



Office
DEPOT

PETCO

STARBUCKS
COFFEE

West Marine

GameStop

McALISTER'S
DELI

SHOPPES AT POPPS FERRY

NATIONAL CREDIT SHOPPING CENTER - ALL TENANTS PAYING FULL RENT, NO DEFERMENT

BILOXI, MS



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SHOPPES AT POPPS FERRY

2400 PASS ROAD, BILOXI, MS 39531 

\$9,200,000

PRICE

9.00%

CAP

NOI:

\$827,904

OWNERSHIP TYPE:

FEE SIMPLE

LEASABLE AREA:

51,738 SF

LAND AREA:

4.24 Acres

YEAR RENOVATED:

2005 & 2007

- **All tenants paying full rent, no deferment**
- **100% leased center anchored by Petco, Office Depot, West Marine**
- **85% of income secured by national corporate leases**
- **West Marine and Office Depot have 24-year operating history**
- **Office Depot right-sized in 2011; renewed lease in 2019**
- **Starbucks and GameStop on separate pad w/drive-thru**
- **Main building roof replaced in 2018 with 20-year warranty**

Investment Highlights



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Starbucks and GameStop are on a separate pad with a drive-thru that was built in 2007.

THE OFFERING

CAPITAL PACIFIC is pleased to present the opportunity to acquire The Shoppes at Popps Ferry, a regionally-drawing retail center in Biloxi, MS, a major hub of the fast-growing Gulf Coast region. The property is 100% occupied and anchored by strong, longstanding national tenants, including Petco, Office Depot, West Marine, and Starbucks (drive-thru). The property was renovated in 2005 and the main building roof was replaced in 2018 with a 20-year warranty.

THE CENTER boasts of excellent historical occupancy and a national credit lineup. Office Depot and West Marine have been in the center for 24 years. Notably, Office Depot signed an early 5-year lease extension in 2019, and Petco signed its 10-year lease in 2016. These lease commitments underscore the appeal of this property for national retailers at a time when many of them are downsizing or have become highly selective about which markets they enter or remain in.

THE PROPERTY is located at the hard corner intersection of Pass Road and Popps Ferry Road (31,000 VPD), two critical thoroughfares within this limited coastal trade area. The property is surrounded by neighboring retail including Winn-Dixie, Planet Fitness, Walgreens, and a variety of QSR and convenience retailers.

Deal Summary



HIGHLIGHTS

- **West Marine has a 24-year operating history and remodeled to the latest prototype in 2017**
- **In 2011, West Marine increased their square footage footprint by 30%**
- **Office Depot signed an early 5-year extension in 2019. It is the 4th time they've renewed**
- **In 2011, Office Depot right sized their space from 28,000 to 17,000 to reflect their updated store format**
- **McAlister's Deli has 17-year operating history. In 2016, they remodeled their store and renewed their lease for 10 years plus 2 x 5-year options thereafter**
- **Starbucks renewed their lease once already – proven store with rare drive-thru in this market**
- **The Building includes a new roof with 20-year roof warranty through 2038. The parking lot was resealed in 2016**
- **No ongoing co-tenancies for any of the boxes**

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Income & Expense

INCOME & EXPENSES		
Acquisition Price:		\$9,200,000
Capitalization Rate:		9.00%
Price Per Square Foot:		\$177.82
Total Leased (SF):	100.00%	51,738
Total Vacant (SF):	0.00%	0
Total Rentable Area (SF):	100.0%	51,738
INCOME		PER/SF
Scheduled Rent	\$16.36	\$846,368
CAM Reimbursement Revenue	\$1.03	\$53,060
Insurance Reimbursement Revenue	\$0.57	\$29,421
Tax Reimbursement Revenue	\$1.30	\$67,201
Management Reimbursement Revenue	\$0.13	\$6,767
EFFECTIVE GROSS INCOME	\$19.38	\$1,002,817
EXPENSES		PER/SF
Property Tax	\$1.30	\$67,201
Insurance	\$0.57	\$29,421
Common Area Maintenance	\$1.03	\$53,060
Management Fee (2%)	\$0.39	\$20,056
Capital Reserves	\$0.10	\$5,174
TOTAL OPERATING EXPENSES	\$3.38	\$174,912
NET OPERATING INCOME		\$827,904

