

Recreation equals revenue to local communities

By [Bill DiPaolo](#)

Palm Beach Post Staff Writer

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Ask most residents in Palm Beach Gardens to name a symbol for their city and they likely would say restaurants along PGA Boulevard. Fancy gated communities. The Gardens Mall. These same residents likely would be surprised to know that about one-half of their 56-square-mile community is conservation land that cannot be developed. The council on Thursday approved adding 200 more conservation acres in the Loxahatchee Slough Natural Area. Those 22 square miles are not simply pretty places to protect fish and wildlife, and paddle a kayak. Conservation land is an economic engine.

“Buyers in places like PGA National and The Shores in Jupiter love that beautiful serenity. They love being around the animals and the birds. It’s a powerful selling point,” said North County Realtor Rebel Cook.

“What’s the most expensive land in New York City? Right on Central Park. Physical and visual access to green space increases property values,” said Ed McMahon, senior resident fellow at the Washington, D.C.-based Urban Land Institute.

Nationwide, communities are pivoting to conservation land as an alternative to the once-popular festival marketplaces like Bayside in Miami and aquariums such as the one in downtown Tampa to help revive their local economies. Prices for property on or near conservation land will rise as health-conscious baby boomers retire, said Marie York, president of Jupiter-based York Solutions, a planning consulting firm. “Baby boomers are healthy. They are wealthy. Conservation land is meeting a social demand,” York said.

Palm Beach Gardens officials consider green space a selling point. They recently paid \$8,200 for a five-minute video that touts the large amount of green space in the city. The video, which also notes the close proximity to Palm Beach International Airport and the Port of Palm Beach, is posted on the city’s website. A prospective home buyer will pay about 10 percent more when the property borders preserved land, she said.

Some taxpayers might wince, however, at local governments spending their money to upgrade conservation areas.

State and city funds combined to pay \$550,000 several years ago to build boat ramps and hiking and biking trails at Sandhill Crane Park at PGA Boulevard and the C-18 Canal. The county spent \$2.1 million last year to build a water taxi stop and 225-foot wooden boardwalk at Juno Dunes Park.

And after buying the land, there’s the upkeep. Wellington taxpayers within the Acme Improvement District pay about \$500,000 annually to remove exotics, maintain wetlands and plant seedlings in the 365-acre Wellington Environmental Preserve. The preserve includes horse trails, a boardwalk and six-story observation tower.

“Conservation is an expensive proposition,” said Wellington Assistant Village Manager John Bonde. That expense is worth every dime, said John True, a Juno Beach Realtor. True insists his customers turn west while he shows them an oceanfront location for sale. That’s the direction of the about 42 percent of Juno Beach that is conservation land, mostly rolling scrubland west of U.S. 1 between Donald Ross and Marcinski roads. “You can’t get that beautiful protected greenery in the rest of the county. That open land is one of the reasons north county property values have stayed strong,” True said.

While conservation land can drive up nearby property values, there is a downside. Municipalities get zero tax revenue from conservation land. Jupiter has spent about \$21 million since 2004 to buy about 48 conservation acres along Indiantown Road, the town’s main, often-clogged, east-west business roadway. The vacant parcels, such as the 16-acre

Delaware Scrub bought for \$7 million in 2005, are surrounded by restaurants, medical offices, car dealers and retail stores . Buying the properties stops more business development that would further choke Indiantown Road. “It’s not always about getting tax revenue. This is a quality of life issue,” said Jupiter Vice Mayor Jim Kuretski.

The key to winning public support for communities buying and rezoning land for conservation is keeping public access open. And conservation land must also serve a purpose for all taxpayers, said McMahon, citing Grassy Waters as an example. Grassy Waters, a 20-square-mile preserve north of Okeechobee Boulevard, feeds the West Palm Beach’s downtown water treatment plant. The preserve also includes nature center pavilions, meandering boardwalk trails, hiking and canoeing open to the public. The Wellington Environmental Preserve, along with the public horse and hiking trails, also is a collection area for stormwater runoff. “Fifty years ago, parks were only for the wealthy side of town. Now, everybody wants to be near one,” said McMahon.

Aronberg's opponents in state attorney race slam him for secret campaign

By [Joel Engelhardt](#)

Palm Beach Post Staff Writer

Updated: 11:03 a.m. Wednesday, July 25, 2012 | Posted: 3:30 p.m. Tuesday, July 24, 2012

WEST PALM BEACH —

In a debate Tuesday, no-party candidate Robert Gershman and Republican Dina Keever slammed Democrat Dave Aronberg, their opponent for Palm Beach County state attorney. Both questioned Aronberg's ethics as they criticized him for a series of actions exposed by *The Palm Beach Post*. On Sunday, *The Post* reported that Aronberg directed a secret campaign last year against then-State Attorney Michael McAuliffe before Aronberg declared as a candidate. In June, *The Post* documented Aronberg's role in threats that persuaded Circuit Judge Krista Marx in February to forgo a run as a Republican against him.

