



ESTERO COUNCIL OF
COMMUNITY LEADERS

Estero Development Report
June 2017
Volume 15, Number 7

Produced by the Estero Council of Community
Leaders (ECCL)

For more on Estero, visit <http://www.EsteroToday.com>
[ECCL Calendar](#) [Village of Estero Calendar](#)

CONTENTS

The Future of Estero’s Malls:
Brighter Than the National Outlook 2
June 2017: Development Review Summary 4
 Village Council Actions 4
 Planning & Zoning Board Actions 5
 Design Review Board Actions 6
 Comprehensive Plan 6
Estero’s May Residential Housing Permits Remain Steady.... 7
Estero’s May Commercial Permits
Include Coconut Point Renovations 8
Estero’s May Single-Family Home Sales Rebound 9



The Future of Estero's Malls: Brighter Than the National Outlook

New research from Credit Suisse predicts nearly one in four American malls will close by 2022, Fortune Magazine recently reported. Fueled by the rise in e-commerce, store closures are reaching epidemic proportions; Amazon sales continue to rise as sales from brick-and-mortar stores fall. What does this mean for Estero's two major malls?

Although the numbers sound astounding (20-25 percent of malls predicted to close over the next five years), Coconut Point Mall and Miromar Outlets are unlikely to be affected. Simon Property Group, the nation's largest mall developer, shed its low-end malls

a few years ago and has been investing in the success of stronger properties like Coconut Point. Miromar Outlets is privately held by Miromar Development Corporation and is also likely to weather the "retail apocalypse" just fine.

Estero's demographics have a lot to do with this sunny outlook. The estimated average income in Estero is about \$20,000 above both the state and national averages, according to City-Data.com, which lists retail as the city's No. 1 industry. Indeed, Estero has long been dubbed the "retail capital of Southwest Florida."

While both of Estero's malls have experienced recent store closures — including large spaces vacated by Sports Authority and World Market at Coconut Point — there also have been new store openings. Coconut Point is dividing the 40,000-square-foot space left by Sports Authority for use by two new tenants: Total Wine & More and Tuesday Morning. Clothing retailer Soft Surroundings and restaurant MidiCi Pizza are also currently under construction at Coconut Point.

Diversification is key to the continued health of any mall, according to industry experts. Thriving malls will be less apparel focused and will include more entertainment, dining and lifestyle/fitness opportunities, said Fortune Senior Writer and retail expert Phil Wahbe in "The Future of Malls in America." He predicts Simon properties will continue to thrive as other malls vanish.

Coconut Point is on top of the diversification trend, as several interesting tenants have opened within the last year. This includes an Italian bakery (Sospiri), an interior designer (LuxSpaceLiving) and an innovative concept combining apparel sales with dining: Tommy Bahama Marlin Bar. This “oasis” from shopping offers a walk-up bar where weary shoppers can enjoy a mojito, tacos and a key lime pie pop.

“We are not afraid to take an existing space and split it, like for Total Wine, or combine spaces, like we did for the Tommy Bahama Marlin Bar, which is the only one in the U.S.,” noted Coconut Point Mall General Manager Jamie Grofik. “We want to innovate and surprise people — we have to keep it interesting and evolving.”

Fortune reports that Simon’s overall occupancy rate for its 108 malls is strong at about 96 percent. Coconut Point’s occupancy has remained constant since its opening, Grofik said. The newly opened Towneplace Suites by Marriott should drive even more traffic to the mall. Divieto Ristorante (fine Italian dining) is another promising addition.

At Miromar, Wasabi Japanese Steak House and Sushi Lounge has opened on the mall’s south end, and a new H&M (a Swedish clothing retailer) is under construction nearby. Miromar offers 20

Special events like farmers markets, art festivals and charitable walks add to the foot traffic at both malls during the peak season for vacationers and seasonal residents.

dining options, from snack vendors like Auntie Anne’s Pretzels to upscale restaurants like Wasabi, while Coconut Point offers 28 dining locations. On the casual end, there’s burgers from Five Guys, and on the upscale end, there’s Ruth’s Chris Steak House.

