

Estero Development Report September 2015

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Estero Senior and Rental Housing Booming

Construction in Estero is booming again. While Walmart, Racetrac and Discovery Day Academy have recently held grand openings, over a dozen new residential and commercial construction developments are underway. And many more are in the planning process. The next several editions of the EDR will include information on these developments, both those under construction and being planned. This article focuses on senior facilities and rental apartments already being built which are expected to add about \$60 million to Estero’s tax base.

Market Research

In 2013 the ECCL commissioned Seth Harry and Associates and Peloton Research Partners to conduct a research study to evaluate the real estate market in Estero. Their report, dated September 16, 2013, identified two major needs and opportunities for Estero. The report stated “future planning for housing...should include more emphasis on continuing care, assisted-living, and Alzheimer’s facilities.” The report also stated that “a significant amount of rental housing should be offered...to provide housing for working couples, singles and retirees.” Already the

market is responding with construction of two senior facilities and three apartment complexes described below.

Senior Facilities

American House Coconut Point will be a senior living community with 194 units of independent living, assisted living and memory care apartments. It will feature dining, spa services and a fitness center. It is located on Pelican Colony Boulevard, just south of Lee Memorial's planned Health Care Village and the Coconut Point Mall. American House Senior Living Communities is considered a quality developer with 35 facilities in Michigan. The Estero facility is expected to open in the spring and summer of 2016.



American House Coconut Point

Autumn Leaves will be a family owned and operated assisted living community with 54 units devoted to memory care. It is being developed by the LaSalle Group on the west side of U.S. 41 across from the Coconut Point Mall. There will be a variety of size units ranging from studios to units with standard size or larger rooms. The facility expects to open in the fourth quarter of this year.



Autumn Leaves

Rental Apartments

Springs of Estero will include 260 apartments on 18 acres aside the entrance to Germain Arena. The property is being developed by a Wisconsin-based firm, Continental Properties, which is known for building luxury apartments. This development will include rental studio, one-, two- and three-bedroom residences, along with a clubhouse, playground and pool all within a gated community. The development is expected to open later this fall with the entire complex being occupied by April, 2016.



Springs of Estero

Courtyards at Estero will include 136 luxury apartments located in 17 two-story buildings, along with a clubhouse, swimming pool, fitness center and dog park. The apartments are located on the north side of Corkscrew just west of the I-75 exit. The developer is a Boca Raton company, Focus Development Group. The entire development is scheduled for completion in May, 2016.



Courtyards at Estero

Estero Oaks is a 36 acre mixed-use development at the northwest corner of Estero Parkway and Three Oaks Parkway, just outside the Village boundaries. The development will feature 280 one-to-three bedroom apartments ranging in size from 800 to 1400 square feet. The

apartments will be positioned around a four acre lake with public open spaces and landscaped boardwalks/sidewalks for walking and biking to the adjacent planned commercial use area. Anticipated commercial uses include restaurants, small retail businesses and offices. The mixed use project is being jointly developed by Oakbrook Properties and Royal Palm Homes. The residential portion is expected to be open in the third quarter of 2016.



Estero Oaks

Public Participation in Village Development Review Committee Hearings

Estero's tradition of widespread citizen participation in the land use approval process has contributed greatly to the outstanding appearance of developments throughout the community.

Now that the responsibility for these decisions has switched from the Lee County Board to the Village Council, the public needs to know how the new review system will operate so that they can continue to participate effectively.

What follows is a layman's recap of the Development Review Process now being implemented by the Village of Estero.

Village Advisory Boards

The Village Council has created two Boards to review development proposals and project plans prior to any consideration by the Village Board.

PLANNING AND ZONING BOARD (PZB) – In addition to its community planning responsibilities, the PZB conducts Public Hearings and makes recommendations to the

Village Council regarding comprehensive plan amendments, future land use map amendments, land development code amendments, zoning district regulation changes and most often, rezoning of properties.

DESIGN REVIEW BOARD (DRB) – The DRB conducts Public Hearings and makes decisions subject to appeals to the Village Council after reviewing plans and specifications for all development orders and major building permits.

