

Representative Photo

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



300 SE THIRD ST
LEES SUMMIT, MO

OFFERING
MEMORANDUM

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INVESTMENT HIGHLIGHTS

- Lease guaranteed by Sonic Corporate and an experienced 70+ unit operator
- Absolute NNN Lease - Tenant takes care of all responsibilities including property tax, insurance and property, and building maintenance
- Attractive percentage rent bonuses on top of base rent with a high performing store

LOCATION

- Strategically located in downtown adjacent to government buildings
- Lee's Summit was recently ranked #1 in the country for the best place to raise a family
- Subject property was built in 2005 and well maintained

TENANT

- Sonic Corporation is the nation's largest drive-in restaurant chain serving approximately 3 million customers every day
- As of August 2017, 3,557 Sonic Drive-Ins were in operation from coast to coast in 45 states
- Sonic Drive-In was ranked in the top 15-most successful QSR companies

FINANCIAL OVERVIEW



LIST PRICE

\$786,493



CAP RATE

7.50%



YEAR BUILT

2005



LOT SIZE

± 0.52 AC



GLA

± 1,526 SF



APN

61-230-14-10

TENANT SUMMARY

Tenant Trade Name	Sonic Drive-In
Type of Ownership	Corporate
Lease Type	NNN
Roof & Structure	Tenant Responsible
Original Lease Term	15 Years
Rent Commencement Date	1/15/2005
Lease Expiration Date	1/14/2020
Years Remaining	± 2 Years
Options	One, 5-Year Options

RENT SUMMARY

2015	\$58,139
2016	\$59,015
2017	\$59,809
Blended 3-Year Average Sales	\$58,987



TENANT OVERVIEW

SONIC

For more than 60 years, SONIC, America's Drive-In has built a dominant position in the drive-in restaurant business. They did so by sticking to what made drive-ins so popular in the first place: made-to-order American classics, signature menu items, speedy service from friendly Carhops and heaping helpings of fun and personality. The company operates 3,557 restaurants in 45 US states. With a dynamic history, SONIC surges forward while specializing in fresh, made-to-order meals that you can't get anywhere else. Today, SONIC is the largest chain of drive-in restaurants in America. As a business, they continue to thrive, maintaining strong real sales growth, industry-leading customer frequency and high returns for stockholders.

GROWTH

There has never been a better time to become a SONIC franchisee. Leadership from a best-in-class franchise support team, a diverse menu that maximizes all five dayparts like no other QSR in the industry and the marketing muscle of the wildly successful Two Guys national campaign has positioned Sonic as a brand with remarkable momentum. SONIC franchise owners saw average gross sales-by-store increase from \$1,072,000 in 2012 to \$1,283,000 in 2016, with 27 percent of stores exceeding \$1.5 million in gross sales in fiscal year 2016.

No. of Locations	± 3,557
No. of Employees	± 9,620
Headquartered	Oklahoma City, Oklahoma
Website	www.sonicdrivein.com
Year Founded	1953

SURROUNDING TENANTS



AREA OVERVIEW

LEE'S SUMMIT, MO

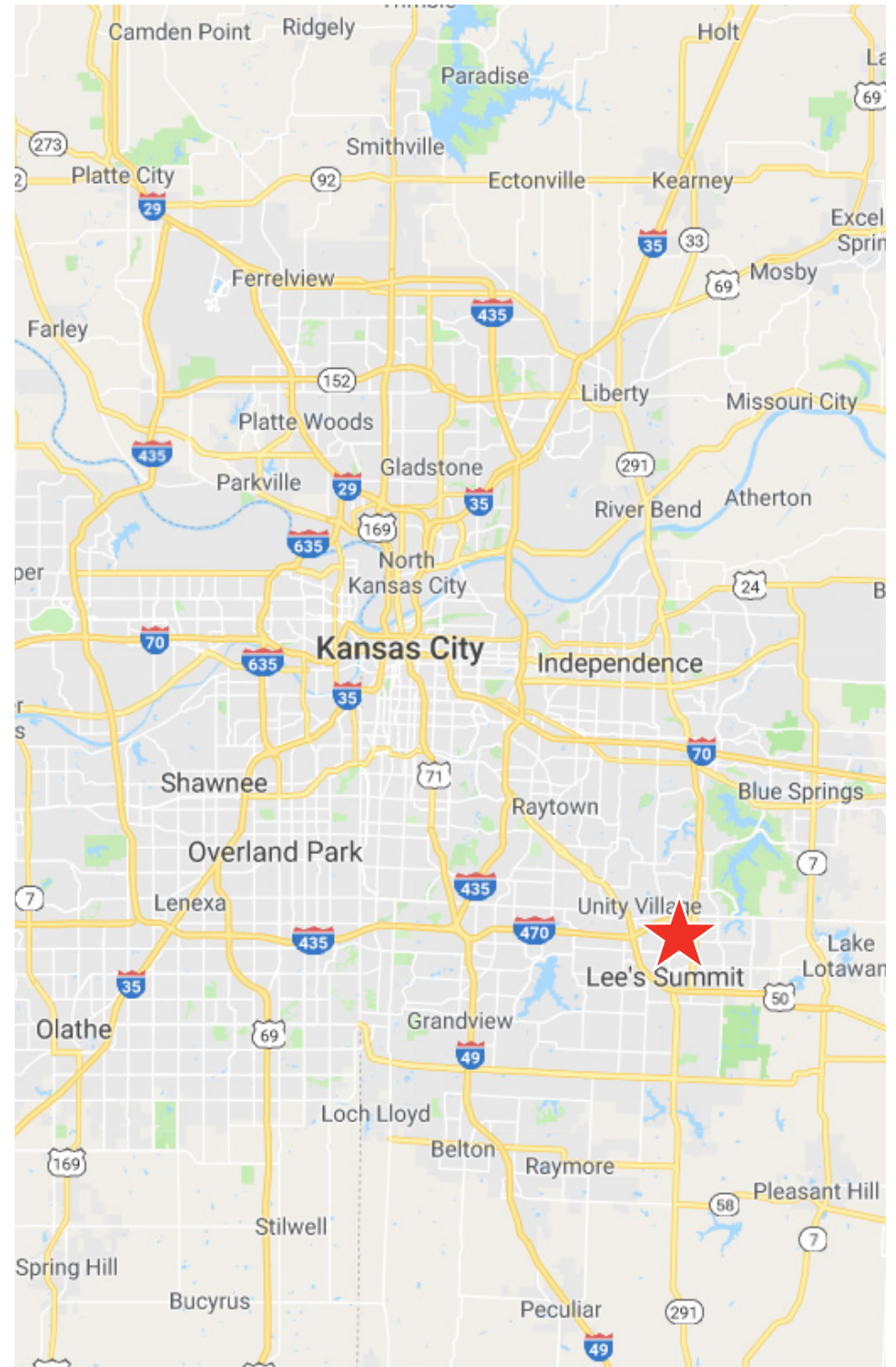
Lee's Summit, only 26 miles from Kansas City, is becoming one of the busiest centers in the Kansas City metro region and is home to over 90,000 residents. In the early days, it was known as a farming community, but has since blossomed into an active business community with a vibrant economy. Around 9,500 live and work in Lee's Summit, and an additional 25,000 travel into town to work.

