



OFFERING MEMORANDUM
DUTCH BROS COFFEE – NET LEASED INVESTMENT

8111 Matlock Rd. Arlington, Texas

For sale exclusively by:

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Local Broker:
Bryan Cornelius | RetailUnion Partners LLC
Texas License #9009027

EXECUTIVE SUMMARY

ASSET OVERVIEW

PROPERTY TYPE:	Net Leased Investment
LOCATION:	8111 Matlock Rd Arlington, TX 76002
YEAR CONSTRUCTED:	2022
BUILDING SIZE:	+/- 950 SF
SITE AREA:	+/- 33,417 SF
TOTAL NOI:	\$99,500
LEASE TERM :	15 Years
OFFERING PRICE :	\$1,990,000
CAP RATE:	5.00%
RENTAL INCREASES:	10% every Five (5) years
RENT COMMENCEMENT DATE:	July 2022
LEASE EXPIRATION DATE:	July 2037
RENEWAL OPTIONS:	Three (3) Five (5) Year Options
TENANT :	BB Holdings TX, LLC
LEASE GUARANTEE:	Boersma Bros LLC



INVESTMENT HIGHLIGHTS

Velocity Retail Group is pleased to offer this Dutch Bros Coffee net leased investment located at 8111 Matlock Rd, Arlington, TX 76002 (the "Property"). The Property includes a +/- 950 SF newly constructed single tenant drive-thru building on a 33,417 SF street frontage parcel. The Dutch Bros corporate lease is a 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 Inc. is a publicly traded company listed on the NYSE with over a \$5 Billion current Market Cap (March 2023).

Trade Area Overview & Location Factors

The Dallas–Fort Worth–Arlington MSA, ("DFW" metroplex) with a population of 7,573,136 is one of the fastest growing metropolitan areas in the United States. DFW is an economic powerhouse that generated over \$535 Billion in GDP during 2020. Exxon Mobil, McKesson, AT&T, American Airlines Group, Kimberly-Clark, DR Horton, 7-Eleven, Texas Instruments, BNSF Railway, Southwest Airlines and many other corporate headquarters are located in the DFW area. The Property is located the City of Arlington. AT & T Stadium (home of the Dallas Cowboys), Six Flags Over Texas amusement park, University of Texas at Arlington (35,064 students) Texas Rangers MLB team and many DFW area major employers are located in Arlington.

Within the 3-Mile radius of the Property the population is 115,650 with a median age of 33.9 years and an AHHI of \$110,306. Over 40,671 junior and high school aged students reside in the local trade area. The youthful local population forms an ideal part of the Dutch Bros Coffee customer base. Additionally, there are 76,675 employees working at 8,655 businesses within 5 miles of the Property adding to the robust trade area consumer activity and contributing to the 36,000 CPD traffic flowing through the Matlock Road and Turner Warnell Road intersection near the Property.

Walmart, Kroger Marketplace and Sprouts are located within a quarter mile of the Property and anchor the immediate trade area along with M&A Pharmacy, ALDI, Lifetime Fitness and other local area retailers that attract a high-volume of daily needs consumers. Dutch Bros Coffee is well positioned to benefit from the established local retail activity and is an exciting new addition to the trade area.



