



SANDS INVESTMENT GROUP

# Sonic

5127 Broadway Street  
Galveston, TX 77551





# EXCLUSIVELY MARKETED BY:



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# INVESTMENT SUMMARY

Sands Investment Group is Pleased to Present Exclusively For Sale the 1,776 SF Sonic Located at 5127 Broadway Street in Galveston, TX. This Deal Includes Over 14 Years Remaining on an Absolute Triple Net (NNN) Lease With 10% Rent Increases Every 5 Years With Additional Bonus Rent (7% of Gross Sales Over Base Rent), Providing For a Secured Investment.

## OFFERING SUMMARY

PRICE	\$2,389,341
CAP	4.25%
NOI	\$101,547
PRICE PER SF	\$1,345.35
GUARANTOR	Franchisee

## PROPERTY SUMMARY

ADDRESS	5127 Broadway Street Galveston, TX 77551
COUNTY	Galveston
BUILDING AREA	1,776 SF
LAND AREA	1.03 AC
BUILT	2006

ACTUAL PROPERTY IMAGE





# HIGHLIGHTS

- Over 14 Years Remaining on an Absolute Triple Net (NNN) Lease
- 10% Rent Increases Every 5 Years With Additional Bonus Rent (7% of Gross Sales Over Base Rent)
- Strong Sales Performance With Healthy Rent-to-Sales Ratio
- Experienced Operator With 81-Units and Growing (45-Unit Guaranty)
- Outstanding Location on the Main Retail Corridor Which Sees Traffic Counts Over 51,735 VPD
- Pandemic Proof of Concept
- Strong Demographics With a Population of 27,653 Residents Making an Average Household Income of \$67,476 Within a 3-Mile Radius
- Just 6 Minutes From the Texas A&M University Which Serves Over 2,700 Students and Staff
- Main Attractions Nearby: Moody Gardens, Galveston Beach and the Historic Pleasure Pier Which Includes a Ferris Wheel and Other Amusement Park Type Rides and Games
- Galveston is a Coastal Resort City on the NW Coast of the Gulf of Mexico; Much of the Economy is Based on Tourism, Shipping and Financial Industries; The "Strand" Along the Seawall Blvd is the Most Popular Heavily Visited Spot For Tourists' Beach Access
- Texas is an Income Tax-Free State
- Nearby Tenants Include: Enterprise Rent-A-Car, Sherwin Williams, Texaco, Anytime Fitness, Subway, Big Lots, USPS, 7-Eleven, Taco Bell, Burger King, O'Reilly Auto Parts, Shipley Do-Nuts and More





ACTUAL PROPERTY IMAGE

# LEASE SUMMARY

TENANT	TaterToTexas Master, LLC
PREMISES	A Building of Approximately 1,776 SF
LEASE COMMENCEMENT	December 3, 2021
LEASE EXPIRATION	December 31, 2036
LEASE TERM	14+ Years Remaining
RENEWAL OPTIONS	3 x 5 Years
RENT INCREASES	10% Every 5 Years
LEASE TYPE	Absolute Triple Net (NNN)
PERMITTED USE	Fast Food
PROPERTY TAXES	Tenant's Responsibility
INSURANCE	Tenant's Responsibility
COMMON AREA	Tenant's Responsibility
ROOF & STRUCTURE	Tenant's Responsibility
REPAIRS & MAINTENANCE	Tenant's Responsibility
HVAC	Tenant's Responsibility
UTILITIES	Tenant's Responsibility
RIGHT OF FIRST REFUSAL	Yes (15 Days)

SQUARE FOOTAGE	ANNUAL BASE RENT	RENT PER SF
1,776 SF	\$101,547	\$57.18







## BEAUMONT

## HOUSTON





## DOWNTOWN GALVESTON







BNSF  
Railway

BLACK  
DIAMOND  
ABRASIVE PRODUCTS

REPUBLIC  
SERVICES

275  
TEXAS

Galveston  
Treatment Plant

Main Waste Water  
Treatment Plant

Texas  
International Terminals

Galveston County  
Justice Administration

G & M Welding, Fabricating,  
& Machine Services

Ball America Ball Bonds  
cricket  
wireless

Blaze Vape &  
Smoke Shop

A B Sign  
Shop

HRD

87  
TEXAS

Shop-N-  
Drive

Restoration  
Ministries

TOP  
GEAR

McDonald's

NCS Communications  
& Income

Greater Mt. Calvary  
Baptist Church

SONIC

Maker's  
Barbershop

Hardknox  
Galveston

metro  
by T-Mobile

Broadway Avenue J

TONY & BROS

FLYING FORTRESS  
CROSSFIT

GYMNASICS

Tomcat's Paint  
& Body Shop

Jack  
in the box

Shell

51st St

Quality Cleaners  
& Laundry

SunRay Patio





Seawall Blvd







## GALVESTON | GALVESTON COUNTY | TEXAS

Galveston is a coastal resort city and port off the Southeast Texas coast on Galveston Island and Pelican Island in the U.S. state of Texas. Galveston is situated in an advantageous position along the Gulf Coast of Texas. Interstate 45 serving as the main corridor connects Galveston Island to the Houston Metropolitan region. Three beltways (610 Loop, Beltway 8, and 99 Grand Parkway) around Houston all intersect with I-45, giving Galveston access to every major city in the State of Texas. Galveston is the county seat of surrounding Galveston County and second-largest municipality in the county. It is also within the Houston–The Woodlands–Sugar Land metropolitan area at its southern end on the northwestern coast of the Gulf of Mexico. The City of Galveston had a population of 52,582 as of July 1, 2021.

