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Boutique hotel idea is reborn

By **Richard Mullins**

If all goes well, the former Mercantile Bank building downtown could soon be transformed into a sleek new boutique hotel. And if that sounds familiar, it's because several developers have looked at that property, only to see their dreams dissolve amid the recession.

Enter Convergent Capital Partners, which acquired the property at 100 W. Kennedy Blvd. for \$2 million in May. They plan to start renovations next May, with some interior work possibly starting before then, said Santosh Govindaraju, portfolio manager for Convergent.

"We want this to be a place where people meet at the hotel for a drink, have a walk down the Riverwalk or sit on the outdoor patio and see that gorgeous view of the University of Tampa," Govindaraju said.

The building, at the southwest corner of Kennedy Boulevard and Ashley Drive, now sits vacant except for some lower-deck parking spaces that are rented out monthly for nearby office workers. Convergent initially looked at renovating the building for use as office space again but ultimately chose entertainment and hotel uses because of the property's view and location on the Hillsborough River.

The good news, Govindaraju said, is the building has no asbestos or mold, and the above-ground structure is stable. The not-so-good news is the company must replace elevators, reseal the roof and handle the main challenge: The basement.

The lowest parking deck is at the river's waterline, and when the river swells especially high, water intrudes into the parking spaces. But Govindaraju said the renovation budget of \$6 million to \$7 million covers the cost of stabilizing the sea wall permanently.

A number of developers have eyed that site primarily because of its scenic location. At one point in 2006, developers envisioned a 50-story, 215-unit condo tower spire called "Venu" with \$800,000 units. That would have towered above the Bank of America building next door.

That dream faded when the real estate bubble popped. The demonstration lounge for "Venu" still sits

abandoned in the 8th floor of the bank building — with an architectural model of the spire still standing.

Convergent developed its Mercantile Bank building plans after redeveloping the Emerald Greens Golf Resort and Country Club in Carrollwood and taking over the central shopping area at FishHawk Ranch in Lithia. At one point this year, the company considered a bid for the Belleview Biltmore hotel in Belleair but did not move forward with the deal. Convergent now owns the Mercantile Bank property outright.

Often, hotel developers build out a property and, during the process, they pick the particular brand name. Govindaraju declined to say which brand Convergent is targeting. From his description of the feel and architecture of a sleek bar and lounge, guests would see similarities in this project to a W hotel, Aloft or Soho Grand — with sleek, modern styles rather than ornate stuffiness.

Owned by Starwood Hotels & Resorts, Aloft is expanding worldwide and now has facilities at 43 locations, with recent openings in Asheville, N.C.; Nashville, Tenn. and Tulsa, Okla.

Whatever the ultimate brand name, the Tampa hotel would have 100 to 120 rooms in the eight-story building, with rates between \$100 and \$150 for basic rooms spanning about 400 to 500 square feet.

Tampa Mayor Bob Buckhorn met recently with the developers and said he left encouraged.

"My sense is this group has the expertise and resources to pull this off," Buckhorn said. "This is an important corner for the city. There is a recognition the river is the centerpiece of downtown I think private capital has taken notice and started to deploy their assets."

If successful, this project would join several other boutique hotels in various stages of development in Tampa. The Floridan Palace hotel recently opened. Developers are trying to transform the former federal courthouse downtown into a boutique hotel, with construction due to begin in the next few months. And an Oct. 23 groundbreaking is planned for the Epicurean hotel next to Bern's Steak House.

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