

OFFERING MEMORANDUM



**HELOTES
TEXAS**

Corporate Guaranteed Lease

NNN
NNN DEAL
THE SINGLE TENANT RESOURCE

Marcus & Millichap



REPRESENTATIVE PHOTO

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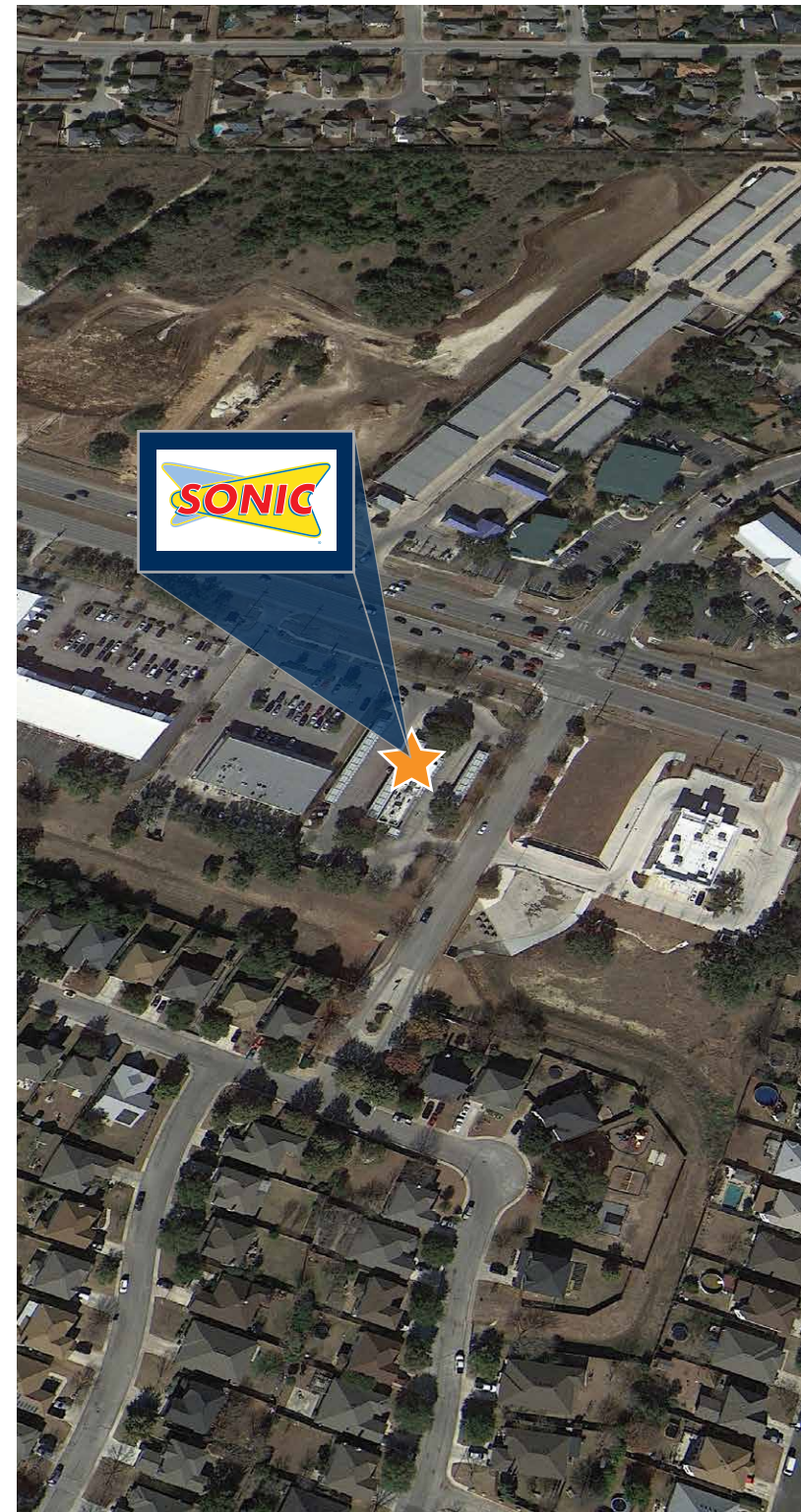
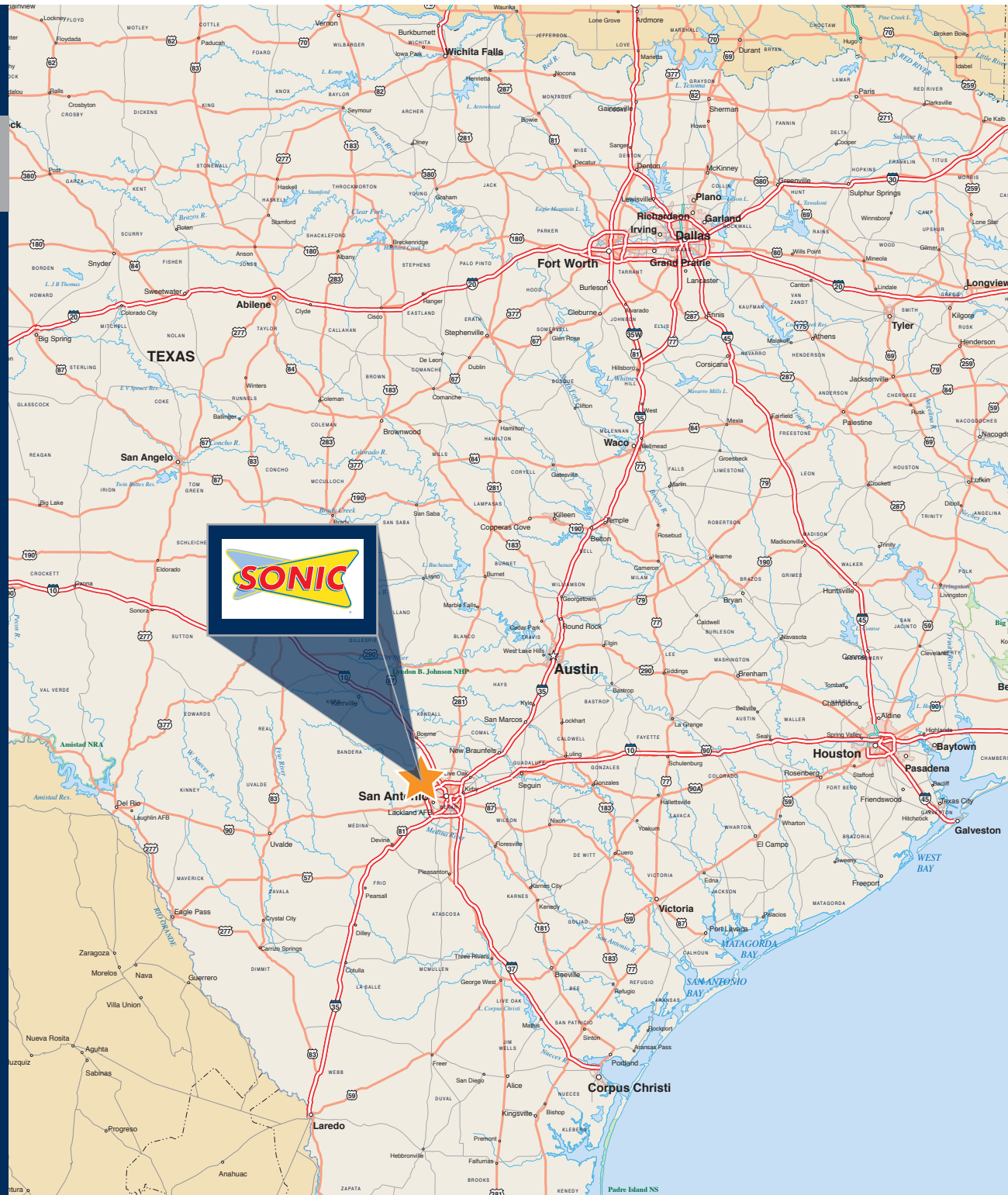


