



DUTCH BROS COFFEE GROUND LEASE

HOUSTON (TOMBALL), TEXAS

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM

\$1,812,000 | 4.25% CAP RATE

- » New 15-Year Absolute NNN Ground Lease with 10% Rental Increases Every Five Years
- » Dutch Bros (NYSE: "BROS") Recently Went Public - Now Valued at Over \$5.6 Billion
- » High Visibility Location in Affluent and Growing Houston Suburb
- » 111,595 Residents Within a Five Miles (47% Growth Since 2010)
- » Affluent Community with an Average Annual Household Income of \$120,064 Within a Five-Mile Radius
- » Excellent Freeway Visibility Along State Highway 249/ Tomball Tollway (59,748 AADT), With Proximity to Texas Highway 99/ Grand Parkway (62,645 AADT)
- » Gateway to Downtown Houston, the Fourth-Most Populous City in the U.S. (Over 2.3 Million Residents)
- » Prominent Location Near Major Area Employers and Retail Centers
- » Proximity to Major Area Employers Including, Lone Star College-Tomball (8,784 Students, 714 Employees) and Tomball Independent School District With 2,235 Employees Serving 18,666 Students in the Area
- » Near Several Large Retail Centers With Nearby Well-Established Regional and National Tenants Such as Walmart Supercenter, Target, H-E-B, Kroger, Lowe's Home Improvement, Chick-fil-A, Aspen Dental (Under Construction), and More
- » New 2022 Construction With Dedicated Dual-Lane Drive-Thru 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.

**YURAS
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FORSYTH
CROWLE** | Leased Investment Team

www.YAFteam.com

INVESTMENT OVERVIEW

ADDRESS	27657 Tomball Parkway, Tomball, TX 77377		
PRICE	\$1,812,000		
CAP RATE	4.25%		
NOI	\$77,000		
TERM	15 years		
RENT COMMENCEMENT	July 8, 2022		
LEASE EXPIRATION	July 31, 2037		
RENTAL INCREASES	10% rental increases every five (5) years		
	YEAR	RENT	RETURN
	1-5	\$77,000	4.25%
	6-10	\$84,700	4.68%
	11-15	\$93,170	5.14%
	16-20 (option 1)	\$102,487	5.66%
	21-25 (option 2)	\$112,736	6.22%
	26-30 (option 3)	\$124,009	6.84%
	31-35 (option 4)	\$136,410	7.53%
YEAR BUILT	2022		
BUILDING SF	918 SF		
PARCEL SIZE	0.47 acres (20,475 SF)		
LEASE TYPE	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 TO STRONG RETAIL TENANT

- » New 15-year absolute NNN ground lease to strong and rapidly growing retail tenant
- » 10% rental increases every five years, providing a hedge against inflation
- » No landlord management, ideal for an out-of-area investor
- » Dutch Bros recently went public - now valued at over \$5.6 billion (NYSE: "BROS")
- » Dutch Bros Inc. is one of the fastest-growing brands in the food service and restaurant industry in the U.S. by location count
- » In 2021, total revenues grew 52.1% to \$497.9 million as compared to \$327.4 million in 2020

HIGH VISIBILITY LOCATION IN AFFLUENT AND GROWING HOUSTON SUBURB

- » Strategic location near the signalized hard corner intersection of Tomball Parkway and Alice Road (26,061 AADT combined)
- » Excellent freeway visibility and access to State Highway 249/Tomball Tollway (59,748 AADT) with beneficial proximity to Texas Highway 99/Grand Parkway (62,645 AADT)
- » Gateway to Downtown Houston, the fourth-most populous city in the U.S. with over 2.3 million residents
- » Situated near dense single-family homes and large apartment complexes such as Park at Spring Creek Apartments (252 units), Bridgewater Apartments (206 units), and numerous others
- » 111,595 residents within five miles of the property (47% growth since 2010), creating a large and reliable customer base for the site
- » High average annual household income of \$120,064 within a five-mile radius (projected 13 percent increase by 2026)

