



**DUTCH BROS**  
*Coffee*



**118 & 124 W HANLEY AVE | COEUR D'ALENE, ID**  
**OFFERING MEMORANDUM**



# DUTCH BROS & VALVOLINE

124 W HANLEY AVE | COEUR D'ALENE, ID

**LISTED BY:**

**KYLE MATTHEWS**

BROKER OF RECORD

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LIC # CO46227 (ID)

**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES



# EXECUTIVE SUMMARY



**\$5,800,000**  
SALE PRICE



**3.50%**  
CAP RATE



**±0.61 AC**  
GLA

## INVESTMENT HIGHLIGHTS

- **Absolute NNN Leases:** Twelve (12) years of lease term remaining on NNN leases with zero Lessor responsibilities
- **Public Companies:** Valvoline (NYSE: VVW) has a \$5.8 Billion Market Capitalization and Dutch Bros (Private) recently filed to IPO
- **Active Hedge Against Inflation:** Valvoline's rent increases **2.00% annually**; Dutch Bros' rent increases **2.50% annually**
- **Above-Average Performance:** Dutch Bros and Valvoline are top-performing stores based on daily vehicle counts and verbal indication (Lessees do not report sales per the leases); specifically, Dutch Bros is "top-performing" in the country
- **Depreciation Expense:** Investors, who have consulted a CPA for guidance, can depreciate the properties due to fee simple ownership; **Valvoline may qualify for an accelerated 15-year depreciation** schedule due to the TCJA of 2017
- **Advantageous Retail Location:** the service-based tenants are ideally positioned at the signalized intersection of Hanley & Government Way, across from Silver Lake Mall, located 0.25 miles from US Route 35 (**35,000 VPD**), in a corridor featuring **Costco, Home Depot, Target, US Bank, BofA, Lake City High School (1,300 enrollment), and Coeur d'Alene High School (1,408 enrollment)**
- **Recession, E-Commerce, & Pandemic-Resistant:** Dutch Bros & Valvoline are **essential service-based** tenants with convenient 'drive-through' business operations. Valvoline's business benefits from the inelastic demand of oil & oil change; additionally, in economic downturns, customers are more likely to repair existing vehicles than purchase a replacement vehicle
- **Peace of Mind & Strength of Guarantor:** Valvoline's provides a **corporate-guaranteed lease** and Dutch Bros is a **franchisee-guaranteed lease**; however, Dutch Bros, as a company, is no longer franchises locations, meaning that all current franchisee operators are "grandfathered-in," and if the operator's performance ever declined, corporate would step in to take over the location - comparable to language found in Wendy's leases.

# FINANCIAL OVERVIEW



## DUTCH BROS LEASE SUMMARY

Tenant Name	Dutch Bros
Type of Ownership	Fee Simple
Lease Entity	Franchisee
Lease Type	Absolute NNN
Roof and Structure	Tenant Responsible
Term Remaining	±12.5 Years
Lease Commencement Date	October 2018
Lease Expiration Date	October 2033
Rent Increase	2.5% Annual
Options	Four, 5-Year Options

## PROPERTY OVERVIEW

Property Address	118 & 124 W Hanley Ave
City, ST	Coeur d'Alene, ID
List Price	\$5,800,000
Net Operating Income	\$202,800
Cap Rate	3.50%
Net Operating Income - Valvoline	\$98,400
Net Operating Income - Dutch Bros	\$104,400
Total Land Area	±0.61 AC
Year Built/Remodeled	2018
APN #	C00000350050

## VALVOLINE LEASE SUMMARY

Tenant Name	Valvoline
Type of Ownership	Fee Simple
Lease Entity	Corporate
Lease Type	Absolute NNN
Roof and Structure	Tenant Responsible
Term Remaining	±12.5 Years
Lease Commencement Date	October 2018
Lease Expiration Date	October 2033
Rent Increase	2% Annual
Options	Four, 5-Year Options



