



**DUTCH BROS**  
Coffee



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Coffee

**DB** DAVIDSON BOGEL  
REAL ESTATE | INVESTMENT SALES

**F.M. 423 & HWY. 380, FRISCO, TX**  
GROUND LEASE

ANNIHILATOR™

**UCD**

UNITED COMMERCIAL DEVELOPMENT

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# INVESTMENT OVERVIEW





# INVESTMENT SUMMARY

<b>TENANT:</b>	Dutch Bros. Coffee
<b>LOCATION:</b>	SWQ - F.M. 423 & Hwy. 380
<b>SALES PRICE:</b>	\$2,500,000
<b>NOI:</b>	\$100,000
<b>CAP RATE:</b>	4.0%
<b>TERM:</b>	20 Years
<b>BUILDING SIZE:</b>	± 900 SF
<b>LOT SIZE:</b>	0.924 AC / 40,250 SF
<b>OCCUPANCY:</b>	STNL
<b>LEASE TYPE:</b>	Ground Lease
<b>YEAR BUILT:</b>	2024
<b>DEBT:</b>	Free & Clear

# INVESTMENT OVERVIEW

DB2RE INVESTMENT SALES is proud to present the rare opportunity to acquire Dutch Bros. Coffee, (the “Property”), a 20-Year Ground Lease located at the SWQ of FM 423 & US Highway 380 in Frisco, Texas – shadow to the new HEB Supermarket (scheduled for completion Q4 2024). The lease provides investors a rare 20-year term that includes three 5-year renewal options and 10.00% increases every five years through both the primary and option terms. With zero landlord responsibilities, the offering is an ideal management-free investment opportunity for passive investors and/or 1031 buyers. The Property consists of a free-standing, drive-thru building totaling ± 900 square feet on 0.924 acres of land. Dutch Bros provides new ownership with a fantastic opportunity to acquire a credit coffee concept valued at nearly \$6 billion (NYSE: BROS) and fee-simple interest of a generational asset within the fastest-growing city and #1 place to live in the nation.

Strategically positioned at the southwest quadrant of FM 423 & US Highway 380, the Property sits at one of the most coveted retail intersections in the nation. With over one million square feet of retail, the “Four Corners” intersection includes anchor tenants such as HEB, Kroger, Walmart, and Home Depot, among countless other national retailers. Dutch Bros Coffee enjoys tremendous access to significant traffic counts, as well as, a dense and wealthy population base that boasts 80,721 to 168,886 residents within a 3- and 5-mile radius. Within the respective radius, average household incomes are a staggering \$150,000. Furthermore, within a 2-mile radius, there are over 5,000 single-family lots and over 300 multi-family units under construction, attracting every major retailer to this coveted Frisco commercial hub. Dutch Bros Coffee is a true generational asset and presents investors with a once-in-a-lifetime chance to enter this high-growth and high-barrier market. The stabilized revenue stream and exceptional location will ensure the asset continues to be an irreplaceable asset for years to come.



# INVESTMENT Highlights

- Brand New Dual Drive-Thru 2024 Construction with New 20-year Corporate Backed Ground Lease by Boersma Bros. LLC
- Credit Tenant (NYSE: BROS) With Nearly a \$6 Billion Market Cap
- Generational Asset Within Fastest-Growing City in the US - Frisco, Texas
- Shadow-Anchored by New HEB (Q4 2024 completion date), the Most Sought After Retailer and Traffic Generator in the Nation
- 10.00% Increases Every Five-Years Through the Primary and Option Terms
- Zero Landlord Responsibility and Secure Revenue Stream Within an Income Tax-Free State - Perfect for a 1031 Exchange or Passive Investor
- Strategic Location at the "Four Corners" Intersection (Highway 380 & FM 423) - The Most Coveted Retail Corridor in the DFW Metroplex
- Surrounding Retailers and Traffic Generators Include: HEB, Walmart, Kroger, Home Depot, Whataburger, Chick-Fil-A, McDonald's, and CVS, Among Many Others
- High-Growth, High-Barrier, and Affluent Market - Frisco's Population Has Grown a Staggering 470% Since 2000, and an Average Household Income Average City-Wide of Over \$124,829
- Over 5,000 New Single-Family Homes and 300+ Multi-Family Units within a 2-Mile Radius
- Dense Affluent Market with 83,355 and 186,975 Residents Within a 3 and 5 Mile Radius with Average Household Incomes of \$159,223 To \$151,529 Respectively
- Daytime Populations of 6,551 & 17,419 Employees and 1,500 & 3,798 Businesses within 3 & 5 Miles Dutch Bros
- Traffic Counts on US Hwy. 380 reach a staggering 65,673 VPD and 49,565 VPD on F.M. 423



