



**DUTCH BROS**  
*Coffee*



**1971 W VALENCIA RD**

**TUCSON, AZ 85746**

OFFERING MEMORANDUM

# 1971 W VALENCIA RD

TUCSON, AZ 85746

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

EXCLUSIVELY LISTED BY:



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# PROPERTY OVERVIEW

# 01



# PROPERTY SUMMARY

## THE OPPORTUNITY

- **High Ranking Store Sales** – This Dutch Bros ranks in the 92nd percentile per Placer AI reporting with 734,000 annual visitors.
- **Built-to-Suit Construction** – This property was built specifically for a Dutch Bros in 2019.
- **Absolute NNN Lease** – Dutch Bros is on a 15-Year Lease with  $\pm 9.5$  years remaining and zero management responsibility.
- **Rare Fee Simple Ownership** – Unlike most Dutch Bros being ground leases, this is a rare fee simple structure allowing the owner to advantageously depreciate the building.
- **Strong Demographics** – This Tucson location has a population of  $\pm 134,631$  residents within a 5-mile radius.
- **Continued Success** – Annual visits have increased 2.6% year over year.
- **Daytime Traffic** – The workday population is  $\pm 44,421$  employees within a 3-mile radius, and Valencia Rd sees  $\pm 48,038$  cars per day.
- **Dense Residential Corridor** – There are  $\pm 23,569$  total housing units within a 3-mile radius.
- **Retail Demographics** – This Dutch Bros is adjacent to major Retailers such as IHOP, Culvers, CVS, Pizza Hut, Big O Tires, Lowes, Walmart, Fry's Food and Drug (Kroger), Harbor Freight, and Tractor Supply CO. The annual consumer retail spend is  $\pm \$706.5M$  within a 3-mile radius.
- **Strong Corporate Guarantee** – Dutch Bros Coffee (NYSE: BROS) has over 900 locations in 18 states across the country and has seen exceptional revenue growth from \$739M in 2022 to over \$913M in 2023 and expected 2024 revenue to be around \$1.23 billion.
- **Education** – There are three Elementary / Middle Schools in the immediate area totaling  $\pm 1,175$  students.
- **Proximity to Airport** – Located  $\pm 5$  miles from Tucson International Airport which is Arizona's 2nd busiest airport. Tucson International Airport grew its passenger counts by 10% in 2023, reaching 3.75 million.



