



OFFERING
MEMORANDUM

NEW 15 YEAR NNN GROUND LEASE | RIALTO, CA

Marcus & Millichap
NNN DEAL GROUP



REPRESENTATIVE PHOTO

CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

NON-ENDORSEMENT NOTICE

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. 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 Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

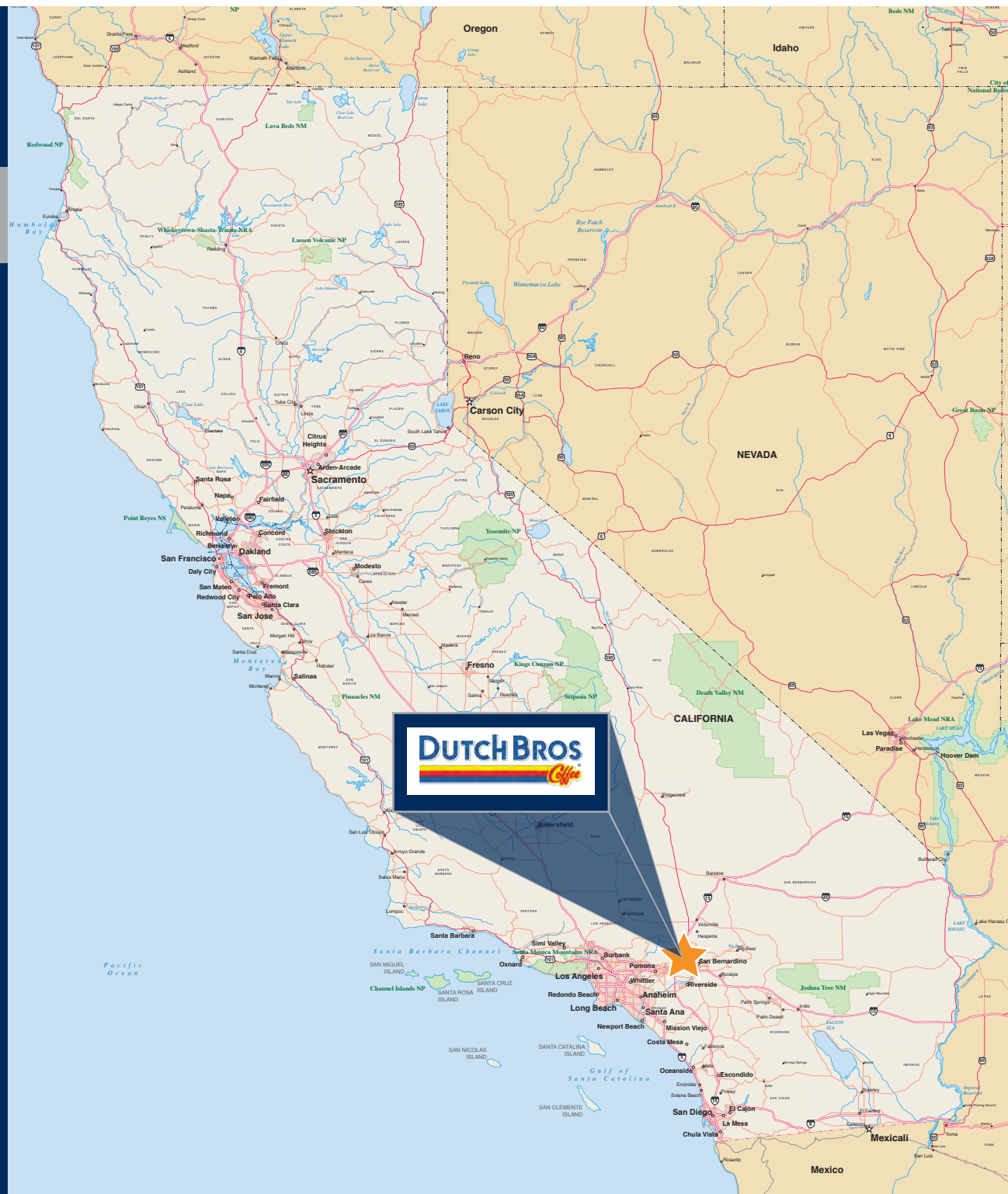
Marcus & Millichap



TABLE OF CONTENTS

Investment Summary	4
Investment Highlights.....	6
Aerial Map	7
Tenant Summary.....	9
News Articles	10
Site Plan.....	11
Location Overview	12
Location Highlights	16
Demographics	17

