



Representative Photo



**EMBREE**  
CAPITAL MARKETS

**Dutch Bros**

9605 Menchaca Road Austin, TX 78748

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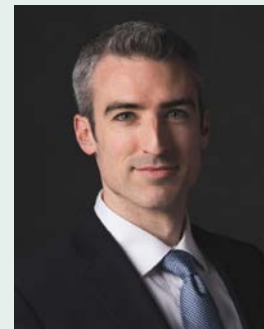


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**JOSIAH BYRNES**

PRESIDENT

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# 01

## EXECUTIVE SUMMARY

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# PROPERTY & LEASE DETAILS

## Offering Overview

Embree capital Markets Group is pleased to present a build-to-suit Dutch Bros Coffee in Austin, TX. This is an opportunity for an investor to acquire a fantastically located coffee shop in the Austin MSA in an out-parcel to LA Fitness. The Tenant has executed an attractive 15-Year absolute NNN lease that features 10% increases every five years during the base term and each of the four, five-year options.



PURCHASE PRICE

**\$3,403,000**



CAP RATE

**3.75%**



ANNUAL RENT

**\$127,644**



LEASE TYPE

**ABSOLUTE NNN**

## THE OFFERING

|           |                                       |
|-----------|---------------------------------------|
| Address   | 9605 Menchaca Rd.<br>Austin, TX 78748 |
| Tenant    | Dutch Bros                            |
| Guarantor | BB Holdings TX, LLC                   |

## SITE DESCRIPTION

|             |                    |
|-------------|--------------------|
| Year Built  | 2022               |
| Building SF | Approx. 858 SF     |
| Lot Size    | Approx. 0.86 Acres |

## INVESTMENT SUMMARY

|                    |                            |
|--------------------|----------------------------|
| Asset Class        | Single-Tenant QSR          |
| Ownership Interest | Fee Simple                 |
| Annual Rent        | \$127,644                  |
| Monthly Rent       | \$10,637                   |
| Cap Rate           | 3.75%                      |
| Purchase Price     | \$3,403,000                |
| Rent Commencement* | 11.10.2022                 |
| Lease Expiration   | 10.10.2037                 |
| Lease Term         | 15-Years                   |
| Lease Type         | Absolute NNN               |
| Renewal Options    | Four, 5-Year               |
| Lease Escalations  | 10% Every 5-Years          |
| ROFR               | Yes, 15 Business Days      |
| Estoppel           | 20-Business Day Turnaround |

\* The Subject Property is Currently Under Construction with an Anticipated Completion Date of 11/10/2022, Subject to Change



