

20-Year NNN Sale-leaseback

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



7045 Normandy Blvd, Jacksonville, FL 32205

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SONIC
*America's
Drive-In®*





Investment Highlights

PRICE: \$2,421,053 | CAP: 4.75% | RENT: \$105,000



About the Investment

- ✓ 20-Year Absolute Triple-Net (NNN) Sale-leaseback
- ✓ Franchisee Guarantee from Quality Huts Drive-In (74-units)
- ✓ 1.50% Annual Rental Increases Starting Year Two
- ✓ Four (4), Five (5)-Year Tenant Renewal Option Periods

About the Location

- ✓ Dense Retail Corridor | Dollar Tree, McDonalds, Walmart, Burger King, CVS, Wells Fargo, Wendy's, 7/11, Papa John's, Firehouse Subs, Captain D's, GameStop and Many More recognized companies
- ✓ Strong Demographics | Population Exceeds 160,000 Individuals Within a Five-Mile Radius
- ✓ Strong Real Estate Fundamentals | Located Less Than 20-Miles from Jacksonville International Airport (JAX) and right off of Interstate Highway 295
- ✓ Strong Traffic Counts | Over 31,800 and 124,300 Vehicles Per Day Along Normandy Blvd and I-295 respectively
- ✓ Affluent Community | Average Household Income Exceeding \$100,000 Within a Five-Mile Radius

About the Brand

- ✓ Sonic Drive-In Opened Their First Restaurant in 1953 and Now Maintains More Than 3,600 Drive-In Restaurants
- ✓ Sonic Continues to Thrive | Maintenance of Strong Real Sales Growth, Industry-Leading Customer Frequency, and High Returns for Stockholders
- ✓ Rated Top QSR Restaurant Chain in 14 States Amidst Covid-19 Pandemic





Financial Analysis

PRICE: \$2,421,053 | CAP: 4.75% | RENT: \$105,000



PROPERTY DESCRIPTION

Property	Sonic
Property Address	7045 Normandy Blvd
City, State, ZIP	Jacksonville, FL
Estimated Building Size	1,551
Estimated Lot Size	+/- 0.80 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$2,421,053
CAP Rate	4.75%
Annual Rent	\$105,000

LEASE SUMMARY

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	Quality Dine-In (74-Units)
Original Lease Term	20 Years
Lease Commencement	Close of Escrow
Lease Expiration	20 Years From COE
Lease Term Remaining	20 Years
Lease Type	Absolute Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.50% Annually Starting Year Two (2)
Options to Renew	Four (4) Periods of Five (5) Years Each

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$115,000	\$9,583	-
Year 2	\$116,725	\$9,727	1.50%
Year 3	\$118,476	\$9,873	1.50%
Year 4	\$120,253	\$10,021	1.50%
Year 5	\$122,057	\$10,171	1.50%
Year 6	\$123,888	\$10,324	1.50%
Year 7	\$125,746	\$10,479	1.50%
Year 8	\$127,632	\$10,636	1.50%
Year 9	\$129,547	\$10,796	1.50%
Year 10	\$131,490	\$10,957	1.50%
Year 11	\$133,462	\$11,122	1.50%
Year 12	\$135,464	\$11,289	1.50%
Year 13	\$137,496	\$11,458	1.50%
Year 14	\$139,559	\$11,630	1.50%
Year 15	\$141,652	\$11,804	1.50%
Year 16	\$143,777	\$11,981	1.50%
Year 17	\$145,933	\$12,161	1.50%
Year 18	\$148,122	\$12,344	1.50%
Year 19	\$150,344	\$12,529	1.50%
Year 20	\$152,599	\$12,717	1.50%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Sonic located at 7045 Normandy Blvd Jacksonville, FL 32205. The site consists of roughly 7,413 rentable square feet of building space on estimated 0.8-acre parcel of land. The Sonic is subject to a 20-year absolute triple-net (NNN) sale-leaseback, which will commence upon close of escrow. The initial annual rent will be \$105,000 and is scheduled to increase by one-and-a-half percent (1.50%) annually starting year two (2) throughout the base term and in each of the four (4), five (5)-year renewal options.