"For him (Aronberg) to say he comes with clean hands as a non-party affiliated type of person is not reality or factually based in anyone's imagination," Gershman said to a question about whether the race should be nonpartisan. "There is no question that he, with his Democratic machine, forces people not to run, confronts people to reconsider, engages people for their money. ... If that is not party tactics than I must have missed it in my civics class."

Keever added: "I entered the race because of the political machine, because of the politics, because of the people who support Mr. Aronberg, who eliminated his competition by intimidating Judge Krista Marx. ... Now we learn that those same tactics were used not only to eliminate an opponent but to get rid of an incumbent. It doesn't matter what party. It happened. And I'm here to tell you that we've got to put an end to it."

Given an opportunity to respond, Aronberg said "We shouldn't pretend that I'm the only person here who is a partisan candidate." He pointed out that Keever announced her candidacy at the Boca Republican Club and her campaign manager initially came from the GOP. "The question is 'Can you transcend party politics?' and I have proven that," he said. He did not address his opponents' specific allegations. Unlike the sheriff, property appraiser and supervisor of elections, the state attorney's race is partisan in Palm Beach County. The three candidates, who all will appear on the Nov. 6 ballot, said they agreed that it should be nonpartisan.

About 130 people attended the debate, sponsored by the Economic Forum at the Kravis Center's Cohen Pavilion.

The Post reported on Sunday that before he formally entered the race in January Aronberg directed a stealth campaign against McAuliffe, also a Democrat. Aronberg worked with the financial assistance of millionaire developer Marty O'Boyle, who had been angered by McAuliffe's refusal to speak with him in March 2011, after O'Boyle's daughter was found guilty in a misdemeanor DUI trial. *The Post* reported in June that a document created by Aronberg's campaign manager, Christian Ulvert, and forwarded by Aronberg, played a prominent role in the February threat that persuaded Marx to forgo her run for state attorney.

In Sunday's story, *The Post* documented Aronberg's role in a protest of McAuliffe's decision to offer a plea deal calling for seven life terms — rather than the death penalty — for Paul Michael Merhige, who killed four family members on Thanksgiving Day 2009. When Aronberg couldn't find enough people to attend the protest, O'Boyle told *The Post*, O'Boyle paid \$900 for protesters from a Coconut Creek party planning company. On Monday, Aronberg told WPTV-Channel 5 that he didn't pay the actors. He also said O'Boyle had repudiated his story.

O'Boyle, however, went on Channel 5 Monday night and disagreed with Aronberg's recollection. Asked whether

Aronberg asked him to fabricate a protest against McAuliffe, O'Boyle said: "Yes he did. Yes. Twice." In his Channel 5 interview, Aronberg did not dispute secretly directing anti-McAuliffe advertisements, which he oversaw while employed as a special prosecutor in the Attorney General's Office. He told Channel 5 that he was "proud of getting truthful information about (McAuliffe's) office out there."

All three candidates said they would make prosecuting public corruption a priority. Aronberg said he helped write anti-corruption laws during his eight years in the state Senate. Keever said she would draw from her experience as a federal prosecutor. Gershman said he had seen public corruption as both a prosecutor and defense attorney, including his representation of former West Palm Beach Commissioner Jim Exline, who was jailed on tax charges.

Aronberg said he could bring four more prosecutors to Palm Beach County cases by signing agreements with the statewide prosecutor's office, where he used to work.

Realtors report increase in commercial deals

By [Alexandra Clough](#)

Palm Beach Post Staff Writer

Posted: 10:59 a.m. Monday, April 16, 2012

Commercial properties that have sat dormant during the recession suddenly are starting to move, and that includes the Dixie Highway corridor in West Palm Beach, according to area brokers. **"There's a definite change in the market," said Rebel Cook, who has noticed a dramatic uptick in sales and leases in the past four months. "I thought it was just me, but I'm seeing multiple offers on buildings. It really is hopeful," said Cook, of Rebel Cook Real Estate in Jupiter.**

Some examples:

- **A 10-unit apartment building at 3637 Olive Ave. just north of Southern Boulevard recently traded hands. Multiple offers were received, and the property sold for \$750,000, all cash, though it had been appraised for less than \$400,000, Cook said. "I was getting three calls a day on it," he said. Interested buyers even submitted backup offers.**
- **A 3,000-square-foot office building a few miles north, at 301 Pine St. - near Good Samaritan Hospital off Flagler Drive - was listed for \$450,000 as a short sale and received multiple offers. It ultimately sold, for cash, at the \$450,000 price and will be used as a law office.**
- **Diamond Antique Oriental Rugs has just opened at 3720 S. Dixie Highway in 2,200 square feet of leased space. The company had been looking for a while and only wanted to be on Antique Row, Cook said.**

Paul Snitkin of Anderson & Carr in West Palm Beach also reports several deals along Dixie Highway. For instance, he has two under contract: A sale of 3621 S. Dixie Highway, a building on Antique Row being purchased by an investor; and 520 S. Dixie Highway, which has retail on the first floor and apartments on the second floor. Both sales are all cash. "Ever since the bell rang on Jan. 1 at midnight, something happened," Snitkin said. "We're on track to have one of the best years we've had in awhile." He had a hint things were improving when, late last year, he sold a building at 7500 S. Dixie Highway for \$350,000. It had been on the market for two years. Even more interesting: Developers, including those who build office buildings, are starting to tiptoe back into West Palm Beach, with interest in buying assembled blocks, just like the recent days of the real estate boom, Snitkin said.

