



# SONIC DRIVE-IN GROUND LEASE

CLINTON, TENNESSEE (KNOXVILLE MSA)

YURAS  
AICALE  
FORSYTH  
CROWLE

Leased Investment Team

## OFFERING MEMORANDUM

**\$2,323,000 | 4.25% CAP RATE**

- » Long-Term Absolute NNN Corporate Ground Lease
- » Sonic Drive-In has Over 3,500 Locations in 45 States and is a Subsidiary of Inspire Brands, with Over 32,000 Restaurants in 55 Countries and \$27B in Sales
- » No Landlord Management
- » High-Visibility Location Along North Charles G. Seivers Boulevard with Access to 33,000 Vehicles
- » Beneficial Proximity to Interstate 75 (48,660 AADT)
- » Prominent Location Near Single Family Developments
  - » Average Household Income Of \$75,595 Within One Mile and Projected to Increase 18 Percent in Five Years
- » Central Location Near Large Schools, Employers, and Community Hubs
  - » One Mile from Aisin Automotive Casting Tennessee (882 Employees) and I-75 Industrial Park (2,500 Employees)
  - » Within Walking Distance to Anderson County High School (1,124 Students)
- » New 2021 Construction Featuring Dedicated Drive-Thru with a 13 Car Capacity

FILE PHOTO

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Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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# INVESTMENT SUMMARY

<b>ADDRESS</b>	North Charles G. Seivers Boulevard, Clinton, TN 37716		
<b>PRICE</b>	<b>\$2,323,000</b>		
<b>CAP RATE</b>	<b>4.25%</b>		
<b>NOI</b>	\$98,700		
<b>TERM</b>	20 years		
<b>RENT COMMENCEMENT</b>	September 29, 2021		
<b>LEASE EXPIRATION</b>	September 30, 2041		
<b>RENTAL INCREASES</b>	Between 7-8% rental increases every five (5) years		
	<b>YEAR</b>	<b>RENT</b>	<b>RETURN</b>
	1-5	\$98,700	4.25%
	6-10	\$105,700	4.55%
	11-15	\$113,400	4.88%
	16-20	\$121,870	5.25%
	21-25 (Option 1)	\$131,187	5.65%
	26-30 (Option 2)	\$141,435	6.09%
	31-35 (Option 3)	\$152,709	6.58%
	36-40 (Option 4)	\$165,110	7.11%
<b>YEAR BUILT</b>	2021		
<b>BUILDING SF</b>	1,227 SF		
<b>PARCEL SIZE</b>	1.36 acres (59,096 SF)		
<b>LEASE TYPE</b>	Absolute NNN ground lease, with tenant responsible for all taxes, insurance, and maintenance, including roof, structure, and parking lot		



## 20-YEAR ABSOLUTE NNN CORPORATE GROUND LEASE

- » 20-year absolute NNN ground lease with scheduled rental increases, providing a hedge against inflation
- » Sonic Drive-In has over 3,500 locations in 45 states and is a subsidiary of Inspire Brands, with over 32,000 restaurants in 55 countries and \$27B in sales
- » No landlord management
- » Ideal investment opportunity for an out-of-area investor

## HIGH-VISIBILITY LOCATION IN GROWING COMMUNITY

- » Located along North Charles G. Seivers Boulevard with excellent visibility and access to 33,000 vehicles per day
- » Beneficial proximity to Interstate 75 (48,660 AADT), increasing traffic in the area
- » Surrounded by a strong mix of local and national tenants such as Walmart Supercenter, Walgreens, McDonald's, Wendy's, Burger King, Zaxby's, and many others
- » Average household income of \$75,595 within one mile of the site, projected to increase 18 percent in five years

## CENTRAL LOCATION NEAR LARGE SCHOOLS, EMPLOYERS AND COMMUNITY HUBS

- » One mile from Aisin Automotive Casting Tennessee (882 employees) and I-75 Industrial Park (2,500 employees)
- » Within walking distance to Anderson County High School (1,124 students)
- » Seven hotels within a one-mile radius with 472 rooms, providing a regular customer base for the site
- » Prominent location near single and multi-family developments
- » 19 miles from Knoxville (population of 190,740), the third-largest city in Tennessee

## NEW 2021 CONSTRUCTION WITH DEDICATED DRIVE-THRU

- » 2021 construction featuring dedicated drive-thru lane, providing additional customer convenience
- » Drive-thru designed to accommodate 13 cars



