

RARE SAN DIEGO NNN INVESTMENT OPPORTUNITY

NNN Ground Lease



(NYSE: BROS)

Corporate Guaranteed | Brand New Construction | Estimated June Grand Opening



2655 S. Melrose Drive | Vista, California

SAN DIEGO MSA

REPRESENTATIVE PHOTO



EXCLUSIVELY MARKETING BY



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Rent Roll
Pricing Summary
Brand Profile



SRS National Net Lease Group is pleased to offer the opportunity to acquire the leased fee (land ownership) interest in a NNN, corporate guaranteed, drive-thru equipped, Dutch Bros. Coffee investment property located in Vista, California (San Diego MSA). The tenant recently signed a 15-year lease with 3 (5-year) options to extend, demonstrating their long-term commitment to the site. The lease features a 10% rental increase every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation. The lease is corporate guaranteed and is NNN with minimal landlord responsibilities, making it an ideal investment opportunity for a passive investor. This offering represents a rare opportunity to acquire Southern California real estate within a dense, infill trade area with high barriers for new development. Dutch Bros is currently under construction and they expect to open June 2024.

Dutch Bros. Coffee is strategically located along S. Melrose Dr., a major retail and commuter thoroughfare averaging 41,200 vehicles passing by daily. The building features a double drive-thru with stacking capacity for 22 vehicles. On average, stores with drive-thrus experience higher sales than those without. The asset is located directly next to a Wendy's currently under construction and 128-key Hilton Garden Inn that has been approved for development by the city. The property benefits from being near the major signalized intersection of S. Melrose and Palomar Airport (91,600 VPD). Located within a dense retail corridor, Dutch Bros. is within close proximity to a variety of national/credit tenants including Target, Home Depot, Sprouts Farmers Market, Trader Joe's, CVS Pharmacy, and more. Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for the site. In addition, the subject property is located near the Carlsbad Oaks Business Park, a project that consists of 150.6 acres of class A corporate office, R&D, and light manufacturing facilities. Notable hotels and communities within the 3-mile radius include Hyatt Place San Diego (150 Keys), Holiday Inn Carlsbad (133 Keys), Shadow Ridge Park Apartments (182 Units), Rancho Carillo Apartments (116 Units), and more. The 5-mile trade area is supported by more than 274,000 residents and 140,000 daytime employees with an affluent average household income of \$150,944.

