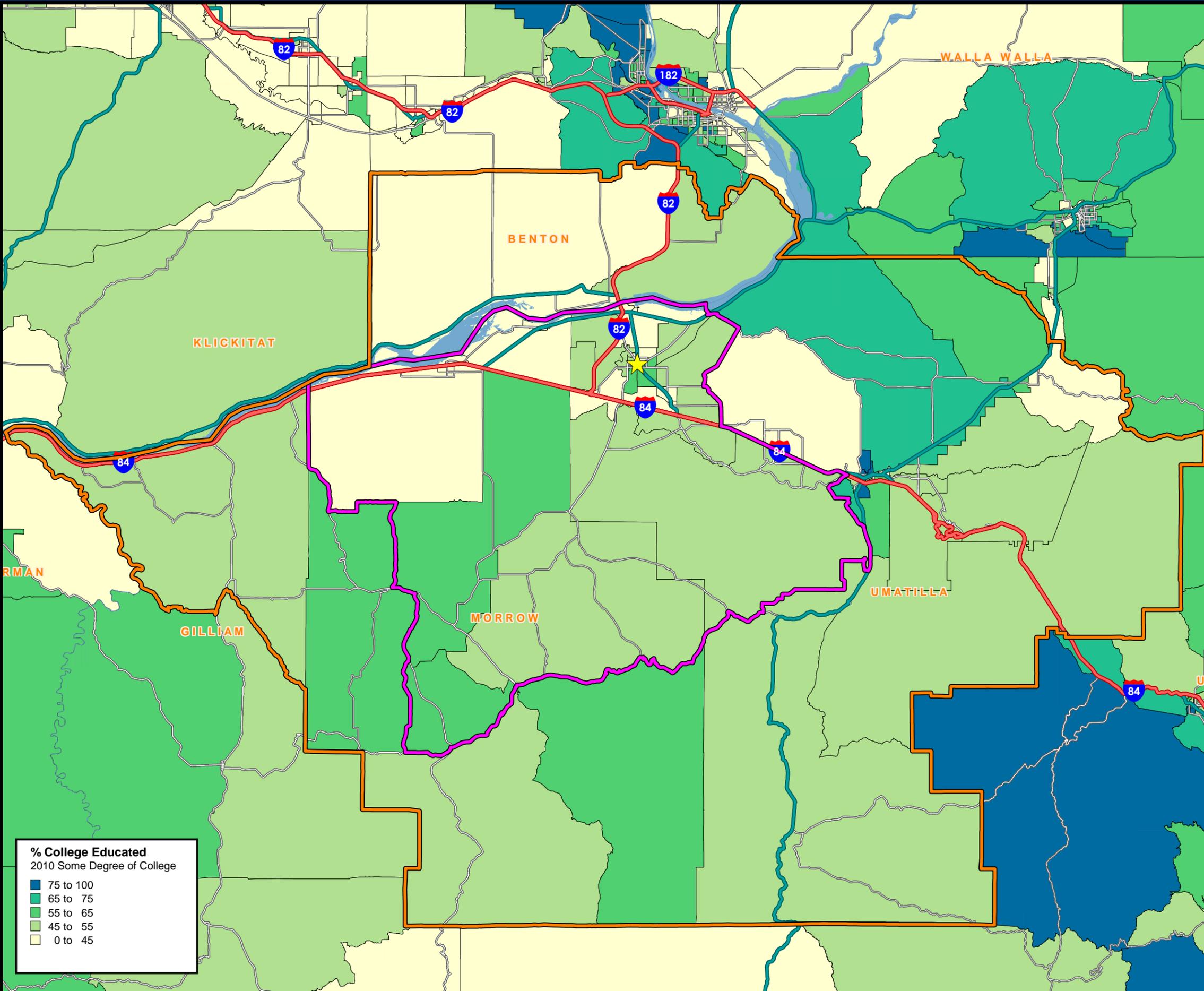
- Limited Access
- Highway
- Major Road
- Minor Road

Areas

- Airport
- Water
- Municipal Area
- Park/Recreation
- Distance Rings

Boundaries

- Regional Trade Area Outline
- Local Trade Area Outline
- County Boundary



% College Educated 2010 Some Degree of College	
■	75 to 100
■	65 to 75
■	55 to 65
■	45 to 55
■	0 to 45



