



# DUTCH BROS COFFEE

MCKINNEY, TEXAS (DALLAS-FORT WORTH MSA)

YURAS  
AICALE  
FORSYTH  
CROWLE

Leased Investment Team

## OFFERING MEMORANDUM

**\$2,054,000 | 4.25% CAP RATE**

- » 15-Year Absolute NNN Lease with Corporate Guaranty
- » 10% Rental Increases Every Five Years
- » Dutch Bros is the Country's Largest Privately Held Drive-Thru Coffee Chain with A Goal of Adding More Than 500 New Sites by 2023
- » High-Traffic Location in Large, Growing, and Extremely Affluent Area
- » Excellent Visibility and Access to 83,000 Vehicles Per Day Along North Custer Road
- » 194,545 Residents Live Within a Five-Mile Radius and One of the Fastest Growing Cities in America
- » \$146,886 Average Annual Household Income Within a Three-Mile Radius of the Property
- » Central Location Near Large Employers, Retailers, and Community Hubs
- » Outparcel to Walmart Supercenter-Anchored Shopping Center
- » New 2021 Construction Featuring Dedicated Dual Drive-Thru
- » Texas Has No State Income Tax, Estate Tax, or Inheritance Tax

REPRESENTATIVE PHOTO



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Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

## LEAD BROKERS

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AICALE  
FORSYTH  
CROWLE**

Leased Investment Team

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

# INVESTMENT SUMMARY

<b>ADDRESS</b>	1501 North Custer Road, McKinney, Texas 75071		
<b>PRICE</b>	<b>\$2,054,000</b>		
<b>CAP RATE</b>	<b>4.25%</b>		
<b>NOI</b>	\$87,267		
<b>TERM</b>	15 years		
<b>RENT COMMENCEMENT</b>	April 7, 2021 (estimated)		
<b>LEASE EXPIRATION</b>	April 30, 2036 (estimated)		
<b>RENTAL INCREASES</b>	10% rental increases every five (5) years		
	<b>YEAR</b>	<b>RENT</b>	<b>RETURN</b>
	1-5	\$87,267	4.25%
	6-10	\$95,994	4.68%
	11-15	\$105,593	5.14%
	16-20 (Option 1)	\$116,152	5.66%
	21-25 (Option 2)	\$127,768	6.22%
	26-30 (Option 3)	\$140,544	6.84%
	31-35 (Option 4)	\$154,599	7.53%
<b>YEAR BUILT</b>	2021 (under construction)		
<b>BUILDING SF</b>	920 SF		
<b>PARCEL SIZE</b>	0.848 acres (36,939 SF)		
<b>LEASE TYPE</b>	Absolute NNN lease, with tenant responsible for all taxes, insurance, and maintenance, including roof, structure, and parking lot		

## NEW 15-YEAR ABSOLUTE NNN LEASE WITH SCHEDULED RENTAL INCREASES TO STRONG RETAIL TENANT

- » New 15-year NNN lease with four (4) five (5) year options, creating a stable, long-term investment
- » 10% rental increases every five years, providing a hedge against inflation
- » Absolute NNN lease requires zero landlord management, ideal for an out-of-area investor
- » Dutch Bros is the country's largest privately held drive-thru coffee chain, with planned growth of adding more than 500 stores by 2023

## HIGH-TRAFFIC LOCATION IN LARGE, GROWING, AND EXTREMELY AFFLUENT TEXAS SUBMARKET

- » Excellent visibility and convenient access to 83,000 vehicles per day directly in front of the site on North Custer Road
- » Beneficial proximity to highly trafficked McKinney thoroughfares, including U.S. Route 380/ University Drive and Virginia Parkway (53,021 AADT)
- » 194,545 residents live within a five-mile radius in one of the fastest growing cities in America
- » Average annual household income of \$146,886 within a three-mile radius of the property, providing an extremely affluent customer base for the site
- » Projected 11 percent average annual household income increase within three miles of the site in the next five years, poising Dutch Bros Coffee and McKinney for significant concurrent growth

