

POPEYES

EXCLUSIVE NET-LEASE OFFERING



OFFERING  
MEMORANDUM



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# Investment Highlights

PRICE: \$3,033,897 | CAP: 5.50% | RENT: \$166,864



## About the Investment

- ✓ Long Term, 20-Year Lease that Commenced in September 2021
- ✓ Triple Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Attractive Rental Increases of 1.75% Annually Beginning in Year 6
- ✓ Four (4) Tenant Renewal Periods of Five (5) Years Each

## About the Location

- ✓ Dense Urban Infill | Safeway, Walgreens, Rite Aid, Ace Hardware, O'Reilly Auto Parts, AutoZone, Jack in the Box, Starbucks Coffee, Subway, Little Caesars and More
- ✓ Affluent Community | Average Income Within a One-Mile Radius Exceeds \$100,000
- ✓ Located on a Hard Corner | Meridian Ave E and 224<sup>th</sup> Street E | Average Daily Traffic Counts of 15,400 and 22,800 Vehicles
- ✓ Compelling Location Fundamentals | Bedroom Community of Tacoma, WA | Third Largest City in Washington
- ✓ Robust Demographics | There Are Approximately 112,000 Individuals Residing Within a Five-Miles Radius

## 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\*



Representative Photo



Representative Photo

\*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





# Financial Analysis

PRICE: \$3,033,897 | CAP: 5.50% | RENT: \$166,864



## PROPERTY DESCRIPTION

Property	Popeyes
Property Address	22002 Meridian Ave E
City, State ZIP	Graham, WA 98338
Year Built	New Construction – Expected to Open 2023
Building Size (SF)	2,333
Lot Size (Acres)	+/- 0.91 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$3,033,897
CAP Rate	5.50%
Annual Rent	\$166,864

## 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	\$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	\$169,784	\$14,149	1.75%
Year 8	\$169,784	\$14,149	1.75%
Year 9	\$169,784	\$14,149	1.75%
Year 10	\$169,784	\$14,149	1.75%
Year 11	\$172,755	\$14,396	1.75%
Year 12	\$172,755	\$14,396	1.75%
Year 13	\$172,755	\$14,396	1.75%
Year 14	\$172,755	\$14,396	1.75%
Year 15	\$172,755	\$14,396	1.75%
Year 16	\$175,779	\$14,648	1.75%
Year 17	\$175,779	\$14,648	1.75%
Year 18	\$175,779	\$14,648	1.75%
Year 19	\$175,779	\$14,648	1.75%
Year 20	\$175,779	\$14,648	1.75%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Popeyes located at 22002 Meridian Ave East in Graham, WA. The property consists of 2,333 square feet of building space and is situated on an estimated 0.91-acres of land. The tenant is subject to a 20-year absolute triple net (NNN) lease, which commenced on 9/30/2021. 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.



