

OFFERING MEMORANDUM

Net Leased Restaurant

Marcus & Millichap



3002 N Big Spring

Midland, Texas

- EXPERIENCED, MULTI-BRAND OPERATOR
- NEW 20 YEAR ABSOLUTE NET GROUND LEASE

ACT ID ZAD0480021



FINANCIAL OVERVIEW

PRICE: \$3,678,161 | RENT: \$160,000

Property Address	3002 N Big Spring
City, State, Zip	Midland, TX 79705
Estimated Building Size (SF)	1,948 SF
Lot Size	0.62 Acres
Year Built	1995

LEASE SUMMARY

Property Type	Net Leased Restaurant
Ownership	Franchisee
Tenant	19 Unit Operator (4 Popeyes & 15 Burger Kings)
Lease Commencement Date	Close of Escrow
Lease Expiration	20 Years
Lease Term Remaining	20 Years
Lease Type	Absolute Net Ground Lease
Roof & Structure	Tenant Responsibility
Options to Renew	Four 5-Year Options
Base Term Rental Escalations	7.5% Every Five Years
Rent to Sales Ratio	6.93%
Right of First Refusal	Yes

ANNUALIZED OPERATING DATA

Annual Rent	\$160,000
Rental Escalations	7.5% Every 5 Years
Average Cap Rate	5.68%

RENT SCHEDULE	ANNUAL RENT	MONTHLY RENT	CAP RATE
Years 1-5	\$160,000.00	\$13,333.33	4.35%
Years 6-10	\$172,000.00	\$14,333.33	4.68%
Years 11-15	\$184,900.00	\$15,408.33	5.03%
Years 16-20	\$198,767.50	\$16,563.96	5.40%
Option I Years 21-25	\$213,675.06	\$17,806.26	5.81%
Option II Years 26-30	\$229,700.69	\$19,141.72	6.24%
Option III Years 31-35	\$246,928.24	\$20,577.35	6.71%
Option IV Year 36-40	\$265,447.86	\$22,120.66	7.22%



INVESTMENT OVERVIEW

Property Address	3002 N Big Spring
City, State, Zip	Midland, TX 79705
Estimated Building Size (SF)	1,948 SF
Lot Size	0.62 Acres
Year Built	1995
Net Operating Income	\$160,000

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present for sale this single-tenant, absolute triple-net lease Popeyes Louisiana Kitchen Restaurant investment opportunity located at 3002 N Big Spring Midland, TX. The property consists of a large 0.62 acre parcel improved with an approximately 1,948-square foot building with three points of ingress and egress. The restaurant will have a brand new 20-year Absolute Net Ground Lease at the close of escrow with a seasoned RBI Brands Franchisee. Annual base rent is set at \$160,000 with 7.5 percent rental increases every five years in the base term, as well as the four five-year renewal options.

The restaurant is located directly on the corner of N Big Spring St and W Dengar Ave which experiences traffic counts exceeding 28,000 cars per day. N Big Spring St is a major thoroughfare which runs north to south through Midland. Population within five miles exceeds 135,000. The population is estimated to grow by 9% in the next four years. The average household income is over \$116,000 also within a five mile radius. Within the immediate trade area is located the Midland Airport, Midland College the Claydesta Business Center as well as retailers such as CVS, Walgreens, Wells Fargo, Black Rifle Coffee, and West Texas National Bank to name a few.

This information has been secured from sources we believe to be believable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Any projections, opinions, assumptions or estimates used here in are for example purposes only and do not represent the current or future performance of the property. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. ©2018 Marcus & Millichap ACT ID ZAD0480021



- **BRAND NEW 20 YEAR
ABSOLUTE NET GROUND LEASE**
- **HIGH INCOME DEMOGRAPHICS**
- **LOW RENT TO SALES RATIO**
- **CORNER LOCATION**





Popeyes Louisiana Kitchen

Founded in New Orleans in 1972, Popeyes® has more than 40 years of history and culinary tradition. Popeyes distinguishes itself with a unique New Orleans style menu featuring spicy chicken, chicken tenders, fried shrimp and other regional items. The chain's passion for its Louisiana heritage and flavorful authentic food has allowed Popeyes to become one of the world's largest quick service restaurant chicken concepts with in the U.S. and around the world. As of 2020 Popeyes Louisiana Kitchen has 3,451 restaurants which are located in 46 states, the District of Columbia, Puerto Rico and 30 countries worldwide. About 1% of the locations are corporate owned and the other 99% are franchisee owned.

