



**TRIPLE NET (NNN) INVESTMENT OPPORTUNITY**  
**TUCSON METRO**

Actual Photo

**OFFERING MEMORANDUM**

GPS Commercial Advisors - 480.603.6892 | Volk Company - 520.495.2233

Exclusively Listed By:



**Jesse Rozio**  
**Investment/Leasing Specialist**  
480.603.6892 - cell  
jrozio@gpsaz.com



**Brenna Lacey**  
**Vice President**  
520.495.2233  
brennalacey@volkco.com

## OFFERING MEMORANDUM

GPS Commercial Advisors - 480.603.6892 | Volk Company - 520.495.2233

## INVESTMENT OVERVIEW

Sale Price:	<b>\$1,984,313</b>
Cap Rate:	<b>5.10%</b>
Net Cash Flow:	<b>\$101,200</b>
Options:	<b>Three, 5-year options</b>
Rent Increases:	<b>10% Increases Every 5 Years</b>

## SITE INFORMATION

Location:	<b>NWC of Grant Rd &amp; Swan Rd Tucson, Arizona 85712</b>
Building Size:	<b>+/-825 SF w/ +/-300 SF Patio</b>
Parcel Size:	<b>+/-23,000 SF</b>
Completion:	<b>March 2020</b>

## LEASE STRUCTURE

Lease Type:	<b>Triple Net (NNN) Lease</b>
Tenant:	<b>BB Holdings, AZ LLC</b>
Guarantor:	<b>Boersma Bros, LLC</b>
Landlord Responsibilities:	<b>Limited</b>

LEASE YEAR	ANNUAL RENT	CAP RATE
------------	-------------	----------

Years 1-5	\$101,200	5.10%
Years 6-10	\$111,320	5.61%
Years 11-15	\$122,452	6.17%
Years 16-20 (Option 1)	\$134,697	6.79%
Years 21-25 (Option 2)	\$148,167	7.47%
Years 26-30 (Option 3)	\$162,984	8.21%



## INVESTMENT HIGHLIGHTS

- Opportunity to Invest in a Growing Concept with 380+ Locations Nationally
- Corporate Backed 15-Year Triple-Net (NNN) Lease
- 10% Rent Increases Every 5 Years Throughout the Entire Lease Term and Option Periods
- Brand New Construction – March 2020 Completion
- Limited Landlord Responsibilities



