



**OFFERING MEMORANDUM**  
**DUTCH BROS COFFEE - NET LEASED INVESTMENT**  
3000 N MAIN ST  
LAS CRUCES, NEW MEXICO

For sale exclusively by:

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Broker of Record:  
Jake Redfearn - NAI First Valley  
New Mexico License # 18640

# EXECUTIVE SUMMARY

## ASSET OVERVIEW

PROPERTY TYPE:	Net Leased Investment
LOCATION:	3000 N Main Street Las Cruces, NM 88001
YEAR CONSTRUCTED:	2022
BUILDING SIZE:	871 SF
SITE AREA:	42,362 SF (.97 AC)
TOTAL NOI:	\$96,400
LEASE TERM :	15 Years
OFFERING PRICE :	\$2,216,100
CAP RATE:	4.35%
RENTAL INCREASES:	10% every Five (5) years
RENT COMMENCEMENT DATE:	May 2022
LEASE EXPIRATION DATE:	May 2037
RENEWAL OPTIONS:	Three (3) Five (5) Year Options
TENANT :	BB Holdings NM, LLC
LEASE GUARANTEE:	Boersma Bros LLC (Dutch Bros Corporate)



# INVESTMENT HIGHLIGHTS

Velocity Retail Group is pleased to offer this Dutch Bros Coffee net leased investment located at 3000 Main Street, Las Cruces, NM 88001 (the "Property"). The Property includes +/- 871 SF newly constructed single tenant drive-thru building on a 42,362 SF street frontage parcel. The Dutch Bros corporate guaranteed lease is absolute NNN with minimal landlord property maintenance responsibilities. The Property was developed by Accelerated Development Services, LLC, an affiliate company of Velocity Retail Group and proud preferred developer for Dutch Bros Coffee.

With a 15-year primary lease term, this offering presents an excellent opportunity for an investor to acquire an income producing commercial property with a high-growth QSR industry-leading tenant that has mastered the drive-thru business model of serving coffee and assorted energy drinks to on-the-go customers. Dutch Bros Coffee's successfully completed it's NYSE IPO in September 2021 further enhancing investor attraction and confidence in this high growth company.

## Trade Area Overview & Location Factors

The El Paso-Las Cruces MSA generates \$33 Billion of annual GDP and has a population of 1,063,075. The Juarez-El Paso-Las Cruces economic trade area, known as the "Borderplex" region, is the 7<sup>th</sup> largest manufacturing hub in North America with over 1,100 manufacturing operations. Holloman Air Force Base and NASA's White Sands test facility, a couple of the most advanced aeronautical operations in the United States, are located near the City of Las Cruces. Spaceport America is located north of Las Cruces and Virgin Galactic World Headquarter is located in the City of Las Cruces. New Mexico State University's (25,312 students) innovative Unmanned Flight Services school collaborates with the many national companies in the region. Major Las Cruces employers include Lockheed Martin, General Dynamics Information Technology, Peraton Communications, Space and Technology Solutions, New Mexico State University, Jacobs Engineering, and the U.S. Air Force. The employment within 5 miles radius of the Property is 46,489.

The Property benefits from its street frontage location on Main St., an arterial roadway carrying 18,554 CPD and is less than one mile from the US 70 (33,438 CPD) and I-25 (15,452 CPD) interchange. Within the 3-mile radius, the population is 64,734 with AHHI of \$64,626 and the median age is 35.8-years. The youthful local area demographic forms an ideal part of the Dutch Bros customer base. Lowe's, Sam's Club, Kohl's, Walgreen's, CVS and other retailers located nearby the Property draw a steady stream of consumers to the immediate trade area. The new Dutch Bros Coffee at the Property is an exciting new addition to the active local retail trade area.



