

OFFERING MEMORANDUM



COFFEE ROASTING | PIZZA | COCKTAILS | CRAFT BEER | ATMOSPHERE

NORTH PARK
SAN DIEGO, CALIFORNIA

Ideal coffee brand, café, and building acquisition
opportunity with untapped potential in
the dynamic neighborhood of North Park

An outdoor cafe patio at dusk. The scene is illuminated by warm streetlights and the cafe's interior lights. In the foreground, there are several tables and chairs, some with small lamps. A large tree trunk is visible on the right side. In the background, there are buildings with signs, including one for 'Sizz' and another for 'ePOWER YOGA'. A white car is parked on the street. The overall atmosphere is cozy and inviting.

CONFIDENTIALITY STATEMENT

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THE OFFERING

Caffè Calabria is an acclaimed café in the hip and dynamic neighborhood of North Park with a strong coffee, brewery, art, entertainment, and outdoor culture.

With stable cash flow, a reliable customer base and in-demand products, the business presents a truly rare acquisition and growth opportunity for existing coffee, restaurant and brewery brands.



Caffè Calabria is a North Park household name in coffee, pizza, craft beer, and cocktails.

WHAT'S INSIDE - THE OPPORTUNITY FROM ALL ANGLES

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The image shows the exterior of a cafe named 'Caffè Labria'. The building has a modern, light-colored facade with large glass windows and a prominent sign above the entrance that reads 'Caffè Labria'. The entrance area is partially covered by a dark awning. In the foreground, there is an outdoor seating area with several tables and chairs, shaded by large, dark umbrellas. A few people are seated at the tables. The area is decorated with potted plants and flowers. The overall atmosphere is bright and inviting, suggesting a pleasant outdoor dining experience.

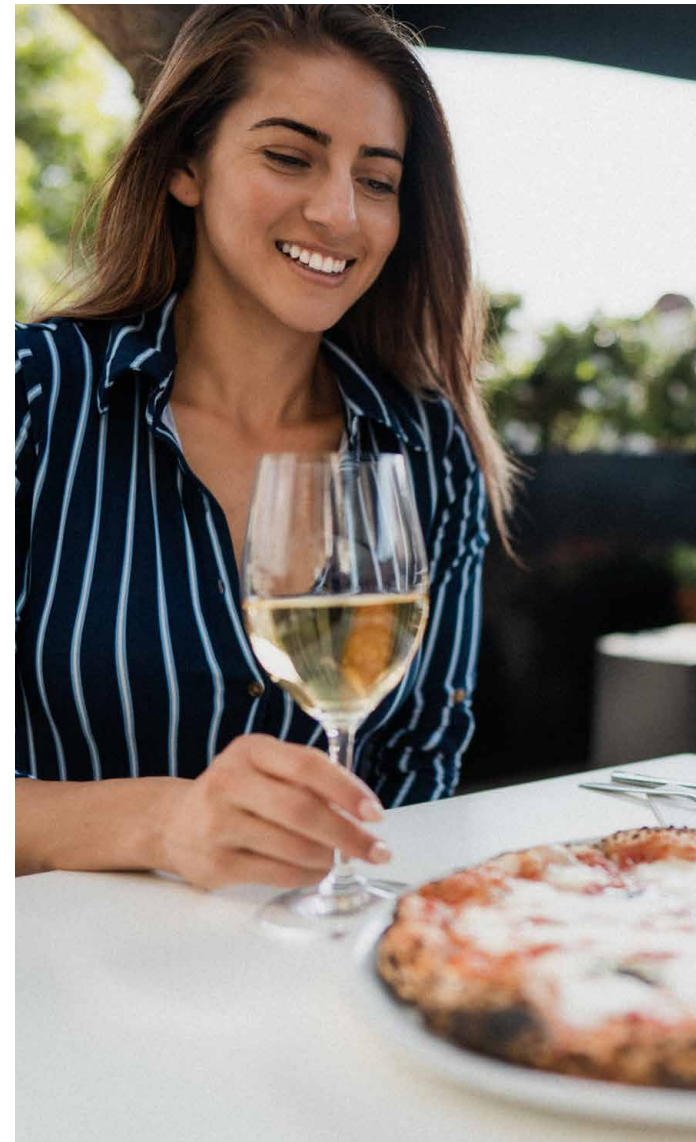
**OPPORTUNITY TO
EXPAND AND HEIGHTEN
YOUR COFFEE OR BREWERY BRAND**

THE ESSENCE OF CAFFÈ CALABRIA

In 2001, Caffè Calabria's doors opened with a passion for great coffee and a vision to bring an authentic Italian café experience to San Diego.

The Caffè offers Italian-bar style espresso of varying flavors and blends, gourmet Neapolitan pizza straight from the stone oven, famous Italian cocktails, and deliciously complex craft beer and wine. Located on the main thoroughfares of the bustling and artistic North Park neighborhood of San Diego, the business has developed a passionate following by offering one-of-a-kind products at an approachable price point.

The unforgettable products, coupled with the café's stable demand factors, supportive infrastructure, and projected long-term growth, offers a new owner the opportunity to step in and drive revenue and growth.



QUICK FACTS & HIGHLIGHTS

- All-day revenue with coffee, food and cocktails
- Seven-figure mail order and wholesale roasting operation
- Stable positive cash flow with strong margins
- Full liquor permit for beer, wine, and spirits
- Prime location on 30th & University thoroughfares
- Available space for roasting, brewery, and events expansion
- Dedicated team with exclusive roasting, pizza, and local knowledge for transfer
- ± 16,710 sq. ft. building for sale with flexible floor plan and included updated equipment
- Significant near-term growth opportunities for a skilled operator
- Efficient time-to-market acquisition



A PLATFORM FOR BRANDEXPANSION

Caffè Calabria presents over ± 16,710 sq. ft. of indoor and outdoor space ideally suited for customer engagement, production, entertainment, and private events, with room to expand roasting or add brewing equipment.

