



CONFIDENTIAL OFFERING
MEMORANDUM
NOVEMBER 2023

LAKE CHARLES POWER CENTER

3407 DEREK DRIVE
LAKE CHARLES, LA

stirling
INVESTMENT ADVISORS

LAKE CHARLES POWER CENTER

3407 DEREK DRIVE, LAKE CHARLES, LA

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/ EXECUTIVE SUMMARY /



PROPERTY SUMMARY

Lake Charles Power Center is a prominent retail center strategically located at 3407 Derek Drive in Lake Charles, Louisiana. The power center spans an impressive 121,008 square feet, with 112,908 square feet currently occupied by a diverse range of established tenants. With an occupancy rate of 93.3%, this investment opportunity offers stability and potential for future growth. A new roof was installed in January 2023 and includes a 20-year warranty that will be transferred upon act of sale.

Lake Charles Power Center boasts a strong lineup of tenants including Generator Supercenter, Ollie's Bargain Outlet, Lumber Liquidators, Old Navy, Michaels, Iles Medical Testing, Shoe Carnival, T-Mobile, Bath & Body Works, and Rainbow. These well-known and reputable brands contribute to the center's appeal and provide a solid foundation for long-term success. Other area retailers include, Academy Sports + Outdoors, Walmart, Conn's HomePlus, Lowe's, The Home Depot, and Cinemark Theatres.

Lake Charles Power Center enjoys excellent connectivity and accessibility. It is located near major transportation routes such as I-210 and Highway 90, making it easily accessible to both local residents and visitors. The power center's proximity to these major roads ensures convenient commuting and attracts a large volume of potential customers. Lake Charles Power Center on Derek Drive is located at the intersection of I-210 and Gerstner Memorial Drive (Hwy. 14), and includes convenient access to East Prien Lake Road.

Lake Charles' growing economy, strategic location, and ongoing development initiatives present a favorable environment for business expansion and increased foot traffic. As the city continues to attract new residents, visitors, and industrial projects, the demand for retail services and amenities is expected to rise. This growth potential positions Lake Charles Power Center as an enticing investment opportunity with the prospect of long-term appreciation and sustainable returns.

/PROPERTY SUMMARY/

SITE PLAN







/ FINANCIAL ANALYSIS /

PROPERTY SPECIFICATIONS

Gross Building Area	121,008 SF
Land Area	15.785 Acres
Year Built	2000

OPERATING CASH FLOW

Rental Revenue	
Minimum Rent	\$1,267,563
Tenant Expense Reimbursements	\$320,205
Effective Gross Revenue	\$1,587,742

IN-PLACE

OPERATING EXPENSES

Real Estate Taxes		\$127,000
Insurance		\$223,490
Common Area Maintenance		\$134,000
Management Fee	3.00%	\$47,632
Total Operating Expenses		\$532,122

IN-PLACE

NET OPERATING INCOME

\$1,055,619

PRICING SUMMARY

Cap Rate	10.66%
Purchase Price	\$9,900,000

INVESTMENT HIGHLIGHTS

- Established tenant base contributes to the center's appeal and provides a solid foundation for long-term success.
- 93.3% occupancy rate and new national tenants such as Ollie's Bargain Outlet, Generator Supercenter, and Rainbow provide stability for the center.
- Surrounding retailers include Walmart, Lowe's, Academy Sports + Outdoors, and Cinemark Movie Theatre.
- Close proximity to I-210 and Highway 90 make this a prime location for retailers.
- New roof installed January 2023 with 20-year warranty that will be transferred at Act of Sale.

