

POPEYES

EXCLUSIVE NET-LEASE OFFERING



OFFERING
MEMORANDUM



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Investment Highlights

PRICE: \$3,719,576 | CAP: 4.75% | RENT: \$176,680



About the Investment

- ✓ Brand New 19-Year Lease
- ✓ Triple Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Attractive Rental Increases of Two Percent (2.0%) Annually Beginning in Year 6
- ✓ Four (4) Tenant Renewal Periods of Five (5) Years Each

About the Location

- ✓ Dense Retail Corridor | Walmart, Dollar Tree, Safeway, Walgreens, O'Reilly Auto Parts, AutoZone, Jiffy Lube, Starbucks, Denny's, McDonalds, Little Caesars, Dairy Queen, Subway, Taco Bell, 7-Eleven and More
- ✓ Large Academic Presence | Located Four Miles from Columbia Basin College | Total Enrollment of Approximately 6,000 Students
- ✓ Affluent Community | Average Income Within a Three-Mile Radius Exceeds \$100,000
- ✓ Strong Traffic Counts | North Road 68, Sandifur Parkway and I-182 | Average Daily Traffic Counts of Approximately 19,998, 12,106 and 58,441 Vehicles
- ✓ Compelling Location Fundamentals | Located in the growing Tri-Cities area

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 Pacific Quick Serve Holdco, LLC | A 150+ Unit Popeyes and Burger King Entity with Plans for Expansion*

*Guarantor entity is the full parent company. Once the Popeyes entity reaches 30 units, the guarantor will be replaced with Ambrosia QSR II, LLC. Contact listing broker for more information



Representative Photo



Representative Photo



Financial Analysis

PRICE: \$3,719,576 | CAP: 4.75% | RENT: \$176,680

PROPERTY DESCRIPTION

Property	Popeyes
Property Address	5814 N Rd 68
City, State ZIP	Pasco, WA
Year Built / Renovated	2022
Building Size (SF)	2,333
Lot Size (Acres)	+/- 1.00 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$3,719,576
CAP Rate	4.75%
Annual Rent	\$176,680

LEASE SUMMARY

Property Type	Net-Leased Restaurant
Guarantor*	Pacific Quick Serve Holdco, LLC (150+ units)
Original Lease Term	20 Years
Lease Commencement	9/30/2021
Lease Expiration	9/30/2041
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

*Guarantor entity is the full parent company. Once the Popeyes entity reaches 30 units, the guarantor will be replaced with Ambrosia QSR II, LLC. Contact listing broker for more information

RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$176,680	\$14,723	-
Year 2	\$176,680	\$14,723	-
Year 3	\$176,680	\$14,723	-
Year 4	\$176,680	\$14,723	-
Year 5	\$176,680	\$14,723	-
Year 6	\$179,772	\$14,981	1.75%
Year 7	\$182,918	\$15,243	1.75%
Year 8	\$186,119	\$15,510	1.75%
Year 9	\$189,376	\$15,781	1.75%
Year 10	\$192,690	\$16,058	1.75%
Year 11	\$196,062	\$16,339	1.75%
Year 12	\$199,493	\$16,624	1.75%
Year 13	\$202,984	\$16,915	1.75%
Year 14	\$206,537	\$17,211	1.75%
Year 15	\$210,151	\$17,513	1.75%
Year 16	\$213,829	\$17,819	1.75%
Year 17	\$217,571	\$18,131	1.75%
Year 18	\$221,378	\$18,448	1.75%
Year 19	\$225,252	\$18,771	1.75%
Year 20	\$229,194	\$19,100	1.75%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Popeyes located in Pasco, WA. The property consists of 2,333 square feet of building space and is situated on an estimated 1.00-acre of land. The tenant is subject to a 20-year absolute triple net (NNN) lease, that commenced on 9/30/2021. The base rent is \$176,680 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.



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*



Representative Photo

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.