# RENT SCHEDULE & LEASE TERMS



# RENT SCHEDULE

## PRIMARY LEASE TERM

	MONTHLY RENT	ANNUAL RENT	INCREASE
YEARS 1 - 5	\$8,333.33	\$100,000.00	-
YEARS 6 - 10	\$9,166.67	\$110,000.00	10.00%
YEARS 11 - 15	\$10,083.33	\$121,000.00	10.00%
YEARS 16 - 20	\$11,091.67	\$133,100.00	10.00%

## OPTION TERMS

	MONTHLY RENT	ANNUAL RENT	INCREASE
YEARS 21 - 25*	\$12,200.83	\$146,410.00	10.00%
YEARS 26 - 30*	\$13,420.92	\$161,051.00	10.00%
YEARS 31 - 35*	\$14,763.00	\$177,156.10	10.00%



# LEASE TERMS

<b>TENANT TRADE NAME:</b>	Dutch Bros. Coffee
<b>LEASE GUARANTOR:</b>	Boersma Bros. LLC
<b>GLA:</b>	± 900 SF
<b>LEASE TERM:</b>	20 Years
<b>LEASE COMMENCEMENT:</b>	June 1, 2024 (Est.)
<b>RENT COMMENCEMENT:</b>	June 1, 2024 (Est.)
<b>LEASE EXPIRATION:</b>	May 31, 2044 (Est.)
<b>INCREASES:</b>	10.0% Rent Increases Every 5 Years
<b>RENEWAL OPTIONS:</b>	Three 5-Year Options
<b>LEASE TYPE:</b>	Ground Lease
<b>USE:</b>	Drive-Thru Coffee Outlet
<b>CAM:</b>	Tenant
<b>UTILITIES:</b>	Tenant
<b>INSURANCE:</b>	Tenant
<b>TAXES:</b>	Tenant
<b>REPAIRS &amp; MAINTENANCE:</b>	Tenant
<b>ROOF &amp; STRUCTURE:</b>	Tenant
<b>HVAC:</b>	Tenant
<b>ROFR:</b>	None
<b>TERMINATION RIGHTS:</b>	None
<b>ADDITIONAL DETAILS:</b>	None





# TENANT Profile



# TENANT PROFILE

<b>TENANT:</b>	Dutch Bros. Coffee
<b>GUARANTOR:</b>	Boersma Bros. LLC
<b>GUARANTY:</b>	Corporate
<b>OWNERSHIP:</b>	Public (NYSE: BROS)
<b>YEARS IN BUSINESS:</b>	30 Years
<b>LOCATIONS:</b>	± 671
<b>EMPLOYEES:</b>	± 19,000
<b>REVENUE (YE: 2021):</b>	\$497 Million
<b>HEADQUARTERS:</b>	Grants Pass, Oregon
<b>WEBSITE:</b>	<a href="http://www.dutchbros.com">www.dutchbros.com</a>

Dutch Bros Coffee was founded on February 12, 1992 by Dane & Travis Boersma, brother of Dutch descent, in Grants Pass Oregon. They originally sold coffee from pushcarts around town, and now operate over 570 locations across 12 states. Dutch Bros is a high growth operator and franchisor of drive-thru shops that focus on serving high quality, hand-crafted beverages with unparalleled speed and superior service. The coffee chain serves a variety of coffees, caffeinated beverages, and other drinks including tea, energy drinks, smoothies, hot cocoa, soda, and lemonade including a “not so secret menu.”

