

POPEYES

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

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1833 Kings Road, Jacksonville, FL 32209

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Investment Highlights

PRICE: \$1,247,086 | CAP: 5.25% | RENT: \$65,472

POPEYES

LOUISIANA KITCHEN

About the Investment

- ✓ Brand New 20-Year Lease Term
- ✓ Triple-Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Attractive Rental Increases of 1.75% Annually
- ✓ Four Tenant Renewal Options of Five Years Each

About the Location

- ✓ Dense Retail Corridor | Walgreens, Family Dollar, McDonald's, Burger King, Checkers, Advance Auto Parts, USPS, BP, Sunoco and Many More
- ✓ Heavily Trafficked Area | Positioned on Kings Road, an Access Road for Interstate-95 | 17,000 and 98,000 Vehicles Per Day, Respectively
- ✓ Very Robust Demographics | Approximately 13,000 Individuals within One Mile of the Subject Property
- ✓ Immediate Access to Healthcare | Less than Two Miles from UF Health Jacksonville | 695-Bed Facility
- ✓ Excellent Florida Real Estate | Approximately Two Miles Outside the Heart of Downtown Jacksonville | Most-Populous City in the State of Florida
- ✓ Compelling Business Incentives | Florida has No State Level Income Tax

About the Tenant / Brand

- ✓ Headquartered in Miami, FL | Sailormen, Inc. is One of the Largest Domestic Franchisees of Popeyes
- ✓ Strong Track Record With Proven Operational Expertise
- ✓ Operates 111 Locations throughout Seven States
- ✓ Popeyes is One of the World's Largest Quick Service Restaurant Concepts | More than 3,100 Units Worldwide | 99% Franchised





Financial Analysis

PRICE: \$1,247,086 | CAP: 5.25% | RENT: \$65,472

POPEYES

LOUISIANA KITCHEN

PROPERTY DESCRIPTION

Property	Popeyes Louisiana Kitchen
Property Address	1833 Kings Road
City, State ZIP	Jacksonville, FL 32209
Year Built/Remodeled	1979 / 2010
Building Size	2,220 SF
Lot Size	+/- 0.35 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$1,247,086
CAP Rate	5.25%
Annual Rent	\$65,472

LEASE SUMMARY

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	Sailormen, Inc. (111 Units)
Ownership	Private
Original Lease Term	20.0 Years
Lease Commencement	September 20, 2019
Lease Expiration	September 30, 2039
Lease Term Remaining	20.0 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.75% Annually
Options to Renew	Four (4), Five (5) Year Options

*Glen Kunofsky and other members of the selling entity, Exclusive Listing Agents, are part fee owners of this property. They are licensed real estate salespeople for Marcus and Millichap in the State of New York.

Rent Schedule

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$65,472	\$5,456	-
Year 2	\$66,618	\$5,551	1.75%
Year 3	\$67,784	\$5,649	1.75%
Year 4	\$68,970	\$5,747	1.75%
Year 5	\$70,177	\$5,848	1.75%
Year 6	\$71,405	\$5,950	1.75%
Year 7	\$72,654	\$6,055	1.75%
Year 8	\$73,926	\$6,160	1.75%
Year 9	\$75,220	\$6,268	1.75%
Year 10	\$76,536	\$6,378	1.75%
Year 11	\$77,875	\$6,490	1.75%
Year 12	\$79,238	\$6,603	1.75%
Year 13	\$80,625	\$6,719	1.75%
Year 14	\$82,036	\$6,836	1.75%
Year 15	\$83,471	\$6,956	1.75%
Year 16	\$84,932	\$7,078	1.75%
Year 17	\$86,418	\$7,202	1.75%
Year 18	\$87,931	\$7,328	1.75%
Year 19	\$89,470	\$7,456	1.75%
Year 20	\$91,035	\$7,586	1.75%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Popeyes located at 1833 Kings Road in Jacksonville, Florida. Built in 1979 and remodeled in 2010, the subject property consists of approximately 2,220 rentable square feet and is situated on approximately 0.35 acres of land. The property is subject to a brand-new, 20-year lease that will commence on September 20, 2019. The base rent will be \$65,472 and is scheduled to increase by One- and Three-Quarter percent (1.75%) annually, continuing throughout the remainder of the base term and each of the four (4), five (5)-year tenant renewal options.



