

DUTCH BROS



ABSOLUTE NNN GROUND LEASE



3501 LOCKE AVENUE, FORT WORTH, TX 76107

Offering Memorandum

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CBRE

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*Actual Site



ADDRESS:

3501 Locke Avenue,
Fort Worth, TX 76107

PRICE:

\$2,266,000

CAP:

3.75%

ANNUAL RENT:

\$85,000

SIZE:

994 SF

LAND AREA:

± 0.44 AC

YEAR BUILT:

2022

LEASE TYPE:

NNN Ground Lease

RENT INCREASES:

10% every five (5) years

CBRE's Net Lease Property Group, as exclusive advisor to Ownership, is pleased to present the exceptional opportunity to acquire a Dutch Bros Coffee operating under an Absolute NNN Ground Lease (the "Property") strategically located near Downtown Fort Worth, Texas. **Dutch Bros Coffee** (NYSE: BROS) is a drive-thru coffee company, serving specialty coffee, smoothies, freezes, and teas at their 530+ locations in 12 states.

The brand new 15-year Absolute NNN Ground Lease features attractive 10% rental increases every five years throughout the initial term and in each of the three (3) five-year renewal options. With a corporate guaranteed lease potentially extending through 2052, and zero landlord responsibilities, the Property provides investors with a long-term passive investment, with an irreplaceable location.

*Actual Site



INVESTMENT Highlights

FIRST CLASS TENANCY WITH CORPORATE GUARANTY

Dutch Bros Inc. (NYSE: BROS) is now one of the fastest-growing brands in the food service and restaurant industry in the United States by location count, boasting more than 530 locations spread across 12 states. In September 2021, Dutch Bros went public on the New York Stock Exchange in an IPO that raised nearly \$500 million, the largest in Oregon's history.

BRAND NEW ABSOLUTE NNN GROUND LEASE

The brand new 15-year NNN Ground Lease commences in March 2022, allowing investors to capitalize on the entire lease term, which could potentially extend through 2052.

STRONG RENT INCREASES

The lease features attractive 10% rental increases every five years throughout the initial term and in each of the three (3) five-year options, offering investors an escalating cash flow with built-in inflation hedges.

BRAND NEW CONSTRUCTION

Newly completed in 2022, the Property provides investors with the opportunity to acquire a Class A asset with a premier tenant and low capital expenditures moving forward.

HIGH-GROWTH, AFFLUENT DEMOGRAPHICS

The population with a 5-mile radius of the Property exceeds 285,000 and soars to nearly 350,000 during the daytime, due to a strong workforce of 191,029 employees throughout 14,610 businesses. The area within a 1-mile radius boasts an average household income of more than \$117,000.



TROPHY LOCATION

Dutch Bros is located off Interstate 30 (122,672 VPD) within minutes of Fort Worth's top attractions including the Fort Worth Zoo, Dickie's Arena, Will Rogers Memorial Center, Fort Worth Botanical Gardens, Cultural District, Texas Christian University and Sundance Square. These attractions combined draw more than 9.1 million visitors annually to Fort Worth.



LEASE Abstract

TENANT:	Dutch Bros.
GUARANTOR:	Boersma Bros., LLC
ADDRESS:	3501 Locke Avenue, Fort Worth, TX 76107
SQUARE FEET:	994
LAND SIZE:	±0.44 AC
YEAR BUILT:	2022
LEASE TYPE:	NNN Ground Lease
LL RESPONSIBILITIES:	None
TERM REMAINING:	15 Years
COMMENCEMENT:	March 4, 2022
EXPIRATION:	March 31, 2037
NOI:	\$85,000
ESCALATIONS:	10% every five (5) years, including options
RENEWAL OPTIONS:	Three (3), five (5) year options



RENT SCHEDULE

YEARS 1-5	\$85,000.00
YEARS 6-10	\$93,500.00
YEARS 11-15	\$102,850.00
RENEWAL OPTIONS	
YEARS 16-20	\$113,135.00
YEARS 21-25	\$124,448.50
YEARS 26-30	\$136,893.35



HIGH BARRIERS TO ENTRY

Located in close proximity to Downtown Fort Worth, the Property offers investors the unique opportunity to acquire a brand new retail asset within a sought-after market, where insatiable demand and limited inventory have made it difficult to obtain existing improvements or developable land. The area's dense population, market performance and robust job gains are all factors that have made Fort Worth one of the most desired markets for investors and tenants alike.