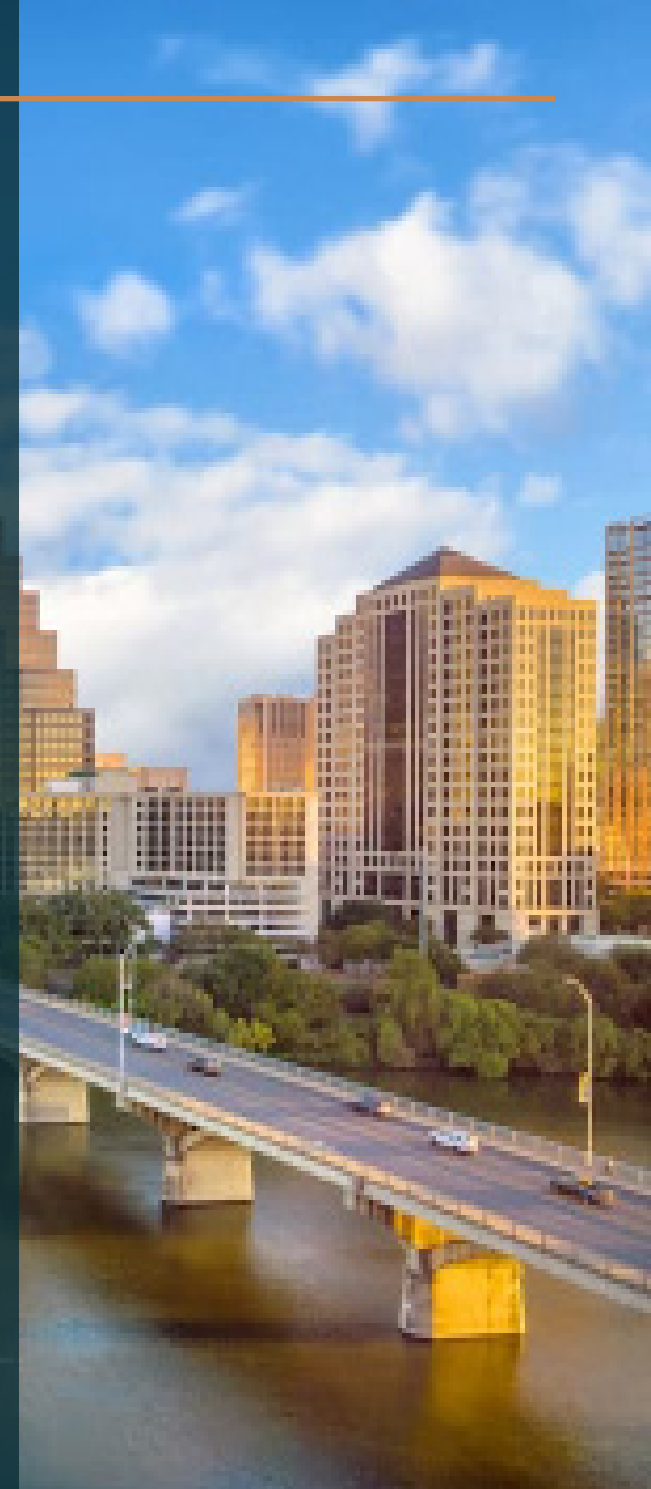
# AREA OVERVIEW

## Austin, TX

Austin is the capital city of Texas and is the economic heart of Central Texas as well as the county seat of Travis County. The city is the 11th most populous city in the United States and the 4th most populous city in Texas. The city of Austin had a population of 996,147 as of 2020 with an annual growth rate of 1.75%, whereas the Austin MSA has an estimated population of 2,352,426 as of July 2021 with an annual increase of 2.3%.

Austin's culture of innovation and creativity is on display every day in "the Live Music Capital of the World." The city has a dynamic ecosystem of 42,000 small businesses is supported by numerous incubators, accelerators, and a municipally-funded Small Business Development Program. Employment gains in the tech sector have contributed significantly to the metro's recent population and median household income growth. Tesla is currently constructing a massive Gigafactory in the city that is expected to generate at least 5,000 jobs, supporting future relocations and increased demand for housing. Apple also recently announced that it is creating a \$1 billion campus with the capacity for 15,000 employees, making it the largest private employer in Austin. Oracle's new 40-acre Austin campus is located less than mile from the 7-Eleven site on the riverfront. With over \$1 billion invested to date, the company plans to employ and house up to 10,000 employees there. Austin hosts a major technology cluster, with industry giants like Tesla, Dell, AMD, Intel, 3M, IBM, Samsung, Freescale, and National Instruments. Austin's growth is fueled by strong competitive advantages: a highly skilled workforce, modern infrastructure, and international connectivity.

The University of Texas at Austin, a world-class research institution and one of the largest universities in the nation, is a major contributor to Austin's highly educated workforce and creative sector, graduating 12,000 students annually. The city known for "weird" is wired as well, as Google Fiber and AT&T deploy Gigabit-speed internet in Austin. Additionally, our international presence continues to grow, as visitors from all over the world convene in Austin to participate in events such as Formula 1 United States Grand Prix, and Austin City Limits. The city is also the home of South by Southwest (SXSW), which has transformed from an indie music gathering into one of the world's most trendsetting technology festivals. Austin is a special place with an appealing culture. It has an abundance of great parks, river access, hike and bike trails, good food, great music and a collaborative culture. Austin also has a highly educated workforce, thanks in part to the University of Texas and other local universities. Austin's low cost of living adds to its appeal. There's no personal income tax, and the city has more affordable housing than on the coasts, from which it pulls a lot of its transplants.



