

# Popeyes

EXCLUSIVE NET-LEASE OFFERING



# OFFERING MEMORANDUM

*Representative Photo*



133 Hutton Pl , Ashland City, TN 37015

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133 Hutton Pl, Ashland City, TN 37015



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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

- ✓ Dense Retail Corridor | Tenants include: Walmart, Burger King, Walgreens, McDonald's, Taco Bell, Sonic, Rite Aid, Hardee's, and Family Dollar
- ✓ Positive Real Estate Fundamentals | Located in the Heart of a Dense Industrial Corridor | Large Numbers of Employers in the Nearby Area
- ✓ Strong Academic Presence | Within Five Miles of Ashland City Elementary School and Cheatham County High School II | Combined Enrollment Exceeding 1,160
- ✓ Strong Traffic Counts | Over 15,572 Vehicles Per Day on Tennessee Route - 12
- ✓ Compelling Location Fundamentals | Within 18 Miles of Nashville, Tennessee

## 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	133 Hutton Pl
City, State, ZIP	Ashland City, TN 37015
Year Built / Renovated	2018
Building Size	2,255
Lot Size	+/- .69 Acres
Type of Ownership	Fee Simple

## The Offering

Purchase Price	\$2,000,000
CAP Rate	6.00%
Annual Rent	\$120,000

## Lease Summary

Property Type	Net Leased Restaurant
Tenant / Guarantor	Franchisee
Original Lease Term	20 Years
Lease Commencement	Close of Escrow
Lease Expiration	20 Years From Close of Escrow
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Options to Renew	Four, Five-Year Options

## 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 Popeyes located in Ashland City, TN. The property consists of approximately 2,255 rentable square feet and is situated on .69 acres of land. The property is subject to a 20-year triple-net (NNN) lease with a limited guarantee from a 40+ unit Popeyes entity operated by Cambridge Franchise Holdings. The lease will commence upon the close of escrow. The base annual rent will be \$120,000 and the lease calls for 7.5% rental increases every five years beginning in Year 6 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: 133 Hutton Pl, Ashland City, TN 37015

