



ABSOLUTE TRIPLE NET (NNN) INVESTMENT OPPORTUNITY
APACHE JUNCTION, ARIZONA - PHOENIX METRO

OFFERING MEMORANDUM

Exclusively Listed By



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INVESTMENT OVERVIEW

Sale Price:	\$1,940,000
Cap Rate:	5.00%
Net Cash Flow:	\$97,000
Options:	Four, 5-year options
Rent Increases:	10% Increases Every 5 Years

SITE INFORMATION

Location:	NEC of Apache Trail and Thunderbird Drive
Building Size:	862 SF
Parcel Size:	1.02 Acres (44,431 SF)
Construction:	May 2020 Completion

LEASE STRUCTURE

Lease Type:	Absolute Triple Net (NNN) Lease
Tenant:	BB Holdings, AZ LLC
Guarantor:	Corporate
Landlord Responsibilities:	None

LEASE YEAR ANNUAL RENT CAP RATE

Years 1-5	\$97,000.00	5.00%
Years 6-10	\$106,700.00	5.50%
Years 11-15	\$117,370.00	6.05%
Years 16-20 (Option 1)	\$129,107.00	6.66%
Years 21-25 (Option 2)	\$142,017.70	7.32%
Years 26-30 (Option 3)	\$156,219.47	8.05%
Years 31-35 (Option 4)	\$171,841.42	8.86%



INVESTMENT HIGHLIGHTS

- Opportunity to Invest in a Growing Concept with 395+ Locations Nationally
- Corporate Backed 15-Year Absolute Triple-Net (NNN) Lease
- 10% Rent Increases Every 5 Years Throughout the Entire Lease Term and Option Periods
- Brand New Construction – May 2020 Completion
- **Zero Landlord Responsibilities**



DEMOGRAPHICS

	1 Mile	3 Mile	5 Mile
2019 Population	9,833	60,652	123,834
2019-2024 Growth	3.95%	5.3%	6.85%
2019 Daytime Pop	11,942	52,821	100,391
2019 Employed	5,649	15,242	25,740
Avg HH Income	\$45,416	\$58,563	\$70,027
Median Age	49.8	48.4	45.7