NORRIS  
LAKE



Interstate 75  
(48,660 AADT)



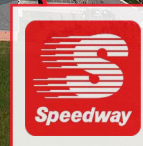
ONE MILE

I-75 Industrial Park  
(2,500 employees)

ONE MILE



61 North Charles  
/ G Seivers Boulevard  
(33,000 AADT)







DOWNTOWN CLINTON  
(5 miles)

Ray Varner Ford



Anderson County  
High School  
(1,124 students)

Also Available



**BUDDY'S**  
bar-b-q

[CLICK HERE FOR OM](#)



← ONE MILE



← ONE MILE

I-75 Industrial Park  
(2,500 employees)



61

/ North Charles G Seivers Boulevard  
(33,000 AADT)







**Walmart**  
Supercenter

**Interstate 75**  
(48,660 AADT)

**TSC TRACTOR SUPPLY CO.**



**Holiday Inn Express**  
(79 rooms)

**Hampton Inn**  
(75 rooms)

**SUBWAY**  
**DUNKIN'**

**FAIRFIELD INN & SUITES**  
Marriott  
(80 rooms)

**TACO BELL**

**Bojangles**  
"chicken 'n biscuits"

**PHILLIPS 66**

**QUALITY INN**  
(60 rooms)

**Waffle House**

**Hardee's**

**FIREHOUSE SUBS**  
FOUNDED BY FIREMEN

**McDonald's**

**Arby's**

**Krystal**

**Wendy's**

**BAYMONT**  
BY WYNDHAM  
(63 rooms)

**Shell**

**North Charles G Seivers Boulevard**  
(33,000 AADT)

Also Available  
**Tennova Healthcare**  
**Farm Bureau**  
**BUDDY'S bar-b-q**  
[CLICK HERE FOR OM](#)

**SONIC**  
America's Drive-In  
(Under Construction)

**AISIN**  
(882 employees)

ONE MILE

**I-75 Industrial Park**  
(2,500 employees)

ONE MILE

**PEOPLESOUTH BANK**

**Starbucks**

**Speedway**





Anderson County  
High School  
(1,124 students)