## CENTRAL LOCATION NEAR LARGE EMPLOYERS, RETAILERS, AND COMMUNITY HUBS

- » Outparcel to Walmart Supercenter-anchored shopping center, funneling crossover shopping directly to the location
- » Surrounded by a strong mix of local and national retailers, including McDonald's, Whataburger, Wells Fargo, Burger King, Starbucks, Popeye's Louisiana Kitchen, and many more
- » Within four miles of McKinney's most popular golf courses, including Stonebridge Ranch Country Club and WestRidge Golf Course
- » Beneficial proximity to highly attended McKinney schools, including Rock Hill High School, Jim and Betty Hughes Elementary School, and Wilbeth Elementary School (combined 3,303 students)
- » Common gateway to Dallas, the ninth-most populous city in the U.S. (population 1,343,573)

## NEW 2021 CONSTRUCTION IN INCOME TAX FREE STATE

- » 2021 construction featuring a dedicated dual drive-thru, providing additional customer convenience and boosting sales revenue
- » Features latest store designs and concepts
- » Texas has no state income tax, estate tax, or inheritance tax



REPRESENTATIVE PHOTO





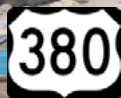
Cynthia A. Cockrell  
Elementary School  
(785 students)

Responsive Education Solutions  
(under construction, \$21.5 million investment)



SmartStop  
Self Storage

Five Star  
Truck Brokerage



/ University Drive  
(37,381 AADT)



North Custer Road  
(83,000 AADT)



Fabulous  
Car Wash



Eco Green  
Dry Clean







Aero Country  
Airport-T31

Rock Hill High School  
(1,798 students)

Jim And Betty Hughes  
Elementary School  
(865 students)

3801 / University Drive  
(37,381 AADT)



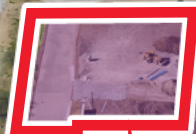
INDUSTRIAL REGION

Aviator Park



Cross Timbers Veterinary  
Center & Boarding Facility

North Custer Road  
(83,000 AADT)



Eco Green  
Dry Clean







Stonebridge  
Ranch Country Club

Eddins Elementary School  
(388 students)

Virginia Parkway  
(15,640 AADT)

Westridge  
Golf Course



Cross Timbers Veterinary  
Center & Boarding Facility



Eco Green Dry Clean



North Custer Road  
(83,000 AADT)







(143-bed medical center with 600 employees)



McClure Elementary School  
(653 students)

Wilbeth Elementary School  
(640 students)



University Drive  
(37,381 AADT)



Fabulous  
Car Wash



North Custer Road  
(83,000 AADT)