PROPOSED FINANCING	
Original Loan Amount	\$6,440,000
Principal	\$2,760,000
LTV	70%
Interest Rate	4.00%
Amortization	30
Term	10 Year
Net Operating Income	\$827,904
Debt Service	\$368,947
Pre-Tax Cash Flow	\$458,958
Debt Coverage Ratio	2.24
Pre-Tax Leveraged Cash-on-cash Return	16.63%
Principal Pay down (Year 1 of Ownership)	\$113,411
Total Return	\$572,369
Yield	20.74%



Rent Roll

TENANT INFO			LEASE TERMS		RENT SUMMARY			OPERATING EXPENSES			
TENANT	SQ. FT.	PERCENT OF GLA	TERM		MONTHLY RENT	ANNUAL RENT		CAM	INS	TAX	MGMT
Office Depot	16,969	32.80%	7/1/94	2/28/24	\$16,969	\$203,628	\$12.00	\$17,403	\$9,649	\$22,040	\$2,219
		Option 4	3/1/24	2/29/29	\$17,676	\$212,113	\$12.50				
		Option 5	3/1/29	2/28/34	\$18,383	\$220,597	\$13.00				
<i>Office Depot renewed its lease three times since taking occupancy, including an early renewal in 2019</i>											
West Marine	11,079	21.41%	2/1/94	12/31/21	\$13,267	\$159,204	\$14.37	\$11,362	\$6,300	\$14,390	\$1,449
		Option 3	1/1/22	12/31/26	\$15,261	\$183,132	\$16.53				
		Option 4	1/1/27	12/31/31	\$17,550	\$210,600	\$19.01				
<i>West Marine exercised 2 of 3 options, and in 2011 it expanded and recast its lease for a period of 10 years plus 2 more extension options</i>											
Petco	12,500	24.16%	6/1/16	1/31/27	\$14,583	\$175,000	\$14.00	\$12,819	\$7,108	\$16,236	\$1,635
<i>**2021 rent capitalized</i>			6/1/21	(Increase)	\$15,625	\$187,500	\$15.00				
<i>Seller will credit difference</i>			Option 1	2/1/27	1/31/32	\$16,667	\$200,000	\$16.00			
		Option 2	2/1/32	1/31/37	\$17,708	\$212,500	\$17.00				
McAlister's	4,600	8.89%	6/1/01	5/31/26	\$7,088	\$85,053.96	\$18.49	\$4,718	\$2,616	\$5,975	\$602
<i>**2021 rent capitalized</i>			6/1/21	(Increase)		\$87,605.58					
<i>Seller will credit difference</i>			Option 3	12/1/29	11/30/34		CPI Increase				
		Option 4	12/1/34	11/30/39			CPI Increase				
<i>McAlister's exercised 2 of 3 options, and in 2016 recast its lease for a period of 10 years plus 2 more extension options</i>											
Starbucks	1,816	3.51%	11/16/07	2/28/23	\$8,021	\$96,248	\$53.00	\$1,862	\$1,033	\$2,359	\$237
		Option 2	3/1/23	2/28/28	\$9,231.33	\$110,776	\$61.00				
		Option 3	3/1/28	2/28/33	\$10,593.33	\$127,120	\$70.00				
		Option 4	3/1/33	2/28/38	\$12,258.00	\$147,096	\$81.00				
<i>Starbucks exercised 1 of its 4 options in 2018</i>											
GameStop	1,764	3.41%	12/1/15	2/1/21	\$5,586	\$67,032	\$38.00	\$1,809	\$1,003	\$2,291	\$231
<i>GameStop has exercised 2 of 2 extension options</i>											
Prince Wine & Liquor	3,010	5.82%	9/1/19	8/30/29	\$3,763	\$45,150	\$15.00	\$3,087	\$1,712	\$3,910	\$394
			9/1/24	(Increase)	\$3,875	\$46,505	\$15.45				
<i>Lease signed by Ashish</i>			Option 1	9/1/29	8/30/34	\$3,991	\$47,889	\$15.91			
OCCUPIED	51,738	100.00%			\$70,531	\$846,368	\$16.36	\$53,060	\$29,421	\$67,201	\$6,767
VACANT	0	0.00%									
CURRENT TOTALS	51,738	100.00%									

