

# Popeyes Sale-Leaseback

EXCLUSIVE NET-LEASE OFFERING



*Representative Photo*

## OFFERING MEMORANDUM



1377 Nashville Highway, Franklin, KY 42134

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# Investment Highlights

PRICE: \$2,000,000 | CAP: 6.00% | RENT: \$120,000

**POPEYES**

LOUISIANA KITCHEN

## About the Investment

- ✓ Brand New Construction
- ✓ Brand New 20-Year Sale Leaseback to Commence at the Close of Escrow
- ✓ Triple Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ There are Four Tenant Renewal Options of Five Years Each

## About the Location

- ✓ Surrounding Retailers Include: Walmart, Lowe's, CVS Pharmacy, Dollar Tree, Hibbett Sports, Burkes Outlet and Taco Bell
- ✓ High Visibility and Ease of Access | Nashville Road and Franklin Bypass | 14,491 and 11,338 Vehicles Per Day Respectively
- ✓ Strong Academic Presence | Western Kentucky University | Total Enrollment Exceeding 20,000 Students | Located Roughly 20 Miles Away
- ✓ The Medical Center at Franklin | 25-Bed Acute, General Medical and Surgical Facility | Located Approximately Half a Mile From the Subject Property
- ✓ Compelling Location Fundamentals | The Bustling City of Bowling Green, Kentucky is Located 20 Miles North of Franklin

## About the Tenant / Brand

- ✓ Cambridge Franchise Holdings ("CFH") is a 200-Unit Operator | 165-Unit Burger King & 40-Unit Popeyes Operator
- ✓ CFH has Significant Growth Plans for this Entity Providing the Future Landlord with the Benefit of Credit Enhancement as Operations Under this Entity Continue to Grow
- ✓ CFH is One of the Largest, Fastest Growing, and Most Profitable Franchises in the United States
- ✓ CFH has an Excellent Track Record With Proven Operational Expertise







# Financial Analysis

PRICE: \$2,000,000 | CAP: 6.00% | RENT: \$120,000

**POPEYES**

LOUISIANA KITCHEN

## PROPERTY DESCRIPTION

Property	Popeyes
Property Address	1377 Nashville Highway
City, State, ZIP	Franklin, KY 42134
Year Built / Renovated	2018
Building Size	2,255
Lot Size	+/- 1.30 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$2,000,000
CAP Rate	6.00%
Annual Rent	\$120,000
Price / SF	\$887
Rent / SF	\$53.22

## LEASE SUMMARY

Property Type	Net-Leased Restaurant
Tenant/Guarantor	Franchisee
Original Lease Term	20 Years
Lease Commencement	Upon Close of Escrow
Lease Expiration	20 Years from COE
Lease Term Remaining	20 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Options to Renew	Four, Five-Year Options
Rental Increases	7.5% Every 5 Years

## RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$120,000	\$10,000	-
Year 2	\$120,000	\$10,000	-
Year 3	\$120,000	\$10,000	-
Year 4	\$120,000	\$10,000	-
Year 5	\$120,000	\$10,000	-
Year 6	\$129,000	\$10,750	7.50%
Year 7	\$129,000	\$10,750	-
Year 8	\$129,000	\$10,750	-
Year 9	\$129,000	\$10,750	-
Year 10	\$129,000	\$10,750	-
Year 11	\$138,675	\$11,556	7.50%
Year 12	\$138,675	\$11,556	-
Year 13	\$138,675	\$11,556	-
Year 14	\$138,675	\$11,556	-
Year 15	\$138,675	\$11,556	-
Year 16	\$149,076	\$12,423	7.50%
Year 17	\$149,076	\$12,423	-
Year 18	\$149,076	\$12,423	-
Year 19	\$149,076	\$12,423	-
Year 20	\$149,076	\$12,423	-

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Popeye's located in Franklin, Kentucky. The property consists of approximately 2,255 rentable square feet and is situated on approximately 1.30 acres of land. The property is subject to 20-year triple-net (NNN) sale-leaseback. The lease will commence upon the close of escrow. The base annual rent will be \$120,000 and the lease calls for 7.5 percent rental increases every five years during the base term and continuing through the four, five-year tenant renewal options.