/ FINANCIAL ANALYSIS /

10-YEAR CASH FLOW ANALYSIS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
For the Years Ending	Jan-2025	Jan-2026	Jan-2027	Jan-2028	Jan-2029	Jan-2030	Jan-2031	Jan-2032	Jan-2033	Jan-2034
Rental Revenue										
Minimum Rent	\$ 1,267,536	\$ 1,287,470	\$ 1,317,739	\$ 1,330,751	\$ 1,344,507	\$ 1,356,267	\$ 1,364,220	\$ 1,400,936	\$ 1,410,741	\$ 1,423,567
Tenant Expense Reimbursement	\$ 320,205	\$ 325,025	\$ 330,102	\$ 334,929	\$ 339,839	\$ 344,782	\$ 349,726	\$ 355,271	\$ 360,394	\$ 365,647
Effective Gross Revenue	\$ 1,587,742	\$ 1,612,495	\$ 1,647,842	\$ 1,665,680	\$ 1,684,346	\$ 1,701,049	\$ 1,713,946	\$ 1,756,207	\$ 1,771,135	\$ 1,789,213
Operating Expenses										
Real Estate Taxes	\$ 127,000	\$ 128,905	\$ 130,839	\$ 132,801	\$ 134,793	\$ 136,815	\$ 138,867	\$ 140,950	\$ 143,065	\$ 145,211
Insurance	\$ 223,490	\$ 226,842	\$ 230,245	\$ 233,699	\$ 237,204	\$ 240,762	\$ 244,374	\$ 248,039	\$ 251,760	\$ 255,536
Common Area Maintenance	\$ 134,000	\$ 136,010	\$ 138,050	\$ 140,121	\$ 142,223	\$ 144,356	\$ 146,521	\$ 148,719	\$ 150,950	\$ 153,214
Management Fee	\$ 47,632	\$ 48,375	\$ 49,435	\$ 49,970	\$ 50,530	\$ 51,031	\$ 51,418	\$ 52,686	\$ 53,134	\$ 53,676
Total Operating Expenses	\$ 532,122	\$ 540,132	\$ 548,569	\$ 556,591	\$ 564,750	\$ 572,965	\$ 581,181	\$ 590,395	\$ 598,908	\$ 607,637
NET OPERATING INCOME	\$ 1,055,619	\$ 1,072,363	\$ 1,099,273	\$ 1,109,089	\$ 1,119,595	\$ 1,128,084	\$ 1,132,765	\$ 1,165,812	\$ 1,172,226	\$ 1,181,576

/ FINANCIAL ANALYSIS /

RENT ROLL

TENANT	SUITE	SF	STATUS	START DATE	END DATE	MONTHLY	ANNUAL	\$/SF	LEASE TYPE
Generator Supercenter	3407	4,800		5/1/23	4/30/27	\$5,200.00	\$62,400.00	\$13.00	NNN
			Option 1	5/1/27	4/30/29	\$5,720.00	\$68,640.00	\$14.30	
			Option2	5/1/29	4/30/31	\$6,292.00	\$75,504.00	\$15.73	
Ollie's Bargain Outlet	3413	30,000		6/28/22	6/30/32	\$20,000.00	\$240,000.00	\$8.00	Gross
			Option 1	7/1/32	6/30/37	\$20,875.00	\$250,500.00	\$8.35	
			Option 2	7/1/34	6/30/42	\$21,750.00	\$261,000.00	\$8.70	
			Option 3	7/1/42	6/30/47	\$22,625.00	\$271,500.00	\$9.05	
Lumber Liquidators	3415	9,930		1/1/18	12/30/27	\$10,343.75	\$124,125.00	\$12.50	Gross
			Option 1	12/31/27	12/30/32	\$11,171.25	\$134,055.00	\$13.50	
			Option 2	12/31/32	12/30/37	\$11,998.75	\$143,985.00	\$14.50	
Old Navy	3419	15,192		8/1/00	7/31/26	\$13,609.50	\$163,314.00	\$10.75	NNN
			Option 1	8/1/26	7/31/29	\$14,875.50	\$178,506.00	\$11.75	
Michaels	3425	23,860		10/1/00	9/30/25	\$20,877.50	\$250,530.00	\$10.50	NNN
			Option 1	10/1/25	9/30/30	\$22,865.83	\$274,390.00	\$11.50	
Vacant	3431	8,100					\$-	\$-	

