

OFFERING MEMORANDUM | 20325 INTERSTATE 35, KYLE, TX (AUSTIN MSA)

DUTCH BROS COFFEE



EVERGREEN
COMMERCIAL REAL ESTATE

NEW CONSTRUCTION!

15 Year Absolute NNN Ground Lease
10% Increases Every 5 Years

Developed by:
ENDEAVOR
Real Estate Group



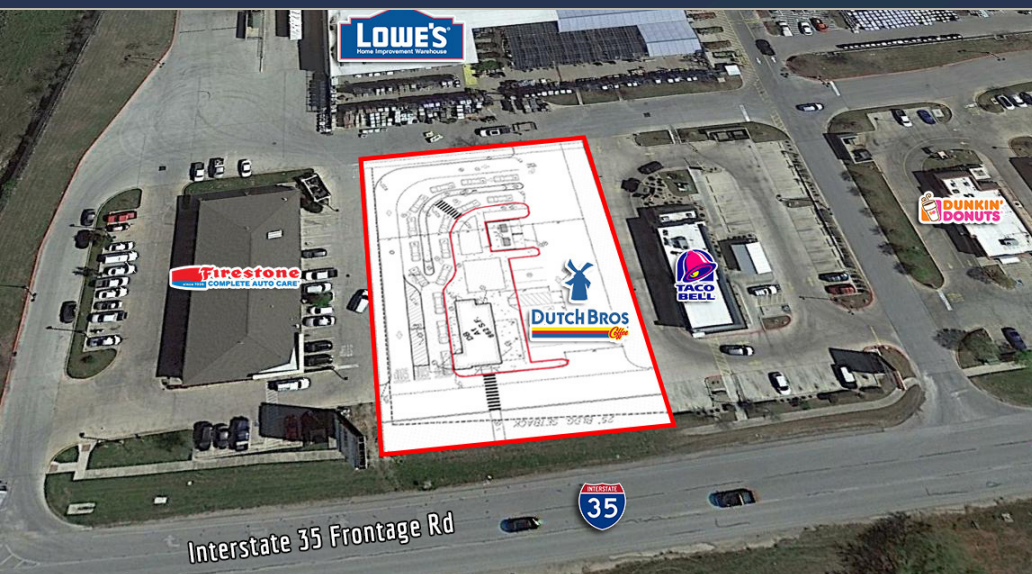
"Representative photo; not actual site"

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EVERGREENCRE.COM

OFFERING MEMORANDUM

DUTCH BROS COFFEE - 20325 I-35, KYLE, TX (AUSTIN MSA)



INVESTMENT OVERVIEW

Rent:	\$101,000
Capitalization Rate	3.75%
Price:	\$2,693,000
Building Size:	862 SF
Lot Size:	33,541 SF
Lease Term:	15 Years
Rent Increases:	10% Every 5 Years
Year Built:	2022

