



OFFERING MEMORANDUM



Dutch Bros Coffee

Round Rock, TX | Austin MSA

This property is listed in conjunction with Texas-licensed real estate broker Delta Commercial.

www.preservewestcapital.com



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Disclaimer

MGM Capital Corp dba Preserve West Capital ("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.

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PROPERTY HIGHLIGHTS



- Brand New Build-to-Suit 15 Year NNN Lease to Dutch Bros Coffee (NYSE: BROS) with Corporate Guarantee
 - Scheduled 10% Rental Escalations in Primary Term & Options
 - No Landlord Maintenance Responsibilities
 - 15-Year Roof Warranty
- 2023 Construction with Double Drive-Thru Lanes & Covered Patio
- Dutch Bros Filed for IPO September 2021 and is One of the Fastest Growing Retail Tenants in the Nation
 - Opened a Record 38 New Shops in Q3 Across 11 States
 - 150 New Shop Openings Targeted for 2023
- Q3 2022 Financial Highlights:
 - Market Capitalization of \$4.56 Billion
 - Total Revenues Grew 53% Year-Over-Year to \$198.6 Million
 - Company-Operated Shop Gross Margins Improved 20%
- Outparcel to The Centre at Warner Ranch – A New Luxury Apartment Development with 336 Units
- Major Tenants in Surrounding Area Include Walgreens, Wendy's, KFC, Sonic, AutoZone, and O'Reilly, Microtel, AVID Hotel, with More to Come
- High Growth Suburb of Austin – Growth Rate 2.05% within 1 Mile
- Robust Demographics in Surrounding Area
 - High Visibility from Both 45 Toll Road and AW Grimes Blvd as Over 129,038 Vehicles Pass Daily
 - Total Daytime Population of 251,778 within 5 Miles of Site
 - Average Household Income of \$113,799 within 5 Mile Radius
- 3 Minute Drive to Howard Station Commuter Rail; 12 Minute Drive to Lakeline Station Commuter Rail
- 28 Minute Drive to Austin-Bergstrom International Airport
- No Personal Income Tax in Texas



PRICE

\$2,778,000
4.50% Return

Location

The property is located at 2630 S.A.W. Grimes Boulevard in Round Rock, Texas.

Lot Size

Approximately 0.8034 acres or 35,000 square feet.

Improvements

A 950 square foot retail restaurant building for **Dutch Bros Coffee** with a double drive-thru component.

Parking

There is ample parking available on site.

Lease

Leased to **BB Holdings TX, LLC**, dba **Dutch Bros Coffee** and guaranteed by Boersma Bros. LLC for 15 years at a current annual rent of \$125,000. There are three (3) five-year options to renew the lease. Rent is to increase by 10% every five years and at the start of each option period. The lease is net with tenant responsible for all taxes, insurance, and maintenance.

Annual Rent

Years	Rent	Return
Years 1-5	\$125,000	4.50%
Years 6-10	\$137,500	4.95%
Years 11-15	\$151,250	5.44%
Years 16-20 (Option 1)	\$166,375	5.99%
Years 21-25 (Option 2)	\$183,013	6.59%
Years 26-30 (Option 3)	\$201,314	7.25%

Financing

This property will be delivered free and clear of permanent financing.



Dutch Bros. Coffee (NYSE: BROS) is a high growth operator and franchisor of drive-thru shops that focuses on serving hand-crafted beverages. With 641 stores across 14 states, the company has targeted 150 new shops for 2023. The company roasts its own coffee, a unique three-bean blend, and serves coffee, specialty espresso drinks, tea, Dutch chocolate milk, smoothies, lemonade, Dutch Soda™, chai, energy drinks, muffins and granola. The company operates a unique franchising model, offering franchise opportunities only to existing employees of the company, ensuring high-quality franchise operations. J.D. Power and Associates has consistently ranked the company among the top specialty coffee companies for customer satisfaction. Dutch Bros Coffee underwent its initial public offering on September 15, 2021, and as of January 2023, it has a market capitalization of \$4.56 billion compared to \$2.53 billion in 2021. The company reported \$497.9 million in revenue for 2021, growing 52% from 2020.

BB Holdings TX, LLC, the lease entity, and **Boersma Bros, LLC** are subsidiaries of **Dutch Mafia, Inc.**, the corporate entity for Dutch Bros. Coffee.