## ANNUALIZED OPERATING DATA

	Valvoline			Dutch Bros			Combined	
Term	Monthly Rent	Annual Rent	Increases	Monthly Rent	Annual Rent	Increases	Total Annual Rent	Cap Rate
2021 - 2022	\$8,200	\$98,400	2.00%	\$8,700	\$104,400	2.50%	\$202,800	3.50%
2022 - 2023	\$8,364	\$100,368	2.00%	\$8,918	\$107,010	2.50%	\$207,378	3.58%
2023 - 2024	\$8,531	\$102,375	2.00%	\$9,140	\$109,685	2.50%	\$212,061	3.66%
2024 - 2025	\$8,702	\$104,423	2.00%	\$9,369	\$112,427	2.50%	\$216,850	3.74%
2025 - 2026	\$8,876	\$106,511	2.00%	\$9,603	\$115,238	2.50%	\$221,749	3.82%
2026 - 2027	\$9,053	\$108,642	2.00%	\$9,843	\$118,119	2.50%	\$226,761	3.91%
2027 - 2028	\$9,235	\$110,814	2.00%	\$10,089	\$121,072	2.50%	\$231,886	4.00%
2028 - 2029	\$9,419	\$113,031	2.00%	\$10,342	\$124,099	2.50%	\$237,129	4.09%
2029 - 2030	\$9,608	\$115,291	2.00%	\$10,600	\$127,201	2.50%	\$242,493	4.18%
2030 - 2031	\$9,800	\$117,597	2.00%	\$10,865	\$130,381	2.50%	\$247,978	4.28%
2031 - 2032	\$9,996	\$119,949	2.00%	\$11,137	\$133,641	2.50%	\$253,590	4.37%
2032 - 2033	\$10,196	\$122,348	2.00%	\$11,415	\$136,982	2.50%	\$259,330	4.47%





0.25 MILES US RTE 95 (35K VPD)





# TENANT OVERVIEWS

COMPANY NAME  
Dutch Bros Coffee

OWNERSHIP  
Private

INDUSTRY  
Retail Coffee

HEADQUARTERS  
Grants Pass, OR

NO. OF EMPLOYEES  
±12,000

## DUTCH BROS COFFEE

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. Having started from humble beginnings, as a single espresso pushcart in the small town of Grants Pass, Ore., the company now has 400+ locations in Oregon, California, Washington, Idaho, Nevada, Colorado, New Mexico, Utah, and Arizona.

Dutch Bros. Coffee serves specialty coffee drinks, smoothies, freezes, teas and its 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 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.



422+

LOCATIONS



1992

FOUNDED



**COMPANY NAME**  
Valvoline

**OWNERSHIP**  
Public

**INDUSTRY**  
Chemical Manufacturing  
& Distribution

**HEADQUARTERS**  
Lexington, KY

**NO. OF EMPLOYEES**  
±6,100



## VALVOLINE

Valvoline Inc. (NYSE: VVV) is a leading worldwide marketer and supplier of premium branded lubricants and automotive services, with sales in more than 140 countries. Established in 1866, the company's heritage spans more than 150 years, during which time it has developed powerful brand recognition across multiple product and service channels.

Valvoline ranks as the No. 3 passenger car motor oil brand in the DIY market by volume. It operates and franchises approximately 1,400 quick-lube locations, and it is the No. 2 chain by number of stores in the United States under the Valvoline Instant Oil Change<sup>SM</sup> brand and the No. 3 chain by number of stores in Canada under the Valvoline Great Canadian Oil Change brand.

It also markets Valvoline lubricants and automotive chemicals, including the Valvoline High Mileage with MaxLife technology motor oil for engines over 75,000 miles; Valvoline Advanced Full Synthetic motor oil; Valvoline Premium Blue<sup>TM</sup> heavy-duty motor oil; Valvoline Multi-Vehicle Automatic Transmission Fluid; and Zerex<sup>TM</sup> antifreeze.



