

DUTCH BROS

Coffee

#1

Largest Private
Drive-Thru Coffee Chain

▪ Corporate Long-Term Lease ▪ Large Parcel with Double Drive-Thru ▪ High Volume Location ▪



In Association with JDS Real Estate Services, Inc.- DBA Hanley Investment Group | A Licensed Idaho Broker #CO42060

OFFERING MEMORANDUM
TWIN FALLS, IDAHO



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OFFERING MEMORANDUM

TWIN FALLS, IDAHO

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OFFERING SUMMARY

DUTCH BROS. COFFEE



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LOCATION

Dutch Bros. Coffee
572 Pole Line Road (Highway 93)
Twin Falls, ID 83301

OFFERING SUMMARY

Price:	\$2,040,000
Net Operating Income (NOI):	\$112,064
Capitalization Rate:	5.50%
Net Rentable Area:	440 SF
Year Built:	2015
Lot Size (Acres):	1.085

LEASE TERMS

Lease Commencement:	2/1/2015
Lease Expiration:	1/31/2030
Lease Term:	15 Years
Lease Type:	NN
Roof & Structure:	Landlord Responsibility
Monthly Rent:	\$9,339
Annual Rent:	\$112,064
Rental Increases:	2% Annually
Renewal Options:	Four 5-Year



DUTCH BROS QUICK FACTS

#1

**LARGEST PRIVATELY HELD
DRIVE-THRU COFFEE COMPANY**
- *Forbes (2018)* -

#10

**FASTEST GROWING
FRANCHISES BY SALES**
- *Franchise Times (2018)* -



**BEST SMALL COMPANIES
IN THE U.S.**

- *Forbes (2017)* -



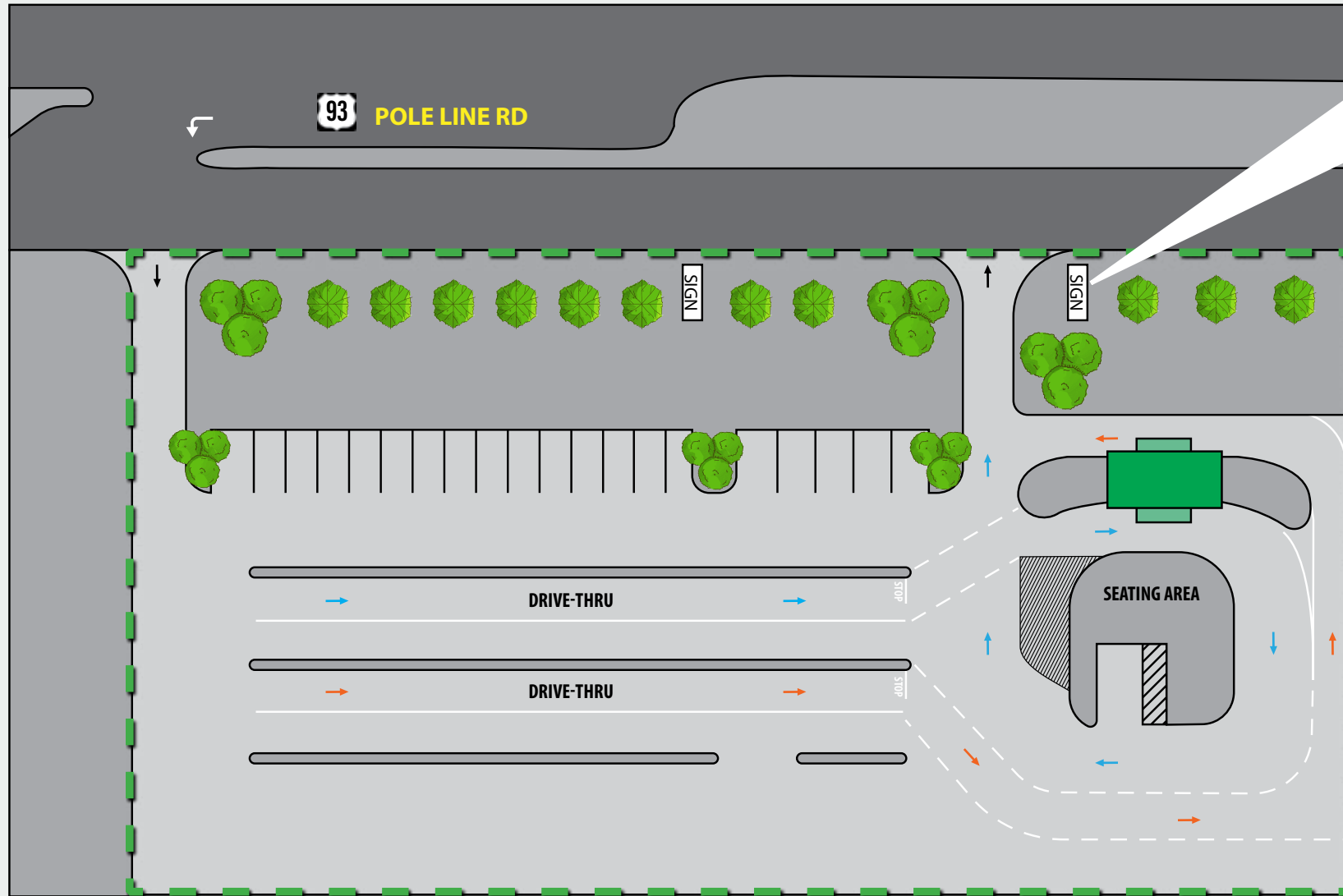
- **Corporate Dutch Bros. Coffee Single-Tenant Drive-Thru:**
 - 10+ years of term remaining with 2% increases annually
 - Four 5-year options
 - Corporate guaranteed lease (BB Holdings ID, LLC)
 - 2015 high quality construction
- **Dutch Bros. Coffee is Rapidly Growing:**
 - Largest privately-held drive-thru coffee company in the country
 - 330+ locations in 7 western states (Washington, Oregon, California, Nevada, Arizona, Idaho, Colorado)
 - Strong following of loyal customers dubbed “The Dutch Mafia”
- **Recently Expanded Footprint to Accommodate High Traffic at Site:** In the summer of 2018, Dutch Bros. expanded its footprint at this location to allow for a new double drive-thru that will serve over 30 vehicles at one time
- **Excellent Retail Synergy:** Strategically located in the main retail corridor of Twin Falls, Dutch Bros. is positioned adjacent to the only Costco in a 100-mile radius and surrounded by other major national retailers including Target, WinCo Foods, Lowe’s, Walmart Supercenter, and Home Depot
- **Property Features a Highly Visible 20-Foot Pylon Sign with a 10-Foot Dutch Bros. Branded Coffee Cup**





