

# NEW 20-YEAR TERM NNN CHECKERS LITTLE RIVER MIAMI

## *Offering Memorandum*



227 NW 62nd Street, Miami, FL 33150

Edison Park K-8 Center

Miami Edison Senior  
High School

I-95 • 227,000 VPD



NW 62nd Street • 9,900 VPD

NW 2nd Avenue • 4,700 VPD







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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

## Marcus & Millichap



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**Marcus & Millichap**

# INVESTMENT OVERVIEW

Marcus & Millichap is proud to market the Checkers Little River Miami absolute net leased property located in the highly sought after Little River Development Corridor in the heart of Miami, Florida. The subject property is a new construction +/- 906 square foot retail property with drive-thru that will be completed by December 2020. The building sits on a corner parcel of 23,420 square feet of T5-O zoned land on NE 62nd Street just east of the Interstate 95. This area of Miami, known as Little River/Little Haiti is experiencing an incredible amount of development and investment from multiple investment groups looking to build mixed-use and entertainment projects in the immediate area.

The developer/owner has signed a 20-Year absolute NNN lease with JAF Restaurant Group, an experienced regional Franchisee owner with five Checkers locations open or under construction with multiple Wendy's and Del Taco businesses under ownership as well. The lease is personally guaranteed by the principal of JAF Restaurant Group. The lease has aggressive 15 percent base rental increases every five years along with no management responsibilities for the landlord. This area of Miami is ideally situated to bring traffic and shoppers to this Checkers concept with incredible density of over 32,234 people living within one mile of the subject property and over 577,760 people living within three miles. The corner location is also directly across the street from Miami's Edison Senior High School, which will bring incredible amounts of daytime foot traffic to the location as well. Just a few blocks to the west of the subject property is the on and off ramp to I-95 which boasts over 200,000 vehicles per day. This is an ideal opportunity for an investor to purchase a zero management dense infill single tenant property in a dynamic area of Miami. Rarely do new construction single tenant properties come to market in Miami with aggressive 15 percent rent bumps every five years.



- New Construction Property Located Just East of I-95 Entrance/Exit Ramp
- Zero Management 20 Year Lease with Experienced Franchisee
- Aggressive 15% Base Rental Increases Every 5 Years
- Located in Dynamic Little River area of Miami
- T5-O Zoned Land on Corner Location
- Across the Street from Edison Senior High School
- Ideally located within Miami-Dade Opportunity Zone

**PURSUANT TO AN AGREEMENT WITH MIAMI-DADE COUNTY, SELLER THROUGH ITS TENANT IS OBLIGATED TO CREATE 10 JOBS. CHECKERS HAS AGREED TO CREATE AND REPORT THOSE JOBS, 6 OF WHICH MUST BE LOW TO MODERATE INCOME EMPLOYEES. THE TENANT MUST SHOW PROOF OF EMPLOYMENT FOR A PERIOD OF 12 MONTHS FOR EACH JOB WITHIN A 24 MONTH OUTSIDE PERIOD FROM THE DATE OF OPENING OF THE STORE. BUYER MUST PLACE \$350,000 IN ESCROW AT CLOSING UNTIL JOB REPORTING PERIOD IS COMPLETE(MINIMUM 1 YEAR - MAXIMUM 2 YEARS) TO COVER JOB CREATION PENALTY OF \$35,000 PER JOB NOT CREATED FOR THE 12 MONTH REPORTING PERIOD. THE CHECKERS TENANT IS OBLIGATED TO REPORT THE JOBS AND BE IN COMPLIANCE WITH THE COUNTY GUIDELINES IN ACCORDANCE WITH THEIR LEASE.**

# TENANT SUMMARY



Headquartered in West Palm Beach, Fla., JAF Restaurant Group was founded in 2015 by Angelo Freites, an experienced multi-unit Wendy's franchisee who left that concept to explore new opportunities with Checkers & Rally's Restaurants and Del Taco.

