



540 Enon Springs Rd E | Smyrna, TN 37167

OFFERING MEMORANDUM

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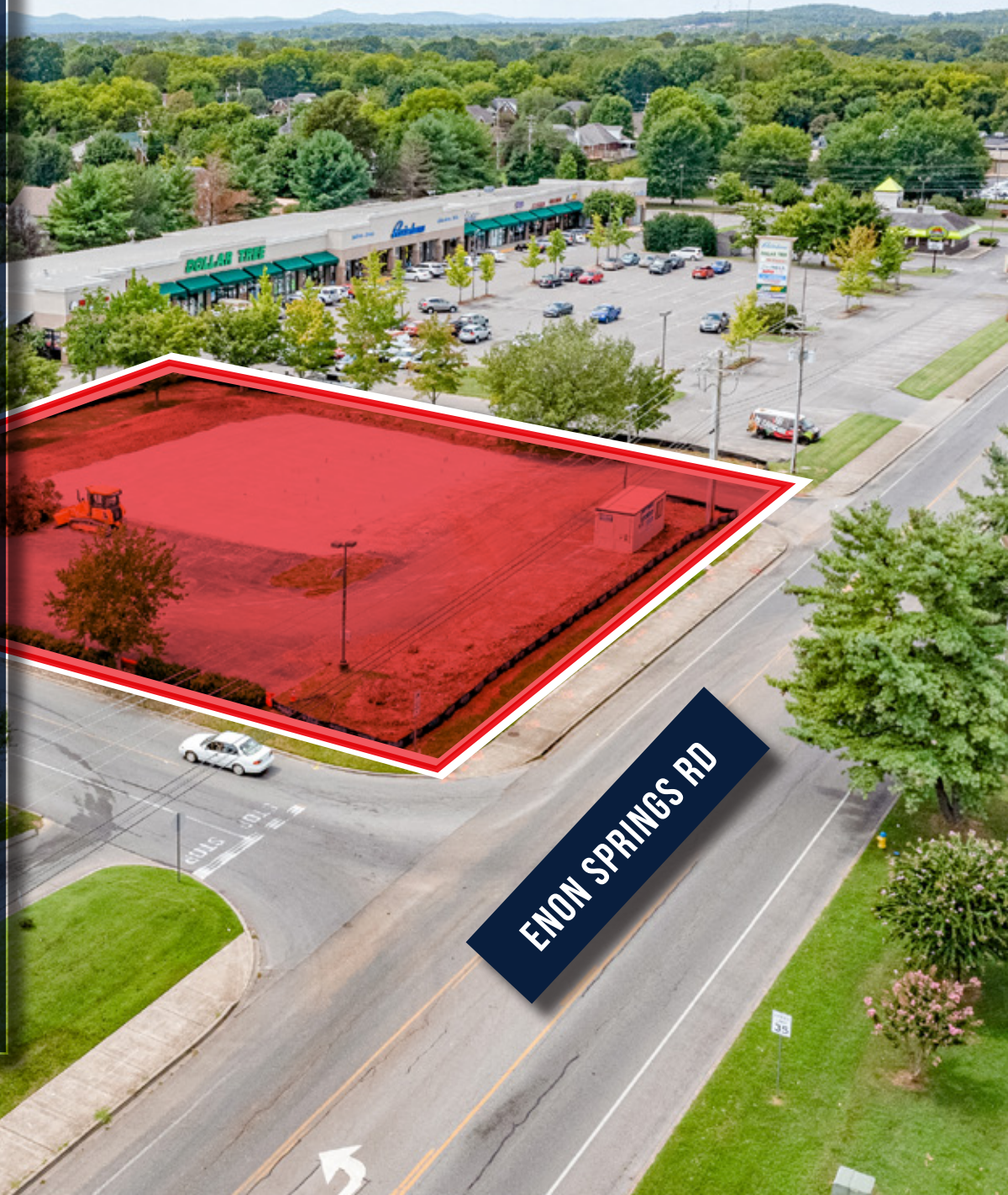
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MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



