

TRIPLE NET (NNN) INVESTMENT OPPORTUNITY TUCSON, ARIZONA



OFFERING MEMORANDUM

Exclusively Listed By



Jesse Rozio
Investment/Leasing Specialist
480.603.6892 - cell
jrozio@gpsaz.com

Greg Saltz - President
480.612.0510 - direct
480.231.3473 - cell
gsaltz@gpsaz.com

Marty Olejarczyk - Partner
480.482.1940 - direct
602.762.0754 - cell
martyo@gpsaz.com



OFFERING MEMORANDUM

GPS Retail Advisors | 480.603.6892 | www.gpsaz.com

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%



OFFERING MEMORANDUM

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**

OFFERING MEMORANDUM



OFFERING MEMORANDUM

GPS Retail Advisors | 480.603.6892 | www.gpsaz.com



3901 EAST 22ND STREET
TUCSON, ARIZONA 85711



OFFERING MEMORANDUM

GPS Retail Advisors | 480.603.6892 | www.gpsaz.com





OFFERING MEMORANDUM

GPS Retail Advisors | 480.603.6892 | www.gpsaz.com



OFFERING MEMORANDUM

GPS Retail Advisors | 480.603.6892 | www.gpsaz.com



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.

OFFERING MEMORANDUM

GPS Retail Advisors | 480.603.6892 | www.gpsaz.com

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

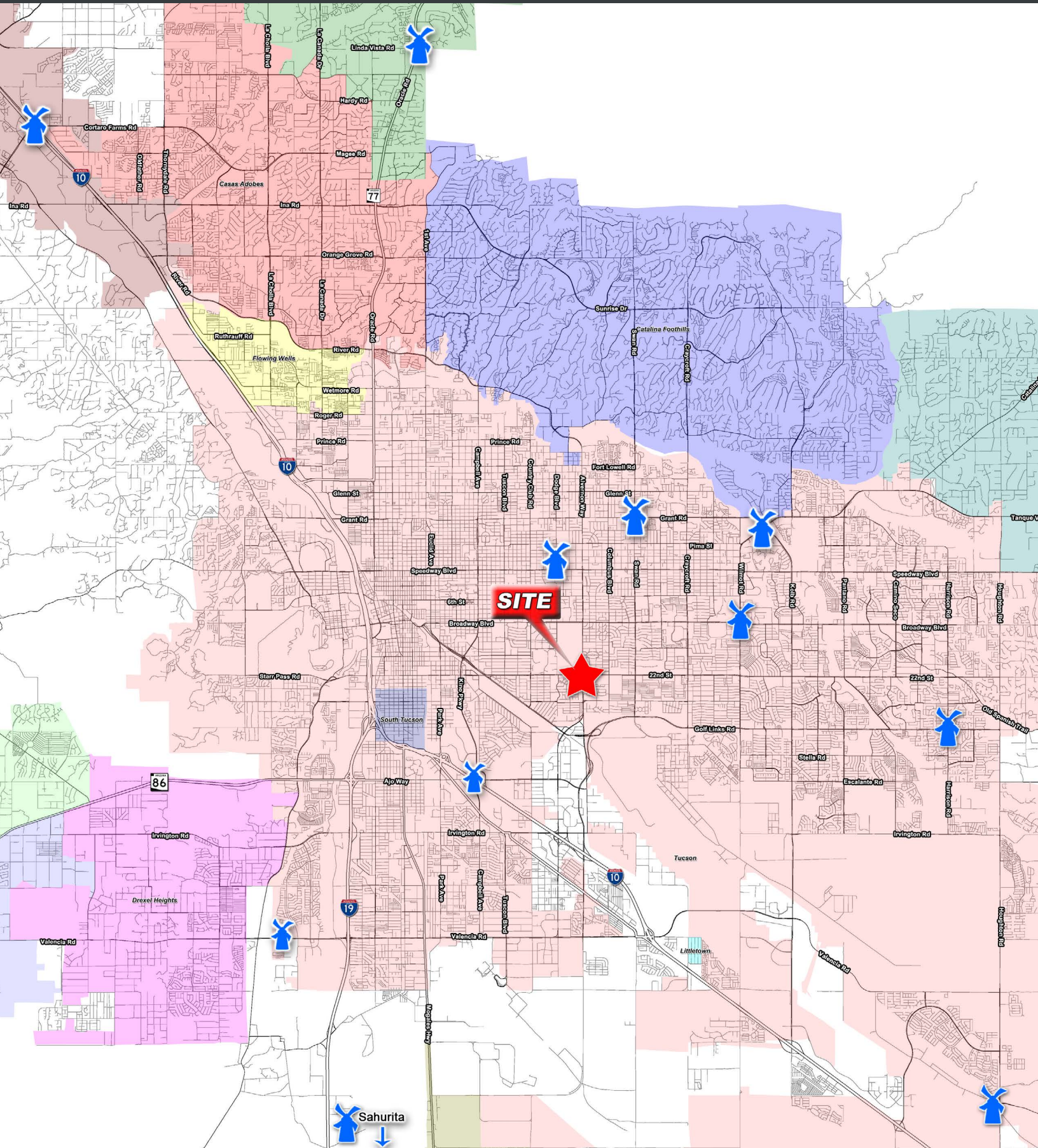
Some of TSG's Current Partnerships Include:



OFFERING MEMORANDUM

GPS Retail Advisors | 480.603.6892 | www.gpsaz.com

DUTCH BROS COFFEE TUCSON LOCATIONS



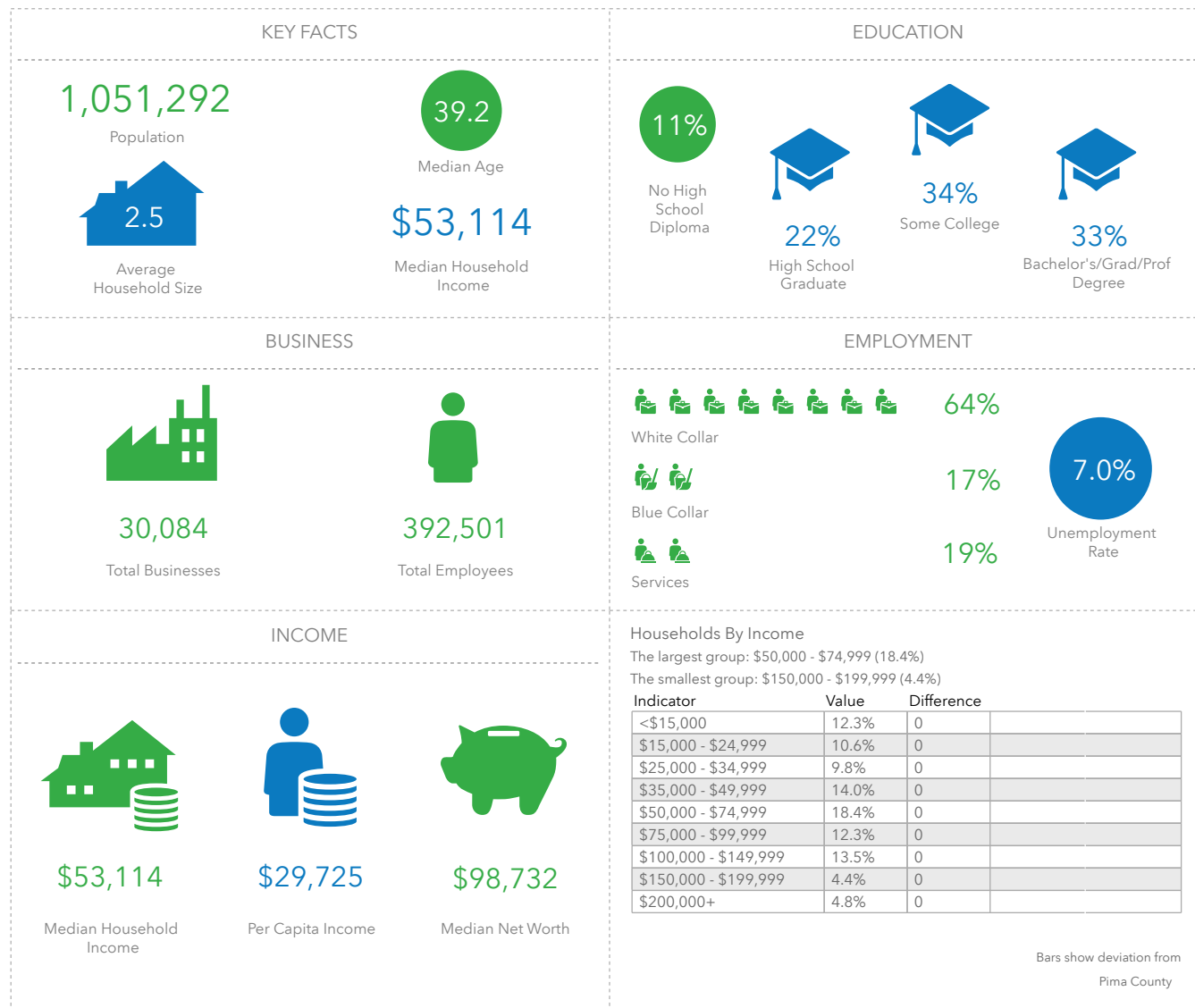
OFFERING MEMORANDUM

GPS Retail Advisors | 480.603.6892 | www.gpsaz.com

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 ($\pm 11,251$ employees), Raytheon Missile Systems ($\pm 9,600$ local employees), Davis-Monthan Air Force Base ($\pm 8,580$ employees), State of Arizona ($\pm 8,500$ employees), and Tucson Unified School District ($\pm 7,700$ 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.



OFFERING MEMORANDUM

CONFIDENTIALITY AGREEMENT

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from GPS Retail LLC and it should not be made available to any other person or entity without the written consent of GPS Retail LLC. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to GPS Retail LLC.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. GPS Retail LLC has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, GPS Retail LLC has not verified, and will not verify, any of the information contained herein, nor has GPS Retail LLC conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

Exclusively Listed By:



Jesse Rozio

Investment/Leasing Specialist

480.603.6892 - cell

jrozio@gpsaz.com

Marty Olejarczyk - Partner

480.482.1940 - direct

602.762.0754 - cell

martyo@gpsaz.com

Greg Saltz - President

480.612.0510 - direct

480.231.3473 - cell

gsaltz@gpsaz.com

Developed by Cole Valley Partners, LLC



COLE VALLEY PARTNERS

Real Estate

The information contained herein has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only, and do not represent the current or future performance of the property. The value of this transaction to you depends on tax and other factors which should be evaluated by your tax, financial and legal advisors. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs. GPS Retail LLC.