PROMINENT LOCATION NEAR MAJOR AREA EMPLOYERS AND RETAIL CENTERS

- » Prominent location in dense retail corridor directly across from Walmart Supercenter and Hobby Lobby with many nearby regional and national tenants such as Target, H-E-B, Kroger, Lowe's Home Improvement, Kohl's, Chick-fil-A, Starbucks, Aspen Dental (under construction), and many more
- » Strategic location with 11 hotels with over 686 rooms all within a five-mile radius, greatly increasing foot traffic directly to the site
- » Proximity to major area employers including, Lone Star College-Tomball (8,784 students, 714 employees) and Tomball Independent School District with 2,235 employees serving 18,666 students in the area
- » Less than two miles from HCA Houston Healthcare Tomball (350 beds, 150-acre campus)
- » Beneficial proximity to George Bush Intercontinental Airport (45 million annual passengers), Houston's largest airport and the 16th busiest airport in North America, according to ACI-NA

NEW 2022 CONSTRUCTION IN INCOME TAX-FREE STATE

- » 2022 construction featuring a dedicated dual-lane drive-thru, providing additional customer convenience and boosting sales revenue
- » Texas has no state income tax, estate tax, or inheritance tax



Tomball
Independent School District
(18,666 students)

Decker Prairie
Elementary School
(705 students)

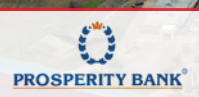
Tomball
High School
(2,055 students)

Lone Star
College-Tomball
(8,784 students)

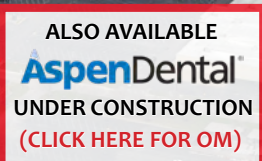
HCA
Houston Healthcare
(350 beds)



Alice Road



Future
Development



INDUSTRIAL REGION

Tomball Tollway
(59,748 AADT)



Tomball Parkway
(22,261 AADT)





GEORGE BUSH
INTERCONTINENTAL AIRPORT
(26.1 miles)

DAVID WAYNE HOOKS
MEMORIAL AIRPORT
(7 miles)

Willow Creek
Golf Club

Tomball
Country Club

HCA
Houston Healthcare
(350 beds)

Future
Development



Tomball Parkway
(22,261 AADT)



ALSO AVAILABLE
AspenDental
UNDER CONSTRUCTION
(CLICK HERE FOR OM)



(Opening July 2022)

Future
Development

/ Tomball Tollway
(59,748 AADT)



Alice Road

INDUSTRIAL REGION



Kohrville
Elementary School
(629 students)

DOWNTOWN
HOUSTON
(32.1 miles)

St. Luke's Health - The
Vintage Hospital
(94 beds)

Cypress Creek
High School
(3,209 students)

Willow
Junior High School
(1,541 students)



Tomball Parkway
(22,261 AADT)



99 TEXAS / Grand Parkway
(62,645 AADT)

Future
Development



(Opening July 2022)

ALSO AVAILABLE
AspenDental
UNDER CONSTRUCTION
([CLICK HERE FOR OM](#))