NYSE:BROS

IPO DATE:
**September 15th,
2021**

DFW, TX MSA



GDP

\$535 Billion



POPULATION

7,573,136

3 MILE RADIUS



POPULATION

115,650



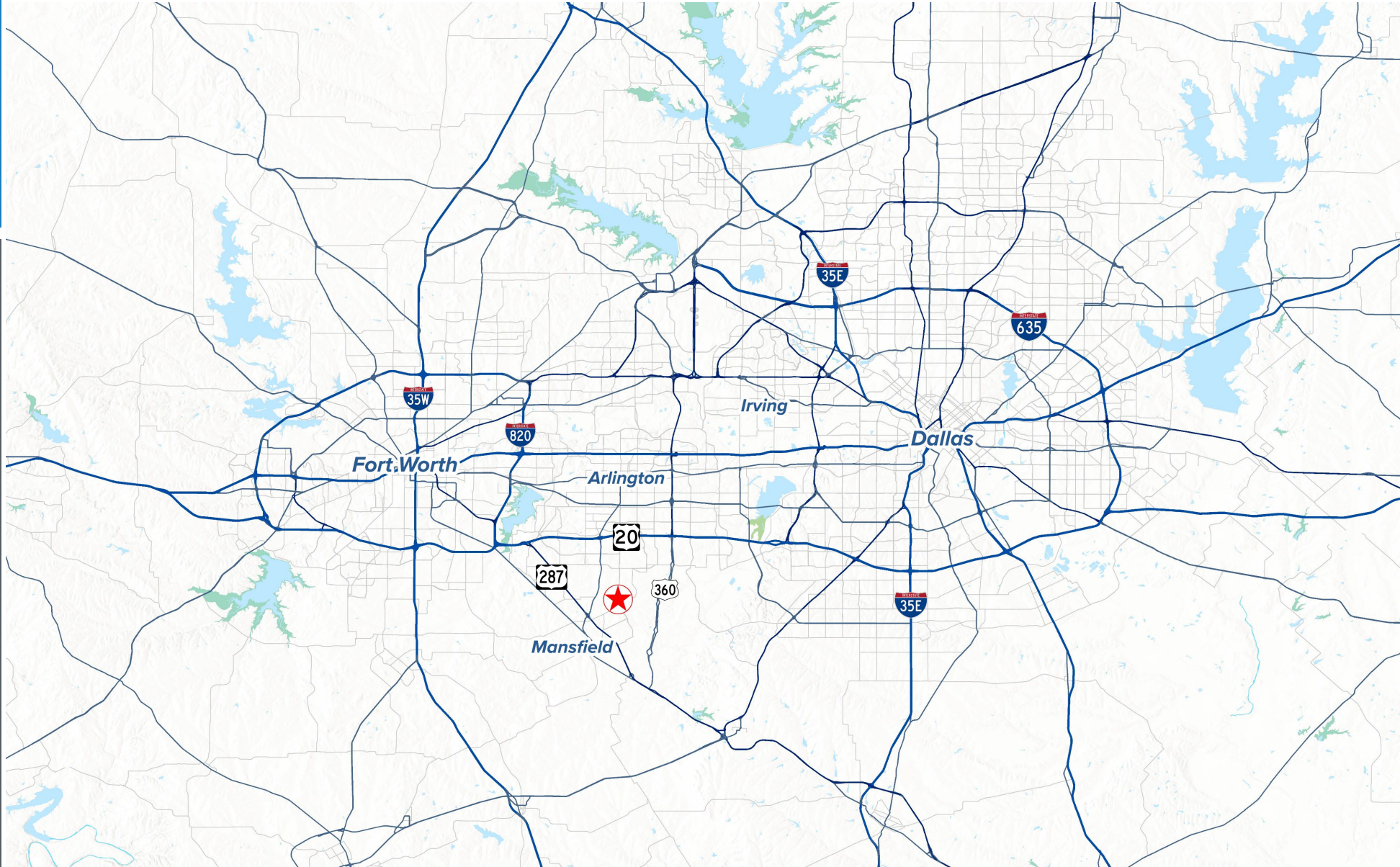
AHHI

\$110,306

TRADE AREA RETAILERS