Eco Green  
Dry Clean



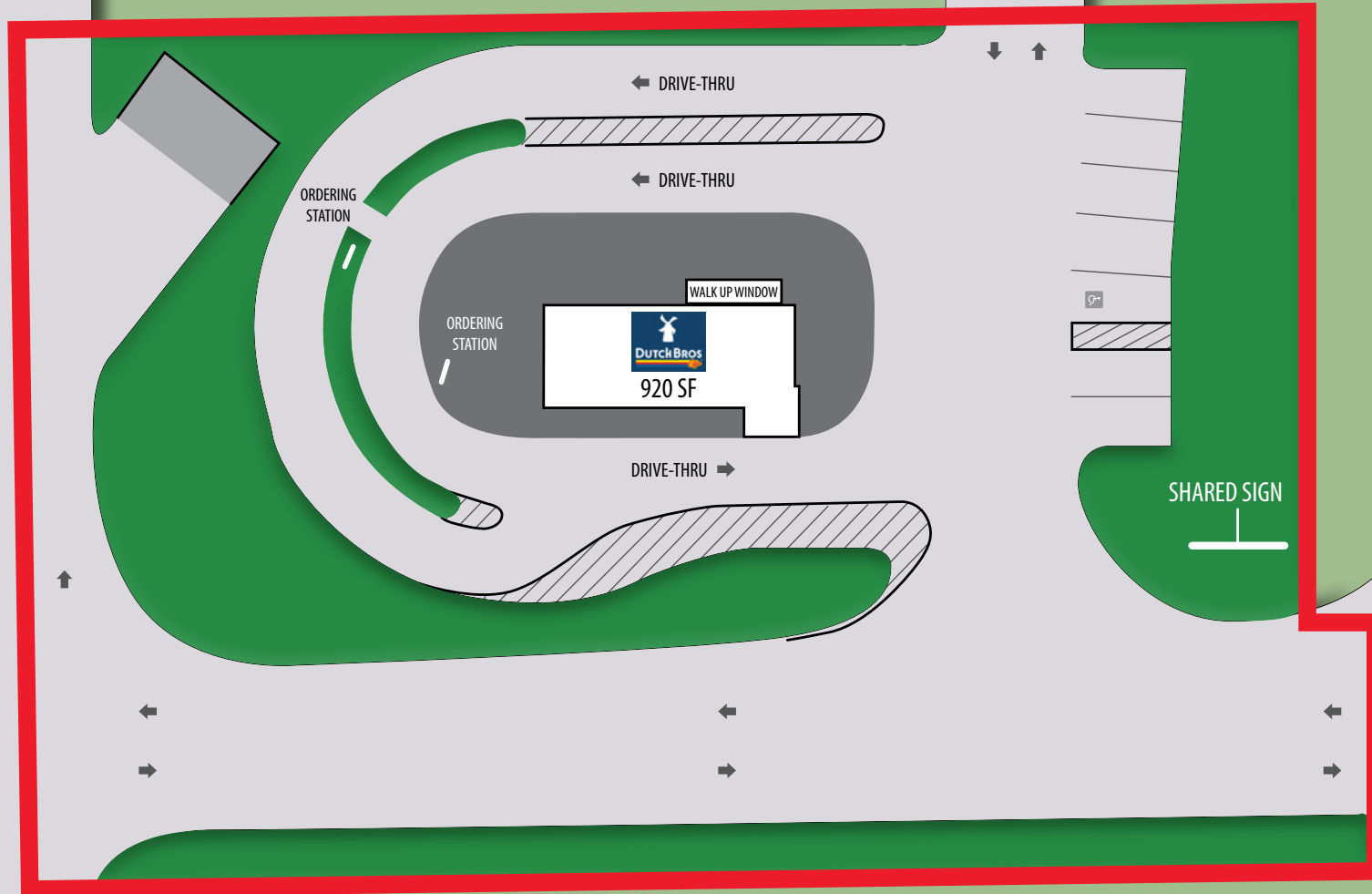
Cross Timbers Veterinary  
Center & Boarding Facility