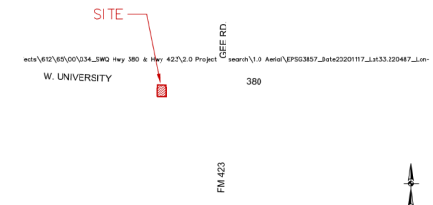
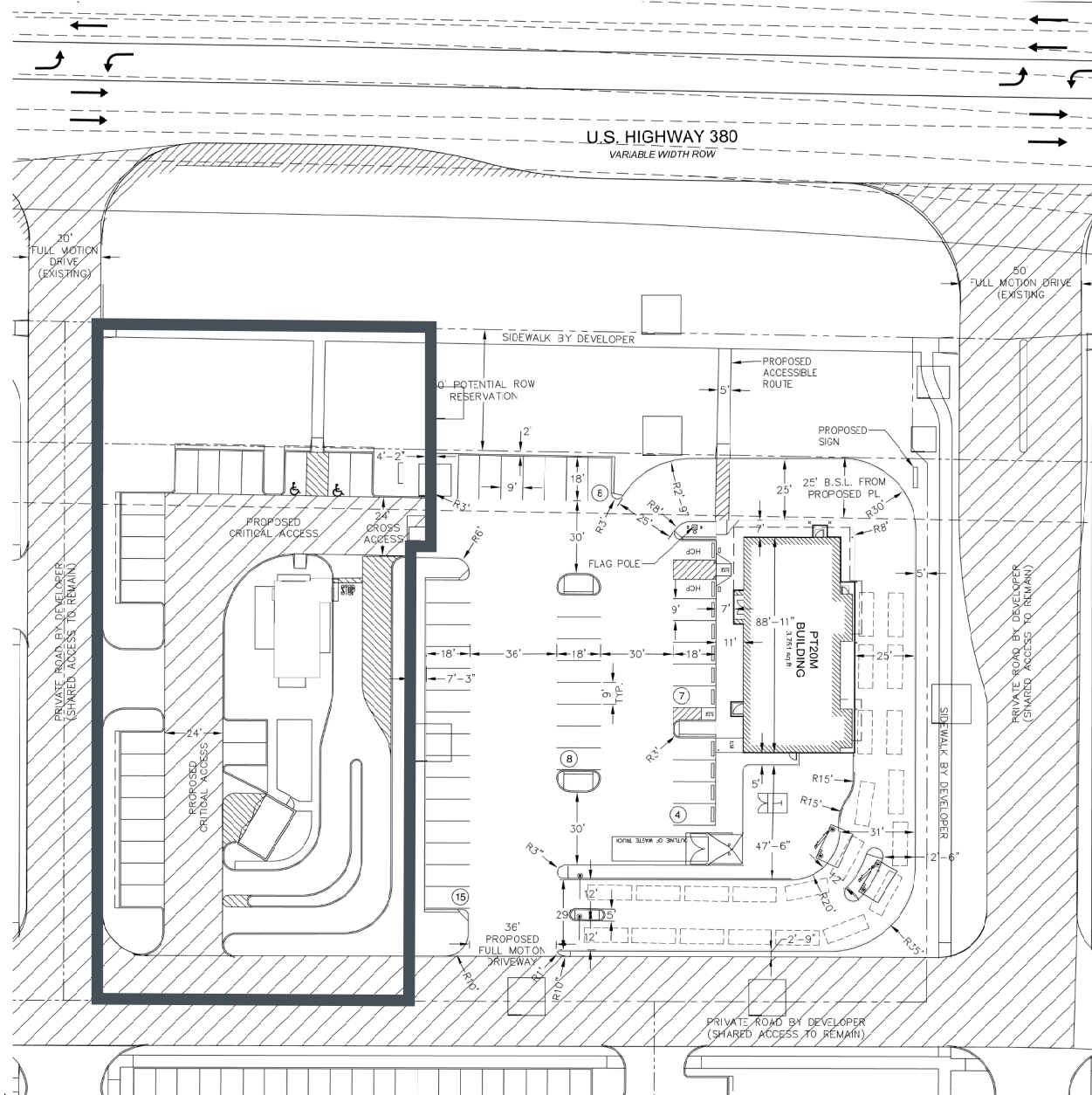
The company’s mission statement centers on three core values: quality, speed, and service. The company was on the Forbes Small Giants: America’s Best Small Companies list in 2017. Dutch Bros Coffee open 98 shops in 2021 and expects to open 125 more in 2022. The company’s commitment to growth is evident and they have constantly reiterated their potential by expressing their plans to expand to at least 4,000 stores nationwide. Dutch Bros recently went public in September of 2021, increasing revenue by 52.1% in 2022. Today, the company is valued at over \$6 billion. Prior to going public, Dutch Bros was a country’s largest privately held drive-thru coffee company.