Concept 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 September 3, 2019, Popeyes owned or franchised a total of 3,102 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 - ~99% 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

Sailormen, Inc.

Sailormen, Inc. was founded in 1987 when Robert Berg and Steve Wemple purchased 10 Popeye's restaurants in Miami, Florida. Since, the company has grown both organically and through acquisitions. Today, the company operates 111 stores throughout Florida, Georgia, Mississippi, Alabama, Illinois, Missouri and Louisiana, and has over \$185 million in revenue. Sailormen, Inc. operates as a subsidiary of Interfoods of America, Inc.



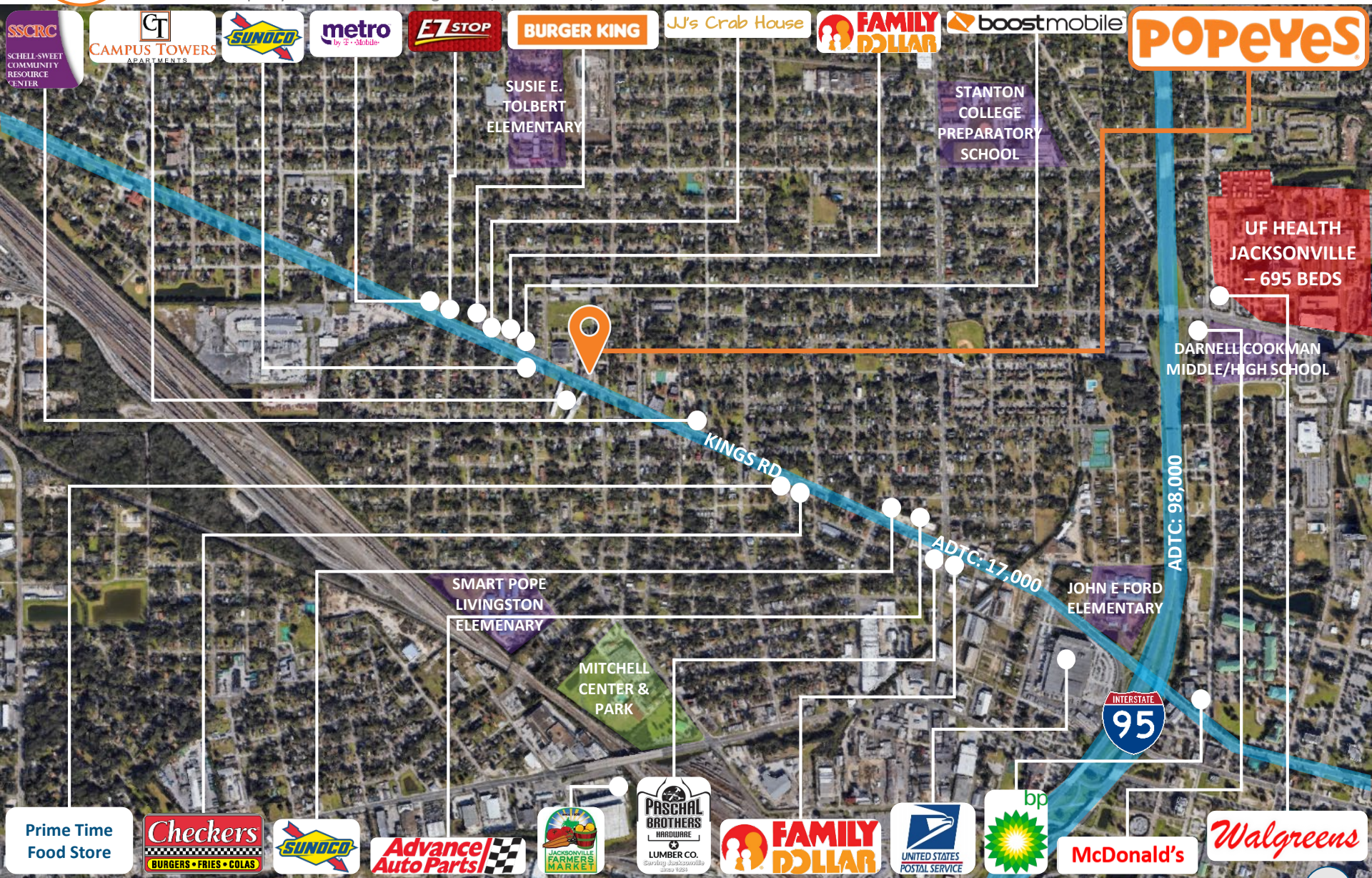
Surrounding Area

Property Address: 1833 Kings Road, Jacksonville, FL 32209

POPEYES

LOUISIANA KITCHEN

POPEYES



Popeyes – Jacksonville, FL

Marcus & Millichap

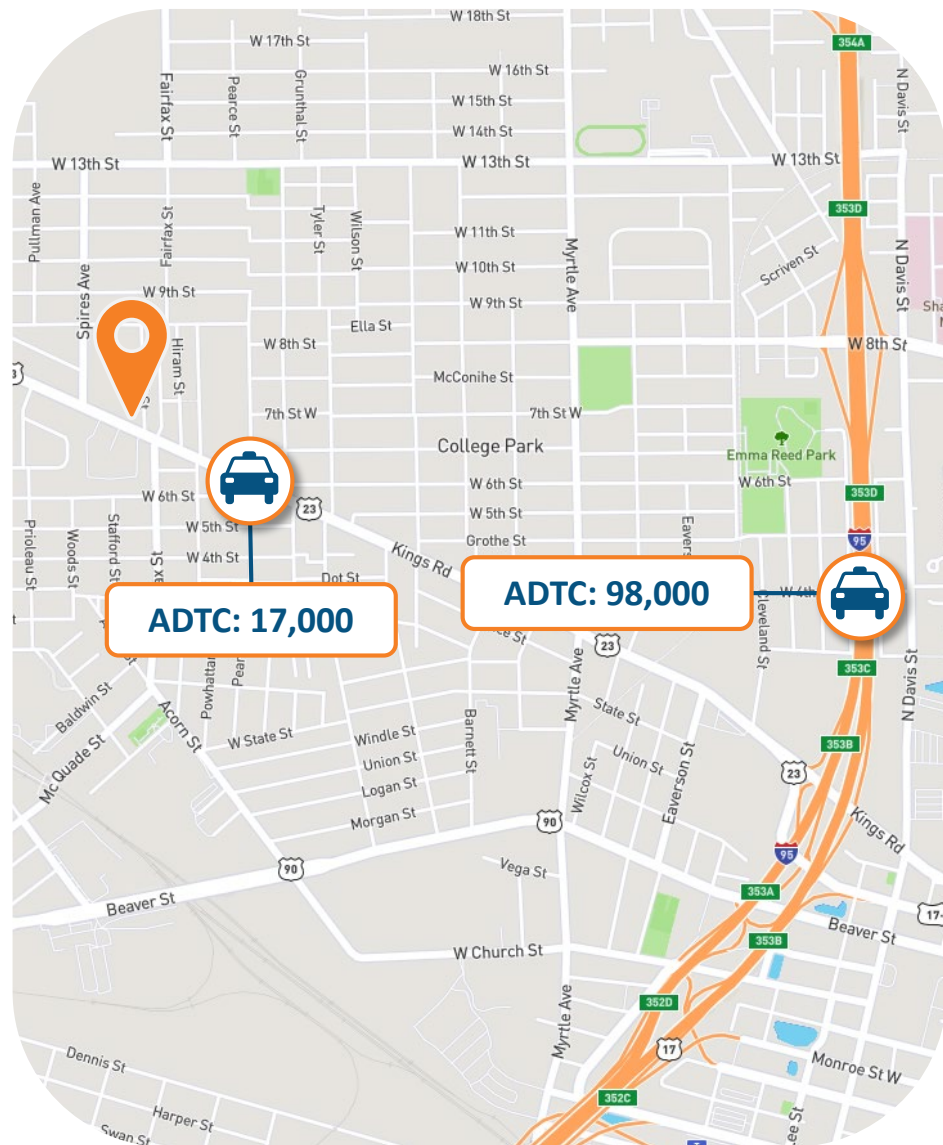


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This Popeyes benefits from being well-positioned in a dense retail corridor benefitting from its close proximity to several national and local tenants. Major national tenants include: Walgreens, Family Dollar, McDonald's, Burger King, Checkers, Advance Auto Parts, USPS, BP, Sunoco, and more. This Popeyes additionally benefits from being positioned within a two-mile radius of multiple academic institutions, including: Edward Waters College, Darnell Cookman Middle/High School, John E. Ford Elementary, Smart Pope Livingston Elementary, Stanton College Preparatory School and Susie E. Tolbert Elementary. Together, these schools boast a total combined enrollment exceeding 5,000 students. UF Health Jacksonville, a 695-bed medical facility, is also less than two miles from the subject property. This medical campus is home to North Florida's Level I trauma center and in 2018 was certified as a Comprehensive Stroke Center for its excellence in acute stroke care. Florida offers compelling business incentives with no state-level income tax.