 **Community  
Trust Bank**

 **BURGER  
KING**

 **Speedway**

*Walgreens*

 **PEOPLESOUTH BANK**



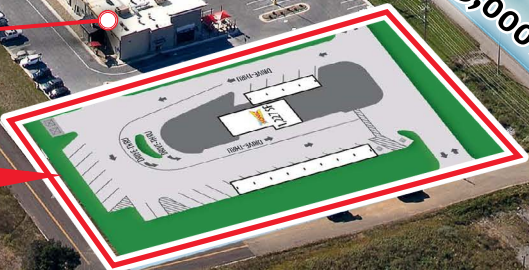
 **Arby's**

 **QUALITY  
INN**  
(60 rooms)

 **FIREHOUSE  
SUBS**  
FOUNDED BY FIREMEN

Also Available  
   
**BUDDY'S  
bar-b-q**  
[CLICK HERE FOR OM](#)

 **SONIC**  
America's  
Drive-In.  
(Under Construction)



 **AISIN**  
(882 employees)

**I-75 Industrial Park**  
(2,500 employees)

 **Shell**

 **Bojangles**  
FAMOUS  
chicken 'n biscuits

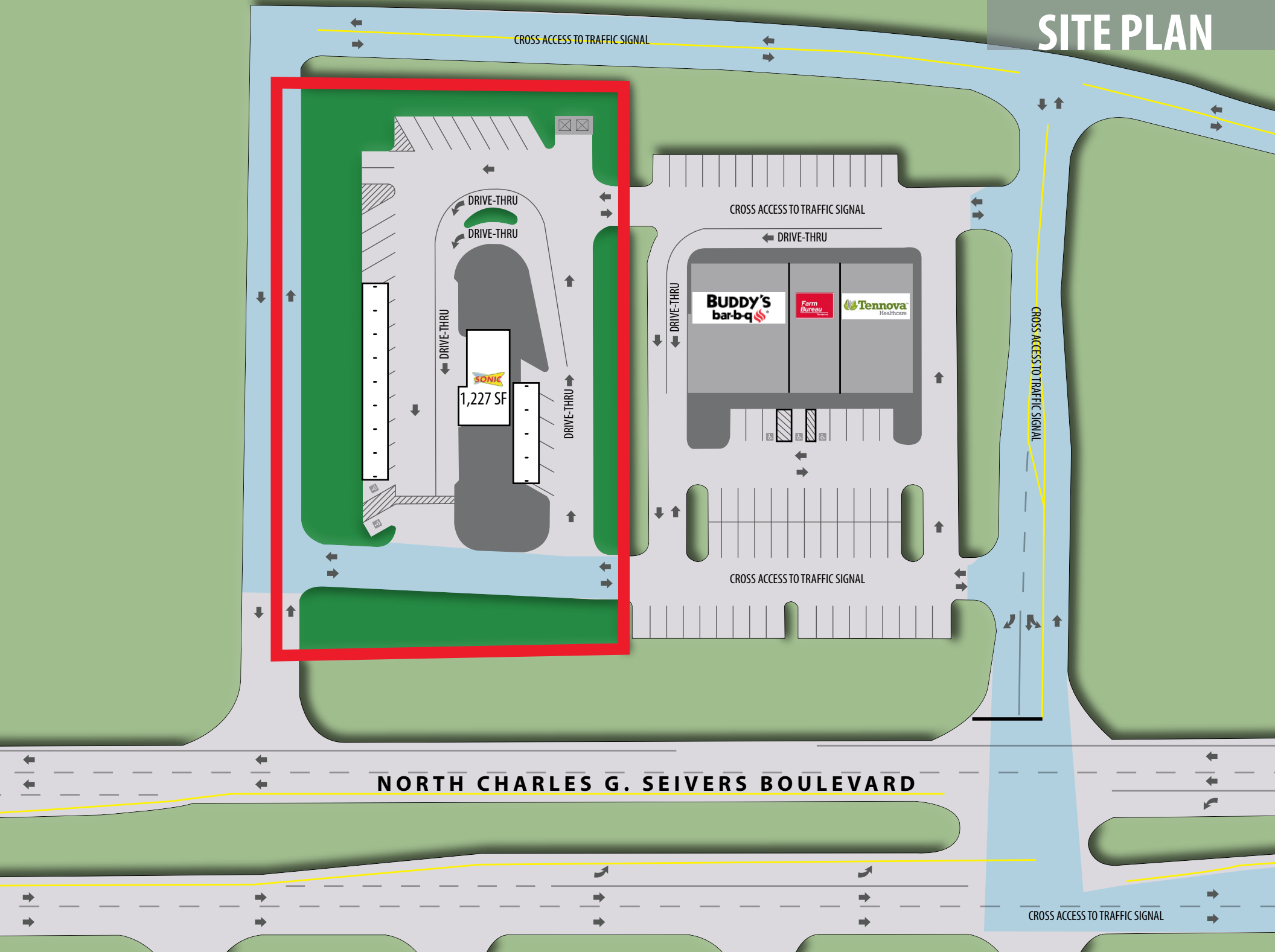
← ONE MILE

← ONE MILE

**61 / North Charles G Seivers Boulevard**  
(33,000 AADT)



# SITE PLAN





# TENANT SUMMARY



Sonic Drive-In, more commonly known as Sonic, franchises and operates the largest chain of drive-in restaurants in the U.S., with more than 3,500 Sonic Drive-Ins in 46 states. Sonic's menu consists of hamburgers and French fries, as well as onion rings, corn dogs, chili dogs, and breakfast toaster sandwiches. Drink options include soft drinks, slushes, and milkshakes. Customers can combine various drinks and flavors to create thousands of possible drink combinations. Ice cream desserts include sundaes and banana splits. At a standard Sonic Drive-In, a customer drives into a covered drive-in stall, orders through an intercom speaker system, and has the food delivered by a carhop. Most drive-ins also have patio seating, and many have drive-thru lanes.

For more than 60 years, Sonic, America's Drive-In has built a dominant position in the drive-in restaurant business. Sonic is part of the Inspire Brands family of restaurants. SRI Operating Company is a wholly-owned subsidiary of Sonic Holding Company, which is the parent of the franchisor of the Sonic restaurant system. SRI is Sonic's largest operating subsidiary and currently operates about 271 Sonic locations across the US. In 2019 SRI had sales of about \$237 million.

For more information, please visit [www.sonicdrivein.com](http://www.sonicdrivein.com).

