

Representative Photo

# POPEYES SALE-LEASEBACK

EXCLUSIVE NET-LEASE OFFERING



# OFFERING MEMORANDUM



475 S Columbia River Hwy, St Helens, OR 97051

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# Investment Highlights

PRICE: \$3,708,089 | CAP: 4.50% | RENT: \$166,864



## About the Investment

- ✓ Brand New 20-Year Lease That Commences at Close of Escrow
- ✓ Rent Commences on April 1, 2022 | Seller will Credit Buyer Rent at Closing
- ✓ Triple Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Attractive Rental Increases of 1.75% Percent Annually Beginning in Year 6
- ✓ Four (4) Tenant Renewal Periods of Five (5) Years Each

## About the Location

- ✓ Dense Urban Infill | Walmart, Dollar Tree, Walgreens, Rite Aid, Starbucks, Taco Bell, McDonald's, and Subway and More
- ✓ Affluent Community | Average Income Within a Five-Mile Radius Exceeds \$85,000
- ✓ Strong Traffic Counts | S Columbia River Highway Boasts Average Daily Traffic Counts of Approximately 24,700 Vehicles
- ✓ Compelling Location Fundamentals | Located Less Than Thirty Miles Outside of Portland, OR | Portland is the Largest City in Oregon

## About the Tenant / Brand

- ✓ Popeyes is the World's Second Largest Quick Service Chicken Concept
- ✓ Popeyes is a Unique, Highly-Differentiated Brand - Internationally-recognized Louisiana heritage since 1972
- ✓ Ambrosia QSR is a Well-Funded Developer and Operator of Burger King and Popeyes Locations Throughout Washington and Oregon
- ✓ Lease Guaranteed by Ambrosia QSR II, LLC | A 13-Unit Popeyes Entity with Plans for Expansion







# Financial Analysis

PRICE: \$3,708,089 | CAP: 4.50% | RENT: \$166,864

## PROPERTY DESCRIPTION

Property	Popeyes
Property Address	475 S Columbia River
City, State ZIP	St. Helens, OR
Year Built / Renovated	New Construction – Expected to Open April 2022
Building Size (SF)	2,333
Lot Size (Acres)	+/- 0.49 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$3,708,089
CAP Rate	4.50%
Annual Rent	\$166,864

## LEASE SUMMARY

Property Type	Net-Leased Restaurant
Tenant / Guarantor	Ambrosia QSR II, LLC
Rent Commencement	April 1, 2022
Original Lease Term	20 Years
Lease Commencement	At Close of Escrow
Lease Expiration	20 Years from Store Opening
Lease Term Remaining	20 Years
Lease Type	Triple Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.75% Annually Starting Year 6
Options to Renew	Four (4), Five (5)-Year Options

## RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$166,864	\$13,905	-
Year 2	\$166,864	\$13,905	-
Year 3	\$166,864	\$13,905	-
Year 4	\$166,864	\$13,905	-
Year 5	\$166,864	\$13,905	-
Year 6	\$169,784	\$14,149	1.75%
Year 7	\$172,755	\$14,396	1.75%
Year 8	\$175,779	\$14,648	1.75%
Year 9	\$178,855	\$14,905	1.75%
Year 10	\$181,985	\$15,165	1.75%
Year 11	\$185,169	\$15,431	1.75%
Year 12	\$188,410	\$15,701	1.75%
Year 13	\$191,707	\$15,976	1.75%
Year 14	\$195,062	\$16,255	1.75%
Year 15	\$198,475	\$16,540	1.75%
Year 16	\$201,949	\$16,829	1.75%
Year 17	\$205,483	\$17,124	1.75%
Year 18	\$209,079	\$17,423	1.75%
Year 19	\$212,738	\$17,728	1.75%
Year 20	\$216,461	\$18,038	1.75%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Popeyes located at 475 S Columbia River in St Helens, OR. The property consists of 2,333 square feet of building space and is situated on an estimated 0.49-acres of land. The tenant is subject to a 20-year absolute triple net (NNN) lease that commences at the close of escrow. The base rent is \$166,864 and will increase by 1.75% percent annually starting in year six and continuing throughout the base term and into each of the four (4), five (5)-year tenant renewal option periods.

