



POPEYES LOUISIANA CHICKEN

Birmingham, AL

PRESENTED BY

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POPEYES
Birmingham, AL
ACT ID X0220248

Marcus & Millichap

1717 Finley Boulevard, Birmingham, Alabama 35204

| | |
|--------------|-----------------|
| Price | \$1,235,000 |
| Down Payment | 35% / \$432,500 |
| Cap Rate | 5.50% |
| Year Built | 1999 / 2014 |
| Lot Size | 0.40 Acres |

Operating Information

| | |
|---------------------|----------|
| Year 1 NOI | \$67,931 |
| Rent/SF | \$27.30 |
| Gross Leasable Area | 2,488 |

Financing

| | |
|---|-----------|
| New Acquisition Financing | \$787,800 |
| Loan To Value | 65.00% |
| Interest Rate | 4.25% |
| Amortization Period | 25 |
| Loan Constant | 6.50% |
| Annual Debt Service Payment | \$51,214 |
| Year 1 Debt Service Coverage | 1.33 |
| Year 1 Debt Yield | 8.62% |
| Year 1 Net Cash Flow After Debt Service | \$16,717 |

LEASE SUMMARY

| | |
|--------------------|---------------------------|
| Tenant: | Popeyes Louisiana Chicken |
| Guarantor: | Sailormen, Inc. |
| Credit Rating: | Not Rated |
| Rent Commencement: | April 2015 |
| Initial Lease Term | 20 Years |

Options:
Four, 5-Year Options
1.25% Annual Increases

| | |
|-------------|--------------|
| Lease Type: | Absolute Net |
|-------------|--------------|

| | |
|------------|---|
| Base Rent: | \$27.30/SF \$2.28/SF/Month \$67,931 Annual Rent |
|------------|---|

| | |
|-----------------|----------------|
| Rent Increases: | 1.25% Annually |
|-----------------|----------------|

PROPERTY SUMMARY

| THE OFFERING | |
|---------------------|---|
| Property | Popeyes Louisiana Kitchen |
| Property Address | 1717 Finley Boulevard Birmingham, AL 35204 |
| Price | \$1,235,000 |
| Capitalization Rate | 5.50% |
| Price/SF | 496.38 |

| PROPERTY DESCRIPTION | |
|------------------------|------------|
| Year Built / Renovated | 1999/2014 |
| Gross Leasable Area | 2,488 |
| Zoning | Commercial |
| Type of Ownership | Fee Simple |

| LEASE SUMMARY | |
|---------------------------------|--------------------------------|
| Property Subtype | Net Leased Restaurant |
| Tenant | Popeyes |
| Rent Increases | 1.25% Annually |
| Guarantor | Sailormen, Inc. |
| Lease Type | Absolute Net |
| Lease Commencement | 4/2/2015 |
| Lease Expiration | 4/1/2035 |
| Lease Term | 20 |
| Term Remaining on Lease (Years) | 18 |
| Renewal Options | Four, 5-Year Options |
| Landlord Responsibility | None |
| Tenant Responsibility | All Including Roof & Structure |
| Right of First Refusal/Offer | Yes |