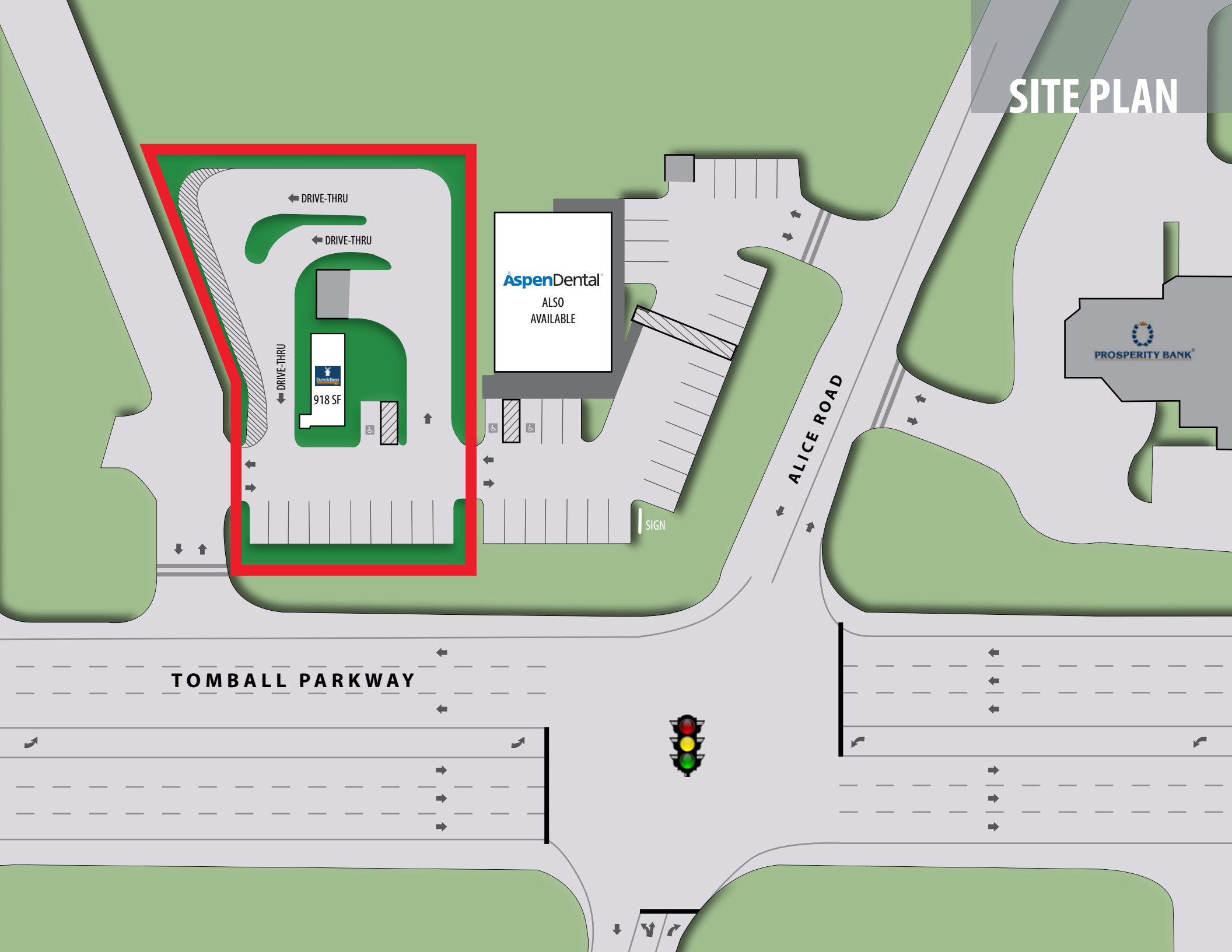
Future
Development



149 TEXAS / Tomball Tollway
(59,748 AADT)

Alice Road

SITE PLAN



TENANT SUMMARY



Dutch Bros is a high-growth operator and franchisor of drive-thru shops with a focus on serving high-quality, hand-crafted beverages with unparalleled speed and superior service. 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 business, Dutch Bros now offers a wide variety of unique, customizable cold and hot beverages that delight a broad array of customers. On September 15, 2021, Dutch Bros launched their IPO on the New York Stock Exchange valued at \$3.3 billion. In 2021, total revenues grew 52.1% to \$497.9 million as compared to \$327.4 million in 2020.

Dutch Bros has over 600 locations across 12 states, with plans to grow to 4,000 locations nationwide.

For more information, please visit www.dutchbros.com.

TICKER	NYSE: "BROS"	HEADQUARTERS	Grants Pass, OR
LOCATIONS	600+	SALES	\$497.9M

LEASE ABSTRACT

TENANT	BB Holdings TX, LLC		
GUARANTOR	Boersma Bros LLC (Corporate Entity)		
ADDRESS	27657 Tomball Parkway, Tomball, TX 77377		
RENT COMMENCEMENT	July 8, 2022		
LEASE EXPIRATION	July 31, 2037		
RENEWAL OPTIONS	Four (4) five (5) year options		
	10% increases every (5) years		
RENT PER YEAR	YEAR 1-5 6-10 11-15 16-20 (option 1) 21-25 (option 2) 26-30 (option 3) 31-35 (option 4)	RENT \$77,000 \$84,700 \$93,170 \$102,487 \$112,736 \$124,009 \$136,410	RETURN 4.25% 4.68% 5.14% 5.66% 6.22% 6.84% 7.53%
REAL ESTATE TAXES	Tenant is responsible for all real estate taxes.		
INSURANCE	Tenant is responsible for all insurance costs.		
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