/ FINANCIAL ANALYSIS /

RENT ROLL

TENANT	SUITE	SF	STATUS	START DATE	END DATE	MONTHLY	ANNUAL	\$/SF	LEASE TYPE
Iles Medical Testing	3437	4,050		6/7/21	6/6/24	\$3,855.00	\$46,260.00	\$11.42	NNN
			Rental Increase Primary Term	6/7/24	6/6/26	\$4,242.38	\$50,908.56	\$12.57	
			Option 1	6/7/26	6/6/31	\$4,667.63	\$56,011.50	\$13.83	
			Option2	6/7/31	6/6/36	\$5,140.13	\$61,681.50	\$15.23	
Shoe Carnival	3501	11,976		7/28/00	1/31/26	\$13,972.00	\$167,664.00	\$14.00	NNN
			Option 1	2/1/26	1/31/31	\$13,972.00	\$167,664.00	\$14.00	
			Option 2	2/1/31	1/31/36	\$14,970.00	\$179,640.00	\$15.00	
T-Mobile	3505	4,600		5/1/05	4/30/25	\$5,750.00	\$69,000.00	\$15.00	NNN
			Option 1	5/1/25	4/30/30	\$6,900.00	\$82,800.00	\$18.00	
Bath & Body Works	3507	2,500		2/1/02	1/31/27	\$6,018.75	\$72,225.00	\$28.89	NNN
Rainbow	3513	6,000		2/1/24*	1/31/29	\$5,750.00	\$69,000.00	\$11.50	NNN
			Option 1	2/1/29	1/31/34	\$6,600.00	\$79,200.00	\$13.20	
			Option 2	2/1/34	1/31/39	\$7,260.00	\$87,120.00	\$14.52	
TOTALS		121,008				\$105,376.50	\$1,264,518.00		

*Anticipated Rental Commencement Date

/ AREA OVERVIEW /

SITE AERIAL



/ AREA OVERVIEW /









/ AREA OVERVIEW /










DEMOGRAPHICS

1 MILE	3 MILES	5 MILES
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KEY FACTS

 4,622 POPULATION	36.6 MEDIAN AGE	 40,011 POPULATION	35.1 MEDIAN AGE	 84,332 POPULATION	36.7 MEDIAN AGE
 1,796 HOUSEHOLDS	\$44,176 MEDIAN HOUSEHOLD INCOME	 16,007 HOUSEHOLDS	\$50,454 MEDIAN HOUSEHOLD INCOME	 34,249 HOUSEHOLDS	\$57,805 MEDIAN HOUSEHOLD INCOME

EDUCATION

 42% HIGH SCHOOL GRADUATE	 23% SOME COLLEGE	 16% BACHELOR'S/GRAD/PROF DEGREE	 35% HIGH SCHOOL GRADUATE	 22% SOME COLLEGE	 21% BACHELOR'S/GRAD/PROF DEGREE	 32% HIGH SCHOOL GRADUATE	 23% SOME COLLEGE	 25% BACHELOR'S/GRAD/PROF DEGREE
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BUSINESS

 156 TOTAL BUSINESSES	 1,973 TOTAL EMPLOYEES	 1,786 TOTAL BUSINESSES	 20,926 TOTAL EMPLOYEES	 3,925 TOTAL BUSINESSES	 47,063 TOTAL EMPLOYEES
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/ AREA OVERVIEW /

LAKE CHARLES, LOUISIANA

Lake Charles, Louisiana is the fifth-largest city in the state and serves as the economic hub of Southwest Louisiana. The city benefits from its strategic location on the Calcasieu River and proximity to the Gulf of Mexico, which has contributed to its development as a major industrial and petrochemical center.