**1,400+**

LOCATIONS



**1866**

FOUNDED





**DISCOUNT  
TIRE**

**Walmart**  
Supercenter

**PRAIRIE  
SHOPPING CENTER**  
Albertsons  
SportClips  
RITE  
AID  
PAPA MURPHY'S  
SHERWIN WILLIAMS  
ETC.

**petco**  
THE HEALTH +  
WELLNESS CO.  
**TJ-maxx**  
BED BATH &  
BEYOND  
Beyond. any store. of its kind.

**BEST  
BUY**

**KOHL'S**



± 34,000 VPD

**SILVER LAKE PLAZA**  
SHOPPING CENTER

**OfficeMax**  
*Michael's*  
ROSS  
DRESS FOR LESS  
**TARGET**

BANK OF AMERICA  
CURTIS ORTHO  
EL TACO LOCO  
GREAT CLIPS  
LANE BRYANT  
MAURICES  
WENDY'S  
ETC.

**stcu**

**TACO  
BELL**

**IRONSTONE**  
FURNITURE & FIRE

**Dutch Bros**  
Valvoline

**HORIZON**  
CREDIT UNION



**usbank**

**SILVER LAKE MALL**  
SHOPPING MALL

**MERLE NORMAN**  
cosmetics  
**macy's**  
**JOANN**

AXE FORCE ONE  
FINISH LINE  
INSPIRO  
MOXIE JAVA  
PLANET FITNESS  
SHOE DEPT.  
ETC.





LAKE CITY  
HIGH SCHOOL



SILVER LAKE PLAZA  
SHOPPING CENTER



BANK OF AMERICA  
CURTIS ORTHO  
EL TACO LOCO  
GREAT CLIPS  
LANE BRYANT  
MAURICES  
WENDY'S  
ETC.



± 34,000 VPD



SILVER LAKE MALL  
SHOPPING MALL



AXE FORCE ONE  
FINISH LINE  
INSPIRO  
MOXIE JAVA  
PLANET FITNESS  
SHOE DEPT.  
ETC.