UNT HEALTH
SCIENCE CENTER

Kimbell
ART MUSEUM

The Modern

MONTICELLO
Avg. Home Price: \$600K
Total Homes: 1,090

Dickies
Arena
14,000 SEATS

WILL ROGERS
MEMORIAL CENTER
FORT WORTH

CHRIST CHAPEL
BIBLE CHURCH

MONTGOMERY ST
ANTIQUE MALL

FORT WORTH
BOTANIC GARDEN
110-ACRE CITY-OWNED PARK
334,000 ANNUAL VISITORS



INTERSTATE 30 - 122,672 VPD

MONTGOMERY ST - 10,311 VPD



Dutch Bros
Coffee

Inspired
CLOSETS

LOCKE AVE

Texas Health
Family Care

RAILHEAD
SMOKESHED
B.B.Q.

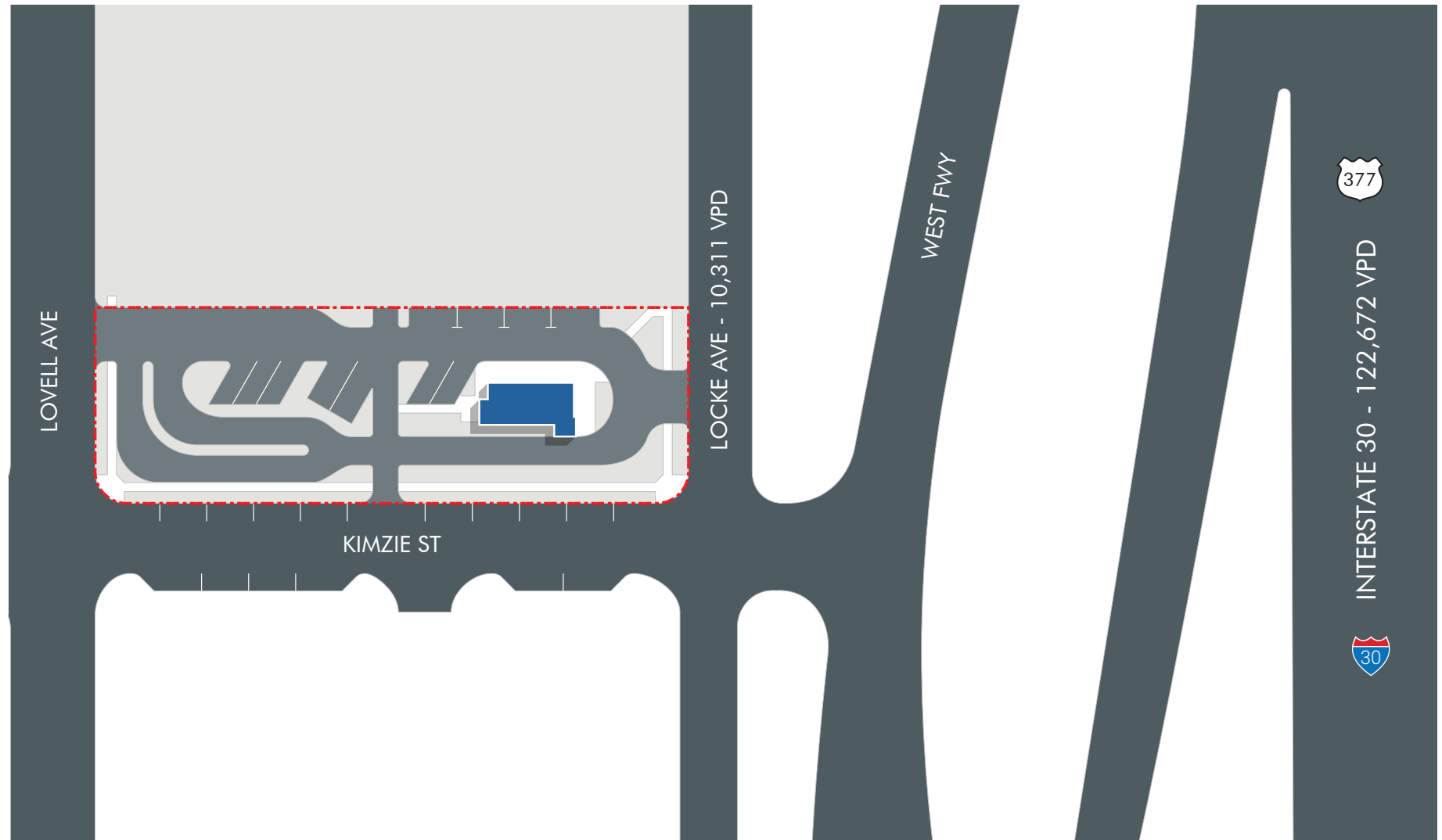
FLYING FISH

TOWNEPLACE
SUITES®
BY MARRIOTT

KIMZIE STREET

LOVELL AVE

SITE PLAN



TENANT PROFILE

Founded in 1992 by brothers Dane and Travis Boersma, Dutch Bros began with a double-head espresso machine and a pushcart in Grants Pass, Oregon. While espresso-based beverages are still at the core of the company, Dutch Bros now serves smoothies, freezes, teas, as well as its exclusive Dutch Bros Blue Rebel energy drink and nitrogen-infused cold brew coffee.

On September 15, 2021, Dutch Bros went public on the New York Stock Exchange in an IPO that raised nearly \$500 million, the largest in Oregon's history.

As of September 30, 2021, total revenues grew 49.8% to \$129.8 million as compared to the same period last year. Also during Q3 2021, the company opened 33 new shops, of which 30 were company-operated. Dutch Bros has now grown to more than 17,000 employees and 538 shops—known for their drive-through only format—spread across 12 states.

COMPANY	Dutch Bros Inc.
STOCK SYMBOL	(NYSE: BROS)
# OF EMPLOYEES	17,000+
MARKET CAP	\$9.50 Billion
REVENUE (Q3 2021)	\$129.8 Million
FOUNDED	1992
HEADQUARTERED	Grants Pass, OR
WEBSITE	www.dutchbros.com



COVETED FORT WORTH LOCATION

The Property is located just minutes from Fort Worth's city center, which buzzes day and night with people, energy, and opportunity. In the heart of downtown Fort Worth is **Sundance Square**, a 35-square-block shopping and entertainment district with a multitude of restaurants, shops, galleries, and performance venues.