Galveston's economy is healthy and growing because of its location and climate. Galveston Island is fortunate to have a diverse economic base anchored by maritime, healthcare, education, tourism, and has positioned itself as a vital component to the economic engine of the Texas Gulf Coast. Galveston recently surpassed 7 million annual visitors, 5,000 hotel rooms, and is currently home to the 4th largest cruise port in the United States. Port Houston lies north of Galveston and includes a 25 mile long complex of approximately 200 private and public industrial terminals along the 52 mile Houston Ship Channel. Port Houston is the largest port on the Gulf Coast, moving more than 247 million tons of cargo each year. Principal economic support is provided by the Port of Galveston and related interest, the University of Texas Medical Branch at Galveston, and other health institutions, financial institutions, tourism, shrimping, and fishing. Major Employers in the city include University of Texas Medical Branch, Landry's Inc, Galveston Independent School District, Galveston County (on Island only) and Schlitterbahn.

Galveston is the top recreation center for the region. Galveston is home to Galveston Island State Park. Visitors can enjoy water sports at Jamaica Beach, Bermuda Beach, Palm Beach, and East Beach. The Schreiber Park, Stewart Beach Park, San Jacinto Park, Sheppard Park, and Apffel Park are local parks that offer facilities for a number of recreational activities. One can also plan a day trip to Old Fort San Jacinto, Galveston County Museum, Mardi Gras Museum, and Moody Mansion Museum. People can enjoy the Galveston Mardi Gras, Lone Star Biker Rally, Dickens on the Strand, FeatherFest, Yaga's Wild Game Cook-Off, Chili-Fest! The Galveston Bay Area is home to some of the best attractions Texas has to offer, including Moody Gardens, Schlitterbahn Waterpark, the Kemah Boardwalk, and miles of sun-kissed beaches along the Bolivar Peninsula and Galveston Island.

UNIVERSITY OF TEXAS  
MEDICAL BRANCH



SCHLITTERBAHN WATERPARK





2 MILES    3 MILES    5 MILES

POPULATION    27,653    38,313    46,964

AVERAGE HH  
INCOME    \$67,476    \$70,394    \$69,730



(51,735 VPD)

Seawall Blvd (31,907 VPD)





SONIC

# TENANT PROFILE

SONIC, America's Drive-In, is the nation's largest chain of drive-in restaurants. Founded in 1953 in Oklahoma City, Oklahoma, SONIC has delighted guests with signature menu items, more than 1.3 million drink combinations, friendly service by iconic Carhops. SONIC is part of the Inspire Brands family of restaurants and Inspire Brands is the Subsidiary company of Roark Capital Group.

As the largest national chain of drive-in restaurants the iconic SONIC style is hard to duplicate, but SONIC's distinct brand differentiation goes far beyond the drive-in format. SONIC's one-of-a-kind menu offers a variety of options unavailable from other brands, including Real Ice Cream desserts, TOASTER® sandwiches, Molten Cake Sundaes, breakfast all day, tasty Tots, premium hot dogs and more than 1 million unique drink combinations.



COMPANY TYPE  
Subsidiary



FOUNDED  
1953



# OF LOCATIONS  
3,552



HEADQUARTERS  
Oklahoma City, OK



WEBSITE  
[sonicdrivein.com](http://sonicdrivein.com)



SONIC

# OPERATOR PROFILE

Kamal Singh began his restaurant career in 2009 by acquiring a single unit in a regional sandwich chain, Lenny's Sub Shop. He grew that business by acquiring two additional Lenny's units before later selling all three units to purchase a portfolio of Auntie Anne's and Baskin Robins in high traffic shopping centers. In 2015, Kamal was approved to develop in the YUM franchise system. He has since aggregated a portfolio of 26 Kentucky Fried Chicken and Taco Bell restaurants.

In 2017, Kamal purchased 34 Sonic Drive-In restaurants from Sonic corporate in the Houston market. Kamal has organically grown his portfolio through new unit development among all three brands. In 2021, Kamal acquired a portfolio of 15 additional Sonic Drive-Ins, strategically located in the neighboring Galveston market. The Emerge Inc. portfolio of brands currently owns and operates 81 QSR restaurants.