| ANNUALIZED OPERATING INFORMATION | | | |
|----------------------------------|-------------|--------------|----------|
| INCOME | | | |
| Net Operating Income | | | \$67,931 |
| RENT SCHEDULE | | | |
| YEAR | ANNUAL RENT | MONTHLY RENT | RENT/SF |
| Current | \$67,931 | \$5,661 | \$27.30 |
| April 2, 2018 | \$68,781 | \$5,732 | \$27.65 |
| April 2, 2019 | \$69,640 | \$5,803 | \$27.99 |
| April 2, 2020 | \$70,511 | \$5,876 | \$28.34 |
| April 2, 2021 | \$71,392 | \$5,949 | \$28.69 |
| April 2, 2022 | \$72,285 | \$6,024 | \$29.05 |
| April 2, 2023 | \$73,188 | \$6,099 | \$29.42 |
| April 2, 2024 | \$74,103 | \$6,175 | \$29.78 |
| April 2, 2025 | \$75,029 | \$6,252 | \$30.16 |
| April 2, 2026 | \$75,967 | \$6,331 | \$30.53 |
| April 2, 2027 | \$76,917 | \$6,410 | \$30.92 |
| April 2, 2028 | \$77,878 | \$6,490 | \$31.30 |
| April 2, 2029 | \$78,852 | \$6,571 | \$31.69 |
| April 2, 2030 | \$79,838 | \$6,653 | \$32.09 |
| April 2, 2031 | \$80,835 | \$6,736 | \$32.49 |
| April 2, 2032 | \$81,846 | \$6,821 | \$32.90 |
| April 2, 2033 | \$82,869 | \$6,906 | \$33.31 |
| April 2, 2034 | \$83,905 | \$6,992 | \$33.72 |





“The relationship between MDA and Sailormen is a testament to their longstanding commitment to help bring strength, independence and life to hundreds of local kids and adults living with life-threatening muscle diseases.”

Sailormen, Inc. - Popeyes Raises Record \$838,353 to Support Muscular Dystrophy Association

| Popeyes Louisiana Kitchen Corporation | | Financial Markets | |
|---------------------------------------|---|-------------------|-------------------|
| Store Count | 2,594 | Stock Ticker | PLKI |
| System-Wide Sales | Total Revenues Increased 3.9% to \$61.7 million in the second quarter 2016, compared to \$59.4 million in the second quarter of 2015. | Current Price | \$51.64 |
| | | 52 Week High/Low | \$63.00 / \$49.11 |

POPEYES LOUISIANA KITCHEN, INC.

Founded in Atlanta in 1992 as AFC Enterprises, Inc., the Company is a developer, operator and franchisor of quick-service restaurants ("QSRs" or "restaurants") under the trade name, Popeyes® Louisiana Kitchen and Popeyes® Chicken & Biscuits. In January 2014, AFC Enterprises, Inc. changed its corporate name to Popeyes Louisiana Kitchen, Inc. and is traded on Nasdaq under the ticker symbol "PLKI".

POPEYES PROFILE

The Popeyes® brand was founded in New Orleans, Louisiana in 1972 and is the world's second largest quick-service chicken concept (based on the number of units). Within the QSR industry, Popeyes distinguishes itself with a unique "New Orleans" style menu that features spicy chicken, chicken tenders, fried shrimp and other seafood, as well as jambalaya, Red Beans and Rice and other regional items. Popeyes is a highly differentiated QSR brand with a passion for its Louisiana heritage and flavorful authentic food. Popeyes serves food the world craves and is continuing to expand its global reach. The Company operates and franchises over 2,000 Popeyes restaurants worldwide. Of the 1,600 domestic franchised restaurants, approximately 70% are concentrated in Texas, California, Louisiana, Florida, Illinois, Maryland, New York, Georgia, Virginia and Mississippi. Of the nearly 400 international franchised restaurants, approximately 55% are located in Korea, Canada and Turkey. More than 90% of the company-operated restaurants are concentrated in Louisiana and Tennessee.

| General Information About the Tenant | | Key Personnel | |
|--------------------------------------|---|---------------------|---|
| Franchisee | Sailormen, Inc. | Mr. Robert S. Berg | Chairman of the Board and Chief Executive Officer |
| Address | 9500 South Dadeland Blvd, Suite #800 Miami, FL 33156 | Mr. Steven M Wemple | President and Chief Operating Officer |
| Phone | (305) 670-0746 | Mr. Frank Maloney | Chief Financial Officer and Vice President |
| | | Store Count | 132 Locations |

