



# DUTCH BROS COFFEE GROUND LEASE

GALLATIN, TENNESSEE

YURAS  
AICALE  
FORSYTH  
CROWLE

Leased Investment Team

## OFFERING MEMORANDUM

**\$2,052,000 | 3.85% CAP RATE**

- » 15-Year Absolute NNN Ground 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 Strong and Growing Tennessee Retail Corridor
- » Excellent Visibility and Access to 25,785 Vehicles on Nashville Pike
- » Access to State Route 386 and Highway 109 (72,612 AADT Combined)
- » Outparcel to Lowe's Home Improvement Store
- » Extremely Affluent and Growing Region
- » Average Annual Household Income Of \$112,481 Within a One-Mile Radius
- » Close Proximity to 2.8M SF Gap Distribution Facility that Operates 24 Hours Per Day and Employs Over 2,000 People
- » New 2021 Construction with Dedicated Dual-Lane 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.

## LEAD BROKERS

### VINCENT AICALE

*Executive Director*

415.690.5522

vince.aicale@cushwake.com

CA RE License #01728696

### RYAN FORSYTH

*Executive Director*

415.413.3005

ryan.forsyth@cushwake.com

CA RE License #01716551

### MICHAEL T. YURAS, CCIM

*Executive Managing Director*

415.481.0788

michael.yuras@cushwake.com

CA RE License #01823291

### SCOTT CROWLE

*Executive Director*

415.604.4288

scott.crowle@cushwake.com

CA RE License #01318288

**YURAS  
AICALE  
FORSYTH  
CROWLE**

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



# INVESTMENT OVERVIEW

<b>ADDRESS</b>	1305 Nashville Pike, Gallatin, Tennessee 37066		
<b>PRICE</b>	<b>\$2,052,000</b>		
<b>CAP RATE</b>	<b>3.85%</b>		
<b>NOI</b>	\$79,000		
<b>TERM</b>	15 years		
<b>RENT COMMENCEMENT</b>	January 2022 (estimated)		
<b>LEASE EXPIRATION</b>	January 2037 (estimated)		
<b>RENTAL INCREASES</b>	10% rental increases every five (5) years		
	<b>YEAR</b>	<b>RENT</b>	<b>RETURN</b>
	1-5	\$79,000	3.85%
	6-10	\$86,900	4.24%
	11-15	\$95,590	4.66%
	16-20 (Option 1)	\$105,149	5.12%
	21-25 (Option 2)	\$115,664	5.64%
	26-30 (Option 3)	\$127,230	6.20%
	31-35 (Option 4)	\$139,953	6.82%
<b>YEAR BUILT</b>	2021		
<b>BUILDING SF</b>	950 SF		
<b>PARCEL SIZE</b>	1.19 acres (51,892 SF)		
<b>LEASE TYPE</b>	Absolute NNN ground lease, with tenant responsible for all taxes, insurance, and maintenance, including roof, structure, and parking lot		



FILE PHOTO

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

- » New 15-year ground lease with four (4) five (5) year options, creating a stable, long-term investment
- » Absolute NNN lease requires zero landlord management, ideal for an out-of-area investor
- » 10% rental increases every five years, providing a hedge against inflation
- » Dutch Bros is a drive-thru coffee chain with a goal of adding more than 500 new sites by 2023
- » 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 AN EXTREMELY AFFLUENT AND GROWING TENNESSEE RETAIL CORRIDOR

- » Excellent visibility and access to 25,785 vehicles per day on Nashville Pike
- » Convenient access State Route 386 and Highway 109, which experiences a combined traffic count of 72,612 vehicles per day near the property
- » Average annual household income of \$112,481 within a one-mile radius of the location with a projected nine percent increase in the next five years
- » 62,014 residents live within a five-mile radius of the site with a projected 12 percent increase by 2026, poising Dutch Bros and Gallatin for significant concurrent growth