# COMPANY OVERVIEW



- Dutch Bros started in 1992 as a pushcart by the railroad tracks in downtown Grants Pass, Oregon. Dane and Travis Boersma left the dairy business to serve up espresso, rock their favorite music and make connections with their community.
- It's our mission to make a massive difference, one cup at a time. In 2006, they started hosting company-wide givebacks. Thanks to our customers, we're now able to help support our communities through Dutch Luv, Drink One for Dane and Buck for Kids.
- Drink One for Dane started in 2007 in honor of co-founder Dane Boersma, following his diagnosis with ALS. Today, Dutch Bros dedicates a day in May each year to raise funds for the Muscular Dystrophy Association to #EndALS.
- In 2012, they introduced another exclusive drink to our menu, Dutch Bros Blue Rebel energy drink. Created by

Dutch Bros, customized by you.

- Creating connections is part of who we are. Sometimes, a single connection touches an entire community. In 2016, Dutch Bros broistas went viral for supporting a customer. Sharing the good vibes is what Dutch Bros is all about.
- The Dutch love extends to our broistas. In 2019, Dutch Bros broistas made headlines again when they banded together during a company event to Venmo enough money to another broista to help her attend college. Unexpected, unprompted and unbelievable-that's the Dutch Bros culture in action.
- Every visit to Dutch Bros should feel like a celebration. In 2021, we started serving more of the southeast, bringing the party to Texas and Oklahoma! Are the Dutch coming to your neighborhood? Follow Dutch Bros on social media for the latest opening announcements.

## Investment Summary

|               |  |
|---------------|--|
| Company Type: | Public (NYSE: BROS)                                      |
| Headquarters: | Grant Pass, OR   |
| Year Found:   | 1992   |
| 2020 Revenue: | \$327+ Million   |
| 2021 Revenue: | \$497+ Million   |
| Store Count:  | 540+   |
| States:       | 12   |
| Employees:    | 19,000+  |
| Website:      | <a href="http://www.DutchBros.com">www.DutchBros.com</a> |

