

# DUTCH BROS COFFEE

BRAND NEW CONSTRUCTION DOUBLE DRIVE THRU QSR

Absolute NNN Ground Lease Investment Opportunity



2038 WEST UNIVERSITY DRIVE  
DENTON TEXAS 76201

weitzman®



EXCLUSIVELY MARKETED BY:



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Denton Overview  
Tenant Overview





A photograph of a Dutch Bros Coffee storefront at night. The building is primarily blue and grey with stone-textured pillars. The Dutch Bros logo, featuring a white windmill on a blue background and the text "DUTCHBROS Coffee" with a rainbow stripe, is visible on the upper part of the building. The address "2038" is displayed above the entrance. Large windows show the interior. An outdoor seating area with blue tables and benches is on the right. A semi-transparent dark blue banner with the text "INVESTMENT OVERVIEW" in white capital letters is centered across the image.

# INVESTMENT OVERVIEW





Weitzman is pleased to exclusively offer the opportunity to acquire the absolute NNN ground lease Dutch Bros Coffee located at 2038 West University Drive (US 380) in Denton, Texas. The tenant is operating under a new 15-year lease with 4 (5-year) options to extend, demonstrating their long-term commitment to the site. The lease features attractive 10% rental increases every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation. The lease is corporate guaranteed by Boersma Bros. LLC (NYSE: BROS) and is an absolute NNN ground lease with zero landlord responsibilities making it an ideal, management-free investment opportunity for the passive investor. The state-of-the-art building was just recently completed and features brand new construction with modern amenities and design, and it's equipped with a double drive thru for expediated service and enhanced sales. In September 2021, Dutch Bros launched its initial public offering raising over \$484 million and valuing the company at \$3.8 billion.

The property is situated along the frequently traveled US 380 (W University Drive) with over 30,647 vehicles per day. In addition, the property is centered between the University of North Texas, Texas Women's University and Texas Health Presbyterian Hospital of Denton. With the college campuses and major employment centers nearby, the trade area has several major retailers that include: Walmart, Sam's Club, WinCo Foods, ALDI, Academy Sports + Outdoors, a future H-E-B and many more.





## OFFERING

Price	\$2,586,667
Cap Rate	3.75%
NOI	\$97,000
Guaranty	Corporate (NYSE: BROS)
Lease Type	Absolute NNN - Ground Lease

## PROPERTY SUMMARY

Address	2038 W University Dr Denton, TX 76201
County	Denton
Building Area	950 SF
Land Area	0.84 AC   36,500 SF
Year Built	2022



# INVESTMENT HIGHLIGHTS



## **Brand New 15-Year Lease | Corporate Guaranteed | Rental Increases | Brand New Construction | Recent IPO**

- Tenant recently signed a brand new 15-year lease with 4 (5-year) options to extend, demonstrating their long-term commitment to the site
- Lease features attractive 10% rental increases every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation
- The state-of-the-art building was just recently completed and features brand new construction with modern amenities and design
- In September 2021, Dutch Bros launched its initial public offering raising over \$484 million and valuing the company at \$3.8 billion

## **Absolute NNN | Leased Fee Ownership | Zero Landlord Responsibilities**

- Tenant pays for CAM, taxes, insurance and maintains all aspects of the premises
- No landlord responsibilities - Ground Lease
- Ideal, management-free investment for a passive investor

## **Two Curb Cuts, Median Break Access | Double Drive-Thru Equipped**

- Situated on the NEQ of Bonnie Brae Street and US 380 (W. University Drive) with two curb cuts and shared cross access to the hard corner signalized intersection. Traffic counts along Bonnie Brae are 18,980 and US 380 are 30,647, averaging a combined 49,627 vehicles per day.
- The new Dutch Bros is equipped with a double drive-thru, providing expedited service and enhanced sales.

