

Tarragon shells out \$38 million for Bradenton apartment complex

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Fresh off its \$35 million purchase of Whispering Oaks at Palm Aire, serial condo converter Tarragon Corp. has struck again.

This time the publicly traded real estate development company has gobbled up the Main Street Apartments, a 256-unit complex just south of the DeSoto Bridge in Bradenton.

Officials at Tarragon, whose stock trades on the Nasdaq exchange under the symbol "TARR," did not return phone calls.

But based on the price Tarragon paid -- \$38 million, or \$148,437 per unit -- the complex will probably undergo a conversion to condominiums in the next few months.

Tenants may be the last to find out about it, though.

Tarragon paid \$141,129 per unit for the 248 units at Whispering Oaks and has listed the property as a condo conversion project in its third-quarter financial report filed in November with the Securities and Exchange Commission. But Tarragon still hasn't informed tenants of its plans.

"We are going to make an announcement on Dec. 6 and send a certified letter to tenants by mid-December," said an official at the apartment complex in southern Manatee County, which has been renamed The Tradition at Palm Aire.

It's common for condo converters to keep tenants in the dark about conversion plans, said Ross Bryans, a real estate agent with Central Park Realty, who is handling the Saddle Creek and Brookwood conversions in Manatee.

"The norm is for converters to notify tenants 45 days before they decide to move forward with the conversion," Bryans said. "If they send out notifications too early and later change their minds, it might cause an onslaught of tenants moving out."

Still, secrecy surrounding the pending conversion at Whispering Oaks has rankled residents.

One of them, who asked to remain anonymous, sent the following e-mail to Tarragon management.

"You people have been running the property for several months. There was an article in the local paper saying the place is going condo. Your own Web site says the place is going condo. You are even turning the Rental Office into a Condo Sales Office.

"Yet despite all this, your people still have not sent around any letter informing the tenants of what is going on.

"I understand that you are only concerned with making millions of dollars. But it would be nice to give some consideration to your tenants, particularly those elderly residents who may have nowhere to go and might benefit from some information so they can plan accordingly. Your people have handled this situation incredibly poorly by showing no consideration for the residents here.

"In case you didn't know, you have hundreds of very angry residents here at Whispering Oaks. You can be sure that if I see anyone who looks like they might be interested in buying one of these condos I will tell them exactly how you have

treated the current tenants."

Tarragon is involved in 20 condo conversion projects -- 17 of them in Florida, according to the company's most recent financial report.

It has spent \$525 million to purchase 11 complexes containing a total of 3,362 apartment units since the beginning of the year. All are slated for conversion. But the numbers doesn't include the Main Street Apartments on Bradenton's Sandpile.

The complex was developed in 2003 by Promenade at Riverwalk at an estimated cost of \$16 million.

The land under the apartments, however, continued to be owned by the city of Bradenton, which leased it to a conglomeration of investors under the name USA Bradenton LLC.

These investors purchased the land from the city for \$3.5 million immediately before selling the apartment complex to Tarragon.

"The state granted us approval to sell the land rather than rent it under a 99-year lease," said Carl Callahan, Bradenton's city clerk and treasurer.

At least one Harrison is heading back to the ranch

It was four years ago that the Harrison clan sold its 940-acre ranch between Ellenton and Parrish to a group of Manatee County developers.

But Joseph G. Harrison found he couldn't live without his piece of the country.

The Bradenton attorney has just paid \$5 million to purchase 662 acres in eastern Manatee from Rudolph and Jocelyn Garber.

The land is 50 percent improved pasture and 50 percent woodland. Harrison intends to operate it as an agricultural operation under the name Myakkahatchee Ranch.

"Right now, a second or third cousin is running cows on it," Harrison said. "He was doing the same when Dr. Garber owned it, and, hopefully we'll work something out with him."

Before purchasing the land in East Manatee, however, Harrison considered buying a ranch in Alabama.

"My brother and friends have bought land in Levy County, Fla.," Harrison said. "But I thought I would be able to use this more. "I work in the office all week and I need to get away."