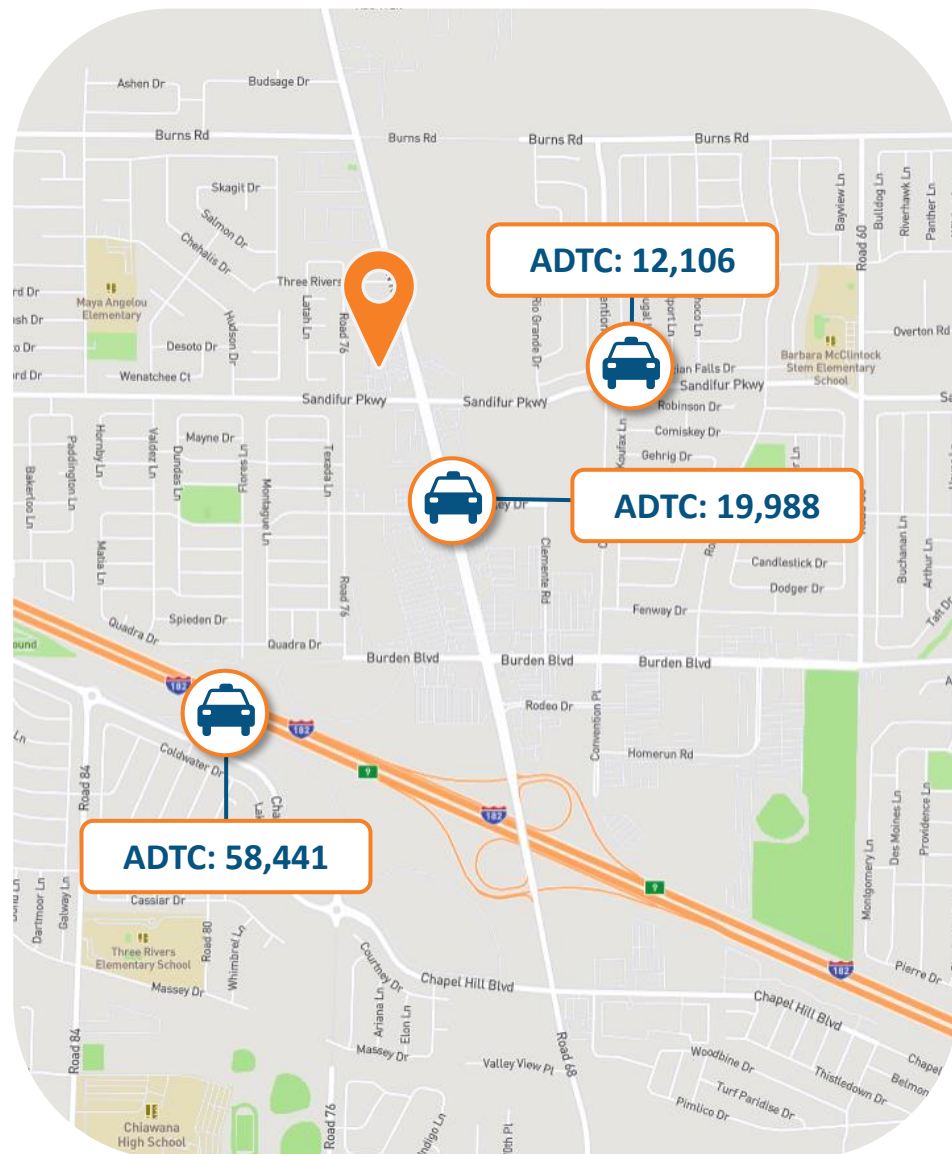


Location Overview

The subject investment property is situated on N Road 68 which boasts average daily traffic counts of approximately 19,988 vehicles. N Road 68 intersects with Sandifur Parkway and I-182 which bring an additional 12,106 and 58,441 vehicles into the immediate area daily. There are approximately 116,843 individuals residing within a five-mile radius of the subject property. This Popeyes benefits from being located in an affluent community. The average household income within a three-mile radius exceeds \$103,392.

