



DUTCH BROS.

SANDY, OREGON



CAPITAL PACIFIC

Overview

DUTCH BROS.

39625 PROCTOR BLVD. SANDY, OR 97055 



\$1,890,000

PRICE

4.75%

CAP

Investment Summary

LEASEABLE SF

827 SF

LAND AREA

21,283 SF

LEASE TYPE

NNN

TERM


15 Years

YEAR BUILT


2020**(Brand New Construction)**

PARKING

±15 Spaces

- **BRAND NEW BUILD-TO-SUIT DUTCH BROS DRIVE-THRU EQUIPPED WITH A WALK-UP WINDOW AND OUTDOOR PATIO.**
- **GRAND OPENING HELD ON JUNE 20TH.**
- **STRONG MULTI-UNIT FRANCHISEE WITH SEVERAL PORTLAND METRO LOCATIONS.** 
- **15-YEAR TERM WITH 10% RENT INCREASES EVERY 5 YEARS. YIELD INCREASES OVER 100 BASIS POINTS IN THE PRIMARY TERM.**
- **LIMITED COMPETITION AS ONE OF ONLY TWO RECOGNIZED DRIVE-THRU COFFEE BRANDS IN THE TRADE AREA AND THE FIRST VISIBLE TO TRAFFIC HEADING TO PORTLAND FROM MOUNT HOOD AND CENTRAL OREGON.**
- **SANDY IS ONE OF THE STATE'S FASTEST GROWING CITIES OFFERING AFFORDABLE LIVING, OUTDOOR RECREATION, AND ONLY 28 MILES FROM PORTLAND.**

About Dutch Bros.

DUTCH BROS. IS SLATED TO EXPAND TO MORE THAN 800 LOCATIONS BY THE END OF 2023, AND HAS DOUBLED THEIR CURRENT NUMBER OF LOCATIONS IN THE LAST FIVE YEARS. 

Quick Stats

LARGEST PRIVATELY-HELD DRIVE-THRU COFFEE COMPANY IN THE UNITED STATES.

12,000

EMPLOYEES
NATION WIDE

1992

FOUNDED
IN 1992

\$494M

2018
SALES -
**230% INCREASE
FROM 2013**

#1

**IN CUSTOMER
SATISFACTION**
J.D. Power & Associates
2012 Specialty
Coffee Retail
satisfaction report

\$2M

ANNUALLY
DONATED
NONPROFIT
ORGANIZATIONS

400

**TOTAL
LOCATIONS**

About the Franchisee

The Operator owns and manages six Dutch Bros. in the greater Portland Metro area with over 200 employees. The Operator is an active member of the Dutch Bros. corporate Culture Board, and is heavily involved in the training of new franchisees.



