

# POPEYES

EXCLUSIVE NET-LEASE OFFERING



# OFFERING MEMORANDUM

**POPEYES**

421 N Pine Street, DeRidder, LA 70634

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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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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

properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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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.

421 N Pine Street  
DeRidder, LA 70634



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**POPEYES**





# Investment Highlights

PRICE: \$3,522,514 | CAP: 5.25% | RENT: \$184,932

**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

- ✓ Dense Retail Corridor | Walmart, Tractor Supply Company, Best Western, Sears Hometown Store, Walgreens, McDonald's, Burger King, Wendy's, Dollar Tree, Dollar General, Save-A-Lot and Many More
- ✓ Growing Population | 15% Increase in Population Since 2000 | Projected to Continue Growing
- ✓ Affluent Suburban Community | Average Income Exceeds \$71,000 Within a Three-Mile Radius | 18% Higher than the State Average
- ✓ Strong Academic Area | Four Schools Within a Two-Mile Radius | Combined Enrollment Exceeds 2,200 Students
- ✓ Immediate Access to Healthcare | Less Than One Mile From Beauregard Health System Hospital

## 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: \$3,522,514 | CAP: 5.25% | RENT: \$184,932

**POPEYES.**

## PROPERTY DESCRIPTION

Property	Popeyes
Property Address	421 N Pine Street
City, State, ZIP	DeRidder, LA 70634
Year Built / Renovated	1984
Estimated Building Size	2,161
Lot Size	+/- 0.54
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$3,522,514
CAP Rate	5.25%
Annual Rent	\$184,932

## 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	\$184,932	\$15,411	-
1/1/2027 - 12/31/2027	\$188,168	\$15,681	1.75%
1/1/2028 - 12/31/2028	\$191,461	\$15,955	1.75%
1/1/2029 - 12/31/2029	\$194,812	\$16,234	1.75%
1/1/2030 - 12/31/2030	\$198,221	\$16,518	1.75%
1/1/2031 - 12/31/2031	\$201,690	\$16,807	1.75%
1/1/2032 - 12/31/2032	\$205,219	\$17,102	1.75%
1/1/2033 - 12/31/2033	\$208,811	\$17,401	1.75%
1/1/2034 - 12/31/2034	\$212,465	\$17,705	1.75%
1/1/2035 - 12/31/2035	\$216,183	\$18,015	1.75%
1/1/2036 - 12/31/2036	\$219,966	\$18,331	1.75%
1/1/2037 - 12/31/2037	\$223,816	\$18,651	1.75%
1/1/2038 - 12/31/2038	\$227,733	\$18,978	1.75%
1/1/2039 - 12/31/2039	\$231,718	\$19,310	1.75%
1/1/2040 - 12/31/2040	\$235,773	\$19,648	1.75%
1/1/2041 - 12/31/2041	\$239,899	\$19,992	1.75%
1/1/2042 - 12/31/2042	\$244,097	\$20,341	1.75%
1/1/2043 - 12/31/2043	\$248,369	\$20,697	1.75%
1/1/2044 - 12/31/2044	\$252,715	\$21,060	1.75%
1/1/2045 - 12/31/2045	\$257,138	\$21,428	1.75%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for 421 North Pine Street in DeRidder, 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 \$184,932 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 is guaranteed by *SRG PLK OpCo, LLC, d/b/a High Noon Restaurant Group*, which operates 63 locations throughout Louisiana. The property is roughly 2,161 rentable square feet and is situated on an approximately .54 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