Lease Abstract and Provisions

EXPENSES AND REIMBURSEMENTS				
TENANT	CAM	TAXES	INSURANCE	MGMT / ADMIN FEE
Starbucks	Pro rata, with 5% cap on ann. inc.	Pro rata	Pro rata	10% of CAM
GameStop	Pro rata, with 3% cap on ann. inc.	Pro rata	Pro rata	10% of CAM
McAlister's Deli	Pro rata	Pro rata	Pro rata	10% of CAM
Petco	Pro rata, with 3% cap on ann. inc.	Pro rata	Pro rata	10% of CAM
Office Depot	Pro rata	Pro rata	Pro rata	15% of CAM
West Marine	Pro rata, with 5% cap on ann. inc.	Pro rata	Pro rata	10% of CAM
Prince Wine & Liquor	Pro rata, with 15% cap on ann. inc.	Pro rata	Pro rata	10% of CAM



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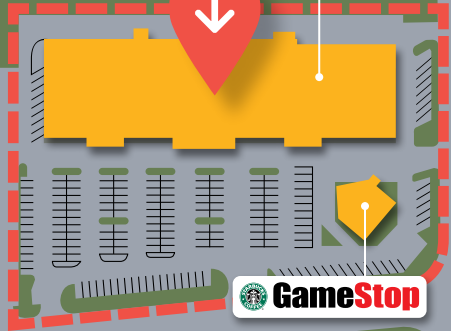


Surrounding Retail Site Plan



RICH AVENUE

POPPS FERRY ROAD



PASS ROAD



PASS ROAD



POPPS FERRY ROAD



BEAUVOIR ROAD

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Tenant Overview



Lease signed by: Petco Animal Supplies Stores, Inc. (corporate)

Founded in 1965 in San Diego, Petco is a leading pet specialty retailer. Petco has over 1,500 stores serving all 50 U.S. states, Puerto Rico and Mexico, including 85+ Unleashed by Petco locations, a smaller format neighborhood shop. With over 10,000 pet-related products for dogs, cats, fish, reptiles, amphibians, birds and small animals, Petco is able to serve every pet's needs. Petco also offers complete pet care services, including grooming, dog training, animal vaccinations, prescription services, and pet supplies. The Petco Foundation, started in 1999 has invested more than \$250 million to help promote and improve the welfare of companion animals, including helping find homes for more than 400,000 animals every year.

1,500+ locations in the U.S., Puerto Rico, and Mexico
\$4 Billion 2019 Revenue



Lease signed by: Office Depot, Inc. (corporate)

Office Depot Inc. is a leading provider of business services and supplies selling office supplies through more than 1,300 company-owned and licensed locations throughout the U.S. and 120 locations overseas. The big-box retail stores sell to both consumers and small- and medium-sized businesses. In addition to general office supplies (about two-thirds of sales), its stores offer computer hardware and software, office furniture, art and school supplies, and printing and copying services. Office Depot is an S&P 500 company and generates revenues of over \$10.2 billion annually.