# Tenant Overview



## About Popeyes

Founded in 1972, Popeyes is the world's second largest quick service chicken concept as measured by total number of restaurants (only behind KFC). As of December 31, 2017, Popeyes owned or franchised a total of 2,892 restaurants. Popeyes restaurants are quick service restaurants that distinguish themselves with a unique "Louisiana" style menu featuring spicy chicken, chicken tenders, fried shrimp and other seafood, red beans and rice and other regional items. Popeyes was acquired on March 27, 2017 for a total consideration of \$1.7 billion by Restaurant Brands International (NYSE: QSR).

### Fun Facts:

- *Global Leadership in Chicken Segment - One of the largest players with rapidly-growing market share*
- *Unique, Highly-Differentiated Brand - Internationally-recognized Louisiana heritage since 1972*
- *Highly-Attractive Unit Economics - >\$1.4mm ARS and strong franchisee EBITDA margins*
- *Nearly Fully-Franchised Business Model - 98% franchised, leading to healthy margins and cash flow*
- *Significant Expansion Opportunity in the U.S. - Consistent track record of successful growth across the country*
- *International Growth Acceleration - Numerous development agreements signed in last few years*



Representative Photo

## Cambridge Franchise Holdings

Cambridge Franchise Holdings ("CFH") is a 200-Unit Operator. CFH currently operates 165 Burger King restaurants as well as 40 Popeyes locations. CFH acquired Carolina Quality, LLC ("CQL") in 2014 as a platform to execute a growth strategy in the Burger King system. At the time of the acquisition, CQL was a Burger King franchisee operating 22 restaurants across five states. Since the acquisition CFH has grown the business significantly and currently operates in states such as Alabama, Arkansas, Indiana, Kentucky, Louisiana, Mississippi, North Carolina, Tennessee, and Virginia. Today Cambridge Franchise Holdings is among the largest, fastest growing, and most profitable Burger King franchisee in the United States.