Florida law establishes a multi-step process prior to any permits being issued to implement a development. The property must comply with the Village's Comprehensive Plan or obtain an amendment to that document, be zoned or rezoned and later each project within the development must obtain a Development Order.

Public Information Meeting (PIM)

In addition to the State requirements the Village of Estero has added another step. Prior to any request for development or project approval the developer must first make a non-binding **PUBLIC INFORMATION PRESENTATION** to the Board having jurisdiction over the type of application being sought prior to the application being found sufficient (complete) by the Village staff.

When the PZB holds a PIM public workshop the developer is required to provide a detailed overview of the development and shall provide the PZB with documents and information supporting that overview as required by rules to be adopted by the PZB.

When the DRB holds a PIM public workshop on a development order or building permit, the developer must provide a detailed overview of the project and shall provide the DRB with documents and information supporting that overview as required by rules to be adopted by the DRB.

The minutes of each PIM for either Board must contain a summary of the concerns or issues that were raised at the meeting. Thereafter the developer shall provide the reviewing Board with a proposal for how the developer will respond to the issues raised at the workshop prior to the application being considered sufficient (complete).

Two purposes are served by the Public Information Meeting requirement:

- The developer is able to receive unofficial feedback from the respective Board before he has spent lots of money on planning and design, and
- An opportunity for affected Estero residents to become aware of the proposed development or project early in the review process and to raise their concerns about the proposal in time for the developer to respond early in the development review process.

Comprehensive Plan Changes

When Estero became a Village it inherited the Lee County Comprehensive Plan, including the Estero Community Plan, which is part of the Lee Plan. Florida law requires that all new municipalities update its Comprehensive Plan within three years of incorporation.

In addition the Village can initiate other Comp Plan changes, with the help of the PZB, at any time. In April the Village Council contracted with Spikowski Planning Services to prepare amendments to the Village's Comprehensive Plan and Land Development Code that would expand and refine the proposed mixed use regulatory framework; prepare an overlay map that could be used to identify the areas where mixed use planning standards would apply such as the proposed village center and the healthcare village; prepare a second map that might be used to identify additional areas where the new standards might be available, etc.

Each of these Comp Plan changes are subject to a PIM Workshop and subsequent PZB hearing, review and recommendation before going to the Village Council for final action. Before the Village can approve, deny or approve with conditions, any Comp Plan change it must be reviewed by the Florida Department of Economic Opportunity.

Developers seeking certain major changes in the zoning of their development will need to seek a Comprehensive Plan change from the Village prior to their effort to rezone the property. Once again the developer will need to work with the PZB at a PIM Workshop, followed by a PZB Hearing, review and recommendation before the required State review and the final decision of the Village Council

Rezoning

The next step in the land use approval process is typically an effort by a developer to have the Planning and Zoning Board (PZB) recommend approval of an application to rezone a parcel of land located within the Village.

After the PIM Workshop has been held, the developer's response has been accepted and the application deemed sufficient (complete) by the Village Planning staff, the PZB will conduct a Public Hearing and make a recommendation to the Village Council regarding approval, approval with conditions or disapproval of the rezoning. Upon receipt of the PZB recommendation the Village Council shall take final action on the rezoning.

The major issues that the PZB must consider, among others, in the typical rezoning of a development are:

- The maximum amount of development to be permitted on the property e.g. how many housing units and/or how many square feet of office, retail or other commercial or industrial development,
- The maximum height of the buildings and how they look from adjacent properties,
- The location of the development and the internal roadway of the site,
- The location of the entrances to the property and the development's impact on surrounding traffic and traffic safety,

- The compatibility of the development with the surrounding occupants or planned developments,

The PZB Board members are knowledgeable about this step in the process and are very specific in their investigative questioning of all aspects of the proposal. Questions and comments from the community, especially those potentially directly impacted by the development, are vital to this step in the process and are an official part of it.