What makes
3933 30th St. San Diego, CA 92104
a unique acquisition:

- **Repurposed Bank** of America building constructed in 1950 with three vaults and tons of character
- **3- loors** with ± 16,710 of adaptable space:

6,225 sq. ft.
main floor

2,450 sq. ft.
upper level

1,810 sq. ft.
outdoor

6,225 sq. ft.
basement

3-FLOORS

16FT CEILING
IN CAFÈ

ROASTING
ROOM

INDOOR & OUTDOOR
DINING

MULTIPLE BARS
& LOUNGES

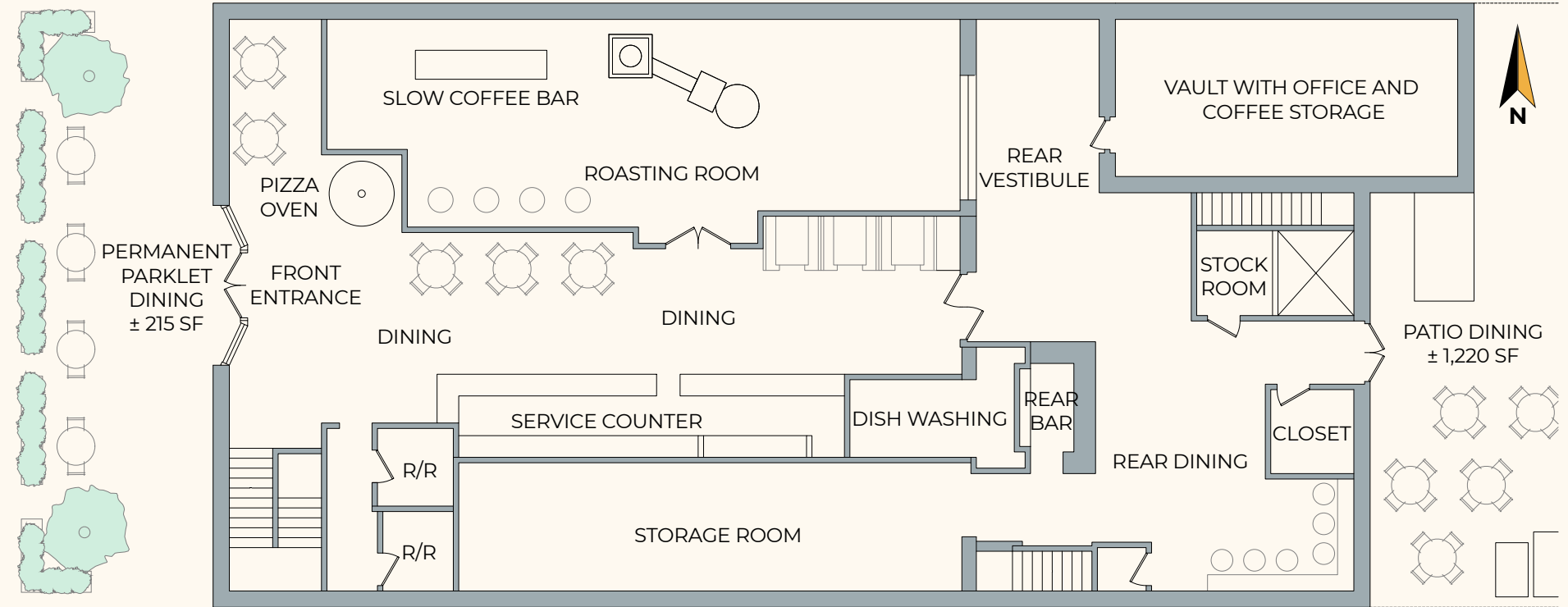
PERMANENT STREET
PARKLET

OUTDOOR
TERRACE

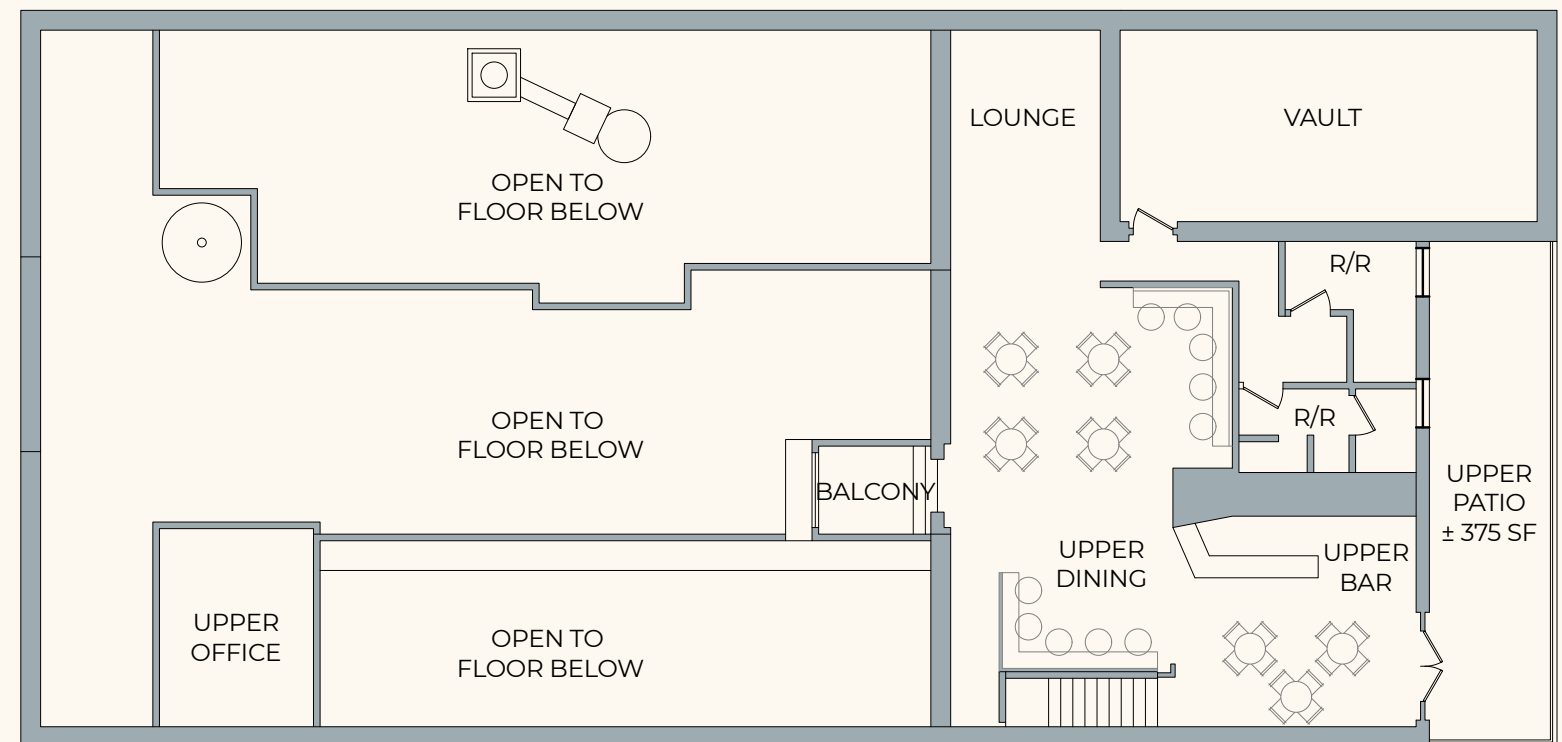
THREE BANK
VAULTS

UPDATED
FURNISHINGS

1ST FLOOR ± 6,225 sq. ft. Indoor, 1,435 sf. ft. Outdoor



2ND FLOOR ± 2,450 sq. ft. Indoor, 375 sf. ft. Outdoor



BASEMENT (Not pictured) ± 6,225 sq. ft.