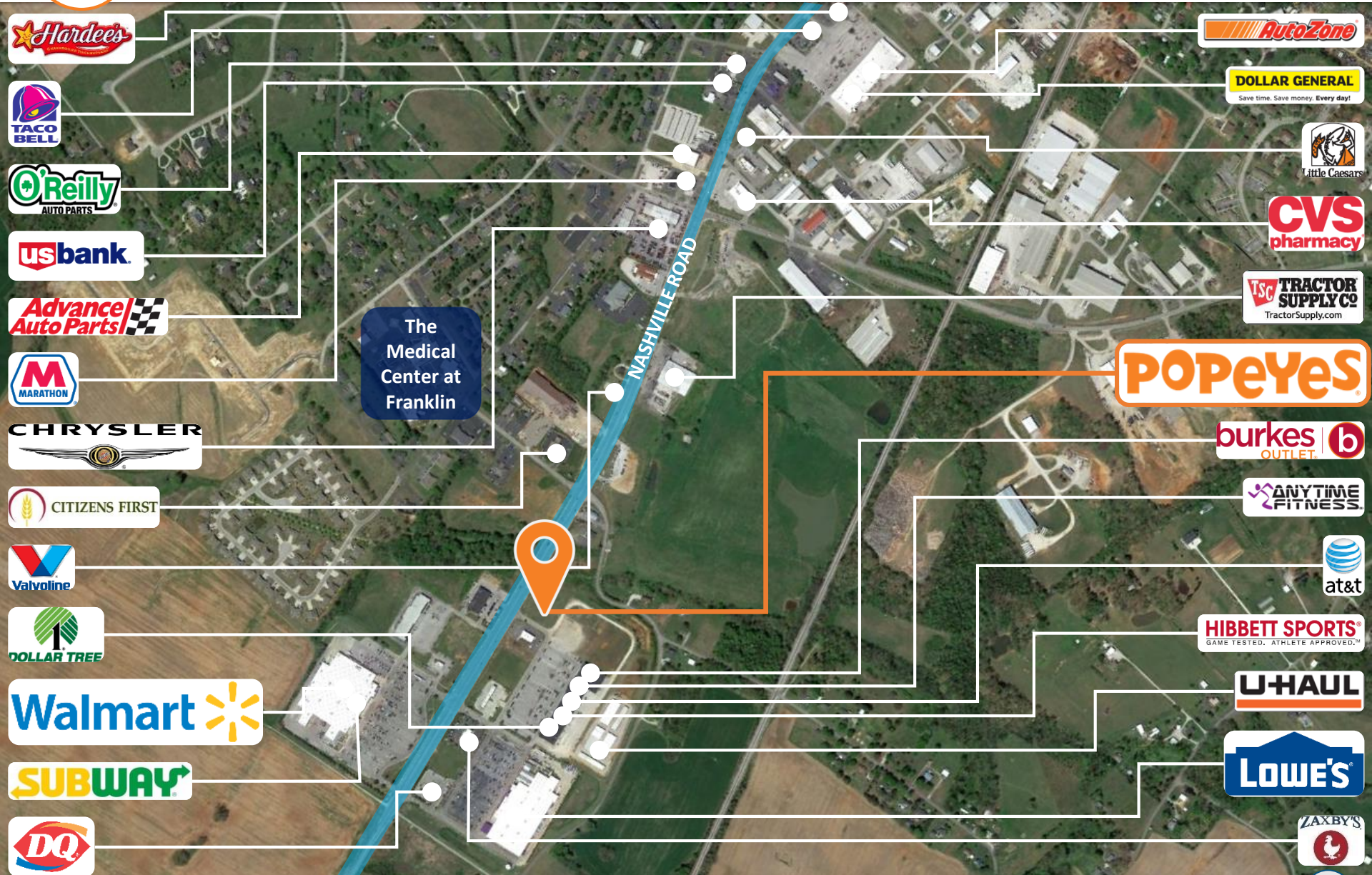


# Surrounding Area

Property Address: 1377 Nashville Highway, Franklin, KY 42134

# POPEYES

LOUISIANA KITCHEN



The Medical Center at Franklin

NASHVILLE ROAD





# Location Overview

Property Address: 1377 Nashville Highway, Franklin, KY 42134

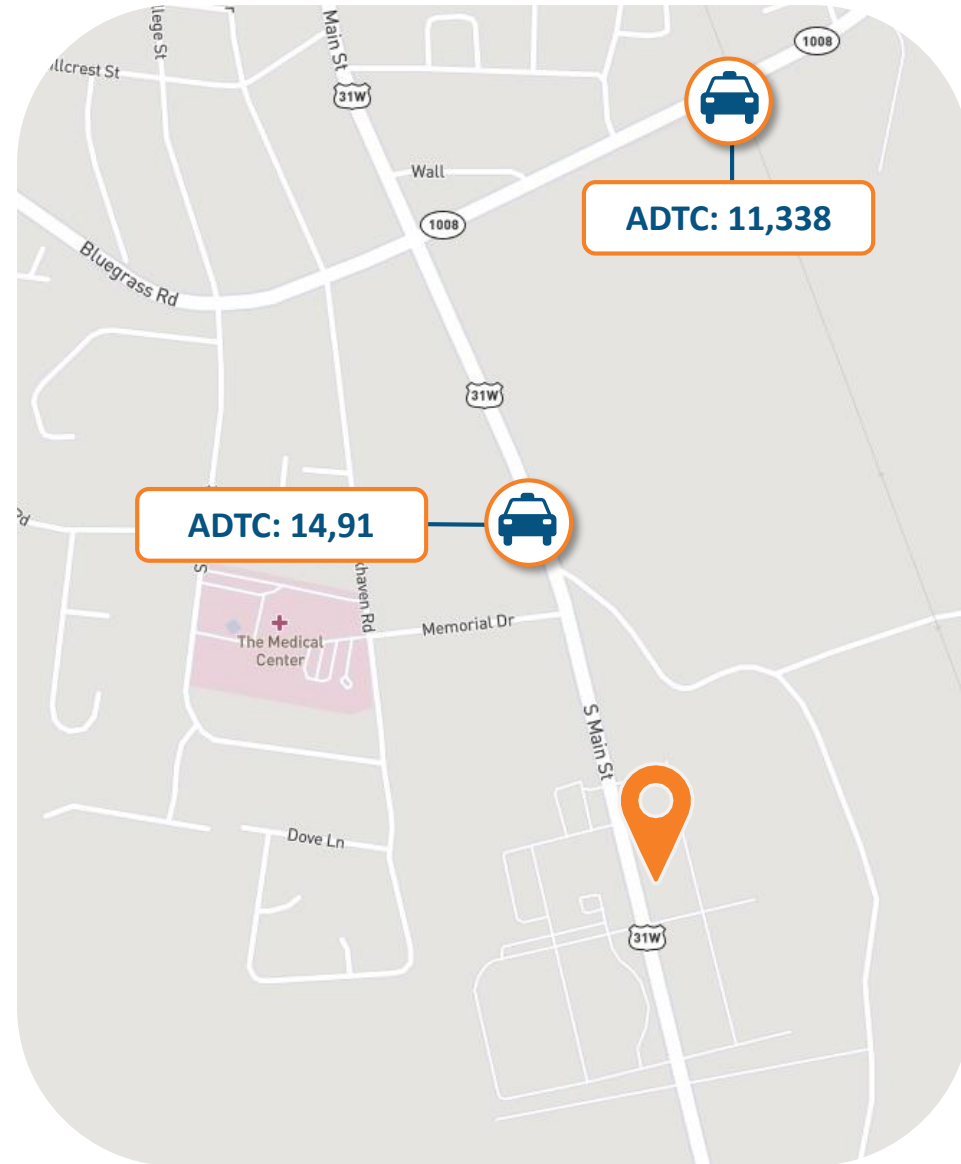
# POPEYES

LOUISIANA KITCHEN

The subject investment property is situated on Nashville, which boasts average daily traffic counts exceeding 14,491 vehicles. Intersecting with Nashville Road is the Franklin Bypass, which brings an additional 11,338 vehicles to the immediate area daily. There are more than 14,491 individuals residing within a five-mile radius of the property and more than 34,697 individuals residing within a ten-mile radius.

This Popeyes is well positioned in a dense retail corridor anchored by Walmart and Lowe's. The Popeye's is located adjacent to Fast Pace Urgent Care Franklin, which is an outparcel to a strip center with tenants such as Burke's Outlet, Anytime Fitness, AT&T, Hibbett Sports, and Dollar Tree. Other major national restaurant tenants in the immediate area include Zaxby's, Dairy Queen, and a Subway located inside of the Walmart. This Popeyes property also benefits from its close proximity to several academic institutions. Western Kentucky University, a four-year public university with a total enrollment exceeding 20,000 students is located roughly 20 miles away. The Medical Center at Franklin, a 25-bed, acute, general medical and surgical facility, is located a half a mile from this Popeye's Property. Nashville International Airport, located less than 48 miles from this Popeyes, serves 20 million passengers annually and offers 440 flights daily.