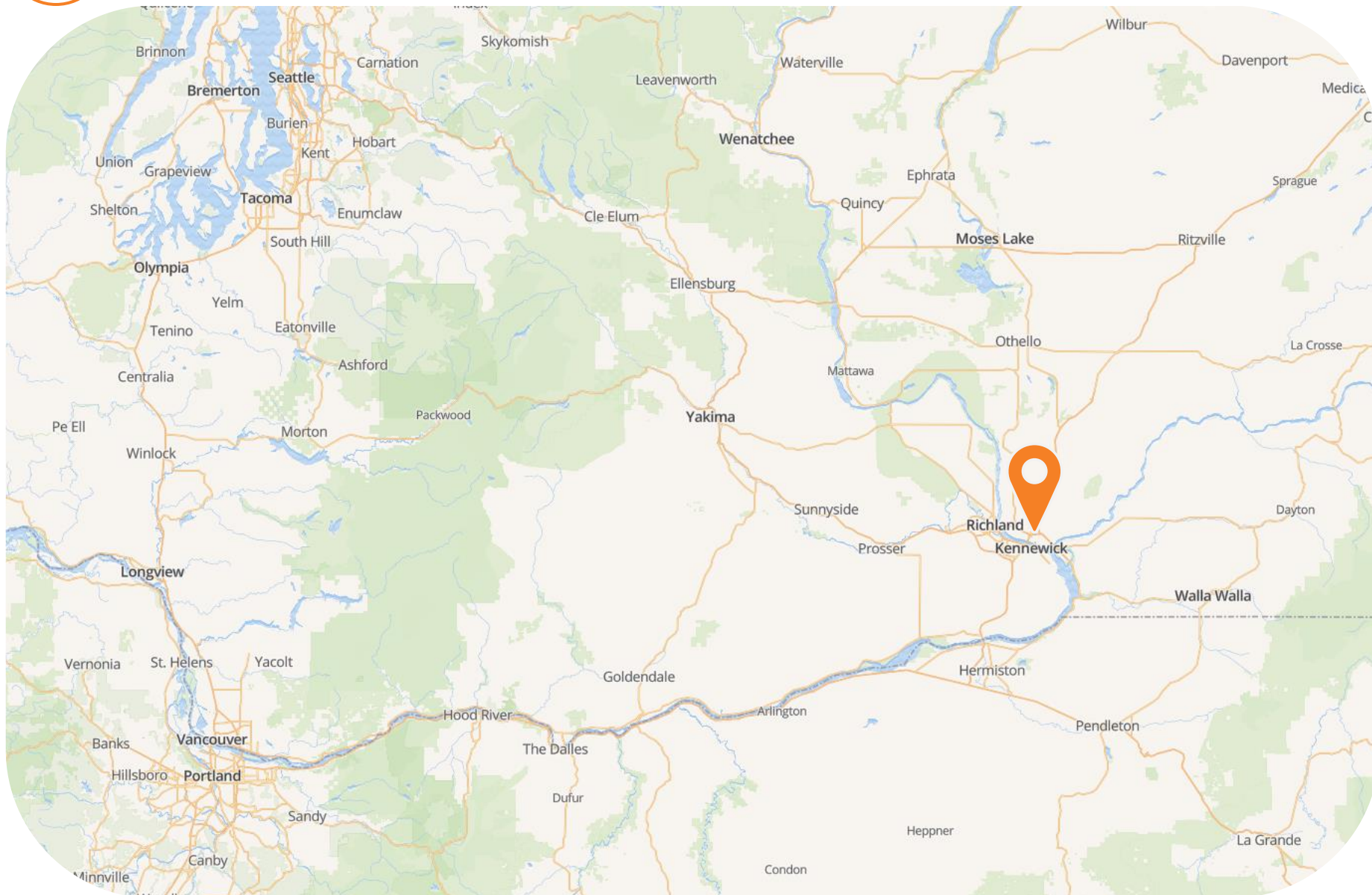
This Popeyes property benefits from being well-positioned near two dense residential areas each boasting numerous national and local tenants, shopping centers, and academic institutions. Major national tenants in the immediate area include: Walmart, Lowes, Dollar Tree, Grocery Outlet, Walgreens, O'Reilly Auto Parts, Discount Tire, Firestone, Wendy's Applebee's, Ihop, Sonic, McDonalds, Subway, as well as many more. The subject property benefits from being located four miles from Columbia Basin College. Columbia Basin College is a public community college with a total enrollment of approximately 6,000 students.

