

# GRAHAM & ASSOCIATES



## DUTCH BROS COFFEE GROUND LEASE

OFFERING MEMORANDUM



## LISTED BY

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## EXECUTIVE SUMMARY



PRICE

**\$2,143,000**



CAP

**3.5%**



NOI

**\$75,000**

Graham & Associates is pleased to present this brand new construction, ground lease Dutch Bros Coffee located at 2066 E Prosperity Avenue in Tulare, CA, approximately one mile East of Golden State Highway 99. It is an outparcel in a newly constructed  $\pm 10.5$  acre Shopping Center, named "The Vineyard", with co-tenants such as TF Tire Service, Valley Oak Credit Union, Circle K and more tenants to be announced. The Vineyard Shopping Center is located at the hard corner intersection of Prosperity Ave and Mooney Blvd, with approximately 710 feet of frontage on Prosperity Ave, and approximately 690 feet of frontage on Mooney Blvd. This frontage contributes to the Center's excellent visibility and accessibility. This Dutch Bros Coffee sits at a main ingress/egress access point on Prosperity Ave. Two more access points are located on Mooney Blvd and Solaria Street.

## Investment Highlights

- **New Construction Outparcel is located in New Construction  $\pm 10.5$  Acre Shopping Center Located at Two Traffic Signals**
- **Double Lane Drive-Thru**
- **Located Approximately 1 Mile from Golden State Highway**
- **Brand New 10-Year Lease with a 10% Bump in Year 6**
- **Four 5-Year Options with a 10% Bump at the Start of Each Option**
- **Outdoor Canopy-Covered Patio Area with Tables and Seating**
- **Neighboring Tenants include Target, Ford Dealership, Home Depot, CVS, Lowe's, Walmart, Tulare Outlets and many more.**



## LEASE OVERVIEW

Type	Absolute NNN
Leased Premises	42,597 SF
Rent Commencement Date	12/28/2021
Initial Term	Ten (10) years
Initial Term End	12/31/2031
Structure	Tenant Responsibility
Real Estate Taxes	Tenant Responsibility
Utilities	Tenant Responsibility
Development Exclusive	Coffee, blended drinks, smoothies and energy drink



Term	Years	Annual Rent	Return
Base	1 - 5	\$75,000	3.5%
Base	6 - 10	\$82,500	3.85%
Option 1	11-15	\$90,750	4.24%
Option 2	16-20	\$99,825	4.66%
Option 3	21-25	\$109,806	5.12%
Option 4	26-30	\$120,788	5.64%



SITE PLAN



# MARKET AERIAL



## TENANT OVERVIEW



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.

### Tenant Facts

Tenant Name	BB Holdings CA, LLC
Website	<a href="http://www.dutchbros.com">www.dutchbros.com</a>
Year Founded	1992
Locations	480+
Headquarters	Grants Pass, OR
Sales	\$567M