Located 20 miles north from Franklin is the bustling city of Bowling Green, Kentucky. Bowling Green, located by the Kentucky-Tennessee border is the region's leading commercial center. The city has a strong manufacturing base, led by the major operations of General Motors and Fruit of the Loom, the latter of which is headquartered in Bowling Green. Other firms that call Bowling Green home include Holley Performance Products, Houchens Industries, SCA, Camping World, Minit Mart, and Russell Brands. Bowling Green also serves as an education hub for the south-central Kentucky region, thanks in large part to Western Kentucky University, which has over 21,000 students enrolled. Second only to Western Kentucky University, Commonwealth Health Corporation is a major employer in the area. In 2014, Forbes magazine listed Bowling Green as one of the Top 25 Best Places to Retire in the United States.





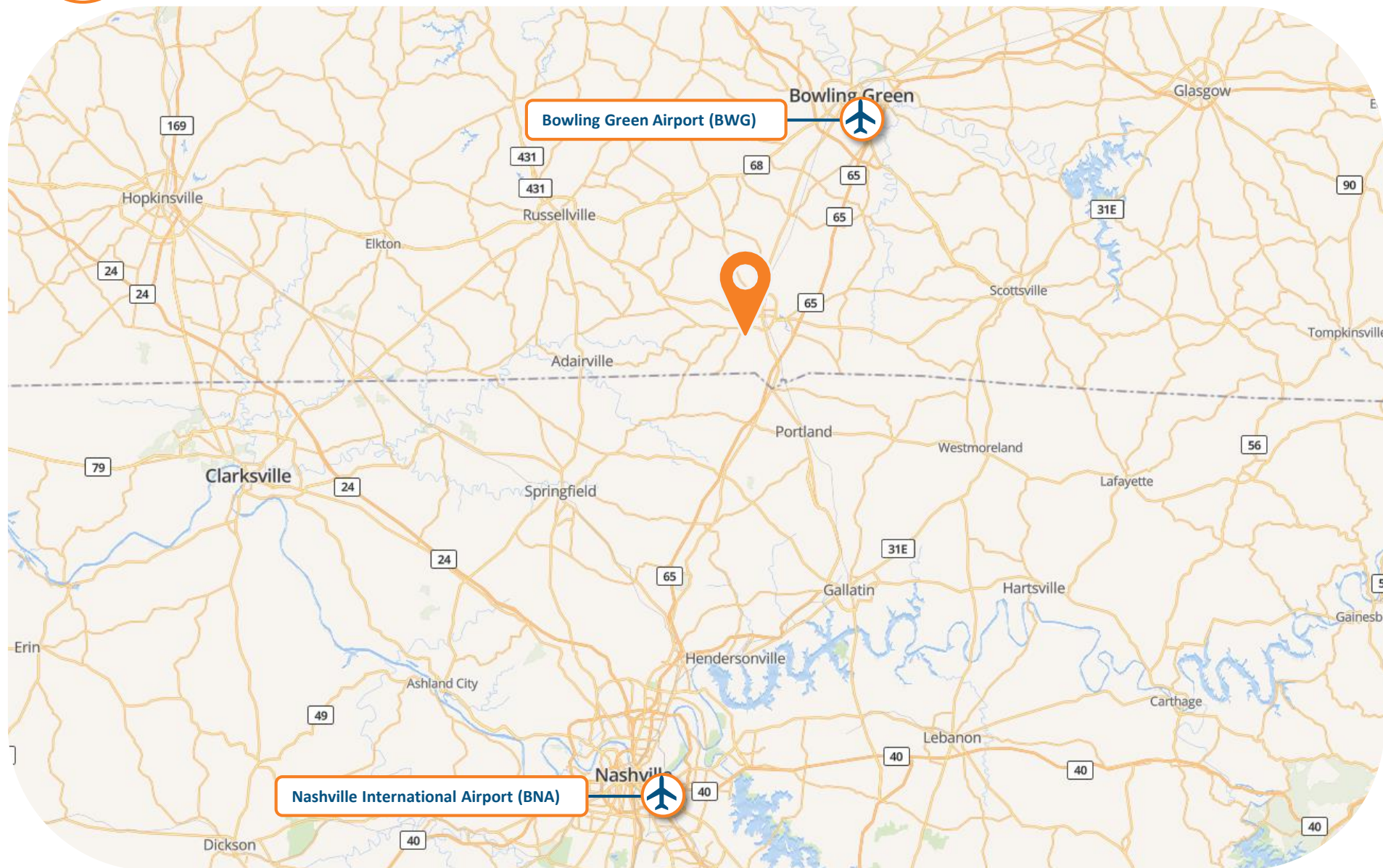


# Local Map

Property Address: 1377 Nashville Highway, Franklin, KY 42134

# POPEYES

LOUISIANA KITCHEN



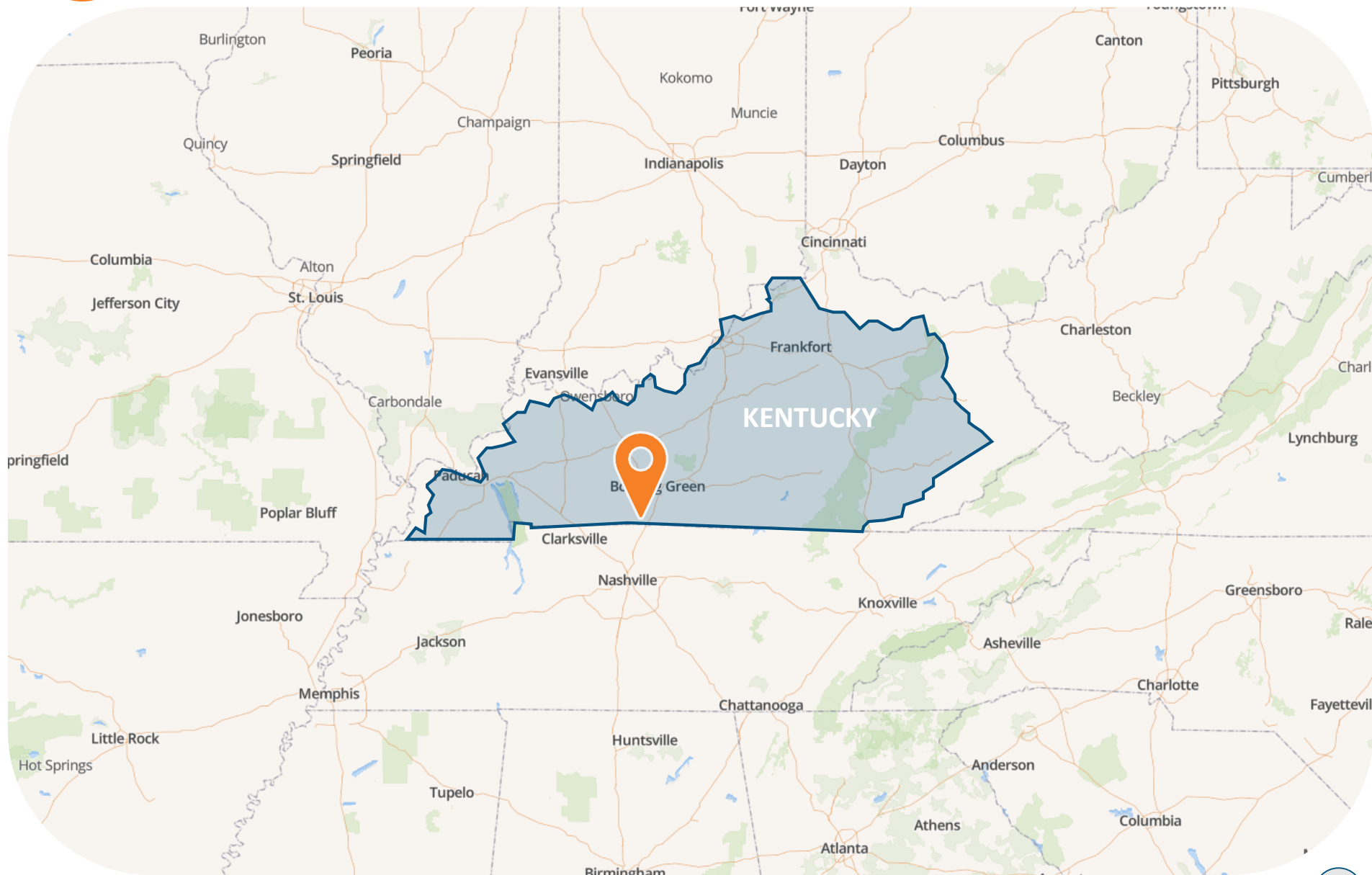


# Regional Map

Property Address: 1377 Nashville Highway, Franklin, KY 42134

# POPEYES

LOUISIANA KITCHEN







# Demographics

Property Address: 1377 Nashville Highway, Franklin, KY 42134