Pasco is a city in, and the county seat of, Franklin County, Washington, United States. Pasco is one of three cities (the others being Kennewick and Richland) that make Washington state's Tri-Cities region, a mid-sized metropolitan area. An area famously camped at by Lewis and Clark during the expedition, the region was historically frequented by both fur trappers and gold trader. In the late 19th century, the Northern Pacific Railway was built near the Columbia River bringing many settlers into the immediate area. The presence of the Hanford Site, a nuclear production complex operate by the federal government, brought with it even more residents into the area contributing to the rapid expansion of the Tri-Cities area through the 1940s and 1950's. Much of this influx would come to reside in the neighboring cities of Kennewick and Richland as Pasco would remain primarily driven by the agricultural industry with farming continuing to be the economic driver for most of the city's industrial tax base. In the late 1990's several developers purchased large farm circles in Pasco to develop for residential and commercial use. Since that time, Pasco has undergone a transformation that has not only seen its population overtake the neighboring city of Richland, but also has resulted in the growth of the city's retail and tourism industries. Recently incorporated land on the West side of the city has exploded into new housing tracts, apartments, and shopping centers.



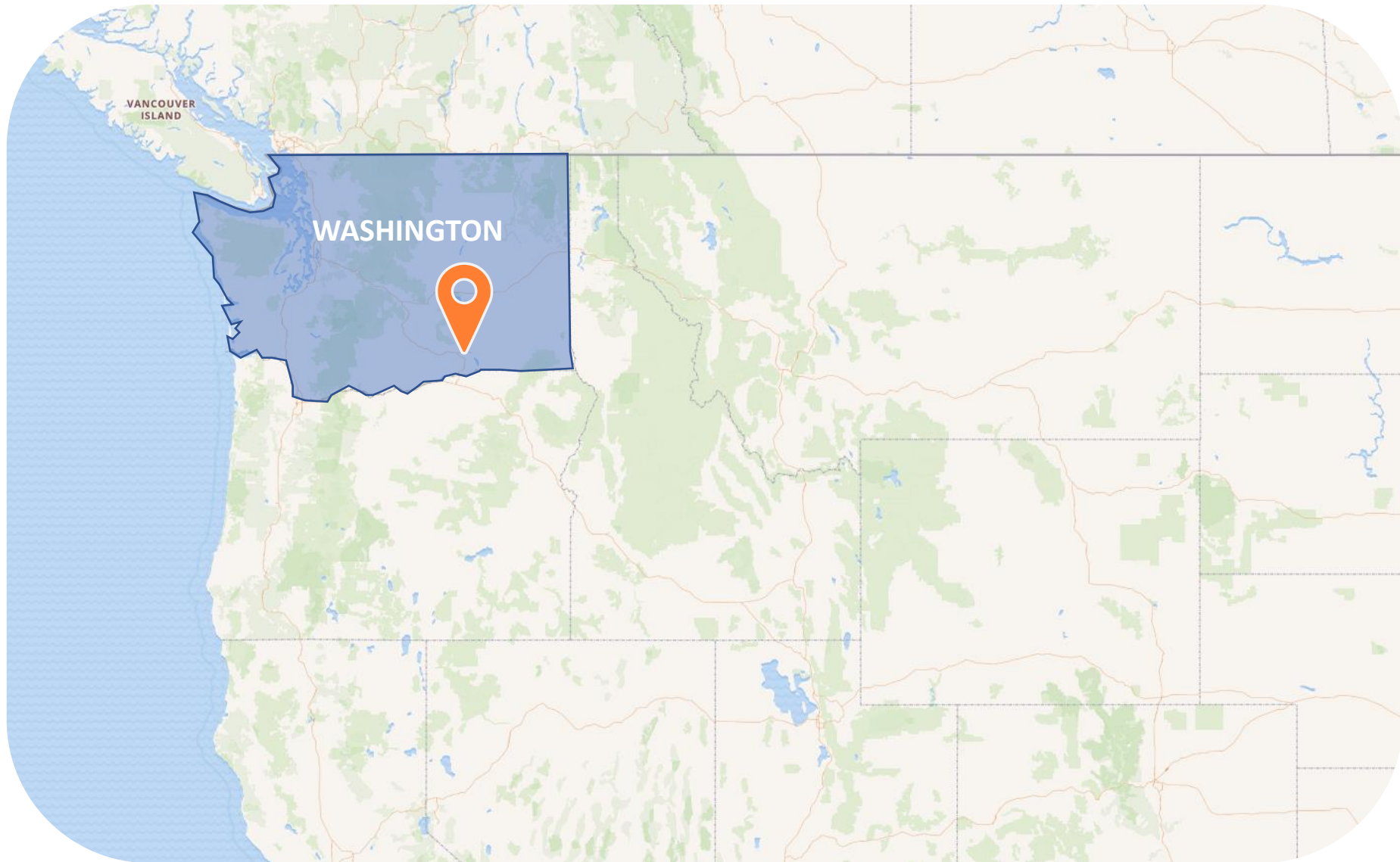