- **Limited Competition:** As the first Dutch Bros. in Twin Falls, this location serves as the premier drive-thru coffee operator on the heavily trafficked Pole Line Road (Highway 93)
- **Close Proximity to College of Southern Idaho:**
 - Located less than 1-mile south of property
 - 9,885 students; Largest university in Twin Falls (6th in Idaho)
 - Founded in 1965
- **Nearby Regional Attractions (Less than 6-Miles from Subject Property):**
 - *Shoshone Falls:* Coined as "The Niagara of the West", the 212-foot waterfalls have an average of 300,000 annual visitors at the attraction
 - *Snake River:* Running along the northern border of Twin Falls, the 1,000+ mile long river offers some of the best fishing in the country
 - *Perrine Bridge:* Crossing over the Snake River in the northern part of Twin Falls, the 486-foot bridge attracts thousands of base jumpers each year
 - *Magic Valley Mall:* Strong offering of national retailers, serving as the only regional mall in a 100-Mile radius
- **In 2018 Idaho Ranked as the Fastest Growing State in the U.S. with an Annual Population Increase of 2% (USA Today)**





 **SUBJECT PROPERTY**

APN: RPT42900010020

 **PROPERTY PARCEL**





ONLY COSTCO IN A
100-MILE RADIUS

SURROUNDING TENANTS

NOT A PART





- 143 BEDS -
- #1 LARGEST EMPLOYER -
- 1.9 MILES FROM
SUBJECT PROPERTY -



- 9,885 STUDENTS -
- 1 MILE FROM
SUBJECT PROPERTY -



DEMOGRAPHICS

	Population	AHHI
1-Mile Radius	3,614	\$71,489
3-Mile Radius	39,937	\$63,424
5-Mile Radius	54,562	\$64,124