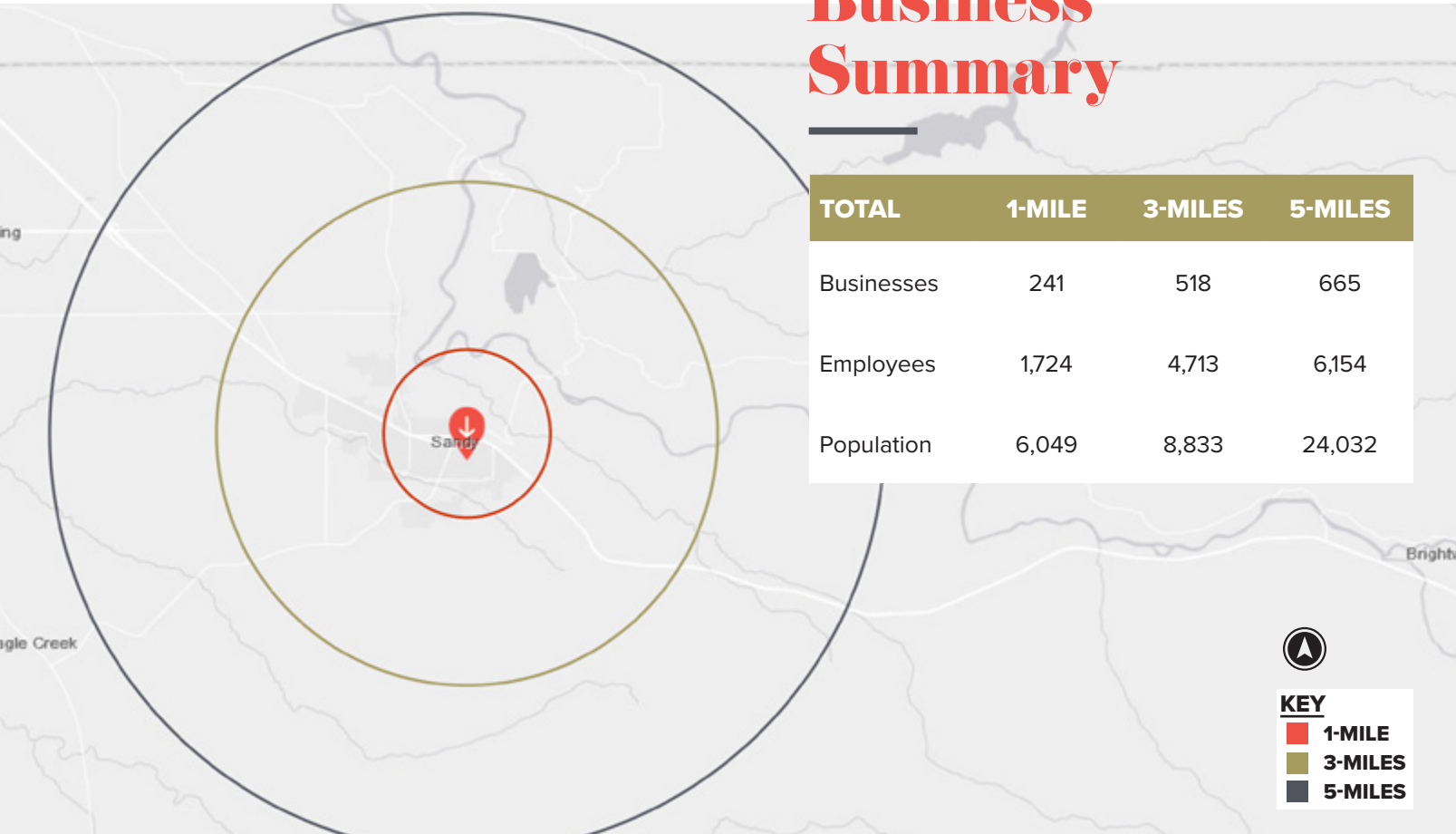
Fun Fact

THE OPERATOR WAS FEATURED IN AN EPISODE OF UNDERCOVER BOSS WITH DUTCH BROS. CO-FOUNDER, TRAVIS BOERSMA. 

About Dutch Bros.

Surrounding Retail & Daily Needs

Business Summary



MAJOR RETAIL

Bi-Mart
Burger King
Dairy Queen
Fred Meyer
Goodwill
Grocery Outlet

Jiffy Lube
KFC
McDonald's
Napa Auto Care
O'Reilly Auto Parts
Panda Express
Papa Murphy's
Pizza Hut

Safeway
Starbucks
Subway
Taco Bell
Taco Time
Walgreens



Surrounding Retail & Daily Needs

Questions & Answers

Q & A

Q: WHEN IS THE EXPECTED OPENING AND RENT COMMENCEMENT DATE OF THE BUSINESS?

A: Dutch Bros. had their Grand Opening on Saturday, 6/20.

Q: HAS THE PROPERTY HAD ANY ENVIRONMENTAL TESTING?

A: The Property previously operated as a gas station up until the 1980s and received a conditional NFA in 2007, following the removal of 13 USTS and remediation after the discovery of contaminated soil and groundwater between 1994-2004.

The Phase I in 2018 recommended additional testing surrounding the conditions leading up to the NFA, and the Phase II in 2019 (in line with the Conditional NFA), states no further testing is required, yet a Contaminated Media Management Plan (CMMP) must be completed and approved by DEQ prior to development, which the Seller completed (and DEQ approved) in June 2019. Contact Capital Pacific for more information.

SITE PLAN NOT TO SCALE



A cross-easement access agreement runs with the land between the Dutch Bros. and 7-Eleven parcels, permitting access across both parcels and through-traffic between SE Ten Eyck Road and the Property.

Site Plan

Financial Summary

PRICE	\$1,890,000
CAPITALIZATION RATE	4.75%

CASH FLOW SUMMARY

SCHEDULED INCOME

Base Rent for the Period of:	8/1/2020 - 7/31/2021	\$90,000
------------------------------	----------------------	----------

Total Effective Gross Income (EGI)	\$90,000
---	-----------------

OPERATING EXPENSES

CAMS	NNN
------	-----

Property Taxes	NNN
----------------	-----

Insurance	NNN
-----------	-----

Total Operating Expenses	-
---------------------------------	----------

NET OPERATING INCOME	\$90,000
-----------------------------	-----------------

Rent Roll

Dutch Bros					
Lease Term:	6/20/2020 - 6/30/2035				
Size (SF):	827				
RENT SUMMARY					
DATE	MONTHLY BASE RENT	% INCREASE	ANNUAL RENT	CAP RATE	
6/20/2020	\$7,500		\$90,000	4.75%	
7/1/2025	\$8,250	10%	\$99,000	5.24%	
7/1/2030	\$9,075	10%	\$108,900	5.76%	
OPTIONS					
1	7/1/2035	\$9,983	10%	\$119,790	6.34%
2	7/1/2040	\$10,981	10%	\$131,769	6.97%
3	7/1/2045	\$12,079	10%	\$144,946	7.67%
CURRENT		\$7,500		\$90,000	4.75%

Lease Notes

Comments: NNN Lease with Personal Guaranty provided by strong operator for the primary term of the lease. Rent commencement is estimated for purpose of Analysis.