That diversity is key to the longterm success of the mall and extends to stores selling apparel and housewares. Coconut Point’s tenant mix includes bargain retailers like T.J. Maxx and Target on the north end of the mall, while an upscale department store (Dillard’s) anchors the south end.

Special events like farmers markets, art festivals and charitable walks add to the foot traffic at both malls during the peak season for vacationers and seasonal residents.

Every mall will experience store closures, but the key is to fill them quickly with something as good, or better than, the previous tenant, Grofik said. Coconut Point’s

strategy to combat the rise in e-commerce is simple: “You have to present a shopping experience that’s pleasant with retailers and restaurants that provide excellent service, offer a lot of choices, and give guests a reason to return.”

Grofik says Simon, as a corporation, has always adapted to changes in the market and will continue to do so. She sees the

future particularly bright for Coconut Point Mall, especially if Estero residents continue to support their local retailers.

“Residents need to realize that the more local dollars spent here and the better the tenant performance, the easier it is to retain key retailers and secure new leases for vacancies,” she advised.

June 2017: Development Review Summary

A 180-unit apartment complex and a 124-unit senior living facility are among planned developments currently making their way through the Village of Estero zoning process. Edera at Coconut Point includes four apartment buildings on Via Coconut Point, and Phoenix at Estero incorporates assisted living and memory care into a facility planned for Plaza del Sol. Also in this plaza — at the northeast corner of Three Oaks Parkway and Corkscrew Road — plans are being refined for a three-story office building to be called the Arcos Executive Center.

Read the full Development Review Summary for these and other developments in the Village of Estero this month.

The next Design Review Board meeting will be Wed., July 12, at 5:30 p.m. The Planning and Zoning Board will meet on Tuesday, July 18, and on Tuesday, July 25, to review, along with the public,

the Comprehensive Plan changes recommended by the Village’s consultants.

VILLAGE COUNCIL ACTIONS



Edera at Coconut Point

Village Council heard plans for Edera at Coconut Point, a 180-unit apartment complex along Via Coconut Point south of Williams Road, during a first reading of the proposed ordinance. Council sent this proposal back to the Planning & Zoning Board for review due to changes in the application, which includes four buildings at a height of 45 feet. Edera will be on the agenda for the July 18 PZB meeting before returning to Council for a second reading and public hearing.

PLANNING & ZONING BOARD ACTIONS

Milestone Learning Center

The board voted to recommend approval of a request by Milestone Learning Center to expand its daycare at the Breckenridge Professional Center (Breckenridge Drive and U.S. 41) into a building previously zoned for office space. The daycare — which was first approved by Lee County — currently serves 80 children, ages eight weeks to 5 years old. Milestone plans to renovate space in an adjacent building to add six classrooms, enabling the center to accommodate an additional 60 children. Maximum enrollment is 156.

Local Roots Farmers Market

The board voted to recommend approval of Local Roots LLC's request to again operate a farmer's market in the parking lot at Coconut Point Mall on Thursdays, starting Oct. 5, 2017, and running through April 28, 2018. This annual farmer's market offers farm fresh produce, handcrafted items and other locally produced goods. It will be located in the parking area between Plaza de Lago and Mediterranean Drive, across from Panera Bread. Hours will be 9 a.m. to 1 p.m.



Phoenix at Estero

Phoenix at Estero is a planned senior living facility at the northeast corner of Corkscrew Road and Three Oaks Parkway, adjacent to the Estero Medical Center in Plaza del Sol. Echelon Senior Living Group presented its request for a zoning variance to increase the height of its building from 35 to 45 feet, which would allow for three stories in the back portion of the facility. The building plan includes 124 dwelling units: 100 assisted living and 24 memory care. Phoenix at Estero will feature one and two-bedroom rental units, internal courtyards, porches and outdoor dining. This was an informational meeting only; no board action was taken.