Local Map



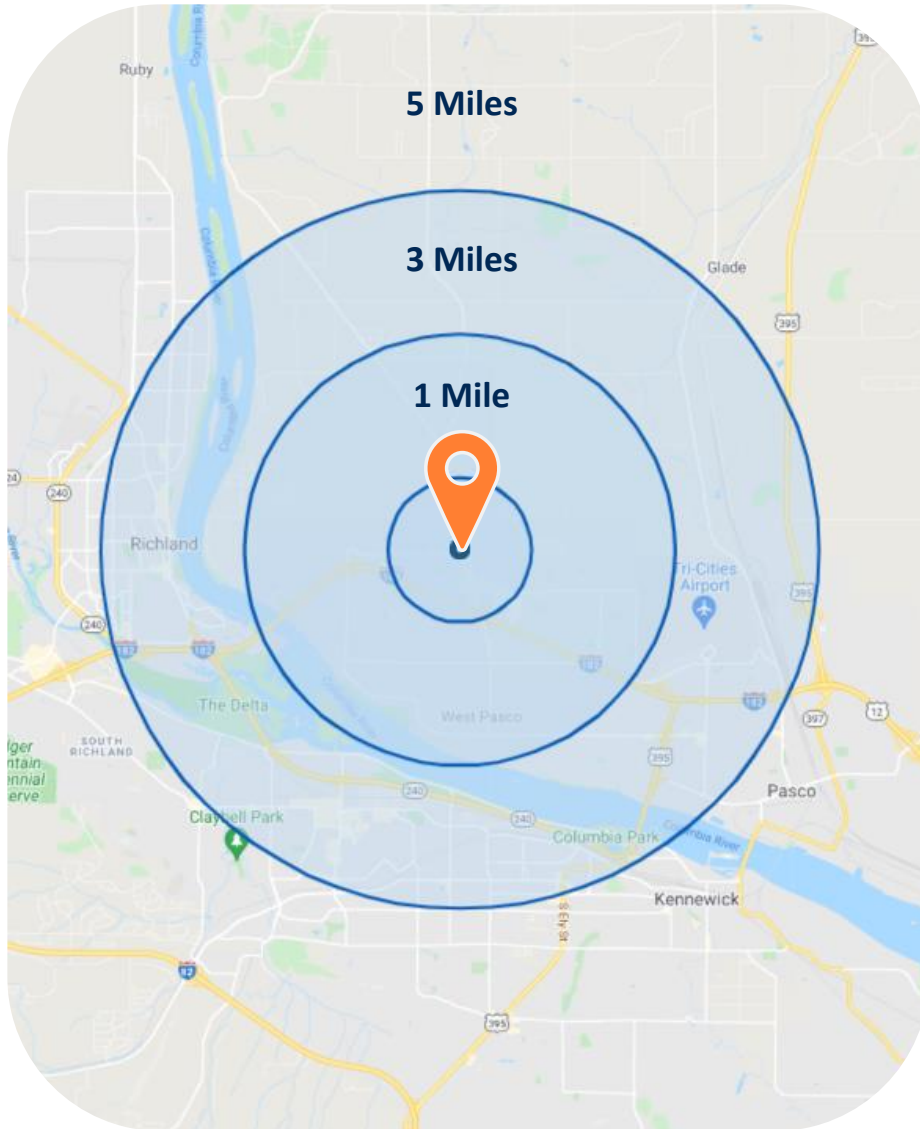


Regional Map





Demographics



Population Trends:

2010 Population	8,651	29,289	94,625
2021 Population	12,241	43,471	116,843
2026 Population Projection	13,376	47,729	126,047
Growth 2010 – 2021	3.80%	4.40%	2.10%
Growth 2021 – 2026	1.90%	2.00%	1.60%

Population by Race (2021):

White	10,725	38,436	103,160
Black	328	1,143	3,250
American Indian/Alaskan Native	140	630	1,707
Asian	557	1,572	4,155
Hawaiian & Pacific Islander	34	118	429
Two or More Races	455	1,571	4,141
Hispanic Origin	4,255	14,201	39,333

Household Trends:

2010 Households	2,804	9,774	34,408
2021 Households	3,899	14,129	41,659
2026 Household Projection	4,255	15,479	44,828
Growth 2010 – 2021	3.60%	4.00%	1.80%
Growth 2021 – 2026	1.80%	1.90%	1.50%

Average Household Income (2021):

\$89,775	\$103,392	\$87,018
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Households by Household Income (2021):

<\$25,000	295	1,263	6,684
\$25,000 - \$50,000	762	2,129	8,426
\$50,000 - \$75,000	980	2,825	8,308
\$75,000 - \$100,000	488	1,588	4,626
\$100,000 - \$125,000	467	2,092	4,483
\$125,000 - \$150,000	312	1,247	2,977
\$150,000 - \$200,000	458	2,053	3,889
\$200,000+	138	930	2,267

Median Household Income (2021):

\$72,258	\$88,326	\$66,057
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Market Overview

Tri-Cities