ENON SPRINGS RD



DUTCHBROS *Coffee*

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OFFERING MEMORANDUM

EXECUTIVE OVERVIEW

LEASE HIGHLIGHTS

- » **Corporate Guarantee** – Over 470 locations with expansions plans exceeding 4,000 stores
- » **Absolute NNN Lease** – ZERO landlord responsibilities allowing for truly passive income
- » **Long Term Lease** – Dutch Bros Coffee signed a 15-year base lease
- » **Strong Increases** – 10% increase every 5 years for a strong hedge against inflation
- » **Options to Extend** – Tenant has four, 5-year options to extend the lease

LOCATION HIGHLIGHTS

- » **Dense Retail Corridor** – The surrounding area includes tenants like Walmart, Popeyes, Firestone, Walgreens, Arby's, Circle K, Dollar Tree, Taco Bell, 7 Eleven, and McDonald's
- » **Close Proximity to the Nissan Plant** – Nissan has over 8,000 employees that work at this assembly plant
- » **Dense Population** – Over 84,000 people in a 5-mile radius
- » **Incredible Population Growth Projected** – Over 10% population growth in 1, 3, and 5-mile radius projected in the next 5 years
- » **Past Population Growth** – 51% population growth from 2010-2020 in a 1-mile radius
- » **Affluent Suburb** – Average household income of \$75,000 in a 5-mile radius
- » **Nashville MSA** – Urban Land Institute ranked Nashville the 3rd hottest real estate market in the country

TENANT HIGHLIGHTS

- » **Publicly Traded** – Dutch Bros completed highly successful public offering September 15, 2021.
- » **Expanding Concept** – Tenant expects to have 800 locations in the next 4 years and over 35 locations in Middle Tennessee in the next 3 years
- » **Highly Profitable Business** – Dutch Bros has lower operating expenses compared to typical restaurants due to fewer employees and low building costs
- » **Same-Store Growth** – Dutch Bros has had 14 consecutive years of same-store sales growth



FINANCIAL OVERVIEW



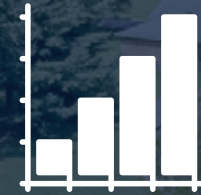
\$2,529,412

LIST PRICE



\$107,500

NOI



4.25%

CAP RATE

BUILDING INFO

Address	540 Enon Springs Rd Smyrna, TN 37167
Lot Size	±0.76 AC
GLA	±950 SF
Year Built	2021

DEBT QUOTE

Loan quote provided by Matthews™ based on market conditions at this time. Actual rates and terms will vary based on market conditions at closing.

Patrick Flanagan

patrick.flanagan@matthews.com

TENANT SUMMARY

Tenant Trade Name	Dutch Bros Coffee
Type of Ownership	Fee Simple
Lease Guarantor	Corproate
Lease Type	Absolute NNN
Roof, Structure, Parking Lot	Tenant Responsible
Original Lease Term	15 years
Lease Commencement Date	4/4/2021
Rent Commencement Date	1/15/2022*
Rent Expiration Date	1/14/2037*
Term Remaining on Lease	15 years
Increase	10% Every 5 Years
Options	Four, 5-Year Options

*Estimated

ANNUALIZED OPERATING DATA

Period	Monthly Rent	Annual Rent	Cap Rate
1/15/2022-1/14/2027	\$8,958.33	\$107,500.00	4.25%
1/15/2027-1/14/2032	\$9,854.17	\$118,250.00	4.67%
1/15/2032-1/14/2037	\$10,839.58	\$130,075.00	5.14%
Option 1	\$11,923.54	\$143,082.50	5.66%
Option 2	\$13,115.90	\$157,390.75	6.22%
Option 3	\$14,427.49	\$173,129.83	6.84%
Option 4	\$15,870.23	\$190,442.81	7.53%

TENANT OVERVIEW



COMPANY NAME

Dutch Bros Coffee

HEADQUARTERS

Grant Pass, OR

LOCATIONS

470+

INDUSTRY

Retail Coffee

EMPLOYEES

12,000+

WEBSITE

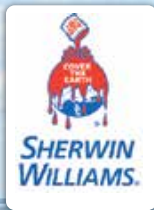
www.dutchbros.com



DUTCH BROS

Dutch Bros Coffee is the largest privately held drive-through coffee chain in the United States. It is headquartered in Grants Pass, Oregon, with company-owned and franchise locations expanding throughout the western United States. Having started from humble beginnings, as a single espresso pushcart in the small town of Grants Pass, Ore., the company now has 470+ locations in Oregon, California, Washington, Idaho, Nevada, Colorado, New Mexico, Utah, Arizona, Texas, and Oklahoma.