CONSTRUCTION MARCH 2024



OFFERING SUMMARY



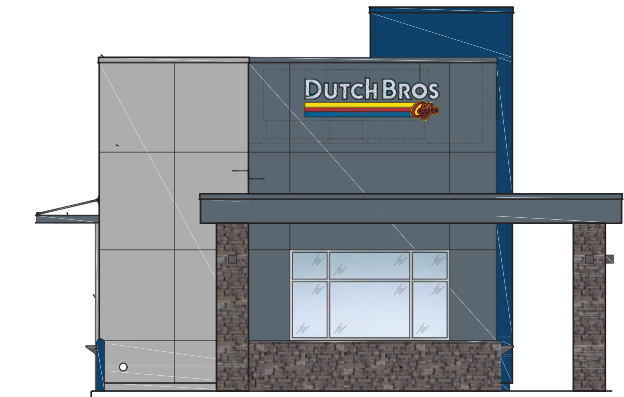
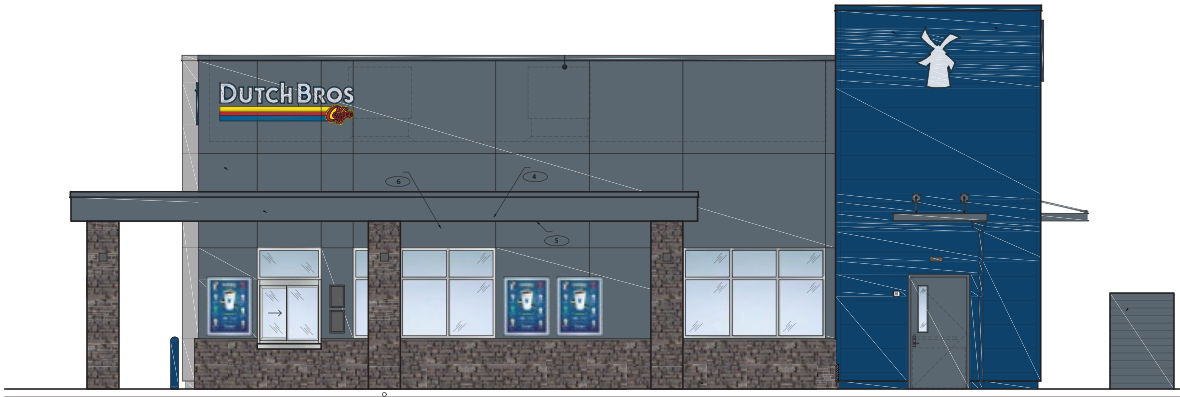
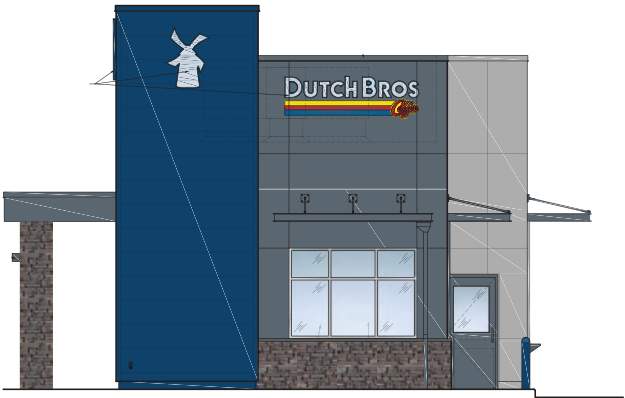
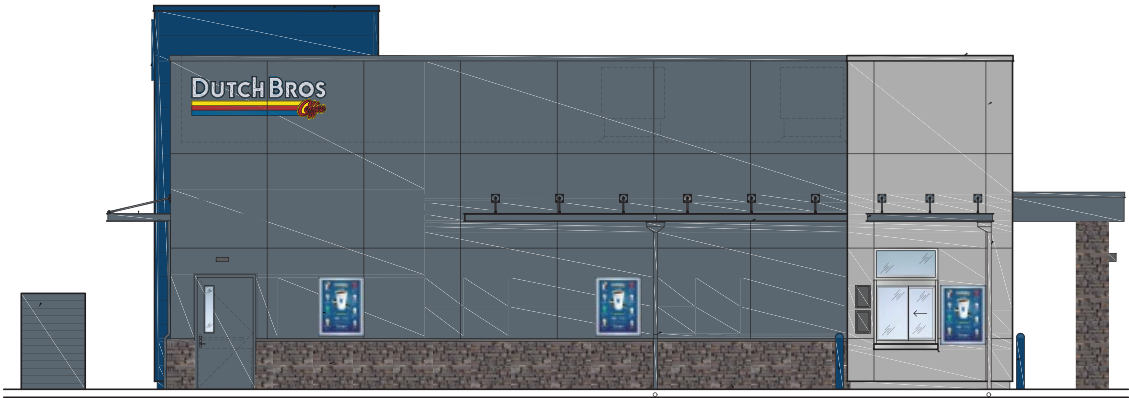
OFFERING

Price	\$2,941,000
Net Operating Income	\$125,000
Cap Rate	4.25%
Guaranty	Corporate (NYSE: BROS)
Tenant	Dutch Bros. Coffee
Lease Type	NNN Ground Lease
Landlord Responsibilities	None
Sales Reporting	No

PROPERTY SPECIFICATIONS

Building Area	1,050 SF
Land Area	0.58 Acres
Property Address	2655 S. Melrose Drive Vista, California 92081
Year Built	2024
Parcel Number	221-011-26-00
Ownership	Leased Fee (Land Ownership)

ELEVATIONS





Corporate Guaranteed (NYSE: BROS) | Brand New 15-Year Lease | Scheduled Rental Increases | Options To Extend

- Corporate guaranteed ground lease
- The tenant has signed a brand new 15-year lease with 3 (5-year) options to extend, demonstrating their long-term commitment to the site
- The lease features a 10% rental increase every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation
- The drive-thru coffee shop is expected to open June 2024, featuring Dutch Bros' most recent prototype
- The asset benefits from limited competition, with the nearest Dutch Bros. located 10 miles west in Oceanside, CA

NNN | Leased Fee Ownership | Minimal Landlord Responsibilities

- Tenant pays for CAM, taxes, insurance and maintains most aspects of the premises
- Minimal landlord responsibilities
- Ideal investment for a passive investor
- REA covers all reciprocal access and maintenance responsibilities for the subject property and adjacent Wendy's currently under construction

Southern California Real Estate | High Barriers to Entry

- Newly constructed and desirable asset in a highly competitive Southern California retail market
- This offering represents a rare opportunity to acquire real estate within a dense, infill trade area with high barriers to new development

Located Along S. Melrose Dr. | Dual Drive-Thru | Major Signalized Intersection | Excellent Visibility and Access

- Strategically located along S. Melrose Dr., a major retail and commuter thoroughfare averaging 41,200 vehicles passing by daily
- Complete with a dual drive-thru, providing ease/convenience for customers
- Benefits from being in close proximity to the signalized intersection of S. Melrose and Palomar Airport (91,600 VPD)
- Excellent visibility and access via significant street frontage, a large monument sign, and multiple points of ingress/egress

