

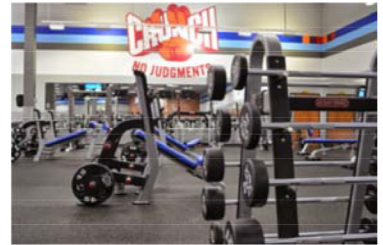
New tenant to take over former Powerhouse Gym space in downtown Tampa

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A new fitness center will fill a portion of the space Powerhouse Gym vacated in downtown Tampa earlier this year — and the building owners say they're working with retailers to filling the remaining square footage.

Crunch Fitness has signed a lease in Grand Central at Kennedy, a mixed-use building that includes street-level retail and restaurants and condominiums.

Crunch will occupy 21,415 square feet there, said Ken Stoltenberg, principal of Mercury Advisors. The gym will open a 13,000-square-foot "express" fitness facility in September and take occupancy of the entire space by the end of the year. Construction is slated to begin in August.



COURTESY OF CRUNCH FITNESS WEST FLORIDA AND ATLANTA
Crunch Fitness clubs focus on functional training, or crossfit strength and conditioning programs

The gym will include group fitness classes, a designated cardio and strength training area, a functional training area, HydroMassage beds, tanning and a private stretching area, according to a news release from Crunch.

Powerhouse shuttered that location in late February after Mercury Advisors filed an eviction lawsuit against the gym. Its equipment was auctioned off April 1. Seven fitness operators — regional and national names, Stoltenberg said though he declined to identify any of them — were interested in the space.

"They all saw the value in this location," he said.

That level of interest in retail space in Tampa's urban core is another benchmark of the city's revitalization efforts. When Mercury Advisors signed its deal with Powerhouse in 2009, the lease included 31 months of free rent, according to court documents. Free commercial rent is typical in an unproven market, which the Channel district was at the time.

It's not the only win for Grand Central at Kennedy recent months: On the eastern side of the building, construction is underway on a 45,000-square-foot office space that will be occupied by the corporate headquarters of QDI, a logistics company.

Stoltenberg declined to disclose how much Crunch is investing in the space but said the gym owners are paying for the bulk of construction costs.

"That was appealing as they are substantially investing in Grand Central," he said.

When Crunch took over a former Bailey's Gym on West Hillsborough Avenue, a 2016 city building permit pegged construction costs at \$139,904. That space is 23,552 square feet.

After the Crunch lease, Mercury Advisors has 13,000 square feet left to fill in the former Powerhouse space, at the corner of Meridian Avenue and Kennedy Boulevard.

"It is as good a hard corner as any in the region," Stoltenberg wrote in an email. "We will pursue drug and liquor stores, but with the traffic counts and visibility, we think there will be many potential users for that space."

Beyond the burgeoning residential base in the Channel district, retailers have another incentive to consider the neighborhood: Publix Super Markets Inc. is building a store in another Mercury Advisors-owned project, across the street from Grand Central at Kennedy. Publix is a retail bellwether, and its location validates the Channel district as a viable market.

The ownership group of this Crunch location includes Julien, Geoff Dyer, Tony Scrimale, Jeff Dotson, and Kevin La Ferriere, which owns eight other fitness clubs in the Tampa Bay region. Memberships start at \$9.95 per month.

"We are sensitive to the fact that many gym members living downtown have been left stranded due to the recent closing of Powerhouse Gym and the anticipated closing of LA Fitness in Hyde Park," Crunch co-owner Vince Julien said in a statement. "We want to get open as quickly as possible to provide a new home for fitness to members of other clubs that will not have a place in which to work out."

Crunch will be one of several fitness concepts in the Channel district — and there may be more to come. Strategic Property Partners is planning to include a fitness center as an anchor in Water Street, its \$3 billion, mixed-use district that will break ground next spring.

The Channel district is also home to Viking Fitness, Orangetheory Fitness and Araliya, a yoga and barre studio.

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