In March 2017, Popeye's was acquired by Restaurant Brands International, Inc. (NYSE/TSX: QSR, TSX: QSP) the third largest operator of fast food restaurants in the world.



Popeyes Louisiana Kitchen, Inc

Headquartered	Miami, FL
Website	www.popeyes.com
Parent Company	RBI, Inc
Credit Rating	BB
Stock Ticker	QSR
2020 Sales (Popeyes)	\$5.14B
Current Price	\$58.48 as of 12/21/2021
52 Wk High/Low	\$71.12/\$54.18
Store Count	25,496
No. of Employees	45,487

An aerial photograph of a residential neighborhood. A yellow dashed rectangular box highlights a specific lot in the center-left of the image. This lot contains a building with a red roof and a parking area with several cars. The surrounding area consists of other residential lots with houses and some commercial buildings. A major road runs horizontally across the bottom of the image.

0.62 ACRES

28,000 VEHICLES
PER DAY

145,344
POPULATION
WITHIN 5 MILES

\$116,335
AVERAGE
INCOME WITHIN
5 MILES



MyCommunity
CREDIT UNION



Apache

PriorityPower
MANAGEMENT

CAT
CATERPILLAR

PIONEER
NATURAL RESOURCES

West Texas
National Bank

Midland College

Midland Airpark

One Petroleum Center

Claydesta Business Center

CVS

Walgreens

Hogan Baseball Complex

MITCU

PLAINS
ALL AMERICAN
PIPELINE, L.P.



Subject Property

Tumbleweed Park

Big Spring St
28,000 Cars Per Day





LOCATION OVERVIEW | DEMOGRAPHICS

Midland, Texas

Midland, Texas is a city in the western part of the state. Located in a section of the Permian Basin area, it's an oil industry center. At the 2010 census, Midland's population was 111,147, and a 2019 estimate put it at 176,832, making it Texas's 24th-most populous city. Midland was founded as the midway point between Fort Worth and El Paso on the Texas and Pacific Railroad in 1881. Nicknamed "The Tall City", Midland has long been known for its downtown skyline. Most of downtown Midland's major office buildings were built during a time of major Permian Basin oil and gas discoveries. The surge in energy prices in the mid-1980s sparked a building boom downtown. In 2014, Midland had the lowest unemployment rate in the United States, 2.3%. Top employers include Midland Independent School District, Midland Memorial Hospital Center, Dawson Geophysical, Walmart and the City of Midland.

POPULATION

2026 Projection

1-MILE	3-MILES	5-MILES
12,871	71,740	145,344

2021 Population

1-MILE	3-MILES	5-MILES
11,658	67,414	135,693



INCOME

Average

1-MILE	3-MILES	5-MILES
\$89,743	\$122,445	\$116,335

Median

1-MILE	3-MILES	5-MILES
\$62,551	\$82,896	\$81,462



HOUSEHOLDS

2026 Projection

1-MILE	3-MILES	5-MILES
4,644	26,960	54,337

2021 Households

1-MILE	3-MILES	5-MILES
4,214	25,252	50,597





LOCATION OVERVIEW | MIDLAND



ECONOMY

- Government contractors such as Boeing, Northrop Grumman and Lockheed Martin are leading employers, supporting the area's space and defense industry.
- Huntsville has a growing science, technology, engineering and mathematics (STEM) workforce. The median pay for STEM occupations in the area is \$95,000 annually through employers including the Hudson Alpha Institute for Biotechnology and the Redstone Arsenal.
- The area is being reinvented as a tech center and many buildings are being redeveloped to attract new companies and workers to the metro.



METRO HIGHLIGHTS



U.S. ARMY – REDSTONE ARSENAL

More than 35,000 individuals are employed at this garrison to support the Army's missile programs.



NASA

Marshall Space Flight Center was where the most powerful rocket ever designed was developed, enabling the exploration far into the solar system. It has a workforce of nearly 6,000.



HIGHER EDUCATION

The University of Alabama Huntsville has nearly 10,000 students, with roughly half earning a degree in engineering or science.

