

SONIC

620 E 2ND ST, MERCEDES, TX 78570



OFFERING MEMORANDUM
Marcus & Millichap
THEDFORD CANNAN GROUP





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OFFERING SUMMARY



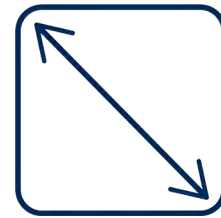
PRICE
\$2,131,000



CAP RATE
6.75%



NOI
\$143,894



BUILDING SIZE
1,500 SF



YEAR BUILT
2022



LOT SIZE
0.98 ACRES

LEASE SUMMARY

LEASE TYPE	NNN
LEASE GUARANTOR	PERSONAL GUARANTEE
ROOF & STRUCTURE	TENANT RESPONSIBILITY
RENT COMMENCEMENT DATE	7/16/2022
EXPIRATION DATE	7/16/2042
TERM REMAINING	16+ YEARS
ORIGINAL LEASE TERM	20 YEARS
RENTAL INCREASES	7.5%, EVERY 5 YEARS
RENEWAL OPTIONS	2, FIVE-YEAR OPTIONS
RIGHT OF FIRST REFUSAL	NO

RENT SCHEDULE					
YEAR	MONTHLY RENT	ANNUAL RENT	INCREASES	RENT PSF	CAP RATE
CURRENT - 7/16/2027	\$11,991	\$143,894		\$95.93	6.75%
7/16/2027-7/16/2032	\$12,891	\$154,686	7.5%	\$103.12	7.26%
7/16/2032-7/16/2037	\$13,857	\$166,287	7.5%	\$110.86	7.80%
7/16/2037-7/16/2042	\$14,897	\$178,759	7.5%	\$119.17	8.39%
OPTION 1	\$16,014	\$192,166	7.5%	\$128.11	9.02%
OPTION 2	\$17,215	\$206,579	7.5%	\$137.72	9.69%

INVESTMENT HIGHLIGHTS

LEASE

- Rent increase in the first year of ownership, reflecting a 7.25% cap
- Attractive 7.5% rent escalations every five years
- NNN – No Landlord Responsibilities

LOCATION

- Positioned on a signalized, hard-corner retail site with direct visibility from Interstate 2, which carries approximately 59,000 vehicles per day.
- Strong surrounding demographics with 55,500 residents within a 5-mile radius and projected 4.1% population growth by 2030.
- 1-mile from Rio Grande Valley Premium Outlets (attracts over 7 million visitors annually).

PERSONAL GUARANTY – CEO OF CRUSH ENT.

- Lease backed by a personal guaranty from Al Trevino, CEO of Crush Enterprises
- Proven Sonic franchise operator currently managing 19 locations across four states, demonstrating strong operational experience and brand commitment.
- Active growth platform with 10 additional development sites planned throughout South Texas

NEW SONIC CONSTRUCTION

- Newly constructed in 2022, offering a modern, low-maintenance asset with recent capital investment
- Features Sonic's latest prototype design, incorporating updated branding, efficient layout, and enhanced customer experience





 **DAIRY QUEEN**

cricket
wireless

CHURCH'S
TEXAS CHICKEN

O'Reilly
AUTO PARTS

H.E.B. PARK

Texas
National Bank

DOLLAR GENERAL




SUBJECT PROPERTY

 **DOLLAR TREE**
 **Little Caesars**

E 2ND STREET - 9,300 VPD



SONIC



3,400+
LOCATIONS IN
47 STATES



3M
CUSTOMERS
SERVED DAILY



10,000+
EMPLOYEES
SYSTEMWIDE



1953
SONIC YEAR
FOUNDED



OKLAHOMA CITY
SONIC CORPORATE
HEADQUARTERS

Sonic Drive-In is a leading drive-in fast-food chain in the United States, known for its nostalgic carhop service and made-to-order American classics. Founded in 1953 and headquartered in Oklahoma City, SONIC operates thousands of locations nationwide, offering burgers, hot dogs, chicken sandwiches, breakfast items, and a wide range of snacks and sides. The brand is especially popular for its customizable slushes, limeades, and milkshakes, which help drive strong repeat customer traffic. Its drive-in format allows guests to order and dine from their vehicles, combining convenience with a retro dining experience, while ongoing menu innovation and national marketing support continued growth within the quick-service restaurant sector.




CRUSH ENTERPRISES

 **19**
LOCATIONS IN
4 STATES

 **10**
LOCATIONS
SET TO OPEN

 **1,000+**
EMPLOYEES
SYSTEMWIDE

 **2014**
CRUSH ENT.
YEAR FOUNDED

Crush Enterprises is an experienced multi-unit franchisee of Sonic Drive-In, founded and led by Al Trevino. The company currently owns and operates 19 Sonic locations across Idaho, Montana, Washington, and Texas, with plans to develop 10 additional restaurants in the Rio Grande Valley of South Texas. The organization's name reflects its core values—Commitment, Relationships, Unity, Striking Forward, and Honesty—which guide its operations and long-term growth strategy. Through a combination of new development and strategic acquisitions, Crush Enterprises has built a strong operating platform focused on disciplined management, community engagement, and consistent store-level performance. With continued expansion underway and a focus on delivering the nostalgic Sonic experience, the company remains a dedicated and growing franchise partner within the Sonic system.



