



# DUTCH BROS COFFEE GROUND LEASE

TULSA, OKLAHOMA

YURAS  
AICALE  
FORSYTH  
CROWLE

Leased Investment Team

## OFFERING MEMORANDUM

**\$2,561,000 | 4.10% CAP RATE**

- » 15-Year Absolute NNN Ground Lease to Iconic Corporate Tenant
- » 10% Rental Increases Every Five Years
- » Dutch Bros Recently Went Public Valued at Over \$3.8 Billion
- » Dutch Bros is on Track to Open More Than 100 Stores in 2021
- » High-Traffic, Hard Corner Location in Large, Growing, and Affluent Area
- » Excellent Visibility and Access to 78,600 Vehicles Per Day at the Signalized Four-Way Intersection of East 51st Street South and South Yale Avenue
- » 240,250 Residents Live Within a Five-Mile Radius Establishing Strong Customer Base for the Property
- » \$85,796 Average Annual Household Income Within a Three-Mile Radius of the Property
- » Central Location Near Large Employers, Retailers, and Community Hubs
- » 1.5 Miles From Tulsa County's Largest Employer, Saint Francis Hospital (1,112 Beds, 10,250 Employees)
- » New 2021 Construction Featuring Dedicated Dual-Lane Drive-Thru

REPRESENTATIVE PHOTO



# TABLE OF CONTENTS



<b>INVESTMENT SUMMARY</b>	<b>1</b>
<b>AERIALS</b>	<b>2</b>
<b>SITE PLAN</b>	<b>6</b>
<b>TENANT SUMMARY</b>	<b>7</b>
<b>PROPERTY OVERVIEW</b>	<b>8</b>
<b>AREA OVERVIEW</b>	<b>9</b>
<b>DEMOGRAPHIC PROFILE</b>	<b>10</b>

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.

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Leased Investment Team

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# INVESTMENT SUMMARY

<b>ADDRESS</b>	4725 East 51st Street, Tulsa, Oklahoma 74135		
<b>PRICE</b>	<b>\$2,561,000</b>		
<b>CAP RATE</b>	<b>4.10%</b>		
<b>NOI</b>	\$105,000		
<b>TERM</b>	15 years		
<b>RENT COMMENCEMENT</b>	In no event later than January 10, 2022		
<b>LEASE EXPIRATION</b>	15 years from rent commencement date		
<b>RENTAL INCREASES</b>	10% rental increases every five (5) years		
	<b>YEAR</b>	<b>RENT</b>	<b>RETURN</b>
	1-5	\$105,000	4.10%
	6-10	\$115,500	4.51%
	11-15	\$127,050	4.96%
	16-20 (Option 1)	\$139,755	5.46%
	21-25 (Option 2)	\$153,731	6.00%
	26-30 (Option 3)	\$169,104	6.60%
<b>YEAR BUILT</b>	2021 (under construction)		
<b>BUILDING SF</b>	862 SF		
<b>PARCEL SIZE</b>	0.7 acres (30,492 SF)		
<b>LEASE TYPE</b>	Absolute NNN ground lease, with tenant responsible for all taxes, insurance, and maintenance, including roof, structure, and parking lot		

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

- » New 15-year absolute NNN ground lease with three (3) five (5) year options, creating a stable, long-term investment
- » 10% rental increases every five years, providing a hedge against inflation
- » Requires zero landlord management, ideal for an out-of-area investor
- » Dutch Bros recently went public valued at over \$3.8 billion (NYSE: "BROS")
- » Dutch Bros sales are up 51% through the first six (6) months of 2021 after a record performance in 2020

## HIGH-TRAFFIC, HARD CORNER LOCATION IN LARGE, GROWING, AND AFFLUENT AREA

- » Excellent visibility and convenient access to 78,600 vehicles per day at the signalized four-way intersection of East 51st Street South and South Yale Avenue
- » Beneficial proximity to highly trafficked Tulsa thoroughfares, including Interstate 44 (101,600 AADT)
- » 240,250 residents live within a five-mile radius, creating a strong customer base
- » Average annual household income of \$85,796 within a three-mile radius of the property
- » Projected eight percent average annual household income increase within five miles of the site in the next five years, poising Dutch Bros Coffee and Tulsa for significant concurrent growth

