

POPEYES

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM

POPEYES

301 N Enterprise Blvd, Lake Charles, LA 70601

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The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

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All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

The Popeyes logo is displayed in a bold, orange, sans-serif font. The letters are thick and closely spaced, with a registered trademark symbol (®) at the end of the word.

301 N Enterprise Blvd
Lake Charles, LA 70601

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POPEYES





Investment Highlights

PRICE: \$1,938,533 | CAP: 5.25% | RENT: \$101,773

POPEYES

About the Investment

- ✓ Brand New 25-Year Triple Net (NNN) With Zero Landlord Responsibilities
- ✓ Attractive Rental Increases of 1.75% Annually Starting in January 2027
- ✓ Two (2) Tenant Renewal Period of Five (5) Years
- ✓ Strong Brand Recognition | Experienced Operator | 63-Units Within Louisiana

About the Location

- ✓ Heavily Trafficked Area | I-10 and Broad Street | Approximately 46,000 and 11,000 Vehicles Per Day, Respectively
- ✓ Strong Demographics | More than 162,000 Individuals Reside within a 10-Mile Radius of the Site
- ✓ Compelling Location Fundamentals | Located right off I-10 as the First Restaurant Travelers Will See When they Exit
- ✓ Positive Real Estate Fundamentals | Located Less Than Three Miles from the Lake Charles Central Business District

About the Tenant / Brand

- ✓ Founded in New Orleans, Louisiana in 1972, Popeyes® Louisiana Kitchen is the world's second largest quick-service chicken restaurant, based on the number of units with approximately 3,100 locations around the world.
- ✓ Popeyes was acquired on March 27, 2017 for a total consideration of \$1.7 billion by Restaurant Brands International (NYSE: QSR).
- ✓ SRG PLK OpCo, LLC, d/b/a High Noon Restaurant Group | Successful Operator | 63-Unit Guarantee
- ✓ The Company's growth strategy is multifaceted and organic growth initiatives are augmented by whitespace for greenfielding new stores and a robust M&A pipeline.





Financial Analysis

PRICE: \$1,938,533 | CAP: 5.25% | RENT: \$101,773

POPEYES

PROPERTY DESCRIPTION	
Property	Popeyes
Property Address	301 N Enterprise Blvd
City, State, ZIP	Lake Charles, LA 70601
Year Built / Renovated	1980
Estimated Building Size	1,454
Lot Size	+/- 0.40
Type of Ownership	Fee Simple

THE OFFERING	
Purchase Price	\$1,938,533
CAP Rate	5.25%
Annual Rent	\$101,773

LEASE SUMMARY	
Property Type	Net Leased Quick-Service Restaurant
Tenant / Guarantor	SRG PLK OpCo, LLC (63 Units) d/b/a High Noon Restaurant Group,
Original Lease Term	25 Years
Lease Commencement	December 31, 2020
Lease Expiration	December 31, 2045
Lease Term Remaining	25 Years
Lease Type	Triple Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.75% Annually Starting in January 2027
Options to Renew	Two (2), Five (5)-Year Options

