



DUTCH BROS

Coffee



OKLAHOMA CITY, OK



A SINGLE TENANT ABSOLUTE NNN GROUND LEASE OFFERED EXCLUSIVELY BY

DUWEST
INVESTMENT SERVICES



STATEMENT OF CONFIDENTIALITY AND DISCLAIMER

The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the retail property known as Dutch Bros, 7416 S Western Ave, Oklahoma City, OK 73139 being approximately 950 square feet of improvements and situated on 0.697 acres of land ("the "Property"). It is not to be used for any other purpose or made available to any other person without the express written consent of Seller or DuWest Realty, LLC ("DW"). The material herein is based in part upon information supplied by the Seller and in part upon information obtained by DW from sources it deems reliable. No representation or warranty, expressed or implied, is made by the Seller, DW, or any of their respective affiliates as to the accuracy or completeness of the information contained herein. Prospective purchasers should conduct their own independent investigation, conduct their own due diligence, and form their own conclusions without reliance upon the material contained herein. A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase and Sale Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or DW or any of their affiliates or any of their respective officers, directors, owners, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property. Prospective purchasers are not to construe the contents of this Offering Memorandum or any prior or subsequent communication from DW or Seller or their affiliates or any of their respective officers, directors, owners, or agents as legal, tax, or other advice. Prior to forming their acquisition value of the Property, prospective purchasers should consult with their own legal counsel and tax advisors to determine the consequences of an investment in the Property and arrive at an independent evaluation of such investment.

EXECUTIVE SUMMARY

DuWest Realty Partners Investment Services has been exclusively retained to present the opportunity to acquire Dutch Bros ("The Property"), a 950 SF single tenant absolute net ground lease retail property located in Oklahoma City, OK. The property is located along a dense retail corridor on Western Ave seeing over 24,900 VPD and direct access from I-240 seeing 117,500 VPD.

Founded in 1992 by brothers Dane and Travis Boersma, 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. Dutch Bros has seen rapid growth and expansion of their brand and now serves over 650 locations with full-year 2023 revenue expectations to be between \$950 million and \$1 billion dollars.

The Property is a brand new, build to suit location with 15 years remaining and

incremental bumps throughout the initial term which is corporately guaranteed. The Property features a double-drive thru making those secret menu orders easy to order. Dutch Bros is known for its delicious and unique drink options, each handcrafted and made to order especially for you. It's the company's mission to make a difference, one cup at a time and that includes company wide givebacks that support the local communities Dutch serves. Sharing the good vibes is what Dutch Bros is all about.

This acquisition of Dutch Brothers offers investors a strong, brand new construction/lease, incremental income stream with zero landlord responsibility. In-place rental increases are seen throughout the 15 year hold taking place every 5 years. The Property offers a steady cash flow with a single, net lease tenant guaranteed by a corporate lease.

[CLICK HERE FOR - VIDEOGRAPHY](#)



**7416 S WESTERN AVE.
OKLAHOMA CITY, OK 73139**

ADDRESS

OKLAHOMA

COUNTY

2023

CONSTRUCTION YR

950 SF

BUILDING SIZE

13

PARKING SPACES

0.697

SITE SIZE ACRES

30,374

SITE SIZE SF

\$104,500

IN-PLACE NOI

\$2,155,000

PRICE

ABSOLUTE NNN GROUND LEASE

LEASE STRUCTURE

WESTERN AVE: 24,900 VPD

SOUTHWEST EXPRESSWAY:

117,500 VPD

TRAFFIC COUNTS

INVESTMENT HIGHLIGHTS

ABSOLUTE NNN GROUND LEASE

- 15 Years Remaining on a Triple-Net (NNN) Lease with Zero Landlord Responsibilities
- Tenant will repair and maintain at its own cost the entirety of the Premises including HVAC, roof and parking
- Corporately guaranteed by a nearly \$5 billion dollar company

STRONG HISTORICAL SALES WITH A CORPORATE GURANTEE

- Dutch Bros. Coffee is publicly held and currently has 671 stores open today
- Company opened 133 stores in 2022 and is targeting 150 new stores across the U.S. for 2023
- Dutch Bros Inc (NYSE: BROS) 2022 revenue grew nearly 50% to \$739 million and exceeded new shop development targets
- Boersma Bros. LLC (Corporate Entity) will guarantee the payment of rent owed by Tenant during the Initial Term (15 years)
- Dutch Bros expects full-year 2023 revenue to be between \$950 million and \$1 billion

BRAND NEW CONSTRUCTION WITH A 15 - YEAR LEASE

- Lease Commenced June 30, 2023
- Incremental 10% Rental bumps taking place every five years
- Lease also includes Four, 5-year Options



MEDIA

DUTCH BROS BUILDS WITH UNRELENTING, YET MEASURED GROWTH PLAN

The 671-unit coffee chain believes it will reach \$1 billion in revenue in late 2023 or early 2024 and surpass 1,000 stores by 2025.

