

# DUTCH BROS COFFEE

3450 SUNSET BOULEVARD  
ROCKLIN, CALIFORNIA 95677

SINGLE-TENANT 20-YEAR LEASE TERM INVESTMENT  
OFFERING MEMORANDUM



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# 01 INVESTMENT HIGHLIGHTS



- Located in the desirable Sacramento suburb of Rocklin
- New 20-year NNN lease with multi-unit operator, Dutch Bros Gold Country. (majority of Dutch Bros leases are 15 year lease terms)
- 10% rental escalations every 5 years
- Located at a major high traffic intersection (33,000+ cars/day).
- Zero landlord responsibilities
- Extremely high location sales numbers
- Long time Dutch Bros franchisee (10+ years), with 4 locations open and a fifth in development.
- This article from October describes the attributes (drive-thru strength, positive effects from Covid, and strong sales figures compared with competitors), that make Dutch Bros the coffee retailer with the highest ceiling for growth.
- Located in the major residential community of Rocklin (Population: 1 Mi: 13,237 3 Mi: 91,063 5 Mi: 211,968)
- This location sits less than 1.5 miles from the Galleria Blvd exit on Hwy 65, an exit that sees nearly 100,000 cars per day.
- Population growth in Placer County continues to grow as Bay Area residents continue to migrate north seeking more affordable housing and greater quality of life.
- Average household income of \$130,000 within a 3-mile radius.

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- \$3,375,000 (4.09% Cap Rate)
- Hard signalized corner with ingress/egress on both streets (Sunset Blvd and Springview Drive)
- Proven location (opened in 2013) with an established, strong local following
- Multi-unit operator (Liquid Luv Co., Inc.) with long term operating history with Dutch Bros.







## 02 INVESTMENT OVERVIEW

### OFFERING SUMMARY

ADDRESS:	3450 Sunset Boulevard Rocklin, CA 95677
PURCHASE PRICE:	\$3,375,000
CAP RATE:	4.09%
NET OPERATING INCOME:	\$138,000
RENT COMMENCEMENT:	Lease amendment to be signed at close of escrow converting this to a 20-year lease term)
RENEWAL OPTIONS:	Two 5-Year

### NOI SCHEDULE

NOI	DATE	PERIOD	INCREASE	CAP RATE
\$138,000	3/1/2022	1-5		4.09%
\$151,800	11/1/2026	6-10	10%	4.50%
\$166,980	11/1/2031	11-15	10%	4.95%
\$183,678	11/1/2035	16-20	10%	5.44%
\$202,046	11/1/2040	Option 1	10%	5.99%
\$222,250	11/1/2045	Option 2	10%	6.59%

### PROPERTY AND LEASE DETAILS

LEASE TYPE:	Absolute NNN (No Landlord Responsibilities)
TENANT:	Liquid Luv Co, Inc. DBA Dutch Bros
LAND SIZE:	18,731 SF
BUILDING SIZE:	395 SF (double drive-thru)
PARCEL NUMBER:	016-230-014
YEAR BUILT:	2013

### Demographics

Radius	1 Mile	3 Mile	5 Mile
2026 Population Projection	14,072	97,129	225,986
2021 Population Estimate	13,237	91,063	211,968
2019 Avg Household Income	\$95,150	\$129,575	\$130,533