<b>OWNERSHIP</b>	Private	<b># OF LOCATIONS</b>	3,500+
<b>REVENUE</b>	\$5.7B	<b>HEADQUARTERS</b>	Oklahoma City, OK



Inspire Brands, headquartered in Atlanta, Georgia, is a multi-brand restaurant company whose portfolio includes more than 8,300 Arby's, Buffalo Wild Wings, Sonic Drive-In, and Rusty Taco locations worldwide. The company is majority-owned by affiliates of Roark and was founded in February 2018, with a vision to invigorate great brands and supercharge their long-term growth. In an industry facing increasing disruption, Inspire leaders saw an opportunity to build a restaurant company unlike any other – one that brings together differentiated yet complementary brands and aims to make them stronger than they would be on their own.

With the acquisition of Sonic in 2018, Inspire now encompasses more than 32,000 restaurants in over 55 countries and generates global systemwide sales in excess of \$27 billion, making it the second-largest restaurant company in the United States. In addition to Sonic, Inspire's restaurant portfolio includes Arby's, Baskin-Robbins, Buffalo Wild Wings, Dunkin', and Jimmy John's.

For more information, please visit [www.inspirebrands.com](http://www.inspirebrands.com).

# LEASE ABSTRACT

<b>TENANT</b>	SRI Operating Company		
<b>ADDRESS</b>	<a href="#">North Charles G Seivers Boulevard, Clinton, Tennessee 37716</a>		
<b>RENT COMMENCEMENT</b>	September 29, 2021		
<b>LEASE EXPIRATION</b>	September 30, 2041		
<b>RENEWAL OPTIONS</b>	Four (4) five (5) year options		
<b>RENTAL INCREASES</b>	<b>YEAR</b>	<b>RENT</b>	<b>RETURN</b>
	1-5	\$98,700	4.25%
	6-10	\$105,700	4.55%
	11-15	\$113,400	4.88%
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	31-35 (Option 3)	\$152,709	6.58%
	36-40 (Option 4)	\$165,110	7.11%
<b>REAL ESTATE TAXES</b>	Tenant is responsible for all taxes.		
<b>INSURANCE</b>	Tenant is responsible for insurance.		
<b>REPAIR &amp; MAINTENANCE</b>	Tenant is responsible for all repair and maintenance, including roof, structure, and parking lot.		
<b>MAINTENANCE BY LANDLORD</b>	None		
<b>RIGHT OF FIRST REFUSAL</b>	Tenant has thirty (30) days to exercise its right of first refusal.		



# PROPERTY OVERVIEW

## LOCATION

The subject property is located along North Charles G. Seivers Boulevard, with excellent visibility and access to 33,000 vehicles per day. The site maintains beneficial proximity to Interstate 75 (48,660 AADT), increasing traffic to the location. The property is one mile from Aisin Automotive Casting Tennessee, one of the largest employers in the area with 882 employees. The location is also one mile from I-75 industrial park (2,500 employees). The site is centrally located in a growing commercial and retail corridor and surrounded by national tenants such as Walmart Supercenter, Walgreens, McDonald's, Wendy's, Burger King, Zaxby's, and many others. The site benefits from its prime location near large single and multi-family units.

The property is strategically located near seven hotels within a one-mile radius (472 rooms) and walking distance to Anderson County High School (1,124 students). The location is 19 miles from Knoxville, the third-largest city in Tennessee with a population of 190,740. The property is supported by 20,307 residents living within five miles of the site, providing a stable customer base. Additionally, the property resides in a growing community, with an average household income of \$75,595 within a one-mile radius and projected to increase by 18 percent in the next five years. Clinton and Sonic are poised to grow along with the surrounding area.