are three closely linked cities (Kennewick, Pasco, and Richland) at the confluence of the Yakima, Snake, and Columbia Rivers in the Columbia Basin of Eastern Washington. Each city borders one another, making the Tri-Cities seem like one uninterrupted mid-sized city. The three cities function as the center of the Tri-Cities metropolitan area, which consists of Benton and Franklin counties. The Tri-Cities Airport is located in Pasco and provides the region with commercial and private air service. Pasco is the seat of Franklin County, while the other two cities are located in Benton County. In 2010, Kiplinger rated the Tri-Cities among the Top 10 best places to raise a family, and CNN/Money ranked the Tri-Cities one of the top 10 best bets for gains in housing value, due to its relatively stable economic conditions since the early 2000s.

Historically, the area is likely best known for the Hanford Site a nuclear production complex operate by the federal government to produce components for nuclear weapons. Since the 2000s began, the area has seen rapid growth due in part to a large influx of retirees from various areas of the Northwest. During this time, and the corresponding nationwide housing boom, all three cities have flourished and grown significantly with Pasco holding the title of the fastest growing city in Washington at different times. In 2005, the Census Bureau reported that Pasco's population had surpassed Richland's for the first time since before the arrival of the Hanford Site. Fueled by the boom, Chiawana High School was founded, and by 2019 it had become the largest high school in the entire state of Washington.



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