# 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 150 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.





# Surrounding Area

**POPeYes**

**AutoZone**

**BURGER KING**

**KeyBank**

**O'Reilly**  
AUTO PARTS

**Jack**  
in the box

**STARBUCKS**  
COFFEE

**STARBUCKS**  
COFFEE

**Little**  
Caesars

**verizon**

**SAFeway**

**SUBWAY**

**T-Mobile**

**RITE**  
**AID**

**Great Clips**

**ARCO**

**ACE**  
Hardware

**O'Reilly**  
AUTO PARTS

**Dominos**  
Pizza

GRAHAM-KAPOWSIN  
HIGH SCHOOL  
1,900+ STUDENTS  
ENROLLED

FRONTIER  
MIDDLE SCHOOL  
700+ STUDENTS  
ENROLLED

NELSON  
ELEMENTARY  
SCHOOL  
550+ STUDENTS  
ENROLLED

224<sup>th</sup> STREET E ADTC: 15,400

**Walgreens**

**am/pm**

**UNITED STATES**  
POSTAL SERVICE

**Papa Murphys**  
TAKE 'N' BAKE PIZZA



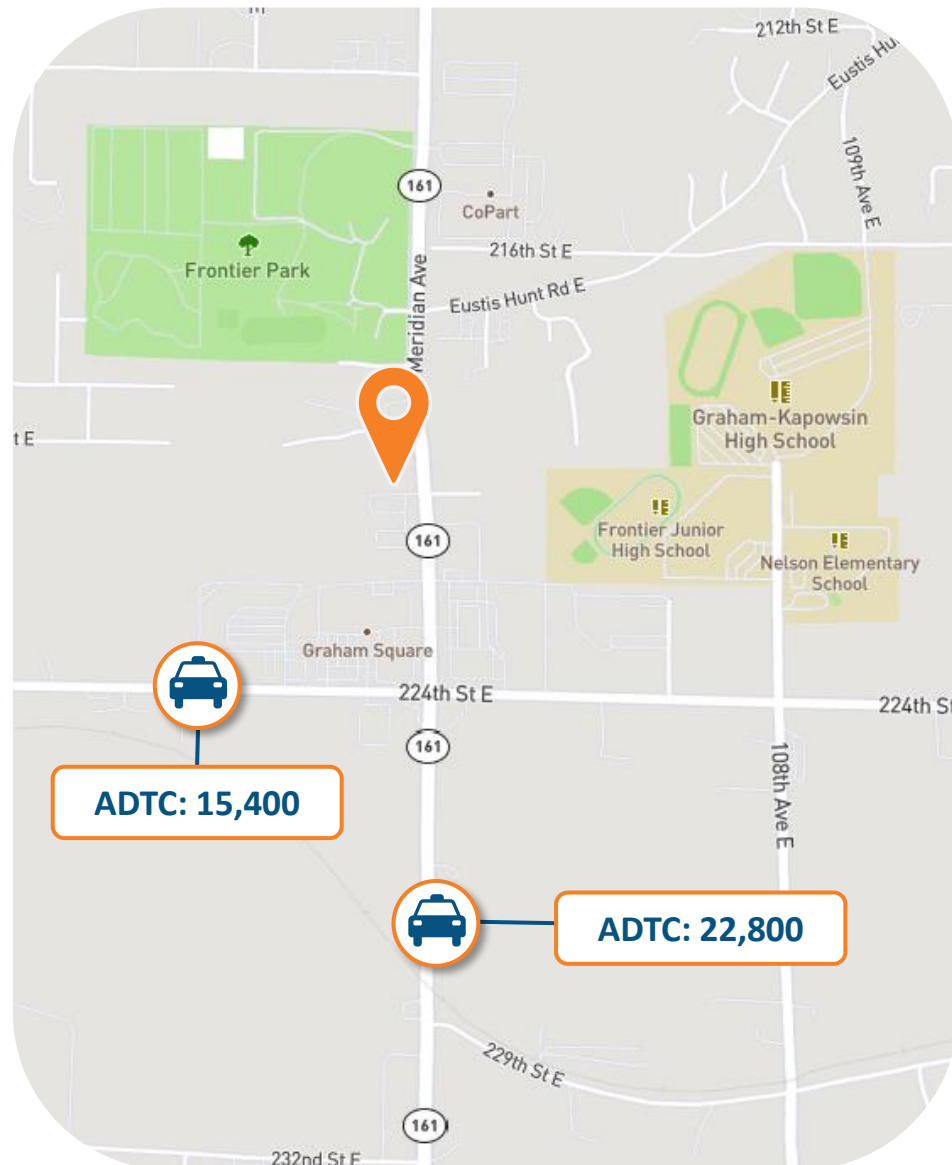


# Location Overview

The subject investment property is situated on the hard corner of 224<sup>th</sup> Street E and Meridian Ave E. 224<sup>th</sup> Street E boasts average daily traffic counts of 15,400 vehicles per day. 224<sup>th</sup> Street E intersects with Meridian Ave E which brings an additional 22,800 vehicles into the immediate area daily. There are approximately 46,000 individuals within a three-mile radius of the subject property and 112,000 individuals within a five-mile radius.