CRUSH ENT. WEBSITE 

MERCEDES, TX

Mercedes, Texas is a growing city located in Hidalgo County within the highly active Rio Grande Valley region of South Texas. Positioned along Interstate 2 between the major metropolitan centers of McAllen and Harlingen, Mercedes benefits from strong regional connectivity and access to key transportation corridors serving both domestic and international commerce. The city is situated just north of the U.S.–Mexico border, allowing it to capitalize on cross-border trade, tourism, and workforce mobility that drive economic activity throughout the region. With a population of roughly 17,000 residents and continued growth across the surrounding Valley communities, Mercedes offers a stable demographic base supported by expanding residential development, healthcare services, and retail demand.

The city is widely recognized as a retail and tourism hub, anchored by the Rio Grande Valley Premium Outlets, which draws visitors from across South Texas and northern Mexico. Mercedes also offers outdoor and eco-tourism attractions, including Estero Llano Grande State Park, known for birding and wildlife. Combining retail demand, cross-border commerce, and year-round visitor traffic, Mercedes serves as an important economic contributor within the broader Rio Grande Valley market.



DEMOGRAPHICS

POPULATION

HOUSEHOLDS & INCOME

1-MILE

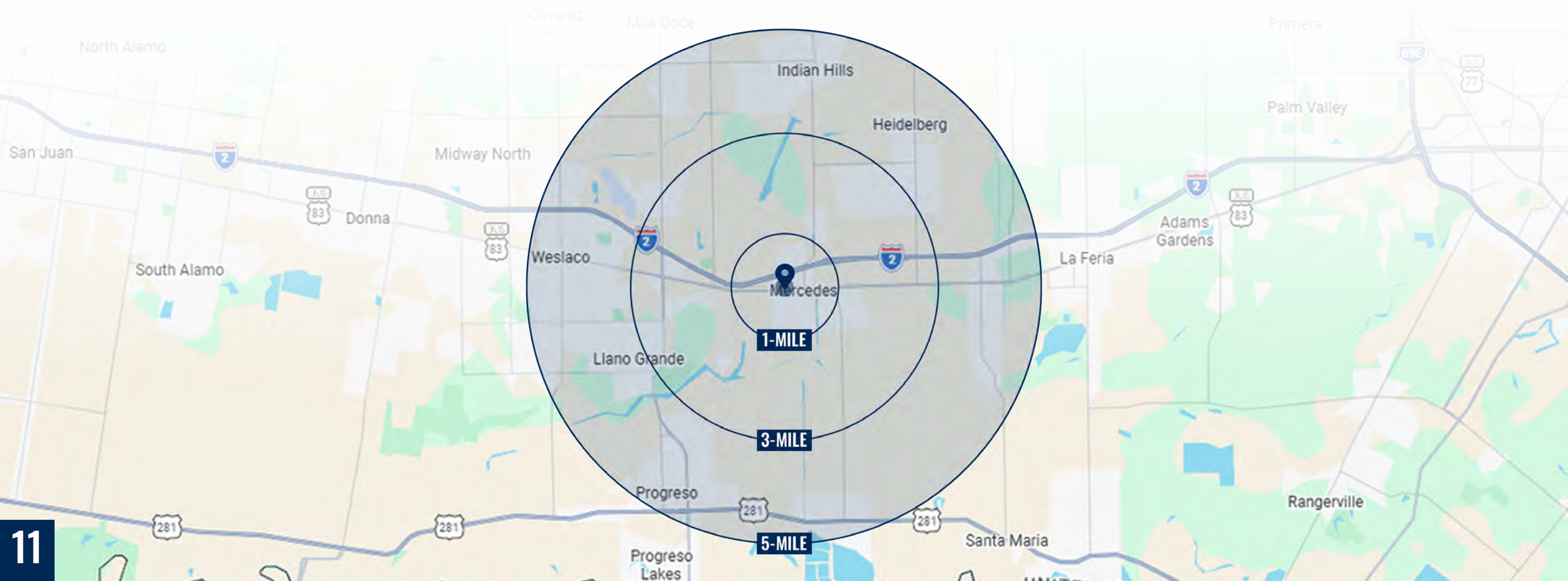
3-MILE

5-MILE

1-MILE

3-MILE

5-MILE



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All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary. All potential buyers are admonished and advised to engage Professional Advisors on legal issues, tax, regulatory, financial and accounting matters, and for questions involving the property's physical condition or financial outlook.

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Information About Brokerage Services

2-10-2025

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent. **An owner's agent fees are not set by law and are fully negotiable.**

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent. **A buyer/tenant's agent fees are not set by law and are fully negotiable.**

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Regulated by the Texas Real Estate Commission

Buyer/Tenant/Seller/Landlord's Initials

Date

Information available at www.trec.texas.gov

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