Encompassed by Hospitality and Residential Communities | Bressi Ranch Village | Dense Retail Corridor | New Development

- Notable hotels and communities within the 3-mile radius include Hyatt Place San Diego (150 Keys), Holiday Inn Carlsbad (133 Keys), Shadow Ridge Park Apartments (182 Units), Rancho Carillo Apartments (116 Units), and more
- Dutch Bros. is just north of Bressi Ranch Village, a highly trafficked shopping center serving over 2.49M visitors per year (per Placer.ai), with tenants including Trader Joe's, Sprouts Farmers Market, and more
- Nearby national/credit tenants include The Home Depot, Walmart Supercenter, Target, and Albertsons
- The property is adjacent to a Wendy's currently under construction
- The City has approved the development of a 128-key, 4-story Hilton Garden Inn on the parcel immediately south of the Dutch Bros
- The Hilton Garden Inn will have cross-access to the parcel

Strong Demographics in 5-Mile Trade Area | Six Figure Incomes

- More than 274,000 residents and 140,000 employees support the trade area
- An affluent average household income of \$150,944.

BRESSI RANCH VILLAGE CENTER PLACER.AI DATA



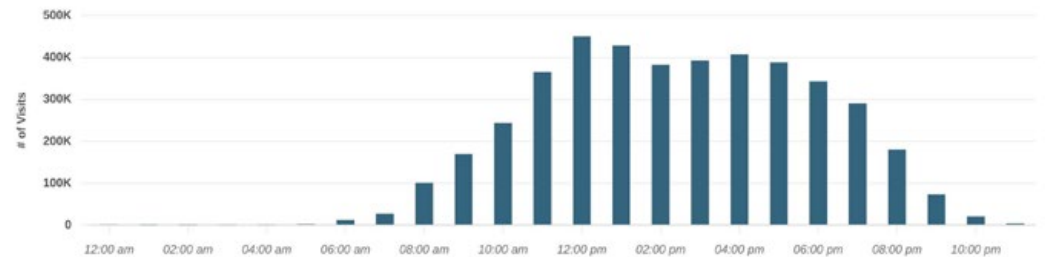
Dutch Bros is located adjacent to Bressi Ranch Village Center

Bressi Ranch Village Center is a premier, upscale grocery-anchored shopping center in North County San Diego. Demonstrating robust retail demand along the Melrose Drive and Palomar Airport Road corridor, it ranks as one of the most popular and frequently visited open-air shopping destinations in North County.

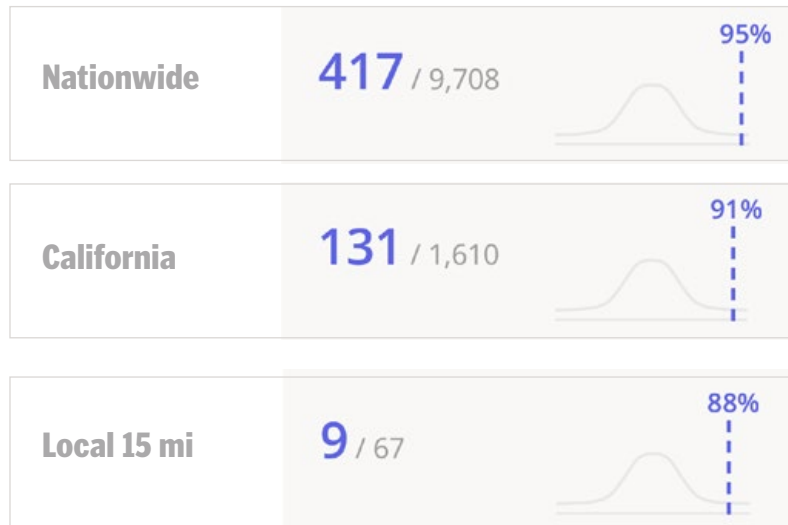
RANKING INDEX

Rank	Name	Visits
1	La Costa Town Square / Rancho Santa Fe Rd, Carlsbad, CA	3.26M
2	Bressi Ranch Village Center / Gateway Rd, Carlsbad, CA	2.49M
3	Poinsettia Village / Carlsbad, CA	2.2M
4	Plaza Paseo Real / El Camino Real, Carlsbad, CA	1.92M
5	Palm Tree Plaza / Cannon Rd, Oceanside, CA	1.62M

