



DUTCH BROS COFFEE

SIERRA VISTA, ARIZONA

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM

\$2,539,000 | 4.25% CAP RATE

- » 15-Year Absolute NNN Lease to Iconic Corporate Tenant (NYSE: "BROS")
 - » 10% Rental Increases Every Five Years
 - » Dutch Bros Recently Went Public Valued at Over \$3.8 Billion
 - » Dutch Bros is on Track to Open More Than 100 Stores in 2021
- » Located in a Strong and Growing Retail Corridor
 - » High-Traffic Location Along Highway 90 (21,051 AADT) – Main North/South Arterial of Sierra Vista
 - » Population of 49,141 Residents Within a Five-Mile Radius
- » Central Location Near Large Employers, Retailers, and Community Hubs
 - » Outparcel to Plaza Vista Mall (Hobby Lobby, Marshalls, and Planet Fitness Anchored Shopping Center) and Across the Street from a Walmart Supercenter, Lowe's Home Improvement, Target, and PetSmart
 - » Less than a Half Mile from an Industrial Corridor (Northrop Grumman, Teleperformance, FedEx, Safelite, and Others), Providing Major Traffic Drivers to the Site
 - » New 2021 Construction with Dedicated Dual-Drive Thru



FILE PHOTO

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Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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**YURAS
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Leased Investment Team

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INVESTMENT SUMMARY

ADDRESS	NEC Highway 90 and Charleston Road, Sierra Vista, AZ		
PRICE	\$2,539,000		
CAP RATE	4.25%		
NOI	\$107,900		
TERM	15 years		
RENT COMMENCEMENT	September 23, 2021 (estimated)		
LEASE EXPIRATION	September 30, 2036 (estimated)		
RENTAL INCREASES	10% rental increases every five (5) years		
	YEAR	RENT	RETURN
	1-5	\$107,900	4.25%
	6-10	\$118,690	4.68%
	11-15	\$130,559	5.14%
	16-20 (Option 1)	\$143,615	5.66%
	21-25 (Option 2)	\$157,976	6.22%
	26-30 (Option 3)	\$173,774	6.84%
YEAR BUILT	2021		
BUILDING SF	862 SF		
PARCEL SIZE	0.58 (25,075 SF)		
LEASE TYPE	Absolute NNN lease, with tenant responsible for all taxes, insurance, and maintenance, including roof, structure, and parking lot		



NEW 15-YEAR ABSOLUTE NNN LEASE WITH SCHEDULED RENTAL INCREASES TO STRONG RETAIL TENANT

- » New 15-year absolute NNN lease with three (3) five (5) year options, creating a stable, long-term investment
- » 10% rental increases every five years, providing a hedge against inflation
- » Absolute NNN lease requires zero landlord management, ideal for an out-of-area investor
- » Dutch Bros recently went public valued at over \$3.8 billion (NYSE: "BROS")
- » Dutch Bros sales are up 51% through the first six (6) months of 2021 after a record performance in 2020

LOCATED IN A LARGE AND GROWING ARIZONA RETAIL CORRIDOR

- » High-traffic location along Highway 90 (21,051 AADT) – main north/south arterial of Sierra Vista
- » Population of 49,141 within a five-mile radius of the site, providing a large customer base for the property
- » Strong five-mile average household income of \$77,847 and quickly increasing

CENTRAL LOCATION NEAR LARGE EMPLOYERS, RETAILERS, AND SCHOOLS

- » Outparcel to Plaza Vista Mall (Hobby Lobby, Marshalls, and Planet Fitness anchored shopping center) and across the street from a Walmart Supercenter, Lowe's Home Improvement, Target, and PetSmart
- » Surrounded by a strong mix of local and national retailers, including Chipotle, MOD Pizza, Chili's, Discount Tire, Jiffy Lube, Valero, CVS, Tractor Supply, and many others
- » Less than one mile from Cochise College Sierra Vista Campus (5,585 students) and less than a half mile from an industrial corridor (Northrup Grumman, Teleperformance USA, FedEx, Safelite, and others)
- » Seven miles from Fort Huachuca (US Army installation), the largest employer in Cochise County, with approximately 8,100 active and civilian personnel

NEW 2021 CONSTRUCTION

- » 2021 construction featuring a dedicated dual-lane drive-thru, providing additional customer convenience and boosting sales revenue
- » Features latest store designs and concepts



fray's
PETSMART
STAPLES

FOOD CITY
BIG 5
BIG LOTS!

BUFFALO WILD WINGS
GRILL & BAR

CIRCLE K

SONIC
TACO BELL
CHASE
HARBOR FREIGHT
QUALITY TOOLS. LOWEST PRICES.