Energy and Petrochemicals

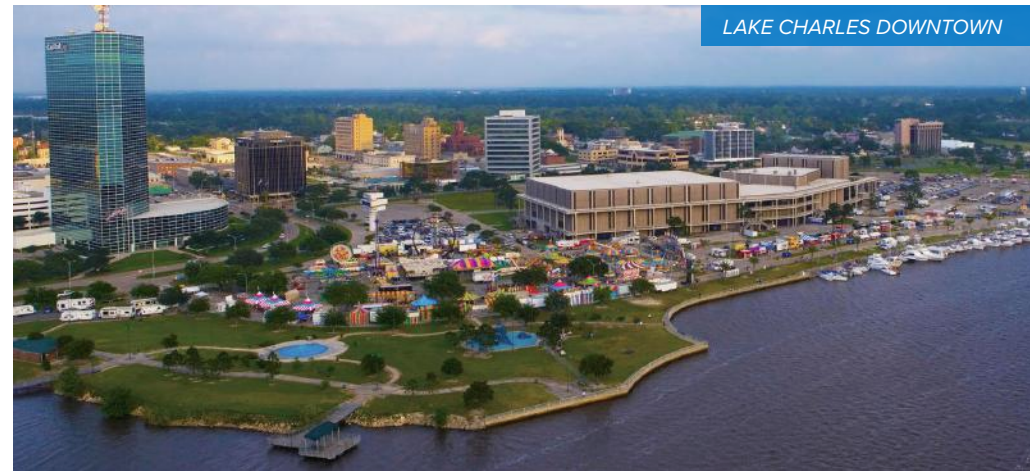
Lake Charles is home to several large refineries and chemical plants, making energy and petrochemicals the cornerstone of its economy. The area benefits from abundant natural resources, such as oil, natural gas, and sulfur. Companies like Sasol, CITGO, Phillips 66, and Cameron LNG have significant operations in the region.

Gaming and Tourism

Lake Charles has emerged as a popular gaming and tourism destination. The city boasts several riverboat and land-based casinos, including LAuberge Casino Resort, Golden Nugget Hotel & Casino, and Isle of Capri Casino Hotel. Nearby is the Delta Downs Racetrack & Casino - the only horse racing track within a 95-mile radius. These establishments attract visitors from across the region, contributing to the local economy through hospitality, entertainment, and related services.

Manufacturing and Shipping

The Port of Lake Charles, located on the Calcasieu River, is one of the busiest ports in the United States. It serves as a vital hub for the export and import of goods, including petrochemical products, agriculture commodities, and bulk materials. Companies involved in steel fabrication, shipbuilding, plastics, and industrial machinery contribute to the local economy. Some notable manufacturers include Shaw Group, Turner Industries, and Westlake Chemical.



LAKE CHARLES DOWNTOWN



GOLDEN NUGGET & LAUBERGE CASINOS



CITGO REFINERY, LAKE CHARLES

/COMPANY OVERVIEW/

ABOUT STIRLING INVESTMENT ADVISORS

Evolution in the commercial real estate industry is creating rapid change, increasing the need for professional real estate guidance for investors and property owners. This new landscape is impacting real estate values— presenting both problems and opportunities in the market.

Stirling Investment Advisors has the depth and breadth of experience to help solve problems and maximize the potential of your investment assets. With a core focus on the Gulf South market, our team brings a myriad of services to the table along with an in-depth understanding of real estate cycles and complexities. We will assess the risk and rewards of any investment and guide our clients through difficult decisions.

Stirling Investment Advisors represent a wide range of client types, including private owners, institutional investors, and private equity firms, totaling more than \$1.64 billion in commercial volume in the last five years.

SERVICES



Retail, Multifamily,
Office, Medical,
Industrial



Single Asset/
Portfolio
Dispositions



Net Lease
Investments



1031 Tax Deferred
Exchanges



Capital Markets
Debt Placement



Financial &
Investment
Analysis



Market
Research



Valuation
Services

stirling

INVESTMENT ADVISORS

OFFERING UNPARALLELED MARKET
KNOWLEDGE AND PRODUCT DIVERSITY,
SIA IS COMMITTED TO PROVIDING THE
BEST POSSIBLE SERVICE TO NAVIGATE
CONSTANTLY CHANGING LOCAL MARKETS.

/ COMPANY OVERVIEW /

ABOUT THE TEAM



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Justin Langlois, CCIM serves as Regional Vice President with Stirling in Baton Rouge, Louisiana. He specializes in the sale and acquisition of investment properties, primarily in retail, office, and multifamily. His skill set includes commercial real estate sales and leasing, landlord and tenant representation, sublease representation, REO and bank foreclosures, sale/leaseback, lease negotiation, real estate investment analysis, and financial feasibility, as well as site selection.