Dutch Bros. Coffee serves specialty coffee drinks, smoothies, freezes, teas, and its Dutch Bros. Blue Rebel energy drink that customers can infuse with their favorite flavors. Every cup of Dutch Bros. coffee is handcrafted — roasted by hand in the Pacific Northwest, blended by hand, and then ground and pulled by hand, ristretto-style. Dutch Bros. Coffee franchises are locally owned and operated, so owners have a personal investment in the communities they serve and contribute to various local causes and organizations.



ENON SPRINGS RD
± 12,000 VPD





Walgreens

NISSAN
ASSEMBLY PLANT

marco's
Pizza

TACO
BELL

7
ELEVEN

STEAK 'N
SHAKE

PIZZA
PAPA JOHN'S

THOMY JONES
JJ's
Pizza
Hut
GameStop

Walmart

TIRE
WORLD

Arby's

POPEYES
LOUISIANA KITCHEN, INC.

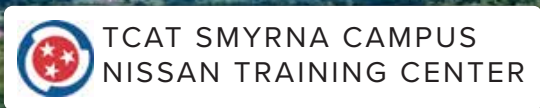
CAR
AQUAJET
WASH

DOLLAR TREE

Rainbow


DUTCH BROS
Coffee

ENON SPRINGS RD
±12,000 VPD



ENON SPRINGS RD
± 8,000 VPD

KEN PILKERTON DR
± 1,300 VPD



AREA OVERVIEW

SMYRNA, TN

Located approximately 20 miles from Nashville, Smyrna, TN is a family-friendly town with many amenities including great outdoor activities and historic sites. Smyrna was named one of the top ten cities to retire by US News & World Report. A great greenway system, golf course, a low property tax rate, and access to Percy Priest make Smyrna a draw for those seeking an active lifestyle. This vibrant, growing community of more than 40,000 residents is home to a Nissan factory, the city's largest private employer. Motlow State Community College offers secondary education opportunities and TriStar Stone Crest Medical Center provides top-notch health care. Smyrna is the 15th largest city in Tennessee, but its property taxes are the third-lowest in the state.

NASHVILLE
26.2 MILES

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2026 Projection	7,522	48,259	93,623
2021 Estimate	6,742	43,397	84,625
2010 Census	4,457	35,194	68,387
2021-2026 Growth	11.57%	11.20%	10.63%
2010-2020 Growth	51.25%	23.31%	23.74%

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2026 Projection	2,538	17,707	33,662
2021 Estimate	2,291	16,032	30,614
2010 Census	1,502	12,922	24,484
2021-2026 Growth	10.81%	9.96%	52.54%
2010-2020 Growth	24.06%	25.04%	32.37%

INCOME	1-MILE	3-MILE	5-MILE
2021 Avg Household Income	\$69,192	\$71,298	\$74,926



STONES RIVER BATTLEFIELD

Stones River National Battlefield commemorates the Battle of Stones River, one of the largest and most important battles of the American Civil War. For three days in the winter of 1862 and 1863, 81,000 Union and Confederate forces clashed in a battle that would help determine the fate of a young United States. Stones River National Battlefield is also serves as a greenspace in Murfreesboro, Tennessee. Trails within the park allow visitors to get closer to nature, while the Murfreesboro Greenway system connects visitors to portions of the battlefield by foot or bike.



WALDEN PUMPKIN FARM

Nestled between the rolling hills of Rutherford and Williamson County lies the Walden Pumpkin Farm. This 265 acre farm became the perfect place for the family to establish a homestead, and a place of serenity and harmony for the family to live and grow. Three generations of Walden's live on the farm. Hayrides, farm animals, hay and corn mazes, Tennessee Slip n Slide, and delicious food and treats are just some of what the farm offers. The Ole Country store sells a complete selection of fall decorating items, delicious jams, jellies, and honey. They also have carving kits and toys, just to name a few.



