

Popeyes Chicken

Operated by The Dhanani Group, Popeyes' Largest Franchisee

\$3,738,000 | 5.35% CAP

467 Highway 90, Sierra Vista, AZ 85635

- Projected Rent Commencement: October 2024
- Brand New 20-Year Ground Lease with 10% Rental Increases Every 5 Years
- Located on Arizona Highway 90 (23,832+ VPD), the Main Road Running Through the City
- Down the Street from The Mall at Sierra Vista & Surrounded by Numerous Major, High-Traffic Retailers
- **5 Miles from Fort Huachuca,** the Largest Economic Contributor in Arizona





INVESTMENT OVERVIEW

POPEYE'S CHICKEN SIERRA VISTA, AZ



CONTACT FOR DETAILS

Matthew Scow

Executive Vice President (214) 915-8888

mscow@securenetlease.com

Bob Moorhead

Managing Partner (214) 522-7210

bob@securenetlease.com

AZ Broker of Record: James Mitchell License #: LC556376000

\$3,738,000

5.35% CAP

NOI

\$200,000

Building Area

±2,297 SF

Land Area

±0.576 AC

Year Built

2024

Lease Type

Ground Lease

Occupancy

100%

- Projected Rent Commencement: October 2024
- Brand New 20-Year Ground Lease with 10% Rental Increases Every 5 Years, In Primary Term & (4), 5-Year Options to Renew
- Subject Property is Located on Arizona Highway 90 (23,832+ VPD), the main road running through the city. The site is only 55 miles from Tucson, AZ and 16 miles from the U.S.-Mexico border.
- Prominent Retail Location This site is down the street from The Mall at Sierra Vista, a 400,000+ SF enclosed mall with over 50 major retailers and brands. Additionally, the area is surrounded by numerous major, high-traffic retailers such as The Home Depot, Lowe's, Target, Walmart Supercenter, Safeway, Fry's, and much more.
- Located Only 5 Miles from Fort Huachuca, home to the U.S. Army Intelligence Center of Excellence and is Cochise County's largest employer and the largest economic contributor in Arizona. Established in 1877, the Fort was annexed in 1971 by the city of Sierra Vista and declared a national landmark in 1976.
- Strong Demographics in a Growing Southern Arizona Market Sierra Vista is the largest city in Southeastern Arizona, featuring dense and affluent demographics, including almost 50,000 residents residing within a 5-mile radius from the subject site and an average household income in excess of \$104,000.
- Popeyes Ranks As the World's Second-Largest Quick-Service Chicken Brand, boasting over 4,178 locations worldwide, including more than 3,000 in the U.S. and Canada.

This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.



TENANT OVERVIEW

POPEYE'S CHICKEN SIERRA VISTA, AZ

Popeyes Chicken

Lessee: The Dhahani Group - Over 1300 Locations Guarantor: Zubha Pop Foods - Over 98 Locations

\$5.51B

CREDIT RATING

BB

LOCATIONS **4,178+**



popeyes.com



STOCK TICKER QSR

rbi.com

Founded in 1972, the Popeyes® brand has more than 50 years of history and culinary tradition. Popeyes® owes its beginnings to entrepreneur and culinary innovator, Al Copeland.

