

OFFERING MEMORANDUM

STATE OF OREGON LEASED INVESTMENT

180 HINES BOULEVARD & 809 W JACKSON ST | BURNS, OREGON

\$4,950,000

Kevin VandenBrink

503.972.7289

Kevinv@macadamforbes.com

Licensed in OR

Rhys Konrad

503.972.7293

rhys@macadamforbes.com

Licensed in OR

FOR SALE

**MACADAM
FORBES**
COMMERCIAL REAL ESTATE SERVICES

1800 SW First Avenue, Suite 650 | Portland, OR 97201 | WWW.MACADAMFORBES.COM | 503.227.2500

All of the information contained herein was obtained either from the owner or other parties we consider reliable. We have no reason to doubt its accuracy, however we do not guarantee it.

OFFERING HIGHLIGHTS

180 Hines Blvd & 809 W Jackson St Burns, OR



- Long-term occupancy by State of Oregon
- Significant remodel in 2019
- Government credit tenancy
- Ease of maintenance with in-place reliable vendors
- 12 month seller rent guarantee on vacancy



CONFIDENTIALITY DISCLAIMER: PLEASE DO NOT CONTACT TENANT

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PROPERTY SUMMARY | 180 Hines Blvd & 809 W Jackson St Burns, OR

OFFERING SUMMARY

Jackson St Building

Building Size: 10,766 SF

Year Built: 1997

Renovation Summary: Received all new paint, floor covering, bathroom upgrades, additional special use rooms, and low voltage upgrades.

Hines Blvd Building

Building Size: 12,625 RSF (5,000 SF slab for addition or outdoor display/storage)

Year Built: 1977

Year Renovated: 2019

Renovation Summary: Completely remodeled from the exterior walls and roof, with new HVAC, plumbing, electrical, and low voltage.

Total Property

County: Harney

Zoning: CG, General Commercial

Total SF: 23,391 SF

Site Size: 2.37 Acres

Recent upgrades to building shell parking lot and roof

PROPERTY OVERVIEW

The subject property offers an investor the opportunity to acquire a leased investment with long-term governmental tenants. Additional upside exists with an existing vacancy, suitable for additional office or retail tenants.



TENANT SUMMARY | 180 Hines Blvd & 809 W Jackson St Burns, OR

OREGON DEPARTMENT OF HUMAN SERVICES (DHS)

Monthly Base Rent (3/1/2020): \$25,034.68, 2.25% annual escalations
Occupied Square Footage: 15,796 (9,151 of Jackson Bldg., 6,645 of Hines Bldg)
Lease Commencement: March 1, 2019
Lease Expiration: June 30, 2034
Options to Renew: Two (2) Five (5) year options, Option Rent equal to 95% FMV
DHS has occupied the Jackson building since it was constructed in 1997

OREGON EMPLOYMENT DEPARTMENT (OED)

Occupied Square Footage: 1,631 (Jackson Bldg.)
Monthly Base Rent (10/1/2019): \$1,963.07, 2.00% annual escalations
Lease Commencement: July 1, 2019
Lease Expiration: September 30, 2023
Options to Renew: Two (2) Five (5) year options, Option Rent equal to 95% FMV
OED occupied the building from 1997 to 2007 and returned to the building in 2012.

VACANCY ASSUMPTIONS

Square footage: 5,964 SF
Formerly occupied as a furniture store
Seller will guarantee rent for the vacancy for 12-months post closing
Guaranteed Rent: \$3,737 NNN/ Mo. (\$7.50/SF/YR)
Opportunity to expand vacancy to include existing 5,000 SF slab
Space has not yet been formally marketd for lease



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ADDITIONAL PHOTOS

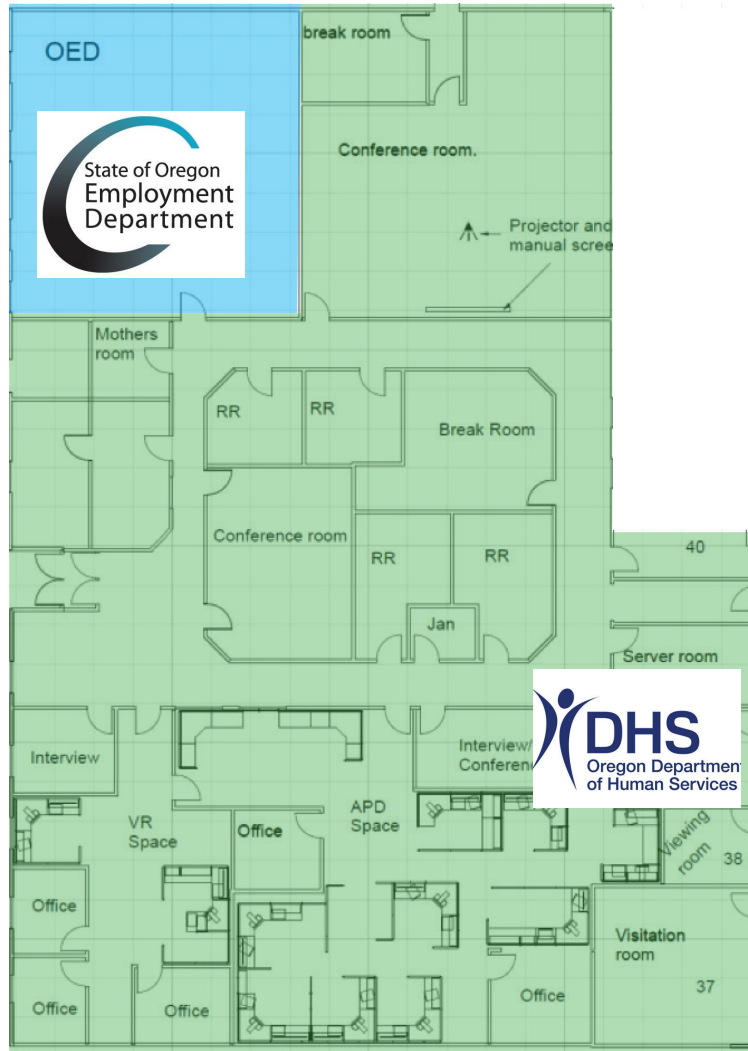
180 Hines Blvd & 809 W Jackson St Burns, OR