# SITE PLAN

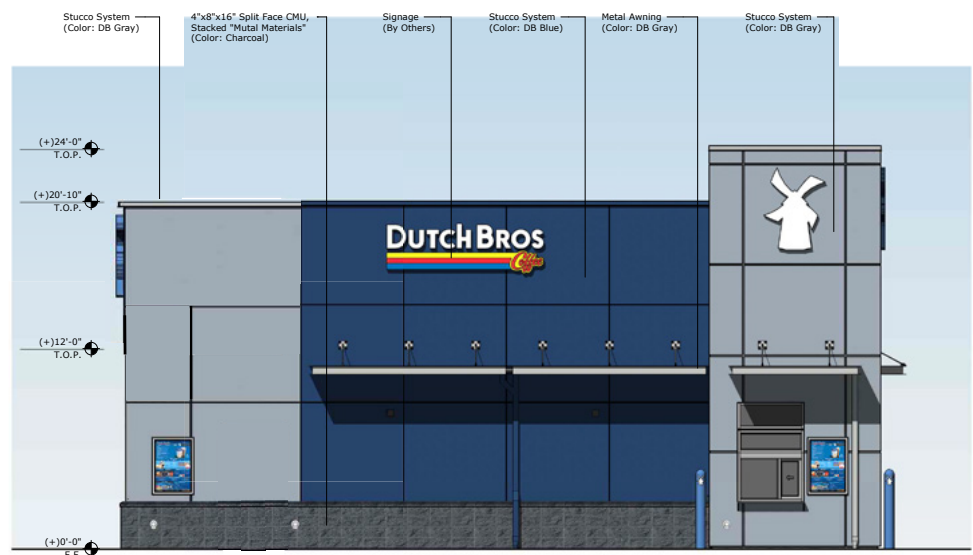
CROSS ACCESS WITH  
WALMART



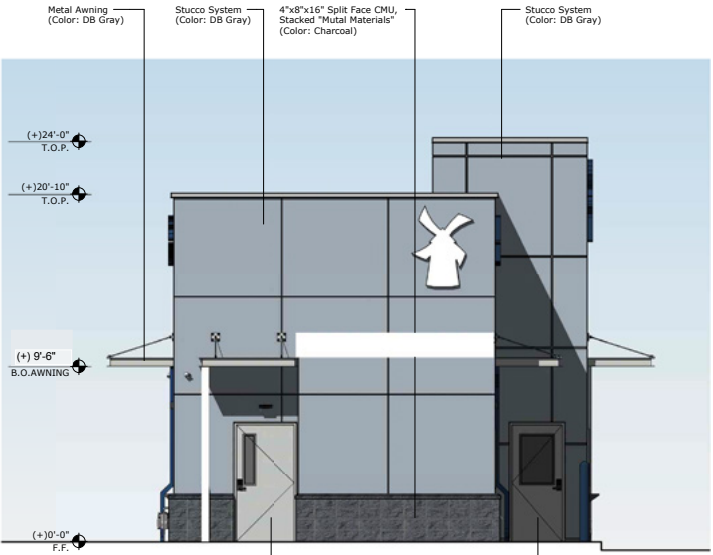
NORTH CUSTER ROAD



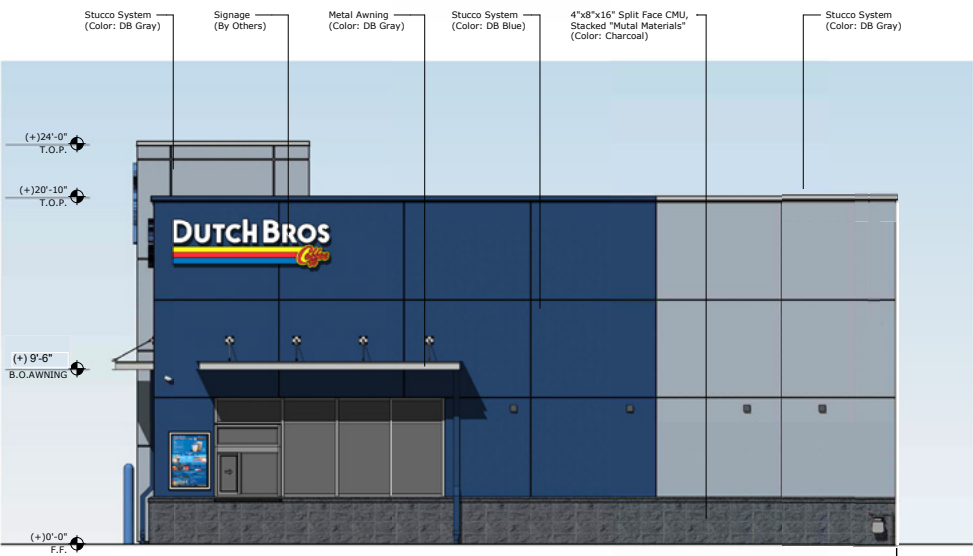
# ELEVATIONS



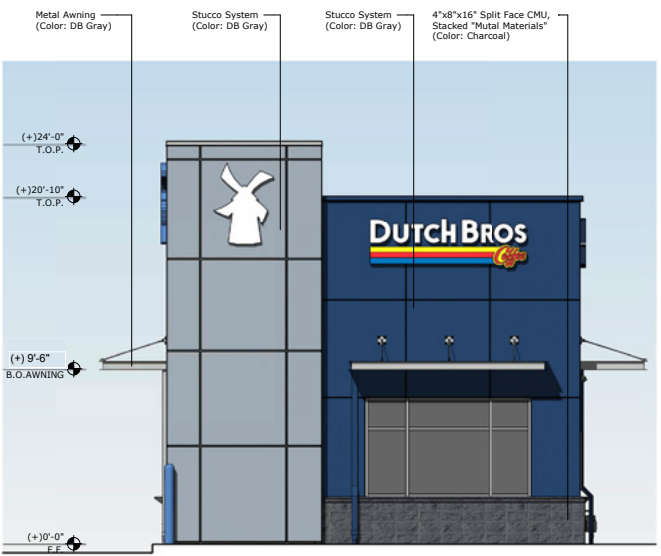
**Drive-Up Elevation**



**Rear Elevation**



**Walk-Up Elevation**



**Front Elevation**



# TENANT SUMMARY



Dutch Bros Coffee, founded in 1992 and headquartered in Grants Pass, Oregon, is the country's largest privately held drive-thru coffee chain with company-owned and franchise locations throughout the Western United States. Dutch Bros has over 400 locations throughout seven states and over 12,000 team members. In 2017, Forbes named Dutch Bros one of its Small Giants: Best Small Companies. Dutch Bros, its owner/operators and the Love Abounds Foundation remain committed to the community, donating millions of dollars annually to nonprofit organizations and local causes.

For more information, please visit [www.dutchbros.com](http://www.dutchbros.com).

<b>OWNERSHIP</b>	Private	<b>HEADQUARTERS</b>	Grants Pass, OR
<b>LOCATIONS</b>	400+	<b>SALES</b>	\$494M

# LEASE ABSTRACT

<b>TENANT</b>	BB Holdings TX, LLC		
<b>GUARANTOR</b>	Boersma Bros. LLC (Corporate)		
<b>ADDRESS</b>	<a href="#">1501 North Custer Road, McKinney, Texas 75071</a>		
<b>RENT COMMENCEMENT</b>	April 7, 2021 (estimated)		
<b>LEASE EXPIRATION</b>	April 30, 2036 (estimated)		
<b>RENEWAL OPTIONS</b>	Four (4) options of five (5) years each		
