



ABSOLUTE TRIPLE NET (NNN) INVESTMENT OPPORTUNITY | 5% CAP RATE
PHOENIX, AZ

OFFERING MEMORANDUM



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INVESTMENT OVERVIEW

SALE PRICE	\$2,500,000
CAP RATE	5%
NOI	\$125,000
LEASE TERM	15 YEAR INITIAL LEASE TERM
OPTIONS	FOUR 5-YEAR OPTIONS

SITE INFORMATION

LOCATION	NW CORNER OF BELL RD & 57TH AVE PHOENIX, AZ
BUILDING SIZE	998 SF
PARCEL SIZE	43,157 SF
OPENED FOR BUSINESS	APRIL 22ND, 2021

LEASE STRUCTURE

LEASE TYPE	ABSOLUTE TRIPLE NET (NNN) LEASE
GUARANTOR	FRANCHISEE (LARGE CORPORATE ENTITY)
LANDLORD RESPONSIBILITIES	NONE

LEASE YEAR ANNUAL RENT CAP RATE

YEARS 1-5	\$125,000	5%
YEARS 6-10	\$137,500	5.50%
YEARS 11-15	\$151,250	6.05%
YEARS 16-20 (OPTION 1)	\$166,375	6.66%
YEARS 21-25 (OPTION 2)	\$183,013	7.32%
YEARS 26-30 (OPTION 3)	\$201,314	8.05%
YEARS 31-35 (OPTION 4)	\$221,445	8.86%



INVESTMENT HIGHLIGHTS

- Opportunity to Invest in a Growing Concept with 570+ Locations Nationally
- 15-year Absolute Triple-Net (NNN) Lease backed by one of the largest franchisees in the country.
- ZERO Landlord Responsibilities
- 8% Increases Every 5 Years Throughout the Entire Lease Term Including Options

The Dutch Bros Standard Drive-Thru model has proved resilient throughout the pandemic and allows for both quick service and quality drinks.



DEMOGRAPHICS

	1 MILE	3 MILE	5 MILE
2023 Population	12,215	115,326	347,106
2028 Population Proj.	12,972	122,606	370,195
2023 Daytime Employees	6,448	45,733	120,528
Avg Household Income	\$97,514	\$99,120	\$93,166
Median Age	40.4	39.3	39.2

LOCATION OVERVIEW

- Prime location on Bell Rd, the busiest arterial street in the Phoenix metro area.
- Daytime population of over 120,000 within a 5 mile radius.
- Strong residential customer base of over 347,000 living within 5 miles.
- Extremely high traffic count of nearly 70,000 vehicles per day at Bell and 59th Ave.



DUTCH BROS COFFEE

RETAIL AERIAL



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Franchisee currently operates 18 Dutch Bros locations in the Greater Phoenix area. Dutch Bros is a high growth operator 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.

Dutch Bros is more than just the products they serve—they are dedicated to making a massive difference in the lives of their employees, customers, and communities. This combination of hand-crafted and high-quality beverages, our unique drive-thru experience and our communitydriven, people-first culture has allowed them to successfully open new shops and continue to share the “Dutch Luv” at 570+ locations across 12 states as of December 31, 2021.



In addition to its mission of speed, quality and service, Dutch Bros is committed to giving back to the communities it serves.

Phoenix, Arizona, is the fifth-largest city in the United States by population, serving as the state capital and the most populous city in Arizona. With a population of approximately 1.7 million people, it ranks just behind New York City, Los Angeles, Chicago, and Houston. The city boasts a diverse economy, providing employment opportunities across various sectors. Major employers in the Phoenix metropolitan area include the State of Arizona and Maricopa County, which offer numerous jobs in government services. The healthcare sector is prominently represented by Banner Health and HonorHealth, both of which operate multiple hospitals and clinics in the region. This diverse economic landscape makes Phoenix a vibrant hub for employment and growth.

Phoenix continues to attract numerous companies, drawn by its favorable business climate and skilled workforce. Recent notable additions include Taiwan Semiconductor Manufacturing Company (TSMC), which is constructing a \$12 billion semiconductor facility set to open in 2024, and Intel, expanding its chip production campus with two new factories costing up to \$20 billion, also completing in 2024. Meta (formerly Facebook) is establishing an \$800 million data center in Mesa. These developments underscore Phoenix's growing reputation as a hub for technology, manufacturing, and logistics companies, fostering substantial economic growth and job creation in the region.

OpenAI. (2024). Overview of Phoenix: City size, rank, and top employers. Retrieved from [ChatGPT].

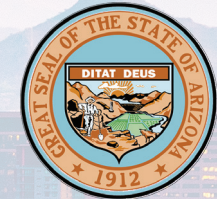
1.7 million
people live in
Phoenix, AZ

#5 largest
city in the
USA

#1 largest
city in
Arizona

PROMINENT EMPLOYERS


Banner Health[®]
52,000 EMPLOYEES



42,000 EMPLOYEES

Walmart 
37,026 EMPLOYEES

RECENT EXPANSION

 **\$20 BILLION**
expansion

 **\$12 BILLION**
semiconductor
production facility

 **\$800 MILLION**
data center