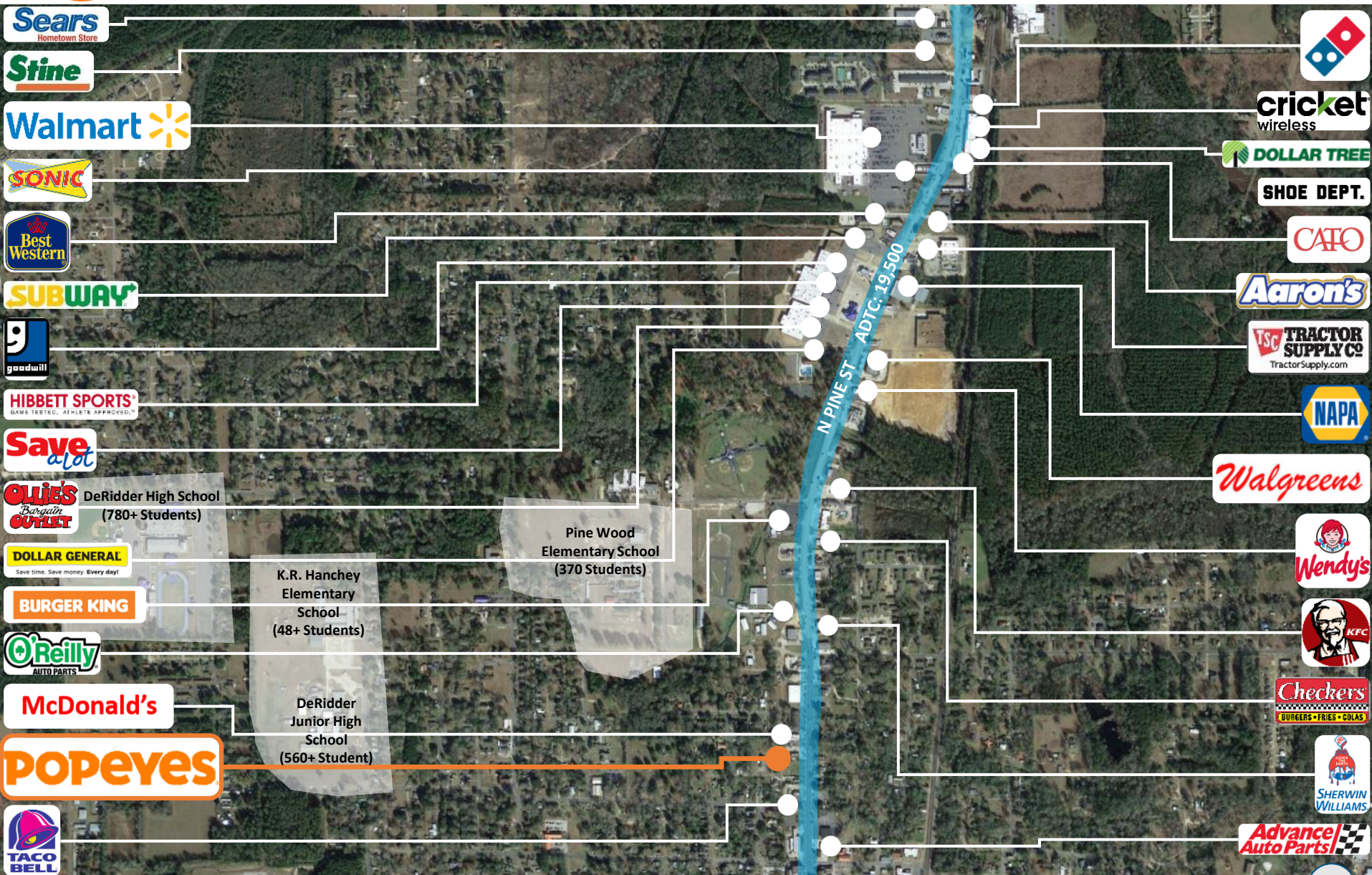




# Surrounding Area

Property Address: 421 N Pine Street, DeRidder, LA 70634

# POPEYES







# Location Overview

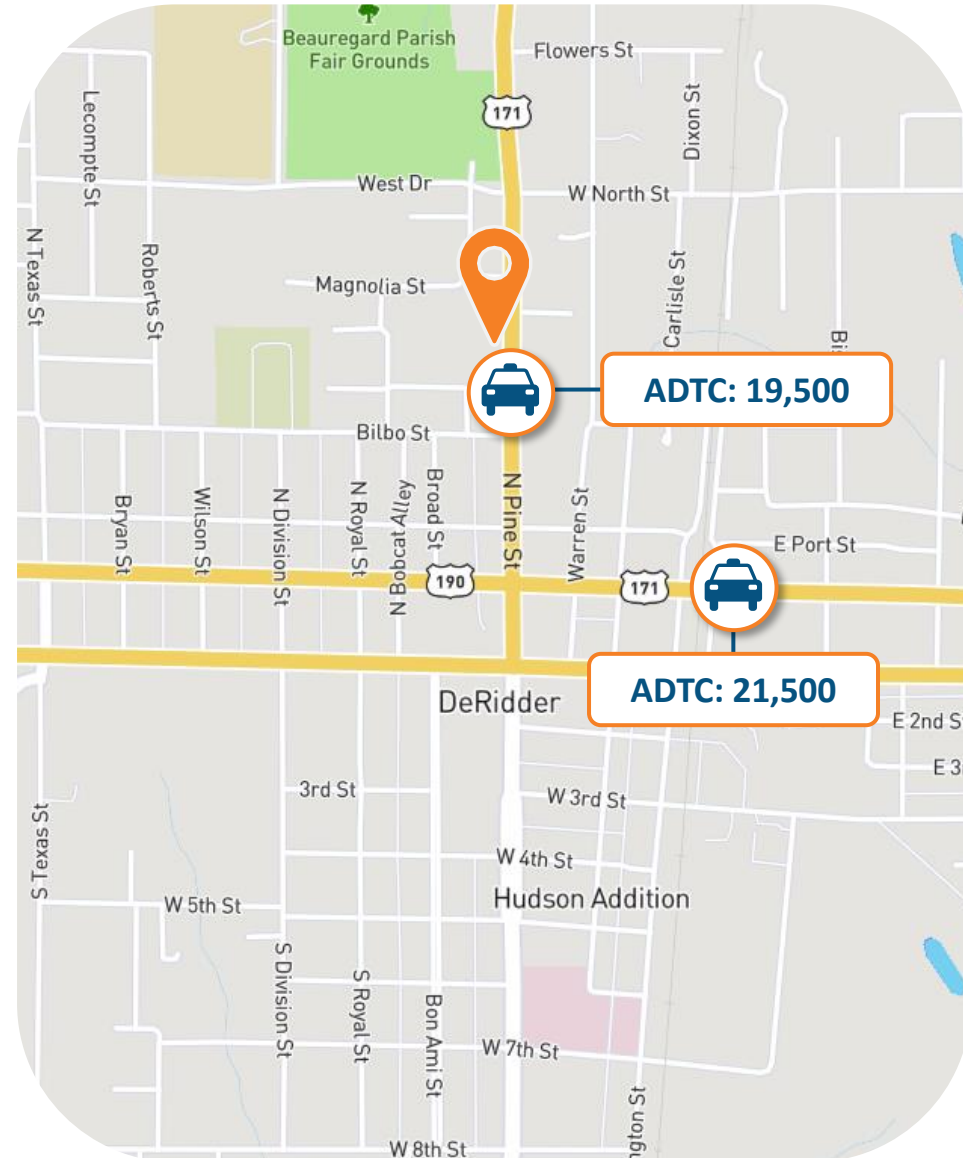
Property Address: 421 N Pine Street, DeRidder, LA 70634

**POPEYES**

This subject investment property is a Popeyes situated on North Pine Street in DeRidder, Louisiana. North Pine Street experiences an average traffic count of 19,500 vehicles per day. North Pine Street intersects with U.S. Highway 171, which brings an additional 21,500 vehicles into the immediate area every day. There are more than 18,500 individuals that reside within a five-mile radius of the subject property and more than 26,000 individuals that reside within a ten-mile radius. The average income within a three-mile radius is greater than \$71,000, which is 18% higher than the state average.