NYSE: BROS



IPO DATE:  
**September  
15<sup>th</sup>, 2021**

El Paso TX - Las Cruces, NM MSA



Manufacturers

**1,100+**

("Borderplex" region)



Population

**1,063,075**

Las Cruces - Dona Ana County



Population

**220,029**



NM State Students

**25,312**

5 Mile Radius



Employment

**46,489**



Population

**123,081**

Trade Area Retailers



**KOHL'S**



**Walgreens**



**TOWNEPLACE  
SUITES<sup>®</sup>  
MARRIOTT**



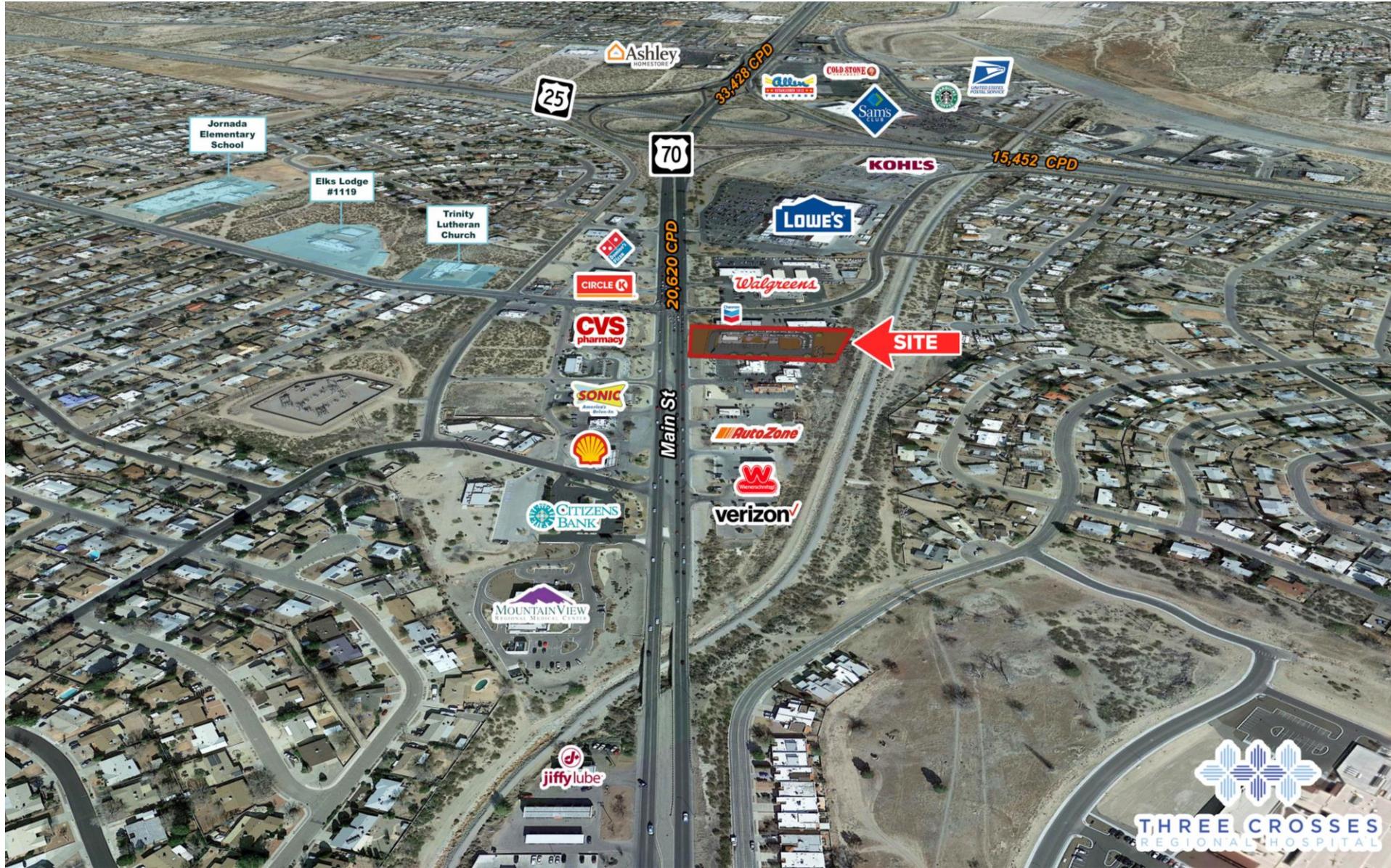
# LAS CRUCES, NM - LOCATION MAP



# LAS CRUCES – RETAIL MAP



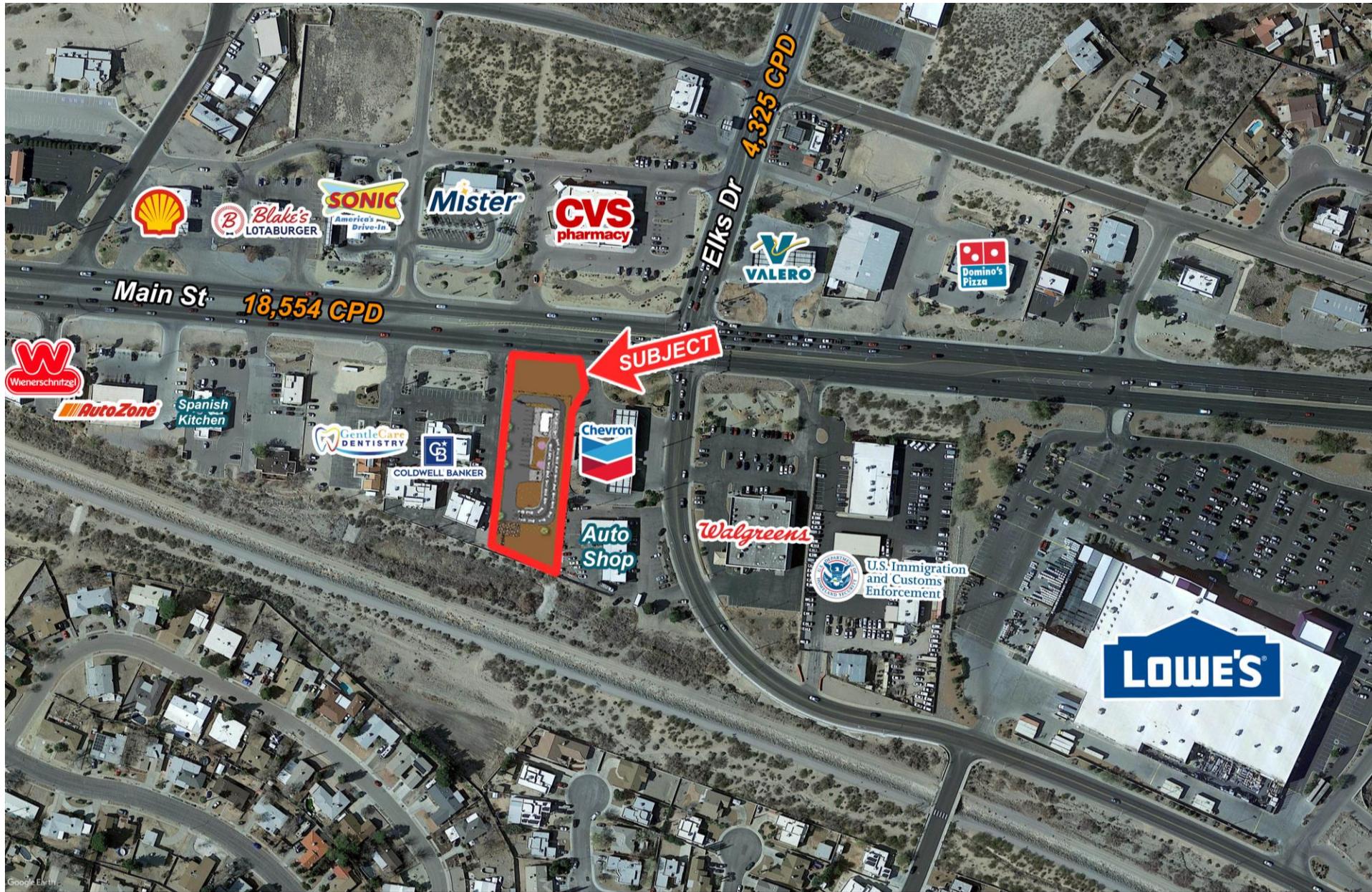
# AERIAL OBLIQUE – NORTHEAST



# LOCAL RETAIL TRADE AREA



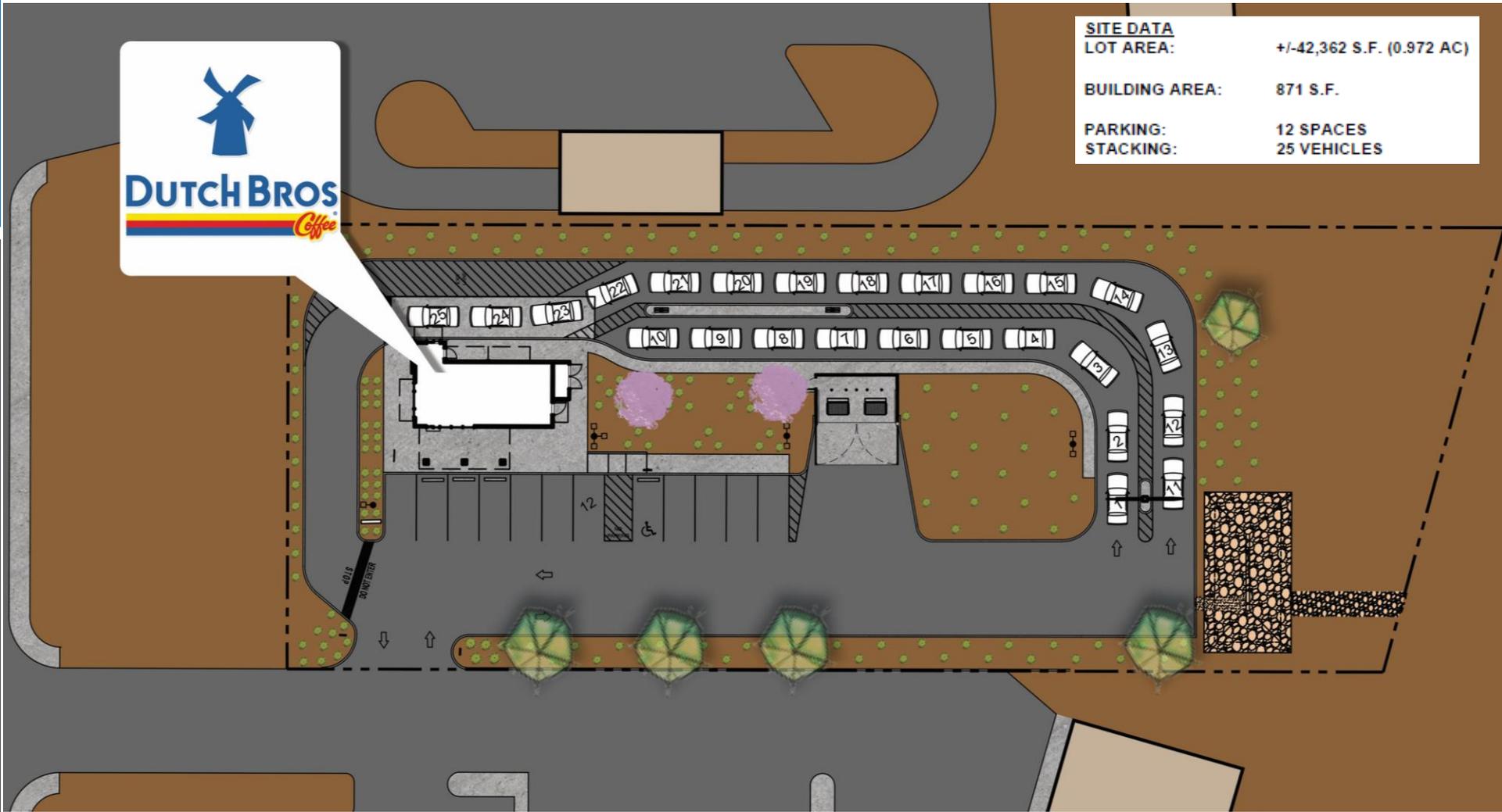
# INTERSECTION AERIAL



# SITE PLAN



SITE DATA	
LOT AREA:	+/-42,362 S.F. (0.972 AC)
BUILDING AREA:	871 S.F.
PARKING:	12 SPACES
STACKING:	25 VEHICLES



# PROPERTY PHOTOS



# EI PASO, TX - LAS CRUCES, NM MSA



The El Paso-Las Cruces MSA has a population base of 1,063,075 and generates over \$33 Billion annual GDP. Manufacturing, military, government civil service, schools & universities, healthcare, and tourism are the main economic sectors in the trade area.