## DEMOGRAPHICS

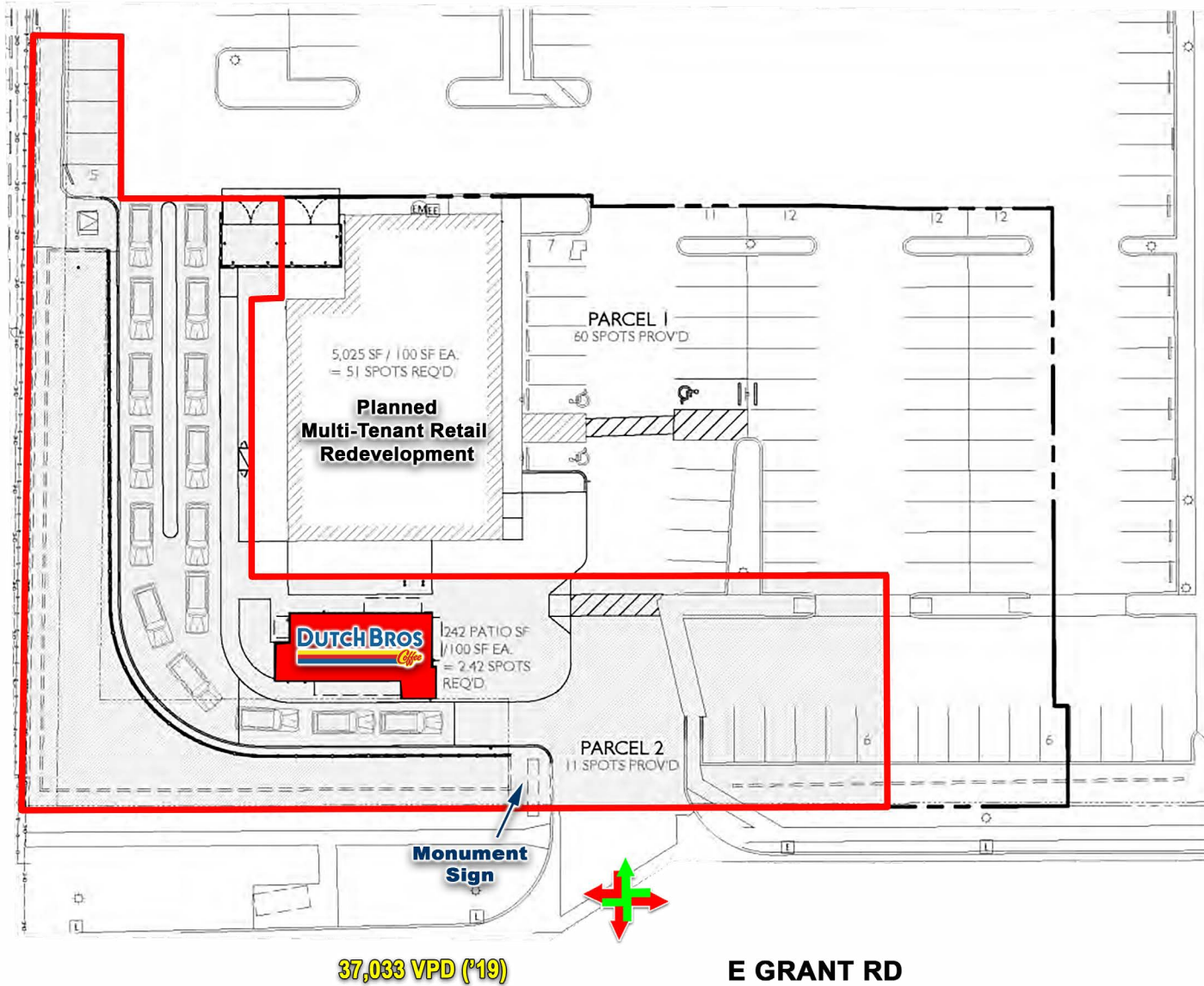
	1 Mile	3 Mile	5 Mile
2019 Population	16,477	104,062	278,961
2019-2024 Growth	2.2%	2.35%	2.6%
2019 Daytime Pop	22,480	122,708	353,166
2019 Employed	7,257	49,658	128,511
Avg HH Income	\$50,685	\$64,682	\$63,467
Median Age	42.6	40.1	36.4

## LOCATION OVERVIEW

- Brand New **Infill Development** along one of the **Dominant Commercial Arteries** of the City of Tucson
- Surrounded by a Host of National Retailers – **Walgreens, AT&T, PetSmart, Trader Joe's, Chipotle, Panera Bread, etc.**
- Visible and Accessible to **Over 66,000 Vehicles Per Day at the Intersection\***
- Strong **Daytime Population Density** with over **353,165 people within a 5 mile radius\*\***

