

DUTCH BROS COFFEE

1440 RIO RANCHO BOULEVARD SE, RIO RANCHO, NEW MEXICO



CONSTRUCTION PHOTO
AS OF 8/1/2020

OFFERING MEMORANDUM

Marcus & Millichap



Dutch Bros
Coffee

TARGET
Albertsons petsense Wendys

Smith's **BURGER KING** **STARBUCKS** **LONG JOHN SILVER'S**
Walmart **BIG LOTS!** **Blakes** **LOTABURGER**
Neighborhood Market **CVS**
MCDONALD'S **DOLLAR TREE** pharmacy

Walmart **DOLLAR TREE** **PREMIERE CINEMAS**
Supercenter **DEL TACO** **FIVE GUYS** **BR** **goodwill**
Carls Jr. **DISCOUNT TIRE** **Chick-fil-A** **chili's**

intel
MANUFACTURING FACILITY
(1,200 EMPLOYEES)

Walmart **LOWE'S** **SPROUTS** **DICK'S**
Supercenter **SAM'S CLUB** **STAPLES** **COSTCO** **Tuesday Morning**
KOHL'S **WHOLESALE** **OfficeMax**
Total Wine & MORE **Albertsons** **BUFFALO WILD WINGS** **THE HOME DEPOT** **RED LOBSTER**
HomeGoods **BARNES & NOBLE** **PETSMART** **Olive Garden**
BEST BUY **savers** **Burlington** **ihop** **MICHAELS** **HARBOR FREIGHT TOOLS**
JOANN **Red Robin** **BED BATH & BEYOND** **LA BOY** **Party City**
DOLLAR TREE **FURNITURE GALLERIES** **WINDANAGER** **MORRIS HAS MORE PARTY FOR LESS**

COTTONWOOD MALL
JCPenney **REGAL CINEMAS** **BJ'S** **EXPRESS**
Conn's **VANS** **ULTA** **RESTAURANT BREWHOUSE** **Disney**
HOBBY LOBBY **maurices** **AMERICAN EAGLE OUTFITTERS** **FAMOUS footwear** **FOREVER 21** **Bath & Body Works**

TARGET **NATURAL GROCERS**
CINEMARK **ROSS STORES, INC.**
carter's **TACO BELL** **DOLLAR TREE**
BIG 5 **BURGER KING**

TARGET **Ashley** **Freddy's**
HOMESTORE **STEAKBURGERS**
CHIPOTLE **Chick-fil-A**
Office DEPOT **KOHL'S** **FIVE GUYS**
BURGERS and FRIES

SANDIA
Resort & Casino

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Executive Summary

1440 Rio Rancho Boulevard SE, Rio Rancho, NM 87124

FINANCIAL SUMMARY

Price	\$2,358,000
Cap Rate	4.75%
Building Size	858 SF
Net Cash Flow	4.75% \$112,000
Year Built	2020
Lot Size	.71 Acres

LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Lease
Tenant	BB Holdings NM, LLC
Guarantor	Boersma Bros., LLC (Corporate)
Roof & Structure	Tenant Responsible
Est. Lease Commencement Date	September 2020
Est. Lease Expiration Date	September 2035
Lease Term	15 Years
Rental Increases	10% Every 5 Years
Renewal Options	4, 5 Year Options

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
1 - 5	\$112,000.00	4.75%
6 - 10	\$123,200.00	5.22%
11 - 15	\$135,520.00	5.75%
Options	Annual Rent	Cap Rate
Option 1	\$149,072.00	6.32%
Option 1	\$163,979.20	6.95%
Option 2	\$180,377.12	7.65%
Option 2	\$198,414.83	8.41%

Base Rent	\$112,000
Net Operating Income	\$112,000
Total Return	4.75% \$112,000



44,500 CPD
RIO RANCHO BLVD



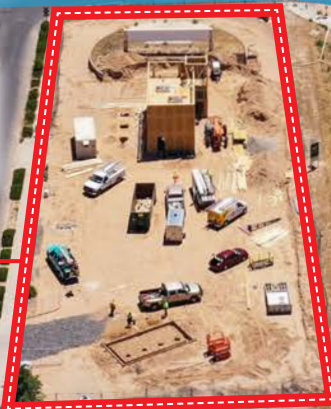
BARBARA
LOOP SE



MANUFACTURING
FACILITY
(1,200 EMPLOYEES)