DHS Premises

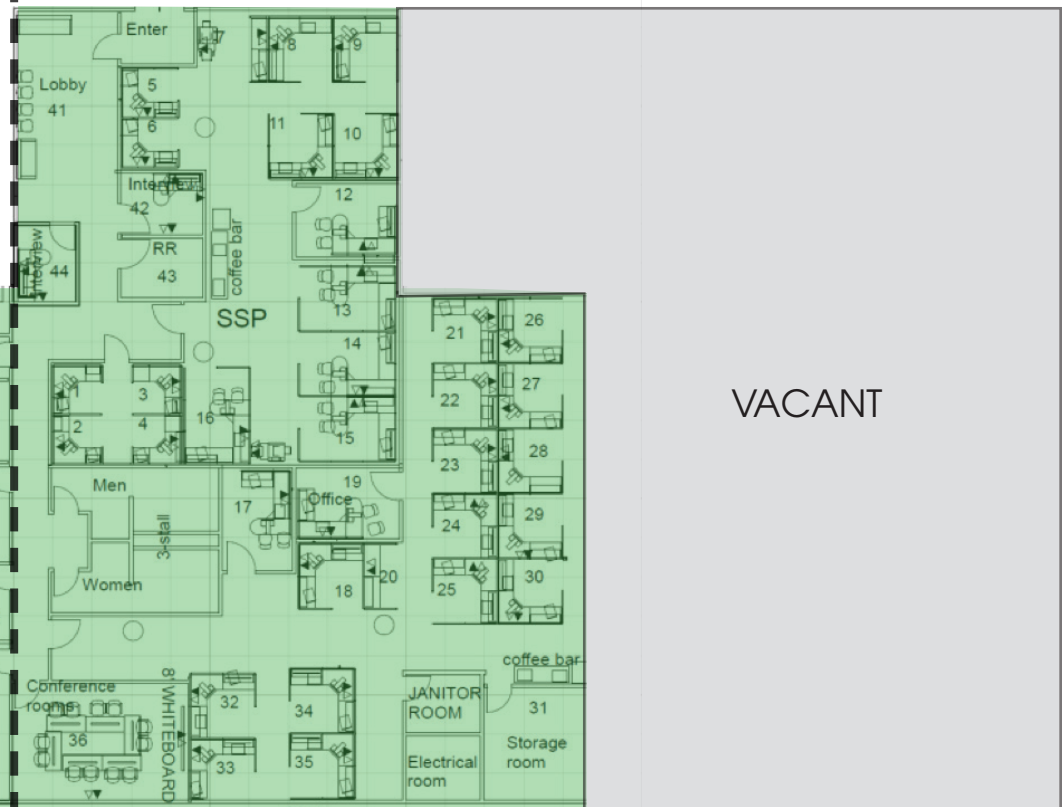


FLOOR PLAN | 180 Hines Blvd & 809 W Jackson St Burns, OR

809 W Jackson St Building



180 Hines Blvd Building



INCOME SUMMARY | 180 Hines Blvd & 809 W Jackson St Burns, OR _____

Tenant	SF	\$/YR	\$/SF/YR	Vacancy Reserve	Effective Gross Income
DHS	15,796	*\$317,859.84	\$20.12	\$7,946.50	\$309,913.34
OED	1,631	\$32,055.60	\$19.65	\$1,602.78	\$30,452.82
Vacancy/Guarantee	5,964	\$44,730.00	\$7.50	\$2,236.50	\$42,607.50
Total	23,391	\$394,645.44		\$11,785.78	\$382,859.66

*As of March 1, 2020

OPERATING EXPENSES

Real Property Taxes	\$28,685.00
Property Insurance	\$3,933.00
*Flood Insurance	\$3,142.00
Repairs/Maintenance	\$18,617.00
Janitorial	\$42,601.00
Utilities	\$20,345.00
Property Management (4.50%)	\$16,149.00
Replacement Reserve	\$7,719.00
TOTAL EXPENSES	\$141,191.00