## **In Front of Future HEB | Retail Corridor | Strong National/Credit Tenant Presence**

- Located in front of a future HEB, the premier grocer in Texas, that significantly increases consumer draw to the immediate trade area and promotes crossover retail exposure for the asset
- Other nearby national/credit tenants include Walmart, Sam's Club, WinCo Foods, Academy Sports+ Outdoors, Raising Cane's, Chick-fil-A and many more

## **Market Trade Area | Strong Demographics in 3-Mile Trade Area**

- The property is sandwiched between two major college campuses: the University of North Texas with an enrollment of 40,796 students and Texas Women's University with an enrollment of 16,433 students in addition to a major Texas hospital - Texas Health Presbyterian Hospital of Denton with 255 beds and 1,076 employees
- Denton, Texas is the 2nd fastest-growing and most prosperous city in the country per Smart Asset that compiled data from the U.S. Census Bureau on employment, business creation, population growth, housing growth and household income
- The property has excellent demographics with a population of 67,884 and an average household income of \$58,579 within 3 miles of the site

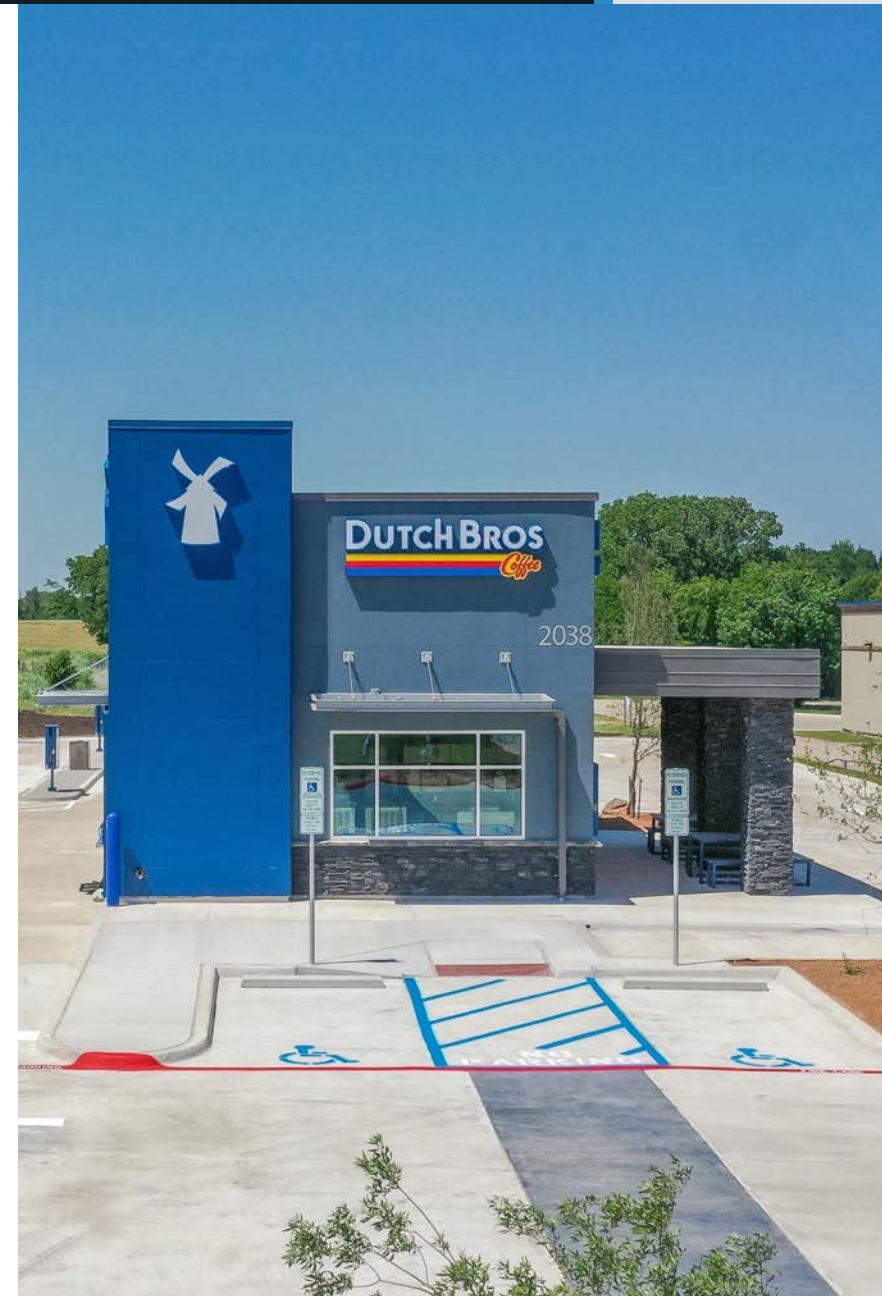


# LEASE SUMMARY



<b>Guaranty</b>	Corporate NYSE: BROS
<b>Tenant</b>	BB Holdings TX, LLC
<b>Premises</b>	A Building Approx. 950 SF
<b>Rent Commencement</b>	June 2022
<b>Lease Expiration</b>	May 2037
<b>Lease Term</b>	~ 15 Years Remaining
<b>Renewal Options</b>	4 X 5 Years
<b>Rent Increases</b>	10% Every 5 Years
<b>Lease Type</b>	Triple Net Ground Lease
<b>Permitted Use</b>	QSR
<b>Property Taxes</b>	Tenant's Responsibility
<b>Insurance</b>	Tenant's Responsibility
<b>Common Area</b>	Tenant's Responsibility
<b>Roof &amp; Structure</b>	Tenant's Responsibility
<b>Repairs &amp; Maintenance</b>	Tenant's Responsibility
<b>HVAC</b>	Tenant's Responsibility
<b>Utilities</b>	Tenant's Responsibility
<b>Right of First Refusal</b>	Yes

