



The
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975 UNIT CONDO AND MIXED USE COMMUNITY WITH APPROVALS Downtown Tampa, Florida

The owners of the historic Kress & Grant buildings are offering a rare opportunity for a developer to participate in taking this project vertical. Located in downtown Tampa—one of Florida's hottest redevelopment and condo markets—this development has all approvals and is ready to go.

Complete Offering Memorandum Including 130 page market study plus over 1,000 pages of due diligence material available to qualified registered Purchasers.

Building Information

Kress—801, 811, & 815 N. Franklin
Grant—901, 911, & 915 N. Franklin
Tampa, Florida

Site Configuration : Two square city Blocks
 Bldg Size : 1,020,226+/- sf (once developed)
 Land Size : 2.02 +/- acres
 Total est. Development Expense : **\$201,000,000**
 Est. gross sales price of condo's : **\$386,000,000**
 Current value of Entitlements & Land : **\$46,000,000**
 Offering Price : **\$32,000,000**



Site includes historic improvements from 1930's...

[Click here for a PDF of this entire document](#)



Marketing Team

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Tampa, Florida

Tampa:

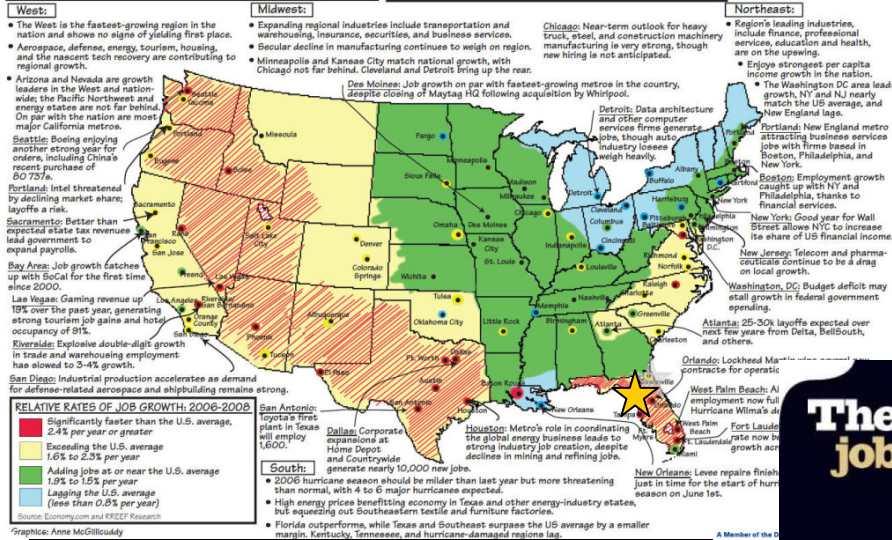
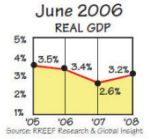
Known as the City of Champions— Home to the super bowl Champions the Tampa Bay Buccaneers, Tampa has also hosted three Superbowl's with another coming in 2009. Tampa is home to the Tampa Bay Lightning (Hockey), Devil Rays (Baseball), Storm (Arena Football), and Strong Dogs (basketball)

US Economic Growth to Slow Through 2007

- Above-trend growth continued through the first quarter of 2006, despite rising interest rates and gas prices of nearly \$3.00 per gallon.
- The housing market shows signs of cooling, with sales falling and price appreciation slowing.
- Inflation has crossed over the top end of the Fed's comfort range. Interest rates are on an upward trajectory as well.
- In 2007, the US economy is forecast to experience below-average growth due to slower consumption and a subdued housing market.

Regional Perspective: 2006-2008

- The West leads in job creation, followed closely by the South. The Northeast and the Midwest are growing at about half the rate of these regions.
- The Pacific Northwest, Mountain West, Texas and Florida are growth leaders.
- California, the Southeast, DC area, and the Plains states are experiencing growth on par with the nation.
- Lagging areas include the Northeast, Great Lakes, and hurricane-hit Louisiana and Mississippi.



The State of Florida has been identified as one of the fastest growing states for job growth between 2001 to 2005 (below). Wylie's map (left) has identified the entire state as a hotbed of new employment growth.

The City of Tampa is ranked 9th in the nation for employment, population and household growth. With an annual job growth in excess of 3% and some 50,000 jobs—demand for Tampa real estate is strong.

Tampa's basic industries include Retail Trade, Information, Finance & Insurance, Scientific/Technical services, Admin (Corporate Headquarters), and Tourism.

