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Pinnacle
Commercial
Group



9515 S. 71ST PLAZA
PAPILLION NEBRASKA (OMAHA MSA)

ACTUAL SITE

SINGLE TENANT **HOBBY**
Investment Opportunity **LOBBY**



EXCLUSIVELY MARKETING BY

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4

INVESTMENT SUMMARY

Offering Summary | Investment Highlights

13

AREA OVERVIEW

Demographics

8

PROPERTY OVERVIEW

Aerials | Site Plan | Location Map

16

FINANCIALS

Rent Roll | Brand Profile



INVESTMENT SUMMARY



Pinnacle Commercial Group is pleased to offer the opportunity to acquire the fee simple interest (land & building) in an NN leased, corporate guaranteed, Hobby Lobby, investment property located in Papillion, NE. The tenant, Hobby Lobby Stores, Inc has approximately 9 years remaining in the initial term with 3 (5-year) option periods to extend. The lease features approximately 6% rental increases every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation. The lease is corporate guaranteed and is NN with landlord responsibilities limited to roof, structure, partial CAM, sidewalk/landscaping surrounding the building, taxes (reimbursable), and insurance (reimbursable).

Hobby Lobby is a co-anchor with Sam's Club in the Settlers Creek shopping center located at the signalized, hard corner intersection of Cornhusker Road and S. 72nd Street with a combined 55,600 vehicles passing by daily. Other tenants in the center include Walgreens, Chipotle Mexican Grill, Jersey Mike's Subs, AT&T, and more. The asset is also situated in a dense retail corridor just 1 block south of a Walmart Supercenter, Lowe's Home Improvement, and Kohl's anchored center. In addition, Hobby Lobby is only 2.5 miles north of Shadow Lake Town Center with anchor tenants including JCPenney, Hy-Vee, T.J. Maxx, Best Buy, Dick's Sporting Goods, Dollar Tree, Michaels, PetSmart, and more. Other nearby national/credit tenants include Target, The Home Depot, Planet Fitness, and more. The 5-mile trade area is supported by more than 177,500 residents and 101,000 employees. The immediate 1-mile population boasts an affluent average household income of over \$118,000.





OFFERING SUMMARY



Parcel Map

Offering

PRICING	\$6,787,000
NET OPERATING INCOME	\$424,183*
GO-TO-MARKET CAP RATE	6.25%
GUARANTY	Corporate
TENANT	Hobby Lobby Stores, Inc.
LEASE TYPE	NN
LANDLORD RESPONSIBILITIES	Roof, Structure, Partial CAM*
*Notes: Hobby Lobby pays a fixed CAM that increases 3% annually (2019 fixed CAM = \$45,732), and the landlord is responsible for the excess CAM (maintained and charged by Declarant). Tenant is responsible for fully reimbursing the Uncontrollable CAM (snow and ice removal - also maintained and charged by the Declarant). Landlord is responsible for the sidewalk/landscaping surrounding the building. NOI is based off of current rent and the adjusted 2018 Operating Expenses.	

Property Specifications

RENTABLE AREA	56,355 SF
LAND AREA	5.55 Acres
PROPERTY ADDRESS	9515 S. 71st Plaza, Papillion, NE 68133
YEAR BUILT	2013
PARCEL NUMBER	011594100
OWNERSHIP	Fee Simple (Land and Building)

Approximately 9 Years Remaining on Lease |

Corporate Guaranteed

- Approximately 9 years remaining in the initial 15-year term
- Corporate guaranteed lease
- Approximately 6% rental increases every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation

NN lease | Fee Simple Ownership |

Limited Landlord Responsibilities

- Tenant reimburses for taxes, insurance, and uncontrollable CAM; Tenant also pays a fixed CAM
- Landlord responsibilities limited to roof, structure, sidewalk/landscaping surrounding the building, partial CAM, taxes (reimbursable), and insurance (reimbursable)
- Ideal, limited-management investment for an out-of-state, passive investor