In order to encourage Community awareness and participation in each PZB meeting addressing Comprehensive Plan and Rezoning matters, the ECCL issues ALERTS to our sizeable membership list to make everyone in the community aware of upcoming PUBLIC INFORMATION MEETINGS or PZB ACTIONS.

If a proposal involves property close to your community it is especially recommended that you come out and be heard.

Development Orders

The next step in the typical Estero development approval process is the review of a Development Order (DO) for each ***project*** within a previously rezoned ***development***.

Some developments have only one project within their boundaries but most of them contain more than one project. For example, the *Coconut Point development* consists of 500 acres extending from the northern boundary of Bonita Springs to Williams Road with US41 on the west and the CSX railroad tracks on the east. The Hertz site is just *one of the many projects* within the Coconut Point development.

When a property is rezoned the developer typically does not know exactly how each parcel of land within the development will be used. As a consequence there is, at that time, no architectural, landscape or other plans available for review.

That's where the Development Order and the Design Review Board (DRB) come in. When these detailed plans are complete *for each project* within a development, the developer must file an application with the Village for approval of a Development Order authorizing the developer to proceed with the plans for the project.

The DRB shall review every application for a development order that has any impact on building appearance and design, landscaping, hardscaping, pedestrian and vehicular connectivity, open space and certain administrative project decisions. The DRB may require such changes as may be requisite and appropriate to the maintenance of a high standard of architecture, beauty and harmony as established by the standards adopted by the Village Council earlier this year.

The decisions of the DRB are final subject to an appeal being filed by the developer specifying the aggrieved action of the DRB and the action that the developer would like the Village Council to take. Thereafter the Village Council shall hold a Public Hearing on the appeal and affirm, reverse or affirm with modifications the decision of the DRB.

Once again the ECCL supports the Village by using its extensive communication capabilities to encourage the citizens of Estero, especially those residing nearby, to attend and participate in each of these DRB meetings.

Certain Building Permits

The final step in the approval process before construction can begin on a project is Village approval of the necessary building permits.

Building Permits for the construction or addition to any building, except most single family homes, may be issued only after the DRB has reviewed the building plans for satisfaction of the standards established by the Village Council for such reviews and the Chairman has signed each set of plans and specifications for the project.

If the DRB has insisted on some changes over the objections of the developer, the developer may appeal this change to the Village Council. Thereafter the Village Council shall hold a public hearing on the appeal and affirm, reverse or affirm with modifications the decision of the DRB.

Once again the ECCL will advise all the households and community leaders on its email list about these DRB meetings.

Village Council Review and Appeal Decisions

As indicated earlier the Village Council will be making the final decision on all Comprehensive Plan and Rezoning changes after the PZB has made their recommendations. All Village Council meetings welcome comments from all interested members of the public on each agenda item, including these important land use decisions.

Thus, the residents of Estero will have more opportunity for public input on rezoning matters than they had with Lee County, where only those who testified before the Hearing Examiner could testify when the BOCC took final action on the case.

Also as stated earlier most of the decisions of the DRB are likely to be final. Only those that are appealed by the developer will come to the Village Council for action. On appeals of DRB Development Order and Building Permit decisions, the Village Council will hold a Public Hearing where all citizens can participate prior to deciding the appeal.

Whenever the Village Council will conduct a Public Hearing or schedule a Major Development or Project for final approval, the ECCL will advise all the households and communities on our extensive email list about the key issues that will be publically debated at the Hearing or Council meeting.

August Residential Building Permits Decline

In August, 2015, permits for four (4) single family homes were issued in the new Village of Estero. The dollar value of the permits was \$1,684,318. Two (2) of the four permits were issued to Pebble Pointe on Coconut Rd. Like many years, August is one of the slowest months of the year for issuance of residential permits. On a year-to-date basis, total residential building values are up 22% from last year.

The table below compares 2015 year-to-date figures with those of the previous 15 years.