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

- » 1.5 miles from Tulsa County's largest employer, Saint Francis Hospital (1,112 beds, 10,250 employees)
- » Surrounded by a strong mix of local and national retailers, including Walmart Neighborhood Market, Target, Lowe's Home Improvement, Barnes & Noble, AMC Southroads 20, and many more
- » Walking distance from five hotels with a combined 508 rooms, greatly increasing foot traffic to the location
- » One mile from Oklahoma University – Tulsa (1,600 students)

## NEW 2021 CONSTRUCTION

- » 2021 construction featuring a dedicated dual-lane drive-thru, providing additional customer convenience and boosting sales revenue
- » Features latest store designs and concepts
- » New building, limiting near-term deferred maintenance or capital costs



REPRESENTATIVE PHOTO





Walgreens

Wendy's

Tulsa State Fair  
(1 million annual visitors)

Chick-fil-A

Panera  
BREAD

Walmart  
Neighborhood Market

Firestone  
COMPLETE AUTO CARE

Burlington  
TARGET  
LOWE'S  
McALISTER'S  
DELI

AMC  
THEATRES

BARNES & NOBLE  
www.bn.com

Bishop Kelley High School  
(905 students)

The UNIVERSITY of OKLAHOMA - TULSA  
SCHUSTERMAN CENTER  
(1,600 students)

SALTGRASS  
STEAK HOUSE

Canes  
CHICKEN FINGERS

McDonald's

HIBBETT  
SPORTS

Starbucks

BEST  
BUY

COST PLUS  
WORLD MARKET

Comfort  
INN  
(101 rooms)

Holiday Inn  
Express & Suites  
(87 rooms)

Hilton  
Garden Inn  
(107 rooms)

OUTBACK  
STEAKHOUSE

Carl's Jr.

BED BATH &  
BEYOND

the  
YMCA

Dillard's

Applebee's  
GRILL & BAR

KIA

Red  
Roof Inn  
ACOR hotels  
(107 rooms)

Interstate 44  
(101,600 AADT)

Residence  
Inn  
Marriott  
(107 rooms)

Jack  
in the box

Andy's  
Frozen Custard

US  
BEEF  
CORPORATION

East 51st Street South  
(26,400 AADT)

BRAUM'S

(under construction)

South Yale Avenue  
(52,200 AADT)

TACO BELL

Dutch Bros  
(under construction)

Arby's

LaFortune Park  
Golf Course

SONIC  
America's  
Drive-In

Red Lobster

PediStat  
Pediatric Urgent Care  
"Hop In, Hop Out!"

BrightStar Care





ARKANSAS RIVER

Edison Preparatory School  
(1,173 students)

HOBBY  
LOBBY®

Walgreens

urbanAir  
ADVENTURE PARK

LONG  
JOHN  
SILVERS

DOLLAR TREE

Pei Wei

Red Lobster

SONIC  
America's  
Drive-In

TACO BELL

Hilton  
Garden Inn  
(107 rooms)

PediStat  
Pediatric Urgent Care  
"Hop In, Hop Out!"

H  
Holiday Inn  
Express  
& Suites  
(87 rooms)

QDOBA

BrightStar Care

East 51st Street South  
(26,400 AADT)

BRAUM'S

Andy's  
Frozen Custard

44 / Interstate 44  
(101,600 AADT)

South Yale Avenue  
(52,200 AADT)

under construction

Residence  
Inn  
Marriott  
(107 rooms)

Jack  
in the box

Comfort  
INN  
(101 rooms)

Canes  
RAISING THE BARS  
CHICKEN FINGERS

SALTGRASS  
STEAK HOUSE

LaFortune Park  
Golf Course

DUTCH  
BROS  
(under construction)

Arby's

US  
BEER  
CORPORATION

KIA

Applebee's  
GRILL & BAR

OUTBACK  
STEAKHOUSE®






Memorial High School  
(978 students)

LaFortune Stadium

LaFortune Park  
Golf Course

 **Dignity Health.**  
Saint Francis Memorial Hospital  
(1,112 beds, 10,250 employees)

  
**DOUBLETREE**  
BY HILTON™  
(107 rooms)



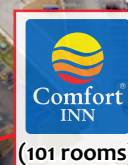
Carnegie Elementary School  
(403 students)



East 51st Street South  
(26,400 AADT)



South Yale Avenue  
(52,200 AADT)