Today, under the leadership of Freites and Chief Operating Officer, David Chapman, JAF owns and operates three Checkers locations with an additional two under construction (including the subject property) in South Florida. The company is dedicated to growing quickly and responsibly, with plans to open additional checkers restaurants in the coming years.

At the same time, JAF has signed an agreement to franchise Del Taco restaurants, with three locations scheduled to open in 2019, and plans to open 30 to 50 Del Taco locations in the next seven years in Palm Beach, Broward and Dade counties.

Checkers Drive-In Restaurants, Inc. is one of the largest chains of double drive-thru restaurants in the United States. The company operates Checkers and Rally's restaurants in 28 states and the District of Columbia. They specialize in hamburgers, hot dogs, french fries, and milkshakes.

Checkers and Rally's had similar concepts, being almost exclusively drive-thru with very little seating. After the merger, Rally's began redesigning its restaurants to follow the Checkers look. Today, Checkers and Rally's restaurants look nearly identical, the only major difference being the name on the sign. In June 2006, the company went private through a merger with Taxi Holdings Corp., an affiliate of Wellspring Capital Management, a private equity firm. In 2014, Wellspring sold Checkers to another private equity firm, Sentinel Capital Partners. There are currently over 900 Checkers locations across the country and growing.

## JAF RESTAURANT GROUP



### 5 CHECKERS LOCATIONS



### WEST PALM BEACH, FL HEADQUARTERS



# PROPERTY DESCRIPTION

THE OFFERING	
Property	NNN Checkers Little River Miami
Property Address	227 NW 62 Street
	Miami, FL 33150

SITE DESCRIPTION	
Number of Stories	2
Year Built	Estimated Completion DEC 2020
Gross Leasable Area (GLA)	906
Lot Size	23,420 SF
Type of Ownership	Fee Simple
Zoning Code	T5-O





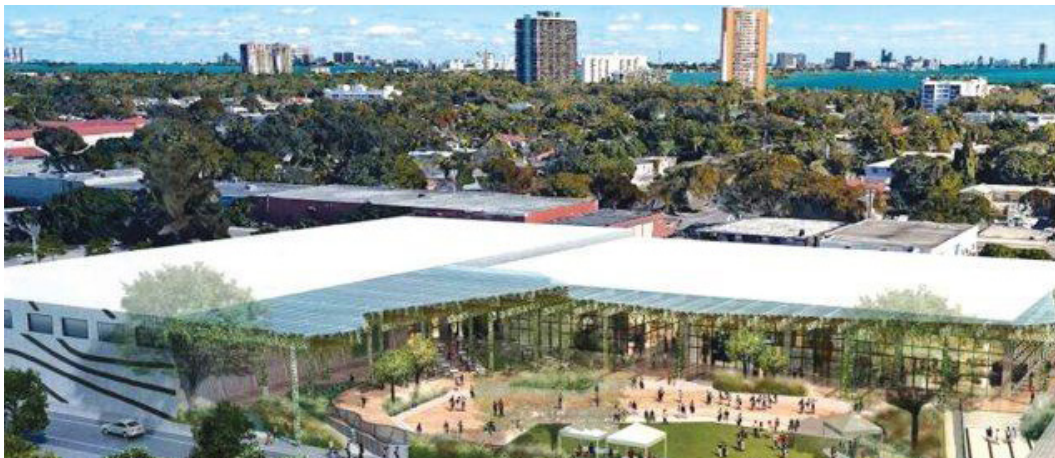
# AREA OVERVIEW - LITTLE RIVER MIAMI

Little River is one of Miami's oldest neighborhoods but its spirit feels vibrant and new. It takes its name from the Little River that runs along its northern edge. Little River was established in the late 1800s and was incorporated into the city of Miami in 1925. The neighborhood is bordered to the north by El Portal, to the south by Little Haiti, to the east by the Palm Grove Historic District, and to the west by West Little River.

Little River/Little Haiti neighborhood is a mix of residential and warehouse blocks where some of Miami's best art galleries have cropped up since expanding from Wynwood and the Design District.