<b>Square Footage</b>	<b>Annual Base Rent</b>
950 SF	\$97,000



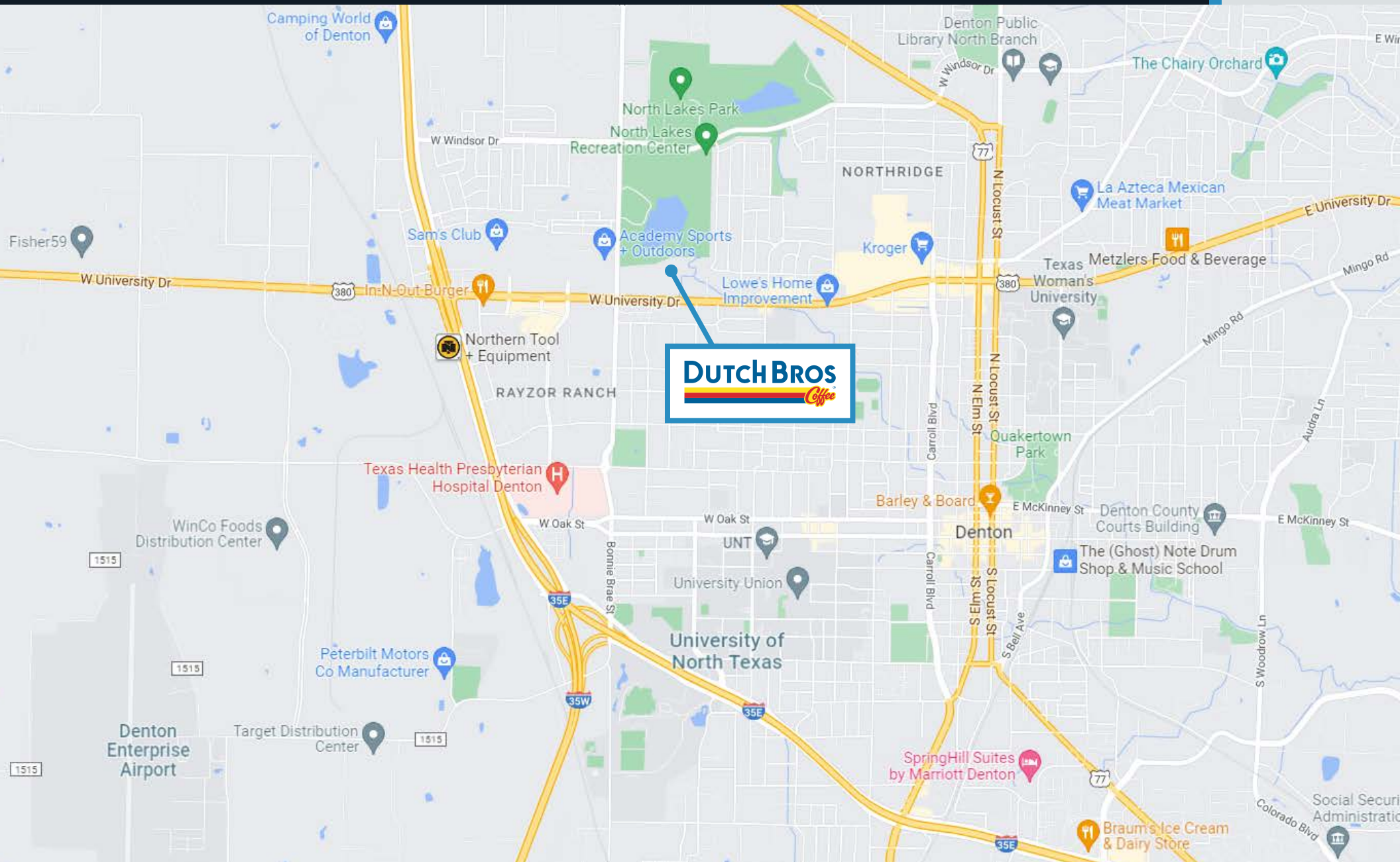


A photograph of a Dutch Bros Coffee storefront. The building is a single-story structure with a grey and blue color scheme. The Dutch Bros Coffee logo is prominently displayed on the upper left side of the building. Below the logo, the address number '2038' is visible. The storefront features large windows and a covered outdoor seating area supported by stone pillars. The seating area includes several blue tables and benches. The text 'PROPERTY OVERVIEW' is overlaid in the center of the image.