Lease Abstract

Premise & Term

TENANT

Dutch Bros. O.C. LLC

GUARANTY

Personal Guaranty (for primary term of the lease).

Maintenance & Repair

TENANT'S OBLIGATIONS

Tenant is responsible for all non-structural and interior portions of the building, including the drive through facility, HVAC maintenance and repair, and exterior maintenance, including landscaping and snow removal.

LANDLORD'S OBLIGATIONS

Landlord is responsible for the maintenance, repair and replacement to the building structure, roof, slab, foundation, and will replace the HVAC if needed, yet is not responsible for HVAC maintenance and repairs.

Expenses

TAXES

Tenant is responsible for reimbursing Landlord for taxes.

INSURANCE

Tenant will carry a general liability policy and will reimburse Landlord's property insurance policy.

UTILITIES

Tenant is responsible for all utilities and all exterior, nonstructural and non-capital maintenance and repair.

Misc. Lease Provisions

RESTRICTIVE COVENANT

Landlord agrees that it will not sell, lease to, manage, or permit the occupancy of any tenant whose primary business is the sale of coffee at a property the Landlord owns or manages within a 1-mile radius.

SALES REPORTING

Tenant is not required to report sales, except if required by Landlord's current or future lender.

Location

PORTLAND MSA, OREGON



2nd Highest Migration Rate in the Nation

LEADING ECONOMIC DRIVERS IN THE PORTLAND MSA are renewable energy, technology, health care, and professional services. Due to its rising popularity as a hub for tech companies and start-ups, Portland has earned the nickname “Silicon Forrest”. The Portland MSA is home to Intel, the area’s largest employer, and the Nike World Headquarters. Nike is undergoing a \$150 million expansion to their headquarters and announced in late 2019 they are doubling their efforts to include an additional 1.3 million square feet of office that will accommodate an additional 2,000 employees; Nike’s employment grew by 50% in the last five years to 12,000 current employees.

MOUNT HOOD

3.5M

**ANNUAL VISITORS
TO MT. HOOD**



**MORE THAN 53% OF
MOUNT HOOD VISITORS
ARE THERE FOR THE
DAY, AND 79% OF THOSE
VISITORS WILL TRAVEL
THROUGH SANDY.**

SANDY IS THE SECOND-FASTEST GROWING CITY IN THE STATE, largely dependent on the growth of the Portland metro area, just 28 miles west. Sandy acts as the gateway to the Mount Hood Corridor, located at the foothills of the Cascade Mountain Range and along the Sandy River. Mount Hood is the state's highest mountain and offers the nation's longest ski season, attracting tourists from across the U.S. The Mount Hood Corridor is a paradise for outdoor enthusiasts with more than six ski resorts – Timberline (Timberline Lodge is a National Historic Landmark), Mount Hood Meadows, Ski Bowl, Cooper Spur, Snow Bunny, and Summit, alongside hundreds of hiking trails including a portion of the Pacific Crest Trail extending between the Mexican-Canadian borders.

Contact Us



The information in this Executive Summary has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies. All rights reserved to Capital Pacific, LLC.

Contact the listing team:

KEVIN ADATTO

kadatto@capitalpacific.com

PH: 503.675.7726

ZEB RIPPLE

zripple@capitalpacific.com

PH: 415.274.2702

CA BRE#: 01242540

Our brokers collaborate:

KEVIN ADATTO

SEAN TUFTS

MICHAEL HORWITZ

SCOTT FRANK

SEAN MACK

PETER DUNN

DAVID GELLNER

MICHAEL LOWES

LANCE SASSER

MEET THE ENTIRE TEAM [HERE.](#)

**DEVELOPED BY COLE
VALLEY PARTNERS**



CAPITAL PACIFIC
TOGETHER | OUTPERFORMING



COLE VALLEY PARTNERS
Real Estate

Contact Us



CAPITAL PACIFIC



SEA.

PDX.

SFO.

CAPITALPACIFIC.COM

Copyright © 2020 Capital Pacific LLC