Year	Year-to-Date Housing Units	Building Value	Average Building Value Per Unit	Percentage of Single Family Units
2000	1,324	\$185,979,596	\$140,468	44%
2001	1,620	247,128,734	152,549	45
2002	995	170,674,374	171,532	58
2003	1,130	173,165,820	153,244	41
2004	1,155	252,025,813	218,204	64
2005	1,924	402,498,096	209,199	52
2006	1,086	270,683,985	249,249	30
2007	405	112,048,147	276,662	36
2008	116	39,664,561	341,936	84
2009	104	36,972,442	355,504	77
2010	144	29,566,886	205,326	78
2011	129	26,549,340	205,809	83
2012	227	39,619,832	174,537	72
2013	345	59,033,274	171,111	83
2014	286	49,772,878	174,031	84
2015	530	60,902,437	114,910	15

Source: Lee County Permit Reports for the "Village of Estero"; (Note the new web address with new instructions): <http://www.leegov.com/dcd/rpts>. Click on "Building Permits," then click on "Monthly," then click on "Village of Estero;" then click on "2015," then click on the "Month," and select "Building Permits: Residential." Then click on "Open Report."

August Commercial Building Permits Remain Lackluster

The value of commercial permits in the new Village of Estero in August, 2015 totaled \$648,988. While August is often a slow month, this August represents one of the lowest months in the last 18 months.

The following table compares 2015 year-to-date figures with those of the previous 15 years.

Year	Year-to-Date	Annual Total
2000	\$73,093,826	\$77,250,835
2001	26,322,473	44,116,526
2002	16,986,322	23,135,139
2003	14,032,515	23,234,725
2004	16,385,992	60,859,820
2005	51,712,399	111,037,977
2006	163,043,204	184,709,240
2007	144,142,654	157,614,045
2008	36,229,579	39,261,677
2009	7,924,236	9,752,556
2010	6,021,412	9,322,546
2011	9,477,466	11,717,593
2012	10,224,322	11,879,291
2013	11,140,217	14,656,213
2014	80,750,581	139,285,611
2015	64,812,633	N/A

Source: Lee County Permit Reports for the “Village of Estero”; (Note the new web address with new instructions): <http://www.leegov.com/dcd/rpts>. Click on “Building Permits,” then click on “Monthly,” then click on “Village of Estero;” then click on “2015,” then click on the “Month,” and select “Building Permits: Commercial.” Then click on “Open Report.”

Note: The building values above understate the cost of each residential and commercial building because they exclude the value of the underlying land.

Estero’s Single Family Home Sales Show Relative Strength in August; Year to Date Sales Up 42%

In August, 2015 the Multiple Listing Service (MLS) recorded thirty-six (36) single family home sales in the Village of Estero. This is 16% ahead of last August, which month is typically one of the slowest each year. Through eight months this year, sales are up 42% from last year.

Sales figures so far this year and for the last two years are shown in the following table:

Period	Sold in 2013	Sold in 2014	Sold in 2015	Inc (Dec)	Inc (Dec) %
Jan	20	29	34	5	17
Feb	25	33	35	2	3
Mar	39	25	65	40	160
Qtr 1	84	87	134	47	54
Apr	49	47	69	22	47
May	48	49	71	22	45
June	46	51	63	12	24
Qtr 2	143	147	203	56	38
July	38	33	51	18	55
Aug	32	31	36	5	16
Sept	27	33			
Qtr 3	97	97			
Oct	48	38			
Nov	27	35			
Dec	49	43			
Qtr 4	124	116			
Year-to-Date	297	298	424	126	42

As of August 31, 2015, there were 313 listings of currently active unsold homes, which is the lowest level this year. For the second consecutive month, that represents just 5 months' supply, which is the lowest level since the ECCL first starting tracking the figure in 2012. At that time, it hovered around 12 months' supply. And, with only eighty-five (85) sales pending at the end of August and the slowest time of the year immediately ahead, monthly sales are expected to remain lower than during the first half of the year.

Distressed sales continued to approximate 6% of sales and inventory, as they have for the past year.

As always, thanks to Joe Pavich, Sr. of Realty World in Estero for providing the ECCL with the MLS figures for the new Village of Estero.

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 the new Village of 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.