- As reported in this column last November, a major home flooring company is opening in Boynton Beach. Floor & Decor plans to open a 100,000-square-foot location at 1974 High Ridge Road on May 3.

The move is a positive indicator for the housing market, both for do-it-yourselfers and general contractors. In addition to a broad selection of marble, granite, ceramic, tile, hardwood and laminate flooring, Floor & Decor also will offer special features at the Boynton Beach location, including two cabinet suppliers and a luxury Design Gallery showcasing the latest styles for the entire home, including the kitchen and bathroom. Bryant Scott, president of the Atlanta-based nationwide chain, said the company's store in Pompano Beach has performed well during the past two years and he expects the Boynton Beach location to be equally successful. He said he picked the location, along Interstate 95, because he expects to attract customers from both the south and the north, even into Martin and St. Lucie counties. "People come a long way to visit our stores, so we try to be regionally positioned," he said.

Despite the continued foreclosure crisis in Florida, Scott is seeing demand from customers who have put off home improvement projects, as well as from investors buying foreclosed or distressed properties who need to fix them up. He's even seeing demand from people who are "upside down" on their home but are resigned to staying put for a while. Scott, formerly president of Home Depot's upscale Expo division, said the Design Gallery will give buyers

ideas on how to incorporate flooring into the home. The location is expected to hire about 65 employees.

- The Promenade condo in downtown Boynton Beach is headed for foreclosure, according to Gary Nagle, a Juno Beach lawyer who has been representing clients in protracted litigation against the mammoth condominium.

The move would represent a defeat for the developer, Boynton Waterways Investment Associates, and New Boston Fund, the project's equity partner. Despite the recession, they valiantly tried to sell the twin-tower, 14-story project, on Federal Highway and Boynton Beach Boulevard. Only about a quarter of the condo's 318 units have been sold since sales began in May 2010. Units start at about \$160,000. Nagle said last week that two lawyers familiar with the deal told him the property will be foreclosed on, most likely by Wells Fargo Bank. The Promenade's original lender, Anglo Irish Bank, sold its portfolio of bad loans, including the Promenade's \$117 million construction loan, to Lone Star, a Texas private equity fund.

But according to documents filed with the Palm Beach County Clerk and Comptroller's Office on Jan. 24, Lone Star then assigned the Promenade mortgage to Wells Fargo (It's not clear how much Lone Star paid for the Anglo Irish note.) "New Boston Fund is continuing to work with the project's lenders to secure a mutually beneficial agreement for all stakeholders," said Pryse Elam, a New Boston executive. Attorneys for Wells Fargo did not return phone calls for comment. Already, Wells Fargo has filed court papers to intervene in pending cases against Boynton Waterways. The cases were brought by Nagle on behalf of people trying to get out of their pre-construction contracts and recoup their down payments.

Other cases brought by Nagle already have won judgments against Boynton Waterways, due to a recent 3rd District Court of Appeal decision dealing with the way a developer improperly held buyers' escrow money. The judgments effectively halted sales at the Promenade because title companies became wary of writing title insurance. Between the number of cases already awarded judgments, and the new cases pending, Nagle estimates at least \$2 million in deposits is at stake. What will a foreclosure of the Promenade condo mean to people already living there? Probably not much, just a change in ownership of the building. Word is the foreclosure will be "friendly," meaning Boynton Waterways probably won't fight it. Meanwhile, the Florida Supreme Court is expected to hear an appeal of the 3rd District Court of Appeal decision, which could determine whether the judgments already entered against the Promenade's developer will stand.

Alexandra Clough writes about the economy, real estate and the law. Contact her at alexandra_clough@pbpost.com.

Florida agriculture commissioner pushes energy credit bill at Palm Beach County forum

By [Susan Salisbury](#)

Palm Beach Post Staff Writer

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Posted: 5:07 p.m. Thursday, April 12, 2012

WEST PALM BEACH — Florida needs more fuel diversity to power its electric plants, and that's just one of the reasons Gov. Rick Scott should sign a comprehensive energy bill, Agriculture Commissioner Adam Putnam said today. **Speaking to 150 people at the Economic Forum of Palm Beach County**, Putnam said Scott telephoned him shortly before the luncheon meeting began. "I'm hoping to call him back and make my last case," said Putnam, who oversees the state's Energy Office.

Putnam, elected in November 2010 to the post after serving five terms in the U.S. House of Representatives, has made energy legislation a priority. Scott has until Saturday to act on the bill, which would provide \$16 million in renewable-energy tax credits in 2013. Conservative activists have said the bill violates free market principles by providing tax incentives to solar, wind and biofuel companies. In March the bill passed the House on a 116-2 vote and cleared the Senate 38-2. "What the bill does is it creates tax credits that are technology neutral for renewables," Putnam said. "It is not a front-end subsidy. It is credit toward production of renewable energy."

