

TRIPLE NET (NNN) INVESTMENT OPPORTUNITY TUCSON, ARIZONA



OFFERING MEMORANDUM

Exclusively Listed By



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INVESTMENT OVERVIEW

Sale Price:	\$2,357,143
Cap Rate:	4.90%
Net Cash Flow:	\$115,500
Options:	Three, 5-year options
Rent Increases:	10% Increases Every 5 Years

SITE INFORMATION

Location:	NEC of 22nd Street and Alvernon Way
Building Size:	856 SF
Parcel Size:	.92 Acres (40,000 SF)
Construction:	February 2020 Completion

LEASE STRUCTURE

Lease Type:	Triple Net (NNN) Lease
Tenant:	BB Holdings, AZ LLC
Guarantor:	Corporate
Landlord Responsibilities:	Limited

LEASE YEARS	ANNUAL RENT	CAP RATE
Years 1-5	\$115,500	4.90%
Years 6-10	\$127,050	5.39%
Years 11-15	\$139,755	5.93%
Years 16-20 (Option 1)	\$153,731	6.52%
Years 21-25 (Option 2)	\$169,104	7.17%
Years 26-30 (Option 3)	\$186,014	7.89%



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 – February 2020 Completion
- Limited Landlord Responsibilities



DEMOGRAPHICS

	1 Mile	3 Mile	5 Mile
2019 Population	13,436	96,416	296,175
2019-2024 Growth	2.15%	2.2%	2.5%
2019 Daytime Pop	16,523	142,503	391,714
2019 Employed	8,421	89,428	227,897
Avg HH Income	\$49,137	\$55,425	\$53,073
Median Age	35.1	34.0	33.4

LOCATION OVERVIEW

- Outstanding **Hard Corner, Traffic Light** Positioning on the NEC of 22nd Street and Alvernon Way
- Surrounded by a Host of **National Retailers – Walgreens, Taco Bell, Denny's, etc.**
- Visible and Accessible to **Over 70,000 Vehicles Per Day at the Intersection**
- Strong **Population Density** with over **296,175 people within a 5 mile radius**



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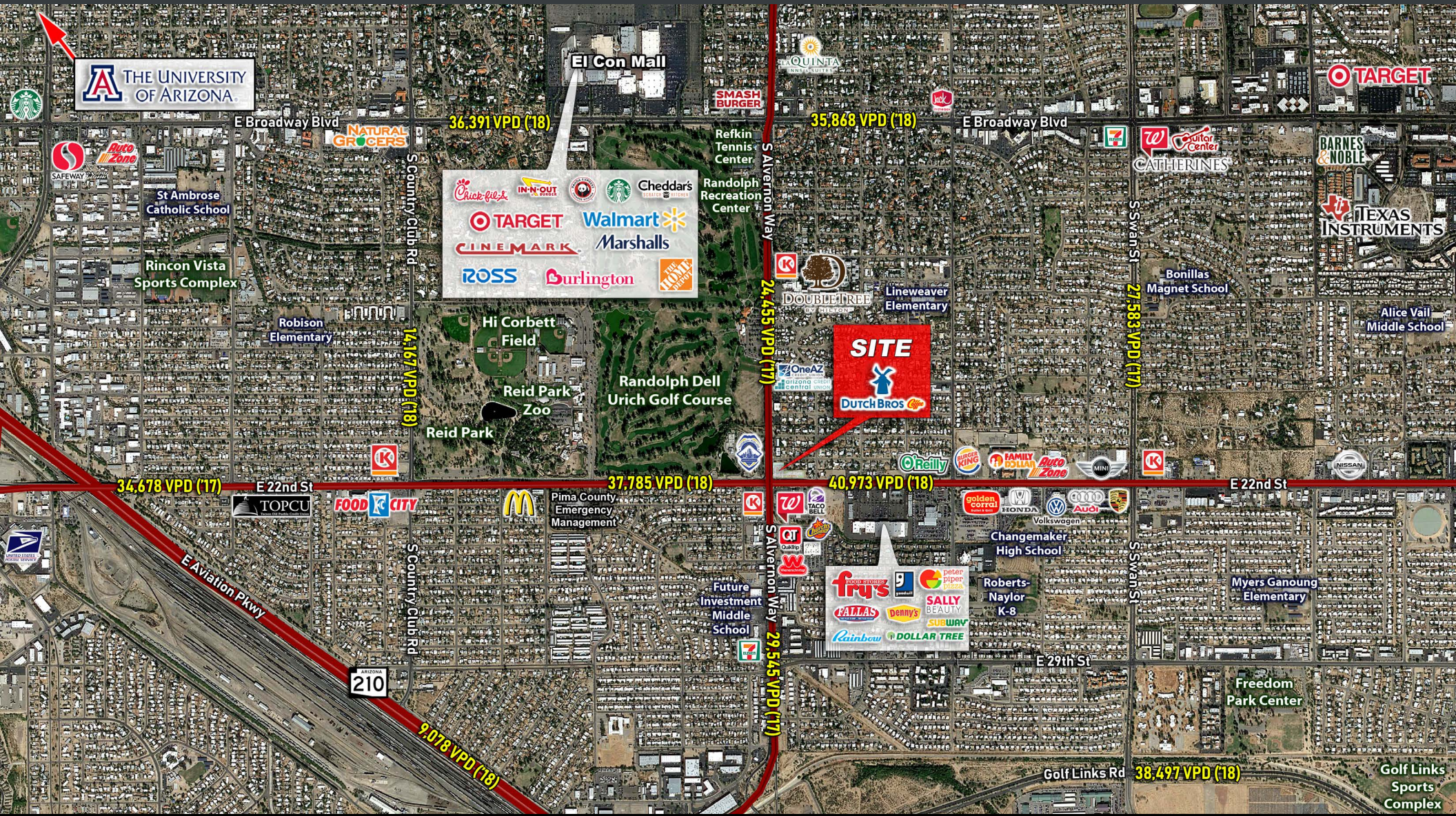
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DUTCH BROS COFFEE IS THE COUNTRY'S LARGEST PRIVATELY HELD DRIVE-THRU COFFEE COMPANY.