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INVESTMENT SUMMARY

12405 BANDERA ROAD, HELOTES, TX, USA

PRICE: \$1,450,000

CAP: 6.21%

RENT: \$90,000

OVERVIEW

Price	\$1,450,000
Gross Leasable Area (GLA)	1,769 SF
Lot Size (approx.)	1.47 Acres
Net Operating Income	\$90,000
CAP Rate	6.21%
Year Built	2001

LEASE ABSTRACT

Lease Type	NNN
Original Lease Term	20 Years
Lease Start (Estimate)	5/1/2003
Lease Expiration (Estimate)	4/30/2023
Renewal Options	2 remaining 5 yr options
Increases	Percentage Rents*
Landlord Obligation	None At All

ANNUALIZED OPERATING DATA

Lease Term	Annual Rent
Current Term (Option 1)	\$90,000
Option 2	\$90,000
Option 3	\$90,000

* 6.50% of gross sales over min monthly rent. Original lease was 15 yrs, but they just exercised their 1st option 3/16/2018

INVESTMENT HIGHLIGHTS

Sonic has operated from this site for 15 years and just recently renewed their lease for another five years. Helotes is an affluent neighborhood about 15 miles from downtown San Antonio on the city's northwest side. The property is just half a mile to the east of Sandra Day O'Connor High School, which is the only high school in Helotes, with a student body of over 3,200. The surrounding area has undergone significant development in recent years and is turning into one of the most desirable suburbs of San Antonio.