Pelican Landing Timeshare

A second public information meeting was held for two new buildings proposed within Hyatt Coconut Plantation to include 24 timeshare units. This development is outside of the Village of Estero boundaries, but the public hearing in Estero was required

by Lee County as part of its zoning approval process. Hyatt Residence Club/Coconut Plantation currently has three buildings with 24 units and amenities including a clubhouse, restaurant, pools, lazy river, basketball and tennis courts. The proposed timeshare units would be three stories, built over a ground-floor parking garage. This property is accessed by Coconut Road and Coconut Point Resort Drive. Board members and members of the public expressed concern over cumulative traffic impacts of developments in this area.

DESIGN REVIEW BOARD ACTIONS



Arcos Executive Center

A three-story office building is being proposed in the Plaza del Sol development located at the northeast corner of Corkscrew Road and Three Oaks Parkway. Arcos Executive Center is requesting an increase in square footage from 37,200 to 70,000 square feet to accommodate larger businesses along with some retail use. The

applicant also wants to add height from two stories to three stories due to limited visibility from oak tree canopies. These large oaks will be preserved if the Village approves an increased building setback from 45 feet to 120 feet. The proposal includes relocation of the Lee County Utilities sewer lift station from the corner to a less conspicuous location on the site. This was a public information meeting; no action was taken and the applicant was asked to return with updated plans to reflect board comments regarding issues such as dumpster placement, pedestrian connectivity and varied roof lines. A link to the developer's presentation may be viewed [here](#).

Dunkin Donuts

The board approved an updated design for the Dunkin Donuts/Valvoline monument sign in Grand Oaks Shoppes at Ben Hill Griffin Parkway north of Corkscrew Road. This design adds architectural details, and the board stipulated it must be lighted from the soffit (not backlit).

COMPREHENSIVE PLAN

Early this month, the Village's consultant presented the final piece of the Comprehensive Plan for public discussion: Intergovernmental Coordination, Capital Improvements and Public School Facilities. LaRue & Associates solicited public comment on how the Village should work with Lee County and

the School District to coordinate recreational facilities planning, as well as transportation initiatives like bike/pedestrian pathways. Public input also was encouraged on capital improvement priorities, including land acquisition for conservation, recreation and river access. During the discussion on schools, suggestions included co-locating Village and School District recreational facilities for community use.

The consultant’s presentation may be viewed on the [Village of Estero website](#). A first draft of the full Village of Estero Comprehensive Plan is expected to be presented during the two public PZB meetings in July.

Estero’s May Residential Housing Permits Remain Steady

During May 2017, permits for fifty-five (55) residential units were issued in Estero, including seventeen (17) single family homes, two (2) duplex homes and thirty-six (36) condominium units. The condominium permits were the first construction permits issued to Genova on Via Coconut. Of the seventeen (17) single-family permits, ten (10) were issued to Tidewater, the 55+ gated community at the SW corner of Ben Hill Griffin and Estero Parkway, and five (5) were issued to Estero Place on Via Coconut. The total value of all residential permits issued during the month was \$14,391,832.

The table below compares 2017 year-to-date figures with those of the previous 17 years.

Year	Year-to-Date Housing Units	Building Value	Average Building Value Per Unit	Percentage of Single Family Units
2000	858	\$116,877,412	\$136,221	38%
2001	1,035	155,925,738	150,653	40
2002	599	99,942,722	166,849	52
2003	872	127,480,453	146,193	33
2004	631	126,737,869	200,852	72
2005	1,275	253,271,426	198,644	45
2006	702	164,942,772	234,961	24
2007	286	78,418,241	274,190	36
2008	56	19,730,130	352,324	80
2009	60	22,082,017	368,034	84
2010	97	17,999,000	185,557	75
2011	78	14,489,392	185,761	87
2012	97	17,342,167	178,785	88
2013	199	34,177,392	171,746	87
2014	208	32,488,789	156,196	77
2015	499	51,449,495	103,105	11
2016	68	20,862,796	306,806	100
2017	374	54,746,820	146,382	16

Note: The building values above exclude the value of the underlying land.