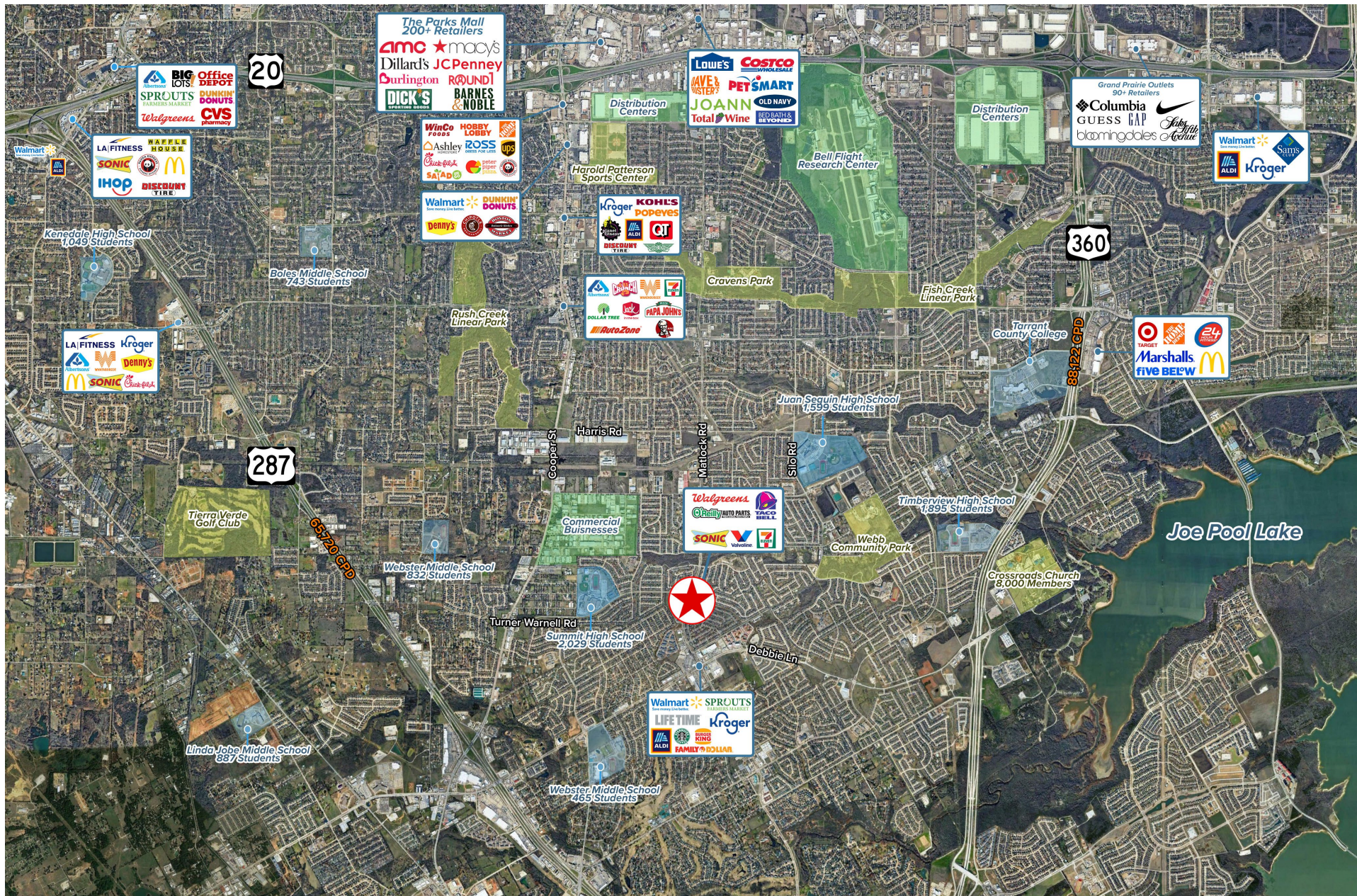
DFW METRO AREA - LOCATION MAP



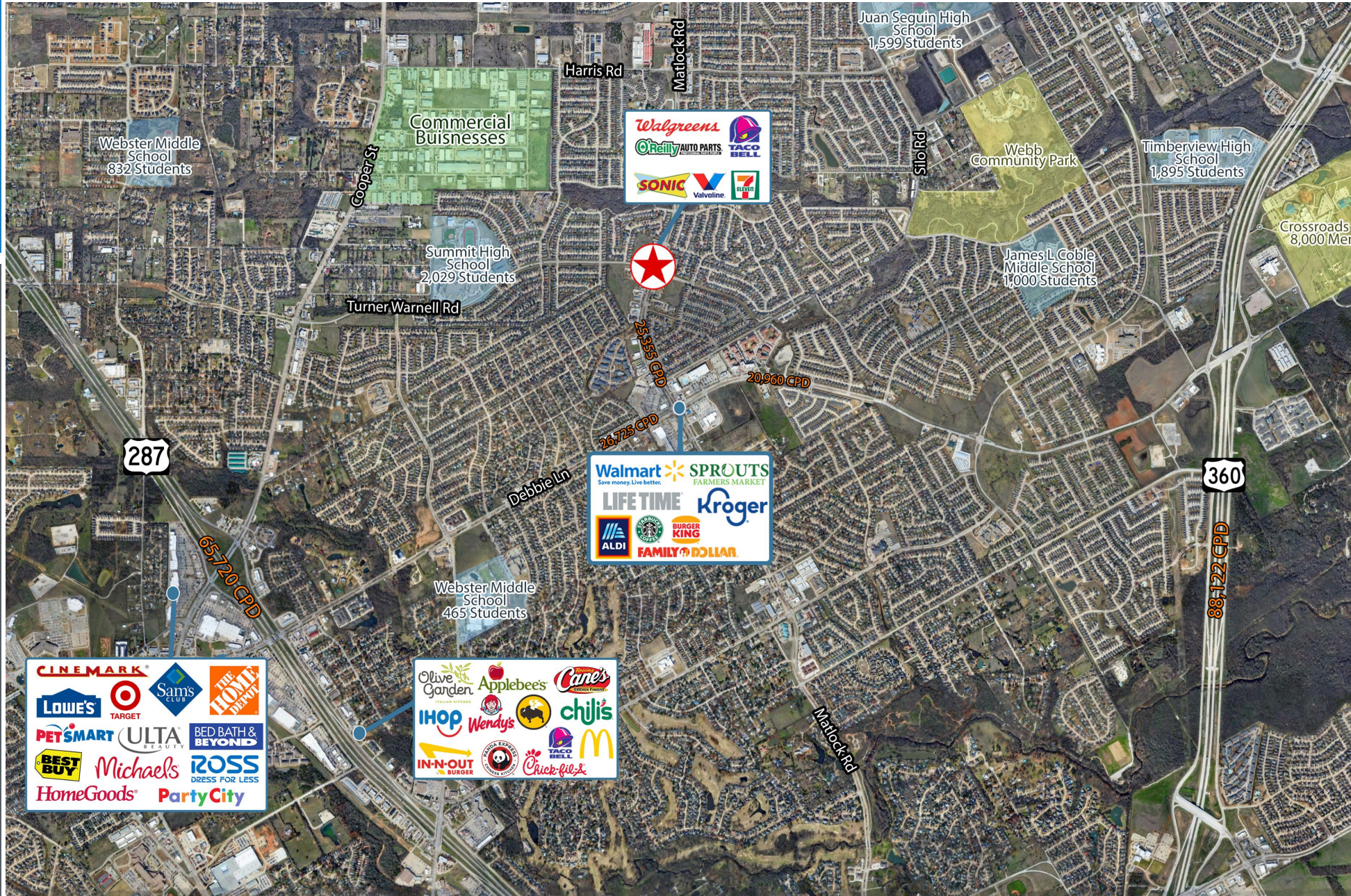