This Popeyes property benefits from being well-positioned in a strong retail corridor surrounded by national and local tenants, shopping centers, and academic institutions. Major national tenants in the immediate area include: Safeway, Walgreens, Rite Aid, Ace Hardware, O'Reilly Auto Parts, AutoZone, Jack in the Box, Starbucks Coffee, Subway, Little Caesars as well as many more. The subject property benefits from being located within a half-mile radius of the several local schools. Graham-Kapowsin High School, Frontier Middle School, and Nelson Elementary School have a combined enrollment of over 2,100 students.

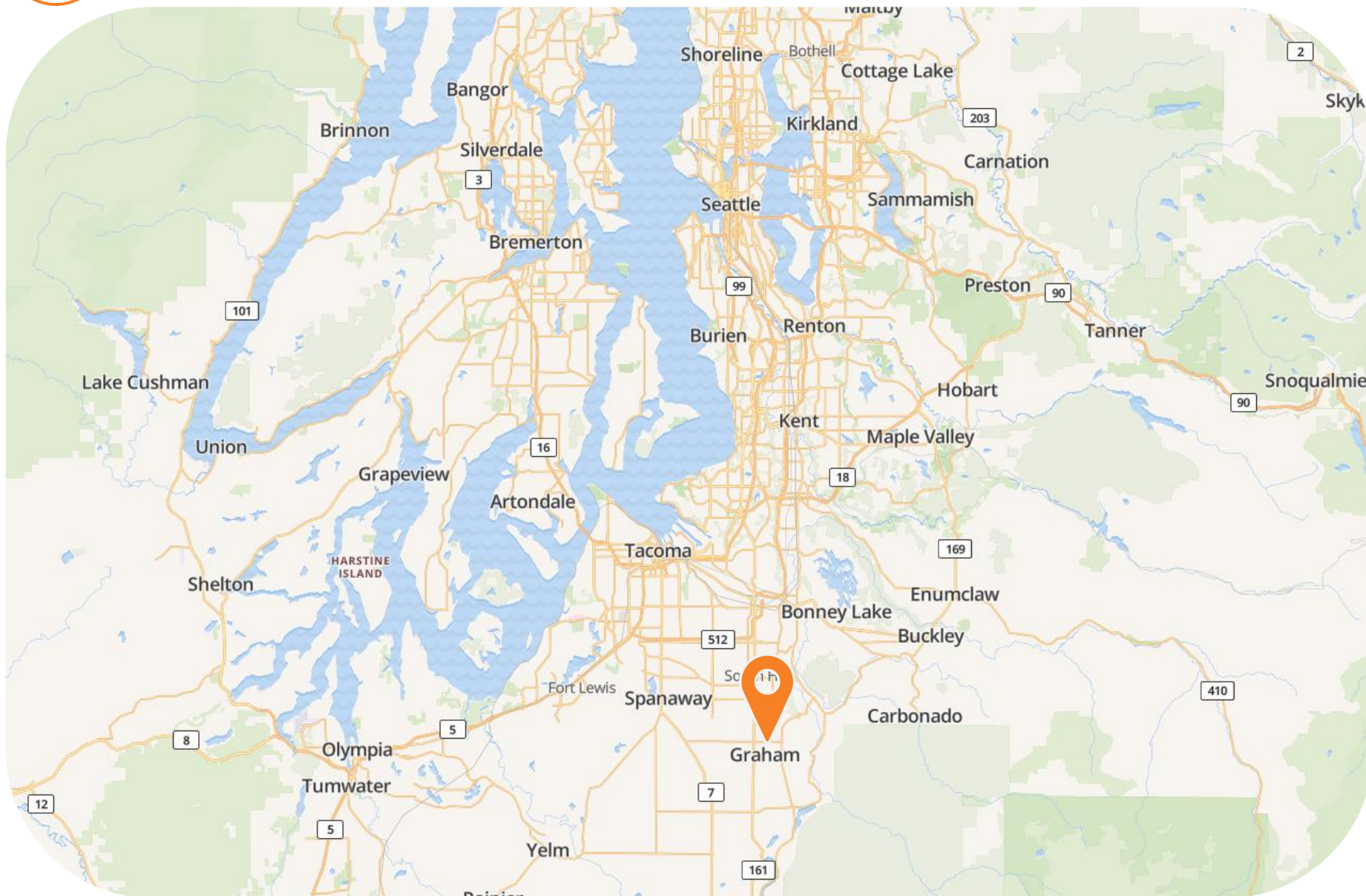
Graham is a census-designated place (CDP) in Pierce County, Washington, United States. The area's local economy supports about 11,982 jobs, and that number has been increasing year over year. The median household income in Graham is higher than the national median and slightly higher than the Seattle-Tacoma-Bellevue Area, making this a fairly affluent community. The most common occupations in Graham are in management, administrative and sales roles, although construction and transportation jobs are also prevalent here. The largest industries in Graham are healthcare, retail trade, construction, and manufacturing, with education leading closely behind. Since it's only 20 miles from Graham, WA to Tacoma, WA, some residents choose to work in the city as well. Frontier Park is one of the best places to enjoy the outdoors in Graham. The park spans a total of 71 acres and in addition to its large green spaces, also features a playground perfect for the kids, turfed play areas, walking trails, and a quarter-mile race track. Frontier Park is also the location for one of the biggest annual events in Graham, the Pierce County Fair. The fair takes place each August and includes everything from live music to horse and cattle shows, to delicious carnival-style food. During other times of the year, the Park also hosts other local events, from music performances to cultural festivals and everything in between.





