



DUTCH BROS COFFEE

ROUND ROCK, TEXAS (AUSTIN MSA)



YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM



\$3,125,000 | 4.00% CAP RATE

- » New 15-Year Absolute NNN Lease
 - » 10% Rental Increases Every Five Years
 - » Dutch Bros Recently Went Public Valued at Over \$3.8 Billion (NYSE: "BROS")
 - » Dutch Bros is on Track to Open More Than 100 Stores in 2021
- » Located in a Large and Growing Texas Retail Corridor
 - » High-Traffic Location Along Interstate 35 (127,269 AADT)
 - » Population of 183,634 Within a Five-Mile Radius, an Increase of 42 Percent Since 2010
- » Proximity to Large Retail Centers and Community Hubs
 - » Shadow-Anchored by University Oaks Shopping Center (236,000 SF, 37 Stores)
 - » One Mile from Baylor Scott & White Medical Center – Round Rock (101 Beds, 750 Employees)
- » New 2021 Construction with Dedicated Dual-Drive Thru and Outdoor Patio in Income Tax Free State

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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INVESTMENT OVERVIEW

ADDRESS	3589 North Interstate Highway 35, Round Rock, TX 78664		
PRICE	\$3,125,000		
CAP RATE	4.00%		
NOI	\$125,000		
TERM	15 years		
RENT COMMENCEMENT	January 2022 (estimated)		
LEASE EXPIRATION	January 2037 (estimated)		
RENTAL INCREASES	10% rental increases every five (5) years		
	YEAR	RENT	RETURN
	1-5	\$125,000	4.00%
	6-10	\$137,500	4.40%
	11-15	\$151,250	4.84%
	16-20 (option 1)	\$166,375	5.32%
	21-25 (option 2)	\$183,013	5.86%
	26-30 (option 3)	\$201,314	6.44%
YEAR BUILT	2022		
BUILDING SF	862 SF		
LEASE TYPE	Absolute NNN, with tenant responsible for all taxes, insurance, and maintenance, including roof, structure, and parking lot		



FILE PHOTO

NEW 15-YEAR ABSOLUTE NNN LEASE TO STRONG RETAIL TENANT

- » New 15-year absolute NNN lease to strong and growing retail tenant
- » 10% rental increases every five years, providing a hedge against inflation
- » Dutch Bros recently went public valued at over \$3.8 billion (NYSE: "BROS")
- » Dutch Bros sales are up 51 percent through the first six (6) months of 2021 after a record performance in 2020

LOCATED IN LARGE AND GROWING TEXAS CORRIDOR

- » Located along Interstate 35 (127,269 AADT), with freeway visibility
- » Beneficial proximity to University Boulevard (34,117 AADT)
- » Average annual household income of \$115,535 within five miles
- » Population of 183,634 within a five-mile radius of the site (42 percent growth since 2010), providing a consistent customer base for the property

PROXIMITY TO LARGE RETAIL CENTERS AND COMMUNITY HUBS

- » Shadow-anchored by University Oaks Shopping Center (236,000 SF, 37 stores), significantly increasing traffic to the site
- » Surrounded by a strong mix of local and national retailers, including Walmart Supercenter, IKEA, Target, Chick-fil-A, McDonald's, Starbucks, and many more
- » Three-minute drive from Round Rock Premium Outlets (430,000 SF, 125 stores), one of Round Rock's largest retail centers
- » Surrounded by high-density single family housing developments and large apartment complexes
- » One mile from Baylor Scott & White Medical Center – Round Rock (101 beds, 750 employees)
- » Two miles from Amazon Distribution Center (200+ employees)

NEW 2022 CONSTRUCTION IN INCOME TAX FREE STATE

- » 2022 construction featuring a dedicated dual-lane drive-thru and outdoor patio, providing additional customer convenience and boosting sales revenue
- » Features latest store designs and concepts
- » Drive-thru designed to accommodate 21 cars
- » Texas has no state income tax, estate tax, or inheritance tax



Walmart
Supercenter

TARGET

Sky Ridge Plaza

Jack
in the box

Guitar Center
The Musician's Choice

Walgreens

The Golf Driving
Range Round Rock



CD Fulkes
Middle School
(760 students)

Round Rock
High School
(3,607 students)

Chisholm
Middle School
(536 students)

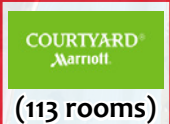
Stony Point
High School
(2,598 students)



