



**OFFERING MEMORANDUM  
DUTCH BROS COFFEE – NET LEASED INVESTMENT**

**2401 HIGHWAY 377,  
WESTLAKE, TX 76227**

For sale exclusively by:

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**Local Broker:**  
**Bryan Cornelius | RetailUnion Partners LLC**  
Texas License #900902

# EXECUTIVE SUMMARY

## ASSET OVERVIEW

PROPERTY TYPE:	Net Leased Investment
LOCATION:	2401 Highway 377, Westlake, TX 76227
YEAR CONSTRUCTED:	2024
BUILDING SIZE:	+/- 950 SF
SITE AREA:	+/- 28,749 SF (0.66 ac)
TOTAL NOI:	\$131,000
LEASE TERM :	15 Years
OFFERING PRICE :	\$2,620,000
CAP RATE:	5.00%
RENTAL INCREASES:	10% every Five (5) years
RENT COMMENCEMENT DATE:	May 2024
LEASE EXPIRATION DATE:	May 2039
RENEWAL OPTIONS:	Three (3) Five (5) Year Options
TENANT :	BB Holdings TX, LLC
LEASE GUARANTEE:	Boersma Bros, LLC



LEASE PERIOD	NOI	CAP RATE
1-5 Years	\$131,000	5.00%
6-10 Years	\$144,100	5.50%
11-15 Years	\$158,510	6.05%



# INVESTMENT HIGHLIGHTS

Velocity Retail Group is pleased to offer this Dutch Bros Coffee net leased investment property located at 2401 Highway 377, Westlake, TX 76227 (the "Property"). The +/- 950 SF single tenant drive-thru building is on +/- 28,749 SF street frontage parcel. The Dutch Bros corporate lease includes minimal landlord property maintenance responsibilities. The Property is being 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 a current market cap of over \$5 Billion (December 2023).

## Trade Area Overview & Location Factors

The Dallas–Fort Worth–Arlington metro area ("DFW" metroplex), with a population of 7,800,000, is one of the fastest growing metropolitan areas in the United States. DFW is an economic powerhouse that generated over \$598 Billion in GDP during 2022. 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 in the DFW area. The local area is commercially active with 43,085 employees working at 5,591 businesses within 5 miles of the Property. Facebook, Samsung, 3M, BHER, General Mills, Charles Schwab, Fidelity Investments and many other prominent companies have major operations in the trade area.

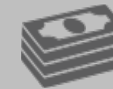
The Property is readily visible from Hwy 170, a major arterial carrying 49,116 CPD and fronts Hwy 377 (19,561 CPD). Within the 3-mile radius of the Property, the population is 47,264 with an affluent AHHI of \$188,311 and median age of 35.6. Two high schools with over 6,000 students are located within 2-miles from the Property. The youthful local population forms an ideal part of the Dutch Bros customer base. Westlake, Trophy Club, Roanoke and other local neighborhoods are considered highly desirable residential communities in which to reside.

Walmart Superstore, Home Depot, Planet Fitness, ALDI and other national retailers located nearby the Property draw a steady stream of consumers to the immediate trade area. Spec's Wines, Spirits & Finer Foods and QuikTrip, located adjacent Property, additionally contribute to the immediate area customer activity. The new Dutch Bros Coffee at the Property is an exciting addition and will further energize the local retail trade area.



NYSE: BROS

DFW, TX METRO AREA



GDP

**\$598 Billion**



POPULATION

**7,800,000**

3 MILE RADIUS



POPULATION

**47,264**



AHHI

**\$188,311**

TRAFFIC COUNTS (CPD)

