

# DUTCH BROS



15-Year Absolute NNN Corporate Ground Lease | 10% Increases Every 5 Years | New Construction



REPRESENTATIVE PHOTO

OFFERING MEMORANDUM  
EASTVALE, CALIFORNIA



**HANLEY INVESTMENT GROUP**  
REAL ESTATE ADVISORS



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# OFFERING SUMMARY

## LOCATION

Dutch Bros. Coffee (Ground Lease)  
NEC Limonite Avenue & Sumner Avenue  
Eastvale, CA 92880



## OFFERING SUMMARY

Price:	\$2,800,000
Net Operating Income (NOI):	\$105,000
Capitalization Rate:	3.75%
Net Rentable Area:	871
Year Built:	2021
Lot Size (Acres):	0.62

## LEASE TERMS (1)

Lease Commencement: (2)	12/9/2021
Lease Expiration: (2)	12/31/2036
Lease Term:	15 Years
Lease Type:	Absolute NNN Ground Lease
Roof & Structure:	Tenant Responsibility
Monthly Rent:	\$8,750
Annual Rent:	\$105,000
Rental Increases:	10% Every 5 Years
Renewal Options:	Four 5-Year @ 10% Increases

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.

(2) Estimated lease commencement and expiration dates.



REPRESENTATIVE PHOTOS



# INVESTMENT HIGHLIGHTS

- **New Single-Tenant Dutch Bros. Coffee with Drive-Thru:**
  - New 15-year absolute NNN corporate ground lease
  - 10% increase every 5 years
  - Brand new 2021 construction
  - Dutch Bros. is the country's largest, privately held drive-thru coffee company
  - Dutch Bros. has over 470 stores open in 11 states and is planning on heavy growth over the next 5 years
- **Pad to Newly Constructed Eastvale Marketplace:** Co-tenants include Smart & Final Extra!, Burgerim, CareMore Pharmacy, Creamistry, EcoCleaners, El Pollo Loco, Les Schwab Tire Centers, Mathnasium, Mes Amies Nail & Beauty Spa, Miguel's Jr., Pacific Dental Services, Pieology, Poke Delight, Spitfire Shrimp, Ten Ren's Tea Time, and TotalCare Walk-In Clinic
- **Affluent Demographics:** The City of Eastvale has one of the highest household incomes in the Inland Empire and the state at \$142,000