Nissan Assembly Plant

The opening of the Nissan Smyrna Vehicle Assembly Plant in 1983 was a groundbreaking moment, bringing automotive production to Tennessee for the first time. The plant has become a force for economic development, creating thousands of well-paying jobs and inspiring other auto companies and suppliers to set up operations in the state. With over 7,000 employees and six million square feet, the Smyrna team has assembled quality, award-winning cars, trucks, crossovers, and SUVs including the Nissan Murado, Nissan LEAF, Nissan Pathfinder, and Nissan Rogue.



2.4 MILLION
2020 ESTIMATED
POPULATION



\$126.5 BILLION
GROSS METRO
PRODUCT



3.2%
EMPLOYMENT
GROWTH

NASHVILLE, TN

With a population of over 690,000 residents in the city, Nashville is the most populated city in Tennessee. A major center for the music industry, especially country music, Nashville is commonly known as “Music City.” Nashville is also a major center for healthcare, publishing, private prison, banking, automotive, and transportation industries. It is also home to numerous colleges and universities, including Vanderbilt University, Belmont University, Fisk University, and Middle Tennessee State University. Nashville is sometimes referred to as “Athens of the South” due to its large number of educational institutions. With a vibrant economy and a variety of exciting entertainment options, Nashville is a growing city that exudes southern charm.

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ECONOMY

In recent times Nashville has been described as a “southern boomtown” by numerous publications, with it having the **fourth strongest economy in the United States as of 2021**. It has been stated by the US Census Bureau that Nashville “adds an average of 100 people a day to its net population increase”. Currently, over **40,000 businesses** are prospering in Nashville. According to Forbes, Nashville has a **gross metro product of \$126.5 billion with tourism, education, and health care as its major industries**.

Although Nashville is renowned as a music recording center and tourist destination, its largest industry is health care. Over **16 publicly traded health care companies are headquartered in Nashville**. The city is also home to more than **500 healthcare companies**, including Hospital Corporation of America (HCA), the world’s largest private operator of hospitals and a Fortune 500 company with a total of 235,000 employees. The **Nashville health care industry contributes an overall economic benefit of \$46.7 billion and more than 270,000 jobs** to the local economy annually. Globally, Nashville’s health care industry generates more than \$92 billion in revenue and more than 570,000 jobs. In addition, Nashville is home to almost 400 professional service firms (e.g., accounting, architecture, finance, legal) that provide expertise in the health care industry.

#2 HOTTEST JOB MARKET IN THE COUNTRY

- Wall Street Journal, 2020

#3 IN THE SOUTH’S BEST CITIES

- Southern Living, 2020

#4 IN US BEST PERFORMING CITIES

- Miliken Institute, 2020

MAJOR EMPLOYERS

COMPANY	# OF EMPLOYEES
Vanderbilt University Medical Center	20,428
Nissan North America	10,750
HCA Healthcare Inc.	10,613
Vanderbilt University	6,912
Saint Thomas Health	6,243
Community Health Systems	4,700
Randstad	4,557
Asurion	3,600
The Kroger Co.	3,523
National HealthCare Corp.	3,250