**DOUBLE DRIVE-THRU
STACK ADDED IN 2018**



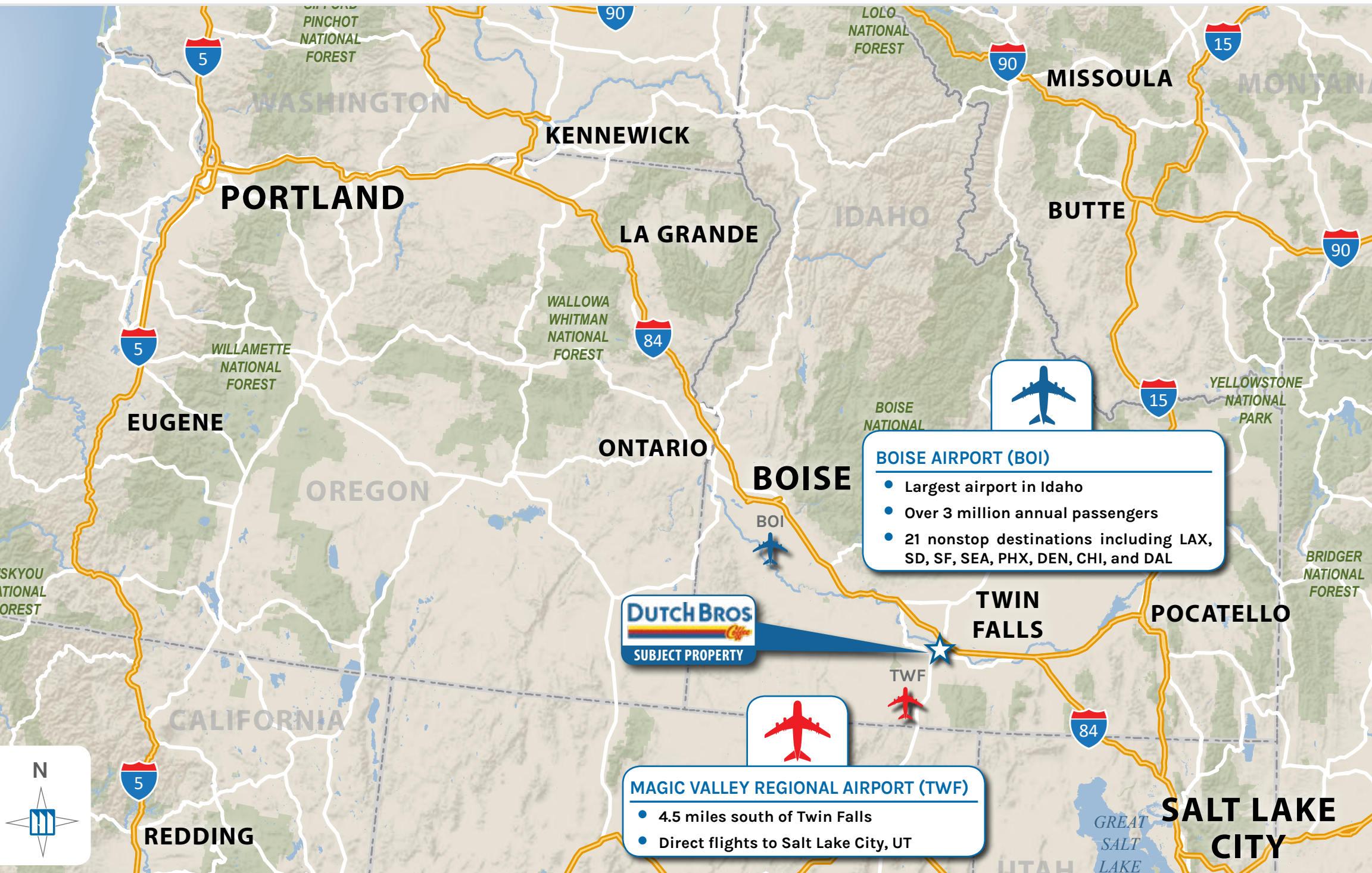


REGIONAL MAP

DUTCH BROS. COFFEE



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The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.

TENANT PROFILE

DUTCH BROS. COFFEE



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ACTUAL PROPERTY PHOTO



Dutch Bros. Coffee is the largest privately held drive-thru coffee chain in the U.S. With over 330 locations across seven states, the drive-thru coffee chain specializes in premium coffees and speedy, high-energy service. The chain's almost entirely beverage-based menu features a variety of coffee roasts along with lattes, cocoas, and specialty drinks and is known for their irresistible three-bean blend of 100% Arabica coffee beans.