INDUSTRIAL REGION



(Under Construction)



Future
Retail



Interstate 35
(127,269 AADT)



Round Rock
Premium Outlets
(430,000 SF,
125 stores)



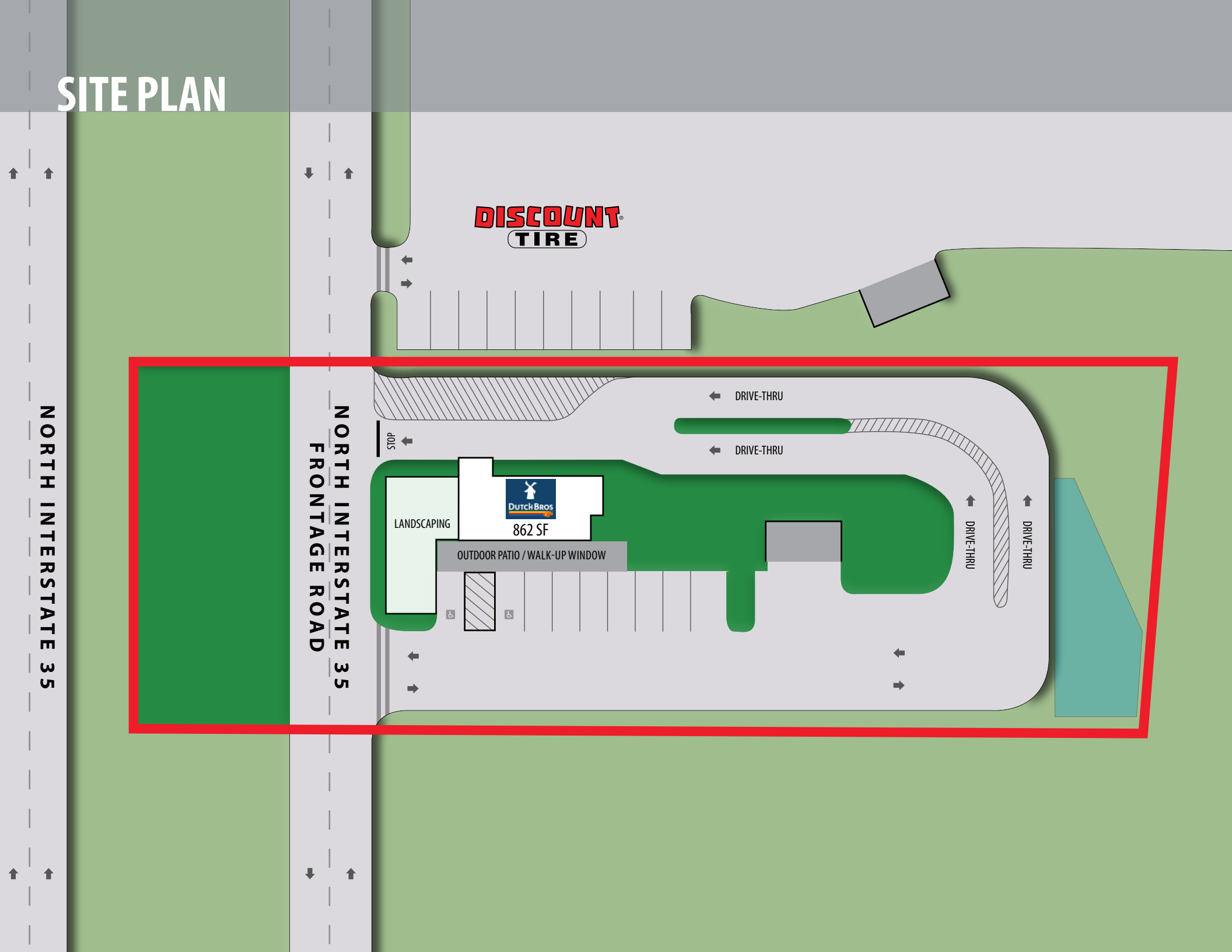
Future Retail

University Boulevard
(34,117 AADT)

Interstate 35
(127,269 AADT)



SITE PLAN



**DISCOUNT
TIRE**

STOP

LANDSCAPING



862 SF

OUTDOOR PATIO / WALK-UP WINDOW

← DRIVE-THRU

← DRIVE-THRU

↑ DRIVE-THRU

↑ DRIVE-THRU

NORTH INTERSTATE 35

NORTH INTERSTATE 35
FRONTAGE ROAD

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 500 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	500+	SALES	\$567M

