



Subject Property

## Offering Memorandum

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# Dutch Bros. Coffee

NWC of Crowell Rd & W Monte Vista Ave, Turlock, CA 95382

 **Stan Johnson Co.**



## Offered Exclusively by

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## Confidentiality and Restricted Use Agreement

This Confidential Offering Memorandum ("COM") is provided by Stan Johnson Company ("SJC"), solely for your consideration of the opportunity to acquire the commercial property described herein (the "Property"). This COM may be used only as stated herein and shall not be used for any other purpose, or in any other manner, without prior written authorization and consent of SJC.

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# The Offering

**Stan Johnson Company (“SJC”)**, on behalf of Ownership as its exclusive advisor, is pleased to offer for sale the single tenant retail property Dutch Bros. Coffee located at NWC of Crowell Rd & W Monte Vista Ave. in Turlock California, which sees combined traffic counts in excess of 34,000 vehicles per day.

The Property sits on half an acre of land and encompasses a 832 Sq. Ft. building. Dutch Bros. Coffee is operating on a 15 year lease with 14.5 years remaining. The lease features attractive increases in excess of 10% every five years, including during the three, 5-year options. Additionally, the lease features an attractive lease structure with no landlord responsibility.

**Dutch Bros. Coffee** was founded in Southern Oregon in 1992 by dairy farmer brothers Dane and Travis Boersma, Dutch Bros. Coffee is the country’s largest privately held, drive-thru coffee company. The company started from humble beginnings as a single espresso pushcart in the town of Grants Pass, Oregon. Currently Dutch Bros. Coffee operates 200+ locations in Oregon, California, Washington, Idaho, Nevada, Colorado and Arizona. Menu offerings include coffee drinks, smoothies, freezes, teas and its private-label Dutch Bros. Blue Rebel™ energy drink that customers can infuse with their favorite flavors.



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Offering Price: **\$2,588,235**



Cap Rate: **4.25%**

## Investment Highlights



### Adjacent to California State University, Stanislaus

The Property is exceptionally well positioned to take full advantage of the adjacent California State University, Stanislaus student body and faculty. The University has a student population in excess of 16,000.



### Primary Rental Bumps

The lease features ten percent (10%) rental increases every five (5) years in the primary term, and ten (10) percent increases to start each of its three (3), five (5) year renewal options.



### Absolute NNN Lease with No LL Responsibilities

The Lease features no landlord responsibilities of the property throughout the term and option periods.



### Highly Visible Location on Hard Corner

The Property is situated on the northwest corner of Monte Vista Ave and Crowell Rd., which sees combined traffic counts in excess of 34,000 vehicles per day.



### Brand New Construction

The Property is brand new construction completed in 2020.



### Strong Demographics

The Property serves a dense and affluent trade area with a five (5) mile surrounding population of 94,847 residents and a one (1) mile average household income of \$83,127.



### 15-Year Corporate Lease

Dutch Bros. Coffee is operating on a 15 year lease with 14.5 years remaining.

# Lease Abstract

<b>Address</b>	NWC of Crowell Rd & W Monte Vista Ave, Turlock, CA 95382
<b>Tenant</b>	BB Holdings CA, LLC
<b>DBA</b>	Dutch Bros. Coffee
<b>Building (SF)</b>	832 SF
<b>Land Area (AC)</b>	0.51 AC
<b>Lease Term</b>	15 years
<b>Lease Term Remaining</b>	14.5
<b>Rent Commencement</b>	6/30/2020
<b>Expiration Date</b>	6/29/2035
<b>Renewal Options</b>	3, 5 year
<b>Rent Increases</b>	10% every 5 years
<b>Option Increases</b>	10% at each option
<b>Lease Type</b>	Absolute NNN
<b>Landlord Responsibilities</b>	None
<b>Drive Thru</b>	Yes
<b>Ownership Interests</b>	Fee Simple
<b>Encumbrances</b>	None, Delivered Free & Clear

# Rent Schedule

	Years	Monthly Rent	Annual Rent	Increases
Base	1 -5	\$9,167	\$110,004	-
	6-10	\$10,083	\$120,996	10%
	11-15	\$11,092	\$133,104	10%
Options	16-20	\$12,201	\$146,412	10%
	21-25	\$13,421	\$161,052	10%
	26-30	\$14,763	\$177,156	10%



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# Tenant Overview



Founded in Southern Oregon in 1992 by dairy farmer brothers Dane and Travis Boersma, **Dutch Bros. Coffee** is the country's largest privately held, drive-thru coffee company. The company started from humble beginnings as a single espresso pushcart in the town of Grants Pass, Oregon. Currently Dutch Bros. Coffee operates 200+ locations in Oregon, California, Washington, Idaho, Nevada, Colorado and Arizona. Menu offerings include coffee drinks, smoothies, freezes, teas and its private-label Dutch Bros. Blue Rebel™ energy drink that customers can infuse with their favorite flavors.