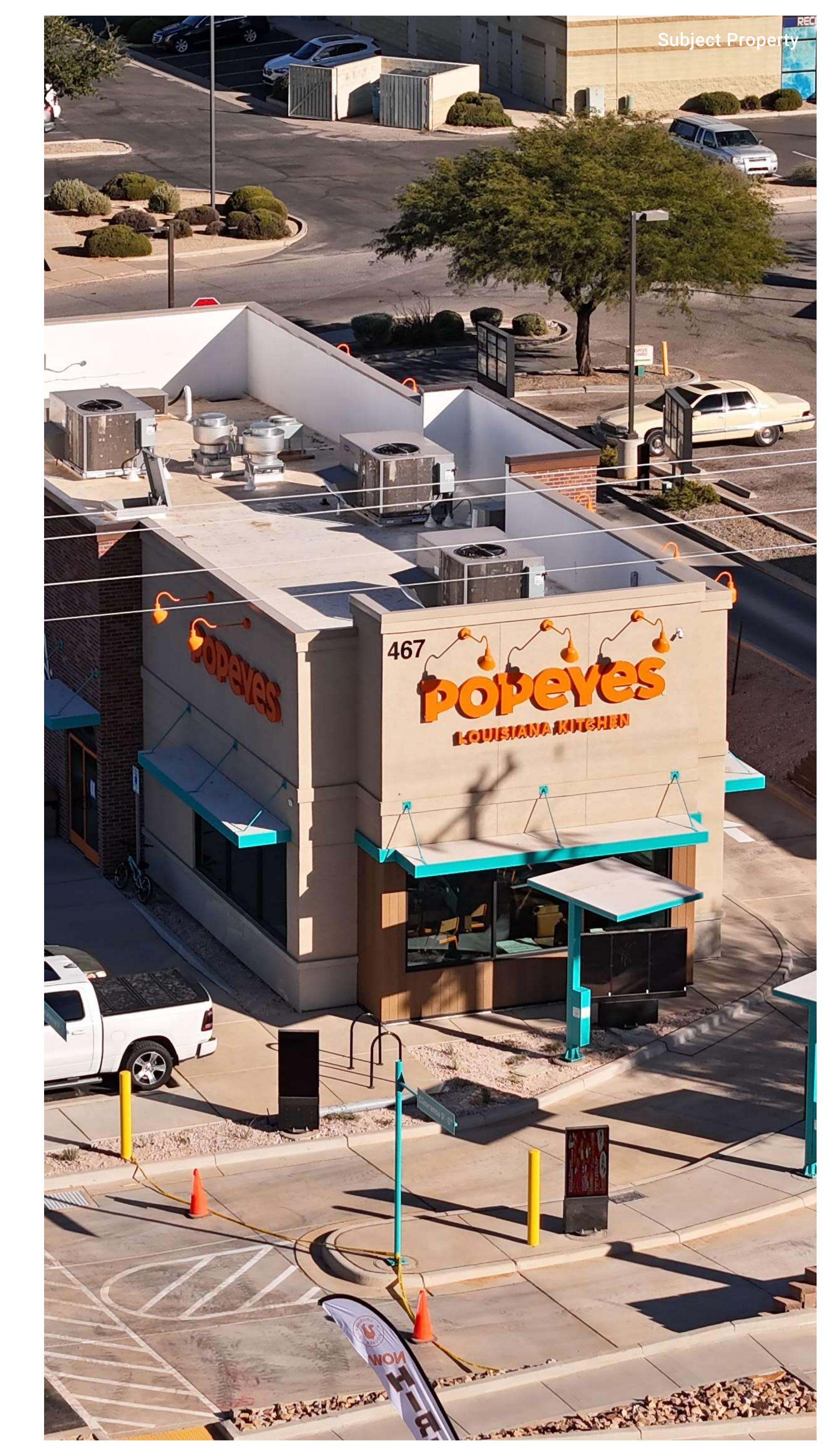
With one small restaurant and a big idea, Copeland introduced the New Orleans—style fried chicken that has now made the brand famous throughout the world. Popeyes distinguishes itself with a unique New Orleans style menu featuring spicy chicken, chicken tenders, fried shrimp and other regional items. This unique and flavorful food has allowed Popeyes to become one of the world's largest chicken quick service restaurants, with over 4,178 restaurants in the U.S. and around the world. Their history combined with great food, service and quality makes Popeyes restaurants genuine Louisiana Legends.

RESTAURANT BRANDS INTERNATIONAL, INC:

Restaurant Brands International Inc. is one of the world's largest quick service restaurant companies with more than \$35 billion in annual system-wide sales and over 28,000 restaurants in more than 100 countries. RBI owns four of the world's most prominent and iconic quick service restaurant brands - TIM HORTONS5, BURGER KING5, POPEYES5 and FIREHOUSE SUBS®. These independently operated brands have been serving their respective guests, franchisees and communities for decades. Through its Restaurant Brands for Good framework, RBI is improving sustainable outcomes related to its food, the planet, and people and communities.

DHANANI GROUP, A FAMILY OF DYNAMIC COMPANIES:

Ohanani Group has over 1,300 restaurant and convenience store locations and over \$1B in total sales. Their vision is to create a QSR franchise dynasty that is capable of producing year-after-year sales and profit growth. This is accomplished by operating great quick-service restaurants and being an employer of choice within an environment that provides career opportunities.



IN THE NEWS

POPEYE'S CHICKEN SIERRA VISTA, AZ

Popeyes Sets Sights on 800 New Locations, and a Lot More Wings

DANNY KLEIN, FEBRUARY 16, 2024 (QSR MAGAZINE)

A little strategic placement for Popeyes, which RBI CEO Josh Kobza said is now the third-biggest wing quick-serve in America.

Restaurant Brands International last Thursday became the latest group to outline a massive growth agenda. In this case, the Burger King, Popeyes, Firehouse Subs, and Tim Hortons owner shared it would reach 40,000 restaurants, \$60 billion in systemwide sales, and \$3.2 billion in adjusted operating income by 2028. That suggests average annual same-store sales growth of 3 percent-plus, over 5 percent net unit growth, and systemwide sales expansion north of 8 percent.