The city of Juarez, Mexico, located just across the border from El Paso, with a population of over 1,700,000 adds another active dimension contributing to the Las Cruces-El Paso trade corridor.

The Juarez-El Paso-Las Cruces "Borderplex" economic regional area is the 7th largest manufacturing hub in North America with over 1,100 manufacturing operations. A wide range of global companies operate in the trade block. The 22 million plus border crossings each year are in part a result of the tremendous flow of international trade passing through the Borderplex portal to destinations across North America.

# LAS CRUCES, NEW MEXICO



Las Cruces, New Mexico is a vibrant part of the local economic region and is a gateway to some of the most advanced NASA and U.S. Air Force facilities in the entire United States. Holloman Air Force Base and NASA's White Sands Test facility located within commuter distance of Las Cruces' major employers which include Lockheed Martin, General Dynamics Information Technology, Peraton Communications, Space and Technology Solutions, New Mexico State University, Jacobs Engineering and the U.S. Air Force. Virgin Galactic and Space Port America corporate headquarters are also located in the City of Las Cruces.



**HOLLOMAN  
AIR FORCE BASE**

The logo for Holloman Air Force Base, featuring the text 'HOLLOMAN AIR FORCE BASE' in a bold, white, sans-serif font against a dark background.

Over 25,000 students attend New Mexico State University in Las Cruces and its highly regarded Unmanned Flight Services works with many U.S. aeronautic firms. The City of Las Cruces population is 104,672 and has median age of 32.5 years. 33% of population hold a Bachelor's degree or higher. Las Cruces has been named as one of the best cities in the U.S. for global trade and STEM career opportunities. Las Cruces is one of the main civic centers of Dona Ana County that has a population of 220,029. Las Cruces is the geographical center of the Mesilla Valley, an agricultural region on the Rio Grande watershed area, and borders the scenic Organ Mountains that frames the City landscape.



# TENANT SUMMARY



**Dutch Bros Coffee | NYSE: BROS**  
**+/- 540 Locations | 16,500 Employees | Founded in 1992**  
**IPO: September 15, 2021**

Dutch Bros Coffee, a NYSE public company, was founded in 1992 by brothers Dane and Travis Boersma, a third generation Oregon dairy farming family. The company's headquarters remain to this day in Grants Pass, Oregon. Dutch Bros Coffee has experienced robust growth since its founding and is now one of the most successful drive-thru coffee providers in the Western United States with over +/- 500 locations in 11 states and 16,500 employees. **Dutch Bros Coffee's highly successful NYSE:BROS IPO in September 2021 and escalating market cap value appreciation since the IPO displays tremendous investor confidence in the value and future growth of the company that has plans to grow to over 4,000 stores in the coming years.**

Dutch Bros Coffee is an industry-leading quick service retail operation that has mastered the drive-thru business model. The company is ideally positioned in the market to serve its fast moving on-the-go customers who line up to grab "Dbros" delicious specialty coffee drinks, smoothies, freezes, and teas. Its famous for their private-label Dutch Bros Blue Rebel™ energy drink that customers can infuse with their favorite flavors. Every cup of coffee is handcrafted starting from being roasted by hand in the Pacific Northwest, blended by hand and then ground and pulled by hand, ristretto-style. There is great tasting drink style for everyone at Dutch Bros Coffee.

# Forbes

## Dutch Bros Coffee IPO Brews Oregon's Newest Billionaire

Written by: Giacomo Tognini

Biotech and sports companies dominate the public listings this week, but Oregon-based coffee chain Dutch Bros stands out. The firm was started by two brothers who quit the dairy industry to sell coffee from a pushcart (equipped with a single espresso machine and a stereo) in the small city of Grants Pass in 1992. It has now grown to more than 470 shops—known for their drive-through only format—spread across 11 states. Still led by one of the brothers, executive chairman Travis Boersma, the family-run business went public on the New York Stock Exchange on Wednesday in an IPO that raised nearly \$500 million and turned Boersma into a billionaire.