AERIAL

WEST VIEW

ROUND ROCK CROSSING



BOARDWALK



LA FRONTERA VILLAGE



FLIX BREWHOUSE



Corporate Campus

INTERSTATE 35 (160,627 AADT)

Cielo East City Homes (New)

IDEA Round Rock Tech Campus



45 TOLL (70,000 AADT)

Louis Henna Blvd (37,700 AADT)

THE CENTRE AT WARNER RANCH

New Luxury Apartment Development with 336 Units

Dutch Bros Caffe

SUN AUTO SERVICE

Walgreens

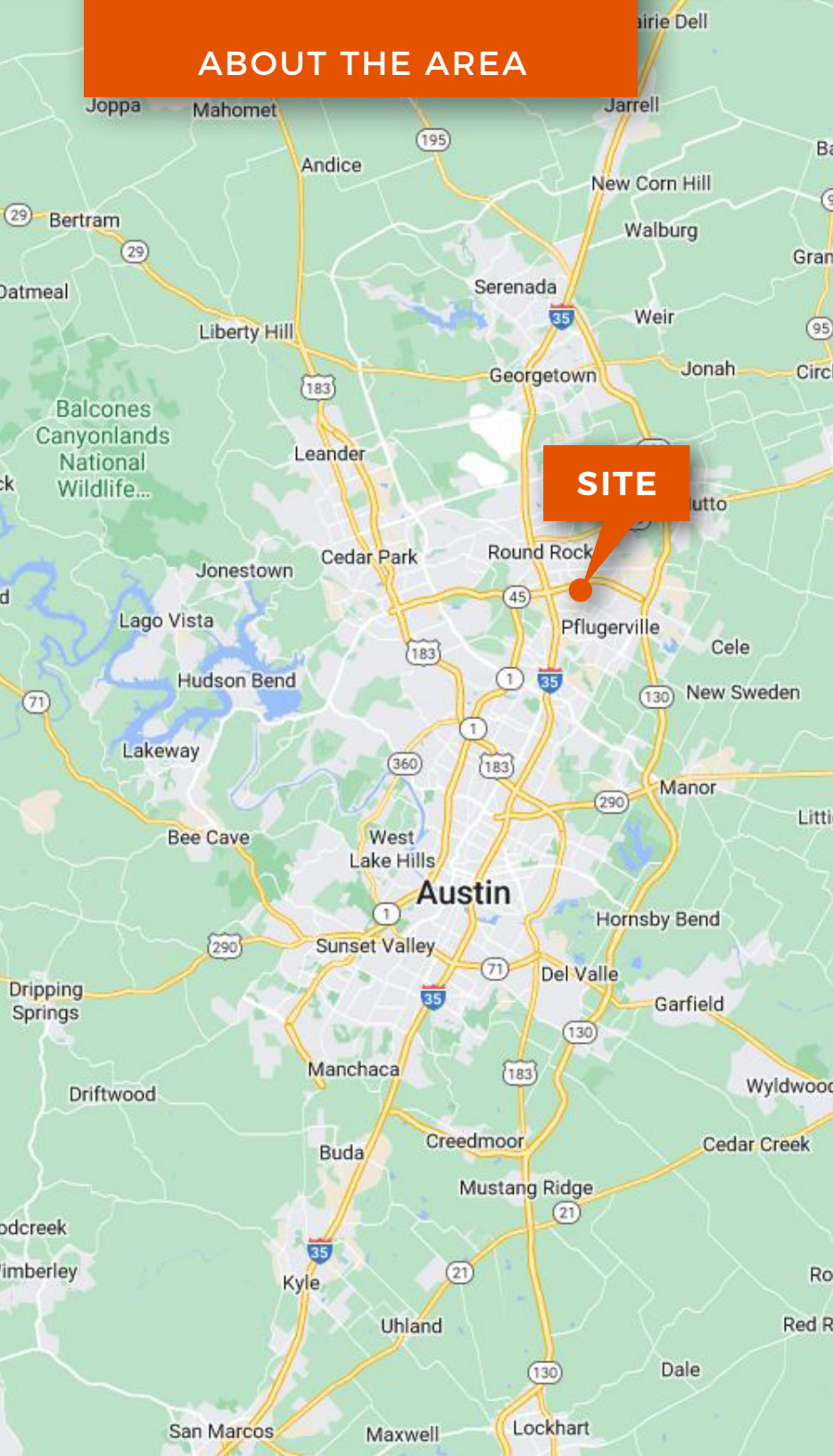
AutoZone

A.W. Grimes Blvd

QT

avid my 1st home

ABOUT THE AREA



General Overview

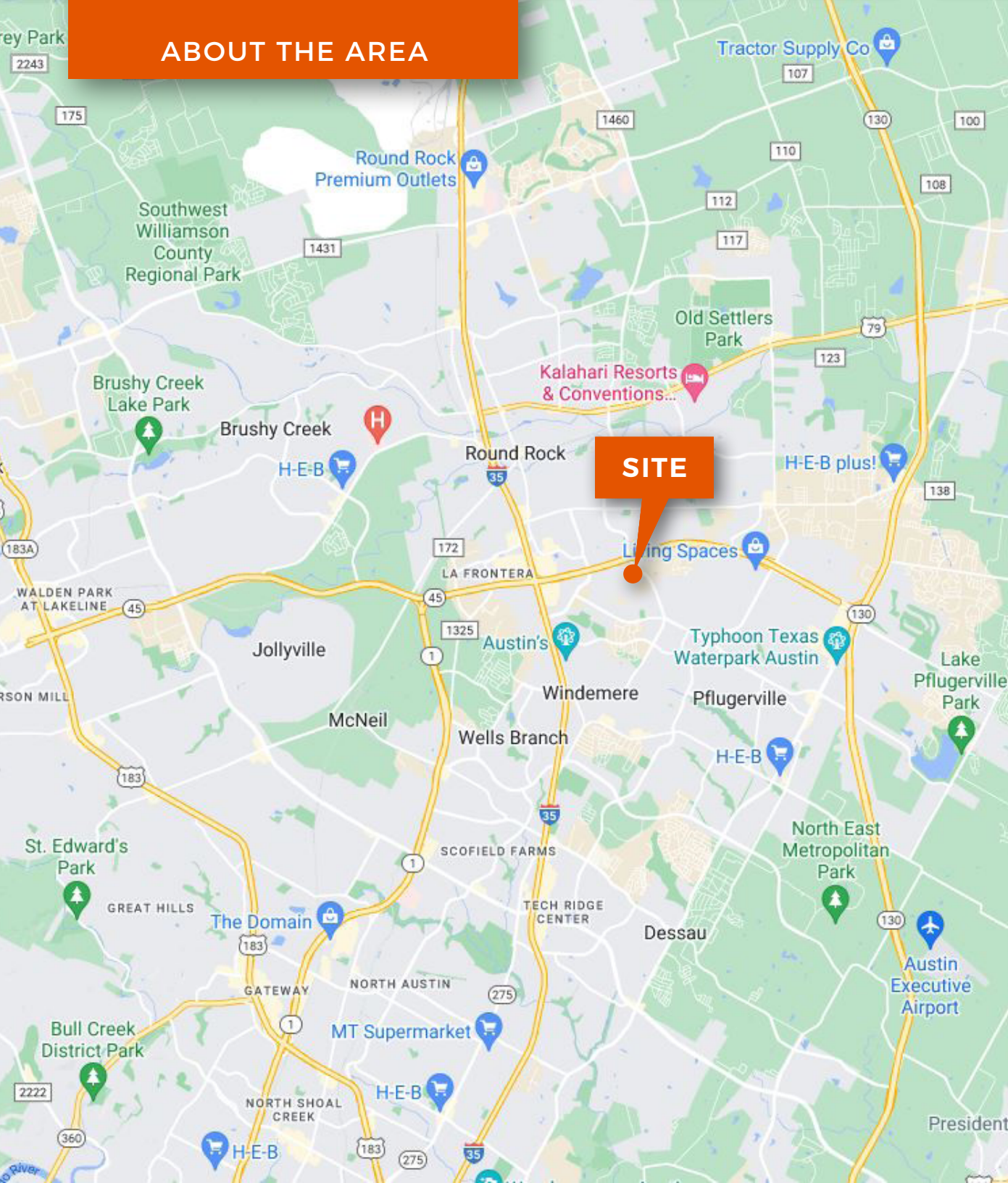
Round Rock (population 123,876) is the largest city in Williamson County and part of the Austin MSA. It is a key part of one of the fastest growing regions in Texas and the country. From 2011 to 2021, the City of Round Rock experienced population growth of 19.3% over 10 years.

In addition to many other published recognitions, Austin-Round Rock was named the #1 Tech Town in the U.S. and the #1 Best U.S. City for Starting a Business in 2022. Numerous business relocations have brought capital investment, job opportunities and new residents. Emerson Process Management opened its \$70 million, 282,000 SF international headquarters and technology center in January 2014. TECO-Westinghouse, the largest manufacturer of electric motors in North America, made its relocation here, as well as Houghton Mifflin Harcourt relocated its Texas regional office to Round Rock in July 2016. Their relocation brought over 270 jobs to the city, and they now anchor a 100,000-square-foot Class A office building in La Frontera. ProPortion Foods LLC, a Los Angeles-based food service company also came to Round Rock in 2016, bringing in at least 400 full-time jobs. Airco Mechanical, a commercial and residential heating, ventilation, and air conditioning service provider, relocated its Central Texas headquarters to a previously vacant 47,000 SF building, bringing in another 400 full-time jobs. In August 2021, Triple Temp Cold Storage LLC began operations of a new 125,000 SF cold storage and manufacturing facility in southwest Round Rock on a 10-acre site. East/West Manufacturing relocated and expanded to a new 43,000 SF facility in North Round Rock.