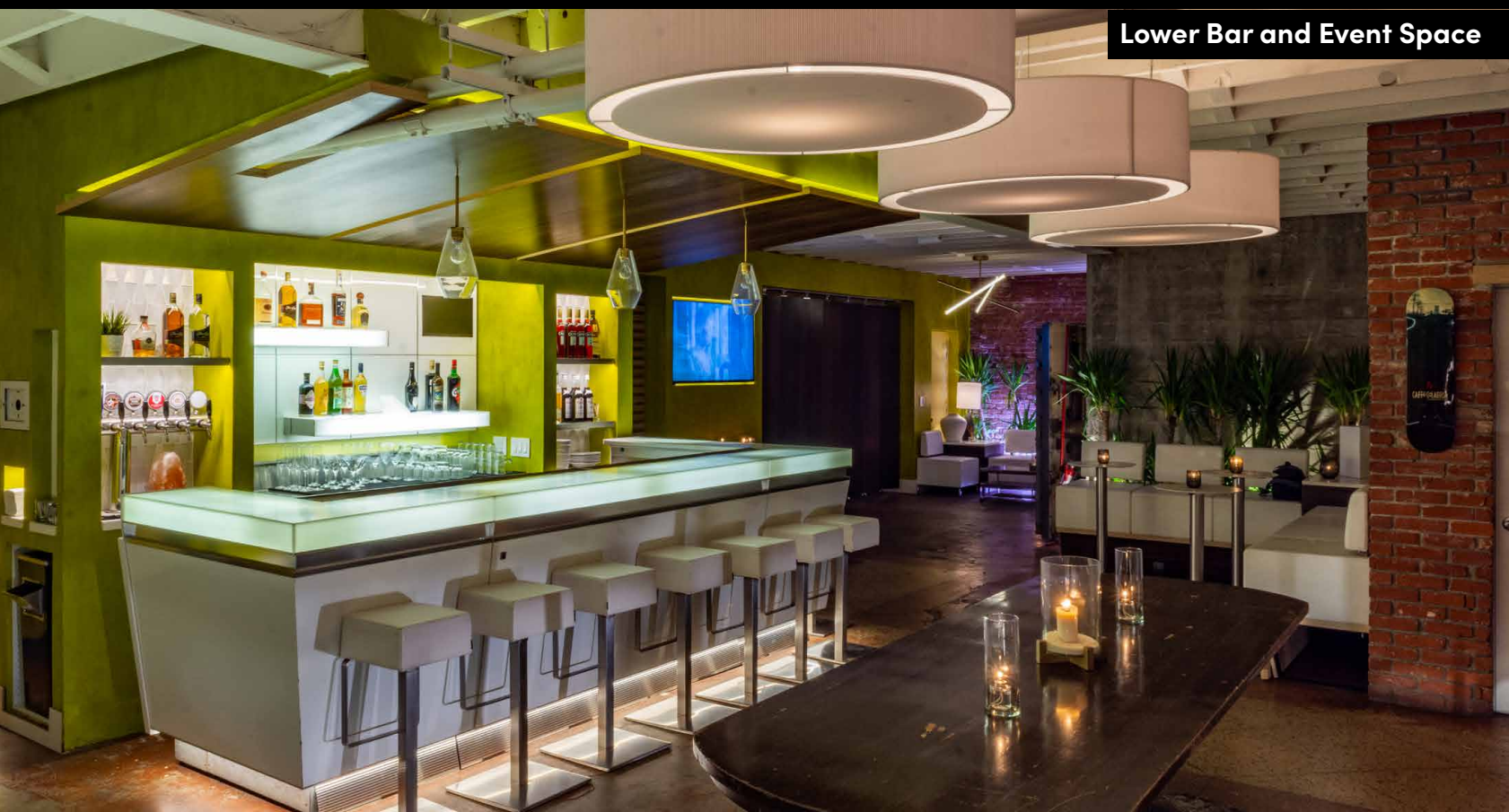




Production Room



Sidewalk seating



Lower Bar and Event Space



Permanent Parklet Dining

BUILT ON A QUEST FOR THE ULTIMATE BREW

World-class roaster with skilled baristas that showcase the '3rd Wave' café artisan experience.

Third Wave Coffee innovator, Caffè Calabria, emerged in 1991 to master the art of roasting and bring quality coffee to San Diego. Sampling beans from around the world, founder Arne Holt craved the sweet, chocolaty characteristics of Italian coffee for the baseline of his roasting business. The process is methodical and practiced, delivering superior products customers love. In a city known for craft beer, Caffè Calabria pioneered the way for craft coffee.

In 2001, the Caffè Calabria storefront in North Park opened its doors. Operations focused first on revolutionizing the coffee product through endless hours of in-house roasting. Soon after, a multi-dimensional brick and mortar restaurant fully equipped with stone pizza ovens and artisan beverages started taking shape. With an authentic aesthetic and incredibly knowledgeable staff, the business quickly built a following of devout customers.

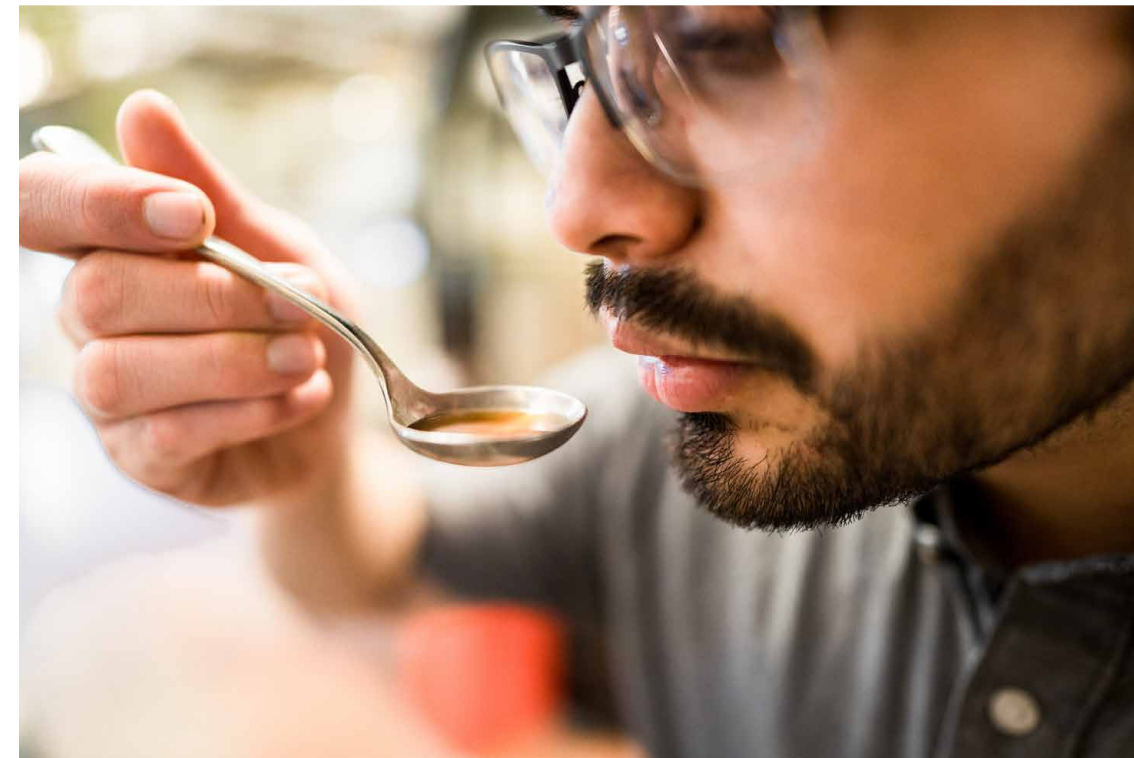
Today, Caffè Calabria continues to polish and evolve the same award-winning product that inspired them 20 years ago. Growth is primarily driven by word-of-mouth. But the wholesale distribution of affordable specialty roasts to breweries, grocery stores, and restaurants peaks demand. Local collaborations also generate unique opportunities for the business. Past projects with Hess Brewing created the Grazia's Cream Ale, and another with Ballast Point brewed the 7-time award-winning Victory At Sea Imperial Porter.