Dutch Bros Coffee is conveniently located near the signalized hard corner intersection of Tomball Parkway and Alice Road (26,061 AADT combined). The property has excellent freeway visibility with immediate access to State Highway 249/Tomball Tollway (59,748 AADT), with beneficial proximity to Texas Highway 99/Grand Parkway (62,645 AADT), increasing traffic to the location. The site is a gateway to Downtown Houston, the fourth-most populous city in the U.S. with over 2.3 million residents. There are 111,595 residents within a five-mile radius of the property (a 47% growth since 2010), creating a large and reliable customer base for the site. The average annual household income is \$120,064 within five miles and is projected to increase 13 percent by 2026, poising Aspen Dental and Tomball for significant concurrent growth.

The property is in a prominent location near several large retail centers with many nearby well-established regional and national tenants such as Walmart Supercenter, Target, H-E-B, Kroger, Lowe's Home Improvement, Hobby Lobby, Chick-fil-A, Aspen Dental (under construction), and many more. The site is in a strategic location with 11 hotels situated within a five-mile radius with over 686 rooms, greatly increasing foot traffic directly to the site. The property is near dense single-family homes and large apartment complexes such as Park at Spring Creek Apartments (252 units), Bridgewater Apartments (206 units), and numerous others, providing a nearby customer base for the site. The location is close to major area employers including Lone Star College-Tomball (8,784 students, 714 employees) and Tomball Independent School District with 2,235 employees serving 18,666 students in the area. The property is less than two miles from HCA Houston Healthcare Tomball (350 beds, 150-acre campus). The site maintains beneficial proximity to George Bush Intercontinental Airport (45 million annual passengers), Houston's largest airport and the 16th busiest airport in North America, according to ACI-NA.

ACCESS

Access from Tomball Parkway and cross-parcel access from Alice Road

TRAFFIC COUNTS

Tomball Parkway:	22,261 AADT
Alice Road:	3,800 AADT
State Highway 249/Tomball Tollway:	59,748 AADT
Texas Highway 99/Grand Parkway:	62,645 AADT

PARKING

11 parking stalls, including one (1) handicap stall

YEAR BUILT

2022

NEAREST AIRPORT

George Bush Intercontinental Airport (IAH | 26.1 miles)

FILE PHOTO



11
PARKING
STALLS



2022
YEAR
BUILT



22K
TRAFFIC
COUNT (AADT)