The brand is also in the process of creating a more efficient, expansion-ready kitchen model.

It promises a wider quick-service world that, simply, is going to have a lot more quick-service restaurants in it. McDonald's **guided 50,000 by 2027.** Starbucks **55,000 shops** come 2030. Domino's also sees 50,000 long-term. Chipotle plans to essentially double to 7,000. And Yum! Brands, which just opened more restaurants in a calendar year than any restaurant company on record, expects to cross **60,000 outlets** in 2024. Among the growth levers awaiting RBI is the potential of Popeyes, a brand it acquired in March 2017 for **\$1.8 billion.** At the time, the deal was significant for RBI because it secured the Burger King and Tim Hortons owner a serious stake in chicken, which remains one of the hottest growth arenas in foodservice.

The company said Thursday Popeyes projects to grow its U.S. and Canada base from nearly **3,400 stores** in 2023 to **more than 4,200** by 2028, or net growth of some 800 venues.



Popeyes has quickly become a major chicken wing brand

JONATHAN MAZE, FEBRUARY 15, 2024 (RESTAURANT BUSINESS)

The fast-food chicken chain is already the No. 3 provider of quick-service wings, the company said. And the company has plans to improve its ability to serve them.

Popeyes has quickly become a major player in the chicken wing business. The Miami-based chicken chain made its **five-flavor chicken wings** a permanent fixture on its menu in December. By February it has become one of the **country's biggest players** in the space.

Josh Kobza, CEO of Popeye's parent company Restaurant Brands International, told analysts this week that the brand is already the country's third-largest provider of quick-service wings.

"We're all really excited about the new wings at Popeye's," Kobza told analysts on RBI's **fourth-quarter earnings** call Tuesday. "Most people are probably surprised to know that Popeyes didn't have a flavored wing platform. So we're really happy we could do that."

For Popeye's, the wings continue an evolution from a chain that largely sold chicken on the bone to consumers for dinner into a multi-daypart platform selling on-the-go items like **chicken sandwiches** and delivery-friendly items like wings.

That evolution started with the introduction of its **Chicken Sandwich in 2019,** a product that boosted average unit volumes and has helped fuel the brand's U.S. expansion.

Kobza told investors at a special event on Thursday that the chain expects to add another **800 locations** in the U.S. and Canada by **2028**, which would give the brand **4,200 locations**.

But shifting from a brand that serves mostly traditional chicken to one that serves other items like flavored chicken wings and chicken sandwiches requires operational improvements.