INDUSTRIAL REGION



Memorial Middle School  
and Salk Elementary School  
(980+ students combined)



LaFortune Park  
Golf Course



South Yale Avenue  
(52,200 AADT)



East 51st Street South  
(26,400 AADT)





# SITE PLAN





# TENANT SUMMARY



Dutch Bros Coffee, founded in 1992 and headquartered in Grants Pass, Oregon, is a drive-thru coffee chain with company-owned and franchise locations throughout the Western United States. On September 15, 2021, Dutch Bros launched their IPO on the New York Stock Exchange valued at \$3.3 billion. Dutch Bros has over 480 locations throughout seven states and over 12,000 team members, with plans to grow to 4,000 locations nationwide. Dutch Bros sales are up 51% through the first six months of 2021 after a record performance in 2020. 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>TICKER</b>	<b>NYSE: "BROS"</b>	<b>HEADQUARTERS</b>	<b>Grants Pass, OR</b>
<b>LOCATIONS</b>	<b>480+</b>	<b>SALES</b>	<b>\$567M</b>

# LEASE ABSTRACT

<b>TENANT</b>	BB Holdings OK Group, LLC		
<b>GUARANTOR</b>	Boersma Bros. LLC (Corporate)		
<b>ADDRESS</b>	<a href="#">4725 East 51st Street, Tulsa, Oklahoma 74135</a>		
<b>RENT COMMENCEMENT</b>	In no event later than January 10, 2022		
<b>LEASE EXPIRATION</b>	15 years from rent commencement date		
<b>RENEWAL OPTIONS</b>	Three (3) 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)	<b>RENT</b> \$105,000 \$115,500 \$127,050 \$139,755 \$153,731 \$169,104	<b>RETURN</b> 4.10% 4.51% 4.96% 5.46% 6.00% 6.60%
<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 at the signalized four-way intersection of East 51st Street South and South Yale Avenue, which experiences 78,600 vehicles per day. The site serves an extremely large demographic, with 240,250 residents living within a five-mile radius of the location. The property also benefits from its convenient access to Interstate 44, which experiences a high traffic count of 101,600 vehicles per day near the property. The site has average annual household income of \$85,796 within a three-mile radius of the property. With a projected eight percent average annual household income increase within five miles of the site in the next five years, Dutch Bros Coffee and Tulsa are poised for significant concurrent growth.

The property is centrally located near large employers, retailers, and community hubs. The site is 1.5 miles from Tulsa County's largest employer, Saint Francis Hospital (1,112 beds, 10,250 employees). The property is surrounded by a strong mix of local and national retailers, including Walmart Neighborhood Market, Target, Lowe's Home Improvement, Barnes & Noble, AMC Southroads 20, and many more. The site also resides within walking distance of five hotels with a combined 508 rooms, greatly increasing foot traffic to the location. Additionally, the location features a beneficial proximity to Oklahoma University – Tulsa (1,600 students), significantly increasing traffic and visibility to the site.

## ACCESS

Access from East 51st Street South and South Yale Avenue

## TRAFFIC COUNTS

East 51st Street South:	26,400 AADT
South Yale Avenue:	52,200 AADT
Interstate 44:	101,600 AADT

## PARKING

12 parking stalls, including one (1) handicap stall

## YEAR BUILT

2021 (under construction)

## NEAREST AIRPORT

Tulsa International Airport (TUL | 10 miles)