\*Principals of the NNN Pro Group and Marcus and Millichap, are part fee owners of this property. They are licensed real estate salespeople for Marcus and Millichap in the State of New York.



# Concept & Guarantor Overview

**POPEYES**  
LOUISIANA KITCHEN

## 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*
- *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 - 98% 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*



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## Ambrosia QSR

Ambrosia QSR is a well-funded developer and operator of Popeyes and Burger King locations. They are based out of Vancouver, WA with over 100 locations throughout the Pacific Northwest. With new capital investors, the tenant is looking to expand, and the strength of the operator will only continue to grow over the next few years. The operator is following a tactical and sophisticated development thesis by selecting high quality locations with tremendous upside potential. The guarantor is Ambrosia QSR II, LLC, a 13-unit Popeyes entity.





# Surrounding Area





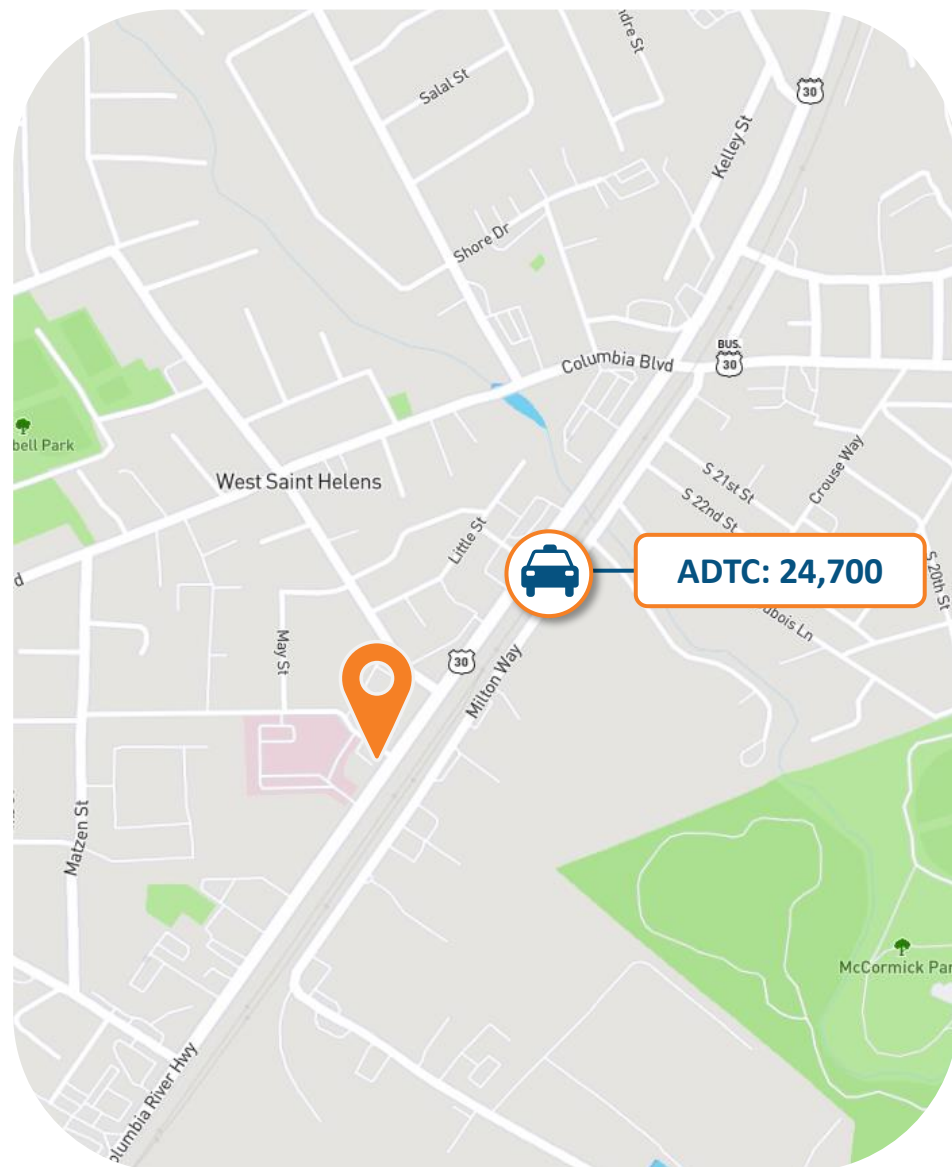


# Location Overview

The subject investment property is situated on South Columbia River Highway experiencing average daily traffic counts exceeding 24,700 vehicles. There are approximately 61,800 individuals residing within a ten-mile radius of the property. The subject property benefits from being located in an affluent suburb of Portland. The average household income within a five-mile radius exceeds \$84,000.