PEPPER

DISCOUNT TIRE

East Freeway Boulevard
(19,719 AADT)

BEALLS
planet fitness

MOD

TARGET

VALERO

Mister

ROSS
DRESS FOR LESS
Marshall's
DOLLAR TREE

East Charleston Road
(23,820 AADT)

BURGER KING

Highway 90
(21,051 AADT)

verizon
NAVY FEDERAL
Credit Union

LOWE'S

HOBBY LOBBY
C-A-L RANCH STORES

ULTA
BEAUTY

Dutch Bros

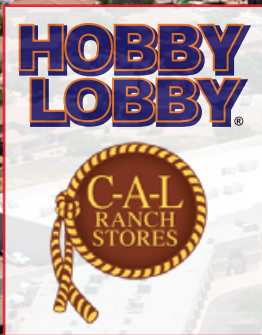


COLD STONE
CREAMERY
CHIPOTLE MEXICAN GRILL
PANDA EXPRESS

Walmart
Neighborhood Market



East Charleston Road
(23,820 AADT)



Highway 90
(21,051 AADT)

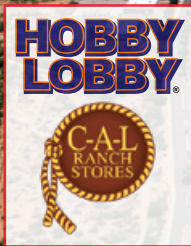
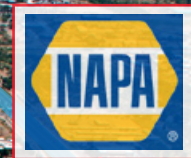


Buena Vista
High School
(2,076 students)

Cochise College
Sierra Vista Campus
(5,585 students)

East Charleston Road
(23,820 AADT)

East Freeway
Boulevard
(19,719 AADT)



Highway 90
(21,051 AADT)



TENANT SUMMARY



Dutch Bros Coffee, founded in 1992 and headquartered in Grants Pass, Oregon, is a drive-thru coffee chain with company-owned and franchise locations throughout the Western United States. On September 15, 2021, Dutch Bros launched their IPO on the New York Stock Exchange valued at \$3.3 billion. Dutch Bros has over 480 locations throughout seven states and over 12,000 team members, with plans to grow to 4,000 locations nationwide. Dutch Bros sales are up 51% through the first six months of 2021 after a record performance in 2020. In 2017, Forbes named Dutch Bros one of its Small Giants: Best Small Companies. Dutch Bros, its owner/operators and the Love Abounds Foundation remain committed to the community, donating millions of dollars annually to nonprofit organizations and local causes.

For more information, please visit www.dutchbros.com

TICKER	NYSE: "BROS"	HEADQUARTERS	Grants Pass, OR
LOCATIONS	480+	SALES	\$567M

LEASE ABSTRACT

TENANT	Dutch Bros		
ADDRESS	NEC Highway 90 and Charleston Road, Sierra Vista, AZ		
RENT COMMENCEMENT	September 23, 2021 (estimated)		
LEASE EXPIRATION	September 30, 2036 (estimated)		
RENEWAL OPTIONS	Three (3) options of five (5) years each		
RENTAL INCREASES	YEAR 1-5 6-10 11-15 16-20 (Option 1) 21-25 (Option 2) 26-30 (Option 3)	RENT \$107,900 \$118,690 \$130,559 \$143,615 \$157,976 \$173,774	RETURN 4.25% 4.68% 5.14% 5.66% 6.22% 6.84%
REAL ESTATE TAXES	Tenant is responsible for all real estate taxes.		
INSURANCE	Tenant is responsible for all insurance costs.		
REPAIR & MAINTENANCE	Tenant is responsible for all maintenance including roof, structure and parking lot.		
MAINTENANCE BY LANDLORD	None		
RIGHT OF FIRST REFUSAL	None		

PROPERTY OVERVIEW

LOCATION

This Dutch Bros. Coffee is conveniently located along Highway 90, the main north/south arterial of Sierra Vista, on a high-traffic retail corridor with 21,051 vehicles per day directly in front of the site. The property is supported by a large and affluent customer base, with a population of 49,141 residents and an average household income of \$77,847 within a five-mile radius of the site. Visibility to the property is increased by the site's centralized location near large employers, retailers, and community hubs. The location is surrounded by a strong mix of local and national retailers, including Chipotle, MOD Pizza, Chili's, Discount Tire, Jiffy Lube, Valero, CVS, Tractor Supply, and many others.

The property is also across the street from a Walmart Supercenter, Lowe's Home Improvement, Target, and PetSmart. The site is also less than one mile from Cochise College Sierra Vista Campus (5,585 students), 1.6 miles from Buena Vista High School, and less than a half mile from an industrial corridor (Northrup Grumman, Teleperformance USA, FedEx, Safelite, and others).