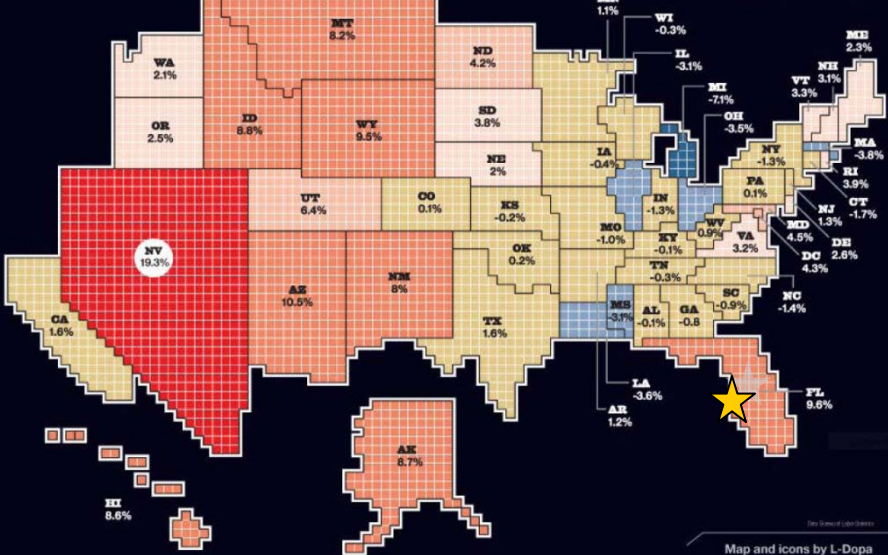
The state of job growth

What would the U.S. map look like if it was redrawn based on the pace of job creation? We did just that, taking each state's five-year growth rate and adding or subtracting from its size accordingly. The results? California is a narrow silver clinging to Nevada; Michigan and Massachusetts barely exist.

Color key

- More than 16%
- 8% to 15.9%
- 4% to 7.9%
- 2% to 3.9%
- 1.9% to 1.9%
- 3.9% to -2%
- 7.9% to -4%

States with the highest rates of job creation between 2001 and 2005 are red; those that lost the most jobs are blue.



- #9 ranked Tampa one of the best cities to start and grow a company and Tampa ranks as the fastest growing city among cities in the United States with populations greater than one million.
- Ranked #6 by Milken Institute for "Best performing Cities: Where America's Jobs Are"
- Ranked in the top 20 of markets in the nation for healthcare concentration
- Ranked as the 2nd least expensive place to do business by a KPMG Study
- Ranked by Forbes Magazine as 36th Best City for Singles



