



DUTCH BROS COFFEE GROUND LEASE

LUBBOCK, TEXAS

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM

\$1,875,000 | 4.00% CAP RATE

- » 15-Year Absolute NNN Ground Lease with Corporate Guarantee
 - » 10% Rental Increases Every Five Years
 - » Dutch Bros Plans to Add More Than 500 New Sites by 2023
- » Located in a Densely Populated and Growing Texas Corridor
 - » High-Visibility and Easily Accessible Location Near the Signalized Four-Way Intersection of University Avenue and 82nd Street (64,182 AADT)
 - » Population of 180,314 Within a Five-Mile Radius of the Location
- » Central Location Near Major Employers, Retailers, and Community Hubs
 - » Five Miles from Texas Tech University (36,551 Students, \$2.8 Billion Annual Economic Impact in Texas)
- » New 2021 Construction Featuring Dedicated Drive-Thru, Which Can Accomodate Up To 35 Vehicles
- » Located in an Income Tax-Free State



FILE PHOTO

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DEMOGRAPHIC PROFILE

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

www.YAFteam.com

INVESTMENT OVERVIEW

ADDRESS	8231 University Avenue, Lubbock, Texas 79423		
PRICE	\$1,875,000		
CAP RATE	4.00%		
NOI	\$75,000		
TERM	15 years		
RENT COMMENCEMENT	December 1, 2021		
LEASE EXPIRATION	November 30, 2036		
RENTAL INCREASES	10% rental increases every five (5) years		
	YEAR	RENT	RETURN
	1-5	\$75,000	4.00%
	6-10	\$82,500	4.40%
	11-15	\$90,750	4.84%
	16-20 (Option 1)	\$99,825	5.32%
	21-25 (Option 2)	\$109,808	5.86%
	26-30 (Option 3)	\$120,788	6.44%
YEAR BUILT	2021		
BUILDING SF	871 SF		
PARCEL SIZE	0.777 acres (33,845 SF)		
LEASE TYPE	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 corporate guarantee
- » 10% rental increases every five years, providing a hedge against inflation
- » Requires zero landlord management, ideal for an out-of-area investor

LOCATED IN A LARGE AND GROWING TEXAS RETAIL CORRIDOR

- » High-visibility and easily accessible location near the signalized four-way intersection of University Avenue and 82nd Street (64,182 AADT)
- » Convenient access to highly trafficked Texas thoroughfares, including State Route 289 and U.S. Route 87 (combined 135,148 AADT)
- » Population of 180,314 within a five-mile radius of the location, creating an extremely large customer base for the site
- » Average annual household income of \$80,960 within three miles of the site
- » Projected 10 percent average annual household income increase within five miles of the site in the next five years, poising Dutch Bros Coffee and Lubbock for concurrent growth

CENTRAL LOCATION NEAR LARGE EMPLOYERS, RETAILERS, AND COMMUNITY HUBS

- » Irreplaceable infill location in a major Lubbock retail corridor
- » Surrounded by a strong mix of local and national retailers, including Walgreens, Target, The Home Depot, Walmart Supercenter, Dollar General, Chick-fil-A, McDonald's, Starbucks, and many more
- » Community Federal Credit Union will be building a new branch on neighboring parcel
- » 4.5 miles from Texas Tech University (36,551 students, \$2.8 billion annual economic impact in Texas)
- » Excellent location in a major Lubbock commuter corridor, with close proximity to several high-density single-family developments
- » One mile from The Science Spectrum & OMNI Theater, which features over 250 interactive exhibits, live science shows, and the only aquarium in West Texas

NEW CONSTRUCTION IN INCOME TAX FREE STATE

- » New construction featuring a dedicated drive-thru, providing additional customer convenience and boosting sales revenue
- » Drive-thru can accommodate up to 35 vehicles at one time
- » Features latest store designs and concepts
- » Texas has no State Income Tax, Estate Tax, or Inheritance Tax



FILE PHOTO



INDUSTRIAL REGION

LEFTWICH PARK

Parsons
Elementary School
(438 students)



289 / State Route 289
TEXAS (70,104 AADT)

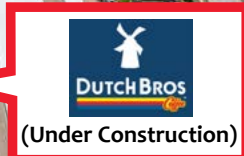


South University Center

82nd Street
(29,007 AADT)