# POPEYES

LOUISIANA KITCHEN

# POPEYES

## BURGER KING

## FAST PACE

URGENT CARE CLINIC

## VUOCOLO'S

ITALIAN PIZZERIA

## MURPHY

USA

## Great Clips

## Walmart

## Sidelines

Grill

## Don Pancho

AUTHENTIC MEXICAN FOODS

## H&R BLOCK

## SNAP

FITNESS-24-7

## Aaron's

## NATIONAL LAUNDRY

LAUNDROMAT

## SHOE SHOW



TN-12



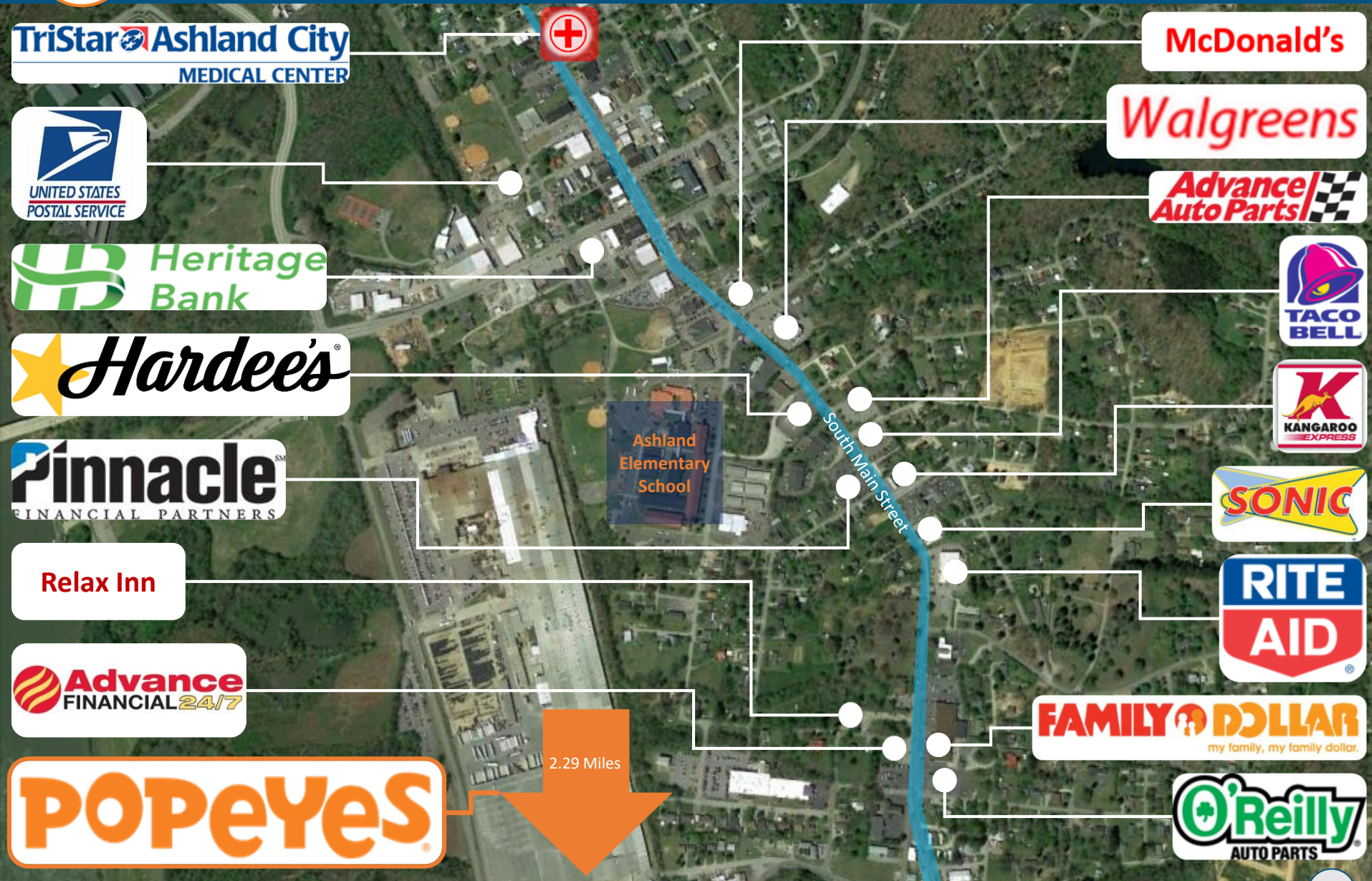


# Surrounding Area

Property Address: 133 Hutton Pl, Ashland City, TN 37015

# POPEYES

LOUISIANA KITCHEN







# Surrounding Area Photos

**POPEYES**

LOUISIANA KITCHEN





# Location Overview

Property Address: 133 Hutton Pl, Ashland City, TN 37015

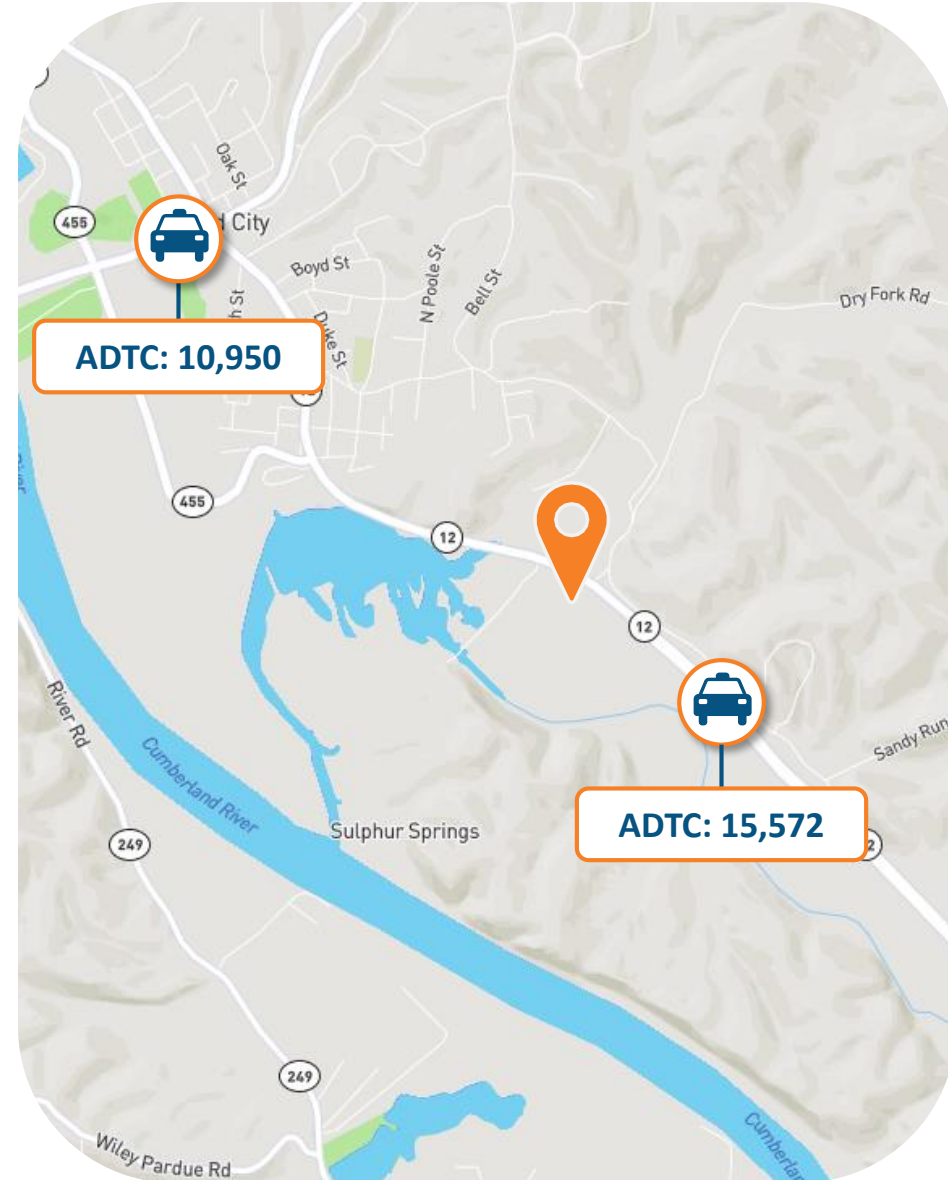
**POPEYES**

LOUISIANA KITCHEN

The subject investment property is situated on Tennessee Route 12, which boasts average daily traffic counts exceeding 15,572 vehicles respectively. Tennessee Route 12 heads north intersecting with Cumberland Street and Frey Street, which brings an additional 10,950 and 8,612 vehicles to the area on average daily. There are more than 11,778 individuals residing within a five-mile radius of the subject property and more than 37,441 individuals within a ten-mile radius.

The subject property benefits from being well-positioned in a dense retail corridor benefiting from its close proximity to several national and local tenants. Major national tenants include: Walmart, Burger King, Walgreens, McDonald's, Taco Bell, Sonic, Rite Aid, Hardee's, and Family Dollar among others. This Popeyes location is also within close proximity to many first and secondary schools. These schools include Ashland City Elementary School and Cheatham County High School, with a combined enrollment exceeding 1,160 students. The subject property is also less than two and a half miles away from TriStar Ashland City Medical Center, a critical access hospital offering a broad spectrum of inpatient and outpatient services to the Cheatham County area. This Popeyes is also situated within a short car ride away from Nashville, Tennessee, the states most populous city.

