

# Rivergate Tower in downtown Tampa sold for \$70 million

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TBO.com staff

The most iconic building in downtown Tampa has been sold again.

Rivergate Tower, at 400 N. Ashley Drive, has been sold to Banyan Street Capital, a Miami real estate investment firm. The structure, known as the “beer can building” for its cylindrical shape, was sold for \$70 million. The sale and financing for the 31-story, 515,965-square-foot building on the Hillsborough River was arranged by CBRE.



Dale Peterson, CBRE senior vice president, said Friday that there was a lot of interest in the building. “It was a very competitive environment,” he said.

“The influx of new residents and amenities into the urban core is driving demand for office space,” said Peterson. “Rivergate Tower will become one of the premier Class A buildings in the downtown market once the new owner completes its planned renovation program.”

Mount Kellett Capital Management acquired Rivergate Tower as part of a 19-property portfolio in 2014, with Morning Calm Management serving as its operating partner.

Peterson said Rivergate Tower was a “spectacular building that just needs a little updating.” He said the new owners plan on spending a significant amount of money to update areas of the building.

Rivergate Tower rents currently start at \$23 per square foot — lower than other office buildings. But Peterson said that should change with the building updates.

Christian Lee, CBRE vice chairman, said vacancy rates for office buildings similar to Rivergate are “approaching single digits.” He said the investment community is “confident that sharp rent growth is around the corner. This optimism has created the right environment for buyer and seller expectations to come together.”

Lee called the sale “a classic win-win transaction.”

The CBRE team involved in the sale included Peterson, Lee, Charles Foschini, Chris Apone, Jose Lobon and Marcos Minaya.

Constructed in 1988 for \$150 million, and designed by architect Harry Wolf, Rivergate Tower’s design symbolizes a lighthouse, according to a CBRE media release. It is one of the tallest limestone structures in the world and offers unobstructed 360-degree views of the Tampa skyline.

In 1993, the building’s distinctive architecture earned it a National Honor Award from the American Institute of Architects. The property includes a two-story, 735-space underground parking garage, Malio’s Prime Steakhouse, a fitness facility, and a full-service branch bank.

It is the only office building located directly on the Tampa Riverwalk.

The property is currently 80 percent leased to a mix of tenants including Sykes Enterprises, Butler Pappas, Wilson Human Capital, Digital Hands and Northstar Bank.

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