**NEAREST
AIRPORT**
GEORGE BUSH
INTERCONTINENTAL
AIRPORT

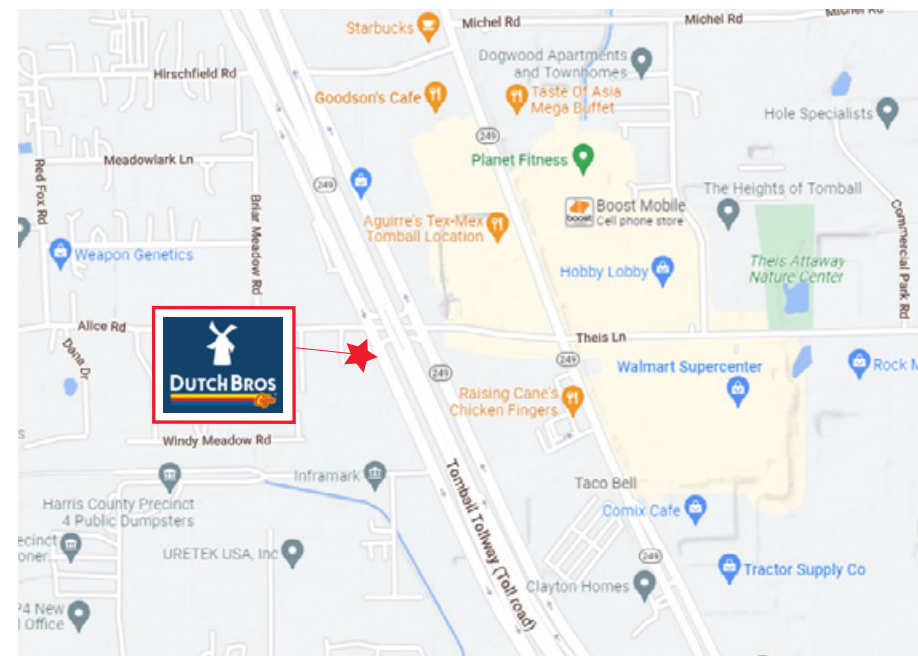
AREA OVERVIEW

Tomball is a city in Harris County, Texas and is part of the Houston metropolitan area. Tomball is in a rapidly growing area of Harris County and currently occupies a land area of 12.34 square miles. Tomball is located less than 30 miles northwest of Houston and has emerged as a premier business destination by blending economic opportunity with small-town charm. Advanced infrastructure, a business-friendly mindset, quality education, and hospitable quality of life drive Tomball's sustained growth. With roots as a railroad hub in the early 1900s, Tomball has become a modern destination for business and commerce. The region (which covers an area within a five-mile radius from the center of the City) has an employed labor force of approximately 26,000 with the largest groups of employers in service and retail trade. Tomball's unique blend of small-town charm and big-city amenities creates the ideal livable community. From restaurants to retail and religion to recreation. Tomball plays host to many annual festivals and parades, welcoming thousands of visitors every year. Tomball is also a weekly destination for people interested in arts, food and beverage, live music, and much more. Highlighting the culture is Tomball's heavy German influence. Settled by German families, Tomball still celebrates its heritage throughout the year. The Tomball German Heritage Festival is held every March and the annual Tomball German Christmas Market occurs in December. Each welcome more than 50,000 visitors per year.

Houston is the seat of Harris County and the economic center of the Houston–Sugar Land–Baytown Metropolitan Statistical Area (MSA), the fifth-largest metropolitan area in the U.S., with 6.8 million residents. The Houston MSA is growing rapidly; from 2000 to 2030, the metropolitan area is projected to rank fifth in the nation in population growth—adding 2.66 million people. The metro area is the largest economic and cultural center of the American South and is included in the Texas Triangle megapolitan area, anchored by the metro areas of Houston, Dallas–Fort Worth, and San Antonio. The Texas Triangle is home to more than 70 percent of all Texans. In the next 40 years, the population of the Texas Triangle has been projected to grow more than 65 percent, or an additional 10 million people, leading to 78 percent of Texans living and working within the Texas Triangle.