This Popeyes property is strategically situated in a highly dense retail corridor that benefits from its proximity to numerous local and national retailers, academic institutions, healthcare facilities and shopping centers. Major national tenants in the immediate area include Walmart, Tractor Supply Company, Best Western, Sears Hometown Store, Walgreens, McDonald's, Burger King, Wendy's, Dollar Tree, Dollar General, Save-A-Lot, in addition to many others. The subject property also benefits from being located in close proximity to several schools. There are four schools within a two-mile radius of the property. The four schools have a combined enrollment greater than 2,200 students. Additionally, the subject property benefits from its immediate access to healthcare. The property is less than one mile from Beauregard Health System Hospital. The state-of-the-art facility has 49 staffed beds. Furthermore, this Popeyes is located less than one mile from Beauregard Parish Fair Grounds.

Travel the four-land U.S. 171 north from Lake Charles and mile-after-mile, the landscape will unravel into what can best be describes as "God's Country." Beauregard Parish has sprawling pine forests and abundant natural resources. For many years, "Beautiful, Bountiful, Beauregard" was the used by parish officials to lure business investors and visitors alike. Today, this can still be applied. The parish's best natural resources, however, is its people. The parish's heritage traces back to the timber and sawmill industries that were powered by hard-working individuals who carved a way of like out of the rugged West Central Louisiana. Today, the people are still hard-working and are prideful to call Beauregard Parish home because of the sense of community they find there. The citizens are hospitable, patriotic and frequently pull together to help their own. The area has also been home to Fort Polk, a U.S. Army installation, since 1941. Countless soldiers and their families have called DeRidder home for eight decades. Some choose to remain there at the conclusion of their military service, which is a true testament to the area. Beauregard Parish is home to such industries as paper, plastics, and chemical production as well as insurance providers. It is a transportation link between air and ground, intersected by major U.S. Highways 171 and 190. Also, Beauregard Regional Airport has the largest landing area in the state.