Concept Overview



SONIC DRIVE-IN OVERVIEW

Sonic Corporation operates and finances the largest chain of drive-in restaurants in the United States. The first Sonic Drive-In restaurant was opened in 1953, and as of September 2020, there are approximately 3,600 Sonic's nationwide. The typical Sonic Drive-In has 16 to 24 parking space, each having its own payment terminal, intercom speaker system and menu board. Sonic offers a highly diverse menu. The menu is built around the finest quality items available, offering conveniently priced items as well as healthy alternatives. Signature food items include specialty drinks (such as cherry limeades and slushes), ice cream desserts, made-to-order chicken sandwiches and hamburgers, a variety of hot dogs including six-inch premium beef hot dogs and foot long quarter-pound coneys, hand-made onion rings and tater tots.



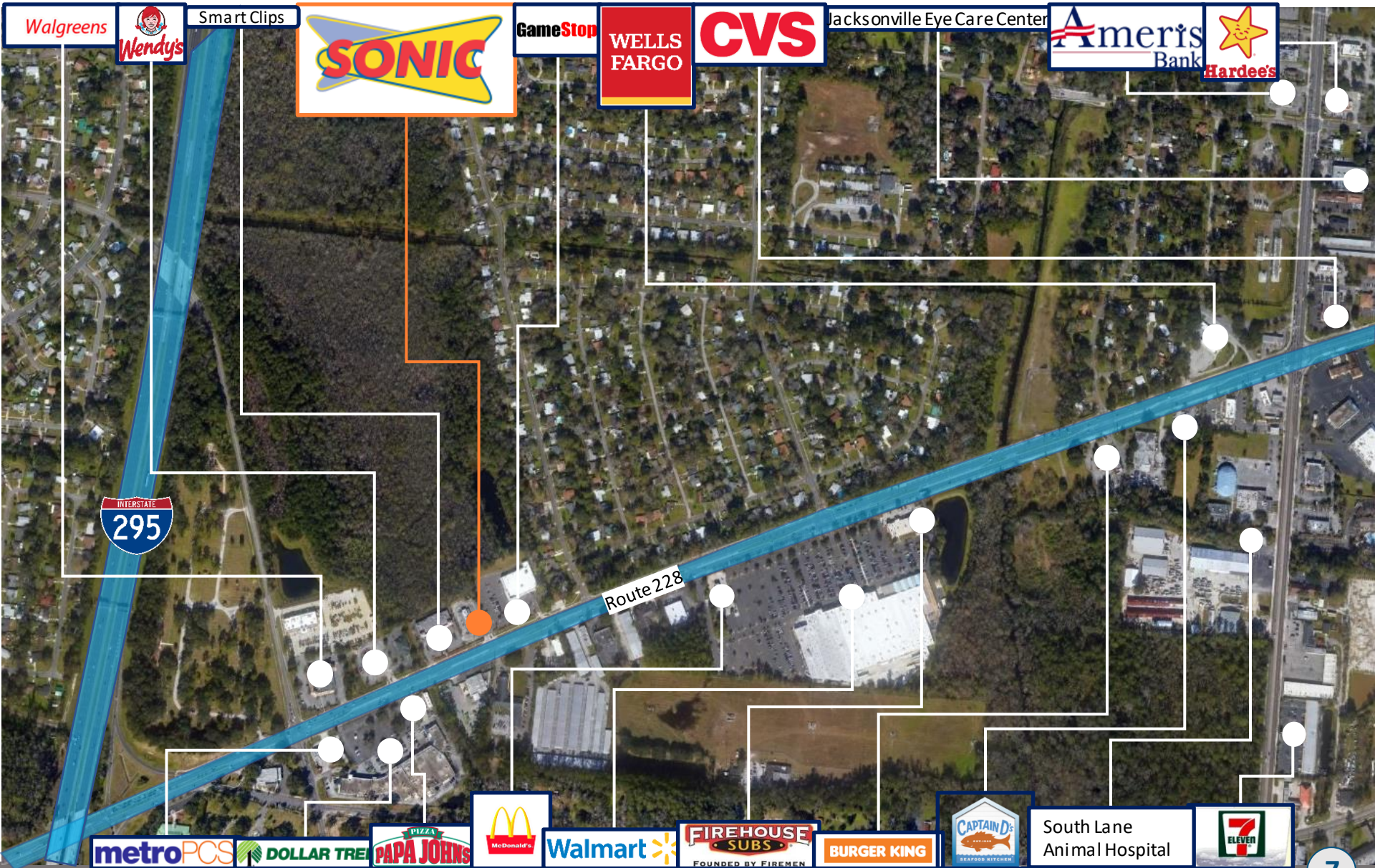
Highly Popular Amidst Covid-19 Pandemic Map of Top QSR Chain in Each State



