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Developers get nod to move forward with downtown Temple Terrace plan

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TEMPLE TERRACE — A revised plan to redevelop Temple Terrace's downtown corridor didn't get the same support the original did back in March, but the team of Ram/Pinnacle Co. Architects and Realty Advisors now have a green light to move forward.

The Temple Terrace City Council approved a plan in a split vote that would bring more than 200,000 square feet of retail and 24,000 square feet of residential space to half of a 12-acre site on the southeast corner of Beach Boulevard and North 56th Street. The new redevelopment plan includes removal of nearly all of the original residential components, except 24 live-work rental units, and will cost Ram/Pinnacle \$23.5 million and the city around \$1.2 million.

RAVING ON THE PROMISE

As part of the deal, Ram/Pinnacle will buy 17.5 acres of land for \$14.9 million, or \$851,000 an acre. At the same time, Ram/Pinnacle will give 1.5 acres back to the city for \$900,000 so it can build an arts and education center.

PROJECT SNAPSHOT

TEMPLE TERRACE DOWNTOWN REDEVELOPMENT

Southeast corner of Beach Boulevard and North 56th Street

TOTAL RESIDENTIAL: 24,000 square feet

TOTAL COMMERCIAL: 203,440 square feet

LAND ACQUISITION: 17.5 acres for \$14.9 million

TOTAL CONSTRUCTION COST: \$23.5 million

PREDICTED DEVELOPMENT YIELD: 8.35 percent

SOURCE: Ram Development Co., Pinnacle Realty Advisors

The rest of the land will be considered for a second phase of development after the first part is completed and will likely include 9 acres dedicated to parks and other civic uses.

Market conditions forced the removal of most of the residential components, and much of the redevelopment will be more of a strip mall style like the structures already there. That was something that didn't sit well with Councilman Ken Halloway, who voted to approve the original project last March but dissented in Tuesday's vote.

"What we're looking at tonight, simply stated, is whether or not we're going to accept in our southeast quadrant another shopping strip, and in doing so, abandoning our original long-standing goal of an urban town center," Halloway said. "There is a number of people who say they have no choice but to accept the Ram/Pinnacle proposal that's on the table, but I am not in that number. I believe that we still have options available to us."

Councilman Frank Chibarra also expressed reservation about the new plan, especially since he felt the project could cost the city more than just a \$1.2 million "market adjustment" overall, and voted against the project when Mike Harzman — a managing partner for the Palm Beach Gardens-based Ram Development — said the company was unwilling to reduce that market adjustment any further.

However, Harzman said the developer could consider a proposal by Councilman Mark Knapp that would force Ram/Pinnacle to pay to the city nearly \$64 per square foot for any increase in buildable square footage up to \$1.2 million. Such a plan would require building 20,000 more square feet.

"The market right now is going to get worse before it gets better, but by the time this project gets up and is on its way, things are going to start turning around," Chibarra said. "This is not even addressing the issue of reducing the amount of square footage in this product that has reduced our [revenue generated from tax incremental financing] by \$2.7 million over a 30-year period."

MOVING FORWARD

In a pro forma submitted to the city before Tuesday's meeting, Ram/Pinnacle expected rents in the live-work units to

run \$1.25 a square foot to create annual revenue of \$362,000. Commercial rent would average \$14.75 per square foot to add another \$3 million to that total.

In the end, Ram/Pinnacle expects a \$4.6 million profit on the project's first phase with overall construction costing around \$157 per square foot.

Local developer Bill Martin, who is not involved in the project, urged the city council to move forward with Ram/Pinnacle's revised plan since the city was losing \$100,000 a month by carrying the property over the last four years, and potential ten-

ants along with that.

"Within the two years that I know of that we sat on this thing, you've actually closed the door on a lot of retailers in the area," Martin said. "There are areas around New Tampa that are emerging, and the retailers that could've come here are moving. Who knows what will happen if you choose to wait another year or two?"

The council approval now sets in motion a plan that could have Ram/Pinnacle close on the initial 17.5 acres by July 1.

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