

# DAVIE ECONOMIC

F • O • R • U • M

BUSINESS AND DEVELOPMENT NEWS IN THE TOWN OF DAVIE

SUMMER 2006

## Downtown Rebirth

*The ambitious and long awaited Downtown Davie project eventually will have 227 condos, 18 townhouses, 100,000 square feet of retail and office space.*

## Office Condos

*The developers estimate the project will add \$85 million in assessed value to the town's tax rolls and generate \$2 million in property taxes.*

## Common-Sense Government

*Bryan Caletka supports balanced growth, revisiting the town's master plan, and creating a long-term vision for the Town of Davie's future*





# DOWNTOWN REBIRTH

## Mixed-Use Project Will Anchor Downtown Davie's Redevelopment

**S**tarbucks and Quiznos have been signed. The town has lined up office space. And the first dirt has officially been turned in the transformation of the vacant, fenced southeast corner of Davie and Griffin Roads.

The ambitious and long-awaited Downtown Davie project eventually will have 227 condos, 18 townhouses, 100,000 square feet of retail and office space – the first major development of its kind in the area.

The first phase of the site work – a lake and the building pads – is expected to be done by this fall, said developer Mark Schmidt, of Nob Hill Partners LLC. The second phase, including the utilities, should be finished by late fall with construction starting in the early winter. The first group of buildings is expected to be ready in late 2007 or early 2008, he said.

Residential sales began in June with

about 10 percent sold so far. Schmidt expects to rev up advertising and promotions in the fall for the homes that feature granite counter tops, stainless steel appliances, high-speed internet hookups, a parking garage, high efficiency air conditioning and hurricane-resistant windows.

The two- and three-bedroom condos are priced from the high \$200,000s and three-bedroom, three-bath townhouses with two-car garages from the upper \$400,000s,

As for a real estate climate that's cooling from white-hot levels, Schmidt said, "I believe the market is going to be at a more realistic level." Gone are the days of sizzling condo sales when a new project sold out in two hours.

What's more, he said, "we're not selling the \$600,000 condo. Downtown Davie is more affordably priced. Value wins in the end."

While more homes and condos are on the market than a year ago and interest rates are rising, prices still are going up. The median price – half sold for more, half less – for an existing condo in Broward County in May was \$212,300 compared to \$194,900 a year ago, Florida Association of Realtors statistics show. In Miami-Dade, the price was \$250,900 versus \$233,100 last year.

Single-family homes also are increasing. In Broward, median prices rose to \$379,800 from \$367,000, while in Dade they went to \$379,700 from \$354,900.

Schmidt also is enthusiastic about the commercial aspect of Downtown Davie, which is close to major highways and colleges. Schmidt said he has letters of intent from about a dozen retailers and services as well as "a couple of very nice restaurants."

The site work loan is in place for the



### SPECIFICATIONS

- 50,000 SF condo office (2/3 of the spas was sold to Town of Davie).
- Remaining condo/office space starts at \$250 SF.
- 48,000 SF retail.
- Quiznos and Starbucks have signed. Other national retail companies are considering.
- Residential condo and townhome sales will begin in September or October.

## Downtown Davie



\$60 million development, and negotiations are underway for the rest of the financing, said Schmidt, a Davie resident. The architect is the Benedict Group, of Deerfield Beach, and the builder is Current Builders, of Pompano Beach.

The town expects the project to generate \$960,000 a year in taxes depending on the eventual assessment, said Will Allen, redevelopment administrator of the town's Community Redevelopment Agency.

Downtown Davie is "extremely important," Allen said. "It will help foster a pedestrian atmosphere where people can live and work. And it's going to bring people to the area and be a good anchor for this end of the Davie Road corridor." He also hopes it will encourage additional development. The CRA is providing \$2.25 million in site development assistance including burying utility lines.

The town is buying 33,852 square feet of office space for \$4.5 million, said Davie spokesman Braulio Rosa. Funds will come from permit fees.

The offices will house the town's Development Services Department, which includes building, code compliance, engineering and planning and zoning divisions.

The 80-employee department has already outgrown its current space. The new digs will give the department the ability to be a one-stop shop – a central permit area, said director Mark Kutney.