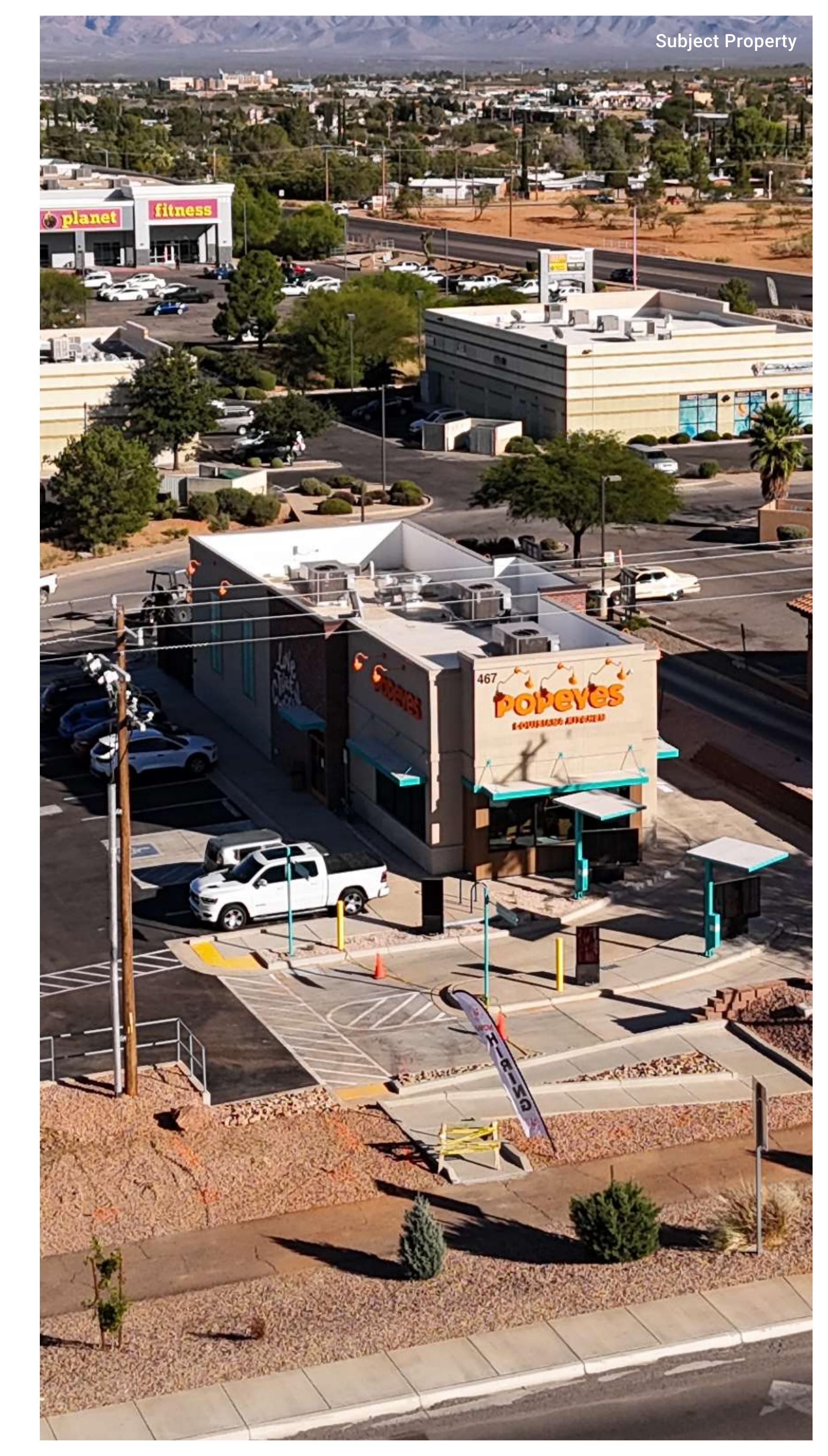


LEASE OVERVIEW

POPEYE'S CHICKEN SIERRA VISTA, AZ

Initial Lease Term	20 Years, Plus (4), 5-Year Options to Renew
Rent Commencement	October 2024 (Estimated)
Lease Expiration	September 2044 (Estimated)
Lease Type	Ground Lease
Rent Increases	10% every 5 Years, In Primary Term and Options
Annual Rent YRS 1-5	\$200,000.00
Annual Rent YRS 6-10	\$220,000.00
Annual Rent YRS 11-15	\$242,000.00
Annual Rent YRS 16-20	\$266,200.00
Option 1	\$292,820.00
Option 2	\$322,102.00
Option 3	\$354,312.20
Option 4	\$389,743.42

This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.