Signalized Hard Corner Intersection | Major Thoroughfare

- Inline the Settlers Creek shopping center located at the signalized, hard corner intersection of Cornhusker Road and S. 72nd Street with a combined 55,600 vehicles passing by on a daily basis
- Excellent visibility at the intersection of two major crossroads traveling through Papillion
- 72nd Street is a major north/south thoroughfare that travels from Interstate 80 (187,400 VPD) down to State Highway 370 (32,300 VPD)

Settlers Creek Shopping Center

- Hobby Lobby is a co-anchor with Sam's Club in the Settlers Creek Shopping Center
- Other tenants in the center include Walgreens, Chipotle Mexican Grill, Jersey Mike's Subs, AT&T, and more
- Hobby Lobby benefits from crossover shopping and tenant synergy

Dense Retail Corridor | Shadow Lake Town Center

- The asset is situated in a dense retail corridor just 1 block south of a Walmart Supercenter, Lowe's Home Improvement, and Kohl's anchored center
- Hobby Lobby is only 2.5 miles north of Shadow Lake Town Center with anchor tenants including JCPenney, Hy-Vee, T.J. Maxx, Best Buy, Dick's Sporting Goods, Dollar Tree, Michaels, PetSmart, and more
- Other nearby national/credit tenants include Target, The Home Depot, Planet Fitness, and more
- Increases consumer draw to the trade area and promotes crossover shopping

Strong Demographics In Affluent Trade Area

- More than 177,500 residents and over 101,000 employees support the 5-mile trade area
- Over \$118,000 average household income within 1 mile



Location

Located in
Sarpy County in the State of
Nebraska



Access

S. 72nd Street:
2 Access Points

Cornhusker Road:
2 Access Points



Traffic Counts

S. 72nd Street:
33,405 VPD

Cornhusker Road:
22,200 VPD



Improvements

There is approximately
56,355 SF of existing
building area.



Parking

There is reciprocal parking
throughout the center.