Justin has been actively involved in the commercial real estate industry for over a decade. He previously served as Managing Director with SVN | Graham, Langlois & Legendre commercial real estate firm in Baton Rouge, which he founded with partners Ben Graham and Steve Legendre. He earned the prestigious CCIM designation in 2010.

Justin is a member of the board of directors for the Baton Rouge Growth Coalition and serves as secretary for the organization. He also supports various nonprofits and community groups including The Chapel on the Campus (LSU), Campus Crusade for Christ (CRU), Mary Bird Perkins – Investors Collective, and Volunteers of America.

Justin is married to Dodi Langlois and they have four beautiful children. He is the proud father of three daughters, Harper, Eliza and Remy, and a son, Max. Born and raised in Baton Rouge, Justin graduated from Louisiana State University Lab School (1999) and earned a B.A. in English from Millsaps College (2003) in Jackson, MS.



STEADMAN BETHEA
Investment Advisor
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Steadman Bethea has served as an Investment Advisor with Stirling's commercial real estate team since 2019, working from the company's Mobile, Alabama, office. In addition to his role with Stirling Investment Advisors, Steadman also is responsible for general brokerage activities, including the sale and leasing of commercial properties.

Before joining Stirling, Steadman worked as a Real Estate Advisor with 30A Realty located on the Gulf Coast of the Florida Panhandle, where he was a member of one of the top-performing teams in the market. He has also held the roles of analyst and account executive with Walton Funding, a private mortgage company. Here he garnered knowledge and experience with lending on investment properties and commercial loans, a skillset he uses to help guide his clients in making smart real estate decisions.

A native of Montgomery, AL, Steadman graduated from Samford University with a Bachelor of Science degree in Business Administration and Finance. He holds commercial real estate licenses in both Florida and Alabama.

He and his wife, Mary Grace, reside in Fairhope, AL with their daughter, Ellen. Steadman is a member of the Baldwin Commercial Exchange Club and an active volunteer as a YoungLife Leader.



BEEZIE LANDRY
Vice President of
Investment Advisors
blandry@stirlingprop.com

Beezie Landry was recently promoted to Vice President of Investment Advisors, where he oversees Stirling's newly created Investment Advisors Division. Over the last few years, he has been responsible for the acquisition and disposition of nearly \$500 million dollars' worth of investment assets in Louisiana and Mississippi, focusing on single and multi-tenant retail and medical office space. He has represented a wide range of client types including private and institutional investors. He has completed transactions with REITs such as Weingarten Realty Investors, General Growth, VEREIT, Realty Income and AEI Funds.

Beezie has also worked closely with the Stirling Development Committee to coordinate the financing, refinancing, development, redevelopment and acquisition of retail and office properties. In addition, he has extensive experience in landlord representation in leasing new developments and existing shopping centers.

/DISCLAIMER & CONFIDENTIALITY/

DISCLAIMER

The information provided in this Offering Memorandum has been derived from sources deemed reliable. However, it is subject to errors, omissions, price change and/or withdrawal, and no warranty is made as to the accuracy. Further, no warranties or representation shall be made by Stirling or its agents, representatives or affiliates regarding oral statements that have been made in the discussion of the property. This presentation prepared by Stirling Properties was sent to the recipient under the assumption that s/he is a buying principal. Any potential purchaser is advised that s/he should either have the abstract covering the real estate which is the subject of the contract examined by an attorney of his/her selection or be furnished a policy of title insurance.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Stirling Properties, LLC or any of the affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or cause of action relating to this solicitation process or the marketing or sale of the Property.

CONFIDENTIALITY

This Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purchase or made available to any other person without the written consent of Seller or Stirling Properties, LLC.

By acknowledging your receipt of the Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential.
2. The information contained herein shall be held and treated with the strictest of confidence.
3. Whether directly or indirectly, you will not disclose this Offering Memorandum in a manner detrimental to the interest of the Seller.

Should you elect to not pursue negotiations in the acquisition of the Property or in the future you discontinue such negotiations, you then agree to purge all materials relating to this Property including this Offering Memorandum.

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OLD NAVY

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