SITE OVERVIEW

POPEYE'S CHICKEN SIERRA VISTA, AZ

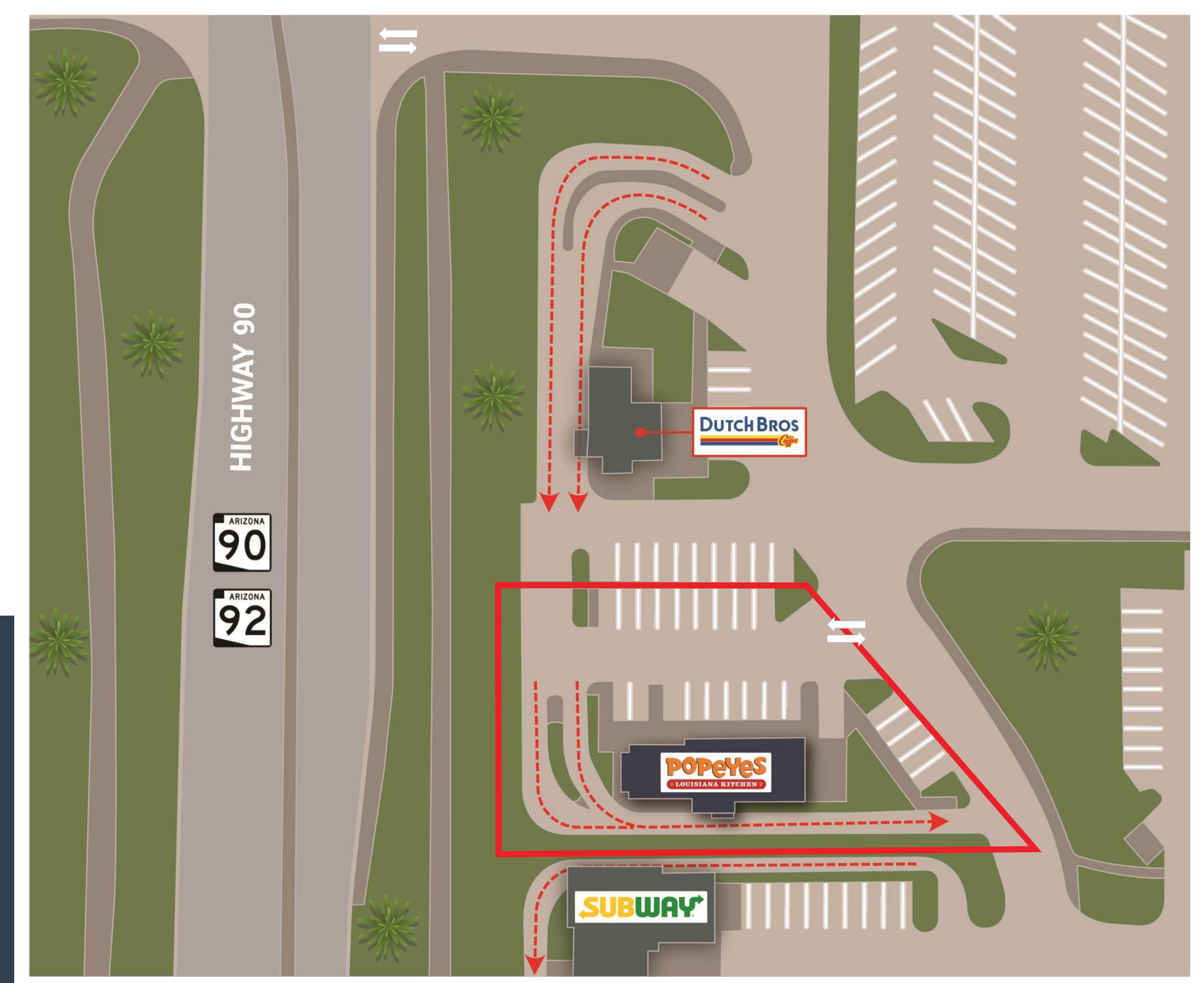
Year Built 2024

Building Area ±2,297 SF

Land Area ±0.576 AC

NEIGHBORING RETAILERS

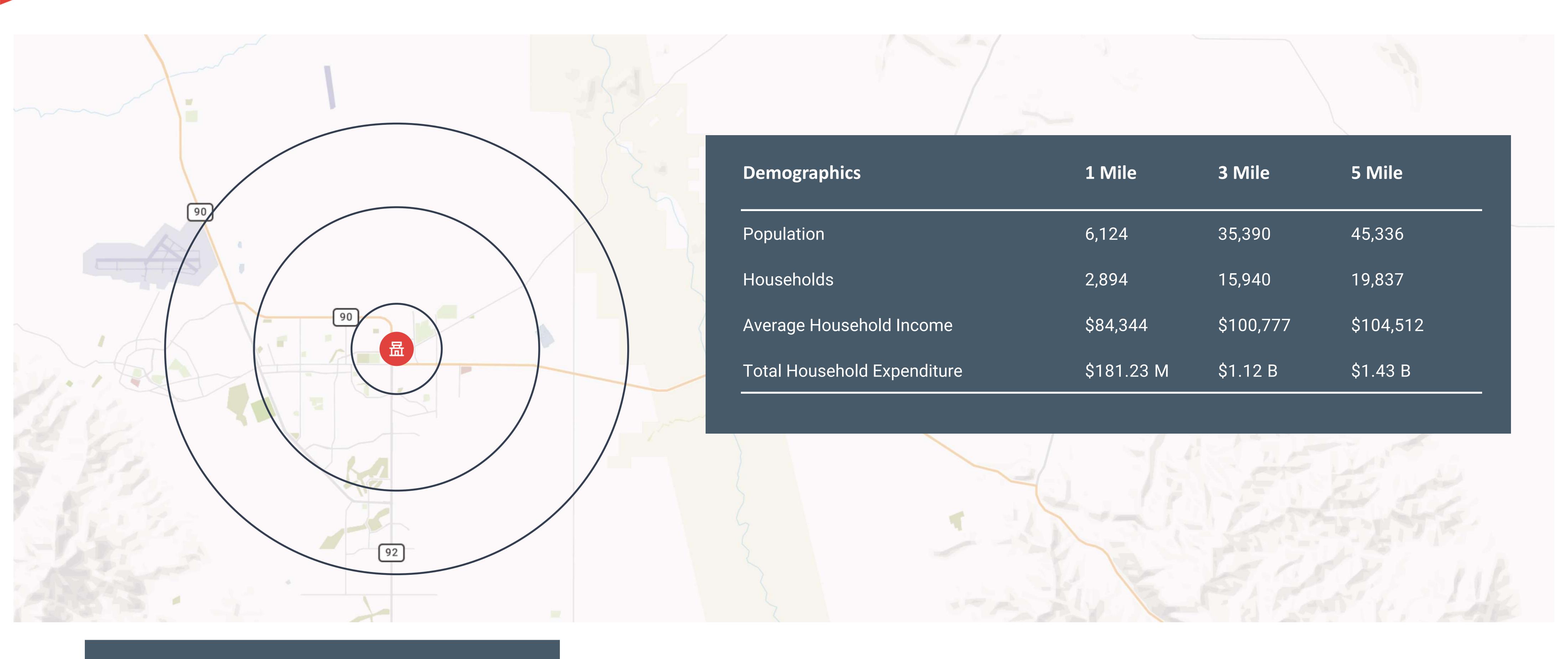
- Walmart Supercenter
- Target
- Hobby Lobby
- PetSmart
- Ross Dress for Less
- Marshalls
- Planet Fitness
- Michaels
- Big 5 Sporting Goods
- Food City