\$11 Billion 2018 Revenue -- +8% YOY

Tenant Overview



Lease signed by: Starbucks Corporation (corporate)

The world's #1 specialty coffee retailer, Starbucks has more than 31,700 stores in 82 markets, and over 300,000 employees. The outlets offer coffee drinks and food items, as well as roasted beans, coffee accessories, and teas. In 2018, the chain had a net revenue of \$24.7 Billion, and an operating income of \$4.4 Billion. Starbucks has a credit rating of A- from Standard & Poor, and is traded on the NASDAQ under SBUX.

\$26.5B

2019 NET REVENUES

2019 Rankings

- #5 - FORTUNE'S list of World's Most Admired Companies
- #121 - FORTUNE 500 list
- #35 - FORBE'S World's Most Valuable Brands
- #52 - FORBE'S World's Best Regarded Companies

West Marine

Lease signed by: West Marine Products, Inc. (corporate)

West Marine is the largest specialty retailer of boating supplies and accessories, with more than 240 stores located in 38 states and Puerto Rico. The company carries more than 100,000 products, ranging from rope, to the latest in marine electronics, technical apparel, footwear and accessories. In addition to its retail stores and Port Supply wholesale divisions, the company serves water lovers in more than 150 countries worldwide through its mail order and Internet divisions.



Tenant Overview



GameStop

POWER TO THE PLAYERS™

Lease signed by: GameStop, Inc. (corporate)

GameStop (NYSE: GME) is the world's largest video game retailer. The company operates more than 5,600 stores in 14 countries across Europe, Canada, Australia and the United States. The company's global family of brands include GameStop; EB Games, Micromania, and Game Informer® magazine, ThinkGeek, and Simply Mac. GameStop's buy-sell-trade program provides substantial value to customers looking to trade-in video game hardware and software, or smartphones and tablets.

2018 Annual Revenues - \$8.3 Billion
#346 – Fortune 500 Ranking 2019



Lease signed by: Mississippi Delta, Ltd. And Robert Zipp (guarantor)

McAlister's Deli is an American chain of fast casual restaurants founded in 1989 in Oxford, Mississippi. With humble beginnings in a renovated gas station, McAlister's deli has grown immensely in the last 28 years with over 400 locations in 28 states across the U.S. They serve deli sandwiches, "Texas-size" baked potatoes, soups, salads, desserts, and their McAlister's Famous Sweet Tea, in addition to offering catering services. Their popularity stems from their wide variety, great food, large portions, and southern hospitality.

\$704 Million 2018 System Wide Sales -- +7.3% YOY
400+ locations in 28 states and Canada

2019 Rankings

#44 QSR Magazine's Top 50

#72 Entrepreneur Franchise 500

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Retail Aerial



NEW ORLEANS
(84 MILES)

