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Sarasota/Bradenton Airport



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Airport Agrees to Lease Its Land for Development

By Sara Kennedy

MANATEE COUNTY - A long-delayed plan to lease 7.8 acres of airport property for a \$100 million mixed-use development that calls for a hotel, restaurant and office complex was unanimously approved Monday by the Sarasota Manatee Airport Authority.

The authority approved a 99-year lease of airport land fronting University Parkway at the entrance to the airport for the SRQ Innovation Green project.

The project will include an 80-suite hotel, cafe and office space. It has been in the planning stages for about six years.

Groundbreaking on the complex is slated for Aug. 1, 2007, according to John Patterson, attorney for The Folsom Group, architects for the development.

"It'll be a great project. I look forward to getting it off the ground," said authority Commissioner Susan M. Kelly after the meeting. However, she said the FAA still must approve it. But she predicted "it shouldn't be an issue."

"It's exciting. After years of delay, this thing is finally beginning to move forward," Commissioner Bob Waechter said.

The lease, which is effective on the date it is approved by the FAA, grants Innovation Green LLC use of four parcels. The lease requires that plans for the first buildings to be built must be submitted to the authority for review by Aug. 1.

Developer Enzo Gagliardi, president of Finergy Development LLC of Sarasota, said that the cost of the project would be close to \$100 million and construction

would span four or five years. In 2005, Gagliardi also converted an abandoned assisted-living facility in Sarasota into Homewood Suites, a 100-unit hotel on Fruitville Road, according to the company's Web site.

Some of the reasons why it has taken so long to get the project started were changes in plans and difficulties in getting regional impact approval.

Under the lease agreement, the airport will receive \$170,000 in reimbursement expenses with interest at 7 percent. The lease requires monthly installments of \$1,131 for 360 months plus sales tax each month.

For Parcel A, the initial annual rent under the terms of the lease will be \$.175 per square foot per year. However, once the first building is awarded a certificate of occupancy, or on Aug. 1, 2007-whichever comes first - the rent increases to \$.34 per square foot. Originally the project was to have been about 131,000 square feet, but that number could drop depending on the exact number of hotel suites built, according to members of the development group.

Rent is subject to consumer price index adjustment, the lease says. The tenant must also pay concession fees of 2 percent of the gross revenues for food and non-alcoholic beverages and 4 percent of gross revenues for alcoholic beverages.

The lease calls for higher rents should the development group miss certain construction and time deadlines.

"We're real pleased it's in its final stage and we look forward to completion of the development that will provide benefits to the airport and the community," said Fred Piccolo, president and chief executive of Sarasota-Bradenton International Airport.

In other action Monday, the authority discussed the possibility that Sarasota and Manatee counties might want to add a rental car fee of \$2 per car allowed under a bill recently passed by the Florida Legislature. The bill, which Waechter said still must be signed by Gov. Jeb Bush, would allow the counties to tack on fees in order to finance transportation improvement projects. Voters would have to approve the fee in a ballot referendum, he said.

If approved, Waechter said the fees could produce \$537,000 for Manatee County and \$2.3 million in revenue for Sarasota County based on 2005 car rental patterns. The money would be used for a long "wish list" of transportation projects, he said.