## ACCESS

Access from North Charles G. Seivers Boulevard

## TRAFFIC COUNTS

North Charles G. Seivers Boulevard: 33,000 AADT  
Interstate 75: 48,660 AADT

## PARKING

28 parking stalls, including two (2) handicap stalls

## YEAR BUILT

2021

## NEAREST AIRPORT

Knoxville Downtown Island (DKX) | 22.7 miles



**28**  
PARKING  
STALLS



**33K**  
TRAFFIC  
COUNT (AADT)



**NEAREST  
AIRPORT**  
KNOXVILLE  
DOWNTOWN  
ISLAND



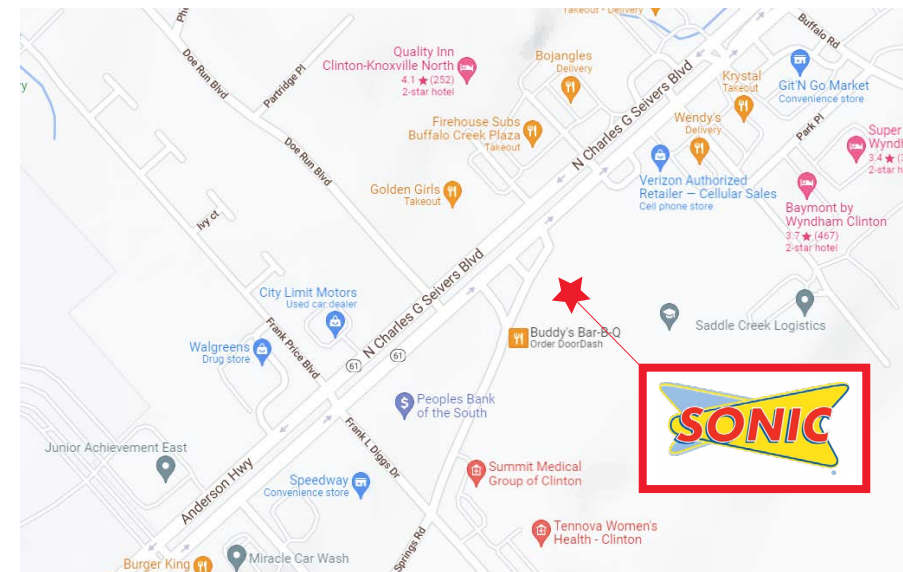
# AREA OVERVIEW

The City of Clinton is located in the eastern part of Tennessee along the Clinch River and surrounded by mountains and ridges known as the Appalachian Ridge and Valley Province. Clinton was founded in 1801 and is approximately 11 square miles in area. Clinton is home to about 10,056 people according to the 2020 U.S. Census. The city boasts great schools and riverfront areas with parks and developments in the works to make the area an even better place to live and visit. The city has three industrial parks that are currently near capacity. Home to several automotive parts manufacturers, the city has worked with local manufacturers to bring expansion to their plants. Clinton, along with Anderson County, has become a prime location for Tier 1 automotive parts manufacturers because of Interstate 75 and our proximity to the automobile assembly plants. The city is within a day's drive of 75 percent of the United States population. The area of Clinton that is off the I-40 interstate has seen many changes in recent months with new retail and restaurants. This area of Clinton continues to expand and, several new establishments are in the construction and planning phase. The city has also worked to increase the availability of trained personnel to the local industry by working with a local community college to provide specialized training relative to the needs of the organizations located in Anderson County.

Clinton is the county seat of Anderson County and is located in the eastern section of the county. Clinton is included in the Knoxville metropolitan area. The Knoxville metropolitan area, commonly known as Greater Knoxville, is a metropolitan statistical area centered on Knoxville, Tennessee, the third-largest city in Tennessee and the largest city in East Tennessee. It is the third-largest metropolitan area in Tennessee and in 2020, the metro area had a population of 879,773.

- » The Clinton Higher Education and Workforce Training Facility have helped provide the trained workforce manufacturers need to meet their growing needs.
- » Clinton Ranked in the Top 10 Antiquing Towns from Fodor's Travel Guides.
- » In early 2019, Aspire, a 450-acre multi-amenity park, was planned for development south of Clinton's downtown area. The park, proposed by the local non-profit organization, the Hollingsworth Foundation, owns the land for the site along with the Tennessee Valley Authority. Construction work began on the site of the park in October 2019.

MAJOR EMPLOYERS IN CLINTON, TENNESSEE	# OF EMPLOYEES
ANDERSON COUNTY GOVERNMENT	1,565
SL TENNESSEE, INC.	950
AISIN AUTOMOTIVE CASTINGS	882
EAGLE BEND MANUFACTURING	810
THE CARLSTAR GROUP	370
TECHMER PM	300
POWDER COTE II	190
PHARMA PACKAGING SOLUTIONS	150
3M COMPANY	140
SHAWMUT	138