POPeYES

LOUISIANA KITCHEN





Property Photos

Property Address: 1833 Kings Road, Jacksonville, FL 32209

POPEYES

LOUISIANA KITCHEN





Surrounding Area Photos

Property Address: 1833 Kings Road, Jacksonville, FL 32209

POPEYES

LOUISIANA KITCHEN



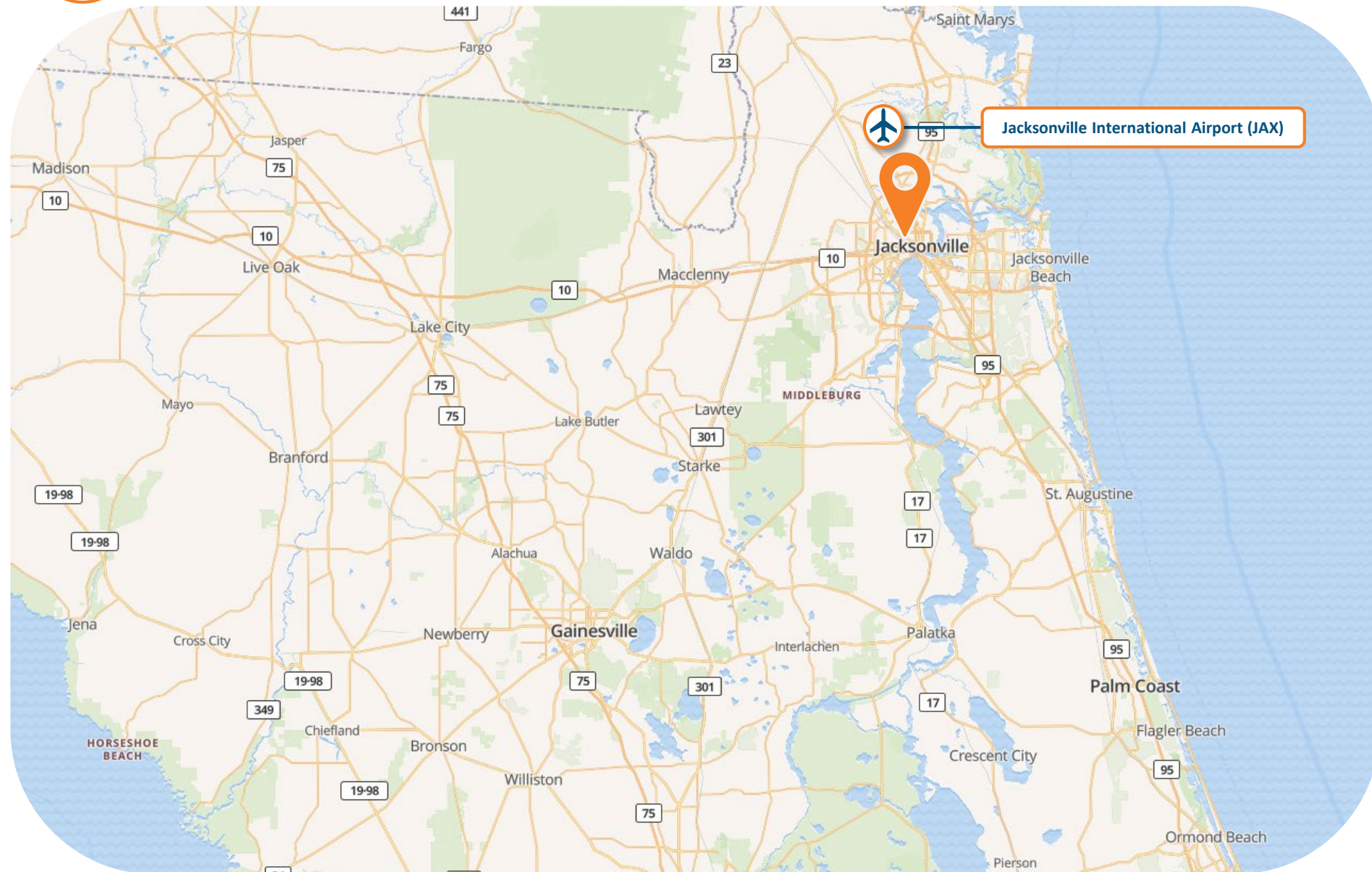


Local Map

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LOUISIANA KITCHEN



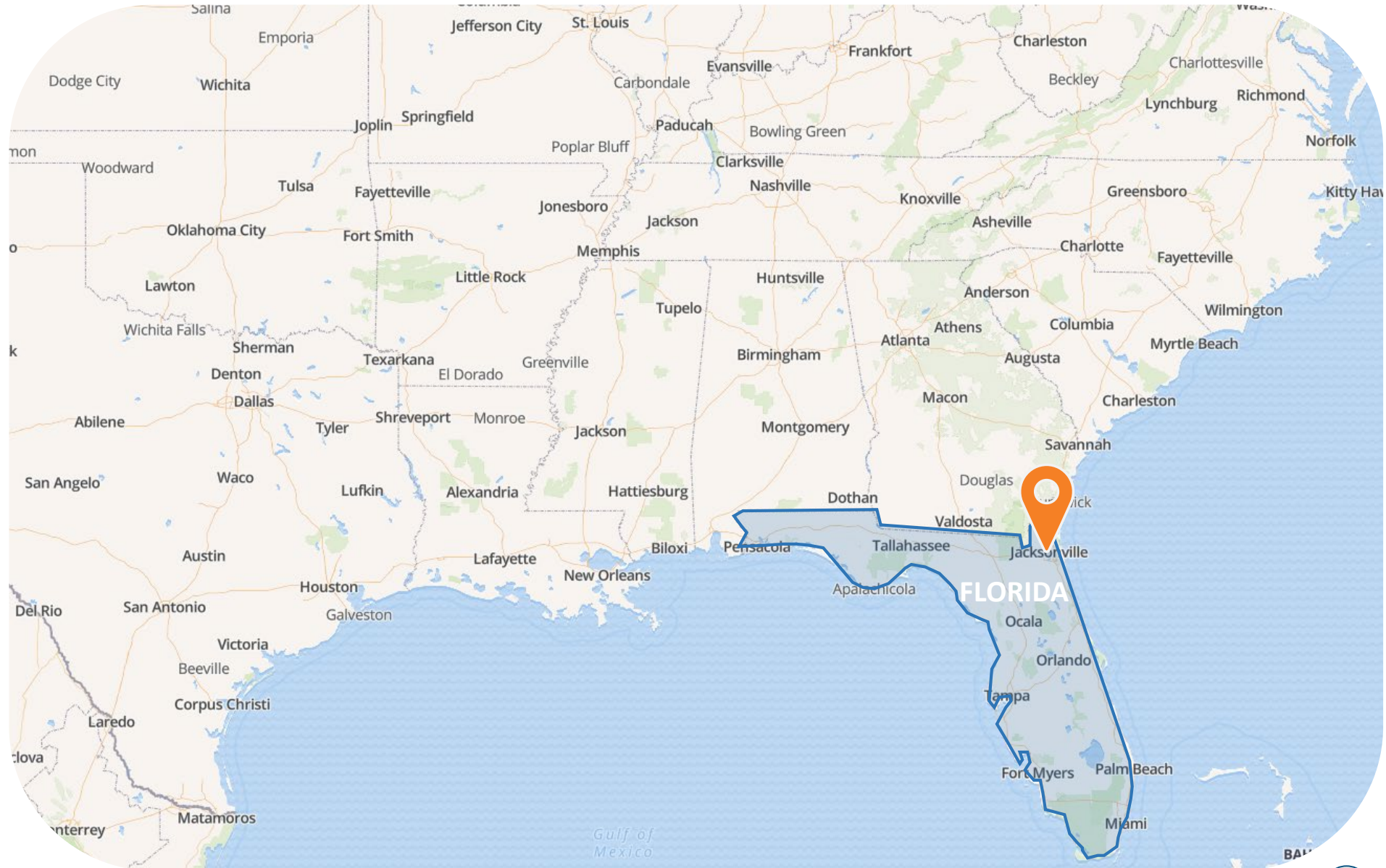


Regional Map

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LOUISIANA KITCHEN



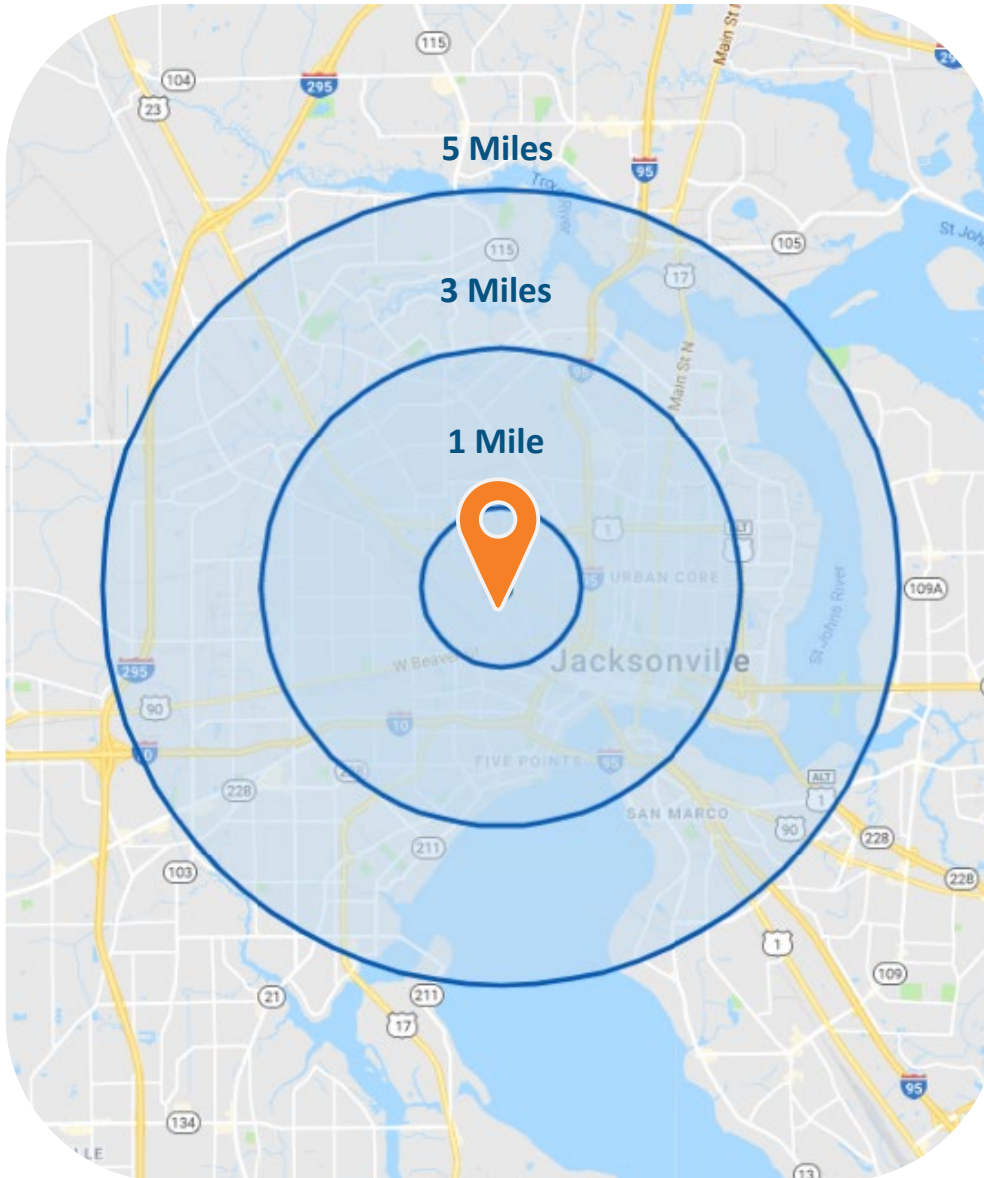


Demographics

Property Address: 1833 Kings Road, Jacksonville, FL 32209

POPEYES

LOUISIANA KITCHEN



POPULATION

	1 Mile	3 Miles	5 Miles
2023 Projection	12,482	88,509	173,073
2018 Estimate	13,169	90,607	175,218
2010 Census	12,829	86,928	168,085
2000 Census	15,769	95,000	180,078

INCOME

	1 Mile	3 Miles	5 Miles
Average	\$36,828	\$44,254	\$53,933
Median	\$24,121	\$27,227	\$34,359
Per Capita	\$14,805	\$18,720	\$22,423

HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2023 Projection	5,085	36,066	71,391