# CONFIDENTIALITY AGREEMENT

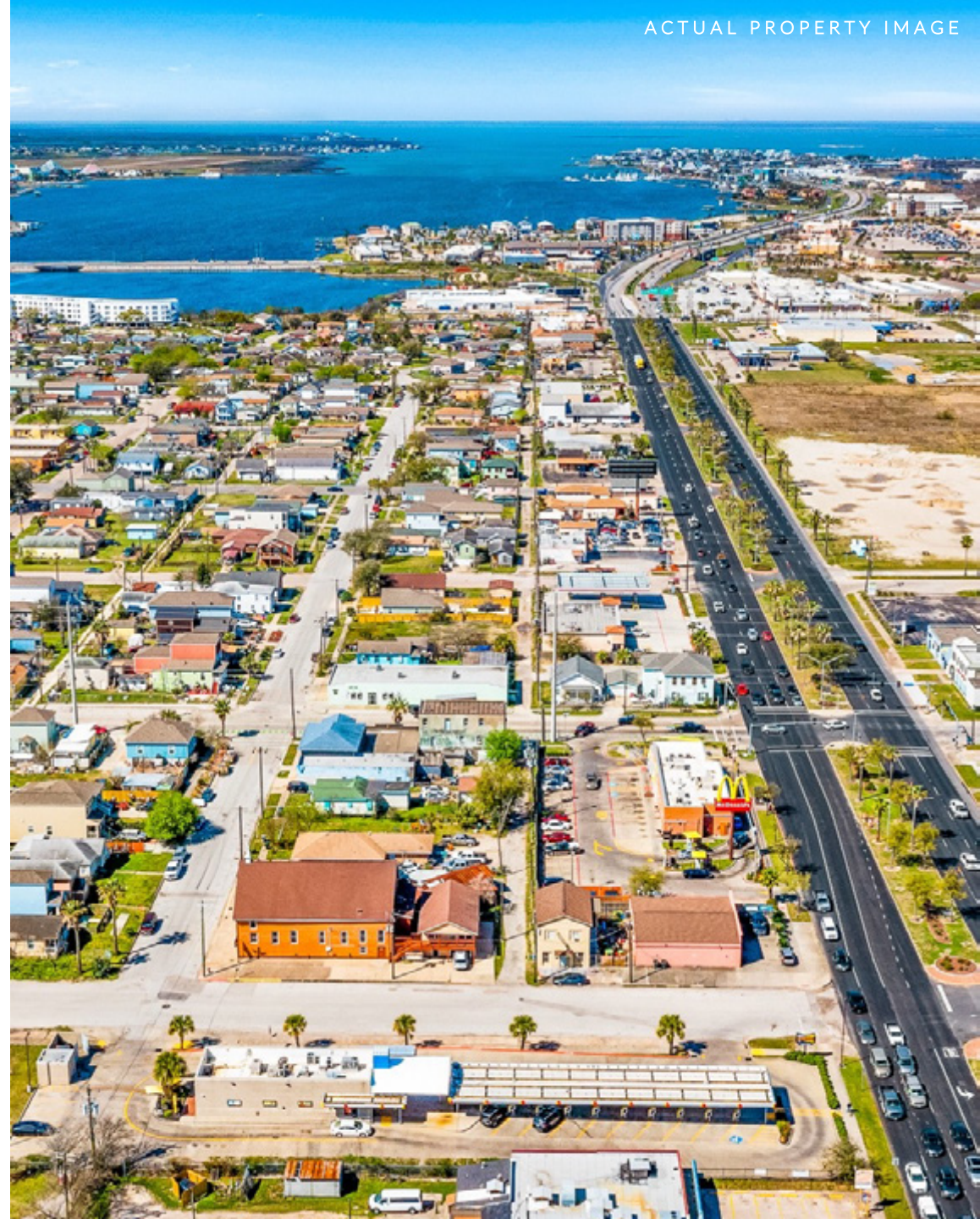
The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Sands Investment Group and should not be made available to any other person or entity without the written consent of Sands Investment Group.

This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property.

The information contained herein is not a substitute for a thorough due diligence investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, Sands Investment Group has not verified, and will not verify, any of the information contained herein, nor has Sands Investment Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose its contents in any manner detrimental to the interest of the Owner. You also agree that by accepting this Memorandum you agree to release Sands Investment Group and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this property.





# ABOUT BROKERAGE SERVICES

Before working with a real estate broker, you should know that the duties of a Broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

## IF THE BROKER REPRESENTS THE OWNER:

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written listing agreement, or by agreeing to act as a subagent by accepting an offer of sub agency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

## IF THE BROKER REPRESENTS THE BUYER:

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

## IF THE BROKER ACTS AS AN INTERMEDIARY:

A broker may act as an intermediary between the parties if the broker complies with the Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary.

The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- (1) Shall treat all parties honestly;
- (2) May not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) May not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- (4) May not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under the Act and associated with the broker to communicate with and carry out instructions of the other party.

If you choose to have a broker represent you, you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.



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