*Glen Kunofsky, Nico DePaul, and other members of the selling entity, Exclusive Listing Agents, are minority 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 (%)
12/31/2020 - 12/31/2026	\$101,773	\$8,481	-
1/1/2027 - 12/31/2027	\$103,554	\$8,630	1.75%
1/1/2028 - 12/31/2028	\$105,366	\$8,781	1.75%
1/1/2029 - 12/31/2029	\$107,210	\$8,934	1.75%
1/1/2030 - 12/31/2030	\$109,086	\$9,091	1.75%
1/1/2031 - 12/31/2031	\$110,995	\$9,250	1.75%
1/1/2032 - 12/31/2032	\$112,938	\$9,411	1.75%
1/1/2033 - 12/31/2033	\$114,914	\$9,576	1.75%
1/1/2034 - 12/31/2034	\$116,925	\$9,744	1.75%
1/1/2035 - 12/31/2035	\$118,971	\$9,914	1.75%
1/1/2036 - 12/31/2036	\$121,053	\$10,088	1.75%
1/1/2037 - 12/31/2037	\$123,172	\$10,264	1.75%
1/1/2038 - 12/31/2038	\$125,327	\$10,444	1.75%
1/1/2039 - 12/31/2039	\$127,521	\$10,627	1.75%
1/1/2040 - 12/31/2040	\$129,752	\$10,813	1.75%
1/1/2041 - 12/31/2041	\$132,023	\$11,002	1.75%
1/1/2042 - 12/31/2042	\$134,333	\$11,194	1.75%
1/1/2043 - 12/31/2043	\$136,684	\$11,390	1.75%
1/1/2044 - 12/31/2044	\$139,076	\$11,590	1.75%
1/1/2045 - 12/31/2045	\$141,510	\$11,792	1.75%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for 301 N Enterprise Blvd, Lake Charles, LA. This Popeyes is subject to a brand new 25-year triple-net (NNN) lease, which commenced on December 31st, 2020. The base annual rent is \$101,773 and will be subject to 1.75% annual rental escalations starting in January 2027, continuing throughout the base term and in each of the two, five-year tenant renewal option periods. The lease will be guaranteed by *SRG PLK OpCo, LLC, d/b/a High Noon Restaurant Group*, which operates 63 locations throughout Louisiana. The property is roughly 1,454 rentable square feet and is situated on an approximately .40 acre parcel.



Tenant Overview

POPEYES

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, 2018, 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
- Introduced the viral Chicken Sandwich product in 2019, which has proven to be one of the most successful QSR product launches ever and introduced the brand to new customer demographics
- This site is located in the birthplace of the Popeyes brand where customer awareness is strong
- Unique, Highly-Differentiated Brand - Internationally-recognized Louisiana heritage since 1972
- Popeyes has seen strong same-store sales growth through the COVID-19 pandemic, driven by a focus on off-premise dining and strong value proposition position
- Highly-Attractive Unit Economics -> \$1.6mm ARS and strong franchisee EBITDA margins
- 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

High Noon Restaurant Group

- Led by highly successful restaurateur David Damato
- Currently VP of Operations of an organization with 175 QSR locations which includes 142 Popeyes, 28 Arby's, 5 Taco Bells across 14 states
- Rapidly expanding group that acquired an additional 10 Popeyes sites in 2020 with plans for continued growth
- Current portfolio is upwards of \$240M in annual revenue, on pace to break \$300M in 2020
- David has a long and accomplished history as a successful operations manager
 - 2017 Franchisee of the Year, Runner Up
 - Two-Time Silver Plate Award Winner
 - Two-Time Bronze Plate Award Winner
 - Two-Time Developer of the Year
- Four consecutive years of positive same store sales, outperforming the Popeyes system by 2% or more each year



Surrounding Area

Property Address: 301 N Enterprise Blvd, Lake Charles, LA 70601

POPEYES

POPEYES



N ENTERPRISE BLVD

ADTC: 9,646

Balls
FRIED CHICK-N



DOLLAR GENERAL

Save time. Save money. Every day!