**BURGER
KING**



DUTCH BROS
Coffee



BARBARA
LOOP SE



44,500 CPD
RIO RANCHO BLVD

Property Description



INVESTMENT HIGHLIGHTS

- » **New 15-Year Absolute Triple-Net (NNN) Corporate Lease**
- » Brand New 2020 Build with a Drive-Thru
- » **141,318 Residents in within a 5-Mile Radius (Growing Rio Rancho Trade Area) - Albuquerque MSA**
- » 10% Rental Increases Every 5 Years
- » **Hard Corner Location** at the Intersection of Rio Rancho Boulevard and Barbara Loop - Visible to 44,500+ Cars/Day
- » **Down the Road from Intel's \$2 Billion Rio Rancho Manufacturing Facility, Home to 1,200 Employees**
- » Surrounded by National Retailers - Walmart Neighborhood Market, Smith's, Dollar Tree, Big Lots, CVS, and More
- » **Average Household Income Exceeds \$86,000 within 5 Miles of Subject Property**



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2024 Projection	9,220	75,009	148,982
2019 Estimate	9,041	71,236	141,318
Growth 2019 - 2024	1.98%	5.30%	5.42%

Households

2024 Projection	4,214	29,263	57,187
2019 Estimate	4,091	27,690	53,984
Growth 2019 - 2024	3.02%	5.68%	5.93%

Income

2019 Est. Average Household Income	\$63,596	\$84,493	\$86,145
2019 Est. Median Household Income	\$45,610	\$66,248	\$66,743
2019 Est. Per Capita Income	\$29,019	\$32,891	\$32,963



Dutch Bros. *Coffee*

Tenant Overview



Dutch Bros Coffee

Grants Pass, Oregon

325+

1992

www.dutchbros.com

Company

Headquarters

Locations

Founded

Website

Dutch Bros. Coffee was founded in 1992 in Grants Pass, Oregon by Dane and Travis Boersma, brothers of Dutch descent. After three generations in the dairy business, the brothers decided to use changes in the industry as motivation to branch out and try something new. They bought a double-head espresso machine and started experimenting with 100 pounds of beans.

