



# NNN Single Tenant Investment Offering

Sonic Drive-In Ground Lease

San Antonio, TX



## Sonic Drive-In

**Rare Corporate Guaranteed Lease**

**16401 Nacogdoches Road,  
San Antonio, TX 78247**

**\$1,260,000**

**5.7% Cap**

**Corporate Guaranteed Lease**

**Lease Provides for 6.5% Percentage Rent**

**Non-Income Tax State of Texas**

**8 Year Average Annual Rent at \$76,904**

**Price Based on \$72,000 Base Rent**

**Brent L. Hensley**

(760) 452.2401

[brent@1031nnsearch.com](mailto:brent@1031nnsearch.com)



**216 N. Coast Hwy**

Encinitas, CA 92024

[www.1031nnsearch.com](http://www.1031nnsearch.com)

**Paul Farris**

Rosebud Properties

(214) 520-1437

TX Lic. #457464



## **Property and Area Description**

The subject property consists of the ownership of improved land (31,014 square feet) occupied by a full service, Sonic Drive-In. The property is situated at the northeast corner of Nacogdoches and Front Royal Roads. The property was originally developed in 1997 and extensively remodeled in 2006. The current use of adjoin properties from the Sonic Drive-In is the Rolling Oaks Christian Church to the north; Valero Gas and Convenience Store to the east; across Nacogdoches Road is the Overland Door Company to the south; and west of the Sonic is the Holy Trinity Presbyterian Church.

The original 15 year NNN lease commenced in 2003 as a Sonic-Drive-In with its primary term of the lease expiring in May 1, 2018, plus two (2) five (5) year options to renew. The lease provides for monthly percentage rent of 6.5% over the natural sales break at \$92,307 per month. Over the past 7 years, the average annual rent received has been \$77,261. The additional percentage rent received by the landlord has not been included in the pricing of this Sonic Drive-In. The lease is absolute NNN with no landlord responsibilities.

The Sonic Drive-In benefits from being located on Nacogdoches Road connected to the Charles W. Anderson Loop (SR 1604) in northeastern San Antonio metro. Within walking distance of the Sonic Drive-In, other retailers and food providers include Walmart Supercenter, Wendy's, Advance Auto Parts, WhatABurger, Taco Cabana, Valero Gas, Murphy's Gas and Convenience Store and Burger King. There is a new HEB Plus anchored grocery store shopping center being developed at the southeast quadrant of Nacogdoches Road and SR1604.

At the northeast quadrant of Nacogdoches Road and SR1604 is The Rolling Oaks Oaks Mall which serves the nearby communities of San Antonio, Schertz, Universal City, Selma, New Braunfel. A wonderful climate controlled indoor shopping mall includes over 100 specialty shops ranging from fashion to jewelry. Among the stores, Rolling Oaks Mall features Dillards, Cotton On, Bath & Body Works, New York & Company and American Eagle.



San Antonio has a diversified economy with about a \$96.8 billion metropolitan Gross Domestic Product. This ranks the city 4th among Texas metropolitan areas and 38th in the United States. San Antonio's economy is focused primarily within military, health care, government civil service, financial services, oil and gas and tourism sectors. Within the past twenty years, San Antonio has become a significant location for American-based call centers and has added a significant manufacturing sector centered around automobiles.



In 2013, San Antonio ranked No. 11 on *Forbes'* list of the Best Places for Business and Careers, with a ranking of 9th best market for job growth

## **DEMOGRAPHIC SUMMARY (As of 2014)**

- 1 Mile: 16,132 with an average household income of \$66,275.
- 3 Mile: 98,315 with an average household income of \$68,096.
- 5 Mile: 226,399 with an average household income of \$69,318.

**Guarantor Information**



The lease guarantor is SONIC Corporation, a publically traded an Oklahoma City-based corporation (NASDAQ: SONC). In 1953, the prototype of the first SONIC Drive-In opened in Shawnee, Oklahoma. Now, more than 50 years and 3,500 drive-ins later, SONIC enjoys the highest customer frequency rate in the quick-service restaurant industry. Today, Cliff Hudson, chairman of the board and chief executive officer of SONIC, leads the SONIC brand with average unit sales of more than \$1.1 million. SONIC, which specializes in made-to-order fast food, is known for its specialty menu items and personal service. SONIC's unique menu items include Toaster Sandwiches (sandwiches served on thick Texas Toast), Footlong Quarter Pound Coneys (hot dogs with chili and cheese), Onion Rings, Tater Tots and a variety of Frozen Favorites desserts and Fountain Favorites drinks. You can order more than 168,000 drink combinations making SONIC Your Ultimate Drink Stop! SONIC's ever-growing menu is full of options to satisfy every taste, with frequent additions such as real Fruit Smoothies.