Hwy 377

**19,561**

Hwy 170

**49,116**

TRADE AREA RETAILERS

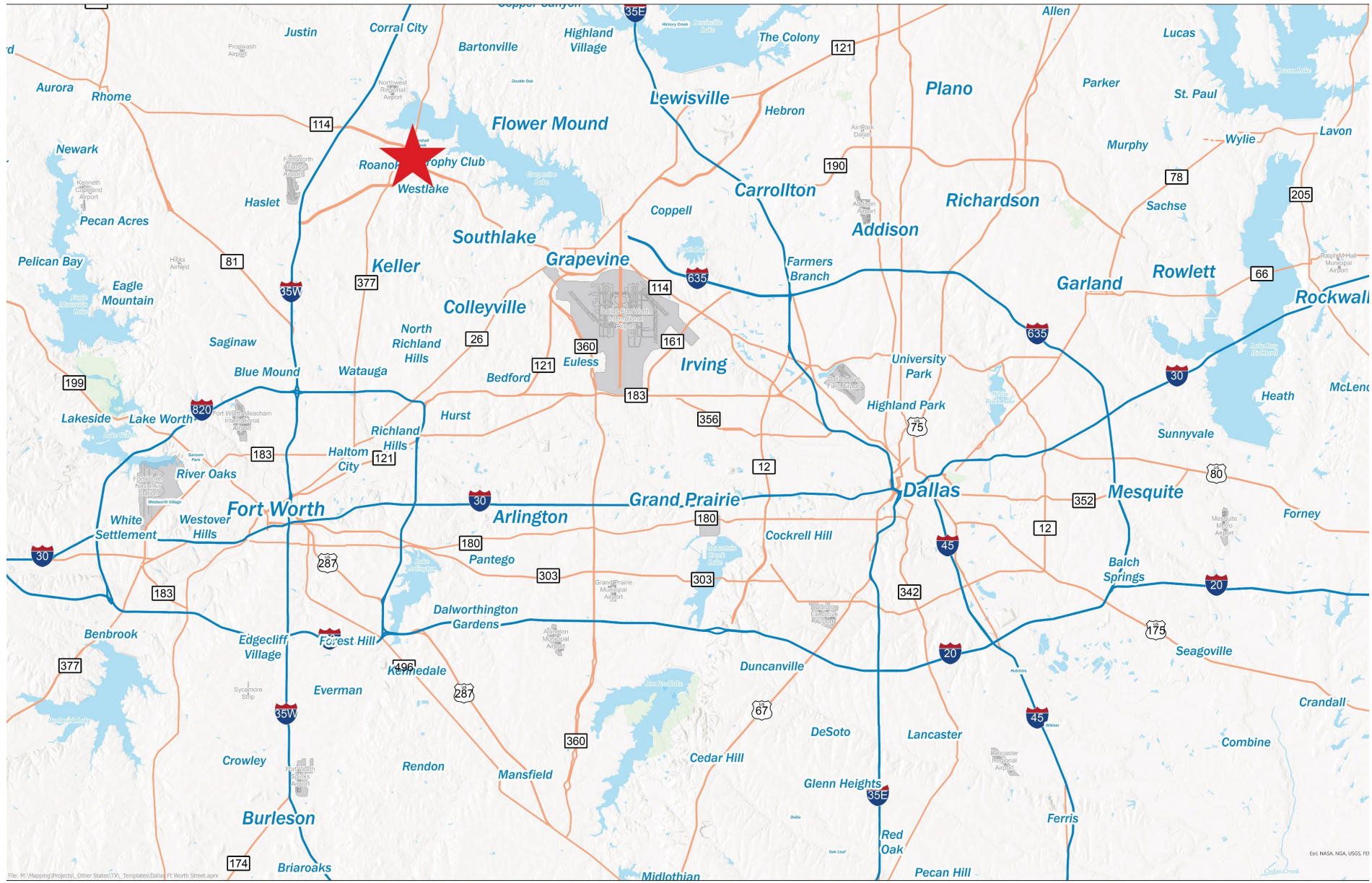


**CINEMARK™**



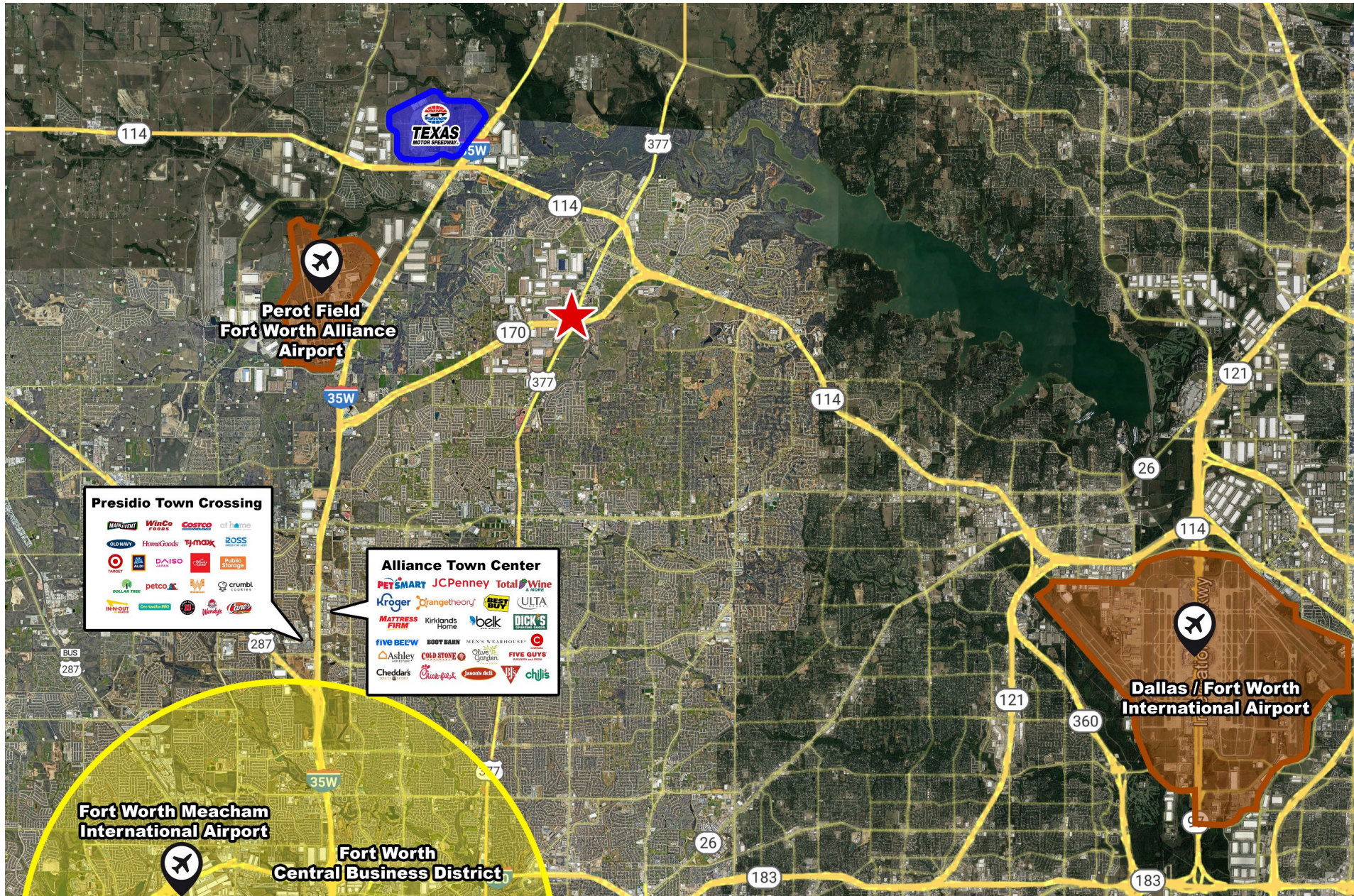


# DALLAS-FORT WORTH – LOCATION MAP





# NORTHWEST DFW SUB-MARKET









# INTERSECTION AERIAL

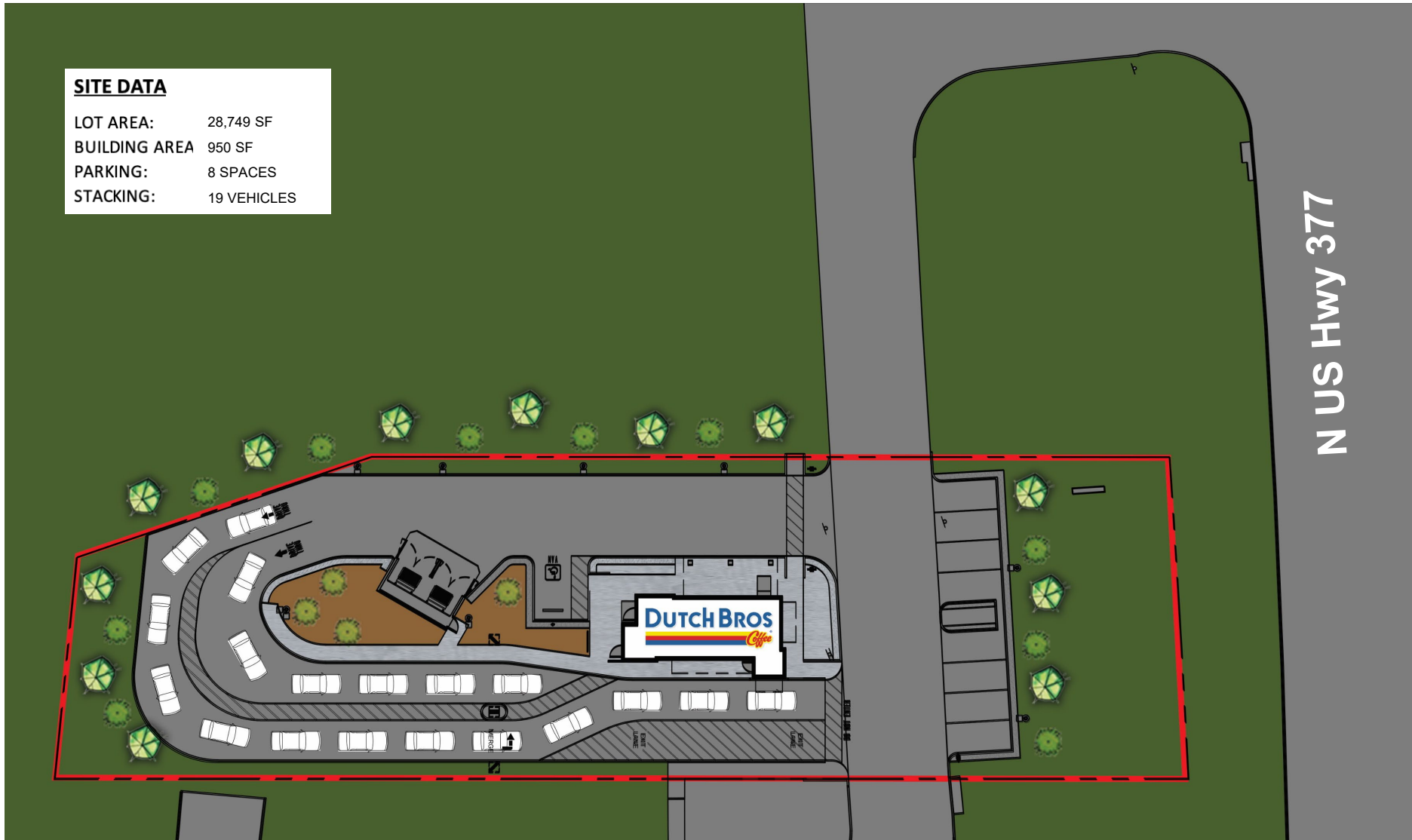




# SITE PLAN

## SITE DATA

LOT AREA: 28,749 SF  
BUILDING AREA 950 SF  
PARKING: 8 SPACES  
STACKING: 19 VEHICLES



N US Hwy 377



# DALLAS-FORT WORTH-ARLINGTON, TEXAS – METRO AREA

The Dallas–Fort Worth–Arlington metro area, often referred to as the “DFW” metroplex, has a population of 7,800,000 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 metroplex is an economic powerhouse generating over \$598 Billion in GDP in 2022. 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 1,300 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 United States.