# PROPERTY OVERVIEW



# LOCATION MAP







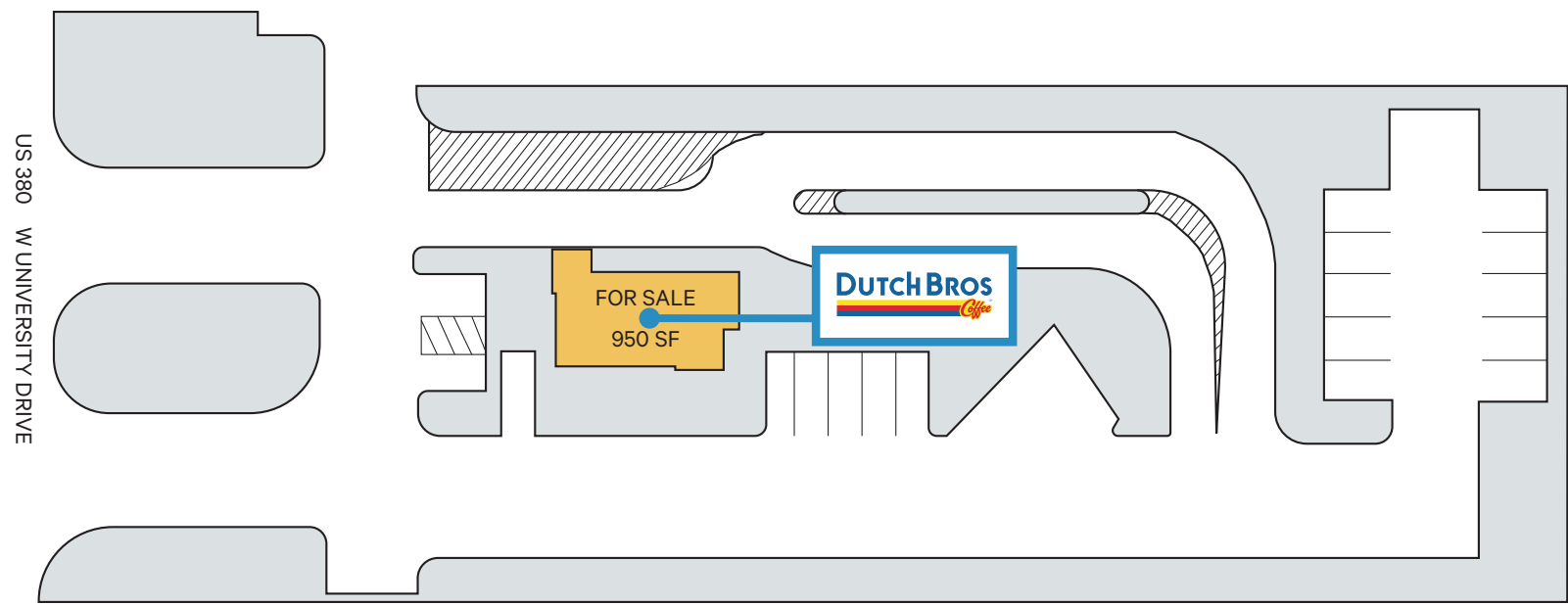












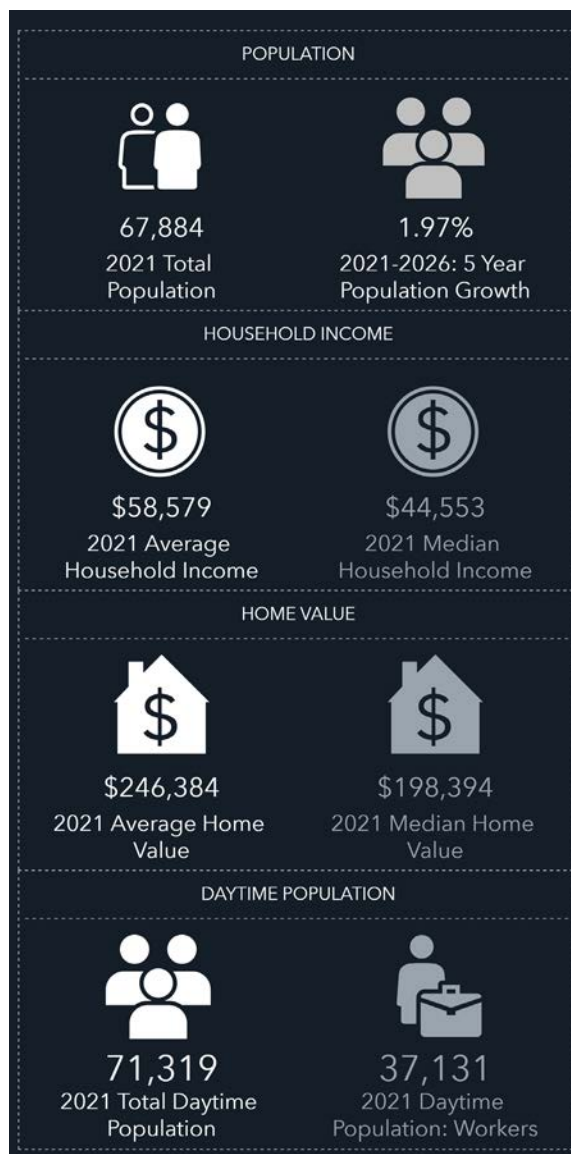




## 1 MILE



## 3 MILE

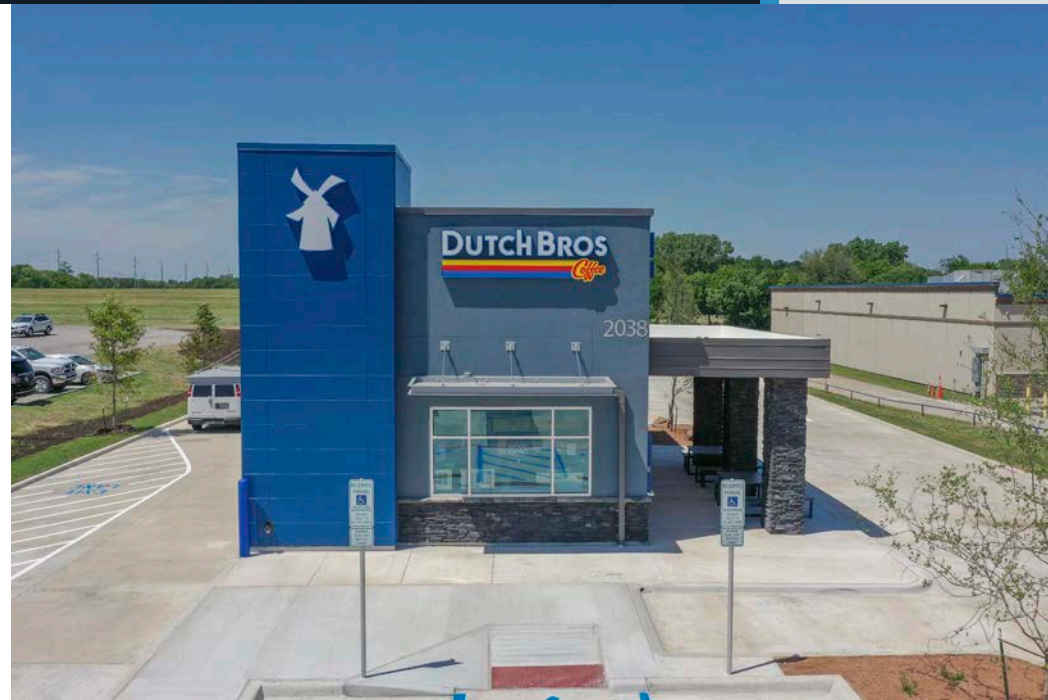


## 5 MILE





# PROPERTY PHOTOS





A photograph of a Dutch Bros Coffee store at night. The building is illuminated, showing the 'DUTCH BROS Coffee' sign with a rainbow logo. To the left is a tall blue sign with a white windmill logo. The address '2038' is visible above the entrance. In the foreground, there is a parking lot with blue-painted handicapped parking spaces and a red-painted curb. A small tree is planted in a landscaped area. In the background, other commercial buildings and a white delivery truck are visible. The text 'MARKET OVERVIEW' is overlaid in large, white, sans-serif capital letters across the center of the image.

# MARKET OVERVIEW





# **1**

IN JOB GAINS

U.S. BUREAU OF LABOR STATISTICS 2019

# **1**

STATE IN GROWTH  
PROSPECTS

FORBES 2019

# **2**

BEST STATE  
FOR BUSINESS

FORBES 2019