REPRESENTATIVE PHOTO



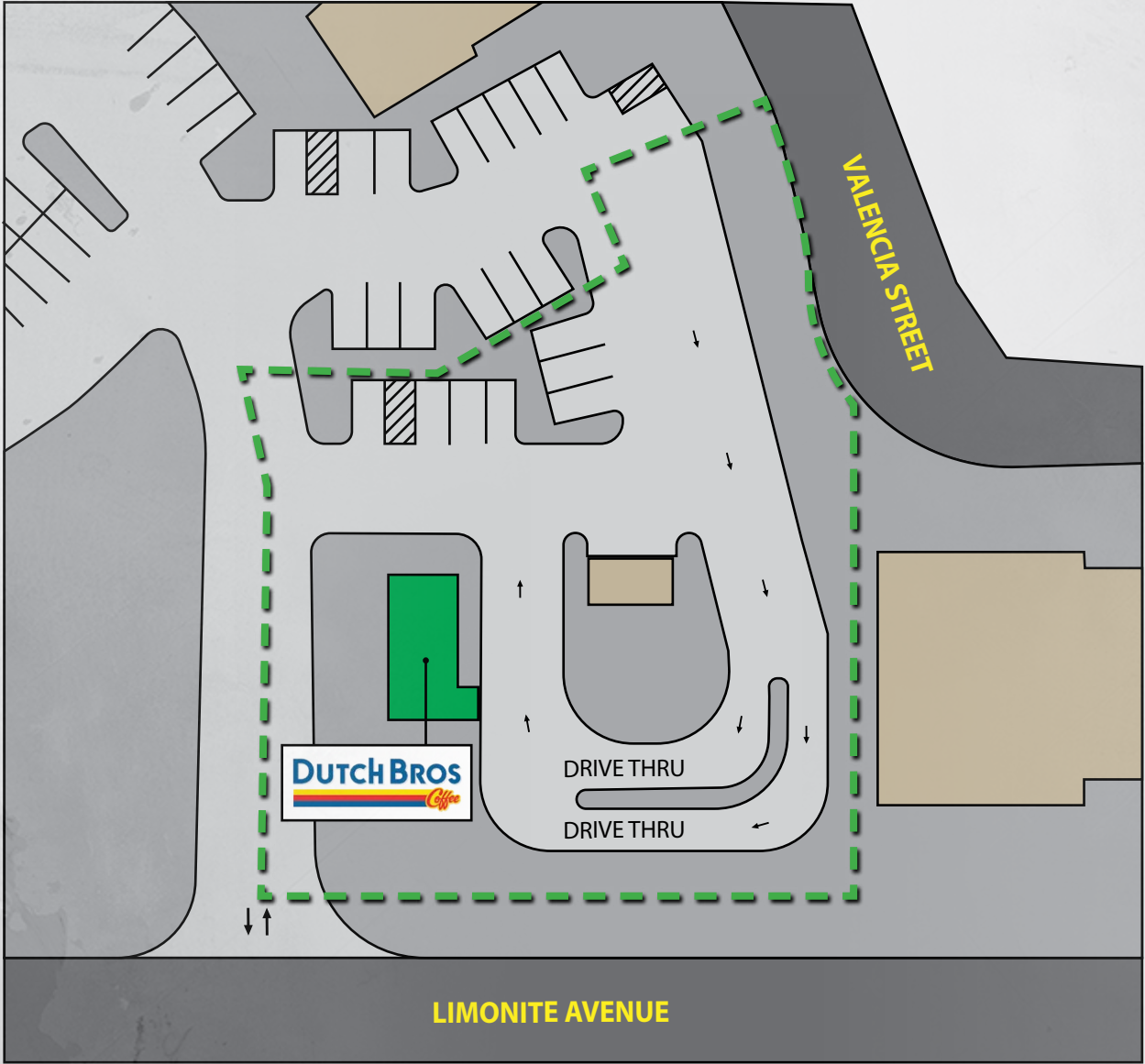
# INVESTMENT HIGHLIGHTS

- **Desirable Eastvale Location:** Eastvale is one of the fastest-growing cities in Riverside County
  - One of the highest household incomes in the Inland Empire and the state
  - 341% increase in population and a 314% increase in households in a 3-mile radius since 2000
  - Eastvale city-wide population is projected to grow over 15% by 2025
  - 3.3% unemployment rate and over 42% future job growth projected over the next 10 years
  - #5 “Best Places to Raise a Family in California”
  - 6th safest city in California for communities with populations over 50,000
  - #17 “Best Places to Live” in the U.S.
- **Hard Corner, Signalized Intersection Location:** Situated at the intersection of Limonite Avenue and Sumner Avenue, benefitting from 34,000 cars per day
- **Outstanding Daytime Population and Workforce:** Centrally located between a dense industrial hub (8.2 million square feet; vacancy rate below 0.5%) and numerous residential developments (currently 25,384 households in a 3-mile radius; 29,093 projected by 2023), accommodating the local community and daytime population of over 62,600 within a 5-mile radius
- **Strong Neighboring Retail Tenant Synergy:** Regional/National co-tenants include Costco, Target, Walmart Supercenter, 24 Hour Fitness, 99 Cents Only, Albertsons, Bed Bath & Beyond, Best Buy, BevMo!, Edwards Theatres, Home Depot, HomeGoods, T.J. Maxx, ULTA, Vons, and Walgreens
- **Close Freeway Proximity:** Ease of access to/from nearby Interstate 15 (151,000 cars per day) and the US 60 Freeway (218,000 cars per day)