# PLANS & MAPS



# SITE PLAN



- COMMENTS:**
- ZONING: PD-272
  - OVERLAY DISTRICT: FRISCO NORTH DESIGN DISTRICT
  - LANDSCAPING: REQUIREMENTS SPECIFICALLY FOR PD-272 AND THE OVERLAY DISTRICT TO BE CONFIRMED DURING SITE INVESTIGATION REPORT.
  - SIGNS DESIGN SIGNS SHALL BE FOUR (4) FEET BY FOUR (4) FEET. THE SIGN SHALL BE CONSTRUCTED IN ACCORDANCE WITH THE CITY'S DESIGN STANDARDS FOR ZONING SIGNS.
    - A. TWO (2) SIDED TEN (10) MILLIMETER CORROPLAST SIGN OR OTHER MATERIAL OF EQUIVALENT STRENGTH AND DURABILITY.
    - B. LETTERING ON BOTH SIDES OF THE SIGN.
    - C. METAL OR WOOD POSTS SHALL BE USED. THE SIGNS SHALL COMPLY WITH THE LAYOUT AND DIMENSIONS ON THE ATTACHED ZONING SIGN DESIGN DIAGRAM.

PLACEMENT: THE SIGN SHALL BE PLACED IN A LOCATION VISIBLE FROM ALL STREETS ADJACENT TO THE PROPERTY INCLUDED IN THE REQUEST. ONE (1) SIGN SHALL BE ERECTED ADJACENT TO EACH STREET FRONTAGE OF THE PROPERTY. SIGNS SHALL BE LOCATED NO GREATER THAN TWENTY (20) FEET FROM THE FRONT PROPERTY LINE, AND SHALL BE A MINIMUM OF TWO (2) FEET OFF THE GROUND, UNLESS OTHERWISE DIRECTED BY THE DIRECTOR OF DEVELOPMENT SERVICES OR HIS/HER DESIGNEE. SIGN SHALL BE PLACED PERPENDICULAR TO THE ROADWAY TO ENABLE READING FROM BOTH SIDES.
  - PROPERTY SETBACKS TO BE CONFIRMED DURING SITE INVESTIGATION REPORTS

**SITE DATA**

LOT AREA	=	98,240 SF 1.34 AC
PARKS	=	42 (38 REQ'D @ 1 PER '100)
CAR STACK	=	LINE A: 10 LINE B: 12

**TRUCK INFORMATION:**

Whataburger Sigma 70'	63,800ft
Overall Length	8,500ft
Overall Width	12,227ft
Overall Body Height	1,425ft
Min Body Ground Clearance	8,500ft
Truck Width	8,500ft
Lock-to-lock time	8,500ft
Curb to curb turning Radius	32,000ft





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# LOCATION OVERVIEW





N

FRISCO RANCH  
799 LOTS

SUNSET POINTE  
3,445 LOTS

ESTATES AT ROCKHILL  
346 LOTS

FRISCO HILLS  
1,128 LOTS

FRISCO LOGISTICS  
CENTER

THE TYLER  
283 UNITS

HIDEAWAY PIZZA

TRAVIS  
345 UNITS

FUTURE 50K SF MEDICAL  
BUILDING

SOMERSET PARK  
136 LOTS

POPEYE'S

PORTILLO'S



Dutch Bros



FM 423 49,565 VPD(25)