LOCATION OVERVIEW

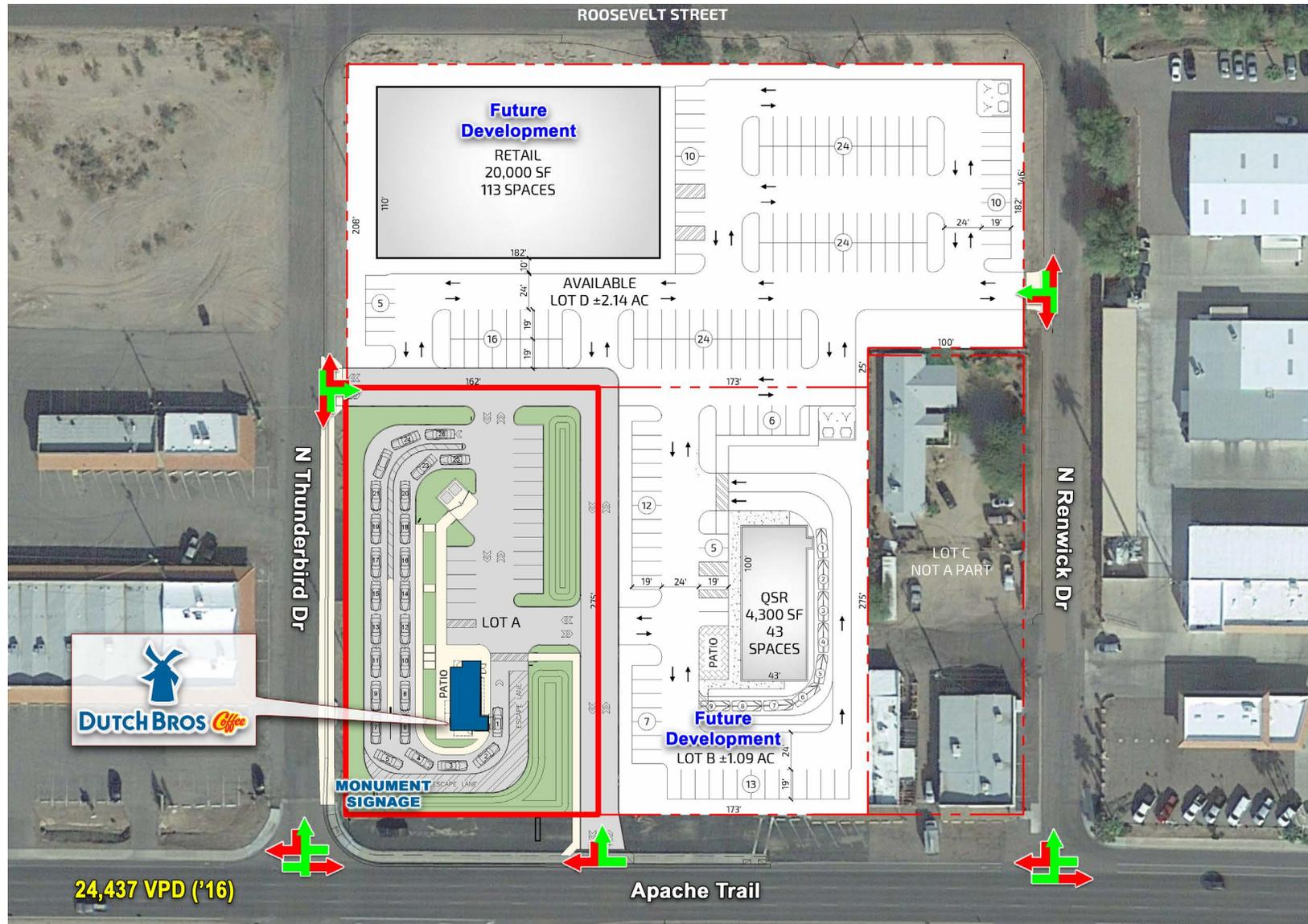
- Strategically Positioned Fronting Apache Trail, the Main Artery of the City of Apache Junction, Visible to **24,000+ Vehicles Per Day**
- **Hard Corner Location** with **Multiple Access Points** along Apache Trail
- Strong Demographics including **Above National Average Household Income**
- Surrounded by a Host of National Retailers – **Chase Bank, Goodwill, Ross, Sonic Burger, etc.**



