

# POPEYES

EXCLUSIVE NET-LEASE OFFERING



# OFFERING MEMORANDUM

**POPEYES**

1601 Sampson Street, Westlake, LA 70669

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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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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 letter 'P' is significantly larger than the other letters, and the 'y' has a long, curved tail. A small registered trademark symbol (®) is located at the end of the word.

1601 Sampson Street  
Westlake, LA 70669



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**POPEYES**





# Investment Highlights

PRICE: \$2,464,692 | CAP: 5.35% | RENT: \$131,861

**POPEYES**

## About the Investment

- ✓ Approximately 24-Years Remaining on an Original 25-Year Absolute Triple Net (NNN) Lease 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 | Burger King, Dollar General, McDonald's, Subway, O'Reilly Auto Parts, Texaco, La Quinta Inn & Suites and Many More
- ✓ Heavily Trafficked Area | 20,000 Vehicles Per Day Along Sampson Street
- ✓ Strong Demographics | More than 173,000 Individuals Reside within a Ten-Mile Radius of the Site
- ✓ Affluent Suburban Community | Average Income Exceeds \$77,000 for Homes within Ten Miles of the Site
- ✓ Strong Academic Area | Located Less than Eight Miles from McNeese State University | 7,600+ Students Enrolled
- ✓ Lake Charles Memorial Hospital | Located Seven Miles from the Subject Property | 314-Bed Acute Care Facility | Main Campus for the Lake Charles Memorial Health System

## 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: \$2,464,692 | CAP: 5.35% | RENT: \$131,861

**POPEYES**

## PROPERTY DESCRIPTION

Property	Popeyes
Property Address	1601 Sampson Street
City, State, ZIP	Westlake, LA 70669
Year Built / Renovated	1984
Estimated Building Size	1,800
Lot Size	+/- 0.50
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$2,464,692
CAP Rate	5.35%
Annual Rent	\$131,861

## LEASE SUMMARY

Property Type	Net-Leased 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	24 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	\$131,861	\$10,988	-
01/1/2027 - 12/31/2027	\$134,169	\$11,181	1.75%
01/1/2028 - 12/31/2028	\$136,517	\$11,376	1.75%
01/1/2029 - 12/31/2029	\$138,906	\$11,575	1.75%
01/1/2030 - 12/31/2030	\$141,336	\$11,778	1.75%
01/1/2031 - 12/31/2031	\$143,810	\$11,984	1.75%
01/1/2032 - 12/31/2032	\$146,326	\$12,194	1.75%
01/1/2033 - 12/31/2033	\$148,887	\$12,407	1.75%
01/1/2034 - 12/31/2034	\$151,493	\$12,624	1.75%
01/1/2035 - 12/31/2035	\$154,144	\$12,845	1.75%
01/1/2036 - 12/31/2036	\$156,841	\$13,070	1.75%
01/1/2037 - 12/31/2037	\$159,586	\$13,299	1.75%
01/1/2038 - 12/31/2038	\$162,379	\$13,532	1.75%
01/1/2039 - 12/31/2039	\$165,220	\$13,768	1.75%
01/1/2040 - 12/31/2040	\$168,112	\$14,009	1.75%
01/1/2041 - 12/31/2041	\$171,054	\$14,254	1.75%
01/1/2042 - 12/31/2042	\$174,047	\$14,504	1.75%
01/1/2043 - 12/31/2043	\$177,093	\$14,758	1.75%
01/1/2044 - 12/31/2044	\$180,192	\$15,016	1.75%
01/1/2045 - 12/31/2045	\$183,346	\$15,279	1.75%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for 1601 Sampson Street in Westlake, 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 \$131,861 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 1,800 rentable square feet and is situated on an approximately .50 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