COEUR D'ALENE  
HIGH SCHOOL







COEUR D'ALENE  
LAKE

North Idaho College

NATURAL  
GROCERS

Fred Meyer

DOWNTOWN COEUR D'ALENE  
± 3.5 MILES AWAY

SAFEGWAY  
TSC TRACTOR  
SUPPLY CO  
at home  
The Home Décor Superstore

TOYOTA

COEUR D'ALENE  
HIGH SCHOOL

COSTCO  
WHOLESALE

HOME DEPOT

INTERSTATE  
95

± 34,000 VPD

HARBOR FREIGHT TOOLS  
Quality Tools at Ridiculously Low Prices

NISSAN

SUBARU

Super 1 Foods

DUTCH BROS  
Valvoline

IRONSTONE  
FURNITURE & FIRE

TACO  
BELL

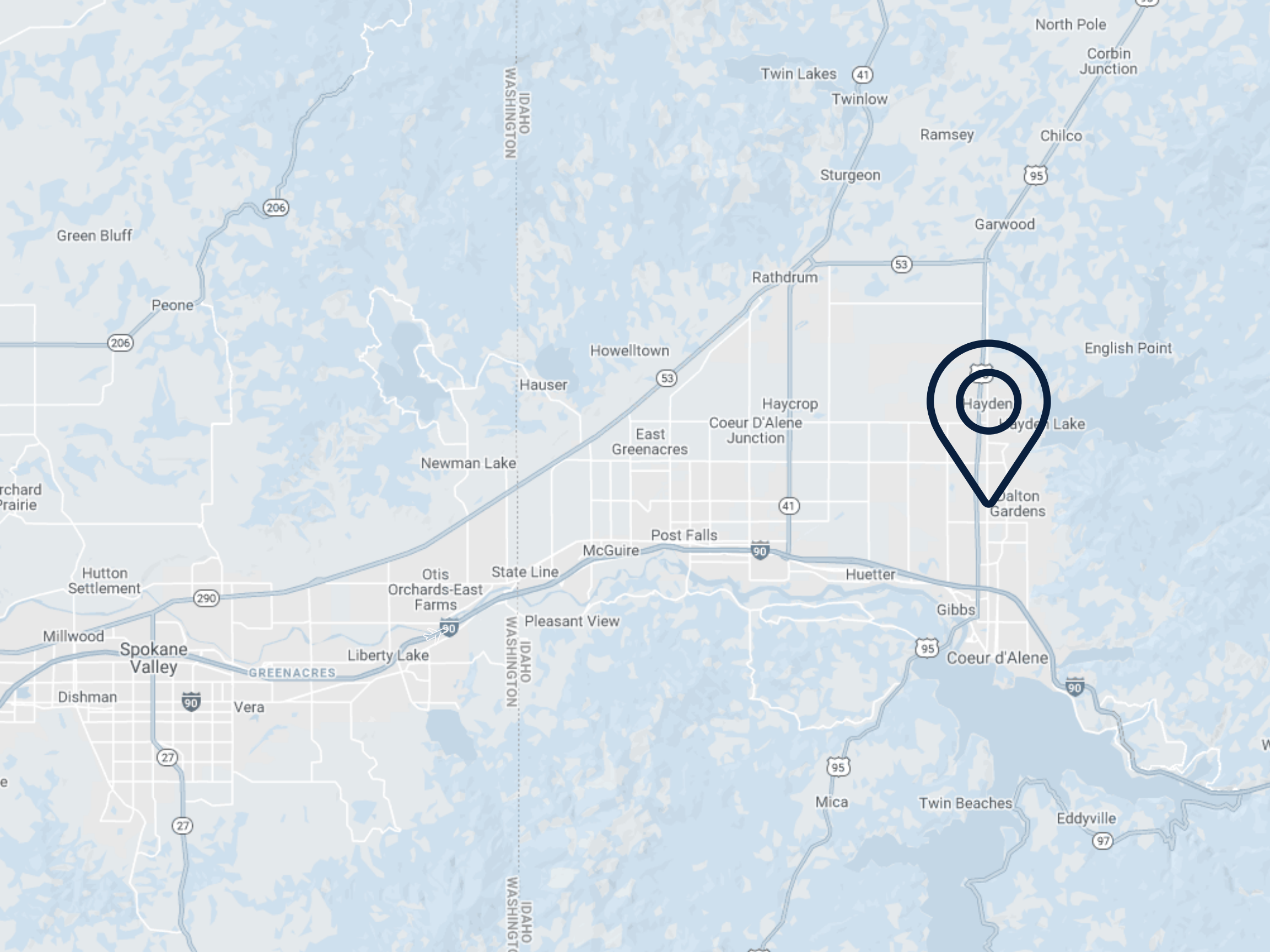
usbank

LAKE CITY  
HIGH SCHOOL

HORIZON  
CREDIT UNION













# COEUR D'ALENE, ID

Coeur d’Alene sits on the shores of the magnificent 30-mile Lake Coeur d’Alene, offering abundant recreational opportunities right in the heart of a vibrant, beautiful downtown. It is the largest city in North Idaho and the principal city of the Coeur d'Alene Metropolitan Statistical Area. Coeur d'Alene is a satellite city of Spokane, which is located about thirty miles (50 km) to the west in the state of Washington. The two cities are the key components of the Spokane-Coeur d'Alene Combined Statistical Area, of which Coeur d'Alene is the third-largest city (after Spokane and its largest suburb, Spokane Valley). The city is situated on the north shore of the 25-mile long Lake Coeur d'Alene and to the west of the Coeur d'Alene Mountains. Locally, Coeur d'Alene is known as the "Lake City," or simply called by its initials, "CDA."