ACCESS

Access from Highway 90 and East Charleston Road

TRAFFIC COUNTS

Highway 90:	21,051 AADT
East Charleston Road:	23,820 AADT
East Freeway Boulevard:	19,719 AADT

PARKING

11 parking stalls, including two (2) handicap stalls

YEAR BUILT

2021 (under construction)

NEAREST AIRPORT

Sierra Vista Municipal Airport (FHU | 10.5 miles)



11

PARKING
STALLS



2021

YEAR BUILT



NEAREST
AIRPORT

SIERRA VISTA
MUNICIPAL AIRPORT

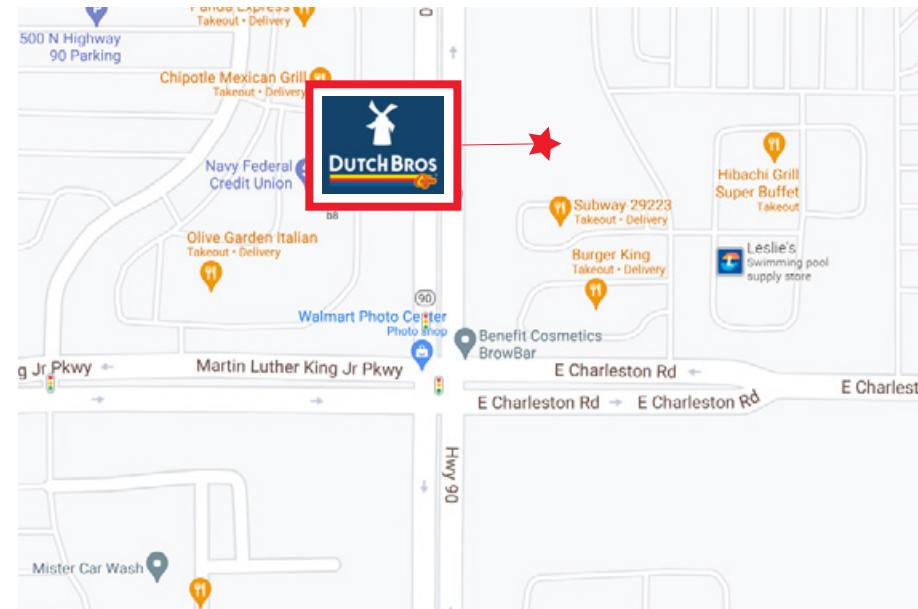
AREA OVERVIEW

Sierra Vista, population 43,398 residents, serves as the major population center for southeastern Arizona. It is a city in Cochise County and is one of the principal cities in the Sierra Vista-Douglas Metropolitan Area, which has a population of 126,516 as of 2021. Sierra Vista is also the commercial center for Cochise County and parts of northern Mexico. Fort Huachuca, a U.S. Army post, is located in the northwest part of the city. Sierra Vista has a substantial employment base due to Fort Huachuca — the community’s major employer and primary driving economic force. Because of contracts with the Army, the professional, scientific, and technical services sector is unusually large, but nearly half of all jobs in Sierra Vista are in the government sector. In the 2010 census, Fort Huachuca had a population of about 6,500 active duty soldiers, 7,400 military family members and 5,000 civilian employees. Fort Huachuca has over 18,000 people on post during the peak working hours of 0700 and 1600 on weekdays, making it one of the busiest Army installations. Today, Fort Huachuca is the largest military installation in Arizona, with a \$2 billion impact on the state.

Sierra Vista is a popular location for outdoor tourism and recreation. Nicknamed the “Hummingbird Capital of the United States”, the city sees bird watchers from all over the world flock to the nearby Ramsey Canyon Preserve and other local canyons to observe and photograph hundreds of different bird species. Other outdoor sightseeing and recreational opportunities that are nearby include the San Pedro Riparian National Conservation Area, the Coronado National Memorial in the Huachuca Mountains, and Parker Canyon Lake. Excellent views of the clear night sky have led Sierra Vista to become the chosen center of amateur astronomy in Arizona, with more than a dozen well equipped amateur observatories in the area and a large observatory at the University of Arizona South within the city limits.

- » Sierra Vista is the largest of seven incorporated cities in Cochise County, accounting for one-third of the county’s population.
- » Sierra Vista is located 75 miles southeast of Tucson and serves as the main cultural and recreational hub of Cochise County.

LARGEST EMPLOYERS IN COCHISE COUNTY, AZ	# OF EMPLOYEES
FORT HUACHUCA	9,039
GENERAL DYNAMICS INFORMATION TECHNOLOGY (GDIT)	950
SIERRA VISTA UNIFIED SCHOOL DISTRICT #68	700
SIERRA VISTA REGIONAL HEALTH CENTER	641
MANTECH TELECOMMUNICATIONS AND INFORMATION SYSTEMS CORP.	493
AEGIS COMMUNICATION GROUP, INC.	408
CITY OF SIERRA VISTA	398
NORTHROP GRUMMAN CORPORATION	390
SCIENCE APPLICATIONS INTERNATIONAL CORP. (SAIC)	310
WAL-MART	295



