

Old Mall Moving To New Owners

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TAMPA - One of Hillsborough County's oldest active enclosed malls is being sold to a California investment group for \$145 million

Owners of Tampa's University Mall on Thursday told investors the 95-acre, 1.3 million-square-foot retail site should change hands this summer to Somera Capital Management, an investment group that also owns two local hotels.

Shoppers who visit the 33-year-old mall, geared in part to the teen and young adult market, likely won't see immediate changes. Glimcher Realty Trust will continue to manage the mall a year after the sale, Lisa Indest, the company's vice president of finance and accounting, said Thursday.

Glimcher has no plans to sell its other Tampa property: WestShore Plaza, Indest said.

Charlie Christensen, Somera's vice president for asset management, declined to comment on the pending sale. But according to the company's Web site, University Mall will bring to six the number of retail properties Somera has purchased since 2003.

The company's strategy, according to its Web site, is to renovate or make cosmetic improvements to an acquisition, and sometimes reposition its stores to broaden its appeal.

This purchase no doubt will raise Somera's Tampa profile. Since 2005, the company has added a Temple Terrace and north Tampa Hilton Garden Inns to its portfolio. Somera also owns office and multifamily properties in California, Georgia, Colorado, Texas and Washington.

Glimcher's Indest said University Mall was never seen as an underperformer, despite the company's decision to place it on the market with four other company properties a year ago.

"We've always felt it was a trade dominant property," she said, meaning it was successful financially.

In fact, despite its age, University Mall leases more than 90 percent of its retail space, General Manager Thomas Locke said. The estimated 165 stores include Dillard's and Macy's department stores and a Regal Cinemas movie theater.

What most distinguishes University Mall from other Tampa Bay centers is its clear focus on the lucrative young adult market via trendy retailers such as Pac Sun, Papaya and the Zumiez skateboard and apparel store.

The mall's retail demographics and its continuing high traffic numbers can be attributed to the nearby University of South Florida but also four nearby hospitals and USF's large faculty and staff, Locke said.

A year ago, Glimcher announced it was putting University Mall on the market as part of a plan to shed five of its 30 retail properties across the country.

The nearly \$150 million combined from the sale of University Mall and smaller malls in Texas and Alabama will provide capital for other Glimcher redevelopment projects, Chief Executive Officer and President Michael Glimcher told investors.

Ohio-based Glimcher Realty Trust saw its stock rise Thursday by just under 2 percent after the sales update and a negative earnings report. The stock closed at \$27.96 a share, up 50 cents.

First-quarter earnings fell to about \$1.1 million from almost \$4 million in the same period a year ago. Company officials attributed the difference to the fact that in early 2006, Glimcher reaped extra revenue from several property sales and several lease agreement terminations.

The plan to redevelop Glimcher properties right now does not include WestShore, one of the company's premium market-dominant properties. It underwent several upgrades after Glimcher purchased the mall in 2003, Indest said

University Mall's \$145 million selling price, announced during Glimcher's earnings meeting with investors Thursday, was lower than the \$149 million listed in a tentative agreement reached in February.

That initial contract, however, was canceled and the price lowered 3 percent. Somera officials discovered problems with the structure that's more than 30 years old and asked for a new contract, Michael Glimcher said.

"We both came to a price that we were comfortable with," he said.

Glimcher Realty Trust purchased University Mall in 1997 for \$108 million, and made about \$18 million in renovations and improvements during that time.