# **2**

GDP GROWTH

BUSINESS INSIDER 2019

**\$1,889 BILLION**

GROSS DOMESTIC PRODUCT

FORBES 2019

# **3**

POPULATION  
GROWTH

IN THE US 2019

**385,225**

NEW RESIDENTS 2019

WORLD POPULATION REVIEW

**97**

FORTUNE 500  
COMPANIES  
HEADQUARTERED IN TEXAS

OVER **\$1.8 TRILLION**  
IN COMBINED REVENUE

FORTUNE 2019





# #1

## IN POPULATION GROWTH

U.S. CENSUS BUREAU 2020

# #1

## IN JOB GROWTH

U.S. BUREAU OF LABOR STATISTICS 2020

# #2

## BEST PLACE FOR BUSINESS & CAREERS

FORBES 2019

The combined Dallas-Fort Worth market ranks as Texas' largest metropolitan area with a population of 7.5 million people. By 2023, that total is expected to increase to 8.2 million. The DFW metro area reports an average household income of \$91,815, a median household income of \$64,460 and an average home value of \$265,435.

DFW currently ranks first nationally in terms of job growth, based on a total of 126,000 new jobs added between February 2019-2020, according to the U.S. Bureau of Labor Statistics. During the 12 month period, job growth totaled 3.4%, double the national average of 1.6%. The area's unemployment rate is 3.1% while future job growth over the next ten years is predicted to be an astonishing 41%.

DFW is home to 24 Fortune 500 companies and more than 10,000 corporate headquarters, giving the area the largest concentration of corporate headquarters in the United States. The DFW region is a key U.S. financial center, home to the corporate headquarters for Comerica Bank and MoneyGram, as well as major centers for JPMorgan Chase, Citigroup, Wells Fargo, Bank of America, Capital One and Fidelity Investments. Dallas is also home to one of twelve regional Federal Reserve Banks.

DFW ranks among the top four US metropolitan areas for business expansions, relocations and employment growth. DFW is home to DFW International Airport, the nation's fourth busiest airport, Dallas Love Field Airport, home to Southwest Airlines, the largest domestic airline in the country and Fort Worth Alliance Airport, the world's first major industrial airport.