**Corporate Guaranteed
Fee-Simple Lease**



**Half a Mile From Sandra Day
O'Connor High School &
Kuentz Elementary School,
the cities largest and only
public schools**



**Half a Mile From E Charles
William Anderson Loop**



95,000+ People In 3-Mile Area



**Average Household Income over
\$117,822 within 1-mile radius**

INVESTMENT HIGHLIGHTS

- ◆ \$1,450,000
- ◆ 20 year corporate guaranteed fee simple opportunity (4.4 yrs remaining on first option)
- ◆ Tenant exercised their first option indicating their desire to remain at this seasoned location
- ◆ Affluent San Antonio suburb where average household income exceeds \$117,822
- ◆ Lease offers percentage rent opportunity over break even and base rent
- ◆ Strategically located adjacent to a large community high school which contributes to the units success



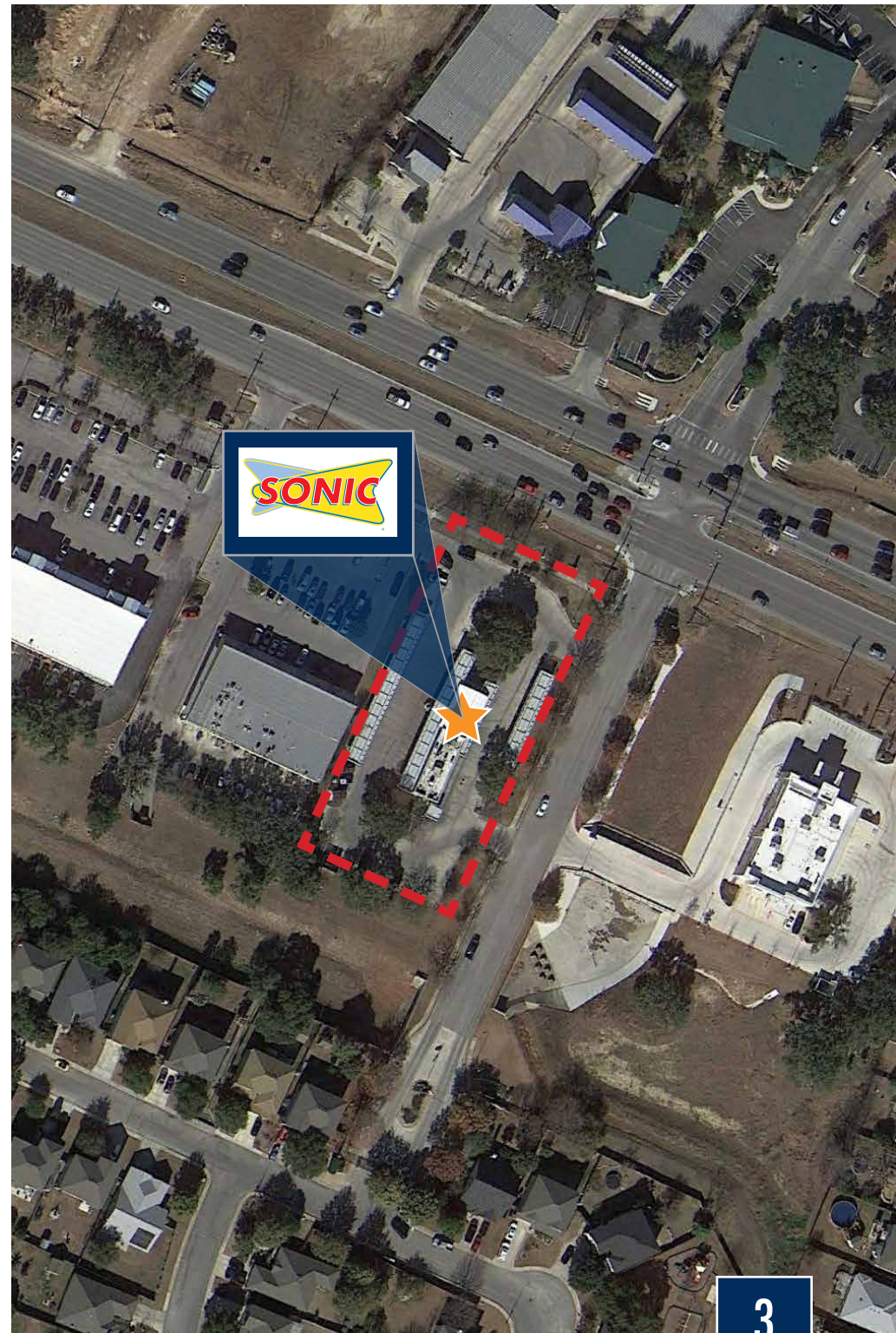
203,872
TOTAL
POPULATION
WITHIN 5-MILE
RADIUS



