



Northeast Florida



**ABSOLUTE NNN  
INVESTMENT OPPORTUNITY**  
**GROUND LEASE TO SEVEN  
BRIDGES GRILLE & BREWERY**  
9735 North Gate Parkway  
Jacksonville, FL 32216

Exclusively Offered By:  
Colliers International | Northeast Florida



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## COLLIERS CONTACTS



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# Executive Summary & Highlights

Colliers International Northeast Florida, as exclusive sales broker to the owner, is pleased to offer to qualified investors the opportunity to purchase the ground lease for the Seven Bridges Grille & Brewery located in the Southside submarket of Jacksonville, a metro market of about 1.4 million persons.

## THE ASSET

- 1.56-acre outparcel to Cinemark Tinseltown theater
- Improved with a 9,762 SF restaurant, built in 1999
- Ample parking, 121 spaces (12 per 1000 SF)
- Multiple points of ingress/egress and reciprocal parking easement with adjacent movie theater and other users
- All city utilities; zoned PUD

## FINANCIAL

- Strong tenant with good sales volume and health ratio
- 7.5% rent escalation every five years (base and options)
- Zero Landlord responsibilities
- Lease expires 12/2021
- Three 5-Year renewal options (to year 2036)
- Significant upside opportunity if tenant vacates
- Current net rent of \$130,441 (\$13.36/SF)

## PRICING

\$2,485,000

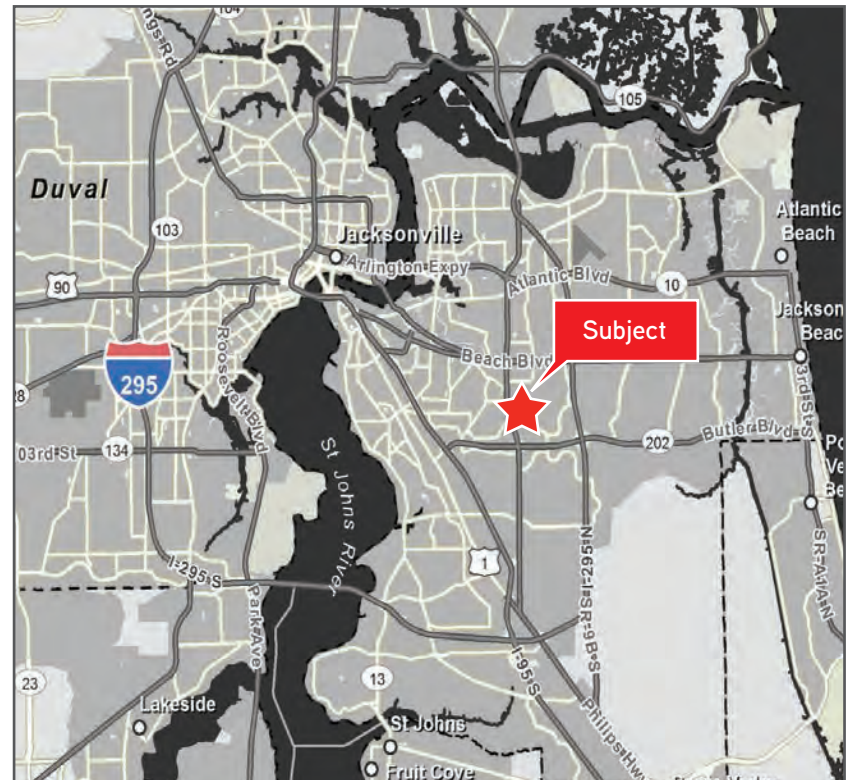
## LOCATION

- Adjacent to Tinseltown Theater, a 20-screen (4,800-seat) Cinemark theater that underwent a \$2.5M renovation in 2017
- Close (2 miles) proximity to The St. Johns Town Center, a high-end Simon-managed lifestyle center which commands the highest retail sales volumes (and rental rates) in the city
- Excellent demand generators for restaurants in the area:
  - o Over 7,200 apartment units and over 1,500 units under construction in the Deerwood submarket
  - o Dense daytime population with several class “A” office campuses housing some of the region’s largest employers, including Merrill Lynch, Johnson & Johnson and Blue Cross Blue Shield
- Southside Boulevard traffic count of 53,000 cars per day
- Central location with easy accessibility from Southside Boulevard, I-95, I-295, J. Turner Butler Boulevard and Gate Parkway
- Population of 71,000 persons, 102,000 daytime employees and an average household income of \$65,000 within a 3-mile radius
- Metro Jacksonville retail market of about 93.9 million square feet of retail with a 4.5% overall vacancy rate (Source: CoStar)
- Southside submarket has 7.4MSF of retail with a 5.7% average vacancy rate (Source: CoStar)