**12**  
PARKING  
STALLS



**2021**  
YEAR BUILT



**NEAREST  
AIRPORTS**  
TULSA  
INTERNATIONAL  
AIRPORT



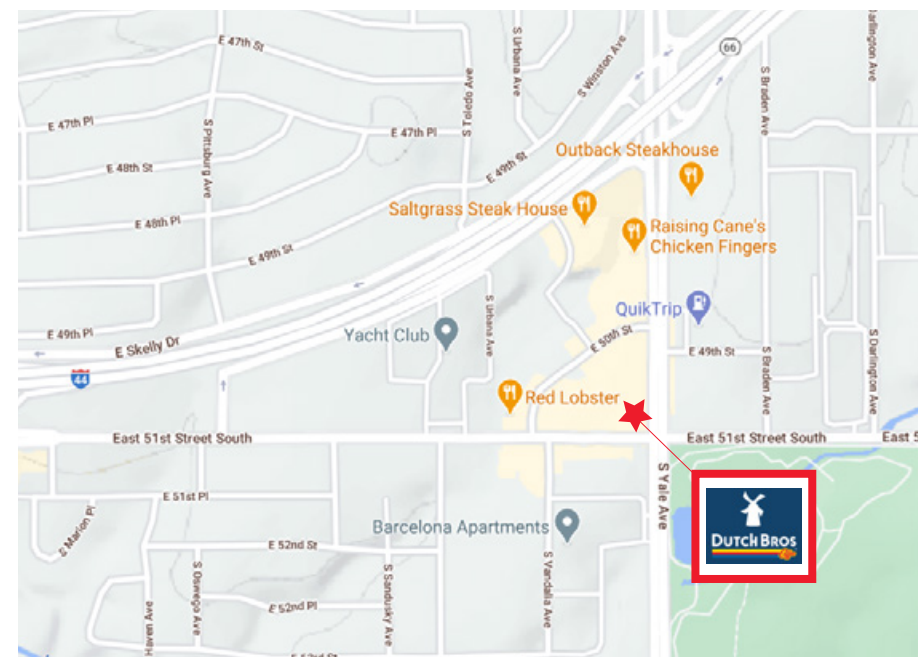
# AREA OVERVIEW

Tulsa is the second largest city in Oklahoma and is situated on the Arkansas River at the foothills of the Ozark Mountains in northeast Oklahoma. The region of the state is known as “Green Country”, and is considered the cultural and arts center of Oklahoma. The economy of Tulsa employs 461,000 people and the largest industries in Tulsa include health care and social assistance (61,996 people), manufacturing (54,632 people), and retail trade (50,616 people). Households in Tulsa have seen the median annual income grow by 1.26 percent since 2016. Tulsa is home to some of the nation’s largest companies, with key industry sectors that include aerospace, energy, health care, technology, manufacturing, and transportation — all contributing to a gross metro product of \$35.1 billion.

Tulsa County is included in the Tulsa Metropolitan Statistical Area. Tulsa County is notable for being the most densely populated county in the state. The County also ranks as having the highest income. The Tulsa MSA comprises seven counties: Creek, Okmulgee, Osage, Pawnee, Rogers, Tulsa, and Wagoner, whose aggregate population is estimated to be 995,747, or 25.3 percent of the population of the state of Oklahoma. The gross product or value of all goods and services produced in the seven-county MSA is estimated to be \$58.7 billion, or 33.4 percent of the Oklahoma economy. Because Tulsa’s cost of doing business is 11 percent lower than the U.S. average due to low rent, energy costs, and taxes, Tulsa is in a prime location for industry prospects looking to relocate or expand at a steady pace.

- » The Tulsa Port of Catoosa, at the head of the McClellan-Kerr Arkansas River Navigation System, is the most inland river port in the U.S. and provides access to international waterways.
- » Tulsa’s per-capita income is an average 11.6 percent better than the national average.
- » Major companies headquartered in the Tulsa area include QuikTrip Corporation, ONEOK, Mazzio’s Corporation, T.D. Williamson, and more.

LARGEST EMPLOYERS IN TULSA MSA	# OF EMPLOYEES
SAINT FRANCIS HEALTHCARE SYSTEM	10,250
WALMART	8,500
AMERICAN AIRLINES	7,000
ST. JOHN HEALTH SYSTEM	7,000
TULSA PUBLIC SCHOOLS	7,000
HILLCREST HEALTHCARE SYSTEM	6,250
REASOR’S	4,000
HARD ROCK HOTEL AND CASINO	4,000
QUIKTRIP	4,000
CITY OF TULSA	3,834