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 \$415 million a year in 2017 (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. They are ranked by J.D. Power and Associates as highest in customer satisfaction compared to other coffee companies in its 2012 and 2013 Specialty Coffee Retailer Satisfaction Reports (SM).



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

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.

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

STRATEGIC FOCUS

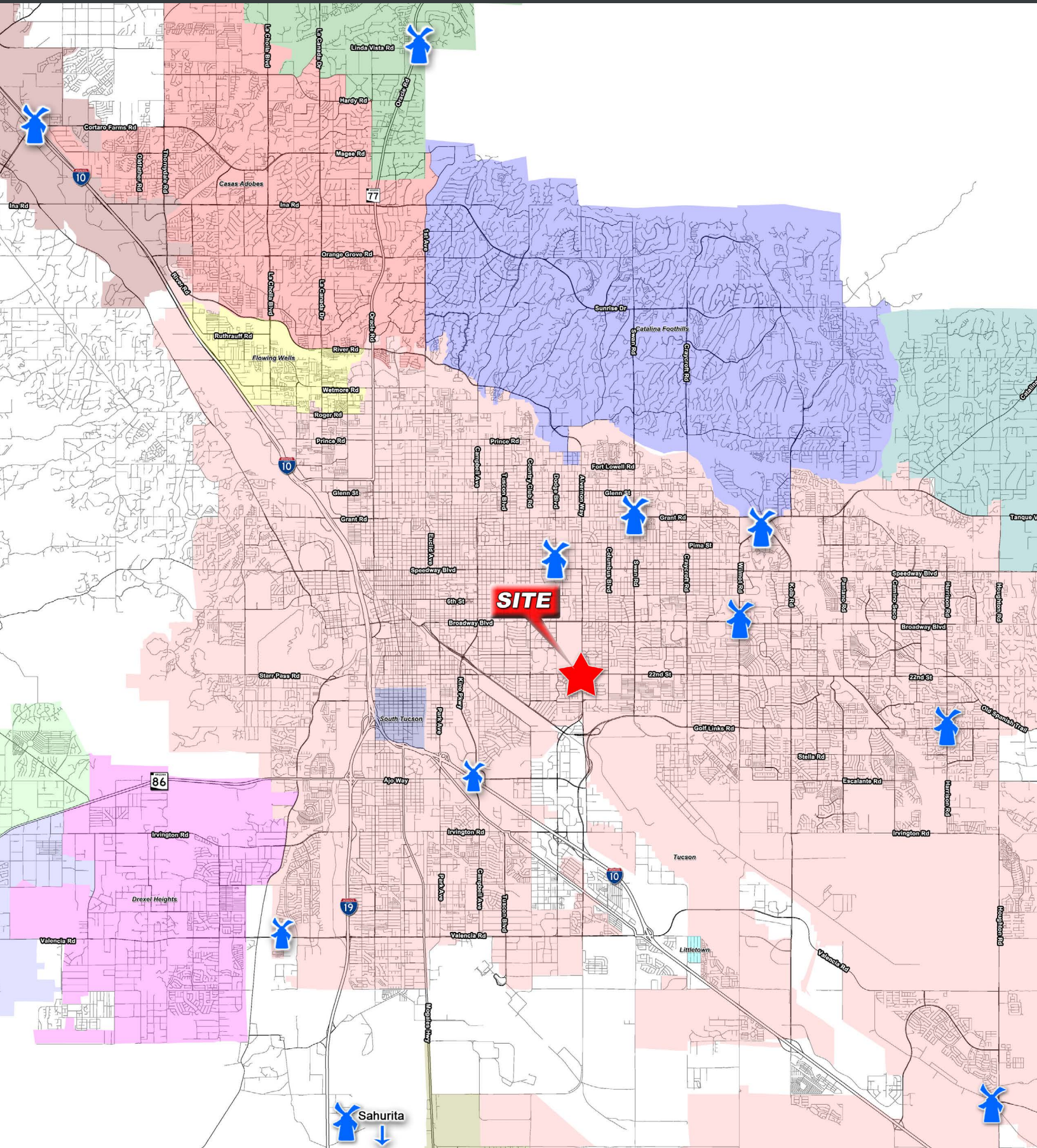
Dutch Bros is focused on leveraging TSG's deep consumer expertise and intellectual capital to drive growth and expansion. TSG will partner with Dutch Bros to provide employees with opportunities for growth within the company, bring in key talent, leverage technology to make quality decisions, and develop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