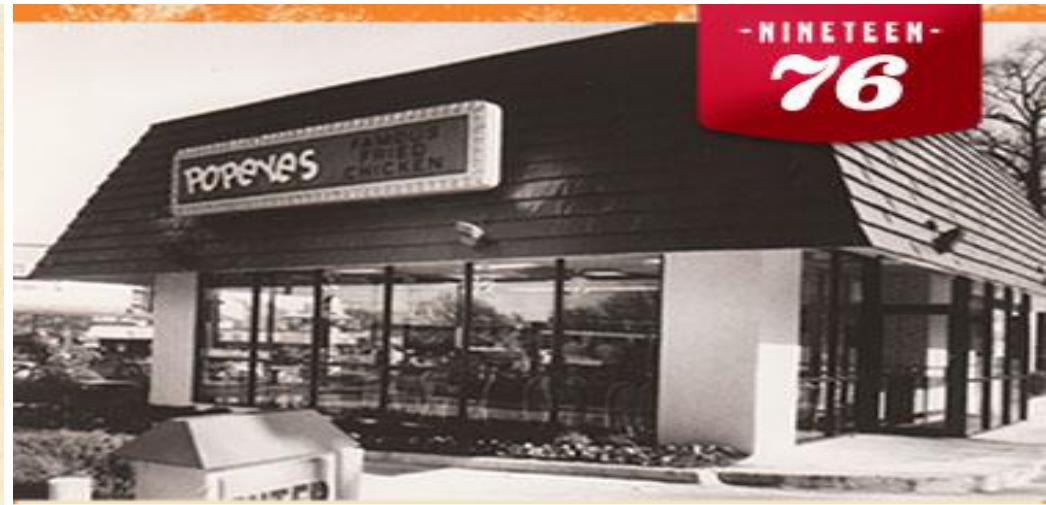
Founded in 1984, Sailormen, Inc. operates as a "chicken and biscuits" restaurant franchisee and operator. It operates restaurants in Florida, Alabama, Illinois, Georgia, Mississippi, Louisiana, and Missouri. The company operates as a subsidiary of Interfoods of America, Inc. and is one of the largest domestic franchisees of Popeyes Louisiana Kitchen restaurants.

{ 1970s » 1980s » 1990s » 2000s » 2010+ » }

1972:

Alvin C. Copeland Sr., opens "Chicken on the Run" in the New Orleans suburb of Arabi, serving traditional, Southern-fried chicken.

After several months of lackluster performance, he reopens the restaurant as "Popeyes®" (after Popeye Doyle of *The French Connection*). This time he sells spicy, New Orleans-style chicken.