US 380 65,673 VPD(22)



SEPTEMBER 2023

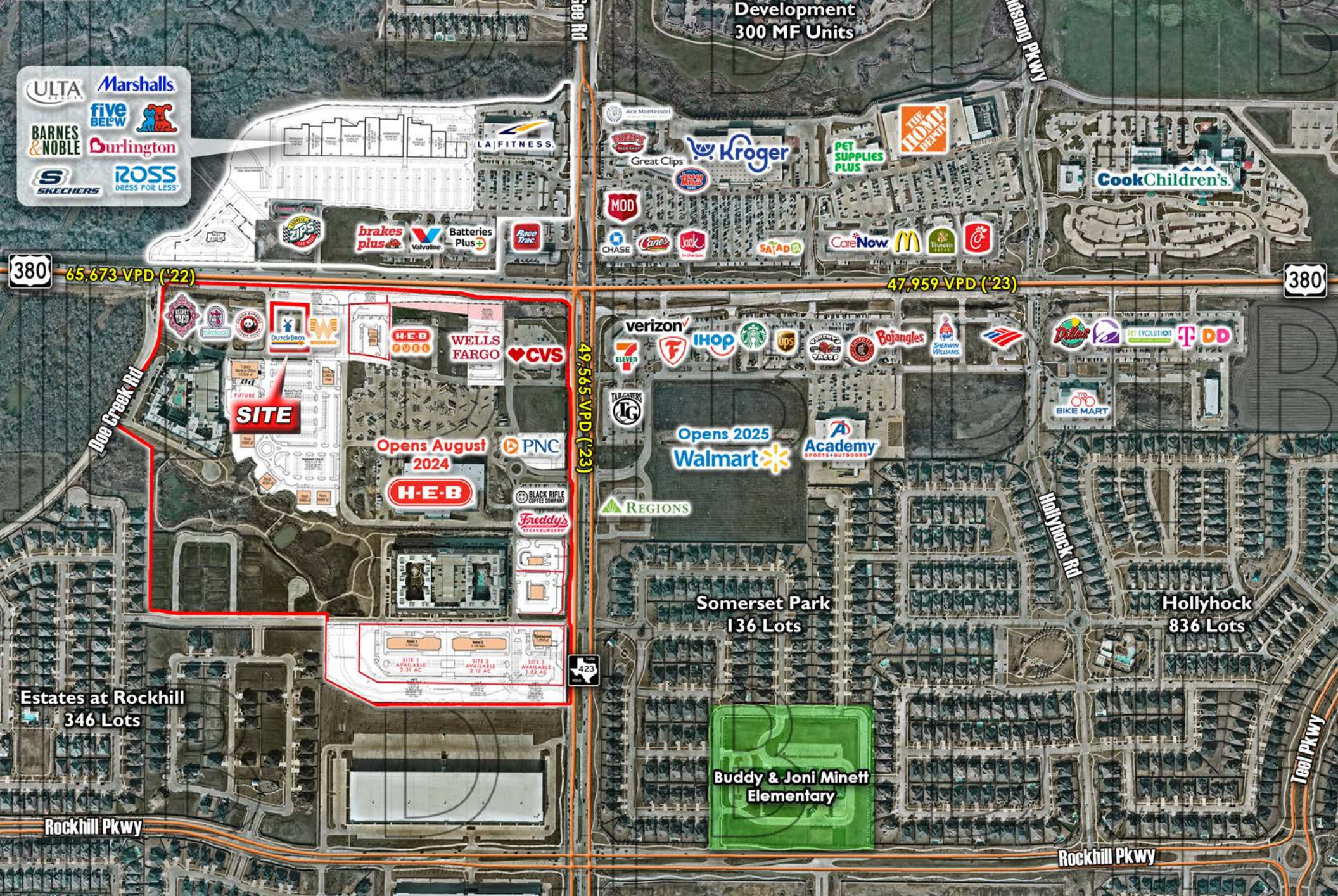








# Wide Aerial



# Close Up AERIAL



# DEMOGRAPHICS



	1 MILE	3 MILES	5 MILES
<b>2023 POPULATION:</b>	7,615	83,355	186,975
<b>POPULATION GROWTH RATE:</b>	+10.70%	+6.40%	+5.80%
<b>TOTAL HOUSEHOLDS:</b>	2,562	26,061	56,120
<b>AVG. HOUSEHOLD INCOME:</b>	\$161,846	\$159,223	\$154,651
<b>MEDIAN AGE:</b>	33.1	34.0	34.3
<b>BUSINESSES:</b>	109	1,518	3,841
<b>EMPLOYEES:</b>	892	6,551	25,883
<b>% WHITE:</b>	51.8%	56.9%	57.0%
<b>% HISPANIC:</b>	18.5%	17.0%	18.4%



# DFW MARKET OVERVIEW



# DFW MARKET OVERVIEW

The Dallas/Fort Worth Metroplex (DFW) is a dynamic 12-county region made up of Dallas, Fort Worth, and another 150 municipalities. The DFW Metroplex is the largest urban agglomeration in Texas and the fourth largest in the United States, spanning 9,286 square miles with a population of approximately 7.1 million people. As the fourth fastest growing region in the United States, the DFW population in 2016 was 33.6% higher than in 2000 according to data from Neilsen Claritas; by the year 2030, it is projected that over 10.5 million people will be living in the Metroplex, according to the Dallas Regional Chamber.

The DFW region is the most economically diverse in the state of Texas. The GDP of North Texas is estimated to be \$486 Billion, and if DFW were a state, it would be the 9th largest in the Nation and 23rd largest country in the world, behind Taiwan. Twenty Fortune 500 companies have their headquarters in DFW. The Metroplex is connected to the world by the Nation's fourth busiest airport and is served by 55 international