The historic western **Stockyards** welcomes more than 3 million visitors annually and features the world's only twice-daily cattle drive and Billy Bob's Texas, the world's largest honky-tonk. The new **Mule Alley** is a carefully curated collection of eateries, entertainment venues, shops, creative workplaces and a rustic-luxe 4-star hotel reimagines what a thriving market street can be.

Stockyards - 5.9 Miles



Mule Alley - 5.1 Miles



Sundance Square - 3.1 Miles



TCU - 2.0 Miles



TCU

Founded in 1873, Texas Christian University is one of the Southwest's earliest coed institutions, which now enrolls more than 11,930 students and 717 full-time faculty on its 302-acre campus.

DICKIE'S ARENA

Located within the Will Rogers Memorial Center, Dickies Arena is a 14,000-seat multi-purpose arena for events of all kinds, including concerts, sports, community events and the Fort Worth Stock Show rodeo performances.



Dickie's Arena - 0.6 Miles



Fort Worth is the 12th largest city in the nation, with a high median household income and an unemployment rate well below the national average. Fort Worth is within a four-hour flight of all major U.S. destinations, in addition to direct service to hundreds of international cities. With a 12 percent lower cost of doing business than the national average, a low cost of real estate, pro-business government and an abundance of open land to develop, it's no surprise that major companies continue to flock to this region.

Fort Worth is part of the No. 1 tourist destination in Texas, welcoming more than 9.1 million visitors annually. Comprised of eight primary entertainment districts each offering distinct dining, shopping, entertainment and cultural amenities. Fort Worth offers a range of experiences: from NASCAR racing to rodeos, world-class museums to cowboy cuisine, boutique shopping to a Top 5 zoo, biking to horseback riding.