## CENTRAL LOCATION NEAR LARGE EMPLOYERS, RETAILERS, AND SCHOOLS

- » Outparcel to Lowe's Home Improvement Store, greatly increasing foot traffic to the location
- » Surrounded by a strong mix of national retailers, including Walmart Supercenter, Publix, Walgreens, Subway, Jersey Mike's Subs, Longhorn Steakhouse, Discount Tire, and many more
- » Close proximity to Gap Inc. 2.8M SF distribution center that operates 24 hours per day with over 2,000 employees
- » Minutes from Volunteer State Community College (9,227 students)
- » One mile from Chandler Park Gallatin (336 units) and within walking distance to Stratford Apartments (120 units) and Fairview Commons Apartments (24 units), providing a stable customer base
- » Proposed Vinewood Townhomes will add 50 townhomes to the immediate area

## NEW 2021 CONSTRUCTION IN A TAX FREE STATE

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



**SUMNER**  
Regional Medical Center  
HIGHPOINT HEALTH SYSTEM  
(167 beds)

Gallatin  
High School  
(1,715 students)

**belk**  
MODERN. SOUTHERN. STYLE.

**Kroger**  
**Starbucks**

DOWNTOWN GALLATIN  
(3.6 miles)

**109** State Route 109  
(30,022 AADT)

**BUFFALO WILD WINGS**  
GRILL & BAR  
**Arby's**  
**LONGHORN**  
STEAKHOUSE

**Walmart**  
Supercenter

**REGIONS**

TOWN CREEK

**Chick-fil-A**

**Reliant Bank**

**31E** / Nashville Pike  
(25,785 AADT)

**marco's**  
Pizza

**LOWE'S**

Vinewood  
Townhomes  
(proposed  
residential development  
- 50 townhomes)

**MIRACLE**  
DODGE // Jeep  
CHRYSLER RAM

Stratford Apartments  
(120 units)

**DUTCH BROS**  
(Under Construction)

**DISCOUNT**  
TIRE

**SUMNER**  
BANK & TRUST







Walgreens



386

Vietnam Veterans  
Boulevard  
(42,590 AADT)

Station Camp  
High School  
(1,333 students)

Premier  
Radiology

CUMBERLAND RIVER



LA GREEN LAKE



Construction of The  
Knoll at Fairvue  
(211 units)

Volunteer State  
Community College  
(9,156 students)



Andy's  
Frozen Custard  
(Under Construction)

GAP  
(2.8M SF distribution facility  
with over 2,000 employees)

Vinewood  
Townhomes  
(proposed  
residential development  
- 50 townhomes)



Dutch Bros  
(Under Construction)



31E  
/ Nashville Pike  
(25,785 AADT)

Stratford Apartments  
(120 units)



**109** State Route 109  
(30,022 AADT)

Shops of Village Green

**SALLY BEAUTY**

**JET'S PIZZA**

Ricardo's Pizza

**Walmart**  
Supercenter

**ALDI**

**belk**  
MODERN. SOUTHERN. STYLE.

HARBOR FREIGHT TOOLS

**Hardee's**

**McDonald's**

**SUMNER**  
Regional Medical Center  
HIGHPOINT HEALTH SYSTEM  
(167 beds)



Gallatin High School  
(1,715 students)

**SONIC**  
America's Drive-In.

**Kroger**

**Starbucks**

**Hilton Garden Inn**  
(64 rooms)

**REGIONS**

**Chick-fil-A**

**Bank of America**

**BUFFALO WILD WINGS**  
GRILL & BAR

**Arby's**

**LONGHORN**  
STEAKHOUSE

**Panera BREAD**

**Wendy's**

**MIRACLE**  
DODGE CHRYSLER Jeep RAM

**marco's**  
Pizza

**LOWE'S**

Nashville Pike  
(25,785 AADT)

**31E**



**DUTCH BROS**  
(Under Construction)

Vinewood Townhomes  
(proposed residential development - 50 townhomes)

**DISCOUNT TIRE**





Station Camp  
Elementary School  
(1,054 students)

Station Camp  
High School  
(1,333 students)

**VOLUNTEER STATE**  
COMMUNITY COLLEGE  
(9,156 students)

**386** / Vietnam Veterans Boulevard  
(42,590 AADT)

Nat Caldwell Park


The Edison at Peytona  
(304 units)