Forecast
Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



2020
POPULATION:

472K

Growth
2020-2025*:
6.8%



2020
HOUSEHOLDS:

188K

Growth
2020-2025*:
7.6%



2020
MEDIAN AGE:

39.0

U.S. Median:
38.2



2020 MEDIAN
HOUSEHOLD
INCOME:

\$65,900

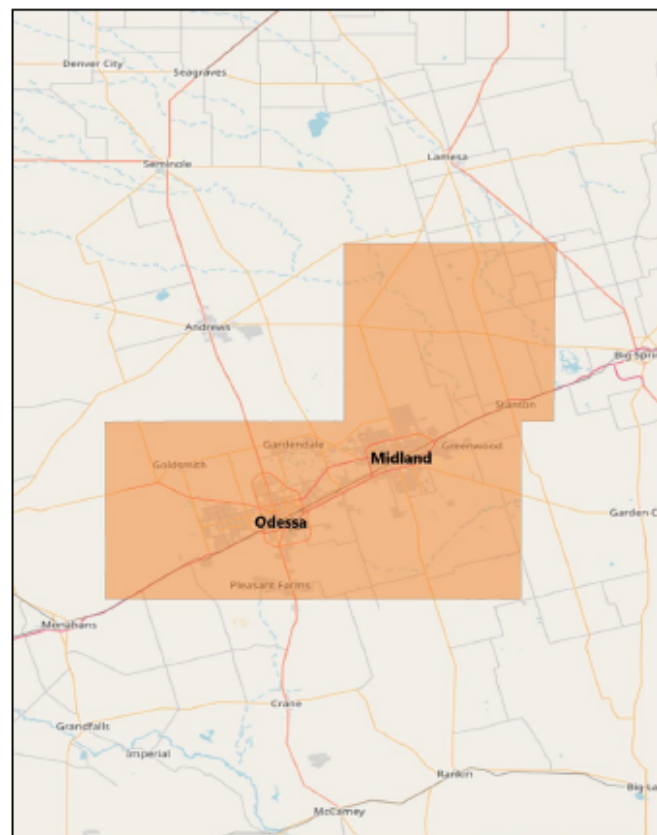
U.S. Median:
\$63,000



LOCATION OVERVIEW | MIDLAND

MIDLAND-ODESSA

Located in West Texas, the Midland-Odessa metro is considered an energy capital as the Permian Basin is one of the biggest oil fields in the world and is home to some of the largest petroleum-producing companies. The metro consists of Martin, Midland and Ector counties. The public sector is a top job provider, but the private sector is driving the economic growth. The two largest cities are Midland with nearly 130,400 residents and Odessa, where roughly 112,500 citizens live.



METRO HIGHLIGHTS



ENERGY HUB

Mining and petroleum extraction is the leading job provider in the metro. Companies have extracted upward of 3 million barrels per day.



FAST GROWING POPULATION

The metro will add roughly 29,600 residents through 2025, growing at a rate that more than doubles the national average. This will translate to the formation of nearly 11,300 households.



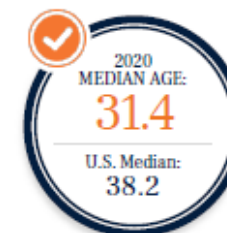
HIGHER EDUCATION

University of Texas, Permian Basin has more than 5,800 students enrolled. Texas Tech's Health Sciences Center offers MD, nursing, and physical therapy programs in Odessa.

ECONOMY

- The oil and energy sector drives the Midland-Odessa economy. The Permian Basin covers more than 86,000 square miles and is believed to contain as much as 46 billion barrels of oil.
- Petroleum powerhouses such as ExxonMobil, Chevron, and Occidental Petroleum have major operations in the area.
- Odessa has become a regional distribution hub for many companies outside of the energy industry. Family Dollar has its Texas Distribution Center in Odessa.
- Of the top 10 employers in Midland-Odessa, four are in the healthcare field. This sector is driven in part by Texas Tech University Health Sciences Center.