# POPEYES

LOUISIANA KITCHEN

3 Miles 5 Miles 10 Miles

## POPULATION

2022 Projection	10,197	14,706	36,507
2017 Estimate	10,089	14,471	34,697
2010 Census	9,589	13,747	32,781
2000 Census	9,001	12,893	27,700

## INCOME

Average	\$49,298	\$52,729	\$57,728
Median	\$39,049	\$43,933	\$48,953
Per Capita	\$19,906	\$21,026	\$21,760

## HOUSEHOLDS

2022 Projection	4,111	5,879	13,899
2017 Estimate	4,004	5,702	13,015
2010 Census	3,799	5,412	12,287
2000 Census	3,619	5,115	10,622

## HOUSING

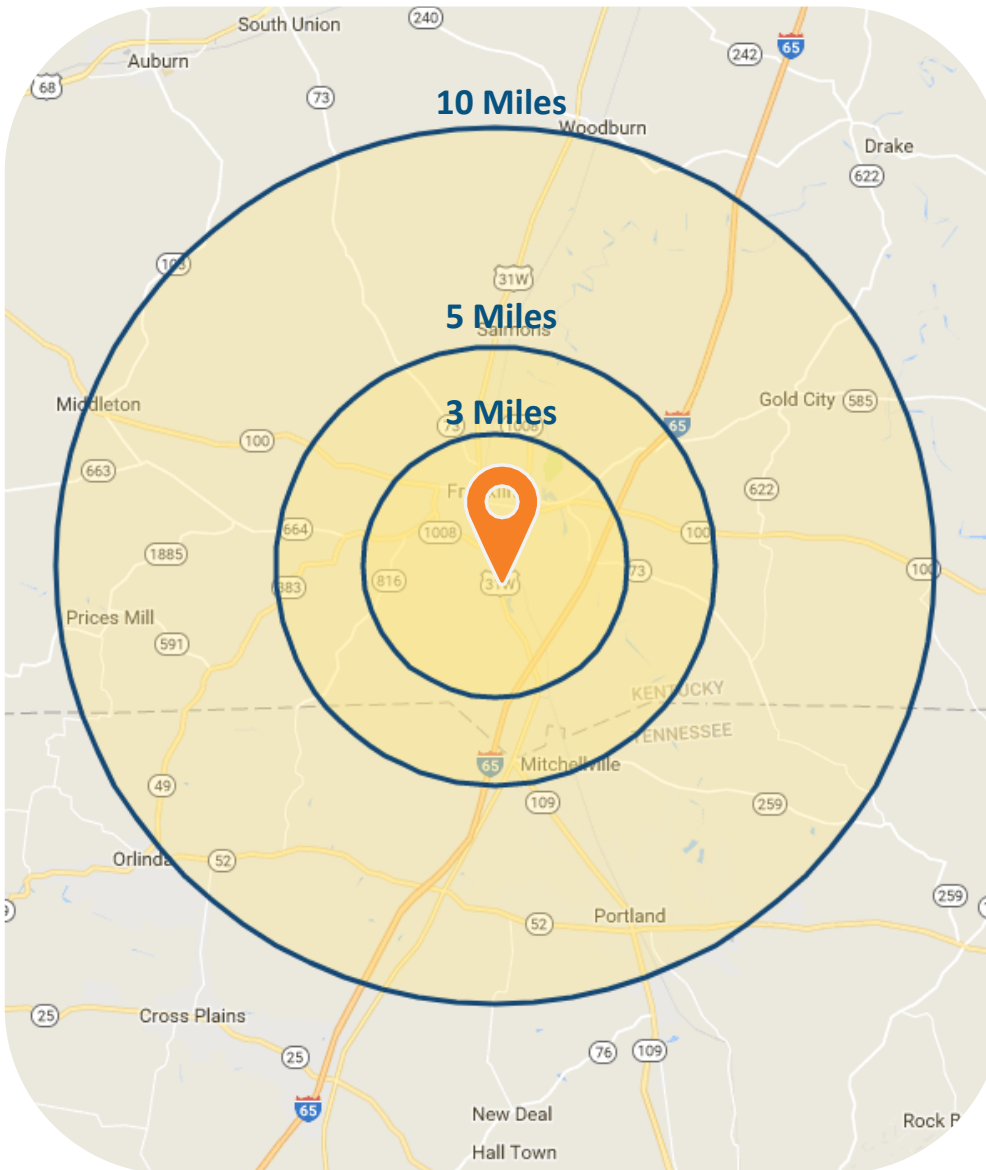
2017	\$105,063	\$115,676	\$132,218
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## EMPLOYMENT