\* AZDOT 2019

\*\* ESRI 2019





**OFFERING MEMORANDUM**

GPS Commercial Advisors - 480.603.6892 | Volk Company - 520.495.2233



## OFFERING MEMORANDUM

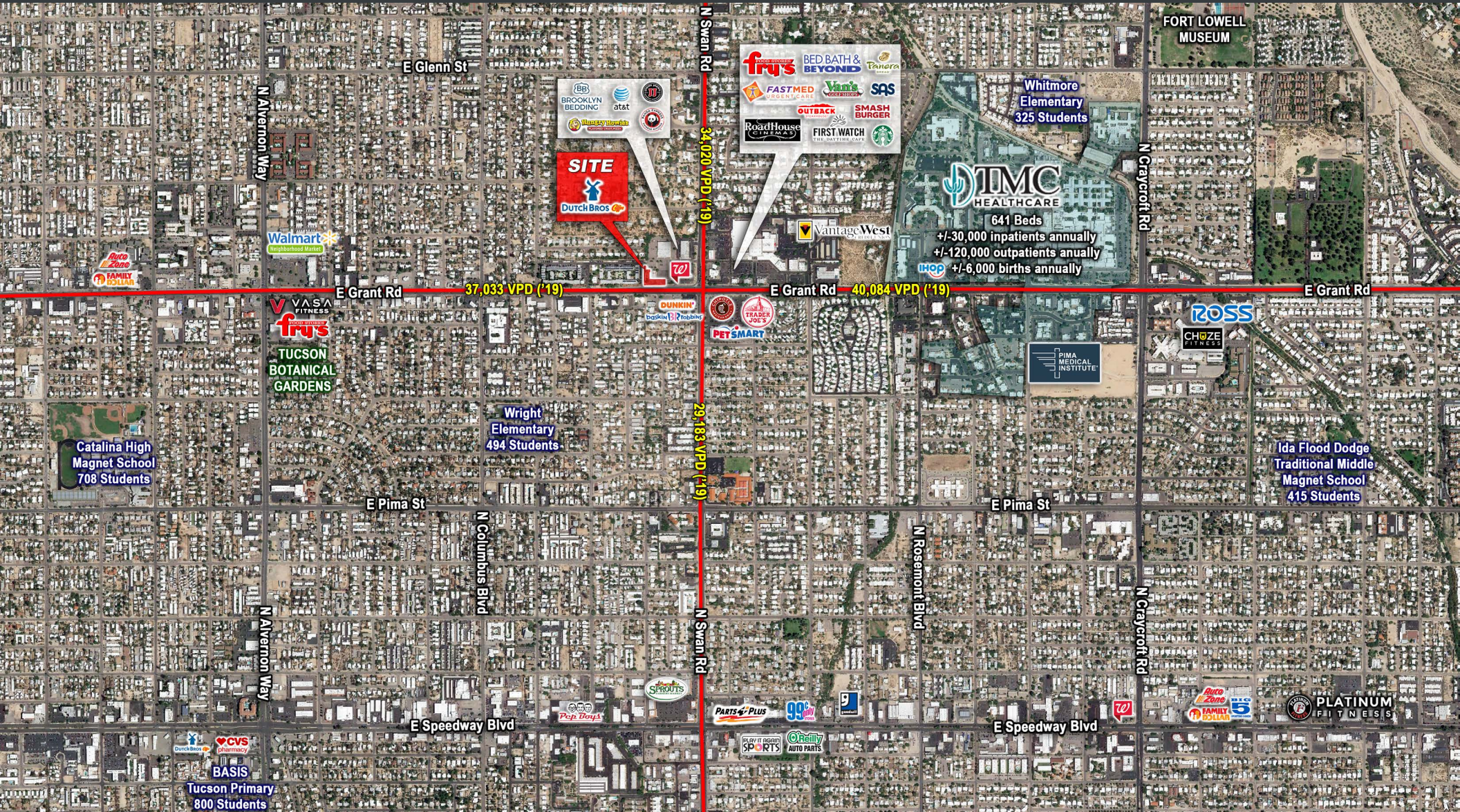
GPS Commercial Advisors - 480.603.6892 | Volk Company - 520.495.2233



## OFFERING MEMORANDUM

GPS Commercial Advisors - 480.603.6892 | Volk Company - 520.495.2233





## OFFERING MEMORANDUM

GPS Commercial Advisors - 480.603.6892 | Volk Company - 520.495.2233



ACTUAL PHOTO

Dutch Bros Coffee was founded in 1992 by Dane and Travis Boersma, brothers of Dutch descent. After three generations in the dairy business, government regulations pressed the family to sell the cows. What felt devastating turned out to be a blessing in disguise.

The bros bought a double-head espresso machine, threw open the barn doors and started experimenting with just 100 pounds of beans and a rockin' stereo. They set up a pushcart on the railroad tracks and started passing out samples to anyone who would brave the new brew, and, within a month, they knew they had something special.