LOCATION OVERVIEW

POPEYE'S CHICKEN SIERRA VISTA, AZ



ECONOMIC DRIVERS (NUMBER OF EMPLOYEES)

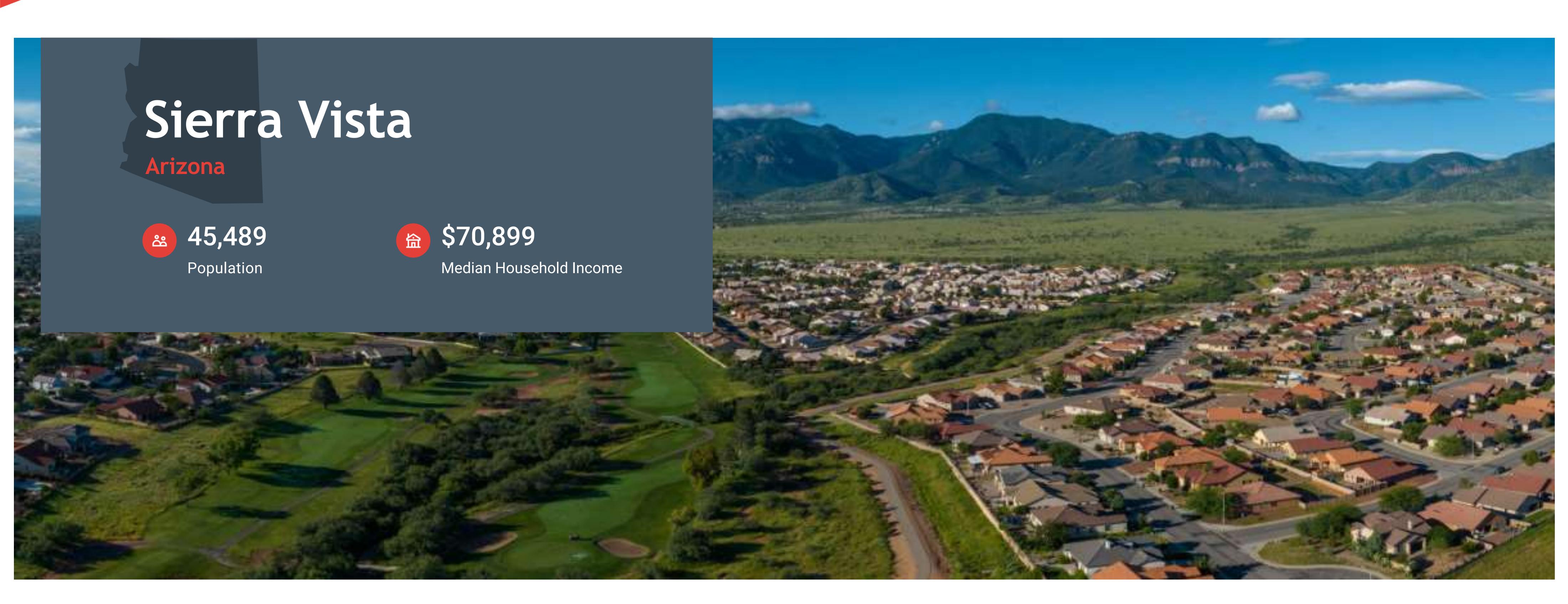
- 1. Fort Huachuca (7,956)
- 2. Cochise County (816)
- 3. Sierra Vista Unified School District (707)
- 4. Walmart (643)
- 5. Canyon Vista Medical Center (623)
- 6. Arizona Department of Corrections (615)

- 7. Cochise College (521)
- 8. Chiricahua Community Health Centers (500)
- 9. Douglas Unified School District (492)
- 10.Copper Queen Community Hospital (430)
- 11.City of Sierra Vista (407)
- 12.U.S. Department of Homeland Security (245)

13. Sulphur Springs Valley Electric Cooperative (174)

LOCATION OVERVIEW

POPEYE'S CHICKEN SIERRA VISTA, AZ



Sierra Vista has a 360-Degree Mountain View

SCENERY

Sierra Vista is Known as the "Hummingbird Capital of the U.S."

