

# OFFERING MEMORANDUM

Net Leased Restaurant

Marcus & Millichap



**2019 Construction**  
**Northwest Florida**

3870 S. Ferdon Boulevard  
Crestview, FL 32536

Representative Image





Representative Photo

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# INVESTMENT OVERVIEW

PRICE: \$ 2,292,000 | RENT: \$131,839

Property Address	3870 South Ferdon Boulevard
City, State, Zip	Crestview, FL 32536
Estimated Building Size (SF)	2,265
Lot Size SF/Acres	46,985 SF   1.07 Acre (s)
Year Built	2019
Rent p/SF	\$58.20*

## LEASE SUMMARY

Property Type	Net Leased Restaurant
Ownership	Private
Tenant	Sailormen, Inc.
Guarantor	98+Unit Franchisee
Lease Commencement Date	Earlier of the date on which tenant opens for business to the public, or 30 days following notice of work completed. Estimated Opening date of March 2019
Lease Expiration	15 Years Thereafter
Lease Term Remaining	15 Years
Lease Type	NNN
Roof & Structure	Tenant Responsibility
Options to Renew	Five 5-Year Options
Base Term Rental Escalations	10% Every Five Years
Percentage Rent	No
Right of First Refusal	Yes

## ANNUALIZED OPERATING DATA

Annual Rent	\$131,839*
Rental Escalations	10% Every 5 Years
Average Cap Rate	8.22%

\* Final rent amount will be determined from final construction costs, not to exceed \$131,839

RENT SCHEDULE	ANNUAL RENT	MONTHLY RENT	CAP RATE
YEARS 1-5	\$ 131,839	\$ 10,987	5.75%
YEARS 6-10	\$ 145,023	\$ 12,085	6.33%
YEARS 11-15	\$ 159,525	\$ 13,294	6.96%
Option I Years 16-20	\$ 175,478	\$ 14,623	7.65%
Option II Years 21-25	\$ 193,025	\$ 16,085	8.42%
Option III Years 26-30	\$ 212,328	\$ 17,694	9.26%
Option IV Years 31-35	\$ 233,561	\$ 19,463	10.19%
Option V Year 36-40	\$ 256,917	\$ 21,410	11.21%



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## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present for sale this single-tenant, absolute triple-net lease Popeyes Louisiana Kitchen Restaurant investment opportunity located in Crestview, FL, part of the Panhandle's Gulf Coast region. The property consists of 1.07-acres improved with an approximately 2,265-square foot building. The newly constructed restaurant has a brand new 15-year lease in place with Sailormen, Inc, one of the largest domestic franchisees of Popeyes Louisiana Kitchen restaurants, currently operating 98 Popeyes in Florida and Georgia, with approximately eight to ten new restaurants being built every year. Annual base rent is set at \$131,839 with 10 percent rental increases every five years in the base term, as well as the five five-year renewal options.

The brand-new construction Popeyes is located right off Exit 56 on Interstate 10, the southernmost highway connecting all the Gulf Coast states. With outstanding traffic counts of approximately 52,000 cars per day, the subject property is surrounded by numerous national retailers including a number of new and reimaged hotels like the Baymont Inn, Hampton Inn, Holiday Inn, and restaurants such as Wendy's, Arby's, Zaxby's, Whataburger, Cracker Barrel, McDonald's, Panera Bread, Dunkin' Donuts and Starbucks. In addition, the property sits less than a mile away from a Walmart Supercenter located on the same retail corridor of South Ferdon Boulevard.

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**LARGEST  
FRANCHISEE IN THE  
SOUTHEAST**

**NO INCOME-TAX  
STATE OF FLORIDA**

**TRAFFIC COUNTS OF  
52,000 VPD**

**15-YEAR NNN LEASE**





## COMPANY OVERVIEW

### Sailormen, Inc.

Sailormen, Inc was founded in 1987 with 10 stores and grew to over 150 stores with over \$185MM in revenue in Florida, Georgia, Mississippi, Alabama and Louisiana. In 2018, Sailormen divested its stores in Mississippi, Alabama and Louisiana to concentrate on its new store development in both Florida and Georgia. Currently, Sailormen operates 94 Popeyes in Florida and Georgia with approximately 10 new stores slated to open by the end of 2018.

Sailormen is the recipient of numerous brand awards and its Executives participate on numerous Franchisee Committees including Marketing, Operations, Development and Technology. In addition to their success as a Popeyes franchisee, the longtime partners also own and operate over 50 Burger King and Taco Bell restaurants through affiliated companies and have numerous real estate holdings.

### Popeyes Louisiana Kitchen

Founded in New Orleans in 1972, Popeyes® has more than 40 years of history and culinary tradition. Popeyes distinguishes itself with a unique New Orleans style menu featuring spicy chicken, chicken tenders, fried shrimp and other regional items. The chain's passion for its Louisiana heritage and flavorful authentic food has allowed Popeyes to become one of the world's largest quick service restaurant chicken concepts with over 2,600 restaurants in the U.S. and around the world. In March 2017, Popeye's was acquired by Restaurant Brands International, Inc. (NYSE/TSX: QSR, TSX: QSP) the third largest operator of fast food restaurants in the world.