REPRESENTATIVE PHOTO

# SITE PLAN / PARCEL MAP



**Dutch Bros. Coffee**  
NEC Limonite Ave & Sumner Ave  
Eastvale, CA 92880

-  SUBJECT PROPERTY
-  NOT A PART
-  PROPERTY PARCEL

APN: 164-030-037





# AERIAL OVERVIEW



**341% INCREASE**

In **Population** and **319% Increase in Households**  
(since 2000 within a 3-mile radius)

**15% INCREASE**

**Population Growth**  
Projected by 2025  
for Eastvale Citywide



# AERIAL OVERVIEW



**ONTARIO INTERNATIONAL AIRPORT (ONT)**

5.5 MILLION PASSENGERS



218,000 CPD



151,000 CPD



## ONTARIO RANCH

- LARGEST MASTER-PLANNED COMMUNITY IN SOUTHERN CALIFORNIA AT 13 SQUARE-MILES -
- 46,000 HOMES ON 8,200 ACRES; 150,000 RESIDENTS -
- 20 MILLION SF OF BUSINESS PARK & INDUSTRIAL SPACE -
- 13.3 MILLION SF OF COMMERCIAL SPACE -
- 1<sup>ST</sup> GIGABIT COMMUNITY -



DISTRIBUTION CENTERS



DISTRIBUTION



DISTRIBUTION



DISTRIBUTION



DISTRIBUTION



DISTRIBUTION



## GOODMAN COMMERCE CENTER

- 190 ACRES OF MIXED-USED DEVELOPMENT -
- \$400 MILLION TOTAL END VALUE -
- HOUSES AMAZON FULFILLMENT, PORSCHE, VOLKSWAGEN, AUDI TRAINING FACILITY, AND 158,000 SF COSTCO -



## LEAL MASTER PLAN

- PLANNED 160-ACRE MIXED USE DEVELOPMENT -



SUMNER AVENUE

26,500 CPD

7,400 CPD

LIMONITE AVENUE

SUBJECT PROPERTY

**Dutch Bros**  
Coffee

## SENDERO

- PLANNED 323 NEW UNITS -





# AERIAL OVERVIEW



**THE PRESERVE**  
- 1,155 ACRES TOTAL, 25 ACRES COMMERCIAL -  
- 8,100 HOMES AND APARTMENTS -



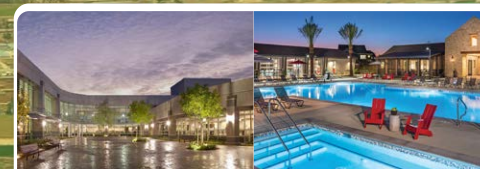
**THE RANCH**  
- 50-ACRE BUSINESS PARK -  
- 6 BUILDINGS; 936,000 SF -



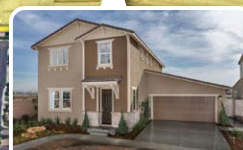
**THE CAMPUS**  
- 54 ACRES TOTAL, 414 ACRES OF  
RETAIL AND OFFICE SPACE  
- 10 INDUSTRIAL BUILDINGS  
TOTALING 733,688 SF -



**EASTVALE CROSSINGS**  
- PLANNED 192,000 SF  
WALMART SUPERCENTER  
RETAIL PROJECT -  
- 300 RETAIL JOBS -



**ONTARIO RANCH**  
- PLANNED 8,000 ACRES -  
- 4 MASTER-PLANNED COMMUNITIES -  
- 46,000 HOMES -



**SENDERO**  
- PLANNED 323 UNITS -

**SUMNER AVENUE**

**34,000 CPD**  
- INTERSECTION -

**LIMONITE AVENUE**



**SUBJECT PROPERTY**

**Dutch Bros**  
Coffee

## GROWTH PERCENTAGES

Population:	1-Mile	3-Mile	5-Mile
2010-2020	30.97%	31.73%	21.64%
2020-2025	13.85%	14.46%	10.48%
Households:	1-Mile	3-Mile	5-Mile
2010-2020	32.36%	33.80%	24.71%
2020-2025	13.87%	14.61%	10.91%