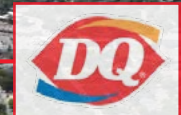
A Plus Super Storage





289 TEXAS / State Route 289
(70,104 AADT)

Charles A. Guy Park



McCullough Park

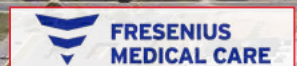


82nd Street
(29,007 AADT)

Waters Elementary School
(696 students)



Earl Crow Park



University Avenue
(35,175 AADT)



A Plus Super Storage





87 / U.S. Route 87
(65,044 AADT)

Walmart
Neighborhood Market

Dutch Bros
(Under Construction)

DOLLAR GENERAL

SHIPLEY DO-NUTS

FRESENIUS MEDICAL CARE

COMPLEX COMMUNITY

RNR TIRE EXPRESS

CINEMARK
The Best Seat In Town

South University Center
COLD STONE CREAMERY
GameStop
Miracle-Ear
pbt
pro*cuts
AMERICAN TOWER
Edible ARRANGEMENTS
POSHE

A Plus Super Storage

WHATABURGER

TAKE 5

United supermarkets
always happy to help

Canes
CHICKEN FINGERES

BRAUM'S

Walgreens

82nd Street
(29,007 AADT)

TACO BELL

Starbucks

Discount Tire

DISCOUNT TIRE

DUNKIN'

BUFFALO WILD WINGS
POPEYES
VALERO

tropical CAFE

SUBWAY

AutoZone

O'Reilly AUTO PARTS

SONIC
America's Drive-In

KFC

University Avenue
(35,175 AADT)



289 / State Route 289
(70,104 AADT)

87 / U.S. Route 87
(65,044 AADT)

Plains Capital Park
- Lowrey Field

The Retreat
RV Resort

Alamo Boat &
RV Storage

**DOLLAR
GENERAL**

STRONG PARK

82nd Street
(29,007 AADT)

**DISCOUNT
TIRE**



South University Center



TACO BELL

Walgreens

A Plus
Super
Storage

Chick-fil-A

Dutch Bros
(Under Construction)

RNR
TIRE EXPRESS

University Avenue
(35,175 AADT)

VALERO

BRAUM'S

SONIC
America's
Drive-In.

