



PEGASUS
INVESTMENTS

Video



6200 9TH STREET NORTH

CHECKERS DRIVE-IN

ST. PETERSBURG, FLORIDA

Clearwater



Sawgrass Lake Elementary School
Village Green Active 55+ Community

Lynch Elementary School

Lynch Lake Park

Meadowlawn Park



Subject Property



Fossil Park Youth Baseball

16th Street North ± 16,700 ADT

62nd Avenue North ± 20,000 ADT

Dr. Martin Luther King Junior Street North ± 17,000 ADT



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EXECUTIVE SUMMARY

OFFERING SUMMARY

Pegasus Investments Real Estate Advisory Inc., as exclusive investment sale advisor to seller, is pleased to offer an opportunity to acquire a fee interest (land only) in a rare 15+ year single tenant 100% absolute triple net leased Checkers Drive-in Restaurant, strategically located on the hard corner of a high traffic, signalized intersection in Tampa-St. Petersburg, Florida. The property is a prominent half-acre outparcel to Rutland Plaza, a 96% occupied Winn-Dixie-anchored and institutionally owned shopping center, where it out positions its co-tenants McDonald's, KFC and Bank of America.

Price	\$1,696,150
Cap Rate	5.65%
NOI	\$95,832

CORPORATE BACKED, FRANCHISE OPERATED LEASE
WITH 15 YEARS OF HISTORICAL OCCUPANCY

**Subject
Property**

Institutionally Owned
Rutland Plaza Shopping Center

BIG **BEALLS**
LOTS! **Outlet**
Winn-Dixie

TENANT RECENTLY EXTENDED LEASE TO 15+ YEAR TERM



After over 15 years of proven operating history at this location, the tenant recently exercised all three of its remaining options prematurely, providing investors with over fifteen (15) full years of remaining lease term. The tenant's recent lease extension demonstrates its ongoing commitment and investment in this site and signals a recognition in the high value of this real estate. Originally a corporate operated site, the tenant established and maintained a loyal customer base and eventually sold to a strong franchisee with a \$25M net worth, providing for a credit enhancement to the Landlord as Checker's corporate entity remains liable under the terms of the lease. It is believed that franchisees within the Checkers model are better poised to drive growth and margin expansion, evidenced by the chain's six consecutive years of systemwide same store sales growth providing for a long-term stretch of increased profitability. This success contributed to the \$525M acquisition of the company in 2017 by Oak Hill Partners.

The subject property is exceptionally well located at the signalized intersection of Dr. Martin Luther King Jr. St. and 62nd Ave, two equally significant perpendicular thoroughfares seeing over 35,000 ADT. The Tampa-St. Petersburg metro is the 20th largest U.S. metro by population at over 3 million and has seen a staggering 11% growth rate (2010-2017). Located on the St. Petersburg peninsula, the property benefits from natural barriers to entry within a densely populated, infill location with few undeveloped tracts of land, which is expected to further enhance the value of this rare half acre parcel over time. Currently providing low rent compared to other fast food sites with drive-thru capability, the parcel size will allow for significant upside when the Landlord gets control of the property.

INVESTMENT HIGHLIGHTS

RARE ½ ACRE PARCEL

- Rare Checkers parcel measuring 0.5 acres, allowing for a multitude of future site uses
- Dominant outparcel situated on the hard corner, out-positioning the adjacent McDonald's and KFC
- Low rent compared to other fast food sites with drive-thru capability, allowing for significant upside when the Landlord gets control of the property

15+ YEAR PROVEN OPERATING HISTORY

- Successful corporate run location eventually sold to a franchisee
- Investors benefit from knowledge that this is a proven site with an established customer base
- Florida is a strong market for the Checkers brand

RARE CORPORATE
BACKED CHECKERS
ON LARGE,
DEVELOPABLE
PARCEL



OUTPARCEL TO INSTITUTIONALLY OWNED RUTLAND PLAZA

- 96% occupied Winn-Dixie-anchored center featuring a diverse tenant mix including Big Lots, Bealls Outlet, KFC, McDonald's & Bank of America
- McDonald's recently remodeled
- Newer prototype KFC
- Large 1 acre outparcel currently under development

ABSOLUTE TRIPLE NET, CORPORATE BACKED CHECKERS LEASE

- Leased signed by Checkers Drive-In Restaurants Inc. (corporate)
- 100% absolute triple net lease structure with tenant paying all expenses (including roof and structure), resulting in zero landlord financial obligations
- Six consecutive years of systemwide same store sales growth
- 700 basis points of improved profitability over past eight years
- Acquired in 2017 by Oak Hill Partners for \$525M, all cash

