

## Tampa Bay companies increasingly attractive for investors

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by [Margie Manning](#)

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The Tampa Bay area, with its wealth of privately owned family firms and middle-market businesses, is primed for private equity deals, a nationally active business consultant said.

The key, according to Douglas Tatum, founding chairman of the Atlanta-based executive services firm Tatum LLC, is to expose Bay area businesses seeking outside equity to investors.

"The private equity world is flush with investment funds, and they are very interested in these middle-market companies," Tatum told the Tampa Bay Business Journal, in advance of a Sept. 21 panel discussion by private equity investors at a program sponsored by the Association for Corporate Growth. "The more we expose the business community to them, the better."

Private deals on the rise

The hottest deals in Florida used to be in the southern part of the state, but in recent years, Tampa and St. Petersburg have come into their own, Tatum said.

So far this year, there have been 19 private equity deals in the Bay area, according to Hyde Park Capital Partners, a Tampa-based, private investment-banking firm. The total transaction value of the 13 deals for which prices were disclosed was \$290.6 million. The bulk of that was in the single deal of Wellspring Capital Management buying out Checkers Drive-In Restaurants for \$209.3 million.

Private equity deal making has increased from less than 10 percent of all deals at the beginning of the decade to more than 25 percent of all deals now, said John McDonald III, Hyde Park Capital senior managing director.

That's partly because an increase in regulatory costs have led to a slowdown in the number of companies going public. In addition, public mutual funds want to invest in bigger, later-stage companies.

"There's a big void created that private equity companies are filling," McDonald said.

Nationally, 2006 is on track to be a record year for deal making, McDonald said. The previous record was in 2000, at the peak of the tech bubble, while the last part of 2001 and the early part of 2002, after the tech bubble burst, was the bottom of the cycle.

"Now we've gone five years without a major terrorist event in the United States. We've had record low interest rates. Every year since 2002 there's been increasing consumer confidence and a pickup in the economy. The stock market isn't bad, and we have record corporate profits," McDonald said. "When you have a combination of those factors it bodes well for a lot of (merger and acquisition) activity."

Financing sparks growing businesses

2006 Tampa Bay area private equity deals (mergers, acquisitions and private placements)

Target Transaction value

Checkers Drive-In Restaurants \$209.3 million

Think Partnership \$26.5 million

Ideal Image \$16 million

The Amacore Group \$10 million

Accentia Biopharmaceuticals \$8.24 million

Deer Valley Corp. \$6.7 million

Skyway Software \$4 million

Wikia \$4 million

Dynamic Leisure \$2 million

BlastGard International \$1.2 million

Cyber Defense Systems \$1 million

The Amacore Group \$840,000

Medical Media Television \$800,000

American Safety & Health Institute Not disclosed

PODS Enterprises Not disclosed

Chameleon Communications Not disclosed

**Newhomes.com** Not disclosed

Senior Home Care Inc. Not disclosed

Environmental Lighting Concepts Not disclosed

Source: Hyde Park Capital Partners

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