TSG CONSUMER

Some of TSG's Current Partnerships Include:



DUTCH BROS COFFEE TUCSON LOCATIONS



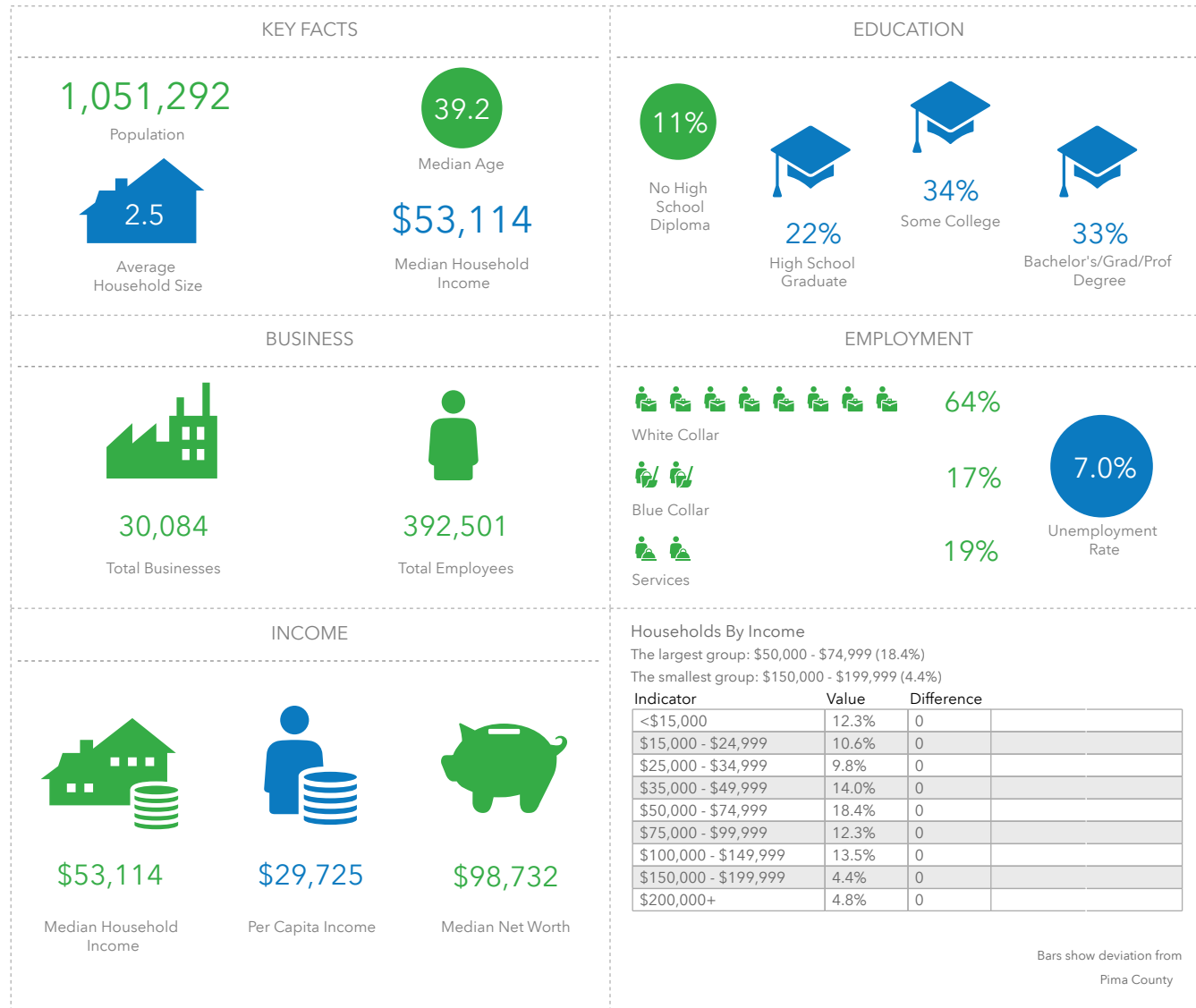
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TUCSON, ARIZONA:



- 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 (±11,251 employees), Raytheon Missile Systems (±9,600 local employees), Davis-Monthan Air Force Base (±8,580 employees), State of Arizona (±8,500 employees), and Tucson Unified School District (±7,700 employees) (Source: Tucson Relocation Guide, 2018).
- Tucson Metropolitan Area is the second largest MSA in Arizona with a population of ±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.



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Developed by Cole Valley Partners, LLC



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Real Estate

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