This Popeyes property benefits from being well-positioned in a strong retail corridor surrounded by national and local tenants and academic institutions. Major national tenants in the immediate area include Walmart, Dollar Tree, Walgreens, Rite Aid, Starbucks, Taco Bell, McDonald's, and Subway as well as many more. The subject property benefits from being located within a five-mile radius of the several academic institutions. St. Helens High School and Middle School are within a mile radius of the subject property and have a combined enrollment exceeding 1,400 students.

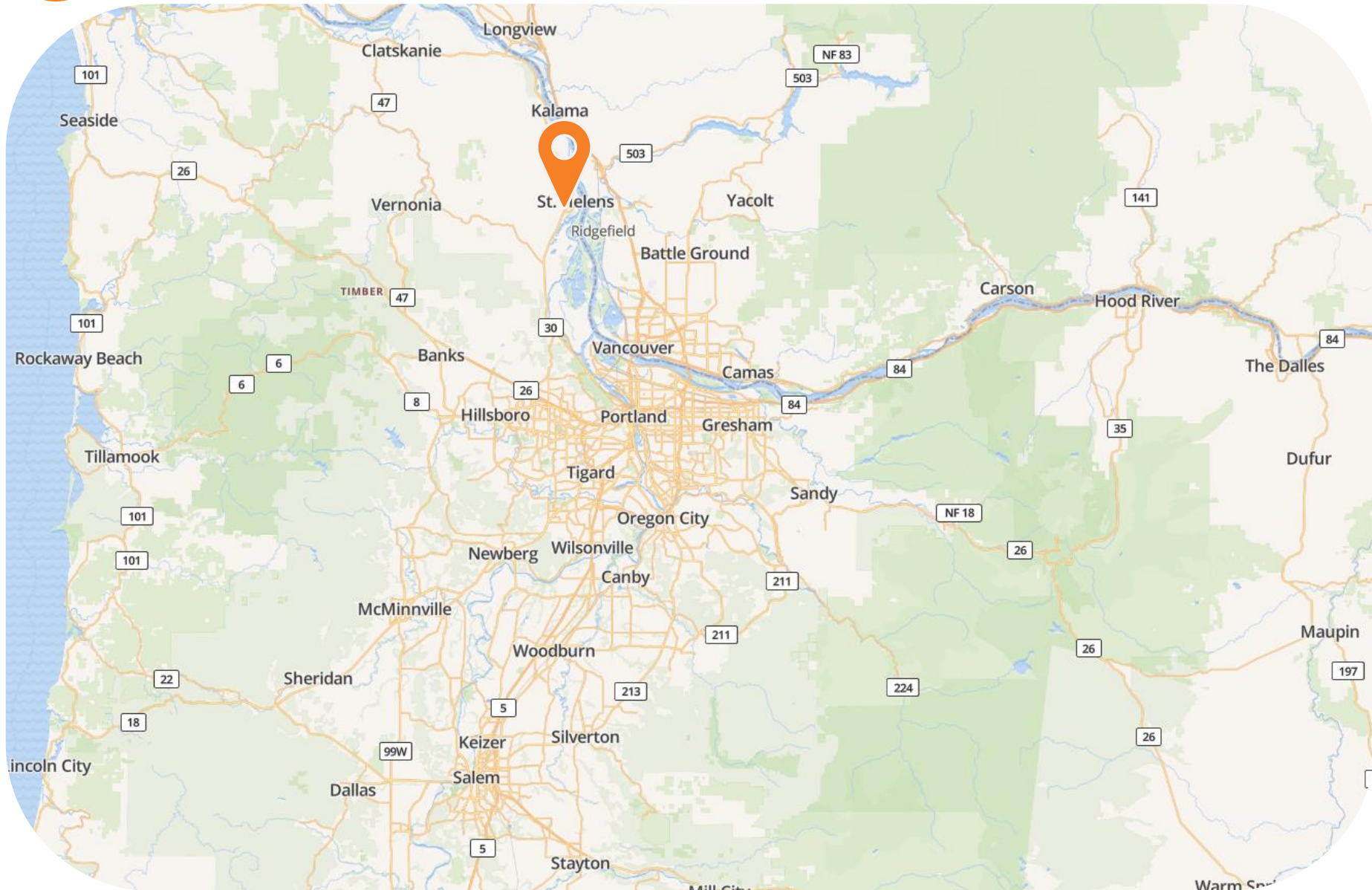
Saint Helens is the county seat of Columbia County, Oregon. Situated on the confluence of four rivers the town of St. Helens offers a sublime outdoors getaway. Residence and visitors can enjoy several parks and walking trails along the St. Helens riverfront, featuring expansive views of the Columbia River, Mount St. Helens, and Mount Hood. St. Helens has so much to offer camping and hiking on Sand Island, a man-made island with free dock access on the Columbia River, to kayaking, fishing, and birdwatching all while exploring sites recorded in Lewis and Clark's journals. Additionally, they can relax in the charming shops, restaurants and breweries of the riverfront district, listed on the National Register of Historic Places. The city of St. Helens was proudly the main filming site for "Halloweentown". Every year the Columbia River city honors its movie fame by hosting the Spirit of Halloweentown, a month-long festival featuring haunted tours, a mystery manor, magic shows, costume contest and more. St. Helens is also located just 30 miles from Portland, the largest and most populous city in Oregon. Portland is known for its parks, bridges and bicycle paths, as well as for its eco-friendliness and its microbreweries and coffee shops. The iconic Washington Park encompasses sites from the formal Japanese Garden to Oregon Zoo and its railway. Portland is a city that host thriving art, theater and music scenes and enjoyed by people of all ages. Saint Helens makes for a great small town close enough to the exciting city life.





