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Orlando Fashion Square developer Unicorp and Bancorp spar over lease as redevelopment plans loom

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The owner of Orlando Fashion Square's buildings alleges in a new lawsuit it's not in default of its lease.

Building owner TBB Orlando LLC — an entity related to Wilmington, Delaware-based The Bancorp Inc. (Nasdaq: TBBK) and the tenant of the ground lease with Unicorp National Developments Inc. — alleges in a lawsuit filed July 9 that it is working with the city of Orlando to resolve code violations related to the mall northeast of Maguire Boulevard and Colonial Drive, according to court documents.

Meanwhile, Orlando-based Unicorp — which owns the dirt beneath TBB Orlando's buildings and wants to do a \$1 billion redevelopment of the long-struggling mall — has alleged that TBB has defaulted on its lease, according to court documents. A lease default may lead



JACK WITTHAUS/OBJ

Two escalators are closed and buckets collect water from a leaking roof at Orlando Fashion Square on July 23.

to the developer taking over the improvements, court records show, which would allow Unicorp to redevelop the property.

Orlando Fashion Square's code violations on June 22 included exterior walls that showed evidence of deterioration, a partially demolished roof and potential damage of structural members, according to city of Orlando documents obtained in a public records request. TBB said in court documents that it started work on the partially damaged portion of Orlando Fashion Square on July 2.

Court records show Unicorp has sent two default letters to TBB, which has 60 days from the notices to start fixing the issues.

It's unknown what TBB has done to fix issues related to Unicorp's default letters and the city's code violations. The city of Orlando issued a building permit July 21 to "paint existing exterior walls, repair and replace damaged fence [and] clean up trash on-site" at Orlando Fashion Square, according to city records. The estimated cost is \$90,000, and the contractor is Mulligan Constructors Inc.

A representative with TBB and its attorney, Holland & Knight LLP's Suzanne Gilbert, weren't available for comment. An attorney wasn't named for Unicorp Investors VII LLC, court documents show.

Unicorp President Chuck Whittall told *OBJ* there are safety concerns with the mall such as water leaks and portions of the building that have been destroyed. Whittall said he'll continue to move forward with the default.

"The mall looks like an absolute disaster," Whittall said. "It's clear the mall's failing and something else should be done with it. We're willing to work with [Bancorp] to do something fair, but we're not going to keep watching it deteriorate."

The code violations are the latest legal wrinkle for the mall, which for years has been the target of redevelopment. Opened in 1973, Orlando Fashion Square hit its prime in the 1980s and '90s, but since has seen a decline.

A quick walk-through the mall on July 23 showed about half of it is unoccupied, and signs of deterioration were evident. Buckets

collecting water from a leaking roof were visible throughout the mall, and cracks and holes were visible in the walls and floors.

Unicorp itself has been in talks since October 2018 to redevelop the mall. In September 2019, Unicorp and Maury L. Carter & Associates bought the 46 acres of land beneath the mall with the intention of buying the buildings above the dirt to redevelop the property jointly.

The proposed new construction would feature apartments, retail, restaurants, office space, a hotel and a parking garage. As part of the development plans, the future Orlando Fashion Square, which would retain the name, would be built around plush landscaping, gardens and water features.

Meanwhile, the mall has been written down to a value of \$15 million, according to May 7 Securities and Exchange Commission documents. The property previously appraised at a \$17.5 million value in June 2020.

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