Parcel

Parcel Number:
011594100

Acres: 5.55

Square Feet: 241,758 SF



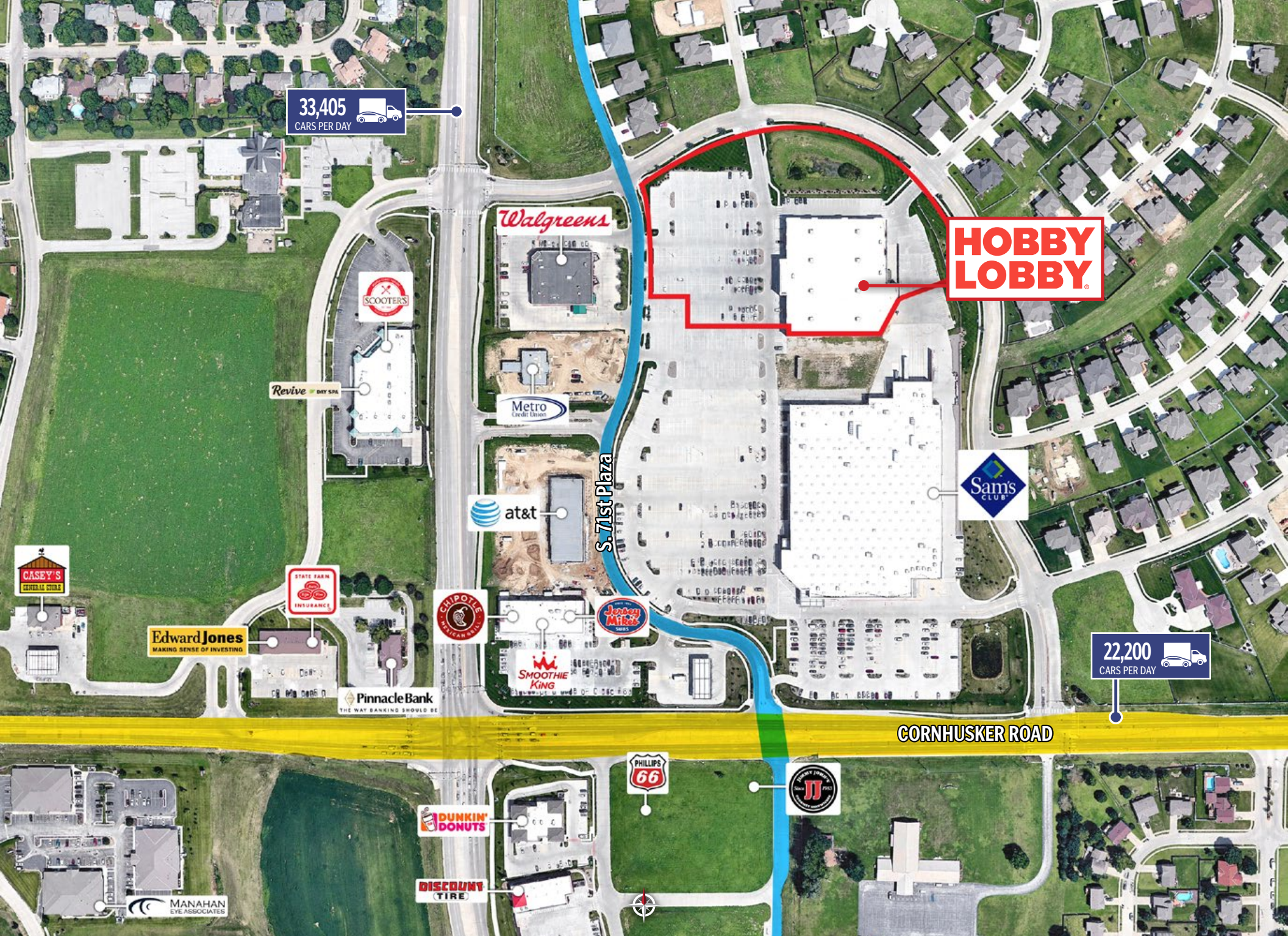
Year Built

2013

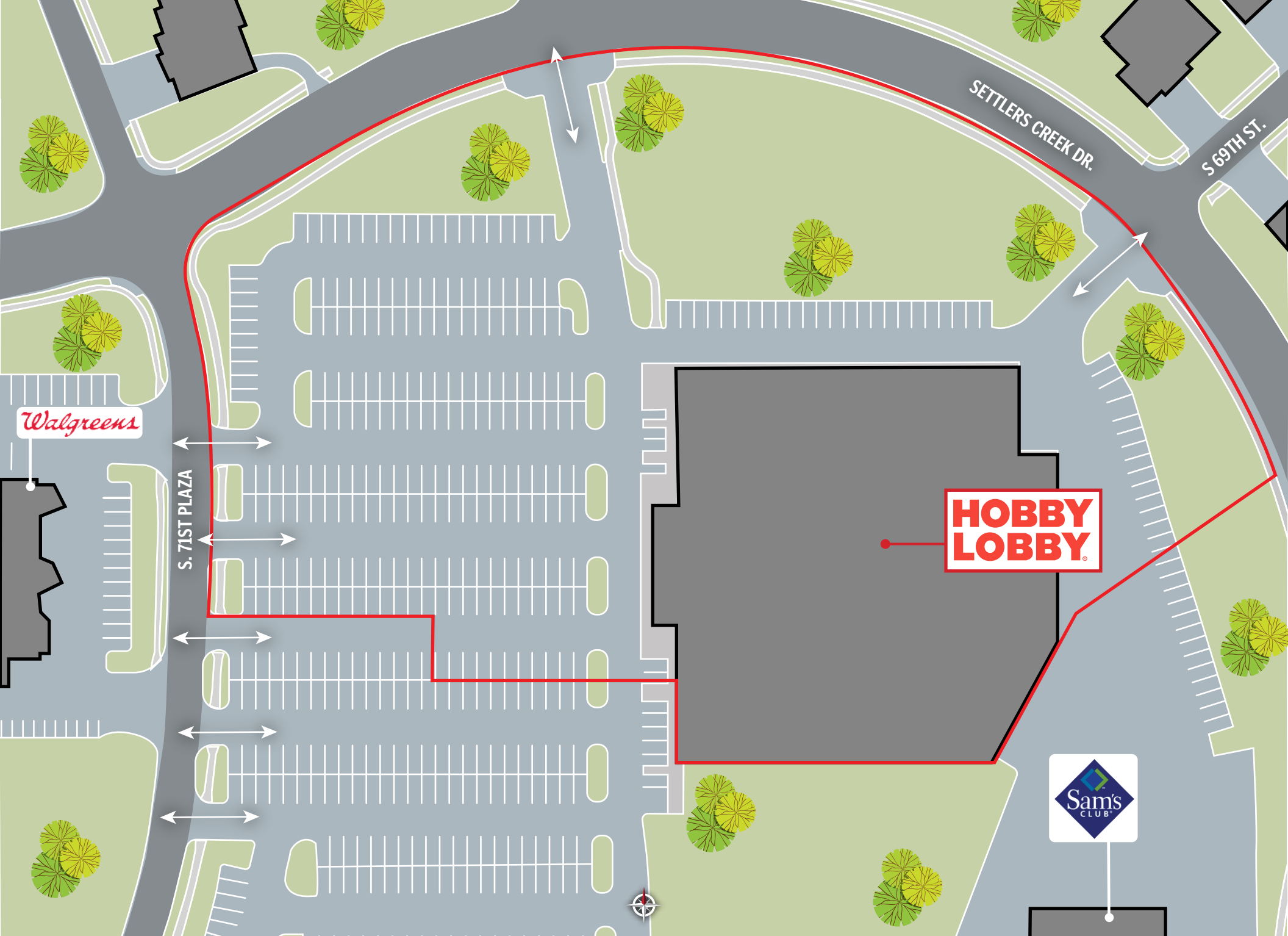


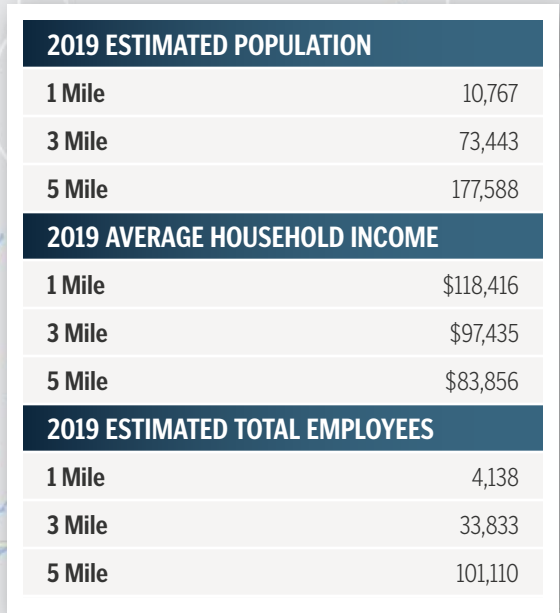
Zoning

MU: Mixed Use











Papillion, Nebraska

Papillion is a city in Sarpy County in the State of Nebraska. It is a 1870s railroad town and suburb of Omaha. The city is part of the larger five-county metro area of Omaha, and is the county seat of Sarpy County. The City of Papillion had a population of 20,284 as of July 1, 2017.

Additional retail and commercial development is occurring elsewhere in Papillion. Three national retailers (Walgreens, Hobby Lobby and Sam's Club) are now open at Settlers Creek located at 72nd and Cornhusker Road, one mile north of Shadow Lake Towne Center. A multi-tenant building that includes four national restaurants (Chipotle, Jersey Mike's, Pie Five Pizza Co., and Smoothie King) opened in 2015. A second multi-tenant building that includes a national retailer (AT&T) opened in 2016. Metro Credit Union also opened in 2016. West Cornhusker Plaza, located at 72nd Street and Cornhusker Road is the home of Brakes Plus, Dunkin Donuts, Fantasy's Food and Fuel, Jimmy John's, and Tires Plus. West Cornhusker Plaza South, located south of 72nd Street and Cornhusker Road, is the home of Veridian Credit Union and Your Family Dentist. Midlands Place, located at Highway 370 and 84th Street, a half mile east of Shadow Lake Towne Center, is complete with the necessary infrastructure. Seven buildings are constructed within this development including a national hotel. The tenants consist of a mix of national, regional, and local businesses.