Source: Nashville Chamber

ECONOMIC DEVELOPMENTS

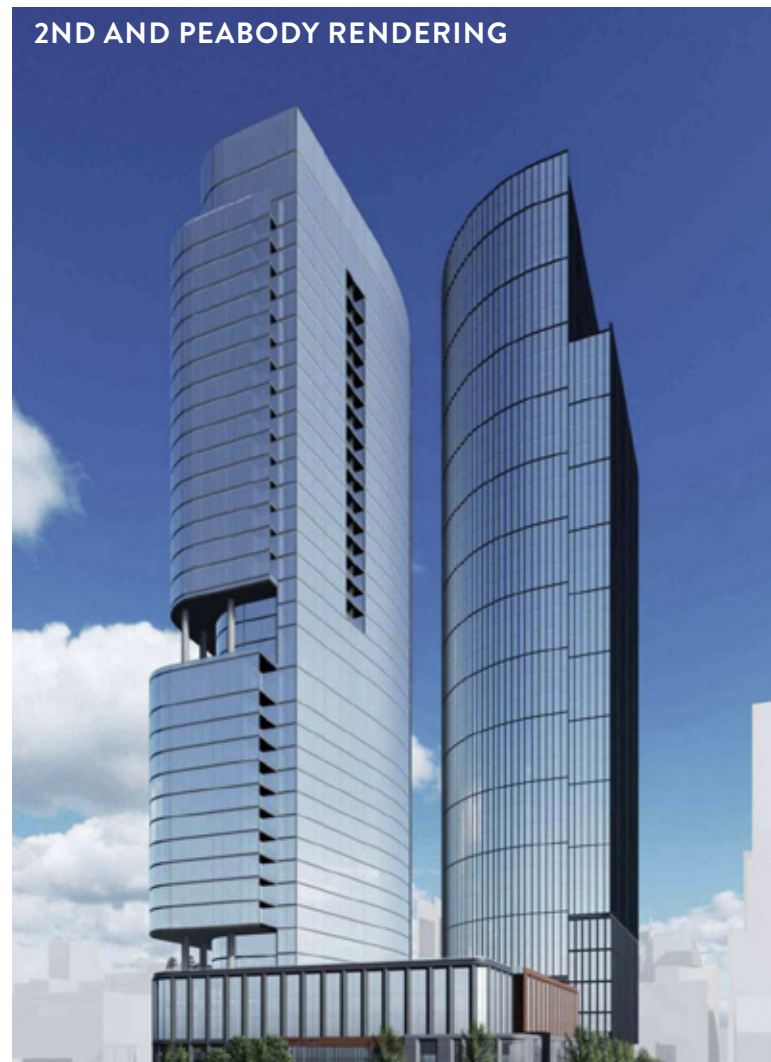
THREE TWIN TOWER DEVELOPMENTS IN DOWNTOWN NASHVILLE

Three new developments in downtown Nashville have been proposed and are set to be reviewed in the next few months. One set of twin towers are going to be located at Nashville’s famous “Sticks” roundabout off Korean Veterans Boulevard in SoBro. The towers are to be mixed-use developments and will feature a luxury hotel. Another set of twin towers is called the 2nd and Peabody. One of the towers is set to be an office building and the other tower is set to have hotel and residential space. Both towers will feature retail amenities on the main floors. The last set of twin towers will be located on 8th Avenue. It will be another mixed-use development with one tower standing at 16 stories high and another tower standing at 20 stories high.

ORACLE AMERICA CAMPUS

Oracle America just closed on its new riverfront site in Nashville where it will build a 65-acre campus complete with waterways, parks, and walking paths. The tech titan hopes to create 8,500 new jobs in Nashville by the end of 2031, with an average annual salary of \$110,000. The \$1.2 billion development will also bring 11,500 ancillary jobs and 10,000 temporary positions during construction.

2ND AND PEABODY RENDERING

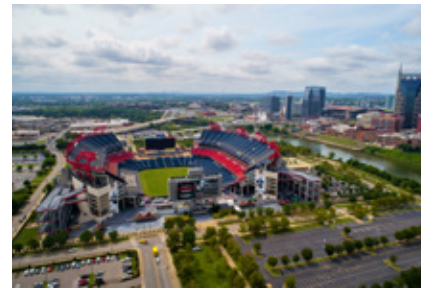


#8 BEST BIG CITIES

- Conde Nast Traveler's Choice Awards, 2020

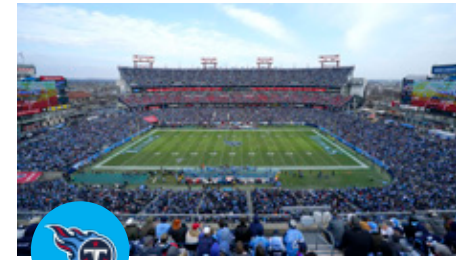
NASHVILLE TOURISM

Nashville is the capital and largest city in Tennessee. It is a genuine geographic bull's eye. Nashville is perfectly positioned to draw people together. In 2019, Nashville brought in 16.1 million visitors. With more than 51,300 hotel rooms total in the MSA, Nashville is accommodating for all travelers. In the past 5 years, Nashville's demand (hotel rooms sold) has grown faster than any other top 30 US city. In addition, over 100 new restaurants, bars, and cafes opened in Nashville in 2019. **Direct visitor spending was over \$7.52 billion in 2019, supporting over 74,000 jobs and generating \$566 million in state and local taxes.**