HIGHLY DESIRABLE TAMPA BAY AREA METRO - TOP 20 MSA BY POPULATION

15+ YEARS OF LEASE TERM REMAINING AFTER TENANT EARLY EXERCISED OPTIONS

- Recently exercised options by tenant shows continued commitment to site
- Tenant's understanding of the irreplaceable value of the real estate reflected in its recent commitment



DENSELY POPULATED WITH BARRIERS TO ENTRY

- Populated Tampa Bay metro, a top 20 largest U.S. metro by population (3M+)
- Strong population growth in the Tampa Bay metro of +11% (2010-2017)
- Dense population of 106,000+ within a 3-mile radius
- St. Petersburg sits on a peninsula, providing naturally existing barriers to entry
- Few existing undeveloped tracts of land in the area will continue to push rents upward over time
- Positioned at the heavily trafficked intersection of 62nd Avenue and MLK Street with 35,000+ ADT, and minutes from I-275 with 132,000+ ADT

OPERATED BY STRONG FRANCHISEE WITH \$25M NET WORTH

- This credit enhancement is in addition to Checkers corporate remaining liable under the lease
- Within the Checkers model, franchisees are better poised to drive growth and margin expansion
- Franchisee operates multiple Checkers locations

SIGNALIZED CORNER OUTPARCEL



CORNER OUTPARCEL TO A 96% OCCUPIED WINN DIXIE GROCERY ANCHORED CENTER

Downtown St. Petersburg

4 Miles

Tropicana Field Stadium

Subject
Property

62nd Avenue North ± 20,000 ADT

Dr. Martin Luther King Junior Street North ± 17,000 ADT

Institutionally Owned
Rutland Plaza Shopping Center

BIG
LOTS! **BEALLS**
Outlet
Winn-Dixie

TENANT SUMMARY

Original Lessee	Checkers Drive In Restaurants, Inc.
Type of Ownership	Fee (Land Only)
Lease Guarantor	Corporate
Current Lease	Legacy 9th Street, LLC*
Original Lease Type	Absolute NNN
Term Remaining	± 16 Years
Lease Commencement Date	3/2/2004
Lease Expiration Date	8/29/2034
Increases	10% Increases Every 5 Years
Options	One, 5-Year Option

*Original tenant was Checkers corporate, subsequently assigned to Legacy 9th Street, LLC. Checkers corporate remains liable under the lease.