Dutch Bros' massive growth in the past few years reminds CEO Joth Ricci of a quote from famed author and consultant Jim Collins, who once wrote, "Disciplined people who engage in disciplined thought and who take disciplined action—operating with freedom within a framework of responsibilities—this is the cornerstone of a culture that creates greatness."

The operative word in that excerpt is "people." Diligence from operators, development leaders, real estate team members, and others allowed Dutch Bros to open a record-breaking 133 stores in 2022, Ricci says. It enabled the chain to double store count and triple revenue since 2019 and debut 30-plus shops for six consecutive quarters.

Those efforts place the coffee brand at 671 locations. This year, the company is shooting for 150 openings, which would push it well past an original five-year goal of 800 shops by 2023. Additionally, Dutch Bros is expected to earn \$1 billion in revenue on a trailing 12-month basis by late 2023 or early 2024 and surpass 1,000 stores by 2025. In the next decade, it wants to eclipse 4,000 units.

In terms of unit count, the only beverage chains bigger than Dutch Bros in the U.S. are Starbucks and Dunkin'.

"Our real estate model is really plugged into a people development model," Ricci says. "As long as we have people ready and able to operate and execute, we'll continue to do the development that we've done to grow into it. At the moment that we feel like that slows down or we don't have enough people ready to operate, then we'll pull back on the real estate side to give the people side time to catch up."

Slowing down just isn't in Dutch Bros' present vocabulary. The list of qualified operators keeps growing. Ricci was told a week ago 275 people are in the pipeline and prepared to build out new trade areas. Keep in mind, almost all of Dutch Bros' upcoming growth is company-operated. Starting in 2008, the brand only awarded franchises to existing franchisees. In 2017, the coffee concept decided to stop franchising and move to a corporately owned system in which operators were recruited from within.

The pivot has led to flourishing sales and unit growth. Ricci calls the past several years a "really good" case study of an organization getting behind a movement, building it together, understanding what it means, and executing it at a confident level. And the CEO emphasizes none of it would be possible without the continued support of franchisees.

"They actually have helped make the company-owned side successful," Ricci says. "And so I think it's been good teamwork all the way around to make that happen."