Since becoming public in 1991, SONIC has consistently served up solid financial returns for its stockholders. Throughout the past few recessionary years, SONIC maintained generally level traffic levels compared with down traffic for the QSR industry as a whole in 2009, and its pace of new drive-in development, while restrained somewhat by tight credit markets over the past year, remained solid and among the strongest for similar-sized QSR chains. Highlights of the company's financial results for the fiscal year ended August 31, 2011, included: System-wide average unit volume of \$1.1 million; Revenues of \$546 million; Solid growth in operating cash flow, which helps support SONIC's development of new partner drive-ins and opportunistic acquisitions of franchised drive-in; and SONIC expects to generate \$35 to \$40 million dollars in free cash flow.

**INVESTMENT SUMMARY**

**Financial Information:**

Price: \$1,260,000  
 Cap Rate: 5.7%  
 NOI: \$72,000  
 Rent Increases: 6.5% Monthly Percentage Rent (8 year average income has been \$79,904/yr.)

**Property Information:**

Building Size: 1,324+/- square feet  
 Lot Size: .712 acres or 31,014+/- square feet  
 Address: 16401 Nacogdoches Road, San Antonio, TX 78247  
 Year Built: 1997/2006 (remodeled)  
 Zoning: Commercial (General)

**Terms of Sale:** All cash or Buyer to obtain own financing.

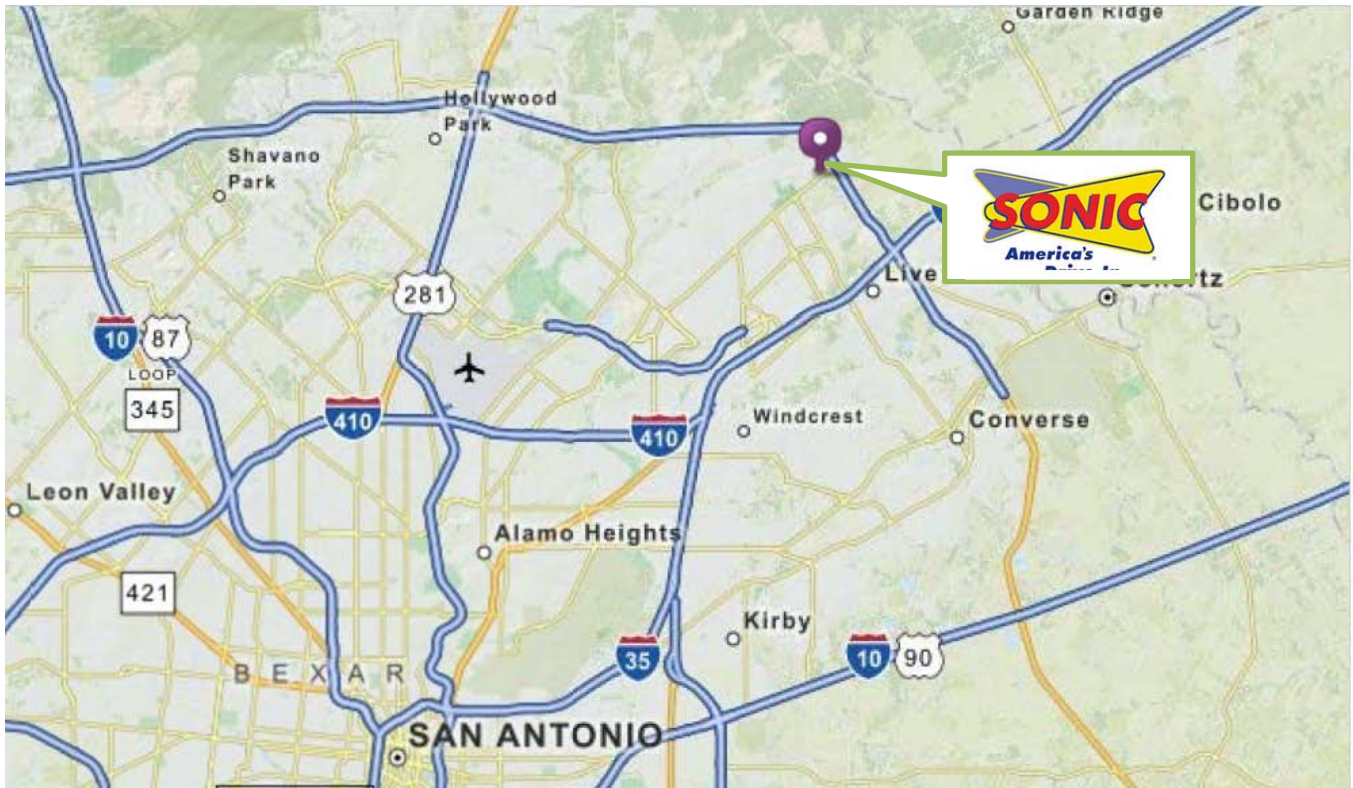
**Lease Information:**

Lease Guarantor: Sonic Corporation  
 Rent Commencement Date: 5/1/2003  
 Expiration Date: 5/1/2018  
 Renewal Options: 2 (2) Ten year options to renew  
 Remaining Term: Approx. 2 years (as of 5/1/16)

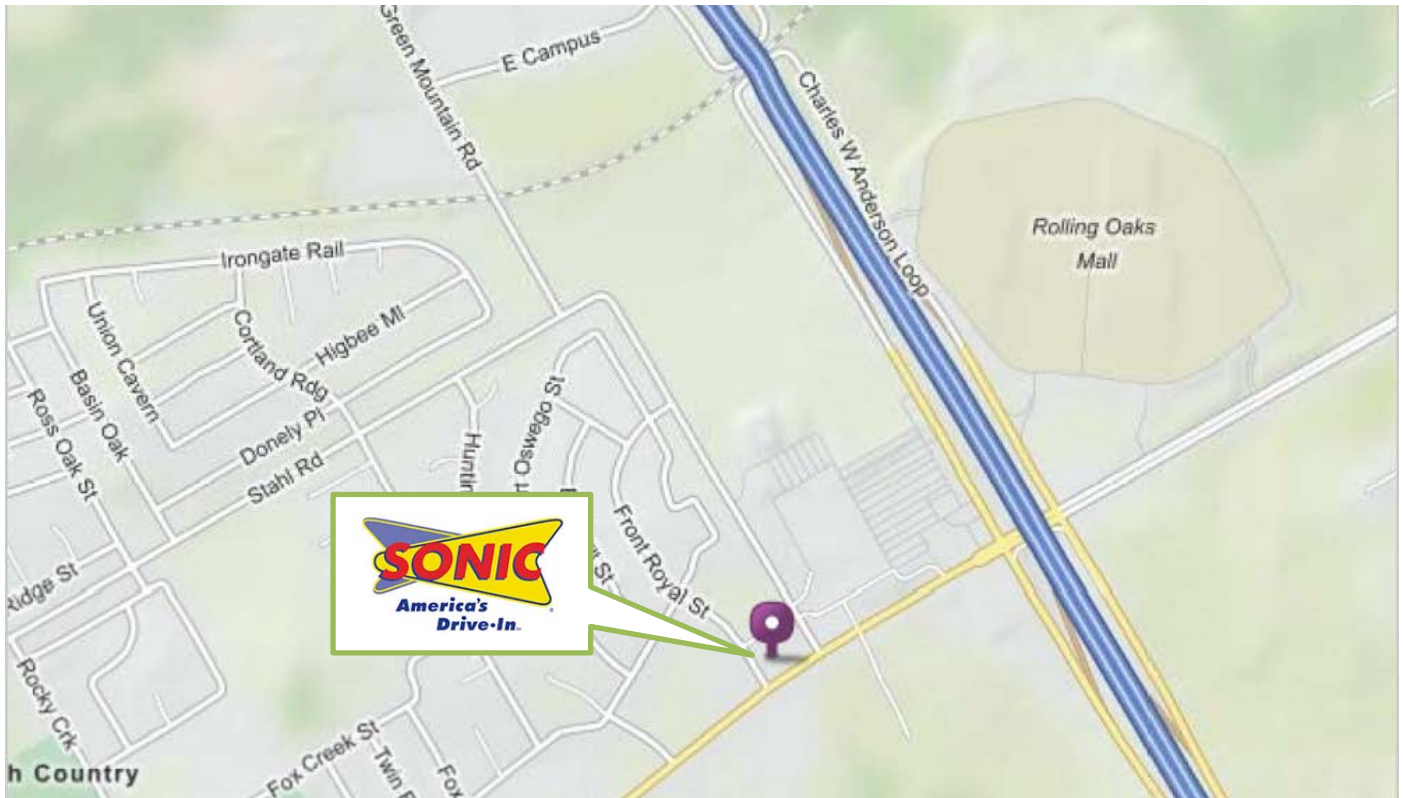
Sonic Drive-In is responsible, and consistently pays for all property taxes, insurance and maintenance for the property. There is no First Right of Refusal to Purchase in the NNN lease. Lease requires Tenant's monthly sales disclosure.