**TENANT HAS EXERCISED ALL BUT
ONE REMAINING OPTION**



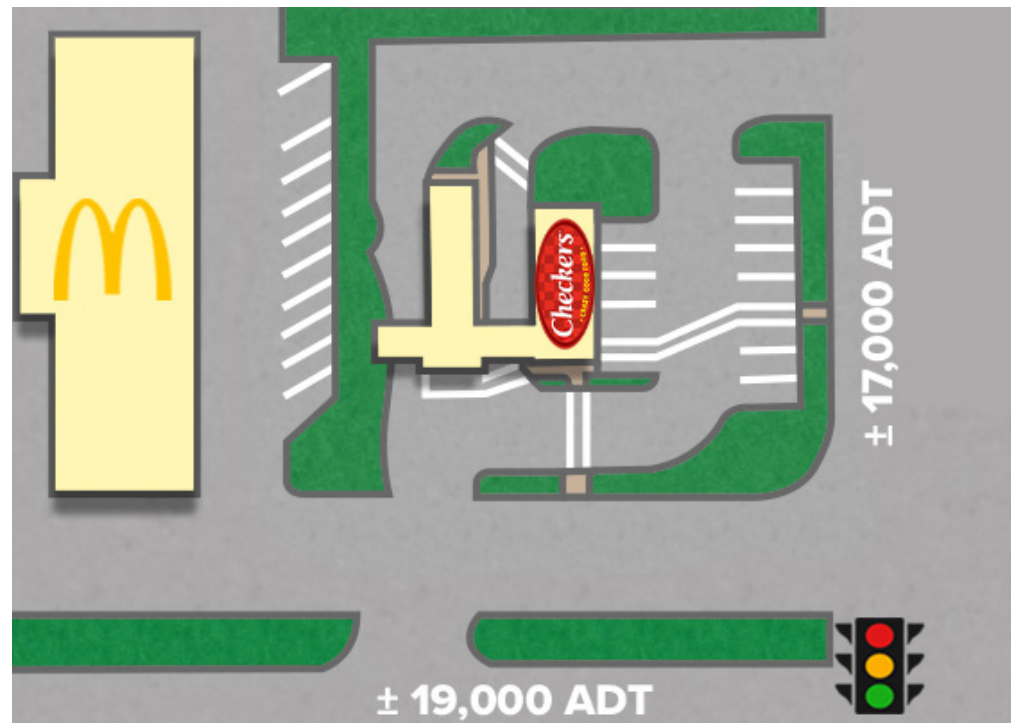
ANNUALIZED OPERATING DATA

	MONTHLY RENT	ANNUAL RENT	CAP RATE
8/30/2019 - 8/29/2024	\$7,986.00	\$95,832	5.65%
8/30/2024 - 8/29/2029	\$8,784.60	\$105,415	6.22%
8/30/2029 - 8/29/2034	\$9,663.06	\$115,957	6.84%
Option 1 (Final Option)	\$10,629.37	\$127,552	7.52%

PHYSICAL DESCRIPTION

BUILDING & SITE PROFILE

Property Name	Checkers Drive-In
Address	6200 9th Steet North Saint Petersburg, FL 33702
Assessor's Parcel Number (APN)	36-30-16-56934-000-0010
Zoning	CCS-1 (Corridor Commercial Suburban - 1)
Gross Leasable Area	± 830 SF
Lot Size	± 0.51 Acres (22,307 SF)
Year Built	2005
Number of Stories	1
Number of Buildings	1
Parking Spaces	± 12 Surface Spaces





DOLLAR GENERAL

**Save
a lot**

St. Petersburg
Christian School

16th Street North ± 16,700 ADT

Rutland Plaza
**BIG
LOTS!** **BEALLS
Outlet**
Winn-Dixie

Bank of America



**Subject
Property**



**Outparcel Under
Development**

PROPERTY DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2023 Projection	18,516	111,528	242,737
2018 Estimate	17,615	106,237	230,999
Growth 2018 - 2023	5.11%	4.98%	5.08%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2023 Projection	8,262	50,436	109,619
2018 Estimate	7,868	48,146	104,465
Growth 2018 - 2023	5.01%	4.76%	4.93%
INCOME	1-MILE	3-MILE	5-MILE
2018 Est. Average Household Income	\$59,648	\$68,671	\$66,989

TENANT PROFILE

CHECKERS DRIVE-IN

Private

www.checkers.com

# of Locations	± 850
# of Employees	± 4,000
Headquartered	Tampa, FL
Year Founded	1986

OVERVIEW

Checkers Drive-In Restaurants Inc. is one of the largest chains of double drive-thru restaurants in the United States. It operates under the Checkers Drive-In and Rally's banners since their merger in 1999. Since its founding in 1986, Checkers has become a market leader in the rapidly growing QSR burger business. It is one of the country's most recognized brands, and has expanded to become a national burger chain icon and is one of the best burger franchises around. Restaurants specialize in hamburgers, hot dogs, French fries and milkshakes and thrive as a "late night" spot. Patrons' love for the chain's bold flavored and seared burgers, indulgent milkshakes, and Famous Seasoned Fries has been driving Checkers' commitment to fulfilling ever-changing cravings by offering innovative products.

POSITIONED FOR CONTINUED EXPANSION

Checkers has enjoyed six consecutive years of system-wide same-store sales growth. Over the last eight years, restaurant profitability has improved by more than 700 basis points; overall profitability over the past seven years has increased around 20% per year. Taking notice of Checkers' success, Oak Hill Capital Partners announced its acquisition of Checkers from Sentinel Capital Partners for approximately \$525M, all cash, in April of 2017. By investing in partnership with Checkers management, Oak Hill will be the driver behind Checkers' ability to fund its rapid growth with responsible capital that proves a great return on investment. With a strong brand identity, excellent franchisee relationships and an outstanding executive leadership team firmly in place, Checkers is well positioned for development across the country.



STRATEGIC LOCATION WITHIN MINUTES OF CHECKERS CORPORATE HQ



OUTPACING THE GROWING QSR INDUSTRY

As an industry leader, Checkers stands as one of the fastest growing restaurants in the QSR sector. The company continues to accelerate with unprecedented growth, expanding in new cities and developing in existing markets across the country. Over the last three years, Checkers has built more than 100 restaurants and currently has a pipeline of 250 new stores, 130 of which are currently undergoing construction. Expansion into new cities and sustained development in existing markets across the country maintain an accelerated pace, indicative of the franchise's unprecedented growth.