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 Cowboys home games. The stadium has hosted the Cotton Bowl, Big 12 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 the Cowboy.



## Major Area Employers



## Area Snapshot



GDP 2022  
**\$598B**



POPULATION  
**7,800,000**



FORTUNE 500  
COMPANIES  
**24**



STADIUM  
ATTRactions  
**COWBOYS &  
MAVERICKS**

# TENANT SUMMARY



**Dutch Bros Coffee | NYSE: BROS**  
**+/- 879 Locations | 22,000 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 +/- 879 locations in 17 states and 22,000 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 (December 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. It's 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 a 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

2401 US-377

Cross Roads, TX 76227

	1 mi radius	3 mi radius	5 mi radius
<b>Population</b>			
2023 Estimated Population	1,881	47,264	121,118
2028 Projected Population	2,878	52,064	132,947
2020 Census Population	1,031	45,170	116,949
2010 Census Population	713	29,500	82,081
Projected Annual Growth 2023 to 2028	10.6%	2.0%	2.0%
Historical Annual Growth 2010 to 2023	12.6%	4.6%	3.7%
2023 Median Age	35.3	35.6	36.2
<b>Households</b>			
2023 Estimated Households	782	16,176	41,138
2028 Projected Households	1,278	19,063	47,524
2020 Census Households	451	15,238	39,161
2010 Census Households	315	10,299	28,147
Projected Annual Growth 2023 to 2028	12.7%	3.6%	3.1%
Historical Annual Growth 2010 to 2023	11.4%	4.4%	3.6%
<b>Race and Ethnicity</b>			
2023 Estimated White	69.7%	69.6%	69.8%
2023 Estimated Black or African American	3.7%	7.6%	7.7%
2023 Estimated Asian or Pacific Islander	7.4%	8.5%	7.9%
2023 Estimated American Indian or Native Alaskan	1.4%	0.5%	0.5%
2023 Estimated Other Races	17.9%	13.7%	14.1%
2023 Estimated Hispanic	21.0%	15.7%	15.9%
<b>Income</b>			
2023 Estimated Average Household Income	\$58,962	\$188,311	\$195,828
2023 Estimated Median Household Income	\$95,428	\$141,152	\$145,381
2023 Estimated Per Capita Income	\$24,527	\$64,453	\$66,524
<b>Education (Age 25+)</b>			
2023 Estimated Elementary (Grade Level 0 to 8)	0.3%	2.3%	1.7%
2023 Estimated Some High School (Grade Level 9 to 11)	1.6%	2.6%	2.7%
2023 Estimated High School Graduate	30.6%	15.0%	14.5%
2023 Estimated Some College	17.7%	18.9%	18.9%
2023 Estimated Associates Degree Only	11.3%	7.5%	7.6%
2023 Estimated Bachelors Degree Only	24.0%	35.6%	35.7%
2023 Estimated Graduate Degree	14.4%	18.1%	18.8%
<b>Business</b>			
2023 Estimated Total Businesses	263	1,933	5,591
2023 Estimated Total Employees	3,177	16,439	43,085
2023 Estimated Employee Population per Business	12.1	8.5	7.7
2023 Estimated Residential Population per Business	7.1	24.5	21.7

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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 Brokers have made any independent investigation or verification of the information presented or to be presented with respect to the property. Seller and Brokers 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 Brokers 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. Retail Union Partners, LLC is a licensed real estate broker in the State of Texas (Broker License #9009027).





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