# Property Details

Tenant Name	Seven Bridges Grille & Brewery
Address	9735 North Gate Parkway
City   County   Zip	Jacksonville   Duval   32216
Submarket	Southside
Tax Parcel ID	146036-1225 (currently assessed at \$2,580,400)
Land Size	1.56 Acres±   67,954 SF±
Zoning	PUD (City of Jacksonville)
Building Size	9,762 SF±
Year Built	1999
Lease Type	Ground Lease, Absolute NNN
Parking Spaces	121 spaces (12 per 1,000 SF)
Utilities	City water & sewer
Ingress/Egress	Via Gate Parkway and Deer Lake Court (signalized)
Other	Outparcel to Cinemark Tinseltown (subject to REA)





## Property Photos



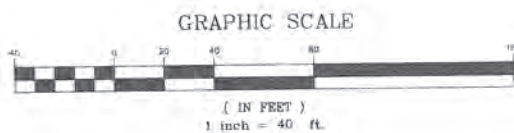


# Immediate Area Aerial





# Tinseltown





[illegible]



# Demand Generators

Aloft Hotel



Blue Cross Blue Shield Campus



Hotel Indigo



Merrill Lynch Campus



Tinseltown Movie Theater





# Demographic Profile

DEMOGRAPHICS	1-MILE	3-MILE	5-MILE	JAX MSA
Population (2016)	7,903	70,771	198,972	1,448,558
Population Estimate (2021)	8,578	76,317	211,813	1,551,376
Population Growth (2016-2021)	1.7%	1.5%	1.3%	1.4%
Total Daytime Population (2016)	13,839	102,182	236,796	1,447,953
Household Growth (2016-2021)	1.7%	1.6%	1.2%	1.3%
Average Household Income (2016)	\$68,082	\$65,070	\$66,575	\$73,327
Incomes Over \$50k (2016)	57.0%	56.4%	55.7%	53.3%

Source: Esri 2016



## POPULATION (3 MILE)

Population 2016: **70,771**  
 Population Growth (2016-2021): **1.5%**  
 2016 Total Daytime Population: **102,182**