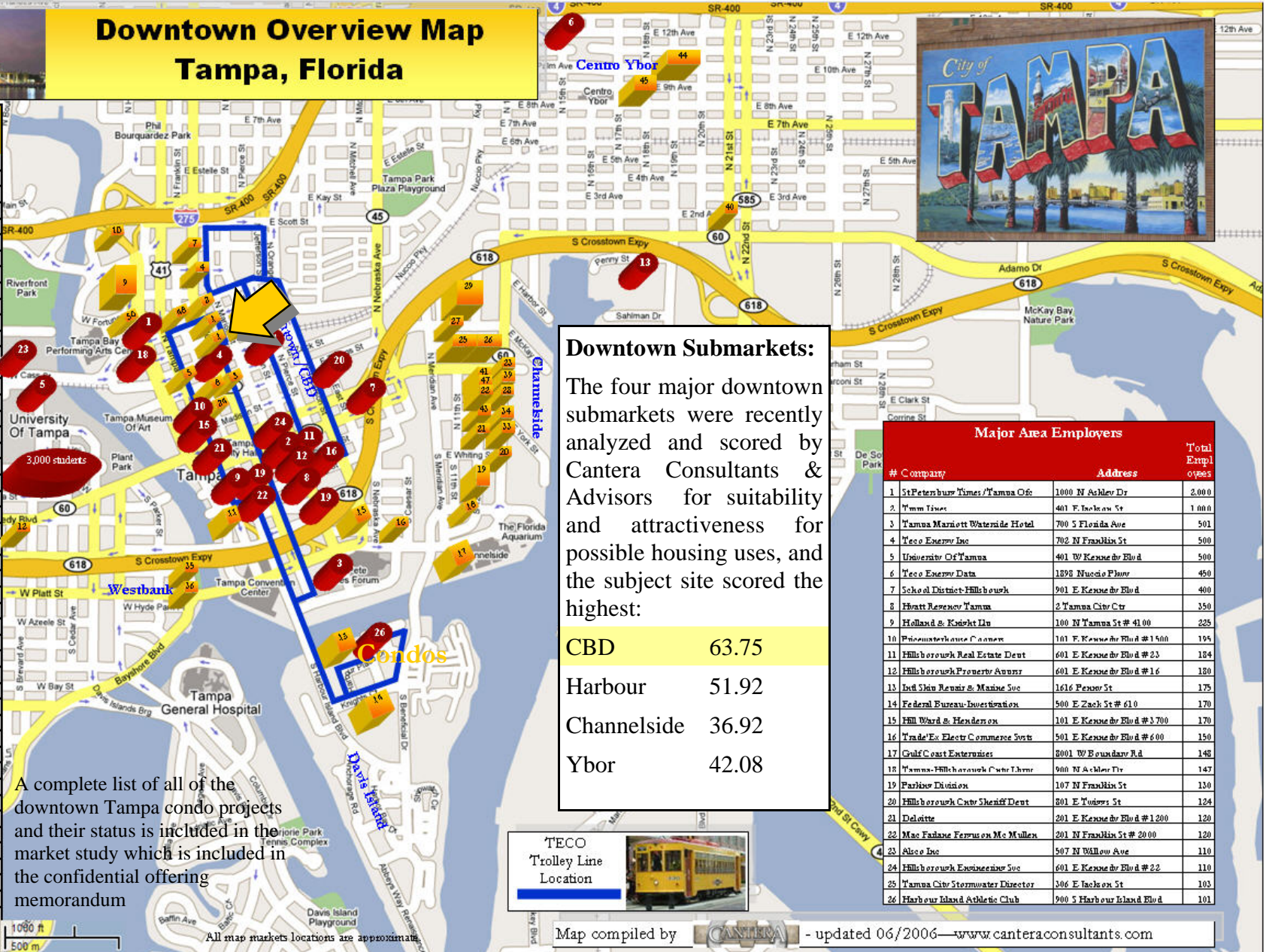


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Downtown Location Map

Downtown Overview Map Tampa, Florida

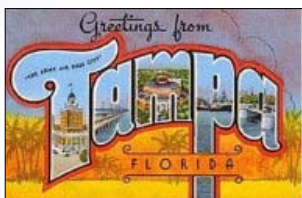
Community Identifier			
#	Name of Apartment	# of Units	# of stories
1	Kress/Grant Block	975	40
2	Royal	182	27
3	Mass Brothers	500	33
4	Resid. @ Franklin	40	8
5	Skypoint	400	32
6	Arlington	21	2
7	Carriage House	12	4
8	Franklin Street Lofts	4	4
9	Denhotz/Gateway	600	40
10	Arts Center	42	5
11	Trump Tower	190	52
12	Aglano	346	8
13	Park Crest	336	9
14	Plaza Harbour	142	20
15	Crescent Heights	820	27
16	Plaza Channelside	251	40
17	Blue Channelside	250	30
18	Towers Channelside	257	24
19	Seaboard Square	370	14
20	Victory Lofts	89	7
21	Meridian	37	6
22	Slade	280	8
23	Lafayette Lofts	30	6
24	Spain Lofts	6	2
25	Grand Central	392	14
26	Ventana	84	11
27	The Martin	314	22
28	1000 Channelside	10	4
29	Seaport	416	5
30	Four Seasons	410	15
31	O2	182	45
32	Riverside/Residence	Trump	
33	Place at Channelside	244	8
34	Place at Channelside	196	32
35	One Bayshore	26	26
36	Parkside One Bay	104	17
37	Residents Pinnacle	340	40
38	Westshore Yacht	90	15
39	212 Channelside	28	2
40	Box Factory Lofts	53	2
41	12th Street Lofts		
42	Villa Sonoma	249	
43	Novare Group	405	30
44	Quarter @ Ybor	8	
45	Ybor Village	454	
46	Floridan	44	
47	Kennedy Residences	274	25
48	Tampa City Lofts	250	37
49	Franklin Tower	385	34
50	Ashley Tower	400	34





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About its submarket



Cantera Consultant & Advisors performed a comparison shop and rent survey analysis on newer competing communities in the area and found rent levels between \$2.03/sf for studios to \$1.58/sf for three bedroom units.