**Jersey Mike's**  
SUBS

**Andy's**  
Frozen Custard  
(Under Construction)

**MIRACLE** Ford

**GAP**  
(2.8M SF distribution facility  
with over 2,000 employees)

**SUBARU**

**SUMNER**  
BANK & TRUST

**DISCOUNT**  
**TIRE**

Stratford Apartments  
(120 units)

**LOWE'S**

**31E** / Nashville Pike  
(25,785 AADT)

Vinewood  
Townhomes  
(proposed  
residential development  
- 50 townhomes)

**DUTCH BROS**  
(Under Construction)

**MIRACLE**  
DODGE CHRYSLER Jeep RAM

**marco's**  
Pizza



# SITE PLAN

U.S. ROUTE 31E / NASHVILLE PIKE

**DISCOUNT  
TIRE**

  
950 SF

DRIVE-THRU →

↑ DRIVE-THRU

↑ DRIVE-THRU

← DRIVE-THRU

← DRIVE-THRU

DUAL-LANE  
DRIVE-THRU  
(28-CAR STACKING)



# 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>FOUNDED</b>	<b>1992</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 TN, LLC		
<b>GUARANTOR</b>	Boersma Bros. LLC		
<b>ADDRESS</b>	<a href="#">1305 Nashville Pike, Gallatin, Tennessee 37066</a>		
<b>RENT COMMENCEMENT</b>	January 2022 (estimated)		
<b>LEASE EXPIRATION</b>	January 2037 (estimated)		
<b>RENEWAL OPTIONS</b>	Four (4) extension terms of five (5) years each		
<b>RENT PER YEAR</b>	<b>YEAR</b>	<b>RENT</b>	<b>RETURN</b>
	1-5	\$79,000	3.85%
	6-10	\$86,900	4.24%
	11-15	\$95,590	4.66%
	16-20 (Option 1)	\$105,149	5.12%
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	26-30 (Option 3)	\$127,230	6.20%
	31-35 (Option 4)	\$139,953	6.82%
<b>REAL ESTATE TAXES</b>	Tenant is responsible for all real estate taxes.		
<b>INSURANCE</b>	Tenant is responsible for all insurance costs.		
<b>UTILITIES</b>	Tenant shall pay for utilities supplied to the Premises.		
<b>REPAIR &amp; MAINTENANCE</b>	Tenant is responsible for all repair and maintenance, including roof, structure, parking lot and HVAC system.		
<b>MAINTENANCE BY LANDLORD</b>	None		
<b>RIGHT OF FIRST REFUSAL</b>	None		



# PROPERTY OVERVIEW

## LOCATION

The property is centrally located with excellent visibility and access to 25,785 vehicles per day directly in front of the site on Nashville Pike. The site is an outparcel to major tenant Lowe's Home Improvement Store, promoting crossover traffic. It is also in close proximity to a 2.8M SF Gap distribution facility that operates 24 hours per day and employs over 2,000 people. The property is located in a growing and extremely affluent area. The average household income is \$112,481 within a one-mile radius of the location with a projected nine percent income growth within the next five years. 62,014 residents live within a five-mile radius of the site with a projected 12 percent increase within the next five years, poising Dutch Bros and Gallatin for significant concurrent growth.

The property benefits from access to State Route 386 and Highway 109, which experiences a combined traffic count of 72,612 vehicles per day near the site. Volunteer State Community College is located minutes from the property, which had an enrollment of 9,227 students during the Fall of 2020. Volunteer State Community is one of the largest employers in the Gallatin. The site is close to several large shopping centers and community hubs and is surrounded by a strong mix of local and national retailers, including Walmart Super Center, Publix, Walgreens, Subway, Jersey Mike's Subs, Longhorn Steakhouse, Discount Tire, and many more. The property maintains beneficial proximity to Hilton Garden Inn Gallatin (102 guest rooms, 1,628 SF event space). Within walking distance to Stratford Apartments (120 units), Fairview Commons Apartments (24 units), and one mile from Chandler Park Gallatin (336 units), providing a stable customer base. The proposed Vinewood Townhomes new development (50 units) will also increase traffic to the site and is to be located behind Lowe's.