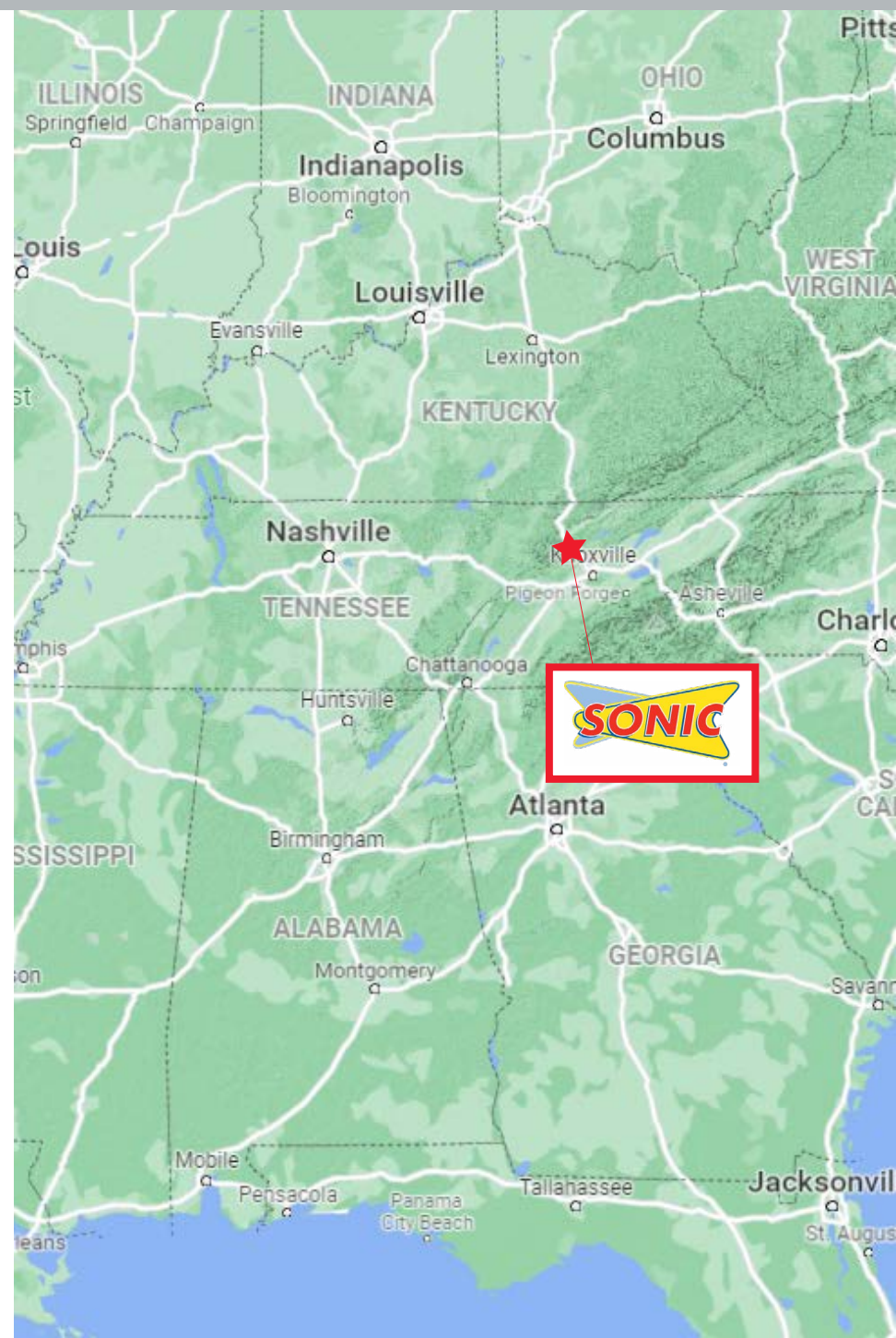




# DEMOGRAPHIC PROFILE

2021 SUMMARY	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>1,451</b>	<b>7,147</b>	<b>20,307</b>
Households	552	2,886	8,224
Families	404	2,010	5,479
Average Household Size	2.63	2.46	2.41
Owner Occupied Housing Units	458	2,264	5,698
Renter Occupied Housing Units	95	623	2,525
Median Age	46.3	47.0	45.1
<b>Average Household Income</b>	<b>\$75,595</b>	<b>\$71,858</b>	<b>\$61,651</b>

2026 ESTIMATE	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>1,501</b>	<b>7,314</b>	<b>20,702</b>
Households	571	2,953	8,374
Families	415	2,045	5,549
Average Household Size	2.63	2.46	2.41
Owner Occupied Housing Units	478	2,343	5,898
Renter Occupied Housing Units	94	610	2,476
Median Age	47.6	48.5	46.2
<b>Average Household Income</b>	<b>\$89,524</b>	<b>\$83,437</b>	<b>\$70,609</b>





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