<b>RENTAL INCREASES</b>	<b>YEAR</b> 1-5 6-10 11-15 16-20 (Option 1) 21-25 (Option 2) 26-30 (Option 3) 31-35 (Option 4)	<b>RENT</b> \$87,267 \$95,994 \$105,593 \$116,152 \$127,768 \$140,544 \$154,599	<b>RETURN</b> 4.25% 4.68% 5.14% 5.66% 6.22% 6.84% 7.53%
<b>REAL ESTATE TAXES</b>	Tenant is responsible for all real estate taxes.		
<b>INSURANCE</b>	Tenant is responsible for all insurance costs.		
<b>REPAIR &amp; MAINTENANCE</b>	Tenant is responsible for all maintenance including roof, structure and parking lot.		
<b>MAINTENANCE BY LANDLORD</b>	None		
<b>RIGHT OF FIRST REFUSAL</b>	None		



# PROPERTY OVERVIEW

## LOCATION

The property is located on North Custer Road, with excellent visibility and convenient access to 83,000 vehicles per day directly in front of the location. The site serves an extremely large demographic, with 194,545 residents living within a five-mile radius of the location. The property benefits from convenient access to U.S. Route 380/University Drive and Virginia Parkway, which experience a combined traffic count of 53,021 vehicles per day near the property. The site is located in a highly populated (194,545 people within five miles) and affluent area, with an average annual household income of \$146,886 within a three-mile radius of the property. With a projected 11 percent average annual household income increase within three miles of the site in the next five years, Dutch Bros Coffee and McKinney are poised for significant concurrent growth.