**2010 and Beyond**

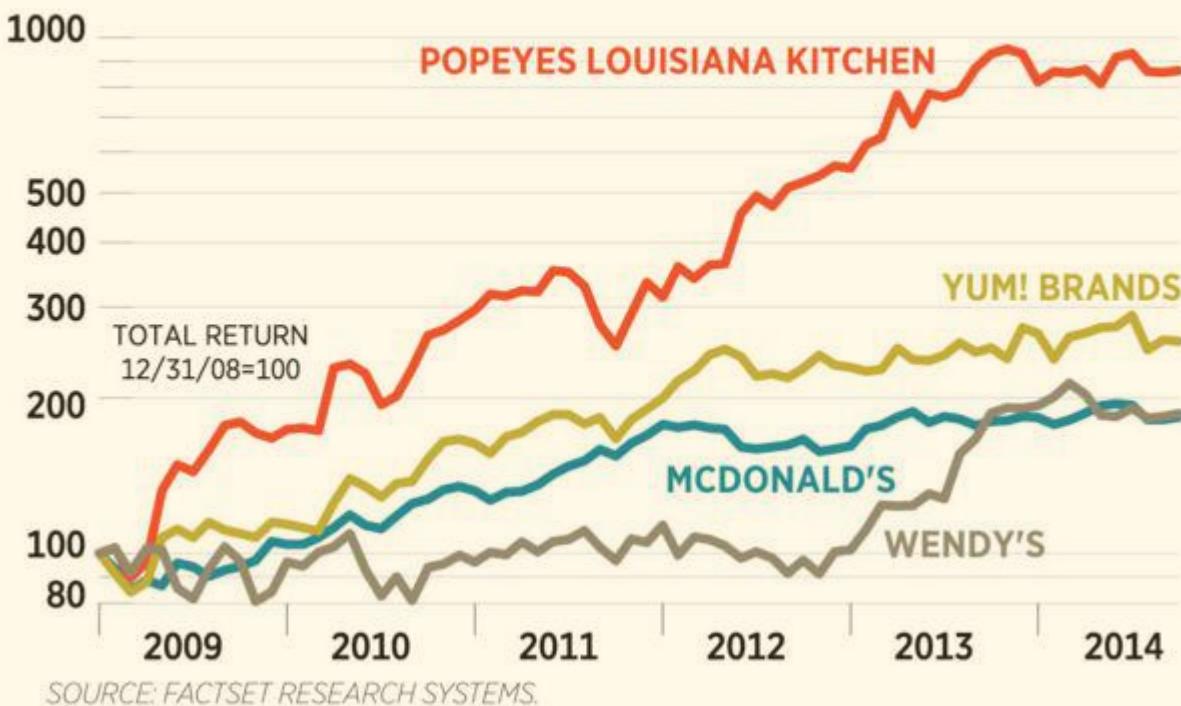
CELEBRATING 40 YEARS OF
POPeYes®



Popeyes celebrates 40th anniversary and announces plans for system-wide remodeling of its restaurants.

HARDLY CHICKEN FEED

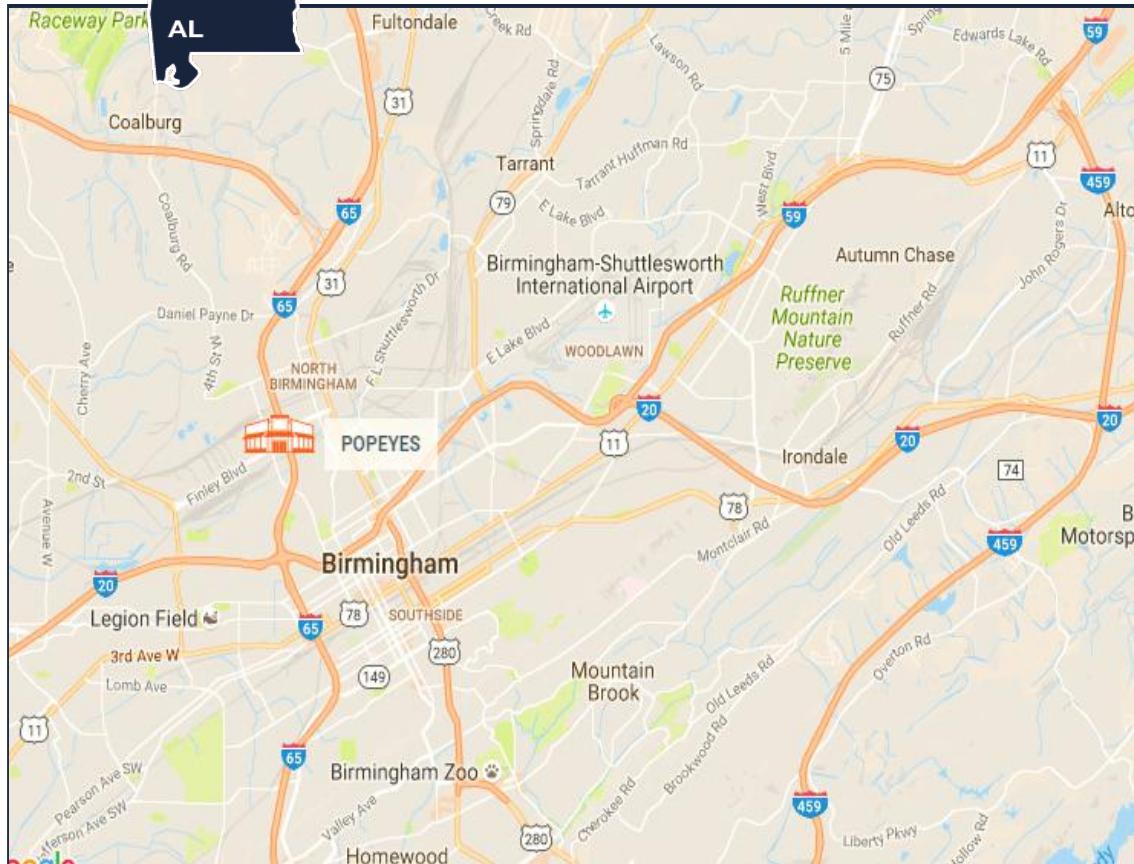
SHAREHOLDERS LIKE THE REMODELED POPEYES, TOO.



