

ABSOLUTE NET (NNN) DUTCH BROS COFFEE

Cottonwood, AZ

JAMESCAPITAL
ADVISORS



James Capital Advisors
Marketing Package

Dutch Bros Coffee

1519 E AZ-89A Cottonwood, AZ 86326

PROPERTY INFO

Tenant	Dutch Bros Coffee
Street Address	1519 E AZ-89A
City	Cottonwood
State	AZ
Zip	86326
APN	406-06-028M
GLA	815 SF
Lot Size	0.61 AC
Year Built	2019



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The Offering

FINANCIAL SUMMARY

Purchase Price	\$1,677,000
Cap Rate	5.35%
Net Operating Income	\$89,700
Rent / SF	\$35

CONTACT INFORMATION

Listing Agent	Nina McGaughy
Phone Number	(424) 325 -2624

INVESTMENT HIGHLIGHTS

Long Term Absolute Triple-Net (NNN) Investment

Dutch Bros operates on a 15 year Absolute Triple-Net (NNN) lease with tenant fully responsible for maintenance, insurance and taxes providing the landlord with a low maintenance asset.

Ample Rent Growth - 10% Increases Every 5 Years

There are 10% rental increases built into the lease every 5 years, providing the landlord with positive rent growth and a hedge against inflation.

Brand New 2019 Build-to-Suit Development

The property is newly constructed as a build-to-suit development and was delivered to the Tenant in April 2019.

Corporate Tenant Lease with the Largest Privately Held Drive-Thru Coffee Chain

Dutch Bros is the largest privately held Drive-Thru coffee chain in the U.S with 320+ locations nationwide and nearly 30 years in business.

Private Equity Backed Expansion

Dutch Bros recently incorporated a minority stake investment from TSG Consumer Partners, which will further support the growth plan of an additional 500 new locations to be opened by 2024.



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Property Image

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LEASE SUMMARY

Lease Type	Absolute Net (NNN)
Type of Ownership	Fee Simple
Original Lease Term	15 Years
Commencement Date	5/23/19
Lease Expiration	5/31/34
Term Remaining	14.5 Years
Increases	10% Every Five Years
Options	Three (3) 5-Year
ROFR / ROFO	NA

Real Estate Taxes	Tenant Responsible
Insurance	Tenant Responsible
Repairs & Maintenance	Tenant Responsible
Lease Guarantor	Corporate Subsidiary
Company Name	Dutch Bros Coffee
Ownership	Private
Years in Business	27
Number of Locations	320



INVESTMENT HIGHLIGHTS

Excellent Site-Level Visibility

Ideally positioned off of Hwy 89A, this property has visibility from an estimated 27,074 vehicles passing daily.

Double Drive-Thru Location

This location features a dedicated drive-thru, which adds a meaningful level of convenience to the customer experience and drives sales.

Infill Retail Corridor

The property is located in a major retail corridor amongst other national tenants, including Chase Bank, Home Depot, Safeway and more.

Pad Site to Grocery Anchored Shopping Center

This building serves the benefit as a pad site to Food City, Dollar Tree and other local tenants, driving further traffic to the site.

Advantageous Demographics

There are over 30,000 people within five miles of the subject property with an estimated average income of \$57,949, making this the ideal market for this tenant.

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Lease Summary

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Property Image

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RENT SCHEDULE

	PERIOD	ANNUAL RENT	MONTHLY RENT	INCREASE	RENT / SF	CAP RATE
5/23/2019-5/31/2024	Base Term	\$89,700	\$7,475	-	\$35	5.35%
6/1/2024-5/31/2029	Base Term	\$98,670	\$8,223	10%	\$39	5.89%
6/1/2029-5/31/2034	Base Term	\$108,537	\$9,045	10%	\$42	6.47%
6/1/2034-5/31/2039	Option 1	\$119,391	\$9,949	10%	\$47	7.12%
6/1/2039-5/31/2044	Option 2	\$131,330	\$10,944	10%	\$51	7.83%
6/1/2044-5/31/2049	Option 3	\$144,463	\$12,039	10%	\$57	8.62%

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Rent Schedule

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ABOUT THE BRAND

Dutch Bros Coffee was founded in 1992 by Dane and Travis Boersma: brothers of Dutch descent. The bros started out by buying a double-head espresso machine, opening the doors to their barn and 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.