Demand for retail and commercial development continues as evidenced by recent platting activity. A 14 acre mixed use district within the Prairie Hills subdivision completed the platting and zoning process in October 2014. A mixed-use district, known as Granite Falls Commercial, at 114th Street and Highway 370, will create 263,500 square feet of commercial/retail/office completed the platting and zoning process in 2015.

Papillion is part of the Papillion-La Vista Public School District, which includes two high schools, three middle schools and numerous public elementary schools. Papillion-La Vista South High School, the newer of the two high schools, opened in 2003. It is located in southwest Papillion while Papillion-La Vista High School, opened in 1971, is located in the northern part of the city close to the LaVista border. The school district has well over 8,000 students and is one of the fastest-growing districts in Nebraska. There are a few private elementary schools in the city as well. Papillion is home to Nebraska Christian College, accredited by the Association for Biblical Higher Education.



Omaha, Nebraska

Omaha is the largest city in the state of Nebraska and the county seat of Douglas County. Omaha is in the Midwestern United States on the Missouri River, about 10 miles north of the mouth of the Platte River. The nation's 40th-largest city, Omaha's 2018 estimated population was 466,061.

Omaha is the anchor of the eight-county, bi-state Omaha-Council Bluffs metropolitan area. The Omaha Metropolitan Area is the 59th largest in the United States, with an estimated population of 944,316 (2018). The Omaha-Council Bluffs-Fremont, NE-IA Combined Statistical Area (CSA) encompasses the Omaha-Council Bluffs MSA as well as the separate Fremont, NE Micropolitan Statistical Area, which consists of the entirety of Dodge County, Nebraska. The total population of the CSA was 970,023 based on 2017 estimates. Approximately 1.3 million people reside within the Greater Omaha area, within a 50 mi radius of Downtown Omaha.

Today, Omaha is the home to the headquarters of four Fortune 500 companies: mega-conglomerate Berkshire Hathaway; one of the world's largest construction companies, Kiewit Corporation; insurance and financial firm Mutual of Omaha; and the United States' largest railroad operator, Union Pacific Corporation. Berkshire Hathaway is headed by local investor Warren Buffett, one of the richest people in the world, according to a decade's worth of Forbes Magazine rankings, some of which have ranked him as high as No. 1.

Omaha is also the home to five Fortune 1000 headquarters: Green Plains Renewable Energy, TD Ameritrade, Valmont Industries, Werner Enterprises, and West Corporation. Also headquartered in Omaha are the following: First National Bank of Omaha, the largest privately held bank in the United States; three of the nation's largest 10 architecture/engineering firms (DLR Group, HDR, Inc., and Leo A Daly; and the Gallup Organization, of Gallup Poll fame, and its riverfront Gallup University.

Omaha is generally divided into six geographic areas: Downtown, Midtown, North Omaha, South Omaha, West Omaha, and East Omaha. West Omaha includes the Miracle Hills, Boys Town, Regency, and Gateway areas. The city has a wide range of historical and new neighborhoods and suburbs that reflect its socioeconomic diversity. Early neighborhood development happened in ethnic enclaves, including Little Italy, Little Bohemia, Little Mexico and Greek Town. According to U.S. Census data, five European ethnic enclaves existed in Omaha in 1880, expanding to nine in 1900.

AREA DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
2019 Estimated Population	10,767	73,443	177,588
2024 Projected Population	11,684	80,643	190,886
2010 Census Population	9,162	63,326	155,448
2019 Estimated Households	3,007	23,536	59,156
2024 Projected Households	3,518	27,265	67,342
2010 Census Households	2,501	18,791	51,526
2019 Estimated White	86.80%	85.10%	77.30%
2019 Estimated Black or African American	3.30%	3.50%	4.80%
2019 Estimated Asian or Pacific Islander	3.10%	2.80%	3.10%
2019 Estimated American Indian or Native Alaskan	0.50%	0.60%	0.80%
2019 Estimated Other Races	2.70%	4.50%	9.80%
2019 Estimated Hispanic	8.60%	11.30%	19.00%
2019 Estimated Average Household Income	\$118,416	\$97,435	\$83,856
2019 Estimated Median Household Income	\$102,870	\$81,209	\$66,872
2019 Estimated Per Capita Income	\$40,183	\$36,164	\$31,801
2019 Estimated Total Businesses	229	1,910	5,954
2019 Estimated Total Employees	4,138	33,833	101,110





RENT ROLL

For financing options and loan quotes:

Please contact our SRS Debt & Equity team at debtequity-npb@srsre.com.

