

# GULF COAST BUSINESS REVIEW

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## The Gamesman

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*David Teitelbaum has come out of retirement to develop two of the biggest projects on Bradenton Beach*

Ask David Teitelbaum if there were any approval issues with his new project at the Tortuga Inn, 1325 Gulf Drive N., Bradenton Beach, and you are bound to see a smile. For the 64-year-old Teitelbaum the Tortuga Inn and a four-building office/condominium complex under construction at 300 Bay Drive S., called Old Bridge Village, mark his return to real estate development after 18 years in retirement. "It's not merely my training," Teitelbaum says. "I feel it's my calling."

After a number of years in the job market as a grocery store manager and chef, Teitelbaum landed a job on the sales staff of a California direct-marketing company. "I specialized in real estate," Teitelbaum says, "and I became a partner there until we sold it in the late 1960s."

Through his contacts in California, Teitelbaum in 1971 was hired by W.R. Grace Properties of New York City, a real estate development company, to work in its acquisitions department. "There were seven of us doing real estate all over the nation," Teitelbaum says. "We were a package developer. We would get the approvals to develop the land and then flip it. Our company developed Coconut Creek (in Broward County). We contributed so much to W.R. Grace's bottom line that they worried about being painted as a REIT."

In 1973, W.R. Grace spun off its real estate properties division into a separate company. Teitelbaum chose that time to leave the company and start his own real estate business, Teitelbaum Holdings Ltd. Teitelbaum knew an opportunity when saw one. He bought some of the older commercial buildings in New York City and converted them into apartment buildings. In addition, he worked with the city to create tax incentives to renovate the historic buildings. "I kept hearing 'No one is going to want to live in an office building,'" Teitelbaum says. "It was just supply and demand; too much of this and too little of that. I did it for about 10 years." While Teitelbaum declined to mention specific profits, he says "If you buy existing historic buildings for \$3 to \$5 a foot, have hard construction costs of about \$40 a square foot and then sell the building for \$150 a square foot, there is a profit in there somewhere. It

was very profitable."

Teitelbaum retired in 1984. He decided to go into philanthropy, becoming the benefactor of the Cathedral of St. John the Divine's Stoneyard Institute. "We were teaching kids from Harlem to be stone masons," he says. The company worked on some of the most prestigious buildings in New York City such as Grand Central Station, Rockefeller Center, Carnegie Mellon University, the Alexander Hamilton U.S. Custom House and the Fifth Avenue Presbyterian Church. The non-profit ran out of money in 1994.

For several years Teitelbaum and his wife, artist Penelope Naylor, split their time between Sarasota (where Naylor's elderly parents live), a condo in Maui, Hawaii, and New York City. Eventually, his wife found the property that became the Old Bridge Village.

"I missed being a developer," Teitelbaum says. It was the most important time of my life. (Real Estate) is a game. That's why old men are usually so successful at it, because it requires a great deal of patience. It's hurry up and wait. It has rules you must follow. You need to be able to speak all the different languages: accounting, law, finance. You are required to know the land development code, the health code. You need to know how to pick the best people."

With Old Bridge Village, Teitelbaum had to understand another construction language: public relations. Anti-development forces opposed it. Teitelbaum says he could have built 14 multi-family units with parking spaces in the front on the half-acre site for Old Bridge Village, but he and his investors wanted to create something more attractive and usable. The development group, Old Bridge Village LLLP, wanted to build four buildings: two fourplex condominium buildings, a townhome condominium facility and a small office building. There would be a total of 11 residential units with an equal number of boat slips at a total cost of construction of more than \$3 million. "We brought both options to the city commission," Teitelbaum says, "and they said 'Go for it. This is what we want.'"

The city commission's rezone decision had to



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be legally defended, which cost the developer several additional months. The Old Bridge Village, which started in January, is slated for completion early next year.

The difficulty Teitelbaum faced with the Old Bridge Village led him to take a different approach with the Tortuga Inn. "How do you develop a \$6.5 million hotel property to make it viable?" Teitelbaum says. The purchase is the most expensive sale ever recorded on Anna Maria Island.

He did it by removing the city commission portion of the approval process. "I decided we were going to get this project approved by Planning and Zoning," Teitelbaum says. The plan was to consolidate the existing complex from 42 units to 32 units and to construct a new 23-unit building at a cost of \$5 million.

The project is moving forward. Consolidation of the Tortuga rooms is expected to start next month, with construction on the new building beginning next year.

As it currently stands Whitehead Inc. of Bradenton is the general contractor for both developments, and Eatman and Smith, a Bradenton Beach architect firm, designed both projects.

Teitelbaum has hired ResortQuest International to manage the hotel property. The property currently has an occupancy rate of 35%.

"The reason we bought the hotel was that it was a great economic opportunity," Teitelbaum says. He cites the closing of hotels and motels on Longboat Key and Anna Maria Island as creating a growing market for the Tortuga Inn. "We are doing our best to replace the hundreds of rooms that are going away," Teitelbaum says. "I think there are people who are still going to want to come there, and I think we get our share of it."



The planned Tortuga Inn building will have 23 new units and is expected to cost about \$5 million.