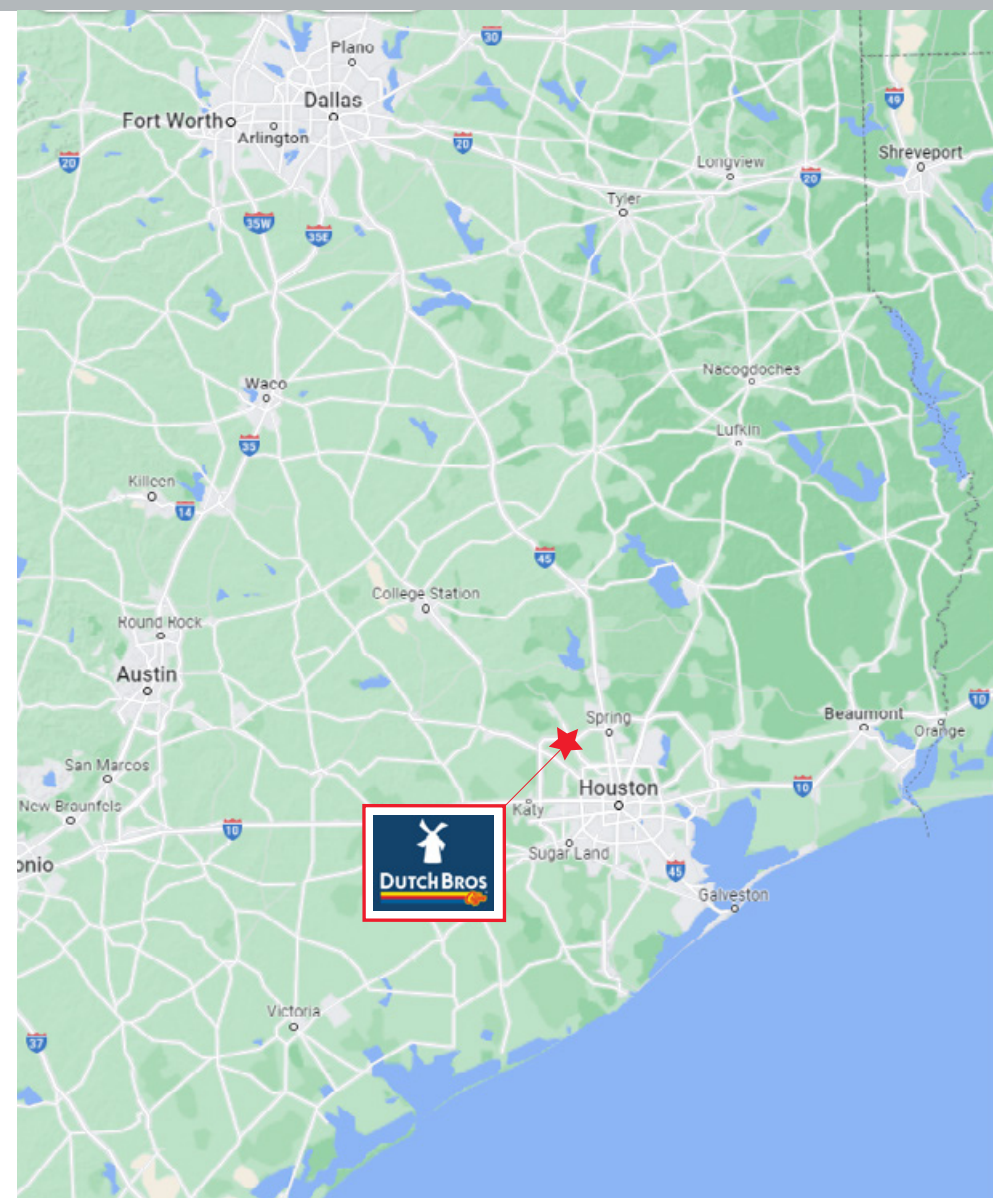
- » Tomball's population is expected to expand from around 12,000 to more than 20,000 by 2030.
- » Every county in the Houston metro area has gained population since 2018, with Harris County capturing the most residents.
- » Tomball is home to more than 1,500 businesses and nearly 14,000 employees.
- » Houston is home to the second most Fortune 500 companies in the United States, with a diverse and broad economic base in the healthcare, energy, aeronautics, and technology industries.

LARGEST EMPLOYERS IN TOMBALL, TEXAS	# OF EMPLOYEES
TOMBALL ISD	2,235
HCA (PREVIOUSLY TOMBALL REGIONAL)	902
LONE STAR COLLEGE - TOMBALL	714
BAKER HUGHES (B J SERVICES)	544
HEB	280
WALMART	279
CITY OF TOMBALL	201
LOWES	200
KROGER	163
TARGET	93



DEMOGRAPHIC PROFILE

2021 SUMMARY	1 Miles	3 Miles	5 Miles
Population	2,697	32,449	103,804
Households	1,132	11,636	34,552
Families	519	8,313	26,875
Average Household Size	2.22	2.75	2.99
Owner Occupied Housing Units	331	7,979	27,535
Renter Occupied Housing Units	801	3,656	7,018
Median Age	42.6	36.5	35.6
Average Household Income	\$64,330	\$103,184	\$119,094
2026 ESTIMATE	1 Miles	3 Miles	5 Miles
Population	2,859	35,009	113,839
Households	1,197	12,474	37,708
Families	552	8,937	29,381
Average Household Size	2.23	2.77	3.00
Owner Occupied Housing Units	367	8,696	30,306
Renter Occupied Housing Units	830	3,779	7,402
Median Age	45.6	35.3	34.6
Average Household Income	\$69,850	\$116,483	\$134,017



AVERAGE HOUSEHOLD INCOME OF \$119,094
WITHIN FIVE MILES



POPULATION OF 103,804
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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