# 03 SALES COMPARABLES



SALES COMPARABLES										
	ADDRESS	TENANT	SALE DATE	PRICE	CAP RATE	TERM (YRS)	YEAR BUILT	BLDG SIZE	ACRES	NOI
1	1115 Pitt School Rd., Dixon, CA	Dutch Bros	1/12/22	\$3,450,000	4.17%	20	2019	863	0.93	\$144,000
2	3007 Altamesa Blvd, Fort Worth, TX	Dutch Bros	10/7/21	\$2,552,000	4.30%	14.8	2021	871		\$109,725
3	4130 Northgate Blvd., Sacramento, CA	Dutch Bros	9/23/21	\$2,880,000	3.99%	15	2021	890	0.85	\$115,000
4	251 N Stephanie St., Henderson, NV	Dutch Bros	8/19/21	\$1,540,000	4.25%	10	2021	820	0.57	\$65,450
5	1259 E Grand Ave, Arroyo Grande, CA	Dutch Bros	6/28/21	\$2,828,000	4.35%	14.1	1973	2,040	0.381	\$123,000
6	81780 Hwy. 111, Indio, CA	Dutch Bros	6/25/21	\$2,800,000	4.25%	13.3	2019	887	1	\$119,000
7	1501 Custer Rd, McKinney, TX	Dutch Bros	5/18/21	\$2,007,000	4.35%	15	2021	920	1.18	\$87,305
8	4433 N 7th St, Phoenix, AZ	Dutch Bros	5/5/21	\$2,759,000	4.35%	14.5	2020	820	1.14	\$120,000
9	4420 Edison Ave, Colorado Springs, CO	Dutch Bros	4/16/21	\$924,137	4.00%	18	2019	480	0.67	\$36,965
10	1382 S River Rd, St. George, UT	Dutch Bros	3/26/21	\$1,557,000	4.30%	14	2020	831	0.86	\$66,951
11	3883 W 5400 S, Taylorsville, UT	Dutch Bros	1/26/21	\$2,235,294	4.25%	10	1986	3,501	0.47	\$95,000
12	4785 S. Fort Apache Rd., Las Vegas, NV	Dutch Bros	12/18/20	\$1,557,000	4.00%	15	2021	831	0.45	\$66,951
	WEIGHTED AVERAGE	Dutch Bros	6/13/21	\$2,257,453	4.24%	14.5	2013	1,146	0.77	\$95,779



# 04 AERIAL





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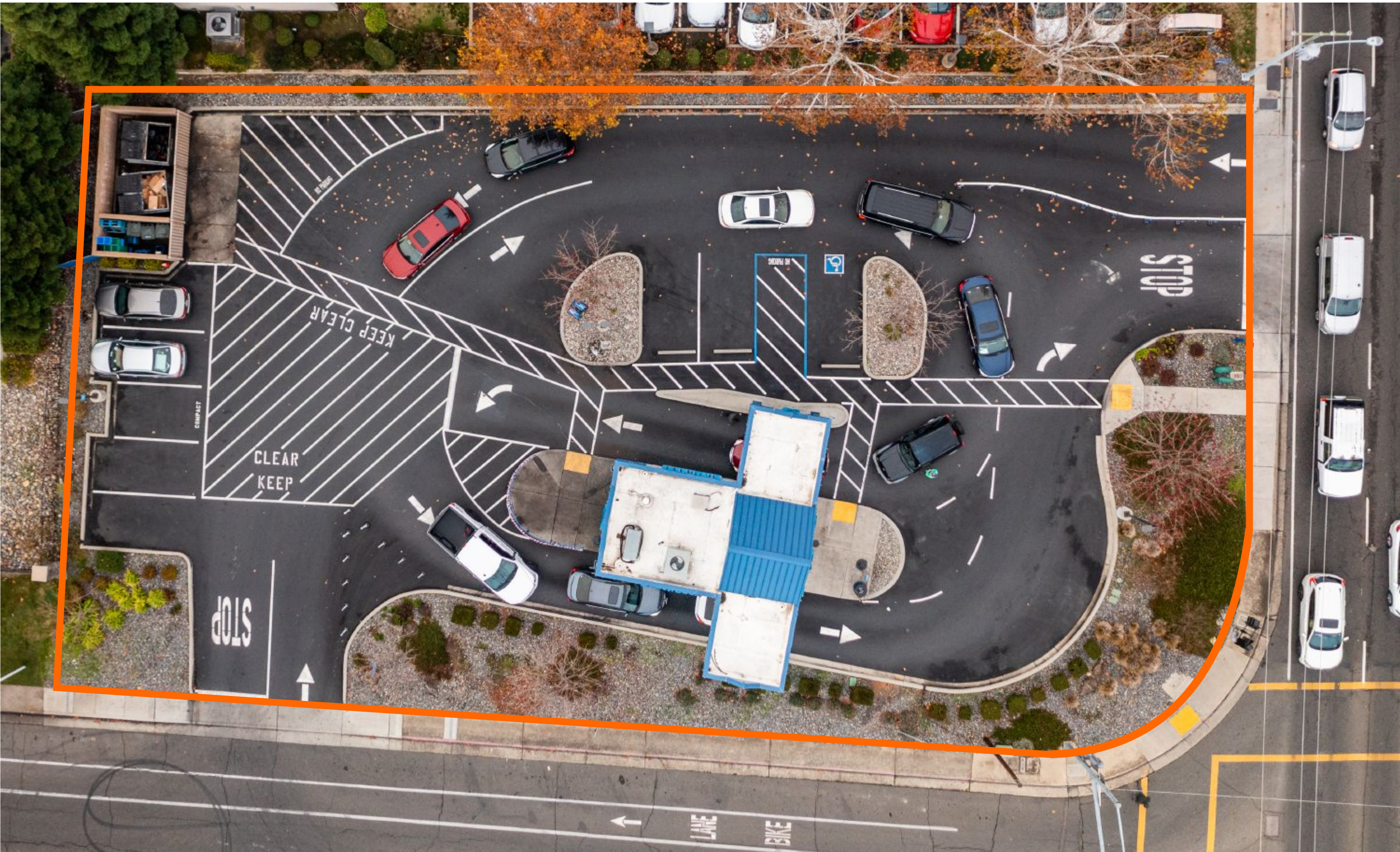




