

**\*\*\* FLORIDA - NO STATE INCOME TAX \*\*\***



**SONIC DRIVE-IN**  
414 NORTH HIGHWAY 19  
PALATKA, FLORIDA 32177

**OFFERING  
MEMORANDUM**

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**COMMERCIAL INVESTMENT ADVISORS, INC.**  
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In Association with Florida Designated Broker:  
Jessica Gibson | CIA Brokerage Company | License # BK3479261

**CIA**  
commercial  
investment  
advisors

# INVESTMENT OVERVIEW

SONIC DRIVE-IN  
PALATKA, FLORIDA

## SONIC DRIVE-IN

LOCATION	414 North Highway 19 Palatka, Florida 32177
MAJOR CROSS STREETS	On FL-19, South of FL SR 100
TENANT	SONSTORE 3855 PALATKA FL, LLC
GUARANTOR	PANHANDLE RESTAURANT GROUP, INC.   MCLASON, LLC   FLSON, LLC   GEORGIASON, LLC   CHRIS & AMY MCMILLAN (Personal)
PURCHASE PRICE	\$3,081,000
CAP RATE	5.75%
ANNUAL RENT	\$177,182
GROSS LEASEABLE AREA	±1,403 SF (Not Including Canopies)
RENTAL ESCALATIONS	7% Every 5 Years
LEASE TYPE	Absolute NNN
OWNERSHIP	(Building & Land) Fee Simple
YEAR BUILT	1995
LOT SIZE	±1.29 Acres
LEASE EXPIRATION	December 31, 2041
OPTIONS	Two 5-Year Renewal Options

## POINTS OF INTEREST

**SHOPPING | ENTERTAINMENT:** Pad site to Palatka Mall - anchored by **Roses** Discount Store, **Ollie's Bargain Outlet** & **Citi Trends**; nearby major retailers include **Walmart**, **Lowe's Home Improvement**, **Home Depot**, **Marshalls**, **Five Below**, **Petsense**, **Hibbett Sports**, **Bealls Outlet**, **Dollar General**, **Dollar Tree**, **Family Dollar**, **Farmers Home Furniture**, **Badcock Home Furniture**, **Goodwill**, **Big Lots**, **Tractor Supply Co.**, **Harbor Freight Tools**, **Aaron's**, **Publix**, **Winn-Dixie**, **Save-A-Lot**, etc.

**HIGHER EDUCATION:** One mile from **St. Johns River State College Palatka** - a public college offering various degrees and certificate programs 875 students

**HEALTH CARE:** 2 miles from **Putnam Community Medical Center** - a 99-bed facility offering an Intensive/Critical Care Unit, Step-Down Care Unit, Cardiac Cath Lab, medical & surgical units, family birthplace center, rehabilitation services, & a 24-hr emergency department

## INVESTMENT HIGHLIGHTS

**LEASE:** Brand New 20-Year Absolute NNN Lease with Attractive 7.00% Rental Escalations Every 5 Years!

**TENANT | LEASE GUARANTOR:** **Sonstore 3855 Palatka FL, LLC Operates a Total of 19 Sonic Drive-In Restaurants, 1 Rib Crib Restaurant**, and a Number of Other Restaurants Through Different Partnerships - Lease is Personally Guaranteed by the Operator (**Net Worth in Excess of \$28,000,000**)!

**HIGH SALES VOLUMES | COVID RESISTANT:** Successfully Open & Operating for Decades with an Attractive 7.52% Rent to Sales Ratio & Sales Well Above the National Average! Open/Paying Rent Through COVID with Full Drive-Thru!

**LARGE PARCEL | TRAFFIC COUNTS:** Positioned on a Large ±1.29-Acre Lot - Pad Site to **Roses Discount Store** & **Ollie's Anchored Retail Center** with Great Visibility & Access on N Hwy 19 where **Traffic Counts Exceed 18,790 CPD**!