Ashland City is a town in and the county seat of Cheatham County, Tennessee. Economically, the town's best means of production are focused on manufacturing. The largest manufacturing operation in Ashland City is A.O Smith, which manufactures water heaters. The city limits were recently extended southeast along State Highway-12 to the Davidson County Line. This expansion incorporated the Cheatham County Industrial Park, which includes Triton Boat as well as barge building operations, paper products, and concrete manufacturers along the Cumberland River. Ashland City is served by the Nashville & Western Railroad. The city is situated in a bottomland along the northeast bank of the Cumberland River, a few miles upstream from the river's confluence with the Harpeth River. The Cheatham State Wildlife Management Area covers most of the hilly area on the opposite side of the Cumberland. Ashland City is centered around the junction of Tennessee State Route 12, which connects the city with downtown Nashville, which is just 18 miles away. Nashville, located on the Cumberland River, is the capital of the state of Tennessee and the county seat of Davidson County. Located in northern middle Tennessee, Nashville is the core of the largest metropolitan area in Tennessee and ranks as the 24th largest city by population in the United States.





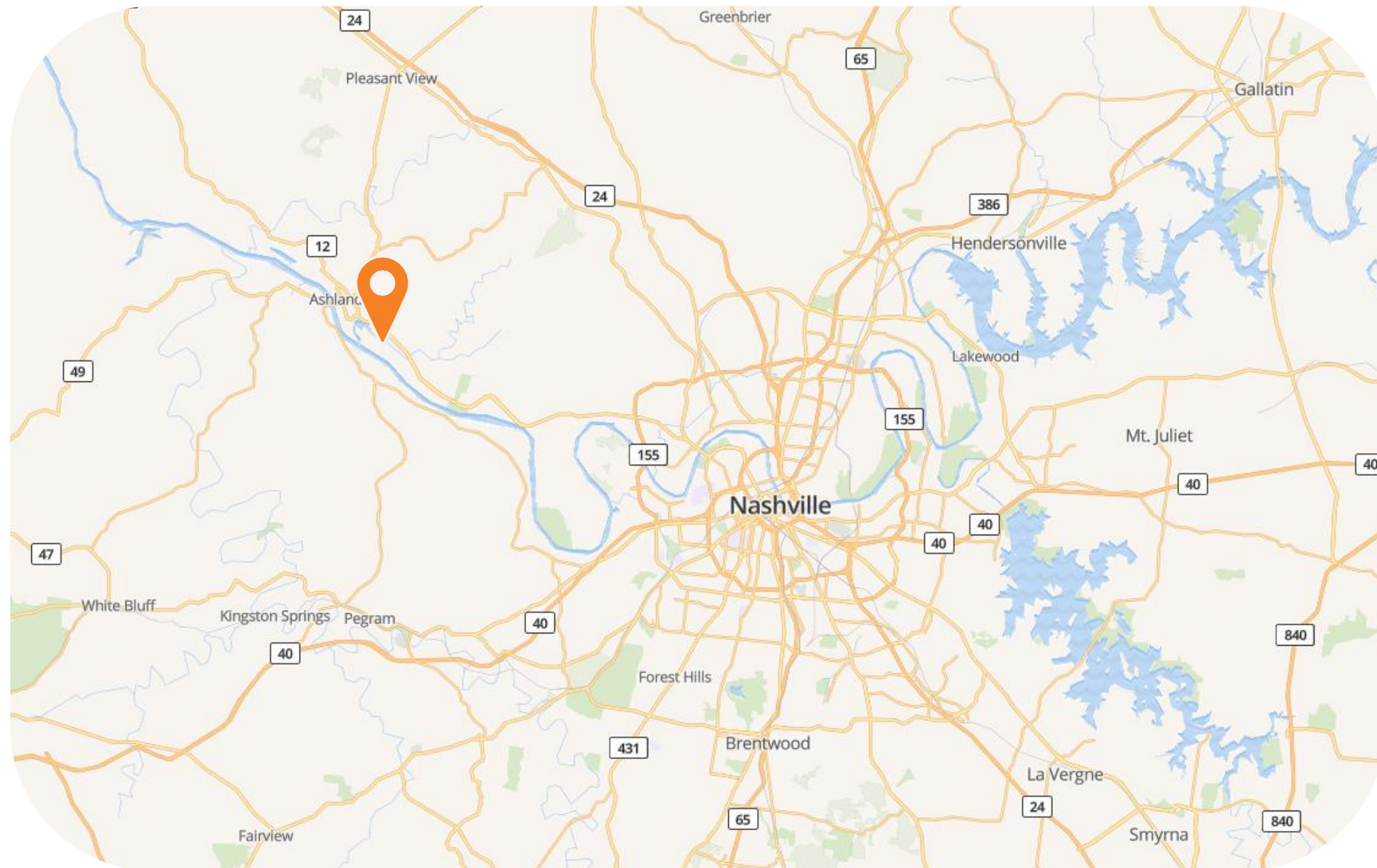


# Local Map

Property Address: 133 Hutton Pl, Ashland City, TN 37015

# POPEYES

LOUISIANA KITCHEN



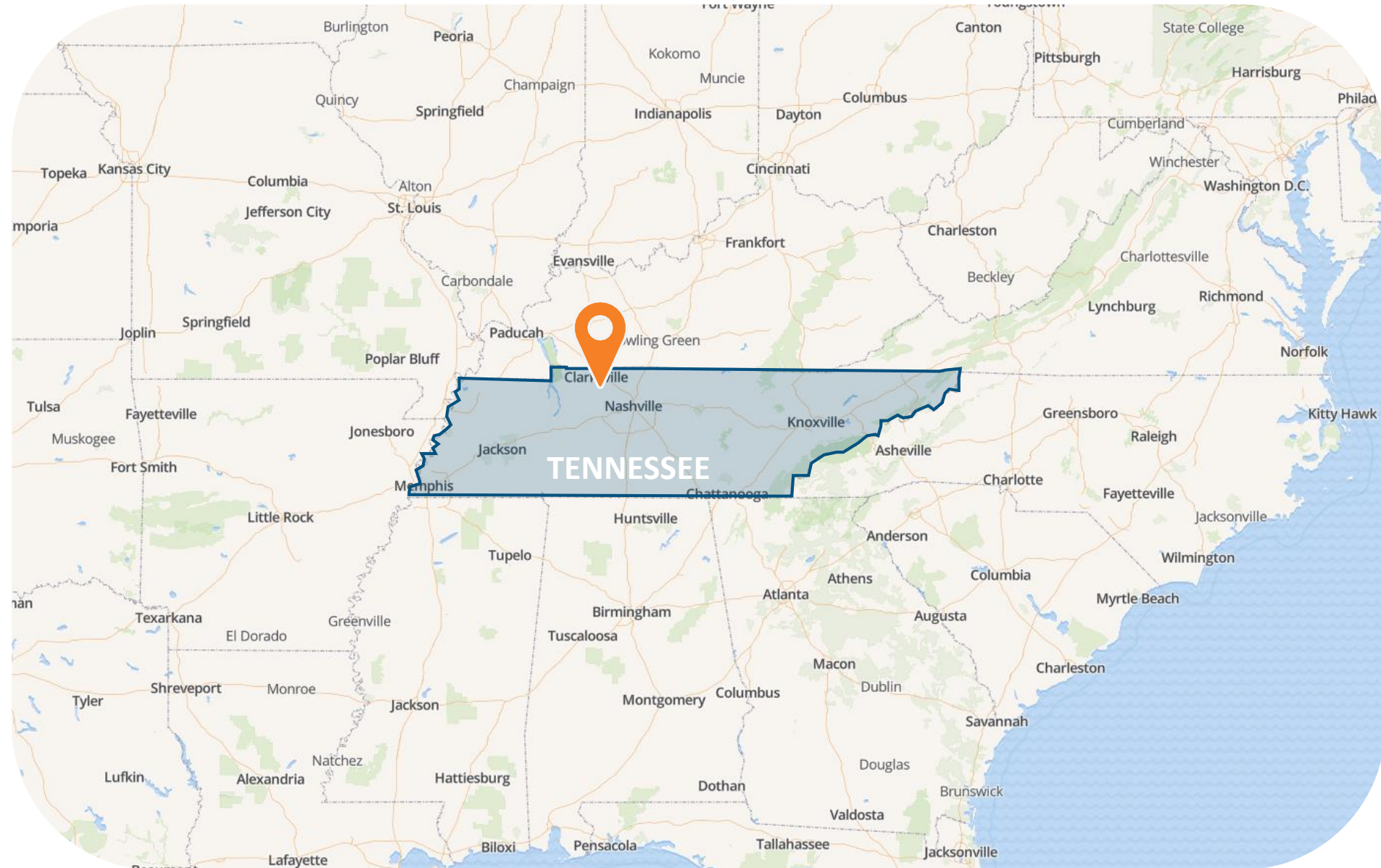