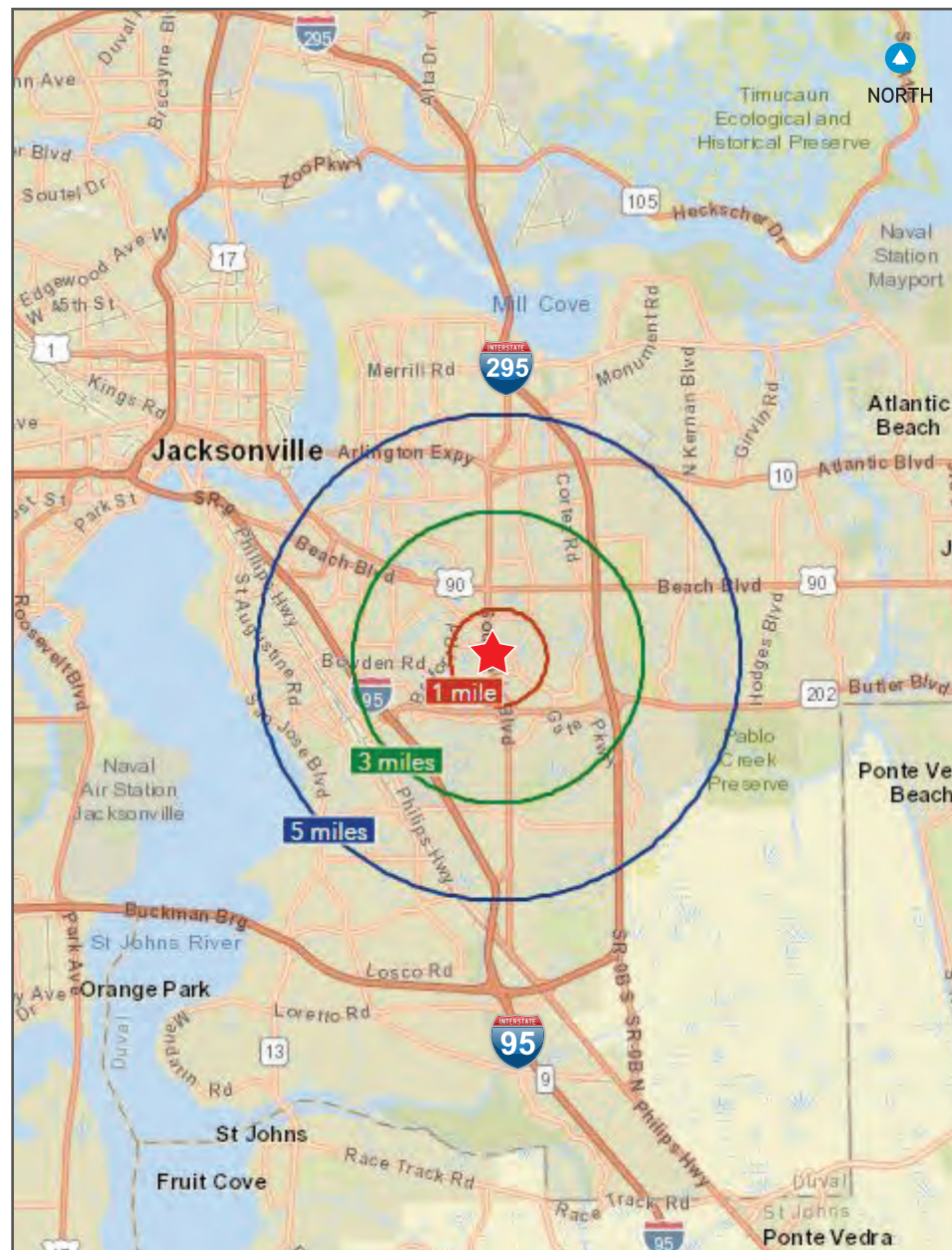
## NEW HOUSEHOLDS (3 MILE)

Household Growth (2016-2021): **1.22%**



## INCOME (3 MILE)

Average Household 2016: **65,070**  
 Income Over \$50K 2016: **56.4%**



Source: Esri 2016



## Surrounding Retailers





# Lease Summary

## LEASE SUMMARY

Tenant Name	Seven Bridges Grille & Brewery
Parent Company	CraftWorks Restaurants and Breweries
Lease Type	NNN Ground Lease (No Landlord Responsibilities)
Initial Base Term	20 Years
Lease Start	12/14/2001
Lease Expiration	12/31/2021
Remaining Base Term	4 years, (as of 1/1/2018)
Options to Extend	Three 5-year options
Base Rent Increases	7.5% every 5 years (base term and option years)
Current NOI	\$130,441

## RENT SCHEDULE

For the Period Ending	Annual Base Rent	Rent/SF (Bldg)	Monthly Base Rent
12/31/2006	\$105,000	\$10.76	\$8,750
12/31/2011	\$112,875	\$11.56	\$9,406
12/31/2016	\$121,341	\$12.43	\$10,112
12/31/2021	\$130,441	\$13.36	\$10,870
12/31/2026	\$140,224	\$14.36	\$11,685
12/31/2031	\$150,741	\$15.44	\$12,562
12/31/2036	\$162,047	\$16.60	\$13,504

## SIGNIFICANT UPSIDE

In the event the tenant does not renew, there is considerable upside in restructuring the lease from a ground lease to a traditional, absolute NNN lease (land and building + patio). The tenant is currently paying \$13.36 PSF, however market rents in this area are in the \$20+ PSF (Net) range for similar restaurant spaces. Leasing up the building in this range would result in a 7.9% return (at ask price). Some of the most successful restaurants in the immediate area report sales in the \$400 to \$1,000 PSF range, more than enough to support these rental rates.

Although the information above was obtained from sources we deem reliable and are believed to be correct, Broker, Seller and their respective employees make no representations as to the accuracy or completeness of the information contained herein, and nothing should be relied on as a promise or representation as to the future performance of the Property. All projections are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Broker and Seller and therefore are subject to variation and error.