**2021 DEMOGRAPHICS (5-MI):** Total Population: 22,867 | Average Household Income: \$59,135





# FINANCIAL ANALYSIS

## SUMMARY

TENANT	Sonstore 3855 Palatka FL, LLC
GUARANTOR	Panhandle Restaurant Group, Inc.   Mclason, LLC   Flson, LLC   Georgiason, LLC   Chris & Amy McMillan (Personal)
PURCHASE PRICE	\$3,081,000
CAP RATE	5.75%
GROSS LEASABLE AREA	±1,403 SF (Not Including Canopies)
YEAR BUILT	1999
LOT SIZE	±1.29 Acres
EXPENSE REIMBURSEMENT	This is an <b>Absolute NNN lease</b> . Tenant is responsible for all expenses.

## RENT ROLL

TENANT INFO		LEASE TERMS	RENT SUMMARY		
TENANT NAME	SQ FT	TERM	INCREASE	RENT	ANNUAL INVESTOR RETURN
Sonstore 3855 Palatka FL, LLC	1,403	Years 1-5: <b>12/29/21</b> to 12/31/26	Current	\$177,182	5.75%
		Years 6-10: 01/01/27 to 12/31/31	7.00%	\$189,585	6.15%
		Years 11-15: 01/01/32 to 12/31/36	7.00%	\$202,856	6.58%
		Years 16-20: 01/01/37 to <b>12/31/41</b>	7.00%	\$217,055	7.04%
RENEWAL OPTIONS		1st Option: 01/01/42 to 12/31/46	7.00%	\$232,249	
		2nd Option: 01/01/47 to 12/31/51	7.00%	\$248,507	

## PROPOSED FINANCING SUMMARY

All Cash or Buyer to obtain new financing at Close of Escrow.	
Loan to Value	65% to 70% LTV
Rate	3.85% to 4.00%
Term	10 Years
Amortization	25 Years
For more information, contact <b>Josh Sciotto</b> of <b>Mark One Capital</b> at (602) 687-6647.	

### SONIC DRIVE-IN | PALATKA, FLORIDA

# TENANT OVERVIEW

SONIC DRIVE-IN  
PALATKA, FLORIDA

Started in 1953 from a single location in Shawnee, Oklahoma, **Sonic Corp.** is the nation's largest drive-in restaurant chain serving approximately 3 million customers every day. The high-quality food and drinks, combined with their one-of-a-kind Carhop delivery service style, position them as the most highly differentiated concept in the quick-service restaurant (QSR) category. Unique, signature menu items are made when someone orders and include premium chicken sandwiches, hamburgers, footlong quarter-pound coneys and six-inch premium beef hot dogs, and breakfast burritos. Likewise, Sonic is famous for freshly made onion rings, Real Ice Cream, Tots, and more than a million drink choices, including the legendary Cherry Limeade, slushes & milkshakes, including ice cream desserts such as sundaes & floats. Customers also enjoy the availability of their full menu all day, as well as drive-thru service and patio dining at many Sonic locations.

Sonic Corp. received top honors as America's "#1 burger quick service restaurant," ranking in the top 5 of all brands in the 2014 Temkin Experience Ratings report.

Sonic Corp. is headquartered in Oklahoma City, Oklahoma.

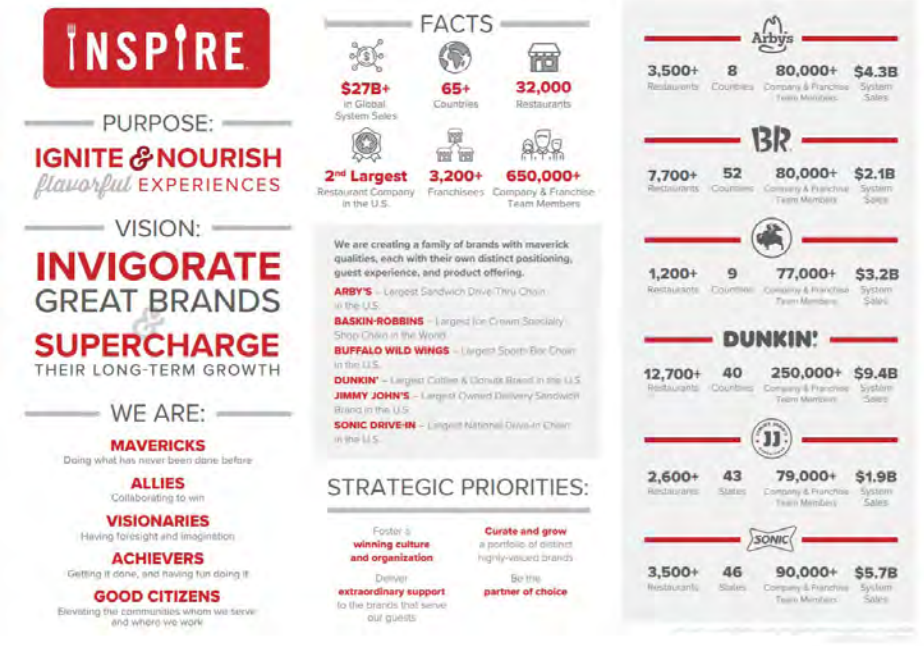
On December 7, 2018, Inspire Brands, Inc. announced the completion of its \$2.3 billion acquisition of Sonic Corp. In addition to Sonic, Inspire's restaurant portfolio includes Arby's, Buffalo Wild Wings, and Rusty Taco.