BROAD ST

ADTC: 11,691

SPICE'S CAJUN
DRIVE THRU
CUSINE

REYNAUD MIDDLE
SCHOOL



FAMILY DOLLAR
my family, my family dollar





Location Overview

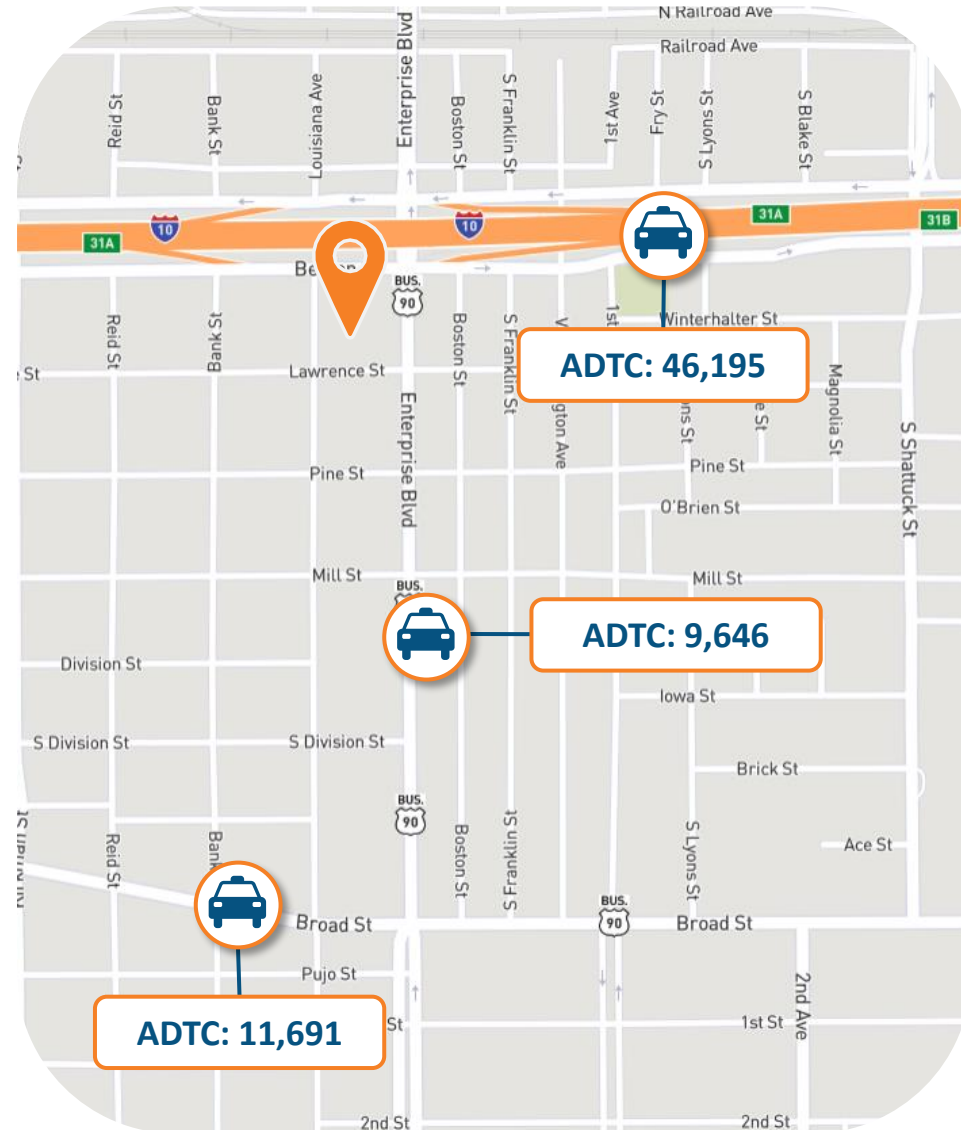
Property Address: 301 N Enterprise Blvd, Lake Charles, LA 70601

POPEYES

This subject investment property is a Popeyes situated on N Enterprise Boulevard right off I-10. N Enterprise Boulevard experiences average daily traffic counts of approximately 9,646 vehicles per day and I-10 brings an additional 46,195 vehicles into the immediate area daily. N Enterprise boulevard intersects with Broad Street which boasts traffic counts of 11,691 vehicles per day. There are approximately 81,666 individuals residing within a five-mile radius of the subject property and 162,000 individuals within a ten-mile radius.

This Popeyes property is strategically situated in a residential neighborhood just outside the Central Business District in Lake Charles. Right off I-10 the subject property benefits from being the first restaurant people will see when they exit. Major national tenants in the surrounding area include Valero, Dollar General, Shell, Family Dollar, Dollar Tree, Metro by T-Mobile, as well as others. The subject property benefits from its central location around multiple academic institutions. Most notable is St. Louis Catholic High School where over 600 students are enrolled. The subject property is located just under three miles from CHRISTUS Ochsner St. Patrick Hospital, a 148-bed facility that serves the community of Lake Charles.