flights. DFW has the largest workforce in the state of Texas, totaling over 3.51 million people, and 34.20% of the population 25 and older have a bachelor's degree or higher. In DFW, there are 33 colleges and universities, 157 public school districts, and 96 public charter schools, according to the North Texas Commission. Dallas/Fort Worth consistently ranks as a top market for job growth over the short and long term due to its central location, pro-business environment, and a strong economy.

Historically a leader concerning job growth, DFW added 717,000 jobs since 2010 and 120,500 jobs in 2016 alone, equating to a 3.50% increase to the employment base. Dallas/Fort Worth and Texas continuously maintain an unemployment rate lower than the National Average (4.30%).



# DFW ECONOMIC HIGHLIGHTS

**20.4%**

POPULATION GROWTH FROM 2010-2020 OUTSPACING THE U.S. AVERAGE

**#2**

IN THE NATION IN POST-COVID JOB RECOVERY

**72%**

OF DFW HIGHER EDUCATED GRADUATES STAY & WORK IN THE REGION

(6TH HIGHEST RETENTION IN THE U.S.)

**#3**

IN THE COUNTRY FOR PERFECT JOB GROWTH

(14.9% GROWTH FROM DEC. 2015 - DEC. 2020)

LOW COST OF DOING BUSINESS WITH A SCORE

OF **98.1**

(U.S. AVERAGE 100)

**2**

FORTUNE 10 COMPANY HQ'S

(AT&T AT #11)





# Why Choose DFW?



## #4

REAL ESTATE MARKET IN 2021

## #1

MSA FOR PROJECTED POPULATION GROWTH



(LEADING PRO-BUSINESS ENVIRONMENT)

## #1

MARKET FOR DOING BUSINESS 17 YEARS IN A ROW

# 749,726

PROJECTED NEW RESIDENTS BY 2026



# 256,700

JOBS ADDED IN 2021  
(ONE OF ONLY TWO MARKETS TO ADD 100,000/YR)

# 328

MOVE TO DFW DAILY  
(ONE NEW RESIDENT EVERY SEVEN MINUTES)