Scale: 1 inch = 10.1 miles
Date Created: May 2011
PB #7951



Appendix G

Hermiston Retail Maps



Microsoft Bing © 2010 Microsoft Corporation

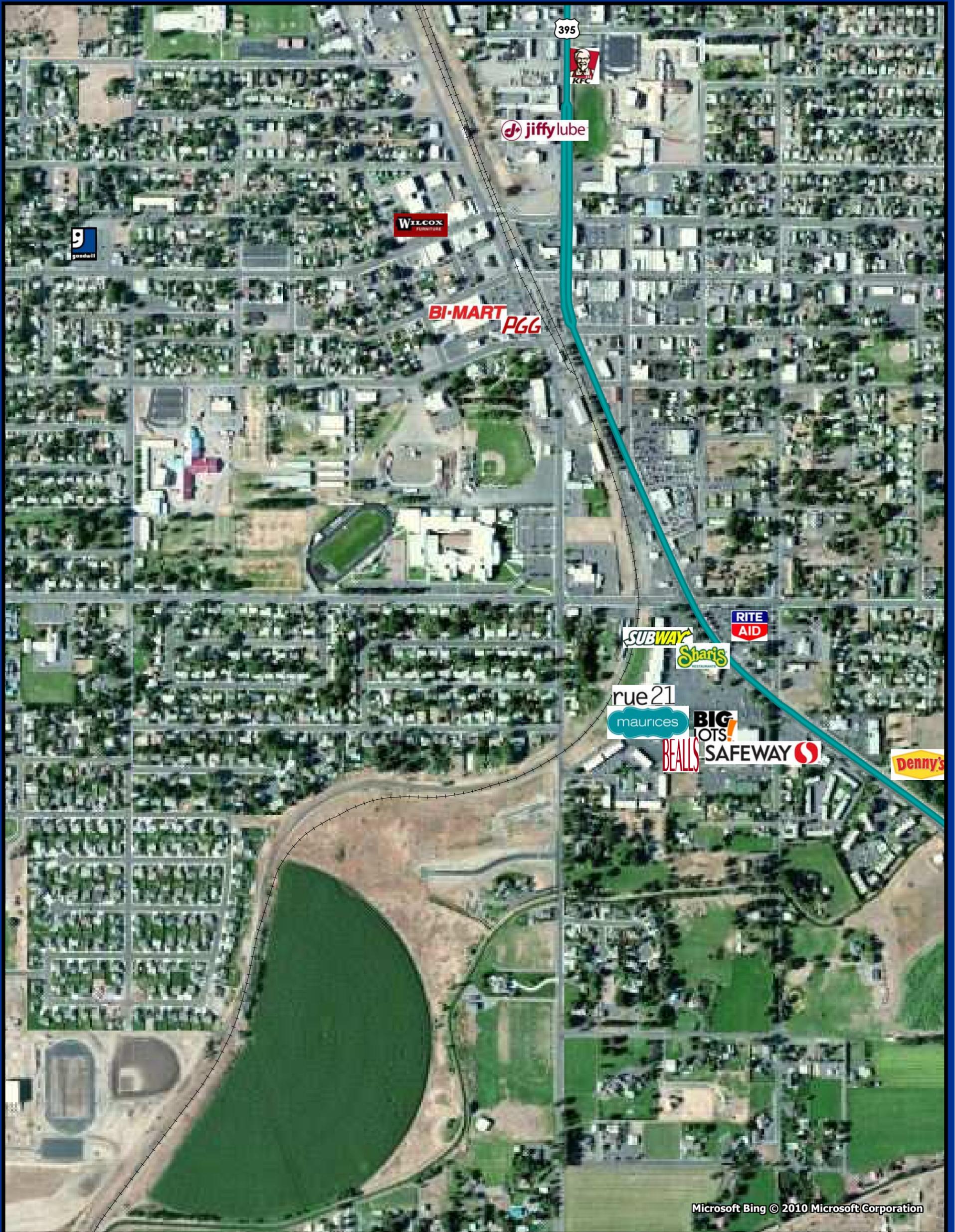
Appendix G

**City of Hermiston
Current Retail Environment
Northern Part of Hermiston**



Scale: 1 inch = 0.11 miles
Date Created: May 2011
PB #7951





Appendix G

**City of Hermiston
Current Retail Environment
Southern Part of Hermiston**



Scale: 1 inch = 0.11 miles
Date Created: May 2011
PB #7951



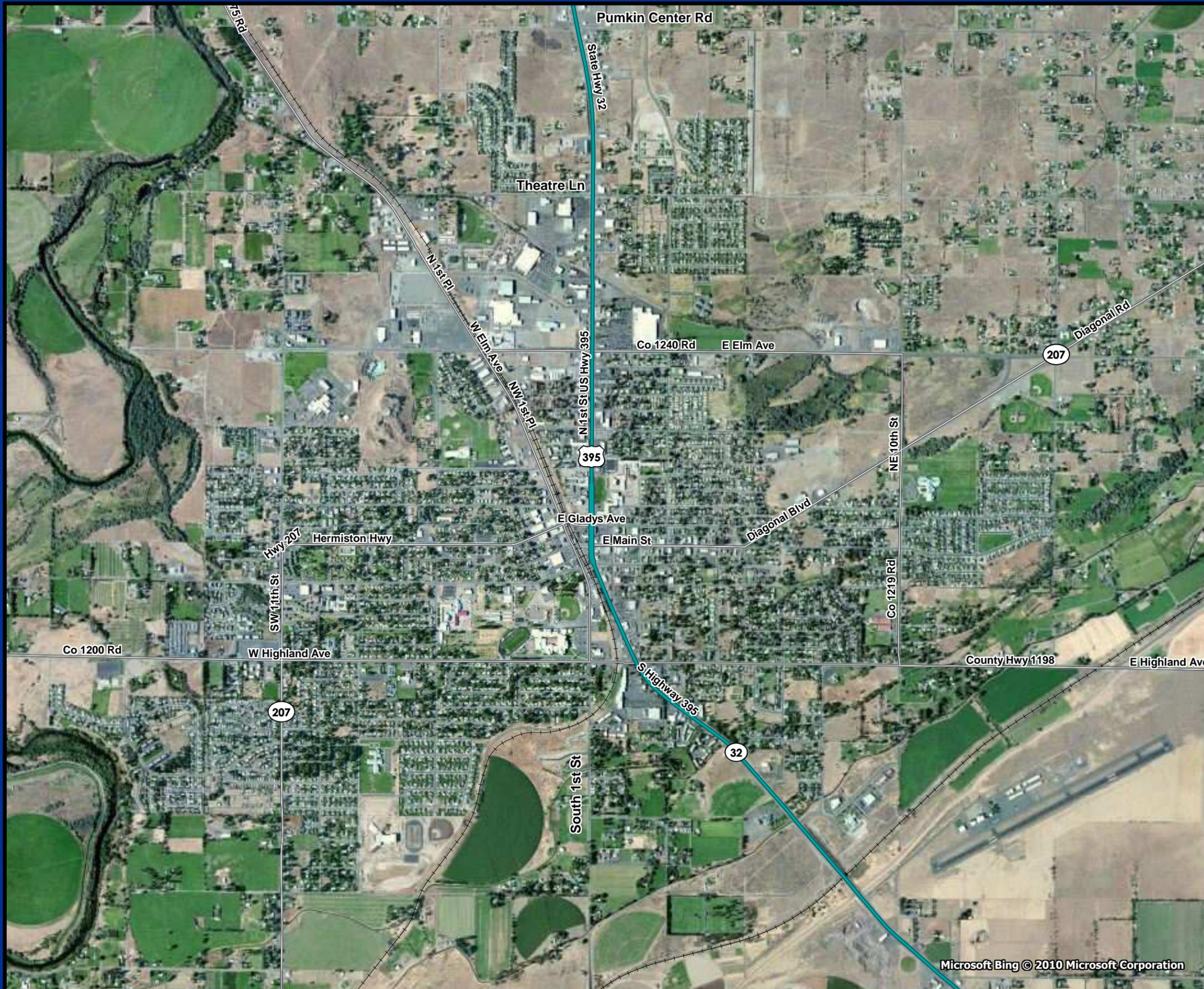
Appendix H

Hermiston Aerial Map

Appendix H



City of Hermiston
City Aerial Map



Microsoft Bing © 2010 Microsoft Corporation



Scale: 1 inch = 0.3 miles
Date Created: May 2011
PB #7951



Appendix I

Identified Retail Contact Information

Appendix I

**Identified Retail Contact Information
Hermiston, Oregon**

Category/Tenant	Type of Operator	Contact Name, Address, Phone Number, and Website
Full-Service Restaurant		
Applebee's (Parent Company: Applebee's International, Inc.)	Corporate/Franchise	Timothy Doherty <i>Vice President, Construction/Real Estate</i> 11201 Renner Boulevard Lenexa, KS 66219 Phone: (913) 967-4000 ron.herman@applebees.com www.applebees.com
Country Kitchen (Parent Company: Country Kitchen International)	Franchise	Chuck Mocco <i>Senior Director, Franchise Development</i> 801 Deming Way Madison, WI 53717-1918 Phone: (608) 833-9633 cmocco@countrykitchen.net www.countrykitchenrestaurants.com
IHOP (Parent Company: DineEquity, Inc.)	Corporate/Franchise	Rick McDuff <i>Division Development Manager</i> 450 North Brand Boulevard Glendale, CA 91203 Phone: (818) 240-6055 info@ihopcorp.com www.ihop.com