Right now Florida is far too dependent upon natural gas, which arrives through two pipelines from Louisiana, Putnam said. Nuclear projects proposed for Florida are stalled and too expensive, he said. "Natural gas is not going to stay as cheap as it is forever," Putnam said. If the U.S. Environmental Protection Agency stops allowing "fracking," or hydraulic fracturing, a method of extracting natural gas, or if all 50 states convert to natural gas, the economics would change. "Soon natural gas will be 70 percent of Florida Power & Light's energy portfolio," Putnam said. "That is not a balanced portfolio."

When gasoline reaches \$4 a gallon, as it has recently, people begin asking about other options, but when prices go down, interest in alternatives wanes. "We don't have any better options today than we did when Jimmy Carter was in the White House," Putnam said. "That's unacceptable." Providing renewable energy incentives also will create jobs, especially in impoverished counties and rural areas where solar and wind farms are typically built, and help fuel a high-tech infrastructure. Florida has a natural advantage because crops used to make biofuel can be produced year-round.

Agriculture, while not flashy or glamorous, is the strongest pillar of Florida's economy, contributing \$100 billion in economic impact. Tourism is coming back and construction is still very weak, Putnam said. Palm Beach County is one of the nation's top 10 agriculture-producing counties. "How many people really understand the economic activity that takes place west of the turnpike?" Putnam said.

Builders in Palm Beach Gardens poised for better times

By [Bill DiPaolo](#)

Palm Beach Post Staff Writer

Updated: 9:35 p.m. Saturday, March 17, 2012

Posted: 7:56 p.m. Saturday, March 17, 2012

PALM BEACH GARDENS — Expecting to meet the growing demand for apartments, a Fort Lauderdale-based developer will seek initial approval on April 5 for up to 348 residential units off Central Boulevard with up to about 100,000 square feet of retail and office space. "Even if people can afford a home now, they are waiting for the economy to pick up," said Kyle Clayton, vice president for ZOM Development. "They like the flexibility of apartments."

The proposed development is further proof that north county is a prime location for future growth, said Rebel Cook, a commercial Realtor in the area. "North county properties held their value during the downturn," Cook said. "We have industries that provide strong salaries. Good schools. And we still have land available for development."

Florida Power & Light Co. has filed plans to build a corporate campus for up to 1,800 jobs on 86 of those undeveloped acres along PGA Boulevard. Nearby, on Hood Road, the Jewish Community Center has submitted plans to build a \$15 million center that would include the 310-student Arthur I. Meyer Jewish Academy.

When GL Homes held an open house in January for model luxury homes priced from \$425,000 to \$600,000 off Beeline Highway, about 600 prospective owners signed up. The 20-year plan for the Briger property on Donald Ross Road calls for biotech, offices, retail, a 300-room hotel and about 2,700 homes, townhouses and apartments.

ZOM officials looked throughout the county before deciding where to build, Clayton said. "We looked at future job growth, quality of schools, property values," he said. Max Planck and Scripps (Research Institute) was a component, but not the whole reason. Palm Beach Gardens was the best location for us." If approved by the Gardens council, the Hamptons at Central Gardens would be the second Palm Beach County project built by ZOM, founded in 1977 by a Dutch oil company executive.

The company built The Charleston, a rental community west of Boca Raton. It has built 23 other rental communities in Florida. The nearest ZOM projects are the Hamptons on Heron Bay in Coral Springs and two in downtown Fort Lauderdale, the Waverly at Las Olas and 4 Forty Flagler Village. ZOM would be required to build southbound right-turn lanes onto both access roads on Central Boulevard. A northbound left-turn lane would be required at the main access road at Victoria Falls Boulevard. No new roads would be required, according to Palm Beach County Department of Engineering records.

If the council votes in favor of the plan on April 5, a final council vote on the rezoning and site plan would be held May 3. Construction could start this summer on 224 gated apartments on the north side of the property. The project could be completed by the end of 2013. Construction of the retail and office space likely won't begin until the economy improves, Clayton said. "We are ready. We are very anxious to get this project moving," he said.

Palm Beach County tourism office woos Brazilians who like to shop

By [Alexandra Clough](#)

Palm Beach Post Staff Writer

Updated: 3:48 p.m. Tuesday, Jan. 17, 2012

Posted: 5:41 a.m. Tuesday, Jan. 17, 2012

Palm Beach County tourism leaders are looking forward this year to capturing more business from visitors who love to shop, and Brazilian tourists figure heavily into that strategy. The Latin American country recently landed on the cover of Florida Trend, a business magazine, as the Floridian of the Year. In 2011, the number of visitors from Brazil, who are drawn to the state's theme parks and shopping, among other lures, is up by at least a third.

Palm Beach County as a shopper's paradise will be a key focus in 2012, according to Jorge Pesquera, president and chief executive of the Palm Beach County Convention and Visitors Bureau. "We offer a stress-free, pleasurable shopping environment," Pesquera said, with plenty of variety, from high-end boutiques on Worth Avenue in Palm Beach to big-box retailers scattered throughout the county.