\$117,822
AVERAGE
HOUSEHOLD
INCOME WITHIN
1-MILE RADIUS



36,758 VPD - BANDERA ROAD
12,729 VPD - FM 1560









TENANT SUMMARY

SONIC DRIVE-IN

Sonic Corp., more commonly known as Sonic, is the operator of an American drive-in fast-food restaurant chain based in Oklahoma, Oklahoma, that is soon to be owned by Inspire Brands, the parent company of Arby's and Buffalo Wild Wings. What started as a small, local, trend-reliant burger joint has grown mightily into a large, national, archetypal pillar of the quick service industry. Beginning as not much more than a root beer stand in small town Oklahoma, Sonic Drive-In has proven that the drive-in restaurant model, unlike its movie theater counterpart, has stood the test of time. While the brand still embraces its nostalgic character, it doesn't rely on it as a crutch and has instead continued to establish itself as more than a gimmick. Today, the Sonic brand is the nation's largest chain of drive-in restaurants.

As of September 5, 2018, there are 3,606 Sonic restaurants in 45 U.S. states. In 2011, it was ranked 10th in QSR Magazine's rankings of the top 50 quick-service and fast-casual restaurant brands in the nation. Known for its use of carhops on roller skates, the company annually hosts a competition to determine the top skating carhop in its system.

Although Sonic has operated since the early 1950s, Sonic Corp. incorporated in Delaware in 1978. It has its corporate headquarters in Oklahoma City; the headquarters building features a dine-in Sonic restaurant in an adjacent building. Its stock trades on NASDAQ with the symbol SONC. Company restaurants are owned and operated by Sonic Restaurants, Inc., a wholly owned subsidiary.

Almost 90% of Sonic Drive-In's are franchised. The franchise offering comes in two different formats: traditional and non-traditional. **Subject site is a rare corporate guaranteed location.**

EBITDAR, For Year Ended 2017: \$95,467 (mil)

EBITDAR, For Year Ended 2016: \$92,504 (mil)

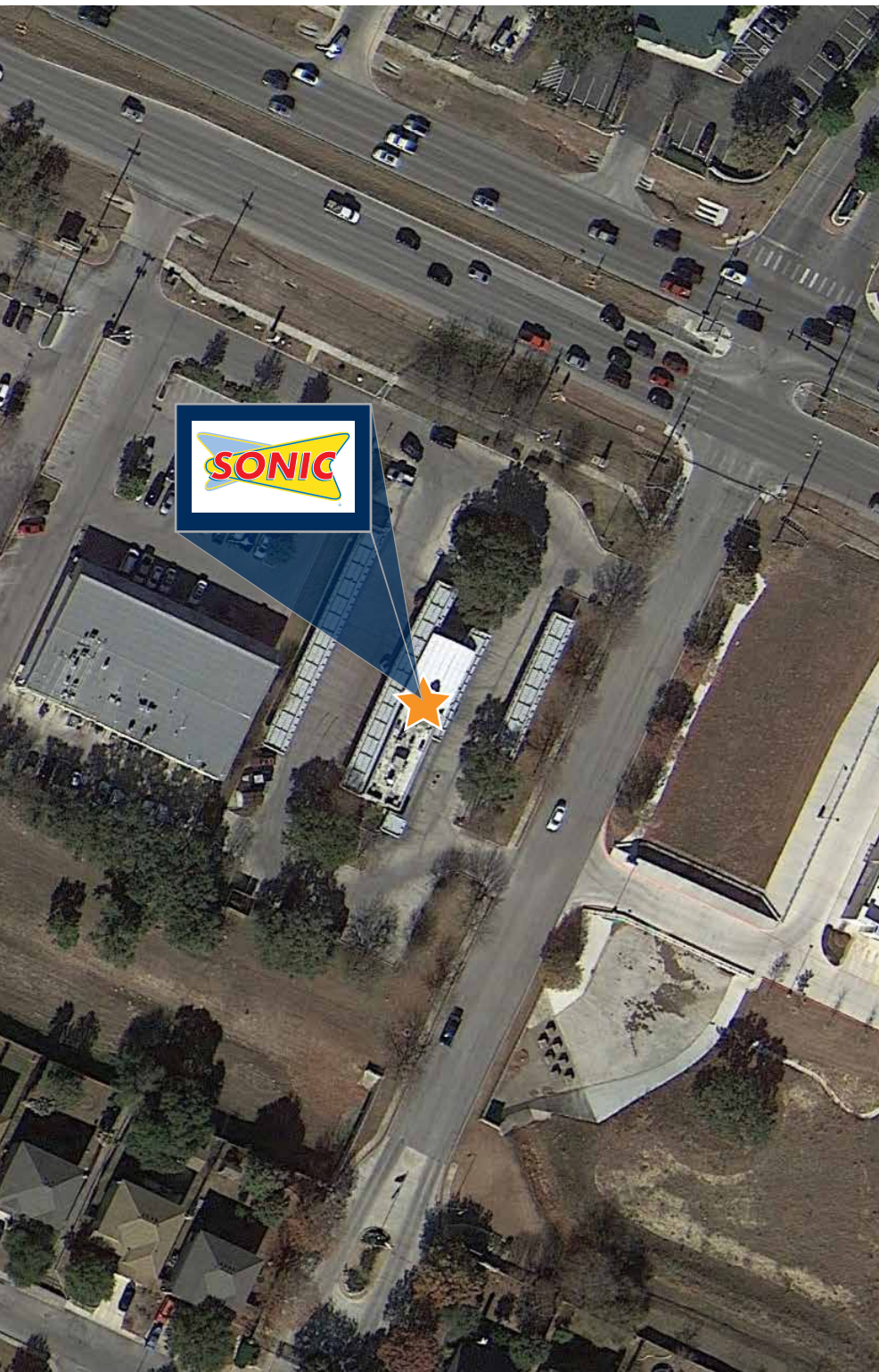
Net worth as of 2017: -\$201,758 (mil)