Marcus & Millichap
NNN DEAL GROUP





INVESTMENT SUMMARY

AYALA DR & RENAISSANCE PKWY, RIALTO CALIFORNIA 92376

PRICE: \$2,353,000

CAP: 4.25%

RENT: \$100,000

OVERVIEW	
Price	\$2,353,000
Gross Leasable Area (GLA)	871 SF
Lot Size	0.96 Acres
Net Operating Income	\$100,000
CAP Rate	4.25%
Year Built	2022

ANNUALIZED OPERATING DATA			
Base Term	Monthly Rent	Annual Rent	Cap Rate
Years 1-5	\$8,333.33	\$100,000	4.25%
Years 6-10	\$ 9,166.67	\$110,000	4.67%
Years 11-15	\$10,083.33	\$121,000	5.14%
Option 1	\$11,091.67	\$133,100	5.66%
Option 2	\$12,200.83	\$146,410	6.22%
Option 3	\$13,420.92	\$161,051	6.84%

LEASE ABSTRACT	
Lease Type	NNN Ground Lease
Lease Term	15 Years
Lease Start (estimate)	January 2023
Lease Expiration (estimate)	January 2038
Renewal Options	3x5
Guarantor	Corporate
Increase	10% every 5 years
Landlord Obligations	None At All



REPRESENTATIVE PHOTO



INVESTMENT HIGHLIGHTS

NNN

Brand New 15 year Triple Net (NNN) Ground Lease



Brand New 2022 Construction with Drive-Thru in Southern California



10% Rent Increases Every 5 Years



Passive Investment - Zero Landlord Obligations



Corporate Guaranteed by one of the largest and fastest growing drive-thru coffee chains in the U.S.



Dutch Bros is publicly traded NYSE:BROS with over 600 locations across 14 states with plans to grow more than 4,000 shops nationwide



Dutch Bros' 2nd Quarter 2022 earnings report celebrated the company surpassing a major brand milestone, exceeding \$1 Billion in trailing-twelve month system wide sales



Excellent Visibility Off the 210 Freeway - Area Undergoing Major Development for National Retailers



Located in a Desirable Retail Trade Area, diagonally across from a newly developed 400,000 SF Regional Power Center



Strategically Located Less Than 1 Mile from Major Industrial Area, occupied by Amazon, Target, Kellogg's, Monster, and many more







TENANT SUMMARY

DUTCH BROS.

Dutch Bros is a high growth operator and franchisor of drive-thru shops that focus on serving high QUALITY, hand-crafted beverages with unparalleled SPEED and superior SERVICE. Founded in 1992 by brothers Dane and Travis Boersma, Dutch Bros began with a double-head espresso machine and a pushcart in Grants Pass, Oregon.

While espresso-based beverages are still at the core of what we do, Dutch Bros now offers a wide variety of unique, customizable cold and hot beverages that delight a broad array of customers. We believe Dutch Bros is more than just the products we serve—we are dedicated to making a massive difference in the lives of our employees, customers and communities.

This combination of hand-crafted and high-quality beverages, our unique drive-thru experience and our community-driven, people-first culture has allowed us to successfully open new shops and continue to share the “Dutch Luv” at 603 locations across 14 states as of June 30, 2022.



DUTCH BROS.



GRANTSPASS, OR

HEADQUARTERS

16,500+

EMPLOYEES

603

LOCATIONS
(AS OF AUGUST, 2022)

NYSE:BROS

PUBLICLY TRADED

1992

FOUNDED

\$498 MIL

2021 REVENUE

\$715 MIL

2022 PROJECTED REVENUE

DANE AND TRAVIS
BOERSMA
FOUNDERS

WWW.DUTCHBROS.COM

WEBSITE

NEWS ARTICLES

DUTCH BROS COFFEE IPO BREWS OREGON'S NEWEST BILLIONAIRE

Giacomo Tognini | Forbes
Sep 15, 2021

Biotech and sports companies dominate the public listings this week, but Oregon-based coffee chain Dutch Bros stands out. The firm was started by two brothers who quit the dairy industry to sell coffee from a pushcart (equipped with a single espresso machine and a stereo) in the small city of Grants Pass in 1992. It has now grown to more than 470 shops—known for their drive-through only format—spread across 11 states. Still led by one of the brothers, executive chairman Travis Boersma, the family-run business went public on the New York Stock Exchange on Wednesday in an IPO that raised nearly \$500 million and turned Boersma into a billionaire.