Founded in 1992 by brothers, Dane and Travis Boersma, the company has grown steadily over the last 30 years. Headquartered in Grants Pass, Oregon, the company sales grew by 19.2% from \$348.2 million to \$415.3 million in 2017. Dutch Bros. store count grew over 16.1% in the last two years, 9.9% in 2018, and 6.2% in 2017.

In October 2018, Dutch Bros. announced that it had received a minority investment from San Francisco-based, private-equity firm TSG Consumer Partners. The company plans to use the investment to expand into new markets, with the goal of growing the number of its locations to 800 stores over the next five years. The company plans to use the funding to attract talent and deploy technology to improve service and provide business intelligence. TSG previously also had a stake in the casual-dining chain Yard House, one of its most successful investments.

- **#1 Largest Privately Held Drive-Thru Coffee Chain** - Forbes (2018)
- **#10 "Fastest-Growing Franchises By Sales"** - Franchise Times (2018)
- **"America's Best Small Companies"** - Forbes (2017)

Company Type: Private
Locations: 330+
Website: www.dutchbros.com

PORTLAND BUSINESS JOURNAL



Dutch Bros Among Fastest-Growing Franchises in the Nation

By Alex Van Abbema | October 2, 2018

Dutch Bros has made plenty of news over the past 24 hours. In a great example of the Grants Pass chain's timing, it's remaining in the spotlight with word that the company was the 10th fastest-growing franchise in 2017. The rating comes courtesy of the newly released Franchise Times Top 200+, which ranks the largest franchises in the U.S. by global systemwide sales.

Thenews coincides with Dutch Bros announcement Monday that it secured private equity backing from San Francisco-based TSG Consumer Partners, which invested an undisclosed amount in exchange for a minority stake in the company (adjacent article).

Dutch Bros intends to expand to 800 shops over the next five years as it continues to build a loyal fan base. It currently has more than 300 locations in seven states.

PBJ [CLICK FOR ARTICLE](#)

Forbes



Coffee Lovers, Keep An Eye On Dutch Bros. They Just Got A Big Investor

By Micheline Maynard | October 2, 2018

Many people in Western states know about Dutch Bros, the quirky drive-thru coffee spots. Now, more customers will soon see them, too.

Dutch Bros (pronounced as "bros," not "brothers") announced this week that it has received a minority investment from TSG Consumer Partners. The size of the investment wasn't disclosed, but Dutch Bros says it wants to nearly triple its outlets, from 300 to 800, within the next five years. In a statement, the company said it wants to continue "attracting key talent, employ innovative technology to improve the quality of service, use business intelligence and data to advance operations, and executive a disciplined brand strategy."

Dutch Bros is the country's largest privately held drive-thru coffee company. Based in Grants Pass, Oregon, it has outlets in seven states, with more than 9,000 employees.

F [READ MORE AT FORBES](#)

Twin Falls, Idaho

- 8th largest city in Idaho; 50,000+ population
 - Largest city in a 9-county region
- Principal city in Twin Falls County; 83,150 population
 - 4th fastest growing micropolitan in the U.S. in 2017
 - Twin Falls and Jerome Counties were designated a metropolitan statistical area because of the area's rapid growth (2017)
- Twin Falls' population (7.1%) is projected to grow faster than the county (6.4%) between 2018-2023
- Home to the Magic Valley Region, 8-county region in South Central Idaho; 190,000 population
 - Houses 65% of the state's population
 - 9.4% population increase since 2007
- Gateway city to Shoshone Falls, the Niagara of the West (located in Twin Falls)

ECONOMY

- Strong and steady local economy with diversified tax base
 - Low unemployment rate (2.2%) which is below the state (2.7%) and the nation (3.8%) as of October 2018
 - Major industries include retail trade, healthcare and social assistance, and manufacturing
 - Highest paying industries are educational services; finance and insurance; transportation and warehousing
- Per capita income in southern Idaho is 10% higher than the state as a whole
 - 14.5% increase in average household income citywide projected between 2018-2023
 - Total wages in Twin Falls County grew 5.6%, with average wages growing 2.8% in 2017
 - The area's food manufacturing, agriculture and construction sectors were major contributors to state wage and employment growth
- 2.1% increase in the job market over the last year
 - 41.8% future job growth projected over the next 10 years; higher than the U.S. average of 33.5%
- Houses a thriving agricultural industry; hub for the world's leading food production, processing, and research companies