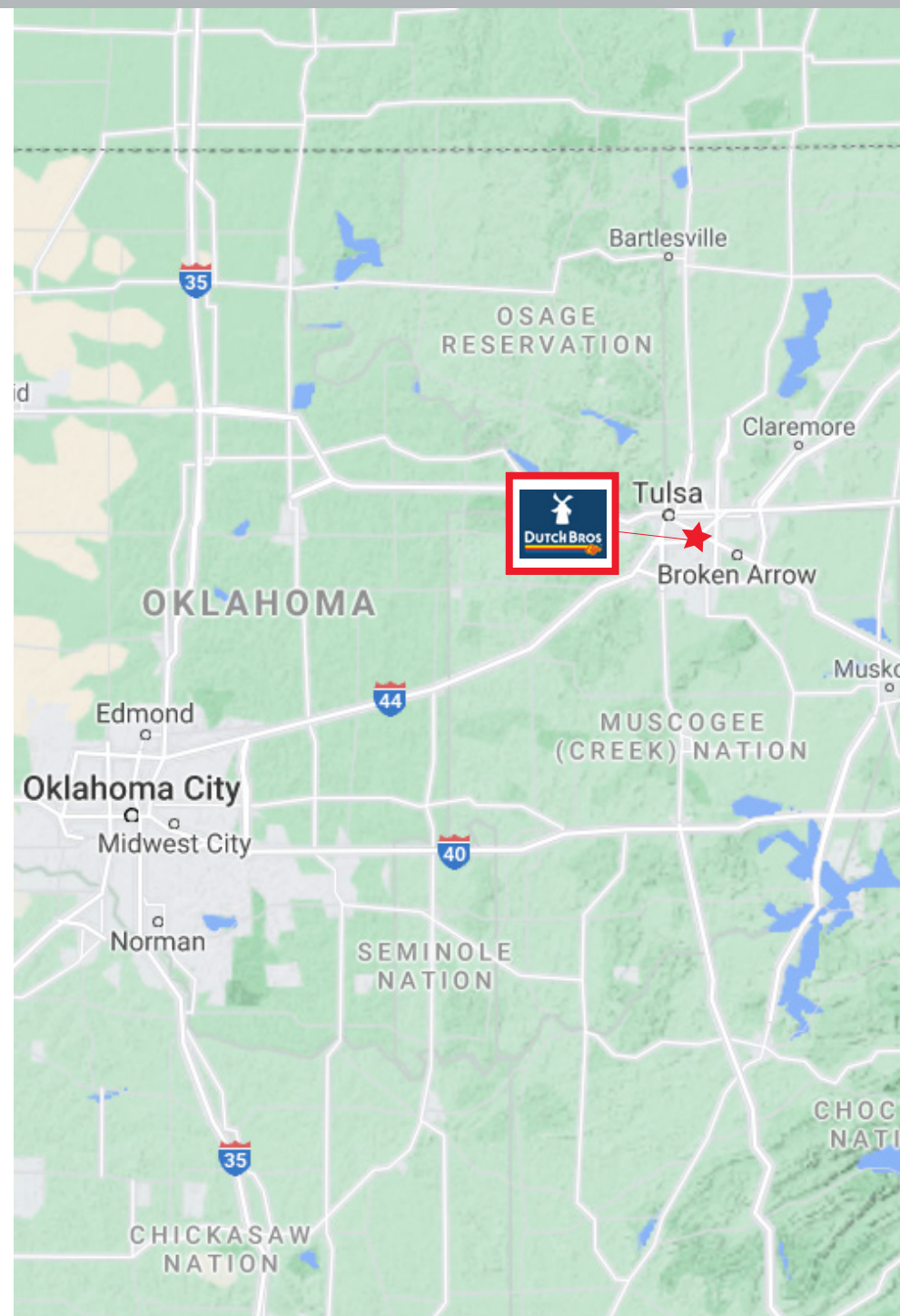
# DEMOGRAPHIC PROFILE

2020 SUMMARY	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>10,898</b>	<b>93,128</b>	<b>240,250</b>
Households	5,229	43,254	106,965
Families	2,605	22,941	56,599
Average Household Size	2.05	2.12	2.20
Owner Occupied Housing Units	2,512	23,631	53,278
Renter Occupied Housing Units	2,718	19,623	53,687
Median Age	43.0	42.0	37.7
<b>Average Household Income</b>	<b>\$83,039</b>	<b>\$85,796</b>	<b>\$81,211</b>

2025 ESTIMATE	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>11,007</b>	<b>94,008</b>	<b>243,657</b>
Households	5,274	43,577	108,297
Families	2,606	22,934	56,875
Average Household Size	2.05	2.13	2.21
Owner Occupied Housing Units	2,541	23,751	53,653
Renter Occupied Housing Units	2,733	19,826	54,644
Median Age	44.1	42.7	38.5
<b>Average Household Income</b>	<b>\$87,534</b>	<b>\$91,837</b>	<b>\$87,592</b>



**POPULATION OF 240,250**  
**WITHIN FIVE MILES**







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