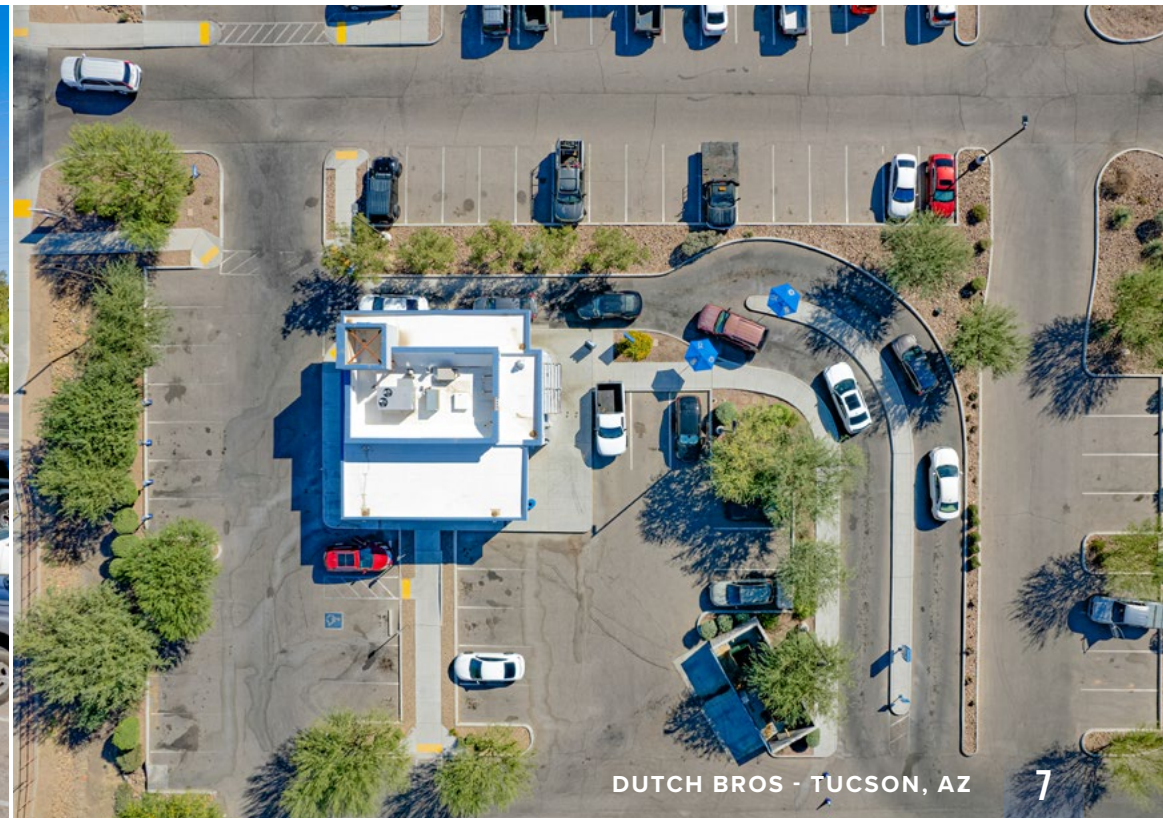
UNIVERSITY OF ARIZONA  
± 10 MI



W VALENCIA RD ± 48,038 VPD



FULLY IMPROVED  
PADS FOR SALE  
3 LOTS



# FINANCIAL OVERVIEW

# 02





# FINANCIAL OVERVIEW



**\$2,130,000**

PRICE



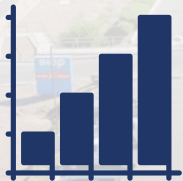
**\$117,150**

NOI



**±1.04 ACRES**

LOT SIZE



**5.50%**

CAP RATE



**±824 SF**

GLA



**2019**

YEAR BUILT

LEASE ABSTRACT	
Tenant	Dutch Bros
Lease Guarantor	BB Holdings Corporate
Lease Commencement Date	7/12/2019
Lease Expiration Date	7/31/2034
Original Lease Term	15 Years
Lease Term Remaining	±9.5 Years
Annual Rent	\$117,150.00
Rent Increases	10% Every 5-years
Option Periods	Three (3), Five (5) Year Options
Lease Type	Absolute NNN
Parking Lot / CAM	Tenant Responsibility
Property Tax	Tenant Responsibility
Insurance	Tenant Responsibility
Roof/Structure	Tenant Responsibility

**FOR FINANCING OPTIONS REACH OUT TO:**

**IMAD HATOUM**  
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# RENT SCHEDULE



## RENT SCHEDULE

YEARS	MONTHLY RENT	ANNUAL RENT	RENT INCREASES	CAP RATE
<b>Current - 7/31/2029</b>	<b>\$9,762.50</b>	<b>\$117,150.00</b>	<b>10.00%</b>	<b>5.50%</b>
8/1/2029 - 7/31/2034	\$10,738.75	\$128,865.00	10.00%	6.05%
Option 1 (8/1/2034 - 7/31/2039)	\$11,812.63	\$141,751.50	10.00%	6.65%
Option 2 (8/1/2039 - 7/31/2044)	\$12,993.89	\$155,926.65	10.00%	7.32%
Option 3 ( 8/1/2044 - 7/31/2049)	\$14,293.28	\$171,519.32	10.00%	8.05%

# TENANT OVERVIEW



## COMPANY NAME

Dutch Bros Coffee

## HEADQUARTERS

Grant Pass, OR

## LOCATIONS

994+

## INDUSTRY

Retail Coffee

## EMPLOYEES

24,000+

## WEBSITE

[www.dutchbros.com](http://www.dutchbros.com)



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, OR, the company now has 994+ locations in Oregon, California, Washington, Idaho, Nevada, Colorado, New Mexico, Utah, Arizona, Texas, and Oklahoma.

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.