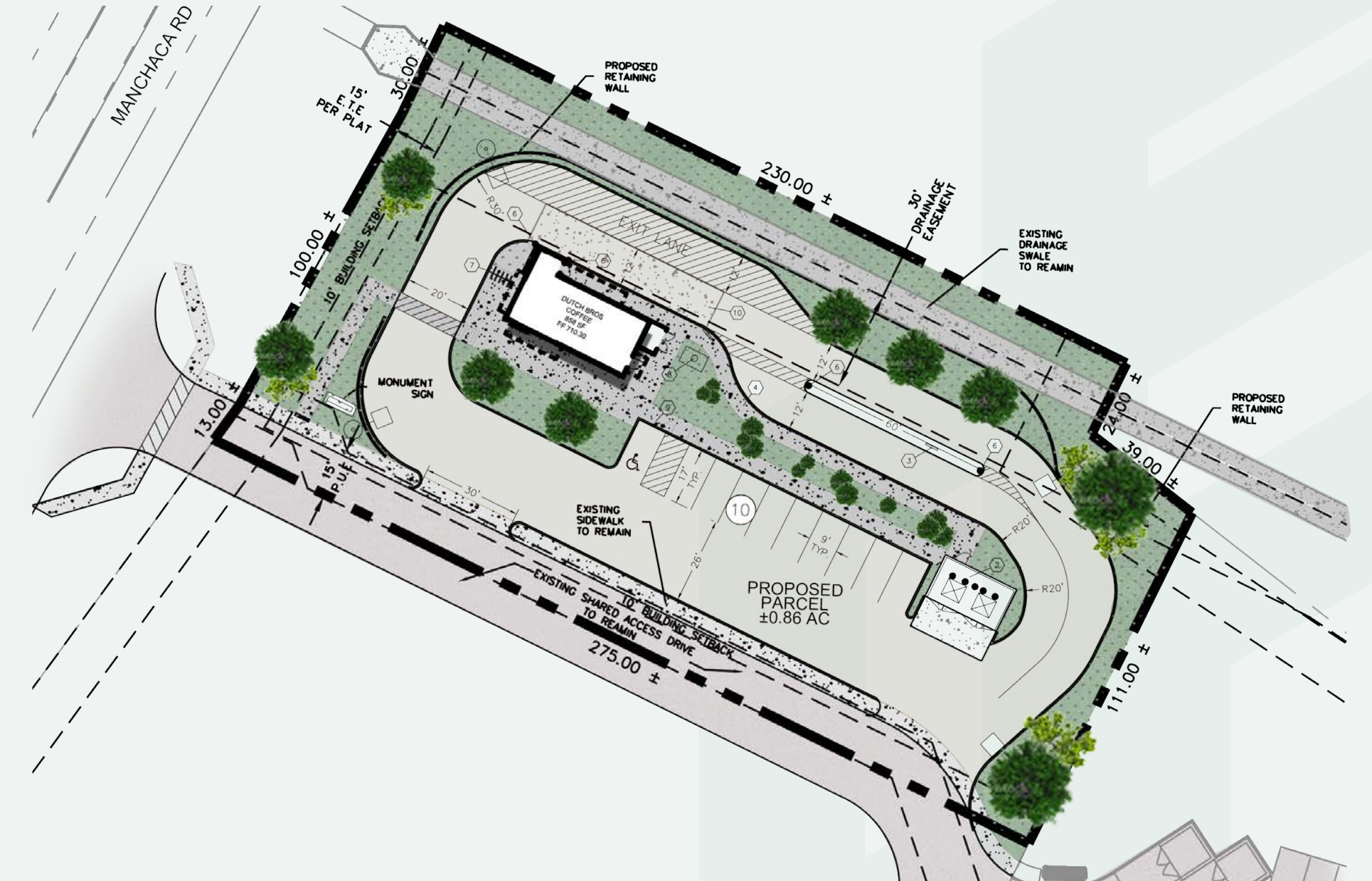


# 03

## MAPS & AERIALS

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