The shopping is about to get even better with the coming rebirth of the Palm Beach Mall in West Palm Beach. New owners plan to turn the aging mall along Palm Beach Lakes Boulevard into a destination center known as the Palm Beach Fashion Outlets, featuring luxury retail outlet stores. The mall revamp is expected to be completed in 2013. With more than 120 nonstop flights coming to South Florida, Pesquera said Brazilians coming here need to find out more about Palm Beach County as they head up the state on their way to Orlando and its theme parks.

Pesquera said the CVB already has started courting Brazilian tour operators who arrange trips to Florida. A new international sales director has been to Brazil three times in the past six months, he said, and the CVB had a presence at a Brazil trade show last year. In addition, the CVB hopes to hire a sales rep in Brazil this year to further boost business to Palm Beach County, Pesquera said. The CVB also is trying to stoke interest here among hotel operators. In November, the bureau hosted an educational workshop for Palm Beach County's hospitality industry, with a focus on reaching the Brazilian market. The presentation included opportunities to target Brazil and other Latin American countries. A representative from Panrotas, Brazil's leading tourism publication, made a presentation. Pesquera expects tourism overall to be strong in 2012, driven by growth from business and luxury leisure travelers. As for the middle-class luxury traveler, Pesquera is keeping his hopes up that lowered unemployment rates will translate into continued growth in the economy, fueling interest in travel to Florida.

One factor that will help goose travel is the addition of two new direct non-stop routes by JetBlue Airways, one of the major airline carriers servicing Palm Beach International Airport in West Palm Beach. Flights to Hartford, Conn., started Thursday, and flights to San Juan, Puerto Rico, will start May 15. Pesquera said Hartford is a key market featuring business travelers as well as tourists. John Checketts, JetBlue director of route planning, agreed. The route is attractive "because it's a mix," he said. "There's a lot of leisure travel going down to Palm Beach, and there's a business component we're interested in, too." (There's more synergy in this route than meets the eye. Last month, JetBlue picked a Pratt & Whitney engine, the PurePower W1100G-JM, to power the airline's Airbus A320neo aircraft. Pratt & Whitney, based in East Hartford, has a facility west of West Palm Beach.) Checketts said the route to Puerto Rico will appeal to the growing population living in South Florida. During the next two years, Checketts said JetBlue hopes to expand the number of flights now going to the larger markets served out of West Palm Beach, New York and Boston.

What's ahead for Palm Beach County's office market? Another good year for tenants needing space, and another challenging year for landlords. That's the word from Commercial Florida Realty Services of Boca Raton. Peter Reed, a Commercial Florida principal, said overall vacancy rates were at 22.86 percent for the fourth quarter of 2011, down only slightly from 22.94 percent in the fourth quarter of 2010. Lease rates remain flat at \$17.83 per square foot. "It will still be a tenants' market," Reed said. Reed said the vacancy picture remains largely unchanged because space demands by tenants entering the market roughly equaled the amount of space vacated by those leaving or downsizing. After waiting all year for the market to rebound strongly, Reed said some landlords, eager to fill empty space, now are starting to be more creative, offering short-term leases to tenants willing to take space as is.

Rebel Cook, a broker with Rebel Cook Real Estate in Jupiter, agreed. "Many landlords have reached the point where they are saying, 'I need to cover my expenses.' " Better lease deals, in turn, are prompting some tenants that have been hedging on doing a deal to commit now before rates go back up again, she said.

Reed expects the market will start tightening up now that some hopeful economic signs are starting to appear, such as higher retail sales. Unemployment still remains a major problem, but Reed held out hope that the economy might not be as bad as it appears to be and the office market will rebound.

Alexandra Clough writes about the economy, real estate and the law.

Gardens hopes fee reduction helps builders

By [Bill DiPaolo](#)

Palm Beach Post Staff Writer

Updated: 8:43 p.m. Monday, Dec. 26, 2011

Posted: 8:11 p.m. Monday, Dec. 26, 2011

PALM BEACH GARDENS — Builders, used to seeing the fees they must pay to local governments go up, will see some of them go down on Feb. 2 in the city. **"Wow! A government reducing a fee. That should bring more business," said Rebel Cook, a commercial Realtor in north county.**

The fees are paid by developers when they pull their permits. Called impact fees, the money pays for improvements to roads, recreation, fire and police required to offset the addition of their developments. Builders will see reductions up to about 60 percent for single-family homes, retail stores, movie theaters, day care centers and restaurants. There are increases for general commercial buildings larger than 200,000 square feet and office buildings larger than 50,000 square feet. The increases are less than 10 percent.

The decreases include:

- Medical office, 25,000 square feet: From \$72,300 to \$57,450
- Bank, 4,000 square feet: From \$33,924 to \$14,800
- Average-size detached single-family home: from \$6,400 to \$6,265

Gardens officials expect a drop of about \$500,000 over the next four years from the decrease. Officials expect the decline will be offset by attracting new construction. "Say we can bring redevelopment of Loehmann's Plaza. The new plaza would generate revenue to help offset the loss in the fees. Plus, we would attract more businesses and create more jobs. Higher property values would mean more tax revenue," said Mayor David Levy, referring to the slumping shopping center on the southeast corner of PGA Boulevard and I-95.