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Surrounding Area





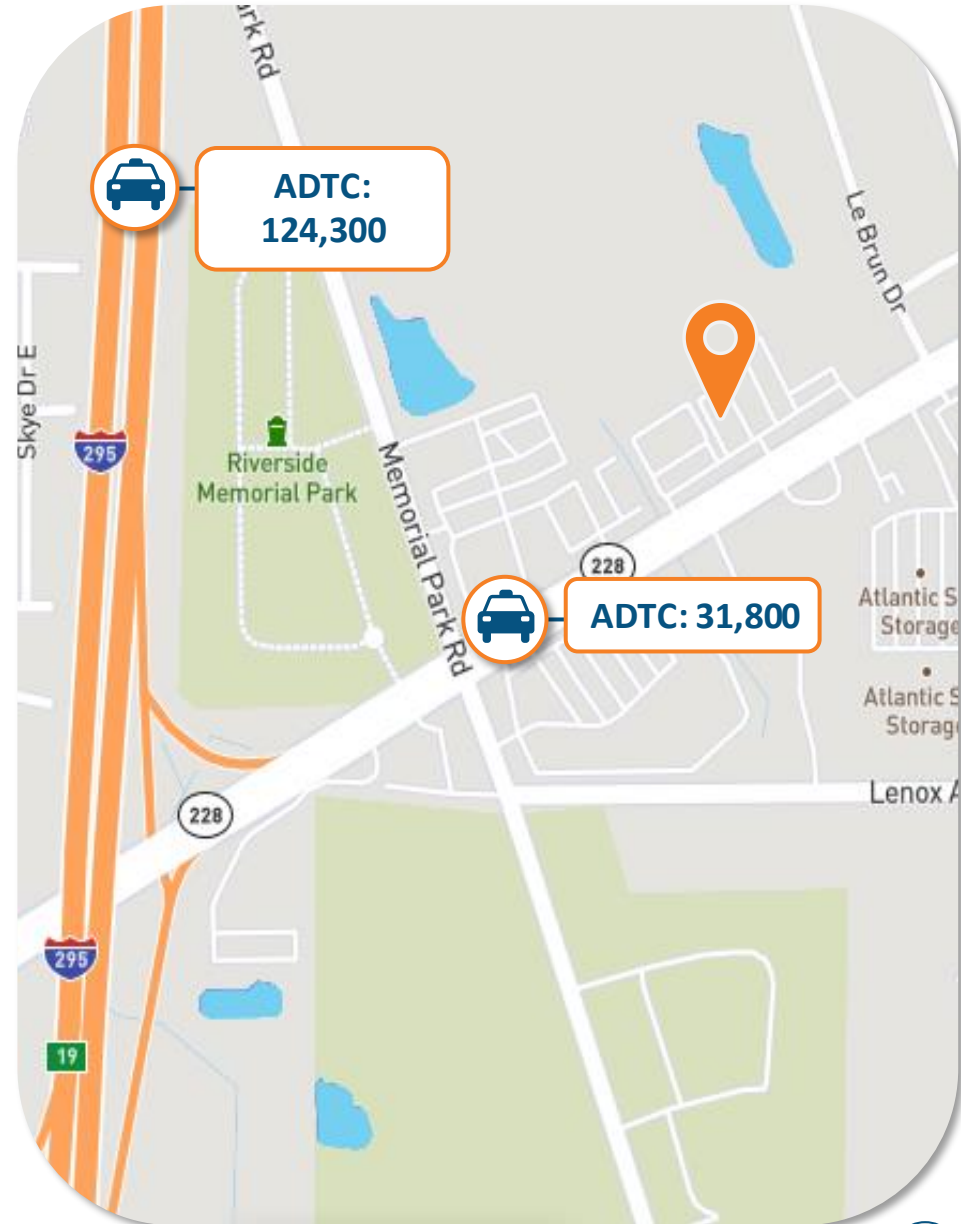
Location Overview



Sonic is situated on Normandy Boulevard, which boasts an average daily traffic count of 31,800 vehicles. Normandy Boulevard intersects with Interstate 295 which bring an additional 124,300 vehicles into the immediate area on average daily. There are more than 65,000 individuals residing within a three-mile radius of the property and more than 160,000 individuals within a five-mile radius.