Today, Dutch Bros Coffee is the country’s largest, privately held drive-thru coffee company, with more than 320 locations in seven western states and over 12,000 employees. Its coffee kiosks serve specialty coffee drinks, smoothies, freezes, teas, a private-label Dutch Bros Blue Rebel energy drink and nitrogen-infused cold brew coffee. A proprietary three-bean blend is still roasted to perfection from its Grants Pass headquarters. Each store serves a large variety of specialty coffee drinks made with a premium private bean blend and roasted fresh daily. Last year, Dutch Bros served more than 25 million cups of coffee company-wide.

LOCATIONS

320+

GEOGRAPHIC FOOTPRINT

7 States

EMPLOYEES

12,000+



PHILANTHROPIC EFFORTS

Dutch Bros Coffee gives back one percent of gross sales to their communities. The company’s expansive growth hasn’t taken Dutch Bros away from its roots. Dutch Bros still gives away drinks — now over one million each year — to further the bros.’ mission of “spreading the Dutch Luv.” Additionally, the company donates over \$2 million a year to its local communities and nonprofit organizations, including the Muscular Dystrophy Association, American Cancer Society and Boys & Girls Clubs of America and many other local organizations.

To further the company’s philanthropic efforts, Dutch Bros established the Love Abounds Foundation to actively engage its communities through giving and action. The Love Abounds Foundation supports programs and projects that build deeper connections through engagement in four core areas: youth, music, health and origins (sources of its coffee beans). With its loyal customer base dubbed the Dutch Mafia, Dutch Bros Coffee continues to grow, and, wherever it does, the love, donations and smiles grow also.

COTTONWOOD, AZ

The Heart of Arizona Wine Country

Located between Phoenix and Flagstaff, the City of Cottonwood is known as the Heart of Arizona Wine Country and is the cultural, industrial, retail, medical and services center of the Verde Valley.

Verde Valley Medical Center

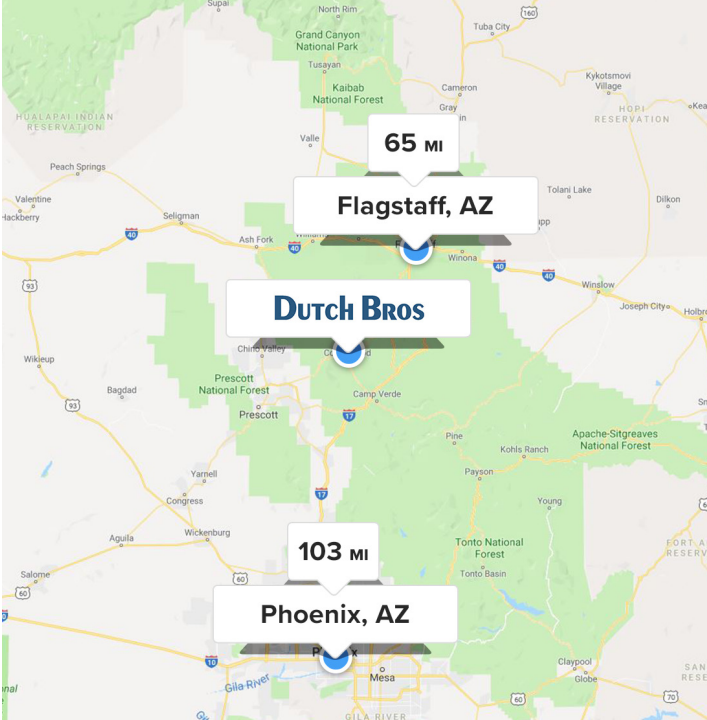
Located within a mile radius from the subject property, Verde Valley Medical Center is part of the largest healthcare organization in the region with over 3,000 employees.

Cottonwood City Airport

Less than two miles away lies the Cottonwood Airport which has been serving the area for nearly a century and further drives visitors to the site.

4th Largest County in the State

This asset is part of Yavapai County which is the 4th largest county in the state with an estimated total population of 228,055 residents and a YoY positive growth rate of 1.54% in 2019.