DEMOGRAPHICS

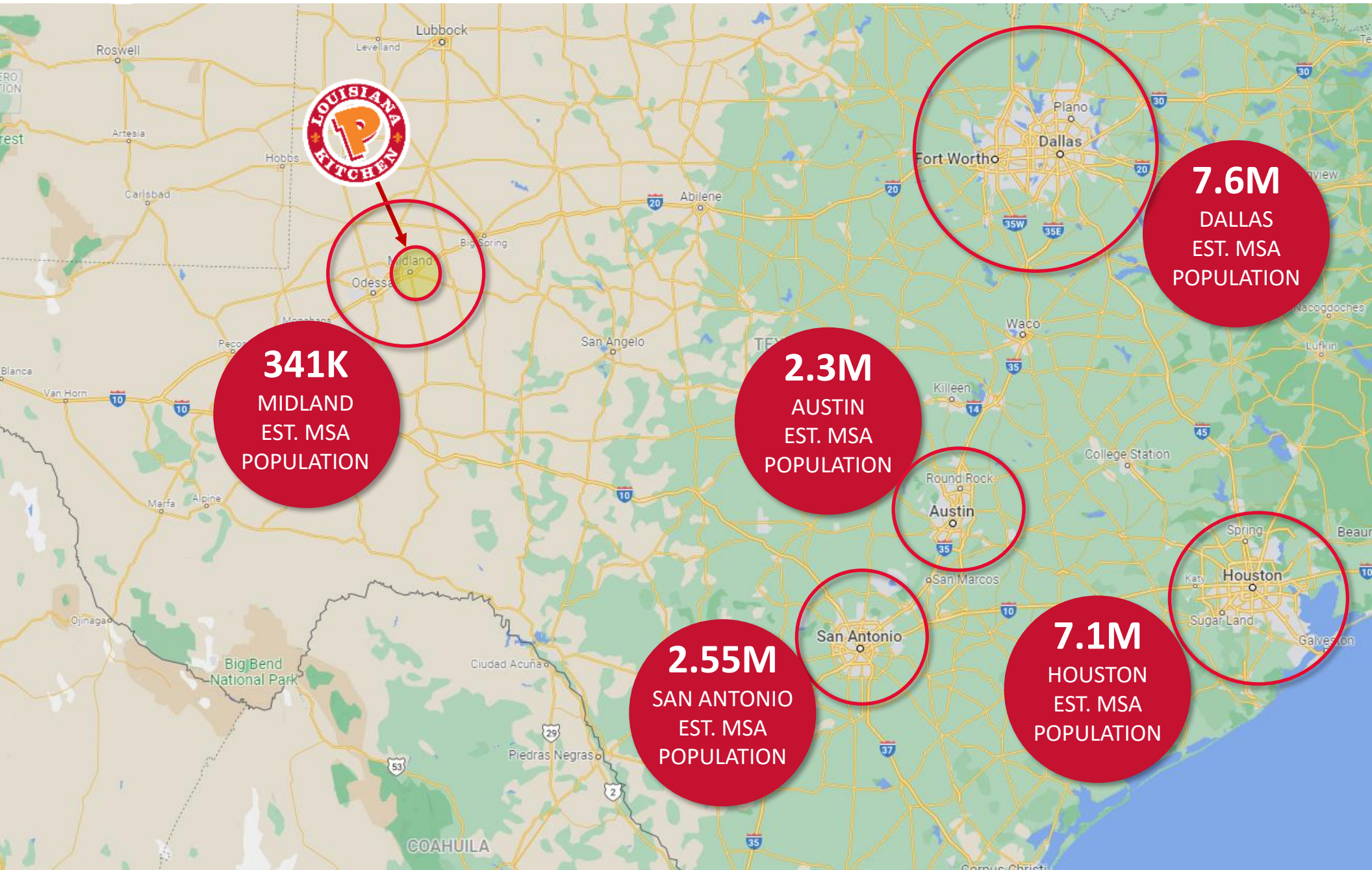


*Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



LOCATION MAP



NON-ENDORSEMENT AND DISCLAIMER NOTICE

SPECIAL COVID-19 NOTICE

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.)

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Information About Brokerage Services

11-2-2015

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction.

The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - o that the owner will accept a price less than the written asking price;
 - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Regulated by the Texas Real Estate Commission

Buyer/Tenant/Seller/Landlord's Initials

Date

Information available at www.trec.texas.gov
IABS 1-0



exclusive listing

Popeyes | Big Spring Midland, TX

Tim Speck
TX Broker of Record
Broker, Lic.# 9002994
ACT ID ZAD0480021

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