

Councilman: City set to lose \$3.5M in downtown land sale

By Debbie Carson
Staff Writer

TEMPLE TERRACE — One city council member wants to do a little more shopping around before finalizing a sales agreement with the city's downtown developer.

City Councilman Ken Holloway reviewed the city's proposed sales agreement with Pinnacle/Ram, the development team tapped to rebuild the targeted downtown area and noted that the city would be taking a substantial financial hit if the agreement were approved.

"When all the dust settles, the city will have lost \$3.5 million on the sale of this property," Holloway told his fellow council members. "I don't think that's acceptable. I don't think it's necessary."

The discussion came before the Tuesday council meeting, as part of the council's Temple Terrace Redevelopment Agency review of the proposed purchase and sale agreement.

Several issues need to be worked out between the city and the developer before either side will sign the agreement.

Holloway's concerns regarding the sales price overshadowed other issues that City Attorney Mark Connolly raised over the proposed agreement.

Those issues included:

- Payment of the \$1.2 million "market adjustment" to Pinnacle/Ram,
- The city's financial deposit and \$400,000 in the escrow fund, and
- The deadline for closing the deal – currently set for July 1.

To that end, the council decided to hold an early morning workshop Monday, Feb. 25, to hash out details prior to another meeting where they might vote to approve the agreement with Pinnacle/Ram.

Holloway's concerns regarding the loss of money on the site – the land between Bullard Parkway and Chicago Avenue – were not met with surprise.

Councilman Mark Knapp reminded the council that he has said all along that the city would lose money by purchasing the land in the first place.

"I believe this is something we discussed when we voted to move forward," said Mayor Joe Affronti.

He said that the council knew that it would not get all the money it wanted from the sale of the Phase One property but that development from the first phase would enhance the value of the property of the second phase – from Chicago Avenue south to the Hillsborough River.

"This is not a surprise," the mayor said.

"I don't think we shopped that property enough," Holloway countered. "I think we can sell that property for what we paid for it."

He added that the city should do more to negotiate the sales price.

"I think we've been through all this, with all due respect," Mayor Affronti responded.

"No, we haven't," Holloway interjected. "We haven't even tried yet."

Councilman Knapp asked about the proposed closing date for the deal, wondering if July 1 was reasonable given the civil plans and permits that need to be issued.

Scott "Skipper" Peek, the managing partner at Pinnacle Realty Advisors, told Knapp that the date is attainable, but aggressive.

"We are going a thousand miles an hour," Peek said.

He also pointed out that his firm has never spent so much of its own money on a project without having even a basic purchase agreement in place.

No one questioned the other issues Connolly had brought up. Instead, the council members agreed to meet at 8:30 Monday morning to discuss what issues they have with the purchase and sale agreement so that Connolly can work on those items with Pinnacle/Ram's attorneys to come to a consensus for future approval.