#### General Information

Tenant Name	Popeyes
Headquartered	Atlanta, GA
President	Alexandre de Jesus Santoro
Website	<a href="http://www.popeyes.com">www.popeyes.com</a>
Parent Company	Restaurant Brands International, Inc.
Credit Rating	B1

Stock Ticker	QSR
2016 Sales	\$18,209.2 MM
Current Price	\$62.18 as of 02/07/2019
52 Wk High/Low	\$65.17/\$50.20

#### Store Base

Store Count	20,351
No. of Employees	30,300
TTM Sales	\$4,145,800 B









# RETAIL AERIAL



(New Construction)



(New Construction)

John King Rd



52,000 VPD



S. Ferdon Boulevard



2,262 SF Building | Signalized Cross Access







# RETAIL AERIAL



Exit 56



(New Construction)



(New Construction)

S. Ferdon Boulevard

S. Ferdon Boulevard

52,000 VPD







## SUBJECT PROPERTY







## CRESTVIEW, FLORIDA

If one should wonder what has happened to make Crestview the thriving, friendly, fast growing city we know today, it might be said that it was a fabled fountain of gold or silver. In actuality, it was the dreams and visions of the staunch and sturdy few who were living here in 1915. These early residents realized the natural advantages offered at this particular site for the building of a city and they set out to provide the foundation for such an undertaking.

Crestview is located at the junction of three major highways; U.S. 90, State Road 85, and Interstate Highway 10, which resulted in its acclaimed designation as the "Hub City" of northwest Florida. The City is 50 miles east of Pensacola, 120 miles west of Tallahassee, and 30 miles inland from the beautiful Gulf of Mexico. Crestview's elevation of 235 feet above sea level places it as one of the highest points in the state. The city was designated as a Main Street Program Community in 1997 by the Florida Department of State.

The CSX, Inc. railroad runs through Crestview. Parallel with this railroad is the Old Spanish Trail which extends from Jacksonville west to El Paso, Texas, thus being one of the great truck lines of the country and rich in tradition and history of the Indian, French, Spanish and English settlers in this nation.

### POPULATION

#### 2021 Projection

3-MILE	5-MILES	10-MILES
25,710	42,425	60,489

#### 2016 Population

3-MILE	5-MILES	10-MILES
23,062	38,432	54,828



### INCOME

#### Average

3-MILE	5-MILES	10-MILES
\$68,154	\$65,847	\$65,270

#### Median

3-MILE	5-MILES	10-MILES
\$57,929	\$53,497	\$53,134



### HOUSEHOLDS

#### 2021 Projection

3-MILE	5-MILES	10-MILES
9,325	15,394	22,334

#### 2016 Estimate

3-MILE	5-MILES	10-MILES
8,174	13,649	19,807







## LOCATION OVERVIEW

# Florida Panhandle

White beaches, emerald green waters and deep-sea fishing draw millions of tourists to the Destin metro each year, supporting the local economy and job growth. Employment in the area is also underpinned by the U.S. Air Force, which controls Eglin Air Force Base and Hurlburt Field. The Destin metro encompasses all of Okaloosa and Walton counties in the Florida Panhandle. The city of Destin is roughly 160 miles west of Tallahassee and 50 miles east of Pensacola.

## METRO HIGHLIGHTS



### US AIRFORCE BASE

Approximately 21,000 civilian and military personnel are employed at Hurlburt Field and Eglin Air Force Base.



### GOVERNMENT CONTRACTORS

Lockheed Martin and Boeing are major employers in the area, supporting the Air Force's needs at the two installations.



### TOURISM INDUSTRY

Millions of visitors come to the metro every year to enjoy the warm weather, miles of white-sand beaches, outdoor activities and excellent deep-sea fishing, supporting local retail sales and employment.

## ECONOMY

- In Walton County, the tourism and hospitality industry comprises the greatest portion of the overall workforce, fueled by the allure of the Emerald Coast beaches.
- Several aerospace and defense contractors are in the region to support Air Force operations. Thousands of jobs have been created by companies such as Boeing, Lockheed Martin, BAE Systems, Reliance Test and Technology and L-3 Crestview Aerospace.
- One of the largest private sector employers in the region is Fort Walton Beach Medical Center, which employs more than 1,000 workers.



2017  
POPULATION:

**266K**

Growth  
2017-2022\*:

**7.3%**



2017  
HOUSEHOLDS:

**108K**

Growth  
2017-2022\*:

**9.1%**



2017  
MEDIAN AGE:

**38.5**



2017 MEDIAN  
HOUSEHOLD INCOME:

**\$55,100**





## LOCATION MAP



# Northwest Florida Gulf Coast



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# exclusive listing

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