Dutch Bros Coffee is known for their signature, three-bean mixed hot coffee, cold brew, and patented energy drink, Blue Rebel, as well as a variety of espressos, lattes, mochas, smoothies, and snacks. From experimenting with coffee grounds at their family's dairy farm, the company has grown to an enterprise with revenues over \$494 million a year in 2018 (Source: dutchbros.com).

Due to the tremendous success Dutch Bros has enjoyed, they have over 380 locations and have become one of the most sought-after drive-thru pad tenants in the Western U.S. \$2M annually donated to nonprofit organizations.

DUTCH BROS COFFEE IS THE COUNTRY'S LARGEST PRIVATELY HELD DRIVE-THRU COFFEE COMPANY.



IN ADDITION TO IT'S MISSION OF SPEED, QUALITY AND SERVICE, DUTCH BROS IS COMMITTED TO GIVING BACK TO THE COMMUNITIES IT SERVES.



## OFFERING MEMORANDUM

GPS Commercial Advisors - 480.603.6892 | Volk Company - 520.495.2233

## TSG CONSUMER

Dutch Bros Coffee, the country's largest privately held drive-thru coffee company, and TSG Consumer Partners ("TSG"), a leading private equity firm focused exclusively on the branded consumer sector, announced that TSG has acquired a minority stake in Dutch Bros Coffee.

The partnership will enable Dutch Bros to expand its unique brand and Dutch Luv culture to new markets, leveraging TSG's expertise and resources. Dutch Bros hopes to grow to 800 shops in five years, continue attracting key talent, employ innovative technology to improve the quality of service, use business intelligence and data to advance operations, and execute a disciplined brand strategy.

### STRATEGIC FOCUS

Dutch Bros is focused on leveraging TSG's deep consumer expertise and intellectual capital to drive growth and expansion. TSG will partner with Dutch Bros to provide employees with opportunities for growth within the company, bring in key talent, leverage technology to make quality decisions, and develop a disciplined brand strategy.