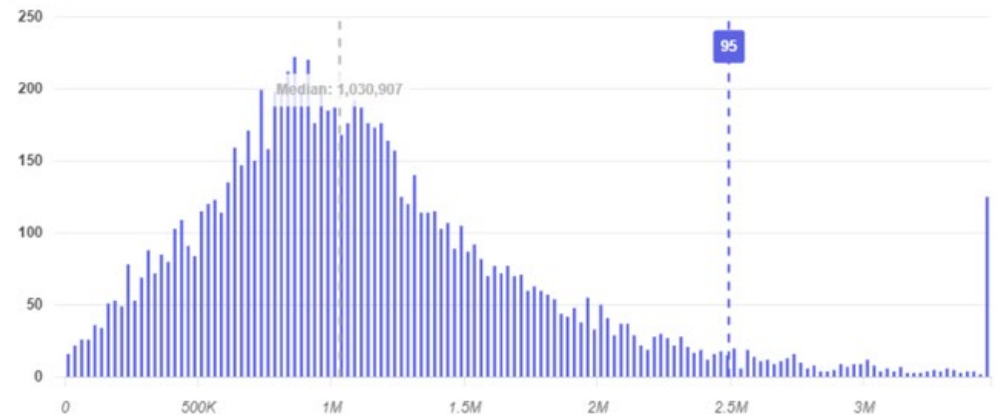
HOURLY VISITS



RANKING OVERVIEW



PERCENTILE RANK



Dec 1, 2022 - Dec 1, 2023

This data was provided by Placer.ai, a company that tracks consumer data via smartphone apps. Currently, there are over 20+ million active devices and various platforms and metrics to compare industry trends and analyze trade areas.



PROPERTY OVERVIEW



LOCATION



Vista, California
San Diego County
San Diego MSA

ACCESS



S. Melrose Drive: 1 Access Point
Faraday Avenue: 1 Access Point

TRAFFIC COUNTS



S. Melrose Drive: 41,200 VPD
Faraday Avenue: 17,300 VPD

IMPROVEMENTS



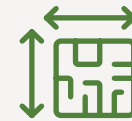
There is approximately 1,050 SF of existing building area featuring a double drive-thru with stacking capacity for 22 vehicles

PARKING



There are 6 parking stalls with reciprocal access and parking on adjoining parcels per a REA. The parking ratio is approximately 5.71 stalls per 1,000 SF of leasable area.

PARCEL



Parcel Number: 221-011-26-00
Acres: 0.58
Square Feet: 25,265

CONSTRUCTION



Year Built: 2024

ZONING



Specific Plan Implementation Zoning

MELROSE VILLAGE PLAZA

Albertsons
DOLLAR TREE
Edward Jones
CVS pharmacy

CAMSTON

AMS
Fireplace inc.

DEL TACO

17,300
VEHICLES PER DAY

150-KEY
HYATT
PLACE

Wendy's

DUTCHBROS
Coffee

128-KEY HOTEL
APPROVED BY CITY

Hilton
Garden
Inn

Jif-Pak
KALLE GROUP

Ultraguard

FLIPPIN PIZZA

DISCOUNT
TIRE

SUBWAY

HORTICULTURAL
SALES

RAVEON

PLUM PAPER

SOLATUBE
home

VISTA IRRIGATION
DISTRICT

EMI

DDH
ENTERPRISE, INC.