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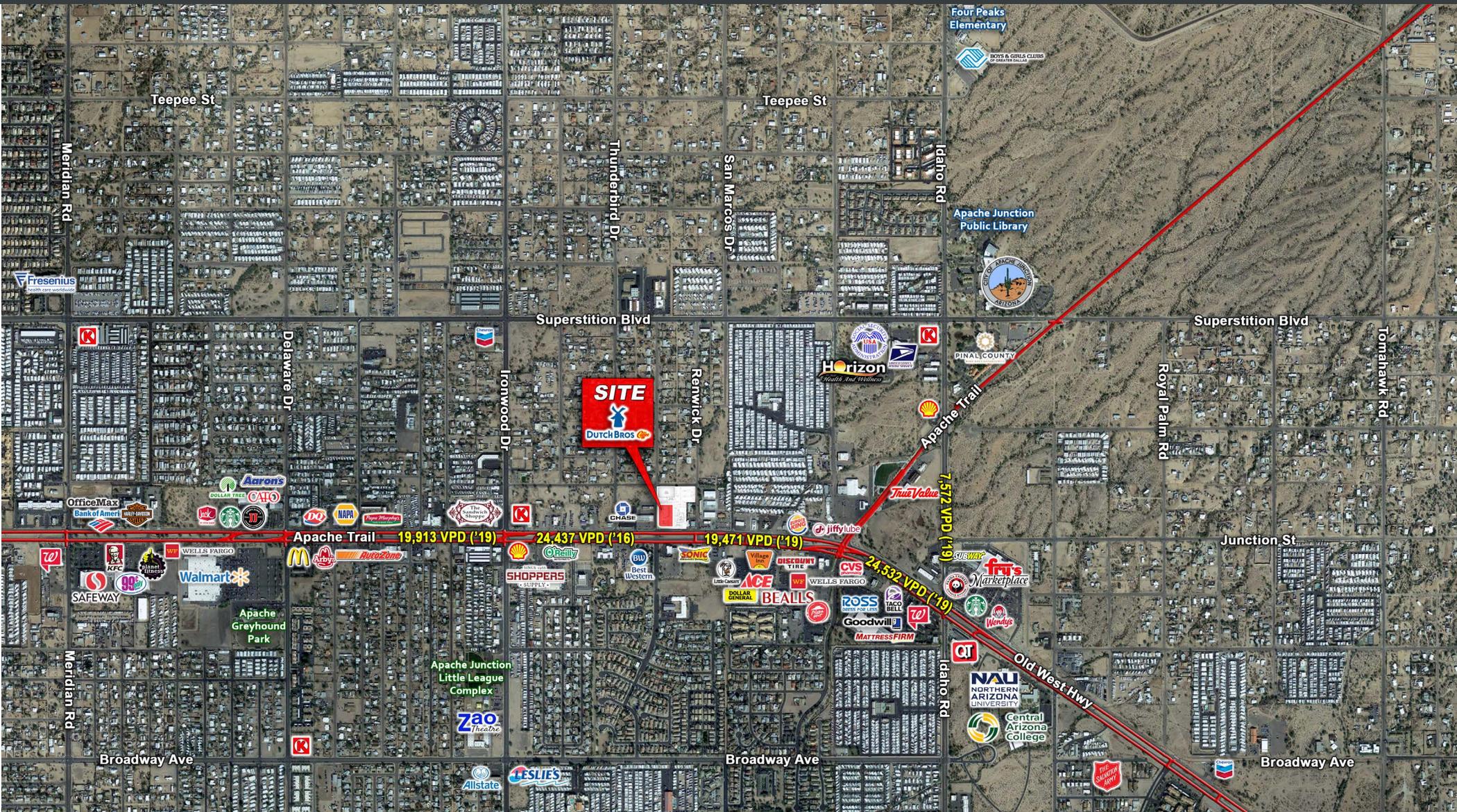


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Dutch Bros Coffee was founded in 1992 by Dane and Travis Boersma, brothers of Dutch descent. After three generations in the dairy business, government regulations pressed the family to sell the cows. What felt devastating turned out to be a blessing 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 395 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 ITS 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.

TSG CONSUMER

Some of TSG's Current Partnerships Include:

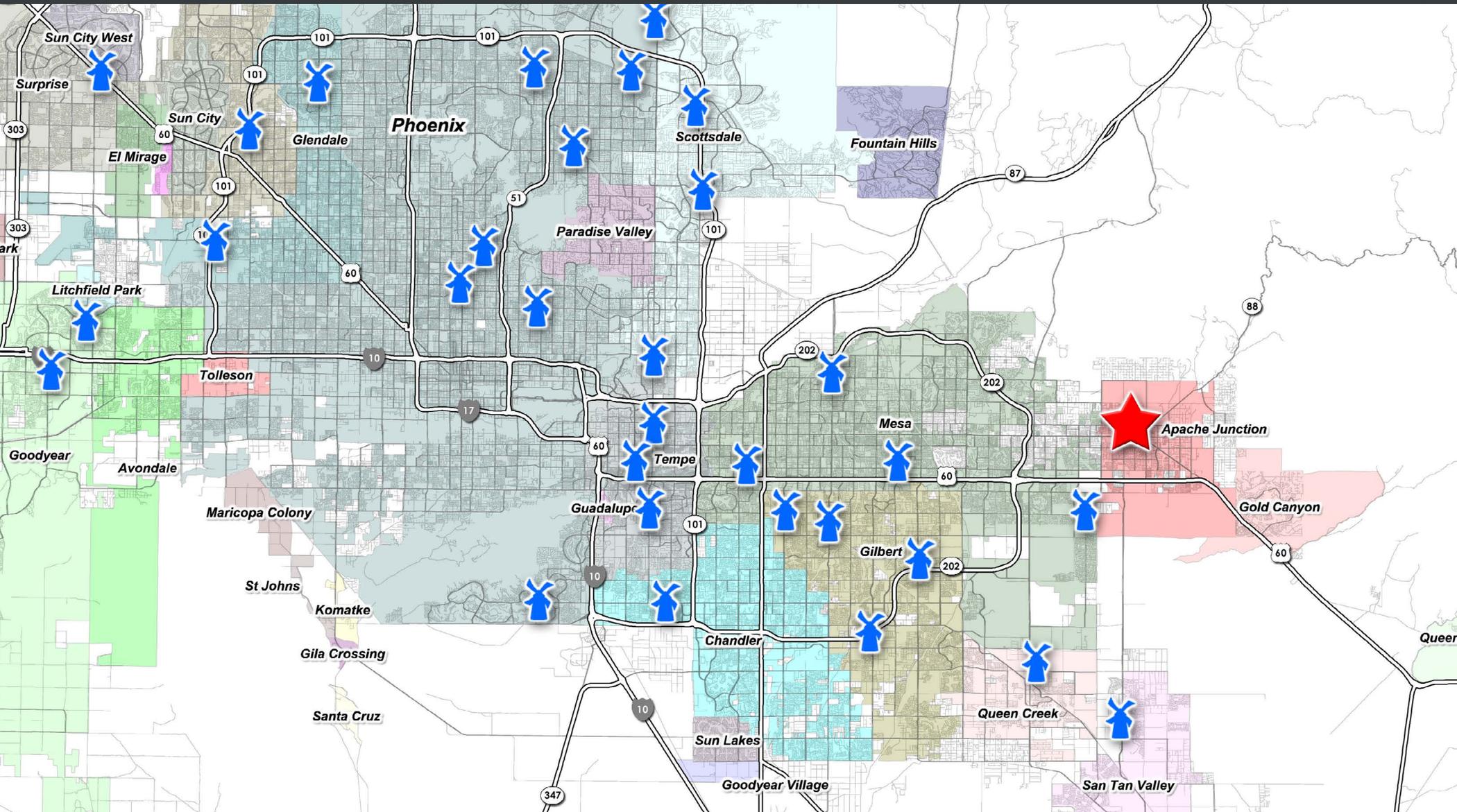


LOOKING AHEAD

"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

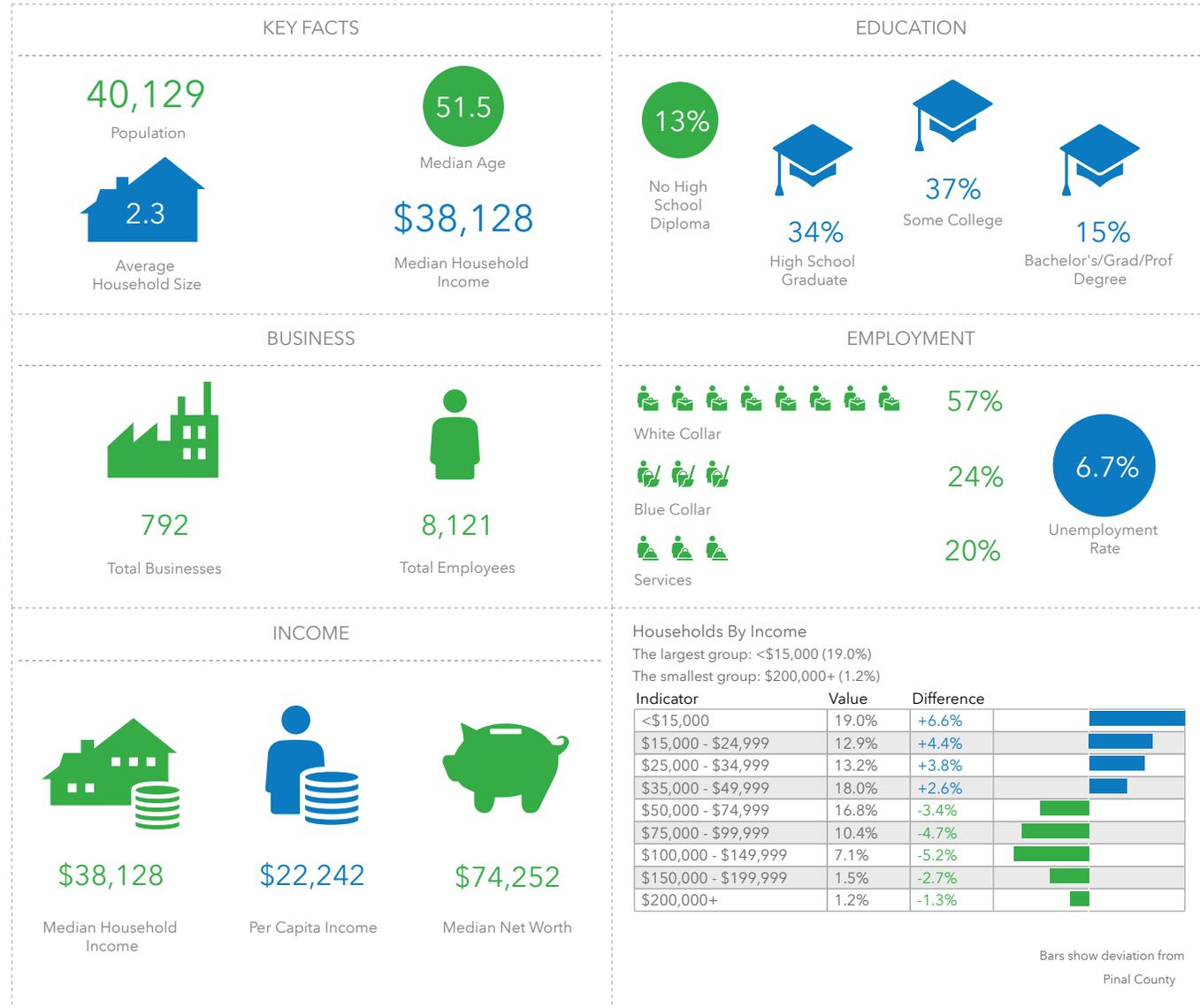
Dutch Bros is focused on leveraging TSG's deep consumer expertise and intellectual capital to drive growth and expansion. TSG will partner with Dutch Bros to provide employees with opportunities for growth within the company, bring in key talent, leverage technology to make quality decisions, and develop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



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APACHE JUNCTION, ARIZONA:

- Apache Junction (AJ) is the easternmost community in the Phoenix Metropolitan area. They have the metro area's advantage of direct freeway access to entertainment, cultural activities, and employment centers.
- AJ is best known for open space and the spectacular view of the Superstition Mountains. The surrounding geography and western atmosphere draw over half a million visitors through the city annually and an additional 40 thousand residents each winter.
- The market area is defined by a 15-minute drive time from the center of Downtown. The population for the market area includes 108,009 people with a median income of \$45,942. Between the months of November and April the market area sees a population influx estimated to be around 40,000+.



METROPOLITAN PHOENIX:

Phoenix plays a prominent role in the economy of the Southwestern region of the country, serving as a financial, communications, and transportation hub. Phoenix's economy is moving beyond its traditional reliance on single-family construction and retirees. It has become a magnet for the relocation of manufacturing and professional services firms. As a result, the surge of new residents is providing a boost to jobs in the retail, hospitality, construction, and healthcare sectors.

The tech sector in the MSA, referred to as the 'Silicon Desert' employs roughly 5 percent of the workforce. Phoenix is actively peeling away tech firms from the West Coast cities due to the significantly lower costs of living and doing business, and the quality of life perks that go along with it. These low costs have also incentivized financial and business services firms to open back-office operations in the MSA. Along with a preferable environment to incentivize corporate expansion, Phoenix boasts a strong knowledge base from its university system.

Phoenix Metro has more than 300,000 students attending one of their universities at any time – ±6.4% of the total population in the MSA. Arizona State University, the largest university campus in the MSA was named the 'Most Innovative School in America' five years in a row by U.S. News & World Report. Phoenix is also home to Maricopa Community Colleges, one of the largest community college systems in the U.S. A majority of students in the university system wish to stay in Arizona as the tech sector expands and high-paying jobs await them in the local workforce.

**OFFERING MEMORANDUM**GPS Commercial Advisors | 480.603.6892 | www.gpsaz.com

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Developed by Cole Valley Partners, LLC



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