THE DIFFERENCE IS IN THE ROAST

Knowledge is our key ingredient at Caffè Calabria. Like all culinary arts, world class-coffee depends on combining ingredients with science to make a product superior to the rest. At Calabria, we know that formula.

It starts by developing the lipids to achieve a balanced mouthfeel in every cup. Then we caramelize to the point of perfection, reaching a sweet, milk chocolate profile like no other. The result is as artful as it is delicious!



IN THE WORDS OF PATRONS

"WORLD CLASS! My wife and I get around a bit and there is nowhere that serves coffee as good as Calabria! We made the 22-mile trip down here today to have lunch. Very few coffee roasters offer such elegant surroundings while serving world-class coffee and wood-fired pizzas. We think Caffè Calabria is the best!"

– MICHAEL B. OCT 17, 2020 | YELP REVIEW

Stellar Ratings

4.5

on Yelp with
1455 reviews

4.7

on Google with
878 reviews

4.5

on Trip Advisor
with 73 reviews

"If you've ever wanted to go to Italy but your bank account says NO then visit Caffè Calabria for an afternoon and let yourself pretend. Their outside seating area is delightful, with umbrellas and a covered area surrounded by flowers- perfect for people watching in North Park. Sip on some espresso, grab a pastry, or a slice of pizza. Stay for a bit and read a book or chat with a friend."

– SARA Z. JUN 8, 2020 | YELP REVIEW 10



DIVERSIFIED AND SYNERGIZED PRODUCT LINE WITH ROOM FOR GROWTH

It's hard to walk out of Caffè Calabria with just a cup of coffee.

AWARD-WINNING ROAST & COFFEE

Hand-roasted espresso and coffee prepared artfully to enhance the drinking experience with premium beans from around the globe selected by a trained team of expert roasters. Refined over 30-years, our roasting process assures quality flavor in every brew.

AUTHENTIC NEAPOLITAN-STYLE PIZZA

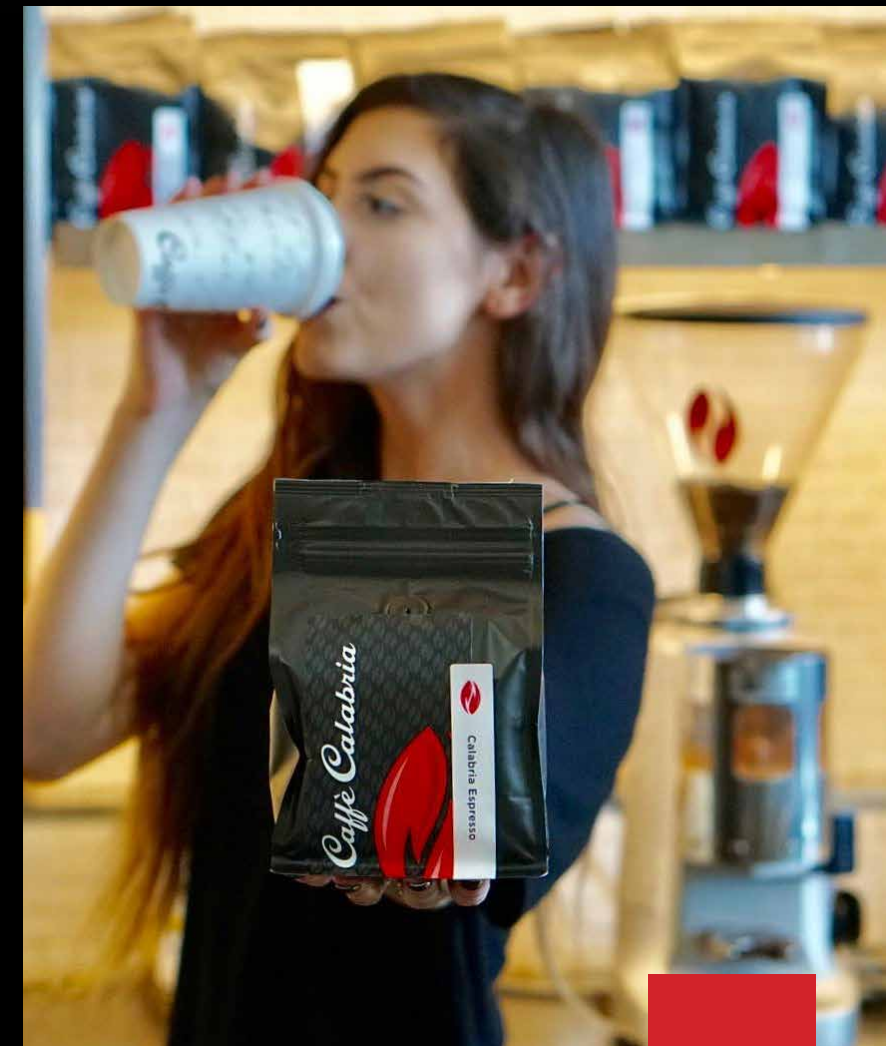
Savory Neapolitan pies prepared to perfection in a custom wood-fired stone oven designed and built in Italy. Made with San Marzano tomatoes and only the finest quality ingredients, our customers frequently tell us our pies are the best in the city, and that's something we take great pride in.

UPSCALE BAR FEATURING CRAFT BEER, WINE, & SPIRITS

Specialty libations mixed and curated for any occasion. Our Italian cocktails, regional wines, and locally crafted beer are an ideal complement to a day in the park or night on the town. Seasonal collaborations with San Diego breweries happen yearly, helping to keep loyal customers engaged with innovative products.

COFFEE BRAND & MERCHANDISE

Meeting the community's insatiable thirst for Caffè Calabria's crafted roasts, the operation offers packaged beans and brew, available in-store, online, and wholesale — a seven-figure revenue driver. Caffè Calabria devotees also get their swag on with custom branded merch.