Known for its blue skies, sparkling water and forested mountains, visitors to the Coeur d’Alene region find a place of intriguing contrasts: five-star amenities in a rugged setting, quiet getaways, exciting attractions, and four-season beauty and recreation. Attractions such as lake cruises and a visit to Silverwood Theme Park along with activities such as teeing up at a championship golf course or shopping for antiques and art downtown show why Coeur d’Alene is known as the playground of the Pacific Northwest.



## POPULATION

	2021 ESTIMATE	2026 PROJECTION
1-MILE	5,261	5,807
3-MILE	61,196	67,980
5-MILE	87,007	96,444

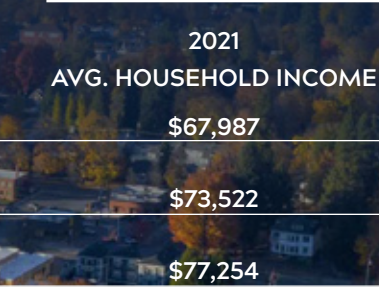


## HOUSEHOLDS

	2021 ESTIMATE	2026 PROJECTION
1-MILE	2,086	2,305
3-MILE	24,501	27,258
5-MILE	35,236	39,119



## INCOME



2021 AVG. HOUSEHOLD INCOME	
1-MILE	\$67,987
3-MILE	\$73,522
5-MILE	\$77,254

*\*Subject Property Demographics*



## ECONOMY

Historically, the economy of Coeur d'Alene was built and based on mining and logging and the Coeur d'Alene Mining District has been one of the world's most productive mining districts. However, after mining and logging diminished in importance in the 1940s, tourism has come to be the main influence in the local economy ever since. The city has become a major tourist attraction, being at the heart of north Idaho's Lake Country where people partake in water sports and activities such as wake boarding, paddleboarding, sailing, parasailing, jet skiing, kayaking, fishing and other lake recreation.

In addition to the natural attractions and parks, the Coeur d'Alene area has two major resorts on the lake, the Coeur d'Alene Resort and the WorldMark Arrow Point resort directly across the lake in Harrison near the community of Eddyville as well as the Coeur d'Alene Casino in Worley, and the Pacific Northwest's largest theme park in the Silverwood Theme Park in Athol. There are three major ski resorts within a short driving distance, Silver Mountain Resort in Kellogg, Lookout Pass Ski and Recreation Area at Lookout Pass near Mullan, and Schweitzer Mountain Ski Resort in Sandpoint. Tourism and hospitality related jobs employed over 10,000 people in north Idaho in 2010.





## **COER D'ALENE RESORT**

The Coeur d'Alene Resort is a luxury resort hotel located in Coeur d'Alene, Idaho. Seated on the north shore of Lake Coeur d'Alene by Tubbs Hill, the resort features a marina, convention facilities, spa, as well as a notable 18-hole golf course. At 216 feet, it is the tallest building in northern Idaho and the third-highest in the state.

## **SILVER MOUNTAIN RESORT**

Silver Mountain Resort is a ski resort located in the Silver Valley region of northern Idaho, just south of Kellogg and Interstate 90 in Shoshone County. With planned improvements, most notably the gondola from the city of Kellogg and expansion on Kellogg Peak, the name was changed to "Silver Mountain" in the summer of 1989.

## **LOOKOUT PASS SKI & RECREATION AREA**

Lookout Pass Ski and Recreation Area is a ski area in the western United States. It is at Lookout Pass on Interstate 90, on the border of Idaho and Montana, five miles east of Mullan, Idaho. It has a summit elevation of 5,650 ft on Runt Mountain with a vertical drop of 1,150 ft on the northeast-facing slopes. Lookout Pass operates seven days per week from the beginning of the ski season until late March then six days a week (closed Tuesday) until closing, which is usually mid-April.





# CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Dutch Bros & Valvaline** located at **124 W Hanley Ave, Coeur d'Alene, ID** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.





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