



**CHARLOTTE COUNTY**  
Economic Development

# WEEKEND WAVE

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## Friday Economic Roundup

### Incentive Density Adopted for Rental Development

The Charlotte County Board of County Commissioners, at its regularly scheduled land use meeting on Sept. 27, 2016, approved an amendment to the county's comprehensive plan to allow incentive density to be granted to multi-family rental projects. This action was taken to address the significant shortage of rental housing in the region, and is available for all types of multi-family rental housing projects from very-low income up to market rate rentals.

The county hopes developers will take advantage of this new incentive and bring some much-needed multi-family rental projects to the county and will assist however we can.

## Murdock Village plan begins to take shape

By **GARY ROBERTS** Charlotte Sun Staff Writer

PORT CHARLOTTE - Land-use attorney Geri Waksler has represented several potential developers of Murdock Village over the years. She said her current client, which envisions a modern, mixed-use planned community with North Charlotte Regional Park as its centerpiece, is different from past suitors in two distinct ways.

First, due to its vast resources, Private Equity Group, LLC would pay \$11.6 million in cash for 452 acres, rather than purchasing the land in phases, as previous would-be developers proposed. And because PEG has the money to proceed on its own, it can act quickly, but prudently, to seal the deal.

"This would not be a leveraged purchase. They have the luxury of not answering to a bank or stockholders," Waksler said.

In addition, without the need for financing, construction can start sooner, she said. The faster new homes are built and sold, the earlier the county draws rising property tax revenue.

A more immediate benefit to the county is that, once the land is transferred to private ownership, it will go on the tax rolls, producing at least \$15 million in annual property taxes right away, said Lucienne Pears, county economic development director. Currently, the county owns the land so no taxes are paid.

Secondly, Waksler's client is not asking for any tax increment financing from the Murdock Village Community Redevelopment Agency, which technically owns the site. Instead, TIF money, derived from escalating property tax revenues in Murdock Village, would go to the county, which will use it to pay off debt on the property, Pears said.

Beyond the residential component, there are 200,000 square feet of commercial and retail included in the plan, along with a 150-room hotel, which will generate more property and sales tax revenue.

According to an economic impact analysis performed by county consultant Impact Data Source, at build out the retail and hotel uses combined are projected to produce \$40 million in annual sales. Over a 20 year period, the project is expected to generate more than \$900 million in taxable sales, including construction activity as well as worker and visitor spending.

The analysis model also foresees the project creating 330 temporary construction jobs and 380 permanent jobs when completed.

These are the long term benefits that Charlotte County is counting on to reverse the financial wallop inflicted by Murdock Village since the county acquired it. Over the last decade, the county has spent \$128 million to purchase the property, with \$42.5 million of debt still remaining.

### **Both sides see eye-to-eye**

Although nothing is guaranteed at this point, Pears is satisfied with both the proposed project and the company behind it.

"I'm very impressed by what I see," she said.

And so is PEG president Donald Schrottenboer, who has had his eye on Murdock Village for a long time.

"I personally feel that it is one of the best infill projects in Florida," he said.

What makes it so attractive is its size and location, he said. The property is big enough to allow for an effective master plan and close to the Murdock commercial center, a growing North Port and key arterials U.S. 41 and State Road 776.

This is the third time since 2006 that Private Equity Group has inquired about Murdock Village, but in the past the county was looking for a higher sale price for an immediate return on its investment, Schrottenboer said.

"There's no way to recoup that investment upfront," he said.

Instead, the promise of increased property taxes and job growth in the long run led to a mutual understanding, he said.

Attorney Waksler said the proposed project is a good fit for both sides.

"This is really the first planned community in Charlotte County where you see a variety of housing types and price points," Waksler said. "It's really a game-changer."

### **Variety of housing**

As the master developer, PEG plans to sell sections of Murdock Village to home builders, with each "digestible pod" hosting about 80 residential units. This way, he said each builder can concentrate on providing a different type of housing product without the financial risk of tackling a huge, all-in-one development.

According to the conceptual plan, about one-third of the 2,400 residences will be single-family homes. The rest will be a combination of multifamily villas, townhouses, condos and apartments, which PEG may decide to build itself.

The variety of units will also feature a wide range of prices, he said.

In commissioning area market studies, Schrottenboer said prices will correspond to the needs of Charlotte County. The goal is to offer single-family homes with an average price from \$190,000 to \$200,000, he said, so they will be absorbed quickly into the market.

"We don't intend to be a leader in price points," he said. "We never create a market, we service a market."

With further environment analysis and permitting still ahead, he said it would likely be up to two years before construction begins, if everything is approved.

In the interim, Private Equity Group would be responsible for about \$12 million in public infrastructure on 75 acres, which is limited to the north-south corridor of an expanded O'Donnell Boulevard connecting U.S. 41 and S.R. 776.

These improvements would include utilities, water management, sidewalks, 10-foot-wide multimodal pathways, street lighting and landscaping. The county would reimburse the developer for the roadway cost.

PEG also would rip out all the degraded roads in preparation for development. Negotiations between the master developer and the builders will determine who ends up replacing the roads and extending utilities to home sites, he said.

Private Equity Group's letter of intent to the county triggers a 30-day window for other developers to come forward with bids. After this period, if no other offers are proffered, serious negotiations can begin.

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