LEASE ABSTRACT

TENANT	Dutch Bros Coffee		
ADDRESS	3589 North Interstate Highway 35, Round Rock, TX 78664		
RENT COMMENCEMENT	January 2022 (estimated)		
LEASE EXPIRATION	January 2037 (estimated)		
RENEWAL OPTIONS	Three (3) option periods of five (5) years each		
RENT PER YEAR	YEAR 1-5 6-10 11-15 16-20 (option 1) 21-25 (option 2) 26-30 (option 3)	RENT \$125,000 \$137,500 \$151,250 \$166,375 \$183,013 \$201,314	RETURN 4.00% 4.40% 4.84% 5.32% 5.86% 6.44%
REAL ESTATE TAXES	Tenant shall pay all real estate taxes.		
INSURANCE	Tenant is responsible for all insurance costs.		
UTILITIES	Tenant shall pay for utilities supplied to the Premises.		
REPAIR & MAINTENANCE	Tenant is responsible for all repair and maintenance, including roof, structure, and parking lot.		
MAINTENANCE BY LANDLORD	None		
RIGHT OF FIRST REFUSAL	None		

PROPERTY OVERVIEW

LOCATION

This Dutch Bros is conveniently located along Interstate 35 (127,269 AADT). The site maintains close proximity to University Boulevard (34,117 AADT), significantly increasing traffic in the immediate area. The property is situated in a growing community with an average annual household income of \$115,535 within five miles, which is projected to increase nine percent by 2026. The location is supported by a consistent customer base, with a population of 183,634 within a five-mile radius of the site (42 percent increase since 2010).

Visibility to the property is increased by the site's central location near large retail centers and community hubs. The site is shadow-anchored by University Oaks Shopping Center (236,000 SF, 37 stores), significantly increasing traffic in the area. The property is surrounded by a strong mix of local and national retailers, including Walmart Supercenter, IKEA, Target, Chick-fil-A, McDonald's, Starbucks, and many more. The location is one mile from Baylor Scott & White Medical Center – Round Rock (101 beds, 750 employees) and a three-minute drive from Round Rock Premium Outlets, one of Round Rock's largest retail centers (430,000 SF, 125 stores). Additionally, the property is near many high-density single family housing developments and apartment complexes, a strong traffic driver for the property.

ACCESS

Access from Interstate 35 Frontage Road

TRAFFIC COUNTS

Interstate 35: 127,269 AADT
University Boulevard: 34,117 AADT

PARKING

Nine (9) parking stalls, including one (1) handicap stall

YEAR BUILT

2022

NEAREST AIRPORT

Austin Bergstrom International Airport (AUS | 27 miles)