Schmidt is developing the project with partner Harvey Mattel, a real estate attorney in Fort Lauderdale. They've built Nob Hill Pavilion, a retail center, in

Plantation, and several homes in western Davie. Schmidt also has developed Pembroke Lakes Pavilion, a medical and office project, and Plantation Pavilion, an office and retail center.

The project has grown dramatically since they first conceived it several years ago, Schmidt said. "It will be a cornerstone for downtown Davie development."





# 523,000 SQ. FT. DAVIE OFFICE PARK

## Fall 2007 Opening Is Planned For Office-Warehouse Condo Development

**T**he promos for the 595 Corporate Park of Commerce waste few words: "Take control of your business address. Own your future," they say. "On the road to prosperity, this is your exit."

This exit happens to be Nob Hill Road at I-595, and the pitch is for the 42-acre office, retail, warehouse condominium project being developed by REMS Group Inc.

The 523,000-square-foot park will have 18 buildings developed in three phases with amenities such as a private lake, hurricane-resistant glass and underground utilities. Units range in size from 1,500 to more than 15,000 square feet and in price from \$300,000 to more than \$1 million.

With site plan approval in hand, the developers are now seeking other permits from agencies such as the South Florida Water Management District. Then they'll go back to the Town of Davie for building approval, said J. Brett Houston, partner with Robert Lechter in the Hallandale development company.

They expect within six months to have cleared the site, broken ground, and started pouring foundations, with the first

phase complete in the fall of 2007. Depending on sales, they hope to have all three phases of the \$60 million park finished by early 2008, Houston said.

The developers estimate the project will add \$85 million in assessed value to the town's tax rolls and generate \$2 million in property taxes.

***They opened a sales office in May and said they've taken more than \$14 million in reservations representing 41 percent of the 220,000 square feet in the first phase.***

They opened a sales office in May and said they've taken more than \$14 million in reservations representing 41 percent of the 220,000 square feet in the first phase. REMS anticipated converting the reservations to contracts within 60 days, Houston said. A local bank is providing construction financing for the project designed by Cabrera Ramos Architects, of Miami. Itasca Construction Associates, Boca Ra-

ton, is the general contractor.

Buyers include people who live in the area and want to be close to their businesses or those who have a base in Miami and want a branch in Broward.

Among them is Anil Rampersad, vice president of Maska USA Inc., an automotive parts import/export business, whose parent company is in Trinidad. They buy in bulk and consolidate and ship from their Miami facility.

Rampersad said he was interested in 595 because of the location, which is "a little more centralized between two airports." He's buying two units of 1,900 square feet each.

Ownership is appealing. "We think it's not feasible to lease, because what we do is long term," Rampersad said.

A lot of companies want to buy their own real estate, said Deanna Lobinsky, first vice president at CB Richard Ellis in Fort Lauderdale, who specializes in office space.

"The buildings that are all coming up out of the ground are having no problem. There's not a tremendous amount of them," she said.

With so many homes in this part of the county, people want to be close to their





work and cut down their commutes.

The average rate for office shells is \$250 to \$300 a square foot, up from around \$200 18 months ago.

New buildings in Broward's western suburbs "certainly make sense. You're in single digits in terms of vacancy rates in western Broward County in office space."

CB Richard Ellis' first quarter report on the overall Broward office market noted vacancy rates dropped to under 10 percent for the first time since the third quarter of 2000 when the rate was 9.5 percent. The 3.74 percentage point drop from 12.8 percent the first quarter of 2005 was due to healthy leasing activity as well as condo conversions.

CRBE's national snapshot shows Fort Lauderdale among the top five markets with the lowest office vacancy rate in both the metropolitan and suburban categories. Fort Lauderdale also scored in the top five for largest quarterly percentage point vacancy decreases in the metropolitan, downtown and suburban slots.

On the industrial side, the vacancy rate was 4.27 percent down from 5.6 percent in late 2004.

"It's been totally off the charts in demand for the condos," said Harry Tangalakis, senior vice president for CBRE, who specializes in industrial space.

Sixty-nine percent of the leases in Broward were under 12,000 square feet – a small user market, he said. "There's a pent-up demand for ownership in small sizes."