THE HOME
DEPOT

FREEFLOW SPAS

DUTEK

Watkins Wellness

Leica
BIOSYSTEMS

Greco

M2
INGREDIENTS

TEMPO
COMMUNICATIONS

41,200
VEHICLES PER DAY

S. MELROSE DR.

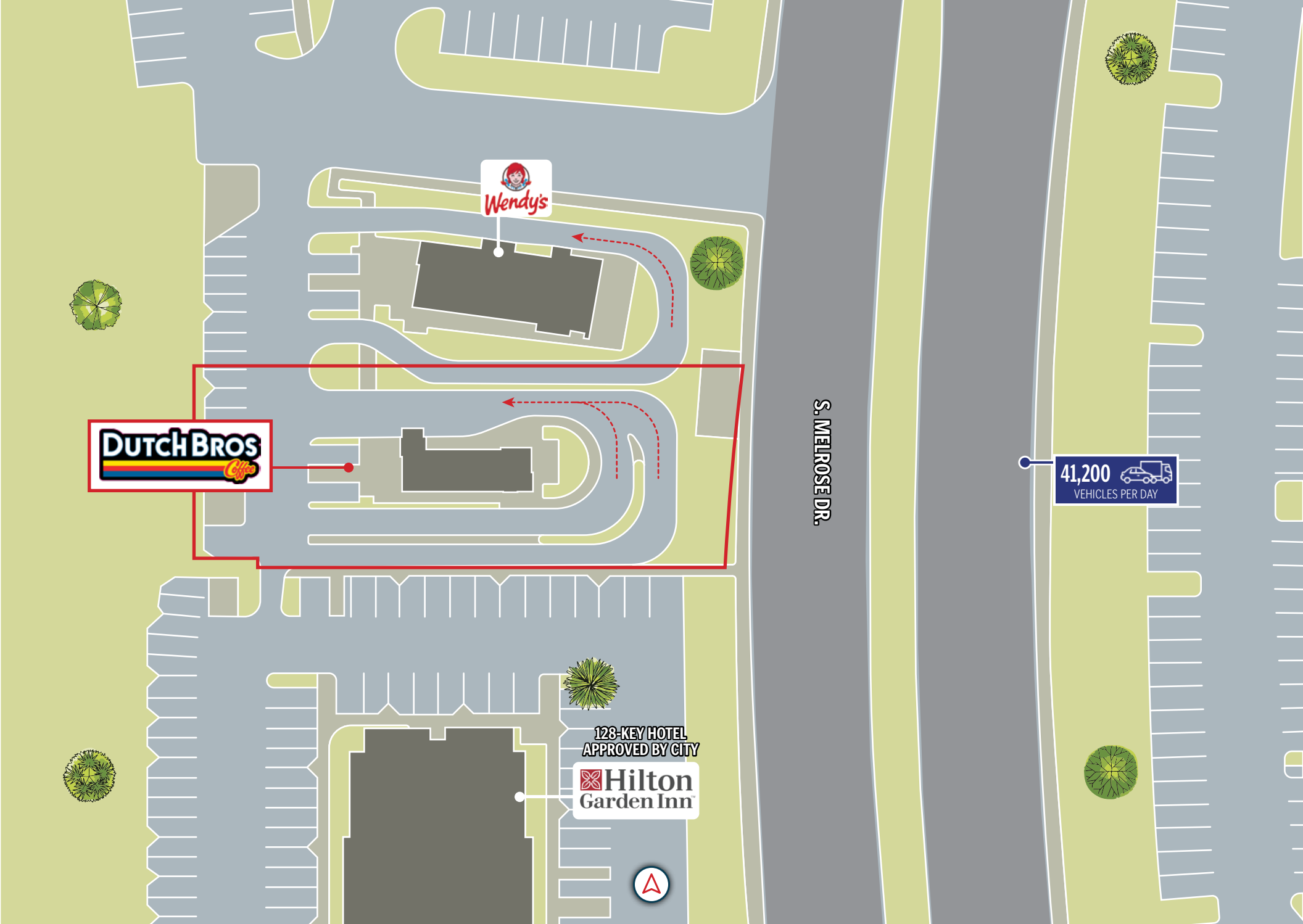
FLUX
POWER

FARADAY AVE.