## ACCESS

Access from Nashville Pike

## TRAFFIC COUNTS

Nashville Pike:	25,785 AADT
State Route 386:	42,590 AADT
Highway 109:	30,022 AADT

## PARKING

12 parking stalls, including one (1) handicap stall

## YEAR BUILT

2021

## NEAREST AIRPORT

Nashville International Airport (BNA | 33.6 miles)



**12**  
PARKING  
STALLS



**2021**  
YEAR BUILT



**NEAREST  
AIRPORT**  
NASHVILLE  
INTERNATIONAL  
AIRPORT



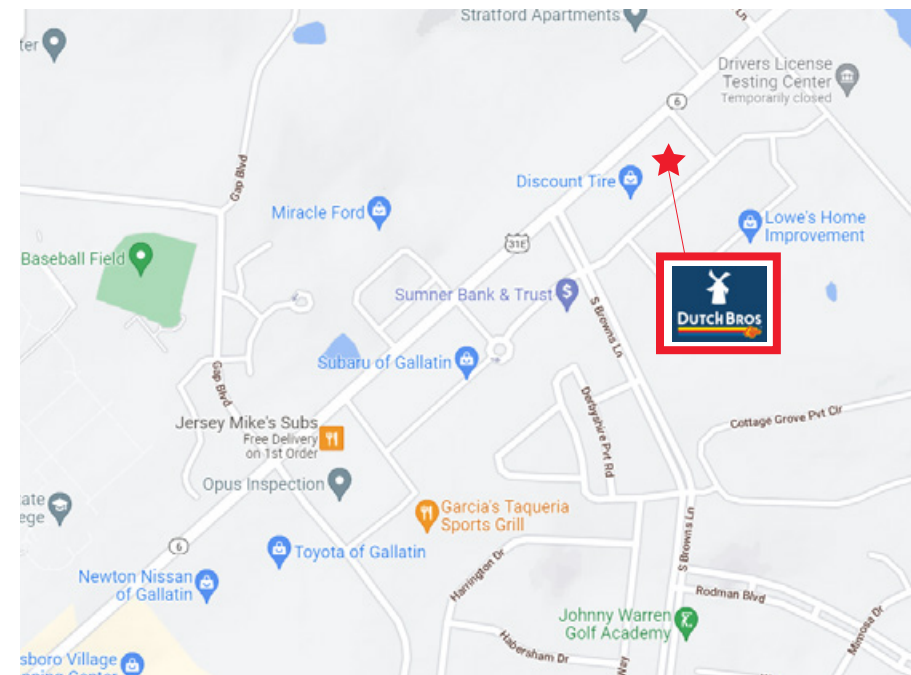
# AREA OVERVIEW

Gallatin is a city in Tennessee and located in Sumner County, with a population of 44,431 as of the 2020 census. Named for United States Secretary of the Treasury Albert Gallatin, the city was established on the Cumberland River and made the county seat of Sumner County in 1802. It is located about 30 miles northeast of the state capitol of Nashville. It is an energetic small city set in the idyllic countryside offering a rich variety of recreational, educational, and economic activities you'd expect to find in a bigger city. The city boasts high-paying jobs and low taxes, economic health, a thriving arts scene, and a vibrant retail environment. Tennessee has no income tax and the city of Gallatin hasn't raised property taxes in 13 years. Several national companies have facilities or headquarters in Gallatin, including Gap, Inc., RR Donnelley, Beretta, and Servpro Industries, Inc. The city is also the site of Volunteer State Community College, a two-year college with more than 70-degree programs. Gallatin has more than 600 acres of parks and recreation including six parks: Clearview Park, Lock 4 Park, Municipal Park, Rogers Field, Thompson Park, Triple Creek Park, which allow for various sports and activities. The city owns the utilities - electric, water, gas, and sanitary sewer and has one of the lowest electric rates in the TVA region. Gallatin built more than \$100 million in roads to improve access and ease and owns its industrial Center with nearly 70 acres ready to build, with access to 1,000 more.