9

PARKING
STALLS



2022

YEAR BUILT



NEAREST
AIRPORTS

AUSTIN
BERGSTROM
INTERNATIONAL
AIRPORT

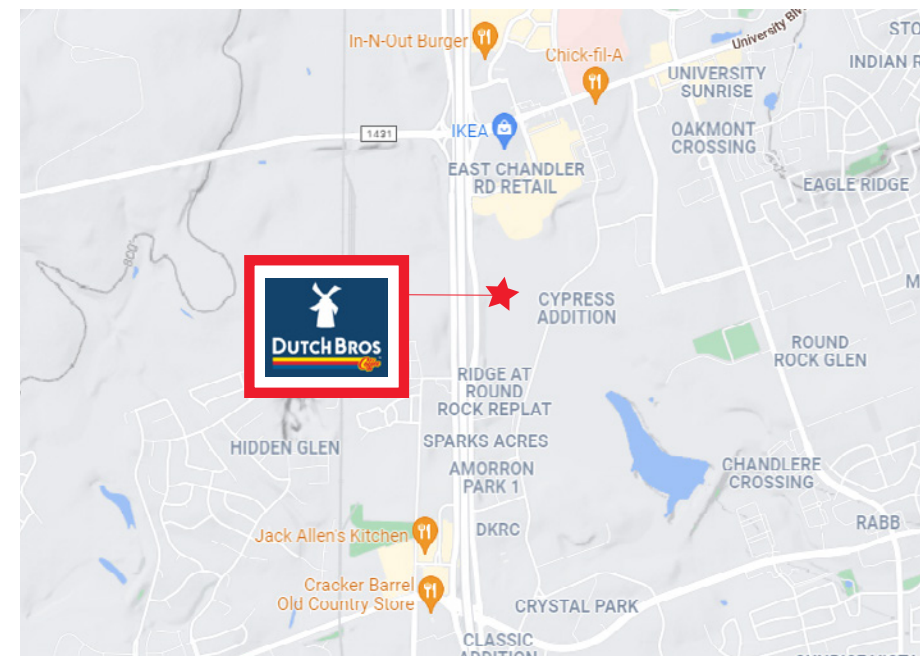
AREA OVERVIEW

Round Rock is a city in Texas located 15 miles north of Austin in the Central Texas Hill Country. Round Rock is among the fastest-growing cities in the nation. The city has a population of 119,468, an increase of 19.6 percent over since 2010, according to new census data. Round Rock has maintained a high-quality of life while becoming a major center for economic growth in Central Texas, with industry clusters in innovative manufacturing, life sciences and healthcare, professional/financial services, and technology and computing. Major Round Rock employers include Dell, Round Rock Premium Outlets, Kalahari Resorts and Conventions, Ascension Seton Williamson, Baylor Scott & White Healthcare, St. David's Round Rock Medical Center, Emerson Process Management, Amazon, and UPS. Its combined property tax and utility rates are among the lowest in the region. The city has an award-winning park system, school district, and is one of the safest cities with a population of at least 100,000 population in the United States. As the largest city in Williamson County, Round Rock is a key part of one of the fastest-growing regions in Texas and the country.

Round Rock is within the Austin-Round Rock metropolitan area in Williamson County. The city is located approximately 20 miles north of Downtown Austin and shares a common border with Austin. Austin–Round Rock–San Marcos is the 29th-largest metropolitan area in the United States, with a population of 2,283,371 people as of the official 2020 U.S. census. The metropolitan area is centered on the city of Austin—the fourth-largest city in Texas and the 11th-largest city in the United States with a population of 961,855. Austin's largest suburbs are Round Rock, Cedar Park, Georgetown, San Marcos, and Pflugerville. Round Rock is best known as the international headquarters of Dell, which is the largest private employer in the region. The presence of Dell, along with other major employers, offers a strong economic development program, favorable tax rates, and major retailers, which make Round Rock a self-proclaimed “super suburb.” Austin is the capital of Texas and the seat of Travis County. Located in Central Texas and one of the fastest-growing job markets and economies in the United States.