NASHVILLE SPORTS

Nashville is home to three major sports teams: Tennessee Titans, Nashville Predators, and Nashville SC. The NFL's Tennessee Titans plays at the Nissan Stadium and have an average fan attendance of 64,509 people. The Titans have achieved 2 league championships, 1 conference championship, and 10 division championships. The NHL's Nashville Predators plays at the Bridgestone Arena and have an average fan attendance of 17,407 people. The Predators have achieved 1 conference championship and 2 division championships. The MLS's Nashville SC plays at the Nissan Stadium and have an average fan attendance of 12,801 people. Nashville SC began playing in 2020.



TENNESSEE TITANS
(National Football League)



NASHVILLE PREDATORS
(National Hockey League)



NASHVILLE SC
(Major League Soccer)



GAYLORD OPRYLAND RESORT & CONVENTION CENTER

The largest non-gaming hotel property in the United States with 2,888 rooms and more than 700,000 square feet of meeting space, including 263,772 of contiguous exhibit space.



MUSIC CITY CENTER

Nashville's downtown convention facility, opened in May 2013. The 2.1 million-square-foot Music City Center features more than 375,000 square feet of exhibit space, 128,000 square feet of meeting space, two ballrooms, a business center, and a 2,500-seat theater.



NASHVILLE'S HONKY TONK HIGHWAY

Broadway is the busiest street in Nashville. The thriving downtown area is home to over 100 restaurants, bars, and music venues. Lower Broadway, also known as Nashville's Honky Tonk Highway, is the center of entertainment in Music City. A honky-tonk is an establishment that contains at least one stage and a bar. Lower Broadway is filled with honky-tonks giving it the popular tourist destination name.

VANDERBILT UNIVERSITY

Established in 1873, Vanderbilt University is a highly competitive private research university located a mile and a half southwest of downtown Nashville. Currently, over 13,000 students attend the university. Vanderbilt is made up of 10 schools and colleges: College of Arts & Science, Blair School of Music, Divinity School, School of Engineering, Graduate School, Law School, School of Medicine, School of Nursing, Owen Graduate School of Management, and Peabody College of Education and Human Development. Vanderbilt offers over 70 majors and has over 475 student organizations.

The Vanderbilt Commodores participate in 6 men's sports and 9 women's sports. Vanderbilt is a member of the Southeastern Conference (Eastern Division), the Southland Bowling League, and the American Athletic Conference (Lacrosse) and plays at the NCAA Division I level.

Vanderbilt is known for its medical center. The **Vanderbilt University Medical Center** is the only Level 1 (highest level) trauma center in Middle Tennessee, the region's only Level 4 (highest level) neonatal intensive care unit, and the state's only dedicated burn center serving adults and children. Vanderbilt-related operations and student and visitor spending generated an economic impact of \$11.9 billion, supporting approximately 79,200 jobs, and more than \$4.2 billion in labor income.



VANDERBILT UNIVERSITY



ENROLLMENT

- ±13,537 Total Students
- ±4,783 Total Faculty



QUICK FACTS

- Total research expenditures funding: \$249M (FY 2019)
- Sponsored research and project awards: \$279M (FY 2019)
- Vanderbilt University Medical Center: More than 2M patient visits annually



RANKINGS (2021)

- U.S. News & World Report, 2021
 - #9 in Best Value Schools
- Princeton Review, 2021
 - #1 in Students Love Their College, Great Financial Aid
 - #2 in Happiest Students, Best Quality of Life, Best-Run Colleges, College City Gets High Marks, Most Beautiful Campus
 - #3 in Best Counseling Services
 - #4 in Best Athletic Facilities

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Dutch Bros Coffee** located at **540 Enon Springs Rd E, Smyrna, TN 37167** ("Property"). It has been prepared by Matthews Real Estate Investment Services. The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



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MATTHEWSTM
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