



DUTCH BROS COFFEE

KATY, TEXAS (HOUSTON MSA)

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM

\$2,575,000 | 4.00% CAP RATE

- » 15-Year Absolute NNN Lease to Iconic Corporate Tenant (NYSE: "BROS")
 - » 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
- » Located in a Densely Populated, Extremely Affluent, and Growing Texas Corridor
 - » High-Traffic Location on Morton Ranch Road (19,429 AADT)
 - » Population of 265,945 Within a Five-Mile Radius
- » Central Location Near Large Employers, Retailers, and Community Hubs
 - » Located Near Several National Retailers, Including Walmart Supercenter, Kroger, HomeGoods, AutoZone, Exxon, Chase Bank, McDonald's, Taco Bell, Jack in the Box, and Many Others
- » New 2021 Construction with Dedicated Dual Drive-Thru



FILE 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.

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www.YAFteam.com

INVESTMENT OVERVIEW

ADDRESS	Morton Ranch Road & Willamette Drive, Katy, Texas 77449		
PRICE	\$2,575,000		
CAP RATE	4.00%		
NOI	\$103,000		
TERM	15 years		
RENT COMMENCEMENT	November 26, 2021 (estimated)		
LEASE EXPIRATION	November 30, 2036 (estimated)		
RENTAL INCREASES	10% rental increases every five (5) years		
	YEAR	RENT	RETURN
	1-5	\$103,000	4.00%
	6-10	\$113,300	4.40%
	11-15	\$124,630	4.84%
	16-20 (Option 1)	\$137,093	5.32%
	21-25 (Option 2)	\$150,802	5.86%
	26-30 (Option 3)	\$165,883	6.44%
	31-35 (Option 4)	\$182,471	7.09%
YEAR BUILT	2021		
BUILDING SF	950 SF		
PARCEL SIZE	0.85 acres (37,026 SF)		
LEASE TYPE	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 absolute 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 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

LOCATED IN A DENSELY POPULATED, EXTREMELY AFFLUENT, AND GROWING TEXAS CORRIDOR

- » High-traffic location along Morton Ranch Road (19,429 AADT), and just off West Grand Parkway with off-ramp access (40,000 AADT) significantly increasing traffic to the site
- » Average annual household income of \$104,676 within five miles of the location with a projected 11% growth in the next five years
- » Population of 265,945 within a five-mile radius of the location, creating an extremely large customer base for the site
- » Projected 13 percent population increase within a five-mile radius of the site in the next five years, poising Dutch Bros and Katy for concurrent growth
- » Beneficial proximity to highly trafficked Texas thoroughfares, including Interstate 10 (116,752 AADT) and State Route 99 (131,185 AADT)
- » Gateway to Downtown Houston, the fourth-most populous city in the U.S.

CENTRAL LOCATION NEAR LARGE EMPLOYERS, RETAILERS, AND SCHOOLS

- » Surrounded by a strong mix of local and national retailers, including Walmart Supercenter, Kroger, HomeGoods, AutoZone, Exxon, Chase Bank, Jiffy Lube, AutoZone, McDonald's, Taco Bell, Jack in the Box, and many others
- » Central location within the Katy Independent School District (71 schools, 85,700 students)
- » 5.2 miles from Typhoon Texas Waterpark, a 25-acre waterpark featuring waterslides, a lazy river, and live entertainment
- » Surrounded by high-density single-family housing developments and large townhouse complexes

NEW 2021 CONSTRUCTION

- » 2021 construction featuring latest store designs and concepts and a dedicated dual-lane drive-thru, providing additional customer convenience and boosting sales revenue



FILE PHOTO



DOWNTOWN HOUSTON
(28 MILES)

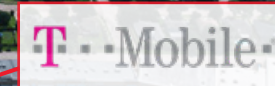
TH McDonald Junior High School &
Loraine T. Golbow Elementary School
(1,400 students combined)

Morton Ranch Elementary School &
Morton Ranch Junior High School
(3,800 students combined)

Morton Ranch Road
(19,429 AADT)



Grand Parkway
(59,959 AADT)



Brea Luxury Apartments
(362 units)





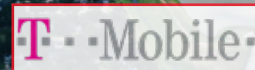
/ Interstate 10
(116,752 AADT)

West Memorial Elementary
School (820 students)

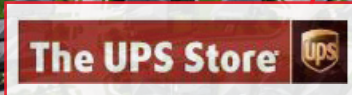
Elation at Grandway West
Apartments (324 units)



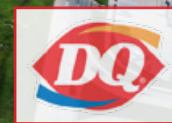
Crawford at Grand Morton
Apartments (336 units)