DEMOGRAPHICS

POPULATION

2024 Projection

2019 Estimate

Est. Growth 2019 - 2024

HOUSEHOLDS

2024 Projection

2019 Estimate

Growth 2018 - 2024

Avg. HH Income

1 MILE

3 MILE

5 MILE

10 MILE

6,173

6,044

2.13%

2,673

2,609

2.45%

\$53,159

24,656

23,300

5.82%

10,629

10,030

5.97%

\$57,079

32,207

30,415

5.89%

13,797

13,020

5.97%

\$57,949

36,788

34,936

5.30%

15,492

14,701

5.38%

\$58,679

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Location Overview

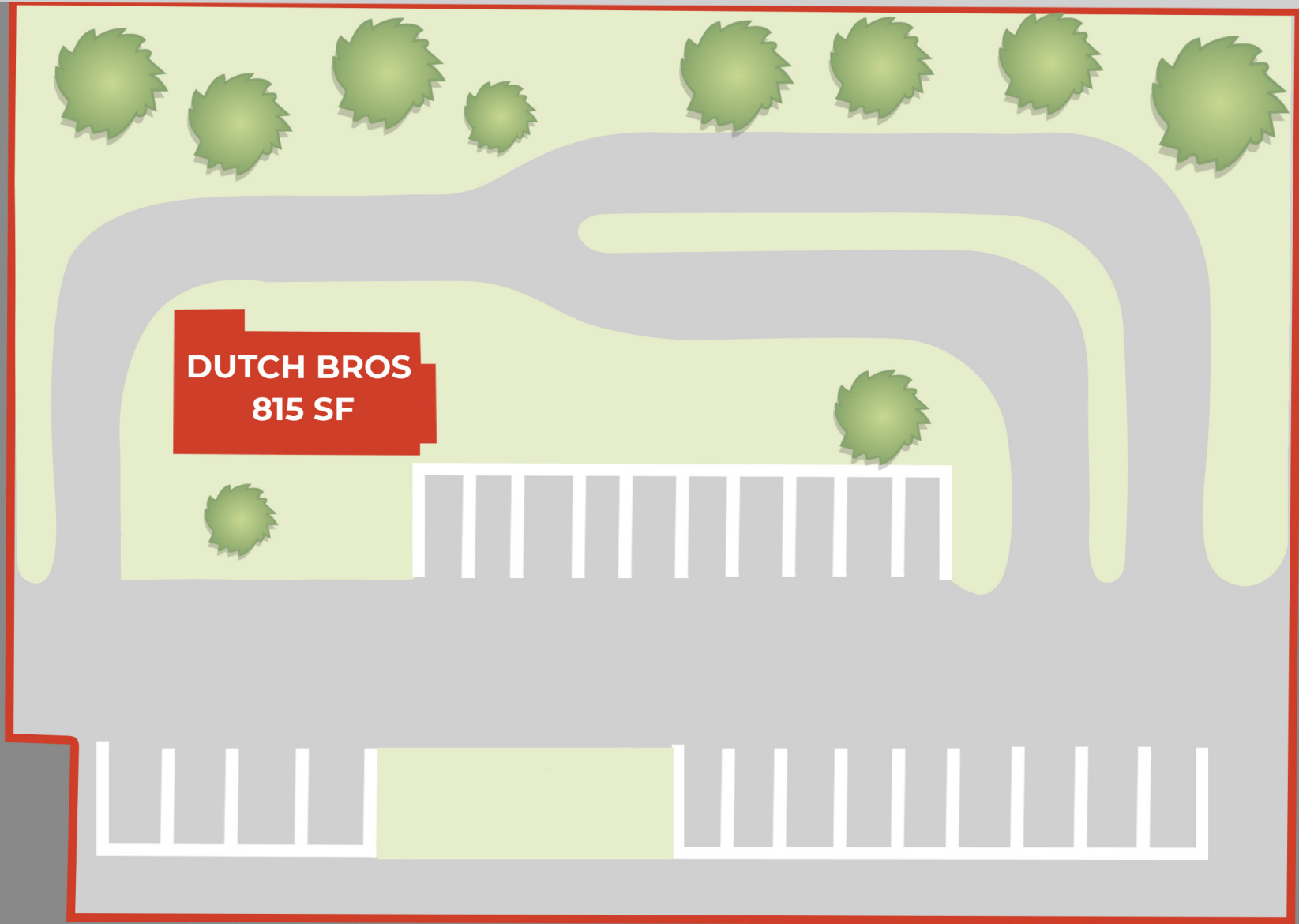
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E COTTONWOOD ST
27,074 VPD



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