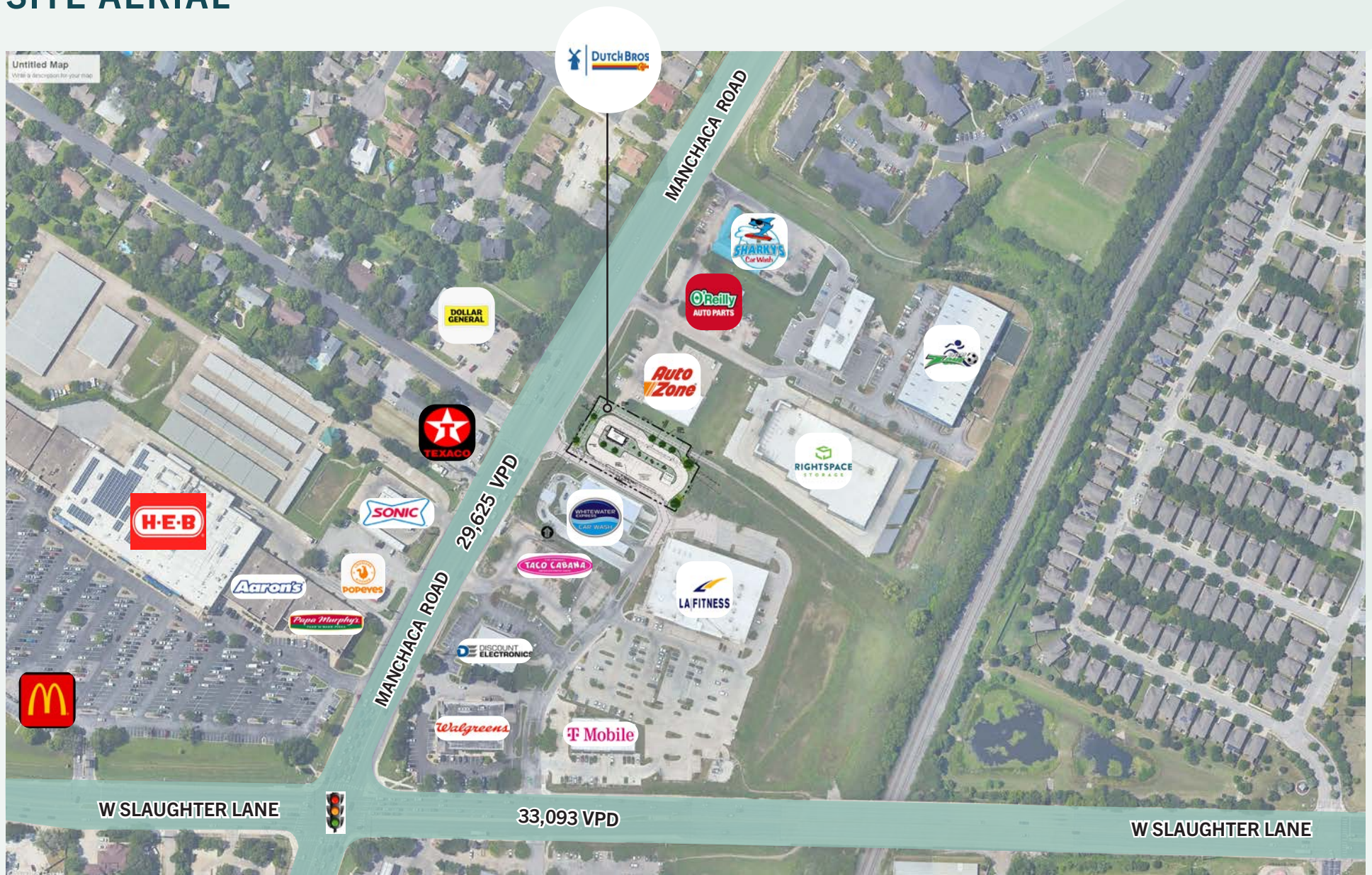
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AUSTIN, TX





