

All await downtown's \$1.8 million answer

By Debbie Carson, Staff Writer

The Temple Terrace City Council voted last week to delay any decisions regarding the downtown redevelopment project until later this month.

The council members still need more answers to their questions about the proposed \$1.8 million price cut in the sale of their downtown property. They must figuring out whether or not to include an arts center and who will pay for it.

They were expected to make a decision last Tuesday, Dec. 4, but instead postponed the decision until Dec. 18.

"I don't intend to vote on a time extension," said Councilman Ken Halloway, the only one to vote against a delay on the decision.

He said that the \$1.8 million that the developer, Pinnacle/Ram, wants to take off the top of the sales price was considered a deal breaker. If the city didn't agree, Pinnacle/Ram would walk. "The game ended two weeks ago," the councilman said.

The council has several issues to deal with before it can decide what to do with regards to Pinnacle/Ram's plans for the downtown area. The Beacon's question and answer follows:

Is the \$1.8 million "market adjustment" reasonable?

Pinnacle/Ram has called the \$1.8 million price reduction a "market adjustment," noting that due to the downturn in the home market, the property isn't worth as much as it once was.

The city is still waiting to hear from its financial advisor, John Stainback of Stainback Public/Private Real Estate, on whether the \$1.8 million is reasonable.

In the meantime, the city's staff has been working with Pinnacle/Ram to find places where the figure can be cut down.

Should the Arts Education Center be included in the plan?

Some members of the city council have said that including an arts center would help to bring more people into downtown and would improve the area's value. Others have voiced concerns about how the center would be paid for and who would operate it.

How much would the Arts Education Center cost and who would pay for it?

Pinnacle/Ram is offering to "sell" the land for \$1 million. The amount would actually be taken off the sales price. There has been little public discussion regarding how much it would cost to build the center. Or who would actually build it.

As for paying for the center, at the outset of planning for the downtown project, community leaders have pledged to donate to a fund for the center. The city would also host a fund-raiser to generate the funding needed for the construction and possibly the operation as well.

Councilman Ron Govin, the council's point-man for the negotiations with Pinnacle/Ram, told the council on Dec. 4 that they have been comparing their proposed arts center with comparable centers in Pinellas County – in Largo and Dunedin. And they have been getting "very encouraging data."

He noted that the Dunedin center brings in enough revenue to offset 93 percent of its costs, "which is phenomenal."

It is unclear whether the comparisons look beyond the financials and into the demographics of the

communities the centers are located in.

How would the city pay to staff the Arts Center and operate it? What kind of revenue would it produce, or would it be all expense?

At this point, the council doesn't publicly have the answers. They are waiting for that information to come back from staff members. Govin has said that the center could possibly recoup some of its costs by offering naming rights to various rooms and other amenities within the center.

Mayor Joe Affronti has said that the city could subsidize it just as the city does for the Family Recreation Complex. The city allocates \$1 million annually.

What about retail prospects?

There are not many existing businesses left on the property. Sweetbay has an attractive lease for several decades. Burger King may be ordered to move from its prime corner to a location further east.

As for prospects, retailers nationwide are being hurt by the housing slowdown and many have cut back expansion plans. Home Depot and Kohl's are coming to a center just outside Temple Terrace. Three new regional malls in Pasco may continue to siphon off retailers from University Mall and other existing centers and locations in Hillsborough.

Can the developer find other places within the site to beef up retail and office space?

Pinnacle/Ram has said that it has tried to find other places within the downtown site to build more retail and office space, but the topography of the site makes it difficult. Also, the developer has cited a downturn in the office-condo market, which makes office space a risky prospect at this time.

Councilman Frank Chillura has agreed with that assessment, noting a couple of times during council meetings that he himself has an office building that sits half empty.

What's this about City Hall moving into the downtown project?

There has been some discussion among the council members regarding moving some City Hall offices to the downtown site – though the location hasn't been ironed out.

Ralph Bosek, the city's community services director, said during a recent council meeting that the council could have its meetings in the Arts and Education Center, using the orchestra pit as the dais – if the arts center were approved.

Should the city even try working to reach an agreement with Pinnacle/Ram?

The council is split on the matter at this point due to Pinnacle/Ram's request to cut \$1.8 million from the sales price of the city's downtown property. Councilman Mark Knapp has called the request a "hiccup" and a "hurdle" he can't jump over.

Another issue the city has with Pinnacle/Ram's recent site plan is that – to some – it looks like a glorified strip shopping center. It does not have the balance of live/work units and is too heavily dependent on retail.

Who wants to break the deal?

While Councilman Halloway might not necessarily want to break the deal with Pinnacle/Ram, he has made several comments publicly that express his current displeasure with the developer.

At the council meeting in late November, Halloway said that had Pinnacle/Ram presented the current planning during the developer selection process a year ago, the firm would not have been selected.

Halloway also questioned the sincerity of Pinnacle/Ram's plan, which the council approved last March.

“Was this a serious proposal or just happy talk?” he asked in November.

Others have also expressed frustration over Pinnacle/Ram’s latest set of plans.

Councilwoman Alison Fernandez has also said that the plans look like a shopping center and questioned the lack of public green space.

Councilman Knapp has said that he cannot support the requested \$1.8 million “market adjustment.”

Who supports the deal?

All but Halloway voted to delay making a decision until they had more information. So, to some extent, they still support moving forward with Pinnacle/Ram.

However, Councilman Govin has been the biggest supporter of continuing to negotiate with Pinnacle/Ram despite the developer’s \$1.8 million request.

Govin has said that even with the loss of the \$1.8 million, the city will still come out ahead in the end.

“What are we losing?” he asked the council in late November. He noted that the city would really be gaining by including the arts center.

If Pinnacle/Ram quits or is fired, what happens next?

As with Unicorp National Developments, if Pinnacle/Ram were to quit or the city decide to fire the firm, the city would move on to its second choice firm from the selection process more than a year ago.

That firm is a joint venture of The Vlass Group, MJ Lant Developments and Marketplace Advisors Inc. They had been the city’s selection committee’s first choice. But in October 2006, when the city council voted, the council selected Pinnacle/Ram instead.

Michael Vlass, of The Vlass Group, told The Beacon last February that the company was still interested in redeveloping Temple Terrace’s downtown. Whether that remains true is not known. Also, DeBartolo Development, which ranked fourth in the committee’s recommendations, expressed continued interest early this year.

The interest of the third developer, Riverhills Temple Terrace LLC, is not known.

What would happen if no developers want to take over if Pinnacle/Ram were to leave?

The city would have a couple options at that point. The council could decide to send out another Request for Proposals. They did that when Unicorp left, which brought in proposals from Pinnacle/Ram and the others.

Another option would be to sell the land to the highest bidder and allow the buyer to do with the property what the city’s zoning and development regulations allow.