

COMMERCIAL REAL ESTATE

## Fort Myers emerging

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The Allure condominium will contain 292 residences in twin 32-story towers in downtown Fort Myers. The project is scheduled to be complete in 2020. COURTESY RENDERING

Government officials, real estate developers and agents and business owners alike all knew that Fort Myers' downtown had the potential to be a stellar urban area.

But while progress was made in the 1990s to install infrastructure and important public areas, any momentum the city might have had was derailed by the economic recession of the past decade.

Today, though, more than a half dozen significant real estate projects are poised to add thousands of new residences, hundreds of hotel rooms, civic, retail and office space to the city's historic downtown.

In all, more than \$500 million in new investment is in the works and another \$400 million is being planned.

When completed, the new projects are expected to further fuel the dozens of restaurants, bars, night clubs and other social spaces that have sprung up in recent years.

“Downtown really hit a wall in 2009 with the crash of the market, but now we’re seeing a resurgence,” says Don Paight, who retired last October after a quarter century leading Fort Myers’ Community Redevelopment Agency.

“The city’s hitting a wave now. Several prominent downtown sites had been bank owned, but now they’re being purchased by private investors with plans for development.”

The centerpiece of the revival is a more than \$80 million plan to develop a 238-room, roughly five-star Marriott hotel adjacent to the Harborside Event Center, which also is undergoing a renovation. More than 200 municipal parking spaces also will be added to the downtown site.

The 12-story Marriott Autograph Collection hotel is slated to begin construction in May or June and be completed in summer 2019.

“I was a little skeptical of a plan to add a hotel there at first,” says Joe Collier, president of Mainsail Lodging & Development, the Tampa company that will develop the hotel. “But then I spent a few days in Fort Myers and I was amazed. When the opportunity came up to partner with the city on this project, we jumped in with both feet.”

In addition to the lodging project, roughly 600 condominiums are being designed for downtown sites, and another 370 senior housing units are in process.

The largest of the condo towers, Allure, will contain a total of 292 residences in twin 32-story towers that will be built by Jaxi Builders, of Miami, on a riverfront tract.

“We’re seeing a lot of end users that are looking to relocate here,” says Barbara Bengucheá-Perez, Jaxi’s director of sales and marketing for Southwest Florida. “People want the up-and-coming urban lifestyle that’s developing here.”

Allure will likely begin construction next year, with completion in 2020.

Before then, Jaxi plans to build a 15-story condo with 24 residences next door. One, as it is being called, is scheduled to break ground this summer and be completed sometime in 2018.

### **Setting the Stage**

Although the new projects’ vertical construction won’t be visible for months, the seeds of Fort Myers’ downtown revitalization actually took root nearly two decades ago.

At the time, roughly \$1 billion in public investment was made to install necessary infrastructure, build the 40,000-square-foot event center and buy land for the city’s 10-acre waterfront park.

The city’s Community Redevelopment Agency also assembled land to help persuade federal, state and county government offices to stay downtown rather than relocate to more suburban locations.

The plan worked. In the early 1990s, government occupied roughly 600,000 square feet of office space downtown. Today, that number has swelled to 1.6 million square feet, housing as many as 8,000 workers.

“The public investment and infrastructure, together with maintaining downtown as a government center, really set the stage for the private investment the city is seeing today,” says Paight, now a commercial real estate agent with CRE Consultants in Fort Myers.

In 2001, the city hired urban planner Andres Duany, of Miami-based Duany/Plater-Zyberk & Co., to develop a master plan for Fort Myers’ downtown, just as Sarasota did that year.

Duany recommended a series of improvements ranging from streetscaping to new utilities and security cameras, and formulated a new zoning code for downtown development.

Between 2003 and 2008, some \$500 million in investment flowed into downtown, as as many as 80 new businesses set up shop, spurring restaurants and shops to open.

Then the recession hit. Businesses shuttered. A 24-story former Sheraton hotel went bankrupt, then dark.

But the public investment had taken hold.

“The city had the foresight downtown to spend money rather than try to contract when the downturn came,” says Randy Thibaut, CEO of Land Solutions Inc., a Fort Myers commercial brokerage firm that specializes in land sales. “They put the bones in that led to new business coming in.”

The MacFarlane Group was no stranger to Fort Myers’ development cycles. Beginning in 2000, the company began developing a trio of waterfront condominiums.

“Fort Myers always had what makes a good city,” says Rebekah MacFarlane-Barney, the company’s COO. “We saw the effect on downtown when we started in 2000. What’s exciting now is it’s becoming multigenerational.”

MacFarlane Group has a trio of projects in design.

Prima Luce, a pair of 22-story towers, will contain 220 condo units downtown, while Campo Felice Retirement Living will deliver 322 upscale senior living residences later this year following a \$45 million renovation to the former Sheraton, which has sat empty for a decade.

A second Campo Felice Retirement Living phase costing \$45 million will add 99 assisted-living units and 20 memory care residences in a nine-story building. It is expected to be completed in the city’s historic district in 2019.

David Fry’s plan to develop The Place on First, a project being designed for 16 residences along with office and retail space, sprang from a personal desire.

“For the past five years, I’ve been personally intrigued with the idea of living in a downtown,” says Fry, a former CEO of residential builder WCI Communities, who plans to live in one of the units. First Place LLC hopes to break ground on its 94,000-square-foot project this spring, and finish construction in the third quarter of 2018.

“I think people today want increasingly to live in the heart of towns,” Fry says. “Within a few blocks of our project, there’s a library, two or three coffee shops, about 40 restaurants, churches, a marina, parkland. There’s a Publix supermarket about a half-mile away. What else do you need?”

Mainsail’s Collier, too, says the collective critical mass brought by all the new development will “energize” the center of Fort Myers.

“The more density the better, the more people living and working downtown the better,” he says. “The work the city has done has created a natural thoroughfare through the heart of the city, and our hotel will lift all the retailers and help the event center. Our plans will take things to another level.”

MacFarlane agrees.

“Campo Felice will have 65 employees initially,” she says. “They will stimulate the restaurants and housing and shopping, which will in turn help our projects. It’s all about synergy.”