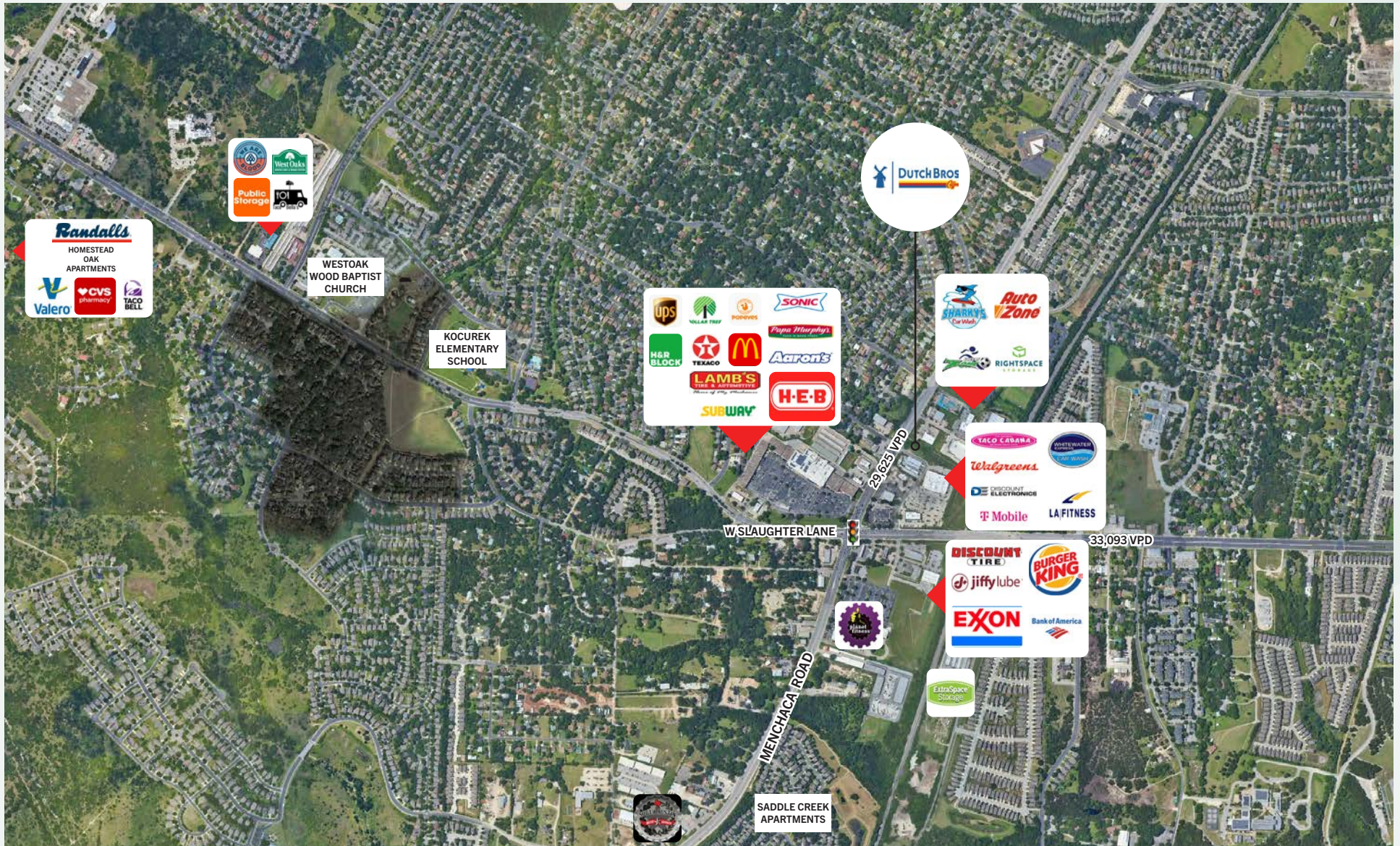
# SITE AERIAL



\* Subject Property is located ~9 miles South of Downtown Austin and 12 miles West of Austin-Bergstrom International Airport