Located in the Central Business District for the City of Tampa, the property is well positioned along the northern end of downtown.

The site enjoys easy access to Interstate 275, is located on the downtown trolley route, and is located on the major bridge/overpass to the University of Tampa.

The subject property is located in the Tampa-South trade area as determined by the *Apartment Index*, a RealData publication on apartments covering the Tampa MSA. Currently the Tampa-South submarket contains 5,201 units that make up 4.7% of Tampa's apartment supply. Currently, the Tampa-South Submarket has a 1.6% vacancy rate and average rents of \$931 or \$1.16/sf (the highest in the MSA). Same store rents have increased 6.2% over last year.



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A brief property history



“The Samuel H. Kress “name adorns one of Tampa's most recognizable and ornate downtown landmarks. On Florida Avenue and Franklin Street, the four-story Kress building features bronze marquees, coats of arms and a terra-cotta Renaissance Revival facade. It stands in stark contrast to the modern federal courthouse skyscraper across the street.



The Kress building used to be a five-and-dime store. But the history goes deeper than that. The owner and architect created the building as a piece of art, a symbol of old America, when life bustled around main streets and malls were decades away. Kress was born in 1863, one of seven children of a Pennsylvania coal-mining supervisor. In 1896, he opened his first store in Memphis, Tenn. He would eventually own about 400 stores, including nine in Florida. Kress was an art lover and donated more than 3,000 European works to museums across the United States, rather than a single collection. In 1945, a decade before his death, he was elected president of the National Gallery of Art. Kress opened the first Tampa store on Franklin Street in 1900. In 1908, he relocated to a building on Florida.



In 1929, just before the Great Depression, he demolished the structure and replaced it with the building that stands today. Kress' team of architects designed each store to stand out - while also fitting in - on a city's main street. Tampa's store blended with the traditional main street look. Miami's featured pastel colors and architecture characteristic of that city. Inside the buildings, Kress created a new kind of shopping experience, complete with wide, heavily stocked aisles and easy checkouts, a blueprint for modern department stores. Genesco Inc. bought Kress in 1964. Competition from strip malls hurt the business, however, and S.H. Kress and Co. was liquidated in 1980. Tampa's store made its way onto the National Register of Historic Places.”



— Rob Brannon, *Times Staff Writer, Published November 7, 2003, St. Petersburg Times*



Since the 1980's the owners of the property, **Kress Square LLC**, have assembled both blocks totaling just over 2 acres of land and pushed through the necessary approvals for a 975 unit condominium community to include 50,500 sf of retail space, 33,000 sf of office space, and a 975 space parking garage in three towers, which will range in height from 24 to 44 floors.



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The property's future It's in your hands...



The owner's Miami based architect, Salvador Cruent AIA, designed the siteplan, floorplans, and renderings for the proposed community.

The seller will deliver the two square blocks of downtown land, the current improvements (former Kress and Grant buildings), building plans, and an approved siteplan for the development at the time of closing.





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Market Study Findings

“If a developer had to start from scratch, the barriers to entry to develop a high rise in downtown Tampa would be large and wide—extending for a multitude of years—the only shortcut is if one developer Purchaser’s another's position as Trump did recently on the Residences on the Riverside side (now Trump Tower). The fact that the subject blocks have all entitlements and are ready to build, adds incalculable value to the property for a developer who is ready to build in 2006.”

-Todd Clarke CCIM

In June of 2006, Cantera Consultants & Advisors (an affiliated company to American Apartment Advisors Inc.) performed a market study for the Kress Square Partners LLC. The following are a summary of the findings of that report:

Market Analysis

Tampa’s location, affordable living, and quality of living have all made contributions to increasing employment pushing unemployment down to 2.9%. As more and more jobs move into the Tampa MSA, demand for office, retail and residential development continues. According to RERC, Cap rates in Tampa range from 6.9% for apartments to 9.6% for hotels, but recent transactions have seen apartment Cap rates plummet to 5%.

Based on IRR.com real estate cycle monitors Tampa Multifamily is moving from the recovery phase to the expansion phase, bolstered by a loss of inventory to condo conversions (79 communities totaling 7,712 units).

Using methodologies based on employment growth as a demand driver for residential real estate, preliminary analysis indicates an unmet demand for 3,241 apartments in 2006, increasing to 6,976 units in 2006. The fluidity with which developers and residents are moving from condos to multifamily rental has made it difficult to ascertain a preference for one product type over another, but demand will remain strong so long as employment continues to expand.