UNPARALLELED LOCATION IN DYNAMIC

NORTH PARK

"(North Park is) Pulsing With Electricity"

- NEW YORK TIMES

"30th Street in North and South Park is easily the Nation's best beer boulevard"

- MEN'S JOURNAL

NEIGHBORHOOD

Caffè Calabria holds a prime location on 30th and University in the epicenter of North Park—an energetic and progressive neighborhood of San Diego, where history meets art and lifestyle. North Park, named for its proximity to the 1,200-acre cultural landmark Balboa Park, is experiencing a surge in hip affluent residents due to city and developer investments in revitalization and restoration.

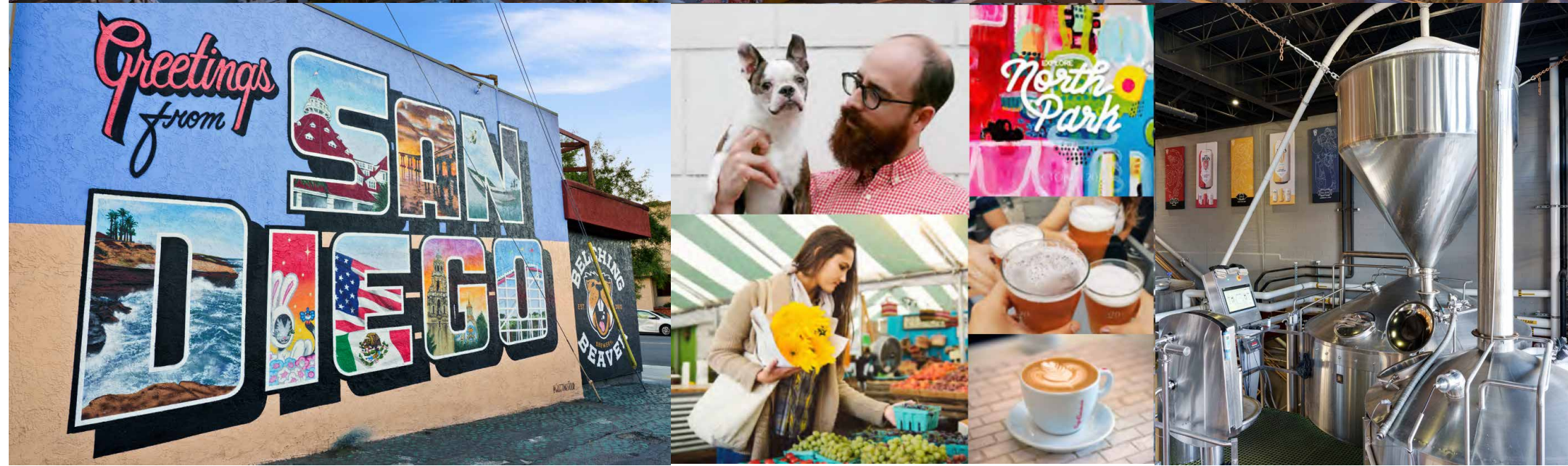


UNPARALLELED LOCATION IN DYNAMIC NORTH PARK NEIGHBORHOOD

Young professionals, students, and growing families all joyfully call North Park home. Walkable, affordable, and vibrant, it is the model for Southern California living. Since the 1980s, redevelopment programs have funneled time and money to restore the architectural charm of North Park. Today, those renovations offer space for shops, galleries, music venues, bars, and businesses like Caffè Calabria to thrive.

Likewise, breweries and taprooms prosper in North Park, as they do across San Diego, attracting local and tourist clientele. The lucrative restaurant scene appeals heavily to breakfast and brunch crowds, but gourmet taquerias, sushi lounges, and hip American eats with outdoor dining have also found a home in this dynamic neighborhood.

Community events like the Farmer's Market and Art Walk consistently profit the business. Three miles from downtown and 15 minutes from the beach, this neighborhood is a burgeoning hotspot for San Diegans—and boasts various cultural and economic demand factors for long-term business growth.



62% Young Professionals

Over half of the population in North Park are young professionals age 20-49, 64% are non-family households

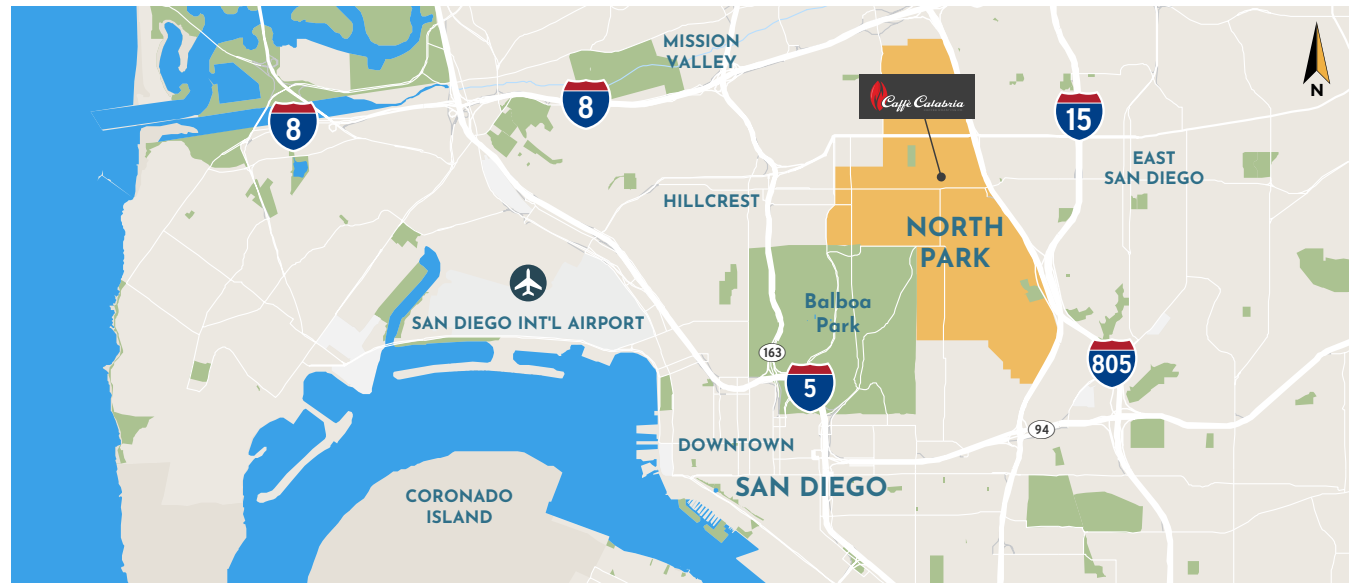
\$641,317 Strong Home Values

Median home values have increased by 8.5% over the past year to \$641,317, and Zillow predicts they will rise 8.1% in the next year.

57% Personal Income Growth

Personal income grew by 5.7% from 2017 to 2018.