Lake Charles is the fifth-largest incorporated city in the U.S. state of Louisiana, located on Lake Charles, Prien Lake, and the Calcasieu River. Founded in 1861 in Calcasieu Parish, it is a major industrial, cultural, and educational center in the southwest region of the state. Several petrochemical plants and an oil refinery are located nearby along the Calcasieu Ship Channel. Turner Industries, Westlake Chemical Corporation, and Citgo each employ over a thousand people. The Trunkline LNG terminal, immediately southwest of Lake Charles, is one of the United States' few liquified natural gas terminals. It has facilities for LNG receipt, storage, and re-gasification. Other industrial companies include PPG Industries, Phillips 66, Sasol, and W. R. Grace. Local industry also includes a number of manufacturing companies. With small businesses, big box stores, and a regional mall, Lake Charles serves as the shopping and retail hub of the five-parish area. Prien Lake Mall, which serves nearly 300,000 people is anchored by three department stores: Dillard's, Kohl's, and JCPenney.





POPEYES.





Regional Map

POPEYES.

Property Address: 301 N Enterprise Blvd, Lake Charles, LA 70601

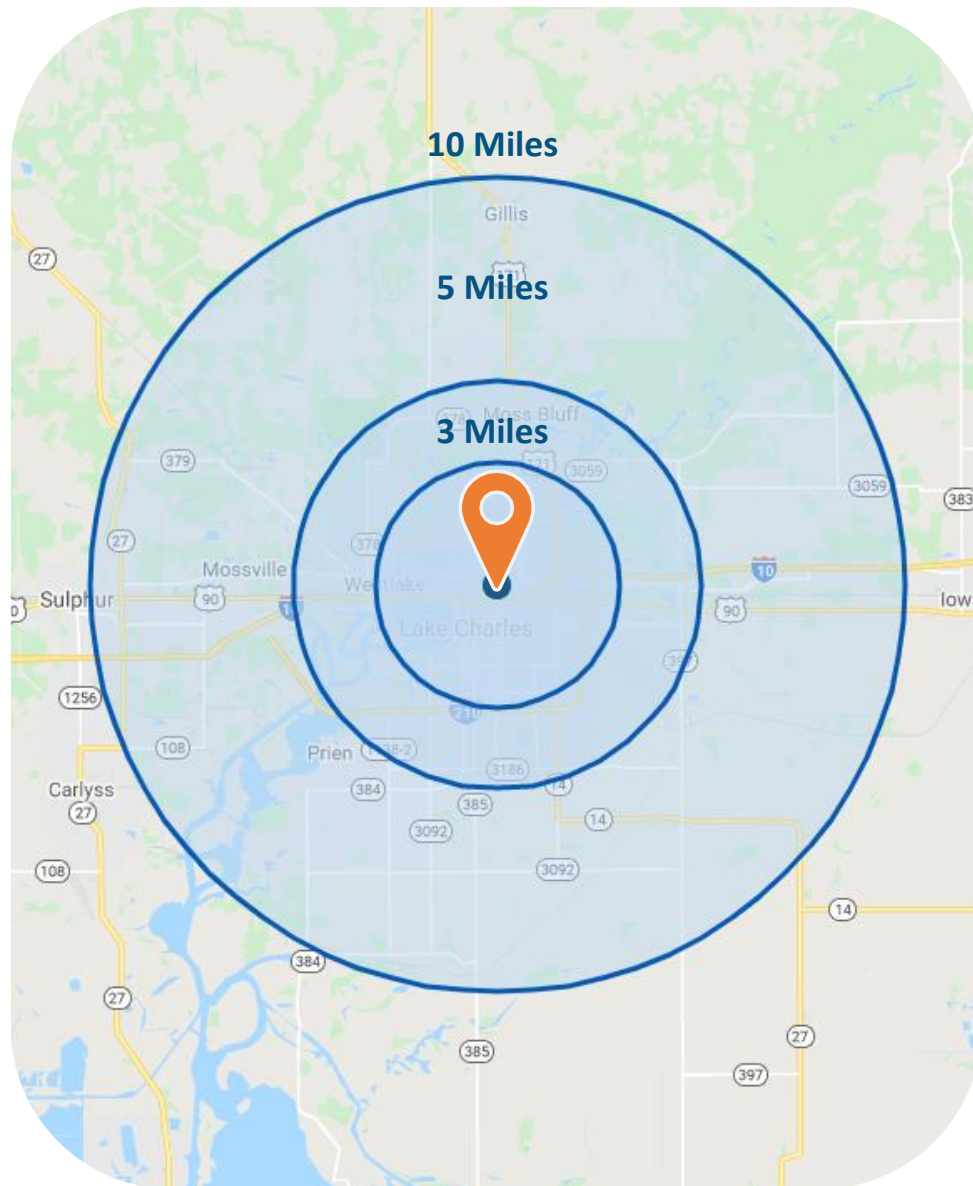




Demographics

Property Address: 301 N Enterprise Blvd, Lake Charles, LA 70601

POPEYES



	3 Miles	5 Miles	10 Miles
POPULATION			
2025 Projection	40,725	85,468	173,870
2020 Estimate	39,034	81,666	162,816
2010 Census	37,510	77,930	150,075
2000 Census	41,551	80,184	142,735
INCOME			
Average	\$53,798	\$64,973	\$78,264
Median	\$33,738	\$41,936	\$54,811
Per Capita	\$22,071	\$25,938	\$30,353
HOUSEHOLDS			
2025 Projection	16,646	33,957	67,604
2020 Estimate	15,781	32,090	62,661
2010 Census	15,162	30,640	57,877
2000 Census	16,089	30,990	53,612
HOUSING			
2020	\$108,700	\$138,441	\$159,638
EMPLOYMENT			
2020 Daytime Population	52,110	105,630	177,485
2020 Unemployment	5.42%	5.02%	3.95%
2020 Median Time Traveled	19 Mins	19 Mins	21 Mins
RACE & ETHNICITY			
White	28.86%	46.07%	64.07%
Native American	0.01%	0.03%	0.05%
African American	66.12%	48.03%	29.95%
Asian/Pacific Islander	0.56%	1.24%	1.60%



Market Overview

City: Lake Charles | County: Calcasieu | State: Louisiana

POPEYES