2017 Daytime Population	12,494	17,219	35,721
2017 Unemployment	5.53%	5.26%	4.35%
2017 Median Time Traveled	20 mins	21 mins	26 mins

## RACE & ETHNICITY

White	80.97%	83.80%	88.59%
Native American	0.12%	0.08%	0.07%
African American	13.23%	11.13%	6.89%
Asian/Pacific Islander	1.44%	1.19%	0.78%





# Market Overview

City: Franklin | County: Simpson | State: Kentucky



**Franklin** is located less than 50 miles north of Nashville, TN. Nashville is the capital of the state of Tennessee and the county seat of Davidson County. The city is a center of music, healthcare, publishing, banking, and transportation industries, and it is also home to various colleges and universities. Nashville is known as the “home of country music” and has become a major music and production center. The city also hosts the CMA music festival, a four-day event featuring performances by country music stars that is accompanied with other activities for country music fans. Although Nashville is known for its music, the largest industry is health care. Nashville is home to more than 300 health care companies, including Hospital Corporation of America, the world’s largest private operator of hospitals. Vanderbilt university and Medical Center is the city’s largest employer with more than 23,021 total employees. There are numerous universities and colleges located in Nashville, including: Belmont University, Tennessee State University, Lipscomb University, and Nashville State Community College, which have a total enrollment of 31,524.

The Nashville metro, with a population of nearly 2 million, spans 14 counties: Davidson, Smith, Macon, Williamson, Cheatham, Sumner, Dickson, Robertson, Cannon, Rutherford, Hickman, Trousdale, Maury and Wilson. Davidson is the most populous county with 686,200 people and is home to Nashville, the capital city, which has 658,400 residents. The metro is located in the north-central portion of the state of Tennessee in what is known as the Central Basin. The Cumberland River, which snakes through the region, adds to the local economic base and enhances Nashville’s quality of life. The metro has a strong multimodal infrastructure network linking the metro to markets around the world.

## Major Employers

Employer	Estimated # of Employees
Cbocs Texas LLC	2,534
Cracker Barrel	1,623
Wilson County Board Education	1,480
Wilson County School District	821
Tenn Dept Childrens Services	580
TRW Commercial Steering	550
University Medical Center Hosp	500
Walmart	375
McFarland Hospital	360
Lochinvar LLC	300
Theatrical Lighting Systems I	272





Marcus & Millichap

## EXCLUSIVE NET LEASE OFFERING

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