The Economy

Fort Worth is the fastest growing among the 20 largest U.S. cities and is expected to add another 600,000 by 2040. North Texas grows by 1 person every 4 minutes, or 362 people a day, while Fort Worth has seen a 20% population increase since 2010. The city also ranks 23rd in the country in for GDP, nearly equal to the output of Sweden and Poland.

Fort Worth is conveniently located 17.5 miles from DFW International Airport. With 1,850 flights daily, DFW Airport serves as a gateway for visitors from around the globe, making Fort Worth an easily accessible international and domestic leisure destination.



4TH BUSIEST
AIRPORT IN THE
WORLD IN TERMS OF
TOTAL OPERATIONS



193
DOMESTIC
DESTINATIONS



\$37 Billion
ANNUAL ECONOMIC IMPACT

67
INTERNATIONAL
DESTINATIONS

#6 FASTEST GROWING CITY IN THE NATION

-U.S. BUREAU OF LABOR STATISTICS, 2021

12TH LARGEST CITY IN THE US

-U.S. BUREAU OF LABOR STATISTICS, 2021

THE 25 BEST PLACES FOR YOUNG PROFESSIONALS

-U.S. NEWS & WORLD REPORT (2020)

#2 FASTEST GROWING CITY OF CREATIVE WORKERS

-CITYLAB (2019)

#3 BEST LARGE REAL-ESTATE MARKET

-WALLETHUB (2018)

#1 CITY FOR FIRST-TIME HOMEBUYERS

-SMARTASSET.COM (2018)

FORT WORTH IN TOP 20 BEST LARGE CITIES TO START A BUSINESS

-WALLETHUB (2018)

DEMOGRAPHIC PROFILE

POPULATION	1-MILE	3-MILE	5-MILE
2021 Population - Current Year Estimate	6,739	103,388	285,635
2021 Daytime Population	10,616	171,017	347,713
2026 Population - Five Year Projection	6,886	113,024	305,910
2010-2021 Population Growth	4.7%	19.7%	13.3%
2021-2026 Population Growth	2.2%	9.0%	6.9%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2021 Households - Current Year Estimate	3,241	42,938	105,819
2026 Households - Five Year Projection	3,309	47,349	114,192
2010-2021 Household Growth	5.1%	20.9%	14.1%
2021-2026 Household Growth	2.1%	9.9%	7.7%
HOUSEHOLD INCOME	1-MILE	3-MILE	5-MILE
2021 Average Household Income	\$117,814	\$98,759	\$82,805
2026 Average Household Income	\$128,985	\$106,704	\$90,809
HOME VALUE	1-MILE	3-MILE	5-MILE
2021 Average Home Value	\$393,233	\$408,188	\$293,621
PLACE OF WORK	1-MILE	3-MILE	5-MILE
2021 Businesses	681	8,288	14,610
2021 Employees	7,072	137,245	214,008
CONSUMER EXPENDITURES	1-MILE	3-MILE	5-MILE
Estimated Total Annual Budget	\$325,414,472	\$3,657,246,618	\$7,608,936,854
Estimated Total Food/Drink Away from Home	\$15,775,752	\$180,916,210	\$377,350,671

DISCLOSURE & AGREEMENT

AFFILIATED BUSINESS DISCLOSURE

CBRE, Inc. operates within a global family of companies with many subsidiaries and related entities (each an “Affiliate”) engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates, including CBRE Global Investors, Inc. or Trammell Crow Company, may have or represent clients who have competing interests in the same transaction. For example, Affiliates or their clients may have or express an interest in the property described in this Memorandum (the “Property”), and may be the successful bidder for the Property. Your receipt of this Memorandum constitutes your acknowledgement of that possibility and your agreement that neither CBRE, Inc. nor any Affiliate has an obligation to disclose to you such Affiliates’ interest or involvement in the sale or purchase of the Property. In all instances, however, CBRE, Inc. and its Affiliates will act in the best interest of their respective client(s), at arms’ length, not in concert, or in a manner detrimental to any third party. CBRE, Inc. and its Affiliates will conduct their respective businesses in a manner consistent with the law and all fiduciary duties owed to their respective client(s).

CONFIDENTIALITY AGREEMENT

Your receipt of this Memorandum constitutes your acknowledgement that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property (“Owner”) or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

DISCLAIMER

This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented “as is” without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property’s suitability for your needs. ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner.

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