[CLICK TO VIEW ARTICLE](#)



REPRESENTATIVE PHOTO

DUTCH BROS INC. ANNOUNCES SECOND QUARTER 2022 FINANCIAL RESULTS

Dutch Bros Inc. Announces Second Quarter 2022 Financial Results
Aug 10, 2022 | Business Wire

- **Opened 31 Shops, Revenue Up 44% Year-over-Year to \$186.4 Million**
- **Surpassed 600 Shops and Celebrated Exceeding \$1 Billion in Trailing-Twelve Month1 Systemwide Sales2 Milestone**
- **Raised \$2.3 million for ALS Research in Annual “Drink One for Dane” Fundraiser**

GRANTS PASS, Ore.--(BUSINESS WIRE)-- Dutch Bros Inc. (NYSE: BROS; “Dutch Bros” or the “Company”) one of the fastest-growing brands in the food service and restaurant industry in the United States by location count, today reported financial results for the second quarter ended June 30, 2022.

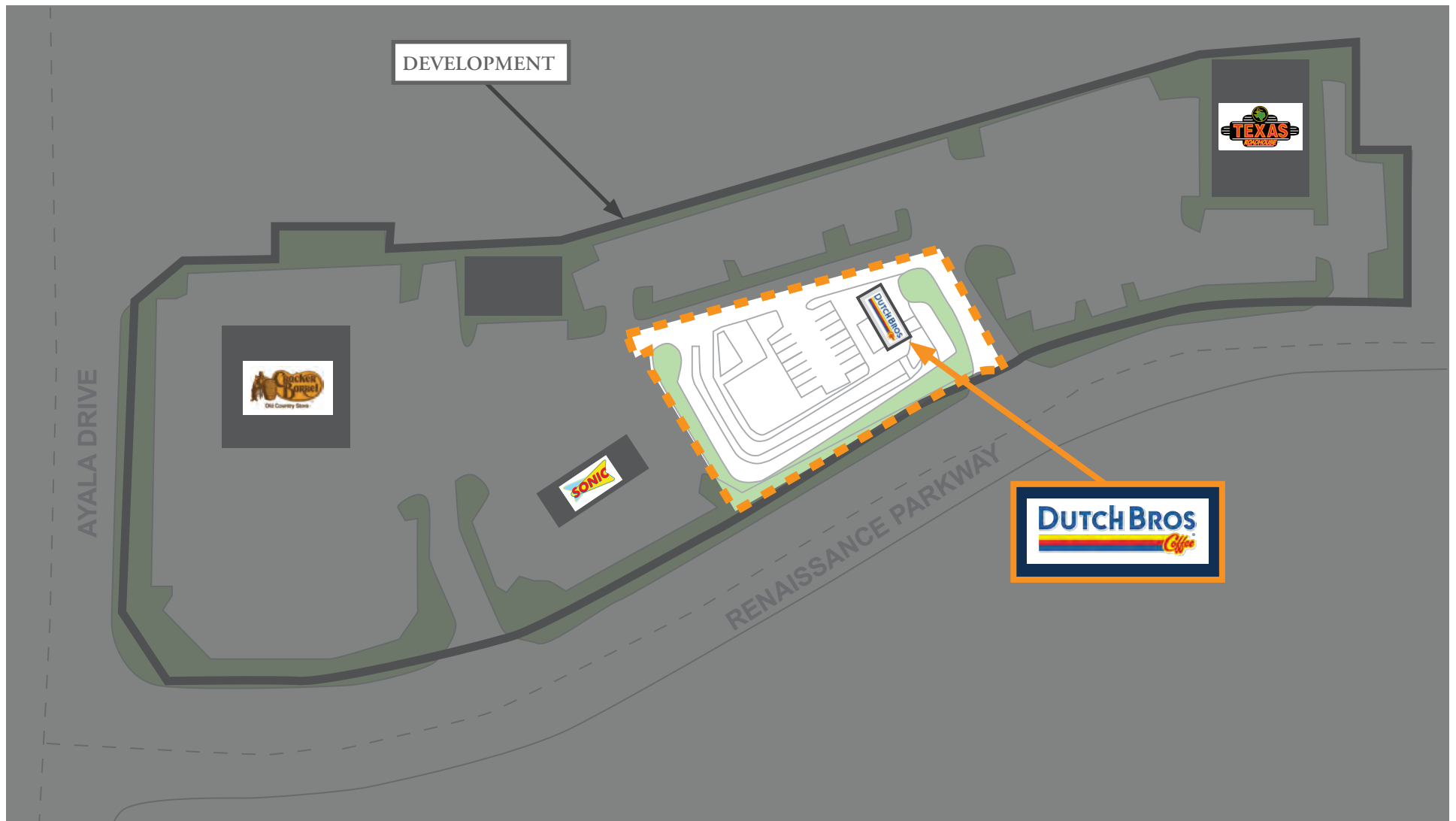
Jo Ricci, Chief Executive Officer and President of Dutch Bros Inc., stated, “We surpassed two major brand milestones during the second quarter: opening our 600th shop and exceeding \$1 billion in systemwide sales2 on a trailing twelve-month basis. These milestones demonstrate the strength of our people-first culture and our new shop development pipeline. We have opened 65 shops in the first half of 2022 and are on track for at least 130 shop openings for the full year. Our newest shops are exhibiting predictable and consistent sales and upward margin progression, while our 2020 and 2021 classes are generating annualized volumes that are 10% higher than our system average. As we pursue strategic growth from west to east, Dutch Bros’ portability and brand acceptance have been outstanding.”

