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Aerial Video

DUTCH BROS COFFEE

EXCLUSIVE NET-LEASE OFFERING



OFFERING

MEMORANDUM



1879 Madison Street
Clarksville, TN 37043

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Investment Highlights

PRICE: \$2,225,000 | CAP: 4.00% | RENT: \$89,000



About the Investment

- ✓ Brand New 15-Year Absolute Triple-Net (NNN) Ground Lease with Zero Landlord Responsibilities
- ✓ 10% Rent Increases Every Five Years Throughout the Primary Term and Four, Five-Year Tenant Renewal Options
- ✓ Store Scheduled to Open in July, but a Rent Commencement Date no Later than June 1, 2022
- ✓ Corporate Guaranty From the Company's Parent Entity, Boersma Bros, LLC

About the Location

- ✓ Dense Retail Corridor | Walmart, Food Lion, Planet Fitness, Cold Stone, AT&T, Waffle House, Shell, Smoothie King, Jersey Mike's, Taco Bell, Wendy's, Starbucks, Sonic, Ruby Tuesday, Walgreens, Verizon, McDonald's, Chipotle, Panda Express, Lowe's, Publix, and Many More
- ✓ Strong Demographics | Population Exceeds 73,100 Individuals Within a Five-Mile Radius
- ✓ Strong Real Estate Fundamentals | Located Approximately 45-Miles from Downtown Nashville, TN
- ✓ Strong Traffic Counts | Over 21,700 Vehicles Per Day Along Madison Street
- ✓ Strong Academic Presence | Over 3,100 Students Enrolled in Schools within a Two-Mile Radius of the Property
- ✓ Affluent Community | Average Household Income Exceeding \$75,000 Within a Five-Mile Radius

About the Tenant / Brand

- ✓ Dutch Bros was Founded in 1992 and is a Drive-Thru Coffee Chain with Over 530+ Locations
- ✓ The Company Went Public in 2021 and has a Current Market Cap of Nearly \$2.5B with Annual Revenues of Approximately \$500M
- ✓ Forbes Named Dutch Bros one of its Small Giants: Best Small Companies
- ✓ The Company Plans to Grow to Over 4,000 Domestic Locations



Subject Photo as of April 2022



Representative Photo



Financial Analysis

PRICE: \$2,225,000 | CAP: 4.00% | RENT: \$89,000



PROPERTY DESCRIPTION

Concept	Dutch Bros
Street Address	1879 Madison Street
City, State ZIP	Clarksville, TN 37043
Year Built / Renovated	2022 (July Estimate)
Building Size Estimated (SF)	975 SF
Lot Size Estimated (Acres)	1.01 Acres
Type of Ownership	Triple-Net Ground Lease

THE OFFERING

Price	\$2,250,000
CAP Rate	4.00%
Annual Rent	\$89,000

LEASE SUMMARY

Property Type	Net Leased Fast Food Restaurant
Guarantor	Boersma Bros, LLC
Original Lease Term	15 Years
Rent Commencement	June 1, 2022
Lease Expiration	May 31, 2037
Lease Term Remaining	15 Years
Lease Type	Triple Net (NNN) Ground Lease
Landlord Responsibilities	None, Tenant Responsible for Everything
Rental Increases	10% Every 5 Years
Renewal Options Remaining	Four (4), Five (5)-Year Options

RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$89,000	\$7,417	-
Year 2	\$89,000	\$7,417	-
Year 3	\$89,000	\$7,417	-
Year 4	\$89,000	\$7,417	-
Year 5	\$89,000	\$7,417	-
Year 6	\$97,900	\$8,158	10.00%
Year 7	\$97,900	\$8,158	-
Year 8	\$97,900	\$8,158	-
Year 9	\$97,900	\$8,158	-
Year 10	\$97,900	\$8,158	-
Year 11	\$107,690	\$8,974	10.00%
Year 12	\$107,690	\$8,974	-
Year 13	\$107,690	\$8,974	-
Year 14	\$107,690	\$8,974	-
Year 15	\$107,690	\$8,974	-
Option 1	\$118,459	\$9,872	10.00%
Option 2	\$130,305	\$10,859	10.00%
Option 3	\$143,335	\$11,945	10.00%
Option 4	\$157,669	\$13,139	10.00%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Dutch Bros Coffee located at 1879 Madison Street in Clarksville, TN. The site consists of roughly 975 rentable square feet of building space on estimated 1.01-acre parcel of land. This Dutch Bros is brand new construction and subject to a 15-year absolute triple-net (NNN) ground lease. Rent is scheduled to commence on the earlier of store opening or June 1, 2022. The store is scheduled to open in July, but rent is estimated to commence by June 1. The annual rent will be \$89,000 and is scheduled to increase by ten percent (10%) every five (5) years throughout the base term and in each of the four (4), five (5)-year renewal options.