# TEXAS MARKET OVERVIEW



**2<sup>ND</sup> FASTEST GROWING ECONOMY IN THE U.S.**



**TOP STATE FOR JOB GROWTH**



**NO STATE INCOME TAX**



**FORTUNE 500 COMPANIES CALL TEXAS HOME**



**BEST STATE FOR BUSINESS**

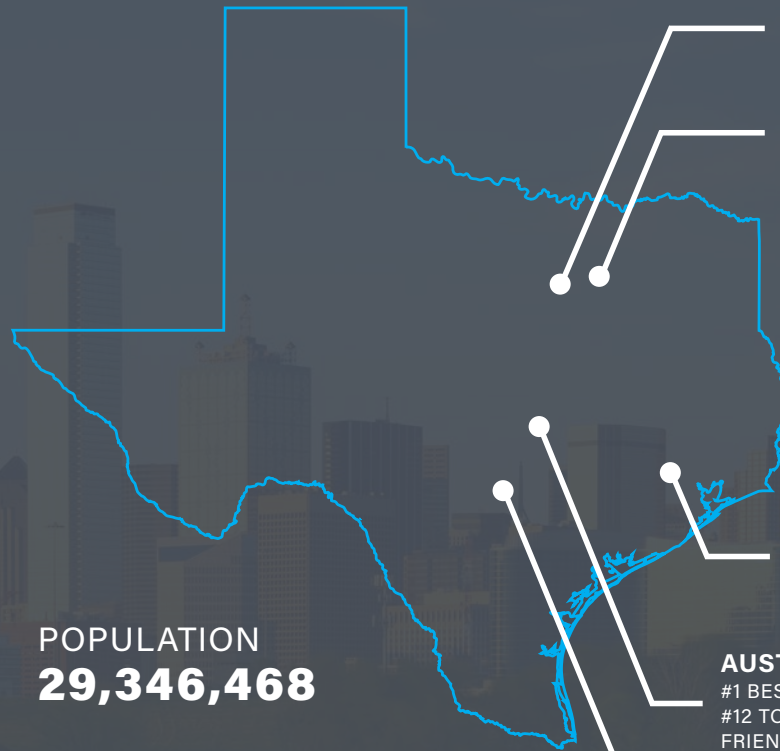
**FOR THE 17<sup>TH</sup> YEAR IN A ROW BY CHIEF EXECUTIVE MAGAZINE**



**POPULATION 29,346,468**



**LARGEST STATE FAIR IN THE U.S.**  
STATE FAIR OF TEXAS



**FORT WORTH**  
MORE THAN 8.8 MILLION VISITORS ANNUALLY

**DALLAS**  
#1 FASTEST GROWING HOUSING MARKET 2018  
#1 TOP 20 BUSINESS-FRIENDLY CITY

**HOUSTON**  
#2 FASTEST GROWING HOUSING MARKET 2018  
#7 TOP 20 BUSINESS-FRIENDLY CITY

**AUSTIN**  
#1 BEST PLACE TO LIVE 2018  
#12 TOP 20 BUSINESS-FRIENDLY CITY

**SAN ANTONIO**  
#14 BEST PLACE TO LIVE 2018

**DALLAS/FORT WORTH INTERNATIONAL AIRPORT**  
2<sup>ND</sup> MOST PASSENGER VOLUME IN THE WORLD

**DALLAS LOVE FIELD INTERNATIONAL AIRPORT**  
HOME TO THE NATIONS LARGEST DOMESTIC AIRLINE





# Disclaimer



Davidson & Bogel Real Estate, LLC: The information contained in this document pertaining to Dutch Bros in Frisco, Texas (the "Property") has been obtained from sources believed reliable. While DB2RE does not doubt its accuracy, DB2RE has not verified the information and makes no guarantee, warranty or representation about the information contained in this package. It is your (Purchaser) responsibility to independently confirm the accuracy and completeness of the information. Any projections, opinions, assumptions or estimates used herein are for example only and does not represent the current or future performance of the property.



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DESIGNATED BROKER OF FIRM  
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LICENSED SALES AGENT/ASSOCIATE  
**BLAKE SCHUR**  
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