



## OFFERING MEMORANDUM



Exclusively Listed By



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## INVESTMENT OVERVIEW

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

## SITE INFORMATION

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

## LEASE STRUCTURE

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

## 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%



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## 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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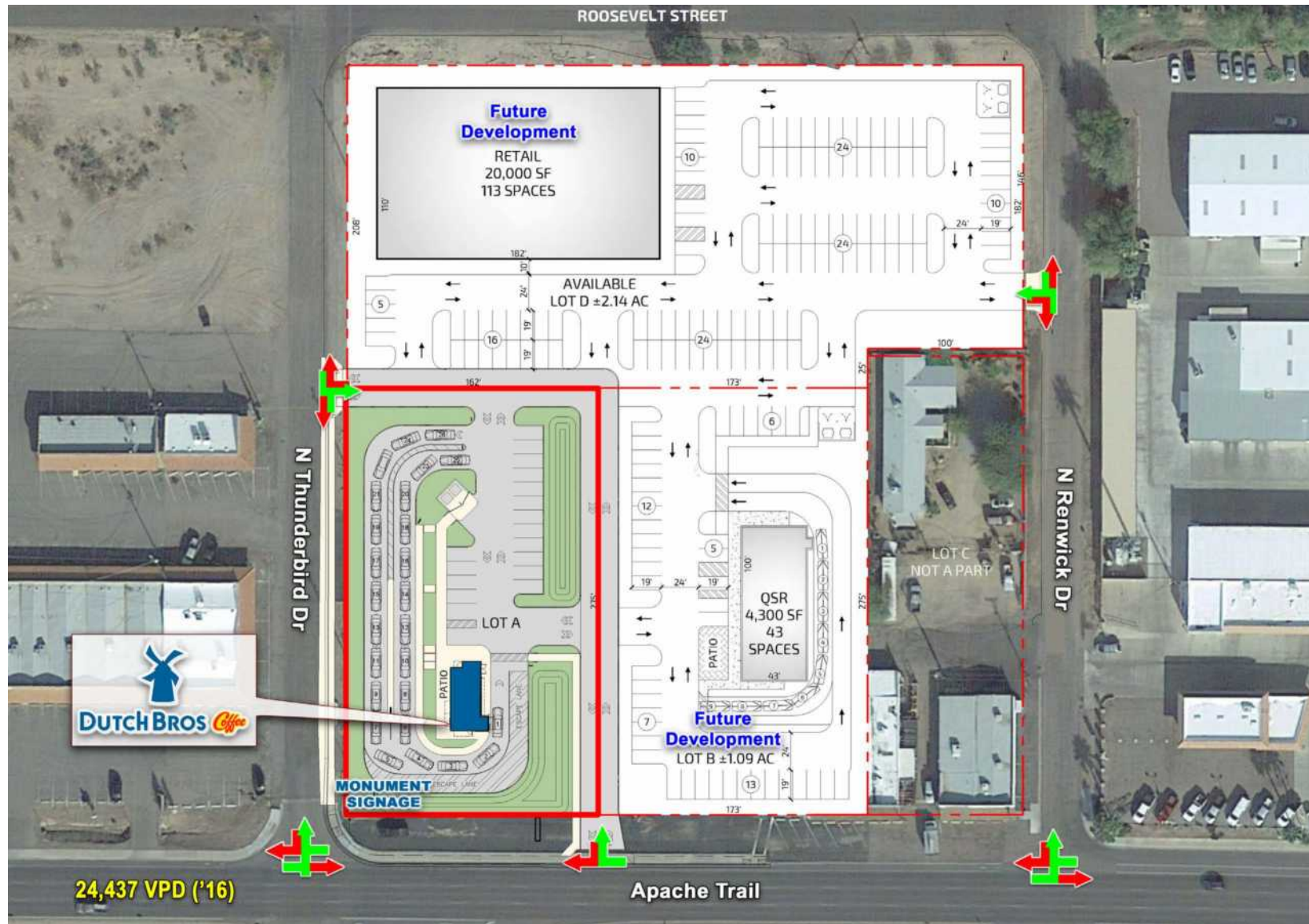