Sizzler (Parent Company: Sizzler USA Franchise, Inc.)	Franchise	Todd Peterson <i>Vice President, Franchise Development</i> 6101 West Centinela Avenue, Suite 300 Culver City, CA 90230 Phone: (310) 846-8750 tpeterson@sizzler.com www.sizzler.com
Quick-Service Restaurant		
Wendy's (Parent Company: Wendy's International, Inc.)	Franchise	Maury Sledd <i>Leasing Agents/Real Estate</i> 4653 Cotton Gin Loop, Suite 110 Phoenix, AZ 85040 Phone: (602) 466-9200 maury_sledd@wendys.com www.wendys.com
Arby's (Parent Company: Arby's Restaurant Group, Inc.)	Franchise	John Todd <i>Chief Development Officer</i> 1155 Perimeter Center West Atlanta, GA 30338 Phone: (678) 514-4100 jtodd@arbys.com www.arbys.com

Category/Tenant	Type of Operator	Contact Name, Address, Phone Number, and Website
Jewelry/Luggage		
Harry Ritchie's Jewelers (Parent Company: Harry Ritchie's Jewelers Inc.)	Corporate	Jerry Friedson <i>Vice President/Real Estate</i> 956 Willamette Street Eugene, OR 97401 Phone: (541) 686-1787 hrj@harryritchies.com www.harryritchies.com
Children's Clothing Store		
Once-Upon a Child (Parent Company: Winmark Corporation)	Franchise	Paola Olson <i>Real Estate Manager</i> 4200 Dahlberg Drive, Suite 100 Minneapolis, MN 55422-4837 Phone: (763) 520-8500 info@winmarkcorporation.com www.winmarkcorporation.com
Family Clothing Store		
Old Navy (Parent Company: Gap Inc.)	Corporate	<i>contact person not available</i> Two Folsom Street San Francisco, CA 94105 Phone: (415) 427-0177 custserv@gapinc.com www.gapinc.com
Pharmacies and Drugs		
Walgreen's (Parent Company: Walgreen Company)	Corporate	Bruce R. Bryant <i>Vice President, West Region</i> 200 Wilmot Road Deerfield, IL 60015 Phone: (847) 940-2500 realestate.inquiries@walgreens.com www.walgreens.com
