

Temple Terrace redevelopment now a battle of fine points

BY MICHAEL HINMAN

STAFF WRITER

TEMPLE TERRACE — An agreement between city officials and an Atlanta developer to build a new Temple Terrace downtown is fleeting, and Tuesday the city council itself was asked to referee.

The problem is that the city council is just as divided as the two sides. There are fears that a development partnership put together by The Vlass Group is taking on far less risk than the city, and if the project fails, taxpayers will be responsible.

The council voted 3-1 to meet most of the terms requested by Vlass Temple Terrace LLC principals Michael Vlass and Michael Lant but would not relent on a clause allowing the city to ask a court to order construction completed in the event of a default.

BATTLING OVER RISK

“Without this, the city has no chance at damages, no guarantees,” City Attorney Mark Connolly told the council. “Without this, I cannot protect the city’s interest.”

Vlass maintained that such a clause was unnecessary because if the agreement is breached, they would be forced to give back the 29 acres located south of the intersection of Bullard Parkway and North 56th Street. At the same time, if construction began and something happened to the developer, someone else would jump in to complete the project, especially if they could take it over for pennies on the dollar, Vlass said.

Councilman Ron Govin, however, felt Vlass Temple Terrace already was getting the better end of the deal, including a provision allowing it to collect 50 percent of rental income from the main portion of the existing shopping center, amounting to roughly

\$200,000 a year, as well as getting land the city paid \$21 million to acquire for free.

“This is a deal of the lifetime, just on the wrong side of the table,” Govin said.

The development team is taking on considerable risk, too, Vlass said, including being responsible for the financing and equity it will need to dump into the proposed \$150 million project. It was a point Councilman Ken Halloway agreed with.

“I don’t believe The Vlass Group is out to snooker the city,” Halloway said. “He doesn’t make any money until he puts something into the ground, and he’s not going to just sit on this property. That doesn’t do him a damn bit of good.”

Both sides will return to closed-door negotiations with the hopes of hammering out a final developer agreement by the end of the month.