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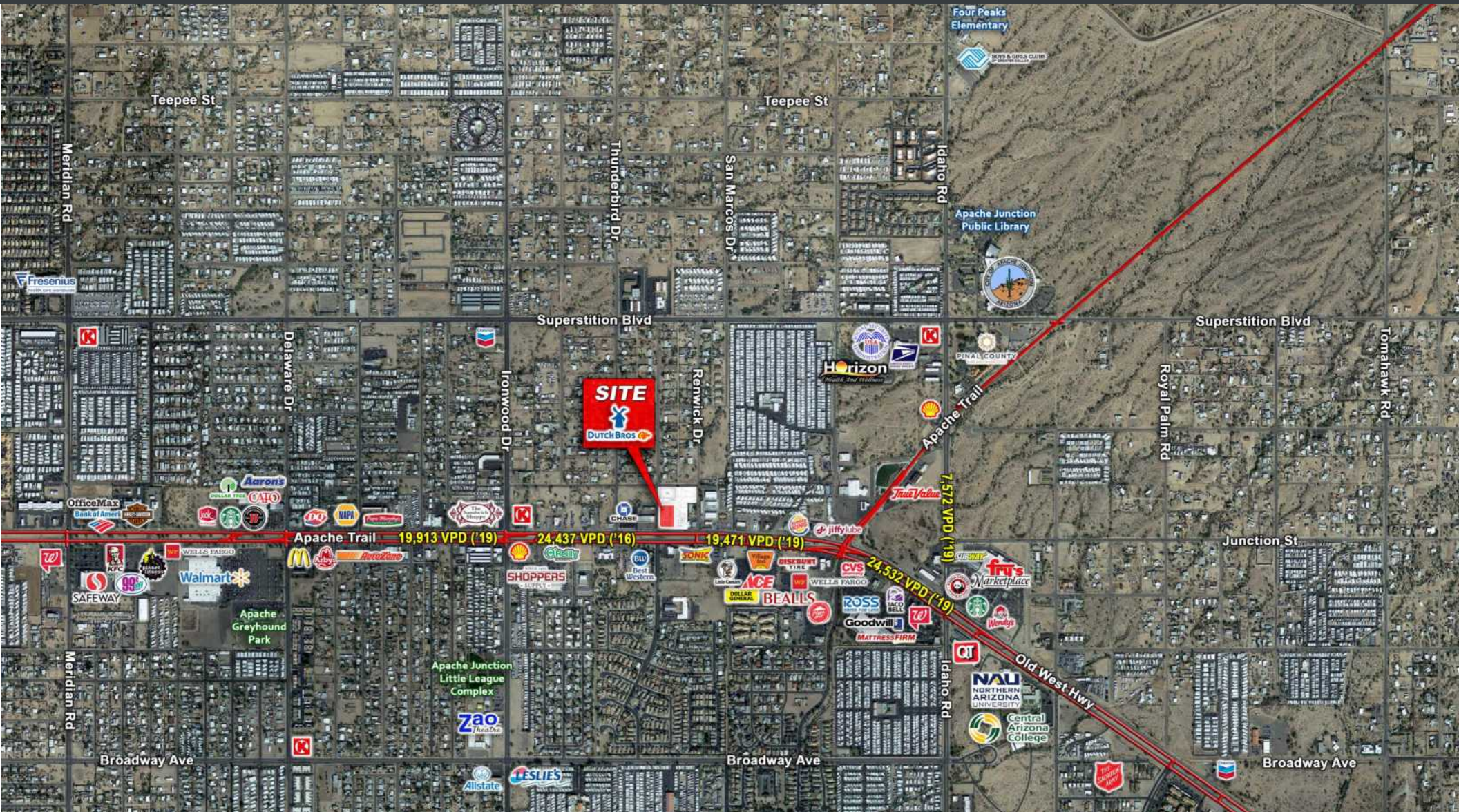




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Dutch Bros Coffee was founded in 1992 by Dane and Travis Boersma, brothers of Dutch descent. After three generations in the dairy business, government regulations pressed the family to sell the cows. What felt devastating turned out to be a blessing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

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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