TAKE 5
DRIVE-THRU

POPEYES
+ LOUISIANA KITCHEN +

BUFFALO WILD WINGS
GRILL & BAR

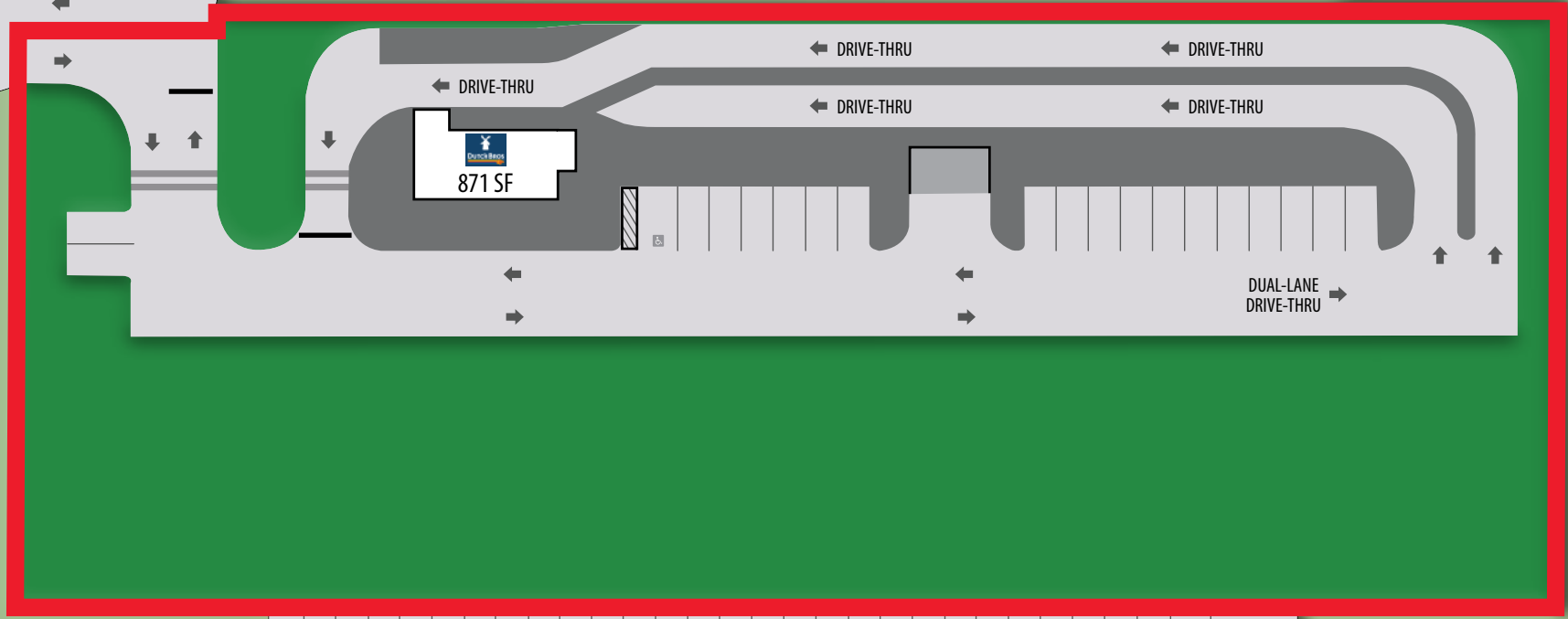
WHATABURGER

**FRESENIUS
MEDICAL CARE**

COMPLEX COMMUNITY
REHABILITATION CENTER

SITE PLAN

UNIVERSITY AVENUE



TENANT SUMMARY



Dutch Bros Coffee, founded in 1992 and headquartered in Grants Pass, Oregon operates 470 locations in the United States. The drive-thru chain serves a variety of coffees, caffeinated beverages, and other drinks including tea, energy drinks, smoothies, hot cocoa, soda, and lemonade including a “not-so-secret menu”. 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.

Dutch Bros Coffee plans to raise as much as \$484 million in its upcoming initial public offerings, which could give the drive-thru coffee chain a valuation of more than \$3 billion, according to the most recent federal-securities filing on September 7, 2021.

For more information, please visit www.dutchbros.com.

FOUNDED	1992	HEADQUARTERS	Grants Pass, OR
LOCATIONS	470+	SALES	\$567M

LEASE ABSTRACT

TENANT	BB Holdings TX, LLC		
GUARANTOR	Boersma Bros, LLC		
ADDRESS	8231 University Avenue, Lubbock, TX 79423		
RENT COMMENCEMENT	December 1, 2021		
LEASE EXPIRATION	November 30, 2036		
RENEWAL OPTIONS	Three (3) options of five (5) years each		
RENT PER YEAR	YEAR	RENT	RETURN
	1-5	\$75,000	4.00%
	6-10	\$82,500	4.40%
	11-15	\$90,750	4.84%
	16-20 (Option 1)	\$99,825	5.32%
	21-25 (Option 2)	\$109,808	5.86%
	26-30 (Option 3)	\$120,788	6.44%
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 all maintenance including roof, structure and parking lot.		
MAINTENANCE BY LANDLORD	None		
RIGHT OF FIRST REFUSAL	None		

PROPERTY OVERVIEW

LOCATION

The site is conveniently placed in a highly visible and easily accessible location near the signalized four-way intersection of University Avenue and 82nd Street (64,182 AADT). The property has convenient access to highly trafficked Texas thoroughfares, including State Route 289 and U.S. Route 87 (combined 135,148 AADT). The site is located in a densely populated area, with a population of 180,314 within a five-mile radius of the location, creating an extremely large customer base for the site. With a projected 10 percent average annual household income increase within five miles of the site in the next five years, Dutch Bros Coffee and Lubbock are poised for significant concurrent growth.

The property is centrally located near large employers, retailers, and community hubs. Visibility is increased by the site's irreplaceable infill location surrounded by a strong mix of local and national retailers, including Walgreens, Target, The Home Depot, Walmart Supercenter, Dollar General, Chick-fil-A, McDonald's, Starbucks, and many more. The property is also 4.5 miles from Texas Tech University, which has an enrollment of 36,551 students and generates \$2.8 billion in annual economic impact in Texas. The site features an excellent location in a major Lubbock commuter corridor, with close proximity to several high-density single-family developments. Additionally, the location resides one mile from The Science Spectrum & OMNI Theater, which includes over 250 interactive exhibits, live science shows, and the only aquarium in West Texas.