Edgewater Mall
JCPenney
Dillard's
belk
PREMIERE CINEMAS

petsense
Tuesday Morning
Wendy's
IHOP

Walmart Supercenter
goodwill
DOLLAR TREE
Stein Mart
HIBBETT SPORTS

HOBBY LOBBY
HARBOR FREIGHT TOOLS
JOANN
DUNKIN' DONUTS
boost

Firestone
WELLS FARGO

Walmart Neighborhood Market
Walgreens
CVS pharmacy
ROUSES MARKETS

GULFPORT-BILOXI INTERNATIONAL AIRPORT GPT

GOOD YEAR
SHERWIN WILLIAMS

KeeslerFedera CREDIT UNION

MISSISSIPPI GULF COAST COMMUNITY COLLEGE

31,000 VPD

POWER SHACK

El Rancho
POPCORNS

LoanMax TITLE LOANS
COAST DRIVING INSTITUTE
STATE FARM INSURANCE

THE PEOPLES BANK
DECA DEPOSIT

DONAL SNYDER COMMUNITY CENTER

W

SONIC

TAKE 5
BEVERAGES

DAVID POULOS TIRE & AUTO CENTER

24,000 VPD

BILOXI COMPANY
WATERBURY

BURGER KING

Office DEPOT
PETCO
West Marine
GameStop
McALISTER'S DELI
STARBUCKS COFFEE

goodwill
planet fitness
SUBWAY
CATO

CLARK

POPP'S FERRY ROAD

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Retail Aerial

POPPS FERRY BRIDGE

20,000 VEHICLES DAILY

24,000 VPD

POPPS FERRY ROAD



31,000 VPD

PASS ROAD



SUBWAY
CATO



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Surrounding Retail



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Aerial



BILOXI CITY CENTER
(5 MILES)
→

27,000 VPD

POPPS FERRY BRIDGE
20,000 VPD

INSTITUTE FOR MARINE MAMMAL STUDIES

MISSISSIPPI GULF COAST COMMUNITY COLLEGE

24,000 VPD

COMMUNITY CENTER

CVS pharmacy
Winn-Dixie
Bassett

35,000 VPD

SCHOOL

Office DEPOT
PETCO
West Marine
GameStop
McALISTER'S

ELEMENTARY SCHOOL

CAFO
SUBWAY
Planet Fitness

E PASS ROAD

SCHOOL

PASS ROAD

31,000 VPD

Walmart

DOLLAR GENERAL

HOBBY LOBBY
HARBOR FREIGHT TOOLS
boost mobile

Walmart

AutoZone
FURNITURE MART

ROUSES

Walmart

ELEMENTARY SCHOOL

GOLF COURSE

SPIRIT

JEFFERSON DAVIS PRESIDENTIAL LIBRARY

DOLLAR GENERAL

Walmart Super center

6

MISSISSIPPI COAST
Coliseum & Convention Center

38,000 VPD

Sprint
petsense
Tuesday Morning
DOLLAR TREE

belk
Dillard's
JCPenney
Sears
GNC
BAM!

52,000 VPD

605

POPPS FERRY ROAD

BEAUVOIR ROAD

605

90


90

90


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Demographics

POPULATION

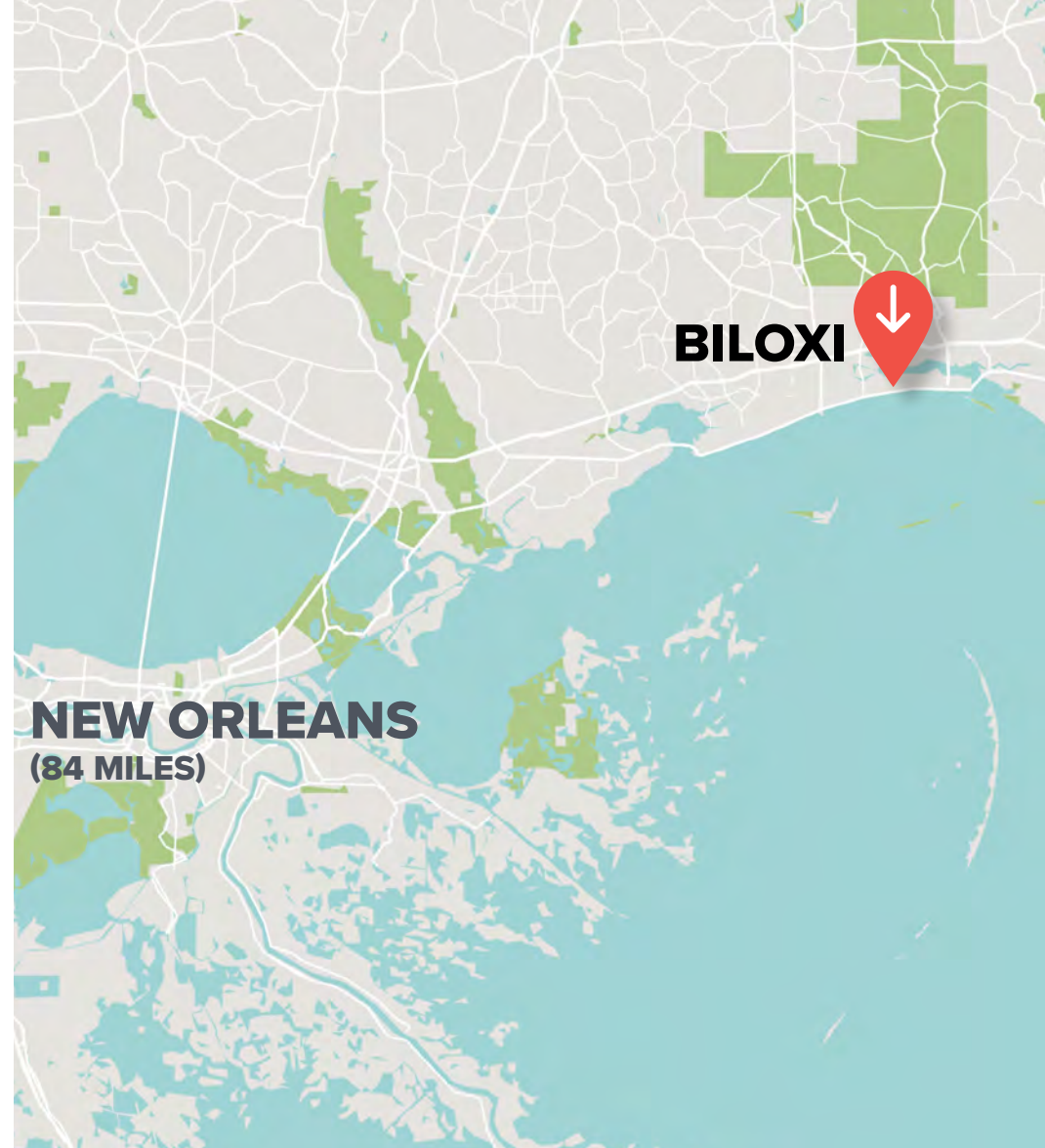
	1-MILE	3-MILES	5-MILES
2010	7,702	32,925	58,907
2019	8,146	35,722	65,273
2024	8,370	37,295	68,329

