

Rivergate Tower changes hands as part of In-Rel Properties sell-off

January 2, 2015

Business Observer – Tampa, FL

By: Sean Roth

BUYER: IR-Rivergate LLC (manager: Mukang Cho), New York City

SELLER: Rivergate Building Owner LLC

PROPERTY: 400 N. Ashley Drive, Tampa

PRICE: \$59.59 million

PREVIOUS PRICE: \$22 million, June 2011

LAW FIRM ON DEED: Bass Berry & Sims PLC (SMM), Memphis

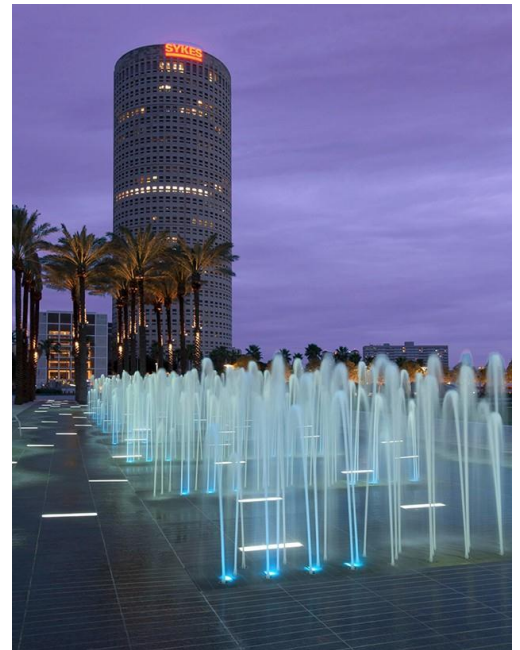
PLANS, DESCRIPTION:

Private equity fund Mount Kellett Capital Management LP purchased the 32-story, 567,062-square-foot Rivergate Tower, an adjacent 34,372-square-foot office building and parking garage for \$59.59 million.

The price equated to \$99 per square foot for the office space. That figure is less than the two-year average price per square foot for office space (\$118) in the Tampa Bay area, according to the CoStar Group.

Built in 1998, the cylinder-shaped main building is anchored by Sykes Enterprises. Other tenants include WilsonHCG and Digital Hands. The law firm Butler Pappas has agreed to lease space there in 2015. Including that future lease, the property is 82% occupied. The lobby, mechanical and elevator systems and common areas were recently upgraded.

The property was sold as part of a larger sell-off of the real estate of former owner In-Rel Properties to Mount Kellett. The majority of the former staff of In-Rel Properties has since formed Morning Calm Management, which also has an ownership interest in all of the real estate assets that were sold to Mount Kellett, including Rivergate Tower. In total, Mount Kellett and Morning Calm Management acquired more than 6 million square feet of commercial real estate in seven states.



As its name suggests, Morning Calm Management is staying on to manage the assets. The purchase entity, IR-Rivergate LLC, mortgaged the property to JPMorgan Chase Bank National Association for \$59.44 million.

<http://www.businessobserverfl.com/section/detail/rivergate-tower-changes-hands-as-part-of-in-rel-properties-sell-off/>