Sumner County is located on the central northern border of Tennessee, in what is called Middle Tennessee. As of the 2020 census, the population was 196,281. Sumner County is part of the Nashville-Davidson-Murfreesboro-Franklin, TN Metropolitan Statistical Area. The county is made up of eight cities, including Gallatin, Goodlettsville, Hendersonville, Millersville, Mitchellville, Portland, Westmoreland, and White House. Hendersonville is the largest city in Sumner County with a population of 58,113. Sumner County is rich in history, scenic beauty, and musical heritage. It offers its own unique destination and has been the longtime home of Johnny Cash and June Carter Cash, who lived on Old Hickory Lake, a wonderful recreational lake that is open to the public. From delicious foods, live music, and beautiful drives, Sumner County, Tennessee, is a great getaway for visitors and locals.

- » In 2017, Gallatin was ranked as "The Nicest Place in America" by *Reader's Digest*.
- » Gallatin boasts two highly ranked colleges - Volunteer State Community College and Welch College. Volunteer State Community College is a public community college in Gallatin, Tennessee. It is part of the Tennessee Board of Regents. Volunteer State serves the suburban Nashville community. The main campus of the college is 30 miles to the northeast in the Nashville suburb of Gallatin.
- » Gallatin is going up across the board — population, economy, and investment with young professionals and big-name businesses such as Amazon, AllianceBernstein, Ernst & Young, Lyft, and Warby Parker. And, according to *Forbes Magazine*, Nashville is the seventh fastest growing MS in the U.S.
- » Business Facilities ranks Tennessee #1 in the Southeast for Best Infrastructure. Conveniently accessible within a day's drive to a majority of the U.S. with more than 40 percent of the U.S. population living within 600 miles.