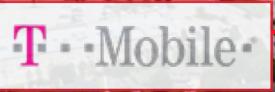
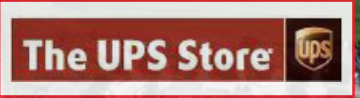


Morton Ranch Road
(19,429 AADT)



99 / Grand Parkway
TEXAS (59,959 AADT)





Grand Parkway
(59,959 AADT)

Morton Ranch Road
(19,429 AADT)



SITE PLAN

MORTON RANCH ROAD



WILLAMETTE DRIVE



← DRIVE-THRU

↑ DRIVE-THRU

↑ DRIVE-THRU

↑ DUAL-LANE
↑ DRIVE-THRU

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

TICKER	NYSE: "BROS"	HEADQUARTERS	Grants Pass, OR
LOCATIONS	480+	SALES	\$567M

LEASE ABSTRACT

TENANT	BB Holdings TX, LLC		
GUARANTOR	Boersma Bros. LLC		
ADDRESS	Morton Ranch Road & Willamette Drive, Katy, Texas 77449		
RENT COMMENCEMENT	November 26, 2021 (estimated)		
LEASE EXPIRATION	November 30, 2036 (estimated)		
RENEWAL OPTIONS	Four (4) options of five (5) years each		
RENT PER YEAR	YEAR	RENT	RETURN
	1-5	\$103,000	4.00%
	6-10	\$113,300	4.40%
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	26-30 (Option 3)	\$165,883	6.44%
	31-35 (Option 4)	\$182,471	7.09%
REAL ESTATE TAXES	Tenant is responsible for all real estate taxes.		
INSURANCE	Tenant is responsible for all insurance costs.		
REPAIR & MAINTENANCE	Tenant is responsible for maintenance of all common areas including utility connections, electrical systems, sanitary and storm sewer systems, paving, landscaping, irrigation, and HVAC systems.		
MAINTENANCE BY LANDLORD	None		
RIGHT OF FIRST REFUSAL	None		

PROPERTY OVERVIEW

LOCATION

This Dutch Bros is conveniently located along Morton Ranch Road in a high-traffic retail corridor. The property is supported by an extremely large and affluent customer base, with a population of 265,945 and an average household income of \$104,676 within a five-mile radius of the site. The property is also located in an area poised for expansive growth, with a projected 13 percent population increase and 11 percent average annual household income increase within a five-mile radius of the site in the next five years.

Visibility to the property is increased by the site's centralized location near large employers, retailers, and community hubs. The location is surrounded by a strong mix of local and national retailers, including Walmart Supercenter, Kroger, HomeGoods, AutoZone, Exxon, Chase Bank, Jiffy Lube, AutoZone, McDonald's, Taco Bell, Jack in the Box, and many others. The property maintains a central location within the Katy Independent School District (71 schools, 85,700 students). The site also maintains a beneficial proximity, 5.2 miles from Typhoon Texas Waterpark, a 25-acre waterpark featuring waterslides, a lazy river, and live entertainment. High-density, affluent single-family housing developments and large townhouse complexes surround the location, establishing this Dutch Bros as a suburban hub store. The location also serves as a common gateway to Downtown Houston, the fourth-most populous city in the U.S.

ACCESS

Access from Willamette Drive

TRAFFIC COUNTS

Morton Ranch Road:	19,429 AADT
West Grand Parkway:	40,000 AADT
Interstate 10:	116,752 AADT
State Route 99:	131,185 AADT

PARKING

16 parking stalls, including one (1) handicap stalls

YEAR BUILT

2021

NEAREST AIRPORT

West Houston Airport (IWS | 6 miles)



16
PARKING
STALLS



2021
YEAR BUILT



**NEAREST
AIRPORTS**
WEST HOUSTON
AIRPORT

AREA OVERVIEW

Katy—approximately centered at the tripoint of Harris, Fort Bend, and Waller counties—is a city located 27 miles west of Houston in the Houston–The Woodlands–Sugar Land Metropolitan Statistical Area (MSA). Katy lies at the center of a broader area known as Greater Katy, which has become heavily urbanized as the rapid growth of Houston moves westward along the Interstate 10 corridor. One of Houston’s fastest growing communities, Katy is defined by an affluent population, top-notch amenities, quality education, and a dynamic business sector. Katy is served by the flourishing Katy Independent School District, the fastest growing school district in the state of Texas, serving over 80,000 students. Over 44 percent of people in Greater Katy have bachelors or graduate degrees, which fuels Katy’s diverse, knowledge-based economy. The economy in the Katy area accounts for over \$21 billion in sales and includes over 11,000 companies with over 200 corporations headquartered in Greater Katy. Roughly 65,000 people are employed in the energy industry. Compared to other Houston area suburbs, the Katy area has more than double the energy employment and energy firms in its labor shed. The Katy area continues to diversify its economy with non-energy related industries, including education, healthcare, retail, hospitality, and manufacturing and distribution. Mirroring the area’s rich economy, the demographics of Greater Katy are affluent; the average household income is \$131,732 and is projected to increase to \$154,065 by the year 2023. Approximately 347,000 people currently reside in Greater Katy, which is growing at a rate of roughly five (5) percent annually. This phenomenal growth is projected to continue, fueled by Greater Katy’s strong school districts and diversified economy. By the year 2023, projections show that over 392,000 people will call the area home.