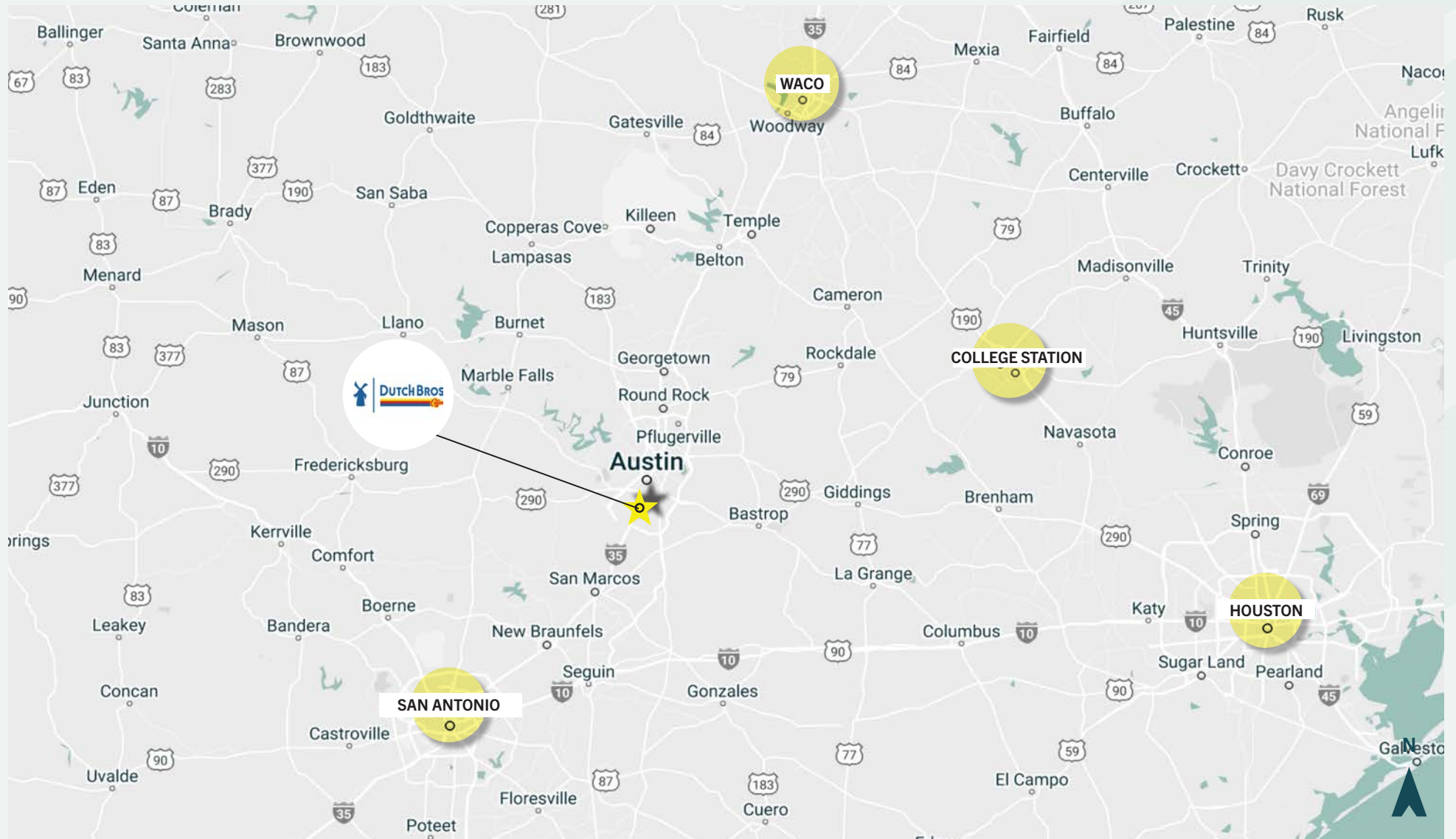
# SURROUNDING AERIAL



\* Subject Property is located ~9 miles South of Downtown Austin and 12 miles West of Austin-Bergstrom International Airport



## LOCAL CONTEXT



WACO, TX. (111 MILES); COLLEGE STATION, TX (117 MILES); HOUSTON, TX (185 MILES) AND SAN ANTONIO (75 MILES)



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## ANALYTICS

|                            |    |
|----------------------------|----|
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# DEMOGRAPHIC ANALYSIS



| POPULATION             | 3 MILE  | 5 MILES | 10 MILES |
|------------------------|---------|---------|----------|
| <b>2026 Projection</b> | 129,664 | 266,436 | 658,259  |
| <b>2021 Estimate</b>   | 120,295 | 248,141 | 605,645  |



| HOUSEHOLDS             |        |         |         |
|------------------------|--------|---------|---------|
| <b>2026 Projection</b> | 51,511 | 104,356 | 259,429 |
| <b>2021 Estimate</b>   | 47,884 | 97,274  | 238,817 |



| AVG. HOUSEHOLD INCOME    |          |          |           |
|--------------------------|----------|----------|-----------|
| Average Household Income | \$47,883 | \$97,273 | \$238,817 |
| Less than \$25,000       | 4,456    | 9,798    | 34,181    |
| \$25,000 - \$50,000      | 8,610    | 17,538   | 38,693    |
| \$50,000 - \$75,000      | 8,524    | 16,716   | 37,089    |
| \$75,000 - \$100,000     | 8,386    | 15,630   | 32,548    |
| \$100,000 - \$125,000    | 6,127    | 11,389   | 23,260    |
| \$125,000 - \$150,000    | 4,309    | 8,469    | 18,961    |
| \$150,000 - \$200,000    | 4,120    | 9,000    | 22,664    |
| More than \$200,000      | 3,351    | 8,733    | 31,421    |

## ABOUT EMBREE GROUP

Embree Group provides nationwide turnkey real estate services, specializing in build-to-suit development, design/build, general construction, program management, and capital markets for specialty retail, financial, automotive, restaurant, healthcare and senior living facilities. Embree's fully integrated, in-house services allow us to become an extension of the client's organization. Since 1979, Embree's foundation has been built on developing tailored programs for 300+ national clients. The firm is headquartered near Austin, Texas, with regional offices located in Phoenix, AZ and the Dallas-Fort Worth area. Over the past 41 years, Embree's executive team has developed, built, or transacted more than 14,000 assets in all 50 states, Puerto Rico, and Canada with a total market value in excess of \$10 billion.

### Contact Details

For more information about this listing, please contact:

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