The property is centrally located near large employers, retailers, and community hubs. The site is outparcel to a Walmart Supercenter-anchored shopping center, funneling crossover shopping directly to the location. The property is surrounded by a strong mix of local and national retailers, including McDonald's, Whataburger, Wells Fargo, Burger King, Starbucks, Popeye's Louisiana Kitchen, and many more. The site also resides within four miles of McKinney's most popular golf courses, including Stonebridge Ranch Country Club and WestRidge Golf Course. The location features a beneficial proximity to highly attended McKinney schools, including Rock Hill High School, Jim and Betty Hughes Elementary School, and Wilbeth Elementary School (combined 3,303 students). Visibility is greatly increased by the property serving as a common gateway to Dallas, the ninth-most populous city in the U.S. (population 1,343,573).

## ACCESS

Access from North Custer Road and interparcel access from U.S. Route 380/East University Drive through Walmart

## TRAFFIC COUNTS

North Custer Road:	83,000 AADT
U.S. Route 380/University Drive:	37,381 AADT
Virginia Parkway:	15,640 AADT

## PARKING

8 parking stalls, including one (1) handicap stall

## YEAR BUILT

2021 (under construction)

## NEAREST AIRPORT

Dallas Fort Worth International Airport (DFW) | 34 miles



8

PARKING  
STALLS



2021

YEAR BUILT



NEAREST  
AIRPORTS

DALLAS FORT  
WORTH  
INTERNATIONAL  
AIRPORT



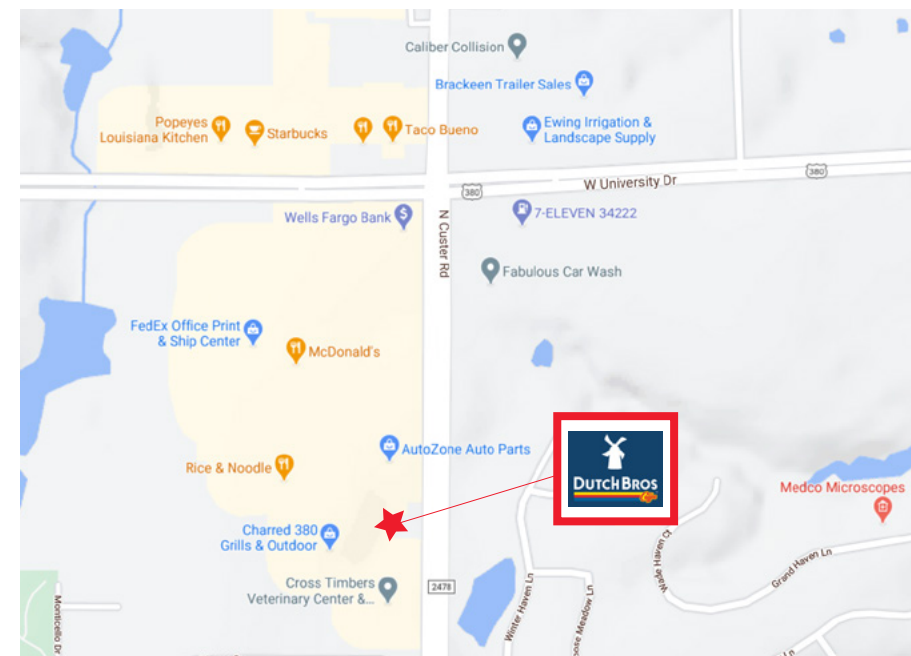
# AREA OVERVIEW

McKinney is a city in and the county seat of Collin County, Texas. It is Collin County's second-largest city, after Plano. A suburb of the Dallas-Fort Worth metroplex, McKinney resides approximately 32 miles north of Dallas. The City of McKinney is dedicated to offering the highest quality of development, infrastructure, and quality of life for its citizens. The McKinney economy is diverse and boasts of a mix of industries – medical technology, data management, manufacturing, sustainability, aviation, defense, retail, office, and transportation. The city has attracted companies like Raytheon, Wistron GreenTech, Emerson Process Management, and others. Additionally, homegrown companies, like Encore Wire, RMCN, and Grandon Industries are also thriving. At the center of Collin County, McKinney offers open spaces with room for businesses to grow, but with big-city resources. Employers can take advantage of McKinney's highly qualified employee pool, while everyone can take advantage of the city's hometown lifestyle.