The subject property benefits from being well-positioned in a very dense retail corridor consisting of national and local tenants, academic institutions and shopping centers all within close proximity of this property. Major national tenants in the area include: Walgreens, Walmart, Wendy's, GameStop, AT&T, Wells Fargo, CVS, 7/11, Burger King, McDonalds, Papa John's, Dollar Tree, Boost Mobile, as well as many others. There many full service restaurants as well as quick service restaurants in the immediate area of the subject property, including Golden Corral, Wendy's, Waffle House, Papa John's, El Potro, McDonald's, Panda Express, Burger King, and Elianos Coffee Company. Additionally, Jacksonville International Airport is located approximately 18.6 miles, or 24 a 24 minute drive away from the subject property via I-295.

Jacksonville is a seaport city, the most populous city in the state of Florida, and the most populous city in the southeastern United States. The city is the cultural, commercial and financial center of Northern Florida. A major military and civilian deep-water port, the city's riverine location supports two United States Navy bases and the Port of Jacksonville, Florida's third-largest seaport. The Port of Jacksonville is a leading port in the United States for automobile imports, as well as the leading transportation and distribution hub in the state. Jacksonville serves as headquarters for various banking, insurance, healthcare, logistics, and other institutions. The city is home to many prominent corporations and organizations, including the headquarters of four Fortune 500 companies: CSX Corporation, Fidelity National Financial, Fidelity National Information Services, and Southeastern Grocers. Three colleges and universities lie within the city's limits: the University of North Florida, Jacksonville University, and Florida State College at Jacksonville. One professional sports team, the Jacksonville Jaguars of the National Football League, plays their home games in downtown Jacksonville.