Concept Overview



Dutch Bros Coffee

HEADQUARTERS

Grants Pass, OR

DATE FOUNDED

1992

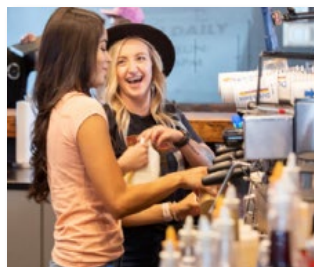
LOCATIONS

530+

PUBLIC OWNERSHIP

NYSE: BROS

dutchbros.com



AT CLOSE 4:00 PM EST 01/26/22

\$48.85 USD

-0.06 -0.12% ▼

AFTER HOURS 7:59 PM EST 01/26/22

\$49.05 0.20 0.41% ▲

AFTER HOURS VOL 4,745

Volume

2,116,287

65 Day Avg Vol

1,983,523

1 Day Range

47.56 - 52.12

52 Week Range

32.42 - 81.40

(09/15/21 - 11/01/21)

1D

5D

1M

3M

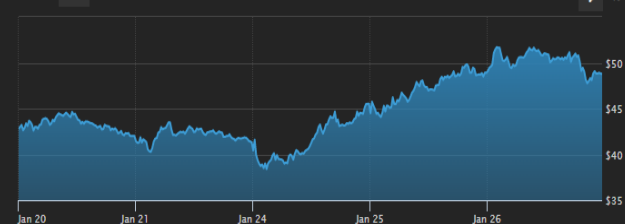
YTD

1Y

3Y

\$

%



ADVANCED CHARTING

COMPARE ▼

Open 49.92 Prior Close 48.91 (01/25/22)



Dutch Bros Coffee Background

Dutch Bros Coffee is a drive-thru coffee company dedicated to making a massive difference one cup at a time. Headquartered in Grants Pass, Oregon, where it was founded in 1992, by Dane and Travis Boersma, it's now sharing the Dutch Luv with more than 500 locations in 11 states. Dutch Bros serves specialty coffee, smoothies, freezes, teas, a private-label Dutch Bros Blue Rebel energy drink and nitrogen-infused cold brew coffee. Its rich, proprietary coffee blend is handcrafted from start to finish. The company was founded in 1992 and is based in Grants Pass, Oregon.

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.