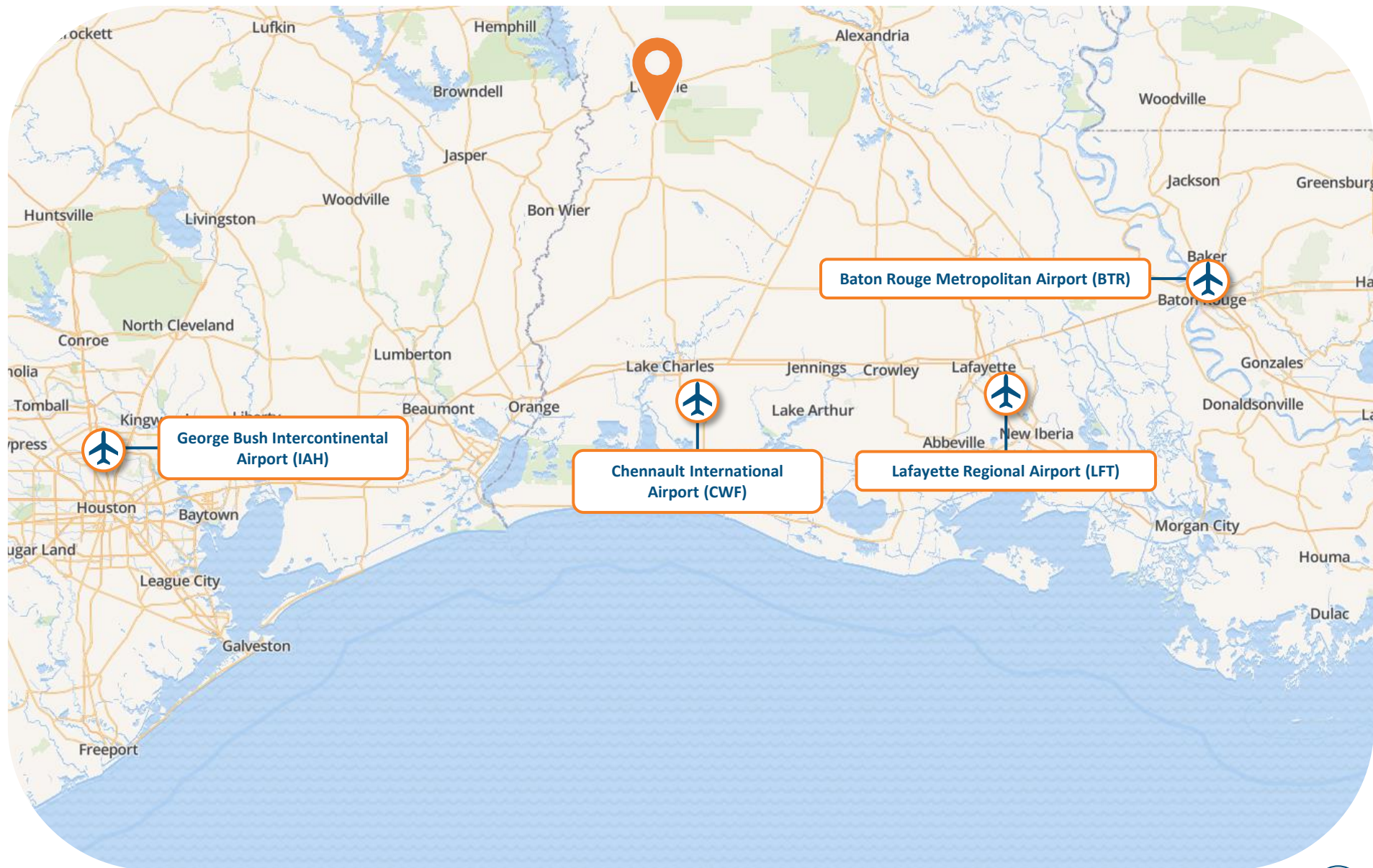




# Local Map

**POPEYES.**