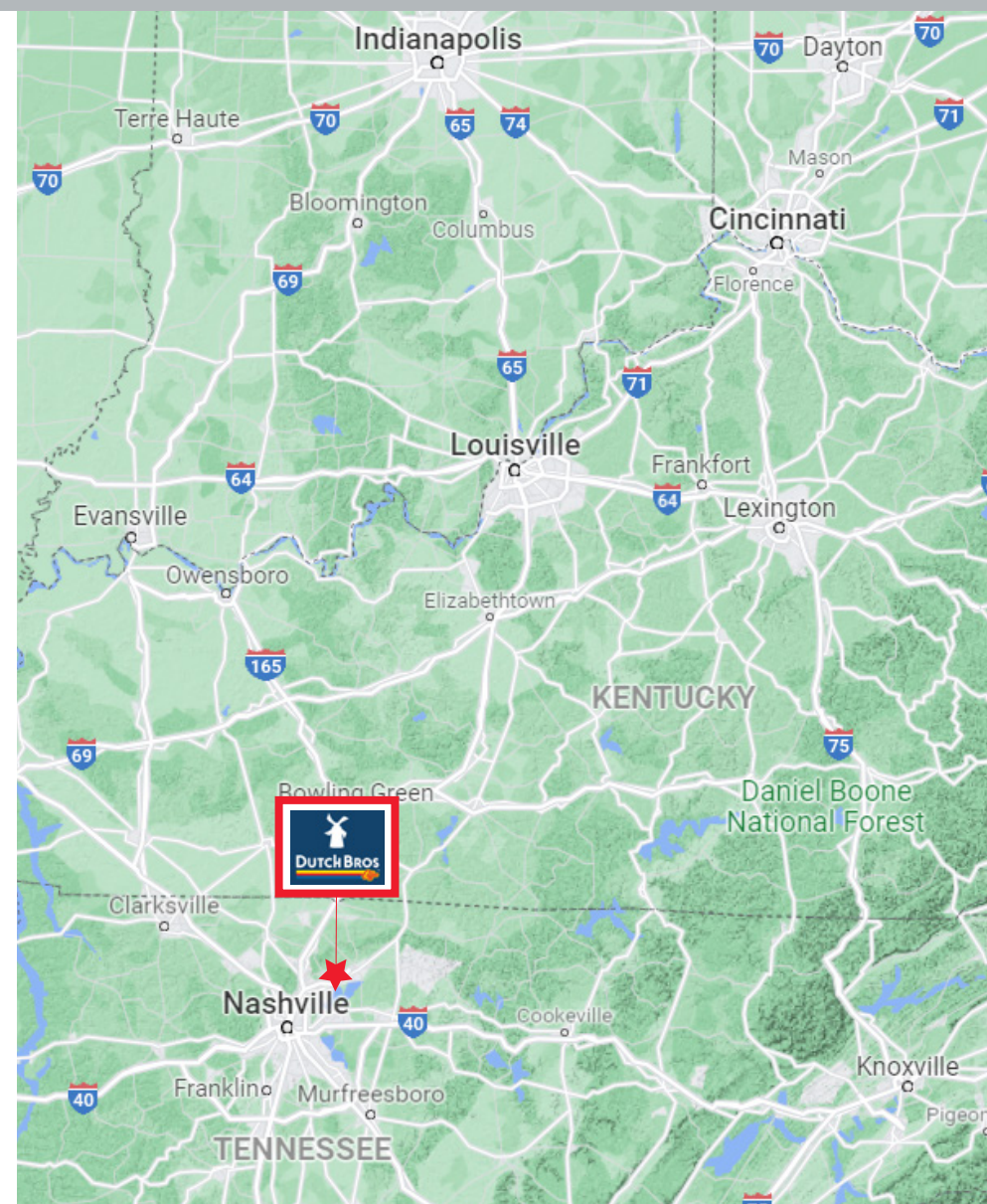
LARGEST EMPLOYERS IN GALLATIN, TENNESSEE	# OF EMPLOYEES
SUMNER COUNTY GOVERNMENT & SCHOOLS	4,307
GAP, INC.	2,294
SUMNER REGIONAL MEDICAL CENTER	1,077
ABC GROUP	824
VOLUNTEER STATE COMMUNITY COLLEGE	714
SERVPRO CORPORATE	475
CITY OF GALLATIN	450
YAPP USA	343
HOEGANAES CORPORATION	232
SIMPSON STRONG TIE	165





# DEMOGRAPHIC PROFILE

2021 SUMMARY	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>2,222</b>	<b>34,070</b>	<b>62,014</b>
Households	1,057	13,367	23,865
Families	723	9,040	16,641
Average Household Size	2.10	2.51	2.55
Owner Occupied Housing Units	784	9,085	16,656
Renter Occupied Housing Units	273	4,282	7,209
Median Age	47.6	40.2	40.0
<b>Average Household Income</b>	<b>\$112,481</b>	<b>\$91,293</b>	<b>\$94,476</b>
2026 ESTIMATE	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>2,525</b>	<b>38,117</b>	<b>69,244</b>
Households	1,213	15,054	26,757
Families	826	10,104	18,553
Average Household Size	2.08	2.50	2.55
Owner Occupied Housing Units	901	10,330	18,914
Renter Occupied Housing Units	313	4,724	7,843
Median Age	48.9	41.3	41.0
<b>Average Household Income</b>	<b>\$122,448</b>	<b>\$100,920</b>	<b>\$104,714</b>



**AVERAGE HOUSEHOLD INCOME OF \$112,481  
WITHIN ONE MILE**





## LEAD BROKERS

### VINCENT AICALE

*Executive Director*

415.690.5522

vince.aicale@cushwake.com

CA RE License #01728696

### RYAN FORSYTH

*Executive Director*

415.413.3005

ryan.forsyth@cushwake.com

CA RE License #01716551

### MICHAEL T. YURAS, CCIM

*Executive Managing Director*

415.481.0788

michael.yuras@cushwake.com

CA RE License #01823291

### SCOTT CROWLE

*Executive Director*

415.604.4288

scott.crowle@cushwake.com

CA RE License #01318288

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Cushman and Wakefield Inc. LIC. # 00616335