Source: Forbes.com ["How Popeyes Reinvented Itself to Win the Fried Chicken War"](#)



1717 Finley Boulevard, Birmingham, AL 35204



CLOSE PROXIMITY TO:



Airport



Major Highway



Downtown



Schools



Shopping Center

- Popeyes Louisiana Kitchen Holds Record 26.6% Market Share of Entire Chicken QSR Category
- Popeyes Corporation Boasts Six Consecutive Years of Same Store Sales Outpacing Entire Chicken QSR
- Subject Location Has Seen Steady Increase in Sales
- Recent 2014 Renovation to Current Brand Image
- Sailormen, Inc. —Popeyes’ System-Wide Largest Domestic Franchise Operator
- Recently Executed New 20-Year NNN Lease
- Annual 1.25% Increases With Low Rent-to-Sales

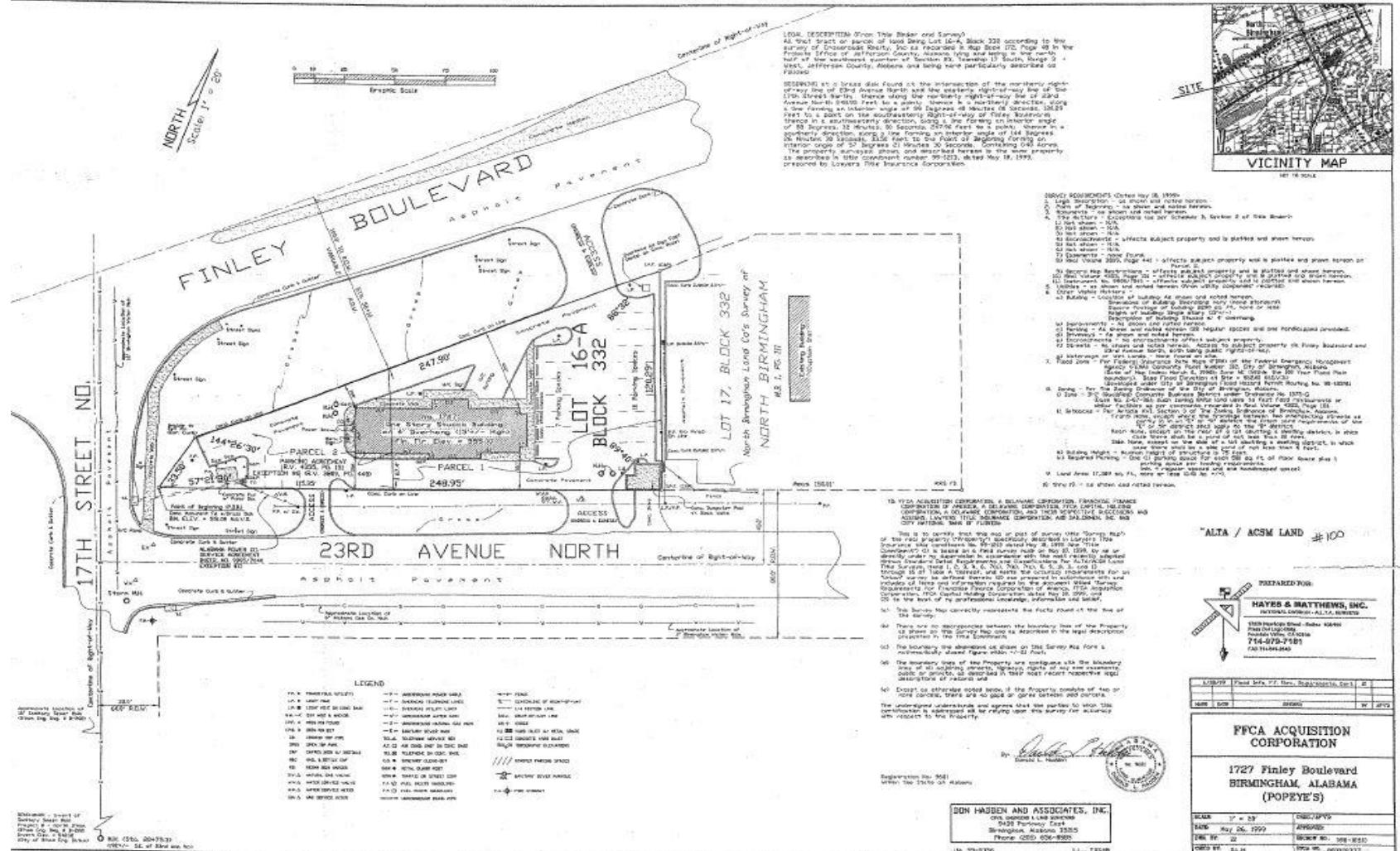
Marcus & Millichap is pleased to present an outstanding investment opportunity of a single tenant, absolute triple net leased Popeyes Louisiana Kitchen in Birmingham, the largest city in Alabama. This popular restaurant serves the surrounding community and is immediately accessible from the Interstate 65 with 90,000 travelers per day. Additionally, a roughly 21,000 vehicles pass the specific location daily along Finley Boulevard.