While Little River isn't nearly as busy as Wynwood, it does have much more of an edited, cohesive feel. Little river is unique in that it has a very cohesive walking neighborhood that offers local culture, entertainment, curated shopping and new-wave dining without the rowdy bottomless brunches. Additionally, Magic the Magic City Innovation Technology District is less than 1/2 mile directly to the east and will soon bring additional art, sculpture, technology and business innovation to the immediate neighborhood.

Over the past few years, it's become a go-to cultural destination for art and fashion insiders who hand pick the boutiques, galleries, and cafes tucked inside the area's low-slung pastel buildings and classic warehouses. The burgeoning neighborhood is reminiscent of early Silver Lake, before it got tragically too hip, and is on everyone's radar as one of the most interesting up-and-coming communities today.





# FINANCIAL OVERVIEW

## PRICING SUMMARY

Offering Price	\$2,450,000
CAP Rate	5.51%
Estimated Net Operating Income*	\$135,000
Building Size	906
Lot Size	23,420 SF
Year Built	Estimated Completion DEC 2020
Lease Type	Absolute NNN

## BASE RENT\*

LEASE YEARS	ANNUAL RENT	MONTHLY RENT
01/01/2021 - 12/31/2025	\$135,000	\$11,250.00
01/01/2026 - 12/31/2030	\$155,250	\$12,937.50
01/01/2031 - 12/31/2035	\$178,538	\$14,878.13
01/01/2036 - 12/31/2040	\$205,318	\$17,109.84

NOTES:

\*Final Net Operating Income is subject to final audit of construction budget and may increase or decrease.

\*\*Estimated lease commencement based on completion of construction.

## TENANT LEASE SUMMARY

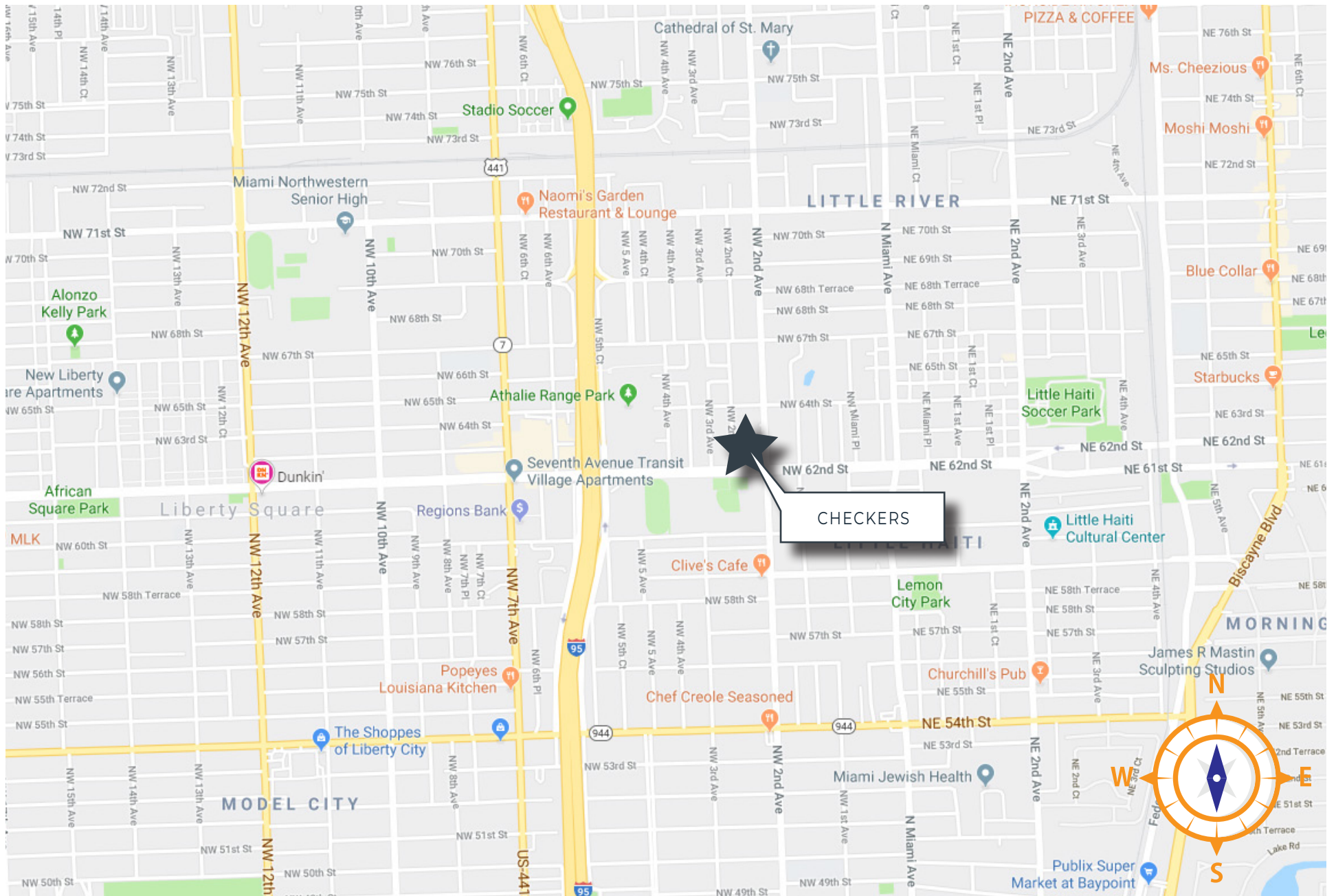
Tenant Trade Name	Checkers
Ownership	Fee Simple
Lease Guarantor	Personal Guarantee
Roof & Structure	Tenant Responsibility
Original Lease Term	20 years
Remaining Lease Term	20 years
Lease Commencement Date**	1/1/2021
Lease Expiration Date**	12/31/2040
Options	4 - 5 Yr Options
Increases	15% every 5 Years