# 05 PROPERTY PHOTOS

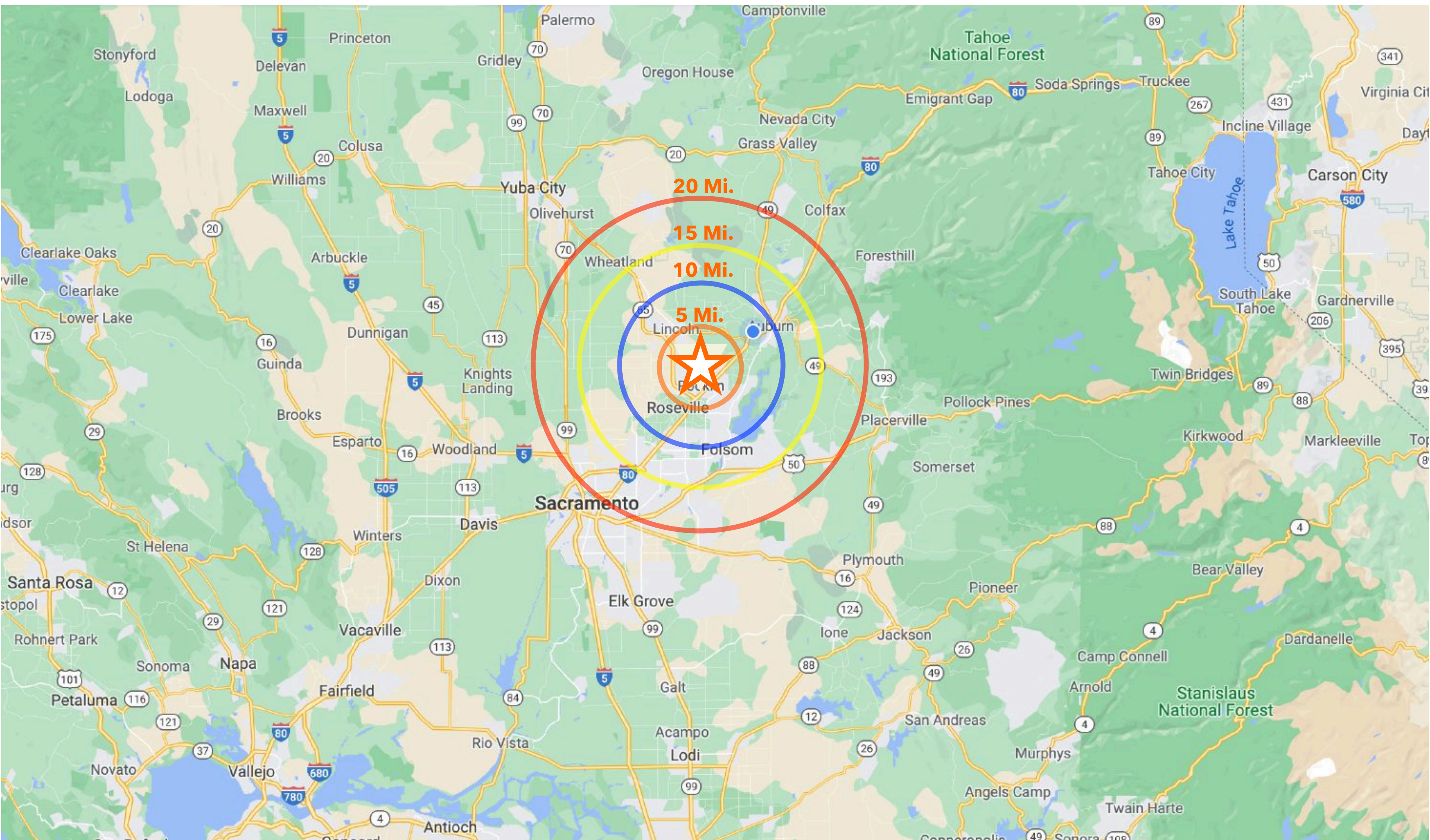








# 07 LOCATION MAP





# 08 LOCATION OVERVIEW



The Rocklin / Roseville submarket is the center of commercial activity for Placer County, the gateway to North Lake Tahoe. Located 20 miles from Downtown Sacramento, it is the wealthiest Sacramento suburbs, consisting of both sprawling rural country, and thriving office, retail, and industrial centers. The community of Rocklin consists of 65,000 residents, and the surrounding south Placer Community (Rocklin, Roseville, Granite Bay, Loomis, Penryn, and Auburn) consist of approximately 250,000 residents.

Rocklin is approximately a 1 hour drive from north Lake Tahoe, 30 minutes from Sacramento, and 2 hours from San Francisco, providing residents ease of access to some of the great destinations in northern California. New home construction has exploded in Placer County in the past decade, providing an alternative to the more urban Sacramento city and suburbs. Recreational amenities like Folsom Lake and American River Confluence, and hiking and bike trails make south Placer County a major draw for outdoor enthusiasts.

Kaiser Permanente and Sutter Health both have regional hospitals in Roseville, creating two of the largest employment centers in the region. The development of the Rocklin Crossings center containing big box anchors like Walmart, Bass Pro Shop, and Target made Rocklin a destination for residents throughout Placer County. The Roseville Galleria Shopping Mall and surrounding retail centers including the Fountains Lifestyle Center are viewed as the premier shopping destinations between Sacramento and Reno, NV.

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# 09 TENANT OVERVIEW