He added, “Like many of our peers, the macro-economic environment is impacting various aspects of our business, and our company-operated shop margins continue to be pressured by record inflation in the second quarter. That said, our team accelerated efforts to increase productivity in the middle of our P&L, and we took a 3% price increase in the second quarter. These actions contributed to 630bps of sequential improvement in company-operated shop margins from 18.3% to 24.6% when compared to the first quarter of 2022. We are evaluating further menu pricing action as needed in the back half of the year.”

He concluded, “We celebrated our annual Drink One for Dane fundraiser on May 20, and it was the second-largest day by transaction-count in our history. In 2022 we raised \$2.3 million, and since 2018, we have raised over \$8.3 million. We are upholding our mission to contribute to communities, making a massive difference, one cup at a time.”

[CLICK TO VIEW ARTICLE](#)

SITE PLAN



LOCATION OVERVIEW

RIALTO, CALIFORNIA

Rialto is located in the heart of Southern California's Inland Empire – one of the nation's fastest growing population and economic centers. Rialto, a suburb of San Bernardino, has managed to retain a small-town atmosphere and a desirable quality of life, even with its 104,000+ residents. Rialto offers its residents the best of both worlds, the benefits of big city living, and a sense of community.

Southern Californians looking for an ideal and more affordable family environment are moving to Rialto in growing numbers. Average home prices in Rialto are 30% less than the state average – a value proposition that's hard to pass up for a city with so much to offer: Safe neighborhoods, parks to play in, quality schools and great community assets such as a city owned Fitness and Aquatic Center, Performing Arts Theater, Senior Center and Community Center.

Rialto is centrally located with convenient transit and freeway access making commuting a breeze. Nearby Ontario International Airport has been named the fastest-growing U.S. airport for three years running, offering nonstop commercial jet service to 26 major airports in the U.S., Mexico and Asia.

Retailers, restaurants and multinational corporations are also flocking to Rialto, for the welcoming business climate, proximity to customers and supply chains, and the growing labor pool. Among major employers: Niagara Bottling, Medline Industries, Angelus Block, Biscoamerica, Amazon, Fed-Ex and Target Distribution. The cost of living and quality of life play a major role in attracting and retaining the best employees.



LOCATION OVERVIEW

RIVERSIDE-SAN BERNARDINO

Known as the Inland Empire, the Riverside-San Bernardino metro is a 28,000-square-mile region in Southern California, composed of San Bernardino and Riverside counties. The metro contains a population of 4.7 million. The largest city is Riverside, with more than 315,000 residents, followed by San Bernardino, with 222,000 people. Valleys in the southwestern portion of the region that are adjacent to Los Angeles, Orange County and San Diego County are the most populous in the metro. These areas abut the San Bernardino and San Jacinto mountains, behind which lies the high desert area of Victorville/Barstow to the north and the low-desert Coachella Valley, home of Palm Springs, to the east.