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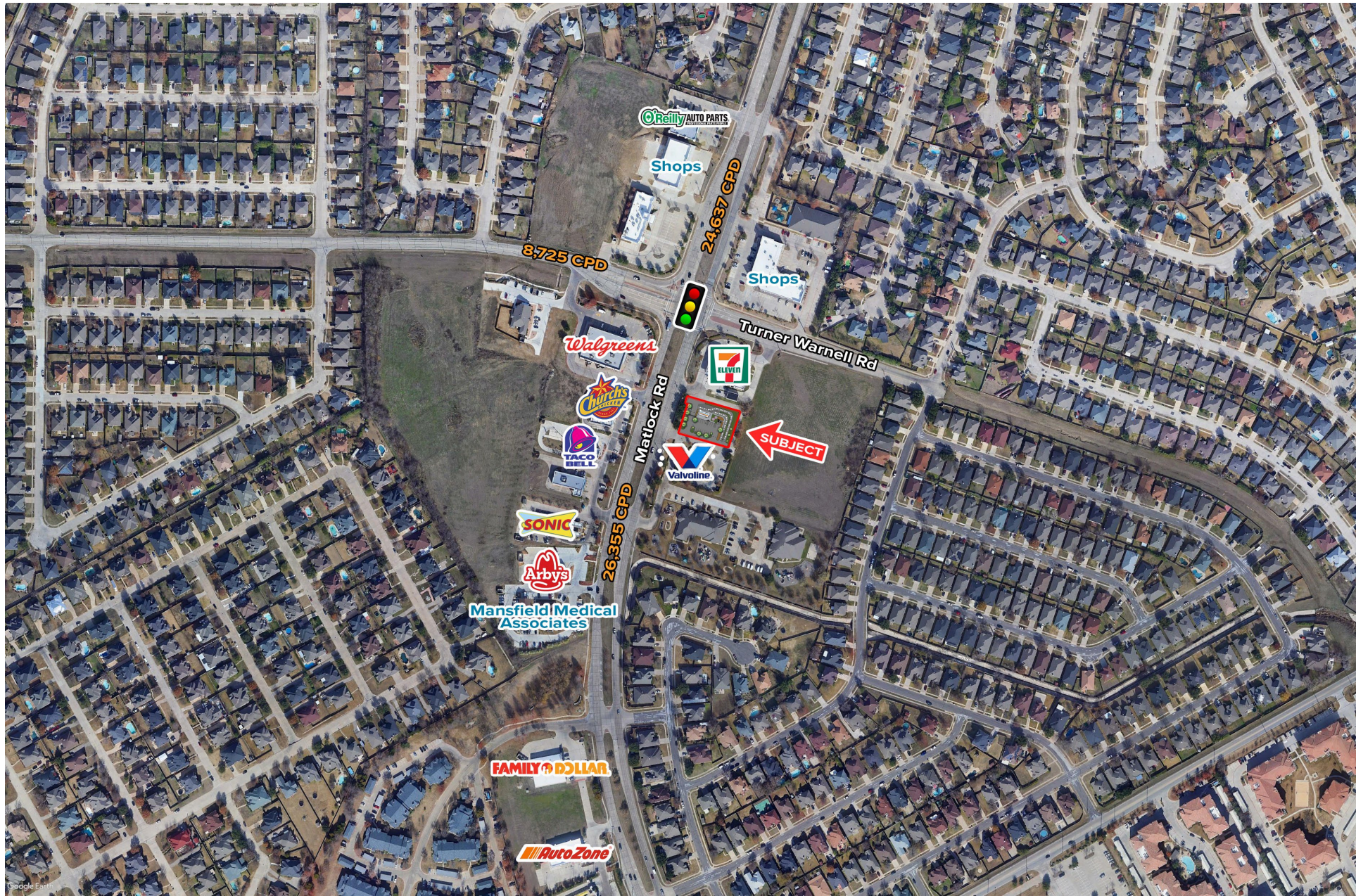
REGIONAL TRADE AREA