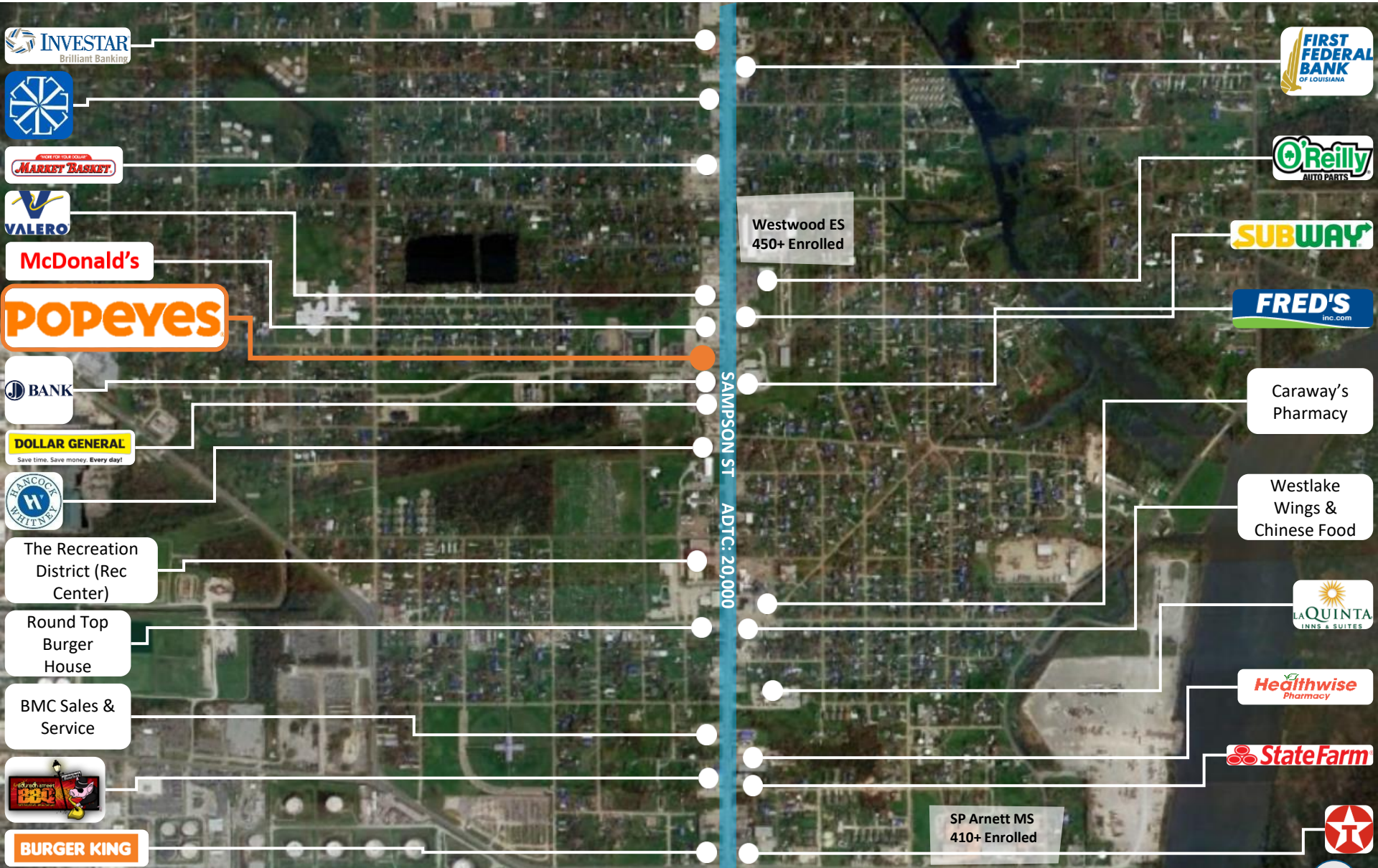




# Surrounding Area

Property Address: 1601 Sampson St, Westlake, LA 70669

# POPEYES





# Location Overview

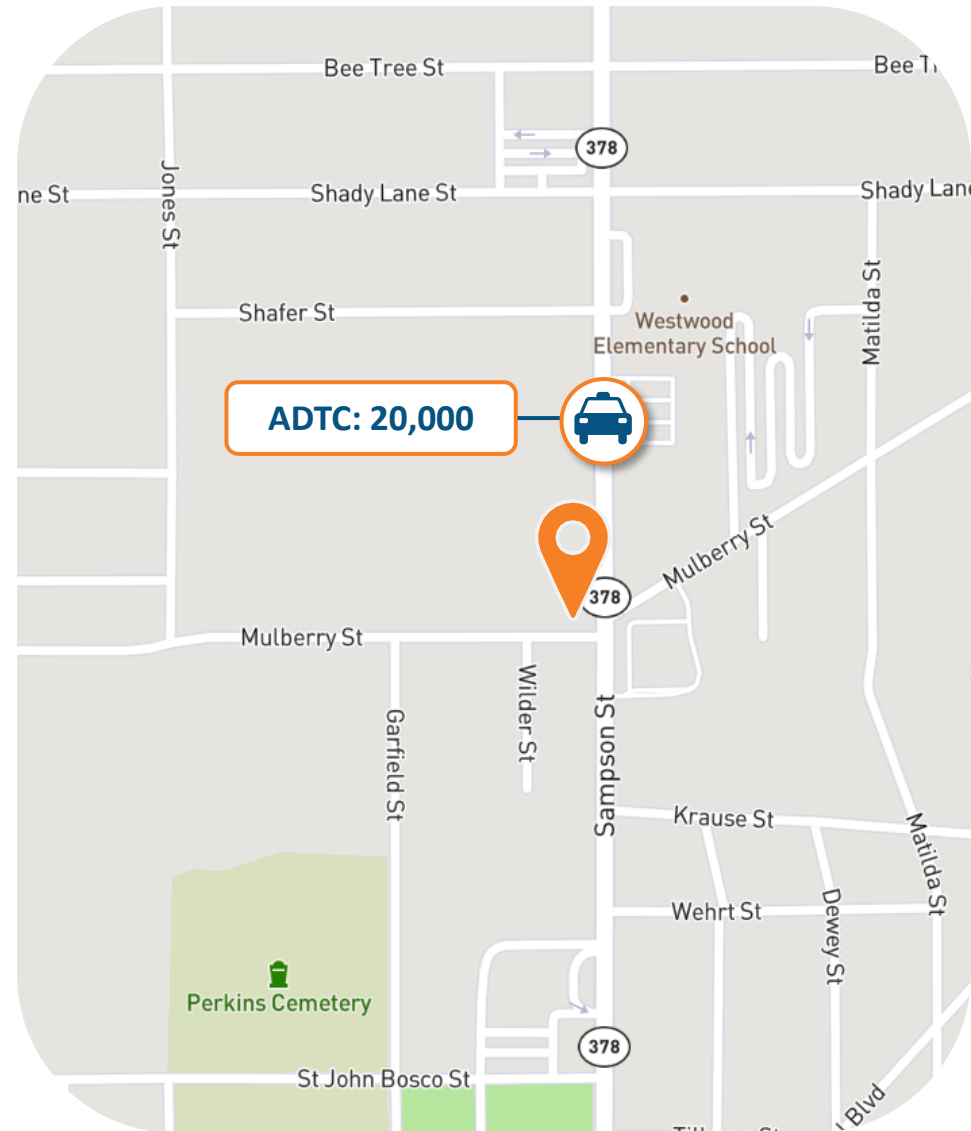
Property Address: 1601 Sampson St, Westlake, LA 70669

**POPEYES.**

This subject investment property is a Popeyes situated on Sampson Street, approximately five miles from the heart of downtown Lake Charles, the fifth largest incorporated city in Louisiana. Sampson Street experiences an average traffic count of 20,000 vehicles per day. There are more than 173,000 individuals that reside within a ten-mile radius of the subject property, up more than 10,000 new residents in the last decade with high growth projections into 2025. Average household income for homes within ten miles of the subject property exceeds \$77,000.

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 and healthcare facilities. Major national tenants in the immediate area include: Burger King, Dollar General, McDonald's, Subway, O'Reilly Auto Parts, Texaco, La Quinta Inn & Suites, in addition to many others. The subject property benefits from its position less than ten miles from McNeese State University and SOWELA Technical Community College with combined enrollments exceeding 10,000 students. Lake Charles Memorial Hospital sits seven miles southeast of this subject property. The 314-bed acute care facility is the main campus of the Lake Charles Memorial Health System which services the southwest portion of Louisiana.

Westlake is a census-designated place in Calcasieu Parish, Louisiana. The population is greater than 4,000 residents. Located just north of the city of Lake Charles, it is considered a suburb of that city. Westlake is a growing community and is one of the communities in Calcasieu Parish besides Lake Charles and Sulphur experiencing growth. Lake Charles, Louisiana in the southwest region of the state, is a thriving destination that caters to many different tastes from glitzy casinos and the quiet greens of award-winning golf courses to hunting and fishing adventures and over 75 festivals, ranging from the area's family-friendly Mardi Gras to the Louisiana Pirate Festival. Performing arts are alive in Lake Charles, LA, with theatre and musical groups, including the Lake Charles Symphony. There are five diverse museums, one of which houses the largest display of Mardi Gras costumes in the world, in addition to charming galleries rich with art. Taste world-famous Cajun and Creole cuisine or a drive along the Creole Nature Trail All-American Road—teeming with wildlife, including alligators, birds and three wildlife refuges! Visitors can also stroll through the Charpentier Historic District with lead crystal glittering in the lamplight. Topping it off, nightlife is hot with headlining entertainment and excellent amenities at the area's casino resorts.