METRO HIGHLIGHTS



STRATEGIC LOCATION

Interstate access and proximity to LAX and Ontario International airports, as well as ports in Long Beach and Los Angeles, contribute to the metro's vast air, rail and interstate transit networks.



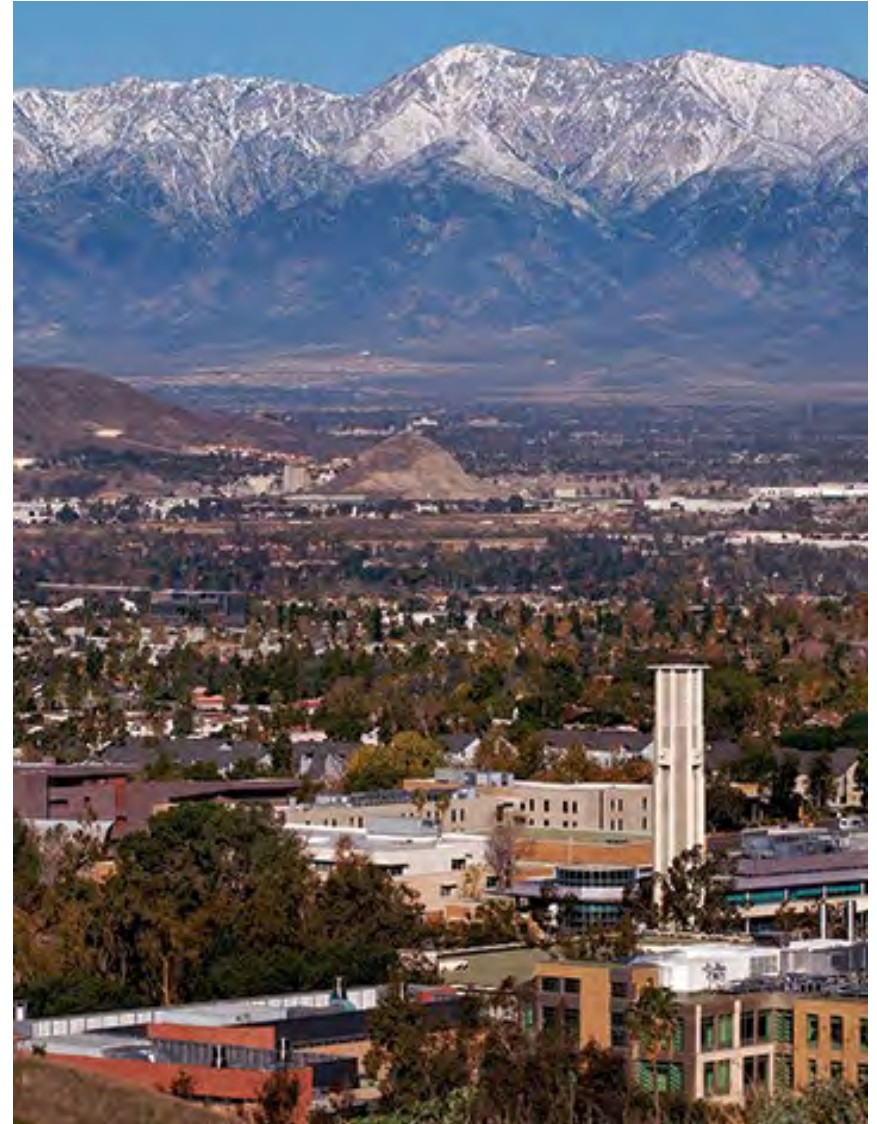
DOMINANT INDUSTRIAL MARKET

Riverside-San Bernardino is one of the nation's leading industrial markets in terms of sales, construction and absorption.



STRONG DEMOGRAPHIC TRENDS

Jobs, colleges, new-home construction and more affordable housing options draw thousands of new residents to the Inland Empire each year.