# Regional Map

Property Address: 133 Hutton Pl, Ashland City, TN 37015

# POPEYES

LOUISIANA KITCHEN







# Demographics

Property Address: 133 Hutton Pl, Ashland City, TN 37015

# POPEYES

LOUISIANA KITCHEN

3 Mile 5 Miles 10 Miles

## POPULATION

2022 Projection	5,594	11,778	37,441
2017 Estimate	5,412	11,072	35,656
2010 Census	5,279	10,725	34,116
2000 Census	4,976	9,913	30,477

## INCOME

Average	\$55,623	\$56,914	\$65,241
Median	\$40,066	\$43,180	\$52,696
Per Capita	\$21,028	\$21,589	\$24,510

## HOUSEHOLDS

2022 Projection	2,112	4,510	14,205
2017 Estimate	2,006	4,159	13,331
2010 Census	1,967	4,042	12,759
2000 Census	1,853	3,632	11,045

## HOUSING

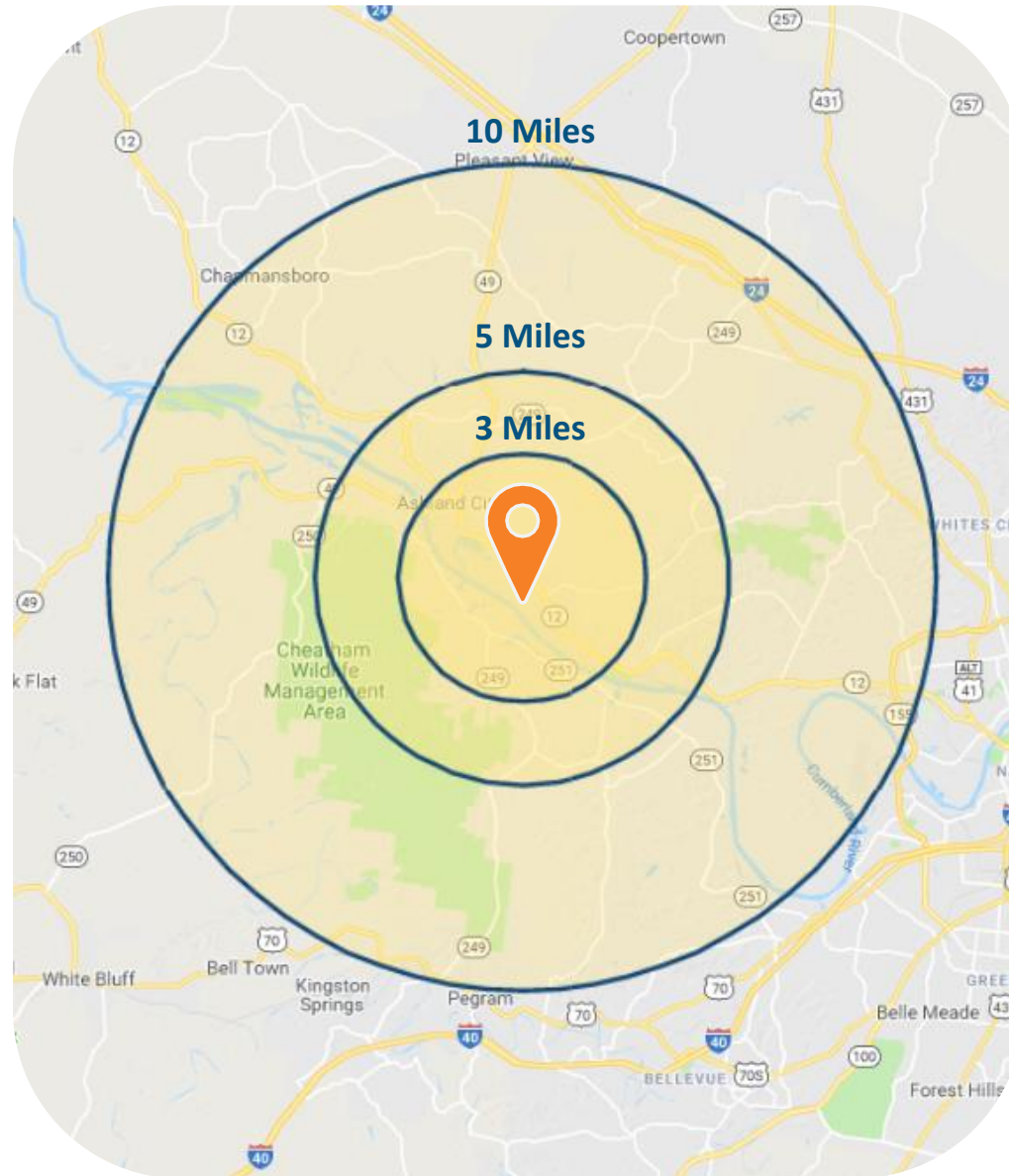
2017	\$141,600	\$147,046	\$167,349
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## EMPLOYMENT