THE NUMBERS SPEAK FOR SAN DIEGO



• Epicenter of craft brewing with 150 breweries in San Diego



• Site of numerous events and conferences, including Comic-Con and Esri



• 6th largest economy in US with 8th largest population



• Non-stop population growth estimated at 6% between 2020 and 2030



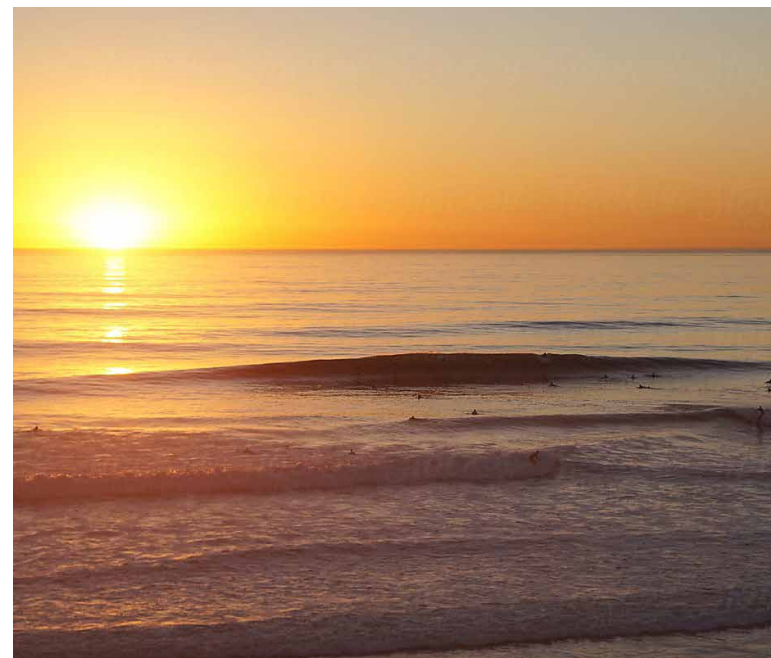
• Personal income grew by 5.7% from 2017 to 2018. ³



• Mediterranean climate with 344 days a year above 60° F (16° C)



• Economic recovery: Unemployment fell 2.5% between July and August of 2020 and is 1.7% lower than the rest of CA. ⁴



NORTH PARK MAIN STREET ADVANTAGE

STRONG RESIDENTIAL DEVELOPMENT

Optimistic multi-family developers are drawn to North Park due to the shared demand factors with the hospitality industry. The increasing development will further compound the future growth of the community and demand for foodservice.

SUPPORTIVE BUSINESS CULTURE

The vibrance, culture, and favorable business environment is principally due to the North Park Property and Business Improvement District (NPPBID). The district, known as Main Street, is affiliated with the National Trust for His-toric Preservation and is a business improvement district established by the City of San Diego.⁷ Caffè Calabria is located at the intersection of the main thoroughfares in North Park's Main Street.



NORTH PARK LOCATION ADVANTAGES

- Population and income growth
- Ideal demographics for volume and stability
- Flourishing housing market and development
- Strong vehicle and pedestrian traffic levels
- Supportive local business culture and policies
- Proximity to freeways

- Organizes events that draw thousands, including the Taste of North Park, the SDCCU Festival of Arts in North Park, and North Park Thursday Market.
- Supports development that preserves the community's historic character.
- Fosters a pedestrian-friendly environment that draws visitors and locals.
- Unifies local entrepreneurial leaders and advances collaboration.
- Promotes the Main Street district to encourage investment and patrons.
- Assists businesses with resources to manage regulatory issues.
- Oversees improvements and maintenance of streets and sidewalks.
- Manages and optimizes transportation and parking issues.



SYNERGISTIC LOCATION OFFERS LONG TERM GROWTH

Located on 'main and main' near the busiest intersection in North Park, Caffè Calabria is strategically positioned to capitalize on the neighborhood's effervescent creative culture and ever-increasing demand for walkable entertainment, dining, art galleries, farmers markets, shopping, and craft beer.

From the first wake-me-up espresso and pastry, to the post-show cocktails and pizza, 30th street is always bustling with pedestrian and vehicle traffic with an average daily count of 13,149.

The astute combination of Calabria's designer brews, best-in-city pizza, tantalizing cocktails, and energizing outdoor spaces perfectly complement the neighborhood's hip lifestyle.



NORTH PARK

BREWERIES

1. Barn Brewery
2. Poor House Brewing Company
3. Pariah Brewing Company
4. Home Brewing Co. (Brewery) & The Homebrewer (Supplies)
5. Belching Beaver North Park
6. Mike Hess Brewing, North Park
7. Original 40 Brewing Company
8. Fall Brewing Company
9. Rip Current Brewing North Park
10. North Park Beer Company
11. Thorn St. Brewery
12. Bivouac Ciderworks
13. Modern Times Flavordome
14. JuneShine
15. Second Chance Beer Lounge
16. Toronado San Diego
17. Bottlecraft North Park
18. True North Tavern
19. Bar Pink
20. U-31
21. Belgian Beer & Waffle
22. South Park Brewing Company

ENTERTAINMENT

1. The Observatory North Park
2. Balboa Park
3. San Diego Zoo
4. Coin-Op Game Room
5. Lips - San Diego
6. Twisted Orbit Circus Entertainment

NOTABLE

1. North Park Farmers Market
2. North Park Thursday Market
3. Lucha Libre Taco Shop
4. Chase Bank
5. Union Cowork - North Park, San Diego
6. CorePower Yoga
7. North Park Sign
8. Union Bank
9. Target
10. Hunt & Gather
11. F45 Training North Park
12. Club Pilates North Park
13. The Lafayette Hotel, Swim Club & Bungalows
14. North Park Community Park

ART

1. Art Produce Gallery
2. VISUAL gallery+design
3. Art on 30th
4. Nancy Levinson Fine Art
5. ashton-gallery
6. Mary Buckman
7. Teros Gallery
8. Signs of San Diego
9. AKA
10. Explore North Park
11. Artelexia
12. Queen Bee's Art and Cultural Center
13. A Time To Dance Performing
14. Stage 7 School of Dance

GROWTH & STABILITY

Caffè Calabria is a proven 30-year local coffee brand with a loyal base, inelastic revenue, synergistic product line, and the tremendous untapped potential to capitalize on available space, capacity, and demand.

With standout products to satisfy customers from morning through late in the evening, direct-to-customer delivery, and whole distribution, the business generates consistent and reliable revenue throughout all hours of the day.

ALL-DAY DIVERSIFIED REVENUE WITH ALWAYS IN-DEMAND PRODUCTS:

- Coffee & Espresso
- Neapolitan Pizza
- Full Bar Featuring Craft Beer, Wine and Spritzers
- Mail Order & Wholesale Roasts

PANDEMIC PROOF

Caffè Calabria is built on an adaptable business model that will allow you to continue to operate and thrive in any economy.

The inelastic nature of the demand for its product, i.e., prices and demand remain steady regardless of recessionary pressures, and the ability to deliver products via diversified channels (mailorder, delivery, take-out, and curbside) allow it to generate evergreen revenue.