Sources:

For 2016 and 2017, see Village of Estero Community Development: <https://estero-fl.gov/monthly-building-reports/>

For prior years, see Lee County Permit Reports for the “Village of Estero”: <http://www.leegov.com/dcd/reports>

Estero’s May Commercial Permits Include Coconut Point Renovations

Estero’s commercial permits in May, 2017 totaled \$4,074,762, including \$2 million for the renovation of the old Sports Authority location in Coconut Point Mall. So far this year, over \$4.7 million has been invested in renovations within the Mall. This year’s total investment in commercial properties should prove to be one of the largest in Estero since 2007, largely due to last month’s \$82 million for the Lee Health Care Village.

The table at right compares 2017 year-to-date totals with those of the previous 17 years

Note: The building values above exclude the value of the underlying land.

Sources:

For 2016 and 2017, see Village of Estero Community Development: see <https://estero-fl.gov/monthly-building-reports/>

For prior years, see Lee County Permit Reports for the “Village of Estero”:

<http://www.leegov.com/dcd/reports>

For prior years, see Lee County Permit Reports for the “Village of Estero”: <http://www.leegov.com/dcd/reports>

Year	Year-to-Date	Annual Total
2000	\$68,297,657	\$77,250,835
2001	16,911,976	44,116,526
2002	5,968,501	23,135,139
2003	8,176,174	23,234,725
2004	8,661,787	60,859,820
2005	34,119,981	111,037,977
2006	74,470,848	184,709,240
2007	70,938,231	157,614,045
2008	21,989,153	39,261,677
2009	7,439,170	9,752,556
2010	1,211,381	9,322,546
2011	5,800,777	11,717,593
2012	6,885,578	11,879,291
2013	3,219,512	14,656,213
2014	76,135,103	139,285,611
2015	62,660,403	68,338,852
2016	25,781,789	39,716,393
2017	103,425,095	N/A

Estero's May Single-Family Home Sales Rebound

For May, 2017, the Multiple Listing Service (MLS) reported sixty-five (65) single family home sales in Estero, up 38% from May, 2016. After bouncing back from lower sales in April, May year-to-date sales increased 5% from 2016.

Sales figures for 2017 and for each month for the previous two years are shown below:

Period	2015	2016	2017	Inc (Dec)	Inc (Dec) %
Jan	34	46	46	-	-
Feb	35	39	41	2	5
Mar	65	54	73	19	35
Qtr 1	134	139	160	21	15
Apr	69	67	42	(25)	(37)
May	71	47	65	18	38
June	63	66			
Qtr 2	203	180			
July	51	42			
Aug	36	57			
Sept	44	35			
Qtr 3	131	134			
Oct	41	33			
Nov	33	39			
Dec	53	65			
Qtr 4	127	137			
Yearly Totals	595	590			
Year-to-Date	274	253	267	14	5

At the end of May, there were 446 listings of currently active unsold homes (i.e., “inventory”). This equates to about a 9-month supply, near the highs in quarter 1 of 2016 and 2017. Often, this figure peaks in the first half of the year.

Pending sales at May 31 totaled 114 homes – continuing to run ahead of last year’s figures. This suggests solid sales in the coming month.

The percent of distressed sales in May, as well as distressed sales in inventory at the end of May, remained near 1% to 2%, approximating the lowest levels since 2012.

Continued thanks to Joe Pavich, Sr. of Realty World in Estero for supplying us monthly sales and inventory figures.

Notes: 1) “Distressed sales” include short-sales and sales of bank owned property in which the bank receives less than their loan amount.

2) Figures include homes in Estero (excluding homes in the Estero portion of Pelican Landing, which are not separately shown in the MLS). Also not included are figures for multi-family homes.