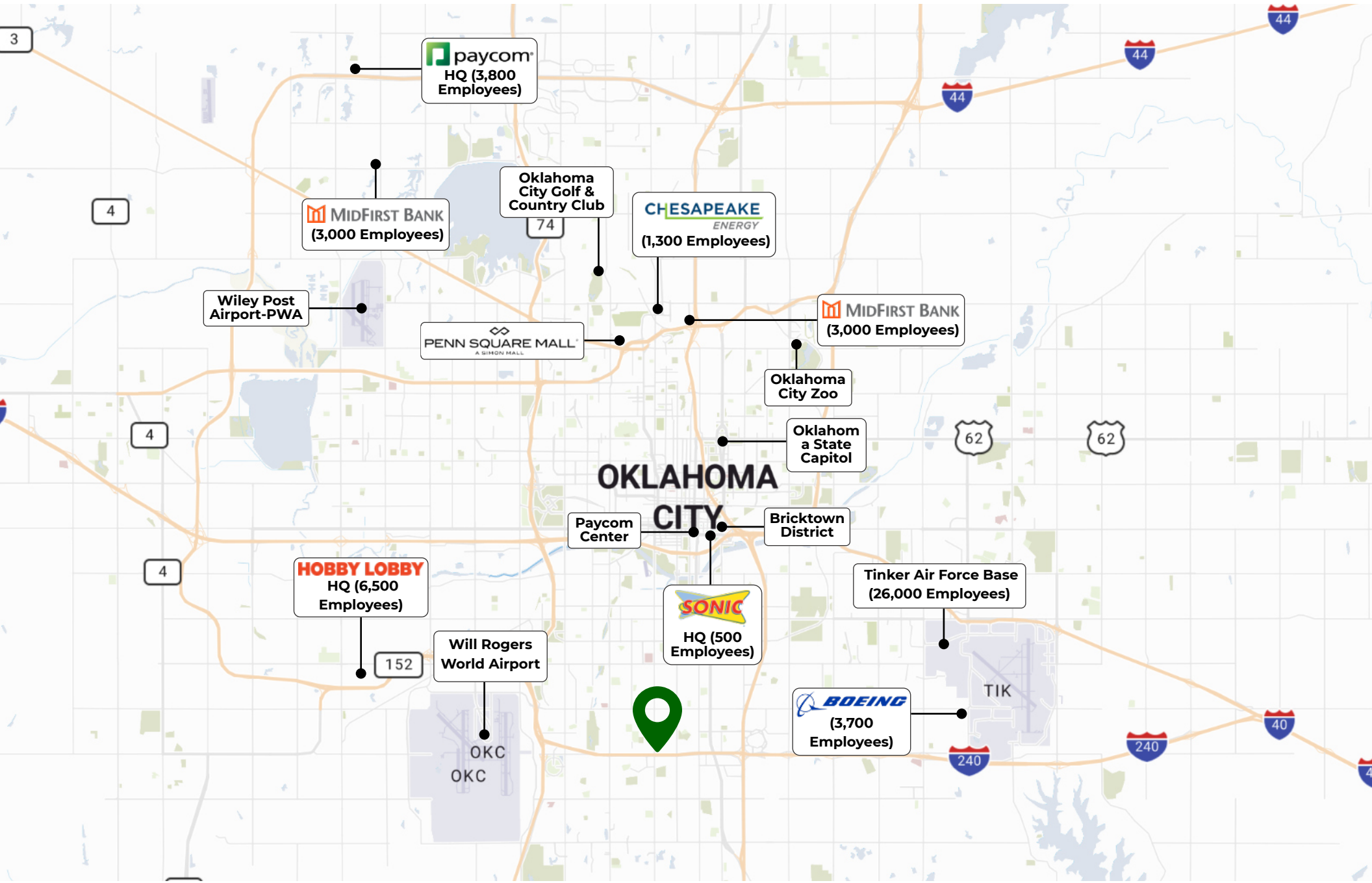
LOCATION MAP

7416 S WESTERN AVE, OKLAHOMA CITY, OK 73139, USA



REGIONAL MAP

7416 S WESTERN AVE, OKLAHOMA CITY, OK 73139, USA



S WESTERN AVENUE | 24,000 VPD



SW 74TH STREET



TENANT PROFILE

dutchbros.com

Dutch Brothers started in 1992 as a pushcart by the railroad tracks in downtown Grants Pass, Oregon. The founders Dane and Travis Boersma left the dairy business to serve up espresso, rock their favorite music and make connections with their community. Dutch Bros started in Oregon with their first franchise expansion opening in 2000. Today, Dutch Bros continues to grow and serves customers in 11 states and counting.

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

SOCIAL IMPACT

DUTCH LUV: Dutch Bros held their annual Dutch Luv Day where \$1 from each drink sold went to local nonprofits working to help provide meals in our community. In 2021, they provided more than 1.6 million meals in the communities they served with the support of our customers.

DRINK ONE FOR DANE: We cheered to the wise man with our 15th annual "Drink one for Dane" as of this year, we hit a total of 10 million dollars donated to Muscular Dystrophy Association (MDA), the leading non-profit organization in ALS research, care, advocacy, educational and professional programming.

BUCK FOR KIDS: As part of our efforts to help create brighter futures for kids in our communities, Dutch Bros partnered with its customer to raise more than \$695,000 for local youth organizations.

Stock Information

Tenant	Dutch Brothers
Stock Symbol	NYSE: BROS
Stock Price	\$28.11
Market Cap	\$ 4.61 Billion



LEASE ABSTRACT

DUTCH BROS, OKLAHOMA CITY, OK

Address:	7416 S Western Avenue., Oklahoma City, OK 73112		
Demised Premises:	+/- 30,374 square feet		
Specific Use:	Drive-through coffee shop, for the sale of coffee, blended drinks, smoothies, or energy drinks, and other activities related thereto		
Documentation:	Dutch Bros Commercial Ground Lease dated Dec. 20, 2021		
Tenant:	BB Holdings OK Group, LLC		
Guarantor:	Boersma Bros. LLC (Corporate)		
Delivery Date:	December 15, 2022		
Rent Commencement Date:	June 30, 2023		
Lease Expiration Date:	May 31, 2038		
Security Deposit:	None		
Base Rent:	Period	Annually	Monthly
	June 30, 2023 - May 31, 2028	\$104,500	\$8,708.33
	June 1, 2028 to May 30, 2032	\$114,950	\$9,579.17
	June 1, 2032 to May 31, 2038	\$126,445	\$10,537.08
Renewal Option(s):	Four, 5-Year Renewal Options Option 1: \$139,089.50 annually Option 2: \$152,998.45 annually Option 3: \$168,298.30 annually Option 4: \$185,128.12 annually		

Tenant Maintenance:

Tenant will repair and maintain in good order and repair, at its own cost, the entirety of the Premises, including the building's interior, HVAC system, fixtures, roof, equipment, furnishings, parking and access ways.