Revenue, For Year Ended 2017: \$477,267 (mil)

Revenue, For Year Ended 2016: \$606,320 (mil)



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OKLAHOMA CITY, OK



LOUISVILLE, KY

HEADQUARTERS (INTERNATIONAL / US)

CORPORATE

GUARANTOR

3,557

(345 COMPANY-OWNED AND
3,212 FRANCHISED) (2016)

LOCATIONS

INSPIRE BRANDS

PARENT COMPANY

SONC

S&P 600 COMPONENT

NASDAQ

\$606 MIL

REVENUE

J. CLIFFORD
HUDSON

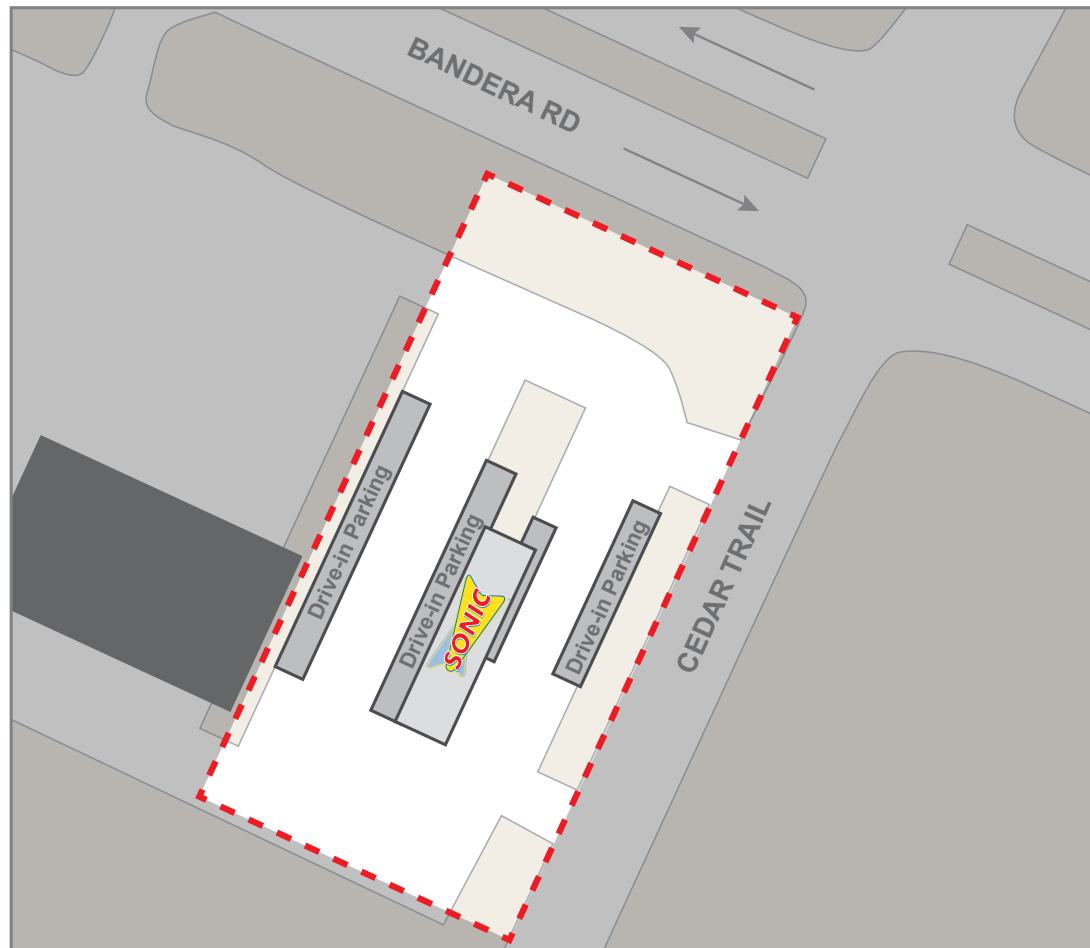
PRESIDENT / CEO

WWW.SONICDRIVEIN.COM

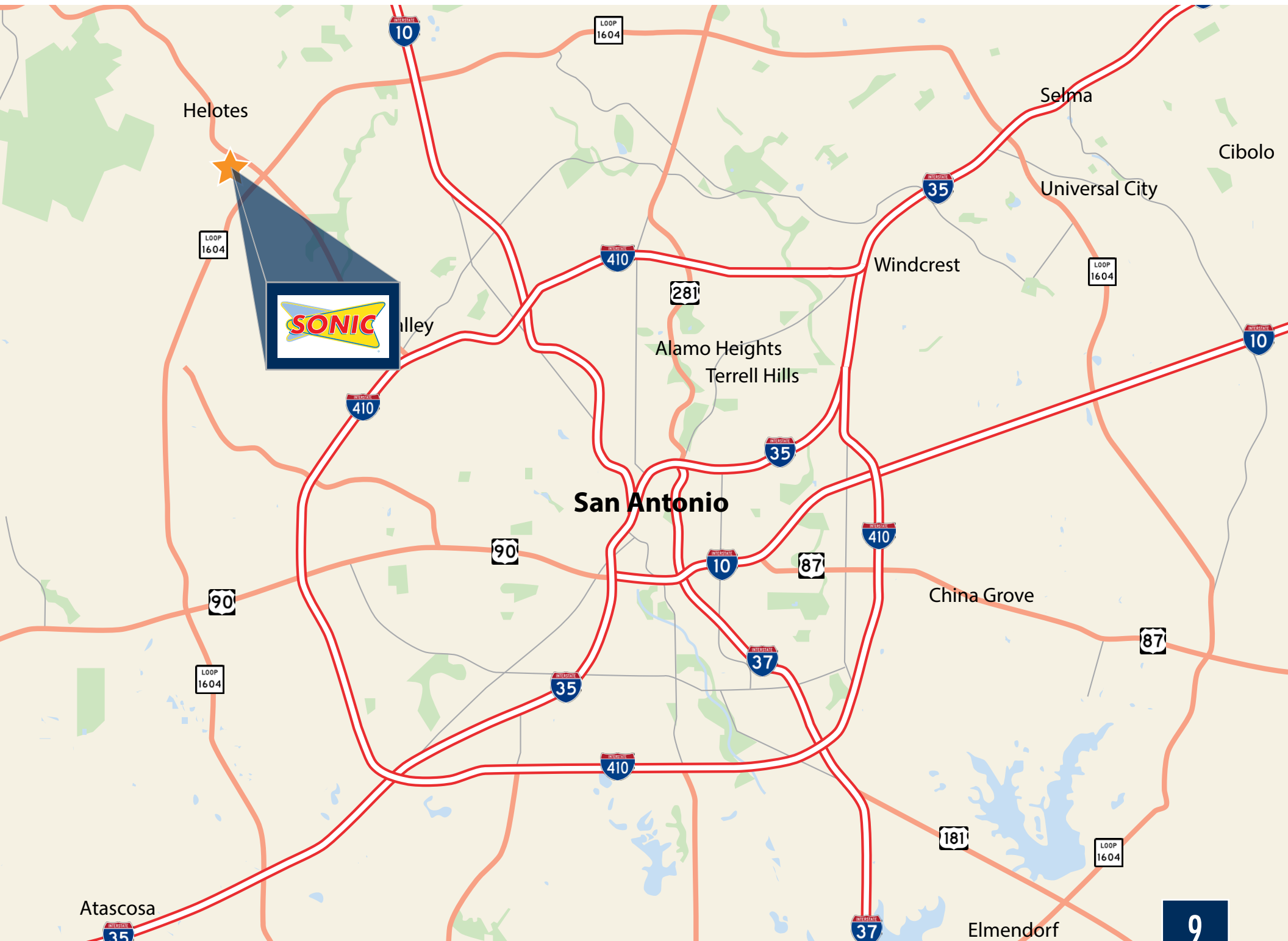
WEBSITE



SITE PLAN



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LOCATION OVERVIEW

HELOTES, TEXAS

Surrounded by the beauty of the Texas Hill Country, the City of Helotes is a vibrant community boasting a flourishing economy and a high quality of life.