SHOSHONE FALLS



TWIN FALLS CITY HALL



CHOBANI

ECONOMY CONTINUED

- Largest agribusiness employers include Conagra Foods Lamb West, Chobani, and Amalgamated Sugar Company
 - Chobani built a \$450 million Greek yogurt plant; employs 700 workers
 - Clif Bar invested \$90 million in a new plant in the area
 - Glanbia and, its sister company, Southwest Cheese, employ over 680 employees together
 - Other brands in the area include Bayer, Clear Springs Food, Falls Brand Meat, and Glanbia Nutritionals
- Other major principal employers include St. Luke's Magic Valley Medical Center, Twin Falls School District, College of Southern Idaho, Personnel Plus, and C3 Customercontact Channels

DEVELOPMENTS

- Strong demand for housing; 45.2% increase in total housing units since 2000
 - 8.1% projected increase in total housing units between 2018-2023
- \$47.3 million of residential construction in fiscal 2018, a 6.5% increase from a year prior
 - 243 residential permits issued in fiscal 2018, an 8.5% increase from a year prior
 - 334 new dwellings built within the city in fiscal 2018 (220 single-family homes and 7 duplexes)
- \$63 million of commercial construction permits issued in fiscal 2018; one of the best years yet
 - Several new commercial properties were built in the northern portion of the city, along U.S. Route 93

EDUCATION

- *College of Southern Idaho (1 mile from subject property)* - 300-acre, public community college with over 8,350 students
 - 3rd largest employer in the city; 750+ part-time and full-time employees
 - \$255.3 million of additional income generated in the region, equaling 3.6% of the GRP (gross regional product)

TOURISM AND RECREATION

- *Shoshone Falls (6 miles from subject property)* - 212-foot waterfall, 45 feet higher than the Niagara Falls; one of the largest natural waterfalls in the U.S. attracting 300,000 visitors annually
 - 2 million acres of farmland depends on this water source during the dry season
- *Perrine Bridge (3 miles from subject property)* - 8th highest bridge in the U.S.; attracts thousands of base jumpers each year



ST. LUKES MAGIC VALLEY



COLLEGE OF SOUTHERN IDAHO



PERRINE BRIDGE

	<u>1-Mile</u>	<u>3-Mile</u>	<u>5-Mile</u>
Population			
2023 Projection	3,996	42,250	58,816
2018 Estimate	3,614	39,937	54,562
2010 Census	3,317	37,237	50,976
2000 Census	2,462	31,433	40,532
Growth 2000-2010	34.73%	18.46%	25.77%
Growth 2010-2018	8.95%	7.25%	7.03%
Growth 2018-2023	10.57%	5.79%	7.80%
Households			
2023 Projection	1,886	17,027	23,094
2018 Estimate	1,666	15,855	21,131
2010 Census	1,483	14,358	19,229
2000 Census	1,041	12,145	15,416
Growth 2000-2010	42.46%	18.22%	24.73%
Growth 2010-2018	12.34%	10.43%	9.89%
Growth 2018-2023	13.21%	7.39%	9.29%
2018 Est. Population by Single-Classification Race			
White Alone	3,235	34,713	47,191
Black or African American Alone	23	459	518
American Indian and Alaska Native Alone	25	355	491
Asian Alone	72	927	1,119
Native Hawaiian and Other Pacific Islander Alone	18	96	131
Some Other Race Alone	130	2,173	3,416
Two or More Races	102	1,132	1,585
2018 Est. Population by Ethnicity (Hispanic or Latino)			
Hispanic or Latino	358	5,428	8,244
Not Hispanic or Latino	3,256	34,509	46,318
2018 Est. Average Household Income	\$71,489	\$63,424	\$64,124

CONFIDENTIALITY AGREEMENT

DUTCH BROS. COFFEE



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\$6+ BILLION

retail sales nationwide



SHARED DATABASE

collaborative proprietary database



TOP BROKERAGE GLOBALLY

in investment sales



COSTAR POWER BROKER

top sales brokers & firm in OC



NATIONWIDE REACH

retail & investors across the U.S.