NEAR-TERM GROWTH OPPORTUNITIES

ROAST DISTRIBUTION

Word-of-mouth marketing has created a seven-figure revenue stream for the wholesale and direct roasting business. With capacity to tripple current roasting production on-site, expansion of push marketing by a well suited operator will deliver significant growth.

CRAFT BEER & COCKTAILS

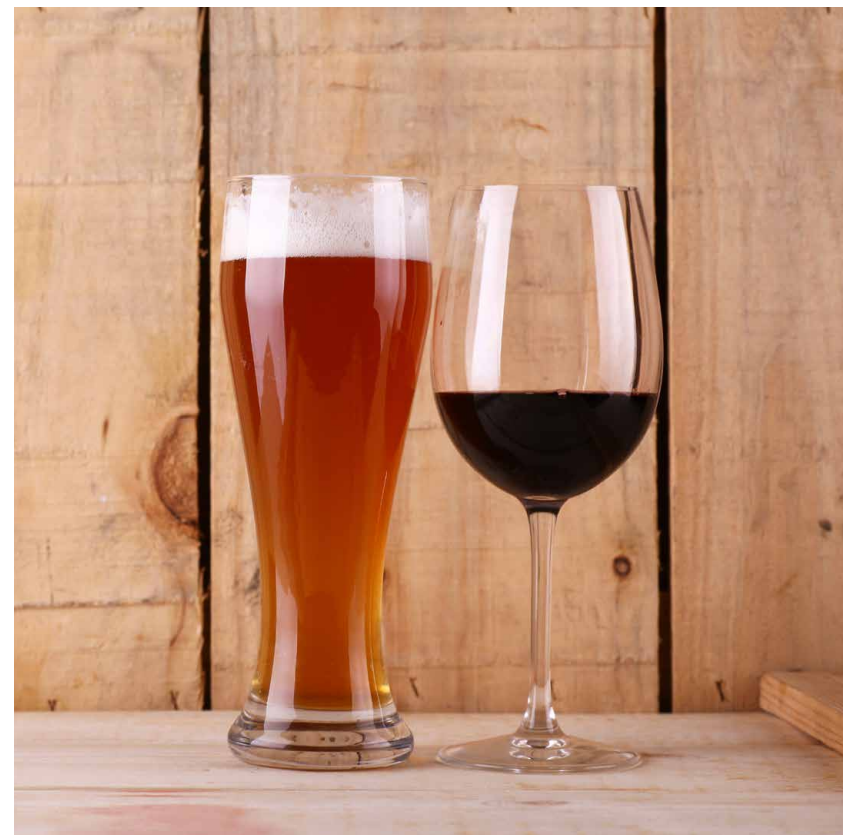
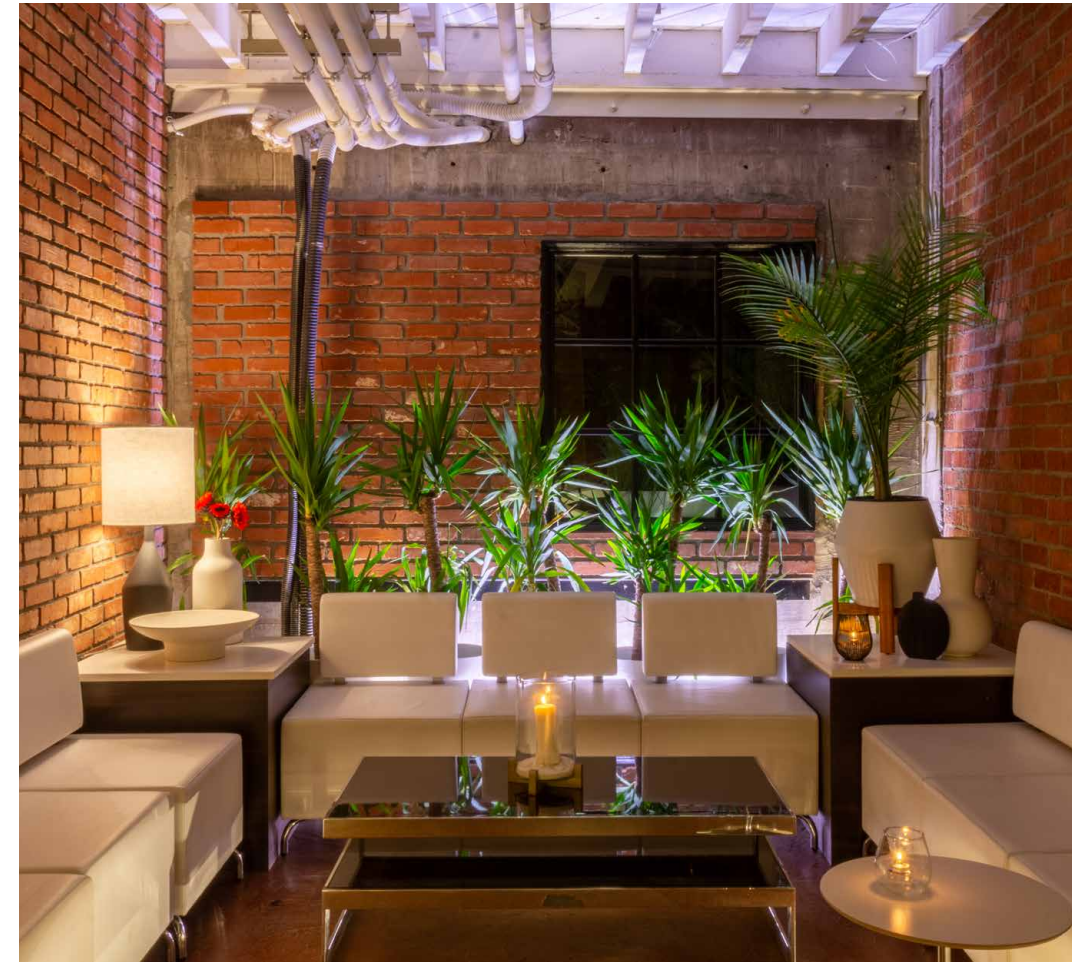
The craft beer ecosystem in North Park is regarded among the best in the U.S. Through successful coffee brew partnerships, Calabria has discovered a close alignment between customers' demand for craft beer, in addition to coffee. Bringing a craft beer brand under the same roof with Caffè Calabria will create an irresistible pairing that drives revenue growth. The facilities are well-suited for this.

PRIVATE EVENTS

The building's creative layout with multiple rooms and patios, bars, bank vaults, and roasting equipment have the potential to create truly unique entertainment and event experiences. With San Diego being the region's premier gathering place for conventions and trade shows like Comic-Con and Esri, generating \$1.1B in tourism in FY18, the introduction of private events at Caffè Calabria could quickly become a significant revenue channel.

FOOD & COFFEE DELIVERY

The introduction of home delivery to Calabria's offering in March 2020 has shown promising growth potential. Developing home delivery with strategic marketing could see significant gains – Calabria Pizza and cafe menu is highly competitive in the area.



