

City seeks 3rd developer as retail, housing markets weaken

By Debbie Carson, Staff Writer

TEMPLE TERRACE — As Temple Terrace leaders re-examine their plans to revitalize the city's downtown core, they will be weighing their options for the city's future.

The city's second developer partner, Ram Development Co. and Pinnacle Realty Advisors, walked away from the city earlier this month.

Ram/Pinnacle cited the sluggish economy as its reason for quitting. The company had sunk more than \$600,000 into the project over nearly two years it had been involved with Temple Terrace.

So what's next for the city? Only time will be able to answer that. In the meantime, the city plans to have a work session in the near future where the city council and members of staff will be able to evaluate the city's options and formulate a plan.

What are the city's options?

There are three main options that the city's leaders could be entertaining. First, the city could turn to The Vlass Group, which was the top-ranked developer when the city sent out for qualifications in 2006. The firm could tell the city whether or not it is interested in pursuing the downtown redevelopment project. If it is, then The Vlass Group and the city would work through negotiations much like the city did with Pinnacle/Ram.

If Vlass is not interested, the city could either proceed to contact the remaining two developers on the city's short list – DeBartolo Development of Tampa or Chesapeake Atlantic Holdings Inc. and Transwestern Commercial Services.

The worst-case scenario would be that none of the developers are interested in the project anymore. In that instance, the city would have to decide whether it would take on the development project itself or redo the Request for Qualifications process.

Councilman Ron Govin, who has served as the council's point man during discussions between staff and Ram/Pinnacle, has said that going back to RFOs would take the city at least nine months "in the worst, the worst of times."

What were the original plans the short-listed developers crafted for the downtown project?

Temple Terrace Investments did not provide a timeline or detailed costs when it responded to the city's Request for Qualifications in 2006. The joint venture of The Vlass Group, MJ Lant Development Inc., and Marketplace Advisors, is known for its work on the Altamonte Town Center. The firm said at the time that it would expect to work closely with the city to get a better sense of what the expectations and needs are.

"A timeline is nearly impossible to determine at this stage of the process, and providing one would ultimately involve expectation that may not be met," the firm wrote in its application. "The amount of due diligence and existing tenant negotiations cannot be determined at this time. Additionally, we cannot determine how long it will take to negotiate a Development Agreement with the city."

As for the firm's market feasibility submitted during the RFO process in 2006, Temple Terrace Investments believed the project could work, provided the right ratio of retail, office, residential and civic uses were created. "All urban mixed-use developments must have a good ratio," the firm wrote. "The daytime traffic of office and the nighttime traffic of residential helps

the retail tenants and keeps the area vibrant during all hours of the day. The addition of civic uses is a positive and welcome inclusion into the mix.”

Repeated attempts to reach Michael Vlass, of The Vlass Group, were unsuccessful.

Tampa-based DeBartolo's 2006 RFQ response called for creating quick momentum for the troubled project by creating a new face on 80 percent of existing space, keeping Sweetbay, Burger King and Regions Bank (now vacant) where they were. DeBartolo proposed then creating a restaurant row inside the property and linking stores and shops by awning covered walkways, not necessarily along busy 56th St. At the time, city leaders dismissed DeBartolo's proposal, calling it a glorified shopping center.

Riverhills Temple Terrace LLC, a joint venture of Tampa-based Chesapeake Atlantic Holdings Inc. and Transwestern Commercial Services, of Chicago, said it would build a winding north-south Main Street through the middle of the property and would build City Hall in Phase One. In that phase, the firm plans to build the Sweetbay grocery, retail stores facing 56th Street with parking, the first parking structure, and City Hall and the Post Office. “By the end of Phase One, we will have a 3-block, 900-foot long main street, 200 residences and a public square,” the firm wrote in its response.

What was Ram/Pinnacle's original response to the RFQ in 2006?

Pinnacle Realty Advisors/Ram Development/Cooper Carry planned to provide a mixture of office, live/work units, retail and a variety of restaurant uses containing approximately 110,000 square feet fronting on Bullard and 56th. The first phase would include small office and shop spaces, quality tenants, restaurants, a bank, bookstore, coffee shop and other similar businesses.

The second phase would include the residential units consisting of a mix of flats, condos and townhomes.

What must Temple Terrace do with Ram/Pinnacle to officially sever its ties?

Technically, the ties were severed the moment the developer sent a “Dear John” letter to the city saying it was walking away. However, there are a couple loose ends that need to be taken care of. The city must wire Ram/Pinnacle's \$400,000 escrow deposit back to the firm.

Also, the city must get Ram/Pinnacle's work product from the firm. That work product includes architectural renderings, lease negotiations, construction schematics and other such documents.

If Ram/Pinnacle refuses to hand over the documents, which the firm agreed to do in the Purchase and Sales Agreement, the city may be forced to file a civil lawsuit to gain the work product, according to City Attorney Mark Connolly.

Now that the downtown project is on hold, what is the status of the Arts and Education Center?

Councilman Frank Chillura recommended to his fellow council members at a special council meeting on Sept. 12 that the city find a site within the downtown redevelopment area for the arts center and go ahead and start construction. He explained that the city would be better off carving out the site within the redevelopment area “so you're not a hostage” to the developer partner later on.

“People want to see something happening,” the councilman said. By getting started on the arts center, the citizens would see that the city is still dedicated to revitalizing the downtown core and the center would serve as a marketing tool for the next developer partner, Chillura said.

Where the arts center could be located has yet to be decided.

Temple Terrace resident and developer Bill Martin cautioned the council against carving out a site for the center without having a developer on board. "They know the business," he said of the development community. "You don't."