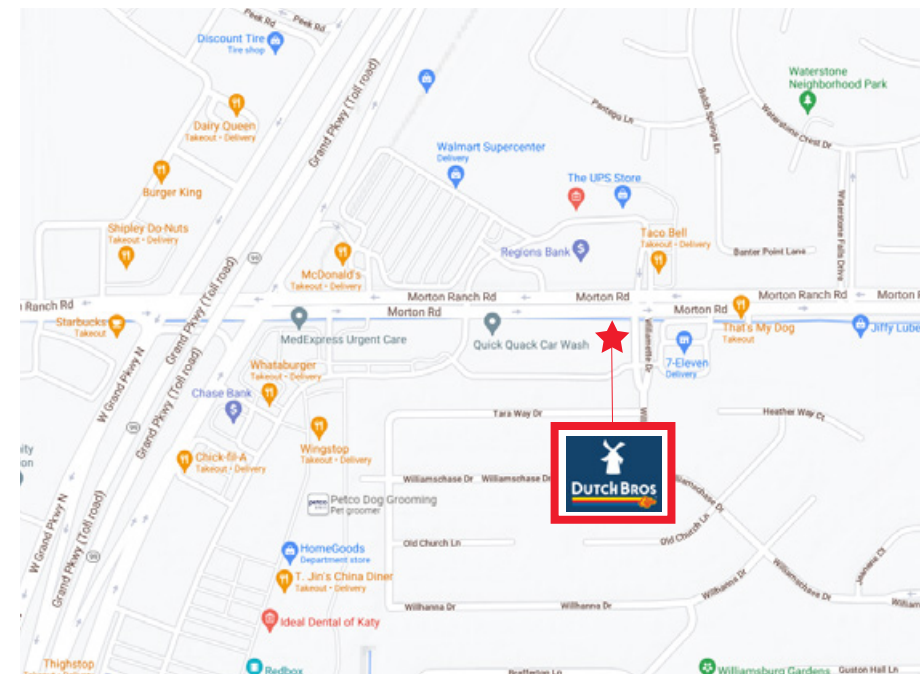
Houston—the fourth largest city in the U.S. and the largest city in Texas—is the seat of Harris County and the economic center of the Houston MSA, the fifth largest metropolitan area in the U.S., with 6.8 million residents. The Houston MSA is growing rapidly; from 2000 to 2030, the metropolitan area is projected to rank fifth in the nation in population growth—adding 2.66 million people. The metro area is the largest economic and cultural center of the American South and is included in the Texas Triangle megapolitan area, anchored by the metro areas of Houston, Dallas–Fort Worth and San Antonio. The Texas Triangle is home to more than 70 percent of all Texans. In the next 40 years, the population of the Texas Triangle has been projected to grow more than 65 percent, or an additional 10 million people, leading to 78 percent of Texans living and working within the Texas Triangle.

- » Headquarters operations and leading employers fueling growth in the Katy area include Academy Sports and Outdoors, BP North America, GEICO, Katy ISD, Schlumberger, Shell Exploration and Production, and WoodGroup.
- » Katy is a regional retail hub. The city has received more annual revenue from sales taxes than from property taxes for the last decade.
- » The roughly 22-mile section of Interstate 10 that passes through and near Katy is the widest freeway in the world. The freeway averages 26 lanes, and in some areas, there are 30 lanes total, including six feeder and four HOV lanes.
- » Houston is home to the Texas Medical Center, the largest medical center in the world, with more than 106,000 employees, 58 institutions, thousands of volunteers, and 10 million patient visits per year.