ACCESS

Access from University Avenue

TRAFFIC COUNTS

University Avenue:	35,175 AADT
82nd Street:	29,007 AADT
State Route 289:	70,104 AADT
U.S. Route 87:	65,044 AADT

PARKING

20 parking stalls, including one (1) handicap stall

YEAR BUILT

2021

NEAREST AIRPORT

Lubbock Preston Smith International Airport (LBB | 12 miles)



20
PARKING
STALLS



2021
YEAR BUILT



**NEAREST
AIRPORTS**
LUBBOCK
PRESTON SMITH
INTERNATIONAL
AIRPORT

AREA OVERVIEW

Lubbock, with a population of 261,946, is the 11th most populous city in Texas and the county seat of Lubbock County. The city is in the northwestern part of the state, a region known historically and geographically as the Llano Estacado, and ecologically is part of the southern end of the High Plains, lying at the economic center of the Lubbock Metropolitan Statistical Area (MSA). Lubbock has a stable economy with historically consistent and steady growth. Over the past 40 years, Lubbock's agriculturally based economy has diversified. The city has strong manufacturing, wholesale and retail trade, healthcare, education, and government sectors. Lubbock's central location and access to transportation contributes to the city's development as a regional warehousing and distribution center. Also due to its location, Lubbock serves as the major retail trade center for a 26-county retail trade area of more than half a million people. Lubbock is home to three universities and one community college: Texas Tech University, Lubbock Christian University, Wayland Baptist University – Lubbock Center, and South Plains College. Lubbock's largest school, Texas Tech, expects to reach enrollment of 40,000 students by 2020. The healthcare and social assistance sector is also a vital component of the Lubbock economy, with 24,624 employees and payroll exceeding \$1 billion.

Lubbock is home to several medical facilities, including University Medical Center, Covenant Medical Center, The Lubbock Heart Hospital, and Grace Medical Center. The Texas Tech University Health Sciences Center also provides healthcare, as well as training and research opportunities for healthcare professionals. Lubbock is considered the center of the South Plains, a region in northwest Texas consisting of 24 counties. While prominent in the area of petroleum production, the South Plains is mainly an agricultural region, producing a great percentage of the nation's cotton and possessing numerous large cattle ranches. Lubbock's nickname, "Hub City", derives from it being the economic, educational, and healthcare hub of the multicounty region, north of the Permian Basin and south of the Texas Panhandle.

- » Lubbock's economy has been in a cycle of continual expansion for seven years. The Lubbock Economic Index has grown by 29 percent over that time, averaging 4.3 percent growth per year.
- » Lubbock is home to the Lubbock Preston Smith International Airport, where more than 60 commercial arrivals and departures take place each day serving 1.2 million travelers annually.
- » The Lubbock area is home to more than 52,000 college students and nearly 13,200 college graduates annually, a number that continues to grow each year.

MAJOR EMPLOYERS IN THE LUBBOCK MSA	# OF EMPLOYEES
TEXAS TECH UNIVERSITY	11,848
TEXAS TECH HEALTH SCIENCES CENTER	7,627
COVENANT HEALTH	6,931
UMC HEALTH SYSTEMS	4,600
UNITED SUPERMARKETS	4,199
LUBBOCK INDEPENDENT SCHOOL DISTRICT	3,527
CITY OF LUBBOCK	2,700
WALMART SUPERCENTER	1,810
FRIENDSHIP INDEPENDENT SCHOOL DISTRICT	1,180
LUBBOCK COUNTY	1,171



DEMOGRAPHIC PROFILE

2021 SUMMARY

	1 Mile	3 Miles	5 Miles
Population	14,585	81,354	180,314
Households	5,789	31,932	68,464
Families	3,738	20,986	41,526
Average Household Size	2.52	2.53	2.49
Owner Occupied Housing Units	3,724	20,519	38,802
Renter Occupied Housing Units	2,065	11,413	29,663
Median Age	34.8	36.5	33.2
Average Household Income	\$68,243	\$80,960	\$75,068

2026 ESTIMATE

	1 Mile	3 Miles	5 Miles
Population	15,319	85,807	190,324
Households	6,059	33,610	72,305
Families	3,890	22,000	43,727
Average Household Size	2.53	2.53	2.49
Owner Occupied Housing Units	3,964	22,087	42,031
Renter Occupied Housing Units	2,095	11,523	30,274
Median Age	35.8	37.2	33.8
Average Household Income	\$75,676	\$89,833	\$83,518



POPULATION OF 180,314
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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