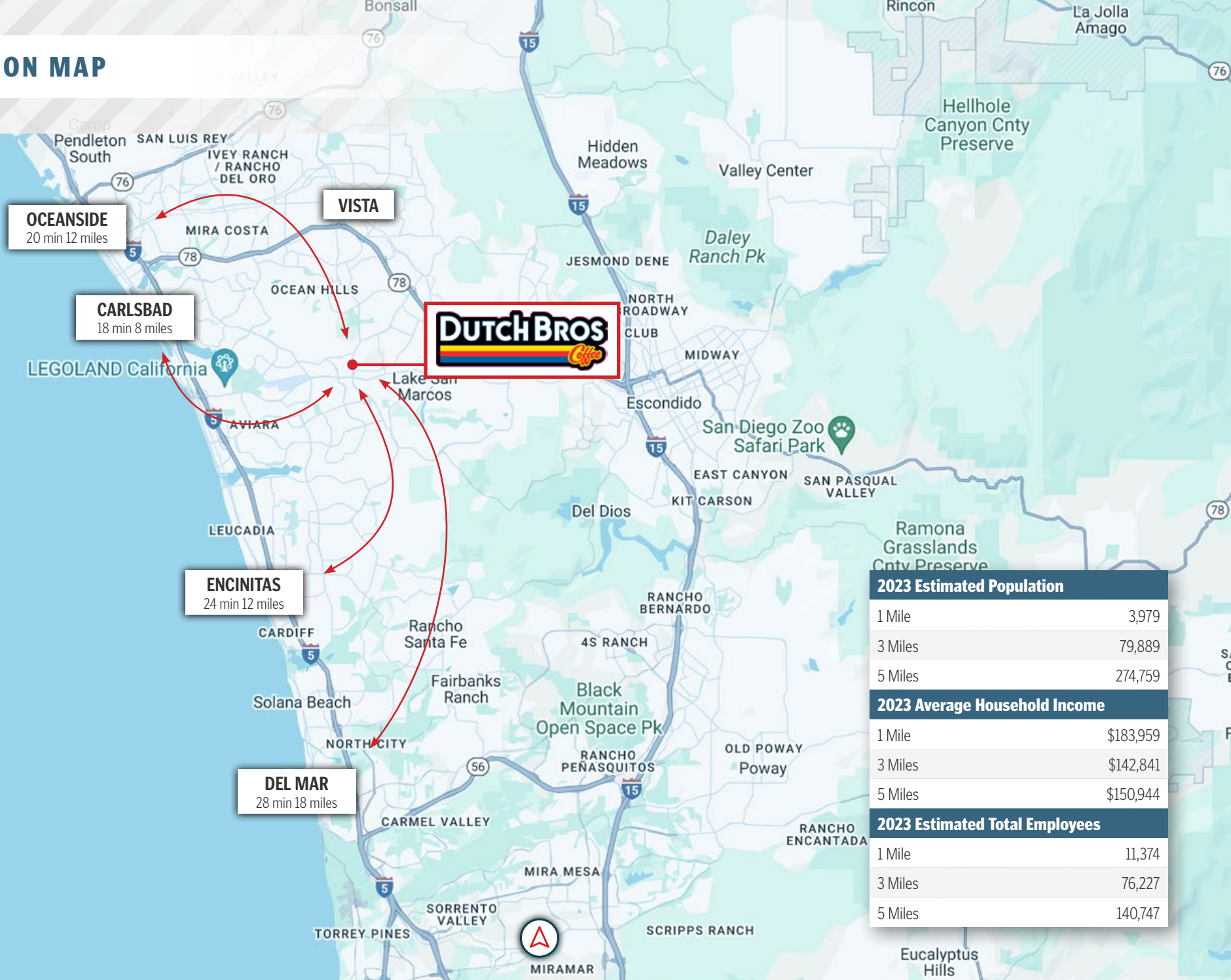








LOCATION MAP



2023 Estimated Population

1 Mile	3,979
3 Miles	79,889
5 Miles	274,759

2023 Average Household Income

1 Mile	\$183,959
3 Miles	\$142,841
5 Miles	\$150,944

2023 Estimated Total Employees

1 Mile	11,374
3 Miles	76,227
5 Miles	140,747



VISTA, CALIFORNIA

The City of Vista is located seven miles inland from the Pacific Ocean in northern San Diego County; the City of Vista has a perfect mild Mediterranean climate. The City of Vista had a population of 101,176 as of July 1, 2023. Vista's neighboring cities include Oceanside and Carlsbad to the west and San Marcos to the south and east. The City of Vista encompasses 18.56 square miles and is made up of residential, commercial, and industrial properties, as well as several areas of open space.

The City's economic base is widespread across various activities. Within the city limits, there are approximately 1,350 acres of land zoned for research, light industry and general manufacturing. Some of the larger businesses that have made Vista their home include Watkins Manufacturing, D J Orthopedics, Zodiac Pool Systems with, Jeld-Wen Windows and Doors, Costco Wholesale, and Target. Governmental employers within the city include the Vista Unified School District with over 1,900 employees and the City of Vista. A number of the larger retail operators have chosen Vista as a key sales location. These include Ford, BMW, Costco, Wal-Mart, Burlington Coat Factory, Home Depot, Lowes, Living Spaces and Babies R Us. All have made significant contributions to Vista's sales tax base.

Vista is served by two city-supported theaters: the Avo Playhouse and the Moonlight Amphitheatre. There are four principal highways linking the city and surrounding areas: Interstate Routes 5 and 15, and state highways 76 and 78. For air travel, San Diego International Airport is 37 miles to the south, John Wayne Airport (Irvine) is 45 miles to the north, and Los Angeles International Airport is 93 miles north.

Rancho Guajome Adobe and Rancho Buena Vista, both built in the mid-nineteenth century, offer tours to students and visitors. Another popular Vista attraction is the Wave Waterpark, located near the downtown area and open during spring, summer and early fall.





SAN DIEGO, CALIFORNIA

San Diego is a major city in California. It is in San Diego County, on the coast of the Pacific Ocean in Southern California, approximately 120 miles south of Los Angeles and immediately adjacent to the border with Mexico. The city of San Diego is the 2nd largest city in California with a population of 1,379,090 as of July 1, 2021.

The largest sectors of the San Diego's economy are defense/military, tourism, international trade, and research/manufacturing. San Diego's commercial port and its location on the United States-Mexico border make international trade an important factor in the city's economy. The city is authorized by the United States government to operate as a Foreign Trade Zone. San Diego has been called "the birthplace of California", and is known for its mild year-round climate, natural deep-water harbor, extensive beaches, long association with the United States Navy, and recent emergence as a healthcare and biotechnology development center.

