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# Building a burger business in Baltimore

*Checkers looks for real estate, franchisees, staff for 10 new stores*

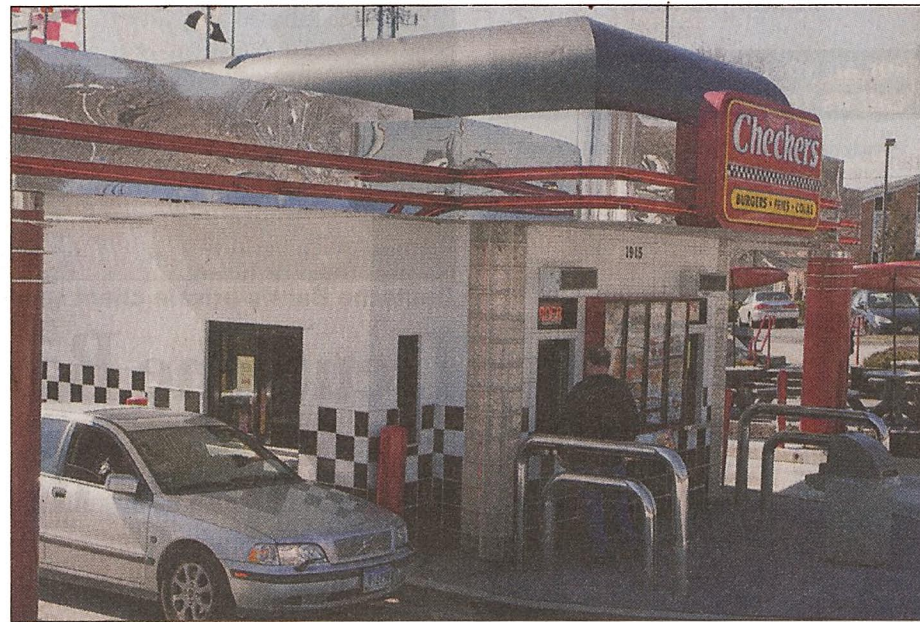
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Checkers Drive In Inc., a hamburger chain known for its fast service and double drive-through lanes, plans to open up to 10 new restaurants and create hundreds of new jobs in Baltimore this year.

Overall, the Tampa, Fla.-based chain plans to launch up to 20 new restaurants in the mid-Atlantic, creating between 30 and 40 jobs per store.

The upcoming expansion will come with a twist, said Jennifer Durham, the company's chief development officer. Although Checkers traditionally has constructed double drive-through buildings, Durham said the company is searching for vacant restaurant buildings to accommodate a changing market. Checkers is scouting for real estate and franchisees, she added.

The new strategy will reduce by half the cost of opening franchises, Checkers CEO Rick Silva said. The average cost



**Checkers Drive In already has 14 restaurants in Greater Baltimore.**

NICHOLAS GRIMER | STAFF

of constructing Checkers' traditional buildings is \$850,000, but Silva said the shift toward former restaurant buildings could make the company more attractive to prospective franchisees.

"It's actually taking real estate assets that we weren't otherwise able to use," Silva said. "We now have a restaurant facility type that matches the need of the marketplace. It's in many cases a lower

investment cost and a better return on the investment for franchisees."

Checkers requires franchisees to have a minimum net worth of \$750,000, of which \$250,000 is liquid per location. Franchise deals, which include 20-year terms, require a \$30,000 fee per location and an estimated initial investment of between \$453,000 and \$627,000.

Checkers already has 14 restaurants in

Greater Baltimore, but company research suggests the Baltimore and Washington, D.C., markets could accommodate a total of 110 locations, Durham said.

Mark Millman, a retail consultant who heads Millman Search Group Inc. in Owings Mills, said Checkers has established itself as a savvy company.

"They're a quality fast-food operation," Millman said. "They've got a good product — convenient, fast and affordable. It's exactly what the market needs and wants."

Checkers, which plans to maintain its existing red, yellow and black branding, will have plenty of real estate options in Baltimore, Millman said.

"There's a lot of facilities out there that are abandoned," he said. "There are some old Burger Kings, old Roy Rogers, vacant on York Road. There's no shortage of high-visibility, high-traffic locations that are ideally suited for a fast-food operation. And the fact is, with this economy, the price is right."

Besides cutting costs, existing buildings also shorten the time it takes to open a new restaurant from one year to six months, Durham said. The company typically spends a few months searching for space.

Checkers buildings have traditionally consisted of about 780 square feet, but Silva said size will vary in the future.