BIRD WATCHING

Sierra Vista is a city located 75 miles southeast of Tucson, Arizona in Cochise County.

As the economic and commercial center for Cochise County and parts of northern Sonora, Mexico, Sierra Vista is the largest of the seven incorporated cities in the county, accounting for one-third of the county's population.

Property taxes in Sierra Vista, at 0.1136%, are far below the state's average (0.68%) and even lower than the nation's average of 1.15%. In fact, Sierra Vista has one of the lowest combined property and retail transaction privilege taxes in Arizona.

Retailers such as Lowe's, Home Depot, Walmart, Target and Sears are located in the community, along with three major supermarkets and dozens of smaller specialty shops.

The Mall at Sierra Vista is a 400,000-square-foot mall located in Sierra Vista. Sierra Vista has a large employment base due to Fort Huachuca — the community's major employer and primary driving economic force. Fort Huachuca, a U.S. Army installation, sits at the northeast of the city and provides the main source of jobs in the area. The city has been nicknamed the "Hummingbird Capital of the United States" for the abundance of bird species in the nearby Runyon Canyon Preserve and other local canyons. Bird watchers from all over the world are drawn to Sierra Vista to observe and photograph the hundreds of species. There are also numerous outdoor recreational opportunities available nearby at Parker Canyon Lake, the San Pedro Piparían National Conservation Area and the Coronado National Memorial in the Huachuca Mountains. The economy of Sierra Vista, AZ employs 15.6k people. The largest industries in Sierra Vista, AZ are Public Administration, Health Care & Social Assistance, and Professional, Scientific, & Technical Services, and the highest paying industries are Professional, Scientific & Technical Services, Public Administration, and Manufacturing. Sierra Vista is also the heart of the up-and-coming Napa-zona wine country. There are nineteen surrounding wineries in the surrounding area as close as a half hour drive. Many of these wineries have festivals and events throughout the year, drawing winelovers from all over.

IN THE NEWS

POPEYE'S CHICKEN SIERRA VISTA, AZ

Economic development foundation gets grant for Cochise County 'tech hub'

ALEXIS RAMANJULU, NOVEMBER 17, 2023 (KGUN 9)

The Arizona Regional Economic Development Foundation (AREDF) received \$298,504 from the U.S. Economic Development Association (EDA) for a new tech hub in Cochise County.

According to the AREDF website the organization has a "the mission of creating a thriving, sustainable economy."

Mignonne Hollis, **executive director** for the foundation, said they have been working on the **project for years** before applying for the grant.

She said now was the time to apply, because they have the preliminary research and saw the success the program after COVID because the business in the program didn't have to pause or shutdown.

According to the EDA website: "This EDA investment will help launch Cochise Ignite to cultivate a nascent tech economy by building partnerships across industries, solidifying governance models for an inclusive tech ecosystem, and planning and **prototyping new tech-based entrepreneurship** programming."

"We're really excited," Hollis said.

The plan is to use the **grant money** to do research, staff mentors from tech related jobs, and create a tech hub. Hollis said the tech hub will be a space for local entrepreneurs who work with or in tech to grow their business.

"This is really about **growing** your own," Hollis said. "And as we're growing our own and using the talent we have here, we're **providing jobs** to our region. When you provide those jobs in a region and when you have a strong tech culture, then you're going to attract. I always say you can't attach if you don't have something attractive."



Florida startup opening spaceplanesatellite plant in Southern Arizona

DAVID WICHNER, FEBRUARY 1, 2024 (TUCSON.COM)

Florida-based startup developing a spaceplane-satellite hybrid plans to open a new engineering and manufacturing facility at Sierra Vista Municipal Airport to be operational by 2026.

BlackStar Orbital Technologies Corp., headquartered near Kennedy Space Center on Florida's Space Coast, plans to develop and produce its BlackStar Spacecraft at the Southern Arizona site with at least 50 new employees, according to the Arizona Commerce Authority.

The company plans to invest \$7.1 million in the Sierra Vista facility, which will encompass 45,000 square feet, including 25,000 square feet of dedicated hangar space and a projected initial production capacity of 15 spacecraft per year, scaling up to full production by 2026, according to the agency.

The company's spaceplane-satellite hybrid can be fitted with a variety of sensors and mission equipment, the company said.

Once its orbiting mission is completed, the "space drone" can land like a plane and be reused — saving millions of dollars versus single-use satellite vehicles that eventually burn up on re-entry to the atmosphere, BlackStar Orbital co-founder and President Christopher Jannette said.

"We can avoid that completely by simply landing it after we're done with the mission, refurbishing the vehicle and flying it again," he said.