"This is an incredible day for Dutch Bros, a total mind blow," Boersma, 50, told Forbes on Wednesday. "When my brother and I started this company almost 30 years ago, we never imagined we'd be here today. Right now, I'm focused on providing more opportunities for our people—that's the heart of why we went public." The company has nearly 17,000 employees.

The blockbuster IPO makes it the largest in Oregon's history: Dutch Bros raised about \$484 million, far more than the \$146 million and \$169 million raised by Oregon heavyweights Nike and Columbia Sportswear in 1980 and 1998, respectively, adjusted for inflation. Boersma owns about 41% of the newly public company, a stake worth \$2.4 billion. Shares in Dutch Bros closed at \$36.92 on its first day of trading, 61% higher than the opening price of \$23. The cofounder also purchased a plane from Dutch Bros for \$900,000 in July and sold a chunk of shares in the IPO that raked in about \$89 million after accounting for capital gains taxes, bringing his estimated net worth to \$2.5 billion. Thanks to several "anti-takeover" provisions and a multi-tiered share structure, Boersma will retain 74% of the firm's voting shares.

Travis and Dane Boersma started Dutch Bros with a pushcart by the railroad tracks in Grants Pass, Oregon in 1992, after leaving the dairy industry, which had employed two generations of their Dutch-origin family before them. "Changes to the [dairy] industry were making our prospects pretty grim. So we used that reality as motivation to branch out and try something new," Boersma said in a statement in the firm's offering prospectus. "Dane and I shared a desire to do something extraordinary together. We bought a double-head espresso machine, cranked up the stereo, threw open the barn doors and started experimenting with coffee beans." [...]

The brothers added four more carts over the years and by 1994 they had purchased their first drive-through location, setting the stage for their expansion beyond Grants Pass and into neighboring towns (and later, states) with the opening of their first franchise location in 2000. Tragedy struck in 2004 when Dane was diagnosed with ALS, a deadly neurodegenerative condition also known as Lou Gehrig's disease. The diagnosis sparked a charitable campaign called "Drink One For Dane" to help raise funds for the Muscular Dystrophy Association, which supports ALS research. While Dane died as a result of ALS in 2009, the company says that the campaign has raised more than \$10.3 million for ALS patients and research to date.[...]

The memories of that first cart with his brother still drive Travis Boersma's vision for the company today, nearly three decades and hundreds of new coffee shops later. "[Dane's death] did not diminish the incredible inspiration I draw from my brother, to carry on and fulfill the dream we had in 1992." he said in the prospectus. "We're on a rocket ship and I wouldn't have it any other way."



## The coffee shop has registered faster growth than its main competitors.

Coffee-centric restaurant chain Dutch Bros (BROS) stock has only been traded publicly since September. However, its unique drink offerings have drawn attention to the company, and the stock price increased in an environment where many growth stocks have seen significant price drops.

However, the coffee market is competitive, and that is leading to questions about where this growth stock can go from here. A closer look at the company's beverages, work environment, and growth plans may offer some insight and help in making an investment decision about this trendy stock.

### The Dutch Bros experience

Dutch Bros is an Oregon-based restaurant chain founded back in 1992 that now operates more than 500 locations spread across 12 states, mostly in the western and southern United States. Its market cap currently stands at about \$8.5 billion.

Dutch Bros has shown consumers that the market has room for new and innovative drinks. Its Dutch Classics (which it also calls breves) are cappuccinos that substitute half-and-half in place of whole milk and often include various flavorings. It also makes non-coffee beverages such as teas, energy drinks, smoothies, and lemonades.

Moreover, its stores are drive-thru only. This keeps costs low and has helped it operate in challenging environments such as the recent pandemic. This separates it from Starbucks (SBUX), which amounts to an Americanized version of the Italian coffee experience. It also stands out from Dunkin' Brands, which still heavily emphasizes doughnuts despite the increased focus on coffee.