PROPERTY OVERVIEW

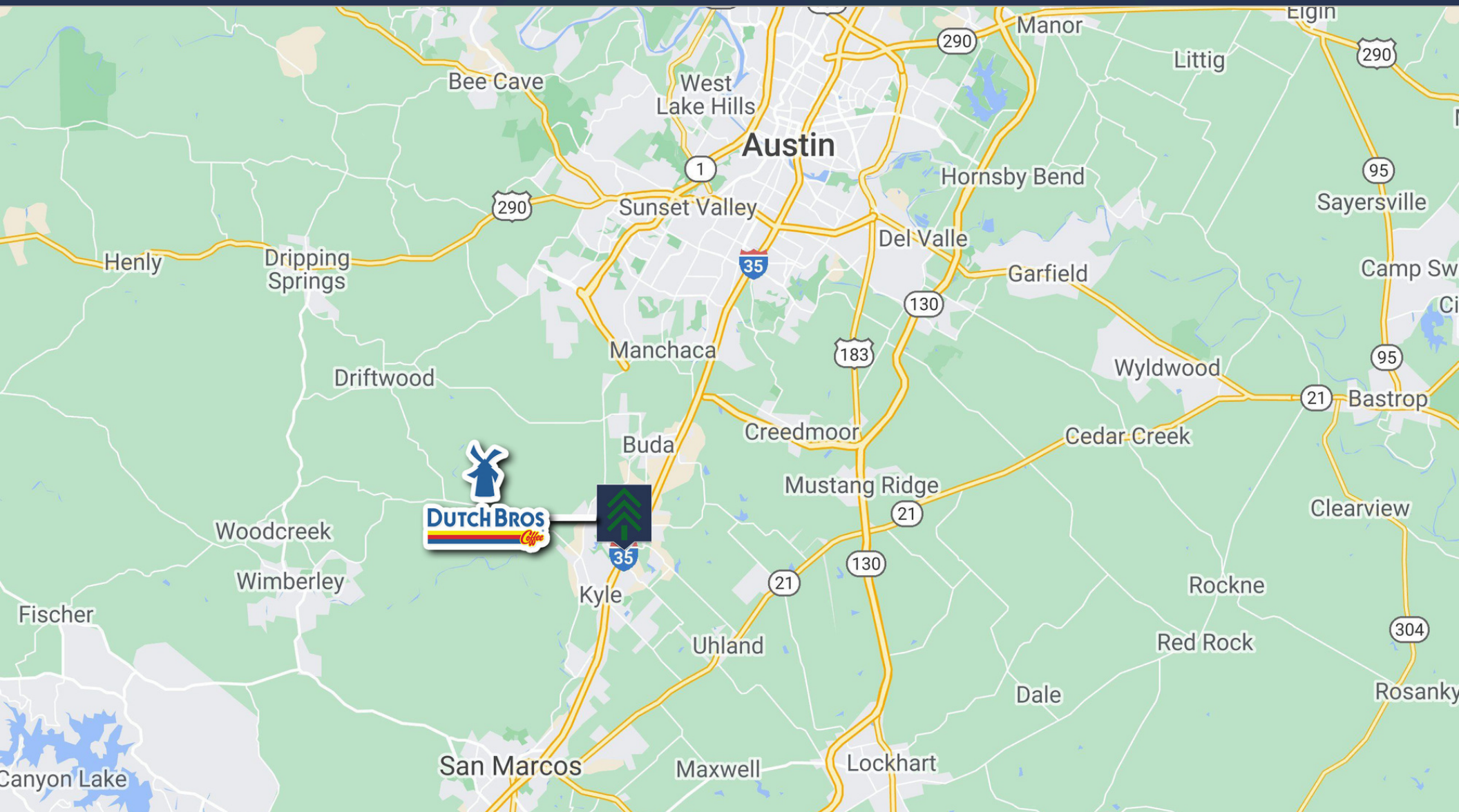
Dutch Bros Coffee 33,541 SF Ground Lease located at 20325 I-35, Kyle, Texas, 78640 (AUSTIN MSA)

PROPERTY HIGHLIGHTS

- Prime retail location with access from Interstate 35 Frontage Road and Kyle Parkway
- Surrounded by HEB Plus, Walmart Supercenter, Lowes, Target, and many other national retailers and restaurants
- Traffic Counts (Costar 2020): 146,137 VPD on I-35 & 33,992 VPD on Kyle Pkwy
- The trade area has developed an average of 5,000 lots annually, with growth of over 10% per year

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INVESTMENT OVERVIEW

TENANT	DUTCH BROS COFFEE 20325 IH-35 Kyle, Texas 78640 (AUSTIN MSA)		
RENT	\$101,000		
CAP RATE	3.75%		
PRICE	\$2,693,000		
TERM	15 years		
COMMENCEMENT	May 2022 (Estimated)	EXPIRATION	May 2037 (Estimated)
LEASE TYPE	Absolute NNN (TT responsible for taxes, insur & maint, includ. roof, structure, & prkg lot)		
GUARANTOR	Boersma Bros, LLC (Corporate)		

RENT TERMS

LEASE YEAR	ANNUAL RENT	MONTHLY RENT
1 - 5	\$101,000.00	\$8,416.67
6 - 10	\$111,100.00	\$9,258.33
11 - 15	\$122,210.00	\$10,184.17
EXTENSION TERMS		
16 - 20	\$134,431.00	\$11,202.58
21 - 25	\$147,874.10	\$12,322.84
26 - 30	\$162,661.51	\$13,555.13

STRATEGICALLY LOCATED, STRONG SINGLE-TENANT WITH DRIVE-THRU

- New 15-year absolute NNN ground 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% thru the first six (6) months of 2021 after 2020 record performance
- Located along Interstate 35 (146,137 VPD), with freeway visibility
- Beneficial proximity to Kyle Parkway (33,992 VPD)
- Surrounded by a strong mix national retailers, including Lowes, Walmart Supercenter, Target, HEB Plus, Chick-fil-A, Firestone, Starbucks, and many more
- The trade area has developed an average of 5,000 lots annually, with growth of over 10% per year



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**COMPANY TYPE: BROS (US:NYSE)****# OF LOCATIONS: 500+****WEBSITE: WWW.DUTCHBROS.COM**

Dutch Bros. Coffee is the largest privately held drive-thru coffee chain in the United States. With over 500 locations across eleven states, the drive-thru coffee chain specializes in premium coffees and speedy, high-energy service. The chain's almost entirely beverage-based menu features a variety of coffee roasts along with lattes, cocoas, and specialty drinks and is known for their irresistible three-bean blend of 100% Arabica coffee beans.