### LOOKING AHEAD

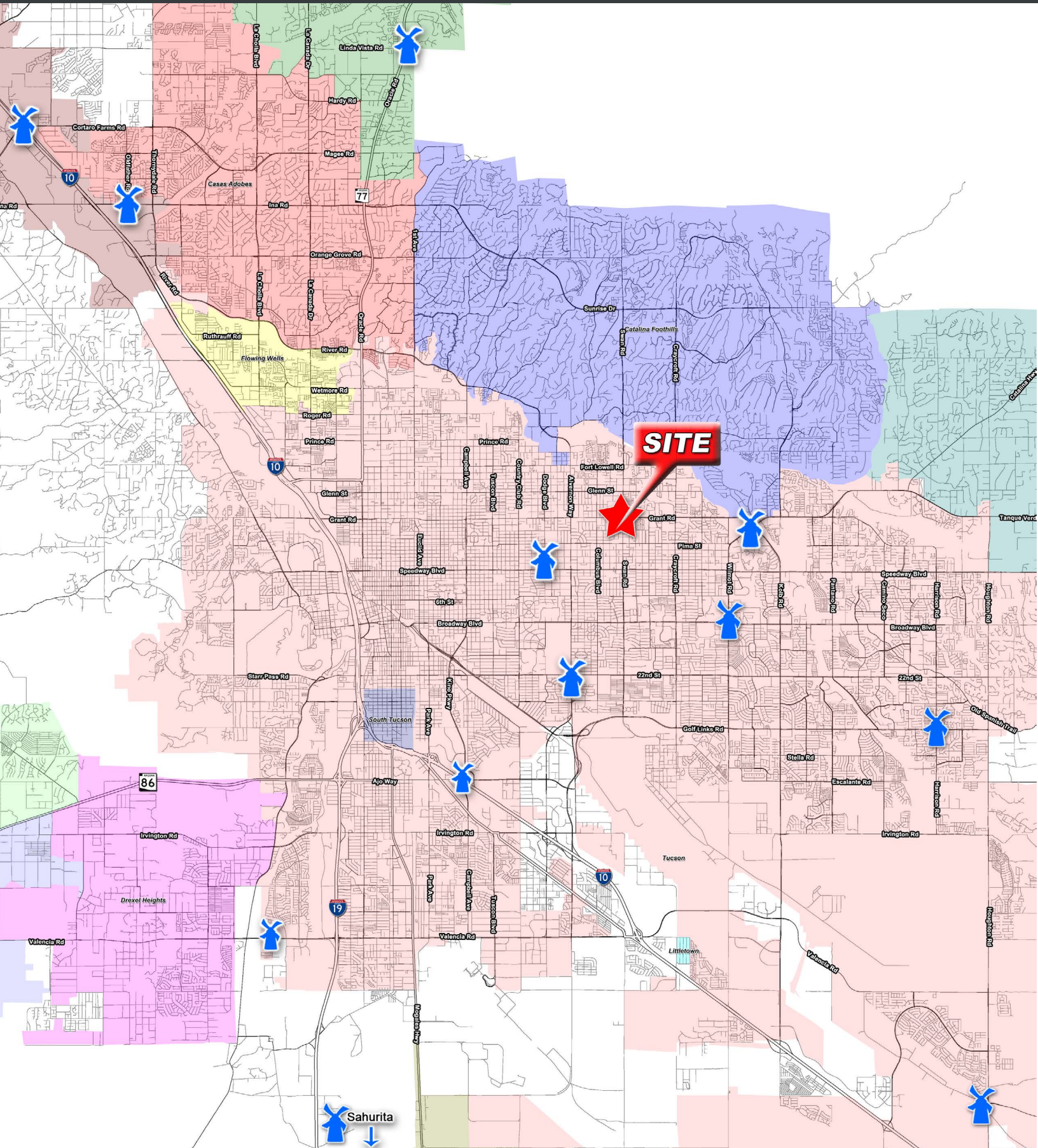
"TSG understands the vision of Dutch Bros and values our unique company culture and dedication to our people, customers and local communities. We're continuing to invest in our people first, helping those who are determined and hungry design their lives and live their dreams. We have set ambitious growth and expansion goals, and we trust TSG to help us build on this momentum in the most strategic way possible."  
– Travis Boersma, Dutch Bros Coffee Co-Founder and CEO