Tourist attractions include Balboa Park, Belmont amusement park, San Diego Zoo, San Diego Zoo Safari Park, and SeaWorld San Diego. Public colleges and universities in the city include San Diego State University (SDSU), University of California, San Diego (UCSD), and the San Diego Community College District, which includes San Diego City College, San Diego Mesa College, and San Diego Miramar College. There is one medical school in the city, the UCSD School of Medicine.

The city has two major commercial airports within or near its city limits. Downtown San Diego International Airport, also known as Lindbergh Field, is the busiest single-runway airport in the United States.

AREA DEMOGRAPHICS



GAS LAMP DISTRICT



SAN DIEGO ZOO



DEL MAR RACE TRACK



BALBOA PARK



PETCO PARK



SEA WORLD



CORONADO ISLAND

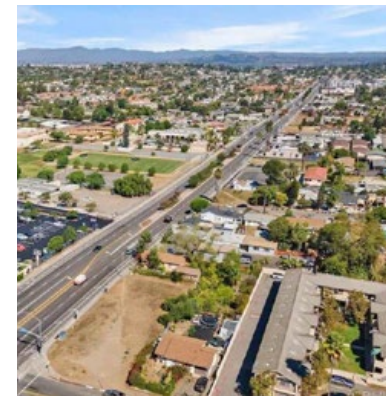


LEGO LAND

AREA DEMOGRAPHICS



	1 Mile	3 Miles	5 Miles
Population			
2023 Estimated Population	3,979	79,889	274,759
2028 Projected Population	3,951	79,701	275,302
2010 Census Population	3,677	73,167	247,577
Historical Annual Growth 2010 to 2020	0.82%	0.78%	0.91%
Households & Growth			
2023 Estimated Households	1,365	30,112	96,416
2028 Projected Households	1,360	30,159	96,931
2010 Census Households	1,240	28,027	87,087
Historical Annual Growth 2010 to 2020	0.94%	0.64%	0.90%
Race & Ethnicity			
2023 Estimated White	70.73%	76.89%	75.33%
2023 Estimated Black or African American	2.31%	1.90%	1.99%
2023 Estimated Asian or Pacific Islander	13.57%	8.77%	8.62%
2023 Estimated American Indian or Native Alaskan	0.83%	1.02%	1.21%
2023 Estimated Other Races	6.71%	12.92%	15.33%
2023 Estimated Hispanic	20.76%	28.49%	32.30%
Income			
2023 Estimated Average Household Income	\$183,959	\$142,841	\$150,944
2023 Estimated Median Household Income	\$158,643	\$104,486	\$108,843
2023 Estimated Per Capita Income	\$62,085	\$53,987	\$53,056
Businesses & Employees			
2023 Estimated Total Businesses	915	6,737	13,716
2023 Estimated Total Employees	11,374	76,227	140,747



RENT ROLL



LEASE TERM						RENTAL RATES					
Tenant Name	Square Feet	Lease Start	Lease End	Begin	Increase	Monthly	PSF	Annually	PSF	Recovery Type	Options
Dutch Bros Coffee	1,050	TBD*	15 Years	Years 1-5	-	\$10,417	\$9.92	\$125,000	\$119.05	NNN	3 (5-Year)
(Corporate Guaranty)				Years 6-10	10%	\$11,458	\$10.91	\$137,500	\$130.95		10% Increase at Beg. of Each Option
				Years 11-15	10%	\$12,604	\$12.00	\$151,250	\$144.05		
*Rent commences on the earlier of the day the tenant opens for business to the public or 150 days after the delivery date (Est. June 2024 Completion)											

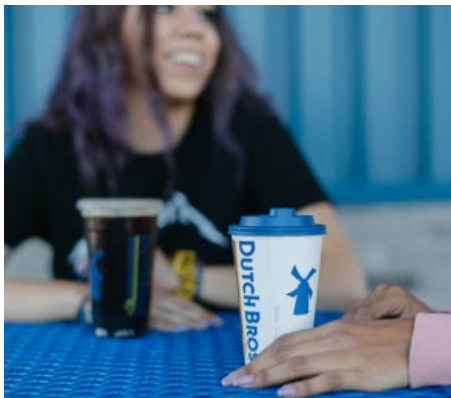
FINANCIAL INFORMATION

Price	\$2,941,000
Net Operating Income	\$125,000
Cap Rate	4.25%
Lease Type	NNN

PROPERTY SPECIFICATIONS

Year Built	2024
Building Area	1,050 SF
Land Area	0.58 Acres
Address	2655 S. Melrose Drive Vista, California 92081