LOCAL TRADE AREA



INTERSECTION TRADE AREA – AERIAL



SITE PLAN



SITE DATA	
LOT AREA:	33,417 sf / .77 ac
BUILDING AREA:	950 S.F.
PARKING:	16 SPACES
STACKING:	23 VEHICLES



ACCELERATED DESIGN SERVICES
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Phoenix, AZ 85020 | 602.682.1000
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CONCEPT SITE PLAN
8111 MATLOCK RD.
ARLINGTON, TX 76002
DATE ISSUED: 06-17-22

BUILDING PHOTO GALLERY



DALLAS-FORT WORTH-ARLINGTON, TX MSA

The Dallas–Fort Worth–Arlington MSA, often referred to as the “DFW” metroplex, has a population of 7,573,136 and is one of the fastest growing metropolitan areas in the United States. It is the most populous metropolitan area in Texas and the fourth largest in the United States. The DFW-A metroplex is an economic powerhouse generating over \$600 Billion in GDP in 2020. Exxon Mobil, McKesson, AT&T, American Airlines Group, DR Horton, 7-Eleven, Kimberly-Clark, Texas Instruments, Southwest Airlines and many other high-profile company headquarters operate in the DFW metroplex area. The region has a strong manufacturing base with General Motors Arlington Factory turning 1,200 vehicles per day and Lockheed Martin in Fort Worth employing over 13,500 that work on many hi-tech aviation programs including the U.S Air Force F-35 Lightning II fifth generation stealth fighter. DFW boasts twice the level of per capita computer-manufacturer employment compared to the rest of the U.S.

DFW is a dynamic cultural center with a vibrant sports and entertainment scene. AT&T Stadium’s 80,000 seats are packed to capacity for the Dallas Cowboy home games. The stadium has hosted the Cotton Bowl, Big Ten Championships, and many other sporting and entertainment events. The NBA Dallas Mavericks basketball team with its star owner, Mark Cuban, is another DFW favorite team. At the collegiate level, Texan Christian University’s football team attracts a big following. TCU and over a dozen other colleges and universities offer high-quality tertiary education programs in the DFW area. Fort Worth is known as the “City of Cowboys and Culture” with its world class museums, calendar of festivals, robust local arts scene, and the world’s first and largest indoor rodeo hosting regional, national and championship events throughout the year. Fort Worth is proud of its “Old West” heritage as it was a major gathering point for cattle drives on the Chisholm Trail in the era of Cowboy.



Major Area Employers

Southwest

ExxonMobil

**TEXAS
INSTRUMENTS**

**American
Airlines**

D-R HORTON
America's Builder

Kimberly-Clark

at&t

MCKESSON

**7
ELEVEN**

Area Snapshot



GDP 2020
\$600B



POPULATION
7,573,136



FORTUNE 500
COMPANIES
24



STADIUM
ATTRACTIONS
**COWBOYS &
MAVERICKS**

TENANT SUMMARY



Dutch Bros Coffee | NYSE: BROS **+/- 700 Locations | 19,000 Employees | Founded in 1992**

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 15 states and 19,000 employees. Dutch Bros Coffee's highly successful 2021 New York Stock Exchange IPO validated the 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 Inc. current Market Cap exceeds \$5 Billion (March 2023).

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.

TENANT SUMMARY

Forbes

Dutch Bros Coffee IPO Brews Oregon's Newest Billionaire

Written by: Giacomo Tognini September 15, 2021

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."



Dutch Bros achieves 'strong year of growth' following US outlet acceleration

Written By: World Coffee Portal –February 23, 2023

The US drive-thru coffee chain, which is targeting 800 stores nationwide by the end of 2023, saw revenues increase almost 50% in 2022 as a result of its strong outlet growth

Oregon-based coffee chain Dutch Bros has credited its 25% outlet growth last year as driving its robust full-year revenues.

Dutch Bros opened 133 new stores across the US last year, 120 of which are company-operated, to reach 671 outlets nationwide, 60% of which are company-operated.