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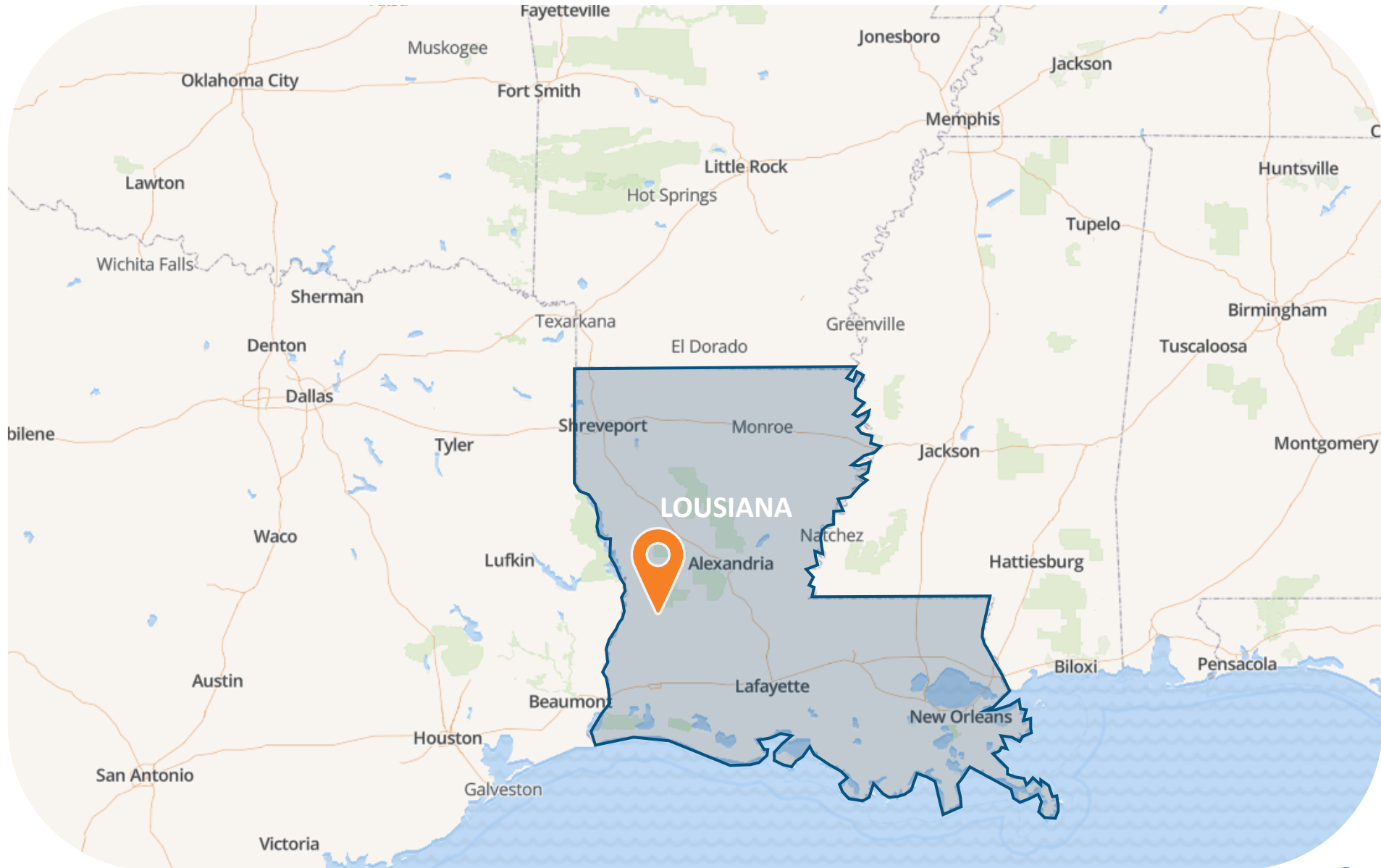