Lafayette is the seat of the centrally-located parish (county) of Lafayette, which serves as an economic center of South Louisiana. The region's legendary joie de vivre and Cajun and Creole cultures are known around the globe, creating a unique environment for work and play. Lafayette is home to a world-class workforce, an integrated transportation network, a diversified business base, preeminent high-tech infrastructure and a metropolitan appeal. With this foundation, Lafayette Parish is able to foster an economy that supports a growing population and diverse industry sectors.

The intersection of Interstates 10 and 49 is a strategic advantage in transportation and accessibility into and out of the parish. Additionally, Lafayette can easily be reached by the Union Pacific and Burlington Northern Santa Fe Railways, the Lafayette Regional Airport and the Intercoastal Waterway. The Ports of West St. Mary, Vermilion, Iberia, Greater Baton Rouge and the Twin Parish Port are also within 50 miles of Lafayette.

Federal, State and local government provides an assortment of business incentives that are available to incoming companies and to those existing within Lafayette Parish. Financing assistance, tax abatements and training programs are a few examples of the benefits available.

The Lafayette MSA has a civilian labor force of nearly 210,000 individuals. A highly educated workforce is emerging as more students are enrolling and graduating from the local university and community college. Local businesses are also taking advantage of development and training programs to educate and enhance the skills of their new and existing employees.

Lafayette has diversified by positioning itself as a medical, transportation, finance, technology, entertainment, education and retail hub. The business base of the parish includes energy services, manufacturing, health care, transportation and distribution, education, information technology, finance, tourism and other service-related industries.

The region's legendary joie de vivre and Cajun and Creole culture are known around the globe, creating a unique environment for work and play. Local museums, community events, and festivals provide modern-day arts and culture with a southern flair. The subtropical climate of the "Sportsman's Paradise" is enjoyable in nearly 40 parks and recreational facilities around Lafayette Parish. Lafayette serves as a hospitable, safe and family-friendly center for retail, education, recreation and health care.



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