But others warn now might not be the time to restrict the ability of cash-strapped local governments to pay for the infrastructure needs. If the boost in business doesn't happen, that could leave current and future taxpayers to pick up the tab, said Stan Geberer, senior associate with Hank Fishkind and Associates, a Orlando-based planning firm. "The city is gambling that we are on the cusp of a recovery. That may be true. If it's not, somebody's going to have to pay for the new infrastructure," Geberer said.

Gardens is not the only government offering incentives to lure businesses. Boynton Beach is offering about \$150,000 in incentives to lure a developer to renovate the Boynton Beach High School. Jupiter offers \$5,000 matching grants for commercial building improvements. West Palm Beach has paid out about \$40,000 in matching grants to downtown businesses such as Pioneer Linens to improve the storefront facades. "Incentives are critical to attracting business in the current economic climate. There is a lot of competition to get the few projects that are being done these days," said Rafael Clemente, executive director of the West Palm Beach Downtown Development Authority.

Statewide, Pasco, Bay, Manatee and Lake counties are all considering lowering or changing the fees. State Rep. Michael Weinstein, R-Jacksonville, has filed a bill that could be heard in next month's Florida legislative session to bar the developer fees for schools or transportation until 2015. The reduction isn't enough to bring a flood of new home development to the city, said Rob Wilson, president of Ventura Homes and Development. His Wellington-based company has built about 700 single-family homes in Palm Beach County. But Wilson welcomes the effort by Palm Beach Gardens. He wants other communities to follow. "It's like when gas goes down a few cents. Every little bit helps," Wilson said.

Anything to make it easier for developers to build is a good idea, said architect Rick Gonzalez, president of REG Associates in West Palm Beach. With bank financing still tight, governments should do all they can to get out of the way, he said. "I love when cities think like a business," said Gonzalez, whose company designed the Marinelifelife Center in Juno Beach and Mirasol Town Center in Palm Beach Gardens.

Palm Beach County home sales stoke hopes

By [Kimberly Miller](#)

Palm Beach Post Staff Writer

Posted: 5:59 a.m. Thursday, Aug. 11, 2011

At least one Realtor questions the efficiency of those interventions and whether short sales, in which the bank accepts less for the home than what is owed on the mortgage, are really reducing foreclosures. Rebel Cook, of Rebel Cook Real Estate in Jupiter, said short sales continue to take too long to process, a timeline that pushes some buyers to walk away. "It is the most frustrating thing I've ever encountered," Cook said. "I think there is complete non recognition of the problem from banks and the U.S. Congress."

Amid the recent streak of economic tumult, a glimmer of optimism surfaced this week in two housing reports reflecting increased home sales in Palm Beach County as well as a continued slide in overall foreclosure activity statewide. Sales of existing Palm Beach County homes leapt 18 percent during the second quarter compared with the same period last year, according to a Wednesday report from the Florida Realtors. The 3,411 homes sold marked a 30 percent increase from the first quarter of 2011.

The statewide sales increase during the second quarter was 1 percent over 2010 and a nearly 18 percent jump from the first quarter of this year. At the same time, fewer Florida homeowners received foreclosure filings in July, with a 49 percent decline in initial notices filed statewide compared with last year. Palm Beach County's decrease last month in initial notices was 43 percent from July 2010.

Nationwide, foreclosure activity fell to a 44-month low in July, according to a report from the Irvine, Calif.-based RealtyTrac. RealtyTrac analysts have consistently attributed the foreclosure drop to the robo-signing scandal that pushed banks to delay their proceedings and redo paperwork. This week, they added foreclosure prevention programs, short sales and loan modifications as contributors to the decline. "The downward trend in foreclosure activity has taken on a life of its own," said James Saccacio, chief executive officer of RealtyTrac. "It appears the foreclosure processing delays, combined with the smorgasbord of national and state-level foreclosure prevention efforts, may be allowing more distressed homeowners to stave off foreclosure."

But not all is "rainbows and unicorns," as Metrostudy economist Alan Hunter put it. With an increase in home sales came falling prices during the second quarter. Palm Beach County's median sales price was \$206,000, a 13 percent drop from the same time in 2010. Statewide, the median price was \$134,600, a 5 percent dip from last year. And national home sales did not follow Florida's partly sunny trend, with both prices and quantity sold on the decline in the second quarter. The National Association of Realtors reported Wednesday that sales of existing homes and condominiums fell nearly 13 percent from last year. Median sales prices dropped about 3 percent, from \$176,800 last year to \$171,900. "Everyone has been saying that things will be better in a couple of years, and it just keeps getting pushed back," said Hunter, who is based in Palm Beach Gardens. "We need jobs and unemployment to fall dramatically before there can be a big demand for homes."