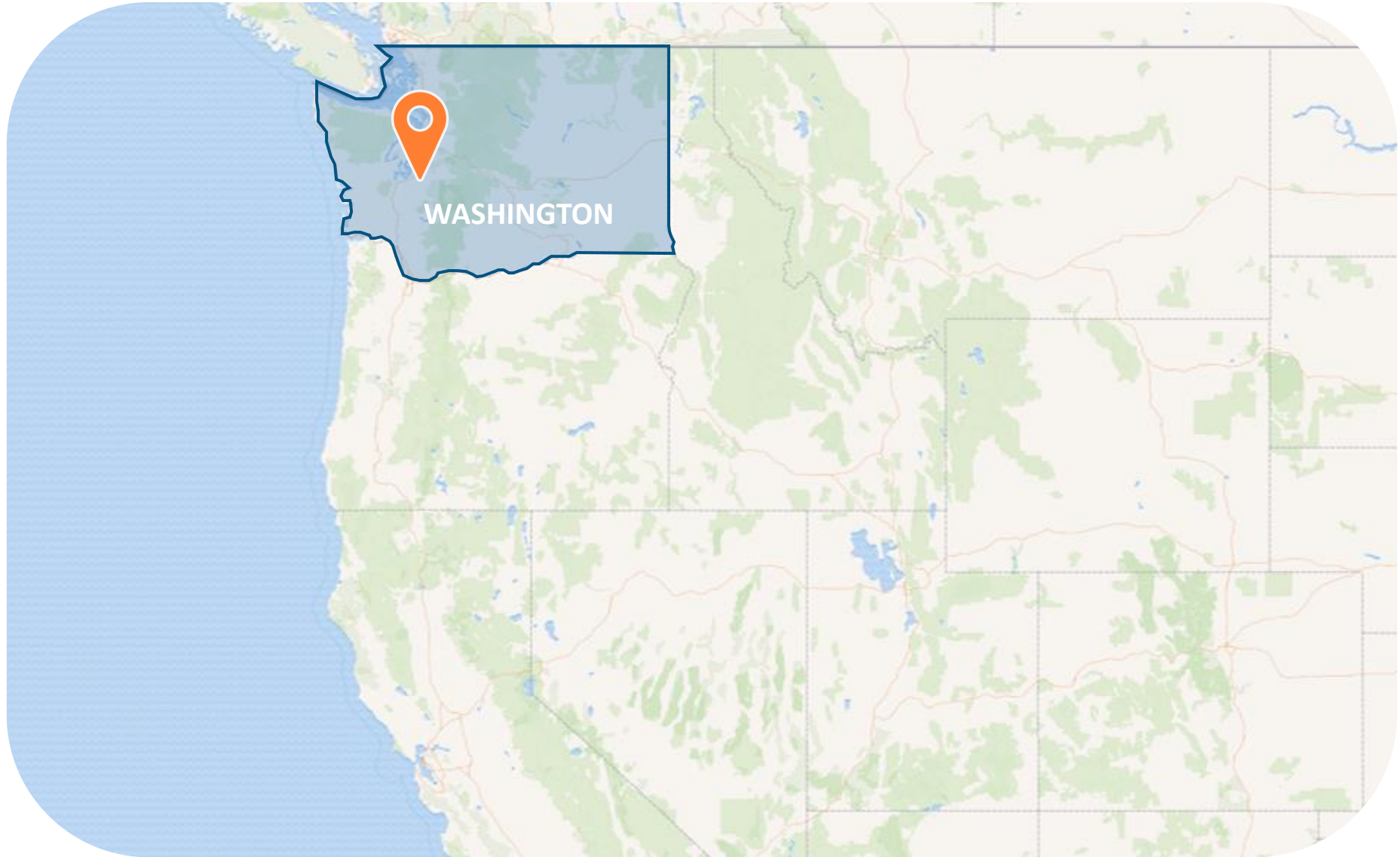


# Local Map





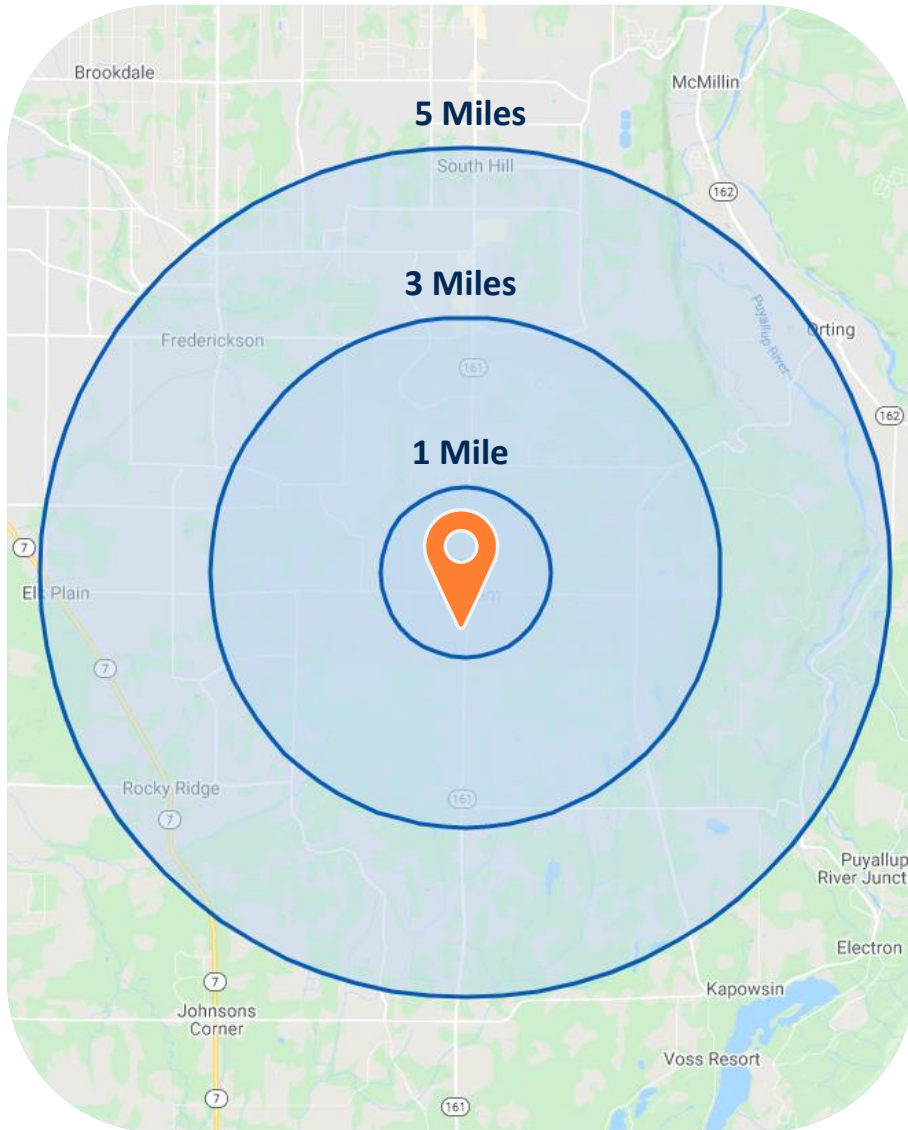
# Regional Map







# Demographics



## POPULATION TRENDS

2010 Population	2,607	37,805	89,958
2021 Population	2,986	46,094	112,071
2026 Population Projection	3,178	49,470	120,608
Annual Growth 2010-2021	1.30%	2.00%	2.20%
Annual Growth 2021-2026	1.30%	1.50%	1.50%

## POPULATION BY RACE (2021)

White	2,479	35,196	87,037
Black	116	2,873	6,214
American Indian/Alaskan Native	47	659	1,667
Asian	105	2,763	6,547
Hawaiian & Pacific Islander	55	935	2,139
Two or More Races	184	3,670	8,468
Hispanic Origin	258	4,572	11,595

## HOUSEHOLD TRENDS

2010 Households	905	12,370	29,837
2021 Households	1,047	15,279	37,641
2026 Household Projection	1,117	16,436	40,599
Growth 2010-2021	1.10%	1.80%	2.00%
Growth 2021-2026	1.30%	1.50%	1.60%

## AVERAGE HOUSEHOLD INCOME (2021)

\$100,354	\$106,680	\$107,510
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## MEDIAN HOUSEHOLD INCOME (2021)

\$81,194	\$95,254	\$94,872