## OPTION RENT

LEASE YEARS	ANNUAL RENT	MONTHLY RENT
01/01/2041 - 12/31/2045	\$236,116	\$19,676.32
01/01/2046 - 12/31/2050	\$271,533	\$22,627.77
01/01/2051 - 12/31/2055	\$312,263	\$26,021.93
01/01/2056 - 12/31/2060	\$359,103	\$29,925.22

**IN ADDITION TO PURCHASE PRICE, BUYER MUST PLACE \$350,000 IN ESCROW AT CLOSING UNTIL ONE(1) YEAR FROM DATE OF RENT COMMENCEMENT TO SATISFY LOW INCOME JOB REPORTING REQUIREMENT. (CONTACT LISTING AGENT FOR FURTHER DETAILS)**

# LOCAL MAP



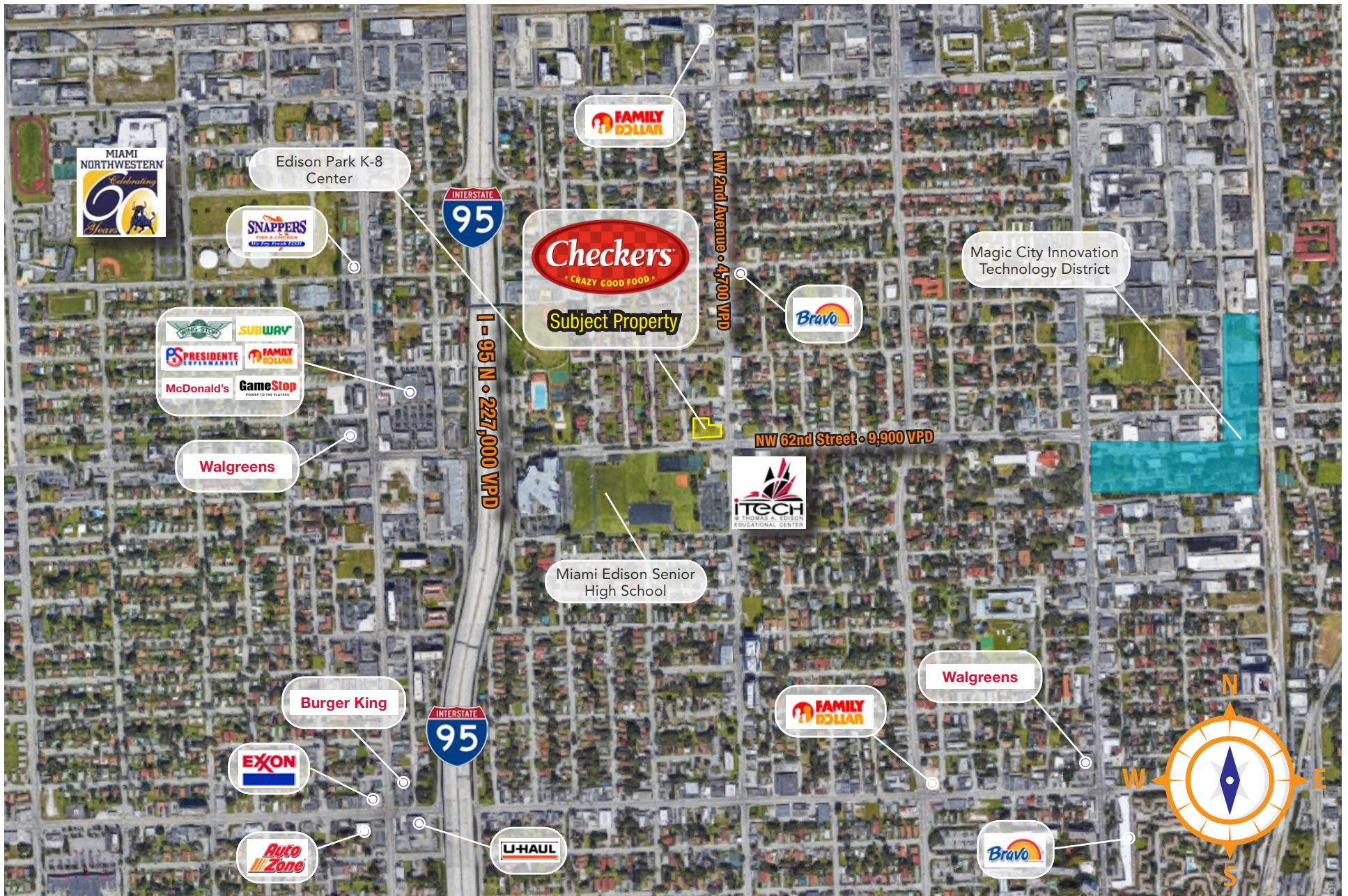


# AERIAL PHOTO





# SURROUNDING RETAIL MAP





# SURROUNDING DEVELOPMENT MAP





# PROPERTY PHOTOS





# DEMOGRAPHICS

2022 Projection			
Total Population	31,392	205,083	588,564
2019 Estimate			
Total Population	32,234	205,600	577,760
2010 Census			
Total Population	29,074	184,335	524,554
2000 Census			
Total Population	30,307	183,961	499,359
Daytime Population			
2019 Estimate	34,370	229,211	719,826

2019 Avg Household Income			
	\$33,376	\$48,585	\$55,123
2019 Median Household Income			
	\$22,238	\$28,320	\$31,244
2019 Per Capita Income			
	\$11,335	\$17,581	\$20,337

2022 Projection			
Total Households	11,012	75,947	223,480
2019 Estimate			
Total Households	10,898	73,067	210,588
Average (Mean) Household Size	2.80	2.69	2.62
2010 Census			
Total Households	10,041	66,475	193,013
2000 Census			
Total Households	10,117	62,000	174,112



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