Surrounding Area





Surrounding Area



Subject Property as of April 2022

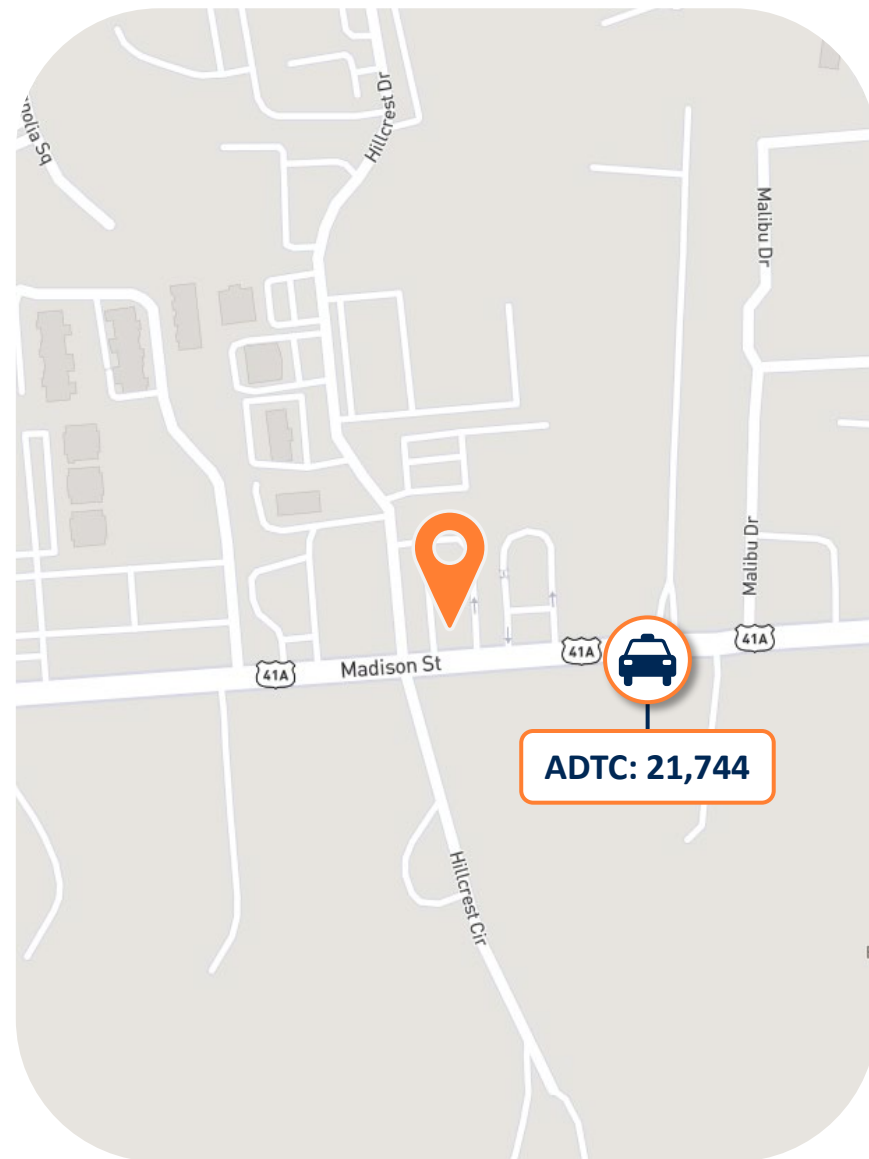


Location Overview

This Dutch Bros Coffee is situated on Madison Street, which boasts an average daily traffic count of 21,744 vehicles. There are more than 73,100 individuals residing within a five-mile radius of the property and more than 192,700 individuals within a 10-mile radius. Furthermore, this location benefits from being surrounded by a strong suburban population with an average household income exceeding \$75,300 within a five-mile radius of the property.

The subject property benefits from being well-positioned in a very dense retail corridor consisting of national and local tenants, academic institutions, and shopping centers all within close proximity of this property. Major national tenants in the area include: Walmart, Publix, Chick-Fil-A, Food Lion, Planet Fitness, Cold Stone, AT&T, Waffle House, Shell, Smoothie King, Jersey Mike's, Taco Bell, Wendy's, Starbucks, Sonic, Ruby Tuesday, Walgreens, Verizon, McDonald's, Panda Express, as well as many others. This Dutch Bros Coffee also benefits from its close proximity to several academic institutions, there are over 3,100 students attending classes within a two-mile radius of the subject property. This Dutch Bros Coffee is approximately 45 miles from Nashville, Tennessee's most populous city.

