

real estate

COMMERCIAL CONNECTION

Cape Coral at crossroads

Small tax districts could be used for projects.

By Mark Alexander
marka@svn.com

Cape Coral is trying to figure out who it wants to be when it grows up. It is at a crossroads now trying to decide which road to take much like the adolescent facing adulthood. The real estate bubble and "Save-our-Home" caps on many real estate tax bills have depressed revenues required to run the city. And that does not appear to be changing anytime soon. The city has cut spending to the bone but is now faced with crumbling infrastructure with many roads in desperate need of repair and numerous fire-trucks that are lucky to make it to fires without falling apart en route.

A large percentage of Cape Coral residents are retirees living on fixed incomes who tend to vote "Hell no" when it comes to any proposed new tax increase regardless of need. But does Cape Coral really want to be known as the town you move to if you lose your job because it is the cheapest place to live? Other parts of Lee County already have that reputation and that may not be a competition Cape Coral residents wish to enter.

Cape Coral City Manager John Szerlag reached out to local business people in the medical community recently to seek outside opinions on possible ways to grow the city and ask these tough questions. Attending this medical roundtable discussion at City Hall on Feb. 13 included COO of Lee Memorial Health System, Lawrence Antonucci, MD; CAO of Cape Coral Hospital, Scott Kashman; Sandra McDonald of Pro-Med Instruments, Dr. Louis Scoma, myself and

numerous city staff including Dan Burnett, Economic Development Director.

The conclusion reached is demonstrated in this simple analogy. Consider two similar office buildings (A and B) on the same street. Building A has a good long term history of tenant occupancy and building B does not. The owner of building A invests his money to keep up with routine maintenance outside and in, so that his tenants hardly ever complain. This in turn leads to happier customers with stable occupancy and cash flow. But the owner of building B is always cutting corners and putting off needed repairs with one excuse after another. The tenants in Building B get tired of the excuses and after a while simply move to another location. This leads Building B to a history of poor occupancy with poor cash flows. (This scenario, by the way, can be seen in reality on many of our commercial streets today.)

If Cape Coral can act like the owner of building A and keep up with needed maintenance, even if it means a slight increase in taxes, it will preserve a quality of life that will be enjoyed by residents while attracting others that will lead the city to a future of positive growth more quickly. That was the consensus from the medical business roundtable meeting at City Hall recently.

The Cape also suffers from a geography problem. The city is just too big. When one small part needs to be improved, do you think residents from another part of the city will agree to fund repair for a problem in someone else's neighborhood? People like to keep their own

backyards clean and are reluctant to step forward to help someone else keep theirs clean.

The city of Fort Myers faced this same geography problem years ago when Mayor Bruce Grady was in office. A group of property owners calling themselves the "Central Fort Myers Property Owners Association" led by Dr. Robert Brueck approached Mayor Grady to complain about crumbling conditions in central Fort Myers around the Edison Mall.

The Winkler Safe Neighborhood Improvement District emerged from this meeting. To help this group of concerned citizens, the city researched the cost of all improvements requested. The city then sent ballots to all property owners (residential and commercial) within this Winkler District and asked them to vote on one of three choices: The first choice was to fix all things outlined by this group of owners. The second choice was to fix half of all things outlined. The third choice was to do nothing. The outcome of this exercise was the successful creation of a TIF or tax increment finance district.

The city of Cape Coral might consider using a TIF for sprucing up parts of the city that need it the most and let residents in each area affected decide if they want a nicer place to live or not. When it comes to making that call on your own neighborhood, it is easier to decide. If we do what is necessary to maintain a good quality of life, more people will move here faster and more jobs will be created faster.

Mark Alexander is national director of medical office sale/leasebacks for Sperry Van Ness in Fort Myers.