# AERIAL OVERVIEW



**CITY OF EASTVALE**

- The **fastest growing** city in Riverside County
- One of the **highest household incomes** in the Inland Empire and the state (citywide AHHI of \$142,000+)

**CIVIC CENTER DEVELOPMENT**  
- PLANNED 23-ACRE MIXED-USE LAND INCLUDING CIVIC, MEDICAL, & RETAIL -



ELEANOR ROOSEVELT HIGH SCHOOL



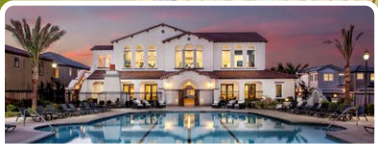
SUBJECT PROPERTY

**DUTCH BROS**  
Coffee

**34,000 CPD**  
- INTERSECTION -



**LEAL MASTER PLAN**  
- PLANNED 160-ACRE MIXED-USE DEVELOPMENT -



**THE LODGE**  
- 205 SINGLE DETACHED HOMES ON 40 ACRES -

LIMONITE AVENUE

SUMMER AVENUE

**DEMOGRAPHICS**

**Population:**

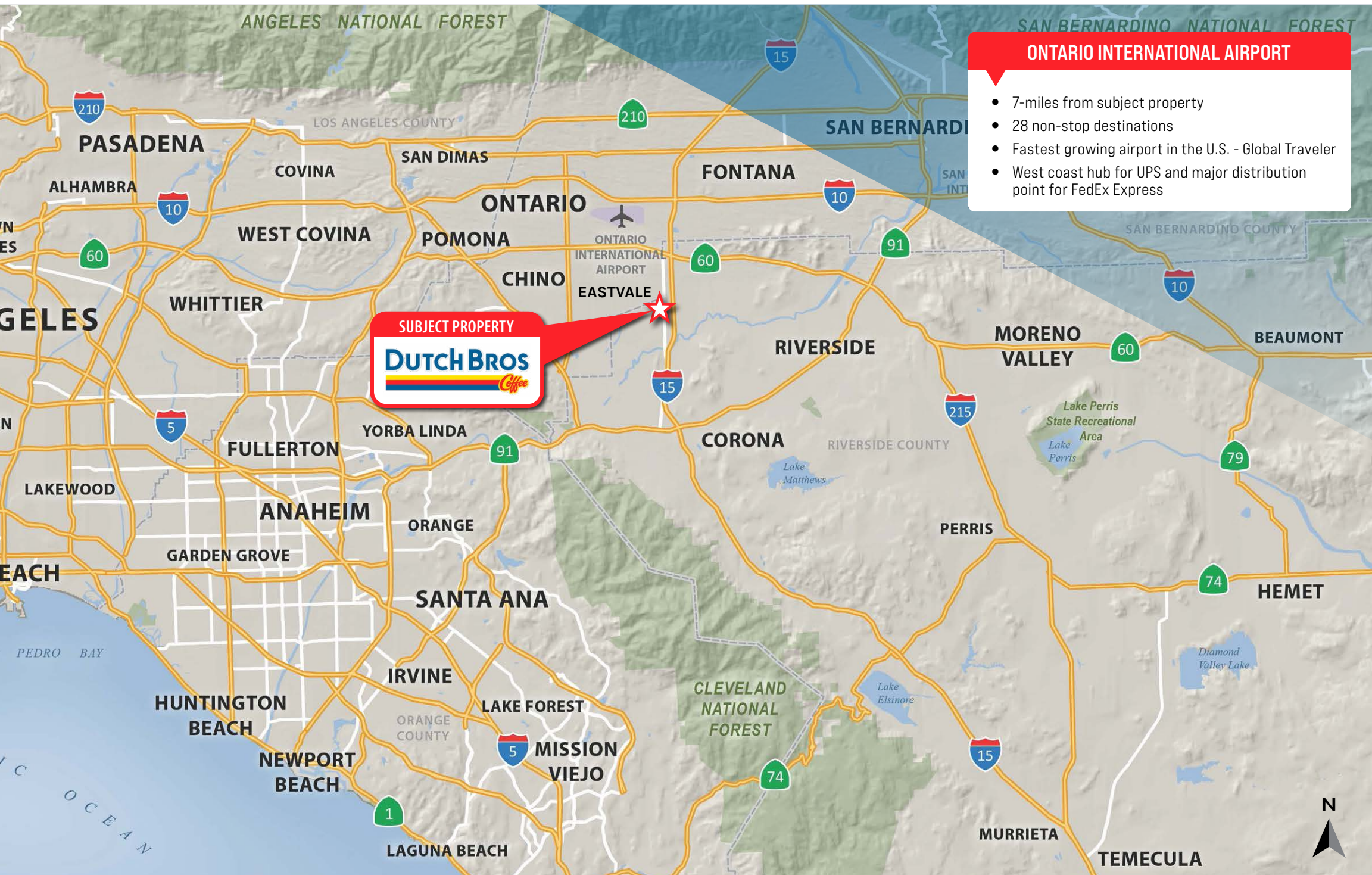
1-Mile Radius	23,047
3-Mile Radius	96,285
5-Mile Radius	191,555