Clarksville is the county seat of Montgomery County, Tennessee, United States. It is the fifth-largest city in the state behind Nashville, Memphis, Knoxville, and Chattanooga. The city had a population of 166,722 as of the 2020 United States census. Clarksville is the home of Austin Peay State University; The Leaf-Chronicle, the oldest newspaper in Tennessee; and neighbor to the Fort Campbell, United States Army post. Site of the 101st Airborne Division (Air Assault), Fort Campbell is located about 10 miles from downtown Clarksville, and spans the Tennessee-Kentucky state line. Clarksville comprises nearly 77% of Montgomery County's total population. The city and the county have experienced solid population growth over the past decade. There are nearly 80,000 people in Montgomery County's labor unit with approximately 66% of the working age population participating. The most abundant occupations are office and administrative support, sales, food services, education and production. The top employing industries are: government, retail trade, accommodation and food services, health care and manufacturing. Clarksville is a \$5 billion economy that has experienced job growth that exceeds 10%. Showcasing Clarksville's heritage, multiple award-winning Rivers & Spires Festival honors rich cultural arts, history and heroes in a historic downtown area dotted with churches, a courthouse and museum. Featured music spans country, jazz, blues, international, rock and more. Nature lovers have a number of parks such as Dunbar Cave State Park, walking and biking trails from which to choose, and families will enjoy the numerous year-round attractions that make Clarksville one of Middle Tennessee's best kept secrets. The new Liberty Park Marina offers fishing, walking trails, a dog park, sports fields and boat slips as well as an event center.