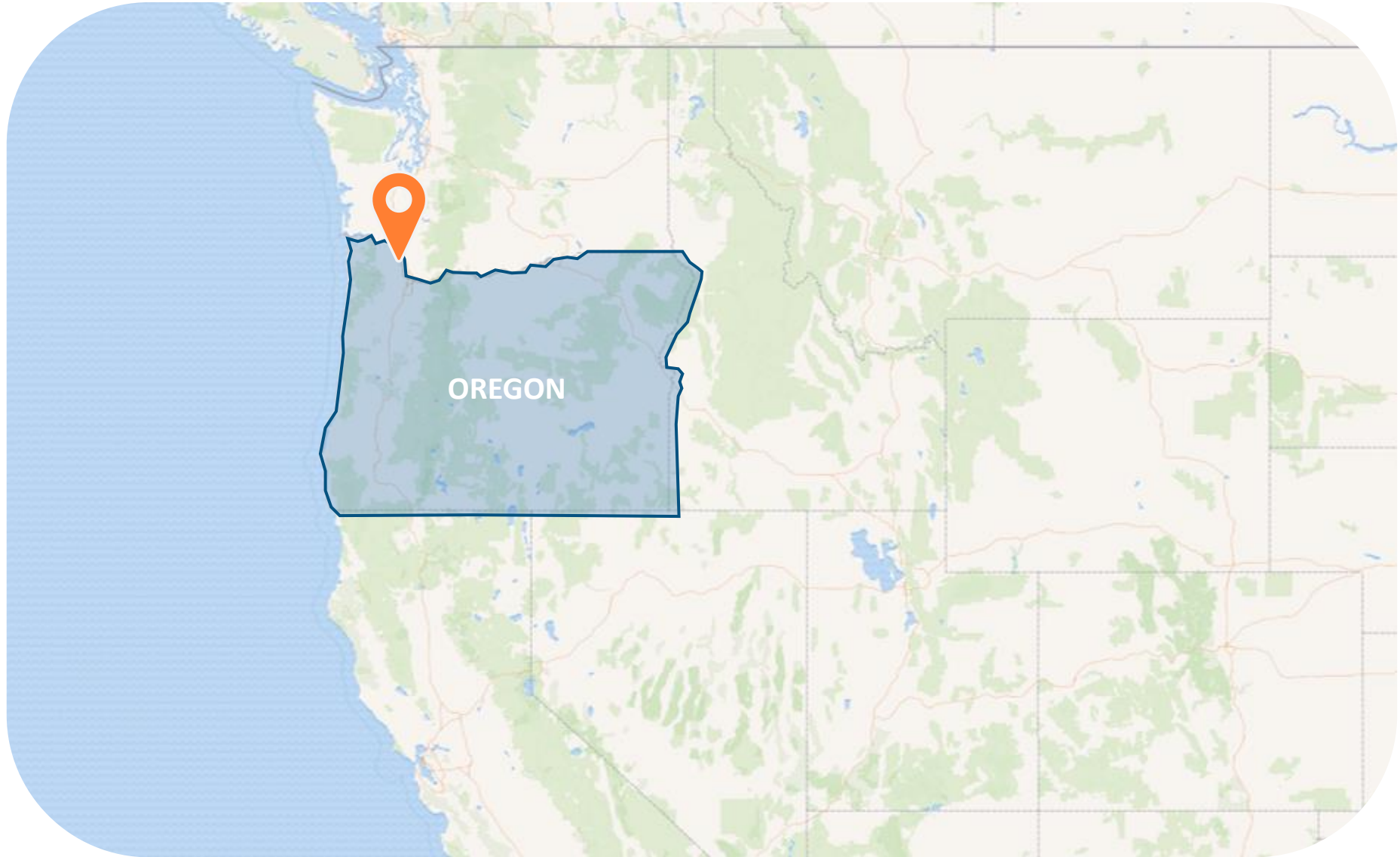


# Local Map





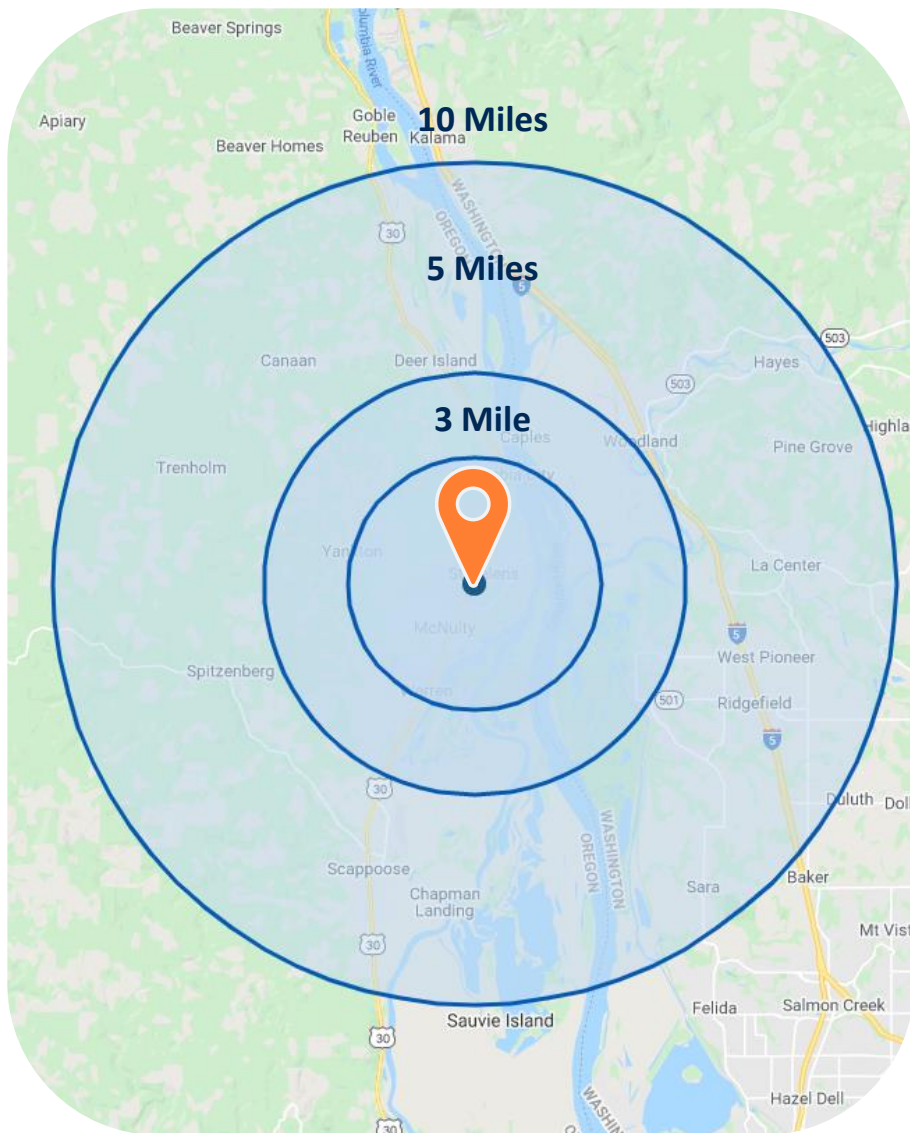
# Regional Map







# Demographics



**3 Mile 5 Miles 10 Miles**

## POPULATION TRENDS

2010 Population	17,896	25,007	61,882
2021 Population	19,400	26,777	72,364
2026 Population Projection	20,202	27,924	76,921
Annual Growth 2010-2021	0.80%	0.60%	1.50%
Annual Growth 2021-2026	0.80%	0.90%	1.30%

## POPULATION BY RACE (2021)

White	17,684	24,497	66,830
Black	179	262	663
American Indian/Alaskan Native	322	428	962
Asian	286	392	1,157
Hawaiian & Pacific Islander	64	96	212
Two or More Races	864	1,102	2,539
Hispanic Origin	1,385	2,249	5,295

## HOUSEHOLD TRENDS

2010 Households	6,804	9,307	22,997
2021 Households	7,397	10,013	27,028
2026 Household Projection	7,704	10,443	28,742
Annual Growth 2010-2021	0.60%	0.50%	1.40%
Annual Growth 2021-2026	0.80%	0.90%	1.30%

## AVG HOUSEHOLD INCOME (2021)

\$78,738	\$84,569	\$102,362
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## MEDIAN HOUSEHOLD INCOME (2021)

\$66,091	\$70,366	\$84,751
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## HOUSEHOLDS BY HOUSEHOLD INCOME (2021)