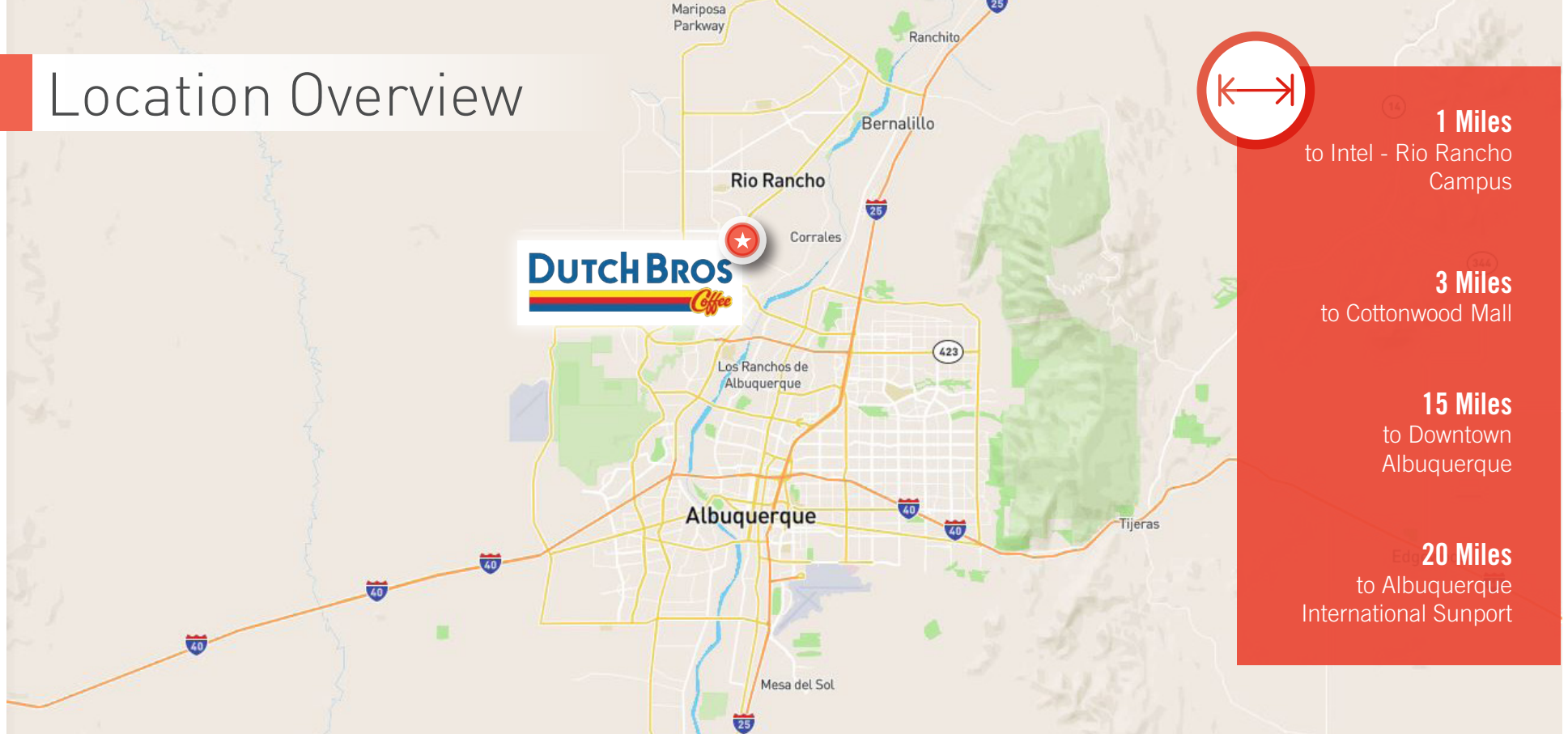
Today, Dutch Bros. Coffee is the country's largest, privately held drive-thru coffee company. Dutch Bros. now has approximately 325 stores open in 7 states and is planning on heavy growth over the next 5 years.

Dutch Bros. Coffee roasts all its own coffee, a three-bean blend sourced from direct relationships with Salvadorian, Brazilian, and Colombian coffee plantations. In October 2014, the company announced the release of Dutch Bros. Single-Serve Cups compatible with Keurig-style brewers. In 2012, the Company launched its own energy drink, Blue Rebel, and in May 2016 introduced Cold Brew Coffee.

Through the Dutch Bros Foundation and local franchisees, Dutch Bros donates several million dollars to support its customers, local communities, and nonprofits.



Location Overview



Rio Rancho is the third largest city in New Mexico, the fastest growing community in the state, and one of the fastest growing communities in the southwest. Recognized as one of “America’s 50 Best Cities to Live”, Rio Rancho has exceptional public schools and well below national average crime rates. The city has earned several similar awards and recognitions throughout the years from Family Circle Magazine, Fortune Small Business Magazine, BusinessWeek Magazine, and Money Magazine. It is situated in the Albuquerque Metropolitan Area, encompassing over 900,000 residents.

Various major companies have established themselves in the Rio Rancho area, boosting the city’s local economy. The Intel Corporation is Rio Rancho’s largest employer, with Intel’s Intel Fab 11X, one of the largest semiconductor fabrication

plants, located in the city. Other top employers in the area include Hewlett-Packard, Sprint Corporation, Bank of America, and Wal-Mart Stores, Inc.

Moving forward, Rio Rancho has plans to expand and develop the community. Mariposa, a 6,500-acre master-planned community, was purchased by Harvard Investments in 2014. Today, it is a spacious community featuring a Silver LEED-certified Residents’ Community Center, The Point Grill, 27 custom home sites, and 8 neighborhoods. Rio Rancho’s City Center, considered to be the city’s future Downtown area, is home to Rio Rancho City Hall, the Santa Ana Star Center, University of New Mexico (UNM) West campus, UNM Sandoval Regional Medical Center, and College of New Mexico (CNM) Rio Rancho campus.

[exclusively listed by]

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