The company appears to have high satisfaction with customers and with its employees, which could caffeinate its growth. Amid labor strife at many Starbucks locations, Dutch Bros has stood out for its working conditions. It promotes "diversity, equity, and inclusion" and strives to address issues such as childcare and employment-related stress to create a more pleasant work environment.

The company says this culture brings a "surprisingly high" number of applicants for open positions. This helped the company fill added jobs as the store count rose by 98 in 2021, ending the year with 538 shops.



# DEMOGRAPHICS

3000 N Main St Las Cruces, NM 88001	1 mi radius	3 mi radius	5 mi radius
<b>Population</b>			
2021 Estimated Population	9,522	64,734	123,081
2026 Projected Population	9,448	66,325	127,131
2020 Census Population	9,464	65,859	122,986
2010 Census Population	9,546	61,569	113,788
Projected Annual Growth 2021 to 2026	-0.2%	0.5%	0.7%
Historical Annual Growth 2010 to 2021	-	0.5%	0.7%
2021 Median Age	37.1	35.8	34.3
<b>Households</b>			
2021 Estimated Households	3,733	26,938	50,048
2026 Projected Households	3,866	28,854	54,002
2020 Census Households	3,718	27,466	50,088
2010 Census Households	3,622	24,761	44,916
Projected Annual Growth 2021 to 2026	0.7%	1.4%	1.6%
Historical Annual Growth 2010 to 2021	0.3%	0.8%	1.0%
<b>Race and Ethnicity</b>			
2021 Estimated White	52.1%	54.2%	52.6%
2021 Estimated Black or African American	2.2%	2.4%	2.9%
2021 Estimated Asian or Pacific Islander	0.8%	1.4%	3.7%
2021 Estimated American Indian or Native Alaskan	2.1%	2.1%	2.1%
2021 Estimated Other Races	42.8%	39.8%	38.7%
2021 Estimated Hispanic	63.2%	60.4%	57.9%
<b>Income</b>			
2021 Estimated Average Household Income	\$65,582	\$64,626	\$62,124
2021 Estimated Median Household Income	\$57,659	\$54,792	\$51,699
2021 Estimated Per Capita Income	\$25,741	\$26,979	\$25,485
<b>Education (Age 25+)</b>			
2021 Estimated Elementary (Grade Level 0 to 8)	8.1%	6.6%	6.9%
2021 Estimated Some High School (Grade Level 9 to 11)	8.6%	7.2%	7.1%
2021 Estimated High School Graduate	24.7%	24.0%	22.9%
2021 Estimated Some College	23.4%	23.0%	23.4%
2021 Estimated Associates Degree Only	8.6%	9.0%	8.8%
2021 Estimated Bachelors Degree Only	17.8%	18.2%	18.3%
2021 Estimated Graduate Degree	8.8%	12.1%	12.7%
<b>Business</b>			
2021 Estimated Total Businesses	320	2,582	4,258
2021 Estimated Total Employees	3,057	25,344	46,489
2021 Estimated Employee Population per Business	9.6	9.8	10.9
2021 Estimated Residential Population per Business	29.8	25.1	28.9

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Interested buyers should be aware that the seller is selling the property in its "as is" condition with all faults, without representations or warranties of any kind or nature. Prior to and after contracting to purchase, as appropriate, buyer will be given a reasonable opportunity to inspect and investigate the Property and all improvements thereon, either independently or through agents of the buyers choosing. The information provided herein and which may hereafter be provided with respect to the property being marketed was obtained from a variety of sources. Neither Seller nor Broker have made any independent investigation or verification of the information presented or to be presented with respect to the property. Seller and Broker make no representations or warranties as to the accuracy or completeness of such information. Recipient acknowledges that it will solely rely upon the results of its own investigations notwithstanding the delivery of these materials.

Interested Buyers should be aware that certain members of Broker have a partnership interest with the Seller and are licensed real estate agents in the State of Arizona. Velocity Retail Group, LLC is a licensed real estate broker in the State of Arizona. NAI First Valley LLC is licensed real broker in the State of New Mexico (Qualifying Broker License # NMREC 18460)

# MEET THE TEAM



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