LARGEST EMPLOYERS IN HOUSTON MSA, TEXAS

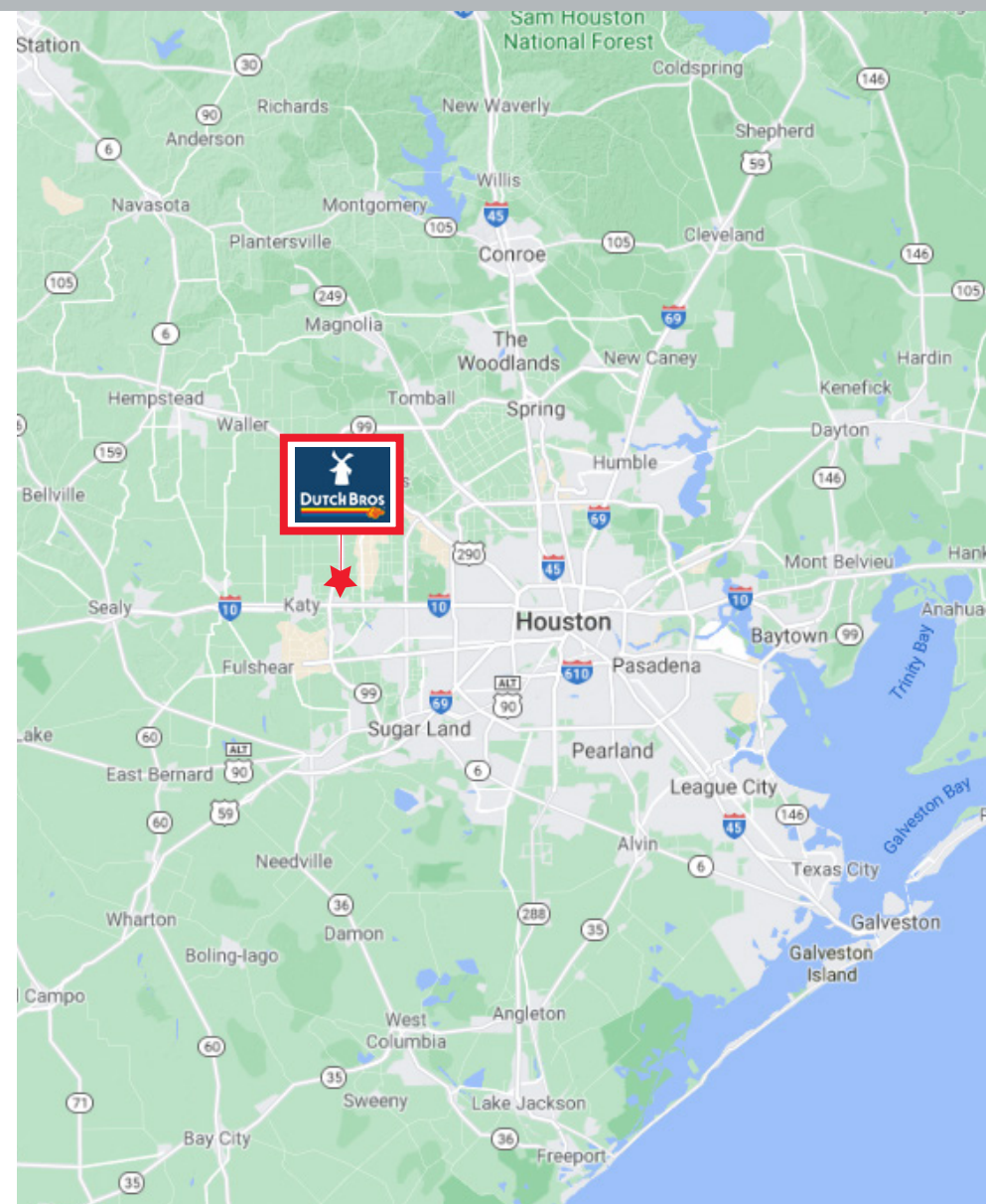
OF EMPLOYEES

WALMART	34,000
H-E-B	26,956
MEMORIAL HERMANN HEALTH SYSTEM	26,011
HOUSTON METHODIST	22,247
THE UNIVERSITY OF TEXAS MD ANDERSON	20,189
KROGER	17,188
MCDONALD’S	16,100
JOHNSON SPACE CENTER	14,200



DEMOGRAPHIC PROFILE

2021 SUMMARY	1 Mile	3 Miles	5 Miles
Population	14,744	91,530	265,945
Households	4,300	28,871	84,978
Families	3,581	23,254	67,561
Average Household Size	3.43	3.16	3.13
Owner Occupied Housing Units	3,841	21,676	60,274
Renter Occupied Housing Units	459	7,194	24,704
Median Age	32.4	32.8	33.7
Average Household Income	\$98,977	\$95,291	\$104,676
2026 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	18,232	105,779	299,407
Households	5,259	33,245	95,327
Families	4,387	26,823	75,805
Average Household Size	3.47	3.18	3.14
Owner Occupied Housing Units	4,436	23,840	66,228
Renter Occupied Housing Units	824	9,405	29,100
Median Age	31.8	32.4	33.6
Average Household Income	\$113,236	\$107,928	\$116,683



AVERAGE HOUSEHOLD INCOME OF \$104,676
WITHIN FIVE MILES



POPULATION OF 265,945
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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