Appliance and Electronics Store		
Batteries Plus (Parent Company: Batteries Plus, LLC)	Franchise	Nathan Zelazoski <i>Real Estate Manager</i> 925 Walnut Ridge Drive, Suite 100 Hartland, WI 53029 Phone: (262) 912-3000 franchising@batteriesplus.com www.batteriesplus.com
Book Store		
Hastings (Parent Company: Hastings Entertainment, Inc.)	Corporate	John H. Marmaduke <i>President/CEO</i> 3601 Plains Boulevard Amarillo, TX 79120 Phone: (806) 351-2300 service@hastings-ent.com www.gohastings.com

Category/Tenant	Type of Operator	Contact Name, Address, Phone Number, and Website
The Book Rack (Parent Company: The Book Rack)	Franchise	Mike Buglio <i>President/Real Estate Manager</i> 13 Medford Street Arlington, MA 02474 Phone: (877) 926-6579 bookrack@crtsys.com www.thebookrack.com
Hobby, Toys and Games Store		
GameStop (Parent Company: GameStop Corp)	Corporate	Cindy Boone <i>Real Estate Manager</i> 625 Westport Parkway Grapevine, TX 76051 Phone: (817) 424-2000 blaynewhite@gamestop.com www.gamestop.com
Pet Store		
Play It Again Sports (Parent Company: Winmark Corporation)	Franchise	Paola Olson <i>Real Estate Manager</i> 4200 Dahlberg Drive, Suite 100 Minneapolis, Minnesota 55422-4837 Phone: (763) 520-8500 Fax: (763) 520-8410 info@winmarkcorporation.com www.winmarkcorporation.com
Sporting Goods Store		
Mini Pet Mart (Parent Company: Mini Pet Mart)	Corporate	<i>contact person not available</i> 1060 SE M Street Grants Pass, OR 97526 (541) 479-3141 www.minipetmart.net
General Merchandise		
Fred Meyer (Parent Company: Fred Meyer Stores, Inc.)	Corporate	Bob Currey-Wilson <i>VP Real Estate at Fred Meyer</i> 3800 Southeast 22nd Avenue Portland, OR 97202 (503) 797-3550 www.krogerrealestate.com