### SOME OF TSG'S CURRENT PARTNERSHIPS INCLUDE:



## OFFERING MEMORANDUM

# DUTCH BROS COFFEE TUCSON LOCATIONS



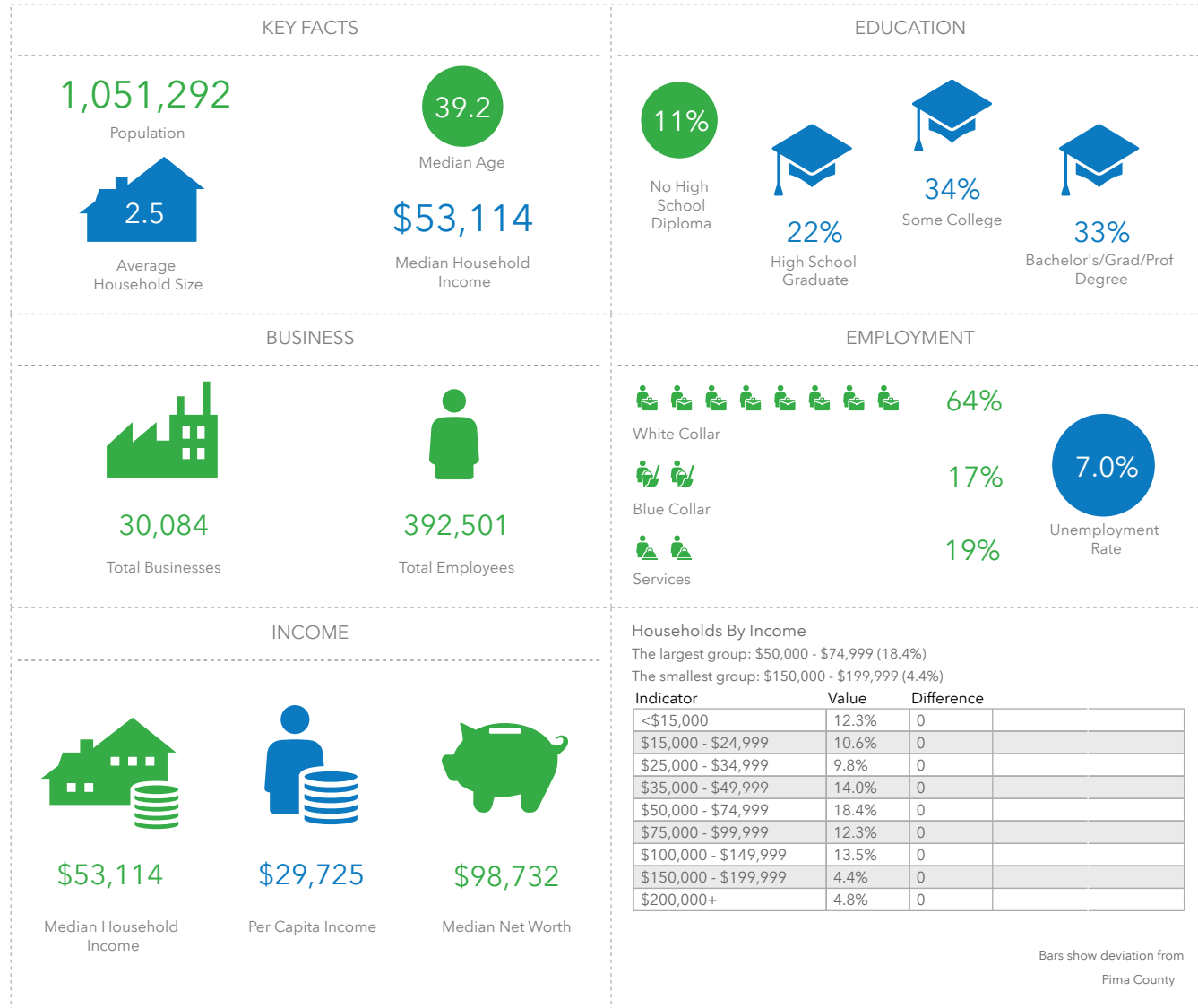
## OFFERING MEMORANDUM

GPS Commercial Advisors - 480.603.6892 | Volk Company - 520.495.2233

## TUCSON, ARIZONA:



- Tucson is home to the University of Arizona, the first university in Arizona. Founded in 1885, the university is one of the top-ranked research facilities in the country, especially known for its Optical Sciences department, Space Exploration research and sports programs. There are approximately 44,831 students enrolled (Source: Arizona. edu).
- Top employers in Tucson include: The University of Arizona ( $\pm 11,251$  employees), Raytheon Missile Systems ( $\pm 9,600$  local employees), Davis-Monthan Air Force Base ( $\pm 8,580$  employees), State of Arizona ( $\pm 8,500$  employees), and Tucson Unified School District ( $\pm 7,700$  employees) (Source: Tucson Relocation Guide, 2018).
- Tucson Metropolitan Area is the second largest MSA in Arizona with a population of  $\pm 1$  million residents. A growing arts culture and culinary scene and a buzzing downtown core featuring a true live-work-play environment, availability of land and proximity to major markets.



## OFFERING MEMORANDUM

## CONFIDENTIALITY AGREEMENT

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from GPS Retail LLC and it should not be made available to any other person or entity without the written consent of GPS Retail LLC. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to GPS Retail LLC.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. GPS Retail LLC has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, GPS Retail LLC has not verified, and will not verify, any of the information contained herein, nor has GPS Retail LLC conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

**Exclusively Listed By:**



**Jesse Rozio**

**Investment/Leasing Specialist**

480.603.6892 - cell

[jrozio@gpsaz.com](mailto:jrozio@gpsaz.com)



**Brenna Lacey**

**Vice President**

520.495.2233

[brennalacey@volkco.com](mailto:brennalacey@volkco.com)