## Tenant Profile



Seven Bridges Grille & Brewery (<http://www.7bridgesgrille.com>) derived its name from the fact that there are seven bridges crossing the St. Johns River in Jacksonville, Florida. It is a single-location brewpub and a subsidiary of CraftWorks Restaurants and Breweries (<http://www.craftworksrestaurants.com>), one of the nation's leading operator and franchisor of brewery and craft beer-focused casual dining restaurants with over 200 owned, franchised and licensed locations across 40 states in the US and license locations in Taiwan. Their brands include Old Chicago Pizza & Taproom (108 locations), Gordon Biersch Brewery Restaurant (30 locations), Rock Bottom Restaurant & Brewery (31 locations), Big River Grille & Brewing Works (3 locations), ChopHouse & Brewery (3 locations), Blue Water Grille (1 location), A1A Ale Works Restaurant & Taproom (1 location), Ragtime Tavern Seafood & Grill (1 location) and Sing Sing (1 location). Of these nine brands, three of them are single-location restaurants that are exclusive to the Northeast Florida region, demonstrating a preference for this market (Seven Bridges, A1A Ale Works Restaurant & Taproom and Ragtime Tavern Seafood & Grill). Corporate offices are located in Chattanooga, TN and Broomfield, CO.

CraftWorks Restaurants and Breweries is a private company owned by Centerbridge Capital Partners (<https://www.centerbridge.com>), a multi-disciplined private equity hedge fund based in New York City. The company has total assets of \$29 billion.

## Other CraftWorks Brands



**ALWAYS BREWING.**



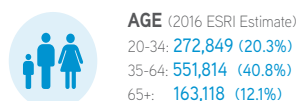
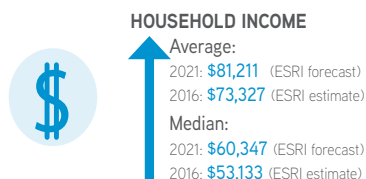
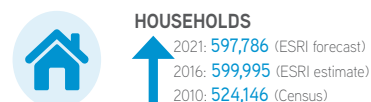
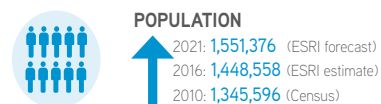


# About Jacksonville

The Jacksonville Market MSA is the largest in the continental United States by area, covering around 875 square miles in the northeastern part of Florida, including Duval, Nassau, St Johns, Clay and Baker counties. Jacksonville is the largest city in the state based on population and growing.

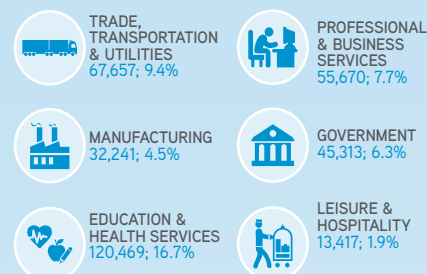
Jacksonville has a vibrant economy with a high concentration of jobs. Companies are attracted to the area for several reasons: low cost of doing business, low cost of living, excellent quality of life, large and skilled employment base, growing population and strong infrastructure.

## JAX MSA Demographic Profile

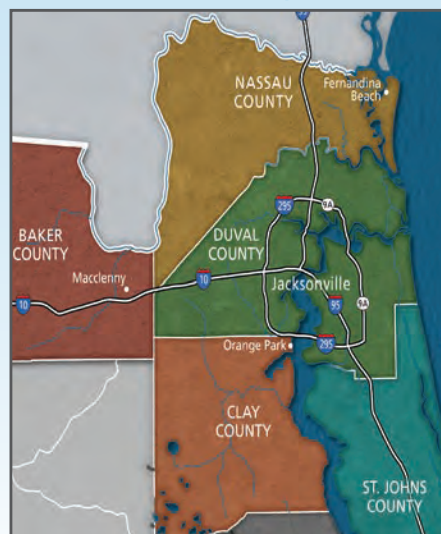


## Employment Market Statistics

Employment by Sector & Percent of Total Employment  
(Source: Infogroup, Inc. Esri Data 2016)