# Regional Map

**POPEYES.**

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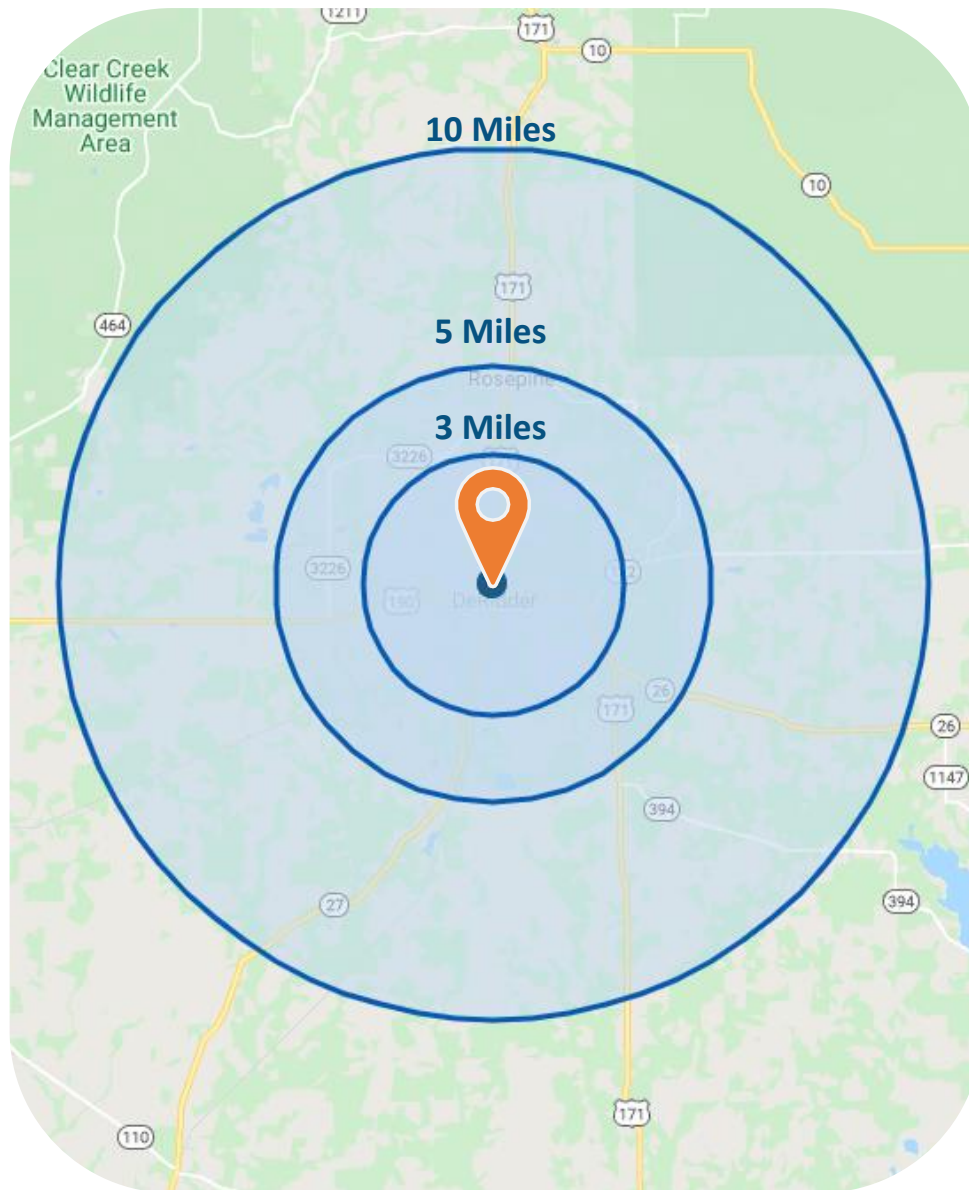




# Demographics

Property Address: 421 N Pine Street, DeRidder, LA 70634

**POPEYES**



	3 Miles	5 Miles	10 Miles
<b>POPULATION</b>			
2025 Projection	14,169	19,729	27,653
2020 Estimate	13,531	18,761	26,261
2010 Census	12,751	17,691	24,859
2000 Census	11,997	16,298	22,680
<b>INCOME</b>			
Average	\$71,896	\$69,341	\$68,444
Median	\$54,370	\$52,666	\$52,518
Per Capita	\$28,134	\$27,076	\$25,974
<b>HOUSEHOLDS</b>			
2025 Projection	5,530	7,688	10,480
2020 Estimate	5,248	7,263	9,891
2010 Census	4,973	6,888	9,426
2000 Census	4,657	6,314	8,532
<b>HOUSING</b>			
2020	\$135,701	\$130,600	\$126,431
<b>EMPLOYMENT</b>			
2020 Daytime Population	13,761	17,498	22,958
2020 Unemployment	5.58%	5.22%	5.02%
2020 Median Time Traveled	23 Mins	24 Mins	26 Mins
<b>RACE &amp; ETHNICITY</b>			
White	67.32%	71.24%	76.14%
Native American	0.17%	0.14%	0.13%
African American	25.18%	21.12%	16.44%
Asian/Pacific Islander	1.35%	1.29%	1.16%



# Market Overview

City: DeRidder | County: Beauregard | 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.

*Lafayette, LA*



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# POPEYES<sup>®</sup>

## Marcus & Millichap

### EXCLUSIVE NET LEASE OFFERING



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