* FEMA in process of revising flood maps

REIMBURSABLE EXPENSES

\$96,803.00

NET OPERATING INCOME

\$338,471.66

ASKING PRICE

\$4,950,000

CAP RATE

6.84%

PROFORMA CAP RATE(AFTER STABILIZATION/ LEASE-UP COSTS)

6.7%

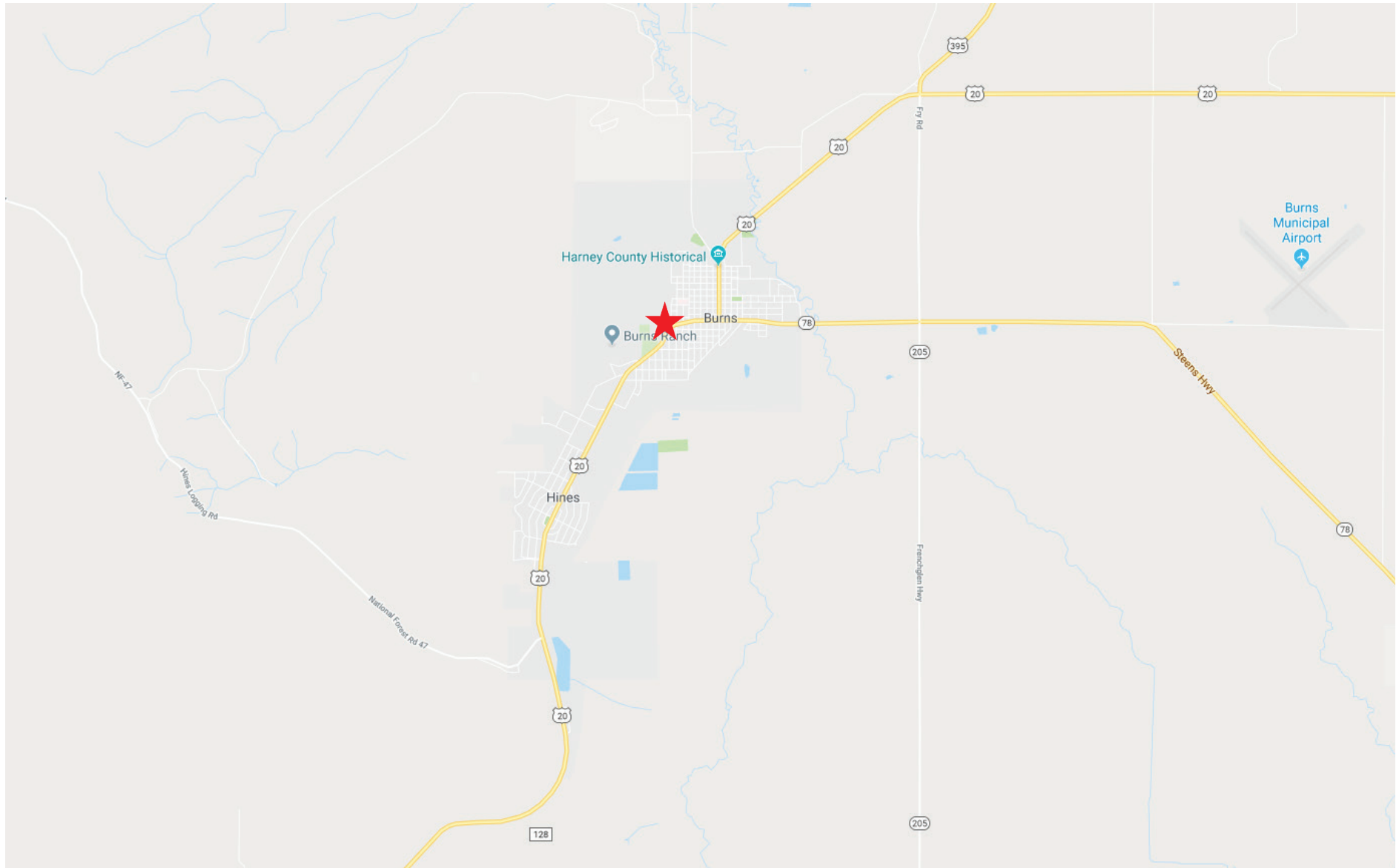
\$/SF

\$212



VICINITY MAP

180 Hines Blvd & 809 W Jackson St Burns, OR



REGIONAL MAP

Burns, OR



ABOUT BURNS

Burns, Oregon commonly referred to as the gateway to the Steens Mountains, was founded in 1891. Burns is the county seat of Harney County, the largest County in the state of Oregon. Visitors to Burns will find breathtaking scenery, outdoor activities of hiking, fishing, hunting, camping and backpacking. The Malheur National Wildlife Refuge is just 30 miles south and provides a Mecca for bird watchers as it is the habitat for over 250 species of migratory birds. The Steens Mountains are another major attraction to the area, with a thirty-mile fault block consisting of five separate vegetation zones of glaciated gorges, lakes and meadows.

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