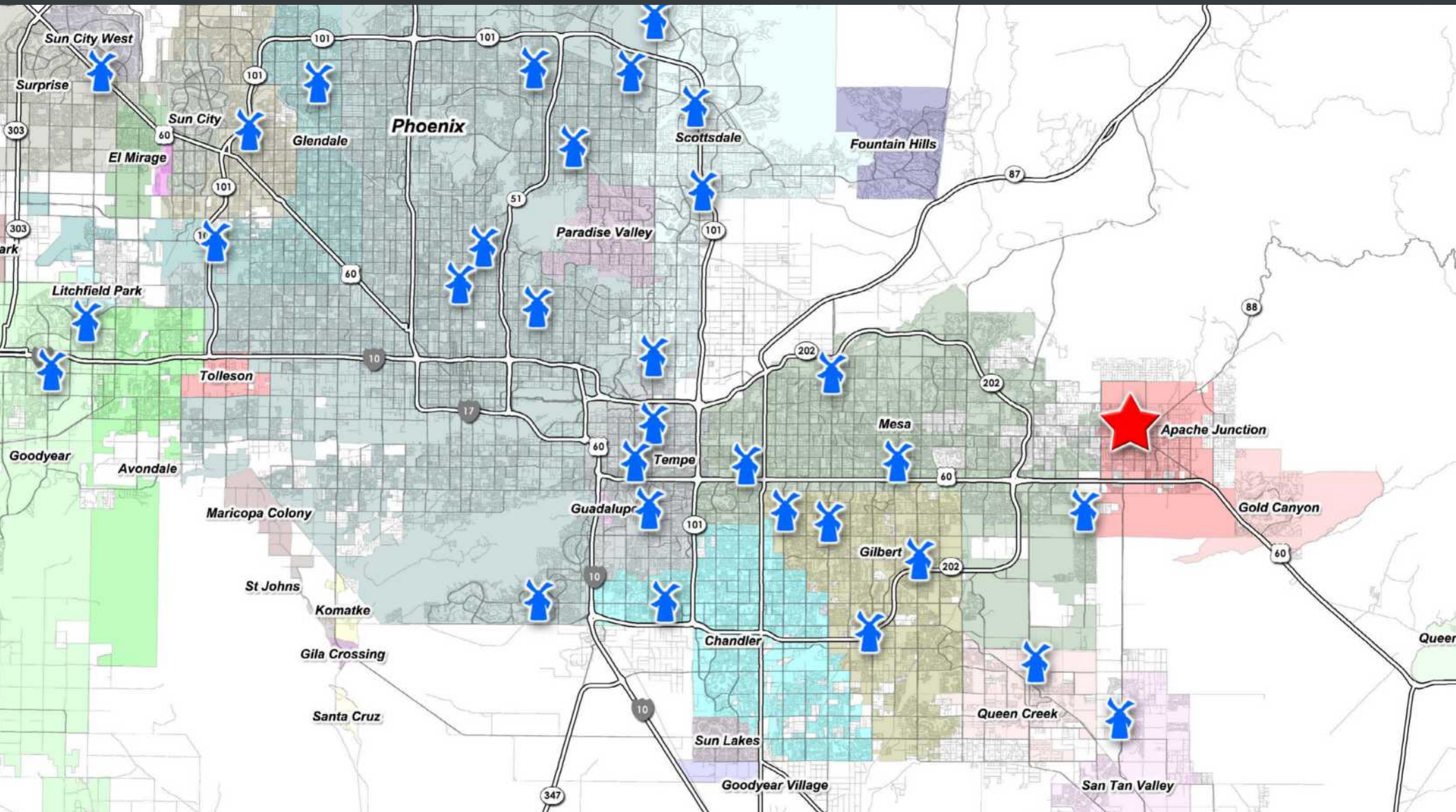
### STRATEGIC FOCUS

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+.

### KEY FACTS

40,129

Population



Average Household Size

51.5

Median Age

\$38,128

Median Household Income

### BUSINESS



792

Total Businesses



8,121

Total Employees

### INCOME



\$38,128

Median Household Income



\$22,242

Per Capita Income



\$74,252

Median Net Worth

### EDUCATION

13%

No High School Diploma



34%

High School Graduate



37%

Some College



15%

Bachelor's/Grad/Prof Degree

### EMPLOYMENT



White Collar

57%



Blue Collar

24%



Services

20%

6.7%

Unemployment Rate

### Households By Income

The largest group: <\$15,000 (19.0%)

The smallest group: \$200,000+ (1.2%)

Indicator	Value	Difference	
<\$15,000	19.0%	+6.6%	
\$15,000 - \$24,999	12.9%	+4.4%	
\$25,000 - \$34,999	13.2%	+3.8%	
\$35,000 - \$49,999	18.0%	+2.6%	
\$50,000 - \$74,999	16.8%	-3.4%	
\$75,000 - \$99,999	10.4%	-4.7%	
\$100,000 - \$149,999	7.1%	-5.2%	
\$150,000 - \$199,999	1.5%	-2.7%	
\$200,000+	1.2%	-1.3%	

Bars show deviation from Pinal County

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## **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 –  $\pm 6.4\%$  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.



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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.

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**Developed by Cole Valley Partners, LLC**



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