A 200,000-square-foot distribution center in Dania Beach east of I-95 recently sold out in six months, he said. Buyers were moving from leased space.

"They want to own something," Tangalakis said. "Most of the comments were, 'I just can't see continuing to spend money in rent'."

In Southeast Broward and the area around the 595 project, the vacancy rate is 1.3 percent.

"We're definitely in a landlord market. Landlords are not giving any concessions at all," he said.

The 595 partners already have developed the 215,000-square-foot Dolphin Park of Commerce, just west of Miami International Airport, which Houston said was 91 percent sold.

They had been looking intensely from Miami-Dade to Palm Beach counties for a few years for another opportunity. They wanted a large, well-located property, which is not easy to find, Houston said. They bought the 595 site in January for \$22 million. And, he said, they're still looking for more.

## Join The Town of Davie Economic Development Council

The Davie Economic Development Council (DEDC) works to increase capital investment, work-force creation and retention, income generation, a stable and diversified tax base, and economic growth in the Town of Davie.

The DEDC is supported by its members – a coalition of businesses, government, educational and social organizations, and the area chamber of commerce. Membership in the Davie Economic Development Council is open to businesses, organizations, educational institutions and any individual who is interested in the future of Davie. Members receive a quarterly newsletter, an invitation to the organization's annual meeting, participation in board subcommittees, and the opportunity to use their expertise and influence to help shape economic development policies in the Town of Davie. For information, call 954-797-2087.

### **MEMBERSHIP APPLICATION** **MEMBERSHIP FEE: \$100 PER YEAR**

*Mail To: Town of Davie Economic Development Council, Inc., 6591 Orange Drive, Davie, FL 33314*

NAME: \_\_\_\_\_ COMPANY: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

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## TOWN COUNCIL MEMBER PROFILE

# Bryan Caletka Supports Balanced Growth And Common-Sense Government

*It is important to have a broad vision for improving downtown so that we can attract appropriate redevelopment to create a place where people can live, shop, dine, and enjoy being downtown.*



*Bryan C. Caletka was elected by a majority of the residents of the Davie's District One in March to represent them on the Davie Town Council. Mr. Caletka earned a master of science degree in genetics from the University of Rochester, a master of science degree in biology from the University of Texas, and a bachelor of science degree in biology from the University of Texas. Mr. Caletka decided to run for town council after his car was broken into twice and he received no satisfactory assistance from the Davie Police Department or the then town council member.*

### **What do you think about increasing the sales tax in Broward County by a penny to support county wide transportation improvements?**

We are currently at six cents in Broward County. Even with an increase of one cent, it still puts us below Miami-Dade County. If Broward voters approve the sales tax increase in November, Davie would receive about \$1.1 million per year that would be earmarked for transportation. This frees up tax dollars that we currently use for transportation – our blue and green bus lines – for other uses. The funds would help Davie connect to other transportation initiatives, such as a rail line down 441 and a cross-county rail system along I-595.

### **Downtown Davie has boarded up buildings, empty lots, and run-down buildings, amidst several well-kept or recently constructed office buildings. What can be done to improve the appearance of downtown, which includes part of District One?**

I supported the Davie Settlement master plan when it recently came before town council. It is important to have a broad vision for improving downtown so that we can attract appropriate redevelopment to create a place where peo-

ple can live, shop, dine and enjoy being downtown. I would like to see this move forward as quickly as possible. We need to kick-start business development downtown, such as by creating special zones for a limited time in which new businesses are provided a tax and fee abatement in their first year. The town would more than recoup the revenue over time.

### **What is your philosophy about how the Town of Davie's budget should be balanced?**

We give a lot of money to charities – upwards of \$600,000 to \$700,000. I would be much happier if we adopted a system where we give \$60,000 a year to a community chest, like Coral Springs does, where there is a board of directors that makes decisions on how much money charities receive based on how much help they give to the community.

The town council recently voted to give \$27,000 to The Hispanic Fest at Broward Community College. I voted against it because it was unbudgeted. I did not see that they directly helped Davie residents. Not only that but they broke their contract with us. They were supposed to end at 8 p.m. and they ended at 10:30, so we have an extra hour and a half to pay police officer. We gave them \$27,000 and spent more.