Amazon is the newest Fortune 500 company to expand in Round Rock with a new delivery station on a 32-acre site. Kalahari Resorts selected Round Rock as the location of its fourth family resort and convention center and opened November 2020. Mark IV Capital for The District is working on a live, work, and play community valued at \$200 million near the intersection of IH 35 and SH 45. Initial plans for the development include 1 million square feet of office space, approximately 900 multifamily residential units, a hotel, a high-end grocery store, and retail/restaurant space. Additional projects include a new Embassy Suites Hotel and Conference Center being built for \$20 million on about 6 acres of land near the Bass Pro Shops and Round Rock Premium Outlets. Baylor Scott & White also recently opened a new 39,000 SF cancer center.

The population for 2030 is projected to be over 158,000 within the city limits and over 215,000 in Greater Round Rock, which was named the #2 Strongest Metropolitan Area Economy in the U.S. by Policom. The Austin Round Rock Metropolitan Statistical Area GDP is \$148.9 billion with a total population of 2.35 million. Major business clusters in the Austin-Round Rock area include business and financial services, defense and security, information technology and telecommunications, and manufacturing. Major employers include 3M, Advanced Micro Devices, Amazon, Apple, Applied Materials, Cirrus Logic, Cypress Semiconductor, Dell Technologies, Flextronics International, Hewlett-Packard, IBM, National Instruments, NXP Semiconductor, Pfizer and Samsung Austin Semiconductor.

ABOUT THE AREA



Site Information

The subject property is located on highly visible AW Grimes Boulevard (21,338 AADT) at the Centre at Warner Ranch shopping center, in close proximity to the 45 Toll Road (70,000 AADT) and Louis Henna Boulevard (37,700 AADT). The site benefits from robust demographics with a total daytime population of 251,778 within 5 miles of the site and average household income of \$113,799 within a 5-mile radius.

Nearby retail centers and tenants include Costco, Round Rock Town Center featuring AW Grimes Medical Offices, Postal Annex and Wells Fargo; Round Rock Crossing anchored by Target; Boardwalk which includes The Home Depot; Crossing Point Shopping Center and La Frontera Village featuring Lowe's, Sam's Club, Kohl's, Barnes & Noble, and Olive Garden; Southgate and Stone Hill Town Center strip mall are also within minutes.

North of the site are major employers, Dell Technologies (13,000 employees), Round Rock Independent School District (6,995 employees), and Round Rock City Hall (1,019 employees). The University of Austin is 16 miles south, while Baylor Scott & White Medical Center, a 101-bed, full-service hospital, is 10 miles north of the property.



2630 S A. W. Grimes Blvd | Round Rock, TX 78664



TOTAL POPULATION

256,810



AVG. HOME VALUE

\$330,052



AVG. HOUSEHOLD INCOME

\$113,799

Population Summary	1 Mile	3 Miles	5 Miles
2010 Total Population	8,702	85,832	194,962
2022 Total Population	12,968	109,239	256,810
2027 Total Population	11,258	126,717	251,778
2022-2027 Annual Rate	2.05%	1.12%	1.01%
Average Household Income			
2022	\$102,975	\$106,788	\$113,799
2027	\$116,660	\$120,709	\$129,402
Average Home Value			
2022	\$276,284	\$301,063	\$330,052
2027	\$294,255	\$327,796	\$353,631

Major Employers in Round Rock

of Employees

Dell Technologies	13,000
Round Rock Independent School District	6,955
City of Round Rock	1,019
Round Rock Premium Outlets	800
Seton Medical Center Williamson	750
Baylor Scott & White Healthcare	750
St. David's Round Rock Medical Center	689
Emerson Automation Solutions	682
Amazon	600
United Parcel Service	563

Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

Information About Brokerage Services

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

IF THE BROKER REPRESENTS THE OWNER:

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written - listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

IF THE BROKER REPRESENTS THE BUYER:

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

IF THE BROKER ACTS AS AN INTERMEDIARY:

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License

Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- (1) shall treat all parties honestly;
- (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- (4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

If you choose to have a broker represent you,

you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

Real estate licensee asks that you acknowledge receipt of this information about brokerage services for the licensee's records.

Buyer, Seller, Landlord or Tenant

Date

Texas Real Estate Brokers and Salespersons are licensed and regulated by the Texas Real Estate Commission (TREC). If you have a question or complaint regarding a real estate licensee, you should contact TREC at P.O. Box 12188, Austin, Texas 78711-2188 or 512-465-3960.





FILE PHOTO

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PRESERVE
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