<https://www.sonicdrivein.com/>

## ABOUT THE TENANT/LEASE GUARANTOR

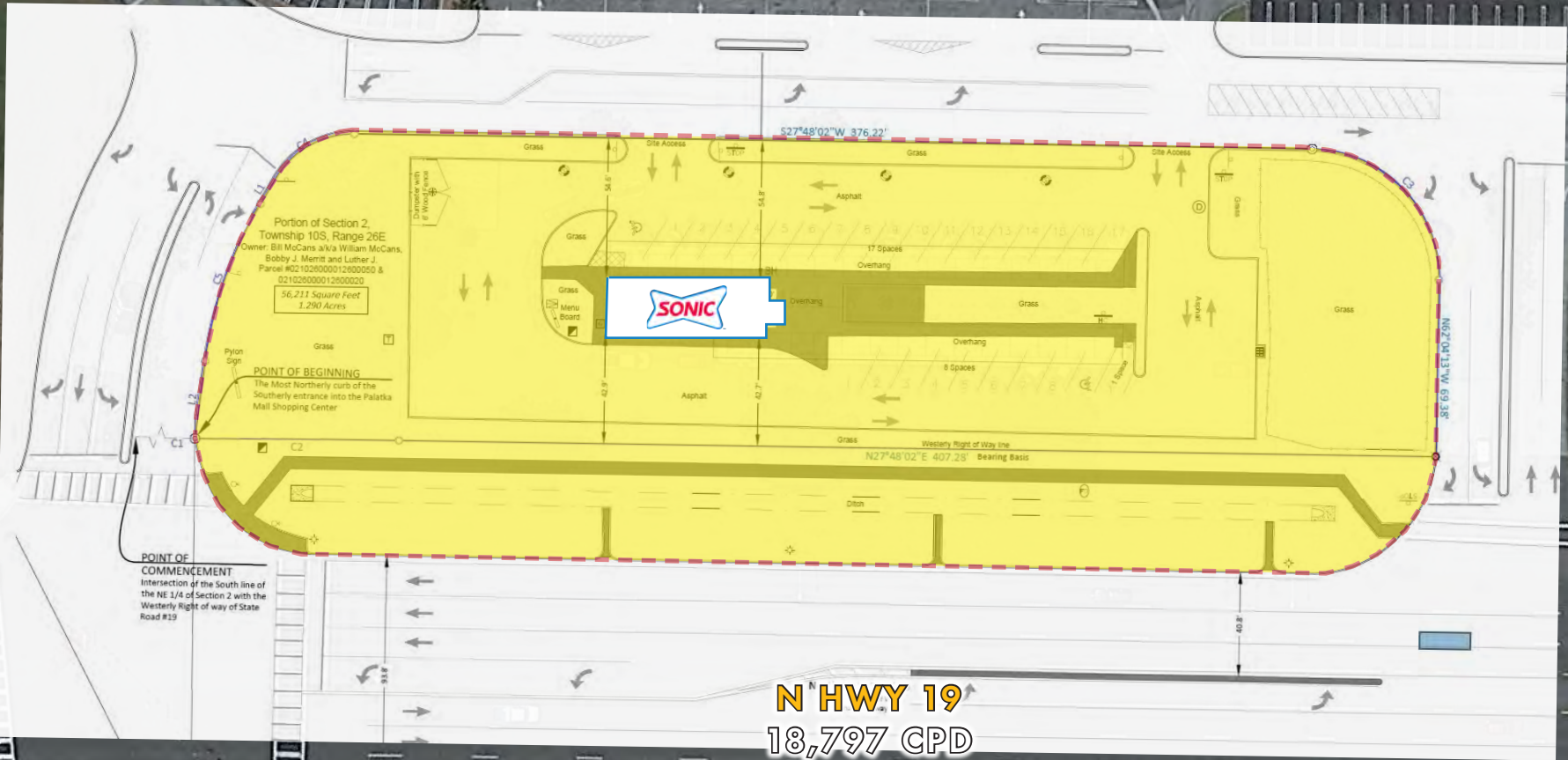
**Sonstore 3855 Palatka FL, LLC** operates a total of **19 Sonic Drive-In restaurants, 1 Rib Crib restaurant**, and a number of other restaurants through different partnerships - lease is personally guaranteed by the operator (net worth in excess of \$28,000,000)!