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## HOUSEHOLDS BY HOUSEHOLD INCOME (2021)

< \$25,000	53	893	2,451
\$25,000 - 50,000	176	1,865	4,553
\$50,000 - 75,000	239	2,770	6,492
\$75,000 - 100,000	226	2,605	6,697
\$100,000 - 125,000	128	2,710	6,348
\$125,000 - 150,000	86	1,827	4,307
\$150,000 - 200,000	55	1,645	4,229
\$200,000+	85	962	2,562



# Market Overview

*Tacoma, WA*

**Tacoma** is a mid-sized urban port city and the county seat of Pierce County, Washington, United States. The city is on Washington's Puget Sound, 32 miles southwest of Seattle, 31 miles northeast of the state capital, Olympia, and 58 miles northwest of Mount Rainier National Park. According to the United States Census Bureau, the city has an area of 62.34 square miles, of which 49.72 square miles is land and 12.62 square miles is water. The city is several miles north of Joint Base Lewis–McChord, also known separately as Fort Lewis and McChord Air Force Base.

Tacoma is the home of several international companies including staffing company True Blue Inc. (formerly Labor Ready), lumber company Simpson and the food companies Roman Meal and Brown and Haley. U.S. Oil and Refining operates an oil refinery on the tide flats in the Port of Tacoma. Built 69 years ago in Tacoma in 1952, it refines 39,000 barrels of petroleum per day. The Tacoma Mall is the largest shopping center in Tacoma. It is owned by Simon Property Group. Anchor tenants include JC Penney, Sears, Macy's, and Nordstrom.

Point Defiance Park, one of the largest urban parks in the country (at 700 acres), is in Tacoma. Scenic Five-Mile Drive allows access to many of the park's attractions, such as Owen Beach, Fort Nisqually, and the Point Defiance Zoo & Aquarium. Cheney Stadium In Tacoma is home to the Tacoma Rainiers minor league baseball team, the Tacoma Defiance second-division soccer team, and Reign FC of the National Women's Soccer League.







Marcus & Millichap

## EXCLUSIVE NET LEASE OFFERING

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