Collin County is the seventh-most populous county in Texas and the 45th-largest county by population in the U.S. Collin County is part of the Dallas-Fort Worth-Arlington metropolitan statistical area, with a small portion of the city of Dallas residing in the county. Almost 50 percent of new American jobs created in the last 20 years have been in Texas. Many of these were in Collin County, with its solid school system, lower taxes, relaxed regulatory environment, well-educated employee pool, and delightful quality of life. The county has a total of 16 chambers of commerce that market their communities to prospective businesses and support the ones already located in the county by providing educational and networking opportunities. In addition, many economic development corporations support the business community. They are funded by dedicated tax revenues and seek to encourage retention and expansion of local businesses, while recruiting new ones by offering support, even incentives, to move in. These economic-development efforts have helped grow the Collin County property tax base to almost \$100,000 billion.

- » In 2014, McKinney was rated No. 1 by Money magazine as "Best Place to Live" in America.
- » The most recent population estimate, produced by the city of McKinney as of 2019, is 199,177. As of May 2017, McKinney was the third-fastest-growing city in the United States.
- » McKinney's Comprehensive Annual Financial Report states that the city's various funds had \$324.6 million in total revenues, \$247.9 million in total expenditures, \$1,360.8 million in total assets, \$437.6 million in total liabilities, and \$363.9 million in cash and investments.
- » Five of the seven school districts serving McKinney placed in the top five percent in the Niche 2018 Best School Districts in America rankings; Allen ISD ranked #33 nationally, Frisco ISD ranked #60, Prosper ISD ranked #73, Lovejoy ISD ranked #78, and McKinney ISD ranked #268.