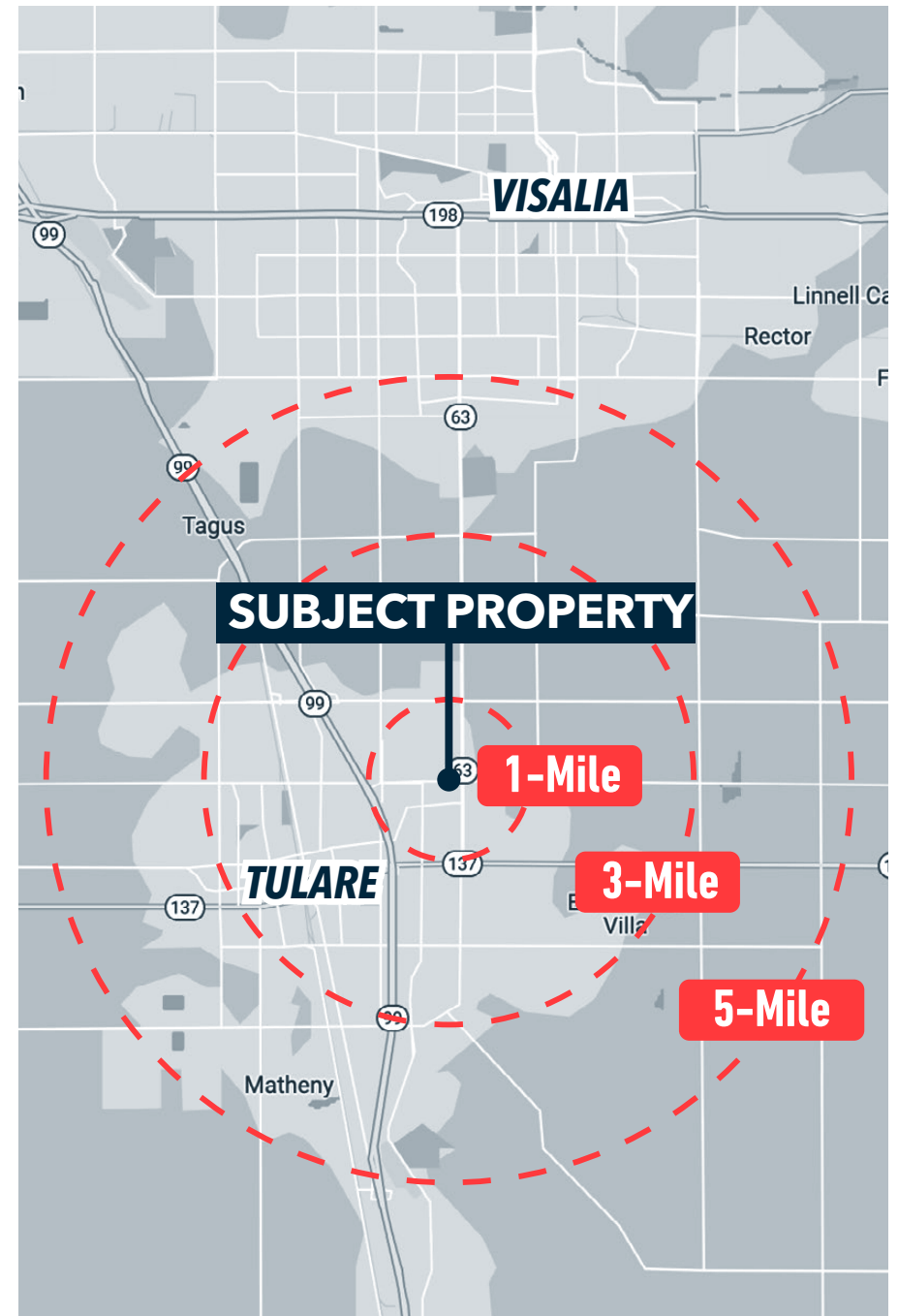


## MARKET OVERVIEW & DEMOGRAPHICS

The subject property is in the city of Tulare, in Tulare County, California. Tulare County is located near the center of California in the heart of San Joaquin Valley. The “Central Valley,” as it is referred to by locals, is the fastest growing section of California and is a rich agricultural region that is often considered to be the “breadbasket of the world.” In 2020, the county ranked third in agriculture production in the United States, behind only neighboring Fresno and Kern Counties, with a total commodity value of \$7.14 billion. The highest grossing commodities include milk, oranges, and cattle, which make up 26%, 15% and 8% of the total value, respectively.

The City of Tulare is situated 170 miles south of San Francisco and 240 miles north of Los Angeles and is the only Highway 99 community in Tulare County. This centralized location allows same day access to key California markets as well as recreational opportunities in the beautiful Sierra Nevada Mountains to the east and the spectacular California coastline to the west. The Central Valley’s only Outlet Mall – Tulare Outlet Center – is located along Highway 99 in Tulare. The City of Tulare is proud to be the home to the largest farm equipment show in the world – World Ag Expo. All of this makes Tulare the best of both worlds: small town personalized service and big city self-sufficiency with access to a wide range of goods, services, and shopping centers.

DEMOGRAPHICS	1 MILE	3 MILE	5 MILE
<b>POPULATION</b>			
2021 Estimate Population	7,819	52,407	80,623
2026 Projected Population	8,136	54,387	83,824
Pop Growth 2021-2026	4.05%	3.78%	3.97%
Average Age	35.50	34.90	34.40
<b>HOUSEHOLDS</b>			
2021 Estimate Households	2,494	16,373	24,526
HH Growth 2021-2026	4.01%	3.91%	4.06%
<b>INCOME</b>			
Average Household Inc	\$91,736	\$79,384	\$76,764
Median Household Inc	\$75,592	\$65,463	\$63,730





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