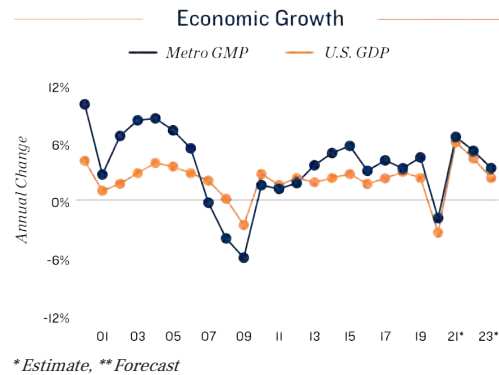


LOCATION OVERVIEW

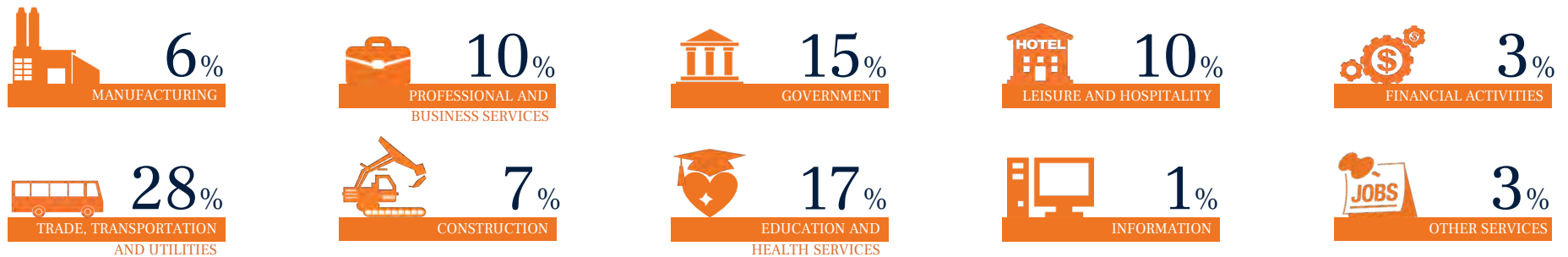
ECONOMY

- Intermodal infrastructure supports the warehousing and distribution industry. Ontario International and the Southern California Logistics Airport in Victorville are cargo airports that supplement the distribution system.
- Growth in the distribution industry impacts all others. Many Fortune 500 companies have massive distribution centers in the area, such as Amazon and Deckers. Available land allows for further development.
- Relatively affordable housing, compared with nearby counties, supports local population growth. These gains heighten the need for housing, retail goods, and personal and government services.

MAJOR AREA EMPLOYERS
Kaiser Permanente
Riverside Community Hospital
AT&T
Loma Linda University Medical Center
Flexsteel Industries
Walmart
University of California, Riverside
Amazon
Inland Cold Storage
Toro



SHARE OF 2021 TOTAL EMPLOYMENT



LOCATION OVERVIEW

DEMOGRAPHICS

- The metro is expected to add over 183,000 people through 2026, and during this time, more than 63,000 households will be formed, generating demand for housing.
- The homeownership rate of 63 percent is higher than other large metros in the state.
- The median home price of \$464,000 is more affordable than larger Southern California metros.

2021 Population by Age



QUALITY OF LIFE

Relatively affordable housing is a large draw of the metro. The median home price in Riverside-San Bernardino is lower than in Los Angeles and Orange counties. The Inland Empire provides cultural opportunities, including the Riverside Metropolitan Museum and the Ontario Museum of History & Art. The Riverside County Philharmonic performs classical music concerts throughout the area. The region features an impressive offering of college campuses, including nine community colleges, California State University, San Bernardino and the University of California, Riverside.

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

SPORTS



EDUCATION



ARTS & ENTERTAINMENT





LOCATION HIGHLIGHTS

RIALTO, CALIFORNIA



Rialto is a Highly Desirable Southern California Location with a Rapidly Growing Population and Economy



San Bernardino is California Largest County by Size and 5th Largest by Population (2.2 Mil)

PRINCIPLE EMPLOYERS RIALTO, CALIFORNIA

COMPANY	EMPLOYEES
Rialto Unified School District	2500 to 2999
Chuze Fitness	500 to 999
City of Rialto	250 to 499
Walmart Supercenter	250 to 499
Amazon Fulfillment Ctr	250 to 499
Stater Bros Markets	250 to 499
Vista Cove Care Ctr At Rialto	100 to 249
Columbia Steel Inc	100 to 249
Forest River Inc	101 to 249
Mesa Counseling Svc	102 to 249