**Household Income:**

1-Mile Radius	\$143,707
3-Mile Radius	\$131,837
5-Mile Radius	\$119,433



# REGIONAL MAP





# TENANT PROFILE



Dutch Bros. Coffee is the largest privately held drive-thru coffee chain in the United States. With over 470 locations across eleven states, the drive-thru coffee chain specializes in premium coffees and speedy, high-energy service. The chain's almost entirely beverage-based menu features a variety of coffee roasts along with lattes, cocoas, and specialty drinks and is known for their irresistible three-bean blend of 100% Arabica coffee beans.

Founded in 1992 by brothers, Dane and Travis Boersma, the company has grown steadily over the last 30 years. Headquartered in Grants Pass, Oregon, the company sales has grown to \$567 million in 2020, a 7.7% sales growth over the previous year. Over the past five years its annual growth rate has easily outpaced the coffee sector and all of its competitors. Dutch Bros added 72 new locations in 2020 despite the pandemic. The chain boasts average unit volumes of \$1.5 million, according to Restaurant Business sister company Technomic.

In October 2018, Dutch Bros. received a minority investment from San Francisco-based, private-equity firm TSG Consumer Partners. The company used the investment to expand into new markets, with the goal of to grow its locations to 800 stores by 2024. The company is additionally using the funding to attract talent and deploy technology to improve service and provide business intelligence. TSG previously also had a stake in the casual-dining chain Yard House, one of its most successful investments.

<b>Company Type:</b>	Private
<b>Locations:</b>	470+
<b>Website:</b>	<a href="http://www.dutchbros.com">www.dutchbros.com</a>

**#2**  
Guest  
Service

Technomic (2021)

**#79**  
Franchise  
500

Restaurant Business (2021)

**Top 10**  
Best Coffee  
Chains in the U.S.

Insider (2020)





### Dutch Bros Coffee Eyes \$100 Million IPO

By Ben Coley | August 23, 2021

Two months after publicly filing plans for an IPO, Dutch Bros Coffee revealed in new documents Friday that it plans to raise \$100 million.

The number of shares to be offered and the price range for the proposed offering have not yet been determined. The brand intends to list its stock as "BROS" on the New York Stock Exchange.

In the past five and a half years, the chain has grown from 254 stores in seven states to 471 locations in 11 states as of June 30. Of that total, 264 were franchised and 207 were company-owned. Since 2008, the brand has only awarded franchises to existing operators. In the first half of 2021, the company entered Texas and Oklahoma for the first time and achieved record-breaking sales. In October 2018, Dutch Bros announced that it sold a minority state to private equity firm TSG Consumer Partners, with the goal of reaching 800 stores in five years.