"WHAT WE'RE REALLY DOING IS THROWING GASOLINE ON A FIRE HERE. WE'VE ALREADY GOT THAT MOMENTUM AND OAK HILL IS COMING ON TO HELP US GET THERE BETTER, GET THERE FASTER, AND HELP US WITH SCALING GROWTH, WHICH IS REALLY WHERE WE ARE NOW."

- RICK SILVA, PRESIDENT & CEO OF CHECKERS, ON RECENT ACQUISITION BY OAK HILL CAPITAL PARTNERS

MARKET AREA & LOCATION



ST. PETERSBURG, FLORIDA

Located between the Gulf of Mexico and Tampa Bay, St. Petersburg is the second largest city in the roughly four million-person Tampa Bay Area region and the fifth most populous city in the state of Florida. The city has historically been known as a tourist destination, as it is home to 35 miles of some of America's best beaches, the world-renowned Salvador Dali Museum, and a year-round temperate climate. Over the last several years, St. Petersburg has seen a surge in its annual growth rate, supported by the increasing population of residents and daytime office employees; millennials and young professionals in particular are being drawn to the city's affordable cost of living and outdoor recreational opportunities.

ECONOMIC SNAPSHOT

St. Petersburg is at the heart of Tampa Bay, and as such, it is served by an outstanding transportation network and options that provide great benefits for local commerce and workforce. This carefully construed network of airports, ports and interstate highways offers businesses convenient access to freight, shipping, and multi-modal transportation. With a booming downtown business scene focused on major industry sectors such as Creative Arts and Design, Marine and Life Sciences, and Financial Services, the city bewars great potential for growth in these industries, potential that has been recognized by its nearly 16,000 businesses and the 10 corporations that have relocated their headquarters to offices in downtown since 2014.



ONE OF AMERICA'S BEST CITIES FOR YOUNG PROFESSIONALS

– FORBES

THE FLORIDA HIGH TECH CORRIDOR

Anchored in St. Petersburg, the Florida High Tech Corridor comprises half of the state's high-tech firms, providing a superior workforce as well as an extensive network for local and international business partners. The Corridor spans 23 counties across the state, encompassing three research universities, more than 20 local and regional economic development organizations, 14 community and state colleges, 12 regional workforce boards, countless industry groups and thousands of innovative companies. Ranked as one of the Top 6 High-Tech Employment Centers in the Nation, the Corridor substantially stimulates the high tech and economic growth of the region.



TOP EMPLOYERS

Jabil Circuit Inc.

CompuLink

America II Corp

Duke Energy, Florida

Tampa Bay Times

**John Hopkins All Children's
Hospital**

DEVELOPMENT

St. Petersburg goes above and beyond to offer its residents and visitors access to a luxurious lifestyle. The city is transforming its downtown into a hotspot that exuberates modernity as indicated by the nearly half a billion dollars' worth of construction expected to start this year. With museums, apartments, condos, a new police station and a dozen other projects underway, St. Petersburg is welcoming the biggest building boom into its dynamic downtown established upon a rich 130-year history.

11%
POPULATION
GROWTH
(2010-2018)



TOWNHOMES IN DOWNTOWN ST. PETE

Among the most notable types of development projects occurring in St. Petersburg is that of new townhomes. Continuously the most popular neighborhood in Tampa Bay, St. Petersburg is experiencing a townhome and condo boom more buoyant than ever. There are nearly 1,700 residential units currently under construction and an additional 1,900 units proposed in downtown, the city is seeing a rapid rise in its skyline with these new high-end condo and townhome high-rises.

- On Central Avenue, 1701 Central will be a mixed-use project including a five-story building and attached parking garage with retail space. Scheduled for completion in 2019, the building will feature 243 units on five floors.
- Just three blocks south of Central Avenue, the Saint James Townhomes will feature eight, three-story units each consisting of 1,700 SF with 3 beds and three and a half bathrooms.
- At the corner of 4th Avenue South and 5th Street South, 357 on 5th is a modern seven story condominium building that will feature 13 units including three two-story penthouses, eight homes with 3 beds, 2 baths offering 1,537 SF, and two homes that will be 1 bed, 1.5 baths with 1,031 SF.