2019 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$59,520	\$63,862	\$66,279

TOP EMPLOYERS

EMPLOYER	# OF EMPLOYEES
Keesler Air Force Base	11,200
Beau Rivge Resort & Casino	2,891
IP Casino Resort Spa	2,359
Hard Rock Hotel & Casino	1,302
Grand Casino Biloxi	1,010



**THE AVERAGE HOUSEHOLD
INCOME WITHIN A 5-MILE RADIUS
IS OVER \$66K**

BILOXI, MISSISSIPPI



BILOXI is located along the Mississippi Sound (part of the Gulf of Mexico), with the city bordered by the Biloxi Bay, Mullet Lake, Big Lake, and the Biloxi River. Biloxi is the 5th largest city in Mississippi and part of the Gulfport-Biloxi Metropolitan Area. Biloxi is home to nine first-class casino resorts, many of which offer championship golf courses, fine dining, top-name entertainment and an array of other visitor amenities. Included in the region's nearly 15 casinos are Beau Rivage Resort & Casino, Boomtown Casino, Golden Nugget Biloxi, Hard Rock Hotel & Casino, Harrah's Gulf Coast, IP Casino Resort Spa, Palace Casino Resort, Treasure Bay Casino and Hotel, and Maragaritaville Resort Biloxi.

KEESLER AIR FORCE BASE

as 2nd Air Force, the 403d Wing, 85th Engineering Installation Squadron and the Mathies NCO Academy. The base employs 7,483 military personnel, 3,719 civilian personnel, and supports 3,802 indirect jobs. In 2018, Keesler had an economic impact of \$994.6 Million on the region, including \$114 Million in local contracts.

KEESLER AIR FORCE BASE is part of the Air Education and Training Command, and its primary mission, since 1941, has been training. It is home to the 81st Training Wing, the base's host wing, as well

45,908



**BILOXI
POPULATION
(ESTIMATED)**

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