I would actually be in favor of the community chest and save all those charitable contributions that we have now.

### **What other areas that you see?**

I think the police department needs to be examined more closely. They are approximately one-third of our budget, yet they complain that they don't have enough officers. I think there are a lot of nickels and dimes that can be freed up to hire officers. I think that we are management heavy. BSO has six majors per 1,200 deputies. We have two majors, three captains and a police chief, none of whom are on the road, for 164 officers, and we have six lieutenants who are on the street. You are talking a major or captain to two officers on the street (in terms of salary).

I recently proposed that we have an efficiency study performed on the town's departments to determine whether our employee resources are being most efficiently utilized.

However, the town's problems are deeper than the budget. It's an attitude. For example, the town's utility department recently requested \$67,000 for a backhoe. When backhoes are continually operated, they last six to eight years. I talked to the department head and discovered that the backhoe that needed replacement was 18 years old. He said that was a crapshoot as to whether it would start each day. When he asked for a new backhoe in the past, previous administrations turned him down because they wanted to appear to save money. In fact, when the backhoe doesn't start, there are people on the payroll who cannot perform their jobs, so we end up wasting money. I voted for a new backhoe.

#### What does a balanced tax base mean to you?

You come up with a formula for commercial to residential development that provides a sustainable tax base into the future, and you stick to your guns and don't change. Otherwise, we end up like Cooper City where we would have way too much residential and don't have the balance of commercial developments that provide higher levels of tax revenue but have lower servicing costs for the town. Cooper City's property tax millage rate is higher because they don't have that balance. It's a nice community, lower in crime, but their taxes are higher.

I like the plans that we have now where the center of the town is away from the major development corridors – State Road 441, which has a huge potential tax base; and along interstates 595 and 75. I think the intent was to put commercial out there, but some residents that live along the highway don't want it.

We should have developments where there is an infrastructure that supports higher density – such as at the intersection State Road 84 and State Road 441. It's a transportation hub and, when the mass-transit rail systems are developed, would be a great area to live and work.

#### Sounds like you are talking about some kind of master plan for the town.

It's been a long time since it's been updated. I don't think it's going to be moving forward anytime soon. The idea doesn't have town council support.

#### Do you think a review of the Town of Davie Charter is a good idea?

Voter turn out is low. That tells one of two things: You are making it inconvenient for the voters, or they are really unhappy and they are not coming out to vote. I think it's a mixture of both of those. I think that if there is charter review, we can move the elections to November. I would like to see it integrated with the major election cycles. I think it would also save us money. That means we could either go to two or four year terms. I think it would be best to go to four-year terms.

A charter review also would look at council pay. We are paid \$600 per month. Increasing pay may draw more people out to run for office. If incumbents have opponents, it may encourage them to remain honest about their service on the council.

#### How do you prepare for council meetings?

I receive the meeting agenda on the Friday before the meeting and look at it Friday night. Then I devote that Saturday and Sunday assembling the questions that I need to ask the department heads, and then I call and e-mail them on Monday. I get my answers back. If I don't like the answers or they are insufficient, I spend Tuesday sending out more in-depth questions. I'll tell the department heads my answer, and give them the reason why. I tell them they can address these or I'm going to pull them from the consent agenda. I don't want them to feel that they are caught off guard, nor do I want to appear to be showboating with them either. I let them know that I'm going to pull the item, and these are my concerns. If they address them, then I won't have to do it.

#### What observations do you have about serving on the council?

One sort of becomes a mini-celebrity. People say "hi" to you when you're out shopping. I spend a lot more time doing council-related things, too. I haven't drawn the line yet. I do enjoy everything that I've done so far.

*Town of Davie Councilman Bryan Caletka can be contacted at: [bryan\\_caletka@davie-fl.gov](mailto:bryan_caletka@davie-fl.gov), or by telephone: (954) 797-1030.*

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SUMMER 2006

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- Ultra-durable, energy-efficient solar-tinted hurricane impact glass windows
- Fantastic amenities including a pool, fitness center & BBQ area
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