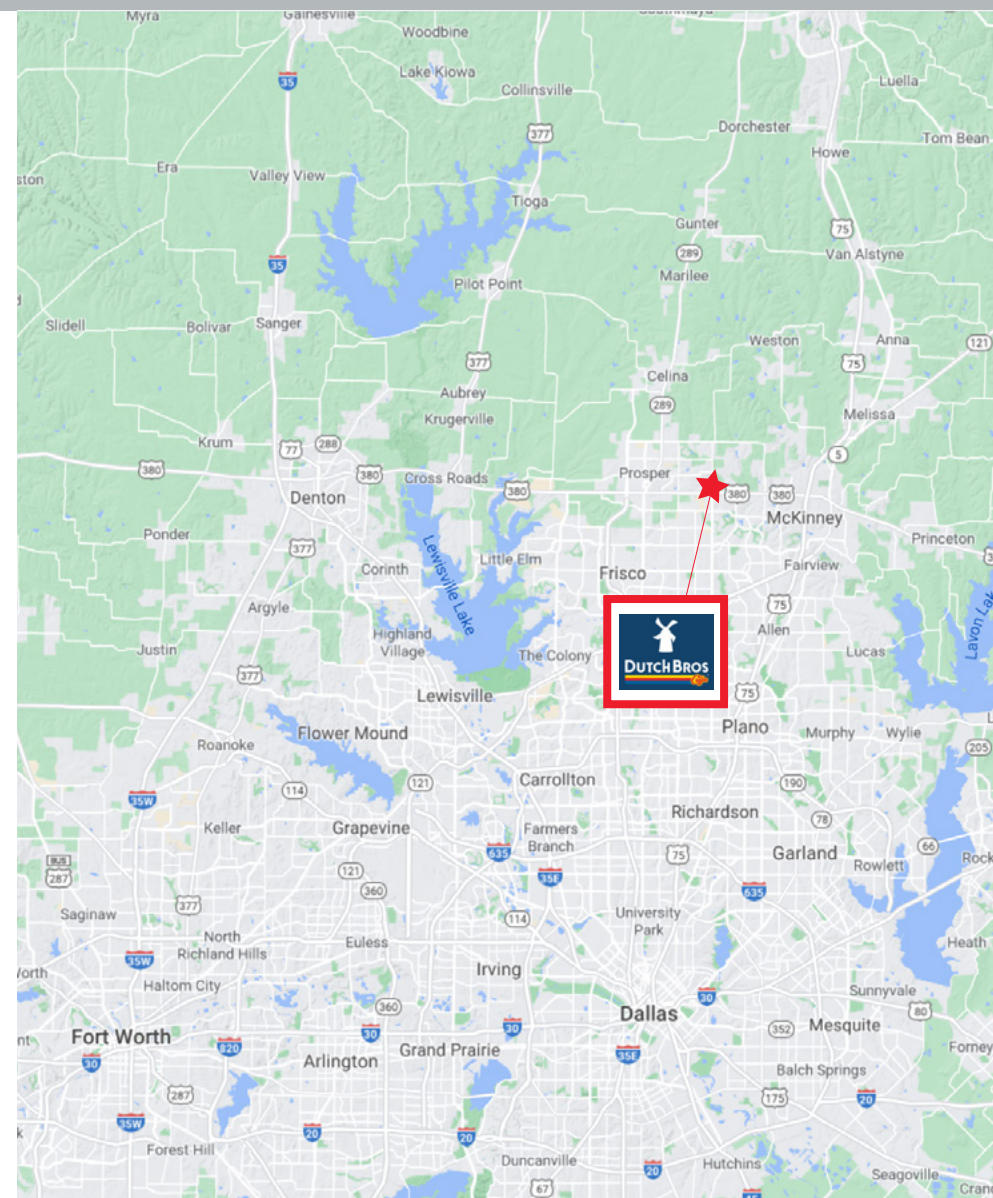
LARGEST EMPLOYERS IN MCKINNEY, TX	# OF EMPLOYEES
RAYTHEON SPACE & AIRBORNE SYSTEMS	2,725
COLLIN COLLEGE	2,631
MCKINNEY INDEPENDENT SCHOOL DISTRICT	2,500
TORCHMARK CORPORATION	1,640
ENCORE WIRE CORPORATION	1,350
CITY OF MCKINNEY	1,271
MEDICAL CENTER OF MCKINNEY	1,000
BAYLOR SCOTT & WHITE MEDICAL CENTER - MCKINNEY	738
TIMBERBLINDSMETROSHADE	450
WATSON & CHALIN MFG INC.	350





# DEMOGRAPHIC PROFILE

2020 SUMMARY	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>7,865</b>	<b>81,028</b>	<b>194,545</b>
Households	2,477	26,283	64,139
Families	1,985	21,488	51,563
Average Household Size	3.18	3.08	3.03
Owner Occupied Housing Units	2,089	21,502	50,917
Renter Occupied Housing Units	388	4,782	13,222
Median Age	33.4	34.6	34.1
<b>Average Household Income</b>	<b>\$143,705</b>	<b>\$146,886</b>	<b>\$144,242</b>
2025 ESTIMATE	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>8,632</b>	<b>92,536</b>	<b>225,304</b>
Households	2,715	29,819	73,846
Families	2,169	24,310	59,197
Average Household Size	3.18	3.10	3.05
Owner Occupied Housing Units	2,293	24,419	58,634
Renter Occupied Housing Units	422	5,400	15,211
Median Age	32.6	34.0	33.6
<b>Average Household Income</b>	<b>\$156,987</b>	<b>\$162,313</b>	<b>\$159,154</b>



**AVERAGE HOUSEHOLD INCOME OF \$146,886**  
WITHIN THREE MILES



**POPULATION OF 194,545**  
WITHIN FIVE MILES



# INFORMATION ABOUT BROKERAGE SERVICES



## Information About Brokerage Services

*Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.*

11-2-2015



### TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

### A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

### A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - o that the owner will accept a price less than the written asking price;
  - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - o any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

### TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone
Buyer/Tenant/Seller/Landlord Initials		Date	





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