As it relates to the downtown trade area, although a number of projects are in the works, many are catering to the high to very high end, creating a large gap in work force and middle income rental and ownership multifamily.

Recent completions are at 689 condos, current under construction are 2,796 condos, approved units are 1,789 (including the subject property at 975) units and in various stages of planning are another 3,975 units followed by another 726 units of proposed development.

Pricing

A majority of the product coming on line is slated for condo for sale vs. apartment for rent development—even the Post properties at Harbour and Hyde are in the process of conversion.

Comparable Rent & Condo Analysis

Prices range from \$122/sf to \$1,049/sf depending on the quality of the buildout, size of the unit, and developer (Trump for example is over \$1,000/sf) - with the median price at \$273/sf. Lease rates have been quoted from \$1.30 to \$1.54/sf.





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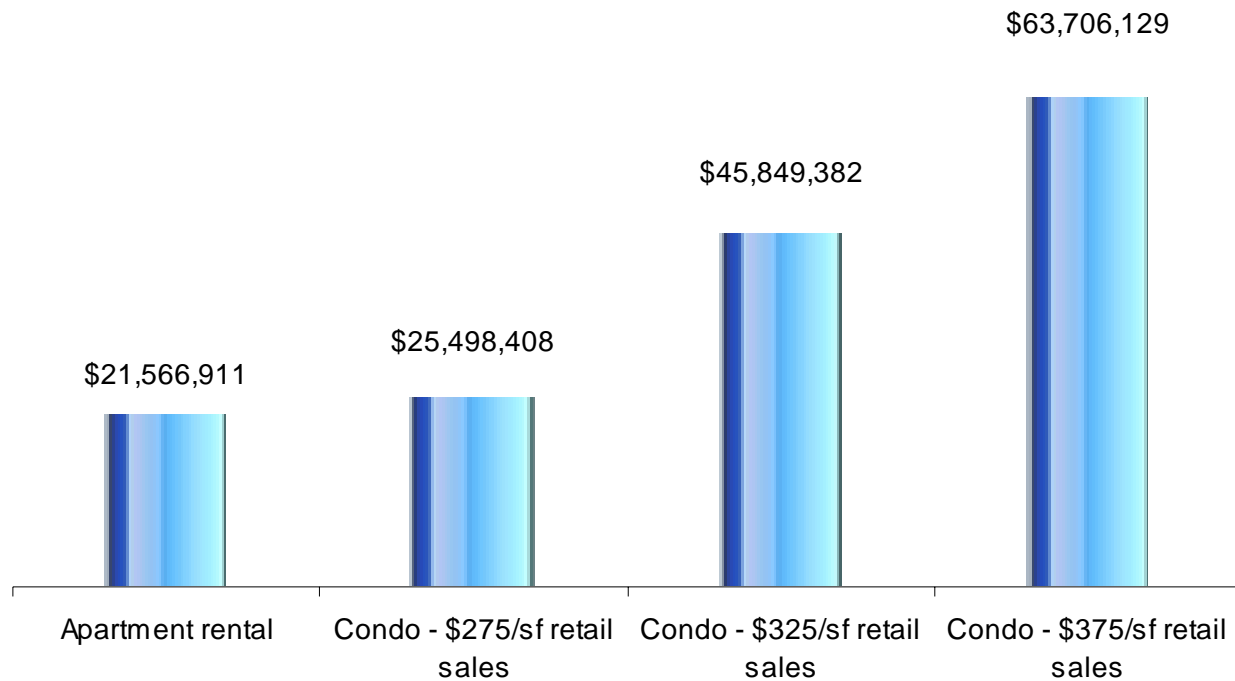
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Financial Summary

As part of the market study for this property, Cantera Consultants & Advisors developed a back door approach using CCIM methodologies that compared the overall project costs to the potential sales value for the completed project based on a fixed development budget for the community. Given the strong demand for apartments (15% of Tampa's supply has been converted in the last couple of years), For Rent product was analyzed and concluded a value range of \$22M to \$32M based on the rent per sf range of \$1.58 to \$1.68 for the two bedrooms and \$2.03 for the studios.

For Sale product at \$275/sf, \$325/sf and \$375/sf was compared to arrive at a value range for the land of \$26M to \$63M averaging \$46M across all condo sales ranges.

