

Halloway: Downtown is 'incredibly shrinking project'

By Debbie Carson, Staff Writer

TEMPLE TERRACE — What was supposed to be an August closing on the downtown redevelopment deal with Pinnacle/Ram, has become a September date. But at least one city council member highly doubts that even that date will be met.

Councilman Ken Halloway said that the downtown project has become the “incredibly shrinking project,” after learning that the developer is drawing up plans to break construction into phases. He has also questioned the developer’s ability to come up with the nearly \$15 million required of them to close on the purchase.

The Temple Terrace City Council voted 3-2 last Tuesday night to grant a 30-day extension to the development partner in lieu of the developer’s work product in the event the closing doesn’t go through by the Sept. 30 drop dead date.

Pinnacle/Ram wanted the extension without having to pay the city \$130,000 plus extra costs as stipulated in the purchase and sales agreement both parties signed weeks ago.

Councilman Mark Knapp said that the drawings and other materials are of much greater value than the \$130,000 interest payment and other ancillary costs associated with it.

It was a compromise that three of the council members agreed to.

Knapp said that if Pinnacle/Ram were to walk, at least the city wouldn't be stuck at the beginning with nothing to show for their time and effort.

Pinnacle/Ram requested the extension citing the lack of two signed junior anchors and not having the necessary permits from the Florida Department of Transportation for N. 56th Street’s new configuration.

Both are conditions that the developer is required to meet prior to closing on the deal to buy more than 20 acres of property on the southeast corner of N. 56th Street and Bullard Parkway.

Pinnacle/Ram has signed one junior anchor to the site, but could not sign the second one it had on the hook, according to City Attorney Mark Connolly.

If the developer can’t find another junior anchor – and soon – it is possible that the signed junior anchor will walk, he added.

“I don’t think anything is going to change in 30 days,” said Halloway, regarding the extension.

The development team had told Councilman Ron Govin four days prior to the council meeting about the request. Govin serves as the council’s point man in negotiations with the development partner.

At the time of the request, Pinnacle/Ram’s officials told Govin that they were working on a Plan B of sorts that would break the project into smaller pieces so development could get started, but on a slower track.

“They want to move forward,” Govin said of Pinnacle/Ram, and asked that the council support the extension.

Halloway said that he was beginning to get the impression that the development firm is unable to come up with the money it needs to close on the deal.

The current agreement is that Pinnacle/Ram would buy the property from Bullard Parkway to Chicago Avenue on the east side of N. 56th Street for just under \$15 million.

Councilman Frank Chillura shared similar frustration over the project's status.

"I don't know where to start," he said. "I'll try to behave."

Chillura said that the city needed to enforce its policy regarding the \$130,000 payment for the extension, noting that the city would be out of pocket for the loan interest through no fault of the city's.

"If we weren't going to enforce it, we shouldn't have put it in there," he said.

Also, as far as risk goes on a redevelopment project, Pinnacle/Ram's is small by comparison to other projects, according to the councilman. He explained that there would be businesses already in operation from Day One, meaning there would be a cash flow from the start.

Both Sweetbay Supermarket and Burger King will be open during construction.

Chillura also took issue with Pinnacle/Ram's reasons for requesting the extension. He said that Pinnacle/Ram knew at the beginning that the transportation department would most likely not have the permit approved yet for 56th Street.

"They have a lot of loopholes," Chillura said of Pinnacle/Ram's ability to walk away from the project.

After the 3-2 vote in favor of the extension, which both Chillura and Halloway voted against, Chillura asked the council what they would do if Pinnacle/Ram asked for yet another extension.

"You got to put your foot down," he said. "Stop the bleeding. It's a joke."