BREWERY POTENTIAL IN THE CRAFT BEER CAPITAL OF AMERICA

For decades, North Park's craft brew scene has built steam as the widely recognized heart of the 'Craft Beer Capital of America' – a well-known destination for hops connoisseurs. 30 th St and University Ave are lined with beer bars and breweries offering numerous craft selections that attract masses of tourists and locals.



"30th Street in North and South Parks is easily the nation's best beer boulevard"
 - MEN'S JOURNAL



North Park is home to:

- Barn Brewery
- Poor House Brewery
- Pariah Brewery
- Rip Current Brewery
- North Park Beer Co.
- South Park Brewing Co.
- Hess Brewery
- The Original 40 brewing
- Thorn St. Brewery
- Bivouac Cider
- Modern Times
- June Shine
- Observatory
- Fall Brewing
- Kairoa Brewing
- & more



"As a brewery owner who has built in a basement, I can attest that the building in which Caffè Calabria resides is suited well for a brewery conversion. Though more difficult to build-out than a warehouse-type space, a basement brewery allows for a much more thoughtful and engaging space, and provides a unique perspective for consumers, a safe space to work for brewery personnel, and an architecturally interesting setup. The building has all the makings of a successful craft brewery space - size, utilities, location, logistical layout, etc. It simply needs a capable operator! Cheers!"

-MIKE HESS, PROPRIETOR/CHIEF BREWING OFFICER





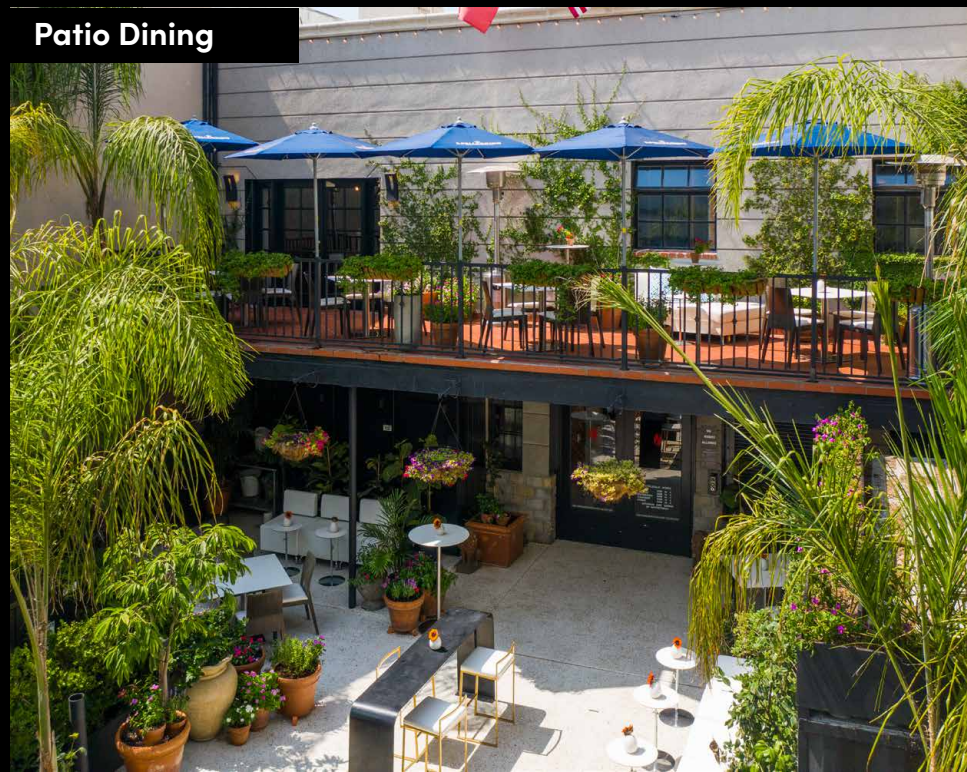
Rear Vestibule and Vault Entry



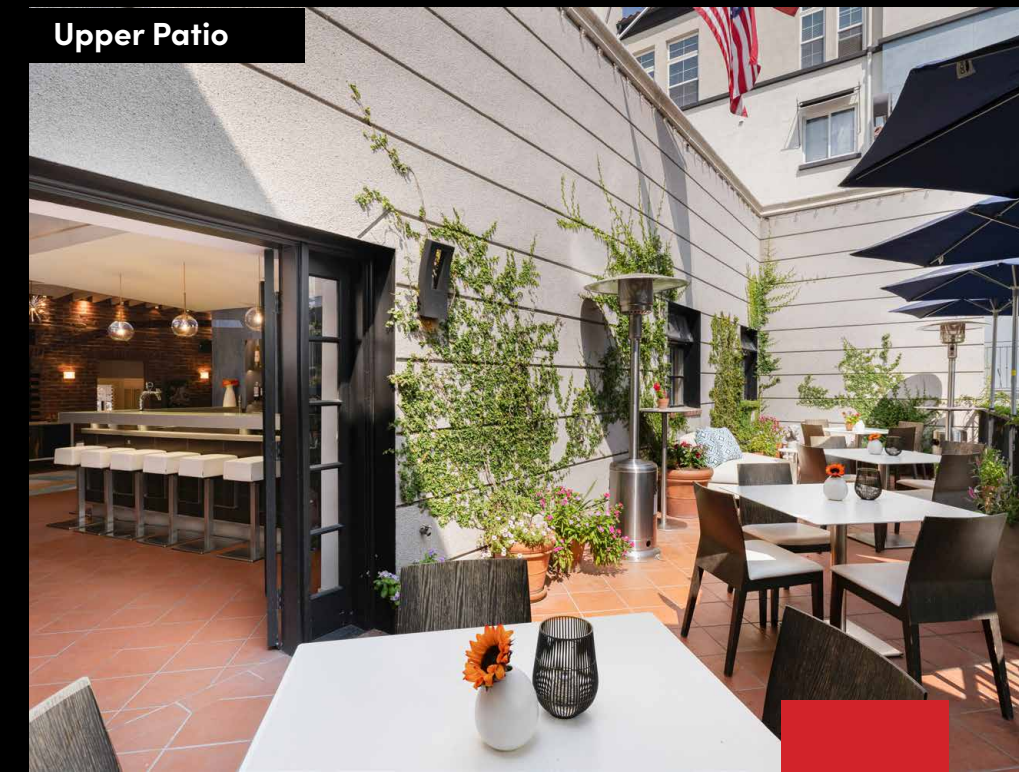
Upper Dining and Bar



Upper Bar



Patio Dining



Upper Patio



Caffè Calabria

COFFEE ROASTING CO.

INQUIRE

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OWNER

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The foundation of each bag of your favorite roast, cup of coffee, or coffee infused cocktail is our dedicated team of professionals, selecting the best coffee beans from around the globe to be expertly roasted to ensure the best characteristics of each bean are extracted for your drinking pleasure.