The complete financial model that arrived at these land values is included in the confidential offering memorandum you will receive upon filling out and submitting the Confidential Agreement.





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The Sales Process

American Apartments promise:

Our commitment is to carry out each sale, using this process, in such a way that it is fair, open, honest, and transparent to all parties, while still being an aggressive advocate for our client.

Seller's Goals:

- ✓ To obtain the highest price
- ✓ To maintain the integrity of the final product in accordance with the approvals obtained in 2005. (approvals that took many years of negotiations to obtain)
- ✓ To close as soon as possible
- ✓ To sell to a developer who has development experience and a substantial financial statement
- ✓ To sell to a developer who has proof of funds and a deal resume are highly recommended as part of your proposal
- ✓ The Seller is open to taking offers on each block separately or as a package.

CONFIDENTIALITY AGREEMENT

This CONFIDENTIALITY AGREEMENT ("Agreement") is made and agreed to Todd Clarke CCIM & Pat Frerkes CCIM of American Apartments Inc. And Jeanette Jason of Doran Jason Group of Tampa Inc. ("Broker"), exclusive listing broker for the Property, and _____ ("Purchaser") regarding the property known as Kress/Grant Development, ("Property"). The obligation of confidentiality undertaken pursuant to this Agreement shall survive the terms of the Broker's listing agreement with Owner.

Purchaser has requested information from Broker for the purpose of evaluating a possible acquisition of the Property. The Owner of the Property has instructed Broker to deliver information concerning the Property, much of which is highly confidential, only to those potential purchasers who sign this Agreement.

The parties agree, in consideration of the covenants and agreements contained herein, as follows:

1. Purchaser will not disclose, permit the disclosure of, release, disseminate, or transfer any information obtained hereunder ("Information") to any other person or entity.
2. If Purchaser is a corporation, partnership, limited liability company, or other non-natural legal entity, the person(s) signing this Agreement on its behalf will take all appropriate precautions to limit the dissemination of the Information only to those persons within the entity who have need to know of the Information and who are specifically aware of the Agreement and agree to honor it.
3. This Agreement applies to all Information received from Broker, now or in the future, which is not readily available to the general public. Purchaser understands that all Information shall be deemed confidential, valuable, and proprietary such that its unauthorized disclosure, even without intent to harm, could cause substantial and irreparable harm to Owner and Broker.
4. All Information shall be used for the sole purpose of evaluating the potential acquisition of the Property, and it shall not at any time or in any manner be used for any other purpose.
5. Purchaser shall not contact directly any persons concerning the Property other than Broker without Broker's or Owner's written permission. Such persons include, without limitation, Owner's employees, suppliers, and tenants.
6. Purchaser acknowledges that it is a principal and not an agent on behalf of any other party in conjunction with the purchase of the Property (except Advisors working on behalf of their pension fund clients). Purchaser acknowledges that in the event they are working with any other broker or agent other than the broker listed below, Purchaser will be solely responsible for paying such broker's fee. The broker mentioned below is eligible for a \$100,000 commission so long as they register the Purchaser and perform the typical duties of a buyer's agent.
7. Neither Broker nor Owner makes any representation or warranty, express or implied, as to the accuracy or completeness of any Information provided by them. Purchaser assumes full and complete responsibility for confirmation and verification of all Information received and expressly waives all rights of recourse against Owner and Broker with respect to the same.
8. The persons signing on behalf of Purchaser and Broker represent that they have the authority to bind the party for whom they sign.
9. Unless otherwise agreed to in writing, Broker is the agent of the Seller only.
10. This Agreement shall be governed and construed in accordance with the laws of the State of Florida
11. Included in the confidential offering memorandum is a market study performed by Cantera Consultants & Advisors Inc. – said market study is the sole property of Cantera Consultants & Advisors and shall not be copied, redistributed or quoted from without prior written approval of Todd Clarke CCIM.
12. The Recipient directs Seller's agents to forward all information directly to the Recipient, and the Recipient will in turn disseminate said information to Recipient's agents, counsel, etc.

Executed this ___ day of _____ 2007

Purchaser Name:

Purchaser Company:

Purchaser's Broker Name:

Purchaser's Broker Company/Email:

Purchaser's Phone / Fax / Email

Purchaser's Address / City / State / Zip

Purchaser's desired delivery method of confidential offering memorandum (check all that apply)

___ **Printed Copy (one week delivery)**

___ **Online website access (one hour delivery)**

___ **Please add me to your contact database for future offerings**