2018 Estimate	5,249	36,153	70,944
2010 Census	5,165	34,899	68,595
2000 Census	6,118	37,356	71,760

HOUSING

	1 Mile	3 Miles	5 Miles
2018	\$64,931	\$84,620	\$103,780

EMPLOYMENT

	1 Mile	3 Miles	5 Miles
2018 Daytime Population	17,188	207,881	327,835
2018 Unemployment	10.74%	8.89%	7.44%
2018 Median Time Traveled	27 Mins	26 Mins	25 Mins

RACE & ETHNICITY

	1 Mile	3 Miles	5 Miles
White	1.82%	23.36%	34.08%
Native American	0.00%	0.03%	0.04%
African American	96.77%	72.77%	60.78%
Asian/Pacific Islander	0.12%	0.87%	1.47%



Market Overview

City: Jacksonville | County: Duval | State: Florida

Jacksonville, Florida

Jacksonville has a young population and a strong, diversified economy. In 2017, Jacksonville had an estimated population of 892,062, ranking them as the twelfth largest city in the United States. Historically, military operations, sea trade, and paper manufacturing drove Jacksonville's expansion. Growing technical, manufacturing, service, and tourism industries have supplemented this foundation. The metro is home to three Fortune 500 companies: Fidelity National Information Services, Fidelity National Financial, and CSX. The city has developed a large financial services sector, led by Bank of America, Fidelity National, and Citibank. Jacksonville's emerging industrial base is centered largely around medical product research and manufacturing. More than 8 million tons of cargo pass through Jacksonville's port each year, and the development of cruise ship service will promote further expansion. Jacksonville's riverine location facilitates Naval Station Mayport, Naval Air Station Jacksonville, and the U.S. Marine Corps Blount Island Command. Jacksonville's military bases and the nearby Naval Submarine Base, Kings Bay, form the third largest military presence in the United States.

Warm weather and sunshine attract many to communities such as Atlantic Beach, Neptune Beach and Jacksonville Beach. Sport fishing, golf, and tennis are among the most popular recreational activities. Others take advantage of attractions like the Museum of Science & History, the Cummer Museum of Art, the Mandarin Museum & Historical Society, and the Museum of Contemporary Art Jacksonville. Additional sites of interest include the home of the Jacksonville Jaguars, TIAA Bank Field, and the Jacksonville Zoo, as well as the Jacksonville Landings, a mix of retail and restaurants along the St. Johns River. For those visiting Jacksonville, the Jacksonville International Airport is one option of arrival. The airport served approximately 6 million passengers in 2017.

Major Employers

Employer	Estimated # of Employees
Baptist Health System Foundation, Inc.	7,200
Fis	5,200
Black Knight Financial Services, LLC	4,233
Servicelink	3,796
Wolfson Childrens Hospital	3,578
Baptist Medical Center	3,007
Jacksonville Sheriff's Office	3,000
University Health Groups	2,999
Black Knight Financial Services	2,920
Alfa Smartparks, Inc.	2,500
Jacksonville Electric Authority	2,317



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