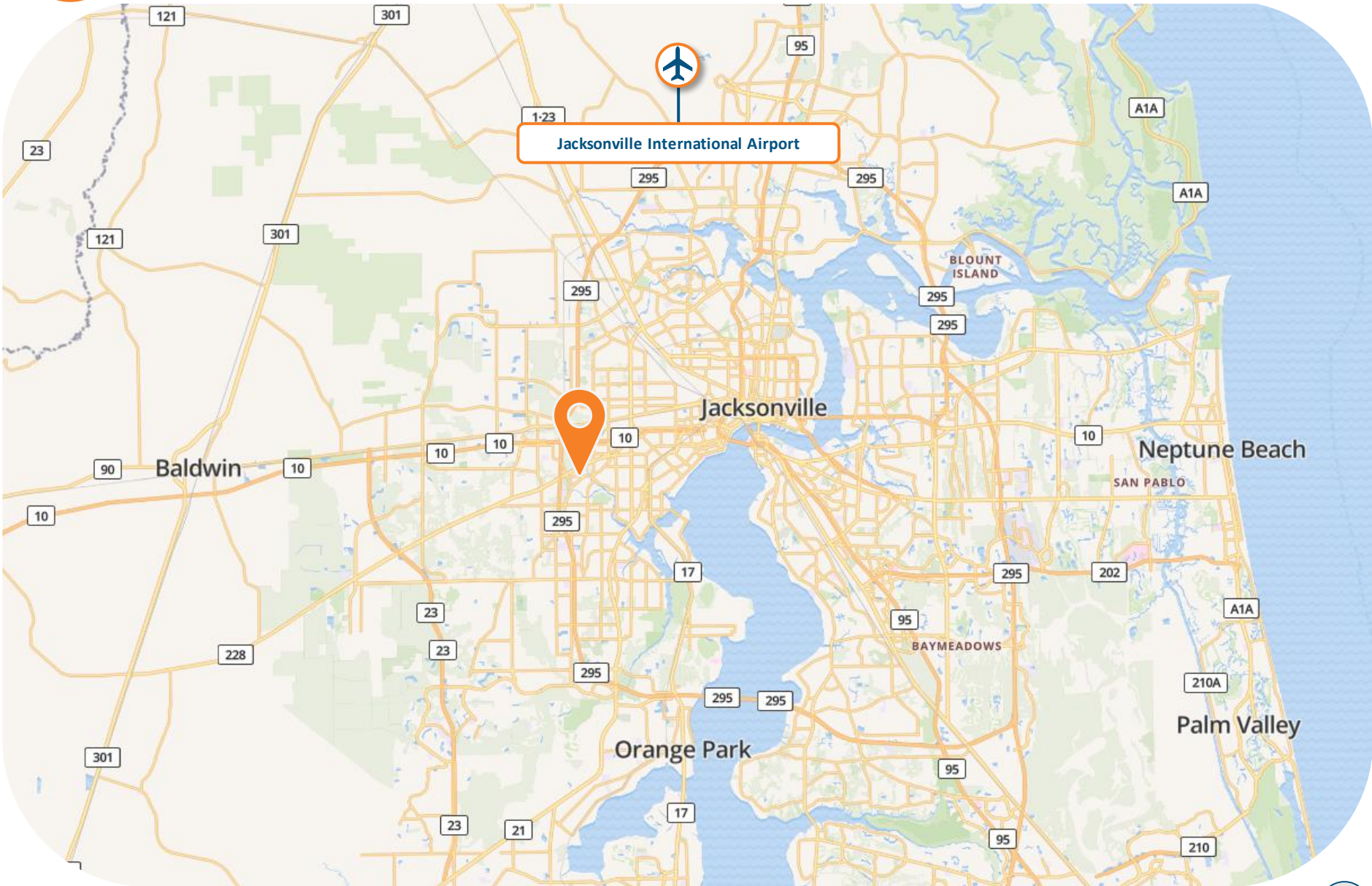


Property Photo



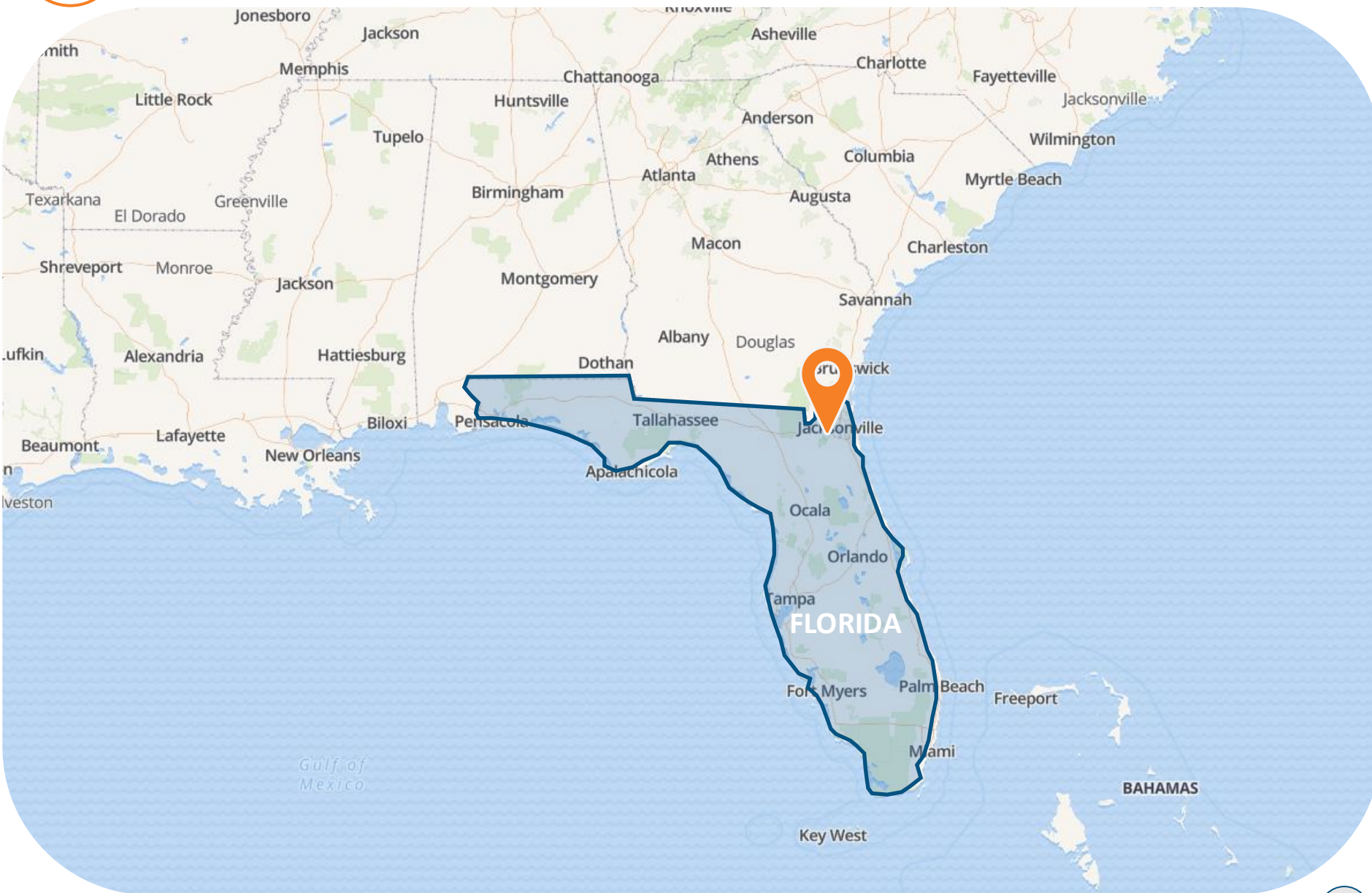


Local Map



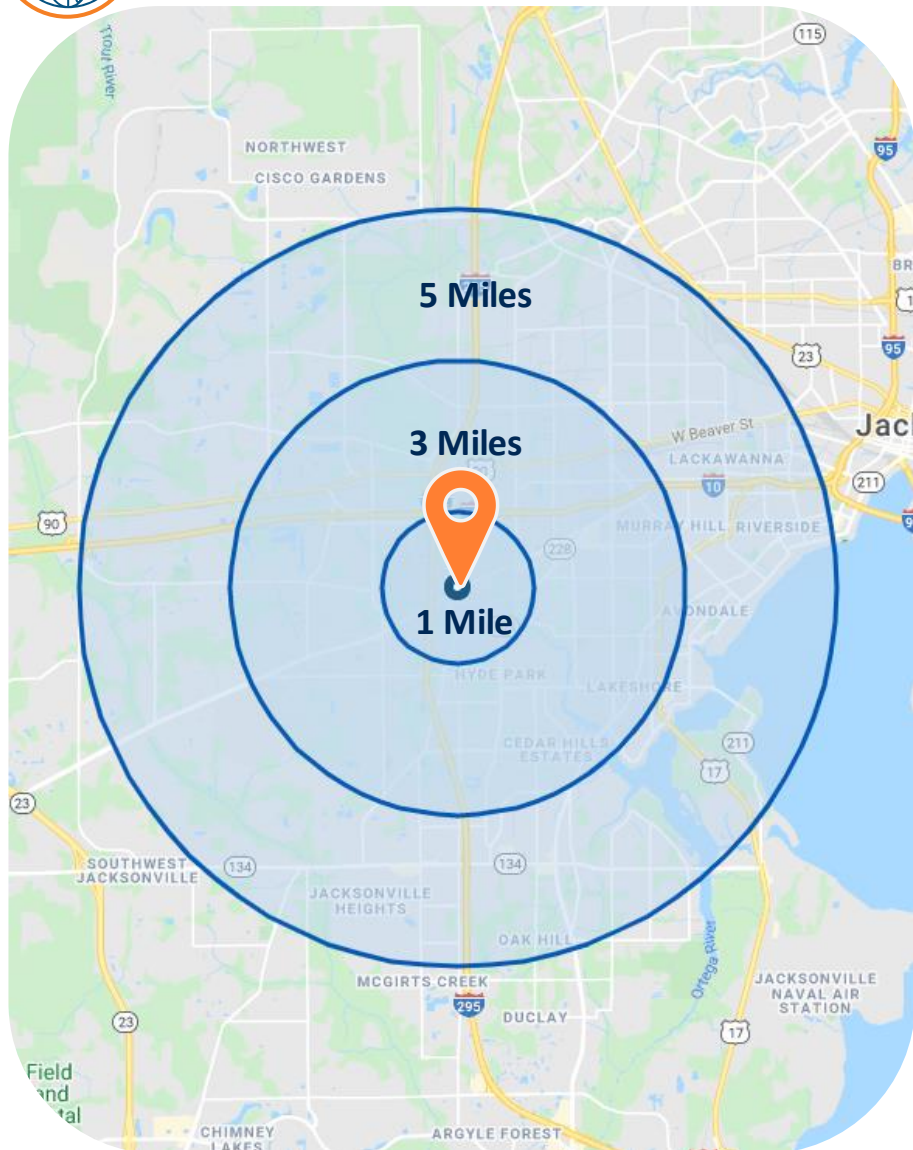


Regional Map





Demographics



POPULATION TRENDS

	1 Mile	3 Miles	5 Miles
2010 Population	8,074	61,670	152,440
2021 Population	8,850	65,514	163,875
2026 Population Projection	9,241	68,064	170,574
Annual Growth 2010- 2021	0.90%	0.60%	0.70%
Annual Growth 2021- 2026	0.90%	0.80%	0.80%

POPULATION BY RACE (2020)

White	4,730	38,352	93,294
Black	3,647	22,064	58,599
American Indian/Alaskan Native	43	310	806
Asian	189	2,646	5,893
Hawaiian & Pacific Islander	4	92	196
Two or More Races	237	2,049	5,086
Hispanic Origin	821	6,175	15,461

HOUSEHOLD TRENDS

2010 Households	3,291	24,124	59,790
2021 Households	3,601	25,547	63,864
2026 Household Projection	3,758	26,531	66,414
Annual Growth 2010- 2021	0.50%	0.30%	0.30%
Annual Growth 2021- 2026	0.90%	0.80%	0.80%

AVERAGE HOUSEHOLD INCOME (2020) **\$99,572** **\$111,176** **\$105,318**

MEDIAN HOUSEHOLD INCOME (2020) **\$85,194** **\$93,480** **\$85,194**

HOUSEHOLDS BY HOUSEHOLD INCOME (2020)

<\$25,000	1,006	6,043	15,235
\$25,000 - \$50,000	969	7,209	16,385