Located just northwest of San Antonio, Helotes was incorporated in 1981 as a Type A General Law City. Helotes, whose name is derived from the Spanish word elotes or “corn-on-the-cob,” has been on Texas maps since the nineteenth century. Once inhabited by Lipan Apaches, Tonkawas, and Comanches, the City originally served as a stagecoach stop between San Antonio and Bandera.

For decades, Helotes remained a farming community. The opening of the famous John T. Floore County Store in 1946 marked a turn towards commerce and economic growth. The dance hall is listed in the National Register of Historic Places and is a Texas Historic Landmark that draws top musical talent to its stages.

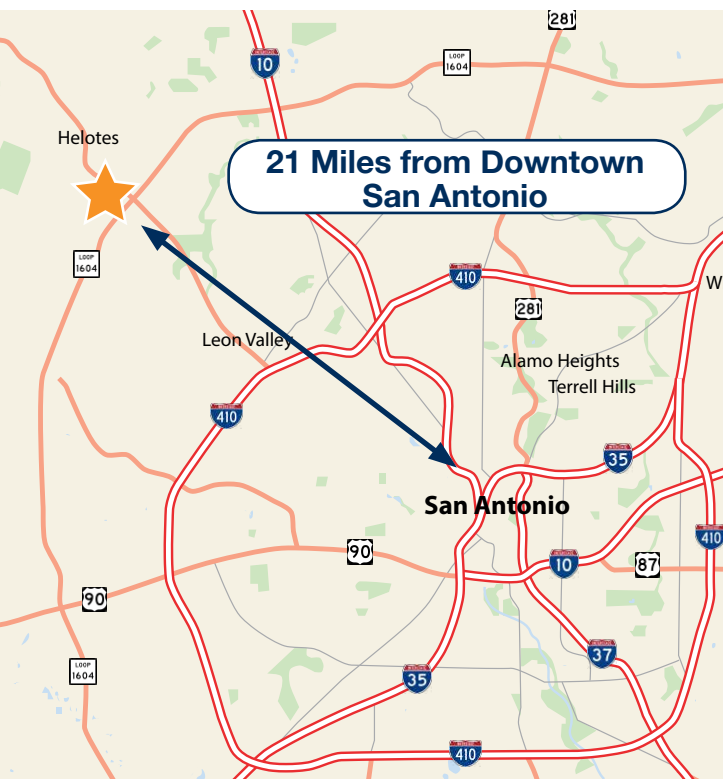
Today, the City of Helotes is a unique community that maintains its small-town tranquility and family-oriented activities. Citizens remain committed to economic prosperity while balancing environmental consciousness and historic preservation with modern revitalization. In 2013, Bloomberg BusinessWeek named Helotes as the **Best Small Town in Texas to Raise Kids**. In 2017, Career Website Zippia.com named Helotes one of the **Ten Most Successful Cities in Texas**.

As of the 2000 census, Helotes had a population of 4,285 residents. The population density was 1,014.3 people per square mile. 1,525 housing units were registered with an average density of 361.0 per square mile. The racial makeup of the city was 86.95% White, 26.49% Latino, 2.24% African American, 0.14% Pacific Islander, and 3.03% from two or more races.

Additionally, Helotes had 1,471 households of which 40.2% had children under the age of 18, 79.9% were married couples living together, and 12.2% were non-families. 10.6% of all households were made up of individuals and 4.5% had someone living alone who was 65 years of age or older. The average household size was 2.91 persons and the average family size was 3.13 persons.

The median income for a household in the city was \$76,951, and the median income for a family was \$80,090. About 2.0% of families and 2.0% of the population were below the poverty line including 2.4% of those under the age of 18 years and 2.9% of the age of 65 years or older.

Helotes prides in providing a booming economy and a high quality of life to residents. The city provides several family-oriented activities, making it one of the best towns in Texas to raise children.