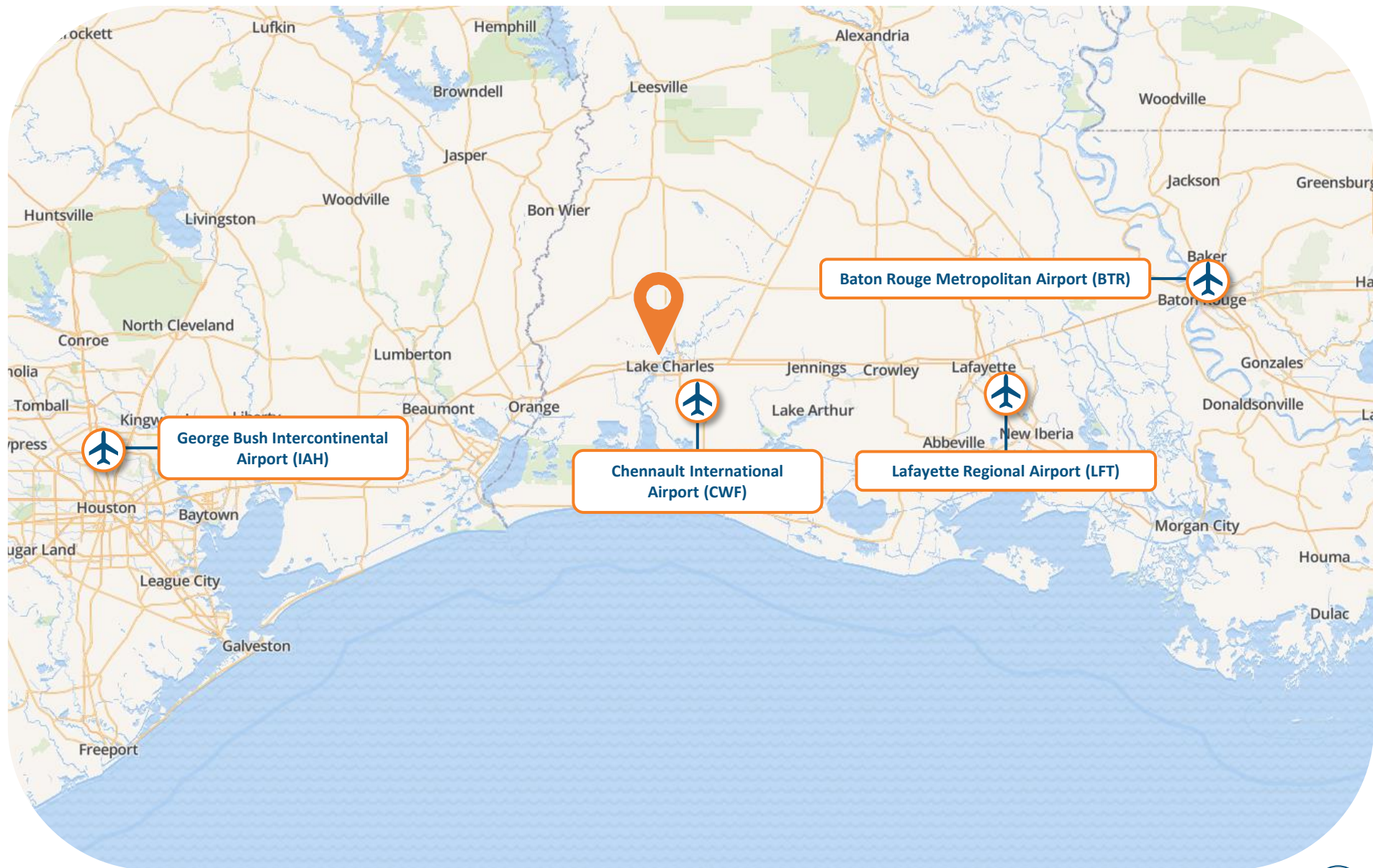




# Local Map

**POPEYES.**

Property Address: 1601 Sampson St, Westlake, LA 70669

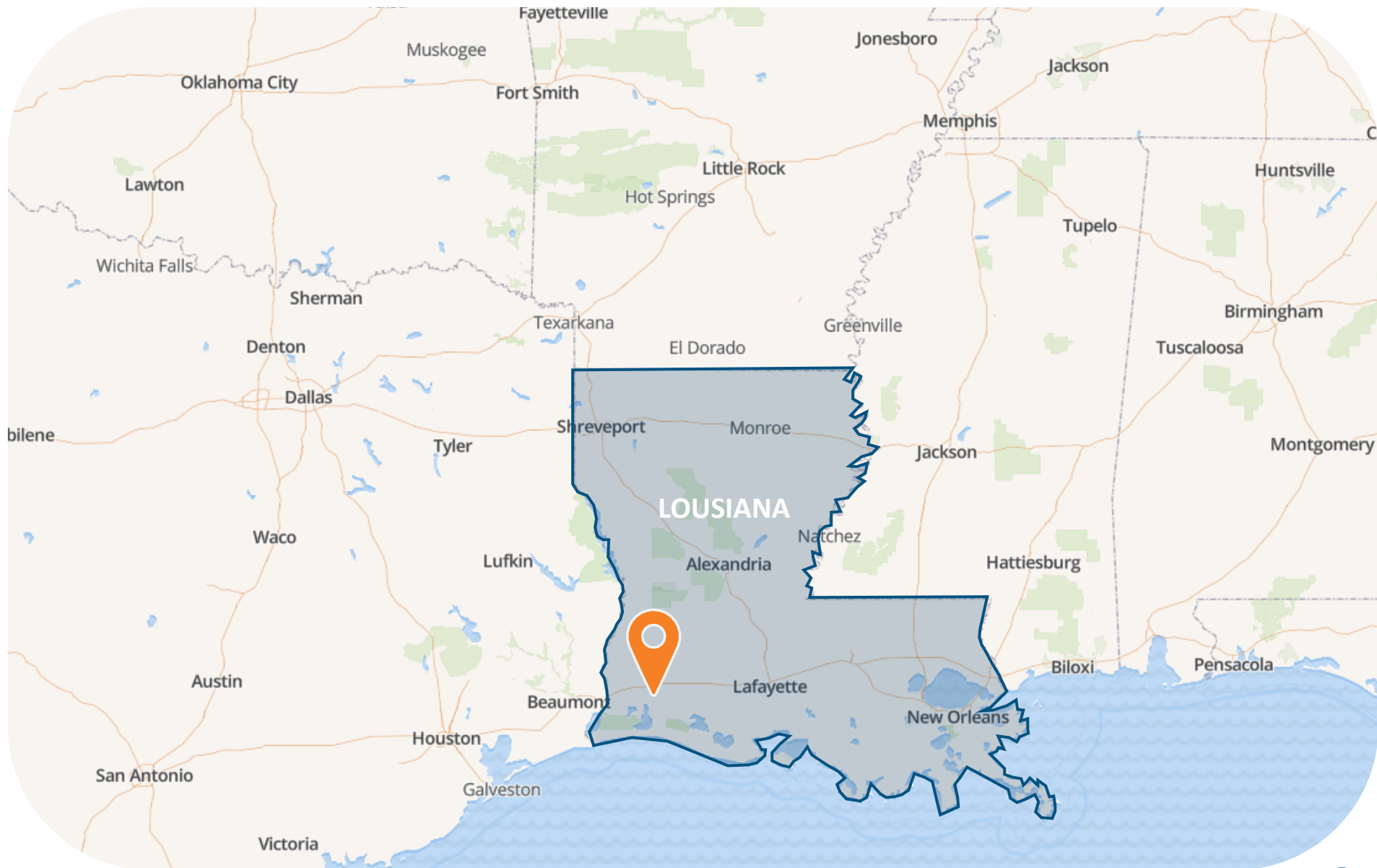




# Regional Map

**POPEYES.**

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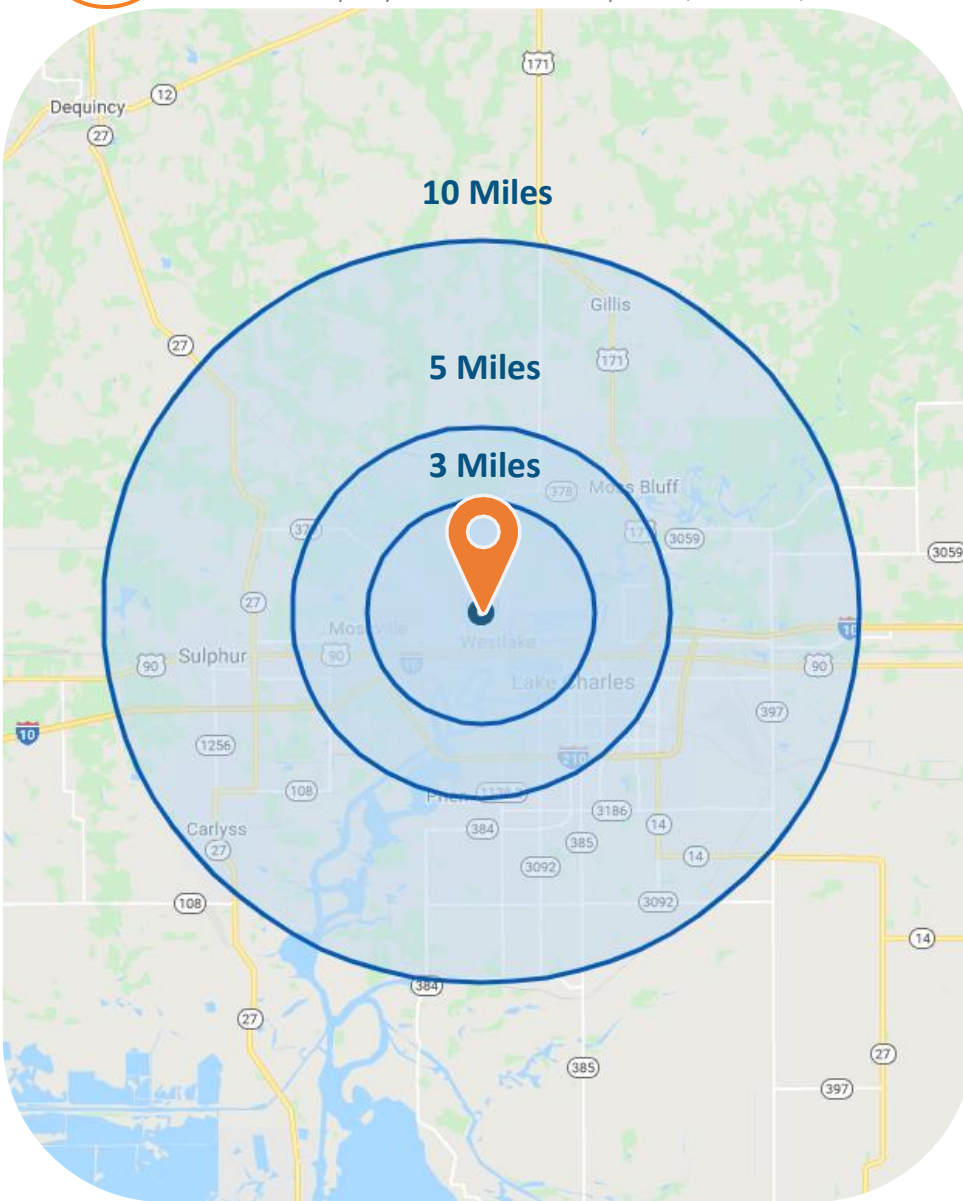




# Demographics

Property Address: 1601 Sampson St, Westlake, LA 70669

**POPEYES**



	3 Miles	5 Miles	10 Miles
<b>POPULATION</b>			
2025 Projection	10,893	62,094	185,638
2020 Estimate	10,585	59,263	173,651
2010 Census	10,338	56,526	159,707
2000 Census	9,846	58,543	151,736
<b>INCOME</b>			
Average	\$76,220	\$73,888	\$77,734
Median	\$52,373	\$47,239	\$54,710
Per Capita	\$30,322	\$30,043	\$30,188
<b>HOUSEHOLDS</b>			
2025 Projection	4,382	25,421	72,288
2020 Estimate	4,210	24,023	66,947
2010 Census	4,132	22,949	61,732
2000 Census	3,837	22,966	57,119
<b>HOUSING</b>			
2020	\$141,176	\$152,565	\$155,877
<b>EMPLOYMENT</b>			
2020 Daytime Population	9,582	77,022	189,766
2020 Unemployment	3.89%	4.53%	3.94%
2020 Median Time Traveled	22 Mins	20 Mins	21 Mins
<b>RACE &amp; ETHNICITY</b>			
White	77.90%	57.73%	66.02%
Native American	0.03%	0.02%	0.05%
African American	18.07%	37.23%	28.10%
Asian/Pacific Islander	0.40%	0.93%	1.52%



# Market Overview

City: Westlake | 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.

*Lafayette, LA*



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**POPEYES.**

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