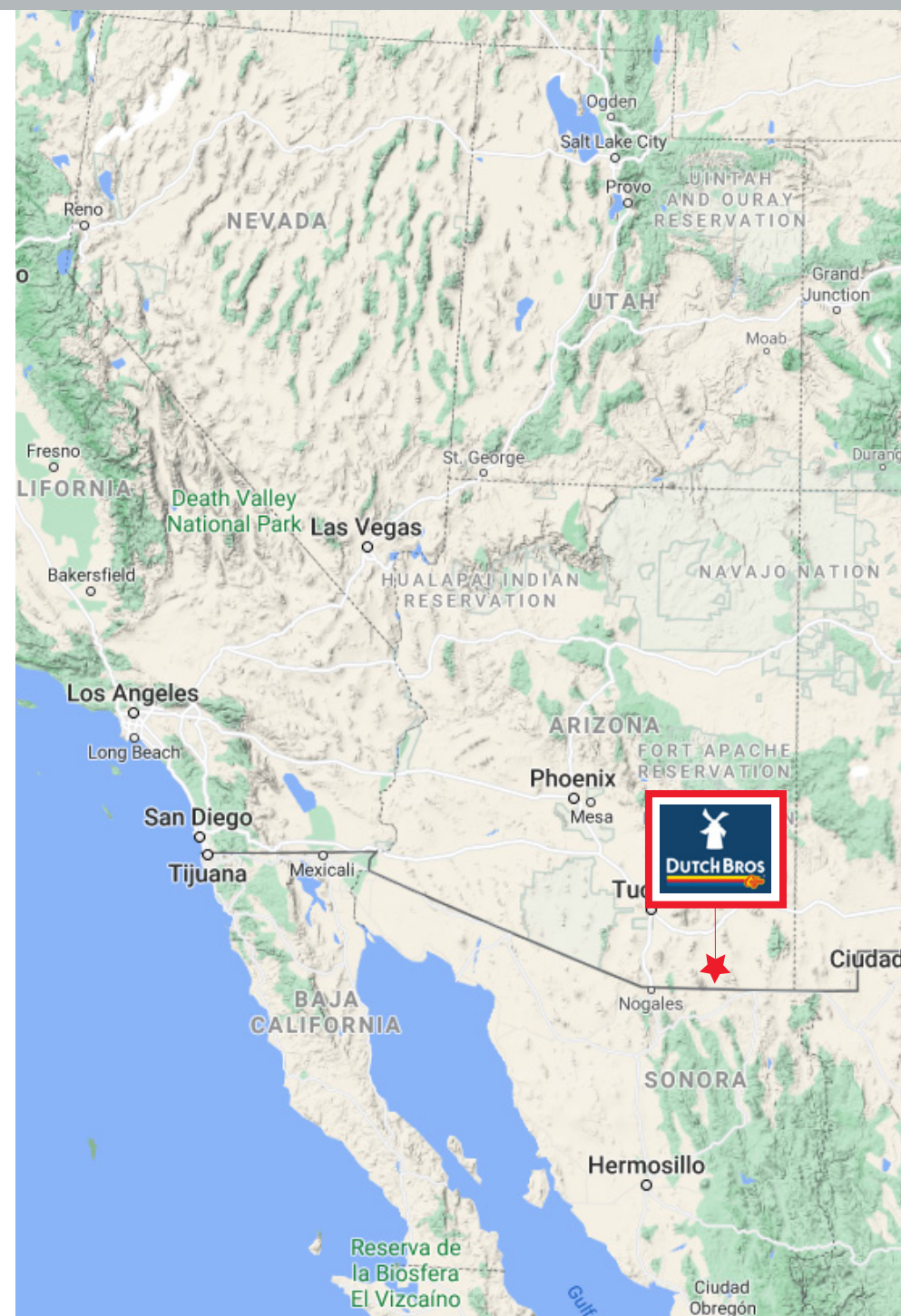
DEMOGRAPHIC PROFILE

2021 SUMMARY

	1 Mile	3 Miles	5 Miles
Population	7,691	39,149	49,141
Households	3,366	16,895	20,532
Families	1,997	10,427	13,183
Average Household Size	2.27	2.30	2.36
Owner Occupied Housing Units	1,701	9,849	12,652
Renter Occupied Housing Units	1,665	7,046	7,882
Median Age	37.3	39.0	39.1
Average Household Income	\$61,552	\$71,732	\$74,521

2026 ESTIMATE

	1 Mile	3 Miles	5 Miles
Population	7,637	39,033	49,108
Households	3,363	16,884	20,554
Families	1,979	10,378	13,153
Average Household Size	2.26	2.30	2.36
Owner Occupied Housing Units	1,744	10,118	12,952
Renter Occupied Housing Units	1,620	6,766	7,601
Median Age	37.7	40.2	40.2
Average Household Income	\$68,980	\$80,107	\$83,223





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