Insurance:

Tenant will, at its sole cost, maintain property, liability, worker's compensation and employer liability coverage during the term of the lease and will name Landlord as additional insured.

Tax Payments

Tenant shall pay the real estate taxes directly during the term of the lease.

Roof Repair / Replacement:

Tenant shall be responsible for maintenance, repair and replacement of the roof as part of CAM. Landlord will deliver and assign to Tenant all warranties and guaranties made by any contractor and issued to Landlord including a roof warranty covering a period of 15 years.

HVAC Repairs / Replacement:

Tenant, at its sole cost and expense, shall be responsible for the repair and replacement of the HVAC system. Must have consent from Landlord if any non-structural repair or alteration exceeds \$50,000.

Estoppel:

Tenant to provide estoppel within 15 business days of request from Landlord.

Assignment/Sublease:

Tenant may not assign or sublease any part of the Premises without the prior written consent of the Landlord.

PRICING

\$2,155,000

PRICE

4.85%

CAP RATE

\$104,500

NOI

15 YEARS

TERM

JUNE 1, 2023

RENT COMMENCEMENT

**ABSOLUTE NNN
GROUND LEASE**

LEASE STRUCTURE

CORPORATE

GUARANTY



MARKET OVERVIEW

Oklahoma City, Oklahoma

The most livable community in the U.S. and a Top 10 coolest city with lowest cost of living. The easiest place in North America to do business and a the No. 1 place for startups to expand. Oklahoma City offers all of the culture, cuisine, attractions and amenities you'd expect in a modern metropolis. Oklahoma City boasts an increasingly diversified economy, with aviation and aerospace making up the largest sector in both employment and economic impact. Bioscience, energy and logistics industries also play a significant role in the market.

The new census population data showed that Oklahoma City is the 20th largest city in the country, surpassing Nashville and Washington D.C.



DEMOGRAPHICS

	1 MILE	3 MILE	5 MILE
POPULATION			
2022 Population	12,508	116,857	218,159
2010 Population	11,414	109,012	204,292
% Proj Growth 2022 - 2027	9.0%	31.00%	38.00%
HOUSEHOLDS			
2022 Households	4,835	43,550	79,278
Family Households w Children	4,835	43,550	79,278
Persons Per Household	2.6	2.7	2.7
DAYTIME POPULATION			
Total Daytime Population	14,854	100,520	195,027
Workers	7,558	38,093	78,119
Residents	7,296	62,427	116,908
RACE			
% White	38.3%	42.6%	46.0%
% Black	11.1%	7.8%	8.5%
% Asian	2.1%	3.4%	3.4%
% American Indian	4.6%	4.9%	4.8%
AGE			
Median Age	34.2	34.6	34.1



	1 MILE	3 MILE	5 MILE
INCOME			
2022 Average Household Income	\$61,184	\$65,567	\$70,491
HIGHEST EDUCATIONAL ATTAINMENT			
Education Base - Age 25+	8,015	75,610	139,167
Less than 9th Grade	8.7%	10.0%	9.0%
Some High School	14.7%	12.4%	11.5%
High School or GED	31.9%	27.8%	27.0%
Some College	21.6%	20.9%	21.2%
Associates Degree	8.7%	7.6%	7.8%
Bachelors Degree	5.1%	9.7%	11.4%
Graduate/Professional Degree	4.2%	5.0%	5.8%
POPULATION BY EMPLOYMENT TYPE			
% White Collar	41.8%	45.8%	47.5%
% Blue Collar	40.0%	36.2%	34.3%
% Services	18.2%	18.0%	18.2%
HOUSING			
% Renter Occupied Housing Units	50.6%	41.1%	38.4%
% Owner Occupied Housing	39.6%	49.4%	53.0%
HOUSING VALUES (OWNER OCCUPIED)			
Average Home Value	\$285,293	\$281,100	\$269,078

DATA SOURCE: © 2022 ESRI. ALL RIGHTS RESERVED

DUTCH BROS

OKLAHOMA CITY, OKLAHOMA

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