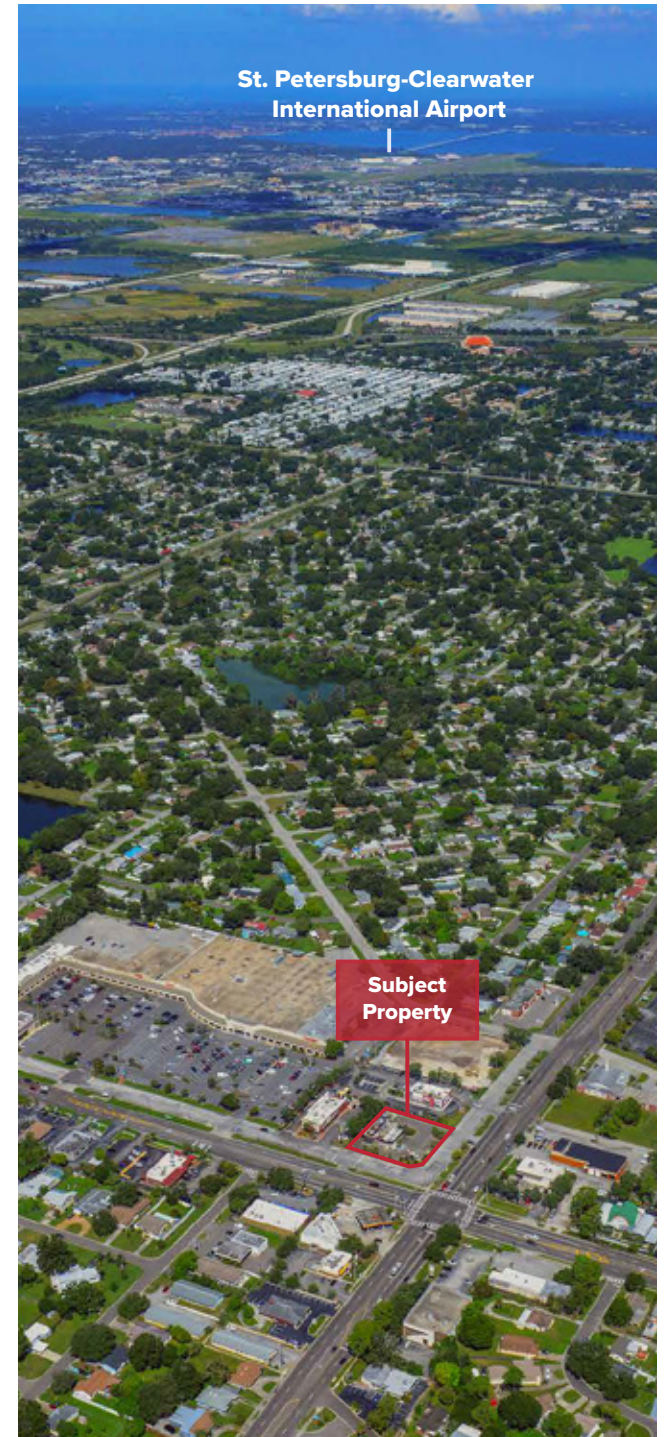
ST. PETERSBURG-CLEARWATER INTERNATIONAL AIRPORT

Just a few minutes away from the subject property, the St. Petersburg-Clearwater International Airport serves more than 1 million passengers and 19 tons of cargo annually. With a convenient location merely 20 minutes north of downtown St. Petersburg, the airport remains a destination for low-cost carriers and proficiently serves the city's Gateway business region that supports more than 2,700 businesses and 60,000 employees.

INCOME TAX FREE STATE - STRONG DRIVER OF
JOB GROWTH

JABIL INC. WORLDWIDE HEADQUARTERS

In February of 2018, the advanced manufacturing solutions provider Jabil Inc. announced plans to construct its new worldwide headquarters at its current location in St. Petersburg. The modern and environmentally friendly headquarter campus is anticipated to bring Jabil employees together and contribute greatly to the city's booming downtown development. For over three decades, Jabil Inc. has been committed to St. Petersburg; today it is the city's largest company and is a significant driver of the local economy.



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ABOUT PEGASUS

Pegasus is a boutique commercial real estate investment and advisory firm based in Los Angeles, California. Specializing in retail shopping centers, single tenant net leased and multifamily properties throughout the United States, Pegasus has consistently delivered on its 30 year reputation of providing high quality, white glove service throughout all stages of the investment sales process. Pegasus provides its clients, which include high net worth private investors, family trusts, private & public REITs, local and regional developers and syndicators with advisory services encompassing underwriting, market research, investment sales and asset management. Pegasus continues to set the bar for high quality, boutique investment sales brokerage and advisory by relying on its industry-leading talent which include experienced institutional and private sector investors.



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