[CLICK FOR ARTICLE](#)



### REBUSINESS ONLINE

### Inland Empire Retail Market Poised for Resiliency in 2021

By Jeff Shaw | February 2, 2021

While the Inland Empire economy was hit hard in 2020, we remain optimistic on the retail sector's recovery over the coming 12 to 24 months. This market is a benefactor of COVID-19 in that more people than ever before are able to work remotely. This has triggered a migration from urban cores to more spacious and affordable housing in the newer residential communities of Riverside and San Bernardino counties. As the population is anticipated to expand here, retail will directly benefit as residents are more likely to have additional discretionary income to allocate to retail and restaurant venues.

In particular, there are many high-growth submarkets to watch within the region. Some of our top areas include Eastvale, Jurupa Valley and Rialto, which have all experienced expansion despite the restrictions and challenges that COVID has created.

[CLICK FOR ARTICLE](#)



# AREA OVERVIEW

## Eastvale

- Suburb of Riverside, located between Interstate 15 and California State Routes 91, 60, and 71, making access easy for residents, visitors, and businesses alike
- One of the newest cities in Western Riverside County, incorporated in 2010
- 73,700 residents; one of the fastest-growing cities in the state according to CA Department of Finance
- #3 “Best Places to Raise a Family in Riverside County” - Niche (2021)

## ECONOMY

- Largest industries are health care, social assistance, retail trade, and manufacturing
- Top employers include Amazon Fulfillment Center (3,000), Walmart Distribution (1,022), Corona-Norco USD (663), Ingram Micro (548), and Costco (260)
- 1,478 businesses; 50+ large companies including Amazon, Walmart Distribution, and Delta Electronics
- Other notable companies include: Grainger, Inc., Komar Distribution Services, Kmart Distribution Center, and Corningware Corelle & More
- \$1.5 billion in estimated total household expenditure for 2021
- **Amazon** - Recently opened a 1 million square foot, state-of-the-art fulfillment center employing up to 2,500 people;
- **VW/Porsche/Audi** - Opened a major consolidated training facility in the Goodman Commerce Center business park in 2016

## DEVELOPMENTS

- **Leal Master Plan** - 160-acre development slated to be the town center and regional destination, anchored by a “lifestyle” retail center and including a mix of complementary office, civic, hotel, residential, recreation, and entertainment space
  - Site is intended to accommodate a vibrant mix of uses with up to 1.3 million square feet of retail space and almost 1 million square feet of offices



**\$123,459 Average Household Income**



EASTVALE COMMUNITY



AMAZON DISTRIBUTION CENTER, EASTVALE



EASTVALE COMMUNITY CENTER



# AREA OVERVIEW

## Eastvale (cont.)

- 250 acres of community and neighborhood parks open or are in development
- Conveniently located between the coast and the mountains, and within close distance to recreational, entertainment, and travel destinations
- **Ontario International Airport** - Located just 10 miles north of the city; fastest-growing airport in the United States, according to Global Traveler; 5.5 million passengers in 2019

- **Hamner Place** - Home of the City's first hotel, Staybridge Suites, with a rooftop lounge and banquet room as well as Heroes Restaurant & Brewery and Tony's Chop House by The Meat Cellar; currently under construction
- **The Station** - 650,000 square foot retail center and part of Goodman Commerce Center; current tenants include Costco, In-N-Out Burger, MOD Pizza, Cafe Rio, and Chick-Fil-A; under construction
- **South Milliken Distribution Center** - 2-story concrete tilt-up distribution center with 8,000 square feet of office space; completed in 2020
- **The Ranch** - Six-building master-planned business park with potential for commercial and retail expansion; construction ongoing
- **The Merge** - Retail and industrial development on 26.2 acres; home to Sprouts Farmers Market; construction ongoing