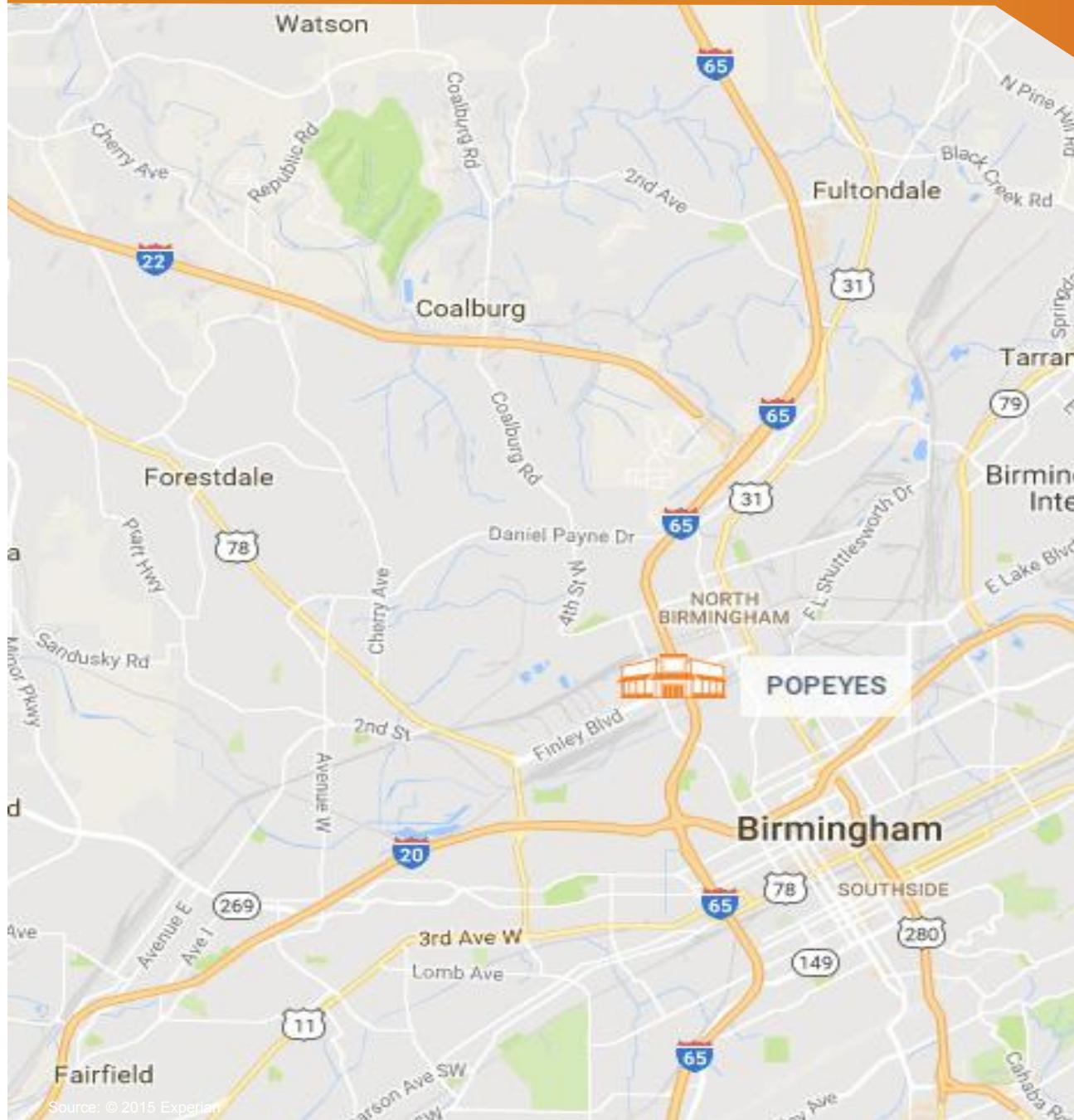
The property is located only 2.5 miles northeast of the University of Alabama Birmingham and the University of Alabama School of Medicine.. The Birmingham-Shuttlesworth International Airport is just seven miles east of the property.