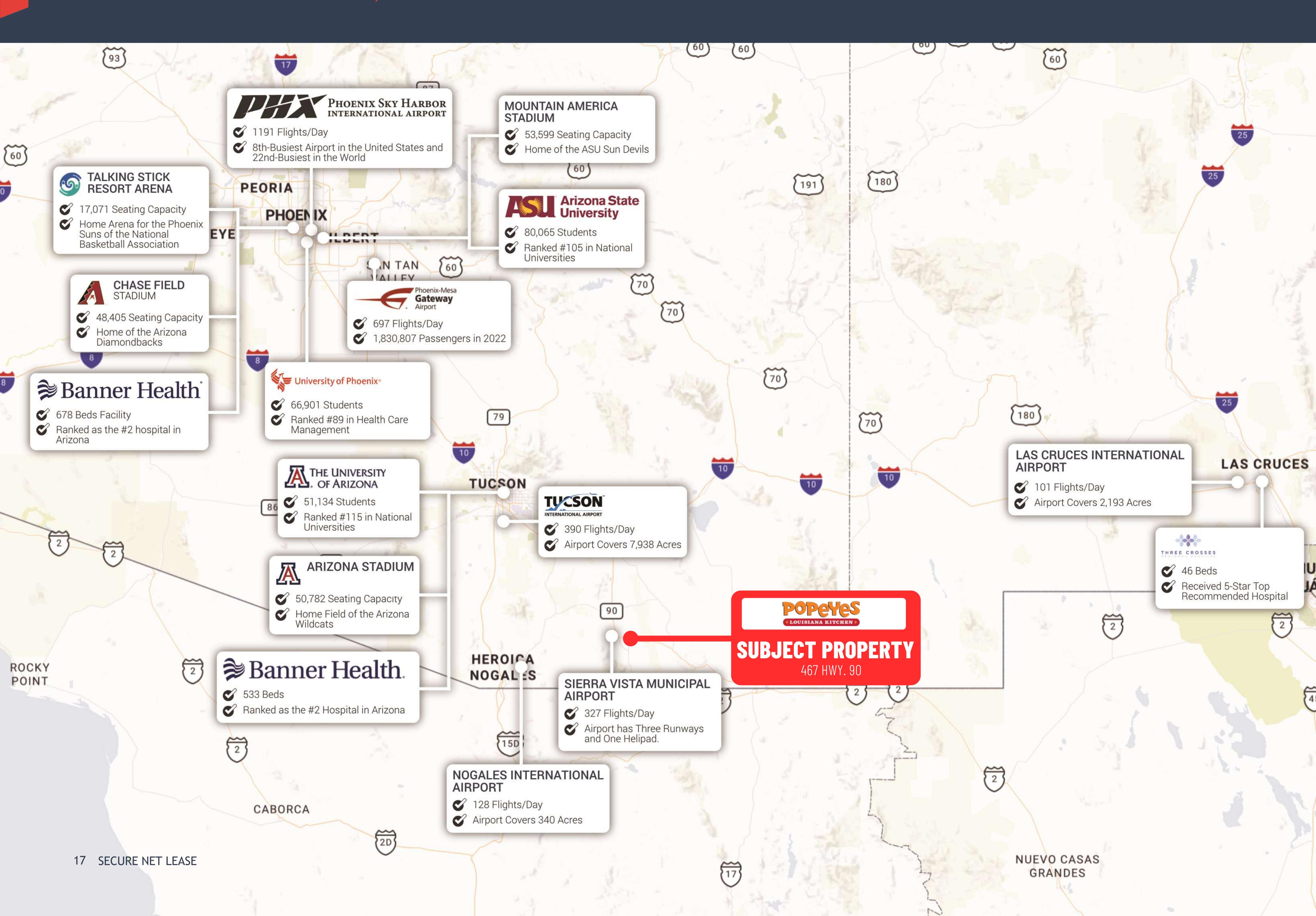
The hybrid spacecraft features a **modular payload system** designed for missions including Earth observation, advanced communication systems and micro-satellite deployment.

An initial version is about 6 feet long and 3½ feet wide, scalable to larger sizes for bigger payloads, the company says.



METRO AREA

POPEYE'S CHICKEN SIERRA VISTA, AZ





CALL FOR ADDITIONAL INFORMATION

Dallas

Office

10000 N Central Expressway

Suite 200 Dallas, TX 75231

(214) 522-7200

Los Angeles

Office

123 Nevada Street El Segundo, CA 90245

(424) 320-2321

CALL FOR ADDITIONAL INFORMATION

Matthew Scow

Executive Vice President (214) 915-8888

mscow@securenetlease.com

Bob Moorhead

Managing Partner (214) 522-7210

bob@securenetlease.com