

FLORIDA

October 2011

INVESTOR

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Tampa Bay market finds medical office in demand

16 Timing Is Everything

Lake Mary 562,817± square foot building under contract before it hits market

“Green” Makeover

A growing trend in the construction industry gives the 1960’s-built Coral Gables landmark, 396 Alhambra, a new lease on life.

18 Big Deal Retail

Equity One unloads 36 shopping centers for \$473M

22 Beachfront Beauty

Cheeca Lodge & Spa, a landmark luxury destination resort in Islamorada sells



Photo Credit: Christine Reynolds



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State Shifts More Authority to Cities and Counties

by Darrin Taylor
Government Consultant
Carlton Fields



Darrin Taylor

As an investor in Florida real estate you have probably heard about the changes in growth management law (HB 7207). Interestingly, since the law was signed, many newspapers published articles about the law and many have failed to adequately describe the law which gives local governments more influence than ever before in creatively shaping their communities.

The bill sponsors stated providing a jump-start to the economy, improving the state's ability to compete for economic development, strengthening local government home rule powers and reducing rules and regulations as reasons for this law.

To provide you with a brief but hopefully memorable summary of the new law, here are my top ten changes to the growth management act. (*My apologies to David Letterman.*)

10 – Repeal of State Mandated Transportation and School Concurrency

Water and sewer concurrency remains alive and well. For transportation, school and parks and recreation, local governments must continue to enforce

existing concurrency regulations. A local government does now have the option to eliminate concurrency for those specified public facilities for all or portions of its community but only through a plan amendment.

#9 – Need no longer a Maximum but a Minimum

Need is completely transformed from a cap to a floor, except within Areas of Critical State Concern such as the Florida Keys and the Green Swamp. The new law requires a local government to demonstrate that it has enough of each use on the future land use map to support the state's projected (BEER) mid-range population and must consider economic and real estate factors.

#8 – Role of State Agencies in Comprehensive Plan Review

State agencies must limit comments to their areas of expertise and must focus comments on impacts to state resources and facilities. State resources and facilities are not defined and will be determined as projects are proposed and their impacts are evaluated. Stay tuned. The DCA (soon to be DEO), has the authority to challenge all plan amendments (except small scale amendments) based upon impacts to state resources and facilities. The DCA has maintained its full authority to challenge amendments and make compliance findings for amendments in Areas of Critical State Concern, EAR Amendments, Sector Plans, Rural Land Stewardship Areas and comprehensive plans of newly formed communities.

7 – Expedited Review of Amendments the New Normal

Except for the amendments mentioned in #8 and small scale amendments, all other amendments will undergo an expedited review.

The new process is projected to reduce the state review time from 136 days to 65 days according to a state analysis. The twice-a-year cap on plan amendments was also removed.

6 – Changes to Citizen Involvement in Comprehensive Planning

The direct requirements for citizen involvement remains unchanged, such as the definition for citizen standing and the ability of a citizen to challenge a plan amendment. However, there are changes that impact citizens. First, the DCA no longer issues an ORC report which was typically used by citizens to gauge the impacts of a development. Second, in the event a citizen challenges an amendment, the DCA can not intervene in the challenge. The legislation also removes the ability of a local government to require a referendum to adopt a comprehensive plan amendment, preventing communities from following the path of St. Pete Beach.

5 – Major Incentives for Long Range Planning

The new law provides major incentives for the largest landowners in the state to develop long-term plans. A minimum of 15,000 acres is required and the sector plan must include an upfront conceptual master plan and the general identification of the protected natural resources, land uses and public facilities to serve the area. The conceptual plan is considered a comprehensive plan amendment that must undergo the traditional review process. Once approved, the long term plan can be implemented through a local government development order and is exempt from DRI review.

#4 – Permits Extended ... Again

The new law provides a new round of permit extensions. For DRIs, the development order can be extended for up to 4 years. Environmental Resource Permits (ERP) and local permits have once again been extended for 2 years if 1) the permit was extended under SB360 but was not able to extend under last year's SB1752 because of the expiration date, or 2) the permit expires between 2012 and 2014. The law does cap the most a permit can be extended to a total of 4 years. The developer must request the extension in writing by the end of the year.