## ABOUT THE PARENT COMPANY





# SITE PLAN



**LOT SIZE**  
**±1.29 Acres**  
**GLA**  
**±1,403 SF**

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# PALATKA

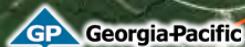


SONIC DRIVE-IN | PALATKA, FLORIDA



# PALATKA CITY VIEW

RICE CREEK  
CONSERVATION  
AREA



JAMES A LONG  
ELEMENTARY  
668 STUDENTS



JENKINS  
MIDDLE SCHOOL  
516 STUDENTS



SOLARIS  
HEALTHCARE  
NURSING HOME  
180 BEDS



ST. JOHNS RIVER  
STATE COLLEGE  
PALATKA CAMPUS  
875 STUDENTS



PUTNAM  
COMMUNITY MEDICAL CENTER  
99 BEDS

PUTNAM FEED  
& FARM SUPPLY



KELLEY SMITH  
ELEMENTARY  
587 STUDENTS



DOLLAR  
GENERAL



PENIAL ACADEMY  
222 STUDENTS



Winn-Dixie



WILLIAM D. MOSELEY  
ELEMENTARY  
508 STUDENTS

RAVINE  
GARDENS  
STATE PARK

Palatka  
FLORIDA



Badcock & more  
HOME FURNITURE

HORSHOE POINT  
CONSERVATION  
AREA

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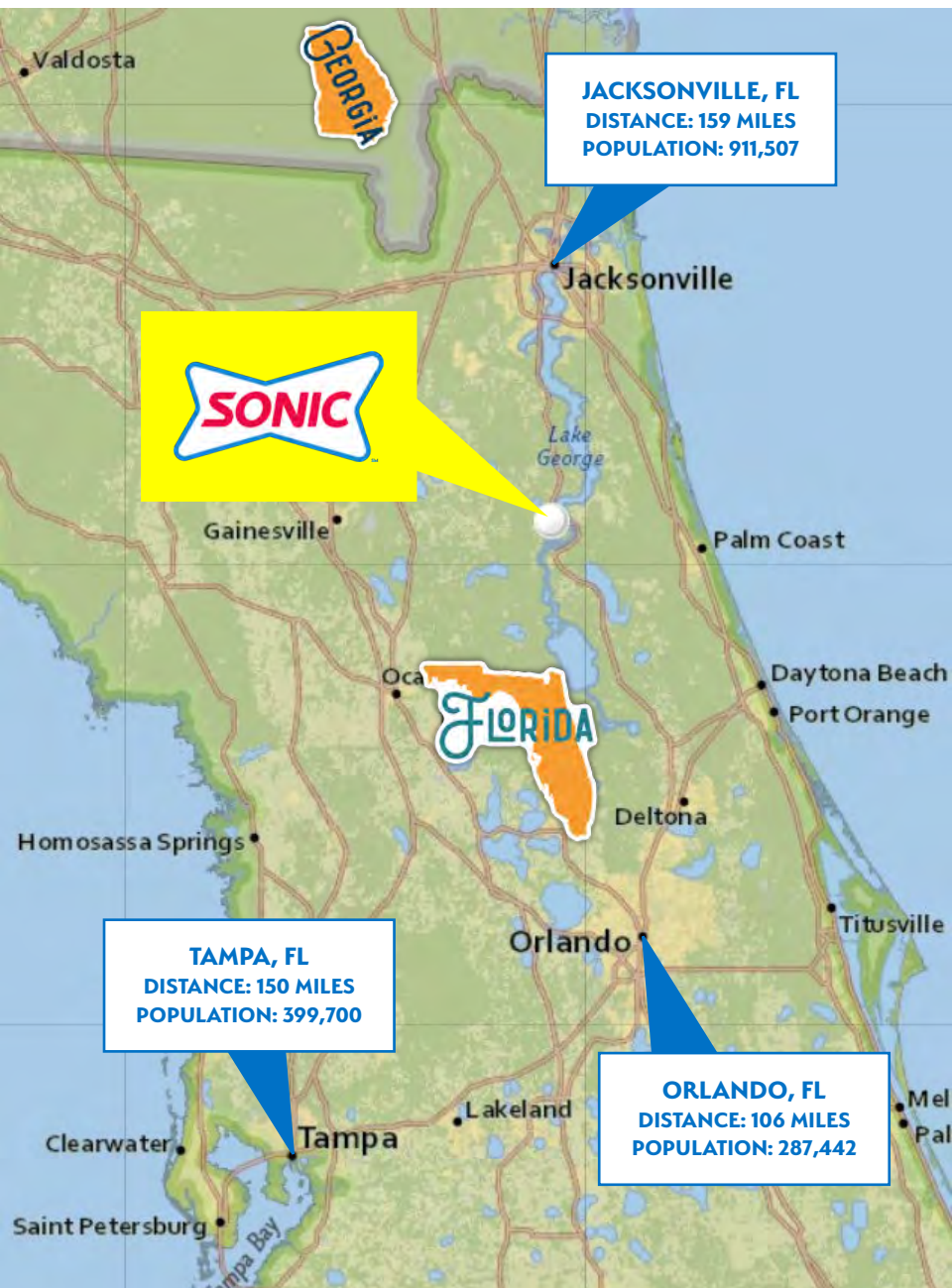
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# LOCATION OVERVIEW

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**PALATKA, FLORIDA**



**Palatka** is county seat of Putnam County, Florida. Palatka is the principal city of the Palatka Micropolitan Statistical Area, which is home to 72,893 residents. Today, Palatka has a large downtown business district, a beautiful waterfront park, and many historic and cultural sites. The area is well known for its local festivals, most notably the Florida Azalea Festival & the Blue Crab Festival.

Palatka has a large manufacturing sector, employing 17.2% of the city's total civilian workforce. **Georgia Pacific** is the single largest private employer in the city. The Koch owned firm employs 1,470 people at its pulp, paper, and plywood operations.

**St. Johns River State College** is a public college in Northeast Florida with campuses in Palatka, St. Augustine, and Orange Park. It is part of the Florida College System and one of several colleges in the system designated a "state college", meaning they can offer more bachelor degree programs than traditional community colleges.

**Putnam Community Medical Center**, a 99-bed, acute care facility, provides the latest technology with the assurance of highly trained, caring professionals to the residents of Putnam County. The hospital provides individualized care directed to the specific needs of each patient. Putnam Community Medical Center offers a 10-bed Intensive/Critical Care Unit, Step-Down Care Unit, Cardiac Cath Lab, medical and surgical units, family birthplace center, and a 24-hour emergency department.

## 2021 DEMOGRAPHICS

	1-MI	3-MI	5-MI
Total Population	3,165	18,245	22,867
Projected Population (2026)	3,243	18,693	23,559
Daytime Demographics Age 16+	5,392	18,549	21,738
Population Median Age	35.3	37.0	38.7
Average Household Income	\$49,391	\$54,202	\$59,135



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