## EDUCATION

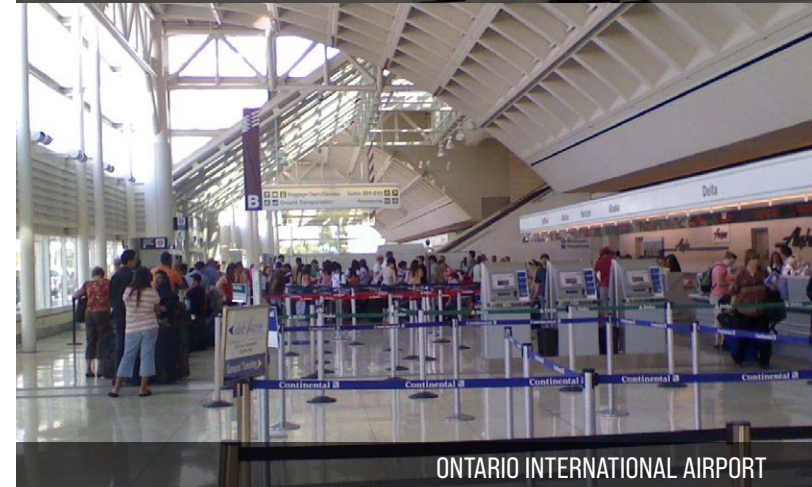
- 36% residents have a college degree or higher, significantly higher than the region (20.8%) and the state as a whole (29.6%)
- **Corona-Norco Unified School District** - Largest school district in the County with 53,000+ students; 9th largest school district in the State
- Local colleges and universities include: University of California, Riverside; California State University, San Bernardino; California State University, Fullerton; the Claremont Colleges; University of Redlands; Whittier College; Loma Linda University; and Norco College



**\$580,518 Median Home Value**



HAMNER PLACE



ONTARIO INTERNATIONAL AIRPORT



THE MERGE RENDERING



# DEMOGRAPHICS

	1-Mile	3-Mile	5-Mile
<b>POPULATION</b>			
2025 Projection	26,240	110,203	211,638
2020 Estimate	23,047	96,285	191,555
2010 Census	17,597	73,094	157,479
2000 Census	193	21,830	98,534
Growth 2000-2010	9017.62%	234.83%	59.82%
Growth 2010-2020	30.97%	31.73%	21.64%
Growth 2020-2025	13.85%	14.46%	10.48%
<b>HOUSEHOLDS</b>			
2025 Projection	6,633	29,093	55,979
2020 Estimate	5,825	25,384	50,474
2010 Census	4,401	18,972	40,473
2000 Census	67	6,054	24,824
Growth 2000-2010	6468.66%	213.38%	63.04%
Growth 2010-2020	32.36%	33.80%	24.71%
Growth 2020-2025	13.87%	14.61%	10.91%
<b>2020 EST. POPULATION BY SINGLE-CLASSIFICATION RACE</b>			
White Alone	8,461	39,785	92,004
Black or African American Alone	2,388	9,032	16,225
American Indian and Alaska Native Alone	161	674	1,532
Asian Alone	6,451	21,828	30,438
Native Hawaiian and Other Pacific Islander Alone	129	356	613
Some Other Race Alone	4,075	18,766	40,284
Two or More Races	1,058	4,429	8,583
<b>2020 EST. POPULATION BY ETHNICITY (HISPANIC OR LATINO)</b>			
Hispanic or Latino	10,223	44,806	97,169
Not Hispanic or Latino	12,824	51,479	94,386
<b>2020 EST. AVERAGE HOUSEHOLD INCOME</b>	<b>\$143,707</b>	<b>\$131,837</b>	<b>\$119,433</b>

## EASTVALE SNAPSHOT



**191,555**  
POPULATION (5-MILE)



**62,630**  
DAYTIME POPULATION (5-MILE)



**14.46%**  
POPULATION GROWTH (3-MILE, 2025)



**33.8%**  
HOUSEHOLD GROWTH (3-MILE)



**\$119,433**  
ANNUAL HOUSEHOLD INCOME (5-MILE)





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**\$8.1 BILLION**  
retail sales nationwide



**SHARED DATABASE**  
collaborative proprietary database



**GLOBEST. INFLUENCERS**  
in retail & net lease sales



**NATIONWIDE REACH**  
retail & investors across the U.S.



**\$2 BILLION IN RETAIL SOLD**  
over 400 transactions in last 36 mos.