Property Photos

Representative Photo



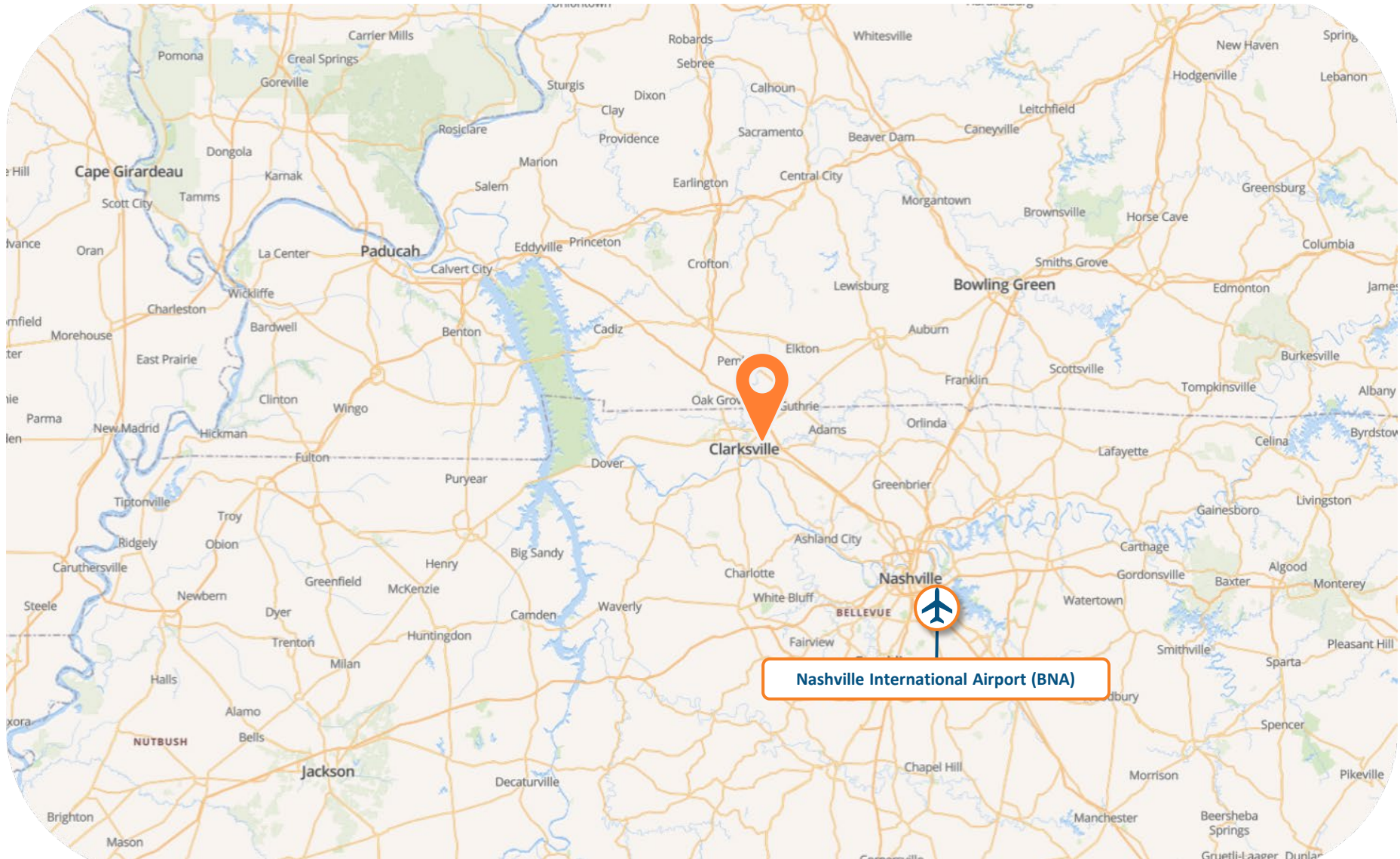


Surrounding Area Photos





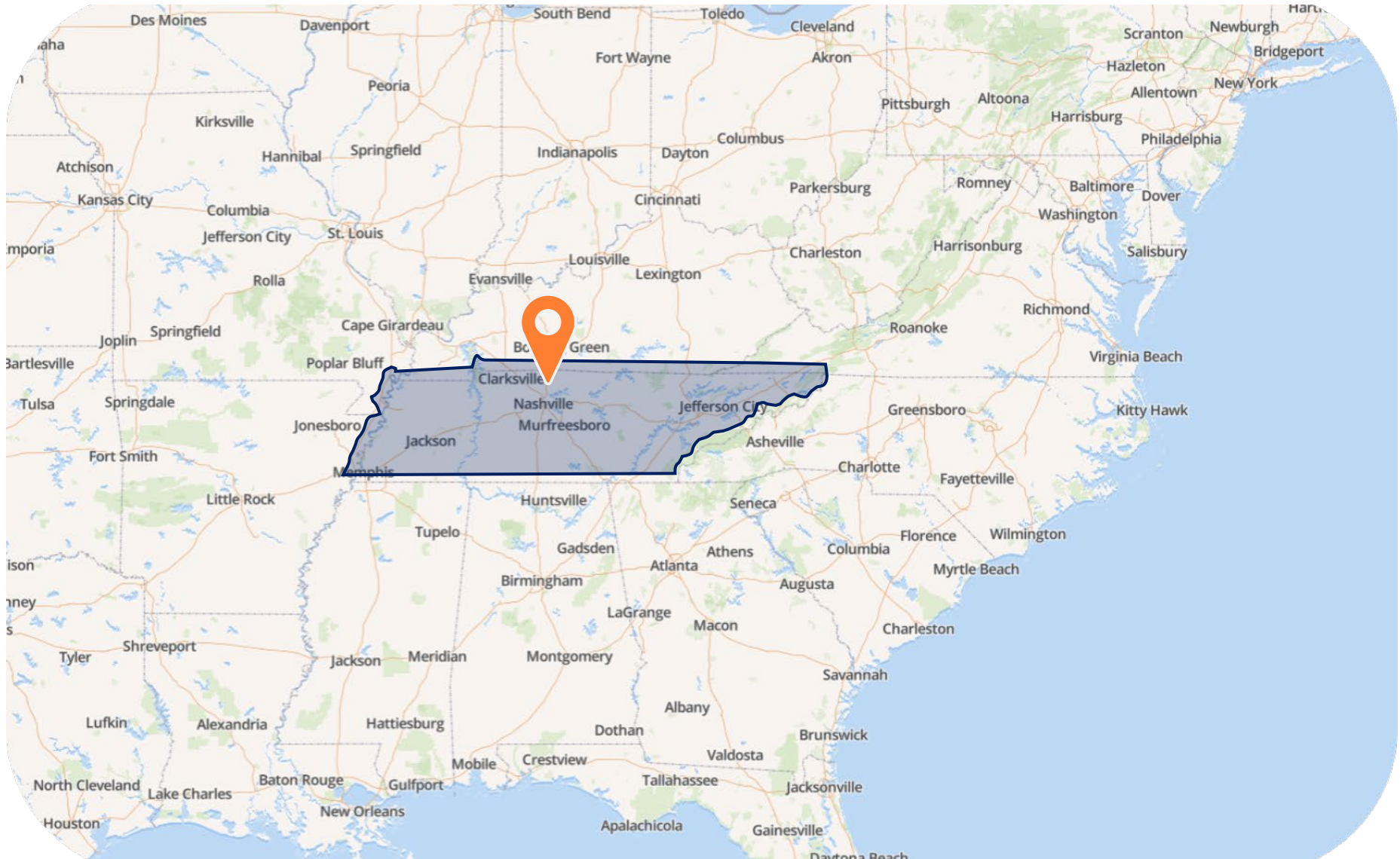
Local Map



Nashville International Airport (BNA)

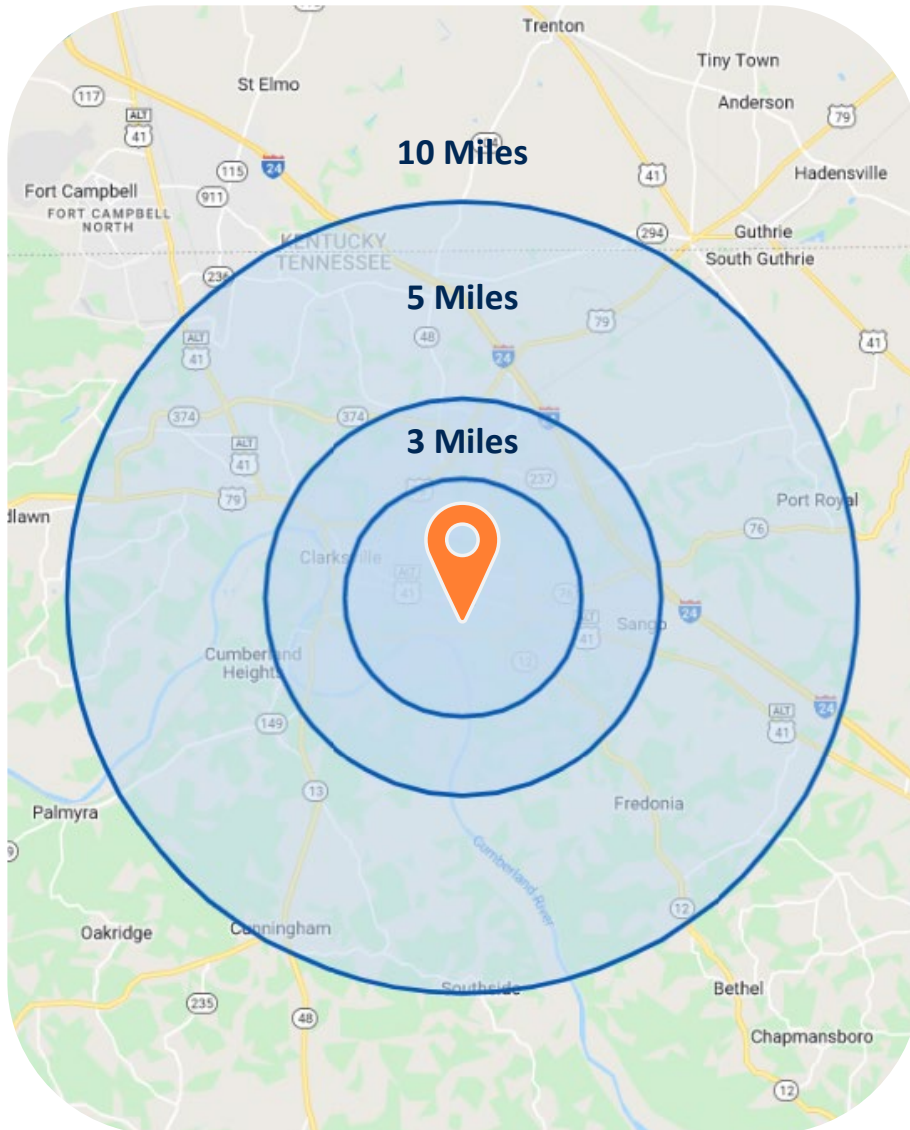


Regional Map





Demographics



POPULATION TRENDS

	3 Miles	5 Miles	10 Miles
2010 Population	28,018	59,838	151,054
2021 Population	32,405	73,188	192,700
2026 Population Projection	35,365	80,416	212,693
Annual Growth 2010-2021	1.40%	2.00%	2.50%
Annual Growth 2021-2026	1.80%	2.00%	2.10%