Every cup of Dutch Bros. coffee is handcrafted — roasted by hand in the Pacific Northwest, blended by hand and then ground and pulled by hand, ristretto-style. Dutch Bros. Coffee was ranked by J.D. Power and Associates as highest in customer satisfaction compared to other coffee companies in its 2012 Specialty Coffee Retailer Satisfaction Report(SM). Dutch Bros. Coffee franchises are locally owned and operated, so owners have a personal investment in the communities they serve and contribute to various local causes and organizations.

Dutch Bros. Coffee has always focused more on people than the bottom line, with a desire to transform lives rather than conduct transactions. In 2011, the company donated more than \$1 million to nonprofit organizations, including local food banks, the Muscular Dystrophy Association, American Cancer Society and Boys & Girls Clubs of America.

## Company Profile

Company	Dutch Bros. Coffee
Business Type	Retail, Food Service
Entity Type	Private
Founded	1992
Headquarters	Grants Pass, OR
Website	<a href="http://www.dutchbros.com">www.dutchbros.com</a>



Subject Property



Representative Photo



# Location Overview

**Turlock** is a city in Stanislaus County, California. Its estimated 2017 population of 73,556 made it the second-largest city in Stanislaus County after Modesto. Turlock is located between the cities of Modesto and Merced, at the intersection of State Route 99 and State Route 165. Turlock's population has grown steadily since 2000, maintaining an average growth rate of approximately 1.9% annually. Turlock is centrally located amongst some of the largest markets in the United States. Within driving distance of Turlock are: San Jose, California 60 miles west; Fresno, California 76 miles north; Sacramento, California 80 miles south; San Francisco, California 87 miles west.

**California State University,** Stanislaus serves a diverse student body of more than 16,000 at two locations in the Central Valley — a beautiful 228-acre campus in Turlock and the Stockton Campus, located in the city's historic Magnolia District. Widely recognized for its dedicated faculty and high-quality academic programs, the University offers 43 majors, 41 minors and more than 100 areas of concentration, along with 16 master's degree programs, 7 credential programs and a doctorate in educational leadership. The University opened as Stanislaus State College in 1960, with a faculty of 15 and fewer than 800 students, at the Stanislaus County Fairgrounds in Turlock. The institution moved to its current location in 1965, gained university status and its present name in 1986, and opened its Stockton Campus in 1998. Stanislaus State is part of the California State University, a 23-campus system across California. With more than 400,000 students, it is the largest, the most diverse, and one of the most affordable university systems in the country. CSU campuses emphasize access to quality public higher education and workforce preparation that is responsive to regional needs.



California State University, Stanislaus



Downtown Turlock, CA



California State University, Stanislaus

# Demographics



## Population

	1 mile	3 miles	5 miles
2020 Population	21,194	70,342	94,847
2025 Population	21,919	72,380	97,869



## Households

	1 mile	3 miles	5 miles
2020 Total Households	7,091	23,652	30,868
2025 Total Households	7,316	24,318	31,807



## Household Income

	1 mile	3 miles	5 miles
2020 Median Household Income	\$64,553	\$60,485	\$60,958
2020 Average Household Income	\$83,127	\$83,125	\$83,260