< \$25,000	1,160	1,406	2,788
\$25,000 - 50,000	1,623	2,112	4,557
\$50,000 - 75,000	1,355	1,798	4,357
\$75,000 - 100,000	1,293	1,745	4,644
\$100,000 - 125,000	872	1,153	3,450
\$125,000 - 150,000	321	527	2,227
\$150,000 - 200,000	536	826	2,710
\$200,000+	237	446	2,294



# Market Overview



*Portland, OR*

**Portland** is the largest and most populous city in the U.S. State of Oregon. It is a major port in the Willamette Valley region of the Pacific Northwest, at the confluence of the Willamette and Columbia Rivers. As of 2018, Portland had an estimated population of 653,115, making it the 25th most populous city in the United States, and the second-most populous in the Pacific Northwest. The city is frequently recognized as one of the world's most environmentally conscious cities because of its high walkability, large community of bicyclists, farm-to-table dining, expansive network of public transportation options, and over 10,000 acres of public parks. As a result, Portland consistently ranks highly in quality of life in the United States. Its climate is marked by warm, dry summers and cool, rainy winters. This climate is ideal for growing roses, and Portland has been called the "City of Roses" for over a century.

Portland's location is beneficial for several industries. Relatively low energy cost, accessible resources, north-south and east-west interstates, international air terminals, large marine shipping facilities, and both west coast intercontinental railroads are all economic advantages. The Portland metro area has become a business cluster for athletic and footwear manufacturers. The area is home to the global, North American or U.S. headquarters of Nike, Adidas, Columbia Sportswear, LaCrosse Footwear, Dr. Martens, Li-Ning, Keen and Hi-Tec Sports. Technology is a major component of the city's economy, with more than 1,200 technology companies existing within the metro. This high density of technology companies has led to the nickname Silicon Forest being used to describe the Portland area, a reference to the abundance of trees in the region and to the Silicon Valley region in Northern California.

# POPeYES<sup>®</sup>

✦ LOUISIANA KITCHEN ✦





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