POPEYES

AERIAL PHOTO







| | 1 Miles | 3 Miles | 5 Miles |
|-----------------------------|----------|----------|----------|
| POPULATION | | | |
| 2020 Projection | 5,707 | 37,883 | 141,812 |
| 2015 Estimate | 6,128 | 40,014 | 146,573 |
| 2010 Census | 6,132 | 39,537 | 145,429 |
| 2000 Census | 8,111 | 47,622 | 168,401 |
| INCOME | | | |
| Average | \$30,487 | \$35,350 | \$50,749 |
| Median | \$21,489 | \$22,576 | \$30,812 |
| Per Capita | \$13,417 | \$15,123 | \$22,211 |
| HOUSEHOLDS | | | |
| 2020 Projection | 2,488 | 14,958 | 61,021 |
| 2015 Estimate | 2,638 | 15,680 | 62,619 |
| 2010 Census | 2,635 | 15,480 | 62,010 |
| 2000 Census | 3,259 | 18,099 | 70,893 |
| HOUSING | | | |
| 2015 | \$53,841 | \$68,678 | \$94,850 |
| EMPLOYMENT | | | |
| 2015 Daytime Population | 16,419 | 97,698 | 238,846 |
| 2015 Unemployment | 13.31% | 16.35% | 9.2% |
| 2015 Median Time Traveled | 24 | 23 | 22 |
| RACE & ETHNICITY | | | |
| White | 3.57% | 11.65% | 27.99% |
| Native American | 0.14% | 0.05% | 0.06% |
| African American | 91.74% | 84.95% | 66.5% |
| Asian/Pacific Islander | 0.14% | 0.52% | 1.15% |



Representative Photo

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