## DEMOGRAPHICS

<b>Population</b>	146,186
<b>Average Household Income</b>	\$82,108
<b>Daytime Population</b>	145,579
<b>Total Households</b>	55,193
<b>Average Household Size</b>	2.47
<b>Population Growth (2021-2026)</b>	13.89%

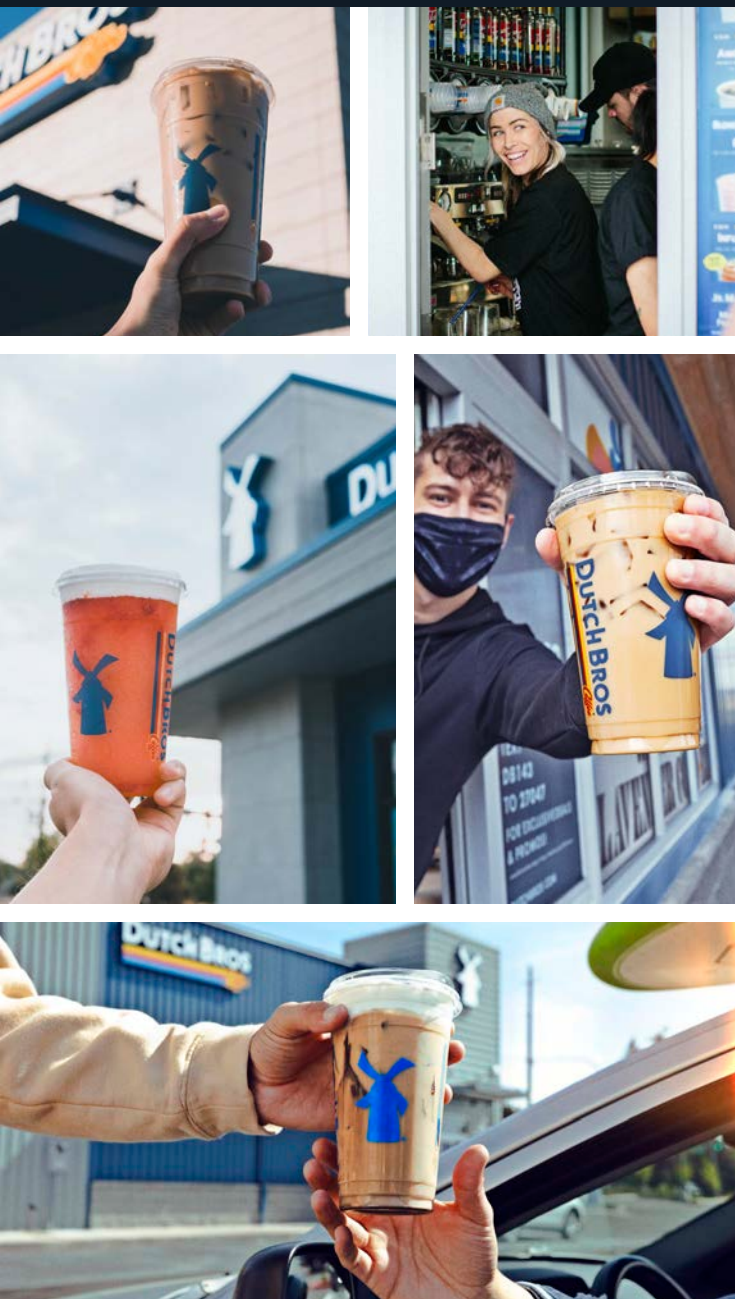
## THE DENTON REGION

The Denton, Texas, trade area is an epicenter of booming residential growth. Within the primary Denton trade area, the population is on track to increase by approximately 13.9 percent by 2026. Today, the trade area incorporates approximately 146,186 people in more than 55,193 households. Impressively, those households report healthy average household incomes of \$82,108.

## DENSE DAYTIME POPULATION

The primary trade area's commercial and retail districts report dense daytime population totals of more than 145,500. Daytime population is important for retailers and restaurants, as it drives traffic throughout the day.





## DUTCH BROS<sup>®</sup>

### Coffee

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. With the help of family, friends and loyal customers, Dutch Bros caught on and started growing. The expansion started in Oregon when the first franchise opened in 2000, then quickly spread across the northwest. Today, Dutch Bros continues to grow and is stoked to serve customers in 11 states and counting.

It is Dutch Bros' mission to make a massive difference, one cup at a time. In 2006, they started hosting company-wide givebacks. Thanks to customers, they are now able to help support their communities through Dutch Luv, Drink One for Dane and Buck for Kids.



**COMPANY TYPE**  
NYSE: BROS



**FOUNDED**  
1992



**# OF LOCATIONS**  
500+



**HEADQUARTERS**  
Grants Pass, OR



**WEBSITE**  
dutchbros.com



# 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.



## 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 on 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 listening 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:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - 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.

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