Notes	
1.	REA covers all reciprocal access and maintenance responsibilities for the subject property and adjacent Wendy's currently under construction
2.	Tenant's Proportionate Share of Controllable CAM for each calendar year of the initial Term after the first full calendar year of the initial Term shall not exceed the lesser of (i) the actual amount of Tenant's Proportionate Share of Controllable CAM, or (ii) Tenant's Proportionate Share of the CAM Cap.
3.	The term "CAM Cap" refers to the Controllable CAM for the first full calendar year of the initial Term and, for subsequent calendar years during the initial Term, it denotes the Controllable CAM for the Base Year multiplied by 1.05 (i.e., a 5% increase), where the "Base Year" is defined as any calendar year in the preceding portion of the initial Term before the relevant calendar year with the highest Controllable CAM.



DUTCH BROS COFFEE

dutchbros.com

Company Type: Public (NYSE: BROS)

Locations: 750+

2022 Employees: 14,000

2022 Revenue: \$739.01 Million

2022 Assets: \$1.19 Billion

2022 Equity: \$129.12 Million

Dutch Bros Coffee is a drive-thru coffee company dedicated to making a massive difference one cup at a time. Headquartered in Grants Pass, Oregon, where it was founded in 1992 by Dane and Travis Boersma, it's now sharing the "Dutch Luv" with more than 750 locations in 14 states. Dutch Bros serves specialty coffee, smoothies, freezes, teas, an exclusive Dutch Bros Rebel™ energy drink and nitrogen-infused cold brew coffee. Its rich, proprietary coffee blend is handcrafted from start to finish.

Source: prnewswire.com, finance.yahoo.com



DUTCH BROS

Grants Pass, Oregon-based coffee chain Dutch Bros, Inc., one of the fastest-growing brands in the QSR beverage industry in the U.S., recently shared highlights for the quarterly and annual periods ending on December 31, 2023.

Fourth Quarter and Full Year 2023 New Shop Openings:

- Opened 37 new shops in the fourth quarter of 2023, of which 32 were company-operated.
- Opened 159 new shops in the full year 2023, of which 146 were company-operated.

Dutch Bros. currently operates 831 shops, with 542 company-operated locations and 289 franchisee-operated locations spread across 16 states. They plan to continue their rapid growth by adding 150-165 new shops in 2024.

NEW LEADERSHIP

The company plans to welcome three new leaders in the coming months: Joshua Guenser as Chief Financial Officer, Sumitro Ghosh as President of Operations, and Jess Elmquist as Chief People Officer.

Guenser joins from Mod Super Fast Pizza Holdings, where he served as CFO, accumulating over ten years of experience at Starbucks Corporation.

Ghosh joins from Nike, having served for over two years as the global VP of Nike Stores. Prior to that, Ghosh was COO of Foxtrot Ventures Inc. and held various roles at Starbucks Corporation.

Elmquist joins from Phenom People, where he served as Chief Human Resources Officer and Chief Evangelist.

RAPID GROWTH IN Q3 2023

In the third quarter ended September 30, 2023, Dutch Bros reported exceptional growth figures, demonstrating the company's long-term commitment to efficient and competitive operations.

Total revenues climbed significantly by 33.2% to reach \$264.5 million compared to \$198.6 million in the same period last year. Dutch Bros saw a 4.0% increase in system same shop sales. Specifically, company-operated same shop sales rose by 2.8% during this time.

The revenues from company-operated shops jumped remarkably by 36.3% to hit \$236.5 million, up from \$173.5 million in the same period last year. This increase resulted in a company-operated shop gross profit of \$57.0 million compared to \$34.7 million during the same time last year.

<https://www.businesswire.com/news/home/20240106160379/en/Dutch-Bros-Inc.-Reports-Fourth-Quarter-and-Fiscal-Year-2023-New-Shop-Openings>

Published January 8, 2024 | Raphael Gross

<https://chainstoreage.com/dutch-bros-open-least-150-165-locations-2024-names-new-senior-leaders>

Published January 8, 2024 | Marianne Wilson

<https://www.businesswire.com/news/home/20231107808077/en/Dutch-Bros-Inc.-Reports-Third-Quarter-2023-Financial-Results-and-Announces-Two-New-Directors>

Published November 7, 2023 | Raphael Gross



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of SRS Real Estate Partners

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RETAIL
PROFESSIONALS

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OFFICES

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LARGEST
REAL ESTATE
SERVICES FIRM
in North America
exclusively dedicated
to retail

2.3K+

RETAIL
TRANSACTIONS
company-wide
in 2022

760+

NET LEASE
TRANSACTIONS
SOLD
in 2022

\$2.9B+

NET LEASE
TRANSACTION
VALUE
in 2022

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