

REIS REPORT

May 2017

news for Southwest Florida's commercial and investment real estate community

REAL ESTATE INVESTMENT SOCIETY

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Bill Morris
Mark Morris
Chris Pacitto
Kent Poli
Past President Amanda L. Brock, Esq.

BOARDROOM REPORT

News from recent REIS board meetings

Luncheon Programs:

The May 9th luncheon will feature a development update on Babcock Ranch, presented by Al DiNicola of Kitson & Partners, sponsored by [ADG Architecture, LLC](#).

The June 13th luncheon will be sponsored by [Thrivent Financial](#).

The 2017 Legislative Review is planned for the July 11th luncheon, sponsored by [Stantec](#).

REIS welcomes your suggestions for programs. Please share your ideas with [Bev Larson](#), 239.281.1290.

Sponsorships:

Contact [Chris Pacitto](#), 239.689.1474, for information and availability of opportunities to sponsor REIS events.

Annual Social Event:

The popular event will take place on November 16th and prime sponsorships are available.

Real Estate Symposium:

Annual educational program presented in partnership with Lutgert College of Business at Florida Gulf Coast University (FGCU), to take place at FGCU on September 14th. Plans include national speakers on real estate trends and panel discussions on regional markets.

Scholarship:

Committee Chairman Mark Morris explained the program to FGCU real estate and finance classes in April.

REIS WELCOMES NEW MEMBERS

Please join in welcoming our new members:

Stuart Tackett, an associate with CRE Consultants, is based in the Naples office and specializes in business brokerage and land sales.

Nate Sallee is the owner of Sallee Promotions, providing a wide range of business promotional products.

Only 10 memberships remain available. Information and application is on the [REIS website](#).



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HEARING TO REVISE CONSTITUTION

Florida's Constitutional Revision Commission will hold a public hearing in Fort Myers on May 10th to explain the process and hear comments and suggestions. The hearing is open to all, 5 - 8 p.m. at Suncoast Credit Union Arena at Florida Southwestern State College. The Commission convenes every 20 years. More information is available at www.revisefl.com.

ANNUAL BROWNFIELDS SYMPOSIUM

The South Florida Brownfield Symposium will include educational seminars, presentations from industry and regulatory experts, panel discussions and networking events. The program is designed for developers, investors, realtors, government agencies, and related development professionals. It is presented by the Southwest and Central Florida Regional Planning Councils, the Florida Dept. of Environmental Protection, and the Florida Brownfield Association. It takes place in Sebring on June 7th and 8th. Details on [REIS calendar](#).

BROWNFIELD INVESTMENT

A recent article in *National Real Estate Investor* asserts that brownfield projects can be rewarding but require execution on four important elements: 1) quantifying the problem before buying; 2) apportioning risk between seller, insurance, financiers and yourself; 3) accessing public money; and 4) selecting the right options for remediation. [Click here](#) for the full article.

CONVENTION HOTEL PROGRESSES

Plans have been revealed for the Luminary Hotel, a 12-story, 237 room hotel to be built next to the Harborside Event Center in Fort Myers. The hotel will also have 8,000 sf for functions, a diner, restaurant, retail space, and a parking garage. Groundbreaking is expected in June with the hotel projected to open in early 2019. A pedestrian bridge will connect the hotel to Harborside Event Center, which is slated for \$8.5 million in renovations to begin this year. The Harborside project is being funded by Lee County and the City of Fort Myers.

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PROPERTY TAX CAP APPROVED

The Florida Legislature approved SJR 76 / HJR 21, a bill placing an amendment on the 2018 ballot to make the cap on annual commercial property tax increases permanent. The current 10% cap for non-homestead properties will be automatically repealed in January 2019 unless renewed by a majority vote of electors in the 2018 general election. The existing cap was approved by voters in 2008 as part of the Save Our Homes portability amendment. Florida Realtors Association has established an advocacy website: www.protectthecap.com. The site features an interactive tool that shows the negative impact on non-homestead property owners if the cap is allowed to expire.

COMMERCIAL LEASE TAX

The House passed SB 7109 which would reduce the tax rate on commercial leases from 6% to 4.5% for 2 years, then raise it to 5.5% permanently. A bill in the Senate would reduce the tax to 5% and passed the Community Affairs Committee. Another Senate bill, SB 378, would reduce the tax rate to 5% and eliminate an existing tax credit for insurers. Legislation will likely take place in conjunction with passage of the state budget, which legislators expect to resolve by mid-May. If passed by the Legislature, the final decision will be up to the Governor.

COMMERCIAL REAL ESTATE IMPACT

The National Association of Industrial and Office Parks (NAIOP) ranked Florida among the top five states in the nation for commercial real estate industry spending impact and the number of jobs the industry sustains. The total impact — combining hard costs for materials, site selection and development and soft costs such as design fees — in Florida totaled \$7.6 billion last year. Direct spending on commercial real estate in Florida was topped only by New York, at \$24.8 billion; Texas, with \$18.5 billion; California, at \$14.3 billion; and Louisiana, with \$9.9 billion, according to NAIOP's latest ["Economic Impacts of Commercial Real Estate."](#)

NEW BOSS ON THE BEACH

Roger Hernstadt is now the Town Manager for the Town of Fort Myers Beach, taking over from interim manager Jim Steele. Hernstadt previously served as the town manager for Marco Island and Marathon.

LEGISLATIVE ACTION REPORT

Economic Development (CS/CS/HB 7005)

Eliminates Enterprise Florida and transfers programs to Dept. of Economic Opportunity (DEO). Allows Florida Tourism Industry Marketing Corp (VISIT Florida) to continue operations. Passed by the House, now in Senate Appropriations and Rules committees.

Local Business Regulation (CS/HB 17)

Bill would prohibit local governments from adopting or imposing a new regulation on a business, profession or occupation after January 1, 2017 unless expressly authorized by general law. Regulations adopted prior to this date would expire on January 1, 2020. Now in House Commerce committee.

Water Quality (SB 10/HB 761)

Senate and House both approved a project to borrow \$800 million to expand a planned reservoir on state land south of Lake Okeechobee for use in storing and treating excess water. The project still requires the Governor's approval and for Congress to provide half of the funding for the estimated \$1.6 billion project.

Stormwater Management (SB 1378)

Would require all local government stormwater management plans to follow Dept. of Environmental Protection best management practices.

Septic Tank Inspections (CS/CS/HB 285)

Amended to delete proposed mandatory inspections and now just requires sellers to disclose the presence of a sewage treatment and disposal system on site. Approved by House, now in Senate committees.

Property Rights (SB 940)

Would require local governments to address protection of private property rights in their comprehensive plans.

Flood Insurance (CS/CS/HB 813)

Senate and House both passed a bill revising regulation of flood insurance and authorizing issuance of excess flood insurance policies.

Procurement of Professional Services (HB 789)

Proposed legislation to remove many qualifications from consideration and place more emphasis on price when awarding state contracts for architectural, engineering, and related services. Now in Accountability committee.



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