2017 Daytime Population	7,018	11,129	25,952
2017 Unemployment	5.71%	5.04%	4.56%
2017 Median Time Traveled	33 Mins	34 Mins	35 Mins

## RACE & ETHNICITY

White	89.09%	92.16%	93.14%
Native American	0.01%	0.02%	0.05%
African American	3.79%	2.61%	2.92%
Asian/Pacific Islander	0.74%	0.56%	0.57%





# Market Overview

City: Ashland City | County: Cheatham | State: Tennessee



**Ashland City** is a city located approximately 18 miles outside of Nashville, Tennessee. Nashville is the capital of the state of Tennessee and the county seat of Davidson County. The city is the core of the largest metropolitan area in Tennessee and ranks as the 24th largest city by population in the United States. Nashville is a center for music, healthcare, publishing, banking, and transportation industries. As the "home of country music", Nashville has become a major music recording and production center. The Big Four record labels, as well as numerous independent labels, have offices in Nashville. Since the 1960s, Nashville has been the second-largest music production center (after New York) in the United States. Nashville's music industry is estimated to have a total economic impact of \$6.4 billion per year and to contribute 19,000 jobs to the area. Although Nashville is renowned as a music recording center and tourist destination, its largest industry is health care. Nashville is home to more than 300 health care companies, including Hospital Corporation of America (HCA), the world's largest private operator of hospitals. As of 2012, the health care industry contributes an estimated US\$30 billion per year and 200,000 jobs to the Nashville-area economy.

In recent times Nashville has been described as a "southern boomtown" by numerous publications, reinforced by the fact that the city has the third-fastest growing economy in the United States as of 2017. The US Census bureau has reported that Nashville "adds an average of 100 people a day to its net population increase". The Nashville region was also stated to be the "Number One" Metro Area for Professional and Business Service Jobs in America, as well as having the "Hottest Housing Market in America", as stated by Zillow.

## Major Employers

Employer	Estimated # of Employees
State Water Heaters	1,800
A O Smith Water Products Co	1,500
Northcrest Medical Center	575
Childrens Services Tenn Dept	467
First Data	466
Triton Boats	300
Walmart	300
Tristar Ashland City Med Ctr	198
Blue Cross and Blue Shield	191
CUMBERLAND HEIGHTS TREATMENT C	180
Jack Daniels	160





Marcus & Millichap

## EXCLUSIVE NET LEASE OFFERING

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