



**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES

# SONIC

1717 S SANTA FE, CHANUTE, KS | OFFERING MEMORANDUM



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Representative Photo

# EXECUTIVE OVERVIEW



Representative Photo

**SONIC DRIVE-IN**  
**1717 S Santa Fe**  
CHANUTE, KS 61111



**\$1,950,000**  
LIST PRICE



**6.00%**  
CAP RATE



**\$117,000**  
ANNUAL RENT



## PROPERTY HIGHLIGHTS

- » Brand new 15-Year NNN Lease to Commence at Close of Escrow
- » Absolute NNN Lease - Tenant takes care of all responsibilities including property tax, insurance, maintenance, roof and structure.
- » Above National Average Sales - Sales Available Upon Request
- » Rent is set at a very sustainable 6% rent to sales ratio offering security in a long term NNN investment.

## LOCATION HIGHLIGHTS

- » This store has been in Chanute for 50 years and this (re) location was built brand new in 2007.
- » Strategically located along the main retail corridor and exactly 1-Mile Away from Neosho County Community College with over 2,600 Students enrolled.
- » One of Four Lunch Spots in the immediate area - other eateries include McDonald's, Subway, and Pizza Hut.

## TENANT HIGHLIGHTS

- » 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

## PARCEL MAP



**SONIC**  
**1717 S Santa Fe**  
CHANUTE, KS 61111



**±1,829 SF**  
GLA



**±0.85 AC**  
LOT SIZE



**2007**  
YEAR BUILT

## SONIC LEASE SUMMARY

TENANT TRADE NAME	Sonic Drive-In
TYPE OF OWNERSHIP	Fee Simple
LEASE GUARANTOR	Franchisee
LEASE TYPE	NNN
ROOF AND STRUCTURE	Tenant
LEASE COMMENCEMENT DATE	COE
INCREASES	10% Every 5 Years
OPTIONS	Two 5-Year Options

## ANNUALIZED OPERATING DATA

DATE	MONTHLY RENT	ANNUAL RENT	CAP
Current- 1/31/2024	\$9,750	\$117,000	6.00%
2/1/2024 - 1/31/2029	\$10,725	\$128,700	6.60%
2/1/2029 - 1/31/2034	\$11,797	\$141,570	7.26%
*First Option - 2/1/2034 - 1/31/2039	\$12,976	\$155,720	7.99%
*Second Option - 2/1/2039 - 1/31/2044	\$14,273	\$171,283	8.78%



# SURROUNDING TENANT MAP







Representative Photo

## TENANT OVERVIEW

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 and was ranked in the top 15 most successful QSR chains in the country. 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.

For over 15 years, SONIC's community giving programs have been focused on advancing education and educational opportunities for youths. Each fall, SONIC conducts "Limeades for Learning", a large fundraising event supporting teacher's projects across the nation. Through Limeades for Learning® in partnership with DonorsChoose.org, SONIC and its franchise partners have donated more than \$5 million to public school classrooms in local communities across the country.

**±3,557**  
LOCATIONS

**±9,620**  
EMPLOYEES

**Oklahoma City, OK**  
HEADQUARTERED

# AREA OVERVIEW



## CHANUTE, KS

Located in Neosho County, Chanute became its own city in the late 1800s when the area started to rapidly growing in flour mills, grain elevators, banks, drug and hardware stores, and natural gas. It soon became an innovative leader for Kansas.

Today, the city continues the tradition of innovation through projects and improvements that provide citizens with exceptional services and a high quality of life. For example, the city recently added 50 megawatts of electrical generation to its electric utility to assist expansion of the industrial base and better serve the citizens of Chanute. The City of Chanute is one of only a handful of remaining full-service cities in the State of Kansas.

## CHANUTE DEMOGRAPHICS

POPULATION	1-MILE	5-MILE	10-MILE
2019 Estimate	3,471	9,942	11,845
2024 Projection	3,415	9,784	11,638
HOUSEHOLDS	1-MILE	5-MILE	10-MILE
2019 Estimate	1,350	4,080	4,880
2024 Projection	1,331	4,026	4,810
INCOME	1-MILE	5-MILE	10-MILE
2018 Average Household Income	\$61,342	\$61,120	\$61,699

## SONICE MARKET REPORT (2017-2018)

CITY	STATE	SALES PRICE	CAP RATE	STATUS
Jonesboro	GA	\$1,225,000	6.00%	Closed
Hallettsville	TX	\$827,586	7.25%	On Market
San Antonio	TX	\$1,417,322	6.35%	Under Contract
Lees Summit	MO	\$775,320	7.79%	Under Contract
Humble (Vacant)	TX	\$900,000	N/A	Active
San Antonio	TX	\$1,240,000	6.30%	Closed
San Antonio (Vacant)	TX	\$775,000	N/A	Under Contract
Shreveport	LA	\$300,000	6.27%	Closed
Little Rock	AR	\$700,000	7.31%	Closed
Minot	ND	\$2,189,046	6.50%	Closed
Hannibal	NO	\$2,004,000	6.25%	Closed
Fargo	ND	\$2,150,000	7.43%	Closed
San Antonio	TX	\$825,000	7.52%	Closed
Castroville	TX	\$950,000	8.42%	Closed
Monticello	KY	\$1,014,634	6.15%	Active
Kentucky Portfolio	3 Properties	\$3,733,333	6.75%	Active



# CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Sonic** located in **1717 S Santa Fe Chanute, KS 61111** ("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.





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