MAJOR EMPLOYERS: 2017 HELOTES, TEXAS

Lackland Air Force Base	37,097
Fort Sam Houston	32,000
HEB Food Stores	20,000
USAA	17,000
Northside ISD	12,751
Randolph Air Force Base	11,068
North East ISD	10,052
City of San Antonio	9,145
Methodist Healthcare System	8,118
San Antonio ISD	7,000

LOCATION HIGHLIGHTS

HELOTES, TX

AFFLUENT SAN ANTONIO SUBURB



Among Zippia.com's
Ten Most Successful
Cities In Texas (Link)




Named Best Place To
Raise Kids In Texas, by
Bloomberg in 2013 (Link)



Population has
Skyrocketed Over 70%
Since the Turn
of the Millennia

DEMOGRAPHICS / HELOTES, TX

 **203,872**
Total Population Within 5-Mile Radius

 **\$88,581**
Average Household Income
Within 5-Mile Radius

 **\$71,069**
Median Household Income
Within 5-Mile Radius

 **70,643** ➔  **78.21%**
Total Households in 5-Mile Radius From 2000


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POPULATION	1 MILE	3 MILES	5 MILES
2022 Projection			
Total Population	8,228	98,170	234,534
2017 Estimate			
Total Population	6,227	83,638	203,872
2010 Census			
Total Population	5,782	77,792	185,527
2000 Census			
Total Population	1,581	44,441	116,681
Current Daytime Population			
2017 Estimate	3,547	51,257	155,257
HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2022 Projection			
Total Households	3,023	33,796	83,059
2017 Estimate			
Total Households	2,242	28,226	70,643
Average (Mean) Household Size	2.89	2.92	2.8
2010 Census			
Total Households	2,089	26,467	64,565
2000 Census			
Total Households	556	14,507	39,641
Occupied Units			
2022 Projection	3,023	33,796	83,059
2017 Estimate	2,242	28,244	71,110
HOUSEHOLDS BY INCOME	1 MILE	3 MILES	5 MILES
2017 Estimate			
\$150,000 or More	17.58%	13.16%	10.44%
\$100,000 - \$149,000	30.36%	23.74%	19.62%
\$75,000 - \$99,999	15.42%	17.50%	16.74%
\$50,000 - \$74,999	19.53%	21.83%	22.25%
\$35,000 - \$49,999	7.86%	10.01%	11.43%
Under \$35,000	9.24%	13.76%	19.51%
Average Household Income	\$117,822	\$101,275	\$88,581
Median Household Income	\$96,624	\$80,702	\$71,069
Per Capita Income	\$42,428	\$34,215	\$30,936

HOUSEHOLDS BY EXPENDITURE	1 MILE	3 MILES	5 MILES
Total Average Household Retail Expenditure	\$88,078	\$82,574	\$76,308
Consumer Expenditure Top 10 Categories			
Housing	\$22,286	\$20,884	\$19,503
Shelter	\$18,374	\$17,053	\$15,726
Transportation	\$11,829	\$11,096	\$10,408
Food	\$10,098	\$9,347	\$8,530
Personal Insurance and Pensions	\$9,370	\$8,322	\$7,358
Health Care	\$6,046	\$5,520	\$5,010
Utilities	\$5,286	\$4,980	\$4,656
Entertainment	\$3,494	\$3,184	\$2,894
Apparel	\$2,761	\$2,531	\$2,312
Household Operations	\$2,569	\$2,229	\$1,961

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
Population By Age			
2017 Estimate Total Population	6,227	83,638	203,872
Under 20	30.25%	30.32%	30.26%
20 to 34 Years	18.00%	21.67%	24.61%
35 to 39 Years	7.22%	7.54%	7.44%
40 to 49 Years	17.77%	15.35%	13.49%
50 to 64 Years	18.13%	16.93%	16.08%
Age 65+	8.65%	8.19%	8.11%
Median Age	36.34	33.66	31.92
Population 25+ by Education Level			
2017 Estimate Population Age 25+	3,940	51,942	123,920
Elementary (0-8)	1.77%	1.62%	1.95%
Some High School (9-11)	2.18%	2.84%	3.44%
High School Graduate (12)	15.29%	17.57%	19.19%
Some College (13-15)	23.31%	25.15%	26.87%
Associate Degree Only	8.81%	10.20%	9.90%
Bachelors Degree Only	29.03%	27.18%	24.51%
Graduate Degree	18.74%	14.26%	13.21%



REPRESENTATIVE PHOTO



HELOTES TEXAS

Lior REGENSTREIF

SENIOR MANAGING DIRECTOR INVESTMENTS
SENIOR DIRECTOR, NET LEASED PROPERTIES GROUP

ENCINO OFFICE

Tel: (818) 212-2730

Fax: (818) 212-2710

Lior.Regenstreif@marcusmillichap.com

License: CA 01267761

RYAN JAAMA

ASSOCIATE

Tel: (786) 522-7127

Fax: (786) 522-7010

Ryan.Jaama@marcusmillichap.com

License: CA 01985648

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