POPULATION BY RACE (2020)

	3 Miles	5 Miles	10 Miles
White	23,866	53,573	134,616
Black	6,673	14,699	42,071
American Indian/Alaskan Native	174	426	1,336
Asian	460	1,431	4,523
Hawaiian & Pacific Islander	45	132	773
Two or More Races	1,187	2,927	9,382
Hispanic Origin	2,045	5,116	19,714

HOUSEHOLD TRENDS

	3 Miles	5 Miles	10 Miles
2010 Households	11,760	23,636	56,328
2021 Households	13,617	28,878	71,452
2026 Household Projection	14,854	31,704	78,768
Annual Growth 2010-2021	1.30%	1.80%	2.20%
Annual Growth 2021-2026	1.80%	2.00%	2.00%

Avg Household Income

3 Miles	5 Miles	10 Miles
\$72,762	\$75,395	\$73,769

Median Household Income

3 Miles	5 Miles	10 Miles
\$49,592	\$53,635	\$57,901

HOUSEHOLDS BY HOUSEHOLD INCOME (2021)

	3 Miles	5 Miles	10 Miles
< \$25,000	\$2,557	\$5,036	\$10,908
\$25,000 - 50,000	\$4,349	\$8,687	\$20,410
\$50,000 - 75,000	\$2,025	\$4,528	\$13,889
\$75,000 - 100,000	\$1,448	\$3,303	\$9,052
\$100,000 - 125,000	\$1,145	\$2,794	\$7,899
\$125,000 - 150,000	\$614	\$1,502	\$3,111
\$150,000 - 200,000	\$996	\$1,885	\$4,047
\$200,000+	\$483	\$1,144	\$2,134



Market Overview



Nashville is the capital and most populous city of the U.S. state of Tennessee. The city is the county seat of Davidson County and is located on the Cumberland River. With a population of 689,447 as of the 2020 United States census, it is the 21st most-populous city in the United States and the third most populous in the Southeastern United States.

A major center for the music industry, especially country music, Nashville is commonly known as "Music City". It is also home to numerous colleges and universities, including Tennessee State University, Vanderbilt University, Belmont University, Fisk University, Trevecca Nazarene University, Lipscomb University, and others. Nashville is sometimes referred to as "Athens of the South" due to the large number of educational institutions.

In the 21st century's second decade, Nashville was described as a "southern boomtown" by numerous publications. In 2017, it had the third-fastest-growing metropolitan economy in the United States and "adds an average of 100 people a day to its net population increase". The Nashville region was also said to be the "Number One" Metro Area for Professional and Business Service Jobs in America; Zillow said it had the "hottest Housing market in America". In past years, the city ranked No. 5 on Forbes' list of the Best Places for Business and Careers. In 2015, Forbes put Nashville as the 4th Best City for White Collar Jobs. In 2015, Business Facilities' 11th Annual Rankings report named Nashville the number one city for Economic Growth Potential.

Fortune 500 companies with offices within Nashville include BNY Mellon, Bridgestone Americas, Ernst & Young, Community Health Systems, Dell, Deloitte, Dollar General, Hospital Corporation of America, Nissan North America, Philips, Tractor Supply Company, and UBS. Of these, Community Health Systems, Dollar General, SmileDirectClub, Hospital Corporation of America, and Tractor Supply Company are headquartered in the city. Many popular food companies are based in Nashville including Captain D's, Hunt Brothers Pizza, O'Charley's, Logan's Roadhouse, J. Alexander's, and Stoney River Legendary Steaks.

Marcus & Millichap

EXCLUSIVE NET-LEASE OFFERING



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