3 – Additional Exemptions from DRI review – Exemptions for Job Producing Uses

Industrial, hotel/motel and movie theaters were added to the growing list of exempt uses. The substantial deviation thresholds for office and retail were increased but the threshold for external traffic remained unchanged at 15%.

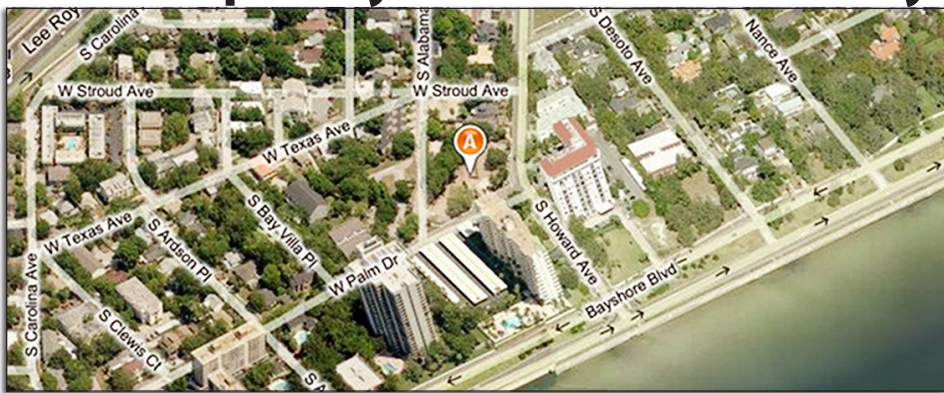
#2 – 9J-5 Repealed ...

But Rule 9J-5 will continue to play a role. First, approximately 10 pages of the total of 40 pages of 9J-5 were moved into the statute. Much of the meat of the Rule has become statutory including the indicators of urban sprawl, data and analysis requirements and minimum requirements for the various elements and critical.

#1 – New Test for Urban Sprawl

In HB 7207 a definition for urban sprawl has been added, the 13 indicators are now statutory and a new test for urban sprawl has been introduced. The new law describes 8 characteristics of quality development in Florida. If a plan amendment can demonstrate that it meets 4 of the 8 criteria then it is deemed to not be urban sprawl. ■

NAI Tampa Bay Closes 2 Multifamily Development Sites



1515 S. Howard Avenue

Tampa - NAI Tampa Bay is proud to announce the closing of two multifamily development sites located in Tampa, FL.

The first site is located at 1515 S. Howard Avenue and consists of 4 separate parcels totaling 1.76 acres. The property is set for development of a senior housing project expected to break ground 4Q 2011 and traded for just over \$1,900,000.

According to T. Sean Lance, Managing Director of NAI Tampa Bay, "This was an extremely unique opportunity for the buyer to acquire just under 2 acres in the highly desirable Hyde Park submarket. The site is located 1 block from Bayshore Boulevard and was previously planned

for a condominium project which was never able to materialize before the real estate market crashed."

The second site consists of 2 parcels totaling 0.51 acres and is located in the Channel District at 930 & 940 Channelside Drive, directly in front of The Place at Channelside condominiums. The site was purchased for \$955,000 by the same group who bought 171 units in bulk at The Place in a bankruptcy auction nearly two years ago.

"The owners were able to acquire this site to provide much needed parking for the commercial space located at the ground floor of The Place in the short-term. Additionally, they now have the

future development opportunity to add to the project as the site was previously planned for phase II of the condominium project with over 100 additional units." stated Lance.

John Burpee, CEO of Tampa Bay went on to say "NAI Tampa has been extremely active in selling quality development sites throughout Tampa Bay over the last 12 months with at least a half dozen more under negotiations and several new opportunities being marketed.

In the Channel District alone, this is the fourth site we have sold in the past year including the Related Group's 5.8 acre site getting ready to break ground this quarter with their 370 unit luxury apartment project. Clearly, the tide has changed when it comes to multifamily development opportunities, however, buyers are much more selective and prices for many of these sites are trading at 50%+ discounts to market highs."

Site 1: Seller – Stratford on Howard Development, LLC; **Buyer** – SHI Horizon Bay Memory Care, LLC

Site 2: Seller – Channelside Partners LC; **Buyer** – Channelside Place, LLC ■

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38 Park Owned Rentals
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Pinellas County
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6 Apartments

6 ACRES VALUABLE LAND

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