Dutch Bros Coffee is the largest privately held drive-through coffee chain in the United States. It is headquartered in Grants Pass, Oregon, with company-owned and franchise locations expanding throughout the western United States.

The company was founded Dane and Travis Boersma, brothers of Dutch descent, in Grants Pass, Oregon. It originally sold coffee from pushcarts around town, and today has nearly 500 drive-thru coffee stores in ten Western states. The coffee chain serves a variety of coffees, caffeinated beverages, and other drinks including tea, energy drinks, smoothies, hot cocoa, soda, and lemonade including a "not-so-secret menu". The company's mission statement centers on three core values: quality, speed, and service.

The company's mantra is to "make a difference, one cup at a time". The company holds an annual fundraiser for the Muscular Dystrophy Association in honor of the co-founder Dane Boersma, who died of Lou Gehrig's disease in 2009 at the age of 55. Dutch Bros donates millions annually to local and national organizations, and lives by the mantra "make a difference, one cup at a time."

Dutch Bros went public in 2021, with an IPO that valued the company at over \$300 billion. With the public funding, both Dutch Bros and their analysis believe that the company can reach 4,000 locations in the next 10 years..

The company has made innovation one of its major keys to success. By adding technology expert Stephen Gillet to its Board of Supervisors in late 2021, Dutch Bros plans to further expand its capabilities from a technology standpoint.





# 3450 Sunset Blvd, Rocklin, CA



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