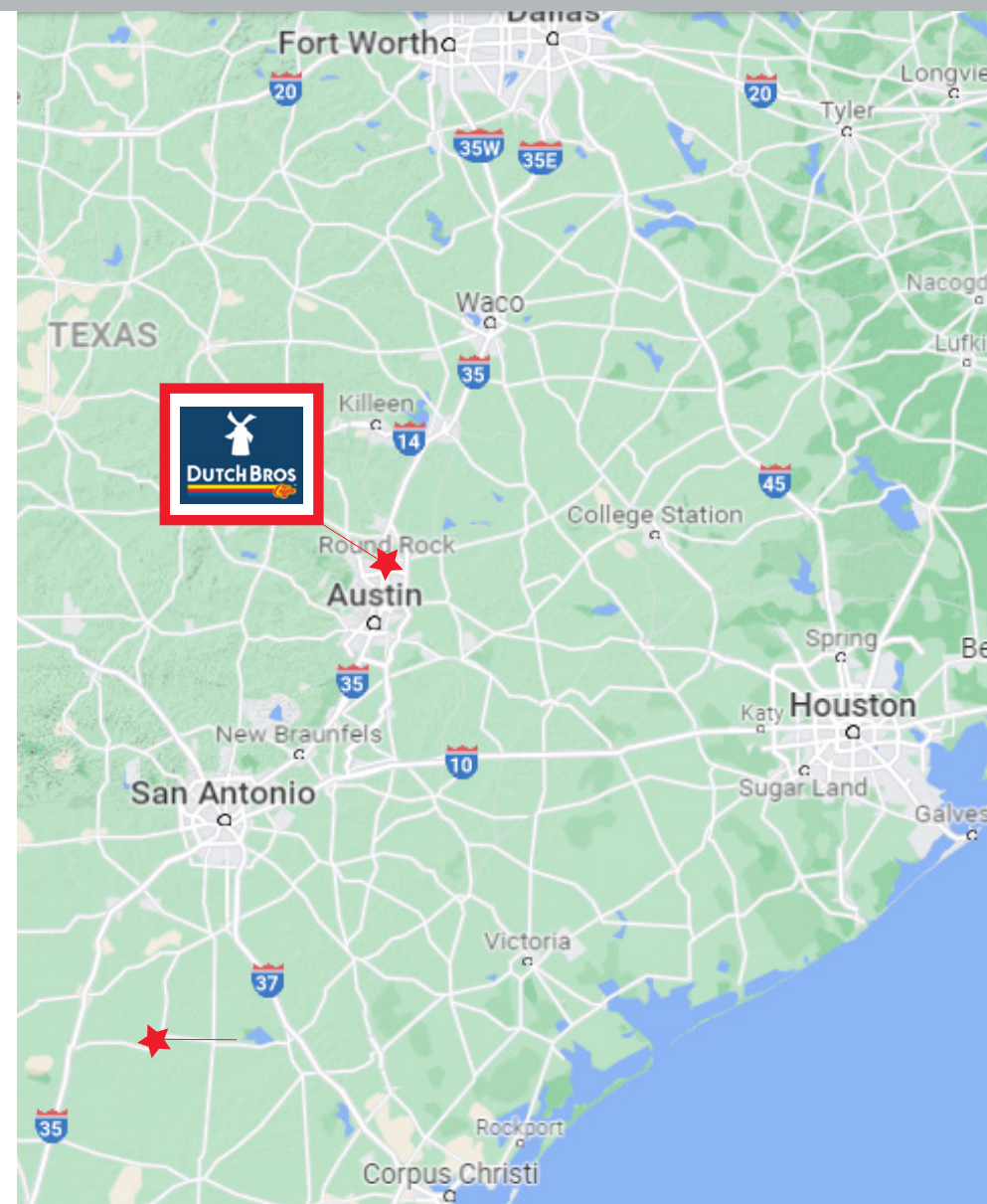
- » Round Rock has earned the title of the Sports Capital of Texas and has hosted some of the biggest youth and recreational sports tournaments for athletes from all over the world at the Round Rock Sports Center and Round Rock Multipurpose Complex. Dell Diamond is the home stadium of the Round Rock Express, the Triple-A Minor League Baseball affiliate of the Texas Rangers.
- » Round Rock has a target of investing a minimum of \$240 million from 2019 to 2024 to improve roadway capacity and connectivity in a program called Driving Progress. In 2019, the city put in place funding strategies to accelerate transportation improvements that are components of the \$1.2 billion transportation master plan approved in October 2017.
- » According to a 2020, citizen survey by the City of Round Rock, 90 percent of residents were satisfied with the overall quality of life in Round Rock and 87 percent of residents were satisfied with the overall quality of City services.

LARGEST EMPLOYERS IN ROUND ROCK, TEXAS	# OF EMPLOYEES
DELL, TECHNOLOGIES INC.	13,000
KALAHARI RESORTS & CONVENTIONS	1,000
ROUND ROCK PREMIUM OUTLETS	800
ASCENSION SETON WILLIAMSON	750
BAYLOR SCOTT & WHITE HEALTHCARE	750
ST. DAVID'S ROUND ROCK MEDICAL CENTER	689
EMERSON AUTOMATION SOLUTIONS	682
AMAZON	600
UNITED PARCEL SERVICE	563
SHOP LC	475



DEMOGRAPHIC PROFILE

2021 SUMMARY	1 Mile	3 Miles	5 Miles
Population	3,970	69,657	183,634
Households	1,891	23,846	64,058
Families	1,136	17,748	46,949
Average Household Size	2.10	2.91	2.86
Owner Occupied Housing Units	648	15,295	44,888
Renter Occupied Housing Units	1,243	8,551	19,170
Median Age	34.3	33.7	34.2
Average Household Income	\$104,161	\$112,713	\$115,535
2026 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	4,970	78,351	207,523
Households	2,401	26,967	72,614
Families	1,434	19,943	52,914
Average Household Size	2.07	2.90	2.85
Owner Occupied Housing Units	729	17,135	51,158
Renter Occupied Housing Units	1,671	9,832	21,457
Median Age	34.6	33.5	33.9
Average Household Income	\$110,639	\$122,517	\$125,771



AVERAGE HOUSEHOLD INCOME OF \$115,535
WITHIN FIVE MILES



POPULATION OF 183,634
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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