## Jacksonville MSA Map

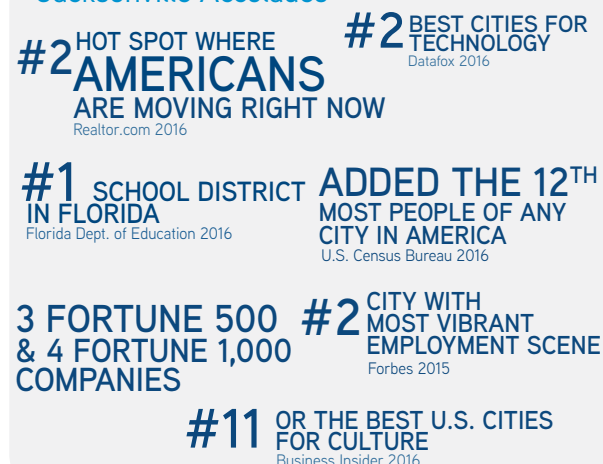


## Largest Employers in Jacksonville MSA

COMPANY	NUMBER OF EMPLOYEES
Baptist Health	9,800
Bank of America/Merrill Lynch	8,000
Florida Blue	6,000
St Vincents	5,720
Southeastern Grocers	5,700
Mayo Clinic	5,500
JP Morgan Chase	3,900
Citigroup	3,700
CSX	3,600
UF Health	3,600
Wells Fargo	3,500
Gate Petroleum	3,125
AT&T	2,600
Black Knight Financial	2,400
UPS	2,300
Catholic Diocese of St Augustine	2,100
Johnson & Johnson Vision	2,000

Source: JAXDATA.org 2016

## Jacksonville Accolades



## Top Companies in Jacksonville





# About Colliers International

Colliers International is a leader in global real estate services, defined by our spirit of enterprise. Through a culture of service excellence, and a shared sense of initiative, we have integrated the resources of real estate specialists worldwide to accelerate the success of our clients.

Colliers International delivers real estate services globally through 15,800 specialized professionals in over 485 offices in 63 countries. Colliers provides advice for clients on over \$75 billion in transactions annually and manages in excess of one billion square feet with revenue reaching \$2.1 billion.

Colliers professionals bring an intimate knowledge of local, regional and global office markets to every real estate assignment. Our brokers are experts at identifying creative ways to match commercial property environments with our client's business needs. This depth of knowledge is built on years of cultivated relationships with tenants, landlords, investors, government agencies and lending institutions.

Whether you want to sell, relocate, renew, build, expand, or buy, Colliers real estate specialists have the market knowledge and industry relationships that can help you capitalize on market conditions and maximize value. By combining our core values with our market and negotiation expertise, we have established a proven formula for success that is evident in the volume of transactions we have completed.



**15,000**

BROKERS  
PROFESSIONALS  
AND STAFF



**2B**

SF UNDER  
MANAGEMENT



**554**

OFFICES



**68**

COUNTRIES



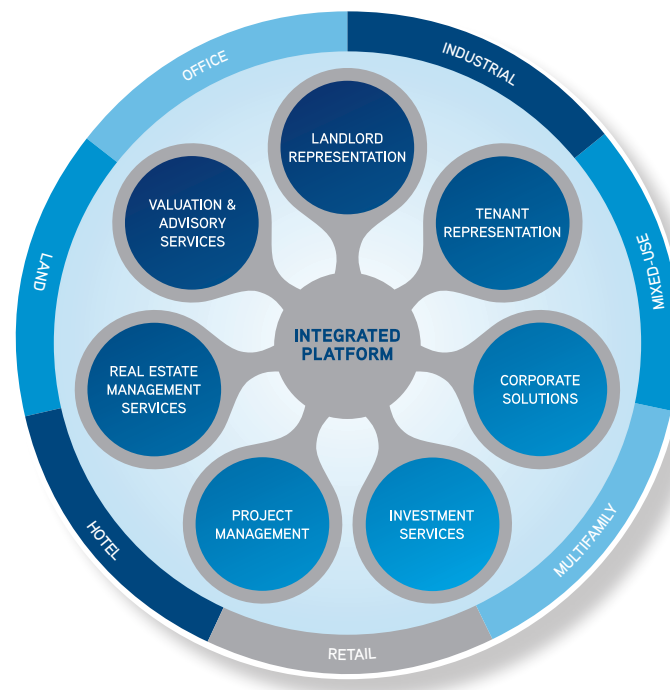
**\$2.6B**

IN REVENUE



**\$105B**

TRANSACTION  
VALUE





EXCLUSIVE OFFERING BY:



Northeast Florida

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