Reporting on the 12-months ended 31 December 2022, the drive-thru coffee chain achieved 48% revenue growth to reach \$739m, compared to \$498m in 2021.

Dutch Bros said company-operated store revenues increased 58% to \$640m, compared to \$403.7m in 2021.

"In 2022, we delivered another strong year of growth with revenue increasing almost 50% to \$739m, driven by 133 new store openings systemwide. For the third consecutive year, we have exceeded our new store development targets, doubling our outlet count since March 2019, despite unprecedented disruption to communities and the economy. We're entering 2023 in a position to build market share, supported by our strong people development and new store pipelines," said Joth Ricci, CEO, Dutch Bros.

Dutch Bros is seeking to open at least 150 new stores by the end of 2023, which if realised will enable the coffee chain to achieve its five-year goal of reaching 800 outlets. The company has a longer-term target of reaching 1,000 US stores by the first half of 2025.

Additionally, Dutch Bros expects 2023 revenues to reach between \$950m- \$1bn.

...

World Coffee Portal research forecasts the 38,000-strong US branded coffee shop market will exceed 41,900 outlets by the end of 2027.

Dutch Bros is currently the third largest coffee-focused coffee chain in the US, behind Starbucks and Dunkin'.



DEMOGRAPHICS

8111 Matlock Rd Arlington, TX 76002	1 mi radius	3 mi radius	5 mi radius
Population			
2021 Estimated Population	21,892	115,650	241,594
2026 Projected Population	22,672	120,354	256,319
2020 Census Population	19,831	110,723	238,434
2010 Census Population	18,240	98,104	195,004
Projected Annual Growth 2021 to 2026	0.7%	0.8%	1.2%
Historical Annual Growth 2010 to 2021	1.8%	1.6%	2.2%
2021 Median Age	32.5	33.4	33.9
Households			
2021 Estimated Households	6,615	36,071	77,753
2026 Projected Households	6,856	37,584	82,388
2020 Census Households	5,965	34,591	76,705
2010 Census Households	5,508	30,821	63,189
Projected Annual Growth 2021 to 2026	0.7%	0.8%	1.2%
Historical Annual Growth 2010 to 2021	1.8%	1.5%	2.1%
Race and Ethnicity			
2021 Estimated White	38.6%	43.0%	44.7%
2021 Estimated Black or African American	29.7%	26.0%	23.9%
2021 Estimated Asian or Pacific Islander	10.5%	9.8%	9.6%
2021 Estimated American Indian or Native Alaskan	0.8%	0.7%	0.7%
2021 Estimated Other Races	20.4%	20.5%	21.0%
2021 Estimated Hispanic	20.8%	21.1%	22.1%
Income			
2021 Estimated Average Household Income	\$113,410	\$110,306	\$107,553
2021 Estimated Median Household Income	\$93,305	\$96,909	\$96,100
2021 Estimated Per Capita Income	\$34,281	\$34,423	\$34,645
Education (Age 25+)			
2021 Estimated Elementary (Grade Level 0 to 8)	3.4%	3.5%	3.5%
2021 Estimated Some High School (Grade Level 9 to 11)	4.9%	4.9%	5.0%
2021 Estimated High School Graduate	17.5%	21.0%	21.1%
2021 Estimated Some College	23.3%	23.2%	23.3%
2021 Estimated Associates Degree Only	11.9%	9.7%	9.5%
2021 Estimated Bachelors Degree Only	25.5%	25.4%	24.7%
2021 Estimated Graduate Degree	13.6%	12.4%	13.0%
Business			
2021 Estimated Total Businesses	599	3,461	8,655
2021 Estimated Total Employees	3,928	29,079	76,675
2021 Estimated Employee Population per Business	6.6	8.4	8.9
2021 Estimated Residential Population per Business	36.5	33.4	27.9

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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. RetailUnion Partners LLC is a licensed real estate broker in the State of Texas (Broker License #9009027)

MEET THE TEAM



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