Founded in 1992 by brothers, Dane and Travis Boersma, the company has grown steadily over the last 30 years. Headquartered in Grants Pass, Oregon, the company sales has grown to \$567 million in 2020, a 7.7% sales growth over the previous year. Over the past five years its annual growth rate has easily outpaced the coffee sector and all of its competitors. Dutch Bros added 72 new locations in 2020 despite the pandemic. The chain boasts average unit volumes of \$1.5 million, according to Restaurant Business sister company Technomic.

In October 2018, Dutch Bros. received a minority investment from San Francisco-based, private equity firm TSG Consumer Partners. The company used the investment to expand into new markets, with the goal of to grow its locations to 800 stores by 2024. The company is additionally using the funding to attract talent and deploy technology to improve service and provide business intelligence. TSG previously also had a stake in the casual-dining chain Yard House, one of its most successful investments.

On September 15, 2021, the Class A common stock began trading on The New York Stock Exchange under the symbol "BROS." Proceeds from the initial public offering were approximately \$556.8 million, before deducting underwriting discounts and commissions and other offering expenses.



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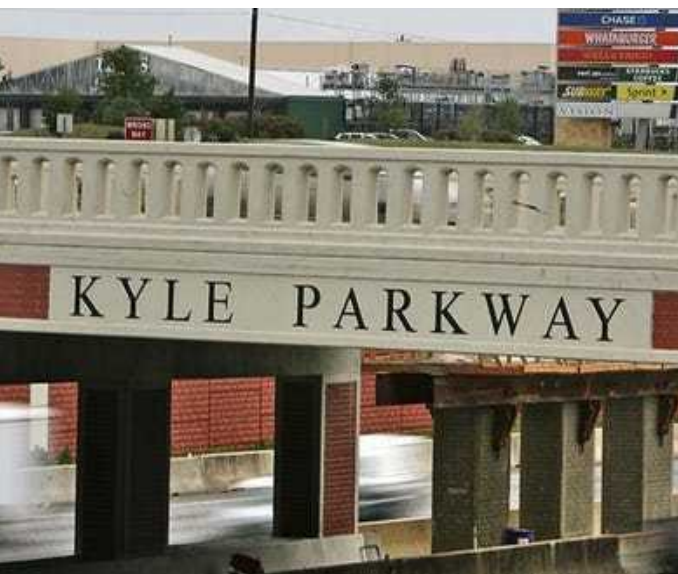


KYLE, TX

- The City of Kyle is in the heart of the I-35 Texas Innovation Corridor, just 26 miles south of the Austin-Bergstrom Int'l Airport & 50 miles north of San Antonio Int'l Airport
- Kyle is the second largest city in Hays County and projected to become the largest
- Trade Area Population (7.5 mi radius) 118,123 people
- Kyle has been established as a medical hub with over 2 million square feet in medical facilities that have created over 2,000 medical related jobs in the area
- Kyle has experienced an exceptional amount of commercial and industrial growth, including the development of over 2 million square feet of industrial facilities
- Major Employers: Hayes CISD, Ascension Seton Hayes, FedEx, Lowes Distribution and Lowes Retail Store, HEB Plus, Amazon Sorting Facility, Legend Oaks Healthcare & Rehabilitation

DEMOGRAPHICS

	3 MILE RADIUS	5 MILE RADIUS
Estimated Population (2021)	51,411	84,574
Estimated Households (2021)	16,384	26,285
Average Household Income (2021)	\$84,108	\$82,100
Projected Population (2026)	60,528	100,284
Projected Annual Growth (2021 - 2026)	9,118 3.5%	15,710 3.7%



Approved by the Texas Real Estate Commission for Voluntary Use

Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

INFORMATION ABOUT BROKERAGE SERVICES

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

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:

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- (1) shall treat all parties honestly;
- (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and

(4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

If you choose to have a broker represent you,

you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

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.

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David Russell Burggraaf	518156	db@evergreencr.com	512-764-5008
DESIGNATED BROKER OF THE FIRM	LICENSE NO.	EMAIL	PHONE

BUYER / SELLER / LANDLORD / TENANT INITIALS

DATE



Texas Real Estate Brokers and Salespersons are licensed and regulated by the Texas Real Estate Commission (TREC). If you have a question or complaint regarding a real estate licensee, you should contact TREC at P.O. Box 12188, Austin, Texas 78711-2188 or 512-465-3960.

IABS 1-0

11.02.2015