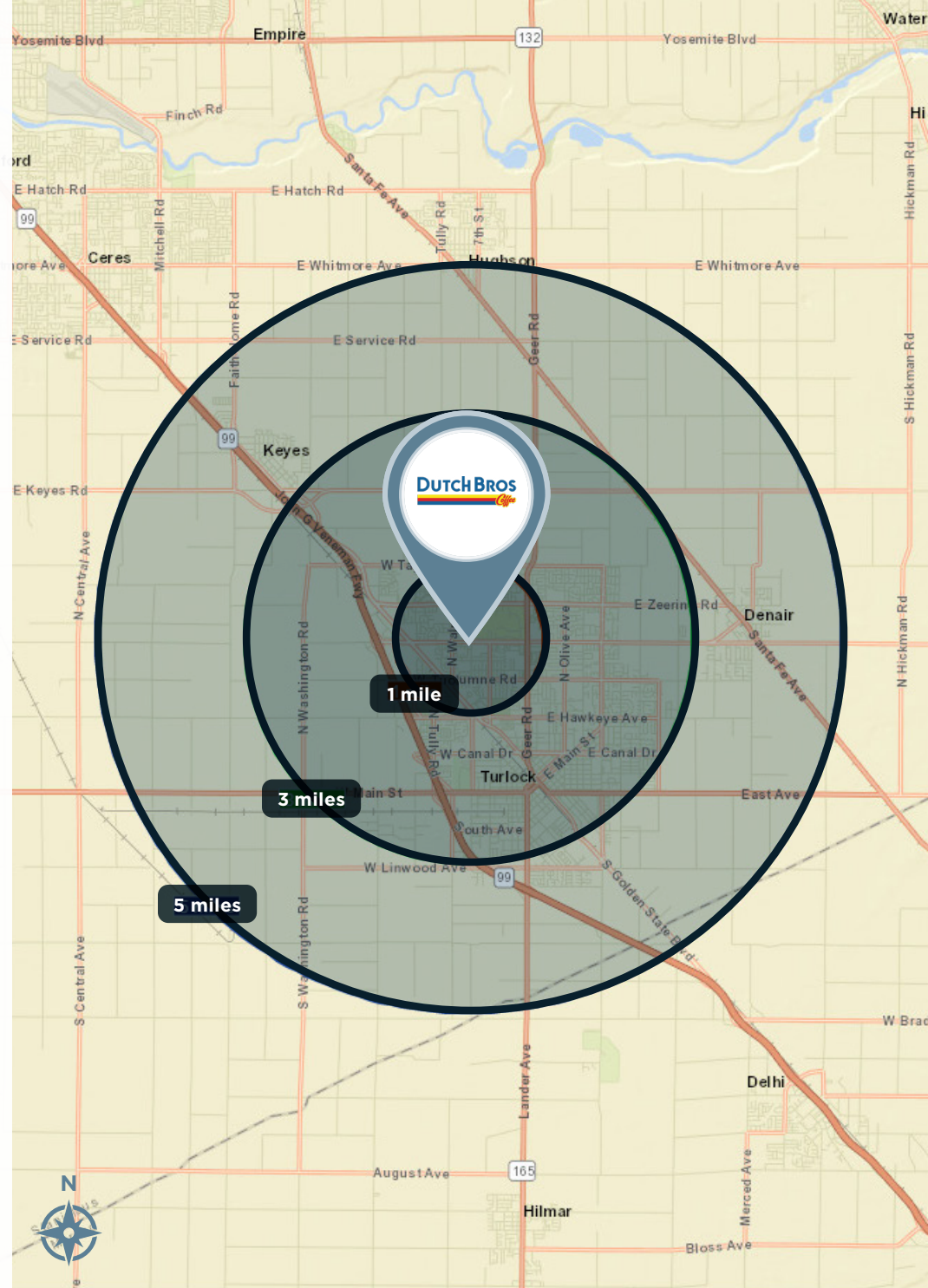
Source: ESRI 2020



**94k**  
population  
(5 miles)



**\$83k**  
avg. HH inc.  
(1 mile)





N. Golden State Blvd.  
(15,846 VPD)

John Pittman  
High School  
2,081 Students

Turlock Junior  
High School  
1,298 Students

California State University, Stanislaus  
± 16,000 Students

HOBBY LOBBY

TEN PIN  
FUN CENTER

Double D  
Storage

LOWE'S

Fairfield  
BY MARRIOTT

Sizzler

Holiday Inn  
Express

Panera  
BREAD

Red Robin  
CRUSTY BURGERS & MORE

KFC

Strawberry  
Patch

Proposed Student  
Housing Site

Park Place  
Apartments

Dominos

W Monte Vista Ave.  
(28,019 VPD)

Budget

Monte Vista  
Mini Storage

Turlock  
Mini Storage

Sourdough & Co

Dutch Bros  
Coffee

RITE AID

Mister

The Vista  
Apartments  
(Student Housing)

CVS  
pharmacy

ACE  
Hardware

Michaels

Starbucks

BIG LOTS!

Chevron

COSTCO  
WHOLESALE

MATTRESS  
FIRM

HARBOR  
FREIGHT

7  
ELEVEN

SONIC

goodwill

Shell

AMERICA'S  
TIRE

SHERWIN-WILLIAMS

Party City

JUSTICE

McDonald's

COLD STONE

IN-N-OUT  
BURGER

The UPS Store

PANDA EXPRESS

CHILI POTE

DICK'S  
SPORTING GOODS

JOANN

FOREVER 21

Sprint

Starbucks

ROSS  
DRESS FOR LESS

KIRKLAND'S

IN-SHAPE

Olive  
Garden

THE HOME  
DEPOT

petco

maurices

dressbarn

ULTA  
BEAUTY

Target

Justine

McDonald's

Pier 1 imports

RED CHILI'S

Target

BUFFALO WILD WINGS

The UPS Store

SAFeway

RED CHILI'S

Target

IN-N-OUT  
BURGER

The UPS Store

TJ-MAXX

BED BATH &  
BEYOND

Target

IN-N-OUT  
BURGER

The UPS Store

OLD NAVY

Pollo Loco

Target

Walter M Brown  
Elementary School

Industrial  
Corridor

Crowell Rd.  
(4,338 VPD)

Park  
Knolls  
Apartments

Jack  
in the box

WELLS  
FARGO

Raley's

MIDAS

GameStop

SUPERCUTS

Save Mart

Little Caesars

Walmart

Walmart  
Neighborhood Market

BURGER KING

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Dutch Bros. Coffee | Turlock, CA 8



going beyond

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