

## Hampton Inn & Suites

### Sarasota/Bradenton Airport



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## Innovation Green Gets New Player

By Kathleen McLaughlin

Hotel builder Finergy Development wants to take over a long-delayed airport project, Innovation Green. Finergy is asking the Sarasota-Manatee Airport Authority to approve the transfer of a ground lease held by architect Frank Folsom Smith since 2001 to a new company, SRQ Innovation Green.

Smith first conceived of Innovation Green as an "urban village" used for business meetings, technology development and education. At this point, the development plan calls for office buildings and possibly a hotel.

A site plan approved by the city of Sarasota shows about 126,000 square feet of offices and a 50-seat cafe on four acres fronting University Parkway.

Finergy is an offshoot of a European development company led by Innocenzo "Enzo" Gagliardi, who could not be reached for comment Friday.

The two-year-old company's first local project was converting an assisted-living home on Fruitville Road into a Homewood Suites.

The work has garnered letters of support from GE Commercial Finance and Hilton Hotels Corp. The company has plans for a hotel in Tampa's Channel District and a hotel with condos and retail in Nokomis at Albee Road and U.S. 41.

Gagliardi came into the picture through a chance meeting with Smith. The two are next-door neighbors.

Smith was looking for a new partner after he unexpectedly parted ways with Dr. Mark Kauffman and a Michigan-based developer, Burton-Katzman.

The midstream change, coupled with the fact that Smith did not start building in January as expected, raised questions from airport authority members.

They said they wanted to know more about Smith's future partners. Airport financial officer Martin Lange visited Finergy's offices in April and found that while the company doesn't have a long track record in the United States, Gagliardi's personal assets are substantial.

The airport authority is asked to approve a lease that would raise the rate from 17.5 cents to 34 cents per square foot and extend the term from 70 years to 99. The lease is for four parcels that add up to 7.8 acres near the airport entrance on University Parkway.

The new rate, 34 cents per square foot, will be applied in two different stages, the first by Aug. 1, 2007; the second by Nov. 1, 2010.

Innovation Green would generate about \$116,106 per year in ground rent by Nov. 1, 2010, under the new lease. The new lease also calls for the airport to get 2 percent of food and beverage sales and 4 percent of alcohol sales from a hotel, if one is built.

Innovation Green will get one six-year renewal if it has executed a contract for construction of a hotel and starts vertical construction no later than Feb. 1, 2011.

Smith is already paying rent on the first parcel under the old lease, and he owes the airport \$170,000 in permitting fees.

Innovation Green was part of a regional development plan that covers the entire airport. The final development order wasn't issued until Jan. 1, 2005.

The lengthy permitting process explains part of the delay, but it has become clear since Smith requested

an extension of the lease that he was not ready to start building.

Smith was to start construction by Jan. 28 of this year but argued that the deadline wasn't clear.

Smith said Friday that he will not be in control of the project if the airport approves the lease and a new operating agreement Monday.

Finergy would own 90 percent of SRQ Innovation Green, while Smith would have 10 percent, according to the proposed operating agreement.

Smith would serve as director and vice president with design and planning responsibilities, a letter from his attorney said.