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## Return of the Pink Palace?

### Private-public partnership proposed for landmark Bradenton hotel

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BRADENTON — The vacant Pink Palace may soon be returned to its grand glory with an \$18 million proposal to renovate it into a franchised hotel.

John Dunn, CEO of Indiana-based Dunn Hospitality Group, gave the Bradenton Downtown Development Authority a proposal Tuesday outlining plans for the iconic seven-story Riverpark Grande at 309 10th St. W.

Dunn sought a \$3.4 million investment from the city to make it happen.

After about an hour of presentations, questions and discussion, the DDA board voted 6-0, with two members abstaining to have the staff develop an agreement to accomplish Dunn's vision.

The agreement will commit the DDA to building a 140-vehicle parking garage next to the hotel for \$3 million, provide street-scaping at a cost of \$350,000, and help with impact fees and permit costs up to \$50,000.

"In exchange there is the restoration of the city's most historic building, improvement to the gateway to our downtown and a quality hotel with the economic impact it would bring," said Mike Kennedy, DDA executive director.

He said it would take a public investment to make the project happen.

"This type of tax increment funding is quite common around the country," Kennedy said.

Dunn could not be reached Wednesday for comment.

Darrell Reha, owner of the 83-year-old building, said he thought Dunn's plans would be great for the community.

"The DDA has been working to get the right project to jump-start the downtown development plan," Reha said.

Reha bought the building in 2005 with plans to convert the former hotel and assisted living facility into condominiums, but the housing market dropped before it got off the ground. The gutted building has sat empty since then.

Kennedy said it was still early in the process of writing a development agreement and the developer obtaining financing.

"We're nowhere near the finish line," he said, "but it's all very exciting."

The proposal will be presented to the Bradenton City Council on Jan. 14, Kennedy said.

Mayor Wayne Poston said he was glad someone was interested in developing the Manatee River Hotel property, but he would require it to maintain its historical character.

Also, Poston said that in this economy, public-private partnership are necessary to get things moving.

"We may have to do things we would not have done in the past," Poston said, "Especially with the tight credit market."

Tom Kolher, of the Orlando-based Real Estate Research Consultants, hired by the DDA to look at Dunn's proposal, said financing the project may be difficult.

"But there seems to be leaders in the community looking at making it happen," Kolher said. "There's a developer willing to invest \$18 million in the community and do whatever is possible to make it happen."

For the DDA's investment, it will receive 5 percent of the net profits of the hotel operation per year.

According to an economic impact statement Kolher presented, the hotel will generate about \$159,000 in property taxes, about \$127,000 in tourist bed taxes and about \$16,000 in annual sales tax revenues.

The proposed 114-room hotel also will employ 35 people, with an annual payroll of about \$525,000.