LEE'S SUMMIT 2017 ACCOLADES

- Top 20 Best Cities to Live in America
- #1 Best Place to Raise a Family
- Leader in Digital Technology

Demographics

POPULATION	1 Mile	3 Mile	5 Mile
2023 Projection	10,936	56,088	92,741
2018 Estimate	10,809	54,776	89,070
2010 Census	10,683	53,032	82,983
Growth 2018 - 2023	1.18%	2.40%	4.12%
HOUSEHOLDS	1 Mile	3 Mile	5 Mile
2023 Projection	4,942	21,903	34,023
2018 Estimate	4,869	21,437	32,882
Growth 2018 - 2023	1.50%	2.17%	3.47%
INCOME	1 Mile	3 Mile	5 Mile
2018 Est. Average Household Income	\$61,483	\$92,584	\$100,800





KANSAS CITY, MISSOURI

Kansas City, Missouri, lies on the western edge of Missouri. Among the 100 largest cities in the United States, it is the most centrally located in the lower 48 states. This central location makes it very competitive for employment involving transportation, communication, and distribution.

Kansas City covers 319 square miles and is home to approximately 464,000 residents, making it the largest city in Missouri, both in area and in population. Its area is the 11th largest among United States cities that are not consolidated with counties. Its population is the 37th largest in the United States.

Kansas City is a regional headquarters of the Federal Reserve Bank and contains the headquarters for Hallmark Cards, DST, Russell Stover Candies, Kansas City Southern Railway, H&R Block, Boulevard Brewing, and American Century Investments.

Kansas City has the most freeway lanes per capita of any United States city. It is one of only six cities in the nation with four primary interstate highways within its City limits (I-70, I-35, I-29, and I-49).

Kansas City is a large, prosperous, self-sufficient and culturally rich city located astride the Missouri River. For the past 20 years, the big growth has been on the Kansas side to the southwest in suburbs like Overland Park, Lenexa, and Shawnee.

The attractive downtown boasts museums and architectural attractions, including modern buildings and restorations of older sites such as the 1914 Union Station. More recently, a major urban redevelopment and renewal effort has taken hold, anchored by a new Federal Reserve and IRS complex expected to employ 7,000 and a new headquarters for financial services giant H&R Block, plus a new entertainment district. These developments and more renovations of attractive older buildings are adding life to the area, and there is also a significant push towards residential units in the city.



KANSAS CITY CHIEFS

The Kansas City Chiefs are a professional American football team who compete in the National Football League (NFL). The team originally called Dallas Texas home, but relocated to Kansas City in 1963. The Chiefs have won three AFL championships and became only the second AFL team to defeat an NFL team in the AFL-NFL World Championship game. The Chiefs play at Arrowhead Stadium which recently underwent a \$375 million renovation.

A study commissioned by the NFL and conducted by Washington-based Edgeworth Economics placed the average economic effect of NFL teams on local communities at \$160 million, or \$20 million per game for an eight home-game season. This takes into account the money spent at near-by restaurants, hotels, retail, entertainment and transportation during the season. Those numbers go up if the Chiefs lock in a home playoff game.



KANSAS CITY ROYALS

The Kansas City Royals are a professional baseball team that compete in Major League Baseball (MLB). The Royals play at Kauffman Stadium, formerly known as Royals Stadium. The MLB team has been to the world series four times, winning twice, once in 1985 and again recently in 2015.

The Royals have an economic impact on the region in the same way the Chiefs contribute to the economy through near-by restaurants, hotels, retail, entertainment and transportation. The Chiefs and Royals combined bring anywhere from \$250 million to \$300 million annually to the area.

CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **Sonic** located at **300 SE Third, Lees Summit, MO 64063** (“**Property**”). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in 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 purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

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

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

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

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 Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

EXCLUSIVELY LISTED BY

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