Lawrence Yun, chief economist for the National Association of Realtors, said home affordability was at its third-highest rate last quarter since records began in 1970. The index, which was 176.6, measures median home price, median family income and mortgage interest rates. Banks need to "get back into the business of lending to more creditworthy borrowers" to stimulate a more rapid sales recovery, Yun said.

Bill Richardson, president of the Realtors Association of the Palm Beaches, agreed that overly restrictive lending standards are blocking some sales, especially those to first-time buyers. "That's the biggest problem right now," Richardson said. About 30 percent of home purchases nationwide during the second quarter were all-cash deals, up from 25 percent last year. Adding to Yun's bleak forecast for home sales, Saccacio said the foreclosure reduction is based on artificial interventions that will extend "current housing market woes into 2012 and beyond."

At least one Realtor questions the efficiency of those interventions and whether short sales, in which the bank accepts less for the home than what is owed on the mortgage, are really reducing foreclosures. Rebel Cook, of Rebel Cook Real Estate in Jupiter, said short sales continue to take too long to process, a timeline that pushes some buyers to walk away. "It is the most frustrating thing I've ever encountered," Cook said. "I think there is complete non recognition of the problem from banks and the U.S. Congress."

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Businesses heartened by slowing decline in property values

By [Alexandra Clough](#)

Palm Beach Post Staff Writer

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The taxable value of property in Palm Beach County fell again last year, but its descent was limited to the low single digits in every category of real estate. The trend was encouraging news to the business community, which has seen double-digit declines in values for nearly all types of real estate during the past two years. Last week, Palm Beach County Property Appraiser Gary Nikolits gave members of the Economic Forum a sneak peek at the latest estimates. The numbers will be final in July.

The taxable value of all property as of Jan. 1 was down 2.6 percent, a decline much less steep than as of Jan. 1, 2010, when taxable values for all property plunged 12.6 percent. "It's improving," Nikolits said of real estate values in his address to more than 100 members of the Economic Forum, which meets monthly in West Palm Beach. Nikolits pointed out some bright spots: Multi-family homes showed a remarkable turnaround in just the past year as investors snapped up properties. The average decline in value was 2.3 percent. In 2010, values plummeted 20.4 percent.

Commercial properties also showed improvement: Values fell 4.5 percent, down from 12 percent the previous year. Industrial properties, which fell 6.4 percent last year, did much better than in the previous year, when values fell 16.2 percent. And residential property showed a 0.6 percent decline in taxable values, down dramatically from 10 percent the previous year. The figure was helped along by the sales performance of higher-end properties, "which have come back faster than others," Nikolits said. (Values also were helped by the recapture rule, which requires county appraisers to increase the assessed value, in this case by 1.5 percent, even when the market declines, Nikolits said.)

Declines in condo values also are starting to level off, Nikolits said. The taxable value of Palm Beach County's condos fell only 2.5 percent during the past year, compared with a whopping 12.6 percent the previous year. Nikolits reminded the group, which included several real estate brokers, that the appraiser's office uses a number of factors to come up with its assessments on residential property. Among the factors: looking at the prior year's assessments, as well as looking at current selling prices. The figure is not the same used by some Realtors associations, which use the median, or middle, price of home sales.

Nikolits said the taxable value of residential properties probably will be "flat over the next several years," owing to the huge backlog of foreclosures still making their way through the system. The commercial side, he said, hasn't experienced the same blow from foreclosures that has hit the residential market because, in some cases, banks are trying to work out problem properties with borrowers, he said. Nikolits said it is likely that values will stay around the same range "until the economy, and the jobless rate, recover. It's better than it was," he said of the county's taxable property values. "But it's still not good."

Rebel Cook, president of the Economic Forum, said Nikolits' remarks underscore that the "hemorrhaging has stopped. I don't see his (talk) as gloom and doom." Cook noted that declining values for residential real estate have an upside: They make it easier for people to afford homes. Although things aren't getting worse, it's clear that the real estate industry hasn't recovered enough to justify much in the way of new growth.

Parcel counts rose a measly 700 in the past year, a far cry from 2007, when 13,000 parcels were added to the tax rolls. Nikolits said these parcel counts were helped along by the opening of two condos, one in Boynton Beach and the other in Boca Raton. Construction spending also was anemic. During the past year, it amounted to \$992 million - slipping under \$1 billion for the first time in years, the lowest Nikolits said he can recall. (At the construction peak in 2007, county new construction was valued at \$4.6 billion.) Fred Schmidt, broker at Cornerstone Realty Inc. in West Palm Beach, said commercial and industrial properties followed residential into the slump and are recovering just a little behind the housing market. But he also echoed Nikolits' observation that a true real estate recovery must be driven by a recovery in the overall economy and especially the jobs market. When it comes to the commercial market, and particularly the industrial market, "there's not an over-supply, just an under-demand," Schmidt said. "The supply is correct for our populace, but because of the huge unemployment numbers, there's just less demand."

Alexandra Clough writes about the economy, real estate and the law. Contact her at alexandra_clough@pbpost.com.