MAPS



Regional map for San Antonio, TX



Local Map of San Antonio, TX and Sonic Drive-In Location



**Neighborhood Aerial View**



**Regional Aerial View**





## Sonic Drive-In NNN Leased Investment – San Antonio, TX

Rosebud Properties, Inc. has been retained as the exclusive Texas Broker regarding the sale of this property.

To receive an Offering Memorandum, please read this Confidentiality Agreement and agree to the terms. The Offering Memorandum has been prepared by Owner and Broker and does not purport to provide a necessarily accurate summary of the property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective Buyers may need or desire. All projections have been developed by Owner and Broker and designated sources and are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Broker and therefore are subject to variation. No representation is made by Owner or Broker as to the accuracy or completeness of the information contained herein, and nothing contained herein shall be relied on as a promise or representation as to the future performance of the property. Although the information contained herein is believed to be correct, the Owner and Broker and its employees disclaim any responsibility for inaccuracies and expect prospective purchasers to exercise independent due diligence in verifying all such information. Further, Owner, Broker, and its employees disclaim any and all liability for representations and warranties, expressed and implied, contained in or omitted from the Offering Memorandum or any other written or oral communication transmitted or made available to the Buyer. The Offering Memorandum does not constitute a representation that there has been no change in the business or affairs of the property or the Owner since the date of preparation of the Offering Memorandum. Analysis and verification of the information contained in the Offering Memorandum are solely the responsibility of the prospective Buyer. Additional information and an opportunity to inspect the property will be made available upon written request to interested and qualified prospective Buyers.

By accepting the Offering Memorandum, Buyer agrees to indemnify, defend, protect and hold Owner and Broker and any affiliate of Owner or Broker harmless from and against any and all claims, damages, demands, liabilities, losses, costs or expenses (including reasonable attorney fees) arising, directly or indirectly from any actions or omissions of Owner or Broker, its employees, officers, directors or agents.

By accepting the Offering Memorandum, Buyer understands that Net Leased Real Properties, Inc. does not have ownership interest in the subject property and Buyer shall indemnify and hold Owner and Broker harmless from and against any claims, causes of action or liabilities, including, without limitation, reasonable attorney fees and court costs which may be incurred with respect to any claims by Buyer in connection with such statement.

Buyer shall indemnify and hold Owner and Broker harmless from and against any claims, causes of action or liabilities, including, without limitation, reasonable attorney fees and court costs which may be incurred with respect to any claims for other real estate commissions, broker fees or finder fees in relation to or in connection with the Property to the extent claimed, through or under Owner.

The Owner and Broker each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time with or without notice. The Owner shall have no legal commitment or obligations to any entity reviewing the Offering Memorandum or making an offer to purchase the Property unless a written agreement for the purchase of the Property has been fully executed, delivered, and approved by the Owner and its legal counsel, and any conditions to the Owner obligation thereunder have been satisfied or waived.

The Offering Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting the Offering Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not photocopy or duplicate it, that you will not disclose the Offering Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make an offer and from whom you have obtained an agreement of confidentiality) without prior written authorization of the Owner or Broker, and that you will not use the Offering Memorandum or any of the contents in any fashion or manner detrimental to the interest of the Owner or Broker.

No employee of Owner is to be contacted without the written approval of Broker and doing so would be a violation of this confidentiality agreement.

Buyer and Co-broker agree not to contact the tenants, their employees or customers of any business on the Property without prior permission from the Owner