Lease Term						Rental Rates					
TENANT NAME	SQUARE FEET	LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
Hobby Lobby Stores, Inc.	56,355	May 2013	May 2028	Current	6%	\$36,667	\$0.65	\$440,000	\$7.81	NN	3 (5-Year)
(Corporate Guaranty)				May 2023	6%	\$38,958	\$0.69	\$467,500	\$8.30		Opt. 1: \$495,000 / Yr
											Opt. 2: \$522,500 / Yr
											Opt. 3: \$550,000 / Yr

Notes:

- 1) Tenant pays a fixed CAM (Initially \$0.70 /SF) that increases 3% annually - (2019 fixed CAM = \$45,732).
- 2) Landlord is responsible for CAM in excess of the CAM cap for Fixed CAM and sidewalk/landscaping surrounding the building. Uncontrollable Expenses (snow & ice removal) is excluded from the CAM cap.
- 3) Analysis utilizes adjusted 2018 Operating Expenses which includes estimated Management Expenses equal to \$15,000 (Hobby Lobby parcel) and \$2,000 (Ring Road CAM).

FINANCIAL INFORMATION

Price	\$6,787,000
Net Operating Income	\$424,183
Go-To-Market Cap Rate	6.25%
Lease Type	NN

PROPERTY SPECIFICATIONS

Year Built	2013
Rentable Area	56,355 SF
Land Area	5.55 Acres
Address	9515 S. 71st Plaza, Papillion, NE 68133

OPERATING CASH FLOW

	IN-PLACE
Gross Potential Rent:	\$440,000
Fixed CAM Reimbursement: ¹	\$45,732
Uncontrollable CAM (Snow and Ice Removal):	\$30,656
Effective Gross Revenue:	\$516,388
Less adjusted 2018 Operating Expenses: ³	(\$92,205)
Net Operating Income:	\$424,183



BRAND PROFILE



Hobby Lobby

Hobby Lobby is the largest privately owned arts-and-crafts retailer in the world employing approximately 32,000 employees and operating more than 800 stores in forty-seven states. Hobby Lobby is primarily an arts-and-crafts store but also includes hobbies, picture framing, jewelry making, fabrics, floral and wedding supplies, cards and party ware, baskets, wearable art, home accents and holiday merchandise. Hobby Lobby Stores is based in Oklahoma City, Oklahoma.

COMPANY TYPE

Private

LOCATIONS

800+

WEBSITE

hobbylobby.com



Pinnacle Commercial Group

This Offering Memorandum has been prepared by Pinnacle Commercial Group and has been approved for distribution by the owner. Although effort has been made to provide accurate information, neither the owner nor Pinnacle Commercial Group can warrant or represent accuracy or completeness of the materials presented herein or in any other written or oral communications transmitted or made available to the purchaser. Many documents have been referred to in summary form and these summaries do not purport to represent or constitute a legal analysis of the contents of the applicable documents. Neither owner nor Pinnacle Commercial Group represents that this offering summary is all inclusive or contains all of the information a purchaser may require. All of the financial projections and/or conclusions presented herein are provided strictly for reference purposes and have been developed based upon assumptions and conditions in effect at the time the evaluations were undertaken. They do not purport to reflect changes in the economic performance of the property or the business activities of the owner since the date of preparation of this Offering Memorandum. The projected economic performance of the property, competitive submarket conditions, and selected economic and demographic statistics may have changed subsequent to the preparation of the package. Qualified purchasers are urged to inspect the property and undertake their own independent evaluation of the property, the market and the surrounding competitive environment.