Located Just 50 Miles East of Downtown Los Angeles and off of the high volume 210 Freeway (150,000 VPD)



0.96 Acre Parcel of a Major Shopping Center Development - Less than 1 Mile from Some of the Area's Largest Employers



DEMOGRAPHICS / RIALTO, CA

 **368,570**

Total Population Within 5-Mile Radius



\$82,508

Average Household Income
Within 5-Mile Radius



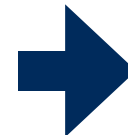
\$67,432

Median Household Income
Within 5-Mile Radius



94,725

Total Households in 5-Mile Radius



24.4%

From 2000

POPULATION	1 MILE	3 MILES	5 MILES
2027 Projection	14,379	128,075	380,285
2022 Estimate	13,817	124,506	368,570
Growth 2022 - 2027	4.06%	2.87%	3.18%
2000 Census	11,233	102,774	282,525
2010 Census	12,306	114,796	338,935
Growth 2000 - 2010	9.55%	11.70%	19.97%

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2027 Projections	3,733	32,147	97,768
2022 Estimate	3,576	31,276	94,725
Growth 2022 - 2027	4.39%	2.78%	3.21%
2000 Census	2,962	27,169	76,135
2010 Census	3,173	28,590	85,953
Growth 2000 - 2010	7.13%	5.23%	12.90%

HOUSEHOLDS BY INCOME (2022 Est.)	1 MILE	3 MILES	5 MILES
\$200,000 or More	3.29%	2.84%	3.81%
\$150,000 - \$199,999	9.74%	7.15%	6.28%
\$100,000 - \$149,999	21.75%	19.17%	17.90%
\$75,000 - \$99,999	20.17%	17.02%	16.63%
\$50,000 - \$74,999	20.68%	19.34%	19.06%
\$35,000 - \$49,999	9.92%	12.01%	12.08%
\$25,000 - \$34,999	5.38%	7.93%	8.25%
\$15,000 - \$24,999	4.89%	7.29%	7.66%
\$10,000 - \$14,999	1.70%	3.28%	3.69%
Under \$9,999	2.49%	3.99%	4.64%
2022 Est. Average Household Income	\$92,874	\$82,505	\$82,508
2022 Est. Median Household Income	\$80,983	\$70,051	\$67,432
2022 Est. Per Capita Income	\$24,064	\$20,815	\$21,363

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
2022 Estimated Population by Age	13,817	124,506	368,570
Under 4	6.7%	7.6%	7.7%
5 to 14 Years	14.5%	16.5%	16.8%
15 to 17 Years	4.6%	4.8%	4.9%
18 to 19 Years	2.9%	3.0%	3.0%
20 to 24 Years	7.4%	7.7%	7.8%
25 to 29 Years	7.8%	8.5%	8.5%
30 to 34 Years	7.3%	7.9%	7.9%
35 to 39 Years	6.9%	7.1%	7.2%
40 to 49 Years	11.8%	12.2%	12.4%
50 to 59 Years	12.0%	10.9%	10.6%
60 to 64 Years	5.8%	4.6%	4.4%
65 to 69 Years	4.7%	3.4%	3.2%
70 to 74 Years	3.4%	2.5%	2.4%
Age 75+	4.2%	3.4%	3.3%
2022 Median Age	34.2	31.2	30.8

2022 Population 25 + by Education Level	8,838	75,264	220,359
Elementary (0-8)	7.59%	10.87%	10.59%
Some High School (9-11)	13.82%	15.15%	15.23%
High School Graduate (12)	29.33%	30.37%	29.17%
Some College (13-15)	25.95%	22.43%	22.20%
Associates Degree Only	6.15%	5.95%	6.13%
Bachelors Degree Only	10.14%	8.67%	9.67%
Graduate Degree	4.28%	3.22%	3.55%

Marcus & Millichap



Marcus & Millichap
NNN DEAL GROUP

NEW 15 YEAR NNN GROUND LEASE | RIALTO, CA

LIOR REGENSTREIF
SENIOR MANAGING DIRECTOR INVESTMENTS
SENIOR DIRECTOR, NET LEASED PROPERTIES GROUP
ENCINO OFFICE
Tel: (818) 212-2730
Lior.Regenstreif@marcusmillichap.com
License: CA 01267761



REPRESENTATIVE PHOTO