CityPlace seeks loan modification

by Kim Miller

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Homeowners facing foreclosure may take some solace in this; even West Palm Beach retail monolith CityPlace is wrestling with its lenders for a loan modification. The outdoor shopping complex, celebrated for reinventing downtown, last paid on its \$150 million loan in February, sending it into 90-day delinquent status last month. Although retail occupancy remains high at 93 percent, according to a March report from Fitch Ratings, a recent appraisal of the property listed its value at \$143 million, down from a boom-time value of \$233 million.

Trepp, LLC, a New York firm that tracks commercial real estate investments, released an analysis Monday detailing CityPlace Partners LLC's loan status and the challenges for the shopping complex which is anchored by Macy's department store, Barnes and Noble Booksellers and Muvico Theaters. Large tenants include Publix, the Improv Comedy Club, BB King's Blues Club and Restoration Hardware.

The ownership of CityPlace Partners LLC includes New York-based Related Cos. Led by Miami Dolphins owner Stephen Ross, Related won the right last year to build the convention center hotel — a \$100 million project that officials hope will boost convention bookings. Assistant County Attorney Shannon LaRocque said Tuesday she doesn't believe the loan issue will have any impact on the convention center project. "They have missed mortgage payments, but that's strategic in nature," LaRocque said. "Related has consistently stated to me that they are reworking the loans and that there is no effect on the hotel."

Commercial real estate broker Rebel Cook, of Rebel Cook Real Estate in Jupiter, said loan modifications are common today as projects struggle with the down economy and the inability to charge higher rents. "It's happening everyday and in every way," said Cook, noting that lenders often refuse to negotiate when a loan is current. "They don't even want to talk about it until the loan is not being paid." Cook said she predicts the loan will be modified or someone will step in and take over the mortgage.

CityPlace is downplaying its loan woe, dispelling reports it is in foreclosure. "The CityPlace retail loan is not in foreclosure, and any reports of impending action are simply speculation at this point," said Jennifer Sullivan, a spokeswoman for CityPlace. "CityPlace Partners continues to work closely with the special servicer to realign the loan and ensure the continued long-term success of CityPlace."

The loan transferred to special servicer LNR Partners in April 2010 when the loan modification was requested. At the time, Fitch categorized the project's owner as being in "imminent default" on its loan. A letter from CityPlace Partners to financiers referred at the time to "loss of tenants, higher leasing costs and lower rents." CityPlace Partners got the interest-only \$150 million loan in 2006 at the peak of the market and with a 6.27 percent interest rate. It is set to mature in October 2016.

The Trepp analysis shows CityPlace's net operating income increased from \$8.3 million in 2004 to \$9.3 million in 2006. But the most recent report from the end of 2009 listed the net operating income at just \$5.2 million. "It's almost surprising the loan didn't go delinquent even earlier," wrote Trepp analyst Spencer Hollerith.

New hospital to open in Palm Beach Gardens and partner with Scripps

By **STACEY SINGER**

Palm Beach Post Staff Writer

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Tenet Healthsystems announced plans today to build a new 80-bed hospital on county-owned land in Palm Beach Gardens in partnership with The Scripps Research Institute.

The hospital will be built on 30 acres within the so-called Briger tract, a wooded parcel along Interstate 95 and Donald Ross Road that is slated to become phase two of a planned biotech hub.

Tenet senior vice president Marsha Powers said the 80 beds would come from three existing Tenet hospitals in the region, St. Mary's, Palm Beach Gardens and Good Samaritan medical centers. As a result, she predicted that Tenet's application to the Agency for Health Care Administration would go smoothly.

Powers said the hospital would emphasize orthopedics, oncology, senior care and digestive disorders.

Construction will begin once state approvals are in place. Construction should create 250 full-time jobs for two years, and the hospital itself will employ 250 to 300, she said.

Palm Beach County Commission Vice Chair Shelley Vana said the hospital should create an economic impact of about \$402 million over five years.

"Four hundred is a good number, and it is a return on our investment," Vana said.

The creation of a biotech hub was a critical goal of the state's initial \$300 million incentive grant to Scripps in 2005. Initially, Scripps was supposed to go on the vast Mecca Farms orange grove within the Acreage community. But as that proposal collapsed in litigation over its wetland and other permits, a plan to make Abacoa the home for Scripps was approved on the condition that land be set aside for the growth of a bioscience hub.

Last year the mile-square Briger parcel won zoning for biotech, offices, retail, a hotel and about 2,700 homes. Meanwhile, Florida Atlantic University is expected to play a role. Its honors campus is in Abacoa, next to Scripps and it appears likely to expand onto Briger.

FAU's Charles E. Schmidt College of Medicine last week admitted its first class of incoming students at FAU's Boca Raton campus. The med school will include a dual MD/PhD degree track, with the MD given by FAU and the PhD given by Scripps' Kellogg School of Science and Technology.

Security over the biotech venture has been tight after radical environmental groups twice sued and lost to prevent construction, because of the threatened creatures that make wooded parcel adjacent to Interstate 95 their home. Protesters from Everglades EarthFirst and the Palm Beach County Environmental Coalition have hung signs from trees and staged sit-ins on the land in the past, only to be arrested for trespassing.