\$50,000 - \$75,000	841	5,886	13,667
\$75,000 - \$100,000	454	3,169	7,234
\$100,000 - \$125,000	122	1,468	4,482
\$125,000 - \$150,000	111	765	2,365
\$150,000 - \$200,000	84	656	2,278
\$200,000+	14	351	2,216



Market Overview



Jacksonville, FL



Jacksonville has a young population and a strong, diversified economy. As of 2021, Jacksonville has an estimated population of 929,647, ranking it as the thirteenth largest city in the United States. Historically, military operations, sea trade, and paper manufacturing drove Jacksonville's expansion. Growing technical, manufacturing, service, and tourism industries have supplemented this foundation. The metro is home to three Fortune 500 companies: Fidelity National Information Services, Fidelity National Financial, and CSX. The city has developed a large financial services sector, led by Bank of America, Fidelity National, and Citibank. Jacksonville's emerging industrial base is centered largely around medical product research and manufacturing. More than 8 million tons of cargo pass through Jacksonville's port each year, and the development of cruise ship service will promote further expansion. Jacksonville's riverine location facilitates Naval Station Mayport, Naval Air Station Jacksonville, and the U.S. Marine Corps Blount Island Command. Jacksonville's military bases and the nearby Naval Submarine Base Kings Bay form the third largest military presence in the United States.

Warm weather and sunshine attract many to communities such as Atlantic Beach, Neptune Beach and Jacksonville Beach. Sport fishing, golf, and tennis are among the most popular recreational activities. Others take advantage attractions like the Museum of Science & History, the Cummer Museum of Art, the Mandarin Museum & Historical Society, and the Museum of Contemporary Art Jacksonville. Additional sites of interest include the home of the Jacksonville Jaguars, TIAA Bank Field, and the Jacksonville Zoo, as well as the Jacksonville Landings, a mix of retail and restaurants along the St. Johns River. For those visiting Jacksonville, the Jacksonville International Airport is one option of arrival. The airport had an annual passenger traffic that exceeded 3,960,498 passengers in 2020.

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