# AREA OVERVIEW

# 03



## EMBRACE THE DESERT'S BEAUTY IN

# TUCSON, ARIZONA

With a population of 543,242, Tucson is the second-largest city in Arizona, following Phoenix, and serves as the county seat of Pima County. Located about 108 miles southeast of Phoenix, Tucson is the centerpiece of a metropolitan area with over 1 million residents, making it a key urban hub in the region. The city's rich cultural diversity, influenced by Native American, Mexican, and Anglo traditions, creates a unique blend of history, art, and modern living.

Downtown Tucson is a bustling area, offering a variety of dining options, cultural institutions, and entertainment venues. Key attractions include the Tucson Museum of Art, the historic Fox Theatre, and the University of Arizona Museum of Art, showcasing everything from Southwestern and Latin American art to European masterpieces. The Children's Museum Tucson and MOCA Tucson provide enriching experiences for visitors of all ages, while the city's vibrant arts scene continues to thrive through local galleries, theaters, and music venues.

Tucson's relatively low cost of living—about 6% below the national average—makes it an attractive place to live and work. The affordable housing market allows residents to enjoy more space at a lower cost than in larger cities, contributing to a high quality of life. With more than 300 days of sunshine annually, the city's warm desert climate also offers abundant outdoor recreational opportunities. From hiking and biking in the nearby mountains to exploring the iconic Saguaro National Park, Tucson is a haven for nature enthusiasts.

The city's economy is driven by sectors like education, healthcare, and technology, with the University of Arizona playing a central role in both research and innovation. The university helps fuel Tucson's growing tech industry and provides a highly educated workforce, while initiatives like Tech Parks Arizona support startups and entrepreneurial ventures. Tucson also prioritizes sustainability, with green projects like solar energy initiatives, eco-friendly transportation, and urban gardening efforts, making it an environmentally conscious place to live. Overall, Tucson offers an appealing mix of cultural richness, affordable living, educational opportunities, and a strong sense of community, making it an attractive destination for families, professionals, and retirees alike.

POPULATION	3-MILE	5-MILE	10-MILE
2024 Estimate	68,686	134,631	366,610
2029 Projection	68,791	135,459	373,323
HOUSEHOLDS	3-MILE	5-MILE	10-MILE
2024 Estimate	23,569	46,431	136,498
2029 Projection	23,928	47,251	140,275
INCOME	3-MILE	5-MILE	10-MILE
Average Household Income	\$68,500	\$65,000	\$55,800

W VALENCIA RD ± 48,038 VPD



SUBJECT PROPERTY





**\$4.1 BILLION**  
ECONOMIC IMPACT



**1885**  
ESTABLISHED



# THE UNIVERSITY OF ARIZONA®

The University of Arizona, a land-grant university with two independently accredited medical schools, is one of the nation's top public universities, according to U.S. News & World Report. Established in 1885, the UA is widely recognized as a student-centric university and has been designated as a Hispanic Serving Institution by the U.S. Department of Education. The UA ranked in the top 25 in 2018 in research expenditures among all public universities, according to the National Science Foundation, and is a leading Research 1 institution with \$687 million in annual research expenditures. The UA advances the frontiers of interdisciplinary scholarship and entrepreneurial partnerships as a member of the Association of American Universities, the 62 leading public and private research universities in the U.S. It benefits the state with an estimated economic impact of \$4.1 billion annually. The university accepts over 60,100 students each academic year, with over 45,000 being undergraduate students. The campus stretches across 380 acres with a total of 179 buildings on the main campus. U of A does not just rank academically, the U of A Wildcats have been Division 1 champions in football, baseball, softball, golf, and basketball. Their well-known motto, "Bear Down, Arizona," has become a staple for the school as a whole.



**±16,000**  
EMPLOYEES



**±60,100**  
# OF STUDENTS

# CONFIDENTIALITY AGREEMENT AND DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **1971 W Valencia Rd, Tucson, AZ 85746** ("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. Neither 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.

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 entity's name or logo, including any commercial tenant's name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews Real Estate Investment Services™, the property, or the seller by such entity.

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 Owner 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 of this Offering Memorandum.

**Net Lease Disclaimer:** There are many different types of leases, including gross, net, single net ("N"), double net ("NN"), and triple net ("NNN") leases. The distinctions between different types of leases or within the same type of leases, such as "Bondable NNN," "Absolute NNN," "True NNN," or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant's respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers' particular needs.





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